United States of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, FIRST SESSION

## SENATE—*Wednesday, April 28, 1999*

The Senate met at 10:30 a.m. and was called to order by the President pro tempore (Mr. THURMOND).

### PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Father, the day stretches out before us filled with opportunities and responsibilities. There also are pressures and problems, stresses and strains, fears and frustrations. We commit the day to You, Father. There are vital things we know that You will never do. You will never give us more than we are able to carry. You will never leave or forsake us, and You will not let us drift from Your care. And there are some reassuring things that we can count on You to do. You will supply us with strength for each challenge, wisdom for each decision, enabling love for each relationship. We claim Your promise, ''I will be with you; I will comfort and uplift you; I will show the way.''

Thank You for being our Light in darkness, our Peace in turmoil, and our Security in distress. We praise You for giving us this new day and for showing us the way. Through the Way, the Truth, and the Life. Amen.

### RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

Mr. BROWNBACK. I thank the Chair.

### SCHEDULE

Mr. BROWNBACK. Mr. President, today the Senate will be in a period of morning business until 12 noon. Following morning business, the Senate will resume consideration of S. 96, the Y2K bill. A cloture motion on the pending McCain amendment was filed on Tuesday. Therefore, that cloture vote will take place on Thursday at a time to be determined by the two leaders. All Senators will be notified when that time has been decided. Votes are possible today on any legislative or executive items cleared for action.

I thank my colleagues for their attention.

### RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. ROBERTS). Under the previous order, the leadership time is reserved.

### MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 12 noon with Senators permitted to speak therein for up to 10 minutes each.

The distinguished Senator from Kansas is recognized.

Mr. BROWNBACK. I thank the distinguished Senator from Kansas very much for the recognition.

### MUSIC IN OUR CULTURE

Mr. BROWNBACK. Mr. President, I have some comments I will make today following what has happened in Colorado, the Columbine tragedy that occurred this last week which has caused all of us really to reflect on the causes and the cures. As we mourn the loss of so many precious young lives, we really have to ask ourselves, how did we get to this place? Why do so many young people with so much going for them in their lives have such despair and so much hate?

Obviously, there are no easy answers and certainly no silver bullets. There are many factors which led those two young men to don trench coats and kill, just as there were many factors that resulted in the shootings in Jonesboro, Paducah, Pearl, and Springfield, communities the names of which have become all too familiar to us via school tragedies where a child has killed other children.

But there are enough common factors that I believe we can start to pull together some ideas as to what is causing this and some solutions. One of the most obvious conclusions is this: The immersion of troubled kids in a violence-glorifying culture is a recipe for disaster.

Monday, I addressed this body on the need for a commission on cultural renewal. Today, I would like to address the importance of one of the most important elements that makes up our culture, and that is our music. In many ways the music industry is more influential than anything that happens here in Washington. Most people spend far more time listening to music than watching C–SPAN or reading the newspaper. They are more likely to recognize musicians than Senators—I guess maybe unless the Senators sing. And they spend more time thinking about music than about government.

All of those can seem to be some fairly trite statements, but when you look at what we are putting out in the music and then ask that question, it takes on a different color.

Of course, no one spends more time listening to music than the young people. In fact, one recent study conducted by the Carnegie Foundation concluded that the average teenager listens to music around 4 hours a day—about 4 hours a day. In contrast, they spend less than an hour a day on homework or reading, less than 20 minutes a day talking with mom, and less than 5 minutes a day talking with dad.

If this study is true, there are thousands, perhaps even tens or hundreds of thousands, of teens who spend more time listening to the music of such artists as Marilyn Manson or Master P than mom or dad.

In fact, Marilyn Manson himself said this:

> Music is such a powerful medium now. The kids don't even know who the President is, but they know what's on TV. I think if anyone like Hitler or Mussolini were alive now, they'd have to be rock stars.

Over the past few years, I have grown increasingly concerned with the popularity of some lyrics, lyrics which glorify violence and devalue life. Some recent best selling albums have included graphic descriptions of murder, torture, and rape. Women are objectified, often in the most degrading ways. Songs such as Prodigy's ''Smack My B. . . Up'' or ''Don't Trust a B. . .'' by

● This "bullet" symbol identifies statements or insertions which are not spoken by a member of the Senate on the floor.

the group Mo' Thugs actively encourage animosity or even violence towards women. A few years ago, the alternative group ''Nine Inch Nails'' enjoyed critical and commercial success with their song ''Big Man With a Gun,'' which described forcing a woman into oral sex and shooting her in the head at point-blank range.

I brought along a few examples of the kind of music I am talking about. Each of the Marilyn Manson songs shown here are from his 1996 album ''Anti-Christ Superstar,'' an album which debuted at No. 3 on the Billboard charts. These are some of the song lyrics that you can look at. I want to point it out because it is about the culture of violence and the culture of death, and they may be unpleasant words for us to look at, but when these debut at No. 3 on the Billboard charts, when that song wraps itself around one's inside, when it wraps around a person's soul, it has an impact just as significant as when we might listen to John Philip Sousa's music and it makes us feel patriotic and uplifted or a love song makes us loving. Violent, hateful, misogynistic music encourages that in us as will violence come from hate music.

Look at this:

MARILYN MANSON, ''IRRESPONSIBLE HATE ANTHEM'' (ANTI-CHRIST SUPERSTAR) ON NOTHING/INTERSCOPE RECORDS

I'm so all-American, I'd sell you suicide
I am totalitarian, I've got abortions in my eyes
I hate the hater, I'd rape the raper
I am the animal who will not be himself
F*** it

Hey victim, should I black your eyes again?
Hey victim, you were the one who put the stick in my hand
I am the ism, my hate's a prism
Let's just kill everyone and let your god sort them out
F*** it

Everybody's someone else's n**ger/I know you are so am I
I wasn't born with enough middle fingers/I don't need to choose a side.

---

DMX, ''GET AT ME DOG'' (IT'S DARK AND HELL IS HOT) ON DEF JAM RECORDS/POLYGRAM

Well in the back with ya fag*** a** face down
Lucky that you breathin but you dead from the waist down
The f*** is on your mind? Talking that s**t you be talkin
And I bet you wish you never got hit cause you be walkin
But s***t happens and f*** it, you gon' did ya dirt
Because we wondering how the f*** you hid your skirt
Right under their eye, master surprise to the guys
And one of their mans was b**ch in disguise
F*** home we capture with more hits and slaughter more kids. . .
You know for real the n**ga came f**in sucked my d**k
And it's gonna take all these n**gaz in the rap game
To barely move me, cause when I blow s**t up
I have n**gaz falling like white b**ches in a scary movie
Ah, you know I don't know how to act
Get too close to n**gaz, it's like:
''Protected by viper, stand back''
What's this, I thought n**gaz you was killas demented
F*** y'all n**gaz callin' me coward finish him and send it.

---

MASTER P, ''COME AND GET SOME'' (GHETTO D) ON NO LIMIT/PRIORITY RECORDS

I got friends running out the f***in' crack house
I'm not P but I dumpin n**gas like Stackhouse
They call me C-murder, I'm a member of the TRU clique
You run up the wrong boy, you might get your wig split
I'm known in the ghetto for slangin' narcotics
Them feds be watchin but dem 'hoes can't stop me s**t
My game so tight ain't got no time fo slip-ups
I come up short I'ma bust yo' f***in' lip up
Cuz money and murder is the code that I live by
Come to ya set and do a muthaf***in' walk-by
Deep in the game, preparing for the worse
(What about dem po po's)
I wanna put them in a hearse
They took me to jail wit 2 keys in the back trunk
Fresh out of the county still smellin like about a buck
If you want something, come and get somethin . . .

---

DOVE SHACK, ''SLAP A 'HO'' (THE DOVE SHACK) ON POLYGRAM

Hello all you pimps and playas that got hoes out there that get outta line.
You know the ones that's talking heads, but not giving head.
They wanna be spoon-fed.
You know the ones I'm talking about with no money, wanna be calling you honey? . . .
Hey, if your gal is giving you problems (and I know she is) what I want you to do is . . .
Run out and get the amazing Slap-a-Hoe device.
This stupendous device will put any hard-headed, loud-mouth talking in public b**ch in check in less than 20 minutes. . . .
Post up against that b**ch's tilt for a little bit, smack her around with the Slap-a-Hoe and I guarantee in less than 20 minutes that b**ch will be back in line . . .
Hey, how do you keep hoes in check?
Well god * * * *, I had more problems than O.J.
But now, I reach back with 9.6 velocity and slap the snot out of the b**ch . . .
I used to have all the problems in the world with dem hoes.
Spending my last penny and not gettin' no p***y.
But now, thanks to that amazing device, I invoke that touch and get twice as much . . .
Brought to you by the makers of Slam-a-Ho and Drag-a-Ho.

---

FIEND, ''ON A MISSION'' (THERE'S ONE IN EVERY FAMILY) ON NO LIMIT/PIORITY RECORDS

N**ga you really f***ed up.
We on a muthaf***in' mission . . .
Retaliation is a must
Dumpin rounds on my muthaf**in adversaries.
N**ga, n**ga ridin dirty for revenge
With my friends, I'm on a caper
Ready to kill 'em, if I see 'em
F*** alarm, hold my paper
I'm a rider, so I leave 'em where I left 'em
When I creep, n**gas sleep
And they ain't restin til they deep up in concrete. . . .

Loco this is the deal, let's put the gun
To the small of his neck, we got caught up and blast
Until there's nothing left . . .

Pulled the trigga on my n**ga
As the forty caliber shell, blew up in the neck
Twice in the head, he was dead 'fore his body hit the ground.
Pull up next to the bodies, I was runnin'
My dog's head was blew off . . .
Hit the driver's side window, as they crash into a pole
With a few left in the clip
Some for the driver, the passenger, and the rest of the trigger men.

If these were some off-beat records that were out in a few isolated places, you would probably say, well, you know, that is the price you pay for freedom, for a free culture. But these are not. These are top-of-the-chart hits that are out there playing endlessly in too many cases and even being marketed to a very troubled youth's mind.

Are we really surprised, then, when some things happen that are pretty strange? That there seems to be so much violence and so much hatred out in this culture? Are we really that surprised? Should we be really that surprised?

I hope people are listening and I hope they are looking.

These are not obscure songs. They are immensely popular, and hugely profitable. They are backed by some of the largest, most prestigious corporations in our country and the world—Time-Warner, Seagrams/Universal, Sony, Polygram, Viacom, BMG, and Thorne-EMI.

I ask if any of the executives of these companies would allow their children to listen to this music? Would they? I hope not. Yet they are selling it and making millions.

Many of my colleagues may not be familiar with these lyrics. Until the past couple of years, I wasn't, either. But most kids are very familiar with them. They make up a vital part of the cultural ocean in which they swim. The messages of these songs are heard over and over, until they are, at the least, familiar, and at worst, internalized.

A little over a year ago, I chaired a hearing on the impact of violent music on young people. During this hearing, we heard a variety of witnesses testify on the effects of music lyrics that glorified violence, sexual torture, and suicide. We heard from the nation's experts on the subject. Their conclusion was unanimous: music helps shape our attitudes.

This is important. Studies indicate that the average teenager listens to

music around four hours a day. It simply stands to reason that what we hear, and see, and experience cannot help but affect our attitudes and assumptions, and thus, our decisions and behavior. If it didn't, commercials wouldn't exist, and anyone who spent a dollar on advertising would be a fool. But advertising is a multi-billion dollar business. Why? Because it works. It creates an appetite for things we don't need, it affects the way we think, the things we want, and the things we buy. What we see and what we hear changes how we act.

Thousands of years ago, the philosopher Plato noted ''Musical training is a more potent instrument than any other, because rhythm and harmony find their way into the inward places of the soul, on which they mightily fasten.'' Can anybody listening to this today not readily pull up a song in their mind and listen to it right now? Because it wraps around their inner being.

Unfortunately, perhaps the last sector of society to acknowledge the importance and effects of music is the music industry.

In this hearing, I asked Hilary Rosen, the president of the Recording Industry Association of America, the trade organization of the music industry, the following questions. I asked, ''Who purchases Marilyn Manson albums? Do you know anything about the demographics of those who purchase these albums?'' She answered ''No.''

I asked, ''Have you looked at the demographic profile of those who purchase shock rock or gangsta rap records? She answered ''No.'' Later in her testimony, she asserted that ''the purchasers of this [Marilyn Manson's ''Anti-Christ Superstar'' album] album in retail stores are over the age of 17.''

I thought—I would be happy to be wrong about this, but somehow, I doubt that the majority of Marilyn Manson fans are out of their teens. The appeal of this music appears to be the greatest to teenagers—the very group of people who are supposed to be protected from it. But they're not.

Let me be clear: I am opposed to censorship of music. I believe the first amendment ensures the widest possible latitude in allowing various forms of speech—including offensive, obnoxious speech. But the fact that lyrics which celebrate should be allowed does not mean that they should be given respectability. There are some forms of speech which should be thoroughly criticized and roundly stigmatized, even though they are allowed. Freedom of expression is not immunity from criticism.

What we honor says as much about our national character as what we allow. There is an old saying ''Tell me what you love, and I'll tell you what you are.'' A love of violence, murder, mayhem, destruction, debasement and pain, as reflected in the popularity of gory movies, violent music, a burgeoning porn industry, grotesque video games, and sleazy television is a cause for national concern. What we honor and esteem as a people both reflects and affects our culture. We grow to resemble what we honor, and we become less like what we disparage.

Glorifying violence in music is dangerous—Because a society that glorifies violence will grow more violent. When we refuse to criticize the gangsta rap songs that debase women, we send the message that treating women like chattel is not something to be upset about. Record companies that promote violent music implicitly push the idea that more people should listen to, purchase, and enjoy the sounds of slaughter. When MTV named Marilyn Manson the ''Best New Artist of the Year'' last year, they help him up as an example to be aspired to. Promoting violence as entertainment corrodes our nation from within.

This is not a new idea. Virtually all of the Founding Fathers believed—even assumed—that nations rise and fall based on what they honor and what they discourage. Samuel Adams stated ''A general dissolution of principles and manner will more surely overthrow the liberties of America than the whole force of a common enemy.''

Next week, we will have a hearing to explore whether violence is actually marketed to children. We have invited the presidents and CEOs of the big entertainment conglomerates—Time-Warner, Viacom, BMG Sony, Sega, Nintendo, Hasbro. We hope they will come and help us begin a fruitful discussion on what can be done to protect our children from entertainment which glorifies and glamorizes violence.

Mr. President, I have gone on for some time, but I think this is critically important, particularly in light of what we experienced this past week that has shocked us as a nation and really caused us to ask why and what do we do to change.

I think it perhaps was best summarized in a speech given by the Most Rev. Charles Chaput who is the Archbishop of Denver.

Mr. President, he said this:

As time passes, we need to make sense of the Columbine killings. The media are already filled with ''sound bites'' of shock and disbelief; psychologists, sociologists, grief counselors and law enforcement officers—all with their theories and plans. God bless them for it. We certainly need help. Violence is now pervasive in American society—in our homes, our schools, on our streets, in our cars as we drive home from work, in the news media, in the rhythms and lyrics of our music, in our novels, films and video games. It is so prevalent that we have become largely unconscious of it. But, as we discover in places like the hallways of Columbine High, it is bitterly, urgently real.

The causes of this violence are many and complicated: racism, fears, selfishness. But in another, deeper sense, the cause is very simple: We're losing God, and in losing Him, we're losing ourselves. The complete contempt for human life shown by the young killers at Columbine is not an accident, or an anomaly, or a freak flaw in our social fabric. It's what we create when we live a contradiction . . . we can't market avarice and greed . . . and then hope that somehow our children will help build a culture of life.

He concludes by saying—and the title of his speech is, ''Ending the violence begins with our own conversion'':

In this Easter season and throughout the coming months, I ask you to join me in praying in a special way for the families who have been affected by the Columbine tragedy. But I also ask you to pray that each of us—including myself—will experience a deep conversion of heart toward love and non-violence in all of our relationships with others.

Mr. President, I ask unanimous consent that the speech of the Most Rev. Charles Chaput be printed in the RECORD.

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

[From the Denver Catholic Register, Apr. 21, 1999]

ENDING THE VIOLENCE BEGINS WITH OUR OWN CONVERSION

(By Most Reverend Charles J. Chaput, O.F.M. Cap.)

*He descended into hell.*

Over a lifetime of faith, each of us, as believers, recites those words from the Creed thousands of times. We may not understand them, but they're familiar. They're routine. And then something happens to show us what they really mean.

Watching a disaster unfold for your community in the glare of the international mass media is terrible and unreal at the same time. Terrible in its bloody cost; unreal in its brutal disconnection from daily life. The impact of what happened this past week in Littleton, however, didn't fully strike home in my heart until the morning after the murders, when I visited a large prayer gathering of students from Columbine High School, and spent time with the families of two of the students who died.

They taught me something.

The students who gathered to pray and comfort each other showed me again the importance of sharing not just our sorrow, but our hope. God created us to witness His love to each other, and we draw our life from the friendship, the mercy and the kindness we offer to others in pain. The young Columbine students I listened to, spoke individually—one by one—of the need to be strong, to keep alive hope in the future, and to turn away from violence. Despite all their confusion and all their hurt, they would not despair. I think I understand why. We're creatures of life. This is the way God made us: to assert life in the face of death.

Even more moving was my time with the families of two students who had been murdered. In the midst of their great suffering—a loss I can't imagine—the parents radiated a dignity which I will always remember, and a confidence that God would somehow care for them and the children they had lost, no matter how fierce their pain. This is where words break down. This is where you see, up close, that faith—real, living faith—is rooted finally not in how smart, or affluent, or successful, or sensitive persons are, but in how well they love. Scripture says that ''love is

as strong as death.'' I know it is stronger. I saw it.

As time passes, we need to make sense of the Columbine killings. The media are already filled with ''sound bites'' of shock and disbelief; psychologists, sociologists, grief counselors and law enforcement officers—all with their theories and plans. God bless them for it. We certainly need help. Violence is now pervasive in American society—in our homes, our schools, on our streets, in our cars as we drive home from work, in the news media, in the rhythms and lyrics of our music, in our novels, films and video games. It is so prevalent that we have become largely unconscious of it. But, as we discover in places like the hallways of Columbine High, it is bitterly, urgently real.

The causes of this violence are many and complicated: racism, fear, selfishness. But in another, deeper sense, the cause is very simple: We're losing God, and in losing Him, we're losing ourselves. The complete contempt for human life shown by the young killers at Columbine is not an accident, or an anomaly, or a freak flaw in our social fabric. It's what we create when we live a contradiction. We can't systematically kill the unborn, the infirm and the condemned prisoners among us; we can't glorify brutality in our entertainment; we can't market avarice and greed . . . and then hope that somehow our children will help build a culture of life.

We need to change. But societies only change when families change, and families only change when individuals change. Without a conversion to humility, non-violence and selflessness in our own hearts, all our talk about ''ending the violence'' may end as pious generalities. It is not enough to speak about reforming our society and community. We need to reform ourselves.

Two questions linger in the aftermath of the Littleton tragedy. How could a good God allow such savagery? And why did this happen to us?

In regard to the first: God gave us the gift of freedom, and if we are free, we are free to do terrible, as well as marvelous things . . . And we must also live with the results of others' freedom. But God does not abandon us in our freedom, or in our suffering. This is the meaning of the cross, the meaning of Jesus' life and death, the meaning of He descended into hell. God spared His only Son no suffering and no sorrow—so that He would know and understand and share everything about the human heart. This is how fiercely He loves us.

In regard to the second: Why not us? Why should evil be at home in faraway places like Kosovo and Sudan and not find its way to Colorado? The human heart is the same everywhere—and so is the One for whom we yearn.

He descended into hell. The Son of God descended into hell . . . and so have we all, over the past few days. But that isn't the end of the story. On the third day, He rose again from the dead. Jesus Christ is Lord, ''the resurrection and the life,'' and we—His brothers and sisters—are children of life. When we claim that inheritance, seed it in our hearts, and conform our lives to it, then and only then will the violence in our culture begin to be healed.

In this Easter season and throughout the coming months, I ask you to join me in praying in a special way for the families who have been affected by the Columbine tragedy. But I also ask you to pray that each of us—including myself—will experience a deep conversion of heart toward love and non-violence in all our relationships with others.

Mr. BROWNBACK. It is time we address this. It is time we address it strongly. It is time we address it clearly and ask two questions: How did we get here, and how do we get out? This is not the culture we were raised in and this is not the culture we want our kids to be in, as one of our colleagues, Senator LIEBERMAN, put it. I hope we can start the change and renew our culture and start to do that by renewing ourselves.

Mr. President, I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Montana is recognized.

## INTERNATIONAL TRADE AND FINANCE

Mr. BAUCUS. Mr. President, I rise to note that this week the world's finance ministers and central bank presidents have gathered in Washington for the annual meeting of the World Bank and the International Monetary Fund. I suspect that Secretary of the Treasury Rubin reminded us last week that, despite the hype about the end of the world's financial crisis, we are just at the starting point of making those structural changes necessary to put the globe back on a solid growth path.

Obviously, it is critical to repair the global financial system, and Secretary Rubin has been the leader in this with excellent ideas. But there is a whole other piece, which we can't ignore; that is, the need to maintain and expand an open trading system. Take a look at some troubling trade statistics released last week.

First, the United States merchandise trade deficit in February hit an all-time record—over $19 billion. Imports into the United States are growing faster now than at any time in the last four years. Furthermore, American exports are lower than they were just one year ago. And remember that one billion dollars in exports equals about 12,000 jobs.

Japan and China seem to be in a race to see who will have the largest deficit with us. Japan's trade deficit with the United States in February was over $5 billion, while China's was a little under $5 billion.

There is more. Another troubling statistic was the World Trade Organization announcement that last year the world's exports grew only 3.5 percent. That compares to a 10.5 percent growth rate in 1997. And they expect the growth of world trade to slow down even further this year.

Third, and this is even worse news, while imports into North America were up 10.5 percent, our exports from North America, which means mainly the United States, rose only 3 percent last year. That is, imports rose three and a half times faster than exports.

All this means that the world economy is surviving by exporting a lot to us while importing less and less.

Why is this?

A major reason is that our economy is so much stronger today than any others. This is due to American economic strength and competitiveness, as well as to the global financial turmoil that has hurt so many of our trading partners.

But another significant reason for the growing trade deficit is the continuing discrepancy between the openness of our market versus the openness of others. It is true that once the world emerges from the financial crisis and global recovery begins to kick in, these numbers will change somewhat. However, the trade barriers that existed prior to the start of the global financial crisis are still there today and will still be there tomorrow.

If Secretary Rubin and other financial leaders succeed in their efforts, foreign economies will pick up later this year or next. We should see an increase in our exports as those economies need American capital goods and start buying more consumer products. But, economic recovery overseas does not mean that trade barriers will disappear. We must deal aggressively with barriers to our goods and services to take advantage of this opportunity for greater export growth.

That is why we must always keep market opening and trade liberalization on the top of our national agenda, aggressively negotiating new agreements, insisting on full implementation of existing agreements, and repairing those aspects of our trade law that are not working.

Our farmers, manufacturers, and service providers are the most efficient in the world. They must have the same freedom to do business overseas that foreign businesses have in our country. And it is the duty of the Congress and the Administration to ensure that those opportunities exist.

We have all been pretty frustrated by the European Union's unwillingness to abide by WTO decisions on beef and bananas. In fact, Europe's reaction to the WTO beef hormone decision is to become even more protectionist. We have also been frustrated by Japan's unwillingness to implement its trade agreements with the United States. A recent study concluded that Japan was implementing fewer than one-third of those agreements.

One possible bright side to this picture, however, lies in the WTO negotiations with China. USTR, USDA, and other agencies have done yeoman's work over the past month. I hope the agreements made thus far with China hold together and the negotiations underway can bring it to a conclusion. We have an opportunity to expand significantly American exports in many sectors—agriculture, manufacturing, and services, for example. Another example of this is the Pacific Northwest wheat agreement, which has been a problem

for us in the Pacific Northwest. China now agrees that we will be able to sell our Pacific Northwest wheat to China.

Mr. President, I firmly believe that opening markets is profoundly important for our national well-being. But it requires persistent, aggressive, high-level attention at all levels of our government. I will do everything in my power to ensure that this is done.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HUTCHINSON). The clerk will call the roll.

The legislative assistant called the roll.

Mr. TORRICELLI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## HANDGUNS IN AMERICA

Mr. TORRICELLI. Mr. President, last week the sense of security that Americans had in their own communities, our sense of the strength of our culture, our ability to protect our families and our homes, was once again shattered.

The challenge did not come from Kosovo, and it was not from a computer problem with the new millennium. It was from the most basic form of human violence, striking us where we are most vulnerable, and taking the life of a child.

James Agee once wrote that in every child who is born, no matter what circumstances or without regard to their parents, the potentiality of the human race is born again. It may be because of the sense we possess that our own renewal is in the life of our children that the death of a child shakes us so dramatically. Rarely have we seen an America more traumatized by individual acts of violence than as a result of the murders in Littleton, CO.

All of us recognize that there is no one answer, no one explanation for this tragedy. The answer lies in the strengths of our families, the responsibility of parents, the roles of school administrators and parents and local police. Almost every critic has a point; virtually none has a complete answer.

The increasing level of violence in the entertainment industry, the new use of technologies which have sanitized the very concepts of death and murder, the failure of role models, the growing isolation of children from parents and siblings and extended families—all critics are right; no criticism is complete.

But in this constellation of problems there is the persistent issue of access to guns in American society. Only a few years ago, when a similar tragedy rocked the United Kingdom, the British Parliament responded in days. A gunman killed 16 students in Dunblane, Scotland. The Parliament was outraged. The British people responded. And the private ownership of high-caliber handguns was not regulated or controlled; it was banned.

This Congress can rightfully cite a variety of challenges to the American people to ensure that Littleton never occurs again, though, indeed, we failed to do so after Jonesboro, Paducah, Springfield, and a variety of other cities and schools that had similar tragedies.

Now the question is, Do we visit upon this tragedy the same silence as after those other school shootings, or do we have the same courage the British Parliament exhibited 3 years ago in dealing with this problem?

The amount of death that this Congress is prepared to witness before we deal realistically with the problems of guns in America defies comprehension. Last year, 34,000 Americans were victims of gun violence. But the year before and the year before that, for a whole generation, the carnage has been similar. Every year, 1,500 people die from accidental shootings. Every 6 hours, another child in America commits suicide with a gun. No gun control can eliminate all of this violence. I do not believe any gun control can eliminate a majority of this violence. But no one can credibly argue that some reasonable gun control cannot stop some of this violence.

I am heartened that the majority leader has promised the Senate that within a matter of weeks there will be a debate on this floor and an opportunity to present some reasonable forms of additional gun control. At a minimum, this should include the question of parental responsibility for children who get access to guns. Where parents have knowledge or facilitate that purchase, they must bear some responsibility for the likely, in some cases inevitable, consequences of minors having those weapons.

Second, there is the question of whether or not minors should be able to purchase certain weapons at all. It is arguable that a minor should not be able to purchase a handgun. It is irrefutable, in my judgment, that a minor should not be able to purchase a semiautomatic weapon.

Third, the question of whether, through the new technologies of the Internet, it is appropriate that guns be sold or purchased in any form; if it is not an invitation to violate and avoid existing State and Federal laws; if a person does not have to present themselves in a retail establishment with credentials to purchase a weapon. Remote sales, in my judgment, should not be allowed.

Then there is the larger question of the regulation of all weapons through the Federal Government—whether, when we live in a society where everything from an automobile to a child's teddy bear has regulations on their designs and materials to ensure safety, that same regulatory scheme should not be used for weapons; whether a weapon is designed properly to assure its safety; whether its materials are the best possible; whether technology is being used to ensure that the gun is used properly.

One can envision that the Treasury Department or another Federal agency would require gun manufacturers to have safety locks so that children could not misuse them. Future technology may allow a thumbprint to ensure that only the owner of the gun is using the gun. More basic technologies might require better materials or that a gun does not misfire when it is dropped. Proper regulations might ensure how these guns are sold, to ensure that they are sold properly, that State gun laws are not being evaded by oversupplying stores on State borders with permissive laws so that they are sold into States with restrictive laws. Inevitably this must be part of the debate: the proper Federal role in ensuring the proper design and distribution and sale of these weapons.

I am grateful, Mr. President, that the majority leader has invited the Senate to participate in this debate; proud, if the Senate responds to the challenge.

There were so many prayers throughout this country for the victims of the shooting in Littleton, sincere prayers on the floor of the Senate. The victims and their families and traumatized Americans need our prayers, but they need more than our prayers. They need the courage that comes from a people who recognize that change is both possible and required to avoid these tragedies from repeating themselves.

The victims of Littleton will be grateful for our prayers, but they will curse our inaction if political intimidation, the fear of change, results in the Senate offering nothing but prayers. This Senate has a responsibility to respond. We know what needs to get done. The President of the United States has challenged us. Americans are waiting and watching.

Every Senator must use these next few weeks to think about how they will vote, searching their own consciences on how they will answer their constituents, their families, and themselves, if Littleton becomes one more town in a litany of forgotten schools, forgotten children, and a rising spiral of carnage.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRAMS. Mr. President, what is the business before the Senate?

The PRESIDING OFFICER. The Senate is in morning business.

The Senator from Minnesota is recognized.

(The remarks of Mr. GRAMS pertaining to the introduction of S. 896 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent, notwithstanding the previous order, I be allowed to speak in morning business for up to 15 minutes.

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

## Y2K

Mr. LEAHY. Mr. President, there has been some discussion about Y2K and the Y2K liability bill. It seems every moment I settle down in my office to do other work, I get calls for another meeting on Y2K. I thought it might be good to let my colleagues and the public know what is in the Y2K bill we will be discussing this afternoon.

I have a chart; we like charts in this place. This chart shows how simple this bill is not. It illustrates the detours, roadblocks, and dead ends the bill would impose on innocent plaintiffs in our State-based legal system.

I have a real-life example so we can see what will happen. A small business owner from Warren, MI, Mark Yarsike, testified before the Commerce and Judiciary Committees about his Y2K problems. A few years ago, he bought a new computer cash register system for his small business, Produce Palace. However, they didn't tell him it wasn't Y2K compliant. This brand-new, high-tech cash register system, which the company was happy to sell him for almost $100,000, kept crashing.

The computer cash register system kept breaking down. After more than 200 service calls, it was finally discovered why; it couldn't read credit cards with an expiration date in the year 2000—like the credit card I have in my wallet right now. That is a Y2K computer defect that would be covered under this bill and the company would be protected, not Mark Yarsike. The company that sold him this defective piece of equipment for $100,000 would be protected.

At the top of this chart is how the State-based court system works today for Mark Yarsike, whose business buys a new computerized cash register system and, because of a Y2K defect, the system crashes.

I will in a moment speak to what happens if we pass this legislation before the Senate. Assume we show some sense and reject the legislation; if Mark Yarsike asks the company to fix the system, if the company knows they have to do something for the owner, they will either agree to fix the problem—which is really what he wants; he doesn't want to sue, he just wants his problem fixed—they agree to fix it and make a quick, fair settlement for his damages. That is it.

Or they could fail to fix it, he could go into court, and a trial would decide who is at fault.

Now, that is basically what happens today. In fact, that is what happened to Mark Yarsike. He was forced to buy a new computer cash register system from another company. He sued the first company which sold him the computer that wasn't Y2K compliant, that caused him to lose so much business. He recouped his losses through a fair settlement, and the court system worked for him.

Now, say ''Joe's'' business—not Mark Yarsike, who went through the normal court process—buys a computer cash register system under the bill before the Senate. Assume we pass this bill, assume the President signs it into law. All of a sudden, instead of this very simple straight line as indicated on the chart, the Congress of the United States is saying: We are from the Government and we are here to help you, we will make life simpler for you.

Instead of giving the nice straight line, which is what the law is today, this is what he is presented: first he has to wait 30 days, during which nothing happens; during that time, he still has to turn away business because every customer with a new credit card can't use it, and they will say, to heck with this place, I will go somewhere else. Even if after the 30 days, the company may send a written response and just say that we have another 60 days you will have to wait; if that doesn't put you out of business, then you can also file a lawsuit to recover damages if you are not already out of business anyway.

If he files a lawsuit, under the bill's contract preservation provision we get to our first dead end on the road to justice. The cash register company may be able to enforce unconscionable limits on any recovery if it is in a written contract. Under this bill before the Senate, the unconscionable limits in the written contract are strictly enforced unless the enforcement of that term would manifestly and directly contravene State law and statute in effect January 1999 specifically addressing that term.

In other words, if the State legislatures had not known by January 1 of this year what the U.S. Congress, in its infinite wisdom, was going to do in May of this year when enacting a statute that specifically anticipated what we might do, Joe is out of luck.

If the small business owners can't recover the losses from the Y2K defective cash register system because of this contract preservation provision, then he does have other alternatives: He can go bankrupt; he can fire his employees, lay them off; or if somehow he was able to get past these roadblocks, he could actually file a suit.

We have another detour. The company gets another 30-day extension to respond to the complaint. Their business isn't hurting, but Joe is barely able to hang on. When the small business owner files that lawsuit, he has to meet special pleading requirements under this bill. He has to file with complaints specific statements on the defendant's state of mind, the nature of the amount of damage, and the material Y2K defect. So he has three more roadblocks—all of which can lead to this dead end.

If he misses any one of those hurdles we have put in his way, he is right back to a dead end. The cash register company can say, bye bye, see you; tough, Joe; we will send you a postcard when you are at the bankruptcy court.

Now, suppose the cash register company had sold others of these $100,000 system with a Y2K defect. Should we all join together and bring a class action? No, we come into a new roadblock, back to a dead end, back to bankruptcy again. So let's move on to the next roadblock that is put in the bill—the roadblock we are putting in the way of small businesses. That is something the business lobbyists are not telling the small businesses about, all the roadblocks that are in this special interest legislation.

This bill has a ''duty to mitigate'' section that turns traditional tort law on its head. It requires the plaintiff to anticipate and avoid any Y2K damage before it occurs, not after. Almost all the States have adopted the traditional duty to mitigate tort law, which requires the injured party to mitigate his damages once the harm occurs. That makes some sense. But this requires mitigation before the harm occurs. If the owners bought this $100,000 cash register and didn't anticipate that a lot of its customers are going to leave because the cash register does not work as he was told it was going to, how does he mitigate? He wants to run his business. He doesn't make cash registers. He expects them, for $100,000, to do it right. But if he didn't try to mitigate before the system crashed, then he could be caught in another dead end, end of the road here, and right back down to bankruptcy, and employees are out.

I do not understand how he could have known his cash register system was not going to be able to read credit cards with the year 2000 expiration date after he paid $100,000 for it, but that doesn't matter. This case would be dismissed because of the bill's duty to mitigate provision.

So, roadblock after roadblock—in fact, there is another one. Let's assume somehow Joe is driving a humvee of some sort through the legal system and

he is getting it past these roadblocks. He has another one. Because what he does not know is that the Senate has overridden the 50 State legislatures. We have said to the legislators: Boy, you guys are dumb. The men and women in these State legislatures are not as smart as we are. So we are just going to throw your laws out and we will just pass our laws and override you. Because the bill would override State contract law and could even preempt existing implied warranties under State law.

For the small business owner, the bill's Federal preemption contract clauses may override the State common law claims of breach of implied warranties. Again, here he is at another roadblock, another dead end leading back to bankruptcy.

Then, say he somehow got through all of these roadblocks and dead ends that we put in, basically to make it impossible for a small business owner; everything that we have done to put roadblocks and dead ends in. Let's say he gets through all of them. He still has more limits on his legal rights at the jury verdict point. There are severe limits on recovery. In fact, if it is a small business, then $250,000 is the ceiling for any punitive damages award. If he can prove they intentionally defrauded him, then there is an exemption from these punitive damage caps. This bill is saying: If you can prove intention to defraud, we might give you a chance.

This is a meaningless exception in the real world. Nobody is going to be able to meet this exception, proving the injury was specifically intended. How in the world is our small business owner, who is just trying to keep the place alive at this point, going to prove the cash register company intentionally tried to injure him by selling him a Y2K defective cash register system? Let's get real here. It is not going to happen. Again, the best thing for him is bankruptcy. The big company can breathe a sigh of relief and they are out.

And on and on. Severe joint liability limits; for directors and officers, partial immunity; severe caps on recovery—all of these things end up protecting the companies, overriding State laws, and saying to the small business owner we are not going to do anything for you.

You know, directors and officers are already protected by the business judgment rule adopted by each of the 50 States. But we put a special legal protection for them in this bill. I think that sends the wrong message to the business community. We want to encourage decision makers to be overseeing aggressive year 2000 compliance measures. Instead, we say: Don't worry, be happy.

I want those corporate officers motivated to fix their company's Y2K problems now. After their corporation is Y2K compliant and they have worked with their suppliers and customers and business partners and we have avoided Y2K problems is the time to be happy.

A few of these detours, roadblocks and dead ends may be justified to prevent frivolous Y2K litigation. But certainly not all of them.

This bill makes seeking justice for the harm caused by a Y2K computer problem into a game of chutes and ladders—but there are only chutes for plaintiffs and no ladders. The defendant wins every time under the rigged rules of this game.

Unfortunately, this bill overreaches again and again. It is not close to being balanced.

In addition, this bill preempts all 50 state consumer protection laws and makes ordinary consumers face the bill's legal detours, road blocks and dead ends on the road to justice. That is not fair.

Today, I filed a consumer protection amendment to exclude ordinary consumers from the legal restrictions in the bill. I hope the majority will permit amendments to be brought up on this legislation soon.

I remain open to continuing to work with interested members of the Senate on bipartisan, consensus legislation that would deter frivolous Y2K lawsuits and encourage responsible Y2K compliance. Those of us in Congress who have been active on technology-related issues have struggled mightily, and successfully, to act in a bipartisan way. It would be unfortunate, and it would be harmful to the technology industry, technology users and to all consumers, if that pattern is broken over this bill.

I hope Members will look at what we are doing here. Here is the system we have today for Y2K. Here is the system we are suggesting with all these dead ends, all these roadblocks: Roadblock, roadblock, roadblock, roadblock, all leading to small businesses going bankrupt and all because we stand up here and say to 50 State legislatures: You are not smart enough. You are not as smart as we are. We are going to override you.

I think that is wrong. I think we ought to go back to the drawing boards. I think we ought to do what we did last year when we passed good Y2K legislation because we did it in a bipartisan fashion where we had businesses, Members of Congress, lawyers, those in the high-tech field—we came together and passed legislation that worked and the President signed it into law.

This maze, this unnecessary trampling of State legislatures, will not be signed into law by the President of the United States.

The PRESIDING OFFICER. The Senator from Alabama.

## VIOLENCE IN COLORADO

Mr. SESSIONS. Mr. President, I know you, the Senator from Arkansas, are familiar with tragedies in high schools involving our young people who create havoc and take the lives of fellow students and others. The event in Colorado is the most glaring and stunning example of the kind of violence that we are apparently capable of as a nation today. As chairman the Senate Judiciary Committee Subcommittee on Youth Violence, I have given an awful lot of thought to it. But I am perplexed. A few things occur to me. There is what appears to me a pattern here that would suggest how we have gotten to this point.

It strikes me that an extremely small number of young people today have gotten on a very destructive path. They have headed down the road of anger and violence. They have not been acculturated with the kind of gentlemanliness and gentlewomanliness, not inculcated with religious faith and discipline, maybe a lack of values or whatever—somehow it did not take. Maybe their parents tried. Maybe they did not.

But, in addition to that, they are alienated and angry. They are able to hook into the Internet and play video games that are extraordinarily violent, that cause the blood pressure to rise and the adrenalin level to go up, games that cause people to be killed and the players to die themselves. It is a very intense experience. They are able to get into Internet chatrooms and, if there are no nuts or people of the same mentality in their hometown, hook up with people around the country. They are able to rent from the video store—not just go down and see ''Natural Born Killers'' or ''The Basketball Diaries''—but they are able to bring it home and watch it repeatedly. In this case even maybe make their own violent film. Many have said this murder was very much akin to ''The Basketball Diaries,'' in which a student goes in and shoots others in the classroom. I have seen a video of that, and many others may have.

In music, there is Marilyn Manson, an individual who chooses the name of a mass murderer as part of his name. The lyrics of his music are consistent with his choice of name. They are violent and nihilistic and there are groups all over the world who do this, some German groups and others.

I guess what I am saying is, a person already troubled in this modern high-tech world can be in their car and hear the music, they can be in their room and see the video, they can go into the chatrooms and act out these video games and even take it to real life. Something there is very much of a problem.

All of us have to look for the signs of children who may be moving deeper and deeper into death, violence, nihilism, and other bad trends. We ought to

say and we ought to encourage our teachers and our school administrators and our parents to intervene and to assert that life is better than death, that peace is better than violence, and honesty is better than falsehood; that respect for your brothers and tolerance and patience, even in the face of adverse actions by somebody toward you, is essential in a civilized society. I am concerned about that.

What I really want to mention today, because I have been through this for a number of years, is the question of what we do about firearms in America. I was at a church event, not too many months ago, and the preacher prayed against guns. I thought that was odd for him to pray against an inanimate object that does what the holder tells it to do. But I think we would do well to focus on what it is that is eating at the soul of too many people in America today, No. 1.

What about this problem with guns? I was a Federal prosecutor for 15 years, 12 as U.S. attorney under Presidents Reagan and Bush. They created a program called Project Triggerlock. In that program, this Congress passed legislation that said if you are convicted of carrying a firearm during a crime, a felony, it is 5 years without parole consecutive for the underlying offense. If you are a felon and you possess a firearm and you are guilty of a felony, you can get 2 or 3 more years in jail.

Those are bread-and-butter gun laws focusing on people who commit crimes with firearms. There are a lot of others: having a firearm without a serial number, having a sawed-off shotgun, a fully automatic weapon, and now assault weapons. There are literally hundreds of gun laws.

The directive came down from the President of the United States that he wanted these people prosecuted for violating those gun laws. I took the directive. I was one of the lieutenants in the war, and we went to work. I created a newsletter and sent it to every sheriff. I said: If you have the kind of criminal that needs prosecuting under Federal gun laws, you bring those cases to me and we will prosecute them.

Our numbers went up tremendously, and the word began to get out. The word got out in the streets: If you have a gun, they will take you to Federal court.

By the way, most people do not realize that some good laws have been passed for Federal court. Ask your sheriffs and police chiefs which has the fastest justice system, which has the most severe punishment and the most certainty of punishment, which one is the felon least likely to get out of jail on parole, and every one of them will tell you the Federal system is tougher than any State. Whatever State you are in, the Federal justice system is tougher: We have a 70-day speedy trial act; whatever the sentence is, you have to serve at least 85 percent of it.

The Federal Sentencing Guidelines mandate tough sentences. The judges have to impose them. If not, the prosecutor can appeal, and they go to jail. They do not want to go to Federal court for a gun violation. I am telling you, the word gets out, in my professional opinion, having been a prosecutor, as I said, for 15 years in the Federal system and two as Attorney General. I actually believe there was a deterrence in the number of people carrying guns in criminal activities. That is where people get killed.

When I was elected to the Senate in 1996 after I left as a Federal prosecutor in 1992, I began to look at the Department of Justice statistics on the kinds of cases they are prosecuting, because I served 15 years in the Department of Justice, and I know how to read those numbers.

I want to show you what we discovered. What we found is in 1992, when President Bush's U.S. attorneys left office, they were prosecuting 7,048 gun cases each year in 1992. They prosecuted over 7,000. Notice this chart shows the decline in those cases. It was 3,800 in 1998, a 40-percent decline.

This is particularly shocking to me because this President is always talking about guns and how we need to have more laws and we need to prosecute more people for guns, and they are not doing it. His own Attorney General, Janet Reno, has overseen a 40-percent decline.

This is not a secret. Since I have been here, for 2 years, when the Attorney General has come before our committee, the Deputy Attorney General, Eric Holder, the Chief of the Criminal Division for confirmation and other hearings, I have pulled out this very chart. I have gone over these numbers with them and have asked them why they are not prosecuting these cases. I have not yet received a good answer, other than they are just not putting the message out to the U.S. attorneys that they expect them to enforce these laws.

But what we have is a President who wants to call press conferences, as he did yesterday, to announce more laws; that we need to pass more laws. The bread-and-butter laws are already on the books, and we have added scores of other laws, which I support and I willingly prosecuted aggressively.

It concerns me that people say, ''Oh, you just don't believe in gun laws, JEFF. You are just NRA bought and paid for and you don't want to do this.'' They believe in the second amendment right to bear arms, and so do I. If you want to change it, let's talk about changing it, but there is a constitutional right to bear arms. There also is a right for the Government to place reasonable restrictions on the right to bear arms.

I have spent a big part, a major part of my professional career actively engaged with people who violate those reasonable restrictions. Machine guns, fully automatic weapons have been outlawed since the thirties, the Al Capone days. Sawed-off shotguns have been outlawed for many years. Bombs are outlawed today and have been for many years.

First of all, it concerns me, and I think it is hypocritical and really dishonest for the President to suggest that the way to deal with violations of gun laws is to pass more laws, if you are not prosecuting the ones we have. But, oh, that is the big deal: Are you for coming a little further to that second amendment core principle that protects the right to bear arms? Let's see how far we can go and make people vote against it because they have a concern for the Constitution and a general belief that the Government has gone too far and then say they don't care about guns, all the time presiding over an administration that is showing this dramatic decrease, a 40-percent decrease in the prosecutions. That is not an imaginary number. I have raised it with the Attorney General, and we pulled it out of their statistics.

In addition to that, we have in the last several years, at the behest of gun control advocates, passed a number of bills, some of which are good, some of which are marginal, but we passed them. We were told that these were critical to prevent violence in America. And we need these gun laws.

I want to show you this chart. We pulled it out of the Department of Justice statistics. And I questioned them about it in hearings before this tragedy, because this isn't a recent deal, this is something that has been going on for several years, and it is well known.

One of the best things, I suppose, is, the possession of firearms on school grounds is a Federal crime. The First Lady, who sometimes it had been suggested was a de facto Attorney General at the beginning of this administration, yesterday was speaking about gun laws. And that is all right. But she has not had the experience I have had in prosecuting these cases. And she talks about, we need more of them. And this is one of them they highlighted.

But look at this. In 1997, the Clinton administration nationwide prosecuted five. In 1998, they prosecuted eight.

''But we're committed, JEFF.'' But they said—the First Lady did in her speech yesterday—that there were 6,000 incidents last year in schools of weapons being brought to school. So how come her prosecutors are prosecuting so few of them? Let me ask you. I think it is a good question.

Unlawful transfer of firearms to juveniles. I support that. And right now it is unlawful for a firearms dealer to transfer a pistol to a juvenile, a person under 21.

Look at this. In 1997, they prosecuted five. In 1998, they prosecuted six. What

difference does it make if we pass laws if nobody is being prosecuted for them?

Possession or transfer of semiautomatic weapons. Those are the assault weapons. The assault weapon is a weapon that looks like one of these fully automatic military weapons; it has the handles on it, but it is really a semiautomatic weapon that fires one time when you pull the trigger. Traditionally, a lot of rifles are semiautomatic. But in that configuration it was made illegal.

Remember all the debate about that? We had tremendous debate over the first time a semiautomatic rifle had been made illegal. But the administration's position was, it just had to have the law. They just had to have it. And it is an unpleasant weapon, I assure you. I do not think you have to have it to go hunting. But at any rate, in 1997, four of those cases were prosecuted in the entire United States; in 1998, four.

I say all that to say this: I believe we have to quit doing symbolic things. We need to quit doing things for headlines. We need to sit down and figure out how to reduce crime in America.

With regard to this very odd group of people we have seen in five States going on rampages in high schools, that is a unique and special group. And if they are determined to build a bomb, and can build one by looking it up on the Internet, whether or not they have to go down to the store to buy a weapon and give their name or whatever is not going to make much difference. That is real. And if they are seeing this on television, in videos, whether or not there is a law about it, as clever as these kids are, it is not likely to make much difference.

But I just say that that is a crucial matter for us. I would think, as one who has been at this for a long time, we need to maintain our discipline now. And if something good can come out of this tragedy in Colorado, I pray that it will.

When that young girl affirmed her faith with a gun at her head, subjecting herself to summary execution by a laughing, diabolical shooter, I think we ought to take time to pause a minute and think about that, because this is really serious. It is deeper than whether or not you prosecute with 4 or 20 gun laws in the United States. It is deeper than that. That is what I am saying. But it does not mean that effective prosecutions of gun laws can't reduce crime.

Let me tell you this story.

Within the last month I, as chairman of the Judiciary Subcommittee on Juvenile Crime, called a hearing. We were going to discuss a program known as Project Exile in Richmond which the leader of it called ''Trigger Lock with Steroids.'' Not only did they prosecute every gun violation they could find in Richmond, they ran ads on television saying: ''We will prosecute you.'' They put up signs saying how long you would serve in the Federal slammer if you carried a gun during a crime or illegality.

Their prosecutions went sky-high. But there were questions in the Department of Justice. The program was not supported because it was not the trend with this Department of Justice. But they kept doing it. And just last year they found they had over a 40-percent reduction in violent crime in Richmond. And the U.S. attorney, appointed by the President of the United States, President Clinton, testified and others involved with it—the chief of police in Richmond—testified that they were convinced that aggressive criminal prosecutions in a trigger-lock-type fashion of violent criminals, and other criminals who carried guns, helped drive down the murder rate.

I thought we ought to have a hearing about it. I wanted to highlight that and encourage it. What I want to say to you is funny, almost; and maybe something good came from that hearing. The hearing was set for Monday in our little, lowly committee, the Senate Judiciary Committee Subcommittee on Juvenile Crime. On Saturday, before that hearing, the President went on his national radio show and said he wanted to adopt the Richmond project and promote and expand it.

So I hope maybe our hearing had something to do with getting the attention of the Department of Justice. But I have not seen any numbers to indicate that. It is easy to say words. But what we most often heard is that, we want new laws—which are not being prosecuted—and if we can pass a law, then we can say we did something.

I have been in this body just 2 years. I think there is a real problem here. Whenever there is a national matter of intense interest, what happens? We up and pass a law and say we did something. ''Hey, give me a medal. I passed a law. I am against assault weapons. I am fighting crime.'' If you have been in the pit and dealt with criminals professionally for a long time, you know it takes more than that. It takes a sustained effort.

If you do it consistently and aggressively, and you crack down on gun violations, you can in fact reduce the crime rate. Ask the U.S. Attorney and the chief of police in Richmond if it is not so.

I do hope the statement that the President made in his radio show really indicates a commitment to get these numbers up, because this is not acceptable for any administration, but particularly one which claims that the prosecuting of criminals and violations of Federal gun laws is a high priority of theirs. Obviously it is not. We have a 40-percent reduction.

So, maybe somebody says, ''JEFF, that is just political.'' It is not political with me. It is something I have lived with. I prosecuted these kinds of cases. I believe it reduces murders. I believe it saves the lives of innocent people. And I would like to see an effective program conducted by this administration. And it has in fact been demolished, as these numbers show. It undermines the effectiveness of that effort.

There are innocent people, I will assure you, today who have been shot and wounded—some people who have been killed—who would not have been had the Triggerlock Project continued.

So it is something that I have been raising since I first got to this Senate—at virtually every Judiciary Committee hearing I have had. I hope this tragedy will do one thing: It will get the attention of the President and the Attorney General and the Chief of the Criminal Division and the Associate Attorney General and Deputy Attorney General, and they will start sending the word out to their prosecutors. And they have more of them now than they had in 1992 when I was there. They ought to be putting more of these people in jail. If we do, they will make some difference. But I really don't think even those prosecutions are likely to have any significant impact on the bizarre few people who are willing to go to a school and slaughter their own classmates, commit suicide, worship Adolf Hitler, and think of Marilyn Manson as something cool. That is a different matter with which we have to deal.

I hope as a nation we will confront it honestly and directly and begin to bring back in every school system, because some parents apparently are not doing it, a program that teaches character and good values like we are used to in America. There are those who say, well, you cannot do that, that is violating civil liberties, you cannot express a concern about right and wrong in a classroom because that is a value judgment.

Well, we are suffering today from 30 or 40 years of liberalism, relativism, that anything goes. Well, some will say that is just old-fashioned talk.

No, it is not. No nation, in my view, can remain strong in which there are no values which we can affirm. If we can't affirm that Adolf Hitler is bad, what are we? If we can't affirm that Charles Manson is not a fit person to emulate, then what are we as a nation? If we can't say that telling the truth is more important than telling a lie, that reality is better than spin, then we are in trouble.

I hope we have not reached that. I think the American people are good. I hope this tragedy has some ability to cause us to confront that and, if so, our Nation would be better for it.

Mr. President, I thank the Chair for allowing me to address this body on this important issue. I have shared with the Senate some thoughts and

concerns of mine that have been a part of me for a long time. I believe it is something our Nation has to consider, and I hope and pray we will.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BURNS). The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## MEASURE PLACED ON CALENDAR—S.J. RES. 22

Mr. MCCAIN. Mr. President, I understand there is a joint resolution at the desk due for its second reading.

The PRESIDING OFFICER. The clerk will read.

The legislative assistant read as follows:

A joint resolution (S.J. Res. 22) to reauthorize, and modify the conditions for, the consent of Congress to the Northeast Interstate Dairy Compact and to grant the consent of Congress to the Southern Dairy Compact.

Mr. MCCAIN. Mr. President, I object to further proceedings on this matter at this time.

## KOSOVO

Mr. MCCAIN. Mr. President, first I will discuss an issue that is going to come before the Senate either late this week or next week. I am not sure. That is the issue of Kosovo. I believe it is important we address the issue. I believe it is important we address the issue as we have previous foreign policy issues.

In the case of our resolution supporting United States involvement in Bosnia, we had a Dole resolution and we had a couple of others that were voted on. In the case of the Persian Gulf resolution, we had a resolution that was proposed by then-Senator Dole, who was then the minority leader, and one that was proposed by Senator Mitchell. I hope we will proceed in a fashion where more than one resolution is considered and voted on at the time. That is our responsibility, and I hope we intend to do it.

I strongly urge the majority leader to accept a vote on a resolution that I have already introduced.

## THE Y2K ACT

Mr. MCCAIN. Mr. President, let me say we are ready to move forward on the bill. We have a couple of amendments that can be accepted by both sides. I would like to move forward with that and hope that both supporters and opponents of the bill will come to the floor.

Today I see a Statement of Administration Policy:

The Administration strongly opposes S. 96 as reported by the Commerce Committee, as well as the amendment intended to be proposed by Senators McCain and Wyden as a substitute. If S. 96 were presented to the President, either as reported or in the form of the proposed McCain-Wyden amendment, the Attorney General would recommend a veto.

Let me say, I am glad to see the administration's position on this. I think it makes it very clear as to whose side they are on. I hope all the manufacturers, the small businesses, the medium size businesses and the large businesses in America will take careful note of the administration's absolute opposition to an effort that would solve this very, very serious issue.

Of course, they support amendments that are proposed by the trial lawyers which would gut this legislation. I have no doubt that if we accepted the amendments that are going to be proposed, it would gut it. But let us come to the floor and debate these amendments and move forward.

We have been on this bill now for 3 days. We still haven't had a single amendment. I say to the opponents of this legislation and the substitute that Senator WYDEN and I proposed, come to the floor. Let us debate your amendments and let us move forward. There is a cloture petition that will be voted on tomorrow. We may have to move forward in that fashion.

In USA Today, Mr. President, there is an interesting column under Technology by Kevin Maney: ''Lawyers Find Slim Pickings at Y2K Lawsuit Buffet.''

Y2K lawyers must be getting desperate, in much the way an overpopulation of squirrels gets desperate when there aren't enough nuts to go around.

So far, there's been a beguiling absence of breakdowns and mishaps because of the Y2K computer problem. The ever-multiplying number of lawyers chasing Y2K lawsuits apparently have had to scrounge for something to do. At least that's the picture Sen. John McCain [R-Ariz.] painted on the Senate floor Tuesday.

McCain, who is sponsoring legislation to limit Y2K lawsuits, told the story of Tom Johnson. It seems that Johnson has filed a class action against retailers, including Circuit City, Office Depot and Good Guys. The suit charges that salespeople at the stores have not warned consumers about products that might have Y2K problems.

For one thing, that's like suing a Chrysler dealership because the sales guy didn't tell you a minivan might break down when you're 500 miles from home on a family vacation. Or suing a TV network for failing to announce that its shows might stink.

Beyond that, Johnson doesn't claim in the suit that he has been harmed. He's just doing it for the good of humanity—and ''relief in the amount of all the defendants' profits from 1995 to date from selling these products.''

* * * * *

Think Johnson's case is an anomaly? We haven't even hit seersucker season, and the lawsuits focusing on Jan. 1 are flying. More than 80 have been filed so far. If you sift through the individual suits, a few seem understandable. The rest seem like Rocco Chilelli v. Intuit.

Chilelli's suit says older versions of Intuit's Quicken checkbook software are not Y2K ready and alleges that Intuit refuses to provide free upgrades. Filed in New York, the suit is a class action on behalf of ''thousands of customers (who) will be forced to spend even more money to acquire the latest Quicken version and may be required to spend time acquainting themselves with the updated program and possibly re-inputting financial information.''

After much legal wrangling, the Supreme Court of the State of New York, County of Nassau, found that—duh!—no damage had yet happened, as the calendar hasn't yet flipped to 2000. The case was dismissed.

Mr. President, the column goes on to talk about the frivolous suits that have been filed already. We need to act.

I note the presence of the Senator from South Carolina. I ask if he is ready to consider two Murkowski amendments at this time, which have been agreed to by both sides.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. HOLLINGS. Mr. President, my distinguished chairman continues to say let's talk, let's vote, let's move along. He thinks it is a procedural question. I guess, in a way, it is when it comes to joint and several.

Mr. President, there is an old story told about the days when they used to block minorities from voting down in Mississippi. A gentlemen presented himself at the poll and the poll watcher showed him a Chinese newspaper. These were the days of the literacy tests in order to be able to vote. He presented him with a Chinese newspaper and he said, ''Read that.'' The poor voter takes it and turns it around different ways and says, ''I reads it.'' The poll watcher said, ''What does it say?'' The poor minority says, ''It says: Ain't no minority going to vote in Mississippi today.''

Now, Mr. President, in a similar vein, when you have been in this 20 years, like Victor Schwartz down there at the NAM, when you have been in speaking panels before the manufacturers groups, when you have seen every trick of the trade that they have had to repeal the 10th amendment and take away from the States the administration of the tort system, and you know that there are the strong States righters but they are willing to do this, and when you know there is a nonproblem—I emphasize ''nonproblem''—in the sense that there have only been

44 cases brought and over half have already been disposed of—some 10 others have been settled, and only 8 or 9 are pending—and you know that here we have a contract case, not a tort case, and you have to have privity of contract under joint and several in contract cases.

But you know this extreme strain about punitive, about joint and several, and all of these other hurdles they put in there to discourage anybody bringing a suit, setting precedence, if you please, in the tort field, then like the poor voter that ''can read'' the Chinese newspaper, I can read S. 96. That is right. I can read the McCain-Wyden amendment. What that says is, we don't care about Y2K, but we do care about reforming torts and federalizing it and taking the richest, most capable crowd in the world and giving them all kinds of rights and defenses and privileges and take away from middle sector, the small businessman, the small doctor.

We put into the RECORD, Mr. President, where an individual doctor up in New Jersey—he came before the committee—bought this particular computer in 1996. He talked about the salesman who bragged in terms that it would last 10 years. Like the old adage regarding the Packard, he said, ''Ask the man who owns one. Go and see these. They will last for years. This will take you into the next century.'' And then he finds, of course, that this past year it broke down. It didn't work and he could not get his surgical appointments straight, and otherwise. So he called the salesman and the company, and they absolutely refused.

After several weeks he writes a letter and demands, and they still refuse. A couple of months pass and he gets an attorney. When he gets the attorney, at first they don't respond. But somehow the attorney, or others, had the smarts to put it on the Internet. The next thing you know, they had 17,000 doctors who were similarly situated, and the computer company immediately settled and replaced them free.

When the demands were first made, they said, ''Yes, we can fix it for you for $25,000,'' when the instrument itself, the computer, only cost $13,000 in 1996. But to fix it was $25,000. He didn't, of course, have the $25,000. So all of those cases were settled to the satisfaction of both parties, the computer company, and everything else.

So these are not bad back cases, or some that are indeterminate with respect to injury, pain, and suffering, and a sentimental kind of case of a person having lost his job, in that sense, and all that, where you get poor people injured in a wreck; but, on the contrary, responsible business people who operate by way of contract with the company. You see all of these tort things superimposed and you hear them in the conferences say it is nonnegotiable, there is a nonnegotiable item here, joint and several; it is nonnegotiable because under the chairman's onslaught here, it is, ''Let's move, let's vote, let's vote.''

I responded to him yesterday. I am a minority of a minority. I am trying to make sense out of a bum's rush. They have all the organizations. I have been talking to the trial lawyers about this thing. I know all of them, and they have been big friends of mine, and they did respond handsomely last year in the campaign. But I have been in it 20 years. In the early eighties, in the Presidential race and everything else, I still pleaded the cause and I got no help. So I have a track record of not just taking a position to help good friends in the trial business, but I have the greatest respect for all those friends, because they are there for the injured parties. They are the ones setting the record on health. These trial lawyers have done more to save people from cancer than Koop and Kessler put together. I have been on the floor 33 years now, and we could not get anything moving on cancer and smoking.

Now we have it. Not only on account of dollars, not only on account of the Cancer Institute, not only on account of the American Cancer Society, all leaders that they are with concerns in this field, but on account of trial lawyers. I see them institute the Environmental Protection Agency and institute the Consumer Product Safety Commission.

When you see those cars recalled, yes. That trial lawyer, Mark Robinson, out there in San Diego, back in 1978 got a $128 million verdict. It was $3.5 million actual, but $125 million punitive. He never has collected a red cent of the $125 million punitive. But he has brought to the automobile manufacturers a conscience rather than a cost-benefit study to just write it off and let them pay and pay the lawyers, and pay the doctors, and pay for the injuries, or beat the case on a cost-benefit study. On the contrary, there was one company just last week that recalled another million cars. You see these car recalls. That is my trial lawyer friends. I am very proud of them.

But in this particular case I am trying to protect on the one hand that small doctor, that small businessman, or, on the other hand, what we are trying to do is protect the States and the administration of tort law.

They talk about the ''glitches''—the ''glitches'' and ''deep pockets'' and ''deep pockets.'' We have at this minute, as I speak, on the floor of the Senate, glitches. Everybody has a computer. It comes up again and again with a glitch. You learn how to get it fixed. Nobody is running down to the courthouse. There were only 40 more cases this past year. Deep pockets—you have people running around here. They had a gentleman come in here from America Online. I saw in the USA Today his income last year —just annual—income $325 million. He has deep pockets. But nobody is suing him. He is a wonderful, brilliant individual who deserves every dollar he makes. I am for him. That is the American way.

But there are deep pockets in this technology computerization industry. And there are glitches.

Don't give me this stuff about January 1 glitches, glitches all of a sudden, and that we have to change the whole tort system. You can go ahead and get your computer now. As Business Week shows, they are demanding that the small businessmen come about with the changes in their equipment and become Y2K compliant, or else they are going to run out of suppliers and other distributors that will be Y2K compliant. They are in business. They are not in the law game that the Chamber of Commerce is in downtown. That is their political gain—to get them, pile on, find a nonproblem, but find the organizations, go tell all of them, and say, ''Do you believe in tort?'' ''Yes. I believe in tort reform.'' ''Write your letters to the Senators and talk about $1 trillion''—outrageous estimations. There is not going to be any such thing. Everybody knows it.

I am happy today to receive from the White House a ''Statement of Administration Policy.'' ''This statement has been coordinated by OMB with the concerned agencies.''

Mr. President, I ask unanimous consent to have it printed in the RECORD.

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

STATEMENT OF ADMINISTRATION POLICY—S. 96—Y2K ACT

[McCain (R–AZ) and Frist (R–TN)]

The Administration strongly opposes S. 96 as reported by the Commerce Committee, as well as the amendment intended to be proposed by Senators McCain and Wyden as a substitute. If S. 96 were presented to the President, either as reported or in the form of the proposed McCain-Wyden amendment, the Attorney General would recommend a veto. The Administration, however, understands that Senators Kerry and Robb and others are working on an amendment in the nature of a substitute that would address its primary concerns and which the Administration can support.

The Administration's main goal is to ensure that all organizations—private, public, and governmental—do everything they can between now and the end of this year to ensure that their systems and those of their customers and suppliers are made Year 2000 compliant. The Administration also recognizes both the importance of discouraging frivolous litigation and the need to keep the courts open for legitimate claims, especially those brought by small businesses and consumers with limited resources to press their cause.

The Administration's overriding concern is that S. 96, as amended by the McCain-Wyden amendment, will not enhance readiness and may, in fact, decrease the incentives organizations have to be ready and assist customers and business partners to be ready for

the transition to the next century. This measure would protect defendants in Y2K actions by capping punitive damages and by limiting the extent of their liability to their proportional share of damages, but would not link these benefits to those defendants' efforts to solve their customers' Y2K problems now. As a result, S. 96 would reduce the liability these defendants may face, even if they do nothing, and accordingly undermine their incentives to act now—when the damage due to Y2K failures can still be averted or minimized.

S. 96 also would substantially modify the procedural law of the 50 States by imposing new pleading requirements and by effectively requiring nearly all Y2K class actions to use Federal certification standards. While the Administration could support the adoption of certain federal rules that would, in some meaningful way, help identify and bar frivolous Y2K lawsuits, the broad and intrusive provisions of S. 96 sweep far beyond this purpose and accordingly raise federalism concerns.

The Administration has been working with the Senate on alternatives that would more closely achieve the goals S. 96 purports to serve—creating incentives for organizations to be Y2K compliant, weeding out frivolous Y2K lawsuits, and encouraging alternatives to litigation. In that regard, the Administration would support provisions encouraging alternative dispute resolution, and carefully drawn modifications to pleading rules and substantive law that encourage Y2K readiness. The Administration would support Senators Kerry and Robb's amendment because it satisfactorily addresses many of the previously mentioned concerns (although we are working with the Senators to address drafting issues raised by the Department of Justice).

Mr. HOLLINGS. Mr. President, I thank the Chair.

There it is, Mr. President. We are trying to mushroom a nonproblem into a crisis with $1 trillion worth of lawsuits all on the political juggernaut of the Chamber of Commerce downtown for greed, and taking away rights to protect the group that is not only protectable—God knows they have the money—but they know it. They can bring in their instrument right now and make it compliant.

Those who are purchasing are being told, like that doctor in New Jersey, that it is compliant. But they are being taken advantage of. You find out it is not, and it is not until they have everybody ready to go that, ''Oh, no. We are ready to give you a new computer free.'' Not $25,000, as they charged for months, but they would have to be paid before they get any results. ''We are glad to give you this free, and even to pay your attorney fees.'' Right or wrong? Is this a frivolous lawsuit, some kind of bad back, injured party case coming across trying to go after deep pockets? It is legitimate small businesses that can work right now. They will be like an automobile dealer trying to offload their old year models, with misleading purchases sometimes. But they find out that hasn't paid, so they have gotten very competitive.

This market this minute is very, very competitive. Read Business Week. The market is working. But there is a political agenda here on course, not really to look out for the small businessman, but change the rights of the States under the 10th amendment to administer tort cases. Here with the administration, do you see any States coming up and saying that they are totally inadequate, that they can't handle it, that what they really need is the Federal Government to interpose and change the rules of jurisprudence?

Does any State come up here? Does any legitimate legal organization come up here? Not at all.

I heard what the distinguished Senator from Oregon read about the American Bar Association, but give us hearings before the American Bar and give us the legal folks—they understand law. That is one of the difficulties we have in the Commerce Committee. We don't necessarily have profound legal talent, so they don't want to study it. They look at a business cost-profit standpoint and then it is the bum's rush for S. 96.

I am glad the rush now has stopped with the policy of the administration and the recommended veto of S. 96 and the McCain-Wyden amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. WYDEN. Mr. President, as always, the Senator from South Carolina has raised a number of important issues. I will take a minute or two to respond.

First, it needs to be understood by the Senate that, under the substitute offered by the chairman and myself, a plaintiff can file suit immediately for injunctive relief should they choose to go that route.

There have been all kinds of discussion raised and I gather it is always raised by the administration that somehow the rights of plaintiffs are being cut off. The fact of the matter is, under the substitute being offered by the Senator from Arizona and myself, it is possible for a plaintiff to move for injunctive relief immediately.

What we are saying is, we ought to look at ways to try to bring about corrections in the private sector by private parties coming together, trying to encourage the alternative dispute resolution, a process which is clearly laid out in our legislation.

Our substitute makes it very clear that if a plaintiff wants to file a suit on day one, they can. If they believe they are being jerked around in the marketplace, they can go out on that very first day and seek injunctive relief. We think it would be preferable and avoids causing this bedlam with everybody rushing to court. We think a lot of those approaches can be resolved by the parties coming together.

Second, it seems to me those who will look at the substitute will understand in the vast majority of instances private contract law is going to govern. In most other instances it will be State law. In this administration statement, the notion is that somehow we are federalizing everything, where the substitute clearly lays out in the vast majority of cases contract law is going to take the lead in this area. That, regrettably, is a part of the administration's position that simply is not accurate.

In fact, I and others raised that issue in the committee. We felt there wasn't a strong enough bias in favor of protecting private contract law. That was a change made after the bill left committee, because a number of consumer and other organizations thought it was very important.

I think what is especially troubling about the policy statement that has now been offered by the administration—and this Senator and others are going to continue to work with them—is that they are essentially telling the Senate that over in the Justice Department they know more about the technical issues of running computers and the software businesses than do those businesses that have to do it every single day.

The administration statement says this legislation is going to decrease the incentives, that these computer and software and other technology organizations have to be ready to assist customers to be ready for the transition of the next century.

The fact of the matter is, all of these groups that have to actually work with computers and software every single day believe this legislation is absolutely critical to their being ready for the transition to the next century. Essentially what we have is folks at the Justice Department on this issue saying they know a whole lot more about the technical issues of the computer business than the folks who actually have to work with these systems every single day.

I raise this issue again with respect to defendants who engage in truly outrageous, egregious action. There have been statements made on the floor by others and raised in the administration's letter as well with respect to the question of proportional liability and particularly what you are going to do about those defendants who engage in fraudulent activity.

Under the substitute before the Senate, if a defendant is engaged in fraud, it is very clear that joint and several liability stays in place. There are no changes whatever with respect to joint and several liability if, in fact, a defendant is engaged in an egregious type of conduct. We also ensure that joint and several liability is kept when a defendant is insolvent. We felt it was important to make sure the plaintiff would have an opportunity to be made whole in instances where there was an injured party who badly needed a remedy.

The fact is that there have been many, many changes made in this legislation since it left the committee. In order to be responsive to the consumer, the chairman of the committee reached out to a variety of parties—myself and others—in order to make those changes. I will take a minute or two to outline a couple of those.

Perhaps the most important is the fact that this is a bill with a strong sunset provision. Neither the original McCain legislation nor the Hatch-Feinstein legislation, which has many, many good features, nor the legislation that our colleague, Senator DODD of Connecticut, offered, which also has many good features in it—none of those bills had a sunset provision originally.

We felt it was important to make sure that this legislation was not producing a set of changes for all time but it was going to be legislation that specifically targets problems directly related to Y2K so we don't have an open-ended onslaught with respect to product liability issues.

I happen to think the Senator from South Carolina made a number of important points with respect to tobacco. I also happen to think there were other issues that were relevant on this debate. I and others in the other body were able to get the tobacco executives under oath to say that nicotine was addictive which certainly helped to open up this issue in order to protect consumers and injured parties. I think the Senator from South Carolina makes a number of important points with respect to the issue of lawyers who stand up for injured parties and consumers.

Make no mistake, colleagues, this is not an open-ended tort reform bill. It is not an open-ended product liability bill. It is essentially a 3-year bill to deal directly with a problem that, frankly, could not have been envisaged at the time. At the time many of these decisions were made, there was a real question as to whether there would be adequate space for disks and for memory, so there was an engineering tradeoff adopted a number of years ago to get more space for disks and memory. We find it hard today to believe that at one point disk and memory space was at a premium. It was at that time.

Now we are in a position where we have to come up with ways to ensure we make our computer and technology systems ready for the next century while at the same time providing a safety net when, in fact, there are real problems such as frivolous suits.

I hope our colleagues will look at the many changes that have been made: The fact that there is joint liability when a defendant knowingly commits fraud, there is joint liability when you have an insolvent defendant in order to make a plaintiff whole, that there are punitive damages when an individual acts in bad faith, that there are not new preemptive Federal standards for establishing punitive damages, that there has been an elimination of the vague Federal defenses for reasonable efforts.

I hope our colleagues will look at those changes that have been made. I, for one, am going to continue to work with the administration. I think there are many in the administration who realize this is a very, very serious problem. But I really have to say to the Senate today, with respect to the policy statement issued today, that there simply are a number of statements in there that, to be charitable, are inaccurate. The fact is, this idea that under our substitute injured persons are having their rights to sue cut off is simply wrong. Under our substitute, a plaintiff, an injured consumer, can go out and file a suit immediately on the very first day.

Under the McCain-Wyden substitute, if you feel that you are a wronged party, you can file a suit the first day. We just do not think, as a matter of public policy, that is a particularly good idea. We would like to encourage parties to work together in the private sector. That is what we seek to do through the 90-day period. That is what we seek to do through the alternative dispute resolution system. But for those who think it is important to basically have the right to sue immediately, our legislation does that. We do it in a way that protects, first and foremost, contract law rather than writing whole new Federal standards to govern in this area.

Finally, and this is perhaps the area where I have the strongest disagreement with what the administration has offered today, I find it very, very farfetched to believe that there are folks in the Justice Department who know more about the technical issues of helping those in the technology sector get ready for the 21st century; that those folks would know more about this technical job we have in front of us than people who have to do it every single day in my home State of Oregon and across the country. Those are folks who right now, every single day, come to work saying, What are we going to do about working with our suppliers? What are we going to do about individuals overseas who may have been slow to get ready for Y2K? Those folks know a whole lot more about the challenge of getting ready for the 21st century than do the folks in the Justice Department.

I hope we listen to those folks across the country in the small businesses, in the grocery stores and hardware stores, who, by the way, overwhelmingly support this substitute. We have had discussions about somehow the grocery stores and the hardware stores and others are ones that are not supportive of this legislation, who feel their rights are being cut off. The fact is they are overwhelmingly in support of this legislation.

A lot of my colleagues, I guess, are saying: Where do we go from here? Is it just going to be impossible to move forward? I am not one who shares that view. I think there is a centrist coalition in the Senate that very much wants to get a responsible bill that meets the needs of consumers and injured parties, and is also concerned about preventing bedlam in the private marketplace next January. We have been meeting on an ongoing basis for several days now. We have had some very thoughtful ideas presented. Senator DODD has some important suggestions; Senator HATCH, Senator FEINSTEIN, and others have made real contributions. I understand our colleague from Massachusetts, Senator KERRY, continues to negotiate on several of the issues that are outstanding.

So I am very hopeful that with the continued leadership of TOM DASCHLE and TRENT LOTT on this issue that we can continue to work through some of the outstanding issues. I have tried to respond this morning to areas where I think the administration is simply off base with respect to what the McCain-Wyden substitute is all about, but I want to make it clear I remain open to working with them.

But I would say now is the time for the Senate to deal with this issue. If we let this go on, if we just let it fester and take months and months and months and arrive at no resolution of this problem, I happen to think we may well be back here early next January for a special session of the Senate having to deal with this problem. There is not a Member of this body who wants that result. Let us continue to work together.

I plan to continue to negotiate with all the Senators I have mentioned this morning, and will continue to try to be responsive to the concerns raised by the distinguished Senator from South Carolina, although I think in the end it is quite clear we have a difference of opinion on this legislation. But this bill is too important to just say: This is it, the end, the administration has given its opinion and let's move on.

I think we have an opportunity to proceed under the McCain-Wyden substitute. We have made nine major changes that were requested by various organizations to be responsive to areas where they thought the committee bill was inadequate. We have made it clear we are open to a variety of other suggestions. Senator DODD, in particular, has offered several which I think are very important and ought to be addressed. I hope the Senate will continue to work in a bipartisan way to deal with this issue, because the time to deal with it is now and not next January.

I yield the floor.

Y2K ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 96, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 96) to regulate commerce between and among the several States by providing for the orderly resolution of disputes arising out of computer-based problems related to processing data that includes a 2-digit expression of that year's date.

The Senate resumed consideration of the bill.

Pending:

McCain amendment No. 267, in the nature of a substitute.

Lott amendment No. 268 (to amendment No. 267), in the nature of a substitute.

Lott amendment No. 269 (to amendment No. 268), in the nature of a substitute.

Lott amendment No. 270 (to the language proposed to be stricken by amendment No. 267), in the nature of a substitute.

Lott amendment No. 271 (to amendment No. 270), in the nature of a substitute.

Mr. WYDEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DODD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. VOINOVICH). Without objection, it is so ordered.

Mr. DODD. Mr. President, I take a moment on the pending issue before the Senate. The year 2000 litigation reform proposal has certainly been the subject of a lot of discussion over the last couple of days. As the ranking Democrat on the committee chaired by the distinguished Senator from Utah, ROBERT BENNETT, we have spent the last couple of years looking at this issue—intensely the last year and a half. We have held 18 or 19 hearings on the subject of this computer bug problem and its potential effect not only on our own economy but the global economy and the disruptions it would cause in the lives of average Americans, in everything from flying airplanes to operating elevators, emergency rooms in hospitals, schoolrooms and classrooms, the functions of small businesses that depend upon computer data information today to maintain their businesses.

A legitimate area of concern has been raised regarding potential litigation surrounding this issue. I, for one, am very supportive of passing legislation to try to minimize the tremendous cost of lawsuits that could ensue for a number of years as a result of this anticipated but undealt with problem.

I won't go into how the Y2K issue emerged. Suffice it to say that it went back to economies of scale a number of years ago when computers were in their infancy and we were trying to save space in developing or programming computer information. Rather than list all four digits, which took two more spaces, only two spaces were used, ending with the last two digits of the year rather than including all four digits. The assumption was, years ago, that modern technology would take over, the old computers would be replaced, and that new information would include the millennium, therefore solving the millennium problem.

As we painfully know, with some 245 days to go now before January 1 of the year 2000, that is not the case. Not only has this problem not been erased in terms of the date issue, but the embedded chip problem makes this a confounding issue.

Had it not been for Senator BENNETT of Utah calling out to all of the Members to get involved in this question, and my involvement with him after his initial interest in this in the Banking Committee where we examined financial institutions, I don't think we would have done as good a job getting the Federal Government and the country as a whole as interested in this subject matter as it is today. As our reports have indicated, we are actually in very good shape in many areas.

However, there is the potential problem of litigation. Some estimates indicate that the cost of litigation surrounding the year 2000 problem could be as much as $1 trillion. That may be an exaggeration. No one knows for certain how big a problem this may be in terms of clogging up our courts—primarily with companies suing companies, I presume, in contract litigation—over failed businesses or machinery that didn't operate as advertised.

There are several bills before us. We are trying to work out our differences, to see if we cannot put together a proposal here that would attract broad, bipartisan support of legislation that will do several things.

First of all, it tries to avoid litigation altogether. I think this is common of all the various proposals. I do not have each one of them in front of me, but all the proposals try to have some waiting period or some means by which a plaintiff and defendant could see if they could resolve the issue which had prompted the litigation in the first instance. I think that is a wise inclusion here. We ought to do everything we can to avoid litigation and the cost to defendants and plaintiffs. So I commend the authors of those provisions for trying to minimize the cost.

We then try to insist upon some specificity in the allegations, so plaintiffs would have to lay out in some detail what the charges are, where the shortcomings are, giving defendants an opportunity to know what they have been charged with. It sounds like a simple enough request, but in the past we have had a serious problem where merely broad, vague allegations were enough to prompt litigation that could tie up individuals for years and cost literally thousands, in some cases millions, of dollars to the defendants when, in the final analysis, there was a lack of proven culpability. So we are requiring some specificity in the allegations.

We are also talking about trying to reduce the probability of class action lawsuits, particularly in an area which is primarily contract law. But in order to do that, there is a sense of proportional liability here, which is something we included in the securities litigation reform bill—which passed this body and the other body substantially a few years ago and ultimately, after an initial veto, was passed over the President's veto by the Senate and the House—and the uniform standards legislation which followed thereafter.

The proportional liability idea is one of basic fairness. It says defendants ought to be brought into a lawsuit based on the percentage of their alleged culpability, not based on the depth of their pockets financially. If a company is 10-percent responsible for the problem, they ought to bear 10 percent of the cost of liability. In fact, the cases prove that too often what has happened is we have plaintiffs—their attorneys—who go out and seek out the companies with deep pockets that may have had little or nothing to do with the issue but, because they are affluent potential marginal defendants, they get brought into the litigation. If there is a successful result on the part of the plaintiff, then that marginally involved defendant, under the joint and several provisions of most of our law in this area, no matter how marginally involved, are responsible for the full cost of the lawsuit, paying the awards.

Again, I appreciate the lawyers who want to have that. I understand that is one way to get paid. But in fairness to those companies which are only marginally involved, it does not seem to be a very fair way to proceed.

There are some very legitimate issues people raise about trying to come up with some modified version of the proportional liability provisions. They may have some value. I am still listening to their arguments, but I am not yet convinced that is such that we need to modify it in this kind of bill.

The argument they make, and it has some appeal, is that in dealing with the year 2000 litigation, it is fundamentally contract law. Unlike securities litigation or litigation in product liability or other areas, in contract law the notion of proportional liability may not have as much meaning as it would in other areas. So there is some argument. There is an argument being made that you may have a more difficult time reaching offshore companies that are major computer producers, manufacturers, software manufacturers and producers. That argument, again, has some appeal. It has not yet persuaded

this Senator to support any moderation in the proportional liability sections of these bills.

The last series of ideas I would like to see incorporated—and I am prepared at the appropriate time, if we get to it, to offer an amendment, I hope with several of my colleagues who share these views—is we ought not, in my view, have any caps on punitive damages except in the case of small businesses and municipalities. I do not think a cap on punitive damages is needed in this area. We are not talking about personal injury matters here; we are talking about contract law. I understand for smaller businesses that could be a huge problem and put them out of business—on a small lawsuit, destroy them. And for municipalities where taxpayers end up paying the costs of these burdens, I think most of our colleagues will accept those arguments.

The second is to try to raise the limits or lift the limits on the directors' and officers' liability. In this area, I also do not think there is a need for caps on the amount of liability a director or officer should pay in a successful plaintiffs' suit dealing with Y2K issues.

I say that because when we passed the disclosure act a year ago, dealing with the year 2000 legislation, we provided in that legislation a safe harbor for forward-looking statements by the officers and directors and managers of these businesses. It seems to me that protection plus the general business rule which protects business leaders from the kind of frivolous lawsuits that some might envision eliminates the necessity for having a cap on directors' and officers' liability in this area. So I include in my amendment lifting the cap on that issue.

Last is the issue of the state of mind question, which is the one that is a little more thorny for people. This can get rather arcane and esoteric, but it is an important issue. Presently, under the bill offered by the Senator from Arizona, which is the bill before us, the one that is on the floor, and I believe under the bill offered by my colleague from Utah, Senator HATCH and others, that would have a state of mind that would require that it be—I think clear and convincing is the standard that is used. I may be wrong on one of those, but I think it is in the McCain bill.

The argument there is that we used clear and convincing as a standard when we did the full disclosure bill. If we used it there, why not continue using it here? We used it there because we wanted to protect, in a sense, and encourage the leaders of industry and business to disclose to each other where they were in the Y2K remediation efforts. So, candidly, it was to make it more difficult for someone to sue an officer or director of a company that was reaching out to its clients, to its fellows in the business community, its peers, by sharing information. So it was part of the incentive of the Disclosure Act to get that information out.

The reason I am uneasy about including clear and convincing in this bill is because I can see some who want to bring lawsuits on income-related matters where it may actually be more of a product liability issue, it may be a tort issue, but the defendant will say it is an income issue.

So, even though the plaintiff is not thinking about the Y2K problem, the defendant will use the Y2K defense, raising the bar to clear and convincing and make it very difficult for that plaintiff to be able to bring an action which has little or nothing to do with the year 2000 issue.

I also think we established in the securities litigation area a lesser standard. In fact, I know we did, in clear and convincing. It seems to me that by using the standard we used in the securities litigation area, we will be adopting a standard in a more parallel fact situation than the disclosure bill of last year, and one that has already proved to be successful in winning a lot of support in this Chamber and in the other body. It has become the law of the land. We now have a few years of experience of that standard in place.

Clear and convincing opens up a new door that we do not know, quite frankly, where it goes.

I urge my colleagues to be supportive of this proposal on the punitive caps on the directors' and officers' liability, with the exceptions that I have mentioned, when and if I get a chance to offer it, and on the issue of state of mind.

That may not be enough. I am sure there will be other amendments others may want to offer. But I think if you have a bill that roughly incorporates what I described to deal with the year 2000 problem, we can pass a bill with a substantial bipartisan vote; it can go to the House and go to the President's desk, which I am confident he will sign into law.

I know the administration and I know the President and the Vice President care about this issue. They think it is important. We have a responsibility to act. This issue is not as galvanizing, obviously, as the issue surrounding the tragedy in Kosovo or the tragedy in Colorado. Clearly, those are two issues which this Senate must debate and discuss, in my view.

TRAGEDY IN LITTLETON, COLORADO

We ought to be talking about ways in which we can minimize the tragedy that occurred at Columbine High School in Littleton, CO.

I want to hear my colleagues' ideas on what we can do as a country. I am suspicious of quick legislative solutions to what provoked and caused the loss of 13 lives in that tragedy in Colorado, but nonetheless, I want to hear a good discussion of what my colleagues are hearing from their constituents across this country as to how we, as a legislative body, can make a positive contribution to help this country not only come to terms with what happened a week ago, but how we can do everything in our power to minimize the recurrence of that tragedy.

KOSOVO

Secondly, on Kosovo, clearly there the events, as they are unfolding, indicate that we are on the right track. It is not a perfect policy, but I am proud of the fact that my country is standing up for the rights of human beings who have been treated so poorly, to put it mildly, by the regime of Slobodan Milosevic.

It was almost 60 years ago yesterday that a ship called the *St. Louis* left Europe with one-way tickets. Many who are part of the families of survivors or survivors of the Holocaust will know the name of the ship, *St. Louis.*

That ship sailed from Europe with a boatload of passengers, all of whom were Jewish. They were bound for Cuba. When they arrived at Cuba, only 28 of them were allowed to come ashore.

Unfortunately, our country denied that ship the right to enter U.S. waters. Rather than being a one-way ticket to freedom and avoiding the horrors of the Holocaust, the *St. Louis* was forced to return to Europe, and all those passengers on that boat faced the fate of the Holocaust.

This Nation and the nation of Cuba at the time turned its back on a shipload of people seeking freedom. Sixty years later, Mr. President, we are confronted with a human tragedy that, I argue, is not on the magnitude of the Holocaust but of a significant magnitude where 1.5 million people have been tortured, have been executed, have been displaced because of the appetites of one individual and those who support him in Serbia.

It is not easy to stand up. It is not easy to build coalitions. It is costly to be involved in this. In my America, we stand up for people who face that kind of a problem, and when we can do so with 18 other nations standing with us, bearing the cost in proportional ways, to try to right this wrong, then I think it is something of which all Americans can be proud.

It is legitimate to have a debate over the execution of this conflict, how it is being prosecuted, who is doing what and how fast it is occurring, whether or not we should have ground troops or whether or not the airstrikes are performing and achieving the desired results. I think we are on the right track. We ought to have a debate on that as well. It is healthy to have that kind of discussion.

I do not mean to say Y2K is not important. Hardly so. I think it is very important. It is an issue we should resolve in this body, come to terms with,

try to pass it here, and send the bill to the President for his signature. If we do not, we will regret deeply what may happen, and we will look back and wish that we had taken the short time we need to pass a bill that will allow for this problem to be avoided. I also hope we will get to the issue of Kosovo, get to the issue of Columbine High School and the tragedy in Colorado, and discuss and debate how we think we can respond to those issues as well.

Mr. President, I see the arrival of my colleague from California. She may not be ready to say something at this moment. I thank the Chair and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GREGG). The clerk will call the roll.

The legislative assistant called the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

MOTION TO COMMIT WITH AMENDMENT NO. 291

Mr. KENNEDY. Mr. President, I send a motion to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] moves to commit the bill to the Committee on Health, Education, Labor, and Pensions to report back forthwith, with the following amendment No. 291 by Mr. KENNEDY.

At the appropriate place, insert the following:

**SEC. ___. FAIR MINIMUM WAGE.**

(a) SHORT TITLE.—This section may be cited as the ''Fair Minimum Wage Act of 1999''.

(b) MINIMUM WAGE INCREASE.—

(1) WAGE.—Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.65 an hour during the year beginning on September 1, 1999; and

''(B) $6.15 an hour beginning on September 1, 2000;''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on September 1, 1999.

(c) APPLICABILITY OF MINIMUM WAGE TO THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.—The provisions of section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 292

Mr. MCCAIN. Mr. President, I send an amendment to the desk to the motion to commit with instructions.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN], for Mr. LOTT, proposes an amendment numbered 292 to the instructions to the motion to commit.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. MCCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

UNANIMOUS-CONSENT REQUEST

Mr. MCCAIN. I ask unanimous consent that the pending business be temporarily laid aside in order for the Senate to consider two amendments en bloc to be offered by Senator MURKOWSKI, that such amendments be immediately considered en bloc and agreed to en bloc, the motion to reconsider be laid upon the table, and the Senate then return to the pending business.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Several Senators addressed the Chair.

Mr. MCCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. MCCAIN. Mr. President, I ask unanimous consent the pending matter before the Senate be set aside so I can speak on the pending bill overall.

The PRESIDING OFFICER. Is there objection?

CLOTURE MOTION

Mr. KENNEDY. Mr. President, reserving the right to object, and I will not object in just a moment, but I do send a cloture motion to the desk at this time.

Mr. MCCAIN. Mr. President, I believe I have the floor.

Mr. KENNEDY. Mr. President, I think I am entitled to express my right to object.

The PRESIDING OFFICER. I am advised that the cloture motion is in order, not withstanding the fact that the Senator from Arizona has the floor.

The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Kennedy motion to commit S. 96:

Paul Wellstone, Barbara Mikulski, Harry Reid, John F. Kerry, Carl Levin, Charles E. Schumer, Frank R. Lautenberg, Tom Harkin, Ted Kennedy, Russell D. Feingold, Jack Reed, Patrick Leahy, Robert Torricelli, Dick Durbin, Barbara Boxer, and Jeff Bingaman.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Arizona?

Without objection, it is so ordered.

The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, I would like to respond to some of the examples of how S. 96 would deny justice to businesses injured by a Y2K failure that have been offered by the ranking member. In particular, the example of a company called Produce Palace has been raised a number of times. In fact, the owner of that business testified before the Commerce Committee.

Let me respond to the specific charges with the specific facts of that case and dispel the notion that S. 96 would make that business' situation even worse.

The small businessman who owns Produce Palace has testified frequently regarding the problem he had with a computerized point of sale system, including a credit card scanner which would not accept credit cards with expiration dates of ''00.'' He asserted his situation would somehow be worsened by S. 96. The facts are to the contrary. The situation would be better with the passage of S. 96.

Although he complains that S. 96 would require a 90-day waiting period, his lawsuit against the cash register system company was not commenced for over 2 years after the problem occurred. S. 96 would require that he provide 30 days notice to the company of the problem. This notice period does not foreclose emergency action for temporary restraining orders or similar extraordinary court involvement where warranted.

Although he communicated back and forth with the company responsible for his problems over many months, under S. 96 the company would have had to respond by the end of the 30 days, and fix the problem within another 60 days. He could have begun suit at the end of the 60-day remediation period if the problem was not fixed, and not continued to be strung along for months and months.

Additionally, most of the Produce Palace damages were suffered from lost profits and business. These losses may or may not be covered in his contract with the equipment provider. If those issues are included in a contract, then

the contract terms prevail. If not, he would have every right to secure a new cash register or new credit card ''swipe'' machine so his business could proceed during the interim. This is something he apparently did not do under the current law.

S. 96 would not affect his right to sue if the problems were not fixed in a timely manner. In fact, he would have been able to sue much more quickly than he actually did. More to the point, under S. 96 defendants are encouraged to fix problems, and quickly, so that Mr. Yarsike's problems would have been alleviated more quickly and without the drain on his energy and financial resources that litigation entails.

We are sending a letter to Yarsike explaining to him this aspect, and we certainly look forward to his response, if there is any disagreement.

The second area that I will talk about is proportionate liability. Proportionate liability is one aspect of the bill that has caused some concern among my colleagues. I quoted this morning from a paper by the Progressive Policy Institute concerning the impact of Y2K litigation, and that same paper also discusses proportionate liability.

The Progressive Policy Institute paper says:

> It is also extremely important that defendants be held liable for only their portion of the fault by eliminating joint and several liability. Given that computers and electronic products pass through many hands before they are finally sold, sourcing the liability like this will be that businesses that had no role in causing the problem will not be held accountable. To demand that a business with little complicity in a dispute provide the lion's share of reparations only because they have the deepest pockets or because they are the last ones left standing, would simply be unfair.

The other issue I will discuss is the financial impact of litigation. It costs everybody money. It raises the cost, goods, and services. Here are a few examples. Twenty percent of the price of a ladder, 50 percent of the price of a football helmet is attributable to liability and litigation costs. The cost of defensive medicine used to help avoid malpractice liability has been estimated at $50 billion annually. These kinds of costs will result in higher costs of technology goods and services.

These increased costs to consumers make technology a potentially more divisive element in our society, dividing the haves and have-nots, those who can afford technology, goods, and services versus those who cannot. Seminars on how to try Y2K cases are well underway. Approximately 500 law firms across the country have put together Y2K litigation teams to capitalize on this event.

Let me just give you a sample of the Y2K litigation cost estimates:

The year 2000 computer bug is expected to cause some disruptions, even if 95 percent of computer system problems are corrected. Problems will dramatically worsen if only 85 percent or 75 percent of the bugs are found. Ninety-five percent corrected/best-case estimate: U.S. total costs (to replace and repair software and systems and pay for litigation) $90 billion; 85 percent: U.S. total costs: $500 billion; 75 percent, which is the worst-case: $1.4 trillion.

The source of that information is Capers Jones of Artemis Management Systems.

The amount of legal litigation associated with the year 2000 has been estimated by the Giga Information Group to be $2 to $3 for every dollar spent on fixing the problems. With the estimated size of the market for the year 2000 ranging from $200 billion to $600 billion, the associated legal costs could easily near or exceed $1 trillion.

Mr. President, the effects of abusive litigation could further be curbed by restricting the award of punitive damages. Punitive damages, as we all know, are meant to punish poor behavior and discourage it in the future. However, this is a one-time event. The only thing deterred by excessive punitive damages in Y2K cases would be remediation efforts by businesses.

I have managed a number of bills on the floor of the Senate, some of them more controversial than others. It is the rarest of occasions when we have seen a situation where amendments are not even allowed to be propounded and debated and voted on.

It is not clear to me why we can't move forward with the legislative process. We have a bill that was reported out of committee. We have made several changes to it, as is normal between the time a bill is reported out of committee and when it gets to the floor. I know there are significant objections by the distinguished Democrat leader, Senator HOLLINGS, of the Commerce Committee. I do not quite understand why he wouldn't come forward, propose an amendment, et cetera.

Now we are playing parliamentary games with motions to recommit and cloture motions. I say to the Senator from Massachusetts, who I have great respect for, why don't we just amend, vote, and move forward on an issue that all of us realize is very, very important to the future of this country? The year 2000 is not going to wait.

I have never, in 13 years in the Senate—and many of those years, from 1987 to 1995, spent in the minority—come to this floor and tried some parliamentary maneuver such as I just saw. Never. I do not think it is the proper way we should conduct business here in the Senate.

We are going to have a cloture vote tomorrow. I believe we will get 60 votes. If we do not get 60 votes, then I believe we ought to have another cloture vote a day or two later and another cloture vote a day or two later and another cloture vote a day or two later. Because we ought to find out, Mr. President, who is really interested in curing this problem and who is interested in blocking legislation on behalf of the American Trial Lawyers Association.

I hope the Senator from Massachusetts will withdraw this foolishness that he just went through. I hope the Senator from Massachusetts will propose an amendment on anything that has to do with this bill, and we would debate it and vote on it. That is the courtesy that I used to give my colleagues on the other side of the aisle when I was in the minority.

I want to repeat, never once, never once did I propose a motion to recommit followed by a cloture motion, nor have I seen it here in this body that often, especially when we are dealing with an issue of this importance.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second. The yeas and nays are ordered.

AMENDMENT NO. 293 TO AMENDMENT NO. 292

(Purpose: To regulate interstate commerce by making provision for dealing with losses arising from year 2000 problems, related failures that may disrupt communications, intermodal transportation, and other matters affecting interstate commerce)

Mr. MCCAIN. Mr. President, I send a second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Arizona [Mr. MCCAIN], for Mr. LOTT, proposes an amendment numbered 293 to Amendment No. 292.

Mr. MCCAIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. MCCAIN. Mr. President, I regret that we have to go through this. It was chosen to attempt to recommit this important bill back to the committee. As a result of that action, it is not only impeding but making very difficult our progress on the legislation.

The Senator from Massachusetts and I have done battle on the floor of the Senate in an environment characterized with respect and appreciation. I do appreciate and respect the commitment that the Senate from Massachusetts makes to a variety of issues. I have not seen anyone on the floor who is committed as much as he is and willing to come to the floor day after day in advocacy of the issues that he believes in—health care, minimum wage, and many others. I hope the Senator from Massachusetts and others on the

other side of the aisle will allow us to move forward with this legislation, whatever amendments they wish to propose, or amendments on this side, that we could have open debate and move forward.

With that commitment, I will move that we remove the cloture motion, if we have that commitment from the other side.

I hope we can move forward. Apparently, we will not. But it is not the way the American people expect us to do business.

There is a little book we hand out to people when they come here to the Capitol and we give to our constituents. It is called, ''How Our Laws are Made.'' Our laws aren't made this way. This isn't the way we describe it to the American people. The way we describe it to the American people is a bill is reported out of committee, it comes to the floor, the amending process takes place, and we then continue to final passage of the legislation and to a conference and come back to the floor of the Senate.

This is not that procedure. I do not think the schoolchildren will look very favorably on this kind of exercise that we are going through now. I appeal to the better angels of my colleague's nature that we move forward with this very important legislation as quickly as possible.

I note the presence of the distinguished majority leader.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, I associate myself with the comments of the Senator from Arizona.

The bill before us is the Y2K liability legislation, which is time sensitive, which has bipartisan support, which would allow for a process for small business individuals and others who might be talked into Y2K computer problems, to deal with the problem without winding up with the typical lawsuits being filed.

That is what this is really all about, trying to deal with the liabilities that could be facing a lot of people inadvertently, or because they don't have the ability to deal with this problem, to find a way to deal with the problem, and not just, as is the idea of a lot of people, just to provide an avenue for a lot of lawsuits.

I had hoped we could have amendments on the subject and maybe substitute amendments by others. There are two or three different bills that are very close in this area. I thought we could deal with the subject matter and move forward. In a show of good faith, I wanted to leave those options open, and I didn't completely ''fill up the tree,'' as it is described around here, and offer a lot of amendments to block everybody, to see if we really had a good-faith intent of dealing with this important legislation. There are a lot of small business men and women, and businesses in general, who are very interested in this legislation and know it needs to be done, and they know it could be done in a bipartisan way.

But my show of good faith has been rewarded with an amendment that is unrelated and is intended to change the subject to fulfill an agenda that has been developed on the other side. They had the opportunity and they took advantage of it. That, I think, is a tragedy, but that is the way it goes around here. I have learned a lesson. If we are going to pass legislation, whether it is on bankruptcy or financial modernization, FAA reauthorization, or this legislation, Y2K legislation, which is important, I am going to have to take actions to block irrelevant, nongermane amendments that are just part of a political agenda.

Having said that, I move to table the motion to recommit the bill and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LOTT. Mr. President, I advise Members that in about 10 minutes we intend to have a recorded vote. I give Members notice that a vote is impending.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CRAPO). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. LOTT. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue with the call of the roll.

The legislative clerk continued the call of the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. LOTT. I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue with the call of the roll.

The legislative clerk continued the call of the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The clerk will call the roll.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum. No one is present, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The legislative clerk proceeded to call the roll and the following Senators entered the Chamber and answered to their names.

[Quorum No. 6]

| | | |
|---|---|---|
| Boxer | Gregg | McCain |
| Crapo | Kennedy | |
| Durbin | Lott | |

The PRESIDING OFFICER. A quorum is not present.

Mr. LOTT. Mr. President, I move to instruct the Sergeant at Arms to request the presence of the absent Members, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from New York (Mr. MOYNIHAN), is absent due to surgery.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 98, nays 1, as follows:

[Rollcall Vote No. 93 Leg.]

YEAS—98

| | | |
|---|---|---|
| Abraham | Feingold | Lugar |
| Akaka | Feinstein | Mack |
| Allard | Fitzgerald | McCain |
| Ashcroft | Frist | McConnell |
| Baucus | Gorton | Mikulski |
| Bayh | Graham | Murkowski |
| Bennett | Gramm | Murray |
| Biden | Grams | Nickles |
| Bingaman | Grassley | Reed |
| Bond | Gregg | Reid |
| Boxer | Hagel | Robb |
| Brownback | Harkin | Roberts |
| Bryan | Hatch | Rockefeller |
| Bunning | Helms | Roth |
| Burns | Hollings | Santorum |
| Byrd | Hutchinson | Sarbanes |
| Campbell | Hutchison | Schumer |
| Chafee | Inhofe | Sessions |
| Cleland | Inouye | Shelby |
| Cochran | Jeffords | Smith (NH) |
| Collins | Johnson | Smith (OR) |
| Conrad | Kennedy | Snowe |
| Coverdell | Kerrey | Specter |
| Craig | Kerry | Stevens |
| Crapo | Kohl | Thomas |
| Daschle | Kyl | Thompson |
| DeWine | Landrieu | Thurmond |
| Dodd | Lautenberg | Torricelli |
| Domenici | Leahy | Voinovich |
| Dorgan | Levin | Warner |
| Durbin | Lieberman | Wellstone |
| Edwards | Lincoln | Wyden |
| Enzi | Lott | |

NAYS—1

Breaux

NOT VOTING—1

Moynihan

The motion was agreed to.

The PRESIDING OFFICER. A quorum is present.

VOTE ON MOTION TO TABLE THE MOTION TO COMMIT WITH INSTRUCTIONS

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to commit the bill with amendment No. 291 to the Committee on Health, Education, Labor,

and Pensions. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from New York (Mr. MOYNIHAN) is absent due to surgery.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote ''no.''

The result was announced—yeas 55, nays 44, as follows:

[Rollcall Vote No. 94 Leg.]

YEAS—55

| | | |
|---|---|---|
| Abraham | Frist | Murkowski |
| Allard | Gorton | Nickles |
| Ashcroft | Gramm | Roberts |
| Bennett | Grams | Roth |
| Bond | Grassley | Santorum |
| Brownback | Gregg | Sessions |
| Bunning | Hagel | Shelby |
| Burns | Hatch | Smith (NH) |
| Campbell | Helms | Smith (OR) |
| Chafee | Hutchinson | Snowe |
| Cochran | Hutchison | Specter |
| Collins | Inhofe | Stevens |
| Coverdell | Jeffords | Thomas |
| Craig | Kyl | Thompson |
| Crapo | Lott | Thurmond |
| DeWine | Lugar | Voinovich |
| Domenici | Mack | Warner |
| Enzi | McCain | |
| Fitzgerald | McConnell | |

NAYS—44

| | | |
|---|---|---|
| Akaka | Edwards | Levin |
| Baucus | Feingold | Lieberman |
| Bayh | Feinstein | Lincoln |
| Biden | Graham | Mikulski |
| Bingaman | Harkin | Murray |
| Boxer | Hollings | Reed |
| Breaux | Inouye | Reid |
| Bryan | Johnson | Robb |
| Byrd | Kennedy | Rockefeller |
| Cleland | Kerrey | Sarbanes |
| Conrad | Kerry | Schumer |
| Daschle | Kohl | Torricelli |
| Dodd | Landrieu | Wellstone |
| Dorgan | Lautenberg | Wyden |
| Durbin | Leahy | |

NOT VOTING—1

Moynihan

The motion was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER (Mr. ASHCROFT). The majority leader.

MOTION TO RECOMMIT

Mr. LOTT. Mr. President, I move to recommit the bill with instructions to report back forthwith, and I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 294

(Purpose: To regulate interstate commerce by making provision for dealing with losses arising from the year 2000 problem, related failures that may disrupt communications, intermodal transportation, and other matters affecting interstate commerce)

Mr. LOTT. Mr. President, I send an amendment to the desk to the motion to recommit with instructions.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi (Mr. LOTT) proposes an amendment numbered 294 to the instructions of the Lott motion to recommit.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. LOTT. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 295 TO AMENDMENT NO. 294

Mr. LOTT. I send a second-degree amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi (Mr. LOTT) proposes an amendment numbered 295 to amendment No. 294.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. LOTT. Mr. President, in view of the latest action in trying to change the subject on this important Y2K bill, I had no alternative but to fill up the tree. I know there will be comments by Senator DASCHLE and Senator MCCAIN and Senator KENNEDY with the idea that we still hope to be able to bring these issues to a conclusion and get an agreement on Y2K, and, if that can be worked out in terms of available amendments, or final vote, we will work through that, hopefully, by tomorrow.

## GUIDANCE FOR THE DESIGNATION OF EMERGENCIES AS A PART OF THE BUDGET PROCESS

Mr. LOTT. Mr. President, I call for regular order with respect to S. 557, and send a cloture motion to the desk.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 557) to provide guidance for the designation of emergencies as a part of the budget process.

The Senate resumed consideration of the bill.

Pending:

Lott (for Abraham) amendment No. 254, to preserve and protect the surpluses of the social security trust funds by reaffirming the exclusion of receipts and disbursement from the budget, by setting a limit on the debt held by the public, and by amending the Congressional Budget Act of 1974 to provide a process to reduce the limit on the debt held by the public.

Abraham amendment No. 255 (to amendment No. 254), in the nature of a substitute.

CLOTURE MOTION

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the standing rules of the Senate, do hereby move to bring to a close debate on the pending amendment to Calendar No. 89, S. 577, a bill to provide guidance for the designation of emergencies as a part of the budget process.

Trent Lott, Pete Domenici, Ben Nighthorse Campbell, Jeff Sessions, Kay Bailey Hutchison, Craig Thomas, Slade Gorton, Chuck Hagel, Spence Abraham, Pat Roberts, Thad Cochran, Conrad Burns, Christopher Bond, John Ashcroft, Jon Kyl, and Mike DeWine.

Mr. LOTT. Mr. President, for the information of all Senators, this cloture vote will occur on Friday of this week. The time will be announced after consultation with the Democratic leader, unless it is vitiated because of intervening agreements or decisions that are made. All Senators will be notified of that exact time.

CALL OF THE ROLL

In the meantime, I ask consent that the mandatory call for the quorum under rule XXII be waived.

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

MOTION TO RECOMMIT

Mr. LOTT. I move to recommit the bill with instructions to report back forthwith, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 296

Mr. LOTT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi (Mr. LOTT) proposes an amendment numbered 296 to the instructions of the LOTT motion to recommit.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. LOTT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 297 TO AMENDMENT NO. 296

Mr. LOTT. Mr. President, I send a second-degree amendment to the motion to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi (Mr. LOTT) proposes an amendment numbered 297 to amendment No. 296.

Mr. LOTT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

## ORDER OF BUSINESS AND THE Y2K ACT

Mr. LOTT. Mr. President, I regret that we have to use this procedure. But we are hoping that we can see an agreement reached with regard to Y2K. I know there is a bipartisan effort underway on this important issue. It is timely. I hope that Members will work together this afternoon and tonight, and that we can find a way to come to a conclusion on it.

The Social Security lockbox also is an issue that we think is very important which we need to be talking about and find a way to actually achieve that goal. This will give us an opportunity to discuss that some more.

I want to say to Senator DASCHLE publicly what I have been saying to him privately. It is not my intent, and I will not be used to prevent a discussion in a reasonable period of time—we talked about week after next—with regard to school violence, how you deal with that. I think it is appropriate after a reasonable period of time to have a debate and have votes on amendments. I suggest that we would do it on the Justice bill. If for some reason that bill is a problem, we will find some other vehicle, and I am sure there will be amendments with a lot of different ideas of how we try to deal with this problem.

I am not sure we can solve what has happened in Colorado here. But we will have a chance to have a discussion and have a debate and have amendments.

I said to Senator DASCHLE that we are going to do that, and he and I will work together to find a way to do it and to have amendments dealing with school violence.

I don't want this to become a laundry list of all kinds of other issues. But the Senate needs to be heard, and needs to have an opportunity to debate and vote on those issues dealing with school violence. How we try to address that—we will find a way to get that done.

I yield the floor.

Mr. DASCHLE. Mr. President, just for a question for the leader to clarify, yesterday I think the understanding was that it would be his intent to bring this bill to the Senate floor 2 weeks from yesterday.

Is that the current intention?

Mr. LOTT. That is my intention. To give you an example of what might happen, though, it is possible that the supplemental appropriations bill would be ready that day. It depends on when the House acts and when the Senate is able to get to it. If we have to do it a day earlier, or a day later, I don't want the Democratic leader to think it would have to be something he and I agree on. Barring something that might happen, we will do it on that Tuesday.

Mr. DASCHLE. I thank the majority leader.

Mr. LOTT. I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The minority leader is recognized.

Mr. DASCHLE. Mr. President, I want to comment on developments over the last couple of days in particular, and the vote that we just had specifically. There are two issues here. I want to touch on both of them.

The first issue has to do with our desire to reach some accommodation, some agreement on Y2K. I have said it publicly and privately, I think this is a serious issue. I believe there is a way with which to resolve this matter. But I don't think it does any of us any good, or the industry any good, or our country any good to pass a bill out of the Senate knowing it will be vetoed. I don't know why we would do that.

I have heard the argument, ''Well, we can clean it up in conference.'' Mr. President, I don't know why we don't clean it up here. We have as clear a letter as any I have ever seen from this administration which says the current draft will be vetoed. I don't know how you get any more definitive than this.

If we were serious—and I really believe that there are a number of serious and well-intentioned Senators who want to see this resolved—I think this is the test of seriousness, because I believe that the Senators who truly want to see an accomplishment rather than an issue will take this letter seriously.

I am very hopeful that in the not too distant future we will see some final agreement that will allow us to vote on an overwhelming basis on this issue. I want to support it. Most of us will support it.

Mr. WYDEN. Mr. President, will the minority leader yield for a quick moment?

Mr. DASCHLE. I am happy to yield to the Senator from Oregon.

Mr. WYDEN. Mr. President, I thank the leader for yielding. I want to thank him for his patience in an effort to try to make this legislation responsible and fair to prevent damage to our economy.

I also want to tell him that we have made exceptional progress in the last couple of hours, particularly in dealing with the number of those issues that were raised in the administration's letter.

I really commend Senator DODD for all of his efforts. As you know, he is the senior Democrat on the Y2K Committee. He has done yeoman's work over the last couple of hours, particularly on the issue of punitive damages, which is the issue raised by this administration, and also on evidence standards to make sure that you are fair to the consumer and to the plaintiff. Senator DODD has worked very closely with the chairman of the Commerce Committee and myself, Senator HATCH, Senator FEINSTEIN. It is a bipartisan group.

We are going to continue to work in the spirit that the leader has talked about. As a result of the progress in the last few hours, I think we have gone a considerable distance toward meeting the leader's objective.

I thank the leader for yielding me the time, and also for his patience in this effort.

Mr. DASCHLE. I thank the Senator from Oregon.

Mr. President, there are a number of people—Senator WYDEN, Senator MCCAIN, Senator HOLLINGS, Senator EDWARDS, Senator DODD, Senator KERRY, Senator ROBB—as the Senator has noted, who deserve great credit for moving this process along. There are a number of Senators who are actively engaged in an effort to bring this matter to closure. I am very hopeful we can do that.

Let me talk about the second matter, the procedural question. Senator KENNEDY offered an amendment, as is his right, through the recommittal motion simply because he has no other recourse. This is illustrative of an array of frustrations the Democratic Caucus has about the procedure used in each and every instance in which a bill has come to the floor this session of Congress. This is the 28th of April and we have yet to have one amendable vehicle on the Senate floor.

I have a great deal of affection for the majority leader, but I must say, I think he should have run for Speaker because I really believe he would be more comfortable as Speaker. I have said that to him, and I think he would acknowledge he would much rather have a Rules Committee in the Senate than the current rules. When I become majority leader, maybe I will have that same feeling.

However, in the Senate, we have always prided ourselves on open, free debate. We lay a bill down, offer amendments, have tabling motions, have second-degree amendments, and we have a debate. We call ourselves the most deliberative body in the United States, if not in the world, and I believe we have a right to that distinction. How can we be deliberative when every time we bring a bill to the floor, we fill the parliamentary tree, denying anybody a right to offer an amendment?

There is a pent-up frustration and a pent-up pressure to have the opportunity to vote, to have the opportunity to offer amendments on key questions. This happened to be the minimum wage. The distinguished senior Senator

from Massachusetts said he will pull the amendment if we can reach some agreement, if we can get some final solution here in solving the problem of Y2K. If we can solve it and if we can reach agreement, he will pull this amendment. He made that request and that offer. That is more than I get on many occasions. I have to thank the Senator for that.

However, we will continue to see as many challenges and as many significant breakdowns in the effort to reach, with some comity, a solution procedurally and a solution substantively of the issues we want to address in the Senate as long as we fill the tree on each and every occasion.

We just did the Social Security lockbox. What happened? The majority leader filled the tree and, in filling the tree, once again denied the minority the right to offer even a single amendment.

I am very hopeful we can resolve this matter, but the way to resolve it is to do what we are supposed to do, to do what we are paid to do around here. We come to the Senate with ideas. We come to the Senate with a bona fide appreciation of the differences of opinion that exist in the Chamber, even within our own caucuses. I am exasperated, frustrated, mystified that here in the Senate we are not allowed an opportunity to have a free and open debate. If amendments are undesirable, table the amendments; if the amendments can be improved, improve them with a second-degree. But to deny Democratic Senators—and even Republican Senators, for that matter—the chance to amend a bill is not acceptable.

I am hopeful we can find a way to resolve this. If we can't, I will put the Senate on notice that we will use other recourses if we have to. I don't want to have to do that. However, there are ways to respond, to reciprocate, if we are going to be gagged. Committees are meeting with our approval; we don't have to do that. There is an array of other tools we can use to demonstrate our frustration, and we will resort to those if we have to.

I hope we can come to a point where we don't have to do this. We can take up issues that are offered in good faith, debate them, amend them, dispose of them. We can do that on Y2K as we are doing today. We can do that on a lot of other issues, and we must.

Mr. REID. Mr. President, will the Senator yield?

Mr. DASCHLE. I am happy to yield to the Senator.

Mr. REID. I can speak only of your predecessor, the Democratic leader, Senator Mitchell. I know during one Congress he used this procedure one time during a 2-year period. This has been used, to my knowledge, on every bill that has been brought up this session; is that true?

Mr. DASCHLE. Unless there is a unanimous consent agreement, it has been used on virtually every occasion.

Mr. REID. My understanding is this procedure, when the Democrats were in the majority, was used rarely; is that true?

Mr. DASCHLE. I do not have the statistics the majority leader referred to. The majority leader showed me the list of occasions when filling the tree was something that Democrats resorted to when we were in the majority. We go back to 1977 to find the first time, and we have only used it, according to his own list, on a handful of occasions since 1977. Over the last 20 years, Democrats may have used this procedure 5 times—5 times in 20 years.

This procedure has been used five times in 1999. We will have a lot more to say about the extraordinary utilization of this concept of filling the tree and how undemocratic and unfair it is to the process and to the institution itself. We have to find a way to fix it.

Mr. SCHUMER. Will the majority leader yield? Pardon me; wishful thinking on my part. Will the minority leader yield?

Mr. DASCHLE. I am happy to yield to the Senator.

Mr. SCHUMER. I recently ran for the Senate. One of the main reasons I ran was the ability of Members to amend bills. I have always admired the Senate for this. The House has become nasty and partisan. It has basically shut down.

I want to thank the minority leader for voicing the frustration that so many Members have. During the impeachment proceeding, we worked together. Since then, it seems to me that comity is gone. There is no ability for Members on either side of the aisle who have ideas to offer them. We may lose them.

The frustration that so many felt in the wake of Littleton—we had ideas which we thought wouldn't solve the problem but might ameliorate or reduce the chances of future Littletons—of not being able to offer those amendments was enormous.

Has the process thus far this year evolved so we are virtually no different from the House?

Mr. DASCHLE. We have created a Rules Committee of one. I think it is unfortunate. They have a Rules Committee in the House. Constitutionally, the House was designed differently than we are. We don't need a Rules Committee in the Senate. Somebody made the comment, I think it was the distinguished assistant Democratic leader, the reason our Senate is so family friendly is that we are not doing anything. If we did something, maybe we would not be so family friendly.

I think it is time we do something, we try to resolve these matters. Let's move on and allow Senators the opportunity to express themselves in amendments.

Mrs. BOXER. Will the Senator yield?

Mr. DASCHLE. I will be happy to yield to the Senator from California.

Mrs. BOXER. This is for a question. I appreciate the Democratic leader taking to the floor. I want to use this opportunity to ask him a particular question.

The Democratic leader and the Democratic caucus have an agenda of issues. The Republican leader and the Republican caucus, they have their agenda of issues. This is good. This shows the people our vision for this country. One of the things that occurred when the Senator from Massachusetts offered the minimum wage increase as an amendment here, or asked the bill be recommitted so we could vote for it, was that the majority leader was very unhappy with this and said something to the effect—I am not quoting verbatim, but something to the effect—he even used the word ''tragedy''—it was a tragedy this was occurring on this bill and that this is not a time for one party to put forward its political agenda.

I ask my leader this question: Isn't it totally appropriate that each side here, Republicans and Democrats, has a chance to put forward their political agenda? The Senator from New York talked about his race. I had a race that was very difficult. I can assure my friends on both sides of the aisle, it was based on real issues. It was not some theoretical race. It was about the minimum wage, it was about the Patients' Bill of Rights, it was about equal pay for equal work, it was about the environment, yes, and schools and education.

So the question is, I would love to ask my leader what he thinks about our agenda, whether it is pressing? I think the majority leader said this bill is timely. It is; that is true. But is our agenda not timely as well?

Mr. DASCHLE. The Senator from California raises a very good question. Absolutely, our purpose is to present our agenda. That is why we are here.

That does not mean to the exclusion of the Republican agenda. Obviously, we ought to have a good debate about both agendas. But you need that debate. You need that opportunity. How do you have that debate? Not just by talking but by offering legislative proposals: the minimum wages, Patients' Bill of Rights, school construction, Social Security, Medicare reform. Those are the things we are here to vote on and work on, and we need the opportunity to do that.

We can do it the easy way or the hard way. We can do it by allowing amendments and having a good debate, by having some agreement about what the schedule will be, or we can force these issues by offering amendments and by having to defeat cloture and by doing all the procedural things we have had to do now for so long. By the time we

set aside all the procedural time we have spent, we could have had a good debate on the minimum wage or the Patients' Bill of Rights.

The majority leader has said we will bring up the Patients' Bill of Rights. He just said we will bring up minimum wage. He has now said we will bring up juvenile justice. So we are making progress. But I think the time has come to drop this procedural stampede that we find every time on the part of the majority when we want to offer amendments. We have to quit trying to steamroll these bills without offering due opportunity to all Members to offer amendments.

I know the Senators from Massachusetts and Arizona are waiting to speak, and I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Arizona.

Mr. MCCAIN. Mr. President, I would like to first comment on the remarks by the Democratic leader, who is a very old and dear friend of mine going back many years. I appreciate his frustration and concern. I think he made a very eloquent point here.

I point out to my good friend, there is a bit of frustration on this side, too. There is no better example than what is happening right now. We have this bill on Y2K, which is time sensitive if there ever was one, if there was ever a definition of a time-sensitive piece of legislation. We have had it on the floor for 4 days and we cannot get a single amendment, not one single amendment up on your side of the aisle for debate and voting. I say to the Senator, the distinguished Democrat leader, that is what also breeds frustration on this side. Then the majority leader has to file a cloture motion.

The Senator hearkened back to previous years when his party was in the majority. I have to tell you, most of the bills we took up, we put up amendments. Those amendments were either tabled or agreed to or modified, and we went forward. On this bill right here, we have not had a single amendment. I begged for the last 4 days: Please come forward with an amendment. In all candor, on that side of the aisle the leader has said: On this bill, all I want to do is kill the bill. All I want to do is kill the bill. Then we are forced to go ahead with a cloture motion and a cloture vote.

My point to the distinguished Democratic leader is, maybe we ought to all draw back a little bit, go back to a period of time where perhaps we were proposing amendments on both sides and they were allowed. I agree with the distinguished Democratic leader that we should have these issues raised, I hope in a timely fashion, such as the distinguished Democratic leader has sought to do.

I know what the staff is now whispering in the Senator's ear: ''We filled up the tree.'' We filled up the tree because we did not want to take up minimum wage. We wanted to move forward with this bill.

I understand and appreciate the passion the Senator from Massachusetts has about minimum wage. I do not mind debating the bill. But I would also like to get this bill done, which is time sensitive on January 1 of the year 2000. Why there would not be a single amendment—as soon as we filled up the tree I said I would be glad to agree by unanimous consent we take up any amendment that is germane to this bill. I think that would be appropriate.

In 4 days, there has not been a single amendment. I am not saying the responsibility is all on that side of the aisle or on this side of the aisle. I hope we can work out an orderly process. But it frustrates me and the people, the small-, medium- and large-size business people all over America who are facing this crisis, when we seem to be stuck without even considering a single amendment on the bill.

So I hope the Democratic leader in his frustration, which is understandable, would also understand that occasionally there is frustration on this side of the aisle as well. Having been in both the minority and the majority, I understand, I think, the frustrations that are felt there on that side of the aisle.

I would like to make one additional comment. I want to express my appreciation to Senator DODD for his efforts on this bill; Senator HATCH, Senator FEINSTEIN, Senator WYDEN, and Senator BENNETT. As we know, Senator DODD and Senator BENNETT chaired a very important special committee on the Y2K issue. They have done a tremendous job. So they have been heavily involved in this legislation.

Senator FEINSTEIN and Senator HATCH have had a longstanding involvement, and I am very grateful to them for their constructive contributions to this bill. We have had many hours of meetings trying to work out very difficult aspects of this issue. Thanks to Senator DODD's leadership, along with that of Senators HATCH and FEINSTEIN, WYDEN and BENNETT, I think we have an agreement that we will be able to move this issue forward.

So I ask again if we could agree on amendments. I understand there are about 20 pending, about 10 of them by the distinguished ranking member of the Commerce Committee. If we could narrow down those amendments, agree to them and agree to have votes, then we could vitiate the cloture vote tomorrow and get this thing done.

Unfortunately, so far there has been no agreement, there has been no amendment brought up, and there has been no time agreement. I again plead with the other side, if we are really interested in passing this legislation, let's go ahead, agree we stand ready to agree to the amendments and the time agreements on all of those amendments.

Mr. President, again I want to make clearly understood the great respect and affection I have especially for the distinguished Democratic leader. I understand his frustrations. We felt them when we were in the minority, and I hope all of us together can have more comity in this entire process so we can do the people's business.

Mr. WYDEN. Will the Senator yield?

Mr. MCCAIN. Mr. President, I yield the floor.

Mr. KENNEDY addressed the Chair.

Mr. WYDEN. Mr. President, does the Senator from Arizona still have the floor?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I know others have been here, but I have been here for 2½ hours waiting to speak on the amendment which I offered. While I see my friend from Oregon, I do not intend to take a very long time, but I would like to be able to speak about that issue.

First of all, just to review where we are, I want to identify myself with the good remarks of my friend from South Dakota, Senator DASCHLE.

Mr. President, I ask unanimous consent that we have printed in the RECORD the majority leader's schedule for April and for May.

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

The following is a list of legislative items the Senate may consider between now and the Memorial Day recess. As always, this is not an exclusive list and is in no particular order.

Supplemental Conference Report
Kosovo Funding
Y2K
Ed-Flex Conference Report
Safe Deposit Lockbox
Budget Reform
FAA
Commerce/Justice/State Appropriations
Financial Modernization
Flag Burning
Bankruptcy
Satellite Users
Water Resources
State Dept. Authorization
Dod Authorization

Mr. KENNEDY. In April and May, we have the supplemental conference report, Kosovo funding, Y2K, Ed-Flex, safe-deposit lockbox, budget reform, FAA, Commerce-Justice-State appropriations; financial modernization, flag burning, bankruptcy, satellite users, water resources, State Department authorization, DOD authorization.

Mr. President, do you know what is not on that? Any possible opportunity to debate an increase in the minimum wage.

We were effectively shut out from any opportunity last year.

We raised the issue, and we had to follow a similar process to bring that

issue before the Senate. We were denied that opportunity. It is a very simple and fundamental issue of fairness and equity to those who are some of the hardest workers in America—11 million hard-working Americans, who go to work every single day, who work 40 hours a week, 52 weeks a year, and at the end of the year bring home what is less than a poverty wage in the United States of America.

Forty-five Members of the Senate have asked this body for an opportunity to address this issue so that we can have economic justice for the workers of this country, and what has been the response? Is there any opportunity to look down the road and say, ''In another week, or 2 weeks, or 3 weeks, you will have that opportunity''? No. The answer is no, you cannot have an opportunity to raise the minimum wage. You cannot even bring that to floor of the Senate.

I have heard a lot of talk about courtesy and about how bills are made here. What about courtesy toward the hard-working men and women who are making a minimum wage, who cannot put bread on the table or pay their rent? Or, courtesy toward the proud working woman we heard from just yesterday who said that she has been unable to go to see her two daughters in the last 3 years because when you make the minimum wage, you cannot afford to take a bus across the country to see them. How about courtesy to them, Mr. Leader, how about courtesy to them? Don't they count? Shouldn't they be on the agenda?

Mr. President, I find these arguments rather empty in trying to establish priorities here. I am sympathetic to trying to reach out with legislative solutions to the problems we have before us, but we have been denied any opportunity to do anything about these 11 million Americans earning the minimum wage.

And it is not only on the issue of the minimum wage. Last year we brought up an issue that is on the minds of every working family in this country, and that is the Patients' Bill of Rights—a very fundamental idea—that the medical profession, and not an accountant in the insurance companies, ought to be making the decision affecting families. That is the heart of the Patients' Bill of Rights. And we were denied the opportunity to consider it on the basis of the merits. We were denied the opportunity to even have a hearing.

I hope all of those voices that were out here talking about ''undermining the spirit of the Senate'' will go back and talk to the chairmen of those various committees and say: Give them a hearing, report a bill out, get it to the floor of the Senate, so we can make sure that we are going to have clinical trials available to women who have breast cancer or to children who have other dreaded diseases; to make sure people are going to have a specialist when they need it; to make sure people are going to be able to get treated at the nearest emergency room; to make sure, if someone has some particular illness or sickness, they are going to get the right prescription drugs, not just what is on an ordinary formulary.

It is not very complicated, not very revolutionary, not very dramatic. It is not our agenda, not the Democratic agenda. It is the agenda of 100 agencies of doctors, nurses, and consumers of this country who say this is what we need to protect your children, to protect your wives, and to protect your loved ones.

But where is it on this agenda? Where do we have the opportunity to debate these issues? Where do we even have the opportunity to say that we will be willing to enter into a time agreement, say, 3 days? We take days and weeks on some issues around here, but are not even given the opportunity to have time-limited debate on these issues, which are of such vital importance to the men, women, and children of this country.

Just tell us, majority leader, when we can debate these issues. Give us Mondays and Fridays when we are not voting. Give us those days when the Senate has not been working. We will take any time. We will take Mondays and Fridays. We will take nighttimes. We will take any time. But give us the time, and put these issues on the agenda, because they are on the agenda of every family.

But no. We are denied the opportunity to debate these issues: ''It is not on our agenda, Senator. Don't insult us on our side by trying to bring this measure up on the floor of the Senate this afternoon. Don't inconvenience the majority that have an agenda here this afternoon. No, you cannot speak, Senator; you cannot speak here this afternoon on your particular amendment. No, no, we are not going to let you do that.''

Mr. President, it is the best reason I know why we ought to change this body, why we need men and women in this body who are going to say that an increase in the minimum wage is deserved. An increase in the minimum wage is a women's issue—Sixty percent of those recipients of the minimum wage are women. It is a minority issue—nearly 4 million African-American and Hispanic workers would benefit from an increase in the minimum wage.

Mr. President, this is something that cries out for fairness. The American people support it. But, no, we cannot even debate the issue.

I am beginning to believe that the majority refuses to bring it up because they do not want to vote. We know what is going on, all the whispers: ''Don't let them bring up the minimum wage on the basis of the merits because it's going to be painful for us.''

But how much pain does it cause those individuals who are trying to provide for their families tonight? How much pain are they going through?

Still, we heard words on the floor this afternoon about courtesy to the body. We were told about this is not the way of doing business, this is not how laws are made. I was reminded by another Republican leader, we ought to be showing good faith, that this is a tragedy but that it is irrelevant material.

You tell the 11 million people who are trying to survive on the minimum wage that this is what has happened to their purchasing power.

We have heard in the wake of the Littleton tragedy about the importance of parents spending time with families. When you are working two or three jobs at the minimum wage, how much time do you have to spend with your children? That is the testimony these people are giving. They do not have the time to spend with their children.

Do you know what the payroll for the United States of America is a year? It is $4.3 trillion. Do you know what the impact of this increase in the minimum wage would be? It would be three-tenths of 1 percent of that, and we hear that it is going to add to the problems of inflation, that we are going to throw a lot of people out of work. Mr. President, $4.3 trillion, and we are talking about 50 cents a year for more than 11 million people. Come on.

If you do not want to vote for it, do not vote for it. Let's take it to the American people and see who they want to represent them. But no. Just read the schedule. No matter how much we try, Senator DASCHLE has not been able to bring those measures before the Senate.

Mr. REID. Will the Senator yield for a question?

Mr. KENNEDY. Let me make a final comment, and then I will be glad to yield.

Mr. President, I underscore my support for Senator DASCHLE. I mentioned very briefly yesterday in our Democratic caucus that just before I came to the Senate, you did not get a vote in the Senate unless you got the nod from the majority leader.

But something took place in the 1960s. We had a movement within this Nation to strike down the walls of discrimination. People said, ''This is an important issue.'' The two places these issues were debated and considered were the federal court—the 5th Circuit—and the Senate. The debate on the war also took place in the Senate—and later, on the environment, disability rights, and other issues of crucial importance to our country. The Senate has been the repository for debate about the Nation's concerns.

One thing that every Senator understands is that everyone is equal in this body. So I cannot accept what the majority leader is saying: ''I make the decisions on this agenda. And no one else.'' That isn't what this body is about.

The Senate Democratic leader, Senator DASCHLE, indicated in a very positive and constructive way his willingness to try to work with the majority. This is the way it has been for 36 of the 37 and a half years I have been here—when Democrats have been in the majority and when Republicans have been in the majority. But never in that time have we had the leadership saying that one Senator is a lesser Member of this body than another. And that is what is being said, when a Member is denied the opportunity to raise important issues of conscience or of concern to their constituency.

They may be able to deny that opportunity on a particular measure. They may be able to prevent someone from speaking for 2½ hours, as they did today. They may eat up another hour of time, as they did this afternoon by having a live quorum. That is all part of this process. You can play this nice or you can play it rough.

I like to believe, as someone who takes a sense of pride in being able to work together with Members on both sides of the aisle, that we have been able to make a difference. That is what the Senate should be about. But if they are going to play it the other way, let them just understand that we can play it that way too.

I suggest my colleagues go back and read the little book by Jim Allen. Senator Allen had this place tied up for 7 months—an individual Member of the Senate. If they are not going to work this out in a way that respects individual Members, they cannot expect Members to respond in the positive tradition of this great institution.

Every Member on both sides of the aisle wants to honor that tradition. That is what I want to see. Hopefully we can, through the leadership of Senator DASCHLE and Senator LOTT, proceed in that way for the remainder of this session.

I am glad to yield.

Mr. REID. I ask the Senator: You have talked about minimum wage. It is true, is it not, as you have said, that 60 percent of the people who draw minimum wage are women? Is that true?

Mr. KENNEDY. The Senator is correct. Sixty percent.

Mr. REID. For 40 percent of all of these women who draw minimum wage, that is the only money they get for themselves and their families; is that true?

Mr. KENNEDY. That is correct.

Mr. REID. The Y2K problem is something you and I acknowledge we should resolve; is that true?

Mr. KENNEDY. Absolutely.

Mr. REID. But tell me, isn't it true—you have been the lead Democrat on the Judiciary Committee; you have been on that committee for many years that is looking to litigation which will transpire as a result of computers not working properly after the year 2000 hits? Is that true?

Mr. KENNEDY. The Senator is correct again.

Mr. REID. Even though we both acknowledge it is more important legislation, would the Senator tell me why it is important in April of 1999 that that legislation be completed prior to a bill that would give the 12 million people who are desperately in need of a minimum wage increase?

Mr. KENNEDY. I know there may be some who differ, but I think we could pass the minimum wage and the Patients' Bill of Rights and the Y2K in a relatively short period of time and do the country's business. As it is we cannot do the country's business, as the Senator has pointed out, if we can never even reach the minimum wage or the Patients' Bill of Rights.

In the meantime, we are told by my good friend from Arizona—I wish he were here—that he is frustrated because we have not had an amendment all week. Well, you know what he is saying? ''We haven't had an amendment that the majority can agree to all week.'' He said right here on the floor, ''We haven't had an amendment all week.'' Well, the rest of that sentence is: ''that he will permit, to be offered.''

That is not what this place is about. I really am quite surprised that a Member of the Senate would interpret the rules that way.

Mr. REID. Will the Senator yield for another question?

Mr. KENNEDY. Yes.

Mr. REID. The Senator outlined graphically the Patients' Bill of Rights. And it is important that we do something about that. But is it not also true, in relation to the Patients' Bill of Rights, that all over this country managed care entities are dropping senior citizens?

Mr. KENNEDY. The Senator is absolutely correct.

Mr. REID. There are senior citizens now who have chosen to go off Medicare, who are now without any managed care, without any ability to get health care; is that right?

Mr. KENNEDY. That is right.

Mr. REID. There are some who say, once you go off Medicare, then you can't go back on for a certain period of time.

And now there are hundreds of thousands of them in the country who have been dropped from the managed care entities. Don't you think our doing the Patients' Bill of Rights is important to the senior citizens of this country?

Mr. KENNEDY. The Senator is correct. An opportunity to debate the prescription drug issue is also important to our senior citizens. I know the Senator is home just about every weekend, and I am sure that when he meets with senior citizens they raise, in an almost unanimous chorus, their concerns about prescription drugs. I daresay they think we ought to be addressing that issue in the Senate.

When I go home and meet with workers, they are concerned about the minimum wage, they are concerned about the Patients' Bill of Rights, they are concerned about prescription drugs. Sure, the legislation before us is important, but then I look at this agenda and wonder, where are the issues the people at home care about?

It is important that we have the opportunity to debate and discuss these issues. We are denied that opportunity now.

Mr. REID. One last question I will ask the Senator.

Based on your experience and my experience, is it a fair statement to say that on our agenda items we may not win every one of them, we may not prevail on every one of them, but wouldn't it be nice, I ask the Senator, to be able to debate the issue of the minimum wage, the Patients' Bill of Rights, the other things we believe are important? Win or lose, wouldn't it be great if we could have the opportunity to explain to the American people and the Members of this Senate why we feel strongly about an issue?

Mr. KENNEDY. I could not agree with you more, Senator. And, tragically—tragically—the Republican leaders were able to kill the effort to consider the minimum wage here today. I do not know why they will not even give us an opportunity to debate and vote on the merits of the issue.

I hope that we are able, through the efforts of our leader working with the majority leader, to agree on a process that gives these issues, and others that are important to our colleagues, their day on the floor of the Senate.

Mrs. BOXER. Would the Senator yield for a brief moment?

Mr. KENNEDY. I will be glad to yield.

Mrs. BOXER. I will be very brief.

I have been on the floor with the Senator for 2 and a half hours.

Mr. KENNEDY. I know the Senator has.

Mrs. BOXER. And I am proud that I was able to take that time to do it, because by my presence I wanted to show the support I feel for what he is trying to do. I am a person who represents the Silicon Valley, the high-tech people. I want to solve the Y2K problem. I know my friend is a leader on technology in his State.

We want to do the right thing. I have praise for his colleague, Senator KERRY, who I think is doing a terrific job, working to come up with a solution some of us would prefer and, by the way, the administration prefers.

I want to pick up on this notion of time sensitive, because it is time sensitive that we do this. It doesn't have to be done today or next week, but it is time sensitive. Certainly, we have to do it in time to resolve the problem.

But there are a lot of things that are time sensitive. Isn't it time sensitive when a family can't pay the bill? Isn't it time sensitive when, as the Senator says, a woman can't afford to take a Greyhound bus to see her children? Isn't it time sensitive that under current law a 12-year-old can walk into a gun show and buy, essentially, a semiautomatic assault weapon? There are a lot of things that are time sensitive.

In many ways, it is as if the majority leader has the corner on what is time sensitive. As my friend says, it depends on who you talk to.

Frankly, the people I am talking to must be similar to the people you are talking to. These are bread-and-butter issues. It is safety in schools. It is a Patients' Bill of Rights, the quality of health care, many, many issues, Medicare, Social Security, that we want to take up, in addition to the business issues that the majority leader wants to take up.

I ask my friend, isn't time sensitive a term that we could apply to all of the issues that are on the agenda of the Democrats here in the Senate under the leadership of Leader DASCHLE?

Mr. KENNEDY. Let me answer very specifically on the time-sensitive aspect. If we do not increase the minimum wage now to 50 cents this year and 50 cents next year, next year the real value of the $5.15 minimum wage will be $4.90. So they are going to be worse off. Even with the 50 cent increase, as the Senator can tell from this chart, we are still below what we were during the 1960s, all during the 1970s, and up through the 1980s, in terms of purchasing power. This last increase was supported by Republicans and Democrats alike.

Yes, this is time sensitive, because the people who are living on the minimum wage are not just holding where they are, they are going down. This is at a time when our nation is experiencing the greatest economic prosperity in the history of the world. But we evidently don't have time to debate and act on this.

I yield to the Senator from Illinois.

Mr. DURBIN. If the Senator will yield for a question, after I voted, I left the floor before the rollcall was announced on the Senator's efforts to bring the minimum wage issue to the floor. Does the Senator recall the vote total that was announced?

Mr. KENNEDY. We were 55 in favor to 44.

Mr. DURBIN. So it was 55——

Mr. KENNEDY. Senator MOYNIHAN is necessarily absent. It would have been 55 tabling and 45 against tabling. Every Member of the other side of the aisle was for denying the opportunity to consider this and everyone on this side of the aisle thought we ought to at least consider it.

Mr. DURBIN. So it was a straight party-line vote——

Mr. KENNEDY. The Senator is correct.

Mr. DURBIN. Against considering an increase in the minimum wage.

Mr. KENNEDY. The Senator is correct.

Mr. DURBIN. Well, I want to ask the Senator: We are considering on the floor S. 96, the so-called Y2K bill, which is designed to protect businesses. And good, compelling arguments can be made about protecting businesses. But doesn't this vote suggest that the majority party feels that we should not be discussing help for working families, those in the lower income categories who are falling behind even as they go to work every single day trying to raise their families? That is how I read that vote. It is loud and clear.

Mr. KENNEDY. As mentioned earlier, it is not just today that we have been refused an opportunity to debate it. I have in my hand what the leadership has provided as the schedule for all of April and all of May. We are coming to the end of April now, but there are still several items that haven't been finished in April, and all of May. And nowhere on this do we have any indication that we will have the opportunity to debate either a minimum wage increase or a Patients' Bill of Rights.

If the Senator remembers, we were denied the opportunity to debate both of those issues at the end of last year as well, and we received assurances from the majority leader that the Patients' Bill of Rights would be considered in an early part of this session. We have had the markup in our Health and Education Committee, but still there is no priority on that particular issue.

So the Senator is right. Not only can we not consider that today, but it doesn't seem that it will be possible for consideration at any time in the foreseeable future.

Mr. DURBIN. If the Senator will yield, yesterday we were prepared on the floor to offer an amendment relative to school violence, to try to prevent a repeat of the tragedy that we saw in Littleton, CO, and in Jonesboro, AR, Pearl, MS, West Paducah, KY, and so many other places. I believe the Senator and I came away with the understanding from the majority leader, Senator LOTT, that, yes, within 2 weeks we would have our opportunity to consider those issues and some legislation to deal with them.

I ask the Senator from Massachusetts, there is a concern as well about teachers and the President's proposal to try to have more classroom teachers and a smaller student/teacher ratio in grades kindergarten, 1, 2, and 3; is that scheduled to be considered under any schedule that the Senator from Massachusetts has seen?

Mr. KENNEDY. No, it is not, Senator. You have identified something which is enormously important and that is the increasing evidence that the smaller the schools—schools where every schoolteacher knows the name of every child in the school, and knows the parents—and the smaller the classrooms, the greater the reduction in incidences of hall rage, and other types of school violence. This, it seems to me, would be worthy of debate and discussion. If we spent some time, knowing that we will debate that, went back to our States and listened to schoolteachers and parents for a few days and then came back and talked about these types of issues, perhaps we could do something that might be useful.

Mr. DURBIN. One last question to the Senator—and I thank him for his patience in responding—all of us are concerned about Littleton, CO, and what happened there and school violence in general. There isn't a parent in America who isn't sensitive to that today.

The suggestion of a smaller classroom and more personal attention to children in the early stages of their development suggests to me the possibility of spotting a child's problem at an early stage and perhaps dealing with it successfully rather than having this child pushed through the mill, ignored, perhaps not given the personal attention they need.

It strikes me that there are so many different pieces to this, whether it is the guns that make these troubled kids so dangerous to so many other people, or the fact that there are troubled children who are not getting the personal attention they need.

I join with the Senator from Massachusetts. I hope we can return to an agenda that really identifies the priorities of America's families. It is important to talk about Ed-Flex. It is important to talk about Y2K. But for goodness sake, before we leave at the end of the year, shouldn't we talk about the issues that families talk about when they are sitting around the table or around the family room watching television?

I salute the Senator. I hope he will continue with his efforts.

Mr. KENNEDY. I thank the Senator.

Mr. President, I yield the floor.

Mr. WYDEN addressed the Chair.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Oregon.

Mr. WYDEN. Mr. President, I will be brief. I know my friend from North Carolina wants to speak as well.

First, as one who strongly supports Senator KENNEDY on this matter of raising the minimum wage, I think he knows that I have worked since my days as codirector of the Gray Panthers to make sure that senior citizens would get prescription drug coverage.

I want him to know that I look forward to working closely with him on these issues. I will, before the Senator leaves the floor, talk about why this Y2K issue is so important to those low-income seniors, and on a point that the Senator from Massachusetts has led the fight on. I want to do this briefly.

Mr. KENNEDY. If the Senator will yield, I am quite familiar with what he is talking about—health care and some of the other issues that make a difference. I represent a State that is proudly one of the leaders in this area, and I look forward to hearing what the Senator has to say.

Mr. WYDEN. I thank my colleague. I will make this point very briefly. One of the key concerns that senior citizens now have is the problem of taking prescription drugs in the proper way. We have learned a great deal, for example, about how billions of dollars are wasted as a result of seniors not being in a position to get good information about drug interactions.

One of the ways that we are best able to tackle that problem, and save billions of dollars, in order to make sure that seniors have their needs met in terms of prescriptions is to get some of this information online. This is now just beginning to be done. I submit that it is a perfect example of how we should not be pitting the issues relating to Y2K against those affecting low-income citizens.

I think the Senator from Massachusetts is absolutely right with respect to minimum wage, and I just say that on the basis of even the example I have given with respect to drug interactions among the elderly, and the billions of dollars that are wasted as a result of people not being in a position to take their medicine in a proper fashion. That is an example of how this Y2K issue really does affect all citizens—even on the question of pay. If the computers break down, it is going to be hard for folks to get their paychecks early next year.

So I think the Senator from Massachusetts is absolutely right with respect to the need to raise the minimum wage. And I share his view on the need to help seniors with respect to their prescriptions. But I do think that this question of addressing the Y2K issue in a responsible kind of way is beneficial to all Americans, regardless of their income, in our country.

I appreciate the courtesy of the Senator from North Carolina. I want to wrap up with a couple of comments with respect to issues that Members of my party may have about the Y2K legislation. For example, there are a number of Senators on the Democratic side of the aisle who have been concerned about the question of punitive damages. Well, in the last few hours, we have made substantial progress on this issue. I happen to believe that it is critically important that when you engage in egregious conduct, you be in a position to send a very powerful message with respect to punitive damages on these questions of fraudulent activity.

In the last couple of hours, a great deal of progress has been made with respect to this issue. Senator DODD, in particular, deserves a great deal of credit. These changes that have been made in the last couple of hours with respect to punitive damages respond directly to what a number of Democratic colleagues have gotten from the administration this morning.

The other issue I would like to touch on that was mentioned as well by a number of our colleagues on the Democratic side deals with the question of evidentiary standards. I think it is clear that we do need evidentiary standards that are fair to consumers and are fair to plaintiffs. In the last couple of hours, again, for Democrats looking at this issue, a substantial amount of progress has been made, largely due to the efforts of the Senator from Connecticut. I am very pleased to be able to report that those changes have been made as well. Democratic Senators, I think, will be pleased with some of the other changes as well. I know that early on—and I think this was a concern that the Senator from North Carolina, who has been such a valuable addition to the Senate, had raised—the bill that came out of committee talked about a very ill-defined defense for defendants, essentially saying if they engage in a reasonable effort, that would in some way provide them with a defense from wrongful conduct. That, too, has been eliminated.

So I am very hopeful that Members on this side of the aisle will look at the progress that has been made in the last couple of hours. I want it understood that I very much want to work with the Senator from North Carolina on the points that he, I know, is going to raise in connection with this legislation. I want to see this bill go forward. I believe there is a coalition on both sides of the aisle that is now prepared to continue to work in a constructive kind of way to get this legislation done.

As one who feels strongly about an increase in the minimum wage, as one who feels that this Y2K legislation, properly done, has the opportunity in it for us to help lower health care costs and make sure seniors don't have these drug interactions that hurt them and waste billions of dollars, I hope that in the name of trying to address both of those issues the Senate will move forward in a bipartisan way.

I will just wrap up, Mr. President, by asking unanimous consent to have printed a letter from the American Bar Association on this legislation.

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

AMERICAN BAR ASSOCIATION,
GOVERNMENTAL AFFAIRS OFFICE,
*Washington, DC, April 28, 1999.*

Senator RON WYDEN,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR WYDEN: In listening to yesterday's Y2K debate on the Senate floor, we at the American Bar Association were surprised to hear that you and Senator Sessions believe the ABA has issued a report saying, among other things, that the Y2K litigation could affect billions and billions of dollars of our economy. I can assure you that the ABA has not issued a report estimating litigation costs of the Y2K problem and has not taken any position on the pending Y2K legislation. I understand that your misunderstanding comes from the reading of a Backgrounder prepared by the Progressive Policy Institute which cites in turn from an article in the *Newark Star-Ledger*.

The ABA had several programs on the Y2K issue at our 1998 Annual Meeting in Toronto and we had speakers at those programs representing all sites of the Y2K debate. In one program, presented by the ABA Section of Business Law's Committee on Corporate Counsel, there were seven speakers. One of the speakers, Jeff Jinnett, said that ''there has been considerable speculation in the legal and public press that the year 2000 computer problem will generate considerable amounts of litigation.'' He summarizes some of the speculation, including the views of one commentator, who had provided the estimate cited in the *Newark Star-Ledger*. Mr. Jinnett concluded in his speech that ''we can only speculate as to the actual litigation which will result from the Year 2000 computer problem and the cost of the ultimate litigation, since (a) no substantial litigation (other than the Produce Palace, Software Business Technologies, Symantec, Macola, and Intuit lawsuits, discussed below) has been reported to have occurred as of the date of this article based on the Year 2000 problem and (b) we do not know how much necessary Year 2000 corrective work will ultimately not be completed on time.'' In any event, the views he expressed are not those of the American Bar Association and should not be referred to as either our policy position or as coming from an ABA ''study'' ''report.''

We would appreciate it if you would do what you can to correct the record on this matter. If you have any questions, please let me know.

I will be sending a similar letter to Senator Sessions to let him know our views as well.

Thank you for any assistance you can provide on this matter.

Sincerely,

ROBERT D. EVANS,
*Director.*

Mr. EDWARDS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. EDWARDS. Mr. President, let me say to my friend, the Senator from Oregon, that I have great respect for him. He knows that. He has spent a tremendous amount of time and work on this project, along with Senator MCCAIN, for whom I also have tremendous respect, along with my great and dear friend, Senator DODD from Connecticut. All three have spent a tremendous amount of time on this issue.

I will say at the outset that, from my perspective, I do believe we need to

provide the kind of support and help for the high-tech community in this country that it so richly deserves. It is a critical issue not only in Oregon but also in North Carolina. We take great pride in our high-tech community, particularly in the Research Triangle area of North Carolina. My problem is that I don't think this bill strikes a proper balance. I think it fails to do so in a number of ways. I will candidly admit that I am not fully familiar with some of the discussions and negotiations going on right now. We will have to see the final product. I only have the bill as it is before us now to discuss.

First, I think there is an enormous problem in doing at least one of the things that this bill does, which is to relieve, in some ways, businesses and corporations from accountability or responsibility, particularly in a day and age when we as Americans are saying to our children, to our families, that they need to be responsible for what they do. We need to be personally responsible and accountable for everything we do.

How do we say to the children and families of America that they are accountable and responsible, fully, for everything they do, while at the same time passing legislation in the Congress of the United States saying that a particular slice of corporate America is not fully accountable and responsible for what it does? I think the reality is that it sends a terrible message to our children and to our families. I think what they want to hear from us is that every American, every child, woman, family, parent and every business is, in fact, fully accountable and responsible for what they do, because we as Americans believe in personal responsibility and accountability.

Now, I want to talk about a couple of things by way of background. First, we are tinkering here with a civil jury system that has existed in this country for over 200 years. Whenever you tinker around the margins with a system with checks and balances, which has been at work for a long period of time, you create an enormous potential for trouble. That is exactly what this bill does.

The argument is made on behalf of this bill that it will decrease litigation, that it will help with this anticipated but still fictional litigation explosion.

The reality is that bill creates a morass of potential litigation. It creates new terminology. It creates new definitions, and it has descriptions of legal avenues that can be pursued that have not existed heretofore.

The jury system that we have in this country has been developed over a long period of time. There are many trial and appellate decisions that we can rely on and depend on.

This bill creates a whole new genre of litigation and appellate decisions. There will be enormous fights over some of the language in this bill. More importantly, one of the things this bill does is it dilutes the jury system. The reality is, if you believe in democracy, you believe in the jury system, because the jury system is nothing but a microcosm of democracy.

Speaking for myself, and I think speaking for most Americans, I have tremendous faith—in fact, I would go so far as to say I have a boundless faith—in the Americans who sit on juries all over this country every day who render justice and render fair decisions, fair to both sides, in any litigation. This bill dilutes the responsibility that we give those Americans.

I personally have more confidence in regular Americans, North Carolinians, farmers, bankers, people who work in stores, people who are engaged in all walks of life, who come in and sit on the jury, hear cases, and do what they think is right. I have more confidence in them than I do in us as a body trying to impose upon them what we think is fair and just across the board. Those juries hear the facts; they hear the circumstances from both sides, and they render justice. They do what they think is fair and right.

Anybody, as I said earlier, who believes and has confidence in Americans who sit on those juries, knows that the decisionmaking should stay right where it is—with the jury.

Let me talk for just a minute about this Y2K problem, because this is not a new problem. The history of this problem is, I think, greatly educational in terms of where we are.

If I could look at a chart, the title of this chart is ''Y2K. Why do today what you can put off 'til tomorrow?''

This is not a new problem.

I might add that, along with Senators DODD and BENNETT, I also serve on the Y2K committee. We have learned a great deal through the hearings that have taken place on that committee.

For example, in 1960, Robert Bemer, who was a pioneer in computer sciences, advocated the use of a four-digit rather than a two-digit date format. This is now 39 years ago—almost 40 years ago. One of the pioneers of American computer science said it is an enormous mistake to go to a two-digit system instead of a four-digit system.

In 1979, he wrote again, the same Robert Bemer, in a computer publication about the inevitable Y2K problems, unless this defect is remedied. He warned, ''Don't drop the first two digits. The program may well fail from an ambiguity in the year 2000.''

We have known about it for 40 years.

In 1979, 20 years ago, he is telling the industry you have to do something about this, and you have to do something about it now.

In 1983, an early Y2K-fix software was marketed and sold in this country which dealt with the Y2K problem. How many copies of that software were sold? Two copies of this software that addressed this problem were sold.

In 1984, just 1 year later, ''Computerworld'' magazine said, ''The problem you may not know you have,'' and they warned companies to start making modifications now—in 1984, 15 years ago.

In 1986, there was a publication by another computer magazine where IBM asserted:

> ''IBM and other vendors have known about this problem for many years. This problem is fully understood by IBM software developers who anticipate no difficulty in programming around it.''

Then in 1988, the National Institute of Standards and Technology said, ''NIST highly recommends that four-digit year elements be used''—11 years ago.

In 1989, the Social Security Administration's computer experts found that the overpayment recoupment systems did not work for dates after 2000, and realized that 35 million lines of code had to be reviewed.

Finally, in 1996, Senator MOYNIHAN requested the Congressional Research Service report on Y2K. It predicted widespread massive failures. He introduced legislation to create a special office for Y2K problems and to establish compliance deadlines. It died in committee.

Finally, in 1999, this year, Bill Gates blamed Y2K on those who ''love to tell tales of fear.'' At the same time, Microsoft was still shipping products that were not Y2K compliant.

My point is a simple one. This Y2K problem has been around for 40 years. Those folks who are involved in this business have known about it. The truth is that many of the people involved in the computer industry have worked hard at correcting this problem. They have addressed it in a very responsible way. Those people will have no liability and no responsibility from any failures that occur.

The people who I think make up a great deal of the high-tech industry, who have acted responsibly, who have recognized that this is a problem, who have gone out to the people who they have sold their products to, and done everything in their power to correct this problem, those people have no responsibility. Under the current legal system, they have absolutely no responsibility. They can't be held responsible.

The people who can be held responsible are those who have known about this problem for 40 years and have done nothing to correct it, and, in fact, over the course of the last few years have continued to sell products that are not Y2K compliant, and are not concerned about the result. They have their product sold. They have their money in, and they have let the people who bought the product worry about the

problem, or it would be dealt with later.

We have no business in this Senate providing protection for people who have engaged in that kind of behavior. That is exactly what this bill does.

It has a number of problems in it. Let me just talk about a few of them briefly.

First, my friend, the Senator from Oregon, mentioned a few minutes ago that he thought it was important for punitive damages that we be able to send a powerful message to those who had acted irresponsibly and recklessly.

This bill places enormous limits on punitive damages that can be awarded, punitive damages that under existing law—if this bill never goes anywhere, never passes, never becomes law, as I stand here today, businesses can only be held accountable for punitive damages if they have engaged in reckless, egregious, willful, sometimes criminal, conduct. It is the only circumstance in which a business can be held liable for punitive damages.

My friend, the Senator from South Carolina, who just joined us, is fully aware of that. We have an existing law that provides that protection.

''Joint and several liability'' are terms that lawyers use regularly. But they are critically important terms. The terminology that we hear used by my friend, Senator DODD, and Senator WYDEN, is ''proportionate liability.'' It is very important for the American people to understand what this bill will do to them if it passes.

Let me give an example. A small business man—say a grocery store owner—buys a computer system that is necessary to run his business on a day-to-day basis. This is a family business. The system fails. As a result of the system failing, he is unable to keep his doors open over a period of 2, 3, or 4 months. All of these businesses operate on very short-term cash flow. They need money, and they need it on a daily basis. If they don't have it because the computer fails, they get run out of the business.

So we have this family-owned grocery store that has been run out of business because their computer system didn't work. Keep in mind, we are talking about a regular American who runs a business. These are not computer experts. They are not experts in lawsuits and litigation. They don't know what they are supposed to do.

In my example, they discover that three different companies participated in making their computer system. So they bring an action against those three companies to recover for the cost of what happened with their system and for the fact they have now been put out of business. Any fair-minded American would say if these companies knew about the problem, knew they had sold them a product that was defective, they ought to be held responsible for that.

Joint and several liability says each one of those companies can be held liable and responsible for what happened to this family grocery store. This bill says if for some reason one of those three companies is out of business, you can't collect against the other two. Maybe one of the three is an offshore company—which will be true on many occasions with respect to this kind of case—and you can't reach it. Then, because of this bill, you can't reach the other two. This bill says the innocent grocery store owner bears that share of the responsibility.

Joint and several liability, which has existed in this country for 200 years, exists for a very simple reason: It is just, and it is fair. We have a choice: Somebody is going to suffer this damage. Should the cost of this damage be paid by the absolutely innocent grocery store owner? Or should it be paid and shared by the defendants who were guilty? It is that simple. It is the guilty on one side, the innocent on the other.

The question is, Who is going to share in paying for the damage that has been done? Joint and several liability says that responsibility is borne by the guilty and is never to be borne by the innocent. That is the reason that system has existed.

This bill, first of all, essentially eliminates joint and several liability as a starting place. Then it sets up a complex—I am a lawyer and I can barely understand what it says—exception which creates certain circumstances where this grocery store owner can make an effort to collect some of his money from the other defendants if, in fact, there is an uncollectible defendant. But he has to jump through lots of hoops and he has to do it in 6 months, which is the time limitation. Having been in the trenches for 20 years doing these cases, it is almost an impossible task to finish the process of trying to collect in 6 months.

The bottom line is, it creates a very narrow exception and puts the burden entirely on the innocent party to jump through these hoops. It makes absolutely no sense. The system that exists in America and has existed for 200 years exists for a good reason. It has been fair and just for 200 years. It is fair and just now. There is absolutely no reason to change it. It makes no sense to change it.

Let me use the chart that my friend, Senator LEAHY, referred to earlier—and he did a beautiful job of that. Across the top of this chart is the present justice system. I want to emphasize for Americans who are listening that no computer company or high-tech company can be held responsible under existing law unless they have acted negligently or irresponsibly.

Under this jury system that we have in this country today, we have a very simple process. We go through the process of making a claim and seeing if they respond to the claim. If they don't, a lawsuit is filed, the case is eventually heard, and there is a result. Or, on the other hand, as happens in almost 99 percent of the cases, if the company recognizes that the problem was their responsibility, they pay for it. They settle the case, because they know they have a responsibility to pay for what they caused. So we have a quick, fair settlement or we have a fair trial. We have a system that is in place and has existed for 200 years and systems that work State by State.

I have to add to this, I don't know why we as a Senate and as a Congress think we are so much smarter than our State legislatures that have passed laws over many years and have court systems that deal with these problems. They are fully capable of addressing this problem. I personally believe if this were an issue, it could easily be addressed at the State level.

The reality is, the existing system that we have will work. It is simple. It is streamlined. And it will get a fair result for everyone concerned.

On the other hand, if we enact this morass that I have in my hand right now, what we will have is the biggest mess anybody has ever seen in the court system. First of all, all the cases are going to go to Federal court instead of State court. The National Judicial Conference has said the Federal judicial system is already overburdened before they ever get these cases. They don't have enough resources; they don't have enough judges. What we are about to do is dump an enormous pile of new cases in the Federal judicial system which they don't want and which they don't have the resources to handle.

We start this complicated process, and without going through all the details—Senator LEAHY has outlined it beautifully—it is one roadblock after another to the innocent party, the grocery store owner, the guy who was put out of business because his computer system wouldn't work and he had nothing to do with it. Every time he moves, he runs into another roadblock. He doesn't have the resources to fight this battle. It is a long and tortuous process that ultimately makes no sense.

We have a system that works. There is no reason to do this.

Let me give an example of problems we create in a bill like this. There is a provision in this bill that says in any lawsuit a defendant can raise Y2K as a defense. If you have one business suing another business for a contract—no matter what the claim is about; it could be about anything—and the defendant says, wait a minute, this is a Y2K computer problem, all of a sudden you have triggered enormous, procedural, bureaucratic hurdles that have to be jumped through. The case goes into Federal court. We have this big

mess. A tool has been created to complicate a simple lawsuit that could be over and resolved in very simple fashion.

I don't suggest for a minute that the people who crafted this bill don't have the very best intentions. I believe they do. I myself—and I only speak for myself—have no problem with the idea that we ought to try to provide incentives for people who are engaged in disputes to resolve those disputes. Alternative dispute resolution, I think, is fine. A cooling off, some period when these folks can talk to each other and try to work it out is fine. I think, if there is a problem, we want to promote discussion between the innocent person who bought the computer system and the people who make it. I think we want to do all of those things. Those are laudable goals. The problem is what we have here is an extremist version of a bill that takes away rights of the innocent party and creates enormous hurdles to that innocent party ultimately recovering.

I might add, I think this is unintentional. But the proposal makes the recovery of economic losses virtually impossible. Here is the reason. When I say economic losses, for example in my grocery store story, the recovery of the cost of the computer would not be considered an economic loss. But the fact that these folks have been put out of business and their grocery store is not in business anymore and they have lost the profits they would have made in their grocery store for X number of years, all because of an irresponsible computer maker that would be an economic loss. Well, in order to recover those economic losses that they had nothing to do with—they are totally innocent—in order to recover for those injuries, they have to have a written contract, or a contract that says they can recover under the terms of this bill.

Think about that. Use a little common sense here. How many Americans, small business men, who go out and buy a computer system have been thinking about: Well, I better make sure I have a written contract that says if my computer system fails I can recover my losses, my economic losses—my lost sales, my lost profits as a result? The reality is, to the extent there is any contract other than a handshake or walking in the store and buying the computer system, the contracts are drafted by the manufacturers, because they are the ones with the lawyers, a big team of lawyers. They draft these contracts. If anything, they are only signed by the purchasers. So the likelihood that these contracts are going to have any provision in them for the recovery of economic losses is almost nonexistent.

The bottom line is this. I think the intention of my colleagues, Senator MCCAIN, Senator WYDEN, Senator DODD—I have absolutely no doubt their intentions are only the best. They want to do exactly what they say they want to do, which is to create incentives for these high-tech companies to correct these problems and not to create, from their perspective, a morass of litigation.

The problem is this bill does not do that. I spent many years in the trenches, in courtrooms, fighting these battles. I can respectfully say that I have read the entire bill. It has numerous problems, including some of the ones I have described today. But I do believe we could fashion a bill, I say to Senator MCCAIN, who has just arrived—fashion a bill that would accomplish some of the things they want to accomplish, which is instead of going straight to litigation, have folks talking to one another, working out the problem, curing the problems with the computers. That is in everybody's best interests. I want that. I think all of us here in the Senate want that.

But it is my belief, having studied this bill and having studied it carefully—and I will concede I have not seen the most recent discussions because I don't think they have been put in writing yet—but the version we have before us now is completely unacceptable and creates many more problems than it cures. Instead of reducing litigation, I think in fact it creates a vehicle for not only trial litigation but appellate litigation that will go on for many years to come.

Mr. HOLLINGS. Will the distinguished Senator yield?

Mr. EDWARDS. Yes.

Mr. HOLLINGS. Mr. President, the Senator has come to the Senate not just as a practitioner, but as a brilliant one, as you can tell from his comments here on the floor of the Senate this afternoon.

Is it not a fact that what this really does is create disincentives to produce a good Y2K-compliant product—isn't that correct? If companies know they do not have to worry about making their products competitive and reliable, they have no incentive to make a good product. In fact, removing any threat of litigation will remove any need for technology companies and businesses to ensure that their products and systems are ready to handle the Y2K problem. I have been asked by none other than Jerry Yang, the head of the Internet company Yahoo, to oppose this bill, because Mr. Yang said he will use the fact that companies do not have Y2K-compliant computers when he competes with them.

So, isn't it the fact that when you get this kind of obstacle course of legalities companies will say: We do not have to worry about the quality of the product or whether or not it is Y2K compliant, because by the time they can finally get to me, and everything else like that, on a cost/benefit basis it is better for me to get rid of all these old noncompliant models. I don't mind paying a few lawyers to protect me on these hurdles here. Isn't that the case?

Mr. EDWARDS. I believe that is the case for that small number of companies this is all about.

Mr. HOLLINGS. Right.

Mr. EDWARDS. I do believe, and I know my colleague will agree with me, that the vast majority of these companies are totally responsible. They want to cure these problems. And in fact, they will cure them, and as a result will never be involved in any of this process.

Mr. HOLLINGS. That is what ''Business Week'' just put out a month ago in its March 1 issue. The marketplace was taking care of what problems could ensue come January 1 of the year 2000. All of the blue chip corporations—grocery, manufacturers, automotive dealers—everybody is really concerned if they don't perform and have Y2K compliance, they are going to lose the business. The blue-chippers have come around and told their suppliers and distributors and everything else: Unless you become Y2K compliant, we are going to find a new sales force and distributors and otherwise to handle our product.

Really, that is the conclusion to which the ''Business Week'' article came. In fact, the Y2K problem is going to clean out the laggards and bring out nothing but good, quality producers. It is not going to be a problem come January 1, because the market is behaving effectively. We get extremes like this legislation because the Chamber of Commerce gets down there and starts talking about a trillion dollars' worth of lawsuits, and we see entities coming in not knowing really what is at issue.

The fact is, then having said that, they are way off base in the whole thing with respect to the market itself. And as the Senator indicates, the responsible producers in America, they are the best of the best because they are competing internationally with the Japanese and everything else. So we have the best producers and they will comply. They want to comply because that is good business. They don't want to get bogged down with lawyers and everything else like that.

But a few companies want to have the political crowd in Washington throw up an obstacle course for consumers and small businesses, so that those companies do not have to worry about making good, reliable, Y2K-compliant products.

Mr. EDWARDS. I agree with that, and I would add, based on my conversations with the high-tech companies that do business in North Carolina, I am totally convinced they will act responsibly, they will do what they are supposed to do, and I do not think those are the companies that this bill addresses or that we are concerned about, in any event.

Mr. HOLLINGS. Isn't that the case? That is why you find the extremes of tort law provision in here, and joint and several? The drive really is not to take care of the Y2K problem but to take care of what they call the lawyer problem in business. It has brought about the most responsible production in the entire world. We have quality production. We have safe articles on the market. On product liability and everything else, they have been coming after us for 20 years. Now they have all joined together, of all people not to hurt, just injured individuals with bad back cases like you and I have handled, but on the contrary, little small businesses, individual doctors who have to have a computer and have to keep up with their surgery and everything else of that kind.

I cite that because that is the testimony we had before the Commerce Committee. An individual doctor, in 1996, bought a computer. They bragged how it was going to last for 10 years and be Y2K compliant. And instead of being Y2K compliant, it was not. He asked for it to be repaired. He went twice to do it. They told him, you might have bought it for $16,000, but it is going to cost you $25,000. He didn't have the $25,000 to make it compliant. He finally brought a lawsuit, and the computer industry on the Internet picked it up and before long he had $17,000 against this particular supplier. They came around immediately and said: We will do it for free for everybody and pay the lawyers' fees.

That is what we are trying to avoid. But I do congratulate the Senator on his very cogent analysis and commonsensical approach and experienced judgment that he has rendered here this afternoon on this particular issue.

Mr. EDWARDS. Mr. President, I yield the floor.

Mr. HOLLINGS. I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I paid attention to the exchange. The Senator from North Carolina was not here. The Senator from South Carolina was here when we fought for 10 years on a little item called aircraft product liability. I know the Senator from South Carolina fought viciously against that. The whole world was going to collapse if we gave an 18-year period of repose to aircraft manufacturers for products they built and manufactured.

Now there are 9,000, at least, new employees, and we are building the best piston driven aircraft in the world, thanks to that legislation.

Ask any of the owners of those aircraft companies and those people who are working there. It is because we finally passed that bill over the objections of the American Trial Lawyers Association which fought it for 10 years.

Mr. HOLLINGS. Will the distinguished Senator yield?

Mr. MCCAIN. I will not.

## DEATH OF FORMER SENATOR ROMAN L. HRUSKA

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 88, submitted earlier by Senators HAGEL and KERREY.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 88) relative to the death of the Honorable Roman L. Hruska, formerly a Senator from the State of Nebraska.

There being no objection, the Senate proceeded to consider the resolution.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the resolution be agreed to and the motion to reconsider be laid upon the table.

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

The resolution (S. Res. 88) was agreed to, as follows:

S. RES. 88

*Resolved,* That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Roman L. Hruska, formerly a Senator from the State of Nebraska.

*Resolved,* That the Secretary of the Senate communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

*Resolved,* That when the Senate adjourns today, it stand adjourned as a further mark of respect to the memory of the deceased Senator.

## DESIGNATING THE HENRY CLAY DESK

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. Res. 89, submitted earlier by Senator MCCONNELL.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 89) designating the Henry Clay Desk in the Senate Chamber for assignment to the senior Senator from Kentucky.

There being no objection, the Senator proceeded to consider the resolution.

Mr. LOTT. Mr. President, it is my distinct honor to support this resolution submitted today by Senator MCCONNELL assigning the Henry Clay Desk in the Senate Chamber to the senior Senator from Kentucky. This resolution will ensure that the Henry Clay Desk will forever stay within the family of Kentucky Senators.

The Senate has a proud tradition of passing this type of resolution. During the 94th Congress, for example, the Senate adopted a resolution assigning the Daniel Webster Desk to the senior Senator from New Hampshire. And, during the 104th Congress, the Senate agreed to a resolution ensuring that the Jefferson Davis Desk would forever reside with the senior Senator from Mississippi.

Let me take a brief moment to reflect on the life and legacy of Henry Clay. Henry Clay began his political career in the Kentucky House of Representatives in 1803, at age 27, and remained in public service until his death in 1852. During Clay's long and distinguished career, he served his state and his nation in a wide range of capacities including speaker of the Kentucky House of Representatives, Speaker of the United States House of Representatives, and, of course, as a U.S. Senator for fifteen years. Clay also served President John Quincy Adams as Secretary of State for four years, and received his party's nomination for President in 1824, 1832, and 1844.

Henry Clay's ability to facilitate compromise was quickly recognized in Washington, and he became well-known as a highly-skilled negotiator. This skill, coupled with his knack for convincing and persuasive speech, made Clay the ideal appointment in 1814 to help negotiate the Treaty of Ghent that concluded the war with Great Britain. And, during Clay's quest to save the Union in 1820, he earned his reputation as ''The Great Compromiser'' by helping broker the Missouri Compromise. His leadership, however, did not end there. He also went on to play a significant role in crafting the Compromise of 1850.

Henry Clay's lifetime of public service is indeed worthy of recognition. He will always be a role model for public servants because of his dedication to the people of Kentucky and to our great Nation, and lives on his history as one of the greatest Senators of all time. In fact, Henry Clay's portrait is displayed just off the Senate floor to honor his designation in 1957, as one of history's ''Five Outstanding Senators.'' Clay certainly deserves today's honor of committing his former desk to Senator MCCONNELL and to the senior Senators from Kentucky who will follow.

Mr. President, let me say today that I think Senator MCCONNELL is following in the footsteps of Henry Clay. He has done a tremendous job representing the good people of Kentucky for the past 15 years. And, on a personal level, I would like to say that I have developed a genuine appreciation for Senator MCCONNELL's courage, his political insight, and his keen and candid advice on a wide range of subjects. I value him as a friend, a confidant, and an advisor, and look forward to many more years of service with him here in this chamber.

Mr. President, I am proud today to support this resolution submitted by Senator MCCONNELL. It is his strong

desire to maintain the heirloom of the Clay desk in the family of Kentucky Senators for the years to come. I urge the Senate to adopt this resolution and ask that it be included in the collection of the Standing Orders of the Senate.

Mr. MCCAIN. Mr. President, I ask unanimous consent that the resolution be agreed to and the motion to reconsider be laid upon the table.

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

The resolution (S. Res. 89) was agreed to, as follows.

S. RES. 89

*Resolved,* That during the One Hundred Sixth Congress and each Congress thereafter, the desk located within the Senate Chamber and used by Senator Henry Clay shall, at the request of the senior Senator from the State of Kentucky, be assigned to that Senator for use in carrying out his or her senatorial duties during that Senator's term of office.

## THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, April 27, 1999, the federal debt stood at $5,596,529,776,391.98 (Five trillion, five hundred ninety-six billion, five hundred twenty-nine million, seven hundred seventy-six thousand, three hundred ninety-one dollars and ninety-eight cents).

One year ago, April 27, 1998, the federal debt stood at $5,507,607,000,000 (Five trillion, five hundred seven billion, six hundred seven million).

Five years ago, April 27, 1994, the federal debt stood at $4,562,363,000,000 (Four trillion, five hundred sixty-two billion, three hundred sixty-three million).

Ten years ago, April 27, 1989, the federal debt stood at $2,754,734,000,000 (Two trillion, seven hundred fifty-four billion, seven hundred thirty-four million).

Fifteen years ago, April 27, 1984, the federal debt stood at $1,485,189,000,000 (One trillion, four hundred eighty-five billion, one hundred eighty-nine million) which reflects a debt increase of more than $4 trillion—$4,111,340,776,391.98 (Four trillion, one hundred eleven billion, three hundred forty million, seven hundred seventy-six thousand, three hundred ninety-one dollars and ninety-eight cents) during the past 15 years.

## THE NORTHEASTERN DAIRY COMPACT

Mr. SESSIONS. Mr. President, I wish to express my support for a bill that was introduced yesterday by Senator JEFFORDS—the Northeastern and Southern Dairy Compact. This bill would reauthorize the Northeastern Dairy Compact and grant the consent of Congress for a Southern Dairy Compact. The Southern Dairy Compact, which has been passed by Alabama and 10 other southeastern States, authorizes an interstate Compact Commission to take whatever measures are necessary to assure customers of an adequate local supply of fresh fluid milk while encouraging the continued viability of dairy farming within the region encompassing the compact States.

The current milk marketing order pricing system does not adequately account for regional differences in the costs of producing milk; furthermore, the Federal milk marketing order system establishes only minimum prices for milk. Due to these inconsistencies in milk prices, surplus milk is flooding the southeast and shutting down the family dairy farmer. By design, the Federal program relies on State regulation to account for regional differences. However, milk usually crosses State lines, so courts have ruled that individual States do not have the authority to regulate milk prices under the interstate commerce clause of the U.S. Constitution. To account for these regional price differences, states can gain regulatory authority by entering into a compact. States are now joining these compacts to maintain their dairy industry and are asking us to approve of the legislation they have already passed in their respective states. The support at the State level has been overwhelming and unanimous and I am hopeful this body will adopt these compacts unanimously as well.

The compact benefits everyone. Farmers are assured of more stable milk prices, thereby affording them the opportunity for better planning and recovery of production costs. Consumers will benefit as prices for fluid milk stabilize in the supermarket. According to the USDA and GAO accounting figures, there was a 40 percent increase in the market price of fluid milk between 1985 and 1997. According to the Office of Management and Budget, the compact established in the Northeast in 1996 increased the income of dairy farmers by 6 percent while maintaining prices to the consumer at 5 cents/gallon below the national average price for milk. In addition, OMB found no adverse effect on states outside of the compact. The compact is a win-win piece of legislation.

Dairy farming is an important industry in my State of Alabama, and I am a strong supporter of the family farmer. Their hard work and dedication is at the heart of the greatness of this nation. In Alabama, there are more than 2,000 employees in the dairy industry supporting a $48 million payroll. Last year, the dairy industry in Alabama generated a total of $204 million in economic activity. However, recent production capacity has deteriorated and further decreases may push production past the point of no return. From 1995 to 1998, milk production in Alabama decreased by 26 million pounds. The establishment of the dairy compact will ensure fair prices to farmers so that they can maintain a profitable level of milk production. The creation of a compact will bring stability to an important industry in Alabama and all over the Southeast. Consumers will be assured of fair prices and farmers will be confident in their production decisions.

The States have voiced their concerns. The States have developed a solution. It is now our responsibility to stamp our approval onto the compacts which have been passed in States throughout the Northeast and Southeast.

## FUELS REGULATORY RELIEF ACT

Mr. BURNS. Mr. President, I stand in support of S. 880, Fuels Regulatory Relief Act, to provide relief for small businesses and to increase security of information from potential terrorists. This bill will specifically exclude toxic flammable fuels from Section 112 of the Clean Air Act which requires businesses provide public information on stored flammable fuels and how they would respond to emergencies should a disaster occur.

When the Clean Air Act was amended in 1990, Congress required the Environmental Protection Agency, under Section 112, to provide public information on a list of 100 substances which might cause injury or death to humans or adverse effects to the environment in an accident. EPA added flammable fuels to this list of 100 substances. This means that people who store and distribute flammable fuels are required to provide public information about their operations and how they would respond to an accident. These Risk Management Plans provide information on hazards associated with the fuels, safety measures and maintenance, and a worst-case scenario with an emergency response plan. This detailed information, although intended to provide citizens near a fuel facility knowledge about their local risks, also provide dangerous information to potential terrorists. The worst-case scenario information especially could provide potential terrorists with valuable information about how to destroy a flammable fuel facility.

I recognize the constant struggle between providing public access to and security protections of information about flammable fuels. However, given that public safety is adequately protected through existing federal laws and state building and fire codes, I believe no further requirements are needed. Also people who store flammable fuels are very safety conscious given the unstable nature of the product they work with. The safety record on the storage of flammable fuels is good and demonstrates that current regulatory requirements are adequate. Without

any clear problem of the existing framework of protections, I do not see why these substances should be further regulated under Section 112 of the Clean Air Act.

By regulating flammable fuels under this provision of the Clean Air Act, fuel distributors might be hurt. For example, distributors might reduce their storage capacity of flammable fuels affecting their ability to meet local customer demands. Also if businesses and farmers reduce their stored levels of flammable fuels, fuel switching might be encouraged further adversely affecting distributors. This could limit the flexibility and health of these small businesses and farmers. Basically, it would ensure that the ''Hank Hills'' of the world (a character on the Fox network who is a propane small businessman) are not put out of business.

Thus, I trust my colleagues will rise with me to support this bill to provide relief for small businesses and farmers struggling to survive while ensuring security against disclosure of explosive information to potential terrorists.

## MESSAGES FROM THE HOUSE

At 3:01 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1034. An act to declare a portion of the James River and Kanawha Canal in Richmond, Virginia, to be nonnavigable waters of the United States for purposes of title 46, United States Code, and the other maritime laws of the United States.

H.R. 1554. An act to amend the provisions of title 17, United States Code, and the Communications Act of 1934, relating to copyright licensing and carriage of broadcast signals by satellite.

The message also announced that pursuant to the provisions of section 801(b) of the Public Law 100–696, the Speaker appoints the following Members of the House to the United States Capitol Preservation Commission: Mr. TAYLOR of North Carolina and Mr. FRANKS of New Jersey.

## MEASURES REFERRED

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

H.R. 1034. An act to declare a portion of the James River and Kanawha Canal in Richmond, Virginia, to be nonnavigable water of the United States for purposes of title 46, United States Code, and the other maritime laws of the United States; to the Committee on Commerce, Science, and Transportation.

## MEASURES PLACED ON THE CALENDAR

The following joint resolution was read the second time and placed on the calendar:

S.J. Res. 22. Joint resolution to reauthorize, and modify the conditions for, the consent of Congress to the Northeast Interstate Dairy Compact and to grant the consent of Congress to the Southern Dairy Compact.

The following bill was read the first and second times and placed on the calendar:

H.R. 1554. An act to amend the provisions of title 17, United States Code, and the Communications Act of 1934, relating to copyright licensing and carriage of broadcast signals by satellite.

## EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–2713. A communication from the Assistant Secretary of Defense for Health Affairs, transmitting, pursuant to law, a report relative to Gulf War veterans; to the Committee on Armed Services.

EC–2714. A communication from the Secretary of Defense, transmitting, pursuant to law, the Report on Theater Missile Defense Architecture Options in the Asia-Pacific Region; to the Committee on Armed Services.

EC–2715. A communication from the Secretary of Defense, transmitting, pursuant to law, the report on Federally Sponsored Research on Gulf War Veterans' Illnesses for calendar year 1997; to the Committee on Armed Services.

EC–2716. A communication from the Chairman, Federal Energy Regulatory Commission transmitting, pursuant to law, the report of a rule entitled ''Standards for Business Practices of Interstate Natural Gas Pipelines'' (Docket No. RM96–1–011; Order No. 587–K) received on April 22, 1999; to the Committee on Energy and Natural Resources.

EC–2717. A communication from the Acting Assistant General Counsel for Regulatory Law, Office of Science, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Safety of Accelerator Facilities'' (O 420.2) received on April 7, 1999; to the Committee on Energy and Natural Resources.

EC–2718. A communication from the Acting Assistant General Counsel for Regulatory Law, Office of Environment, Safety and Health, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Quality Assurance'' (O 414.1) received on April 7, 1999; to the Committee on Energy and Natural Resources.

EC–2719. A communication from the Acting Assistant General Counsel for Regulatory Law, Office of Field Management, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Life Cycle Asset Management'' (O 430.1A) received on April 7, 1999; to the Committee on Energy and Natural Resources.

EC–2720. A communication from the Secretary of Energy, transmitting, pursuant to law, a report entitled ''Clean Coal Technology Demonstration Program, Program Update 1998'' for the period July 1, 1997, through September 30, 1998; to the Committee on Energy and Natural Resources.

EC–2721. A communication from the Secretary of Energy, transmitting, proposed legislation entitled ''Comprehensive Electricity Competition Act''; to the Committee on Energy and Natural Resources.

EC–2722. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, a report on the Agency's implementation of the Waste Isolation Pilot Plant (WIPP) Land Withdrawal Act for fiscal year 1998; to the Committee on Energy and Natural Resources.

EC–2723. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Office of the Secretary, Department of the Interior, transmitting, proposed legislation relative to the Home of Franklin Delano Roosevelt National Historic Site; to the Committee on Energy and Natural Resources.

EC–2724. A communication from the Acting Assistant General Counsel for Regulatory Law, Office of Safeguards and Security, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Firearms Qualification Courses Manual'' [M 473.2–1) received on March 1, 1999; to the Committee on Energy and Natural Resources.

EC–2725. A communication from the Director, Office of Surface Mining, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Multiple State Abandoned Mine Land Reclamation Plans and Regulatory Programs—Technical Amendment'' [MCRCC–01); to the Committee on Energy and Natural Resources.

EC–2726. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report of the summary of proposed and enacted rescissions for fiscal years 1974 through 1998; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, and to the Committee on the Budget.

EC–2727. A communication from the Assistant Secretary, Bureau of Indian Affairs, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''25 CFR Part 61, Preparation of Rolls of Indians'' (RIN 1076–AD89) received on April 20, 1999; to the Committee on Indian Affairs.

EC–2728. A communication from the National Treasurer, Navy Wives Clubs of America transmitting, pursuant to law, the report of the audit for the period September 1, 1997 through August 31, 1998; to the Committee on the Judiciary.

EC–2729. A communication from the Executive Director, Federal Labor Relations Authority, transmitting, pursuant to law, a rule entitled ''Revision of Freedom of Information Act Regulations'' received on April 22, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2730. A communication from the Chief Justice of the Supreme Court, transmitting, pursuant to law, the report of amendments to the Federal Rules of Civil Procedure; to the Committee on the Judiciary.

EC–2731. A communication from the Chief Justice of the Supreme Court, transmitting, pursuant to law, the report of amendments to the Federal Rules of Bankruptcy Procedure; to the Committee on the Judiciary.

EC–2732. A communication from the Chief Justice of the Supreme Court, transmitting, pursuant to law, the report of amendments to the Federal Rules of Criminal Procedure; to the Committee on the Judiciary.

EC–2733. A communication from the Director, Policy Directives and Instructions Branch, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a rule entitled ''Regulations concerning the Convention Against Torture'', INS No. 1976–99 (RIN1115–AF39); to the Committee on the Judiciary.

EC–2734. A communication from the Director, Office of Regulations Management. Veterans Health Administration, Department of Veterans Affairs, transmitting, pursuant to law, a rule entitled ''Medical Care Collection or Recovery'' (RIN2900–AJ30) received April 22, 1999; to the Committee on Veterans Affairs.

EC–2735. A communication from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, a rule entitled ''Loan Guaranty: Requirements for Interest Rate Reduction Refinancing Loans'' (RIN2900–AI92) received April 20, 1999; to the Committee on Veterans Affairs.

EC–2736. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the annual report under the Chemical and Biological Weapons and Warfare Elimination Act of 1991 for the period February 1, 1998 through January 31, 1999; to the Committee on Foreign Relations.

EC–2737. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report concerning amendments to Parts 121, 123, 124 and 126 of the International Traffic in Arms Regulations received April 7, 1999; to the Committee on Foreign Relations.

EC–2738. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, the report of the texts of international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC–2739. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a certification of an export license to various countries; to the Committee on Foreign Relations.

EC–2740. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the report of two Accountability Review Boards; to the Committee on Foreign Relations.

## PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–61. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Appropriations.

HOUSE JOINT MEMORIAL 4004

Whereas, Prostate cancer is the second most common form of cancer in men; and

Whereas, The American Cancer Society estimates that, in 1998, in the United States, approximately two hundred ten thousand new cases of prostate cancer were diagnosed and approximately forty-two thousand American men died of prostate cancer; and

Whereas, With an estimated nine million American men currently afflicted, prostate cancer amounts to an epidemic in the United States; and

Whereas, African-American men have the highest incidence of prostate cancer of any population of men in the world today; and

Whereas, The number of prostate cancer cases successfully diagnosed has increased significantly over the past thirty-five years, partly as a result of the widespread use of improved screening techniques, including screening for the prostate cancer antigen; and

Whereas, Awareness needs to be strengthened, to alert men of ages fifty and above to the risk of and treatments for prostate cancer; and

Whereas, Significantly more research is needed to determine the causes and most effective treatments for prostate cancer; and

Whereas, The National Prostate Cancer Coalition, a network of prostate cancer patients' advocates and support organizations, has presented five hundred thousand signatures to the United States Congress and the President, urging increased research funding for prostate cancer: Now, therefore

Your Memorialists respectively pray that the United States support increased federal funding for prostate cancer research; be it

*Resolved,* That copies of this Memorial be immediately transmitted to the Honorable William J. Clinton, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

---

POM–62. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Appropriations.

HOUSE JOINT MEMORIAL 4014

Whereas, Strokes are the leading cause of death in the United States of America; and

Whereas, Strokes are also the leading cause of disability in the United States; and

Whereas, The American Heart Association estimates that in this year alone in the United States approximately six hundred thousand strokes will occur, and that approximately two hundred thousand deaths will ensue as a result of these strokes; and

Whereas, The incidence of stroke in young people is increasing in the United States; and

Whereas, African-Americans have the highest incidence of stroke of any segment of the population in the United States; and

Whereas, While the ability to treat strokes in the last decade has increased significantly in the United States, a great deal of work must still be done, especially in the areas of diagnosis, emergency treatment, and prevention; and

Whereas, Awareness of stroke risk and symptoms needs to be heightened among all Americans so that we will be alert to this risk; and

Whereas, Although it is the third leading cause of death in the United States, stroke risk in 1998 received the least amount of federal research funds of the five major diseases; and

Whereas, The American Heart Association is launching a nine-month, concerted effort to alert members of Congress about the urgent need and responsibility for more funding for stroke research; Now therefore

Your Memorialists respectfully pray that the members of Congress increase federal funding for stroke research; be it

*Resolved,* That copies of this Memorial be immediately transmitted to the Honorable William j. Clinton, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

---

POM–63. A resolution adopted by the Legislature of the State of Nebraska; to the Committee on Appropriations.

LEGISLATIVE RESOLUTION 27

Whereas, the Wood River Flood Control Project will divert Wood River flood water around the southern edge of Grand Island and carry the flood water from the Wood River to the Platte River; and

Whereas, $11,800,000 was authorized for the Wood River Flood Control Project through the 1996 Water Resources Development Act, which was to include $6,040,000 in federal funds; and

Whereas, in 1998, the Omaha District of the Army Corps of Engineers revised its estimates for the project to $17,353,000, including $9,969,000 to be contributed by the federal government. Since the cost increase is greater than twenty percent, congressional legislation to reauthorize the project is required; and

Whereas, an estimated 1,755 home and business structures in southern Grand Island, with a total value of $219 million, would be protected by the flood control project; and

Whereas, the flood control project would also protect 5,385 acres of irrigated farmland and 7,000 to 8,000 acres of grassland; and

Whereas, the Nebraska Legislature proposes to the Congress of the United States that procedures be instituted for congressional legislation to include appropriate authorization for the Wood River Flood Control Project in Grand Island, Nebraska; and

Whereas, prompt action is essential to decrease future flooding risks, the Nebraska Legislature requests the support and assistance of Congress in permitting this flood control project to move forward in a timely manner: Now therefore, be it

*Resolved by the Members of the Ninety-Sixth Legislature of Nebraska, First Session:*

1. That the Nebraska Legislature requests that the Congress of the United States appropriate the necessary funds to complete the Wood River Flood Control Project.

2. That the Clerk of the Legislature shall send copies of this resolution to the Secretary of State, to the Nebraska Congressional Delegation, to the Clerk of the United States House of Representatives, and to the Secretary of the United States Senate.

---

POM–64. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Commerce, Science, and Transportation.

HOUSE JOINT MEMORIAL 4011

Whereas, The Federal Communications Commission, pursuant to the Telecommunications Act of 1996, has implemented a universal service fund program to provide discounts on the cost of telecommunications services to schools and libraries; and

Whereas, On May 8, 1997, the Commission determined that schools and libraries that join consortia that include entities other than ''public sector (governmental) entities'' may not take advantage of the universal service fund program unless the services purchased by the consortia are based on tariffed rates; and

Whereas, This requirement effectively prevents schools and libraries from participating in consortia with nonprofit independent baccalaureate institutions without losing the advantages of the leveraged purchasing, economies of scale, and efficiencies that are the very rationale for such consortia; and

Whereas, Washington state has sought to leverage the state's purchasing power in its procurements of telecommunications and information services, and obtain the lowest prices for telecommunications services for universities, colleges, schools, and libraries; and

Whereas, The Washington Legislature in 1996 authorized and funded the development of the K–20 Educational Telecommunications Network, a sixty-two million dollar state-

wide backbone network intended to link K–12 school districts, educational service districts, public and private baccalaureate institutions, public libraries, and community and technical colleges; and

Whereas, This network will provide the consortium of Washington colleges, schools, and libraries with enhanced function and increased efficiencies in their use of telecommunications services; and

Whereas, Washington state is home to several outstanding nonprofit independent baccalaureate institutions, including Antioch University, Cornish College of the Arts, Gonzaga University, Heritage College, Northwest College, Pacific Lutheran University, St. Martin's College, Seattle University, Seattle Pacific University, University of Puget Sound, Walla Walla College, Whitman College, and Whitworth College, that are not ''public sector (governmental) entities''; and

Whereas, These institutions each year prepare thousands of students for jobs in Washington state, and their graduates comprise more than twenty-five percent of the state's school teachers; and

Whereas, The Washington Legislature has recognized the important public service that these institutions perform; and

Whereas, The Washington Legislature has recognized that the public interest would be served by their inclusion in the K–20 Educational Telecommunications Network; and

Whereas, On July 16, 1997, the Washington Department of Information Services petitioned the Federal Communications Commission to clarify universal service program eligibility for schools and libraries that participate in telecommunications consortia with nonprofit independent colleges; and

Whereas, The Commission has not responded to that petition in more than eighteen months; and

Whereas, The state continues to delay the inclusion of nonprofit independent baccalaureate institutions in the K–20 Educational Telecommunications Network out of concern that doing so may render the network services provided to schools and libraries ineligible for universal service discounts; and

Whereas, Such continued delay is detrimental to the interests of the state; Now, therefore

Your Memorialists respectfully pray that the members of the Committee on Commerce, Science, and Transportation of the United States Senate; and members of the Subcommittee on Telecommunications, Trade and Consumer Protection, Committee on Commerce, United States House of Representatives, urge the Federal Communications Commission to address promptly the matters raised in the Department of Information Service's Petition for Reconsideration, and find that schools and libraries may participate with independent colleges in consortia to procure telecommunications services at below-tariffed rates without losing their eligibility for universal service discounts; be it

*Resolved,* That copies of this Memorial be immediately transmitted to the Honorable William J. Clinton, President of the United States, the members of the Committee on Commerce, Science, and Transportation of the United States Senate, and members of the Subcommittee on Telecommunications, Trade and Consumer Protection, Committee on Commerce, United States House of Representatives, the President of the United States Senate, the Speaker of the House of Representatives, each member of Congress from the State of Washington, and the members of the Federal Communications Commission.

POM–65. A concurrent resolution adopted by the Legislature of the State of New Jersey; to the Committee on Finance.

CONCURRENT RESOLUTION 107

Whereas, New Jersey and 45 other states, as well as Puerto Rico and the District of Columbia, are scheduled to receive some $206 billion from the nation's five largest cigarette manufacturers as a result of the settlement, which was formally agreed to on November 23, 1998, between these tobacco companies and the plaintiff states of their respective actions against these companies to recover the costs incurred by the states in connection with tobacco-related diseases, in addition to the states of Florida, Minnesota, Mississippi and Texas that will receive monies from these companies as a result of individual settlements which they reached with the companies of their respective actions; and

Whereas, The monies received by New Jersey and the other plaintiff states from the tobacco companies constitute a return of their state taxpayer dollars, which was the result of their own efforts and expense, and which should not be siphoned off by the federal government through a reduction in federal Medicare payments to the states or by any other means; and

Whereas, The monies recovered by the states from the tobacco companies should be available for the states to use as they deem to be in the interest of their own citizens and according to their own needs, and in keeping with the terms of the national tobacco settlement or individual state settlements reached with the tobacco companies; and

Whereas, The federal government should not be able to recover its Medicaid costs associated with tobacco-related diseases without pursuing its own action against the tobacco companies and expending its own resources for that purpose; and

Whereas, Legislation is currently pending in the Congress of the United States as H.R. 351, sponsored by Representative Bilirakis (R–Florida), which would preclude action by the Secretary of Health and Human Services to recoup any portion of the tobacco settlement funds received by the various states as an overpayment under the Medicaid program: Now, therefore, be it

*Resolved by the Senate of the State of New Jersey (the General Assembly concurring):*

1. The Legislature respectfully memorializes the Congress of the United States to pass, and the President of the United States to sign into law. H.R. 351 or similar legislation which would ensure that the federal government will not seek to recoup any monies recovered by the states from the tobacco companies a as result of the national tobacco settlement or individual state settlements.

2. Duly authenticated copies of this resolution, signed by the President of the Senate and the Speaker of the General Assembly and attested by the Secretary of the Senate and the Clerk of the General Assembly, shall be transmitted to the United States Secretary of Health and Human Services, the presiding officers of the United States Senate and House of Representatives, and each of the members of the United States Congress elected from the State of New Jersey.

POM–66. A concurrent resolution adopted by the Legislature of the State of Kansas; to the Committee on Agriculture, Nutrition, and Forestry.

HOUSE CONCURRENT RESOLUTION NO. 5017

Whereas, The agricultural heritage and economy of the State of Kansas is dependent upon the harvest, storage and transportation of grain; and

Whereas, There are 785 grain elevators in Kansas and 65,000 farms in Kansas, many of which are family-owned operations; and

Whereas, Kansas grain elevators are valued neighbors to and located in close proximity to homes, schools, farms and businesses in most of all Kansas' communities; and

Whereas, Kansas grain elevators, feed mills, processors and growers are committed to protecting the health and safety of applicators and workers and the wellbeing of the public; and

Whereas, Grain elevators are located in Kansas communities near railroads and highways to facilitate the transportation of grain; and

Whereas, Kansas is a leader in the Nation and in the World in grain production; and

Whereas, Kansas grain elevators, feed mills, processors and growers are committed to producing an adequate safe and high quality food supply for domestic and world consumers; and

Whereas, Treaties and established trade relations may require pest-controlled grain before grain can be exported; and

Whereas, Insect pests in grain without fumigation treatment could create health risks and reduce the quality of the grain marketed from Kansas; and

Whereas, Aluminum and magnesium phosphide are cost-effective fumigants used both by commercial elevators and farmers in the storage of grain in Kansas; and

Whereas, The Environmental Protection Agency (EPA) acknowledged few, if any, viable alternatives to the use of aluminum and magnesium phosphide exist for fumigation to control pests in stored grain; and

Whereas, The current label restrictions for aluminum and magnesium phosphide provide for the safe and effective use of the product; and

Whereas, The State of Kansas practices rigorous enforcement of the label restrictions on fumigants, ensures adequate training of certified applicators and conducts a fumigation and grain storage project to inspect the use of fumigants; and

Whereas, Restrictions in the use of fumigations in grain storage and transportation should be based only on sound scientific reasoning, available technology and accurate analysis of risk level and avoid raising undue public alarm over unsubstantiated or inconsequential risk: Now, therefore, be it

*Resolved by the House of Representatives of the State of Kansas, the Senate concurring therein,* That the Congress of the United States direct the EPA to curtail implementation of new restrictions from its reregistration eligibility decision (RED) on phosphine gas that would require a 500-foot buffer zone and other restrictions that effectively preclude the use of aluminum or magnesium phosphide in most Kansas grain storage facilities and grain transportation; and be it further

*Resolved,* That Congress direct the EPA to ensure that risk mitigation allowances for aluminum and magnesium phosphides are clearly demonstrated as necessary to protect human health, are based upon sound science and reliable information, are economically and operationally reasonable and will permit the continued use of these products in accordance with the label; and

Whereas, The Food Quality Protection Act of 1996 (FQPA) was signed into law on August 3, 1996; and

Whereas, The FQPA institutes changes in the types of information the Environmental

Protection Agency (EPA) is required to evaluate in the risk assessment process for establishing tolerances for pesticide residues in food and feed; and

Whereas, The FQPA was to assure that pesticide tolerances and policies are formulated in an open and transparent manner; and

Whereas, The FQPA further emphasizes the need for reliable information about the volume and types of pesticides being applied to individual crops and what residues can be anticipated on these crops; and

Whereas, Risk estimates based on sound science and reliable real-world data are essential to avoid misguided decisions, and the best way for the EPA to obtain this data is to require its development and submission by the registrant through the data call-in process; and

Whereas, The implementation of FQPA by the EPA could have a profound negative impact on domestic agriculture production and on consumer food prices and availability; and

Whereas, The possibility of elimination of these products will result in fewer pest control options for the United States and Kansas and significant disruption of successful integrated pest management programs which would be devastating to the economy of our state and jeopardize the very livelihood of many of our agricultural producers; and

Whereas, The absence of reliable information will result in fewer pest control options for urban and suburban uses, with potential losses of personal property and increased costs for human health concerns: Now, therefore, be it

*Resolved by the Senate of the State of Kansas, the House of Representatives concurring therein,* That the EPA should be directed by Congress to immediately initiate appropriate administrative rulemaking to ensure that the policies and standards it intends to apply in evaluating pesticide tolerances are subject to thorough public notice and comment prior to final tolerance determinations being made by the agency; and

*Be it further resolved,* That the EPA use sound science and real-world data from the data call-in process in establishing realistic models for evaluating risks; and

*Be it further resolved,* That the United States Department of Agriculture (USDA) establish FQPA as a priority and that EPA be required to have reliable pesticide residue data and other FQPA data on the specific crop affected by any proposed restriction, before, EPA imposes restriction of a pesticide under FQPA; and

*Be it further resolved,* That the EPA should be directed by Congress to implement the FQPA in a manner that will not disrupt agricultural production nor negatively impact the availability, diversity and affordability of food; and be it further

*Resolved,* That Congress should immediately conduct oversight hearings to ensure that actions by EPA are consistent with FQPA provisions and Congressional intent; and

*Be it further resolved,* That the Secretary of State be directed to send enrolled copies of this resolution to the President of the United States, the administrator of the Environmental Protection Agency, the President of the United States Senate, the Speaker of the United States House of Representatives, the Secretary of the United States Department of Agriculture and to each member of the Kansas Congressional Delegation.

---

POM–67. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Foreign Relations.

JOINT RESOLUTION NO. 1373

Whereas, children's rights require special protection and continuous improvement all over the world, as well as calling for the development and education of children in conditions of peace and security; and

Whereas, the United Nations has proclaimed that the period of childhood is entitled to special care and assistance; and

Whereas, the child should grow up in a family environment with happiness, love and understanding; and

Whereas, the child should be fully prepared to live the life of an individual in society; and

Whereas, the child should be brought up with dignity in a spirit of peace, tolerance, freedom, equality and solidarity; and

Whereas, in all countries of the world, there are children living in exceptionally difficult conditions; and

Whereas, it is important to have international cooperation in order to improve the living conditions of children in every country, in particular in the developing countries; and

Whereas, the United Nations Convention on the Rights of the Child has broken all records as the most widely ratified human rights treaty in history; and

Whereas, the convention is the most rapidly and widely adopted human rights treaty in history with 191 States Parties; and

Whereas, only 2 countries have not ratified this agreement, Somalia and the United States; and

Whereas, the uniqueness of the treaty is that it is the first legally binding international instrument to incorporate the full range of children's human rights, which include civil and political rights as well as their economic, social and cultural rights, thus giving all rights equal emphasis; now, therefore, be it

Resolved, That We, your Memorialists, request the President of the United States and the United States Congress to ratify the United Nations Convention on the Rights of the Child; and be it further

Resolved, That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States; the President of the United States Senate; the Speaker of the House of Representatives of the United States; the United Nations Secretary-General Kofi Annan; each Member of the Maine Congressional Delegation; the Speaker of the House or the equivalent officer in the 49 other states; and the President of the Senate or the equivalent officer in the 49 other states.

---

POM–68. A resolution adopted by the Senate of the Legislature of the State of Georgia; to the Committee on Banking, Housing, and Urban Affairs.

SENATE RESOLUTION NO. 1241

Whereas, the Federal Reserve, the Federal Deposit Insurance Corporation, the Office of the Comptroller General, and the Office of Thrift Supervision proposed a ''Know Your Customer'' section of the Bank Secrecy Act on December 7, 1998, which seeks to determine the banking characteristics of its customers; and

Whereas, the ''Know Your Customer'' regulations will require banks to learn and recognize a customer's normal and expected transactions; and

Whereas, the ''Know Your Customer'' regulations will require banks to obtain knowledge regarding the legitimate activities of their customers; and

Whereas, the ''Know Your Customer'' regulations will require banks to report any unusual or suspicious transactions to as yet to be determined FDIC agencies existing suspicious activity reporting regulation; and

Whereas, there are already sufficient regulations in place to ensure that financial crimes are detected, and the ''Know Your Customer'' regulations are not needed and are in fact dangerous to a society where privacy is valued; and

Whereas, the ''Know Your Customer'' regulations constitute a clear violation of banking patrons privacy and therefore, must not be allowed to pass in any form. Now, therefore, be it

*Resolved by the Senate,* That the members of this body encourage the Congress of the United States to act swiftly to prevent the passage of any such legislation under the ''Know Your Customer'' designation; and be it further

*Resolved,* That the Secretary of the Senate is authorized and directed to transmit appropriate copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the directors of the Federal Reserve, the Federal Deposit Insurance Corporation, the Office of the Comptroller General, the Office of Thrift Supervision, and all members of the Georgia Congressional Delegation.

---

SENATE RESOLUTION NO. 128

Whereas, the Food Quality Protection Act of 1996 (FQPA) was signed into law on August 3, 1996, by President Clinton; and

Whereas, the FQPA establishes new safety standards that pesticides must meet to be newly registered or to remain on the market; and

Whereas, the FQPA requires the Environmental Protection Agency (EPA) to ensure that all pesticide tolerances meet these new FQPA standards by reassessing one-third of the 9,700 existing pesticide tolerances by August, 1999, and all existing tolerances within ten years; and

Whereas, the FQPA institutes changes in the types of information the EPA is required to evaluate in the risk assessment process for establishing tolerances for pesticide residues in food and feed; and

Whereas, the FQPA was designed to ensure that pesticide tolerances and policies are formulated in an open and public manner; and

Whereas, the FQPA further emphasizes the need for reliable information about the volume and types of pesticides being applied to individual crops and what residues can be anticipated on these crops; and

Whereas, risk estimates based on sound science and reliable, real-world data are essential to avoid misguided decisions, and the best way for the EPA to obtain this data is to require development and submission of such data by the registrant through the data call-in process; and

Whereas, the ill considered implementation of FQPA by the EPA could have a profound negative impact on domestic agricultural production and on consumer food prices and availability; and

Whereas, the possibility of elimination of these products will result in fewer pest control options for the United States and Georgia and significant disruption of successful integrated pest management programs which would in turn be devastating to the economy of our state and jeopardize the very livelihood of many of our agricultural producers; and

Whereas, the absence of reliable information is expected to result in fewer pest control options for urban and suburban uses,

with potential losses of personal property, damage to valuable recreational areas and managed green space, and increased human health concerns. Now therefore be it

*Resolved by the Senate*, That the members of this body urge Congress to direct the EPA to immediately initiate appropriate public administrative guidance or rule-making to ensure that the policies, standards, and procedures it intends to apply in reassessing existing pesticide tolerances are subject to thorough public notice and comment prior to final tolerance determinations being made by the agency; and be it further

*Resolved*, That Congress should direct the EPA to use sound science and real-world data from the data call-in process in establishing realistic models for evaluating risks; and be it further

*Resolved*, That Congress should direct the EPA to implement the FQPA in a manner that will not disrupt agricultural production nor negatively impact the availability, diversity, and affordability of food, threaten public health, nor diminish the quality of valuable recreational areas and managed green spaces; and be it further

*Resolved*, That Congress should immediately conduct oversight hearings to ensure that actions by EPA are consistent with FQPA provisions and congressional intent; and be it further

*Resolved*, That the Secretary of the Senate is authorized and directed to transmit appropriate copies of this resolution to the Georgia congressional delegation, the EPA Administrator, Vice President Al Gore, and the Secretary of Agriculture.

---

POM–69. A joint resolution adopted by the Legislature of the Commonwealth of Virginia; to the Committee on Environment and Public Works.

SENATE JOINT RESOLUTION NO. 407

Whereas, Virginia ranks second in the nation in the amount of municipal waste imported from other states, and the tonnage imported is likely to increase as other states close landfills; and

Whereas, the negative impacts of truck, rail, and barge traffic and litter, odors, and noise associated with waste imports occur not just at the location of final disposal but also along waste transportation routes; and

Whereas, current landfill technology has the potential to fail, leading to long-term cleanup and other associated costs; and

Whereas, the importation of waste runs counter to the repeatedly expressed strong desire of Virginia's citizens for clean air, land, and water and for the preservation of Virginia's unique historic and cultural character, and it is essential to promote and preserve these attributes; and

Whereas, the Commonwealth has demonstrated the ability to attract good jobs and to promote sound economic development without relying on the importation of garbage; and

Whereas, in 1995, 23 state governors wrote to the Commerce Committee of the United States House of Representatives urging passage of legislation allowing states and localities the power to regulate waste entering their jurisdictions; and

Whereas, legislation is pending before the Commerce Committee of the United States House of Representatives that would provide states and localities with the authority to control the importation of waste, a power that is essential to the public health, safety, and welfare of all citizens of Virginia; now, therefore, be it

*Resolved by the Senate, the House of Delegates concurring*, That the Congress of the United States be urged to enact legislation giving states and localities the power to control waste imports into their jurisdictions, including the following provisions: (i) a ban on waste imports in the absence of specific approval from the disposal site host community and governor of the host state; (ii) authorization for governors to freeze solid waste imports at 1993 levels; (iii) authorization for states to consider whether a disposal facility is needed locally when deciding whether to grant a permit; and (iv) authorization for states to limit the percentage of a disposal facility's capacity that can be filled with waste from other states; and, be it

*Resolved further*, That the Clerk of the Senate transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia Congressional Delegation in order that they may be apprised of the sense of the Virginia General Assembly in this matter.

## REPORTS OF COMMITTEES

The following reports of committees were submitted on April 27, 1999:

By Mr. HELMS, from the Committee on Foreign Relations, without amendment:

S. 886: An original bill to authorize appropriations for the Department of State for fiscal years 2000 and 2001; to provide for enhanced security at United States diplomatic facilities; to provide for certain arms control, nonproliferation, and other national security measures; to provide for the reform of the United Nations; and for other purposes (Rept. No. 106–43).

The following reports of committees were submitted on April 28, 1999:

By Mr. GRAMM, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 900: An original bill to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes (Rept. No. 106–44).

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. CLELAND:

S. 894. A bill to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees and annuitants, and for other purposes; to the Committee on Governmental Affairs.

By Mr. LIEBERMAN (for himself, Mr. SANTORUM, Mr. DURBIN, Mr. ABRAHAM, Mr. ROBB, and Mr. KERREY):

S. 895. A bill to provide for the establishment of Individual Development Accounts (IDAs) that will allow individuals and families with limited means an opportunity to accumulate assets, to access education, to own their own homes and businesses, and ultimately to achieve economic self-sufficiency, and for other purposes; to the Committee on Finance.

By Mr. GRAMS (for himself, Mr. ABRAHAM, and Mr. KYL):

S. 896. A bill to abolish the Department of Energy, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BAUCUS (for himself and Mr. HAGEL):

S. 897. A bill to provide matching grants for the construction, renovation and repair of school facilities in areas affected by Federal activities, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. COVERDELL:

S. 898. A bill to amend the Internal Revenue Code of 1986 to provide taxpayers with greater notice of any unlawful inspection or disclosure of their return or return information; to the Committee on Finance.

By Mr. HATCH (for himself, Mr. THURMOND, Mr. SPECTER, Mr. DEWINE, Mr. ASHCROFT, Mr. ABRAHAM, Mr. SESSIONS, and Mr. GRAMS):

S. 899. A bill to reduce crime and protect the public in the 21st Century by strengthening Federal assistance to State and local law enforcement, combating illegal drugs and preventing drug use, attacking the criminal use of guns, promoting accountability and rehabilitation of juvenile criminals, protecting the rights of victims in the criminal justice system, and improving criminal justice rules and procedures, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAMM:

S. 900. An original bill to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes; from the Committee on Banking, Housing, and Urban Affairs; placed on the calendar.

By Mr. BINGAMAN:

S. 901. A bill to provide disadvantaged children with access to dental services; to the Committee on Health, Education, Labor, and Pensions.

By Mr. TORRICELLI (for himself, Mr. KERRY, Mrs. MURRAY, and Mrs. BOXER):

S. 902. A bill to amend title XIX of the Social Security Act to permit States the option to provide medicaid coverage for low-income individuals infected with HIV; to the Committee on Finance.

By Mr. KOHL (for himself and Mr. DEWINE):

S. 903. A bill to facilitate the exchange by law enforcement agencies of DNA identification information relating to violent offenders, and for other purposes; to the Committee on the Judiciary.

By Mr. BUNNING (for himself and Mr. MCCONNELL):

S. 904. A bill to provide that certain costs of private foundations in removing hazardous substances shall be treated as qualifying distributions; to the Committee on Finance.

By Mr. SANTORUM (for himself and Mr. SPECTER):

S. 905. A bill to establish the Lackawanna Valley American Heritage Area; to the Committee on Energy and Natural Resources.

By Mr. ABRAHAM:

S. 906. A bill to establish a grant program to enable States to establish and maintain pilot drug testing and drug treatment programs for welfare recipients engaging in illegal drug use, and for other purposes; to the Committee on Finance.

By Mr. SMITH of New Hampshire:

S. 907. A bill to protect the right to life of each born and preborn human person in existence at fertilization; to the Committee on the Judiciary.

By Mr. DORGAN:

S. 908. A bill to establish a comprehensive program to ensure the safety of food products intended for human consumption that are regulated by the Food and Drug Administration, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. HAGEL (for himself and Mr. KERREY):

S. Res. 88. A resolution relative to the death of the Honorable Roman L. Hruska, formerly a Senator from the State of Nebraska; considered and agreed to.

By Mr. MCCONNELL:

S. Res. 89. A resolution designating the Henry Clay Desk in the Senate Chamber for assignment to the senior Senator from Kentucky at that Senator's request; considered and agreed to.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CLELAND:

S. 894. A bill to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees and annuitants, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL CIVILIAN AND UNIFORMED SERVICES LONG-TERM CARE INSURANCE ACT OF 1999

Mr. CLELAND. Mr. President, in support of the need for an initiative to help address the growing long-term care needs of Americans, I am pleased to introduce the Federal Civilian and Uniformed Services Long-Term Care Insurance Act of 1999 in the Senate.

The Administration proposed a plan to offer long-term health care insurance to federal civilian employees. Under my bill, the administration's proposal is expanded to include federal civilian and uniformed services employees, as well as foreign service employees. This non-subsidized, quality private long-term care insurance option can then be offered at an affordable group rate. It is anticipated that 300,000 Federal employees and 200,000 uniformed services employees would voluntarily participate in such a long-term insurance plan. With such participation, the Federal government could truly serve as the model for employers for long-term care insurance.

The bill would make the following groups eligible for the long-term care insurance: Civilian employees after continuously working for the federal government for 6 months, Foreign Service employees, civilian annuitants upon retirement, members of the Armed Services, retired members of the Armed Services, and designated relatives, like parents and parents-in-laws.

The bill also offers: (1) portability of this benefit regardless of future federal or military employment as long as the monthly premium is paid on a time, (2) a choice of plans to meet the insurer's needs from up to three insurance carriers, and (3) a choice of cash or service benefits (such as expense-incurred or indemnity method). Costs for this program are anticipated to be no more than $15 million for OPM administrative expenses.

The price of long-term care is very expensive both in terms of the financial and emotional burden to families. In 1997, Medicare and Medicaid spent $15.4 billion providing home health care to Americans. In that same year, nursing home care cost American taxpayers approximately $16.9 billion. What I am proposing is legislating the ability to maintain self-reliance. The Federal Civilian and Uniformed Services Long-Term Care Insurance Act of 1999 is an important step to providing ''affordable, high-quality long-term care.'' I urge my colleagues to support it.

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

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

S. 894

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Federal Civilian and Uniformed Services Long-Term Care Insurance Act of 1999''.

**SEC. 2. LONG-TERM CARE INSURANCE.**

Subpart G of part III of title 5, United States Code, is amended by adding after chapter 89 the following:

**''Chapter 90—Long-Term Care Insurance**



**''§ 9001. Definitions**

''For purposes of this chapter, the term—

''(1) 'activities of daily living' includes—

''(A) eating;

''(B) toileting;

''(C) transferring;

''(D) bathing;

''(E) dressing; and

''(F) continence;

''(2) 'annuitant' has the meaning such term would have under section 8901(3) if, for purposes of such paragraph, the term 'employee' were considered to have the meaning under paragraph (7) of this section;

''(3) 'appropriate Secretary' means—

''(A) except as otherwise provided in this paragraph, the Secretary of Defense;

''(B) with respect to the United States Coast Guard when it is not operating as a service of the Navy, the Secretary of Transportation;

''(C) with respect to the commissioned corps of the National Oceanic and Atmospheric Administration, the Secretary of Commerce;

''(D) with respect to the commissioned corps of the Public Health Service, the Secretary of Health and Human Services; and

''(E) with respect to members of the Foreign Service, the Secretary of State;

''(4) 'assisted living facility' has the meaning given such term under section 232 of the National Housing Act (12 U.S.C. 1715w);

''(5) 'carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization that is lawfully engaged in providing, paying for, or reimbursing the cost of, qualified long-term care services under group insurance policies or contracts, or similar group arrangements, in consideration of premiums or other periodic charges payable to the carrier;

''(6) 'eligible individual' means—

''(A) an employee who has completed 6 months of continuous service as an employee under other than a temporary appointment limited to 6 months or less;

''(B) an annuitant;

''(C) a member of the uniformed services on active duty for a period of more than 30 days or full-time National Guard duty (as defined under section 101(d)(5) of title 10) who satisfies such eligibility requirements as the Office prescribes under section 9006(c);

''(D) a member of the uniformed services entitled to retired or retainer pay (other than under chapter 1223 of title 10) who satisfies such eligibility requirements as the Office prescribes under section 9006(c);

''(E) a member of the Foreign Service who—

''(i) is described under section 103(1), (2), (3), (4), or (5) of the Foreign Service Act of 1980 (22 U.S.C. 3903(1), (2), (3), (4), or (5); and

''(ii) satisfies such eligibility requirements as the Office prescribes under sanction 9006(c);

''(F) a member of the Foreign Service entitled to an annuity under the Foreign Service Retirement and Disability System or the Foreign Service Pension System who satisfies such eligibility requirements as the Office prescribes under section 9006(c); or

''(G) a qualified relative of a sponsoring individual;

''(7) 'employee' means—

''(A) an employee as defined under section 8901(1) (A) through (H); and

''(B) an individual described under section 2105(e);

''(8) 'home and community care' has the meaning given such term under section 1929 of the Social Security Act (42 U.S.C. 1396t(a));

''(9) 'long-term care benefits plan' means a group insurance policy or contract, or similar group arrangement, provided by a carrier for the purpose of providing, paying for, or reimbursing expenses for qualified long-term care services;

''(10) 'nursing home' has the meaning given such term under section 1908 of the Social Security Act (42 U.S.C. 1396g(e)(1));

''(11) 'Office' means the Office of Personnel Management;

''(12) 'qualified long-term care services' has the meaning given such term under section 7702B of the Internal Revenue Code of 1986;

''(13) 'qualified relative', as used with respect to a sponsoring individual, means—

''(A) the spouse of such sponsoring individual;

''(B) a parent or parent-in-law of such sponsoring individual; and

''(C) any other person bearing a relationship to such sponsoring individual specified by the Office in regulations; and

''(14) 'sponsoring individual' refers to an individual described under paragraph (6)(A), (B), (C), or (D).

**"§ 9002. Eligibility to obtain coverage**

''(a) Any eligible individual may obtain long-term care insurance coverage under this chapter for such individual.

''(b)(1) As a condition for obtaining long-term care insurance coverage under this chapter based on an individual's status as a qualified relative, certification from the applicant's sponsoring individual shall be required as to—

''(A) such sponsoring individual's status, as described under section 9001(6)(A), (B), (C), or (D) (as applicable), as of the time of the qualified relative's application for coverage; and

''(B) the existence of the claimed relationship as of that time.

''(2) Any certification under paragraph (1) shall be submitted at such time and in such form and manner as the Office shall by regulation prescribe.

''(c) Nothing in this chapter shall be considered to require that long-term care insurance coverage be made available in the case of any individual who would be immediately benefit eligible.

**"§ 9003. Contracting authority**

''(a) Without regard to section 3709 of the Revised Statutes or other statute requiring competitive bidding, the Office may contract with qualified carriers to provide group long-term care insurance under this chapter, except that the Office may not have contracts in effect under this section with more than 3 qualified carriers.

''(b) To be considered a qualified carrier under this chapter, a company shall be licensed to issue group long-term care insurance in all the States and the District of Columbia.

''(c)(1) Each contract under this section shall contain a detailed statement of the benefits offered (including any maximums, limitations, exclusions, and other definitions of benefits), the rates charged (including any limitations or other conditions on any subsequent adjustment), and such other terms and conditions as may be mutually agreed to by the Office and the carrier involved, consistent with the requirements of this chapter.

''(2) The rates charged under any contract under this section shall reasonably reflect the cost of the benefits provided under such contract.

''(d) The benefits and coverage made available to individuals under any contract under this section shall be guaranteed to be renewable and may not be canceled by the carrier except for nonpayment of charges.

''(e) Each contract under this section shall require the carrier to agree to—

''(1) pay or provide benefits in an individual case if the Office (or a duly designated third-party administrator) finds that the individual involved is entitled to such payment or benefit under the contract; and

''(2) participate in administrative procedures designed to bring about the expeditious resolution of disputes arising under such contract, including, in appropriate circumstances, 1 or more alternative means of dispute resolution.

''(f)(1)(A) Subject to subparagraph (B), each contract under this section shall be for a term of 5 years, but may be made automatically renewable from term to term in the absence of notice of termination by either party.

''(B) The rights and responsibilities of the enrolled individual, the insurer, and the Office (or duly designated third-party administrator) under any such contract shall continue until the termination of coverage of the enrolled individual.

''(2) Group long-term care insurance coverage obtained by an individual under this chapter shall terminate only upon the occurrence of—

''(A) the death of the insured;

''(B) exhaustion of benefits, as determined under the contract;

''(C) insolvency of the insurer, as determined under the contract; or

''(D) any event justifying a cancellation under subsection (d).

''(3) Subject to paragraph (2), each contract under this section shall include such provisions as may be necessary to—

''(A) effectively preserve all parties' rights and responsibilities under such contract notwithstanding the termination of such contract (whether due to nonrenewal under paragraph (1) or otherwise); and

''(B) ensure that, once an individual becomes duly enrolled, long-term care insurance coverage obtained by such individual under that enrollment shall not be terminated due to any change in status (as described under section 9001(6)), such as separation from Government service or the uniformed services, or ceasing to meet the requirements for being considered a qualified relative (whether due to divorce or otherwise).

**"§ 9004. Long-term care benefits**

''(a) Benefits under this chapter shall be provided under qualified long-term care insurance contracts, within the meaning of section 7702B of the Internal Revenue Code of 1986.

''(b) Each contract under section 9003, in addition to any matter otherwise required under this chapter, shall provide for—

''(1) adequate consumer protections (including through establishment of sufficient reserves or reinsurance);

''(2) adequate protections in the event of carrier bankruptcy (or other similar event);

''(3) availability of benefits upon appropriate certification as to an individual's—

''(A) inability (without substantial assistance from another individual) to perform at least 2 activities of daily living for a period of at least 90 days due to a loss of functional capacity;

''(B) having a level of disability similar (as determined under regulations prescribed by the Secretary of the Treasury in consultation with the Secretary of Health and Human Services) to the level of disability described in subparagraph (A); or

''(C) requiring substantial supervision to protect such individual from threats to health and safety due to severe cognitive impairment;

''(4) choice of cash or service benefits (such as the expense-incurred method or the indemnity method);

''(5) inflation protection (whether through simple or compounded adjustment of benefits); and

''(6) portability of benefits (consistent with section 9003 (d) and (f)).

''(c) To the maximum extent practicable, at least 1 of the policies being offered under this chapter shall, in addition to any matter otherwise required under this chapter, provide for—

''(1) length-of-benefit options;

''(2) options relating to the provision of coverage in a variety of settings, including nursing homes, assisted living facilities, and home and community care;

''(3) options relating to elimination periods;

''(4) options relating to nonforfeiture benefits; and

''(5) availability of benefits upon appropriate certification of medical necessity (as defined by the Office in consultation with the Secretary of Health and Human Services) not satisfying the requirements of subsection (b)(3).

''(d)(1) The Office shall take all practicable measures to ensure that, at least 1 of the long-term care benefits plans available under this chapter shall be a Governmentwide long-term care benefits plan.

''(2) Neither subsection (c)(5) nor the exception under subsection (e) shall apply with respect to any Governmentwide plan under this subsection.

''(e) Nothing in this chapter shall be considered to permit or require the inclusion, in any contract, of provisions inconsistent with section 7702B of the Internal Revenue Code of 1986 or any other provision of such Code (except to the extent necessary to carry out subsection (c)(5)).

''(f) If a State (or the District of Columbia) imposes any requirement which is more stringent than the requirement imposed by subsection (b)(1), the requirement imposed by subsection (b)(1) shall be treated as met if the more stringent requirement of the State (or the District of Columbia) is met.

**"§ 9005. Financing**

''(a) Except as provided in subsection (b)(2), each individual having long-term care insurance coverage under this chapter shall be responsible for 100 percent of the charges for such coverage.

''(b)(1) The amount necessary to pay the charges for enrollment shall—

''(A) in the case of an employee, be withheld from the pay of such employee;

''(B) in the case of an annuitant, be withheld from the annuity of such annuitant;

''(C) in the case of a member of the uniformed services described under section 9001(6)(C), be withheld from the basic pay of such member; and

''(D) in the case of a member of the uniformed services described in section 9001(6)(D), be withheld from the retired pay or retainer pay payable to such member.

''(2) Withholdings to pay the charges for enrollment of a qualified relative may, upon election of the sponsoring individual involved, be withheld under paragraph (1) in the same manner as if enrollment were for such sponsoring individual.

''(3) All amounts withheld under paragraph (1) or (2) shall be paid directly to the carrier.

''(c)(1) Any enrollee whose pay, annuity, or retired or retainer pay (as referred to in subsection (b)(1)) is insufficient to cover the withholding required for enrollment (or who is not receiving any regular amounts from the Government, as referred to in subsection (b)(1), from which any such withholdings may be made) shall pay an amount described under paragraph (2) (or, in the case of an enrollee not receiving any regular amounts, the full amount of those charges) directly to the carrier.

''(2) The amount referred to under paragraph (1) is the amount equal to the difference between the amount of withholding required for the enrollment and the amount actually withheld.

''(d) Each carrier participating under this chapter shall maintain all amounts received under this chapter separate from all other funds.

''(e) Contracts under this chapter shall include appropriate provisions under which each carrier shall reimburse the Office or other administering entity for the administrative costs incurred by the Office or such entity under this chapter (such as for dispute resolution) which are allocable to such carrier.

**''§ 9006. Regulations**

''(a) The Office shall prescribe regulations necessary to carry out this chapter.

''(b)(1) Subject to paragraph (2), the regulations of the Office shall prescribe the time at which and the manner and conditions under which an individual may obtain long-term care insurance under this chapter.

''(2) The regulations prescribed under this section shall provide for an open enrollment period at least once each year (similar to the open enrollment period provided under section 8905(f)).

''(c) Any regulations necessary to effect the application and operation of this chapter with respect to an eligible individual or a qualified relative of such individual shall be prescribed by the Office in consultation with the appropriate Secretary.''.

**SEC. 3. EFFECTIVE DATE.**

The amendments made by this Act shall take effect on the date of enactment of this Act, except that no coverage may become effective before the first calendar year beginning after the expiration of the 18-month period beginning on the date of enactment of this Act.

---

By Mr. LIEBERMAN (for himself, Mr. SANTORUM, Mr. DURBIN, Mr. ABRAHAM, Mr. ROBB, and Mr. KERREY):

S. 895. A bill to provide for the establishment of Individual Development Accounts (IDAs) that will allow individuals and families with limited means an opportunity to accumulate assets, to access education, to own their own homes and businesses, and ultimately to achieve economic self-sufficiency, and for other purposes; to the Committee on Finance.

SAVINGS FOR WORKING FAMILIES ACT

• Mr. LIEBERMAN. Mr. President, with the economy in its 9th year of record growth, unemployment the lowest its been in over 25 years, and the stock market at an all time high, the following is worth noting:

Fully a third of all American households have no financial assets to speak of.

Another 20 percent have only negligible financial assets.

Almost half of all American children live in households that have no financial assets.

Over 10 million Americans don't even have a bank account.

In our efforts to foster policies that encourage economic growth, we have not done enough for the group that needs it the most—hardworking low income Americans. We have established tax credits for retirement plans, for home mortgages, for college education, and so on, all of which make for good policy. The problem is that to take advantage of these policies, you must already have some wealth. You must already have some assets. To put it plainly, you cannot benefit from a home mortgage credit if you do not have the wealth to buy a home.

So the challenge becomes creating a policy that helps low-income Americans reach the point where they can take advantage of these benefits. Any such policy must start with encouraging saving. Saving is empowering. It allows families to weather the bad times, to live without aid, and to deal with emergencies. Saving is also the first step to building assets.

And having assets is a prerequisite for taking part in this economy. That is because assets offer a way up. Whether it is a home, an education, or a small business, assets can be leveraged to deal with the bad times and usher in the good. That is why I believe that our tax policies should provide more incentives for asset building.

So Mr. President today along with Senators SANTORUM, DURBIN, ABRAHAM, ROBB, and KERREY of Nebraska, I offer tax legislation aimed at building assets for low-income families. The Savings for Working Families Act is centered around Individual Development Accounts (IDAs), an idea of Dr. Michael Sherraden of Washington University: create a savings account for low income workers that can be used to acquire assets, and allow the saver to receive matching funds towards the purchase of those assets.

The Savings for Working Families Act allows for the creation by federally insured banks and credit unions of IDAs for U.S. citizens or legal residents aged 18 or over, with a household income of not more than 60 percent of area median income, and a household net worth that does not exceed $10,000 excluding home equity and the value of one car.

The federal government will provide tax credits of up to $300 per account to financial institutions to reimburse them for providing matching funds for IDAs. All other sources of matching funds are welcome as well, including employers, charitable organizations, and the banks themselves.

Before an individual can use money from an IDA, he or she must complete an economic literacy course that will be offered by participating banks and community organizations. The course will teach about saving, banking, investing, and IDAs. Two years from its establishment the Act requires the Secretary of the Treasury to review the program for its cost-effectiveness and make recommendations as necessary to the Congress. We expect a cost of $200–500 million per year.

This is not a handout. Because only earned income is matched, IDAs only help those who are already trying to help themselves. Small IDA programs already exist across the country and have been overwhelmingly successfully. IDAs change the outlook of the saver. When you have assets, you have a stake in the economy, and you act to protect that stake.

For example, in Stamford, Connecticut a receptionist named Scharlene is saving to start her own business through the CTE IDA program. She had always thought of her interest in jewelry as a hobby. But after working with CTE IDA program she has not only saved over $700, but has also learned the basics of running a business. I met Scharlene, and I can tell you that win or lose, she is on the path to success. I might also add that the Connecticut State Treasurer, Ms. Denise Nappier, is also investigating ways to set up a state-side IDA program, and I would like to commend her for her efforts.

In the Sierra Ridge, Texas IDA program describes the case of Charles, a 38 year old divorced father of two. He uses that IDA program to save money for his children's education. Charles says that since he entered the program he thinks more about where his money goes: ''Having to commit to a long term goal makes us more aware that our decisions today could have consequences for tomorrow.'' His oldest daughter is planning on attending college in two years.

Another example comes from a Bonneville, Kentucky IDA program. There, Pam, a 37 year old factory worker and mother of two, has been saving to start her own business. ''I want to start a business and I will,'' Pam said. Together with the matching funds she has saved over $1700 towards a combination dry cleaners/video store. Her reasons are simple: ''I want more for my children.''

IDAs are good for business too. Financial institutions like IDAs because they bring some of the 10 million ''unbanked'' Americans into the system, and because it allows them to support low-income communities in a way that will ultimately be profitable for them. This is an idea that gives the right incentives to a deserving group in an effective and efficient manner. It is an idea that represents at once both our support of equal opportunity and our emphasis on self reliance. It is an idea whose time has come.

Mr. President, with Senators SANTORUM, DURBIN, ABRAHAM, ROBB, and KERREY of Nebraska, I introduce the Savings for Working Families Act. I ask that the text of this bill be included in the RECORD.

The bill follows:

S. 895

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

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Savings for Working Families Act''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

**SEC. 2. FINDINGS.**

Congress makes the following findings:

(1) One-third of all Americans have no assets available for investment, and another 20 percent have only negligible assets. The household savings rate of the United States lags far behind other industrial nations, presenting a barrier to national economic growth and preventing many Americans from entering the economic mainstream by buying a house, obtaining an adequate education, or starting a business.

(2) By building assets, Americans can improve their economic independence and stability, stimulate the development of human and other capital, and work toward a viable and hopeful future for themselves and their children. Thus, economic well-being does not come solely from income, spending, and consumption, but also requires savings, investment, and accumulation of assets.

(3) Traditional public assistance programs based on income and consumption have rarely been successful in promoting and supporting the transition to increased economic self-sufficiency. Income-based social policies that meet consumption needs (including food, child care, rent, clothing, and health care) should be complemented by asset-based policies that can provide the means to achieve long-term independence and economic well-being.

(4) Individual Development Accounts (IDAs) can provide working Americans with strong incentives to build assets, basic financial management training, and access to secure and relatively inexpensive banking services.

(5) There is reason to believe that Individual Development Accounts would also foster greater participation in electric fund transfers (EFT), generate financial returns, including increased income, tax revenue, and decreased welfare cash assistance, that will far exceed the cost of public investment in the program.

**SEC. 3. PURPOSES.**

The purposes of this Act are to provide for the establishment of individual development accounts projects that will—

(1) provide individuals and families with limited means an opportunity to accumulate assets and to enter the financial mainstream;

(2) promote education, homeownership, and the development of small businesses; and

(3) stabilize families and build communities.

**SEC. 4. DEFINITIONS.**

As used in this Act:

(1) ELIGIBLE INDIVIDUAL.—

(A) IN GENERAL.—The term ''eligible individual'' means an individual who—

(i) has attained the age of 18 years;

(ii) is a citizen or legal resident of the United States; and

(iii) is a member of a household—

(I) which is eligible for the earned income tax credit under section 32 of the Internal Revenue Code of 1986,

(II) which is eligible for assistance under a State program funded under part A of title IV of the Social Security Act, or

(III) the gross income of which does not exceed 60 percent of the area median income (as determined by the Department of Housing and Urban Affairs) and the net worth of which does not exceed $10,000.

(B) HOUSEHOLD.—The term ''household'' means all individuals who share use of a dwelling unit as primary quarters for living and eating separate from other individuals.

(C) DETERMINATION OF NET WORTH.—

(i) IN GENERAL.—For purposes of subparagraph (A)(iii)(II), the net worth of a household is the amount equal to—

(I) the aggregate fair market value of all assets that are owned in whole or in part by any member of a household, minus

(II) the obligations or debts of any member of the household.

(ii) CERTAIN ASSETS DISREGARDED.—For purposes of determining the net worth of a household, a household's assets shall not be considered to include the primary dwelling unit and 1 motor vehicle owned by the household.

(2) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term ''Individual Development Account'' means a custodial account established for an eligible individual as part of an individual development account program established under section 101, but only if the written governing instrument creating the account meets the following requirements:

(A) No contribution will be accepted unless it is in cash, by check, or by electronic fund transfer.

(B) The custodian of the account is a qualified financial institution.

(C) The assets of the account will not be commingled with other property except in a common trust fund or common investment fund.

(D) Except as provided in section 105(b), any amount in the account may be paid out only for the purpose of paying the qualified expenses of the eligible individual.

(3) QUALIFIED FINANCIAL INSTITUTION.—

(A) IN GENERAL.—The term ''qualified financial institution'' means any federally insured financial institution, including any bank, trust company, savings bank, building and loan association, savings and loan company or credit union.

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as preventing an organization described in subparagraph (A) from collaborating with 1 or more community-based, not-for-profit organizations described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code to carry out an individual development account program established under section 101, including serving as a custodian for any Individual Development Account.

(4) QUALIFIED EXPENSES.—The term ''qualified expenses'' means, with respect to an eligible individual, 1 or more of the following paid from an Individual Development Account and from a separate, parallel individual or pooled account, as provided by a qualified financial institution:

(A) POST-SECONDARY EDUCATIONAL EXPENSES.—Post-secondary educational expenses paid directly to an eligible educational institution. In this subparagraph:

(i) POST-SECONDARY EDUCATIONAL EXPENSES.—The term ''post-secondary educational expenses'' means the following:

(I) TUITION AND FEES.—Tuition and fees required for the enrollment or attendance of a student at an eligible educational institution.

(II) FEES, BOOKS, SUPPLIES AND EQUIPMENT.—Fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

(ii) ELIGIBLE EDUCATIONAL INSTITUTION.—The term ''eligible educational institution'' means the following:

(I) INSTITUTION OF HIGHER EDUCATION.—An institution described in section 481(a) or 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1) or 1141(a)), as such sections are in effect on the date of enactment of this Act.

(II) POST-SECONDARY VOCATIONAL EDUCATION SCHOOL.—An area vocational education school (as defined in subparagraph (c) or (d) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(a))) which is in any State (as defined in section 521(33) of such Act ), as such sections are in effect on the date of enactment of this Act.

(B) FIRST-HOME PURCHASE.—Qualified acquisition costs with respect to a qualified principal residence for a qualified first-time home buyer, if paid directly to the persons to whom the amounts are due. In this subparagraph:

(i) QUALIFIED ACQUISITION COSTS.—The term ''qualified acquisition costs'' means the cost of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

(ii) QUALIFIED PRINCIPAL RESIDENCE.—The term ''qualified principal residence'' means a principal residence (within the meaning of section 121 of the Internal Revenue Code of 1986).

(iii) QUALIFIED FIRST-TIME HOME BUYER.—

(I) IN GENERAL.—The term ''qualified first-time home buyer'' means an individual participating in an individual development account program (and, if married, the individual's spouse) who has no present ownership interest in a principal residence during the three-year period ending on the date of acquisition of the principal residence to which this subparagraph applies.

(II) DATE OF ACQUISITION.—The term ''date of acquisition'' means the date on which a binding contract to acquire, construct or reconstruct the principal residence to which this subparagraph applies is entered into.

(C) BUSINESS CAPITALIZATION.—Amounts paid directly to a business capitalization account which is established in a qualified financial institution and is restricted to use solely for qualified business capitalization expenses. In this subparagraph:

(i) QUALIFIED BUSINESS CAPITALIZATION EXPENSES.—The term ''qualified business capitalization expense'' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

(ii) QUALIFIED EXPENDITURES.—The term ''qualified expenditures'' means expenditures

included in a qualified plan, including capital, plant, equipment, working capital and inventory expenses.

(iii) QUALIFIED BUSINESS.—The term ''qualified business'' means any business that does not contravene any law or public policy (to be determined by the Secretary).

(iv) QUALIFIED PLAN.—The term ''qualified plan'' means a business plan, or a plan to use a business asset purchased, which—

(I) is approved by a financial institution, a micro enterprise development organization, or a nonprofit loan fund having demonstrated fiduciary integrity;

(II) includes a description of services or goods to be sold, a marketing plan, and projected financial statements; and

(III) may require the eligible individual to obtain the assistance of an experienced entrepreneurial adviser.

(D) QUALIFIED ROLLOVERS.—Amounts paid as qualified rollovers. In this subparagraph, the term ''qualified rollover'' means any amount paid directly—

(i) to another Individual Development Account established for the benefit of the eligible individual in another qualified financial institution, or

(ii) if such eligible individual dies, to an Individual Development Account established for the benefit of another eligible individual within 30 days of the date of death.

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

## TITLE I—INDIVIDUAL DEVELOPMENT ACCOUNTS FOR LOW-INCOME WORKERS

### SEC. 101. STRUCTURE AND ADMINISTRATION OF INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) ESTABLISHMENT OF INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—Any qualified financial institution may establish 1 or more individual development account programs which meet the requirements of this Act either on its own initiative or in partnership with community-based, not-for-profit organizations.

(b) BASIC PROGRAM STRUCTURE.—

(1) IN GENERAL.—All individual development account programs shall consist of the following 2 components:

(A) An Individual Development Account to which an eligible individual may contribute money in accordance with section 103.

(B) A separate, parallel individual or pooled account to which all matching funds shall be deposited in accordance with section 104.

(2) TAILORED IDA PROGRAMS.—A qualified financial institution may tailor its individual development account program to allow matching funds to be spent on 1 or more of the categories of qualified expenses.

(c) NUMBER OF ACCOUNTS.—

(1) IN GENERAL.—The average number of active Individual Development Accounts in an individual development account program at any 1 banking office of a qualified financial institution shall be limited to the applicable limit.

(2) APPLICABLE LIMIT.—For purposes of this title, the applicable limit shall be determined in accordance with the following table:

| ''Calendar year: | Applicable Limit: |
|---|---|
| 2000 | 100 |
| 2001 | 200 |
| 2002 | 300 |
| 2003 | 400 |
| 2004 and thereafter | 500. |

(d) TAX TREATMENT OF ACCOUNTS.—Any account described in subparagraph (B) of subsection (b)(1) is exempt from taxation under the Internal Revenue Code of 1986 unless such account has ceased to be such an account by reason of section 105(c) or the termination of the individual development account program under section 106(b).

### SEC. 102. PROCEDURES FOR OPENING AN INDIVIDUAL DEVELOPMENT ACCOUNT AND QUALIFYING FOR MATCHING FUNDS.

(a) OPENING AN ACCOUNT.—An eligible individual must open an Individual Development Account with a qualified financial institution and contribute money in accordance with section 103 to qualify for matching funds in a separate, parallel individual or pooled account.

(b) REQUIRED COMPLETION OF ECONOMIC LITERACY COURSE.—Before becoming eligible to withdraw matching funds to pay for qualified expenses, holders of Individual Development Accounts must complete an economic literacy course offered by the qualified financial institution, a nonprofit organization, or a government entity.

### SEC. 103. CONTRIBUTIONS TO INDIVIDUAL DEVELOPMENT ACCOUNTS.

(a) IN GENERAL.—Except in the case of a qualified rollover, individual contributions to an Individual Development Account will not be accepted for the taxable year in excess of an amount equal to the compensation (as defined in section 219(f)(1) of the Internal Revenue Code of 1986) includible in the individual's gross income for such taxable year.

(b) PROOF OF COMPENSATION AND STATUS AS AN ELIGIBLE INDIVIDUAL.—Federal W–2 forms and other forms specified by the Secretary proving the eligible individual's wages and other compensation and the status of the individual as an eligible individual shall be presented to the custodian at the time of the establishment of the Individual Development Account and at least once annually thereafter.

(c) TIME WHEN CONTRIBUTIONS DEEMED MADE.—For purposes of this section, a taxpayer shall be deemed to have made a contribution to an Individual Development Account on the last day of the preceding taxable year if the contribution is made on account of such taxable year and is made not later than the time prescribed by law for filing the Federal income tax return for such taxable year (not including extensions thereof).

(d) CROSS REFERENCE.—

**For designation of earned income tax credit payments for deposit to an Individual Development Account, see section 32(o) of the Internal Revenue Code of 1986.**

### SEC. 104. DEPOSITS BY QUALIFIED FINANCIAL INSTITUTIONS.

(a) SEPARATE, PARALLEL INDIVIDUAL OR POOLED ACCOUNTS.—The qualified financial institution shall deposit all matching funds for each Individual Development Account into a separate, parallel individual or pooled account. The parallel account or accounts shall earn not less than the market rate of interest.

(b) REGULAR DEPOSITS OF MATCHING FUNDS.—

(1) IN GENERAL.—Subject to paragraph (2), the qualified financial institution shall deposit not less than quarterly into the separate, parallel account with respect to each eligible individual the following:

(A) A dollar-for-dollar match for the first $300 contributed by the eligible individual into an Individual Development Account with respect to any taxable year.

(B) Any matching funds provided by State, local, or private sources in accordance to the matching ratio set by those sources.

(2) CROSS REFERENCE.—

**For allowance of tax credit to qualified financial institutions for Individual Development Account subsidies, including matching funds, see section 30B of the Internal Revenue Code of 1986.**

(c) FORFEITURE OF MATCHING FUNDS.—Matching funds that are forfeited under section 105(b) shall be used by the qualified financial institution to pay matches for other Individual Development Account contributions by eligible individuals.

(d) EXCLUSION FROM INCOME.—Gross income of an eligible individual shall not include any matching fund deposited into a parallel account under subsection (b) on behalf of such individual.

(e) UNIFORM ACCOUNTING REGULATIONS.—The Secretary shall prescribe regulations with respect to accounting for matching funds from all possible sources in the parallel accounts.

(f) REGULAR REPORTING OF MATCHING DEPOSITS.—Any qualified financial institution shall report matching fund deposits to eligible individuals with Individual Development Accounts on not less than a quarterly basis.

### SEC. 105. WITHDRAWAL PROCEDURES.

(a) WITHDRAWALS FOR QUALIFIED EXPENSES.—

(1) REQUEST FOR WITHDRAWAL.—To withdraw money from an eligible individual's Individual Development Account to pay qualified expenses of such individual or such individual's spouse or dependents, an eligible individual shall obtain permission from the custodian of the individual development account program. Such permission may include a request to withdraw matching funds from the applicable parallel account.

(2) DISBURSEMENT OF FUNDS.—Once permission to withdraw funds is granted under paragraph (1), the qualified financial institution shall directly transfer such funds from the Individual Development Account, and, if applicable, from the parallel account electronically to the vendor or other Individual Development Account. If the vendor is not equipped to receive funds electronically, the qualified financial institution may issue such funds by paper check to the vendor.

(3) RESOLUTION OF DISPUTES.—The qualified financial institution shall establish a grievance procedure to hear, review, and decide in writing any grievance made by an Individual Development Account holder who disputes a decision of the operating organization that a withdrawal is not for qualified expenses.

(b) WITHDRAWALS FOR NONQUALIFIED EXPENSES.—An Individual Development Account holder may unilaterally withdraw funds from the Individual Development Account for purposes other than to pay qualified expenses, but shall forfeit the corresponding matching funds and interest earned on the matching funds by doing so, unless such withdrawn funds are recontributed to such Account within 1 year of withdrawal.

(c) DEEMED WITHDRAWALS FROM ACCOUNTS OF NONELIGIBLE INDIVIDUALS.—If, during any taxable year of the individual for whose benefit an Individual Development Account is established, such individual ceases to be an eligible individual, such account shall cease to be an Individual Development Account as of the first day of such taxable year and any balance in such account shall be deemed to have been withdrawn on such first day by such individual for purposes other than to pay qualified expenses.

(d) TAX TREATMENT OF WITHDRAWN AMOUNTS.—Any amount withdrawn from an Individual Development Account or any

matching funds withdrawn from a parallel account shall be includible in gross income to the extent such amount has not previously been so includible.

**SEC. 106. CERTIFICATION AND TERMINATION OF INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.**

(a) CERTIFICATION PROCEDURES.—Upon establishing an individual development account program under section 101, a qualified financial institution shall certify to the Secretary on forms prescribed by the Secretary and accompanied by any documentation required by the Secretary, that—

(1) the accounts described in subparagraphs (A) and (B) of section 101(b)(1) are operating pursuant to all the provisions of this Act; and

(2) the qualified financial institution agrees to implement an information system necessary to permit the Secretary to evaluate the cost and effectiveness of the individual development account program.

(b) AUTHORITY TO TERMINATE IDA PROGRAM.—If the Secretary determines that a qualified financial institution under this Act is not operating an individual development account program in accordance with the requirements of this Act (and has not implemented any corrective recommendations directed by the Secretary), the Secretary shall terminate such institution's authority to conduct the program. If the Secretary is unable to identify a qualified financial institution to assume the authority to conduct such program, then any account established for the benefit of any eligible individual under such program shall cease to be an Individual Development Account as of the first day of such termination and any balance in such account shall be deemed to have been withdrawn on such first day by such individual for purposes other than to pay qualified expenses.

**SEC. 107. REPORTING AND EVALUATION.**

(a) RESPONSIBILITIES OF QUALIFIED FINANCIAL INSTITUTIONS.—Each qualified financial institution that establishes an individual development account program under section 101 shall report annually to the Secretary within 90 days after the end of each calendar year on—

(1) the number of eligible individuals making contributions into Individual Development Accounts;

(2) the amounts contributed into Individual Development Accounts and deposited into the separate, parallel accounts for matching funds;

(3) the amounts withdrawn from Individual Development Accounts and the separate, parallel accounts, and the purposes for which such amounts were withdrawn;

(4) the balances remaining in Individual Development Accounts and separate, parallel accounts; and

(5) such other information needed to help the Secretary evaluate the cost and effectiveness of the individual development account program.

(b) RESPONSIBILITIES OF THE SECRETARY.—

(1) TWO-YEAR EVALUATION.—Not later than 24 months after the date of enactment of this Act, the Secretary shall evaluate the cost and effectiveness of the individual development account programs established under section 101. In addition, the Secretary shall evaluate the effect of the account limitation under section 101(c) on each banking office of a qualified financial institution and make recommendations for its adjustment or removal.

(2) FOUR-YEAR EVALUATION.—Not later than 48 months after the date of enactment of this Act, the Secretary shall evaluate the effect of the individual development account programs established under section 101 on the eligible individuals.

(3) SUBSEQUENT ANNUAL EVALUATIONS.—In each subsequent year after the first evaluation under paragraph (1) or (2), the Secretary shall issue an update on the status of such individual development account programs.

(4) APPROPRIATIONS FOR EVALUATIONS.—There is authorized to be appropriated $5,000,000 for the purposes of evaluating individual development account programs established under section 101, to remain available until expended.

**SEC. 108. FUNDS IN PARALLEL ACCOUNTS OF PROGRAM PARTICIPANTS DISREGARDED FOR PURPOSES OF ALL MEANS-TESTED FEDERAL PROGRAMS.**

Notwithstanding any other provision of law that requires consideration of 1 or more financial circumstances of an individual, for the purposes of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in any parallel account shall be disregarded for such purpose with respect to any period during which the individual participates in an individual development account program established under section 101.

## TITLE II—INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT CREDITS

**SEC. 201. MATCHING FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS PROVIDED THROUGH A TAX CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.**

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to other credits) is amended by inserting after section 30A the following:

**"SEC. 30B. INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.**

''(a) DETERMINATION OF AMOUNT.—There shall be allowed as a credit against the applicable tax for the taxable year an amount equal to the individual development account investment provided by a qualified financial institution during the taxable year under an individual development account program established under section 101 of the Savings for Working Families Act.

''(b) APPLICABLE TAX.—For the purposes of this section, the term 'applicable tax' means the excess (if any) of—

''(1) the sum of—

''(A) the tax imposed under this chapter (other than the taxes imposed under the provisions described in subparagraphs (C) through (Q) of section 26(b)(1)), plus

''(B) the tax imposed under section 3111, over

''(2) the credits allowable under subparts B and D of this part.

''(c) INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT.—For purposes of this section, the term 'individual development account investment' means, with respect to an individual development account program of a qualified financial institution in any taxable year, an amount equal to the sum of—

''(1) the aggregate amount of dollar-for-dollar matches under such program by such institution under section 104 of the Savings for Working Families Act for such taxable year, plus

''(2) an amount equal to the lesser of—

''(A) 50 percent of the aggregate costs paid or incurred under such program by such institution during such taxable year—

''(i) to provide economic literacy training to Individual Development Account holders under section 102(b) of such Act, either directly or indirectly through nonprofit organizations or government entities, and

''(ii) to underwrite the activities of collaborating community-based, not-for-profit organizations (within the meaning of section 4(3)(B) of such Act), or

''(B) $100, times the total number of Individual Development Accounts maintained by such institution under such program during such taxable year.

''(d) OTHER DEFINITIONS.—For purposes of this section, the terms 'Individual Development Account' and 'qualified financial institution' have the meanings given such terms by section 4 of the Savings for Workings Families Act.

''(e) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations providing for a recapture of the credit allowed under this section in cases where there is a forfeiture under section 105(b) of the Savings for Workings Families Act in a subsequent taxable year of any amount which was taken into account in determining the amount of such credit.''

(b) TRANSFER TO TRUST FUNDS.—The Secretary of the Treasury shall transfer from the general fund of the United States Treasury to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund amounts equivalent to the amount of the reduction in taxes imposed by section 3111 of the Internal Revenue Code of 1986 by reason of the credit determined under section 30B (relating to the individual development account investment credit for qualified financial institutions). Any such transfer shall be made at the same time that the reduced taxes would have been deposited in such Trust Funds.

(c) CONFORMING AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 30A the following:

''Sec. 30B. Individual development account investment credit for qualified financial institutions.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 202. CRA CREDIT PROVIDED FOR INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.**

Qualified financial institutions which establish individual development account programs under section 101 shall receive credit for funding, administration, and education expenses under the services test contained in regulations for the Community Reinvestment Act of 1977 for those activities related to Individual Development Accounts.

**SEC. 203. DESIGNATION OF EARNED INCOME TAX CREDIT PAYMENTS FOR DEPOSIT TO INDIVIDUAL DEVELOPMENT ACCOUNT.**

(a) IN GENERAL.—Section 32 of the Internal Revenue Code of 1986 (relating to earned income credit) is amended by adding at the end the following:

''(o) DESIGNATION OF CREDIT FOR DEPOSIT TO INDIVIDUAL DEVELOPMENT ACCOUNT.—

''(1) IN GENERAL.—With respect to the return of any eligible individual (as defined in section 4(1) of the Savings for Working Families Act) for the taxable year of the tax imposed by this chapter, such individual may

designate that a specified portion (not less than $1) of any overpayment of tax for such taxable year which is attributable to the credit allowed under this section shall be deposited by the Secretary into an Individual Development Account (as defined in section 4(2) of such Act) of such individual. The Secretary shall so deposit such portion designated under this paragraph.

''(2) MANNER AND TIME OF DESIGNATION.—A designation under paragraph (1) may be made with respect to any taxable year—

''(A) at the time of filing the return of the tax imposed by this chapter for such taxable year, or

''(B) at any other time (after the time of filing the return of the tax imposed by this chapter for such taxable year) specified in regulations prescribed by the Secretary.

Such designation shall be made in such manner as the Secretary prescribes by regulations.

''(3) PORTION ATTRIBUTABLE TO EARNED INCOME TAX CREDIT.—For purposes of paragraph (1), an overpayment for any taxable year shall be treated as attributable to the credit allowed under this section for such taxable year to the extent that such overpayment does not exceed the credit so allowed.

''(4) OVERPAYMENTS TREATED AS REFUNDED.—For purposes of this title, any portion of an overpayment of tax designated under paragraph (1) shall be treated as being refunded to the taxpayer as of the last date prescribed for filing the return of tax imposed by this chapter (determined without regard to extensions) or, if later, the date the return is filed.

''(5) TERMINATION.—This subsection shall not apply to any taxable year beginning after December 31, 2006.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.●

---

By Mr. GRAMS (for himself, Mr. ABRAHAM, and Mr. KYL):

S. 896. A bill to abolish the Department of Energy, and for other purposes; to the Committee on Energy and Natural Resources.

THE DEPARTMENT OF ENERGY ABOLISHMENT ACT OF 1999

Mr. GRAMS. Mr. President, I rise to introduce The Department of Energy Abolishment Act of 1999. I am pleased to include as original cosponsors Senator SPENCER ABRAHAM and Senator JON KYL and want to thank them for their support both this year and in past Congresses.

I would also like to say that Congressman TODD TIAHRT will be introducing his DOE elimination bill today in the House of Representatives and I thank him for his continued leadership and cooperation on this issue.

As many of my colleagues are aware, the effort to eliminate the DOE is not a new endeavor. In fact, since its inception, experts have been clamoring to eliminate the Department and to move its programs back to the agencies from which they were taken—agencies better suited to achieving specific programmatic goals.

When we began to look into the specifics of DOE elimination in the 104th Congress, we considered three main issues. First, we examined the fact that the Department of Energy no longer has a mission—a situation clearly reflected by the fact that nearly 85 percent of its budget is expended upon ''non-energy'' programs.

The Department was created to develop a long-term energy strategy with an ultimate goal of energy indepedence. Sadly, we are now far more reliant upon foreign energy sources than we were when the Department was created.

During the long oil lines of the 1970s, we were about 35 percent dependent on foreign oil. Today, it is more than 60 percent. So our foreign oil dependency has grown, and a lack of an energy strategy is a result of the failure of the DOE.

I recall at one point Secretary Hazel O'Leary commented that we should consider taking the word ''energy'' out of the Department's name because it was such a small portion of its overall activity. Next, we studied those programs charged to the DOE and reviewed its ability to meet the related job requirements.

And finally, we looked at the DOE's ever-increasing budget in light of the first two criterion—determining whether the taxpayers should be forced to expend nearly $18 billion annually on this bureacratic hodgepodge.

Now, I want to be up front and say for the record that I acknowledge the difficulties inherent in eliminating a cabinet-level agency. I am keenly aware that the chances of passing this bill into law in this Congress, with this Administration, and in a presidential election year are difficult.

Those chances may be exactly as they were in 1996 when I first introduced this legislation and when we held our first hearing on the matter, but unfortunately, the reasons for offering the bill haven't changed.

In 1996, the opponents of this legislation charged that it was unnecessary. They claimed that the Department was headed in the right direction and making the changes necessary to both justify its mission and reduce its bloated budget.

The call of many Members of Congress to eliminate the Department encouraged a group of DOE supporters to back a hastily arranged set of objectives in defense of the DOE's record of mismanagement.

At the time of the 1996 hearings on this legislation, the backers of the Department relied largely on the DOE's Strategic Alignment and Downsizing Initiative as a defense against charges that the Department wasted too much money and that the Department was involved in a two-decades old scavenger hunt for new missions.

The Strategic Alignment and Downsizing Initiative, its proponents claimed, would save taxpayers over $14 billion in 5 years and change the way the DOE conducted business. Regrettably, those projections were never met and the Initiative was never taken seriously—even by the same people who touted its promise.

In fact, while they have continued their reluctance to reduce their budget—they have continuously sought billions of dollars in budget increase to fund their on-going mission creep. So I think its worthwhile to look back on the great hopes those opposed to my bill placed on this proposal.

While speaking about this legislation on September 4, 1996, in the Energy and Natural Resources Committee, Senator Bennett Johnston said, ''Maybe all of this would be worth doing if we were going to save the taxpayers a lot of money. But the operational savings claimed by S. 1678 by the Heritage Foundation are actually less than the operational savings that would be realized by the Department's on-going strategic realignment initiative, savings that the GAO has testified are real.''

In other words, the Senator was saying that the Department of Energy would save more money for the taxpayers by doing a better job than we could by eliminating the department.

As I stated earlier, Mr. President, the Strategic Alignment and Downsizing Initiative—the great hope of DOE's defenders in 1996—hasn't achieved one red cent of budgetary savings over the last 4 years, and it doesn't appear that anything is going to change anytime soon. Regrettably, the Strategic Alignment and Downsizing Initiative isn't the only improvement the Department has failed to make over the past four years.

Today, commercial nuclear waste still sits at 73 sites in 34 states despite both legal and contractual obligations that mandated the removal of the waste by January 31, 1998, more than a year ago.

Since my election to the Senate in 1994, I have listened to a parade of DOE witnesses tell the Energy and Natural Resources Committee that they are committed to resolving this conflict and living up to their responsibilities. Every nominee I have questioned has told me how important this issue is to them and how they are going to work with Congress. But not one of them—not one—in any substantive way, has taken actions which generate faith in Congress that the DOE is capable of fulfilling its promises. Again—not one—nominee has delivered on their promises—instead, of what they need to say to get confirmed and then return to business as usual.

They don't keep their promises. They say what they need to say, what Congress wants to hear to get confirmed, and then they go on with business as usual.

Today, the Government Performance and Results Act paints a clear picture of how difficult it is to get a grip on the size of problems at the Department

of Energy. The Department's final strategic plan, which took four years of preparation, scored a pathetic 43.5 points out of a possible 100. That is how good this is.

And the DOE's FY99 annual performance plan was ranked fourth from last of all government agencies—scoring 30 out of a possible 100. No business, no college student, no family, could consistently perform so miserably and yet maintain a cushy existence of even larger and larger budgets.

But thanks to an indifferent Administration, and a Congress that places too little importance on its oversight role, the DOE continues along with the knowledge that its protectors will keep the lights on and the funding flowing without any regard for the American taxpayer.

And today, as this nation continues to grow increasingly dependent upon foreign oil—in total contrast to the DOE's core mission. Even in light of this Administration's focus on alternative energy, the DOE expends less than one-sixth of its budget on ''energy'' related programs—a trend that clearly will continue well into the future.

Let me be the first to state that the proposals contained within this bill are not all of my own. The idea to eliminate the Department of Energy is not a new one—since its creation in 1978, experts have been clamoring to abolish this ''agency in search of a mission.'' This bill represents the comments and input of many who have worked in these fields for decades, but, I consider it a work in progress.

Under the Department of Energy Abolishment Act of 1999, we dismantle the patchwork quilt of government initiatives—reassembling them into agencies better equipped to accomplish their basic goals; we refocus and increase federal funding towards basic research by eliminating corporate welfare; and, we abolish the bloated, duplicative upper management bureaucracy.

First, we begin by eliminating Energy's cabinet-level status and establishing a three-year Resolution Agency to oversee the transition. This is critical to ensuring progress continues to be made on the core programs.

Under Title I, the Federal Energy Regulatory Commission (FERC) is spun off to become an independent agency, as it was prior to the creation of the DOE. The division which oversees hearings and appeals is eliminated, with all pending cases transferred to the Department of Justice for resolution within 1 year. The functions of the Energy Information Administration are transferred to the Department of Interior with the instruction to privatize as many as possible. And with the exception of research being conducted by the DOE labs, basic science and energy research functions are transferred to Interior for determination on which are basic research, and which can be privatized. Those deemed as core research will be transferred to the National Science Foundation and reviewed by an independent commission. Those that are more commercial in nature will be subject to disposition recommendations by the Secretary of Interior.

The main reasoning behind this is to ensure the original mission of the DOE—to develop this nation's energy independence—is carried out.

With scarce taxpayer dollars currently competing against defense and cleanup programs within the DOE, it's no surprise that little progress has been made. However, by refocusing dollars into competitive alternative energy research, we will maximize the potential for areas such as solar, wind, biomass, etc.

For states like Minnesota, where the desire for renewable energy technologies is high, growth in these areas could help fend off our growing dependence upon foreign oil while protecting our environment.

Under Title II, the laboratory structure within the DOE is revamped.

First, the three ''defense labs'' are transferred to the Defense Department. They include Sandia, Los Alamos and Lawrence Livermore. The remaining labs are studied by a ''Non-defense Energy Laboratory Commission''.

This independent commission operates much like the Base Closure Commission and can recommend restructuring, privatization or a transfer to the DOD as alternatives to closure. Congress is granted fast-track authority to adopt the Commission's recommendations.

Title III directs the General Accounting Office to assess an inventory of the Power Marketing Administration's assets, liabilities, etc. This inventory is aimed at ensuring fair treatment of current customers and a fair return to the taxpayers. All issues, including payments by current customers, must be included in the GAO audit.

Petroleum Reserves are the focus of Title IV. The Naval Petroleum Reserve is targeted for immediate sale. Any of the reserves that are unable to be disposed of within the three-year window will be sold transitionally from the Interior Department.

The Strategic Petroleum Reserve is transferred to the Defense Department and an audit on value and maintenance costs is conducted by the GAO. Then, the DOD is charged with determining how much oil to maintain for national security purposes after reviewing the GAO report.

Under Titles V and VI, all of the national security and environmental restoration/management activities are sent to the Department of Defense.

Therefore, all defense-related activities are transferred back to Defense, but are placed in a new civilian controlled agency (the Defense Nuclear Programs Agency) to ensure budget firewalls and civilian control over sensitive activities such as arms control and nonproliferation activities.

And the program which has received much criticism as of late, the Civilian Nuclear Waste Program, is transferred to the Corps of Engineers. This section dovetails legislation adopted by the Senate last Congress. A key element is that the interim storage site is designated at Nevada's Test Site Area 25.

As I mentioned in the beginning of my statement, while I believe we should eliminate the Department as cabinet-level agency, I appreciate the difficulty involved in accomplishing this goal now and realize the opposition to this among many of my colleagues. For that reason, I believe it is important to point out that the reasons I have outlined for eliminating the Department have a dual purpose—they can also serve as reasons for improving the Department.

Toward that end, I am willing to work with any Member of the Senate and House to improve, downsize, or restructure the DOE. I have long advocated positions which are consistent with my beliefs.

I am an original co-sponsor of The Nuclear Waste Policy Act of 1999—legislation I believe is essential to fulfilling the DOE's promises to America's ratepayers and taxpayers. I have been a strong supporter of legislation and efforts which are aimed at improving our nation's energy security by promoting domestically produced alternative and renewable fuels. Those efforts have included support for extending the ethanol tax credit, including biodiesel as an alternative fuel under the Energy Policy Act, cosponsoring the Wind Energy Tax Credit, cosponsoring the Poultry Litter Tax Credit legislation, and cosponsoring legislation to reform the hydropower relicensing process.

Briefly, I believe those efforts strengthen the original mission of the Department of Energy. My bottom line is, I want America's taxpayers to be assured they are receiving a proper return on their investment.

The taxpayers need to have confidence they are receiving the services they deserve. Unfortunately, the record of the Department of Energy is evidence in part of our reliance upon foreign oil, by the nuclear waste program debacle and by the low ratings it receives under the Government Performance and Results Act, and is a record of failure the taxpayers should no longer be forced to bear.

I patiently awaited the reforms and savings promised by the Department and its advocates, but the waiting continues and the savings never developed. As long as this is the case, I will continue to offer my legislation to dismantle the Department of Energy and shift its responsibilities elsewhere.

By Mr. BAUCUS (for himself and Mr. HAGEL):

S. 897. A bill to provide matching grants for the construction, renovation and repair of school facilities in areas affected by Federal activities, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

FEDERALLY IMPACTED SCHOOL IMPROVEMENT ACT

Mr. HAGEL. Mr. President, I join the senior Senator from Montana, Senator BAUCUS, in introducing the Federally Impacted School Improvement Act. This bipartisan legislation is designed to renew and enhance the partnership between the federal government and schools located on or around Indian reservations and military bases.

For almost fifty years Congress has provided financial assistance to school districts impacted by a federal presence. Up until 1994, Congress also provided funding to help these communities defray the cost of building and repairing their schools.

The loss of this particular revenue over the last five years, combined with the continued under-funding for almost 15 years of the impact aid program in general, has left school districts that serve military and Indian children scrambling to finance their routine costs. As a result, many of these schools now have buildings that are antiquated, overcrowded and compromise the health and safety of their students.

The Federally Impacted School Improvement Act takes a step toward correcting this situation by providing matching grants that impacted schools can use to address their most pressing modernization needs. This Act authorizes a federal appropriation of $50 million for each of the next five fiscal years for impact aid school construction and repair.

Forty-five percent of the funds appropriated under the bill go to Indian lands. Another forty-five percent is dedicated to military schools. The final ten percent will be reserved for emergency situations.

In order to make limited federal funds go farther, our bill calls for local communities to contribute their share to this effort. Schools and communities will have to match the federal grants on all but the 10% appropriated for emergencies. This is done to ensure that all—or at least more—impacted schools will have the opportunity to use these new grants to improve their facilities.

The federal government cannot and should not be all things to all people. However, Congress has a responsibility to ensure that highly impacted school districts, such as Bellevue and Santee, Nebraska, are not shortchanged.

The hardships faced by our military personnel, their families and individuals living on Indian reservations are well known. Their children deserve no less than the best educational facilities.

The Federally Impacted School Improvement Act helps to meet our commitment to schools and children impacted by a federal presence. It makes good use of our limited federal resources. It embodies what we should be doing more of—building partnerships between local communities, taxpayers and government in order to strengthen our schools.

I urge my colleagues to support this legislation. I also request unanimous consent that the bill and a letter sent to me by the Northern Nebraska Native American Consortium be placed in the RECORD.

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

S. 897

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

**SECTION 1. SHORT TITLE; FINDINGS; PURPOSE.**

(a) SHORT TITLE.—This Act may be cited as the ''Federally Impacted School Improvement Act''.

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

(1) In 1950 Congress recognized its obligation, through the passage of Public Law 81–815, to provide school construction funding for local educational agencies impacted by the presence of Federal activities.

(2) The conditions of federally impacted school facilities providing educational programs to children in areas where the Federal Government is present have deteriorated to such an extent that the health and safety of the children served by such agencies is being compromised, and the school conditions have not kept pace with the increase in student population causing classrooms to become severely overcrowded and children to be educated in trailers.

(3) Local educational agencies in areas where there exists a significant Federal presence have little if any capacity to raise local funds for purposes of capital construction, renovation and repair due to the nontaxable status of Federal land.

(4) The need for renewed support by the Federal Government to help federally connected local educational agencies modernize their school facilities is far greater in 2000 than at any time since 1950.

(5) Federally connected local educational agencies and the communities the agencies serve are willing to commit local resources when available to modernize and replace existing facilities, but do not always have the resources available to meet their total facility needs due to the nontaxable presence of the Federal Government.

(6) Due to the conditions described in paragraphs (1) through (5) there is in 1999, as there was in 1950, a need for Congress to renew its obligation to assist federally connected local educational agencies with their facility needs.

(c) PURPOSE.—The purpose of this Act is to provide matching grants to local educational agencies for the modernization of minimum school facilities that are urgently needed because—

(1) the existing school facilities of the agency are in such disrepair that the health and safety of the students served by the agency is threatened; and

(2) increased enrollment results in a need for additional classroom space.

**SEC. 2. DEFINITIONS.**

In this Act:

(1) MODERNIZATION.—The term ''modernization'' means the repair, renovation, alteration, or construction of a facility, including—

(A) the concurrent installation of equipment; and

(B) the complete or partial replacement of an existing facility, but only if such replacement is less expensive and more cost-effective than repair, renovation, or alteration of the facility.

(2) FACILITY.—The term ''facility'' means a public structure suitable for use as a classroom, laboratory, library, media center, or related facility, the primary purpose of which is the instruction of public elementary school or secondary school students.

(3) LOCAL EDUCATIONAL AGENCY.—The term ''local educational agency'' has the meaning given the term in section 14101 of the Elementary and Secondary Education Act of 1965.

(4) SECRETARY.—The term ''Secretary'' means—

(A) with respect to funds made available under paragraph (1) or (3) of section 4(a) for grants under section 6 or 8, respectively, the Secretary of Education; and

(B) with respect to funds made available under paragraph (2) of section (4)(a) for grants under section 6, the Secretary of Defense.

**SEC. 3. AUTHORIZATION OF APPROPRIATIONS.**

(a) IN GENERAL.—There are authorized to be appropriated to the Department of Education to carry out this Act $50,000,000 for fiscal year 2001 and such sums as may be necessary for each of the 4 succeeding fiscal years.

(b) PROHIBITION.—None of the funds authorized to be appropriated under subsection (a) shall be available to a local educational agency to pay the cost of administration of the activities assisted under this Act.

**SEC. 4. FEDERAL DISTRIBUTION OF FUNDING.**

(a) IN GENERAL.—From amounts appropriated under section 3(a) for a fiscal year the Secretary of Education—

(1) shall use 45 percent to award grants under section 6 to local educational agencies—

(A) that are eligible for assistance under section 8002(a); and

(B) for which the number of children determined under section 8003(a)(1)(C) of the Elementary and Secondary Education Act of 1965 constitutes at least 25 percent of the number of children who were in average daily attendance in the schools of such local educational agency during the school year preceding the school year for which the determination is made;

(2) shall make available to the Secretary of Defense 45 percent to enable the Secretary of Defense to award grants under section 6 to local educational agencies for which the number of children determined under subparagraphs (A), (B), and (D) of section 8003(a)(1) of the Elementary and Secondary Education Act of 1965 constitutes at least 25 percent of the number of children who were in average daily attendance in the schools of such local educational agency during the school year preceding the school year for which the determination is made; and

(3) shall use 10 percent to award grants under section 8.

(b) DEPARTMENT OF DEFENSE FUNDING.—

(1) IN GENERAL.—Not later than 30 days after the date the Secretary of Education receives funds appropriated under section 3(a)

for a fiscal year, the Secretary of Education shall make available to the Secretary of Defense from such funds the portion of such funds described in subsection (a)(2) for the fiscal year. The Secretary of Defense shall use the portion to award grants under section 6 through the Office of Economic Adjustment of the Department of Defense.

(2) LIMITATIONS.—

(A) ADMINISTRATIVE EXPENSES.—No funds made available under subsection (a)(2) shall be used by the Secretary of Defense to pay the costs of administration of the activities assisted under this Act.

(B) SPECIAL RATE.—No funds made available under subsection (a)(2) shall be used to replace Federal funds provided to enhance the quality of life of dependents of members of the Armed Forces as determined by the Secretary of Defense.

**SEC. 5. ELIGIBILITY REQUIREMENTS.**

(a) IN GENERAL.—A local educational agency shall be eligible to receive funds under this Act if—

(1) the local educational agency is described in paragraph (1) or (2) of section 4(a); and

(2) the local educational agency—

(A) received a payment under section 8002 of the Elementary and Secondary Education Act of 1965 during the fiscal year preceding the fiscal year for which the determination is made, and the assessed value of taxable property per student in the school district of the local educational agency is less than the average of the assessed value of taxable property per student in the State in which the local educational agency is located; or

(B) received a basic payment under section 8003(b) of the Elementary and Secondary Education Act of 1965 during the fiscal year preceding the fiscal year for which the determination is made, and for which the number of children determined under subparagraphs (A), (B), (C), and (D) of section 8003(a)(1) of the Elementary and Secondary Education Act of 1965 constituted at least 25 percent of the number of children who were in average daily attendance in the schools of such local educational agency during the school year preceding the school year for which the determination is made.

(b) SPECIAL RULE.—Any local educational agency described in subsection (a)(2)(B) may apply for funds under this section for the modernization of a facility located on Federal property (as defined in section 8013 of the Elementary and Secondary Education Act of 1965) only if the Secretary determines that the number of children determined under section 8003(a)(1) of the Elementary and Secondary Education Act of 1965 who were in average daily attendance in such facility constituted at least 50 percent of the number of children who were in average daily attendance in the facilities of the local educational agency during the school year preceding the school year for which the determination is made.

**SEC. 6. BASIC GRANTS.**

(a) AWARD BASIS.—From the amounts made available under paragraphs (1) and (2) of section 4(a) the Secretary shall award grants to local educational agencies on such basis as the Secretary determines appropriate, including—

(1) in the case of a local educational agency described in section 5(a)(2)(A), a high percentage of the property in the school district of the local educational agency is nontaxable due to the presence of the Federal Government;

(2) in the case of a local educational agency described in section 5(a)(2)(B), a high number or percentage of children determined under subparagraphs (A), (B), (C), and (D) of section 8003(a)(1) of the Elementary and Secondary Education Act of 1965;

(3) the extent to which the local educational agency lacks the fiscal capacity, including the ability to raise funds through the full use of the local educational agency's bonding capacity and otherwise, to undertake the modernization project without Federal assistance;

(4) the need for modernization to meet—

(A) the threat the condition of the facility poses to the safety and well-being of students;

(B) the requirements of the Americans with Disabilities Act of 1990;

(C) the costs associated with asbestos removal, energy conservation, and technology upgrading; and

(D) overcrowding conditions as evidenced by the use of trailers and portable buildings and the potential for future overcrowding because of increased enrollment;

(5) the facility needs of the local educational agency resulting from the acquisition or construction of military family housing under subchapter IV of chapter 169 of title 10, United Sates Code, and other actions of the Federal Government that cause an adverse impact on the facility needs of the local educational agency; and

(6) the age of the facility to be modernized regardless of whether the facility was originally constructed with funds authorized under Public Law 81–815.

(b) GRANT AMOUNT.—In determining the amount of a grant the Secretary shall—

(1) consider the relative costs of the modernization;

(2) determine the cost of a project based on the local prevailing cost of the project;

(3) require that the Federal share of the cost of the project shall not exceed 50 percent of the total cost of the project;

(4) not provide a grant in an amount greater than $3,000,000 over any 5-year period; and

(5) take into consideration the amount of cash available to the local educational agency.

(c) ADMINISTRATION OF GRANTS.—In awarding grants under this section the Secretary shall—

(1) establish by regulation the date by which all applications are to be received;

(2) consider in-kind contributions when calculating the 50 percent matching funds requirement described in subsection (b)(3); and

(3) subject all applications to a review process.

(d) SECTION 8007 FUNDING.—In awarding grants under this section, the Secretary shall not take into consideration any funds received under section 8007 of the Elementary and Secondary Education Act of 1965.

**SEC. 7. APPLICATIONS REQUIRED.**

(a) IN GENERAL.—Each local educational agency desiring a grant under this Act shall submit an application to the Secretary.

(b) CONTENTS.—Each application shall contain—

(1) a listing of the school facilities to be modernized, including the number and percentage of children determined under section 8003(a)(1) of the Elementary and Secondary Education Act of 1965 in average daily attendance in each facility;

(2) a description of the ownership of the property on which the current facility is located or on which the planned facility will be located;

(3) a description of each architectural, civil, structural, mechanical, or electrical deficiency to be corrected with funds provided under this Act, including the priority for the repair of the deficiency;

(4) a description of any facility deficiency that poses a health or safety hazard to the occupants of the facility and a description of how that deficiency will be repaired;

(5) a description of the criteria used by the local educational agency to determine the type of corrective action necessary to meet the purposes of this Act;

(6) a description of the modernization to be supported with funds provided under this Act;

(7) a cost estimate of the proposed modernization;

(8) an identification of other resources (such as unused bonding capacity), if applicable, that are available to carry out the modernization, and an assurance that such resources will be used for the modernization;

(9) a description of how activities assisted with funds provided under this Act will promote energy conservation; and

(10) such other information and assurances as the Secretary may reasonably require.

(c) CONTINUING CONSIDERATION.—A local educational agency that applies for assistance under this Act (other than section 8) for any fiscal year and does not receive the assistance shall have the application for the assistance considered for the following 5 fiscal years.

**SEC. 8. EMERGENCY GRANTS.**

(a) WAIVER OF MATCHING REQUIREMENT.—From the amount made available under section 4(a)(3) the Secretary shall award grants to any local educational agency for which the number of children determined under section 8003(a)(1)(C) constituted at least 50 percent of the number of children who were in average daily attendance in the schools of such agency during the school year preceding the school year for which the determination is made, if the Secretary determines a facility emergency exists that poses a health or safety hazard to the students and school personnel assigned to the facility.

(b) CERTIFICATION OF EMERGENCY.—In addition to meeting the requirements of section 7, a local educational agency desiring funds under this section shall include in the application submitted under section 7 a signed statement from a State official certifying that a health or safety deficiency exists.

(c) GRANT AMOUNT; PRIORITIZATION RULES; CONTINUING CONSIDERATION.—

(1) GRANT AMOUNT.—In determining the amount of grant awards under this section, the Secretary shall make every effort to fully meet the facility needs of the local educational agencies applying for funds under this section.

(2) PRIORITIZATION RULE.—If the Secretary receives more than 1 application under this section for any fiscal year, the Secretary shall prioritize the applications based on when an application was received and the severity of the emergency as determined by the Secretary.

(3) CONTINUING CONSIDERATION.—A local educational agency that applies for assistance under this section for any fiscal year and does not receive the assistance shall have the application for the assistance considered for the following fiscal year, subject to the prioritization requirement described in paragraph (2).

**SEC. 9. REQUIREMENTS.**

(a) MAINTENANCE OF EFFORT.—A local educational agency may receive a grant under this Act for any fiscal year only if the Secretary finds that either the combined fiscal

effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by such local educational agency for the preceding fiscal year was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the fiscal year for which the determination is made.

(b) SUPPLEMENT NOT SUPPLANT.—An eligible local educational agency shall use funds received under this subsection only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the modernization of school facilities used for educational purposes, and not to supplant such funds.

**SEC. 10. GENERAL LIMITATIONS.**

(a) REAL PROPERTY.—No part of any grant funds awarded under this Act shall be used for the acquisition of any interest in real property.

(b) MAINTENANCE.—Nothing in this Act shall be construed to authorize the payment of maintenance costs in connection with any facilities modernized in whole or in part with Federal funds provided under this Act.

(c) ENVIRONMENTAL SAFEGUARDS.—All projects carried out with Federal funds provided under this Act shall comply with all relevant Federal, State, and local environmental laws and regulations.

(d) ATHLETIC AND SIMILAR FACILITIES.—No funds received under this Act shall be used for outdoor stadiums or other facilities that are primarily used for athletic contests or exhibitions, or other events, for which admission is charged to the general public.

---

NORTHERN NEBRASKA
NATIVE AMERICAN CONSORTIUM,
*Niobrara, NE, March 29, 1999.*

Hon CHUCK HAGEL,
*U.S. Senator, Russell Office Building, Washington, DC.*

DEAR SENATOR HAGEL: The member schools of the Northern Nebraska Native American Consortium have gone on record in support of National Association of Federally Impacted Schools (NAFIS) construction funding in the ESEA reauthorization proposals. We would be receptive to any federal options for funding the viable construction needs of the Native American students being served by member schools.

These Nebraska schools currently educate 98% if all Indian students living on reservation land. The NAC schools currently have significant construction needs ranging from meeting ADA requirements to updating firm alarm systems. Several Nebraska school districts are, or have, passed bond issues for construction of new schools or modernizing old ones. Our school districts only option is Impact Aid or other federally connected funding for construction purposes. The State of Nebraska statutorily exclude state aid as a construction funding mechanism, such aid can only be used for general fund purposes.

Please consider the importance of meeting federal treaty obligations. Such treaties mandate the education of the Native American students on reservation land. If state and federal education standards are to be met, a positive learning environment must be met. We thank you for your attention to this matter.

Kindest Regards,

FLORENCE PARKER,
*Board President, Omaha Nations Public School.*
MARCIA ROSS,
*Board Member, Walthill Public School.*
C. TODD CHESSMORE,
*Supt., Omaha Nations Public School.*
DR. TONY GARCIA,
*Supt., Walthill Public School.*
MARLENE WHITE,
*Board President, Santee Community School.*
TERRY MEDINA,
*Board President, Winnebago Public School.*
CHARLES D. SQUIER,
*Supt., Santee Community School.*
DR. VIRGIL LIKNESS,
*Supt., Winnebago Public School.*

---

By Mr. COVERDELL:

S. 898. A bill to amend the Internal Revenue Code of 1986 to provide taxpayers with greater notice of any unlawful inspection or disclosure of their return or return information; to the Committee on Finance.

TAXPAYER PRIVACY PROTECTION IMPROVEMENT ACT OF 1999

Mr. COVERDELL. Mr. President, I rise today to report on the implementation of the Taxpayer Browsing Protection Act of 1997. Two years ago, the Congress passed and the President signed into law, legislation I proposed with Senator John Glenn that sought to end the egregious protection of unauthorized inspections of taxpayer files. Something I prefer to call ''file snooping.''

I am pleased to report that, according to a GAO report my office is releasing today, it appears that the Taxpayer Browsing Protection Act is working. But, we still have work to do. The report demonstrates that file snooping still occurs, but the incidents have become fewer. I believe this is good news for taxpayers.

At the same time, as I stated previously, our work is not done. The GAO found that sixteen confirmed cases of file snooping occurred since the enactment of the Taxpayer Browsing Protection Act, each of which had been appropriately referred for prosecution. Unfortunately, 15 cases were declined for prosecution meaning there was only one case in which taxpayers were notified that their privacy had been violated. In those 15 cases, the affected taxpayers were not assured the opportunity to seek the civil recourse available under the law.

I believe we have a duty to correct this loophole. Taxpayers not only have a right to know their privacy, entrusted by them to the Federal Government, has been violated, that we let them down, but that the opportunity to seek the relief provided under the law is ensured.

Legislation I introduce today, the Taxpayer Privacy Protection Improvement Act of 1999, will ensure taxpayers' right to know. In short, it triggers the notification of taxpayers that their files have been snooped to the point where a case is referred for prosecution following the conclusion of a thorough internal investigation.

This proposal builds on our previous progress, and I encourage my colleagues to join me in this effort.

---

By Mr. HATCH (for himself, Mr. THURMOND, Mr. SPECTER, Mr. DEWINE, Mr. ASHCROFT, Mr. ABRAHAM, Mr. SESSIONS, and Mr. GRAMS):

S. 899. A bill to reduce crime and protect the public in the 21st Century by strengthening Federal assistance to State and local law enforcement, combating illegal drugs and preventing drug use, attacking the criminal use of guns, promoting accountability and rehabilitation of juvenile criminals, protecting the rights of victims in the criminal justice system, and improving criminal justice rules and procedures, and for other purposes; to the Committee on the Judiciary.

TWENTY-FIRST CENTURY JUSTICE ACT

Mr. HATCH. Mr. President, today I am proud to introduce the Twenty-first Century Justice Act. Last month, when I announced this initiative, along with my colleagues Senator THURMOND, Senator DEWINE, Senator ASHCROFT, Senator SESSIONS, Senator ABRAHAM, and Senator GRAMS, I noted that despite some modest gains in the fight against crime, violent crime still touched far too many Americans. Sadly, this has been borne out in the weeks since.

As the recent tragedies in Littleton, CO, and in my own hometown of Salt Lake City, UT, remind us, crime in America is still too prevalent and violent. The tragic cost imposed on law-abiding citizens requires reasoned and thoughtful action to deter these heinous crimes. We must come together as a society to address this problem.

Furthermore, we should recognize that there is little the Federal Government could have done directly to have prevented the tragedies in Littleton and elsewhere. There are, however, important steps we can take to address this issue. Our crime bill takes such steps.

Now, let me describe for my colleagues how this bill, which is a balanced, comprehensive, and focused plan to fight crime, will expand current successful law enforcement practices. It is based on what we know reduces crime. Be it increased methamphetamine abuse in Utah and other Western states, further increases in juvenile crime, or the threat of international crime, we know that our plan will make a significant difference.

Our plan maintains and strengthens the current federal assistance to States that has proven invaluable in reducing crime nationally, and it adds new initiatives that will further reduce crime at the federal, state, and local levels. I

am proud of our plan, and I look forward to working with the administration and my Senate colleagues to enact it.

America witnessed an unprecedented growth in crime during the 20th century. Our plan ensures that we will become the 21st century with decreasing crime rates. Our plan contains four central elements:

First, it continues and improves Federal assistance to State and local law enforcement. Second, it reinvigorates our commitment to winning the war on drugs. Third, it emphasizes holding violent offenders accountable by vigorously prosecuting gun crimes. And fourth, it includes needed judicial and criminal procedure reforms and protections for the rights of crime victims.

Notwithstanding the leadership we have seen here in Congress and by many of our nation's governors, crime in America is still unacceptably high by historical standards. For example, for 1997—the most recent year for which national crime rate statistics are available—the murder rate was 33 percent higher than it was in 1960, and the rape rate was 413 percent higher than in 1960. In 1997, the aggravated assault rate was 526 percent higher than it was in 1960. Even with the modest declines in recent years, America still has more violent crime than any industrialized nation in the world. The first obligation of government is to protect its citizens from crime. Obviously, despite the recent declines, we have a long way to go in reducing crime in America.

Despite the recent progress—much of it in partnership with Governors like Mike Leavitt of Utah, George Allen and Jim Gilmore of Virginia, and George W. Bush of Texas—we cannot become complacent. The most troubling aspect of the Clinton Justice Department's budget is its elimination of block grants that have proven so successful in helping state and local authorities reduce crime. We simply cannot become indifferent. Remember the war on drugs? During the Reagan and Bush administrations, our nation began a national, long-term commitment to fight drug abuse. Due to these efforts, drug use began to decline. However, drug use, especially among teenagers, has exploded since 1992. Unless we remain vigilant, the same will happen with violent crime.

Permit me to review each of the four main parts to our legislative crime plan in greater detail.

CONTINUING AND IMPROVING FEDERAL ASSISTANCE TO STATE AND LOCAL LAW ENFORCEMENT

Combined with our ongoing commitment to prevention and treatment, our bill extends the authorization for the highly successful partnership we have created with local law enforcement—the Local Law Enforcement Block Grant Program, which the Republican Congress created in the Contract with America. Since fiscal year 1996, this program has provided more than $2 billion in funding for equipment and technology, such as radios and scanners, directly to state and local law enforcement. The authorization for this program will be between $600–700 million per year. Although the block grant has been extremely effective in assisting state and local law enforcement, the Clinton administration budget eliminates funding for this program.

Our bill also reauthorizes the truth-in-sentencing prison grants at approximately $700 million per year. These truth-in-sentencing grants, which provide funds to States to build prisons, have been instrumental in lowering crime by encouraging States to incarcerate violent and repeat offenders for at least 85 percent of their sentence. In January, the Justice Department reported that 70 percent of prison admissions in 1997 were in States requiring criminals to serve at least 85 percent of their sentence. More significantly, the average time served by violent criminals nationally has increased 12.2 percent since 1993. Perhaps the biggest reason for recent declines in violent crime is due to these truth-in-sentencing prison grants. Simply put, violent criminals cannot commit crimes against innocent victims while in prison. Our bill continues this successful program and makes the program more flexible by allowing States to use the funds for jails and juvenile facilities, in addition to prison construction.

Despite this success, the Clinton administration eliminates funding for the Truth-in-Sentencing program—even though many States have changed their laws due to this federal commitment to assist in prison construction. Nothing deters and prevents violent crime as well as incarcerating violent and repeat offenders.

Our bill also includes the Juvenile Accountability Incentive Block Grant to help States build juvenile detention centers, drug test juvenile offenders, establish graduated sentencing sanctions for repeat juvenile offenders, and improve juvenile record keeping. This provision authorizes $450 million for the Juvenile Accountability Incentive Block Grant. It also includes $435 million for prevention programs and reauthorizes the Office of Juvenile Justice and Delinquency Prevention within the Justice Department. The administration's budget eliminates funding for the Juvenile Accountability Incentive Block Grant, even though these are the only federal funds dedicated to juvenile law enforcement purposes.

Finally, our bill reauthorizes and reforms the COPS program re-targeting this assistance to the type of policing we know works—zero tolerance for crime, computer tracking of criminal hot spots, and holding commanders responsible for results.

A COMMITMENT TO WINNING THE WAR ON DRUGS

The second major part of this legislative addresses drugs. This section focuses attention where only the federal government has the ability to make a difference—drug interdiction. It also increases the penalties for methamphetamine and powder cocaine trafficking. Our bill encourages States to keep prisons and jails drug-free to break the link between drugs and crime—and provides bonus grants to help States do this. And our bill includes a faith-based drug treatment bill designed by Senator ABRAHAM. I would especially like to thank and acknowledge the leadership that Senators ASHCROFT and DEWINE have shown in fighting drugs, particularly methamphetamine. Their leadership has been invaluable on this issue.

HOLDING VIOLENT OFFENDERS ACCOUNTABLE THROUGH FIREARMS PROSECUTIONS

I do not support gun control, but I do believe in crime control. In addition to remaining true to truth-in-sentencing and prison construction, our bill builds on and expands a successful Richmond, Virginia program in which the U.S. Attorney's office prosecutes as many local gun-related crimes in federal court as possible to take advantage of federal mandatory minimum sentences and stiff bond rules. This provision does not create additional federal crimes, but instead utilizes existing federal statues. This program builds on the Project Triggerlock program which was implemented by the Bush administration.

This program emphasizes cooperation between state and federal prosecutors, as well as the BATF and the local police departments. The last major component of this program is an extensive media campaign to promote the message to potential criminals that ''[a]n illegal gun will get you five years in federal prison.'' The media campaign also encourages citizens to report gun crimes to authorities. This program has been a huge success. Homicides have decreased 50 percent in Richmond after this program was implemented. Our bill provides funds to implement this program in major cities across the nation.

Again, the Clinton administration's record on gun prosecutions is troubling. Between 1992 and 1997, Triggerlock gun prosecutions dropped nearly 50 percent, from 7,045 to 3,765. These are prosecutions of defendants who use a firearm in the commission of a felony.

JUDICIAL-PROCEDURAL REFORMS AND VICTIMS' RIGHTS

The last major element of our crime plan enacts procedural and judicial reforms that improve the administration of justice. Our bill reforms the Miranda rule to allow voluntary statements in evidence. It codifies common-sense procedural issues, including the ''good-faith'' exception to exclusionary rule,

and further reforms habeas corpus appeals.

Our bill also recognizes that the administration of justice requires government to safeguard the interests of victims. How can there be justice if crime victims feel victimized by the criminal justice system? The bill ensures that victims are given respect in the criminal system, ensuring their right to attend trials in federal court, to be heard at critical stages such as detention hearings, and to be notified when the defendant is released or escapes. Our bill also calls for ratification of a crime victim's rights constitutional amendment to ensure that these rights are recognized everywhere in America. Our bill also steers necessary funds toward combating violence against women and children, and strengthens federal mandatory restitution laws.

This bill is not a panacea for our crime problem. We are faced, I believe, with a problem which cannot be solved alone by new laws. It is, at its core, a moral problem. Somehow, in too many instances, we have failed as a society to pass to the next generation the moral compass that differentiates right from wrong. This problem cannot be solved by legislation alone. It cannot be restored by the enactment of a new law or the implementation of a new program But it can be achieved by families and communities working together to teach accountability by example and by early intervention when the signs point to violent and antisocial behavior.

Our bill is a step in the right direction. I urge my colleagues to support this important crime fighting legislation, which will strengthen our nation's ability to protect citizens from the scourge of violent crime.

---

By Mr. BINGAMAN:

S. 901. A bill to provide disadvantaged children with access to dental services; to the Committee on Health, Education, Labor, and Pensions.

CHILDREN'S DENTAL HEALTH IMPROVEMENT ACT OF 1999

Mr. BINGAMAN. Mr. President, I rise today to introduce a measure that is one cornerstone of a series of initiatives that are designed to help ensure that the fundamental needs of children in New Mexico and this country are met. This cornerstone, the Children's Dental Health Improvement Act of 1999, is built on the belief that children must have access to quality, affordable health care. A child who is sick cannot go to school, cannot be expected to learn, and cannot be expected to grow and thrive. For New Mexico, this is a particularly compelling need because according to the Children's Defense Fund, no state has a greater percentage of uninsured children than New Mexico. Specifically, the bill is designed to increase access to dental services for our children.

Some will say: ''Why care about a few cavities in kids?'' In reality, this is a complex children's health issue. Chronically poor oral health is associated with growth and development problems in toddlers and compromises children's nutritional status. These children suffer great pain and cannot play or learn. It is estimated that lack of treatment for these children results in missed school days: an estimated 52 million school hours annually. Their personal suffering is real. In reality, untreated dental problems get progressively worse and ultimately require more expensive interventions.

Medicaid's Early and Periodic Screening Diagnosis and Treatment, or ''EPSDT,'' program requires states to not only pay for a comprehensive set of child health services, including dental services, but to assure delivery of those services. Unfortunately, low income children do not get the dental service they need. Despite the design of the Medicaid program to reach children and ensure access to routine dental care, the Inspector General of the Department of Health and Human Services reported in 1996 that only 18 percent of children eligible for Medicaid received even a single preventive dental service. The same report shows that no state provides preventive services to more than 50% of eligible children. Dentist participation is too low to assure access. We are falling short of our obligation to these children.

In the past few months, I have had the opportunity to speak to many of New Mexico's rural health care providers and have learned that for New Mexico, the problem is of crisis proportions. Less than two percent of New Mexico's Medicaid dollars are used for children's oral health needs. My state alone projects a shortage of 157 dentists and 229 dental hygienists. Children in New Mexico and elsewhere are showing up in emergency rooms for treatment of tooth abscesses instead of getting their cavities filled early on or having dental decay prevented in the first place.

Tooth decay remains the single most common chronic disease of childhood and according to the Children's Dental Health Project, it affects more than half of all children by second grade. Tooth decay in children six years old is five to eight times more common than asthma which is often cited as the most common chronic disease of childhood.

National data confirm that pediatric oral health in the U.S. is backsliding. Healthy People 2000 goals for dental needs of children will not be met. As this chart shows:

52% of our 6 to 8 year olds have dental caries or cavities compared to 54% in 1986. Our goal was to decrease this to 35% by the year 2000; we have succeeded in a mere 2% change in this area.

Additionally, we have slid backwards in some areas. The Healthy People 2000 oral health indicators show an increase in the percentage of children with untreated cavities. In 1986, 28% of our 6 to 8 year olds had untreated cavities compared to now when we find 31% of these children have untreated cavities.

Tooth decay is increasingly a disease of low and modest income children. A substantial portion of decay in young children goes untreated. In fact, forty seven per cent of decay in children aged 2 through 9, is untreated.

The Children's Dental Health Improvement Act of 1999 is designed to attack the problem from many fronts. First, the bill addresses the issue of provider shortage by expanding opportunities for training pediatric dental health care providers. It allows for the Secretary to look at the reimbursement rates for dental providers as an incentive for dentists to participate in the Medicaid program so that we work toward increasing the actual care provided under the Medicaid program. Additionally, I have looked at the need for pediatric dental research to facilitate better approaches for care and it will put into place greater measures for surveillance of the problem. The bill would lead to increased accountability in the area of actual treatment once a problem is identified. Finally, I have included a section on health promotion and disease prevention to increase the number of children who have access to fluoridated water systems and dental sealants to prevent cavities.

I recognize that this is an ambitious bill and that the issue of access to dental care for children covered by the Medicaid program is a complex one. I want to thank the various groups that have worked on the formulation of this legislation. In particular, I want to thank Drs. Burt Edelstein and Heber Simmons of the American Academy of Pediatric Dentistry for their hard work and excellent information. I also want to thank the American Association of Dental Schools, the American Dental Hygienist Association, the American Dental Association, the Hispanic Dental Association, the National Dental Association, and the American Association for Dental Research for their valuable input and I look forward to working with them all to ensure that we achieve increased access to oral health care for our children.

I am committed to solving the problem of adequate access to dental care for our children and view this as a public health issue that has gone unnoticed for too long. I will welcome my colleagues to work with me to ensure that these children have healthy smiles instead of chronic pain from untreated problems.

Mr. President, I ask unanimous consent to have the text of the Children's Dental Health Improvement Act of 1999 printed in the RECORD.

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

S. 901

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

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Children's Dental Health Improvement Act of 1999''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:



**SEC. 2. FINDINGS.**

Congress makes the following findings:

(1) The 1995 Institute of Medicine report on dental education finds that oral health is an integral part of total health, and is integral to comprehensive health, including primary care.

(2) Tooth decay is the most prevalent preventable chronic disease of childhood and only the common cold, the flu, and otitis media occur more often among young children.

(3) Despite the design of the medicaid program to reach children and ensure access to routine dental care, in 1996, the Inspector General of the Department of Health and Human Services reported that only 18 percent of children eligible for medicaid received even a single preventive dental service.

(4) The United States is facing a major dental health care crisis that primarily affects the poor children of our country, with 80 percent of all dental caries in children found in the 20 percent of the population.

(5) Low income children eligible for the medicaid program and the State children's health insurance program experience disproportionately high levels of oral disease.

(6) The United States is not training enough pediatric dental health care providers to meet the increasing need for dental services for children.

(7) The United States needs to increase access to health promotion and disease prevention activities in the area of oral health for children by increasing access to dental health providers for children.

**TITLE I—EXPANDED OPPORTUNITIES FOR TRAINING PEDIATRIC DENTAL HEALTH CARE PROVIDERS**

**SEC. 101. CHILDREN'S DENTAL HEALTH TRAINING AND DEMONSTRATION PROGRAMS.**

(a) IN GENERAL.—Subpart 2 of part E of title VII of the Public Health Service Act, as amended by the Health Professions Education Partnerships Act of 1998 (Public Law 105-392) is amended by adding at the end the following:

**''SEC. 771. CHILDREN'S DENTAL HEALTH PROGRAMS.**

''(a) TRAINING PROGRAM.—

''(1) IN GENERAL.—The Secretary, acting through the Bureau of Health Professions, shall develop training materials to be used by health professionals to promote oral health through health education.

''(2) DESIGN.—The materials developed under paragraph (1) shall be designed to enable health care professionals to—

''(A) provide information to individuals concerning the importance of oral health;

''(B) recognize oral disease in individuals; and

''(C) make appropriate referrals of individuals for dental treatment.

''(3) DISTRIBUTION.—The materials developed under paragraph (1) shall be distributed to—

''(A) accredited schools of the health sciences (including schools for physician assistants, schools of medicine, osteopathic medicine, dental hygiene, public health, nursing, pharmacy, and dentistry), and public or private institutions accredited for the provision of graduate or specialized training programs in all aspects of health; and

''(B) health professionals and community-based health care workers.

''(b) DEMONSTRATION PROGRAM.—

''(1) IN GENERAL.—The Secretary shall make grants to schools that train pediatric dental health providers to meet the costs of projects—

''(A) to plan and develop new training programs and to maintain or improve existing training programs in providing dental health services to children; and

''(B) to assist dental health providers in managing complex dental problems in children.

''(2) ADMINISTRATION.—

''(A) AMOUNT.—The amount of any grant under paragraph (1) shall be determined by the Secretary.

''(B) APPLICATION.—No grant may be made under paragraph (1) unless an application therefore is submitted to and approved by the Secretary. Such an application shall be in such form, submitted in such manner, and contain such information, as the Secretary shall by regulation prescribe.

''(C) ELIGIBILITY.—To be eligible for a grant under subsection (a), the applicant must demonstrate to the Secretary that it has or will have available full-time faculty and staff members with training and experience in the field of pediatric dentistry and support from other faculty and staff members trained in pediatric dentistry and other relevant specialties and disciplines such as dental public health and pediatrics, as well as research.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section.''.

(b) AUTHORIZATION OF APPROPRIATIONS FOR GENERAL AND PEDIATRIC DENTISTRY.—Section 747(e)(2)(A) of the Public Health Service Act (42 U.S.C. 293k(e)(2)(A), as amended by the Health Professions Education Partnerships Act of 1998 (Public Law 105-392) is amended in striking clause (iv) and inserting the following:

''(iv) not less than $8,000,000 for awards of grants and contracts under subsection (a) to programs of pediatric or general dentistry.''.

**SEC. 102. INCREASE IN NATIONAL HEALTH SERVICE CORPS DENTAL TRAINING POSITIONS.**

(a) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the ''Secretary'') shall increase the number of dental health providers skilled in treating children who become members of the Commissioned Corps of the U.S. Health Service and who are assigned to duty for the National Health Service Corps (referred to in this section as the ''Corps'') under subpart II of part D of title III of the Public Health Service Act (42 U.S.C. 254d et seq.) so that there are at least 100 additional Commissioned Corps dentists and dental hygienists in the Corps by 2001, at least 150 additional dentists and dental hygienists in the Commissioned Corps by 2002, and at least 300 additional dentists and dental hygienists in the Commissioner Corps by 2003.

(b) DETERMINATION OF DENTAL SITE READINESS.—By not later than January 1, 2001, the

Secretary shall collaborate with dental education institutions, State and local public health dental officials and dental hygienist societies to determine dental site readiness, specifically in inner city, rural, frontier and border areas.

(c) REPORT BY CORPS.—The Corps shall annually report to Congress concerning how the Corps is meeting the oral health needs of children in underserved areas, including rural, frontier and border areas.

(d) LOAN REPAYMENT PROGRAM.—The Secretary shall increase the number of Corps dentists selected for loan repayments under the provisions referred to in subsection (a) in a sufficient number to address the demand for such repayment by qualified dentists. The Secretary shall increase the number of private practice dentists who contract with the Corps and allow for such student loan repayment.

(e) PEDIATRIC DENTISTS.—The Secretary shall ensure that at least 20 percent of the dentists in the Corps are pediatric dentists and that another 20 percent of the dentists in the Corps have general dentistry residency training.

**SEC. 103. MATERNAL AND CHILD HEALTH CENTERS FOR LEADERSHIP IN PEDIATRIC DENTISTRY EDUCATION.**

(a) EXPANSION OF TRAINING PROGRAMS.—The Secretary of Health and Human Services shall, through the Bureau of Health Professions, establish at least 10 Pediatric Dental Centers of Excellence with not less than 36 additional training positions annually for pediatric dentists at such centers of excellence. The Secretary shall ensure that such training programs are established in geographically diverse areas.

(b) DEFINITION.—In this section, the term 'centers of excellence' means a health professions school designated under section 736 of the Public Health Service Act (42 U.S.C. 293).

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, such sums as may be necessary to carry out this section.

**SEC. 104. DENTAL OFFICER MULTIYEAR RETENTION BONUS FOR THE INDIAN HEALTH SERVICE.**

(a) TERMS AND DEFINITIONS.—In this section:

(1) DENTAL OFFICER.—The term ''dental officer'' means an officer of the Indian Health Service designated as a dental officer.

(2) DIRECTOR.—The term ''Director'' means the Director of the Indian Health Service.

(3) CREDITABLE SERVICE.—The term ''creditable service'' includes all periods that a dental officer spent in graduate dental educational (GDE) training programs while not on active duty in the Indian Health Service and all periods of active duty in the Indian Health Service as a dental officer.

(4) RESIDENCY.—The term ''residency'' means a graduate dental educational (GDE) training program of at least 12 months leading to a speciality, including general practice residency (GPR) or a 12-month advanced education general dentistry (AEGD).

(5) SPECIALTY.—The term ''specialty'' means a dental specialty for which there is an Indian Health Service specialty code number.

(b) REQUIREMENTS FOR BONUS.—

(1) IN GENERAL.—An eligible dental officer of the Indian Health Service who executes a written agreement to remain on active duty for 2, 3, or 4 years after the completion of any other active duty service commitment to the Indian Health Service may, upon acceptance of the written agreement by the Director, be authorized to receive a dental officer multiyear retention bonus under this section. The Director may, based on requirements of the Indian Health Service, decline to offer such a retention bonus to any specialty that is otherwise eligible, or to restrict the length of such a retention bonus contract for a specialty to less than 4 years.

(2) LIMITATIONS.—Each annual dental officer multiyear retention bonus authorized under this section shall not exceed the following:

(A) $14,000 for a 4-year written agreement.

(B) $8,000 for a 3-year written agreement.

(C) $4,000 for a 2-year written agreement.

(c) ELIGIBILITY.—

(1) IN GENERAL.—In order to be eligible to receive a dental officer multiyear retention bonus under this section, a dental officer shall—

(A) be at or below such grade as the Director shall determine;

(B) have at least 8 years of creditable service, or have completed any active duty service commitment of the Indian Health Service incurred for dental education and training;

(C) have completed initial residency training, or be scheduled to complete initial residency training before September 30 of the fiscal year in which the officer enters into a dental officer multiyear retention bonus written service agreement under this section; and

(D) have a dental specialty in pediatric dentistry or oral and maxillofacial surgery, or be a dental hygienist with a minimum of a baccalaureate degree.

(2) EXTENSION TO OTHER OFFICERS.—The Director may extend the retention bonus to dental officers other than officers with a dental specialty in pediatric dentistry based on demonstrated need. The criteria used as the basis for such an extension shall be equitably determined and consistently applied.

(d) TERMINATION OF ENTITLEMENT TO SPECIAL PAY.—The Director may terminate at any time a dental officer's multiyear retention bonus contract under this section. If such a contract is terminated, the unserved portion of the retention bonus contract shall be recouped on a pro rata basis. The Director shall establish regulations that specify the conditions and procedures under which termination may take place. The regulations and conditions for termination shall be included in the written service contract for a dental officer multiyear retention bonus under this section.

(e) REFUNDS.—

(1) IN GENERAL.—Prorated refunds shall be required for sums paid under a retention bonus contract under this section if a dental officer who has received the retention bonus fails to complete the total period of service specified in the contract, as conditions and circumstances warrant.

(2) DEBT TO UNITED STATES.—An obligation to reimburse the United States imposed under paragraph (1) is a debt owed to the United States.

(3) NO DISCHARGE IN BANKRUPTCY.—Notwithstanding any other provision of law, a discharge in bankruptcy under title 11, United States Code, that is entered less than 5 years after the termination of a retention bonus contract under this section does not discharge the dental officer who signed such a contract from a debt arising under the contract or paragraph (1).

**SEC. 105. MEDICARE PAYMENTS TO APPROVED NONHOSPITAL DENTISTRY RESIDENCY TRAINING PROGRAMS; PERMANENT DENTAL EXEMPTION FROM VOLUNTARY RESIDENCY REDUCTION PROGRAMS.**

(a) MEDICARE PAYMENTS TO APPROVED NONHOSPITAL DENTISTRY TRAINING PROGRAMS.—Section 1886 of the Social Security Act (42 U.S.C. 1395ww) is amended by adding at the end the following:

''(l) PAYMENTS FOR NONHOSPITAL BASED DENTAL RESIDENCY TRAINING PROGRAMS.—

''(1) IN GENERAL.—Beginning January 1, 2000, the Secretary shall make payments under this paragraph to approved nonhospital based dentistry residency training programs providing oral health care to children for the direct and indirect expenses associated with operating such training programs.

''(2) PAYMENT AMOUNT.—

''(A) METHODOLOGY.—The Secretary shall establish procedures for making payments under this subsection.

''(B) TOTAL AMOUNT OF PAYMENTS.—In making payments to approved non-hospital based dentistry residency training programs under this subsection, the Secretary shall ensure that the total amount of such payments will not result in a reduction of payments that would otherwise be made under subsection (h) or (k) to hospitals for dental residency training programs.

''(C) APPROVED PROGRAMS.—The Secretary shall establish procedures for the approval of nonhospital based dentistry residency training programs under this subsection.''.

(b) PERMANENT DENTAL EXEMPTION FROM VOLUNTARY RESIDENCY REDUCTION PROGRAMS.—

(1) IN GENERAL.—Section 1886(h)(6)(C) of the Social Security Act (42 U.S.C. 1395ww(h)(6)(C)) is amended—

(A) by redesignating clauses (i) through (iii) as subclauses (I) through (III), respectively, and indenting such subclauses (as so redesignated) appropriately;

(B) by striking ''For purposes'' and inserting the following:

''(i) IN GENERAL.—Subject to clause (ii), for purposes''; and

(C) by adding at the end the following:

''(ii) DEFINITION OF 'APPROVED MEDICAL RESIDENCY TRAINING PROGRAM'.—In this subparagraph, the term 'approved medical residency training program' means only such programs in allopathic or osteopathic medicine.''.

(2) APPLICATION TO DEMONSTRATION PROJECTS AND AUTHORITY.—Section 4626(b)(3) of the Balanced Budget Act of 1997 (42 U.S.C. 1395ww note) is amended by inserting ''in allopathic or osteopathic medicine'' before the period.

(c) REMOVAL OF DENTISTS FROM FULL-TIME EQUIVALENT COUNT AVERAGING PROVISIONS.—

(1) MEDICARE IME.—Section 1886(d)(5)(B)(vi) of the Social Security Act (42 U.S.C. 1395ww(d)(5)(B)(vi)) is amended by adding at the end the following: ''The determination (based on the 3-year average) described in subclause (II) shall apply only to residents in the fields of allopathic medicine and osteopathic medicine. All other residents shall be counted based on the actual full-time equivalent resident count for the cost-reporting period involved.''.

(2) MEDICARE DIRECT GME.—Section 1886(h)(4)(G)(i) of the Social Security Act (42 U.S.C. 1395ww(h)(4)(G)(i)) is amended by adding at the end the following: ''Such determination (based on the 3-year average) shall apply only to residents in the fields of allopathic medicine and osteopathic medicine. All other residents shall be counted based on the actual full-time equivalent resident count for the cost-reporting period involved.''.

(d) DEFINITION OF PRIMARY CARE RESIDENT.—Section 1886(h)(5)(H) of the Social Security Act (42 U.S.C. 1395ww(h)(5)(H)) is amended by striking ''or osteopathic general

practice'' and inserting ''osteopathic general practice, general dentistry, advanced general dentistry, pediatric dentistry, or dental public health''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsections (a), (c), and (d) take effect on the date of enactment of this Act.

(2) EXCEPTION.—The amendments made by subsection (b) shall take effect as if included in the enactment of the Balanced Budget Act of 1997.

**SEC. 106. DENTAL HEALTH PROFESSIONAL SHORTAGE AREAS.**

(a) DESIGNATION.—Section 332(a) of the Public Health Service Act (42 U.S.C. 254e(a)) is amended by adding at the end the following:

''(4)(A) In designating health professional shortage areas under this section, the Secretary may designate certain areas as dental health professional shortage areas if the Secretary determines that such areas have a severe shortage of dental health professionals. The Secretary shall develop, publish and periodically update criteria to be used in designating dental health professional shortage areas.

''(B) For purposes of this title a dental health professional shortage area shall be considered to be a health professional shortage area.''.

''(C) In subparagraph (A), the term 'dental health professional' includes general and pediatric dentists and dental hygienists.''.

(b) LOAN REPAYMENT PROGRAM.—Section 338B(b)(1)(A) of the Public Health Service Act (42 U.S.C. 254l–1(b)(1)(A)) is amended by inserting ''(including dental hygienists)'' after ''profession''.

(c) TECHNICAL AMENDMENT.—Section 331(a)(2) of the Public Health Service Act (42 U.S.C. 254d(a)(2)) is amended by inserting ''(including dental health services)'' after ''services''.

## TITLE II—ENSURING DELIVERY OF PEDIATRIC DENTAL SERVICES UNDER THE MEDICAID AND SCHIP PROGRAMS

**SEC. 201. INCREASED FMAP AND FEE SCHEDULE FOR DENTAL SERVICES PROVIDED TO CHILDREN UNDER THE MEDICAID PROGRAM.**

(a) INCREASED FMAP.—Section 1903(a)(5) of the Social Security Act (42 U.S.C. 1396b(a)(5)) is amended—

(1) by striking ''equal to 90 per centum'' and inserting ''equal to—

''(A) 90 per centum'';

(2) by inserting ''and'' after the semicolon; and

(3) by adding at the end the following:

''(B) the greater of the Federal medical assistance percentage or 75 per centum of the sums expended during such quarter which are attributable to dental services for children;''.

(b) FEE SCHEDULE.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (65), by striking the period and inserting ''; and''; and

(2) by inserting after paragraph (65) the following:

''(66) provide for payment under the State plan for dental services for children at a rate that is designed to create an incentive for providers of such services to treat children in need of dental services (but that does not result in a reduction or other adverse impact on the extent to which the State provides dental services to adults).''.

**SEC. 202. REQUIRED MINIMUM MEDICAID EXPENDITURES FOR DENTAL HEALTH SERVICES.**

Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)), as amended by section 201(b), is amended—

(1) in paragraph (65), by striking ''and'' at the end;

(2) in paragraph (66), by striking the period and inserting ''; and''; and

(3) by inserting after paragraph (66) the following:

''(67) provide that, beginning with fiscal year 2000—

''(A) not less than an amount equal to 7 percent of the total annual expenditures under the State plan for medical assistance provided to children will be expended during each fiscal year for dental services for children (including the prevention, screening, diagnosis, and treatment of dental conditions); and

''(B) the State will not reduce or otherwise adversely impact the extent to which the State provides dental services to adults in order to meet the requirement of subparagraph (A).''.

**SEC. 203. REQUIREMENT TO VERIFY SUFFICIENT NUMBERS OF PARTICIPATING DENTAL HEALTH PROFESSIONALS UNDER THE MEDICAID PROGRAM.**

Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)), as amended by section 202, is amended—

(1) in paragraph (66), by striking ''and'' at the end;

(2) in paragraph (67), by striking the period and inserting ''; and''; and

(3) by inserting after paragraph (67) the following:

''(68) provide that the State will—

''(A) annually verify that the number of dental health professionals (as defined in section 332(a)(4)(C) of the Public Health Service Act) participating under the State plan—

''(i) satisfies the minimum established degree of participation of dental health professionals (as defined in section 332(a)(4)(C) of the Public Health Service Act) to the population of children in the State, as determined by the Secretary in accordance with the criteria used by the Secretary under section 332(a)(4) of such Act (42 U.S.C. 254e(a)(4)) to designate a dental health professional shortage area; and

''(ii) is sufficient to ensure that children enrolled in the State plan have the same level of access to dental services as the children residing in the State who are not eligible for medical assistance under the State plan; and

''(B) collect data on the number of children being served by dental health professionals as compared to the number of children eligible to be served, and the actual services provided.''.

**SEC. 204. INCLUSION OF RECOMMENDED AGE FOR FIRST DENTAL VISIT IN DEFINITION OF EPSDT SERVICES.**

Section 1905(r)(1)(A)(i) of the Social Security Act (42 U.S.C. 1396d(r)(1)(A)(i)) is amended by inserting ''and, with respect to dental services under paragraph (3), in accordance with guidelines for the age of a first dental visit that are consistent with guidelines of the American Dental Association, the American Dental Hygienist Association, the American Academy of Pediatric Dentistry, and the Bright Futures program of the Health Resources and Services Administration of the Department of Health and Human Services,'' after ''vaccines,''.

**SEC. 205. APPROVAL OF FINAL REGULATIONS IMPLEMENTING CHANGES TO EPSDT SERVICES.**

Not later than 30 days after the date of enactment of this Act, the Secretary of Health and Human Services shall issue final regulations implementing the proposed regulations based on section 6403 of the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239; 103 Stat. 2262) that were contained in the Federal Register issued for October 1, 1993.

**SEC. 206. USE OF SCHIP FUNDS TO TREAT CHILDREN WITH SPECIAL DENTAL HEALTH NEEDS.**

(a) IN GENERAL.—Section 1905 of the Social Security Act (42 U.S.C. 1396d) is amended—

(1) in subsection (b), by striking ''or subsection (u)(3)'' and inserting ''subsection (u)(3), or subsection (u)(4)''; and

(2) in subsection (u)—

(A) by redesignating paragraph (4) as paragraph (5); and

(B) by inserting after paragraph (3) the following new paragraph:

''(4)(A) For purposes of subsection (b), the expenditures described in this paragraph are expenditures for medical assistance described in subparagraph (B) for a low-income child described in subparagraph (C), but only in the case of such a child who resides in a State described in subparagraph (D).

''(B) For purposes of subparagraph (A), the medical assistance described in this subparagraph consists of the following:

''(i) Dental services provided to children with special oral health needs, including advanced oral, dental, and craniofacial diseases and conditions.

''(ii) Outreach conducted to identify and treat children with such special dental health needs.

''(C) For purposes of subparagraph (A), a low-income child described in this subparagraph is a child whose family income does not exceed 50 percentage points above the medicaid applicable income level (as defined in section 2110(b)(4)).

''(D) A State described in this subparagraph is a State that, as of August 5, 1997, has under a waiver authorized by the Secretary or under section 1902(r)(2), established a medicaid applicable income level (as defined in section 2110(b)(4)) for children under 19 years of age residing in the State that is at or above 185 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2), including any revision required by such section for a family of the size involved).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of section 4911 of the Balanced Budget Act of 1997 (Public Law 105–33; 111 Stat. 570).

**SEC. 207. GRANTS TO SUPPLEMENT FEES FOR THE TREATMENT OF CHILDREN WITH SPECIAL DENTAL HEALTH NEEDS.**

Title V of the Social Security Act (42 U.S.C. 701 et seq.) is amended by adding at the end the following:

**''SEC. 511. GRANTS TO SUPPLEMENT FEES FOR THE TREATMENT OF CHILDREN WITH SPECIAL DENTAL HEALTH NEEDS.**

''(a) AUTHORITY TO MAKE GRANTS.—

''(1) IN GENERAL.—In addition to any other payments made under this title to a State, the Secretary shall award grants to States to supplement payments made under the State programs established under titles XIX and XXI for the treatment of children with special oral health care needs.

''(2) DEFINITION OF CHILDREN WITH SPECIAL ORAL, DENTAL, AND CRANIOFACIAL HEALTH

CARE NEEDS.—In this section the term 'children with special oral health care needs' means children with oral, dental and craniofacial conditions or disorders, and other acute or chronic medical, genetic, and behavioral disorders with dental manifestations.

''(b) APPLICATION OF OTHER PROVISIONS OF TITLE.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the other provisions of this title shall not apply to a grant made, or activities of the Secretary, under this section.

''(2) EXCEPTIONS.—The following provisions of this title shall apply to a grant made under subsection (a) to the same extent and in the same manner as such provisions apply to allotments made under section 502(c):

''(A) Section 504(b)(4) (relating to expenditures of funds as a condition of receipt of Federal funds).

''(B) Section 504(b)(6) (relating to prohibition on payments to excluded individuals and entities).

''(C) Section 506 (relating to reports and audits, but only to the extent determined by the Secretary to be appropriate for grants made under this section).

''(D) Section 508 (relating to nondiscrimination).

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section.''.

**SEC. 208. DEMONSTRATION PROJECTS TO INCREASE ACCESS TO PEDIATRIC DENTAL SERVICES IN UNDERSERVED AREAS.**

(a) AUTHORITY TO CONDUCT PROJECTS.—The Secretary of Health and Human Services, through the Administrator of the Health Care Financing Administration, the Administrator of the Health Resources and Services Administration, the Director of the Indian Health Service, and the Director of the Centers for Disease Control and Prevention shall establish demonstration projects that are designed to increase access to dental services for children in underserved areas, as determined by the Secretary.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section.

## TITLE III—PEDIATRIC DENTAL RESEARCH

**SEC. 301. IDENTIFICATION OF INTERVENTIONS THAT REDUCE THE BURDEN AND TRANSMISSION OF ORAL, DENTAL, AND CRANIOFACIAL DISEASES IN HIGH RISK POPULATIONS; DEVELOPMENT OF APPROACHES FOR PEDIATRIC ORAL AND CRANIOFACIAL ASSESSMENT.**

(a) IN GENERAL.—The Secretary of Health and Human Services, through the Maternal and Child Health Bureau, the Indian Health Service, and in consultation with the Agency for Health Care Policy and Research and the National Institutes of Health, shall—

(1) support community based research that is designed to improve our understanding of the etiology, pathogenesis, diagnosis, prevention, and treatment of pediatric oral, dental, craniofacial diseases and conditions and their sequelae in high risk populations;

(2) support demonstrations of preventive interventions in high risk populations; and

(3) develop clinical approaches to assess individual patients for pediatric dental disease.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, such sums as may be necessary to carry out this section.

**SEC. 302. AGENCY FOR HEALTH CARE POLICY AND RESEARCH.**

Section 902(a) of the Public Health Service Act (42 U.S.C. 299a(a)) is amended—

(1) in paragraph (7), by striking ''and'' at the end;

(2) in paragraph (8), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(9) the barriers that exist, including access to oral health care for children, and the establishment of measures of oral health status and outcomes.''.

**SEC. 303. ORAL HEALTH PROFESSIONAL RESEARCH AND TRAINING PROGRAM.**

Part G of title IV of the Public Health Service Act is amended by inserting after section 487E (42 U.S.C. 288-5) the following:

**''SEC. 487F. ORAL HEALTH PROFESSIONAL RESEARCH AND TRAINING PROGRAM.**

''(a) IN GENERAL.—The Secretary, in consultation with the Director of the National Institute of Dental and Craniofacial Research, shall establish a program under which the Secretary will enter into contracts with qualified oral health professionals and such professionals will agree to conduct research or provide training with respect to pediatric oral, dental, and craniofacial diseases and conditions and in exchange the Secretary will agree to repay, for each year of service, not more than $35,000 of the principal and interest of the educational loans of such professionals.

''(b) QUALIFIED ORAL HEALTH PROFESSIONAL.—

''(1) DEFINITION.—In this section, the term 'qualified oral health professional' includes dentists and allied dental personnel serving in faculty positions.

''(2) SPECIAL PREFERENCE.—In entering into contacts under subsection (a), the Secretary shall give preference to qualified oral health professionals—

''(A) who are serving, or who have served in research or training programs of the National Institute of Dental and Craniofacial Research; or

''(B) who are providing services at institutions that provide oral health care to underserved pediatric populations in rural or border areas.

''(c) PRIORITIES.—The Secretary shall annually determine the clinical and basic research and training priorities for contracts under subsection (a), including dental caries, orofacial accidents or traumas, birth defects such as cleft lip and palate and severe malocclusions, and new techniques and approaches to treatment.

''(d) CONTRACTS, OBLIGATED SERVICE, AND BREACH OF CONTRACT.—The provisions of section 338B concerning contracts, obligated service, and breach of contract, except as inconsistent with this section, shall apply to contracts under this section to the same extent and in the same manner as such provisions apply to contracts under such section 338B.

''(e) AVAILABILITY OF FUNDS.—Amounts available for carrying out this section shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which such amounts were made available.''.

**SEC. 304. CONSENSUS DEVELOPMENT CONFERENCE.**

(a) IN GENERAL.—Not later than April 1, 2000, the Secretary of Health and Human Services, acting through the National Institute of Child Health and Human Development and the National Institute of Dental and Craniofacial Research, shall convene a conference (to be known as the ''Consensus Development Conference'') to examine the management of early childhood caries and to support the design and conduct of research on the biology and physiologic dynamics of infectious transmission of dental caries. The Secretary shall ensure that representatives of interested consumers and other professional organizations participate in the Consensus Development Conference.

(b) EXPERTS.—In administering the conference under subsection (a), the Secretary of Health and Human Services shall solicit the participation of experts in dentistry, including pediatric dentistry, dental hygiene, public health, and other appropriate medical and child health professionals.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary to carry out this section.

## TITLE IV—SURVEILLANCE AND ACCOUNTABILITY

**SEC. 401. CDC REPORTS.**

(a) COLLECTION OF DATA.—The Director of the Centers for Disease Control and Prevention in collaboration with other organizations and agencies shall annually collect data describing the dental, craniofacial, and oral health of residents of at least 1 State from each region of the Department of Health and Human Services.

(b) REPORTS.—The Director shall compile and analyze data collected under subsection (a) and annually prepare and submit to the appropriate committees of Congress a report concerning the oral health of certain States.

**SEC. 402. REPORTING REQUIREMENTS UNDER THE MEDICAID PROGRAM.**

Section 1902(a)(43)(D) of the Social Security Act (42 U.S.C. 1396a(43)(D)) is amended—

(1) in clause (iii), by striking ''and'' and inserting ''with the specific dental condition and treatment provided identified,'';

(2) in clause (iv), by striking the semicolon and inserting a comma; and

(3) by adding at the end the following:

''(v) the percentage of expenditures for such services that were for dental services,

''(vi) the percentage of dental health professionals (as defined in section 332(a)(4)(C) of the Public Health Service Act) who are licensed in the State and provide services commensurate with eligibility under the State plan, and

''(vii) collect and submit data on the number of children being served as compared to the number of children who are eligible for services, and the actual services provided;''.

**SEC. 403. ADMINISTRATION ON CHILDREN, YOUTH, AND FAMILIES.**

The Administrator of the Administration on Children, Youth, and Families shall annually prepare and submit to the appropriate committees of Congress a report concerning the percentage of children enrolled in a Head Start or Early Start program who have access to and who obtain dental care, including children with special oral, dental, and craniofacial health needs. The Administrator of the Administration of Children, Youth and Families shall seek methods to reestablish intraagency agreements with the Administrator of the Health Resources and Services Administration to address technical assistance for its grantees in addressing access to preventive clinical services.

**SEC. 404. SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.**

Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended by adding at the end the following:

''(25) The State shall collect and submit data on the number of children being served

under this section as compared to the number of children who are eligible for services, and the actual services provided.''.

## TITLE V—ORAL HEALTH PROMOTION AND DISEASE PREVENTION

### SEC. 501. GRANTS TO INCREASE RESOURCES FOR COMMUNITY WATER FLUORIDATION.

(a) IN GENERAL.—The Secretary of Health and Human Services, acting through the Director of the Division of Oral Health of the Centers for Disease Control and Prevention, may make grants to State or locality for the purpose of increasing the resources available for community water fluoridation.

(b) USE OF FUNDS.—A State shall use amounts provided under a grant under subsection (a)—

(1) to purchase fluoridation equipment;

(2) to train fluoridation engineers; or

(3) to develop educational materials on the advantages of fluoridation.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $25,000,000 for fiscal year 2000, and such sums as may be necessary for each subsequent fiscal year.

### SEC. 502. COMMUNITY WATER FLUORIDATION.

(a) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the ''Secretary''), acting through the Director of the Indian Health Service and the Director of the Centers for Disease Control and Prevention, shall establish a demonstration project that is designed to assist rural water systems in successfully implementing the Centers for Disease Control and Prevention water fluoridation guidelines entitled ''Engineering and Administrative Recommendations for Water Fluoridation'' (referred to in this section as the ''EARWF'').

(b) REQUIREMENTS.—

(1) COLLABORATION.—The Director of the Indian Health Services shall collaborate with the Director of the Centers for Disease Control and Prevention in developing the project under subsection (a). Through such collaboration the Directors shall ensure that technical assistance and training are provided to tribal programs located in each of the 12 areas of the Indian Health Service. The Director of the Indian Health Service shall provide coordination and administrative support to tribes under this section.

(2) GENERAL USE OF FUNDS.—Amounts made available under this section shall be used to assist small water systems in improving the effectiveness of water fluoridation and to meet the recommendations of the EARWF.

(3) FLUORIDATION SPECIALISTS.—

(A) IN GENERAL.—In carrying out this section, the Secretary shall provide for the establishment of fluoridation specialist engineering positions in each of the Dental Clinical and Preventive Support Centers through which technical assistance and training will be provided to tribal water operators, tribal utility operators and other Indian Health Service personnel working directly with fluoridation projects.

(B) LIAISON.—A fluoridation specialist shall serve as the principal technical liaison between the Indian Health Service and the Centers for Disease Control and Prevention with respect to engineering and fluoridation issues.

(C) CDC.—The Director of the Centers for Disease Control and Prevention shall appoint individuals to serve as the fluoridation specialists.

(4) IMPLEMENTATION.—The project established under this section shall be planned, implemented and evaluated over the 5-year period beginning on the date on which funds are appropriated under this section and shall be designed to serve as a model for improving the effectiveness of water fluoridation systems of small rural communities.

(c) EVALUATION.—In conducting the ongoing evaluation as provided for in subsection (b)(4), the Secretary shall ensure that such evaluation includes—

(1) the measurement of changes in water fluoridation compliance levels resulting from assistance provided under this section;

(2) the identification of the administrative, technical and operational challenges that are unique to the fluoridation of small water systems;

(3) the development of a practical model that may be easily utilized by other tribal, State, county or local governments in improving the quality of water fluoridation with emphasis on small water systems; and

(4) the measurement of any increased percentage of Native Americans or Alaskan Natives who receive the benefits of optimally fluoridated water.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $25,000,000 for fiscal year 2000, and such sums as may be necessary for each subsequent fiscal year.

### SEC. 503. SCHOOL-BASED DENTAL SEALANT PROGRAM.

(a) IN GENERAL.—The Secretary of Health and Human Services, acting through the Director of the Maternal and Child Health Bureau of the Health Resources and Services Administration, may award grants to States or localities to provide for the development of school-based dental sealant programs to improve the access of children to sealants.

(b) USE OF FUNDS.—A State shall use amounts received under a grant under subsection (a) to provide funds to eligible school-based entities or to public elementary or secondary schools to enable such entities or schools to provide children in second or sixth grade with access to dental care and dental sealant services. Such services shall be provided by licensed dental health professionals in accordance with State practice licensing laws.

(c) ELIGIBILITY.—To be eligible to receive funds under this section an entity shall—

(1) prepare and submit to the State an application at such time, in such manner and containing such information as the State may require; and

(2) be a public elementary or secondary school—

(A) that located in an urban area and in which and more than 50 percent of the student population is participating in Federal or State free or reduced meal programs; or

(B) that is located in a rural area and, with respect to the school district in which the school is located, the district involved has a median income that is at or below 235 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

Preference in awarding grants shall be provided to eligible entities that use dental health care professionals in the most cost effective manner.

(d) COORDINATION WITH OTHER PROGRAMS.—

(1) IN GENERAL.—An entity that receives funds from a State under this section shall serve as an enrollment site for purposes of enabling individuals to enroll in the State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) or in the State Children's Health Insurance Program under title XXI of such Act (42 U.S.C. 1397aa et seq.).

(2) CONFORMING AMENDMENT.—Section 1920A(b)(3)(A)(i) of the Social Security Act (42 U.S.C. 1396r–1a(b)(3)(A)(i)) is amended—

(A) by striking ''or (II)'' and inserting '', (II)''; and

(B) by inserting '', or (III) is an eligible community-based entity or a public elementary or secondary school that participates in the school-based dental sealant program established under section 503 of the Children's Dental Health Improvement Act of 1999'' before the semicolon.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 2000, and such sums as may be necessary for each subsequent fiscal year.

## TITLE VI—MISCELLANEOUS

### SEC. 601. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this Act, this Act and the amendments made by this Act take effect on the date of enactment of this Act.

(b) EXTENSION OF EFFECTIVE DATE FOR STATE LAW AMENDMENT.—In the case of a State plan under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this Act, the State plan shall not be regarded as failing to comply with the requirements of such amendments solely on the basis of its failure to meet the additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session is considered to be a separate regular session of the State legislature.

---

By Mr. TORRICELLI (for himself, Mr. KERRY, Mrs. MURRAY, and Mrs. BOXER):

S. 902. A bill to amend title XIX of the Social Security Act to permit States the option to provide Medicaid coverage for low-income individuals infected with HIV; to the Committee on Finance.

EARLY TREATMENT FOR HIV ACT OF 1999

Mr. TORRICELLI. Mr. President, I rise today to introduce the Early Treatment for HIV Act. In recent years, exciting scientific breakthroughs have led to an improved understanding of AIDS and provided powerful new treatments for Americans living with HIV disease. Commonly known as the protease cocktail, these drugs have helped transform HIV into a manageable chronic disease. To be most effective, the medical community and the U.S. Department of Health and Human Services (HHS) recommends the use of these treatments early in the course HIV infection, before the onset of symptoms. Tragically though, the high cost of these drugs means that only those of significant financial means have access to them.

In another tragic irony, vulnerable low-income HIV-positive Americans cannot receive AIDS-preventing drugs under the Medicaid program until they develop full blown AIDS. By that time, their preventive value has greatly diminished. To correct this glaring flaw

in the Medicaid program, the Early Treatment for HIV Act will ensure that HIV positive, low income patients, will be eligible for medical services immediately.

The benefits of this legislation are overwhelming. A report released at the 12th World AIDS Conference in Geneva found that treatment for HIV early in the course of the disease is both medically and economically effective. Another report by the University of California found that expanding Medicaid to provide wider access to HIV therapies would prevent thousands of deaths and AIDS diagnoses, leading to 14,500 more years of life for persons living with HIV disease over five years.

In terms of economic savings, several recent studies have found that money spent ''up front'' on medications are offset by later savings on hospitalizations and other expensive care and treatments for AIDS-related illnesses. A report by the Medical Associates of Los Angeles found that each dollar spent on combination drugs therapies resulted in at least two dollars of savings and overall treatment costs.

Mr. President, the Early Treatment for HIV Act will help thousands of low-income people with HIV live longer, more fulfilling lives by allowing them to overcome the financial barriers to effective medical treatments.

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

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

S. 902

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Early Treatment for HIV Act of 1999''.

**SEC. 2. OPTIONAL MEDICAID COVERAGE OF LOW-INCOME HIV-INFECTED INDIVIDUALS.**

(a) IN GENERAL.—Section 1902 of the Social Security Act (42 U.S.C. 1396a) is amended—

(1) in subsection (a)(10)(A)(ii)—

(A) by striking ''or'' at the end of subclause (XIII);

(B) by adding ''or'' at the end of subclause (XIV); and

(C) by adding at the end the following:

''(XV) who are described in subsection (aa) (relating to HIV-infected individuals);''; and

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

''(aa) HIV-infected individuals described in this subsection are individuals not described in subsection (a)(10)(A)(i)—

''(1) who have HIV infection;

''(2) whose income (as determined under the State plan under this title with respect to disabled individuals) does not exceed the maximum amount of income a disabled individual described in subsection (a)(10)(A)(i) may have and obtain medical assistance under the plan; and

''(3) whose resources (as determined under the State plan under this title with respect to disabled individuals) do not exceed the maximum amount of resources a disabled individual described in subsection (a)(10)(A)(i) may have and obtain medical assistance under the plan.''.

(b) CONFORMING AMENDMENTS.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended, in the matter preceding paragraph (1)—

(1) by striking ''or'' at the end of clause (x);

(2) by adding ''or'' at the end of clause (xi); and

(3) by inserting after clause (xii) the following:

''(xii) individuals described in section 1902(aa);''.

(c) EXEMPTION FROM FUNDING LIMITATION FOR TERRITORIES.—Section 1108(g) of the Social Security Act (42 U.S.C. 1308(g)) is amended by adding at the end the following:

''(3) DISREGARDING MEDICAL ASSISTANCE FOR OPTIONAL LOW-INCOME HIV-INFECTED INDIVIDUALS.—The limitations under subsection (f) and the previous provisions of this subsection shall not apply to amounts expended for medical assistance for individuals described in section 1902(aa) who are only eligible for such assistance on the basis of section 1902(a)(10)(A)(ii)(XV).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning on or after the date of the enactment of this Act, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

---

By Mr. KOHL (for himself and Mr. DEWINE):

S. 903. A bill to facilitate the exchange by law enforcement agencies of DNA identification information relating to violent offenders, and for other purposes; to the Committee on the Judiciary.

VIOLENT OFFENDER DNA IDENTIFICATION ACT OF 1999

• Mr. KOHL. Mr. President, I rise today with Senator DEWINE to introduce the Violent Offender DNA Identification Act of 1999. This bipartisan measure will put more criminals behind bars by correcting practical and legal shortcomings that leave too much crucial DNA evidence unused and too many violent crimes unsolved.

Currently, all 50 states require DNA samples to be obtained from certain convicted offenders, and these samples increasingly can be shared through a national DNA database established by Federal law. This national database—part of the Combined Database Index System (CODIS)—enables law enforcement officials to link DNA evidence found at a crime scene with any suspect whose DNA is already on file. By identifying repeat offenders, this DNA sharing can and does make a difference. Already the FBI has recorded over 400 matches through DNA databases, helping solve numerous crimes. And in my home state of Wisconsin, experience proves that DNA ''sharing'' pays off. We've already had 19 ''hits'' that have assisted more than 20 criminal investigations. In fact, just a week before the statute of limitations ran out in a multiple rape investigation, DNA matching helped identify a serial rapist responsible for three rapes in Kenosha and a fourth in Racine. As a result, he's currently serving an 80-year sentence. Without DNA databases, suspects like this otherwise might never be discovered—or convicted.

As valuable as this system is, it is not as effective as it could—or should—be. The effectiveness of the database is directly related to the number of DNA profiles it contains. For every 1,000 new profiles, we can expect to find at least one match, and with every new profile added, the odds for a match increase. However, there are currently two major obstacles to the effective functioning of the database. Our measure would correct these problems and make the database far more productive.

First, hundreds of thousands of DNA samples that have already been collected still must be analyzed before they can be entered into the national database. The FBI estimates that there is a backlog of nearly 400,000 DNA samples from convicted offenders languishing, unanalyzed, in state crime laboratories for simple lack of funding.

Our measure will reduce the backlog of unanalyzed samples by providing the funding necessary to analyze them and put them ''on-line.'' It provides $30 million over two years to erase the backlog of the 400,000 unanalyzed samples and the almost-as-pressing backlog of approximately 200,000 more samples that need to be reanalyzed using state-of-the-art methods. For example, in Wisconsin, we have almost 2,000 samples that have not yet been analyzed, and more than 10,000 that need to be reanalyzed so they can be effectually shared through the national database.

Indeed, easing this backlog was the lead recommendation of the National Commission on the Future of DNA Evidence appointed by the Attorney General. As the Commission explained, ''the power of the CODIS program lies in the sheer numbers of convicted offender samples that are processed and entered into the database.''

Second, for some inexplicable reason, we do not collect samples from Federal and D.C. offenders. So while the database can identify a suspect whose DNA is on file in one of the 50 states, it generally won't catch a Federal or D.C. offender. Under current law, that suspect will not be identified; his crime may not be solved; and he could get off scot-free. We thought we already closed this loophole through 1996 legislation which provides that the FBI ''may expand [the database] to include Federal crimes and crimes committed in the District of Columbia,'' but Federal officials claim more express authority is necessary. We are not so sure they're right, but there is no need to wait any longer.

Our measure closes once and for all this loophole that allows DNA samples from Federal (including military) and

Washington, D.C. offenders to go uncollected. Under our proposal, DNA samples would be obtained from any Federal offender—or any D.C. offender under Federal custody or supervision—convicted of a violent crime or other qualifying offense. And it would require the collection of samples from juveniles found delinquent under Federal law for conduct that would constitute a violent crime if committed by an adult. Our proposal was prepared with the assistance of the FBI, the Administrative Office of the U.S. Courts, the Bureau of Prisons, the U.S. Parole Commission, agencies within the District of Columbia responsible for supervision of released felons, and the Department of Defense.

Mr. President, modern crime-fighting technology like DNA testing and DNA databases make law enforcement much more effective. But in order to take full advantage of these valuable resources, we need this measure to make the database as comprehensive—and as productive—as possible. Violent criminals should not be able to evade arrest simply because a state didn't analyze its DNA samples or because an inexcusable loophole leaves Federal and D.C. offenders out of the DNA database. This measure will ensure that we apprehend violent repeat offenders, regardless of whether they originally violated state, Federal or D.C. law. And, by collecting more DNA evidence and utilizing the best of DNA technology, we also can help exonerate individual suspects whose DNA does not match with particular crime scenes.

The Senate has already made clear that issues like these need to be addressed. In this year's Budget, we acknowledged that ''tremendous backlogs * * * prevent swift administration of justice and impede fundamental individual rights, such as the right to a speedy trial and to exculpatory evidence.'' We unanimously concluded that it was the Sense of the Senate that ''Congress should consider legislation that specifically addresses the backlogs in State and local crime laboratories and medical examiner's offices.''

Mr. President, this measure will help police use modern technology to solve crimes and prevent repeat offenders from committing new ones. So we look forward to working with our colleagues and with the Department of Justice to move this measure forward and help law enforcement keep pace with today's criminal.●

● Mr. DEWINE. Mr. President, today I rise to introduce the ''Violent Offender DNA Identification Act of 1999,'' with my colleague Senator HERB KOHL. Existing anti-crime technology can allow us to solve many violent crimes that occur in our communities—but in order for it to work, it has to be used.

I have been a longtime advocate for use of the Combined DNA Indexing System (CODIS), a national DNA database, to profile convicted offender DNA. In fact, during consideration of the Anti-Terrorism Act of 1996, I proposed a provision under which Federal convicted offenders' DNA would be included in CODIS. Unfortunately, the Department of Justice never implemented this law, though currently all 50 states collect DNA from convicted offenders.

One of the purposes of this legislation is to expressly require the collection of DNA samples from federally convicted felons, and military personnel convicted of similar offenses. Collection of convicted offender DNA is crucial to solving many of the crimes occurring in our communities. Statistics show that many of these violent felons will repeat their crimes once they are back in society. Since the Federal government does not collect DNA from these felons, however, law enforcement's ability to rapidly identify likely suspects is retarded. Collection of such data is critical.

The case of Mrs. Debbie Smith of Virginia underscores the importance of collection of DNA from convicted offenders. Debbie Smith was at her home in the middle of the day when a masked intruder entered her unlocked back door. Her husband, a police lieutenant, was upstairs sleeping. The stranger blindfolded Mrs. Smith and took her to a wooded area behind her house where he robbed and repeatedly raped her. After warning Mrs. Smith not to tell, the assailant let her go. She told her husband, who reported the incident, then took her to the hospital where evidence was collected for DNA analysis.

Debbie Smith's rape experience was so terrible that she contemplated taking her own life. She continued to live in constant fear until six-and-a-half years later when a state crime laboratory found a CODIS match with an inmate then serving in jail for abduction and robbery. In fact, the offender was jailed on another offense one month after raping her. There are thousands of other crimes the DNA database can solve. With CODIS we can grant countless victims, like Mrs. Smith, peace of mind and bring their attackers swiftly to justice.

We need to do everything we can to make sure law enforcement has access to these tools. A major obstacle facing state and local crime laboratories are the backlogs of convicted offender samples. The Federal Bureau of Investigation estimates that there are about 450,000 convicted offender samples in state and local laboratories awaiting analysis. Increasing demand for DNA analysis in active cases, and limited resources, are reducing the ability of state and local crime laboratories to analyze their convicted offender backlogs. While I introduced, and Congress passed, the Crime Identification Technology Act of 1998 to address the long-term needs of crime laboratories, many crime laboratories need immediate assistance to address their short-term backlogs that will help law enforcement solve crime.

This bill would provide about $30 million, over 4 years, to help state and local crime laboratories address their convicted offender backlogs. We are asking the FBI to work with private, state and local laboratories to organize regional laboratories to analysis backlogged State and local convicted offender samples. While we have considered many ways to address the backlog of convicted offender samples in state and local laboratories, we believe that the approach outlined in this legislation provides the fastest, most cost-effective and efficient method of eliminating the backlog.

Violent criminals should not be able to evade responsibility simply because a state lacks the resources to analyze their DNA samples, or because a loophole excludes certain Federal offenders from our national database. This legislation would be a huge asset for our local law enforcers in their day-to-day fight against crime. I thank Senator KOHL for his efforts.●

---

By Mr. SANTORUM (for himself and Mr. SPECTER):

S. 905. A bill to establish the Lackawanna Valley American Heritage Area; to the Committee on Energy and Natural Resources

LACKAWANNA VALLEY AMERICAN HERITAGE AREA ACT OF 1999

Mr. SANTORUM. Mr. President, I rise today to introduce a bill that would establish the Lackawanna Valley American Heritage Area. This legislation recognizes the significance of Pennsylvania's Lackawanna Valley, the site of the first state heritage park in the Commonwealth of Pennsylvania.

Nearly nine years ago, people in the Lackawanna Valley pursued their vision to recognize the cultural, historical, natural, and recreational values that existed within the region. As such, partnerships were formed among federal, state, and local governments, in addition to local business interests, to move this idea forward. As those partnerships evolved, that cooperation produced ''The Plan for the Lackawanna Heritage Valley.''

With the credo of ''community development through partnerships,'' the LHVA began developing a wide agenda of community projects that would come to define the term ''heritage park.'' Specifically, the LHVA was instrumental in creating the National Institute of Environmental Renewal, a ''living laboratory'' founded with the intention of identification and clean-up of the Lackawanna Valley's scarred industrial landscape. Through an adaptive re-use of a former school building, there now exists a 100,000 square foot

Education and Training, Research and Development, and Technology Transfer Center.

Other projects taken on by the Authority include: construction of the Lackawanna Trolley Museum; designation of the Lackawanna River Heritage Trail; development of the Olyphant Elementary School housing project; and the ''Young People's Heritage Festival.'' One of the most significant undertakings by LHVA partners has been a research document commissioned by the National park Service and the PA Historical and Museum Commission. The study, ''Anthracite Coal in Pennsylvania: an Industry and a Region,'' concludes that, ''the anthracite industry of northeastern Pennsylvania played a critical role in the expansion of the American economy during the second quarter of the nineteenth century.''

The legislation that I am introducing today, with the support of Senator SPECTER, encourages the continuation of local interest by demonstrating the federal government's commitment to preserving the unique heritage of the Lackawanna Valley. It would require the Lackawanna Heritage Valley Authority to enter a compact with the Secretary of the Interior to establish Heritage Area boundaries, and to prepare and implement a management plan within three years. This plan would inventory resources and recommend policies for resource management interpretation. Further, based on the criteria of other Heritage Areas established by the Omnibus Parks and Public Lands Management Act of 1996, this bill requires that federal funds provided under this bill do not exceed 50 percent of the total cost of the program.

Mr. President, this legislation is a culmination of the hard work and diligence of many parties interested in preserving the cultural and natural resources of the Lackawanna Valley. I believe this bill represents the positive impact public and private institutions can have when given the opportunity for collaboration.

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

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

S. 905

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Lackawanna Valley American Heritage Area Act of 1999''.

**SEC. 2. FINDINGS AND PURPOSES.**

(a) FINDINGS.—Congress finds that—

(1) the industrial and cultural heritage of northeastern Pennsylvania, including Lackawanna County, Luzerne County, Wayne County, and Susquehanna County, related directly to anthracite and anthracite-related industries, is nationally significant;

(2) the industries referred to in paragraph (1) include anthracite mining, ironmaking, textiles, and rail transportation;

(3) the industrial and cultural heritage of the anthracite and anthracite-related industries in the region described in paragraph (1) includes the social history and living cultural traditions of the people of the region;

(4) the labor movement of the region played a significant role in the development of the Nation, including—

(A) the formation of many major unions such as the United Mine Workers of America; and

(B) crucial struggles to improve wages and working conditions, such as the 1900 and 1902 anthracite strikes;

(5)(A) the Secretary of the Interior is responsible for protecting the historical and cultural resources of the United States; and

(B) there are significant examples of those resources within the region described in paragraph (1) that merit the involvement of the Federal Government to develop, in cooperation with the Lackawanna Heritage Valley Authority, the Commonwealth of Pennsylvania, and local and governmental entities, programs and projects to conserve, protect, and interpret this heritage adequately for future generations, while providing opportunities for education and revitalization; and

(6) the Lackawanna Heritage Valley Authority would be an appropriate management entity for a Heritage Area established in the region described in paragraph (1).

(b) PURPOSES.—The purposes of the Lackawanna Valley American Heritage Area and this Act are—

(1) to foster a close working relationship among all levels of government, the private sector, and the local communities in the anthracite coal region of northeastern Pennsylvania and enable the communities to conserve their heritage while continuing to pursue economic opportunities; and

(2) to conserve, interpret, and develop the historical, cultural, natural, and recreational resources related to the industrial and cultural heritage of the 4-county region described in subsection (a)(1).

**SEC. 3. DEFINITIONS.**

In this Act:

(1) HERITAGE AREA.—The term ''Heritage Area'' means the Lackawanna Valley American Heritage Area established by section 4.

(2) MANAGEMENT ENTITY.—The term ''management entity'' means the management entity for the Heritage Area specified in section 4(c).

(3) MANAGEMENT PLAN.—The term ''management plan'' means the management plan for the Heritage Area developed under section 6(b).

(4) PARTNER.—The term ''partner'' means—

(A) a Federal, State, or local governmental entity; and

(B) an organization, private industry, or individual involved in promoting the conservation and preservation of the cultural and natural resources of the Heritage Area.

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

**SEC. 4. LACKAWANNA VALLEY AMERICAN HERITAGE AREA.**

(a) ESTABLISHMENT.—There is established the Lackawanna Valley American Heritage Area.

(b) BOUNDARIES.—The Heritage Area shall be comprised of all or parts of Lackawanna County, Luzerne County, Wayne County, and Susquehanna County, Pennsylvania, determined in accordance with the compact under section 5.

(c) MANAGEMENT ENTITY.—The management entity for the Heritage Area shall be the Lackawanna Heritage Valley Authority.

**SEC. 5. COMPACT.**

(a) IN GENERAL.—To carry out this Act, the Secretary shall enter into a compact with the management entity.

(b) CONTENTS OF COMPACT.—The compact shall include information relating to the objectives and management of the area, including—

(1) a delineation of the boundaries of the Heritage Area; and

(2) a discussion of the goals and objectives of the Heritage Area, including an explanation of the proposed approach to conservation and interpretation and a general outline of the protection measures committed to by the partners.

**SEC. 6. AUTHORITIES AND DUTIES OF MANAGEMENT ENTITY.**

(a) AUTHORITIES OF MANAGEMENT ENTITY.—The management entity may, for the purposes of preparing and implementing the management plan, use funds made available under this Act—

(1) to make loans and grants to, and enter into cooperative agreements with, any State or political subdivision of a State, private organization, or person; and

(2) to hire and compensate staff.

(b) MANAGEMENT PLAN.—

(1) IN GENERAL.—The management entity shall develop a management plan for the Heritage Area that presents comprehensive recommendations for the conservation, funding, management, and development of the Heritage Area.

(2) CONSIDERATION OF OTHER PLANS AND ACTIONS.—The management plan shall—

(A) take into consideration State, county, and local plans;

(B) involve residents, public agencies, and private organizations working in the Heritage Area; and

(C) include actions to be undertaken by units of government and private organizations to protect the resources of the Heritage Area.

(3) SPECIFICATION OF FUNDING SOURCES.—The management plan shall specify the existing and potential sources of funding available to protect, manage, and develop the Heritage Area.

(4) OTHER REQUIRED ELEMENTS.—The management plan shall include the following:

(A) An inventory of the resources contained in the Heritage Area, including a list of any property in the Heritage Area that is related to the purposes of the Heritage Area and that should be preserved, restored, managed, developed, or maintained because of its historical, cultural, natural, recreational, or scenic significance.

(B) A recommendation of policies for resource management that considers and details application of appropriate land and water management techniques, including the development of intergovernmental cooperative agreements to protect the historical, cultural, natural, and recreational resources of the Heritage Area in a manner that is consistent with the support of appropriate and compatible economic viability.

(C) A program for implementation of the management plan by the management entity, including—

(i) plans for restoration and construction; and

(ii) specific commitments of the partners for the first 5 years of operation.

(D) An analysis of ways in which local, State, and Federal programs may best be coordinated to promote the purposes of this Act.

(E) An interpretation plan for the Heritage Area.

(5) SUBMISSION TO SECRETARY FOR APPROVAL.—

(A) IN GENERAL.—Not later than the last day of the 3-year period beginning on the date of enactment of this Act, the management entity shall submit the management plan to the Secretary for approval.

(B) EFFECT OF FAILURE TO SUBMIT.—If a management plan is not submitted to the Secretary by the day referred to in subparagraph (A), the Secretary shall not, after that day, provide any grant or other assistance under this Act with respect to the Heritage Area until a management plan for the Heritage Area is submitted to the Secretary.

(c) DUTIES OF MANAGEMENT ENTITY.—The management entity shall—

(1) give priority to implementing actions specified in the compact and management plan, including steps to assist units of government and nonprofit organizations in preserving the Heritage Area;

(2) assist units of government and nonprofit organizations in—

(A) establishing and maintaining interpretive exhibits in the Heritage Area;

(B) developing recreational resources in the Heritage Area;

(C) increasing public awareness of and appreciation for the historical, natural, and architectural resources and sites in the Heritage Area; and

(D) restoring historic buildings that relate to the purposes of the Heritage Area;

(3) encourage economic viability in the Heritage Area consistent with the goals of the management plan;

(4) encourage local governments to adopt land use policies consistent with the management of the Heritage Area and the goals of the management plan;

(5) assist units of government and nonprofit organizations to ensure that clear, consistent, and environmentally appropriate signs identifying access points and sites of interest are placed throughout the Heritage Area;

(6) consider the interests of diverse governmental, business, and nonprofit groups within the Heritage Area;

(7) conduct public meetings not less often than quarterly concerning the implementation of the management plan;

(8) submit substantial amendments (including any increase of more than 20 percent in the cost estimates for implementation) to the management plan to the Secretary for the Secretary's approval; and

(9) for each year in which Federal funds have been received under this Act—

(A) submit a report to the Secretary that specifies—

(i) the accomplishments of the management entity;

(ii) the expenses and income of the management entity; and

(iii) each entity to which any loan or grant was made during the year;

(B) make available to the Secretary for audit all records relating to the expenditure of such funds and any matching funds; and

(C) require, with respect to all agreements authorizing expenditure of Federal funds by other organizations, that the receiving organizations make available to the Secretary for audit all records concerning the expenditure of such funds.

(d) USE OF FEDERAL FUNDS.—

(1) FUNDS MADE AVAILABLE UNDER THIS ACT.—The management entity shall not use Federal funds received under this Act to acquire real property or any interest in real property.

(2) FUNDS FROM OTHER SOURCES.—Nothing in this Act precludes the management entity from using Federal funds obtained through law other than this Act for any purpose for which the funds are authorized to be used.

**SEC. 7. DUTIES AND AUTHORITIES OF FEDERAL AGENCIES.**

(a) TECHNICAL AND FINANCIAL ASSISTANCE.—

(1) IN GENERAL.—

(A) PROVISION OF ASSISTANCE.—The Secretary may, at the request of the management entity, provide technical and financial assistance to the management entity to develop and implement the management plan.

(B) PRIORITY IN ASSISTANCE.—In assisting the management entity, the Secretary shall give priority to actions that assist in—

(i) conserving the significant historical, cultural, and natural resources that support the purposes of the Heritage Area; and

(ii) providing educational, interpretive, and recreational opportunities consistent with the resources and associated values of the Heritage Area.

(2) EXPENDITURES FOR NON-FEDERALLY OWNED PROPERTY.—

(A) IN GENERAL.—To further the purposes of this Act, the Secretary may expend Federal funds directly on non-federally owned property, especially for assistance to units of government relating to appropriate treatment of districts, sites, buildings, structures, and objects listed or eligible for listing on the National Register of Historic Places.

(B) STUDIES.—The Historic American Buildings Survey/Historic American Engineering Record shall conduct such studies as are necessary to document the industrial, engineering, building, and architectural history of the Heritage Area.

(b) APPROVAL AND DISAPPROVAL OF MANAGEMENT PLANS.—

(1) IN GENERAL.—The Secretary, in consultation with the Governor of the Commonwealth of Pennsylvania, shall approve or disapprove a management plan submitted under this Act not later than 90 days after receipt of the management plan.

(2) ACTION FOLLOWING DISAPPROVAL.—

(A) IN GENERAL.—If the Secretary disapproves a management plan, the Secretary shall advise the management entity in writing of the reasons for the disapproval and shall make recommendations for revisions to the management plan.

(B) DEADLINE FOR APPROVAL OF REVISION.—The Secretary shall approve or disapprove a proposed revision within 90 days after the date on which the revision is submitted to the Secretary.

(c) APPROVAL OF AMENDMENTS.—

(1) REVIEW.—The Secretary shall review substantial amendments (as determined under section 6(c)(8)) to the management plan for the Heritage Area.

(2) REQUIREMENT OF APPROVAL.—Funds made available under this Act shall not be expended to implement the amendments described in paragraph (1) until the Secretary approves the amendments.

**SEC. 8. SUNSET PROVISION.**

The Secretary shall not provide any grant or other assistance under this Act after September 30, 2012.

**SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

(a) IN GENERAL.—There is authorized to be appropriated to carry out this Act $10,000,000, except that not more than $1,000,000 may be appropriated to carry out this Act for any fiscal year.

(b) 50 PERCENT MATCH.—The Federal share of the cost of activities carried out using any assistance or grant under this Act shall not exceed 50 percent.

By Mr. ABRAHAM:

S. 906. A bill to establish a grant program to enable States to establish and maintain pilot drug testing and drug treatment programs for welfare recipients engaging in illegal drug use, and for other purposes; to the Committee on Finance.

DRUG TESTING AND TREATMENT FOR WELFARE RECIPIENTS ACT OF 1999

Mr. ABRAHAM. Mr. President, I rise to introduce the Drug Testing and Treatment for Welfare Recipients Act of 1999. This legislation would establish a pilot program encouraging up to 5 States to implement drug testing and treatment programs for people receiving assistance through the Temporary Assistance to Needy Families Block Grant (TANF); the AFDC replacement established through the 1996 welfare reform law. It would fund these programs through three year competitive grants, providing States with the resources and flexibility they need to establish the most effective drug testing and treatment programs for their communities.

Mr. President, across the Nation, welfare caseloads are dropping. More and more welfare recipients are working to provide for their families and moving closer to complete independence from public assistance. According to the Congressional Research Service, in March of 1994 5.1 million families received assistance through the Aid to Families with Dependent Children program (AFDC). By September of 1998, those numbers had dropped to 2.9 million families receiving assistance through the Temporary Assistance to Needy Families (TANF) block grant program.

This 43% decline in the welfare caseload is encouraging. But it should not stop our efforts to help those hard-to-serve cases still on the rolls. Individuals who continue to receive welfare payments face daunting barriers to employment. One such barrier is drug addiction. People who are addicted to drugs have great trouble concentrating, keeping set schedules and maintaining basic order in their lives. For them, steady employment is often simply out of reach.

According to the Administration's Office of National Drug Control Policy, drug abuse has plagued America for over a century. It has torn families apart, regardless of socio-economic background as it has destroyed individual lives and spawned crime and social breakdown. Drugs pose a threat to the individual, the family, and the community. Individuals dependent on illegal substances cannot take care of themselves, much less their children, and drug dependence often leads to other crimes. Desperate to feed their addiction, abusers are often forced into theft, assault, or even worse crimes in the search for that next hit.

Today, an estimated 12.8 million Americans use illegal drugs. Approximately 45% of Americans know someone with a substance abuse problem. And the problem is particularly acute among young people preparing to enter adult life and the adult workforce. 25 percent of 12th graders still use illegal drugs regularly, as do 20 percent of 10th graders and 12 percent of 8th graders.

To combat the debilitating effects of drugs on addicts and those around them, this bill would enable States to fund drug testing and treatment programs for welfare recipients in their communities. It would do this by establishing a three year competitive grant program. States would apply for this grant by submitting a drug testing and treatment plan for their welfare recipients. The Secretary of Health and Human Services would then award the grant to up to 5 states in the amount of $1.5 million per year per state for three years, bringing the total cost of this grant program to $22.5 million.

The award decision will be based on two factors: (1) the need and ability of the State to address drug abuse by welfare recipients and (2) the ability of the State to continue such testing and treatment programs after the 3 year grant subsidies. Upon receiving the grant, States would be required to distribute the monies to entities already receiving funds through the Federal Substance Abuse Prevention and Treatment block grant (SAPT), the primary tool the federal government uses to support State substance abuse prevention and treatment programs. The States may allocate the funds in any manner they deem appropriate to establish programs that best serve their communities.

Mr. President, we often talk about breaking the cycle of poverty, and I believe that goes hand in hand with winning the drug war. I would like to read a brief quotation from the Administration's Office of National Drug Control Policy's National Drug Control Strategy. I think it makes an important point: ''While drug use and its consequences threaten Americans of every socio-economic background * * * the effects of drug use are often felt disproportionally. Neighborhoods where illegal drug markets flourish are plagued by attendant crime and violence.'' I have always been a strong advocate of community renewal and I truly believe that when we begin building drug-free families, safer streets, safer communities and more opportunities for our nation's economically disadvantaged will follow.

Treatment for welfare recipients engaged in illegal drug use is the most important form of assistance they will ever receive. The Office of National Drug Control Policy points out that ''Americans who lack comprehensive health plans and have smaller incomes may be less able to afford treatment programs to overcome drug dependence.''

Mr. President, this bill would put drug treatment dollars in the hands of those who need it most. States need these funds to help finance more comprehensive treatment programs not covered by Medicaid. Comprehensive services are desperately needed for the most serious victims of drug abuse. This grant program constitutes a small investment that would encourage States to address drug abuse by welfare recipients, further reducing rates of welfare dependency and other social problems related to drug addiction.

Ultimately, our goal is to help individuals provide for their families and achieve independence by breaking the cycle of dependency. This legislation will help significantly in that effort and I encourage my colleagues to give it their support.

Mr. President, I ask unanimous consent that the bill and a section-by-section analysis be printed in the RECORD.

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

S. 906

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Drug Testing and Treatment for Welfare Recipients Act of 1999''.

**SEC. 2. PURPOSE.**

The purpose of this Act is to create a grant program that assists States in establishing and maintaining pilot drug testing and drug treatment programs for welfare recipients who have a commitment to overcoming their substance abuse problems and are in acute need of overcoming such problems.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) DRUG.—The term ''drug'' means a drug within the meaning of subpart II of part B of title XIX of the Public Health Service Act (42 U.S.C. 300x-21 et seq.).

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

(3) WELFARE AGENCY.—The term ''welfare agency'' means a State agency carrying out a program described in paragraph (4).

(4) WELFARE RECIPIENT.—The term ''welfare recipient'' means an individual in a State who is receiving assistance under the State temporary assistance for needy families program established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

**SEC. 4. PROGRAM AUTHORIZED.**

The Secretary may award grants to States to establish and maintain pilot drug testing programs and drug treatment programs for welfare recipients in each State that receives a grant.

**SEC. 5. APPLICATIONS.**

(a) IN GENERAL.—To be eligible to receive a grant under this Act, a State shall submit an application to the Secretary.

(b) CONTENTS.—Each application submitted pursuant to subsection (a) shall—

(1) describe a program to provide drug testing for welfare recipients in the State; and

(2) describe a drug treatment program for welfare recipients in the State that provides treatment if such a recipient receives a positive result on a test described in paragraph (1).

**SEC. 6. CRITERIA FOR AWARD OF GRANTS.**

(a) IN GENERAL.—The Secretary shall award grants to eligible States under section 4 on a competitive basis in accordance with the criteria set out in subsection (b).

(b) CRITERIA.—The Secretary shall award grants to eligible States based on the following criteria:

(1) The need and ability of a State to address drug use by welfare recipients.

(2) The ability of the State to continue the State programs established under this Act after the grant program established under this Act is concluded.

**SEC. 7. AWARDS.**

(a) AMOUNT OF GRANT.—The Secretary shall award a grant under this Act in the amount of $1,500,000 per year.

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

(c) LIMITATION ON NUMBER OF GRANTS.—The Secretary shall award grants under this Act to not more than 5 States.

**SEC. 8. USE OF FUNDS.**

(a) IN GENERAL.—A State that receives a grant under this Act shall use the funds made available through the grant to establish and maintain the programs described in the application submitted by the State under section 5.

(b) DISTRIBUTION BY STATES.—Each State receiving a grant under this Act shall distribute grant funds only to entities that are receiving assistance under subpart II of part B of title XIX of the Public Health Service Act (42 U.S.C. 300x-21 et seq.).

**SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated such sums as may be necessary to carry out this Act.

---

DRUG TESTING AND TREATMENT FOR WELFARE RECIPIENTS ACT OF 1999—SECTION-BY-SECTION ANALYSIS

A bill to establish a grant program to enable States to establish and maintain pilot drug testing and drug treatment programs for welfare recipients engaging in illegal drug use, and for other purposes.

*Section 1. Short Title.*

The act may be cited as the ''Drug Testing and Treatment for Welfare Recipients Act of 1999''.

*Section 2. Purpose.*

The purpose of this Act is to create a grant program that assists States in establishing and maintaining pilot drug testing and drug treatment programs for welfare recipients that have an acute and intensive need in overcoming drug abuse.

*Section 3. Definitions.*

This section defines various terms used in the bill. Significantly, for the purposes of this legislation, a welfare recipient is defined as an individual receiving assistance under the State temporary assistance for needy families (TANF) grant program. A welfare agency is any State agency that carries out the TANF program.

*Section 4. Program Authorized.*

This section states that the Secretary of Health and Human Services may award grants to States to establish and maintain pilot drug testing and treatment programs in each State receiving the grant.

*Section 5. Applications.*

To receive a grant, a State must submit an application to the Secretary of Health and

Human Services that describes a program to provide drug testing and treatment for welfare recipients in the State.

*Section 6. Criteria for award of grants.*

These grants will be awarded on a competitive basis and shall be based on the need and ability of the State to address drug use by welfare recipients and the ability of the State to continue such testing and treatment programs after this Act sunsets.

*Section 7. Awards.*

The Secretary will award the grant to no more than 5 States. Each grant will be $1.5 million dollars per year for three years. That brings the total cost of this Act to $22.5 million dollars.

*Section 8. Use of Funds.*

The State shall distribute grant funds to those entities that currently receive federal funding in the form of the Substance Abuse Prevention and Treatment block grant (SAPT). The grant money, which will be allotted in amounts determined solely by the States, will be used for treatment purposes.

*Section 9. Authorization of Appropriations.*

This section authorizes to be appropriated such sums as may be necessary to carry out this Act.

---

By Mr. SMITH of New Hampshire:

S. 907. A bill to protect the right to life of each born and preborn human person in existence at fertilization; to the Committee on the Judiciary.

RIGHT TO LIFE ACT OF 1999

Mr. SMITH of New Hampshire. Mr. President, I rise today to introduce the Right to Life Act of 1999.

Our Nation's founding document, the Declaration of Independence, declared for all the world that we hold it to be self-evident that the right to life comes from God and that it is unalienable. Life itself, the Declaration held, is the fundamental right without which the rights to liberty and the pursuit of happiness have to meaning. As the author of the Declaration, Thomas Jefferson, later wrote, ''The care of human life and not its destruction . . . is the first and only object of good government.''

Almost 200 years after the Declaration of Independence, however, in 1973, the United States Supreme Court violated its most sacred principle. In Roe versus Wade, the Supreme Court held that the entire class of unborn children—from fertilization to birth—have no right to life and may be destroyed at will. In subsequent cases, the Court has zealously guarded the right to abortion that it created. The Court has repeatedly rejected all meaningful attempts by the States to protect the unalienable right to life of unborn children.

Those of us who proudly count ourselves to be members of the right-to-life movement must not lose sight of our ultimate goal. Our objective is to keep the Declaration's promise by reversing Roe versus Wade and restoring to unborn children their God-given right to life. In order to keep that hope alive in the Senate, I am introducing today the ''Right to Life Act of 1999.''

My bill first sets forth several findings of Congress regarding the fundamental right to life and the tragic constitutional errors of Roe versus Wade. Based on these findings and in the exercise of the powers of the Congress under Article I, Section 8, of the Constitution, and Section 5 of the Fourteenth Amendment to the Constitution, my bill establishes that ''the right to life guaranteed by the Constitution is vested in each human being at fertilization.''

Mr. President, I ask unanimous consent that the text of my bill, the ''Right to Life Act of 1999,'' be printed in the RECORD.

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

S. 907

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Right to Life Act of 1999''.

SEC. 2. The Congress finds that—

(1) we, as a Nation, have declared that the unalienable right to life endowed by Our Creator is guaranteed by our Constitution for each human person:

(2) the Supreme Court, in *Roe* v. *Wade* (410 U.S. 113 at 159), stated: ''We need not resolve the difficult question of when life begins . . . the judiciary at this point in the development of man's knowledge, is not in a position to speculate as to the answer . . .'';

(3) the Supreme Court, in *Roe* v. *Wade* (410 U.S. 113 at 156–157), stated: ''If this suggestion of personhood is established, the appellant's case, of course, collapses, for the fetus' right to life is then guaranteed specifically by the [Fourteenth] Amendment . . .'';

(4) the Supreme Court, in *Roe* v. *Wade* stated that the privacy right is not absolute, and stated (410 U.S. 113, at 159) that: ''The pregnant woman cannot be isolated in her privacy. She carries an embryo and, later, a fetus. . . . The woman's privacy is no longer sole and any right of privacy she possesses must be measured accordingly.'';

(5) a human father and mother beget a human offspring when the father's sperm fertilizes the mother's ovum, and the life of each preborn human person begins at fertilization;

(6) there is no justification for any Federal, State, or private action intentionally to kill an innocent born or preborn human person, and that Federal, State, and private action must assure equal care and protection for the right to life of both a pregnant mother and her preborn child in existence at fertilization;

(7) Americans and our society suffer from the evils of killing even one innocent born or preborn human person, and each day suffer the torture and slaughter of an estimated 4,000 preborn persons;

(8) the intentional killing of preborn human persons occurs in Federal enclaves, in interstate commerce activities, and in the States, estimated at 1,500,000 per year and 33,000,000 since 1973; and

(9) the violence of intentionally killing a preborn human person has provoked more violence, carnage, and conflict reaching into homes, schools, churches, workplaces and lives of Americans.

**SEC. 3. RIGHT TO LIFE.**

Upon the basis of these findings and in the exercise of duty, authority, and powers of the Congress, including its power under Article I, Section 8, to make necessary and proper laws, and including its power under section 5 of the 14th article of amendment to the Constitution of the United States, the Congress hereby declares that the right to life guaranteed by the Constitution is vested in each human being at fertilization.

**SEC. 4. DEFINITION OF STATE.**

For the purpose of this Act, the term ''State'' used in the 14th article of amendment to the Constitution of the United States and other applicable provisions of the Constitution includes the District of Columbia, the Commonwealth of Puerto Rico, and each other territory or possession of the United States.

---

By Mr. DORGAN:

S. 908. A bill to establish a comprehensive program to ensure the safety of food products intended for human consumption that are regulated by the Food and Drug Administration, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

CONSUMER FOOD SAFETY ACT OF 1999

Mr. DORGAN. Mr. President, I am introducing legislation Wednesday to improve the safety of the nation's food supply, by increasing educational efforts for food processors and handlers and the frequency of inspections for some of them. The bill also establishes new mechanisms for identifying food processors and handlers who originate contaminated food in order to improve federal recall and food safety law enforcement action.

Farmers produce high quality products and expect them to reach the consumer with the same high quality standards observed. Farmers and consumers both have an interest in assuring the unquestioned safety of our food.

The new global economy is another reason for strengthening the nations' food safety laws. With the new global economy, we have food moving around the world without much understanding of where its coming from, who produced it, and under what conditions. I think it calls for a much more rigorous food inspections, not only for the safety of consumers, but to safeguard the reputation of the products our farmers produce.

Another important feature of the bill is new authority for inspection of food and food products at the border as they enter the United States from foreign countries, and in some cases inspections at food processing plants located in foreign countries.

A similar bill will be introduced shortly in the U.S. House by Representative FRANK PALLONE (D–NJ), underscoring the urban-rural, producer-consumer nature of the new drive for improved food safety laws.

ADDITIONAL COSPONSORS

S. 39

At the request of Mr. STEVENS, the name of the Senator from Utah (Mr. HATCH) was added as a cosponsor of S. 39, a bill to provide a national medal for public safety officers who act with extraordinary valor above the call of duty, and for other purposes.

S. 241

At the request of Mr. JOHNSON, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 241, a bill to amend the Federal Meat Inspection Act to provide that a quality grade label issued by the Secretary of Agriculture for beef and lamb may not be used for imported beef or imported lamb.

S. 242

At the request of Mr. JOHNSON, the names of the Senator from South Dakota (Mr. DASCHLE) and the Senator from Florida (Mr. GRAHAM) were added as cosponsors of S. 242, a bill to amend the Federal Meat Inspection Act to require the labeling of imported meat and meat food products.

S. 303

At the request of Mr. MCCAIN, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 303, a bill to amend the Communications Act of 1934 to enhance the ability of direct broadcast satellite and other multichannel video providers to compete effectively with cable television systems, and for other purposes.

S. 401

At the request of Mr. CAMPBELL, the name of the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of S. 401, a bill to provide for business development and trade promotion for native Americans, and for other purposes.

S. 443

At the request of Mr. LAUTENBERG, the names of the Senator from Rhode Island (Mr. CHAFEE) and the Senator from Florida (Mr. GRAHAM) were added as cosponsors of S. 443, a bill to regulate the sale of firearms at gun shows.

S. 472

At the request of Mr. GRASSLEY, the name of the Senator from Virginia (Mr. ROBB) was added as a cosponsor of S. 472, a bill to amend title XVIII of the Social Security Act to provide certain medicare beneficiaries with an exemption to the financial limitations imposed on physical, speech-language pathology, and occupational therapy services under part B of the medicare program, and for other purposes.

S. 512

At the request of Mr. GORTON, the names of the Senator from Michigan (Mr. ABRAHAM), the Senator from Minnesota (Mr. WELLSTONE), and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of S. 512, a bill to amend the Public Health Service Act to provide for the expansion, intensification, and coordination of the activities of the Department of Health and Human Services with respect to research on autism.

S. 514

At the request of Mr. COCHRAN, the names of the Senator from Maine (Ms. COLLINS), the Senator from Hawaii (Mr. AKAKA), and the Senator from California (Mrs. BOXER) were added as cosponsors of S. 514, a bill to improve the National Writing Project.

S. 517

At the request of Mr. GRAHAM, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 517, a bill to assure access under group health plans and health insurance coverage to covered emergency medical services.

S. 542

At the request of Mr. ABRAHAM, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 542, a bill to amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and allow a tax credit for donated computers.

S. 577

At the request of Mr. HATCH, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of S. 577, a bill to provide for injunctive relief in Federal district court to enforce State laws relating to the interstate transportation of intoxicating liquor.

S. 597

At the request of Mr. SMITH, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 597, a bill to amend section 922 of chapter 44 of title 28, United States Code, to protect the right of citizens under the Second Amendment to the Constitution of the United States.

S. 600

At the request of Mr. WELLSTONE, the names of the Senator from California (Mrs. FEINSTEIN) and the Senator from California (Mrs. BOXER) were added as cosponsors of S. 600, a bill to combat the crime of international trafficking and to protect the rights of victims.

S. 625

At the request of Mr. GRASSLEY, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of S. 625, a bill to amend title 11, United States Code, and for other purposes.

S. 631

At the request of Mr. DEWINE, the names of the Senator from North Carolina [Mr. HELMS] and the Senator from West Virginia [Mr. BYRD] were added as cosponsors of S. 631, a bill to amend the Social Security Act to eliminate the time limitation on benefits for immunosuppressive drugs under the medicare program, to provide continued entitlement for such drugs for certain individuals after medicare benefits end, and to extend certain medicare secondary payer requirements.

S. 638

At the request of Mr. BINGAMAN, the names of the Senator from Hawaii [Mr. AKAKA], and the Senator from Arkansas [Mr. HUTCHINSON] were added as cosponsors of S. 638, a bill to provide for the establishment of a School Security Technology Center and to authorize grants for local school security programs, and for other purposes.

S. 662

At the request of Mr. CHAFEE, the names of the Senator from New York [Mr. SCHUMER], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Arkansas [Mrs. LINCOLN], and the Senator from North Dakota [Mr. DORGAN] were added as cosponsors of S. 662, a bill to amend title XIX of the Social Security Act to provide medical assistance for certain women screened and found to have breast or cervical cancer under a federally funded screening program.

S. 697

At the request of Mrs. BOXER, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 697, a bill to ensure that a woman can designate an obstetrician or gynecologist as her primary care provider.

S. 721

At the request of Mr. GRASSLEY, the name of the Senator from Colorado [Mr. ALLARD] was added as a cosponsor of S. 721, a bill to allow media coverage of court proceedings.

S. 784

At the request of Mr. ROCKEFELLER, the names of the Senator from Illinois [Mr. DURBIN] and the Senator from New York [Mr. SCHUMER] were added as cosponsors of S. 784, a bill to establish a demonstration project to study and provide coverage of routine patient care costs for medicare beneficiaries with cancer who are enrolled in an approved clinical trial program.

S. 789

At the request of Mr. MCCAIN, the names of the Senator from Maine [Ms. SNOWE] and the Senator from Nevada [Mr. REID] were added as cosponsors of S. 789, a bill to amend title 10, United States Code, to authorize payment of special compensation to certain severely disabled uniformed services retirees.

S. 791

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 791, a bill to amend the Small Business Act with respect to the women's business center program.

S. 805

At the request of Mr. DURBIN, the name of the Senator from California

[Mrs. BOXER] was added as a cosponsor of S. 805, a bill to amend title V of the Social Security Act to provide for the establishment and operation of asthma treatment services for children, and for other purposes.

S. 820

At the request of Mr. CHAFEE, the names of the Senator from Alabama [Mr. SHELBY] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 820, a bill to amend the Internal Revenue Code of 1986 to repeal the 4.3-cent motor fuel excise taxes on railroads and inland waterway transportation which remain in the general fund of the Treasury.

S. 836

At the request of Mr. SPECTER, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 836, a bill to amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require that group health plans and health insurance issuers provide women with adequate access to providers of obstetric and gynecological services.

S. 860

At the request of Mr. GRAHAM, the name of the Senator from South Dakota [Mr. JOHNSON] was added as a cosponsor of S. 860, a bill to require country of origin labeling of perishable agricultural commodities imported into the United States and to establish penalties for violations of the labeling requirements.

S. 878

At the request of Mr. TORRICELLI, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 878, a bill to amend the Federal Water Pollution Control Act to permit grants for the national estuary program to be used for the development and implementation of a comprehensive conservation and management plan, to reauthorize appropriations to carry out the program, and for other purposes.

SENATE JOINT RESOLUTION 2

At the request of Mr. KYL, the name of the Senator from Illinois [Mr. FITZGERALD] was added as a cosponsor of Senate Joint Resolution 2, a joint resolution proposing an amendment to the Constitution of the United States to require two-thirds majorities for increasing taxes.

SENATE JOINT RESOLUTION 3

At the request of Mr. KYL, the name of the Senator from Ohio [Mr. VOINOVICH] was added as a cosponsor of Senate Joint Resolution 3, a joint resolution proposing an amendment to the Constitution of the United States to protect the rights of crime victims.

SENATE CONCURRENT RESOLUTION 26

At the request of Mr. ASHCROFT, the names of the Senator from Georgia [Mr. COVERDELL] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of Senate Concurrent Resolution 26, a concurrent resolution expressing the sense of the Congress that the current Federal income tax deduction for interest paid on debt secured by a first or second home should not be further restricted.

SENATE RESOLUTION 22

At the request of Mr. CAMPBELL, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of Senate Resolution 22, a resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives serving as law enforcement officers.

SENATE RESOLUTION 29

At the request of Mr. ROBB, the names of the Senator from Missouri [Mr. BOND], the Senator from Kansas [Mr. BROWNBACK], the Senator from Montana [Mr. BURNS], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Idaho [Mr. CRAPO], the Senator from New Mexico [Mr. DOMENICI], the Senator from Wyoming [Mr. ENZI], the Senator from Illinois [Mr. FITZGERALD], the Senator from Washington [Mr. GORTON], the Senator from Texas [Mr. GRAMM], the Senator from Utah [Mr. HATCH], the Senator from Florida [Mr. MACK], the Senator from Arizona [Mr. MCCAIN], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Kansas [Mr. ROBERTS], the Senator from Alabama [Mr. SHELBY], the Senator from New Hampshire [Mr. SMITH], the Senator from Oregon [Mr. SMITH], the Senator from Wyoming [Mr. THOMAS], and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Resolution 29, a resolution to designate the week of May 2, 1999, as ''National Correctional Officers and Employees Week.''

SENATE RESOLUTION 34

At the request of Mr. TORRICELLI, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of Senate Resolution 34, a resolution designating the week beginning April 30, 1999, as ''National Youth Fitness Week.''

SENATE RESOLUTION 59

At the request of Mr. LAUTENBERG, the names of the Senator from Louisiana [Ms. LANDRIEU] and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of Senate Resolution 59, a resolution designating both July 2, 1999, and July 2, 2000, as ''National Literacy Day.''

SENATE RESOLUTION 71

At the request of Mr. ABRAHAM, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of Senate Resolution 71, a resolution expressing the sense of the Senate rejecting a tax increase on investment income of certain associations.

SENATE RESOLUTION 72

At the request of Mr. TORRICELLI, the names of the Senator from Nevada [Mr. REID], the Senator from Virginia [Mr. ROBB], the Senator from Minnesota [Mr. GRAMS], the Senator from Maryland [Mr. SARBANES], the Senator from Louisiana [Mr. BREAUX], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Colorado [Mr. CAMPBELL], the Senator from California [Mrs. BOXER], the Senator from Mississippi [Mr. COCHRAN], the Senator from North Carolina [Mr. EDWARDS], the Senator from Kentucky [Mr. BUNNING], the Senator from North Carolina [Mr. HELMS], the Senator from Delaware [Mr. ROTH], the Senator from North Dakota [Mr. DORGAN], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Oregon [Mr. WYDEN], the Senator from Georgia [Mr. COVERDELL], the Senator from Washington [Mrs. MURRAY], the Senator from Alabama [Mr. SESSIONS], the Senator from Illinois [Mr. DURBIN], the Senator from Montana [Mr. BURNS], the Senator from Massachusetts [Mr. KERRY], the Senator from Missouri [Mr. ASHCROFT], the Senator from Nevada [Mr. BRYAN], the Senator from Michigan [Mr. ABRAHAM], the Senator from Georgia [Mr. CLELAND], the Senator from South Carolina [Mr. THURMOND], the Senator from Hawaii [Mr. AKAKA], the Senator from Connecticut [Mr. DODD], the Senator from California [Mrs. FEINSTEIN], the Senator from Wisconsin [Mr. KOHL], the Senator from Nebraska [Mr. KERREY], the Senator from Missouri [Mr. BOND], the Senator from Florida [Mr. GRAHAM], the Senator from Vermont [Mr. LEAHY], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Arizona [Mr. MCCAIN], the Senator from New Mexico [Mr. DOMENICI], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Tennessee [Mr. FRIST], the Senator from Indiana [Mr. LUGAR], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Illinois [Mr. FITZGERALD], the Senator from South Dakota [Mr. JOHNSON], and the Senator from Maryland [Ms. MIKULSKI] were added as cosponsors of Senate Resolution 72, a resolution designating the month of May in 1999 and 2000 as ''National ALS Awareness Month.''

SENATE RESOLUTION 84

At the request of Ms. SNOWE, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of Senate Resolution 84, a resolution to designate the month of May, 1999, as ''National Alpha 1 Awareness Month.''

## SENATE RESOLUTION 88—RELATIVE TO THE DEATH OF THE HONORABLE ROMAN L. HRUSKA, FORMERLY A SENATOR FROM THE STATE OF NEBRASKA

Mr. HAGEL (for himself and Mr. KERREY) submitted the following resolution; which was considered and agreed to:

S. RES. 88

*Resolved,* That the Senate has heard with profound sorrow and deep regret the announcement of the death of the Honorable Roman L. Hruska, formerly a Senator from the State of Nebraska.

*Resolved,* That the Secretary of the Senate communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

*Resolved,* That when the Senate adjourns today, it stand adjourned as a further mark of respect to the memory of the deceased Senator.

## SENATE RESOLUTION 89—DESIGNATING THE HENRY CLAY DESK IN THE SENATE CHAMBER FOR ASSIGNMENT TO THE SENIOR SENATOR FROM KENTUCKY AT THAT SENATOR'S REQUEST

Mr. MCCONNELL submitted the following resolution; which was considered and agreed to:

S. RES. 89

*Resolved,* That during the One Hundred Sixth Congress and each Congress thereafter, the desk located within the Senate Chamber and used by Senator Henry Clay shall, at the request of the senior Senator from the State of Kentucky, be assigned to that Senator for use in carrying out his or her senatorial duties during that Senator's term of office.

## AMENDMENTS SUBMITTED

### Y2K ACT

### LEAHY AMENDMENT NO. 273

Mr. LEAHY submitted an amendment intended to be proposed by him to the bill (S.96) to regulate commerce between and among the several States by providing for the orderly resolution of disputes arising out of computer-based problems related to processing data that includes a 2-digit expression of that year's date; as follows:

At the appropriate place, insert the following:

**SEC. . EXCLUSION FOR CONSUMERS.**

(a) CONSUMER ACTIONS.—This does not apply to any Y2K action brought by a consumer.

(b) DEFINITIONS.—In this section:

(1) CONSUMER.—The term ''consumer'' means an individual who acquires a consumer product for purposes other than resale.

(2) CONSUMER PRODUCT.—The ''consumer product'' means any personal property or service which is normally used for personal, family, or household purposes.

### INHOFE AMENDMENT NO. 274

(Ordered to lie on the table.)

Mr. INHOFE submitted an amendment intended to be proposed by him to the bill, S. 96, supra; as follows:

On page 11, between lines 10 and 11, insert the following:

(f) APPLICATION TO ACTIONS DESCRIBED IN SECTION 3(1)(C).—

(1) IN GENERAL.—This Act applies, as provided in this subsection to actions by a government entity described in section 3(1)(C).

(2) DEFINITIONS.—In this subsection:

(A) DEFENDANT.—

(i) IN GENERAL.—The term ''defendant'' includes a State or local government.

(ii) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

(iii) LOCAL GOVERNMENT.—The term ''local government'' means—

(I) any county, city, town, township, parish, village, or other general purpose political subdivision of a State; and

(II) any combination of political subdivisions described in clause (i) recognized by the Secretary of Housing and Urban Development.

(B) Y2K UPSET.—The term ''Y2K upset''—

(i) means an exceptional incident involving temporary noncompliance with applicable federally enforceable requirements because of factors related to a Y2K failure that are beyond the reasonable control of the defendant charged with compliance; and

(ii) does not include—

(I) noncompliance with applicable federally enforceable requirements that constitutes or would create an imminent threat to public health, safety, or the environment;

(II) noncompliance with applicable federally enforceable requirements that provide for the safety and soundness of the banking or monetary system, including the protection of depositors;

(III) noncompliance to the extent caused by operational error or negligence;

(IV) lack of reasonable preventative maintenance; or

(V) lack of preparedness for Y2K.

(3) CONDITIONS NECESSARY FOR A DEMONSTRATION OF A Y2K UPSET.—A defendant who wishes to establish the affirmative defense of Y2K upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that—

(A) the defendant previously made a good faith effort to effectively remediate Y2K problems;

(B) a Y2K upset occurred as a result of a Y2K system failure or other Y2K emergency;

(C) noncompliance with the applicable federally enforceable requirement was unavoidable in the face of a Y2K emergency or was intended to prevent the disruption of critical functions or services that could result in the harm of life or property;

(D) upon identification of noncompliance the defendant invoking the defense began immediate actions to remediate any violation of federally enforceable requirements; and

(E) the defendant submitted notice to the appropriate Federal regulatory authority of a Y2K upset within 72 hours from the time that it became aware of the upset.

(4) GRANT OF A Y2K UPSET DEFENSE.—Subject to the other provisions of this section, the Y2K upset defense shall be a complete defense to any action brought as a result of noncompliance with federally enforceable requirements for any defendant who establishes by a preponderance of the evidence that the conditions set forth in paragraph (3) are met.

(5) LENGTH OF Y2K UPSET.—The maximum allowable length of the Y2K upset shall be not more than 30 days beginning on the date of the upset unless granted specific relief by the appropriate regulatory authority.

(6) VIOLATION OF A Y2K UPSET.—Fraudulent use of the Y2K upset defense provided for in this subsection shall be subject to penalties provided in section 1001 of title 18, United States Code.

(7) EXPIRATION OF DEFENSE.—The Y2K upset defense may not be asserted for a Y2K upset occurring after June 30, 2000.

### HOLLINGS AMENDMENTS NOS. 275–281

(Ordered to lie on the table.)

Mr. HOLLINGS submitted seven amendments intended to be proposed by him to the bill, S. 96, supra; as follows:

AMENDMENT NO. 275

Strike section 16.

AMENDMENT NO. 276

Strike section 15.

AMENDMENT NO. 277

Strike section 14.

AMENDMENT NO. 278

Strike section 13.

AMENDMENT NO. 279

Strike section 6.

AMENDMENT NO. 280

Strike section 5.

AMENDMENT NO. 281

On page six, strike line 19 through Page 10, line 7 and insert the following:

**SEC. 3. DEFINITIONS.**

In this Act:

(1) Y2K ACTION.—The term ''Y2K action''—

(A) means a civil action alleging commercial loss commenced in any Federal or State court, or an agency board of contract appeal proceeding, in which the plaintiff's alleged harm or injury resulted directly or indirectly from an actual or potential Y2K failure, or a claim or defense is related directly or indirectly to an actual or potential Y2K failure;

(B) includes a civil action commenced in any Federal or State court by a governmental entity when acting in a commercial or contracting capacity; but

(C) does not include an action brought by a governmental entity acting in a regulatory, supervisory, or enforcement capacity.

(2) Y2K FAILURE.—The term ''Y2K failure'' means failure by any device or system (including any computer system and any microchip or integrated circuit embedded in another device or product), or any software, firmware, or other set or collection of processing instructions to process, to calculate, to compare, to sequence, to display, to store, to transmit, or to receive year-2000 date-related data, including failures—

(A) to deal with or account for transitions or comparisons from, into, and between the years 1999 and 2000 accurately;

(B) to recognize or accurately to process any specific date in 1999, 2000, or 2001; or

(C) accurately to account for the year 2000's status as a leap year, including recognition and processing of the correct date on February 29, 2000.

(3) GOVERNMENT ENTITY.—The term ''government entity'' means an agency, instrumentality, or other entity of Federal, State, or local government (including multijurisdictional agencies, instrumentalities, and entities).

(4) MATERIAL DEFECT.—The term ''material defect'' means a defect in any item, whether tangible or intangible, or in the provision of a service, that substantially prevents the item or service from operating or functioning as designed or according to its specifications. The term ''material defect'' does not include a defect that—

(A) has an insignificant or de minimis effect on the operation or functioning of an item or computer program;

(B) affects only a component of an item or program that, as a whole, substantially operates or functions as designed; or

(C) has an insignificant or de minimis effect on the efficacy of the service provided.

(5) PERSONAL INJURY.—The term ''personal injury'' means physical injury to a natural person, including—

(A) death as a result of a physical injury; and

(B) mental suffering, emotional distress, or similar injuries suffered by that person in connection with a physical injury.

(6) STATE.—The term ''State'' means any State of the United States, the District of Columbia, Commonwealth of Puerto Rico, the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States, and any political subdivision thereof.

(7) CONTRACT.—The term ''contract'' means a contract, tariff, license, or warranty.

(8) ALTERNATIVE DISPUTE RESOLUTION.—The term ''alternative dispute resolution'' means any process or proceeding, other than adjudication by a court or in an administrative proceeding, to assist in the resolution of issues in controversy, through processes such as early neutral evaluation, mediation, minitrial, and arbitration.

(9) COMMERCIAL LOSS.—The term ''commercial loss'' means any loss incurred by a plaintiff in the course of operating a business enterprise that provides goods or services for compensation.

**SEC. 4. APPLICATION OF ACT.**

(a) GENERAL RULE.—This Act applies to any Y2K action brought in a state of Federal court after February 22, 1999, in which the plaintiff alleges harm from commercial loss arising from a Y2K failure occurring before January 1, 2003, including any appeal, reward, stay, or other judicial, administrative, or alternative dispute resolution preceding in such an action.

---

## TORRICELLI AMENDMENT NO. 282

(Ordered to lie on the table.)

Mr. TORRICELLI submitted an amendment intended to be proposed by him to the bill, S. 96, supra; as follows:

Strike section 9.

At the appropriate place, insert the following:

**SEC. ___. ANTIPROFITEERING.**

(a) DEFINITIONS.—In this section:

(1) PRODUCT SELLER.—The term ''product seller'' means a person who in the course of a business conducted for that purpose, sells an information technology product.

(2) YEAR 2000 COMPLIANT.—The term ''year 2000 compliant'' means, with respect to information technology, that the information technology accurately processes (including calculating, comparing, and sequencing) date and time data from, into, and between the 20th and 21st centuries and the years 1999 and 2000, and leap year calculations, to the extent that other information technology properly exchanges date and time data with it.

(b) CORRECTION.—Notwithstanding any other provision of law, during the 60-day period beginning on the date on which a plaintiff or prospective plaintiff provides notice under section 7, if—

(1) the plaintiff or prospective plaintiff is a business and alleges harm caused by an information technology product that is not year 2000 compliant; and

(2) a product seller that is a defendant or prospective defendant sold the plaintiff that information technology product;

that product seller shall be required to render that information technology product year 2000 compliant (if a practicable method of doing so is available) and provide the applicable certification under subsection (c).

(c) CERTIFICATION.—A product seller that is required under subsection (b) to provide certification under this subsection shall certify, as applicable, that—

(1) the product seller is not obligated, under a contract, written agreement, or applicable State law, to render the information technology product described in subsection (b) year 2000 compliant;

(2) a practicable method of rendering the information technology product described in subsection (b) year 2000 compliant is not available; or

(3)(A) the correction to render the information technology product described in subsection (b) year 2000 compliant is provided at actual cost to the seller; and

(B) the correction is being provided at the least costly and most practicable manner available.

(d) PENALTIES.—Notwithstanding any other provision of this Act, if a product seller provides false information in a certification under subsection (c), in a year 2000 civil action for harm caused by the information technology product—

(1) the plaintiff shall have the burden of proof in demonstrating, by a preponderance of the evidence, that the product seller made a false certification under subsection (c); and

(2) if the plaintiff proves under paragraph (1) that such a false certification was made, the product seller shall be liable for 3 times the amount of actual and consequential damages suffered by the business as a result of the year 2000 failure involved.

(e) EFFECT ON WRITTEN AGREEMENTS AND CONTRACT OBLIGATIONS.—Nothing in this section may supersede, alter, or abrogate a written agreement or contractual obligation entered into by a product seller and a party harmed by an information technology product that is not year 2000 compliant.

---

## FEINGOLD AMENDMENTS NOS. 283–286

(Ordered to lie on the table.)

Mr. FEINGOLD submitted four amendments intended to be proposed by him to the bill, S. 96, supra; as follows:

AMENDMENT NO. 283

In section 14, strike subsection (c).

---

AMENDMENT NO. 284

In section 5(a), strike ''In any Y2K action in which punitive damages are permitted by applicable State law,'' and inserting ''Punitive damages may be awarded in a Y2K action and''.

AMENDMENT NO. 285

In section 6, strike subsection (g).

---

AMENDMENT NO. 286

Strike sections 5 through 14 and insert in lieu thereof the following:

**SEC. 5. PUNITIVE DAMAGES LIMITATIONS.**

(a) IN GENERAL.—Punitive damages may be awarded in a Y2K action and the defendant shall not be liable for punitive damages unless the plaintiff proves by clear and convincing evidence that the applicable standard for awarding damages has been met.

(b) CAPS ON PUNITIVE DAMAGES.—

(1) IN GENERAL.—Subject to the evidentiary standard established by subsection (a), punitive damages permitted under applicable law against a defendant in such a Y2K action may not exceed the larger of—

(A) 3 times the amount awarded for compensatory damages; or

(B) $250,000.

(2) SPECIAL RULE.—In the case of a defendant—

(A) who—

(i) is sued in his or her capacity as an individual; and

(ii) whose net worth does not exceed $500,000; or

(B) that is an unincorporated business, a partnership, corporation, association, unit of local government, or organization with fewer than 25 full-time employees.

paragraph (1) shall be applied by substituting ''smaller'' for ''larger''.

(3) NO CAP IF INJURY SPECIFICALLY INTENDED.—Neither paragraph (1) nor paragraph (2) applies if the plaintiff establishes by clear and convincing evidence that the defendant acted with specific intent to injure the plaintiff.

(c) GOVERNMENT ENTITIES.—Punitive damages in a Y2K action may not be awarded against a government entity.

**SEC. 6. PROPORTIONATE LIABILITY.**

(a) IN GENERAL.—Except as provided in subsections (b) and (c), a person against whom a final judgment is entered in a Y2K action shall be liable solely for the portion of the judgment that corresponds to the relative and proportional responsibility of that person. In determining the percentage of responsibility of any defendant, the trier of fact shall determine that percentage as a percentage of the total fault of all persons, including the plaintiff, who caused or contributed to the total loss incurred by the plaintiff.

(b) PROPORTIONATE LIABILITY.—

(1) DETERMINATION OF RESPONSIBILITY.—In any Y2K action, the court shall instruct the jury to answer special interrogatories, or, if there is no jury, the court shall make findings with respect to each defendant, including defendants who have entered into settlements with the plaintiff or plaintiffs, concerning—

(A) the percentage of responsibility, if any, of each defendant, measured as a percentage of the total fault of all persons who caused or contributed to the loss incurred by the plaintiff; and

(B) if alleged by the plaintiff, whether the defendant—

(i) acted with specific intent to injure the plaintiff; or

(ii) knowingly committed fraud.

(2) CONTENTS OF SPECIAL INTERROGATORIES OR FINDINGS.—The responses to interrogatories or findings under paragraph (1) shall specify the total amount of damages that the plaintiff is entitled to recover and the percentage of responsibility of each defendant

found to have caused or contributed to the loss incurred by the plaintiff.

(3) FACTORS FOR CONSIDERATION.—In determining the percentage of responsibility under this subsection, the trier of fact shall consider—

(A) the nature of the conduct of each person found to have caused or contributed to the loss incurred by the plaintiff; and

(B) the nature and extent of the causal relationship between the conduct of each such person and the damages incurred by the plaintiff.

(c) JOINT LIABILITY FOR SPECIFIC INTENT OR FRAUD.—

(1) IN GENERAL.—Notwithstanding subsection (a), the liability of a defendant in a Y2K action is joint and several if the trier of fact specifically determines that the defendant—

(A) acted with specific intent to injure the plaintiff; or

(B) knowingly committed fraud.

(2) Fraud; recklessness.—

(A) KNOWING COMMISSION OF FRAUD DESCRIBED.—For purposes of subsection (b)(1)(B)(ii) and paragraph (1)(B) of this subsection, a defendant knowingly committed fraud if the defendant—

(i) made an untrue statement of a material fact, with actual knowledge that the statement was false;

(ii) omitted a fact necessary to make the statement not be misleading, with actual knowledge that, as a result of the omission, the statement was false; and

(iii) knew that the plaintiff was reasonably likely to rely on the false statement.

(B) RECKLESSNESS.—For purposes of subsection (b)(1)(B) and paragraph (1) of this subsection, reckless conduct by the defendant does not constitute either a specific intent to injure, or the knowing commission of fraud, by the defendant.

(3) RIGHT TO CONTRIBUTION NOT AFFECTED.—Nothing in this section affects the right, under any other law, of a defendant to contribution with respect to another defendant found under subsection (b)(1)(B), or determined under paragraph (1)(B) of this subsection, to have acted with specific intent to injure the plaintiff or to have knowingly committed fraud.

(d) SPECIAL RULES.—

(1) UNCOLLECTIBLE SHARE.—

(A) IN GENERAL.—Notwithstanding subsection (a), if, upon motion made not later than 6 months after a final judgment is entered in any Y2K action, the court determines that all or part of the share of the judgment against a defendant for compensatory damages is not collectible against that defendant, then each other defendant in the action is liable for the uncollectible share as follows:

(i) PERCENTAGE OF NEW WORTH.—The other defendants are jointly and severally liable for the uncollectible share if the plaintiff establishes that—

(I) the plaintiff is an individual whose recoverable damages under the final judgment are equal to more than 10 percent of the net worth of the plaintiff; and

(II) the net worth of the plaintiff is less than $200,000.

(ii) OTHER PLAINTIFFS.—For a plaintiff not described in clause (i), each of the other defendants is liable for the uncollectible share in proportion to the percentage of responsibility of that defendant, except that the total liability of a defendant under this clause may not exceed 50 percent of the proportionate share of that defendant, as determined under subsection (b)(2).

(B) OVERALL LIMIT.—The total payments required under subparagraph (A) from all defendants may not exceed the amount of the uncollectible share.

(C) SUBJECT TO CONTRIBUTION.—A defendant against whom judgment is not collectible is subject to contribution and to any continuing liability to the plaintiff on the judgment.

(2) SPECIAL RIGHT OF CONTRIBUTION.—To the extent that a defendant is required to make an additional payment under paragraph (1), that defendant may recover contribution—

(A) from the defendant originally liable to make the payment;

(B) from any other defendant that is jointly and severally liable;

(C) from any other defendant held proportionately liable who is liable to make the same payment and has paid less than that other defendant's proportionate share of that payment; or

(D) from any other person responsible for the conduct giving rise to the payment that would have been liable to make the same payment.

(3) NONDISCLOSURE TO JURY.—The standard for allocation of damages under subsection (a) and subsection (b)(1), and the procedure for reallocation of uncollectible shares under paragraph (1) of this subsection, shall not be disclosed to members of the jury.

(e) SETTLEMNT DISCHARGE.—

(1) IN GENERAL.—A defendant who settles a Y2K action at any time before final verdict or judgment shall be discharged from all claims for contribution brought by other persons. Upon entry of the settlement by the court, the court shall enter a bar order constituting the final discharge of all obligations to the plaintiff of the settling defendant arising out of the action. The order shall bar future claims for contribution arising out of the action—

(A) by any person against the settling defendant; and

(B) by the settling defendant against any person other than a person whose liability has been extinguished by the settlement of the settling defendant.

(2) REDUCTION.—If a defendant enters into a settlement with the plaintiff before the final verdict or judgment, the verdict or judgment shall be reduced by the greater of—

(A) an amount that corresponds to the percentage of responsibility of that defendant; or

(B) the amount paid to the plaintiff by that defendant.

(f) GENERAL RIGHT OF CONTRIBUTION.—

(1) IN GENERAL.—A defendant who is jointly and severally liable for damages in any Y2K action may recover contribution from any other person who, if joined in the original action, would have been liable for the same damages. A claim for contribution shall be determined based on the percentage of responsibility of the claimant and of each person against whom a claim for contribution is made.

(2) STATUTE OF LIMITATIONS FOR CONTRIBUITON.—An action for contribution in connection with a Y2K action shall be brought not later than 6 months after the entry of a final, nonappealable judgment in the Y2K action, except that an action for contribution brought by a defendant who was required to make an additional payment under subsection (d)(1) may be brought not alter than 6 months after the date on which such payment was made.

**SEC. 7. PRE-LITIGATION NOTICE.**

(a) IN GENERAL.—Before commencing a Y2K action, except an action that seeks only injunctive relief, a prospective plaintiff with a Y2K claim shall send a written notice by certified mail to each prospective defendant in that action. The notice shall provide specific and detailed information about—

(1) the manifestations of any material defect alleged to have caused harm or loss;

(2) the harm or less allegedly suffered by the prospective plaintiff;

(3) how the prospective plaintiff would like the prospective defendant to remedy the problem;

(4) the basis upon which the prospective plaintiff seeks that remedy; and

(5) the name, title, address, and telephone number of any individual who has authority to negotiate a resolution of the dispute on behalf of the prospective plaintiff.

(b) PERSON TO WHOM NOTICE TO BE SENT.—The notice required by subsection (a) shall be sent—

(1) to the registered agent of the prospective defendant of service of legal process;

(2) if the prospective defendant does not have a registered agent, then to the chief executive officer of a corporation, the managing partner of a partnership, the proprietor of a sole proprietorship, or to a similarly-situated person for any other enterprise; or

(3) if the prospective defendant has designated a person to receive pre-litigation notices on a Year 2000 Internet Website (as defined in section 3(7) of the Year 2000 Information and Readiness Disclosure Act), to the designated person, if the prospective plaintiff has reasonable access to the Internet.

(c) RESPONSE TO NOTICE.—

(1) IN GENERAL.—Within 30 days after receipt of the notice specified in subsection (a), each prospective defendant shall send by certified mail with return receipt requested to each prospective plaintiff a written statement acknowledging receipt of the notice, and describing the actions it has taken or will take to address the problem identified by the prospective plaintiff.

(2) WILLINGNESS TO ENGAGE IN ADR.—The written statement shall state whether the prospective defendant is willing to engage in alternative dispute resolution.

(3) INADMISSABILITY.—A written statement required by this paragraph is not admissible in evidence, under Rule 408 of the Federal Rules of Evidence or any analogous rule of evidence in any State, in any proceeding to prove liability for, or the invalidity of, a claim or its amount, or otherwise as evidence of conduct or statements made in compromise negotiations.

(4) PRESUMPTIVE TIME OF RECEIPT.—For purposes of paragraph (1), a notice under subsection (a) is presumed to be received 7 days after it was sent.

(d) FAILURE TO RESPOND.—If a prospective defendant—

(1) fails to respond to a notice provided pursuant to subsection (a) within the 30 days specified in subsection (c)(1); or

(2) does not describe the action, if any, the prospective defendant has taken, or will take, to address the problem identified by the prospective plaintiff,

the prospective plaintiff may immediately commence a legal action against that prospective defendant.

(e) REMEDIATION PERIOD.—

(1) IN GENERAL.—If the prospective defendant responds and proposes remedial action it will take, or offers to engage in alternative dispute resolution, then the prospective plaintiff shall allow the prospective defendant an additional 60 days from the end of the 30-day notice period to complete the proposed remedial action before commencing a

legal action against that prospective defendant.

(2) EXTENSION BY AGREEMENT.—The prospective plaintiff and prospective defendant may change the length of the 60-day remediation period by written agreement.

(3) MULTIPLE EXTENSIONS NOT ALLOWED.—Except as provided in paragraph (2), a defendant in a Y2K action is entitled to no more than one 30-day period and one 60-day remediation period under paragraph (1).

(4) STATUTES OF LIMITATION, ETC., TOLLED.—Any applicable statute of limitations or doctrine of laches in a Y2K action to which paragraph (1) applies shall be tolled during the notice and remediation period under that paragraph.

(f) FAILURE TO PROVIDE NOTICE.—If a defendant determines that a plaintiff has filed a Y2K action without providing the notice specified in subsection (a) or without awaiting the expiration of the appropriate waiting period specified in subsection (c), the defendant may treat the plaintiff's complaint as such a notice by so informing the court and the plaintiff. If any defendant elects to treat the complaint as such a notice—

(1) the court shall stay all discovery and all other proceedings in the action for the appropriate period after filing of the complaint; and

(2) the time for filing answers and all other pleadings shall be tolled during the appropriate period.

(g) EFFECT OF CONTRACTUAL OR STATUTORY WAITING PERIODS.—In cases in which a contact, or a statute enacted before January 1, 1999, requires notice of nonperformance and provides for a period of delay prior to the initiation of suit for breach or repudiation of contract, the period of delay provided by contract or the statute is controlling over the waiting period specified in subsections (c) and (d).

(h) STATE LAW CONTROLS ALTERNATIVE METHODS.—Nothing in this section supersedes or otherwise preempts any State law or rule of civil procedure with respect to the use of alternative dispute resolution for Y2K actions.

(i) PROVISIONAL REMEDIES UNAFFECTED.—Nothing in this section interferes with the right of a litigant to provisional remedies otherwise available under Rule 65 of the Federal Rules of Civil Procedure or any State rule of civil procedure providing extraordinary or provisional remedies in any civil action in which the underlying complaint seeks both injunctive and monetary relief.

(j) SPECIAL RULE FOR CLASS ACTIONS.—For the purpose of applying this section to a Y2K action that is maintained as a class action in Federal or State court, the requirements of the preceding subsections of this section apply only to named plaintiffs in the class action.

**SEC. 8. PLEADING REQUIREMENTS.**

(a) APPLICATION WITH RULES OF CIVIL PROCEDURE.—This section applies exclusively to Y2K actions and, except to the extent that this section requires additional information to be contained in or attached to pleadings, nothing in this section is intended to amend or otherwise supersede applicable rules of Federal or State civil procedure.

(b) NATURE AND AMOUNT OF DAMAGES.—In all Y2K actions in which damages are requested, there shall be filed with the complaint a statement of specific information as to the nature and amount of each element of damages and the factual basis for the damages calculation.

(c) MATERIAL DEFECTS.—In any Y2K action in which the plaintiff alleges that there is a material defect in a product or service, there shall be filed with the complaint a statement of specific information regarding the manifestations of the material defects and the facts supporting a conclusion that the defects are material.

(d) REQUIRED STATE OF MIND.—In any Y2K action in which a claim is asserted on which the plaintiff may prevail only on proof that the defendant acted with a particular state of mind, there shall be filed with the complaint, with respect to each element of that claim, a statement of the facts giving rise to a strong inference that the defendant acted with the required state of mind.

**SEC. 9. DUTY TO MITIGATE.**

Damages awarded in any Y2K action shall exclude compensation for damages the plaintiff could reasonably have avoided in light of any disclosure or other information of which the plaintiff was, or reasonably should have been, aware, including information made available by the defendant to purchasers or users of the defendant's product or services concerning means of remedying or avoiding the Y2K failure.

**SEC. 10. APPLICATION OF EXISTING IMPOSSIBILITY OR COMMERCIAL IMPRACTICABILITY DOCTRINES.**

In any Y2K action for breach or repudiation of contract, the applicability of the doctrines of impossibility and commercial impracticability shall be determined by the law in existence on January 1, 1999. Nothing in this Act shall be construed as limiting or impairing a party's right to assert defenses based upon such doctrines.

**SEC. 11. DAMAGES LIMITATION BY CONTRACT.**

In any Y2K action for breach or repudiation of contract, no party may claim, nor be awarded, any category of damages unless such damages are allowed—

(1) by the express terms of the contract; or

(2) if the contract is silent on such damages, by operation of State law at the time the contract was effective or by operation of Federal law.

**SEC. 12. DAMAGES IN TORT CLAIMS.**

(a) IN GENERAL.—A party to a Y2K action making a tort claim may not recover damages for economic loss unless—

(1) the recovery of such losses is provided for in a contract to which the party seeking to recover such losses is a party; or

(2) such losses result directly from damage to tangible personal or real property caused by the Y2K failure (other than damage to property that is the subject of the contract between the parties to the Y2K action or, in the event there is no contract between the parties, other than damage caused only to the property that experienced the Y2K failure),

and such damages are permitted under applicable Federal or State law.

(b) ECONOMIC LOSS.—For purposes of this section only, and except as otherwise specifically provided in a valid and enforceable written contract between the plaintiff and the defendant in a Y2K action, the term ''economic loss''—

(1) means amounts awarded to compensate an injured party for any loss other than losses described in subsection (a)(2); and

(2) includes amounts awarded for damages such as—

(A) lost profits or sales;

(B) business interruption;

(C) losses indirectly suffered as a result of the defendant's wrongful act or omission;

(D) losses that arise because of the claims of third parties;

(E) losses that must be plead as special damages; and

(F) consequential damages (as defined in the Uniform Commercial Code or analogous State commercial law).

(c) CERTAIN ACTIONS EXCLUDED.—This section does not affect, abrogate, amended, or alter any patent, copyright, trade-secret, trademark, or service-mark action, or any claim for defamation or invasion of privacy under Federal or State law.

(d) CERTAIN OTHER ACTIONS.—A person liable for damages, whether by settlement or judgment, in a civil action to which this Act does not apply because of section 4(c) whose liability, in whole or in part, is the result of a Y2K failure may, notwithstanding any other provision of this Act, pursue any remedy otherwise available under Federal or State law against the person responsible for that Y2K failure to the extent of recovering the amount of those damages.

**SEC. 13. STATE OF MIND; BYSTANDER LIABILITY; CONTROL.**

(a) DEFENDANT'S STATE OF MIND.—In a Y2K action other than a claim for breach or repudiation of contract, and in which the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim, the defendant is not liable unless the plaintiff establishes that element of the claim by clear and convincing evidence.

(b) LIMITATION OF BYSTANDER LIABILITY FOR Y2K FAILURES.—(1) IN GENERAL.—With respect to any Y2K action for money damages in which—

(A) the defendant is not the manufacturer, seller, or distributor of a product, or the provider of a service, that suffers or causes the Y2K failure at issue;

(B) the plaintiff is not in substantial privity with the defendant; and

(C) the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim under applicable law,

the defendant shall not be liable unless the plaintiff, in addition to establishing all other requisite elements of the claim, proves, by clear and convincing evidence, that the defendant actually knew, or recklessly disregarded a known and substantial risk, that such failure would occur.

(2) SUBSTANTIAL PRIVITY.—For purposes of paragraph (1)(B), a plaintiff and a defendant are in substantial privity when, in a Y2K action arising out of the performance of professional services, the plaintiff and the defendant either have contractual relations with one another or the plaintiff is a person who, prior to the defendant's performance of such services, was specifically identified to and acknowledged by the defendant as a person for who special benefit the services were being performed.

(3) CERTAIN CLAIMS EXCLUDED.—For purposes of paragraph (1)(C), claims in which the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim under applicable law do not include claims for negligence but do include claims such as fraud, constructive fraud, breach of fiduciary duty, negligent misrepresentation, and interference with contract or economic advantage.

(c) CONTROL NOT DETERMINATION OF LIABILITY.—The fact that a Y2K failure occurred in an entity, facility, systems, product, or component that was sold, leased, rented, or otherwise within the control of the party against whom a claim is asserted in a Y2K action shall not constitute the sole basis for recovery of damages in that action. A claim in a Y2K action for breach or repudiation of contract for such a failure is governed by the terms of the contract.

**SEC. 14. LIABILITY OF OFFICERS, DIRECTORS, AND EMPLOYEES.**

(a) IN GENERAL.—A director, officer, trustee, or employee of a business or other organization (including a corporation, unincorporated association, partnership or non-profit organization) is not personally liable in any Y2K action in that person's capacity as a director, officer, trustee, or employee of the business or organization for more than the greater of—

(1) $100,000; or

(2) the amount of pre-tax compensation received by the director, officer, trustee or employee from the business or organization during that 12 months immediatley preceding the act or omission for which liability is inmposed.

(b) EXCEPTION.—Subsection (a) does not apply in any Y2K action in which it is found by clear and convincing evidence that the director, officer, trustee, or employee—

(1) made statements intended to be misleading regarding any actual or potential year 2000 problem; or

(2) withheld from the public significant information there was a legal duty to disclose regarding any actual or potential year 2000 problem of that business or organization which would likely result in actionable Y2K failure.

---

## DODD AMENDMENT NO. 287

(Ordered to lie on the table.)

Mr. DODD submitted an amendment intended to be proposed by him to the bill, S. 96, supra; as follows:

In section 5, strike subsection (b) and insert the following:

(b) CAPS ON PUNITIVE DAMAGES.—

(1) IN GENERAL.—Subject to the evidentiary standard established by subsection (a), punitive damages permitted under applicable law against a defendant described in paragraph (2) in a Y2K action may not exceed the lesser of—

(A) 3 times the amount awarded for compensatory damages; or

(B) $250,000.

(2) DEFENDANT DESCRIBED.—A defendant described in this paragraph is a defendant—

(A) who—

(i) is sued in his or her capacity as a individual; and

(ii) whose net worth does not exceed $500,000; or

(B) that is an unincorporated business, a partnership, corporation, association, or organization with fewer than 25 full-time employees.

(3) NO CAP IF INJURY SPECIFICALLY INTENDED.—Paragraph (1) does not apply if the plaintiff establishes by clear and convincing evidence that the defendant acted with specific intent to injure the plaintiff.

In section 13—

(1) in subsection (a), strike ''by clear and convincing evidence'' and inserting ''by the standard of evidence under applicable State law in effect before January 1, 1999'';

(2) in subsection (b)(1), strike ''by clear and convincing evidence'' and inserting ''by the standard of evidence under applicable State law in effect before January 1, 1999''; and

(3) at the end add the following:

(d) PROTECTIONS OF THE YEAR 2000 INFORMATION AND READINESS DISCLOSURE ACT APPLY.—The protections for the exchange of information provided by section 4 of the Year 2000 Information and Readiness Disclosure Act (Public Law 105–271) shall apply to this Act.

Strike section 14.

---

## FEINSTEIN AMENDMENT NO. 288

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill, S. 96, supra; as follows:

Strike Section 5.
Strike Section 13.
Strike Section 14.

---

## MURKOWSKI AMENDMENTS NOS. 289–290

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted two amendments intended to be proposed by him to the bill, S. 96, supra; as follows:

AMENDMENT NO. 289

At the end of section 5(b)(3), strike ''plaintiff.'' and insert the following:

''plaintiff or that the defendant sold the product or service that is the subject of the Y2K action after the date of enactment of this Act knowing that the product or service will have a Y2K failure, without a signed waiver from the plaintiff.''

---

AMENDMENT NO. 290

Section 7(c) of the bill is amended by adding at the end the following:

(5) PRIORITY.—A prospective defendant receiving more than 1 notice under this section shall give priority to notices with respect to a product or service that involves a health or safety related Y2K failure.

---

## KENNEDY AMENDMENT NO. 291

Mr. KENNEDY proposed an amendment to the motion to recommit proposed by him to the bill, S. 96, supra; as follows:

At the appropriate place, insert the following:

**SEC. . FAIR MINIMUM WAGE.**

(a) SHORT TITLE.—This section may be cited as the ''Fair Minimum Wage Act of 1999''.

(b) MINIMUM WAGE INCREASE.—

(1) WAGE.—Paragraph (1) of section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended to read as follows:

''(1) except as otherwise provided in this section, not less than—

''(A) $5.65 an hour during the year beginning on September 1, 1999; and

''(B) $6.15 an hour beginning on September 1, 2000;''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) takes effect on September 1, 1999.

(c) APPLICABILITY OF MINIMUM WAGE TO THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.—The provisions of section 6 of the Fair Labor Standards Act of 1938 (29 U.S.C. 206) shall apply to the Commonwealth of the Northern Mariana Islands.

---

## MCCAIN AMENDMENT NO. 292

Mr. MCCAIN proposed an amendment to the bill, S. 96, supra; as follows:

In lieu of the instructions insert the following: ''with instructions to report forthwith with the following amendment:

**SECTION 1. SHORT TITLE; TABLE OF SECTIONS.**

(a) SHORT TITLE.—This Act may be cited as the ''Y2K Act''.

(b) TABLE OF SECTIONS.—The table of sections for this Act is as follows:



**SEC. 2. FINDINGS AND PURPOSES.**

(a) FINDINGS.—The Congress finds that:

(1)(A) Many information technology systems, devices, and programs are not capable of recognizing certain dates in 1999 and after December 31, 1999, and will read dates in the year 2000 and thereafter as if those dates represent the year 1900 or thereafter or will fail to process dates after December 31, 1999.

(B) If not corrected, the problem described in subparagraph (A) and resulting failures could incapacitate systems that are essential to the functioning of markets, commerce, consumer products, utilities, Government, and safety and defense systems, in the United States and throughout the world.

(2) It is in the national interest that producers and users of technology products concentrate their attention and resources in the time remaining before January 1, 2000, on assessing, fixing, testing, and developing contingency plans to address any and all outstanding year 2000 computer date-change problems, so as to minimize possible disruptions associated with computer failures.

(3)(A) Because year 2000 computer date-change problems may affect virtually all businesses and other users of technology products to some degree, there is a substantial likelihood that actual or potential year 2000 failures will prompt a significant volume of litigation, much of it insubstantial.

(B) The litigation described in subparagraph (A) would have a range of undesirable effects, including the following:

(i) It would threaten to waste technical and financial resources that are better devoted to curing year 2000 computer date-change problems and ensuring that systems remain or become operational.

(ii) It could threaten the network of valued and trusted business and customer relationships that are important to the effective functioning of the national economy.

(iii) It would strain the Nation's legal system, causing particular problems for the small businesses and individuals who already find that system inaccessible because of its complexity and expense.

(iv) The delays, expense, uncertainties, loss of control, adverse publicity, and animosities that frequently accompany litigation of business disputes could exacerbate the difficulties associated with the date change and work against the successful resolution of those difficulties.

(4) It is appropriate for the Congress to enact legislation to assure that Y2K problems do not unnecessarily disrupt interstate commerce or create unnecessary caseloads in Federal courts and to provide initiatives to help businesses prepare and be in a position to withstand the potentially devastating economic impact of Y2K.

(5) Resorting to the legal system for resolution of Y2K problems is not feasible for many businesses and individuals who already find the legal system inaccessible, particularly small businesses and individuals who already find the legal system inaccessible, because of its complexity and expense.

(6) The delays, expense, uncertainties, loss of control, adverse publicity, and animosities that frequently accompany litigation of business disputes can only exacerbate the difficulties associated with Y2K date change, and work against the successful resolution of those difficulties.

(7) Concern about the potential for liability—in particular, concern about the substantial litigation expense associated with defending against even the most insubstantial lawsuits—is prompting many persons and businesses with technical expertise to avoid projects aimed at curing year 2000 computer date-change problems.

(8) A proliferation of frivolous Y2K lawsuits by opportunistic parties may further limit access to courts by straining the resources of the legal system and depriving deserving parties of their legitimate rights to relief.

(9) Congress encourages businesses to approach their Y2K disputes responsibly, and to avoid unnecessary, time-consuming and costly litigation about Y2K failures, particularly those that are not material. Congress supports good faith negotiations between parties when there is a dispute over a Y2K problem, and, if necessary, urges the parties to enter into voluntary, non-binding mediation rather than litigation.

(b) PURPOSES.—Based upon the power of the Congress under Article I, Section 8, Clause 3 of the Constitution of the United States, the purpose of this Act are—

(1) to establish uniform legal standards that give all businesses and users of technology products reasonable incentives to solve Y2K computer date-change problems before they develop;

(2) to encourage continued Y2K remediation and testing efforts by providers, suppliers, customers, and other contracting partners;

(3) to encourage private and public parties alike to resolve Y2K disputes by alternative dispute mechanisms in order to avoid costly and time-consuming litigation, to initiate those mechanisms as early as possible, and to encourage the prompt identification and correction of Y2K problems; and

(4) to lessen the burdens on interstate commerce by discouraging insubstantial lawsuits while preserving the ability of individuals and businesses that have suffered real injury to obtain complete relief.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) Y2K ACTION.—The term ''Y2K action''—

(A) means a civil action commenced in any Federal or State court, or an agency board of contract appeal proceeding, in which the plaintiff's alleged harm or injury resulted directly or indirectly from an actual or potential Y2K failure, or a claim or defense is related directly or indirectly to an actual or potential Y2K failure;

(B) includes a civil action commenced in any Federal or State court by a governmental entity when acting in a commercial or contracting capacity; but

(C) does not include an action brought by a governmental entity acting in a regulatory, supervisory, or enforcement capacity.

(2) Y2K FAILURE.—The term ''Y2K failure'' means failure by any device or system (including any computer system and any microchip or integrated circuit embedded in another device or product), or any software, firmware, or other set or collection of processing instructions to process, to calculate, to compare, to sequence, to display, to store, to transmit, or to receive year-2000 date-related data, including failures—

(A) to deal with or account for transitions or comparisons from, into, and between the years 1999 and 2000 accurately;

(B) to recognize or accurately to process any specific date in 1999, 2000, or 2001; or

(C) accurately to account for the year 2000's status as a leap year, including recognition and processing of the correct date on February 29, 2000.

(3) GOVERNMENT ENTITY.—The term ''government entity'' means an agency, instrumentality, or other entity of Federal, State, or local government (including multijurisdictional agencies, instrumentalities, and entities).

(4) MATERIAL DEFECT.—The term ''material defect'' means a defect in any item, whether tangible or intangible, or in the provision of a service, that substantially prevents the item or service from operating or functioning as designed or according to its specifications. The term ''material defect'' does not include a defect that—

(A) has an insignificant or de minimis effect on the operation or functioning of an item or computer program;

(B) affects only a component of an item or program that, as a whole, substantially operates or functions as designed; or

(C) has an insignificant or de minimis effect on the efficacy of the service provided.

(5) PERSONAL INJURY.—The term ''personal injury'' means physical injury to a natural person, including—

(A) death as a result of a physical injury; and

(B) mental suffering, emotional distress, or similar injuries suffered by that person in connection with a physical injury.

(6) STATE.—The term ''State'' means any State of the United States, the District of Columbia, Commonwealth of Puerto Rico, the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States, and any political subdivision thereof.

(7) CONTRACT.—The term ''contract'' means a contract, tariff, license, or warranty.

(8) ALTERNATIVE DISPUTE RESOLUTION.—The term ''alternative dispute resolution'' means any process or proceeding, other than adjudication by a court or in an administrative proceeding, to assist in the resolution of issues in controversy, through processes such as early neutral evaluation, mediation, minitrial, and arbitration.

**SEC. 4. APPLICATION OF ACT.**

(a) GENERAL RULE.—This Act applies to any Y2K action brought in a State or Federal court after February 22, 1999, for a Y2K failure occurring before January 1, 2003, including any appeal, remand, stay, or other judicial, administrative, or alternative dispute resolution proceeding in such an action.

(b) NO NEW CAUSE OF ACTION CREATED.—Nothing in this Act creates a new cause of action, and, except as otherwise explicitly provided in this Act, nothing in this Act expands any liability otherwise imposed or limits any defense otherwise available under Federal or State law.

(c) CLAIMS FOR PERSONAL INJURY OR WRONGFUL DEATH EXCLUDED.—This Act does not apply to a claim for personal injury or for wrongful death.

(d) CONTRACT PRESERVATION.—

(1) IN GENERAL.—Subject to paragraph (2), in any Y2K action any written contractual term, including a limitation or an exclusion of liability, or a disclaimer of warranty, shall be strictly enforced unless the enforcement of that term would manifestly and directly contravene applicable State law embodied in any statute in effect on January 1, 1999, specifically addressing that term.

(2) INTERPRETATION OF CONTRACT.—In any Y2K action in which a contract to which paragraph (1) applies is silent as to a particular issue, the interpretation of the contract as to that issue shall be determined by applicable law in effect at the time the contract was executed.

(e) PREEMPTION OF STATE LAW.—This Act supersedes State law to the extent that it establishes a rule of law applicable to a Y2K action that is inconsistent with State law, but nothing in this Act implicates, alters, or diminishes the ability of a State to defend itself against any claim on the basis of sovereign immunity.

**SEC. 5. PUNITIVE DAMAGES LIMITATIONS.**

(a) IN GENERAL.—In any Y2K action in which punitive damages are permitted by applicable law, the defendant shall not be liable for punitive damages unless the plaintiff proves by clear and convincing evidence that the applicable standard for awarding damages has been met.

(b) CAPS ON PUNITIVE DAMAGES.—

(1) IN GENERAL.—Subject to the evidentiary standard established by subsection (a), punitive damages permitted under applicable law against a defendant in such a Y2K action may not exceed the larger of—

(A) 3 times the amount awarded for compensatory damages; or

(B) $250,000.

(2) SPECIAL RULE.—In the case of a defendant—

(A) who—

(i) is sued in his or her capacity as an individual; and

(ii) whose net worth does not exceed $500,000; or

(B) that is an unincorporated business, a partnership, corporation, association, unit of local government, or organization with fewer than 25 full-time employees,

paragraph (1) shall be applied by substituting ''smaller'' for ''larger''.

(3) NO CAP IF INJURY SPECIFICALLY INTENDED.—Neither paragraph (1) nor paragraph (2) applies if the plaintiff establishes by clear and convincing evidence that the defendant acted with specific intent to injure the plaintiff.

(c) GOVERNMENT ENTITIES.—Punitive damages in a Y2K action may not be awarded against a government entity.

**SEC. 6. PROPORTIONATE LIABILITY.**

(a) IN GENERAL.—Except as provided in subsections (b) and (c), a person against whom a final judgment is entered in a Y2K action shall be liable solely for the portion of the judgment that corresponds to the relative and proportional responsibility of that person. In determining the percentage of responsibility of any defendant, the trier of fact shall determine that percentage as a percentage of the total fault of all persons, including the plaintiff, who caused or contributed to the total loss incurred by the plaintiff.

(b) PROPORTIONATE LIABILITY.—

(1) DETERMINATION OF RESPONSIBILITY.—In any Y2K action, the court shall instruct the jury to answer special interrogatories, or, if there is no jury, the court shall make findings with respect to each defendant, including defendants who have entered into settlements with the plaintiff or plaintiffs, concerning—

(A) the percentage of responsibility, if any, of each defendant, measured as a percentage of the total fault of all persons who caused or contributed to the loss incurred by the plaintiff; and

(B) if alleged by the plaintiff, whether the defendant—

(i) acted with specific intent to injure the plaintiff; or

(ii) knowingly committed fraud.

(2) CONTENTS OF SPECIAL INTERROGATORIES OR FINDINGS.—The responses to interrogatories or findings under paragraph (1) shall specify the total amount of damages that the plaintiff is entitled to recover and the percentage of responsibility of each defendant found to have caused or contributed to the loss incurred by the plaintiff.

(3) FACTORS FOR CONSIDERATION.—In determining the percentage of responsibility under this subsection, the trier of fact shall consider—

(A) the nature of the conduct of each person found to have caused or contributed to the loss incurred by the plaintiff; and

(B) the nature and extent of the causal relationship between the conduct of each defendant and the damages incurred by the plaintiff.

(c) JOINT LIABILITY FOR SPECIFIC INTENT OR FRAUD.—

(1) IN GENERAL.—Notwithstanding subsection (a), the liability of a defendant in a Y2K action is joint and several if the trier of fact specifically determines that the defendant—

(A) acted with specific intent to injure the plaintiff; or

(B) knowingly committed fraud.

(2) FRAUD; RECKLESSNESS.—

(A) KNOWING COMMISSION OF FRAUD DESCRIBED.—For purposes of subsection (b)(1)(B)(ii) and paragraph (1)(B) of this subsection, a defendant knowingly committed fraud if the defendant—

(i) made an untrue statement of a material fact, with actual knowledge that the statement was false;

(ii) omitted a fact necessary to make the statement not be misleading, with actual knowledge that, as a result of the omission, the statement was false; and

(iii) knew that the plaintiff was reasonably likely to rely on the false statement.

(B) RECKLESSNESS.—For purposes of subsection (b)(1)(B) and paragraph (1) of this subsection, reckless conduct by the defendant does not constitute either a specific intent to injure, or the knowing commission of fraud, by the defendant.

(3) RIGHT TO CONTRIBUTION NOT AFFECTED.—Nothing in this section affects the right, under any other law, of a defendant to contribution with respect to another defendant found under subsection (b)(1)(B), or determined under paragraph (1)(B) of this subsection, to have acted with specific intent to injure the plaintiff or to have knowingly committed fraud.

(d) SPECIAL RULES.—

(1) UNCOLLECTIBLE SHARE.—

(A) IN GENERAL.—Notwithstanding subsection (a), if, upon motion not later than 6 months after a final judgment is entered in any Y2K action, the court determines that all or part of the share of the judgment against a defendant for compensatory damages is not collectible against that defendant, then each other defendant in the action is liable for the uncollectible share as follows:

(i) PERCENTAGE OF NET WORTH.—The other defendants are jointly and severally liable for the uncollectible share if the plaintiff establishes that—

(I) the plaintiff is an individual whose recoverable damages under the final judgment are equal to more than 10 percent of the net worth of the plaintiff; and

(II) the net worth of the plaintiff is less than $200,000.

(ii) OTHER PLAINTIFFS.—For a plaintiff not described in clause (i), each of the other defendants is liable for the uncollectible share in proportion to the percentage of responsibility of that defendant, except that the total liability of a defendant under this clause may not exceed 50 percent of the proportionate share of that defendant, as determined under subsection (b)(2).

(B) OVERALL LIMIT.—The total payments required under subparagraph (A) from all defendants may not exceed the amount of the uncollectible share.

(C) SUBJECT TO CONTRIBUTION.—A defendant against whom judgment is not collectible is subject to contribution and to any continuing liability to the plaintiff on the judgment.

(2) SPECIAL RIGHT OF CONTRIBUTION.—To the extent that a defendant is required to make an additional payment under paragraph (1), that defendant may recover contribution—

(A) from the defendant originally liable to make the payment;

(B) from any other defendant that is jointly and severally liable;

(C) from any other defendant held proportionately liable who is liable to make the same payment and has paid less than that other defendant's proportionate share of that payment; or

(D) from any other person responsible for the conduct giving rise to the payment that would have been liable to make the same payment.

(3) NONDISCLOSURE TO JURY.—The standard for allocation of damages under subsection (a) and subsection (b)(1), and the procedure for reallocation of uncollectible shares under paragraph (1) of this subsection, shall not be disclosed to members of the jury.

(e) SETTLEMENT DISCHARGE.—

(1) IN GENERAL.—A defendant who settles a Y2K action at any time before final verdict or judgment shall be discharged from all claims for contribution brought by other persons. Upon entry of the settlement by the court, the court shall enter a bar order constituting the final discharge of all obligations to the plaintiff of the settling defendant arising out of the action. The order shall bar all future claims for contribution arising out of the action—

(A) by any person against the settling defendant; and

(B) by the settling defendant against any person other than a person whose liability has been extinguished by the settlement of the settling defendant.

(2) REDUCTION.—If a defendant enters into a settlement with the plaintiff before the final verdict or judgment, the verdict or judgment shall be reduced by the greater of—

(A) an amount that corresponds to the percentage of responsibility of that defendant; or

(B) the amount paid to the plaintiff by that defendant.

(f) GENERAL RIGHT OF CONTRIBUTION.—

(1) IN GENERAL.—A defendant who is jointly and severally liable for damages in any Y2K action may recover contribution from any other person who, if joined in the original action, would have been liable for the same damages. A claim for contribution shall be determined based on the percentage of responsibility of the claimant and of each person against whom a claim for contribution is made.

(2) STATUTE OF LIMITATIONS FOR CONTRIBUTION.—An action for contribution in connection with a Y2K action shall be brought not later than 6 months after the entry of a final, nonappealable judgment in the Y2K action, except than an action for contribution brought by a defendant who was required to make an additional payment under subsection (d)(1) may be brought not later than 6 months after the date on which such payment was made.

(g) MORE PROTECTIVE STATE LAW NOT PREEMPTED.—Nothing in this section pre-empts or supersedes any provision of State statutory law that—

(1) limits the liability of a defendant in a Y2K action to a lesser amount than the amount determined under this section; or

(2) otherwise affords a greater degree of protection from joint or several liability than is afforded by this section.

**SEC. 7. PRE-LITIGATION NOTICE.**

(a) IN GENERAL.—Before commencing a Y2K action, except an action that seeks only injunctive relief, a prospective plaintiff with a Y2K claim shall send a written notice by certified mail to each prospective defendant in that action. The notice shall provide specific and detailed information about—

(1) the manifestations of any material defect alleged to have caused harm or loss;

(2) the harm or loss allegedly suffered by the prospective plaintiff;

(3) how the prospective plaintiff would like the prospective defendant to remedy the problem;

(4) the basis upon which the prospective plaintiff seeks that remedy; and

(5) the name, title, address, and telephone number of any individual who has authority to negotiate a resolution of the dispute on behalf of the prospective plaintiff.

(b) PERSON TO WHOM NOTICE TO BE SENT.—The notice required by subsection (a) shall be sent—

(1) to the registered agent of the prospective defendant for service of legal process;

(2) if the prospective defendant does not have a registered agent, then to the chief executive officer of a corporation, the managing partner of a partnership, the proprietor of a sole proprietorship, or to a similarly-situated person for any other enterprise; or

(3) if the prospective defendant has designated a person to receive pre-litigation notices on a Year 2000 Internet Website (as defined in section 3(7) of the Year 2000 Information and Readiness Disclosure Act), to the designated person, if the prospective plaintiff has reasonable access to the Internet.

(c) RESPONSE TO NOTICE.—

(1) IN GENERAL.—Within 30 days after receipt of the notice specified in subsection (a), each prospective defendant shall send by certified mail with return receipt requested to each prospective plaintiff a written statement acknowledging receipt of the notice, and describing the actions it has taken or will take to address the problem identified by the prospective plaintiff.

(2) WILLINGNESS TO ENGAGE IN ADR.—The Written statement shall state whether the prospective defendant is willing to engage in alternative dispute resolution.

(3) INADMISSIBILITY.—A written statement required by this paragraph is not admissible in evidence, under Rule 408 of the Federal Rules of Evidence or any analogous rule of evidence in any State, in any proceeding to prove liability for, or the invalidity of, a claim or its amount, or otherwise as evidence of conduct or statements made in compromise negotiations.

(4) PRESUMPTIVE TIME OF RECEIPT.—For purposes of paragraph (1), a notice under subsection (a) is presumed to be received 7 days after it was sent.

(d) FAILURE TO RESPOND.—If a prospective defendant—

(1) fails to respond to a notice provided pursuant to subsection (a) within the 30 days specified in subsection (c)(1); or

(2) does not describe the action, if any, the prospective defendant has taken, or will take, to address the problem identified by the prospective plaintiff,

the prospective plaintiff may immediately commence at legal action against that prospective defendant.

(e) REMEDIATION PERIOD.—

(1) IN GENERAL.—If the prospective defendant responds and proposes remedial action it will take, of offers to engage in alternative dispute resolution, then the prospective plaintiff shall allow the prospective defendant an additional 60 days from the end of the 30-day notice period to complete the proposed remedial action before commencing a legal action against that prospective defendant.

(2) EXTENSION BY AGREEMENT.—The prospective plaintiff and prospective defendant may change the length of the 60-day remediation period by written agreement.

(3) MULTIPLE EXTENSIONS NOT ALLOWED.—Except as provided in paragraph (2), a defendant in a Y2K action is entitled to no more than one 30-day period and one 60-day remediation period under paragraph (1).

(4) STATUTES OF LIMITATION, ETC., TOLLED.—Any applicable statute of limitations or doctrine of laches in a Y2K action to which paragraph (1) applies shall be tolled during the notice and remediation period under that paragraph.

(f) FAILURE TO PROVIDE NOTICE.—If a defendant determines that a plaintiff has filed a Y2K action without providing the notice specified in subsection (a) or without awaiting the expiration of the appropriate waiting period specified in subsection (c), the defendant may treat the plaintiff's complaint as such a notice by so informing the court and the plaintiff. If any defendant elects to treat the complaint as such a notice—

(1) the court shall stay all discovery and all other proceedings in the action for the appropriate period after filing of the complaint; and

(2) the time for filing answers and all other pleadings shall be tolled during the appropriate period.

(g) EFFECT OF CONTRACTUAL OR STATUTORY WAITING PERIODS.—In cases in which a contract, or a statute enacted before January 1, 1999, requires notice of non-performance and provides for a period of delay prior to the initiation of suit for breach or repudiation of contract, the period of delay provided by contract or the statute is controlling over the waiting period specified in subsections (c) and (d).

(h) STATE LAW CONTROLS ALTERNATIVE METHODS.—Nothing in this section supersedes or otherwise preempts any State law or rule of civil procedure with respect to the use of alternative dispute resolution for Y2K actions.

(i) PROVISIONAL REMEDIES UNAFFECTED.—Nothing in this section interferes with the right of a litigant to provisional remedies otherwise available under Rule 65 of the Federal Rules of Civil Procedure or any State rule of civil procedure providing extraordinary or provisional remedies in any civil action in which the underlying complaint seeks both injunctive and monetary relief.

(j) SPECIAL RULE FOR CLASS ACTIONS.—For the purpose of applying this section to a Y2K action that is maintained as a class action in Federal or State court, the requirements of the preceding subsections of this section apply only to named plaintiffs in the class action.

**SEC. 8. PLEADING REQUIREMENTS.**

(a) APPLICATION WITH RULES OF CIVIL PROCEDURE.—This section applies exclusively to Y2K actions and, except to the extent that this section requires additional information to be contained in or attached to pleadings, nothing in this section is intended to amend or otherwise supersede applicable rules of Federal or State civil procedure.

(b) NATURE AND AMOUNT OF DAMAGES.—In all Y2K actions in which damages are requested, there shall be filed with the complaint a statement of specific information as to the nature and amount of each element of damages and the factual basis for the damages calculation.

(c) MATERIAL DEFECTS.—In any Y2K action in which the plaintiff alleges that there is a material defect in a product or service, there shall be filed with the complaint a statement of specific information regarding the manifestations of the material defects and the facts supporting a conclusion that the defects are material.

(d) REQUIRED STATE OF MIND.—In any Y2K action in which a claim is asserted on which the plaintiff may prevail only on proof that the defendant acted with a particular state of mind, there shall be filed with the complaint, with respect to each element of that claim, a statement of the facts giving rise to a strong inference that the defendant acted with the required state of mind.

**SEC. 9. DUTY TO MITIGATE.**

Damages awarded in any Y2K action shall exclude compensation for damages the plaintiff could reasonably have avoided in light of any disclosure or other information of which the plaintiff was, or reasonably should have been, aware, including information made available by the defendant to purchasers or users of the defendant's product or services concerning means of remedying or avoiding the Y2K failure.

**SEC. 10. APPLICATION OF EXISTING IMPOSSIBILITY OR COMMERCIAL IMPRACTICABILITY DOCTRINES.**

In any Y2K action for breach or repudiation of contract, the applicability of the doctrines of impossibility and commercial impracticability shall be determined by the law in existence on January 1, 1999. Nothing in this Act shall be construed as limiting or impairing a party's right to assert defenses based upon such doctrines.

**SEC. 11. DAMAGES LIMITATION BY CONTRACT.**

In any Y2K action for breach or repudiation of contract, no party may claim, nor be awarded, any category of damages unless such damages are allowed—

(1) by the express terms of the contract; or

(2) if the contract is silent on such damages, by operation of State law at the time the contract was effective or by operation of Federal law.

**SEC. 12. DAMAGES IN TORT CLAIMS.**

(a) IN GENERAL.—A party to a Y2K action making a tort claim may not recover damages for economic loss unless—

(1) the recovery of such losses is provided for in a contract to which the party seeking to recover such losses is a party; or

(2) such losses result directly from damage to tangible personal or real property caused by the Y2K failure (other than damage to property that is the subject of the contract between the parties to the Y2K action or, in the event there is no contract between the parties, other than damage caused only to the property that experienced the Y2K failure),

and such damages are permitted under applicable State law.

(b) ECONOMIC LOSS.—For purposes of this section only, and except as otherwise specifically provided in a valid and enforceable written contract between the plaintiff and the defendant in a Y2K action, the term ''economic loss''—

(1) means amounts awarded to compensate an injured party for any loss other than losses described in subsection (a)(2); and

(2) includes amounts awarded for damages such as—

(A) lost profits or sales;

(B) business interruption;

(C) losses indirectly suffered as a result of the defendant's wrongful act or omission;

(D) losses that arise because of the claims of third parties;

(E) losses that must be plead as special damages; and

(F) consequential damages (as defined in the Uniform Commercial Code or analogous State commercial law).

(c) CERTAIN ACTIONS EXCLUDED.—This section does not affect, abrogate, amend, or alter any patent, copyright, trade-secret, trademark, or service-mark action, or any claim for defamation or invasion of privacy under Federal or State law.

(d) CERTAIN OTHER ACTIONS.—A person liable for damages, whether by settlement or judgment, in a civil action to which this Act does not apply because of section 4(c), whose liability, in whole or in part, is the result of a Y2K failure may, notwithstanding any other provision of this Act, pursue any remedy otherwise available under Federal or State law against the person responsible for that Y2K failure to the extent of recovering the amount of those damages.

**SEC. 13. STATE OF MIND; BYSTANDER LIABILITY; CONTROL.**

(a) DEFENDANT'S STATE OF MIND.—In a Y2K action other than a claim for breach of repudiation of contract, and in which the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim, the defendant is not liable unless the plaintiff establishes that elements of the claim by clear and convincing evidence.

(b) LIMITATION ON BYSTANDER LIABILITY FOR Y2K FAILURES.—

(1) IN GENERAL.—With respect to any Y2K action for money damages in which—

(A) the defendant is not the manufacturer, seller, or distributor of a product, or the provider of a service, that suffers or causes the Y2K failure at issue;

(B) the plaintiff is not in substantial privity with the defendant; and

(C) the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim under applicable law,

the defendant shall not be liable unless the plaintiff, in addition to establishing all other requisite elements of the claim, proves by clear and convincing evidence that the defendant actually knew, or recklessly disregarded a known and substantial risk, that such failure would occur.

(2) SUBSTANTIAL PRIVITY.—For purposes of paragraph (1)(B), a plaintiff and a defendant are in substantial privity when, in a Y2K action arising out of the performance of professional services, the plaintiff and the defendant either have contractual relations with one another or the plaintiff is a person who,

prior to the defendant's performance of such services, was specifically identified to and acknowledged by the defendant as a person for whose special benefit the services were being performed.

(3) CERTAIN CLAIMS EXCLUDED.—For purposes of paragraph (1)(C), claims in which the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim under applicable law do not include claims for negligence but do include claims such as fraud, constructive fraud, breach of fiduciary duty, negligent misrepresentation, and interference with contract or economic advantage.

(c) CONTROL NOT DETERMINATIVE OF LIABILITY.—The fact that a Y2K failure occurred in an entity, facility, system, product, or component that was sold, leased, rented, or otherwise within the control of the party against whom a claim is asserted in a Y2K action shall not constitute the sole basis for recovery of damages in that action. A claim in a Y2K action for breach or repudiation of contract for such a failure is governed by the terms of the contract.

**SEC. 14. LIABILITY OF OFFICERS, DIRECTORS, AND EMPLOYEES.**

(a) IN GENERAL.—A director, officer, trustee, or employee of a business or other organization (including a corporation, unincorporated association, partnership, or nonprofit organization) is not personally liable in any Y2K action in that person's capacity as a director, officer, trustee, or employee of the business or organization for more than the greater of—

(1) $100,000; or

(2) the amount of pre-tax compensation received by the director, officer, trustee, or employee from the business or organization during the 12 months immediately preceding the act or omission for which liability is imposed.

(b) EXCEPTION.—Subsection (a) does not apply in any Y2K action in which it is found by clear and convincing evidence that the director, officer, trustee, or employee—

(1) made statements intended to be misleading regarding any actual or potential year 2000 problem; or

(2) withheld from the public significant information there was a legal duty to disclose regarding any actual or potential year 2000 problem of that business or organization which would likely result in actionable Y2K failure.

(c) STATE LAW, CHARTER, OR BYLAWS.—Nothing in this section supersedes any provision of State law, charter, or a bylaw authorized by State law in existence on January 1, 1999, that establishes lower financial limits on the liability of a director, officer, trustee, or employee of such a business or organization.

**SEC. 15. APPOINTMENT OF SPECIAL MASTERS OR MAGISTRATES FOR Y2K ACTIONS.**

Any District Court of the United States in which a Y2K action is pending may appoint a special master or a magistrate to hear the matter and to make findings of fact and conclusions of law in accordance with Rule 53 of the Federal Rules of Civil Procedure.

**SEC. 16. Y2K ACTIONS AS CLASS ACTIONS.**

(a) MINIMUM INJURY REQUIREMENT.—A Y2K action involving a claim that a product or service is defective may be maintained as a class action in Federal or State court as to that claim only if—

(1) it satisfies all other prerequisites established by applicable Federal or State law, including applicable rules of civil procedure; and

(2) the court finds that the defect in a product or service as alleged would be a material defect for the majority of the members of the class.

(b) NOTIFICATION.—In any Y2K action that is maintained as a class action, the court, in addition to any other notice required by applicable Federal or State law, shall direct notice of the action to each member of the class, which shall include—

(1) a concise and clear description of the nature of the action;

(2) the jurisdiction where the case is pending; and

(3) the fee arrangements with class counsel, including the hourly fee being charged, or, if it is a contingency fee, the percentage of the final award which will be paid, including as estimate of the total amount that would be paid if the requested damages were to be granted.

(c) FORUM FOR Y2K CLASS ACTIONS.—

(1) JURISDICTION.—Except as provided in paragraph (2), a Y2K action may be brought as a class action in a United States District Court or removed to a United States District Court if the amount in controversy is greater than the sum or value of $1,000,000 (exclusive of interest and costs), computed on the basis of all claims to be determined in the action.

(2) EXCEPTION.—A Y2K action may not be brought or removed as a class action under this section if—

(A) a substantial majority of the members of the proposed plaintiff class are citizens of a single State;

(B) the primary defendants are citizens of that State; and

(C) the claims asserted will be governed primarily by the law of that State, or

the primary defendants are States, State officials, or other governmental entities against whom the United States District Court may be foreclosed from ordering relief.

---

## LOTT AMENDMENT NO. 293

Mr. MCCAIN (for Mr. LOTT) proposed an amendment to amendment No. 292 proposed by Mr. LOTT to the bill, S. 96, supra; as follows:

Strike all after the word ''with'' and insert ''Instructions to report forthwith with the following amendment:

**SECTION 1. SHORT TITLE; TABLE OF SECTIONS.**

(a) SHORT TITLE.—This Act may be cited as the ''Y2K Act''.

(b) TABLE OF SECTIONS.—The table of sections for this Act is as follows:



**SEC. 2. FINDINGS AND PURPOSES.**

(a) FINDINGS.—The Congress finds that:

(1)(A) Many information technology systems, devices, and programs are not capable of recognizing certain dates in 1999 and after December 31, 1999, and will read dates in the year 2000 and thereafter as if those dates represent the year 1900 or thereafter or will fail to process dates after December 31, 1999.

(B) If not corrected, the problem described in subparagraph (A) and resulting failures could incapacitate systems that are essential to the functioning of markets, commerce, consumer products, utilities, Government, and safety and defense systems, in the United States and throughout the world.

(2) It is in the national interest that producers and users of technology products concentrate their attention and resources in the time remaining before January 1, 2000, on assessing, fixing, testing, and developing contingency plans to address any and all outstanding year 2000 computer date-change problems, so as to minimize possible disruptions associated with computer failures.

(3)(A) Because year 2000 computer date-change problems may affect virtually all businesses and other users of technology products to some degree, there is a substantial likelihood that actual or potential year 2000 failures will prompt a significant volume of litigation, much of it insubstantial.

(B) The litigation described in subparagraph (A) would have a range of undesirable effects, including the following:

(i) It would threaten to waste technical and financial resources that are better devoted to curing year 2000 computer date-change problems and ensuring that systems remain or become operational.

(ii) It could threaten the network of valued and trusted business and customer relationships that are important to the effective functioning of the national economy.

(iii) It would strain the Nation's legal system, causing particular problems for the small businesses and individuals who already find that system inaccessible because of its complexity and expense.

(iv) The delays, expense, uncertainties, loss of control, adverse publicity, and animosities that frequently accompany litigation of business disputes could exacerbate the difficulties associated with the date change and work against the successful resolution of those difficulties.

(4) It is appropriate for the Congress to enact legislation to assure that Y2K problems do not unnecessarily disrupt interstate commerce or create unnecessary caseloads in Federal courts and to provide initiatives to help businesses prepare and be in a position to withstand the potentially devastating economic impact of Y2K.

(5) Resorting to the legal system for resolution of Y2K problems is not feasible for many businesses and individuals who already find the legal system inaccessible, particularly small businesses and individuals who already find the legal system inaccessible, because of its complexity and expense.

(6) The delays, expense, uncertainties, loss of control, adverse publicity, and animosities that frequently accompany litigation of business disputes can only exacerbate the difficulties associated with Y2K date change, and work against the successful resolution of those difficulties.

(7) Concern about the potential for liability—in particular, concern about the substantial litigation expense associated with defending against even the most insubstantial lawsuits—is prompting many persons and businesses with technical expertise to avoid projects aimed at curing year 2000 computer date-change problems.

(8) A proliferation of frivolous Y2K lawsuits by opportunistic parties may further

limit access to courts by straining the resources of the legal system and depriving deserving parties of their legitimate rights to relief.

(9) Congress encourages businesses to approach their Y2K disputes responsibly, and to avoid unnecessary, time-consuming and costly litigation about Y2K failures, particularly those that are not material. Congress supports good faith negotiations between parties when there is a dispute over a Y2K problem, and, if necessary, urges the parties to enter into voluntary, non-binding mediation rather than litigation.

(b) PURPOSES.—Based upon the power of the Congress under Article I, Section 8, Clause 3 of the Constitution of the United States, the purpose of this Act are—

(1) to establish uniform legal standards that give all businesses and users of technology products reasonable incentives to solve Y2K computer date-change problems before they develop;

(2) to encourage continued Y2K remediation and testing efforts by providers, suppliers, customers, and other contracting partners;

(3) to encourage private and public parties alike to resolve Y2K disputes by alternative dispute mechanisms in order to avoid costly and time-consuming litigation, to initiate those mechanisms as early as possible, and to encourage the prompt identification and correction of Y2K problems; and

(4) to lessen the burdens on interstate commerce by discouraging insubstantial lawsuits while preserving the ability of individuals and businesses that have suffered real injury to obtain complete relief.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) Y2K ACTION.—The term ''Y2K action''—

(A) means a civil action commenced in any Federal or State court, or an agency board of contract appeal proceeding, in which the plaintiff's alleged harm or injury resulted directly or indirectly from an actual or potential Y2K failure, or a claim or defense is related directly or indirectly to an actual or potential Y2K failure;

(B) includes a civil action commenced in any Federal or State court by a governmental entity when acting in a commercial or contracting capacity; but

(C) does not include an action brought by a governmental entity acting in a regulatory, supervisory, or enforcement capacity.

(2) Y2K FAILURE.—The term ''Y2K failure'' means failure by any device or system (including any computer system and any microchip or integrated circuit embedded in another device or product), or any software, firmware, or other set or collection of processing instructions to process, to calculate, to compare, to sequence, to display, to store, to transmit, or to receive year-2000 date-related data, including failures—

(A) to deal with or account for transitions or comparisons from, into, and between the years 1999 and 2000 accurately;

(B) to recognize or accurately to process any specific date in 1999, 2000, or 2001; or

(C) accurately to account for the year 2000's status as a leap year, including recognition and processing of the correct date on February 29, 2000.

(3) GOVERNMENT ENTITY.—The term ''government entity'' means an agency, instrumentality, or other entity of Federal, State, or local government (including multijurisdictional agencies, instrumentalities, and entities).

(4) MATERIAL DEFECT.—The term ''material defect'' means a defect in any item, whether tangible or intangible, or in the provision of a service, that substantially prevents the item or service from operating or functioning as designed or according to its specifications. The term ''material defect'' does not include a defect that—

(A) has an insignificant or de minimis effect on the operation or functioning of an item or computer program;

(B) affects only a component of an item or program that, as a whole, substantially operates or functions as designed; or

(C) has an insignificant or de minimis effect on the efficacy of the service provided.

(5) PERSONAL INJURY.—The term ''personal injury'' means physical injury to a natural person, including—

(A) death as a result of a physical injury; and

(B) mental suffering, emotional distress, or similar injuries suffered by that person in connection with a physical injury.

(6) STATE.—The term ''State'' means any State of the United States, the District of Columbia, Commonwealth of Puerto Rico, the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States, and any political subdivision thereof.

(7) CONTRACT.—The term ''contract'' means a contract, tariff, license, or warranty.

(8) ALTERNATIVE DISPUTE RESOLUTION.—The term ''alternative dispute resolution'' means any process or proceeding, other than adjudication by a court or in an administrative proceeding, to assist in the resolution of issues in controversy, through processes such as early neutral evaluation, mediation, minitrial, and arbitration.

**SEC. 4. APPLICATION OF ACT.**

(a) GENERAL RULE.—This Act applies to any Y2K action brought in a State or Federal court after February 22, 1999, for a Y2K failure occurring before January 1, 2003, including any appeal, remand, stay, or other judicial, administrative, or alternative dispute resolution proceeding in such an action.

(b) NO NEW CAUSE OF ACTION CREATED.—Nothing in this Act creates a new cause of action, and, except as otherwise explicitly provided in this Act, nothing in this Act expands any liability otherwise imposed or limits any defense otherwise available under Federal or State law.

(c) CLAIMS FOR PERSONAL INJURY OR WRONGFUL DEATH EXCLUDED.—This Act does not apply to a claim for personal injury or for wrongful death.

(d) CONTRACT PRESERVATION.—

(1) IN GENERAL.—Subject to paragraph (2), in any Y2K action any written contractual term, including a limitation or an exclusion of liability, or a disclaimer of warranty, shall be strictly enforced unless the enforcement of that term would manifestly and directly contravene applicable State law embodied in any statute in effect on January 1, 1999, specifically addressing that term.

(2) INTERPRETATION OF CONTRACT.—In any Y2K action in which a contract to which paragraph (1) applies is silent as to a particular issue, the interpretation of the contract as to that issue shall be determined by applicable law in effect at the time the contract was executed.

(e) PREEMPTION OF STATE LAW.—This Act supersedes State law to the extent that it establishes a rule of law applicable to a Y2K action that is inconsistent with State law, but nothing in this Act implicates, alters, or diminishes the ability of a State to defend itself against any claim on the basis of sovereign immunity.

**SEC. 5. PUNITIVE DAMAGES LIMITATIONS.**

(a) IN GENERAL.—In any Y2K action in which punitive damages are permitted by applicable law, the defendant shall not be liable for punitive damages unless the plaintiff proves by clear and convincing evidence that the applicable standard for awarding damages has been met.

(b) CAPS ON PUNITIVE DAMAGES.—

(1) IN GENERAL.—Subject to the evidentiary standard established by subsection (a), punitive damages permitted under applicable law against a defendant in such a Y2K action may not exceed the larger of—

(A) 3 times the amount awarded for compensatory damages; or

(B) $250,000.

(2) SPECIAL RULE.—In the case of a defendant—

(A) who—

(i) is sued in his or her capacity as an individual; and

(ii) whose net worth does not exceed $500,000; or

(B) that is an unincorporated business, a partnership, corporation, association, unit of local government, or organization with fewer than 25 full-time employees,

paragraph (1) shall be applied by substituting ''smaller'' for ''larger''.

(3) NO CAP IF INJURY SPECIFICALLY INTENDED.—Neither paragraph (1) nor paragraph (2) applies if the plaintiff establishes by clear and convincing evidence that the defendant acted with specific intent to injure the plaintiff.

(c) GOVERNMENT ENTITIES.—Punitive damages in a Y2K action may not be awarded against a government entity.

**SEC. 6. PROPORTIONATE LIABILITY.**

(a) IN GENERAL.—Except as provided in subsections (b) and (c), a person against whom a final judgment is entered in a Y2K action shall be liable solely for the portion of the judgment that corresponds to the relative and proportional responsibility of that person. In determining the percentage of responsibility of any defendant, the trier of fact shall determine that percentage as a percentage of the total fault of all persons, including the plaintiff, who caused or contributed to the total loss incurred by the plaintiff.

(b) PROPORTIONATE LIABILITY.—

(1) DETERMINATION OF RESPONSIBILITY.—In any Y2K action, the court shall instruct the jury to answer special interrogatories, or, if there is no jury, the court shall make findings with respect to each defendant, including defendants who have entered into settlements with the plaintiff or plaintiffs, concerning—

(A) the percentage of responsibility, if any, of each defendant, measured as a percentage of the total fault of all persons who caused or contributed to the loss incurred by the plaintiff; and

(B) if alleged by the plaintiff, whether the defendant—

(i) acted with specific intent to injure the plaintiff; or

(ii) knowingly committed fraud.

(2) CONTENTS OF SPECIAL INTERROGATORIES OR FINDINGS.—The responses to interrogatories or findings under paragraph (1) shall specify the total amount of damages that the plaintiff is entitled to recover and the percentage of responsibility of each defendant found to have caused or contributed to the loss incurred by the plaintiff.

(3) FACTORS FOR CONSIDERATION.—In determining the percentage of responsibility under this subsection, the trier of fact shall consider—

(A) the nature of the conduct of each person found to have caused or contributed to the loss incurred by the plaintiff; and

(B) the nature and extent of the causal relationship between the conduct of each defendant and the damages incurred by the plaintiff.

(c) JOINT LIABILITY FOR SPECIFIC INTENT OR FRAUD.—

(1) IN GENERAL.—Notwithstanding subsection (a), the liability of a defendant in a Y2K action is joint and several if the trier of fact specifically determines that the defendant—

(A) acted with specific intent to injure the plaintiff; or

(B) knowingly committed fraud.

(2) FRAUD; RECKLESSNESS.—

(A) KNOWING COMMISSION OF FRAUD DESCRIBED.—For purposes of subsection (b)(1)(B)(ii) and paragraph (1)(B) of this subsection, a defendant knowingly committed fraud if the defendant—

(i) made an untrue statement of a material fact, with actual knowledge that the statement was false;

(ii) omitted a fact necessary to make the statement not be misleading, with actual knowledge that, as a result of the omission, the statement was false; and

(iii) knew that the plaintiff was reasonably likely to rely on the false statement.

(B) RECKLESSNESS.—For purposes of subsection (b)(1)(B) and paragraph (1) of this subsection, reckless conduct by the defendant does not constitute either a specific intent to injure, or the knowing commission of fraud, by the defendant.

(3) RIGHT TO CONTRIBUTION NOT AFFECTED.—Nothing in this section affects the right, under any other law, of a defendant to contribution with respect to another defendant found under subsection (b)(1)(B), or determined under paragraph (1)(B) of this subsection, to have acted with specific intent to injure the plaintiff or to have knowingly committed fraud.

(d) SPECIAL RULES.—

(1) UNCOLLECTIBLE SHARE.—

(A) IN GENERAL.—Notwithstanding subsection (a), if, upon motion not later than 6 months after a final judgment is entered in any Y2K action, the court determines that all or part of the share of the judgment against a defendant for compensatory damages is not collectible against that defendant, then each other defendant in the action is liable for the uncollectible share as follows:

(i) PERCENTAGE OF NET WORTH.—The other defendants are jointly and severally liable for the uncollectible share if the plaintiff establishes that—

(I) the plaintiff is an individual whose recoverable damages under the final judgment are equal to more than 10 percent of the net worth of the plaintiff; and

(II) the net worth of the plaintiff is less than $200,000.

(ii) OTHER PLAINTIFFS.—For a plaintiff not described in clause (i), each of the other defendants is liable for the uncollectible share in proportion to the percentage of responsibility of that defendant, except that the total liability of a defendant under this clause may not exceed 50 percent of the proportionate share of that defendant, as determined under subsection (b)(2).

(B) OVERALL LIMIT.—The total payments required under subparagraph (A) from all defendants may not exceed the amount of the uncollectible share.

(C) SUBJECT TO CONTRIBUTION.—A defendant against whom judgment is not collectible is subject to contribution and to any continuing liability to the plaintiff on the judgment.

(2) SPECIAL RIGHT OF CONTRIBUTION.—To the extent that a defendant is required to make an additional payment under paragraph (1), that defendant may recover contribution—

(A) from the defendant originally liable to make the payment;

(B) from any other defendant that is jointly and severally liable;

(C) from any other defendant held proportionately liable who is liable to make the same payment and has paid less than that other defendant's proportionate share of that payment; or

(D) from any other person responsible for the conduct giving rise to the payment that would have been liable to make the same payment.

(3) NONDISCLOSURE TO JURY.—The standard for allocation of damages under subsection (a) and subsection (b)(1), and the procedure for reallocation of uncollectible shares under paragraph (1) of this subsection, shall not be disclosed to members of the jury.

(e) SETTLEMENT DISCHARGE.—

(1) IN GENERAL.—A defendant who settles a Y2K action at any time before final verdict or judgment shall be discharged from all claims for contribution brought by other persons. Upon entry of the settlement by the court, the court shall enter a bar order constituting the final discharge of all obligations to the plaintiff of the settling defendant arising out of the action. The order shall bar all future claims for contribution arising out of the action—

(A) by any person against the settling defendant; and

(B) by the settling defendant against any person other than a person whose liability has been extinguished by the settlement of the settling defendant.

(2) REDUCTION.—If a defendant enters into a settlement with the plaintiff before the final verdict or judgment, the verdict or judgment shall be reduced by the greater of—

(A) an amount that corresponds to the percentage of responsibility of that defendant; or

(B) the amount paid to the plaintiff by that defendant.

(f) GENERAL RIGHT OF CONTRIBUTION.—

(1) IN GENERAL.—A defendant who is jointly and severally liable for damages in any Y2K action may recover contribution from any other person who, if joined in the original action, would have been liable for the same damages. A claim for contribution shall be determined based on the percentage of responsibility of the claimant and of each person against whom a claim for contribution is made.

(2) STATUTE OF LIMITATIONS FOR CONTRIBUTION.—An action for contribution in connection with a Y2K action shall be brought not later than 6 months after the entry of a final, nonappealable judgment in the Y2K action, except than an action for contribution brought by a defendant who was required to make an additional payment under subsection (d)(1) may be brought not later than 6 months after the date on which such payment was made.

(g) MORE PROTECTIVE STATE LAW NOT PREEMPTED.—Nothing in this section pre-empts or supersedes any provision of State statutory law that—

(1) limits the liability of a defendant in a Y2K action to a lesser amount than the amount determined under this section; or

(2) otherwise affords a greater degree of protection from joint or several liability than is afforded by this section.

**SEC. 7. PRE-LITIGATION NOTICE.**

(a) IN GENERAL.—Before commencing a Y2K action, except an action that seeks only injunctive relief, a prospective plaintiff with a Y2K claim shall send a written notice by certified mail to each prospective defendant in that action. The notice shall provide specific and detailed information about—

(1) the manifestations of any material defect alleged to have caused harm or loss;

(2) the harm or loss allegedly suffered by the prospective plaintiff;

(3) how the prospective plaintiff would like the prospective defendant to remedy the problem;

(4) the basis upon which the prospective plaintiff seeks that remedy; and

(5) the name, title, address, and telephone number of any individual who has authority to negotiate a resolution of the dispute on behalf of the prospective plaintiff.

(b) PERSON TO WHOM NOTICE TO BE SENT.—The notice required by subsection (a) shall be sent—

(1) to the registered agent of the prospective defendant for service of legal process;

(2) if the prospective defendant does not have a registered agent, then to the chief executive officer of a corporation, the managing partner of a partnership, the proprietor of a sole proprietorship, or to a similarly-situated person for any other enterprise; or

(3) if the prospective defendant has designated a person to receive pre-litigation notices on a Year 2000 Internet Website (as defined in section 3(7) of the Year 2000 Information and Readiness Disclosure Act), to the designated person, if the prospective plaintiff has reasonable access to the Internet.

(c) RESPONSE TO NOTICE.—

(1) IN GENERAL.—Within 30 days after receipt of the notice specified in subsection (a), each prospective defendant shall send by certified mail with return receipt requested to each prospective plaintiff a written statement acknowledging receipt of the notice, and describing the actions it has taken or will take to address the problem identified by the prospective plaintiff.

(2) WILLINGNESS TO ENGAGE IN ADR.—The Written statement shall state whether the prospective defendant is willing to engage in alternative dispute resolution.

(3) INADMISSIBILITY.—A written statement required by this paragraph is not admissible in evidence, under Rule 408 of the Federal Rules of Evidence or any analogous rule of evidence in any State, in any proceeding to prove liability for, or the invalidity of, a claim or its amount, or otherwise as evidence of conduct or statements made in compromise negotiations.

(4) PRESUMPTIVE TIME OF RECEIPT.—For purposes of paragraph (1), a notice under subsection (a) is presumed to be received 7 days after it was sent.

(d) FAILURE TO RESPOND.—If a prospective defendant—

(1) fails to respond to a notice provided pursuant to subsection (a) within the 30 days specified in subsection (c)(1); or

(2) does not describe the action, if any, the prospective defendant has taken, or will take, to address the problem identified by the prospective plaintiff,

the prospective plaintiff may immediately commence at legal action against that prospective defendant.

(e) REMEDIATION PERIOD.—

(1) IN GENERAL.—If the prospective defendant responds and proposes remedial action it will take, of offers to engage in alternative dispute resolution, then the prospective

plaintiff shall allow the prospective defendant an additional 60 days from the end of the 30-day notice period to complete the proposed remedial action before commencing a legal action against that prospective defendant.

(2) EXTENSION BY AGREEMENT.—The prospective plaintiff and prospective defendant may change the length of the 60-day remediation period by written agreement.

(3) MULTIPLE EXTENSIONS NOT ALLOWED.—Except as provided in paragraph (2), a defendant in a Y2K action is entitled to no more than one 30-day period and one 60-day remediation period under paragraph (1).

(4) STATUTES OF LIMITATION, ETC., TOLLED.—Any applicable statute of limitations or doctrine of laches in a Y2K action to which paragraph (1) applies shall be tolled during the notice and remediation period under that paragraph.

(f) FAILURE TO PROVIDE NOTICE.—If a defendant determines that a plaintiff has filed a Y2K action without providing the notice specified in subsection (a) or without awaiting the expiration of the appropriate waiting period specified in subsection (c), the defendant may treat the plaintiff's complaint as such a notice by so informing the court and the plaintiff. If any defendant elects to treat the complaint as such a notice—

(1) the court shall stay all discovery and all other proceedings in the action for the appropriate period after filing of the complaint; and

(2) the time for filing answers and all other pleadings shall be tolled during the appropriate period.

(g) EFFECT OF CONTRACTUAL OR STATUTORY WAITING PERIODS.—In cases in which a contract, or a statute enacted before January 1, 1999, requires notice of non-performance and provides for a period of delay prior to the initiation of suit for breach or repudiation of contract, the period of delay provided by contract or the statute is controlling over the waiting period specified in subsections (c) and (d).

(h) STATE LAW CONTROLS ALTERNATIVE METHODS.—Nothing in this section supersedes or otherwise preempts any State law or rule of civil procedure with respect to the use of alternative dispute resolution for Y2K actions.

(i) PROVISIONAL REMEDIES UNAFFECTED.—Nothing in this section interferes with the right of a litigant to provisional remedies otherwise available under Rule 65 of the Federal Rules of Civil Procedure or any State rule of civil procedure providing extraordinary or provisional remedies in any civil action in which the underlying complaint seeks both injunctive and monetary relief.

(j) SPECIAL RULE FOR CLASS ACTIONS.—For the purpose of applying this section to a Y2K action that is maintained as a class action in Federal or State court, the requirements of the preceding subsections of this section apply only to named plaintiffs in the class action.

**SEC. 8. PLEADING REQUIREMENTS.**

(a) APPLICATION WITH RULES OF CIVIL PROCEDURE.—This section applies exclusively to Y2K actions and, except to the extent that this section requires additional information to be contained in or attached to pleadings, nothing in this section is intended to amend or otherwise supersede applicable rules of Federal or State civil procedure.

(b) NATURE AND AMOUNT OF DAMAGES.—In all Y2K actions in which damages are requested, there shall be filed with the complaint a statement of specific information as to the nature and amount of each element of damages and the factual basis for the damages calculation.

(c) MATERIAL DEFECTS.—In any Y2K action in which the plaintiff alleges that there is a material defect in a product or service, there shall be filed with the complaint a statement of specific information regarding the manifestations of the material defects and the facts supporting a conclusion that the defects are material.

(d) REQUIRED STATE OF MIND.—In any Y2K action in which a claim is asserted on which the plaintiff may prevail only on proof that the defendant acted with a particular state of mind, there shall be filed with the complaint, with respect to each element of that claim, a statement of the facts giving rise to a strong inference that the defendant acted with the required state of mind.

**SEC. 9. DUTY TO MITIGATE.**

Damages awarded in any Y2K action shall exclude compensation for damages the plaintiff could reasonably have avoided in light of any disclosure or other information of which the plaintiff was, or reasonably should have been, aware, including information made available by the defendant to purchasers or users of the defendant's product or services concerning means of remedying or avoiding the Y2K failure.

**SEC. 10. APPLICATION OF EXISTING IMPOSSIBILITY OR COMMERCIAL IMPRACTICABILITY DOCTRINES.**

In any Y2K action for breach or repudiation of contract, the applicability of the doctrines of impossibility and commercial impracticability shall be determined by the law in existence on January 1, 1999. Nothing in this Act shall be construed as limiting or impairing a party's right to assert defenses based upon such doctrines.

**SEC. 11. DAMAGES LIMITATION BY CONTRACT.**

In any Y2K action for breach or repudiation of contract, no party may claim, nor be awarded, any category of damages unless such damages are allowed—

(1) by the express terms of the contract; or

(2) if the contract is silent on such damages, by operation of State law at the time the contract was effective or by operation of Federal law.

**SEC. 12. DAMAGES IN TORT CLAIMS.**

(a) IN GENERAL.—A party to a Y2K action making a tort claim may not recover damages for economic loss unless—

(1) the recovery of such losses is provided for in a contract to which the party seeking to recover such losses is a party; or

(2) such losses result directly from damage to tangible personal or real property caused by the Y2K failure (other than damage to property that is the subject of the contract between the parties to the Y2K action or, in the event there is no contract between the parties, other than damage caused only to the property that experienced the Y2K failure),

and such damages are permitted under applicable State law.

(b) ECONOMIC LOSS.—For purposes of this section only, and except as otherwise specifically provided in a valid and enforceable written contract between the plaintiff and the defendant in a Y2K action, the term ''economic loss''—

(1) means amounts awarded to compensate an injured party for any loss other than losses described in subsection (a)(2); and

(2) includes amounts awarded for damages such as—

(A) lost profits or sales;

(B) business interruption;

(C) losses indirectly suffered as a result of the defendant's wrongful act or omission;

(D) losses that arise because of the claims of third parties;

(E) losses that must be plead as special damages; and

(F) consequential damages (as defined in the Uniform Commercial Code or analogous State commercial law).

(c) CERTAIN ACTIONS EXCLUDED.—This section does not affect, abrogate, amend, or alter any patent, copyright, trade-secret, trademark, or service-mark action, or any claim for defamation or invasion of privacy under Federal or State law.

(d) CERTAIN OTHER ACTIONS.—A person liable for damages, whether by settlement or judgment, in a civil action to which this Act does not apply because of section 4(c), whose liability, in whole or in part, is the result of a Y2K failure may, notwithstanding any other provision of this Act, pursue any remedy otherwise available under Federal or State law against the person responsible for that Y2K failure to the extent of recovering the amount of those damages.

**SEC. 13. STATE OF MIND; BYSTANDER LIABILITY; CONTROL.**

(a) DEFENDANT'S STATE OF MIND.—In a Y2K action other than a claim for breach of repudiation of contract, and in which the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim, the defendant is not liable unless the plaintiff establishes that elements of the claim by clear and convincing evidence.

(b) LIMITATION ON BYSTANDER LIABILITY FOR Y2K FAILURES.—

(1) IN GENERAL.—With respect to any Y2K action for money damages in which—

(A) the defendant is not the manufacturer, seller, or distributor of a product, or the provider of a service, that suffers or causes the Y2K failure at issue;

(B) the plaintiff is not in substantial privity with the defendant; and

(C) the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim under applicable law,

the defendant shall not be liable unless the plaintiff, in addition to establishing all other requisite elements of the claim, proves by clear and convincing evidence that the defendant actually knew, or recklessly disregarded a known and substantial risk, that such failure would occur.

(2) SUBSTANTIAL PRIVITY.—For purposes of paragraph (1)(B), a plaintiff and a defendant are in substantial privity when, in a Y2K action arising out of the performance of professional services, the plaintiff and the defendant either have contractual relations with one another or the plaintiff is a person who, prior to the defendant's performance of such services, was specifically identified to and acknowledged by the defendant as a person for whose special benefit the services were being performed.

(3) CERTAIN CLAIMS EXCLUDED.—For purposes of paragraph (1)(C), claims in which the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim under applicable law do not include claims for negligence but do include claims such as fraud, constructive fraud, breach of fiduciary duty, negligent misrepresentation, and interference with contract or economic advantage.

(c) CONTROL NOT DETERMINATIVE OF LIABILITY.—The fact that a Y2K failure occurred in an entity, facility, system, product, or component that was sold, leased, rented, or otherwise within the control of the party against whom a claim is asserted in a Y2K action shall not constitute the sole basis for

recovery of damages in that action. A claim in a Y2K action for breach or repudiation of contract for such a failure is governed by the terms of the contract.

**SEC. 14. LIABILITY OF OFFICERS, DIRECTORS, AND EMPLOYEES.**

(a) IN GENERAL.—A director, officer, trustee, or employee of a business or other organization (including a corporation, unincorporated association, partnership, or nonprofit organization) is not personally liable in any Y2K action in that person's capacity as a director, officer, trustee, or employee of the business or organization for more than the greater of—

(1) $100,000; or

(2) the amount of pre-tax compensation received by the director, officer, trustee, or employee from the business or organization during the 12 months immediately preceding the act or omission for which liability is imposed.

(b) EXCEPTION.—Subsection (a) does not apply in any Y2K action in which it is found by clear and convincing evidence that the director, officer, trustee, or employee—

(1) made statements intended to be misleading regarding any actual or potential year 2000 problem; or

(2) withheld from the public significant information there was a legal duty to disclose regarding any actual or potential year 2000 problem of that business or organization which would likely result in actionable Y2K failure.

(c) STATE LAW, CHARTER, OR BYLAWS.—Nothing in this section supersedes any provision of State law, charter, or a bylaw authorized by State law in existence on January 1, 1999, that establishes lower financial limits on the liability of a director, officer, trustee, or employee of such a business or organization.

**SEC. 15. APPOINTMENT OF SPECIAL MASTERS OR MAGISTRATES FOR Y2K ACTIONS.**

Any District Court of the United States in which a Y2K action is pending may appoint a special master or a magistrate to hear the matter and to make findings of fact and conclusions of law in accordance with Rule 53 of the Federal Rules of Civil Procedure.

**SEC. 16. Y2K ACTIONS AS CLASS ACTIONS.**

(a) MINIMUM INJURY REQUIREMENT.—A Y2K action involving a claim that a product or service is defective may be maintained as a class action in Federal or State court as to that claim only if—

(1) it satisfies all other prerequisites established by applicable Federal or State law, including applicable rules of civil procedure; and

(2) the court finds that the defect in a product or service as alleged would be a material defect for the majority of the members of the class.

(b) NOTIFICATION.—In any Y2K action that is maintained as a class action, the court, in addition to any other notice required by applicable Federal or State law, shall direct notice of the action to each member of the class, which shall include—

(1) a concise and clear description of the nature of the action;

(2) the jurisdiction where the case is pending; and

(3) the fee arrangements with class counsel, including the hourly fee being charged, or, if it is a contingency fee, the percentage of the final award which will be paid, including as estimate of the total amount that would be paid if the requested damages were to be granted.

(c) FORUM FOR Y2K CLASS ACTIONS.—

(1) JURISDICTION.—Except as provided in paragraph (2), a Y2K action may be brought as a class action in a United States District Court or removed to a United States District Court if the amount in controversy is greater than the sum or value of $1,000,000 (exclusive of interest and costs), computed on the basis of all claims to be determined in the action.

(2) EXCEPTION.—A Y2K action may not be brought or removed as a class action under this section if—

(A) a substantial majority of the members of the proposed plaintiff class are citizens of a single State;

(B) the primary defendants are citizens of that State; and

(C) the claims asserted will be governed primarily by the law of that State, or

the primary defendants are States, State officials, or other governmental entities against whom the United States District Court may be foreclosed from ordering relief.

(D) This section shall become effective five days after the date of enactment.

---

## LOTT AMENDMENT NO. 294

Mr. LOTT proposed an amendment to the motion to recommit proposed by him to the bill, S. 96, supra; as follows:

At the end of the instructions add the following:

with an amendment as follows:

Strike all after the word ''SECTION'' and add the following:

**1. SHORT TITLE; TABLE OF SECTIONS.**

(a) SHORT TITLE.—This Act may be cited as the ''Y2K Act''.

(b) TABLE OF SECTIONS.—The table of sections for this Act is as follows:



**SEC. 2. FINDINGS AND PURPOSES.**

(a) FINDINGS.—The Congress finds that:

(1)(A) Many information technology systems, devices, and programs are not capable of recognizing certain dates in 1999 and after December 31, 1999, and will read dates in the year 2000 and thereafter as if those dates represent the year 1900 or thereafter or will fail to process dates after December 31, 1999.

(B) If not corrected, the problem described in subparagraph (A) and resulting failures could incapacitate systems that are essential to the functioning of markets, commerce, consumer products, utilities, Government, and safety and defense systems, in the United States and throughout the world.

(2) It is in the national interest that producers and users of technology products concentrate their attention and resources in the time remaining before January 1, 2000, on assessing, fixing, testing, and developing contingency plans to address any and all outstanding year 2000 computer date-change problems, so as to minimize possible disruptions associated with computer failures.

(3)(A) Because year 2000 computer date-change problems may affect virtually all businesses and other users of technology products to some degree, there is a substantial likelihood that actual or potential year 2000 failures will prompt a significant volume of litigation, much of it insubstantial.

(B) The litigation described in subparagraph (A) would have a range of undesirable effects, including the following:

(i) It would threaten to waste technical and financial resources that are better devoted to curing year 2000 computer date-change problems and ensuring that systems remain or become operational.

(ii) It could threaten the network of valued and trusted business and customer relationships that are important to the effective functioning of the national economy.

(iii) It would strain the Nation's legal system, causing particular problems for the small businesses and individuals who already find that system inaccessible because of its complexity and expense.

(iv) The delays, expense, uncertainties, loss of control, adverse publicity, and animosities that frequently accompany litigation of business disputes could exacerbate the difficulties associated with the date change and work against the successful resolution of those difficulties.

(4) It is appropriate for the Congress to enact legislation to assure that Y2K problems do not unnecessarily disrupt interstate commerce or create unnecessary caseloads in Federal courts and to provide initiatives to help businesses prepare and be in a position to withstand the potentially devastating economic impact of Y2K.

(5) Resorting to the legal system for resolution of Y2K problems is not feasible for many businesses and individuals who already find the legal system inaccessible, particularly small businesses and individuals who already find the legal system inaccessible, because of its complexity and expense.

(6) The delays, expense, uncertainties, loss of control, adverse publicity, and animosities that frequently accompany litigation of business disputes can only exacerbate the difficulties associated with Y2K date change, and work against the successful resolution of those difficulties.

(7) Concern about the potential for liability—in particular, concern about the substantial litigation expense associated with defending against even the most insubstantial lawsuits—is prompting many persons and businesses with technical expertise to avoid projects aimed at curing year 2000 computer date-change problems.

(8) A proliferation of frivolous Y2K lawsuits by opportunistic parties may further limit access to courts by straining the resources of the legal system and depriving deserving parties of their legitimate rights to relief.

(9) Congress encourages businesses to approach their Y2K disputes responsibly, and to avoid unnecessary, time-consuming and costly litigation about Y2K failures, particularly those that are not material. Congress supports good faith negotiations between parties when there is a dispute over a Y2K problem, and, if necessary, urges the parties to enter into voluntary, non-binding mediation rather than litigation.

(b) PURPOSES.—Based upon the power of the Congress under Article I, Section 8, Clause 3 of the Constitution of the United States, the purpose of this Act are—

(1) to establish uniform legal standards that give all businesses and users of technology products reasonable incentives to

solve Y2K computer date-change problems before they develop;

(2) to encourage continued Y2K remediation and testing efforts by providers, suppliers, customers, and other contracting partners;

(3) to encourage private and public parties alike to resolve Y2K disputes by alternative dispute mechanisms in order to avoid costly and time-consuming litigation, to initiate those mechanisms as early as possible, and to encourage the prompt identification and correction of Y2K problems; and

(4) to lessen the burdens on interstate commerce by discouraging insubstantial lawsuits while preserving the ability of individuals and businesses that have suffered real injury to obtain complete relief.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) Y2K ACTION.—The term ''Y2K action''—

(A) means a civil action commenced in any Federal or State court, or an agency board of contract appeal proceeding, in which the plaintiff's alleged harm or injury resulted directly or indirectly from an actual or potential Y2K failure, or a claim or defense is related directly or indirectly to an actual or potential Y2K failure;

(B) includes a civil action commenced in any Federal or State court by a governmental entity when acting in a commercial or contracting capacity; but

(C) does not include an action brought by a governmental entity acting in a regulatory, supervisory, or enforcement capacity.

(2) Y2K FAILURE.—The term ''Y2K failure'' means failure by any device or system (including any computer system and any microchip or integrated circuit embedded in another device or product), or any software, firmware, or other set or collection of processing instructions to process, to calculate, to compare, to sequence, to display, to store, to transmit, or to receive year-2000 date-related data, including failures—

(A) to deal with or account for transitions or comparisons from, into, and between the years 1999 and 2000 accurately;

(B) to recognize or accurately to process any specific date in 1999, 2000, or 2001; or

(C) accurately to account for the year 2000's status as a leap year, including recognition and processing of the correct date on February 29, 2000.

(3) GOVERNMENT ENTITY.—The term ''government entity'' means an agency, instrumentality, or other entity of Federal, State, or local government (including multijurisdictional agencies, instrumentalities, and entities).

(4) MATERIAL DEFECT.—The term ''material defect'' means a defect in any item, whether tangible or intangible, or in the provision of a service, that substantially prevents the item or service from operating or functioning as designed or according to its specifications. The term ''material defect'' does not include a defect that—

(A) has an insignificant or de minimis effect on the operation or functioning of an item or computer program;

(B) affects only a component of an item or program that, as a whole, substantially operates or functions as designed; or

(C) has an insignificant or de minimis effect on the efficacy of the service provided.

(5) PERSONAL INJURY.—The term ''personal injury'' means physical injury to a natural person, including—

(A) death as a result of a physical injury; and

(B) mental suffering, emotional distress, or similar injuries suffered by that person in connection with a physical injury.

(6) STATE.—The term ''State'' means any State of the United States, the District of Columbia, Commonwealth of Puerto Rico, the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States, and any political subdivision thereof.

(7) CONTRACT.—The term ''contract'' means a contract, tariff, license, or warranty.

(8) ALTERNATIVE DISPUTE RESOLUTION.—The term ''alternative dispute resolution'' means any process or proceeding, other than adjudication by a court or in an administrative proceeding, to assist in the resolution of issues in controversy, through processes such as early neutral evaluation, mediation, minitrial, and arbitration.

**SEC. 4. APPLICATION OF ACT.**

(a) GENERAL RULE.—This Act applies to any Y2K action brought in a State or Federal court after February 22, 1999, for a Y2K failure occurring before January 1, 2003, including any appeal, remand, stay, or other judicial, administrative, or alternative dispute resolution proceeding in such an action.

(b) NO NEW CAUSE OF ACTION CREATED.—Nothing in this Act creates a new cause of action, and, except as otherwise explicitly provided in this Act, nothing in this Act expands any liability otherwise imposed or limits any defense otherwise available under Federal or State law.

(c) CLAIMS FOR PERSONAL INJURY OR WRONGFUL DEATH EXCLUDED.—This Act does not apply to a claim for personal injury or for wrongful death.

(d) CONTRACT PRESERVATION.—

(1) IN GENERAL.—Subject to paragraph (2), in any Y2K action any written contractual term, including a limitation or an exclusion of liability, or a disclaimer of warranty, shall be strictly enforced unless the enforcement of that term would manifestly and directly contravene applicable State law embodied in any statute in effect on January 1, 1999, specifically addressing that term.

(2) INTERPRETATION OF CONTRACT.—In any Y2K action in which a contract to which paragraph (1) applies is silent as to a particular issue, the interpretation of the contract as to that issue shall be determined by applicable law in effect at the time the contract was executed.

(e) PREEMPTION OF STATE LAW.—This Act supersedes State law to the extent that it establishes a rule of law applicable to a Y2K action that is inconsistent with State law, but nothing in this Act implicates, alters, or diminishes the ability of a State to defend itself against any claim on the basis of sovereign immunity.

**SEC. 5. PUNITIVE DAMAGES LIMITATIONS.**

(a) IN GENERAL.—In any Y2K action in which punitive damages are permitted by applicable law, the defendant shall not be liable for punitive damages unless the plaintiff proves by clear and convincing evidence that the applicable standard for awarding damages has been met.

(b) CAPS ON PUNITIVE DAMAGES.—

(1) IN GENERAL.—Subject to the evidentiary standard established by subsection (a), punitive damages permitted under applicable law against a defendant in such a Y2K action may not exceed the larger of—

(A) 3 times the amount awarded for compensatory damages; or

(B) $250,000.

(2) SPECIAL RULE.—In the case of a defendant—

(A) who—

(i) is sued in his or her capacity as an individual; and

(ii) whose net worth does not exceed $500,000; or

(B) that is an unincorporated business, a partnership, corporation, association, unit of local government, or organization with fewer than 25 full-time employees,

paragraph (1) shall be applied by substituting ''smaller'' for ''larger''.

(3) NO CAP IF INJURY SPECIFICALLY INTENDED.—Neither paragraph (1) nor paragraph (2) applies if the plaintiff establishes by clear and convincing evidence that the defendant acted with specific intent to injure the plaintiff.

(c) GOVERNMENT ENTITIES.—Punitive damages in a Y2K action may not be awarded against a government entity.

**SEC. 6. PROPORTIONATE LIABILITY.**

(a) IN GENERAL.—Except as provided in subsections (b) and (c), a person against whom a final judgment is entered in a Y2K action shall be liable solely for the portion of the judgment that corresponds to the relative and proportional responsibility of that person. In determining the percentage of responsibility of any defendant, the trier of fact shall determine that percentage as a percentage of the total fault of all persons, including the plaintiff, who caused or contributed to the total loss incurred by the plaintiff.

(b) PROPORTIONATE LIABILITY.—

(1) DETERMINATION OF RESPONSIBILITY.—In any Y2K action, the court shall instruct the jury to answer special interrogatories, or, if there is no jury, the court shall make findings with respect to each defendant, including defendants who have entered into settlements with the plaintiff or plaintiffs, concerning—

(A) the percentage of responsibility, if any, of each defendant, measured as a percentage of the total fault of all persons who caused or contributed to the loss incurred by the plaintiff; and

(B) if alleged by the plaintiff, whether the defendant—

(i) acted with specific intent to injure the plaintiff; or

(ii) knowingly committed fraud.

(2) CONTENTS OF SPECIAL INTERROGATORIES OR FINDINGS.—The responses to interrogatories or findings under paragraph (1) shall specify the total amount of damages that the plaintiff is entitled to recover and the percentage of responsibility of each defendant found to have caused or contributed to the loss incurred by the plaintiff.

(3) FACTORS FOR CONSIDERATION.—In determining the percentage of responsibility under this subsection, the trier of fact shall consider—

(A) the nature of the conduct of each person found to have caused or contributed to the loss incurred by the plaintiff; and

(B) the nature and extent of the causal relationship between the conduct of each defendant and the damages incurred by the plaintiff.

(c) JOINT LIABILITY FOR SPECIFIC INTENT OR FRAUD.—

(1) IN GENERAL.—Notwithstanding subsection (a), the liability of a defendant in a Y2K action is joint and several if the trier of fact specifically determines that the defendant—

(A) acted with specific intent to injure the plaintiff; or

(B) knowingly committed fraud.

(2) FRAUD; RECKLESSNESS.—

(A) KNOWING COMMISSION OF FRAUD DESCRIBED.—For purposes of subsection (b)(1)(B)(ii) and paragraph (1)(B) of this subsection, a defendant knowingly committed fraud if the defendant—

(i) made an untrue statement of a material fact, with actual knowledge that the statement was false;

(ii) omitted a fact necessary to make the statement not be misleading, with actual knowledge that, as a result of the omission, the statement was false; and

(iii) knew that the plaintiff was reasonably likely to rely on the false statement.

(B) RECKLESSNESS.—For purposes of subsection (b)(1)(B) and paragraph (1) of this subsection, reckless conduct by the defendant does not constitute either a specific intent to injure, or the knowing commission of fraud, by the defendant.

(3) RIGHT TO CONTRIBUTION NOT AFFECTED.—Nothing in this section affects the right, under any other law, of a defendant to contribution with respect to another defendant found under subsection (b)(1)(B), or determined under paragraph (1)(B) of this subsection, to have acted with specific intent to injure the plaintiff or to have knowingly committed fraud.

(d) SPECIAL RULES.—

(1) UNCOLLECTIBLE SHARE.—

(A) IN GENERAL.—Notwithstanding subsection (a), if, upon motion not later than 6 months after a final judgment is entered in any Y2K action, the court determines that all or part of the share of the judgment against a defendant for compensatory damages is not collectible against that defendant, then each other defendant in the action is liable for the uncollectible share as follows:

(i) PERCENTAGE OF NET WORTH.—The other defendants are jointly and severally liable for the uncollectible share if the plaintiff establishes that—

(I) the plaintiff is an individual whose recoverable damages under the final judgment are equal to more than 10 percent of the net worth of the plaintiff; and

(II) the net worth of the plaintiff is less than $200,000.

(ii) OTHER PLAINTIFFS.—For a plaintiff not described in clause (i), each of the other defendants is liable for the uncollectible share in proportion to the percentage of responsibility of that defendant, except that the total liability of a defendant under this clause may not exceed 50 percent of the proportionate share of that defendant, as determined under subsection (b)(2).

(B) OVERALL LIMIT.—The total payments required under subparagraph (A) from all defendants may not exceed the amount of the uncollectible share.

(C) SUBJECT TO CONTRIBUTION.—A defendant against whom judgment is not collectible is subject to contribution and to any continuing liability to the plaintiff on the judgment.

(2) SPECIAL RIGHT OF CONTRIBUTION.—To the extent that a defendant is required to make an additional payment under paragraph (1), that defendant may recover contribution—

(A) from the defendant originally liable to make the payment;

(B) from any other defendant that is jointly and severally liable;

(C) from any other defendant held proportionately liable who is liable to make the same payment and has paid less than that other defendant's proportionate share of that payment; or

(D) from any other person responsible for the conduct giving rise to the payment that would have been liable to make the same payment.

(3) NONDISCLOSURE TO JURY.—The standard for allocation of damages under subsection (a) and subsection (b)(1), and the procedure for reallocation of uncollectible shares under paragraph (1) of this subsection, shall not be disclosed to members of the jury.

(e) SETTLEMENT DISCHARGE.—

(1) IN GENERAL.—A defendant who settles a Y2K action at any time before final verdict or judgment shall be discharged from all claims for contribution brought by other persons. Upon entry of the settlement by the court, the court shall enter a bar order constituting the final discharge of all obligations to the plaintiff of the settling defendant arising out of the action. The order shall bar all future claims for contribution arising out of the action—

(A) by any person against the settling defendant; and

(B) by the settling defendant against any person other than a person whose liability has been extinguished by the settlement of the settling defendant.

(2) REDUCTION.—If a defendant enters into a settlement with the plaintiff before the final verdict or judgment, the verdict or judgment shall be reduced by the greater of—

(A) an amount that corresponds to the percentage of responsibility of that defendant; or

(B) the amount paid to the plaintiff by that defendant.

(f) GENERAL RIGHT OF CONTRIBUTION.—

(1) IN GENERAL.—A defendant who is jointly and severally liable for damages in any Y2K action may recover contribution from any other person who, if joined in the original action, would have been liable for the same damages. A claim for contribution shall be determined based on the percentage of responsibility of the claimant and of each person against whom a claim for contribution is made.

(2) STATUTE OF LIMITATIONS FOR CONTRIBUTION.—An action for contribution in connection with a Y2K action shall be brought not later than 6 months after the entry of a final, nonappealable judgment in the Y2K action, except than an action for contribution brought by a defendant who was required to make an additional payment under subsection (d)(1) may be brought not later than 6 months after the date on which such payment was made.

(g) MORE PROTECTIVE STATE LAW NOT PREEMPTED.—Nothing in this section pre-empts or supersedes any provision of State statutory law that—

(1) limits the liability of a defendant in a Y2K action to a lesser amount than the amount determined under this section; or

(2) otherwise affords a greater degree of protection from joint or several liability than is afforded by this section.

**SEC. 7. PRE-LITIGATION NOTICE.**

(a) IN GENERAL.—Before commencing a Y2K action, except an action that seeks only injunctive relief, a prospective plaintiff with a Y2K claim shall send a written notice by certified mail to each prospective defendant in that action. The notice shall provide specific and detailed information about—

(1) the manifestations of any material defect alleged to have caused harm or loss;

(2) the harm or loss allegedly suffered by the prospective plaintiff;

(3) how the prospective plaintiff would like the prospective defendant to remedy the problem;

(4) the basis upon which the prospective plaintiff seeks that remedy; and

(5) the name, title, address, and telephone number of any individual who has authority to negotiate a resolution of the dispute on behalf of the prospective plaintiff.

(b) PERSON TO WHOM NOTICE TO BE SENT.—The notice required by subsection (a) shall be sent—

(1) to the registered agent of the prospective defendant for service of legal process;

(2) if the prospective defendant does not have a registered agent, then to the chief executive officer of a corporation, the managing partner of a partnership, the proprietor of a sole proprietorship, or to a similarly-situated person for any other enterprise; or

(3) if the prospective defendant has designated a person to receive pre-litigation notices on a Year 2000 Internet Website (as defined in section 3(7) of the Year 2000 Information and Readiness Disclosure Act), to the designated person, if the prospective plaintiff has reasonable access to the Internet.

(c) RESPONSE TO NOTICE.—

(1) IN GENERAL.—Within 30 days after receipt of the notice specified in subsection (a), each prospective defendant shall send by certified mail with return receipt requested to each prospective plaintiff a written statement acknowledging receipt of the notice, and describing the actions it has taken or will take to address the problem identified by the prospective plaintiff.

(2) WILLINGNESS TO ENGAGE IN ADR.—The Written statement shall state whether the prospective defendant is willing to engage in alternative dispute resolution.

(3) INADMISSIBILITY.—A written statement required by this paragraph is not admissible in evidence, under Rule 408 of the Federal Rules of Evidence or any analogous rule of evidence in any State, in any proceeding to prove liability for, or the invalidity of, a claim or its amount, or otherwise as evidence of conduct or statements made in compromise negotiations.

(4) PRESUMPTIVE TIME OF RECEIPT.—For purposes of paragraph (1), a notice under subsection (a) is presumed to be received 7 days after it was sent.

(d) FAILURE TO RESPOND.—If a prospective defendant—

(1) fails to respond to a notice provided pursuant to subsection (a) within the 30 days specified in subsection (c)(1); or

(2) does not describe the action, if any, the prospective defendant has taken, or will take, to address the problem identified by the prospective plaintiff,

the prospective plaintiff may immediately commence at legal action against that prospective defendant.

(e) REMEDIATION PERIOD.—

(1) IN GENERAL.—If the prospective defendant responds and proposes remedial action it will take, of offers to engage in alternative dispute resolution, then the prospective plaintiff shall allow the prospective defendant an additional 60 days from the end of the 30-day notice period to complete the proposed remedial action before commencing a legal action against that prospective defendant.

(2) EXTENSION BY AGREEMENT.—The prospective plaintiff and prospective defendant may change the length of the 60-day remediation period by written agreement.

(3) MULTIPLE EXTENSIONS NOT ALLOWED.—Except as provided in paragraph (2), a defendant in a Y2K action is entitled to no more than one 30-day period and one 60-day remediation period under paragraph (1).

(4) STATUTES OF LIMITATION, ETC., TOLLED.—Any applicable statute of limitations or doctrine of laches in a Y2K action to which paragraph (1) applies shall be tolled during the notice and remediation period under that paragraph.

(f) FAILURE TO PROVIDE NOTICE.—If a defendant determines that a plaintiff has filed a Y2K action without providing the notice

specified in subsection (a) or without awaiting the expiration of the appropriate waiting period specified in subsection (c), the defendant may treat the plaintiff's complaint as such a notice by so informing the court and the plaintiff. If any defendant elects to treat the complaint as such a notice—

(1) the court shall stay all discovery and all other proceedings in the action for the appropriate period after filing of the complaint; and

(2) the time for filing answers and all other pleadings shall be tolled during the appropriate period.

(g) EFFECT OF CONTRACTUAL OR STATUTORY WAITING PERIODS.—In cases in which a contract, or a statute enacted before January 1, 1999, requires notice of non-performance and provides for a period of delay prior to the initiation of suit for breach or repudiation of contract, the period of delay provided by contract or the statute is controlling over the waiting period specified in subsections (c) and (d).

(h) STATE LAW CONTROLS ALTERNATIVE METHODS.—Nothing in this section supersedes or otherwise preempts any State law or rule of civil procedure with respect to the use of alternative dispute resolution for Y2K actions.

(i) PROVISIONAL REMEDIES UNAFFECTED.—Nothing in this section interferes with the right of a litigant to provisional remedies otherwise available under Rule 65 of the Federal Rules of Civil Procedure or any State rule of civil procedure providing extraordinary or provisional remedies in any civil action in which the underlying complaint seeks both injunctive and monetary relief.

(j) SPECIAL RULE FOR CLASS ACTIONS.—For the purpose of applying this section to a Y2K action that is maintained as a class action in Federal or State court, the requirements of the preceding subsections of this section apply only to named plaintiffs in the class action.

**SEC. 8. PLEADING REQUIREMENTS.**

(a) APPLICATION WITH RULES OF CIVIL PROCEDURE.—This section applies exclusively to Y2K actions and, except to the extent that this section requires additional information to be contained in or attached to pleadings, nothing in this section is intended to amend or otherwise supersede applicable rules of Federal or State civil procedure.

(b) NATURE AND AMOUNT OF DAMAGES.—In all Y2K actions in which damages are requested, there shall be filed with the complaint a statement of specific information as to the nature and amount of each element of damages and the factual basis for the damages calculation.

(c) MATERIAL DEFECTS.—In any Y2K action in which the plaintiff alleges that there is a material defect in a product or service, there shall be filed with the complaint a statement of specific information regarding the manifestations of the material defects and the facts supporting a conclusion that the defects are material.

(d) REQUIRED STATE OF MIND.—In any Y2K action in which a claim is asserted on which the plaintiff may prevail only on proof that the defendant acted with a particular state of mind, there shall be filed with the complaint, with respect to each element of that claim, a statement of the facts giving rise to a strong inference that the defendant acted with the required state of mind.

**SEC. 9. DUTY TO MITIGATE.**

Damages awarded in any Y2K action shall exclude compensation for damages the plaintiff could reasonably have avoided in light of any disclosure or other information of which the plaintiff was, or reasonably should have been, aware, including information made available by the defendant to purchasers or users of the defendant's product or services concerning means of remedying or avoiding the Y2K failure.

**SEC. 10. APPLICATION OF EXISTING IMPOSSIBILITY OR COMMERCIAL IMPRACTICABILITY DOCTRINES.**

In any Y2K action for breach or repudiation of contract, the applicability of the doctrines of impossibility and commercial impracticability shall be determined by the law in existence on January 1, 1999. Nothing in this Act shall be construed as limiting or impairing a party's right to assert defenses based upon such doctrines.

**SEC. 11. DAMAGES LIMITATION BY CONTRACT.**

In any Y2K action for breach or repudiation of contract, no party may claim, nor be awarded, any category of damages unless such damages are allowed—

(1) by the express terms of the contract; or

(2) if the contract is silent on such damages, by operation of State law at the time the contract was effective or by operation of Federal law.

**SEC. 12. DAMAGES IN TORT CLAIMS.**

(a) IN GENERAL.—A party to a Y2K action making a tort claim may not recover damages for economic loss unless—

(1) the recovery of such losses is provided for in a contract to which the party seeking to recover such losses is a party; or

(2) such losses result directly from damage to tangible personal or real property caused by the Y2K failure (other than damage to property that is the subject of the contract between the parties to the Y2K action or, in the event there is no contract between the parties, other than damage caused only to the property that experienced the Y2K failure),

and such damages are permitted under applicable State law.

(b) ECONOMIC LOSS.—For purposes of this section only, and except as otherwise specifically provided in a valid and enforceable written contract between the plaintiff and the defendant in a Y2K action, the term ''economic loss''—

(1) means amounts awarded to compensate an injured party for any loss other than losses described in subsection (a)(2); and

(2) includes amounts awarded for damages such as—

(A) lost profits or sales;

(B) business interruption;

(C) losses indirectly suffered as a result of the defendant's wrongful act or omission;

(D) losses that arise because of the claims of third parties;

(E) losses that must be plead as special damages; and

(F) consequential damages (as defined in the Uniform Commercial Code or analogous State commercial law).

(c) CERTAIN ACTIONS EXCLUDED.—This section does not affect, abrogate, amend, or alter any patent, copyright, trade-secret, trademark, or service-mark action, or any claim for defamation or invasion of privacy under Federal or State law.

(d) CERTAIN OTHER ACTIONS.—A person liable for damages, whether by settlement or judgment, in a civil action to which this Act does not apply because of section 4(c), whose liability, in whole or in part, is the result of a Y2K failure may, notwithstanding any other provision of this Act, pursue any remedy otherwise available under Federal or State law against the person responsible for that Y2K failure to the extent of recovering the amount of those damages.

**SEC. 13. STATE OF MIND; BYSTANDER LIABILITY; CONTROL.**

(a) DEFENDANT'S STATE OF MIND.—In a Y2K action other than a claim for breach of repudiation of contract, and in which the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim, the defendant is not liable unless the plaintiff establishes that elements of the claim by clear and convincing evidence.

(b) LIMITATION ON BYSTANDER LIABILITY FOR Y2K FAILURES.—

(1) IN GENERAL.—With respect to any Y2K action for money damages in which—

(A) the defendant is not the manufacturer, seller, or distributor of a product, or the provider of a service, that suffers or causes the Y2K failure at

(B) the plaintiff is not in substantial privity with the defendant; and

(C) the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim under applicable law,

the defendant shall not be liable unless the plaintiff, in addition to establishing all other requisite elements of the claim, proves by clear and convincing evidence that the defendant actually knew, or recklessly disregarded a known and substantial risk, that such failure would occur.

(2) SUBSTANTIAL PRIVITY.—For purposes of paragraph (1)(B), a plaintiff and a defendant are in substantial privity when, in a Y2K action arising out of the performance of professional services, the plaintiff and the defendant either have contractual relations with one another or the plaintiff is a person who, prior to the defendant's performance of such services, was specifically identified to and acknowledged by the defendant as a person for whose special benefit the services were being performed.

(3) CERTAIN CLAIMS EXCLUDED.—For purposes of paragraph (1)(C), claims in which the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim under applicable law do not include claims for negligence but do include claims such as fraud, constructive fraud, breach of fiduciary duty, negligent misrepresentation, and interference with contract or economic advantage.

(c) CONTROL NOT DETERMINATIVE OF LIABILITY.—The fact that a Y2K failure occurred in an entity, facility, system, product, or component that was sold, leased, rented, or otherwise within the control of the party against whom a claim is asserted in a Y2K action shall not constitute the sole basis for recovery of damages in that action. A claim in a Y2K action for breach or repudiation of contract for such a failure is governed by the terms of the contract.

**SEC. 14. LIABILITY OF OFFICERS, DIRECTORS, AND EMPLOYEES.**

(a) IN GENERAL.—A director, officer, trustee, or employee of a business or other organization (including a corporation, unincorporated association, partnership, or nonprofit organization) is not personally liable in any Y2K action in that person's capacity as a director, officer, trustee, or employee of the business or organization for more than the greater of—

(1) $100,000; or

(2) the amount of pre-tax compensation received by the director, officer, trustee, or employee from the business or organization during the 12 months immediately preceding the act or omission for which liability is imposed.

(b) EXCEPTION.—Subsection (a) does not apply in any Y2K action in which it is found

by clear and convincing evidence that the director, officer, trustee, or employee—

(1) made statements intended to be misleading regarding any actual or potential year 2000 problem; or

(2) withheld from the public significant information there was a legal duty to disclose regarding any actual or potential year 2000 problem of that business or organization which would likely result in actionable Y2K failure.

(c) STATE LAW, CHARTER, OR BYLAWS.—Nothing in this section supersedes any provision of State law, charter, or a bylaw authorized by State law in existence on January 1, 1999, that establishes lower financial limits on the liability of a director, officer, trustee, or employee of such a business or organization.

**SEC. 15. APPOINTMENT OF SPECIAL MASTERS OR MAGISTRATES FOR Y2K ACTIONS.**

Any District Court of the United States in which a Y2K action is pending may appoint a special master or a magistrate to hear the matter and to make findings of fact and conclusions of law in accordance with Rule 53 of the Federal Rules of Civil Procedure.

**SEC. 16. Y2K ACTIONS AS CLASS ACTIONS.**

(a) MINIMUM INJURY REQUIREMENT.—A Y2K action involving a claim that a product or service is defective may be maintained as a class action in Federal or State court as to that claim only if—

(1) it satisfies all other prerequisites established by applicable Federal or State law, including applicable rules of civil procedure; and

(2) the court finds that the defect in a product or service as alleged would be a material defect for the majority of the members of the class.

(b) NOTIFICATION.—In any Y2K action that is maintained as a class action, the court, in addition to any other notice required by applicable Federal or State law, shall direct notice of the action to each member of the class, which shall include—

(1) a concise and clear description of the nature of the action;

(2) the jurisdiction where the case is pending; and

(3) the fee arrangements with class counsel, including the hourly fee being charged, or, if it is a contingency fee, the percentage of the final award which will be paid, including as estimate of the total amount that would be paid if the requested damages were to be granted.

(c) FORUM FOR Y2K CLASS ACTIONS.—

(1) JURISDICTION.—Except as provided in paragraph (2), a Y2K action may be brought as a class action in a United States District Court or removed to a United States District Court if the amount in controversy is greater than the sum or value of $1,000,000 (exclusive of interest and costs), computed on the basis of all claims to be determined in the action.

(2) EXCEPTION.—A Y2K action may not be brought or removed as a class action under this section if—

(A) a substantial majority of the members of the proposed plaintiff class are citizens of a single State;

(B) the primary defendants are citizens of that State; and

(C) the claims asserted will be governed primarily by the law of that State, or

the primary defendants are States, State officials, or other governmental entities against whom the United States District Court may be foreclosed from ordering relief.

(D) This section shall become effective four days after the date of enactment.

## LOTT AMENDMENT NO. 295

Mr. LOTT proposed an amendment to amendment No. 294 proposed by Mr. LOTT to the bill, S. 96, supra; as follows:

Strike all after the word ''1'' and add the following:

**SHORT TITLE; TABLE OF SECTIONS.**

(a) SHORT TITLE.—This Act may be cited as the ''Y2K Act''.

(b) TABLE OF SECTIONS.—The table of sections for this Act is as follows:



**SEC. 2. FINDINGS AND PURPOSES.**

(a) FINDINGS.—The Congress finds that:

(1)(A) Many information technology systems, devices, and programs are not capable of recognizing certain dates in 1999 and after December 31, 1999, and will read dates in the year 2000 and thereafter as if those dates represent the year 1900 or thereafter or will fail to process dates after December 31, 1999.

(B) If not corrected, the problem described in subparagraph (A) and resulting failures could incapacitate systems that are essential to the functioning of markets, commerce, consumer products, utilities, Government, and safety and defense systems, in the United States and throughout the world.

(2) It is in the national interest that producers and users of technology products concentrate their attention and resources in the time remaining before January 1, 2000, on assessing, fixing, testing, and developing contingency plans to address any and all outstanding year 2000 computer date-change problems, so as to minimize possible disruptions associated with computer failures.

(3)(A) Because year 2000 computer date-change problems may affect virtually all businesses and other users of technology products to some degree, there is a substantial likelihood that actual or potential year 2000 failures will prompt a significant volume of litigation, much of it insubstantial.

(B) The litigation described in subparagraph (A) would have a range of undesirable effects, including the following:

(i) It would threaten to waste technical and financial resources that are better devoted to curing year 2000 computer date-change problems and ensuring that systems remain or become operational.

(ii) It could threaten the network of valued and trusted business and customer relationships that are important to the effective functioning of the national economy.

(iii) It would strain the Nation's legal system, causing particular problems for the small businesses and individuals who already find that system inaccessible because of its complexity and expense.

(iv) The delays, expense, uncertainties, loss of control, adverse publicity, and animosities that frequently accompany litigation of business disputes could exacerbate the difficulties associated with the date change and work against the successful resolution of those difficulties.

(4) It is appropriate for the Congress to enact legislation to assure that Y2K problems do not unnecessarily disrupt interstate commerce or create unnecessary caseloads in Federal courts and to provide initiatives to help businesses prepare and be in a position to withstand the potentially devastating economic impact of Y2K.

(5) Resorting to the legal system for resolution of Y2K problems is not feasible for many businesses and individuals who already find the legal system inaccessible, particularly small businesses and individuals who already find the legal system inaccessible, because of its complexity and expense.

(6) The delays, expense, uncertainties, loss of control, adverse publicity, and animosities that frequently accompany litigation of business disputes can only exacerbate the difficulties associated with Y2K date change, and work against the successful resolution of those difficulties.

(7) Concern about the potential for liability—in particular, concern about the substantial litigation expense associated with defending against even the most insubstantial lawsuits—is prompting many persons and businesses with technical expertise to avoid projects aimed at curing year 2000 computer date-change problems.

(8) A proliferation of frivolous Y2K lawsuits by opportunistic parties may further limit access to courts by straining the resources of the legal system and depriving deserving parties of their legitimate rights to relief.

(9) Congress encourages businesses to approach their Y2K disputes responsibly, and to avoid unnecessary, time-consuming and costly litigation about Y2K failures, particularly those that are not material. Congress supports good faith negotiations between parties when there is a dispute over a Y2K problem, and, if necessary, urges the parties to enter into voluntary, non-binding mediation rather than litigation.

(b) PURPOSES.—Based upon the power of the Congress under Article I, Section 8, Clause 3 of the Constitution of the United States, the purpose of this Act are—

(1) to establish uniform legal standards that give all businesses and users of technology products reasonable incentives to solve Y2K computer date-change problems before they develop;

(2) to encourage continued Y2K remediation and testing efforts by providers, suppliers, customers, and other contracting partners;

(3) to encourage private and public parties alike to resolve Y2K disputes by alternative dispute mechanisms in order to avoid costly and time-consuming litigation, to initiate those mechanisms as early as possible, and to encourage the prompt identification and correction of Y2K problems; and

(4) to lessen the burdens on interstate commerce by discouraging insubstantial lawsuits while preserving the ability of individuals and businesses that have suffered real injury to obtain complete relief.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) Y2K ACTION.—The term ''Y2K action''—

(A) means a civil action commenced in any Federal or State court, or an agency board of contract appeal proceeding, in which the

plaintiff's alleged harm or injury resulted directly or indirectly from an actual or potential Y2K failure, or a claim or defense is related directly or indirectly to an actual or potential Y2K failure;

(B) includes a civil action commenced in any Federal or State court by a governmental entity when acting in a commercial or contracting capacity; but

(C) does not include an action brought by a governmental entity acting in a regulatory, supervisory, or enforcement capacity.

(2) Y2K FAILURE.—The term ''Y2K failure'' means failure by any device or system (including any computer system and any microchip or integrated circuit embedded in another device or product), or any software, firmware, or other set or collection of processing instructions to process, to calculate, to compare, to sequence, to display, to store, to transmit, or to receive year-2000 date-related data, including failures—

(A) to deal with or account for transitions or comparisons from, into, and between the years 1999 and 2000 accurately;

(B) to recognize or accurately to process any specific date in 1999, 2000, or 2001; or

(C) accurately to account for the year 2000's status as a leap year, including recognition and processing of the correct date on February 29, 2000.

(3) GOVERNMENT ENTITY.—The term ''government entity'' means an agency, instrumentality, or other entity of Federal, State, or local government (including multijurisdictional agencies, instrumentalities, and entities).

(4) MATERIAL DEFECT.—The term ''material defect'' means a defect in any item, whether tangible or intangible, or in the provision of a service, that substantially prevents the item or service from operating or functioning as designed or according to its specifications. The term ''material defect'' does not include a defect that—

(A) has an insignificant or de minimis effect on the operation or functioning of an item or computer program;

(B) affects only a component of an item or program that, as a whole, substantially operates or functions as designed; or

(C) has an insignificant or de minimis effect on the efficacy of the service provided.

(5) PERSONAL INJURY.—The term ''personal injury'' means physical injury to a natural person, including—

(A) death as a result of a physical injury; and

(B) mental suffering, emotional distress, or similar injuries suffered by that person in connection with a physical injury.

(6) STATE.—The term ''State'' means any State of the United States, the District of Columbia, Commonwealth of Puerto Rico, the Northern Mariana Islands, the United States Virgin Islands, Guam, American Samoa, and any other territory or possession of the United States, and any political subdivision thereof.

(7) CONTRACT.—The term ''contract'' means a contract, tariff, license, or warranty.

(8) ALTERNATIVE DISPUTE RESOLUTION.—The term ''alternative dispute resolution'' means any process or proceeding, other than adjudication by a court or in an administrative proceeding, to assist in the resolution of issues in controversy, through processes such as early neutral evaluation, mediation, minitrial, and arbitration.

**SEC. 4. APPLICATION OF ACT.**

(a) GENERAL RULE.—This Act applies to any Y2K action brought in a State or Federal court after February 22, 1999, for a Y2K failure occurring before January 1, 2003, including any appeal, remand, stay, or other judicial, administrative, or alternative dispute resolution proceeding in such an action.

(b) NO NEW CAUSE OF ACTION CREATED.—Nothing in this Act creates a new cause of action, and, except as otherwise explicitly provided in this Act, nothing in this Act expands any liability otherwise imposed or limits any defense otherwise available under Federal or State law.

(c) CLAIMS FOR PERSONAL INJURY OR WRONGFUL DEATH EXCLUDED.—This Act does not apply to a claim for personal injury or for wrongful death.

(d) CONTRACT PRESERVATION.—

(1) IN GENERAL.—Subject to paragraph (2), in any Y2K action any written contractual term, including a limitation or an exclusion of liability, or a disclaimer of warranty, shall be strictly enforced unless the enforcement of that term would manifestly and directly contravene applicable State law embodied in any statute in effect on January 1, 1999, specifically addressing that term.

(2) INTERPRETATION OF CONTRACT.—In any Y2K action in which a contract to which paragraph (1) applies is silent as to a particular issue, the interpretation of the contract as to that issue shall be determined by applicable law in effect at the time the contract was executed.

(e) PREEMPTION OF STATE LAW.—This Act supersedes State law to the extent that it establishes a rule of law applicable to a Y2K action that is inconsistent with State law, but nothing in this Act implicates, alters, or diminishes the ability of a State to defend itself against any claim on the basis of sovereign immunity.

**SEC. 5. PUNITIVE DAMAGES LIMITATIONS.**

(a) IN GENERAL.—In any Y2K action in which punitive damages are permitted by applicable law, the defendant shall not be liable for punitive damages unless the plaintiff proves by clear and convincing evidence that the applicable standard for awarding damages has been met.

(b) CAPS ON PUNITIVE DAMAGES.—

(1) IN GENERAL.—Subject to the evidentiary standard established by subsection (a), punitive damages permitted under applicable law against a defendant in such a Y2K action may not exceed the larger of—

(A) 3 times the amount awarded for compensatory damages; or

(B) $250,000.

(2) SPECIAL RULE.—In the case of a defendant—

(A) who—

(i) is sued in his or her capacity as an individual; and

(ii) whose net worth does not exceed $500,000; or

(B) that is an unincorporated business, a partnership, corporation, association, unit of local government, or organization with fewer than 25 full-time employees,

paragraph (1) shall be applied by substituting ''smaller'' for ''larger''.

(3) NO CAP IF INJURY SPECIFICALLY INTENDED.—Neither paragraph (1) nor paragraph (2) applies if the plaintiff establishes by clear and convincing evidence that the defendant acted with specific intent to injure the plaintiff.

(c) GOVERNMENT ENTITIES.—Punitive damages in a Y2K action may not be awarded against a government entity.

**SEC. 6. PROPORTIONATE LIABILITY.**

(a) IN GENERAL.—Except as provided in subsections (b) and (c), a person against whom a final judgment is entered in a Y2K action shall be liable solely for the portion of the judgment that corresponds to the relative and proportional responsibility of that person. In determining the percentage of responsibility of any defendant, the trier of fact shall determine that percentage as a percentage of the total fault of all persons, including the plaintiff, who caused or contributed to the total loss incurred by the plaintiff.

(b) PROPORTIONATE LIABILITY.—

(1) DETERMINATION OF RESPONSIBILITY.—In any Y2K action, the court shall instruct the jury to answer special interrogatories, or, if there is no jury, the court shall make findings with respect to each defendant, including defendants who have entered into settlements with the plaintiff or plaintiffs, concerning—

(A) the percentage of responsibility, if any, of each defendant, measured as a percentage of the total fault of all persons who caused or contributed to the loss incurred by the plaintiff; and

(B) if alleged by the plaintiff, whether the defendant—

(i) acted with specific intent to injure the plaintiff; or

(ii) knowingly committed fraud.

(2) CONTENTS OF SPECIAL INTERROGATORIES OR FINDINGS.—The responses to interrogatories or findings under paragraph (1) shall specify the total amount of damages that the plaintiff is entitled to recover and the percentage of responsibility of each defendant found to have caused or contributed to the loss incurred by the plaintiff.

(3) FACTORS FOR CONSIDERATION.—In determining the percentage of responsibility under this subsection, the trier of fact shall consider—

(A) the nature of the conduct of each person found to have caused or contributed to the loss incurred by the plaintiff; and

(B) the nature and extent of the causal relationship between the conduct of each defendant and the damages incurred by the plaintiff.

(c) JOINT LIABILITY FOR SPECIFIC INTENT OR FRAUD.—

(1) IN GENERAL.—Notwithstanding subsection (a), the liability of a defendant in a Y2K action is joint and several if the trier of fact specifically determines that the defendant—

(A) acted with specific intent to injure the plaintiff; or

(B) knowingly committed fraud.

(2) FRAUD; RECKLESSNESS.—

(A) KNOWING COMMISSION OF FRAUD DESCRIBED.—For purposes of subsection (b)(1)(B)(ii) and paragraph (1)(B) of this subsection, a defendant knowingly committed fraud if the defendant—

(i) made an untrue statement of a material fact, with actual knowledge that the statement was false;

(ii) omitted a fact necessary to make the statement not be misleading, with actual knowledge that, as a result of the omission, the statement was false; and

(iii) knew that the plaintiff was reasonably likely to rely on the false statement.

(B) RECKLESSNESS.—For purposes of subsection (b)(1)(B) and paragraph (1) of this subsection, reckless conduct by the defendant does not constitute either a specific intent to injure, or the knowing commission of fraud, by the defendant.

(3) RIGHT TO CONTRIBUTION NOT AFFECTED.—Nothing in this section affects the right, under any other law, of a defendant to contribution with respect to another defendant found under subsection (b)(1)(B), or determined under paragraph (1)(B) of this subsection, to have acted with specific intent to

injure the plaintiff or to have knowingly committed fraud.

(d) SPECIAL RULES.—

(1) UNCOLLECTIBLE SHARE.—

(A) IN GENERAL.—Notwithstanding subsection (a), if, upon motion not later than 6 months after a final judgment is entered in any Y2K action, the court determines that all or part of the share of the judgment against a defendant for compensatory damages is not collectible against that defendant, then each other defendant in the action is liable for the uncollectible share as follows:

(i) PERCENTAGE OF NET WORTH.—The other defendants are jointly and severally liable for the uncollectible share if the plaintiff establishes that—

(I) the plaintiff is an individual whose recoverable damages under the final judgment are equal to more than 10 percent of the net worth of the plaintiff; and

(II) the net worth of the plaintiff is less than $200,000.

(ii) OTHER PLAINTIFFS.—For a plaintiff not described in clause (i), each of the other defendants is liable for the uncollectible share in proportion to the percentage of responsibility of that defendant, except that the total liability of a defendant under this clause may not exceed 50 percent of the proportionate share of that defendant, as determined under subsection (b)(2).

(B) OVERALL LIMIT.—The total payments required under subparagraph (A) from all defendants may not exceed the amount of the uncollectible share.

(C) SUBJECT TO CONTRIBUTION.—A defendant against whom judgment is not collectible is subject to contribution and to any continuing liability to the plaintiff on the judgment.

(2) SPECIAL RIGHT OF CONTRIBUTION.—To the extent that a defendant is required to make an additional payment under paragraph (1), that defendant may recover contribution—

(A) from the defendant originally liable to make the payment;

(B) from any other defendant that is jointly and severally liable;

(C) from any other defendant held proportionately liable who is liable to make the same payment and has paid less than that other defendant's proportionate share of that payment; or

(D) from any other person responsible for the conduct giving rise to the payment that would have been liable to make the same payment.

(3) NONDISCLOSURE TO JURY.—The standard for allocation of damages under subsection (a) and subsection (b)(1), and the procedure for reallocation of uncollectible shares under paragraph (1) of this subsection, shall not be disclosed to members of the jury.

(e) SETTLEMENT DISCHARGE.—

(1) IN GENERAL.—A defendant who settles a Y2K action at any time before final verdict or judgment shall be discharged from all claims for contribution brought by other persons. Upon entry of the settlement by the court, the court shall enter a bar order constituting the final discharge of all obligations to the plaintiff of the settling defendant arising out of the action. The order shall bar all future claims for contribution arising out of the action—

(A) by any person against the settling defendant; and

(B) by the settling defendant against any person other than a person whose liability has been extinguished by the settlement of the settling defendant.

(2) REDUCTION.—If a defendant enters into a settlement with the plaintiff before the final verdict or judgment, the verdict or judgment shall be reduced by the greater of—

(A) an amount that corresponds to the percentage of responsibility of that defendant; or

(B) the amount paid to the plaintiff by that defendant.

(f) GENERAL RIGHT OF CONTRIBUTION.—

(1) IN GENERAL.—A defendant who is jointly and severally liable for damages in any Y2K action may recover contribution from any other person who, if joined in the original action, would have been liable for the same damages. A claim for contribution shall be determined based on the percentage of responsibility of the claimant and of each person against whom a claim for contribution is made.

(2) STATUTE OF LIMITATIONS FOR CONTRIBUTION.—An action for contribution in connection with a Y2K action shall be brought not later than 6 months after the entry of a final, nonappealable judgment in the Y2K action, except than an action for contribution brought by a defendant who was required to make an additional payment under subsection (d)(1) may be brought not later than 6 months after the date on which such payment was made.

(g) MORE PROTECTIVE STATE LAW NOT PREEMPTED.—Nothing in this section pre-empts or supersedes any provision of State statutory law that—

(1) limits the liability of a defendant in a Y2K action to a lesser amount than the amount determined under this section; or

(2) otherwise affords a greater degree of protection from joint or several liability than is afforded by this section.

**SEC. 7. PRE-LITIGATION NOTICE.**

(a) IN GENERAL.—Before commencing a Y2K action, except an action that seeks only injunctive relief, a prospective plaintiff with a Y2K claim shall send a written notice by certified mail to each prospective defendant in that action. The notice shall provide specific and detailed information about—

(1) the manifestations of any material defect alleged to have caused harm or loss;

(2) the harm or loss allegedly suffered by the prospective plaintiff;

(3) how the prospective plaintiff would like the prospective defendant to remedy the problem;

(4) the basis upon which the prospective plaintiff seeks that remedy; and

(5) the name, title, address, and telephone number of any individual who has authority to negotiate a resolution of the dispute on behalf of the prospective plaintiff.

(b) PERSON TO WHOM NOTICE TO BE SENT.—The notice required by subsection (a) shall be sent—

(1) to the registered agent of the prospective defendant for service of legal process;

(2) if the prospective defendant does not have a registered agent, then to the chief executive officer of a corporation, the managing partner of a partnership, the proprietor of a sole proprietorship, or to a similarly-situated person for any other enterprise; or

(3) if the prospective defendant has designated a person to receive pre-litigation notices on a Year 2000 Internet Website (as defined in section 3(7) of the Year 2000 Information and Readiness Disclosure Act), to the designated person, if the prospective plaintiff has reasonable access to the Internet.

(c) RESPONSE TO NOTICE.—

(1) IN GENERAL.—Within 30 days after receipt of the notice specified in subsection (a), each prospective defendant shall send by certified mail with return receipt requested to each prospective plaintiff a written statement acknowledging receipt of the notice, and describing the actions it has taken or will take to address the problem identified by the prospective plaintiff.

(2) WILLINGNESS TO ENGAGE IN ADR.—The Written statement shall state whether the prospective defendant is willing to engage in alternative dispute resolution.

(3) INADMISSIBILITY.—A written statement required by this paragraph is not admissible in evidence, under Rule 408 of the Federal Rules of Evidence or any analogous rule of evidence in any State, in any proceeding to prove liability for, or the invalidity of, a claim or its amount, or otherwise as evidence of conduct or statements made in compromise negotiations.

(4) PRESUMPTIVE TIME OF RECEIPT.—For purposes of paragraph (1), a notice under subsection (a) is presumed to be received 7 days after it was sent.

(d) FAILURE TO RESPOND.—If a prospective defendant—

(1) fails to respond to a notice provided pursuant to subsection (a) within the 30 days specified in subsection (c)(1); or

(2) does not describe the action, if any, the prospective defendant has taken, or will take, to address the problem identified by the prospective plaintiff,

the prospective plaintiff may immediately commence at legal action against that prospective defendant.

(e) REMEDIATION PERIOD.—

(1) IN GENERAL.—If the prospective defendant responds and proposes remedial action it will take, of offers to engage in alternative dispute resolution, then the prospective plaintiff shall allow the prospective defendant an additional 60 days from the end of the 30-day notice period to complete the proposed remedial action before commencing a legal action against that prospective defendant.

(2) EXTENSION BY AGREEMENT.—The prospective plaintiff and prospective defendant may change the length of the 60-day remediation period by written agreement.

(3) MULTIPLE EXTENSIONS NOT ALLOWED.—Except as provided in paragraph (2), a defendant in a Y2K action is entitled to no more than one 30-day period and one 60-day remediation period under paragraph (1).

(4) STATUTES OF LIMITATION, ETC., TOLLED.—Any applicable statute of limitations or doctrine of laches in a Y2K action to which paragraph (1) applies shall be tolled during the notice and remediation period under that paragraph.

(f) FAILURE TO PROVIDE NOTICE.—If a defendant determines that a plaintiff has filed a Y2K action without providing the notice specified in subsection (a) or without awaiting the expiration of the appropriate waiting period specified in subsection (c), the defendant may treat the plaintiff's complaint as such a notice by so informing the court and the plaintiff. If any defendant elects to treat the complaint as such a notice—

(1) the court shall stay all discovery and all other proceedings in the action for the appropriate period after filing of the complaint; and

(2) the time for filing answers and all other pleadings shall be tolled during the appropriate period.

(g) EFFECT OF CONTRACTUAL OR STATUTORY WAITING PERIODS.—In cases in which a contract, or a statute enacted before January 1, 1999, requires notice of non-performance and provides for a period of delay prior to the initiation of suit for breach or repudiation of contract, the period of delay provided by

contract or the statute is controlling over the waiting period specified in subsections (c) and (d).

(h) STATE LAW CONTROLS ALTERNATIVE METHODS.—Nothing in this section supersedes or otherwise preempts any State law or rule of civil procedure with respect to the use of alternative dispute resolution for Y2K actions.

(i) PROVISIONAL REMEDIES UNAFFECTED.—Nothing in this section interferes with the right of a litigant to provisional remedies otherwise available under Rule 65 of the Federal Rules of Civil Procedure or any State rule of civil procedure providing extraordinary or provisional remedies in any civil action in which the underlying complaint seeks both injunctive and monetary relief.

(j) SPECIAL RULE FOR CLASS ACTIONS.—For the purpose of applying this section to a Y2K action that is maintained as a class action in Federal or State court, the requirements of the preceding subsections of this section apply only to named plaintiffs in the class action.

**SEC. 8. PLEADING REQUIREMENTS.**

(a) APPLICATION WITH RULES OF CIVIL PROCEDURE.—This section applies exclusively to Y2K actions and, except to the extent that this section requires additional information to be contained in or attached to pleadings, nothing in this section is intended to amend or otherwise supersede applicable rules of Federal or State civil procedure.

(b) NATURE AND AMOUNT OF DAMAGES.—In all Y2K actions in which damages are requested, there shall be filed with the complaint a statement of specific information as to the nature and amount of each element of damages and the factual basis for the damages calculation.

(c) MATERIAL DEFECTS.—In any Y2K action in which the plaintiff alleges that there is a material defect in a product or service, there shall be filed with the complaint a statement of specific information regarding the manifestations of the material defects and the facts supporting a conclusion that the defects are material.

(d) REQUIRED STATE OF MIND.—In any Y2K action in which a claim is asserted on which the plaintiff may prevail only on proof that the defendant acted with a particular state of mind, there shall be filed with the complaint, with respect to each element of that claim, a statement of the facts giving rise to a strong inference that the defendant acted with the required state of mind.

**SEC. 9. DUTY TO MITIGATE.**

Damages awarded in any Y2K action shall exclude compensation for damages the plaintiff could reasonably have avoided in light of any disclosure or other information of which the plaintiff was, or reasonably should have been, aware, including information made available by the defendant to purchasers or users of the defendant's product or services concerning means of remedying or avoiding the Y2K failure.

**SEC. 10. APPLICATION OF EXISTING IMPOSSIBILITY OR COMMERCIAL IMPRACTICABILITY DOCTRINES.**

In any Y2K action for breach or repudiation of contract, the applicability of the doctrines of impossibility and commercial impracticability shall be determined by the law in existence on January 1, 1999. Nothing in this Act shall be construed as limiting or impairing a party's right to assert defenses based upon such doctrines.

**SEC. 11. DAMAGES LIMITATION BY CONTRACT.**

In any Y2K action for breach or repudiation of contract, no party may claim, nor be awarded, any category of damages unless such damages are allowed—

(1) by the express terms of the contract; or

(2) if the contract is silent on such damages, by operation of State law at the time the contract was effective or by operation of Federal law.

**SEC. 12. DAMAGES IN TORT CLAIMS.**

(a) IN GENERAL.—A party to a Y2K action making a tort claim may not recover damages for economic loss unless—

(1) the recovery of such losses is provided for in a contract to which the party seeking to recover such losses is a party; or

(2) such losses result directly from damage to tangible personal or real property caused by the Y2K failure (other than damage to property that is the subject of the contract between the parties to the Y2K action or, in the event there is no contract between the parties, other than damage caused only to the property that experienced the Y2K failure),

and such damages are permitted under applicable State law.

(b) ECONOMIC LOSS.—For purposes of this section only, and except as otherwise specifically provided in a valid and enforceable written contract between the plaintiff and the defendant in a Y2K action, the term ''economic loss''—

(1) means amounts awarded to compensate an injured party for any loss other than losses described in subsection (a)(2); and

(2) includes amounts awarded for damages such as—

(A) lost profits or sales;

(B) business interruption;

(C) losses indirectly suffered as a result of the defendant's wrongful act or omission;

(D) losses that arise because of the claims of third parties;

(E) losses that must be plead as special damages; and

(F) consequential damages (as defined in the Uniform Commercial Code or analogous State commercial law).

(c) CERTAIN ACTIONS EXCLUDED.—This section does not affect, abrogate, amend, or alter any patent, copyright, trade-secret, trademark, or service-mark action, or any claim for defamation or invasion of privacy under Federal or State law.

(d) CERTAIN OTHER ACTIONS.—A person liable for damages, whether by settlement or judgment, in a civil action to which this Act does not apply because of section 4(c), whose liability, in whole or in part, is the result of a Y2K failure may, notwithstanding any other provision of this Act, pursue any remedy otherwise available under Federal or State law against the person responsible for that Y2K failure to the extent of recovering the amount of those damages.

**SEC. 13. STATE OF MIND; BYSTANDER LIABILITY; CONTROL.**

(a) DEFENDANT'S STATE OF MIND.—In a Y2K action other than a claim for breach of repudiation of contract, and in which the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim, the defendant is not liable unless the plaintiff establishes that elements of the claim by clear and convincing evidence.

(b) LIMITATION ON BYSTANDER LIABILITY FOR Y2K FAILURES.—

(1) IN GENERAL.—With respect to any Y2K action for money damages in which—

(A) the defendant is not the manufacturer, seller, or distributor of a product, or the provider of a service, that suffers or causes the Y2K failure at

(B) the plaintiff is not in substantial privity with the defendant; and

(C) the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim under applicable law,

the defendant shall not be liable unless the plaintiff, in addition to establishing all other requisite elements of the claim, proves by clear and convincing evidence that the defendant actually knew, or recklessly disregarded a known and substantial risk, that such failure would occur.

(2) SUBSTANTIAL PRIVITY.—For purposes of paragraph (1)(B), a plaintiff and a defendant are in substantial privity when, in a Y2K action arising out of the performance of professional services, the plaintiff and the defendant either have contractual relations with one another or the plaintiff is a person who, prior to the defendant's performance of such services, was specifically identified to and acknowledged by the defendant as a person for whose special benefit the services were being performed.

(3) CERTAIN CLAIMS EXCLUDED.—For purposes of paragraph (1)(C), claims in which the defendant's actual or constructive awareness of an actual or potential Y2K failure is an element of the claim under applicable law do not include claims for negligence but do include claims such as fraud, constructive fraud, breach of fiduciary duty, negligent misrepresentation, and interference with contract or economic advantage.

(c) CONTROL NOT DETERMINATIVE OF LIABILITY.—The fact that a Y2K failure occurred in an entity, facility, system, product, or component that was sold, leased, rented, or otherwise within the control of the party against whom a claim is asserted in a Y2K action shall not constitute the sole basis for recovery of damages in that action. A claim in a Y2K action for breach or repudiation of contract for such a failure is governed by the terms of the contract.

**SEC. 14. LIABILITY OF OFFICERS, DIRECTORS, AND EMPLOYEES.**

(a) IN GENERAL.—A director, officer, trustee, or employee of a business or other organization (including a corporation, unincorporated association, partnership, or nonprofit organization) is not personally liable in any Y2K action in that person's capacity as a director, officer, trustee, or employee of the business or organization for more than the greater of—

(1) $100,000; or

(2) the amount of pre-tax compensation received by the director, officer, trustee, or employee from the business or organization during the 12 months immediately preceding the act or omission for which liability is imposed.

(b) EXCEPTION.—Subsection (a) does not apply in any Y2K action in which it is found by clear and convincing evidence that the director, officer, trustee, or employee—

(1) made statements intended to be misleading regarding any actual or potential year 2000 problem; or

(2) withheld from the public significant information there was a legal duty to disclose regarding any actual or potential year 2000 problem of that business or organization which would likely result in actionable Y2K failure.

(c) STATE LAW, CHARTER, OR BYLAWS.—Nothing in this section supersedes any provision of State law, charter, or a bylaw authorized by State law in existence on January 1, 1999, that establishes lower financial limits on the liability of a director, officer, trustee, or employee of such a business or organization.

**SEC. 15. APPOINTMENT OF SPECIAL MASTERS OR MAGISTRATES FOR Y2K ACTIONS.**

Any District Court of the United States in which a Y2K action is pending may appoint

a special master or a magistrate to hear the matter and to make findings of fact and conclusions of law in accordance with Rule 53 of the Federal Rules of Civil Procedure.

**SEC. 16. Y2K ACTIONS AS CLASS ACTIONS.**

(a) MINIMUM INJURY REQUIREMENT.—A Y2K action involving a claim that a product or service is defective may be maintained as a class action in Federal or State court as to that claim only if—

(1) it satisfies all other prerequisites established by applicable Federal or State law, including applicable rules of civil procedure; and

(2) the court finds that the defect in a product or service as alleged would be a material defect for the majority of the members of the class.

(b) NOTIFICATION.—In any Y2K action that is maintained as a class action, the court, in addition to any other notice required by applicable Federal or State law, shall direct notice of the action to each member of the class, which shall include—

(1) a concise and clear description of the nature of the action;

(2) the jurisdiction where the case is pending; and

(3) the fee arrangements with class counsel, including the hourly fee being charged, or, if it is a contingency fee, the percentage of the final award which will be paid, including as estimate of the total amount that would be paid if the requested damages were to be granted.

(c) FORUM FOR Y2K CLASS ACTIONS.—

(1) JURISDICTION.—Except as provided in paragraph (2), a Y2K action may be brought as a class action in a United States District Court or removed to a United States District Court if the amount in controversy is greater than the sum or value of $1,000,000 (exclusive of interest and costs), computed on the basis of all claims to be determined in the action.

(2) EXCEPTION.—A Y2K action may not be brought or removed as a class action under this section if—

(A) a substantial majority of the members of the proposed plaintiff class are citizens of a single State;

(B) the primary defendants are citizens of that State; and

(C) the claims asserted will be governed primarily by the law of that State, or

the primary defendants are States, State officials, or other governmental entities against whom the United States District Court may be foreclosed from ordering relief.

(D) This section shall become effective seven days after the date of enactment.

---

## LOTT AMENDMENT NO. 296

Mr. LOTT proposed an amendment to the motion to recommit proposed by him to the bill, S. 557, supra; as follows:

At the end of the instructions, add the following:

with an amendment as follows:

Strike all after the word ''TITLE'' and add the following:

## II—SOCIAL SECURITY SURPLUS PRESERVATION AND DEBT REDUCTION ACT

**SEC. 201. SHORT TITLE.**

This title may be cited as the ''Social Security Surplus Preservation and Debt Reduction Act''.

**SEC. 202. FINDINGS.**

Congress finds that—

(1) the $69,246,000,000 unified budget surplus achieved in fiscal year 1998 was entirely due to surpluses generated by the social security trust funds and the cumulative unified budget surpluses projected for subsequent fiscal years are primarily due to surpluses generated by the social security trust funds;

(2) Congress and the President should balance the budget excluding the surpluses generated by the social security trust funds;

(3) according to the Congressional Budget Office, balancing the budget excluding the surpluses generated by the social security trust funds will reduce the debt held by the public by a total of $1,723,000,000,000 by the end of fiscal year 2009; and

(4) social security surpluses should be used for social security reform or to reduce the debt held by the public and should not be spent on other programs.

**SEC. 203. PROTECTION OF THE SOCIAL SECURITY TRUST FUNDS.**

(a) PROTECTION BY CONGRESS.—

(1) REAFFIRMATION OF SUPPORT.—Congress reaffirms its support for the provisions of section 13301 of the Budget Enforcement Act of 1990 that provides that the receipts and disbursements of the social security trust funds shall not be counted for the purposes of the budget submitted by the President, the congressional budget, or the Balanced Budget and Emergency Deficit Control Act of 1985.

(2) PROTECTION OF SOCIAL SECURITY BENEFITS.—If there are sufficient balances in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, the Secretary of Treasury shall give priority to the payment of social security benefits required to be paid by law.

(b) POINTS OF ORDER.—Section 301 of the Congressional Budget Act of 1974 is amended by adding at the end the following:

''(j) SOCIAL SECURITY POINT OF ORDER.—It shall not be in order in the Senate to consider a concurrent resolution on the budget, an amendment thereto, or a conference report thereon that violates section 13301 of the Budget Enforcement Act of 1990.

''(k) DEBT HELD BY THE PUBLIC POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would—

''(1) increase the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985; or

''(2) provide additional borrowing authority that would result in the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 being exceeded.

''(l) SOCIAL SECURITY SURPLUS PROTECTION POINT OF ORDER.—

''(1) IN GENERAL.—It shall not be in order in the Senate to consider a concurrent resolution on the budget, an amendment thereto, or a conference report thereon that sets forth a deficit in any fiscal year.

''(2) EXCEPTION.—Paragraph (1) shall not apply if—

''(A) the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is suspended; or

''(B) the deficit for a fiscal year results solely from the enactment of—

''(i) social security reform legislation, as defined in section 253A(e)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985; or

''(ii) provisions of legislation that are designated as an emergency requirement pursuant to section 251(b)(2)(A) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.''.

(c) SUPERMAJORITY WAIVER AND APPEAL.—Subsections (c)(1) and (d)(2) of section 904 of the Congressional Budget Act of 1974 are amended by striking ''305(b)(2),'' and inserting ''301(k), 301(l), 305(b)(2), 318,''.

(d) CONFORMING AMENDMENT.—Section 318 of the Congressional Budget Act of 1974, as added by this Act, is amended by adding at the end the following:

''(c) EXCEPTION FOR DEFENSE SPENDING.—Subsection (b) shall not apply against an emergency designation for a provision making discretionary appropriations in the defense category.''.

**SEC. 204. DEDICATION OF SOCIAL SECURITY SURPLUSES TO REDUCTION IN THE DEBT HELD BY THE PUBLIC.**

(a) AMENDMENTS TO THE CONGRESSIONAL BUDGET ACT OF 1974.—The Congressional Budget Act of 1974 is amended—

(1) in section 3, by adding at the end the following:

''(11)(A) The term 'debt held by the public' means the outstanding face amount of all debt obligations issued by the United States Government that are held by outside investors, including individuals, corporations, State or local governments, foreign governments, and the Federal Reserve System.

''(B) For the purpose of this paragraph, the term 'face amount', for any month, of any debt obligation issued on a discount basis that is not redeemable before maturity at the option of the holder of the obligation is an amount equal to the sum of—

''(i) the original issue price of the obligation; plus

''(ii) the portion of the discount on the obligation attributable to periods before the beginning of such month.

''(12) The term 'social security surplus' means the amount for a fiscal year that receipts exceed outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.'';

(2) in section 301(a) by—

(A) redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectfully; and

(B) inserting after paragraph (5) the following:

''(6) the debt held by the public; and''; and

(3) in section 310(a) by—

(A) striking ''or'' at the end of paragraph (3);

(B) by redesignating paragraph (4) as paragraph (5); and

(C) inserting the following new paragraph;

''(4) specify the amounts by which the statutory limit on the debt held by the public is to be changed and direct the committee having jurisdiction to recommend such change; or''.

(b) AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in section 250, by striking subsection (b) and inserting the following:

''(b) GENERAL STATEMENT OF PURPOSE.—This part provides for the enforcement of—

''(1) a balanced budget excluding the receipts and disbursements of the social security trust funds; and

''(2) a limit on the debt held by the public to ensure that social security surpluses are used for social security reform or to reduce debt held by the public and are not spent on other programs.'';

(2) in section 250(c)(1), by inserting '' ' debt held by the public', 'social security surplus' '' after ''outlays',''; and

(3) by inserting after section 253 the following:

**"SEC. 253A. DEBT HELD BY THE PUBLIC LIMIT.**

''(a) LIMIT.—The debt held by the public shall not exceed—

''(1) for the period beginning May 1, 2000 through April 30, 2001, $3,628,000,000,000;

''(2) for the period beginning May 1, 2001 through April 30, 2002, $3,512,000,000,000;

''(3) for the period beginning May 1, 2002 through April 30, 2004, $3,383,000,000,000;

''(4) for the period beginning May 1, 2004 through April 30, 2006, $3,100,000,000,000;

''(5) for the period beginning May 1, 2006 through April 30, 2008, $2,775,000,000,000; and,

''(6) for the period beginning May 1, 2008 through April 30, 2010, $2,404,000,000,000.

''(b) ADJUSTMENTS FOR ACTUAL SOCIAL SECURITY SURPLUS LEVELS.—

''(1) ESTIMATED LEVELS.—The estimated level of social security surpluses for the purposes of this section is—

''(A) for fiscal year 1999, $127,000,000,000;

''(B) for fiscal year 2000, $137,000,000,000;

''(C) for fiscal year 2001, $145,000,000,000;

''(D) for fiscal year 2002, $153,000,000,000;

''(E) for fiscal year 2003, $162,000,000,000;

''(F) for fiscal year 2004, $171,000,000,000;

''(G) for fiscal year 2005, $184,000,000,000;

''(H) for fiscal year 2006, $193,000,000,000;

''(I) for fiscal year 2007, $204,000,000,000;

''(J) for fiscal year 2008, $212,000,000,000; and

''(K) for fiscal year 2009, $218,000,000,000.

''(2) ADJUSTMENT TO THE LIMIT FOR ACTUAL SOCIAL SECURITY SURPLUSES.—After October 1 and no later than December 31 of each year, the Secretary shall make the following calculations and adjustments:

''(A) CALCULATION.—After the Secretary determines the actual level for the social security surplus for the current year, the Secretary shall take the estimated level of the social security surplus for that year specified in paragraph (1) and subtract that actual level.

''(B) ADJUSTMENT.—

''(i) 2000 THROUGH 2004.—With respect to the periods described in subsections (a)(1), (a)(2), and (a)(3), the Secretary shall add the amount calculated under subparagraph (A) to—

''(I) the limit set forth in subsection (a) for the period of years that begins on May 1st of the following calendar year; and

''(II) each subsequent limit.

''(ii) 2004 THROUGH 2010.—With respect to the periods described in subsections (a)(4), (a)(5), and (a)(6), the Secretary shall add the amount calculated under subparagraph (A) to—

''(I) the limit set forth in subsection (a) for the period of years that includes May 1st of the following calendar year; and

''(II) each subsequent limit.

''(c) ADJUSTMENT TO THE LIMIT FOR EMERGENCIES.—

''(1) ESTIMATE OF LEGISLATION.—

''(A) CALCULATION.—If legislation is enacted into law that contains a provision that is designated as an emergency requirement pursuant to section 251(b)(2)(A) or 252(e), OMB shall estimate the amount the debt held by the public will change as a result of the provision's effect on the level of total outlays and receipts excluding the impact on outlays and receipts of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

''(B) BASELINE LEVELS.—OMB shall calculate the changes in subparagraph (A) relative to baseline levels for each fiscal year through fiscal year 2010 using current estimates.

''(C) ESTIMATE.—OMB shall include the estimate required by this paragraph in the report required under section 251(a)(7) or section 252(d), as the case may be.

''(2) ADJUSTMENT.—After January 1 and no later than May 1 of each calendar year beginning with calendar year 2000—

''(A) with respect to the periods described in subsections (a)(1), (a)(2), and (a)(3), the Secretary shall add the amounts calculated under paragraph (1)(A) for the current year included in the report referenced in paragraph (1)(C) to—

''(i) the limit set forth in subsection (a) for the period of years that begins on May 1 of that calendar year; and

''(ii) each subsequent limit; and

''(B) with respect to the periods described in subsections (a)(4), (a)(5), and (a)(6), the Secretary shall add the amounts calculated under paragraph (1)(A) for the current year included in the report referenced in paragraph (1)(C) to—

''(i) the limit set forth in subsection (a) for the period of years that includes May 1 of that calendar year; and

''(ii) each subsequent limit.

''(3) EXCEPTION.—The Secretary shall not make the adjustments pursuant to this section if the adjustments for the current year are less than the on-budget surplus for the year before the current year.

''(d) ADJUSTMENT TO THE LIMIT FOR LOW ECONOMIC GROWTH AND WAR.—

''(1) SUSPENSION OF STATUTORY LIMIT ON DEBT HELD BY THE PUBLIC.—

''(A) LOW ECONOMIC GROWTH.—If the most recent of the Department of Commerce's advance, preliminary, or final reports of actual real economic growth indicate that the rate of real economic growth for each of the most recently reported quarter and the immediately preceding quarter is less than 1 percent, the limit on the debt held by the public established in this section is suspended.

''(B) WAR.—If a declaration of war is in effect, the limit on the debt held by the public established in this section is suspended.

''(2) RESTORATION OF STATUTORY LIMIT ON DEBT HELD BY THE PUBLIC.—

''(A) RESTORATION OF LIMIT.—The statutory limit on debt held by the public shall be restored on May 1 following the quarter in which the level of real Gross Domestic Product in the final report from the Department of Commerce is equal to or is higher than the level of real Gross Domestic Product in the quarter preceding the first two quarters that caused the suspension of the pursuant to paragraph (1).

''(B) ADJUSTMENT.—

''(i) CALCULATION.—The Secretary shall take level of the debt held by the public on October 1 of the year preceding the date referenced in subparagraph (A) and subtract the limit in subsection (a) for the period of years that includes the date referenced in subparagraph (A).

''(ii) ADJUSTMENT.—The Secretary shall add the amount calculated under clause (i) to—

''(I) the limit in subsection (a) for the period of fiscal years that includes the date referenced in subparagraph (A); and

''(II) each subsequent limit.

''(e) ADJUSTMENT TO THE LIMIT FOR SOCIAL SECURITY REFORM PROVISIONS THAT AFFECT ON-BUDGET LEVELS.—

''(1) ESTIMATE OF LEGISLATION.—

''(A) CALCULATION.—If social security reform legislation is enacted, OMB shall estimate the amount the debt held by the public will change as a result of the legislation's effect on the level of total outlays and receipts excluding the impact on outlays and receipts of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

''(B) BASELINE LEVELS.—OMB shall calculate the changes in subparagraph (A) relative to baseline levels for each fiscal year through fiscal year 2010 using current estimates.

''(C) ESTIMATE.—OMB shall include the estimate required by this paragraph in the report required under section 252(d) for social security reform legislation.

''(2) ADJUSTMENT TO LIMIT ON THE DEBT HELD BY THE PUBLIC.—If social security reform legislation is enacted, the Secretary shall adjust the limit on the debt held by the public for each period of fiscal years by the amounts determined under paragraph (1)(A) for the relevant fiscal years included in the report referenced in paragraph (1)(C).

''(e) DEFINITIONS.—In this section:

''(1) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

''(2) SOCIAL SECURITY REFORM LEGISLATION.—The term 'social security reform legislation' means a bill or joint resolution that is enacted into law and includes a provision stating the following:

'''( ) SOCIAL SECURITY REFORM LEGISLATION.—For the purposes of the Social Security Surplus Preservation and Debt Reduction Act, this Act constitutes social security reform legislation.'

This paragraph shall apply only to the first bill or joint resolution enacted into law as described in this paragraph.

''(3) SOCIAL SECURITY REFORM PROVISIONS.—The term 'social security reform provisions' means a provision or provisions identified in social security reform legislation stating the following:

'''( ) SOCIAL SECURITY REFORM PROVISIONS.—For the purposes of the Social Security Surplus Preservation and Debt Reduction Act, _____ of this Act constitutes or constitute social security reform provisions.', with a list of specific provisions in that bill or joint resolution specified in the blank space.''.

**SEC. 205. PRESIDENT'S BUDGET.**

Section 1105(f) of title 31, United States Code, is amended by striking ''in a manner consistent'' and inserting ''in compliance''.

**SEC. 206. SUNSET.**

This title and the amendments made by this title shall expire on May 3, 2010.

---

## LOTT AMENDMENT NO. 297

Mr. LOTT proposed an amendment to amendment No. 296 proposed by Mr. LOTT to the bill, S. 96, supra; as follows:

In the amendment strike all after the word ''II'' and add the following:

**SOCIAL SECURITY SURPLUS PRESERVATION AND DEBT REDUCTION ACT**

**SEC. 201. SHORT TITLE.**

This title may be cited as the ''Social Security Surplus Preservation and Debt Reduction Act''.

**SEC. 202. FINDINGS.**

Congress finds that—

(1) the $69,246,000,000 unified budget surplus achieved in fiscal year 1998 was entirely due to surpluses generated by the social security trust funds and the cumulative unified budget surpluses projected for subsequent fiscal years are primarily due to surpluses generated by the social security trust funds;

(2) Congress and the President should balance the budget excluding the surpluses generated by the social security trust funds;

(3) according to the Congressional Budget Office, balancing the budget excluding the

surpluses generated by the social security trust funds will reduce the debt held by the public by a total of $1,723,000,000,000 by the end of fiscal year 2009; and

(4) social security surpluses should be used for social security reform or to reduce the debt held by the public and should not be spent on other programs.

**SEC. 203. PROTECTION OF THE SOCIAL SECURITY TRUST FUNDS.**

(a) PROTECTION BY CONGRESS.—

(1) REAFFIRMATION OF SUPPORT.—Congress reaffirms its support for the provisions of section 13301 of the Budget Enforcement Act of 1990 that provides that the receipts and disbursements of the social security trust funds shall not be counted for the purposes of the budget submitted by the President, the congressional budget, or the Balanced Budget and Emergency Deficit Control Act of 1985.

(2) PROTECTION OF SOCIAL SECURITY BENEFITS.—If there are sufficient balances in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, the Secretary of Treasury shall give priority to the payment of social security benefits required to be paid by law.

(b) POINTS OF ORDER.—Section 301 of the Congressional Budget Act of 1974 is amended by adding at the end the following:

''(j) SOCIAL SECURITY POINT OF ORDER.—It shall not be in order in the Senate to consider a concurrent resolution on the budget, an amendment thereto, or a conference report thereon that violates section 13301 of the Budget Enforcement Act of 1990.

''(k) DEBT HELD BY THE PUBLIC POINT OF ORDER.—It shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would—

''(1) increase the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985; or

''(2) provide additional borrowing authority that would result in the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 being exceeded.

''(l) SOCIAL SECURITY SURPLUS PROTECTION POINT OF ORDER.—

''(1) IN GENERAL.—It shall not be in order in the Senate to consider a concurrent resolution on the budget, an amendment thereto, or a conference report thereon that sets forth a deficit in any fiscal year.

''(2) EXCEPTION.—Paragraph (1) shall not apply if—

''(A) the limit on the debt held by the public in section 253A(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 is suspended; or

''(B) the deficit for a fiscal year results solely from the enactment of—

''(i) social security reform legislation, as defined in section 253A(e)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985; or

''(ii) provisions of legislation that are designated as an emergency requirement pursuant to section 251(b)(2)(A) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.''.

(c) SUPERMAJORITY WAIVER AND APPEAL.—Subsections (c)(1) and (d)(2) of section 904 of the Congressional Budget Act of 1974 are amended by striking ''305(b)(2),'' and inserting ''301(k), 301(l), 305(b)(2), 318,''.

(d) CONFORMING AMENDMENT.—Section 318 of the Congressional Budget Act of 1974, as added by this Act, is amended by adding at the end the following:

''(c) EXCEPTION FOR DEFENSE SPENDING.—Subsection (b) shall not apply against an emergency designation for a provision making discretionary appropriations in the defense category.''.

**SEC. 204. DEDICATION OF SOCIAL SECURITY SURPLUSES TO REDUCTION IN THE DEBT HELD BY THE PUBLIC.**

(a) AMENDMENTS TO THE CONGRESSIONAL BUDGET ACT OF 1974.—The Congressional Budget Act of 1974 is amended—

(1) in section 3, by adding at the end the following:

''(11)(A) The term 'debt held by the public' means the outstanding face amount of all debt obligations issued by the United States Government that are held by outside investors, including individuals, corporations, State or local governments, foreign governments, and the Federal Reserve System.

''(B) For the purpose of this paragraph, the term 'face amount', for any month, of any debt obligation issued on a discount basis that is not redeemable before maturity at the option of the holder of the obligation is an amount equal to the sum of—

''(i) the original issue price of the obligation; plus

''(ii) the portion of the discount on the obligation attributable to periods before the beginning of such month.

''(12) The term 'social security surplus' means the amount for a fiscal year that receipts exceed outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.'';

(2) in section 301(a) by—

(A) redesignating paragraphs (6) and (7) as paragraphs (7) and (8), respectfully; and

(B) inserting after paragraph (5) the following:

''(6) the debt held by the public; and''; and

(3) in section 310(a) by—

(A) striking ''or'' at the end of paragraph (3);

(B) by redesignating paragraph (4) as paragraph (5); and

(C) inserting the following new paragraph;

''(4) specify the amounts by which the statutory limit on the debt held by the public is to be changed and direct the committee having jurisdiction to recommend such change; or''.

(b) AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—The Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in section 250, by striking subsection (b) and inserting the following:

''(b) GENERAL STATEMENT OF PURPOSE.—This part provides for the enforcement of—

''(1) a balanced budget excluding the receipts and disbursements of the social security trust funds; and

''(2) a limit on the debt held by the public to ensure that social security surpluses are used for social security reform or to reduce debt held by the public and are not spent on other programs.'';

(2) in section 250(c)(1), by inserting '' ' debt held by the public', 'social security surplus' '' after ''outlays',''; and

(3) by inserting after section 253 the following:

**''SEC. 253A. DEBT HELD BY THE PUBLIC LIMIT.**

''(a) LIMIT.—The debt held by the public shall not exceed—

''(1) for the period beginning May 1, 2000 through April 30, 2001, $3,628,000,000,000;

''(2) for the period beginning May 1, 2001 through April 30, 2002, $3,512,000,000,000;

''(3) for the period beginning May 1, 2002 through April 30, 2004, $3,383,000,000,000;

''(4) for the period beginning May 1, 2004 through April 30, 2006, $3,100,000,000,000;

''(5) for the period beginning May 1, 2006 through April 30, 2008, $2,775,000,000,000; and,

''(6) for the period beginning May 1, 2008 through April 30, 2010, $2,404,000,000,000.

''(b) ADJUSTMENTS FOR ACTUAL SOCIAL SECURITY SURPLUS LEVELS.—

''(1) ESTIMATED LEVELS.—The estimated level of social security surpluses for the purposes of this section is—

''(A) for fiscal year 1999, $127,000,000,000;

''(B) for fiscal year 2000, $137,000,000,000;

''(C) for fiscal year 2001, $145,000,000,000;

''(D) for fiscal year 2002, $153,000,000,000;

''(E) for fiscal year 2003, $162,000,000,000;

''(F) for fiscal year 2004, $171,000,000,000;

''(G) for fiscal year 2005, $184,000,000,000;

''(H) for fiscal year 2006, $193,000,000,000;

''(I) for fiscal year 2007, $204,000,000,000;

''(J) for fiscal year 2008, $212,000,000,000; and

''(K) for fiscal year 2009, $218,000,000,000.

''(2) ADJUSTMENT TO THE LIMIT FOR ACTUAL SOCIAL SECURITY SURPLUSES.—After October 1 and no later than December 31 of each year, the Secretary shall make the following calculations and adjustments:

''(A) CALCULATION.—After the Secretary determines the actual level for the social security surplus for the current year, the Secretary shall take the estimated level of the social security surplus for that year specified in paragraph (1) and subtract that actual level.

''(B) ADJUSTMENT.—

''(i) 2000 THROUGH 2004.—With respect to the periods described in subsections (a)(1), (a)(2), and (a)(3), the Secretary shall add the amount calculated under subparagraph (A) to—

''(I) the limit set forth in subsection (a) for the period of years that begins on May 1st of the following calendar year; and

''(II) each subsequent limit.

''(ii) 2004 THROUGH 2010.—With respect to the periods described in subsections (a)(4), (a)(5), and (a)(6), the Secretary shall add the amount calculated under subparagraph (A) to—

''(I) the limit set forth in subsection (a) for the period of years that includes May 1st of the following calendar year; and

''(II) each subsequent limit.

''(c) ADJUSTMENT TO THE LIMIT FOR EMERGENCIES.—

''(1) ESTIMATE OF LEGISLATION.—

''(A) CALCULATION.—If legislation is enacted into law that contains a provision that is designated as an emergency requirement pursuant to section 251(b)(2)(A) or 252(e), OMB shall estimate the amount the debt held by the public will change as a result of the provision's effect on the level of total outlays and receipts excluding the impact on outlays and receipts of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

''(B) BASELINE LEVELS.—OMB shall calculate the changes in subparagraph (A) relative to baseline levels for each fiscal year through fiscal year 2010 using current estimates.

''(C) ESTIMATE.—OMB shall include the estimate required by this paragraph in the report required under section 251(a)(7) or section 252(d), as the case may be.

''(2) ADJUSTMENT.—After January 1 and no later than May 1 of each calendar year beginning with calendar year 2000—

''(A) with respect to the periods described in subsections (a)(1), (a)(2), and (a)(3), the Secretary shall add the amounts calculated under paragraph (1)(A) for the current year included in the report referenced in paragraph (1)(C) to—

''(i) the limit set forth in subsection (a) for the period of years that begins on May 1 of that calendar year; and

''(ii) each subsequent limit; and

''(B) with respect to the periods described in subsections (a)(4), (a)(5), and (a)(6), the Secretary shall add the amounts calculated under paragraph (1)(A) for the current year included in the report referenced in paragraph (1)(C) to—

''(i) the limit set forth in subsection (a) for the period of years that includes May 1 of that calendar year; and

''(ii) each subsequent limit.

''(3) EXCEPTION.—The Secretary shall not make the adjustments pursuant to this section if the adjustments for the current year are less than the on-budget surplus for the year before the current year.

''(d) ADJUSTMENT TO THE LIMIT FOR LOW ECONOMIC GROWTH AND WAR.—

''(1) SUSPENSION OF STATUTORY LIMIT ON DEBT HELD BY THE PUBLIC.—

''(A) LOW ECONOMIC GROWTH.—If the most recent of the Department of Commerce's advance, preliminary, or final reports of actual real economic growth indicate that the rate of real economic growth for each of the most recently reported quarter and the immediately preceding quarter is less than 1 percent, the limit on the debt held by the public established in this section is suspended.

''(B) WAR.—If a declaration of war is in effect, the limit on the debt held by the public established in this section is suspended.

''(2) RESTORATION OF STATUTORY LIMIT ON DEBT HELD BY THE PUBLIC.—

''(A) RESTORATION OF LIMIT.—The statutory limit on debt held by the public shall be restored on May 1 following the quarter in which the level of real Gross Domestic Product in the final report from the Department of Commerce is equal to or is higher than the level of real Gross Domestic Product in the quarter preceding the first two quarters that caused the suspension of the pursuant to paragraph (1).

''(B) ADJUSTMENT.—

''(i) CALCULATION.—The Secretary shall take level of the debt held by the public on October 1 of the year preceding the date referenced in subparagraph (A) and subtract the limit in subsection (a) for the period of years that includes the date referenced in subparagraph (A).

''(ii) ADJUSTMENT.—The Secretary shall add the amount calculated under clause (i) to—

''(I) the limit in subsection (a) for the period of fiscal years that includes the date referenced in subparagraph (A); and

''(II) each subsequent limit.

''(e) ADJUSTMENT TO THE LIMIT FOR SOCIAL SECURITY REFORM PROVISIONS THAT AFFECT ON-BUDGET LEVELS.—

''(1) ESTIMATE OF LEGISLATION.—

''(A) CALCULATION.—If social security reform legislation is enacted, OMB shall estimate the amount the debt held by the public will change as a result of the legislation's effect on the level of total outlays and receipts excluding the impact on outlays and receipts of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

''(B) BASELINE LEVELS.—OMB shall calculate the changes in subparagraph (A) relative to baseline levels for each fiscal year through fiscal year 2010 using current estimates.

''(C) ESTIMATE.—OMB shall include the estimate required by this paragraph in the report required under section 252(d) for social security reform legislation.

''(2) ADJUSTMENT TO LIMIT ON THE DEBT HELD BY THE PUBLIC.—If social security reform legislation is enacted, the Secretary shall adjust the limit on the debt held by the public for each period of fiscal years by the amounts determined under paragraph (1)(A) for the relevant fiscal years included in the report referenced in paragraph (1)(C).

''(e) DEFINITIONS.—In this section:

''(1) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

''(2) SOCIAL SECURITY REFORM LEGISLATION.—The term 'social security reform legislation' means a bill or joint resolution that is enacted into law and includes a provision stating the following:

'' '( ) SOCIAL SECURITY REFORM LEGISLATION.—For the purposes of the Social Security Surplus Preservation and Debt Reduction Act, this Act constitutes social security reform legislation.'

This paragraph shall apply only to the first bill or joint resolution enacted into law as described in this paragraph.

''(3) SOCIAL SECURITY REFORM PROVISIONS.—The term 'social security reform provisions' means a provision or provisions identified in social security reform legislation stating the following:

'' '( ) SOCIAL SECURITY REFORM PROVISIONS.—For the purposes of the Social Security Surplus Preservation and Debt Reduction Act, _____ of this Act constitutes or constitute social security reform provisions.', with a list of specific provisions in that bill or joint resolution specified in the blank space.''.

**SEC. 205. PRESIDENT'S BUDGET.**

Section 1105(f) of title 31, United States Code, is amended by striking ''in a manner consistent'' and inserting ''in compliance''.

**SEC. 206. SUNSET.**

This title and the amendments made by this title shall expire on April 30, 2010.

This section shall become effective 1 day after enactment.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, April 28, for purposes of conducting a closed full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this oversight hearing is to receive testimony on damage to the national security from Chinese espionage at DOE nuclear weapons laboratories.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be granted permission to conduct a hearing Wednesday, April 28, at 2:30 p.m., Hearing Room (SD–406), to receive testimony from, George T. Frampton, Jr., nominated by the President to be a Member of the Council on Environmental Quality.

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

COMMITTEE ON FINANCE

Mr. MCCAIN. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Wednesday, April 28, 1999 beginning at 10 a.m. in room 215 Dirksen.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Governmental Affairs Committee Subcommittee on International Security, Proliferation, and Federal Services be permitted to meet on Wednesday, April 28, 1999, at 2:30 p.m. for a hearing on ''The Future of the ABM Treaty.''

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

COMMITTEE ON HEALTH, EDUCATION, LABOR AND PENSIONS

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet in executive session during the session of the Senate on Wednesday, April 28, at 9:30 a.m.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, April 28, 1999 at 9:30 a.m. to conduct an Oversight Hearing on Bureau of Indian Affairs Capacity and Mission. The Hearing will be held in Room 485, Russell Senate Building.

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

COMMITTEE ON THE JUDICIARY

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Senate Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, April 28, 1999 at 9:30 a.m. in room 226 of the Senate Dirksen Office Building to hold a hearing on: ''S.J. Res. 14, Proposing an Amendment to the Constitution of the United States, authorizing Congress to Prohibit the Physical Desecration of the Flag of the United States.''

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

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, April 28, 1999 at 9:30 a.m. to receive testimony on the operations of the Architect of the Capitol.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Committee on Intelligence be authorized to

meet during the session of the Senate on Wednesday, April 28, 1999 at 2 p.m. to hold a closed hearing on Intelligence Matters.

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

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, April 28, for purposes of conducting a Subcommittee on Forests and Public Lands Management hearing which is scheduled to begin at 2 p.m. The purpose of this hearing is to receive testimony on S. 415, a bill to amend the Arizona Statehood and Enabling Act in order to protect the permanent trust funds of the State of Arizona from erosion due to inflation and modify the basis on which distributions are made from the funds, and S. 607, a bill to reauthorize and amend the National Geological Mapping Act of 1992; and S. 416, a bill to direct the Secretary of Agriculture to convey to the city of Sisters, Oregon, a certain parcel of land for use in connection with a sewage treatment facility.

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

## ADDITIONAL STATEMENTS

### KOSOVO

● Mr. GRASSLEY. Mr. President, I rise today to bring your attention to a newspaper column that I believe provides thoughtful commentary on current events taking place in Kosovo and in the United States. The following, written by Mr. A.M. Rosenthal, appeared in the New York Times on April 9, 1999.

I ask that it be printed in the RECORD.

The material follows:

Do Americans understand that while we have been bombing the Serbs, the following took place:

Libya was exonerated from responsibility in the destruction of Pan AM 103.

Saddam Hussein's closedown of the U.N. search for Iraq's nuclear, chemical and biological weapons went into its eighth month. Richard Butler, the chief arms inspector, was barred Wednesday by the Russians from even entering the U.N. Security Council chamber where his inspection commission was the agenda, marked for death.

China's Prime Minister was visiting America getting a great press—plus a step nearer to a trade agreement that will fatten China's economy and armed forces. On the day Zhu Rongji arrived in Washington representing the Communist politburo, President Clinton criticized not China's expanding arrests of political and religious dissidents, but American critics of China.

So: do Americans understand that while we fight one dictatorship, fumbling around trying to heighten the war and somehow end it at the same time, three other dictatorships more dangerous to American interests are walking away with America's pants?

The Libya deal was possible because the Administration signed off on it. This sweetheart gift to Col. Muammar el-Qaddafi ends the effective sanctions imposed on Libya for harboring two Libyans accused of murdering 270 people in the bombing of Pan AM 103 on Dec. 21, 1988.

American intelligence agents are not allowed to ask the suspects now held in the Netherlands if perchance Qaddafi knew what his boys were up to or Syria and Iran were involved—as Western intelligence agencies had long believed. And during the trial itself, Libya's Government is not to be undermined, hear?

For Libya, a no-loser. Even if the men are found guilty, the sanctions will remain ended. Italy, Russia, France and other countries have already lined up fat oil and gas deals with Libya. U.S. companies will follow. The deal is disgusting, an insult to the dead and their families, and to all, who fly in U.S. planes.

Do Americans understand that the U.S. delegation to the U.N. did not stand up and holler at the barring of Mr. Butler? Let's hope it will when he tries again today.

Do they understand that the President denounced U.S. critics of China on the very day that Jeff Gerth and James Risen of The Times were writing that even more Chinese nuclear espionage took place than the reporters had already disclosed? Another chapter in Chinese espionage was written in 1995, reported to Samuel Berger, now the national security adviser, in April 1996, who told the President in July 1997, who ordered tightened security—in February 1998.

And do Americans understand that the Administration disgraced itself in the war on Serbia?

Slobodan Milosevic, not America, is responsible for driving cold, hungry, terrified Albanian Kosovars from their homes. But Washington's disgrace is that President Clinton and his top people did not know and did not expect that Mr. Milosevic would use the bombing as an opportunity to expel them by the hundreds of thousands. American leadership still does not seem able to plan more than a couple of days ahead.

So we need no longer worry about America's credibility; we have none.

For a democracy, credibility comes not just from smart weapons but smart leaders, from respect for the intelligence of the public, domestic and foreign, from a measure of honesty. In a democracy, pretense in war or peace is transparent, embarrassing and finally self-destructive.

We need not and should not support Kosovar secession. But we helped Mr. Milosevic in his fight with the Kosovars by not foreseeing his mass expulsion plans, and not having our own plans that would treat the Serbian nation as something more than a bombing target.

''When at war, support the troops.'' To me, that means making sure they have the strength they need, the affection, respect—and doable mission.

What is does not mean is keeping our mouths shut about misconduct of a war by an American Government—or about its failure to protect American interests in other crises that may inconveniently present themselves. That's not supporting American armed forces, but walking away from them.●

### UNITARIAN UNIVERSALIST CHURCH OF SAN DIEGO

● Mrs. BOXER. Mr. President, today I want to recognize the First Unitarian Universalist Church of San Diego as it celebrates 125 years of religious freedom. The First Unitarian Universalist Church of San Diego enjoys a rich history in San Diego. Founded in 1873, the Church has continued to grow into a diverse community of over 3,000 members with differing beliefs yet shared values.

The First Unitarian Universalist Church of San Diego is an important part of the spiritual lives of thousands of San Diegans. In 1890, founder Lydia Horton helped to pioneer women's rights through the Church. Today, it continues that tradition of activism by working for environmental protection, gay and lesbian rights, and women's equality. In the local community, the Church is fighting discrimination and illiteracy, building schools in underserved neighborhoods, and teaching San Diego's children the value of community involvement.

The Church encourages members of its congregation to develop their own religious wisdoms, truthful to themselves and respectful of others.

For thriving 125 years in San Diego, I salute the First Unitarian Universalist Church of San Diego and wish them many successful years ahead.●

### RECOGNIZING THE WORLD CLASS SCHOLARS PROGRAM, ABERDEEN, WA

● Mr. GORTON. Mr. President, a constant theme heard in the economic news of our country is the dramatic success and sustained growth of our nation's economy. My own state of Washington has been particularly fortunate in that regard, even give the much-talked about ''Asian flu.'' Not all of Washington's communities, however, have been so lucky. Among those is Aberdeen, in Grays Harbor County. Unemployment in Aberdeen is double the state average; over 17 percent of the county depends on public assistance as a primary source of income; and 27 percent of the adult population has not completed high school. To combat these issues, the Aberdeen School District and Grays Harbor Community College came together in 1993 to create the World Class Scholars program which I am pleased to present with one of my Innovation in Education Awards.

Recognizing that students were struggling to finish their education and would therefore be unqualified for many of the well paying technology-based jobs in Washington state, local educators created a new path to reach these workers of tomorrow—the World Class Scholars Program. The school district and community college agreed that students in the scholars program would automatically be accepted into

the local community college, receive scholarship assistance and college credit for college-level work completed in high school. In return, students must follow through on a pledge made in the 7th grade to graduate with a ''B'' average. Students in the program also agree to demonstrate leadership and other interpersonal skills, volunteer at school or in the community, and become technologically proficient. This is exactly the kind of jump-start this community needed to encourage students to complete their education and to ensure that recent graduates have the tools necessary to compete for today's high-paying jobs.

Each year, the number of students and volunteers involved in the World Class Scholars program continues to grow. But, perhaps of great mention, the number of other school districts participating throughout the county in collaboration with Grays Harbor Community College has also grown. In two years, the first class of high school students will graduate and the community's pledge to provide them with continued education will be honored. Clearly, Aberdeen and surrounding school districts have needs that are different, perhaps unique, from other localities throughout Washington state. They have met this problem head on and are well on the way to making their community a better place to live. The response of the Grays Harbor community perfectly demonstrates that local educators really do know best.

In presenting my Innovation in Education Awards, I fall back on this common-sense idea, that it is parents and educators the who look our children in the eye every day that know best how to educate them. For too long, the federal government has been telling local schools that Washington, DC bureaucrats know best. Educators across Washington state and throughout the country, like those involved in the World Class Scholars program, deserve more decision-making authority they deserve and I pledge to work hard to return that power to them.●

## REMARKS BY DR. HENRY BUCHWALD

● Mr. HOLLINGS. Mr. President, I offer for the RECORD the text of a lecture delivered at the Central Surgical Association by Dr. Henry Buchwald, Professor of Surgery at the University of Minnesota. Dr. Buchwald, a past president of the association, is a highly regarded surgeon, and as we address Medicare reform and related matters in the months ahead, I believe we would do well to consider his words. At this time, I ask that excerpts of Dr. Henry Buchwald's presidential address be printed in the RECORD.

The material follows.

PRESIDENTIAL ADDRESS: A CLASH OF CULTURES—PERSONAL AUTONOMY VERSUS CORPORATE BONDAGE

(By Henry Buchwald, MD)

PERSONAL AUTONOMY

A constellation of principles embody the personality of the surgeon. At its core are the tradition and the ethos of personal autonomy. One of the distinguished past presidents of the Central Surgical Association, Donald Silver, who has been a role model for me, entitled his 1992 presidential address, ''Responsibilities and Rights.'' He allowed very few intrinsic rights to surgeons, but first among the limited prerogatives he granted was autonomy.

As surgeons, we tend to be individualists and to espouse individual responsibility. To us, maturity means being responsible for our actions. We keep our commitments. We view fiscal independence as essential. We take pride in earning a living and, should we have a family, in providing for its needs. To give the gift of an education to our children has been integral to our aspirations.

The years of medical school, residency, and the post-postgraduate education of clinical practice finally give birth to a surgeon. This individual has acquired a base of knowledge and the insight to apply facts and rational suppositions to the care of patients. This individual has obtained operating room skills secured by observation, trial and error, repetition, and respect for tissues and tissue planes and has learned the art of being gentle with a firm and steady hand. The surgeon has been sobered by death, by bad results, by the frustration of the inadequacies of even the most modern medical advances, and by the vagaries of human nature that obstruct the best of intentions and efforts. The surgeon has acknowledged fallibility and his or her power to do harm. The surgeon has become comfortable in a profession in which decisions are singular and responsibility is particular. The mature surgeon has achieved personal autonomy.

Within our company of surgeons we take just pride in our accomplishments. We are a distinct discipline with a unique body of knowledge. We are, for the most part, successful. We save lives, we increase life expectancy, we enhance the quality of existence. In addition, we have provided society with numerous competent surgical practitioners and built dynasties of surgical educators and researchers—individuals who bridge the present with the future of our profession.

Unfortunately, this golden age for surgery and the personal autonomy of the individual surgeon are threatened with imminent destruction by a force that will, if not countered and checked, lead us into corporate bondage. I will term this force administocracy.

CORPORATE BONDAGE

Ideally, the role of health care administration is to facilitate the work of physicians and health care personnel. But the chief administrators in our health care institutions and universities are no longer facilitators. They now seek to control. They have been redefining medical practice, clinics, academic departments, and universities on a corporate model, a model that subverts the essential nature of an intellectual society, a model totally alien to the definition of a university as a community.

Administocracy, the term I have coined to epitomize this force, is the rule of centralized administration, based on the top-down control of money, resources, and opportunities. Its primary beneficiaries are the administrative hierarchy. Administocracy has established itself as a new ruling class, an order clearly separated from the toilers in the vineyard of medicine. Administocracy is governance not by facilitation but by intimidation. Administocracy has gained or is gaining control of our medical schools, our teaching and community hospitals, and our current means of providing health care. I will outline administocracy's practices, codified into its own perverted Ten Commandments.

I: Thou shalt have no other system. The glory of our nation's democracy, the longest surviving democracy in the history of the world, is its ability to tolerate differences—to take new initiatives and then to retrench, to be liberal and to be conservative—and, concurrently, to be responsible to the will of the governed and to the precepts of fundamental code of principles and individual rights. An autocracy, on the other hand, denies flexibility and governance alternatives. An autocracy's overriding objective and only goal, regardless of any protestations of working for the common good, is its own perpetuation. By definition, such a system denies the will of the governed and refuses recognition of individual rights.

Administocracy is, of course, an autocracy. Once in power, administocracy's first order of business is to replicate itself. For example, in 1993 the academic administocracy at the University of Minnesota cut 435 civil service positions, while simultaneously adding 45 more executives and administrators.[1] The Office of the Senior Vice President for Health Sciences at Minnesota, a unit that did not even exist some years ago, now has 25 members.

The growth of medical administocracy is the result of genuine problems in the distribution of health care, including cost problems not adequately addressed by the medical profession itself. Our failure, or inability, to take action on these issues has allowed outsiders and opportunists within our own profession to hijack the delivery of health care. Among practicing physicians, a general ennui and a lack of resistance have been the reactions to the administocracies that are becoming our overlords. Perhaps one reason for this seeming complacency is that, individually, physicians feel powerless when faced with the well-organized, implacable machine of administocracy—an entity that knows its purpose and will use any means to attain its goals. Another reason is well expressed by Thurber's paraphrase of Lincoln: ''You can fool too many of the people too much of the time.''[2]

II: Thou shalt make new images. In his classic novel *1984*, Orwell beautifully illustrated the power of language and its willful distortion by governments. His use of ostensibly neutral words for disguising uncomforting realities set the standards for the current proliferation of Orwell's ''Newspeak.''[3] The medical and academic administocracies of today have devised their own Orwellian glossary of deception, often borrowing and redefining phrases from corporate industry and the military.

*CEO*, for chief executive officer, obviously comes from the corporate world. In academia and in hospital administration, it means a titular despot who controls the destiny and income of faculty and staff.

Reporting to and chain of command come from the military. These designations of caste and of obedience have not only been fully accepted by members of our profession but actually embraced and fostered by certain of our colleagues.

Executive management group means a cluster of deans.

Managed care is a euphemism for reducing patient services and physicians' fees to redistribute income to the ever-increasing number of administrators.

Utilization review stands for a bureaucratic sleight of hand to justify a predetermined reduction in patient services and health care personnel.

Market and consumer mean patient.

Market share means the number of patients you can hold hostage in a provider network.

Health care team means that the physician is only as essential to patient care as the multitude of people who stare into computers on nursing stations.

Vendor means you, the doctor.

II: Thou shalt take what is in vain: reengineer. Reengineering is the golden calf of administrocracy and takes in vain much of what we hold sacred. Reengineering would substitute dicta for scientific inquiry, the ''clean sheet'' for methodology, and assumptions for acquired knowledge. Reengineering has never been critically tested, certainly not in academia and hospital administration. No randomized clinical trials of reengineering have ever been conducted.

The definitions of reengineering are all quite similar. Michael Hammer and James Champy, two of the principal writers and consultants in the field, define it as follows: ''the fundamental rethinking and radical redesign of business processes, management systems, and structures of the business to achieve dramatic improvements in critical, contemporary measures of performance such as cost, quality service, and speed.'' [4]

The stages of reengineering are usually listed by its author advocates as preparing for change, planning for change, designing for change, implementing change, and evaluating change. Obviously, ''change'' is the key message, often spoken of as ''swift and radical change.'' Initiates to reengineering are instructed that it is essential to start this swift and radical change with the proverbial ''blank sheet of paper.'' Besides the logical fallacy of changing that which is blank, the sheet of paper is not blank; it contains our heritage. To start with a blank sheet means to erase the past. This concept of eliminating what we have painstakingly learned denies the most fundamental precept that we, as teachers, have passed on to generations of our students; namely, know the past and build on it. That way offers progress. Paul's First Epistle to the Thessalonians (5:21) states ''Prove all things; hold fast that which is good.''

If we do not learn from experience, from accumulated data and analyses, we will continually repeat history, and often bad history. Reengineering is a denial of the methodology of learned skills to deal with the business at hand, a denial of accumulated knowledge, a denial of the wisdom based on that knowledge. It is an abrogation of the scientific method.

In too much of the corporate-industrial world, reengineering has been the death blow to the company as family, a place to work with pride until retirement. In its place, reengineering has imposed the lean and mean corporate model of harsh downsizing—an organization devoid of workers' loyalty; characterized by a disregard for the customer in favor of the stockholder, plagued with a heavy load of debt, and ripe for a merger, conglomerate integration, and, eventually, extinction.

But enlightened industry has been abandoning reengineering, and the gurus of this nonsense have found it profitable to shift their expensive consultative services to academia and health care. Many of our associates have bitten hard into this apple of poisoned knowledge: Harvard, Tufts, Columbia, Cornell, Stanford, the University of California-San Francisco, Michigan, Henry Ford, and Minnesota are just some of the great institutions that have, to one degree or another, adopted reengineering. Physician-administrators, with little or no experience in the business world, are pushing hard to sell reengineering as a panacea for success and good fortune in the health sciences and in health care. They are huckstering a placebo.

The former provost of the University of Minnesota Academic Health Center and current president of Johns Hopkins, Dr. William R. Brody, brought the aforementioned James Champy to a University of Minnesota ''leadership retreat'' in July of 1995. At that meeting Mr. Champy, was quoted as saying: ''We live in debate . . . but you may have to exercise powers and say sometimes., 'The debate is over. This is the way we are going to be.' . . . visions are not built by groups . . . people in organizations want to be told what to do . . . There is a thirst for leadership, for top-down direction.'' [1]

Champy gave this advice pro bono. Eventually, however, his consulting firm, CSC Index, was paid $2.2 million by the University of Minnesota to put his philosophy into practice.[1]

Ever since the Brody mindset took hold of the university's administocracy, I have listened to speech after speech emphasizing that ''everything is on the table'' (freely translated to mean—tell us what you have so that we can take it away from you), and that the ultimate goal of reengineering was the ''reinvention of the academic health center.'' I was also present when straightforward questions about a prospective hospital merger were met with evasion and statements such as ''The negotiations are as yet too delicate to be openly discussed'' and ''I am not at liberty to provide these details.'' Only when the secret discussions had been concluded and the final decisions had already been made were faculty members informed of the swift and radical changes that would forever affect their lives and that these changes were ''non-negotiable.''

IV: Thou shalt keep horizontal integration holy. In the application of reengineering to academia and health care, the basic work unit is achieved by horizontal integration across disciplines. The medical community until recently has been discipline oriented. The change to horizontal integration represents a major paradigm shift. This change means that a patient would proceed not from one physician to other disciplinary specialists, as needed, but would be referred to a disease- or system-complex of physicians. This unit has been designated as a disease-based cluster, also called in various institutions a center, an institute, a service-line unit, and an interdisciplinary service program. The disease-based cluster is an imposition on patient care of management by a standing committee.

Contrary to the promises of the administocrats, life within the horizontally integrated unit is far from utopian. Because the income allocated to the unit by the administocrats is distributed by formula to the members of the disease-based cluster, the fewer members in the cluster, the more money for those who are retained. That formula encourages the urge to lighten ship. In this cluster, the members of the group have yielded the control of their practice and of their personal income to the group mentality. The surgeon is an employee of this group of primarily nonsurgeons, a fully salaried employee with few, if any, financial incentives.

Further, each cluster decides on the optimal time management for its employees. Economic unit pressure will limit the amount of time allocated for teaching and for research. If you want to teach, you will be told that extensive teaching is a luxury that the unit cannot afford for its surgeons. You will be told to limit your time with medical students and to limit the operating room time you offer residents, because this use of time does not serve the market-driven goals of your new workplace. Time spent in laboratory research by members of a clinical unit, especially the unit's surgeons, will be restricted or disallowed, because it would most assuredly decrease the unit's ability to compete in the clinical marketplace. Although the surgeon is the main stoker of the unit's economic furnace, decisions for the individual surgeon's distribution of time will no longer be at his or her discretion, but rather at the discretion of the economic will of the group. And, because the surgeon must spend an extensive amount of time in the operating room, the director of this disease-based cluster will, more than likely, not be a surgeon.

Where are the positive incentives for surgeons in the horizontally integrated unit? We have seen that the incentive is not in money, in teaching, or in research. Is it in the practice of our craft? Even that pleasure may not be allowed. Disease management in the cluster will be by what has been termed clinical pathways. This means surgery by the numbers; every surgeon will do the same procedure for a specific problem, in exactly the same manner, with a prescribed set of instructions for the use of nasogastric tubes, drains, antibiotics, alimentation, and so on. This assembly-line concept of surgery represents the ultimate destruction of the autonomy of the surgeon.

What will be left? The negative incentives of job security and the threat of punishment for expressions of individuality. Criteria for employment will be obedience to the group and a proper sense of beholdenness.

The emergence of horizontal integration in reengineered institutions is being vigorously proselytized by its advocates. Indeed, several plenary sessions at the 1997 meeting of the American College of Surgeons gave podium time to the leading proponents of horizontal integration, but none to its opponents. A more balanced analysis of this ''brave new world'' is needed. In the words of Aldous Huxley: ''Thought must be divided against itself before it can come to any knowledge of itself.'' [5]

V: Dishonor thy father and thy mother. The professional fathers and mothers of practicing doctors of medicine are the departments of the medical school. For use as surgeons, our professional parent is the department of surgery. Most of us have a strong allegiance to the departments that trained us and to those we now represent. We cite the teachings of our department as a justification for what we do and what we believe. We extol the achievements of the heroes of our department, and we have been known to contest between departments with fierce team loyalties. We tell departmental anecdotes into our dotage.

Historically, the strongest medical schools have had the most powerful departments. Feudalism may not have been an intellectual success in the Middle Ages, but it has been

the appropriate medical school governance system for our golden age of surgery. The independent department of surgery has, as a rule, been financially sound. It is able, therefore, to provide its faculty, in addition to a clinical practice, research opportunities, as well as the time to teach and to travel. The clinical atmosphere is exciting, allowing faculty to interact with questioning residents, and, through grand rounds and mortality and morbidity conferences, offering the best second opinions available anywhere. Independent departments gave birth to independent individuals, who had the imagination, innovative spirit, incentive, and drive to make surgery in the United States the best and the most envied in the world.

Reengineering would have us deny our departments, abandon them as mere relics. We are being told to dishonor our parental heritage and to deprive future generations of its nurturing. Horizontal integration is the death knell of the strong department of surgery as we know it. Independent departments that give rise to individualists are anathema to an administocracy, which would replace departmental parenting with the cloning of conformists.

The proponents of radical change are proposing that departments, for now, be maintained only for teaching students and lower levels of residents, and that their income will somehow be supplied by the dean of the medical school, to whom they will be indebted. The department chairs who will head these units will no longer be selected for scholarship, clinical acumen, and research accomplishments, but for administrative experience and political aspirations. As the lowest tier of the administocracy, they will not uphold or defend the department. In the future this system will eliminate clinical departments altogether, including their independent research, and delegate the teaching of the basic's of surgery to other than practicing surgeons.

VI: Thou shalt kill tenure. Tenure had its origins in the high Middle Ages and into the Reformation when royal edicts protected the person of the scholar and guaranteed safe passage.[6] As the university tradition developed on the continent and at Cambridge and Oxford, tenure became more of a fortification against the internal threat of dismissal at the pleasure of the clerical and political appointees who constituted the administration of these universities.[6]

In the 1990s, once again, tenure has become a highly charged controversy emerging from the academic cloister into the everyday world. Tenure is under attack in institutions of higher learning throughout the United States. This foundation of academic freedom, which includes the tenets of due process and freedom of expression, is being challenged as unwieldy and as an impediment to progress in today's fast-moving world and economy. It is seen as a barrier to effective top-down university administration. A lifelong commitment of appointment for faculty is being considered an unreasonable limit to a university's competitiveness. Tenure-track appointments per se are becoming more and more difficult to obtain, and the possibility of abolishing tenure is a current reality.

In the field of medicine we have traditionally not been strong advocates of the tenure system. Most surgeons, in and out of academia, have usually thought of tenure as the subterfuge of the weak and unaccomplished, the refuge of idlers and ne'er-do-wells. For my part, however, I am a strong proponent of tenure on principle and from experience. I have seen the University of Minnesota administocracy attempt to kill tenure. I have seen an outside consultant lawyer, hired by the Board of Regents, write a new tenure policy, subsequently put forth by the Board of Regents, that would have seriously restricted many aspects of academic freedom, denied due process, and allowed the disciplining of faculty for not having ''a proper attitude of industry and cooperation.'' I have seen the provost of the Academic Health Center become the leading opponent of tenure at the University of Minnesota and promise the state legislature to destroy tenure in exchange for increased funding for his personal vision of reengineering.

That threat to tenure has gone hand in hand with, and has served as the primary impetus for, unionization efforts by faculty, a turning to collective bargaining, the terminal polarization of a university into ''them'' and ''us.'' The union movement has been successful in some institutions and almost successful in others. We must recognize that the alternative before us is not between tenure or no tenure, but between tenure or membership in a trade union.

Centuries of reflection, turmoil, and hard-earned victories for freedom of expression within institutions of higher learning are embodied in tenure. That 1000-year-old legacy should not be swept aside by the know-nothing approach of ''reinventing the university.'' In the final analysis, tenure is the only protection that allows university faculty open criticism of the administocracy. Make no mistake about it, without tenure the outspoken individualists in the academic departments of surgery will be among the first to be fired for insubordination, for not having a proper attitude. They will be fired without due process and without the least concern for their productivity, hard work, loyalty, and demonstrable accomplishments. If not for tenure, many of our predecessors would not have survived to found and to sustain the Central Surgical Association. If not for tenure, many of us in this room would not be signing our names as professor of surgery.

VII: Thou shalt not commit to more than one career option. Once it was considered laudable in academia to pursue more than one career option—to be a researcher, a teacher, a consultant, as well as a practicing clinician. In the system of administocracy, such pursuits are adulterous, and they are prohibited. William Kelley, the apostle of linear career tracks, has made the laboratory doctors the highest order in the academic departmental hierarchy.[7] They follow a standard tenure track, spend little time with patients, and obtain their income from grants and from the efforts of their clinical-tract colleagues. Clinicians are confined, in turn, to patient activities, can have no laboratories, and may do only clinical research. Their primary job is to make the money needed by a two-track department. If these clinical doctors cannot keep up with the overall monetary demands, a third and fluid group of physicians, fresh out of residency, may be hired to see patients on a strict salary basis and to generate a sufficient overage of income to maintain the lifestyles of the nonclinicians.

Where does the double-threat, triple-threat, or even quadruple-threat academic surgeon of yesterday and today fit into such a system? He or she does not fit. Where is there allowance for the person who has honed his or her clinical judgment and operating room technique to achieve superb clinical outcomes and is also known as an eminent researcher, an outstanding teacher, and, possibly, an administrator-educator in the field of surgery? We may not find such renaissance individuals in the university of the first century of the third millennium. Those who exist today—many of them in this room—are the equivalents of the dinosaur. Honored today for their stature, their breed is destined for extinction.

VIII: Thou shalt steal. If the goal of administocracy is power, the means to achieve that goal is the control of money. For most of us, our incomes have been primarily derived from patient care on a fee-for-service basis. In the academic centers we ourselves allocated a percentage of our income to research, to resident education, to travel, and to departmental needs, as well as to paying a tithe to the dean. Currently, we are being forced to acquiesce to a seizure of our income at its source for redistribution outside of our control, consent, and often, knowledge. The imposition of layer upon layer of administrators and managers siphons off money to pay for their income, for the maintenance of their staff, and for the fulfillment of their, not our, aspirations. What finally trickles down to surgeons is a small fraction of the income we generate. In my opinion, this is theft.

The proliferation of health care provider organizations has given rise to a boom in building construction and occupancy to provide for the newly created health care managers. CEOs of managed care empires now take home millions of dollars annually. This is not capitalism but the embodiment of the Communist Manifesto: ''From each according to his abilities; to each according to his needs.''[8] Apparently, administocrats have the greatest needs. We have seen the advent of a plethora of executives, echelons of supervisors, authorizers of services, accountants, marketing and sales personnel, secretaries, telephone operators, and so on—all to do what we were able to do with a relatively minimal support staff. What feeds these engines of power? Fewer available patient services, less compensation for services, and an unparalleled redistribution of what we, the surgeons, earn. Whereas surgeons have a long and honorable history of providing care free of charge to the needy, the new system, through gatekeepers, restricts care for the needy and, through capitation, provides income to the greedy.

IX. Thou shalt bear false witness. The administocracy rewards or punishes faculty members in promotion and tenure proceedings, bestows awards and recognition, and grants institutional honors. The threat and implementation of both false-positive and false-negative witnessing are standard procedures in academic advancement and in the closure of academic careers. In certain institutions this method of control has extended to the misuse of the legal arm of central administration and the subversion of the internal judicial system of the university. Administocrats and their attorneys have made up rules as they go, with no basis for them in institutional regulations, the ''Calvin-ball''[9] approach to adjudication. For those who insist on believing that not all individuals in power can be corrupt and that decency at some level must still exist, I cite the words of 17th century aphorist, Jean de La Bruyère: ''Even the best-intentioned of great men need a few scoundrels around them; there are some things that you cannot ask an honest man to do.''[10]

X: Thou shalt covet. Finally, we come to coveting (Exodus 20:17): ''Thou shalt not covet thy neighbor's house, . . . nor anything that is thy neighbor's.''

The administocracy does indeed covet your ''house,'' because space is power. The personal space that you occupy outisde of the hospital and clinic, your office and your laboratory, is controlled by the administocracy. Allocation decisions are made not to facilitate your work and not as an incentive for productivity, but as a threat to achieve conformity and to guarantee compliance with their policies. When income is limited and proscribed, when the surgeon has become a 100% employee, then space and the use of that space become powerful inducements for faculty recruitment and retention. Space become a means to form a faculty to fit the new corporate mold. More than ever, space becomes a weapon to enforce compliance and to deny personal autonomy.

If money and space have been removed from the surgeon's control, how about the control of an individual's research? Here, too, administocracy has moved in. The formerly automatic forwarding of a properly prepared grant application has recently been subjected to additional internal institutional review and the threat of an institutional refusal to forward certain grant applications. This newly assumed institutional power has been termed a violation of academic freedom by a regional president of the American Association of University Professors.[1] Ongoing grants have been challenged by administocrats, with attempts at mandating personnel changes on a faculty research team. Faculty peer committees to supervise proper contract relations with industry have been disbanded and replaced by an administrator or a group subservient to the administocracy. Autonomy of research has been replaced by research at the pleasure of the administocracy.

There is, unfortunately, no limit to coveting. According to Horace: ''The covetous man is ever in want.'' [11]

RESOLUTION

Although I coined the term administocracy, all else in this version of the Ten Commandments, as perverted by this new corporate bondage, is based on what has happened, is happening, and will happen. For many of us, certain, if not all, of the forces and events outlined are already part of our personal histories. Those fortunate enough to have been spared thus far will not be so favored in the future. I hope no one in this audience suffers from ''mural dyslexia,'' [12] the inability to read the handwriting on the wall.

My intent in this narrative has been to express, in words and by examples, the manifestations of a calamitous reality that is altering the basic fabric of our professional lives, as well as the quality of medical care. We cannot elect simply to observe this transformation. The structures we stand on are disintegrating. If we continue to be complacent, if we do not oppose the powerful economic elements arrayed against us, if we take little interest in understanding the nature of our enemies, then surgery, as a discipline, and we, as surgeons and as independent practitioners, free to act within the boundaries of our conscience, will lose our culture, as well as our personal autonomy.

I have tried in these remarks to outline a brief differential diagnosis of this malady of encroaching administoracy, in order that we may formulate practical deterrents. I ask you to consider, each for your own situations, a workable, achievable alternative to administocracy, the forging of an ethical governance for academia, income distribution, and administration by facilitation. All of us need to take an active role in this process of evolution and innovation, to take it now, and to commit to it in the years to come.

Further, to maintain the individuality we prize, we have to realize that, individually, we are easy pickings. We must work together, as a community of surgeons, in our academic, cultural, and political organizations to defend our values. Ironic as it may be, we will need to give up some of our precious autonomy to safeguard that very autonomy. In his Republic, Plato expressed the concept of banding together as fundamental to preserving individualty: '' . . . a state comes into existence because no individual is self-sufficient. . . .'' [13]

A satisfactory resolution of this clash of cultures will not be achieved quickly or easily. This contest will not be decided by the sprinters. Victory will belong to the marathoners. Fortunately, surgeons are trained for the long haul.

CLOSURE

I would like to close with one final quotation, four questions of self-examination from the Talmud, which express my personal aspirations: ''Have I lived honorably on a daily basis? Have I raised the next generation? Have I set aside time for study? Have I lived hopefully? [14]

REFERENCES

1. Robson B. Destroying the university to save the university. Minneapolis: City Pages; April 9, 1997.

2. Thurber J. Fables for our time. New York: Harper & Brothers; 1940.

3. Orwell G. 1984. San Diego: Harcourt Brace Jovanovich; 1982.

4. Hammer M, Champy J. Reengineering the corporation: a manifesto for business revolution. New York: Harper Business; 1993.

5. Huxley A. Do what you will. Garden City (NY): Doubleday, Doran & Company; 1929.

6. Metzger WP. Academic tenure in America: a historical essay. In: Keast WR, Macy JW Jr, editors. Faculty tenure. San Francisco: Jossey-Boss Publishers; 1973. p 93–159.

7. Kelley WN, Stross JK. Faculty tracts and academic success. Ann Intern Med 1992; 116:654–9.

8. Marx K. The German ideology. New York: International Publishers; 1947.

9. Watterson B. Attack of the deranged mutant killer monster snow goons. Kansas City: Andrews and McMeel; 1992.

10. La Bruyere J. Characters. New York: Fertig; 1991.

11. Horace. Epistles book I. II, To Tollius, line 56; 65–8 BC.

12. Pappelbaum S. Overview of the health care market place: imperative for change. Presented at the American College of Surgeons Annual meeting, Chicago, Ill, Oct 15, 1997.

13. Plato. Chapter VI. The rudiments of social organization. In: Conford FM, editor. The republic of Plato. New York: Oxford University Press; 1951.

14. The Babylonian Talmud. Tractate Shabbat; 31a. 1898–1981.

## RECOGNITION OF ACHIEVEMENT

● Mr. ASHCROFT. Mr. President, I rise today to extend appreciation to my spring 1999 class of interns: Lionel Thompson, Ryan Carney, Stephanie Harris, Kelly Owens, Daniel Lawson, Lacey Muhlfeld, Pete Johnson, Brian Kim, and J.Y. Brown. Each of these young people has served the people of Missouri diligently in my office. They have been invaluable members of my Operations Team over the past several months, and their efforts have not gone unnoticed.

Since I was elected in 1994, my staff and I have made an oath of service, commitment, and dedication. We dedicate ourselves to quality service. America's future will be determined by the character and productivity of our people. In this respect, we seek to lead by our example. We strive to lead with humility and honesty, and to work with energy and spirit. Our standard of productivity is accuracy, courtesy, efficiency, integrity, validity, and timeliness.

My spring interns have not only achieved this standard, but set a new standard on the tasks they were given. They exemplified a competitive level of work while maintaining a cooperative spirit. It is with much appreciation that I recognize Lionel, Ryan, Stephanie, Kelly, Daniel, Lacey, Pete, Brian, and J.Y. for their contribution to me and my staff in our effort to fulfill our office pledge and to serve all people by whose consent we govern.●

## WORKERS' MEMORIAL DAY 1999

● Mr. FEINGOLD. Mr. President, I rise today to honor the men and women in our labor force that put their health and safety on the line every day at work. Today, we observe the passage of the landmark Occupational Safety and Health Act, signed into law 29 years ago, and the tenth anniversary of Workers' Memorial Day.

Mr. President, today is a chance for all of us to celebrate, and to mourn—to recognize the strides we've made on worker safety, and to mourn those who have lost their lives while they were simply doing their job.

Although the workplace death rate has been cut in half since 1970, 60,000 workers still die every year from job hazards, and six million more are injured. In Wisconsin our workplace accidents rate of 11.4 workplace accidents per 100 workers is higher than the national average. This is not a statistic anyone should be proud of, but it does help us maintain our focus as we work toward stronger laws, stricter enforcement, and safer workplaces.

We need to work together to protect the workers that have built our communities and helped them thrive. Unfortunately we still hear stories of workers like Vernon Langholff, who in 1993 fell 100 feet to his death when a corroded fire escape collapsed beneath him while he was cleaning dust from a grain bin. Just this year a company in Jefferson County was convicted in a state court for the recklessness that caused Langholff's death. In 1996 the company was fined $450,000 for its deliberate indifference to worker safety—because they delayed spending the $15,000 it would have taken to fix the

fire escape and prevent Langholff's death. Stories like this remind us that an unsafe workplace can mean disaster for everyone involved—it can bring untold tragedy to a family, it can bring serious, long-term financial and legal repercussions for an employer.

The consequences of delaying the repair of a fire escape or ignoring safety procedures can often be tragic, and they are always preventable. To prevent more tragedies on the job, we've got to make sure workers can join unions without employer interference or intimidation, we must help protect whistleblowers who call attention to dangerous working conditions, and above all we've got to fight back against attempts in Congress to weaken OSHA laws.

I do not understand the yearly assault on worker safety in Congress. Again this year, the Safety Advancement for Employees Act, or SAFE Act has been introduced. This legislation takes away a worker's right to an on-site inspection to investigate a hazard, or permitting OSHA to issue warnings instead of citations. This bill isn't OSHA re-form, it's OSHA de-form. This bill would more appropriately be named the ''UNSAFE'' act.

Mr. President, I will work with my colleagues to fight back any attempt to weaken the protection of Wisconsin's workers. It's time to move the workplace forward to the 21st Century, not back to the dark ages.

I am proud to stand with this country's workers in the fight for the dignity, respect and safe workplace they deserve. I urge my colleagues to join me in this important and worthy battle.

I yield back the remainder of my time.●

## NATIONAL ASSOCIATION OF LETTER CARRIERS

● Mr. SHELBY. Mr. President, I would like to bring to your attention the National Association of Letter Carriers Food Drive Day. On Saturday, May 8, letter carriers from around the country will collect nonperishable food items placed near their customers' mail boxes. The food will then be given to local food pantries for distribution to those in need. The National Association of Letter Carriers in Alabama collected more than 500,000 items last year alone, and I would like to encourage my colleagues to support the letter carriers' food drives in their States, districts, and hometowns in order to make this worthy event a success.●

## THE VILLA TRAGARA

● Mr. LEAHY. Mr. President, I was delighted to see that the Villa Tragara in Waterbury Center, Vermont has been awarded the ''Emblem of Excellence'' in Italian Cuisine.

I am not the least bit surprised. My wife and I enjoy going to this restaurant more than any other. The owners, Tony and Patricia DiRuocco are special friends of ours and have brought the highest of culinary excellence to our state of Vermont. I count among my most enjoyable experiences meals in their superb restaurant and I wanted the rest of the country to have notice of this great honor.

I ask that the article from our local newspaper, The Times Argus, be printed in the RECORD.

The article follows:

[The Times Argus, April 8, 1999]

VILLA TRAGARA HONORED BY ITALIAN ACADEMY, GOVERNMENT

WATERBURY CENTER—The Villa Tragara Ristorante of Waterbury Center has been awarded ''Insegna Del Ristorante Italiano'' meaning ''The Emblem of Excellence'' in Italian Cuisine.

The award has been presented by the prestigious Italian Academy of Cuisine, located in Rome.

Villa Tragara chef/owner Antonino DiRuocco, born in Capri, Italy, and his partner and wife, Patricia, are scheduled to fly to Rome for festivities that include presentation of the award April 10–12.

Festivities include a trip to the Vatican, the Italian Senate and the ''Quirinale,'' home of the Italian president.

DiRuocco will be presented his award April 12 by Signor Oscar Luigi Scalfaro, Italy's president.

Restaurants throughout the world are judged on authenticity of the culinary art, creativity and presentation. A separate award is presented for wines and spirits.

Villa Tragara will be one of 80 restaurants worldwide to receive the award.●

## TRIBUTE TO MS. RUBY B. MCMILLEN

● Mr. WARNER. Mr. President, I rise today to pay tribute to Ms. Ruby B. McMillen, a native of Virginia's Albemarle County, who is retiring from the Defense Logistics Agency, Fort Belvoir, Virginia, this month after a distinguished civilian career spanning more than thirty-six years. Ms. McMillen, who currently directs the Agency's business management office, has devoted her professional life to supporting the logistics needs of military men and women assigned around the world in defense of our freedom. Her accomplishments are many and her reputation for innovative, visionary leadership is unparalleled. Her contributions to the National Defense will be missed, so as she transitions to new opportunities, I want to say thanks to her on behalf of a grateful nation.

Ms. McMillen's career is noteworthy for many reasons, but her remarkable rise through the civil service ranks speaks to the real value of the work she has done for our warfighters over the years. Starting as a GS–3 clerk in Richmond's Defense General Supply Center, she soon transitioned into professional and leadership positions, but never lost her appreciation of the unique challenges faced by junior-level employees. With each assignment came additional responsibilities and a reputation for cutting through business-as-usual obstacles. Over the years her abilities developed, her contributions grew, and she rose to the top of her career field. For all the challenges she successfully met, Ms. McMillen's enduring contribution will be all those employees to whom she served as an active mentor. The next generation of DLA's professional logisticians has countless members who would not be making tremendous contributions to the Agency if not for her help, encouragement, and motivation along the way.

Mr. President, I am proud and honored to ask my colleagues to join me in congratulating Ms. Ruby McMillen on her retirement from the Federal Civil Service.●

## TRIBUTE TO THE AMERICAN GATHERING OF JEWISH HOLOCAUST SURVIVORS

● Mr. SCHUMER. Mr. President, I rise to have printed in the RECORD, the remarks made by Benjamin Meed, President of the Warsaw Ghetto Resistance Organization, on the 56th anniversary of the Warsaw Ghetto Uprising. Mr. Meed made these remarks to the Congregation Emanu-El in New York City.

The material follows:

REMARKS OF BENJAMIN MEED

Governor Pataki, Senator Schumer, Mayor Giuliani, Comptroller Hevesi, Members of the U.S. Congress, Ambassador Sisso of Israel and Members of the Israeli Consulate, State and City Officials, Members of the New York Legislature, Boro President, Distinguished Guests, fellow survivors, and dear friends.

Today, Jews gather to pay tribute to the memory of our Six Million brothers and sisters murdered only because they were Jewish; We gather to honor the fighters of the Warsaw Ghetto; to grieve; and to continue asking the questions: Why did it happen? How could the civilized world allow it to happen? Why were we so abandoned? Six million times, why?

This year's national Days of Remembrance theme is dedicated to the voyage of the *SS St. Louis*. It is a story of refuge denied; it is a tale of international abandonment and betrayal. Why were they refused entry into this country? How can we ever understand why this was allowed to happen? Today, it is inconceivable to us just how that ship in those days was turned away.

Today 54 years ago the American soldiers came across Nazi Germany slave labor camps and liberated Buchenwald and saved many of us who are here present today. Our gratitude will remain with us forever. We will always remain grateful to these soldiers for their kindness and generosity, and we will always remember those young soldiers who sacrificed their lives to bring us liberty.

Today, wherever Jews live—from Antwerp to Melbourne, from Jerusalem to Buenos Aires, from New York to Budapest—we come together to remember to say Kadish collectively.

Remembering the Holocaust is now a part of the Jewish calendar. We are together in our dedication to Memory and our aspiration for peace and brotherhood. Yom Hashoah, the Days of Remembrance, time to collectively bear witness as a community.

And what lessons did we derive from these horrible experiences? The most important lesson is obvious—it can happen again the impossible is possible again. Ethnic cleansing, genocide, is happening as I speak. It can happen to any one or any group of people. The slaughter in Kosovo and in other places must be brought to an end.

Should there be another Holocaust, it may be on a cosmic scale. How can we prevent it? All of us must remain vigilant—always aware, always on guard against those who are determined to destroy innocent human life for no other reason than birthright.

It is vital that we remember, it is our commitment to those who perished, and to each other; a commitment taken up by your children and, hopefully, by the generation to come. What we remember is gruesome and painful. But remember we must. Over the years, we have tried to make certain that what happened to us was communicated and continues to be told, and retold, until it becomes an inseparable part of the world's conscience.

And yet, some fifty years after the Holocaust, we continue to be repulsed by revelations about the enormity of the crimes against our people. And we are shocked to learn of the behavior of those who could have helped us, or at least, not hurt us, but who, instead, actually helped those whose goal was to wipe us out. Sadly, many of those who claimed they were neutral were actually involved with the German Nazis. They were anything but not neutral.

The world has now learned that the Holocaust was not only the greatest murder of humanity, the greatest crime against humanity, but also the greatest robbery in the history of mankind. Driven from our homes, stripped of family heirlooms—indeed of all our possessions—the German Nazis and their collaborators took anything that was or could be of value for recycling. They stole from the living and even defiled the Jewish dead, tearing out gold fillings and cutting off fingers to recover wedding bands from our loved ones who they had murdered.

But the German Nazis did not—could not—do it alone. The same people who now offer reasonable sounding justifications for their conduct during the Holocaust were, in those darkest of times, more than eager to profit from the German war against the Jews.

None of the so-called ''neutral'' nations has fully assumed responsibility for its conduct during the Holocaust. The bankers, brokers, and business people who helped Nazi Germany now offer some money to survivors, but they say little about their collaboration. They utter not a word about how they sent fleeing Jews back to the German Nazis' machinery of destruction, nor about how they supported the Nazis in other ways—no admission of guilt; no regret; no expression of moral responsibility.

We must guard against dangerous, unintended consequences arising from all that is going on now. Hopefully, family properties and other valuables will be returned to their rightful owners. But the blinding glitter of gold—the unrealistic expectations created by all the international publicity—has diverted attention from the evil which was the Holocaust.

For five decades, we survivors vowed that what happened to our loved ones would be remembered and that our experiences would serve as a warning to future generations. We must continue to make sure that the images of gold bars wrapped in yellow Stars of David do not overshadow the impressions of a mother protecting her daughter with her coat, upon which a Star of David is sewn, or of a young boy desperately clutching his father's hand at Auschwitz/Birkenau before entering the gas chambers.

The search for lost and stolen Jewish-owned assets has generated enormous publicity and excitement, but it also has created serious concerns. Gold, bank accounts, insurance policies and other assets have become the focal point of the Holocaust. That somehow minimizes Germany's murderous role.

Great care must be taken to find a balance. The various investigations must continue to uncover the hidden or little publicized truths about the so-called neutral countries that collaborated, and to recover what rightfully belongs to the victims, survivors and their families.

The focus should never be shifted from the moral and financial responsibility of Germany for the slaughter of our people—acts for which there is no statute of limitations, acts for which Germany remains eternally responsible. Our books should not and cannot be closed.

Let us Remember.●

## ORDERS FOR THURSDAY, APRIL 29, 1999

Mr. MCCAIN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Thursday, April 29. I further ask that on Thursday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day. I further ask unanimous consent that immediately following the prayer, there be 1 hour for debate only, equally divided between Senator MCCAIN and Senator HOLLINGS, relative to the cloture motion on the McCain amendment to S. 96. I further ask that following that debate, the Senate proceed to a vote on the motion to invoke cloture.

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

## PROGRAM

Mr. MCCAIN. Mr. President, for the information of all Senators, the Senate will convene at 9:30 a.m. and immediately begin 1 hour of debate relating to the cloture motion to the McCain amendment to the Y2K legislation. At approximately 10:30 a.m., following that debate, the Senate will proceed to a cloture vote on the pending McCain amendment to S. 96. As a reminder, under rule XXII, all second-degree amendments to the McCain amendment must be filed 1 hour prior to the vote.

### ORDER FOR FILING SECOND-DEGREE AMENDMENTS

Mr. MCCAIN. Mr. President, I ask unanimous consent that Members have until 10 a.m. on Thursday in order to file second-degree amendments to the substitute amendment.

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

Mr. MCCAIN. Mr. President, following the cloture vote, the Senate may continue debate on the Y2K bill, the lockbox issue or any other legislative or executive items cleared for action. As a further reminder, a cloture motion was filed today to the pending amendment to the Social Security lockbox legislation. That vote will take place on Friday at a time to be determined by the two leaders. For the remainder of the week, it is possible that the Senate may begin debate on the situation in Kosovo.

## ORDER FOR ADJOURNMENT

Mr. MCCAIN. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment as a further mark of respect to the memory of deceased Senator Roman Hruska, following the remarks of Senator GRAHAM.

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

Mr. MCCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRAHAM. Thank you, Mr. President.

## JUDICIAL EXPANSION AND THE Y2K ACT

Mr. GRAHAM. Mr. President, over the last several years—according to our colleague from North Carolina, over the last 40 years—we have heard multiple warnings about the Y2K computer problem. We have heard how this problem will overwhelm our Nation's transportation networks, financial institutions, business sectors, and State and local communities.

I bring to the attention of the Senate this afternoon another institution that could be overwhelmed by the rush to prepare for the new millennium, and that institution is one of our direct responsibilities—the Federal courts.

Just over a month ago, the Judicial Conference of the United States—the principal policymaking body for the Federal courts, chaired by the Chief Justice of the U.S. Supreme Court—asked Congress to create nearly 70 new permanent and temporary judgeships: 11 on the appellate level and 58 in Federal district courts.

This was an unusually large request by the Judicial Conference. It was also an urgent request.

The Judicial Conference has made biennial pleas for help from Congress. Every 2 years, the Conference has recommended additional judgeships to be created in order to maintain currency with the capacity of the judicial system of the Federal Government of the United States with the caseload that system was being asked to accommodate.

I am saddened to have to state and to indicate to my colleagues and the American people that Congress has not created so much as one new Federal judgeship since December of 1990—almost 9 years ago.

Since December of 1990, appellate filings have increased by more than 30 percent. District court filings have grown by more than 20 percent. But this increase is not equally distributed across the Nation.

In my home State of Florida, we have seen a worse—a much worse—situation. The Middle and Southern Districts of Florida have seen case filings increase by over 60 percent in the last 9 years without one additional Federal judge being added to the Middle or Southern Districts.

What has been the consequence of this failure of Congress to respond to the legitimate request of the Federal judiciary for additional resources to mediate these additional case demands? This has resulted in over 1,100 criminal defendants having cases currently pending in the Middle District of Florida. On the civil side, more than 5,900 cases have yet to receive final disposition.

The reasons for this need are many. But one stands out in the context of the legislation we are now debating, the legislation to turn responsibility for Y2K litigation to the Federal courts; and that is, the increasing willingness of Congress to federalize what were formerly, and I believe properly, State civil and criminal legal issues.

In other forums we have addressed the federalization of criminal statutes, and thus I will not dwell on that subject today. But just suffice it to say this one fact: It has been now some 135 years since the end of the Civil War. Of all of the Federal criminal statutes enacted since the end of the Civil War, 30 percent of them have been enacted since 1980, or in the last 19 years. So we are in an era in which there has been a rush to create new Federal criminal statutes.

While we can and should debate the merits of this trend, what cannot be debated is the fact that this has dramatically increased the burdens on the Federal courts and their ability to dispense justice. This trend is no less prevalent on the civil side as it is on the criminal side.

In the last Congress, we considered major legal overhauls that would have preempted State tort and property laws.

In 1998, Chief Justice Rehnquist stated:

> [S]hould Congress consider expanding the jurisdiction of the federal judiciary, it should do so cautiously and only after it has considered all the alternatives and the incremental impact the increase will have on both the need for additional judicial resources and the traditional role of the federal judiciary.

Unfortunately, the legislation we are considering today runs counter to that sage advice. The very nature of the Y2K problem means that multiple plaintiffs will have similar claims against common defendants—a situation ripe for a profusion of class action lawsuits. By giving the Federal judiciary original jurisdiction over Y2K class actions, Congress will sentence Federal courts to overburdened caseloads far beyond the crisis that we currently face.

I want to make it clear that I recognize the seriousness of the Y2K problem and the need to address some of the related legal issues. Senators BENNETT and DODD deserve tremendous credit for their committee's assessment of how the U.S. Government is preparing for the Y2K problem.

I commend Senator MCCAIN for his forward-thinking focus on the legal ramifications of the millennium bug. But I have serious reservations about making Federal courts a clearinghouse for Y2K lawsuits of any kind. Proponents of this measure have argued that it is necessary to federalize the Y2K litigation in order to establish national uniformity in this area of the law.

This view runs counter to basic tenets of federalism. According to the National Governors' Association, 39 States currently have legislation enacted or pending that could resolve this issue at the State level. As such, the burden of proof falls on the proponents of this legislation to show why the Federal Government, contrary to two centuries of tradition of State responsibility for civil litigation, is in the best position to deal with this issue. Such an action of federalization amounts to a theft of what has traditionally been the State responsibility for these types of cases. As such, I will oppose cloture on this legislation.

Mr. President, thus far, I know of no plan whatsoever to address the massive new workload that legislative action such as the federalization of Y2K cases could impose on the Federal judiciary, particularly the U.S. district courts.

I urge my colleagues to consider not only the potential legal cases that will be generated by the Y2K challenge, but also to thoughtfully consider where those cases should best be heard. I believe the presumption should be that those cases should be heard where most of our civil litigation is heard, which is in State courts. I do not believe that the proponents of this change have effectively advocated for the necessity of changing that basic tradition in American jurisprudence.

We must be vigilant, as Members of Congress, to avoid legislative action that will increase the workload on our Federal courts without a commensurate increase in judicial resources. If we fail to do so, the end result will be justice delayed and justice denied.

I thank the Chair.

## ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 9:30 a.m., Thursday, April 29, 1999.

Thereupon, the Senate, at 6:04 p.m., adjourned until Thursday, April 29, 1999, at 9:30 a.m.

# HOUSE OF REPRESENTATIVES—*Wednesday, April 28, 1999*

The House met at 10 a.m.

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

We give thanks, O almighty God, for all those who find in their daily work the place to be of service and support to other people. On this day we are grateful for all those who see in public service the opportunity to do the works of justice and who use the abilities and gifts they have received in ways that contribute to the public good. O God, as You have called us to be Your witnesses in our responsibilities, so let us see how a cup of water to the thirsty, food for the hungry, shelter for the homeless can be ways that we help heal those who are hurting and be of benefit to all. In Your name we pray. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. COYNE. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. COYNE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 348, nays 46, not voting 39, as follows:

[Roll No. 98]

YEAS—348

Abercrombie
Ackerman
Allen
Andrews
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Clayton
Clement
Coble
Collins
Combest
Condit
Conyers
Cook
Cooksey
Coyne
Cramer
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
Delahunt
DeLauro
DeLay
DeMint
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fletcher
Foley
Forbes
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Gejdenson
Gekas
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Hall (OH)
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hunter
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kleczka
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
Meehan
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Minge
Mink
Moakley
Mollohan
Moore
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Nussle
Obey
Ortiz
Ose
Oxley
Packard
Pascrell
Pastor
Paul
Payne
Pease
Pelosi
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sanchez
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Strickland
Stump
Sununu
Tancredo
Tanner
Tauscher
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Vento
Walden
Walsh
Wamp
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Weygand
Wicker
Wilson
Wise
Wolf
Woolsey
Wu

NAYS—46

Bonior
Borski
Brown (CA)
Brown (OH)
Clay
Clyburn
Costello
DeFazio
Filner
Ford
Gephardt
Gibbons
Gutierrez
Gutknecht
Hastings (FL)
Hefley
Hinchey
Hulshof
Hutchinson
Kennedy
Kucinich
LoBiondo
McDermott
McGovern
McNulty
Meek (FL)
Miller, George
Moran (KS)
Oberstar
Olver
Pallone
Peterson (MN)
Pickett
Ramstad
Rothman
Sabo
Schaffer
Stenholm
Stupak
Sweeney
Talent
Thompson (CA)
Thompson (MS)
Visclosky
Waters
Weller

NOT VOTING—39

Aderholt
Archer
Barton
Burton
Chenoweth
Coburn
Cox
Crane
DeGette
Deutsch
Dixon
Edwards
Engel
English
Fattah
Ganske
Gordon
Hoyer
Hyde
Kingston
Klink
Markey
Martinez
McKinney
Meeks (NY)
Moran (VA)
Norwood
Owens
Rangel
Salmon
Sandlin
Slaughter
Tauzin
Taylor (MS)
Velázquez
Whitfield
Wynn
Young (AK)
Young (FL)

□ 1024

Mr. DINGELL changed his vote from ''nay'' to ''yea.''

So the Journal was approved.

The result of the vote was announced as above recorded.

## PERSONAL EXPLANATION

Mr. TAYLOR of Mississippi. Today, April 28, I missed the vote on the Journal, the initial vote of the House. Although my pager was charged and turned on, it failed to function and I did not receive the announcement of the vote. My pager has been turned in for repair.

## PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. BURR of North Carolina). Will the gentleman from South Dakota (Mr. THUNE) come forward and lead the House in the Pledge of Allegiance.

Mr. THUNE led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 92. Concurrent resolution expressing the sense of Congress with respect to the tragic shooting at Columbine High School in Littleton, Colorado.

The message also announced that pursuant to the provisions of Senate Resolution 105 (adopted April 13, 1989), as amended by Senate Resolution 149 (adopted October 5, 1993), as amended by Public Law 105–275, and further amended by Senate Resolution 75 (adopted March 25, 1999), the Chair, on behalf of the Majority Leader, announces the appointment of the following Senators to serve as members of the Senate National Security Working Group—

The Senator from Mississippi (Mr. COCHRAN), Majority Administrative Cochairman;

The Senator from Alaska (Mr. STEVENS), Majority Cochairman;

The Senator from Arizona (Mr. KYL), Majority Cochairman;

The Senator from North Carolina (Mr. HELMS);

The Senator from Indiana (Mr. LUGAR);

The Senator from Virginia (Mr. WARNER);

The Senator from Oklahoma (Mr. INHOFE); and

The Senator from Wyoming (Mr. ENZI).

The message also announced that pursuant to Public Law 101–509, the Chair, on behalf of the Democratic Leader, announces the appointment of Elizabeth Scott of South Dakota to the Advisory Committee on the Records of Congress.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair announces that he will entertain 1-minute speeches at the end of legislative business.

## PROVIDING FOR CONSIDERATION OF H.R. 1569, H. CON. RES. 82, H. J. RES. 44, AND S. CON. RES. 21, MEASURES REGARDING U.S. MILITARY ACTION AGAINST YUGOSLAVIA

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 151 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 151

*Resolved*, That upon the adoption of this resolution it shall be in order to debate the deployment of United States Armed Forces in and around the territory of the Federal Republic of Yugoslavia for one hour equally divided and controlled among the chairmen and ranking minority members of the Committees on International Relations and Armed Services.

SEC. 2. After debate pursuant to the first section of this resolution, it shall be in order without intervention of the question of consideration to consider in the House the bill (H.R. 1569) to prohibit the use of funds appropriated to the Department of Defense from being used for the deployment of ground elements of the United States Armed Forces in the Federal Republic of Yugoslavia unless that deployment is specifically authorized by law. The bill shall be considered as read for amendment. The previous question shall be considered as ordered on the bill to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services; and (2) one motion to recommit.

SEC. 3. After disposition of H.R. 1569, it shall be in order without intervention of any point of order or the question of consideration to consider in the House the concurrent resolution (H. Con. Res. 82) directing the President, pursuant to section 5(c) of the War Powers Resolution, to remove United States Armed Forces from their positions in connection with the present operations against the Federal Republic of Yugoslavia. The concurrent resolution shall be considered as read for amendment. The concurrent resolution shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations. The previous question shall be considered as ordered on the concurrent resolution to final adoption without intervening motion.

SEC. 4. After disposition of H. Con. Res. 82, it shall be in order without intervention of any point of order or the question of consideration to consider in the House the joint resolution (H.J. Res. 44) declaring a state of war between the United States and the Government of the Federal Republic of Yugoslavia. The joint resolution shall be considered as read for amendment. The previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except: (1) one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations; and (2) one motion to recommit.

SEC. 5. After disposition of H.J. Res. 44, it shall be in order on the same legislative day without intervention of the question of consideration to consider in the House the concurrent resolution (S. Con. Res. 21) authorizing the President of the United States to conduct military air operations and missile strikes against the Federal Republic of Yugoslavia (Serbia and Montenegro), if called up by Representative Gejdenson of Connecticut or his designee. The concurrent resolution shall be considered as read for amendment. The concurrent resolution shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations. The previous question shall be considered as ordered on the concurrent resolution to final adoption without intervening motion.

SEC. 6. The provisions of sections 6 and 7 of the War Powers Resolution (50 U.S.C. 1545–46) shall not apply during the remainder of the One Hundred Sixth Congress to a measure introduced pursuant to section 5 of the War Powers Resolution (50 U.S.C. 1544) with respect to Federal Republic of Yugoslavia.

□ 1030

The SPEAKER pro tempore (Mr. BURR of North Carolina). The Chair recognizes the gentleman from California (Mr. DREIER).

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Dayton, Ohio (Mr. HALL) pending which I yield myself such time as I may consume. All time yielded will be for the purpose of debate only.

Mr. Speaker, H. Res. 151 provides for the consideration of four separate measures relating to the deployment of U.S. Armed Forces in the Republic of Yugoslavia, each under a closed amendment process with 1 hour of debate. The first measure made in order by the rule is H.R. 1569 which prohibits the use of funds appropriated to the Department of Defense from being used for the deployment of ground elements of the U.S. Armed Forces in Yugoslavia unless that deployment is authorized by law. Debate time on H.R. 1569 will be controlled by the chairman and ranking minority member of the Committee on Armed Services.

The next two resolutions made in order by the rule were introduced by my friend from Campbell, California (Mr. CAMPBELL) and reported unfavorably yesterday by the Committee on International Relations. Both resolutions, H. Con. Res. 82 and H.J. Res. 44, have a unique procedural status under the War Powers Resolution of 1973. Without this rule, both Campbell resolutions will become the pending business of the House today as a result of having been reported by the Committee on International Relations. Motions to proceed to consideration of the resolutions would be privileged, and the resolutions would not be subject to general debate but would be subject to an open but clearly unfocused amendment process.

As a result, this rule structures the consideration of these measures in accordance with the War Powers Resolution while providing for a full, fair and focused debate on the broader issues surrounding the introduction of U.S. Armed Forces in Yugoslavia.

Debate time on both of these resolutions will be controlled by the chairman and ranking minority member of the Committee on International Relations.

The fourth resolution, Mr. Speaker, that we make in order with this rule is S. Con. Res. 21, authorizing the President to conduct military air operations and missile strikes against Yugoslavia. This resolution may only be called up by the gentleman from Connecticut (Mr. GEJDENSON) or his designee. Debate time on S. Con. Res. 21 will be

controlled by the chairman and ranking minority member of the Committee on International Relations.

Prior to consideration of these four measures, the rule provides for 1 hour of debate on measures relating to the Federal Republic of Yugoslavia, equally divided and controlled among the chairmen and ranking minority members of the Committee on International Relations and the Committee on Armed Services.

Finally, the rule provides that provisions of sections 6 and 7 of the War Powers Resolution shall not apply during the remainder of the 106th Congress to a measure introduced pursuant to section 5 of the War Powers Resolution with respect to the Federal Republic of Yugoslavia.

Now, Mr. Speaker, when Americans are engaged in armed conflict, the House of Representatives is invariably faced with important and very difficult questions. That is the responsibility handed to us by our Nation's forefathers when they crafted democracy's most enduring and enlightened document, our Constitution. Today is such a day. President Clinton has directed our Armed Forces to join our NATO allies in a battle against the forces of Yugoslavian dictator Slobodan Milosevic. It is a fight to preserve civilized society in a corner of Europe that has been wracked by atrocities, violence and Civil War on a scale unseen in Europe since the Second World War.

The United States is not the world's policeman. The American people know too well that we cannot intervene in every civil war. We cannot stop every act of brutality. We cannot keep the peace and protect democracy all on our own. But that is not what is going on today in the Balkans.

The North Atlantic Treaty Organization, a cornerstone of the world's civilized and democratic nations, is engaged in military action in Yugoslavia. When the President, the Commander in Chief, made the decision a month ago that it was in our national interest to lead NATO in this effort, America became a full participant in that undertaking. Our pilots are risking their lives every single day.

Whether or not in hindsight that was the right decision is a question for presidential historians. This really is not about whether we agreed with the President at the time either. Today the overriding question is: What policy best protects and advances our national interests?

Article 2, Section 2 of the Constitution clearly and unequivocally establishes that the President is the Commander in Chief. The deployment and direction of the armed forces is his job. In fact, since my first day of service in this legislative body, it has been my view that the direction of our foreign policy and national security is the President's first and foremost responsibility. Everything else comes after that.

Although I have had some doubts about the President's original policy in Kosovo, I believe that the facts on the ground have overtaken those concerns. Now we must win. We must achieve the goals that the President set out to achieve when he committed our forces to battle. The price of failure is simply too great. American prestige and power, two of the most positive forces of good in the world today, must not be abandoned on the field of battle.

Mr. Speaker, vacillation and hesitancy in the face of this challenge to the leadership of the United States and NATO, a challenge undertaken by a gang of thugs in Belgrade and their brutal underlings in Kosovo will severely undermine our Nation's ability to stand up and defend clear American interests across the globe. If that happens, we lose. The American people lose. Freedom loses.

Mr. Speaker, as the House undertakes this important debate, I will focus on doing what is best for our national interests and for the American service men and women doing their jobs with bravery and commitment. First and foremost I believe that means opposing micromanagement of our foreign and military policy. We know we cannot engage in combat by committee. One of the most serious objections to the conduct of the Kosovo campaign thus far has been the fact that too many people, in particular too many political leaders, have been involved in this effort. I do not support adding to that problem. The President is constitutionally charged with leading and winning this campaign. He must do it, and we must stand behind him so that he can.

I urge support of this rule which provides for, as I said, a full, fair and very focused debate on the broader issues surrounding the introduction of U.S. armed forces in Yugoslavia.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules, for yielding me the time. As my colleague from California has explained, this rule provides for the consideration of four different measures dealing with U.S. troops in Yugoslavia. The rule provides for 1 hour of general debate, equally divided and controlled by the chairmen and ranking minority members of the Committee on International Relations and Armed Services. For each measure, this rule provides an additional hour of debate.

Under the rule, none of the measures may be amended on the House floor. Furthermore, the rule prohibits consideration of any other measure with respect to Yugoslavia brought up under the War Powers Act for the remainder of the 106th Congress.

The purpose of considering these four resolutions is to give Congress a role in the decisions affecting U.S. military actions against Yugoslavian President Milosevic and his reign of terror directed against the Albanians in the Yugoslavian province of Kosovo.

The rule was approved by the Committee on Rules late last night on a straight partisan vote with Democrats against it, and I strongly oppose the rule, and I ask for its defeat.

The first measure called up under the rule H.R. 1569 prohibits the use of funds for deploying ground troops in Yugoslavia without additional congressional authorization. This measure raises numerous legal and military questions. In a worst case scenario, this resolution would result in the Federal courts defining what operations are legal in Yugoslavia. The measure was only introduced yesterday, and it had no hearings and no committee consideration. If passed by the Congress, it would certainly face a presidential veto.

The second measure, House Concurrent Resolution 82, calls for the immediate withdrawal of U.S. troops in Yugoslavia. On a bipartisan vote of 30 to 19 the Committee on International Relations recommended against passing the bill. The committee report said that this resolution would have severe consequences for U.S. national security and severe repercussions with the North Atlantic Alliance. It stands little chance of passage on the House floor. Enactment of this measure would undermine the President, our military forces and destroy any hope that our air campaign against the Serbs would have a positive outcome.

The third measure, H.J. Resolution 44, declares war against Yugoslavia. The Committee on International Relations unanimously recommended against this resolution. The legislation is intended to clear up the legal question of whether or not the U.S. is at war. Unfortunately, this resolution does more harm than good at this point. In fact, the report of the Committee on International Relations warned it could actually strengthen Milosevic politically. This measure also does not stand any chance of surviving a presidential veto.

Lastly, the rule makes in order S. Con. Resolution 21 authorizing the President to conduct military air operations and missile strikes against Yugoslavia. This bill passed the Senate with bipartisan backing.

Considering a declaration of war is one of the most solemn duties of Congress under this Constitution. Only 11 times before in our Nation's history has Congress ever formally declared war. This rule mocks the dignity of

that responsibility. What we have here is a grab bag of conflicting, contradicting and confusing resolutions about the war in Yugoslavia which stand little chance of enactment, and proceeding in this fashion is an embarrassment to the United States, to our President, to the men and women in our Armed Forces and to Congress.

Mr. Speaker, what would it say if none of these resolutions pass, or some of them pass, or if they all pass but are vetoed? The only signal that can possibly result from this rule is that our Nation is confused and hesitant. That certainly is not the message we want to send to our NATO allies, nor is it the signal we want to send to our troops.

□ 1045

It is not the signal we want to send to the American people. Indeed, Congress does have a role in going to war, but finding that role at the end of the 10th century in an era of modern warfare is difficult, and this rule does not find it.

Under the War Powers Act, both H. Con. Resolution 82 and H.J. Resolution 44 would be amendable on the House floor, but this rule prohibits amendments to all four resolutions.

Furthermore, the rule prohibits any further resolutions about Yugoslavia to be brought up in the 106th Congress under the expedited procedures of the War Powers Act. This is a terribly restrictive clause, that nullifies a key part of the War Powers Act. It reduces the ability of each House Member to participate in the decisions about this war.

At a hearing before the Committee on Rules yesterday, the gentleman from California (Mr. CAMPBELL), the author of two of these resolutions before us today, urged the committee to remove this provision. The expedited procedures are everything, the gentleman said.

I appreciate the Republican Committee on Rules majority granting a full five hours of debate time to these measures. Still, the cause of democracy is not served by this restrictive rule. Under the War Powers Act, the House is required to consider H. Con. Resolution 82 and H.J. Resolution 44, so I have no issue with their consideration under the House rules. However, bundling these four measures together makes the House look weak and indecisive.

I agree with the backers of these bills that Congress should not, cannot, be left out of the loop on vital decisions of war, but this rule is a clumsy, ineffective way to participate. The only way to get our voice heard is through careful, deliberate and bipartisan measures.

The American people are hurting for leadership from Congress. They want us to work together. Painful experience with controversial issues in the recent past should have taught the House that bipartisanship is the only way to reach the American people.

This rule will not increase the role of Congress in the decision to make war. It will only further undermine our ability to be taken seriously. I urge the defeat of this rule.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I am happy to yield 3 minutes to my very good friend, the gentleman from Newport News, Virginia (Mr. BATEMAN), one of the great champions of our Nation's national security.

Mr. BATEMAN. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, this is certainly I suspect the most sorrowful day in my now 17 years in this body. It is a solemn day.

We are here because of the circumstances of what I think has been a very, very poor implementation of a national security policy, founded on good intentions, but run amuck in the execution and the failure to appreciate all of the consequences that would ensue from the way we sought the objectives, all of which we would endorse, but we are indeed here.

I am speaking in debate time on the rule; not so much in objection to its technical terms, but for the fact that it does not leave an alternative that I feel is logical and supportable given the incredible mess in which we find ourselves. But the one thing we cannot deny is the fact that we are in the mess.

I have urged for weeks that the president, our Commander in Chief, come to the Congress and lay out in whatever terms he chose in support of a resolution framed by the White House, to ask for the authorization of the actions and of the objectives that he was pursuing, with great intention and expectation on my part that I would have voted for them.

He has not chosen to do that. Yet I think very clearly it is incumbent upon the Congress as part of its obligation to the people who wear our uniform in the military that we let them know that the Congress has authorized what they are doing or what they may be asked to do and that we state the objectives pursuant to which they do it. None of the resolutions before us today do that.

I cannot possibly vote for either of the Campbell resolutions. I cannot vote for an alternative that says it is all right to continue, bomb, bomb, bomb, without restriction or reservation, but, my goodness gracious, we cannot possibly contemplate the use of ground forces, even though I think that is a bad idea. But it is an even worse idea, when no one is proposing to do it anyway, to announce to your potential enemy, your real enemy, you are not going to do it.

The reverse of that is what we do basically in the Senate joint resolution passed, you may recall, the day before the bombing began. It did not seem to me to be a good idea then. I do not think it has improved since.

There are things we need to say and we need to do. I think this rule ought to make in order something that, when in effect, enunciates on behalf of the Congress the kind of policies incorporated in the statement of the gentleman who chairs the Committee on Rules, which was a very eloquent statement of why we are involved, what the stakes are, and what we as a Nation ought to be doing together to see that our objectives prevail. I wish the rule and debate was going to make that possible.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. FROST), a very important member of the Committee on Rules and Chairman of the Democratic Caucus.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. FROST).

The SPEAKER pro tempore (Mr. BURR of North Carolina). The gentleman from Texas (Mr. FROST) is recognized for 4 minutes.

Mr. FROST. Mr. Speaker, this is a fatally flawed rule which should be defeated for a variety of reasons, and I want to touch on those as briefly as possible.

First, it denies the opportunity for any Member of this House during the next 18 months to bring up anything else under the War Powers Act, no matter what happens. We tried to eliminate that in the Committee on Rules, but the majority insisted on that provision.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I simply would like to say to my friend that it does not prevent a Member from having an opportunity to offer a resolution. It simply moves under standard procedures without going through the expedited process.

Mr. FROST. Mr. Speaker, reclaiming my time, as the gentleman from California (Mr. CAMPBELL) said yesterday, giving the preferred position, the status of a privileged resolution to go to the floor, is everything, so you have denied everything by precluding this to come as privileged resolution for the next 18 months.

Secondly, only 5 hours of debate time were permitted. When we did the Persian Gulf resolution, we debated that virtually all night, as you remember.

Third, and most importantly, this rule puts in a preferred position the Goodling resolution, which is enormously and dangerously flawed.

I want to read from the Goodling resolution: ''None of the funds appropriated or otherwise available to the

Department of Defense may be obligated or expended for the deployment of ground elements of the United States Armed Forces in the Federal Republic of Yugoslavia unless such deployment is specifically authorized by law enacted after the enactment of this act.'' Then it talks about a limited exception to rescue our personnel.

I asked the gentleman from Pennsylvania (Mr. GOODLING) in the committee a series of questions. I first asked the gentleman from Pennsylvania (Mr. GOODLING), does this preclude the use of Apache helicopters to go in and destroy tanks, with the Apaches being operated by our Army? The gentleman first said yes, it precludes it, and then he changed his mind and said no, it does not preclude it.

Then I asked the gentleman from Pennsylvania (Mr. GOODLING) another question. I said, for sake of argument, let us say we have Special Forces in Kosovo right now acting as forward observers to direct our bombing attacks and who are also working with the refugees trying to rescue refugees. Would this require the immediate removal of our Special Forces in Kosovo if they are there for those purposes? The gentleman's answer was yes.

Then I asked the gentleman from Pennsylvania (Mr. GOODLING), how could this be? How could we have these conflicting provisions? He then said in the Committee on Rules, well, he did not draft this. I said, this has your name on it. He said yes, but I did not draft it, and I cannot fully explain it.

I find this to be a very unfortunate situation. We have a resolution that was drafted by some members of the other party, handed to the gentleman from Pennsylvania (Mr. GOODLING), which he cannot fully defend, which will create a situation where our commander on the ground, General Clark, will have to think, do I have to go to a Federal Court, do I have to seek a ruling from a Federal judge, before I make any decision in the next few days?

This will hamstring our troops in the field and hamstring our President. This rule sets up in a preferred position a resolution that should not be passed by this House, and this rule should be rejected.

Mr. DREIER. Mr. Speaker, I am happy to yield 2 minutes to my friend from Surfside Beach, Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I thank the chairman for yielding me time.

Mr. Speaker, I rise reluctantly to oppose the rule, and I do this hesitantly, because it is difficult to write fair rules and I generally support the rules. But today I have to oppose this rule, mainly because we are going to be debating war, a declaration of war, and a full hour is not adequate to debate an issue of that magnitude. I know there was an attempt to provide for a lot of debate today, but, for instance, on the one issue of declaration of war, only one hour was given; that is just not enough.

The other reason is that it does preclude a House Resolution coming up again under an expedited procedure. This is not right. This is undermining the whole purpose of the War Power Resolution of 1973, and we should not be doing this.

This is taking more authority away from the Congress and giving more authority to the President and to the administration and for us not to have a say. The whole issue of war should be decided here in this Congress, and we are here today because we have been negligent on assuming our responsibilities.

I saw this coming, and on February 9 of this year, I introduced a bill that would have prevented this whole problem by making certain that our President could not spend one penny on waging war in Kosovo. That is what we should have done. We have not, and now we are in this mess.

But we do not need to be once again taking more responsibility from the Congress and giving it to the President. We have a policy problem, we do not have a resolution problem. We have a foreign policy that endorses intervention any time, anyplace, assuming that our Presidents know when to insert troops around the world. That is our basic problem. Until we in the Congress take it upon ourselves to assume our responsibility with the issue of war, this problem will continue.

So I applaud the gentleman from California (Mr. CAMPBELL) for bringing these resolutions to the floor, but, unfortunately, I cannot support this rule today as written.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. LANTOS), a very distinguished member of the Committee on International Relations.

Mr. LANTOS. Mr. Speaker, some of us stood in this chamber 8 years ago when President Bush called on the Congress to support his military plans in the Persian Gulf. I was one of those Democrats who strongly supported the President at that time. But I recall, Mr. Speaker, that we were given 16 hours of debate, 16 hours of debate, on one single resolution. Every Member of this body had full opportunity to speak his mind. We now have four conflicting, contradictory, mutually exclusive resolutions, with each of them given one hour of debate.

With all due respect, I think this is an outrage. This will be one of the most significant issues this Congress will debate in this session or for many sessions to come, and I strongly call on my colleagues to defeat this rule. This is a rule which is giving us 30 minutes on each side to decide on war or peace, which is an absurdity, and it is not worthy of this body.

This past weekend, Mr. Speaker, my distinguished Republican colleague, the gentleman from Nebraska (Mr. BEREUTER) and I represented this body at the NATO summit.

□ 1100

Nineteen countries devoted 2 full days to discussing the plans for the future. It is unconscionable that the Congress of the United States should be denied the opportunity to seriously discuss issues of war and peace. The President has just asked for the call-up of some 33,000 reservists. We have a major military engagement, and this body and the country are entitled to a full airing of all of the issues involved in this.

I trust that my colleagues will see fit to turn down this rule. It is poorly crafted. It is a gag rule. It allows not a single amendment, and it gives over 200 Republicans and over 200 Democrats 30 minutes to discuss each of these issues. This is simply unacceptable, and I earnestly call on the majority to rethink this restrictive, un-American rule.

Mr. DREIER. Mr. Speaker, I am happy to yield 2 minutes to the gentleman from Knoxville, Tennessee (Mr. DUNCAN).

Mr. DUNCAN. Mr. Speaker, I rise in support of this rule because it is a fair rule and it allows all views to be heard and will allow far more than 30 minutes that the previous speaker mentioned. We will be debating this for many hours to come today, and on into tonight.

However, I rise in strong opposition to this war in the Balkans. First of all, as our colleague, the gentleman from California (Mr. CAMPBELL) has pointed out, it is an unconstitutional war because Congress has not and, I assume, will not declare war against Yugoslavia. Secondly, we have made the situation in Kosovo many times worse by our bombings and we cannot hide behind NATO because NATO would never have gone in there if the U.S. had not wanted it done. Ninety percent of the bombings have been paid for and done by the U.S. In fact, if the President is going to send in ground troops, as many people think, let the European members of NATO send them in. We have carried almost the entire financial and air war burden thus far and we should not have to carry the ground war burden too.

If we get further into this mess by sending in ground troops, there are estimates that ultimately we will spend $40 to $50 billion in air and ground war costs and resettlement and reconstruction costs, money that will have to come from Social Security and many other valuable programs.

Pat Holt, a foreign affairs expert writing in the Christian Science Monitor wrote a few days ago, ''The first few days of bombing have led to more atrocities and to more refugees. It will be increasing the instability which the bombing was supposed to prevent.''

Richard Cohen, the very liberal columnist for The Washington Post wrote, ''I believe, though, that the NATO bombings have escalated and accelerated the process. For some Kosovars, NATO has made things worse.''

Philip Gourevitch, writing in the April 12 New Yorker Magazine said, ''Yet so far the air war against Yugoslavia has accomplished exactly what the American-led alliance flew into combat to prevent: Our bombs unified the Serbs in Yugoslavia, as never before, behind the defiance of Milosevic; they spurred to a frenzy the 'cleansing' of Kosovo's ethnic Albanians by Milosevic's forces'', and on and on.

A.M. Rosenthal writing in The New York Times a few days ago asked this question: ''Would we again bomb, bomb, bomb the capital of the Serbs, who thought of themselves as far more our friends than his,'' meaning Milosevic. ''So far this has produced three major results: humiliating Serbs forever, turning friendship into enmity, and persuading many to rally around a man they detest and fear.''

All we have done, Mr. Speaker, is turn friends into enemies and waste billions and billions of dollars. We have gone into an area where there is absolutely no threat to our national security and no vital U.S. interest, and we should negotiate a settlement and get out of there as soon as we possibly can.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. MOAKLEY), the former chairman and now ranking member of the Committee on Rules.

Mr. MOAKLEY. Mr. Speaker, I rise today to object to the part of the rule that turns off the action-forcing elements of the War Powers Act.

Today, the gentleman from California (Mr. CAMPBELL) is using the War Powers Act to force the House to debate and vote on two resolutions. The first is the concurrent resolution to withdraw the troops from Yugoslavia, and the second is a joint resolution to declare war on Yugoslavia.

But after today, Mr. Speaker, no other Member will have that right. If this rule is adopted, no matter whatever else may happen in Yugoslavia, no matter how much the situation there may change, no other Member will be able to bring this issue for a vote.

In the Committee on Rules last night, the gentleman from California (Mr. CAMPBELL) himself complained about this rule and he said, and I agreed, that ''the War Powers Act is there so that any Member of the House can request the House to take action against the war.''

Mr. Speaker, this resolution prevents the average Member from exercising their war powers rights for the remainder of this Congress. This Congress has just started. The war has just started. A great deal may happen over the next 20 months, and nothing, nothing should be taken off the table.

My colleagues might compare this to the rule in 1991 on Somalia. On that rule, the House turned off the War Powers Act only with respect to concurrent resolutions of withdrawal and only for a period of 2 weeks. We turned it off for only a period of 2 weeks. That rule retained Members' ability to introduce privileged resolutions declaring war, and it also reinstated the war powers for the second session of that Congress which was scheduled to start in 2 weeks.

Mr. Speaker, there is no comparison. We did it for 2 weeks, for a limited number of resolutions. My Republican colleagues today are doing it for 20 months, 20 months, for all resolutions. This is a very dangerous situation, to tie Congress's hands in the matter of war, and I strongly urge my colleagues to oppose this rule.

Mr. DREIER. Mr. Speaker, I am happy to yield 2 minutes to the gentleman from Dallas (Mr. SESSIONS), a very able member of the Committee on Rules.

Mr. SESSIONS. Mr. Speaker, I rise in support of the rule today, and I want to extend my appreciation to the gentleman from California (Mr. CAMPBELL) for his forthright and honest War Powers Resolution Act that he is bringing up.

The purpose of the War Powers Resolution is to ensure that the collective judgment of both the Congress and the President will apply to the introduction of United States armed forces into hostilities or into situations where imminent involvement in the hostilities is clearly indicated by the circumstances, and to the continued use of such forces and hostilities or in such circumstances.

What we are talking about today is a rule that would allow us the opportunity to bring forth the debate and the discussion about foreign policy and the use of troops in a foreign country. Mr. Speaker, what we are talking about is the use of ground forces that would be engaged in war, the debate about the probability and possibility that U.S. lives would be lost overseas. We intend to utilize this time to discuss not only our foreign policy, but what we intend to engage in and be involved in overseas.

I am opposed to us being in Kosovo. I am opposed to the war being escalated and us not seeking a peaceful resolution. This is why a debate is so important. Obviously, the other side does not want to have this debate. Obviously, the President feels like that he does not even need to fall within the confines of this law. The bottom line is that what we are discussing is that which democracy brings about, which the laws of this country have brought about, and I believe that it is important for us to do this.

Previous Presidents have submitted 72 prior reports on the War Powers Resolution. President Ford, 4; President Carter, 1; President Reagan, 14; President Bush, 7; and President Clinton, 46 times has asked for these types of powers. It is time that we openly engage in the debate.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, among the duties of a Member of Congress, there is nothing more serious than the issues of war and peace; committing the wealth and the might of our Nation, putting the members of our armed forces in harm's way. Before we went to war with Iraq, we debated around the clock. Every Member of this body who so wished was allowed to come to the floor and debate and discuss the issues of conscience and war and peace.

Today promises a pathetic, pale and perverted version of that grand debate. Four contradictory resolutions, 1 hour each. Vote on a declaration of war, 13 seconds per Member of Congress, if it is equally apportioned. Vote on immediate withdrawal, 13 seconds per Member.

Is the press of business on this body so heavy that we cannot allocate more time, or are the leaders on the other side afraid of a full and fair debate? Yesterday, the House adjourned at 4:30 in the afternoon. Tonight, after exhausting ourselves in this debate, we will leave at 7 p.m. What is more important to the other side, fund-raisers, or issues of war and peace fully and fairly debated?

Fair debate? No amendments will be allowed from the floor of the House of Representatives. And, we are only having this debate today because of the War Powers Act and its expedited procedures. They have to have a debate, although they are trying to pervert it in different ways, but after today, no further votes will be allowed.

This is an outrageous abdication of our duties as Members of Congress. Vote ''no'' on this rule.

Mr. DREIER. Mr. Speaker, I am happy to yield 3 minutes to the gentleman from Atlanta, Georgia (Mr. LINDER), my very good friend and a very able and hard-working member of the Committee on Rules and chairman of the Subcommittee on Rules and Organization of the House.

Mr. LINDER. Mr. Speaker, this is the right time to have this debate. I too wish it would be longer, but this body needs to be heard on this issue.

I served in the Air Force during the Vietnam War. At that point we had one nation trying to overtake another nation, and this country thought it was worth the effort to stop it. After 10 years and 58,000 American lives, this body stopped the Vietnam War on a rider on an appropriation bill.

We now have a dispute in the Balkans, and it is not one nation against

another. There are two bad actors in this. Last year, 2,000 people died in this area. Not nearly as many deaths as those that died in Sierra Leone in January of this year alone, but of the 2,000 that died, nearly a third were Serbs and two-thirds were Kosovars.

There are two bad actors in this war. I do not know why we are there. If we are there, why are we not in the Sierra Leone or the Sudan where in 10 years, 2 million people were exterminated in ethnic cleansing? I do not understand our end game, if there is one, and I do not know what victory is. But this body ought to say no. This body ought to say enough of the adventurism. We are the only institution that can declare war, and this administration has admitted that it is at war. This body ought to be heard.

I think the gentleman from California (Mr. CAMPBELL) is doing exactly the right thing to raise precisely the right issue, and I hope that this body will pass this rule. I too hope that we will strike section 6; I supported the gentleman from Massachusetts last night in his effort to do so. I think that is a mistake. But after we strike that, I hope we will pass this rule and be heard on this issue. It is exactly the right thing to do.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. MCNULTY).

Mr. MCNULTY. Mr. Speaker, I only have a minute, so let me get right to the point. I oppose this closed rule, I oppose the declaration of war and the use of U.S. ground forces, and I oppose the motion to withdraw from our efforts to liberate Kosovo.

Mr. Speaker, when one says what one is against, one ought to stand up and say what one is for. I support the current air campaign, which is already weakening Milosevic's military capability, and I support arming the KLA so that we have a ground operation composed of individuals who actually know the terrain.

So, Mr. Speaker, I urge my colleagues to oppose this closed rule, oppose both Campbell resolutions, and support the continuation of the air campaign, coupled with the creation of a more effective KLA ground force.

□ 1115

Mr. LINDER. Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentlewoman from Georgia (Ms. MCKINNEY).

Ms. MCKINNEY. Mr. Speaker, I am deeply distressed by the tragedy taking place in Yugoslavia. I urgently call on all parties to this conflict, including the United Nations and the Russians, to seek a negotiated settlement to this crisis.

Mr. Speaker, I do not relish breaking with my President, particularly when matters of war and peace are being debated. But in my opinion on this issue, this administration is headed in the wrong direction.

The Clinton administration would have us believe that there are only two alternatives in this crisis, either do nothing or bomb. That premise is false. In following it, President Clinton has taken us on the slippery slope towards war.

Our bombing started in Kosovo and has now thoroughly saturated Serbia and Kosovo. It triggered a dramatic increase in the refugee crisis and violence against the Kosovar Albanians. We have killed many innocent civilians, both Serb and Albanian. In addition, the Yugoslav democracy movement has been a casualty, as has been the peaceful Albanian Kosovar resistence to Milosevic's tribal fanaticism.

Another unfortunate casualty in this episode has been U.S. respect for international law. The administration sidestepped the United Nations and flouted international law.

Mr. Speaker, my gut check on this issue is personal. I am a mother. The question I have asked myself is am I willing to sacrifice the life of my son to follow this administration's policies in Kosovo. It is very clear that the administration has backed itself into a corner, and now wants to take all of us there with it.

As for the Rambouillet agreement, I do not hear the administration even mentioning it anymore. For a peace agreement worth bombing for, it has had an amazingly short shelf life. So from Rambouillet implementation to Milosevic's removal to the return of the Kosovars to Kosovo, the goalposts keep shifting. How can we know if we have won if we do not know what we are fighting for?

The objective first touted was autonomy for the Kosovars, and now we find ourselves allied with the KLA. So while our rhetoric remains the territorial integrity of Yugoslavia, our actions promote a secessionist movement along ethnic lines in the heart of Europe.

Smart bombs are only smart when they back up smart policy. This is the wrong policy for too many reasons.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, limiting debate and blocking all amendments on this question of life and death is all too typical of this House Republican leadership. They would convert the War Powers Act to the ''In War, Powerless Act.'' Through its previous inaction, this House has largely abrogated its responsibility to approve this Nation's involvement in foreign conflicts. Today's action will only prolong that irresponsibility.

As a few of us indicated in letters to the President in August and in October of last year, and again on February 19 of this year, authored by the gentleman from California (Mr. CAMPBELL), there should have been no military action in the Balkans, not bombing, not troops, not any military action until this Congress had given it approval.

The Constitution prescribes that no president should commit the lives of our youth and the billions of our taxpayers' dollars in nonemergency situations like this without involvement of the American people, through their representatives in this House.

While NATO raids Belgrade, the same Republican leadership proposes to raid the United States' Treasury. They are determined to divert billions of dollars to purposes that have little or nothing to do with Kosovo. They are using Kosovo as an excuse to subvert the budget limits or caps that helped bring us a balanced budget, and which only months ago they swore to uphold.

Yet now that this conflict is underway, it would be folly not to consider the facts on the ground. Milosevic is a war criminal, who is committing genocide. No doubt he and his thugs are watching these proceedings as they unfold today in Washington. We ought not to send the wrong message to him or to the other petty tyrants from Iraq to North Korea who may be watching these proceedings.

What is wrong, further, with this rule, however, is that it denies us the opportunity to invoke the War Powers Act in the future, as we may well need to do. This rule is outrageous. It ought to be rejected firmly.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, I strongly support the war powers resolution. It provides for congressional action in committing and maintaining our men and women in harm's way. I oppose this rule because it compromises the ability of Congress to exercise its responsibility under the war powers resolution.

I believe it is appropriate for this body to consider Senate Concurrent Resolution 21. It supports the President's decision to join NATO in air strikes. I will support that resolution, considering the atrocities being committed by Mr. Milosevic.

For many reasons, I have serious concerns about ground troops. If the President believes it is necessary to use ground troops, I believe he must come to Congress in compliance with the war powers resolution. H.R. 1569 by the gentleman from Pennsylvania (Mr. GOODLING) goes well beyond the war powers resolution. It compromises the safety of our military operation. I will oppose H.R. 1569.

Mr. HALL of Ohio. Mr. Speaker, I yield 1½ minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, if this rule passes and permits the consideration of Senate Concurrent Resolution

21, then Congress will have, in effect, declared war and permitted both bombing and ground troops, all in one.

Let me explain how. The Senate passed Senate Concurrent Resolution 21, which authorizes bombing. In Dellums versus Bush, the court case against the Iraq war, Judge Green wrote in his opinion that Congress has the sole power to authorize the use of U.S. forces overseas, where the lives of our men and women would be put in danger.

The President, at the very least, in order to be in accordance with the Constitution, needs a resolution passed by both Houses that authorizes him to use force. He does not need a declaration of war to proceed with the war.

Therefore, if the House joins the Senate in Senate Concurrent Resolution 21, it meets the constitutional test of both Houses, and the President is authorized to send ground troops and to prosecute the war.

Some say we must win the war. I believe we must win the peace. Some people believe that only military action can bring about peace. I believe that only diplomatic initiatives and constant negotiations can bring about peace. Some believe we need to teach the Federal Republic of Yugoslavia a lesson by bombing their Nation to rubble. I believe that violence is not redemptive but it breeds more violence, and places the hope of resolution far beyond the horizon of peace.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Speaker, I oppose this rule for four reasons.

First of all, it limits the debate to 30 minutes on each side on something as momentous as this. Contrast that with the Persian Gulf debate. We debated all day, late into the night, all of the next day before we finally came to a vote.

Second, it makes in order four measures. One, offered by the gentleman from Pennsylvania (Mr. GOODLING) is a flawed product. It needs to be amended and changed considerably. It has already been amended since it was reported. It will be unamendable when it comes to the floor.

What is missing among these four is something truly bipartisan. When we had the Persian Gulf debate we had a bipartisan resolution, Michels-Solarz-McCurdy. I joined and voted for it. But we do not have an option like this, or even the opportunity for crafting one here.

Finally, it crowns these four choices, four bad choices, three bad choices, with an exceptional, unprecedented declaration overriding statutory law and saying if there are any more measures like this to come up this year, they will not be entitled to the expedited procedure that the War Powers Act, a black letter law, provides them.

This is no way to deal with something as important as war. This rule should be voted down.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. HASTINGS).

Mr. HASTINGS of Florida. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I want us to debate in this House the nuances of this campaign in a very serious manner. I also want to be able to say, in response to the question that is put often by the mothers and fathers of American forces, that we in Congress gave our best and most deliberative consideration.

The proposed rule has removed the right of all Members to introduce resolutions pursuant to the war powers resolution and thus gain expedited procedures to ensure a floor vote on such an authorization.

Without resort to the war powers expedited procedures denied for the remainder of the 106th Congress by this rule, the decision on whether to move forward with an authorization vote will lay entirely and solely with the Republican leadership. That is unwarranted and unfair.

This rule and the underlying bill send an overwhelmingly negative message to our troops and to our allies. I think we deserve better.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. SHERMAN), a very distinguished member of the Committee on International Relations.

Mr. SHERMAN. Mr. Speaker, I thank the gentleman for yielding me the time.

I note with regret that the President, who once pledged to the world that no American ground troops would be deployed, now refuses to pledge to seek congressional approval before such a massive deployment.

Mr. Speaker, I rise to oppose this rule because the last paragraph of it nullifies the War Powers Act until the end of this century, and the War Powers Act is a tool we may need to influence policy.

There are those who argue against any congressional involvement in the grave decision that lies ahead. They say that our enemies will tremble in fear if one man, without congressional approval, can deploy 100,000 American soldiers.

Well, Mr. Speaker, I tremble in fear and the Founders of this Republic would tremble in fear if they thought that one man, without congressional approval, could send 100,000 of our men and women into battle.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, in 1968 to 1970 I was a physician in the Vietnam War and dealt with the casualties from that war. That war was started on this floor by a voice vote.

If we think about the fact that we committed 500,000 people, 50,000 of whom are dead and on a memorial not very far from this building, on the basis of a voice vote, it seems to me that the United States Congress can spend more than 1 hour deciding whether or not we are going to go into this issue.

Mr. Speaker, yesterday we had a debate for a few minutes and got out of here at 4 o'clock. Last week we came back here. One day we gave a gold medal to Rosa Parks. That is all we did that day. What have we got on our calendar that prevents us from spending the time to give the Members of this House the opportunity to speak about something, where we are potentially sending our young men and women to die?

I think this rule should be defeated.

□ 1130

Mr. LINDER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Speaker, I thank the acting chairman of the Committee on Rules for yielding this time to me. I was asked to speak on the strategy of why these issues have come forward. I have told the acting chairman of the Committee on Rules that if I spoke I would speak on the rule as well, so it is with his permission that I say I object strongly to section 6. I went to the Committee on Rules last night and said that we should not cut off the opportunity of other Members to make use of the War Powers Resolution.

I am an average Member of the Congress. I am not a senior Member, I am not in any leadership position, I am not a chairman, yet I have the rights simply granted me under the War Powers Resolution, which are remarkably important. I do not know of any other statute that provides that right. It is a right that a Member of Congress can come to the floor and require other Members of Congress to vote on the record, up or down, when the question is war. That is what we will be doing today, whether under this rule or otherwise.

The purpose is to fulfill the constitutional obligation. Are we at war? Yes, we are at war. There are only the worst possible arguments to say that we are not at war. We have a President who has designated combat pay for our soldiers. We have the Secretary of Defense who has said we are in hostilities. We have the Secretary of State who has said we are in conflict and her designee who said we are in armed conflict. We have the Deputy Secretary of State who has said that Serbia would be within its rights to consider a bombing of Kosovo to be an act of war. We have all the reasons common sense gives to suggest that this is indeed war.

Second, we are on the verge of ground troops. I do not think anybody

today should be mistaken about that. In our Committee on International Relations I asked the Secretary of State whether she thought that the approval of Congress was needed to prosecute the war, and she said no, she did not think so. And the ranking member of the Democrats in the Committee on International Relations yesterday stated that that even included ground troops.

Let me emphasize that. It was the position of the ranking member of the Democratic Party in the Committee on International Relations that even for ground troops there was no need for Congress to give authority.

Well, I am sorry, that is contrary to the Constitution. The Framers were quite clear that war was too important to be commenced by the action of one single individual. Those are the words of Alexander Hamilton and also of representatives at the Constitutional Convention.

Are ground troops imminent? All one can do is look at the newspapers from this weekend and see the headlines that were prepared. In particular I refer to the Washington Post: ''Clinton Joins Allies on Ground Troops'', and the Wall Street Journal: ''Clinton Edges Closer to Backing the Use of Ground Troops''. The quotations from the articles under those headlines, which I will be distributing to my colleagues on the floor or make available, are quite clear that ground troops are very seriously being considered.

If ground troops are introduced and Congress has not acted, we all know what will happen. The argument will be, how can we do anything that might possibly undercut American troops while they are on the ground in operation? So the moment is now. The moment was earlier, actually, before the bombing started, but no one can be surprised if the ground war starts.

So those are the two premises. Number one, we are at war; and, number two, it is distinctly possible that the bombing will move into ground war. And, therefore, we must vote. My own view is that we should vote to withdraw the troops. My own view could be in error. I understand people of good will feel differently, but my view is that this is a civil war, and that if our purpose is to help the Albanian Kosovars, we have not succeeded. Milosevic has done the harm. He is the tyrant, he is the one at fault, but it is a fact that the Albanian Kosovars are worse off after our bombing has commenced than they were before. That is simply a fact. I wish it were not so.

And if ground troops go in, and they must, even if Milosevic signs the Rambouillet Agreement this afternoon, what Albanian Kosovar will go back into Kosovo without the protection of ground troops? Thus, ground troops are the option, slugging their way through Kosovo, either because the Serbian army is resisting or taking up positions in Kosovo because the Rambouillet Agreement still requires that placement of ground troops.

And as to those options, I put to all of my colleagues that we have the question of lives and the question of money. Lives will be saved if we do not commence a ground war. I am speaking of NATO lives, American lives, Serbian lives and Kosovar lives.

And, lastly, regarding money, we are bombing bridges that we will be asked to rebuild tomorrow. Please mark my words. My colleagues know that. We all know we are going to be asked to appropriate taxpayers' money to rebuild the very buildings that today we destroy. We can, for the same amount of money or less, help the Albanian refugees right now immensely better where they are, in Albania and Macedonia.

As for Milosevic, he should be denounced to the International War Crimes Tribunal. If he leaves his country, he will be subject to arrest, as has happened to Augusto Pinochet as he has tried to go around the world. And the time will come when there will be a change in government in Yugoslavia. But by putting in ground troops to force that change, it will cost innocent lives, and it will cost more economically than helping the Albanian refugees where they are now.

So the options today are to declare war, which is what it is, to be honest under our Constitution, and thereby empower the President to carry on war, which is our constitutional right. After we declare war, then the President can conduct it. That is his constitutional right.

I am very wary of the Congress telling the President, well, it is war, but now we want to overview every step of the war. No—if it is war, we declare it and then the President conducts it. But if it is something the American people do not wish to become engaged in, this is the moment to say no, this is the moment to remove the troops, and this is the moment to help the Albanian Kosovars where they are. Mr. Speaker, the choices are obvious.

I want to conclude by offering my thanks to the Speaker of the House particularly for his graciousness and consideration, and to the chairman of the Committee on Rules, the gentleman from California (Mr. DREIER), for the same and allowing these two resolutions to come forward.

Shall we be at war? Then vote to declare war. That is what the Constitution says. If we say no, then vote to withdraw troops, bring them home, and start the humanitarian assistance for those refugees where they are. I suggest the second is the better option.

Mr. DREIER. Mr. Speaker, I would like to inquire how much time is remaining on each side.

The SPEAKER pro tempore (Mr. BURR of North Carolina). The gentleman from California (Mr. DREIER) has 5 minutes remaining, and the gentleman from Ohio (Mr. HALL) has 1½ minutes remaining.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume to just advise my colleagues that I am going to close on this myself, and I will do so informing the House that I intend to offer an amendment to the rule which will strike section 6 in the rule itself.

Mr. FROST. Mr. Speaker, will the gentleman yield?

Mr. DREIER. I yield to the gentleman from Texas.

Mr. FROST. Since we are amending the rule on the floor, would the gentleman also consider amending the rule to extend general debate time?

Mr. DREIER. Reclaiming my time, Mr. Speaker, I would say to the gentleman that I do not intend to offer an amendment to do that. With this hour we have a total of 6 hours that have been included for the debate.

We all know this is a very important, a very serious, a very grave issue, and I think 6 hours of debate is an appropriate amount of time for this. So it is my intention, following the concern that was raised by my friend from Dallas and many others, to offer an amendment to the rule which will strike section 6.

Mr. FROST. If the gentleman will continue to yield just briefly, those of us on this side raised several concerns, not just about section 6 but also about the debate time. I think it is unfortunate that the gentleman would not agree to amend the rule to also extend the debate time.

Mr. DREIER. Mr. Speaker, I thank my colleague for accepting the fact that I am going to offer an amendment to strike section 6.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Speaker, let me state at the outset that I appreciate the chairman of the committee for announcing his amendment to strike section 6. I thought that was among the worst things about this rule. After the eloquent statement by the other gentleman from California, which I do not agree with at this point in time, to say to the House and to the country that the House will have one opportunity and one opportunity only to address the War Powers Act and only one Member will get that opportunity, I think would have set a very bad precedent.

Mr. DREIER. Mr. Speaker, will the gentleman yield?

Mr. BENTSEN. I yield to the gentleman from California.

Mr. DREIER. Mr. Speaker, I just want to clarify again that that is not what section 6 said. What would happen, if section 6 were to have been included, it would have meant that it

would have gone through the leadership structure and the only change that would have been made is we would not have proceeded with the expedited process. So it would have not have been a one-time-only thing.

Mr. BENTSEN. Reclaiming my time, Mr. Speaker, again, I commend the gentleman for agreeing to make that change. Perhaps that sets a precedent for more fair rules going forward in the remainder of the 106th Congress.

I think it is also a mistake that we are spending such little time to debate this issue. This is a very critical issue for the Nation, and I am afraid that this underscores the way this House is going to operate on issues that should be addressed in a bipartisan manner. I would encourage my colleagues to oppose this rule even as amended.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise today to speak in opposition to this rule, which will govern our debate over the situation in Kosovo today.

Under the terms of this rule, we will be debating four measures, each for only one hour. This means that each side will only receive but 30 minutes to make known their concerns, just slightly more than is allowed for a bill on the suspension calendar. These measures are of precious importance to our troops, and to our national security, and we should have ample time to debate them.

Furthermore, the timing for the debate on these bills is poor. Like many other conflicts, the factual circumstances are fluid, and require our flexibility if we are to be effective. We should not be pigeonholing our position and threatening the safety of our troops.

Neither NATO nor the United States believes that a state of war exists in the current conflict in the Balkan region. The President has not requested that Congress issue a declaration of war. I believe that a declaration of war would be entirely counterproductive as a matter of policy and is unnecessary as a matter of law. Yet we stand to debate this measure today.

On only five occasions in the United States history and never since the end of World War II has the Congress declared war, reflecting the extraordinary nature of, and implications attendant on, such a declaration. Yet it seems Congress is willing to do that today. While we are not at war with either the Federal Republic of Yugoslavia or its people, Slobodan Milosevic should not doubt the determination of NATO to see the stability of Europe reasserted. Yet, with this debate today, we show Milosevic weakness. With resolve NATO can attain a durable peace that prevents further repression and provides for democratic self-government for the Kosovar people. Yet, with our votes today, we send mixed signals to our trusted allies.

As it stands, I must question the genuineness of at least three of the measures we will be debating today. That is especially true because we will see Committee leadership bringing a resolution to the floor that they will be voting against. Those at home watching this debate on television will undoubtedly see through this charade, and know that what transpires here today will be less about the importance of our mission in Kosovo, less about ending human suffering, and more about partisan politics and taking shots at the White House.

What we should be debating here today, and acknowledging, is the suffering that is taking place in the Balkans. We should be doing something to help the refugees who have been cast out of their homes, and their homeland, by a tyrant. We should be debating how we can bring stability to this region, and appropriating funds to help thousands of innocent children eat. We should be passing resolutions of support for our brave troops.

Instead we stand here today, using the floor of the House of Representatives, to play tired, partisan politics. I urge my colleagues to vote against this rule, and to bring to the floor meaningful debate that can help save lives in Kosovo.

Mr. HALL of Ohio. Mr. Speaker, I yield myself the balance of my time, and would simply say that there is nothing more powerful than when this body speaks with one voice, and the only way to get our voice heard is, I think, through careful, deliberate and bipartisan measures.

I believe that the American people want us to work together. They believe, I think, that we are hurting for leadership here in the Congress, particularly on issues like this. It is not that the issues that we are debating are not important. They are important, each and every one of them, and the vote we will take on them, but the way we are packaging this makes it look like we are frivolous.

This rule will not increase the role of Congress in the decisions to make war, it will only further undermine our ability to be taken seriously. The rule, in my opinion, is not the way to go.

Mr. Speaker, I yield back the balance of my time.

Mr. DREIER. Mr. Speaker, I yield myself the balance of my time, and I rise in strong support of this rule.

I am going to move that we strike section 6, but before I do that, let me make a couple of comments about this rule and the procedure around which it was considered.

For starters, we had a request that came from the minority that we extend by an hour the debate. We agreed to that. We are allowing the gentleman from Connecticut (Mr. GEJDENSON), under this rule, to call up or not call up a freestanding bill, which I believe, if it is not unprecedented, it certainly is unusual. We have also agreed to the requests that have been made by Members on both sides of the aisle to address this section 6 question.

I should say that the section 6 which was included in the bill was not an idea of Republicans. As has been pointed out by some, in 1993 when the resolution on Somalia was considered, it was a proposal that the majority, the Democratic majority at that time, offered. We were simply following along the line with that. But from discussions that have been held, we are going to move to strike section 6.

AMENDMENT OFFERED BY MR. DREIER

Mr. DREIER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DREIER: Strike Section 6.

Mr. DREIER. Mr. Speaker, I know we are rapidly approaching a vote. I think we have very clearly explained it.

Mr. Speaker, I move the previous question on both the amendment I just offered and the resolution itself.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California (Mr. DREIER).

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HALL of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 213, nays 210, not voting 11, as follows:

[Roll No. 99]

YEAS—213

| | | |
|---|---|---|
| Armey | DeLay | Hill (MT) |
| Bachus | DeMint | Hilleary |
| Baker | Diaz-Balart | Hobson |
| Ballenger | Dickey | Hoekstra |
| Barrett (NE) | Doolittle | Horn |
| Bartlett | Dreier | Hostettler |
| Barton | Duncan | Houghton |
| Bass | Dunn | Hulshof |
| Bateman | Ehlers | Hunter |
| Bereuter | Ehrlich | Hutchinson |
| Biggert | Emerson | Hyde |
| Bilbray | English | Isakson |
| Bilirakis | Everett | Istook |
| Bliley | Ewing | Jenkins |
| Blunt | Fletcher | Johnson (CT) |
| Boehlert | Foley | Johnson, Sam |
| Boehner | Forbes | Jones (NC) |
| Bonilla | Fossella | Kasich |
| Bono | Fowler | Kelly |
| Brady (TX) | Franks (NJ) | King (NY) |
| Bryant | Frelinghuysen | Kingston |
| Burr | Gallegly | Knollenberg |
| Burton | Ganske | Kolbe |
| Buyer | Gekas | Kuykendall |
| Calvert | Gibbons | LaHood |
| Camp | Gilchrest | Largent |
| Campbell | Gillmor | Latham |
| Canady | Gilman | LaTourette |
| Cannon | Goodlatte | Lazio |
| Castle | Goodling | Leach |
| Chabot | Goss | Lewis (KY) |
| Chambliss | Graham | Linder |
| Chenoweth | Granger | LoBiondo |
| Coble | Green (WI) | Lucas (OK) |
| Collins | Greenwood | Manzullo |
| Combest | Gutknecht | McCollum |
| Cook | Hansen | McCrery |
| Cox | Hastert | McHugh |
| Crane | Hastings (WA) | McInnis |
| Cubin | Hayes | McIntosh |
| Cunningham | Hayworth | McKeon |
| Davis (VA) | Hefley | Metcalf |
| Deal | Herger | Mica |

| | | |
|---|---|---|
| Miller (FL) | Rogan | Stearns |
| Miller, Gary | Rogers | Stump |
| Moran (KS) | Rohrabacher | Sununu |
| Morella | Ros-Lehtinen | Sweeney |
| Myrick | Roukema | Talent |
| Nethercutt | Royce | Tancredo |
| Ney | Ryan (WI) | Taylor (NC) |
| Northup | Ryun (KS) | Terry |
| Nussle | Salmon | Thomas |
| Ose | Sanford | Thornberry |
| Oxley | Saxton | Thune |
| Packard | Scarborough | Tiahrt |
| Paul | Schaffer | Toomey |
| Pease | Sensenbrenner | Upton |
| Peterson (PA) | Sessions | Walden |
| Petri | Shadegg | Walsh |
| Pickering | Shaw | Wamp |
| Pitts | Shays | Watkins |
| Pombo | Sherwood | Watts (OK) |
| Porter | Shimkus | Weldon (FL) |
| Portman | Shuster | Weldon (PA) |
| Pryce (OH) | Simpson | Weller |
| Quinn | Skeen | Whitfield |
| Radanovich | Smith (MI) | Wicker |
| Ramstad | Smith (NJ) | Wilson |
| Regula | Smith (TX) | Wolf |
| Reynolds | Souder | Young (AK) |
| Riley | Spence | Young (FL) |

NAYS—210

| | | |
|---|---|---|
| Abercrombie | Gejdenson | Menendez |
| Ackerman | Gephardt | Millender-McDonald |
| Allen | Gonzalez | Miller, George |
| Andrews | Goode | Minge |
| Baird | Gordon | Mink |
| Baldacci | Green (TX) | Moakley |
| Baldwin | Gutierrez | Mollohan |
| Barcia | Hall (OH) | Moore |
| Barrett (WI) | Hall (TX) | Murtha |
| Becerra | Hastings (FL) | Nadler |
| Bentsen | Hill (IN) | Napolitano |
| Berkley | Hilliard | Neal |
| Berman | Hinchey | Norwood |
| Berry | Hinojosa | Oberstar |
| Bishop | Hoeffel | Obey |
| Blagojevich | Holden | Olver |
| Blumenauer | Holt | Ortiz |
| Bonior | Hooley | Owens |
| Borski | Hoyer | Pallone |
| Boswell | Inslee | Pascrell |
| Boucher | Jackson (IL) | Pastor |
| Boyd | Jackson-Lee (TX) | Payne |
| Brady (PA) | Jefferson | Pelosi |
| Brown (CA) | John | Peterson (MN) |
| Brown (FL) | Johnson, E. B. | Phelps |
| Brown (OH) | Jones (OH) | Pickett |
| Capps | Kanjorski | Pomeroy |
| Capuano | Kaptur | Price (NC) |
| Cardin | Kennedy | Rahall |
| Carson | Kildee | Rangel |
| Clay | Kilpatrick | Reyes |
| Clayton | Kind (WI) | Rivers |
| Clement | Kleczka | Rodriguez |
| Clyburn | Klink | Roemer |
| Condit | Kucinich | Rothman |
| Conyers | LaFalce | Roybal-Allard |
| Costello | Lampson | Rush |
| Coyne | Lantos | Sabo |
| Cramer | Larson | Sanchez |
| Crowley | Lee | Sanders |
| Cummings | Levin | Sandlin |
| Danner | Lewis (CA) | Sawyer |
| Davis (FL) | Lewis (GA) | Schakowsky |
| Davis (IL) | Lipinski | Scott |
| DeFazio | Lofgren | Serrano |
| DeGette | Lowey | Sherman |
| Delahunt | Lucas (KY) | Shows |
| DeLauro | Luther | Sisisky |
| Deutsch | Maloney (CT) | Skelton |
| Dicks | Maloney (NY) | Smith (WA) |
| Dingell | Markey | Snyder |
| Dixon | Martinez | Spratt |
| Doggett | Mascara | Stabenow |
| Dooley | Matsui | Stark |
| Doyle | McCarthy (MO) | Stenholm |
| Edwards | McCarthy (NY) | Strickland |
| Eshoo | McDermott | Stupak |
| Etheridge | McGovern | Tanner |
| Evans | McIntyre | Tauscher |
| Farr | McKinney | Taylor (MS) |
| Fattah | McNulty | Thompson (CA) |
| Filner | Meehan | Thompson (MS) |
| Ford | Meek (FL) | Thurman |
| Frank (MA) | Meeks (NY) | Tierney |
| Frost | Menendez | Towns |
| Gejdenson | Millender-McDonald | Traficant |
| Gephardt | Miller, George | Turner |
| Gonzalez | Minge | Udall (CO) |
| Goode | Mink | Udall (NM) |
| Gordon | Moakley | Velázquez |
| Green (TX) | Mollohan | Vento |
| Gutierrez | Moore | Visclosky |
| Hall (OH) | Murtha | Waters |
| Hall (TX) | Nadler | Watt (NC) |
| Hastings (FL) | Napolitano | Waxman |
| Hill (IN) | Neal | Weiner |
| Hilliard | Norwood | Wexler |
| Hinchey | Oberstar | Weygand |
| Hinojosa | Obey | Wise |
| Hoeffel | Olver | Woolsey |
| Holden | Ortiz | Wu |
| Holt | Owens | |
| Hooley | Pallone | |
| Hoyer | Pascrell | |
| Inslee | Pastor | |
| Jackson (IL) | Payne | |
| Jackson-Lee (TX) | Pelosi | |
| Jefferson | Peterson (MN) | |
| John | Phelps | |
| Johnson, E. B. | Pickett | |
| Jones (OH) | Pomeroy | |
| Kanjorski | Price (NC) | |
| Kaptur | Rahall | |
| Kennedy | Rangel | |
| Kildee | Reyes | |
| Kilpatrick | Rivers | |
| Kind (WI) | Rodriguez | |
| Kleczka | Roemer | |
| Klink | Rothman | |
| Kucinich | Roybal-Allard | |
| LaFalce | Rush | |
| Lampson | Sabo | |
| Lantos | Sanchez | |
| Larson | Sanders | |
| Lee | Sandlin | |
| Levin | Sawyer | |
| Lewis (CA) | Schakowsky | |
| Lewis (GA) | Scott | |
| Lipinski | Serrano | |
| Lofgren | Sherman | |
| Lowey | Shows | |
| Lucas (KY) | Sisisky | |
| Luther | Skelton | |
| Maloney (CT) | Smith (WA) | |
| Maloney (NY) | Snyder | |
| Markey | Spratt | |
| Martinez | Stabenow | |
| Mascara | Stark | |
| Matsui | Stenholm | |
| McCarthy (MO) | Strickland | |
| McCarthy (NY) | Stupak | |
| McDermott | Tanner | |
| McGovern | Tauscher | |
| McIntyre | Taylor (MS) | |
| McKinney | Thompson (CA) | |
| McNulty | Thompson (MS) | |
| Meehan | Thurman | |
| Meek (FL) | Tierney | |
| Meeks (NY) | Towns | |
| Menendez | Traficant | |
| Millender-McDonald | Turner | |
| Miller, George | Udall (CO) | |
| Minge | Udall (NM) | |
| Mink | Velázquez | |
| Moakley | Vento | |
| Mollohan | Visclosky | |
| Moore | Waters | |
| Murtha | Watt (NC) | |
| Nadler | Waxman | |
| Napolitano | Weiner | |
| Neal | Wexler | |
| Norwood | Weygand | |
| Oberstar | Wise | |
| Obey | Woolsey | |
| Olver | Wu | |
| Ortiz | | |
| Owens | | |
| Pallone | | |
| Pascrell | | |
| Pastor | | |
| Payne | | |
| Pelosi | | |
| Peterson (MN) | | |
| Phelps | | |
| Pickett | | |
| Pomeroy | | |
| Price (NC) | | |
| Rahall | | |
| Rangel | | |
| Reyes | | |
| Rivers | | |
| Rodriguez | | |
| Roemer | | |
| Rothman | | |
| Roybal-Allard | | |
| Rush | | |
| Sabo | | |
| Sanchez | | |
| Sanders | | |
| Sandlin | | |
| Sawyer | | |
| Schakowsky | | |
| Scott | | |
| Serrano | | |
| Sherman | | |
| Shows | | |
| Sisisky | | |
| Skelton | | |
| Smith (WA) | | |
| Snyder | | |
| Spratt | | |
| Stabenow | | |
| Stark | | |
| Stenholm | | |
| Strickland | | |
| Stupak | | |
| Tanner | | |
| Tauscher | | |
| Taylor (MS) | | |
| Thompson (CA) | | |
| Thompson (MS) | | |
| Thurman | | |
| Tierney | | |
| Towns | | |
| Traficant | | |
| Turner | | |
| Udall (CO) | | |
| Udall (NM) | | |
| Velázquez | | |
| Vento | | |
| Visclosky | | |
| Waters | | |
| Watt (NC) | | |
| Waxman | | |
| Weiner | | |
| Wexler | | |
| Weygand | | |
| Wise | | |
| Woolsey | | |
| Wu | | |

NOT VOTING—11

| | | |
|---|---|---|
| Aderholt | Coburn | Slaughter |
| Archer | Cooksey | Tauzin |
| Barr | Engel | Wynn |
| Callahan | Moran (VA) | |

□ 1220

Ms. BERKLEY, Mr. LUCAS of Kentucky, Mr. CARDIN, Mrs. JONES of Ohio and Mr. MEEKS of New York changed their vote from ''yea'' to ''nay.''

Mr. HORN changed his vote from ''nay'' to ''yea.''

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. CALLAHAN. Mr. Speaker, during rollcall vote No. 99, on April 28, 1999, I was unavoidably detained. Had I been present, I would have voted ''yea.''

## DEPLOYMENT OF UNITED STATES ARMED FORCES IN AND AROUND THE FEDERAL REPUBLIC OF YUGOSLAVIA

The SPEAKER pro tempore (Mr. GUTKNECHT). Pursuant to House Resolution 151, it is now in order to debate the deployment of United States armed forces in and around the territory of the Federal Republic of Yugoslavia.

The gentleman from California (Mr. CAMPBELL), the gentleman from Connecticut (Mr. GEJDENSON), the gentleman from California (Mr. HUNTER) and the gentleman from Mississippi (Mr. TAYLOR) each will control 15 minutes.

The Chair recognizes the gentleman from California (Mr. CAMPBELL).

Mr. CAMPBELL. Mr. Speaker, I yield 1 minute to the gentlewoman from New Mexico (Mrs. WILSON).

Mrs. WILSON. Mr. Speaker, it is a pleasure and an honor to begin this debate today, and I believe that it is an important one. There is no way for me in 1 minute to lay out all of the factors to take into consideration here, but let me just make two observations at the beginning of this debate.

We have a duty and a responsibility as a Congress to be heard on the issues before us. As a Nation, we must face the fact that this is not over and may not be over for some time and that we will be dealing with the consequences of American actions in the Balkans for the next decade at least. Our relationships with NATO, United States' relationships with Russia, NATO's relationships with Russia, the problem of the refugees, the pressure for a greater Albania with claims to Macedonia and Greece, all of these things we will have to deal with as a consequence of American actions, and they will be influenced by the decisions and the votes that we take today.

We cannot and should not avoid this discussion on the merits. That is our responsibility as elected representatives from the districts that we have come here to serve.

The SPEAKER pro tempore. Without objection, the gentleman from Florida (Mr. HASTINGS) will control the time of the gentleman from Connecticut (Mr. GEJDENSON).

There was no objection.

Mr. HASTINGS of Florida. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Connecticut (Mr. GEJDENSON), the ranking member of the Committee on International Relations.

Mr. GEJDENSON. Mr. Speaker, we are here with one single primary purpose, and that purpose is to stop the murder in Kosovo. Mr. Milosevic continues to kill innocent civilians and tries to chase the rest away.

This country has led the world, sometimes single-handedly, in military actions in Korea and Vietnam, in Panama, in Lebanon, in Grenada and in Kuwait. In Nicaragua, we armed people to fight themselves because we were worried about the economic and political system that would end up in Nicaragua. We fought to stop communism. Some people say we fought in Kuwait to protect our oil reserves.

Here, Mr. Speaker, it is much simpler. We have a brutal dictator who is murdering innocent people and chasing the rest off the land. How do we stop this murder? That is our goal.

We cannot use the argument that as a country, we failed to act elsewhere. Yes, there have been other tragedies in recent years, and to my regret we either did not have the assets or the inclination to respond. In Rwanda, in Cambodia, in countless other places the world should have responded.

One advantage we possess here is that we have NATO; we have NATO united, that has been trained and operational together for decades. And this is not the United States as the Lone Ranger. How many times have we bemoaned the fact that America alone is left with this responsibility? This is the United States and it is other NATO partners together on a goal to stop murder.

Do not blame NATO for the acceleration or the deaths in Kosovo. I have said it before: As the American troops headed towards the concentration camps, the Nazis increased their production rate. They killed more people. We cannot use that as an argument for not going after them. Milosevic would have been happy to kill these people at a lower percentage, try to chase them out more slowly if he was not threatened.

We are going to have an amendment here that lets the Congress decide tactics. How many years did we hear

about Lyndon Johnson picking targets in the White House? Now we are going to have 535 Members of Congress determine the tactics in the battlefield. Whatever my colleagues' debate is on war powers, I think most people understand that is bad policy.

I look around this Chamber, as I did yesterday in committee, and I have seen virtually every Member here at a Holocaust memorial. I have seen them come for a day of remembrance about the Armenian genocide. I have heard speeches by my colleagues here condemning our inaction in Rwanda. And now what are we going to do here in Kosovo?

We will make a decision whether we simply repeat history so we can have one more day with the Speaker's approval in the Rotunda, bemoaning the death and destruction of the Kosovar Albanians, or we will try to take an action united with our other NATO partners that will put this murder to an end. The Constitution gives us the prerogative to take action. It does not demand that we vote on the first three proposals in the affirmative. We, the independent Congress, can make the choice of what statement we want to make here today.

Do not let process get in the way of policy. We can follow process. We can reject both proposals of the gentleman from California (Mr. CAMPBELL), we can reject the proposal of the gentleman from Pennsylvania (Mr. GOODLING), and we can vote for a proposal that authorizes, as the Senate language does, the present action be consistent with the Constitution and war powers.

□ 1230

At the end of this debate, at the end of this conflict, I do not want to come here in this chamber to remember one more group of victims and to bemoan the inaction of our generation. We fought again in other places to fight theoretical battles about communism and what have you. Here we are talking about simple murder. Let us join together to put an end to Mr. Milosevic's attacks on the Kosovar Albanians.

Mr. HUNTER. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. CHAMBLISS).

Mr. CHAMBLISS. Mr. Speaker, I rise in strong support today of H.R. 1569. Given the current ongoing military operations and the fact that the American men and women of our Armed Forces have their lives on the line, I do not think that now is the time to have a constitutional showdown on the War Powers Act.

We had an opportunity to repeal the War Powers Act in 1995 and the administration, despite the urging of several former presidents, failed to support the effort to end this legal obstacle. I believe that the War Powers Act is indeed unconstitutional, but today the debate is on Kosovo and the policy of our pursuing military operations against Yugoslavia.

I continue to be extremely concerned about the current military operations in the Balkans and the obvious lack of long-term goals and objectives. We were initially told that our military objectives were to deter Serbian attacks against the people of Kosovo and to reduce their ability to pursue offensive operations in Kosovo. Two weeks ago we were told that our objective was to remove all Serbian troops from Kosovo, a political moving target. After five weeks of bombing targets, which have been limited by politicians, Serbian forces have created a humanitarian crisis where over 1 million refugees have not retreated from Kosovo, and, in fact, have dug in along the Kosovo border.

In 1995, the President said that we would send troops to keep peace in Bosnia for a year. We are four years later and we still have 6,000 American soldiers serving in Bosnia, with no end in sight.

Where are we headed in Kosovo? We still do not have a clear, well-defined mission or strategy for what we are pursuing in the Balkans. There may be conceivably some point in time at which I would very reluctantly support the use of overwhelming force, including ground troops, to ensure that the United States is victorious in this military engagement. Dictators around the world must know that when America becomes involved, we intend to win.

The President must show leadership and define our mission and the end game strategy, clarify our objectives and provide the resources required to ensure victory. We must know when we have achieved success and how we measure our progress.

Our military is already overextended and underfunded, and we are fighting a war without a clearly defined objective. Mr. Speaker, we cannot win that. We need leadership. We need to support H.R. 1569.

Without a significant change, another long term, open ended commitment in the Balkans will continue to degrade military readiness and our ability to deal with other national security challenges around the world.

It is clear that the President has failed to plan for the possible contingencies and the unintended consequences of military action in the Balkans, he has failed to demonstrate clear and decisive leadership in leading this military campaign to a successful conclusion, he has failed to provide the necessary resources to adequately support our brave men and women serving in the military. I am gravely concerned about the incremental and gradual escalation of this conflict without the clear understanding of where we are headed.

I urge my colleagues to join me in supporting this bill to ensure that we in Congress are engaged in this before the President commits us further to war in the Balkans.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. HASTINGS).

Mr. HASTINGS of Florida. Mr. Speaker, last week I attended the Organization for Security and Cooperation meeting in Copenhagen, Denmark, and there, to a person, including the Russians, we prepared the position of the organization for security and cooperation in Europe, outlining the exact same requirements as set forth by the NATO alliance.

This bill, if it were to pass, sends an overwhelmingly negative message to our troops and to our allies. Regardless of how one feels about the need for the Congressional role in authorizing ground forces, this bill represents precisely the wrong way to seek such a role. By denying funding for the full range of actions we may need to take against Slobodan Milosevic, we are tying one hand behind the backs of our military.

This bill would prohibit funding for ground elements unless Congress specifically authorizes a deployment. ''Ground elements'' is a pretty broad term. What happens if the President has to act quickly but the Congress is out of session? The legislation would require him to delay until he had specific Congressional authorization. That delay could cost lives.

I do not think that it is responsible for us to go forward in this manner.

Mr. CAMPBELL. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, there have clearly been set two goals among a group of us. We have been striving to make sure this Congress follows procedure, that is, if we go to war, that we do it properly. It is pretty difficult to achieve this, especially when a president is willing to go to war and then we have to do this as a second thought. I am pleased that, at least today, we are trying to catch up on this. The second issue is whether it is wise to go to war.

Certainly, under these circumstances, I think it is very unwise for the American people to go to war at this time. The Serbs have done nothing to us, and we should not be over there perpetuating a war.

Our problem has been that we are trying to accommodate at least a half century of a policy which is interventionism at will by our presidents. We have become the policemen of the world. As long as we endorse that policy, we will have a difficulty with the subject we are dealing with today.

Today we are trying to deal legally with a half a war. A half a war is something like a touch of pregnancy. You can't have a half a war. If we do not declare war and if we do not fight a war because it is in our national interest and for national security reasons, we'll

inevitably will not fight to win the war. That has always been our problem, whether it was Korea, Vietnam, or even the Persian Gulf war.

To me, it is so important that you fight war for national security reasons only, you declare a war and you fight to win the war. We are not about to do that today. We are not going to declare war against Serbia. Serbia has done nothing to America. They have been close allies of ours, especially in World War II. We are not going to do that. Are we going to demand the troops be removed? Probably not.

So what are we going to do? We are going to perpetuate this confusion. But what we should do is vote down a declaration of war, vote to get the troops out of Yugoslavia, and vote to stop the bombing. The sooner we do that, the better. That is in America's interests.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, the Goodling-Fowler bill sends the wrong message at the wrong time to a person who has been more responsible than anyone else for the grievous wrongs committed in the Balkans.

If any issue should be above politics and should be above partisanship, it should be these life and death issues. But the majority in this House, too many of them, talk the nonpartisan talk, but have difficulty walking a bipartisan walk on this issue. No one should ask blind loyalty on this kind of a matter, but neither should there be masked politics.

The President has not rushed to use ground troops, and he should not. But the opposition often is not sure whether to criticize the President for being too weak, or too strong; for using too little, or too much force.

I found the public at home is ahead of many officials. Fifty-nine Members, or I think it may be 57, of the 927th Air Refueling Wing at Selfridge Air Base have been called to duty. We met some of these men and women a few weeks ago. Their reaction was symbolized by what was said yesterday by Chief Master Sergeant William Shaw: ''If called up, I will go where I am asked to go, and with pride.''

How many more entanglements do we want of Macedonia, Greece and Turkey before we act? How many more mass murders do we have to see? How broad does the genocide have to become?

I suggest that we vote down Goodling-Fowler, vote down the Campbell motions, and support the resolution that was passed by the Senate. It is the right thing to do at this right time.

Mr. HUNTER. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. CUNNINGHAM), our Top Gun from San Diego and a gentleman who won the Navy Cross carrying out America's foreign policy in Vietnam.

Mr. CUNNINGHAM. Mr. Speaker, in my opinion, this is the most inept foreign policy in the history of the United States. The Pentagon told the President not to bomb, that it would only exacerbate the problems. We have forced over 1 million refugees. 2,012 were killed in Kosovo prior to the bombing. NATO has killed more Albanians than the Serbs did in an entire year, and yet we have exacerbated those problems.

''So, what do you do, Duke?'' First you halt the bombing, then you have your POW's returned and you have Milosevic take his forces out of there. Use Russian troops. Right now they are the antagonists. Make them part of the solution. Use the Russians, use the Greeks, use the Scandinavians, use the Italians, to come in there as peacekeepers and separate these people.

The President has to look Izetbegovic in the face, he has got to look the President of Albania in the face, and say we want 100 percent of the Iranians, the Iraqis and the Afghanistanis, with the KLA and Mujahedeen and Hamas, out of there, because Albania has been in expansionism since the 1850's, tried to take Montenegro, Macedonia and Greece. You have got to get them out of there or they are going to be a problem. The Albanians have got to stop their expansionism. Cantonization possibly of Kosovo, but you have got to take Kosovo off the table.

One of the President's big faults, he did not recognize what Kosovo means to the Serbs. It is their Jerusalem. Yes, maybe you can Cantonize it, like you do in the Scandinavian countries, but it will have to be part of Serbia. It is not just Milosevic. The Serbia people and their nationalism will not give up Kosovo. Until they realize that, there is going to be a problem.

You need to take a look at 95 percent of the aid goes to the federation. You have got Croatians, about 70 percent are out of work; the Serbs, the same, and you have got to stabilize that part of the country.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield 3 minutes to the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Speaker, in five conflicts since the Constitution was ratified we have declared war, first including the War of 1812, last including World War II. In the period since then we have had bombardments and blockades and occupations and conflicts of all kinds, civil wars, and war has become sort of a subjective concept.

There are so many variations on it, that if you read the UN charter you will not find the word ''war'' anywhere included. The charter refers to hostilities, to armed attacks, to breaches or threats to the peace, to acts of aggression.

The War Powers Resolution was written with that reality in mind, written in the aftermath of Vietnam and Korea, two wars that were never declared wars, and its authors recognized that there were some lesser included alternatives under the rubric of war.

The War Powers Act gives us, the Congress, an explicit alternative to declaring war, total outright war. Within 60 days of a deployment, when we are notified by the President, we can enact a specific authorization of such use of the Armed Forces. That was laid out for us when we passed the War Powers Resolution.

The Campbell resolutions I disagree with and believe frame the choice falsely. They imply that we can only declare total war or withdraw totally.

S. Con. Res. 21 takes a different course, and I think a legitimate one. It concurs in the air and missile campaign that is now being waged, and, by not going any further, reserving judgment on the introduction of ground forces if the air forces do not accomplish their objectives.

Fowler-Goodling, on the other hand, is deficient in several major effects. It does not approve a sanction or concur in an ongoing campaign. It dodges the issue. Then in the most emphatic, flattest possible way, it lays down a prohibition against ground war, barring any expenditure whatever on ground elements in Yugoslavia.

□ 1245

Now, ground elements include personnel and materiel, it includes weapons and equipment. Secretary Cohen has just written us a letter saying this could be interpreted as retrenchment. This could actually undercut the intended effect of the ground war. But worse still, in trying to keep us out of the quagmire of a ground war, and I understand their concerns, Goodling-Fowler runs the risk of putting us into a legal quagmire. If we pass it, we better call up the reserve JAG officers, because the lawyers are going to be busy making tactical interpretations of its effects.

It would prohibit any expenditure on ground elements. That would prevent prepositioning of equipment in the theater, weapons in the theater as a contingency, either to be used by a ground force in a ground war, or by an implementation force if there is a settlement. It would bar special forces operations in Yugoslavia. It would bar on-the-ground military intelligence operations anywhere in Yugoslavia. It would bar forward observers. This is not the way to go.

We have a good alternative in S. Con. Res. 21. It is limited in its effect, and it is the proper application in these circumstances.

Mr. CAMPBELL. Mr. Speaker, I yield 4 minutes to the gentleman from New York (Mr. GILMAN), the distinguished chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Speaker, I want to commend the gentleman from California (Mr. CAMPBELL) for bringing these resolutions to the floor at this time so that we can properly consider our role in the Balkans.

The NATO military air operation now taking place over Serbia is a response, belatedly in my opinion, to more than a year of the most callous brutal acts of repression of innocent men, women and children in Kosovo whose only crime is being Albanian. The architect of these policies is Slobodan Milosevic, a ruthless dictator, who has accumulated an abominable record in the former Yugoslavia, and who should be indicted by the War Crimes Tribunal at the Hague.

The cost of Milosevic's aggression has been the uprooting of hundreds of thousands of people, thousands of whom are now refugees in neighboring countries. Last fall it appeared that tens of thousands of the displaced Kosovars were in danger of freezing to death during the winter months.

As we all know too well, the Serbs never withdrew their police and military, and the violence gradually escalated until in January we had the massacre by Serb police of a small village that killed 45 unarmed civilians. At that point we told the Serbs that they had to agree to a plan put forward by our government and other members of the contact group of the international community that would have restored substantial self-rule to the Albanians in Kosovo; and, if Serbia did not agree, they were advised that NATO would escalate its military action.

The Serbs have used NATO bombing as a pretext, a pretext to escalate the ethnic cleansing that they had prepared for Kosovo when the spring weather permitted conditions for their military operations.

The major issue confronting our Nation and the Kosovo crisis has been, and continues to be, the humanitarian situation facing the refugees in Kosovo, and now in Albania, Macedonia, Montenegro, as well as some other countries in that region.

A second priority of our policy should be to support those frontline States in order to create stability and a bulwark against a possible spread of the conflict which could be an objective of Mr. Milosevic.

We need to recognize that the issues we are facing are complex, and the resolutions of these problems are not readily achievable. We are nevertheless embarked upon a course of action that must succeed. Accordingly, I urge my colleagues to be supportive of these efforts, even as we continue to probe into questions of policies that underline them.

I urge my colleagues to carefully consider these very important issues that we are about to address, and their impact upon the peace in the Balkans.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Cleveland, Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, some say we must win, but we must win the peace. We cannot win peace through war. The failure of the bombing campaign is proof. We can win peace through negotiation, through diplomacy. We must pursue peace as vigorously as we would pursue war.

We will decide today whether to escalate an undeclared war. Better to push diplomatic initiatives, as the gentleman from Pennsylvania (Mr. WELDON) is attempting. We will decide today whether to send ground troops. Better to put peacekeepers on the ground in Moscow, in Belgrade, to obtain a negotiated agreement. Today we will decide whether to continue bombing; bombing which has not worked, bombing which has been counterproductive, bombing which has destroyed villages in order to save the villages, bombing which is killing innocent civilians, both Kosovar Albanians and Serbians; bombing which is leaving little bomblets across the terrain in Kosovo, injuring young Albanian children, unexploded bombs being played with by children. There are more amputations now in Kosovo than have ever occurred probably anywhere because of these unexploded bombs that children are finding and playing with and are blowing up.

I think, Mr. Speaker, this is a metaphor for the war. This entire war is an unexploded bomb which is ready to maim and kill children. The sad fact is that today, if we pass Senate Con. Res. 21, we will be authorizing not just continuing the bombing, but sending ground troops, and we will have given a license to expand an undeclared war. The cruelest irony is that Congress will take money from the Social Security surplus, money that our senior citizens need to assure their Social Security, they will take that money and use it to send the grandchildren to fight.

We must continue to give peace a chance, declare a cease fire, halt the bombing, help the refugees, pursue peace, not war.

Mr. HUNTER. Mr. Speaker, I yield 2½ minutes to the gentleman from Indiana (Mr. BURTON).

Mr. CAMPBELL. Mr. Speaker, I yield 1 additional minute to the gentleman from Indiana (Mr. BURTON).

The SPEAKER pro tempore (Mr. GUTKNECHT). The gentleman from Indiana (Mr. BURTON) is recognized for 3½ minutes.

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentlemen for yielding me this time.

First of all, let me just say to my colleague from Florida (Mr. HASTINGS) if we were in recess, the President could call us back for an emergency session within 24 hours to get an authorization for the money, so I think that it really is a red herring, although I have respect for my colleague.

Mr. Speaker, is this war in our national interests? Does it involve the security of the United States? I think anybody who is familiar with this operation realizes that it is not. The Persian Gulf, on the other hand, did involve our national security, because 50 percent of our oil reserves came from that part of the world, and it also involved one country invading another.

Should we be involved for humanitarian reasons? Look at the Sudan. Two million people, 2 million people, died in the Sudan. We did not do a darn thing about it. In Ethiopia, there have been 10,000 deaths in just the last couple of months. In Tibet, nearly 1.2 million people have died, and we have not done anything. In Sri Lanka, 56,000 people have lost their lives; 200,000 in Indonesia, and I could go on and on. In Croatia, in the former Yugoslavia, 10,000 Serbs were killed and 200,000 were driven out in ethnic cleansing in 1995, and we did not do a darn thing about it. That was a humanitarian crisis right next door. Why did we not do something about that?

Should we be involved? At the NATO Summit here in Washington just last week, a resolution was passed to involve NATO in peacekeeping and humanitarian missions, like this one, anywhere in Europe. Are we going to be the world's policeman? We are already paying two-thirds of the costs and flying 90% of the missions. Can we afford it? My colleague from Cleveland just noted that we are going to have to take money out of the Social Security trust fund and other areas in order to pay for this war, if it is prolonged.

Was this war properly planned like the Persian Gulf War? No. We all know that. It is piecemeal, and this President does not know where we are going. We have a man who knows nothing about the military directing this, even though the people at the Pentagon have told him that the bombing is only going to exacerbate the situation.

Is this a prelude to more? I think it is. Putting in ground troops over there is going to bring back what to us? A lot of body bags, a lot of problems, a lot of costs that we simply do not need. We do not need to be there. We should support H.R. 1569, bring our troops home, and let the people in Europe deal with a European problem.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I rise in support of Senate Con. Res. 21, which has been offered by the gentleman from Connecticut (Mr. GEJDENSON) to authorize military air operations against the Federal Republic of Yugoslavia.

I am not a hawk, not by any stretch of the imagination, and I have been a

peace activist for years. I do not support a full-scale war with Serbia. We are not in a full-scale war, and I hope it can be averted. I believe, however, we should do everything possible to avoid taking any actions that would create a full-scale war.

However, I vowed that I would never again remain silent in the face of genocide, and the Albanians in Kosovo are clearly facing genocide.

The United States did not act quickly enough to stop the Holocaust during World War II. Throughout the 1930s, persecution against the Jews in Nazi Germany continued to escalate, yet the world community did nothing. Even after the United States entered the war, we did not take any action to shut down the gas chambers. As a result of this genocide, 6 million Jews were murdered.

Between April and June 1994, the Tutsi people of Rwanda were systematically slaughtered. Throughout the months of April and May of that year, the U.S. Government failed to support any action to stop this genocide. The United Nations finally authorized the peacekeeping force, but it was too late to save the lives of 1 million Rwandan people who were slaughtered.

Kosovo is not the only place where genocide is happening today. The Government of Sudan is conducting a genocidal war against the people of southern Sudan. More than 1.5 million people have been killed since 1983 as a result of aerial bombings, massacres and attacks on civilian villages. The survivors of these attacks are routinely murdered or taken to northern Sudan and sold into slavery.

We cannot allow genocide to be ignored. I know there are limits to what the United States can do to stop genocide. Although war is not always the answer to oppression, we know that silence can never be the answer.

We must take action to stop genocide in Kosovo. That is why I support the President's efforts and the efforts of our troops to stop those deplorable crimes.

The SPEAKER pro tempore. The Chair will advise that the gentleman from California (Mr. CAMPBELL) has 8 minutes remaining; the gentleman from Florida (Mr. HASTINGS) has 7½ minutes remaining; the gentleman from California (Mr. HUNTER) has 8½ minutes remaining; and the gentleman from Mississippi (Mr. TAYLOR) has 9 minutes remaining.

Mr. CAMPBELL. Mr. Speaker, I yield 2 minutes to the gentleman from northern California (Mr. STARK).

□ 1300

Mr. STARK. I thank the gentleman for yielding time to me, and I applaud the efforts of the gentleman from California (Mr. CAMPBELL) for his resolution that forced this debate today. Without his efforts, we would continue to have U.S. military might, troops and weapons of war with no congressional deliberation whatsoever.

I support his resolution, House Resolution 82, because the administration policy is not defined, it is not clear, it is not viable with its use of force. Indeed, it is hardly existent.

Members have heard people talk about why we are not in other parts of the world, and excuse it blithely. I cannot. We cannot ignore all these other conflicts, but that does not give us an excuse, when we had no policy then, to begin killing people when we have no policy now.

This resolution is of the highest priority because we must exercise our obligation under the War Powers Act to debate the use of military force, particularly so in light of the absence of any comprehensive policy on the part of our administration.

Unfortunately, we are not allowed enough debate. We are going to talk about spending $13 billion, approving the committal of ground troops, which we all know is beginning while the debate goes on, and I support this resolution authorizing House Resolution 82 of the gentleman from California (Mr. CAMPBELL) because the use of force is not working and will not work here.

NATO has made matters worse, not better. The administration chose force as the most probable outcome by our expectations and deliberations in Rambouillet. The administration left no room for further negotiation or diplomatic efforts. They chose war. I do not.

Our children, by the way, learn firsthand from our adult behavior. The Colorado deaths are no coincidence. They are the natural consequence of what our children see the national leaders in their adult role models perform.

When the President held a press conference at the school to talk about conflict resolution, as he was talking, NATO-based troops were dropping bombs and explaining away civilian deaths as collateral damage.

These civilians died because of our inability to resolve this crisis. The Campbell resolution provides that the troops should be withdrawn. I support this as a first step, not a last step, to bring peace in Kosovo.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Texas (Mr. REYES).

Mr. REYES. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise today to express my concern with several of the resolutions that we will consider here today, because I believe that several are too extreme, and others would tie the hands of U.S. military commanders like General Clark.

These legislative proposals would undermine the flexibility of our military leaders to ensure the safety and security of American forces in the Balkans. We can debate whether or not we should be in Kosovo at all, but the fact remains we are there. We must now listen to our military leaders and not prohibit them from carrying out their mission effectively and safely.

In war or conflict, or whatever it is that Members want to call this, we never want to be in a situation in which we are fighting a limited war and our enemy is fighting an unlimited war. We do not want our enemy to know what we will not do or they will exploit that weakness to their advantage.

If we, by our votes today, tell Milosevic that we will force a long, protracted process to allow ground troops, then he can exploit this situation to his benefit and to the detriment of our men and women in uniform.

As a Vietnam veteran, I remember being in a war in which the military was not provided the tools that it needed. I remember only too well being in Vietnam and being exploited by the commentary that was occurring in this country and sometimes in this body.

For example, when we decided not to mine Haiphong, we allowed the Soviets to continually supply surface-to-air missiles to the North Vietnamese, which placed our service personnel in greater danger.

In 1992 in Somalia, Lieutenant General Montgomery, the then theater commander, requested Bradley Fighting vehicles and AC–130s, but the Secretary of Defense turned him down. We saw what happened to our Rangers there when the hands of the military commanders were tied. In that instance, it was the administration, not the Congress, affecting the battle, but I simply use this as an example to simply demonstrate what can happen when we tie the hands of our military leaders.

We must not allow such a horrible event to happen again.

Please understand my position. I am not here to support the use of ground troops. I believe that we must continue the air war until our military commanders tell us otherwise. I am here simply to support the military to allow them to decide what they need and to provide them with those resources.

Mr. HUNTER. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. BUYER), another distinguished veteran.

Mr. BUYER. Mr. Speaker, I would like to compliment the gentleman from Texas (Mr. REYES) for his comment. I compliment him on his words here in the well.

If the gentleman swings by my office, he will see hanging in my office as he leaves, and I look at it almost every day, the father who lost his son who bled to death in Somalia cut the Ranger patch off his son's uniform and sent it to me. It is on the wall in my office. It is a constant reminder about the pain.

If America is going to send our sons and daughters into a theater war, then they need to thoroughly understand what they are fighting for, what are the vital national security interests, what is at stake. I compliment the gentleman's words.

We are hearing some rhetoric on the floor about genocide, ethnic cleansing. Mr. Speaker, since when has that been a cause for U.S. intervention throughout the world?

I will not stand for the United States to have a racist foreign policy. Since when do we have a preference of ethnicity? Are we Europhiles, that we somehow want to go on the ground in Europe, but will not do so in Africa or Asia or Indonesia or in other countries?

Let us be very wise, prudent, and cautious about the words we use here today and about our foreign policies. Let us be the advisers and counsel to the President to make proper judgments. The reason American is confused is that the political rhetoric does not match NATO's political objectives, which does not match the military use of force.

If we say that Milosevic is a Hitler and Stalin and he has no right to lead that country, it appears as though that is our political objective, and therefore the use of military force is to overthrow Milosevic. That is not true. NATO's political objective is Kosovo and Kosovo only. So we should restrict our rhetoric, be careful for our words.

Then the ultimate question is, through the use of air power, does that accomplish the political objectives? That is why, when I returned, I said we have to return for the ground function. That does not mean I support troops on the ground.

Mr. Speaker, what I advise my counsel, I will vote this way today. I do not agree with the War Powers Act. I will vote no on House Joint Resolution 44, I will vote no on H. Con. Res. 82, I will vote yes for the Fowler amendment, because I want the President to define the end state, what does he want it to look like, how does he define success, before we go on the ground.

With regard to Senate Concurrent Resolution 21, let us be up front, this is a political vote. This is a cover vote for some Democrats here who do not have the stomach. We have had over 10,500 sorties that have already been flown. Now we are going to come in and have a vote to authorize? The question is moot.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise today in support of Senate Concurrent Resolution 21, the resolution offered by the gentleman from Connecticut (Mr. GEJDENSON), and in opposition to the three other resolutions.

Now is not the time to run from the atrocities being committed by the sole remaining tyrant of Europe, or to limit our military options. Quite frankly, I am proud to support the NATO mission in Kosovo. It speaks to our values and principles as a Nation, and to our role as a leader of the NATO alliance.

I am proud of our young men and women in U.S. and NATO uniform who are being asked once again to restore the peace and stability in Europe. Twice in the first half of the 20th century young American soldiers were sent to Europe to restore that peace at a cost of 525,000 lives and over 900,000 casualties.

After the Second World War this Nation stood up and declared, never again. Never again can we afford to disengage from the continent of Europe and hope everything will just be all right. Never again will we stand idly by while innocent men and women are forcibly removed from their homes and wiped out by military forces under a policy of genocide.

Elie Wiesel, the Nazi concentration camp survivor, reminded us last week that the only miserable consolation that they had in those concentration camps had during the Second World War was the belief that if the western democracies knew what was taking place, they would do everything in their power to try to stop it.

History later showed that the Western leaders did know, but did not take action. This time, he said, the democracies do know. We are acting. We are intervening. And this time we are on the right side of history.

Mr. Speaker, today we face very serious votes. It is a rendezvous with history. This can be NATO's finest hour, or it may be the beginning of the end of the U.S. involvement in maintaining the peace and stability on the European continent. Let us hope that this is our and NATO's finest hour. I encourage my colleagues to support Senate Concurrent Resolution 21.

Mr. CAMPBELL. Mr. Speaker, I yield 3 minutes to our distinguished colleague, the gentleman from the State of Georgia (Mr. NORWOOD), a Vietnam veteran.

Mr. NORWOOD. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I will tell the Members, it is easy to be proud to send our troops into Kosovo if Members have never been there. They have to understand what we are asking our troops to do, and we need to clearly understand why we are asking the sons and daughters of American mothers to die for these humanitarian causes. There are other ways, if we act.

Mr. Speaker, I believe this debate will determine the course of American policy and military policy, foreign policy, for the next century. I urge my colleagues to totally ignore the partisan ramifications of our decisions and instead base our votes on the constitutionally defined security interests of this Republic.

Today we hear the argument that to withdraw from an unconstitutional war undermines the morale of our armed forces and steels the resolve of those with whom we contend. If we accept that argument, we will have granted absolutely war powers, not just to this administration but every administration in the 21st century. That rationale demands that we keep quiet, we go along with every military adventure of every president, for the same reasons.

Instead, I ask Members, I plead with them, to listen to the words of John Quincy Adams in 1821: ''(America) knows well that by once enlisting under other banners than her own . . . she would involve herself, beyond the power of extrication, in all the wars of interest and intrigue, of individual avarice . . . She might become the dictator of the world;'' or the police power, in my words; ''she would no longer be the ruler of her own spirit.''

If we refuse to do our constitutional duty in this body, in this House, the horrible warnings of President Adams may become reality. Serbs are fighting Albanians, Albanians are fighting Serbs. People in the Balkans have fought and have committed atrocities against one another for at least 500 years. Now we allow our Nation to be dragged into a quagmire for which there will be no exit.

I believe that within the next few days the President will be delivering a new speech if we send troops into the Balkans. He will lament the death of Americans in combat in the Balkans. He will call on the Nation to ensure that their ultimate sacrifice will not be in vain. Have we heard this before?

In the process, he will commit my great-grandchildren to policing the Balkans, not because we are threatened, not because we are under attack, not because freedom of this country is not secure, but simply to enforce a new world police order in Europe.

Mr. Speaker, let me allow the President not to make that speech. Do not help him make that speech. Vote to end this nastiness today.

Mr. HASTINGS of Florida. Mr. Speaker, I am pleased to yield 2½ minutes to the distinguished gentleman from California (Mr. SHERMAN), a member of the Committee on International Relations.

Mr. SHERMAN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would like to make some general comments about our position in Kosovo, and then focus on the resolutions that are before us today.

Some think that this is a stark choice, that we must either ignore the refugees of Kosovo and ignore the fact that America's credibility and NATO's credibility is on the line, or we must, instead, commit ground forces and

incur hundreds, perhaps thousands, of American casualties.

I think we do need to focus on other options. One of those is to train, though not necessarily arm, a force of Albanians perhaps independent of the KLA. Then when Milosevic reviews the situation, he will see that he is up not only against the most powerful air armada ever assembled, not only against a ragtag band of lightly armed KLA guerrillas, but also will soon be up against a force of heavily armed Albanians with tanks and heavy artillery willing to take casualties.

We need to enlist the Russians in negotiating a settlement. I would suggest that that settlement would provide that 20 percent or so of Kosovo would be patrolled by a Russian peacekeeping force, and that some 80 percent would be patrolled by a NATO peacekeeping force.

□ 1315

The ultimate resolution of Kosovo could be decided later.

I see that my good friend and ranking member, the gentleman from Connecticut (Mr. GEJDENSON), has returned to the Chamber, and I discussed with him earlier the meaning of his own resolution, which I know he intends, or is at least allowed by the rule, to introduce later today. I would like to have a colloquy with the gentleman, because it has been argued that the legal effect of his resolution, as interpreted by a court, his resolution is an authorization by Congress to send a large ground force into Kosovo or as waiving any of Congress' rights with regard to such a deployment.

Mr. GEJDENSON. Mr. Speaker, will the gentleman yield?

Mr. SHERMAN. I yield to the gentlewoman from Connecticut.

Mr. GEJDENSON. Mr. Speaker, our intent with the resolution is simply to authorize the present campaign as it is presently being undertaken.

Mr. SHERMAN. And should any court interpret it as a congressional authorization to use any other kind of force?

Mr. GEJDENSON. I think my statement was clear, and I agree with that.

Mr. SHERMAN. Mr. Speaker, I will look forward to further clarification.

Mr. HUNTER. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. BATEMAN), a member of the committee.

Mr. BATEMAN. Mr. Speaker, I thank my friend from California for yielding me this time. We are in a very, very difficult situation today, confronting one of the most dismal range of policy choices the House has ever had to make.

We are forced to do that, in part because notwithstanding my imploring him to do that, and others much more important than I imploring him to do that, our President and Commander-in-Chief has chosen not to come to this Congress or send to this Congress the best articulation that he could come up with as to what our objectives are in the Balkans and what authority he would ask in order to pursue those objectives. He has not done it. It, therefore, should be our charge to do it for the Nation.

We are not doing that by any of the four propositions before us today. No one declares any objective, no one clearly authorizes in any intelligent way the utilization of military force. The Fowler-Goodling-Kasich solution says ''thou shalt not use ground forces''. Inferentially, it is status quo. We can continue to use air power, but it really does not say that or authorize that. It is left dangling.

The same can be said of the resolution of the gentleman from Connecticut (Mr. GEJDENSON), which he has just made abundantly clear by his unusual response in the colloquy that was just suggested, which leaves the resolutions of my dear friend, the gentleman from California (Mr. CAMPBELL), which say forget any objectives, forget any policy, just withdraw; or if we do not do that, declare war.

None of these choices make any sense, and I think it is a very sad day that we in the House are faced or not faced with some alternative that does make sense and does authorize that which ought to be authorized in proper discretion, and for what purposes it should be authorized, and who should be paying the bill.

Mr. TAYLOR of Mississippi. Mr. Speaker, may we have a review of the time remaining.

The SPEAKER pro tempore (Mr. GUTKNECHT). The gentleman from Mississippi (Mr. TAYLOR) has 7 minutes remaining; the gentleman from California (Mr. HUNTER) has 4 minutes remaining; the gentleman from California (Mr. CAMPBELL) has 3 minutes remaining; and the gentleman from Connecticut (Mr. GEJDENSON) has 3 minutes remaining.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, I thank the gentleman for yielding me this time.

We should not be deploying ground troops of the United States armed forces in Yugoslavia until Congress has authorized such a deployment. That is what we did in Desert Storm, that is what the War Powers Act contemplates, and that is what we should do. I do not know today how I would vote on such an authorization.

I believe that we should be very cautious about getting ourselves into a ground war in the Balkans, and we should recall the lessons of the Gulf of Tonkin Resolution and not pass a Gulf of the Adriatic Resolution that provides an open-ended and unconditional authorization for the use of ground forces. But we should also keep a ground troops option open in case the air campaign proves unsuccessful, the ethnic cleansing continues, and all our NATO allies agree that ground forces could achieve our military and political objectives.

I will vote for the resolution offered by the gentleman from Connecticut (Mr. GEJDENSON) to authorize the present air campaign in Yugoslavia. It is underway, it has had some success, and we should support it.

I will oppose the removal of our military forces from their positions in connection with the present air campaign, because I believe the President and NATO need to be given a chance to try to stop the bloodshed and ethnic cleansing.

I will also oppose the proposed declaration of war the gentleman from California offers us, because I believe that such a step would needlessly inflame an already tense political situation in Europe and our relations with Russia. But while I will oppose the gentleman's resolutions, I want to compliment him on bringing this debate to the House floor. It is the most important power that Congress has and it is critical that all our voices be heard.

Mr. CAMPBELL. Mr. Speaker, I yield 2 minutes to the gentleman from Utah (Mr. COOK).

Mr. COOK. Mr. Speaker, I thank the gentleman from California for yielding me this time. I want to commend the leadership for allowing the two Campbell resolutions to be debated and voted on today.

We are in a precarious situation, maybe the most precarious in a generation. We are debating whether American blood will again be shed in a European war started in the Balkans. I believe we have three options: We can continue the current policy, which is ill-conceived, meandering and appears to have no comprehensive plan or exit strategy; second, we can declare war on Yugoslavia and follow General Colin Powell's advice that if we are going to act, we should use overwhelming force and win quickly.

While I oppose this strategy, I do think it is more responsible than the first option. The Constitution gives Congress the power to declare war. Our Founding Fathers lived in a world where kings dragged their populations into wars with no thought of the cost to citizens. They wisely wanted to ensure that America was governed differently. If we believe we should continue this war, then we should have the guts to formally declare war. I want to thank the gentleman from California (Mr. CAMPBELL) for recognizing this obligation and for having the courage to stand up for his convictions.

The third option, which I will support, is a 60-day pullout of our troops.

This is the most logical and sensible option at this point, and can restart the negotiations that can allow refugees to return to their homes. The current military action has not stopped the flow of refugees or helped Kosovo become autonomous. It has only further destabilized the area and made things worse.

This is not a criticism of our men and women who are fighting in Kosovo. They are doing their job and they are doing it very well, but they are fighting with their hands tied behind their backs and suffering from the effects of years of neglect of our military infrastructure.

Air strikes do not win wars, and I do not believe the blood of American troops will end centuries of hatred and mistrust in the Balkans. I therefore will vote in favor of H. Con. Res. 82 requiring a 60-day pullout.

Mr. GEJDENSON. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, let me begin by commending the gentleman from California for forcing this Congress to do what it should have done long ago, and that is to exercise our constitutional responsibility to decide where and when young Americans will be called upon to place their lives at risk to defend this country.

I would like to remind my colleagues that despite much of the rhetoric against the President of the United States, it was the United States Senate on March 23 that voted to authorize air strikes against the former Yugoslavia. I must admit that the President, following up on that, has put me in a very strange situation. After all, just in December I voted to impeach President Clinton, but the majority of the United States Senate decided otherwise.

The question now is, do I face the reality that young Americans are at war, or do I do what is politically expedient and ignore that?

When I was a young State Senator, I once questioned a former Congressman by the name of Charles Griffin, who served during the Vietnam War. I remember asking him how he could serve for those years while Americans were coming home every day and, in effect, pretending there was not a war going on? I want to apologize to Congressman Griffin because basically I am seeing the same thing today. But in deference to now deceased Congressman Griffin, I certainly will not do what I accused him of doing.

I am going to vote to declare war. Americans are at war. I find myself at a horrible reluctance to do this, but the bottom line is Slobodan Milosevic has initiated four wars. As we speak, he is killing innocent men and women. And, yes, American credibility is at risk.

The question we have to ask ourselves is what are the unintended consequences of this Congress failing to act? Do we signal to North Korea, who it is anticipated will drop 600,000 rounds on the American positions the very first day of that war, that as a Nation we say one thing and do another when it becomes slightly politically inconvenient for the 535 Members of Congress?

I say this with great reluctance, because I know that in voting for war I share the responsibility for the lives of those young Americans who may die. But to do nothing is much worse. We are in this situation. We cannot choose to ignore it. And I think that the best course of action for this Nation is to use the overwhelming military might that we have at our disposal to end this war quickly, swiftly and with a decisive American victory.

Mr. HUNTER. Mr. Speaker, how much time do we have remaining?

The SPEAKER pro tempore. The gentleman from California (Mr. HUNTER) has 4 minutes remaining,

Mr. HUNTER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I think we have had an excellent debate, and it shows a great division. And there is great division because we have several legitimate interests, and it is a matter of balancing which of these interests outweighs the other. One interest is a humanitarian interest; another interest, of course, is our NATO alliance and their military objectives; another interest that many people have expressed here very eloquently is our concern for the safety of our men and women in uniform. Let me just review my own position and the history of this Congress in the last 15 years or so.

In Lebanon, in Libya, in Grenada, and of course in the Middle East, a number of us voted to give the President of the United States, President Ronald Reagan and President George Bush, great discretion and to attribute to them great presidential prerogative with respect to initiating conflict. And that accrued to our benefit, because the Presidents were able to strike swiftly and to move American force projection very quickly without asking for permission from Congress. We were able to achieve goals we could not have otherwise achieved.

So one principle I followed was that the Commander in Chief must be able to act quickly, using a full range of military options short of total war. And my feeling is that total war is what we have conducted in the past in World War I and II, the last war ending when we reduced Tokyo and parts of Germany to rubble. I do not want to reduce Belgrade to rubble.

I do not want to stand by and do nothing. So I agree with the gentleman from Virginia (Mr. BATEMAN) that the range of options is a range of options that does not serve this Congress well.

□ 1330

The second principle that I felt we were following over the last 15 years was that the Commander in Chief must be able to act with full military leadership authority when leading joint operations with our allies.

Somebody commented once that if we were not in the NATO alliance, it would be like that church full of townspeople without Gary Cooper, all of them with different ideas but all of them too timid to execute anything. And I think that is probably true.

So I am going to vote to be consistent with my votes that I exercised with respect to the presidencies of Ronald Reagan and George Bush. And I want to say to all my Republican colleagues who voted with me on those votes and voted not to force the President to seek a vote before he could go in with military force, that I think those principles which accrue to the benefit of the United States and save lives will long outlive this presidency in which many of us have a lack of confidence.

Now let me turn to my Democrat friends and simply say this: We have cut our military under President Clinton, almost in half. So to carry out this foreign policy that we are engaged in right now, whether it is in Kosovo or on the Korean Peninsula or in the Middle East, we now have 10 Army divisions instead of 18, we now have only 13 fighter air wings instead of 23, we are down almost 40 percent in Navy vessels, we are short $3½ billion in basic ammunition for the U.S. Army, we are short in almost all of our smart standoff weapons that save lives, and we are going to have votes in the very near future to increase that ammunition, spare parts and equipment that will ultimately save lives of our military people, whether they are operating in this theater or some other theater.

We need Democrats to vote in a strong defense. If we do not have them, we are going to go ahead with half empty ammo pouches in these wars, with our coffers of spare parts that are only half full, and we are going to repeat years like the one we just had in which 55 American military aircraft crashed in peacetime missions because of lack of training, lack of spare parts, and old equipment.

So I am going to join and try to be consistent with the votes I have made in the past. I hope all my colleagues will vote for a strong national defense regardless of their vote on this issue.

The SPEAKER pro tempore (Mr. GUTKNECHT). The Chair will advise that the gentleman from Mississippi (Mr. TAYLOR) has 5 minutes remaining and the gentleman from California (Mr. CAMPBELL) has 1 minute remaining. All other time has expired.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield the remainder of my time to the gentleman from Michigan (Mr. BONIOR).

The SPEAKER pro tempore. The gentleman from Michigan (Mr. BONIOR) is recognized for 5 minutes.

Mr. BONIOR. Mr. Speaker, I thank my colleague for his generosity in yielding me the time.

Mr. Speaker, in less than 30 days, 1.6 million Kosovars have been forced from their homes at gunpoint and torn from their loved ones. They have been stripped of everything, even their identities, all because of their ethnic heritage.

Now, some say the suffering Kosovars are not America's responsibility, that the gang rapes, the burned villages, the mass graves, they are not our problem. Well, to that I say we represent history's greatest democracy. We are a superpower at the peak of our prosperity and our strength.

What is America supposed to do? Are we supposed to look the other way? Hitler said in the 1930s, ''Who remembers the Armenians?'' before he unleashed his thugs to exterminate a people.

We stand here because so many of us have come to this well and said never again, never again would we stand by idly while genocide is committed. We stand against Slobodan Milosevic not just to stop a tyrant bent on ethnic cleansing but also against the very idea that such a barbaric campaign will be tolerated at the end of the 20th century. We simply cannot and will not let the worst of history repeat itself.

The NATO air campaign is taking its toll on Milosevic and his military power. Not only are his bunkers and his barracks cracking under the allied attack, but so is his domestic support. Just this week, Yugoslavia's Deputy Prime Minister publicly called on Milosevic to tell the truth to his people: that the world is against him, that he is alone, and that he cannot defeat NATO.

Now, my colleagues, is the time for this Congress to come together, united behind NATO. Now is the time for this Congress to be unyielding in our resolve. And now is the time for us to send Milosevic an unmistakable message: Ethnic cleansing will not stand, and we will persevere.

There are some in this Congress who seek to entangle us in legalisms, to micromanage military strategy, and to force us into false choices. Let us reject these traps. Let us reject the Goodling amendment.

Many of us believe that we should have a congressional vote before sending ground troops, but this amendment ties the hands of our military commanders and could leave the bordering nations, millions of refugees, and thousands of our own soldiers dangerously exposed.

Let us reject the Campbell proposal and reject the idea that we can pull out now and wash our hands of this humanitarian responsibility. Let us support the resolution offered by my friend the gentleman from Connecticut Mr. GEJDENSON. This is the same bipartisan language the Senate adopted to support the NATO air campaign.

It will show our resolve to turn back this genocidal tide. It will show our support for our troops. It will show our support for NATO. And it will show Milosevic our resolve that his brutality will not endure.

Ms. MCCARTHY of Missouri. Mr. Speaker, the most solemn responsibility a Member of Congress has is the consideration of a declaration of war. The four measures before us today which concern our military actions in Kosovo also concern our nation's standing in the world and the very future of the North Atlantic Treaty Organization (NATO).

I support our brave men and women in uniform and all of the allied troops who are part of the NATO operations in Kosovo. Many of those who are flying missions in Kosovo are from Whiteman Air Force Base in my home state of Missouri. I thank them and the other men and women who are there serving our country, the Alliance, and the people of Kosovo. I pray for their safe return from a successful mission.

At the historic 50th anniversary of NATO summit, the leaders of the Alliance convened and reached consensus that Slobodan Milosovic's violence against the ethnic Albanians is abhorrent and must stop. As the leader of the free world, the United States is compelled to join in action to prevent the horrendous acts of genocide and ethnic cleansing that are taking place in Kosovo. In addition, we share a humanitarian obligation to assist the more than 550,000 refugees who have been forcibly evicted from their homes, and in many cases separated from their families. Until stability returns to this region, the United States and its NATO allies must provide an example to the world of generosity, compassion and commitment to those who are suffering at Mr. Milosovic's hand. The rebuilding process of both physical structures and people's lives must begin as soon as peace and stability is achieved.

Mr. CAMPBELL has introduced two resolutions which we will vote on today—H. Con. Res. 82 and H.J. Res. 44. I am opposed to both of these measures. The gentleman from California assumes only two choices exist for Congress: to declare war or to abandon our allies. These resolutions are partisan in nature and are merely intended to place the President in the politically untenable position of having to make an extreme choice, knowing that either alternative would undermine his ability to effectively act as Commander in Chief. The situation in Kosovo does not present a simple dichotomy of choices. We have entered into this conflict as part of the NATO Alliance, and for the U.S. to pull out now or to declare war as an individual country would directly contradict the agreements reached at the summit concluded just three days ago here in Washington.

The resolution introduced by Mrs. FOWLER, Mr. GOODLING, and others, H.R. 1569, would prohibit the Department of Defense from using funds for ''ground elements'' without the authorization of Congress. I agree with the premise that Congress must protect the checks and balances laid out by the framers of the Constitution. During the ''Gulf of Tonkin'' crises 35 years ago a misinformed Congress conceded its foreign policy powers to the President. The resulting unchecked escalation of forces in Vietnam should never be repeated. While Congress has the responsibility to be vigilant, the President has assured us in writing that he will not commit ground troops without authorization from the Congress, making H.R. 1569 unnecessary. Further, passage would tie the hands of NATO leaders and seriously jeopardize NATO's chances of successfully completing its mission. This measure would also jeopardize our own leadership role in this most critical alliance, and would send the wrong message to Mr. Milosovic, thus undermining much of our efforts to date. For these reasons, I oppose this measure.

S. Con. Res. 21, passed in the Senate April 20, authorizes the President of the United States to conduct military air operations and missile strikes in cooperation with our NATO allies against the Federal Republic of Yugoslavia (Serbia and Montenegro). I support this resolution. It is consistent with the goals and objectives of the United States and is key to NATO's ongoing military strategy.

Fifty years ago, at the end of World War II, President Harry Truman, whose hometown is in the Congressional District I am proud to represent, had a vision to reunite and rebuild Europe to avoid world war in the future. The successful result is NATO. Our country is the foundation and security that NATO requires to succeed in its mission of peace in Europe. For our armed services to succeed in their current mission we must support them with our actions. Let us learn from history and support the young American men and women who carry our flag into jeopardy. Let us support our President, Secretaries of State and Defense, our Joint Chiefs of Staff, our battlefield commanders, and the NATO allies we lead that we are unified in our resolve to end this inhumanity. We proclaim to the world, those who support us and those who would not, that we act in defense of American's core values; life, liberty, the pursuit of happiness and, of course, justice for all.

Mr. COSTELLO. Mr. Speaker, I rise today to vote in favor of legislation to put the Congress' voice where it should be—at the forefront of the national policy which guides our armed forces in the face of conflict. Under the Constitution, the Congress has the power to declare war and commit our troops to battle. As a Member of Congress who is opposed to putting American ground troops in Kosovo, I believe the Congress should have the opportunity to debate whether it is in our national security interests and vote to give the President the ability to put troops on the ground in Yugoslavia. I do not believe it is right for the President to act unilaterally to put our young men and women in uniform into ground battle in Kosovo without the explicit authority of the U.S. Congress.

President Bush acted correctly in seeking the authority of Congress to commit ground troops before we acted to expel Iraq from Kuwait in 1991. While the President is working with our NATO allies to persuade the Serbs to end their brutal actions in Kosovo through air

attacks and diplomatic initiatives, I believe he has an obligation to first seek the authority of the nation's legislative body before sending tens and possibly hundreds of thousands of our armed forces personnel to battle.

Many of my colleagues favor sending ground troops into Kosovo; others join me in opposing the use of ground troops. Either way, I believe there should be a full debate on the issue and a vote on giving the President the authority to commit our nation to what is the equivalent of a declaration of war on Yugoslavia, albeit under the aegis of NATO. I urge my colleagues to join in supporting legislation that restores the voice of the Congress in the debate on Kosovo.

Mr. EWING. Mr. Speaker, I rise today not to put myself forward as an expert in national defense matters or in matters of military deployment. I do not serve on the Armed Services Committee or on the Appropriations Committee which handles military matters. Nor am I a member of the International Relations Committee. My experience in the military was as an enlisted person where I rose to the rank of Specialist 4.

I feel very strongly that we should not be in Kosovo militarily. Yes, we should help with humanitarian needs and could indeed do much more for those who are suffering as a result of the civil war by the use of only a small amount of the money which we are spending on the bombing.

In the current situation in Kosovo we are footing a major part of the bill and already talking about how we will use our resources to rebuild this area that is being bombed. Do we forget that we very properly asked for our allies to contribute in the gulf war, which in fact alleviated a major burden on American tax payers by the money that was paid by those who also had an interest in that military activity?

The Vietnam experience is one that I hope I will never forget. I believe that there are some very important lessons to be learned from that experience. I felt a feeling of betrayal by the leadership of this country as a result of the Vietnam war. We were told of the dire consequences if we did not fight to a victory in that conflict. We threw hundreds of thousands of young men and women into that fray, and in the end we had to acknowledge our mistake and withdraw. That has left a lasting scar on our country. Not our withdrawal, not our admission of a mistake, but the conflict and the controversy surrounding the war. And we are today, as we have through the years since Vietnam ended, paying a terrible price for our mistake and we are still reaping the bitter fruit of those decisions.

The war in Southeast Asia is very similar to the Balkans, a civil war. And I ask the question: ''Is Southeast Asia worse now because we withdrew?'' And I believe the answer is a resounding ''no.''

The civil strife has to be settled by those who are most affected—those who live there. This is a civil war in the Balkans and it will be impossible for us militarily from the outside to impose a successful solution on the problems faced by the people of this area.

I, would ask the question—what kind of a country would we have today, had England and France been successful in intervention in our own civil war on the sides of the Confederate States?

While I oppose the military action in Kosovo and am adamantly opposed to sending any ground troops, I am also concerned greatly by the cost of this operation. It is my opinion that the current administration will have easily spent a hundred billion dollars in soirees around the world from Bosnia to Iraq to Kosovo. This money will come from only one source, the American tax payer, and most likely from the surplus of Social Security money.

I, believe that the current expenditure of funds is unwise and will be of a major detriment to our efforts to save Social Security and Medicare. We have worked long and hard to improve the financial condition of this country over the last four years. Kosovo holds the key to totally reversing the successes we have had and returning us to a situation of using funds from Social Security to pay our bills. It was wrong when it was done during Vietnam and it is wrong today.

I, believe that it is also the greatest error when leaders of our country fail to recognize that they have made a mistake in judgement, and continue to push ahead with all of their vigor and might, often with the use of our fighting men and women and the expenditure of our funds, to prove that they are in fact right.

In the end I believe that we will see the error of our involvement militarily in Kosovo. I do not subscribe to this theory that we can't back out because we have military involvement now. I know of no endeavor anywhere that was won by pursuing a failed policy and failing to admit mistakes when they are so very obvious. I do not buy the theory that we must continue to pursue military action there simply because we are there.

All that we need to do is provide for the safe removal of our military, with hope that military bombs can be replaced by talk and negotiation which will help the troubled people of this area reach an agreement as to their future.

Mr. BENTSEN. Mr. Speaker, I rise in opposition to the H. Con. Res. 82, H.J. Res. 44, and H.R. 1569 and in support of S. Con. Res. 21.

All of us are concerned whether the United States through the North Atlantic Treaty Organization (NATO) is taking the prudent position with regard to airstrikes against the Federal Republic of Yugoslavia. All of us are just as concerned and even repulsed by the actions of the Milosevic Government to ethnically cleanse Kosovo of non-Serbs creating the worst human tragedy Europe has witnessed since WWII. The conflict involves a part of the world where ethnic violence has been commonplace since the fourteenth century and the scene of intense fighting in this century's two world wars.

At the same time, how can the free and democratic nations of the world, in particular the nations comprising NATO, which won the cold war against communist aggression, sit idly by and allow a dictator to use his military and police apparatus against innocent civilians and noncombatants, causing death and destruction of property and wreaking havoc on his neighboring sovereign states?

We must weigh the costs of engagement and non-engagement in the affairs of one nation which will impact the stability of others with consequences for the U.S. To do nothing and withdraw would send a message, I believe, to Yugoslavian President Milosevic that ethnic cleansing is an acceptable practice at the end of the millennium. It would send that same message to other would be dictators that barbaric treatment of your own citizens is an immoral but acceptable sovereign practice. But perhaps more important, allowing Milosevic to drive those citizens he does not want into other countries will only destabilize Albania and Macedonia. What right does a dictator have to shed his unwanted citizens whom he has not killed to another sovereign state?

Finally, if the U.S. decides to cut and run, where does that leave NATO? NATO, under U.S. leadership helped rebuild European democracies and create political stability after World War II, which has been of great benefit to the U.S. Stability in Western Europe through NATO led to the end of the Cold War and to the collapse of the Soviet Union, while at the same time preserving a strong market for U.S. goods and services. After fifty years of success is it time to abandon the partnership of NATO? I think not.

The Campbell resolutions calling for a declaration of war or removal of all U.S. military personnel are premature and misguided. First, we are involved in an air campaign jointly with our NATO allies in an effort to stop Milosevic's brutal campaign of aggression against the ethnic Albanians in Kosovo. For the U.S. to unilaterally declare war outside of NATO undermines the alliance and its efforts. Second, to call for the complete withdrawal of U.S. forces from the NATO exercise would only serve to enhance Milosevic's position, which I oppose, and weaken NATO's. And, it would completely undermine NATO and the U.S. leadership position in the alliance.

The Goodling legislation, H.R. 1569, would prohibit the use of any funds of the Department of Defense for the deployment of ground elements, including personnel and material to the FRY. This is both premature and sends the wrong message. I have stated publicly that I oppose the introduction of ground troops into the FRY at this juncture, but I also support our efforts as part of NATO to end the ethnic cleansing in Kosovo and bring stability to the region. It is premature for the Congress to prospectively limit the U.S.'s options because there is currently no plan to send ground troops in a military situation at this time. If at any time such a plan is developed, the Congress can move immediately to prohibit such activity.

I am also concerned about the limited exceptions in the Goodling bill, which would hamper the ability of U.S. and NATO commanders to gather intelligence necessary to prosecute the airstrike operation. Further, it would not allow U.S. and NATO commanders to pre-position tanks and military equipment, or allow for pre-emptive strikes based on intelligence reports. These exceptions would eliminate on-the-ground intelligence gathering and the use of special forces, which would impair NATO's decision making ability and its ability to obtain critical military information. Worst of all, this bill sends the wrong message to Milosevic at a critical time that the U.S. is not

serious about pursuing a peaceful settlement which includes the repatriation of Kosovar refugees.

Finally, we should adopt the same resolution adopted by the Senate to endorse the U.S. participation in the NATO air operation. Regardless of the outcome of the Goodling resolution, we should unequivocally state our support for NATO. To do otherwise at this point would greatly weaken the NATO alliance, serving only to threaten the lives of the men and women pursuing our military objectives, and weakening the international standing of the United States.

Mr. LIPINSKI. Mr. Speaker, I want to first express how proud and honored I am of our brave men and women in the armed services. I salute them and offer them my unequivocal support for the wonderful job they are doing.

Mr. Speaker, I was opposed to this operation from the beginning. Putting American troops in the middle of an ethnically charged civil war carrying 6 hundred years of cultural baggage is pure folly. Neither the Albanians nor the Serbs are interested in any sort of serious compromise. As I said 2 months ago and I say today, I do not believe that we should risk the lives of our American men and women in an ethnic conflict thousands of miles away where there are no American interests at stake.

This is an issue that should have been handled by the European nations, but it wasn't. We should not send American men and women thousands of miles from home to do what European men and women should be doing for themselves.

But now that we are embroiled in this foreign policy failure, now is not the time to disengage because to do so would be a blow to U.S. prestige and a license for Milosevic to continue his heinous actions.

With this in mind, today we will debate and vote on four separate bills dealing with Kosovo, and I would like to take this opportunity to outline my thoughts on each of them.

First, I support H.R. 1569. The bill would prohibit the Department of Defense from using appropriated funds for the deployment of ground elements of American troops in Yugoslavia unless authorized by Congress.

Our nation's first President, George Washington, said over 200 years ago: ''The Constitution vests the power of declaring war in Congress; therefore no expedition of importance can be undertaken until after they have been deliberated upon the subject, and authorized such a measure.''

George Washington's statement is as true today as it was 200 years ago. As duly elected Members of Congress and as representatives of the American people, it is our duty, and yes, it is our responsibility to exercise our constitutional right to authorize military deployments of this nature. As Stuart Taylor Jr. of the National Journal writes: ''Compliance with the Constitution should not be optional.'' Congress should not relax our role as an equal partner with the Administration in this decision-making process.

We must not allow ''compliance with the Constitution'' to devolve into an option. We must assert our constitutional prerogatives, which is why I support H.R. 1569.

Second, I oppose H. Con. Res. 82 and H.J. Res. 44, H. Con. Res. 82 would direct the President to remove American troops from their positions and cease military operations against Yugoslavia within 30 days of passage, and H.J. Res. 44 would declare war on Yugoslavia. While I certainly respect the gentleman from California's (Mr. CAMPBELL) keen intellect, I do not agree with the goals of either of his bills. H. Con. Res. 82 would send a harmful message to our American troops already there. It would undermine their efforts and our support for American men and women in the armed services. H.J. Res. 44 would just go too far.

The final bill to be considered on this floor today will be S. Con. Res. 21. This resolution would authorize the President to continue to conduct military air operations and missile strikes in cooperation with NATO against Yugoslavia. I oppose this resolution, but this does not mean that I want to stop the bombings.

Specifically, I do not support the current policy behind the bombings. The five week long bombing campaign against Yugoslavia has been an abject failure. NATO's Supreme Allied Commander, General Wesley Clark, admitted as much at a news briefing yesterday. The bombs have so far failed to stop the ethnic cleansing, failed to stop the buildup of Serb troops, and failed to break Slobodan Milosevic's resolve.

I would support the bombing if it were effective. I would support it if military professionals could carry out their mission unfettered by political persons with little or no military experience. There is no place for armchair generals here, only military professionals.

Perhaps it was doomed to fail from the start. There were questions that should have been answered for a military campaign of this nature such as what are the rules of engagement? How will we handle the massive exodus of Albanian refugees? What is the exit strategy? What are the goals? What will we do if air strikes prove to be ineffective?

Perhaps a political determination was made over the objections of the Pentagon—a decision to gamble and hope that Milosevic would cave in after a few days of air strikes. Unfortunately, the gamble failed, and no contingencies were planned. And now, the Administration's reactionary foreign policy has resulted in another situation.

Mr. Speaker, I am certain we will continue to debate this matter in the months to come, and so I conclude my statement with one final thought for my colleagues and for the Administration. It is fatal to enter any war without the will to win. We must recognize the fact that it's not tidy, and it's not clean, but if we're going to fight, we must fight to win.

Mrs. CAPPS. Mr. Speaker, I want to say first that I stand in wholehearted support of the brave men and women who are currently risking their lives in this mission. I pray for their safe return. We should all be very proud of their dedication to their country.

The ongoing situation in Kosovo represents a grave humanitarian crisis. The government of Slobodan Milosevic has been engaging in the systematic slaughter and oppression of the ethnic Albanians in Kosovo. I have no quarrel with the Serbian people. The blame for the killing and persecution lies with Milosevic and he must be stopped. The United States cannot stand by as innocent men, women, and children are driven from their homes and villages, while countless others are brutally slaughtered. The history of 20th century Europe presents us with a moral imperative, and we have no choice but to act, and act now.

This conflict is occurring in a politically volatile region in an area of crucial importance to this country. This conflict could spread rapidly in the Balkans, affecting our NATO allies, and that has serious national security implications for America. If this conflict erupts into a major European war, U.S. involvement will be massive and much costlier than our participation in the NATO effort now underway.

Today, I plan to vote against two Resolutions being offered by my colleague, Congressman TOM CAMPBELL. While I have great respect for his views, I don't feel that these Resolutions encompass our best policy options in Kosovo.

H. Con. Res. 82 calls for the complete withdrawal of U.S. troops from current operations in Yugoslavia. The approval of this resolution would send a devastating message about America's commitment to NATO and to stopping the mindless slaughter of innocent civilians. It would allow Slobodan Milosevic to continue his policy of ethnic cleansing with impunity. In addition, any unilateral statement by Congress against the U.S. commitment to NATO would be especially ill-timed in light of NATO's reaffirmed commitment this past weekend to resolving the situation in Kosovo. Finally, I fear that this resolution would undermine the morale of our brave troops in the field.

H.J. Res. 44 calls on the U.S. Government to issue a formal declaration of war against Yugoslavia. We have not declared war since World War II, and such a declaration is out of proportion to the current situation. The U.S. and NATO are seeking to stop the slaughter of innocent people and to stabilize the region for the long term, not the conquest of Yugoslavia. In addition, a unilateral declaration by the U.S. would shatter the delicate coalition of 19 NATO nations who have worked closely together to try to stop the violence that Milosevic and his forces are committing. Yesterday, this resolution was unanimously defeated in the International Relations Committee.

I also plan to vote against H.R. 1569, a bill that would cut off funding for operations in Kosovo if the President deploys ''ground elements'' without authorization. I have repeatedly voiced my hope that a ground invasion will never be necessary, but there are a myriad of circumstances that could necessitate the use of some ground forces. I do not believe Congress should tie the hands of the military commanders and risk putting our troops in any unnecessary risk.

Mr. Speaker, I will vote in favor of the resolution offered by Mr. GEJDENSON in support of continuing air strikes against Yugoslavia. This resolution is identical to the bipartisan measure which has already passed the Senate. I do this with reluctance and a heavy heart because I firmly believe that military action should always be our last resort. However, Milosevic's brutal actions and blatant refusal to negotiate have left no other options. I sincerely hope that NATO's air campaign will bring about a successful conclusion to this

conflict, avoiding bloodshed of innocents on all sides of this conflict, and so we can get our troops out of harm's ways as quickly as possible.

I support this Gejdenson resolution, first and foremost, because I am convinced that it represents the right policy. I also support it because Congress has a unique responsibility—both constitutionally and morally—to speak out on matters of military conflict. Whether one supports or opposes our mission in Kosovo, it would be unconscionable for Congress to be silent on this issue. Doing so would effectively disenfranchise the millions of Americans who want to voice their views on this topic through their elected representatives.

Finally, Mr. Speaker, I want to express my heartfelt thanks and gratitude to the American people for their generosity to the refugees of Kosovo. Once again, they have responded to a humanitarian crisis with compassion and generosity, donating food, clothes, and money and countless hours of their time. This past weekend I visited Direct Relief International in my district and met with representatives from DRI, Missions Without Borders, and New Horizons Outreach. They showed me the tons of supplies they have gathered and are sending to the refugees. We all owe groups like this, and the thousands of volunteers and donors across this great land who support them, our debt of gratitude.

Mr. NUSSLE. Mr. Speaker, I wish to share my thoughts about the current situation in the Federal Republic of Yugoslavia, and more specifically, my deep concern about the role of the United States military in the ongoing conflict.

There are no easy answers to the questions posed by the country's civil war and the reprehensible actions of Slobodan Milosovic. Thousands of Kosovars have been killed and driven out of their homes and out of their homeland. We see their suffering every night on the evening news. And we keep asking, ''What can we do?''

Without second guessing the decisions of the President and his national security team, I think it is important that we look at the status of this military action realistically. After more than a month of NATO bombing of Yugoslavia, the suffering of the Kosovars has not been eased. More refugees are being forced out of Kosovo every day, destabilizing other countries in the region. We are now learning that NATO bombing is killing innocent civilians.

The Constitution requires that Congress act on matters of war. Accordingly, Congress has two options to address the current situation—one, declare war; or two, withdraw our troops.

Declaring war on Yugoslavia is not an option. Yugoslavia has not attacked the United States, and the President has never made the case that it is in the vital interest of the U.S. to declare war.

Instead, today I voted to withdraw U.S. troops from Yugoslavia because we are not at war, and yet there is no mistake that the President is indeed waging war with our troops. In fact, ninety percent of the NATO missions are flown by U.S. pilots. Until the President explains to Americans why this military action is necessary, why we are bombing a sovereign nation, and how success is determined in this mission, I do not believe U.S. troops should be participating in this military action.

This current situation in Kosovo highlights an even larger and looming problem with our national defense policy. I am concerned that the President has stretched our national defense to the breaking point. We have too many deployments by too few troops who are under-trained and ill-equipped to put out fires in every corner of the world. Since 1991, U.S. troops have been deployed 33 times—compare that to only 10 deployments during the 40 years of the Cold War.

Mr. Speaker, the United States needs a consistent foreign policy and understanding of our role in the world. That need is more evident today than every before. I am pleased that the U.S. Congress today is fulfilling its role in helping determine that policy, and would hope that the President would do the same.

Mr. CALVERT. Mr. Speaker, I rise today to participate in this historic debate on the tragic situation in the Balkan region. We find ourselves in a disturbing conflict, and I believe the public is concerned about our long term strategy.

The President and the Secretary of Defense have recently begun a call to duty of more than 33,000 reservists and National Guardsmen. Each one of us here represents men and women that could be called to fight in the Balkans. I am confident that these men and women will represent our country well. This conflict in the Balkans has been generally viewed by my constituents as a mostly international issue taking place in areas that are unknown and unfamiliar to many of us. However, the recent call up of reservists and National Guardsmen has hit my district square in the heart, since it could involve the potential deployment of the National Guard and Air Force Reserve components stationed at March Air Reserve Base.

I am very proud of the efforts by our military personnel. Although this is the longest and largest such campaign in which no American lives have been lost, chances are this may not continue. The credit for this extraordinary accomplishment should be placed on the shoulders of our American and allied troops. These brave men and women deserve our praise. Let me take this opportunity to extend enormous gratitude from myself and everyone living within the 43rd District of California for the job and effort of our troops.

As proud as I am of our troops, I am concerned that the President has not done enough to involve Congress in the decision-making process throughout the Balkans crisis. Still today, Congress has not been advised on the exit strategy once hostilities have ceased. Yet, at the same time, this President is asking Congress for additional funds for this campaign. Mr. Speaker, I hope the President will begin to involve Congress.

I have every confidence that our men and women will do their jobs. I do not have confidence that they will have the material support that they deserve over the long haul. That is why we desperately need to pass a large defense supplemental bill to make up for previous years of inadequate defense requests from this administration.

I have voted today to reserve the decision to start any ground war to Congress, where it belongs. I have also voted against the extremes of media withdrawal and declaring war. Authorizing the air war merely recognizes reality—a reality which Congress must monitor daily so that the will and interests of the American people are reflected in our foreign policy.

Ms. BALDWIN. Mr. Speaker, since the beginning of this crisis, my central concern has been the human rights situation in Kosovo. I believe that we cannot simply look the other way during this disaster. I believe that our policy must be directed toward saving as many Kosovars as possible from death, rape, torture or other atrocities. To that end, on March 24, I issued a statement supporting NATO's targeted air strikes against military targets. I supported targeted air strikes in order to diminish President Slobodan Milosevic's ability to wage war on more than a million of his own citizens. I believed it to be the best of many bad options available to NATO after rejection of the peace plan by Milosevic and more than a year of failed diplomatic efforts.

Since the air strikes began, we have seen the focus of our bombing shift from strictly military infrastructure targets to include the civilian infrastructure. My support for the air strikes waned when this shift began occurring, because our military actions were no longer connected to my central goal of addressing the human rights crisis. In fact, I believe that bombing the Yugoslavian civilian infrastructure will worsen rather than improve the humanitarian situation.

I believe that Congress and the President must share in the responsibility of deciding whether or not to introduce U.S. troops into hostilities. The War Powers Resolution is unambiguous on that issue. The U.S. House of Representatives has not yet taken such a vote. I believe that we should.

Votes on war and peace are the most serious votes that a member of Congress ever has to cast. In the end, votes of this magnitude must be guided by conscience, not politics or party loyalty. For that reason I am today casting votes in favor of H.R. 1569, prohibiting the use of funds to deploy ground troops without Congressional authorization; in favor of H. Con. Res. 82, invoking the war powers resolution and withdrawing our troops in the absence of Congressional authorization for their continuing presence; against H.J. Res. 44, declaring war on Yugoslavia; and against S. Con. Res. 21, authorizing continued military air operations against Yugoslavia.

What most concerns me about today's votes is that we are not addressing our most important goals. I would like to be voting on a resolution devoting as much time, energy, money and human resources to assisting the refugees as we are to prosecuting this military action. While we fight allegedly on their behalf, refugees remain in unsafe and squalid conditions. There is much more we could be doing to assist those whose lives we are fighting for. I would also like to be voting on a resolution that says unequivocally to our troops—especially those who are being held prisoner—I support and honor you in your work, regardless of whether my vote is in the majority or minority today.

In the final analysis, our mission must be a moral one to relieve the suffering of hundreds

of thousands of displaced families and to seek lasting peace in the region.

Mr. GALLEGLY. Mr. Speaker, I rise to express my deep concerns for the current situation in Kosovo and the military policies being pursued by the Clinton Administration.

Let met say at the outset that I fully support our military men and women. They are the finest in the world. Further, in no way do I wish to send a message to Yugoslav President Slobodan Milosevic that I consider him to be anything other than a barbarian and a thug. His policies in Kosovo of ''ethnic cleansing'' and mass deportation of the Albanian majority are nothing short of deplorable which serve to reinforce his pathologic quest for ultimate power and authority. There can be no doubt that as Secretary of Defense Cohen has stated, ''Mr. Milosevic and his minions are engaging in rape, pillage, and murder on a scale that we have not seen since the end of World War II'' * * * ''Milosevic is an ex-communist thug who has been appallingly brutal to the Kosovo Albanians.''

Kosovo is much more than a civil war. It is in effect an extension of what we have already experienced in Slovenia, Bosnia and Croatia. Serb forces, including elements of the Yugoslav Army, Serb special police and paramilitary units have attacked towns and villages throughout Kosovo in a clear pattern similar to what we saw in Bosnia. The world has a right to be outraged and to demand that Mr. Milosevic end his brutal campaign of hatred and expulsion.

Like many, I do believe that the nations of Europe had the right to decide that the situation in Kosovo was no longer tolerable and had to be stopped before a broader war in the Balkans ensued. NATO's reason for taking action in Kosovo is honorable. Ethnic cleansing must be condemned. Clearly, the United States does have a national interest in a peaceful resolution of this conflict. Peace and stability in southern Europe is important. If the current situation persists, Montenegro could be next and perhaps Bosnia could flare up again. The current situation also places our friends and allies in Greece and Turkey in a tenuous situation which could rekindle old animosities. But does the United States have such a strategic national interest in the Balkans that we should commit U.S. military forces to the region? I do not believe so. Is it in the best interest of the European nations of NATO to act to resolve this conflict? Yet it is. And, as a member of NATO, should the U.S. participate in some way? Yes, we could. But do we need to be in the forefront of the military operation, providing the bulk of the airstrike forces and potentially the ground forces? I do not believe so. If the European nations of NATO wish to intervene militarily, I believe the U.S., as a NATO ally, can assist with communications, intelligence, logistics, and medical support. And if that is not enough for the NATO alliance to act in a case such as this to enforce their own responsibilities to preserve stability in Europe, then I question the real resolve of the alliance and wonder what kind of an alliance we have if it cannot function without the U.S. in the lead.

That is why I voted today to remove our air forces from the operations over Yugoslavia and will oppose the commitment of United States ground combat forces to Kosovo should the President decide to do so. Last March, I voted against authorizing American ground forces to be used as a peacekeeping force in Kosovo. I did so because NATO didn't have a clearly defined mission or strategy to win the conflict. We also didn't have an exit strategy. I said then that I hoped I would be proven wrong. That hasn't been the case.

When feasible, the United States and NATO should take well thought-out steps to stop aggression or in this case the brutal extermination or deportation of an ethnic population. Our actions, if we are to take them, must be swift and taken with overwhelming force. But we have done the opposite in Yugoslavia. If we are to be intellectually honest, we have to admit that an air war cannot stop ethnic cleansing in Kosovo. Air wars alone have never succeeded. If we are to be intellectually honest, we have to admit that the air war is in all likelihood a prelude to a ground war. If we are to be intellectually honest, we have to admit that incrementally increasing our war effort is a losing strategy. Even General Clark, the NATO supreme commander has stated that ''air power alone will not be sufficient to stop the ethnic cleansing''.

Instead of stopping the ethnic cleansing in Kosovo, our strategy seemingly has hastened it. The administration was caught off guard by that. Milosevic has achieved most of his objectives. He has extended his control over Kosovo, and he has successfully expelled a large portion of the ethnic Albanian population. Now he is suggesting to Russian negotiators that he is ready to talk peace. Perhaps this option should be seriously reconsidered, instead of being summarily dismissed, as the Administration has done.

If we resort now to a ground war, we risk far more casualties and an open-ended commitment to Kosovo that could quickly become a long-time quagmire. When we put our troops in Bosnia, the President promised they would be home in a few months. That was four years ago, and 3,000 troops are still there. He's not saying how long our troops would be in Kosovo. And because our mission and exit strategy remain unclear to me, I fear that we would have to send an invasion force into Kosovo at least as large as the one we used in the Persian Gulf and that those forces would be required to remain in Kosovo for a very long time.

Furthermore, we are also asking our military men and women to do a job without supplying them with the necessary tools. Today, there are 265,000 American troops in 135 countries—including 50,000 in Korea and several thousand more in the Persian Gulf. At the same time, since the end of the Gulf War, our military has shrunk by 40 percent. Since 1990, the Air Force has shrunk from 36 active and reserve fighter wings to 20. The Navy is sending warships to sea hundreds of sailors short of a full crew. The Marines and Army are running out of ammunition. If we needed to, we would be hard-pressed to respond elsewhere in the world. Already, we have had to divert planes from their patrol over Iraq to fly Kosovo missions.

As we commit American troops to more hotspots around the world, coupled with the defense cutbacks this Administration has made over this decade, it means our tissue-thin military resources have become even thinner.

My prayers go to the outstanding men and women in U.S. uniforms involved in this confrontation and those facing danger throughout the world. I have the greatest confidence in their commitment, to their honor and in their willingness to fight for freedom. Had we given them the tools, the strategy, and the commitment to win, I know they would prevail in Kosovo. But we haven't. So they should no longer be engaged and certainly should not be committed to a ground war.

Mr. PACKARD. Mr. Speaker, I rise today to voice my strong opposition to American participation in Operation Allied Force.

This Administration's policy in the Balkans has been completely misguided from the outset. While I feel great sympathy for the innocent people on both sides of this conflict, I firmly believe that American military intervention is not the answer. The divisions that plague Yugoslavia are centuries-old grievances that no external force may ever be able to control.

Mr. Speaker, too many questions remain unanswered regarding our participation in this mission. The Administration's effort to counter Serbian aggression lacks a coherent design, a fixed timetable for engagement, a well-defined exit strategy, and a clear final objective. Administration officials continue to argue that American military intervention is absolutely necessary to end Slobodan Milosevic's brutal ethnic cleansing campaign. But if the purpose in striking Yugoslavia was to end humanitarian abuses, then NATO has surely failed. All indications are that Milosevic has actually accelerated his ethnic cleansing program since air strikes began, and NATO's own military commander today acknowledged that Operation Allied Force has failed to reduce the size of the Serbian force in Kosovo or its operations against Albanians.

Mr. Speaker, this President is now preparing to fully engage our Armed Forces in a conflict that pre-dates Columbus' first trip to the Americas. Despite his continued claims that he has no intention of deploying American ground troops to this bloody conflict, every move this President now makes points to this ever-growing possibility. Just yesterday, the President ordered over 33,000 U.S. reserves back into active duty, the biggest call-up since the Persian Gulf War. In addition, the President has put into effect an order that prevents Air Force pilots and other critical personnel from retiring or leaving the Air Force before the Kosovo air war ends.

Mr. Speaker, I cannot in good conscience support risking American lives to fight a war that seems to have more to do with ensuring this president's legacy than protecting our national security interests abroad.

Mr. BONILLA. Mr. Speaker, today we debate two concepts—responsibility and planning. Understanding our responsibilities and how we plan to carry them out is the key to determining what America's interest in Kosovo is.

Our responsibility as Americans are limited and crystal clear. We must oppose any threat to our national security. Our interests in the

Balkans are limited. We have no direct national interest in the region's politics. Our interests are solely limited to preventing any other outside power from increasing its threat to America by dominating the region. Preventing any conflict in that region from emboldening tyrants elsewhere or becoming a threat to our ties with key allies. Unfortunately, our current policy threatens to do just that.

When we commit American power we have a responsibility to plan. We must have a plan of action that will lead to the achievement of objectives that is consistent with U.S. interests. There must be linkage between our political objectives and military plans if we are to succeed in achieving our goals.

Unfortunately, our mission in Kosovo falls short in both respects. The Balkans are not an area of vital national interest. We have no security interest that remotely justifies the massive commitment of military resources and U.S. credibility that the administration has made. It is both dangerous and irresponsible to place our forces and credibility at risk.

It was very clear to me during any recent visit to the region that there is a clear disconnect between our political objectives and our military actions. A human tragedy is unfolding in the region. Having personally visited the refugee camps I understand the devastation faced by the Albanian people. I also know that our first humanitarian responsibility is to do no additional harm. The administration's actions have fueled this too. To this day it remains unclear what the administration's long term political objectives for the region are. We cannot succeed without objectives.

My colleagues, I fear that our policy du jour places American lives, strategic alliances and credibility at risk. The lack of policy direction makes success unachievable and threatens to only compound the current humanitarian crisis. This is a political problem which requires a political, not military, solution. Let's escalate our diplomatic efforts to seek a solution to this humanitarian crisis. We still have diplomatic cards to play. Let's not compound the errors of our current policy by military escalation. Let's focus our efforts on achieving a diplomatic triumph.

Going to war is the most profound question we will ever vote on as representatives. We must never risk American lives except to protect our vital national interests.

My colleagues, I ask each and every one of you to look at the facts. The president has failed to outline a plan with achievable objectives. Escalation only promises more political failure despite military successes. Let's stop this ruinous spiral and seek a diplomatic solution. Please join me in voting against the Administration's war policy.

Mr. KOLBE. Mr. Speaker, these four important votes concerning NATO Operation Allied Force in Kosovo cause me tremendous difficulty. We hold this debate today because the mission, the means and the mentality behind this operation are unclear. There are no good options before us, only some less bad than others.

People speak of winning, people speak of losing. People speak of sins of omission and sins of commission. But, we have no agreed definitions for those terms so we stutter and speak similar words with disparate meanings. Look at the history of the Balkans and you can understand one thing—no one's hands are clean and everything is colored in shades of gray. We must look to the President of the United States to lead and give us common definitions and meaning for our involvement, to define the political objectives we seek to achieve, and to determine how we can best achieve them.

On March 11, over a month ago, we debated our interests in Kosovo. At that time I had not heard from the President an unambiguous statement of our interests and goals in Kosovo. Today, we cover some of the same ground and yet still do not have an articulation of the central strategic national interest involved. That suggests at best an unfortunate lack of communication, consultation and evolution, at worst, a complete muddle on the part of the administration.

Given this environment, it is proper that we pass legislation that puts a check on escalation to ground forces.

As one who seeks to maintain our leadership in international trade issues, I understand the arguments of maintaining international stability, NATO credibility, of assisting in the humanitarian relief, and on standing firm against the kind of atrocities that have been taking place in Kosovo. For those reasons I am willing to give the President and NATO leaders the benefit of the doubt on their air campaign strategy. In any event, it is the reality of where we are today, the level at which we are now engaged. That is why I support S. Con. Res. 21 which authorizes the President to conduct military air operations and missile strikes against Yugoslavia.

Following those same arguments, I also stand opposed to the immediate removal of our military forces under section 5(c) of the War Powers Resolution as H. Con. Res. 82 would have us do. But, those arguments do not convince me that the situation warrants the United States of America declaring war on the Federal Republic of Serbia; so, I oppose H.J. Res. 44. I trust the President shares this letter view since he himself has not asked Congress for a declaration of war.

Let me also mention that none of the above in any way diminishes the importance of passing an emergency appropriation bill to pay for the cost of what has already been done. The number of missiles and munitions already expended in Operation Allied Force is extraordinary. This action in addition to Desert Fox, Afghanistan and other operations has exceeded all forecasts and expectations. Therefore, we need to replenish the stocks and give the military the resources they need to maintain their equipment through this campaign. But none of us should be under any illusion; if this air war continues, this will not be the last supplemental appropriation bill we will see on this floor.

Mr. RODRIGUEZ. Mr. Speaker, sixty years ago Nazi Germany prepared for the invasion of Poland that thrust the world into darkness, despair and death. We put our heads in the sand. It wasn't our problem.

It became our problem, and before it was over more than 50 million people lost their lives. At the heart of Hitler's madness was the conscious decision to kill every Jew in Europe. He almost succeeded.

Sixty years ago we did not have NATO and the United States was not the pre-eminent world leader. But once again we have a European leader whose rise to power is premised on the forced dislocation, rape, torture, and murder of an internal ethnic and religious minority. This time it is the ethnic Albanians, who are for the most part Muslim.

How should we respond to this challenge? We could hide in the sand. Or we could take action in the name of humanity. That is what we have done. We have acted properly by using our military to end the atrocities. We must now complete the job. We must fight to win. Ending our participation would be a horrible disaster—for the United States, for Europe, and for the ethnic Albanians we seek to help. It is not in our character to duck and run. Rather, we should take a stand for democracy, for hope, and for a secure Europe.

We have spent considerable effort trying to reach a peaceful settlement. The ethnic Albanians accepted a compromise. The Serbs rejected it. This is not a new problem and this bombing campaign is not a knee jerk response. President Bush, as he was leaving office, threatened military action against the Milosovic regime, and President Clinton and other world leaders have repeated that threat numerous times.

Sometimes you need to back up a threat with action. And that is precisely what President Clinton has done. He has not acted alone, but with the unanimous consent and widespread participation of our NATO allies. I am proud that we have taken a stand against inhumanity and for basic human rights. We waited to take action in Bosnia, at the cost of many lives, and once we did, we were able to end the daily horrors. As President Clinton observed, if a united force had moved to stop Hitler early, we might have spared the world its darkest hour.

Our military must remain fully ready to respond to traditional threats to our national security. But we must not be afraid or unwilling to take action to stop or prevent genocide where we can make a difference. We cannot solve every world problem, but we also cannot therefore refuse ever to act. A European genocide, as we should have learned, can destabilize the entire world.

Mrs. MINK of Hawaii. Mr. Speaker, I believe that this House needs to search clearly for a rational, sustainable policy regarding Yugoslavia. In this process, we need to hear all the voices instead of only those with which we agree. I am inserting an article by Vesna Perio-Zimonjic that provides a valuable insight on the long-term potential ecological damage our bombs could cause:

AFTER BOMBS, ECOLOGICAL DISASTER AND HUNGER

(By Vesna Perio-Zimonjic)

[From IPS Terraviva, Apr. 22, 1999]

BELGRADE.—Apart from the razing of Yugoslav industrial sites and infrastructure, NATO air attacks are causing an ecological disaster that could endanger the Balkans as a whole, Serbian officials and ecological experts warned. Important rivers, lakes and agricultural land are now contaminated with chemicals and depleted uranium, while the country's fertiliser plants have been destroyed at the height of the seeding season. The result, experts say, might be widespread

hunger. According to NATO spokesmen, however, the destruction of refineries and chemical industries is just aimed at crippling Belgrade's ability to wage war against ethnic Albanians in the Serbian province of Kosovo, some 374 km from the capital. For days on last week, huge black clouds were hanging over the Yugoslav capital, coming from the industrial town of Pancevo, 20 km to the northeast, where a huge oil refinery, petrochemical complex and fertiliser factory had been hit by NATO planes. For two days, residents of both Pancevo and Belgrade were counselled to use watered handkerchiefs or towels over their faces in case they had burning eyes or sore throat when they came out in the street. Luckily, people thought, the wind quickly swept the clouds and the rain washed residues away. But Yugoslav Development, Science and Environment Minister Jagos Zelenovic told journalists that the damage coming from Pancevo's industrial complex was far from over, causing a cross-border environmental hazard. ''The spreading of harmful, dangerous, inflammable and explosive materials used in this complex has polluted the atmosphere, ground water, rivers, lakes and water supply of the wider region,'' Zelenovic said. ''The effects of this pollution not only go across borders, but these are long-term substances and carcinogens,'' he said.

Local civil defence authorities in Pancevo evacuated two residential districts after April 18—the fiercest NATO attack so far—that led to the release of chlorine, hydrochloric acid and even phosgene in the atmosphere, when petrochemical facilities and a fertiliser factory were destroyed. Residents of two small neighbourhoods close to the complexes had to be taken by buses to nearby schools and a sports centre, where they remain until now. Dragoljub Bjelovic, of the Serbian Ministry of Ecology, told journalists that ''ecological catastrophe'' could hit the entire Balkan Region. ''The whole region is in danger, specially after the fertiliser factory was hit, as highly toxic substances went into the air but also, with rain, into the ground,'' he said. ''All rivers and underwater streams in this part of Serbia and the Balkan region are connected, so the toxins can spread into quite a big zone,'' he added. According to Bjelovic, a 20 km-long oil spill from the Pancevo refinery is travelling down the Danube river, towards the two huge Djerdap dams and hydro-electric plants on the Yugoslav-Rumanian border. Both dams were built decades ago by Yugoslavia and Rumania, as the Danube marks the border between the two countries in that zone. From Rumania on, the Danube goes through Bulgaria and into the Black Sea. ''Everything that goes into Danube now, will saturate the Black Sea in a short while,'' Bjelovic said. Miralem Dzindo, general manager of the 'Azotara' fertiliser plant in Pancevo, told journalists that besides the threat of bombs and ecological disaster, there is an additional hazard Serbs have to worry about. ''There is no way to produce necessary fertilisers now, as all facilities were burned to ground on April 18,'' he said. ''The seeding of land is in full swing at this time of year and we won't be able to deliver the necessary substances for our fields . . . The rockets that hit the plant also hit the land and we might face hunger as a result.''

Evacuation of residents is also being considered by civil defence authorities in the town of Ohrenovac, 20 km southwest from Belgrade, where a huge chemical complex is located in the neighbourhood of Baric. It is no secret that the Baric complex produces hydrochloric acid for civilian use and even the dangerous and extremely toxic hydrofluoric acid, used as a component for different household detergents. Baric is situated on the Sava river, which meets the Danube in Belgrade. ''If we let all these chemicals into the river—to prevent them from evaporating into the atmosphere in case Baric was hit by NATO—that would be a real catastrophe,'' a plant official told IPS. ''Under normal circumstances, it would take three months to properly shut down the factors, with all necessary precautionary measures. If we're hit now, God knows what could happen,'' he added. The threat is not a mere speculation: a small office building at the Baric complex was already hit twice in NATO air raids last Sunday. Reports about NATO using depleted uranium (DU) weapons have also been printed by the Serbian press, based on a document issued by the New York-based International Action Centre (IAC)—founded by former U.S. Attorney General Ramsey Clark—said that US A–10 ''Warthog'' jets, introduced recently into NATO attacks, carry anti-tank weapons ''that could present a danger to the people and environment of the entire Balkans.'' According to IAC, ''the A–10s were the anti-tank weapon of choice in the 1991 war against Iraq. It carries a GAU–8/A Avenger 30 millimetre seven-barrel cannon capable of firing 4,200 rounds per minute. During that war it fired 30 mm rounds reinforced with DU, a radioactive weapon.'' ''There is solid scientific evidence that the DU residue left in Iraq is responsible for a large increase in stillbirths, children born with defects, and childhood leukemia and other cancers in the area of southern Iraq near Basra, where most of these shells were fired,'' the group says. Many U.S. veterans groups also say that DU residues contributed to the condition called ''Gulf War Syndrome'' that has affected close to 100,000 service people in the U.S. and Britain with chronic sickness,'' IAC added. John Catalinotto, a spokesman for IAC's depleted Uranium Education Project, said the use of DU weapons in Yugoslavia ''adds a new dimension to the crime NATO is perpetrating against the Yugoslav people—including those in Kosovo.'' ''DU is used in alloy form in shells to make them penetrate better. As the shell hits the target, it burns and releases uranium oxide into the air. The poisonous and radioactive uranium is most dangerous when inhaled into the body, where it will release radiation during the entire life of the person who inhaled it,'' Catalinotto said.

Mr. CASTLE. Mr. Speaker, today the House considers legislation regarding U.S. policy toward the crisis in Yugoslavia. Under our Constitution, Congress has an important responsibility to be involved in the conduct of foreign policy, and this is no exception. Today, I will vote for H.R. 1569 and S. Con. Res. 21 and against H. Con. Res. 82 and H. Con. Res. 44.

There are four issues that the House of Representatives must decide today: whether the United States should declare war on Yugoslavia; whether the United States should withdraw its forces from the NATO led strikes; whether Congress must pass legislation to approve any ground troops that may be deployed by the President; and whether the President has the support of the Congress to continue to participate in the NATO led air campaign. These are not easy or simple decisions.

H. Con. Res. 82 would require the President to remove U.S. military forces currently participating in Operation Allied Force. The other proposal, H. Con. Res. 44, would declare a state of war between the United States and the Federal Republic of Yugoslavia. I intend to oppose both of these proposals.

Passage of either bill would have severe consequences for United States foreign policy. Withdrawing U.S. troops participating in Operation Allied Force would hand Yugoslav President Slobodan Milosevic a victory and a signal that he was free to continue the policies of ethnic cleansing and genocide. In addition, withdrawing troops would destroy hopes for a positive outcome of current air strikes against Serbia. Finally, the withdraw of U.S. troops may break apart the NATO alliance. Withdrawal of troops could cause Milosevic to question our resolve to achieve the objective of a multi-ethnic, democratic Kovoso in which all can live in peace and security.

Conversely, declaring war would have equally devastating consequences. The situation in Kosovo, though extremely serious, has not developed to the point that the United States as a sovereign country should declare war. Declaring war carries legal consequences that include the nationalization of factories for wartime production, as well as foreign policy consequences such as the military involvement from other countries such as Russia. The United States has only voted to declare war 11 times in its history, and none since World War II. The United States should continue its participation in the NATO led effort, but at this time, there is no compelling reason why we, as a sovereign nation, should independently declare war on Yugoslavia.

I do intend to support H.R. 1569, which would prohibit the use of funds appropriated to the Defense Department for deploying U.S. ground forces in Yugoslavia unless the deployment is authorized by law. This prohibition does not apply to ground missions that deal specifically with rescuing U.S. military personnel or personnel of another NATO country participating in the mission.

Normally, I do not advocate limiting the President's options in his conduct of U.S. foreign policy, and I do have some concerns about this legislation. For example, requiring Congressional approval of ground troops by law could be misinterpreted by both Milosevic and our Allies as a potential step back from the solidarity expressed at the NATO summit. In addition, there could be practical problems in carrying out the intent of this legislation because there are some U.S. ground troops already in the region as part of peacekeeping forces. However, the question of enaging U.S. ground troops in combat in Kosovo is so serious that Congress must take an active role in making that decision. Unfortunately, in initiating the air campaign, the Administration left the impression that it would be over in a matter of days and that Milosevic would immediately capitulate. Initiating the use of ground

troops is an even more serious decision and there must be full consultation with Congress if that decision has to be made.

While the potential use of ground forces cannot be completely ruled out, the best scenario would be that a NATO ground force—predominantly made up of European-NATO forces—would escort refuges back to Kosovo after the Yugoslav forces voluntarily withdraw or they are forced to withdraw as a result of the NATO air campaign. The ramifications of the use of ground forces must be fully studied and debated by Congress and conveyed to the American people. Regardless of what steps are necessary and what measures are passed by the House of Representatives today, I would urge the president to make sure he prepares the American people for any role he may ask of our military personnel.

Finally, I also intend to support S. Con. Res. 21 which authorizes the president to conduct military air operations and missile strikes against Yugoslavia. The United States must continue to work to insure that our NATO allies do their part and that our burden does not grow disproportionately. At the same time, we cannot escape the fact that we are the world's only real superpower and thus the only nation that has certain military, logistical and humanitarian capabilities. Each day brings more grim statistics regarding the treatment of ethnic Albanians in Kosovo. Since February of 1998, Milosevic has used force to kill more than 2,000 ethnic Albanians and has displaced at least 400,000. Since NATO's air campaign began, Milosevic has escalated his violence against ethnic Albanians and they have been killed and tortured and driven from their homes and families. The United States, as a member of NATO, has a responsibility to step in to try to stop the killing of innocent civilians.

In our Constitution, the Founding Fathers envisioned full consultation by the President with Congress whenever the U.S. would send troops into a conflict. It is never easy to ask American men and women to leave their family and friends to risk their lives to protect the peace of another country. When the President decides to send U.S. troops into harm's way, he should seek the full backing of Congress and the American public. I am pleased that we have been given this chance to debate the situation in Kosovo today.

Mr. SMITH of Texas. Mr. Speaker, in Kosovo, the United States is bearing most of the burden in a region of the world where there are no American security interests at stake.

Our pilots and planes account for at least 80 percent of the air strikes against Yugoslavia. And our taxpayers are picking up the bill for most of the costs of the war. Yet our NATO allies in Europe have almost twice as many men and women in uniform as we do.

The U.S. cannot always be the supercop patrolling the world. Our NATO allies should do more, and America less.

Unlike Iraq, which attacked other countries and where our national security was at risk because of Iraq's control of our oil supply, Kosovo has no similar claims to American intervention.

America may have a humanitarian responsibility to help bring stability to the region, but we have no obligation to carry the heaviest load. Our NATO allies have more reason to intervene and are capable of doing so. They should shoulder more of the burden.

After five weeks of bombing, we now know that our stated goals in Kosovo have turned to ashes. Our hostile actions against Yugoslavia, we were told by the Administration, would stop the exodus of refugees and bring the surrender of Yugoslavia within days. The Administration has failed in its mission. Our actions likely have made the situation worse.

A realistic solution is to seek a negotiated settlement that protects the rights of Kosovars to remain safely in their homeland. There is much we can do to encourage this without declaring war: provide logistical support to our allies, seize Yugoslavia's assets in foreign banks, and encourage Russia, Yugoslavia's historical ally, to medicate a peace agreement.

For Congress to declare war and give the President a blank check would continue America's level of involvement and even escalate it. In fact, the President announced yesterday he is calling up 32,000 reservists. That's not the direction we should be going.

Based upon numerous conversations with many constituents, I sense a growing unease with putting the lives of Americans at risk, especially when our objections are not being achieved.

Our allies should take responsibility for a greater share of the war effort and the U.S. should do more to bring about a negotiated settlement.

Mr. THORNBERRY. Mr. Speaker, it would be difficult, and probably inappropriate, for me to publicly express the despair I feel over our policy in the Balkans. With noble motives, we have waded into complex, ancient hatreds, and we have only aggravated the situation. In a place and situation where the United States has no vital national security interests, we have become deeply involved. We have staked the credibility of the United States and NATO on achieving an acceptable solution where none may exist.

I did not believe that the U.S. should participate in a peacekeeping force and voted accordingly on March 11. I did not support U.S. involvement in the air campaign which is now underway. It is very tempting to vote to require that our forces be withdrawn immediately from this conflict.

Yet, whatever differences we may have with past decisions, we are where we are. Where we are today is that we are left with no good options. That is particularly true with the provisions upon which we are forced to vote today.

I believe it would be better not to have these votes today. I do not want the outcome of a vote to be seen as authorizing an escalation in the conflict without clear objectives and the will to carry it through until those objectives are achieved. But neither do I want any vote to be seen as undercutting the efforts of the brave men and women conducting the current air offensive. Nor do I wish for any vote to give comfort to Mr. Milosevic.

Two of the votes today are on resolutions submitted pursuant to the War Powers Act. As I noted during debate related to Bosnia a year ago, I believe that the War Powers Act is unconstitutional.

Section 5(c) of the War Powers Act attempts to give Congress authority to force the President to remove U.S. forces by passing a concurrent resolution. The Supreme Court's 1983 Chada decision struck down a similar provision, and most scholars and observers believe that section 5(c) is also unconstitutional because it would require the President to remove troops by a concurrent resolution, which require the signature of the President.

I believe that the War Powers Act is unconstitutional on broader grounds as well, as I detailed in the debate last year. I will vote against both War Powers Resolutions because I believe that the Act is unconstitutional and because I do not believe it is prudent for Congress to declare war against Yugoslavia or to force the immediate withdrawal of all U.S. forces from an ongoing NATO military operation.

Congress certainly has the constitutional authority to restrict funding for a military operation. While I have real concern about any measure which takes a military option off of the table, I believe that the Administration should get Congressional approval before using ground troops in this conflict. Therefore, I will vote for the provision requiring prior authorization for use of ground forces, although I do so with some hesitation.

Mr. Speaker, I continue to harbor some hopes that a negotiated solution to this conflict can be found through the efforts of Russia and others. Certainly, we should carefully consider the consequences of any U.S. action upon a number of factors, including: U.S. credibility and the effectiveness of our deterrent now and into the future; the reaction of other significant powers, especially Russia; the best interests of the refugees and of the people still in Kosovo; long-term stability in the Balkan region; the effects on the NATO alliance; and the consequences for the military position of the United States around the world.

Today, the United States finds itself in a quagmire which may be only a taste of what's to come. I hope that an honorable solution can be achieved, but I am not sure that any of the measures we consider today will move us any closer to that goal. I also hope that our nation can come to a clear understanding and establish guidelines for the proper role of the United States and of NATO in a complex world and especially for the circumstances under which we are willing to risk the lives of the men and women who defend our nation and our freedoms.

Mr. CAMPBELL. Mr. Speaker, to close debate, I yield the remainder of my time to the gentleman from Southern California (Mr. ROHRABACHER).

The SPEAKER pro tempore. The gentleman from California (Mr. ROHRABACHER) is recognized for 1 minute.

Mr. ROHRABACHER. Mr. Speaker, what we have to understand in debating this is there is a false dichotomy that is being presented. And the American people can understand that. The option is not doing nothing or sending in our U.S. troops to do the fighting. That is not the option.

The American people need no longer bear the burden for maintaining stability throughout the world, especially in Europe's backyard. Our forces right

now are flying 9 out of 10 combat missions, and we Americans are paying two-thirds of the cost.

We have done our part in this conflict already. If the Balkans are so important, let the Europeans step forward and finish the job. Let them deploy their troops if they think it is so important.

This operation has been confused since its inception. The Kosovars were willing to fight for their own freedom, for their own stability, for the protection of their families. Helping them do this would have cost us a pittance compared to the tens of billions of dollars this will drain from our coffers.

There goes Social Security reform. There goes our surplus. No, America need not bear this burden itself. People are willing to fight for themselves. Other people can pick up the cost and meet the responsibilities.

We can be the arsenal of democracy, yes, and help others. But we cannot be the policemen of the world or it will break our banks and put us in jeopardy in other places in the world

The SPEAKER pro tempore. Under the rule, all time for general debate has expired.

## MILITARY OPERATIONS IN THE FEDERAL REPUBLIC OF YUGOSLAVIA LIMITATION ACT OF 1999

Mr. HUNTER. Mr. Speaker, pursuant to House Resolution 151, I call up the bill (H.R. 1569) to prohibit the use of funds appropriated to the Department of Defense from being used for the deployment of ground elements of the United States Armed Forces in the Federal Republic of Yugoslavia unless that deployment is specifically authorized by law, and ask for its immediate consideration.

The Clerk read the title of the bill.

The text of H.R. 1569 is as follows:

H.R. 1569

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Military Operations in the Federal Republic of Yugoslavia Limitation Act of 1999''.

**SEC. 2. PROHIBITION ON USE OF DEPARTMENT OF DEFENSE FUNDS FOR DEPLOYMENT OF UNITED STATES GROUND FORCES TO THE FEDERAL REPUBLIC OF YUGOSLAVIA WITHOUT SPECIFIC AUTHORIZATION BY LAW.**

(a) IN GENERAL.—None of the funds appropriated or otherwise available to the Department of Defense may be obligated or expended for the deployment of ground elements of the United States Armed Forces in the Federal Republic of Yugoslavia unless such deployment is specifically authorized by a law enacted after the enactment of this Act.

(b) RULE OF CONSTRUCTION.—The prohibition in subsection (a) shall not apply with respect to the initiation of missions specifically limited to rescuing United States military personnel or United States citizens in the Federal Republic of Yugoslavia or rescuing military personnel of another member nation of the North Atlantic Treaty Organization in the Federal Republic of Yugoslavia as a result of operations as a member of an air crew.

The SPEAKER pro tempore. Pursuant to section 2 of House Resolution 151, the gentleman from California (Mr. HUNTER) and the gentleman from Mississippi (Mr. TAYLOR) each will control 30 minutes.

The Chair recognizes the gentleman from California (Mr. HUNTER).

Mr. HUNTER. Mr. Speaker, I yield 2 minutes to the gentleman from San Diego, California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, this is a difficult time for most of us. And I heard my colleague a minute ago say we want to stop ethnic cleansing.

The Pentagon told the President, and I know every one of them by their first names and I have fought in combat with most of them, told the President not to do this, that it would only cause more problems. And that is what we have done.

There was only a little over 2,000 people killed in Kosovo prior to the bombing. NATO and the United States have killed more Albanians than the Serbs had in the year prior. We would not have a million refuges in the outlying countries. We have forced that.

The Pentagon told the President that Milosevic would increase the ethnic cleansing. And when my colleague says that no more will we stand up, Tudjman murdered 10,000 Serbs in 1995, 750,000 refugees, where was he then? There are other ways.

Maybe some of us who have fought in combat and have held our friends in our arms do not want to get in and see this again. Do not let us put ground troops into this thing. And there is a peaceful way to resolve this and we can do that. I went through it just a minute ago.

Russia: Seventy percent of the Russians support the overthrow of Yeltsin. Let them be part of the solution. Let them come in with their peacekeepers and divide this. Serbs will agree to this. The Orthodox Catholic Church agrees with this. The 200,000 Serbian Americans agree with this.

We can get Milosevic's troops out of there and restore some sanity into Kosovo without killing a bunch more and having another Vietnam.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank my friend from Mississippi for yielding me the time.

Mr. Speaker, I was one of those Democrats in 1991 that crossed party lines to support President Bush in the Persian Gulf War. In my estimation, President Bush was right then and President Clinton is right now. And I wish my friends on the other side of the aisle would give President Clinton the same flexibility that we wanted to give President Bush back in 1991.

This bill sends the wrong signal to Milosevic, the absolute wrong signal. I have met with Milosevic. I know what he is all about. I have seen him face to face. The man is a liar and a tyrant. And this will encourage him to hunker down. This will encourage him to hold out. This will encourage him to think that, somehow or the other, the Congress will step in and deny the President the right to win this war.

We hear from our friends on the other side of the aisle that the President, once he moves in, ought to be allowed to win, that our people should not be fighting these wars with their hands tied behind their backs. And I agree.

So why would we want to do this? Why would we want to make it difficult for the President to be the Commander in Chief? Why would we want to tie the hands of the President? Why would we want to hurt our men and women in the area? Because that is what this will do.

Instead of authorizing the way we did with President Bush, this is negative, this places negative restrictions. This is exactly the wrong signal that we should be sending.

I am co-chair of the Albanian Issues Caucus. I have dealt with Kosovo for years and years and years. We hope the bombing will work. But if it does not, in my estimation, all options should remain on the table, including the option of ground troops. If not, if those options do not remain on the table, we tell Milosevic just hunker down, wait us out and he will win, because we are announcing ahead of time what we will not do. This, in my estimation, aids and abets Milosevic. Ethnic cleansing should not be allowed. Ethnic cleansing and genocide should not be allowed on the Continent of Europe or anywhere in the world in 1999.

The previous speaker mentioned that the bombing somehow was responsible for the genocide. This ethnic cleansing was going on for the past 10 years by Milosevic and his people. Oh, it was slower. It was what I call slow ethnic cleansing. But make no mistake about it, my colleagues, it was going on and would continue to go on.

□ 1345

He has accelerated it now because I said on the floor of the House 3 years ago that Milosevic wanted to drive a million Albanians over the border and kill half a million Albanians. I am right about the million Albanians. I hope I am wrong about the half a million. But I think when we finally get into Kosovo, we are going to see mass graves and tens of thousands if not hundreds of thousands of people will have been ethnically cleansed.

I introduced a bill last week with the gentleman from South Carolina (Mr.

SANFORD) to arm and train the KLA. The KLA is the only counterbalance to the Serbs on the ground. In my estimation if we do not want American troops on the ground for years, we ought to be strengthening them and drop them antitank weaponry. The only solution in my estimation long-range for Kosovo will be independence, because it is clear that ethnic Albanians have no future in Serbia. This is ill-timed, it undermines the President, and it ought to be rejected.

Mr. HUNTER. Mr. Speaker, I yield 3 minutes to the very distinguished gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding me this time. I want to make sure that everybody understands what the legislation says and what the legislation does.

First of all, it basically very simply says that no DOD funds can be used to send ground forces into battle in Yugoslavia without the approval of the Congress. It does not interfere with our intelligence ability to support our air war, it does not interfere with our ability to rescue downed airmen of our forces or of NATO, it does not restrict ground forces all around Yugoslavia. It just basically says, ''You come to the Congress of the United States if you are going to use DOD funds to send ground forces into Yugoslavia.''

Why did I introduce that legislation? I introduced it primarily because I do not believe the President can conduct a war in Yugoslavia without the consent of Congress. Opposite of what Secretary Cohen and Secretary Albright said in their note, they said H.R. 1569 would unacceptably restrict the President's ability to carry out his responsibility as Commander in Chief. I do not believe he can carry that out with a ground war without the consent of Congress. That is exactly what this legislation says: ''You come to Congress.''

I think we have to be very, very careful when we talk about committing ground troops at this particular time. Where are the ground troops that we are going to commit? If you speak to a college group as I have the last 10 days to three different colleges, the first things I mention is the word ''draft.''

Why do I mention the word ''draft''? Where are we going to get the ground troops? We have 250,000 now spread all over the world. You have to have that draft. We make that decision, not the President of the United States.

So we have to become involved. If we do not become involved, then we are going to see something much worse than what we saw during Vietnam. Members are now getting, I am sure, all sorts of e-mails and letters from senior citizens. They are saying, ''You're taking my Social Security money.'' We are getting e-mails from college students because they are concerned about being drafted. We are getting e-mails from parents of teenagers who have this concern.

Congress just has to be involved. The President cannot carry on this responsibility without our involvement. So we take the time as Congress to make sure that, first of all, we have the troops, that they are well prepared, that they have the material, they have the armaments, they have the equipment, they have the machinery in order to protect them, a decision we have to make because we are going to be responsible for their safety.

I was very disappointed, apparently I did not know the gentleman as well as I thought I did, who spoke during the rule and made a statement that I did not know what was in my bill, that the leadership put it before me. The leadership did not even know I was introducing the legislation and I do not even know if they support the legislation.

What he asked me was, the last paragraph, and I made it clear to him that I introduced H.R. 1368. The last paragraph became part of H.R. 1569. So again, I call on everyone to make sure that we, the Congress of the United States, gets an opportunity to be involved if we are going to send troops on the ground into Yugoslavia.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I have heard on two or three occasions this morning that the operation in Kosovo will come at the expense of the Social Security trust fund. I find it ironic that many of the people who made that statement just a few weeks ago were advocates of massive tax cuts for hundreds of billions of dollars which they assured the American people would not come at the expense of the Social Security trust fund. Either it is or it is not. And we do have to set priorities.

I do agree with the gentleman from California (Mr. HUNTER) that equipping our troops, that we have as a Nation already sent into this combat, is a higher priority than anything else at the moment.

Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. KING).

Mr. KING. I thank the gentleman for yielding time.

Mr. Speaker, I rise in opposition to the Goodling amendment. I do so despite the fact that I have serious differences with the President on the conduct of this war, specifically the command authority as far as selecting targets and the fact that he took ground troops off the table before the engagement began. But I oppose this amendment because it flies in the face of traditional Republican philosophy.

Mr. Speaker, throughout our history, certainly for the last 50 years, the position of the Republican Party has been to support the constitutional right of the Commander in Chief to deploy ground troops. That is why the overwhelming majority of Republicans oppose the War Powers Act. That is why the overwhelming number of Republicans opposed attempts by the Democrats to require President Bush to seek prior approval before troops went into Saudi Arabia.

It is also important to note, Mr. Speaker, the original commitment in Kosovo was made by President Bush on Christmas of 1992, when he said he would unilaterally send in American troops if Milosevic in any way moved on Kosovo. It is also significant to note that the Republican candidate for President in 1996 supports the action in Kosovo, as did President Reagan's former Secretary of State and Secretary of Defense.

Mr. Speaker, the powers of the President as Commander in Chief transcend whoever the President is at the moment. I ask that this House vote down this amendment to preserve the constitutional powers of the President as long defined by the Republican Party.

Mr. HUNTER. Mr. Speaker, I yield 4 minutes to the very distinguished gentlewoman from Florida (Mrs. FOWLER).

Mrs. FOWLER. Mr. Speaker, H.R. 1569, which is not an amendment, this is a freestanding bill, would make it clear that this body has a vital role in determining whether U.S. military forces should be dispatched to participate in a ground war in Yugoslavia.

Last month the Congress authorized the President to send peacekeeping troops into Kosovo in the context of Rambouillet and a permissive environment. Now, since that time, Rambouillet has collapsed and we have engaged in hostilities, changing the context for any such deployment.

Today our Nation is fighting an air war against Yugoslavia and dictator Slobodan Milosevic. The President commenced U.S. participation in hostilities without any congressional authorization. Today our airmen are in harm's way as a result.

Now, while the President and his national security team have stated that they do not intend to deploy ground forces to Yugoslavia, there is a real possibility that this conflict will escalate to involve them. Administration officials have clearly indicated that contingency planning is proceeding. Heavy armor and several thousand ground troops have been deployed to countries that neighbor Yugoslavia, and could become the nucleus of an invasion force. Meanwhile, questions about the air campaign's efficacy have led several NATO allies to push for ground forces.

The situation in Kosovo is a tragedy. My heart truly aches for the people there, just as it does for so many who are victims of war and hatred around this world. But it simply is not within our power to solve all of the world's problems. We should not compound the

tragedy in Kosovo by deploying American ground troops there and subjecting them to virtually certain casualties.

Simply put, I do not believe that our national security interests in Kosovo rise to a level that warrants the commitment of U.S. ground troops.

Moreover, I am deeply concerned that this administration has not articulated an exit strategy for U.S. forces.

I would also note that U.S. ground operations would severely undermine our ability to meet the requirements of the national military strategy which calls for being able to fight and win two major regional wars, in Korea and the Persian Gulf, not in the Balkans. Yesterday the administration authorized the call-up of 33,000 reservists. The Joint Chiefs have apparently formally determined that the air war against Yugoslavia has increased the level of risk associated with meeting these requirements from high to very high. Ground operations there will further erode our ability to meet vital national security commitments.

Now, let me clarify that the intent of this bill is to preclude the deployment of a large-scale invasion ground force unless and until Congress authorizes it. This bill does not tie the President's hands. It simply requires him to come to the Congress first. It will not impair search and rescue missions, the use of Apache helicopters or, hypothetically, small numbers of personnel for intelligence or targeting functions. These are not invasion forces. Also, because our NATO allies have limited search and rescue capabilities, we allow U.S. forces to perform that mission.

Whether one believes that the air operation in Yugoslavia is in the Nation's best interests or not, it is only appropriate that this body exercise its prerogatives with regard to the expansion of this conflict to a full-blown ground war. I urge support for this bill.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. I thank the gentleman from Mississippi for yielding me this time.

Mr. Speaker, I rise in very strong opposition to H.R. 1569. I believe that this restriction, which is in essence a limitation on spending, is premature. I think the President has conducted this air campaign in a very vigorous, forthright way. I think all of us recognize the problem with ethnic cleansing and what the Serbian forces have been doing in Kosovo. I think to put this restriction, and the language, by the way, I think is very poorly drafted.

I urge my colleagues to look at the second section which talks only about limited rescue opportunities, only in Yugoslavia. What if we need to use ground forces somewhere else? I just think this is premature. I would hope that if the President makes a decision that we are going to have to use ground forces, that in fact Congress would vote on it at that time, but not at this time. This is premature.

And so I urge our colleagues to reject this and to support the Senate resolution that was passed with bipartisan support, carefully worked out, that basically expresses our support for the ongoing air campaign. I have had an opportunity to go over to the Pentagon to see how the air war is doing. It is becoming very effective. And so I think there is a lot of hand wringing here that is premature. I think we ought to give the air war additional time to work. I think we are weakening Mr. Milosevic. I think there is still a prospect that we may achieve our objective.

To have this Congress divided and not have a bipartisan effort here to find common ground I think is extremely disappointing. I think, to the majority, there was a bipartisan effort in the other body, I think there needs to be a bipartisan effort here to support our troops and to support the air war in Yugoslavia.

Mr. HUNTER. Mr. Speaker, I yield 3 minutes to the very distinguished gentleman from Texas (Mr. DELAY), the Republican whip.

□ 1400

Mr. DELAY. Mr. Speaker, I rise today to state that no defense funds should be used for ground forces in Kosovo unless authorized by Congress.

The Secretary of Defense last year, just last year, opposed sending troops to Kosovo, and the Joint Chiefs of Staff warned that our military strength has already been compromised.

Since all the whereas clauses have been struck from this resolution, I will add my own whereas clauses:

Whereas fighter planes are being cannibalized for parts to repair other aircraft,

Whereas we are running out of cruise missiles,

Whereas the Navy is undermanned by 18,000 sailors and the Air Force will be 1,300 pilots short within a year,

Whereas to pursue bombing campaigns in Iraq and Serbia, the administration has played musical chairs with aircraft carriers and left the Pacific without a single carrier to defend our allies and our forces there,

Whereas this is the reality of a downsized force, cutting military budgets has direct consequences, and vulnerability and trouble spots are a very real problem today.

Despite these growing military deficiencies, the administration is considering sending ground forces for an open-ended, peacemaking mission that would further erode military readiness.

Bosnia has already cost the United States over $10 billion. The administration has projected that Kosovo will cost $5 billion just this year, but has already admitted that it is impossible to determine how long the NATO mission will take. Considering that two withdrawal deadlines have already been broken in Bosnia, and considering that the President thought this would only take a week or two and now has extended it to open endedness, it is clear that any deployment to Kosovo will similarly drag on and go enormously over budget.

So sending troops and carriers to the Balkans only makes a weakened military even weaker. If nothing else, Kosovo shows us that we have to rebuild our forces and not hollow them out even more. And before sending troops to Yugoslavia, Macedonia or Albania, the President is obligated by law to report to Congress on the cost, and the funding, the schedule and the exit strategy for deployment. He has not done this, and so today we should vote to forbid any deployment without congressional approval.

Mr. Speaker, the Republicans in support of Bush were actually consulted and listened to and advised, and President Bush came to Congress for those votes. This President has given us briefings and then gone and done what he wanted to do in the first place.

So, Mr. Speaker, I urge my colleagues to vote to bar defense funds from being spent on ground forces in Kosovo unless Congress actually allocates such funding.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, I was in Brussels about a month ago as part of the North Atlantic Assembly, now NATO Parliamentary Group, and had a briefing with General Clark who is Supreme Allied Commander in Europe as well as the Commander of Operation Allied Force, and it was his opinion then and it is his opinion now that we are going to have to deal with Milosevic sooner or later; sooner being preferable, speaking militarily, to later. For one to think for a moment that a war in Europe will not engage directly the United States sooner or later is to turn a blind eye to history this century, No. 1.

No. 2, Mr. Speaker, I would like to remind everyone that this is a NATO operation. NATO has been the most successful military alliance this country has ever engaged in. Since NATO was formed, no country in Europe has fallen under the Iron Curtain, and this is a part of a much bigger operation than just the United States.

One other thing:

To send a signal to one's enemy that we are not going to do something or take something off the table is a mistake, whether it is this vote, or whether it is a time line, or whether it is any other signal that sends a conflicting message.

Mr. HUNTER. Mr. Speaker, I yield 3 minutes to the very distinguished gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in strong support of this measure, and I commend the gentleman from Pennsylvania (Mr. GOODLING), a senior member of our committee, for bringing this measure before the House along with the gentlewoman from Florida (Mrs. FOWLER).

Those of us who believe that the Congress should have a say in both the actual assignment of U.S. armed forces to conflict overseas as well as the funding of such deployments should join in voting in favor of this measure. Regardless of where our Members stand on our present policy in Kosovo, I believe it is indisputable that the Congress does have a constitutional role where U.S. military personnel are sent abroad into hostilities; and although the President has indicated he has no plan to send our troops into Kosovo on the ground unless there is an agreement from the Yugoslav authorities permitting such a presence, none of us can rule out the possibility that if circumstances do change, if the humanitarian situation worsens, or if the conflict spreads, that the President could decide to send in ground troops.

I believe that it would now be prudent and timely for the administration to seek statutory authorization for the deployment of our armed forces in Yugoslavia. The President and his key officials have thus far, however, not requested the Congress for such an authorization. I think it is incumbent upon the administration to request such an authorization.

This bill, I believe, is a proper response to where we now find ourselves in the terms of asserting our congressional role under the Constitution, under the War Powers Resolution. Accordingly, Mr. Speaker, I urge our Members to vote in favor of H.R. 1569.

Mr. HUNTER. Mr. Speaker, I yield 3 minutes to the gentleman from Alabama (Mr. CALLAHAN).

Mr. CALLAHAN. Mr. Speaker, let me say that these resolutions always pose problems for me because I believe so strongly in the separation of the branches of our government. I think that 1569 certainly expresses my sentiments with respect to the sending of American land troops into Kosovo, and I am going to vote today in favor of this resolution, but I do it with some reservation. The President informed a group of us this morning that he will not, and I repeat, he will not send Americn land troops into Kosovo until he brings this message to the Congress to allow a full debate by the Congress.

I appreciate the President recognizing the concern of those of us in the legislative branch of government about this endeavor in Kosovo.

My vote today is with hesitation, with some reservation, but simply because of the word ''funds.'' The bill says it prohibits the use of ''funds'' by the President or by the Department of Defense for deploying forces. I think that a more clearer resolution would be an expression of Congress to not deploy U.S. ground forces in Yugoslavia until the deployment is authorized by law.

I have expressed so many times on this floor that I did not vote for Bill Clinton, but the American people did, and in that expression of the American people they gave him express authority to do what he is doing. However, we in the legislative branch have authority also to express our views. I intend to vote for this, and I am going to vote no on the other two House resolutions. But my favorable vote on this amendment is simply an extension of what I have personally already expressed to the President, what I have expressed to the people I represent in south Alabama; that I do not want to send the first American soldier into any part of Yugoslavia. But I think, in the expression of our views that we should not have use the word ''funds.'' We do not want to give an indication to our soldiers we do not want to pay them when we simply could have said that the Defense Department is not authorized to deploy ground troop into Yugoslavia.

I think we should be very careful. There is always the possibility that this endeavor is on the verge of some type of diplomatic settlement, and we want to be very certain that we do not tie the hands of the President by expressing opinions that could send a message to the enemy that conceivably could be construed by Milosovic that the President will not be able to carry out his threats of military action if a diplomatic resolve is not reached.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. ANDREWS).

Mr. ANDREWS. Mr. Speaker, I thank my friend for yielding this time to me.

Mr. Speaker, having the power to do something does not mean it is the right thing to do. I have very little doubt that we have the constitutional power to tell the President he may not consider the option of ground troops, but I have even less doubt that that is the wrong thing to do for us in these circumstances.

Decisions that are about life and death are not decisions that lend themselves to decision-making by a committee. As young Americans are put in the line of fire as we speak, the idea that 435 people, each with a separate point of view, each with a separate analysis, is somehow going to weigh into a process that is ongoing, communicate a message to a foreign enemy and make a right decision on behalf of those people in uniform, is to me preposterous.

As someone who speaks with some grave doubt about the initiation of this mission, I have no doubt about its morality, and I have no doubt about the impropriety of the resolution that is before us. We should each of us, Republican and Democrat, oppose it.

Mr. SKELTON. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I had a law school professor that in difficult discussions in class, he would say, ''Read it.'' I suggest, Mr. Speaker, that every Member read the bill that is before them. This is not a bill that prohibits the use of ground troops. This is a bill that prohibits the use of ground elements, a far broader, more difficult-to-define definition.

Look at this through the eyes of a sergeant stationed in Albania, working on helicopters as a mechanic; look at it through his eyes. Does this term, does this prohibition of ground elements, include helicopters because it is an air-to-ground weapon system? What is that sergeant going to think of what Congress is doing?

Even if not, what if a helicopter lands in Kosovo for whatever reason; does it then become a ground element if they engage in a firefight, therefore illegal under this bill? Are the rescue operations which are permitted under this bill limited to those who are in the Federal Republic of Yugoslavia as a result of their operations only? What if troops, Mr. Speaker, of the Federal Republic of Yugoslavia cross the border into Albania, or into Macedonia, and capture U.S. personnel? And that happened. Would a rescue operation then be prohibited if we saw them a hundred yards away and we could bring them back? That would be illegal under this bill.

Is hot pursuit of the Federal Republic of Yugoslavia troops prohibited by this? Do they have a safe haven? Remember the argument, the discussions, in the Korean War that there was a sanctuary north, north of the Yalu River?

□ 1415

This is creating a sanctuary for those troops who could cause harm to the sergeant and his men and women who serve under him.

We cannot allow this bill to pass. This is not a prohibition of ground troops; this is a prohibition of a much broader definition.

Mr. HUNTER. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida (Mrs. FOWLER) to address the statement the gentleman just made.

Mrs. FOWLER. Mr. Speaker, I want to clarify the statement made by my good friend from Missouri (Mr. SKELTON). As we all have dealt with the Legislative Counsel, and this is where the language came from, whenever we submit a bill to this body and it goes through that process, the legislative counsel informed us that the term ''ground elements'' has been used for

many, many years in this body to refer to our ground forces, just like we used the words ''aviation elements'' of the U.S. Army to refer to the aviation part of the Armed Forces of the U.S. Army.

This language is from the Legislative Counsel. They said this has been used for years and years and years in this body to refer to our ground forces. That is where it came from. That is clearly the intent of this bill, to refer to the ground forces, as opposed to the aviation elements of our U.S. Army. I want to clarify that for the record, that that is clearly the intent and meaning of this bill.

Mr. SKELTON. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I had the privilege of practicing law some 20 years, of helping debate definitions in court, and I can read a proposed statute. ''Ground elements'' is all inclusive. It disallows preparation, it disallows hot pursuit, it disallows so many things other than just ground forces.

If we are talking about ground forces, why does the bill not say that? Why does it not limit it to ground troops or ground forces? It does not do that.

Mr. HUNTER. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. HEFLEY), the chairman of the Subcommittee on Military Installations and Facilities of the Committee on Armed Services.

Mr. HEFLEY. Mr. Speaker, as a member of the Committee on Armed Services, I rise in support of this resolution to prohibit the use of funds for the deployment of ground troops in Yugoslavia unless specifically approved by Congress.

Now, this does not prohibit ground troops from ever going into this area for combat, but if the people of America are going to be sent into war, it seems to me the representatives of the people of America should be in a position to approve that. In fact, Mr. Speaker, I believe we should actually remove our forces from that area that are already there.

In the last 6 years the manner in which this administration has circumvented Congress when it comes to deployment of the U.S. military forces around the world has been unprecedented, so it should come as no surprise that the House is here on the floor pleading to at least have a say in the process.

The President is the commander-in-chief, but Congress should not relax in its role as a consultative partner when it comes to the deployment of our servicemen and women.

So I agree with this measure wholeheartedly, but I want to talk about why I believe that we should not be there at all.

In any military exercise, there should be a clear, succinct mission and exit strategy, similar to our successful efforts in Desert Storm. The Kosovo plan, and I hesitate to even call it that much, does not have a clear mission, clear goals, a way to measure accomplishment standards, or an exit strategy.

For United States ground forces to enter that region, I also believe a more stable environment must be achieved by diplomatic means. This is not a desert. Our technological superiority will only give us so much of an advantage in the rugged terrain of Yugoslavia. It will not take only 4 days, as it did in the Gulf. The Serb army has entrenched itself over hundreds of years, and, unlike in Iraq, they appear to have complete loyalty to their leader, Mr. Milosevic. In other words, if we go into this hostile situation, we will lose American troops.

Look at the history. Hitler had many, many divisions in Yugoslavia during the Second World War, and look how much good that did him.

Mr. Speaker, I would hope that we would all support this measure.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Missouri (Mr. GEPHARDT), the minority leader.

Mr. GEPHARDT. Mr. Speaker, I urge all Members, Republican and Democratic, to vote against this resolution, and I urge you to do it for three simple reasons: First, the language in this resolution is unnecessary.

I was at a meeting a few minutes ago in the White House. Many of the Members here were in the meeting as well. The President was asked, as I have asked him many times, if as a practical matter he would change the policy and ask for ground troops in this situation without a vote of the Congress. And his unequivocal answer then and every time that I have asked him this was that he would not. He would not as a practical matter ask for an introduction of ground troops without coming here, talking to us and allowing time for a vote.

As minority leader I believe strongly that if there is to be a change in the policy by NATO or the United States and we should be seeking ground troops, that it must be debated in the Congress and a vote must be taken in the Congress. I do not know how I would vote. I would want to hear what they have to say, why they want to do it, how it would be done and what the feasibility of it would be.

So I would say to all Members in both parties, on both sides of the aisle, you have my pledge that if there is a change in the policy, I will be asking the Speaker to put on the floor an authorization, and we will debate it and decide it and vote on it.

Second, I think this bill, if it passes, would be harmful to our effort. I say that because you have got to think about who is going to be listening to what we are saying.

Mr. Milosevic will be listening carefully to what we say here today. Over the weekend he got a message of unity and resolve by 19 NATO countries. He is probably having to think today, wow, maybe NATO really means this; maybe they really are going to stay with this air campaign; maybe they really do have their act together.

Do you really want to say to him today that we do not know what we are doing, we probably will not be for ground troops? Do you want to take that option off the table? I do not think so.

Third, and most important, is what the gentleman from Missouri (Mr. SKELTON) said: The language in this resolution is unclear, not as well put as it could be, and it leaves in question what can be done in the prosecution of the air war, which has been going on for 30 days.

There are lots of questions about people going across the border to do this, that and the other thing in cooperation with the air war that has nothing to do with the big ground force going over to try to reclaim all or part of Kosovo that I do not think you want to get into.

I appreciate tremendously and respect the sentiment of the gentlewoman and the gentleman that brought this resolution. I share their view. I do not think there ought to be a ground war, unless we vote on it and debate it. I totally share their view. But I, with all respect, believe this is not the way to do it. I believe that will happen if that is the decision of NATO.

I urge Members to vote against this so that we can send the right message to Mr. Milosevic and to the American public and to the world. I urge Members to vote no on this. Let us keep the right message out there and stand behind our troops, that are out there every day trying to do the right thing to get this done without a ground war.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. ARMEY), the distinguished majority leader.

Mr. ARMEY. Mr. Speaker, I want to begin by thanking the gentleman from Pennsylvania and the gentlewoman from Florida for bringing this measure forward, and commending them for the care by which they have drawn their language and the willingness that they have to listen to people, to respond to people, and to amend the language to meet the concerns of so many people. Indeed, I would take exception to the previous speaker in that regard. I think they have done a very good job and the language is very clear and precise.

What is the problem here? The problem is we really want to reaffirm our partnership relationship with the administration along the lines of what the President has already, with so many of us, made as a commitment, and we want to reverse something of what has been the discouraging history of this.

The President first began working and talking with NATO on this and made a commitment to NATO. After first saying to NATO we would participate in an air war and we would participate in peacekeeping troops on the ground and having made an agreement with various allied nations in NATO, he then came to Congress and said, ''Will the Congress endorse or reject this? But, if you reject that, understand it hurts our relationship with NATO.'' Well, perhaps he should have talked to us before NATO.

Then later on he says, ''Well, we will threaten the air campaign.'' He agrees with NATO, and then comes to us to confirm or reject. Again, perhaps we should have been consulted first. Now when we begin the bombing, they have already made the commitment with NATO, and then he asks us to reject or accept.

With our troops committed to the field we are facing a fait accompli, where any measure, any statement we make, can be misconstrued as failure to support our troops in the field, misconstrued by Milosevic as a failure of will on the American people, misconstrued by NATO as an unwillingness of this Congress to support this President's ability to make agreements with NATO.

We want to change that cycle. We want to say, Mr. President, your relationship between the executive branch in this government and the Congress of the United States, the legislative branch of this government, comes before your relationship with allied nations; that in order to have a unified American government presence on any position we should take, Mr. President, we should come to agreement within this great government first. Then when we make an agreement with our NATO allies, there can be no doubt about it that we are in agreement.

If Mr. Milosevic should ever see American troops on the ground, he should have no doubt that that has been the product of a unified decision between the presidency and the Congress prior to those troops being present on that soil. In that case, he can have no doubt that we mean business.

But let us not put our young men and women, those brave young men and women that accept this responsibility and put their lives at risk, in the position where they are on the ground, under fire, and the President is consulting with the Congress of the United States after the fact of their being in harm's way.

Let us make this relationship very clear. If you put on the uniform of this great land, if you are willing to risk your life, if you allow your son or daughter to be at risk and take on the horrible, fearful worries that families accept, let the families of America know that these young brave people will not be made as people in a theater of open conflict without first the prior unified agreement between the legislative branch and the executive branch of this government.

Congress and the President together can make a commitment to those troops to define a mission and equip them to complete that mission at the highest possible degree of effectiveness with the lowest conceivable level of personal threat. We can do this if we do it together, Mr. President. We cannot do that for these brave young men and women if you act first and consult with us later. Let us straighten out the cycle.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. ROTHMAN).

Mr. ROTHMAN. Mr. Speaker, I believe that if and when the President and our military commanders come to the conclusion that they need to introduce American ground forces into Kosovo, that they should come to the Congress and make the case before us. However, I do believe that the Goodling-Fowler bill, while well-intentioned, is the wrong way to go about this.

The bill before us prevents American troops in NATO from rescuing refugees just across the border into Kosovo, even if the tragedy and the massacre is occurring right before our soldiers' eyes.

□ 1430

It would prevent the prepositioning of supplies and ammunition in the event we and NATO need to intervene on the ground in the future, and it would prevent our military from providing necessary intelligence assistance to conduct our air campaign. But worst of all, it tells Slobodan Milosevic that he will have plenty of time to do what he wants to do and slaughter and mutilate and rape almost 1 million people in Kosovo, because the United States Congress and my Republican colleagues have decided they are going to tie the President's hands, even in the case of an emergency military intervention, should it be necessary; to require the President to come back to the Congress, convene the Congress, hold a debate in order to rescue people or to take emergency steps.

I think that that is wrong, and I urge my colleagues, let us not decide on the necessity of ground troops until the President and the military commanders of NATO ask us for them. But let us not prevent the President and NATO now from using our ground forces, if necessary, only in the case of an emergency. That would be a wrong message for Milosevic; that would endanger our military men and women, and it is a step we should not take. I urge a ''no'' vote on this bill.

Mr. SPENCE. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. KASICH), the chairman of our Committee on the Budget.

Mr. KASICH. Mr. Speaker, I guess some could debate the timing of this debate today, but let us not be confused. Our founders really did believe that one man should not have the authority to send our people to war. That is why the Constitution of the United States involves the Congress of the United States, because it is through the Congress of the United States that the people of this country are recognized, their opinions are recognized. So this idea that we are meddling is something our people do not understand if we take that position. The people deserve to be involved in terms of committing our men and women to an armed military conflict.

In addition, one could make the case that we could intervene in a civil war if, in fact, we could be successful. The fact is, the civil war in Kosovo has been raging on since 1389, since the 14th century. That is six centuries' worth of internal fighting, ethnic conflict, religious strife.

The fact is, our intervening in the middle of an ethnic religious civil war that has gone on for six centuries is not likely to be successful. We found this out when we intervened in Somalia. We furthermore found this out when we intervened in Lebanon, even under Ronald Reagan. Being in the middle of civil wars that are not resolvable is a mistake for a major power.

The question is when, then, should we intervene militarily? Well, on three grounds. One, when it is in the direct national interests of the United States. Number two, when there is an absolute achievable goal. And number three, when there is a credible exit strategy. None of these criteria can be met in terms of Kosovo. There is no direct national interest, there is not an achievable goal, and finally, there is no credible exit strategy.

If we continue down this road of open-ended military commitments, what we will do is diminish our power. Some people accuse those who are opposed to Kosovo of being isolationists. It is just the opposite. I am a robust internationalist, but what I do know is there must be a balance between military and diplomatic means when it comes to resolving these international problems. If the United States wants to be the policeman of the world, we will find that we will diminish ourselves over the long run and we will find when it is necessary to act against terrorism or to provide worldwide stability in some part of this world, we will be too spread out, we will be too thin, and we will not be able to be effective. That is the prescription for the eroding of a national power of a superpower status into the 21st century.

So, what do we do now? Well, the first thing we do not do is to step on

the accelerator. We should not introduce ground troops; we should not escalate the violence. Dropping bombs in a region of the world where fighting has been going on for six centuries and thinking that by more violence we will impose a solution on people in that region is, I believe, false. In fact, to put troops on the ground reinforces a failed policy that is frankly a sign of arrogance.

What should we do? Mediate. We ought to look for a third party that can help us to be able to restore stability, Democratic institutions, and build an economy in that region. We should not let ego or we should not let reputations stand in the way of reaching an agreement that will send the refugees home, stabilize the world, and be able to continue the superpower status of the United States by making good choices of when we should intervene and when we should not.

Mr. SKELTON. Mr. Speaker, I yield 3½ minutes to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, as kindly as I can, let me say that Neville Chamberlain rose up and said, let us mediate.

I believe we are doing the right thing with our allies, for the right reason, in the right way to minimize risks to our people. I rise in strong opposition to the two resolutions sponsored by the gentleman from California (Mr. CAMPBELL) and to this bill sponsored by the gentlewoman from Florida (Mrs. FOWLER) and the gentleman from Pennsylvania (Mr. GOODLING). Unlike the gentlewoman from Florida (Mrs. FOWLER), I do not believe that this resolution or this bill has the limited effect that she argues that it does. That perhaps is a legitimate and honest difference of opinion.

Mr. Speaker, we have seen an extraordinary event occur here in Washington last week. Not just 19 NATO nations, but 42 nations came to America and celebrated 50 years of commitment to keeping the peace. We are now confronting, in the midst of Europe, where NATO has pledged to keep the peace, the most egregious violation of human rights, the most egregious disruption of the security of the European region as we have seen since 1968.

The bill that is presently before us says that we shall not use elements. I agree with the gentleman from Missouri (Mr. SKELTON); I am not sure of what that definition is. But I do know and believe that our enemies will interpret that as a constriction on our maneuverability and ability to act. That is a dangerous policy. We should not be engaged in this conflict with that constriction on our troops. It is dangerous, in my opinion, for them. It gives to our enemy a false sense that he may act to the detriment of our people. We ought to reject this bill as not only premature, but as unwise policy.

Mr. Speaker, to my colleagues on the Republican side, let me say that we bombed in the Persian Gulf for 44 days. There was no vote on this floor. We deployed over half a million troops in harm's way. There was no vote on this floor. Why? Because President Bush and Secretary Baker talked to Speaker Foley and said, if you have such a vote, it will undermine our position. So Speaker Foley did not allow a vote until yes, President Bush, as he agreed, came to this floor for the authorization of troops to go in to Kuwait. Not to be deployed, to go into Kuwait.

Mr. Speaker, as the gentleman from Alabama (Mr. CALLAHAN) has said, and as our President said as late as this morning to an assembled group of Members of the House, Republicans and Democrats, Senators and House Members, the Speaker of the House and the minority leader, that he would not, without consulting the House, take this action. Let us be united with our President and with our fighting men and women in this important endeavor.

Mr. Speaker, I rise in opposition to H.R. 1569.

First, however, I am compelled to express my outrage that we are here today, in this House, engaging in debate about the most serious issues we are ever called upon to consider—the conduct of war and the making of peace—in such a desultory manner.

The Gulf War Resolution was the subject of 16 hours of debate—16 hours, Mr. Speaker. Today we are faced with four separate, conflicting, and mutually exclusive resolutions and we have been limited to 1 hour on each of them.

It is absolutely unconscionable and irresponsible to be considering legislation which requires the arbitrary withdrawal of our forces participating in the NATO action against Serbia, as does House Concurrent Resolution 82. Such a course would hand Milosevic victory, confirm the genocide he has perpetrated against the Kosovar Albanians, and destroy NATO.

As I have said before, Mr. Speaker, intervention to stop the aggression against civilians in Kosovo is both morally compelling and clearly in our country's national interest. Let us be very clear about what is happening in Kosovo. This is not a civil war.

It is a continuation of the conflict Milosevic instigated in Croatia in 1991 and in Bosnia-Herzegovina from 1991 to 1995. His aim all along has been the consolidation of his own political power within Serbia. Milosevic is a tyrant and a war criminal.

Former President George Bush recognized this fact in 1992 when he warned Milosevic that aggression by his forces against the civilian population of Kosovo would be met by an immediate military response by the United States. President Clinton reiterated that warning in early 1993.

Having made the commitment to our NATO allies, to the people of Kosovo and, indeed, to the world, that we will not stand by and watch ethnic cleansing and butchery in the heart of Europe, it is my firm belief that we must see this action through to the end.

Last week, in a speech before the National Fire and Emergency Services Caucus dinner which I cochair with my good friend CURT WELDON, Senator JOHN MCCAIN called for such a commitment, including the use of ground troops. Senator MCCAIN stated that he did not recommend this course lightly and was prepared to bear responsibility for the outcome. He said:

> I would rather face that sad burden than hide from my conscience because I sought an advantageous political position to seek shelter behind. Nor could I endure the dishonor of having known my country's interests demanded a course of action, but avoided taking it because the costs of defending them were substantial, as were its attendant political risks.

America must lead, Mr. Speaker; we must not equivocate. Such a course would encourage the enemies of peace, the bullies of the world, and would surely endanger our men and women in uniform. As we enter the 21st century, America stands as the beacon of democracy, freedom, and human rights. People around the world look to our country's strength in their struggle for democracy and basic human rights. We must not, Mr. Speaker, stand now in the shadow of weakness and isolationism.

Our cause is just. Let us act.

The SPEAKER pro tempore (Mr. GUTKNECHT). The Chair would advise Members that the gentleman from Missouri (Mr. SKELTON) has 10 minutes remaining, and the gentleman from South Carolina (Mr. SPENCE) has 5 minutes remaining.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. SCARBOROUGH).

Mr. SCARBOROUGH. Mr. Speaker, I would just like to remind my good friend, the gentleman from Maryland (Mr. HOYER) that it was 4 years ago that the President of the United States also promised a group of assembled Congressmen and Senators over at the White House that the Bosnian operation would last 1 year. Today we find ourselves 4 years and $10 billion into a quagmire, still engaged in a Balkan civil war.

It is all too clear that this administration does not understand what they are getting into. While the gentleman reminds us of lessons learned in 1938 with Chamberlain, I would recommend we also look at 1948. That was the year that Tito told the Soviet Union to get out of the Balkans three short years after the beginning of Soviet control. The Soviet Union got out, because they understood better than us the six century civil war that continues to rage on.

This administration does not understand the delicate dynamics of this Balkan civil war. We have a Secretary of State who had guaranteed on public television that this was going to be a short, clean war. We have a President, mirroring what LBJ did in the 1960s, actually selecting targets in this civil war. They do not understand what they are getting into, and before we accelerate, like the gentleman from Ohio

(Mr. KASICH) said, we better take a long, hard look at what we are doing.

This is constitutionally and practically correct, and as a member of the Committee on Armed Services, I support it wholeheartedly.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from Guam (Mr. UNDERWOOD).

Mr. UNDERWOOD. Mr. Speaker, I emphatically oppose H.R. 1569. This bill is a slap in the face of the commander's ability to use a combined armed force in battle. Conflicts are not won by air, land or sea forces alone. It is a joint nature of a combined arms campaign that provides the flexibility and firepower for a commander to accomplish his or her mission, responding to a changing environment.

This bill is not well crafted or thought out. Passage of this bill would seriously degrade the operational commander's ability to respond to any and all contingencies. It would not allow us to pursue attacking enemy forces across international borders, thus giving Milosevic a safe area. It will not allow us to rapidly introduce ground troops even in a permissive environment. It will hamstring the operational commander's ability to adopt and adapt to the ever-changing situation in the Balkans.

This is not a preemptive strike against the use of ground troops as it is advertised. It is a preemptive strike on the flexibility to respond to emergency conditions. It is a preemptive strike on the safety of our troops. It is a preemptive strike which will make Mr. Milosevic very happy.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina (Mr. GRAHAM).

Mr. GRAHAM. Mr. Speaker, it seems to me that there seems to be a consensus building along two lines: timing and trust. The gentleman from Missouri (Mr. GEPHARDT), the minority leader, took to the microphone and says that he agrees with the idea that this body, this Nation, should debate whether or not we send ground troops. It is a matter of timing. The gentleman from Maryland (Mr. HOYER) that just spoke said that the President has given us his word. That is a matter of trust. I do not have the confidence he does to trust this President without having an engagement in this debate now.

I want more rather than less debate on this issue. I want it sooner rather than later, because I see three big problems for ground troops. The coalition will not hang together; the political stomach is not there for a ground war. The dominance in the air that we have militarily will be lost, and the Russian instability that will come from a U.S.-led NATO invasion would start the Cold War all over again, potentially.

If anybody criticizes this bill on drafting, then they have to look this operation in the face and see if they can find any flaws with it. This bill is properly drafted. Now is the time to speak. More rather than less, sooner rather than later, before we get a lot of people killed for no good reason.

Mr. SKELTON. Mr. Speaker, I yield 30 seconds to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Speaker, I believe that Mr. Milosevic is wrong and that the War Crimes Tribunal will eventually have its course and way with him. I believe that whatever brought us into this situation, whether people agree or disagree with the events, we are not going to be able to undo the past.

I believe that we should and must try to reach a diplomatic solution to this situation which resolves the refugee situation, which resettles people, which leaves Mr. Milosevic subject to the War Crimes Tribunal and which gets us back on track, and I believe that we have to do something about making sure Mr. Milosevic has encouragement to come to the table, which is why the war strikes will continue.

With regard to ground troops, I ask the sponsors of this bill whether or not they might be willing to have a unanimous consent to change the word ''elements'' to ''troops'' and resolve whatever disagreement we have on that. I would hope to get an answer to that.

□ 1445

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, I support the Goodling resolution. Some say we must listen to the President, some say we must listen to military leaders. I say we must listen to the now still voices of those Americans who made the ultimate sacrifice more than a generation ago in an undeclared war, in an unwinnable war, a bright, shining lie of a war where truth was the first casualty.

Now we are engaged in a great humanitarian mission, or so we are told. But humanitarians do not excuse the bombing of Albanians and Serbian civilians. Humanitarians do not bomb passenger trains. Humanitarians do not bomb refugees fleeing the battle. Humanitarians do not bomb residential areas. Humanitarians do not blow up water systems, electric systems, sewage systems, and create an ecological catastrophe in the name of peace. Humanitarians do not leave thousands of bomblets in the ground so refugee children can lose their lives after the battle.

No more bombing the villages to save the village, no more ground troops sacrificed to redeem our failure in the air. All we are saying is to give peace a chance. All we are saying is to give peace a chance through negotiation and mediation and through diplomacy. Give peace a chance.

Mr. SKELTON. Mr. Speaker, I yield 1 minute to the gentleman from Arkansas (Mr. SNYDER).

Mr. SNYDER. Mr. Speaker, I am voting against this bill today. Number one, I think it is poorly written. We have already had discussions about the phrase ''ground elements,'' but hey, I think we can get some lawyers to help us command.

I think it is also rushed. We have had ever-changing language. First there was no language to deal with our own downed pilots. Then we had no language to deal with U.S. citizens and pilots. Now we have language to deal with allied crew members. Be wary of an ever-changing bill.

Third, this is the wrong message to our allies. What if we have British or French troops kidnapped like our ground troops were kidnapped in Macedonia, and they come to us and ask us to help, and we say, are they a member of air crew, and they say, no, they are relief workers. We will say, we will file a bill next week and take care of that.

Very poor language. That is what happens when we rush things on through. This is a poorly-worded bill at the wrong time. Please vote no.

Mr. SKELTON. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Mr. Speaker, this resolution has a noble purpose in that it attempts to assert the role of the Congress in any decision to commit American forces to a ground war in Kosovo. It does so, however, in the wrong way and at the wrong time. It prohibits deployment of ground elements unless Congress specifically authorizes deployment by law.

I represent one of the soldiers who is held captive today in Yugoslavia, Stephen Gonzalez, of Huntsville. If this resolution had been the law on March 31 when those three were captured, this resolution would have prevented our forces from pursuing the captors of those three American soldiers. Mr. Speaker, line 24, page 2 of the bill makes it very clear, the only exception is to recover someone who is a member of an air crew.

Mr. Speaker, this bill also approaches this issue not only in the wrong way, but at the wrong time. It prohibits deployment of ground elements in a way that sends a very bad signal to President Milosevic. The threat of the use of ground troops should be on the table, because it sends a message of NATO resolve to Milosevic, a message that he must hear.

Contrary to promoting the congressional interest in bringing a just, diplomatic settlement to the Yugoslavian conflict, this resolution makes diplomatic settlement more difficult and strengthens the hand of President Milosevic. It increases the likelihood of the campaign of ethnic cleansing and suffering being waged against innocent people for a prolonged period of time.

Mr. Speaker, the President said today that he will seek the support of

this Congress if he makes the decision to send ground troops into a major deployment in Kosovo. I believe that we need to take him at his word and we need to reject this resolution, which could do harm both to American troops and to our national interests.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. TRAFICANT).

Mr. TRAFICANT. Mr. Speaker, I support this resolution. Europe should be providing the ground troops. We have been propping up Europe much too long.

But I am more concerned about what we are not doing here today. We should be arming the KLA so they can help protect their own citizens. We should be supporting independence, because they will never coexist and there will never be a lasting peace. We should be going after Milosevic for war crimes.

One thing for sure, now I know why the President of the United States has usurped the congressional power to declare war. Congress has no backbone for it. Today is a good debate. It will now separate the powers the way the Constitution determined it should be. Let us let Europe provide the ground troops.

Mr. SKELTON. Mr. Speaker, I yield 2½ minutes to the gentleman from South Carolina (Mr. SPRATT).

Mr. SPRATT. Mr. Speaker, our problem is not with the idea of authorization. The President legally should seek our authorization before committing ground troops, and politically he would be well advised to get it.

Our problem is with the text of this resolution, because it creates a potential legal quagmire for troops that we have deployed. It uses the word ''ground elements,'' not exactly a word of art, but instead of using ''ground troops'' or ''ground forces,'' it says ''ground elements,'' so as to include not just personnel but materiel, not just troops but equipment and weapons, as well.

So the first casualty of this sweeping ban, this language in this resolution, is going to be foredeployed and prepositioned equipment. Why do we want to preposition? Because if we need M–1 tanks, if we need Bradleys in this theater, we will have to begin today prepositioning those tanks and Bradleys and the other heavy equipment, because we will not have time when the need arises.

That does not mean we may need them for a ground force that will be conducting a ground war. We may need them for a multinational implementation force.

If we have learned anything from Beirut to Mogadishu, it is that when we send in one of these peacekeeping forces, they had better be tough. They had better be imposing. They had better have the equipment, so that nobody dares take them on.

If we read this resolution, it says, don't you dare spend a dime on anything like that for deployment of prepositioning that might be introduced into this theater. Keep on reading and we can come up with all sorts of scenarios that this would potentially prohibit or bar.

Let us assume, for example, that our intelligence told us that Serb troops were massing just outside Macedonia or just outside Albania. This would prohibit us from taking a preemptive first strike.

Let us assume that we did know in advance if they crossed the border of one of these countries and we counterattacked, drove them out of the country, and wanted to pursue them. We would have to stop at the border.

Let us assume, and I hope we have, some on-the-ground military intelligence in Montenegro, in Kosovo. This would bar that, it would prohibit that. Let us assume we have some special forces operations covertly operating at night in one of those countries. This would bar that. It would deny us the kind of information we need to be intelligent.

Mr. Speaker, the authors of the resolution have tried to solve this problem by rewording Subsection B and making an exception for air crews that are shot down. But that limited exception shows us just how strict the language is.

When we go through this we understand, and it is complex for us to understand, and we can certainly conceive of many circumstances this would prohibit. This is going to create a legal quagmire for our troops in this theater. We should not do that to them.

We have the President's assurance he will come and seek our authority before he goes on a ground war, if he does. We should not impose these additional complications.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. NORWOOD).

Mr. NORWOOD. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I would like to simply point out that the right to start a war or declare a war is left to the American people. They get to do that through their elected representatives. The reason the Constitution gives that right to the American people is that we are going to ask them to sacrifice their sons and daughters and our Treasury on behalf of the war that they asked us to start.

This amendment was mentioned earlier, that it takes a lot of the options off the table. It takes only one option off the table, and that is the option of the President to start a war with ground troops without the permission of the American people.

Mr. Speaker, if we need to have a ground war, the President can come to Congress, where he should come, because this is what is known as the balance of power, when the legislative branch has some power and the executive branch does. When the Executive is wrong, and I think they are wrong, they should come to the Congress. I ask Members to support this amendment.

Mr. SKELTON. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore (Mr. GUTKNECHT). The gentleman from Missouri (Mr. SKELTON) is recognized for 2 minutes.

Mr. SKELTON. Mr. Speaker, I take this opportunity to close, and to mention briefly that the President sent a letter to the Speaker dated April 28, part of which reads as follows: ''However, were I to change my policy with regard to introduction of ground forces, I can assure you that I would fully consult with the Congress.'' That should put an end to that.

Let me tell the Members what this legislation does. If this is passed, this legislation would prohibit any preemptive attack by American forces based on an intelligence assessment of an impending attack by enemy forces.

It would prohibit American forces from pursuing attacking enemy forces following an enemy incursion across international borders. It would prohibit the rescue of any non-U.S. headquarters personnel. It would prohibit the rescue or support of any non-U.S. personnel from a nongovernmental agency. It would prohibit the rescue of any military personnel from Albania, Bulgaria, Macedonia, or Romania. It would also prohibit the rescue of peacekeeping forces in a peacekeeping role in a permissive environment.

Again, I say, read this. This bill, with the language thereof, has been a moving target. We cannot allow this to pass. If a bill should come up at a time that is proper, based upon what the President says, that is what we should debate at that time. This is out of time. This improper bill is poorly written. I certainly urge a no vote thereof.

AMENDMENT OFFERED BY MRS. FOWLER

Mrs. FOWLER. Mr. Speaker, I offer an amendment, and I ask unanimous consent that the amendment be considered and adopted.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mrs. FOWLER: On page 2, Line 12, strike ''elements'' and insert ''troops''.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

Mr. SKELTON. Mr. Speaker, reserving the right to object, I wish to point out that my friend, the gentlewoman from Florida (Mrs. FOWLER) a few moments ago stated that this was language inserted and written by the legislative counsel, and that they knew what they were doing.

□ 1500

The language in this bill, since it was first initiated, has been a moving target. We cannot allow it to go forward with the uncertainty of this language, the uncertainty of this bill, and I very, very sadly, because she is a friend, I very sadly have to object.

The SPEAKER pro tempore (Mr. GUTKNECHT). Objection is heard.

Mrs. FOWLER. Mr. Speaker, I am sorry, because this was at the request of several Members of the minority who wanted that word change. I was certainly willing to do that, but I still stand by my previous explanation of the intent of the bill.

The SPEAKER pro tempore. Objection is heard.

Mr. SPENCE. Mr. Speaker, how much time do I have?

The SPEAKER pro tempore. The gentleman from South Carolina (Mr. SPENCE) has 1 minute remaining.

Mr. SPENCE. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I apologize to the Members on my side for not being able to recognize them, but we do not have enough time. As a matter of fact, I am revising and extending my own remarks because I have not got the necessary time to deliver what I would like to deliver at this time.

I rise in support of H.R. 1569 to prohibit the use of Department of Defense funds for the deployment of U.S. ground forces in Yugoslavia absent a specific Congressional authorization. Since the initial 1995 deployment of U.S. forces to Bosnia, I have opposed the use of ground troops in the Balkans, and I continue to do so today.

First and foremost, my opposition is based on the recognition that our military forces have been reduced so dramatically over the past decade that an enlarged, open-ended commitment in the Balkans will unquestionably jeopardize our ability to protect U.S. interests in other critical regions of the world where the threat is serious and imminent. Prior to the beginning of Operation ''Allied Force,'' the Joint Chiefs of Staff had assessed the ability of U.S. armed forces to execute our own national military strategy as entailing ''moderate to high risk.'' This risk has grown worse over the past several months as we have poured scarce military resources and assets into the Balkans. Just today I read an article in Jane's Defense Weekly indicating that the Joint Chiefs are on the verge of changing their assessment of this risk from ''high'' to ''very high.'' As General Shelton, the chairman of the Joint Chiefs of staff, and every theater commander-in-chief have testified, ''risk'' in this context means longer wars and significantly higher casualties.

Based on planning efforts last fall, defeating the Serb army on the ground in Yugoslavia would require a NATO force of 200,000 ground troops or more. While NATO plans have not specified what percentage of such a force would be Americans, precedent tells me that such a NATO force would include tens of thousands of U.S. ground troops—at least several divisions' worth.

The implications of U.S. ground troops serving even as peacekeepers or as part of an international occupation force would have serious consequences for our broader global interest.

Administration policy-makers are currently discussing a possible NATO occupation force in Kosovo that would be roughly the same size as the force initially deployed to Bosnia. That force included 60,000 NATO troops, about 20,000 of which were American. This size American ground contingent would, directly or indirectly, one way or another, involve much of the active Army. Rotating such a large ground force through Kosovo, with no near-term prospect of withdrawal, combined with the ongoing deployments in Bosnia, would make it all but impossible for the Army to play its essential role in fighting and winning two major regional conflicts in places like Korea and the Persian Gulf—in other words, to be able to execute the national military strategy.

Tying down a large U.S. ground force in the Balkans will cause our friends—and our enemies—to legitimately question our ability to protect and promote our interests and to remain a force for stability in other critical regions of the world. How will Saddam Hussein gauge our ability to defend Kuwait if much of our Army is stuck in the Balkans? Will we be able to rapidly reinforce South Korea in the event of an attack by the North? Would we be able to effectively react to an escalating crisis or conflict in the Taiwan Strait? The answers to these questions are far from reassuring, and should concern us all.

In anticipation of the inevitable and oversimplified response that we surely cannot abandon our commitment to NATO, let me just say that I am not suggesting that the United States would walk away from its responsibilities or should not play a critical role in any NATO combined air and ground campaign if the alliance heads down this controversial path.

While I remain strongly opposed to the commitment of U.S. ground troops in the Balkans, we should not lose sight of the reality that the United States is leading the air war and would continue to do so in the event of a ground campaign. In addition, the United States is currently providing the vast majority of the operation's strategic lift, communications, logistics and intelligence support. Is this shirking our responsibilities to NATO? Can anyone honestly say we are failing to do our fair share? I do not think so.

We simply cannot afford to ignore our interests and the growing threats around the world by allowing ourselves to fall into the trap set by our allies, as happened in Bosnia, that NATO military operations cannot succeed and the alliance will fall apart unless U.S. ground troops are leading the way. If we continue to view the Balkans in isolation from the rest of what is becoming an increasingly dangerous world, we do so at our own peril.

Mr. Speaker, there's an old adage that says, ''When you're in a hole, stop digging.'' We've already dug ourselves a big hole in Bosnia and we ought to think twice before we dig that hole deeper in Kosovo. Unless some balance is restored between the nation's diplomatic and foreign policy commitments and the ability of U.S. armed forces to underwrite them, history is likely to look back on the post-Cold War world ''peace dividend'' as resulting in a more dangerous world in which America's credibility and resolve were put to the test with alarming frequency.

Mr. Speaker, I would just like to say simply, in closing, that I support this resolution. I have been opposed to ground troops in Bosnia under any conditions. As a matter of fact, we should not even be in the Balkans. The national security of this country is not at stake. Even for those who think that it is, it does not rise to the level of importance that other areas of this world do, and we are unprepared to defend against the many serious threats we have in other parts of the world today. This further lessens our ability to defend against these threats. And for that reason, I oppose sending ground troops into this area.

Mr. POMEROY. Mr. Speaker, I rise in opposition to H.R. 1569, a bill to prohibit the funding of ground elements in Yugoslavia without prior Congressional authorization.

Let me be clear. If at some point in the future our military commanders determine that ground troops are necessary to achieve our military objectives in Yugoslavia, I believe Congress ought to vote on their deployment. This bill, however, extends far beyond that simple objective and could seriously jeopardize the security of U.S. forces currently in the region.

This bill does not just prohibit the funding of ground troops prior to Congressional authorization, but rather prohibits the funding of all U.S. ground ''elements'' in Yugoslavia. This ill-defined language would create a legal quagmire for the U.S. forces already deployed in the Balkans. For example, would this bill prohibit the funding of Apache maintenance crews in Albania because the Apache is as an air-to-ground weapon that is deployed in Yugoslavia? It is an open question. There is no question, however, that this bill would legally prohibit U.S. forces in the region from launching a preemptive strike against forces in Yugoslavia even if they received intelligence that they were about to be attacked. If Yugoslavia were to attack beyond its borders, this bill would legally prohibit U.S. forces from carrying the battle into Yugoslavia even if our military commanders considered such action vital to the protection of American troops.

In the name of protecting U.S. troops, Mr. Speaker, this bill actually endangers the brave men and women who are already serving in the region. I support Congressional approval before ground troops are deployed in a hostile environment, but I cannot support legislation that ties the hands of our nation's military commanders. For this reason, I oppose H.R. 1569 and I urge my colleagues to do the same.

Mr. CONYERS. Mr. Speaker, the decision to go to war is one of the most important decisions that our country can make. As elected representatives, we have to consider our international and domestic obligations, as well as our individual and collective moral beliefs.

There is no question that Slobodan Milosevic has committed horrible atrocities in Kosovo and I do not believe the international community should stand by idly. The votes today though, require us to look at the international context of this conflict and some of

the consequences of our response thus far. I believe the evidence leads us to the view that Congress should have a say before any kind of ground troops are deployed and that is why I will support H.R. 1569.

The political process that gauges the appropriateness of humanitarian intervention needs to catch up with the military's ability and willingness to undertake those operations. In that respect, today's debate serves a useful purpose. Regardless of how you intend to vote on today's measures, an open and fair debate on real, credible options is democratically healthy and Constitutionally necessary. I opposed the rule earlier today because I do not think it rose to this standard. It imposed an absurdly small amount of time for debate and took the unprecedented step of precluding further House consideration of any resolutions under the War Powers Resolution dealing with Yugoslavia during the remainder of this Congress.

I also must observe that my colleagues on the other side of the aisle have taken an excessively captious approach to the president's strategy in Yugoslavia and the administration's foreign policy generally. Yet I believe this Congress has been derelict in its own duties, happy to sit back and criticize the president. First it avoided action for the first month of the war, limiting itself to a vote on peacekeeping troops after hostilities have ended and a symbolic vote to support the troops. Now the House is voting on a group of four resolutions, none of which present real, credible alternatives to bombing.

I think there are some very difficult questions that should inform a thorough debate on war in Yugoslavia, starting with how we define what we are trying to accomplish.

MILITARY OBJECTIVES AND AMERICAN INTERESTS

The military objectives in Kosovo have been variously described as (1) forcing Milosevic to make peace; (2) severely degrading his capacity to carry out military action in the future; (3) deterring an even bloodier offensive against civilians in Kosovo; and (4) allowing the return of refugees and ensuring their self-governance. What I'm wondering, is what thresholds have been established to determine when we have accomplished these goals? What role do we envision for Congress in determining when the mission objectives have been completed and what criteria will be used to make that determination? I am voting for H.R. 1569 because I believe it will preserve those Congressional prerogatives.

I also do not think we have adequate assurances from regional states such as Russia that they will refrain from participating in the war; we have boxed Mr. Yeltsin into a very tight corner domestically. I know that the Deputy Secretary of State has been working hard on that issue, but the public statements from Russia are nevertheless alarming. For example, earlier this week a high ranking Russian official noted that the NATO embargo on fuel does not apply to Russia, since it is not a member of NATO. And there is strong nationalist momentum in the Duma to supply the Serbs.

I also wonder if the removal of the current regime in Belgrade a prerequisite for a negotiated settlement to the conflict in the Balkans. I've seen what happened with our Iraq policy and I'm afraid we may be headed down the same kind of path, where compliance is unilaterally defined and goals are arbitrarily shifted.

VIGOROUS, MULTILATERAL DIPLOMACY

Regardless of how Congress votes today, I hope we will vigorously pursue diplomatic options. As Admiral Eugene Carroll (ret.) of the Center for Defense Information has suggested, we cannot have a solution to the Yugoslav conflict that is overly reliant on military force. The situation demands a political solution eventually, no matter how you feel about the ongoing bombing. There have been numerous attempts at diplomacy thus far.

United Nations Secretary General Kofi Annan's peace proposal on April 9 demanded: ''First, an end immediately to the campaign of intimidation and expulsion of the civilian population; two, to cease all activities of military and paramilitary forces in Kosovo and to withdraw these forces; three, to accept unconditionally the return of refugees and displaced persons to their homes; four, to accept the deployment of an international military force to ensure a secure environment for the return of refugees and unimpeded delivery of humanitarian aid; and finally, to permit the international community to verify compliance with these undertakings.'' In order to make this proposal work, Annan called for a cessation of hostilities as ''a prelude to a lasting political solution to the crisis, which can only be achieved through diplomacy.''

The European Union made a peace proposal placing Kosovo under international protectorship if Yugoslavian forces agreed to withdraw. And of course Russia has been to the bargaining table a number of times. These efforts have gotten scant attention and minimal diplomatic support. Much of this is a result of the deliberate marginalization of the UN.

THE ROLE OF THE UNITED NATIONS

It is inappropriate for NATO to be bombing without specific authorization from the United Nations Security Council. When the Security Council passed Security Council Resolution 1199 on September 23, it called on the Federal Republic of Yugoslavia to stop repression against civilians and withdraw forces from Kosovo. The Resolution specifically noted that should progress on this and other stated matter be inadequate that the Security Council would ''consider further action and additional measures to maintain or restore peace and stability in the region'' and remained seized of the matter.

Moreover, since Article 53 of the UN Charter specifically states that ''no enforcement action shall be taken under regional arrangements or by regional agencies without the authorization of the Security Council'', I think it was inappropriate for NATO to proceed without specific Security Council authorization. Article 39 of the Charter clearly states that ''The Security Council shall determine the existence of any threat to the peace, breach of the peace, or act of aggression.'' The fact of the matter is that the Security Council should have made any determination regarding the existence of any threat to the peace, breach of the peace, or act of aggression in Kosovo. It is also not clear that the Security Council ever made any determination under Article 42 as to whether force could be employed by NATO. I am aware of the Secretary General's public statements, but I think these issues remain unresolved.

The United States should address these issues before the UN Security Council along with the authority for and composition of a post-war peacekeeping force. The Secretary of Defense and the Secretary of State told the Speaker today in a letter that the Administration is ''willing to consider a U.S. contribution to an international security presence,'' but they insist that it must have ''NATO at its core.'' This kind of inflexibility is not justified.

One of the key stumbling blocks from the beginning has not been a restoration of autonomy for Kosovo or the withdrawal of troops, it has been whether the implementation force will be NATO-led or include more of our allies who have an interest in peace. I think the peacekeeping operation must have at its core an international institution broader than NATO, such as the United Nations or the Organization for Security and Cooperation in Europe. The fact of the matter is that NATO has a very limited mandate and limited membership.

THE FUTURE OF NATO

The North Atlantic Treaty clearly limits NATO to acts of self defense. Article Five states that ''The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack on them all. . . .'' NATO does not have any legal authority to engage in military action that is not self-defense such as humanitarian intervention; I'm saying this independent of whether this intervention is morally correct or not.

The escalation of the conflict has had devastating consequences for non-combatants. On April 6, the United Nations High Commissioner for Refugees (UNHCR) took the highly unusual step of asking NATO to take over relief coordination due to the extraordinary demands being placed on their resources. I do not think we have fully studied the propriety of a military alliance making decisions that greatly impact the care, maintenance and legal status of refugees—work that is ordinarily carried out by a non-political relief agency.

There has also been a great many civilian deaths, partly as a consequence of NATO's decision to target non-military facilities such as TV stations. It is also an unintended consequence of flying at high altitudes in the interest of minimizing the risks to pilots. This happened on April 12, when NATO planes struck a civilian train on a bridge over the Juzna Morava River. The pilot fired his missiles before he even saw the target. The next day, 16 patients in a hospital in Banica were wounded by flying glass during a bombing raid. On April 6, dozens of people were hurt or killed in an attack on Aleksinac when bombs went 1500 yards astray. When the Pentagon admitted that a bomb went astray, the *New York Times* reported the next day that in fact more than one missile was used. The *Washington Post* reported on April 13 that NATO had acknowledged bombing residential areas of Kosovo, Pristina and the Southern Serbian town of Aleksinac where at least 20 people were killed. For exactly these reasons, the head of the International Red Cross, Cornelio Sommaruga, called this week for an end to bombing civilian targets by NATO.

I know it is extremely difficult to avoid civilian casualties during war. I mention these incidents because I think we need to be cognizant

of the fact that the more frequently they occur, the more difficult it is going to be to build a political solution on the ground after the war.

EXIT STRATEGY AND WAR BY PROXY

I do not think that I have adequate assurances that neither the U.S. nor any third party country will arm (or has armed) the KLA as part its war-fighting or exit strategy. We are all already aware of the atrocities that have been committed by Milosevic's forces but I was appalled by some information I received just today about the KLA. According to Human Rights Watch, the KLA began its first major offensive, an attack on the town of Orahovac on July 18, 1998. ''At least forty-two people were killed in the fighting, and on estimate, another forty remain unaccounted for. Reports of mass graves and summary executions surfaced, but remain unconfirmed.'' The press release also notes that on August 27, 1998, ''twenty-two civilians were reportedly executed by KLA members in the village of Kle ka'' and on September 9, 1998, ''the bodies of thirty-five people, including both ethnic Serbs and Albanians, were found in an artificial lake near the village of Glodjane. The evidence strongly suggests that they were killed by the KLA.'' The Associated Press notes that the KLA publicly claimed responsibility for bombing government targets in 1996.

Some of my colleagues are in favor of arming the KLA. I think we need to be concerned about the KLA not just because they may be perpetrators of the same kind of violence that NATO is supposedly trying to stop but also because there is such strong potential for mission blowback.

HUMANITARIAN INTERVENTION AND INTERNATIONAL LAW

Let me repeat that I do not think we should have looked the other way. There is an obvious tension in international law between the obligation to respect the sovereignty of nations versus the duty to intervene to stop genocide and crimes against humanity. The UN Charter begins by stating its purpose is to ''save succeeding generations from the scourge of war, which twice in our lifetime has brought untold sorrow to mankind.'' The Charter condemns violations of sovereignty and states that ''All Members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state. . . .'' At the same time, the Universal Declaration of Human Rights guarantees the rights of individuals against oppressive states, and the parties of the Genocide Convention are committed to prevent and punish the crime of genocide.

The answer is that both U.S. and international law need to be a part of determining when atrocities warrant humanitarian intervention. This combination ensures multilateralism, helps to share the costs of operations and takes into consideration the opinions of our allies, which in this case should include countries who are not NATO members and who could contribute to a peaceful resolution of this crisis.

When I learned that an F–117 had been shot down and that troops were being held in captivity, it brought home the horrors of war even sooner than I feared. Congressional oversight and involvement must stay in sync with this rapidly unfolding war. I urge my colleagues to vote for H.R. 1569 and to not abandon the path to peace.

Ms. SCHAKOWSKY. Mr. Speaker, I wish to share my remarks today on the current situation in Kosovo with my colleagues and the American public. The systematic campaign of brutality by Slobodan Milosevic has forced the United States and NATO to take forceful action. As the human tragedies mount—a growing number of refugees existing in desperate conditions, families being ripped apart, torture, rape and murder—the House considered important measures about how the United States should proceed.

I joined my colleagues on both sides of the aisle in supporting H.R. 1569 to assert the constitutional authority of Congress. We made it clear that the President cannot commit the United States military to a ground war without the explicit consent of Congress. The House today made it clear that the President must first receive the approval of Congress should the nature of the mission require a shift in military operations. At this time, the President and his military advisors have not signaled a change in the current strategy of air strikes, but if and when they do, I want the opportunity to vote on whether or not it is in fact necessary to deploy ground troops to end the genocide.

I cast a vote in favor of Resolution 21 explicitly authorizing the President to conduct military air operations and missile strikes in Yugoslavia. By doing so, I put myself firmly on record in support of the United States and our NATO allies in this moral struggle to rescue the victims of ethnic cleansing and to put an end to such atrocities. As an American who believes in freedom and a Jew who remembers the lessons of the Holocaust, I could do no less.

Even as we engage in these air strikes, the United States must place the highest priority on exploring and implementing all diplomatic options to end the conflict and to redouble our commitment to humanitarian relief.

Mr. EVERETT. Mr. Speaker, at the outset, let me say this Congress is unified in its support for our military when involved in operations around the world. The men and women in uniform have our full and unequivocal support. With that said, I have deep reservations about the foreign policy of this administration that is now being conducted by the military in Operation Allied Force.

Two weeks ago, Defense Secretary Bill Cohen and Joint Chiefs Chairman General Hugh Shelton testified before the House Armed Services Committee to try to explain the Clinton Administration's policy and objectives in Kosovo. Specifically, why this Balkan civil war is vital to America's national security interests and to define the end game. I regret to say they were not convincing. Moreover, it is very apparent that there is no end game—no exit strategy. I voted against sending our troops into this internal conflict, and unless a compelling case is made, I will continue to oppose sending in U.S. ground forces into Kosovo.

It is clear that the President chose to ignore the professional advice of the military leadership, and sided with his foreign policy team who made this into a humanitarian plea. Frankly, I think the air campaign may have precipitated the ethnic cleansing and suffering in Kosovo.

We have interjected ourselves into a centuries-old conflict, where both the Serbs and Albanians have each been the aggressor over Kosovo. By virtue of Operation Allied Force targeting Serbia assets, we are siding with the KLA (Kosovo Liberation Army) which has strong ties to organized crime, gun running, drug trafficking and international terrorist groups like Bin Laden. With the Administration's mishandling of the Balkan crisis, I can only think of the old saying that ''those who fail to remember the lessons of history, are destined to repeat its mistakes.''

To compound matters, this is the first time in NATO's history, a defensive coalition by charter, that military action has been conducted against a sovereign nation over internal strife. While there is consensus among the 19 member nations of NATO for the Air Campaign, there is no consensus about a ground campaign. It's evident that Milosevic has not been deterred by only an air campaign. An assessment has been made that more than 200,000 troops would be needed to invade Serbia, yet no ground plan even exists. President Clinton is leading our nation down the path of ''mission creep'' that will suck our military into a quagmire that resembles Vietnam—a situation that America has vowed never to repeat.

Mr. Speaker, we have an opportunity to prevent Operation Allied Force from becoming a full blown war if we act now. The European Union must step up to the plate and assert its responsibility for its own region. If the EU determines that the strife between the Serbs and Kosovar Albanians warrants military intervention, so be it; they can proved the forces.

Diplomacy is still an option. Russian efforts to broker a settlement in Kosovo were never allowed to succeed; these effort should be vigorously pursued. We must re-examine all of these options before we go down this path of no return; support the resolution HR 1569.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in opposition to this resolution. This resolution would prohibit funds to deploy ground elements without prior authorization. Mr. Speaker, this resolution goes far beyond the concerns of many who believe Congress should express its will before a ground invasion of Yugoslavia is contemplated.

I do believe that Congress should express the views of our constituents as we proceed with action in the Balkan region. I however do not want to limit the flexibility of our military in their efforts to make Slobodan Milosevic comply with international norms. Mr. Speaker, I find it ironic that this body is even considering this resolution in light of past precedent. When President Bush asked this body to authorize action in Kuwait, this body had sufficient time to debate the matter. Secondly, this body did not attempt to block our commanders' flexibility and ability to respond to emergency situations.

I believe that NATO's operations are making a difference in the region both militarily and in providing comfort to thousands and thousands of refugees. But it is important for us to remember that when conducting operations like this one that it is going to take time. I want to ensure that Milosevic pays a heavy price for his present policy of repression against the Kosovar Albanians, to alter his calculation

about continuing on this course, and to seriously diminish his military capacity to exert his will over Kosovo.

In addition, Mr. Speaker there are thousands and thousands of ethnic Albanians who have received the full brunt of the Yugoslavian army and police force in Kosovo. These people have lost their homes and possessions. They have lost countless loved ones to unspeakable atrocities. We may never know the full extent of the horrors committed by the Yugoslavian army. We are left with the words of refugees fleeing this country. Their eyes have witnessed and their words speak of men and boys who have been led off to die.

The 37,000 refugees in Montenegro, the 262,000 refugees in Albania, and the 120,000 in Macedonia; place the responsibility for the Kosovo tragedy squarely on the shoulders of Slobodan Milosevic. Mr. Speaker, we cannot deny the evidence of mass graves nor the humanitarian crisis ongoing in Montenegro, Macedonia, and Albania.

Mr. Speaker, we must be patient in this endeavor, for the stability of Europe is at risk. I believe that we must stay the course, for this is a battle that Milosevic cannot be allowed to win and that NATO must not lose.

There is a great deal at stake in this operation including the stability of Europe. We cannot lose sight of the fact that on two occasions we have sent young men and women to fight and die in order to restore the stability of Europe. Mr. Speaker, if Milosevic is allowed to succeed then we will be establishing a dangerous precedent for the next century. NATO must succeed in its endeavor to restore order to Kosovo and to establish a lasting peace based on fairness and justice.

Although I do not support the use of ground forces, I feel that this resolution goes too far. This sweeping resolution threatens to severely restrict the ability of our military commanders to conduct operations in the Balkans. There are situations, which could arise that require the deployment of ground troops. I cannot support H.R. 1569 because it imposes a risk to both our forces and those of our allies.

Mr. Speaker, this effort is in our national interest, our current policy best represents our interests. We must prevail in this struggle because the interests and the values, which embody our nation and those of our allies, are at stake.

Mr. MORAN of Virginia. Mr. Speaker, I rise in strong opposition to this resolution, which would prohibit funding for ground forces unless deployment is specifically authorized. The only narrow exception provided in this measure is for rescuing U.S. service personnel.

This resolution would undermine our ability to achieve NATO objectives in Kosovo and, more importantly, would send the wrong signal to President Milosevic about our resolve in the Balkans.

I encourage my colleagues to consider the ramifications of this resolution, which limits our country's military leaders. If we are to ensure a stable Europe and stop the atrocities, then we must destroy Milosevic's ability to wage his campaigns of ethnic cleansing.

I believe that the United States should continue to support the North Atlantic Treaty Organization's (NATO) efforts in the Balkans. NATO has been principally responsible for the relative stability and economic prosperity that Europe has enjoyed over the last fifty years. Our experience in two world wars clearly demonstrates that a stable Europe is in the national interest of the United States.

By putting unwise restrictions on our armed forces, this resolution could ultimately jeopardize our involvement in the 19-nation NATO operation.

In attempting to make a political statement, the Republican leadership hastily put this resolution together without involving the minority and has circumvented the committee process.

I urge my colleagues to oppose this resolution, which could do more to harm our national security interests and jeopardize our men and women in uniform involved with this operation.

Mr. BALLENGER. Mr. Speaker, I rise in support of H.R. 1569, a bill that would prohibit the appropriated funds of the Department of Defense from being used to deploy ground troops to Yugoslavia without the consent of Congress.

I still have grave concerns about NATO actions in Kosovo because I see no direct U.S. interests at stake, no clearly defined mission and no exit strategy. After five weeks of bombing, there is no evidence that our actions are either convincing Slobodan Milosevic to agree to a peace treaty or protecting the thousands of ethnic Albanians who are fleeing Kosovo. The recent deployment of Apache helicopters, tanks, artillery and armored personnel carriers to the Balkans, and the Monday's call up of 33,000 reservists, is clear evidence that President Clinton intends to introduce ground forces to Kosovo itself sometime in the near future. H.R. 1569 simply requires the President to consult Congress before he does so.

While I abhor the ethnic violence and the forced eviction of ethnic Albanians from Kosovo, I am still not convinced that this situation merits sending in U.S. ground troops. With that said Mr. Speaker, I urge the passage of this bill because it sends a clear and concise message to President Clinton—that Congress has a constitutional role to play and that the President must get the authorization of the Congress before he can commit ground troops to Yugoslavia.

Mr. Speaker, I urge passage of H.R. 1569.

Mr. STEARNS. Mr. Speaker, if you don't believe we should send troops into the Balkans—then there is a clear pattern of how you should vote today.

If you believe that the War Powers Resolution offers the best means for preventing the president from taking us to war—then you know the course to follow.

What we are discussing today is the war in the Balkans. This region is a tapestry of overlapping ethnic rivalries where medieval and modern history are intertwined. As with the Middle East, the situation is very complicated. But where the Middle East resembles a game of checkers, the Balkan region is more like three dimensional chess.

The central point is that the Balkans represent a process of history and memory which has created a multiplier effect for violence. It is not a phenomenon of ''modern hate,'' but a monstrous creation partially wrought by the collapse of the multinational Hapsburg and Ottoman empires. It is not a situation open to easy solutions. We are dealing with a primitive ferocity there.

Today, we must decide if the President can take the United States further into the Balkan conflict without the approval of Congress. After all, the Constitution invests Congress with the power to make war.

To my knowledge, no substantial war with the accompanying carnage has ever been fought solely on the basis of human rights. If they were, then surely we would be fighting around the globe in many countries. Yes, human rights are among the noblest of causes, but wars are fought over national interests.

If the President had started this campaign in the right way, by using the full measure of our airpower, this conflict might have been resolved by now. However, this gradual approach has not worked. In fact, this approach has been a common strategic flaw in most of this Administration's military excursions.

Who in America would willingly send their son or daughter to die in the Balkans based upon the President's explanation of the events? President Clinton has put our troops in precarious positions over and over again. We should say today that not one service man or woman should be placed in harm's way based upon the President's empty threats or hollow promises.

Vote yes to prevent ground troops from being sent into the Balkans. Vote for the Goodling/Fowler Bill. When you find yourself in a hole, it makes sense to stop digging. We need a better policy in the Balkans than we now have, we need to stop digging.

Mr. CAMP. Mr. Speaker, today, Congress is faced with one of its most important and difficult constitutional duties. Article I, Section 8 of the U.S. Constitution clearly states that Congress shall have the power to declare war and to raise and support armies. Today, our Armed Forces are engaged in a NATO-led bombing campaign designed to force Yugoslav President Slobodan Milosevic to the negotiating table. The choices we must make are what actions we must take, declaring war, continuing on our current course or removing our troops, and what are our international responsibilities in the region.

We face a stark reality and a difficult decision. The reality is that Yugoslav President Slobodan Milosevic and the Serbian military forces are engaged in ethnic cleansing—attempting to systematically exterminate the Kosovar citizens. Reports have confirmed this and the atrocities have intensified since the NATO bombing campaign began on March 24, 1999.

Since the bombing campaign began, hundreds of thousands of Kosovars have fled the fighting. The pictures and stories of their escape are both tragic and disturbing. The decision facing Congress today is how to put an end to Slobodan Milosevic's organized efforts to harm these innocent people, how to return the refugees to their homeland and how to restore stability to the region.

President Clinton has put our Armed Forces on an unfamiliar and unclear path. His stated goals are to end the ethnic cleansing and to restore stability to the region. As news reports have shown, the bombing campaign is having little impact on the Serbian military's infrastructure. More importantly, it is doing little to prevent his systematic extermination of the

Kosovar people. It can be argued that far from restoring peace and stability to the region, the bombing campaign is causing further disruption and intensifying Milosevic's ethnic cleansing efforts.

President Clinton has expressed concern about the introduction of ground troops into the region. I agree with his assessment. However, President Clinton recently authorized the mobilization of up to 33,000 reservists for deployment to the region—an act that could be interpreted as the first move toward the introduction of ground troops.

I question the efficacy of the bombing campaign and our current course of action. No military action can be won by limiting military options and creating a convoluted and confusing decisionmaking process. President Clinton's poll-driven policies ignore his military advisor's advice, endanger our servicemen and women and may involve the U.S. in a long-term military occupation with an ever increasing escalation reminiscent of Vietnam.

Our decision today is among the most important votes I've cast. Declaring war should be the last act of the Congress and the Administration after all diplomatic efforts have been exhausted and every avenue possible to resolve the conflict has been pursued. I don't believe we've exhausted these options at this time and that's why I will vote against declaring war.

The introduction of ground troops escalates our involvement to an unnecessary level at this time. I'm not prepared to put our servicemen and women in a hostile situation and will vote to remove our troops. The situation in Kosovo is the result of centuries of conflict and will not and cannot be quickly resolved using military force.

Any military victory will be offset by the fact that U.S. troops will remain a part of a long-term occupation force. As any neighboring nation should, the European nations have a responsibility to take a leadership role in working toward a permanent solution instead of temporary answers to this regional dispute.

Finally, the U.S. Constitution is clear that Congress has the ability to declare war and raise and provide funding for our nation's Armed Forces. That's why I will support the Fowler Resolution, which clarifies the role of Congress and which outlines that no U.S. ground troops will be deployed unless such deployment is authorized by law.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to section 2 of House Resolution 151, the bill is considered read for amendment, and the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SKELTON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 249, noes 180, not voting 5, as follows:

[Roll No. 100]

AYES—249

| | | |
|---|---|---|
| Abercrombie | Goodlatte | Packard |
| Archer | Goodling | Paul |
| Armey | Goss | Pease |
| Bachus | Graham | Peterson (MN) |
| Baker | Granger | Peterson (PA) |
| Baldwin | Green (WI) | Petri |
| Ballenger | Greenwood | Phelps |
| Barcia | Gutknecht | Pickering |
| Barr | Hall (TX) | Pitts |
| Barrett (NE) | Hansen | Pombo |
| Barrett (WI) | Hastert | Portman |
| Bartlett | Hastings (WA) | Pryce (OH) |
| Barton | Hayes | Quinn |
| Bass | Hayworth | Radanovich |
| Bereuter | Hefley | Ramstad |
| Biggert | Herger | Regula |
| Bilbray | Hill (IN) | Reynolds |
| Bilirakis | Hill (MT) | Riley |
| Blagojevich | Hilleary | Rivers |
| Bliley | Hobson | Rogan |
| Blunt | Hoekstra | Rogers |
| Bonilla | Horn | Rohrabacher |
| Brady (TX) | Hostettler | Ros-Lehtinen |
| Bryant | Hulshof | Roukema |
| Burr | Hutchinson | Royce |
| Burton | Hyde | Ryan (WI) |
| Buyer | Inslee | Ryun (KS) |
| Callahan | Isakson | Salmon |
| Calvert | Istook | Sanders |
| Camp | Jackson (IL) | Sanford |
| Campbell | Jenkins | Saxton |
| Canady | Johnson (CT) | Scarborough |
| Cannon | Johnson, Sam | Schaffer |
| Castle | Jones (NC) | Schakowsky |
| Chabot | Kaptur | Sensenbrenner |
| Chambliss | Kasich | Serrano |
| Chenoweth | Kingston | Sessions |
| Coble | Kleczka | Shadegg |
| Coburn | Knollenberg | Shaw |
| Collins | Kolbe | Shays |
| Combest | Kucinich | Sherman |
| Condit | Kuykendall | Sherwood |
| Cook | LaHood | Shimkus |
| Cooksey | Largent | Shuster |
| Costello | Latham | Simpson |
| Cox | LaTourette | Skeen |
| Cramer | Lazio | Smith (MI) |
| Crane | Leach | Smith (NJ) |
| Cubin | Lee | Smith (TX) |
| Cunningham | Lewis (KY) | Souder |
| Danner | Linder | Spence |
| Davis (VA) | Lipinski | Stark |
| Deal | LoBiondo | Stearns |
| DeFazio | Lofgren | Stump |
| DeLay | Lucas (KY) | Sununu |
| DeMint | Lucas (OK) | Sweeney |
| Deutsch | Manzullo | Talent |
| Diaz-Balart | Markey | Tancredo |
| Dickey | McCollum | Taylor (NC) |
| Doolittle | McCrery | Terry |
| Doyle | McDermott | Thomas |
| Duncan | McGovern | Thompson (CA) |
| Dunn | McHugh | Thornberry |
| Ehlers | McInnis | Thune |
| Ehrlich | McIntosh | Tiahrt |
| Emerson | McIntyre | Tierney |
| English | McKeon | Toomey |
| Everett | McKinney | Traficant |
| Ewing | Metcalf | Udall (CO) |
| Fletcher | Mica | Udall (NM) |
| Foley | Miller (FL) | Upton |
| Fossella | Miller, Gary | Visclosky |
| Fowler | Miller, George | Walden |
| Frank (MA) | Mink | Walsh |
| Franks (NJ) | Moran (KS) | Wamp |
| Frelinghuysen | Myrick | Watkins |
| Gallegly | Nethercutt | Watts (OK) |
| Ganske | Ney | Weldon (PA) |
| Gekas | Northup | Weller |
| Gibbons | Norwood | Whitfield |
| Gilchrest | Nussle | Wicker |
| Gilman | Ose | Wilson |
| Goode | Oxley | Young (AK) |

NOES—180

| | | |
|---|---|---|
| Ackerman | Baird | Becerra |
| Allen | Baldacci | Bentsen |
| Andrews | Bateman | Berkley |
| Berman | Hastings (FL) | Oberstar |
| Berry | Hilliard | Obey |
| Bishop | Hinchey | Olver |
| Blumenauer | Hinojosa | Ortiz |
| Boehlert | Hoeffel | Owens |
| Boehner | Holden | Pallone |
| Bonior | Holt | Pascrell |
| Bono | Hooley | Pastor |
| Borski | Houghton | Payne |
| Boswell | Hoyer | Pelosi |
| Boucher | Hunter | Pickett |
| Boyd | Jackson-Lee (TX) | Pomeroy |
| Brady (PA) | Jefferson | Porter |
| Brown (CA) | John | Price (NC) |
| Brown (FL) | Johnson, E. B. | Rahall |
| Brown (OH) | Jones (OH) | Rangel |
| Capps | Kanjorski | Reyes |
| Capuano | Kelly | Rodriguez |
| Cardin | Kennedy | Roemer |
| Carson | Kildee | Rothman |
| Clay | Kilpatrick | Roybal-Allard |
| Clayton | Kind (WI) | Rush |
| Clement | King (NY) | Sabo |
| Clyburn | Klink | Sanchez |
| Conyers | LaFalce | Sandlin |
| Coyne | Lampson | Sawyer |
| Crowley | Lantos | Scott |
| Cummings | Larson | Shows |
| Davis (FL) | Levin | Sisisky |
| Davis (IL) | Lewis (CA) | Skelton |
| DeGette | Lewis (GA) | Smith (WA) |
| Delahunt | Lowey | Snyder |
| DeLauro | Luther | Spratt |
| Dicks | Maloney (CT) | Stabenow |
| Dingell | Maloney (NY) | Stenholm |
| Dixon | Martinez | Strickland |
| Doggett | Mascara | Stupak |
| Dooley | Matsui | Tanner |
| Dreier | McCarthy (MO) | Tauscher |
| Edwards | McCarthy (NY) | Taylor (MS) |
| Engel | McNulty | Thompson (MS) |
| Eshoo | Meehan | Thurman |
| Etheridge | Meek (FL) | Towns |
| Evans | Meeks (NY) | Turner |
| Farr | Menendez | Velázquez |
| Fattah | Millender-McDonald | Vento |
| Filner | Minge | Waters |
| Forbes | Moakley | Watt (NC) |
| Ford | Mollohan | Waxman |
| Frost | Moore | Weiner |
| Gejdenson | Moran (VA) | Weldon (FL) |
| Gephardt | Morella | Wexler |
| Gillmor | Murtha | Weygand |
| Gonzalez | Nadler | Wise |
| Gordon | Napolitano | Wolf |
| Green (TX) | Neal | Woolsey |
| Gutierrez | | Wu |
| Hall (OH) | | |

NOT VOTING—5

| | | |
|---|---|---|
| Aderholt | Tauzin | Young (FL) |
| Slaughter | Wynn | |

□ 1521

Ms. LOFGREN and Mr. DEUTSCH changed their vote from ''no'' to ''aye.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1569.

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

## REMOVAL OF UNITED STATES ARMED FORCES FROM THE FEDERAL REPUBLIC OF YUGOSLAVIA

Mr. GILMAN. Mr. Speaker, pursuant to House Resolution 151, I call up the concurrent resolution (H. Con. Res. 82) directing the President, pursuant to section 5(c) of the War Powers Resolution, to remove United States Armed Forces from their positions in connection with the present operations against the Federal Republic of Yugoslavia, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The text of H. Con. Res. 82 is as follows:

H. CON. RES. 82

*Resolved by the House of Representatives (the Senate concurring),*

**SECTION 1. REMOVAL OF UNITED STATES ARMED FORCES FROM THE FEDERAL REPUBLIC OF YUGOSLAVIA.**

Pursuant to section 5(c) of the War Powers Resolution (50 U.S.C. 1544(c)), the Congress hereby directs the President to remove United States Armed Forces from their positions in connection with the present operations against the Federal Republic of Yugoslavia within 30 days after the passage of this resolution or within such longer period as may be necessary to effectuate their safe withdrawal.

The SPEAKER pro tempore. Pursuant to section 3 of House Resolution 151, the gentleman from New York (Mr. GILMAN) and the gentleman from Massachusetts (Mr. DELAHUNT) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Con. Res. 82.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me begin by saying to the gentleman from California (Mr. CAMPBELL) that I fully respect and appreciate his diligent efforts to ensure that the Congress is appropriately involved in any decisions on war and peace, and we highly commend him for his efforts in that respect.

As I stated to Secretary Albright at our Committee on International Relations hearing last week, I believe that the administration had made a serious mistake in trying to prosecute a war against Yugoslavia without full involvement of the Congress.

The gentleman from California (Mr. CAMPBELL) is earnestly trying to rectify that situation, and I believe he should be commended for taking pains to ensure that the prerogatives of the Congress are respected.

At the same time, however, I cannot support this measure that the gentleman from California (Mr. CAMPBELL) introduced in April and which is before us today, House Concurrent Resolution 82. This is a concurrent resolution directing the President, pursuant to section 5(c) of the War Powers Resolution, to remove our armed forces from Yugoslavia.

□ 1530

With regard to the merits of the Campbell resolution, we all know that Operation Allied Force has not been as successful as we would have liked, but now is certainly not the time to suspend our military operations in Yugoslavia. Doing that would only compound the humanitarian tragedy that has been unfolding before our eyes. It would reward President Milosevic for his murderous strategy of depopulating Kosovo of its ethnic Albanian majority and remove all pressure on him to agree to any diplomatic settlement that would protect the rights of the people of Kosovo.

The NATO military air operation now taking place over Serbia is a response, belatedly in my opinion, to more than a year of the most callous and brutal acts of repression aimed at innocent men, women and children in Kosovo whose only crime has been that they are Albanians.

The architect of these policies is Slobodan Milosevic, a man who has already accumulated a horrendous record in the former Yugoslavia and who should be indicted by the War Crimes Tribunal at The Hague.

The cost of Milosevic's aggressive nationalism has been the uprooting of hundreds of thousands of people. While the Serbs have used NATO bombing as a pretext to escalate their hideous policy of ethnic cleansing, it is clear that they had prepared to embark on this course for Kosovo when the spring weather permitted better conditions for their military operations. There are alarming reports that in addition to the mass expulsions that we see on our television, there have been numerous atrocities and even mass killings perpetrated by the Serb forces, including civilian paramilitary groups notorious for their crimes that were committed in Bosnia and in Croatia.

In addition to these compelling humanitarian concerns that have led to our involvement, there is a threat to neighboring countries like Albania and Macedonia that could create a much wider conflict in Europe that could even result in the involvement of our NATO allies Greece and Turkey on opposite sides.

To prevent that kind of destabilization and escalation, our Nation has decided to act now. We have learned in two previous occasions this century that wars in Europe inevitably involve our own national interest, and that we pay a higher price by pretending that they do not and by delaying our involvement.

For these reasons, I strongly urge my colleagues in the House to oppose this resolution, H. Con. Res. 82, and indicate to the government of the Federal Republic of Yugoslavia that we will not cut and run when the going gets tough.

Mr. Speaker, I reserve the balance of my time.

Mr. DELAHUNT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I find considerable irony in the question of what is our national interest in Kosovo, for I thought we unequivocally answered that question with American blood and American tax dollars.

If we have no national interest in Kosovo, why did we lose so many lives in Europe in two World Wars? If we have no national interest in Kosovo, why did we spend billions of tax dollars on the reconstruction of Europe through the Marshall Plan in the aftermath of World War II? It seems that we have forgotten that the Balkans are an integral part of Europe, and that Kosovo, as President Bush first enunciated, is critical to the peace and stability in the Balkans.

Senator Dole got it right when he testified before the Committee on International Relations advocating our engagement and involvement in Kosovo. I am quoting Senator Dole: ''It is in America's interest to have a stable, democratic and prosperous Europe.''

As did Ambassador Jeane Kirkpatrick, who served so well as our U.N. Ambassador under President Reagan. She stated at that same hearing, and again I am quoting: ''I think that peace and security and the human rights of the people in the region and the future of NATO and a democratic, peaceful, prosperous Europe are all in the balance in Kosovo.''

We should be proud that it was the United States that helped nurture prosperity and democratic institutions in Europe in the latter part of this century, for that investment truly changed the course of history and has not just benefited Europe, but our Nation and our people.

The prosperity that we have enjoyed in this decade can be partially traced to the reality of a Europe increasingly democratic in terms of its political institutions, with economies based on free market principles. We are joined at the hip, let us be clear about that, but it is to our mutual advantage. An expanded European Union represents a future of unprecedented peace and prosperity for a continent that has been ravaged by war throughout recorded history, and the genocidal ethnic cleansing of Milosevic is perhaps the final challenge, hopefully, to achieving that vision.

So when we ask what our national interest is in Kosovo, it is not simply Kosovo, it is more, much more. It is about Europe and beyond Europe.

In the so-called Christmas warning of 1992, it was President Bush that warned Milosevic if he attacked Kosovo, that the U.S. would support a military intervention, if necessary. Early in his administration, President Clinton confirmed the Bush warning. It was the conclusion of both administrations that conflict in Kosovo would destabilize the entire region and potentially threaten all of Europe.

It would indeed be tragic at this point in time to have defeated fascism in the 1930s and the 1940s, to have prevailed over communism in the 1980s, only to lose the peace at the end of the century. We may do just that by a unilateral withdrawal at this point in time.

I submit that the action would be irresponsible. Dictators worldwide would cheer. Milosevic would have won. We will have crafted a much more frightening and troubled future. The Kosovar Albanians would be condemned to permanent exile or death and genocide.

Again, Senator Dole was particularly eloquent when he spoke to what was occurring in Kosovo and to the evils of genocide. Again, let me quote the Senator: ''Now I don't know how many people it takes before you call it genocide. And I'm reminded of the book, 'The Greatest Generation,' by Tom Brokaw, and I'm proud to be a part of that generation, and one of the things we failed to do in that generation was to nip genocide in the bud. It happened, we let it happen, and we stood back and we did nothing.''

Let us not sometime in the future reflect back on this day with the same regrets expressed so eloquently by Senator Dole. An earlier speaker, my friend from Ohio, on the floor stated, ''Let's give peace a chance.'' I respect him. I respect that sentiment. However, let me conclude by saying, let us not give genocide a chance. Let us not give genocide a chance.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Texas (Mr. DELAY), our distinguished whip.

Mr. DELAY. Mr. Speaker, this is a very difficult speech for me to give, because I normally, and I still do, support our military and the fine work that they are doing. But I cannot support a failed foreign policy. History teaches us that it is often easier to make war than peace. This administration is just learning that lesson right now.

But before we get deeper embroiled into this Balkan quagmire, I think that an assessment has to be made of the Kosovo policy so far. President Clinton has never explained to the American people why he was involving the U.S. military in a civil war in a sovereign nation, other than to say it is for humanitarian reasons, a new military/foreign policy precedent.

The President began this mission with very vague objectives and lots of unanswered questions. A month later, these questions are still unanswered. There are no clarified rules of engagement. There is no timetable. There is no legitimate definition of victory. There is no contingency plan for mission creep. There is no clear funding program. There is no agenda to bolster our overextended military. There is no explanation defining what vital national interests are at stake. There was no strategic plan for war when the President started this thing, and there still is no plan today.

Instead of sending in ground troops, we should pull out the forces we now have in the region. Many who argue we cannot pull out say we should stay to save face, if for no other reason. I would like to ask these people, was it worth to stay in Vietnam just to save face?

The root of this crisis is centuries old, and no occupation by foreigners can craft a peace where no desire for it exists. Unless you are willing to commit your sons and daughters into a war indefinitely, you should not vote to keep troops overseas simply because we do not know what else to do.

The President said that if we did nothing, there would be instability in the region, there would be a flood of refugees, Kosovars would die and the credibility of NATO would be undermined. Well, Clinton's bombing campaign has caused all of these problems to explode; in addition, has made the Russians jittery, and has harmed NATO's standing in the world.

In Lebanon, Ronald Reagan cut his losses and withdrew our troops. We should do the same thing before the body bags start coming home. After all, what good has been accomplished so far? Absolutely nothing. What long-term good will be accomplished by keeping our troops there? None, unless you are willing to occupy all of Yugoslavia.

Mr. Speaker, I do not think we should send ground troops to Kosovo, and I do not think we should be bombing in the Balkans, and I do not think that NATO should be destroyed by changing its mission into a humanitarian invasion force. I support the Campbell resolution.

Mr. DELAHUNT. Mr. Speaker, I yield myself such time as I may consume. Let me be really clear. This is not a civil war that has been raging. This is nothing more than state violence and state terrorism against a class of citizens who are unarmed, for the purpose of forming a pure enclave, a mini-state, if you will. I daresay the statement that this is a civil war does a disservice to what occurred before the ascendancy of Milosevic. There were 1.9 million Albanians and about 200,000 Serbs. As again Senator Dole testified before the House Committee on International Relations, they had been living peacefully together until Milosevic stirred things up.

Mr. Speaker, I yield 2 minutes to the gentleman from Philadelphia, Pennsylvania (Mr. HOEFFEL), a respected member of the Committee on International Relations.

Mr. HOEFFEL. I thank the gentleman for yielding me this time. Mr. Speaker, I oppose the unilateral withdrawal of American forces from Yugoslavia. This is a wrong idea at a wrong time. This effort represents a modern day isolationism that would be wrong for America, just as wrong as isolationism was at the First World War and the time of the Second World War.

A unilateral withdrawal of our troops would devastate NATO just at a time when it is showing great resolve and great unity. The role for NATO in the future is to keep the peace in Europe. No one else will be able to do that. This is not the time to destroy NATO's resolve.

A unilateral withdrawal would also reward Milosevic for his barbaric activity. It would allow him to win this conflict. He is engaging in genocide. Genocide is systematic barbarity and murder of innocent, defenseless civilians because of ethnic and religious differences. That is what is happening in Yugoslavia and Kosovo today. That is what we must stop. To withdraw our troops today would undercut everything this country stands for and would remove America as one of the leaders, perhaps the only great leader, in this world today. We should oppose this resolution.

□ 1545

Mr. GILMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Utah (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I stand in support of the resolution.

When American troops are deployed on the field of battle it is the duty of every American offer them our clear support and prayers for their safe return home. That is why I will vote for a supplemental appropriations bill that not only pays today's bills in Kosovo, but also begins to meet the national security emergency caused by 7 years of neglect of our military forces by this administration.

It is an emergency that we have troops fighting in Bosnia whose families are asked to survive on food stamps. It is an emergency the Air Force now has less cruise missiles than they have bombers to fire them. It is an emergency that as we call up 2,000 Air Force reservists for Kosovo, the Air Force still faces a shortage of over 2,000 pilots. And it is a grave emergency, that while we have gotten bogged down in a tiny country on the periphery of our vital interests, the Joints Chiefs of Staff have now confirmed that we face a ''very high risk'' of not being able to respond to our vital national interests in major theaters such as the Persian Gulf or the Korean Peninsula.

Support for our troops means more than a ''photo op'' for the Commander-in-Chief. It

means providing them all of the resources they need to safely and successfully complete their mission.

Support for our troops also means not putting them in harm's way without a clear goal, which can be achieved by military means, and which supports our vital national interests.

While all of our hearts and prayers go out to the innocent Kosovar civilians, it is painfully clear that 6 weeks of bombings have not prevented a single Kosovar from being raped, murdered or expelled from their home. Simply put, our military strategy of degrading and diminishing the Serbian military infrastructure can never achieve our stated political goal of peacefully reintegrating the Kosovar Albanians into Serbia.

Replacing Vietnam era "body counts" with high technology "bomb damage assessments" of empty Serbian barracks will not make this war a success.

If this tiny and troubled region truly were a threat to our vital interests, the only proper strategy would be full scale invasion of Kosovo, defeat of the Yugoslav Army, unconditional surrender of the war criminal, Slobodon Milosovic, and the occupation of Kosovo for the decades it will likely take to rebuild this region. This strategy, of full scale war, and the deployment of thousands of U.S. ground troops, surely must have the support of the American people as expressed through the approval of the Congress. For this reason, I support the resolution by the gentlewoman from Florida.

But if our security interests are not at stake, however deep the humanitarian crisis, we must consider more appropriate means of response than our current round of "therapeutic airstrikes."

When American service men and women know that what they are fighting for is important to their fellow Americans, and achievable through military means, they would do it for free.

We owe them an answer to these fundamental questions. Are we fighting for the independence of Kosovo? Not according to the President. Are we fighting to defeat Milosovic and bring him to justice as a war criminal? Not according to the Secretary of State. Are we fighting to defeat the Yugoslav army? Not according to the Secretary of Defense. So far it appears we are fighting because we can. We have replaced "power projection" with "sympathy projection." Blind support for this nonpolicy of wishful thinking must never become the measure of our support for American troops.

Mr. GILMAN. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, there is a strange dichotomy at play in this event. Those from the left attempt to use a vehicle they neither support, understand or even loathe at times. They attempt to spin the White House language that we attempt to stop ethnic cleansing, when the issue has actually exacerbated the problem that the Pentagon predicted, and warned and told the President not to get involved in.

The actual killing and removal of over 1 million refugees would not have happened, not to the degree if NATO had not intervened.

The Jane Fondas, the Ramsey Clarks, the Strobe Talbotts of this world find themselves inept in attempting to conduct military operations or even foreign policy.

Take a look at NATO today: France, Socialist/Communist coalition; Italy, former Communist.

It is not somebody that we trust.

Mr. DELAHUNT. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. MEEKS), a member of the House Committee on International Relations.

Mr. MEEKS of New York. Mr. Speaker, during the past few days I have asked myself, because I was against the conflict in Kosovo, I asked myself why, and I kept coming up with the answer that I was upset with the administration because it did not do the right thing in regards to the genocide that took place in Rwanda, Uganda, Sierra Leone and the Sudan. And then I thought again, and I said, and came to the conclusion that 1, 2, 3 or even 4 wrongs do not equal a right. Therefore, I changed my opinion and said we should stay the course in Kosovo and correct our policy in Africa, for genocide is, indeed, genocide wherever we may find it.

I believe we should follow the lead of the administration and NATO in preserving humanity, for we cannot sit idly by as thousands of innocent people are raped, murdered, stripped of their identities and forced from their homelands like what occurred in Rwanda, Uganda, Sierra Leone and the Sudan.

We must not allow evil to take over, and ethnic cleansing is indeed an evil. We should not sit on the fence between right and wrong. We should be firmly on the side of the fence that is right.

Dr. Martin Luther King, Jr. once said war can never be a positive or absolute good, but it could serve as a negative good in the sense of preventing the growth of an evil force. I believe that Mr. Milosevic is an evil force that must be stopped.

Mr. GILMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. MCCOLLUM).

Mr. MCCOLLUM. Mr. Speaker, there is a tragic war unfolding in the Balkans. The United States military has been playing a significant role in this war for several weeks. There is every indication that the war will expand and so will the United States' role. And yet, it is an undeclared war bearing an eerie resemblance to the beginning of the Vietnam War albeit that this one involves our NATO allies.

As a part of a NATO policy, the United States military began bombing in Yugoslavia in response to that government's refusal to go along with a plan for NATO "peacekeeping" forces to occupy the Yugoslav province of Kosovo in an effort to stop a civil war and "ethnic cleansing." It appears that President Clinton and other NATO leaders mistakenly thought that bombing specified military targets in Serbia and Kosovo would send a message to Yugoslav President Milosevic that would cause him to quickly embrace the NATO peace plan. It is obvious this was a gross miscalculation. Instead, Serbian forces immediately swept through Kosovo burning homes and driving out thousands and thousands of Kosovars who have become refugees in neighboring states. In the process, many human rights atrocities against the Kosovars in Kosovo have been reported.

The response of the United States and its allies has been to step up the bombing program. This has united the Serbian population behind President Milosevic, steeled their determination to prevail no matter what and alienated the general public in Russia who have a strong historical relationship with the Serbs. So far there is no sign that absent the introduction of ground forces, the intensified bombing campaign will cause President Milosevic and the Serbs to agree to the terms regarding Kosovo, demanded by NATO.

It is well known that the Yugoslav army has long prepared for a defensive struggle against any invading force by constructing underground facilities in rugged territory, by storing weapons and other supplies in these facilities and by training its military to engage in guerrilla tactics. While the extent of damage done by the bombing to date has been significant, it is probable that no amount of bombing will degrade the Yugoslav military sufficiently enough to prevent large numbers of casualties if U.S. ground troops are inserted or even if attack helicopters and other low flying aircraft are utilized to destroy Yugoslav ground forces because of the passion of the Serbian people to drive the Albanian Kosovars out of Kosovo and regain this territory which historically, several hundred years ago, was part of greater Serbia. It is unrealistic to expect the government of Yugoslavia to yield to NATO and its demands short of a total military defeat, and even then it appears likely that guerrilla warfare would continue to exist for a long, long time against any occupying force.

President Clinton has never asked Congress to declare war on Yugoslavia or Serbia. He has never even requested the type of resolution President Bush requested and was granted in advance of Desert Storm. Instead, he has made statements to the general public and conferred behind closed doors with congressional "leaders" putting forth a rationale for the bombings without a full explanation of what will likely be required to achieve the presumed NATO foreign policy objectives. At no time has he spelled out to the American public, let alone Congress, a consistent, coherent foreign policy that demonstrates a compelling United States national security interest in waging war against the forces of the government of Yugoslavia. Has the United States embraced a new NATO policy as described by British Prime Minister Tony Blair that NATO will not permit ever in the future human rights atrocities and "ethnic cleansing" or a dictatorship anywhere on the continent of Europe? If President Clinton embraces this policy, does this mean he is committing United States military forces to enforce such a policy not just in this instance in Yugoslavia, but at any point in

what the world defines as Europe? Does this mean that whatever force is necessary, including the use of ground troops of the United States military, will be engaged to ensure this policy? And if indeed this is a new policy of NATO to which the United States is in agreement, what is the national security interest rationale to support such a policy, and why specifically would we engage in such a policy with regard to Europe and nowhere else in the world? If it is not the United States policy, then the President needs to say so and come before Congress requesting some authority for engaging in the war that we're now undertaking together with a detailed rationale for it and an explanation of what we're prepared to do to win it. If it is a new policy, then that too must be explained together with a request for Congress to formally support the ongoing war as well as whatever treaty alterations within NATO need to be made and approved by the U.S. Senate.

I'm just as moved as anyone else by the atrocities being reported in Kosovo. There is no doubt in my mind that Albanian Kosovars have been brutally mistreated. No doubt, an appropriate response by the United States and its NATO allies to this action is justified. But I am deeply troubled by our engagement in an undeclared war that appears to be incrementally deepening with each passing day. It reminds me a great deal of how we got engaged in Vietnam and allowed that engagement to progress to a major war with a no-win policy that lost the support of the American public and cost thousands of American lives. If the United States is going to engage in war, the commitment must be made to let the military use the force necessary to win the war which means paying whatever price in lives of American soldiers is required to do this. And if America's national security interests are not great enough to justify such a price, then there should be no war.

To date, President Clinton has not demonstrated to my satisfaction that America's national security interest in the Kosovo matter is great enough to justify paying the price that I foresee will be necessary to win the undeclared war in which we are now engaged. For this reason, I am voting today for Mr. CAMPBELL's resolution to withdraw American forces from this war effort and for the Fowler/Goodling bill which would require a vote of Congress before the introduction of United States ground forces in Kosovo or Serbia. In doing so I keep an open mind to any presentation the President may make in the future to Congress seeking a declaration of war for this cause or a resolution similar to the one that was sought and given to President Bush. However, I will not be a party to sending American men and women in uniform to die in an ill conceived, ill planned and undeclared war.

Mr. GILMAN. Mr. Speaker, I yield 1 minute to the gentleman from Utah (Mr. CANNON).

Mr. CANNON. Mr. Speaker, I am a hawk. I believe in a military so strong that we never have to use it. When we use our military might, it should be with clear objectives after considering our national interests and the limits of our influence.

Mr. Speaker, imagine Serbia before we started bombing. The threat of ethnic cleansing clearly existed. About 2,000 innocent people have been killed, and more ominously, 40,000, a manned force, has been built up in Kosovo. Imagine again the White House seeing this threat, recalling the glory of the 1-day wars in Grenada and Panama and, without considering the ramifications, decided to go to war against Yugoslavia.

But Mr. Milosevic does not play by our rules. He does not turn on his anti-aircraft radar so that we can detect it and destroy it. He uses the bombings as a cover to really do ethnic cleansing and to suppress local domestic opposition.

The war drags on. The President and his advisers plead for patience, all the while hoping a cruel, cold winter without electricity and fuel oil will force guilty and innocent Serbs to their knees.

Mr. Speaker, I urge support of this.

Mr. DELAHUNT. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. CROWLEY), another Member of the House Committee on International Relations.

Mr. CROWLEY. Mr. Speaker, I rise today in strong opposition to H. Con. Res. 82 which would direct the President to remove our armed forces from their positions in connection with the present operations against the Federal Republic of Yugoslavia.

Mr. Speaker, a congressional vote to withdraw U.S. forces from the mission in Kosovo would severely undermine the entire NATO effort to stem President Milosevic's brutal campaign of ethnic cleansing against the Kosovar Albanian population.

Mr. Speaker, the withdrawal of U.S. troops right now would also undermine our other stated objectives in the conflict.

One of the reasons we decided to act in the first place was to prevent a wider conflict in the region from erupting. That was and still remains our goal. A withdrawal right now would greatly undermine that objective by putting the stability of the Balkans in grave jeopardy and, more broadly, the security of southern Europe.

We would also leave hundreds of thousands of refugees homeless and over 1.2 million displaced persons exposed to continued ethnic cleansing in Kosovo, a situation we will not tolerate. Just last weekend, leaders of the NATO alliance meeting here in Washington reaffirmed their commitment and resolve to maintain the air campaign against Yugoslavia until several key conditions were met. A vote now for unilateral U.S. withdrawal flies in the face of the NATO show of resolve.

Mr. Speaker, over the years many voices in this Chamber have called for greater burden-sharing by our allies. Our allies now are shouldering a great deal of the responsibility in this conflict. A unilateral troop withdrawal at this time would send the wrong signal to them that we are not willing to hold up our fair share of the burden. Mr. Milosevic must not doubt our resolve to achieve the objective of a multi-ethnic, democratic Kosovo in which all can live in peace and security. Mr. Milosevic alone has the power to end this conflict by immediately stopping the violence and bloodshed, withdrawing his military police and paramilitary forces from Kosovo and allowing all refugees to return under an international security presence.

Mr. Speaker, make no mistake. A vote withdrawing our troops is a vote against our troops and the vital mission they are currently undertaking. I strongly urge my colleagues to vote against this resolution.

Mr. GILMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa (Mr. GANSKE).

Mr. GANSKE. Mr. Speaker, I urge a yes vote on H. Con. Res. 82.

Mr. GILMAN. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Speaker, I rise in support of the resolution. Almost 7 weeks ago I voted to authorize the President to deploy American military forces as part of a peacekeeping force in Kosovo if the peace talks then underway produced a settlement.

Mr. Speaker, no peace agreement was reached, no vital U.S. interest in Kosovo was articulated, no mission defined, no exit strategy put forward. Without a vote of this House, the planes were launched and air strikes began. Never before have I been as concerned about the lack of definition and direction in our Nation's foreign policy. We are in where we should not be, and no one seems to know the way out.

It appears that the President hoped that the threat of air strikes would force a peace agreement. It did not. He hoped that the air strikes alone would detour Mr. Milosevic from continuing his attacks on Kosovo. They did not. He hopes that the American people are willing to risk the lives of their sons and daughters in Kosovo. They are not.

Mr. Speaker, hope is not a method. The President has yet to make a case for our involvement in Kosovo.

Mr. DELAHUNT. Mr. Speaker, I yield 2¾ minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, the Constitution is very clear. It is the United States Congress which has the power to determine issues of war and peace and to decide whether our young men and women are put in harm's way. It is the President who is the Commander in Chief of the military; it is the Congress which determines whether we use that military.

I have heard today that some people think that the U.S. participation in Kosovo now is unconstitutional. They are right. But the U.S. participation in Vietnam, Grenada, Panama and many other conflicts which took place without congressional authorization were also unconstitutional.

The time is now for this Congress to stop abrogating its constitutional responsibility to the White House and to start seriously addressing the issues of war and peace.

Frankly, I am extremely concerned about the process that has taken place today on an issue of such enormous consequence and at a time when Congress has an inactive schedule. It is an outrage that we only have a few hours to discuss the issues of war, the expenditure of billions, and the potential loss of life of American military personnel, and I hope we rectify this situation in the coming days and weeks. This should not be the last debate on this issue.

Mr. Speaker, my assessment of this situation at the present moment is that Mr. Milosevic is a war criminal and that ethnic cleansing, mass murder, rape and the forced evacuation of hundreds of thousands of innocent people from their homes is unacceptable and cannot be ignored. Sadly, because Mr. Milosevic has negotiated agreements which he has then ignored, I have supported the NATO bombings of military targets. I believe that the Serb military and police must be withdrawn from Kosovo, that the hundreds of thousands of people uprooted from their homes must be allowed to return, that Kosovo must be given some kind of self-rule and that an international peacekeeping force should be established to maintain order.

Mr. Speaker, I believe that we must strive as hard as we possibly can to find an alternative between doing nothing and allowing ethnic cleansing and mass murder to continue and the continuation of a war which will certainly result in terrible destruction, large numbers of casualties and the expenditure of great sums of money. I believe that the United States must be as active as we possibly can in finding a road to peace.

I believe that Germany and the United Nations have brought forth proposals which might be able to form the basis of a negotiated peace. I believe that Russia, a long-term ally of Serbia, should be asked to play a more active role in the process and to supply troops for an international peacekeeping force.

Mr. GILMAN. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. CHABOT), a member of our committee.

Mr. CHABOT. Mr. Speaker, I have believed from the outset that our involvement in this European conflict is wrong. It has become painfully apparent that the Clinton administration committed American air power without a clearly-defined mission and without a credible exit strategy.

Make no mistake about it. Slobodan Milosevic is a war criminal. His treatment of the ethnic Albanians in Kosovo has been deplorable, and his prosecution as a international war criminal could not come fast enough. But I do not believe that the commitment of American military forces to a potentially long, expensive and perhaps tragic effort can be the proper means to achieve that end.

Mr. Speaker, our military involvement in the Balkans is unwise. This administration's miscues have led to a disjointed strategy of gradual escalation that puts the lives of American men and women at risk.

Let us work for peace. Let us help the Kosovar refugees with humanitarian aid. But let us take our service men and women out of harm's way.

Mr. DELAHUNT. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Pennsylvania (Mr. COYNE).

Mr. COYNE. Mr. Speaker, I rise today to address the difficult issues that are before us relative to U.S. involvement in the ongoing NATO military action in Yugoslavia. The United States, in consultation with its NATO allies, has determined that the instability caused by the ethnic cleansing in Kosovo is a threat to the security of Europe.

□ 1600

Governments of NATO agreed unanimously on joint military action over a month ago, with the intention of forcing the government of Slobodan Milosevic to end its policy of ethnic cleansing and to allow safe restoration of the refugees to their homes. The one thing that I think Americans have learned is that it is wrong to stand idly by while such atrocities take place before our eyes. History has also taught us that it is better to head off a problem than to wait until the problem has spread. Today NATO remains committed to continuing its military operations until its three objectives, safe return and self-government of the refugees, withdrawal of the Yugoslavian troops from Kosovo and the insertion of peacekeeping troops to protect the ethnic Albanians in Kosovo are met. I support these objectives, and I support U.S. military action in order to achieve them.

How long this action will last, I do not know, but I do know two things: First, the power to end hostilities lies today with Slobodan Milosevic. All he has to do is stop the killing and pull his troops back.

Second, the chances that Mr. Milosevic will meet NATO's demand are dramatically reduced if Congress enacts legislation that requires the withdrawal of U.S. forces or ties the administration's hands regarding NATO's military options.

This is no time to go weak-kneed on our troops in Europe.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Illinois (Mr. MANZULLO), a member of our committee.

Mr. MANZULLO. Mr. Speaker, I have four questions to ask my colleagues and the American public: Is a ground war in Kosovo imminent? We are being pushed towards a ground war that is not in our national interests. Tony Blair, the Prime Minister of Britain, the Secretary General of NATO, Javier Solana, and our own President with his recent headlines, ''Clinton edges closer to backing the use of ground troops,'' and the President has called up 33,000 reservists.

The second question, what does a ground war mean? It means between 150,000 and 300,000 troops, with American forces making up 65 percent of the troops in rugged terrain that 25 German divisions in World War II could barely occupy, with expected casualties of between 7 and 12 percent, thousands of Americans wounded and killed.

Three, is it worth it? Every Member of Congress must ask himself or herself this question: Is it worth the life of my child, and, if you cannot answer that in the affirmative, then why should you force others' children to go to war, while the Clinton Administration refuses to allow the Kosovars to arm themselves and fight their own civil war.

The fourth question, why vote for the Campbell bill to halt U.S. combat mission in Yugoslavia? Because this is the only way to keep ground troops from savage guerrilla warfare, and this is the only way to stop thousands of U.S. soldiers from being killed in battle.

Mr. DELAHUNT. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I rise today in opposition to the Campbell resolution. As I stand here today, it pains me deeply to know that right now there are over 500,000 innocent victims from Kosovo who are running for their lives. These men, women and children have been driven out of their homes and villages, have been subjected to organized assaults, brutal rapes, and even assassinations. Some are living in makeshift camps, sheltered only by blankets and plastic covering. Some even hide and wait in the forests. Many of their villages have been burned.

These victims have been terrorized and seen death in the worst extreme. They are experiencing hunger, sickness, cold temperatures and terror on many fronts. Some have seen their loved ones viciously executed. We cannot allow this horror to continue for

these innocent people, without trying to stop it.

Let me be clear: I strongly believe that any kind of physical confrontation is troublesome and undesirable. However, to simply stand by, after one has exhausted diplomatic solutions, is even more unbearable. We have been as reasonable as we can possibly be with the Milosevic regime, yet he continues these atrocities and continues to launch a well-executed ethnic cleansing campaign and continues to commit genocide upon the men and women and children of Kosovo.

I have been told that injustice anywhere is a threat to justice everywhere, and there can be no justice in America as long as there is injustice in Kosovo.

We have no alternative, we have no recourse, we have no choice, except to demonstrate that we believe in peace, and, not only do we believe in it, but we will work for it.

Therefore, I oppose the Campbell resolution, and urge that we vote against it.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Oklahoma (Mr. ISTOOK).

Mr. ISTOOK. Mr. Speaker, I rise not to declare war, but to support our Constitution.

Right now President Clinton is prosecuting a war he was never authorized to start. President Clinton asked many nations to agree to attack Yugoslavia, but he failed to get permission from one crucial country, America. Our Constitution requires that Congress must declare war, not the President. It also states that Congress, not the President, defines and punishes offenses against the law of nations. And the NATO treaty, approved 50 years ago, says nothing about launching an attack.

It is not the American way to let one man drag us into a bloody quagmire. I took an oath to honor our Constitution, and I will not stand idle while the President, again, runs rough-shod over that Constitution.

Mr. DELAHUNT. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. OLVER), the ranking member of the Subcommittee on Military Construction of the Committee on Appropriations.

Mr. OLVER. Mr. Speaker, I come to the floor with an overwhelming sense of sadness that we be debating constraints on America's ability to lead in this world on a most profound issue of human rights. We are a people and a Nation whose very creation was to protect life and liberty against imperial sovereignty.

In my view, whatever constrains the 19 nations that comprise NATO from successfully prosecuting this war and successfully degrading the military capacity of the Milosevic regime to conduct ethnic cleansing and successfully returning ethnic Albanian citizens of Kosova to the homes they've lived in for generations is bad policy. It is tough enough to achieve consensus among those 19 nations, from France, Britain, and Italy to Hungary, Luxemburg and Iceland. But a broad consensus exists, a remarkable agreement, that the consummate evil in Europe today is represented by the Milosevic regime's execution of his belief that it has every right to repress, to terrorize, to intimidate, to expel, and, if those fail, to massacre whoever is left, of nearly 2 million citizens of Kosovo, whose only crime is that their religion is Islam.

I believe that if NATO had said ''no'' when Milosevic attacked eastern Croatia in 1991, an attack that ended when the defenses of Vukovar were overrun and the people remaining in the hospital were taken from their beds and slaughtered, we would not have witnessed the agony of Bosnia, with 200,000 killed and 2 million—fully 50% of the population—displaced from their homes. That agony culminated at Srebrenica where 8,000 men and boys were separated out and slaughtered. And if NATO had said ''no'' when the Milosevic regime killed 200,000 Bosnians and sent 2 million more into exile and into displacement from their homes, then the agony of Kosovo would not have occurred.

I believe equally fervently that if NATO is not equally successful in its resolve on Kosovo, that the anti-Milosevic freely-elected government, and, in fact, the very republic status of Montenegro within the rump of federal Yugoslavia, is as good as dead, and that the Milosevic regime will then adopt the destabilization of Macedonia as its next expansionist project.

NATO must succeed in this effort, before all the Kosovar males between the ages of 15 and 50 are murdered by the Milosevic regime.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Texas (Mr. SAM JOHNSON).

Mr. SAM JOHNSON of Texas. Mr. Speaker, war is a serious undertaking. It should not be used for political reasons, ever. War is a last resort and only used to protect America, her citizens and our vital interests.

Despite the humanitarian atrocities in Kosovo, the loss of even one life for a cause that has yet to be articulated or defined for the people of the United States is one too many. The plight of the refugees is tragic, and America should help them. We are a country that can provide relief and direction, ease pain and suffering, and we should provide help.

Mr. Speaker, I fought in a war where politicians were afraid to win because of the political fallout. That fear caused me to spend nearly 7 years of my life as a prisoner of war. I would fight again tomorrow for America's vital interests, but the answer in Kosovo is not to waste American lives. The answer is stop the bombing and provide relief for the refugees.

Mr. Speaker, there is a wall among the trees near the Lincoln Memorial that is engraved with the names of many brave soldiers, many of whom were my friends. Families go there to grieve and remember their fathers, their mothers, their sons and daughters. Stop the bombing. We do not need another wall.

Mr. DELAHUNT. Mr. Speaker, I yield 2 minutes to the gentlewoman from Hawaii (Mrs. MINK).

Mrs. MINK of Hawaii. Mr. Speaker, there is no doubt in my mind that Congress has the duty and responsibility to decide the question whether the United States of America uses its military power against another country. No matter how this Congress feels about the evil actions of the leaders of Yugoslavia against its own people, words of revulsion and opposition do not justify bombing without a declaration of war.

If the majority of this Congress feels that the air bombardment is justified, then it must vote to declare war. An explanation of why we are bombing Yugoslavia is not enough. We need to explicitly state that we do so in an act of war. Without that declaration of war, we make a mockery of the Constitution and of the War Powers Act.

Just because we are not acting alone and because the countries of NATO are in full support of the air attack does not absolve us of our responsibility to abide by our Constitution. If we believe that the President is correct in sending our military forces to bomb Yugoslavia, then it follows that we must vote to declare war.

I voted to allow troops into Yugoslavia to enforce the peace agreement. I did not vote to allow military intervention to force an agreement. I do not support the use of military power to beat the Yugoslavian government into submission to our will.

I fervently believe we should be debating a resolution to urge the President to declare a moratorium on the bombing while an all-out effort is made to reach a settlement. There are various proposals on the table. We could discuss the Russian proposal, the UN proposal, the German proposal. The Kosovar people have fled from their homes. Dangers to them now of a moratorium are very small compared to what has already been heaped upon them, so why not declare a halt on the bombing and let Russia, Germany and the UN broker a settlement? I want an end to the bombing. I want the Constitution of the United States to prevail.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Colorado (Mr. TANCREDO), a member of our committee.

Mr. TANCREDO. Mr. Speaker, there are many murky things about the situation we now face in Kosovo. One, however, is not murky. What is not even remotely unclear is the fact that we are not there for the often heard cause of stopping ethnic cleansing. That is the one thing about which I am absolutely sure. That is not the reason we are there.

We can debate, and we will debate at length, the variety of reasons we may be there. It may have something to do with legacies and all the rest of that, but it has nothing to do with ethnic cleansing, else we would be in at least a dozen countries around this world where the situation is 10 times worse. Certainly we can start naming them now. At the top of the list is the Sudan.

□ 1615

There were 2,000 people dead when we went into Kosovo to begin with, a third of them Serbs. We have already ruined too many lives there in Kosovo, we have done too much damage; too many people are dead as a result of the actions we have taken. It is time to withdraw our forces. When we have dug ourselves a pit, the best thing to do now is stop digging and get out.

Mr. DELAHUNT. Mr. Speaker, I would remind my colleagues that as a result of the atrocities and the crimes against humanity committed by Slobodan Milosevic, there are over 300,000 men, women and children that are dead in the former Yugoslavia now.

Mr. Speaker, I yield 45 seconds to the gentleman from Ohio (Mr. KUCINICH), my friend and colleague.

Mr. KUCINICH. Mr. Speaker, I believe we should withdraw our troops and resubmit this matter to the United Nations Security Council and make this tragedy the entire world's burden and not primarily that of the people of the United States of America.

It is understandable that this House should be conflicted here, because this mission is itself at conflict between the U.N. charter, which bans force, violating State sovereignty and the universal declaration of human rights, which guarantees the rights of individuals against oppressive States. NATO's action fails the test of humanitarian intervention, if only because of the damage NATO has inflicted on civilian populations. Humanitarian bombing is an Orwellian attack on logic.

If the United States continues as the chief sponsor of this war, we have, in effect, decided that the United Nations is no longer relevant. This places upon America the awesome responsibility of policing the entire world.

Mr. GILMAN. Mr. Speaker, I am pleased to yield such time as he may consume to the gentleman from Georgia (Mr. COLLINS).

Mr. COLLINS. Mr. Speaker, I rise in support for this resolution.

I share the concerns of many Third District residents regarding ethnic cleansing in Kosovo and current North Atlantic Treaty Organization (NATO) attacks on the Federal Republic of Yugoslavia (FRY). Having recently traveled to Tirana, Albania, and Skopje, Macedonia, I have witnessed firsthand the humanitarian crisis facing Europe—a crisis that has intensified since the beginning of the allied bombing campaign. There is no question that the situation is grim.

Slobodan Milosevic is a shrewd and experienced military commander who has used military power to expel Kosovar Albanians from their homes and to put extensive defenses in place in Kosovo, significantly enhancing his military position on the ground.

The President and the other 18 NATO leaders have, on the other hand, allowed political considerations to govern military decisions, resulting in NATO's failure to accomplish the goals established by the President at the outset of the air war. Ethnic cleansing has accelerated and the FRY military has now fortified its southern defenses, presenting a greater threat to a potential invasion force today than was present when NATO bombing began.

Because NATO air strikes have little chance of accomplishing their stated goals, and because the human and economic costs of launching a ground campaign far outweigh the potential benefits of such an action, I believe that the NATO air campaign must stop immediately. It is time for NATO to seek a negotiated settlement that will stop this expensive and counterproductive bombing campaign and allow the Kosovar Albanians to begin to rebuild their lives.

Mr. DELAHUNT. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. LANTOS), a most distinguished member of the House Committee on International Relations and a long-term Member of this body.

Mr. LANTOS. Mr. Speaker, the voices of appeasement and isolationism are reverberating in these halls. For 40 years NATO stood against the Soviet Union, the mighty superpower, and NATO apparently, in the view of some of our colleagues, cannot stand up to Slobodan Milosevic.

This past weekend at the NATO summit, 19 nations stood together determined and united to see to it that the ethnic cleansing comes to an end, that the persecution, mass rape, mass murder of the Kosovars comes to a halt. And it is painful indeed to listen to some of my colleagues who forget that for the whole period since the end of the Second World War, NATO provided a shield behind which Europe could be safe and free and secure and prosperous.

This is a historic moment. For the first time, Hitler's first victims, the Czechs, the Poles, the Danes, the Norweigans, the Dutch and the Belgians stand shoulder-to-shoulder with the newly democratic Germany and 11 other nations, including Canada and ourselves, in saying ''no'' to the perpetrators of genocide. This is not the time to cut and run.

It is important for all of us to realize that when the dust settles, this will prove to be NATO's finest hour. We are in it not for oil, not for glory, not for territory, but for the principles on which this country was founded, the principles that NATO has succeeded in taking root throughout western Europe and now throughout central Europe.

If anybody really believes that behind a new Iron Curtain in Yugoslavia there can be a dictatorship while the rest of Europe will be safe, stable and secure, it better wake up. We need to understand that if we allow Slobodan Milosevic to continue his evil deeds, he started the war against Slovenia, he lost it. He started the war against Croatia, he lost it. He started the war against Bosnia Herzegovina, he lost it. The last war he now starts, it is against the people of Kosovo. These people have done nothing, nothing to hurt the Yugoslav nation. They just want to live in peace and decency, and it is the responsibility of NATO to stand up as it has for half a century.

I strongly urge rejection of the resolution.

Mr. CAMPBELL. Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. CALLAHAN).

Mr. CALLAHAN. Mr. Speaker, I thank the gentleman for yielding, especially with the advances knowledge that I intend to vote against his resolution.

I must warn my colleagues that we should be very cautious about what we do and what we say here and the messages that we send. Just last weekend, the NATO nations were here; they were unanimous in every respect in saying that they are going to stop the atrocities that have been taking place in Yugoslavia.

At this time and place in history, when we are involved, whether we like it or not, in Kosovo and debating whether or not we should send American land troops, I think that the message of passing a resolution soon as this would be a serious mistake on the part of this Congress.

Mr. DELAHUNT. Mr. Speaker, I yield myself such time as I may consume.

To my colleagues on the other side, I just want to provide a statement made by the former Secretary of State, Mr. Kissinger, who testified and expressed his reservations about this policy. But now that we have initiated this policy, let me quote from Mr. Kissinger who made this statement this past Thursday:

''What we need to do now is maintain the principle that ethnic cleansing does not pay, and therefore, those refugees must be given the right to return. Secondly, if all of NATO is defeated by Serbia, and that is what occurs if you have unilateral withdrawal, what will this mean for the Gulf, for North Korea, and for any other area where rogue States are held in check by American and, in some cases, NATO military power? That is the issue now.''

Mr. Speaker, I reserve the balance of my time.

Mr. CAMPBELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Iowa (Mr. LEACH), the chairman of the Committee on Banking and Financial Services.

Mr. LEACH. Mr. Speaker, I thank the gentleman for yielding me this time.

I am rising in support of this resolution, although I do it with great reluctance, because it is always difficult not to give the benefit of the doubt to the executive in foreign policy. But 7 weeks ago, I voted against authorizing U.S. intervention in Yugoslavia because I could discern no national interest in taking sides in a civil war, no approach that would lead to a diminution of violence, and no credible exit strategy.

I would like to stress, above all, one thing. Historical analogies are extremely difficult to derive. I personally believe there are a whole lot that apply in the Balkans, but many of them are contradictory. One that the majority side in support of the war falls back on is the Holocaust. I believe that there are Holocaustal analogies. But I also believe that Milosevic is a sui generis war criminal, one for whom Holocaustal acts are not unknown, but one where leadership is more analogous to, say, a Ho Chi Minh or possibly even a Pol Pot than to a Hitler.

I raise this because if we exclusively make Hitlerite analogies, we have no choice whatsoever than to follow a kind strategy that could lead in and of itself to greater losses of life to innocents than a negotiated settlement.

With each decision, it appears that this administration and NATO are moving into a circumstance where the problems are more difficult, not less; more likely to lead to outrageously violent results. Now is the time to stress negotiations, the time to recognize that we are not likely to have a great victory.

Senator Aiken once suggested in Vietnam in the late 1960s that we should declare victory and get out. That prescription does not fit the Balkans, but I would urge that we put in place a process of negotiations, and with that process recognize we have a greater chance for a successful resolution than any other possibility.

Little is more difficult than to apply perspective to the events of the day.

The Administration's Kosovo policy is open to question from two contrasting perspectives: should we militarily engage the government of Yugoslavia and, if so, what form should this engagement take? The first question involves fundamental Constitutional issues on war powers and the role of Congress in legitimizing military action and enhancing the participation of the American people in decisions related to war and peace. The second involves the unchallenged role of the President as commander-in-chief and doctrines of warfare.

Seven weeks ago, I voted against authorizing U.S. intervention in Yugoslavia because I could discern no national interest in taking sides in a civil war in the Balkans, no approach that would lead to a diminution of violence and no credible exit strategy.

The Administration, through its acts and statements, has broken with the military doctrine of the last several Administrations, particularly the Reaganite reliance on peace-time military preparedness and the Bush espousal of the Powell Doctrine, which calls for the establishment and enunciation of clear objectives with the use of overwhelming force to achieve these objectives.

In this context, I recently reviewed a 1984 speech of the former Secretary of Defense, Casper Weinberger. Weinberger suggested that six major tests should be applied when we are weighing the use of U.S. combat forces abroad:

(1) First, the United States should not commit forces to combat overseas unless the particular engagement or occasion is deemed vital to our national interest or that of our allies. . . .

(2) Second, if we decide it is necessary to put combat troops into a given situation, we should do so wholeheartedly, and with the clear intention of winning. If we are unwilling to commit the forces or resources necessary to achieve our objectives, we should not commit them at all. . . .

(3) Third, if we do decide to commit forces to combat overseas, we should have clearly defined political and military objectives. And we should know precisely how our forces can accomplish those clearly defined objectives. And we should have and send the forces needed to do just that. As Clausewitz wrote, ''No one starts a war—or rather, no one in his senses ought to do so—without first being clear in his mind what he intends to achieve by that war, and how he intends to conduct it.'' . . .

(4) Fourth, the relationship between our objectives and the forces we have committed—their size, composition and disposition—must be continually reassessed and adjusted if necessary. Conditions and objectives invariably change during the course of a conflict. When they do change, then so must our combat requirements. We must continuously keep as a beacon light before us the basic questions: ''Is this conflict in our national interest?'' ''Does our national interest require us to fight, to use force of arms?'' If the answers are ''Yes'', then we must win. If the answers are ''No'', then we should not be in combat.

(5) Fifth, before the U.S. commits combat forces abroad, there must be some reasonable assurance we will have the support of the American people and their elected representatives in Congress. . . .

(6) Finally, the commitment of U.S. forces to combat should be a last resort.

Americans are obligated to assess whether U.S. policy in Kosovo today meet the above tests.

In terms of implementation the Grenada intervention—as minor an issue as it may have been—and the Gulf War, which involved far greater geo-economic stakes than the Kosovo conflict, stand in stark contrast with the new Clinton military doctrine, which can be described as:

(1) Reliance on aircraft and missiles to rain destruction from thousands of feet and in some cases hundreds of miles in such far-flung parts of the globe as East Africa, Afghanistan and now Serbia. From an American perspective this use of air power is star-wars like, but from the perspective of targeted populations such as in Belgrade the effect bears more resemblance to the bombings of World War II.

(2) The declared renunciation of the use of ground troops amounts to the articulation that the United States intends to engage in Kosovo with one hand tied behind its back.

(3) The determination that murderous potentates should be held in check through the destruction of significant civilian as well as military targets, including electric utilities, water systems, political headquarters, TV stations and residencies of heads of states.

(4) The use of a defensive alliance for intervention in a civil war.

(5) Placing the prestige and might of the United States on the line through the commitment of air power while multi-lateralizing the decision-making and control in the NATO structure, which functions by consensus.

The lessons of history have been widely invoked both to justify and to decry our military intervention in Kosovo. Unfortunately history does not provide easy answers, either with regard to the meaning of contemporary events or to what actions should be taken in response to them.

For instance, in the wake of World War I historians and political scientists rightly concluded the European system had been too inflexible in 1914. A misapplication of this lesson, however, led a generation later to Munich. Too much rigidity precipitated the First World War; too little backbone encouraged Hitler's aggression in the Second.

World War II involved a conflagration between nation states; it also involved a conflagration within—the Holocaust—and challenged civilized society not to allow a replication of such inhumanity to man.

The background of both World Wars bears on American decision-making today.

Clearly, the onslaught against the ethnic Albanians in Kosovo that Milosevic has unleashed has Holocaust parallels. On the other hand, the ethnic cleansing the Serbs have undertaken also has analogs with what Croats, Bosnians and, to a much lesser extent, Kosovars have attempted in the region. Milosevic's barbarity would appear to lie somewhere between Ho Chi Minh's assault on South Vietnamese Catholics and Pol Pot's attempt to exterminate intellectuals.

The problem with equating Milosevic exclusively with Hitler, instead of recognizing him as a sui generis war criminal, is that it makes a negotiated settlement morally untenable and renders it impossible for the U.S. to consider anything less than unconditional victory. This is particularly dangerous when it is self-evident that a negotiated settlement is preferable to all sides over a protracted conflict. Hence, it is key to understand that at this point Kosovo is more a civil war with holocaustal elements than vice-versa. But if the war continues, a complicating factor for maintaining NATO unity in the face of Serbian atrocities will in all likelihood be the West's ability to stomach Kosovar counter-measures and the implications of ratcheting up air power. The line between a terrorist and a nationalist freedom fighter is narrow, as is the line between using force to stand up to atrocity and applying force in such a way that greater violence is precipitated.

Yet another lesson of history regards the effectiveness of air power and strategic bombing. As John Kenneth Galbraith, who led a team that assessed the impact of allied air power in World War II, has noted, bombing in coordination with the use of ground troops has generally proved effective, but strategic bombing of cities often causes populaces to rally to domestic leadership, no matter how malevolent.

Here it must be noted that air power is different from what it was earlier in the century. Our arsenal now includes nuclear weapons of enormous destructive power as well as so-called smart bombs and missiles that can strike with surgical accuracy, which greatly enhances our ability to limit danger to our armed forces and collateral damage to civilian areas.

The development of smart weapons, however, may have caused political leaders to be too tempted to use them without recognizing that the use of force anywhere at any time has ramifications which are not easily predictable and which not infrequently are counter-productive.

For instance, our goal in using force against Milosevic may be to undermine his political support, but it would appear that, to date, we have ensconced his political strength while weakening the democracy movement, which was profoundly pro-American in Serbia and damaging the lives and livelihoods of ordinary Serbs.

Much of the world is not enamored of America's ability to rain destruction from afar. We simply have no idea how deep and how long the effects of our air strikes and the targets we have chosen will last. What we do know is that Serbs point to a 14th century defeat as a rallying cry for their actions today. What we do know is that the Armenians believe that in 1919 they suffered the first holocaust of the century and Turkish embassies to this day are susceptible to terrorist attacks because of the atrocities of the now defunct Ottoman Empire.

In the background of the predicament we are in is failed diplomacy. Where Theodore Roosevelt invoked a doctrine of ''speak softly, but carry a big stick,'' this Administration has propounded a policy of threatening vigorously while refusing to make timely military deployments that might have averted conflict. We have been backed into using air power, not out of considerations of national interest but to ensure that the credibility of U.S. political leadership was kept in tact. We told Milosevic we would use it if he did not agree to our preferred negotiating plan and he in effect called our hand.

In the background was a peace agreement which had the doubtful support of one side and no support from the more powerful party.

While the Rambouillet accord might have met standards of American sensibility, it clearly proved untenable for the activist parties in the region. This fact should give pause to NATO, America in particular.

In this regard I have become increasingly Frostian in my geopolitics. Good fences sometimes make good, or at least better, neighbors. It would appear that, despite the multi-heritage example of Sarajevo, the people of the Balkans will have to learn to live apart without war before they can live together in peace.

A century and three-quarters ago, an American President, James Monroe, asserted a doctrine that carries his name which established that the United States would object to further European colonization in this hemisphere and give succor to independence movements in Latin America. Implicit in the Monroe Doctrine was the assumption, growing from the concerns of our first President, George Washington, a military man, that the United States should not become entangled in the quarrels of Europe.

With the exception of two World Wars in this century and a commitment made in the context of the Cold War of a defensive alliance, historical U.S. foreign policy has been governed by the precept that we would give umbrella protection to independence movements in the Americas but refrain from military intervention in the internal affairs of nation states on the continent. Our country was formed by dissidents and opportunity seekers reacting to the repression and civil wars in Europe. It now appears that our fore fathers better understood the Balkans and like European problems than the State Department does today.

At this point we are being asked to support NATO action for the sake of the viability and credibility of the alliance, rather than for the purposes for which the alliance was formed. We appear to be putting the alliance ahead of our objectives and allowing our mutual strategy to test the alliance itself, which it is doing. One poll has found that 95 percent of Greeks object to the NATO bombing of Yugoslavia and there are significant percentages, albeit smaller, opposed in every country of the alliance, including the United States.

A decade or so ago, I participated in a forum at the Library of Congress with former Secretary of State Henry Kissinger at which I asked him about an observation he made in one of his autobiographical works. Kissinger had written that between the 1968 election and the inauguration, he had sat down with President-elect Nixon and the two of them had decided to get the United States out of Vietnam. I asked why they had not just gone ahead and done that immediately upon taking office and Kissinger responded, ''Congressman, we meant we would get out with honor.'' Asked if that meant further escalation of troop numbers and bombing, Kissinger responded, ''Absolutely.''

It is my sense that NATO is in a similar position today with regard to Belgrade. For the honor of NATO, it appears that we are about to escalate the war. The question is whether we are not better off seeking the earliest possible settlement.

History is a source of lessons and perspectives, but issues of the moment must also be approached in a manner which calculates their future implications.

NATO's strategic rationale appears to have broken down on the issue of numbers. There are 19 states versus one with that one being much smaller than most of the 19. But another way of looking at this strategic conundrum is that 19 countries are allied against the forces of nationalism and sub-nationalism in a part of the world where historical and ethnic tensions provide little basis for compromise.

Nationalism led to dramatic changes in the world's map in the 19th century and has been repeatedly underestimated as a force in the 20th century. The question is will NATO, despite its might, find itself in the same position in the Balkans as the United States did in Vietnam and as the Soviet Union did in Afghanistan?

Returning to history, the first great chronicle of the Western World relates to a land mass adjoining the Balkans, ancient Greece. Thucydides wrote that early in the Peloponnesian Wars which pitted the quasi-democratic and enormously uplifting culture of ancient Athens against the more militaristic Sparta, the Athenian Assembly voted to send a naval fleet to conquer the neutral island of Melos. Several days later the decision was reconsidered and a faster ship was sent to overtake the fleet and call off the invasion.

Later in the war, however, the Athenian Assembly again decided to invade Melos and sent out a force which killed all the men and enslaved the women on the island. Thucydides' chronicles were intended to show how the world's most civilized city-state at the time had lost its way, and indeed from that point on Athens never again recovered its prior status.

An aspect of the bombing today is what targets are left in Serbia after so much damage has already been inflicted. Clearly at this point, the Serbs have lost virtually everything except the war, while the West has won nothing, particularly a peace.

A case can be made that whatever mistakes have been made to date, it is morally questionable to stand by and do nothing and an even greater mistake to pull the rug out from under the executive branch. The reason I cannot support America's continuing military role is that each of the choices for NATO in the future gets more untenable. There is the prospect of sending in troops with losses potentially equivalent to or greater than Vietnam. There is also the prospect of ratcheting up the air war. One can always strike again at military sites, but it appears that on the civilian side, Yugoslavia has already been bombed back to the 18th century.

Military historians counsel two principles when devising strategic doctrine: put on the shoes of opponents and do not back them hopelessly into a corner. In the case of Kosovo, we clearly have not put on the shoes of the Serbs and we have done everything to back Milosevic into a corner. We have made a martyr out of a murderer and allowed a war criminal to stand up to NATO, which includes Serbia's ancient enemy, Turkey. Milosevic's martyrdom increases with each degree of the suffering of his people.

Every society has an historian or philosopher who points out that the road to Hell is paved with good intentions. Despite the good intentions of the West, our policies appear to be counterproductive. Ratcheting up the war could well signify a ratcheting-down of the moral high ground of NATO.

The prerequisite of policy must always be good intentions, but good intentions are insufficient grounds for action. Policy must match intentions with practical capacities to carry out defined objectives. Just War doctrines, after all, require that responses be proportional and effective. The only alternatives to a bombs only policy are the introduction of ground troops or the isolation of Serbia, the reliance on a humanitarian response to a humanitarian

crisis. In either case the legal and moral imperative to indict Serb leadership for war crimes is overwhelming.

In the late 1960s Senator Aiken suggested we simply declare victory and get out of Vietnam. This prescription does not fit today's dilemma in the Balkans, but our first obligation should be to put in place a process of negotiations with the understanding that an imperfectly negotiated settlement may be the closest thing to victory that is likely to be possible without the loss of an incalculable number of innocents.

Escalating the war, on the other hand, puts U.S. interests at risk, in the Balkans and in other parts of the world. The earlier we reconsider the better.

The vote on this resolution and the others we will take today are necessitated by law. That law, the War Powers Resolution, may be unconstitutional and today's votes may serve as a basis for the courts to rule to this effect. Nonetheless, the War Powers Resolution is at this moment the law of the land. Ironically, we are finding, compliance may be more difficult for the legislative than, as has generally been perceived, for the executive branch because it forces congressional accountability for or against executive actions.

More importantly, the timing as well as the fact of consideration of these resolutions is awkward for the national interest because legislative decision-making is required by dates certain—i.e., within a prescribed period from the time troops are deployed in hostile circumstances.

The public interest may not be well served by such a review of executive action in such a timeframe, but it would be less well served if Congress avoided its legal and constitutional responsibilities. Hence, what in effect is a legislative/executive confrontation is legally, at this time, unavoidable, and as an individual Member of Congress I have no option except to take a stand. This stand is one of dissent to what I consider to be a foreign policy that lacks intellectual rigor and misserves the national interest.

Mr. CAMPBELL. Mr. Speaker, may I inquire how much time is available on each side?

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from California (Mr. CAMPBELL) has 10½ minutes remaining, and the gentleman from Massachusetts (Mr. DELAHUNT) has 2 minutes remaining.

Mr. CAMPBELL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Speaker, last week in the Committee on International Relations we listened to Secretary of State Albright explain the administration's policy. I expressed my concerns to the Secretary about the difficulty of our objectives, especially given the limited means we are committing.

Looking back over time at our Nation's wars, and this is a war, we have been successful when we have had as an objective the destruction of a regime or when we have had clearly-defined territorial objectives such as expelling Iraq from Kuwait. In both of these scenarios, though, in order to accomplish our goals, we used rather massive force, including ground troops. But in Kosovo we are committing American resources and prestige and risking American lives, employing what must be called a very calibrated use of force in order to achieve a very complex objective: restructuring Kosovo's society.

Given that, my question to the Secretary was: What precedent for success in our history are we looking at? Are we practicing a theory here in Kosovo without an historical basis for success? The response from her: no cases were cited from the real world. Instead, we heard that the air war is working, when most observers do not believe it to be the case, and that we need to be patient. Well, patience is what we had in Vietnam.

Another thing that struck me while listening to the Secretary was that when there was a difficult question, when our strategy was being challenged, we'd hear that she'd rather be answering such difficult questions then answering why we're doing nothing. This response is backwards. The Secretary of State and the President she works for are responsible for the resources of the United States of America, and the lives of our servicemen. I'd rather have the Administration struggle with answering questions about the tragedy in Kosovo than struggle, and that is what it's doing, with explaining why we're committing America's treasure and risking American lives there. Yesterday, and throughout this crisis, I've heard too much struggling with our basic strategy.

So, faced with this decision today, I cannot sanction the current policy. Good intentions, and the tragedy in Kosovo is great, cannot mask flawed policy.

Mr. CAMPBELL. Mr. Speaker, I yield 1 minute to the gentleman from New Hampshire (Mr. BASS).

Mr. BASS. Mr. Speaker, I rise in support of the resolution that is before us today. It is not an easy vote for me, but it is one that I must cast. I do so because failure to support this resolution, by failing to vote for this resolution, we are in effect saying that what has happened over the last 30 days in the Balkans is okay; that the administration's failure to define what we are trying to accomplish or to change that definition practically on a day-to-day basis, that that activity is okay; that the administration's failure to define the military means that we should use to achieve that as-of-yet undefined objective is okay.

We started in the air. We then went to close-in air. Now we are bombing civilian infrastructure, and unfortunately, I think that we are going to be looking at the introduction of ground troops in the near future.

Mr. Speaker, absent some control of Congress, I am certain that this war will escalate to a point where we will no longer be dealing with $4 billion, $6 billion or $8 billion, but $10 billion, $20 billion, $30 billion, $40 billion or $50 billion.

Mr. Speaker, I urge adoption of the pending resolution.

□ 1630

Mr. CAMPBELL. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. CANADY).

Mr. CANADY of Florida. Mr. Speaker, I want to thank the gentleman for yielding time to me, and for his leadership on this important issue.

I do rise in support of the removal of the armed forces of the United States from the present hostilities against the Federal Republic of Yugoslavia. Our forces should be removed from these hostilities because the vital national interests of the United States are not at stake in the Balkans.

I also want to state my great concern about the commencement of this war without the authorization of the Congress. The President does not have the constitutional authority unilaterally to decide that the United States will wage war on a sovereign Nation which has not attacked or threatened the United States. Absent truly exigent circumstances, the armed forces of the United States should be sent into conflict only when duly authorized by this Congress.

I would like to quote what James Wilson said in the debate over ratification of our constitution. He said, ''This new system will not hurry us into war. It is calculated to guard against it. It will not be in the power of a single man or a single body of men to involve us in such distress, for the important power of declaring war is vested in the legislature at large.'' That power should be exercised as intended by the Constitution and not usurped by the President.

Mr. Speaker, I rise today in support of the removal of the Armed Forces of the United States from the present hostilities against the Federal Republic of Yugoslavia. Our forces should be removed from these hostilities because the vital national interests of the United States are not at stake in the Balkans. Although our interests are not threatened by Yugoslavia, we are waging war against Yugoslavia in a conflict that is but the prelude to a protracted, costly, and dangerous entanglement in the Balkans.

Events to date sadly demonstrate that the Administration has not adequately assessed the consequences of its present policy and the costs of the course on which it has embarked. From the start, the policy has been ill-conceived. Stating the obvious, to persist in folly is not wisdom. The longer we follow the misguided and dangerous course set by the Administration, the greater the risk of serious harm to the real interests of the United States.

I also want to state my great concern about the commencement of this war without authorization by the Congress. As Commander-in-Chief, the President does, in my view, have the inherent Constitutional authority to use military force to respond to attacks on United States territory and interests. The President

does not, however, have the Constitutional authority unilaterally to decide that the United States will wage war on a sovereign nation which has not attacked or threatened the United States. Absent truly exigent circumstances, the Armed Forces of the United States should be sent into conflict only when duly authorized by the Congress. Otherwise, the power to declare war vested by the Constitution in the Congress is rendered meaningless.

In the debate over ratification of the Constitution, James Wilson summed up the meaning of the pertinent Constitutional provisions. Wilson said: This [new] system will not hurry us into war; it is calculated to guard against it. It will not be in the power of a single man, or a single body of men, to involve us in such distress; for the important power of declaring war is vested in the legislature at large; . . . from this circumstance we may draw a certain conclusion that nothing but our national interests can draw us into war.

The decision of a single man has taken the United States into this war against Yugoslavia. That decision was neither wise nor constitutional.

Mr. CAMPBELL. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. OSE).

Mr. OSE. I thank the gentleman for yielding time to me, Mr. Speaker.

Mr. Speaker, I rise in support of the resolution today. In March the House passed a resolution that authorized the deployment of peacekeeping troops in Kosovo.

In that resolution we asked some very reasonable things of the President. We asked him to clarify the national security interests in Kosovo, to state the goal of the mission, to estimate its costs, to develop an exit strategy, and to report on the mission's impact on our ability elsewhere in the world to respond to threats to our national security. To date we have not received a satisfactory response on any of these. Yet, they remain precisely the questions we are dealing with today.

The mission in Kosovo is draining valuable military resources and limiting our ability to deal with rogue states elsewhere in the world. Kosovo detracts from our ability to be a superpower. I support this resolution because Kosovo is no more in our national interest than was Rwanda, Algeria, Congo, East Timor, or a host of other places.

Mr. CAMPBELL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. JOHNSON), our distinguished colleague who spent almost 7 years as a prisoner of war in Vietnam.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I opposed the President when he pushed NATO to attack the sovereign Nation of Yugoslavia, and I oppose the deployment of ground troops in that region. The atrocities that Slobodan Milosevic has committed are heinous, but the President's decision to use military force was hastily decided and has been poorly implemented.

This war brings back strong and painful memories of another war, Vietnam, in which I was called to fight in and where I spent nearly 7 years as a prisoner of war. We might have succeeded in Vietnam except that what we did there we are doing here, we are allowing the politicians instead of the seasoned military officers to fight the war.

The President has never established a defined military objective. No one can tell us why we are there, what are we fighting for, and what is our end objective. Simply put, there is no defined mission. We must end this devastation. It is up to this Congress to save lives, not take them.

Mr. Speaker, I opposed the President when he pushed NATO to attack the sovereign nation of Yugoslavia. I also oppose the deployment of any U.S. ground troops in this region.

The atrocities that Slobodan Milosevic has committed are heinous. But the President's decision to use military force was hastily decided and has been poorly implemented.

This war brings back strong and painful memories of another war—Vietnam, which I was called to fight in and where I spent nearly 7 years of my life as a prisoner of war. There was a reason for fighting in Vietnam. It was to prevent the spread of communism. We might have succeeded, except that we did there, what we are doing here. We are allowing politicians instead of seasoned military officers, to fight the war.

The President has never established a defined military objective in Kosovo. No one can tell us why we are there, what we are fighting for, and what our end objective is. Simply put, there is no defined mission. We must end this devastation and save lives, not take them.

When waging war, the President should ask several questions—are you willing to win at any cost? Is this in America's best interest? Is there a goal, and is there a plan to achieve that goal? To all of these questions, the answer is a resounding no.

And what about NATO? We have seen over and over again, the President and his aides scrambling to defend NATO and NATO's credibility. What about our fighting men and women, who will be the ones to give their lives? Are their lives worth the credibility of NATO?

When I was flying bombing missions over North Vietnam, the politicians were picking my targets. Twenty-five years later, here we go again, we're in the same situation.

When our allied commander must submit every target to 18 other countries for permission to bomb, the only result is chaos. And what will we say if American soldiers start coming home in flag-draped coffins?

I have listened to the reasons the President, his administration, and Members of both houses of Congress have given for supporting this war.

But I keep asking the same question. Is this war worth the death of one single U.S. soldier? The answer keeps coming up no.

Let me tell you something, as an Air Force veteran, I can tell you that air power alone cannot win a war. And history confirms it.

Our pilots face many difficulties in the former Yogoslavia—difficult terrain, constant bad weather, and a quickly disappearing arsenal of our own weapons.

Furthermore, we are pulling ships and planes from other spots around the globe to fight this war. We are even stripping our aircraft for spare parts to keep our combat planes in the air.

And, today, the President called up 33,000 reservists to help meet our current shortfalls.

War is a serious undertaking. It should not be used for political reasons—ever. War is a last resort and should only be used to protect America, her citizens and our vital interests.

Despite the humanitarian atrocities in Kosovo, the loss of even one life for a cause that has yet to be articulated or defined for the people of the United States, is one too many.

Everyone of you must ask yourselves this question—would you send your own son or your own daughter to die to resolve a centuries old civil war between two peoples in a sovereign nation? Would you send them to die when you yourself could not answer the question "why"?

The plight of the refugees is tragic and America should help them. We are a country that can provide relief and direction, ease pain and suffering. We should provide help to end the refugee crisis.

I fought in a war where politicians were afraid to win because of the political fallout. That fear caused me to spend nearly 7 years of my life in a prisoner of war camp. I would fight again tomorrow for America's vital interests, but the answer in Kosovo is not to waste American lives.

The answer is—stop the bombing and provide relief to the refugees.

Please think about your vote today.

You know, there is a wall among the trees near the Lincoln Memorial that is engraved with the names of brave soldiers. Many, of whom, were my friends. Families go there to grieve and remember their fathers, their mothers, their sons and daughters, sisters and brothers.

Stop the bombing today. America does not need another wall.

Mr. CAMPBELL. Mr. Speaker, I yield one-half minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, I rise in support. We are all repelled by the ethnic cleansing in Kosovo, at the crimes against humanity. That is why we should take this crisis to the U.N. Security Council, instead of taking international law into our own hands and bombing without a declaration of war.

We should take the opportunity to go to the Russians, our brothers and sisters struggling to hold onto a democracy, and ask them to help negotiate peace. This would be true internationalism in search of peace, and a fitting beginning to a new millennium.

Mr. CAMPBELL. Mr. Speaker, I reserve the balance of my time.

Mr. DELAHUNT. Mr. Speaker, I yield the balance of my time to the gentleman from Connecticut (Mr. GEJDENSON), the ranking member.

Mr. GEJDENSON. Mr. Speaker, I am frankly somewhat astounded by the debate today.

One, Members may differ with the President's goals. Do not continue to fabricate that there are no defined goals. The goals are simple: Stop Mr. Milosevic from murdering civilians. It is not much more complicated than that.

We have just passed a proposal to pull the President's ability to engage ground forces. Half of the members on this side of the aisle in the last several weeks criticized the President for not leaving ground forces on the table. Now they are trying to put that in statute. Then we come here.

This is not academic discussion. If we pass this proposal, Mr. Milosevic will see a bright green light to continue the work of his role models, Hitler and Stalin. We can dream about lots of other options. The option before us is whether NATO, all 19 countries, continue on this campaign, or we sit back and wring our hands about victims of crime.

Mr. Milosevic knows his role models in history, Hitler and Stalin, did it bigger and better, but Mr. Milosevic has the same goal. He is not going to stop in Kosovo.

I do not know if this military program works. I do not know what works. I know that while we risk our young every day, we have been incredibly blessed, lucky, and well-trained that we have no casualties.

Do not pass this proposal. Do not send a message to a murderer that America will sit by as children are being murdered and people are chased from their homes. This is no place for academic discussions. We are here on a matter of life and death. Join with me, reject this proposal.

Mr. CAMPBELL. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. BARR).

Mr. BARR of Georgia. Mr. Speaker, I appreciate the gentleman from California on his resolution, and I am proud to be a cosponsor.

Mr. Speaker, we can go back even further than the several hundred years that these ethnic conflicts in Yugoslavia go for guidance here. We can go back 2,500 years to Sun Tzu, who said 2,500 years ago that victorious warriors win first and then go to war, while defeated warriors go to war first and then seek to win.

George Bush in Desert Storm understood it: First you prepare for victory, you win first, and then you go to war. Winston Churchill understood that in World War II: You prepare first, you win first, and then you defeat your enemy.

The philosophy, though, of the Clinton administration, which we must assert our responsibility and rectify as leaders of this country, is that defeated warriors go to war first and then seek to win; or perhaps, as the Secretary of State might put it in her eloquence, let us mix it up and then see what happens.

That is a recipe for disaster, it is irresponsible, and I urge the adoption of this important constitutional resolution.

Mr. CAMPBELL. Mr. Speaker, I yield myself the balance of our time.

Mr. Speaker, the moment we never had in Vietnam we now have. This is a remarkable moment for the history of our country and for the history of our Congress. We have the chance to say no. We have the chance to stop it before we get in too deep. We have a chance to say that we can do more good for those refugees who are at risk by helping them where they are now than by commencing a ground war.

Mr. Speaker, think about this, pause, reflect, I say to my colleagues. We do not have to do this war. We do not have to commit the United States to this war. How many of us wished we had some opportunity through some courage on the part of our colleagues who preceded us when Vietnam was the war!

Instead, we went in step-by-step, gradually, and then a number of us asked, how did we get here? Did no one have the courage to stand up and say, this is not a war in which we should be involved; this is a civil war in which we will be drawn deeper and deeper until, in that case, 58,000 Americans were dead?

This is the moment. We did not have it before. Seize this moment now.

As to the concern which motivated our entry into this war, I recognize the importance and the depth of feeling of compassion for those who have suffered so much in Kosovo and in Serbia. If we are concerned, we should show that concern by helping them where they are, in those refugee camps.

The alternative is a ground war, it is not simply bombing. The bombing will soon lead to a ground war. In that ground war, as United States and NATO troops go in, the Serbian forces will be resisting. It is the Albanian Kosovars who will be used as human shields, and what few are left who are not, will be driven out of Kosovo into the refugee camps so many of their brothers and sisters already populate. The choice really is a ground war or stopping the involvement now.

The President of the United States this day sent us a letter. He assures us that, indeed, he would ask for congressional support before introducing U.S. ground forces into Kosovo into a ''nonpermissive environment.'' That is not saying he will not introduce ground troops. He is saying he will not introduce them into a nonpermissive environment, without asking some members of Congress. He does not say he will ask for a vote.

By ''permissive environment,'' he might mean if we have bombed enough so that he believes it is no longer a nonpermissive environment, he will then put ground troops in. Secretary Albright and Secretary Cohen said on this same day, in their letter, that the President has authority to authorize the use of force in the national interest, without the approval of Congress.

So those are our choices: Shall we commence a ground war, at risk of the very people we are attempting to save, or shall we stop the war? This is our moment. Let us not let it pass.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in strong opposition to this concurrent resolution. This resolution would direct the President, pursuant to section 5(c) of the War Powers Resolution, to remove United States Armed Forces from their positions in connection with the present operations against the Federal Republic of Yugoslavia. Adopting this resolution, Mr. Speaker, would certainly not be in America's best interest.

My opposition to this resolution is threefold. First, I understand that several of my colleagues oppose the use of United States Armed Forces in the Balkans. My colleagues refer to terms like mission creep and quagmire when discussing this region and our current involvement. I understand their reluctance for we all can remember Vietnam and the pain that our nation endured. In fact it was in part because of Korea and Vietnam that in 1973 Congress enacted the War Powers Resolution.

The War Powers Resolution is a remnant of the Vietnam War and of the cold war era. This resolution is not suited for the new-world situation in which U.S. involvement in hostilities may often be part of a multilateral effort. As examples of the post cold war era, we saw in the Persian Gulf War and now in Yugoslavia the need for greater flexibility. The time in which we now live the President must have the ability to make rapid decisions that may entail the use of force in new and varied ways.

Second, I object to this resolution because I am wary of beginning a constitutional struggle between the Office of the President and Congress when our troops are currently involved in an armed conflict. With military operations underway we cannot afford to send mixed signals about our commitment to the region. We cannot afford to risk that one American soldier, sailor, or airman would doubt that this nation fully supports their mission nor can we risk that Slobodan Milosevic or any future adversary doubts our resolve.

I am mindful that the Constitution, the lifeline of our Republic, grants Congress the power to declare war and to make all laws necessary for carrying into execution the powers vested by the Constitution in the Government. However, I am also mindful that the War Powers Resolution as well as H. Con. Res 82 take from the President authority that the President has exercised for nearly 200 years. This resolution would remove from the President's arsenal flexibility and decisiveness in times of crisis.

If this resolution were to pass today, it would certainly begin a constitutional struggle. The constitutionality of the War Powers Act has been debated since 1973. As a concurrent resolution does not require presentation to the President for his signature, then it is almost certain that this legislative veto will trigger a quagmire of its own. In *INS* v. *Chadha,*

the Supreme Court declared legislative vetoes to be unconstitutional.

American foreign policy cannot be micromanaged by this body nor dictated by the President, it instead requires a balance based on consultation and cooperation. If we are to establish NATO's goal for the Balkans, of a durable peace that prevents further repression and provides for democratic self-government for the Kosovar people, then this Body must work with the President.

Finally, I oppose this resolution because in my judgment America has an important interest in the stability of Europe. I would hope that if nothing else we would have learned that to ignore European instability is in fact a mistake. Within this century we have twice ignored instability in Europe, counting on their political savvy and experience to restore peace. And twice within this century we have sent young men and women to restore the peace that Europeans could not capture.

Kosovo shows us that the Europeans by themselves are incapable of restoring this peace. However, we are fortunate that NATO provides us with a vehicle to restore peace to the Balkans. After fifty years of investment in the North Atlantic Treaty Organization we are finally enjoying the rewards of our collective investment.

Our commitment to NATO and to Kosovo is the best means to achieve a lasting peace. I urge my colleagues to oppose this bill and let us proceed together with the President and our NATO allies with the business of providing stability and peace in Europe.

Mr. DOOLITTLE. Mr. Speaker, I support the resolution by Representative CAMPBELL to remove our troops from action in the Balkans. I'm opposed to applying American military force on behalf of Kosovo because our goals are unclear and the risks are too great without any fundamental strategic American interest.

Introduction of ground forces onto what we still recognize as Yugoslavian soil is a muddled policy. Are we joining a Kosovar war of liberation, or are we demanding the Yugoslavian national government delegate an arbitrary level of power to the provincial Kosovo government?

It is difficult to imagine Kosovars and the Serbs reconciling and co-existing peacefully and on equal terms after such massive intervention by the United States. Alternatively if Kosovo or a part of Kosovo were indeed to gain independence, we don't have any assurance that they wouldn't try to join a Greater Albania.

I am wary of the side we picked in this Yugoslavian civil war. I do feel the United States should be a friend to freedom movements throughout the world. But our support for the Kosovars doesn't seem to be rooted in any affinity of theirs for freedom or for the United States. The Kosovo Liberation Army (KLA) has links to very suspect groups, among them heroin smugglers and Middle East terrorists. Should we be strengthening a group that is supported by Osama bin Laden and other very dangerous people who hate America?

A strengthened radical Muslim presence in Europe would pose a serious threat to the interests of the United States and our allies. A predominately Muslim country is not always hostile to American interests. Turkey is a longtime and solid ally of the United States. Several other predominately Muslim countries have also been friends of the United States. And that is precisely because they have rejected radical anti-Western elements. The KLA hasn't done that to my satisfaction.

For these reasons, I urge adoption of the Campbell resolution.

Mr. SANDERS. Mr. Speaker, the Constitution is very clear. It is the United States Congress, which has the power to determine issues of war and peace and to decide whether our young men and women are asked to put their lives in harms way. It is the President who is the Commander and Chief of the military. It is the Congress who determines whether we use the military. I have heard today that some people think that the U.S. participation in Kosovo is unconstitutional. They are right—but the U.S. participation in Vietnam, Granada, Panama, and many other conflicts which took place without congressional authorization were also unconstitutional.

The time is now for this Congress, which represents the American people, to stop abrogating its Constitutional responsibility to the White House and start seriously addressing the issues of war and peace.

Frankly, I am extremely concerned about the process that has taken place today. On an issue of such enormous consequence, and at a time when Congress has a very inactive schedule, it is an outrage that we have only a few hours to discuss the issue of war, the expenditure of billions, and the potential loss of life of American military personnel—and I hope we rectify this situation in the coming days and weeks. This should not be the last debate on this issue.

Frankly, at a time when American pilots have been undertaking massive air attacks in Yugoslavia, when three members of the United States military are being held prisoner, and when we have spent billions of taxpayer dollars it is an outrage that the President of the United States has not come before the Congress to tell us and the nation what the goals of his policy are—and to ask this institution for support of those proposals.

It is an outrage that a terrible rule passed this afternoon on an almost totally partisan basis limiting the time of debate, limiting amendments and severely limiting the role that Congress should be playing in determining this country's course of action. We should not be acting in a partisan way on issues like this.

Mr. Speaker, my assessment of the situation at the present moment is that Mr. Milosevic is a war criminal, and that ethnic cleansing, mass murder, rape and the forced evacuation of hundreds of thousands of innocent people from their homes is unacceptable and cannot be ignored. Sadly, because Mr. Milosevic has negotiated agreements which he has then ignored, I have supported the NATO bombing of military targets—not civilian targets. I believe that the Serb military and police must be withdrawn from Kosovo, that the hundreds of thousands of people uprooted from their homes must be allowed to return, that Kosovo must be given some kind of self-rule, and that an international peace keeping force should be established to maintain order.

I believe that we must strive as hard as we possibly can to find an alternative between doing nothing, and allowing ethnic cleansing and mass murder to continue, and the continuation of a war which will certainly result in terrible destruction, large numbers of casualties, and the expenditure of great sums of money.

Mr. Speaker, I believe that the United States must be as active as we possibly can in finding a road to peace. I believe that Germany and the United Nations have brought forth proposals which might be able to form the basis of a negotiated peace. I believe that Russia, a long time ally of Serbia, should be asked to play a more active role in the process and to supply troops for an international peace keeping force.

And finally, I believe that Congress must not duck its constitutional responsibilities—about developing a short and long policy with regard to Kosovo. Let's not just blame the President. That's too easy. Let us have the courage to seriously confront this issue.

Mr. CANNON. Mr. Speaker, I am a hawk. I believe in a military so strong that we never have to use it. When we use our military might, it should be with clear objectives, after considering our national interests and the limits of our influence.

Mr. Speaker, imagine Serbia before we started bombing. The threat of ethnic cleansing clearly existed. About 2,000 innocent people had been killed and, more ominously, a 40,000-man force had been built up in Kosovo. Again, imagine the White House, seeing this threat, recalling the glory of the one-day wars in Granada and Panama, and without considering the ramifications, decides to wage war against Yugoslavia.

In the process, they demonize a man, Mr. Milosevic, who likely deserves the characterization, to give a face to the American people. But, Milosevic doesn't play by our rules. He doesn't turn on his anti-aircraft radar so we can detect and destroy it; He uses the bombing as cover to really carry out ethnic cleansing and suppress his domestic opposition.

The war drags on. The President and his advisors plead for patience all the while hoping that a cruel winter, without electricity and fuel-oil, will force guilty and innocent Serbians to their knees. And we continue to deplete what remains of our military capability.

We see the difficulty of integrating our moral sensibilities, the relations between nations, the use of military force and politics. The argument is made that our failure to support this sentimental adventure would undermine NATO and U.S. credibility. That is: Our enemies, petty dictators, and terrorists, will see our weakness and be tempted to exploit it. We have already made our weakness clear with indecisive leadership. Our enemies now see the limits of our strength which we have unwisely used. Their intelligence services have evaluated our actions. They will weigh their options. We must deter them from wrongful action by showing the strength our Constitutional system.

This body should constrain the fatuous thinking and unconsidered actions by the Executive Branch, requiring the President to unleash the dogs of war only in extremity and without artificial political constraints. When we make war it should be quick, efficient, brutal, and to be avoided at all costs by the

Milosevics of this world. This still leaves the President with wide latitude as he deals with new threats. In fact, eliminating this drain on our resources, will dramatically strengthen our ability to face our enemies.

The SPEAKER pro tempore (Mr. LATOURETTE). All time has expired.

Pursuant to section 3 of House Resolution 151, the concurrent resolution is considered as read for amendment and the previous question is ordered.

The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DELAHUNT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 139, nays 290, not voting 4, as follows:

[Roll No. 101]

YEAS—139

Archer
Bachus
Baker
Baldwin
Barr
Bartlett
Barton
Bass
Biggert
Bilbray
Bilirakis
Blunt
Bonilla
Brady (TX)
Bryant
Burr
Burton
Camp
Campbell
Canady
Cannon
Chabot
Chenoweth
Coble
Coburn
Collins
Combest
Cook
Cooksey
Crane
Cubin
Cunningham
Danner
Deal
DeLay
DeMint
Dickey
Doolittle
Duncan
English
Everett
Ewing
Foley
Fowler
Gallegly
Ganske
Gibbons
Goode
Goodlatte
Goodling
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Horn
Hostettler
Hulshof
Istook
Jenkins
Johnson, Sam
Jones (NC)
Kingston
Kucinich
Kuykendall
LaHood
Largent
Latham
Leach
Lee
Lewis (KY)
Linder
Lucas (OK)
Manzullo
McCollum
McCrery
McInnis
McKeon
McKinney
Metcalf
Mica
Miller (FL)
Mink
Moran (KS)
Myrick
Nethercutt
Ney
Norwood
Nussle
Ose
Packard
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Radanovich
Ramstad
Rivers
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Salmon
Sanford
Scarborough
Schaffer
Sensenbrenner
Serrano
Sessions
Shadegg
Shimkus
Shuster
Simpson
Skeen
Smith (TX)
Souder
Stark
Stearns
Stump
Sununu
Sweeney
Tancredo
Terry
Thomas
Thune
Upton
Wamp
Weldon (FL)
Wilson
Young (AK)

NAYS—290

Abercrombie
Ackerman
Allen
Andrews
Armey
Baird
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Bishop
Blagojevich
Bliley
Blumenauer
Boehlert
Boehner
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Buyer
Callahan
Calvert
Capps
Capuano
Cardin
Carson
Castle
Chambliss
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Cox
Coyne
Cramer
Crowley
Cummings
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Fletcher
Forbes
Ford
Fossella
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gejdenson
Gekas
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Hall (OH)
Hastings (FL)
Hayes
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inslee
Isakson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kleczka
Klink
Knollenberg
Kolbe
LaFalce
Lampson
Lantos
Larson
LaTourette
Lazio
Levin
Lewis (CA)
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHugh
McIntosh
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, Gary
Miller, George
Minge
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Northup
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Rangel
Regula
Reyes
Reynolds
Riley
Rodriguez
Roemer
Rothman
Roukema
Roybal-Allard
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Scott
Shaw
Shays
Sherman
Sherwood
Shows
Sisisky
Skelton
Smith (MI)
Smith (NJ)
Smith (WA)
Snyder
Spence
Spratt
Stabenow
Stenholm
Strickland
Stupak
Talent
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Thompson (CA)
Thompson (MS)
Thornberry
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Velázquez
Vento
Visclosky
Walden
Walsh
Waters
Watkins
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wise
Wolf
Woolsey
Wu
Young (FL)

NOT VOTING—4

Aderholt
Slaughter
Tauzin
Wynn

□ 1703

Messrs. KLINK, WALSH, CONDIT, and GARY MILLER of California changed their vote from ''yea'' to ''nay.''

So the concurrent resolution was not agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## DECLARING STATE OF WAR BETWEEN UNITED STATES AND GOVERNMENT OF FEDERAL REPUBLIC OF YUGOSLAVIA

Mr. GILMAN. Mr. Speaker, pursuant to House Resolution 151, I call up the joint resolution (H.J. Res. 44) declaring a state of war between the United States and the Government of the Federal Republic of Yugoslavia, and ask for its immediate consideration in the House.

The Clerk read the title of the joint resolution.

The text of H.J. Res. 44 is as follows:

H.J. RES. 44

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That pursuant to section 5(b) of the War Powers Resolution (50 U.S.C. 1544(b)), and article 1, section 8 of the United States Constitution, a state of war is declared to exist between the United States and the Government of the Federal Republic of Yugoslavia.

The SPEAKER pro tempore (Mr. LATOURETTE). Pursuant to section 4 of House Resolution 151, the gentleman from New York (Mr. GILMAN) and the gentleman from New York (Mr. MEEKS) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.J. Res. 44.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, when our Committee on International Relations considered this measure yesterday, I was sorely tempted to vote for this resolution. This is not because I am eager for a fight and a war with Yugoslavia, because I am not. But I am eager for our Nation and the NATO alliance to avoid a humiliating defeat in the Balkans, which is where we could end up if we continue down the path of halfway measures.

After the successful conclusion of Operation Desert Storm, many of us were relieved that our Nation finally appeared to have learned from the bitter experiences in Vietnam how not to fight a war. But everything we have seen to date in Operation Allied Force suggests that the lessons of Desert Storm may have been forgotten and that we are at risk of repeating in the

Balkans the very same mistakes we made in Vietnam.

We do have an interest in preventing ethnic cleansing, the forcible relocation of hundreds of thousands of refuges, and the destabilization of Albania, Macedonia, and the other countries in that region. I believe the President was right to try to stop President Milosevic from doing these things. And now that we are involved, I believe that we must do everything within our power to restore peace to the region. That is a coherent position.

But what is not coherent, however, is the in-between position that we have enough of a national interest to become involved in an armed conflict with President Milosevic but not enough of a national interest to do what is required to prevail in that conflict. That certainly is a prescription for defeat. And this is what brought us the agony of Vietnam. This is where we may end up in the Balkans if we forget the very first lesson of Vietnam, that we have no business getting into wars that we are not determined to win.

I oppose the Campbell joint resolution declaring war on Yugoslavia, because I do not think Congress should declare wars if we are not determined to prosecute them.

Mr. Speaker, I reserve the balance of my time.

Mr. MEEKS of New York. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in opposition to the resolution that is on the floor before us to declare the United States at war with the Federal Republic of Yugoslavia. In doing so, I want to make three points.

First of all, this is deadly serious business that we are talking about. This is not an academic discussion about when war should be declared, and what Congress's role is. As one who was a party to the suit that was sent to the Supreme Court under the leadership of Ron Dellums, I firmly believe in Congress's prerogative to declare war. So on that, the gentleman from California (Mr. CAMPBELL) and I agree. But on the timing of this resolution and the substance of it I disagree.

I think that there is a tremendous need for us to do something to stop what is happening in the former Yugoslavia. I was there myself last week. I held those babies in my arms. I spoke to 95-year-old women who had walked across the woods and the mountains to get to the camps.

We do not need any reiteration of all of the suffering, and we all stipulate that we all want to end the suffering there. So this vote is not about how serious we are about ending the suffering.

The other point I want to make is that the United States is the greatest democracy in the world. People look to us as they aspire to be stronger democracies, especially the emerging democracies throughout the world. When they see us play games with something as serious as the declaration of war, it sends a very strange message to them.

Now, I know playing games is not the intent of the gentleman, but that is what the appearance of this is. Again, this is not an academic discussion. It is a debate about as serious as it gets in this body. And we have to be very clear about what our goals are. We have to be very clear about the timing of our actions. And we have to be very clear about what it means to other countries when they see us engage in a debate at a time when the prospect for war, sending ground troops, is not a lively one.

When I was in the Balkan region last week, and at the end of last week, talking to the representatives of NATO who were here for the 50th anniversary, there was no will for sending in ground troops. So there is no urgency to this resolution today. The timing is very bad. The lesson that we send to other democracies is very poor.

I urge my colleagues, for the sake of the seriousness of the war and the example that we set as a democracy, to vote ''no'' on the Campbell resolution.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Arizona (Mr. SALMON) a member of our committee.

Mr. SALMON. Mr. Speaker, I would like to applaud the gentleman from California (Mr. CAMPBELL) for having the courage to stand up in a very tumultuous time and risk I think some very, very nasty accusations about playing games and trying to create this academic discussion in the face of a very, very tumultuous time.

I congratulate him, because he understands that our duty as Congressmen of the United States of America is to uphold the law of the land and the law of the land, as passed in 1973, under the War Powers Act requires this kind of action.

Many of us believe this very strongly. It is not just an academic discussion. It is the law of the land. And we take that very seriously.

□ 1715

I opposed this mission from the getgo for three very important reasons. Number one, I believed that there were no national security interests at risk, there was no clear objective, and finally, there was no clearly delineated exit strategy. While I do believe that the intentions are good, to stop the ethnic cleansing or to try to stop the ethnic cleansing, to try to stop war crimes from occurring in that region of the world, the road to hell is paved with good intentions.

When the President stood up the day before the bombing campaign began, he said one of the goals was to stop Milosevic's ability to prosecute atrocities against the ethnic Albanians, and another goal was that every ethnic Albanian be allowed to return to their home. What we have seen since the bombing began painfully shows us that the objectives have not been met. In fact they have been exacerbated. While there were 1.6 million ethnic Albanians in Kosovo before the bombing, now there are somewhere between 500,000 and 700,000. Anywhere from 100,000 to 500,000 are missing and may be dead. We have not achieved these goals by any stretch of the imagination.

I have to look at this from a father's perspective. I have a son who is 17. If I am not comfortable sending my son over there with such an ill-defined mission, how could I be comfortable sending other sons and other daughters of my constituents into harm's way?

Mr. MEEKS of New York. Mr. Speaker, I yield myself such time as I may consume. I rise to speak out against House Joint Resolution 44 to declare war on Yugoslavia. The U.S. and our NATO allies do not consider themselves at war with Yugoslavia or its people. NATO is acting to deter unlawful violence in Kosovo that endangers the stability of the Balkans and threatens wider conflict in Europe.

Yesterday, the Committee on International Relations reported this resolution with a negative recommendation by a unanimous vote. This was a right vote. Today, I hope my colleagues will follow suit and vote unanimously against this resolution.

Mr. Speaker, in my opinion a declaration of war is a very serious step. Congress has declared war in only five conflicts: the War of 1812; the war with Mexico in 1846; the war with Spain in 1898; and the first and Second World Wars. In the 20th century, without exception, presidential requests for a formal declaration of war by Congress have been on findings by the President that U.S. territory or sovereign rights had been attacked or threatened by foreign nations.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from New Jersey (Mr. SMITH), the distinguished chairman of the Subcommittee on International Operations and Human Rights.

Mr. SMITH of New Jersey. I thank the distinguished gentleman for yielding me this time. Mr. Speaker, the votes today are extraordinarily difficult ones for each of us. The difficulty arises not because we are afraid to face up to these decisions, but because we must find a way to support freedom and democracy for the people of Kosovo and for the people of Serbia without writing a blank check for more fatal blunders on the part of the Clinton administration.

I do not agree with our bombing campaign, but the present ''bombing only''

policy appears to have been based on the tragic miscalculation by President Clinton that Milosevic would back down if we bombed Serbia for a week or maybe two. This seems to have been based on an even more fundamental miscalculation, that Milosevic cares more about Serbia than he does for Milosevic.

Former Governor George Allen of Virginia pointed out recently, and it was a very good and apt analogy when he said it was the equivalent of being in a football game and you say you are going to pass on every play. You have really given away your options. We did the same thing when we told Milosevic there would be no ground troops. That permitted him to anticipate and adjust to NATO moves. Another miscalculation.

Whatever happened to ''loose lips sink ships''? U.S. and NATO spokesmen—including the President, babble on and on. Such carelessness puts the lives of our servicemen at risk and it's wrong.

Mr. Speaker, let me just say a couple of things. I have had more than a dozen hearings on the Balkans in my subcommittee, the International Operations and Human Rights Committee and in the Helsinki Commission. I chair them both. We have looked again and again at the problems, first with Bosnia and Croatia and now with Kosovo and sought to understand and react prudently to mitigate the suffering. We've looked at the war crimes that have been committed by Slobodan Milosevic's military, police and hoods.

I find it incredible that the Clinton administration for the last 6 or more years has not sought to bring action against Slobodan Milosevic at the War Crimes Tribunal at the Hague. In public and private I have asked repeatedly, where is the dossier, the documents, the evidence, why are we not trying to bring this war criminal to trial. To my shock, I am informed that the administration has collected nothing on this tyrant. Thus, last year virtually every Member of this Chamber voted in favor of my resolution that petitioned, admonished, and encouraged the administration to begin the effort to bring Milosevic to justice.

Mr. Speaker, just let me also say that I do not believe voting for this declaration of war is the right thing to do. Our fight is not with the Serbian or Yugoslav people. It is with a cunning madman, and a very small number of very dedicated terrorists who surround him.

I ask for a ''no'' vote on the declaration of war.

Mr. Speaker, the votes today will be extraordinarily difficult ones for many Members of Congress. The difficulty arises not because we are afraid to face up to these decisions, but because we must find a way to support freedom and democracy for the people of Kosovo—and for the people of Serbia—without writing a blank check for more fatal blunders on the part of the Clinton Administration.

I don't agree with NATO's bombing campaign but the present ''bombing only'' policy appears to have been based on the tragic miscalculation, by President Clinton and his top advisors that Slobodan Milosevic would back down if we bombed Serbia for a week or so. This seems to have been based on an even more fundamental miscalculation—that Milosevic cares more about Serbia than he does about Milosevic.

Former Governor George Allen of Virginia has pointed out that to announce in advance that we would only use bombs and missiles and never use ground troops is the equivalent of announcing at the beginning of a football game that you intend to pass on every play. Even if we had no intention of using ground troops, it was yet another miscalculation to tell Milosevic about this plan. In war, you don't put your plan on CNN. In effect, we were telling him that we would punish the Serbian people for his regime's crimes, but that we would do nothing to prevent them. The campaign of murder, rape, and ethnic cleansing in Kosovo was already under way—there were over 150,000 displaced persons there even before Rambouillet, and as early as June of last year Physicians for Human Rights issued a report that found ''intensive, systematic destruction and ethnic cleansing''—but when we announced that we would bomb and do nothing else, Milosevic knew he could get away with intensifying this campaign, and that is exactly what he did.

So our options now are stark indeed:

We cannot turn the clock back to a time when it might have been possible to persuade the people of Kosovo to accept some kind of autonomy within Serbia. The mass rapes and mass murders, the beatings and tortures, the burning of villages and clearing of cities, have made this next to impossible. Nor can the Muslim population of Kosovo forget the Dayton agreement, in which the Clinton Administration brokered the dismemberment of Bosnia. Instead of arresting Milosevic on the spot and bringing him before the War Crimes Tribunal, our diplomats exchanged toasts and compliments with him and turned over half of Bosnia to his murderous cronies.

Speaking of the War Crimes Tribunal, I have tried for years, Mr. Speaker, to get this Administration to turn over all relevant evidence of Milosevic's responsibility for crimes against humanity. Last September, the House passed my resolution admonishing the Clinton Administration to work to bring Milosevic to justice at the Hague, sadly, nothing was done. This begs the question as to why the Clinton Administration has, in essence, given one of the most brutal dictators on the face of the earth defacto immunity from prosecution.

Mr. Speaker, we cannot simply continue the bombing forever, in the face of mounting collateral deaths and injuries of men, women, and children—Serbs, Montenegrins, and Kosovars alike—and mounting evidence that the campaign is not likely to succeed in bringing down the Milosevic regime or in bringing peace and freedom to Kosovo.

Nor can we simply consign the Kosovars to their fate. For the hundreds of thousands outside Kosovo, this would mean being refugees forever. For those still inside, it would mean more murders, more rapes, more tortures. For those of us who are lucky enough to live in safety and freedom, it would almost certainly mean in the last analysis that we stood by and watched yet another genocide.

So our only real choice is to come up with a plan—perhaps a new diplomatic initiative along the lines suggested by CURT WELDON of Pennsylvania.

Unfortunately, there is no sign that the Administration has such a plan or is trying very hard to come up with one. So Congress today must vote in a way that signals clear support for a just solution to the crisis in Kosovo, without inviting the Administration to blunder its way into further non-solutions.

Mr. Speaker, I will not vote for the declaration of war, because our fight is not with Yugoslavia—and our fight is most certainly not with the peoples whose governments might come in on the side of Yugoslavia in an all out war. Our fight is with Milosevic.

Mr. Speaker, I also will not vote for an absolute and inflexible legal requirement that all U.S. forces be removed from the zone of hostilities within 30 days, because this would be yet another gratuitous decision to tie our own hands in advance, without knowing what may happen in the next day or week or month. To announce in advance that we will withdraw our forces no matter what Milosevic does would be eerily reminiscent of President Clinton's decision to announce in advance that we would use only bombs and never ground troops. Its most likely effect would be to spur Milosevic on to further atrocities. It would also probably have the effect of depriving the humanitarian campaign on behalf of the refugees in Albania and Macedonia of the invaluable assistance of the U.S. military. I want to make clear that my criticisms of the Administration's military policy are not intended to reflect on the humanitarian campaign. All indications are that everyone involved—UNHCR, the non-governmental organizations, and government agencies emphatically including our armed forces—are doing the Lord's work and doing it as well as can be expected under the circumstances. My only suggestion is that we urgently need even more resources for this humanitarian campaign.

Mr. Speaker, I will vote for the Goodling bill, which will require Congressional authorization for the use of ground troops.

At the beginning of the decade, President Bush persuasively made his case—to Congress and the American people—for ground troops for the Persian Gulf War.

Mr. Clinton, it seems to me, has no less of a responsibility to explain why he might be willing to risk the lives of Americans in a ground action.

It's bad enough the President initiated the misguided bombing with its disastrous consequences to Kosovar Albanians without prior Congressional approval. Any potential, new, escalation must include clear authorization from the Congress.

Mr. MEEKS of New York. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. SHERMAN).

Mr. SHERMAN. Mr. Speaker, I want to thank the gentleman from California (Mr. CAMPBELL) for bringing this

issue to a head. We have cast and will cast momentous votes for today.

I think it is important that we clarify the record. We voted for the Goodling-Fowler bill. I should point out that distributed to virtually every Member of this House by the gentlewoman from Florida (Mrs. FOWLER) was a statement in writing that should be part of the record, that says in part that this bill does not prevent the use of Apache helicopters and does not preclude the introduction of small numbers of personnel for intelligence or targeting functions.

I think that our adoption of that resolution, at least by this House, made sense. I know there are those who argue that Congress should not be involved in the momentous decision that lies ahead, but as I have said before, those who say that our enemies should tremble in fear because one man should be allowed to deploy 100,000 American soldiers, should be answered that Americans should tremble in fear if one man without congressional approval can deploy 100,000 men and women into battle.

I should point out that the President of the United States distributed to all Members of Congress today a letter stating, in part, that he would ask for congressional support before introducing U.S. ground forces into Kosovo, into a nonpermissive environment.

The gentleman from Connecticut (Mr. GEJDENSON) will be bringing up a matter later today. It has been interpreted by some as more than a mere authorization of the air campaign but it states, and I interpret it, as providing only support for the air campaign and not a legal authorization for more.

I would hope that any wise court would look at the record today. A letter from the President saying he will not put in ground troops, a vote by this House not to put in ground troops. Under those circumstances, a wise court should interpret the Gejdenson resolution as nothing more than what it states.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from South Carolina (Mr. SANFORD), a member of our committee.

Mr. SANFORD. Mr. Speaker, I rise in support of the timing and consideration of this bill because ultimately I think that this is a constitutional question. It is one that the gentleman from California (Mr. CAMPBELL) has raised because he knows what our Founding Fathers knew, and that is that when body bags come back from some foreign deployment, they do not stop within the Beltway. They go across America. They go to Charleston, South Carolina; they go to Knoxville, Tennessee; they go to Los Angeles, California.

It is for this reason, and it came up yesterday in debate, that in contrast to the English system, the Framers did not want the wealth and blood of the Nation committed by the decision of a single individual, which was just pointed out by my colleague from California.

So, one, I rise in support of the timing of this because of the constitutional element. I will ultimately vote ''no'' because of the foreign policy element of this decision.

Now, all of us would like to solve every ill in this world, but both individually and collectively it is something we do not have the resources to do, so for foreign policy to be effective, it has got to be limited and it has got to be focused. Part of focus means consistency. If we stay in Kosovo, we are going to create a very inconsistent foreign policy.

In fact, I do not even want to be part of a government that would ever signal to people around the world that if you are of European ancestry, we care about your human rights, but if you happen to be unlucky enough to be born in Africa, well, then, good luck. Because in January 3,000 people were killed in Sierra Leone, and if we are going to stay in Kosovo, we owe it to them to go to Sierra Leone. 300,000 people were killed in Angola since 1992. 500,000 people were killed in Rwanda in the genocide there. 1.9 million people have been killed in the south of Sudan basically over the last 15 years. It is important for our foreign policy to be effective that we be consistent and that, I think, is what this bill is all about.

Mr. MEEKS of New York. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I rise today in strong opposition to this resolution because I believe that a declaration of war will only increase instability in the region and exacerbate the atrocities against ethnic Albanians. My support and prayers go out to the brave men and women of the United States Armed Forces who have been dispatched to Yugoslavia. We must take every measure to ensure their safe and expeditious return home.

While I will vote against this resolution, it is my belief that this debate and these votes should have been taken before a single bomb was dropped and before any U.S. troops were sent. Our inaction prior to military strikes abdicated our constitutional responsibility and, furthermore, prevented the voice of the people I represent, who are overwhelmingly against air strikes, from being heard. I agree that we have a moral imperative to bring an end to the horrific genocide and suffering in the Balkans. However, violent means have only and will only escalate the crisis.

As a person who strongly believes in the teachings and the work of Dr. Martin Luther King, Jr. I profoundly subscribe to the principles of nonviolence. If peace is our objective, then I implore us to consider the words of Dr. King, not only on his birthday but each and every day of the year. In his last book, ''The Trumpet of Conscience,'' he wrote about United States policy in North Vietnam. He said, ''They are talking about peace as a distant goal, as an end we seek. But one day we must come to see that peace is not merely a distant goal we seek, but that it is a means by which we arrive at that goal; destructive means cannot bring about constructive ends.''

I am convinced that our best hope for peace and stability is the negotiation of an immediate cease-fire, and a strong belief that the United States and NATO must reach out to Russia, the United Nations, China and others to develop an internationally negotiated political settlement. Our actions must set an example for our young people that violence should never be an option. I ask for a ''no'' vote.

I rise today in opposition to H.J. Res. 44, which would declare a state of war between the United States and the Federal Republic of Yugoslavia. I oppose this resolution because I believe that a declaration of war, like the NATO air strikes, will only increase instability in the region and exacerbate the atrocities against ethnic Albanians.

At this very volatile time, my support and prayers go out to the brave men and women of the United States Armed Forces who have been dispatched to Yugoslavia. We must take every measure possible to bring an end to this crisis to ensure their safe and expeditious return home.

While I will vote against the declaration of war, I would like to commend my colleague from California, Congressman CAMPBELL, for introducing this resolution into the House of Representatives and bringing forward Congressional action on the US involvement in Kosovo. It is my belief that these debates should have taken place six weeks ago, before a single bomb was dropped and before any US troops were sent into the hostile situation in the Balkans.

By failing to vote on the air strikes before their commencement, and instead debating authorization now, when we are already heavily involved, the Administration is conducting a war without Congressional consent as required by the Constitution. A vote to authorize the President to conduct military air strikes at this juncture is nothing more than a rubber stamp from Congress for an action that has already begun. I my opinion, our inaction prior to military strikes abdicated our Constitutional responsibility and furthermore, prevented the voice of the people I represent, who are overwhelmingly against the air strikes, from being heard.

There are those who rise today in support of the Administration's action in order to end the genocide of the ethnic Albanians. I agree, in the strongest terms possible, that we have a moral imperative to intervene and to bring an end to the horrific suffering. However, whether air strikes, ground forces, or a declaration of war—these violent means as a method to

bring peace and stability to the Balkans have only, and will only escalate the crisis.

As a person who strongly believes in the teachings and work of Dr. Martin Luther King Jr., not just on his birthday, but throughout the year, I profoundly subscribe to the principles of nonviolence. Our policies, and our actions, must set an example for our young people that violence should never be an option. If peace is our objective, and I am certain that this is a goal upon which all in this chamber can agree, then I implore us to consider the words of Dr. King. In his last book, The Trumpet of Conscience, A Christmas Sermon on Peace, Dr. King discusses bombing in North Vietnam, and the rhetoric of peace that was connected to those war making acts.

He wrote, ''What is the problem? They are talking about peace as a distant goal, as an end we seek. But one day we must come to see that peace is not merely a distant goal we seek, but that it is a means by which we arrive at that goal. We must pursue peaceful ends through peaceful means. All of this is saying that, in the final analysis, means and ends must cohere because the end is pre-existent in the means and ultimately destructive means cannot bring about constructive ends.''

The Administration's policy and the NATO campaign in Kosovo to date have produced only counterproductive and destructive results: a mass exodus of over half a million ethnic Albanians, significant civilian deaths, an escalation of Milosevic's campaign of racial hatred and terror, and greater instability in the region. The results are just the opposite of what we want to achieve. Our goal is to prevent innocent people from being killed. In the name of saving Kosovars, we are destroying Kosovo.

At this juncture, I am convinced that our best hope for peace and stability in the region is the negotiation of an immediate cease fire. It is my strong belief that the United States and NATO must reach out to the United Nations, Russia China, and others to work together to develop a new, internationally negotiated peace agreement and to secure Serbian compliance to its terms. In order to end the suffering in the Balkans and to achieve long term stability, support of a diplomatic political settlement is the only action we can employ.

As we today speak of a policy to end genocide in the Balkans, I am also greatly disturbed to think of the people in many countries in Africa and all over the world, who have also suffered unthinkable atrocities, beyond our worst nightmare. As a result of ethnic conflict in Africa, over 150,000 have been killed in Burundi; 800,000 in Rwanda; and 1.5 million in Sudan. More than 200,000 Kurds have died in Iraq and Turkey, and hundreds of thousands in Burma, and over 1 million in Cambodia.

It is my hope that our nation can develop a foreign policy framework to address suffering and killing all over the world, without the use of force, ground troops, air strikes and other violent means.

I urge a ''no'' vote on the declaration of war.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from North Carolina (Mr. JONES).

Mr. JONES of North Carolina. Mr. Speaker, I join my colleagues who express grave doubts about the conduct of Operation Allied Force in Yugoslavia. I am deeply troubled that the administration has started our country down the path of only bad options.

The debate before us illustrates the inability of the War Powers Resolution to effectively deal with post-Cold War realities. In many respects, the War Powers Resolution is a tool of a bygone era.

Mr. Speaker, there are numerous Kosovo type operations in this country's future. These operations require significant military resources and challenge our country's ability to meet the primary objective of our national security strategy. This is nothing new. Congress has not formally declared war since World War II, and yet American troops have since fought and died around the world in numerous hostilities. The framework of the War Powers Resolution has not allowed Congress a voice in the commitment of troops in these engagements.

While the United States may be the world's superpower, we cannot be the world's police force. Our military is simply not prepared to do so. If anything, this fumbling foreign policy escapade should alert this body that we must reflect upon the failings of the current process by which we are forced to deal with these types of military operations. In the near future Congress should work to improve the process by which we consider and debate these critical issues to our national security.

Today, I would ask my colleagues to pay close attention to this debate and to keep in mind the state of our military. Congress's role is not limited simply to the declaration of war. It is imperative that we look closely at where we commit our troops and ensure that our military is prepared for such commitments.

I do not believe that Kosovo is the kind of conflict where we should be committing our troops. Therefore, I urge my colleagues to oppose the resolution to declare war.

Mr. MEEKS of New York. Mr. Speaker, I yield 3 minutes to the gentleman from American Samoa (Mr. FALEOMAVAEGA).

□ 1730

Mr. FALEOMAVAEGA. Mr. Speaker, I rise in strong opposition to House Joint Resolution 44 which asks our colleagues for a declaration of war by the United States against the Government of the Republic of Yugoslavia. Although I have the greatest respect for the author of the resolution, the gentleman from California (Mr. CAMPBELL) and certainly a dear friend, I must respectfully oppose the resolution.

Mr. Speaker, America's Founding Fathers, in their wisdom, deliberately drafted the Constitution to provide flexibility in the use of U.S. armed forces abroad. The President, as Commander in Chief, clearly has the authority to send our forces into potentially hostile situations without a declaration of war. In fact, since 1798 in our conflict with France over the Dominican Republic, to our air strikes in Afghanistan and Sudan against Bin Laden in 1998, CRS, the Congressional Research Service, has documented over 270 instances where America's Presidents have sent U.S. armed forces abroad into hostile situations. Over two centuries, and only five of these instances has the Congress actually declared war.

Mr. Speaker, a declaration of war is neither necessary nor appropriate for our actions in Kosovo and Serbia. Our Nation and NATO are not at war with Yugoslavia. We are there to stop a sociopathic criminal from committing genocide against his Albanian citizens, actions which threatened to destabilize the Balkan nations, as well as Europe. A unilateral U.S. declaration of war would irresponsibly escalate the conflict, undermine our alliance with our NATO partners, and needlessly jeopardize our already tense relations with Russia.

As a Vietnam veteran, Mr. Speaker, I have seen the violence of conflict, and it is not pretty. However, there are certain times when America must act because no other country can provide the leadership that we can. Almost a quarter of a million innocent people died from Milosevic's handiwork in Bosnia which Europe could not stop alone.

Mr. Speaker, the call to action has come again, and America cannot stand idly by and let this madman continue with his genocidal campaign in Kosovo. The stakes are too high to play political games. I strongly urge our colleagues to defeat the resolution before us and support our armed forces in Kosovo and Serbia that are fighting to protect against these evil forces that Milosevic provides.

Mr. Speaker, are we willing to allow China and Russia perhaps to take the lead in providing the leadership in global issues that affect all human beings on this planet? I dare not say, Mr. Speaker. Let America become the leader of the world as it should be in this issue affecting the Balkan area.

Mr. Speaker, there have been only five instances in our nation's history that formal declarations of war were made by the Congress—the War of 1812 against England; the War of 1846 against Mexico; the War of 1898 against Spain; World War I and World War II. Mr. Speaker, there are ample precedents set not only by this President but by previous administrations as well, whereby acts of war have been always been part and parcel of U.S. foreign policies and security interests—I believe the Founding Fathers of this nation purposely placed the critical issues of war as a political and public policy matter rightfully as a matter to be decided by both the Administration and the Congress.

Mr. Speaker, the crisis in Yugoslavia is not an American issue—it is a serious matter

taken collectively with our Nation Allies. It is a matter that history has given all those European countries to seriously consider the alternative, if Milosevic is allowed to continue his policy of ethnic cleansing and atrocities by murdering and killing well over 300,000 human beings in that country, and the displacement of some 3.5 million persons now as refugees because of Milosevic's military activities in Yugoslavia.

Mr. Speaker, am I to believe now that the most powerful nation on this planet is telling the world that the crisis in Yugoslavia is not in our national interest? If so, then why did the Congress allow our President to intervene and for which he provided a negotiated settlement on the Bosnia matter? Our President did his best to negotiate a settlement with Milosevic, but Milosevic refused and the bombing of Milosevic's military resources and related facilities was the only option left—simply to prevent more reckless killings and atrocities committed by Milosevic and his military forces.

Mr. Speaker, this is not the time to tell the world and our NATO allies that we have now Americanized this conflict by officially declaring a war against Yugoslavia. Vote this resolution down.

Mr. GILMAN. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Florida (Mr. MCCOLLUM).

Mr. MCCOLLUM. Mr. Speaker, there is a tragic war in the Balkans. There is every indication that this war will expand, and so will the role of the United States. So far, there is no sign that absent the introduction of ground forces the intensified bombing campaign will cause President Milosevic and the Serbs to agree to the terms regarding Kosovo demanded by NATO. President Clinton has never asked Congress to declare war on Yugoslavia or Serbia. He has never even requested the type of resolution President Bush requested and was granted in advance of Desert Storm. At no time has he spelled out to the American public, let alone Congress, a consistent, coherent foreign policy that demonstrates a compelling United States' national security interest in waging war against the forces of the Government of Yugoslavia.

I am just as moved as anyone else by the atrocities reported in Kosovo, but I am deeply troubled by our continued engagement. If the United States is going to engage in war, the commitment must be made to let the military use whatever force is necessary, which means paying whatever price in lives of American soldiers is required, and if the American national security interests are not great enough to justify such a price, then there should be no war.

To date, President Clinton has not demonstrated to my satisfaction America's national security interest in the Kosovo matter is great enough to justify paying such a price. For this reason I voted for the resolution offered by the gentleman from California (Mr. CAMPBELL) to withdraw American forces, and it is for this reason that I will not be a party to sending American men and women in uniform to die in an ill-conceived, ill-planned war and I am strongly against this resolution declaring war.

Mr. MEEKS of New York. Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. LANTOS), a senior member of the Committee on International Relations.

Mr. LANTOS. Mr. Speaker, it is important to put this resolution by my good friend from California in proper perspective.

When yesterday a deeply divided Committee on International Relations debated and then voted on this matter, we voted unanimously to reject this proposal.

As a matter of fact, my good friend, the gentleman from California (Mr. CAMPBELL), himself voted against his own resolution.

So I think it is sort of important to realize that what we are dealing with here is an academic legalistic exercise, the purpose of which is to take this issue to the courts. No one seriously believes, fortunately, that the United States should declare war against Yugoslavia.

Now there are many reasons why we should not do that. The first and perhaps the most important is that this is not an American engagement, this is a NATO engagement, and not one of the other of the 18 NATO countries has declared war on Yugoslavia. Were we to do so, this would be an Americanization of a war with all the negative consequence that implies. It would divide the alliance. It would indicate that we are determined, as we were during the Second World War, to move on until there is an unconditional surrender.

Those are not our goals. Our goals are limited, clearly defined and specific. We wish to see the 700,000 individuals who were driven out of Kosovo to return there in peace and security. That is the goal we seek. Therefore, a declaration of war under these circumstances would be ill-advised, illtimed and clearly contrary to U.S. national interests.

I urge all of my colleagues to reject this resolution.

Mr. CAMPBELL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Speaker, the United States has been blessed in so many ways, and not the least of which is the good sense that our Founding Fathers had in keeping us out of foreign entanglements and military engagements overseas. George Washington threatened us of these foreign entanglements that would drain our Treasury and drain our national will. So it has been written into our Constitution that we have such limitations on foreign commitments. We have not obviously declared war. This administration is unwilling to declare war even though it is clearly written into our Constitution that we need to come to Congress.

Now, realizing that during the Cold War we gave certain powers to the executive branch for the security of our country and during this four decades of Cold War we felt we needed to centralize this power and give the President a little more authority. The Cold War is over. What we are engaging in now is a process of evolving back. That is what we are doing this very moment, evolving back the power as defined in our Constitution, what our Founding Fathers wanted us to have, and that is the legislative branch must have a check and a balance to the decisions of the Federal branch when it comes to foreign commitments and military operations, and this is something that is part of our Constitution. We are demanding that the Constitution be followed. We are demanding that the War Powers Act, which of course came about after the Vietnam debacle, the War Powers Act is still part of our law, we demand that that part of the law be followed.

Obviously the President of the United States and those people in this body that agree with him do not believe that that part of our law and that part of our Constitution need to be followed. Well, this is what the debate is about. The American people should understand that no one person, as our Founding Fathers so demanded it in writing the Constitution, no one person, whether he be or she be the President of the United States or any other officeholder, should be able to get us into war and cause the deaths of tens of thousands of people. We all must be part of that process.

That is what our Constitution is about. That is why I support the efforts of the gentleman from California (Mr. CAMPBELL) to ensure this type of congressional participation.

I rise in support of Mr. CAMPBELL's position on this resolution. Seriously, I'd like to take this opportunity to thank Mr. CAMPBELL for giving us this opportunity to discuss, through this declaration of war resolution, the legal ramifications of the Balkan conflict.

Here in the United States we have been blessed in so many ways, not the least of which was a product of the good sense of our founding fathers and mothers in keeping us out of foreign conflicts and entanglements.

George Washington warned of the threat of military alliances that would lead to foreign adventures that would drain our treasury and undermine our national will to meet the serious challenges to our own security. Written into our Constitution are limitations on power and hurdles that must be dealt with in order to engage the United States in war.

In World War One and the Second World War we followed those constitutional requirements. During that second great conflagration that engulfed this planet we permitted, for the safety of our country and the cause of peace,

power to be centralized in the hands of the executive branch as never before. Then, during the decades of, what John Kennedy described as the twilight struggle, Congress acquiesced and endorsed the policy of a strong executive in order to deal with the dangers of the cold war.

My friends and colleagues, the cold war is over. What we do today is part of the process in evolving back to the constitutional system that served our country so well in the past. First and foremost we must reestablish the checks and balances in our federal system, checks and balances that apply to foreign and military commitments as well as domestic policy.

There is no doubt that the intent of our Constitution was to assure that one person, whatever his or her office, could not get our country into war. We had revolted against the power of a king to rule. Congress must declare war, or it is illegal for our President or military commanders to spend our treasure and spill the blood of our defenders in fighting a war.

Yes, during the cold war, which was an uncommon and unique period in our history, the legal necessity of such declarations of war was intentionally by consensus, overlooked. The frustrations of Korea and Vietnam, perhaps, call into question that strategy. And in the aftermath of Vietnam, the War Powers Act was enacted into law to prevent the very kind of questionable foreign military commitments that we debate today.

So in this debate let us as law makers admit that the law is not being followed and that it should be. The Constitutional requirements for conducting war have not been met because the majority of this Congress and more importantly, the President, are unwilling to declare war.

The legal requirements to an extended military operation, as mandated by the War Powers Act, have not been met, because this President and his allies, who represent a majority in this Congress, are not concerned with this law.

Mr. Speaker, the crisis of the cold war is over and the Constitution and the law, as reflected in the body of the Constitution and in the War Powers Act, should be obeyed. If it cannot be obeyed, it should be changed. As it stands, we are making a mockery of the law, which is evident when the Secretary of State testified at the International Relations Committee. Secretary Albright has to speak in convoluted rhetoric, twisting and turning like a semantical acrobat, in order to prevent a legal case that can be easily made against her. There is something wrong if a Secretary of State cannot speak directly to the congressional body which has the constitutional mandate of overseeing American foreign policy.

Mr. MEEKS of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding this time to me.

We in Congress are in a position we should never be in. We are confronted with a failed law, failed leadership and a military action that failed to meet its initially stated objectives. Here we are, finally having a belated and truncated debate because of the War Powers Act, but a War Powers Act which is totally defective, and for 8 years I have been introducing legislation to fix the War Powers Act. We need to reclaim our constitutional authority and require prior authorization before Presidents engage in wars or warlike activities using our armed forces.

This is not unique to President Clinton. President Reagan, President Bush went down the same path, as did Presidents before them and as they will continue to do until this body has the guts to change the law and require that not a penny be spent except in defense of our country against immediate attack or armed forces overseas or as a citizen without the authority of Congress in a war or warlike action.

We have a failed congressional leadership. They were engaged in duck-and-cover and get everybody out of town before the bombing began. They did not allow us to have a debate. Even with the defective law, we could have had a vigorous debate here, and if we had that debate, I believe we could have had a better policy.

Did not everybody know that it rained in that area at this time of year? Did not our intelligence forces perhaps know that bombing and removal of the OSCE observers would lead to increased, accelerated ethnic cleansing and slaughter? And what if, what if Slobodan was not going to come to the bargaining table after a few bombs fell? Those questions were not asked by this Congress, and they were not answered by this administration, and now we are in the midst of a failed policy.

I believe we need to go forward from here with productive ideas, but this debate is not going to allow us to talk about productive ideas. What about the idea of a temporary cease-fire, working with our allies to try and force productive negotiations? What about having enough time to talk about this issue? It is not allowed under this absurd rule.

Mr. GILMAN. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. CUNNINGHAM).

Mr. CUNNINGHAM. Mr. Speaker, probably in 8 years this is the first time I have agreed with the gentleman from Oregon, or second time.

If not, what? I am trying to do everything I can to keep us out of war. Then what? First of all, the Pentagon said not to bomb. Rambouillet, according to Kissinger and Larry Eagleburger, said it was to fail. NATO and General Clark told me, face to face, that NATO only wanted to bomb 1 day and quit. The President called Mr. Blair and the German Chancellor and forced this. So what? Halt the bombing, get our POWs back.

Seventy percent of the Russians support the overthrow of Yeltsin. That is why they are so squirrelly on us. Let us use Russian, let us Greek troops that are petrified about the Albanian expansion. Instead of having Russia be the problem, let us make them part of the solution. The President has got to look the President of Albania in the face and say we want the Mujaheddin and Hamas out of the KLA and deported within 30 days. He has got to do the same thing with Izetbegovic.

Kosovo can be cantonized, but it has got to go off the table, that resolve.

The gentleman from Oregon is right. There is not enough time to talk about a very important issue.

Mr. MEEKS of New York. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, the truth is war is being waged and will continue to be waged without declaration. But such violence is neither redemptive nor justified in law or morality. Hope is redemptive, love is redemptive, peace is redemptive, but the violence of this conflict stirs our most primitive instincts. When we respond to such instincts, we enact the law of an eye for an eye, and we at last become blind and spend our remaining days groping to regain that light we had once enjoyed.

He only understands force, it is said of Mr. Milosevic, but we must understand more than force.

□ 1745

Otherwise, war is inescapable. We must make peace as inexorable as the instinct to breed, as inevitable as the sunrise, as predictable as the next day. With this vote, let us release ourselves from the logic of war and energize a consciousness of peace, peace through implied strength, peace through express diplomacy, peace through a belief that through nonviolent human interaction, we can still control our destiny.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Washington (Mr. METCALF).

Mr. METCALF. Mr. Speaker, I have opposed U.S. military action in the Balkans without a declaration of war. There are no vital U.S. interests now being threatened anywhere in Europe, certainly not in the Balkans, worthy of a declaration of war. We really have no business there militarily. We should not be committing acts of war there. Yes, bombing is an act of war.

This whole military intervention is truly illegal under international law, and I urge a no vote on this resolution. We do need to revise our War Powers Act. Congress should reclaim the power to decide to take this Nation to war.

Mr. MEEKS of New York. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from New York for his leadership, and I

thank my colleague from California for giving us the opportunity to discuss a very important issue as to whether or not we stand for war or peace. I must acknowledge that the gentleman who proposed this particular resolution himself voted against it.

I grappled today and struggled with the vote on the Goodling amendment, because I have concern about whether or not we are forcing ourselves into war, or looking for ways of peace.

I want peace. I have indicated over and over again that we must have peace, but we must have peace with justice. We must have peace for the 37,000 refugees in Montenegro, the 260,000 refugees in Albania and the 120,000 in Macedonia. We must have peace for those in the former Yugoslavia.

So a declaration of war is not, I believe, in the best interests of the United States of America, the best interests of those refugees who are looking to go home, and the best interests of us trying to force or bring about a real peace.

We have only declared war in not more than 5 conflicts in our history: The War of 1812, the war with Mexico in 1846, the war with Spain in 1898, the First World War and the Second World War.

I do believe that the President's hands must not be tied. We must have the ability to send peacekeeping troops in. We must get back our POWs, two of whom are from the State of Texas, but all of them are Americans. We must not be weak in the eyes of the former Yugoslavia and Mr. Milosevic. We must stand united.

And to my friends who have mentioned where were we in Rwanda, and maybe where were we in Ireland, we must not stand while there is ethnic cleansing and killing and murdering in any part of the world.

I want to stand with an America that has principles. I want to stand with an America that believes in human life and human dignity, against the murder of children and women and raping.

I hope we will never stand by against a Rwanda. I hope no matter what race of people are in trouble, or being attacked or being murdered, we will stand up against it. Declaring war, however, is not the way that we should go.

I want us to have a sustained air strike, but, most of all, I want Mr. Milosevic to come to the peace table. I want a negotiated settlement. And for us to declare war today, we will not get that.

So I would say, Mr. Speaker, I want to stand on behalf of the refugees returning to their home, I want peace to come in the Balkans, and I stand by the vote that I took some years ago for the Dayton peace treaty. Yes, our troops are still in Bosnia, but there is peace there, there is a united peace there, the United Nations peacekeeping troops, and I do not see why America has to step away from providing for peace around the world.

We are not police officers, no, but we have a conscience and we believe in humanity and dignity.

So I would offer to my colleagues as they vote against this declaration to declare war, that we should vote for the sustained air strikes, we should make sure that we force or encourage or demand that those who have the power, including our NATO allies, come to the peace table, and that we remember that the greatest of all those that we can give to the world is love and charity. I hope that we will stand for what is right.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Alabama (Mr. CALLAHAN), the distinguished chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations.

Mr. CALLAHAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I think this is unprecedented. Maybe some of you who are more historically informed and more constitutionally informed can correct me, but I think this is the first time in the history of this Congress where Congress has initiated a declaration of war.

Generally, as I understand it, the President comes to the Congress when he finds situations such as required and requests that Congress declare war. Conceivably I am erroneous on that, but I do not recall. Maybe some of my more learned colleagues can recall a time when the Congress initiated a declaration of war.

I think this is ill-conceived. A declaration of war I think would be divisive within NATO. It would put restrictions on the front line states. It would make them unable to assist us in the efforts they are giving us in providing landing operations and staging operations in those countries, and I think it would be a very dangerous precedent for this Congress to tell the commander-in-chief that he must go to war if he does not want to. I know that is not necessarily the case as we see it today, but I think to start this in this Congress at this time, with the Congress initiating a declaration of war, is ill-advised, and I urge Members to vote ''no''.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from North Carolina (Mr. HAYES).

Mr. HAYES. Mr. Speaker, I oppose a declaration of war, having just returned from the Balkans more firmly convinced, no ground troops.

I know you cannot see it, but this is a picture of a young Apache pilot in the Balkans who graduated with my son. He said, ''No ground troops. The cost in human life would be too high.''

We need a negotiated settlement, not a declaration of war. I am working to provide momentum, leverage and direction to the administration to settle this conflict.

My colleagues on the other side are dissatisfied because of a lack of leadership by the administration. We are dissatisfied with a lack of leadership and failed foreign policy.

Do not declare war. Do not lose lives of our military. Focus our attention on rebuilding the military, helping the refugees, and negotiating a settlement that returns the refugees to their homes in safety and brings our POWs and our troops home.

Mr. MEEKS of New York. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. CAPUANO).

Mr. CAPUANO. Mr. Speaker, I rise to oppose this particular proposal and to urge my colleagues to keep our eyes open.

This conflict today, we may not like the cards we are dealt, but they are dealt. We may not like how we got there, but we are there. There are millions of people in Europe whose lives are at stake, whose happiness and soundness are at stake, and, if we walk away, if we walk away, we will have done the wrong thing, and you will know that today and you will know that 20 years from now.

Many of us can debate how we got here, how we should do it the next time. I think those are good debates. I think we should discuss what should happen the next time, because there will be a next time.

For those of you who did not have the opportunity today to read the papers, look at what is happening in Indonesia. We are about to send what they call ''police advisers'' from the United Nations to Indonesia. It is happening elsewhere across this globe, and I do think we need to discuss that.

At the same time, we do not have the luxury to always deal the cards. We are sitting here today, we have to deal with it today. We have to support the efforts to bring those people home, to bring our men and women home, and to do the right thing by humanity, today, tomorrow, and every time we have to do it.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from California (Mr. HORN).

Mr. HORN. Mr. Speaker, I am against this declaration of war, as I am sure practically everyone in this Chamber is.

The origin of many European parliaments was when the leaders of a country got together, formed an organized body and reined in the king who was engaged on various adventures. That is, in a sense, what we are trying to do here today.

If the Europeans have a European problem, they ought to be making the

decision and they ought to be sending their own ground troops.

Russia should be deeply involved. It has not been included. There is only one other superpower in the world; that is Russia. They should be tied to the West, and they should be helpful in this particular matter. If the North Atlantic Treaty Organization [NATO] is to keep Europe at peace, then Russia should be a member.

The Serbs cannot move north, that is NATO territory; and if they move south toward Greece, that is NATO territory, and that would be one sovereign nation invading another, and that would be appropriate for NATO to take action and defend Greece.

I include for the RECORD, Mr. Speaker, portions of the speech Secretary of Defense Caspar Weinberger made back in 1984. He was an outstanding Secretary and a very wise man. He developed six major criteria which should be met when we use U.S. combat forces abroad.

THE USES OF MILITARY POWER

Thank you for inviting me to be here today with the members of the National Press Club, a group most important to our national security. I say that because a major point I intend to make in my remarks today is that the single most critical element of a successful democracy is a strong consensus of support and agreement for our basic purposes. Policies formed without a clear understanding of what we hope to achieve will never work. And you help to build that understanding among our citizens.

Of all the many policies our citizens deserve—and need—to understand, none is so important as those related to our topic today—the uses of military power. Deterrence will work only if the Soviets understand our firm commitment to keeping the peace . . . and only from a well-informed public can we expect to have that national will and commitment.

So today, I want to discuss with you perhaps that most important question concerning keeping the peace. Under what circumstances, and by what means, does a great democracy such as our reach that painful decision that the use of military force is necessary to protect our interests or to carry out our national policy?

National power has many components, some tangible—like economic wealth, technical pre-eminence. Other components are intangible—such as moral force, or strong national will. Military forces, when they are strong, and ready and modern, are a credible—and tangible—addition to a nation's power. When both the intangible national will and those forces are forced into one instrument, national power becomes effective.

In today's world, the line between peace and war is less clearly drawn than at any time in our history. When George Washington, in his farewell address, warned us, as a new democracy, to avoid foreign entanglements, Europe then Lay 2-3 months by sea over the horizon. The United States was protected by the width of the oceans. Now in this nuclear age, we measure time in minutes rather than months.

Aware of the consequences of any misstep, yet convinced of the precious worth of the freedom we enjoy, we seek to avoid conflict, whiled maintaining strong defenses. Our policy has always been to work hard for peace, but to be prepared if war comes. Yet, so blurred have the lines become between open conflict and half-hidden hostile acts that we cannot confidently predict where, or when, or how, or from what direction aggression may arrive. We must be prepared, at any moment, to meet threats ranging in intensity from isolated terrorist acts, to guerrilla action, to full-scale military confrontation.

Alexander Hamilton, writing in the Federalist Papers, said that ''It is impossible to foresee or define the extent and variety of national exigencies, or the correspondent extent and variety of the means which may be necessary to satisfy them.'' If it was true then, how much more true it is today, when we must remain ready to consider the means to meet such serious indirect challenges to the peace as proxy wars and individual terrorist action. And how much more important is it now, considering the consequences of failing to deter conflict at the lowest level possible. While the use of military force to defend territory has never been questioned when a democracy has been attacked and its very survival threatened, most democracies have rejected the unilateral aggressive use of force to invade, conquer or subjugate other nations. The extent to which the use of force is acceptable remains unresolved for the host of other situations which fall between these extremes of defensive and aggressive use of force.

We find ourselves, then, face to face with a modern paradox: The most likely challenge to the peace—the gray area conflicts—are precisely the most difficult challenges to which a democracy must respond. Yet, while the source and nature of today's challenges are uncertain, our response must be clear and understandable. Unless we are certain that force is essential, we run the risk of inadequate national will to apply the resources needed.

Because we face a spectrum of threats—from covert aggression, terrorism, and subversion, to overt intimidation, to use of brute force—choosing the appropriate level of our response is difficult. Flexible response does not mean just any response is appropriate. But once a decision to employ some degree of force has been made, and the purpose clarified, our government must have the clear mandate to carry out, and continue to carry out, that decision until the purpose has been achieved. That, to, has been difficult to accomplish.

The issue of which branch of government has authority to define that mandate and make decisions on using force is now being strongly contended. Beginning in the 1970s Congress demanded, and assumed, a far more active role in the making of foreign policy and in the decisionmaking process for the employment of military forces abroad than had been thought appropriate and practical before. As a result, the centrality of decision-making authority in the executive branch has been compromised by the legislative branch to an extent that actively interferes with that process. At the same time, there has not been a corresponding acceptance of responsibility by Congress for the outcome of decisions concerning the employment of military forces.

Yet the outcome of decisions on whether—and when—and to what degress—to use combat forces abroad has never been more important than it is today. While we do not seek to deter or settle all the world's conflicts, we must recognize that, as a major power, our responsibilities and interests are now of such scope that there are few troubled areas we can afford to ignore. So we must be prepared to deal with a range of possibilities, a spectrum of crises, from local insurgency to global conflict. We prefer, of course, to limit any conflict in its early stages, to contain and control it—but to do that our military forces must be deployed in a timely manner, and be fully supported and prepared before they are engaged, because many of those difficult decisions must be made extremely quickly.

Some on the national scene think they can always avoid making tough decisions. Some reject entirely the question of whether any force can ever be used abroad. They want to avoid grappling with a complex issue because, despite clever rhetoric disguising their purpose, these people are in fact advocating a return to post-World War I isolationism. While they may maintain in principle that military force has a role in foreign policy, they are never willing to name the circumstance or the place where it would apply.

On the other side, some theorists argue that military force can be brought to bear in any crisis. Some of these proponents of force are eager to advocate its use even in limited amounts simply because they believe that if there are American forces of any size present they will somehow solve the problem.

Neither of these two extremes offers us any lasting or satisfactory solutions. The first—undue reserve—would lead us ultimately to withdraw from international events that require free nations to defend their interests from the aggressive use of force. We would be abdicating our responsibilities as the leader of the free world—responsibilities more or less thrust upon us in the aftermath of World War II—a war incidentially that isolationism did nothing to deter. These are responsibilities we must fulfill unless we desire the Soviet Union to keep expanding its influence unchecked throughout the world. In an international system based on mutual interdependence among nations, and alliances between friends, stark isolationism quickly would lead to a far more dangerous situation for the United States: we would be without allies and faced by many hostile or indifferent nations.

The second alternative—employing our forces almost indiscriminately and as a regular and customary part of our diplomatic efforts—would surely plunge us head-long into the sort of domestic turmoil we experienced during the Vietnam war, without accomplishing the goal for which we committed our forces. Such policies might very well tear at the fabric of our socieity, endangering the single most critical element of a successful democracy: a strong consensus of support and agreement for our basic purposes.

Policies formed without a clear understanding of what we hope to achieve would also earn us the scorn of our troops, who would have an understandable opposition to being used—in every sense of the word—casually and without intent to support them fully. Ultimately this course would reduce their morale and their effectiveness for engagements we must win. And if the military were to distrust its civilian leadership, recruitment would fall off and I fear an end to the all-volunteer system would be upon us, requiring a return to a draft, sowing the seeds of riot and discontent that so wracked the country in the '60s.

We have now restored high morale and pride in the uniform throughout the services. The all-volunteer system is working spectacularly well. Are we willing to forfeit what we have fought so hard to regain?

In maintaining our progress in strengthening America's military deterrent, we face difficult challenges. For we have entered an era where the dividing lines between peace and war are less clearly drawn, the identity of the foe is much less clear. In World Wars I and II, we not only knew who our enemies were, but we shared a clear sense of why the principles espoused by our enemies were unworthy.

Since these two wars threatened our very survival as a free nation and the survival of our allies, they were total wars, involving every aspect of our society. All our means of production, all our resources were devoted to winning. Our policies had the unqualified support of the great majority of our people. Indeed, World Wars I and II ended with the unconditional surrender of our enemies . . . the only acceptable ending when the alternative was the loss of our freedom.

But in the aftermath of the Second World War, we encountered a more subtle form of warfare—warfare in which, more often than not, the face of the enemy was masked. Territorial expansionism could be carried out indirectly by proxy powers, using surrogate forces aided and advised from afar. Some conflicts occurred under the name of ''national liberation,'' but far more frequently ideology or religion provided the spark to the tinder.

Our adversaries can also take advantage of our open society, and our freedom of speech and opinion to use alarming rhetoric and disinformation to divide and disrupt our unity of purpose. While they would never dare to allow such freedoms to their own people, they are quick to exploit ours by conducting simultaneous military and propaganda campaigns to achieve their ends.

They realize that if they can divide our national will at home, it will not be necessary to defeat our forces abroad. So by presenting issues in bellicose terms, they aim to intimidate western leaders and citizens, encouraging us to adopt conciliatory positions to their advantage. Meanwhile they remain sheltered from the force of public opinion in their countries, because public opinion there is simply prohibited and does not exist.

Our freedom presents both a challenge and an opportunity. It is true that until democratic nations have the support of the people, they are inevitably at a disadvantage in a conflict. But when they do have that support they cannot be defeated. For democracies have the power to send a compelling message to friend and fore alike by the vote of their citizens. And the American people have sent such a signal by re-electing a strong chief executive. They know that President Reagan is willing to accept the responsibility for his actions and is able to lead us through these complex times by insisting that we regain both our military and our economic strength.

In today's world where minutes count, such decisive leadership is more important than ever before. Regardless of whether conflicts are limited, or threats are ill-defined, we must be capable of quickly determining that the threats and conflicts either do or do not affect the vital interests of the United States and our allies . . . and then responding appropriately.

Those threats may not entail an immediate, direct attack on our territory, and our response may not necessarily require the immediate or direct defense of our homeland. But when our vital national interests and those of our allies are at stake, we cannot ignore our safety, or forsake our allies.

At the same time, recent history has proven that we cannot assume unilaterally the role of the world's defender. We have learned that there are limits to how much of our spirit and blood and treasure we can afford to forfeit in meeting our responsibility to keep peace and freedom. So while we may and should offer substantial amounts of economic and military assistance to our allies in their time of need, and help them maintain forces to deter attacks against them—usually we cannot substitute our troops or our will for theirs.

We should only engage our troops if we must do so as a matter of our own vital national interest. We cannot assume for other sovereign nations the responsibility to defend their territory—without their strong invitation—when our own freedom is not threatened.

On the other hand, there have been recent cases where the United States has seen the need to join forces with other nations to try to preserve the peace by helping with negotiations, and by separating warring parties, and thus enabling those warring nations to withdraw from hostilities safely. In the Middle East, which has been torn by conflict for millennia, we have sent our troops in recent years both to the Sinai and to Lebanon, for just such a peacekeeping mission. But we did not configure or equip those forces for combat—they were armed only for their self-defense. Their mission required them to be—and to be recognized as—peacekeepers. We knew that if conditions deteriorated so they were in danger, or if because of the actions of the warring nations, their peace keeping mission could not be realized, then it would be necessary either to add sufficiently to the number and arms of our troops—in short to equip them for combat, or to withdraw them. And so in Lebanon, when we faced just such a choice, because the warring nations did not enter into withdrawal or peace agreements, the President properly withdrew forces equipped only for peacekeeping.

In those cases where our national interests require us to commit combat forces, we must never let there be doubt of our resolution. When it is necessary for our troops to be committed to combat, we must commit them, in sufficient numbers and we must support them, as effectively and resolutely as our strength permits. When we commit our troops to combat we must do so with the sole object of winning.

Once it is clear our troops are required, because our vital interests are at stake, then we must have the firm national resolve to commit every ounce of strength necessary to win the fight to achieve our objectives. In Grenada we did just that.

Just as clearly, there are other situations where United States combat forces should not be used. I believe the postwar period has taught us several lessons, and from them I have developed six major tests to be applied when we are weighing the use of U.S. combat forces abroad. Let me now share them with you:

(1) First, the United States should not commit forces to combat overseas unless the particular engagement or occasion is deemed vital to our national interest or that of our allies. That emphatically does not mean that we should declare beforehand, as we did with Korea in 1950, that a particular area is outside our strategic perimeter.

(2) Second, if we decide it is necessary to put combat troops into a given situation, we should do so wholeheartedly, and with the clear intention of winning. If we are unwilling to commit the forces or resources necessary to achieve our objectives, we should not commit them at all. Of course if the particular situation requires only limited force to win our objectives, then we should not hesitate to commit forces sized accordingly. When Hitler broke treaties and remilitarized the Rhineland, small combat forces then could perhaps have prevented the Holocaust of World War II.

(3) Third, if we do decide to commit forces to combat overseas, we should have clearly defined political and military objectives. And we should know precisely how our forces can accomplish those clearly defined objectives. And we should have and send the forces needed to do just that. As Clausewitz wrote, ''no one starts a war—or rather, no one in his senses ought to do so—without first being clear in his mind what he intends to achieve by that war, and how he intends to conduct it.''

War may be different than in Clausewitz's time, but the need for well-defined objectives and a consistent strategy is still essential. If we determine that a combat mission has become necessary for our vital national interests, then we must send forces capable to do the job—and not assign a combat mission to a force configured for peacekeeping.

(4) Fourth, the relationship between our objectives and the forces we have committed—their size, composition and disposition—must be continually reassessed and adjusted if necessary. Conditions and objectives invariably change during the course of a conflict. When they do change, then so must our combat requirements. We must continuously keep as a beacon light before us the basic questions: ''Is this conflict in our national interest?'' ''Does our national interest require us to fight, to use force of arms?'' If the answers are ''Yes'', then we must win. If the answers are ''No'', then we should not be in combat.

(5) Fifth, before the U.S. commits combat forces abroad, there must be some reasonable assurance we will have the support of the American people and their elected Representatives in Congress. This support cannot be achieved unless we are candid in making clear the threats we face: The support cannot be sustained without continuing and close consultation. We cannot fight a battle with the Congress at home while asking our troops to win a war overseas or, as in the case of Vietnam, in effect asking our troops not to win, but just to be there.

(6) Finally, the commitment of U.S. Forces to combat should be a last resort.

I believe that these tests can be helpful in deciding whether or not we should commit our troops to combat in the months and years ahead. The point we must all keep uppermost in our minds is that if we ever decide to commit forces to combat, we must support those forces to the fullest extent of our national will for as long as it takes to win. So we must have in mind objectives that are clearly defined and understood and supported by the widest possible number of our citizens. And those objectives must be vital to our survival as a free nation and to the fulfillment of our responsibilities as a world power. We must also be farsighted enough to sense when immediate and strong reactions to apparently small events can prevent lion-like responses that may be required later. We must never forget those isolationists in Europe who shrugged that ''Danzig is not worth a war'', and ''Why should we fight to keep the Rhineland demilitarized?''

These tests I have just mentioned have been phrased negatively for a purpose—they are intended to sound a note of caution—caution that we must observe prior to committing forces to combat overseas. When we ask

our military forces to risk their very lives in such situations, a note of caution is not only prudent, it is morally required.

In many situations we may apply these tests and conclude that a combatant role is not appropriate. Yet no one should interpret what I am saying here today as an abdication of America's responsibilities—either to its own citizens or to its allies. Nor should these remarks be misread as a signal that this country, or this administration, is unwilling to commit forces to combat overseas.

We have demonstrated in the past that, when our vital interests or those of our allies are threatened, we are ready to use force, and use it decisively, to protect those interests. Let no one entertain any illusions—if our vital interests are involved, we are prepared to fight. And we are resolved that if we must fight, we must win.

So, while these tests are drawn from lessons we have learned from the past, they also can—and should—be applied to the future. For example, the problems confronting us in Central America today are difficult. The possibility of more extensive Soviet and Soviet-proxy penetration into this hemisphere in months ahead is something we should recognize. If this happens we will clearly need more economic and military assistance and training to help those who want democracy.

The President will not allow our military forces to creep—or be drawn gradually—into a combat role in Central America or any other place in the world. And indeed our policy is designed to prevent the need for direct American involvement. This means we will need sustained congressional support to back and give confidence to our friends in the region.

I believe that the tests I have enunciated here today can, if applied carefully, avoid the danger of this gradualist incremental approach which almost always means the use of insufficient force. These tests can help us to avoid being drawn inexorably into an endless morass, where it is not vital to our national interest to fight.

But policies and principles such as these require decisive leadership in both the executive and legislative branches of government—and they also require strong and sustained public support. Most of all, these policies require national unity of purpose. I believe the United States now possesses the policies and leadership to gain that public support and unity. And I believe that the future will show we have the strength of character to protect peace with freedom.

In summary, we should all remember these are the policies—indeed the only policies—that can preserve for ourselves, our friends, and our posterity, peace with freedom.

I believe we can continue to deter the Soviet Union and other potential adversaries from pursuing their designs around the world. We can enable our friends in Central America to defeat aggression and gain the breathing room to nurture democratic reforms. We can meet the challenge posed by the unfolding complexity of the 1980's.

We will then be poised to begin the last decade of this century amid a peace tempered by realism, and secured by firmness and strength. And it will be a peace that will enable all of us—ourselves at home, and our friends abroad—to achieve a quality of life, both spiritually and materially, far higher than man has even dared to dream.

In brief, there is no vital United States interest in what is going on in Kosovo. What is going on in Kosovo is tragic, but it is not at the level of defending vital interests of the United States by making war in the area. Kosovo should receive humanitarian aid.

I think all of us abhor Milosevic. He should be tried as an international war criminal, and, if convicted, a bounty ought to be offered for him.

The Balkans are a quagmire of ethnic and religious rivalries that we cannot solve alone. Let us remember Dien Bien Phu, when many of his key advisers pressured President Eisenhower to send our armed forces to bail out the French. He was a wise President; he turned them down. There was not vital interest of the United States at stake. Eisenhower had 800 advisers in Vietnam. He told them not to get involved in the battle—simply train the soldiers. He was a wise President.

John F. Kennedy was not a wise President when it came to Vietnam. He put 16,000 people there and told them to get engaged and shoot. Lyndon Baines Johnson was not a wise President when it came to foreign affairs. LBJ upped the ante to 550,000 American troops. They were heavily engaged. We lost that war. There was no vital interest for our country.

During the Bush administration the United States put an arms embargo on sending arms to Bosnia. That was the wrong decision. If the Bosnians had weapons, they could have protected their country and its people. The Albanians should have arms to protect their people.

Mr. MEEKS of New York. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi (Mr. TAYLOR).

Mr. TAYLOR of Mississippi. Mr. Speaker, of the many books that have been written about the failed American policy in Vietnam I think one of the most damning was a book called ''Dereliction of Duty.'' It talks about how the generals and admirals who comprised the Joint Chiefs of Staff during the early Vietnam years knew that President Johnson was intentionally lying to the American public about his plan, or lack of a plan, in Vietnam, that there was no plan to win the war, there was no plan as to how to win the war, and yet not one of these people who claimed to be looking out for their troops was willing to step forward and risk their career by saying, ''Mr. President, do it right, or do not do it at all. If you are not willing to do it right, I will resign my commission and go out and tell the American people the truth about what is going on.''

Mr. Speaker, this Congress is doing the exact same thing. This Congress is criticizing the American President for the way he is handling this conflict. Yet the American President says he will not introduce ground forces, and the Congress that is damning him today by 250 votes said, ''Do not introduce ground forces.''

We have a President who says, ''I am not going to stop the bombing.'' We have a Congress, 250-plus votes, said, ''Do not stop the bombing.''

We share in the responsibility for what is happening right now. Tonight, brave young Americans will get in F–15s, F–16s, A–6s, and they will put their lives on the line in what is for them a very real war.

□ 1800

One cannot wish it away. We just voted not to end it. The choice we have is to do it right or to repeat the mistakes of the Congresses and the Presidents during Vietnam and to pretend that some half-hearted policy is going to achieve American objectives, and to look the other way as the casualties mount because we are not willing to put our necks out, we are not willing to risk our careers, but we are going to let those kids risk their lives.

Think about it. This is our constitutional obligation. The vote to get the kids out failed. That leaves but one other alternative, and that is to do it right for the sake of those kids who are putting their lives on the line right now.

Now, if we want to revoke the last vote, if we have changed our minds, then vote it. But if we are going to ask those kids to make the ultimate sacrifice, then we as a Nation ought to commit this Nation to the effort and not just a handful of pilots.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Pennsylvania (Mr. WELDON).

Mr. WELDON of Pennsylvania. Mr. Speaker, I thank my distinguished chairman for yielding time to me.

I rise in strong opposition to this particular resolution, and I especially am concerned about the timing of these votes. I understand the reasons why my friend and colleague from California did what he did to maintain the integrity of the process and the responsibility that we have as parliamentarians to engage in that process. I, however, went to the leadership and asked if we could postpone these votes at least until next week, as a group of Members of this body, in fact 10 of us, travel to Austria, Vienna, Austria tomorrow evening to meet with the senior leadership of the Russian Duma and their major factions to try to find some common ground to provide leverage to convince Milosevic that it is time to come to the table and end this conflict.

We have an opportunity, Mr. Speaker. We have not used that opportunity before this debate and this vote, and that is extremely unfortunate. We should not be locked into an artificial vote time frame that tells us when to come forward and have Members in such disarray as we are going to see today watch the results of this vote. And that will tell us the problem that Members have in terms of what we are doing.

I understand the process is important, but I also understand the substance of what we are about is even more important, because we are talking about an issue and decisions and votes that could affect our ability to bring Russia in in a way that helps us bring this to a resolution peacefully. In my mind, Mr. Speaker, that is the top priority. Keeping our ground troops, keeping NATO ground troops from having to confront the Russian military, and from those Serbs in a confrontational way that will lead to additional bloodshed.

It is unfortunate we are having these votes today. In my opinion, it is not in our country's best interests that we have these votes. I wish we could have avoided that. I think the vote results will show the concern that Members have, not necessarily with just the issue of what we are about, because anyone could argue that, in fact, we are in war today with the things that are occurring. But rather, the timing, the sequence, and the way this is being done without full consideration to what I think is one very real opportunity.

Mr. MEEKS of New York. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Florida (Mr. HASTINGS).

Mr. HASTINGS of Florida. Mr. Speaker, yesterday I spoke to my dear colleague, the gentleman from California (Mr. CAMPBELL) regarding the need for clarity with reference to the War Powers Act. On that I agree with him thoroughly, and I indicated to him at that time that I would be prepared to stand with him, and I am sure others will, once this matter is litigated. I think the timing is poor, and I agree and associate myself with the remarks of the previous speaker with reference to the preserving of the process.

That said, the question is, why would we act unilaterally in declaring war with Yugoslavia? Presently, we are not at war with Yugoslavia; we are engaged in an international mission to bring about peace in Yugoslavia. A unilateral declaration of war would signal that the United States was intensifying the war, while others were fighting for more limited objectives. OSCE and NATO this past week confirmed as our partners the objectives that we have set forth. Why, then, would we destroy our credibility with NATO and destroy NATO's credibility?

I suggest that we defeat this declaration.

Mr. GILMAN. Mr. Speaker, may I inquire as to how much time is remaining?

The SPEAKER pro tempore (Mr. LATOURETTE). The gentleman from New York (Mr. GILMAN) has 7½ minutes remaining, and the gentleman from New York (Mr. MEEKS) has 3½ minutes remaining.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Alabama (Mr. BACHUS).

Mr. BACHUS. Mr. Speaker, war is hell, but at times it is our most dreaded necessity. At times it is unavoidable. At times it is a matter of self-defense. None of this is the case in Kosovo. This war was not, nor is it now unavoidable. It is neither a dreaded necessity, nor is it fought in self-defense against an attacking enemy. All the good intentions in the world do not justify continuing such a war. A war that has every potential for disastrous consequences and catastrophe, not only for the United States, but also for our NATO allies, and for all of the people of Europe, both east and west.

The deep divisions and misgivings expressed here in Congress over continuing this war are heard throughout the Nation and among our NATO allies. These divisions and misgivings are understandable, they are justified, and they cannot be ignored. The administration has failed to make a persuasive case to Congress or to the American people.

For these reasons, and consistent with my concern and support for our troops, I voted to withdraw U.S. forces from the war in Kosovo, and I will vote against ratifying this war with a declaration from Congress.

Mr. MEEKS of New York. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from New Jersey (Mr. ROTHMAN).

Mr. ROTHMAN. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I do not believe that the conflict in Yugoslavia requires this body to take the extraordinary step of declaring war today, for the first time in the last 50 years of American history. To declare war today could have dangerous consequences that nobody, regardless of party, wants to have occur. If war is declared, then any country that has a connection to Serbia becomes a potential enemy of the United States and could be drawn into the conflict in the Balkans. We could find ourselves at war technically with Russia or China, who have a relationship with Serbia, two of the world's most potent nuclear powers.

We did not declare war when we engaged in the conflict in Korea, Vietnam, the Persian Gulf, Panama, Haiti or Grenada. Why are some forcing Congress, or trying to force Congress to declare war now? We have not done so in 50 years, since World War II. Now is not the time to escalate the conflict. We should not tie our military's hands with the red tape and other legal obligations that flow from a declaration of war. We should not engage in an action that might cause this conflict to spread to other regions of Europe beyond our control.

This measure demands defeat, and I urge my colleagues to vote against it.

Mr. GILMAN. Mr. Speaker, I reserve the balance of my time.

Mr. MEEKS of New York. Mr. Speaker, I yield the balance of my time to the gentleman from Connecticut (Mr. GEJDENSON), the ranking member of the Committee on International Relations.

The SPEAKER pro tempore. The gentleman from Connecticut (Mr. GEJDENSON) is recognized for 2½ minutes.

Mr. GEJDENSON. Mr. Speaker, I am confident the House will reject this unwarranted proposal for a declaration of war. What we should do when we complete rejecting this constitutionally-propelled resolution by the gentleman from California (Mr. CAMPBELL), who wants to bring this to court and test it, and he will apparently have his day in court, is then to make sure we leave no confusion about where the Congress and the American people are. We must pass the Senate language which I will offer to authorize the activities we are under.

We have created sufficient confusion today by contradicting even our own statements here on the floor. Many of those who argued against the President unilaterally, saying he would not use ground troops, have now passed what is potentially a statute that would prohibit the President from using ground troops unless Congress comes together, meets and passes it in both Houses.

So let us not leave this Chamber leaving confusion in Belgrade or anywhere else. The bulk of the American people are with the President on this action; the bulk of the American people are proud that we are fighting to save human beings from murder. There is no second agenda here. There is no oil, there is no Communist threat, there are simply human beings who will then be murdered. Reject this amendment, reject the proposal to declare war, and join us to simply state that we support the actions that are being taken, so that Mr. Milosevic can take no heart in the debate in this great, free and Democratic institution that we speak clearly and honestly, that we want to set Kosovo free.

Mr. MEEKS of New York. Mr. Speaker, I yield back the balance of my time.

Mr. GILMAN. Mr. Speaker, I am pleased to yield the balance of my time to the gentleman from California (Mr. CAMPBELL), who is the proponent of this measure.

The SPEAKER pro tempore. The gentleman from California (Mr. CAMPBELL) is recognized for 5½ minutes.

Mr. CAMPBELL. Mr. Speaker, we are at war. There is no question that that is the truth. We are at war. And I believe that it is fair under the Constitution for us to declare that war if we are at war, and if we do not wish to engage in the war, to withdraw from that war. That is why I offered these alternatives to this body.

I am going to go through evidence that is unmistakable that we are at

war, both quotations from the administration and just average facts that would compel the conclusion to any fair observer that we are at war.

Before I do so, though, I yield to the gentleman from California (Mr. CUNNINGHAM), my colleague, my good friend, and a distinguished veteran of the Vietnam war.

Mr. CUNNINGHAM. Mr. Speaker, I would ask my colleagues to look. If NATO and OSCE are unanimous, then why are Hungary and France still shipping oil to Serbs? Why do we have Hungary and Poland and the Czechs who say that if we go to war they will not support us, and we had to fight for airspace.

Please look at other solutions to this problem besides ground troops and bombing, and realize that there are many, many nationalists lined up behind Milosevic to take his place. It is not just Milosevic. We have caused the nationalism in many cases. But look at the Mujahedin and Hamas who, in my opinion, will cause problems for the next 100 years unless the President looks at the Albanian President and Izetbegovic and says, deport them within 30 days.

Have we looked into the children's eyes that are the refugees? They do not have a clue as to why they are being uprooted from their homes. And in my opinion, we have caused a lot of it. It is not just a single focus. We have to reach out and look at all of the different factors that are affecting Kosovo and Bosnia.

Mr. CAMPBELL. Mr. Speaker, reclaiming my time, I thank my colleague.

To this day, we have flown 11,574 missions. We have 4,423 air strikes, but this is not war, says the administration. Please, this is war. Recognize it, say it, admit it.

The Secretary of Defense said in testimony in the Senate Committee on National Security on April 15, ''We are certainly engaged in hostilities. We are engaged in combat. Whether that measures up to a classic definition of war I am not qualified to say.''

For heaven's sakes, Mr. Speaker, the Secretary of Defense of the United States says he is not qualified to say whether we are at war when he admits we are engaged in hostilities, we are engaged in combat.

The Secretary of State of the United States, in testimony before the Committee on International Relations on April 21, refused to answer my question whether we were in hostilities. It is shameful that the Secretary of State of the United States did not answer a question put by a member of the Committee on International Relations, the committee of jurisdiction over international relations, as to whether we were in hostilities.

□ 1815

The reason she didn't, I believe, is because I explained in asking my question to her that the word ''hostilities'' appears in the war powers resolution, and she was afraid of confessing that hostilities were in existence, because that might trigger the War Powers Resolution. She did admit we were in conflict.

The next day, April 22, her spokesperson, the Assistant Secretary of State, admitted we were in an armed conflict. The President's executive order of April 13 accords extra pay to our soldiers who are in, and I quote the word, ''combat.''

The Deputy Secretary of State Thomas Pickering on February 10 before our committee answered my question, ''Would Serbia be within its rights to consider the bombing of sovereign Serbian territory as an act of war?,'' by saying ''Yes, they would be within their rights to consider it an act of war.'' I asked him, ''Is Kosovo a part of sovereign Serbia?'' He said, yes, it was.

We have prisoners of war, admitted by the President and called as such by him and by the Assistant Secretary of State Jacobs. We had a call-up yesterday of 33,102 troops from our Reserves.

We are at war. It is inconvenient, perhaps, to admit the truth, but it is the truth. We are at war. I applaud two of our colleagues who have spoken today, our colleague, the gentlewoman from Hawaii (Mrs. MINK) and our colleague, the gentleman from Mississippi (Mr. TAYLOR), who said, this is war. We should declare it to be war if we wish to be at war.

But if we do not wish to be at war, then we must not permit the incidents of war, the bombing and the troops. Why do we have this distinction? Why do we say the bombing is okay but the troops are not? Is bombing any less war? Is it less war to the people in Yugoslavia? It is war.

The President needed the approval of Congress before he commenced the bombing. It is no victory that today he sends us a letter saying that he will come to Congress before commencing ground troops, because he says ''before commencing ground troops in a nonpermissive environment,'' he does not say ''before putting in ground troops to fight.'' And he does not say he will wait for a Congressional vote.

If the Serbs are sufficiently diminished, ''degraded'' is the word they use in the administration, so that entry will be quasi-permissive, then I take it the President would put in ground troops.

Please, we are at war. The honest choice is this: If we are at war, declare we are at war. If my colleagues do not wish us to be at war, withdraw the troops. I ask my colleagues to stand up to their constitutional obligation and to honesty on this resolution.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in strong opposition to this joint resolution. This resolution would pursuant to section 5(b) of the War Powers Resolution, declare a state of war between the United States and the Government of the Federal Republic of Yugoslavia. Again, Mr. Speaker this joint resolution is not in the best interest of United States of America.

Neither NATO nor the United States believes that a state of war exists in the current conflict in the Balkan region. The President has not requested that Congress issue a declaration of war. I believe that a declaration of war would be entirely counterproductive as a matter of policy and is unnecessary as a matter of law.

On only five occasions in the United States history and never since the end of World War II has the Congress declared war, reflecting the extraordinary nature of, and implications attendant on, such a declaration. While we are not at war with either the Federal Republic of Yugoslavia or its people, Slobodan Milosevic should not doubt the determination of NATO to see the stability of Europe reasserted. With resolve NATO can attain a durable peace that prevents further repression and provides for democratic self-government for the Kosovar people.

Mr. Speaker, if this resolution is adopted this body would convey the wrong message. The adoption of H. J. Res. 44 would indicate the existence of a bilateral war between the United States and Yugoslavia. A bilateral war between the United States and Yugoslavia has not been declared and in my opinion should not be declared; rather our efforts must remain in concert with the allied effort under the NATO umbrella.

As a matter of law, there is no need for a declaration of war. Mr. Speaker, every use of U.S. Armed Forces since World War II has been undertaken pursuant to the President's constitutional authority. In some cases like the Persian Gulf War, action was taken under congressional authorization, but not since World War II has Congress declared war.

Mr. Speaker, in the time in which we live, the President must have the discretion and authority to use U.S. Armed Forces when there is a clear and significant risk to our national security interests. I would hope that if nothing else we would have learned that instability in Europe does have an immediate impact on our own security interests.

In addition, a declaration of war could have serious counterproductive effects on NATO cohesion and regional stability. Russia, already agitated over NATO action, could be further alienated from joining in diplomatic efforts to achieve a lasting peace.

As NATO reaffirmed at its 50th Anniversary, it remains committed to the stability of Europe. NATO is acting to deter unlawful violence in Kosovo that endangers the fragile stability of the Balkans and threatens a wider conflict in Europe. The NATO alliance is as united as ever, and there is no sense in giving up now, and there is no better prospect for getting a fair and lasting settlement.

I urge my colleagues to oppose this resolution and let us proceed with our NATO allies to bring about a peaceful settlement.

Mr. CONYERS. Mr. Speaker, as with all Americans I am greatly distressed by the brutality and loss of freedom the Kosovars are suffering at the hands of military forces of the

Serbian regime in Belgrade. However, NATO military policy, while inflicting heavy penalties on the infrastructure of Yugoslavia, has done nothing to stop the forced removal of the Albanian residents of Kosovo, the original objective announced by President Clinton and our NATO allies. It may, in fact, have aggravated the situation. And the effort of the honorable Congressman from California, TOM CAMPBELL, and his supporters, to move for a congressional declaration of war is fraught with additional danger with regard to both our domestic tranquility and the possibilities of expanding the conflict.

On the domestic front the President as Commander in Chief would be empowered to call up the Reserves and federalize the National Guard. All regular enlistments in the armed services would be extended until 6 months after the termination of the conflict. (10 U.S.C. 506, 671a) Private property deemed necessary for military purposes could be seized. (10 U.S.C. 2663–64) Under certain conditions, the President could take over private manufacturing plants, transportation systems, and regulate the transmission of electrical energy. (10 U.S.C. 4501–02, 9501,–02, 4742, 9742, 16 U.S.C. 824) Private vessels could be requisitioned by the government (46 U.S.C. App1242–a), radio and television transmission rules could be suspended (47 U.S.C. 606), and a variety of controls could be established with regard to aliens, particularly those from states considered enemies. While it is not certain, it is highly probable that Congress would agree to pass other legislation deemed necessary to achieve victory, which would curtail other aspects of civil life we take for granted.

With regard to United States foreign policy, the negative costs could be equally grave. Such a declaration could be divisive in NATO, with some members (Greece, Italy) determining that the effects of such a war declaration by the U.S. Congress would decrease the support among their own citizens, thus ending their cooperation and producing a rupture in the alliance. It would certainly increase the sense of hostility with Russia, the Ukraine and possibly other former Soviet states.

While we are all agreed with the objective of bringing peace and justice to the Balkan region, there needs to be further reflection and discussion regarding the terms we wish to establish with the Yugoslav government and the means by which we achieve this end. It may be desirable to consider establishing an ad hoc group within the UN General Assembly, beyond just the NATO members, to aid in the search for an honorable and sensible end to this increasingly grave crisis.

Ms. LEE. Mr. Speaker, I rise today in opposition to H.J. Res. 44, which would declare a state of war between the United States and the Federal Republic of Yugoslavia. I oppose this resolution because I believe that a declaration of war, like the NATO air strikes, will only increase instability in the region and exacerbate the atrocities against ethnic Albanians.

At this very volatile time, my support and prayers go out to the brave men and women of the United States Armed Forces who have been dispatched to Yugoslavia. We must take every measure possible to bring an end to this crisis to ensure their safe and expeditious return home.

While I will vote against the declaration of war, I would like to commend my colleague from California, Congressman CAMPBELL, for introducing this resolution into the House of Representatives and bringing forward Congressional action on the U.S. involvement in Kosovo. It is my belief that these debates should have taken place six weeks ago, before a single bomb was dropped and before any U.S. troops were sent into the hostile situation in the Balkans.

By failing to vote on the air strikes before their commencement, and instead debating authorization now, when we are already heavily involved, the Administration is conducting a war without Congressional consent as required by the Constitution. A vote to authorize the President to conduct military air strikes at this juncture is nothing more than a rubber stamp from Congress for an action that has already begun. In my opinion, our inaction prior to military strikes abdicated our Constitutional responsibility and furthermore, prevented the voice of the people I represent, who are overwhelmingly against the air strikes, from being heard.

There are those who rise today in support of the Administration's action in order to end the genocide of the ethnic Albanians. I agree, in the strongest terms possible, that we have a moral imperative to intervene and to bring an end to the horrific suffering. However, whether air strikes, ground forces, or a declaration of war—these violent means as a method to bring peace and stability to the Balkans have only, and will only escalate the crisis.

As a person who strongly believes in the teachings and work of Dr. Martin Luther King Jr., not just on his birthday, but throughout the year, I profoundly subscribe to the principles of nonviolence. Our policies, and our actions, must set an example for our young people that violence should never be an option. If peace is our objective, and I am certain that this is a goal upon which all in this chamber can agree, then I implore us to consider the words of Dr. King. In his last book, ''The Trumpet of Conscience, A Christmas Sermon on Peace,'' Dr. King discusses bombing in North Vietnam, and the rhetoric of peace that was connected to those war making acts.

He wrote,

> What is the problem? They are talking about peace as a distant goal, as an end we seek. But one day we must come to see that peace is not merely a distant goal we seek, but that it is a means by which we arrive at that goal. We must pursue peaceful ends through peaceful means. All of this is saying that, in the final analysis, means and ends must cohere because the end is pre-existent in the means and ultimately destructive means cannot bring about constructive ends.

The Administration's policy and the NATO campaign in Kosovo to date have produced only counterproductive and destructive results: a mass exodus of over half a million ethnic Albanians, significant civilian deaths, an escalation of Milosevic's campaign of racial hatred and terror, and greater instability in the region. The results are just the opposite of what we want to achieve. Our goal is to prevent innocent people from being killed. In the name of saving Kosovars, we are destroying Kosovo.

At this juncture, I am convinced that our best hope for peace and stability in the region is the negotiation of an immediate cease fire. It is my strong belief that the United States and NATO must reach out to the United Nations, Russia, China, and others to work together to develop a new, internationally negotiated peace agreement and to secure Serbian compliance to its terms. In order to end the suffering in the Balkans and to achieve long term stability, support of a diplomatic political settlement is the only action we can employ.

As we today speak of a policy to end genocide in the Balkans, I am also greatly disturbed to think of the people in many countries in Africa and all over the world, who have also suffered unthinkable atrocities, beyond our worst nightmare. As a result of ethnic conflict in Africa, over 150,000 have been killed in Burundi; 800,000 in Rwanda; and 1.5 million in Sudan. More than 200,000 Kurds have died in Iraq and Turkey, and hundreds of thousands in Burma, and over 1 million in Cambodia.

It is my hope that our nation can develop a foreign policy framework to address suffering and killing all over the world, without the use of force, ground troops, air strikes and other violent means.

I urge a ''no'' vote on the declaration of war.

Mr. GANSKE. Mr. Speaker, last November, I asked Iowans to remember the victims of Hurricane Mitch * * * and in America's generosity, we responded with private and public philanthropy. I voted for federal assistance not only for humanitarian reasons, but also because it is in our own country's interest that the economics of our trading partners to the South be salvaged.

Sharing our nation's treasure is a long tradition of United States humanitarianism. Perhaps the best example was the Marshall Plan to rebuild Europe after World War II and there are countless others.

We are now facing a man-made disaster with hundreds of thousands of homeless in the Balkans. Our country is partially responsible for these refugees, because without President Clinton's go ahead, there never would have been NATO military action. We should give strong financial support to Albania and Macedonia to help them clothe, feed and shelter the displaced Kosovars.

However, there is a big difference between providing humanitarian financial assistance to homeless victims whether in Guatemala or Albania and spending the blood of our sons and daughters in a ground war in the Balkans. One of the lessons we should have learned in Vietnam is that the public will tolerate loss of life and limb only when it is convinced that its vital national interest is at stake. While the American public is rightly concerned about the human rights violations in Kosovo, few believe that our own country's interests are at risk.

Vietnam also taught us that military might is only one factor in determining the outcome. We were much stronger militarily than the Viet Cong, but they were much more committed. It was their country. We have an analogous situation in Kosovo, a province of Yugoslavia, which the Serbs consider the birthplace of their nation.

We are hearing arguments that the credibility of NATO is at stake. For those of us who remember the Vietnam era only too clearly,

these were the same arguments that got us deeper into a Southeast Asia war. The lesson we should have learned then was: Unless you are willing to wade in a swampy pit, don't dig your hole deeper. The consequences of failing to carry through later will be much worse than not getting more deeply involved now.

So where do we go from here? First, Congress ought to assert its Constitutional duty. The Framers assigned the power to enter wars to Congress only, not the President. Congress should step up to the bar and not let the President take the risks of war and then either cheer or castigate depending on the outcome.

I support Congressman TOM CAMPBELL's attempt to get Congress to vote on a declaration of war. I will vote "No," since our country has not been attacked by Yugoslavia nor do we have such an overriding national interest to justify going to war over their own civil war.

If Congress votes for war, then we will have upped the ante a thousand fold. If Congress votes no, then I would support taking this to the courts in order to get a cease and desist order on the executive.

But what about Kosovo itself? Milosevic is indicating that he would now accept non-NATO international observers in Kosovo. We should suspend bombing, institute a full UN-sponsored economic boycott, and resume negotiations. Probably the best that can be achieved is a partition of Kosovo with the Serbs and their religious and historical sites on one side and the Albanian Kosovars on the other. A UN peacekeeping presence will be necessary for generations.

One thing, though, is clear to me. I just completed town hall meetings in every county in my district. Iowans are very skeptical about our military involvement in that part of the world. Of the nearly one thousand people who attended, only a handful were for placing U.S. ground troops in Kosovo under any circumstances.

Humanitarian aid, yes. U.S. ground forces, no.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to section 4 of House Resolution 151, the joint resolution is considered as read for amendment, and the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the joint resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. CAMPBELL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 2, nays 427, not voting 5, as follows:

[Roll No. 102]

YEAS—2

Barton Taylor (MS)

NAYS—427

Abercrombie Ackerman Allen Andrews Archer Armey Bachus Baird Baker Baldacci Baldwin Ballenger Barcia Barr Barrett (NE) Barrett (WI) Bartlett Bass Bateman Becerra Bentsen Bereuter Berkley Berman Berry Biggert Bilbray Bilirakis Bishop Bliley Blumenauer Blunt Boehlert Boehner Bonilla Bonior Bono Borski Boswell Boucher Boyd Brady (PA) Brady (TX) Brown (CA) Brown (FL) Brown (OH) Bryant Burr Burton Buyer Callahan Calvert Camp Campbell Canady Cannon Capps Capuano Cardin Carson Castle Chabot Chambliss Chenoweth Clay Clayton Clement Clyburn Coble Coburn Collins Combest Condit Conyers Cook Cooksey Costello Cox Coyne Cramer Crane Crowley Cubin Cummings Cunningham Danner Davis (FL) Davis (IL) Davis (VA) Deal DeFazio DeGette Delahunt DeLauro DeLay DeMint Deutsch Diaz-Balart Dickey Dicks Dingell Dixon Doggett Dooley Doolittle Doyle Dreier Duncan Dunn Edwards Ehlers Ehrlich Emerson Engel English Eshoo Etheridge Evans Everett Ewing Farr Fattah Filner Fletcher Foley Forbes Ford Fossella Fowler Frank (MA) Franks (NJ) Frelinghuysen Frost Gallegly Ganske Gejdenson Gekas Gephardt Gibbons Gilchrest Gillmor Gilman Gonzalez Goode Goodlatte Goodling Gordon Goss Graham Granger Green (TX) Green (WI) Greenwood Gutierrez Gutknecht Hall (OH) Hall (TX) Hansen Hastert Hastings (FL) Hastings (WA) Hayes Hayworth Hefley Herger Hill (IN) Hill (MT) Hilleary Hilliard Hinchey Hinojosa Hobson Hoeffel Hoekstra Holden Holt Hooley Horn Hostettler Houghton Hoyer Hulshof Hunter Hutchinson Hyde Inslee Isakson Istook Jackson (IL) Jackson-Lee (TX) Jefferson Jenkins John Johnson (CT) Johnson, E. B. Johnson, Sam Jones (NC) Jones (OH) Kanjorski Kaptur Kasich Kelly Kennedy Kildee Kilpatrick Kind (WI) King (NY) Kingston Kleczka Klink Knollenberg Kolbe Kucinich Kuykendall LaFalce LaHood Lampson Lantos Largent Larson Latham LaTourette Lazio Leach Lee Levin Lewis (CA) Lewis (GA) Lewis (KY) Linder Lipinski LoBiondo Lofgren Lowey Lucas (KY) Lucas (OK) Luther Maloney (CT) Maloney (NY) Manzullo Markey Martinez Mascara Matsui McCarthy (MO) McCarthy (NY) McCollum McCrery McDermott McGovern McHugh McInnis McIntosh McIntyre McKeon McKinney McNulty Meehan Meek (FL) Meeks (NY) Menendez Metcalf Mica Millender-McDonald Miller (FL) Miller, Gary Miller, George Minge Mink Moakley Mollohan Moore Moran (KS) Moran (VA) Morella Murtha Myrick Nadler Napolitano Neal Nethercutt Ney Northup Norwood Nussle Oberstar Obey Olver Ortiz Ose Owens Oxley Packard Pallone Pascrell Pastor Paul Payne Pease Pelosi Peterson (MN) Peterson (PA) Petri Phelps Pickering Pickett Pitts Pombo Pomeroy Porter Portman Price (NC) Pryce (OH) Quinn Radanovich Rahall Ramstad Rangel Regula Reyes Reynolds Riley Rivers Rodriguez Roemer Rogan Rogers Rohrabacher Ros-Lehtinen Rothman Roukema Roybal-Allard Royce Rush Ryan (WI) Ryun (KS) Sabo Salmon Sanchez Sanders Sandlin Sanford Sawyer Saxton Scarborough Schaffer Schakowsky Scott Sensenbrenner Serrano Sessions Shadegg Shaw Shays Sherman Sherwood Shimkus Shows Shuster Simpson Sisisky Skeen Skelton Smith (MI) Smith (NJ) Smith (TX) Smith (WA) Snyder Souder Spence Spratt Stabenow Stark Stearns Stenholm Strickland Stump Stupak Sununu Sweeney Talent Tancredo Tanner Tauscher Taylor (NC) Terry Thomas Thompson (CA) Thompson (MS) Thornberry Thune Thurman Tiahrt Tierney Toomey Towns Traficant Turner Udall (CO) Udall (NM) Upton Velázquez Vento Visclosky Walden Walsh Wamp Waters Watkins Watt (NC) Watts (OK) Waxman Weiner Weldon (FL) Weldon (PA) Weller Wexler Weygand Whitfield Wicker Wilson Wise Wolf Woolsey Wu Young (AK) Young (FL)

NOT VOTING—5

Aderholt Blagojevich Slaughter Tauzin Wynn

□ 1837

Messrs. MCINTOSH, MCINNIS, UPTON, HUTCHINSON, and NADLER, and Ms. PRYCE of Ohio and Ms. KILPATRICK changed their vote from ''yea'' to ''nay.''

So the joint resolution was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## PERSONAL EXPLANATION

Ms. SLAUGHTER. Mr. Speaker, I was unable to be present today for rollcall votes 98, 99, 100, 101, and 102.

Had I been present, I would have voted "yes" or "aye" on rollcall vote 98, and "no" or "nay" on votes 99, 100, 101, and 102.

## AUTHORIZING PRESIDENT TO CONDUCT MILITARY AIR OPERATIONS AND MISSILE STRIKES AGAINST FEDERAL REPUBLIC OF YUGOSLAVIA

Mr. GEJDENSON. Mr. Speaker, pursuant to section 5 of House Resolution 151, I call up from the Speaker's table the Senate concurrent resolution (S.

Con. Res. 21) authorizing the President of the United States to conduct military air operations and missile strikes against the Federal Republic of Yugoslavia (Serbia and Montenegro), and ask for its immediate consideration in the House.

The SPEAKER pro tempore (Mr. KOLBE). The Clerk read the title of the Senate concurrent resolution.

The text of Senate Concurrent Resolution 21 is as follows:

S. CON. RES. 21

*Resolved by the Senate (the House of Representatives concurring)*, That the President of the United States is authorized to conduct military air operations and missile strikes in cooperation with our NATO allies against the Federal Republic of Yugoslavia (Serbia and Montenegro).

The SPEAKER pro tempore. Pursuant to section 5 of House Resolution 151, the gentleman from Connecticut (Mr. GEJDENSON) and the gentleman from New York (Mr. GILMAN) will each control 30 minutes.

The Chair recognizes the gentleman from Connecticut (Mr. GEJDENSON).

Mr. GEJDENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, some of our colleagues are distributing a letter that frankly is, I am sure, unintentionally inaccurate. I would hope that every Member of this body, before they vote, reads the five line resolution.

This five line resolution is not an authorization for ground forces, and I will ask my colleagues to listen as I read it, because it is only five lines. The resolution that has come from the Senate says: ''The President of the United States is authorized to conduct military air operations and missile strikes in cooperation with our NATO allies against the Federal Republic of Yugoslavia.''

It says nothing else. Make it clear. Members should vote however they believe is correct, but they should do it based on the facts.

Mr. Speaker, I ask unanimous consent that the gentleman from Florida (Mr. DAVIS) control my time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida (Mr. DAVIS) will control the remainder of the time allotted to the gentleman from Connecticut (Mr. GEJDENSON).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject matter under consideration, S. Con. Res. 21.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as I have previously indicated, I am prepared to support statutory authorization for appropriate measures necessary to achieve all of our objectives in Kosovo. Accordingly, I support this resolution, although I consider it to be only a halfway measure. It is not a statutory authorization, even though it purports to be such, and it addresses itself only to the present military air operation by NATO in the Federal Republic of Yugoslavia.

As I previously stated, I believe that it would be both timely and prudent for the administration to come to the Congress with a request for statutory authorization for any and all measures necessary to bring about our stated objectives in Kosovo. We do not want to encourage Mr. Milosevic to believe that our Nation is not prepared to pursue victory, and we do not want him to believe that he can wait us out and his will is superior to our manifest determination in this matter.

I believe that this measure advances, in a modest way, our determination of support for an end to the brutality in Kosovo and, accordingly, I urge my colleagues to support this measure.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Florida. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I rise in support of Senate Concurrent Resolution 21. The Congress needs to have a voice in the involvement of the United States in Operation Allied Force. We should stand up and express our support for our troops and our allies in NATO.

We must also take this opportunity to show to President Milosevic that we are united in our belief and determination that this campaign of terror must be stopped. We must continue to work with our NATO allies to restore peace to the region, to ensure that the Kosovo Albanians who want to return to their homes can be allowed to do so under peaceful circumstances, and we must continue to ensure that Mr. Milosevic will withdraw his military and paramilitary forces from Kosovo and, ultimately, provide for self-governance in Kosovo.

To accomplish these goals we must participate in Operation Allied Force and support the air strikes. We are steadily diminishing the power of Mr. Milosevic and his military forces. For the United States to withdraw from this attack at this moment would undermine the entire NATO effort and would, in effect, validate Mr. Milosevic's inexcusable and terrible campaign of ethnic cleansing.

□ 1845

Our NATO allies have stepped up to the plate in Kosovo. Leaders of the NATO alliance have recently reaffirmed their commitment and resolve to continue the air strikes until we stop President Milosevic. This is the time for Congress to step up and to endorse those air strikes.

The Senate concurrent resolution authorizes the President to conduct military air operations and missile strikes against the Federal Republic of Yugoslavia. Passage of this resolution will express our endorsement of these strikes and send a strong message to President Milosevic that we are unified with our allies. This will also send a strong message to our troops in the field.

Fifty years ago we formed NATO to work together for the security of Europe. The cold war has ended and communism has ended. However, there is a great need for us to work to assure the safety and stability of countries in Europe who have been our partners for over 50 years.

We can continue this good work by adopting this resolution today, sending a message that we are united as a country and determine our resolve to stop the slaughter in Kosovo.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Texas (Mr. DELAY), the distinguished majority whip.

Mr. DELAY. Mr. Speaker, I thank the chairman for yielding me the time.

I hope Members will think very seriously about this resolution, because what this resolution says is that this House is about to take ownership in what the President has put us into since he started bombing Kosovo. So I think we should think very, very seriously whether we are going to take ownership of the bombing of Kosovo.

Let us go back a little ways. Let us go back to even the negotiations in Rambouillet. I do not think many Members of this House have even read the provisions of the peace agreement in Rambouillet. One of the provisions of the peace agreement was that Milosevic had to agree to allow foreign troops, the peacekeeping troops, to have free reign over the entire country of Yugoslavia, not just Kosovo, but the entire country of Yugoslavia, which put Milosevic in a very untenable situation. No wonder he was not going to sign this agreement.

Then the Secretary of State, who believes in bombing to support her diplomacy, decides that we are going to bomb him to the peace table and make him sign something that would actually slit his throat with his own people.

Then after trying to force him with bombing, and I remind Members of the briefings that we had with this administration, the first briefings, that frankly scared me to death because those briefings with the Secretary of State, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff told us that this was no big deal,

that we were going to bomb for a couple of days, 48 hours, and then stop bombing and Milosevic would come to the table.

When asked the question, what if he does not come to the table, they said, well, we will go to Phase 2; and Phase 2 is that we will bomb for a few more days. Then he will be going to the table, by crackie. And when we asked, ''Then, what?'' then they said, well, we will bomb for another week and that will force him to come to the table and this will be all over with. And then when we asked, ''Then, what?'' there was silence. This administration started a war without a plan farther along than 2 weeks.

And Phase 3. That is what brought us to the bombing, my colleagues. Once they started bombing and found out that Milosevic was a pretty tough customer and that the Serbian people were pretty tough people that have been through these kind of things before, and some people have said that the Germans had something like 20 divisions in Yugoslavia trying to route the Serbians out of those mountains and those caves, and they could not do it.

So what they are doing here is they are voting to continue an unplanned war by an administration that is incompetent of carrying it out. I hope my colleagues will vote against the resolution.

Mr. DAVIS of Florida. Mr. Speaker, I yield 2¼ minutes to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, there are three reasons why it is legitimate, why our actions in Yugoslavia should be authorized by this Congress: Number one, the strength of NATO; number two, our experience with Milosevic; and number 3, the alternative of doing nothing.

It is in our vital interest that there be a strong and resolute NATO. Think of the hundreds of thousands of innocent soldiers, sailors, and airmen that were lost in Europe because we did not have NATO when we needed NATO.

We need NATO now. We need to act with NATO. We need a strong NATO. And if we do, we will not have to be the world's peacekeeper in the future.

Second, our experience with Milosevic, because NATO did not get involved when it had an opportunity, such as in 1992, when it was recommended; what resulted, with the same leadership, Mr. Milosevic, 200,000 lives were lost, 2½ million people were displaced, 40,000 women were raped. It could have been prevented had NATO acted when it had the opportunity.

But thirdly, think of the alternative. This is the fault line, my colleagues, between the Muslim and the Orthodox worlds. This is the fault line that has existed for generations. If we had not gotten involved in a multilateral action, NATO taking the leadership, think what would have happened. Extremists would have been involved.

We know what Milosevic was going to do, why he had 40,000 troops amassed on the border, why he did not want to compromise at Rambouillet, because he knew exactly what he was going to do; and he did it. But if he had done that and NATO had not gotten involved, do my colleagues really think other nations would have stood by? Of course they would not have. We would have had the Mujahidin getting involved. We would have had Islamic extremists getting involved.

And do my colleagues really think Russia then would not have gotten involved if there had not been the strength of NATO taking the leadership here?

My colleagues, we are doing the only responsible thing. This is not the United States acting unilaterally. We are acting multilaterally. We are acting with NATO. We are acting in the long-term interests of this country. We are doing the right thing, for a number of reasons. And the Congress should be supporting it. They should vote ''aye'' today.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Virginia (Mr. BLILEY), the distinguished chairman of the Committee on Commerce.

Mr. BLILEY. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I would like to address my colleagues, particularly on this side of the aisle. We can question whether we should have ever gone in. But we are in. And if we do not win, we might as well withdraw from NATO, fold it up, because the credibility will be gone.

The message that we send to Saddam, to Iran, to Qadhafi, to Korea, to China, to Russia, is that we do not have the resolution, we do not have the will. Think about it.

This past Saturday, I was privileged to have lunch with two foreign policy experts, Henry Kissinger and Ziggy Brzezinski. I posed these questions to them. They said, send me a letter and we will reply. And Dr. Kissinger sent this response to me:

Prior to the initiation of the bombing, I repeatedly expressed my uneasiness about the Rambouillet process. But, having begun the military operation, we must win it militarily. To back down would demonstrate a dangerous lack of commitment and credibility, both to nations tempted to take advantage of our perceived weakness and to our NATO allies.

From Dr. Brzezinski:

I have your letter of April 26. Let me state unequivocally that in my view it is absolutely essential that NATO should prevail fully, and thus without making any compromises regarding the demand it made prior to the bombing, in the course of the current Kosovo conflict. Failure to do so would be most damaging to America's global leadership and would doubtlessly undermine both the credibility and the cohesion of NATO. Accordingly, the U.S. Congress should encourage the President to use all means necessary to successfully complete the ongoing mission.

I could not say it any better.

Mr. Speaker, I include for the RECORD the letters to which I referred.

CENTER FOR STRATEGIC & INTERNATIONAL STUDIES,
*Washington, DC, April 28, 1999.*

Hon. TOM BLILEY,
*House of Representatives,*
*Washington, DC.*

DEAR CONGRESSMAN BLILEY: I have your letter of April 26. Let me state unequivocally that in my view it is absolutely essential that NATO should prevail fully—and thus without making any compromises regarding the demands it made prior to the bombing—in the course of the current Kosovo conflict. Failure to do so would be most damaging to America's global leadership and would doubtlessly undermine both the credibility and the cohesion of NATO. Accordingly, the U.S. Congress should encourage the President to use all the means necessary to successfully complete the ongoing mission.

Yours sincerely,

ZBIGNIEW BRZEZINSKI.

---

NEW YORK, NY,
*April 27, 1999.*

Hon. TOM BLILEY,
*House of Representatives, Rayburn Office Building, Washington, DC.*

DEAR REPRESENTATIVE BLILEY: This is in response to your letter of yesterday.

Prior to the initiation of the bombing, I repeatedly expressed my uneasiness about the Rambouillet process. But, having begun the military operation, we must win it militarily. To back down would demonstrate a dangerous lack of commitment and credibility, both to nations tempted to take advantage of our perceived weakness and to our NATO allies.

I have stated this view repeatedly and publicly—in an article in Newsweek and in my recent testimony before the Senate Armed Services Committee (both of which I enclose), as well as in numerous television interviews: ABC's ''This Week'' with Sam Donaldson and Cokie Roberts, CNN, Fox News, Charlie Rose, CNBC, Reuters TV, as well as the BBC, ARD (German TV), Britain's ITN and various other American and European networks.

I would be glad to have you refer to this letter in the coming debate in the House of Representatives, if it would be useful.

I enjoyed our discussion at luncheon at the Romanian Embassy.

Sincerely,

HENRY A. KISSINGER.

Mr. DAVIS of Florida. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Speaker, one of the truest sayings is that ''second place does not count on the battlefield.''

We are engaged in a conflict to bring the Europeans' last dictator into light. It has to be a victory for the North Atlantic Treaty Organization. It has to be a victory for the United States to bring Milosevic to the table, to do what is right by the refugees, to get them back to their home, to make sure there is autonomy for these people. But more than that, it is a matter of credibility for NATO and for the United States.

If the world perceives NATO, led by our country, not winning and not being

successful in this effort, NATO will then become a paper-debating society. That we cannot have.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from California (Mr. ROHRABACHER), a member of our committee.

Mr. ROHRABACHER. Mr. Speaker, I rise in opposition to this resolution, even though I am not opposed to air strikes philosophically in the Balkans as a vehicle to achieving American policy.

Unfortunately, the policy of this administration, which includes air strikes, has been confusing and sometimes incoherent. Air strikes as part of a policy that would recognize Kosovo, and part of that policy would be arming the Kosovars to defend themselves, certainly might have been a respectable plan at one point.

Instead, this administration is using bombing to force both parties into accepting a plan in which American troops would be garrisoned in the Balkans for years and years to come. This is total nonsense. And we will be spending tens of billions of dollars and putting American lives at stake in order to achieve what? The garrisoning of troops, leaving the troops in the Balkans all of those years?

This is a blank check, my colleagues. This resolution is a blank check for an air war which will lead to tens of billions of dollars and American blood being shed. And do my colleagues know where that check is going to be cashed? It will be cashed at the bank that is holding the money for the Social Security Trust Fund. It is going to be cashed at the bank that is supposed to be paying for the defense of our country all over the world. Because we are going to be spending the money, instead of buying ammunition and making sure our defenders are safe overseas, we are going to be wasting that money in the Balkans on big explosions. It is going to make us worse off. We are not going to be as safe.

And as far as NATO goes, this is an organization that did its job. Are we now to be the policemen of the world? And because we are part of NATO, to keep an organization going, finding a purpose for it, we are going to spend our money all over the world, send our troops all over the world, in order to create stability wherever there is not stability? American lives are going to be put on the line?

This will, in the end, cost American lives. It will break our bank. We will not be able to deter the aggression in Asia and from China and elsewhere where there are serious threats. Oppose this resolution.

Mr. DAVIS of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. SISISKY).

Mr. SISISKY. Mr. Speaker, I support Senate Concurrent Resolution 21.

The reason I could not support the other alternatives is because I think it would be wrong to withdraw. I also believe it would be wrong to hamstring our Commander in Chief's authority to conduct operations. And finally, I believe it would be wrong to declare war.

My major concern is that all of these options send the wrong signal. Neither with respect to NATO nor President Milosevic should we even hint that we might withdraw block funds for further development.

□ 1900

Nothing would make Milosevic happier than knowing the power and the might of the United States would no longer be fully engaged. By the same token, we should never suggest to our own forces that our full support for their effort may be less than forthcoming. What we need to do is to authorize the continuation of the current effort and give the current effort more time to work.

Mr. Speaker, I have said it before. You cannot run the Department of Defense like a business, with 535 Members of a board of directors. The same thing goes for foreign policy and military operations. You cannot substitute the opinions of these board members for the sound judgment of Chairman Shelton and General Clark and Secretary Cohen and, yes, the Commander in Chief. We should not get into the details of whether ''you can do this mission, but you can't do that mission.'' That is like the Vietnam War with the President choosing Vietnam targets on sand tables in the White House basement. It was wrong then, it is wrong now, and Congress should not be part of it.

What Congress should do is to affirm or deny the general policy and turn over the details to the war fighters. I believe that the Gejdenson amendment, which has already gotten bipartisan support in the other body, makes the best sense in the current situation. I urge my colleagues to support it.

Mr. GILMAN. Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. CALLAHAN), the distinguished chairman of the Subcommittee on Foreign Operations of the Committee on Appropriations.

Mr. CALLAHAN. Mr. Speaker, I thank the gentleman for yielding me this time. I just want to point out one thing. All we are doing in all of these resolutions today is sending messages. I think we have sent some pretty strong messages. I imagine tonight if there is a television capability in Belgrade that the Belgrade television will say Congress, U.S. Congress votes 430–2 against war against Yugoslavia.

But with respect to this particular message that we are sending, we mention in this resolution, Montenegro. I do not think that there is a Member of this body who thinks that we should be bombing Montenegro. I agree that we should be bombing Belgrade, and I support the President in that respect. But I do not think we ought to send a message to the people of Montenegro that this Congress is in favor of bombs being dropped in that part of the world because they indeed are struggling, struggling to create a democratic form of government, struggling to do what we are requesting they do. I think that if we send a message, we should make certain that the people of Montenegro know that we are supportive of their efforts and sorry they are in the dilemma they are in.

Mr. DAVIS of Florida. Mr. Speaker, I yield 4 minutes to the gentleman from Missouri (Mr. GEPHARDT), the distinguished minority leader.

Mr. GEPHARDT. Mr. Speaker, I rise to ask each Member to seriously consider voting for this resolution. As I enter this debate, I think it is worthwhile tonight at 7 o'clock here in Washington to take into account the votes that we have taken and the messages that we have sent from this Chamber this afternoon, today.

First, we have said that we do not want a general declaration of war against Serbia. Second, we have said that we do not want to withdraw all of our troops out of the region. Third, we have said that if there is to be a ground war, we want the President to come back here and get a vote from this body.

If we now vote against what the Senate passed 4 weeks ago in a bipartisan way, a simple authorization of what is now happening on the ground in Kosovo and around Kosovo, we will send a message to our young men and women who are out there trying to carry out this policy that we have conflicting signals on war or withdrawal or what we are going to do about a ground war, but we send the clearest signal of the day that we do not even want to authorize what we are doing.

It also will send a message to Mr. Milosevic and his leadership that the House of Representatives of the United States of America is totally confused and certainly is not behind what is happening. I do not think that is the message we want to send. If we learned anything from Vietnam, I think we should have learned that before we commit our troops and put them in the field and leave them out there with ambivalence, that we have to stand finally behind something.

I know there are lots of worries by Members here about ground troops. I have worries about ground troops. I have not decided how I would vote on ground troops. But I have decided that what we are doing with 19 other nations of NATO is the right thing for our country to do. If it is to succeed, we must be unified together as a people, behind the effort, and America must be unified with NATO in its first affirmative action in 50 years, since it was conceived, to move forward to try to

end this killing and mayhem that is going on and has been going on for weeks now in Kosovo.

I urge Members to put aside partisan feelings and political goals and objectives. That can have no place in this consideration. There is not a Republican Army or a Democratic Army or a Republican Air Force or a Democratic Air Force. This is the United States of America. Our young people, our best, are out there tonight doing what we have asked them to do. At the very least, we owe them and NATO an affirmation that we as the representatives of the American people at least support what is happening now, without prejudging or saying what we would do about other propositions that might come later.

I urge Members to support this resolution. The Senate passed it 4 weeks ago with a bipartisan vote. Fifty-seven Members of the Senate voted for this resolution. I think it would be a grave error if we would not support it tonight. I urge Members to search their conscience, I urge Members to stand behind this policy for the sake of the United States, for the sake of our young people, for the sake of our future.

Mr. BEREUTER. Mr. Speaker, I am pleased to yield 3 minutes to the gentlewoman from New Mexico (Mrs. WILSON), a member of the Permanent Select Committee on Intelligence and the Committee on Armed Services.

Mrs. WILSON. Mr. Speaker, I would agree with the distinguished minority leader that this is not about partisanship, it is about policy. We have an advantage here tonight in that we are being asked to authorize something that happened 5 weeks ago. That gives us the advantage because we can see the immediate effects. We have got the benefit here of a crystal ball to see what the results will be of the President's policy.

The question for all of us is, do you want to stand behind this? Is this the policy and the results that you want? Because if it is not, you will be endorsing everything that has gone on in the last 5 weeks and taking on the risk of what will happen in the future.

What have we seen? The political aims are not clear and they have not been from the very beginning. Mostly they are humanitarian. Our objective was to prevent a humanitarian disaster in the Balkans. We have exacerbated that humanitarian disaster, and hundreds of thousands of Kosovar Albanians have been pushed out of their homes and those homes burned because our military means were not tied to those political objectives.

I am a former Air Force officer. I believe in air power, as my father did and my grandfather before him. And despite the images that we see on our televisions of precise attacks, we can hit the bridges, but we cannot change the mind of Slobodan Milosevic. As a result, we have not been able to stop a door-to-door campaign of repression and ethnic cleansing, and we have made it worse.

The refugees themselves enhance the instability of the Balkans. We have pushed those refugees into neighboring countries which themselves are fragile, and we will have to deal with the consequences of that for the coming decade. We have increased domestic support for Milosevic and enhanced Serbian nationalism in Serbia. That does not serve NATO interests or American national interests.

And we have stretched our forces dangerously thin. We are almost out of cruise missiles. Fully a fifth of the American Air Force is committed and tied down in the Balkans. What kind of risk does that put us in in Korea? We are a superpower, but much of our power comes from our own restraint and the threat of the use of that power.

NATO will endure. I used to serve at the United States Mission to NATO. It will continue to have the credibility to do that which is in its vital interests to do and that, Mr. Speaker, is the fundamental problem. This is not in the vital national interests of the United States. If it were, we would be there, foursquare, with decisive military force to get the job done and come home. But because it is not, we cannot sustain this operation. I will not vote to support an action which has been shown to fail.

Mr. DAVIS of Florida. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding me this time.

I have a great deal of respect for our new colleague, the gentlewoman from New Mexico (Mrs. WILSON) and her unique expertise, but I flat out disagree with her in a couple of important respects. I believe it is ludicrous to assume that but for the NATO air campaign, Slobodan Milosevic would not have turned 1 million people out of their homes. He could not, Mr. Speaker, forcibly evict 1 million people from their homes in 2 weeks without having a very thoroughly developed plan well in advance. Do not kid yourselves. This was on the game plan of Slobodan Milosevic and would have occurred irrespective of the NATO air campaign.

I also disagree with my colleague in believing that it is time to pack it in, to let Slobodan Milosevic have his evil way. The gentlewoman from New Mexico supported that approach in a vote earlier today and it was rejected. We must now stand together, just like happened in the Senate, in a bipartisan way, to support the air campaign.

A vote for this resolution, Mr. Speaker, is a vote for our troops, a vote for NATO, a vote for American leadership and a vote to end the ethnic slaughter in Kosovo. Children and the elderly are dying by the side of the road today as Serb forces shove them to the border. Thousands and thousands of young men have disappeared, many more murdered perhaps right now, even as I am speaking. We cannot turn our back on this dimension of ethnic cleansing.

While we send an unequivocal message to Milosevic, let us send with this resolution an equally clear message to our troops and all of the troops, Americans and others, involved in the NATO engagement. We need to support our troops and can do so with this resolution.

I regret and regret very much we have no alternatives but to continue with this intervention. It is now our only option. I urge my colleagues' support.

Mr. BEREUTER. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Texas (Mr. BRADY), a member of the committee.

Mr. BRADY of Texas. Mr. Speaker, Americans have big hearts. It is one of our best traits. Whenever we see killing anywhere, injustice anywhere, we want to stop it, even if our national interests are not at stake.

On Kosovo, having good intentions and a bad plan have proven to hurt the very people we are trying to help. We have increased human suffering. We have not stopped it. We have spread instability rather than prevented it. With the lessons of the Vietnam War barely cold on our plates, here we go again. Like Vietnam, we wage a war we are not committed to win, by the seat of the pants, war by committee, war by posters, war by the politically correct. It is having fatal results.

□ 1915

Worst of all, we forgot the most important lesson of Vietnam. It is fatal to enter a war without the will to win it. Those who sought this war lack the political courage to win it. To aggressively target Slobodan Milosevic, his leaders in the Serbian Army he commands, they have forgotten what General MacArthur has told us. War's very object is victory, not prolonged indecision. In war there is no substitute for victory.

If a lethal criminal entered our home, entered our school, entered an airport, entered our neighborhood and began to gun down innocent families, it would be the first responsibility of law enforcement to stop them cold, now, to bring the shooter down without flinching. History will record in Kosovo an America that flinched, and the lives of Kosovars fell around us because we were unwilling and lacked the courage to bring the shooter down, the leaders, the Army and to end the atrocities.

There is nothing humanitarian about a policy that puts American pilots' and fighters' lives on the line so that

Milosevic can live. There is nothing just about a policy that allows Kosovars to die cold and hungry and lonely on the side of the road while we preserve Serbian troops, our enemies, the killers on the very day American pilots flew into Yugoslavia.

Mr. DAVIS of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. FRANK).

Mr. FRANK of Massachusetts. Mr. Speaker, I do not think we should flinch either, and I do not see how denying any authority to continue this is nonflinching. I want to pay tribute to the gentleman from California (Mr. CAMPBELL) whose efforts forced this House against its will to stop hiding.

There were 2 aspects to this issue. One, what is the policy choice in Yugoslavia? It is an unhappy choice. I believe that the policy of continued bombing in conjunction with our allies, and it is awkward to carry out an allied policy, but it is better than an unilateral one. When we accept the strength of an alliance, we take constraints with it. I think that is the best policy in a set of bad choices.

The House now has to make a choice, and it is inappropriate for this great elected body of representatives, when confronted with a difficult choice, to say: None of the above. But if we vote down this resolution, that is what we are doing. Thanks to the efforts and the integrity of the gentleman from California who insisted we face up to our responsibilities, we voted. We voted not to pull out.

Now 139 people who voted not to pull out can consistently vote against this. But are we to be told that there are dozens, maybe 100, 125 Members who do not think we should pull out but simply do not want to be blamed for staying in? We had one comment say:

Oh, well, we should not take ownership of this.

That is an inappropriate attitude for people who are elected. The draft does not work here. We all ran for this job, and a lot of it is fun, and sometimes it is not, and having to help ratify this unpleasant choice is one of those moments when it is the least fun, the least attractive. But we do not have the option of simply copping out. Members could be against this, they can be for it, but they cannot vote for none of the above. They cannot conscientiously say it is too hard, I will vote over here, and I will vote over there.

I am delighted that we have a chance here to pass a concurrent resolution to have a combined policy, House and Senate, which says we support this current military policy. Members may be opposed to the military policy, and then they should have voted for the resolution offered by the gentleman from California (Mr. CAMPBELL), or they can be in favor of it and they should vote for this. But punting is not an option; it is not football season. We cannot simply say:

Let this one pass from us.

I voted for the resolution offered by the gentleman from Pennsylvania (Mr. GOODLING). I voted for it because I do think before we commit ground troops, this House ought to vote. But I must say I have some second thoughts about putting that authority into the hands of a group of people, some of whom say, ''Gee, can I duck the hard one?'', and that is what we are talking about now. If people thought the policy was wrong and we should pull out, they had a chance to vote that way.

Mr. Speaker, I hope people will not simply try to duck a tough issue and will vote to ratify the least unpalatable choice.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. SCARBOROUGH).

Mr. SCARBOROUGH. Mr. Speaker, I would like to say to the gentleman from Massachusetts I agree with him with the need for consistency, and I will consistently be opposing this action and will vote against it, and for several reasons.

First of all, we had the minority leader talk earlier today about how this was, quote, the first affirmative action by NATO. What he is saying is actually this is a radical extreme departure in the history of NATO, the first time they have attacked on the offensive instead of being defensive. This is an extreme radical departure for NATO, make no mistake of it, and guess who is paying for that extremism and radicalism? It will be the men and women who are in my district, who are in five military bases, whose sons and daughters go to the public schools of my children. It is very easy to play fast and lose with military tradition, very easy to make an extreme radical departure for the first time in 50 years of a defensive alliance, but that is happening in this situation.

We also see the ghosts of LBJ rising like from the mist of the Potomac where we have a President who is selecting bombing targets in a war. We have Madeleine Albright going on television, on PBS, declaring early on that this was going to be a short, clean, tidy war.

These people do not know what they have gotten into. It is a 610-year-old ethnic war, civil war, religious war, and, yes, Milosevic is a murderer. He has murdered according to the New York Times 3700 people.

But I see the selective outrage up here. I hear nothing about those that want to support the KLA who were murderous. I hear nothing about the 60 million killed in China over the past 50 years. I hear nothing about the 2 million killed in Sudan. Of course there is an oil pipeline that Occidental Petroleum wanted to get through Sudan, so I heard no moral outrage then. I hear no moral outrage about the 1 million people slaughtered in Rwanda. Of course they are not the same color as a lot of us.

I mean let us not go here and beat our chests in moral self-righteous indignation if we are not willing to apply the same test to every region that we want to start wars in.

I will oppose it.

Mr. DAVIS of Florida. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. LANTOS).

Mr. LANTOS. Mr. Speaker, my friend from Florida would have heard a great deal about all of those outrages had he been active in the Congressional Human Rights Caucus. The folks who cry crocodile tears for all these people who have been killed and tortured and murdered are nowhere to be seen when we are dealing with human rights issues.

Mr. Speaker, the greatness of this country is measured by the moments when we act in a bipartisan fashion. It was the Marshall Plan, it was NATO, and it was all the bipartisan measures passed by our predecessors that created the great moments of American history in the 20th century.

In the other body 16 of my colleagues' Republican colleagues, some of the most distinguished members of the Republican party, Senator JOHN MCCAIN, their most credible presidential candidate, Senator LUGAR of Indiana, the foreign policy expert, Senator JOHN WARNER, head of the Armed Services Committee and 13 others voted for this identical resolution. They have risen to a high level of bipartisanship.

Now I have some credentials along those lines. I stood up with President Bush 8 years ago and voted to support that President because I felt the national interest was at stake. It is no less at stake today. The blind hatred that is so apparent on the part of some of my colleagues towards this administration makes it impossible to make rational judgments.

What we are asking for is to get our troops the feeling that the Congress is behind what they are doing day and night under the most difficult circumstances. That is all that this resolution calls for. And JOHN MCCAIN saw fit to vote for it, as did 15 other distinguished Republican senators. They have taken ownership, if I may borrow the phrase of the Republican whip, they have taken ownership of this measure because this is an American engagement. It is not a Republican or a Democratic engagement, just as the Marshall Plan was an American engagement and NATO was an American engagement.

We are seeing a miracle unfold. Nineteen nations of the most disparate types are united, but our own House of Representatives has risen with division. Vote for this resolution.

Mr. GILMAN. Mr. Speaker, I yield 1½ minutes to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, I yield to the gentleman from Florida (Mr. SCARBOROUGH).

Mr. SCARBOROUGH. In response to some reckless words from the gentleman from California (Mr. LANTOS) first of all, they were not crocodile tears. It was my resolution that passed on Sudan last year. My colleague can ask the gentlewoman from California (Ms. PELOSI) or anybody else, that I have been on the forefront for human rights in China, and I challenge my colleague to check the CONGRESSIONAL RECORD over the past year and-a-half or 2 years. If anybody has spoken out more on human rights than myself, I would like my colleague to let me know.

Mr. KUCINICH. Mr. Speaker, it should be obvious that the President does not need this resolution to use air power because he is already using it. He needs Senate Con. Resolution 21 because, if it passes, both houses of Congress will have satisfied the War Powers Resolution to authorize force, and that effectively gives the President the power to wage an unlimited war even with ground troops.

Section 5 of the War Powers Resolution states that the President must terminate the use of force after 60 days unless Congress, first, declares war; second, enacts explicit authorization of the use of force; or third, extends the 60-day period. Although Senate Con. Resolution 21 refers only to air war, it is an explicit authorization of force. The President will not be limited to only air war once the War Powers Resolution requirement is fulfilled. Since this resolution authorizes the President to conduct military operations against Yugoslavia in the air, its passage by the House is, in fact, a blank check for the President to wage war, not only to bomb, but to send ground troops.

If Senate Con. Resolution 21 should fail, then the war in Yugoslavia will be limited to air war, which is what is now being waged, and no ground troops, and the President will have to get Congress' authorization to deploy ground troops at a later time.

Mr. GILMAN. Mr. Speaker, I yield 1 minute to the gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. Mr. Speaker, I thank the gentleman from New York (Mr. GILMAN) for yielding this time to me.

I would like to start with a quote by a man called Jacob Brownoski that I think is apropos to this situation. In it he says there are two parts to the human dilemma. One is the belief that the end justifies the means, that deliberate deafness to suffering has become the monster of the war machine. The other is the betrayal of the human spirit where a nation becomes a nation of ghosts, obedient ghosts or tortured ghosts. The road to war is paved with unchecked ignorance, arrogance and dogma.

What is our national interest in Yugoslavia? It is peace and stability in a democratic process where all men are created equal. It is in our national interest to check the road to war that has caused the dilemma that we are now in.

I am going to vote in favor of this resolution.

Mr. DAVIS of Florida. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I rise in strong support of the resolution before us this evening, and in doing so, yes, I want to stipulate to the work of the gentleman from Florida (Mr. SCARBOROUGH) for human rights in China, and let us say that everybody in this room cannot tolerate the atrocities, the brutality that Milosevic has exacted upon the people of Kosovo.

□ 1930

Let us not have a fight about anyone's sincerity on the issue. But in supporting this resolution, I want to say what it is not. This resolution is not a declaration of war. It is not a blank check for the President. It does not authorize the use of ground troops.

In fact, I do not support ground troops in Yugoslavia. It is interesting though to hear those who have criticized President Clinton for taking ground troops off the table as an option now say that they do not support this because it could lead to the authorization of ground troops. It is interesting to hear the same people who want to double the appropriation from $6 billion to $12 billion and those are on the majority side of the aisle say they do not want to support the military action that that funding is being appropriated for.

So how can we have it both ways? We criticize the President for no ground troops, but we do not want to support this resolution because it could lead to ground troops. We do not want to support this resolution because it supports the President's policy on the flights and the strikes, and yet we want to double the amount of money that is there. It reminds me of Yogi Berra who said of a restaurant, ''I don't like the food in that restaurant, and, besides, they don't give you enough.''

Mr. Speaker, let us sound a resounding vote of yes on this resolution, so Milosevic can hear it, so our flyers in the area can hear it, and for the children who are displaced in the region.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from California (Mr. OSE).

Mr. OSE. Mr. Speaker, I look around this room and I see my senior colleagues, like the gentleman from California (Mr. MATSUI), the gentleman from Georgia (Mr. LEWIS), the gentleman from Missouri (Mr. GEPHARDT), and the gentleman from Illinois (Mr. HASTERT), and I realize very clearly that over the years as the baton has passed from one generation to the next in this political body, that those men and women who serve here manage to make sure that the young men and women who serve in our Armed Forces are used properly for vital national security interests.

I am proud to be here as a new Member. I take very seriously my charge to vouchsafe and keep secure the interests of those young babies now who come to our country as new citizens from birth and what have you. And I absolutely do not understand, Mr. Speaker, what the vital national security interest that senior Members of this body on both sides of the aisle have protected for years and years, what national security interest it is that we are proposing to protect by conducting a unquantified and unidentified military campaign in Yugoslavia, whether it be in the air or on the ground.

Mr. DAVIS of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, I would suggest that the stability of Europe, which is supported by all of the NATO leaders, is very much in the interest of America's national security. I would also suggest that what is extreme and radical is not the action of our NATO allies. What is extreme and radical have been the actions of the modern day Hitler, Slobodan Milosevic.

I do not think we should write a blank check in this matter, and this resolution does not. Let us be clear about that. What we can do in voting for this resolution though is check the power of someone who has killed not 3,700, but hundreds of thousands of innocent men, women and children. How ironic it would be that the NATO leaders who left this Nation's capital just a few days ago unified to stand up to that reign of terror would have that unity now undermined by those of us who work in this Capitol.

Let us recognize that if we stop the air war now, Milosevic wins, NATO loses; the ethnic cleanser wins, and Europe's stability loses. Every other two-bit terrorist in the world would be emboldened to emulate this modern day Holocaust.

If this measure is defeated now, especially in light of the passage of the Fowler resolution earlier, what we will have done today is this: We have said we are not yet ready to support a ground war, and now we are not even sure we want to continue supporting an action of an air war supported unanimously by our NATO allies.

Mr. Speaker, I would ask Members on both sides of the aisle, please, in a bipartisan vote, do not send this message

to Mr. Milosevic. Let us send him a clear message, that while we are not quite sure if we want to commit to ground troops today or any day, we do not believe that God's gift of life and liberty stops at the American border. Let us support this resolution.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Georgia (Mr. NORWOOD).

Mr. NORWOOD. Mr. Speaker, I do not understand at all why we cannot have this debate with the clear feeling and understanding that this is not about politics, this is not about party. Some of us just think he is wrong, this is wrong-headed foreign policy.

I believe that in my absolute soul. We do not need to be attacking from the air, we do not need to be attacking with ground troops. We need to get out of the Balkans. It is going to lead to a disaster that will carry us well into the 21st century, and primarily because it is not in our national interest. I totally disagree with that.

Is it a humanitarian cause? Absolutely. And are there ways we should deal with that? Yes. But we need a leader, not a commander-in-chief. We needed a leader to deal with this with Europe.

Many, many, many months now have gone by. I have been there and done this, Mr. Speaker. I watched this occur as a young man when we went to Vietnam. I did not question the Congress and I did not question the President. He said we needed to go, and I was ready to go.

I will tell you another thing. Those of you who think this is such a clear-cut mission, perhaps if you are young enough, and I consider myself, maybe we ought to resign from Congress and go into the Balkans. Let us fight through the mountains over there with the Marines, if that is what you believe is so important; and if you are not young enough to go, send your sons. That is the question: Will you let your son die for humanitarian interests that we well should put on the backs of the Europeans?

It is time for them to grow up. We need a leader who is sanctioning Britain and sanctioning France and talking to Russia and saying you guys have been burned down twice in this century, you need to be in the Balkans. You need to have peace.

Mr. Speaker, I am not going to vote for this one minute, and I hope no one will, because I agree this may allow him to put ground troops in.

Mr. DAVIS of Florida. Mr. Speaker, I yield 1½ minutes to the distinguished gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, I rise in strong support of this resolution. It is identical to the resolution passed by the other body in March. It expresses Congress' support for our forces caring out a brave mission. It sends an important message to Slobodan Milosevic that his savage campaign of ethnic cleansing against the Kosovar Albanians will not be tolerated.

Mr. Milosevic continues to wage war on ethnic Albanians. His acts of violence, mass murder of civilians, driving 950,000 people, whole communities, from their homes to refugee camps in foreign countries, have forced our hand. If left unchecked, he will continue his crimes in Kosovo.

I heard a Member opposed to our mission in Kosovo earlier today compare this action to the Gulf War and say that the difference was that we had a national interest in the Gulf; oil. Well, I do not know the going rate for a barrel of oil today, but I do know that you can put no price on the lives of men, women and children who have been slaughtered in Kosovo.

It is in our national interest to stop genocide. We have witnessed a grave humanitarian crisis in Kosovo and a destabilization of the region and neighboring countries like Macedonia and Albania.

By endorsing air strikes now, Congress is not tying its hands in the future. Congress can still and I believe should vote on sending ground troops if we reach that point in the future.

Vote to authorize air strikes in Yugoslavia. Let our young men and women in the Armed Forces know that our prayers and our support are with them as they fight to counter aggression and to foster peace.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from Florida (Mrs. FOWLER).

Mrs. FOWLER. Mr. Speaker, I rise in opposition to this resolution. First, as was expressed by some of my colleagues in their concern earlier today on our first resolution when they had concerns with wording, I believe this resolution is very poorly drafted, and those that had that concern earlier I am sure must share that concern on this resolution, because it authorizes the President ''to conduct military air operations and missile strikes against the Federal Republic of Yugoslavia.''

Now, this appears to authorize the President to conduct airborne operations; in other words, drop paratroopers into the Federal Republic of Yugoslavia.

It also authorizes the President to pursue ''missile strikes'' of an unspecified variety, which theoretically could include strategic weapons.

Moreover, I oppose this measure because, as one of those in the leadership who met with the President twice prior to the bombing, I joined many of my colleagues from both parties in asking the President face-to-face to seek specific authorization from the Congress before proceeding with any air campaign. He ignored that request. Today I cannot in good conscience retroactively authorize him to do something that I did not support and that he undertook without regard for the Congress' responsibilities under the Constitution and the very direct bipartisan advice he received before he began the bombing.

I urge a ''no'' vote on this resolution.

Mr. DAVIS of Florida. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Speaker, I rise in support of the resolution to authorize United States involvement in the NATO air operations against Slobodan Milosevic's military force.

It is both in our strategic and humanitarian interests to end the vicious ethnic cleansing campaign that Slobodan Milosevic is pursuing in Kosovo. His actions have threatened the stability of southern Europe, jeopardized our efforts to maintain peace in other parts of the Balkans and unleashed a flood of refugees into poor and underequipped nations in the region. It is clear, Mr. Speaker, that we must take action to end this tragedy.

A couple of weeks ago I traveled to Brussels with Secretary Cohen. I met with General Clark and the delegates of our NATO allies. The resolve that every person and every country involved in this operation showed then was reinforced this past weekend in Washington.

The truth is, our air campaign is working. We are knocking out the infrastructure of Mr. Milosevic's military and isolating his troops in Kosovo. If we continue to take out the four corners of his fighting machine, his whole house of cards will come crashing down.

We must make clear to Mr. Milosevic that the bombing campaign will not cease until he withdraws his troops and allows the citizens of Kosovo to return to a life of peace and autonomy. I urge my colleagues to support this resolution.

The SPEAKER pro tempore (Mr. KOLBE). The Chair would advise Members that since this resolution was taken directly from the table, the gentleman from Florida (Mr. DAVIS) has the right to close.

The gentleman from New York (Mr. GILMAN) has 7 minutes remaining and the gentleman from Florida (Mr. DAVIS) has 4 minutes remaining.

Mr. DAVIS of Florida. Mr. Speaker, I yield 1 minute to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, we have sons and we have daughters of America in Apaches, in F–16s, in submarines, fighting for principle and fighting against ethnic cleansing.

Now, we can do nothing; we can ignore the horrific holocaust. That is not acceptable. We can send in ground troops, and that is not an option for me, for many of our NATO allies, or for our troops. But we can support this authorization to conduct military air operations against Yugoslavia.

□ 1945

We must now aggressively and vigorously pursue victory for our people, for principle against ethnic cleansing, and for NATO. Defeat is not acceptable.

Mr. DAVIS of Florida. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I rise to support our policy on Kosovo. Some in this debate have said our goal is not clear, but our goal is to stop Milosevic's slaughter of Albanian Kosovars, to prevent the spread of conflict, and to permit the Kosovars to return safely home. Our allies share that objective.

This century is the bloodiest in human history and the world's democracies must stand against Slobodan Milosevic's bloody repression if we hope to deter other tyrants from engaging in ethnic slaughter.

In Kosovo there are no clear answers, no good options, but to do nothing in the face of Milosevic's barbarity would be barbarous itself.

Some see Kosovo as another Vietnam. I disagree. Kosovo is another Cambodia, another Rwanda. Let us learn the lesson of those in other killing fields and not allow our belated or inadequate response then to compound this tragedy today. The lack of a perfect choice is not an excuse to take no action.

Some here today have declared after 30 days that this policy is a failure. Well, we should be made of sterner stuff than that. The young men and women in our military are made of sterner stuff than that. We need to be patient with this policy in Kosovo. The bombing campaign, even with its limitations, should be given time to work. Ground forces may yet be required, and we will have that debate. But for now, we should maintain our unity, stay the course. America is strong enough to see this through.

The SPEAKER pro tempore (Mr. KOLBE). The gentleman from New York (Mr. GILMAN) has 7 minutes remaining, and the gentleman from Florida (Mr. DAVIS) has 1½ minutes remaining.

Mr. GILMAN. Mr. Speaker, I yield the balance of our time to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Speaker, on March 24, the day the bombing began, this Member stood on the floor and said, this is a tragic day, undoubtedly the beginning of a tragic scenario, and that is exactly what it was. We have heard today about hamstringing the President. But I would like to point out that, in fact, no authorization was requested by the President before the bombing began, and he has not asked for that authorization to this day.

This is a gratuitous authorization. I do not think it is wise that it is brought up. I wish even at this late date that it would be withdrawn. Bombing for peace, bombing for peace is wrong, and it is not working. I regret the fact that any of our colleagues would suggest that decisions of this gravity are based upon partisan considerations.

I say to my colleagues, we have a war, in Yugoslavia. We can call it whatever we want, but it is a euphemism unless we recognize it is a war. It is an unmitigated disaster. Our and NATO's involvement in this war is an unmitigated disaster. That is the ugly truth, and everybody knows it. They certainly know and talk about it in the Pentagon.

In the past, NATO, the 12 members, the 16 members, now the 19 members, were a defensive pact, and for the first time NATO has used those forces aggressively. We can imagine what the Soviet Union said, and now what the Russians say about NATO as an aggressive force. Well, we have just confirmed their worst suspicions and, in fact, we set back Russian-American relations dramatically for years to come. We have reinforced the wrong people in Russia in the process.

We cannot say that this war has unintended or unanticipated consequences. They were entirely predictable. I had hoped that people in the administration would have looked at and understood the history of the Balkans. I would have hoped they would have talked to people who know Mr. Milosevic and how he came to power.

I had a chance to visit with the Secretary of State, Secretary of Defense, and General Shelton in a meeting convened by the Speaker, a bipartisan meeting, and I laid out the dire consequences that I thought would prevail if, in fact, the bombing campaign began, and all of those predictions but one have come true. The remaining prediction is that after starting to bomb we would have combat troops involved in Yugoslavia in 2 months. We are a little over a month and counting, and we are headed for those combat troops in Yugoslavia.

Now, look at it from the side of the Albanian militants, the KLA. They never wanted autonomy, they wanted independence, and that is what they want today. Look at it from the side of the Serbians. We have to recognize that Kosovo is sacred ground for the Serbs. It is where they all came together in an infamous but courageous defeat in 1389, and they have not forgotten what happened on the Field of Blackbirds.

It is for them the same as if Lexington, Bunker Hill and Yorktown are rolled up into one. It is like asking a Texan to give back the Alamo, site of another courageous defeat, to the Republic of Mexico. That is what it means to the Serbs. Milosevic had no option to give up his Serbian control over Kosovo. He did not have that option. And what we have predicted, that the Serbs would coalesce around Milosevic, has happened. Yes, I say to my colleagues, as negative and terrible an individual as Milosevic is, he would now be followed by more Serbian leaders who have this very kind of militant, aggressive Serbian nationalism re-aroused.

What has happened, of course, is that Milosevic made his reputation in Kosovo by jumping right over his mentor by speaking to the abuses, real, alleged and exaggerated, that were taking place against the Serbian minority in Kosovo. And that is how he played upon their emotions, and that is what has been further ignited by the bombing campaign.

What happened when we threatened we would bomb, and then we held off, and we threatened and we threatened? Well, of course, it provided time for him to deploy his troops in and around Kosovo, in fact right on the Macedonian border, for that matter. And all of the NGOs and independent observers, they went out of Kosovo, naturally, and so no one is there to report on the atrocities and the ethnic cleansing that were accelerated when we began that air war, just as predicted.

Some people have said, and in fact the Secretary of State said before our committee, well, we had no idea he would be so brutal and thorough and energetic in the ethnic cleansing. I say to my colleagues, we had an object example in Bosnia with Croatian and Serbian ethnic cleansing like we had not seen since World War II in Europe. Of course, we had an idea of what he would do.

Were we ready for it? Did we anticipate it? Did the people that launched this war have this in mind? Look at the refugees coming out of Kosovo into Macedonia and Albania and Montenegro. Look at the people dying from all kinds of disease and from hypothermia. NATO was not able to take care of them. It is obvious NATO was not ready for it. The Administration and NATO did not anticipate this result.

One of the frustrating things about being on the Permanent Select Committee on Intelligence at a period of time when Yugoslavia was in danger of disintegration was that we had the best information about what would happen with the disintegration of Yugoslavia. We knew a blood bath was coming in Bosnia where three religious/ethnic groups live side by side, and we knew that Kosovo was a tinderbox waiting to explode with its Albanian majority, but our vital national interests were not involved yet. Where they are and still remain involved is in Macedonia. And we should have gone to great lengths never to destabilize Macedonia. This air war is, in fact, pushing us towards a destabilization of Macedonia. Why is that so important? Because it is likely to bring Greece and Turkey, overtly or covertly, in on opposite

sides, fracturing the NATO alliance, and that, I say to my colleagues, is very much against our vital national interests.

But we have taken steps inadvertently, but predictably, to destabilize Macedonia. And yet today, the Yugoslavian military is basically intact. All the armor units are setting there; they are not using their engines, they are not using fuel, they are in hiding. And they have not used their air defense systems at this point. We have been attacking, but we have been attacking refineries and bridges and a whole variety of things that are important to the long term, but the Yugolavians or Serbians military is basically setting there intact. And what are we assured on the other side? We have assured the rule of the KLA militants in Kosovo beyond this.

I urge all of my colleagues to take a look at the May-June 1999 issue of Foreign Affairs and read the article by Chris Hedges, the former Balkan Bureau Chief of the New York Times.

Mr. Speaker, I urge opposition to the resolution. Vote against it. I voted against the War Powers Act; for strategic and tactical reasons we do not want to give that 30-day warning before a withdrawal would theoretically be required under the invocations of the War Powers Act. I urge my colleagues, do not take this gratuitous step to authorize the bombing war.

Mr. DAVIS of Florida. Mr. Speaker, I yield the remainder of my time to the gentleman from New Jersey (Mr. PAYNE), our closing Democratic speaker, a senior member of the Committee on International Relations who just returned from a trip to the Balkans region.

Mr. PAYNE. Mr. Speaker, we have a very important vote coming up in a few minutes. We are hearing discussions today about people saying, this in our national interests? Why should we be concerned about those people over there?

Well, for 50 years we have been partners with our neighbors in western Europe. We came together to stop the Soviet threat from taking over Europe and coming over to our shores. All of a sudden, when there is a problem with our partners, now we have decided that perhaps now that we have defeated the USSR, it is time for us to take a look at this partnership. Maybe if there is a difficult situation coming up, we ought to step out of it because I thought we were the land of the free and the home of the brave.

Next week we are going to have a constitutional amendment voting on flag desecration because we love our flag so much. And here we see people talking about, let us take our flag and let us run out of there because a person in a country of 11 million people, about the size of Tennessee, has raped and robbed and destroyed, killed, maimed a whole group of people, and we are saying this is not in any interests of ours. Destabilizes central Europe, destabilizes western Europe, and it continues to spread.

I am shocked by some of the speeches that I have heard in this discussion today. Mr. Speaker, 60,000 people in Montenegro, 120,000 in Macedonia, 300,000 in Albania.

Mr. Speaker, I ask for unanimous support for S. Con. Res. 21 so that we can put this in its right and proper perspective.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I rise in support of S. Con. Res. 21. This resolution authorizes the current military air campaign that was launched by NATO a little over a month ago. Mr. Speaker it is important to note the bipartisan support, which this bill received in the Senate. I believe that this resolution will enable NATO to achieve its goal of a durable peace that prevents further repression and provides for democratic self-government for the Kosovar people.

This Body can send an invaluable message to Milosevic, to our troops, and to the world. If we adopt this resolution authorizing air operations and missile strikes against Yugoslavia, we will show our support for the troops carrying out this mission. If we adopt this resolution we will signal to our NATO partners that our resolve to see stability and peace prevail in Europe is no less today than it was during WWI and WWII. When we adopt this resolution we signal to Milosevic that his campaign against the Albanians of Kosovo is unacceptable.

Endorsing airstrikes today does not preclude a vote in the future to authorize ground troops in the future. But we are certainly not at that point now. Instead this Body should show patience and determination. The airstrikes are an effective means of delivering our message. We must make Milosevic feel the pain and pay a heavy price for his policy of repression and aggression in Kosovo.

If this Body fails to adopt this resolution now it would be interpreted as a vote of no confidence for our foreign policy in the Balkans. It would send confusing signals about our national resolve to persevere to friend and foe alike. The blame for this crisis lies not with the President, the U.S. Congress, or even the NATO airstrikes; rather the blame rests with Slobodan Milosevic.

Milosevic shoulders the blame for the current crisis. I stand firm in my determination to see the killing of innocent Kosovar Albanians ended. War and conflict is not my first choice, it is not the first choice of any American, but there are times when force must be employed. We joined the NATO alliance some fifty years ago to provide stability and to limit aggression. If we ignore the acts committed by Milosevic, then our fifty-year commitment to NATO will have been lost.

During WWII this nation turned away a ship full of Jewish immigrants from our shores. The 907 immigrants on board the S. S. St. Louis sought to escape the horrors of Nazism but our nation sadly turned them away. In the aftermath of WWII the American people pledged to never again to allow ethnic cleansing to occur and to never again to ignore the plight of those who face genocide. This Body must answer the call of the 1.6 million Kosovars displaced from their homes and of those who can rest in the unmarked mass graves.

I urge my colleagues to support this resolution. We should follow the Senate and send a unified message to our troops, to Milosevic, and to our allies.

Mr. NADLER. Mr. Speaker, I rise to support the Gejdenson resolution to authorize the NATO action in Yugoslavia.

Tragically, we were unable to prevent Serbian forces from brutally killing thousands of people, forcing innocent people from their homes, and burning and bombarding countless villages.

Now, we must do everything in our power to put an end to this tragedy, to halt the mass killings, and hold accountable those responsible for the unspeakable atrocities that Serbian forces are committing against the ethic Albanians in Kosovo.

First, we must aid the refugees in any way that we can. We cannot allow refugee camps to turn into death camps due to poor sanitation, the spread of disease, and the lack of food and shelter. I support a massive humanitarian response to this crisis. The U.S. should do whatever it takes to bring food, medicine, and shelter to the refugees, and I support efforts by the United States and other countries to admit any refugees seeking asylum.

But I am afraid that is not nearly enough.

We have a moral obligation to protect the internally displaced ethnic Albanians within Kosovo. Those who have not yet been slaughtered must be protected. We must not allow them to suffer the same fate as so many other Kosovars.

Unfortunately, we did not act soon enough to address the murderous actions by Serbia, and today thousands of people are dead because of international indifference. We ought to create safe havens for ethnic Albanians inside of Kosovo—and we ought to do it as soon as we can. This would prevent further expulsions and mass killings. This will not be easy and will not be without a loss of lives, but it must be done. We cannot allow the leader of one nation to wipe out an entire ethnic group. At the end of World War II and the Holocaust, the world made a collective promise to all future people. We said ''never again'', we ought to mean it.

However, it is unlikely, at this point, that air strikes alone will bring an end to this conflict. We ought to consider other options, including the use of ground forces. We now have to be prepared to forcefully enter Kosovo and occupy the area in order to make the safe return of refugees possible. This is not a task that we ought to take lightly, but it is one that must be done.

NATO must continue to assess the situation and make adjustments as they see fit. This resolution gives the Administration the flexibility to respond quickly to any new developments and continue their efforts on all fronts to resolve this conflict. I urge support for this resolution.

Mr. BLUMENAUER. Mr. Speaker, today I voted for the bipartisan Senate-approved resolution authorizing President Clinton to continue military air operations and missile strikes

against Yugoslavia. I supported this resolution because it shows strong support for the troops while endorsing the NATO action as the best available way to convince President Milosevic that his campaign of ethnic cleansing is unacceptable.

We in Congress must take care to be supportive and not limit our future military options in Kosovo, especially given that the situation may change faster than Congress can react. For that reason, I opposed the Goodling-Fowler resolution as it would have required Congressional authorization before using ground troops. Even though the Goodling-Fowler resolution will never find its way into law, the act of approval by the House sends all the wrong signals about our commitment to NATO's actions. We cannot afford to tie NATO's hands or broadcast our military intentions—especially at this important juncture in the conflict.

I also opposed both proposals by Representative CAMPBELL, one declaring war on Yugoslavia and the other demanding the removal of our armed forces from their positions near Yugoslavia. I believe both resolutions were extreme and not helpful in advancing NATO's efforts to restore peace to the region, in returning the Kosovars to their homeland, or in reducing or eliminating Milosevic's ability to threaten his neighbors or terrorize minorities inside Yugoslavia.

However, I feel clarifying Congress' role in foreign conflicts under the War Powers Act is one worth considering at an appropriate time. We in Congress have continued to neglect what Congress' exact role should be in these situations. It is unfortunate that we seem to only visit this issue in the middle of conflicts, when such debate is confusing at best, and often inappropriate. I am hopeful we can schedule a full debate on this issue at a time certain before the end of this Congress.

Mr. BLAGOJEVICH. Mr. Speaker, the vote today on S. Con. Res. 21—although largely symbolic because of its timing—presents every Member of this House with a grave dilemma. On the one hand, we can vote against this resolution and the deeply flawed policy that it represents, even though doing so risks undermining our troops and giving comfort to Slobodan Milosevic, Europe's last Communist dictator. On the other hand, we can vote for this resolution and ratify a flawed policy which has failed to make any progress towards stopping the ethnic cleansing of Kosovo.

Neither of these choices is attractive. But I believe that my duty as Member of the United States Congress compels me not to undercut our current policy, flawed as it might be, but to focus on finding a credible diplomatic alternative.

I support a negotiated solution to the conflict in the Balkans, and I was one of 15 Democrats in this body who last month voted against authorizing the use of U.S. troops in Kosovo. I warned back then that a continued escalation of military action would only serve to undermine conditions for lasting peace in the region. Regrettably, these fears have been borne out.

With all that said, Mr. Speaker, I cannot in good conscience vote against the efforts of our Nation's Armed Forces when a military operation is already underway. Our soldiers are in the Balkans doing the job we sent them to do. A unilateral halt to the bombing at this stage in the conflict would not bring us closer to a lasting peace in the Balkans. Instead, it would give the Milosevic regime a boost and deprive the NATO alliance of critical negotiating leverage.

However, the sooner we begin negotiations, the sooner the air strikes can stop. Continuing to seek a military solution to a political problem will only mean that more Albanian Kosovar, Serb, and American lives are lost in vain. Just yesterday, General Wesley Clark, commander of NATO forces, acknowledged that NATO air strikes have not slowed the ethnic cleansing of Kosovo's Albanian population. And just yesterday, NATO forces again mistakenly struck a civilian target in Serbia, killing 17 people including 11 children.

The United States of America believes very strongly in doing the right thing—and we have an exemplary record of fighting for what is right around the world. But as Henry Kissinger has pointed out, a supremely moral foreign policy is useless if it is not effective.

As difficult as it may be, we must acknowledge that the bombing campaign has not been effective—and we must immediately begin to seek a negotiated solution to this conflict. The sooner negotiations start, the sooner the bombs will stop, and the sooner the Kosovo refugees can return home.

Mr. KIND. Mr. Speaker, I am in support of this resolution which passed the Senate last week with bipartisan support. But let us step back and take a long-term view of the Balkans.

Milosevic is the only tyrant left in Europe. Who amongst us predicted 10 years ago that some of the most reprehensive Communist regimes in Central Europe would today be thriving democracies and members of the European Union and NATO. That is the trend in Europe and that is my long-term prediction for the Balkans as well. One tyrant cannot stop it for long.

But in the meantime we have some short-term objectives.

Peace and humanity will prevail in Kosovo.

The refugees will go home.

They will have security.

And they will have self-autonomy.

And, Mr. Milosevic, these terms are not negotiable.

NATO will prevail.

Mr. DEFAZIO. Mr. Speaker, today I voted to require the President to obtain congressional approval before deploying ground troops in the Federal Republic of Yugoslavia (FRY). The framers of the Constitution clearly intended that the power to initiate war, whether declared or undeclared, should reside in the legislative branch of government. The power to lead the nation without congressional authority into a costly overseas military adventure is a power the Constitution explicitly denies the President of the United States.

The Administration's policy in FRY is extremely short sighted and is a clear example of why the Administration should have come to Congress before committing U.S. troops to the NATO airstrikes. A congressional debate would have forced the Administration to define every aspect of NATO's Balkan policy. Congress should have been given the chance to ask the tough questions that still linger after weeks of bombing. Instead, NATO and the Administration are defining and defending their policy as they go along. The result has been a tenuous military coalition with a mission constantly questioned. This has emboldened Milosevic to escalate his genocidal campaign and strengthened his power in Serbia. A completely unified NATO force backed by a well-defined long term Balkan policy before executing any military operations might have made Milosevic a willing participant in peace negotiations.

The congressional leadership has presented Congress with a lot of bad choices today as well. It is unfortunate that Congress is falling into the trap that the Administration has set for it. Before the NATO airstrikes began, the Clinton Administration wanted us to believe that the only options available were to bomb or do nothing. Now Congress wants us to believe that the only options are to continue the severely flawed military operations or withdraw our troops and do nothing. Unilateral withdrawal of U.S. forces from the military operations at this time would cause the collapse of NATO and be tantamount to a victory for Slobodan Milosevic.

While I support the efforts of my colleagues today to begin asserting their Constitutional duty to authorize military actions, I question the timing. Debating whether or not to withdraw our troops while they are engaged in a military action, is extremely irresponsible. There is a way to assert our Constitutional duty without undermining the safety of our troops. I have introduced legislation for the last 8 years to require Congress to authorize military actions before U.S. troops are placed in hostilities.

The continuing religious and ethnic strife in the Balkans is unlikely to be resolved by offensive military actions. Milosevic has more than demonstrated his willingness to sacrifice the lives of his own people to retain his power. There is another option. The U.S. and NATO should call for a cease fire contingent upon a pull back of Serbian forces and the beginning of real negotiations including Russia and the United Nations. The Rambouillet agreements were fatally flawed and designed to fail. It's time to go back to the drawing board and negotiate enforceable peace between Milosevic and the Kosovar Albanians.

Mr. DAVIS of Florida. Mr. Speaker, I am glad that the House has the opportunity to debate these important questions before us today. While I have not supported the first three options before us, I do believe that Congress needs to have a voice in the involvement of the United States in Operation Allied Force. We should stand up and express our support for our troops and our allies in the North Atlantic Treaty Organization (NATO). We must also take this opportunity for Congress to show Mr. Milosevic that we are united in our belief and determination that his campaign of terror must be stopped.

We must work with the international community to help restore peace to the region and to ensure that the Kosovar Albanians who want to return to their homes are allowed to do so. We must work with our Allies to force Milosevic to withdraw his military and paramilitary forces from Kosovo and to provide

self-governance for Kosovo. Mr. Speaker, we must work together with our Allies in Europe to achieve a lasting peace in this critical region.

To accomplish these goals, we must continue to participate in Operation Allied Force and support the air strikes. We are steadily diminishing the power of Mr. Milosevic and his military forces. For the United States to withdraw from this operation at this time would, in my opinion, undermine the entire NATO effort to stem Milosevic and his campaign of terror against the Albanian population, hand Milosevic a victory and, in effect, validate his campaign of ethnic cleansing. Mr. Speaker, I ask my colleagues how we can in good conscience turn our back on these people and the horrible crimes that are being perpetrated against the Kosovar Albanians.

While I commend my colleague from California, Mr. CAMPBELL, for bringing this issue before the House, I urge my colleagues to join me in opposing both of his resolutions. We should not withdraw our troops or declare war against the Federal Republic of Yugoslavia.

I also oppose H.R. 1569 offered by Representatives FOWLER, GOODLING, and KASICH. This bill would prohibit the Department of Defense from deploying ''ground elements'' in Yugoslavia unless such a deployment is authorized by Congress, I again urge my colleagues to vote ''no''. Passing this proposal at this time is at best premature and at worst is a prescription for failure of our current air strike operation. The Fowler/Goodling/Kasich bill is unnecessary. Congress ultimately holds the power of the purse and will continue to have the ability to withhold funding for this operation. In addition, if events change and the President decides that ground troops are needed, he should come to Congress and ask for our support and approval at that time.

Furthermore, if this prohibition of funds were to become law, many aspects of the current NATO operation could be imperiled. We would be weakening our own position for future negotiations for a settlement by removing the threat of possible ground troops in the future. We must show Milosevic our resolve. We must make it clear to Milosevic that we intend to prevail and that we are reserving options to accomplish victory.

The Fowler/Goodling/Kasich bill also puts our current operations in Yugoslavia at risk. For example, MacDill Air Force Base, located in my community, is the headquarters for U.S. Special Operations Command—a unified command that oversees special operations for the Army, Navy and Air Force. Forces housed at MacDill could very well be involved on the ground in Yugoslavia and Kosovo in support of our air strikes. I am concerned that this bill would put their operations and possibly their lives at peril. We should not limit the ability of the troops already in and around Yugoslavia as part of our current operation.

Our NATO Allies have stepped up to the plate in Kosovo. Just last weekend, at the NATO Summit here in Washington, DC, the leaders of the alliance reaffirmed their commitment and resolve to maintain the air campaign against Yugoslavia until our objectives are met. Now it is time for Congress to step up to the plate and endorse the NATO air strikes against Yugoslavia.

I urge my colleagues to support the Gejdenson Alternative offered in the form of Senate Concurrent Resolution 21. This Resolution authorizes the President to conduct military air operations and missile strikes against the Federal Republic of Yugoslavia. Passage of this Resolution will express Congress' endorsement of NATO air strikes and send a strong message to Milosevic that we are unified with our allies.

Adopting this Resolution will reaffirm to our troops carrying out this mission that Congress supports them. By endorsing the NATO action, Congress will be sending a message that we are unified as a nation and determined to stop Milosevic.

Fifty years ago, we formed NATO to work together for the security of Europe. Today, the Cold War has ended and communism has ended. However, there is still a great need to work to ensure the safety and stability of countries in Europe who have been our partners for these 50 years. We have heard a lot about the fear of Milosevic and his forces crossing over the borders. Some thought this might be an unfounded fear. However, we now know that the Serbian forces have crossed over into Albania, proof that Milosevic has no fear and is quite willing to cross sovereign borders to continue his atrocious attacks on the people in this region. The stability of Eastern Europe is at stake and we must stand by our allies in the region.

I urge this House to show Mr. Milosevic that we stand behind our military and our allies. Join me in supporting Senate Concurrent Resolution 21.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to section 5 of House Resolution 151, the Senate concurrent resolution is considered as having been read for amendment, and the previous question is ordered.

The question is on the Senate concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. GILMAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 213, nays 213, not voting 8, as follows:

[Roll No. 103]

YEAS—213

Ackerman
Allen
Andrews
Baird
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berman
Berry
Bishop
Bliley
Blumenauer
Boehlert
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Callahan
Capps
Capuano
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Davis (FL)
Davis (IL)
Davis (VA)
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Dooley
Doyle
Edwards
Ehrlich
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Forbes
Ford
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gejdenson
Gephardt
Gilchrest
Gilman
Gonzalez
Gordon
Green (TX)
Greenwood
Gutierrez
Hall (OH)
Hastert
Hastings (FL)
Hayes
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Houghton
Hoyer
Hunter
Hyde
Jackson-Lee (TX)
Jefferson
John
Johnson, E.B.
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Klink
Knollenberg
Kolbe
LaFalce
Lampson
Lantos
Larson
Lazio
Levin
Lewis (GA)
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHugh
McIntyre
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Moakley
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Phelps
Pickett
Pomeroy
Porter
Price (NC)
Quinn
Rahall
Rangel
Reyes
Riley
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Sherman
Shows
Sisisky
Skelton
Smith (WA)
Snyder
Spratt
Stabenow
Stenholm
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Traficant
Turner
Udall (CO)
Udall (NM)
Velázquez
Vento
Walsh
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Wolf
Wu

NAYS—213

Abercrombie
Archer
Armey
Bachus
Baker
Baldwin
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Blunt
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Burr
Burton
Buyer
Calvert
Camp
Campbell
Canady
Cannon
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Crane
Cubin
Cunningham
Danner
Deal
DeFazio
DeGette
DeLay
DeMint
Dickey
Doggett
Doolittle
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Everett
Ewing
Fletcher
Foley
Fossella
Fowler
Gallegly
Ganske
Gekas
Gibbons
Gillmor
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Gutknecht
Hall (TX)
Hastings (WA)
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Hulshof
Hutchinson
Inslee
Isakson
Istook
Jackson (IL)
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kingston
Kleczka
Kucinich
Kuykendall
LaHood
Largent
Latham
LaTourette
Leach
Lee
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lucas (OK)
Manzullo
McCollum
McCrery
McInnis
McIntosh
McKeon
McKinney
Metcalf
Mica
Miller (FL)
Miller, Gary

| | | |
|---|---|---|
| Mink | Ros-Lehtinen | Sununu |
| Moran (KS) | Roukema | Sweeney |
| Myrick | Royce | Talent |
| Nethercutt | Ryan (WI) | Tancredo |
| Ney | Ryun (KS) | Taylor (MS) |
| Northup | Salmon | Taylor (NC) |
| Norwood | Sanford | Terry |
| Nussle | Saxton | Thomas |
| Ose | Scarborough | Thornberry |
| Packard | Schaffer | Thune |
| Paul | Sensenbrenner | Tiahrt |
| Pease | Serrano | Toomey |
| Peterson (MN) | Sessions | Towns |
| Peterson (PA) | Shadegg | Upton |
| Petri | Shaw | Visclosky |
| Pickering | Shays | Walden |
| Pitts | Sherwood | Wamp |
| Pombo | Shimkus | Watkins |
| Portman | Simpson | Watts (OK) |
| Pryce (OH) | Skeen | Weldon (FL) |
| Radanovich | Smith (MI) | Weldon (PA) |
| Ramstad | Smith (NJ) | Weller |
| Regula | Smith (TX) | Whitfield |
| Reynolds | Souder | Wicker |
| Rivers | Spence | Wilson |
| Rogan | Stark | Woolsey |
| Rogers | Stearns | Young (AK) |
| Rohrabacher | Stump | Young (FL) |

NOT VOTING—8

| | | |
|---|---|---|
| Aderholt | Mollohan | Tauzin |
| Blagojevich | Shuster | Wynn |
| Hansen | Slaughter | |

□ 2018

Mrs. BONO changed her vote from ''yea'' to ''nay.''

So the Senate concurrent resolution was not concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1480, WATER RESOURCES DEVELOPMENT ACT OF 1999

Mr. HASTINGS of Washington, from the Committee on Rules, submitted a privileged report (Rept. No. 106–120) on the resolution (H. Res. 154) providing for consideration of the bill (H.R. 1480) to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes, which was referred to the House Calendar and ordered to be printed.

## REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 833

Mr. BRADY of Pennsylvania. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 833.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## ANNOUNCEMENT OF AMENDMENT PROCESS FOR CONSIDERATION OF H.R. 833

(Mr. HASTINGS of Washington asked and was given permission to address the House for 1 minute.)

Mr. HASTINGS of Florida. Mr. Speaker, the Committee on Rules is planning to meet the week of May 2 to grant a rule which may limit the amendment process for floor consideration of H.R. 833, the Bankruptcy Reform Act of 1999.

Earlier today the Committee on the Judiciary ordered H.R. 833 reported and is expected to file its committee report tomorrow, Thursday, April 29. Any Member wishing to offer an amendment should submit 55 copies and a brief explanation of the amendment to the Committee on Rules in room H–312 of the Capitol by 3 p.m. on Monday, May 3. Amendments should be drafted to the amendment in the nature of a substitute ordered reported by the Committee on the Judiciary. Copies of this amendment may be obtained from the Committee on the Judiciary. It is also expected to be posted on the committee's web site.

Members should also use the Office of Legislative Counsel to ensure that their amendments are properly drafted, and should check with the Office of the Parliamentarian to be certain their amendments comply with the House rules.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will now recognize Members for the purpose of 1-minute speeches.

## ADMINISTRATION SHOULD EMBRACE ALL ATTEMPTS FOR PEACE IN BALKANS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, my colleagues and I have asked the Russian government to work constructively towards a resolution of the Balkans crisis, and I am happy to say that the Russian government has responded in the hopes of achieving a workable solution.

Unfortunately, the administration has missed what I and many of my colleagues consider a tremendous opportunity to end this conflict and the bloodshed on both sides.

I commend our counterparts in the Russian Duma and the gentleman from Pennsylvania (Mr. WELDON) for their efforts in furthering this option which relies on diplomacy instead of smart bombs.

Mr. Speaker, this proposal includes Serbia's compliance with all NATO conditions, an end to ethnic cleansing, deployment of international troops to Kosovo, and all under a United Nations sanctioned monitoring group.

As a veteran who understands the horrors of war, I believe that we, as a Nation, would regret not pursuing a peaceful solution to this conflict, a conflict which has already caused a humanitarian disaster and potentially thousands of lives, military and civilian alike.

I hope the administration will embrace this effort for peace in the Balkans.

## CONGRESS AND NATION SHOULD UNITE TO STAND FOR PRINCIPLE, FOR OUR ALLIANCE, AND FOR FREEDOM

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, I was elected to this House on May 19, 1981 in a special election. I had decided to get into politics when JOHN KENNEDY ran for President of the United States and he gave an inaugural address, what I think was probably the most famous in our history, perhaps. He said that this Nation would pay any price, bear any burden to defend freedom here and around the world.

I love this institution. I am proud that I am a Member of the House of Representatives. But I have served no worse day than this one in the House of Representatives.

The previous speaker talked about the cooperation of our Russian allies. I agree with that proposition. But more importantly is the cooperation of each of us in a nonpartisan, bipartisan way to say that when our Nation and when our leader makes a determination to confront tyranny, dictatorship and genocide, that we will stand together.

Our young people are flying out of Aviano tonight, this day, this hour. I hope the message that we send to them is not as a divided House or Nation but as a Nation that sees its duty and responsibility as the leader of the free world and, when it comes to the water's edge, can unite to stand for principle and for our alliance and for freedom.

□ 2030

## U.S.-CUBAN BASEBALL GAME IS PROPAGANDA BONANZA FOR CASTRO

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute.)

Ms. ROS-LEHTINEN. Mr. Speaker, this Monday the latest U.S. concession to the Castro dictatorship will take place just a few miles from the Capitol when the Baltimore Orioles will play the Cuban national team.

This event is nothing but a propaganda bonanza for Castro as it helps the dictatorship divert attention from the repression that continues on the island.

For every pitch thrown in the game, one more person in Cuba will be fearing

that one of Castro's thugs could come knock on his door and arbitrarily arrest him.

For every hit, one more political prisoner in Cuba will be hungry and needing the medical attention that the regime denies him.

For every inning that goes by, one more dissident will be harassed for speaking merely about bringing freedom to the enslaved island of Cuba.

And let us not fool ourselves. Playing ball with Castro will do nothing to help the Cuban people achieve their long-sought freedom.

Just last Friday, the United Nations Human Rights Commission condemned the atrocities of the Castro tyranny. Yet on Monday we will play ball with that same dictatorship.

We must stop rewarding the Castro tyranny while the regime continues its brutal repression on the people of Cuba, who desire to live in freedom.

## DEPLOYMENT OF TROOPS FROM MOODY AIR FORCE BASE, VALDOSTA, GEORGIA

(Mr. BISHOP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BISHOP. Mr. Speaker, about 100 members of the 41st Rescue Squadron are scheduled to leave by tomorrow to be deployed in the NATO operation to bring peace and stability to Kosovo. While all of us who serve in this body consider it a very personal matter whenever our troops are sent into harm's way, this is especially the case when they are in our own hometowns.

These troops are from Moody Air Force Base in Valdosta, Georgia, located in Georgia's Second Congressional District. They carry out combat search-and-rescue missions, a highly skilled and dangerous job, yet very vital to these operations.

As they embark upon this mission, I know all of my colleagues join with me in wishing them godspeed and a safe return. My prayers go out to all of the deployed men and women and their families for a speedy return.

God bless NATO. God bless our troops and their families. God bless the people of Kosovo. And God bless America.

## ON KOSOVO: BIPARTISAN VOTE IN HOUSE

(Mr. OSE asked and was given permission to address the House for 1 minute.)

Mr. OSE. Mr. Speaker, my colleagues, I have been a Member of this House for 14 weeks, as I shared earlier today; and I have to tell my colleagues, my pride in serving here and the honor that I share in being here multiplied at least three orders of magnitude today.

I am a thousand times more proud today of the action of this House in exercising its constitutional authority as one of the legs of this government in specifying its concerns from both sides of the aisle as to the action we have been undertaking in Kosovo.

I want to note for the record that in fact this was a bipartisan vote on both sides of the question. There were more Republicans voting in favor of continuing the President's action in Kosovo than there were Democrats voting against it. But, in fact, there were Members on both sides of the question, from both sides of the aisle.

This is a strength of America. It is the thing we have that no one else in this world does. It is something to be proud of rather than question. And I am still honored to be here.

God bless the United States of America.

## TODAY IS A DAY WHICH HOUSE WILL PROFOUNDLY REGRET

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, I disagree with virtually every word uttered by the previous speaker. The previous vote, in my view, represents an appalling lack of judgment, an appalling lack of will, an appalling lack of leadership, an appalling lack of vision, an appalling abandonment of the national interest, an appalling abandonment of the troops in the field, an appalling lack of bipartisanship.

It is a day which this House will profoundly regret.

## IN SUPPORT OF U.S. TROOPS IN KOSOVO

(Mr. SCARBOROUGH asked and was given permission to address the House for 1 minute.)

Mr. SCARBOROUGH. Mr. Speaker, it is so easy for other people to come up and say we should stifle our voices and not speak our minds, when people in my district from five military bases in my district are the ones that will be dying over there.

The very children of those troops that will be dying are the ones that go to public school with my children. The wives and husbands of the troops that will be dying are the ones that go to church with me every week. The ones that will be dying over there are the ones that I see every day in and out, five military bases, probably more active duty people in my district than anybody.

So let us not get up here and be self-righteous and talk about how we do not support the troops. This is about supporting the troops. If we think the President's policy is wrong-headed, do not tell me we do not have the right to come to this floor and talk about our concerns.

We have grave concerns. We need to sit back and look at the policy, refocus, and decide what is best not only for the world, not only for this country, but for the troops that we are sending in harm's way.

## U.S. AND NATO WILL PREVAIL IN KOSOVO

(Mr. KIND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KIND. Mr. Speaker, I am just in my second term here in the United States and I have to state that tonight I have never been more embarrassed to be a Member of this institution based on the vote that we just cast a few minutes ago.

Has partisan politics so permeated this culture that we cannot see the long-term vision of what is happening in Europe? Milosevic is the only surviving tyrant left on the continent. He is surrounded by democracies.

Who amongst us 10 years ago could have predicted that some of the most repressive Communist regimes in central Europe would be flourishing democracies and members of the European Union and NATO today?

That is the inevitable course of events in Europe. And we have a role. Peace and humanity will prevail in Kosovo. The refuges will go home. They will have security. They will have self-autonomy.

And, Mr. Milosevic, make no mistake about this vote tonight, that is not negotiable; the U.S. and NATO will prevail, or God help us all.

## CONGRESS IS SENDING WRONG MESSAGE TO U.S. TROOPS IN KOSOVO

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I do not know what we wrought just a few minutes ago. And it is interesting to listen to my colleagues talk about defending the troops and saving lives. But if they would have read the resolution that we had before us just a few minutes ago, although I am not challenging the conscience of those who express themselves, this is where we should do it. That is why we have a democracy.

But it is interesting, Mr. Speaker, that just a few minutes ago we voted not to support those troops who have their lives on the line, who engage in the military air strikes, just as our Senate colleagues voted a couple of weeks ago to say we support their efforts in bringing about peace, in bringing about a resolution in fighting for the refuges.

I am not sure what we thought we were doing, but the message that goes

out to those who have to leave right now and engage in war and conflict on behalf of the freedom of those of us here in the United States and of those refugees being murdered and raped is that we are not in support of their efforts.

I hope that we will not say to the POWs we do not want them home. I hope that we will correct this mistake that we have made. But most of all, I hope the clear message will be that we, as Americans, stand united behind freedom, behind justice, and behind the safe return of the refugees and the POWs.

## PRESIDENT NEEDS TO CONSULT CONGRESS AND AMERICAN PEOPLE WHEN SENDING TROOPS TO WAR

(Mrs. FOWLER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FOWLER. Mr. Speaker, I just want to address the House in relation to some of the comments that my colleagues have just made.

This has been a very serious day today. We have had some serious debate. Some people really have really been struggling with their consciences and their decisions because we have been talking about young Americans' lives, because we have young American lives at risk today. There are young men and women from my district that are flying over Yugoslavia tonight, dropping some of those bombs.

The message that I think was sent today was twofold. One was to the President of the United States, that whenever he is going to send our young people into harm's way, he needs to come to this Congress, he needs to consult with the Congress, and he needs to go to the American people.

This is not a unilateral decision that should be made by the President. He needs to come to the Congress, the representatives of the people. This is not about whether we support the troops or not. We all support our troops, and we are going to give them every resource they need. But the President of the United States needs to come to this Congress.

And second is that we do have a democracy that works. Our forefathers were so wise because this is an institution that works. And while we disagree and sometimes we like the way the vote comes out and sometimes we do not, the institution of our government works and it will continue to work for as long as this country lasts.

## CONGRESS SUPPORTS AIR WAR IN KOSOVO

(Mr. SHERMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHERMAN. Mr. Speaker, this has been a momentous day. And it is important that the Nation, and especially the leaders in Belgrade, do not misinterpret what happened here.

America will continue the air war, and that air war has the support of this House. America demands the resettlement of the Kosovars in safety in Kosovo, and that has overwhelming support. And that is all indicated by our rejection of the resolution to withdraw all military efforts from the Yugoslav theater.

We also voted clearly, and the White House should not misconstrue this, that before massive ground forces are deployed, Congress must be consulted.

And finally, in what I fear will be a confusing vote, and I use this speech to avoid such confusion, we voted 213–213 on a resolution that seemed restricted to the air war, but those who understand our legal system will recognize that the reason we voted that way was to make sure our own courts did not misinterpret that vote as a vote in favor of a carte blanche to the President. We support the air war by a large vote in this House.

## SPECIAL ORDERS

The SPEAKER pro tempore (Mr. WAMP). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

## BLIND EMPOWERMENT ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. EHRLICH) is recognized for 5 minutes.

Mr. EHRLICH. Mr. Speaker, I rise today to introduce the Blind Empowerment Act, which will impact the lives of nearly a quarter of a million blind people.

The Blind Empowerment Act, Mr. Speaker, restores the long-standing linkage between blind people and senior citizens under the Social Security Act. This bipartisan legislation, which currently has over 230 cosponsors, will restore this historic link and empower blind people.

For nearly 20 years, the blind and senior citizens were linked for purposes of the Social Security earnings test. Generally, the test has been a part of our Social Security program since its inception. The test reduces the benefits of recipients who earn above a certain amount of income from their work.

In 1977, the Social Security amendments established the earnings limit for the blind who receive disability benefits. This exempt amount was linked to the identical exempt amount as applied to seniors 65 and over.

In 1996, we did the right thing by raising the earnings limit for seniors from $11,500 to $30,000 by the year 2002. That was the Senior Citizens Freedom To Work Act. Giving seniors the opportunity to increase their earnings and keep their benefits was the right thing to do.

During the process, however, this historic link between the blind and the seniors was ended, which aided in balancing the budget. As a result, by 2002, when the exemption for seniors becomes $30,000, the lower limit set by Congress for the blind will be half that amount.

It is also important to note that when blind individuals earn more than the earnings limit threshold, they lose all of their benefits. The senior citizens in the same situation would only have their benefits reduced by a rate of $1 for every $3 earned over the limit.

We should not roll back the progress of the last 2 decades by continuing a policy which discourages working individuals from becoming self-sufficient and making a contribution to their communities.

It is my belief that ''delinkage'' occurred because our priorities in 1995 were to rein in deficit spending and not to provide a disincentive to the working blind. The blind want to work and take pride in doing so.

In an era of budget surplus, need for capable workers in a tight labor market, and a clear opportunity to demonstrate fairness and equity, it is time for Congress to restore this historic link. The increasing number of working blind Americans will produce additional tax revenue and contributions to the Federal Treasury and the Social Security Trust Fund.

Approximately 70 percent of working-age blind people are underemployed or unemployed. Accordingly, blindness is often associated with adverse social and economic consequences. It is difficult for blind individuals to find sustained employment or, for that matter, employment at all.

□ 2045

This is especially good, commonsense legislation during this favorable economic time. When I listen to business owners back in my district, one thing they tell me is that their priority is to find and keep quality workers.

Mr. Speaker, I urge this House, the rest of my colleagues in this House, to join me in sponsoring the Blind Empowerment Act. I am confident Congress will do the right thing and restore fairness and trust by reestablishing this historic link and return to the blind the vital economic freedom which will empower them to provide for themselves and their families and contribute to the health of this Nation.

## RECOGNITION OF JUNIOR ROTC PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from American Samoa (Mr.

FALEOMAVAEGA) is recognized for 5 minutes.

Mr. FALEOMAVAEGA. Mr. Speaker, recently in my home district, I was invited to participate in a special banquet sponsored by the high school leaders who are members of the Junior ROTC program. The program is administered by a retired military officer and the instructors are usually retired senior noncommissioned officers.

That evening, Mr. Speaker, I was very impressed with the discipline, decorum and the conduct of these young high school students. These young Junior ROTC cadets learn about honor, duty and responsibility to their families, to their communities and to their nation. These young people learn also what it means to live as a free people, to understand and appreciate more what democracy and freedom is all about.

But what impressed me even more, Mr. Speaker, was that as part of the opening ceremony, three candles were brought forth and placed on the head table. The candles were lit, and then the young cadet started explaining that these three candles represented Staff Sergeant Andrew Ramirez from Los Angeles, California; Sergeant Christopher Stone from Smith's Creek, Michigan; and Specialist Steve Gonzalez from Huntsville, Texas. These three soldiers are currently being held captive by the Serbian Army of Yugoslavia. The young cadet then reminded her cadet corps members and the entire audience that on behalf of approximately 1,000 Junior ROTC cadets and all the young people of American Samoa that we should all pray for the safety and welfare of these three soldiers and a special prayer for their families and loved ones.

And I want to thank Major Ernest Logoleo and his administrative staff for doing an outstanding job with the JR-ROTC program in Samoa. And I also want to commend our JR-ROTC instructors for their commitment to excellence and teaching these young people the importance of living under a democratic form of government. Our instructors are—from the Samoana High School . . . CW3 Vasaga Tilo, MSG Afiafi Tinae, MSG Roy Peeble, and SFC Willie Togafau; from Leone High School . . . 1SG Mikaele Taliloa, 1SG Ben Laussen, MSG Tasiga Tofili, and SFC Vainuupo Nuusa; from Fagaitua High School . . . MSG Fatuesi Fatuesi, SFC Ofisa Asoau, and SSG Ernest Misaalafua; from Tafuna High School . . . MSG Lorn Cramer, MSG Arona Gabriel, and MSG Fesili Bryant; from Manu'a High School . . . 1SG Siaosi Asalele and SFC Mose Mata'utia.

Mr. Speaker, I also want to commend the student cadet leaders from their respective high schools for their demonstration of leadership and example among their peers—Cadet Colonel Fatherday Sele of Samoana High School; Cadet Colonel Diamond Otto of Tafuna High School; Cadet Colonel Bert Fuiava of Manu'a High School; Cadet Colonel Rea Vele and Jason Poyer of Fagaitua High School; and Cadet Colonel Jessica Afalava of Leone High School.

Mr. Speaker, as I was preparing my remarks for this special order, I had a difficult time trying to say with some sense of certainty, how the current debate now pending before the House Floor, is going to end—the options on whether Congress is going to officially ''declare war'' against the Republic of Yugoslavia, or whether Congress is simply going to pull the plug and tell the President of the United States to take our military presence completely out of Yugoslavia; or, that the President is not to move an inch until and unless the Congress says otherwise. Mr. Speaker, these options do not paint a very pretty picture for our nation and to our NATO Allies, let alone the lives of the three American soldiers that are now being held at risk. And Mr. Speaker, whether it be three American soldiers, 30,000 or 300,000—this begs the question how does America value the lives of our men and women in uniform? whether it be three, 3,000 or more? Mr. Speaker, I consider the life of any American soldier just as important as 3,000 or more.

Mr. Speaker, how is it possible for this Congress to declare war against Yugoslavia and then decide to take our armed forces out of that country? The fact of the matter is, Mr. Speaker, we already have committed our soldiers to Yugoslavia by keeping the peace in the State of Bosnia and already has cost our government some $9.4 billion to maintain the peace in this area of Yugoslavia.

Mr. Speaker, there have been some arguments made that our Nation is not the ''policeman of the world,'' that this matter of Bosnia and Kosovo is not in our national interest. Mr. Speaker, my colleagues may have already forgotten the fact that we did say that the Balkans is a European issue, and it should be handled by the Europeans. In fact, as I recall, President Chirac of France was quite specific about this matter, saying to the effect, ''You Americans stay out of this controversy. We in Europe will handle this.'' Well, we did. After 3 years of utter failure by France, England, Germany and other leading European countries to solve the crisis in Bosnia, our President was then asked to step in and the Dayton negotiations resulted in where we are now maintaining the peace in Bosnia.

Mr. Speaker, it is not easy to be king of the mountain, the leader of the free world and the most powerful nation on this planet. I remember once mentioning to a foreign diplomat here in Washington that the United States is getting tired of being the world's policeman. This gentleman turned to me and said, ''So you would prefer China and Russia filling the vacuum? You would now prefer that we negotiate with China or Russia the global issues that will affect the life and death struggles of many nations that look up to America as their last hope for freedom and for economic and political stability?'' Mr. Speaker, I had to think again about what this diplomat said to me and wondered what would this world be like if America was not the premier leader of the free world, if America was to take the third or fourth seat down the line and allow China or Russia to lead the world on issues that affect the lives of every human being living in this world.

Mr. Speaker, I ask my colleagues to stay the course, let the President lead this Nation, and that we should support his efforts to resolve the crisis in Kosovo. And if it becomes necessary that we utilize whatever force of arms to bring Milosevic to properly negotiate a peace agreement in that area of the world, so be it. And let us remember those three soldiers who are now held as hostages in Yugoslavia.

Mr. Speaker, I want to thank Major Logoleo and his administrative staff, the instructors of the Junior ROTC program, and more especially some 1,000 high school cadet students who participate in this program. My only hope is that in the future the program will continue to give these young people excellent training in leadership, organization and a love and appreciation of the principles that our Nation was founded upon, equality, freedom and democracy.

## MANAGED CARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Ms. WOOLSEY) is recognized for 5 minutes.

Ms. WOOLSEY. Mr. Speaker, 5 years ago the Republicans defeated President Clinton's health care reform bill. They claimed it would allow the Federal Government to interfere with the doctor-patient relationship. Yet when the same relationship was threatened by a corporate bureaucracy, Republicans last year offered legislation that did nothing to protect the sanctity of choices made by doctors and their patients.

It is the same story in the 106th Congress. Democrats have been waiting 2 years to pass the Patients' Bill of Rights. Right now we are ready to work to improve Americans' access to quality health care. Right now, today, we are ready to make consumer protections real for all Americans. Although many States have passed legislation making patchwork protections State-by-State, this patchwork does not provide a good fix for over 160 million Americans, Americans who need health care reform.

While there are many fine managed care organizations in my own district, and they are good, Sonoma and Marin Counties, California, on the leading edge of health care reform, too many horror stories are all too well known across this country. Doctors tell us real-life horror stories about how they are gagged by insurance companies that dictate what they can tell their patients about treatment options.

They tell us that a patient's treatment decisions are often overruled by a clerk and that patients are denied a specialist's care. Or they tell us that patients are shuttled out of a hospital before recovery is complete.

Americans know better. They want better treatment. Americans are demanding that the Republican leadership take real action on health care reform. But instead, the Republican legislation does not ensure that patients have the right to even see a specialist. Nor does it prevent insurance companies from continuing to send women who receive mastectomies home early, against the advice of their physician. Lastly, under the Republicans' bill, if patients are denied care, they would not have the right to a meaningful external appeal. In other words, they will not be able to sue.

In the final analysis, Mr. Speaker, the Republican bill will do little to prevent medical decisions from being made by insurance company clerks instead of by doctors and their patients.

What our health care system needs is the Democratic Patients' Bill of Rights. This legislation will make sure that doctors and patients are free to make decisions about patient health. The Patients' Bill of Rights will ensure that patients have the right to openly discuss with doctors their treatment options, have the right to receive uniform information about their health plan, have the right to go to the emergency room when the need arises, have the right to see a specialist, and seek remedy from the courts when claims have been unfairly denied.

It is time to put doctors and patients back in charge of our health care system. I urge the Speaker and my colleagues to support the Patients' Bill of Rights. I plead with the Republican leadership to bring HMO health care reform to the House floor for debate.

## CONGRESS IRRESPONSIBLE IN DEALING WITH KOSOVO ISSUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. OBEY) is recognized for 5 minutes.

Mr. OBEY. Mr. Speaker, over the last month this Congress could not have been more irresponsible in the way it has dealt with the issue in Kosovo if it had taken lessons. I would like to walk through with you the quaint way in which this institution has stumblebummed its way through its efforts to try to deal with our constitutional responsibilities.

First of all, it gratuitously decided to vote on the question of whether or not the President could use peacekeepers in Kosovo. That is not a constitutional prerogative of the Congress. The President as Commander in Chief has the prerogative of deciding where to use troops in noncombat situations.

Then, having gratuitously decided to support the placement of those peacekeepers in Kosovo, when the war began this institution then did not step up to its responsibilities to vote on whether or not the combat should proceed. The Senate did. They passed, I believe, the McCain-Warner motion which indicated their support for the ongoing military operation in Kosovo.

Then, further compounding its backwards approach to this issue, this House decided today that it was going to stipulate that under no circumstances could ground troops be used in Kosovo. Again, that is not a congressional prerogative. Once you are in a combat situation, it is the President and his military advisers who have the constitutional obligation to determine what the best way is to proceed militarily, whether it is through the use of ground forces, whether it is through the use of air power, whether it is through the use of naval power or a combination of the three.

The Congress has the right and an obligation to address the question of whether military activity should proceed, but when they are proceeding it has no right to try to micromanage the combat situations. That is a responsibility of our military leaders and the President.

Then, having compounded the confusion by gratuitously getting involved in that issue, it then proceeded to turn down, by one vote, the endorsement of the McCain-Warner language, good bipartisan language with Republican leadership in the other body. It then turned down our obligation to support troops in the field. I just find the way this institution has approached this to be mind-boggling.

And now, tomorrow, after they have turned down their authorization for what is going on in Kosovo, we will be marking up the supplemental appropriation bill in the Committee on Appropriations. And guess what? The same crowd that voted ''no'' on authorizing this military operation today will be going into that committee and demanding that we double the amount of money that the President asked to spend on it, taking it from $6 billion to over $13 billion and creating an opportunity to pork up the next year's defense bill in the process.

Never, never in the 30 years that I have served here have I seen less vision. Never have I seen less leadership. Never have I seen more confusion. And never have I seen the national interest being left in the dust the way it is tonight. I want to see how many Members of the majority party who today voted against authorizing this operation will tomorrow then demand that we double the amount of spending for the supplemental. It is very clear to me, based on the votes taken here today, that that supplemental appropriation is dead.

## RECOGNIZING THE WORK OF DR. DAVID J. CANTOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. REGULA) is recognized for 5 minutes.

Mr. REGULA. Mr. Speaker, after this week we will be losing a trusted friend at the Congressional Research Service (CRS) who has been instrumental in providing timely and accurate information to Members of the Congressional Steel Caucus and to our staffs regarding the U.S. steel industry and its workers. I am speaking of Dr. David J. Cantor, who is retiring at the end of this month after spending 18½ years with CRS as a specialist in industry economics.

Dr. Cantor brought to CRS a distinguished academic and professional background when he joined the staff in 1980. Dr. Cantor has a Ph.D. in Economics from Harvard University and held faculty positions at Boston University, Nasson College and Golden Gate University. He spent several years with the U.N. Industrial Development Organization in Vienna, Austria and worked as an Energy Specialist with the California Energy Commission.

At CRS, Dr. Cantor has followed energy economics and the pharmaceutical industry, but his primary specialization has been following the steel industry. In the early 1980s, Congress enacted an enforcement mechanism for the Voluntary Restraint Agreements (VRA), which allowed the domestic steel industry and its workers to take actions to modernize the U.S. steel industry and make it world competitive. Throughout the 1980s and early 1990s, Dr. Cantor authored numerous reports monitoring the Steel VRA program which allowed the Steel Caucus to closely monitor the Administration's enforcement of this program.

Dr. Cantor also authored a report demonstrating that import limitations of the steel VRA program were not responsible for rising steel prices. More importantly, Dr. Cantor authored a series of reports that defined the steel industry as a basic industry, and not just as a supplier to steel using sectors of the economy. As Chairman of the Congressional Steel Caucus, Dr. Cantor's work has been instrumental in our work to maintain this vital U.S. industry and the important jobs associated with it.

Most recently, many of us have worked closely with Dr. Cantor to understand the current steel import crisis and to formulate legislative proposals that respond to this import crisis.

We in Congress who work closely on issues relating to the U.S. steel industry and to workers in this important industry have come to trust and value Dr. Cantor's analysis of steel issues. We have come to expect the clear and unequivocal conclusions that he has provided to us. To his tribute, he has earned the trust of not only Members of Congress and their staffs, but also of the steel industry, the unions and steel users. On behalf of the Members of the Congressional Steel Caucus, I would like to thank Dr. Cantor. We wish him and his wife all the best when they begin their retirement in Phoenix, Arizona this summer.

□ 2100

## DEPARTMENT OF DEFENSE'S OBFUSCATION OF ISSUES SURROUNDING GULF WAR ILLNESSES

The SPEAKER pro tempore (Mr. WAMP). Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, the GAO recently presented me with results of a year-long investigation regarding reports that the presence of antibodies for squalene had been discovered in the blood samples of 6 Gulf War veterans. I am deeply troubled over the Department of Defense reply to the GAO recommendation. The GAO simply stated that since scientifically-credible research produced these findings, it would behoove the Department of Defense to conduct their own test to replicate or to dispute the results. We owe this to our veterans.

The DOD response to the report has been unconscionable. In the department's official letter of comment Dr. Sue Bailey accused the GAO of being, and I quote, scientifically and fiscally irresponsible. That is a reprehensible statement, and I can not allow that accusation to go unchallenged.

The recommendation reflects the scientific community's conclusion that the squalene antibody research is based on well-established principles. The lead researcher at Tulane University is widely respected. Tulane and the researchers have offered their assistance to DOD. Considering this, the Department of Defense cannot accuse the GAO of scientific irresponsibility.

What is irresponsible is for the DOD to conclude that it can afford to wait for the lengthy publication process before conducting its own inquiry. Over 100,000 Gulf War era veterans are now afflicted with a tragic assortment of health problems. We have a moral obligation to aggressively pursue any legitimate research that may provide hope and answers.

Further, the DOD challenged the GAO's recommendation on fiscal grounds. I find this stunning. Over $100 million have been spent researching Gulf War illnesses with little to show for the effort. DOD officials admitted to the GAO that they could develop such an assay at minimum cost and test it on a sample of sick veterans. This first step could be funded for as little as $10,000.

GAO's investigation was hindered repeatedly by DOD's refusal to provide forthright and truthful answers to investigators. They misled the GAO regarding when they began the research of the experimental squalene adjuvant, how many studies they did and how many personnel were involved. While assuring the GAO that investigational vaccine were not used, DOD officials were not able to provide documentation on the process and results of the decision-making related to the administration of vaccines during the Gulf War.

These actions mirror the continual difficulty that has been encountered in trying to get the truth regarding risk factors during the Gulf War. There has been a pattern, a consistent pattern, of denials. For example, DOD initially refused to even acknowledge that many vets were having serious health problems.

With this kind of track record and a tragic past history of experimental medical research, the DOD cannot expect us to simply accept their denials and refusals. Our ability to recruit and retain has been compromised by the department's obfuscation on many issues surrounding the Gulf War illnesses. They must act immediately and with integrity to resolve whether or not squalene antibodies may be contributing to the illnesses of Gulf War era veterans. It would go a long way in helping the DOD to restore its seriously damaged credibility and restoring the trust of our men and women in uniform.

## MORAL AND CONSTITUTIONAL WARS MUST BE FOUGHT IN SELF DEFENSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, we have heard from several Members already about being unhappy with the legislative process today. The votes did not go exactly the way I wanted, but I am not all that unhappy with what happened because there was a serious effort for this House to restore some of the responsibility that they have allowed to gravitate to the administration and to our Presidents over the many years.

Today's legislative process was chaotic, but I think it was chaotic for a precise reason. We are trying to rectify something that has been going on for more than 50 years, and it is not just this President. It is every President that we have had since World War II. We have in the Congress permitted our Presidents too much leeway in waging war.

This was an effort today to restore that responsibility to the House. It was done sloppily, but considering the alternative of doing nothing, this was much better.

So I am very pleased with what happened today. I am disappointed that there was such strong feelings about the outcome. But I suspect they were not unhappy with the process as much as they were unhappy with not winning the votes.

But nevertheless the votes were very important today. One of the most significant, if not the most significant: we on this House floor today voted up and down on a war resolution. This is not done very often and under the circumstances that exist today, probably the first time.

But that was an easy vote. The House overwhelmingly voted not to go to war. This makes a lot of sense. This is a very good vote. Why should we go to war against a country that has not aggressed against us?

So this was normal and natural and a very good vote. The problem comes with the other votes because they do not follow a consistent pattern.

I think there are too many Members in this House who have enjoyed the fact that they have delivered the responsibility to the President. They do not want war, but they want war. They do not want a legal war, they want an illegal war. They do not want a war to win, they want a war that is a half of a war. They want the President to do the dirty work, but they do not want the Congress to stand up and decide one way or the other.

Today we saw evidence that the Congress was willing to stand up to some degree and vote on this and take some responsibility. For this reason I am pleased with what happened. So voting against the war that has no significant national security interest makes a lot of sense to me.

Another vote, the vote to withhold ground troops unless Congress authorizes the funding for this; this is not micromanaging anything. This is just the Congress standing up and accepting their responsibilities. So this in many ways was very good. This means that the people in this country, as they send their messages to the Members of Congress, are saying that this war does not make a whole lot of sense. If the people of this country were frightened, if they felt like they were being attacked, if they felt like their liberties were threatened, believe me the vote would have been a lot different.

But I am very pleased that this House stood up and said:

Mr. President, you have overstepped your bounds already. Slow up. Do not get this notion that you should send in ground troops. It makes no sense to this House.

Now the interesting thing is that was a resolution, it was a House Resolution, that probably really does not have much effect other than a public relation effect because it would have to be passed by the Senate, it would be vetoed by the President, we would have to override his veto. So, in the practical legislative sense it does not mean a whole lot, but it means something in the fact that we brought it to the floor and we were required to vote on it.

Another resolution that was defeated unfortunately, and it was defeated by a two-to-one margin; this would have said that the President would have to

cease, we should have told him to cease, because we have not given him the right to wage war. As a matter of fact, even today we said there will be no war, there will be no declaration of war, so we should consistently follow up and say what we should do is withdraw and not fight a war.

Likewise, when we come to the endorsement of the military bombing, fortunately it went down narrowly. But it in itself, too, does not have any legal effect. That is a House Concurrent Resolution that has no effect of law other than the public relations effect of what the Congress is saying.

But I think it is a powerful message that the American people have spoke through this House of Representatives today to not rubber stamp an illegal, unconstitutional and immoral war. The only moral war is a war that is fought in self-defense. Some claim that this is a moral war because there are people who have been injured. But that is not enough justification. The moral and constitutional war has to be fought in self-defense.

## LET US PURSUE A DIPLOMATIC SOLUTION ASAP TO END THE SITUATION IN KOSOVO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. WHITFIELD) is recognized for 5 minutes.

Mr. WHITFIELD. Mr. Speaker, this evening the House had an emotionally charged debate about our policy in Kosovo, and contrary to remarks made after the vote, this was not a vote against the troops. This was a vote against the policy of this administration. All of us support the troops and the young men and women who are doing their duty.

But I think it is also sad. I understand that people become so emotionally charged that, if they lose, they automatically say this was a partisan vote, and I understand that. But I think it is important to remember that these are very serious issues, and all of us have very strong feelings about them, and we may not all agree with the views of others.

But I think, as we debate U.S. involvement in Kosovo, it is important to remember that there has been political and religious turmoil in Kosovo since at least 1389. The Muslim forces of the Ottoman Empire defeated Serb forces on the plains of Kosovo at a place called the Field of Black Birds, and Kosovo has been a sacred place for Muslims and Orthodox Serbs for generations. It is unimaginable really that either group would ever be forced to leave a place they consider their homeland.

Now today in the New York Times and other national magazines our military commanders of NATO acknowledged that 5 weeks of intensive bombing has failed to reduce the size of the Serbian forces in Kosovo or in their operations against Albanians. The 4,423 bombing sorties may have rendered Serb air defenses ineffective, but air strikes have not accomplished the stated purpose, to stop the ethnic cleansing of the Kosovars. However innocent civilians in Belgrade, in Kosovo and other locations throughout Serbia and Yugoslavia have been killed by NATO air strikes, and the number of civilian casualties and incidents of misdirected weapons continues to increase. Relentless bombing has become ineffective, and the more it continues, the more innocent civilians are going to be killed and injured in Kosovo and in Serbia, and certainly a military action in which the only victims are civilians will not be long supported by the world community.

Now I do not think we should mislead the American people. We already are in a quagmire in Yugoslavia, and there is no easy way out, and it is very complex.

But in my view, and the reason that I have voted against the resolution this evening, because we have all sat by and we have watched these relentless air strikes that are totally destroying the infrastructure of Yugoslavia, and in the near future they are going to be coming back to America to help rebuild the country; but the reason I voted against the resolution tonight giving the President authority to continue these air strikes is because I believe that at this point America only has two options. One is an all-out ground war with air support to recapture Kosovo.

□ 2115

Now, this option would require over 75,000 ground troops, casualties would be inevitable, and troop presence would be essential to protect Kosovars for a long time once the war was completed.

The other option is a diplomatic solution. The goal of NATO should be to return the Kosovars to Kosovo. A military presence will be required to assure their safety, and, of course, Serbian forces must be removed. Now, there have been some indications recently that Mr. Milosevic may accept and be willing and required to accept the presence of foreign troops in Kosovo. In fact, he alluded to that in a recent interview with C-SPAN.

So I think that we have a real opportunity here through the Russians, through our NATO allies, through others that have contacts with Mr. Milosevic, to push this opportunity. I hope the President and his advisers will pursue a diplomatic solution as soon as possible to end this situation.

## INPUT FROM CONSTITUENTS ON ISSUES OF CONCERN TO AMERICA

The SPEAKER pro tempore (Mr. WAMP). Under the Speaker's announced policy of January 6, 1999, the gentleman from Colorado (Mr. SCHAFFER) is recognized for 60 minutes as the designee of the majority leader.

Mr. SCHAFFER. Mr. Speaker, I appreciate the chance to be recognized tonight in this special order. This special order is one that I hold for a number of members of the majority. I know there are some who are monitoring tonight's special order, and, for those who have something they would like to add to this hour, I would invite them to the floor now.

Mr. Speaker, being from Colorado, I want to take the opportunity to discuss just briefly before I move on to my other remarks once again the tragedy that took place a week ago yesterday in Colorado, and just express for the people of Colorado our profound gratitude for all of those throughout the country who have expressed their support, their concern, who have supported us through prayer and in so many other ways.

It is a tragedy that has really gripped our state, as it has the whole Nation, and it is encouraging for all of us in this time when we need a lot of courage and strength to know the rest of the country stands with us as a State and thinks daily about the families and the victims and all of those involved, young children, not only in Colorado but throughout the country, that are trying to make sense of a situation where I am afraid there is no logical conclusion that can be drawn as to what allows this kind of thing to occur in America.

Nonetheless, it has, and a great Nation such as ours will emerge from such a tragedy stronger in the long run, I am fundamentally convinced of that, and I believe that is possible because of the strength and support and the prayer of all those who have given considerable thought to our State in the last few days.

This is a topic that also emerged, Mr. Speaker, at a town meeting that I had last week. I go home to Colorado every weekend and visit with constituents and hold town meetings as often and as frequently as I can. The Fourth Congressional District of Colorado, which I represent, is a very large one. It represents approximately half of the State of Colorado, the eastern plains, and 21 counties in scope. So I use the opportunity of the weekends to get back home and talk to as many constituents as I possibly can.

I have a standing town meeting every Monday morning halfway between Fort Collins and Loveland, Colorado. Monday morning is a breakfast meeting. Naturally, the focus and concern expressed from the audience there was about the shootings in Littleton and the tragedy at Columbine High School. A number of suggestions and solutions and theories were suggested, of course, but, once again, just the feeling of

helplessness, the feeling of just devastation in the wake of something so tragic as the death of so many young people and their teacher is something that we will never, ever forget.

Another topic that comes up at the town meetings frequently is the issue that was at the heart of the debate that took place on the floor today, and that is of the U.S. involvement in Kosovo. I have to say I have run across in the last three weeks one constituent in my district who believes the President has acted properly in committing our armed services and our armed forces to carry out his war in Kosovo, that out of literally thousands of constituents that I have had a chance to meet with over the last three weeks.

The concern of those that I represent is certainly for the troops and is certainly for the most positive outcome we can possibly salvage from the operation in Kosovo, but their paramount concern is for the integrity of our Constitution.

There are many interpretations, I suppose, that can be made of the votes that took place here. Some of our colleagues on the opposite side of the aisle were seen not too long ago flailing their arms and speaking in elevated voices about their disappointment with the outcome of today's votes.

Some believe that the Congress, standing up for the Constitution, is an embarrassment. I would disagree entirely. He think that when our great founders 223 years ago, not just in launching a great country through the Declaration of Independence, but a few years later constructing a Constitution, were correct in suggesting that the authority to declare war should reside within the Congress, this House, as well as the other body, and should not be a function, certainly not a unilateral function, of the chief executive.

There are those today that disagree with that premise, and, after a month and a half of debate and deliberation, this Congress spoke forcefully and reasserted its authority and its constitutional role in deploying troops around the world and expressing its opinion about the constitutional basis for warfare.

One of the things I do in my district, Mr. Speaker, is ask for a lot of opinions. I ask people to write letters. I ask people to attend these town meetings that I hold. I ask people to fill out public opinion surveys that I distribute throughout my district and at these town meetings, and I want to share with you and the other Members tonight some of the results of some of those public opinion surveys. I want to go through some of the responses that I have heard from many people, because it really deals with those first two topics that I addressed at the start of this special order.

One of the questions that I asked in this survey, I asked 8 questions, and some of them rather open-ended. I asked, number one, what is the single most important issue facing the country today? Number two, I asked what is the single most important issue to you or your family? It is remarkable to see some of the responses that came in in response in answering this survey.

The number of times that the issue of morality and our national integrity came up was just astounding. It comes up as the number one issue more often than I would expect it, until you read the full descriptions of people's concerns, and then it becomes more apparent.

Here is one that I want to share. Again, what is the single most important issue facing our country today? Morality and the deficient educational system is the answer. Lack of old fashioned basic educational skills.

Please tell me why, this writer asks, and this writer is from Fort Collins, Colorado, please tell me why our children are cheated out of learning the very exciting history of our great country. This is the greatest country ever conceived, and we do not even teach these children why it is the greatest. They are kept completely in the dark. They are not taught that this is a constitutional republic instead of a democracy, the writer says. They learn nothing about the Founding Fathers, the greatest thinkers of all time. They know nothing about the Revolutionary War that was fought for 6 years to give the American people liberty and the pursuit of happiness. They know nothing about the suffering that the soldiers went through to save this country for liberty. Every other civilized country in the world teaches their children the country's history but ours. Instead, our children are taught socialism. It isn't until we are out of school that we realize how little we know, but it takes years for us to figure out why we have been taught so little.

Here is another writer who writes about his experience in Vietnam and talks about our history as a country and what we stand for as a Nation, why soldiers are deployed around the world and for what purpose. He speaks about getting back to a constitutional framework from which we exercise public policy.

Here is one that wrote about taxes as the number one issue.

We recently finished our kids tax forms for 1998. One of our children is 22 years old and has lived at home half of the year. The other is 19 and has lived at home for the full year. They both attend college full-time and work. They also have the maximum tax withheld from their paychecks. The 22-year-old had to pay in $89 and the 19-year-old had to pay in $181. We feel if government wants to help these kids, quit taxing them so much. College is so expensive, and then to tax them so much is truly unfair.

This is from a husband and wife with two children. They are also from Fort Collins, Colorado.

Here is another one. Again, the first question I asked in the survey is what is the single most important issue facing the country today? Moral decline is the answer from this woman from Wellington, Colorado. What is the single most important issue facing your family? The respondent says strong families for us and America.

When I asked what do you think is the biggest challenge for our schools, I put a number of boxes. Not enough funds reaching the classroom, class size too big, violence and drugs. This respondent checked none of those. They checked the ''other'' box and wrote in weak families as being the issue that has their greatest level of concern.

They wrote a special note that they attached. Congressman SCHAFFER, we are watching, we are listening. Hang tough on your moral convictions. Vote strong for the family. A strong family is a strong Nation. Keep up the good work. We pray for our Nation.

I receive lots of letters like this. I know many other Members of Congress do too. I want to assure all those who observed today's proceedings that it is worthwhile to write to your Congressman, it is worthwhile to pick up the phone, to attend the town meetings, to let us know what you think. There are legions of people here in Washington who read these and respond to them and take them to heart and make them become part of the direction we move in Congress.

There are several here. I see the gentleman from Texas has joined me on the floor, but before I yield time to him, I have to share this one response I received from an attorney who wrote, and please think about this.

Once again, the single most important issue to him, according to his response and return survey, is the breakdown of the family. He asks to see the attached letter, a handwritten letter that he placed on his letterhead.

It says Honorable BOB SCHAFFER, regarding the survey attached, breakdown of the family. There are a number of statistics he included.

Over 85 percent of my criminal case clients come from divorced or single parent families. Every school shooting incident nationwide that I am aware of, except one, involved children from broken homes. Both incidents in Colorado last week of young kids bringing guns or ammunition to school involved kids from broken homes.

Timothy McVeigh's, the Oklahoma City bombing, in parentheses, parents were divorced when he was in his teens. Most of my non-personal injury civil case legal work involves problems people face as single parents or divorced spouses, debt, bankruptcy, child support, child welfare, these kinds of actions and others, and I don't ever handle actual divorce cases, he says with

an exclamation mark. There are about the same number of divorce cases as felony criminal cases filed in Larimer County each year, 1,600 cases. We would not need a new courthouse or nearly as large a local, state or national government budget if not for all the broken families.

□ 2130

So there is a connection between social and fiscal issues, he says.

Here are some suggestions he gives us as far as causes. Number one, judges who legislate to set aside State laws, and he gives an example: the right of minors to get abortions, contraceptions without parental involvement, creating an atmosphere of no family responsibility and sexual license, and he is referring of course to the Title X clinics, which is a legitimate concern that all Americans should have. This is the program where the Federal Government provides funds for local health clinics to provide contraceptive services to children without the knowledge, much less the consent, of their parents. He cites that as an example of the authority of families being undercut.

Number two, the number two cause he cites: No-fault divorce and other family-ignorant legislation. Treating non-married parents like real parents regarding custody and visitation.

Three, government welfare programs without goals. This at least is being turned around. Thanks for letting me air my views.

Again, this is from an attorney and one who I happen to know is very involved in many local charities and community activities in the northern Colorado community. I have lots more input from constituents and things that are on people's mind, but I want to yield the floor to the gentleman from Texas (Mr. BRADY).

Mr. BRADY of Texas. Mr. Speaker, I thank the gentleman for the opportunity to participate with him in his special order. The gentleman takes, as I do, great faith in learning from our town hall meetings. Meeting with the people we represent, we never fail to learn when we listen carefully to their thoughts, when we listen carefully to the burdens they are under, whether they are just struggling to make ends meet or just trying to get their business going and keep it afloat, or just to have dreams for their kids that they want to make happen and how difficult it is when government gets in the way; even when the government is trying to help, it gets in the way. It is so important.

Like the gentleman, I also consult my constituents whom I represent at my cracker barrel sessions, my town hall meetings, which we have always called cracker barrel sessions around the tradition of meeting around the cracker barrel, talking about what is going on in the community and talking about politics, and we do the same thing today because we have a traditional district. Issues like Kosovo, the war, the shootings in Colorado, Social Security, there is much to discuss, and we had some of our best cracker barrel sessions ever, and I am looking forward to a new round we are holding in the next 6 weeks.

Mr. Speaker, on Kosovo, I want to talk a bit about that. I had a moment, a brief moment this afternoon to start to discuss it, and time was short, and I wanted to go back to it because it is such an important issue.

Mr. Speaker, Americans have big hearts. That is one of our best traits. Whenever we see killing, whenever we see injustice anywhere, we want to stop it, whether there is a national interest in it or not. Well, Kosovo, having good intentions, but a bad plan of proving to hurt the very people we are trying to help; rather than stopping the human suffering, we have increased it. Rather than stabilizing the region, we have made it more unstable. And now, it appears we are ready to pour more fuel on a very deadly fire in this very volatile region.

It seems tragic to me that with the lessons of the Vietnam War barely cold on our plates that we have not learned from it. Like Vietnam, we are waging a war today almost by the seat of our pants, driven not by military expertise, but by polls and what is politically correct and what are the overnight focus groups saying. As the gentleman would guess, results are predictably fatal, and failing.

Worst of all, I think we forget the most important lesson of Vietnam. It is fatal to enter any war without the will to win it. Those who most sought this war have shown that they lack, unfortunately, the political courage to aggressively target Slobodan Milosevic, his leaders and the Serbian army he commands. As General Douglas MacArthur said in a speech to Congress back in 1951, I believe, he said, ''War's very object is victory, not prolonged indecision. In war, there is no substitute for victory.''

Well, if a lethal criminal entered our neighborhood today, our schools, our hospitals, and began to shoot our families and innocent children and victims, the first responsibility of law enforcement would be to bring them down, to stop them cold, now. How would we feel if that responsibility, the law enforcement officers flinched, reluctant to take the shot, reluctant to do what it takes to stop the killing? Well, history will record in Kosovo that America flinched, that the allies flinched. The lives of innocent people, young and old, were lost because the commanders in chief somehow found it immoral or were reluctant to bring the shooters down and end these atrocities.

Last Thursday as I read The Washington Post, I read in one section about the atrocities and the fresh graves that had been dug, and I also read a NATO admission that they were, by design, leaving large sections of the Yugoslav Army untouched in the desire or the strategy that perhaps someday they can be part of a peacekeeping mission. So what I realized was that on the same day we were describing how young American fighter pilots were heading into Yugoslavia, led and being cleared the way by young American pilots leading the process and clearing the path with overhead reconnaissance planes, again with young American soldiers in them, all risking their lives in this conflict, yet, at the same time, we were, by design, preserving the lives of the Yugoslav Army, the ones who were committing the atrocities.

I find nothing humanitarian in a policy that allows young American soldiers to lose their lives, but lets Milosevic live. I find nothing moral or just about a policy, a strategy where the lives of innocent Kosovars die lonely and cold and hungry by the side of the road while we leave the Yugoslavian Army untouched, those who committed the atrocities, remain untouched.

Today in The Washington Post, and in many papers across America and in Texas where I live, NATO updated the war, and they went through a pretty impressive list of the aircraft that they destroyed and the airfields and some of the hangars and office buildings, and some of the infrastructure. But when it came to talking about the Serbian Army and what damage we had done to those who have committed the atrocities, they were silent.

Unfortunately and tragically, we now have pilots, young American pilots who risk their lives, and not in the hopes of preserving the American Army, but in preserving the Yugoslavian Army, and their targets are picked not by military experts, but by pollsters, and that is a failure. In this war, our humanitarian effort unfortunately has failed the Kosovars and failed the allies miserably. And now, like a desperate gambler who will not acknowledge their losses, we are thinking, if we can just gamble a little more, if we can just bomb a week longer, if only we can send in Apache helicopters, if only we put American ground troops in, just one more roll, just one more gamble, and perhaps we can win it all back.

Well, we cannot win back the lives of the Kosovars that have been lost and we cannot bring back together the refugee families that have been torn apart. But surely we can save the hopes and dreams of Americans and allied soldiers whose lives have yet to be gambled with.

A short walk from this Chamber, the Vietnam War Memorial lies half buried, silent, below the green grass of the national Mall. Mr. Speaker, 58,000 lives and names are engraved on the wall,

58,000 fathers, brothers, sons and some daughters gone because America's leaders then would rather lose the lives of soldiers than lose face as a Nation. Mr. Speaker, 58,000 teenagers, because the average age of those fighting on the front line in Vietnam was 19 years old, barely out of high school. Mr. Speaker, 58,000 Americans who lost their lives in a war we were not willing to commit to victory to, and it is eerily like the war we are in today, because as America and allied political leaders flinched, Kosovars fell down around us, and we can never get that back; that opportunity for victory in saving those lives is gone.

We have a moral obligation today, to our young soldiers and their families, to prevent another Vietnam War. We have a moral obligation to our soldiers' mothers who love them like no one else can, to their fathers who harbor dreams for them, can barely talk about without getting emotional; to the brothers and sisters and family members of every American soldier and their spouses and their friends, we have a moral obligation, because it is unconscionable to allow young Americans to give up their life and die while we allow the shooters, all of them, to live by design.

I care a great deal about Kosovo and Kosovars. I am concerned about NATO. But my duty is to our American soldiers. I think that is our highest moral obligation and duty, to prevent another Vietnam War and all the destruction, all the lives and all the families that have been damaged and hurt so much by it because we did not have the courage and the will that when we started the war to conclude it, in victory. It is hard. It is hard to do that, and that is why war should be the last resort, because it is so damaging.

I think before the President pours more deadly fuel on this fire, I think and I would respectfully ask that he exhibit what I would call battlefield leadership. And it means first being honest, truthful to oneself about the failure of the current strategy. It means putting the troops you command first, not yours, worrying not about your record, not about NATO's credibility, not about your legacy, but caring about the troops under your command.

I think probably the toughest battlefield decision has been made many times by those who recognize that a hill cannot be taken, that sacrificing more lives and sacrificing more young people will not accomplish that goal, and to put them first, to do no more harm to them, and to determine what in real life can be done to advance our just and moral cause. I think the President needs to be totally honest with the American people about the steep price, and I mean staggering price, that we will pay, already we must pay, in lives, in resources, in years, to even attempt to secure a temporary peace in that civil war.

My exit strategy, unfortunately, the time has gone for that. My exit strategy was simple. Although I opposed the intervention, once in, my belief is that we bring the shooters down and end the atrocities, or we do no more harm and negotiate an international peace treaty, attempt to secure what we can of Kosovo, attempt to relocate; how many refugees really want to go back to a region they can no longer call home; and to attempt to contain the damage we have now done in the neighboring regions. I believe it is time to do no more harm. I am not willing to sacrifice young American lives to a war we are not committed to win. That is my duty. That I think is Congress's duty, and I look forward to the day when we can complete that duty.

Mr. SCHAFFER. Mr. Speaker, that comment, that phrase about winning is usually something that one side or another could understand in the case of some military conflict or the engagement in warfare. But the definition of winning with respect to this conflict is very nondescript. The President and his spokesman, in announcing this war to the American people, in moving forward in an act of warfare in the Kosovo province, failed to identify the clear objectives and the national interest that is at stake when it is impossible and the President is incapable of clearly laying out the objectives to be achieved. It is by definition impossible to determine when one has won and when it is time to declare victory and go home.

□ 2145

That is the real dilemma that the President has put us in, because it has set off a whole cascade of problems that stem in all directions, and does so without the clear definition of what victory means for the United States of America. Without that definition, I am afraid this is an engagement to which we will be committed for a long, long time.

I am curious, at the cracker barrel sessions that the gentleman has back in Texas, this notion that there is a lack of a clear objective and an exit strategy. And it seems to be, at least in my part of this country, and I am curious to find out about the gentleman's, the source of a tremendous amount of anxiety and concern.

I might also point out, before I yield the floor back to the gentleman, from the perspective of the best interests of our troops it is unconscionable in my mind to send troops in harm's way; to send our soldiers, sailors, and airmen to conduct their duty in Kosovo without clear objectives, without knowing when the job is going to be done, and expect them to accomplish this mission.

They will do it. These folks, you give them a mission and they will do it, they will do it proficiently. They are literally the best in the world, and they do the American people proud. But they are Americans, too, and they deserve to have answers about what objectives are being achieved. There are no answers to that question.

Mr. BRADY of Texas. The gentleman from Colorado is right on target and people know it. Every time we go into a classified briefing on this war I am always hopeful to hear more, to hear that there is a plan I am not aware of, a hint of a mission that is so clear that I know that we can achieve it. Because the gentleman is right, the military, they will achieve any objective, no matter how difficult. They will lay their lives on the line.

But in fact, it is just the opposite. I come out thinking, at each of those sessions, and believing that we ought to give the military right now every medal possible and every acclaim possible, because they seem to be fighting this with two hands tied behind their backs, and a leg, perhaps, as well.

It is interesting about objectives. I went back and took a look at America's intervention in our world wars and our intervention in Korea. The clarity of our missions in Germany and in the world wars, and the vagueness of our mission in Vietnam and here, is eerie.

I looked back and I read a statement by President Johnson from Texas, as a matter of fact, as he addressed the Nation in 1968. Tell me if this sounds familiar:

''Our objective has never been the annihilation of the enemy. It is to bring about a recognition in Hanoi that its objectives could not be achieved.''

If that sounds much like the President's objective, not to defeat Milosevic in Yugoslavia but only to degrade their ability to conduct their activities further, the gentleman is right.

And with a mission so vague, and without a commitment, unfortunately, with a lack of courage to do what war requires us to do for compassion and humanity, that is why we do not get into wars until there is no other resort, because it is destructive to us and the enemy, and we must have the courage and will to win.

My concern, and I think it has already been proven, is that we have lacked that. The Kosovars have paid the price. The question will be will American soldiers be the next to pay the price. I am not willing to wager their lives in this war, because that is what it is, without a clear objective, and in fact, without that will to win.

I always use, and perhaps the gentleman does, as well, I use a test for our conflicts: If a young soldier were killed in this battle, could I go to the family and tell them, look them in the face and tell them they lost their son or daughter, their brother or sister, their wife or husband, and that they

did it to defend America, in the best and highest cause of American interest?

In this case, I cannot tell them that that death would be justified. It is a high standard, but I think it ought to be any time these young people are sent into battle on our behalf.

We have a war memorial just at the bottom of this hill, the Vietnam War Memorial, where every time you go, and every other memorial is so lively and so inspiring and you get a sense of history, and it is people talking, and there is an enthusiasm and inspiration by our memorials. But when you go to the Vietnam War Memorial, it is stone cold quiet.

Every time I go, and I walk from the base of the memorial, and you start to look, as you look at the names and you begin to walk up and out of the memorial and up into the sunlight, my thought every time is, never again. Never again will we put bright young American lives with wonderful hopes and dreams, and those of their families, never again should we commit them to war where our political leaders and our Commander in Chief do not have the will and the courage themselves to win. That, unfortunately, is where we are at today. I wish there were an easy way to say it.

I like to believe the best in everyone. I hope and try to believe the best in our Commander in Chief, even as disappointed and upset as I get at times. But this time, we have lost that opportunity. We can never bring those people back. We can only save Americans and learn from the Vietnam War, never again.

Mr. SCHAFFER. The folks back home, when this topic comes up, are insistent that warfare is sometimes necessary and sometimes it is the only option, but that is the standard, that it is only something we should resort to when all other options have been exhausted.

The President is convinced that all diplomatic solutions have been tried and none of them worked. But I want to make it clear that, in looking back over today's debate and even responding to some of the discussion that has taken place here, no single one of us who opposes the President's decision to commit an act of warfare opposes our involvement in trying to resolve the terrible situation that exists in Kosovo, this ethnic cleansing that is taking place at the hands of Slobodan Milosevic.

This is a topic which we are very concerned about, and we want to spend American resources and spend America's diplomatic might and economic leverage and do whatever we possibly can to honor the dignity of human life, and the lives of all those who are involved, victims or otherwise, in the Kosovo conflict.

But this is not a new conflict. This official policy of ethnic cleansing by Milosevic is about 6 years in the making now. What is most distressing is the length of time that this struggle has gone on and has been allowed to fester and grow without any real concern coming out of the White House until a few months ago, when the President at that point suggested to the country that now there are no options.

I submit that the President of the United States and the office of the presidency should be held up and he maintained as the most forceful leader for liberty and freedom around the planet.

The rest of the world does look to the United States of America for guidance and leadership in precisely these kinds of situations. They look to us to be the mediators, the negotiators, to exercise our leadership position and authority, to bring leaders of democracies around the world together to stand against the tyranny of dictatorships and tyrants of the sort Milosevic is a part.

But that really did not happen over that 6-year period. Again, the White House all of a sudden and suddenly became concerned just a few months ago, and left the United States at quite a disadvantage. The relationships that we have lost and have been set back with respect to emerging democracies in Eastern Europe with Russia, with the Ukraine and other former Soviet Republics, are setbacks that are going to take many, many months, if not years, to regain.

Mr. BRADY of Texas. Mr. Speaker, the gentleman makes a point that is real critical here. Today, and in much of this debate, people will try to convince Americans that it is between those who care for humanity and those who want to isolate America. It is a rhetorical trick, a way to wedge people onto different sides, as opposed to talking about reasonable approaches.

But the fact of the matter is that America does have a role in peace in this region. We do have a role to play. But the world has changed. Now that we are the strongest world superpower, while the world has changed, we are confused about our role in it today.

We still respond by wanting to fight the disputes and fights of every one of our brothers, older or younger, around the world. And we will. We will jump to any battle, to any fight, and we will fight every one of our brother's and sister's fights for them.

But at some point, because we have so many around the world, we simply cannot. You can fight other's disputes until you are so weak yourself that you lose your own fight when called upon to protect your own family, your own interests. That is where we are today.

I think our new role, America's new role, is not to fight every one of our brother's fights, but to help teach them and work with them so that they can fight their own disputes, settle their own conflicts.

America's role in peace, I believe, is to not lead others in what is principally their challenges but to support them, to help, to advise, to provide technology, to back them up in their challenges and their responsibility, but to not be always taking the lead in their fights; because frankly, we have new challenges here in America, such as the terrorism challenge, where the smallest rogue nations can develop biochemical weapons. International drug cartels have a distribution network literally to every community in this country.

Then on top of those two, we have organized crime which finances instability because it is profitable to do that. So now America faces a challenge where literally biochemical weapons, weapons of mass destruction, can be brought into literally every community in America. We have not changed our security to respond and prevent that.

We have nuclear missiles and the capability by countries to reach the continental United States that we are not prepared for, although thank goodness this Congress is taking the leadership role in doing that. So I think we do have a role to play in peace.

Peace is always, almost always, less costly and less damaging than war, but there are times when your interest, your defense, and national security will quite compel you to do that.

But I notice that Dwight Eisenhower, our former commander and president, made a statement in 1946 that I think rings true today. He said, ''Men acquainted with the battlefield will not be found among the numbers that glibly talk of another war.''

Those who have been to war, who have seen the blood, who have been part of all of that, understand the need to explore their options first; to know that when you launch that hostility, just what type of courage it takes, and the blood that will always be on your hands.

Unfortunately, in this foreign policy, in the advisers, in the Commander in Chief, I think perhaps we talk too glibly of war when in fact Europe and others around the world urged us to try to find another path to peace in Yugoslavia. Unfortunately, their predictions of the damage have been just terrible.

Mr. SCHAFFER. If we contrast the response to the events that led up to this military conflict with the Gulf War when President Bush presided, we see a wide difference in approach.

President Bush was successful at bringing the entire world and global leadership together to stand against the Iraqi government and Saddam Hussein. He was successful at putting in place various economic sanctions, and using all of the political leverage and diplomatic might of the United States and the global community to stand against a tyrant.

Even when that all seemed to fall apart and the Iraqis moved in to attack a sovereign Nation, it was the response to that form of naked aggression that instantly brought the entire global community together to stand against Saddam.

□ 2200

Very, very different than what we have seen in the case of Milosevic. Again, this is an episode that is many, many years in the making and very little effort to try to use their political position to leverage economic sanctions against Milosevic.

We see some of our strongest allies continuing to sell oil and other technology and weaponry to our enemy now in Kosovo. Yet what is the response from our President? We had all of the leaders of these same countries right here in Washington, D.C., just last week. I did not read one word of our President objecting to this economic exchange that is going on between our allies and the government that we are bombing right now and the regime that we are bombing.

As I say, what America needs right now is a foreign policy, and out of the White House we have none today. I just shudder at the prospect that any of our troops will come home in body bags and find themselves buried in what one of my staff members today coined the ''tomb of the unknown policy.'' This is a prospect that all Americans ought to be very, very concerned about.

But we do have a role in trying to prevent the violence that is taking place. It is a diplomatic role. It is one that requires real leadership out of the White House. We have to have a President, a Commander in Chief, who is not preoccupied by other things, distracted by less important topics, certainly, at a time when the willing answer of and eager military leader of our country is to commit somebody else's sons and daughters to fight a war for which victory is very hard to define.

Mr. BRADY of Texas. Mr. Speaker, thankfully, we live in a country where we have the opportunity to vote our conscience, to raise issues that trouble us, to talk about them, and to unite behind our American troops, to be absolutely a hundred percent behind them. Whatever they need while they are there, financially and funding-wise, we are going to get them.

And in fact, not only that, but we are going to make sure that there are the reserves and the dollars to try to rebuild our military to where we are not costing lives each time we are given a new challenge as we do today.

I was thinking also that our allies have been hurt terribly in this, as well. We have now pushed the ethnic Albanians out into the neighboring regions. And it is almost like taking part of our State and pushing them to other States.

And by nature, if we took a bunch of Texans and push them out to three neighboring States and basically say they cannot come back or they can come back to a small, damaged, torn up, insecure, non-secure area, I will tell my colleagues what they are going to do. They are going to carve out from the three States, they are in a new Texas, a new State, with people they know and values they have and religions that they share.

And this is what is happening now in the Balkans. We have pushed out ethnic Albanians out of their home. As in Bosnia, very few, my guess, will return. That is what history shows us. And they are going to look for a new country, a new independent nation with people whose values they share, and that means we will likely create a greater Albania and perhaps too a Macedonia. And I do not know what other damage we will do to our neighboring countries. So our friends there are paying a very steep price.

And here is Europe who was asking all along, we want more options than just bombing, here is Europe in their biggest year perhaps ever. They launched a new currency, the Euro, created new Federal banks sort of like our Federal Reserve. They are trying to hire a new foreign policy person to unite the European Union. They had had their whole European Commission resign because of corruption, which was a major blow. They were asked and brought in expanded three new NATO neighbors and costs that are associated with that.

And then we pushed them into not only defending themselves, but America said their new strategy in Europe is going to be to resolve disputes like this and resolve it militarily. We are like a friendly banker who keeps pushing the small business to expand, to expand, to expand, to expand, until one day they expand themselves out of business.

My concern is that at a time when NATO should be reasonably and thoughtfully talking about their new role in Europe and with America in this new world, that we are pushing them into a role they are not ready to play. And while I have to admit, after 24 hours after bombing three of the countries, NATO said, enough, we think that is enough. Stop, that is enough bombing for us.

To their credit, as a group, they have hung pretty tight. But the fact of the matter is that they do not know what victory is anymore. They do not know about if they can shoulder the costs of it. They do not know if they can survive this NATO expansion. So each of our closest allies we have pushed into a terrible position that will hurt them economically, politically, culturally for many years to come.

And I just think again, war ought to be the last resort. We have so many pressures. We have so many tools that we ought not to ever glibly talk of war or to enter one. And whether we today declared war, which we did not but we know we are in it, and now have the responsibility to face up, to be held accountable ourselves for our actions, and what is sad is the price that we will all pay, but at least we ought to commit and have the courage to sacrifice no American lives in this terrible mess.

Mr. SCHAFFER. Mr. Speaker, the question of whether we are at war or had to declare it, and so on, is one that now is going to be resolved in the courts. This is a question that has been at the center of the relationship between this Congress and the presidency for a great number of years, and it has been a point of dispute for quite a long time.

And each military incursion that we have undertaken as a country seems to take one more step or one more bite out of that constitutional responsibility that the Congress has to declare war, and there are various reasons that that is so.

With respect to NATO or U.N. operations over the years, we have granted huge amounts of authority to the President to act unilaterally within the context of our relationship to the NATO treaty or U.N. charters. When it comes to peace agreements that disintegrate and erode, it is our relationship and response to these agreements, the fact that we have formally taken part as signatories to these agreements, that compels us and authorizes Presidents to step into war. Even under those circumstances, constitutional authority to declare war has been questionable.

But this case is different altogether. It is different because we are talking now about a sovereign nation, a nation that did not act as an aggressor to a neighbor or some other jurisdiction around the world. We are talking about a conflict that does not involve an attack upon any of our NATO partners. NATO, being a defensive organization, its charter does not envision attacking sovereign countries as it has now been used to do.

So this profound question that needs to be answered, and I guess at this point Congress has asserted its authority, has denied the President a declaration of war to carry out his war in Kosovo.

The President now continues to carry out an act of war without the consent of Congress. And the only remedy remaining for us now is to test this question of the War Powers Act before our great courts. As a country, I think we need to certainly be concerned about the conflict that is the heart of the debate. But, also, we need to be very, very concerned about the status of our Constitution, that the War Powers Act maintains its integrity clear through to today's point in time, and to ensure

the American people that this Congress will find the courage, as it has today, to stand for and assert its constitutional authority. And that is what we did.

I guess some Members in Congress just an hour ago were here on the floor lamenting the fact that we stood up for our constitutional responsibility and the fact that we honored that constitutional responsibility, in their opinion, is the cause of some kind of personal discomfort for them. I am sorry about that. But we swore an oath to that Constitution to stand up for it when called upon.

We were called upon to do it today. Some of us did. Others did not. And this is a matter to be sorted out now by the American people at the next election.

Mr. BRADY of Texas. I think, too, that as the gentleman from Colorado has pointed out our constitutional duty, I always try to support the President, any President, in military action and we have in every case in Congress. But my duty and the duty of my colleague is not to the President, it is to the Constitution. And I think we have a higher moral duty to our young American soldiers.

And they are young. I mean, they are young, bright, wonderful people who are serving our country and think that if they fight and risk their lives it will be for freedom, not to allow Milosevic to live, not to allow a Serbian army to go untouched, not to flinch when sent into war because of their constraint on them as individuals.

Our duty today was not to cover the President for a terrible decision. That would have been disloyal, in my opinion. Our duty was to our American soldiers who are over there right now and the belief that we ought not sacrifice their lives when we do not have the courage, when our commanders in chief of this whole operation politically do not have the courage that we are asking of them.

No one should ever ask more of their troops than they ask of themselves. And in this case, we ask too much.

Mr. SCHAFFER. Stepping forward to a conflict such as this requires preparation, requires considerable forethought, and to allow to prepare our armed services.

And again, over the last 7 years in Congress, this has been a point of clear debate between the Congress and the presidency. This President has cut the funding of our armed services year after year after year, to the point where our soldiers, sailors, and airmen express legitimate concern for the resources for the equipment, for the backup, and for the training that they receive.

And there may be times when they need to be deployed. This is not one of them. We are not prepared to win and win decisively. And winning, as we have pointed out earlier, is a nebulous term in and of itself with respect to this engagement.

Mr. Speaker, I appreciate the chance to be recognized for this special order hour. I am grateful to the gentleman from Texas (Mr. BRADY) for sharing in this special order hour.

I want to once again urge all of our constituents, people throughout the country, to write their Congressman, call their Congressman, let us know what is on their minds, help us lead the country. The voice of the people is the most powerful force in our political system, and all American citizens should be compelled to exercise it tonight.

---

□ 2215

## MANAGED CARE REFORM

The SPEAKER pro tempore (Mr. WAMP). Under the Speaker's announced policy of January 6, 1999, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, it is not my intention to use the entire hour this evening. I wanted to spend some time, though, talking about HMO reform, or managed care reform.

One of the things that I want to really stress is that there is a major difference between the approach that the Democrats have been taking on the issue of HMO reform versus the approach of the Republican leadership. A lot of times I worry that Americans and our constituents think that what we are proposing on both sides of the aisle is essentially the same and that everyone is trying to do something to protect patients' rights during this managed care reform debate. But I just think it is important to stress the differences. I really feel very strongly that the Patients' Bill of Rights, the Democratic bill that has been put forward and is cosponsored by almost every Member on the Democratic side, really protects patients' rights, whereas the Republican leadership bills that have been put forward both in this Congress and in the previous Congress really do not do an adequate job of protecting patients and too often look towards the interests of the insurance industry instead.

Mr. Speaker, in the last session of Congress, in the last 2 years, in 1997 and 1998, there was some debate on the issue of HMO reform, but the issue was essentially left unfinished in the 105th Congress, in the last Congress. On the House side, the Democrats' Patients' Bill of Rights was defeated by just five votes when it came to the floor. It was considered on the floor as a substitute to the Republican leadership's managed care bill which did pass and which in my opinion was really not a good piece of legislation and did not do anything significant to protect patients. In fact, the Republican leadership in the House has reintroduced a bill in this session of Congress that is virtually identical to what it moved last year. On the Senate side, the Senate Republicans in the so-called HELP Committee approved a managed care bill which really in my opinion is a sham reform bill and does not allow patients to sue the insurance companies but does allow the insurance companies and not the doctors and patients to define what is medically necessary, what types of procedures, what length of stay, what kind of operations would be performed and would be acceptable under an individual insurance policy.

I just wanted to, if I could, take a little time this evening to talk about why this Republican bill that passed the Senate, the Republican leadership bill in the Senate, really does not do an adequate job of trying to protect patients' rights. If you look at the bill that passed the Senate or that came out of committee, I should say, in the Senate this year, it leaves out more than 100 million Americans, two-thirds of those with private health insurance. It fails to grant key protections needed by children, women, persons with disabilities and others with chronic conditions or special health care needs. And it allows medical decisions to continue to be made by insurance company executives instead of by health care professionals and patients.

Mr. Speaker, the main difference that I have tried to point out between the Democrats' Patients' Bill of Rights and the Republican leadership bills that have been sponsored in the House or in the Senate really come down to two points, and, that is, that the Republican bills really leave it up to the insurance companies to decide what kind of treatment you are going to get, and with regard to enforcement they do not have adequate enforcement because if you want to appeal a decision about your treatment that you felt that you should have a particular operation, you should be able to stay an extra day or so in the hospital, if you try that appeal, there is really no process whereby you can appeal the decision of the insurance company and be successful; and certainly if you suffer damages, you cannot sue for those damages under the Republican bill.

What the Democrats tried to do on the Senate side in committee, in the HELP Committee when this Republican HMO bill came up, they tried a number of times through amendments to improve the Republican bill. All those Democratic amendments were essentially defeated, but I wanted to give you a little idea, if I could, about the kinds of things that the Democrats were trying to do to improve what was essentially a bad bill that did not provide adequate protections for patients in HMOs.

The committee Republicans in the Senate rejected on a 10–8 party line vote an amendment by Senator TED KENNEDY to extend the scope of the bill to all privately insured Americans. As I said, the Republican bill leaves more than 100 million people unprotected because most of its patient protections are narrowly applied to only one type of insurance and that is self-funded employer plans. The committee Republicans also rejected on the same 10–8 party line vote Senator KENNEDY's amendment on external appeals. Again, as I mentioned before, the Republican bill does not create a truly independent external review of plan decisions. So if you feel that you are not getting covered adequately and you try to appeal, there really is no effective external appeal. Under the committee bill, the Republican bill, the so-called external review is controlled by the HMOs and contains loopholes to allow HMOs to delay or prevent patients from appealing a bad medical decision by an HMO bureaucrat. Many HMO decisions could not even be appealed under the Republican bill.

Just to give you another idea of some of the examples, I talked about the issue of medical necessity and how it is defined. The committee Republicans in the Senate rejected, again on a party line vote, 10–8, an amendment offered by Senator KENNEDY to define the term ''medical necessity'' and to prohibit HMOs from arbitrarily interfering with medical decisions. Again just to give you an example of how this operates, this amendment would have prevented insurers from arbitrarily interfering with the decisions of the treating physician on issues relating to the manner, in other words, the length of stay in the hospital, or the setting, inpatient versus outpatient care. It would have stopped HMOs from overruling doctors and going against accepted and best practices of medicine. The committee Republican-passed bill does nothing to protect patients when an insurance company bureaucrat tells them they must have a medical procedure on an outpatient basis or be discharged from the hospital prematurely. The Republican bill allows HMOs to continue to define what is medically necessary, giving them the ability to deny promised benefits.

Another example, the issue of emergency room care. Many of my constituents have complained to me that their HMO policy does not allow them to go to the emergency room when they think it is necessary. Or they have to go to a different hospital that is pretty far away if they want to go to an emergency room. They cannot go to the hospital near where they live or where they work. Well, Senator MURRAY tried to put in an amendment that again was rejected on a party line vote, 10–8, to strengthen coverage for emergency care. Under the Republican bill, it is not clear whether a true prudent layperson standard applies to all of the plans covered. Prudent layperson says that if the average prudent person would think it was necessary to go to the emergency room, then you can go to whatever emergency room is close by and readily available. Well, many insurance policies, many HMOs do not allow that. And so the Democrats are saying, we want to have that prudent layperson standard put into the HMO reform bill. Instead, what happened is that in this case, again the ability to apply that prudent layperson standard was rejected by the committee and what that means is that under the Republican bill there still is no guarantee that you can go to the closest emergency room or that even if you go to the emergency room and later the HMO decides, well, you really should not have gone because it was not really an emergency, that they can just deny coverage and say, ''You shouldn't have gone to the emergency room; therefore, we're not going to pay for the emergency room care.''

Another example that I think is important is with regard to specialists. Many of my constituents complain that their HMO reform bill does not provide them with access to specialists that they may need in a given circumstance. Senators HARKIN and REED had an amendment to this Republican bill that again was rejected along party lines that would ensure that patients have access to needed specialists. Under the Republican bill, patients could be charged more for out-of-network specialty care even if the plan is at fault for not having access to appropriate specialists within the plan. So if you decide that you want to go to a doctor, I will give you an example, perhaps you want to go see a pediatrician but as many people know today, that for children, there are pediatric specialists for different areas of pediatrics. Under the Republican bill if there is nobody that has that specialty and you decide that you want to see that kind of pediatrician for your child, then you can go out of the network but you have to pay for it. Again what we were saying with this Democratic amendment is that access to specialty care should be provided outside the HMO if there is no one within the HMO that has that specialty and is part of the network, but again that was an amendment that was rejected.

I will only mention one more effort on the Democrats' part to try to improve this bad bill, if you will, and there are many others but I will only mention one other one, and that was Senator KENNEDY's amendment, again rejected on a 10–8 party line vote with regard to liability. The Republican bill fails to hold HMOs accountable when their actions result in injury or death. I mentioned this before. You cannot sue. The Republican plan would protect most HMOs from liability even when someone becomes disabled or is killed. Senator KENNEDY's amendment in the Democrats' Patients' Bill of Rights would allow 123 million patients who receive coverage through private employers to hold their HMOs and health insurance plans accountable under State laws for their abuses. This is one of the loopholes, if you will, in the current law, and that is that if you are not covered by certain State laws and your health insurance comes from your private employer, oftentimes you cannot sue. We were trying to correct that as well.

Mr. Speaker, if I could just say that basically what I am trying to point out tonight is that there are major differences here and that when we look at what is happening on the issue of HMO or managed care reform, it is obviously important that we have an opportunity in this session of Congress to get a vote on this issue. One of the criticisms that I have of the Republican leadership is that frankly it is now April, almost May, and they have not even allowed us to have any kind of a vote, there has not been any movement in subcommittee, in the Committee on Commerce that I am a member of or in the full committee to bring any kind of HMO or managed care reform to the floor. So we need to at least start the movement. But when that movement starts and when we do have an opportunity to vote on HMO reform, we have to understand that there is a major difference between the Patients' Bill of Rights which is being brought forth by the Democrats and the Republican leadership proposal.

Now, you do not have to take my word for it. One of the things that I think is important is that we look at some of the commentators and what they are saying about the differences between the Democrats and the Republicans on this issue. But I wanted to read, if I could, all or some parts of an editorial that appeared in the New York Times on Saturday, April 10, earlier this month, that talked about the differences between the Democrats and the Republicans on the issue of patient rights:

''Just about everyone on Capitol Hill professes interest in producing legislation that protects patients from unfair health insurance practices. But the prospect of actually passing meaningful protections as opposed to talking about it is uncertain. President Clinton tried to whip up support for Democratic proposals but the Republicans are balking at Democratic plans as too burdensome on the managed care industry. Yet it is the Democratic proposals that more fully reflect the recommendations of a presidential advisory commission to improve health plan quality. The Republican Senate bill, S. 326, sponsored by Senator JEFFORDS of Vermont, is too limited to accomplish that purpose. The bill, which

was approved by the Senate HELP, or Health, Education, Labor and Pensions Committee on a straight party line vote of 10–8, contains some consumer protections but it is unacceptable because most of the provisions would apply only to 48 million individuals covered by plans in which large employers act as their own insurers, leaving 110 million Americans in other plans unprotected. The Republican bill would grant appeal rights to an additional 75 million privately insured individuals but those rights would be quite restrictive. Appeals to an external reviewer would be allowed only when an insurer refused to pay for a procedure on the grounds that it was not medically necessary or was experimental. Critics say this would give health plans power to limit appeals by simply asserting that a denial is not based on medical necessity. It would exclude appeals where a plan unilaterally decided that the benefit was not covered under the contract, even if medical judgments were involved in that contract interpretation. The Republican bill does not adequately ensure access to specialty care by allowing a patient to see an out-of-network specialist if the plan has an insufficient number of specialists available. Both the Senate Democratic proposal, which has White House support, and a bipartisan bill sponsored by Senators JOHN CHAFEE, JOSEPH LIEBERMAN and others would be substantially stronger in allowing external review of coverage disputes and defining medical necessity and in giving enrollees greater rights to take health plans to court. The insurance lobby has already embarked on a media blitz to defeat any new regulations as too costly but consumer protections under the Democratic plan would increase health plan costs by only 2.8 percent, according to Congressional Budget Office estimates made last year.

□ 2230

''Health plans should be made to deliver what they promise their enrollees and held accountable when they fail.''

Mr. Speaker, I think that New York Times editorial really sums up what I am trying to say tonight which is the fact of the matter is that if the Patients' Bill of Rights, the Democratic Patients' Bill of Rights, would be substantially stronger in almost every aspect of managed care reform over the Republican proposal.

Now I just wanted to briefly mention again the important areas where the Patients' Bill of Rights, a Democratic bill of rights, really provides for a very good protection for patients.

Once again and most importantly, the Democratic Patients' Bill of Rights allows doctors and patients rather than insurance company bureaucrats to make medical decisions using the principles of good medicine.

In addition, it would first guarantee access to needed health care specialists. The Democratic bill provides access to emergency room services when and where the need arises. The Democratic bill provides continuity of care protections to assure patient care if a patient's health care provider is dropped. The Democrats' Patients' Bill of Rights gives access to a timely, internal and independent external appeals process, and the Democratic Patients' Bill of Rights assures that doctors and patients can openly discuss treatment options and not be gagged because the insurance company says that you cannot talk about something that is not covered.

The Patients' Bill of Rights would also assure that women have direct access to OB/GYN, and finally and almost as important really as the medical necessity issue is that the Democrats Patients' Bill of Rights provides an enforcement mechanism that ensures recourse for patients who have been maimed or die as a result of health plan actions.

Mr. Speaker, I sound very partisan this evening, and I do not mean to suggest that there are not Republican Members on the other side of the aisle that are supportive of the Patients' Bill of Rights or the types of protections that I think that are needed in a comprehensive HMO reform bill. I know that there are Members on the other side that would like to see these types of protections provided under the law. But the bottom line is that the Republican leadership, which is in charge of the House, keeps producing legislation or keeps proposing legislation both in the House and in the Senate that does not adequately protect patients, and I think it is very important that we not only move ahead in this session of Congress and quickly on HMO reform, but that we move ahead with an HMO reform that adequately protects patients' rights, that is comprehensive and addresses what I consider the major issue that my constituents and most Americans seem to be concerned about at this time.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YOUNG of Florida (at the request of Mr. ARMEY) for today from 1:30 until 3:30 on account of a family emergency.

Mr. TAUZIN (at the request of Mr. ARMEY) for today and on April 29 on account of family illness.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. FILNER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. FALEOMAVAEGA, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mrs. NAPOLITANO, for 5 minutes, today.

Mr. BISHOP, for 5 minutes, today.

(The following Members (at the request of Mr. WHITFIELD) to revise and extend their remarks and include extraneous material:)

Mr. REGULA, for 5 minutes, today.

Ms. ROS-LEHTINEN, for 5 minutes each day, today and on April 29.

Mr. METCALF, for 5 minutes, today.

Mr. BEREUTER, for 5 minutes, today.

Mr. PAUL, for 5 minutes, today.

Mr. WHITFIELD, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, each day, today and April 29.

Mr. SOUDER, for 5 minutes each day, today and April 29.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. OBEY, for 5 minutes, today.

## BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 800. To provide for education flexibility partnerships.

## ADJOURNMENT

Mr. PALLONE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 33 minutes p.m.), the House adjourned until tomorrow, April 29, 1999, at 10 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1761. A letter from the Administrator, Commodity Credit Corporation, Department of Agriculture, transmitting the Department's final rule—Recourse Loan Regulations for Honey (RIN: 0560–AF62) received March 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1762. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Nectarines and Peaches Grown in California; Revision of Handling Requirements for Fresh Nectarines and Peaches [Docket No. FV99–916–2 FR] received April 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1763. A letter from the Administrator, Agricultural Marketing Service, Department of

Agriculture, transmitting the Department's final rule—Almonds Grown in California; Revision of Reporting Requirements [Docket No. FV99–981–1 FR] received April 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1764. A letter from the the Director, the Office of Management and Budget, transmitting Cumulative report on rescissions and deferrals, pursuant to 2 U.S.C. 685(e); (H. Doc. No. 106–52); to the Committee on Appropriations and ordered to be printed.

1765. A letter from the Comptroller, Under Secretary of Defense, transmitting a report on a violation of the Antideficiency Act by the Department of the Navy; to the Committee on Appropriations.

1766. A communication from the President of the United States, transmitting the annual certification of the nuclear weapons stockpile by the Secretaries of Defense and Energy and accompanying report; to the Committee on Armed Services.

1767. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans for Designated Facilities and Pollutants: Oklahoma [OK–18–1–7415a; FRL–6312–5] received March 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1768. A letter from the Chief, Policy and Program Planning Division, Federal Communications Commission, transmitting the Commission's final rule—Computer III Further Remand Proceedings: Bell Operating Company Provision of Enhanced Services [CC Docket No. 95–20] 1998 Biennial Regulatory Review—Review of Computer III and ONA Safeguards and Requirements [CC Docket No. 98–10] received April 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1769. A letter from the Director, Office of Administration, Executive Office of the President, transmitting the Integrity Act reports for each of the Executive Office of the President agencies, as required by the Federal Managers' Financial Integrity Act, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

1770. A letter from the Director, Federal Emergency Management Agency, transmitting the FY 2000 Annual Performance Plan for the Federal Emergency Management Agency; to the Committee on Government Reform.

1771. A letter from the Chairman, Occupational Safety and Health Review Commission, transmitting the 1998 annual report on the agency's compliance with the Inspector General Act and the Federal Managers' Financial Integrity Act, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

1772. A letter from the Administrator, Panama Canal Commission, transmitting a report of activities under the Freedom of Information Act for the calendar year 1998, pursuant to 5 U.S.C. 552(d); to the Committee on Government Reform.

1773. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Vessels Greater Than 99 feet (30.2 m) LOA Catching Pollock for Processing by the Inshore Component in the Bering Sea [Docket No. 990115017–9017–01; I.D. 022399B] received March 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1774. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod in the Central Regulatory Area in the Gulf of Alaska [Docket No. 981222314–8321–02; I.D. 021999A] received March 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1775. A letter from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific cod by Catcher Vessels using Trawl Gear in the Bering Sea and Aleutian Islands [Docket No. 990304063–9063–01; I.D. 040999A] received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1776. A letter from the Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Summer Flounder, Scup, and Black Sea Bass Fisheries; Adjustments to the 1999 Summer Flounder Commercial Quota [Docket No. 981014259–8312–02; I.D. 040599E] received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1777. A letter from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod in the Western Regulatory Area in the Gulf of Alaska [Docket No. 990304062–9062–01; I.D. 041299B] received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1778. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Federal Aviation Administration Policy on Enforcement of the Hazardous Materials Regulations: Penalty Guidelines—received April 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1779. A letter from the Secretary of Labor, transmitting the quarterly report on the expenditure and need for worker adjustment assistance training funds under the Trade Act of 1974, pursuant to 19 U.S.C. 2296(a)(2); to the Committee on Ways and Means.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BLILEY: Committee on Commerce. H.R. 459. A bill to extend the deadline under the Federal Power Act for FERC Project No. 9401, the Mt. Hope Waterpower Project (Rept. 106–119). Referred to the Committee of the Whole House on the State of the Union.

Mr. HASTINGS of Washington: Committee on Rules. House Resolution 154. Resolution providing for consideration of the bill (H.R. 1480) to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes (Rept. 106–120). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. GEJDENSON (for himself, Mr. GEPHARDT, Mr. BONIOR, Mr. RANGEL, Mr. CLAY, Mr. ANDREWS, Mr. NEAL of Massachusetts, Mr. POMEROY, Mr. FROST, Mr. MENENDEZ, Ms. DELAURO, Mr. KENNEDY of Rhode Island, Mr. NADLER, Mr. CROWLEY, Mr. BRADY of Pennsylvania, Ms. NORTON, Mrs. CAPPS, Mr. BROWN of Ohio, Mr. GREEN of Texas, Mr. VENTO, Mr. BALDACCI, Mr. FILNER, Mr. MCGOVERN, Ms. PELOSI, Mr. DIXON, Mr. DEFAZIO, Mr. UNDERWOOD, Mr. PALLONE, Mr. SHOWS, Mr. OBERSTAR, Mrs. MINK of Hawaii, Mr. FALEOMAVAEGA, Ms. SCHAKOWSKY, Mr. KILDEE, Mr. OLVER, Mr. STRICKLAND, Ms. LOFGREN, Mr. GEORGE MILLER of California, Mr. KLECZKA, Mr. JEFFERSON, Mr. LAFALCE, Mr. SANDLIN, Mr. FORD, Mr. LEWIS of Georgia, Mr. INSLEE, Mr. HILLIARD, Mr. MCNULTY, Ms. KILPATRICK, Mr. FRANK of Massachusetts, Ms. KAPTUR, Mr. WEINER, Mr. MOORE, Mr. PRICE of North Carolina, Mr. HINCHEY, Mr. DELAHUNT, Ms. BERKLEY, Mrs. MEEK of Florida, Mr. WYNN, Mr. RAHALL, Mr. BOUCHER, Mr. CUMMINGS, Mr. GUTIERREZ, Mr. DOYLE, Mr. KUCINICH, Mr. MOAKLEY, Mr. WISE, Mr. CLYBURN, Mr. ACKERMAN, Ms. BROWN of Florida, Ms. LEE, Mrs. MALONEY of New York, Mr. BERMAN, Ms. STABENOW, Mr. TIERNEY, Mr. MALONEY of Connecticut, Mr. WAXMAN, Ms. MILLENDER-MCDONALD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LAMPSON, Mr. MARTINEZ, Mr. GONZALEZ, Mr. WEXLER, Ms. JACKSON-LEE of Texas, Mr. DINGELL, Mrs. LOWEY, Mr. CAPUANO, Mr. ALLEN, Mr. STARK, Ms. WOOLSEY, Mr. EVANS, Mrs. THURMAN, Mr. MARKEY, Mr. SABO, Ms. WATERS, Mr. HASTINGS of Florida, Mr. BLAGOJEVICH, Mr. ENGEL, Ms. ROYBAL-ALLARD, and Mrs. NAPOLITANO):

H.R. 1590. A bill to provide retirement security for all Americans; to the Committee on Ways and Means, and in addition to the Committees on Education and the Workforce, Government Reform, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. PELOSI (for herself, Mr. GEPHARDT, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. BONIOR, Mr. BRADY of Pennsylvania, Mr. BENTSEN, Mr. BROWN of California, Mrs. CAPPS, Mr. CAPUANO, Mrs. CHRISTENSEN, Mr. CROWLEY, Ms. DEGETTE, Mr. DELAHUNT, Ms. DELAURO, Mr. DIXON, Ms. ESHOO, Mr. FALEOMAVAEGA, Mr. FARR of California, Mr. FILNER, Mr. FORD, Mr. FRANK of Massachusetts, Mr. FROST, Mr. GUTIERREZ, Mr. HASTINGS of Florida, Mr. HINCHEY, Mr. HORN, Mr. INSLEE, Ms. JACKSON-LEE of Texas, Mrs. JONES of Ohio, Ms. KILPATRICK, Mr. LANTOS, Ms. LEE, Ms. LOFGREN, Mr. MCDERMOTT, Mrs. MALONEY of New York, Mr. MATSUI, Mr. MEEHAN, Mrs. MEEK of Florida, Ms. MILLENDER-MCDONALD, Mr. GEORGE MILLER of California, Mrs. MINK of Hawaii, Mrs. MORELLA, Mr. NADLER, Mr. PAYNE,

Ms. RIVERS, Mr. ROMERO-BARCELO, Mr. RUSH, Ms. SANCHEZ, Mr. SANDERS, Ms. SCHAKOWSKY, Mr. SERRANO, Mr. SHERMAN, Mr. STARK, Mrs. TAUSCHER, Mrs. THURMAN, Mr. TOWNS, Ms. WATERS, Mr. WAXMAN, Mr. WEINER, and Ms. WOOLSEY):

H.R. 1591. A bill to amend title XIX of the Social Security Act to permit States the option to provide Medicaid coverage for low-income individuals infected with HIV; to the Committee on Commerce.

By Mr. POMBO (for himself, Mr. TOWNS, Mr. CONDIT, Mr. BOYD, Mr. KOLBE, Mr. JOHN, Mr. ISTOOK, Mr. STRICKLAND, Mr. SHOWS, Mrs. BONO, Mr. BOUCHER, Mr. ETHERIDGE, Mr. DOOLITTLE, Mr. SANDLIN, Mr. GOODE, Mr. HUNTER, Mr. SALMON, Mr. HILL of Montana, Mr. RADANOVICH, Mr. CANADY of Florida, Mr. NETHERCUTT, and Mr. BISHOP):

H.R. 1592. A bill to establish certain requirements regarding the Food Quality Protection Act of 1996, and for other purposes; to the Committee on Commerce, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WELLER (for himself, Mr. KLECZKA, Mr. MCCRERY, Mr. NEAL of Massachusetts, Mr. RAMSTAD, and Ms. BALDWIN):

H.R. 1593. A bill to amend the Internal Revenue Code of 1986 to modify the exemption from the self-employment tax for certain termination payments received by former life insurance salesmen; to the Committee on Ways and Means.

By Mr. GILMAN (for himself and Mr. FILNER):

H.R. 1594. A bill to amend title 38, United States Code, to improve benefits for Filipino veterans of World War II, and for other purposes; to the Committee on Veterans' Affairs.

By Mrs. LOWEY (for herself, Mr. WOLF, Mr. CANADY of Florida, Mr. TOWNS, Mr. CASTLE, Mrs. MORELLA, Mr. WEYGAND, Mr. INSLEE, Mr. ROTHMAN, Mr. BROWN of Ohio, Ms. SCHAKOWSKY, Mr. LAFALCE, Ms. DELAURO, Mr. MARKEY, Mr. DEUTSCH, Mr. WAXMAN, Mr. LANTOS, Mr. CAPUANO, Mr. FORBES, Mr. GILMAN, Mr. CUMMINGS, and Mrs. CAPPS):

H.R. 1595. A bill to amend title 23, United States Code, to provide for a national standard to prohibit the operation of motor vehicles by individuals under the influence of alcohol; to the Committee on Transportation and Infrastructure.

By Mrs. LOWEY (for herself and Mrs. MCCARTHY of New York):

H.R. 1596. A bill to amend the Public Health Service Act to provide, with respect to research on breast cancer, for the increased involvement of advocates in decision making at the National Cancer Institute; to the Committee on Commerce.

By Mrs. LOWEY (for herself and Mr. CANADY of Florida):

H.R. 1597. A bill to amend title 23, United States Code, to provide for national minimum sentences for individuals convicted of operating motor vehicles under the influence of alcohol; to the Committee on Transportation and Infrastructure.

By Mr. BRYANT (for himself, Mr. MCDERMOTT, Mrs. BONO, Mr. DUNCAN, Mr. WICKER, Mr. JENKINS, Mr. FRANKS of New Jersey, Mr. FORD, Mr. BLUNT, Mr. WAMP, Mr. HOYER, Mr. ROTHMAN, Mr. MENENDEZ, Mr. GORDON, Mrs. TAUSCHER, Mr. DELAHUNT, Ms. JACKSON-LEE of Texas, Ms. ESHOO, Mr. PASTOR, Mr. CONYERS, Mr. SMITH of Texas, Mr. PAYNE, Mrs. EMERSON, Mr. HILLEARY, and Mr. FRELINGHUYSEN):

H.R. 1598. A bill to provide a patent term restoration review procedure for certain drug products; to the Committee on the Judiciary.

By Mr. DAVIS of Virginia (for himself, Mr. MORAN of Virginia, and Mrs. MORELLA):

H.R. 1599. A bill to amend the Federal Property and Administrative Services Act of 1949 to authorize the purchase of information technology related to the Year 2000 computer conversion by State and local governments through Federal supply schedules; to the Committee on Government Reform.

By Mr. FATTAH (for himself, Mr. FILNER, Mr. HASTINGS of Florida, Mr. MEEKS of New York, Mrs. CHRISTENSEN, Mr. SABO, Mr. HILLIARD, Mr. CUMMINGS, Mr. TOWNS, Mr. SANDERS, Mr. HINCHEY, Ms. BROWN of Florida, Mr. THOMPSON of Mississippi, Ms. MILLENDER-MCDONALD, Mr. OWENS, Mr. CLAY, Mr. GUTIERREZ, and Ms. JACKSON-LEE of Texas):

H.R. 1600. A bill to provide that Federal contracts and certain Federal subsidies shall be provided only to businesses which have qualified profit-sharing plans; to the Committee on Government Reform, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. EHRLICH (for himself, Mrs. THURMAN, Mr. COOKSEY, Mr. LARSON, Mr. WATTS of Oklahoma, Mrs. NORTHUP, Mr. MCINTOSH, Mr. BLUNT, Mr. SERRANO, Mr. YOUNG of Alaska, Mr. BEREUTER, Ms. HOOLEY of Oregon, Mr. LEWIS of Georgia, Mr. WYNN, Mr. OBERSTAR, Mr. WEYGAND, Ms. KILPATRICK, Mr. BARRETT of Wisconsin, Mr. HALL of Ohio, Mr. HORN, Mr. TRAFICANT, Mr. SANDERS, Mr. SALMON, Mr. CLEMENT, Mr. MEEHAN, Mr. HEFLEY, Mr. FRANK of Massachusetts, Mrs. MEEK of Florida, Mr. TOWNS, Mr. SHAYS, Mrs. MINK of Hawaii, Mr. SNYDER, Mr. BERMAN, Mr. ABERCROMBIE, Mr. BOUCHER, Mr. ROTHMAN, Mr. MCNULTY, Mr. GREEN of Texas, Mr. MENENDEZ, Mr. BENTSEN, Mr. BALDACCI, Ms. DELAURO, Mr. BISHOP, Mr. NEAL of Massachusetts, Mr. DIAZ-BALART, Mr. FROST, Mr. DIXON, Ms. JACKSON-LEE of Texas, Mrs. CHRISTENSEN, Mr. BONIOR, Mr. UNDERWOOD, Mr. DEFAZIO, Mr. ROMERO-BARCELO, Mr. STUMP, Mr. TAYLOR of North Carolina, Mr. TIERNEY, Mr. LATOURETTE, Mr. ACKERMAN, Mr. WALSH, Mr. BARTLETT of Maryland, Mr. GILCHREST, Mrs. MORELLA, Mr. LAFALCE, Ms. SLAUGHTER, Mr. COSTELLO, Mr. BLUMENAUER, Mr. HOBSON, Mr. FLETCHER, Mr. KUYKENDALL, Mr. CALVERT, Mr. CLAY, Mr. GUTIERREZ, Ms. WOOLSEY, Mr. DICKEY, Mr. LOBIONDO, Mr. WATKINS, Mr. DEUTSCH, Mr. HINCHEY, Mr. COBURN, Mr. GOODLING, Mr. DOYLE, Mr. CARDIN, Mr. FATTAH, Mrs. TAUSCHER, Mr. FOSSELLA, Mr. BROWN of California, Mr. BAKER, Ms. DANNER, Mrs. CLAYTON, Mr. TAUZIN, Mr. STARK, Mr. SMITH of New Jersey, Mr. LAMPSON, Mr. BORSKI, Mr. PAYNE, Mr. PRICE of North Carolina, Mr. COBLE, Mrs. CAPPS, Mr. MARTINEZ, Mr. MURTHA, Mr. NUSSLE, Mr. GALLEGLY, Mr. SCHAFFER, Mr. ISTOOK, Mr. LARGENT, Mr. SAWYER, Mr. MCDERMOTT, Mr. WATT of North Carolina, Mr. TALENT, Mr. BALLENGER, Mr. VENTO, Mr. LUCAS of Oklahoma, Mr. BAIRD, Mr. KIND, Mr. WISE, Mr. BECERRA, Mr. STEARNS, Mr. CAMPBELL, Mr. CRAMER, Mr. BOSWELL, Mr. RADANOVICH, Mr. THOMPSON of Mississippi, Ms. BROWN of Florida, Mr. BLILEY, Mr. FILNER, Ms. SANCHEZ, Mr. KENNEDY of Rhode Island, Mr. GREENWOOD, Mr. KLINK, Mr. KANJORSKI, Mr. OXLEY, Mr. PASTOR, Mr. HASTINGS of Florida, Mr. DAVIS of Virginia, Mr. NADLER, Mr. SPENCE, Mr. RUSH, Mr. KILDEE, Mr. ALLEN, Ms. CARSON, Mr. HOLDEN, Mr. TERRY, Mrs. JONES of Ohio, Mr. BURR of North Carolina, Mr. GONZALEZ, Mr. STRICKLAND, Mr. SESSIONS, Ms. PRYCE of Ohio, Mr. GEJDENSON, Mr. MCGOVERN, Mr. PASCRELL, Mr. NEY, Mr. HILLIARD, Mr. WAXMAN, Mr. CUNNINGHAM, Mr. SUNUNU, Mr. HANSEN, Mr. WEXLER, Mr. COYNE, Mr. BARRETT of Nebraska, Mr. LEWIS of Kentucky, Mr. SHOWS, Mr. VISCLOSKY, Ms. PELOSI, Mr. LEACH, Mr. BURTON of Indiana, Mr. DICKS, Mrs. MALONEY of New York, Mr. HUTCHINSON, Ms. KAPTUR, Mr. COOK, Mr. SPRATT, Mr. REGULA, Mr. PETERSON of Minnesota, Mr. CUMMINGS, Mr. NETHERCUTT, Mr. LATHAM, Mr. FARR of California, Mr. JOHN, Mr. OLVER, Ms. ROS-LEHTINEN, Mr. SMITH of Washington, Mr. WHITFIELD, Mr. BROWN of Ohio, Mr. WOLF, Mr. CLYBURN, Ms. SCHAKOWSKY, Mr. GILMAN, Mr. MORAN of Virginia, Mr. KING, Mrs. CHENOWETH, Mr. SABO, Mr. THORNBERRY, Mrs. EMERSON, Mrs. MYRICK, Mr. PETERSON of Pennsylvania, Mr. CHABOT, Mr. RAHALL, Mr. DOOLEY of California, Mr. SKELTON, Mr. MINGE, Mr. INSLEE, Mr. KUCINICH, Mr. WAMP, Mr. FOLEY, Mr. SCOTT, Mr. GARY MILLER of California, Mr. GANSKE, Ms. GRANGER, Ms. MCCARTHY of Missouri, Mr. JEFFERSON, Mr. NORWOOD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. CAPUANO, Mr. HOEFFEL, Mr. LIPINSKI, Mr. MATSUI, Mr. GILLMOR, Mr. MALONEY of Connecticut, Mr. WEINER, Ms. BALDWIN, Mr. MOORE, Mr. POMBO, Mr. DELAHUNT, Mr. ROEMER, Mr. DAVIS of Illinois, Mr. HOYER, Mr. BERRY, Mr. HALL of Texas, Mr. QUINN, and Mr. ORTIZ):

H.R. 1601. A bill to amend title II of the Social Security Act to restore the link between the maximum amount of earnings by blind individuals permitted without demonstrating ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test; to the Committee on Ways and Means.

By Mr. ENGLISH:

H.R. 1602. A bill to amend the Internal Revenue Code of 1986 to increase the amount of depreciable business assets which may be expensed, and for other purposes; to the Committee on Ways and Means.

By Mr. EVANS (for himself and Mr. STUMP):

H.R. 1603. A bill to amend title 38, United States Code, to provide for permanent eligibility of former members of the Selected Reserve for veterans housing loans; to the Committee on Veterans' Affairs.

By Mr. HUTCHINSON (for himself, Mr. ETHERIDGE, Mr. MCHUGH, Mr. BALDACCI, Mr. SWEENEY, Mr. BLUNT, Mr. BOEHLERT, Mr. BURR of North Carolina, Mr. BACHUS, Mr. CALLAHAN, Mr. EVERETT, Mr. CRAMER, Mr. RILEY, Mr. BERRY, Mr. DICKEY, Mr. SNYDER, Ms. DELAURO, Mr. GEJDENSON, Mrs. JOHNSON of Connecticut, Mr. LARSON, Mr. MALONEY of Connecticut, Mr. CASTLE, Ms. BROWN of Florida, Mr. BOYD, Mr. CANADY of Florida, Mr. FOLEY, Mrs. MEEK of Florida, Mrs. THURMAN, Mr. BARR of Georgia, Mr. BISHOP, Mr. CHAMBLISS, Mr. COLLINS, Mr. DEAL of Georgia, Mr. ISAKSON, Mr. KINGSTON, Mr. LEWIS of Georgia, Ms. MCKINNEY, Mr. NORWOOD, Mr. FLETCHER, Mr. LEWIS of Kentucky, Mr. LUCAS of Kentucky, Mr. WHITFIELD, Mr. BAKER, Mr. COOKSEY, Mr. JEFFERSON, Mr. JOHN, Mr. MCCRERY, Mr. TAUZIN, Mr. CAPUANO, Mr. MCGOVERN, Mr. NEAL of Massachusetts, Mr. OLVER, Mr. BARTLETT of Maryland, Mr. EHRLICH, Mr. GILCHREST, Mr. HOYER, Mrs. MORELLA, Mr. WYNN, Mr. ALLEN, Ms. DANNER, Mrs. EMERSON, Mr. HULSHOF, Ms. MCCARTHY of Missouri, Mr. SKELTON, Mr. TALENT, Mr. PICKERING, Mr. SHOWS, Mr. TAYLOR of Mississippi, Mr. THOMPSON of Mississippi, Mr. WICKER, Mr. BALLENGER, Mrs. CLAYTON, Mr. COBLE, Mr. HAYES, Mr. JONES of North Carolina, Mr. MCINTYRE, Mrs. MYRICK, Mr. PRICE of North Carolina, Mr. TAYLOR of North Carolina, Mr. WATT of North Carolina, Mr. BASS, Mr. ANDREWS, Mr. FRANKS of New Jersey, Mr. HOLT, Mr. LOBIONDO, Mrs. ROUKEMA, Mr. SAXTON, Mr. ACKERMAN, Mr. CROWLEY, Mr. ENGEL, Mr. FORBES, Mr. FOSSELLA, Mr. GILMAN, Mr. HINCHEY, Mr. HOUGHTON, Mrs. KELLY, Mr. KING, Mr. LAFALCE, Mr. LAZIO, Mrs. LOWEY, Mr. MCNULTY, Mr. MEEKS of New York, Mr. OWENS, Mr. QUINN, Mr. RANGEL, Mr. REYNOLDS, Ms. SLAUGHTER, Mr. TOWNS, Mr. WALSH, Mr. LATOURETTE, Mr. COBURN, Mr. DOYLE, Mr. ENGLISH, Mr. GOODLING, Mr. GREENWOOD, Mr. HOEFFEL, Mr. HOLDEN, Mr. KANJORSKI, Mr. KLINK, Mr. MASCARA, Mr. PETERSON of Pennsylvania, Mr. PITTS, Mr. SHERWOOD, Mr. SHUSTER, Mr. KENNEDY of Rhode Island, Mr. WEYGAND, Mr. CLYBURN, Mr. SPRATT, Mr. SPENCE, Mr. BRYANT, Mr. GORDON, Mr. HILLEARY, Mr. JENKINS, Mr. TANNER, Mr. BENTSEN, Mr. GREEN of Texas, Mr. HALL of Texas, Ms. JACKSON-LEE of Texas, Mr. LAMPSON, Mr. RODRIGUEZ, Mr. SANDLIN, Mr. STENHOLM, Mr. TURNER, Mr. BATEMAN, Mr. BOUCHER, Mr. GOODE, Mr. PICKETT, Mr. SISISKY, Mr. WOLF, Mr. BLILEY, Mr. SCOTT, Mr. SANDERS, Mr. MOLLOHAN, Mr. RAHALL, and Mr. WISE):

H.R. 1604. A bill to reauthorize, and modify the conditions for, the consent of Congress to the Northeast Interstate Dairy Compact and to grant the consent of Congress to the Southern Dairy Compact; to the Committee on the Judiciary.

By Mr. HUTCHINSON:

H.R. 1605. A bill to designate the United States courthouse building located at 402 North Walnut Street and Prospect Avenue in Harrison, Arkansas, as the ''Judge J. Smith Henley Federal Building''; to the Committee on Transportation and Infrastructure.

By Mr. KANJORSKI (for himself, Ms. DELAURO, Mr. FATTAH, Mr. OLVER, Mr. KLECZKA, and Mr. EVANS):

H.R. 1606. A bill to amend chapter 84 of title 5, United States Code, to make certain temporary Federal service creditable for retirement purposes; to the Committee on Government Reform.

By Mr. KASICH (for himself, Mr. SOUDER, Mr. PITTS, Ms. GRANGER, Mr. WAMP, Mr. MCINTOSH, Mr. TIAHRT, Mr. DEMINT, Mr. PICKERING, Mr. ROGAN, and Mr. WATTS of Oklahoma):

H.R. 1607. A bill to assist States in providing individuals a credit against State income taxes or a comparable benefit for contributions to charitable organizations working to prevent or reduce poverty and protect and encourage donations to charitable organizations, to prohibit discrimination against nongovernmental organizations and certain individuals on the basis of religion in the distribution of government funds to provide government assistance and the distribution of such assistance, to allow such organizations to accept such funds to provide such assistance without impairing the relegious character of such organizations, to provide for tax-free distributions from individual retirement accounts for charitable purposes, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KNOLLENBERG (for himself and Mr. BARCIA):

H.R. 1608. A bill to reaffirm and clarify the Federal relationship of the Swan Creek Black River Confederated Ojibwa Tribes of Michigan as a distinct federally recognized Indian tribe and to restore aboriginal rights, and for other purposes; to the Committee on Resources.

By Mr. LUCAS of Oklahoma:

H.R. 1609. A bill to amend Public Law 105–188 to provide for the mineral leasing of certain Indian lands in Oklahoma; to the Committee on Resources.

By Mr. LUTHER (for himself, Mr. OBERSTAR, Mr. VENTO, Mr. SABO, Mr. RAMSTAD, Mr. PETERSON of Minnesota, Mr. MINGE, and Mr. GUTKNECHT):

H.R. 1610. A bill to amend title XIX of the Social Security Act to reinstate the DSH allotment level for Minnesota to the fiscal year 1995 level; to the Committee on Commerce.

By Mr. MCCRERY (for himself, Mr. ENGLISH, and Mr. TAUZIN):

H.R. 1611. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to individual investment accounts, and for other purposes; to the Committee on Ways and Means.

By Mr. PALLONE (for himself, Ms. DELAURO, Mr. SERRANO, Mr. RUSH, Mr. SANDERS, Mr. OLVER, Ms. KILPATRICK, Mr. RANGEL, Mr. FROST, Mr. STARK, Mr. WAXMAN, Mr. KUCINICH, Ms. JACKSON-LEE of Texas, Mr. BONIOR, and Mrs. JONES of Ohio):

H.R. 1612. A bill to establish a comprehensive program to ensure the safety of food products intended for human comsumption which are regulated by the Food and Drug Administration; to the Committee on Commerce.

By Mr. PAUL:

H.R. 1613. A bill to restore to the original owners certain lands that the Federal Government took for military purposes in 1940; to the Committee on Resources, and in addition to the Committee on Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PHELPS (for himself, Ms. VELAZQUEZ, Mr. TALENT, Mrs. CHRISTENSEN, Mr. GONZALEZ, Mr. EVANS, Mr. CONYERS, Mr. SHOWS, Mr. BRADY of Pennsylvania, Mr. SKELTON, Mr. GUTIERREZ, Mr. BAIRD, Mr. MOORE, Mrs. MCCARTHY of New York, Mrs. NAPOLITANO, Mrs. JONES of Ohio, Mr. FROST, Mr. PASCRELL, and Mr. HINOJOSA):

H.R. 1614. A bill to authorize the Small Business Administration to provide financial and business development assistance to military reservists' small businesses, and for other purposes; to the Committee on Small Business.

By Mr. SUNUNU:

H.R. 1615. A bill to amend the Wild and Scenic Rivers Act to extend the designation of a portion of the Lamprey River in New Hampshire as a recreational river to include an additional river segment; to the Committee on Resources.

By Mr. THOMAS (for himself, Mr. CARDIN, Mr. BACHUS, Mr. FOLEY, Mr. ENGLISH, Mr. MCCRERY, Mr. SAM JOHNSON of Texas, Mr. DAVIS of Virginia, Mr. FORD, Mrs. THURMAN, Mr. MORAN of Virginia, Mr. WELLER, Mr. FROST, Mr. CRANE, Mr. HULSHOF, Mr. RAMSTAD, Ms. DUNN, Mr. NEAL of Massachusetts, Mr. HERGER, Mr. STARK, Mr. REYES, Mr. HAYWORTH, Mr. LEVIN, Mr. TANNER, Mr. CAMP, Mrs. JOHNSON of Connecticut, Mr. MCDERMOTT, Mr. BECERRA, Mr. MCNULTY, Mr. PORTMAN, Mr. SHAW, and Mr. HOUGHTON):

H.R. 1616. A bill to amend the Internal Revenue Code of 1986 to simplify certain provisions applicable to real estate investment trusts; to the Committee on Ways and Means.

By Mr. THORNBERRY (for himself, Mr. STENHOLM, Mrs. CUBIN, and Mr. THUNE):

H.R. 1617. A bill to amend the Federal Meat Inspection Act and the Poultry Products Inspection Act to provide for the eventual removal of intrastate distribution restrictions on State inspected meat and poultry; to the Committee on Agriculture.

By Mr. TRAFICANT:

H.R. 1618. A bill to amend section 106 of the Housing and Urban Development Act of 1968 to improve the housing counseling program of the Department of Housing and Urban Development, and for other purposes; to the Committee on Banking and Financial Services.

By Mrs. MALONEY of New York (for herself, Mr. YOUNG of Florida, and Mr. MURTHA):

H.J. Res. 46. A joint resolution conferring status as an honorary veteran of the United States Armed Forces on Zachary Fisher; to the Committee on Veterans' Affairs.

By Mr. MARKEY (for himself, Mr. BURTON of Indiana, Mr. MORAN of Virginia, Mrs. MORELLA, Mr. SPRATT, Mr. PITTS, Mr. MCDERMOTT, Mr. GANSKE, and Mr. LAFALCE):

H.J. Res. 47. A joint resolution expressing the sense of the Congress regarding the need

for a Surgeon General's report on media and violence; to the Committee on Commerce.

By Mr. SCARBOROUGH (for himself, Ms. CARSON, Mr. KENNEDY of Rhode Island, Mrs. JOHNSON of Connecticut, Mr. MALONEY of Connecticut, Mrs. EMERSON, Mr. BILBRAY, Mr. BROWN of Ohio, Mr. FARR of California, Mr. FROST, Mrs. MINK of Hawaii, Mrs. THURMAN, Mr. PEASE, Mr. KLECZKA, Mr. SNYDER, Mr. NEY, Mr. STENHOLM, Mr. BOYD, Mr. THOMPSON of Mississippi, Mr. ACKERMAN, Mr. BURTON of Indiana, Mr. GEJDENSON, Mr. TOWNS, Mr. ABERCROMBIE, Mr. STUMP, Mr. GARY MILLER of California, Mrs. MEEK of Florida, Mr. UNDERWOOD, Mr. EHLERS, Mr. ENGLISH, Mr. SAWYER, Mr. MCCOLLUM, Mr. METCALF, Mr. BARRETT of Nebraska, Mr. LIPINSKI, Mr. MILLER of Florida, Mr. CALLAHAN, Mr. REGULA, Mr. COOK, Mr. FOSSELLA, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MCINNIS, Mr. JOHN, Mr. UDALL of New Mexico, and Ms. RIVERS):

H.J. Res. 48. A joint resolution expressing the sense of Congress with respect to the court-martial conviction of the late Rear Admiral Charles Butler McVay, III, and calling upon the President to award a Presidental Unit Citation to the final crew of the U.S.S. INDIANAPOLIS; to the Committee on Armed Services.

By Mr. COX (for himself and Mr. DICKS):

H. Res. 153. A resolution amending House Resolution 5, One Hundred Sixth Congress, as amended by House Resolution 129, One Hundred Sixth Congress; to the Committee on Rules.

By Mr. RADANOVICH (for himself, Mr. ACKERMAN, Mr. ANDREWS, Mr. BERMAN, Mr. BILBRAY, Mr. BLAGOJEVICH, Mr. BLILEY, Mrs. CAPPS, Mr. CAPUANO, Mr. CLAY, Mr. COSTELLO, Mr. CROWLEY, Mr. DIXON, Mr. DOOLEY of California, Ms. ESHOO, Mr. FRANKS of New Jersey, Mr. HEFLEY, Mr. HINCHEY, Mr. HORN, Mr. KASICH, Mr. KENNEDY of Rhode Island, Mr. KILDEE, Mr. KING, Mr. KLECZKA, Mr. KNOLLENBERG, Mr. LARSON, Mr. LEVIN, Mr. LIPINSKI, Mrs. MALONEY of New York, Mr. MARKEY, Mr. MARTINEZ, Mrs. MCCARTHY of New York, Mr. MCGOVERN, Mr. MCHUGH, Mr. MCKEON, Mr. MCNULTY, Mr. MEEHAN, Mr. MENENDEZ, Mr. MOAKLEY, Mr. MORAN of Virginia, Mrs. MORELLA, Mr. NEAL of Massachusetts, Mr. OBEY, Mr. OLVER, Mr. PALLONE, Mr. PORTER, Mr. ROGAN, Mr. ROTHMAN, Mr. ROYCE, Mr. RUSH, Mr. SAXTON, Mr. SHERMAN, Ms. STABENOW, Mr. TIERNEY, Mr. THOMAS, Mr. VISCLOSKY, Mr. WAXMAN, Ms. WOOLSEY, and Mr. WYNN):

H. Res. 155. A resolution calling upon the President to provide in a collection all United States records related to the Armenian genocide and the consequences of the failure to enforce the judgments of the Turkish courts against the responsible officials, and to deliver the collection to the Committee on International Relations of the House of Representatives, the library of the United States Holocaust Memorial Museum, and to the Armenian Genocide Museum in Yerevan, Armenia; to the Committee on Government Reform, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

## MEMORIALS

Under clause 3 of rule XII,

26. The SPEAKER presented a memorial of the General Assembly of the State of North Dakota, relative to Senate Concurrent Resolution No. 4024 memorializing Sakakawea to be honored and memorialized with a statue in the National Statuary Hall in the United States Capital in Washington, D.C.; to the Committee on House Administration.

## ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 7: Mr. GARY MILLER of California and Mr. SUNUNU.

H.R. 25: Ms. SLAUGHTER, Mr. MEEKS of New York, Mr. WEINER, and Mr. FOSSELLA.

H.R. 38: Mr. COLLINS.

H.R. 44: Mr. BURTON of Indiana, Ms. KAPTUR, Mr. FRANK of Massachusetts, and Mr. SCHAFFER.

H.R. 48: Mr. FRANKS of New Jersey.

H.R. 53: Mr. PHELPS and Mr. COBURN.

H.R. 65: Mr. STRICKLAND, Ms. KAPTUR, Mr. CALLAHAN, Mr. FRANK of Massachusetts, and Mr. SCHAFFER.

H.R. 73: Mr. MCKEON, Mr. CALLAHAN, and Mr. COLLINS.

H.R. 87: Mr. CROWLEY.

H.R. 100: Mr. BRADY of Pennsylvania, Mr. BORSKI, Mr. KLINK, Mr. PETERSON of Pennsylvania, Mr. HOLDEN, Mr. WELDON of Pennsylvania, Mr. GREENWOOD, Mr. SHUSTER, Mr. SHERWOOD, Mr. KANJORSKI, Mr. MURTHA, Mr. HOEFFEL, Mr. COYNE, Mr. TOOMEY, Mr. PITTS, Mr. GEKAS, Mr. DOYLE, Mr. GOODLING, Mr. MASCARA, and Mr. ENGLISH.

H.R. 113: Mr. GOODE, Mr. CHAMBLISS, Mr. MCINTYRE, Mr. SKEEN, and Mr. CALLAHAN.

H.R. 116: Mr. SAWYER.

H.R. 271: Mr. BROWN of California and Mr. FRANK of Massachusetts.

H.R. 272: Mr. MCNULTY.

H.R. 274: Mr. BARRETT of Wisconsin, Mr. PAYNE, Mr. INSLEE, Mr. WELDON of Pennsylvania, Mr. CLEMENT, Mr. LARSON, Mr. MCNULTY, Mr. ALLEN, Mr. HOEFFEL, Mr. EVANS, Mr. DIXON, Mr. BONIOR, and Mr. FRELINGHUYSEN.

H.R. 275: Mr. NETHERCUTT.

H.R. 303: Mrs. WILSON, Mr. ABERCROMBE, Ms. KAPTUR, Mr. CALLAHAN, and Mr. FRANK of Massachusetts.

H.R. 306: Mr. HYDE.

H.R. 352: Mr. WICKER, Mr. GRAHAM, and Mr. JONES of North Carolina.

H.R. 360: Mrs. CLAYTON, Mr. GILMAN, Mr. POMBO, Mr. BLAGOJEVICH, Mr. JOHN, Mr. GEJDENSON, Ms. DANNER, Mr. CALVERT, Mrs. JOHNSON of Connecticut, and Mr. WELDON of Pennsylvania.

H.R. 455: Mr. BERMAN.

H.R. 491: Mr. BRADY of Pennsylvania.

H.R. 515: Mr. TIERNEY.

H.R. 516: Mr. MCKEON.

H.R. 534: Mr. BUYER.

H.R. 541: Mr. LEVIN.

H.R. 555: Mrs. CLAYTON, Mr. JACKSON of Illinois, Mr. WEINER, and Mr. HILLIARD.

H.R. 612: Mr. ENGLISH, Mr. WAXMAN, Mr. SANDERS, Mr. LATOURETTE, and Ms. ROYBAL-ALLARD.

H.R. 648: Mr. MORAN of Virginia, Mr. GOODE, Mr. GREEN of Texas, and Mr. COYNE.

H.R. 673: Mrs. THURMAN.

H.R. 678: Mr. DAVIS of Illinois.

H.R. 681: Mr. LARSON.

H.R. 701: Mr. TERRY, Mr. ALLEN, Mr. SPENCE, Mr. CLEMENT, Mr. FLETCHER, and Ms. CARSON.

H.R. 716: Mrs. KELLY and Mr. SHAYS.

H.R. 732: Mr. FOLEY, Mrs. JOHNSON of Connecticut, Mr. FILNER, Mr. BROWN of Ohio, Mr. RUSH, and Mr. PAYNE.

H.R. 745: Mr. DOYLE and Mr. WATT of North Carolina.

H.R. 746: Mr. OLVER.

H.R. 750: Mr. BAIRD.

H.R. 765: Mr. HILLIARD, Mr. METCALF, Mr. GOODE, and Ms. LOFGREN.

H.R. 775: Mr. MCCRERY.

H.R. 784: Mr. CANADY of Florida, Mr. ANDREWS, Ms. PRYCE of Ohio, Mr. COOKSEY, Mrs. LOWEY, Mr. GORDON, Mr. SKELTON, Mr. PALLONE, and Mr. FRANK of Massachusetts.

H.R. 804: Mrs. EMERSON, Mr. COLLINS, and Mr. BARCIA.

H.R. 805: Mr. CAPUANO.

H.R. 827: Mr. DICKEY and Ms. SANCHEZ.

H.R. 828: Mr. UPTON and Mr. ENGLISH.

H.R. 846: Mr. CAPUANO and Ms. LOFGREN.

H.R. 860: Mr. HILLIARD.

H.R. 866: Ms. PRYCE of Ohio.

H.R. 894: Mr. TALENT.

H.R. 902: Mr. WU, Mr. TIERNEY, Mr. BROWN of California, and Mr. CROWLEY.

H.R. 904: Mr. WHITFIELD, Mr. NEY, Mr. BAKER, Ms. DELAURO, Mr. LARGENT, Mr. NADLER, Mr. MCCRERY, Mr. SAWYER, and Mr. JEFFERSON.

H.R. 935: Mr. GARY MILLER of California.

H.R. 936: Mr. GARY MILLER of California.

H.R. 957: Mr. MCINNIS, Mr. KNOLLENBERG, Mr. STUMP, Mr. BAIRD, Mrs. CHRISTENSEN, and Mr. PHELPS.

H.R. 959: Mr. EVANS.

H.R. 964: Mr. JEFFERSON.

H.R. 979: Mr. LAFALCE, Mr. QUINN, Mr. HINCHEY, Mr. TIERNEY, Mr. BALDACCI, Mr. RAHALL, Mr. MCHUGH, Ms. RIVERS, Mr. MALONEY of Connecticut, Mr. NEAL of Massachusetts, Mr. HOEFFEL, Mrs. MINK of Hawaii, Mr. PASCRELL, Mr. GILMAN, Mr. LARSON, and Mr. CONYERS.

H.R. 987: Mr. STUMP, Mr. RADANOVICH, Mr. BRYANT, Mr. HANSEN, Mr. DREIER, Mr. ROHRABACHER, Mr. WALDEN of Oregon, Mr. SKEEN, Mr. LEWIS of California, Mr. DOOLITTLE, Mr. EHRLICH, Mr. GIBBONS, Mr. SALMON, Mr. WATKINS, Ms. GRANGER, Mr. BARTON of Texas, Mr. LINDER, Mr. PORTMAN, Mr. HAYES, Mr. SCHAFFER, Mr. BARR of Georgia, Mr. WAMP, Mr. SCARBOROUGH, Mr. PITTS, and Mr. HAYWORTH.

H.R. 997: Mr. BARRETT of Wisconsin, Mr. WELDON of Pennsylvania, Mr. CLEMENT, Mr. LARSON, Ms. SCHAKOWSKY, Mr. FRANK of Massachusetts, Mr. GILCHREST, Mr. ALLEN, Ms. BROWN of Florida, Mr. HOEFFEL, Mr. EVANS, and Mr. DIXON.

H.R. 1001: Mrs. JOHNSON of Connecticut and Mr. CAMP.

H.R. 1004: Mr. WELLER and Mr. SHOWS.

H.R. 1006: Mr. NEAL of Massachusetts, Mr. WELLER, and Mr. LEWIS of Georgia.

H.R. 1055: Mrs. KELLY, Mr. SCARBOROUGH, Mr. LEWIS of Kentucky, Mr. STEARNS, Mr. TAYLOR of North Carolina, Mr. DEMINT, Mr. SAM JOHNSON of Texas, Mr. BARTLETT of Maryland, Mr. BARR of Georgia, Mr. LARGENT, Mr. TERRY, and Mr. SHIMKUS.

H.R. 1062: Mr. WEYGAND, Mr. PASCRELL, Mr. LEWIS of Georgia, and Mr. TIERNEY.

H.R. 1063: Mr. WU.

H.R. 1070: Mr. LARSON, Mr. GOODLING, and Mr. HYDE.

H.R. 1071: Mr. PASCRELL, Mr. PETERSON of Minnesota, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. CAPUANO, Mr. ENGLISH, Mr. RAHALL, Mr. GREEN of Texas, and Mr. MOAKLEY.

H.R. 1091: Ms. SLAUGHTER, Mr. BLUNT, Mrs. EMERSON, and Mr. NETHERCUTT.
H.R. 1096: Mr. PALLONE.
H.R. 1102: Mr. COLLINS and Mr. HOYER.
H.R. 1111: Mr. MCCRERY.
H.R. 1116: Mr. SCHAFFER.
H.R. 1118: Mr. ENGLISH.
H.R. 1150: Mr. FLETCHER.
H.R. 1175: Ms. SCHAKOWSKY, Mr. CAPUANO, Mr. GUTIERREZ, Mr. NORWOOD, Mr. LAMPSON, Mr. BEREUTER, and Mr. HOLT.
H.R. 1180: Mr. MCGOVERN, Mr. GOODLING, Mr. VENTO, Ms. PRYCE of Ohio, Mr. MINGE, Mr. ACKERMAN, Ms. SLAUGHTER, Mr. BAKER, Mr. DOYLE, Mr. FLETCHER, Mr. SABO, Ms. BROWN of Florida, Mr. LEWIS of Georgia, Mr. COYNE, Mr. KENNEDY of Rhode Island, and Mr. GUTIERREZ.
H.R. 1190: Mr. EHLERS and MS. KAPTUR.
H.R. 1191: Mr. BLAGOJEVICH, Mr. GUTIERREZ, Mr. SHIMKUS, Mr. CRANE, Mr. LIPINSKI, Mr. PHELPS, Mr. COSTELLO, Ms. SCHAKOWSKY, Mr. RUSH, Mr. EVANS, Mrs. BIGGERT, Mr. MANZULLO, Mr. LAHOOD, Mr. JACKSON of Illinois, Mr. HYDE, Mr. EWING, Mr. PORTER, Mr. WELLER, and Mr. HASTERT.
H.R. 1195: Mr. CLEMENT, Mr. KLINK, Mrs. BONO, Mr. NUSSLE, Mr. WELLER, Mr. CROWLEY, Mr. SESSIONS, and Mr. STUMP.
H.R. 1196: Mr. PAUL.
H.R. 1206: Mrs. KELLY and Mr. PETERSON of Minnesota.
H.R. 1214: Ms. HOOLEY of Oregon and Mr. DAVIS of Florida.
H.R. 1219: Mr. CUNNINGHAM.
H.R. 1221: Mr. LATHAM, Mr. LEWIS of Georgia, and Mr. GUTIERREZ.
H.R. 1222: Mr. MEEHAN.
H.R. 1232: Mrs. MORELLA, Ms. JACKSON-LEE of Texas, Mr. ROTHMAN, Mrs. TAUSCHER, Mr. BALDACCI, Mr. MCGOVERN, Mr. SHOWS, and Mr. WEYGAND.
H.R. 1254: Mr. BASS.
H.R. 1256: Mr. ENGLISH, Mr. BILBRAY, and Mr. WEINER.
H.R. 1278: Mr. HALL of Ohio, Mr. SKELTON, and Mr. HINOJOSA.
H.R. 1286: Mr. ACKERMAN.
H.R. 1290: Mr. SHOWS.
H.R. 1291: Mr. SIMPSON, Mr. HOEKSTRA, Mrs. THURMAN, Mr. COLLINS, Mr. COMBEST, Mr. GARY MILLER of California, and Mr. KNOLLENBERG.
H.R. 1301: Mr. PICKETT, Mr. ADERHOLT, Mr. CONDIT, Mr. THORNBERRY, Mr. HILLIARD, Mr. SAM JOHNSON of Texas, Mr. TURNER, Mr. BRADY of Texas, Mr. FARR of California, Mr. SUNUNU, Mr. COLLINS, Mr. WHITFIELD, Mr. REYNOLDS, Mr. BARTON of Texas, Mr. GILMAN, Mrs. MYRICK, Mr. FROST, Mr. GREENWOOD, Mr. SHOWS, Mr. CALLAHAN, Mr. TERRY, and Mr. WATKINS.
H.R. 1304: Mr. WAMP and Mr. DOOLITTLE.
H.R. 1326: Mr. HAYES, Mr. ORTIZ, Mr. REYES, and Mr. GREEN of Texas,.
H.R. 1329: Mr. STUMP and Mr. CRANE.
H.R. 1344: Mr. BARCIA.
H.R. 1346: Mr. KUCINICH, Mrs. ROUKEMA, and Mr. BONIOR.
H.R. 1352: Mrs. JONES of Ohio, Mr. SANDERS, Mr. HILLIARD, Mr. LANTOS, Ms. LEE, Mr. WAXMAN, Mrs. MEEK of Florida, Ms. RIVERS, Mr. BAIRD, Mrs. MALONEY OF NEW YORK, Mr. FROST, Ms. NORTON, Mrs. CAPPS, Ms. JACKSON-LEE of Texas, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MCGOVERN, Mrs. THURMAN, and Mrs. MORELLA.
H.R. 1354: Mrs. EMERSON.
H.R. 1355: Mr. RANGEL, Mr. UNDERWOOD, Mr. BAIRD, and Ms. WATERS.
H.R. 1356: Mr. GEORGE MILLER of California and Mrs. MYRICK.
H.R. 1362: Mr. HINCHEY.
H.R. 1363: Mr. STUMP.
H.R. 1398: Mr. HUNTER and Mrs. BONO.
H.R. 1411: Mr. SHOWS, Mr. MEEKS of New York, and Mr. FROST.
H.R. 1432: Mr. WYNN, Mrs. LOWEY, and Mr. DAVIS of Illinois.
H.R. 1445: Mr. MURTHA, Mr. QUINN, Ms. SCHAKOWSKY, and Mr. BEREUTER.
H.R. 1448: Mr. FRANKS of New Jersey.
H.R. 1462: Mr. FORD.
H.R. 1476: Mr. OLVER AND MR. HINOJOSA.
H.R. 1491: Mr. TIERNEY, Mr. QUINN, Mr. STARK, and Mr. FRANK of Massachusetts.
H.R. 1495: Mr. GREEN of Texas and Mr. WEINER.
H.R. 1507: Mr. SHADEGG, Mr. CANNON, Mr. HILL of Montana, Mr. WALDEN of Oregon, and Mr. COOK.
H.R. 1514: Mr. CLYBURN and Mr. MCGOVERN.
H.R. 1519: Mr. TERRY.
H.R. 1545: Mr. WAXMAN and Mr. TOWNS.
H.R. 1581: Ms. MCKINNEY and Mr. BORSKI.
H.J. Res. 33: Mr. BERRY.
H. Con. Res. 34: Mr. BLAGOJEVICH.
H. Con. Res. 60: Mrs. KELLY, Mr. MOAKLEY, Mr. CUNNINGHAM, and Mr. RYAN of Wisconsin.
H. Con. Res. 71: Mr. GREEN of Texas, Mr. GRAHAM, Mrs. KELLY, Mr. GREENWOOD, Mr. DEAL of Georgia, and Mr. STEARNS.
H. Con. Res. 75: Mr. SCHAFFER, Ms. CARSON, and Mr. SHAYS.
H. Con. Res. 88: Mr. HILLEARY, Mr. GREEN of Wisconsin, Mr. BRADY of Texas, Mrs. FOWLER, and Mrs. KELLY.
H. Res. 107: Mr. MATSUI and Mr. PORTER.
H. Res. 146: Mr. FROST and Mr. DELAHUNT.

## DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 833: Mr. BRADY of Pennsylvania.

# EXTENSIONS OF REMARKS

## INTRODUCTION OF LEGISLATION

### HON. ED BRYANT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. BRYANT. Mr. Speaker, I rise today to extend my remarks with an introduction of an important piece of legislation.

Today, we are introducing legislation that links two important issues—the need for pioneering research and development, and the need for patents with integrity to encourage that research. This relationship of R&D and patent integrity is one of mutual dependence * * * a relationship in which each fosters the other for the benefit of us all.

We all know that pharmaceutical research is one of the best patient protection policies we can buy as Americans. Just ask any physician—or any patient who has benefited from the healing powers of a new pharmaceutical.

In fact, pharmaceutical research and development is one of America's success stories.

But R&D is not a matter of simply walking into a laboratory one day, discovering a product, and putting it on the pharmacist's bench the next week. Drug research is a marathon, not a sprint. It is expensive. And it is time-consuming. It costs more than $500 million to discover and develop one new medicine. Research-oriented pharmaceutical companies spend an average of 15 years between the time they discover a drug and the time they are allowed to bring it to market.

That explains our legislation and the necessity for patent integrity. Patent integrity is the cornerstone, the wellspring, of research and development. The protection of intellectual property is even spelled out in the Constitution, which states: ''Congress shall have the power * * * to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.''

The message of the Founding Fathers was simple, straightforward and unmistakably clear—and for those reasons, it has stood the test of time. It was—and is—a directive that innovators should be able to benefit from their labors through the protection of intellectual property, which in turn will create the incentive to create pioneering products that benefit us all.

Pharmaceuticals assume a special importance in our nation's research and development efforts. I know this for a fact because my district is home to a major facility of Schering-Plough. This plant contributes in a major way to the economy of the region and employs 800 highly skilled people. But the issues here are much larger and more significant than one plant or one company.

The issues, instead, involve fairness and predictability in America's intellectual property laws—in other words, patent integrity.

In 1984, Congress passed the Hatch-Waxman Act, which was designed to accomplish two goals. One was to enable generic drugs to get to market faster. The other goal was to restore some of the patent life that branded drugs were losing to lengthy regulatory reviews.

As time passed, however, it has become clear that the goals of Hatch-Waxman were significantly undermined by unintended consequences.

When it passed the legislation in 1984, Congress rightly assumed and anticipated that there would be relatively quick FDA approval for drugs that were in the approval ''pipeline'' at the time. In fact, that did not occur. For some drugs, the regulatory review took significantly longer than anticipated. This regulatory delay unintentionally deprived them of critical portions of their patent life.

Regulatory delay is an unfortunate occurrence in Washington. In many cases, it has direct consequences. This legislation is intended to address one of those consequences.

This legislation addresses this issue in the right way. It seeks to establish an independent and public review process within the Patent Office. This process would consider claims for patent restoration to offset regulatory delay.

Ultimately, this legislation enables Congress to assure patent integrity. And, by assuring patent integrity, Congress will be assuring a continuation of the types of research and development that helps patients every day.

## ESTABLISH NATIONAL WHEAT CLEANING PROGRAM

### HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. SCHAFFER. Mr. Speaker, Colorado's Fourth Congressional District encompasses the eastern half of our state and is home to some of the most productive agricultural land in the nation. The soil, water, and climate conditions across the Eastern Plains, and throughout much of our state, provide a very favorable environment for Colorado's 14,000 wheat growers.

These growers have produced an average of 84.8 million bushels annually over the past 10 years, producing $293.5 million in revenue each year. Furthermore, wheat is ranked as one of Colorado's top export commodities by dollar volume. Greater then 80 percent of our state's wheat crop is exported to over 60 different countries, including Egypt, Korea, China, and Latin America. These exports alone account for over $234.8 million in annual revenue and contribute greatly to the 18,851 jobs produced by the Colorado wheat industry.

Yet, despite the favorable growing conditions and high levels of productivity, Colorado's wheat growers and many other producers across the nation have watched their profits, and in many cases their very livelihoods, decline sharply over the past couple of years. The agriculture industry has become increasingly dependent upon the foreign marketplace to expand sales and increase revenues, yet many factors have placed our producers at a competitive disadvantage to other exporting nations.

Wheat export trade, in particular, has changed rapidly and significantly over the past decade. Government buying agencies have all but disappeared and have been replaced by private buyers, flour millers, and other end-users, which are typically more discriminating, quality-conscious buyers. One factor under increasing scrutiny is the level of dockage, or unmillable material such as weeds and wheat stalk, contained in U.S. exports.

The growth of U.S. wheat exports has been limited in recent years because cleaned wheat, or wheat that has undergone a process to filter and separate dockage, is not widely available among the U.S. export system, while other countries have been shipping grain with very low dockage content.

In response to pressure from the Congress and America's wheat growers last year, the president's budget request for the U.S. Department of Agriculture (USDA) this year includes a provision to allow matching funds to export elevators to install high-speed cleaning equipment. Such a long-term investment would greatly benefit the American wheat industry in particular, and the U.S. trade balance overall, by ensuring our exports are of sufficient quality to actively compete with other wheat exporting nations.

Mr. Speaker, I strongly encourage the Congress to authorize, and the president to implement, an effective national wheat cleaning program to help boost the competitiveness of U.S. wheat in the international marketplace.

## W.A. ''BILL'' TAYLOR IS A TRUE LEADER

### HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. PICKERING. Mr. Speaker, I would like to pay tribute to Mr. W.A. ''Bill'' Taylor, a friend of mine in Louisville, Mississippi. He is truly a man for all seasons. Mr. Taylor is a business leader, a philanthropist, and the CEO and Chairman of the Board of The Taylor Group, Inc.

Mr. Taylor's company was formed by his father, Mr. W.A. ''Spec'' Taylor is 1927 as a small, family-owned automotive and machine repair business. Today, it employs more than 1,000 people and is comprised of seven subsidiary companies that manufacture all types

of machinery. Its ''Big Red'' product line is synonymous with quality and durability throughout the world.

Mr. Taylor built his company on three words: Faith, Vision, and Work. He has used that motto successfully in business as well as other aspects of his life. Civic and community service activities continue to be a major part of Mr. Taylor's life. He served as a director of the National Association of Manufacturers (NAM), Construction Industry Manufacturers Association, Mississippi State University Development Foundation, Jackson Symphony Orchestra, Kidney Foundation of Mississippi and the Pshmataha Council of Boy Scouts of America. This week, he was inducted into the Mississippi Business Hall of Fame.

Mr. Taylor's pride and joy are his wife Mitzie, his sons Lex and Robert and their wives, his daughter Teresa, and four grandchildren, Alexis, Bailey, Davis, and Zachary. He has prioritized his life to put his faith, family, and community in the forefront of his life. He is truly a leader in the Third District of Mississippi and I am proud to call him my friend.

## TRIBUTE TO STEVEN FOGEL

### HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. BERMAN. Mr. Speaker, I rise to pay tribute to my good friend, Steve Fogel, who is being honored by Stephen S. Wise Temple in Los Angeles for his years of dedicated service. Steve has served as a member of the Temple Board for 15 years, and has recently completed a two-year term as its president. Steve has played a central role in the development of the Temple into one of the premier institutions of Jewish life in Southern California.

Along with his strong commitment to Judaism, Steve is a successful businessman, an accomplished artist and an author.

Steve is an outstanding example of the self-made man. He put himself through USC while working as a professional photographer. After graduation, he entered the field of real estate. With a couple of years Steve and his partner, Howard Banchik, formed Westwood Financial Corporation, which owns and operates over 125 shopping centers across the Western United States, plus office buildings and apartment complexes.

Steve's literary skills are also extremely impressive. He has written three books, including The Yes I Can Guide to Mastering Real Estate and an upcoming work on God and the universe. When he is not writing or tending to his business, Steve is painting. He is an oil-color artist with over 50 portraits in private collections. His work has been placed in public exhibitions and he was the subject of a one-man show at the Sylvia White Gallery in Santa Monica.

Steve's wife, Darlene, also a devoted member of Stephen S. Wise Temple, serves on the board of the Fulfillment Fund and Friends of Neurology at Cedars-Sinai Hospital. They are the proud parents of a son and three daughters, one of whom, Kelly, graduated from Buckley High School with my daughter, Lindsey.

I ask my colleagues to join me in saluting Steve Fogel, a man of many talents and great generosity and community spirit. It is with considerable pride that I pay tribute to this fellow graduate of Hamilton High School in Los Angeles.

## CONGRATULATIONS, CHIEF THOMAS C. O'REILLY

### HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. PAYNE. Mr. Speaker, I would like my colleagues here in the House of Representatives to join me in paying tribute to a man who has served the Newark community with distinction for over 36 years, our Chief of Police, Thomas C. O'Reilly. His many friends, colleagues, and family will gather on Thursday, April 29, for a testimonial dinner in Newark to honor him for his contributions and to express appreciation for his decades of dedicated service.

A lifelong resident of Newark, Chief O'Reilly attended St. Columba Grammar School and St. Benedicts Prep, then went on to earn an undergraduate degree from Kean College and a master's degree from John Jay College of New York City. He furthered his education at Northwestern University, a Police Administration Institute. Chief O'Reilly, who is affectionately known as ''Tom,'' has built an impressive record throughout his career in law enforcement. He was appointed a patrolman and entered the Academy on December 10, 1956; he was later assigned to the 2nd Precinct and then to the Detective Division. Later, he was promoted to Sergeant and assigned to the Traffic Bureau. In 1966, he was assigned to the Police Training Academy and then promoted to Lieutenant in 1968. He was assigned to the Office of Management Improvement and Professional Development and assigned as Commanding Officer of the Gambling Squad. Upon promotion to Captain, he was assigned as the Commander of the West District in 1974 and then promoted to the rank of Inspector in 1977, where he was assigned as Commander of the Tactical Force. In 1978, he was assigned to the Detective Division until promotion to Deputy Chief of Police in 1983. Later, he was assigned Chief of Staff to the Police Director and in 1986, he assumed the role of Commanding Officer of the Office of Management Improvement and Professional Development. In 1987, he ascended to the position of Chief of Staff in the Office of the Chief of Police. In 1991, he was assigned as Chief of Staff to the Police Director, and on November 9, 1992, he took over the reins as Chief of Police.

Mr. Speaker, Chief O'Reilly has touched many lives in our community throughout his years of service. He has been a positive influence and a great role model. I know my colleagues join me in wishing Chief O'Reilly all the best and commending him for a job well done.

## NEW HEIGHTS IN HYPOCRISY

### HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. BEREUTER. Mr. Speaker, this Member commends to his colleagues an excellent editorial questioning the President's recent comments about Congressional inaction on Social Security reform which appeared in the *Washington Post*, on April 27, 1999.

[From The Washington Post, Apr. 27, 1999]

A ROUT ON SOCIAL SECURITY

The President now denounces the congressional Republicans for refusing to take a step on Social Security that the president himself has consistently shunned. The Republican leaders say they won't bring up a bill this year to restructure the program so that in the long term revenue will cover costs; they don't want to take the political risk this close to the next election.

The president deplores the fact that they have ''abandoned the effort,'' are ''either unable or unwilling to face up to the challenge,'' etc. ''I have proposed concrete steps,'' said the statement issued in his name last Friday. But he no more than they has said how he would make what he once again called ''the tough choices needed to secure the trust fund over the long term.'' The most he will say is that there should be bipartisan discussions of the subject, which is to say, he wants to share the blame.

Yesterday the vice president joined in beating up on the Republicans for flinching. Since the vice president aspires now to lead the country, perhaps it's fair to ask him, what is he for? It may not surprise you to learn that he hasn't said either.

Mr. Clinton has proposed that the bulk of the projected budget surplus over the next 15 years be set aside to pay future Social Security costs in the only way the government can set it aside, which is use it to pay down debt. It's a good proposal as far as it goes. Debt reduction translates into an increase in national savings that will help the economy grow and make it easier for the government to increase borrowing again when it needs the money to pay the cost of the baby boomers' retirement.

By invoking Social Security, he rightly keeps the money from being used for other purposes, either new spending programs or tax cuts. But his plan, even in the event that the surplus were to materialize as forecast, would close only a little more than half the long-term gap between Social Security revenues and costs. The rest will require benefit cuts and/or tax increases. It's at that point that the voices of the president and his acolyte, the vice president, cease to be heard. It's a lot more fun to save an imaginary surplus than to tell future retirees and/or taxpayers that they'll have to make do with less.

The Republicans want to ''privatize'' Social Security, meaning shift toward a system in which at least a share of benefits will flow from individual investment accounts rather than the government. To a large extent, the shift would be illusory. The money for the ''private'' accounts would come from a compulsory national savings program, and to guard against loss, the government, in most versions of the plan, would likewise limit the range of investment.

Our own sense is that the costs and risks of such a step seriously outweigh the possible

benefits. That's the president's apparent view as well. He thus berates the Republicans for failing to put forth a plan of which he disapproves. But they like the idea, and some in positions of leadership have at least been tinkering with alternatives. One version already has been put forward with some Democratic support, and another may be unveiled on the House side this week, if only for discussion.

The president offers no counterpart on this or, thus far, on Medicare, either. ''We need some leadership of the president,'' Senate majority Leader Trent Lott said on a Sunday talk show as he announced that he, too, intended to duck the issue this year. The year began with statements of determination by both parties to follow the president's slogan of ''saving Social Security first.'' It's not happening. They'll spend the time blaming each other instead—and both will be right. To suggest as the president did the other day that only the Republicans are flinching is to give hypocrisy a bad name.

## IN HONOR OF THE FRANKLIN CENTER FOR REHABILITATION AND NURSING ON ITS 25TH ANNIVERSARY

### HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mrs. MALONEY of New York. Mr. Speaker, I rise today to pay a special tribute to the Franklin Center for Rehabilitation and Nursing as it celebrates its 25th Anniversary.

The Franklin Center for Rehabilitation and Nursing is a 320-bed skilled nursing facility located in my Queens district. For over 25 years, this institution has served the Queens community with dedication and commitment. It has earned itself the high regard of the Queens community and is considered one of the finest nursing homes in the area.

The Franklin Center, which is Joint Commission accredited, receives annual perfect surveys and is renowned for the expert care provided by the Center's team of highly qualified, experienced professionals.

The Franklin Center is equipped to manage the needs of sub-acute patients requiring IV Therapy, trach vents and tube feeding. In addition, its vast rehabilitative services include: physical therapy, occupational therapy, speech therapy, social work services, among others.

However, above and beyond the services the Franklin Center provides is the manner in which they treat their patients. Perhaps the Center's greatest asset is its concerned, caring and compassionate staff. Since the Franklin Center is committed to the well-being of those who reside in the home, the Center places a special emphasis on the comfort and security it provides.

For example, the Franklin Center takes into consideration the ethnic make-up of the community which it serves. The Center offers a special focus towards the Asian community and has a full-time Asian cook on staff as well as a multi-lingual staff.

The dietary constraints of the community's Jewish residents are also considered; the Center provides Glatt Kosher catering and religious services.

It is this attention to the individual concerns of its residents and patients that has earned the Franklin Center for Rehabilitation and Nursing its outstanding reputation.

Mr. Speaker, I am honored to bring to your attention the fine work of the Franklin Center for Rehabilitation and Nursing as it celebrates its 25th Anniversary. It is truly an honor to have such a remarkable institution in my district assisting my constituents.

## TRIBUTE TO OFFICER RUSSELL STALNAKER

### HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. COLLINS. Mr. Speaker, I rise today to pay tribute to Atlanta Police Officer Russell Stalnaker who was killed in the line of duty earlier this month. Known to his family and friends as Rusty, the 24 year old officer was a graduate of Stockbridge High School in Henry County. He followed in the footsteps of his uncle and joined the Atlanta Police Department three years ago. Rusty was an asset to his community, not only as a law enforcement officer, but in his work with the Special Olympics and other community organizations.

In 1997, Rusty married Dana Bertholf. The couple made their home in McDonough, Georgia.

I offer my heartfelt condolences to Rusty's wife and parents, Linda and Larry Stalnaker of Rex, Georgia. Our nation is fortunate to have guardians who put their lives at risk every single day to protect us from violence. Rusty Stalnaker was one of those guardians who watched over his family and community. Rusty's life was cut tragically short, but his bravery and heroism will long be remembered.

## TRIBUTE TO THE SAN FERNANDO VALLEY JAPANESE LANGUAGE INSTITUTE

### HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. BERMAN. Mr. Speaker, I rise to pay tribute to the San Fernando Valley Japanese Language Institute, which this year is marking its 75th anniversary. Throughout its history, this non-profit, tax-exempt school has done a remarkable job of introducing successive generations of children to the art, culture and language of Japan.

Of course, the Institute holds a special place in the hearts of students of Japanese ancestry. But all students, regardless of heritage, have benefitted from the education and special attention that are so much a part of the Institute's tradition.

The Institute, which is located in Pacoima, was started in 1924 under the auspices of 13 original members of the Shikishima Club. The intent from the beginning was for the Institute to promote the language and culture of Japan, and to serve as a central meeting place for members of the San Fernando Valley's substantial Japanese-American community. It has succeeded on all counts.

By 1941, the Institute had increased its annual enrollment to 180 students. However, the school closed following America's entry into World War II. Cabinet officers were accompanied by FBI agents to the various relocation camps set up to intern Japanese-Americans. The Institute did not reopen until 1949, four years after Japan had surrendered to the United States. The initial class had 35 students.

In 1966, the original property was sold due to the deterioration of the building. With the cooperation of 220 past and current parents, a new school building was completed at the present site.

Today the Institute offers classes to students from Nyumon (kindergarten) through high school in the Japanese language, as well as teaching the ancient ceremonies and traditions associated with Japan. A dedicated staff and involved group of parents work hard so that the Institute can meet its financial and educational goals.

I ask my colleagues to join me in saluting the San Fernando Valley Japanese Language Institute, which for 75 years has provided a unique and quality education to hundreds of students.

## A TRIBUTE TO THE LATE J.P. ''JAKE'' MILLS

### HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. PICKERING. Mr. Speaker, I would like to pay tribute to an extraordinary Mississippian, Mr. J.P. "Jake" Mills. I am sad to say that he passed away on Saturday, April 17, 1999. I am proud to say that Jake Mills was a friend of mine and I am thankful for the time I spent with him.

Jake Mills was truly a remarkable person. He touched countless lives, traveling extensively across the country where he formed friendships and ties that made him such a special person. He had a quick wit and a broad knowledge of Biblical scriptures—sometimes combining the two to make a serious point in a humorous way.

He was very active in a wide variety of religious, business, and community organizations. Jake was a devout Christian and he lived his life in a way that reflected his beliefs and values. He served on the board of ''Ministry to Men,'' an organization dedicated to strengthening families through personal responsibility. He also worked to found the Mississippi Fellowship of Christian Athletes.

As an advocate for improving education, he served as an outspoken member of the State College Board in Mississippi. He always stood up for his beliefs and was never shy about expressing his views on what needed to be done to improve higher education for our state.

In 1973, Jake founded J.P. Mills, Inc., a successful business in Tupelo, Mississippi. He served on numerous boards including the

Community Development Foundation, Mississippi Economic Council, Petroleum Marketers Association, Business Industry Political Education Committee.

My heartfelt sympathy goes out to his wife, Jane, and their entire family. Mississippi has lost one of our finest leaders in Jake Mills. He set an example for all of us to follow and our country is a better place because of his life.

## WHY AM I A REPUBLICAN

### HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. SCHAFFER. Mr. Speaker, I rise today to submit Mr. Steve Remington's answer to a question I recently posed to him, ''Why are you a Republican?'' Today, I would like to share with you his answer.

This morning, at the republican breakfast, you asked me a question; ''Why am I a Republican?'' At the time, I did not realize that you were indeed looking for me to speak on the subject. I truly appreciate your sense of humor, and I apologize for not realizing that you were serious. However, since you asked me a direct question, I owe you a direct answer. I am a Republican for three reasons; my values, my beliefs in fiscal responsibility, and my beliefs in the role of government.

I know that I will not have access to all of the information that an informed legislator and their staff will have. While the political banter happens during the election, I realize that there is always more to the story than the press will reveal. Therefore, I pick candidates with integrity and values similar to mine. My belief is that these candidates will vote, when all of the facts are available, for the best possible decision. My father, my son, and I have all received the Eagle Scout award. For three generations, we have believed in honesty, truth, reverence, and dedicating one's self to making the world a better place to live. I find that the Republican candidates tend to line up with these values more often than not.

Secondly, I believe that we can continue to do better as a society. We can do more for the environment. We can make education stronger. We can continue to promote positive business growth. Social Security can be solid, and we can lead the world to peace. Yet, I believe that it is possible to accomplish all of this and maintain fiscal responsibility. We do not have to mortgage our children's future to satisfy a short-term greed. I find that these tend to be the values of the Republican Party.

Finally, people do not exist to serve the will of the government. The government exists to serve the will of the people. We should not have government for government's sake. There should never be any more government than is necessary to meet the needs of our society. In order to survive in a competitive world, the private sector is always looking for ways to be more efficient. So it should be with government. These beliefs find a home in the Republican Party.

Again I apologize for not realizing that you were asking me a question in earnest. I trust you will accept my response to your inquiry.

Mr. Speaker, I am proud to be a friend of Steve Remington.

## A THIRTY YEAR ANNIVERSARY TRIBUTE TO THE NEW JERSEY EDUCATIONAL OPPORTUNITY FUND

### HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. PAYNE. Mr. Speaker, I would like to join the New Jersey Educational Opportunity Fund Professional Association (NJEOFPA) in honoring the 30th anniversary of the New Jersey Educational Opportunity Fund (EOF) program. This special anniversary is being highlighted during the NJEOFPA Student Leadership Conference and Awards Luncheon in Atlantic City, New Jersey.

In July of 1968, the New Jersey State Legislature signed the EOF program into law. The legislation, sponsored by the then-freshman Assemblyman Thomas H. Kean, was aimed at opening the doors of higher education to economically and educationally disadvantaged students. During the fall of 1968, thirty-four colleges took initial steps to instituting the program and 1,500 students enrolled.

Through the years, the EOF has provided valuable financial resources, counseling, basic skills and academic enrichment to many young men and women. Today, there are fifty-six EOF programs in New Jersey' diverse educational institutions. Over 30,000 students have received post-secondary degrees through EOF programs, including our current Assistant Secretary at the U.S. Department of Housing and Urban Development, and former East Orange, New Jersey Mayor Cardell Cooper. The Educational Opportunity Fund sponsors more than one-third of the African-American and Latino students at New Jersey's state and independent institutions for higher learning. Furthermore, approximately 11% of the first-time, full-time freshman entering New Jersey's colleges and universities are enrolled through EOF.

Mr. Speaker, for thirty years the Educational Opportunity Fund has helped disadvantaged students access higher education. I am proud to join members of the New Jersey Educational Opportunity Fund Professional Association in paying tribute to the 30th Anniversary of the program.

## THE GOTHIC WILDERNESS

### HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. BEREUTER. Mr. Speaker, this Member commends to his colleagues an excellent editorial questioning some of the values reflected by parts of the entertainment industry which appeared in the Omaha World-Herald, on April 23, 1999.

THE GOTHIC WILDERNESS

One of the television networks, at some point during the seemingly endless picking over of the tragedy in Littleton, Colo., brought to the screen a young woman who had some connection or other with the gothic subculture.

She was asked about the awful events at Columbine High School. Was it not possible that the killers, Eric Harris and Dylan Klebold, were acting out the themes of popular lyrics or video games?

The goth girl, as might be expected, came off as disbelieving, almost contemptuous of the idea that anyone would be so stupid as to kill because of a song. Her comments echoed the responses of others, including people in the entertainment industry, who scoffed at the idea that there could be any connection between their art and the orgy of violence that Harris and Klebold unleashed at the Denver-area high school. People, like, have a right to their music. Artists, like, have a right to be controversial.

Certainly it would be difficult to prove that any particular set of lyrics or any particular video game was directly responsible. Harris and Klebold are dead. Even a society that has convinced itself that a goofy cartoon camel creates an irresistible desire in teen-agers to smoke cigarettes doesn't have the ability to read the mind of a killer beyond the grave.

Nonetheless, isn't it about time that someone had the courage to speak up, like the lad who saw the emperor's nakedness for what it was, and say that the saturation of young minds with symbols of violence, Santanism and death is manifestly unhealthy? Won't someone, anyone, give parents permission to pull the plug on video games that involve slaughtering hordes of electronic adversaries like mowing down so many high school students in the cafeteria?

A newspaper columnist found these lyrics in the work of a group admired by Harris and Klebold: ''Kill everything, kill everything—bomb the living bejeepers out of those forces—kill everything, kill everything—bomb the living bejeepers out of those forces.''

Maybe such ravings—and some are much worse—don't cause anyone to become a mass murderer. But can it possibly be healthy to entertain oneself by fantasizing about slaughter as a remedy for the petty annoyances of life?

And what of the people who profit from such art, defend it and produce it? Words have meaning. Even if it can't be proved that Harris and Klebold weren't motivated by the bloody images that seemed to so entice them, can the producers and disseminators of those images be admired as just more artists pushing the edge?

The industry claims to occupy the moral high ground, wearing the mantle of artistic freedom, failing to distinguish political satire and social alienation from pathological homicide.

Its spokespeople, like the goth girl on the television screen, demand to be tolerated, or at least left alone. But surely there is at least some moral culpability when the entertainment industry saturates the culture with images of mass murder and some misguided slobs in Colorado try to act them out.

## HONORING OUTSTANDING STUDENT GABRIELLA CONTRERAS

### HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. PASTOR. Mr. Speaker, today I rise to honor Gabriella Contreras, a pupil at Roskruge Middle School in Tucson, Arizona, who has

been recognized by the prestigious 1999 Prudential Spirit of Community Awards Program. This award salutes the most impressive student volunteers in each state, the District of Columbia and Puerto Rico.

With today's media focusing on tragic stories of troubled adolescents, we must not overlook those teenagers with high ideals and strong community values. Gabriella personifies those qualities and is a true role model in guiding other youth into positive activities that enhance their communities.

As an elementary student, Gabriella was concerned over the gang violence, riots, and drug use which was evident within a neighboring high school. Determined to become part of a solution before her class entered that school, she organized a group of eight friends who picketed the school with placards bearing anti-violence and anti-drug slogans. Through the years, that core group continued to grow as it organized activities aimed at channeling teenagers into constructive endeavors. Today, Gabriella's group has become a community service organization which fills the dual role of improving local neighborhoods while providing a positive group setting for teenagers to identify with as an alternative to gang membership.

Gabriella Contreras and the other recipients of the Prudential Spirit of Community Award have demonstrated outstanding initiative and act as an inspiration to other youth. As such, they represent a warm ray of sunshine during these times of bewildering incidents involving violent and disturbed young people. They are the individuals who will lead their generation into a productive and bright future, and I salute their efforts on behalf of their communities and our Nation.

## FRANK J. PASQUERILLA: A GIANT OF A MAN

### HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. SHUSTER. Mr. Speaker, on April 21, 1999, Frank Pasquerilla, the Chairman and Chief Executive Officer of Crown American, a Fortune 500 company, entered life eternal.

Frank Pasquerilla was a giant of a man. His intellect and energy was exceeded only by the size of his heart. When he and his wonderful wife, Sylvia, joined my wife and me for the Kennedy Center Gala last December honoring America's most outstanding artists, at the conclusion of the evening as they were entering their hotel, he paused and said to me: ''Don't believe the rumors. I'm not retiring.'' And then with a grin, he added, ''I'm never going to retire!'' As usual, he was true to his word. Up until the very day of his sudden passing he was working, caring and building: For his family, his company and his community. Leonardo DiVinci said ''To understand is to construct.'' Frank understood that in the best and broadest sense of the word. He was a builder. But his 29 malls, 30 shopping centers and 21 hotels were only the physical structures that gave him the opportunity to build better lives for his family, his associates and his community. When his mall in Altoona burned to the ground, as we slogged through the debris I ask him, ''What are you going to do, Frank?'' and without hesitation, he replied, ''Start over and rebuild.'' And, of course, he did just that. He was the driving force behind pushing for a new West End Bypass for Johnstown, not because it benefited him, but because it was good for the community. We were to have dinner to discuss a project important to Pennsylvania on the very night he died. His son, Mark, called from his hospital room to express his Dad's apology for not being able to attend, and I told him to assure his Dad that we would do everything in our power to help make his latest dream come true.

If anyone dare suggest that Frank Pasquerilla is no longer with us, they simply didn't know this giant of a man. His extensive and extraordinary philanthropies have made life better for thousands of people, young and old, and will continue to do so far into the next millennium. For as long as the Allegheny mountains turn green in Spring, for as long as our rivers and streams run down to the sea, or the stars shine above and our fields flower under, this giant of a man will live in us and his dear family through his good works which have touched so many lives, and will live in our hearts, forever moved by the afterglow of his example of what all our lives should be.

## TRIBUTE TO POLISH-AMERICANS

### HON. MARK FOLEY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. FOLEY. Mr. Speaker, as we approach May 3, the 208th anniversary of the adoption of the first Polish constitution, I rise today to pay tribute to Polish people around the world.

This is an important anniversary to note because few people realize that the Polish constitution of 1791 was the first liberal constitution in Europe. Although the constitution was in effect for less than two years, its principles, such as individual and religious freedom, remained embedded in the national consciousness through two centuries of foreign occupation and intimidation. As a result, after years of forced totalitarianism the people of Poland have miraculously transformed their country into a modern, progressive State in less than a decade.

I am glad that Poland is now a full partner in the North Atlantic Treaty Organization—NATO. As the Polish people know full-well, freedom isn't free. It is heartening to know that those who suffered so long under oppression are now willing to share in the burden of preserving freedom.

So Mr. Speaker, once again, I want to extend my heartfelt congratulations to the people of Poland and their descendants around the world on this historic anniversary.

## HONORING NATIONAL ADVANCED PLACEMENT SCHOLARS

### HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. SCHAFFER. Mr. Speaker, I rise today to recognize one of Colorado's top high school students, Ms. Payal Kohli upon receiving a National Advanced Placement Scholar from the College Board. The academic achievement of Payal places this student among the best young scholars in the nation.

Payal was one of only 1,451 students to earn the distinction of being named a National AP Scholar out of 635,000 students who took Advanced Placement (AP) exams in 1998. To qualify for this high honor, each scholar had to achieve grades of 4 or above (the top grade is 5) on at least eight AP exams and have accumulated the equivalent of the first two years of college prior to high school graduation. By choosing this most challenging curriculum, Payal can expect to attend any one of this nation's most demanding universities.

The College Board established the AP program in 1955 to challenge high school students with rigorous college-level academic courses. The program is recognized nationally for its high academic standards and assessments. In 1998, more than one million AP exams were administered in 32 different subject areas. Of the nation's 21,000 high schools, almost 12,000 currently offer at least one AP course.

Mr. Speaker, I invite my colleagues to join me in congratulating Payal Kohli. I hold this student up to the House, and to all Americans, as an example of the best of America's students.

## A 50TH ANNIVERSARY TRIBUTE TO THE PHILIP MAMOLEJO POST 650, AMERICAN LEGION

### HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention today the fine work and outstanding public service of thousands of Hispanic-Americans and particularly, the Philip Marmolejo Post 650, American Legion, in Redlands, CA. On May 15th, the Post will celebrate its 50th anniversary commemorating a distinguished record of contributions to our community, our state, and our nation.

Hundreds of thousands of Hispanic-American citizens served honorably in our armed forces during World War II, facing the enemy with courage and exhibiting many brave and heroic actions in battle and the line of duty. In fact, 12 Hispanic-American soldiers were presented with the Congressional Medal of Honor by the U.S. Congress during World War II.

Following the war, veterans of the allied effort organized the Philip Marmolejo Post 650, American Legion in Redlands. On June 22, 1949, the post opened to recognize the contributions of Hispanic-American serviceman in

World War II, as well as advocate service-connected benefits and practice the ideals of patriotism and loyalty to country.

Over the years, the Philip Marolejo Post 650, American Legion, and its members have been actively involved in numerous veterans, civic, and education activities at the local, regional, and state level. In fact, it has made a very real difference through providing scholarship programs, sponsoring youth athletic programs, and numerous other activities. As a result of these achievements, the Post has been recognized for its exemplary achievements at the local, state and national level.

Mr. Speaker, I ask that you join me and our colleagues today in recognizing the fine contributions of Hispanic-Americans to our nation's history. I want to pay special tribute to the rich and distinguished history of the Philip Marmolejo Post 650, American Legion, for its years of contributions to our community and country. It is only appropriate that the House pay tribute to this record of service today.

## THE YEAR 2000 COMPLIANCE ASSISTANCE ACT

### HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. DAVIS of Virginia. Mr. Speaker, it is my pleasure to introduce the Year 2000 Compliance Assistance Act, a bill that authorizes the acquisition of Year 2000 information technology by state and local governments through the Federal Supply Schedules of the General Services Administration (GSA). As a former local government official and high technology executive, I recognize the tremendous burden placed on state and local governments as they work to ensure that their mission-critical systems are ready for the new millennium.

Under the presistent urging of Representatives CONNIE MORELLA of Maryland and STEVE HORN of California over the past four years, the federal government has sluggishly moved toward readying most federal mission-critical systems for the Year 2000 conversion. However, many are now just beginning to turn their attention to the condition of many state and local government mission-critical systems that are essential to the seamless delivery of essential governmental services on all levels of government. As John Koskinen, chair of the President's Council on Year 2000 Conversion, has emphasized, we should all be concerned about the ability of some state and local systems to interface with Year 2000 compliant federal systems. These systems include Medicaid and welfare assistance programs.

Recently, I held another hearing in the Subcommittee on the District of Columbia at which the General Accounting Office (GAO) provided an upate on the status of the District of Columbia's Year 2000 conversion efforts. The GAO reported this time that the city of Washington, DC was at significant risk of not being able to effectively ensure public safety, collect revenue, educate students and provide health care services. Despite Herculean efforts on the part of the District's Chief Technology Officer, strong private sector support, and substantial federal resources, it appears that the one thing that cannot be controlled during DC's Year 2000 compliance efforts is time. Many states and localities are simply running out of time. I am confident that a substantial number of states, cities, towns, and villages across the country are in similar situations as our Capital City.

This is why I am today introducing the Year 2000 Compliance Assistance Act. This legislation is a voluntary program where the federal government will allow state and local governments to purchase Year 2000 conversion related information technology (IT) products and services off the GSA's IT multiple award schedules. Under this emergency authority, state and local governments will have one more option in the fight against time to procure Year 2000 compliance assistance in a cost-effective and timely manner. I believe that during this period of moving governmental responsibilities back to the states and localities, the federal government has a unique opportunity to provide procurement assistance to the state and local governments to help ensure nationwide Year 2000 compliance or contingency preparation.

The authority under this legislation is limited to the unique nature of the Year 2000 computer bug. The authority would expire on December 31, 2002, and could only be used by state and local govenments for procurements necessitated by the Year 2000 budget bug.

I look forward to working with my colleagues towards the rapid enactment of this unique Year 2000 legislation.

## TRIBUTE TO NEPTUNE, NJ, LIBRARY'S 75TH ANNIVERSARY

### HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. PALLONE. Mr. Speaker, on Saturday, April 17, 1999, the Neptune, NJ, Library celebrated its 75th anniversary. I was proud to join with Township officials, other dignitaries and residents to celebrate this important milestone.

Neptune, named for the Roman God of the Sea and incorporated as a municipality in 1879, is a diverse community located in Monmouth County. The Township, whose slogan is ''Neptune, Crossroads of the Jersey Shore,'' is a full-service community with great historic significance and an even brighter future. One of the great features of the community is the Neptune Library.

The library was started by the Ocean Grove Women's Club at its Clubhouse on Mt. Carmel Way, aided by books from the Monmouth County Bookmobile. In 1932, the Township rented a vacant store at 204 Ridge Avenue for a township library, with some books and supplemented by the bookmobile. The library shared a building on Corlies Avenue with the Township Public Health and Welfare Department in 1937 until that building was sold, moving to the Sunday School Room in the basement of the West Grove Methodist Church. In 1955, the Township Library opened at the Township Municipal Building at 137 Main St., open Tuesday afternoons, expanding its hours to Wednesday mornings in 1960. The year 1961 proved to be an eventful one for the library, with the Friends of Neptune Library organized in February. Recommendations for a new facility contained in a report released in March. On July 20, the Township Library opened its doors at 1908 Corlies Avenue, the site of a former machine shop, open to the public Monday through Thursday afternoons and Wednesday evenings.

On November 30, 1961, the Neptune Library Association, Inc., was incorporated, while the Board of Trustees organized in 1964. In 1966, the first Books, Arts and Crafts Festival was held on the future site of the library, and ground was broken at the site on Springdale Ave. (now Neptune Blvd.) on May 10, 1969. Opening day for the Library was on March 22, 1971. It became a municipal library in 1972 following a township referendum.

Mr. Speaker, obviously the history of the library is a long and illustrious one. Through the years, the library has been an important cultural and informational resource for the people of Neptune Township, and it continues to fulfill that mission to this day. The growth and success of the library is a strong reflection on the dedication and commitment of the people of this community to enhance the quality of life for the benefit of all. I am pleased to pay tribute on the occasion of the 75th anniversary of the Neptune Library.

## TRIBUTE TO 12 OUTSTANDING STUDENTS

### HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. KLECZKA. Mr. Speaker, I rise today to proudly recognize 12 outstanding students from Heritage Christian High School in West Allis, Wisconsin and their teacher, Mr. Tim Moore, who are representing the State of Wisconsin in the national finals of the 1999 ''We the People . . . The Citizen and the Constitution'' competition in Washington, DC.

This is the third time that a class from Heritage has been named State of Wisconsin champions in this exceptional program sponsored by the Center for Civic Education and developed to educate young people about the U.S. Constitution and the Bill of Rights. Mr. Moore and his students have worked diligently to reach the national finals and have gained an impressive understanding of the fundamental principles and values of our constitutional democracy.

This year's representatives from Heritage are: John Averkamp, Brent Barnett, Maureen Buchanan, Tim Cady, Tara Flood, Mike Frede, Mike Gruennert, Josh Lutter, Jessica Mobley, Justin Roeder, Luke Sinclair, and Anthony Slamar.

I ask the House to please join me in congratulating Mr. Moore and his students in winning the State of Wisconsin ''We the People . . .'' championship, and wish them continued success in the national finals. I look forward to greeting them personally when they visit the U.S. Capitol.

## HONORING NATIONAL ADVANCED PLACEMENT SCHOLARS

### HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. SCHAFFER. Mr. Speaker, I rise today to recognize one of Colorado's top high school students, Mr. Aaron Kohl upon receiving a National Advanced Placement Scholar from the College Board. The academic achievement of Aaron places this student among the best young scholars in the nation.

Aaron was one of only 1,451 students to earn the distinction of being named a National AP Scholar out of 635,000 students who took Advanced Placement (AP) exams in 1998. To qualify for this high honor, each scholar had to achieve grades of 4 or above (the top grade is 5) on at least eight AP exams and have accumulated the equivalent of the first two years of college prior to high school graduation. By choosing this most challenging curriculum, Aaron can expect to attend any one of this nation's most demanding universities.

The College Board established the AP program in 1955 to challenge high school students with rigorous college-level academic courses. The program is recognized nationally for its high academic standards and assessments. In 1998, more than one million AP exams were administered in 32 different subject areas. Of the nation's 21,000 high schools, almost 12,000 currently offer at least one AP course.

Mr. Speaker, I invite my colleagues to join me in congratulating Aaron Kohl. I hold this student up to the House, and to all Americans, as an example of the best of America's students.

## HONORING MAJOR GENERAL JAMES MCINTOSH

### HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. SAXTON. Mr. Speaker, I rise to pay tribute to Major General James McIntosh, a highly distinguished leader of the New Jersey Air National Guard who is retiring after many years of dedicated service to our great Nation. Major General McIntosh was assigned to the 108th Air Refueling Wing and the 204th Weather Flight, both stationed at McGuire Air Force Base, and the 177th Fighter Wing, which is based at Atlantic City International Airport. He has served our Nation's military with great pride and is exemplary as a leader.

Major General McIntosh entered the Air Force in 1959 through the Aviation Cadet Program at Harlington Air Force Base, TX, and was commissioned as an aircraft navigator in 1960. He is a Master Navigator with over 6,400 flying hours including 100 combat missions during the Vietnam War. General McIntosh entered the New Jersey Air National Guard in 1978, commanded the 170th Air Refueling Group from 1989 to 1992, and has commanded the New Jersey Air National Guard since 1992.

As our Nation proceeds with its involvements around the globe, the National Guard will continue to be an integral part of the total military force structure. Highly qualified citizens participating in the National Guard are the backbone of our national strength. Leaders such as Major General McIntosh command and guide many through the necessary training efforts that sustain a world-class organization.

It has been my privilege to know Major General James McIntosh and witness his dedication to the National Guard. He is a true leader and asset to the armed forces. Major General McIntosh serves as a model upon which future leaders should be based.

## INTRODUCTION OF REAL ESTATE INVESTMENT TRUST MODERNIZATION ACT OF 1999

### HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. THOMAS of California. Mr. Speaker, today I am pleased to introduce on behalf of myself, Mr. CARDIN of Maryland, and other Representatives the ''Real Estate Investment Trust Modernization Act of 1999''. This legislation modernizes outdated real estate investment trust (REIT) rules that prevent REITs from offering the same types of services as their competitors. I am proud to note that there are more REITs based in California than any other State, and REITs have invested more than $24 billion in California communities.

In 1960, Congress created REITs to enable small investors to invest in real estate. Prior to the creation of REITs, real estate ownership was largely restricted to wealthy individuals who invested through partnerships and other means generally unavailable to the broader public.

Although a variety of factors limited the growth of REITs through the mid-1980's, they played a leading role in reviving weak real estate markets in the wake of the economic turmoil of the late 1980's and early 1990's because of their access to public capital markets and because REITs offer liquidity, security, and performance which alternative forms of real estate ownership often do not. Yet, in more recent years, REITs increasingly have been unable to compete with private held partnerships and other more exclusive forms of ownership. Antiquated REIT rules prevent REITs from offering the same types of customer services as their competitors, even though such services are becoming more central to marketing efforts.

Current law restrictions require REITs to adhere to unworkable distinctions that defy logic and impede competitiveness. Under current law, REITs only may provide ''customary services'' to their tenants, that is, services that are common in the industry and have been traditionally provided by real estate companies, such as furnishing water, heat, light and air conditioning.

The ''customary services'' standard ensures that REITs may provide services only after industry leaders have already done so, thus locking in a competitive disadvantage. In addition, the vagueness of the standard produces seemingly irrational distinctions. For example, REITs can have parking lots for shopping centers or offices they own, but cannot offer valet parking. REITs can own apartments, but cannot provide lifeguards or amenity services. REIT competitors can—and do—provide all these services without any restrictions.

The Administration's fiscal year 2000 budget acknowledges this problem, and proposes modernizing REIT rules to permit them to compete. As the Department of Treasury stated in its explanation of the Administration's revenue proposals, ''The determination of what are permissible services for a REIT consumes substantial time and resources for both REITs and the Internal Revenue Service. In addition, the prohibition of a REIT performing, either directly or indirectly, non-customary services can put REITs at a competitive disadvantage in relation to others in the same market.''

The Administration addresses this problem by creating a new category of companies which it refers to as ''taxable REIT subsidiaries''. Those entities would be exempt from current law restrictions that prohibit REITs from owning either (a) securities of a single non-REIT entity that are worth more than 5 percent of the REIT's assets or (b) more than 10 percent of the voting securities of a non-REIT corporation.

The Administration's proposal would create two types of taxable REIT subsidiaries: a ''qualified business subsidiary'' that could engage in the same activities now performed by ''third party subsidiaries''; and a ''qualified independent contractor'' subsidiary that would be allowed to perform non-customary activities for REIT tenants, as well as those services which also could be performed by qualified business subsidiaries. The Administration's proposal would limit the value of all taxable REIT subsidiaries to 15 percent of the total value of the REIT'S assets, but would restrict subsidiaries providing leading edge type services to REIT tenants to 5 percent of the REIT asset base. The Administration proposal also would amend the current 10 percent test so that it would apply to 10 percent of holdings as measured by the vote or value of a company's securities.

Although the Administration's proposal is a welcome first step, its narrow focus still would leave substantial impediments to competition in place. Today, we are introducing legislation that builds upon the Administration proposal to make REITs more competitive.

Our legislation would allow REITs to create taxable subsidiaries that would be allowed to perform non-customary services to REIT tenants without disqualifying the rents a REIT collects from tenants, that is, performance of those services would no longer trigger a technical violation of the REIT rules.

Toward that end, the 5 percent and 10 percent asset tests would be amended to exclude the securities that a REIT owns in a taxable REIT subsidiary. Also, like the Administration proposal, the 10 percent test would be tightened to apply to both the vote and value of a company's securities. In addition, a REIT owning stock of taxable REIT subsidiaries would have to continue to meet the current law requirement that at least 75 percent of a REIT's

assets must consist of real property, mortgages, government securities, and cash items; the subsidiaries' stock would not count toward that total. However, dividends or interest from a taxable REIT subsidiary would count toward the requirement that a REIT must realize at least 95 percent of its gross income from those sources plus all types of dividends and interest.

Under our proposal, the income a REIT subsidiary would receive from REIT tenants and others would be fully subject to corporate tax. In addition, the proposal includes strict safeguards to ensure that neither a REIT nor a taxable REIT subsidiary could improperly manipulate pricing or the allocation of expenses to reduce the subsidiary's tax burden. Our bill is supported by the American Resort Development Association, the International Council of Shopping Centers, the National Apartment Association, the National Association of Real Estate Investment Trusts, the American Seniors Housing Association, the Mortgage Bankers Association of America, the National Association of Industrial and Office Properties, the National Association of Realtors, the national Multi Housing Council, and the National Realty committee.

In sum, Mr. Speaker, our legislation will provide REITs the flexibility they need to be competitive. We must not allow the Tax Code to inhibit the ability of REITs to compete and to offer the full range of services demanded by residential and commercial tenants. Mr. CARDIN and I and our cosponsors urge our colleagues to review this legislation and we hope that they give this legislation every possible consideration.

## WORKERS MEMORIAL DAY IN YORK, PA: ''MOURN FOR THE DEAD, FIGHT FOR THE LIVING''

### HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. GOODLING. Mr. Speaker, today, ceremonies of memory and reflection marking Workers Memorial Day are taking place in cities and towns across the country, including York, PA, which is in my congressional district. The ceremony in York will particularly remember eight individuals from the 19th Congressional District of Pennsylvania who have been killed in tragic accidents while at their respective work sites this past year Joyce E. Born, Michael L. Brashears, Sr., C. William Brinkmann, Bradley M. Dietrick, William E. Keeney, Jr., Bernard L. Rishel, and Dennis J. Stough.

Ceremonies such as the one taking place in York are an important reminder to us all of the importance of workplace safety. Accidents are never planned. Avoiding accidents requires the consistent efforts and vigilance of employers and employees. Government too plays a role in encouraging safe work practices.

For far too long, federal efforts to limit workplace safety have been focused on enforcement for ''enforcement's sake.'' This has lead the Occupational Safety and Health Administration (OSHA) to concentrate their limited resources on issues peripheral to worker safety including, but not limited to: paper work violations, duplicative inspections, and issuing citations as a performance bonus for inspectors.

Congress has made progress over the past several years in redirecting and refocusing OSHA toward a different approach that maximizes their resources while increasing the overall quality of safety in America's workplaces. Instead of focusing on enforcement alone, we have worked to expand consultation, partnership, and outreach programs offered by OSHA.

We can be grateful that workplace fatalities and workplace injury rates have declined and are now at the lowest levels since those records have been maintained. These record lows have even been achieved even though we are in the midst of a tight job market, a time in which injury rates have historically increased.

Still, any workplace death is too many. I want to join with my constituents in remembering those who died, and using this day to encourage employers and employees to renew their efforts to prevent future tragedies from occurring.

## INTRODUCTION OF THE PATENT FAIRNESS ACT

### HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. McDERMOTT. Mr. Speaker, today I have introduced a proposal that encompasses three principles—fair play, equity and depoliticization.

The United States must do whatever possible to assure patent integrity, so we can continue to receive the desired public benefits from pharmaceutical research. Creating a fair and impartial process where an independent body can determine whether or not to restore lost patent life is a matter of fairness. It also is a matter of ensuring adequate incentives for research and development in the future.

In this case, several drugs were caught in a review process that took significantly longer than Congress anticipated. Thus, the patent life of certain of these ''pipeline'' drugs was reduced by an unintended consequence that had nothing to do with their medical safety.

There are two important questions: What type of process can we put in place to guarantee a fair and reasonable evaluation of the issues? And, what types of assurances should be embedded in this process to make sure it is equitable and removed from politics?

Our bill answers these questions. Our bill establishes a process that is fair, equitable, independent, separated from politics, and fully open to the public, and subject to judicial review. Let me expand on these features.

The bill establishes an independent and public review process within the U.S. Patent and Trademark Office. This would be a new administrative procedure—one that is fair and impartial. The experts at the Patent and Trademark Office are the right experts to hold a hearing about these issues, because these issues involve questions not of medical research, but legal issues involving patent life.

Within the office, a procedure would be established to review claims for patent term restoration to compensate for unanticipated lengthy regulatory review of ten years or more in the FDA's New Drug Approval proceeding.

The process established by this legislation would be akin to a court hearing. Any company that believed its product was unintentionally deprived of patent protection would have the opportunity to present its case. Any other interested party would also be free to make its case. Both sides would be treated equally. Everything would occur in the open. The review board would be bound by objective criteria.

By turning over the issues to an independent panel of experts, the process would be driven by public policy objectives—not politics. This is an important point. Our bill is driven by the principle that it is best to take politics out of the equation, to de-politicize the process, to take Congress out of the job of deciding individual patent issues.

Finally, fairness and equity are assured by another provision. The decision would be subject to judicial review.

Another way to describe the legislation is to outline what it does not involve. There is no preferential treatment for any affected pipeline drug. There are no arbitrary decisions. There are no guarantees. Our bill is about process, not about answering a predetermined outcome.

We are convinced this is the right solution. As a medical doctor and psychiatrist, I have seen the benefits of breakthrough drugs and innovations. They truly can make people's lives better, and there is more to do.

## HONORING NATIONAL ADVANCED PLACEMENT SCHOLARS

### HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. SCHAFFER. Mr. Speaker, I rise today to recognize one of Colorado's top high school students, Ms. Emily Brooks upon receiving a National Advanced Placement Scholar from the College Board. The academic achievement of Aaron places this student among the best young scholars in the nation.

Emily was one of only 1,451 students to earn the distinction of being named a National AP Scholar out of 635,000 students who took Advanced Placement (AP) exams in 1998. To qualify for this high honor, each scholar had to achieve grades of 4 or above (the top grade is 5) on at least eight AP exams and have accumulated the equivalent of the first two years of college prior to high school graduation. By choosing this most challenging curriculum, Emily can expect to attend any one of this nation's most demanding universities.

The College Board established the AP program in 1955 to challenge high school students with rigorous college-level academic courses. The program is recognized nationally for its high academic standards and assessments. In 1998, more than one million AP exams were administered in 32 different subject areas. Of the nation's 21,000 high schools, almost 12,000 currently offer at least one AP course.

Mr. Speaker, I invite my colleagues to join me in congratulating Emily Brooks. I hold this student up to the House, and to all Americans, as an example of the best of America's students.

## HONORING MARTIN J. ''MARTY'' FORD FOR OUTSTANDING SERVICE TO THE COMMUNITY

### HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Ms. DELAURO. Mr. Speaker, I am proud to stand today to pay tribute to my good friend Marty Ford who will be honored this evening by the Guilford Democratic Town Committee for his contributions to the Guilford community.

Like an illustration of a quaint New England town, Guilford is probably best known for its historic Town Green. Residents take great pride in the enchanting atmosphere of this growing community and work hard to maintain its unique character and charm. As a longtime resident of Guilford, Marty has devoted countless hours ensuring that the culture and history of the town is preserved. He has served ten years on the Planning and Zoning Commission, eight years on the Historic District Commission and sat on two Charter Revision Commissions. We commend his distinguished record of service.

The political arena has served as a forum for Marty's diligent work to promote the values and ideas that have guided him. For decades he has served as a strong political supporter for candidates running for local, state and federal government. He cares about his community, and uses his talent to help elect leaders who will do the same. He has served twelve years on the Board of Education, helping to develop policies that will best serve Guilford's youth, the leaders of tomorrow.

Marty is also known for his work with Guilford residents and community leaders. As President of the Guilford Interfaith Ministries, Marty's energy is directed at assisting some of the community's most vulnerable citizens. Under his direction, programs such as ''Meals on Wheels'', Friendly Visitors, and the Guilford Food Bank assist hundreds of people in need.

As an active citizen of Guilford, Marty is the kind of man who quietly makes his town a better place. He appreciates Guilford's past and has a vision for its preservation for the future. If Marty sees a need in the community, he takes it upon himself to work toward a solution. At a time when many Americans are becoming bitter about problems that seem too great to solve, Marty is the kind of man that serves as an example of hope. If we continue striving for a better community as Marty does, we really can make a difference.

Mr. Speaker, it is with great pride that I rise before you today to join with family, friends and the town of Guilford to honor Marty Ford for his outstanding service to the community. His efforts are clearly deserving of this public recognition and gratitude. I wish him continued success and thank him for the high standard he has set for us all.

## HONORING THE REVEREND ROBERT M. NERVIG ON THE OCCASION OF HIS RETIREMENT

### HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Ms. VELÁZQUEZ. Mr. Speaker, I rise today in honor of Reverend Robert M. Nervig for his service to the people he has served and the communities he has enriched in his 43 years as a minister in Brooklyn and throughout the city and across the country.

Reverend Nervig began his ministry in 1956 when he was ordained into the Holy Ministry at the Luther Theological Seminary in St. Paul, Minnesota. Soon after that he began his religious ministry at the Trinity Lutheran Church in Brooklyn. Three years later he moved to Our Savior Lutheran Church serving the Staten Island community. And in 1988, Reverend Nervig returned to Trinity, Brooklyn where he continued his ministry in this multilingual, multi-cultural parish. During this time he also served as president of Augustana Academy, a school that broke all barriers by providing academic opportunities to children of all races and economic position.

Reverend Nervig has been a powerful force in our community, because of his strong commitment to serve diverse communities. His ministry is not bound by the constraints of language or culture, and extends to the many diverse groups of people in the communities to which he ministers. His parish is surrounded by the sounds of prayers in many languages, and each Sunday his multi-cultural parish prays in three languages—English, Norwegian and Spanish. His efforts to reach out and unite people involved him in the organization of 65 congregations of the former American Lutheran Church.

And beyond this, Reverend Nervig has touched the lives of thousands, of young adults in the community through his activities in youth ministries, where he is known as ''Pastor Bob.'' As president of Augustana High School, he has helped strengthen and expand that diverse institution—a place where students rich and poor from many backgrounds and many nations can learn in a dynamic environment. He has organized youth outreach programs and national Lutheran youth gatherings that have become enormously successful, and have touched young people across the country.

Reverend Nervig is a model for our community in Brooklyn and a model for communities across the country. I urge my fellow colleagues to join me in honoring reverend Robert M. Nervig for his 43 years of service to many communities—a ministry and a man that can be condensed into these words—a love for all God's children—no matter the age.

## THE MILITARY RESERVISTS SMALL BUSINESS RELIEF ACT

### HON. DAVID D. PHELPS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. PHELPS. Mr. Speaker, today I introduced the Military Reservists Small Business Relief Act of 1999 to aid small businesses whose owner, manager or key employee has been or may be called to active duty in the Balkans. I am pleased to note that I have been joined by a bipartisan group of my colleagues in sponsoring this legislation. A companion bill is being introduced in the Senate, and we are hopeful that Congress will address this issue expeditiously.

Eight years ago, at the beginning of the Gulf War, substantially identical legislation was introduced and passed. Now, as then, we in Congress owe it to those brave men and women who are answering their nation's, and the world's, call to help resolve the situation in Kosovo. Small businesses which rely on the talents and energies of reservists called up for active duty can suffer immeasurable harm from the absence of those individuals.

The bill I am introducing today provides three forms of assistance to small businesses affected by the callup of reservists. Briefly, the bill would address the following matters:

Deferral of Loan Repayments. Payments would be deferred on any direct loans from the Small Business Administration, including disaster loans, which have been extended to reservists or guard members who have been called to report for active duty. SBA is further directed to develop policies consistent with this approach for microloans and for guaranteed loans under SBA's financial assistance programs. Deferrals will be available from the date of call up until 180 days after he or she is released from active duty.

Economic Injury Loans. The bill establishes a new program, to be administered by SBA's disaster loan program, to provide interim operating capital to any small business where the departure of a reservist causes economic harm to that business. This program applies when the individual called up is an owner, manager or a key employee; businesses can apply from the date of a call up until 180 days after the reservist is released from active duty.

Technical Assistance, Counseling and Training. SBA and its private sector partners, such as the Small Business Development Centers, are directed to reach out to businesses affected by the call up of reservists and guard members. The goal would be to mitigate business disruptions through counseling, training and other assistance for those left behind to run the business.

Mr. Speaker, I urge you and all our colleagues to join with me in moving forward to pass this bill and provide this much needed relief to our reservists. As former Senator Bumpers said when he introduced a similar bill in 1991 during the Gulf war, ''. . . some small business will be irretrievably lost due to this war . . . We may not be able to save all

them. But where government can offer a helping hand, surely we must.'' The year is different, and the war in the mountains of southeast Europe rather than the sands of the Mideast. But the needs are the same, as is our responsibility.

## WADSWORTH ATHENEUM MUSEUM'S DOCENT PROGRAM CELEBRATES 30 YEARS

### HON. JOHN B. LARSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. LARSON. Mr. Speaker, today I rise to honor a group of very special volunteers who have served the art community in my district for three decades. On May 1, 1999, the Wadsworth Atheneum Museum in Hartford, CT, will mark the 30th year of its Docent Program. A program that has continued to comprise some of the most dedicated and talented volunteers in Hartford.

While an artist cannot paint without brushes, the Wadsworth could not bring the thousands of art treasures in its collection to life without its docents. And while a docent is a volunteer position, the word ''volunteer'' does not fully recognize the vast amount of knowledge that a person must acquire before taking part in this program.

Before a docent can share the history behind each painting or sculpture with the public, he or she must first participate in a year-long training session. Having to master approximately 65 hours of education on art history, the museum collection, and tour techniques clearly demonstrates the high level of commitment that these volunteers bring to this position.

A visitor to the Wadsworth, which is the oldest public art museum in the United States, becomes a student of art no matter what their age. They rely on the docent to educate them about nineteenth-century American landscapes, to educate them about French and American Impressionist paintings, to educate them about twentieth century masterpieces, and to educate them about its MATRIX program of changing contemporary exhibitions and performances, one of the first of its kind in the country.

Most importantly, for some visitors the Wadsworth is the first art museum they have visited, or at least the first art museum in Hartford they have visited. That is what makes the docents so special. They are more than tour guides. They are ambassadors of art. They are ambassadors of Hartford.

As a resident of nearby East Hartford, I have made many trips to the Wadsworth as both a student and a father. It remains a place that educates the mind and excites our soul about the amazing world of paint, canvas, sculpture, marble and textiles. But just as a painting is not complete without the perfect frame, no visit to the Wadsworth would be complete without a lesson on the world of art from a docent.

It is with great pride that I congratulate the volunteers that have maintained the Docent Program for 30 years at the Wadsworth Atheneum. Thank you for so generously providing us with your time and knowledge.

## 84TH COMMEMORATION OF ARMENIAN GENOCIDE

SPEECH OF

### HON. MICHAEL R. McNULTY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 21, 1999*

Mr. MCNULTY. Mr. Speaker, I join with my many colleagues today in remembering the victims of the Armenian Genocide. But rather than repeat what has already been said, let me say a few words about the very positive spirit of the Armenian people. They endured a great deal before, during and after the genocide. They were also under the totalitarian dictatorship of the Soviet Union for many decades.

That all ended in 1991, and I was there to see it. I was one of the four international observers from the United States Congress to monitor Armenia's independence referendum. I went to the communities in the northern part of Armenia, and I watched in awe as 95 percent of all of the people over the age of 18 went out and voted. And, of course, I thought how great it would be if we could get that kind of participation in our own democratic elections here in the United States of America. Sometimes we take things for granted.

But the Armenian people had been denied freedom for so many years, and they were very excited about this new opportunity. As best I could determine it, Mr. Speaker, almost no one stayed home. They were all out in the streets going to the polling places. I watched people stand in line for hours to get into these small polling places and vote.

Then, after they voted, the other interesting thing was that they did not go home. They had brought covered dishes with them, and all of these polling places had little banquets afterward to celebrate what had just happened.

What a great thrill it was to join them the next day in the streets of Yerevan when they were celebrating their great victory. Ninety-eight percent of the people who voted cast their ballots in favor of independence. It was a wonderful experience to be there with them when they danced and sang and shouted, ''Ketse azat ankakh Hayastan''—long live free and independent Armenia. That should be the cry of all freedom-loving people everywhere.

## INTRODUCTION OF THE FORMER INSURANCE AGENTS TAX EQUITY ACT OF 1999

### HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. WELLER. Mr. Speaker, I come to the floor today with my colleagues, Mr. KLECZKA, Mr. MCCRERY, Mr. NEAL, Mr. RAMSTAD and Ms. BALDWIN, to introduce the Former Insurance Agents Tax Equity Act of 1999, a bill designed to expand a provision in the Taxpayer Relief Act of 1997 (TRA) that ensured that certain retired insurance agents are not unfairly subjected to self-employment tax. This bill will continue our efforts and will bring consistency and fairness to the tax treatment of similarly-situated former insurance agents.

Congress, recognizing that valued, long-time insurance agents with certain termination contracts were being improperly subjected to self-employment tax, enacted a provision in the TRA designed to clarify that termination payments received by former agents are exempt from self-employment tax.

In particular, the TRA amended §1402 of the Internal Revenue Code to provide that an agent's eligibility for termination payments could be tied to the agent's length of service. Unfortunately, the provision did not also allow for the actual amounts of the payments to depend on an agent's length of service. As a result, some termination payments are exempt from self-employment tax, but others are not since insurance companies structure their agreements with agents in slightly different ways.

Some companies tie a former agent's eligibility for termination payments to his or her length of service with the company. While the agent's eligibility for payments is tied to length of service, the actual amount of the termination payment is not. Under current law, these former agents could receive termination payments indefinitely without incurring self-employment tax. (The payments, of course, continue to be subjected to income taxes.)

Other companies structure their agreements slightly differently. These companies limit the period in which a former agent receives payments and they vary the amount of the payments according to each agent's length of service and performance during his or her last year of service. This payment structure is designed to encourage agent loyalty since agents are rewarded for long-term service with the company. However, since the amount of payment is tied to the agent's length of service, these payments would be subject to self-employment tax under current law.

There is no policy justification for providing different tax treatment for these substantially similar arrangements. Both types of contracts seek to satisfy the same goal of rewarding loyal, long-time agents with more compensation. It should not matter for tax purposes whether this result is achieved by varying the actual amount of compensation rather than the term of compensation.

The Former Insurance Agents Tax Equity Act of 1999 simply would strike language in the Internal Revenue Code that prevents companies from using a former agent's length of service in determining the amount of termination payment the agent will receive. In doing so, this bill provides equitable tax treatment for similarly-situated former agents.

This provision is supported by thousands of insurance agents around the country, as well as the National Association of Life Underwriters, the Coalition of Exclusive Agents, and the National Association of Independent Insurers. This issue affects a small number of agents and any revenue implications of making this clarification should be negligible.

In the interest of ensuring that termination payments to former insurance agents are

treated fairly and consistently under our tax laws, I hope that you will join me in supporting the Former Insurance Agents Tax Equity Act of 1999.

## IN COMMEMORATION OF WORKERS MEMORIAL DAY

### HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. DINGELL. Mr. Speaker, in honor of Workers Memorial Day, I rise to pay tribute to the brave individuals who have tragically lost their lives or who have been injured while performing duties in service to their employers.

My district is home to numerous plants and factories which provide gainful employment opportunities for many of my constituents. We all recognize that industrial and physically intensive jobs are necessary occupations which drive our manufacturing economy but often times involve very dangerous tasks. I praise the men and women who perform these jobs and take the risks to provide for a good life for themselves and their loved ones and who produce the products that make all of our lives easier or more comfortable. Unfortunately, we seldom recognize the dangers associated with an industrialized workplace until there is an accident or incident and we in Congress need to make sure that our Nation's workplace safety laws provide for the maximum level of safety for the men and women who perform dangerous jobs day in and day out.

It is a terrible occurrence any time a worker loses his or her life or suffers an injury while on the job, but February 1, 1999 was an especially tragic day in my district. This was the day of the explosion at Ford Motor Company's Rouge Power Plant which took the lives of six workers and caused serious injuries to several more. The men who lost their lives in the explosion were Donald Harper, Cody Boatwright, Ron Moritz, Ken Anderson, John Arseneau, and Warren Blow. All were brave, loving and caring family men, proud members of the United Auto Workers and loyal Ford Motor Company employees. It is fitting on this Workers Memorial Day that we pay special tribute to our fallen brothers of the Rouge explosion and let their families and friends know that they will always be remembered.

Mr. Speaker, it is with great respect on this Workers Memorial Day that I remember and honor all our brothers and sisters who have sacrificed their lives or who have suffered an injury while on the job. I ask that my colleagues also join me in honoring the men and women to whom Workers Memorial day is dedicated.

## CONDEMNING MURDER OF ROSEMARY NELSON AND CALLING FOR PROTECTION OF DEFENSE ATTORNEYS IN NORTHERN IRELAND

SPEECH OF

### HON. MICHAEL F. DOYLE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, April 20, 1999*

Mr. DOYLE. Mr. Speaker, I rise today to condemn the senseless and brutal murder of Ms. Rosemary Nelson. As a human rights lawyer who represented the rights of peace-loving Catholics in Northern Ireland, Ms. Nelson and her family endured constant threats, violence, and intimidation at the hands of the state police force, the Royal Ulster Constabulary (RUC).

Despite the massive daily threats and concerted campaign of nightly fire bombings against Catholics in the area, Rosemary Nelson continued to be an outspoken proponent of peace and the rights of the victims facing such violence. Late in 1998, she traveled to Washington to testify before the House Committee on International Relations regarding the campaign of terror perpetrated against the Catholic minority in her home land. Even though a United Nations special Rapporteur and given accounts of consistent and systematic physical intimidation against defense lawyers by RUC officers, Ms. Nelson would not be deterred from her course.

Rosemary Nelson was a true champion of peace, and gallantly defended the freedoms of a repressed minority in County Armagh in Northern Ireland. Sadly, Ms. Nelson paid the ultimate sacrifice for striving to uphold those freedoms after a cowardly placed bomb exploded under her car this past March. True to her robust Irish spirit, Ms. Nelson tenaciously fought for life, but her injuries proved to be too extensive. She passed away on March 15th, 1999.

Now, other courageous individuals must carry on with Rosemary Nelson's legacy of fighting for justice and equality. Her death has served to draw even more attention to this troubled area, and the many grave faults of the RUC. I am proud to have voted in support of House Resolution 128 and heartened that this legislation passed the House by an overwhelming margin. Very soon, I hope to see the government of the United Kingdom launch an independent inquiry into the practices of the Royal Ulster Constabulary and their role in the murder of Rosemary Nelson.

Earlier this month, the United States, Northern Ireland, and the United Kingdom celebrated the year anniversary of the Good Friday Peace Accords. This action provides encouragement for the future of this troubled region that the youth of tomorrow will outgrow the prejudices and hatred of the past. There have been significant strides for peace made in Northern Ireland and much progress has been made, but we must be ever vigilant for those who still refuse to give up the old ways of violence. We must stand up for human rights, just like Rosemary Nelson, and continue to send a message that acts of violence will not be tolerated any longer.

## ST. FRANCIS ANNIVERSARY

### HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. KANJORSKI. Mr. Speaker, I rise today to pay tribute to Saint Francis of Assisi Church, in my hometown of Nanticoke, Pennsylvania, on the occasion of its 125th Anniversary Celebration. I am pleased and proud to bring the history of this fine parish to the attention of my colleagues.

The church's origins go back to the early settlers along the Susquehanna River near what is now Nanticoke. The City was named for the Nanticoke Indians, who had emigrated from the Chesapeake Bay area in the 1770's. By 1825, Nanticoke was a coal mining town and most of the settlers were of English, Irish, and Welsh descent. As mining operations expanded, the need for labor increased and the area saw a wave of immigrants from Ireland and Central Europe. The need for a place of worship for these miners became apparent.

In September of 1874, Bishop O'Hara laid the Cornerstone of St. Francis Church with several hundred faithful in attendance. The parishioners built a wooden structure which served their needs until a larger more elaborate building was finished in 1879.

A succession of dedicated Pastors expanded the church and its services over the years. By 1888, a school and a convent had been added. By early 1900, the church had a choir under the leadership of Father James Martin. Father Moylan succeeded him and was an outstanding community leader, organizing temperance societies, the Boy's Cadets, the men's association, and the Holy Name Society. He remodeled the church during his tenure, adding its beautiful stained glass windows.

Mr. Speaker, this proud church withstood the storm of the Depression and two world wars. Its parishioners married there, baptized their children, and buried their loved ones there. This Church, St. Francis of Assisi, has been an integral thread in the fabric of life in Nanticoke for 125 years. It has been a place of spiritual comfort to the community it faithfully serves. I am extremely proud to congratulate St. Francis on this milestone in its proud history. I send my sincere best wishes as this historic parish celebrates 125 years of service to the faithful and prepares to enter a new century and new millenium.

## TRIBUTE TO THE HONORABLE KENNETH J. FULTON

### HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. LIPINSKI. Mr. Speaker, I rise today to pay tribute to the Honorable Kenneth Fulton, a remarkable public servant who is retiring after forty years of service to the citizens of Tinley Park, Illinois. The Honorable Kenneth Fulton will be recognized on the evening of April 29th, at an event hosted by the President,

Clerk, and Trustees of the Village of Tinley Park.

The Honorable Kenneth Fulton's service to the Village of Tinley Park began in 1959, when he was elected Village Trustee. From 1963 to 1965, Kenneth Fulton was appointed Chairman of the Civil Service Commission of the Village of Tinley Park. In 1965, Kenneth Fulton was elected to the office of Village President, where he served until 1969. The Honorable Kenneth Fulton served as Bremen Township Collector from 1969 to 1971. From 1971 to 1999, Kenneth Fulton once again served Tinley Park as Village Trustee.

Honorable Kenneth Fulton saw the Village of Tinley Park, Illinois through forty years of growth and prosperity. When Kenneth Fulton began his involvement in Tinley Park, the village population was merely 5,000 citizens. There are currently over 46,000 citizens in Tinley Park. The Honorable Kenneth Fulton has been associated with a number of accomplishments during his years of service. These accomplishments include the first Cable TV contract for the Village and the region and the development of the concept of life safety assistance through the establishment of defibrillator equipment to be placed in all Police and Fire Department vehicles.

Mr. Speaker, it is my distinct honor to pay tribute to Kenneth Fulton. I am certain that the community of Tinley Park, Illinois will miss his presence as a public servant. It is my hope that Kenneth Fulton enjoys good health and good memories in his retirement.

## RECOGNITION OF U.S.-JAPAN CO-OPERATION ON EMERGENCY VEHICLE PRIORITY CONTROL

### HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. TOWNS. Mr. Speaker, I would like to bring to my colleagues' attention the attached statement for the CONGRESSIONAL RECORD, "Emergency Vehicles Priority Control," following the highly successful Intelligent Transportation Systems conference in Washington last week.

As a follow up to last weeks highly successful Intelligent Transportation Systems conference in Washington, I would like to join my congressional colleagues in recognizing the cooperative efforts between the United States and Japan to provide emergency vehicle priority control in Japan. This exchange of Intelligent Transportation technology by the United States, Japan's National Police Agency and the Universal Traffic Management Society of Japan is expected to improve response for emergency vehicles.

The United States Congress supports this important joint implementation of its technology between the two countries and applauds the leadership and commitment of Japan and the United States in improving public safety through improved emergency vehicle priority control.

## INTRODUCTION OF THE CONSUMER FOOD SAFETY ACT OF 1999

### HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. PALLONE. Mr. Speaker, I rise today to announce the introduction of the Consumer Food Safety Act (CFSA) of 1999, a comprehensive food safety bill that I introduced in the 105th Congress as well. I am very pleased to note that a companion bill was introduced today in the other body.

Food-borne illnesses continue to wreak havoc on the American people. Each day, new accounts of tainted foods and sick children are detailed in media reports. One such report that is in this month's issue of Glamour magazine details the experience of a long-time friend of mine who is also a constituent, Lynn Nowak of Metuchen. At an event earlier today at which I discussed the introduction of this bill, Lynn recounted the horrors of becoming ill from food poisoning while pregnant, which resulted in severe complications for both her and her daughter Julia. While Lynn has recovered her health, her life has been forever changed. Julia's motor development is far from what it should be at her age. Twenty months old, she receives physical therapy twice a week and her prognosis is uncertain.

The Consumer Food Safety Act of 1999 proposes a host of common sense measures to protect children like Julia and all Americans against food-borne illnesses. Most importantly, it proposes to modernize the Food and Drug Administration (FDA) to fight the newest breed of food-borne illness agents, like E. Coli 0157:H7. And let me assure you, these modernizations are badly needed.

While the FDA oversees food safety for fruits, vegetables, juices and seafood, it receives less than one-third of the resources that the U.S. Department of Agriculture receives for its food safety responsibilities. Over the last five or so years, the volume of fruits and produce being imported into the United States has doubled while the number of FDA inspectors has decreased during the same time. Today, less than .2 percent of fruits and vegetables are tested for microbial contamination.

This neglect is producing severe consequences for the American public. A recently completed report from the Center for Science in the Public Interest compiled an inventory of 225 food-borne illness outbreaks between 1990 and 1998 and found that "foods regulated by the Food and Drug Administration caused over twice as many outbreaks as foods regulated by the U.S. Department of Agriculture."

The GAO estimates that some 9,100 deaths each year can be attributed to food poisoning. If nothing is done to improve the situation, things will only get worse. Indeed, the Department of Health and Human Services estimates that food-borne related deaths and illnesses will likely increase by 10 to 15% over the next decade.

The Consumer Food Safety Act will address this growing problem in a number of ways. Let me explain the bill's three main components.

NATIONAL FOOD SAFETY PROGRAM

First, the Consumer Food Safety Act establishes a National Food Safety Program to ensure the food industry has effective programs in place to assure the safety of food products in the United States. While this program will contain a number of provisions, I would like to draw your attention to two key aspects of this program, inspections and registrations.

The legislation requires quarterly inspections of food processing and importing facilities. It also requires food processors and importers to register with the Department of Health and Human Services, injecting needed accountability into the food safety system. The Secretary of HHS may suspend the registration if a facility fails to allow inspections or if a suspension is necessary to protect the public's health.

Those processors who have a good track record will receive a waiver from the quarterly inspection requirement, but those who do not pass the test will continue to be inspected for sanitary conditions and to determine if their food products are unsafe for human consumption. This should be the baseline for all foods. Frequent inspections are a key ingredient to any food safety package. A more rigorous inspection program is one of the principle pillars of our legislation.

I would just like to add that federal and state cooperation is crucial to implementing the National Food Safety Program our bill envisions. It is for this reason the bill includes a section specific to federal-state cooperation, directing the Secretary to work with the states to ensure state and federal programs function in a coordinated and cost effective manner.

ADDITIONAL RESEARCH AND EDUCATION

The second major component of the Consumer Food Safety Act will be increased research and education. With new food-borne illnesses cropping up, additional research and education is necessary to devise treatments and better inform the public of threats to its safety. The bill I am introducing includes provisions to conduct better food surveillance and tracking to assess the frequency and source of food-borne illnesses. In addition, research will be conducted to improve sanitation practices and food monitoring techniques. The legislation will also target research on developing rapid testing procedures and determining contamination sources. The goal is to stop food-borne illnesses before they have a chance to spread.

As a complement to the research program, the CFSA contains education initiatives to enhance public awareness and understanding. In many instances, the medical community is not familiar with food-borne illnesses. Consequently, physicians are unable to properly diagnose and treat the illness until after additional complications develop or until it is too late. In addition, to educating physicians, however, we must ensure that every American becomes an active participant in the battle against food-borne illness. To that end, the bill targets education initiatives toward public health professionals.

ENHANCED ENFORCEMENT TOOLS

The third major component of the Consumer Food Safety Act will provide the FDA with the additional enforcement tools it needs to better protect the nation's food supply. The bill includes notification and recall provisions that

empower the FDA to stop tainted foods from entering the market. It also includes whistleblower protections to prevent employees from losing their job after reporting unsafe practices by bad actor employees. Afterall, it is the worker in the processing facility who is in the trenches and is most able to provide information about unsanitary practices. In order to give the bill the teeth it needs to be enforced, it includes civil monetary penalties for failures to comply with its provisions.

Taken together, the increased inspections, additional research and education, and enhanced enforcement tools of the Consumer Food Safety Act will ensure a safer food supply from farm to table. It is a common-sense solution to a growing problem. I urge all of my colleagues to join me in the effort to pass this bill so that we can stop the type of tragedy that has affected Lynn Nowak and her daughter Julia from happening to others.

## NATIONAL CORRECTIONAL OFFICERS' WEEK

### HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. BONIOR. Mr. Speaker, as we approach National Correctional Officers' Week, which begins May 3rd, I wanted to commend the officers who work in correctional facilities in my home state of Michigan. We owe a debt of gratitude to the men and women who patrol law enforcement's toughest beat and provide an invaluable service to our communities.

Correctional officers make the difference in ensuring that dangerous felons are kept securely behind bars. As we know from the correctional officers who have given their lives in the line of duty, it's a dangerous profession that works in the face of threat and deserves our respect and support.

We owe a special thanks to these officers who deal with some of the most hardened in our society and yet, deal with them professionally, firmly and fairly. We count on these brave men and women to remain forever alert and ensure the protection of our families.

Correctional officers are working in an increasingly stressful environment, as incarceration rates have risen and the inmate population has become more violent. By working together, we can address the unique and often dangerous challenges faced by correctional officers around the country. These officers deserve our commitment to improving working conditions, reducing the threat of assaults and ensuring that they receive wages equal to other law enforcement officers.

Too often, we fail to recognize the work of these men and women, but our communities are better, safer places to live and raise our children because of their noble efforts. They deserve our admiration and our thanks.

## HONORING THE BELLFLOWER UNIFIED SCHOOL DISTRICT

### HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. HORN. Mr. Speaker, improving our nation's public schools is one of the top priorities of the 106th Congress. We all share the goal of better educational opportunities for our nation's children. The only question is how to achieve that goal. Already this year both houses of Congress set an excellent tone of bipartisanship by passing the Education Flexibility Partnership Act of 1999—a measure that will help bring much-needed relief to our schools and improving the academic achievement of our students. This bill, like others Congress will consider this year, recognizes that local control is best for our schools, rather than a "Washington knows best" policy. Local school districts across the nation are laboratories for reform—finding innovative ways to improve student achievement. I rise today to pay tribute to one such school district, the Bellflower Unified School District, which serves many students residing in California's 38th Congressional District.

The Bellflower Unified School District recently received a Citation in the 1999 Magna Awards for Outstanding Programs in Student Achievement, presented by The American School Board Journal and Sodexho Marriott School Services. The awards recognize local school boards for taking bold and innovative steps to improve their educational programs, and include $500 in scholarship money. The Bellflower Unified School District received the award for its Intensive Learning Center in Lakewood, CA—an elementary school that serves as a research model to demonstrate what works best in elementary education. The Intensive Learning Center offers a rigorous course of study and a longer school day (8 hours) and school year (200 days). It features state-of-the-art technology, including a science laboratory that allows students to perform experiments usually available only to secondary school students. Its faculty includes five full-time specialists to provide enrichment in science, technology, reading, Spanish, and physical education.

Also key to the success of the Intensive Learning Center was the willingness of the Bellflower Board of Education to collaborate with teachers and unions. The board and the union negotiated time to allow grade-level teams of teachers to meet daily for an hour to plan instructional units. The teachers at the Intensive Learning Center deserve commendation for their hard work in making the Center a success.

The Bellflower Unified School District received another honor recently when Esther Lindstrom Elementary School in Lakewood was selected as a California Nominee in the National Blue Ribbon Schools 1998–99 Elementary Program. Esther Lindstrom Elementary is one of California's 49 Nominees in this competition. Nationally, 381 public schools were nominated. Esther Lindstrom is one of 224 public schools (39 in California) to be selected for a site visit in the competition. The criteria on which the schools are judged include curriculum; teaching strategies; student achievement; student focus and support; school organization and culture; active teaching and learning; staff development; and school partnerships with families, businesses, and the larger community.

I congratulate Board of Education President Ruth Atherton, Vice President G. "Petie" Anderson, Clerk Rick Royse, Board Member Harold Carman, Board Member Jerry Cleveland, and an outstanding Superintendent Dr. Rebecca Turrentine. They have made a real difference not only for the students of their School District, but also for children across the nation whose schools can learn from the innovations of the Intensive Learning Center and the successes of Esther Lindstrom Elementary School.

## FREEDOM COMES AT A GREAT COST—"BLOOD AND SINS"

### HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. LIPINSKI. Mr. Speaker, I offer the following column written by John Kass in the March 29, 1999 edition of the Chicago Tribune to be entered in the CONGRESSIONAL RECORD.

FREEDOM COMES AT A GREAT COST—"BLOOD AND SINS"

If you were downtown Sunday, and if you passed near Halsted Street, you may have seen the Greek Independence Day parade.

The Near West Side is far from the Balkans and far from Kosovo, but they were on the minds of everybody there. Those present thought about the present and the past.

We Americans come from so many different places. And there are other national day celebrations for the peoples who became free by their own hand and settled here.

But my favorite and the only one that counts is July 4, for all of us. That's when we Americans celebrate our independence from Britain, the founding of our own empire, and the strength of the union that was broken and recovered at a cost.

On Halsted Street, you would have seen children dressed in old country costumes and men in what look to be white kilts. You might have joked about men in skirts, especially if you don't know what they did long ago.

My great grandfathers and my great-great grandfathers dressed like that, in 1821, in their rebellion against the occupying power, the Ottoman Empire.

They wanted their freedom after 400 years of occupation by the Turks. They were tired of having to bow and kiss the hand of their conquerors. So they came down from the mountains with their long knives and guns, looking for blood—and they found it.

The Turks had spent four centuries in that land, and they considered it their own, with their own villages and towns, living side by side with the Greeks, mostly in peace.

But the sultan didn't tolerate freedom. The captured Greek soldiers were impaled on long poles for slow public deaths. Churches were burned, the nuns and priests skinned alive, villages cleansed, leaving only the stones to cry.

Matching the pasha's barbarism with their own, the Greeks committed unspeakable

atrocities too. The English romantics who had adopted the Hellenic cause, the dilettantes who talked about fair play, were terrified.

But war and rebellion isn't about fair play. Once it begins it is about survival by people who are prepared to do anything. To the horror of their Western European supporters, the Greeks were prepared to do anything.

They fought the sultan's armies, and they raided Turkish villages, desecrating mosques, killing every man, innocent women and children, the livestock, everything that moved.

When they found Turkish soldiers, they did what the Turkish soldiers did to them, until the Turks finally fled.

The sins of the Greeks and the Turks were enough to send generations to hell. But finally, 400 years of Ottoman rule ended and part of Greece was free.

What we forget when we celebrate these independence days is the blood and the sins.

Like I said earlier, my favorite is July 4, for all of us Americans.

In America, while we celebrate our ethnicity and diversity, we should never forget that we're Americans first, even if we're hyphenated. We're Americans because we believe in this country and its freedoms, which is why we came here.

The only group that didn't have a choice was black Americans. They were liberated from slavery in a bloody Civil War. Appeals to the better angels of our nature didn't free the slaves.

What freed the slaves were the deaths of hundreds of thousands of Americans. The union was preserved, in part because of the atrocities committed by Sherman's army as he marched through the South, burning everything in his way.

Today, we call those tactics terrorism and barbaric and genocidal, but that's what was done to preserve the union. And let's not forget the Indians.

In our hyphenated ethnic celebrations, and when we sing the unifying Star Spangled Banner on the 4th, we concentrate on the positive images.

The newspaper photo of the little boys, like my own sons, eating souvlaki and waving. Or the tape of the little boys, like my own sons, chewing on an ear of corn in July, waiting for the fireworks.

What's forgotten is how unions are preserved and how independence is won—with the massacres of innocents, with children burned in their homes, with women dragged on the ground by the hair and finally dumped into graves

It's not a video game and it's not clean. Americans are now finally debating NATO's war against Yugoslavia. We're in it, but many of us don't understand how and why.

And we don't want to deal with how it will grow, if we do what must be done to stop further atrocities against the Kosovars now that we're there.

We must understand the unspeakable violence, but we can't let that determine our reasons or rush us. So we can't creep our way in, distracted, rudderless, parsing the sentences of our political leaders to guess at what they mean.

If we're going to fight, we must fight to win. We already fought to lose once, in Vietnam.

But to win there will be a cost. So we better be prepared to pay it. And we better understand it now.

## TRIBUTE TO RICHARD F. ''REGIS'' GROFF

### HON. DIANA DeGETTE

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Ms. DEGETTE. Mr. Speaker, I rise today in recognition of Denver leader Richard F. ''Regis'' Groff whose leadership in Denver and throughout the world has enhanced so many people's lives. Regis Groff has contributed, not only to Denver through his teaching and civic involvement, but also throughout the world by traveling and working with foreign countries on humanitarian issues.

His international efforts have led him to many countries including Nigeria, Germany, Jamaica, Israel, China and South Africa to work on a variety of important issues. In Israel he worked on improving the Black-Jewish dialogue. He traveled to South Africa on a fact finding mission and, visited China with a small group of fellow legislators as part of a good will tour.

Regis Groff, who is now the Executive Director of Metro Denver Black Church Initiative, first came to Denver to get his Masters from the University of Denver. He taught history classes in the Denver Public Schools (DPS) until 1977, when he began working as an Intergovernmental Relations Specialist for DPS. From there he became the Community Affairs Coordinator for (DPS). From 1974 to 1988 he served in the Colorado State Legislature. In 1993 he worked as Consultant to the Chancellor of the University of Colorado at Denver and in 1994 he became Director of the Youthful Offenders System, where he targeted youthful offenders of crimes involving deadly weapons. His program vigorously worked to break down gang affiliations and instill hope and dignity to youth.

This is not the only work Groff has done to better Denver communities, but he has so many accomplishments, it is hard to list them all. He was Vice President of the Denver Federation of Teachers, the Senate Minority Leader for the Colorado State Senate and Vice President of the National Democratic Leadership Caucus to highlight a few accomplishments in his vast resume of community involvement.

The work he has done on behalf of the community has not gone unnoticed. He has received many awards for his efforts such as, Legislator of the Year Award from the Associated Press, the Appreciation Award in recognition of his work for the youth of Denver and the Distinguished Service Citation award presented by the United Negro College Fund to name a few.

Regis Groff's important work and selfless acts over the past two decades is what has inspired me to recognize and applaud his efforts today.

## NEBRASKA LEGISLATURE POSITION ON TOBACCO SETTLEMENT

### HON. LEE TERRY

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. TERRY. Mr. Speaker, on March 22, 1999, the Nebraska Unicameral Legislature passed Legislative Resolution No. 22. The resolution petitions Congress and the executive branch to prohibit federal recoupment of state tobacco settlement recoveries.

I agree with the Legislature that the funds received under the tobacco settlement should remain with the states. Nebraska's portion of the settlement funds will be used for the preservation of the health of its citizens. I oppose any effort by the federal government, which was not a party to the settlement, to claim a portion of these funds.

I call the text of the resolution to the attention of my colleagues, as follows.

NEBRASKA UNICAMERAL LEGISLATURE,
*March 23, 1999.*

Hon. LEE TERRY,
*House of Representatives, Longworth House Office Bldg., Washington, DC 20515.*

DEAR CONGRESSMAN TERRY: I have enclosed a copy of engrossed Legislative Resolution No. 29 adopted by the Nebraska Unicameral Legislature on the twenty-second day of March 1999. The members of the Nebraska Legislature have directed me to forward this resolution to you and to request that it be officially entered into the Congressional Record.

With kind regards.

Sincerely,

PATRICK J. O'DONNELL,
*Clerk of the Legislature.*

Enclosed.

NINETY-SIXTH LEGISLATURE, FIRST SESSION,
LEGISLATIVE RESOLUTION 29

Whereas, the State of Nebraska filed a lawsuit against the tobacco industry on August 21, 1998, in the district court of Lancaster County; and

Whereas, the State of Nebraska and forty-five other states settled their lawsuits against the tobacco industry on November 23, 1998, under terms of the Tobacco Master Settlement Agreement (MSA) without any assistance from the federal government; and

Whereas, under terms of the Master Settlement Agreement, Nebraska's lawsuit against the tobacco industry was dismissed by the district court of Lancaster County on December 20, 1998, and State Specific Finality was achieved in the State of Nebraska on January 20, 1999; and

Whereas, the State of Nebraska has passed legislation to allocate its portion of settlement funds awarded under the Master Settlement Agreement for the preservation of the health of its citizens; and

Whereas, the federal government, through the Health Care Financing Administration, has asserted that it is entitled to a significant share of settlement funds awarded to the settling states under the Master Settlement Agreement on the basis that such funds represent a portion of federal Medicaid costs; and

Whereas, the federal government previously chose not to exercise its option to file a federal lawsuit against the tobacco industry, but on January 19, 1999, the President of the United States announced plans to

pursue federal claims against the tobacco industry; and

Whereas, the State of Nebraska is entitled to all of its portion of settlement funds negotiated in the Master Settlement Agreement without any federal claim to such funds.

*Now, therefore, be it resolved by the Members of the Ninety-Sixth Legislature of Nebraska, First Session:*

1. That the Legislature hereby petitions the Congress of the United States and the executive branch of the federal government to prohibit federal recoupment of state tobacco settlement recoveries.

2. That official copies of this resolution be prepared for forwarded to the Speaker of the United States House of Representatives and President of the United States Senate and to all members of the Nebraska delegation to the Congress of the United States with the request that it be officially entered into the Congressional Record as a memorial to the Congress of the United States.

3. That a copy of the resolution be prepared and forwarded to President William J. Clinton.

---

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*Washington, DC, April 30, 1999.*

PATRICK J. O'DONNELL,
*Clerk of the Legislature, Lincoln, Nebraska.*

DEAR MR. O'DONNELL: Pursuant to the request of the Legislature, I have entered into the Congressional Record Resolution No. 29, adopted on March 22, 1999. A copy of the appropriate section of the record is enclosed.

I am pleased to be of assistance in bringing this important matter to the attention of my colleagues.

Sincerely,

LEE TERRY,
*Member of Congress.*

## HONORING THE HUTCHINSON HOSE COMPANY

### HON. THOMAS M. REYNOLDS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. REYNOLDS. Mr. Speaker, I rise today to honor and acknowledge the men and women of the Hutchinson Hose Company in Amherst, NY.

In 1835, residents of ''Williams Mills'' first donated a portion of their taxes toward the purchase of a fire engine, recognizing the community's need for fire protection. Since the time of that $228 wooden wagon, Hutchinson Hose, which received its modern-day name in 1908 in honor of Edward H. Hutchinson, has grown with its community, providing superior fire protection for the residents of Williamsville.

For 164 years, the men and women of Hutchinson Hose have lived up to their early-day moniker of the ''Rough and Ready Fire Engine Company Number One,'' and it is with great pleasure that I commend them during our deliberations today.

Mr. Speaker, I would also like to pay special recognition to Mr. Irvin J. Lorich and Mr. David Sherman. Irvin will be honored on Saturday, May 1, 1999, for 50 years of dedicated volunteer service; and Mr. Sherman, a distinguished journalist and editor, will again be sworn-in as President of the Fire Company, the longest tenured president in fire company history.

Mr. Speaker, I know that the entire House of Representatives joins me in saluting the hard work and dedication of the Hutchinson House Company, and two of its most distinguished members, President Dave Sherman and Mr. Irvin Lorich.

## LEGISLATION TO PROVIDE VETERANS HEALTH CARE BENEFITS TO MEMBERS OF THE PHILIPPINE COMMONWEALTH ARMY AND THE MEMBERS OF THE SPECIAL PHILIPPINE SCOUTS, H.R. 1594

### HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. GILMAN. Mr. Speaker, I rise today to introduce H.R. 1594, the Filipino Veterans Benefits Improvements Act of 1999. I urge my colleagues to join me in supporting this worthy legislation.

On July 26, 1941, President Roosevelt issued a military order, pursuant to the Philippines Independence Act of 1934, calling members of the Philippine Commonwealth Army into the service of the United States Forces of the Far East, under the command of General Douglas MacArthur.

For almost 4 years, over 100,000 Filipinos, of the Philippine Commonwealth Army fought alongside the allies to reclaim the Philippine Islands from Japan. Regrettably, in return, Congress enacted the Rescission Act of 1946. This measure limited veterans eligibility for service-connected disabilities and death compensation and also denied the members of the Philippine Commonwealth Army the honor of being recognized as veterans of the United States Armed Forces.

A second group, the special Philippine scouts called ''New Scouts'' who enlisted in the U.S. armed forces after October 6, 1945, primarily to perform occupation duty in the Pacific, were similarly excluded from benefits.

I believe it is long past time to correct this injustice and to provide the members of the Philippine Commonwealth Army and the special Philippine scouts with the benefits and the services that they valiantly earned during their service in World War II.

Realizing Mr. Speaker, than our current budgetary environment is not conducive to the creation of a new large entitlement program, I have crafted this legislation to be fiscally feasible while providing the veterans with the benefits in which they are most in need.

This legislation contains three major provisions. The first would provide disability compensation to those Filipino veterans residing in the United States on a dollar-for-dollar basis. This would replace the ''peso rate'' standard which Filipino veterans had to accept, even if they were residing within the United States and not the Philippines.

Second, this bill would make all Filipino veterans residing in the United States eligible for VA health care. These veterans, would be subject to the same eligibility and means test requirements as their American counterparts.

Finally, this legislation restores funding, which had been removed in 1994, to provide health care to American military personnel and veterans in the Philippines as well as for Filipino World War II veterans residing in the islands.

These veterans have waited more than 50 years for the benefits which, by virtue of their military service, they were entitled to in 1946.

I urge my colleagues to carefully review this legislation that corrects this grave injustice and provides veterans benefits to members of the Philippine Commonwealth Army and the members of the special Philippine scouts.

I submit the full text of H.R. 1594 to be included at this point in the RECORD:

H.R. 1594

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Filipino Veterans' Benefits Improvements Act of 1999''.

**SEC. 2. INCREASE IN RATE OF PAYMENT OF CERTAIN BENEFITS TO VETERANS OF THE PHILIPPINE COMMONWEALTH ARMY.**

(a) INCREASE.—Section 107 of title 38, United States Code, is amended—

(1) by striking ''Payment'' in the second sentence of subsection (a) and inserting ''Except as provided in subsection (c), payment''; and

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

''(c) In the case of benefits under subchapters II and IV of chapter 11 of this title by reason of service described in subsection (a)—

''(1) notwithstanding the second sentence of subsection (a), payment of such benefit shall be made in dollars at the rate of $1.00 for each dollar authorized; and

''(2) such benefits shall be paid only to an individual residing in the United States who is a citizen of, or an alien lawfully admitted for permanent residence in, the United States.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act, and shall apply to benefits paid for months beginning on or after that date.

**SEC. 3. ELIGIBILITY FOR HEALTH CARE OF CERTAIN ADDITIONAL FILIPINO WORLD WAR II VETERANS.**

Section 1734 of title 38, United States Code, is amended to read as follows:

''The Secretary, within the limits of Department facilities, shall furnish hospital and nursing home care and medical services to Commonwealth Army veterans and new Philippine Scouts in the same manner as provided for under section 1710 of this title.''.

**SEC. 4. MANDATE TO PROVIDE HEALTH CARE FOR WORLD WAR II VETERANS RESIDING IN THE PHILIPPINES.**

(a) IN GENERAL.—Subchapter IV of chapter 17 of title 38, United States Code, is amended—

(1) by redesignating section 1735 as section 1736; and

(2) by inserting after section 1734 the following new section:

**''§ 1735. Outpatient care and services for World War II veterans residing in the Philippines**

''(a) OUTPATIENT HEALTH CARE.—The Secretary shall furnish care and services to veterans, Commonwealth Army veterans, and new Philippine Scouts for the treatment of the service-connected disabilities and non-

service-connected disabilities of such veterans and scouts residing in the Republic of the Philippines on an outpatient basis at the Manila VA Outpatient Clinic.

''(b) LIMITATIONS.—(1) The amount expended by the Secretary for the purpose of subsection (a) in any fiscal year may not exceed $500,000.

''(2) The authority of the Secretary to furnish care and services under subsection (a) is effective in any fiscal year only to the extent that appropriations are available for that purpose.''.

''(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 17 of such title is amended by striking the item relating to section 1735 and inserting after the item relating to section 1734 the following new items:

''1735. Outpatient care and services for World War II veterans residing in the Philippines.

''1736. Definitions.''.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

## EXPOSING RACISM

### HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. THOMPSON. Mr. Speaker, in my continuing efforts to document and expose racism in America, I submit the following articles into the CONGRESSIONAL RECORD.

NHL CAN'T SUBSTANTIATE RACIAL ALLEGATION

(By Ken Berger)

Philadelphia (AP).—Embroiled in another racial controversy, the NHL had to admit the ugly reality of life on the ice. ''Zero tolerance'' often is hindered when there are zero witnesses.

Fact is, the annoying, personal and sometimes hateful words exchanged by players who are fighting for supremacy in a brutal game rarely travel to the ears of others or get caught on tape. The league ruled Tuesday that it was unable to confirm the latest accusation of racial hatred that crept into the game, leaving Sandy McCarthy and Tie Domi to settle their dispute the way it started—one-on-one.

After reviewing tapes and interviewing both players, league disciplinarian Colin Campbell ruled McCarthy and Domi are the only ones who know what happened Monday night on the national stage of a Stanley Cup playoff game. Both players will be on the ice again tonight in Game 4 of the contentious first-round series between Philadelphia and Toronto.

''None of the on-ice or off-ice officials could confirm having heard an offensive remark,'' Campbell, vice president and director of hockey operations, said in a statement from New York. ''The league is on record as having a zero-tolerance policy regarding any racially motivated behavior, and any claim that a taunt or slur took place is an extremely serious one.''

''After a thorough investigation, however, we have concluded this allegation cannot be independently substantiated.''

After trading shoves and words with Domi during Toronto's 2–1 victory Monday night, McCarthy said the Maple Leafs forward ''dropped an N-bomb on me'' during a heated exchange in the second period. Officials on the ice and players for both teams said they didn't hear the slur. Domi denied using it, saying instead that McCarthy had spit in his face.

''I would never use those kinds of words, and he knows that,'' Domi said. ''He can say what he wants.''

McCarthy, whose father is black and mother white, said it was the first time he'd had a racial slur directed at him in his career.

''I think it's awful for the game,'' McCarthy said Tuesday at the Flyers' training facility in suburban New Jersey. ''That's why is shouldn't be tolerated.''

McCarthy said he was sure Domi used the slur. ''No doubt whatsoever,'' McCarthy said. ''You can't mistake that word for anything else.''

After a workout at a separate New Jersey training site, Toronto coach Pat Quinn defended Domi. Asked why McCarthy would make such an accusation, Quinn said, ''I think he's bloody embarrassed by spitting in the man's face.''

Domi added: ''It's something that will hopefully blow over, I've played with black guys in the league and I respect them.''

In recent years, some NHL players have been accused of attacking the heritage of black players, whose numbers are still small but growing in a sport dominated by whites. In fact, McCarthy was involved in one of the incidents.

While with Tampa Bay, he and Darcy Tucker were cleared of accusations they made racial gestures at Florida Panthers forward Peter Worrell, who is black, during an exhibition game in October.

''It was proven that nothing happened,'' McCarthy said. ''We talked to Peter on the phone, and he said, 'I don't know what's going on, but I didn't hear anything and nothing happened.' ''

Craig Berube, now with the Flyers, was found guilty of using a slur while with Washington in November 1997 and was suspended. Shortly thereafter, the league announced a ''zero-tolerance'' policy on the matter.

''We're playing a sport where guys are nuts out there sometimes,'' Berube said. ''They're losing their minds, they're saying things. I say things. Everybody says stuff and does stuff they shouldn't do. You don't want to do it, but at the time you're not thinking like that.''

Though no league action was taken, the specter of racial hate still hangs over the NHL.

Flyers general manager Bob Clarke said racial insults were prevalent during his Hall of Fame career. Even fewer blacks were in the league when he played from 1969–84.

''Unless you're a black player like Sandy McCarthy, none of us can understand what calling a person that name does to you,'' Clarke said. ''It's up to the league to control that kind of stuff. And if an official hears it, then they should do something to stop it.''

When it comes down to one player's words against another's, there seem to be zero answers.

---

COUPLE, FOUNDATION, ADMIT CAMPAIGN VIOLATIONS IN SETTLEMENT

(By Hunter T. George)

Olympia (AP—A Seattle couple and a nonprofit charitable foundation have agreed to pay a $15,000 civil fine for concealing the source of a $50,000 contribution to a political campaign.

Under the settlement reached with state Public Disclosure Commission investigators, the couple and the Seattle-based foundation, A Territory Resource, admitted to unintentional violations of the law.

The commission voted 3–0 Tuesday to accept the settlement, which calls for each party to pay a $7,500 fine. The foundation also agreed to consult with state campaign finance regulators before seeking to make future campaign contributions on behalf of foundation donors.

The PDC opened an investigation after receiving a complaint about a contribution to the No!200 campaign against last fall's ballot initiative that sought to roll back government affirmative action programs. Voters approved the initiative.

The couple, David Foecke and Pat Close, contributed $6,250 in their names to the No!200 campaign. They also sent $50,000 to their ''donor advised account'' with ATR, which allows contributors to suggest how such money should be spent.

ATR complied with the couple's request to send all $50,000 to the No!200 campaign.

Last Friday, PDC investigators accused the foundation of concealing the source of a campaign contribution and illegally acting as an intermediary. Investigators accused the couple of making an anonymous contribution.

There was no scheme between the couple, part owners of Cafe Flora restaurant in Seattle, and the foundation to break the law, said their attorney, Christopher Kane. They simply were afraid the size of the contribution would draw attention to themselves instead of the campaign against the initiative, he said.

''We felt very strongly that the law was unclear,'' Kane told the commission.

Foecke and Close agreed to the settlement to resolve the issue and refocus attention on the ''negative effects of Initiative 200 on civil rights and equal opportunity,'' the couple said in a statement issued through a public relations firm.

The foundation's lawyer, Kevin Hamilton, emphasized to the commission that the violations weren't intentional.

The $7,500 fines exceeded the $2,500 maximum penalty available to the PDC under state law. The total amounted to half of the $30,000 fine the state could have sought in court if the commission had chosen to defer the case to the attorney general, PDC attorney Steve Reinmuth said.

---

STUDENT COMMITTEE URGES UNIVERSITY TO FIGHT HATE CRIMES

Decatur, Ill. (AP)—Millikin University freshman Howard Walters says college is one of the best places to meet people from different races and backgrounds.

So it seemed natural for Walters to join a student committee urging the private, four-year university to take action against hate crimes—particularly after reports of several racially motivated incidents at the school in the last few months.

''We need to understand diversity,'' Walters said. ''When we leave the university, we enter a very diverse world.''

The committee, which has black and white members, has asked the university to issue a hate-crime policy, prosecute infractions fully and require diversity training for all faculty, staff and students. They also asked Millikin students to report all acts of hate to campus security.

The students formed the committee themselves and were not appointed by the university, but Terry Bush, the school's vice president for marketing and community affairs, said administrators are interested in their ideas.

''We're very glad students are actively involved in opening up the culture of campus, in saying to each other, 'We won't put up with this,''' Bush said Tuesday. ''It's a very positive sign.''

Danielle Brown, a freshman, is a member of the committee. A black student, she was wooed to Millikin on an academic scholarship to study music after being an honors student in high school. She loved it at first.

But in October, she found a racial slur written on a message board on her dormitory door. In March, more slurs were written all over her door. A day later, someone drew a scene depicting the hanging of a black person in another building.

And earlier in the year, an ethnically offensive e-mail was sent to an international student by another student. That student left the university when faced with disciplinary action, Bush said.

''I came here with the intention of getting my degree,'' Brown said. ''Now, I feel like, why should I be here? I want answers. . . . What is the university doing to make sure this doesn't happen again? I don't want anyone to have to feel like I do now.''

Sherilyn Poole, dean of student life and academic development, met with the student committee on Monday and told them there will be a hate crime policy outlined in the 1999–2000 student handbook.

Bush also said that administrators had already been working on many of the students' suggestions.

Millikin is trying to diversify its campus by recruiting minority students, faculty and staff. Total enrollment is 2,063 students, 14 percent of whom are non-white.

Brown said incidents of racism, especially shouted slurs, are common on and around the campus.

The Millikin gay and lesbian community also has complained of repeated verbal attacks—although most of the incidents have not been reported to the university.

John Mickler, director of security at Millikin, said the university community needs to take a stand against hate.

But he also said that he needs the cooperation of students. Only three instances of hate crimes have been reported to him since January, he said.

## A TRIBUTE TO REVEREND DOC FRADY

### HON. BOB BARR

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. BARR of Georgia. Mr. Speaker, it is my pleasure to honor today a great man who has set an example for all of us by the way he has lived his life. That man is Reverend Marvin ''Doc'' Frady, pastor of Clarkdale Baptist Church in the Seventh Congressional District, who is celebrating his 65th birthday this month.

Thirty years ago, Doc Frady had a successful practice as a chiropractor, which he built up over years of hard work. However, when he was called by the Lord to leave that lucrative practice and enter the ministry, he didn't hesitate for a moment. Since then, he has served as pastor to four different churches, and ministered to many thousands of men, women, and children.

Fortunately for all who live in the community Doc serves, he doesn't let his efforts to help others stop at the church door. He has organized numerous religious events, actively involved himself in public policy issues, and spent more hours in hospital rooms, weddings, and memorial services than most people who do those things for a profession. Throughout it all, he still found time to serve for 10 years on the board of Cumberland Christian Academy, and for nine years as Chaplain to the Cobb County Sheriff's Department.

Doc Frady's life has been a model of public service from which we can all learn. In everything he does, Doc has made helping himself a last priority, and devoted his life to serving God and his fellow man. Doc deserves the thanks of a grateful community for all he has done to make Cobb county one of the best places to live in America. Everyone who knows, or who has had their lives touched by, Doc Frady's love and commitment, joins in wishing him a very, very Happy Birthday.

## TRIBUTE TO DR. S. DALLAS SIMMONS, PRESIDENT, VIRGINIA UNION UNIVERSITY, ON HIS RETIREMENT AFTER MANY YEARS OF SERVICE

### HON. ROBERT C. SCOTT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. SCOTT. Mr. Speaker, I rise to call attention to the outstanding contributions of Dr. S. Dallas Simmons for his many years of leadership as President of Virginia Union University.

Dr. Simmons was born in Ahoskie, North Carolina. He earned his bachelor's and master's degrees at North Carolina Central University in business. He earned a Certificate in Administration from the University of Wisconsin, and in recognition of his outstanding work as a teacher and administrator, Dr. Simmons was awarded a fellowship to Duke University, where he earned his doctorate in Administration in Higher Education.

Dr. Simmons' career includes: a consultantship with the International Business Machines Corporation (IBM); Director of the computer centers at North Carolina Central University and Norfolk State University; Associate Professor in the School of Business Administration, Vice Chancellor of University Relations at North Carolina Central University, and President of St. Paul's College in Lawrenceville, Virginia.

Many other organizations have benefitted from his membership, including the American Association of University Administrators, The College Fund, and the Richmond Forum Club. His honors are too long to list, but Dr. Simmons has been mentioned in Men of Achievement, the Directory of Distinguished Americans, Community Leaders of the World, and Outstanding Man of America.

Clearly, Dr. Simmons is a man of distinction. But his faithful dedication to education is perhaps his most important contribution. In addition to his commitment to and passion for increasing educational opportunity for disadvantaged students, Dr. Simmons has led Virginia Union University to outstanding fiscal management and significantly improved infrastructure. For the first time in its 134 year history, for example, Virginia Union University now has a freestanding library thanks to the persistence of Dr. Simmons. Consistent with his background, Dr. Simmons has led the university under the theory that, in order to best serve its students, a university should be administered much like a business. This guiding principle has served Virginia Union well, because it is now more than ever physically, fiscally, and academically strong and stable. Likewise, Dr. Simmons is well known among his colleagues for his vision and also his strong and steady leadership.

Mr. Speaker, I commend to you the achievements of the retiring Virginia Union University President S. Dallas Simmons, and ask that these remarks be made a part of the permanent record of this body.

## ENRIQUE V. IGLESIAS, PRESIDENT OF THE INTER-AMERICAN DEVELOPMENT BANK

### HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to congratulate Enrique V. Iglesias who was recently named ''Man of the Year'' by *Latin Finance.* Mr. Iglesias, the former foreign minister of Uruguay and ex-executive secretary of the United Nations Economic Commission for Latin America and the Caribbean, was also unanimously elected in 1997 to a third five-year term as president of the Board of Governors of the Inter-American Development Bank.

Enrique Iglesias is a visionary—a man of insight and ability who has helped transform the IDB into an engine for reform, economic expansion, growth, and prosperity in the Western Hemisphere. As its President, he has led the IDB like a skilled navigator through tumultuous and sometimes uncertain waters in the last eleven years.

During his tenure in office, the Bank has become the leading multilateral provider of resources for Latin America and the Caribbean. Last year, the Bank recorded a figure of $10 billion with heavy investments in such areas as education, health, environmental protection, structural modernization, and reconstruction from natural disasters.

He has actively supported the development of the private sector and capital markets in the region by promoting investment, lending, and innovation and has allocated the necessary resources to foster the growth of small and medium-size businesses in the region toward sustainability. His ability to develop and guide policies that will address the changing dynamics and economic landscape of the Hemisphere led to the establishment in 1994 of the Private Sector Department, a specialized operational department within the Bank, to provide long-term financing and guarantees for private infrastructure projects in the region.

I commend his dedication to mobilizing resources for the region and his commitment to the social and economic development of the Hemisphere.

## MEDIA VIOLENCE

### HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. MARKEY. Mr. Speaker, I rise today with Rep. DAN BURTON to introduce a joint resolution requiring the Surgeon General to prepare and issue a new Surgeon General's Report on media violence and its impact on the health and welfare of our children. It is by no means all we should do in light of the tragedy in Littleton, Colorado, but is it certainly the least we should do.

Orignial cosponsors of this initiative include Represenatatives JIM MORAN, CONNIE MORELLA, JOHN SPRATT, JOE PITTS, JIM MCDERMOTT, GREG GANSKE, and JOHN LAFALCE.

We join with every parent, school official, student, religious leader and every other American who is struggling to identify what has gone so wrong with the process of growing up in America that our kids can kill our kids without remorse.

This is not a new subject. If the horror that unfolded last week at Columbine High was in any way unique, we could comfort ourselves with the fantasy that is was the product of one or two sick minds. But we know that violence has become as American as apple pie, and we are reaping a bitter harvest as we continue to tolerate a culture which teaches kids to kill and be killed.

Our culture has become infused with violent images and messages and the methods of delivering those images has multiplied exponentially. Television shows that glamorize massacres, movies that pantomime violent school killing sprees, video games that teach children how to shot to kill their targets and Internet sites filled with vicious, destructive messages all function as desensitizing, conditioning mechanisms making it easier for our children to commit heinous crimes without understanding the finality and brutality of their actions.

Violent TV and film images now have a new interactive digital face in video games and on the Internet. Guns are everywhere. Highly efficient assault weapons are available for sale on the street for the price of a pair of sneakers. More and more children are becoming alienated and depressed without the support structures needed to mediate their troubles, treat their illnesses, or protect them from themselves.

This is a very deep and complicated mess we're in, but it is our mess, a problem we share across the land. There is no place to run to escape its effects. We are facing a monumental task, which I would liken in its scope to a Marshall Plan for America, where the challenge is to rebuild the social structure of a society while respecting the Constitutional freedoms which all Americans cherish.

We can begin by examining the ways that children and young adults learn violence. The evil behavior that those young killers displayed at Columbine High School was not born in them nor learned from their parents.

The strong correlation between violent messages delivered to our kids and antisocial behavior delievered by our kids to society is well-documented. It was the fundamental finding of the Surgeon General's Report of 1972 and the Report by the National Institute of Mental Health in 1982. Both reports focused on television's impact on behavior. But since that time, the capacity of the entertainment deliver ever more graphic depiction of violence has vastly increased, and the outlets for delivering these images to children without the intervention of adults has multiplied many times. Moreover, the research community and the entertainment and interactive media has produced a vast compendium of research, polling, and analysis—much of it confusing and conflicting—but which is much more relevant to today's world than what was studied 15 or 30 years ago. The last government-sponsored review in 1982 includes the following introductory sentence:

''In view of the evidence that children are already attentive to the television medium by the age of 6 to 9 months, it is no longer useful to talk of the television set as an extraneous and occasional intruder into the life of a child. Rather, we must recongize that children are gorwing up in an envirommment in which they must lean to organize experience and emotional responses not only in relationship to the physical and social environment of the home but also in relation to the omnipresent 21-inch screen that talks, sings, dances, and encourages the desire for toys, candies, and breakfast food.''

As the Information Age takes hold and as youth violence takes new and ever more disturbing twists through America's soul, we cannot afford to develop national policy on the basis of such a quaint view of the problem.

Therefore, we are calling on the Surgeon General to provide the country with a new Surgeon General's Report that reflects our contemporary crisis, that takes into account both the promise and problems of interactive media, and that makes findings and recommendations regarding how to combat the sickness of violence and to rebuild our national spirit.

Let me conclude by emphasizing my personal view that the President is correct to focus attention on the contributing factor of gun availability to children and the collapse of parental supervision with regards to dangerous weapons. Our response to the spread of guns into the hands of our kids has been as disproportionate as our response to the cultural glamorization of gun use.

And while I expect to learn much from the dialogue and the research we are asking for today, I do not expect the front-line function of parenting to be found any less fundamental to raising healthy children than it has ever been.

## RECOGNIZING EAST HIGH SCHOOL AND THE ''WE THE PEOPLE . . . THE CITIZEN AND THE CONSTITUTION'' PROGRAM

### HON. DIANA DeGETTE

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Ms. DEGETTE. Mr. Speaker, I rise to recognize the ''We the People . . . The Citizen and the Constitution'' program, and specifically to applaud the East High School team that has come to Washington this year to represent Colorado in the national finals. These young scholars have worked diligently to make it to the finals and their hard work has gained them a deep knowledge and understanding of the fundamental principles and values of our constitutional democracy.

The names of the students are: Sarah Blum-Barnett, John Boisclair, Kristin Brauer, Elizabeth Clarke, Andrew Cundiff, Jocelyn Dudley, Michelle Ford, Lindsay Gilchrist, Michael Kaplan, Beth Linas, Natalie Lindhorst-Ballast, Brett Lockspeiser, Elizabeth McCartney, Anne McWilliams, Adam Mueller, Dan Murphy, Tristan Nelson, Brandi Raiford, Nathan Rose, Jeremy Schulman, Jeffrey Seversen, Ellen Strickland, Allison Tease. Additionally, I would like to commend their teacher Deanna Morrison who deserves much of the credit for the success of this great team and recognize both the District Coordinator, Loyal Darr, and the State Coordinator, Barbara Miller.

The ''We the People. . . . The Citizen and the Constitution'' program is the most extensive educational program in the country developed specifically to educate young people about the Constitution and the Bill of Rights. The three-day national competition is modeled after hearings in the United States Congress. These hearings consist of oral presentations by the students acting as constitutional experts before a ''congressional committee'' made up of a panel of judges acting as Members. The student testimony is followed by a period of questioning during which the judges probe students for their depth of understanding and ability to apply their constitutional knowledge.

I know first hand how well this program works because I was a volunteer coach for years at a high school back in my district in Denver, whose students have done extraordinarily well in the We the People. . . . competitions over the last decade. East High School has been among the top ten finalists 9 times in the last 11 years, and they won the competition in 1992.

Once again, I commend the East team for winning the State competition and I wish them the best of luck in the upcoming competition. I know Colorado will be well represented in the finals.

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily

Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, April 29, 1999 may be found in the Daily Digest of today's RECORD.

## MEETINGS SCHEDULED

### APRIL 30

10 a.m.
Health, Education, Labor, and Pensions
Aging Subcommittee
To hold hearings on issues relating to the Older Americans Act.
SD–628

### MAY 3

2 p.m.
Judiciary
To hold hearings to examine youth violence issues.
SD–226

3:30 p.m.
Governmental Affairs
Oversight of Government Management, Restructuring and the District of Columbia
Subcommittee
To hold hearings on management reform issues in the District of Columbia.
SD–342

### MAY 4

9:30 a.m.
Indian Affairs
To hold oversight hearings on Census 2000, implementation in Indian Country.
SR–485

Energy and Natural Resources
To resume hearings on S. 25, to provide Coastal Impact Assistance to State and local governments, to amend the Outer Continental Shelf Lands Act Amendments of 1978, the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people; S. 532, to provide increased funding for the Land and Water Conservation Fund and Urban Parks and Recreation Recovery Programs, to resume the funding of the State grants program of the Land and Water Conservation Fund, and to provide for the acquisition and development of conservation and recreation facilities and programs in urban areas; S. 446, to provide for the permanent protection of the resources of the United States in the year 2000 and beyond; and S. 819, to provide funding for the National Park System from outer Continental Shelf revenues.
SD–366

10 a.m.
Judiciary
Antitrust, Business Rights, and Competition Subcommittee
To hold hearings on issues relating to international antitrust.
SD–226

2 p.m.
Judiciary
Administrative Oversight and the Courts Subcommittee
To hold hearings on S. 353, to provide for class action reform.
SD–226

### MAY 5

9:30 a.m.
Energy and Natural Resources
Business meeting to consider pending calendar business.
SD–366

Commerce, Science, and Transportation
Business meeting to markup pending calendar business.
SR–253

Indian Affairs
To hold oversight hearings on Tribal Priority Allocations and Contract Support Costs Report.
SR–485

10 a.m.
Governmental Affairs
To hold hearings on the current state of Federal and State relations.
SD–342

### MAY 6

9:30 a.m.
Energy and Natural Resources
To hold hearings to examine the results of the December 1998 plebiscite on Puerto Rico.
SH–216

Governmental Affairs
To hold hearings on Federalism and crime control, focusing on the increasing Federalization of criminal law and its impact on crime control and the criminal justice system.
SD–342

2 p.m.
Judiciary
Antitrust, Business Rights, and Competition Subcommittee
Business meeting to consider pending calendar business.
SD–226

### MAY 11

10 a.m.
Judiciary
To hold hearings on how to promote a responsive and responsible role for the Federal Government on combatting hate crimes.
SD–226

10:30 a.m.
Governmental Affairs
Oversight of Government Management, Restructuring and the District of Columbia
Subcommittee
To hold hearings on multiple program coordination in early childhood education.
SD–342

### MAY 12

9:30 a.m.
Indian Affairs
To hold oversight hearings on HUBzones implementation.
SR–485

### MAY 13

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 698, to review the suitability and feasibility of recovering costs of high altitude rescues at Denali National Park and Preserve in the state of Alaska; S. 711, to allow for the investment of joint Federal and State funds from the civil settlement of damages from the Exxon Valdez oil spill; and S. 748, to improve Native hiring and contracting by the Federal Government within the State of Alaska.
SD–366

### MAY 19

9:30 a.m.
Indian Affairs
To hold hearings on S. 614, to provide for regulatory reform in order to encourage investment, business, and economic development with respect to activities conducted on Indian lands; and S. 613, to encourage Indian economic development, to provide for the disclosure of Indian tribal sovereign immunity in contracts involving Indian tribes,and for other purposes.
SR–485

### MAY 20

2 p.m.
Energy and Natural Resources
Energy Research and Development, Production and Regulation Subcommittee
To hold hearings on S. 348, to authorize and facilitate a program to enhance training, research and development, energy conservation and efficiency, and consumer education in the oilheat industry for the benefit of oilheat consumers and the public.
SD–366

2:30 p.m.
Energy and Natural Resources
Energy Research and Development, Production and Regulation Subcommittee
To hold joint oversight hearings with the House Committee on Government Reform's Subcommittee on National Economic Growth, Natural Resources and Regulatory Affairs, on the Administration's fiscal year 2000 budget request for climate change programs and compliance with various statutory provisions in fiscal year 1999 appropriations acts requiring detailed accounting of climate change spending and performance measures for each requested increase in funding.
SD–366

### SEPTEMBER 28

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.
345 Cannon Building

# HOUSE OF REPRESENTATIVES—*Thursday, April 29, 1999*

The House met at 10 a.m.

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

We know that in our prayers we can speak to You, O God, with any words we wish and with any thoughts we care to think. Give us boldness and honesty in our prayers so that we truly speak what is in our hearts. And give us wisdom in our minds so that in all things we may do justice, love mercy, and ever walk humbly with You. This is our earnest prayer. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Texas (Mr. GREEN) come forward and lead the House in the Pledge of Allegiance.

Mr. GREEN of Texas led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain 10 one-minutes on each side.

## NEVADA TRAVEL AND TOURISM

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, today on behalf of the great State of Nevada, I would like to personally thank the travel and tourism industry because of its lasting partnership and patronage.

Nevada ranks sixth in both direct domestic and international travel spending among all 50 States. Total travel expenditures in Nevada exceed $17 billion, travel payroll climbed well over $5 billion, and it employed more than 307,000 people.

To this effect I would like to specifically recognize the Grand Canyon Air Tour Industry which has served southern Nevada and the Grand Canyon for more than 70 years. This service provides enjoyment to over 800,000 passengers annually, of which 30 percent are over the age of 50, to the outstanding air tours of the Grand Canyon, truly one of America's most treasured sites.

Without the Grand Canyon tour industry, many handicapped would never be able to enjoy the deep, colored canyons or the magnificent raging Colorado River.

Again on behalf of my constituents and the many tourists who visit southern Nevada, thank you for your economic contributions and your continued steadfast service.

## HOUSE SENDS TERRIBLE MESSAGE REGARDING KOSOVO

(Mr. GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN of Texas. Madam Speaker, I was elected to Congress 6 years ago and I came to Washington to work on health care and education for our children. But yesterday was one of the worst days I have served in 26 years of elected office. What a terrible message this House sent yesterday to our men and women serving our country in the Balkan conflict. The quote I heard ''taking ownership of this war'' by my Republican colleagues should be unacceptable, not only to myself but the American people. Our country's finest young men and women serving our Nation deserve more than politics as usual on this floor of the House. This reminds me of World War II when my Republican colleagues referred to World War II as ''Mr. Roosevelt's war.''

Please put your hatred aside for this President and realize that this conflict was not started by Bill Clinton, it was started by Serbia's murderers of civilians, and it was started by our commitment to NATO and to our allies who have protected us for 50 years from communism. Now your hatred of Bill Clinton is giving hope to our Nation's enemies who are trying to shoot down our men and women literally as we stand here today.

Please think and reflect on your action because our service people are in harm's way.

## ON ORIOLES-CUBA BASEBALL GAME

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Madam Speaker, it is ironic that as NATO forces are bombing the Butcher of the Balkans, the Clinton administration is cozying up to the Butcher of the Caribbean, Cuba's Fidel Castro.

In the aftermath of the tragedy in Colorado as we search for answers and discuss role models and values, it is ironic that the United States is preparing to play ball with the regime that violates the human rights and civil liberties of its people.

Monday's game between the Baltimore Orioles and the Cuban team will send a message to our children that America's pastime can also be an instrument for dictators; that money, power and individual interests are more important than freedom and democracy for the oppressed people of Cuba.

The May 3rd game, as the one played in Cuba, will be a political and public relations home run for Fidel Castro but it will be a strikeout for political prisoners, for human rights dissidents and the Cuban people as a whole.

Let us send the right message to our young people and to the international community as a whole that the U.S., its institutions and its symbols will not be accessories to the crimes committed by the Castro regime and that we will not be manipulated into covering up those crimes.

## PRESIDENTIAL ASSAILANT JOHN HINCKLEY VACATIONS ON TAXPAYER DOLLARS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Madam Speaker, John Hinckley shot President Reagan with intent to kill. He was acquitted by reason of insanity and confined to a hospital where after a routine search they found correspondence between Hinckley and mass murderers Charles Manson and Ted Bundy.

But despite all of this, a Federal judge ruled that Hinckley is not an inmate, that Hinckley is a guest and is thus entitled to supervised leave privileges.

Beam me up. Is it any wonder what is happening to our society? Hinckley, who shot the President with intent to kill, is now enjoying weekends in the country. What is next, Disney World?

I yield back the tragic ordeal of James Brady and the two policemen also shot by this bum now vacationing on taxpayer dollars.

## GEORGIA TRAVEL AND TOURISM

(Mr. DEAL of Georgia asked and was given permission to address the House for 1 minute.)

Mr. DEAL of Georgia. Madam Speaker, I rise today to pay tribute to the travel and tourism industry in my State of Georgia and in my Ninth District. It is an industry that contributes some 190,000 jobs in my State.

My district is blessed to be the home of Lake Lanier which is the most visited Corps of Engineers lake in the United States and has some $2 billion of economic impact annually. We also have some 750,000 acres of the Chattahoochee National Forest.

The Appalachian Trail begins at Springer Mountain in my district and ends some 2,100 plus miles later in Maine.

We also have the Etowah Indian Mound and the Tallulah Gorge State Park. And in Dahlonega, Georgia, the first actual gold rush in our country was ignited there in 1828. The gold museum there is the second most visited museum in our State.

We also have the Chickamauga-Chattanooga National Battle Park which is the first military park in our Nation that celebrates the fact that it was a bloody 2 days in which over 35,000 men were either killed, wounded or missing. We have visitors that come from all over the world to visit that park.

A number of other attractions include our Prater's Mill, Chief Vann House and others. It is absolutely the reason why the tourism industry is referred to as America's largest services export.

## U.S. ROLE IN KOSOVO TURNED INTO PARTISAN POLITICAL CONTEST

(Mr. MENENDEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MENENDEZ. Madam Speaker, yesterday Republicans turned the question of ethnic cleansing, NATO's future and America's role in the world into a partisan political contest. Well over 30 Republican Members switched their votes from supporting the air strikes to ending the conflict yesterday so that they could vote against President Clinton.

Now, after having voted in a way that is totally inconsistent and having voted, some of them actually voted to not only not withdraw the troops in Campbell I and then not to declare war and then they voted at the end not to support the President's air campaign to end the ethnic cleansing, to end the genocide, they want to load the appropriations bill that the President proposes to try to sustain our troops in the field and take it from $6 billion to $12 billion, all of it coming from Social Security.

It is inconceivable to be spending twice the amount the President asked for when you are not even willing to vote to stop the ethnic cleansing in Kosovo. It is outrageous and it cannot be tolerated.

## SALUTING UNIONVILLE HIGH SCHOOL'S ''MAKE A DIFFERENCE'' PROGRAM

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Madam Speaker, last week I visited a high school in my district that was a great encouragement to me in the aftermath of the horrible tragedy in Littleton, Colorado.

As I met with several English honors classes at Unionville High School in Pennsylvania, I witnessed presentations by students who shared the results of community service assignments called ''Make A Difference'' projects. From planting trees to stream clean-up, to adopting a needy family, raising money to pay utility bills for a poor family, these kids did it all. Volunteering with school tutoring, helping a Salvation Army food bank, even sharing the joy of music with seniors at a nursing home, all of these activities gave the students a new perspective.

I listened to these thoughtful, well-organized and poised presentations about the lessons these students learned and the benefits of giving themselves to help others.

There are many wonderful people across this Nation who are making a difference in our neighborhoods, including students. We need to continue to praise our kids and teachers and remind them of the importance of their contributions to our communities.

Thank you, Unionville High School, Mrs. Sheeler and students. Keep it up.

## AN INFAMOUS MOMENT IN THE HOUSE

(Mr. LEVIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN. Madam Speaker, last night's vote failing to support the NATO air campaign against Milosevic was an infamous moment in this House. The majority proclaims its support for the troops but will not support what the troops are now risking their lives to do. The majority wants to double appropriations for an effort most of them apparently oppose. What is left for bipartisanship when the Republican majority will not use it in times as these? For them, there seems no water's edge. They mock the memory of that great Republican Senator from my home State, Arthur Vandenberg.

## TOO MANY MISSIONS, TOO FEW RESOURCES

(Mr. SCHAFFER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHAFFER. Madam Speaker, our military problem is simple: too many missions, too few resources. This administration adds new missions every year and then gives the Pentagon fewer resources to accomplish them. And then to add insult to injury, our own continent remains vulnerable to a ballistic missile attack. A national missile defense system remains unbuilt, sacrificed on the altar of arms control. Instead of an America safe from a missile attack, we have a contract, a piece of paper with a country that no longer exists, the Soviet Union. That piece of paper, known as the ABM Treaty, does not keep America safe. It cannot protect us from the evil designs of Osama bin Laden, Saddam Hussein and other world troublemakers who hate America and despise the very liberty we represent.

Tyrannical regimes cannot abide the idea of liberty. The existence of liberty is a threat to the power of the despots, tyrants and dictators.

Meanwhile, as the world becomes a dangerous place, our military is ignored and a national missile defense system is rejected. This is the path of dangerous folly.

## HOUSE VOTES REGARDING KOSOVO

(Mr. POMEROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POMEROY. Madam Speaker, there is a vile partisanship in this Chamber. We may have a new Speaker, but make no mistake about it, we have the same utterly dysfunctional leadership that saw us through government shutdowns and that made a partisan mockery out of the constitutional impeachment responsibility in this body.

Yesterday more than 30 Members of the majority voted against stopping U.S. participation in the NATO action, against the horrendous ethnic cleansing of Slobodan Milosevic, but then refused to vote for a resolution in support of the NATO action. There can only be one explanation for the House vote against the NATO campaign. The Republican majority will seize any opportunity to strike at President Clinton, even if it means giving encouragement to such a vile criminal as Slobodan Milosevic. Our national interest must rise above our partisan inclinations. The memory of those killed and raped in Kosovo and the support of the brave men and women carrying out this mission on NATO's behalf deserve better than this vote.

□ 1015

## MANY LIBERALS IN EDUCATION HAVE HOSTILE ATTITUDES TOWARDS PEOPLE WITH RELIGIOUSLY-INSPIRED VALUES

(Mr. TIAHRT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TIAHRT. Madam Speaker, the recent tragedy in Littleton, Colorado, points to an issue that has gone unaddressed for too long. Too many of our public schools are unsafe, and this is unacceptable.

What kind of system is it that allows kids to quote Hitler in the hallway, but which would see students get hauled into the principal's office for quoting the bible in the classroom? The pendulum has swung too far to the left.

Madam Speaker, many Americans believe that America has lost its way when our schools ignore the morals and the values that built this great Nation. But too many of the liberals in education have such a hostile attitude towards religion that they can not even conceive of a tolerant, multi-denominational religious presence in the public square which does not harm anyone's rights. Their caricatures of religious people are nothing but unfair stereotypes, and they falsely portray the agenda of ordinary people who think that religiously-inspired values are something to be proud of and something that has always made America great.

There is no magic solution for the problems we face in schools, but it is time for the pendulum to swing the other way, back to the virtues and the values that built this great Nation.

## COST OF FAILURE INFINITELY GREATER THAN THE PRICE OF VICTORY

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Madam Speaker, Dante said that nothing was necessary for the spread of evil but that good men do nothing.

Yesterday, last night, shamefully the House of Representatives voted to do nothing. It sent an uncertain trumpet, not only to our NATO allies, but to one of the evils of this world: Slobodan Milosevic.

Let me read from a speech given by JOHN MCCAIN, not a member of my party, but one of this body, the Congress of the United States, that knows about war and knows about the American interest, not the partisan political interest. He said this:

Let me close by saying that both the Congress and the administration must show resolve and the confidence of a superpower. Our cause is just, and our early success is imperative. Let us keep our nerve and see the things through to the end. No matter how awful the images of war appear on television, the cost of failure, JOHN MCCAIN said correctly, are infinitely greater than the price of victory.

Madam Speaker, we failed last night. Let us not fail in the days ahead.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mrs. EMERSON). Members should avoid references to members of the other body.

## REPUBLICAN COMPLAINTS ABOUT ABUNDANT MILITARY SHORTAGES MET WITH SILENCE AT THE WHITE HOUSE

(Mr. BALLENGER asked and was given permission to address the House for 1 minute.)

Mr. BALLENGER. Madam Speaker, the war in Kosovo has exposed a military readiness and national security vulnerability that must be removed. Evidence of our current military shortage is abundant:

We are dangerously close to running out of air-launched cruise missiles, a situation unthinkable in the days of Ronald Reagan's strong leadership. More than half of the B1–B bombers in Ellsworth Air Force Base are not mission capable because they lack critical parts. We are diverting planes from their patrols over the Iraqi no-fly zone in order to fill out the Kosovo mission.

Republican complaints and oversight hearings about this deteriorating situation over the past 6 years have been met with silence in the White House and indifference in the press. No one seems to care. For four straight years, four straight years, the Republican Congress appropriated more money for defense than the President requested. But each year it is more of the same: an inadequate defense budget and insufficient resources.

Now will the President finally care?

## INTRODUCTION OF THE RURAL TEACHERS' RECRUITMENT ACT OF 1999

(Mrs. CLAYTON asked and was given permission to address the House for 1 minute.)

Mrs. CLAYTON. Madam Speaker, today I am introducing the Rural Teachers' Recruitment Act of 1999, a much needed measure designed to address teacher shortage, recruitment and retention. Recruiting and retaining quality teachers is so important and difficult in schools across the country. Accomplishing this goal in rural areas is even a greater task.

Madam Speaker, there is little motivation for teachers to teach and to remain in rural areas. My bill offers an incentive to teachers to teach in these unrepresented areas.

The Rural Teachers' Recruitment Act of 1999 allows rural local education agencies to submit an application to the Secretary of the Department of Education for a grant to develop incentives that they like for whatever they like, for recruitment and retaining teachers and providing opportunities.

As we move in the 21st century, it is time to ensure that we have talented, dedicated and qualified teachers. We must give these new teachers a reason to favor providing instruction in our rural areas. We must reduce the shortage of quality teachers in areas where they are most needed. Without these teachers, our communities and children are the ones who suffer.

Madam Speaker, I urge all of my colleagues in rural areas and urban areas to support my bill, the Rural Teachers' Recruitment Act of 1999.

## LAST NIGHT'S APPALLING VOTE

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Madam Speaker, what have we wrought? I ended my time on the floor last night by speaking to this body of my shock and appall at our vote not to support those military men and women trying to save lives in the Kosovo area.

It is interesting, having gone to the Hershey retreat to uphold and promote bipartisanship, that yesterday I saw the crumbling edges of bipartisanship. I saw the repeat of the impeachment vote, the undermining of a President, not because one found good reason that there was no basis for this onslaught that is going on or this attack that is going on in Kosovo because of the enormous loss of life, but because we simply do not like him.

Madam Speaker, it is a shame that we would fall to partisanship while thousands and thousands and hundreds of thousands of women and children are being murdered and moved from their homes. What have we wrought?

Martin Luther King said injustice anywhere is injustice everywhere. My question to my Republican friends: Where is the outrage?

Stop the partisanship. Let us unify around saving lives, and standing up for American principles and believing that we must fight this humanitarian war.

## CALLING ON THE PRESIDENT TO PROVIDE LEADERSHIP

(Mr. BLUNT asked and was given permission to address the House for 1 minute.)

Mr. BLUNT. Madam Speaker, there was no vote taken yesterday not to

support our military. There was a vote taken not to endorse a policy that we should have been asked weeks ago before the bombing started to be part of. There was a vote not to endorse a policy that has not been explained to this Congress the way it should have been explained by the administration.

We have heard of vile partisanship on this House yesterday, but over 2 dozen members of the Democratic party voted with Republicans, Republicans voted with Democrats. We would be glad to have those 2 dozen members of that party if they do not want them.

This was not a statement about vile partisanship. This was a statement about principle. This is about whether foreign policy is driven by the Constitution or by CNN, and the Constitution says the President and the Congress should be involved in that.

I call on the President to provide the leadership that this Congress needs.

## THIS PLACE IS GETTING CURIOUSER AND CURIOUSER

(Mr. MCDERMOTT asked and was given permission to address the House for 1 minute.)

Mr. MCDERMOTT. Madam Speaker, yesterday, as I listened to that debate, I thought of my time in the Vietnam war when I listened to soldiers and sailors and marines talk about what it was like fighting a war when the American people did not support them. I got to wonder what people think sitting on the flight line in Aviano in Italy today, asking themselves:

Where is the Congress? Are we going out there risking our lives, and they do not support us?

Now I watched last night when the leadership of this House stood by that back retail and did not turn a single vote around. Amazing. One can be the leader of this House, and they cannot change a single vote. They do not even speak to anybody to change a vote.

Now next week we will see it all different. Then we will have an appropriations act out here, and we will want to give money to an effort that we do not support.

Madam Speaker, Lewis Carroll must be writing the script because this place is getting curiouser and curiouser.

## WHY IS SPARTANBURG HIGH SCHOOL SO SUCCESSFUL?

(Mr. DEMINT asked and was given permission to address the House for 1 minute.)

Mr. DEMINT. Madam Speaker, on a more positive note, the upstate region of South Carolina is home to Spartanburg High School, a four-time winner of the National Blue Ribbon Award. It is the only school in our Nation to achieve this honor four times.

Why Spartanburg High so successful? Caring parents, quality students, committed teachers, creative administrators, an active school board and encouraging community. The people have taken control of their school and have succeeded in spite of misguided federal programs and paperwork.

Do not just take my word for it. Yesterday the Spartanburg Herald Journal wrote an editorial praising Congress for passing legislation to give schools more flexibility. It read:

Federal lawmakers need to do more to free state and local educators so they can run their schools as they see fit. Education is a State and local matter.

I could not have said it better myself.

## LAST NIGHT'S VOTE NOT TO SUPPORT NATO

(Mr. PASTOR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASTOR. Madam Speaker, I could understand a year ago when the majority, because of their hate for President Clinton, made the impeachment process a partisan procedure. But last night I could not believe that the vote to not support NATO was done because of the hate the majority has for the President.

What message have we sent to NATO? What message have we sent to our troops? That we do not support them.

The ironic thing is today, this afternoon, I am going to be asked to vote on the supplemental that doubles the request, and yet I am being asked to vote for a supplemental that the majority does not support, does not support the action of the NATO cause.

In the words of the great Congressman, the gentleman from Ohio (Mr. TRAFICANT), all I can say is:

Beam me up, Scotty.

## AMENDING RULES OF HOUSE FOR 106TH CONGRESS

Mr. HASTINGS of Washington. Madam Speaker, I ask unanimous consent that the Committee on Rules be discharged from further consideration of the resolution (H. Res. 153) amending House Resolution 5, One Hundred Sixth Congress, as amended by House Resolution 129, One Hundred Sixth Congress, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mrs. EMERSON). Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 153

*Resolved,*

**SECTION 1. AMENDMENT OF HOUSE RESOLUTION 5.**

Section 2(f)(1) of House Resolution 5, One Hundred Sixth Congress, agreed to January 6, 1999 (as amended by House Resolution 129, One Hundred Sixth Congress, agreed to March 24, 1999), is amended by striking ''April 30, 1999'' and inserting ''May 14, 1999''.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## WATER RESOURCES DEVELOPMENT ACT OF 1999

Mr. HASTINGS of Washington. Madam Speaker, by direction of the Committee on Rules, I call up House Resolution 154 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 154

*Resolved,* That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1480) to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Transportation and Infrastructure. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Transportation and Infrastructure now printed in the bill, modified by the amendments printed in part 1 of the report of the Committee on Rules accompanying this resolution. That amendment in the nature of a substitute shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. No amendment to that amendment in the nature of a substitute shall be in order except those printed in part 2 of the report of the Committee on Rules. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to an amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendments the Committee shall rise and report the bill to the House with

such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1030

The SPEAKER pro tempore (Mrs. EMERSON). The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Madam Speaker, for purposes of debate only, I yield the customary 30 minutes to the distinguished gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Madam Speaker, H.R. 154 is a structured rule providing 1 hour of general debate to be equally divided and controlled between the chairman and ranking minority member of the Committee on Transportation and Infrastructure. The rule makes in order the Committee on Transportation and Infrastructure amendment in the nature of a substitute as an original bill for the purposes of amendment, modified by the amendments printed in part 1 of the report of the Committee on Rules accompanying this resolution.

The rule waives points of order against consideration of the amendment in the nature of a substitute and makes in order only those amendments printed in part 2 of the Committee on Rules report accompanying the resolution.

Furthermore, the rule provides that amendments made in order may be offered only in the order printed in the report, may be offered only by the Member designated in the report, shall be considered as read, be debatable for the time specified in the report, equally divided and controlled by an opponent and proponent, shall not be subject to amendment, and shall not be subject to demand for a division of the question in the House or in the Committee of the Whole.

The rule allows for the Chairman of the Committee of the Whole to postpone votes during consideration of the bill and to reduce voting time to 5 minutes on a postponed question if the vote follows a 15 minute vote.

Finally, the rule provides for one motion to recommit with or without instructions.

Madam Speaker, the Water Resources Development Act of 1999, H.R. 1480, is the culmination of work that was begun in the 105th Congress on a variety of Bureau of Reclamation and U.S. Army Corps of Engineers water projects. In fact, I would like to take this opportunity to commend the chairman of the Committee on Transportation and Infrastructure and all committee members for their hard work on this important legislation.

The maintenance and improvement of water resource infrastructure is vital to the residents in my own district and to the people and economy of the entire Nation as a whole.

Specifically, H.R. 1480 authorizes 95 new water resource projects, makes necessary modifications to six existing projects, and authorizes the U.S. Army Corps of Engineers to conduct 26 studies on a variety of water resource issues. The bill authorizes $1.9 billion for these development projects, which are funded on a cost-share basis with non-Federal partners. These projects are being authorized only after detailed feasibility studies conducted by the U.S. Army Corps of Engineers and by a careful review of the Committee on Transportation and Infrastructure.

H.R. 1480 also addresses the concerns of those who believe that past water resource projects have had unintended impacts on the environment. In particular, the bill establishes a pilot program to explore the feasibility of natural flood control methods, and it makes it easier for nonprofit organizations to participate in U.S. Army Corps of Engineers environmental programs.

Madam Speaker, passage of the Water Resources Development Act of 1999 will allow needed maintenance and improvements to our Nation's navigation, irrigation, flood control and power generation infrastructure to move forward. I therefore encourage my colleagues to support H. Res. 154, which I believe is a fair rule, and to support the underlying legislation.

Madam Speaker, I reserve the balance of my time.

Mr. FROST. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I am supporting this rule, in spite of the fact that the rule is not open and it does limit amendments to those printed in the report of the Committee on Rules. While I am perfectly aware that every amendment submitted to the Committee on Rules was made in order, the committee's ranking member, the gentleman from Minnesota (Mr. OBERSTAR) did point out at the Committee on Rules hearing last night that water resources bills are nearly always considered under open rules, or, in some cases, under suspension of the rules.

The Democratic members of the Committee on Rules would not ordinarily support closing down a rule on legislation as important as this water resources development bill. In this case, however, we will not oppose the rule. This is because the majority and minority on the Committee on Transportation and Infrastructure have worked diligently to reach a number of compromises on controversial positions in the committee reported bill, and because every amendment submitted to the Committee on Rules has been made in order either in the manager's amendment or as a freestanding amendment.

The major controversy in the committee reported bill has been resolved in an amendment which will be self-executed into the text of the bill by virtue of adoption of the rule. The rule self-executes an amendment which removes language that would have allowed one Member to further development in his district at the expense of his neighbors along the Sacramento and American Rivers. I would like to commend the gentleman from New York (Mr. BOEHLERT) and the gentlewoman from California (Mrs. TAUSCHER) for their willingness to work out an agreement on this thorny issue.

In spite of this compromise, the bill does not satisfactorily resolve the issue of flood control for the city of Sacramento, California. Flood control has been and remains a serious and potentially deadly issue for Sacramento. Quite frankly, the flood protection provided in the bill is inadequate, but an amendment to be offered by the gentleman from Minnesota (Mr. OBERSTAR) seeks to improve those flood protection provisions and deserves the support of the House.

Madam Speaker, I would like to point out that there are many provisions in this legislation that are strongly supported by communities across the country. In particular, the committee has responded to the request of a community in my congressional district to alter the original flood control plans of the Corps of Engineers.

The city of Arlington, Texas, had requested that the committee include a locally preferred plan for flood control for Johnson Creek, a tributary of the Trinity River which flows through the cities of Arlington and Grand Prairie, in lieu of the original Corps plan.

This locally preferred plan, which will have a total cost of $20 million and a Federal share of $12 million, would allow the city of Arlington to include recreational facilities and environmental restoration along Johnson Creek, which will benefit the residents of that city on an ongoing basis, while assuring that adequate flood control will protect life and property in the surrounding area. I am particularly pleased that this amendment to the plan and the funding for it have been included in H.R. 1480.

Madam Speaker, I know that the gentleman from Pennsylvania (Chairman SHUSTER) and the gentleman from Minnesota (Mr. OBERSTAR) are eager to move their legislation, especially now that the controversy on the Sacramento and American Rivers has been resolved. However, I must again point

out that a bill like water resources really should be considered under an open rule.

Madam Speaker, that being said, I reserve the balance of my time.

Mr. HASTINGS of Washington. Madam Speaker, it is my pleasure to yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

Mr. DREIER. Madam Speaker, I rise in strong support of this rule, and I congratulate my friends on both sides of the aisle for their management of it. I would like to especially congratulate my friend the gentleman from New York (Mr. BOEHLERT) for the role that he has played in helping to fashion a compromise here. I would like to also congratulate the gentleman from Pennsylvania (Chairman SHUSTER) and the others who have worked on this measure, and, of course, the many Californians who have played a role in getting to where we are.

These projects are particularly important to western States, the 23 that have been authorized in this package that we are going to be considering. My State of California is very, very key, as I mentioned, because access to safe, usable water is obviously very, very critical to our State's survival.

This bill addresses past environmental concerns that water resources projects have had unintended impacts on the environment. For example, the bill establishes a pilot program to explore the feasibility of natural flood control methods, and, in addition to that, the bill makes it easier for nonprofit organizations to participate in U.S. Army Corps of Engineers environmental programs.

The rule also ensures that no provisions in the bill will interfere with California State water rights, which are balanced with great care by State laws that we have today. In particular, members of my delegation with communities wrestling with major water issues will be given the time that they need to work on compromise language that will be fair to everyone and address the concerns that are there.

So I urge strong support of the rule. I congratulate my friends on both sides of the aisle for having fashioned this compromise, and look forward to passage of both the rule and the bill itself.

Mr. FROST. Madam Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. OBERSTAR).

Mr. OBERSTAR. Madam Speaker, I thank the gentleman for yielding me time.

Madam Speaker, many of our colleagues on our side of the aisle in committee and other Members have expressed surprise that we bring a water resources bill to the floor, any bill from our committee, to the floor under what amounts to a modified closed rule and to a very unusual self-executing provision in the rule that deals with the substantive provision of the bill.

My response is that not in my 36 years' experience on the committee have we done such a maneuver on a water resources bill. Generally this is a matter that is brought to the floor under an open rule, as we have nothing to fear. But in this case there were some extenuating circumstances.

This water resources bill has been held up for two Congresses over one project, and, even though that one issue of flood control protection for the city of Sacramento and water distribution for potential upstream users has not yet been satisfactorily resolved, it has at least been deferred to another time. That is the purpose of the self-executing provision in the rule.

The bill deals with all the rest of what is needed in the rest of this country. Indeed, as the previous speaker said, a good deal of this bill benefits the rest of the State of California outside of Sacramento.

So, reluctant as I would be to support this type of procedure for our committee, in this case, this exceptional case, it is a means to get through the problem that has held up all the rest of the country and deal substantively with the needs of other Members, and put off to another time the appropriate protection for the city of Sacramento.

So, Madam Speaker, I support the rule, with those caveats.

Mr. HASTINGS of Washington. Madam Speaker, I yield 2 minutes to the distinguished gentleman from New York (Mr. BOEHLERT), the chairman of the subcommittee dealing with this issue.

Mr. BOEHLERT. Madam Speaker, I thank my colleague for yielding me time.

Madam Speaker, I want to rise in strong support of the rule. The chairman and the committee and the Committee on Rules have crafted a rule that provides for the fair consideration of the Water Resources and Development Act of 1999 and a rule that resolves the primary fiscal and environmental concerns that were raised about this legislation.

□ 1045

Specifically, the rule includes an amendment that I offered at the Committee on Rules yesterday that strips all water supply language that was opposed by the environmental community and the fiscal watchdog organizations like Taxpayers for Common Sense. In fact, the leading environmental and taxpayer groups have endorsed my amendment.

As the chairman of the Subcommittee on Water Resources and Environment, I am proud to report that we have labored long and hard in a bipartisan manner to craft this bill. Essentially, we are going forward with unfinished business. We should have concluded it at the end of the last Congress, but we were not able to do so because of a serious controversy about one region of the country. That controversy has now been resolved.

I think that WRDA 1999 specifically deals with the California water supply and Sacramento flood protection provisions in a very responsible way. Once again, let me report the environmental community is endorsing what we are about and so, too, are the fiscal watchdogs.

What I did was I listened, I learned, I heard and I heeded. So the bill we are bringing forward today has earned the support of a broad coalition of Republicans and Democrats alike. We are about the Nation's business. We are committed to dealing with infrastructure, and in this bill we are dealing with infrastructure in a very responsible way in the best interests of the entire Nation.

Mr. FROST. Madam Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. BORSKI).

Mr. BORSKI. Madam Speaker, I want to just follow up with my distinguished colleague and chairman of our subcommittee, the gentleman from New York (Mr. BOEHLERT) and explain just briefly, if I may, that in the subcommittee we had a very partisan divide on this issue; and as a matter of fact, in the full committee in reporting the bill, there was still a very partisan struggle, if you will.

I am reminded somewhat of the old Mark Twain quote that ''whiskey is for drinking and water is for fighting.'' We fought a little bit in the subcommittee, and I particularly want to commend the gentlewoman from California (Mrs. TAUSCHER) for her efforts in subcommittee and full committee to bring this to light.

This rule, with the self-enacting rule will, in effect, do what the gentlewoman from California (Mrs. TAUSCHER) wanted to do in committee. I want to commend our distinguished chairman, because again, he had suggested to us in the strongest terms possible that he would continue to work with us to improve the bill. He has done so, and I support the rule.

Mr. GOSS. Madam Speaker, I encourage my colleagues to support this rule. It is a fair rule that makes in order every amendment that was offered, ensuring an open debate.

Let me begin by commending the transportation committee for resolving the issues that held this much needed legislation up over the last year. It is a critically important bill for my home state of Florida and the rest of the country. I am pleased to see that Congress, as evidenced by the funding levels in this bill, has once again turned back the Clinton-Gore administration's assault on beach renourishment projects. These vital projects serve the same function as other flood control projects: they

save lives and limit damage to property. I simply cannot understand the Clinton-Gore administration's continued neglect of these important projects. It is irresponsible and it's past time they got the message.

I am particularly grateful for the committee's attention to southwest Florida and the captiva project. In addition, I would point out that this bill will help us continue moving forward on the Everglades restoration program. The bill extends the authorization period for the Everglades "critical projects" so they can be funded and completed as planned. Once again, Congress has reaffirmed its commitment to the Everglades restoration program and is meeting its obligations to help restore this national treasure.

In conclusion, Madam Speaker, this is a fair rule and a good bill. I encourage my colleagues to support both.

Mr. FROST. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HASTINGS of Washington. Madam Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Pursuant to House Resolution 154 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1480.

□ 1048

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1480) to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes, with Mrs. EMERSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Pennsylvania (Mr. SHUSTER) and the gentleman from Pennsylvania (Mr. BORSKI), each will control 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Madam Chairman, I yield myself such time as I may consume. H.R. 1480, the Water Resources Development Act of 1999, is a comprehensive authorization of the water resources programs of the Army Corps of Engineers. It represents two-and-a-half years of bipartisan effort to preserve and develop the water infrastructure that is so vital to our Nation's safety and economic well-being.

First, let me thank and congratulate my colleagues on the Committee on Transportation and Infrastructure for their tireless efforts. I want to give special thanks to the gentleman from Minnesota (Mr. OBERSTAR), the ranking member of the full committee; the gentleman from New York (Mr. BOEHLERT), the chairman of the subcommittee; and the gentleman from Pennsylvania (Mr. BORSKI), the ranking member of the subcommittee.

This legislation is unfinished business that should be enacted as soon as possible. The 105th Congress failed to enact the Water Resources Development Act, largely because of a contentious flood control issue in California.

The bill we bring to the floor today, however, ends the impasse. It represents a fair and balanced compromise on all fronts.

Madam Chairman, this legislation accomplishes three important objectives. First, it reflects the committee's continuing commitment to improving the Nation's water infrastructure and keeping to a regular schedule for authorizations.

Second, it responds to policy initiatives to modernize the Corps of Engineers' activities and to achieve programmatic reforms.

Third, and this is very important, it takes advantage of the Corps' capabilities and recognizes evolving national priorities by expanding and creating new authorities for protecting and enhancing the environment.

Now, is this bill 100 percent perfect, free of controversy? I am sure it is not. We have heard concerns about a few provisions, and intend to address those as the bill progresses. There are also some differences between this legislation and the Senate counterpart that must be resolved. In many cases, people are not getting everything they want here, so many are not totally pleased, but it is a balanced compromise and one that we think deserves support.

Madam Chairman, as we move forward with this important legislation, I intend to work with all parties to ensure that the final product reflects a balance of all interests. I also want to assure my colleagues that we do intend to move another water resources bill that will really be the vehicle to address new items and requests that have arisen and are likely to arise in the coming months, and we intend indeed to move that legislation early in the next session.

This legislation is a strong bipartisan bill that reflects balance in every sense of the word, and a responsible approach to developing water infrastructure, preserving and enhancing the Federal, State and local partnerships.

Madam Chairman, I strongly urge my colleagues to support this legislation.

Madam Chairman, I reserve the balance of my time.

Mr. OBERSTAR. Madam Chairman, before yielding, I would like to take this opportunity to commend the gentleman from Pennsylvania (Mr. BORSKI) for his splendid work over several years of trying to shape this bill and bring it to this point. He has been most diligent and deserves credit for the work product that we bring to the House today with great pride.

And now, Madam Chairman, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. BORSKI), the ranking Democrat on the Subcommittee on Water Resources.

Mr. BORSKI. Madam Chairman, let me thank the distinguished ranking member for yielding me this time and for his outstanding leadership on all issues, but particularly on this water resources issue that is before us today. I also want to congratulate and commend the gentleman from Pennsylvania (Mr. SHUSTER), my friend, the distinguished chairman, and the gentleman from New York (Mr. BOEHLERT), my good friend and the subcommittee chairman, for, as always, listening to the members of the minority, working with us in a fair and bipartisan manner. The bill before us today is one which we all can support.

Madam Chairman, the committee on Transportation and Infrastructure strongly supports biennial legislation for the Corps' water resources program because it provides stability to Corps programs, certainly to local project sponsors, and timely response to changing circumstances.

The bill before us today authorizes major flood control navigation, shore protection, and other water resource development projects. These projects have gone through the traditional review and evaluation process of the Corps and have received favorable reports from the Chief of Engineers. Another 16 projects will be authorized to proceed to construction if their Chief's reports are complete by September 30, 1999.

This bill also establishes a new flood mitigation and riverine restoration pilot program that is modeled after the administration's proposed Challenge 21 program. It takes a broader approach to address the issues of flood protection, especially by using nonstructural measures and environmental restoration in a coherent manner. I see a great deal of value in this approach and expect overall savings as well as enhancement of the environment.

The bill also addresses current policies concerning shore protection and cost share of deep-draft harbors. With regard to shore protection and beach nourishment, I hope the provisions in this bill will bring the administration's policy more in line with congressional intent. The proposed change to harbor cost sharing is intended to proactively deal with potentially deeper draft requirements of new generations of oceangoing vessels.

Madam Chairman, we all know that our failure to enact the bill last year

during its normal cycle was due entirely to one issue: providing adequate flood protection for Sacramento, California. The bill, as reported by the committee, attempted to address this issue but further complicated the debate by adding numerous provisions relating to water supply. I am pleased that the adoption of the rule removed the offending water supply provisions from the bill. Any Federal involvement in a reallocation of water rights adversely affects the traditional State prerogative jealously guarded by the States and, in particular, by Western States. I do not believe the Federal Government should get involved in such matters.

Finally, I am concerned that the bill does not provide the adequate flood protection that Sacramento needs. I support a level of flood protection for Sacramento closer to 200 years, not to 117 in the current bill. That level would allow the issue to be disposed of once and for all. Future WRDAs would not be held hostage by similar disagreements as occurred last year.

Madam Chairman, but for the issue of flood protection for Sacramento, H.R. 1480 is a good bill and is worthy of the strong support of the House.

Mr. SHUSTER. Madam Chairman, I am pleased to yield 5 minutes to the gentleman from New York (Mr. BOEHLERT), the chairman of our distinguished subcommittee.

Mr. BOEHLERT. Madam Chairman, I thank the gentleman for yielding me this time.

Before anything else, I just wanted to pay tribute to the outstanding professionalism of the entire staff, the staff of the Subcommittee on Water Resources and Development and the full committee staff on the Committee on Transportation and Infrastructure. Mike Strachn and Jeff More, Ben Grumbles, the whole team on our side and on the other side, a team of very able professionals.

Secondly, I want to say this proves that we can work things out the way we should. Our Committee on Transportation and Infrastructure I think is the envy of a lot of other committees on Capitol Hill, because while we have differences, we come together in a bipartisan manner and we overcome those differences, and the product we have on the floor today is as a result of that.

Before us this morning we have a water resources bill that provides billions of dollars for flood protection, navigation improvements, water infrastructure and the enhancement of critical environmental resources. This legislation is critical to our Nation's ports, our Nation's cities, the millions of Americans who live along our Nation's rivers; and yes, this bill is critical to the environment, which is a very important subject that warms my heart.

I would like to share with my colleagues a list of some of the environmental provisions in the Water Resources Development Act of 1999. It authorizes a $100 million pilot project for nonstructural flood control and riverine environmental restoration. It enhances environmentally sensitive floodplain management measures. It authorizes an aquatic ecosystem restoration project. It reauthorizes a sediment decontamination program. It encourages beneficial reuse of dredge material. The list goes on and on.

Madam Chairman, I include the entire list at this point in the RECORD.

ENVIRONMENTAL HIGHLIGHTS OF H.R. 1480, THE WATER RESOURCES DEVELOPMENT ACT OF 1999

A. PROGRAMMATIC AND POLICY CHANGES

Authorizes a $100 million pilot program for nonstructural flood control and riverine environmental restoration

Advances environmentally sensitive floodplain management measures (including those involving nonstructural features such as buyouts and relocations)

Continues Corps' efforts to coordinate with FEMA's hazard mitigation program

Authorizes aquatic ecosystem restoration projects and makes programmatic changes to encourage new local sponsors

Reauthorizes sediment decontamination program and authorizes the development and testing of innovative dredging technologies to minimize release of contaminants and improve water quality

Encourages beneficial reuse of dredged material

Promotes a ''systems approach'' to sand management and beach nourishment

Expands Corps' efforts to control non-indigenous invasive aquatic plant species

Extends authorization for critical projects under the Everglades and South Florida ecosystem restoration program

Authorizes in-kind contributions to projects to enhance fish and wildlife resources thereby promoting additional local sponsorship of such projects

Encourages the use of innovative treatment technologies for watershed and environmental restoration and protection projects involving water quality

Authorizes development of coastal aquatic habitat management plans to address problems associated with toxic micro-organisms and the resulting degradation of ecosystems in tidal and non-tidal wetlands

Provides for restoration of abandoned and inactive coal mines

B. REGIONAL PROGRAMS

Reauthorizes and improves the Upper Mississippi Environmental Management Program

Directs a comprehensive study of the Great Lakes environment to promote effective planning and management

Increases the acreage cap for the Missouri River mitigation project to increase the program's effectiveness

Provides financial and technical assistance for management of non-indigenous species in the Great Lakes

Provides for aquatic restoration projects on the Lower Missouri River

Provides for aquatic resources restoration in the Pacific Northwest

Authorizes assistance for integrated water management planning for the State of Texas

C. MISCELLANEOUS PROJECTS AND PROVISIONS

Adds 3 additional projects to the Corps' Clean Lakes Program to improve water quality by reducing silt and sediment

Authorizes 3 projects for improvement of the environment under the authority of section 1135 of the Water Resources Development Act of 1986

Authorizes 16 projects for aquatic ecosystem restoration under the authority of section 206 of the Water Resources Development Act of 1996

Authorizes technical assistance for 8 watersheds for environmental restoration and protection.

Madam Chairman, whether it is helping clean up abandoned mines in the West or the development of nonstructural flood control measures in the East, or the establishment of aquatic restoration projects in the South, WRDA 1999 provides critical resources for the enhancement of our environment. In recent years we have seen a gradual greening of the Corps of Engineers, and the legislation before us today continues that trend. Our committee is most responsible for that greening of the Corps.

The Corps' traditional functions, flood control and navigation, are also continued in WRDA 1999. Dredging of our great harbors and navigation routes is a central component of this legislation. Moving bulk commodities such as grain and coal by water is essential to our growing economy.

□ 1100

WRDA 1999 provides increased protection for flooding for millions of Americans. Perhaps no place is a better example of that than the city of Sacramento, the capital of California, of why WRDA 1999 is so critically needed.

Today the city of Sacramento has only about 77 years of flood protection. The legislation before us today, this day, authorizes over $300 million for projects designed to increase the flood protection for Sacramento to nearly 140 years.

As my colleague, the gentleman from Pennsylvania (Mr. BORSKI), the ranking member of our subcommittee, has stated so eloquently, and we have no disagreement on this, we want to provide the maximum level of protection for Sacramento, and we are determined to do so. Not only are we investing $300 million in this bill. No, we are expediting studies of the possibility of elevating the Folsom Dam. We are expediting studies of the possibility of doing levee work south of the dam. We are looking at this in a very serious, professional way.

That is what we should do, because we want our final decisions to be made not based upon emotions, and we all can get very emotional about these subjects, but based upon facts. That is exactly what we are going to do.

We have moved responsibly to dramatically increase the flood protection for the capital of California, and I remain committed to the proposition that we can provide additional flood protection for Sacramento in next year's water bill.

The chairman of the full committee has indicated that as soon as this bill is behind us, we are going to start on WRDA 2000. There is a fundamental national interest in moving this legislation forward in a bipartisan, expeditious fashion.

WRDA 1999 is important to the lives and livelihood of millions of Americans, from Sacramento to Syracuse, from Savannah to Seattle, from Urbana to Utica. WRDA 1999 deserves our support.

Mr. OBERSTAR. Madam Chairman, I am pleased to yield 2 minutes to the gentleman from Texas (Mr. STENHOLM), ranking member of the Committee on Agriculture.

Mr. STENHOLM. Madam Chairman, I thank the gentleman for yielding time to me.

I would like to thank the gentleman from Pennsylvania (Chairman SHUSTER), the ranking member, the gentleman from Minnesota (Mr. OBERSTAR), the gentleman from Pennsylvania (Mr. BORSKI), and the gentleman from New York (Mr. BOEHLERT) for their action and hard work in bringing this bill to the floor.

I rise today to speak in favor of this legislation. I do it as the ranking member of the Committee on Agriculture, but also to make my colleagues aware of a rather ironic situation.

Section 501 would mandate that the Army Corps of Engineers would take control of some of the projects of the USDA's Natural Resources and Conservation Service. This would be done because of a $1.5 billion backlog in the USDA's small watershed program.

Local residents who have sponsored these projects have lost confidence in USDA's ability to provide funding, and they are now looking at other sources of funding. This situation is indicative of the lack of resources and support currently being provided to agriculture.

Funding for the NRCS's Small Watershed Program is no greater today than it was in the 1950s. In fact, the program has been virtually cut in half in the last 5 years. As a result, projects typically sit on the backlog list for more than a decade.

We cannot blame the sponsors. In essence, they are shopping for the most available source of funding. There simply is not enough funding in the USDA program to live up to existing responsibilities and commitments.

In 1937, the United States invested 6 percent of the Federal budget in USDA conservation programs. This is in stark contrast to the .16 percent included in the 1999 Federal budget. In 1937, Congress appropriated $440 million for financial assistance, and $23 million in technical assistance. In 1999 dollars, that would be $5.3 billion.

In 1999, the estimated appropriation for USDA conservation financial and technical assistance programs is $1.2 billion. These numbers speak for themselves. I would challenge my colleagues to make conservation spending a priority in order to meet the pressing needs in rural America.

Again, I thank the sponsors of this legislation for, in another way, dealing with a part of the problem for many areas, of which this was the only available opportunity that they had.

Mr. SHUSTER. Madam Chairman, I am pleased to yield 5 minutes to the distinguished gentleman from California (Mr. DOOLITTLE), a member of the committee.

Mr. DOOLITTLE. Madam Chairman, today we come to the floor with a very important bill, the water bill. I am very, very pleased to be able to support it. It contains many important projects across the country that can be developed with the passage and enactment of this legislation.

I would particularly like to thank for their work on our problem in Sacramento our chairman, the gentleman from Pennsylvania (Mr. SHUSTER), and our subcommittee chairman, the gentleman from New York (Mr. BOEHLERT) and their staffs. They have been tremendously helpful, and it has been a very, very difficult problem for us to resolve.

I would like to thank my colleagues from the Sacramento region who have been involved with me for months of intense negotiation with our staffs, the gentlemen from California, Mr. POMBO, Mr. OSE, Mr. HERGER, and Mr. MATSUI. All of us have worked hard to try and come up with a solution.

Ultimately that solution that we worked on did not materialize in the exact way that we had desired. But the bottom line is this, Madam Chairman, this bill today enables Sacramento to take a giant step forward in the area of flood control, achieving virtually a 1 hundred percent increase in the level of protection over what we presently have.

Madam Chairman, I would be less than candid if I did not say that this is still not what we need. But the truth of the matter is that we will never have what we need until, in one fashion or another, we are able to complete the construction of the Auburn Dam. It is the only solution that provides the level of flood protection for Sacramento. Everything else ultimately falls short.

But this is a political process, and one that requires a certain agreement between all the parties. We are moving in the right direction, and when we come to issues of water and flood control and so forth, I think if you are moving in the right direction and making progress, that is something that we have to acknowledge and encourage.

We are taking this step today. It is something that will be, I think, a very significant improvement for our community. Moreover, we do not do any harm, such as by passing the disastrous stepped release plan which is in the Senate bill, which would actually make things worse, increase the danger to life and property, and export flood control problems to those down below. So I am grateful to see that.

I cannot help but acknowledge that this process has revealed the tremendous problem we also face in our State, which is the shortage of water. Even in an average year we are short of water. In a drought year we are significantly short of water, by about 5 million acre feet a year.

We in California are going to have to address that problem, and in my own subcommittee which I chair, next month we will be specifically addressing that problem as we continue oversight over the Cal-Fed process. Water storage has to be developed.

I strongly encourage my colleagues to support this legislation.

Mr. OBERSTAR. Madam Chairman, I am pleased to yield 5 minutes to the gentleman from California (Mr. MATSUI), and to also commend him for his diligent work on behalf of his community and people who desperately need the flood control protection. He has been a vigilant advocate for the people he represents.

Mr. MATSUI. Madam Chairman, I first would like to thank the gentleman from Minnesota (Mr. OBERSTAR) for his very kind remarks and all of his help over the last decade, but particularly over the last 3 or 4 years that he has given me, along with the gentleman from Pennsylvania (Mr. BORSKI) as the subcommittee ranking member, obviously, and thanks to the gentleman from Minnesota (Mr. OBERSTAR) for all of the help he has given me as ranking member of the full committee as well.

I would like to turn to my colleagues on the other side, the other side of the aisle. Certainly the gentleman from Pennsylvania (Chairman SHUSTER) has been extremely helpful in trying to put together a consensus for all of us in the Sacramento region. I want to express my gratitude and thanks to him, along with the gentleman from New York (Mr. BOEHLERT), who has been tireless over the last 3 or 4 years on our behalf. The staffs of both majority and minority have been extremely helpful, as well. I do want to express my appreciation.

I also want to express my apologies to members of the subcommittee and certainly the Members of the entire House of Representatives. As we know, as the gentleman from Pennsylvania (Mr. BORSKI) and the gentleman from New York (Mr. BOEHLERT) have said, this bill had been delayed from the last Congress to this Congress. It was basically because of the Sacramento problem, and particularly about the flood control issue.

I know it was very difficult for the Members of this body, but I appreciate

the fact that there was tolerance to me and my constituents. I certainly would hope that I would never have to put my colleagues in that kind of imposition again.

I would like to, if I may, just comment a little bit about my problem in Sacramento County. We have about a 100-year protection, now. This bill would get us up to about 137 years protection, because it would modify the existing Folsom Dam in Sacramento County.

The problem with this, as all of us know, is the fact that we still would be by far the lowest community in terms of flood protection in this Nation. Just to read off a few, Kansas City currently has 500-year protection; St. Louis, 50-year protection; Dallas, Texas, 500-year; New Orleans, 300 years; Topeka, Kansas, 500 years; and Omaha, Nebraska, Tacoma and the quad cities all have 500-year protection.

We now will have, with this bill, 137 years. We wanted to get up to about 170 years, and we are, of course, afraid, because of the rainfall in northern California and the continuing uncertainty of our climate, that we could fall again in terms of hydrology studies.

We have approximately 600,000 people at risk. We have over six major regional hospitals. We have 100 public schools. All of these are at risk with respect to Sacramento County. This bill will go a long way, obviously, in making sure that we are given some additional level of protection, but we need more. I think my colleagues on both sides of the aisle know this, and would want to help us.

I would hope that as we proceed along over the next few weeks and perhaps months that we not confuse this issue. Sacramento County needs flood protection, and one of the real concerns that I have is that we have been tied into the whole issue of water supply.

I agree with the gentleman from California (Mr. DOOLITTLE), the previous speaker, that Northern California needs more water. We are the fastest growing region in America. We need more water. But we are trying to work that through right now with the State-Federal compact.

We have Bruce Babbitt from the Interior Department. Obviously, former Governor Wilson and now Governor Gray Davis are attempting through Cal-Fed to come up with a solution, because there are various competing interests in California with respect to the limited supply of water.

We do need to solve this problem, but it has to be done in a methodical way. But please, I urge my colleagues not to tie flood protection for 600,000 people with this issue that has been raging in the State of California for over 125 years. We are not going to solve the issue of water supply in California as long as it is tied to the whole issue of flood protection, which we need immediately.

The issue of water supply has to be an issue that is going to be dealt with from a larger perspective, from a Federal-State perspective, with all the water districts in California.

I am not, however, suggesting that my colleague up north of me, the gentleman from California (Mr. DOOLITTLE) is incorrect. Placer County is growing and it will need water in a few years. But that issue is one we need to work together on, not in an adversarial role on, and flood protection, unfortunately, puts us somewhat at odds.

So I want to express my thanks to my colleagues, all of them, the gentlewoman from California (Mrs. TAUSCHER) and all of them for all of the tolerance and help they have given my community and myself over the last few months, and I urge adoption of this bill.

Mr. SHUSTER. Madam Chairman, I am pleased to yield 2 minutes to the distinguished gentleman from New York (Mr. FORBES).

Mr. FORBES. Madam Chairman, I thank the distinguished chairman for yielding time to me.

Madam Chairman, I rise in strong support of the Water Resources Development Act of 1999, H.R. 1480. This is critically needed legislation, and I want to thank the chairman of the full committee, the gentleman from Pennsylvania (Mr. SHUSTER) for his leadership, and of course, my friend, the gentleman from New York (Mr. BOEHLERT) for really shepherding this bill, this much-needed bill, through the committee and bringing it to the floor, understanding that it had to go through some tenuous minefields getting fiscal watchdogs, environmental watchdogs to agree to this much-needed legislation.

I might remind my colleagues that the ritual here in Congress has been that this program, this important program, has been funded generally and sufficiently by the Congress, not by the administration, for years. Whether it be the current administration or previous administrations, they have not provided the Army Corps of Engineers, in my estimation, the kinds of support they need, and it has been Congress that has come to the rescue.

Again this year, it is the United States House of Representatives and this committee that have provided this adequate support. For over 150 years the Corps has done a phenomenal job of protecting our lives and property. If you come from a place like I do, on Long Island, New York, you understand the tremendous importance of the Army Corps program.

I might point out in this bill is the Atlantic Coast Monitoring Study, which is a very, very important undertaking that will study tides, erosion data, make future erosion predictions, and try to get ahead, if you will, of Mother Nature, to the extent that we can do that, and provide protection for our coastlines; very, very important.

I again thank the committee for recognizing that and bringing the other Federal agencies together with the Army Corps of Engineers to get a final plan in place by June 30 for the Moriches Inlet Island plan.

□ 1115

I thank the committee tremendously for this support. This is a tremendous program. It deserves the support that is demonstrated in this bill today, and I urge my colleagues to support it, and I hope the President will sign it.

Mr. OBERSTAR. Madam Chairman, I yield 2 minutes to the gentlewoman from California (Mrs. TAUSCHER), who has made a very valuable contribution to our committee in her service and has been a leader on these California water projects for the committee.

Mrs. TAUSCHER. Madam Chairman, I thank the gentleman for those kind words, and I also want to thank him and the ranking member, the gentleman from Pennsylvania (Mr. BORSKI) for all their help.

Madam Chairman, I rise in support of H.R. 1480, which has incorporated the Tauscher-Petri amendment to strip the controversial American River water supply provisions from H.R. 1480. I appreciate the work of the gentleman from Pennsylvania (Mr. SHUSTER) and the gentleman from New York (Mr. BOEHLERT) and the gentleman from California (Mr. DREIER) to self-execute this important amendment as part of the rule.

As my colleagues know, H.R. 1480 traditionally funds flood control and port and harbor maintenance projects. This year, however, over $287 million in municipal water supply projects were included in the bill at the last minute which were wrong for the American taxpayer, wrong for the environment and wrong for the development of long-term water policy in my State of California. Over the past 2 weeks I have worked hard with members of the Committee on Transportation and Infrastructure and Members of the House in general to address the implications of this water grab.

The Bay-Delta in my district is the largest estuary on the West Coast and serves as the drinking water source for 22 million Californians. Moreover, it serves as a key component of the State's $24 billion agricultural industry. In California, water is a zero-sum game, and these ill-conceived projects that have been stripped out would have had devastating effects for water for two out of every three Californians. In addition, the projects were terribly expensive.

I am pleased to have been joined by the gentleman from Wisconsin (Mr. PETRI), Taxpayers for Common Sense,

Friends of the River and Friends of the Earth, and scores of other taxpayer and environmental organizations in effectively getting that message out. Officials throughout California, including Governor Gray Davis and Attorney General Bill Lockyer expressed extreme apprehension with the projects included in the bill.

Once again, I want to thank the gentleman from New York (Mr. BOEHLERT) and others for urging the removal of those audacious provisions from H.R. 1480.

At the same time, however, I must object to the concurrent removal of the much needed flood control for the city of Sacramento. That city currently has only 85 years of flood protection, making it the largest metropolitan area in the country without an adequate flood control system. That is why I urge support for the Oberstar amendment.

Mr. SHUSTER. Madam Chairman, I yield 1 minute to the gentleman from New York (Mr. WALSH).

Mr. WALSH. Madam Chairman, I thank the chairman for his leadership on this incredibly important bill. I would also like to thank my good friend and neighbor, colleague, the gentleman from New York (Mr. BOEHLERT), who chairs the subcommittee, for the hard work he has done in bringing this bill to fruition; also to the ranking member, the gentleman from Minnesota (Mr. OBERSTAR). I want to thank them all for this terrific bill. The work that they have done is remarkable, getting it this far, given all the traps along the way.

The project that I am supporting has been identified by my community as the number one priority project, and we could not do it without the help of the Committee on Transportation and Infrastructure and the Army Corps of Engineers and the Environmental Protection Agency. This is a critical bill to my community, I strongly support it, and I urge all my colleagues to support this legislation.

Mr. OBERSTAR. Madam Chairman, I yield 2 minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Madam Chairman, I thank the esteemed ranking member for yielding me time and I would like to congratulate the chairman of the subcommittee and the ranking member, as well as the full committee chairman and ranking member on what I consider to be an excellent Water Resources Development Act piece of legislation.

This bill is vital in three major areas for my State and for many States across the Union. It contains investment in appropriate projects that are vital to the economic infrastructure and the competitiveness of the United States in the international economy.

In particular, we have provided for an authorization, should all of the environmental reviews be adequately completed by the Corps of Engineers, for the Columbia River. It is vital if the port of Portland is to compete in the Asia Rim, that they be able to accommodate the new larger class of ships.

It is vital in a number of other areas. The environment. Certainly we can say this is probably the most important piece of environmental legislation to pass this Congress. It contains money for a number of projects in my district: Amazon Creek; Springfield Millrace; going to look at nonstructural flood control alternatives for the Willamette River; Skinner Butte Park environmental restoration right in the heart of the largest city of my district; and, finally, it is good for salmon. It contains a large investment in a long overdue Willamette River temperature control project that I have been working on for almost a decade here in Congress. It is a large project, $65 million, but it will correct problems created by the Federal Government when those dams were constructed, which are destroying salmon runs in the McKenzie and Willamette Rivers.

All in all, this is an excellent piece of legislation. It is good for the economy, good for the environment, and good for water resources across the United States.

Mr. SHUSTER. Madam Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. GILCHREST), the chairman of one of our subcommittees.

Mr. GILCHREST. Madam Chairman, I too want to make some comments about the water bill of 1999, sort of a retroactive process.

There are a lot of good projects in here. As the previous speaker mentioned, there are a number of positive environmental provisions in here. There are several in particular in my district. One of those provisions is to correct a couple of previous mistakes by the Corps of Engineers in Chesapeake City, where a water pipe was cut as a result of dredging in the C&D Canal.

Another provision which is under evaluation to be corrected is an area where there is a dredge disposal site by the Corps of Engineers that was not managed properly and the wells of the community right now cannot be used as a result of the acidic leaching from that dredge disposal site. That will be corrected.

There is a small community on the ocean side called Snug Harbor. There is going to be some effort into producing nonstructural flood control measures.

And the other provision that is in the water bill, that I am very, very pleased with, is a study that has never been done before, not even by the Chesapeake Bay Program, NMFS, or Fish and Wildlife. This is a study to evaluate the nutrient loads into the Chesapeake Bay as a result of dredging across the entire bay.

Now, the Chesapeake Bay Program, what we have funded every single year with millions and millions and millions of dollars tries to evaluate the amount of nitrogen and phosphorus and other pollutants that get into the bay from all kinds of sources: from air deposition, from agricultural runoff, from shopping plazas, from housing developments, from roads; all kinds of sources, with one exception, and that is the nutrient pollution problem from dredging. In this bill there is going to be an 18-month study to determine the contribution of pollution nutrient overloads from dredging.

And if we are going to restore the Chesapeake Bay to the kind of health that is necessary for that marine ecosystem to be sustained for future generations, this is the kind of thing we really need to do, and this is in this bill and we are very pleased with it.

Mr. OBERSTAR. Madam Chairman, I yield 2 minutes to the distinguished gentleman from the State of Maryland (Mr. HOYER).

Mr. HOYER. Madam Chairman, I thank my friend from Minnesota and the chairman of the committee, and I rise in support of this bill and, in particular, section 573, which authorizes $7 million for the Corps of Engineers to work with USDA, Interior, EPA, NOAA and State and local agencies to develop strategies for dealing with toxic microorganisms and the damage they inflict on aquatic ecosystems.

I want to congratulate my friend and colleague, the gentleman from Maryland (Mr. WAYNE GILCHREST) on his support of this provision and his discussions just earlier about some of the studies he has undertaken and his support of making sure the Chesapeake Bay is what we want it to be.

Toxic microorganisms, Madam Chairman, are a serious threat. The summer before last, Maryland was struck by the toxic microorganism pfiesteria. Linked to the flow of excess nutrients and the loss of aquatic habitat in our waterways, toxic blooms like pfiesteria seriously impact regional economies and threaten sensitive aquatic resources.

Several Federal agencies, including the EPA, NOAA, and the Centers for Disease Control presently are assisting States impacted by these toxic algae blooms. I have worked diligently in the past, through the appropriations process, to ensure that these agencies have the proper resources to undertake this effort. Although they have responded quickly and made substantial progress, no single agency is tasked with taking a comprehensive look at the problem and developing a master plan.

Given its expertise in water resources modeling, water quality monitoring, watershed management and restoration, and environmental planning, the Corps of Engineers has a vital role to play in this process. Section 573 simply authorizes $7 million for the Corps' participation in these efforts, and I

urge my colleagues to support this important initiative and the bill itself.

Mr. OBERSTAR. Madam Chairman, I yield 2 minutes to the delegate from Guam (Mr. UNDERWOOD).

Mr. UNDERWOOD. Madam Chairman, I thank the gentleman from Minnesota for yielding me the time. I rise today to support the passage of H.R. 1480 to provide for the conservation and development of water and related resources projects, and I wish to thank the committee's leadership for moving this legislation quickly, well, not quickly, but successfully to the House floor.

The projects in this bill are important to the successful development of water-related projects across America. It helps to prepare communities to mitigate themselves against natural disasters and helps redress the destruction of storms past.

The projects for Guam are a prime example of repairing damages that were inflicted by a cumulative series of storms that have devastated Guam over the past decade. The most recent one, Supertyphoon Paka, was one of the largest and more powerful storms that have hit Guam in recent years. It inflicted a lot of damage to individual homes and businesses, but, most important, it nearly destroyed the lifeline of our island, which is our port facilities. Seaports are the direct link to an island's economic development activities and without them communities and families suffer.

Guam's plan to build a seawall to protect our harbor, the hardening of our piers, and the reconstruction of two of our largest marinas will help our island mitigate against any future damages caused by natural disasters. I might add that the development of these harbor projects are also very important for national defense.

I wish to thank again the chairman of the committee, the gentleman from Pennsylvania (Mr. SHUSTER); the subcommittee chairman the gentleman from New York (Mr. BOEHLERT); as well as the two ranking Members, the gentleman from Minnesota (Mr. OBERSTAR) and the gentleman from Pennsylvania (Mr. BORSKI) for their roles in moving this legislation and these projects successfully to the floor.

Mr. OBERSTAR. Madam Chairman, may I inquire as to how much time is remaining on our side?

The CHAIRMAN. The gentleman from Minnesota (Mr. OBERSTAR) has 12 minutes remaining.

Mr. OBERSTAR. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would like to take this opportunity to pay tribute to the organization frequently mentioned in debate here but almost never discussed, the U.S. Army Corps of Engineers. It celebrates its 224th birthday this year. It is the Nation's oldest, largest, and most experienced government organization in the area of water and related land engineering matters. It has provided extraordinary, competent, lifesaving, economic development enhancing service to this country for two and a quarter centuries.

Little is it known that the Corps of Engineers, among its many responsibilities, had jurisdiction over Yellowstone Park.

□ 1130

The Corps managed Yellowstone for 30 years. And Lieutenant Dan Kingman of the Corps, later to become chief of engineers, wrote:

> The plan of development which I have submitted is given upon the supposition and in the earnest hope that it will be preserved as nearly as may be as the hand of nature left it, a source of pleasure to all who visit and a source of wealth to no one.

A fewer years later, John Muir, founder of the Sierra Club, said:

> The best service in forest protection, almost the only efficient service, is that rendered by the military. For many years, they have guarded the great Yellowstone Park, and now they are guarding Yosemite. They found it a desert as far as underbrush, grass and flowers are concerned. But, in 2 years, the skin of the mountains is healthy again, blessings on Uncle Sam's soldiers, as they have done the job well, and every pine tree is waving its arms for joy.

Another great American said: ''The military engineers are taking upon their shoulders the job of making the Mississippi River over again, a job transcended in size only by the original job of creating it.'' That was Mark Twain.

Those two statements together pay tribute to what the Corps of Engineers has done so admirably and the great legacy they have left for all Americans protected in floods, enhanced with river navigation programs, and protecting the great resource of the Great Lakes, one fifth of all the fresh water on the face of the Earth.

And that is the spirit in which we normally present the Water Resources Development Act, projects throughout our Nation to promote control of floods, to enhance river navigation, to protect our shores, to protect and restore the environment, to enhance navigation.

And that is mostly what this bill before us does today, with one flaw. It fails to give the capital of the world's sixth largest economy, the City of Sacramento, the flood protection it needs and deserves.

This deficiency comes from a dispute between two parts of the State of California that has resulted in flood control at Sacramento being held hostage for almost a decade. The amendment made in order by the self-executing rule, and which is now adopted because the rule has been adopted, gives the City of Sacramento only 117 years of flood protection, and that is the estimate of the Corps of Engineers in their 1997 analysis.

That is significantly less than the protection given cities of comparable size, the nearly 200 to 500 years protection for Santa Ana, Tacoma, New Orleans, St. Louis, Dallas, Kansas City, Omaha. Surely Sacramento deserves as much flood protection as those cities.

Today some 400,000 residents in Sacramento face an unacceptable risk of flood; 160,000 residential structures are in the flood plain in the capital city, 5,000 businesses, 1,200 government facilities, with an estimated value of $37 billion. The 55,000-acre flood plain includes seven of the nine major hospitals in the region and 130 schools.

Potential losses from flood in the City of Sacramento range from $7 billion to $16 billion depending on the size of the flood. Even at the lower end of the scale, flood losses in Sacramento would be comparable to the losses experienced in the Northridge earthquake a few years ago, to date the single largest disaster in U.S. history.

Now, I do not say these words and make those comments in the abstract. I have traveled several times to Sacramento. I have bicycled along the flood protection walls of the American River. I have traveled to Folsom Dam and further up river to the site once planned and once development begun on the Auburn Dam proposal by the Bureau of Reclamation. I understand what is at stake here.

Linking flood protection for Sacramento and reallocation of water through a new dam at Auburn has been in the works for many, many years. But the Bureau of Reclamation already stubbed its toe to the tune of $250 million developing the base for a dam right on the fault line of a major earthquake region in the upper reaches of the American River.

The Auburn Dam has already been rejected by the House in 1992 in a vote of 273–140. And it was rejected in 1996 in our Committee on Transportation and Infrastructure in a vote of 28 ayes, 35 nays. There is no reason to believe the vote would be any different today.

So why could we not have just simply accommodated whatever water resource needs there may be for the upper reaches of the American River, and at the same time provide Sacramento its requested 200-year flood protection, and have done it in this bill?

I had an amendment in committee to do that. I offered the amendment in committee to make the adjustments to Folsom, to widen the outlets so the gates can discharge more water, raise the level of the dam to allow more water to be discharged in advance of midwinter melt from the Sierra Nevada Mountains, where they get as much as 30 feet of snow and often have midwinter rains that cause not only runoff but melt, to accommodate that

runoff, accommodate in a larger basin and protect Sacramento and its residents and facilities, and also improve the levees at Sacramento to accommodate that increased runoff.

The amendment was defeated on a straight party-line vote. And now we come to the floor with this legislation that does not do what Sacramento truly deserves and, as the gentleman from California (Mr. MATSUI) said, does not really provide the water resources needs of the upper reaches of the American River Valley area.

There were several arguments made about the amendment that I offered. One was that the levee strengthening proposed for Sacramento in my amendment would create unacceptable risks to areas downstream. But that objection fails on closer scrutiny.

The Army Corps of Engineers analyzed that argument and rejected it. The Corps specifically stated this: ''Additional protection can be provided without adversely affecting the reaches below the mouth of the American River without project conditions.''

The Corps' plan includes several different structural and operational modifications to ensure that no flood threat is transferred to downstream interests. In addition, I talked with the City of Sacramento. They have committed to spend $100 million to mitigate any possible further adverse effects downstream.

Finally, my amendment specifically required that measures to increase the capacity of the levees be undertaken only after downstream mitigation features will have been constructed.

So absent any objective, substantive reason for opposition to the Sacramento amendment, I am left only to surmise that the real basis for opposition was the desire by upstream interests to withhold flood protection from Sacramento in hope that the Auburn Dam at some future time could be revived or that some alternative, far more expensive yet unstudied water distribution plan be enacted.

That is not the way to conduct the water resources business of the country. And while I am not prepared to accept this legislation as it is to go forward with the bill on the floor, the bill before us, I will not relent in my purpose of providing for Sacramento the protection that it rightly deserves and to address in a rational and responsible manner the water resources requirements upstream of Sacramento in an appropriate time frame.

We should not hold Sacramento hostage. We will have to come back at another time to address this issue. And I am confident that at that future time we will treat the lives and the property of the residents of Sacramento in an appropriate and responsible manner, as this committee has always done, absent these extraneous considerations.

Mr. BOEHLERT. Madam Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from New York.

Mr. BOEHLERT. As the gentleman from California (Mr. MATSUI) and the endless flow of visitors from Sacramento can attest, this Chair of this subcommittee is determined to work cooperatively to provide the maximum level of protection for Sacramento. That is a commitment.

Secondly, let me point out, we are nearly doubling the level of protection in this bill, as the gentleman from California (Mr. MATSUI) himself has indicated, from 77 to 137 years, and we are studying the feasibility and practicability and affordability of additional measures. So we will continue to work together to protect Sacramento.

Mr. OBERSTAR. Madam Chairman, I look forward to that happy outcome.

Mr. SHUSTER. Madam Chairman, I am pleased to yield such time as he may consume to the gentleman from California (Mr. HERGER).

Mr. HERGER. Madam Chairman, I would like to thank Chairman SHUSTER, Speaker HASTERT, and the other members of the leadership for their invaluable assistance in reaching a final compromise for our California area flood control. The compromise that is included in this bill is a win for those of us who have sought sincere dialogue and consensus in California flood control issues. More importantly, however, this legislation is also a partial win for northern California. I can testify from personal experience that California has a very real need for increased flood protection. For example, just two years ago the district I represent in norhtern California suffered a horrendous tragedy as a result of an inadequate flood control system. On January 2nd, 1997, a levee in my district near the community of Arboga suddenly broke, and as a result, three people drowned. This tragedy could have been avoided if flood control officials had been allowed to complete repairs on the levee when the problem was first acknowledged six years earlier. In 1955, almost directly across the river from the Arboga break, another levee broke and this time flooded Yuba City. However, instead of three people losing their lives 37 people died. Mr. Speaker and members, we have a natural phenomenon in California where heavy snowfall in the Sierra Nevada Mountains, followed by warm rains results in an overwhelming amount of water that flows into our Sacramento River Valley. There is no levee system in the world that can handle this kind of extreme flows. Until we build a flood control structure that can hold back this overwhelming flow of water and release it in a controlled manner, our levees are set up to fail. As California's first State Engineer, William Hall, said, ''There are two types of levees, those that have failed and those that will.'' This legislation provides $26.6 million to complete flood control repairs along the Yuba River basin, but regrettably, it won't be enough. I hope and pray that it will not take another great tragedy before we are allowed to proceed with the development of a structure that can hold back these waters. Next time, it may not be just three or even 37 people who drown, but rather, if a levee breaks in Sacramento or in my Marysville and Yuba City area, we could be talking about thousands of people drowned by this type of flooding. I do, however, want to commend my colleagues, Mr. DOOLITTLE, Mr. MATSUI, Mr. POMBO and Mr. OSE for their hard work in reaching this historic compromise for further flood protection in our northern California area in a responsible manner. I therefore urge my colleagues to support this legislation and vote in favor of the 1999 Water Resources Development Act.

Mr. SHUSTER. Madam Chairman, I yield myself such time as I may consume.

I wish to emphasize, Madam Chairman, that with the passage of this legislation today, it will represent the 21st piece of legislation that the Committee on Transportation and Infrastructure of the House has brought to the floor and has seen passed.

In addition, thus far, six of our bills of the 21 pieces of legislation that have come to the floor have been signed into law, representing 25 percent of the public laws which have been signed into law thus far this year.

So the Committee on Transportation and Infrastructure is moving vigorously to bring important legislation to the floor. And I certainly want to compliment, on a bipartisan basis, the leadership on the other side of the aisle as well as my colleagues on our committee who have made this possible.

I want to particularly, in addition, recognize Dr. Joe Westphal, the Assistant Secretary of the Army, for the valuable steps that he set in motion last fall so that we could proceed; the water experts in the Corps of Engineers, especially Mr. Bob Childs in the Corps' Sacramento office, who has certainly made a major contribution; and to Mr. Dave Mendelsohn and Curt Haensel in our Legislative Counsel's Office for their expertise, patience, and undying efforts.

Jack Schenendorf, our chief of staff, is without fear, in my judgment. There never has been a more competent chief of staff in the history of the Congress that I am aware of, in my judgment.

I want to thank our water staff for the excellent work which they have done: Ben Grumbles, Jeff More, Carrie Jelsma on the Republican staff, Ken Kopocis, and Art Chan on the Democratic staff.

I would also like to thank John Anderson, the detailee of the Committee on Transportation and Infrastructure from the Corps of Engineers, for his fine work.

But the one person who needs to really be singled out for his superb work on the Sacramento River and American River issues, that person is Mike Strachn. His outstanding knowledge of water resource programs and his high standard of professionalism were of tremendous benefit to all Members of the House as we tried to work out these difficult issues. His efforts were in the highest tradition of the House and certainly has set an example for all staffs.

□ 1145

I want to compliment all the individuals on both sides of the aisle, both Members and staff, as well as the administration, who were involved in bringing us to this point today to be able to bring this very important national bipartisan legislation to the floor. I urge its passage.

Mrs. FOWLER. Madam Chairman, today, I rise in strong support of the Water Resources Development Act of 1999.

This bill authorizes vital projects for our nation's coast line and the shoreline of our rivers and tributaries, for dredging in our nation's harbors, and for flood control throughout our States.

My district includes over 100 miles of coastline, several ports and navigation channels. It is easy to understand how important this bill is to my district.

The corps projects authorized in this bill will protect and create avenues of commerce and transportation. Improvements to our harbors are necessary to open up access to our ports and enhance international trade. It is imperative to continue projects that preserve property and protect our beaches. Shore protection projects are particularly important to Florida and I applaud the committee's work in understanding the need for preserving our beaches—something that the administration has failed to do.

This bill protects and maintains our vast and crucial water resources not just in my district but, across the country.

I encourage my colleagues to join me in supporting this important legislation.

Mr. EVERETT. Madam Chairman, I rise in strong support of the Water Resources Development Act (H.R. 1480). This long overdue legislation authorizes important civil works projects of the Army Corps of Engineers to address critical water resource and management issues facing the Nation. This $4.2 billion national investment in flood control, navigation, and water quality initiatives goes a long way in meeting the water resource needs in virtually every part of the country.

In Alabama, we are blessed with many river systems that contribute significant environmental, commercial, and recreational benefits to the State and southeastern region. The Alabama/Coosa/Tallapoosa and the Appalachicola/Chattahoochee/Flint river systems both flow through my district and are important navigable waterways that, in addition to enhancing the environment, help drive the economy. This legislation continues to provide the Corps of Engineers with the necessary funds to continue the operation and maintenance of these systems.

Of particular note in my own district in southeast Alabama, flooding has been a problem. In the past decade, Coffee and Geneva counties have been subjected to three major floods that forced the evacuation of the towns of Elba and Geneva. The flooding resulted from heavy tropical storms and hurricanes, which are seasonal occurrences, and caused these old and outdated levees to fail. I am pleased that this legislation includes funds to rebuild both of these two levees to modern standards. Section 520 authorizes $12.9 million to repair and rehabilitate the Elba levee and section 521 authorizes $16.6 million to repair and rehabilitate the Geneva levee.

It's important that we move this overdue authorization forward, so I encourage the adoption of this measure in order to go to conference with the Senate to arrive at a final reauthorization bill for these water resource projects.

Mr. CRANE. Madam Chairman, I just wanted to take this opportunity to commend and thank the members of the Transportation and Infrastructure Committee, and its Subcommittee on Water Resources and Environment, for the good work they have done in assembling this year's version of the Water Resources Development Act (WRDA). As reported, H.R. 1480 authorizes numerous flood control, navigational improvement, beach restoration and ecosystem enhancement projects that will be of significant benefit to millions of Americans.

Let me cite one example with which I am particularly familiar. Thirteen years ago, the Des Plaines River, which flows through my congressional district in northeastern Illinois, went on a rampage, flooding over 10,000 homes and businesses, forcing 15,000 people to flee to drier ground, and causing at least $35 million in damages. A year later, there was another major flood along the Des Plaines and several times since the waters of that river have spilled over their banks. Just this past week, in fact, residents in the area were reminded of the threat posed by the Des Plaines, when a pair of rainstorms caused the river to crest 1.4 feet above flood stage in Gurnee, IL.

Much to my relief, and not just to mine alone, sections 101 and 408 of H.R. 1480 address this flood threat by authorizing (subject to the timely completion of the final Corps of Engineers report) the construction of the first phase of the Des Plaines River Flood Control Project and an expanded study of the options for Phase II. Assuming their wording remains unchanged and H.R. 1480 is enacted into law, those provisions will allow the Corps of Engineers to proceed expeditiously with work on three floodwater storage areas, the construction of a pair of levees, the raising of an existing dam and development of additional flood control alternatives. As a result, a 25-percent reduction in Des Plaines River flood damages can be expected when the authorized construction work is complete, the benefits of which are anticipated to exceed the costs by a ratio of 1.7 to 1. Furthermore, the groundwork will have been laid for the implementation of additional flood prevention and/or reduction measures.

In short, these efforts to mitigate, if not eliminate, flood damages along the Des Plaines are a win-win proposition. Thousands of people in the northern Chicago suburbs will profit because they will not suffer the same, or as severe, disruptions as they have in the past and millions of taxpayers will benefit because they are less likely to be asked to repair the damages that future flooding episodes would otherwise cause. Moreover, the same can be said for a number of the other projects in the bill, one reason being that, much to its credit, the U.S. Army Corps of Engineers takes very seriously its obligation to determine that water-resource projects under its jurisdiction have a favorable benefit-to-cost ratio. Also, it should be noted that H.R. 1480 contains a number of provisions aimed at making future flood control and water resource projects as environmentally friendly as possible.

To sum up, what we have before us today is a long-awaited bill which authorizes projects that promise substantial and cost-effective returns on the financial investment being made in them. With that thought very much in mind, let me reiterate my thanks to our Transportation and Infrastructure colleagues for bringing this WRDA99 bill before us today and let me urge my colleagues in the House to give H.R. 1480 their full support. It deserves no less.

Mr. VENTO. Madam Chairman, I would like to express my thanks and appreciation to the Transportation and Infrastructure Committee Chairman BUD SHUSTER and Ranking Member JIM OBERSTAR, and Water Resources and Environment Subcommittee Chairman SHERWOOD BOEHLERT and Ranking Member ROBERT BORSKI for their hard work and tireless effort to pass this long overdue and much needed legislation. I would also like to thank ranking member and friend JIM OBERSTAR for his special effort in providing the authorization needed to implement an important educational tool for the residents of Minnesota, the Mississippi Place. The Mississippi Place would bring together the Army Corps of Engineers, the U.S. Geological Survey, the Environmental Protection Agency and NASA to offer the nation an opportunity to develop a more complete understanding of the unique resource which the Upper Mississippi River System represents. Located on the banks of the Mississippi River in downtown St. Paul, Mississippi Place will provide these Federal entities an opportunity to partner with State, local, and educational institutions in providing the public with real time learning opportunities on important issues affecting the river. In addition, the Corps and the USGS will operate Mississippi River monitoring stations at Mississippi Place for practical research purposes while still being accessible to the public. Once again, I would like to thank my colleagues for their efforts in finally crafting this bipartisan legislation.

Mr. CASTLE. Madam Chairman, I have some serious concerns with the potential environmental and economic ramifications of the project authorized to deepen the Delaware River ship channel from 40 to 45 feet. I had prepared a number of amendments to address some of these concerns, but I have agreed to withhold them with the assurance from the chairman that we will address these concerns by working together as the process moves forward. It is essential that as this project moves forward, it does so in an environmentally and economically sound manner.

First, let met state that I am concerned with the environmental consequences that the project may have on the State of Delaware. I have heard from many of my constituents and there remains many unanswered questions that the Army Corps of Engineers has yet to address to Delaware's satisfaction.

I am concerned with the authority clarified in this bill to allow the local sponsor—the Delaware River Port Authority—to operate a revenue generating dredge spoil disposal operation that is designed to import dredge

spoils—that could be contaminated—and dump them at sites along the Delaware River. The Army Corps of Engineers requires a permit for this disposal with checks and balances to prevent environmentally unsafe disposal of the dredge spoils. Even so, it would be a great comfort to me to know that the Delaware Department of Natural Resources and Environmental Control (DNREC) has approved the details because there are many different ways to dispose of dredge spoils, each with a different degree of environmental protection. The method chosen needs to meet Delaware's standards because Delawareans living near these sites are the most at risk.

Furthermore, I want to make absolutely certain that the Coastal Zone Management consistency provisions apply to Federal activities relating to the Delaware River channel deepening project. DNREC has given its approval conditioned upon a list of requirements being met, however this conditional approval is not final approval as some have suggested in public meetings. The Army Corps of Engineers has given me assurances that they are fully aware they must meet the growing list of requirements before consistency approval from Delaware is effective.

Third, while this project has been authorized since 1992, last week, just prior to committee consideration of this bill, section 347 was included in this bill to relocate a portion of the channel along the Camden area. It is my understanding that this portion has been relocated to deeper water that will not require any dredging or disruption of the existing soils. In fact, this shift in the channel will make the project less expensive for the taxpayer because the Army Corps of Engineers will not have to dredge there. This is an encouraging development, but there should be more public notice for stakeholders and efforts made to inform the congressional delegations involved about changes to the project as originally authorized.

Madam Chairman, I also have concerns about the economic risks of this project to the American taxpayer. According to the Army Corps of Engineers benefit-cost analysis, over 80 percent of the benefits have been attributed to six oil facilities along the river channel. However, none of the benefitting oil companies have directly indicated outright support for the project. Although they are not legally required to commit to spending their own capital dollars to deepen their own berths to take advantage of a deeper channel, it seems prudent for Congress or the Army Corps of Engineers to seek assurances that they will make those expenditures before $300 million in taxpayer funds are committed to building the channel.

In light of these financial concerns, it seems particularly important that Congress reinforce the intent of Congress in 1992 when the project was first authorized. Report 102–842 accompanying the Water Resource Development Act of 1992 states on page 12:

> Committee comments.—The Committee believes that the non-Federal cost of the channel deepening should be funded by water transportation users, not surface transportation users. The Committee urges the Delaware River Port Authority to make every effort to ensure that the non-Federal cost of the project is borne by water transportation users.

There has been some discussion of bridge toll receipts being raised to help fund the non-Federal cost—$100 million. Although report language is not binding, raising bridge tolls would appear to violate the committee's intent. Before the Delaware River Port Authority raises bridge tolls, at a minimum it should demonstrate its efforts to raise the funds from water transportation users.

We must make sure that those projects Congress chooses to finance give Americans a sufficient return both on their tax dollar investment and their investment of natural resources. I look forward to continuing to address these fiscal and environmental concerns.

Mr. MOORE. Madam Chairman, I rise in support of the managers' amendment to H.R. 1480, the Water Resources Development Act of 1999, and in support of the underlying legislation.

I want to take this opportunity to thank publicly House Transportation Infrastructure Chairman BUD SHUSTER of Pennsylvania and ranking Democrat JIM OBERSTAR of Minnesota for their assistance in adding to the managers' amendment language I requested authorizing a badly needed flood control project for Turkey Creek Basin in Kansas City, MO, and Kansas City, KS.

This language also is included in S. 507, the Senate companion measure to H.R. 1480, which passed the other body by voice vote on April 19. This project is of significant importance to my congressional district. Turkey Creek flows from its urbanized drainage basis in Johnson County, KS, and into Kansas City, MO, and the Kansas River. Severe flooding has occurred along the basin, most recently in 1993 and again in 1998. An improvement plan has been prepared in partnership with the U.S. Corps of Engineers. This project will provide vitally needed protection for commercial and industrial areas in both cities. I hope that Congress also will approve later this year an appropriation I am seeking to complete design work on this project.

Once again, Madam Chairman, I commend the bipartisan leadership of the Transportation and Infrastructure Committee for bringing this important legislation to the House floor and my constituents and I very much appreciate their timely responsiveness to this request.

Mr. RILEY. Madam Chairman, I had planned to offer an amendment today that would have expressed the Sense of Congress that any water agreement entered into between the States of Alabama, Georgia, and Florida should comply with existing Federal environmental water quality protection laws as they are presently written. At the Committee's request, I have decided not to offer my amendment, with the understanding that Chairman SHUSTER has pledged to work with me to identify an appropriate legislative vehicle for my proposal.

I would like to clarify that my amendment would not have altered or expanded the Clean Water Act, it simply urged the States to ensure that water quality should be considered within the scope of all water quantity negotiations as consistent with current Federal law. We need to emphasize that the citizens of these States deserve to have not only the proper quantity of water they need, but also the highest quality of water.

Mr. SHAW. Madam Chairman, I rise today in support of the Water Resources Development Act of 1999.

I represent a district in South Florida with over 90 miles of coastline, and 100 miles of Intracoastal Waterway, so water projects are very important to my constituents. I commend Chairmen SHUSTER, BOEHLERT, and all of the members of the Water Resources Subcommittee for their perseverance in getting this bill to the floor.

One issue of much concern to my constituents is the continued participation of the federal government to renourish beaches. Despite the Administration's decision to abandon coastal communities across the country, for three years the Committee has continued to ensure adequate funding levels for desperately needed projects. When the Committee finally decided to adjust the cost share formula for new construction projects, I am grateful they provided for a phased-in approach over three years. This will give local sponsors the chance to prepare for a reduced federal share. I am optimistic that the change will provide the needed motivation to the Clinton Administration to send a realistic budget to the Congress next year, with sensible funding levels for shore protection.

On a related topic, I am most grateful to the Committee for including a provision in H.R. 1480 that will allow Broward County, Florida to be reimbursed for the federal portion of their beach renourishment project in two phases. Although this language was not included in the Senate version, I hope the language will be included in the final conference report.

Finally, the Committee is also to be commended for their willingness to assist the Florida congressional delegation on the Everglades restoration effort. Three provisions in the bill relating to land acquisition and the extension of critical projects authority will ensure the program moves forward unimpeded.

Madam Chairman, I urge my colleagues to vote for this bill.

Mr. BEREUTER. Madam Chairman, this Member rises in support of H.R. 1480, the Water Resources Development Act of 1999.

This Member would like to begin by commending the distinguished gentleman from Pennsylvania [Mr. SHUSTER], the Chairman of the Transportation and Infrastructure Committee, the distinguished gentleman from Minnesota [Mr. OBERSTAR], the ranking member of the Transportation Committee, the distinguished gentleman from New York [Mr. BOEHLERT], the Chairman of the Water Resources and Environment Subcommittee, and the distinguished gentleman from Pennsylvania [Mr. BORSKI], the ranking member of the Subcommittee, for their extraordinary work in developing this bill and bringing it to the floor. This Member appreciates their diligence, persistence, and hard work.

This important legislation includes numerous projects designed to improve flood control, navigation, and shore protection. It also promotes environmental restoration and protection efforts across the nation.

In particular, this Member is pleased that the bill includes a provision he promoted which helps to ensure that the Missouri River Mitigation Project can be implemented as envisioned. In 1986, Congress authorized over

$50 million (more than $79 million in today's dollars if adjusted for inflation) to fund the Missouri River Mitigation Project to restore fish and wildlife habitat that were lost due to the construction of structures to implement the Pick-Sloan plan. At that time the Corps did not choose to include funding requests for implementing that Act in their budgeting process. That is why this Member, along with other Members who represent the four states bordering the channelized Missouri River (Nebraska, Iowa, Kansas and Missouri), have worked to provide funding to implement the Missouri River Mitigation Project which has just begun to become a reality during the last few years.

This project is specifically needed to restore fish and wildlife habitat lost due to the Federally sponsored channelization and stabilization projects of the Pick-Sloan era. The islands, wetlands, and flat floodplains that are needed to support the wildlife and waterfowl that once lived along the river are dramatically reduced. And estimated 475,000 acres of habitat in Iowa, Nebraska, Missouri and Kansas have been lost because of Federal action in creating the flood control projects and channelization of the Missouri River. Today's fishery resources are estimated to be only one-fifth of those which existed in pre-development days.

The success of the project has resulted in a concern related to the original study that outlined habitat needs. Under this study, acreage goals for each state were listed and these goals are generally considered to be an acreage limitation for each state. Nebraska and Kansas have already reached their acreage limits and Missouri is fast approaching its ceiling. Before long, Iowa will also reach its acreage limit.

To correct this problem, H.R. 1480 authorizes an increase in mitigation lands authorized to the four states to 25% of the lands lost, or 118,650 acres. In addition, the Corps of Engineers—in conjunction with the four states—is directed to study the amount of funds that would need to be authorized to achieve that acreage goal.

This Member is also pleased that H.R. 1480 also includes a provision which provides for the completion of the Wood River Flood Control Project. When completed, this important project in Nebraska's Third Congressional District will provide protection for an estimated 1,755 home and business structures in southern Grand Island, Nebraska. It is also expected to protect more than 5,000 acres of irrigated farmland and 7,000 to 8,000 acres of grassland.

Madam Chairman, this Member urges his colleagues to support H.R. 1480, the Water Resources Development Act of 1999.

Mr. GARY MILLER of California. Madam Chairman, I rise today in strong support of H.S. 1480, the ''Water Resources Development Act.''

The bill authorizes $4.2 billion for projects and programs of the Army Corps of Engineers civil works program.

It responds to pressing water infrastructure priorities, policy initiatives to update existing water resources programs,and opportunities to restore, protect, and enhance the aquatic environment.

Specifically, H.R. 1480 authorizes 95 new water resources projects, modifies 66 existing authorized projects, and authorizes the Corps. to conduct 26 studies to address a variety of water resources problems and opportunities.

The bill, Madam Chairman, is extremely important to my district, especially to the Chino Dairy Preserve in California.

The bill calls upon the Secretary of the Army, in coordination with the heads of other Federal agencies, to provide technical assistance to State and local agencies in the study, design, and implementation of measures for flood damage reduction and environmental restoration and protection in the Santa Ana River Watershed, with particular emphasis on structural and nonstructural measures in the vicinity of the Chino Dairy Preserve.

H.R. 1480 also calls upon the Secretary to conduct a feasibility study to determine the most cost-effective plan for flood damage reduction an environmental restoration and protection in the vicinity of the Chino Dairy Preserve, Santa Ana River Watershed, Orange County, and San Bernardino County, California.

I wish to extend my deep appreciation for the leadership shown by Chairman SHUSTER, Ranking Member OBERSTAR, Subcommittee Chairman BOEHLERT and Ranking Member BORSKI in drafting this important piece of legislation.

I ask my colleagues to vote for H.R. 1480.

Mr. WELLER. Madam Chairman, I rise today in support of H.R. 1480, the Water Resources Development Act. This important legislation includes a provision that will advance a flood control project important to thousands of my constituents and many residents of Chicago's South Suburbs. H.R. 1480 will advance the construction of the Thornton Reservoir, which is located in my Congressional District, through an innovative approach allowing the Metropolitan Water Reclamation District of Greater Chicago to work with the Natural Resources Conservation Service to build a transitional reservoir for Thorn Creek. Because of this project, my constituents in the South Suburbs of Chicago will see the much needed benefits of flood control more than a decade earlier than previously anticipated by the Army Corps of Engineers.

The innovative approach included in H.R. 1480 will allow the Metropolitan Water Reclamation District of Chicago to secure credit for the advance work which is critical to the development of the permanent Thornton Reservoir. The approach couples early protection with local/federal partnering resulting in significant benefits to area communities.

Frequent flooding has been a constant problem in the Chicago area. This has consistently been the cause of disruptions in major expressways, as well as rainwater and raw sewage back up into the basements of over 500,000 homes. The solution comes from the Tunnel and Reservoir Plan (TARP) through an intricate system of underground tunnels, pumping stations and storage reservoirs used to control this flooding and combined sewage pollution in the Chicago Metropolitan Area. The Thornton Reservoir is a crucial component of the TARP project. Once completed, the Thornton Reservoir will provide 5 billion gallons of floodwater storage. The reservoir will have a service area of 91 square miles and will provide flood relief to 131,000 dwellings in 18 communities.

The continuation of the TARP project and the Thornton Reservoir is important to 500,000 families in Chicago's South Suburbs. I urge my colleagues to support H.R. 1480.

Mr. BARRETT of Nebraska. Madam Chairman, I'm excited to rise in strong support for the Water Resources Development Act today. Three words can sum up my thoughts—finally, finally, finally!

This Water Resources bill contains a reauthorization for the Wood River/Warm Slough flood control project in Grand Island, Nebraska. The residents of Grand Island and I have been working on reauthorization and waiting for an opportunity to move it since 1997. Their patience has been tested, but I'm pleased I'm going to be able to report good news today.

Construction of the Wood River project was originally authorized in the 1996 Water Resources Development Act. Soon after the initial authorization, the Army Corps of Engineers had to revise its cost estimates for the project. The revision increased the cost by more than 20 percent, thus requiring congressional review and reauthorization.

The project eventually will provide flood protection for more than 1,700 structures in Grand Island and protect 5,000 acres of irrigated cropland. The project also will enhance wildlife habitat for many species, including the endangered Whooping Crane, and provide opportunities for wetlands development.

This is a good project that deserves our support. I wish to extend my sincere appreciation to the Transportation Committee for expeditiously moving this bill this spring. And thank you very, very much for your work on behalf of the residents of Grand Island, Nebraska.

Mr. KIND. Madam Chairman, I rise today as a co-chair of the upper Mississippi River congressional task force, in support of the upper Mississippi environmental management program which is part of WRDA 99.

The EMP is designed to evaluate, restore and enhance river and wetland habitat along a 1200 mile stretch of the upper Mississippi and Illinois Rivers. It is a cooperative effort among the U.S. Fish and Wildlife Service, the U.S. Geological Service, the Army Corps of Engineers and the 5 upper Mississippi River basin States.

The EMP has always had bipartisan support in Congress and the five midwestern States. I, along with Mr. OBERSTAR, Mr. GUTKNECHT and Mr. LEACH co-chair the 16 member upper Mississippi River congressional task force, which strongly supports expansion of the EMP.

WRDA 99 authorizes funding of $33.17 million each year for EMP.

EMP was established in 1986 by my predecessor Steve Gunderson. At the time EMP was only authorized for 15 years. This WRDA bill gives EMP a permanent authorization. In the past EMP projects faced funding challenges due to the uncertain future of the program. With adequate funding and permanent authorization the EMP will be able to continue it's outstanding work protecting this great natural resource.

The EMP is vital to the environmental and economic well being of the Mississippi River, and it enjoys strong bipartisan support throughout the upper Mississippi region.

Navigation along the upper Mississippi River supports 400,000 full and part-time jobs, which

produces over $4 billion in individual income. Recreation use totals 12 million visitors each year and 1.2 billion in direct and indirect expenditures annually. Communities along the river from St. Paul, Minnesota to St. Louis, Missouri are striving to enhance the river. The EMP helps to rehabilitate the natural areas up and down the river.

I urge the Members to support WRDA and the Environmental Management Program, and I thank the chairman for the time.

Mr. HILLEARY. Madam Chairman, I want to thank the distinguished Chairman of the Transportation and Infrastructure Committee for his cooperation and assistance in addressing an important concern in my district.

I appreciate that the chairman's manager's amendment includes language to allow the Corps of Engineers to conduct a feasibility study on improvements to a regional water supply for Cumberland County, Tennessee.

Water Supply has become a critical concern on the Cumberland Plateau. Recent growth and development throughout this region has placed extreme pressure on the six county water utility districts in Cumberland County and the City of Crossville to expand water supplies.

The Tennessee Department of Environment and Conservation worked with the water utility districts and local officials within Cumberland County to form a regional water planning partnership to work together to address their mutual problem.

By working together in this partnership, they will be able to resolve water issues, avoid and reduce impacts to natural streams and save time and taxpayers' money.

At the request of local and state officials, the Army Corps of Engineers conducted a regional water supply study. This Preliminary Engineering Report was completed earlier this year and provides Cumberland County residents with innovative alternatives for a water supply through the year 2050. This ''state of the art'' model can be used as a process for other local governments to effectively plan the use of their region's water resources.

The manager's amendment will help this rapidly growing county by allowing them to continue into the next phase of the process in solving their long-term water supply needs.

Again, I want to thank Chairman SHUSTER for his assistance and urge all my colleagues to support his amendment and the entire bill.

Mr. SHUSTER. Madam Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill, modified by the amendments printed in part 1 of House Report 106–120, is considered as an original bill for the purpose of amendment under the 5-minute rule and is considered read.

The text of the committee amendment in the nature of a substitute, as modified, is as follows:

H.R. 1480

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

***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

*(a) SHORT TITLE.—This Act may be cited as the ''Water Resources Development Act of 1999''.*

*(b) TABLE OF CONTENTS.—*

***SEC. 2. SECRETARY DEFINED.***

*In this Act, the term ''Secretary'' means the Secretary of the Army.*

## *TITLE I—WATER RESOURCES PROJECTS*

***SEC. 101. PROJECT AUTHORIZATIONS.***

*(a) PROJECTS WITH CHIEF'S REPORTS.—The following projects for water resources development and conservation and other purposes are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, described in the respective reports designated in this subsection:*

*(1) SAND POINT HARBOR, ALASKA.—The project for navigation, Sand Point Harbor, Alaska: Report of the Chief of Engineers dated October 13, 1998, at a total cost of $11,760,000, with an estimated Federal cost of $6,964,000 and an estimated non-Federal cost of $4,796,000.*

*(2) RIO SALADO, SALT RIVER, PHOENIX AND TEMPE, ARIZONA.—The project for flood control and environmental restoration, Rio Salado, Salt River, Phoenix and Tempe, Arizona: Report of the Chief of Engineers dated August 20, 1998, at a total cost of $88,048,000, with an estimated Federal cost of $56,355,000 and an estimated non-Federal cost of $31,693,000.*

*(3) TUCSON DRAINAGE AREA, ARIZONA.—The project for flood control, Tucson drainage area, Arizona: Report of the Chief of Engineers, dated May 20, 1998, at a total cost of $29,900,000, with an estimated Federal cost of $16,768,000 and an estimated non-Federal cost of $13,132,000.*

*(4) AMERICAN RIVER WATERSHED, CALIFORNIA.—*

*(A) IN GENERAL.—The Folsom Dam Modification portion of the Folsom Modification Plan described in the United States Army Corps of Engineers Supplemental Information Report for the American River Watershed Project, California, dated March 1996, as modified by the report entitled ''Folsom Dam Modification Report, New Outlets Plan,'' dated March 1998, prepared by the Sacramento Area Flood Control Agency, at an estimated cost of $150,000,000, with an estimated Federal cost of $97,500,000 and an estimated non-Federal cost of $52,500,000. The Secretary shall coordinate with the Secretary of the Interior with respect to the design and construction of modifications at Folsom Dam authorized by this paragraph.*

*(B) REOPERATION MEASURES.—Upon completion of the improvements to Folsom Dam authorized by subparagraph (A), the variable space allocated to flood control within the Reservoir shall be reduced from the current operating range of 400,000-670,000 acre-feet to 400,000-600,000 acre-feet.*

*(C) MAKEUP OF WATER SHORTAGES CAUSED BY FLOOD CONTROL OPERATION.—The Secretary of the Interior shall enter into, or modify, such agreements with the Sacramento Area Flood Control Agency regarding the operation of Folsom Dam and reservoir as may be necessary in order that, notwithstanding any prior agreement or provision of law, 100 percent of the water needed to make up for any water shortage caused by variable flood control operation during any year at Folsom Dam and resulting in a significant impact on recreation at Folsom Reservoir shall be replaced, to the extent the water is available for purchase, by the Secretary of the Interior.*

*(D) SIGNIFICANT IMPACT ON RECREATION.—For the purposes of this paragraph, a significant impact on recreation is defined as any impact that results in a lake elevation at Folsom Reservoir below 435 feet above sea level starting on May 15 and ending on September 15 of any given year.*

*(5) SOUTH SACRAMENTO COUNTY STREAMS, CALIFORNIA.—The project for flood control, environmental restoration and recreation, South Sacramento County streams, California: Report of the Chief of Engineers dated October 6, 1998, at a total cost of $65,500,000, with an estimated Federal cost of $41,200,000 and an estimated non-Federal cost of $24,300,000.*

*(6) UPPER GUADALUPE RIVER, CALIFORNIA.—The project for flood control and recreation, Upper Guadalupe River, California: Locally Preferred Plan (known as the ''Bypass Channel Plan''), Report of the Chief of Engineers dated*

*August 19, 1998, at a total cost of $140,285,000, with an estimated Federal cost of $44,000,000 and an estimated non-Federal cost of $96,285,000.*

*(7) YUBA RIVER BASIN, CALIFORNIA.—The project for flood control, Yuba River Basin, California: Report of the Chief of Engineers dated November 25, 1998, at a total cost of $26,600,000, with an estimated Federal cost of $17,350,000 and an estimated non-Federal cost of $9,250,000.*

*(8) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY-BROADKILL BEACH, DELAWARE.—The project for hurricane and storm damage reduction, Delaware Bay coastline, Delaware and New Jersey-Broadkill Beach, Delaware: Report of the Chief of Engineers dated August 17, 1998, at a total cost of $9,049,000, with an estimated Federal cost of $5,674,000 and an estimated non-Federal cost of $3,375,000, and at an estimated average annual cost of $538,200 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $349,800 and an estimated annual non-Federal cost of $188,400.*

*(9) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY-PORT MAHON, DELAWARE.—The project for ecosystem restoration, Delaware Bay coastline, Delaware and New Jersey-Port Mahon, Delaware: Report of the Chief of Engineers dated September 28, 1998, at a total cost of $7,644,000, with an estimated Federal cost of $4,969,000 and an estimated non-Federal cost of $2,675,000, and at an estimated average annual cost of $234,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $152,000 and an estimated annual non-Federal cost of $82,000.*

*(10) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY-ROOSEVELT INLET-LEWES BEACH, DELAWARE.—The project for navigation mitigation and hurricane and storm damage reduction, Delaware Bay coastline, Delaware and New Jersey-Roosevelt Inlet-Lewes Beach, Delaware: Report of the Chief of Engineers dated February 3, 1999, at a total cost of $3,393,000, with an estimated Federal cost of $2,620,000 and an estimated non-Federal cost of $773,000, and at an estimated average annual cost of $196,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $152,000 and an estimated annual non-Federal cost of $44,000.*

*(11) JACKSONVILLE HARBOR, FLORIDA.—*

*(A) IN GENERAL.—The project for navigation, Jacksonville Harbor, Florida: Report of the Chief of Engineers April 21, 1999, at a total cost of $26,116,000, with an estimated Federal cost of $9,129,000 and an estimated non-Federal cost of $16,987,000.*

*(B) SPECIAL RULE.—Notwithstanding subparagraph (A), the Secretary may construct the project to a depth of 40 feet if the non-Federal interest agrees to pay any additional costs above those for the recommended plan.*

*(12) TAMPA HARBOR-BIG BEND CHANNEL, FLORIDA.—The project for navigation, Tampa Harbor-Big Bend Channel, Florida: Report of the Chief of Engineers dated October 13, 1998, at a total cost of $9,356,000, with an estimated Federal cost of $6,235,000 and an estimated non-Federal cost of $3,121,000.*

*(13) BRUNSWICK HARBOR, GEORGIA.—The project for navigation, Brunswick Harbor, Georgia: Report of the Chief of Engineers dated October 6, 1998, at a total cost of $50,717,000, with an estimate Federal cost of $32,966,000 and an estimated non-Federal cost of $17,751,000.*

*(14) BEARGRASS CREEK, KENTUCKY.—The project for flood control, Beargrass Creek, Kentucky: Report of the Chief of Engineers, dated May 12, 1998, at a total cost of $11,171,300, with an estimated Federal cost of $7,261,500 and an estimated non-Federal cost of $3,909,800.*

*(15) AMITE RIVER AND TRIBUTARIES, LOUISIANA.—The project for flood control, Amite River and tributaries, Louisiana: Report of the Chief of Engineers dated December 23, 1996, at a total cost of $112,900,000, with an estimated Federal cost of $84,675,000 and an estimated non-Federal cost of $28,225,000. Cost sharing for the project shall be determined in accordance with section 103(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2213), as in effect on October 11, 1996.*

*(16) BALTIMORE HARBOR ANCHORAGES AND CHANNELS, MARYLAND AND VIRGINIA.—The project for navigation, Baltimore harbor anchorages and channels, Maryland and Virginia: Report of the Chief of Engineers, dated June 8, 1998, at a total cost of $28,430,000, with an estimated Federal cost of $19,000,000 and an estimated non-Federal cost of $9,430,000.*

*(17) RED RIVER LAKE AT CROOKSTON, MINNESOTA.—The project for flood control, Red River Lake at Crookston, Minnesota: Report of the Chief of Engineers, dated April 20, 1998, at a total cost of $8,950,000, with an estimated Federal cost of $5,720,000 and an estimated non-Federal cost of $3,230,000.*

*(18) LOWER CAPE MAY MEADOWS, CAPE MAY POINT, NEW JERSEY.—The project for navigation mitigation, ecosystem restoration, and hurricane and storm damage reduction, Lower Cape May Meadows, Cape May Point, New Jersey: Report of the Chief of Engineers dated April 5, 1999, at a total cost of $15,952,000, with an estimated Federal cost of $12,118,000 and an estimated non-Federal cost of $3,834,000, and at an estimated average annual cost of $1,114,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $897,000 and an estimated annual non-Federal cost of $217,000.*

*(19) NEW JERSEY SHORE PROTECTION: TOWNSENDS INLET TO CAPE MAY INLET, NEW JERSEY.—The project for hurricane and storm damage reduction and ecosystem restoration, New Jersey Shore Protection: Townsends Inlet to Cape May Inlet, New Jersey: Report of the Chief of Engineers dated September 28, 1998, at a total cost of $56,503,000, with an estimated Federal cost of $36,727,000 and an estimated non-Federal cost of $19,776,000, and at an estimated average annual cost of $2,000,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $1,300,000 and an estimated annual non-Federal cost of $700,000.*

*(20) GUANAJIBO RIVER, PUERTO RICO.—The project for flood control, Guanajibo River, Puerto Rico: Report of the Chief of Engineers, dated February 27, 1996, at a total cost of $27,031,000, with an estimated Federal cost of $20,273,250 and an estimated non-Federal cost of $6,757,750. Cost sharing for the project shall be determined in accordance with section 103(a) of the Water Resources Development Act 1986 (33 U.S.C. 2213) as in effect on October 11, 1986.*

*(21) RIO GRANDE DE MANATI, BARCELONETA, PUERTO RICO.—The project for flood control, Rio Grande De Manati, Barceloneta, Puerto Rico: Report of the Chief of Engineers, dated January 22, 1999, at a total cost of $13,491,000, with an estimated Federal cost of $8,785,000 and an estimated non-Federal cost of $4,706,000.*

*(22) RIO NIGUA AT SALINAS, PUERTO RICO.—The project for flood control, Rio Nigua at Salinas, Puerto Rico: Report of the Chief of Engineers, dated April 15, 1997, at a total cost of $13,702,000, with an estimated Federal cost of $7,645,000 and an estimated non-Federal cost of $6,057,000.*

*(23) SALT CREEK, GRAHAM, TEXAS.—The project for flood control, environmental restoration and recreation, Salt Creek, Graham, Texas: Report of the Chief of Engineers dated October 6, 1998, at a total cost of $10,080,000, with an estimated Federal cost of $6,560,000 and an estimated non-Federal cost of $3,520,000.*

*(b) PROJECTS SUBJECT TO REPORT.—The following projects for water resources development and conservation and other purposes are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, recommended in a final report of the Corps of Engineers, if the report is completed not later than September 30, 1999.*

*(1) NOME, ALASKA.—The project for navigation, Nome, Alaska, at a total cost of $24,608,000, with an estimated Federal cost of $19,660,000 and an estimated non-Federal cost of $4,948,000.*

*(2) SEWARD HARBOR, ALASKA.—The project for navigation, Seward Harbor, Alaska, at a total cost of $12,240,000, with an estimated Federal cost of $4,364,000 and an estimated non-Federal cost of $7,876,000.*

*(3) HAMILTON AIRFIELD, CALIFORNIA.—The project for wetlands restoration, Hamilton Airfield, California, at a total cost of $55,200,000, with an estimated Federal cost of $41,400,000 and an estimated non-Federal cost of $13,800,000.*

*(4) OAKLAND HARBOR, CALIFORNIA.—The project for navigation, Oakland Harbor, California, at a total cost of $256,650,000, with an estimated Federal cost of $143,450,000 and an estimated non-Federal cost of $113,200,000.*

*(5) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY: REEDS BEACH AND PIERCES POINT, NEW JERSEY.—The project for shore protection and ecosystem restoration, Delaware Bay Coastline, Delaware and New Jersey: Reeds Beach and Pierces Point, New Jersey, at a total cost of $4,057,000, with an estimated Federal cost of $2,637,000 and an estimated non-Federal cost of $1,420,000.*

*(6) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY: VILLAS AND VICINITY, NEW JERSEY.—The project for shore protection and ecosystem restoration, Delaware Bay Coastline, Delaware and New Jersey: Villas and Vicinity, New Jersey, at a total cost of $7,520,000, with an estimated Federal cost of $4,888,000 and an estimated non-Federal cost of $2,632,000.*

*(7) DELAWARE COAST FROM CAPE HENELOPEN TO FENWICK ISLAND, BETHANY BEACH/SOUTH BETHANY BEACH, DELAWARE.—The project for hurricane and storm damage reduction, Delaware Coast from Cape Henelopen to Fenwick Island, Bethany Beach/South Bethany Beach, Delaware, at a total cost of $22,205,000, with an estimated Federal cost of $14,433,000 and an estimated non-Federal cost of $7,772,000, and at an estimated average annual cost of $1,584,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $1,030,000 and an estimated annual non-Federal cost of $554,000.*

*(8) LITTLE TALBOT ISLAND, DUVAL COUNTY, FLORIDA.—The project for hurricane and storm damage prevention, Little Talbot Island, Duval County, Florida, at a total cost of $5,915,000, with an estimated Federal cost of $3,839,000 and an estimated non-Federal cost of $2,076,000.*

*(9) PONCE DE LEON INLET, FLORIDA.—The project for navigation and related purposes, Ponce de Leon Inlet, Volusia County, Florida, at a total cost of $5,454,000, with an estimated Federal cost of $2,988,000 and an estimated non-Federal cost of $2,466,000.*

*(10) SAVANNAH HARBOR EXPANSION, GEORGIA.—*

*(A) IN GENERAL.—Subject to subparagraph (B), the project for navigation, Savannah Harbor expansion, Georgia, including implementation of the mitigation plan, with such modifications as the Secretary deems appropriate, at a total cost of $230,174,000 (of which amount a portion is authorized for implementation of the mitigation plan), with an estimated Federal cost of $145,160,000 and an estimated non-Federal cost of $85,014,000.*

*(B) CONDITIONS.—The project authorized by subparagraph (A) may be carried out only after—*

*(i) the Secretary, in consultation with affected Federal, State of Georgia, State of South Carolina, regional, and local entities, has reviewed and approved an environmental impact statement for the project that includes—*

*(I) an analysis of the impacts of project depth alternatives ranging from 42 feet through 48 feet; and*

*(II) a selected plan for navigation and an associated mitigation plan as required by section 906(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2283); and*

*(ii) the Secretary of the Interior, the Secretary of Commerce, the Administrator of the Environmental Protection Agency, and the Secretary have approved the selected plan and have determined that the mitigation plan adequately addresses the potential environmental impacts of the project.*

*(C) MITIGATION REQUIREMENTS.—The mitigation plan shall be implemented in advance of or concurrently with construction of the project.*

*(11) DES PLAINES RIVER, ILLINOIS.—The project for flood control, Des Plaines River, Illinois, at a total cost of $44,300,000 with an estimated Federal cost of $28,800,000 and an estimated non-Federal cost of $15,500,000.*

*(12) NEW JERSEY SHORE PROTECTION, BRIGANTINE INLET TO GREAT EGG HARBOR, BRIGANTINE ISLAND, NEW JERSEY.—The project for hurricane and storm damage reduction, New Jersey shore protection, Brigantine Inlet to Great Egg Harbor, Brigantine Island, New Jersey, at a total cost of $4,970,000, with an estimated Federal cost of $3,230,000 and an estimated non-Federal cost of $1,740,000, and at an estimated average annual cost of $465,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $302,000 and an estimated annual non-Federal cost of $163,000.*

*(13) COLUMBIA RIVER CHANNEL, OREGON AND WASHINGTON.—The project for navigation, Columbia River Channel, Oregon and Washington, at a total cost of $183,623,000 with an estimated Federal cost $106,132,000 and an estimated non-Federal cost of $77,491,000.*

*(14) JOHNSON CREEK, ARLINGTON, TEXAS.—The locally preferred project for flood control, Johnson Creek, Arlington, Texas, at a total cost of $20,300,000, with an estimated Federal cost of $12,000,000 and an estimated non-Federal cost of $8,300,000.*

*(15) HOWARD HANSON DAM, WASHINGTON.—The project for water supply and ecosystem restoration, Howard Hanson Dam, Washington, at a total cost of $75,600,000, with an estimated Federal cost of $36,900,000 and an estimated non-Federal cost of $38,700,000.*

***SEC. 102. SMALL FLOOD CONTROL PROJECTS.***

*(a) IN GENERAL.—The Secretary shall conduct a study for each of the following projects and, after completion of such study, shall carry out the project under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s):*

*(1) LANCASTER, CALIFORNIA.—Project for flood control, Lancaster, California, westside stormwater retention facility.*

*(2) GATEWAY TRIANGLE AREA, FLORIDA.—Project for flood control, Gateway Triangle area, Collier County, Florida.*

*(3) PLANT CITY, FLORIDA.—Project for flood control, Plant City, Florida.*

*(4) STONE ISLAND, LAKE MONROE, FLORIDA.—Project for flood control, Stone Island, Lake Monroe, Florida.*

*(5) OHIO RIVER, ILLINOIS.—Project for flood control, Ohio River, Illinois.*

*(6) REPAUPO CREEK, NEW JERSEY.—Project for flood control, Repaupo Creek, New Jersey.*

*(7) OWASCO LAKE SEAWALL, NEW YORK.—Project for flood control, Owasco Lake seawall, New York.*

*(8) PORT CLINTON, OHIO.—Project for flood control, Port Clinton, Ohio.*

*(9) NORTH CANADIAN RIVER, OKLAHOMA.—Project for flood control, North Canadian River, Oklahoma.*

*(10) ABINGTON TOWNSHIP, PENNSYLVANIA.—Project for flood control, Baeder and Wanamaker Roads, Abington Township, Pennsylvania.*

*(11) PORT INDIAN, WEST NORRITON TOWNSHIP, MONTGOMERY COUNTY, PENNSYLVANIA.—Project for flood control, Port Indian, West Norriton Township, Montgomery County, Pennsylvania.*

*(12) PORT PROVIDENCE, UPPER PROVIDENCE TOWNSHIP, PENNSYLVANIA.—Project for flood control, Port Providence, Upper Providence Township, Pennsylvania.*

*(13) SPRINGFIELD TOWNSHIP, MONTGOMERY COUNTY, PENNSYLVANIA.—Project for flood control, Springfield Township, Montgomery County, Pennsylvania.*

*(14) FIRST CREEK, KNOXVILLE, TENNESSEE.—Project for flood control, First Creek, Knoxville, Tennessee.*

*(15) METRO CENTER LEVEE, CUMBERLAND RIVER, NASHVILLE, TENNESSEE.—Project for flood control, Metro Center Levee, Cumberland River, Nashville, Tennessee.*

*(b) FESTUS AND CRYSTAL CITY, MISSOURI.—*

*(1) MAXIMUM FEDERAL EXPENDITURE.—The maximum amount of Federal funds that may be expended for the project for flood control, Festus and Crystal City, Missouri, shall be $10,000,000.*

*(2) REVISION OF PROJECT COOPERATION AGREEMENT.—The Secretary shall revise the project cooperation agreement for the project referred to in paragraph (1) to take into account the change in the Federal participation in such project pursuant to paragraph (1).*

*(3) COST SHARING.—Nothing in this section shall be construed to affect any cost-sharing requirement applicable to the project referred to in paragraph (1) under the Water Resources Development Act of 1986.*

***SEC. 103. SMALL BANK STABILIZATION PROJECTS.***

*The Secretary shall conduct a study for each of the following projects and, after completion of such study, shall carry out the project under section 14 of the Flood Control Act of 1946 (33 U.S.C. 701r):*

*(1) SAINT JOSEPH RIVER, INDIANA.—Project for streambank erosion control, Saint Joseph River, Indiana.*

*(2) SAGINAW RIVER, BAY CITY, MICHIGAN.—Project for streambank erosion control, Saginaw River, Bay City, Michigan.*

*(3) BIG TIMBER CREEK, NEW JERSEY.—Project for streambank erosion control, Big Timber Creek, New Jersey.*

*(4) LAKE SHORE ROAD, ATHOL SPRINGS, NEW YORK.—Project for streambank erosion control, Lake Shore Road, Athol Springs, New York.*

*(5) MARIST COLLEGE, POUGHKEEPSIE, NEW YORK.—Project for streambank erosion control, Marist College, Poughkeepsie, New York.*

*(6) MONROE COUNTY, OHIO.—Project for streambank erosion control, Monroe County, Ohio.*

*(7) GREEN VALLEY, WEST VIRGINIA.—Project for streambank erosion control, Green Valley, West Virginia.*

***SEC. 104. SMALL NAVIGATION PROJECTS.***

*The Secretary shall conduct a study for each of the following projects and, after completion of such study, shall carry out the project under section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577):*

*(1) GRAND MARAIS, ARKANSAS.—Project for navigation, Grand Marais, Arkansas.*

*(2) FIELDS LANDING CHANNEL, HUMBOLDT HARBOR, CALIFORNIA.—Project for navigation, Fields Landing Channel, Humboldt Harbor, California.*

*(3) SAN MATEO (PILLAR POINT HARBOR), CALIFORNIA.—Project for navigation San Mateo (Pillar Point Harbor), California.*

*(4) AGANA MARINA, GUAM.—Project for navigation, Agana Marina, Guam.*

*(5) AGAT MARINA, GUAM.—Project for navigation, Agat Marina, Guam.*

*(6) APRA HARBOR FUEL PIERS, GUAM.—Project for navigation, Apra Harbor Fuel Piers, Guam.*

*(7) APRA HARBOR PIER F–6, GUAM.—Project for navigation, Apra Harbor Pier F–6, Guam.*

*(8) APRA HARBOR SEAWALL, GUAM.—Project for navigation including a seawall, Apra Harbor, Guam.*

*(9) GUAM HARBOR, GUAM.—Project for navigation, Guam Harbor, Guam.*

*(10) ILLINOIS RIVER NEAR CHAUTAUQUA PARK, ILLINOIS.—Project for navigation, Illinois River near Chautauqua Park, Illinois.*

*(11) WHITING SHORELINE WATERFRONT, WHITING, INDIANA.—Project for navigation, Whiting Shoreline Waterfront, Whiting, Indiana.*

*(12) NARAGUAGUS RIVER, MACHIAS, MAINE.—Project for navigation, Naraguagus River, Machias, Maine.*

*(13) UNION RIVER, ELLSWORTH, MAINE.—Project for navigation, Union River, Ellsworth, Maine.*

*(14) DETROIT WATERFRONT, MICHIGAN.—Project for navigation, Detroit River, Michigan, including dredging and removal of a reef.*

*(15) FORTESCUE INLET, DELAWARE BAY, NEW JERSEY.—Project for navigation for Fortescue Inlet, Delaware Bay, New Jersey.*

*(16) BUFFALO AND LASALLE PARK, NEW YORK.—Project for navigation, Buffalo and LaSalle Park, New York.*

*(17) STURGEON POINT, NEW YORK.—Project for navigation, Sturgeon Point, New York.*

***SEC. 105. SMALL PROJECTS FOR IMPROVEMENT OF THE ENVIRONMENT.***

*(a) IN GENERAL.—The Secretary shall conduct a study for each of the following projects and, after completion of such study, shall carry out the project under section 1135 of the Water Resources Development Act of 1986 (33 U.S.C. 2309a):*

*(1) ILLINOIS RIVER IN THE VICINITY OF HAVANA, ILLINOIS.—Project for the improvement of the environment, Illinois River in the vicinity of Havana, Illinois.*

*(2) KNITTING MILL CREEK, VIRGINIA.—Project for the improvement of the environment, Knitting Mill Creek, Virginia.*

*(b) PINE FLAT DAM, KINGS RIVER, CALIFORNIA.—The Secretary shall carry out under section 1135(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2309a(a)) a project to construct a turbine bypass at Pine Flat Dam, Kings River, California, in accordance with the Project Modification Report and Environmental Assessment dated September 1996.*

***SEC. 106. SMALL AQUATIC ECOSYSTEM RESTORATION PROJECTS.***

*The Secretary shall conduct a study for each of the following projects and, after completion of such study, shall carry out the project under section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330):*

*(1) CONTRA COSTA COUNTY, BAY DELTA, CALIFORNIA.—Project for aquatic ecosystem restoration, Contra Costa County, Bay Delta, California.*

*(2) INDIAN RIVER, FLORIDA.—Project for aquatic ecosystem restoration and lagoon restoration, Indian River, Florida.*

*(3) LITTLE WEKIVA RIVER, FLORIDA.—Project for aquatic ecosystem restoration and erosion control, Little Wekiva River, Florida.*

*(4) COOK COUNTY, ILLINOIS.—Project for aquatic ecosystem restoration and lagoon restoration and protection, Cook County, Illinois.*

*(5) GRAND BATTURE ISLAND, MISSISSIPPI.—Project for aquatic ecosystem restoration, Grand Batture Island, Mississippi.*

*(6) HANCOCK, HARRISON, AND JACKSON COUNTIES, MISSISSIPPI.—Project for aquatic ecosystem*

*restoration and reef restoration along the Gulf Coast, Hancock, Harrison, and Jackson Counties, Mississippi.*

*(7) MISSISSIPPI RIVER AND RIVER DES PERES, ST. LOUIS, MISSOURI.—Project for aquatic ecosystem restoration and recreation, Mississippi River and River Des Peres, St. Louis, Missouri.*

*(8) HUDSON RIVER, NEW YORK.—Project for aquatic ecosystem restoration, Hudson River, New York.*

*(9) ONEIDA LAKE, NEW YORK.—Project for aquatic ecosystem restoration, Oneida Lake, Oneida County, New York.*

*(10) OTSEGO LAKE, NEW YORK.—Project for aquatic ecosystem restoration, Otsego Lake, Otsego County, New York.*

*(11) NORTH FORK OF YELLOW CREEK, OHIO.—Project for aquatic ecosystem restoration, North Fork of Yellow Creek, Ohio.*

*(12) WHEELING CREEK WATERSHED, OHIO.—Project for aquatic ecosystem restoration, Wheeling Creek watershed, Ohio.*

*(13) SPRINGFIELD MILLRACE, OREGON.—Project for aquatic ecosystem restoration, Springfield Millrace, Oregon.*

*(14) UPPER AMAZON CREEK, OREGON.—Project for aquatic ecosystem restoration, Upper Amazon Creek, Oregon.*

*(15) LAKE ONTELAUNEE RESERVOIR, BERKS COUNTY, PENNSYLVANIA.—Project for aquatic ecosystem restoration and distilling pond facilities, Lake Ontelaunee Reservoir, Berks County, Pennsylvania.*

*(16) BLACKSTONE RIVER BASIN, RHODE ISLAND AND MASSACHUSETTS.—Project for aquatic ecosystem restoration and fish passage facilities, Blackstone River Basin, Rhode Island and Massachusetts.*

## *TITLE II—GENERAL PROVISIONS*

***SEC. 201. SMALL FLOOD CONTROL AUTHORITY.***

*Section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s) is amended—*

*(1) by striking ''construction of small projects'' and inserting ''implementation of small structural and nonstructural projects''; and*

*(2) by striking ''$5,000,000'' and inserting ''$7,000,000''.*

***SEC. 202. USE OF NON-FEDERAL FUNDS FOR COMPILING AND DISSEMINATING INFORMATION ON FLOODS AND FLOOD DAMAGES.***

*The last sentence of section 206(b) of the Flood Control Act of 1960 (33 U.S.C. 709a(b)) is amended by inserting before the period the following: ''; except that this limitation on fees shall not apply to funds voluntarily contributed by such entities for the purpose of expanding the scope of the services requested by such entities''.*

***SEC. 203. CONTRIBUTIONS BY STATES AND POLITICAL SUBDIVISIONS.***

*Section 5 of the Flood Control Act of June 22, 1936 (33 U.S.C. 701h), is amended by inserting ''or environmental restoration'' after ''flood control''.*

***SEC. 204. SEDIMENT DECONTAMINATION TECHNOLOGY.***

*Section 405 of the Water Resources Development Act of 1992 (33 U.S.C. 2239 note; 106 Stat. 4863) is amended—*

*(1) by adding at the end of subsection (a) the following:*

*''(4) PRACTICAL END-USE PRODUCTS.—Technologies selected for demonstration at the pilot scale shall be intended to result in practical end-use products.*

*''(5) ASSISTANCE BY THE SECRETARY.—The Secretary shall assist the project to ensure expeditious completion by providing sufficient quantities of contaminated dredged material to conduct the full-scale demonstrations to stated capacity.'';*

*(2) in subsection (c) by striking the first sentence and inserting the following: ''There is authorized to be appropriated to carry out this section $22,000,000 to complete technology testing, technology commercialization, and the development of full scale processing facilities within the New York/New Jersey Harbor.''; and*

*(3) by adding at the end the following:*

*''(e) SUPPORT.—In carrying out the program under this section, the Secretary is encouraged to utilize contracts, cooperative agreements, and grants with colleges and universities and other non-Federal entities.''.*

***SEC. 205. CONTROL OF AQUATIC PLANTS.***

*Section 104 of the River and Harbor Act of 1958 (33 U.S.C. 610) is amended—*

*(1) in subsection (a) by inserting ''arundo,'' after ''milfoil,'';*

*(2) in subsection (b) by striking ''$12,000,000'' and inserting ''$15,000,000.''; and*

*(3) by adding at the end the following:*

*''(c) SUPPORT.—In carrying out this program, the Secretary is encouraged to utilize contracts, cooperative agreements, and grants with colleges and universities and other non-Federal entities.''.*

***SEC. 206. USE OF CONTINUING CONTRACTS REQUIRED FOR CONSTRUCTION OF CERTAIN PROJECTS.***

*(a) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall not implement a fully allocated funding policy with respect to a water resources project if initiation of construction has occurred but sufficient funds are not available to complete the project. The Secretary shall enter into continuing contracts for such project.*

*(b) INITIATION OF CONSTRUCTION CLARIFIED.—For the purposes of this section, initiation of construction for a project occurs on the date of enactment of an Act that appropriates funds for the project from 1 of the following appropriation accounts:*

*(1) Construction, General.*

*(2) Operation and Maintenance, General.*

*(3) Flood Control, Mississippi River and Tributaries.*

***SEC. 207. SUPPORT OF ARMY CIVIL WORKS PROGRAM.***

*The requirements of section 2361 of title 10, United States Code, shall not apply to any contract, cooperative research and development agreement, cooperative agreement, or grant entered into under section 229 of the Water Resources Development Act of 1996 (110 Stat. 3703) between the Secretary and Marshall University or entered into under section 350 of this Act between the Secretary and Juniata College.*

***SEC. 208. WATER RESOURCES DEVELOPMENT STUDIES FOR THE PACIFIC REGION.***

*Section 444 of the Water Resources Development Act of 1996 (110 Stat. 3747) is amended by striking ''interest of navigation'' and inserting ''interests of water resources development, including navigation, flood damage reduction, and environmental restoration''.*

***SEC. 209. EVERGLADES AND SOUTH FLORIDA ECOSYSTEM RESTORATION.***

*(a) PROGRAM EXTENSION.—Section 528(b)(3) of the Water Resources Development Act of 1996 (110 Stat. 3769) is amended—*

*(1) in subparagraph (B) by striking ''1999'' and inserting ''2000''; and*

*(2) in subparagraph (C)(i) by striking ''1999'' and inserting ''2003''.*

*(b) CREDIT.—Section 528(b)(3) of such Act is amended by adding at the end the following:*

*''(D) CREDIT OF PAST AND FUTURE ACTIVITIES.—The Secretary may provide a credit to the non-Federal interests toward the non-Federal share of a project implemented under subparagraph (A). The credit shall be for reasonable costs of work performed by the non-Federal interests if the Secretary determines that the work substantially expedited completion of the project and is compatible with and an integral part of the project, and the credit is provided pursuant to a specific project cooperation agreement.''.*

*(c) CALOOSAHATCHEE RIVER BASIN, FLORIDA.—Section 528(e)(4) of such Act is amended by inserting before the period at the end of the first sentence the following: ''if the Secretary determines that such land acquisition is compatible with and an integral component of the Everglades and South Florida ecosystem restoration, including potential land acquisition in the Caloosahatchee River basin or other areas''.*

***SEC. 210. BENEFICIAL USES OF DREDGED MATERIAL.***

*Section 204 of the Water Resources Development Act of 1992 (106 Stat. 4826–4827) is amended—*

*(1) in subsection (c) by striking ''cooperative agreement in accordance with the requirements of section 221 of the Flood Control Act of 1970'' and inserting ''binding agreement with the Secretary''; and*

*(2) by adding at the end the following:*

*''(g) NON-FEDERAL INTERESTS.—Notwithstanding section 221(b) of the Flood Control Act of 1968 (42 U.S.C. 1962d–5b(b)), the Secretary, after coordination with the appropriate State and local government officials having jurisdiction over an area in which a project under this section will be carried out, may allow a nonprofit entity to serve as the non-Federal interest for the project.''.*

***SEC. 211. HARBOR COST SHARING.***

*(a) IN GENERAL.—Sections 101 and 214 of the Water Resources Development Act of 1986 (33 U.S.C. 2211 and 2241; P.L. 99–662) are amended by striking ''45 feet'' each place it appears and inserting ''53 feet''.*

*(b) APPLICABILITY.—The amendments made by subsection (a) shall only apply to a project, or separable element thereof, on which a contract for physical construction has not been awarded before the date of enactment of this Act.*

***SEC. 212. AQUATIC ECOSYSTEM RESTORATION.***

*Section 206 of the Water Resources Development Act of 1996 (110 Stat. 3679–3680) is amended—*

*(1) by adding at the end of subsection (b) the following: ''Before October 1, 2003, the Federal share may be provided in the form of grants or reimbursements of project costs.''; and*

*(2) by adding at the end of subsection (c) the following: ''Notwithstanding section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b(b)), the Secretary, after coordination with the appropriate State and local government officials having jurisdiction over an area in which a project under this section will be carried out, may allow a nonprofit entity to serve as the non-Federal interest for the project.''.*

***SEC. 213. WATERSHED MANAGEMENT, RESTORATION, AND DEVELOPMENT.***

*(a) NONPROFIT ENTITY AS NON-FEDERAL INTEREST.—Section 503(a) of the Water Resources Development Act of 1996 (110 Stat. 3756) is amended by adding at the end the following: ''Notwithstanding section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b(b)), the Secretary, after coordination with the appropriate State and local government officials having jurisdiction over an area in which a project under this section will be carried out, may allow a nonprofit entity to serve as the non-Federal interest for the project.''.*

*(b) PROJECT LOCATIONS.—Section 503(d) of such Act is amended—*

*(1) in paragraph (7) by inserting before the period at the end '', including Clear Lake''; and*

*(2) by adding at the end the following:*

*''(14) Fresno Slough watershed, California.*

*''(15) Hayward Marsh, Southern San Francisco Bay watershed, California.*

*''(16) Kaweah River watershed, California.*

*''(17) Malibu Creek watershed, California.*

*''(18) Illinois River watershed, Illinois.*

''(19) Catawba River watershed, North Carolina.

''(20) Cabin Creek basin, West Virginia.

''(21) Lower St. Johns River basin, Florida.''.

***SEC. 214. FLOOD MITIGATION AND RIVERINE RESTORATION PILOT PROGRAM.***

*(a) IN GENERAL.—The Secretary may undertake a program for the purpose of conducting projects that reduce flood hazards and restore the natural functions and values of rivers throughout the United States.*

*(b) STUDIES AND PROJECTS.—*

*(1) AUTHORITY.—In carrying out the program, the Secretary may conduct studies to identify appropriate flood damage reduction, conservation, and restoration measures and may design and implement projects described in subsection (a).*

*(2) CONSULTATION AND COORDINATION.—The studies and projects carried out under this section shall be conducted, to the maximum extent practicable, in consultation and coordination with the Federal Emergency Management Agency and other appropriate Federal agencies, and in consultation and coordination with appropriate State, tribal, and local agencies.*

*(3) NONSTRUCTURAL APPROACHES.—The studies and projects shall emphasize, to the maximum extent practicable and appropriate, nonstructural approaches to preventing or reducing flood damages.*

*(4) USE OF STATE, TRIBAL, AND LOCAL STUDIES AND PROJECTS.—The studies and projects shall include consideration of and coordination with any State, tribal, and local flood damage reduction or riverine and wetland restoration studies and projects that conserve, restore, and manage hydrologic and hydraulic regimes and restore the natural functions and values of floodplains.*

*(c) COST-SHARING REQUIREMENTS.—*

*(1) STUDIES.—Studies conducted under this section shall be subject to cost sharing in accordance with section 105 of the Water Resources Development Act of 1986 (33 U.S.C. 2215).*

*(2) ENVIRONMENTAL RESTORATION AND NONSTRUCTURAL FLOOD CONTROL PROJECTS.—The non-Federal interests shall pay 35 percent of the cost of any environmental restoration or nonstructural flood control project carried out under this section. The non-Federal interests shall provide all land, easements, rights-of-way, dredged material disposal areas, and relocations necessary for such projects. The value of such land, easements, rights-of-way, dredged material disposal areas, and relocations shall be credited toward the payment required under this paragraph.*

*(3) STRUCTURAL FLOOD CONTROL PROJECTS.—Any structural flood control measures carried out under this section shall be subject to cost sharing in accordance with section 103(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(a)).*

*(4) OPERATION AND MAINTENANCE.—The non-Federal interests shall be responsible for all costs associated with operating, maintaining, replacing, repairing, and rehabilitating all projects carried out under this section.*

*(d) PROJECT JUSTIFICATION.—*

*(1) IN GENERAL.—Notwithstanding any other provision of law or requirement for economic justification established pursuant to section 209 of the Flood Control Act of 1970 (42 U.S.C. 1962–2), the Secretary may implement a project under this section if the Secretary determines that the project—*

*(A) will significantly reduce potential flood damages;*

*(B) will improve the quality of the environment; and*

*(C) is justified considering all costs and beneficial outputs of the project.*

*(2) ESTABLISHMENT OF SELECTION AND RATING CRITERIA AND POLICIES.—Not later than 180 days after the date of enactment of this section, the Secretary, in cooperation with State, tribal, and local agencies, shall develop, and transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate, criteria for selecting and rating projects to be carried out under this section and shall establish policies and procedures for carrying out the studies and projects undertaken under this section. Such criteria shall include, as a priority, the extent to which the appropriate State government supports the project.*

*(e) PRIORITY AREAS.—In carrying out this section, the Secretary shall examine the potential for flood damage reductions at appropriate locations, including the following:*

*(1) Upper Delaware River, New York.*

*(2) Willamette River floodplain, Oregon.*

*(3) Pima County, Arizona, at Paseo De Las Iglesias and Rillito River.*

*(4) Los Angeles and San Gabriel Rivers, California.*

*(5) Murrieta Creek, California.*

*(6) Napa County, California, at Yountville, St. Helena, Calistoga, and American Canyon.*

*(7) Santa Clara basin, California, at Upper Guadalupe River and tributaries, San Francisquito Creek, and Upper Penitencia Creek.*

*(8) Pine Mount Creek, New Jersey.*

*(9) Chagrin River, Ohio.*

*(10) Blair County, Pennsylvania, at Altoona and Frankstown Township.*

*(11) Lincoln Creek, Wisconsin.*

*(f) PROGRAM REVIEW.—*

*(1) IN GENERAL.—The program established under this section shall be subject to an independent review to evaluate the efficacy of the program in achieving the dual goals of flood hazard mitigation and riverine restoration.*

*(2) REPORT.—Not later than April 15, 2003, the Secretary shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report on the findings of the review conducted under this subsection with any recommendations concerning continuation of the program.*

*(g) COST LIMITATIONS.—*

*(1) MAXIMUM FEDERAL COST PER PROJECT.—No more than $30,000,000 may be expended by the United States on any single project under this section.*

*(2) COMMITTEE RESOLUTION PROCEDURE.—*

*(A) LIMITATION ON APPROPRIATIONS.—No appropriation shall be made to construct any project under this section the total Federal cost of construction of which exceeds $15,000,000 if the project has not been approved by resolutions adopted by the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate.*

*(B) REPORT.—For the purpose of securing consideration of approval under this paragraph, the Secretary shall transmit a report on the proposed project, including all relevant data and information on all costs.*

*(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section—*

*(1) $25,000,000 for fiscal year 2000;*

*(2) $25,000,000 for fiscal year 2001 if $12,500,000 or more is appropriated to carry out subsection (e) for fiscal year 2000;*

*(3) $25,000,000 for fiscal year 2002 if $12,500,000 or more is appropriated to carry out subsection (e) for fiscal year 2001; and*

*(4) $25,000,000 for fiscal year 2003 if $12,500,000 or more is appropriated to carry out subsection (e) for fiscal year 2002.*

***SEC. 215. SHORELINE MANAGEMENT PROGRAM.***

*(a) REVIEW.—The Secretary shall review the implementation of the Corps of Engineers' shoreline management program, with particular attention to inconsistencies in implementation among the divisions and districts of the Corps of Engineers and complaints by or potential inequities regarding property owners in the Savannah District including an accounting of the number and disposition of complaints over the last 5 years in the District.*

*(b) REPORT.—As expeditiously as practicable after the date of enactment of this Act, the Secretary shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report describing the results of the review conducted under subsection (a).*

***SEC. 216. ASSISTANCE FOR REMEDIATION, RESTORATION, AND REUSE.***

*(a) IN GENERAL.—The Secretary may provide to State and local governments assessment, planning, and design assistance for remediation, environmental restoration, or reuse of areas located within the boundaries of such State or local governments where such remediation, environmental restoration, or reuse will contribute to the conservation of water and related resources of drainage basins and watersheds within the United States.*

*(b) BENEFICIAL USE OF DREDGED MATERIAL.—In providing assistance under subsection (a), the Secretary shall encourage the beneficial use of dredged material, consistent with the findings of the Secretary under section 204 of the Water Resources Development Act of 1992 (33 U.S.C. 2326).*

*(c) NON-FEDERAL SHARE.—The non-Federal share of the cost of assistance provided under subsection (a) shall be 50 percent.*

*(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $3,000,000 for each of fiscal years 2000 through 2004.*

***SEC. 217. SHORE DAMAGE MITIGATION.***

*(a) IN GENERAL.—Section 111 of the River and Harbor Act of 1968 (33 U.S.C. 426i; 100 Stat. 4199) is amended by inserting after ''navigation works'' the following: ''and shore damages attributable to the Atlantic Intracoastal Waterway and the Gulf Intracoastal Waterway''.*

*(b) PALM BEACH COUNTY, FLORIDA.—The project for navigation, Palm Beach County, Florida, authorized by section 2 of the River and Harbor Act of March 2, 1945 (59 Stat. 11), is modified to authorize the Secretary to undertake beach nourishment as a dredged material disposal option under the project.*

*(c) GALVESTON COUNTY, TEXAS.—The Secretary may place dredged material from the Gulf Intracoastal Waterway on the beaches along Rollover Pass, Galveston County, Texas, to stabilize beach erosion.*

***SEC. 218. SHORE PROTECTION.***

*(a) NON-FEDERAL SHARE OF PERIODIC NOURISHMENT.—Section 103(d) of the Water Resources Development Act of 1986 (100 Stat. 4085–5086) is amended—*

*(1) by inserting ''(1) CONSTRUCTION.—'' before ''Costs of constructing'';*

*(2) by inserting at the end the following:*

*''(2) PERIODIC NOURISHMENT.—*

*''(A) IN GENERAL.—Subject to subparagraph (B), the non-Federal share of costs of periodic nourishment measures for shore protection or beach erosion control that are carried out—*

*''(i) after January 1, 2001, shall be 40 percent;*

*''(ii) after January 1, 2002, shall be 45 percent; and*

*''(iii) after January 1, 2003, shall be 50 percent;*

*''(B) BENEFITS TO PRIVATELY OWNED SHORES.—All costs assigned to benefits of periodic nourishment measures to privately owned shores (where use of such shores is limited to private interests) or to prevention of losses of*

*private lands shall be borne by the non-Federal interest and all costs assigned to the protection of federally owned shores for such measures shall be borne by the United States.''; and*

*(C) by indenting paragraph (1) (as designated by subparagraph (A) of this paragraph) and aligning such paragraph with paragraph (2) (as added by subparagraph (B) of this paragraph).*

*(b) UTILIZATION OF SAND FROM OUTER CONTINENTAL SHELF.—Section 8(k)(2)(B) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(k)(2)(B)) is amended by striking ''an agency of the Federal Government'' and inserting ''a Federal, State, or local government agency''.*

*(c) REPORT ON NATION'S SHORELINES.—*

*(1) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Secretary shall report to Congress on the state of the Nation's shorelines.*

*(2) CONTENTS.—The report shall include—*

*(A) a description of the extent of, and economic and environmental effects caused by, erosion and accretion along the Nation's shores and the causes thereof;*

*(B) a description of resources committed by local, State, and Federal governments to restore and renourish shorelines;*

*(C) a description of the systematic movement of sand along the Nation's shores; and*

*(D) recommendations regarding (i) appropriate levels of Federal and non-Federal participation in shoreline protection, and (ii) utilization of a systems approach to sand management.*

*(3) UTILIZATION OF SPECIFIC LOCATION DATA.—In developing the report, the Secretary shall utilize data from specific locations on the Atlantic, Pacific, Great Lakes, and Gulf of Mexico coasts.*

*(d) NATIONAL COASTAL DATA BANK.—*

*(1) ESTABLISHMENT OF DATA BANK.—Not later than 2 years after the date of enactment of this Act, the Secretary shall establish a national coastal data bank containing data on the geophysical and climatological characteristics of the Nation's shorelines.*

*(2) CONTENT.—To the extent practical, the national coastal data bank shall include data regarding current and predicted shoreline positions, information on federally-authorized shore protection projects, and data on the movement of sand along the Nation's shores, including impediments to such movement caused by natural and manmade features.*

*(3) ACCESS.—The national coastal data bank shall be made readily accessible to the public.*

***SEC. 219. FLOOD PREVENTION COORDINATION.***

*Section 206 of the Flood Control Act of 1960 (33 U.S.C. 709a) is amended—*

*(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and*

*(2) by inserting after subsection (a) the following:*

*''(b) FLOOD PREVENTION COORDINATION.—The Secretary shall coordinate with the Director of the Federal Emergency Management Agency and the heads of other Federal agencies to ensure that flood control projects and plans are complementary and integrated to the extent practicable and appropriate.''.*

***SEC. 220. ANNUAL PASSES FOR RECREATION.***

*Section 208(c)(4) of the Water Resources Development Act of 1996 (16 U.S.C. 460d note; 110 Stat. 3680) is amended by striking ''1999, or the date of transmittal of the report under paragraph (3)'' and inserting ''2003''.*

***SEC. 221. COOPERATIVE AGREEMENTS FOR ENVIRONMENTAL AND RECREATIONAL MEASURES.***

*(a) IN GENERAL.—The Secretary is authorized to enter into cooperative agreements with non-Federal public bodies and non-profit entities for the purpose of facilitating collaborative efforts involving environmental protection and restoration, natural resources conservation, and recreation in connection with the development, operation, and management of water resources projects under the jurisdiction of the Department of the Army.*

*(b) REPORT.—Not later than 18 months after the date of enactment of this Act, the Secretary shall transmit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report that includes—*

*(1) a listing and general description of the cooperative agreements entered into by the Secretary with non-Federal public bodies and entities under subsection (a);*

*(2) a determination of whether such agreements are facilitating collaborative efforts; and*

*(3) a recommendation on whether such agreements should be further encouraged.*

***SEC. 222. NONSTRUCTURAL FLOOD CONTROL PROJECTS.***

*(a) ANALYSIS OF BENEFITS.—Section 308 of the Water Resources Development Act of 1990 (33 U.S.C. 2318; 104 Stat. 4638) is amended—*

*(1) in the heading to subsection (a) by inserting ''ELEMENTS EXCLUDED FROM'' before ''BENEFIT-COST'';*

*(2) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively; and*

*(3) by inserting after subsection (a) the following:*

*''(b) FLOOD DAMAGE REDUCTION BENEFITS.—In calculating the benefits of a proposed project for nonstructural flood damage reduction, the Secretary shall calculate benefits of nonstructural projects using methods similar to structural projects, including similar treatment in calculating the benefits from losses avoided from both structural and nonstructural alternatives. In carrying out this subsection, the Secretary should avoid double counting of benefits.''.*

*(b) REEVALUATION OF FLOOD CONTROL PROJECTS.—At the request of a non-Federal interest for a flood control project, the Secretary shall conduct a reevaluation of a previously authorized project to consider nonstructural alternatives in light of the amendments made by subsection (a).*

*(c) COST SHARING.—Section 103(b) of the Water Resources Development Act of 1986 (33 U.S.C. 2213(b)) is amended by adding at the end the following: ''At any time during construction of the project, where the Secretary determines that the costs of lands, easements, rights-of-way, dredged material disposal areas, and relocations in combination with other costs contributed by the non-Federal interests will exceed 35 percent, any additional costs for the project, but not to exceed 65 percent of the total costs of the project, shall be a Federal responsibility and shall be contributed during construction as part of the Federal share.''.*

***SEC. 223. LAKES PROGRAM.***

*Section 602(a) of the Water Resources Development Act of 1986 (110 Stat. 3758) is amended—*

*(1) by striking ''and'' at the end of paragraph (15);*

*(2) by striking the period at the end of paragraph (16) and inserting a semicolon; and*

*(3) by adding at the end the following:*

*''(17) Clear Lake, Lake County, California, removal of silt and aquatic growth and measures to address excessive sedimentation and high nutrient concentration; and*

*''(18) Osgood Pond, Milford, Hillsborough County, New Hampshire, removal of silt and aquatic growth and measures to address excessive sedimentation.*

*''(19) Flints Pond, Hollis, Hillsborough County, New Hampshire, removal of silt and aquatic growth and measures to address excessive sedimentation.''.*

***SEC. 224. CONSTRUCTION OF FLOOD CONTROL PROJECTS BY NON-FEDERAL INTERESTS.***

*(a) CONSTRUCTION BY NON-FEDERAL INTERESTS.—Section 211(d)(1) of the Water Resources Development Act of 1996 (33 U.S.C. 701b–13(d)(1)) is amended—*

*(1) by striking ''(b) or'';*

*(2) by striking ''Any non-Federal'' and inserting the following:*

*''(A) STUDIES AND DESIGN ACTIVITIES UNDER SUBSECTION (b).—A non-Federal interest may only carry out construction for which studies and design documents are prepared under subsection (b) if the Secretary approves such construction. The Secretary shall approve such construction unless the Secretary determines, in writing, that the design documents do not meet standard practices for design methodologies or that the project is not economically justified or environmentally acceptable or does not meet the requirements for obtaining the appropriate permits required under the Secretary's authority. The Secretary shall not unreasonably withhold approval. Nothing in this subparagraph may be construed to affect any regulatory authority of the Secretary.*

*''(B) STUDIES AND DESIGN ACTIVITIES UNDER SUBSECTION (c).—Any non-Federal''; and*

*(3) by aligning the remainder of subparagraph (B) (as designated by paragraph (2) of this subsection) with subparagraph (A) (as inserted by paragraph (2) of this subsection).*

*(b) CONFORMING AMENDMENT.—Section 211(d)(2) of such Act is amended by inserting ''(other than paragraph (1)(A))'' after ''this subsection''.*

*(c) REIMBURSEMENT.—*

*(1) IN GENERAL.—Section 211(e)(1) of such Act is amended—*

*(A) in the matter preceding subparagraph (1) by inserting after ''constructed pursuant to this section'' the following: ''and provide credit for the non-Federal share of the project'';*

*(B) by striking ''and'' at the end of subparagraph (A);*

*(C) by striking the period at the end of subparagraph (B) and inserting ''; and''; and*

*(D) by adding at the end the following:*

*''(C) if the construction work is reasonably equivalent to Federal construction work.''.*

*(2) SPECIAL RULES.—Section 211(e)(2)(A) of such Act is amended—*

*(A) by striking ''subject to amounts being made available in advance in appropriations Acts'' and inserting ''subject to appropriations''; and*

*(B) by inserting after ''the cost of such work'' the following: '', or provide credit (depending on the request of the non-Federal interest) for the non-Federal share of such work,''.*

*(3) SCHEDULE AND MANNER OF REIMBURSEMENTS.—Section 211(e) of such Act (33 U.S.C. 701b–13(e)) is amended by adding at the end the following:*

*''(6) SCHEDULE AND MANNER OF REIMBURSEMENT.—*

*''(A) BUDGETING.—The Secretary shall budget and request appropriations for reimbursements under this section on a schedule that is consistent with a Federal construction schedule.*

*''(B) COMMENCEMENT OF REIMBURSEMENTS.—Reimbursements under this section may commence upon approval of a project by the Secretary.*

*''(C) CREDIT.—At the request of a non-Federal interest, the Secretary may reimburse the non-Federal interest by providing credit toward future non-Federal costs of the project.*

*''(D) SCHEDULING.—Nothing in this paragraph shall affect the President's discretion to schedule new construction starts.''.*

***SEC. 225. ENHANCEMENT OF FISH AND WILDLIFE RESOURCES.***

*Section 906(e) of the Water Resources Development Act of 1986 (33 U.S.C. 2283(e)) is amended*

by inserting after the second sentence the following: ''Not more than 80 percent of the non-Federal share of such first costs may be satisfied through in-kind contributions, including facilities, supplies, and services that are necessary to carry out the enhancement project.''.

**SEC. 226. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.**

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under this Act should be American made.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary, to the greatest extent practicable, shall provide to each recipient of the assistance a notice describing the statement made in subsection (a).

**SEC. 227. PERIODIC BEACH NOURISHMENT.**

(a) IN GENERAL.—Section 506(a) of the Water Resources Development Act of 1996 (110 Stat. 3757) is amended by adding at the end the following:

''(5) LEE COUNTY, FLORIDA.—Project for shoreline protection, Lee County, Captiva Island segment, Florida.''.

(b) PROJECTS.—Section 506(b)(3) of such Act (110 Stat. 3758) is amended by striking subparagraph (A) and redesignating subparagraphs (B) through (D) as subparagraphs (A) through (C), respectively.

**SEC. 228. ENVIRONMENTAL DREDGING.**

Section 312 of the Water Resources Development Act of 1990 (104 Stat. 4639–4640) is amended—

(1) in subsection (b)(1) by striking ''50'' and inserting ''35''; and

(2) in subsection (d) by striking ''non-Federal responsibility'' and inserting ''shared as a cost of construction''.

## TITLE III—PROJECT-RELATED PROVISIONS

**SEC. 301. MISSOURI RIVER LEVEE SYSTEM.**

The project for flood control, Missouri River Levee System, authorized by section 10 of the Act entitled ''An Act authorizing the construction of certain public works on rivers and harbors for flood control, and other purposes'', approved December 22, 1944 (58 Stat. 897), is modified to provide that project costs totaling $2,616,000 expended on Units L–15, L–246, and L–385 out of the Construction, General account of the Corps of Engineers before the date of enactment of the Water Resources Development Act of 1986 (33 U.S.C. 2201 note) shall not be treated as part of total project costs.

**SEC. 302. OUZINKIE HARBOR, ALASKA.**

(a) MAXIMUM FEDERAL EXPENDITURE.—The maximum amount of Federal funds that may be expended for the project for navigation, Ouzinkie Harbor, Alaska, shall be $8,500,000.

(b) REVISION OF PROJECT COOPERATION AGREEMENT.—The Secretary shall revise the project cooperation agreement for the project referred to in subsection (a) to take into account the change in the Federal participation in such project pursuant to subsection (a).

(c) COST SHARING.—Nothing in this section shall be construed to affect any cost-sharing requirement applicable to the project referred to in subsection (a) under the Water Resources Development Act of 1986.

**SEC. 303. GREERS FERRY LAKE, ARKANSAS.**

The project for flood control, Greers Ferry Lake, Arkansas, authorized by the Act entitled ''An Act authorizing the construction of certain public works on rivers and harbors for flood control, and other purposes'', approved June 28, 1938 (52 Stat. 1218), is modified to authorize the Secretary to construct water intake facilities for the benefit of Lonoke and White Counties, Arkansas.

**SEC. 304. TEN- AND FIFTEEN-MILE BAYOUS, ARKANSAS.**

The project for flood control, St. Francis River Basin, Missouri and Arkansas, authorized by section 204 of the Flood Control Act of 1950 (64 Stat. 172), is modified to expand the project boundaries to include Ten- and Fifteen-Mile Bayous near West Memphis, Arkansas. Notwithstanding section 103(f) of the Water Resources Development Act of 1986 (100 Stat. 4086), the flood control work at Ten- and Fifteen-Mile Bayous shall not be considered separable elements of the St. Francis Basin project.

**SEC. 305. LOGGY BAYOU, RED RIVER BELOW DENISON DAM, ARKANSAS, LOUISIANA, OKLAHOMA, AND TEXAS.**

The project for flood control on the Red River Below Denison Dam, Arkansas, Louisiana, Oklahoma, and Texas, authorized by section 10 of the Flood Control Act of 1946 (60 Stat. 647), is modified to direct the Secretary to conduct a study to determine the feasibility of expanding the project to include mile 0.0 to mile 7.8 of Loggy Bayou between the Red River and Flat River. If the Secretary determines as a result of the study that the project should be expanded, the Secretary may assume responsibility for operation and maintenance of the expanded project.

**SEC. 306. SACRAMENTO RIVER, GLENN-COLUSA, CALIFORNIA.**

(a) IN GENERAL.—The project for flood control, Sacramento River, California, authorized by section 2 of the Act entitled ''An Act to provide for the control of the floods of the Mississippi River and of the Sacramento River, California, and for other purposes'', approved March 1, 1917 (39 Stat. 949), and modified by section 102 of the Energy and Water Development Appropriations Act, 1990 (103 Stat. 649), section 301(b)(3) of the Water Resources Development Act of 1996 (110 Stat. 3110), and title I of the Energy and Water Development Appropriations Act, 1999 (112 Stat. 1841), is further modified to authorize the Secretary—

(1) to carry out the portion of the project at Glenn-Colusa, California, at a total cost of $26,000,000, with an estimated Federal cost of $20,000,000 and an estimated non-Federal cost of $6,000,000; and

(2) to carry out bank stabilization work in the vicinity of the riverbed gradient facility, particularly in the vicinity of River Mile 208.

(b) CREDIT.—The Secretary shall provide the non-Federal interests for the project referred to in subsection (a) a credit of up to $4,000,000 toward the non-Federal share of the project costs for the direct and indirect costs incurred by the non-Federal sponsor in carrying out activities associated with environmental compliance for the project. Such credit may be in the form of reimbursements for costs which were incurred by the non-Federal interests prior to an agreement with the Corps of Engineers, to include the value of lands, easements, rights-of-way, relocations, or dredged material disposal areas.

**SEC. 307. SAN LORENZO RIVER, CALIFORNIA.**

The project for flood control and habitat restoration, San Lorenzo River, California, authorized by section 101(a)(5) of the Water Resources Development Act of 1996 (110 Stat. 3663), is modified to authorize the Secretary to expand the boundaries of the project to include bank stabilization for a 1,000-foot portion of the San Lorenzo River.

**SEC. 308. TERMINUS DAM, KAWEAH RIVER, CALIFORNIA.**

(a) TRANSFER OF TITLE TO ADDITIONAL LAND.—If the non-Federal interests for the project for flood control and water supply, Terminus Dam, Kaweah River, California, authorized by section 101(b)(5) of the Water Resources Development Act of 1996 (110 Stat. 3667), transfers to the Secretary without consideration title to perimeter lands acquired for the project by the non-Federal interests, the Secretary may accept the transfer of such title.

(b) LANDS, EASEMENT, AND RIGHTS-OF-WAY.—Nothing in this section shall be construed to change, modify, or otherwise affect the responsibility of the non-Federal interests to provide lands, easements, rights-of-way, relocations, and dredged material disposal areas necessary for the Terminus Dam project and to perform operation and maintenance for the project.

(c) OPERATION AND MAINTENANCE.—Upon request by the non-Federal interests, the Secretary shall carry out operation, maintenance, repair, replacement, and rehabilitation of the project if the non-Federal interests enter into a binding agreement with the Secretary to reimburse the Secretary for 100 percent of the costs of such operation, maintenance, repair, replacement, and rehabilitation.

(d) HOLD HARMLESS.—The non-Federal interests shall hold the United States harmless for ownership, operation, and maintenance of lands and facilities of the Terminus Dam project title to which is transferred to the Secretary under this section.

**SEC. 309. DELAWARE RIVER MAINSTEM AND CHANNEL DEEPENING, DELAWARE, NEW JERSEY, AND PENNSYLVANIA.**

The project for navigation, Delaware River Mainstem and Channel Deepening, Delaware, New Jersey and Pennsylvania, authorized by section 101(6) of the Water Resources Development Act of 1992 (106 Stat. 4802), is modified as follows:

(1) The Secretary is authorized to provide non-Federal interests credit toward cash contributions required for construction and subsequent to construction for engineering and design and construction management work that is performed by non-Federal interests and that the Secretary determines is necessary to implement the project. Any such credits extended shall reduce the Philadelphia District's private sector performance goals for engineering work by a like amount.

(2) The Secretary is authorized to provide to non-Federal interests credit toward cash contributions required during construction and subsequent to construction for the costs of construction carried out by the non-Federal interest on behalf of the Secretary and that the Secretary determines is necessary to implement the project.

(3) The Secretary is authorized to enter into an agreement with a non-Federal interest for the payment of disposal or tipping fees for dredged material from a Federal project other than for the construction or operation and maintenance of the new deepening project as described in the Limited Reevaluation Report of May 1997, where the non-Federal interest has supplied the corresponding disposal capacity.

(4) The Secretary is authorized to enter into an agreement with a non-Federal interest that will provide that the non-Federal interest may carry out or cause to have carried out, on behalf of the Secretary, a disposal area management program for dredged material disposal areas necessary to construct, operate, and maintain the project and to authorize the Secretary to reimburse the non-Federal interest for the costs of the disposal area management program activities carried out by the non-Federal interest.

**SEC. 310. POTOMAC RIVER, WASHINGTON, DISTRICT OF COLUMBIA.**

The project for flood control authorized by section 5 of the Flood Control Act of June 22, 1936 (69 Stat. 1574), as modified by section 301(a)(4) of the Water Resources Development Act of 1996 (110 Stat. 3707), is further modified to authorize the Secretary to construct the project at a Federal cost of $5,965,000.

***SEC. 311. BREVARD COUNTY, FLORIDA.***

*(a) STUDY.—The Secretary, in cooperation with the non-Federal interest, shall conduct a study of any damage to the project for shoreline protection, Brevard County, Florida, authorized by section 101(b)(7) of the Water Resources Development Act of 1996 (110 Stat. 3667), to determine whether the damage is the result of a Federal navigation project.*

*(b) CONDITIONS.—In conducting the study, the Secretary shall utilize the services of an independent coastal expert who shall consider all relevant studies completed by the Corps of Engineers and the project's local sponsor. The study shall be completed within 120 days of the date of enactment of this Act.*

*(c) MITIGATION OF DAMAGES.—After completion of the study, the Secretary shall mitigate any damage to the shoreline protection project that is the result of a Federal navigation project. The costs of the mitigation shall be allocated to the Federal navigation project as operation and maintenance.*

***SEC. 312. BROWARD COUNTY AND HILLSBORO INLET, FLORIDA.***

*The project for shoreline protection, Broward County and Hillsboro Inlet, Florida, authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1090), is modified to authorize the Secretary to reimburse the non-Federal interest for the Federal share of the cost of preconstruction planning and design for the project upon execution of a contract to construct the project if the Secretary determines such work is compatible with and integral to the project.*

***SEC. 313. FORT PIERCE, FLORIDA.***

*(a) IN GENERAL.—The project for shore protection and harbor mitigation, Fort Pierce, Florida, authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1092) and section 506(a)(2) of the Water Resources Development Act of 1996 (110 Stat. 3757), is modified to incorporate an additional 1 mile into the project in accordance with a final approved General Reevaluation Report, at a total cost for initial nourishment for the entire project of $9,128,000, with an estimated Federal cost of $7,073,500 and an estimated non-Federal cost of $2,054,500.*

*(b) PERIOD NOURISHMENT.—Periodic nourishment is authorized for the project in accordance with section 506(a)(2) of Water Resources Development Act of 1996 (110 Stat. 3757).*

*(c) REVISION OF THE PROJECT COOPERATION AGREEMENT.—The Secretary shall revise the project cooperation agreement for the project referred to in subsection (a) to take into account the change in Federal participation in the project pursuant to subsection (a).*

***SEC. 314. NASSAU COUNTY, FLORIDA.***

*The project for beach erosion control, Nassau County (Amelia fIsland), Florida, authorized by section 3(a)(3) of the Water Resources Development Act of 1988 (102 Stat. 4013), is modified to authorize the Secretary to construct the project at a total cost of $17,000,000, with an estimated Federal cost of $13,300,000 and an estimated non-Federal cost of $3,700,000.*

***SEC. 315. MIAMI HARBOR CHANNEL, FLORIDA.***

*The project for navigation, Miami Harbor Channel, Florida, authorized by section 101(a)(9) of the Water Resources Development Act of 1990 (104 Stat. 4606), is modified to include construction of artificial reefs and related environmental mitigation required by Federal, State, and local environmental permitting agencies for the project.*

***SEC. 316. LAKE MICHIGAN, ILLINOIS.***

*The project for storm damage reduction and shoreline erosion protection, Lake Michigan, Illinois, from Wilmette, Illinois, to the Illinois-Indiana State line, authorized by section 101(a)(12) of the Water Resources Development Act of 1996 (110 Stat. 3664), is modified to authorize the Secretary to provide a credit against the non-Federal share of the cost of the project for costs incurred by the non-Federal interest—*

*(1) in constructing Reach 2D and Segment 8 of Reach 4 of the project; and*

*(2) in reconstructing Solidarity Drive in Chicago, Illinois, prior to entry into a project cooperation agreement with the Secretary.*

***SEC. 317. SPRINGFIELD, ILLINOIS.***

*Section 417 of the Water Resources Development Act of 1996 (110 Stat. 3743) is amended—*

*(1) by inserting ''(a) IN GENERAL.—'' before ''The Secretary''; and*

*(2) by adding at the end the following:*

*''(b) COST SHARING.—The non-Federal share of assistance provided under this section before, on, or after the date of enactment of this subsection shall be 50 percent.''.*

***SEC. 318. LITTLE CALUMET RIVER, INDIANA.***

*The project for flood control, Little Calumet River, Indiana, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4115), is modified to authorize the Secretary to construct the project substantially in accordance with the report of the Corps of Engineers, at a total cost of $167,000,000, with an estimated Federal cost of $122,000,000 and an estimated non-Federal cost of $45,000,000.*

***SEC. 319. OGDEN DUNES, INDIANA.***

*(a) STUDY.—The Secretary shall conduct a study of beach erosion in and around the town of Ogden Dunes, Indiana, to determine whether the damage is the result of a Federal navigation project.*

*(b) MITIGATION OF DAMAGES.—After completion of the study, the Secretary shall mitigate any damage to the beach and shoreline that is the result of a Federal navigation project. The cost of the mitigation shall be allocated to the Federal navigation project as operation and maintenance.*

***SEC. 320. SAINT JOSEPH RIVER, SOUTH BEND, INDIANA.***

*(a) MAXIMUM TOTAL EXPENDITURE.—The maximum total expenditure for the project for streambank erosion, recreation, and pedestrian access features, Saint Joseph River, South Bend, Indiana, shall be $7,800,000.*

*(b) REVISION OF PROJECT COOPERATION AGREEMENT.—The Secretary shall revise the project cooperation agreement for the project referred to in subsection (a) to take into account the change in the Federal participation in such project pursuant to subsection (a).*

*(c) COST SHARING.—Nothing in this section shall be construed to affect any cost-sharing requirement applicable to the project referred to in subsection (a) under title I of the Water Resources Development Act of 1986 (33 U.S.C. 2211 et seq.).*

***SEC. 321. WHITE RIVER, INDIANA.***

*The project for flood control, Indianapolis on West Fork of the White River, Indiana, authorized by section 5 of the Act entitled ''An Act authorizing the construction of certain public works on rivers and harbors for flood control, and other purposes'', approved June 22, 1936 (49 Stat. 1586), and modified by section 323 of the Water Resources Development Act of 1996 (110 Stat. 3716), is further modified to authorize the Secretary to undertake riverfront alterations as described in the Central Indianapolis Waterfront Concept Master Plan, dated February 1994, at a total cost of $110,975,000, with an estimated Federal cost of $52,475,000 and an estimated non-Federal cost of $58,500,000.*

***SEC. 322. LAKE PONTCHARTRAIN, LOUISIANA.***

*The project for hurricane-flood protection, Lake Pontchartrain, Louisiana, authorized by section 204 of the Flood Control Act of 1965 (79 Stat. 1077), is modified—*

*(1) to direct the Secretary to conduct a study to determine the feasibility of constructing a pump adjacent to each of the 4 proposed drainage structures for the Saint Charles Parish feature of the project; and*

*(2) to authorize the Secretary to construct such pumps upon completion of the study.*

***SEC. 323. LAROSE TO GOLDEN MEADOW, LOUISIANA.***

*The project for hurricane protection Larose to Golden Meadow, Louisiana, authorized by section 204 of the Flood Control Act of 1965 (79 Stat. 1077), is modified to direct the Secretary to convert the Golden Meadow floodgate into a navigation lock if the Secretary determines that the conversion is feasible.*

***SEC. 324. LOUISIANA STATE PENITENTIARY LEVEE, LOUISIANA.***

*The Louisiana State Penitentiary Levee project, Louisiana, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4117), is modified to direct the Secretary to provide credit to the non-Federal interest toward the non-Federal share of the cost of the project. The credit shall be for cost of work performed by the non-Federal interest prior to the execution of a project cooperation agreement as determined by the Secretary to be compatible with and an integral part of the project.*

***SEC. 325. TWELVE-MILE BAYOU, CADDO PARISH, LOUISIANA.***

*The Secretary shall be responsible for maintenance of the levee along Twelve-Mile Bayou from its junction with the existing Red River Below Denison Dam Levee approximately 26 miles upstream to its terminus at high ground in the vicinity of Black Bayou, Caddo Parish, Louisiana, if the Secretary determines that such maintenance is economically justified and environmentally acceptable and that the levee was constructed in accordance with appropriate design and engineering standards.*

***SEC. 326. WEST BANK OF THE MISSISSIPPI RIVER (EAST OF HARVEY CANAL), LOUISIANA.***

*(a) IN GENERAL.—The project for flood control and storm damage reduction, West Bank of the Mississippi River (East of Harvey Canal), Louisiana, authorized by section 401(b) of the Water Resources Development Act of 1986 (100 Stat. 4128) and section 101(a)(17) of the Water Resources Development Act of 1996 (110 Stat. 3665), is modified—*

*(1) to provide that any liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) from the construction of the project is a Federal responsibility; and*

*(2) to authorize the Secretary to carry out operation and maintenance of that portion of the project included in the report of the Chief of Engineers, dated May 1, 1995, referred to as ''Algiers Channel'', if the non-Federal sponsor reimburses the Secretary for the amount of such operation and maintenance included in the report of the Chief of Engineers.*

*(b) COMBINATION OF PROJECTS.—The Secretary shall carry out work authorized as part of the Westwego to Harvey Canal project, the East of Harvey cannal project, and the Lake Cataouatche modifications as a single project, to be known as the West Bank and vicinity, New Orleans, Louisiana, hurricane protection project, with a combined total cost of $280,300,000.*

***SEC. 327. TOLCHESTER CHANNEL, BALTIMORE HARBOR AND CHANNELS, CHESAPEAKE BAY, KENT COUNTY, MARYLAND.***

*The project for navigation, Tolchester Channel, Baltimore Harbor and Channels, Chesapeake Bay, Kent County, Maryland, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 297), is modified to authorize the Secretary to straighten the navigation channel in accordance with the District Engineer's Navigation Assessment Report and Environmental*

*Assessment, dated April 30, 1997. This modification shall be carried out in order to improve navigation safety.*

***SEC. 328. SAULT SAINTE MARIE, CHIPPEWA COUNTY, MICHIGAN.***

*The project for navigation Sault Sainte Marie, Chippewa County, Michigan, authorized by section 1149 of the Water Resources Development Act of 1986 (100 Stat. 4254–4255) and modified by section 330 of the Water Resources Development Act of 1996 (110 Stat. 3717–3718), is further modified to provide that the amount to be paid by non-Federal interests pursuant to section 101(a) of the Water Resources Development Act of 1986 (33 U.S.C. 2211(a)) and subsection (a) of such section 330 shall not include any interest payments.*

***SEC. 329. JACKSON COUNTY, MISSISSIPPI.***

*The project for environmental infrastructure, Jackson County, Mississippi, authorized by section 219(c)(5) of the Water Resources Development Act of 1992 (106 Stat. 4835) and modified by section 504 of the Water Resources Development Act of 1996 (110 Stat. 3757), is further modified to direct the Secretary to provide a credit, not to exceed $5,000,000, against the non-Federal share of the cost of the project for the costs incurred by the Jackson County Board of Supervisors since February 8, 1994, in constructing the project if the Secretary determines that such costs are for work that the Secretary determines is compatible with and integral to the project.*

***SEC. 330. TUNICA LAKE, MISSISSIPPI.***

*The project for flood control, Mississippi River Channel Improvement Project, Tunica Lake, Mississippi, authorized by the Act entitled: ''An Act for the control of floods on the Mississippi River and its tributaries, and for other purposes'', approved May 15, 1928 (45 Stat. 534–538), is modified to include construction of a weir at the Tunica Cutoff, Mississippi.*

***SEC. 331. BOIS BRULE DRAINAGE AND LEVEE DISTRICT, MISSOURI.***

*(a) MAXIMUM FEDERAL EXPENDITURE.—The maximum amount of Federal funds that may be allocated for the project for flood control, Bois Brule Drainage and Levee District, Missouri, authorized pursuant to section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s), shall be $15,000,000.*

*(b) REVISION OF THE PROJECT COOPERATION AGREEMENT.—The Secretary shall revise the project cooperation agreement for the project referred to in subsection (a) to take into account the change in Federal participation in the project pursuant to subsection (a).*

*(c) COST SHARING.—Nothing in this section shall be construed to affect any cost-sharing requirement applicable to the project referred to in subsection (a) under title I of the Water Resources Development Act of 1986 (33 U.S.C. 2211 et seq.).*

***SEC. 332. MERAMEC RIVER BASIN, VALLEY PARK LEVEE, MISSOURI.***

*The project for flood control, Meramec River Basin, Valley Park Levee, Missouri, authorized by section 2(h) of an Act entitled ''An Act to deauthorize several projects within the jurisdiction of the Army Corps of Engineers'' (95 Stat. 1682–1683) and modified by section 1128 of the Water Resources Development Act of 1986, (100 Stat. 4246), is further modified to authorize the Secretary to construct the project at a maximum Federal expenditure of $35,000,000.*

***SEC. 333. MISSOURI RIVER MITIGATION PROJECT, MISSOURI, KANSAS, IOWA, AND NEBRASKA.***

*(a) IN GENERAL.—The project for mitigation of fish and wildlife losses, Missouri River Bank Stabilization and Navigation Project, Missouri, Kansas, Iowa, and Nebraska, authorized by section 601 of the Water Resources Development Act of 1986 (100 Stat. 4143), is modified to increase by 118,650 acres the lands and interests in lands to be acquired for the project.*

*(b) STUDY.—*

*(1) IN GENERAL.—The Secretary, in conjunction with the States of Nebraska, Iowa, Kansas, and Missouri, shall conduct a study to determine the cost of restoring, under the authority of the Missouri River fish and wildlife mitigation project, a total of 118,650 acres of lost Missouri River habitat.*

*(2) REPORT.—The Secretary shall report to Congress on the results of the study not later than 6 months after the date of enactment of this Act.*

***SEC. 334. WOOD RIVER, GRAND ISLAND, NEBRASKA.***

*The project for flood control, Wood River, Grand Island, Nebraska, authorized by section 101(a)(19) of the Water Resources Development Act of 1996 (110 Stat. 3665), is modified to authorize the Secretary to construct the project substantially in accordance with the report of the Corps of Engineers dated June 29, 1998, at a total cost of $17,039,000, with an estimated Federal cost of $9,730,000 and an estimated non-Federal cost of $7,309,000.*

***SEC. 335. ABSECON ISLAND, NEW JERSEY.***

*The project for storm damage reduction and shoreline protection, Brigantine Inlet to Great Egg Harbor Inlet, Absecon Island, New Jersey, authorized by section 101(b)(13) of the Water Resources Development Act of 1996 (110 Stat. 3668), is modified to provide that, if, after October 12, 1996, the non-Federal interests carry out any work associated with the project that is later recommended by the Chief of Engineers and approved by the Secretary, the Secretary may credit the non-Federal interests toward the non-Federal share of the cost of the project an amount equal to the Federal share of the cost of such work, without interest.*

***SEC. 336. NEW YORK HARBOR AND ADJACENT CHANNELS, PORT JERSEY, NEW JERSEY***

*The project for navigation, New York Harbor and Adjacent Channels, New York and New Jersey, authorized by section 202(b) of the Water Resources Development Act of 1986 (100 Stat. 4098), is modified to authorize the Secretary to construct that portion of the project that is located between Military Ocean Terminal Bayonne and Global Terminal in Bayonne, New Jersey, substantially in accordance with the report of the Corps of Engineers, at a total cost of $103,267,000, with an estimated Federal cost of $76,909,000 and an estimated non-Federal cost of $26,358,000.*

***SEC. 337. PASSAIC RIVER, NEW JERSEY.***

*Section 101(a)(18)(B) of the Water Resources Development Act of 1990 (104 Stat. 4608–4609) is amended by inserting '', including an esplanade for safe pedestrian access with an overall width of 600 feet'' after ''public access to Route 21''.*

***SEC. 338. SANDY HOOK TO BARNEGAT INLET, NEW JERSEY.***

*The project for shoreline protection, Sandy Hook to Barnegat Inlet, New Jersey, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 299), is modified—*

*(1) to include the demolition of Long Branch pier and extension of Ocean Grove pier; and*

*(2) to authorize the Secretary to reimburse the non-Federal sponsor for the Federal share of costs associated with the demolition of Long Branch pier and the construction of the Ocean Grove pier.*

***SEC. 339. ARTHUR KILL, NEW YORK AND NEW JERSEY.***

*The project for navigation, Arthur Kill, New York and New Jersey, authorized by section 202(b) of the Water Resources Development Act of 1986 (100 Stat. 4098) and modified by section 301(b)(11) of the Water Resources Development Act of 1996 (110 Stat. 3711), is further modified to authorize the Secretary to construct the portion of the project at Howland Hook Marine Terminal substantially in accordance with the report of the Corps of Engineers, dated September 30, 1998, at a total cost of $315,700,000, with an estimated Federal cost of $183,200,000 and an estimated non-Federal cost of $132,500,000.*

***SEC. 340. NEW YORK CITY WATERSHED.***

*Section 552(i) of the Water Resources Development Act of 1996 (110 Stat. 3781) is amended by striking ''$22,500,000'' and inserting ''$42,500,000''.*

***SEC. 341. NEW YORK STATE CANAL SYSTEM.***

*Section 553(e) of the Water Resources Development Act of 1996 (110 Stat. 3781) is amended by striking ''$8,000,000'' and inserting ''$18,000,000''.*

***SEC. 342. FIRE ISLAND INLET TO MONTAUK POINT, NEW YORK.***

*The project for combined beach erosion control and hurricane protection, Fire Island Inlet to Montauk Point, Long Island, New York, authorized by the River and Harbor Act of 1960 (74 Stat. 483) and modified by the River and Harbor Act of 1962, the Water Resources Development Act of 1974, and the Water Resources Development Act of 1986, is further modified to direct the Secretary, in coordination with the heads of other Federal departments and agencies, to complete all procedures and reviews expeditiously and to adopt and transmit to Congress not later than June 30, 1999, a mutually acceptable shore erosion plan for the Fire Island Inlet to Moriches Inlet reach of the project.*

***SEC. 343. BROKEN BOW LAKE, RED RIVER BASIN, OKLAHOMA.***

*The project for flood control and water supply, Broken Bow Lake, Red River Basin, Oklahoma, authorized by section 203 of the Flood Control Act of 1958 (72 Stat. 309) and modified by section 203 of the Flood Control Act of 1962 (76 Stat. 1187), section 102(v) of the Water Resources Development Act of 1992 (106 Stat. 4808), and section 338 of the Water Resources Development Act of 1996 (110 Stat. 3720), is further modified to require the Secretary to make seasonal adjustments to the top of the conservation pool at the project as follows (if the Secretary determines that the adjustments will be undertaken at no cost to the United States and will adequately protect impacted water and related resources):*

*(1) Maintain an elevation of 599.5 from November 1 through March 31.*

*(2) Increase elevation gradually from 599.5 to 602.5 during April and May.*

(3) Maintain an elevation of 602.5 from June 1 to September 30.

(4) Decrease elevation gradually from 602.5 to 599.5 during October.

***SEC. 344. WILLAMETTE RIVER TEMPERATURE CONTROL, MCKENZIE SUBBASIN, OREGON.***

*(a) IN GENERAL.—The project for environmental restoration, Willamette River Temperature Control, McKenzie Subbasin, Oregon, authorized by section 101(a)(25) of the Water Resources Development Act of 1996 (110 Stat. 3665), is modified to authorize the Secretary to construct the project substantially in accordance with the Feature Memorandum dated July 31, 1998, at a total cost of $64,741,000.*

*(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary shall report to Congress on the reasons for the cost growth of the Willamette River project and outline the steps the Corps of Engineers is taking to control project costs, including the application of value engineering and other appropriate measures. In the report, the Secretary shall also include a cost estimate for, and recommendations on the advisability of, adding fish screens to the project.*

***SEC. 345. AYLESWORTH CREEK RESERVOIR, PENNSYLVANIA.***

*The project for flood control, Aylesworth Creek Reservoir, Pennsylvania, authorized by section 203 of the Flood Control Act of 1962 (76 Stat. 1182), is modified to authorize the Secretary to transfer, in each of fiscal years 1999 and 2000, $50,000 to the Aylesworth Creek Reservoir Park Authority for recreational facilities.*

***SEC. 346. CURWENSVILLE LAKE, PENNSYLVANIA.***

*Section 562 of the Water Resources Development Act of 1996 (110 Stat. 3784) is amended by adding at the end the following: ''The Secretary shall provide design and construction assistance for recreational facilities at Curwensville Lake and, when appropriate, may require the non-Federal interest to provide not more than 25 percent of the cost of designing and constructing such facilities. The Secretary may transfer, in each of fiscal years 1999 through 2003, $100,000 to the Clearfield County Municipal Services and Recreation Authority for recreational facilities.''.*

***SEC. 347. DELAWARE RIVER, PENNSYLVANIA AND DELAWARE.***

*The project for navigation, Delaware River, Philadelphia to Wilmington, Pennsylvania and Delaware, authorized by section 3(a)(12) of the Water Resources Development Act of 1988 (102 Stat. 4014), is modified to authorize the Secretary to extend the channel of the Delaware River at Camden, New Jersey, to within 150 feet of the existing bulkhead and to relocate the 40-foot deep Federal navigation channel, eastward within Philadelphia Harbor, from the Ben Franklin Bridge to the Walt Whitman Bridge, into deep water.*

***SEC. 348. MUSSERS DAM, PENNSYLVANIA.***

*Section 209 of the Water Resources Development Act of 1992 (106 Stat. 4830) is amended by striking subsection (e) and redesignating subsection (f) as subsection (e).*

***SEC. 349. NINE-MILE RUN, ALLEGHENY COUNTY, PENNSYLVANIA.***

*The Nine-Mile Run project, Allegheny County, Pennsylvania, carried out pursuant to section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330; 110 Stat. 3679–3680), is modified to authorize the Secretary to provide a credit toward the non-Federal share of the project for costs incurred by the non-Federal interest in preparing environmental and feasibility documentation for the project before entering into an agreement with the Corps of Engineers with respect to the project if the Secretary determines such costs are for work that is compatible with and integral to the project.*

***SEC. 350. RAYSTOWN LAKE, PENNSYLVANIA.***

*(a) RECREATION PARTNERSHIP INITIATIVE.—Section 519(b) of the Water Resources Development Act of 1996 (110 Stat. 3765) is amended—*

*(1) by redesignating paragraph (3) as paragraph (4); and*

*(2) by inserting after paragraph (2) the following:*

*''(3) ENGINEERING AND DESIGN SERVICES.—The Secretary may perform, at full Federal expense, engineering and design services for project infrastructure expected to be associated with the development of the site at Raystown Lake, Hesston, Pennsylvania.''.*

*(b) CONSTRUCTION ASSISTANCE.—*

*(1) IN GENERAL.—Consistent with the master plan described in section 318 of the Water Resources Development Act of 1992 (106 Stat. 4848), the Secretary may provide a grant to Juniata College for the construction of facilities and structures at Raystown Lake, Pennsylvania, to interpret and understand environmental conditions and trends. As a condition of the receipt of such financial assistance, officials at Juniata College shall coordinate with the Baltimore District of the Army Corps of Engineers.*

*(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $5,000,000 for fiscal years beginning after September 30, 1998, to carry out this subsection.*

***SEC. 351. SOUTH CENTRAL PENNSYLVANIA.***

*Section 313(g)(1) of the Water Resources Development Act of 1992 (106 Stat. 4846) is amended by striking ''$80,000,000'' and inserting ''$180,000,000''.*

***SEC. 352. COOPER RIVER, CHARLESTON HARBOR, SOUTH CAROLINA.***

*The project for rediversion, Cooper River, Charleston Harbor, South Carolina, authorized by section 101 of the River and Harbor Act of 1968 (82 Stat. 731) and modified by title I of the Energy and Water Development Appropriations Act, 1992 (105 Stat. 516), is further modified to authorize the Secretary to pay to the State of South Carolina not more than $3,750,000 if the Secretary and the State enter into a binding agreement for the State to perform all future operation of, including associated studies to assess the efficacy of, the St. Stephen, South Carolina, fish lift. The agreement must specify the terms and conditions under which payment will be made and the rights of, and remedies available to, the Federal Government to recover all or a portion of such payment in the event the State suspends or terminates operation of the fish lift or fails to operate the fish lift in a manner satisfactory to the Secretary. Maintenance of the fish lift shall remain a Federal responsibility.*

***SEC. 353. BOWIE COUNTY LEVEE, TEXAS.***

*The project for flood control, Red River Below Denison Dam, Texas and Oklahoma, authorized by section 10 of the Flood Control Act of 1946 (60 Stat. 647), is modified to direct the Secretary to implement the Bowie County Levee feature of the project in accordance with the plan defined as Alternative B in the draft document entitled ''Bowie County Local Flood Protection, Red River, Texas Project Design Memorandum No. 1, Bowie County Levee'', dated April 1997. In evaluating and implementing this modification, the Secretary shall allow the non-Federal interest to participate in the financing of the project in accordance with section 903(c) of the Water Resources Development Act of 1986 (100 Stat. 4184) to the extent that the Secretary's evaluation indicates that applying such section is necessary to implement the project.*

***SEC. 354. CLEAR CREEK, TEXAS.***

*Section 575 of the Water Resources Development Act of 1996 (110 Stat. 3789) is amended by adding at the end the following:*

*''(c) CLEAR CREEK, TEXAS.—In any evaluation of economic benefits and costs for the project for flood control, Clear Creek, Texas, authorized by section 203 of the Flood Control Act of 1968 (82 Stat. 742) that occurs after the date of enactment of this subsection, the Secretary shall include the costs and benefits of nonstructural measures undertaken, including any buyout or relocation actions, of non-Federal interests within the drainage area of such project before the date of the evaluation in the determination of conditions existing before the construction of the project.''.*

***SEC. 355. CYPRESS CREEK, TEXAS.***

*(a) IN GENERAL.—The project for flood control, Cypress Creek, Texas, authorized by section 3(a)(13) of the Water Resources Development Act of 1988 (102 Stat. 4014), is modified to authorize the Secretary to carry out a nonstructural flood control project at a total cost of $5,000,000.*

*(b) REIMBURSEMENT FOR WORK.—The Secretary may reimburse the non-Federal interest for the Cypress Creek project for work done by the non-Federal interest on the nonstructural flood control project in an amount equal to the estimate of the Federal share, without interest, of the cost of such work—*

*(1) if, after authorization and before initiation of construction of such nonstructural project, the Secretary approves the plans for construction of such nonstructural project by the non-Federal interest; and*

*(2) if the Secretary finds, after a review of studies and design documents prepared to carry out such nonstructural project, that construction of such nonstructural project is economically justified and environmentally acceptable.*

***SEC. 356. DALLAS FLOODWAY EXTENSION, DALLAS, TEXAS.***

*The project for flood control, Dallas Floodway Extension, Dallas, Texas, authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1091) and modified by section 351 of the Water Resources Development Act of 1996 (110 Stat. 3724), is further modified—*

*(1) to add environmental restoration and recreation as project purposes; and*

*(2) to authorize the Secretary to construct the project substantially in accordance with the Chain of Wetlands Plan in the report of the Corps of Engineers at a total cost of $123,200,000, with an estimated Federal cost of $80,000,000 and an estimated non-Federal cost of $43,200,000.*

***SEC. 357. UPPER JORDAN RIVER, UTAH.***

*The project for flood control, Upper Jordan River, Utah, authorized by section 101(a)(23) of the Water Resources Development Act of 1990 (104 Stat. 4610) and modified by section 301(a)(14) of the Water Resources Development Act of 1996 (110 Stat. 3709), is further modified to direct the Secretary to carry out the locally preferred project, entitled ''Upper Jordan River Flood Control Project, Salt Lake County, Utah—Supplemental Information'' and identified in the document of Salt Lake County, Utah, dated July 30, 1998, at a total cost of $12,870,000, with an estimated Federal cost of $8,580,000 and an estimated non-Federal cost of $4,290,000.*

***SEC. 358. ELIZABETH RIVER, CHESAPEAKE, VIRGINIA.***

*Notwithstanding any other provision of law, after September 30, 1999, the city of Chesapeake, Virginia, shall not be obligated to make the annual cash contribution required under paragraph 1(9) of the Local Cooperation Agreement dated December 12, 1978, between the Government and the city for the project for navigation, southern branch of Elizabeth River, Chesapeake, Virginia.*

***SEC. 359. BLUESTONE LAKE, OHIO RIVER BASIN, WEST VIRGINIA.***

*Section 102(ff) of the Water Resources Development Act of 1992 (106 Stat. 4810) is amended by striking ''take such measures as are technologically feasible'' and inserting ''implement Plan C/G, as defined in the Evaluation Report of the District Engineer, dated December 1996,''.*

***SEC. 360. GREENBRIER BASIN, WEST VIRGINIA.***

*Section 579(c) of the Water Resources Development Act of 1996 (110 Stat. 3790) is amended by striking ''$12,000,000'' and inserting ''$73,000,000.''*

***SEC. 361. MOOREFIELD, WEST VIRGINIA.***

*Effective October 1, 1999, the project for flood control, Moorefield, West Virginia, authorized by section 101(a)(25) of the Water Resources Development Act of 1990 (104 Stat. 4610-4611), is modified to provide that the non-Federal interest shall not be required to pay the unpaid balance, including interest, of the non-Federal share of the cost of the project.*

***SEC. 362. WEST VIRGINIA AND PENNSYLVANIA FLOOD CONTROL.***

*Section 581(a) of the Water Resources Development Act of 1996 (110 Stat. 3790) is amended to read as follows:*

*''(a) IN GENERAL.—The Secretary may design and construct—*

*''(1) flood control measures in the Cheat and Tygart River basins, West Virginia, at a level of protection that is sufficient to prevent any future losses to these communities from flooding*

*such as occurred in January 1996 but no less than a 100-year level of protection; and*

*''(2) structural and nonstructural flood control, streambank protection, stormwater management, and channel clearing and modification measures in the Lower Allegheny, Lower Monongahela, West Branch Susquehanna, and Juniata River basins, Pennsylvania, at a level of protection that is sufficient to prevent any future losses to communities in these basins from flooding such as occurred in January 1996, but no less than a 100-year level of flood protection with respect to those measures that incorporate levees or floodwalls.''.*

***SEC. 363. PROJECT REAUTHORIZATIONS.***

*(a) LEE CREEK, ARKANSAS AND OKLAHOMA.—The project for flood protection on Lee Creek, Arkansas and Oklahoma, authorized by section 204 of the Flood Control Act of 1965 (79 Stat. 1078) and deauthorized pursuant to section 1001(b)(1) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(1)), is authorized to be carried out by the Secretary.*

*(b) INDIAN RIVER COUNTY, FLORIDA.—The project for shore protection, Indian River County, Florida, authorized by section 501 of the Water Resources and Development Act of 1986 (100 Stat. 4134) and deauthorized pursuant to section 1001(b)(1) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(1)), is authorized to be carried out by the Secretary.*

*(c) LIDO KEY, FLORIDA.—The project for shore protection, Lido Key, Florida, authorized by section 101 of the River and Harbor Act of 1970 (84 Stat. 1819) and deauthorized pursuant to section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C 579a(b)(2)), is authorized to be carried out by the Secretary.*

*(d) ST. AUGUSTINE, ST. JOHNS COUNTY, FLORIDA.—*

*(1) IN GENERAL.—The project for shore protection and storm damage reduction, St. Augustine, St. Johns County, Florida, authorized by section 501 of the Water Resources Development Act of 1986 and deauthorized pursuant to section 1001(a) of such Act (33 U.S.C. 579a(a)), is authorized to include navigation mitigation as a project purpose and to be carried out by the Secretary substantially in accordance with the General Reevaluation Report dated November 18, 1998, at a total cost of $16,086,000, with an estimated Federal cost of $12,949,000 and an estimated non-Federal cost of $3,137,000.*

*(2) PERIODIC NOURISHMENT.—The Secretary is authorized to carry out periodic nourishment for the project for a 50-year period at an estimated average annual cost of $1,251,000, with an estimated annual Federal cost of $1,007,000 and an estimated annual non-Federal cost of $244,000.*

*(e) CASS RIVER, MICHIGAN (VASSAR).—The project for flood protection, Cass River, Michigan (Vassar), authorized by section 203 of the Flood Control Act of 1958 (72 Stat. 311) and deauthorized pursuant to section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)), is authorized to be carried out by the Secretary.*

*(f) SAGINAW RIVER, MICHIGAN (SHIAWASSEE FLATS).—The project for flood control, Saginaw River, Michigan (Shiawassee Flats), authorized by section 203 of the Flood Control Act of 1958 (72 Stat. 311) and deauthorized pursuant to section 1001(b)(2) of the Water Resources Development Act of 1986 (33 U.S.C. 579a(b)(2)), is authorized to be carried out by the Secretary.*

*(g) PARK RIVER, GRAFTON, NORTH DAKOTA.—The project for flood control, Park River, Grafton, North Dakota, authorized by section 401(a) of the Water Resources Development Act of 1986 (100 Stat. 4121) and deauthorized pursuant to section 1001(a) of such Act (33 U.S.C. 579a(a)), is authorized to be carried out by the Secretary.*

*(h) MEMPHIS HARBOR, MEMPHIS, TENNESSEE.—The project for navigation, Memphis Harbor, Memphis, Tennessee, authorized by section 601(a) of the Water Resources Development Act of 1986 (100 Stat. 4145) and deauthorized pursuant to 1001(a) of such Act (33 U.S.C 579a(a)), is authorized to be carried out by the Secretary.*

***SEC. 364. PROJECT DEAUTHORIZATIONS.***

*(a) IN GENERAL.—The following projects or portions of projects are not authorized after the date of enactment of this Act:*

*(1) BRIDGEPORT HARBOR, CONNECTICUT.—That portion of the project for navigation, Bridgeport Harbor, Connecticut, authorized by section 101 of the River and Harbor Act of 1958 (72 Stat. 297), consisting of a 2.4-acre anchorage area, 9 feet deep, and an adjacent 0.6-acre anchorage, 6 feet deep, located on the west side of Johnsons River.*

*(2) CLINTON HARBOR, CONNECTICUT.—That portion of the project for navigation, Clinton Harbor, Connecticut, authorized by the Rivers and Harbors Act of 1945, House Document 240, 76th Congress, 1st Session, lying upstream of a line designated by the 2 points N158,592.12, E660,193.92 and N158,444.58, E660,220.95.*

*(3) BASS HARBOR, MAINE.—The following portions of the project for navigation, Bass Harbor, Maine, authorized on May 7, 1962, under section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577):*

*(A) Beginning at a bend in the project, N149040.00, E538505.00, thence running easterly about 50.00 feet along the northern limit of the project to a point N149061.55, E538550.11, thence running southerly about 642.08 feet to a point, N14877.64, E538817.18, thence running southwesterly about 156.27 feet to a point on the westerly limit of the project, N148348.50, E538737.02, thence running northerly about 149.00 feet along the westerly limit of the project to a bend in the project, N148489.22, E538768.09, thence running northwesterly about 610.39 feet along the westerly limit of the project to the point of origin.*

*(B) Beginning at a point on the westerly limit of the project, N148118.55, E538689.05, thence running southeasterly about 91.92 feet to a point, N148041.43, E538739.07, thence running southerly about 65.00 feet to a point, N147977.86, E538725.51, thence running southwesterly about 91.92 feet to a point on the westerly limit of the project, N147927.84, E538648.39, thence running northerly about 195.00 feet along the westerly limit of the project to the point of origin.*

*(4) BOOTHBAY HARBOR, MAINE.—The project for navigation, Boothbay Harbor, Maine, authorized by the River and Harbor Act of 1912 (37 Stat. 201).*

*(5) BUCKSPORT HARBOR, MAINE.—That portion of the project for navigation, Bucksport Harbor, Maine, authorized by the River and Harbor Act of 1902, consisting of a 16-foot deep channel beginning at a point N268.748.16, E423.390.76, thence running north 47 degrees 02 minutes 23 seconds east 51.76 feet to a point N268.783.44, E423.428.64, thence running north 67 degrees 54 minutes 32 seconds west 1513.94 feet to a point N269.352.81, E422.025.84, thence running south 47 degrees 02 minutes 23 seconds west 126.15 feet to a point N269.266.84, E421.933.52, thence running south 70 degrees 24 minutes 28 seconds east 1546.79 feet to the point of origin.*

*(6) EAST BOOTHBAY HARBOR, MAINE.—The project for navigation, East Boothbay Harbor, Maine, authorized by the first section of the Act entitled, ''An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes'', approved June 25, 1910 (36 Stat. 631).*

*(7) WELLS HARBOR, MAINE.—The following portions of the project for navigation, Wells Harbor, Maine, authorized by section 101 of the River and Harbor Act of 1960 (74 Stat. 480):*

*(A) The portion of the 6-foot channel the boundaries of which begin at a point with coordinates N177,992.00, E394,831.00, thence running south 83 degrees 58 minutes 14.8 seconds west 10.38 feet to a point N177,990.91, E394,820.68, thence running south 11 degrees 46 minutes 47.7 seconds west 991.76 feet to a point N177,020.04, E394,618.21, thence running south 78 degrees 13 minutes 45.7 seconds east 10.00 feet to a point N177,018.00, E394,628.00, thence running north 11 degrees 46 minutes 22.8 seconds east 994.93 feet to the point of origin.*

*(B) The portion of the 6-foot anchorage the boundaries of which begin at a point with coordinates N177,778.07, E394,336.96, thence running south 51 degrees 58 minutes 32.7 seconds west 15.49 feet to a point N177,768.53, E394,324.76, thence running south 11 degrees 46 minutes 26.5 seconds west 672.87 feet to a point N177,109.82, E394,187.46, thence running south 78 degrees 13 minutes 45.7 seconds east 10.00 feet to a point N177,107.78, E394,197.25, thence running north 11 degrees 46 minutes 25.4 seconds east 684.70 feet to the point of origin.*

*(C) The portion of the 10-foot settling basin the boundaries of which begin at a point with coordinates N177,107.78, E394,197.25, thence running north 78 degrees 13 minutes 45.7 seconds west 10.00 feet to a point N177,109.82, E394,187.46, thence running south 11 degrees 46 minutes 15.7 seconds west 300.00 feet to a point N176,816.13, E394,126.26, thence running south 78 degrees 12 minutes 21.4 seconds east 9.98 feet to a point N176,814.09, E394,136.03, thence running north 11 degrees 46 minutes 29.1 seconds east 300.00 feet to the point of origin.*

*(D) The portion of the 10-foot settling basin the boundaries of which begin at a point with coordinates N177,018.00, E394,628.00, thence running north 78 degrees 13 minutes 45.7 seconds west 10.00 feet to a point N177,020.04, E394,618.21, thence running south 11 degrees 46 minutes 44.0 seconds west 300.00 feet to a point N176,726.36, E394,556.97, thence running south 78 degrees 12 minutes 30.3 seconds east 10.03 feet to a point N176,724.31, E394,566.79, thence running north 11 degrees 46 minutes 22.4 seconds east 300.00 feet to the point of origin.*

*(8) FALMOUTH HARBOR, MASSACHUSETTS.—That portion of the project for navigation, Falmouth Harbor, Massachusetts, authorized by section 101 of the River and Harbor Act of 1948 lying southeasterly of a line commencing at a point N199,286.41, E844,394.91, thence running north 66 degrees 52 minutes 3.31 seconds east 472.95 feet to a point N199,472.21, E844,829.83, thence running north 43 degrees 9 minutes 28.3 seconds east 262.64 feet to a point N199,633.80, E845,009.48, thence running north 21 degrees 40 minutes 11.26 seconds east 808.38 feet to a point N200,415.05, E845,307.98, thence running north 32 degrees 25 minutes 29.01 seconds east 160.76 feet to a point N200,550.75, E845,394.18, thence running north 24 degrees 56 minutes 42.29 seconds east 1,410.29 feet to a point N201,829.48, E845,988.97.*

*(9) GREEN HARBOR, MASSACHUSETTS.—That portion of the project for navigation, Green Harbor, Massachusetts, undertaken pursuant to section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577), consisting of the 6-foot deep channel beginning at a point along the west limit of the existing project, North 395990.43, East 831079.16, thence running northwesterly about 752.85 feet to a point, North 396722.80, East 830904.76, thence running northwesterly about 222.79 feet to a point along the west limit of the existing project, North 396844.34, East 830718.04, thence running southwesterly about 33.72 feet along the west limit of the existing project to a point, North 396810.80, East 830714.57, thence running southeasterly about 195.42 feet along the west limit of the existing project to a point, North 396704.19, East*

*830878.35, thence running about 544.66 feet along the west limit of the existing project to a point, North 396174.35, East 831004.52, thence running southeasterly about 198.49 feet along the west limit of the existing project to the point of beginning.*

*(10) NEW BEDFORD AND FAIRHAVEN HARBOR, MASSACHUSETTS.—The following portions of the project for navigation, New Bedford and Fairhaven Harbor, Massachusetts:*

*(A) A portion of the 25-foot spur channel leading to the west of Fish Island, authorized by the River and Harbor Act of 3 March 1909, beginning at a point with coordinates N232,173.77, E758,791.32, thence running south 27 degrees 36 minutes 52.8 seconds west 38.2 feet to a point N232,139.91, E758,773.61, thence running south 87 degrees 35 minutes 31.6 seconds west 196.84 feet to a point N232,131.64, E758,576.94, thence running north 47 degrees 47 minutes 48.4 seconds west 502.72 feet to a point N232,469.35, E758,204.54, thence running north 10 degrees 10 minutes 20.3 seconds west 438.88 feet to a point N232,901.33, E758,127.03, thence running north 79 degrees 49 minutes 43.1 seconds east 121.69 feet to a point N232,922.82, E758,246.81, thence running south 04 degrees 29 minutes 17.6 seconds east 52.52 feet to a point N232,870.46, E758,250.92, thence running south 23 degrees 56 minutes 11.2 seconds east 49.15 feet to a point N323,825.54, E758,270.86, thence running south 79 degrees 49 minutes 27.0 seconds west 88.19 feet to a point N232,809.96, E758,184.06, thence running south 10 degrees 10 minutes 25.7 seconds east 314.83 feet to a point N232,500.08, E758,239.67, thence running south 56 degrees 33 minutes 56.1 seconds east 583.07 feet to a point N232,178.82, E758,726.25, thence running south 85 degrees 33 minutes 16.0 seconds east to the point of origin.*

*(B) A portion of the 30-foot west maneuvering basin, authorized by the River and Harbor Act of 3 July 1930, beginning at a point with coordinates N232,139.91, E758,773.61, thence running north 81 degrees 49 minutes 30.1 seconds east 160.76 feet to a point N232,162.77, E758.932.74, thence running north 85 degrees 33 minutes 16.0 seconds west 141.85 feet to a point N232,173.77, E758,791.32, thence running south 27 degrees 36 minutes 52.8 seconds west to the point of origin.*

*(b) ANCHORAGE AREA, CLINTON HARBOR, CONNECTICUT.—That portion of the Clinton Harbor, Connecticut, navigation project referred to in subsection (a)(2) beginning at a point beginning: N158,444.58, E660,220.95, thence running north 79 degrees 37 minutes 14 seconds east 833.31 feet to a point N158,594.72, E661,040.67, thence running south 80 degrees 51 minutes 53 seconds east 181.21 feet to a point N158,565.95, E661,219.58, thence running north 57 degrees 38 minutes 04 seconds west 126.02 feet to a point N158,633.41, E660,113.14, thence running south 79 degrees 37 minutes 14 seconds west 911.61 feet to a point N158,469.17, E660,216.44, thence running south 10 degrees 22 minutes 46 seconds east 25 feet returning to a point N158,444.58, E660,220.95 is redesignated as an anchorage area.*

*(c) WELLS HARBOR, MAINE.—*

*(1) PROJECT MODIFICATION.—The project for navigation, Wells Harbor, Maine, navigation project referred to in subsection (a)(7) is modified to authorize the Secretary to realign the channel and anchorage areas based on a harbor design capacity of 150 craft.*

*(2) REDESIGNATIONS.—*

*(A) 6-FOOT ANCHORAGE.—The following portions of the project for navigation, Wells Harbor, Maine, navigation project referred to in subsection (a)(7) shall be redesignated as part of the 6-foot anchorage:*

*(i) The portion of the 6-foot channel the boundaries of which begin at a point with coordinates N177,990.91, E394,820.68, thence running south 83 degrees 58 minutes 40.8 seconds west 94.65 feet to a point N177,980.98, E394,726.55, thence running south 11 degrees 46 minutes 22.4 seconds west 962.83 feet to a point N177,038.40, E394,530.10, thence running south 78 degrees 13 minutes 45.7 seconds east 90.00 feet to a point N177,020.04, E394,618.21, thence running north 11 degrees 46 minutes 47.7 seconds east 991.76 feet to the point of origin.*

*(ii) The portion of the 10-foot inner harbor settling basin the boundaries of which begin at a point with coordinates N177,020.04, E394,618.21, thence running north 78 degrees 13 minutes 30.5 seconds west 160.00 feet to a point N177,052.69, E394,461.58, thence running south 11 degrees 46 minutes 45.4 seconds west 299.99 feet to a point N176,759.02, E394,400.34, thence running south 78 degrees 13 minutes 17.9 seconds east 160 feet to a point N176,726.36, E394,556.97, thence running north 11 degrees 46 minutes 44.0 seconds east 300.00 feet to the point of origin.*

*(B) 6-FOOT CHANNEL.—The following portion of the project for navigation, Wells Harbor, Maine, navigation project referred to in subsection (a)(7) shall be redesignated as part of the 6-foot channel: the portion of the 6-foot anchorage the boundaries of which begin at a point with coordinates N178,102.26, E394,751.83, thence running south 51 degrees 59 minutes 42.1 seconds west 526.51 feet to a point N177,778.07, E394,336.96, thence running south 11 degrees 46 minutes 26.6 seconds west 511.83 feet to a point N177,277.01, E394,232.52, thence running south 78 degrees 13 minutes 17.9 seconds east 80.00 feet to a point N177,260.68, E394,310.84, thence running north 11 degrees 46 minutes 24.8 seconds east 482.54 feet to a point N177,733.07, E394,409.30, thence running north 51 degrees 59 minutes 41.0 seconds east 402.63 feet to a point N177,980.98, E394,726.55, thence running north 11 degrees 46 minutes 27.6 seconds east 123.89 feet to the point of origin.*

*(3) REALIGNMENT.—The 6-foot anchorage area described in paragraph (2)(B) shall be realigned to include the area located south of the inner harbor settling basin in existence on the date of enactment of this Act beginning at a point with coordinates N176,726.36, E394,556.97, thence running north 78 degrees 13 minutes 17.9 seconds west 160.00 feet to a point N176,759.02, E394,400.34, thence running south 11 degrees 47 minutes 03.8 seconds west 45 feet to a point N176,714.97, E394,391.15, thence running south 78 degrees 13 minutes 17.9 seconds 160.00 feet to a point N176,682.31, E394,547.78, thence running north 11 degrees 47 minutes 03.8 seconds east 45 feet to the point of origin.*

*(4) RELOCATION.—The Secretary may relocate the settling basin feature of the project for navigation, Wells Harbor, Maine, navigation project referred to in subsection (a)(7) to the outer harbor between the jetties.*

*(d) ANCHORAGE AREA, GREEN HARBOR, MASSACHUSETTS.—The portion of the Green Harbor, Massachusetts, navigation project referred to in subsection (a)(9) consisting of a 6-foot deep channel that lies northerly of a line whose coordinates are North 394825.00, East 831660.00 and North 394779.28, East 831570.64 is redesignated as an anchorage area.*

***SEC. 365. AMERICAN AND SACRAMENTO RIVERS, CALIFORNIA.***

*(a) IN GENERAL.—The project for flood damage reduction, American and Sacramento Rivers, California, authorized by section 101(a)(1) of the Water Resources Development Act of 1996 (110 Stat. 3662–3663), is modified to direct the Secretary to include the following improvements as part of the overall project:*

*(1) Raising the left bank of the non-Federal levee upstream of the Mayhew Drain for a distance of 4,500 feet by an average of 2.5 feet.*

*(2) Raising the right bank of the American River levee from 1,500 feet upstream to 4,000 feet downstream of the Howe Avenue bridge by an average of 1 feet.*

*(3) Modifying the south levee of the Natomas Cross Canal for a distance of 5 miles to ensure that the south levee is consistent with the level of protection provided by the authorized levee along the east bank of the Sacramento River.*

*(4) Modifying the north levee of the Natomas Cross Canal for a distance of 5 miles to ensure that the height of the levee is equivalent to the height of the south levee as authorized by paragraph (3).*

*(5) Installing gates to the existing Mayhew Drain culvert and pumps to prevent backup of floodwater on the Folsom Boulevard side of the gates.*

*(6) Installation of a slurry wall in the north levee of the American River from the east levee of the Natomas east Main Drain upstream for a distance of approximately 1.2 miles.*

*(7) Installation of a slurry wall in the north levee of the American River from 300 feet west of Jacob Lane north for a distance of approximately 1 mile to the end of the existing levee.*

*(b) COST LIMITATIONS.—Section 101(a)(1)(A) of the Water Resources Development Act of 1996 (110 Stat. 3662) is amended by striking ''at a total cost of'' and all that follows through ''$14,225,000,'' and inserting the following: ''at a total cost of $91,900,000, with an estimated Federal cost of $68,925,000 and an estimated non-Federal cost of $22,975,000,''.*

*(c) COST SHARING.—For purposes of section 103 of the Water Resources Development Act of 1986 (33 U.S.C. 2213), the modifications authorized by this section shall be subject to the same cost sharing in effect for the project for flood damage reduction, American and Sacramento Rivers, California, authorized by section 101(a)(1) of the Water Resources Development Act of 1996 (110 Stat. 3662).*

***SEC. 366. MARTIN, KENTUCKY.***

*The project for flood control, Martin, Kentucky, authorized by section 202(a) of the Energy and Water Development Appropriations Act, 1981 (94 Stat. 1339) is modified to authorize the Secretary to take all necessary measures to prevent future losses that would occur from a flood equal in magnitude to a 100-year frequency event.*

## *TITLE IV—STUDIES*

***SEC. 401. UPPER MISSISSIPPI AND ILLINOIS RIVERS LEVEES AND STREAMBANKS PROTECTION.***

*The Secretary shall conduct a study of erosion damage to levees and infrastructure on the upper Mississippi and Illinois Rivers and the impact of increased barge and pleasure craft traffic on deterioration of levees and other flood control structures on such rivers.*

***SEC. 402. UPPER MISSISSIPPI RIVER COMPREHENSIVE PLAN.***

*(a) DEVELOPMENT.—The Secretary shall develop a plan to address water and related land resources problems and opportunities in the Upper Mississippi and Illinois River Basins, extending from Cairo, Illinois, to the headwaters of the Mississippi River, in the interest of systemic flood damage reduction by means of a mixture of structural and nonstructural flood control and floodplain management strategies, continued maintenance of the navigation project, management of bank caving and erosion, watershed nutrient and sediment management, habitat management, recreation needs, and other related purposes.*

*(b) CONTENTS.—The plan shall contain recommendations on future management plans and actions to be carried out by the responsible Federal and non-Federal entities and shall specifically address recommendations to authorize construction of a systemic flood control project in*

*accordance with a plan for the Upper Mississippi River. The plan shall include recommendations for Federal action where appropriate and recommendations for follow-on studies for problem areas for which data or current technology does not allow immediate solutions.*

*(c) CONSULTATION AND USE OF EXISTING DATA.—The Secretary shall consult with appropriate State and Federal agencies and shall make maximum use of existing data and ongoing programs and efforts of States and Federal agencies in developing the plan.*

*(d) COST SHARING.—Development of the plan under this section shall be at Federal expense. Feasibility studies resulting from development of such plan shall be subject to cost sharing under section 105 of the Water Resources Development Act of 1986 (33 U.S.C. 2215).*

*(e) REPORT.—The Secretary shall submit a report that includes the comprehensive plan to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate not later than 3 years after the date of enactment of this Act.*

***SEC. 403. EL DORADO, UNION COUNTY, ARKANSAS.***

*The Secretary shall conduct a study to determine the feasibility of improvements to regional water supplies for El Dorado, Union County, Arkansas.*

***SEC. 404. SWEETWATER RESERVOIR, SAN DIEGO COUNTY, CALIFORNIA.***

*The Secretary shall conduct a study of the potential water quality problems and pollution abatement measures in the watershed in and around Sweetwater Reservoir, San Diego County, California.*

***SEC. 405. WHITEWATER RIVER BASIN, CALIFORNIA.***

*The Secretary shall undertake and complete a feasibility study for flood damage reduction in the Whitewater River basin, California, and, based upon the results of such study, give priority consideration to including the recommended project, including the Salton Sea wetlands restoration project, in the flood mitigation and riverine restoration pilot program authorized in section 214 of this Act.*

***SEC. 406. LITTLE ECONLACKHATCHEE RIVER BASIN, FLORIDA.***

*The Secretary shall conduct a study of pollution abatement measures in the Little Econlackhatchee River basin, Florida.*

***SEC. 407. PORT EVERGLADES INLET, FLORIDA.***

*The Secretary shall conduct a study to determine the feasibility of carrying out a sand bypass project at Port Everglades Inlet, Florida.*

***SEC. 408. UPPER DES PLAINES RIVER AND TRIBUTARIES, ILLINOIS AND WISCONSIN.***

*(a) IN GENERAL.—The Secretary is directed to conduct a study of the upper Des Plaines River and tributaries, Illinois and Wisconsin, upstream of the confluence with Salt Creek at Riverside, Illinois, to determine the feasibility of improvements in the interests of flood damage reduction, environmental restoration and protection, water quality, recreation, and related purposes.*

*(b) SPECIAL RULE.—In conducting the study, the Secretary may not exclude from consideration and evaluation flood damage reduction measures based on restrictive policies regarding the frequency of flooding, drainage area, and amount of runoff.*

***SEC. 409. CAMERON PARISH WEST OF CALCASIEU RIVER, LOUISIANA.***

*The Secretary shall conduct a study to determine the feasibility of carrying out a project for storm damage reduction and environmental restoration, Cameron Parish west of Calcasieu River, Louisiana.*

***SEC. 410. GRAND ISLE AND VICINITY, LOUISIANA.***

*In carrying out a study of the storm damage reduction benefits to Grand Isle and vicinity, Louisiana, the Secretary shall include benefits that a storm damage reduction project for Grand Isle and vicinity, Louisiana, may have on the mainland coast of Louisiana as project benefits attributable to the Grand Isle project.*

***SEC. 411. LAKE PONTCHARTRAIN SEAWALL, LOUISIANA.***

*(a) IN GENERAL.—The Secretary shall complete a post-authorization change report on the project for hurricane-flood protection, Lake Pontchartrain, Louisiana, and vicinity, authorized by section 204 of the Flood Control Act of 1965 (79 Stat. 1077), to incorporate and accomplish structural modifications to the seawall fronting protection along the south shore of Lake Pontchartrain from the New Basin Canal on the west to the Inner harbor Navigation Canal on the east.*

*(b) REPORT.—The Secretary shall ensure expeditious completion of the post-authorization change report required by subsection (a) not later than 180 days after the date of enactment of this section.*

***SEC. 412. WESTPORT, MASSACHUSETTS.***

*The Secretary shall conduct a study to determine the feasibility of carrying out a navigation project for the town of Westport, Massachusetts, and the possible beneficial uses of dredged material for shoreline protection and storm damage reduction in the area. In determining the benefits of the project, the Secretary shall include the benefits derived from using dredged material for shoreline protection and storm damage reduction.*

***SEC. 413. SOUTHWEST VALLEY, ALBUQUERQUE, NEW MEXICO.***

*The Secretary shall undertake and complete a feasibility study for flood damage reduction in the Southwest Valley, Albuquerque, New Mexico, and, based upon the results of such study, give priority consideration to including the recommended project in the flood mitigation and riverine restoration pilot program authorized in section 214 of this Act.*

***SEC. 414. CAYUGA CREEK, NEW YORK.***

*The Secretary shall conduct a study to determine the feasibility of carrying out a project for flood control for Cayuga Creek, New York.*

***SEC. 415. ARCOLA CREEK WATERSHED, MADISON, OHIO.***

*The Secretary shall conduct a study to determine the feasibility of a project to provide environmental restoration and protection for the Arcola Creek watershed, Madison, Ohio.*

***SEC. 416. WESTERN LAKE ERIE BASIN, OHIO, INDIANA, AND MICHIGAN.***

*(a) IN GENERAL.—The Secretary shall conduct a study to develop measures to improve flood control, navigation, water quality, recreation, and fish and wildlife habitat in a comprehensive manner in the western Lake Erie basin, Ohio, Indiana, and Michigan, including watersheds of the Maumee, Ottawa, and Portage Rivers.*

*(b) COOPERATION.—In carrying out the study, the Secretary shall cooperate with interested Federal, State, and local agencies and nongovernmental organizations and consider all relevant programs of such agencies.*

*(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall submit to Congress a report on the results of the study, including findings and recommendations.*

***SEC. 417. SCHUYLKILL RIVER, NORRISTOWN, PENNSYLVANIA.***

*The Secretary shall conduct a study to determine the feasibility of carrying out a project for flood control for Schuylkill River, Norristown, Pennsylvania, including improvement to existing stormwater drainage systems.*

***SEC. 418. LAKES MARION AND MOULTRIE, SOUTH CAROLINA.***

*The Secretary shall conduct a study to determine the feasibility of carrying out a project for Lakes Marion and Moultrie to provide water supply, treatment, and distribution to Calhoun, Clarendon, Colleton, Dorchester, Orangeburg, and Sumter Counties, South Carolina.*

***SEC. 419. DAY COUNTY, SOUTH DAKOTA.***

*The Secretary shall conduct an investigation of flooding and other water resources problems between the James River and Big Sioux watersheds in South Dakota and an assessment of flood damage reduction needs of the area.*

***SEC. 420. CORPUS CHRISTI, TEXAS.***

*The Secretary shall include, as part of the study authorized in a resolution of the Committee on Public Works and Transportation of the House of Representatives, dated August 1, 1990, a review of two 175-foot-wide barge shelves on either side of the navigation channel at the Port of Corpus Christi, Texas.*

***SEC. 421. MITCHELL'S CUT CHANNEL (CANEY FORK CUT), TEXAS.***

*The Secretary shall conduct a study to determine the feasibility of carrying out a project for navigation, Mitchell's Cut Channel (Caney Fork Cut), Texas.*

***SEC. 422. MOUTH OF COLORADO RIVER, TEXAS.***

*The Secretary shall conduct a study to determine the feasibility of carrying out a project for navigation at the mouth of the Colorado River, Texas, to provide a minimum draft navigation channel extending from the Colorado River through Parkers Cut (also known as ''Tiger Island Cut''), or an acceptable alternative, to Matagorda Bay.*

***SEC. 423. KANAWHA RIVER, FAYETTE COUNTY, WEST VIRGINIA.***

*The Secretary shall conduct a study to determine the feasibility of developing a public port along the Kanawha River in Fayette County, West Virginia, at a site known as ''Longacre''.*

***SEC. 424. WEST VIRGINIA PORTS.***

*The Secretary shall conduct a study to determine the feasibility of expanding public port development in West Virginia along the Ohio River and navigable portion of the Kanawha River from its mouth to river mile 91.0*

***SEC. 425. GREAT LAKES REGION COMPREHENSIVE STUDY.***

*(a) STUDY.—The Secretary shall conduct a comprehensive study of the Great Lakes region to ensure the future use, management, and protection of water and related resources of the Great Lakes basin. Such study shall include a comprehensive management plan specifically for St. Clair River and Lake St. Clair.*

*(b) REPORT.—Not later than 4 years after the date of enactment of this Act, the Secretary shall submit to the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Environment and Public Works of the Senate a report that includes the strategic plan for Corps of Engineers programs in the Great Lakes basin and details of proposed Corps of Engineers environmental, navigation, and flood damage reduction projects in the region.*

*(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,400,000 for fiscal years 2000 through 2003.*

***SEC. 426. NUTRIENT LOADING RESULTING FROM DREDGED MATERIAL DISPOSAL.***

*(a) STUDY.—The Secretary shall conduct a study of nutrient loading that occurs as a result of discharges of dredged material into open-water sites in the Chesapeake Bay.*

*(b) REPORT.—Not later than 18 months after the date of enactment of this Act, the Secretary shall transmit to Congress a report on the results of the study.*

***SEC. 427. SANTEE DELTA FOCUS AREA, SOUTH CAROLINA.***

*The Secretary shall conduct a study of the Santee Delta focus area, South Carolina, to determine the feasibility of carrying out a project*

for enhancing wetlands values and public recreational opportunities in the area.

## TITLE V—MISCELLANEOUS PROVISIONS

### SEC. 501. CORPS ASSUMPTION OF NRCS PROJECTS.

(a) LLAGAS CREEK, CALIFORNIA.—The Secretary is authorized to complete the remaining reaches of the Natural Resources Conservation Service's flood control project at Llagas Creek, California, undertaken pursuant to section 5 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005), substantially in accordance with the Natural Resources Conservation Service watershed plan for Llagas Creek, Department of Agriculture, and in accordance with the requirements of local cooperation as specified in section 4 of such Act, at a total cost of $45,000,000, with an estimated Federal cost of $21,800,000 and an estimated non-Federal cost of $23,200,000.

(b) THORNTON RESERVOIR, COOK COUNTY, ILLINOIS.—

(1) IN GENERAL.—The Thornton Reservoir project, an element of the project for flood control, Chicagoland Underflow Plan, Illinois, authorized by section 3(a)(5) of the Water Resources Development Act of 1988 (102 Stat. 4013), is modified to authorize the Secretary to include additional permanent flood control storage attributable to the Natural Resources Conservation Service Thornton Reservoir (Structure 84), Little Calumet River Watershed, Illinois, approved under the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.).

(2) COST SHARING.—Costs for the Thornton Reservoir project shall be shared in accordance with section 103 of the Water Resources Development Act of 1986 (33 U.S.C. 2213).

(3) TRANSITIONAL STORAGE.—The Secretary of Agriculture may cooperate with non-Federal interests to provide, on a transitional basis, flood control storage for the Natural Resources Conservation Service Thornton Reservoir (Structure 84) in the west lobe of the Thornton quarry in advance of Corps' construction.

(4) CREDITING.—The Secretary may credit against the non-Federal share of the Thornton Reservoir project all design, lands, easements, rights-of-way (as of the date of authorization), and construction costs incurred by the non-Federal interests before the signing of the project cooperation agreement.

(5) REEVALUATION REPORT.—The Secretary shall determine the credits authorized by paragraph (4) that are integral to the Thornton Reservoir project and the current total project costs based on a limited reevaluation report.

### SEC. 502. CONSTRUCTION ASSISTANCE.

Section 219(e) of the Water Resources Development Act of 1992 (106 Stat. 4836–4837) is amended by striking paragraphs (5) and (6) and inserting the following:

''(5) $25,000,000 for the project described in subsection (c)(2);

''(6) $20,000,000 for the project described in subsection (c)(9);

''(7) $30,000,000 for the project described in subsection (c)(16); and

''(8) $30,000,000 for the project described in subsection (c)(17).''.

### SEC. 503. CONTAMINATED SEDIMENT DREDGING TECHNOLOGY.

(a) CONTAMINATED SEDIMENT DREDGING PROJECT.—

(1) REVIEW.—The Secretary shall conduct a review of innovative dredging technologies designed to minimize or eliminate contamination of a water column upon removal of contaminated sediments. The Secretary shall complete such review by June 1, 2001.

(2) TESTING.—After completion of the review under paragraph (1), the Secretary shall select the technology of those reviewed that the Secretary determines will increase the effectiveness of removing contaminated sediments and significantly reduce contamination of the water column. Not later than December 31, 2001, the Secretary shall enter into an agreement with a public or private entity to test such technology in the vicinity of Peoria Lakes, Illinois.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000.

### SEC. 504. DAM SAFETY.

(a) ASSISTANCE.—The Secretary is authorized to provide assistance to enhance dam safety at the following locations:

(1) Healdsburg Veteran's Memorial Dam, California

(2) Felix Dam, Pennsylvania

(3) Kehly Run Dam, Pennsylvania

(4) Owl Creek Reservoir, Pennsylvania

(5) Sweet Arrow Lake Dam, Pennsylvania

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $6,000,000 to carry out this section.

### SEC. 505. GREAT LAKES REMEDIAL ACTION PLANS.

Section 401(a)(2) of the Water Resources Development Act of 1990 (110 Stat. 3763) is amended by adding at the end the following: ''Nonprofit public or private entities may contribute all or a portion of the non-Federal share.''.

### SEC. 506. SEA LAMPREY CONTROL MEASURES IN THE GREAT LAKES.

(a) IN GENERAL.—In conjunction with the Great Lakes Fishery Commission, the Secretary is authorized to undertake a program for the control of sea lampreys in and around waters of the Great Lakes. The program undertaken pursuant to this section may include projects which consist of either structural or nonstructural measures or a combination thereof.

(b) COST SHARING.—Projects carried out under this section on lands owned by the United States shall be carried out at full Federal expense. The non-Federal share of the cost of any such project undertaken on lands not in Federal ownership shall be 35 percent.

(c) NON-FEDERAL INTERESTS.—Notwithstanding section 221(b) of the Flood Control Act of 1970 (42 U.S.C. 1962d–5b(b)), the Secretary, after coordination with the appropriate State and local government officials having jurisdiction over an area in which a project under this section will be carried out, may allow a nonprofit entity to serve as the non-Federal interest for the project.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2000 through 2005.

### SEC. 507. MAINTENANCE OF NAVIGATION CHANNELS.

Section 509(a) of the Water Resources Development Act of 1996 (110 Stat. 3759) is amended by adding at the end the following:

''(12) Acadiana Navigation Channel, Louisiana.

''(13) Contraband Bayou, Louisiana, as part of the Calcasieu River and Pass Ship Channel.

''(14) Lake Wallula Navigation Channel, Washington.

''(15) Wadley Pass (also known as McGriff Pass), Suwanee River, Florida.''.

### SEC. 508. MEASUREMENT OF LAKE MICHIGAN DIVERSIONS.

Section 1142(b) of the Water Resources Development Act of 1986 (42 U.S.C. 1962d–20 note; 100 Stat. 4253) is amended by striking ''$250,000'' and inserting ''$1,250,000''.

### SEC. 509. UPPER MISSISSIPPI RIVER ENVIRONMENTAL MANAGEMENT PROGRAM.

(a) AUTHORIZED ACTIVITIES.—Section 1103(e)(1) of the Water Resources Development Act of 1986 (33 U.S.C. 652(e)(1)) is amended—

(1) by inserting ''and'' at the end of subparagraph (A);

(2) in subparagraph (B) by striking ''long-term resource monitoring program; and'' and inserting ''long-term resource monitoring, computerized data inventory and analysis, and applied research program.''; and

(3) by striking subparagraph (C) and inserting the following:

''In carrying out subparagraph (A), the Secretary shall establish an independent technical advisory committee to review projects, monitoring plans, and habitat and natural resource needs assessments.''.

(b) REPORTS.—Section 1103(e)(2) of such Act (33 U.S.C. 652(e)(2)) is amended to read as follows:

''(2) REPORTS.—Not later than December 31, 2004, and not later than December 31st of every sixth year thereafter, the Secretary, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, shall transmit to Congress a report that—

''(A) contains an evaluation of the programs described in paragraph (1);

''(B) describes the accomplishments of each of such programs;

''(C) provides updates of a systemic habitat needs assessment; and

''(D) identifies any needed adjustments in the authorization.''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 1103(e) of such Act (33 U.S.C. 652(e)) is amended—

(1) in paragraph (3) by striking ''not to exceed'' and all that follows before the period at the end and inserting ''$22,750,000 for fiscal year 1999 and each fiscal year thereafter'';

(2) in paragraph (4) by striking ''not to exceed'' and all that follows before the period at the end and inserting ''$10,420,000 for fiscal year 1999 and each fiscal year thereafter''; and

(3) by striking paragraph (5) and inserting the following:

''(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out paragraph (1)(A) $350,000 for each of fiscal years 1999 through 2009.''.

(d) TRANSFER OF AMOUNTS.—Section 1103(e)(6) of such Act is amended to read as follows:

''(6) TRANSFER OF AMOUNTS.—For fiscal year 1999, and each fiscal year thereafter, the Secretary, in consultation with the Secretary of the Interior and the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin, may transfer not to exceed 20 percent of the amounts appropriated to carry out subparagraph (A) or (B) of paragraph (1) to the amounts appropriated to carry out the other of such subparagraphs.''.

(e) HABITAT NEEDS ASSESSMENT.—Section 1103(h)(2) of such Act (33 U.S.C. 652(h)(2)) is amended by adding at the end the following: ''The Secretary shall complete the on-going habitat needs assessment conducted under this paragraph not later than September 30, 2000, and shall include in each report required by subsection (e)(2) the most recent habitat needs assessment conducted under this paragraph.''.

(f) CONFORMING AMENDMENTS.—Section 1103 of such Act (33 U.S.C. 652) is amended—

(1) in subsection (e)(7) by striking ''paragraphs (1)(B) and (1)(C)'' and inserting ''paragraph (1)(B)''; and

(2) in subsection (f)(2)—

(A) by striking ''(2)(A)'' and inserting ''(2)''; and

(B) by striking subparagraph (B).

### SEC. 510. ATLANTIC COAST OF NEW YORK MONITORING.

Section 404(c) of the Water Resources Development Act of 1992 (106 Stat. 4863) is amended by striking ''1993, 1994, 1995, 1996, and 1997'' and inserting ''1993 through 2003''.

***SEC. 511. WATER CONTROL MANAGEMENT.***

*(a) IN GENERAL.—In evaluating potential improvements for water control management activities and consolidation of water control management centers, the Secretary may consider a regionalized water control management plan but may not implement such a plan until the date on which a report is transmitted under subsection (b).*

*(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary shall transmit to the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives and the Committee on Environment and Public Works and the Committee on Appropriations of the Senate a report containing the following:*

*(1) A description of the primary objectives of streamlining water control management activities.*

*(2) A description of the benefits provided by streamlining water control management activities through consolidation of centers for such activities.*

*(3) A determination of whether or not benefits to users of regional water control management centers will be retained in each district office of the Corps of Engineers that does not have a regional center.*

*(4) A determination of whether or not users of such regional centers will receive a higher level of benefits from streamlining water management control management activities.*

*(5) A list of the Members of Congress who represent a district that currently includes a water control management center that is to be eliminated under a proposed regionalized plan.*

***SEC. 512. BENEFICIAL USE OF DREDGED MATERIAL.***

*The Secretary is authorized to carry out the following projects under section 204 of the Water Resources Development Act of 1992 (33 U.S.C. 2326):*

*(1) BODEGA BAY, CALIFORNIA.—A project to make beneficial use of dredged materials from a Federal navigation project in Bodega Bay, California.*

*(2) SABINE REFUGE, LOUISIANA.—A project to make beneficial use of dredged materials from Federal navigation projects in the vicinity of Sabine Refuge, Louisiana.*

*(3) HANCOCK, HARRISON, AND JACKSON COUNTIES, MISSISSIPPI.—A project to make beneficial use of dredged material from a Federal navigation project in Hancock, Harrison, and Jackson Counties, Mississippi.*

*(4) ROSE CITY MARSH, ORANGE COUNTY, TEXAS.—A project to make beneficial use of dredged material from a Federal navigation project in Rose City Marsh, Orange County, Texas.*

*(5) BESSIE HEIGHTS MARSH, ORANGE COUNTY, TEXAS.—A project to make beneficial use of dredged material from a Federal navigation project in Bessie Heights Marsh, Orange County, Texas.*

***SEC. 513. DESIGN AND CONSTRUCTION ASSISTANCE.***

*Section 507(2) of the Water Resources Development Act of 1996 (110 Stat. 3758) is amended to read as follows:*

*''(2) Expansion and improvement of Long Pine Run Dam and associated water infrastructure in accordance with the requirements of subsections (b) through (e) of section 313 of the Water Resources Development Act of 1992 (106 Stat. 4845) at a total cost of $20,000,000.''.*

***SEC. 514. LOWER MISSOURI RIVER AQUATIC RESTORATION PROJECTS.***

*(a) IN GENERAL.—Not later than 1 year after funds are made available for such purposes, the Secretary shall complete a comprehensive report—*

*(1) identifying a general implementation strategy and overall plan for environmental restoration and protection along the Lower Missouri River between Gavins Point Dam and the confluence of the Missouri and Mississippi Rivers; and*

*(2) recommending individual environmental restoration projects that can be considered by the Secretary for implementation under section 206 of the Water Resources Development Act of 1996 (33 U.S.C. 2330; 110 Stat. 3679–3680).*

*(b) SCOPE OF PROJECTS.—Any environmental restoration projects recommended under subsection (a) shall provide for such activities and measures as the Secretary determines to be necessary to protect and restore fish and wildlife habitat without adversely affecting private property rights or water related needs of the region surrounding the Missouri River, including flood control, navigation, and enhancement of water supply, and shall include some or all of the following components:*

*(1) Modification and improvement of navigation training structures to protect and restore fish and wildlife habitat.*

*(2) Modification and creation of side channels to protect and restore fish and wildlife habitat.*

*(3) Restoration and creation of fish and wildlife habitat.*

*(4) Physical and biological monitoring for evaluating the success of the projects.*

*(c) COORDINATION.—To the maximum extent practicable, the Secretary shall integrate projects carried out in accordance with this section with other Federal, tribal, and State restoration activities.*

*(d) COST SHARING.—The report under subsection (a) shall be undertaken at full Federal expense.*

***SEC. 515. AQUATIC RESOURCES RESTORATION IN THE NORTHWEST.***

*(a) IN GENERAL.—In cooperation with other Federal agencies, the Secretary is authorized to develop and implement projects for fish screens, fish passage devices, and other similar measures agreed to by non-Federal interests and relevant Federal agencies to mitigate adverse impacts associated with irrigation system water diversions by local governmental entities in the States of Oregon, Washington, Montana, and Idaho.*

*(b) PROCEDURE AND PARTICIPATION.—*

*(1) CONSULTATION REQUIREMENT; USE OF EXISTING DATA.—In providing assistance under subsection (a), the Secretary shall consult with other Federal, State, and local agencies and make maximum use of data and studies in existence on the date of enactment of this Act.*

*(2) PARTICIPATION BY NON-FEDERAL INTERESTS.—Participation by non-Federal interests in projects under this section shall be voluntary. The Secretary shall not take any action under this section that will result in a non-Federal interest being held financially responsible for an action under a project unless the non-Federal interest has voluntarily agreed to participate in the project.*

*(c) COST SHARING.—Projects carried out under this section on lands owned by the United States shall be carried out at full Federal expense. The non-Federal share of the cost of any such project undertaken on lands not in Federal ownership shall be 35 percent.*

*(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for fiscal years beginning after September 30, 1999.*

***SEC. 516. INNOVATIVE TECHNOLOGIES FOR WATERSHED RESTORATION.***

*The Secretary shall use, and encourage the use of, innovative treatment technologies, including membrane technologies, for watershed and environmental restoration and protection projects involving water quality.*

***SEC. 517. ENVIRONMENTAL RESTORATION.***

*(a) ATLANTA, GEORGIA.—Section 219(c)(2) of the Water Resources Development Act of 1992 (106 Stat. 4835) is amended by inserting before the period ''and watershed restoration and development in the regional Atlanta watershed, including Big Creek and Rock Creek''.*

*(b) PATERSON AND PASSAIC VALLEY, NEW JERSEY.—Section 219(c)(9) of such Act (106 Stat. 4836) is amended to read as follows:*

*''(9) PATERSON, PASSAIC COUNTY, AND PASSAIC VALLEY, NEW JERSEY.—Drainage facilities to alleviate flooding problems on Getty Avenue in the vicinity of St. Joseph's Hospital for the City of Paterson, New Jersey, and Passaic County, New Jersey, and innovative facilities to manage and treat additional flows in the Passaic Valley, Passaic River basin, New Jersey.''.*

***SEC. 518. EXPEDITED CONSIDERATION OF CERTAIN PROJECTS.***

*The Secretary shall expedite completion of the reports for the following projects and proceed directly to project planning, engineering, and design:*

*(1) Arroyo Pasajero, San Joaquin River basin, California, project for flood control.*

*(2) Success Dam, Tule River, California, project for flood control and water supply.*

*(3) Alafia Channel, Tampa Harbor, Florida, project for navigation.*

***SEC. 519. DOG RIVER, ALABAMA.***

*(a) IN GENERAL.—The Secretary is authorized to establish, in cooperation with non-Federal interests, a pilot project to restore natural water depths in the Dog River, Alabama, between its mouth and the Interstate Route 10 crossing, and in the downstream portion of its principal tributaries.*

*(b) FORM OF ASSISTANCE.—Assistance provided under subsection (a) shall be in the form of design and construction of water-related resource protection and development projects affecting the Dog River, including environmental restoration and recreational navigation.*

*(c) NON-FEDERAL SHARE.—The non-Federal share of the cost of the project carried out with assistance under this section shall be 90 percent.*

*(d) LANDS, EASEMENTS, AND RIGHTS-OF-WAY.—The non-Federal sponsor provide all lands, easements, rights of way, relocations, and dredged material disposal areas including retaining dikes required for the project.*

*(e) OPERATION MAINTENANCE.—The non-Federal share of the cost of operation, maintenance, repair, replacement, or rehabilitation of the project carried out with assistance under this section shall be 100 percent.*

*(f) CREDIT TOWARD NON-FEDERAL SHARE.—The value of the lands, easements, rights of way, relocations, and dredged material disposal areas, including retaining dikes, provided by the non-Federal sponsor shall be credited toward the non-Federal share.*

***SEC. 520. ELBA, ALABAMA.***

*The Secretary is authorized to repair and rehabilitate a levee in the city of Elba, Alabama at a total cost of $12,900,000.*

***SEC. 521. GENEVA, ALABAMA.***

*The Secretary is authorized to repair and rehabilitate a levee in the city of Geneva, Alabama at a total cost of $16,600,000.*

***SEC. 522. NAVAJO RESERVATION, ARIZONA, NEW MEXICO, AND UTAH.***

*(a) IN GENERAL.—In cooperation with other appropriate Federal and local agencies, the Secretary shall undertake a survey of, and provide technical, planning, and design assistance for, watershed management, restoration, and development on the Navajo Indian Reservation, Arizona, New Mexico, and Utah.*

*(b) COST SHARING.—The Federal share of the cost of activities carried out under this section shall be 75 percent. Funds made available under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) may be used by the Navajo Nation in meeting the non-Federal share of the cost of such activities.*

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $12,000,000 for fiscal years beginning after September 30, 1999.

**SEC. 523. AUGUSTA AND DEVALLS BLUFF, ARKANSAS.**

(a) IN GENERAL.—The Secretary is authorized to perform operations, maintenance, and rehabilitation on 37 miles of levees in and around Augusta and Devalls Bluff, Arkansas.

(b) REIMBURSEMENT.—After performing the operations, maintenance, and rehabilitation under subsection (a), the Secretary shall seek reimbursement from the Secretary of the Interior of an amount equal to the costs allocated to benefits to a Federal wildlife refuge of such operations, maintenance, and rehabilitation.

**SEC. 524. BEAVER LAKE, ARKANSAS.**

(a) WATER SUPPLY STORAGE REALLOCATION.—The Secretary shall reallocate approximately 31,000 additional acre-feet at Beaver Lake, Arkansas, to water supply storage at no additional cost to the Beaver Water District or the Carroll-Boone Water District above the amount that has already been contracted for. At no time may the bottom of the conservation pool be at an elevation that is less than 1,076 feet NGVD.

(b) CONTRACT PRICING.—The contract price for additional storage for the Carroll-Boone Water District beyond that which is provided for in subsection (a) shall be based on the original construction cost of Beaver Lake and adjusted to the 1998 price level net of inflation between the date of initiation of construction and the date of enactment of this Act.

**SEC. 525. BEAVER LAKE TROUT PRODUCTION FACILITY, ARKANSAS.**

(a) EXPEDITED CONSTRUCTION.—The Secretary shall construct, under the authority of section 105 of the Water Resources Development Act of 1976 (90 Stat. 2921) and section 1135 of the Water Resources Development Act of 1986 (100 Stat. 4251–4252), the Beaver Lake trout hatchery as expeditiously as possible, but in no event later than September 30, 2002.

(b) MITIGATION PLAN.—Not later than 2 years after the date of enactment of this Act, the Secretary, in conjunction with the State of Arkansas, shall prepare a plan for the mitigation of effects of the Beaver Dam project on Beaver Lake. Such plan shall provide for construction of the Beaver Lake trout production facility and related facilities.

**SEC. 526. CHINO DAIRY PRESERVE, CALIFORNIA.**

(a) TECHNICAL ASSISTANCE.—The Secretary, in coordination with the heads of other Federal agencies, shall provide technical assistance to State and local agencies in the study, design, and implementation of measures for flood damage reduction and environmental restoration and protection in the Santa Ana River watershed, California, with particular emphasis on structural and nonstructural measures in the vicinity of the Chino Dairy Preserve.

(b) COMPREHENSIVE STUDY.—The Secretary shall conduct a feasibility study to determine the most cost-effective plan for flood damage reduction and environmental restoration and protection in the vicinity of the Chino Dairy Preserve, Santa Ana River watershed, Orange County and San Bernardino County, California.

**SEC. 527. NOVATO, CALIFORNIA.**

The Secretary shall carry out a project for flood control under section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s) at Rush Creek, Novato, California.

**SEC. 528. ORANGE AND SAN DIEGO COUNTIES, CALIFORNIA.**

The Secretary, in cooperation with local governments, may prepare special area management plans in Orange and San Diego Counties, California, to demonstrate the effectiveness of using such plans to provide information regarding aquatic resources. The Secretary may use such plans in making regulatory decisions and issue permits consistent with such plans.

**SEC. 529. SALTON SEA, CALIFORNIA.**

(a) TECHNICAL ASSISTANCE.—The Secretary, in coordination with other Federal agencies, shall provide technical assistance to Federal, State, and local agencies in the study, design, and implementation of measures for the environmental restoration and protection of the Salton Sea, California.

(b) STUDY.—The Secretary, in coordination with other Federal, State, and local agencies, shall conduct a study to determine the most effective plan for the Corps of Engineers to assist in the environmental restoration and protection of the Salton Sea, California.

**SEC. 530. SANTA CRUZ HARBOR, CALIFORNIA.**

The Secretary is authorized to modify the cooperative agreement with the Santa Cruz Port District, California, to reflect unanticipated additional dredging effort and to extend such agreement for 10 years.

**SEC. 531. POINT BEACH, MILFORD, CONNECTICUT.**

(a) MAXIMUM FEDERAL EXPENDITURE.—The maximum amount of Federal funds that may be expended for the project for hurricane and storm damage reduction, Point Beach, Milford, Connecticut, shall be $3,000,000.

(b) REVISION OF PROJECT COOPERATION AGREEMENT.—The Secretary shall revise the project cooperation agreement for the project referred to in subsection (a) to take into account the change in the Federal participation in such project.

(c) COST SHARING.—Nothing in this section shall be construed to affect any cost-sharing requirement applicable to the project referred to in subsection (a) under section 101 of the Water Resources Development Act of 1986 (31 U.S.C. 2211).

**SEC. 532. LOWER ST. JOHNS RIVER BASIN, FLORIDA.**

(a) COMPUTER MODEL.—

(1) IN GENERAL.—The Secretary may apply the computer model developed under the St. Johns River basin feasibility study to assist non-Federal interests in developing strategies for improving water quality in the Lower St. Johns River basin, Florida.

(2) COST SHARING.—The non-Federal share of the cost of assistance provided under this subsection shall be 50 percent.

(b) TOPOGRAPHIC SURVEY.—The Secretary is authorized to provide 1-foot contour topographic survey maps of the Lower St. Johns River basin, Florida, to non-Federal interests for analyzing environmental data and establishing benchmarks for subbasins.

**SEC. 533. SHORELINE PROTECTION AND ENVIRONMENTAL RESTORATION, LAKE ALLATOONA, GEORGIA.**

(a) IN GENERAL.—The Secretary, in cooperation with the Administrator of the Environmental Protection Agency, is authorized to carry out the following water-related environmental restoration and resource protection activities to restore Lake Allatoona and the Etowah River in Georgia:

(1) LAKE ALLATOONA/ETOWAH RIVER SHORELINE RESTORATION DESIGN.—Develop pre-construction design measures to alleviate shoreline erosion and sedimentation problems.

(2) LITTLE RIVER ENVIRONMENTAL RESTORATION.—Conduct a feasibility study to evaluate environmental problems and recommend environmental infrastructure restoration measures for the Little River within Lake Allatoona, Georgia.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years beginning after September 30, 1999—

(1) $850,000 to carry out subsection (a)(1); and

(2) $250,000 to carry out subsection (a)(2).

**SEC. 534. MAYO'S BAR LOCK AND DAM, COOSA RIVER, ROME, GEORGIA.**

The Secretary is authorized to provide technical assistance, including planning, engineering, and design assistance, for the reconstruction of the Mayo's Bar Lock and Dam, Coosa River, Rome, Georgia. The non-Federal share of assistance under this section shall be 50 percent.

**SEC. 535. COMPREHENSIVE FLOOD IMPACT RESPONSE MODELING SYSTEM, CORALVILLE RESERVOIR AND IOWA RIVER WATERSHED, IOWA.**

(a) IN GENERAL.—The Secretary, in cooperation with the University of Iowa, shall conduct a study and develop a Comprehensive Flood Impact Response Modeling System for Coralville Reservoir and the Iowa River watershed, Iowa.

(b) CONTENTS OF STUDY.—The study shall include—

(1) an evaluation of the combined hydrologic, geomorphic, environmental, economic, social, and recreational impacts of operating strategies within the Iowa River watershed;

(2) development of an integrated, dynamic flood impact model; and

(3) development of a rapid response system to be used during flood and other emergency situations.

(c) REPORT TO CONGRESS.—Not later than 5 years after the date of enactment of this Act, the Secretary shall transmit to Congress a report containing the results of the study and modeling system together with such recommendations as the Secretary determines to be appropriate.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $900,000 for each of fiscal years 2000 through 2004.

**SEC. 536. ADDITIONAL CONSTRUCTION ASSISTANCE IN ILLINOIS.**

The Secretary may carry out the project for Georgetown, Illinois, and the project for Olney, Illinois, referred to in House Report Number 104–741, accompanying Public Law 104–182.

**SEC. 537. KANOPOLIS LAKE, KANSAS.**

(a) WATER STORAGE.—The Secretary shall offer to the State of Kansas the right to purchase water storage in Kanopolis Lake, Kansas, at a price calculated in accordance with and in a manner consistent with the terms of the memorandum of understanding entitled ''Memorandum of Understanding Between the State of Kansas and the U.S. Department of the Army Concerning the Purchase of Municipal and Industrial Water Supply Storage'', dated December 11, 1985.

(b) EFFECTIVE DATE.—For the purposes of this section, the effective date of that memorandum of understanding shall be deemed to be the date of enactment of this Act.

**SEC. 538. SOUTHERN AND EASTERN KENTUCKY.**

Section 531(h) of the Water Resources Development Act of 1996 (110 Stat. 3774) is amended by striking ''$10,000,000'' and inserting ''$25,000,000''.

**SEC. 539. SOUTHEAST LOUISIANA.**

Section 533(c) of the Water Resources Development Act of 1996 (110 Stat. 3775) is amended by striking ''$100,000,000'' and inserting ''$200,000,000''.

**SEC. 540. SNUG HARBOR, MARYLAND.**

(a) IN GENERAL.—The Secretary, in coordination with the Director of the Federal Emergency Management Agency, is authorized—

(1) to provide technical assistance to the residents of Snug Harbor, in the vicinity of Berlin, Maryland, for purposes of flood damage reduction;

(2) to conduct a study of a project for nonstructural measures for flood damage reduction in the vicinity of Snug Harbor, Maryland, taking into account the relationship of both the

*Ocean City Inlet and Assateague Island to the flooding; and*

*(3) after completion of the study, to carry out the project under the authority of section 205 of the Flood Control Act of 1948 (33 U.S.C. 701s).*

*(b) FEMA ASSISTANCE.—The Director, in coordination with the Secretary and under the authorities of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 note), may provide technical assistance and nonstructural measures for flood damage mitigation in the vicinity of Snug Harbor, Maryland.*

*(c) FEDERAL SHARE.—The Federal share of the cost of assistance under this section shall not exceed $3,000,000. The non-Federal share of such cost shall be determined in accordance with the Water Resources Development Act of 1986 or the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as appropriate.*

***SEC. 541. WELCH POINT, ELK RIVER, CECIL COUNTY, AND CHESAPEAKE CITY, MARYLAND.***

*(a) SPILLAGE OF DREDGED MATERIALS.—The Secretary shall carry out a study to determine if the spillage of dredged materials that were removed as part of the project for navigation, Inland Waterway from Delaware River to Chesapeake Bay, Delaware and Maryland, authorized by the first section of the Act of August 30, 1935 (49 Stat. 1030), is a significant impediment to vessels transiting the Elk River near Welch Point, Maryland. If the Secretary determines that the spillage is an impediment to navigation, the Secretary may conduct such dredging as may be required to permit navigation on the river.*

*(b) DAMAGE TO WATER SUPPLY.—The Secretary shall carry out a study to determine if additional compensation is required to fully compensate the city of Chesapeake, Maryland, for damage to the city's water supply resulting from dredging of the Chesapeake and Delaware Canal project. If the Secretary determines that such additional compensation is required, the Secretary may provide the compensation to the city of Chesapeake.*

***SEC. 542. WEST VIEW SHORES, CECIL COUNTY, MARYLAND.***

*Not later than 1 year after the date of enactment of this Act, the Secretary shall carry out an investigation of the contamination of the well system in West View Shores, Cecil County, Maryland. If the Secretary determines that the disposal site from any Federal navigation project has contributed to the contamination of the wells, the Secretary may provide alternative water supplies, including replacement of wells, at full Federal expense.*

***SEC. 543. RESTORATION PROJECTS FOR MARYLAND, PENNSYLVANIA, AND WEST VIRGINIA.***

*Section 539 of the Water Resources Development Act of 1996 (110 Stat. 3776–3777) is amended—*

*(1) in subsection (a)(1) by striking ''technical'';*

*(2) in subsection (a)(1) by inserting ''(or in the case of projects located on lands owned by the United States, to Federal interests)'' after ''interests'';*

*(3) in subsection (a)(3) by inserting ''or in conjunction'' after ''consultation''; and*

*(4) by inserting at the end of subsection (d) the following: ''Funds authorized to be appropriated to carry out section 340 of the Water Resources Development Act of 1992 (106 Stat. 4856) are authorized for projects undertaken under subsection (a)(1)(B).''.*

***SEC. 544. CAPE COD CANAL RAILROAD BRIDGE, BUZZARDS BAY, MASSACHUSETTS.***

*(a) ALTERNATIVE TRANSPORTATION.—The Secretary is authorized to provide up to $300,000 for alternative transportation that may arise as a result of the operation, maintenance, repair, and rehabilitation of the Cape Cod Canal Railroad Bridge.*

*(b) OPERATION AND MAINTENANCE CONTRACT RENEGOTIATION.—Not later than 60 days after the date of enactment of this Act, the Secretary shall enter into negotiation with the owner of the railroad right-of-way for the Cape Cod Canal Railroad Bridge for the purpose of establishing the rights and responsibities for the operation and maintenance of the Bridge. The Secretary is authorized to include in any new contract the termination of the prior contract numbered ER–W175–ENG–1.*

***SEC. 545. ST. LOUIS, MISSOURI.***

*(a) DEMONSTRATION PROJECT.—The Secretary, in consultation with local officials, shall conduct a demonstration project to improve water quality in the vicinity of St. Louis, Missouri.*

*(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $1,700,000 to carry out this section.*

***SEC. 546. BEAVER BRANCH OF BIG TIMBER CREEK, NEW JERSEY.***

*Upon request of the State of New Jersey or a political subdivision thereof, the Secretary may compile and disseminate information on floods and flood damages, including identification of areas subject to inundation by floods, and provide technical assistance regarding floodplain management for Beaver Branch of Big Timber Creek, New Jersey.*

***SEC. 547. LAKE ONTARIO AND ST. LAWRENCE RIVER WATER LEVELS, NEW YORK.***

*Upon request, the Secretary shall provide technical assistance to the International Joint Commission and the St. Lawrence River Board of Control in undertaking studies on the effects of fluctuating water levels on the natural environment, recreational boating, property flooding, and erosion along the shorelines of Lake Ontario and the St. Lawrence River in New York. The Commission and Board are encouraged to conduct such studies in a comprehensive and thorough manner before implementing any change to water regulation Plan 1958–D.*

***SEC. 548. NEW YORK-NEW JERSEY HARBOR, NEW YORK AND NEW JERSEY.***

*The Secretary may enter into cooperative agreements with non-Federal interests to investigate, develop, and support measures for sediment management and reduction of contaminant sources which affect navigation in the Port of New York-New Jersey and the environmental conditions of the New York-New Jersey Harbor estuary. Such investigation shall include an analysis of the economic and environmental benefits and costs of potential sediment management and contaminant reduction measures.*

***SEC. 549. SEA GATE REACH, CONEY ISLAND, NEW YORK, NEW YORK.***

*The Secretary is authorized to construct a project for shoreline protection which includes a beachfill with revetment and T-groin for the Sea Gate Reach on Coney Island, New York, as identified in the March 1998 report prepared for the Corps of Engineers, New York District, entitled ''Field Data Gathering, Project Performance Analysis and Design Alternative Solutions to Improve Sandfill Retention'', at a total cost of $9,000,000, with an estimated Federal cost of $5,850,000 and an estimated non-Federal cost of $3,150,000.*

***SEC. 550. WOODLAWN, NEW YORK.***

*(a) IN GENERAL.—The Secretary shall provide planning, design, and other technical assistance to non-Federal interests for identifying and mitigating sources of contamination at Woodlawn Beach in Woodlawn, New York.*

*(b) COST SHARING.—The non-Federal share of the cost of assistance provided under this section shall be 50 percent.*

***SEC. 551. FLOODPLAIN MAPPING, NEW YORK.***

*(a) IN GENERAL.—The Secretary shall provide assistance for a project to develop maps identifying 100- and 500-year flood inundation areas in the State of New York.*

*(b) REQUIREMENTS.—Maps developed under the project shall include hydrologic and hydraulic information and shall accurately show the flood inundation of each property by flood risk in the floodplain. The maps shall be produced in a high resolution format and shall be made available to all flood prone areas in the State of New York in an electronic format.*

*(c) PARTICIPATION OF FEMA.—The Secretary and the non-Federal sponsor of the project shall work with the Director of the Federal Emergency Management Agency to ensure the validity of the maps developed under the project for flood insurance purposes.*

*(d) FORMS OF ASSISTANCE.—In carrying out the project, the Secretary may enter into contracts or cooperative agreements with the non-Federal sponsor or provide reimbursements of project costs.*

*(e) FEDERAL SHARE.—The Federal share of the cost of the project shall be 75 percent.*

*(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $12,000,000 for fiscal years beginning after September 30, 1998.*

***SEC. 552. WHITE OAK RIVER, NORTH CAROLINA.***

*The Secretary shall conduct a study to determine if water quality deterioration and sedimentation of the White Oak River, North Carolina, are the result of the Atlantic Intracoastal Waterway navigation project. If the Secretary determines that the water quality deterioration and sedimentation are the result of the project, the Secretary shall take appropriate measures to mitigate the deterioration and sedimentation.*

***SEC. 553. TOUSSAINT RIVER, CARROLL TOWNSHIP, OTTAWA COUNTY, OHIO.***

*The Secretary is authorized to provide technical assistance for the removal of military ordnance from the Toussaint River, Carroll Township, Ottawa County, Ohio.*

***SEC. 554. SARDIS RESERVOIR, OKLAHOMA.***

*(a) IN GENERAL.—The Secretary shall accept from the State of Oklahoma or an agent of the State an amount, as determined under subsection (b), as prepayment of 100 percent of the water supply cost obligation of the State under Contract No. DACW56–74–JC–0314 for water supply storage at Sardis Reservoir, Oklahoma.*

*(b) DETERMINATION OF AMOUNT.—The amount to be paid by the State of Oklahoma under subsection (a) shall be subject to adjustment in accordance with accepted discount purchase methods for Federal Government properties as determined by an independent accounting firm designated by the Director of the Office of Management and Budget. The cost of such determination shall be paid for by the State of Oklahoma or an agent of the State.*

*(c) EFFECT.—Nothing in this section affects any of the rights or obligations of the parties to the contract referred to in subsection (a).*

***SEC. 555. WAURIKA LAKE, OKLAHOMA, WATER CONVEYANCE FACILITIES.***

*For the project for construction of the water conveyances authorized by the first section of Public Law 88–253 (77 Stat. 841), the requirement for the Waurika Project Master Conservancy District to repay the $2,900,000 in costs (including interest) resulting from the October 1991 settlement of the claim before the United States Claims Court, and the payment of $1,190,451 of the final cost representing the difference between the 1978 estimate of cost and the actual cost determined after completion of such project in 1991, are waived.*

***SEC. 556. SKINNER BUTTE PARK, EUGENE, OREGON.***

*(a) STUDY.—The Secretary shall conduct a study of the south bank of the Willamette River, in the area of Skinner Butte Park from Ferry Street Bridge to the Valley River footbridge, to*

*determine the feasibility of carrying out a project to stabilize the river bank, and to restore and enhance riverine habitat, using a combination of structural and bioengineering techniques.*

*(b) CONSTRUCTION.—If, upon completion of the study, the Secretary determines that the project is feasible, the Secretary shall participate with non-Federal interests in the construction of the project.*

*(c) COST SHARE.—The non-Federal share of the cost of the project shall be 35 percent.*

*(d) LANDS, EASEMENTS, AND RIGHTS-OF-WAY.—The non-Federal interest shall provide lands, easements, rights-of-way, relocations, and dredged material disposal areas necessary for construction of the project. The value of such items shall be credited toward the non-Federal share of the cost of the project.*

*(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for fiscal years beginning after September 30, 1999.*

***SEC. 557. WILLAMETTE RIVER BASIN, OREGON.***

*The Secretary, Director of the Federal Emergency Management Agency, Administrator of the Environmental Protection Agency, and heads of other appropriate Federal agencies shall, using existing authorities, assist the State of Oregon in developing and implementing a comprehensive basin-wide strategy in the Willamette River basin of Oregon for coordinated and integrated management of land and water resources to improve water quality, reduce flood hazards, ensure sustainable economic activity, and restore habitat for native fish and wildlife. The heads of such Federal agencies may provide technical assistance, staff and financial support for development of the basin-wide management strategy. The heads of Federal agencies shall seek to exercise flexibility in administrative actions and allocation of funding to reduce barriers to efficient and effective implementing of the strategy.*

***SEC. 558. BRADFORD AND SULLIVAN COUNTIES, PENNSYLVANIA.***

*The Secretary is authorized to provide assistance for water-related environmental infrastructure and resource protection and development projects in Bradford and Sullivan Counties, Pennsylvania, using the funds and authorities provided in title I of the Energy and Water Development Appropriations Act, 1999 (Public Law 105–245) under the heading ''CONSTRUCTION, GENERAL'' (112 Stat. 1840) for similar projects in Lackawanna, Lycoming, Susquehanna, Wyoming, Pike, and Monroe Counties, Pennsylvania.*

***SEC. 559. ERIE HARBOR, PENNSYLVANIA.***

*The Secretary may reimburse the appropriate non-Federal interest not more than $78,366 for architect and engineering costs incurred in connection with the Erie Harbor basin navigation project, Pennsylvania.*

***SEC. 560. POINT MARION LOCK AND DAM, PENNSYLVANIA.***

*The project for navigation, Point Marion Lock and Dam, Borough of Point Marion, Pennsylvania, as authorized by section 301(a) of the Water Resources Development Act of 1986 (100 Stat. 4110), is modified to direct the Secretary, in the operation and maintenance of the project, to mitigate damages to the shoreline, at a total cost of $2,000,000. The cost of the mitigation shall be allocated as an operation and maintenance cost of a Federal navigation project.*

***SEC. 561. SEVEN POINTS' HARBOR, PENNSYLVANIA.***

*(a) IN GENERAL.—The Secretary is authorized, at full Federal expense, to construct a breakwater-dock combination at the entrance to Seven Points' Harbor, Pennsylvania.*

*(b) OPERATION AND MAINTENANCE COSTS.—All operation and maintenance costs associated with the facility constructed under this section shall be the responsibility of the lessee of the marina complex at Seven Points' Harbor.*

*(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $850,000 to carry out this section.*

***SEC. 562. SOUTHEASTERN PENNSYLVANIA.***

*Section 566(b) of the Water Resources Development Act of 1996 (110 Stat. 3786) is amended by inserting ''environmental restoration,'' after ''water supply and related facilities,''.*

***SEC. 563. UPPER SUSQUEHANNA-LACKAWANNA WATERSHED RESTORATION INITIATIVE.***

*(a) IN GENERAL.—The Secretary, in cooperation with appropriate Federal, State, and local agencies and nongovernmental institutions, is authorized to prepare a watershed plan for the Upper Susquehanna-Lackawanna Watershed (USGS Cataloguing Unit 02050107). The plan shall utilize geographic information system and shall include a comprehensive environmental assessment of the watershed's ecosystem, a comprehensive flood plain management plan, a flood plain protection plan, water resource and environmental restoration projects, water quality improvement, and other appropriate infrastructure and measures.*

*(b) NON-FEDERAL SHARE.—The non-Federal share of the cost of preparation of the plan under this section shall be 50 percent. Services and materials instead of cash may be credited toward the non-Federal share of the cost of the plan.*

*(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for fiscal years beginning after September 30, 1999.*

***SEC. 564. AGUADILLA HARBOR, PUERTO RICO.***

*The Secretary shall conduct a study to determine if erosion and additional storm damage risks that exist in the vicinity of Aguadilla Harbor, Puerto Rico, are the result of a Federal navigation project. If the Secretary determines that such erosion and additional storm damage risks are the result of the project, the Secretary shall take appropriate measures to mitigate the erosion and storm damage.*

***SEC. 565. OAHE DAM TO LAKE SHARPE, SOUTH DAKOTA, STUDY.***

*Section 441 of the Water Resources Development Act of 1996 (110 Stat. 3747) is amended—*

*(1) by inserting ''(a) INVESTIGATION.—'' before ''The Secretary''; and*

*(2) by adding at the end the following:*

*''(b) REPORT.—Not later than September 30, 1999, the Secretary shall transmit to Congress a report on the results of the investigation under this section. The report shall include the examination of financing options for regular maintenance and preservation of the lake. The report shall be prepared in coordination and cooperation with the Natural Resources Conservation Service, other Federal agencies, and State and local officials.''.*

***SEC. 566. INTEGRATED WATER MANAGEMENT PLANNING, TEXAS.***

*(a) IN GENERAL.—The Secretary, in cooperation with other Federal agencies and the State of Texas, shall provide technical, planning, and design assistance to non-Federal interests in developing integrated water management plans and projects that will serve the cities, counties, water agencies, and participating planning regions under the jurisdiction of the State of Texas.*

*(b) PURPOSES OF ASSISTANCE.—Assistance provided under subsection (a) shall be in support of non-Federal planning and projects for the following purposes:*

*(1) Plan and develop integrated, near- and long-term water management plans that address the planning region's water supply, water conservation, and water quality needs.*

*(2) Study and develop strategies and plans that restore, preserve, and protect the State's and planning region's natural ecosystems.*

*(3) Facilitate public communication and participation.*

*(4) Integrate such activities with other ongoing Federal and State projects and activities associated with the State of Texas water plan and the State of Texas legislation.*

*(c) COST SHARING.—The non-Federal share of the cost of assistance provided under subsection (a) shall be 50 percent, of which up to ½ of the non-Federal share may be provided as in kind services.*

*(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $10,000,000 for the fiscal years beginning after September 30, 1999.*

***SEC. 567. BOLIVAR PENINSULA, JEFFERSON, CHAMBERS, AND GALVESTON COUNTIES, TEXAS.***

*(a) SHORE PROTECTION PROJECT.—The Secretary is authorized to design and construct a shore protection project between the south jetty of the Sabine Pass Channel and the north jetty of the Galveston Harbor Entrance Channel in Jefferson, Chambers, and Galveston Counties, Texas, including beneficial use of dredged material from Federal navigation projects.*

*(b) APPLICABILITY OF BENEFIT-COST RATIO WAIVER AUTHORITY.—In evaluating and implementing the project, the Secretary shall allow the non-Federal interest to participate in the financing of the project in accordance with section 903(c) of the Water Resources Development Act of 1986 (100 Stat. 4184), notwithstanding any limitation on the purpose of projects to which such section applies, to the extent that the Secretary's evaluation indicates that applying such section is necessary to implement the project.*

***SEC. 568. GALVESTON BEACH, GALVESTON COUNTY, TEXAS.***

*The Secretary is authorized to design and construct a shore protection project between the Galveston South Jetty and San Luis Pass, Galveston County, Texas, using innovative nourishment techniques, including beneficial use of dredged material from Federal navigation projects.*

***SEC. 569. PACKERY CHANNEL, CORPUS CHRISTI, TEXAS.***

*(a) IN GENERAL.—The Secretary shall construct a navigation and storm protection project at Packery Channel, Mustang Island, Texas, consisting of construction of a channel and a channel jetty and placement of sand along the length of the seawall.*

*(b) ECOLOGICAL AND RECREATIONAL BENEFITS.—In evaluating the project, the Secretary shall include the ecological and recreational benefits of reopening the Packery Channel.*

*(c) APPLICABILITY OF BENEFIT-COST RATIO WAIVER AUTHORITY.—In evaluating and implementing the project, the Secretary shall allow the non-Federal interest to participate in the financing of the project in accordance with section 903(c) of the Water Resources Development Act of 1986 (100 Stat. 4184), notwithstanding any limitation on the purpose of projects to which such section applies, to the extent that the Secretary's evaluation indicates that applying such section is necessary to implement the project.*

***SEC. 570. NORTHERN WEST VIRGINIA.***

*The projects described in the following reports are authorized to be carried out by the Secretary substantially in accordance with the plans, and subject to the conditions, recommended in such reports:*

*(1) PARKERSBURG, WEST VIRGINIA.—Report of the Corps of Engineers entitled ''Parkersburg/Vienna Riverfront Park Feasibility Study'', dated June 1998, at a total cost of $8,400,000, with an estimated Federal cost of $4,200,000, and an estimated non-Federal cost of $4,200,000.*

*(2) WEIRTON, WEST VIRGINIA.—Report of the Corps of Engineers entitled ''Feasibility Master Plan for Weirton Port and Industrial Center, West Virginia Public Port Authority'', dated December 1997, at a total cost of $18,000,000, with an estimated Federal cost of $9,000,000, and an estimated non-Federal cost of $9,000,000.*

*(3) ERICKSON/WOOD COUNTY, WEST VIRGINIA.—Report of the Corps of Engineers entitled ''Feasibility Master Plan for Erickson/Wood County Port District, West Virginia Public Port Authority'', dated July 7, 1997, at a total cost of $28,000,000, with an estimated Federal cost of $14,000,000, and an estimated non-Federal cost of $14,000,000.*

*(4) MONONGAHELA RIVER, WEST VIRGINIA.—Monongahela River, West Virginia, Comprehensive Study Reconnaissance Report, dated September 1995, consisting of the following elements:*

*(A) Morgantown Riverfront Park, Morgantown, West Virginia, at a total cost of $1,600,000, with an estimated Federal cost of $800,000 and an estimated non-Federal cost of $800,000.*

*(B) Caperton Rail to Trail, Monongahela County, West Virginia, at a total cost of $4,425,000, with an estimated Federal cost of $2,212,500 and an estimated non-Federal cost of $2,212,500.*

*(C) Palatine Park, Fairmont, West Virginia, at a total cost of $1,750,000, with an estimated Federal cost of $875,000 and an estimated non-Federal cost of $875,000.*

***SEC. 571. URBANIZED PEAK FLOOD MANAGEMENT RESEARCH.***

*(a) IN GENERAL.—The Secretary shall develop and implement a research program to evaluate opportunities to manage peak flood flows in urbanized watersheds located in the State of New Jersey.*

*(b) SCOPE OF RESEARCH.—The research program authorized by subsection (a) shall be accomplished through the New York District. The research shall specifically include the following:*

*(1) Identification of key factors in urbanized watersheds that are under development and impact peak flows in the watersheds and downsteam of the watersheds.*

*(2) Development of peak flow management models for 4 to 6 watersheds in urbanized areas located with widely differing geology, areas, shapes, and soil types that can be used to determine optimal flow reduction factors for individual watersheds.*

*(3) Utilization of such management models to determine relationships between flow and reduction factors and change in imperviousness, soil types, shape of the drainage basin, and other pertinent parameters from existing to ultimate conditions in watersheds under consideration for development.*

*(4) Development and validation of an inexpensive accurate model to establish flood reduction factors based on runoff curve numbers, change in imperviousness, the shape of the basin, and other pertinent factors.*

*(c) REPORT TO CONGRESS.—The Secretary shall evaluate policy changes in the planning process for flood control projects based on the results of the research authorized by this section and transmit to Congress a report not later than 3 years after the date of enactment of this Act.*

*(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carryout this section $3,000,000 for fiscal years beginning after September 30, 1999.*

*(e) FLOW REDUCTION FACTORS DEFINED.—In this section, the term ''flow reduction factors'' means the ratio of estimated allowable peak flows of stormwater after projected development when compared to pre-existing conditions.*

***SEC. 572. MISSISSIPPI RIVER COMMISSION.***

*Section 8 of the Flood Control Act of May 15, 1928 (Public Law 391, 70th Congress), is amended by striking ''$7,500'' and inserting ''$21,500.''*

***SEC. 573. COASTAL AQUATIC HABITAT MANAGEMENT.***

*(a) IN GENERAL.—The Secretary may cooperate with the Secretaries of Agriculture and the Interior, the Administrators of the Environmental Protection Agency and the National Oceanic and Atmospheric Administration, other appropriate Federal, State, and local agencies, and affected private entities, in the development of a management strategy to address problems associated with toxic microorganisms and the resulting degradation of ecosystems in the tidal and nontidal wetlands and waters of the United States for the States along the Atlantic Ocean. As part of such management strategy, the Secretary may provide planning, design, and other technical assistance to each participating State in the development and implementation of nonregulatory measures to mitigate environmental problems and restore aquatic resources.*

*(b) COST SHARING.—The Federal share of the cost of measures undertaken under this section shall not exceed 65 percent.*

*(c) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.*

*(d) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated to carry out this section $7,000,000 for fiscal years beginning after September 30, 1999.*

***SEC. 574. ABANDONED AND INACTIVE NONCOAL MINE RESTORATION.***

*(a) IN GENERAL.—The Secretary is authorized to provide technical, planning, and design assistance to Federal and non-Federal interests for carrying out projects to address water quality problems caused by drainage and related activities from abandoned and inactive noncoal mines.*

*(b) SPECIFIC MEASURES.—Assistance provided under subsection (a) may be in support of projects for the following purposes:*

*(1) Management of drainage from abandoned and inactive noncoal mines.*

*(2) Restoration and protection of streams, rivers, wetlands, other waterbodies, and riparian areas degraded by drainage from abandoned and inactive noncoal mines.*

*(3) Demonstration of management practices and innovative and alternative treatment technologies to minimize or eliminate adverse environmental effects associated with drainage from abandoned and inactive noncoal mines.*

*(c) NON-FEDERAL SHARE.—The non-Federal share of the cost of assistance under subsection (a) shall be 50 percent; except that the Federal share with respect to projects located on lands owned by the United States shall be 100 percent.*

*(d) EFFECT ON AUTHORITY OF THE SECRETARY OF THE INTERIOR.—Nothing in this section shall be construed as affecting the authority of the Secretary of the Interior under title IV of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1231 et seq.).*

*(e) TECHNOLOGY DATABASE FOR RECLAMATION OF ABANDONED MINES.—The Secretary is authorized to provide assistance to non-Federal and non-profit entities to develop, manage, and maintain a database of conventional and innovative, cost-effective technologies for reclamation of abandoned and inactive noncoal mine sites. Such assistance shall be provided through the rehabilitation of abandoned mine sites program, managed by the Sacramento District Office of the Corps of Engineers.*

*(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000.*

***SEC. 575. BENEFICIAL USE OF WASTE TIRE RUBBER.***

*(a) IN GENERAL.—The Secretary is authorized to conduct pilot projects to encourage the beneficial use of waste tire rubber, including crumb rubber, recycled from tires. Such beneficial use may include marine pilings, underwater framing, floating docks with built-in flotation, utility poles, and other uses associated with transportation and infrastructure projects receiving Federal funds. The Secretary shall, when appropriate, encourage the use of waste tire rubber, including crumb rubber, in such federally funded projects.*

*(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for fiscal years beginning after September 30, 1998.*

***SEC. 576. SITE DESIGNATION.***

*Section 102(c)(4) of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1412(c)(4)) is amended by striking ''January 1, 2000'' and inserting ''January 1, 2005''.*

***SEC. 577. LAND CONVEYANCES.***

*(a) EXCHANGE OF LAND IN PIKE COUNTY, MISSOURI.—*

*(1) EXCHANGE OF LAND.—Subject to paragraphs (3) and (4), at such time as Holnam Inc. conveys all right, title, and interest in and to the land described in paragraph (2)(A) to the United States, the Secretary shall convey all right, title, and interest in the land described in paragraph (2)(B) to Holnam Inc.*

*(2) DESCRIPTION OF LANDS.—The lands referred to in paragraph (1) are the following:*

*(A) NON-FEDERAL LAND.—152.45 acres with existing flowage easements situated in Pike County, Missouri, described a portion of Government Tract Number FM–9 and all of Government Tract Numbers FM–11, FM–10, FM–12, FM–13, and FM–16, owned and administered by the Holnam Inc.*

*(B) FEDERAL LAND.—152.61 acres situated in Pike County, Missouri, known as Government Tract Numbers FM–17 and a portion of FM–18, administered by the Corps of Engineers.*

*(3) CONDITIONS OF EXCHANGE.—The exchange of land authorized by paragraph (1) shall be subject to the following conditions:*

*(A) DEEDS.—*

*(i) FEDERAL LAND.—The instrument of conveyance used to convey the land described in paragraph (2)(B) to Holnam Inc. shall contain such reservations, terms, and conditions as the Secretary considers necessary to allow the United States to operate and maintain the Mississippi River 9-Foot Navigation Project.*

*(ii) NON-FEDERAL LAND.—The conveyance of the land described in paragraph (2)(A) to the Secretary shall be by a warranty deed acceptable to the Secretary.*

*(B) REMOVAL OF IMPROVEMENTS.—Holnam Inc. may remove any improvements on the land described in paragraph (2)(A). The Secretary may require Holnam Inc. to remove any improvements on the land described in paragraph (2)(A). In either case, Holnam Inc. shall hold the United States harmless from liability, and the United States shall not incur cost associated with the removal or relocation of any such improvements.*

*(C) TIME LIMIT FOR EXCHANGE.—The land exchange authorized by paragraph (1) shall be completed not later than 2 years after the date of enactment of this Act.*

*(D) LEGAL DESCRIPTION.—The Secretary shall provide the legal description of the land described in paragraph (2). The legal description shall be used in the instruments of conveyance of the land.*

*(E) ADMINISTRATIVE COSTS.—The Secretary shall require Holnam Inc. to pay reasonable administrative costs associated with the exchange.*

*(4) VALUE OF PROPERTIES.—If the appraised fair market value, as determined by the Secretary, of the land conveyed to Holnam Inc. by the Secretary under paragraph (1) exceeds the appraised fair market value, as determined by the Secretary, of the land conveyed to the*

United States by Holnam Inc. under paragraph (1), Holnam Inc. shall make a payment equal to the excess in cash or a cash equivalent to the United States.

(b) CANDY LAKE PROJECT, OSAGE COUNTY, OKLAHOMA.—

(1) DEFINITIONS.—In this subsection, the following definitions apply:

(A) FAIR MARKET VALUE.—The term ''fair market value'' means the amount for which a willing buyer would purchase and a willing seller would sell a parcel of land, as determined by a qualified, independent land appraiser.

(B) PREVIOUS OWNER OF LAND.—The term ''previous owner of land'' means a person (including a corporation) that conveyed, or a descendant of a deceased individual who conveyed, land to the Corps of Engineers for use in the Candy Lake project in Osage County, Oklahoma.

(2) LAND CONVEYANCES.—

(A) IN GENERAL.—The Secretary shall convey, in accordance with this subsection, all right, title, and interest of the United States in and to the land acquired by the United States for the Candy Lake project in Osage County, Oklahoma.

(B) PREVIOUS OWNERS OF LAND.—

(i) IN GENERAL.—The Secretary shall give a previous owner of land the first option to purchase the land described in subparagraph (A).

(ii) APPLICATION.—

(I) IN GENERAL.—A previous owner of land that desires to purchase the land described in subparagraph (A) that was owned by the previous owner of land, or by the individual from whom the previous owner of land is descended, shall file an application to purchase the land with the Secretary not later than 180 days after the official date of notice to the previous owner of land under paragraph (3).

(II) FIRST TO FILE HAS FIRST OPTION.—If more than 1 application is filed to purchase a parcel of land described in subparagraph (A), the first option to purchase the parcel of land shall be determined in the order in which applications for the parcel of land were filed.

(iii) IDENTIFICATION OF PREVIOUS OWNERS OF LAND.—As soon as practicable after the date of enactment of this Act, the Secretary shall, to the extent practicable, identify each previous owner of land.

(iv) CONSIDERATION.—Consideration for land conveyed under this paragraph shall be the fair market value of the land.

(C) DISPOSAL.—Any land described in subparagraph (A) for which an application to purchase the land has not been filed under subparagraph (B)(ii) within the applicable time period shall be disposed of in accordance with law.

(D) EXTINGUISHMENT OF EASEMENTS.—All flowage easements acquired by the United States for use in the Candy Lake project in Osage County, Oklahoma, are extinguished.

(3) NOTICE.—

(A) IN GENERAL.—The Secretary shall notify—

(i) each person identified as a previous owner of land under paragraph (2)(B)(iii), not later than 90 days after identification, by United States mail; and

(ii) the general public, not later than 90 days after the date of enactment of this Act, by publication in the Federal Register.

(B) CONTENTS OF NOTICE.—Notice under this paragraph shall include—

(i) a copy of this subsection;

(ii) information sufficient to separately identify each parcel of land subject to this subsection; and

(iii) specification of the fair market value of each parcel of land subject to this subsection.

(C) OFFICIAL DATE OF NOTICE.—The official date of notice under this paragraph shall be the later of—

(i) the date on which actual notice is mailed; or

(ii) the date of publication of the notice in the Federal Register.

(c) LAKE HUGO, OKLAHOMA, AREA LAND CONVEYANCE.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall convey at fair market value to Choctaw County Industrial Authority, Oklahoma, the property described in paragraph (2).

(2) DESCRIPTION.—The property to be conveyed under paragraph (1) is—

(A) that portion of land at Lake Hugo, Oklahoma, above elevation 445.2 located in the N½ of the NW¼ of Section 24, R 18 E, T 6 S, and the S½ of the SW¼ of Section 13, R 18 E, T 6 S bounded to the south by a line 50 north on the centerline of Road B of Sawyer Bluff Public Use Area and to the north by the ½ quarter section line forming the south boundary of Wilson Point Public Use Area; and

(B) a parcel of property at Lake Hugo, Oklahoma, commencing at the NE corner of the SE¼ SW¼ of Section 13, R 18 E, T 6 S, 100 feet north, then east approximately ½ mile to the county line road between Section 13, R 18 E, T 6 S, and Section 18, R 19 E, T 6 S.

(3) TERMS AND CONDITIONS.—The conveyances under this subsection shall be subject to such terms and conditions, including payment of reasonable administrative costs and compliance with applicable Federal floodplain management and flood insurance programs, as the Secretary considers necessary and appropriate to protect the interests of the United States.

(d) CONVEYANCE OF PROPERTY IN MARSHALL COUNTY, OKLAHOMA.—

(1) IN GENERAL.—The Secretary shall convey to the State of Oklahoma all right, title, and interest of the United States to real property located in Marshall County, Oklahoma, and included in the Lake Texoma (Denison Dam), Oklahoma and Texas, project consisting of approximately 1,580 acres and leased to the State of Oklahoma for public park and recreation purposes.

(2) CONSIDERATION.—Consideration for the conveyance under paragraph (1) shall be the fair market value of the real property, as determined by the Secretary. All costs associated with the conveyance under paragraph (1) shall be paid by the State of Oklahoma.

(3) DESCRIPTION.—The exact acreage and legal description of the real property to be conveyed under paragraph (1) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be paid by the State of Oklahoma.

(4) ENVIRONMENTAL COMPLIANCE.—Before making the conveyance under paragraph (1), the Secretary shall—

(A) conduct an environmental baseline survey to determine if there are levels of contamination for which the United States would be responsible under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.); and

(B) ensure that the conveyance complies with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(5) OTHER TERMS AND CONDITIONS.—The conveyance under paragraph (1) shall be subject to such other terms and conditions as the Secretary considers necessary and appropriate to protect the interests of the United States, including reservation by the United States of a flowage easement over all portions of the real property to be conveyed that are at or below elevation 645.0 NGVD.

(e) SUMMERFIELD CEMETERY ASSOCIATION, OKLAHOMA, LAND CONVEYANCE.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary shall transfer to the Summerfield Cemetery Association, Oklahoma, all right, title, and interest of the United State in and to the land described in paragraph (3) for use as a cemetery.

(2) REVERSION.—If the land to be transferred under this subsection ever cease to be used as a not-for-profit cemetery or for other public purposes the land shall revert to the United States.

(3) DESCRIPTION.—The land to be conveyed under this subsection is the approximately 10 acres of land located in Leflore County, Oklahoma, and described as follows:

INDIAN BASIN MERIDIAN

Section 23, Township 5 North, Range 23 East

SW SE SW NW
NW NE NW SW
N½ SW SW NW.

(4) CONSIDERATION.—The conveyance under this subsection shall be without consideration. All costs associated with the conveyance shall be paid by the Summerfield Cemetery Association, Oklahoma.

(5) OTHER TERMS AND CONDITIONS.—The conveyance under this subsection shall be subject to such other terms and conditions as the Secretary considers necessary and appropriate to protect the interests of the United States.

(f) DEXTER, OREGON.—

(1) IN GENERAL.—The Secretary shall convey to the Dexter Sanitary District all right, title, and interest of the United States in and to a parcel of land consisting of approximately 5 acres located at Dexter Lake, Oregon, under lease to the Dexter Sanitary District.

(2) CONSIDERATION.—Land to be conveyed under this section shall be conveyed without consideration. If the land is no longer held in public ownership or no longer used for wastewater treatment purposes, title to the land shall revert to the Secretary.

(3) TERMS AND CONDITIONS.—The conveyance by the United States shall be subject to such terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

(4) DESCRIPTION.—The exact acreage and description of the land to be conveyed under paragraph (1) shall be determined by such surveys as the Secretary considers necessary. The cost of the surveys shall be borne by the Dexter Sanitary District.

(g) RICHARD B. RUSSELL DAM AND LAKE, SOUTH CAROLINA.—

(1) IN GENERAL.—Upon execution of an agreement under paragraph (4) and subject to the requirements of this subsection, the Secretary shall convey, without consideration, to the State of South Carolina all right, title, and interest of the United States to the lands described in paragraph (2) that are managed, as of the date of enactment of this Act, by the South Carolina Department of Natural Resources for fish and wildlife mitigation purposes in connection with the Richard B. Russell Dam and Lake, South Carolina, project.

(2) DESCRIPTION.—

(A) IN GENERAL.—Subject to subparagraph (B), the lands to be conveyed under paragraph (1) are described in Exhibits A, F, and H of Army Lease Number DACW21–1–93–0910 and associated Supplemental Agreements or are designated in red in Exhibit A of Army License Number DACW21–3–85–1904; except that all designated lands in the license that are below elevation 346 feet mean sea level or that are less than 300 feet measured horizontally from the top of the power pool are excluded from the conveyance. Management of the excluded lands shall continue in accordance with the terms of Army License Number DACW21–3–85–1904 until the Secretary and the State enter into an agreement under paragraph (4).

(B) SURVEY.—The exact acreage and legal description of the lands to be conveyed under

paragraph (1) shall be determined by a survey satisfactory to the Secretary, with the cost of the survey to be paid by the State. The State shall be responsible for all other costs, including real estate transaction and environmental compliance costs, associated with the conveyance.

(3) TERMS AND CONDITIONS.—

(A) MANAGEMENT OF LANDS.—All lands that are conveyed under paragraph (1) shall be retained in public ownership and shall be managed in perpetuity for fish and wildlife mitigation purposes in accordance with a plan approved by the Secretary. If the lands are not managed for such purposes in accordance with the plan, title to the lands shall revert to the United States. If the lands revert to the United States under this subparagraph, the Secretary shall manage the lands for such purposes.

(B) TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance as the Secretary considers appropriate to protect the interests of the United States.

(4) PAYMENTS.—

(A) AGREEMENTS.—The Secretary is authorized to pay to the State of South Carolina not more than $4,850,000 if the Secretary and the State enter into a binding agreement for the State to manage for fish and wildlife mitigation purposes, in perpetuity, the lands conveyed under this subsection and the lands not covered by the conveyance that are designated in red in Exhibit A of Army License Number DACW21–3–85–1904.

(B) TERMS AND CONDITIONS.—The agreement shall specify the terms and conditions under which the payment will be made and the rights of, and remedies available to, the Federal Government to recover all or a portion of the payment in the event the State fails to manage the lands in a manner satisfactory to the Secretary.

(h) CHARLESTON, SOUTH CAROLINA.—The Secretary is authorized to convey the property of the Corps of Engineers known as the ''Equipment and Storage Yard'', located on Meeting Street in Charleston, South Carolina, in as-is condition for fair-market value with all proceeds from the conveyance to be applied by the Corps of Engineers, Charleston District, to offset a portion of the costs of moving or leasing (or both) an office facility in the city of Charleston.

(i) CLARKSTON, WASHINGTON.—

(1) IN GENERAL.—The Secretary shall convey to the Port of Clarkston, Washington, all right, title, and interest of the United States in and to a portion of the land described in Army Lease Number DACW68–1–97–22, consisting of approximately 31 acres, the exact boundaries of which shall be determined by the Secretary and the Port of Clarkston.

(2) ADDITIONAL LAND.—The Secretary may convey to the Port of Clarkston, Washington, at fair market value as determined by the Secretary, such additional land located in the vicinity of Clarkston, Washington, as the Secretary determines to be excess to the needs of the Columbia River Project and appropriate for conveyance.

(3) TERMS AND CONDITIONS.—The conveyances made under paragraphs (1) and (2) shall be subject to such terms and conditions as the Secretary determines to be necessary to protect the interests of the United States, including a requirement that the Port of Clarkston pay all administrative costs associated with the conveyances (including the cost of land surveys and appraisals and costs associated with compliance with applicable environmental laws, including regulations).

(4) USE OF LAND.—The Port of Clarkston shall be required to pay the fair market value, as determined by the Secretary, of any land conveyed pursuant to paragraph (1) that is not retained in public ownership or is used for other than public park or recreation purposes, except that the Secretary shall have a right of reverter to reclaim possession and title to any such land.

(j) LAND CONVEYANCE TO MATEWAN, WEST VIRGINIA.—

(1) IN GENERAL.—The United States shall convey by quit claim deed to the Town of Matewan, West Virginia, all right, title, and interest of the United States in and to four parcels of land deemed excess by the Secretary of the Army, acting through the Chief of the U.S. Army Corps of Engineers, to the structural project for flood control constructed by the Corps of Engineers along the Tug Fork River pursuant to section 202 of Public Law 96–367.

(2) PROPERTY DESCRIPTION.—The parcels of land referred to in paragraph (1) are as follows:

(A) A certain parcel of land in the State of West Virginia, Mingo County, Town of Matewan, and being more particularly bounded and described as follows:

Beginning at a point on the southerly right-of-way line of a 40-foot-wide street right-of-way (known as McCoy Alley), having an approximate coordinate value of N228,695, E1,662,397, in the line common to the land designated as U.S.A. Tract No. 834, and the land designated as U.S.A. Tract No. 837, said point being South 51°52′ East 81.8 feet from an iron pin and cap marked M–12 on the boundary of the Matewan Area Structural Project, on the north right-of-way line of said street, at a corner common to designated U.S.A. Tracts Nos. 834 and 836; thence, leaving the right-of-way of said street, with the line common to the land of said Tract No. 834, and the land of said Tract No. 837.

South 14°37′ West 46 feet to the corner common to the land of said Tract No. 834, and the land of said Tract No. 837; thence, leaving the land of said Tract No. 837, severing the lands of said Project.

South 14°37′ West 46 feet.
South 68°07′ East 239 feet.

North 26°05′ East 95 feet to a point on the southerly right-of-way line of said street; thence, with the right-of-way of said street, continuing to sever the lands of said Project.

South 63°55′ East 206 feet; thence, leaving the right-of-way of said street, continuing to sever the lands of said Project.

South 26°16′ West 63 feet; thence, with a curve to the left having a radius of 70 feet, a delta of 33°58′, an arc length of 41 feet, the chord bearing.

South 09°17′ West 41 feet; thence, leaving said curve, continuing to sever the lands of said Project.

South 07°42′ East 31 feet to a point on the right-of-way line of the floodwall; thence, with the right-of-way of said floodwall, continuing to sever the lands of said Project.

South 77°04′ West 71 feet.
North 77°10′ West 46 feet.
North 67°07′ West 254 feet.
North 67°54′ West 507 feet.

North 57°49′ West 66 feet to the intersection of the right-of-way line of said floodwall with the southerly right-of-way line of said street; thence, leaving the right-of-way of said floodwall and with the southerly right-of-way of said street, continuing to sever the lands of said Project.

North 83°01′ East 171 feet.
North 89°42′ East 74 feet.
South 83°39′ East 168 feet.
South 83°38′ East 41 feet.

South 77°26′ East 28 feet to the point of beginning, containing 2.59 acres, more or less. The bearings and coordinate used herein are referenced to the West Virginia State Plane Coordinate System, South Zone.

(B) A certain parcel of land in the State of West Virginia, Mingo County, Town of Matewan, and being more particularly bounded and described as follows:

Beginning at an iron pin and cap designated Corner No. M2–2 on the southerly right-of-way line of the Norfolk and Western Railroad, having an approximate coordinate value of N228,755 E1,661,242, and being at the intersection of the right-of-way line of the floodwall with the boundary of the Matewan Area Structural Project; thence, leaving the right-of-way of said floodwall and with said Project boundary, and the southerly right-of-way of said Railroad.

North 59°45′ East 34 feet.
North 69°50′ East 44 feet.
North 58°11′ East 79 feet.
North 66°13′ East 102 feet.
North 69°43′ East 98 feet.
North 77°39′ East 18 feet.

North 72°39′ East 13 feet to a point at the intersection of said Project boundary, and the southerly right-of-way of said Railroad, with the westerly right-of-way line of State Route 49/10; thence, leaving said Project boundary, and the southerly right-of-way of said Railroad, and with the westerly right-of-way of said road.

South 03°21′ East 100 feet to a point at the intersection of the westerly right-of-way of said road with the right-of-way of said floodwall; thence, leaving the right-of-way of said road, and with the right-of-way line of said floodwall.

South 79°30′ West 69 feet.
South 78°28′ West 222 feet.
South 80°11′ West 65 feet.

North 38°40′ West 14 feet to the point of beginning, containing 0.53 acre, more or less. The bearings and coordinate used herein are referenced to the West Virginia State Plane Coordinate System, South Zone.

(C) A certain parcel of land in the State of West Virginia, Mingo County, Town of Matewan, and being more particularly bounded and described as follows:

Beginning at a point on the southerly right-of-way line of the Norfolk and Western Railroad, having an approximate coordinate value of N228,936 E1,661,672, and being at the intersection of the easterly right-of-way line of State Route 49/10 with the boundary of the Matewan Area Structural Project; thence, leaving the right-of-way of said road, and with said Project boundary, and the southerly right-of-way of said Railroad.

North 77°49′ East 89 feet to an iron pin and cap designated as U.S.A. Corner No. M–4.

North 79°30′ East 74 feet to an iron pin and cap designated as U.S.A. Corner No. M–5–1; thence, leaving the southerly right-of-way of said Railroad, and continuing with the boundary of said Project.

South 06°33′ East 102 to an iron pipe and cap designated U.S.A. Corner No. M–6–1 on the northerly right-of-way line of State Route 49/28; thence, leaving the boundary of said Project, and with the right-of-way of said road, severing the lands of said Project.

North 80°59′ West 171 feet to a point at the intersection of the Northerly right-of-way line of said State Route 49/28 with the easterly right-of-way line of said State Route 49/10; thence, leaving the right-of-way of said State Route 49/28 and with the right-of-way of said State Route 49/10.

North 03°21′ West 42 feet to the point of beginning, containing 0.27 acre, more or less. The bearings and coordinate used herein are referenced to the West Virginia State Plane Coordinate System, South Zone.

(D) A certain parcel of land in the State of West Virginia, Mingo County, Town of Matewan, and being more particularly bounded and described as follows:

Beginning at a point at the intersection of the easterly right-of-way line of State Route 49/10 with the right-of-way line of the floodwall, having an approximate coordinate value of N228,826 E1,661,679; thence, leaving the right-of-way of

*said floodwall, and with the right-of-way of said State Route 49/10.*

*North 03°21′ West 23 feet to a point at the intersection of the easterly right-of-way line of said State Route 49/10 with the southerly right-of-way line of State Route 49/28; thence, leaving the right-of-way of said State Route 49/10 and with the right-of-way of said State Route 49/28.*

*South 80°59′ East 168 feet.*

*North 82°28′ East 45 feet to an iron pin and cap designated as U.S.A. Corner No. M–8–1 on the boundary of the Western Area Structural Project; thence, leaving the right-of-way of said State Route 49/28, and with said Project boundary.*

*South 08°28′ East 88 feet to an iron pin and cap designated as U.S.A. Corner No. M–9–1 point on the northerly right-of-way line of a street (known as McCoy Alley); thence, leaving said Project boundary and with the northerly right-of-way of said street.*

*South 83°01′ West 38 feet to a point on the right-of-way line of said floodwall; thence, leaving the right-of-way of said street, and with the right-of-way of said floodwall.*

*North 57°49′ West 180 feet.*

*South 79°30′ West 34 feet to a point of beginning, containing 0.24 acre, more or less. The bearings and coordinate used herein are referenced to the West Virginia State Plane Coordinate System, South Zone.*

***SEC. 578. NAMINGS.***

*(a) FRANCIS BLAND FLOODWAY DITCH, ARKANSAS.—*

*(1) DESIGNATION.—8-Mile Creek in Paragould, Arkansas, shall be known and designated as the ''Francis Bland Floodway Ditch''.*

*(2) LEGAL REFERENCE.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the creek referred to in paragraph (1) shall be deemed to be a reference to the ''Francis Bland Floodway Ditch''.*

*(b) LAWRENCE BLACKWELL MEMORIAL BRIDGE, ARKANSAS.—*

*(1) DESIGNATION.—The bridge over lock and dam numbered 4 on the Arkansas River, Arkansas, constructed as part of the project for navigation on the Arkansas River and tributaries, shall be known and designated as the ''Lawrence Blackwell Memorial Bridge''.*

*(2) LEGAL REFERENCE.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the bridge referred to in paragraph (1) shall be deemed to be a reference to the ''Lawrence Blackwell Memorial Bridge''.*

***SEC. 579. FOLSOM DAM AND RESERVOIR ADDITIONAL STORAGE AND ADDITIONAL FLOOD CONTROL STUDIES.***

*(a) FOLSOM FLOOD CONTROL STUDIES.—*

*(1) IN GENERAL.—The Secretary, in consultation with the State of California and local water resources agencies, shall undertake a study of increasing surcharge flood control storage at the Folsom Dam and Reservoir.*

*(2) LIMITATIONS.—The study of the Folsom Dam and Reservoir undertaken under paragraph (1) shall assume that there is to be no increase in conservation storage at the Folsom Reservoir.*

*(3) REPORT.—Not later than March 1, 2000, the Secretary shall transmit to Congress a report on the results of the study under this subsection.*

*(b) AMERICAN AND SACRAMENTO RIVERS FLOOD CONTROL STUDY.—*

*(1) IN GENERAL.—The Secretary shall undertake a study of all levees on the American River and on the Sacramento River downstream and immediately upstream of the confluence of such Rivers to access opportunities to increase potential flood protection through levee modifications.*

*(2) DEADLINE FOR COMPLETION.—Not later than March 1, 2000, the Secretary shall transmit to Congress a report on the results of the study undertaken under this subsection.*

***SEC. 580. WALLOPS ISLAND, VIRGINIA.***

*(a) EMERGENCY ACTION.—The Secretary shall take emergency action to protect Wallops Island, Virginia, from damaging coastal storms, by improving and extending the existing seawall, replenishing and renourishing the beach, and constructing protective dunes.*

*(b) REIMBURSEMENT.—The Secretary shall seek reimbursement from other Federal agencies whose resources are protected by the emergency action taken under subsection (a).*

*(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $8,000,000.*

***SEC. 581. DETROIT RIVER, DETROIT, MICHIGAN.***

*(a) IN GENERAL.—The Secretary is authorized to repair and rehabilitate the seawalls on the Detroit River in Detroit, Michigan.*

*(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years beginning after September 30, 1999, $1,000,000 to carry out this section.*

The CHAIRMAN. No amendment shall be in order except those printed in part 2 of that report. Each amendment may be offered only in the order specified, may be offered only by a Member designated in the report, shall be considered read, debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

It is now in order to consider amendment No. 1 printed in part 2 of House Report 106–120.

AMENDMENT NO. 1 OFFERED BY MR. SHUSTER

Mr. SHUSTER. Madam Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 printed in part 2 of House Report 106–120 offered by Mr. SHUSTER:

In section 101(a)(6) of the bill, strike ''at a total cost of'' and all that follows and insert the following:

at a total cost of $140,328,000, with an estimated Federal cost of $70,164,000 and an estimated non-Federal cost of $70,164,000.

In section 101(a)(8) of the bill, strike all after ''$3,375,000'' and insert a period.

In section 101(a)(9) of the bill, strike all after ''$2,675,000'' and insert a period.

In section 101(a)(10) of the bill, strike all after ''$773,000'' and insert a period.

In section 101(a)(18) of the bill, strike all after ''$3,834,000'' and insert a period.

In section 101(a)(19) of the bill, strike all after ''$19,776,000'' and insert a period.

In section 101(a) of the bill, after paragraph (4) insert the following:

(5) OAKLAND HARBOR, CALIFORNIA.—The project for navigation, Oakland Harbor, California: Report of the Chief of Engineers dated April 21, 1999, at a total cost of $252,290,000, with an estimated Federal cost of $128,081,000 and an estimated non-Federal cost of $124,209,000.

In section 101(a) of the bill, after paragraph (10) insert the following:

(11) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY-VILLAS AND VICINITY, NEW JERSEY.—The project for shore protection and ecosystem restoration, Delaware Bay coastline, Delaware and New Jersey-Villas and vicinity, New Jersey: Report of the Chief of Engineers dated April 21, 1999, at a total cost of $7,520,000, with an estimated Federal cost of $4,888,000 and an estimated non-Federal cost of $2,632,000.

(12) DELAWARE COAST FROM CAPE HENELOPEN TO FENWICK ISLAND, BETHANY BEACH/SOUTH BETHANY BEACH, DELAWARE.—The project for hurricane and storm damage reduction, Delaware Coast from Cape Henelopen to Fenwick Island, Bethany Beach/South Bethany Beach, Delaware: Report of the Chief of Engineers dated April 21, 1999, at a total cost of $22,205,000, with an estimated Federal cost of $14,433,000 and an estimated non-Federal cost of $7,772,000.

In section 101(a) of the bill, insert after paragraph (17) the following (and redesignate paragraphs accordingly):

(18) TURKEY CREEK BASIN, KANSAS CITY, MISSOURI, AND KANSAS CITY, KANSAS.—The project for flood damage reduction, Turkey Creek Basin, Kansas City, Missouri, and Kansas City, Kansas: Report of the Chief of Engineers dated April 21, 1999, at a total cost of $42,875,000, with an estimated Federal cost of $25,596,000 and an estimated non-Federal cost of $17,279,000.

In section 101(b)(7) of the bill, strike all after ''$7,772,000'' and insert a period.

In section 101(b)(12) of the bill, strike all after ''$1,740,000'' and insert a period.

In section 101(b) of the bill, strike paragraph (4) and insert the following:

(4) DELAWARE BAY COASTLINE, DELAWARE AND NEW JERSEY: OAKWOOD BEACH, NEW JERSEY.—The project for shore protection, Delaware Bay Coastline, Delaware and New Jersey: Oakwood Beach, New Jersey, at a total cost of $3,360,000, with an estimated Federal cost of $2,184,000 and an estimated non-Federal cost of $1,176,000.

In section 101(b) of the bill, strike paragraphs (6) and (7) and redesignate accordingly.

At the end of section 104 of the bill, insert the following:

(18) FAIRPORT HARBOR, OHIO.—Project for navigation, Fairport Harbor, Ohio, including a recreation channel.

At the end of title II of the bill, insert the following:

**SEC. 229. WETLANDS MITIGATION.**

In carrying out a water resources project that involves wetlands mitigation and that has an impact that occurs within the service area of a mitigation bank, the Secretary, to the maximum extent practicable and where appropriate, shall give preference to the use of the mitigation bank if the bank contains sufficient available credits to offset the impact and the bank is approved in accordance with the Federal Guidance for the Establishment, Use and Operation of Mitigation Banks (60 Fed. Reg. 58605 (November 28, 1995)) or other applicable Federal law (including regulations).

Conform the table of contents of the bill accordingly.

In section 304 of the bill, insert ''River'' after ''St. Francis''.

In section 310 of the bill—

(1) insert '', Potomac River, Washington, District of Columbia,'' after ''for flood control'';

(2) strike ''as'' and insert ''and''; and

(3) strike ''$5,965,000'' and insert ''$6,129,000''.

In section 326 of the bill, strike ''cannal'' and insert ''Canal''.

In section 351 of the bill—

(1) insert ''(a) AUTHORIZATION OF APPROPRIATIONS.—'' before ''Section''; and

(2) add at the end the following:

(b) CORPS OF ENGINEERS EXPENSES.—Section 313(g) of such Act (106 Stat. 4846) is amended by adding at the end the following:

''(4) CORPS OF ENGINEERS EXPENSES.—10 percent of the amounts appropriated to carry out this section for each of fiscal years 2000 through 2002 may be used by the Corps of Engineers district offices to administer and implement projects under this section at 100 percent Federal expense.''.

Strike section 354 of the bill and insert the following:

**SEC. 354. CLEAR CREEK, TEXAS.**

Section 575 of the Water Resources Development Act of 1996 (110 Stat. 3789) is amended—

(1) in subsection (a)—

(A) by inserting ''or nonstructural (buyout) actions'' after ''flood control works constructed''; and

(B) by inserting ''or nonstructural (buyout) actions'' after ''construction of the project''; and

(2) in subsection (b)—

(A) by striking ''and'' at the end of paragraph (3);

(B) by striking the period at the end of paragraph (3) and inserting ''; and''; and

(C) by adding at the end the following:

''(4) the project for flood control, Clear Creek, Texas, authorized by section 203 of the Flood Control Act of 1968 (82 Stat. 742).''.

In section 356 of the bill, strike ''modified—'' and all that follows and insert the following:

modified to add environmental restoration and recreation as project purposes.

In section 363(d) of the bill, strike ''(1) IN GENERAL.—''.

In section 363(d) of the bill, strike paragraph (2).

In section 364(a) of the bill, after paragraph (5) insert the following (and redesignate paragraph (6) as paragraph (7)):

(6) CARVERS HARBOR, VINALHAVEN, MAINE.—That portion of the project for navigation, Carvers Harbor, Vinalhaven, Maine, authorized by the Act of June 3, 1896 (commonly known as the ''River and Harbor Appropriations Act of 1896'') (29 Stat. 202, chapter 314), consisting of the 16-foot anchorage beginning at a point with coordinates N137,502.04, E895,156.83, thence running south 6 degrees 34 minutes 57.6 seconds west 277.660 feet to a point N137,226.21, E895,125.00, thence running north 53 degrees, 5 minutes 42.4 seconds west 127.746 feet to a point N137,302.92, E895022.85, thence running north 33 degrees 56 minutes 9.8 seconds east 239.999 feet to the point of origin.

In section 364(a) of the bill, after paragraph (7), (as so redesignated) insert the following (redesignate subsequent paragraphs accordingly):

(8) SEARSPORT HARBOR, SEARSPORT, MAINE.—That portion of the project for navigation, Searsport Harbor, Searsport, Maine, authorized by section 101 of the River and Harbor Act of 1962 (76 Stat. 1173), consisting of the 35-foot turning basin beginning at a point with coordinates N225,008.38, E395,464.26, thence running north 43 degrees 49 minutes 53.4 seconds east 362.001 feet to a point N225,269.52, E395,714.96, thence running south 71 degrees 27 minutes 33.0 seconds east 1,309.201 feet to a point N224,853.22, E396,956.21, thence running north 84 degrees 3 minutes 45.7 seconds west 1,499.997 feet to the point of origin.

In section 364(c) of the bill—

(1) strike ''(a)(7)'' each place it appears and insert ''(a)(9)'';

(2) strike ''project for navigation,'' each place it appears; and

(3) add at the end the following:

(5) ADDITIONAL ACTIONS.—In carrying out the operation and the maintenance of the Wells Harbor, Maine, navigation project referred to in subsection (a)(9), the Secretary shall undertake each of the actions of the Corps of Engineers specified in section IV(B) of the memorandum of agreement relating to the project dated January 20, 1998, including those actions specified in such section IV(B) that the parties agreed to ask the Corps of Engineers to undertake.

In section 364(d) of the bill, strike ''(a)(9)'' and insert ''(a)(11)''.

At the end of title III of the bill, add the following (and conform the table of contents of the bill accordingly):

**SEC. 367. SOUTHERN WEST VIRGINIA PILOT PROGRAM.**

Section 340(g) of the Water Resources Development Act of 1992 (106 Stat. 4856) is amended to read as follows:

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the pilot program under this section $40,000,000 for fiscal years beginning after September 30, 1992. Such sums shall remain available until expended.''.

**SEC. 368. BLACK WARRIOR AND TOMBIGBEE RIVERS, JACKSON, ALABAMA.**

The project for navigation, Black Warrior and Tombigbee Rivers, vicinity of Jackson, Alabama, as authorized by section 106 of the Energy and Water Development Appropriations Act, 1987 (100 Stat. 3341–199), is modified to authorize the Secretary to acquire lands for mitigation of the habitat losses attributable to the project, including the navigation channel, dredged material disposal areas, and other areas directly impacted by construction of the project. Notwithstanding section 906 of the Water Resources Development Act of 1986 (33 U.S.C. 2283), the Secretary may construct the project prior to acquisition of the mitigation lands if the Secretary takes such actions as may be necessary to ensure that any required mitigation lands will be acquired not later than 2 years after initiation of construction of the new channel and such acquisition will fully mitigate any adverse environmental impacts resulting from the project.

**SEC. 369. TROPICANA WASH AND FLAMINGO WASH, NEVADA.**

Any Federal costs associated with the Tropicana and Flamingo Washes, Nevada, authorized by section 101(13) of the Water Resources Development Act of 1992 (106 Stat. 4803), incurred by the non-Federal interest to accelerate or modify construction of the project, in cooperation with the Corps of Engineers, shall be considered to be eligible for reimbursement by the Secretary.

**SEC. 370. COMITE RIVER, LOUISIANA.**

The Comite River Diversion Project for flood control, authorized as part of the project for flood control, Amite River and Tributaries, Louisiana, by section 101(11) of the Water Resources Development Act of 1992 (106 Stat. 4802–4803) and modified by section 301(b)(5) of the Water Resources Development Act of 1996 (110 Stat. 3709–3710), is further modified to authorize the Secretary to include the costs of highway relocations to be cost shared as a project construction feature if the Secretary determines that such treatment of costs is necessary to facilitate construction of the project.

**SEC. 371. ST. MARY'S RIVER, MICHIGAN.**

The project for navigation, St. Mary's River, Michigan, is modified to direct the Secretary to provide an additional foot of overdraft between Point Louise Turn and the Locks and Sault Saint Marie, Michigan, consistent with the channels upstream of Point Louise Turn. The modification shall be carried out as operation and maintenance to improve navigation safety.

At the end of section 408 of the bill, add the following:

(c) CONSULTATION AND USE OF EXISTING DATA.—The Secretary shall consult with appropriate State and Federal agencies and shall make maximum use of existing data and ongoing programs and efforts of States and Federal agencies in conducting the study.

In section 425(a) of the bill, strike ''Such study'' and all that follows.

In section 425(c) of the bill, strike ''$1,400,000'' and insert ''$1,000,000''.

At the end of title IV of the bill, insert the following (and conform the table of contents of the bill accordingly):

**SEC. 428. DEL NORTE COUNTY, CALIFORNIA.**

The Secretary shall undertake and complete a feasibility study for designating a permanent disposal site for dredged materials from Federal navigation projects in Del Norte County, California.

**SEC. 429. ST. CLAIR RIVER AND LAKE ST. CLAIR, MICHIGAN.**

(a) PLAN.—The Secretary, in coordination with State and local governments and appropriate Federal and provincial authorities of Canada, shall develop a comprehensive management plan for St. Clair River and Lake St. Clair. Such plan shall include the following elements:

(1) The causes and sources of environmental degradation.

(2) Continuous monitoring of organic, biological, metallic, and chemical contamination levels.

(3) Timely dissemination of information of such contamination levels to public authorities, other interested parties, and the public.

(b) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall transmit to Congress a report that includes the plan developed under subsection (a), together with recommendations of potential restoration measures.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $400,000.

**SEC. 430. CUMBERLAND COUNTY, TENNESSEE.**

The Secretary shall conduct a study to determine the feasibility of improvements to regional water supplies for Cumberland County, Tennessee.

In the matter proposed to be inserted in section 219(e) of the Water Resources Development Act of 1992 by section 502 of the bill, strike ''and'' at the end of paragraph (7) and all that follows through paragraph (8) and insert the following:

''(8) $30,000,000 for the project described in subsection (c)(17);

''(9) $20,000,000 for the project described in subsection (c)(19);

''(10) $15,000,000 for the project described in subsection (c)(20);

''(11) $11,000,000 for the project described in subsection (c)(21);

''(12) $2,000,000 for the project described in subsection (c)(22);

''(13) $3,000,000 for the project described in subsection (c)(23);

''(14) $1,500,000 for the project described in subsection (c)(24);

''(15) $2,000,000 for the project described in subsection (c)(25);

''(16) $8,000,000 for the project described in subsection (c)(26);

''(17) $8,000,000 for the project described in subsection (c)(27), of which $3,000,000 shall be available only for providing assistance for the Montoursville Regional Sewer Authority, Lycoming County;

''(18) $10,000,000 for the project described in subsection (c)(28); and

''(19) $1,000,000 for the project described in subsection (c)(29).''.

At the end of section 517 of the bill, insert the following:

(c) NASHUA, NEW HAMPSHIRE.—Section 219(c) of such Act is amended by adding at the end the following:

''(19) NASHUA, NEW HAMPSHIRE.—A sewer and drainage system separation and rehabiliation program for Nashua, New Hampshire.''.

(d) FALL RIVER AND NEW BEDFORD, MASSACHUSETTS.—Section 219(c) of such Act is further amended by adding at the end the following:

''(20) FALL RIVER AND NEW BEDFORD, MASSACHUSETTS.—Elimination or control of combined sewer overflows in the cities of Fall River and New Bedford, Massachusetts.''.

(e) ADDITIONAL PROJECT DESCRIPTIONS.—Section 219(c) of such Act is further amended by adding at the end the following:

''(21) FINDLAY TOWNSHIP, PENNSYLVANIA.—Water and sewer lines in Findlay Township, Allegheny County, Pennsylvania.

''(22) DILLSBURG BOROUGH AUTHORITY, PENNSYLVANIA.—Water and sewer systems in Franklin Township, York County, Pennsylvania.

''(23) HAMPTON TOWNSHIP, PENNSYLVANIA.—Water, sewer, and stormsewer improvements in Hampton Township, Cumberland County, Pennsylvania.

''(24) TOWAMENCIN TOWNSHIP, PENNSYLVANIA.—Sanitary sewer and water lines in Towamencin Township, Montgomery County, Pennsylvania.

''(25) DAUPHIN COUNTY, PENNSYLVANIA.—Combined sewer and water system rehabilitation for the City of Harrisburg, Dauphin County, Pennsylvania.

''(26) LEE, NORTON, WISE, AND SCOTT COUNTIES, VIRGINIA.—Water supply and wastewater treatment in Lee, Norton, Wise, and Scott Counties, Virginia.

''(27) NORTHEAST PENNSYLVANIA.—Water-related infrastructure in Lackawanna, Lycoming, Susquehanna, Wyoming, Pike, and Monroe Counties, Pennsylvania, including assistance for the Montoursville Regional Sewer Authority, Lycoming County.

''(28) CALUMET REGION, INDIANA.—Water-related infrastructure in Lake and Porter Counties, Indiana.

''(29) CLINTON COUNTY, PENNSYLVANIA.—Water-related infrastructure in Clinton County, Pennsylvania.''.

At the end of section 518 of the bill, insert the following:

(4) Columbia Slough, Portland, Oregon, project for ecosystem restoration.

(5) Ohio River Greenway, Indiana, project for environmental restoration and recreation.

In section 523(b) of the bill, strike ''the Secretary shall'' and insert ''the Secretary may''.

After section 573 of the bill, insert the following:

**SEC. 574. WEST BATON ROUGE PARISH, LOUISIANA.**

The Secretary shall expedite completion of the report for the West Baton Rouge Parish, Louisiana, project for waterfront and riverine preservation, restoration, and enhancement modifications along the Mississippi River.

Conform the table of contents of the bill accordingly.

At the end of section 578 of the bill, add the following:

(k) MERRISACH LAKE, ARKANSAS COUNTY, ARKANSAS.—

(1) LAND CONVEYANCE.—Notwithstanding any other provision of law, the Secretary shall convey to eligible private property owners at fair market value, as determined by the Secretary, all right, title, and interest of the United States in and to certain lands acquired for Navigation Pool No. 2, McClellan-Kerr Arkansas River Navigation System, Merrisach Lake Project, Arkansas County, Arkansas.

(2) PROPERTY DESCRIPTION.—The lands to be conveyed under paragraph (1) include those lands lying between elevation 163, National Geodetic Vertical Datum of 1929, and the Federal Government boundary line for Tract Numbers 102, 129, 132–1, 132–2, 132–3, 134, 135, 136–1, 136–2, 138, 139, 140, 141, 142, 143, 144, and 145, located in sections 18, 19, 29, 30, 31, and 32, Township 7 South, Range 2 West, and the SE¼ of Section 36, Township 7 South, Range 3 West, Fifth Principal Meridian, with the exception of any land designated for public park purposes.

(3) TERMS AND CONDITIONS.—Any lands conveyed under paragraph (1) shall be subject to—

(A) a perpetual flowage easement prohibiting human habitation and restricting construction activities;

(B) the reservation of timber rights by the United States; and

(C) such additional terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

(4) ELIGIBLE PROPERTY OWNER DEFINED.—In this subsection, the term ''eligible private property owner'' means the owner of record of land contiguous to lands owned by the United States in connection with the project referred to in paragraph (1).

In section 583(b) of the bill, strike ''The Secretary shall'' and insert ''The Secretary may''.

At the end of title V of the bill, add the following (and conform the table of contents of the bill accordingly):

**SEC. 585. NORTHEASTERN MINNESOTA.**

(a) ESTABLISHMENT OF PROGRAM.—The Secretary may establish a pilot program for providing environmental assistance to non-Federal interests in northeastern Minnesota.

(b) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in northeastern Minnesota, including projects for wastewater treatment and related facilities, water supply and related facilities, environmental restoration, and surface water resource protection and development.

(c) PUBLIC OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(d) LOCAL COOPERATION AGREEMENT.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each local cooperation agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of project costs under each local cooperation agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest prior to entering into a local cooperation agreement with the Secretary for a project. The credit for the design work shall not exceed 6 percent of the total construction costs of the project.

(C) CREDIT FOR INTEREST.—In the event of a delay in the funding of the non-Federal share of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of a project's cost.

(D) LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward its share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(e) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section shall be construed as waiving, limiting, or otherwise affecting the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(f) REPORT.—Not later than December 31, 2001, the Secretary shall transmit to Congress a report on the results of the pilot program carried out under this section, together with recommendations concerning whether or not such program should be implemented on a national basis.

(g) NORTHEASTERN MINNESOTA DEFINED.—In this section, the term ''northeastern Minnesota'' means the counties of Cook, Lake, St. Louis, Koochiching, Itasca, Cass, Crow Wing, Aitkin, Carlton, Pine, Kanabec, Mille Lacs, Morrison, Benton, Sherburne, Isanti, and Chisago, Minnesota.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $40,000,000 for fiscal years beginning after September 30, 1999. Such sums shall remain available until expended.

**SEC. 586. ALASKA.**

(a) ESTABLISHMENT OF PROGRAM.—The Secretary may establish a pilot program for providing environmental assistance to non-Federal interests in Alaska.

(b) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in Alaska, including projects for wastewater treatment and related facilities, water supply and related facilities, and surface water resource protection and development.

(c) OWNERSHIP REQUIREMENTS.—The Secretary may provide assistance for a project under this section only if the project is publicly owned or is owned by a native corporation as defined by section 1602 of title 43, United States Code.

(d) LOCAL COOPERATION AGREEMENTS.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each local cooperation agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of the project costs under each local cooperation agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest prior to entering into a local cooperation agreement with the Secretary for a project. The credit for the design work shall not exceed 6 percent of the total construction costs of the project.

(C) CREDIT FOR INTEREST.—In the event of a delay in the funding of the non-Federal share of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of a project's cost.

(D) LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward its share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(e) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section shall be construed as waiving, limiting, or otherwise affecting the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(f) REPORT.—Not later than December 31, 2001, the Secretary shall transmit to Congress a report on the results of the pilot program carried out under this section, together with recommendations concerning whether or not such program should be implemented on a national basis.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for fiscal years beginning after September 30, 1999. Such sums shall remain available until expended.

**SEC. 587. CENTRAL WEST VIRGINIA.**

(a) ESTABLISHMENT OF PROGRAM.—The Secretary may establish a pilot program for providing environmental assistance to non-Federal interests in central West Virginia.

(b) FORM OF ASSISTANCE.—Assistance under this section may be in the form of design and construction assistance for water-related environmental infrastructure and resource protection and development projects in central West Virginia, including projects for wastewater treatment and related facilities, water supply and related facilities, and surface water resource protection and development.

(c) PUBLIC OWNERSHIP REQUIREMENT.—The Secretary may provide assistance for a project under this section only if the project is publicly owned.

(d) LOCAL COOPERATION AGREEMENTS.—

(1) IN GENERAL.—Before providing assistance under this section, the Secretary shall enter into a local cooperation agreement with a non-Federal interest to provide for design and construction of the project to be carried out with the assistance.

(2) REQUIREMENTS.—Each local cooperation agreement entered into under this subsection shall provide for the following:

(A) PLAN.—Development by the Secretary, in consultation with appropriate Federal and State officials, of a facilities or resource protection and development plan, including appropriate engineering plans and specifications.

(B) LEGAL AND INSTITUTIONAL STRUCTURES.—Establishment of such legal and institutional structures as are necessary to ensure the effective long-term operation of the project by the non-Federal interest.

(3) COST SHARING.—

(A) IN GENERAL.—The Federal share of the project costs under each local cooperation agreement entered into under this subsection shall be 75 percent. The Federal share may be in the form of grants or reimbursements of project costs.

(B) CREDIT FOR DESIGN WORK.—The non-Federal interest shall receive credit for the reasonable costs of design work completed by the non-Federal interest prior to entering into a local cooperation agreement with the Secretary for a project. The credit for the design work shall not exceed 6 percent of the total construction costs of the project.

(C) CREDIT FOR INTEREST.—In the event of a delay in the funding of the non-Federal share of a project that is the subject of an agreement under this section, the non-Federal interest shall receive credit for reasonable interest incurred in providing the non-Federal share of a project's cost.

(D) LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit for land, easements, rights-of-way, and relocations toward its share of project costs (including all reasonable costs associated with obtaining permits necessary for the construction, operation, and maintenance of the project on publicly owned or controlled land), but not to exceed 25 percent of total project costs.

(E) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for projects constructed with assistance provided under this section shall be 100 percent.

(e) APPLICABILITY OF OTHER FEDERAL AND STATE LAWS.—Nothing in this section shall be construed as waiving, limiting, or otherwise affecting the applicability of any provision of Federal or State law that would otherwise apply to a project to be carried out with assistance provided under this section.

(f) REPORT.—Not later than December 31, 2001, the Secretary shall transmit to Congress a report on the results of the pilot program carried out under this section, together with recommendations concerning whether or not such program should be implemented on a national basis.

(g) CENTRAL WEST VIRGINIA DEFINED.—In this section, the term ''central West Virginia'' means the counties of Mason, Jackson, Putnam, Kanawha, Roane, Wirt, Calhoun, Clay, Nicholas, Braxton, Gilmer, Lewis, Upshur, Randolph, Pendleton, Hardy, Hampshire, Morgan, Berkeley, and Jefferson, West Virginia.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for fiscal years beginning after September 30, 1999. Such sums shall remain available until expended.

**SEC. 588. SACRAMENTO METROPOLITAN AREA WATERSHED RESTORATION, CALIFORNIA.**

(a) IN GENERAL.—The Secretary is authorized to undertake environmental restoration activities included in the Sacramento Metropolitan Water Authority's ''Watershed Management Plan''. These activities shall be limited to cleanup of contaminated groundwater resulting directly from the acts of any Federal agency or Department of the Federal government at or in the vicinity of McClellan Air Force Base, California; Mather Air Force Base, California; Sacramento Army Depot, California; or any location within the watershed where the Federal government would be a responsible party under any Federal environmental law.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for fiscal years beginning after September 30, 1999.

**SEC. 589. ONONDAGA LAKE.**

(a) IN GENERAL.—The Secretary is authorized to plan, design, and construct projects for the environmental restoration, conservation, and management of Onondaga Lake, New York, and to provide, in coordination with the Administrator of the Environmental Protection Agency, financial assistance to the State of New York and political subdivisions thereof for the development and implementation of projects to restore, conserve, and manage Onondaga Lake.

(b) PARTNERSHIP.—In carrying out this section, the Secretary shall establish a partnership with appropriate Federal agencies (including the Environmental Protection Agency) and the State of New York and political subdivisions thereof for the purpose of project development and implementation. Such partnership shall be dissolved not later than 15 years after the date of enactment of this Act.

(c) COST SHARING.—The non-Federal share of the cost of a project constructed under subsection (a) shall be not less than 30 percent of the total cost of the project and may be provided through in-kind services.

(d) EFFECT ON LIABILITY.—Financial assistance provided under this section shall not relieve from liability any person who would otherwise be liable under Federal or State law for damages, response costs, natural resource damages, restitution, equitable relief, or any other relief.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $10,000,000 to carry out the purposes of this section.

**SEC. 590. EAST LYNN LAKE, WEST VIRGINIA.**

The Secretary shall defer any decision relating to the leasing of mineral resources underlying East Lynn Lake, West Virginia, project lands to the Federal entity vested with such leasing authority.

**SEC. 591. EEL RIVER, CALIFORNIA.**

The Secretary shall conduct a study to determine if flooding in the city of Ferndale, California, is the result of a Federal flood control project on the Eel River. If the Secretary determines that the flooding is the result of the project, the Secretary shall take appropriate measures (including dredging of the Salt River and construction of sediment ponds at the confluence of Francis, Reas, and Williams Creeks) to mitigate the flooding.

**SEC. 592. NORTH LITTLE ROCK, ARKANSAS.**

(a) IN GENERAL.—The Secretary shall review a report prepared by the non-Federal interest concerning flood protection for the Dark Hollow area of North Little Rock, Arkansas. If the Secretary determines that the report meets the evaluation and design standards of the Corps of Engineers and that the project is economically justified, technically sound, and environmentally acceptable, the Secretary shall carry out the project.

(b) TREATMENT OF DESIGN AND PLAN PREPARATION COSTS.—The costs of design and preparation of plans and specifications shall be included as project costs and paid during construction.

**SEC. 593. UPPER MISSISSIPPI RIVER, MISSISSIPPI PLACE, ST. PAUL, MINNESOTA.**

(a) IN GENERAL.—The Secretary may enter into a cooperative agreement to participate in a project for the planning, design, and construction of infrastructure and other improvements at Mississippi Place, St. Paul, Minnesota.

(b) COST SHARING.—

(1) IN GENERAL.—The Federal share of the cost of the project shall be 50 percent. The Federal share may be provided in the form of grants or reimbursements of project costs.

(2) CREDIT FOR NON-FEDERAL WORK.—The non-Federal interest shall receive credit toward the non-Federal share of the cost of the project for reasonable costs incurred by the non-Federal interests as a result of participation in the planning, design, and construction of the project.

(3) LAND, EASEMENTS, AND RIGHTS-OF-WAY CREDIT.—The non-Federal interest shall receive credit toward the non-Federal share of the cost of the project for land, easements, rights-of-way, and relocations provided by the non-Federal interest with respect to the project.

(4) OPERATION AND MAINTENANCE.—The non-Federal share of operation and maintenance costs for the project shall be 100 percent.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $3,000,000 to carry out this section.

MODIFICATION OF AMENDMENT NO. 1 OFFERED BY MR. SHUSTER

Mr. SHUSTER. Madam Chairman, I ask unanimous consent that the manager's amendment be modified with the modification I have placed at the desk. My modification would correct a technical mistake in the amendment.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification of amendment No. 1 printed in part 2 of House Report 106–120 offered by Mr. SHUSTER:

On page 1, after line 3, strike the next five sentences.

On page 2, line 22, strike the period and add at the end '', and at an estimated average annual cost of $1,584,000 for periodic nourishment over the 50-year life of the project, with an estimated annual Federal cost of $1,030,000 and an estimated annual non-Federal cost of $554,000.''

On page 3, after line 8, strike the next two sentences.

On page 5, after ''$6,129,000''.'' and before the next sentence, insert the following:

''In section 314 of the bill, strike ''(Amelia fIsland)'' and insert ''(Amelia Island)''.

On page 7, strike the first two sentences.

On page 32, after line 14, insert the following:

(f) REPEAL.—Section 401 of the Great Lakes Critical Programs Act of 1990 (104 Stat 3010) and section 411 of the Water Resources Development Act of 1990 (104 Stat 4648) are repealed as of the date of the enactment of this Act.

At the end of title III of the bill, add the following new section:

**SEC. 367. CITY OF CHARLEVOIX REIMBURSEMENT, MICHIGAN.**

The Secretary shall review and, if consistent with authorized project purposes, reimburse the city of Charlevoix, Michigan, for the Federal share of costs associated with construction of the new revetment connection to the Federal navigation project at Charlevoix Harbor, Michigan.

Conform the table of contents of the bill accordingly.

Mr. SHUSTER (during the reading). Madam Chairman, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. OBERSTAR. Madam Chairman, reserving the right to object, I do so for the purpose of yielding to the gentleman for an explanation.

Mr. SHUSTER. I thank the gentleman for yielding.

Madam Chairman, this amendment corrects provisions in the manager's amendment that were found to have unintended effects. And it adds two other noncontroversial items. The modification has been worked out with the minority.

Mr. OBERSTAR. Madam Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Without objection, the amendment is modified.

There was no objection.

The CHAIRMAN. Pursuant to House Resolution 154, the gentleman from Pennsylvania (Mr. SHUSTER) and the gentleman from Minnesota (Mr. OBERSTAR) each will control 5 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Madam Chairman, I yield myself such time as I may consume. This is a bipartisan, noncontroversial package. It makes technical and conforming changes. It makes modifications to several projects in the reported bill. It includes environmental restoration and infrastructure projects. It includes flood control and navigation projects. It includes studies. It includes provisions based on discussions with other committees.

I urge my colleagues to support this amendment.

Madam Chairman, I reserve the balance of my time.

Mr. OBERSTAR. Madam Chairman, I yield myself such time as I may consume. The amendment continues the tradition of addressing the urgent concerns of Members by including several high priority, time-sensitive projects and provisions that could not be considered in their ordinary and customary time.

I do want to thank the chairman of the committee for being so fully cooperative and responsive and participating in the time-honored tradition of our committee in a bipartisan manner.

Madam Chairman, I yield 1 minute to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Madam Chairman, I thank the gentleman for yielding time to me. I wanted to especially on this bill come down here to the floor and compliment the chairman of the full committee, the gentleman from Pennsylvania (Mr. SHUSTER) and the ranking member, the gentleman from Minnesota (Mr. OBERSTAR), for including language in this bill relative to a study by the Corps of Engineers on the Western Lake Erie Basin Watershed at the crossroads of the Great Lakes.

I want to just put on the record, without the help of these two gentlemen, our part of America could not solve the significant water problem that we have crossing several jurisdictions. This bill is so important. I hope every Member understands how hard these men have worked to really help every single corner of America. We have waited for years for this bill as our cities flood and our rural areas get devastated by extra water because of all of the development that has occurred in our region.

We cannot solve this problem without them and without the help of the Corps being the umbrella entity that brings all these multiple jurisdictions together across Indiana, Ohio and Michigan. I just want to thank them for being men of the future and paying attention to places like Toledo, Ohio and the crossroads of the Great Lakes. Our hats are off to them.

Madam Chairman, I include the following memorandum for the RECORD:

MEMORANDUM

To: Marcy.
From: George.
Subject: Western Lake Erie Basin Watershed Study Talking Points.
Date: April 29, 1999.

The 1999 Water Resources Development Act, H.R. 1480, includes a provision authorizing the Western Lake Erie Watershed study.

The Western Lake Erie Basin is the crossroads of the Great Lakes.

The Maumee River, which empties into Lake Erie at Toledo is the largest tributary to the Great Lakes. My District and the City of Toledo sit at the mouth of the Maumee.

The Corps of Engineers and other government agencies have conducted numerous studies in the Western Lake Erie basin, but no one has ever looked at the watershed as a whole.

We understand now the indispensable interrelationship between the various elements of the watershed's ecosystem, the water, the farmland, the cities, the suburbs.

If we are going to sustain the productive resources of the Western Lake Erie Basin, we must understand how all these elements work together.

I hope and expect that this study will lead to an understanding of our region on which we can plan a sustainable future.

Mr. OBERSTAR. Madam Chairman, I want to say to the gentlewoman from Ohio, I have not heard such kind words in 6 months. It is good to have those comments.

Madam Chairman, I yield 3 minutes to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Madam Chairman, I thank the distinguished ranking member for yielding me this time.

Let me try to continue the kind words as we go along here. To the gentleman from Minnesota (Mr. OBERSTAR) and to the chairman of the full committee and to the chairman of the Subcommittee on Water Resources and Environment on which I serve as well as to our ranking member, let me thank them for finally getting this bill to the floor. This is unfinished business from the 105th Congress. It is certainly one that is important to the people I represent and the region in which I come from. I want to thank particularly my side of the aisle for working with me as well as with the majority to make certain that East Coast residents will continue to have access to the goods that ships carry and the jobs our ports produce.

When we talk about international trade, 95 percent of all of the Nation's commerce moves through ports like that of the Port of New York and New Jersey. If we are to take advantage of that trade, then we have to have ocean-going ports that can take care of the next generation of ocean-going ships. This project and the bill that encompasses the project that I am talking about will help my region fight off economic trouble and ensure healthy growth by making the port receptive for more and larger ships for years to come. It will widen, deepen and align the harbor's channels to improve navigational safety to make way for the new generation of ocean-going ships.

The bill also contains important environmental considerations insofar as it contains provisions on sediment decontamination and sediment management which are enormous issues in the Port of New York and New Jersey and for that fact in other parts of the country. And it demonstrates the Federal commitment to deepening our harbors and channels which is unfortunately in direct contrast to some of the signals we have been getting within the region from the Governor of New York who has been holding us hostage on issues not related to the port's mission and the Port Authority.

We believe that it is important for the 20 million consumers in the region to get products that will be cheaper. We believe for the 180,000 jobs and $20 billion of economic activity that the Port of New York and New Jersey presently enjoys and which all the projections are that will grow dramatically, we believe that in essence for all of the economic opportunity yet to come as a result of international trade that this bill, the Water Resources Development Act, is an appropriate Federal response that will inure to the benefit of the region and to our country as this port is one of the vital natural resources that we have in this country in the promotion of international trade.

I want to thank again the chairman of both the full committee and the subcommittee and the ranking member of the full committee and subcommittee for making this a reality.

Mr. SHUSTER. Madam Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER), as modified.

The amendment, as modified, was agreed to.

The CHAIRMAN. The Chair is advised that amendment No. 2 will not be offered.

It is now in order to consider amendment No. 3 printed in part 2 of House Report 106–120.

Does any Member rise to offer that amendment?

If not, it is now in order to consider amendment No. 4 printed in part 2 of House Report 106–120.

Does any Member rise to offer that amendment?

Mr. PICKETT. Madam Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. PICKETT. Madam Chairman, I rise to engage the chairman of the Committee on Transportation and Infrastructure in a colloquy.

I had intended to offer an amendment today concerning a project at Sandbridge Beach in the City of Virginia Beach, Virginia. I have decided not to offer the amendment if the chairman can assure me that this important project will receive attention by the committee in the future.

Mr. SHUSTER. Madam Chairman, will the gentleman yield?

Mr. PICKETT. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Madam Chairman, I thank the gentleman for withholding his amendment. I will state that it is my intention to consider his proposal on the Sandbridge Beach project as we move forward with water resources legislation including our WRDA 2000 bill which we anticipate moving quickly in the next session.

Mr. PICKETT. I thank the gentleman.

The CHAIRMAN. Is the gentleman from Virginia offering amendment No. 5?

Mr. PICKETT. No, Madam Chairman, I am not.

The CHAIRMAN. It is now in order to consider amendment No. 6 printed in part 2 of House Report 106–120.

Does any Member rise to offer that amendment?

Mr. OBERSTAR. Madam Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. OBERSTAR. Madam Chairman, I take this time to express my appreciation to the gentleman from Pennsylvania for the splendid cooperation that we have always enjoyed on this committee in working out matters. But for a little half billion dollar bump in the road over this California project, this bill would have been disposed of 2 years ago.

I appreciate the continuing good will on the part of the gentleman from Pennsylvania and understanding of these problems as well as the chairman of the subcommittee. I also want to express my great appreciation for his patience to the gentleman from Pennsylvania (Mr. BORSKI).

I do want to cite for extraordinary commendable service Ken Kopocis, our chief staff member on the Subcommittee on Waters Resources and Environment who has done yeoman's service. The chairman was kind enough to mention him, but I want to reinforce my appreciation for Ken's devoted endeavors, and that of Ward McCarragher and Dave Heymsfeld and Art Chan on our committee who all have given such enormous time and effort to the unfolding of this legislation and bringing us to this point today. We can pass this bill relatively uncontroversial.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as modified, as amended.

The committee amendment in the nature of a substitute, as modified, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. HERGER) having assumed the chair, Mrs. EMERSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1480) to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes, pursuant to House Resolution 154, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SHUSTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 418, nays 5, not voting 11, as follows:

[Roll No. 104]

YEAS—418

| | | |
|---|---|---|
| Abercrombie | Berry | Callahan |
| Ackerman | Biggert | Calvert |
| Allen | Bilbray | Camp |
| Andrews | Bilirakis | Campbell |
| Archer | Bishop | Canady |
| Armey | Blliley | Cannon |
| Bachus | Blumenauer | Capps |
| Baird | Blunt | Capuano |
| Baker | Boehlert | Cardin |
| Baldacci | Boehner | Carson |
| Baldwin | Bonilla | Castle |
| Ballenger | Bonior | Chabot |
| Barcia | Bono | Chambliss |
| Barr | Borski | Chenoweth |
| Barrett (NE) | Boswell | Clay |
| Barrett (WI) | Boucher | Clayton |
| Bartlett | Boyd | Clement |
| Barton | Brady (PA) | Clyburn |
| Bass | Brady (TX) | Coble |
| Bateman | Brown (FL) | Coburn |
| Becerra | Brown (OH) | Collins |
| Bentsen | Bryant | Combest |
| Bereuter | Burr | Condit |
| Berkley | Burton | Conyers |
| Berman | Buyer | Cook |
| Costello | Holden | Mink |
| Cox | Holt | Moakley |
| Coyne | Hooley | Mollohan |
| Cramer | Horn | Moore |
| Crane | Hostettler | Moran (KS) |
| Crowley | Houghton | Moran (VA) |
| Cubin | Hoyer | Morella |
| Cummings | Hulshof | Murtha |
| Cunningham | Hunter | Myrick |
| Danner | Hutchinson | Nadler |
| Davis (FL) | Hyde | Napolitano |
| Davis (IL) | Inslee | Neal |
| Davis (VA) | Isakson | Nethercutt |
| Deal | Istook | Ney |
| DeFazio | Jackson (IL) | Northup |
| DeGette | Jackson-Lee (TX) | Norwood |
| Delahunt | Jefferson | Nussle |
| DeLauro | Jenkins | Oberstar |
| DeLay | John | Obey |
| DeMint | Johnson (CT) | Olver |
| Deutsch | Johnson, E.B. | Ortiz |
| Diaz-Balart | Johnson, Sam | Ose |
| Dickey | Jones (NC) | Owens |
| Dicks | Jones (OH) | Oxley |
| Dingell | Kanjorski | Packard |
| Dixon | Kaptur | Pallone |
| Doggett | Kasich | Pascrell |
| Dooley | Kelly | Pastor |
| Doolittle | Kennedy | Payne |
| Doyle | Kildee | Pease |
| Dreier | Kilpatrick | Pelosi |
| Duncan | Kind (WI) | Peterson (MN) |
| Dunn | King (NY) | Peterson (PA) |
| Edwards | Kingston | Petri |
| Ehlers | Kleczka | Phelps |
| Ehrlich | Klink | Pickering |
| Emerson | Knollenberg | Pickett |
| English | Kolbe | Pitts |
| Eshoo | Kucinich | Pombo |
| Etheridge | Kuykendall | Pomeroy |
| Evans | LaFalce | Porter |
| Everett | LaHood | Portman |
| Ewing | Lampson | Price (NC) |
| Farr | Lantos | Pryce (OH) |
| Fattah | Largent | Quinn |
| Filner | Larson | Radanovich |
| Fletcher | Latham | Rahall |
| Foley | LaTourette | Ramstad |
| Forbes | Lazio | Rangel |
| Ford | Leach | Regula |
| Fossella | Lee | Reyes |
| Fowler | Levin | Reynolds |
| Frank (MA) | Lewis (CA) | Riley |
| Franks (NJ) | Lewis (GA) | Rivers |
| Frelinghuysen | Lewis (KY) | Rodriguez |
| Frost | Linder | Roemer |
| Gallegly | Lipinski | Rogan |
| Ganske | LoBiondo | Rogers |
| Gejdenson | Lofgren | Rohrabacher |
| Gekas | Lowey | Ros-Lehtinen |
| Gephardt | Lucas (KY) | Rothman |
| Gibbons | Lucas (OK) | Roukema |
| Gilchrest | Luther | Roybal-Allard |
| Gillmor | Maloney (CT) | Royce |
| Gilman | Maloney (NY) | Rush |
| Gonzalez | Manzullo | Ryan (WI) |
| Goode | Markey | Ryun (KS) |
| Goodlatte | Martinez | Sabo |
| Goodling | Mascara | Salmon |
| Gordon | Matsui | Sanchez |
| Goss | McCarthy (MO) | Sanders |
| Graham | McCarthy (NY) | Sandlin |
| Granger | McCollum | Sawyer |
| Green (TX) | McCrery | Saxton |
| Green (WI) | McDermott | Scarborough |
| Greenwood | McGovern | Schaffer |
| Gutierrez | McHugh | Schakowsky |
| Gutknecht | McInnis | Scott |
| Hall (OH) | McIntosh | Serrano |
| Hall (TX) | McIntyre | Sessions |
| Hansen | McKeon | Shadegg |
| Hastert | McKinney | Shaw |
| Hastings (FL) | McNulty | Shays |
| Hastings (WA) | Meehan | Sherman |
| Hayes | Meek (FL) | Sherwood |
| Hayworth | Meeks (NY) | Shimkus |
| Herger | Menendez | Shows |
| Hill (IN) | Metcalf | Shuster |
| Hill (MT) | Mica | Simpson |
| Hilleary | Millender-McDonald | Sisisky |
| Hilliard | Miller (FL) | Skeen |
| Hinchey | Miller, Gary | Skelton |
| Hinojosa | Miller, George | Smith (NJ) |
| Hobson | Minge | Smith (TX) |
| Hoeffel | | Smith (WA) |
| Hoekstra | | Snyder |
| Souder | Thompson (MS) | Waters |
| Spence | Thornberry | Watkins |
| Spratt | Thune | Watt (NC) |
| Stabenow | Thurman | Watts (OK) |
| Stark | Tiahrt | Waxman |
| Stearns | Tierney | Weiner |
| Stenholm | Toomey | Weldon (FL) |
| Stump | Towns | Weldon (PA) |
| Stupak | Traficant | Weller |
| Sweeney | Turner | Wexler |
| Talent | Udall (CO) | Weygand |
| Tancredo | Udall (NM) | Whitfield |
| Tanner | Upton | Wicker |
| Tauscher | Velázquez | Wilson |
| Taylor (MS) | Vento | Wise |
| Taylor (NC) | Visclosky | Wolf |
| Terry | Walden | Woolsey |
| Thomas | Walsh | Wu |
| Thompson (CA) | Wamp | Young (AK) |

NAYS—5

| | | |
|---|---|---|
| Hefley | Sanford | Sununu |
| Paul | Sensenbrenner | |

NOT VOTING—11

| | | |
|---|---|---|
| Aderholt | Engel | Tauzin |
| Blagojevich | Slaughter | Wynn |
| Brown (CA) | Smith (MI) | Young (FL) |
| Cooksey | Strickland | |

□ 1219

Mr. SENSENBRENNER changed his vote from ''yea'' to ''nay.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. SMITH of Michigan. Mr. Speaker, I missed the vote on H.R. 1480, the Water Resources Development Act because I was detained away from the Capitol and the vote closed as I returned. Had I been present, I would have voted ''yes.''

## PERSONAL EXPLANATION

Ms. SLAUGHTER. Mr. Speaker, I was unable to be present for rollcall votes 103 and 104.

Had I been present, I would have voted ''yes'' or ''aye'' on rollcall votes 103 and 104.

## GENERAL LEAVE

Mr. SHUSTER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1480.

The SPEAKER pro tempore (Mrs. EMERSON). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## LEGISLATIVE PROGRAM

(Mr. MENENDEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MENENDEZ. Madam Speaker, I take this time to inquire about next week's schedule from the distinguished majority leader.

Mr. ARMEY. Madam Speaker, will the gentleman yield?

Mr. MENENDEZ. Madam Speaker, I yield to the distinguished majority

leader for purposes of discussing next week's schedule.

Mr. ARMEY. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, I am pleased to announce that we have concluded our legislative business for the week. On Monday, May 3, the House will meet at 2 o'clock p.m. for a pro forma session. There will be no legislative business and no votes on that day.

On Tuesday, May 4, the House will meet at 12:30 p.m. for morning hour and 2 p.m. for legislative business. The House will consider a number of bills under suspension of the rules, a list of which will be distributed to Members' offices. Members should note that we anticipate votes after 2 p.m. on Tuesday.

On Wednesday, May 5, and Thursday, May 6, the House will take up the following measures, both of which will be subject to rules: The emergency Kosovo supplemental bill for fiscal year 1999 and H.R. 833, the Bankruptcy Reform Act of 1999. It is our hope that the conference report on H.R. 4, the National Missile Defense bill, will also be available next week.

Madam Speaker, we should finish legislative business and have Members on their way home to their families on Thursday, May 6.

Mr. MENENDEZ. Madam Speaker, if the majority leader would allow a question, could the majority leader tell us on which day next week the Kosovo supplemental will be on the floor and for what amount it will be?

Mr. ARMEY. Madam Speaker, I thank the gentleman for his inquiry. Let me say I can say with a high degree of certainty that the legislation will be on the floor on Thursday of next week, and, of course, it will be up to the Committee on Appropriations to report it. I cannot give the figure in terms of its amount until after the committee has its markup, I think later today.

Mr. MENENDEZ. If the majority leader would answer one other question: Is it the majority leader's intention, or does he know if that supplemental will include a supplemental for Central America and for the farming community in the country?

Mr. ARMEY. I thank the gentleman for his inquiry. As the gentleman knows, we had that legislation pass through the House. We have gone to conference with the Senate. We wait upon the Senate with respect to that earlier supplemental report that has the inclusions that the gentleman speaks of. It is our anticipation that the week following next we would have that back in conference, as well as the Kosovo work, and we should be able to complete all supplemental work on both bills by the end of the week following next.

Mr. MENENDEZ. I thank the majority leader. For many of us it is a real concern, the Central American farming package. While we face one emergency, we have another emergency with 1 million people to the south of our border who we are concerned about in the context of immigration and in the context of disease and the context of helping to rebuild their countries. We would certainly hope that we could in a bipartisan way work expeditiously to make sure that that emergency is equally as resolved.

Mr. ARMEY. Madam Speaker, I appreciate the gentleman's remarks.

## EXPRESSING SENSE OF CONGRESS REGARDING SOCIAL PROBLEM OF CHILD ABUSE AND NEGLECT

Mr. FLETCHER. Madam Speaker, I ask unanimous consent that the Committee on Education and the Workforce and the Committee on the Judiciary be discharged from further consideration of the concurrent resolution (H. Con. Res. 93) expressing the sense of the Congress regarding the social problem of child abuse and neglect and supporting efforts to enhance public awareness of this problem, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 93

Whereas each year more than 3,000,000 children in the United States are reported as suspected victims of child abuse and neglect;

Whereas more than 500,000 American children are currently unable to live safely with their families and have been placed in foster homes and institutions;

Whereas it is estimated that more than 1,000 children in the United States, 78 percent of whom are less than 5 years of age and 38 percent of whom are less than 1 year of age, lose their lives each year as a direct result of abuse and neglect;

Whereas the tragic social problem of child abuse and neglect results in human and economic costs due to its relationship to crime and delinquency, drug and alcohol abuse, domestic violence, and welfare dependency; and

Whereas April has been designated by the President as Child Abuse Prevention Month to focus public awareness on this social ill: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring)*, That—

(1) it is the sense of the Congress that—

(A) the faith community, nonprofit organizations, State and local officials involved in prevention of child abuse and neglect, and volunteers throughout the United States should recommit themselves and mobilize their resources to assist children in danger of abuse or neglect;

(B) Federal resources should be marshalled in a manner that maximizes their impact on the prevention of child abuse and neglect;

(C) because abuse and neglect of children increases the likelihood that they will later engage in criminal activity, State and local officials should be provided with increased flexibility that allows them to use Federal law enforcement resources in the fight to prevent child abuse and neglect if they consider that use appropriate; and

(D) child protective services agencies, law enforcement agencies, and the judicial system should coordinate their efforts to the maximum extent possible to prevent child abuse and neglect; and

(2) the Congress—

(A) supports efforts in the United States to—

(i) focus the attention of the Nation on the disturbing problem of child abuse;

(ii) demonstrate gratitude to the people in the United States who work to keep children safe; and

(iii) encourage individuals to take action in their own communities to make them healthier places in which children can grow and thrive; and

(B) commends the faith community, nonprofit organizations, State and local officials involved in prevention of child abuse and neglect, and volunteers throughout America for their efforts on behalf of abused and neglected children everywhere.

The SPEAKER pro tempore. The gentleman from Kentucky (Mr. FLETCHER) is recognized for 1 hour.

Mr. FLETCHER. Madam Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Virginia (Mr. SCOTT) pending which I yield myself such time as I may consume.

Mr. SCOTT. Madam Speaker, I ask unanimous consent that the gentlewoman from Ohio (Mrs. JONES) be allowed to manage the time and yield debate time on this side.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. FLETCHER. Madam Speaker, I am here today to recognize the continued and very good efforts by the gentlewoman from Ohio (Ms. PRYCE) who has offered this resolution, and I stand honored to speak on this very important resolution.

This resolution calls for a greater commitment toward recognizing the problem of child abuse and neglect and encourages more to be done for its prevention. Specifically it promotes greater coordination between child protective services agencies, law enforcement agencies and the judicial system in working to prevent such abuse and neglect. Additionally, it commends the work of those who keep children safe, including those in the faith community, nonprofit organizations, State and local agencies and volunteer organizations.

Madam Speaker, as you know, April is Child Abuse Prevention Month. The estimated number of children seriously injured by all forms of maltreatment quadrupled between 1986 and 1997. The estimated number of sexually abused children increased by 83 percent, the number of physically neglected children rose 102 percent, there was a 333 percent increase in the estimated number of emotionally neglected children,

and the estimated number of physically abused children rose 42 percent. Now 500,000 American children are currently unable to live safely with their families and have been placed in foster homes and institutions.

During Child Abuse Prevention Month, we should focus the Nation's attention on this national tragedy and demonstrate gratitude to the people in the United States who work to keep our children safe. Moreover, Congress should continue working to help State and local officials in their effort to prevent child abuse.

With my personal experience I have witnessed this firsthand, and in my practice in caring for patients, I am thinking back of one patient in particular, one small child that we cared for at the University of Kentucky Medical Center.

□ 1230

A child that was abused to the extent that they were comatose. I think, why should this happen in this great United States. I look at the impact that this has on the events that have occurred, and not only that, but we look at what has happened recently as to how much do we really care about our children.

Certainly I am honored to speak on this, the resolution of the gentlewoman from Ohio (Ms. JONES), and I certainly commend her on this. As we are addressing and focusing more attention on this issue, I hope that we can reduce the number of abused children in this tragedy in the United States and certainly continue to work.

This concurrent resolution will express the growing problem of child abuse and neglect. It also focuses on enhancing public awareness. We believe that the faith community, nonprofit organizations, State and local officials involved in abuse and neglect, and volunteers across America must recommit themselves to ending this alarming trend.

Federal dollars should be used in a constructive manner to maximize the prevention of child abuse in our local communities. It is time for this Nation to focus more attention and resources on the disturbing problem of child abuse. We need to encourage individuals to take actions in their communities to ensure a happy, healthy environment for our children.

Mr. Speaker, I reserve the balance of my time.

Mrs. JONES of Ohio. Mr. Speaker, I yield myself such time as I may consume.

It gives me great pause as I stand in this Chamber this afternoon to bring to the floor this resolution with regard to child abuse in America. The statistics are numbing. In 1997 over 3 million children were reported for child abuse and neglect to child protective agencies. Between 1988 and 1997, child abuse reporting levels increased by 41 percent. Currently, 47 out of every 1,000 children are reported as victims of child mistreatment. In 1997, 1,054,000 children were victims of child abuse, or in other numbers, 15 out of every 1,000 U.S. children.

A child in the United States is twice as likely to be reported as abused or neglected as to be enrolled in Head Start. Mr. Speaker, 37 percent of American parents reported insulting or swearing at their children within the last 12 months. One of three of all Americans have witnessed an adult physically abuse a child, and two out of three have seen an adult emotionally abuse a child.

In 1996, 1,185 child abuse fatalities were reported. Between 1995 and 1997, 78 percent of these children were less than 5 years old at the time of their death. Mr. Speaker, 38 percent were under the age of 1 year old.

It is time that we as a Congress and we as a Nation wake up and understand the impact that child abuse has not only on the child, but the child who witnesses the abuse; not only on the child as a child, but when he or she becomes a juvenile or becomes an adult and again, on their own become a child abuser. It is time that we figure out how we can prevent child abuse in our country, and how we can marshal the necessary assets for it, in light of the fact that our dollars are innumerable, in order to deal with this issue.

We have all been numbed over the past week, week and a half about the events in Colorado. We are numb today about a similar event in Canada. We are numbed about the use of guns by our children, but contemplate acting out such as these children did with guns could, in fact, be a result of child abuse in their earlier life. Many of the statistics have shown that someone who was an abused child is likely to be an abuser later on in life, is likely to act out in some type of conduct that would be inappropriate.

I am pleased to stand on the floor of this House today to talk about solving the issue of child abuse and neglect in our country.

Prior to coming to Congress, I served for 8 years as the Cuyahoga County prosecutor in Cleveland, Ohio, and it was part of my responsibility to deal with the issue of child abuse and neglect. One of the things that we were able to do in that jurisdiction was to in fact train assistant prosecutors who, in fact, were specially trained to handle child abuse and neglect cases. We found that we had an overwhelming greater success in winning our prosecutions because they were specially trained. In addition, we were able to take the attorneys who represent Cuyahoga County as attorneys in court on the civil side on abuse and neglect, to give them an opportunity to call the shots; in other words, to make the legal determination with regard to when we would proceed with a case of abuse or neglect or when we would not proceed.

I take my hat off today to the workers in the child protection services. I take my hat off today to law enforcement in child protection services, and to the attorneys, because if one does that work day after day and one sees the young people who have been abused and neglected, not only at the hands of their parents or their loved ones but the hands of children in similar age groups, one will understand how it is a profession that causes high burnout.

I am pleased to be a sponsor of a piece of legislation called CAPE, in conjunction with my colleague from Ohio (Ms. PRYCE), and we have other sponsors as well. Under the CAPE Act we are proposing that dollars that are collected from forfeiture in drug cases be allocated to provide for dollars to train child protection workers.

Currently, under the law as it exists, only $10 million is allocated for that purpose. Under the law that we have proposed, $20 million would be allocated to provide additional dollars through the Byrne Grant proposal for training for child protection workers.

In addition, dollars could be allocated to provide for child protection workers to have access to various criminal records, so that when they are making a determination with regard to where young people are assigned or what families they are assigned to, they would take that information into consideration. As I said, it is important.

My colleagues see the blue ribbon that we are all wearing today, all of us throughout the House, all of us all over Capitol Hill. The blue ribbon stands for Child Abuse Prevention Month, but it also stands for the young people who were killed in Colorado. It is time, it is time, it is time that we as a Nation wake up.

Mr. Speaker, I reserve the balance of my time.

Mr. FLETCHER. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Mr. Speaker, I thank the good doctor, the gentleman from Kentucky (Mr. FLETCHER) for yielding me this time.

Mr. Speaker, for the past few weeks we have all been mourning the loss of the 12 innocent children who were so brutally slain in Littleton, Colorado. Today, we take this time to focus on other innocent children who lose their lives to other inconceivable acts of violence.

As many know, the President declared April as Child Abuse Prevention Month, and we bring this bipartisan resolution to the floor to help focus the Nation's attention on this national tragedy.

During the time which I stand before my colleagues for the next few minutes, at least one child will be reported

abused or neglected in my home State of Ohio. By the time this hour of debate is over, 20 children will have been reported abused or neglected, 480 by day's end, and that is just one State, and those are just the reported cases. These statistics are staggering.

But sometimes statistics are too sterile to demonstrate the real tragedy, because child abuse cases are not just statistics. Each case involves an innocent, fragile, living, breathing child who has a name and a face. Each bruise, broken bone, cigarette burn or death not only hurts that child, but also hurts all of us, because it so often means one less bright light for our Nation's future.

A sad fact, Mr. Speaker, is that many child abusers are themselves victims of abuse or neglect, which suggests a vicious cycle of criminality. Aside from its relationship to crime and delinquency, child abuse and neglect is also closely linked to drug and alcohol abuse, domestic violence and welfare dependency. Therefore, in a very real sense child abuse prevention also is crime prevention, drug prevention and welfare dependency prevention.

If we only could have paid more attention up front to prevent the abuse of those who years later will fill our jails or sleep on the streets strung out on drugs, or abuse their own spouse and children. We can make a difference if we stop the abuse now. We can reduce these problems in our future.

We must recognize that our children are our Nation's most precious resource and redouble our efforts to fight child abuse. This is why we are here today.

Throughout this month, a number of us have been wearing blue ribbons, as the gentlewoman from Ohio (Mrs. JONES) referred to, as part of a campaign which is being waged across the Nation during Child Abuse Prevention Month. In fact, I received my blue ribbon from my constituent, Debbie Sendek, Executive Director of the Ohio Committee to Prevent Child Abuse. Debbie Sendek is but one of the thousands of unsung heroes across our Nation who are in our communities on the front lines in the fight to protect our children, and it is all of these unsung heroes that we recognize and commend today through this resolution.

However, I am sure that we would all agree that the most important goal of Child Abuse Prevention Month is to protect our children. With 3 million children in the United States reported as victims of child abuse and neglect every year, we have a lot to do. While April is Child Abuse Prevention Month, I believe Congress must rededicate itself to fighting this national tragedy 12 months a year, and we need to make sure that this resolution is only the beginning and not the end of our efforts.

Congress must continue seeking ways to help those on the State and local level to fight child abuse. To do this, I have joined with colleagues on both sides of the aisle in introducing the Child Abuse Prevention and Enforcement Act, or the CAPE Act. In a nutshell, this bill will provide State and local officials greater flexibility to use existing Federal law enforcement resources for child abuse prevention. Also, the bill would double the earmark from $10 million to $20 million in the crime victims fund for child abuse victims. All of these funds come from forfeited bail bonds, forfeited assets and fines paid to the Federal Government, not from taxpayers' dollars.

The bill has the support of the National Child Abuse Coalition, Prevent Child Abuse America, and the Christian Coalition, just to name a few, and I urge all of my colleagues to sign on.

Mr. Speaker, abused children do not have a powerful voting block; they do not have high-paid lobbyists in Washington to champion their cause. That is why we must take this initiative and work it together in a bipartisan fashion to continue the fight to protect our Nation's children.

Finally, I would like to thank my fellow original cosponsors of this resolution for their support: the gentleman from Texas (Mr. DELAY), without whose help we would not be here today; the gentleman from Illinois (Mr. HYDE); the gentleman from Florida (Mr. MCCOLLUM); the gentleman from Pennsylvania (Mr. GOODLING); the gentlewoman from Connecticut (Mrs. JOHNSON); the gentleman from Illinois (Mr. EWING); the gentleman from Pennsylvania (Mr. GREENWOOD); the gentleman from Virginia (Mr. SCOTT); and my good friend, the gentlewoman from the great State of Ohio (Mrs. JONES), who has had so much personal experience in this area.

To recognize all of those who work tirelessly in the field who see these tragedies up close, we dedicate this month, and set our sights to do what we can as the United States Congress to stem the tide of one of the saddest, most horrifying aspects of this great country, and that is child abuse.

Mr. Speaker, I urge adoption of the resolution.

Mrs. JONES of Ohio. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentlewoman from Ohio for yielding me this time. Let me congratulate both the gentlewoman from Ohio (Ms. PRYCE) and the gentlewoman from Ohio (Mrs. JONES) for their leadership, and simply to add my voice in support of H. Con. Res. 93, and particularly emphasizing the need for protecting our children in America.

□ 1245

This is Child Abuse and Neglect Awareness Month, the month of April. I would simply like to say to my colleagues, let us look to the future when such a day will not be needed or such a month will not be needed.

As a cochair of the Congressional Children's Caucus, we have committed ourselves to promoting children as a national agenda. In the last session we were able to secure an additional $11 million to support the Children's Mental Health Services Program under Health and Human Services.

What we find with respect to our children who are abused and neglected are the kinds of devastating numbers that suggest that more than 500,000 American children are currently unable to live safely with their families, and have been placed in foster homes and institutions.

We also find it estimated that more than 1,000 children in the United States, 78 percent of whom are less than 5 years of age and 38 percent of whom are less than 1 year of age, lose their lives each year as a direct result of abuse and neglect.

If any of us can express the priceless feeling of cuddling a 5-year-old, a 1-year-old, maybe a 13-year-old, we are obviously outraged at the thought of those children being abused physically or mentally, and not getting the fullness of what an adult can give, which is loving and nurturing.

This tragic social problem is an epidemic, so I join with my colleagues to ask for and to give encouragement to the faith community, the nonprofit organizations, State and local officials involved in prevention of child abuse and neglect, and volunteers throughout the United States. We ask them to recommit themselves. We also applaud the works that they have done.

In my own hometown in Houston, Harris County, I have had the pleasure of co-chairing a committee that promoted foster parents to encourage them, to recruit more of them, so that in instances of tragic circumstances where we find a child from an abused home, we can immediately transfer that child into a loving foster care circumstance.

How terrible it is to read in our newspapers that a foster care situation was not available, or that a child protection services worker could not find a place for that child, or who had visited that abusive home and had left that child in the abusive home with the hope that it would get better, only to find in the next morning's news, to read that the child is dead because it was left in a home that was abusive and had no support system.

I believe we must promote foster care, parenting and foster care systems, and we should support them, provide the resources for those foster care parents.

Then I think it is imperative, as I wear the ribbon in commemoration of this month, but as well, the tragic killing of those young people in Littleton,

Colorado, along with all the other young people who have died at the hands of violence, to know that some of those who were the perpetrators suffered from child abuse and neglect, and we did not intervene at an early age.

I also say we should promote more funding for mental health services for our children, with more funding for school nurses, more funding for guidance counselors.

Most of all, let me say that we all should embrace this month with a recommitment in support of, one, the legislation, the CAPE Act, but as well, a recommitment that maybe in our lifetime we will not celebrate or commemorate, rather, the month that has to bring attention to child abuse and neglect; that we can say we have wiped it out, we have extinguished it, that we really do what this Nation should do, which is to love our children and to save our children.

I thank the gentlewoman for her courtesies for extending me this time.

Mr. FLETCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Mr. Speaker, I rise in support of House Concurrent Resolution 93.

As we have heard, April is Child Abuse Prevention Month. For any parent or adult who has witnessed the despair in a child's eyes after he or she has gone for so long without the love and nurturing that he or she so strongly craves and needs, it is heartwrenching.

Mr. Speaker, we know many of the results that come from child abuse. The majority of juvenile offenders, teenage runaways and adult criminals in this country were abused as children.

In a home for young, unwed troubled mothers in my district in Lancaster, Pennsylvania, called Beth Shalom, I have visited many of these young ladies who have suffered through terrible childhoods full of abuse, and they are now struggling not to repeat the patterns with their own young children.

Mr. Speaker, we also know that the most harsh price of child abuse is death. As we have heard, more than 1,000 children in the United States, 78 percent under the age of 5, 38 percent under the age of 1, lose their lives every year as a direct result of abuse and neglect. This is a tragedy happening in America today.

Mr. Speaker, we cannot call attention to this issue just once a year. Our efforts require a year-round focus and a continuation of our work with State and local officials who are working so hard to prevent child abuse.

This must be a community effort. Our children deserve all of the love and energy we have to keep them safe and healthy. I strongly support this resolution, and urge the Members to vote in favor.

Mrs. JONES of Ohio. Mr. Speaker, I yield such time as she may consume to my colleague from the great State of North Carolina (Mrs. EVA CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentlewoman from Ohio for yielding me the time, I thank her for her leadership, and I also appreciate the fact that this is a bipartisan effort led by the great State of Ohio and other Members who are joining with us.

Mr. Speaker, this is a time where we recognize child abuse, but hopefully, as the previous speaker said, this is not a one-time-a-year event, but this is a recognition that our children are our most precious gift. They represent our future. They are our hope. Therefore, we should be investing in their healthy existence. We should have been investing in their safe existence, as well.

Child abuse has many aspects to it. First, we do want to support this resolution, which gives public advocacy to it and recognizes the many individuals who are in there professionally doing it every day. It does take a lot for them to stay in that. It takes a continuous commitment to have that energy and not be burned out, so we want to commend those professionals who are in there.

We also want to commend a comprehensive approach. There is obviously a law enforcement part of this, there is a health enforcement part of this, there is a psychological and mental health part of this, there is a spiritual involvement with this, and the community as a whole should be involved. We need to see this as a community response, where all of us have an opportunity to play a part.

I am reminded of a poem that Edward Hale has said, and others have reminded us this week of that. It says, ''I am only one, but I am one. What I can do, I ought to do. By God's grace, I will do it.''

Here is an opportunity where individual actions with a parent who is having problems and struggling with overcoming his or her past of having been an abused child, now trying to struggling to be a decent and honorable parent, we need to engage ourselves as individuals with that.

Again, I commend all of our colleagues to support this resolution, but more than just support this resolution, to be engaged in this worthwhile activity, making sure that our children not only are healthy and safe, but making sure that their lives are the kinds of lives that will be productive and they will make a contribution.

Mr. FLETCHER. Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. DELAY).

Mr. DELAY. Mr. Speaker, I commend the leadership of the gentleman from Kentucky (Mr. FLETCHER) and the gentlewoman from Ohio (Mrs. TUBBS JONES) in bringing this legislation to the floor.

As people honor April as Child Abuse Prevention Month by wearing blue ribbons, listening to speeches, mourning innocent lives lost or damaged, and celebrating the valiant efforts of those who have made a difference, my prayer is that we as a Nation would recommit ourselves to this issue.

We as parents and Americans must realize our collective responsibility for the well-being of our children. Their future is, indeed, our country's future, and therein lies a moral imperative that we cannot afford to ignore.

The numbers are daunting. In 1997, there were 3 million cases of child abuse and neglect. Today, at least 500,000 American children are in foster care and institutions because they cannot live safely with their own families.

Unfortunately, costs of government programs skyrocket, while there are more broken families, more abused children, more teenaged parents, and more foster children getting bumped around for years without being adopted.

This resolution expresses the sense of Congress that current statistics merit our commitment to intervene in the vicious cycle of child abuse. It says that we need to marshal Federal resources in order to maximize their impact on the prevention of child abuse and neglect. Sometimes it is clear that the most effective reform by the Federal Government is to simply cut red tape and empower local communities.

As with most social problems, government can only do so much to solve them. Local communities, families, and individuals must join together with government agencies to fight and to address the needs of children in the system.

My wife, Christine, and I have two foster kids in our home, and have had over the past 2 years. We have also been involved as volunteers for the Court-Appointed Special Advocates, CASA, and child advocates of Fort Bend County for almost 5 years. We have only recently talked publicly of our family life, in the hopes that others might be encouraged to become involved with the children at risk in their own communities.

The strength of America, the true greatness of America, is not only in the moral fiber of her people and in the integrity of her leaders, but also is revealed by how we treat those who are the most vulnerable.

There are none more vulnerable in our society, none heard less, than the children that suffer from abuse and neglect. We must be their voice. We must speak loudly and speak out with our time and our resources and our love. Get involved. No effort is too small and no child beyond our reach.

Let me just close by commending my colleague, the gentlewoman from Ohio (Ms. DEBORAH PRYCE), one of the best

mothers and legislators I know. I so appreciate her efforts on behalf of our Nation's children, and I am honored to join her as an original cosponsor of the child abuse prevention and awareness resolution, as well as the Child Abuse Prevention and Enforcement Act.

Mrs. JONES of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to review a few more facts with the Members. As I stated earlier, I served as the Cuyahoga County Prosecutor, prosecuting child abuse in Cuyahoga County and being responsible for abuse and neglect cases.

I also have had the opportunity to serve for 10 years as a judge in Cuyahoga County, where in many instances I was required to listen to testimony and judge the credibility of a young person who was being presented for purposes of testifying with regard to some abuse that he or she had suffered.

To look into the eyes of a child, to require them to walk into a courtroom, to be required to tell the world about terrible incidents of what had occurred to them, I cannot even tell Members how my heart would bleed.

Mr. Speaker, as I stand here this afternoon, as with my other colleagues, I look forward to the time wherein we will not have to celebrate Child Abuse Prevention Month. I look forward to the time where we will not have to celebrate Domestic Violence Month. I look forward to the time where we have created a society wherein people feel good about their relationships, wherein they care about one another, wherein they understand that what goes around comes around, where they understand that what you do to a child at an early age has an indeterminable impact as they go on later on in their lives.

It is important that we let the child protection workers who work in this area every day know how supportive we are of them, how we understand that they are underpaid, overworked, and that many times their caseloads just continue to balloon without any support in sight.

□ 1300

It is important that we let them know that we care about them and that this issue is important to all Americans. It is important that we as a community stop watching child abuse occur and do what the law and morality requires us to do, which is to say something about it, report it, be willing to step forward and tell what we saw happen. It is important that we as a community, as we talk about what it is we can do about child prevention, that we are willing to give not only our personal dollars but be willing to be supportive of the government giving dollars to child abuse prevention. And finally it is important that all of us, those of us that are Members of Congress, sign on not only to the resolution celebrating or bringing to the floor the issues of child abuse, but to also sign on to the CAPE act that will give dollars to local communities to be able to combat child abuse.

Mr. Speaker, I yield back the balance of my time.

Mr. FLETCHER. Mr. Speaker, I yield 4 minutes to the gentlewoman from Connecticut (Mrs. JOHNSON).

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in strong support of this resolution.

One of my colleagues earlier described as the inconceivable acts of violence some of the things we have witnessed in America's high schools recently, but that people like my colleague from Ohio witnessed day in and day out from adults in America toward children in America. And, indeed, what children in America, what some children in America are suffering at the hands of their own parents can only be described as inconceivable acts of violence.

It took this Nation a number of decades to understand the significance of domestic abuse and to actually change the laws so that beating one's wife was treated under the law exactly the same way as beating a neighbor's wife; that, in fact, assault and battery, whether it was against one's wife or anyone else was equally a crime. And as we came to understand that, we had to change many, many laws and we had to change the way emergency room personnel talked to women who came into emergency rooms and police responded to domestic abuse calls.

We have come a long way now in integrating into our understanding the early warning signs of domestic abuse and we are better at responding and better at early intervention, but we have not done this in the area of child abuse prevention. We have passed laws about mandated reporters, we have tried many things, but we do not integrate into our everyday lives a sensitivity to the needs of families where abuse is brewing or present.

And so this resolution that points to legislation that these leaders are going to bring to this floor and that our Committee on the Judiciary is going to consider and discharge will begin to look at every crime prevention program and assure that crime prevention includes child abuse prevention because, essentially, none of that money is being used for this very, very important purpose. And there are many other things we can do.

This Congress passed the Safe Homes and Adoption Act a year and a half ago. We just had an excellent hearing on that. And it has helped to focus on these families early on and helped the families either deal with their problems or infants to be discharged for adoption where there is no hope that the family can deal with its problems in such a way that abuse will not be recurring in a long-term part of a child's growing up. So we have made progress.

But there is so much more to do, not only in our criminal statutes and in our crime prevention statutes but also in those statutes that govern how this Nation funds child abuse and prevention. As chairman of the committee that has responsibility for those funds for our child protective services program, I can say we have a lot of work to do.

We have got to change the way we fund these services so that money does not follow placement into foster care, which represents failure to prevent, failure to restore, and failure to intervene when a family has an opportunity to become whole not only for that one abused child but for others who may be affected but maybe not as clearly and, therefore, not removed.

So we have to change the way we deal with this problem, to move to a far more holistic approach, and the opportunity is there for us. When we look at what we have done in welfare reform, it is really a model. We have provided more money for services to welfare women coming off welfare than ever in this Nation's history by providing much greater flexibility and a more responsive Federal program. And that is my goal in child protective services funding.

I look forward to working with women of experience and men of experience and deep concern in this body, and I thank the gentlewoman from Ohio (Mrs. TUBBS JONES) for her experience, interest and dedication to this matter.

The SPEAKER pro tempore (Mr. GILLMOR). Does the gentlewoman from Ohio (Mrs. JONES) wish to reclaim her time?

Mrs. JONES of Ohio. I do, Mr. Speaker.

The SPEAKER pro tempore. Without objection, the gentlewoman from Ohio (Mrs. JONES) may reclaim her time.

There was no objection.

Mrs. JONES of Ohio. Mr. Speaker, I yield myself such time as I may consume only to thank my colleagues who have worked so hard with me on this piece of legislation and this resolution. I am pleased as a brand new Member of Congress to be able to participate in some bipartisan legislation that will impact our entire Nation.

Mr. FLETCHER. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. FOSSELLA).

Mr. FOSSELLA. Mr. Speaker, I thank the gentleman for yielding me this time, and, Mr. Speaker, I believe there is no greater responsibility that we have as public officials than to protect the innocent. And there is no greater group of innocent people than young children.

Sadly, there are those in this country who are compelled, for whatever reason, unbeknownst to any human being with common sense and decency, to abuse a child, physically and/or mentally scarring the child for life. We see it manifested in many different ways; yet for some reason, whether we are a Democrat or a Republican, when we see a young baby, it always brings a smile to our face. But to know that there are people who would willingly abuse a young innocent child walking the streets of our country is just beyond the bounds of human reasoning.

So I am happy and I compliment the sponsor of this legislation which will at least raise the level of consciousness one more notch. Because we need to stand united and to demonstrate that this great country, with its moral underpinnings, is concerned about every child that walks the face of the Earth, and that we, most importantly, can make a difference.

It is beyond just the abuse itself. We have been successful on Staten Island in developing a child advocacy center. In short, what that means is that the poor child who is abused, sexually, physically, sometimes as young as 6 months old, these poor children who would then have the trauma of repeating this story 8, 10, 15 different times to assistant district attorneys, to police officers, to child welfare workers, will no longer have to do so because what we did is consolidated our operations.

I compliment my predecessor, Susan Molinari, for spearheading this before she left Congress. It is a way of bringing a little reason and comfort to these poor children. I would encourage other communities across this country, if indeed they do not already have them, to explore this option. It minimizes an already tragic situation for a young child and, at the same time, sends a signal to child abusers that this is a zero tolerance policy.

Mr. Speaker, I want to once again compliment the sponsors of this legislation.

Mr. FLETCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. EWING).

Mr. EWING. Mr. Speaker, I thank the gentleman, the acting chairman, for yielding me this time. I am pleased to come here today and to talk about the resolution honoring child abuse prevention and awareness month and also to speak about a piece of legislation that works into the area of prevention of abuse and child awareness which is called the CAPE Act.

This is a piece of legislation which I originally sponsored with Susan Molinari, and now I am cosponsoring along with the gentlewoman from Ohio (Ms. DEBORAH PRYCE), the gentleman from Texas (Mr. TOM DELAY), and the gentlewoman from Ohio (Mrs. STEPHANIE TUBBS JONES). We are extremely pleased with the reception of this legislation, and we think that it has tremendous ability in a very small way to loosen the bonds or the restrictions that too often are put on local governments who are fighting this battle with the money we send them. That is really basically what we do here. We give breathing room to local governments to fight this problem.

I am not going to go into statistics today. They are pretty gruesome. They are very, very sobering when we think about what is happening in this country. And probably the one statistic that is most alarming is that those children who are abused children themselves become abusers and criminals and addicted to drugs and alcohol and all of the things that we think are bad in our society. They are more susceptible to those things than children that have a healthy environment in which to grow up in.

So I would just ask all of those in the Congress, Mr. Speaker, to join in this bipartisan effort. We can fight crisis around the world, but in child abuse we have a crisis right here in America. It is time to put our best efforts towards solving that problem and moving ahead with new solutions.

I believe that the CAPE Act will allow us just a small step in that direction, and I hope, Mr. Speaker, that we can count on strong support from the Members of this body so that we will send that legislation to the Senate as well as pass this resolution here today on child abuse and awareness month.

Mr. FLETCHER. Mr. Speaker, I yield 3 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time. I am pleased to rise today in support of this concurrent resolution, H. Con. Res. 93, the sense of Congress regarding child abuse and neglect, and enhancing the public's awareness of this problem.

Child abuse, whether sexual, physical or emotional, is a growing problem in this Nation which we should view with a great deal of alarm. Every child has the right to grow up in a safe, well cared for environment. The most tragic thing about child abuse is it is often inflicted by someone close to the child who should be concerned with that child's welfare rather than inflicting that kind of harm.

Regrettably, far too many families are simply incapable of raising children without resorting to abuse. The end result is that the child often learns violence as an acceptable way to convey ones's feelings and release stress. Thus, the patterns of abuse usually continue with future generations.

In addition to the physical harm imparted on the child from sexual abuse, there is psychological damage which often lasts long into adulthood, affecting the child's future adult relationships.

□ 1315

Even worse, sexual abuse robs a child of his or her innocence long before that innocence should be taken away. And whereas many adults who physically abuse their children can, with the help of extensive counseling, overcome their problems and the dangerous patterns of behavior, that same success does not usually occur with sexual abusers.

All too often, sexual predators of children repeat their acts of abuse even after being punished for earlier actions. Those individuals need to either be deterred from committing their acts or effectively punished for their behavior.

So I want to commend my colleagues, the gentleman from Illinois (Mr. HYDE), the gentlewoman from Ohio (Ms. PRYCE), the gentleman from Illinois (Mr. EWING), the gentleman from Texas (Mr. DELAY), the gentlewoman from Ohio (Mrs. JONES), for bringing this measure to the floor at this time.

I ask my colleagues to support this measure.

Mrs. JONES of Ohio. Mr. Speaker, I yield myself such time as I may consume only to say to all of my colleagues who have appeared here this afternoon that I thank them for coming out in support of our resolution. We look forward to the same support on the CAPE Act when it comes to the floor.

Mr. Speaker, I yield back the balance of my time.

Mr. FLETCHER. Mr. Speaker, I yield myself 2 minutes to close and say certainly it has been a great pleasure to work with the gentlewoman from Ohio (Mrs. JONES) and the other sponsors of this resolution.

Obviously, as this month is Child Abuse Prevention Month, we certainly are encouraged to see the increased effort that Congress will make, that we can make at this national level to work with local folks, work with law enforcement, with health care, with faith communities, as well as all parts of our local communities, to ensure that we provide a safer place for our children, that we continue to increase the awareness of this problem, that we can, as the future goes on, do a better job in making sure that our children are safe.

Mr. BONIOR. Mr. Speaker, I rise today in support of the resolution calling for public and private resources to prevent child abuse and neglect.

Children are our most precious gifts. We are responsible for their education, their safety, their health, and their lives. We should do everything we can to protect our children and ensure that their lives are safe from harm.

Yet, a sad truth remains that not all children are free from abuse and neglect. In 1997 alone, more than 1 million cases of child abuse and neglect were confirmed by child protective service agencies in the United States. One million children confirmed.

If that statistic wasn't disturbing enough, we know what the results of childhood abuse and

neglect can be. We know that abused and neglected children do not perform as well in school. In some cases, physical abuse of children can result in brain damage, cerebral palsy, and learning disorders.

Perhaps most troubling of all, we know that there is a vicious cycle surrounding child abuse. Adults abused as children are at higher risk of arrest for sex crimes.

By recognizing April as Child Abuse Prevention Month, we alert communities all over our country to this tragic social illness that hurts our most precious and vulnerable resource. We recognize that child abuse is a complex problem. The solution requires action from everyone in each city and state. We need to support and expand local officials' efforts to prevent abuse. We need religious leaders to lend a supportive and understanding voice for families. We need to also support programs for families that prepare individuals for the job of parenting.

Most importantly, by recognizing Child Abuse Prevention Month, we also tell victims of child abuse that they are not forgotten. We see you and we will help you. We must remember that truly effective prevention efforts must include treatment for children who have been abused or neglected.

The lingering anguish we feel toward the tragedy in Littleton, Colorado captures how we feel when our children are harmed. We need to break this cycle and prevent child abuse from ever occurring.

I urge my colleagues to support Representative PRYCE's resolution that calls on a collective effort to raise awareness and prevent child abuse and neglect in our communities. I want to thank Representative PRYCE for her work on this important issue.

Mrs. BIGGERT. Mr. Speaker, I rise in support of Mrs. PRYCE's Resolution. This month is Child Abuse Prevention Month and I am pleased to be able to support this resolution which commemorates those who are helping to alleviate the evils of child abuse and neglect.

Together, we can make a difference, one child at a time.

I recently learned about the life of one child and the difference she felt in her life. Three years ago, Shannon was a 16-year-old girl suffering from neglect and despair. She never knew her father. Her sister had been taken away by the state and placed in foster care. Her brother was in state prison for attempted murder. And her mother couldn't seem to help her.

Shannon wasn't interested in life. She was depressed, in and out of psychiatric care between suicide attempts. She was failing in school.

Shannon needed a home. And thanks to the dedication of some very special people at Our Children's Homestead in my Congressional District, that's exactly what Shannon was given.

And what difference did it make? Today Shannon attends College. She plans to go into hotel management.

When she looks back to high school, Shannon sees A's and B's on her report cards; she looks at photos of herself in the sports section of the yearbook; she sees herself on stage at the prom—a member of the prom court.

Shannon is blessed.

But we must also remember how much more we need to do.

In 1992, less than 30,000 children in Illinois were removed from their homes and placed into the child welfare system because they were victims of severe abuse and neglect. Just last year, that number had increased to over 50,000. That's more than a 66 percent increase in only six years. Each one of those numbers may be another Shannon. A child who needs our help—literally needs our help—to survive.

As the numbers of children in need comes close to doubling, we must redouble our efforts to help them. I rise to commemorate the work of those who have done so much. As Shannon's story tells us, we can make a difference for children—one at a time.

Mr. FLETCHER. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the concurrent resolution.

The previous question was ordered.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Con. Res. 93.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

## NATIONAL HOSPITAL WEEK

(Mr. GOODE asked and was given permission to address the House for 1 minute.)

Mr. GOODE. Mr. Speaker, the week of May 9 is National Hospital Week, when communities across the country celebrate the health care workers, volunteers, and other health professionals. This year's theme for National Hospital Week is ''People Care, Miracles Happen.''

A great example of this theme is an event called Martha's Market at Martha Jefferson Hospital in Charlottesville, Virginia. Martha's Market is a weekend event that transforms an indoor tennis facility into a shopping plaza with 40 unique boutique vendors. The event began as a fund-raiser by a group of enthusiastic volunteers who wanted to raise awareness of breast cancer, and it won the American Hospital Association's prestigious Hospital Award for Volunteer Excellence.

Income for the event comes from corporate sponsors, individual donations and vendor profits. The net profit for the Market grew to more than $150,000 in 1998. The proceeds are used to support the hospital's breast cancer outreach program, provide free or reduced-fee mammograms and health screenings to low-income women, and sponsor free mammography days.

Mr. Speaker, I want to take this opportunity as National Hospital Week is approaching to congratulate Martha Jefferson Hospital for its award-winning program.

## GENERAL LEAVE

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Res. 154.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

## ADJOURNMENT TO MONDAY, MAY 3, 1999

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

## HOUR OF MEETING ON TUESDAY, MAY 4, 1999

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, May 3, 1999, it adjourn to meet at 12:30 p.m. on Tuesday, May 4, 1999, for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

## DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

## MINIMUM WAGE STIFLES GROWTH, CREATIVE SPIRIT

(Mr. DICKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. DICKEY. Mr. Speaker, I would like to place in the RECORD an article written by Leo Collins and published in

the Pine Bluff Commercial on April 27. Two significant points were made.

First, it stated:

In many ways it seems that the only people who benefit from guaranteed minimum wage are those high school dropouts with lost ambition. We should not promote a permanent minimum wage mentality in anyone by convincing them that they can only expect an increase in wages if the government gives it to them. On the contrary, we should encourage them to look to their willingness to prepare themselves and use their ambition as their ticket to higher prices.

On another subject Mr. Collins talks about good educational programs like Trio being sooner or later: ''Bush-wacked and slowly ground into government pork.''

Without his knowing it, the opportunities afforded by Trio to students who want to try are being threatened by a new proposed program called Gear Up. The threatened dilution of Trio has been prophesized in this article. Mr. Collins' wisdom on each of these issues is remarkable.

[From the Pine Bluff Commercial, Apr. 27, 1999]

MINIMUM WAGE STIFLES GROWTH, CREATIVE SPIRIT

(By Leo Collins)

As long as I write an opinion column or do radio commentaries, which I have done 30 years or more, I will from time to time voice an opinion against those who buy into the minimum wage concept.

And I will also get branded from time to time as one of those black conservatives who doesn't want to see all Americans with enough financial resources to sit around the dinner table and feast on pheasant washed down with vintage wine.

Well, those who identify me as a black liberal half of the time are about right. Those who identify me as a black conservative the other half of the time are probably right also.

Some of our well-meant social programs are not much more than social crutches that are both addictive and non-productive and often do nothing more than provide feather bedding posh jobs for those charged with overseeing these types of programs.

But there are many government programs that do tons of good: Headstart, TRIO Programs (Talent Search, Student Support Service and Upward Bound) all come to mind. They help provide all kinds of educational supplements for students who are at a disadvantage or who are educationally abandoned.

We don't want to throw all social programs out the back door. Most government programs start off with all the good intent in the world, but along their voyage down the road of good intentions, these programs get bushwhacked, are slowly ground into government pork and get branded often as government waste.

There are times when our elected officials make political hash out of well-meaning social programs because they seem directed toward a certain racial or ethnic group. So when we evaluate the outcome of these types of programs, they will not have had a national impact on America; but they will have helped a large segment of the populace in certain areas of the country.

Over the years social programs that were designed to help the poor have always been branded as pork. But Pentagon waste and aid to huge corporations have always been labeled as programs aiding America, or it's done under the guise of keeping America strong.

The concept of minimum wage has always sounded like a good idea. No American, according to those who advocate it, should earn less than a set wage.

All of this sounds good, but is it good? Not to me! It stifles individual growth, it dampens the creative spirit and it gives the illusion that your lifelong economic dreams have been fulfilled even though you can never quite figure out why you never seem to take enough pay home to make a down payment on a new car. In many ways it seems that the only people who benefit from guaranteed minimum wage are those high school dropouts with lost ambition.

In a small business the owners may not earn enough to pay minimum wage, but this is an ideal climate for young people to learn something about what it requires to make it in an economy based upon free enterprise. That is more important than earning minimum wage.

No, I don't believe in child labor and slave wages, but I do believe in organized labor, providing that labor leaders require the membership to deliver high quality performance after management concedes to their demands. Wage wise indeed, there ought to be some kind of collective bargaining, but it should be between workers and management, not necessarily between government and management.

The government only needs to raise its powerful fist when management is obviously abusing labor by not providing safe working places, health insurance, etc. It just seems to me that wages ought to coincide with net profits, but there should be no guaranteed minimum or maximum wage. Too frequently, I must admit that management does not pay labor its fair share.

## SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

## DECLARING CUSTOMS AND INS INSPECTORS LAW ENFORCEMENT OFFICERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FILNER) is recognized for 5 minutes.

Mr. FILNER. Mr. Speaker, I rise today to honor the work of the officers and inspectors of the U.S. Immigration and Naturalization Service and the U.S. Customs Service and other Federal agents and various agencies and ask that they be accorded the full Federal law enforcement status, as outlined in legislation I recently introduced.

This bill will finally grant the same status to the U.S. INS and Customs inspectors as to all other Federal law enforcement officers and fire fighters. It is in the public's interest to end the unfair, unsafe, and expensive practice of excluding these inspectors from the law enforcement category.

Because of the current lopsided law, INS and Customs lose vigorous, trained professionals to other law enforcement agencies. The agencies also lose millions of dollars, as they have to train other inspectors to take the place of those who have just departed.

Customs and Immigration inspectors are law enforcement officers. They are law enforcement officers. They carry firearms and are the country's first line of defense against terrorism and smuggling of drugs at our borders.

I represent the City of San Diego at the border crossing between Mexico and the United States; and right there in my district, 125,000 people per day, 125,000 people per day cross through the point of entry. It is the busiest border crossing in the world. And inspectors there daily face felons. They disarm people who are carrying sawed-off shotguns, switch-blade knives, and handguns. They have been run over by cars and have had shoot-outs with drug smugglers.

Forty-three courageous U.S. Customs and Immigration and Naturalization Service inspectors have been killed in the line of duty. We owe it to their memory, and to the men and women who now serve in the same dangerous jobs that their predecessors died performing, to provide inspectors with the full law enforcement status.

The sad irony in this fight is that the inspectors who were killed in the line of duty eventually achieved law enforcement status when they died by having their names inscribed in the granite of the National Law Enforcement Officers Memorial here in Washington, D.C.

Mr. Speaker, I say this is too long to wait and way too high of a price to pay for law enforcement status for the Customs Service and Immigration and Naturalization Service inspectors. We have the opportunity to provide inspectors parity and recognition now, while they live and protect us from terrorists, drug dealers, and fugitives.

Mr. Speaker, the U.S. Immigration and Customs inspectors daily put their lives on the line. It is time that we value those lives. I urge support of H.R. 1228, legislation to correct the unequal treatment of these Federal law enforcement officers.

## SANCTIONS REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. BLUMENAUER) is recognized for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, this Chamber has been dominated with discussion over the course of this week dealing with the limitations and the costs of the use of force in trying to secure international peace. Yet, there is another very critical area.

As we attempt to work our will on issues around the globe, we are finding

it more and more difficult to gain leverage with other countries as we are dealing with issues that deal with economic sanctions. Our efforts are made all the more difficult by signals coming from inside this Chamber encouraging America to retreat from its role as the world's only remaining superpower.

It is time for us to take a step back and reshape our thinking about how we can apply sanctions that are more in tune with what actually happens in the world. Well-intentioned sanctions are becoming less and less effective if we do it on an unilateral basis. Currently, it is estimated that half the world's population is subject to some sort of sanction on the part of the United States. Yet it is estimated that only one-fifth of the programs that we have applied previously in the last 20 years achieved their intended goals.

The Institute for Economic Analysis estimated that unilateral sanctions have a very real cost for Americans and our businesses, perhaps as much as $20 billion per year in lost opportunities, which translates into a potential job loss of 200,000 American jobs. And those that are in the international arena turn out to be amongst the highest paying American jobs.

We see persuasive evidence that unilateral sanctions simply do not work. The threat of sanctions not only failed to deter what happened in India or Pakistan regarding nuclear testing, but it would have cost people in the region that I represent in the Pacific Northwest a huge wheat sale if Congress had not acted quickly to grant a waiver authority to the President so he would not have to apply the sanction. Well, it rescued a potential loss of business but it made us look foolish, having this sanction out here and then not applying it when the chips were down.

The example of Cuba is perhaps one of the most abject failure, where we have imposed sanctions basically alone in the world. Yet Castro continues to thrive after 40 years and, in fact, perhaps has been even more entrenched by our opposition to his regime.

The simple fact is, if we are going to initiate sanctions, we need to have better information to make better-informed decisions. We need to look in a comprehensive way about what we are trying to achieve. When will we decide whether or not the sanction is effective, and how will we determine whether or not we have met that objective?

I personally am embarrassed in conversations that I have had with people, parliamentarians from other more developed countries who have very thoughtful approaches that allow them to determine when they are going to be involved, how they are going to be successful, and when they conclude that effort.

I was pleased to join former Representative Lee Hamilton and Senator LUGAR, both of Indiana, last session when they introduced comprehensive reform of American sanctions policy. I am pleased that this legislation has been reintroduced in this session.

I would strongly urge my colleagues to look at comprehensive sanction reform as an area for them to be involved. It is an area that we ought to know what we are doing. It will make a big difference for American business, and it will make our foreign policy much more effective in the long-run.

At a time when we are dominated by the threat of war and, in fact, being actively engaged with American fighting men and women overseas, we owe it to them, we owe it to our constituents, we owe it to ourselves to make sure that we have all the tools that are available and that they are used in a thoughtful fashion.

□ 1330

## TRAGEDY AT COLORADO HIGH SCHOOL

The SPEAKER pro tempore (Mr. SIMPSON). Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, as a Congress and as a Nation we are mourning the brave students and teachers whose lives were cut short in the senseless tragedy at Columbine High School.

An overwhelming sense of sadness and grief has spread throughout our Nation as we wonder out loud what led our country to this point. How could two of our children, our Nation's future, who harbored so much anger and resentment, turn to violence before they turned for help? What frightens me even more than the event itself is that it is symptomatic of a Nation rapidly losing sight of the very values this country was built upon: faith, family and freedom.

Mr. Speaker, in the past year and a half, at least 29 people have been killed as a result of school violence. In today's era of virtual reality games and the Internet, children witness gruesome acts of violence on a daily basis and can access pornography on the Internet with ease. And now our Nation's children are a simple click away from directions to build the same pipe bombs that two troubled young men used to wreak devastation on a small Colorado community.

The events of the last week have reminded me of an old Chinese proverb that says, ''If we do not change our direction, we are likely to end up where we are headed.''

Mr. Speaker, we are headed down a dangerous path. Some blame violence in the media, music, the Internet, access to guns and parental neglect. While they all influence our children, the problem is even greater.

In response to the tragedy, President Clinton has proposed more gun control laws. Mr. Speaker, we already have a number of gun control laws on the book. New laws are not the answer. It is not what is in our children's hands, it is what is in their hearts.

Mr. Speaker, one of the students who died last week was killed after proclaiming her belief in God. This young girl herself once struggled with some of the same issues her killers did. She even subscribed to witchcraft until she chose to embrace God and turn her life around. For this, for her beliefs, she was killed.

Sadly, in the news coverage over the past week, the media has focused on a small group of students who isolated themselves from others because they felt alienated. But we can see by this tragedy at Columbine that when circumstances were dire, students and teachers cast aside their differences and worked together.

As a man of Christian faith, I cannot help but be proud of the number of students recounting stories of being trapped in the school and surrounded by death who found solace in prayer. Yet how ironic that on any other day, our Nation's children cannot pray in school. In fact, children have been barred from bowing their heads in private prayer, from expressing their religious beliefs in school newspapers and even bringing the Bible to school.

Mr. Speaker, can anyone today say that our children are better off than they were 30 years ago when prayer was accepted in our schools? Thirty years ago, teachers were concerned with students smoking in school, skipping class and an occasional fistfight. Today teachers are being asked to deal with teen pregnancy, drug abuse and the physical safety of their students.

Mr. Speaker, let Littleton, Colorado be our wakeup call. Faith is exactly what this country needs. The children in Littleton turned toward God during their time of crisis. We should not force them to turn away from God during their daily lives.

Mr. Speaker, today our Nation is faced with two choices: We can continue down the path we have created for ourselves or we can look to a time in our history when children felt safe in school, and we can learn from our mistakes. This country was founded on Judeo-Christian principles. Yet we have become an America in which children reach for a gun before they reach for their Bible, or turn to violence instead of their parents or their church.

Mr. Speaker, I have the great honor of representing the citizens of eastern North Carolina. What makes me so proud of my constituents is that they, like so many Americans across this Nation, have a great respect for the Bible and the Constitution. They live their lives for God and country and they nurture these beliefs in the lives of their

children. These are the values that this country needs.

As Mother Theresa once said, ''If you become a burning light of justice and peace in the world, then really you will be true to what the founders of this country stood for. This is to love one another as God loves each one of us. And where does his love begin? In our home. How does it begin? By praying together.''

Mr. Speaker, how did we ever imagine to lose sight of our founders' intentions? The students and teachers of Columbine High School have shown us that we must join together to return an America that gives families the freedom to raise their children in an environment that is safe, where children are free to live and to learn.

In the words of George Washington, ''The smiles of heaven can never be expected on a nation that disregards the eternal rules of order and right, which heaven itself has ordained.''

Today, my thoughts and prayers are with the community of Littleton, Colorado as they begin their healing process.

As a tribute to the families and friends who lost loved ones, let us turn this tragedy into an opportunity.

We took prayer out of school and we have seen the results.

Let us now change course and return to the values on which this nation was founded.

Please do not allow those who died in Littleton to have died in vain.

## TRIBUTE TO SAM GILMAN OF ROCK ISLAND, ILLINOIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. EVANS) is recognized for 5 minutes.

Mr. EVANS. Mr. Speaker, today I rise to pay tribute to a good friend of mine, Sam Gilman of Illinois. Tonight the Quad Cities Israel Bonds Council will award Sam with the Jerusalem Medal for dedicated service to his community and to Israel. I have learned so much from Sam about public service over the years and I take great joy in seeing him recognized for his outstanding achievements. He knows what it means to give of yourself to help others.

After graduating from college, he served our country in the United States Army during World War II. Following law school at Harvard, Sam returned to the Quad Cities to practice law and later became a director of the Pinnacle Banc Group. He has also helped build enduring institutions that serve the entire community, including founding WQAD and WKPT and serving as chairman of the board of Franciscan Medical Center.

Sam has been instrumental in developing a strong Jewish community and support for Israel in western Illinois. His leadership as a director and past president of the Jewish Federation of the Quad Cities, as founder of the Quad Cities Yom HaShoah Committee, and past director of the Tri-City Jewish Center strengthened those groups and laid a foundation to be erected for an active community for many years to come.

I have witnessed Sam's love for Israel and his dedication to helping Jews in need around the world. In 1986 we went together with a group to Israel and I learned to appreciate the deep affection he has for that land and its people. Two years later, on a journey to the former Soviet Union, I joined Sam as we met with refuseniks and worked to help Soviet Jews fighting for their freedom under a repressive regime.

Sam's work and that of countless others in the Jewish community is directly responsible for securing the right of Jews to emigrate from the former Soviet Union and for helping Israel to resettle this mass exodus of people in a land where they can now be free.

Finally, I have been fortunate to benefit from Sam's wise counsel and support for almost 20 years. He has been a true mentor to me as I first sought to represent western Illinois in Congress, and as treasurer of my campaign, he has always had a critical role in every race that I have run. Most of all, I am proud to call Sam a friend and look forward to many more years of sharing his advice.

## KOSOVO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. SOUDER) is recognized for 5 minutes.

Mr. SOUDER. Mr. Speaker, last night's votes on our war were a wakeup call to our President, to NATO and to the world. The American People's House voted against a declaration of war, against ground troops, and also defeated a resolution on a tie vote, even, in support of the current air war. That should be a clear message to the world that America is in the process of switching the more they learn about this ill-conceived war.

Next week's supplemental defense appropriations bill is in deep trouble. How can a Congress vote against a declaration of war this week and then the next week turn around and fund it? I want to make sure as one of those who is against this war, who started skeptical but has turned into someone who feels it is time to aggressively speak out before American men and women die on a battlefield in an ill-conceived, ill-planned and unwinnable war, that several things are true about this supplemental appropriation. Those of us who oppose it are not unconcerned about the refugees. Two weeks ago when I was privileged to go along with the CODEL over to that area and visited a refugee camp in Macedonia, you cannot help but be moved by the terrible stories that the individuals are telling about how they have been forcibly removed from their country. It is terrible. The question is not whether it should pull at your heart and how terrible it is. The question is what can we do about it and is this unprecedented? It is wrong when the Serbs do it, it is wrong when the Croatians do it, it is wrong when the Bulgarians do it, and it is wrong when the Bosnian Muslims do it. The question is by inserting ourselves can we stop this? Is this the most effective way? And will we accidentally create a problem potentially bigger than the problem that we went in to solve?

Secondly, this is not about refugee aid. We should be having a separate vote on refugee aid, not refugee aid serving as a cover for military appropriations for a continuing war. All of us agree that the economies of Albania and Macedonia have been devastated by being unable to continue their trade not only with Serbia but the other countries around them, by handling the refugees that come in, by having a general collapse of their economies by their openness. We need to give aid for the refugees, we need to give aid to those countries. That is not what this supplemental appropriations bill is about next week. That is merely wrapping with it. We will give refugee aid, we will give aid to those countries, but I believe it should happen after we have a settlement there.

Thirdly, this is not about replacing military preparedness. This President has already proven that whatever we appropriate, he diverts to the war. We can appropriate it for this or that, but if he wants to continue the war, he is diverting it. We have an obligation if we say we are against this war not to hide behind what we are replacing but understand he has no conscience as far as how he will divert the money, which also leads me to, this is not about military buildup. I am one of those who believes we are at least $20 billion behind in military preparedness and that is why we need to do it and that is why we must as a Republican Congress step up regardless of the budget question and address the defense question. But not here. If we put $12 billion, $6 billion more than he proposed on this bill, what assurances do we have that this is not either going to continue the war or be used, even worse, for the ground war that we voted against last night? Because there are no fire walls that you can put in, particularly if we continue to allow reprogramming of money in our leadership that protects us from having voted the funds next week to go to a ground war.

It is fine to stand up here as we did last night and say we are against a ground war, we are against continuing this air war, we are against a declaration of war, but the real thing comes

down to the money. Next week are we going to stand up and say, ''He can't have the money to continue and expand this war. We want to see people come to the table in a livable, workable thing''?

When I was at NATO in Brussels, I had a very weird feeling as I was sitting around the table and hearing how we cannot back up, this could be terrible and devastating for NATO. This is so much like Vietnam where we heard all those things and in fact we got the same deal after we had the loss of American lives that we could have had the first day.

In a very interesting book, ''Taking Charge'' by Michael Beschloss about Lyndon Johnson, actual tapes, this is an exchange of Lyndon Johnson with Dick Russell, head of the Senate Foreign Relations, I believe, at that time.

''LBJ: I spend all my days with Rusk and McNamara and Bundy and Harriman and Vance and all those folks that are dealing with it and I would say it pretty well adds up to them now that we've got to show some power and some force—that they do not believe—they don't believe that the Chinese Communists will come into this thing. But they don't know and nobody can really be sure. But their feeling is that they won't. And in any event, that we haven't got much choice, that we are treaty-bound, that we are there, that there will be a domino that will kick off a whole list of others, that we've got to prepare for the worst.''

That is exactly what we are being told here. That is exactly what I heard at NATO. ''Oh, we can't back up because we are treaty-bound, we are there, it will be a domino.''

In fact, we stayed in Vietnam. We lost many of my friends, thousands of Americans in that battle, and in the end wound up backing up, because the problem here is do not bluff, do not make threats that you cannot follow through. Our generals have told us, this is unwinnable in the air. Those of us who have been over there, those of us who have studied any history realize you cannot do a ground war from the south. A ground war would have to come from the north. Not only are there huge mountains and not only have armies throughout world history been stopped in those mountains, you have to come from the north.

If you come from the north you have Romania and Hungary drawn into the war. You have a problem of coming through Belgrade and northern Yugoslavia and then us owning northern Yugoslavia as well as the autonomous republic of Kosovo.

It is not winnable on the ground. The American people need to be told that if we go to a ground war, between 20 and 50,000 Americans are going to lose their lives. We have to understand what we are faced with here. We bluffed. We should not bluff when we do not have the ability to execute. It is time to cut off the funding for this war.

## ILLEGAL IMMIGRANTS IN GUAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Guam (Mr. UNDERWOOD) is recognized for 5 minutes.

Mr. UNDERWOOD. Mr. Speaker, this is the third time in 3 weeks that I have taken the opportunity to give a special order on an ongoing crisis in my home island of Guam, and this pertains to the continuing arrival of illegal immigrants from the People's Republic of China.

During this past week, there was yet another 200, over 200 illegal immigrants who have arrived. On October 23, 175 were apprehended off of Guam's waters and on April 28 another estimated 100 were apprehended near Guam's shores by the U.S. Coast Guard.

□ 1345

The number of apprehended illegal immigrants from the People's Republic caught near Guam is now well over 700 this year. A couple of weeks ago I informed this body and I have informed the administration about the inhuman ramifications of this smuggling trade in human beings into Guam.

These people are being smuggled in by Chinese crime syndicates which charge them anywhere from $10,000 to $30,000 each. They set sail in squalid quarters meant to survive, in a vessel that is meant to survive a one-way trip in open ocean for over 10 days from the Fukien Province inside China to Guam, near Guam, and the Mariana Islands.

Upon successfully completing the trip, they are then, if they are successful and if they land on Guam, invariably they are successful in getting some kind of asylum, they are made into indentured servants for many years to work to pay off their debt to the smugglers who have brought them into the United States.

This is very unlike other economic refugees or even the border crossings that we see on our southern border. This is clearly a smuggling trade in which these people who are making the journey are as much victims as the people of Guam are being victimized by this trade.

According to the INS officer in charge on Guam, Mr. David Johnston, the waves of illegal immigrants will not stop. We are faced with a phenomenon that will not stop unless we change the applicability of Federal law to Guam, in the case of immigration, the application of the Immigration and Naturalization Act, and unless we make it apparent to the Chinese smuggling crime syndicates that this will no longer be a profitable trade for them.

There is a way out which has been utilized by the administration, a process which I fully endorse, and that is to take these people and instead of moving them to Guam, to take them up to the Commonwealth of the Northern Mariana Islands, another U.S. territory, but interestingly a U.S. territory in which the application of the Immigration and Naturalization Act does not fully apply.

So what that means is that when these people are taken to the Northern Marianas, what happens is that they do not have the right to all the kinds of asylum which is generally available in Guam or any other U.S. territory. It is anticipated that from there they can be repatriated back to China within weeks rather than the 2 years it takes to adjudicate asylee cases, in which case most of the time they are generally released into American society.

So as a consequence of this the Coast Guard has been taking and trying to interdict these vessels in the open ocean and moving them to the Commonwealth of the Northern Mariana Islands through the collaboration and cooperation of Governor Tenorio and other officials there, and for that at least the people of Guam are grateful, and we certainly endorse this policy, this practice which has been implemented by the Clinton administration.

Illegal immigration into the United States is a Federal responsibility. Because of Guam's proximity to Asia, it is incumbent that Federal agencies assist the Government of Guam in combating this serious problem on our shores. It is important to understand that Guam is only 212 square miles in size and our population is only 150,000. Any significant increase in the immigrant population on the island has significant social and financial repercussions because of our financial, current financial conditions which are affected by the Asian economic crisis, and because we do not have the alternative resources available for noncriminal alien immigrants that are generally available in the U.S. mainland.

The financial strain on Guam's resources are tremendous. I hope that we can find a way to reprogram some $10 to $15 million to take care of this problem on Guam and to reimburse the Government of Guam for costs that have already been expended on this crisis.

## A PEACEFUL RESOLUTION TO THE SITUATION IN THE BALKANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, I hope we are all here well informed of the efforts of our colleague, the gentleman from Pennsylvania (Mr. WELDON), to bring about a peaceful solution to the situation in the Balkans. In the light of yesterday's votes on the Balkans, I

believe this effort should be immediately embraced by the administration.

Mr. Speaker, I am astounded that the administration choose not to support the attempts of the gentleman from Pennsylvania (Mr. WELDON) at finding a peaceful solution to the crisis in Kosovo. The decision by the administration leads me to reluctantly conclude that they are determined to prosecute a war in Kosovo regardless of costs. The attempt by the gentleman from Pennsylvania (Mr. WELDON) in coordination with the Russian Duma should have been wholeheartedly embraced by this administration as a means to ensure the safety of not only the Kosovars, but our men and women in uniform carrying out the NATO mission. I can think of no reason why the administration would reject the efforts of the gentleman from Pennsylvania (Mr. WELDON) and the members of the Russian Duma. The agreement, if successful, would establish a cease-fire under conditions first proposed by the NATO countries.

Now, if the NATO requirements were dismissed in the proposal and unsatisfactory ones drafted, I could understand that the administration would be unable or unwilling to support it. But a rejection of a potential agreement with the NATO conditions as a prerequisite is unimaginable.

It is essential for this Congress to accept its responsibility to our men and women in uniform and ensure that their safety is the paramount concern of the United States. Unfortunately, with the administration's rejection of the potential peace initiative I cannot be sure that it is theirs.

The United States does not have a vital interest in the Balkans. We have not been presented with clear objectives, any specific mission or even a coherent exit strategy. Now the administration is choosing military action over peace.

Mr. Speaker, I encourage all my colleagues to support the efforts of the gentleman from Pennsylvania (Mr. WELDON) in the Balkans.

## THE HIGH TECH ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. SMITH) is recognized for 5 minutes.

Mr. SMITH of Washington. Mr. Speaker, the fastest growing segment of our economy has been the high tech segment of our economy driven mostly by computers, software, the Internet, biotech, and also the products that our increasing technology enables us to create. It is what has been most responsible for the strong economy we have enjoyed in the last 7 or 8 years and, more importantly, will be the cornerstone of what the future is going to hold. The more we can do to move the high tech economy forward, the more jobs that we could create and the stronger an economy that we can have.

Now we deal with a lot of complicated issues in Congress. Mostly our goal is to try to improve the lives of the people we represent. There are a lot of very strong difficulties in doing that, but the one thing that most clearly, positively affects the lives of the people all of us represent is a strong economy. That is means opportunity, opportunity for good jobs and a decent wage so that you can take care of your family and build for the future. High tech is critical to that.

That is the first component of what I want to talk about, the high tech economy. The second component is exports and basically creating markets for our goods, specifically for our high tech goods. Ninety-six percent of the people in the world live someplace other than the United States of America.

Now in the U.S. we still manage to consume 20 percent of the world's goods, services and products, so what that means is if we are going to have growth in any aspect of our economy really, not just the high tech aspect, we are going to have to look overseas. We are going to have to look to that other 96 percent of the world out there and increase their consumption of our goods.

Bottom line: Increase exports, and in particular, increase exports of high tech products. Those are the two things that need to come together, the importance of getting at that 96 percent of the rest of the world and the importance of continuing to allow our high tech economy to thrive. If that high tech economy is going to thrive, we are going to have to get access to those other markets. Our companies in this country are going to have to get access to those other markets for one central reason, that we are the leaders in most aspects of the high tech economy.

We are far from alone. Countries throughout the world are developing their own Internet technology, their own telecommunications technology, their own software and hardware technology. We have competitors out there, and if they have access to markets that we do not have access to, that is inevitably going to catch up with us. It is going to give them the ability to grow and prosper and then feed more money back into research and development to develop the next best product, and in the high tech community, as my colleagues know, today's best product could be just totally out the window tomorrow as technology leaps ahead. You have to be the one in the position to leap ahead, and to get there we have to give our high tech products access to those foreign markets, and we are failing in three areas right at the moment.

Number one, we have too many broad based economic sanctions that are unilaterally imposed by our country. We unilaterally decide that our country's companies will not be allowed to do business with dozens of other countries for dozens of other reasons. This does not work because while we make that unilateral decision, our competitors do not. Our competitors sell products to those same countries, so we do not have any impact on the country that we are trying to impact except to force them to buy good goods from our competitors.

But two other areas are specifically problematic for the high tech community. One is encryption software, and skipping a complicated analysis, encryption software is basically the software that enables you to protect whatever is on your computer, to make sure that only you can see it and no one else can. This is very important for a variety of reasons, privacy reasons but also competitive reasons.

Any computer technology, computer product, software product that is sold requires top-of-the-line encryption technology, but our country does not allow our companies to export top-of-the-line encryption technology. We place caps on how much of it can be sent out, depending on the product and depending on the service. That puts us at a disadvantage with our competitors and gives them a chance to get ahead of us in the high tech economy and jeopardizes future economic growth.

We do this because we are concerned about the national security implications of encryption technology, and they are there, there is no question. The better encryption technology you have, the better you are able to either protect your national security or breach somebody else's. The mistake we made is in assuming that by placing controls on the export of our companies' encryption technology, that somehow stops the rest of the world from getting it.

Encryption technology can be downloaded off the Internet. Dozens of other countries sell and export top-of-the-line encryption technology. All we do is place ourselves at a disadvantage and in the long run hurt our national security interests. We hurt them because we hurt our own companies' ability to be the leaders in leap-ahead technology. There was a great relationship in this country between the National Security Council, the FBI and our high-tech companies. They can work together to develop the best products to help with our national security concerns, but not if the company developing the best technology is from China or Germany or even Canada. They do not have the same cooperative relationship with the FBI that our own companies can have. We need to change encryption technology export, for the good of our economy and for the good of our export sector.

## INTERPRETING THE VOTES ON KOSOVO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. SHERMAN) is recognized for 5 minutes.

Mr. SHERMAN. Mr. Speaker, the subject that is on all of our minds is the fight in Kosovo, and I would like to focus on properly interpreting the votes of yesterday and looking to what our opportunities for solving this crisis might be tomorrow.

Yesterday was a momentous day in the history of this House. First, we voted with an over 60 percent vote that the President should not send major ground forces into Kosovo without the approval of this House.

Now it is fair to point out that there were those on the other side. They argued that Congress should not have a role in determining whether ground forces are deployed. They argued that our enemies would tremble in fear if they knew that one man, the President of the United States, without the approval of Congress, could deploy 100,000 American soldiers.

Mr. Speaker, I would tremble in fear, and the founders of this republic would tremble in fear if it was thought that one man, without the approval of the representatives of the people, could send 100,000 of our men and women into battle.

□ 1400

But the fact that Congress insists upon approving in advance any deployment of ground troops does not mean that Congress has prejudged the issue.

Whether this country supports ground troops will depend, in my opinion, on what we discover is happening to the men of Kosovo. Because the refugees come out, the women, the children, the old men, but the younger men and the middle-aged men are left behind. They may join the KLA, and that is their right; they may be detained, and that is not something that would cause incredible outrage. But if we discover, as so many fear, that the men of Kosovo are being systematically slaughtered, then there will be an outcry throughout Europe and the United States, and it is possible that this House would authorize the use of ground troops.

Second, and I think most telling, we voted 2-to-1, and that is very rare in this House, by a 2-to-1 majority against ending all hostilities. In doing so, we made it clear that America is not simply going to shrug our shoulders and walk away. This is the most important vote, and the vote that should be focused on by Belgrade.

The third vote, and, unfortunately, the vote that is getting the press, was a vote of 213 to 213 as to whether this House would go on record authorizing the air strikes.

Now, our own press is misinterpreting this vote, for it came just a few hours after, by a 2-to-1 majority, my colleagues and I voted not to stop what is going on now. We are not fools. What is going on now is an air campaign, and our decision not to stop it should have been read as a decision to go forward, at least for the present time.

But our own press, let alone the people in Belgrade, misinterpret the last vote yesterday, because they fail to account for two groups that voted against the resolution. One was a group, unfortunately, of some of my Republican colleagues, who, while they support continuing the air campaign, oppose saying anything good about anything President Clinton has ever done. It is not a secret even in Belgrade that President Clinton is not popular in the Republican Caucus, but that does mean that this people or this Congress wants to stop action and let Milosevic have his way.

Second, there were a group that I respect immensely who looked at some of the hidden possible legal implications of that resolution. They noticed that under the War Powers Act there may be a challenge to any attempt by the President to put in ground troops without the approval of this House, and that there is some judicial writing to the effect that if Congress authorizes any kind of force, that we are in no position to limit any other kind of force.

Properly interpreted, the votes of yesterday are clear: We should proceed to work to put Kosovars back in their homes in security and peace, and I addressed the House earlier on some of the more creative ways to try to accomplish that.

## EXEMPTING U.S. FOOD AND MEDICINE FROM UNILATERAL TRADE SANCTIONS

The SPEAKER pro tempore (Mr. SIMPSON). Under a previous order of the House, the gentleman from Texas (Mr. STENHOLM) is recognized for 5 minutes.

Mr. STENHOLM. Mr. Speaker, I want to use these 5 minutes for purposes of commending the administration's announcement of yesterday in which they are exempting food and medicine from unilateral trade sanctions. This has a possible immediate and positive impact on agriculture exports of wheat, rice and corn.

The United States agricultural producers, and we will hear a little bit more about that in the next hour, have faced a lot of problems with trade barriers imposed by other countries; but United States sanctions, when we and some who believe that our own policies can be put forward by denying shipment of food and medicine to countries, that too becomes a sanction or a trade barrier.

We have clearly proven, I think, over the last several years that sanctions do not work; they hurt producers, and they hurt those that we do not intend to hurt. I think that we can find much more effective ways to implement foreign policy.

Therefore, the new policy, which is part of the administration's long-term review of sanctions, which is intended to ensure effectiveness of economic sanctions, is designed to minimize the cost to United States' producers of anything and maintain the reputation of the United States as a reliable supplier, something that often gets overlooked by some who believe that these actions, as they result in what is perceived to be in the best interests of the United States, often do not accomplish that which was intended.

A recent report from the President's Export Council showed that more than 75 countries may be subject to sanctions. In 1995, sanctions cost America $15 billion to $19 billion and affected 200,000 to 250,000 export-related jobs.

Speaking specifically of agriculture, United States agriculture exports account for 30 percent of all U.S. farm cash receipts and 40 percent of all agricultural production. Sanctions and embargoes make it more and more difficult for farmers and ranchers to expand agricultural markets, particularly when the 95–96 farm bill was designed to make us more reliant on foreign markets. It absolutely makes no sense then to deny the market opportunity for our producers.

The Departments of Commerce and Treasury will issue new regulations with regard to Iran, Libya and Sudan. The Departments of State and Treasury must review the pending applications for agricultural sales to Iran.

On January 5, policy changes were made to authorize case-by-case licensing of food and agricultural imports to Cuba. Congress would have to amend current law to change this policy, and it is my sincere hope that Congress will take up through the committee process and hopefully through action on this floor, a sincere and open debate as to whether or not our policy that we have toward Cuba should in fact be revised along the same lines of which we are talking of other countries.

So here today I take this minute, and I will soon yield back if I have any balance of time, to just say let us use this new policy to help our producers, in this case, move wheat, corn and rice and other commodities to our customers overseas, in whatever area is affected by these sanctions.

It is important for this body and for the administration to think long and hard before we impose unilateral sanctions. Unilateral trade sanctions have never proven effective. When we sanction, when we deny markets and our friends take those markets, it only hurts producers and workers in America.

## PASSAGE OF EMERGENCY SUPPLEMENTAL FUNDING FOR FARM SERVICE AGENCY NEEDED NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. MINGE) is recognized for 5 minutes.

Mr. MINGE. Mr. Speaker, I rise today to highlight the long delay in passing the emergency supplemental funding for the Farm Service Agency lending programs and FSA staffing budget.

This is truly an emergency, in every sense of the word. Tracy Beckman, FSA Director in my state of Minnesota, has told me that he will be forced to lay off FSA employees because of the delay in passing the emergency supplemental. The demand for loans and other FSA services is skyrocketing because of the commercial banks' concern about declining farm incomes. Many producers are having a difficult time securing private sector operating loans. FSA has to step in to fill the gap with guaranteed and direct loans to producers. Demand for loans this year is up 75% from a year ago, the Secretary of Agriculture tells me.

Minnesota FSA will approve more loan applications by the end of the fiscal year than they have funding. If this supplemental is not approved, they will be unable to deliver the funds to farmers because their accounts have run dry. Planting season has arrived, and those farmers without operating loans are going to be left high and dry.

Mr. Speaker, now is the time to approve these truly emergency funds. We must not delay action on this matter because of disputes between Congress and the White House on other matters. The supplemental bill threatens to be bogged down with billions of non-emergency spending, and I worry that this may sink the ship.

The president requested $6 billion to fund the air campaign against Yugoslavia. Some on the other side of the aisle want to pass as much as $20 billion. The Senate majority leader suggested $10 or $11 billion. I do not understand how funds the Administration has not even requested could be remotely considered emergency spending. We must remember these are Social Security funds we are spending here. If we are going to continue to claim to be fiscally responsible, we must be honest with ourselves about what is emergency funding and what is desirable funding. What ever happened to not opening the Social Security lock box unless it is an absolute emergency?

I propose that we develop and pass in the shortest possible time frame a free standing emergency agriculture spending bill to provide critical guaranteed and direct operating loan funds that our farmers need to get into the field and the FSA staff to deliver those programs. These are truly emergency funding needs. We must move forward with a clean bill for agriculture now, and not hold hostage these funds for American farmers in a raid on the Social Security trust fund to benefit non-emergency defense spending.

## APPROVAL OF FARM SERVICE AGENCY EMERGENCY SUPPLEMENTAL FUNDING NEEDED NOW

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Arkansas (Mr. BERRY) is recognized for 60 minutes as the designee of the minority leader.

Mr. BERRY. Mr. Speaker, it is springtime in America. Normally that means that there is great optimism, great excitement, particularly among our agriculture community. Our farmers know that now is the time to put the seed in the ground and prepare for the fall's harvest, to prepare to feed this country and a good portion of the rest of the world.

But, regrettably, it is a sad time in the farm community this year. Prices are low. We just had terrible disasters last year. We had a bad crop. The agriculture income is down some 28 percent.

As I traveled the First Congressional District that I am privileged to represent over the last few weeks to see the distress, the discouragement, the despair that exists in our agriculture community today, it is a terrible thing.

I rise today to once again ask the Speaker to move our agriculture emergency supplemental appropriations bill and provide the emergency loan money that this House and the Senate have both approved. It is absolutely unbelievable that the Speaker and the Republican leadership would hold America's farmers hostage as they are doing now. It is shameful.

Our farmers are good, honest, hard-working people. They had a farm bill forced upon them in 1996 that they knew was going to be a disaster, and it has been. The administration, as my distinguished colleague from Texas (Mr. STENHOLM) just mentioned, made a great step forward yesterday by lifting sanctions on some of our markets, and that is going to be very helpful. But you do not get but one chance a year to make a crop, and if our farmers are not provided loans and those loans are not provided almost immediately, within the next few weeks, they will not get a chance to make a crop this year. Many of them have already missed that opportunity.

You cannot wait until the middle of the summer to plant a crop. It will be too late. You have to plant it in April and May.

It is time for our farmers to put the seed in the ground. It is time for our Speaker and the Republican leadership to let this emergency supplemental bill be conferenced and give our farmers an even break.

Mr. Speaker, I yield to the distinguished ranking member of the House Committee on Agriculture, a great friend of America's farmers and a great leader for America and for agriculture, the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for yielding, and would amplify a little more on what he has just said regarding the conference that should be going on between the House and the Senate regarding the emergency agriculture appropriation, a request sent here to this body 62 days ago from the Secretary of Agriculture, acknowledging that we were going to have some credit problems, that the amount budgeted for credit was not going to be sufficient, and, therefore, an emergency supplemental was going to be required.

Everyone knows this. The House Committee on Agriculture, both sides of the aisle, are in agreement that these monies are needed and must be forthcoming, but it is very frustrating when we have already had to have two stopgap proposals in order to just get us to the next point, that we have had to have the Secretary of Agriculture juggling various accounts just to continue to be able to provide the service in our various FSA offices.

But we are now kind of at the end of our rope. The Secretary this morning informed us that at the end of the close of business today there would no longer be the ability to accept applications for loans. This week we have averaged 150 applications per day. This is four times the normal demand for FSA loans.

It is really inexcusable that, for whatever reasons, the conferees have not been able to come up with an acceptable compromise that would allow the House to work its will. I know that there are budget considerations, and I remind everyone, including myself, when we are talking about expenditure of emergency funds, whether it be for agriculture, for Kosovo, or for any other purpose, for Central America, the emergency that has already been created there and which is also pending, something which needs to be taken care of, all of these dollars are Social Security Trust Fund dollars.

□ 1415

I see we have been joined by our friend from Michigan (Mr. SMITH), and he and I and others have been working and trying to come up with proposals in which we might deal with the Social Security problem. I welcome his efforts there, and I appreciate his welcoming of mine.

But when we talk about this particular proposal today and the state of agriculture, we go into it with our eyes open. That is why the gentleman from Arkansas (Mr. BERRY) and I, and I believe the gentleman from Michigan (Mr. SMITH) joined us in this, in support of the Blue Dog budget, if memory serves me correctly, and recognizing that there were going to be some additional needs, and we proposed to budget for them. The good news was that we

had a majority of Democrat supporters, 26 Republican supporters; the bad news is it takes 218 votes to do it. I understand that.

But having said all of this, that gets us right back to what the gentleman from Arkansas (Mr. BERRY) was saying a moment ago. We have a crisis, it is really inexcusable, and it is one of the reasons the American people get so frustrated with all of us, because of our seeming inability to make timely decisions.

One of the decisions that could be is that we do not want to fund this. That would be one of the decisions. If a majority of the House say these are monies we should not expend, these are loans we should not make, therefore let us not approve it, I can accept that. Mr. Speaker, a 218-vote decision by this body saying these loans should not be made would be a perfectly logical, legitimate decision of this body to be made. But what is inexcusable is to not make the decision because somebody is not able to please somebody within somebody's conference or caucus, and that is what is going on. We would like to see this come forward, deal with it in an open and honest way.

I yield back now to the gentleman from Arkansas, and if there is any time additionally I will have a few other comments to be made.

Mr. BERRY. Mr. Speaker, I thank my colleague from the great State of Texas. I now yield to our distinguished colleague, the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman for conducting this Special Order. I am delighted to see the gentleman from Michigan (Mr. SMITH) is joining us, as we work together on a budget on Social Security.

Mr. SMITH of Michigan. Mr. Speaker, if the gentlewoman would yield, I just want to say that I come in support of preserving American agriculture, because generally in this Congress, in this Nation, it is not a partisan issue. I say this with some emotion, because we have a serious challenge facing traditional agriculture in the United States.

Other countries are doing everything they can to protect their farmers. We have been somewhat carefree in saying we should go to a market system and therefore, it is up to whatever the market might bear on American farmers. That is fine if the, if you will, playing field were level, but if other countries are going to subsidize their farmers to protect their farmers, that becomes an ultimate competitive disadvantage to our farmers, and then we have to be more aggressive in making sure that we preserve our agriculture.

Mr. Speaker, I appreciate my colleagues allowing me to interrupt.

Mr. BERRY. Mr. Speaker, I appreciate the comments from the distinguished Member from the State of Michigan.

Mrs. CLAYTON. Again, Mr. Speaker, I appreciate the gentleman's leadership in this area and for providing this forum for us to urge the House and the leadership of the House to act.

I think we all recognize that there is an emergency. We all acknowledge that our farmers are very important to us. We all acknowledge that they provide the basics for life, food and fiber, and we know they are suffering. In fact, there is a farm resource center which is a national crisis line for farmers where they call to get help. However, when the farmers call, the line is busy because so many farmers are calling for help. And this Congress also shows a busy signal. We are not listening to our farmers.

I share the observations of the gentleman from Texas (Mr. STENHOLM) who said there is a level of frustration and a belief that we are insensitive to their plight. I urge this Congress, I cannot beg any more severely than I know how, that our farmers are hurting, they are hurting. It will be too late to wait until they go out of business to help them. We want to help them to be viable farmers, vigorous, profitable people who can make a contribution.

Farmers do not want to be dependent on the United States; however, they would like to think that the government understands their value in this economy. They would like to think that their government has not turned their back on them. They would like to think that they can prosper in this robust economy, which they are not. All they are asking, all the President has asked is for $1.1 billion to speak to the credit crisis, a credit crisis that will speak to the current need.

Now, I want to tell my colleagues there is a credit crisis even more severe than the current need, and later on I certainly will be considering again a credit provision in the legislation that would speak to some of the disadvantages written into the 1996 farm bill that denies people a second chance, denies that they might have been in a disastrous area, denies them having an opportunity for a direct operational loan, and also to amend the shared appreciation agreement. Those are structural things that we need to do.

But the emergency, the emergency is now, and in fact I was told earlier this morning this is the 62nd day, I say to my colleagues, that this has been on the floor. The House passed it, the Senate passed it. We just cannot get together. So I want to urge Members of Congress who care about farmers, but if they do not care about farmers, just care about themselves, care about being able to have available food, quality food at an affordable price. These farmers provide that for us. The consumers are interdependent on the survivability of farm families and farm communities. We are one Nation, and food adds to our national security. So we should not be misled.

This is not something we can put under the rug; this is not something we can ignore. Everyday we ignore it, we ignore it at our peril. Certainly our farmers are going under, but we are tied to them, and to the extent we understand that, we would have a chorus of people crying out, saying help our farmers, because when we help our farmers, we help ourselves and we help our Nation.

Again, I say to the gentleman, I just appreciate his leadership and allowing us to cry out to say we really need this emergency supplemental and we need it now. We do not need it 2 months from now. Planting time is going on right now.

I can tell my colleagues, the census was taken recently, the farm census, and in 1997 they found out from a 5-year period in North Carolina, and North Carolina may be handling this crisis a little better than some, but over a 5-year period we were losing one farm per day. That has nothing to do with the suppression and the depression of prices. Add that to the mix.

Then we begin to understand the severity of the problem of big farmers, small farmers, family farmers, individual farmers, young farmers, old farmers, black farmers, minority farmers. All of them are suffering, and to the extent that we can understand that we are tied to their survival or the lack thereof, I think we would be incensed. There is a time when we should be outraged at something, and I am trying to build that outrage in this Congress that we ought to all join together and make sure we have an opportunity to respond.

This is truly a crisis; it is a crisis, it is an emergency. It is truly an emergency. We should treat it as an emergency. We do not just say it in words, we act it out. We say we love our farmers. Well, where is the proof of that? And if it is an emergency, why are we talking about an offset? Why are we putting this emergency behind all of the other emergencies? Now, truly our military and our national defense is an emergency, but I do think that farmers should, which was already on a schedule, should now be set aside for this. We can do both. We have the capacity to respond to both of those. We are not limited. The only thing we are limited by is our political will. The only thing we are limited by is our vision of how we are so tied together.

So I cannot urge my colleagues strongly enough that this is indeed a serious matter and we are all tied to this. Not just those of us who live in rural areas, but our national security is tied to our ability for our farmers to grow and produce very basic food and fiber that they do so well, not only for this country but much of the world.

Mr. BERRY. Mr. Speaker, I thank the gentlewoman from North Carolina,

not only for her remarks but for her great leadership as the ranking member on the Subcommittee on Government Operations of the Committee on Agriculture.

I now yield to the distinguished gentleman from North Dakota (Mr. POMEROY).

Mr. POMEROY. Mr. Speaker, I thank the gentleman for yielding. I would echo the comments so ably made in the course of this Special Order about the crisis in agriculture. The crisis is a deep, threatening crisis that will in North Dakota cause more families to leave their farms in search of other work than we have seen in many, many years. I have with me just some photocopies of auction bills.

We are seeing an awful lot of these auction bills, and for those not from farm country, they may not realize that each of these represents the end of a family tradition, heritage, history. Farms that have been in the land and under constant cultivation for more than the last 100 years, farms continuously held by families since the prairie on the Northern Plains was broken, now going under because of inadequate prices, because of a farm program that is not working anywhere near what was promised when it was passed in the 104th Congress. As a result, as a result of the loss of profitability in agriculture, we do not just have people selling out, we have other people knocking on the door of their banks for credit and being turned away.

Now, the funds that are at issue for agriculture lending, that we so critically need in this supplemental appropriation, are required because they are available to guarantee credit privately offered through banks to farmers, as per the Federal programs to provide that kind of credit guarantee, keep the credit available for farmers, or funds directly lent by the farm service agency itself, the lender of last resort for farmers. Well, believe me, this is the last resort, and that is why they are calling, calling to the tune of 150 a week.

In fact, the statistics from the U.S. Department of Agriculture are that they have received more than 8,000 loan applications since the supplemental request for additional loan money was sent up to Congress on February 26, 62 days ago.

Our new Speaker, DENNIS HASTERT, is from Illinois. He knows agriculture. They have an awful lot of agriculture in Illinois. He knows one thing, that between now and February 26 when this first request came up, that has been planting season, a very critical time in a farmer's year. You go to the bank and get the loan, the operating loan. With that loan you buy seed, fertilizer, gas for the tractor. You go and put in the crop, but you can only put in the crop if you get the essential operating capital for the beginning of the crop year. What happens if Congress continues to wait, if Speaker HASTERT continues to fail to lead, to bring this bill to the floor so we can get the money out there, is the window will close.

I represent North Dakota. It has one of the latest planting periods in the country because of our northern location, and yet even in North Dakota we are seeing the window come perilously close to shutting altogether because we have failed to act on this supplemental.

□ 1430

I cannot think of a more heedless, tone-deaf signal for the Congress to send to the farmers of this country than to dilly-dally around, play politics, wring our hands so piously during our trips back to the district during the weekend about our concern for farmers, but fail to pass the essential operating loan money they need until after the period has passed and they can no longer get their crops in the ground.

That would really be the limit. Unfortunately, we are reaching the edge of that limit by Congress' failure to bring up the agriculture appropriations supplemental. We are putting farmers, individual families that have farmed for generations, in the circumstance where, even as the clock is tolling relative to making essential spring planting decisions, they do not even know whether they will have the financing capital.

I cannot think of a more cruel hoax to play for farmers, dangling the prospect out there that we will be there to help them, but then somehow getting too politically distracted in our own internal partisan warfare that seems to have taken on its own reality, irrespective of the real needs of this country and the people we represent.

I ask the gentleman from Illinois (Speaker HASTERT), I hope the gentleman is listening, because he owes this body more, he owes our Nation's farmers more. When the gentleman fails to lead, others take over. The way others are running this place, they are not responding to the very real needs of the American people that we represent, and in this case, the needs of the American farmer, farmers that the Speaker knows very well because of his long, distinguished representation of the State of Illinois.

I cannot for the life of me understand what is going on in the Speaker's mind to let this situation linger and to leave our farmers in this kind of predicament.

I have now heard that they are seriously considering bringing funding for the Kosovo campaign to the floor without addressing the needs of our farms. I think that, without question, the NATO involvement, the expense of U.S. participation in the NATO involvement is a legitimate exercise and obviously requires additional financial support, appropriately passed on an emergency basis.

But this crisis halfway around the world is no more important in the scheme of things to our country than the crisis right here at home on our farms. To leave the plight of our farmers behind as we respond to situations across the world would be the absolute height of foolishness.

I would implore majority leadership to think again and not address Kosovo without addressing our farmers. On April 26 of this year we sent a letter to the Speaker, signed by almost 30 members of both political parties, urging the action on the agriculture supplemental appropriations.

This is a bipartisan appeal from farm country, Mr. Speaker, so that the Speaker might be able to bring up the appropriations so desperately needed by our farmers. Do not leave our farmers out, even while we respond to situations halfway across the world.

I would be happy to entertain a dialogue with the gentleman from Arkansas (Mr. BERRY), a further discussion on the critical need facing our farmers and why Congress has to act now.

Mr. BERRY. Mr. Speaker, I thank the distinguished gentleman from North Dakota, and I appreciate the comments he just made. Certainly all of us that represent major agriculture-producing areas are mystified by the actions of the Speaker and the Republican leaders on this matter, and hopefully very soon this will be resolved. It is so irresponsible for us to leave America's farmers twisting in the wind while we play partisan politics.

Mr. POMEROY. If the gentleman will yield further, Mr. Speaker, these loan applications have been mounting in the FSA offices in counties across North Dakota. Farmers turn away from their banker, come in to FSA, put in the application, and they evaluate whether the application is creditworthy or not. We cannot make loans that are not creditworthy, but so often the case is they are creditworthy loans that should be financed if the loan money was available.

We now have stockpiled, in other words, applications filed that cannot be funded, $45 million worth of loan requests. If the gentleman wants to calculate how many farmers are waiting, holding their breath, not knowing whether they will be in the field or selling out in just a month, we just have to figure how many loans, how many farmers can be served by $45 million.

Farming is an expensive business, but there are a whole lot of operating loans represented in that size of capital, and that is just North Dakota alone. Across the country, they reckon

that this $1.1 billion in additional lending authority that funding the agriculture supplemental will make available will be literally thousands, thousands of family farmers that are either reduced to auction sales, or on with the business of farming, the business that is their profession, the business that has been their family's heritage. That is really what it all comes down to.

Sometimes I think that we get so wrapped up, and in fact, the venal partisanship of this place has absolutely taken over our ability to see reality anymore, and we spend all our time thinking about how we can jam the other side and utterly quit thinking about what ought to be job one for us, and that is serving the interests of the people that elected us to these offices.

There is nothing Republican or Democrat about a farmer being able to get the loan money they need to get in the field. There is not a Republican ideology or a Democrat ideology on this loan request, this funding request sent up by Secretary Glickman in February that would make this funding available for these farm loans.

Why in the world one would take the plight of family farmers and put them in the middle of this vicious, disgusting, unworthy partisan contest is beyond me.

But I will tell the Members this, the gentleman from Illinois (Speaker HASTERT) owes us better. He is the Speaker. He is the leader of this Chamber. He is the leader of the Republican Party, not the majority whip. It is time for this Speaker to stand up and be counted. It is time for this Speaker to lead, and to lead on behalf of the farmers that are in his State of Illinois and in my State of North Dakota and the gentleman's State of Arkansas and all across this country.

Until he does that, every day the planting deadlines are passing for some farmers in more southern latitudes than North Dakota, and if we do not act soon, it is going to be too late for all of us.

Mr. BERRY. Mr. Speaker, as the gentleman from North Dakota knows, I am a farmer myself. There is not a more frustrating time than in the springtime when you cannot get in the field. To be in a position where you have the weather to plant but you cannot plant because you have not got a production loan is the most frustrating situation that a farmer can be in.

I think that for us to allow them to twist in the wind, not be responsive, not fulfill the obligation that this body has to react and take care of the business of the country is highly irresponsible.

As it was just mentioned by our colleague, the gentleman from Texas, it is no wonder that the American people question how responsible the Congress is, because we do things like this.

Mr. POMEROY. If the gentleman will continue to yield, Mr. Speaker, I wish some of the Members that have worked so hard to keep this from coming to the floor would have their own paychecks in the same kind of uncertainty that we have placed these farmers.

I wish they would get up in the morning, sit at the breakfast table drinking coffee with their wives, not knowing whether or not they would be able to get a crop in the field in a few weeks, whether or not they would have their job, whether or not they would be able to provide for their family.

Maybe then some of these Members that are working so hard to ignore the plight of our farmers in favor of partisan games, if they had the same kinds of uncertainties our farmers were dealing with, they would not be quite so cavalier.

Because what we are doing to people is absolutely cruel. We have got people that will not know, they cannot know today whether or not they will be able to keep this farm going, the farm that has not just been their life's work, but was their daddy's before that and their granddaddy's before that; literally generations of family tradition resulting in the livelihood for these farmers, the way they provide for their families and put shoes on their kids' feet, and they do not even know whether they will be able to keep at it one more growing season because this Congress is playing party politics instead of kicking out the loan money as requested by Secretary Glickman. I simply do not understand it.

Mr. BERRY. Mr. Speaker, I thank the gentleman from North Dakota, and yield to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, it sounds like we might have been a little critical of the Speaker and the leadership in the House today. We have. I always believe if we are going to be critical, we ought to offer a suggestion of what should be done. Let me make one observation of what I think should be done. It should have been done today, but we cannot do it today. We are out until next Tuesday.

Next Tuesday, Mr. Speaker, I hope that the Speaker would see fit to bring the Kosovo $6 billion emergency request from the administration to the floor of the House. It is an emergency, and a legitimate one.

I would like to see the Speaker bring the Central American emergency funds in that same package. I would like to see the Speaker include the agricultural fund in that same package, and give this body an opportunity to vote on those as emergency spending, which they are, under the Rules of the House which we agreed to in the 1997 budget agreement.

There is an additional request now for defense funds that I am supportive of, but not as an emergency. I think they ought to be considered in the due process of the appropriations process for this year, but if we see fit, because there might be a need to do it now, do it now, but do not affect the caps. Allow those to be counted against the caps, whether we do it next Tuesday or not.

That would be just my personal suggestion to the leadership of what could be done that would resolve this issue, and do it in the way in which it ought to be done. Any other spending other than those associated with the agriculture request should not be declared an emergency.

I would again point out that those of us who supported the Blue Dog budget, the majority of Democrats, we budget for this. This is not something that will break the budget, as visioned by the Blue Dog and a majority of the Democrats in this House.

That is a suggestion. I hope the Speaker does it next Tuesday, because if we do, hopefully at that point can move quickly and before the end of next week we can resolve this question and avoid further inconveniencing so many family farmers that will be inconvenienced because we have been unable to deal in a rational way with this situation.

If I might, just for a moment, switch subjects and talk about another very important happening this week for agriculture, the gentleman from Arkansas (Mr. BERRY) and I about a year ago requested a meeting with the Vice President of the United States to express our concern of the implementation of the Food Quality Protection Act, something that deals with the technology that is used by our farmers and ranchers that allows us to always say to the American people and to the world that, are we not blessed to live in a country that has the most abundant food supply, the best quality of food, the safest food supply to our people at the lowest cost of any other country in the world? And we do this because of the utilization of technology.

In our visit with the Vice President, we pointed out that there were some at EPA that were interpreting the law as passed by the Congress in ways that was going to be very detrimental to production agriculture. He agreed, and for the last year we have seen continuous improvement. We have seen EPA and USDA begin to work together, which the Vice President suggested should be done.

It is amazing to me that we would have to have a Vice President of the United States instructing two agencies of the United States government to work together. But he did, they did, they are, and it is working.

There was a track committee put together, a committee of about 54 men and women, producers, chemical companies, environmentalists, consumers, all who have a vested interest in seeing that these decisions are made based on sound science and in the best interests

of consumers. This committee has been working until last week, when for some strange reason the environmental community and the consumer community decided to pull out of the discussion.

I encourage them to come back to the table, come back to the table and continue to do as they were doing over the last year, working in a constructive way in order that we might in fact continue to have this most abundant, safe food supply.

Please, do not be, as some are accusing you of, of saying because you cannot have your way, I am going to take my bat and ball and go home. Please come back to the table. Please come back to the discussions, and let us make sure that all decisions, though, are based on sound science, not on an individual interpretation of what is good and bad.

There are those among us who believe that pesticides, those things that kill insects, should not be used because if used improperly, they will kill humans. Everyone agrees to that. But everyone does not agree that we ought to eliminate pesticides, because if we would eliminate the technology, we would not have the best-fed Nation. In fact, we would have a starving world in a very short period of time.

One of the things the Vice President instructed us all to do is to have these discussions in the open, in sunshine, in transparency, as the word is called. Let everyone present their views.

This seems to be what is bugging some folks in the environmental community. They do not want to have to honestly debate their views with others in the scientific community who may have a different view.

□ 1445

I know the gentleman from Arkansas has been a real leader in this effort, for which I have commended him. I was glad to work with him all of last year, and I know he shares this frustration. But it is something that we need to talk about over and over and as openly as we can to make sure that more of the American people understand we cannot have this abundant food supply without using technology.

Both the gentleman from Arkansas and I are farmers in real life. We do not wish to use any product that will do harm to ourselves, our families, those who work for us, and certainly not to those who consume the products which we produce. It is in our best interest that we use sound science.

We were making great progress. I do not understand why some now decide that they do not want to even play anymore, but I hope that they will reconsider that decision. If not, then I certainly hope that the process will go forward without them. But if it goes forward without them, it will not work nearly as smoothly and good for the Nation as a whole as if they come back to the table and work together.

Mr. BERRY. Mr. Speaker, I thank the gentleman once again and thank him for his leadership and the great wisdom he brings to this body and the always thoughtful suggestions and effort that he makes.

I would like now to read a statement from our colleague, the gentleman from Minnesota (Mr. MINGE). He says: ''I rise today to highlight the long delay in passing the emergency supplemental funding for the Farm Service Agency lending programs and FSA staffing budget.

''This is truly an emergency in every sense of the word. Tracy Beckman, FSA Director in the State of Minnesota, has told me that he will be forced to lay off FSA employees because of the delay in passing the emergency supplemental. The demand for loans and other FSA services is skyrocketing because of the commercial banks' concern about declining farm incomes. Many producers are having a difficult time securing private sector operating loans. FSA has to step in to fill the gap with guaranteed and direct loans to producers. Demands for loans this year is up 75 percent from a year ago, the Secretary of Agriculture tells me.

''Minnesota FSA will approve more loan applications by the end of the fiscal year than they have funding. If this supplemental is not approved, they will be unable to deliver the funds to the farmers because their accounts can have run dry. Planting season has arrived, and those farmers without operating loans are going to be left high and dry.

''Mr. Speaker, now is the time to approve these truly emergency funds. We must not delay action on this matter because of disputes between Congress and the White House on other matters. The supplemental bill threatens to be bogged down with millions of nonemergency spending, and I worry that this may sink the ship.

''The President requested $6 billion to fund the air campaign against Yugoslavia. Some on the other side of the aisle want to pass as much as $20 billion. The Senate majority leader suggested $10 or $11 billion. I do not understand how funds the administration has not even requested could be remotely considered emergency spending. We must remember these are Social Security funds that we are spending. If we are going to continue to claim to be fiscally responsible, we must be honest with ourselves about what is emergency funding and what is desirable funding. Whatever happened to not opening the Social Security lock box unless it is an absolute emergency?

''I propose that we develop and pass in the shortest possible time frame a freestanding emergency agriculture spending bill to provide critical guaranteed and direct operating loans that our farmers need to get into the field and the FSA staff to deliver these programs. These are truly emergency funding needs. We must move forward with a clean bill for agriculture now, and not hold hostage these funds for America's farmers in a raid on the Social Security Trust Fund to benefit nonemergency defense spending.''

That is the statement from our distinguished colleague, the gentleman from Minnesota (Mr. DAVID MINGE), and I know that he has great concern for America's farmers and for the future of American agriculture.

In closing, Mr. Speaker, I would just once again make the plea to the Speaker to let this legislation move forward and treat America's farmers fairly. America's farmers are very resilient. They have great capacity for hard work to overcome obstacles and to achieve greatness. There has never been a producer of anything in this world that is as successful as the American farmer. They have done such an outstanding job that we take them for granted. They are the golden goose of America's economy and we should be very careful how we take care of it.

In conclusion, I would also want to thank Secretary Dan Glickman at the Department of Agriculture for the great job he has done in every possible way to deal with this emergency situation and, at the same time, make available as many funds as he can to serve this program. I think it is a shameful thing that we have allowed partisan politics to bring us to this point, and I urge the Speaker to allow this legislation to move forward.

Mr. Speaker, I yield to the gentleman from California (Mr. SHERMAN).

MILITARY AND DIPLOMATIC OPTIONS WITH REGARD TO YUGOSLAVIA

Mr. SHERMAN. Mr. Speaker, I thank the gentleman for yielding to me. I addressed the House earlier. I had about 15 minutes of things to say and lacked the conciseness and brevity to put it into a 5-minute speech. I guess the next thing to the capacity to brevity is to have a good friend who is willing to yield time.

If I may inquire as to the level of generosity of my friend, how much time is remaining, Mr. Speaker?

The SPEAKER pro tempore (Mr. FOSELLA). The gentleman from Arkansas (Mr. BERRY) has approximately 20 minutes remaining.

Mr. SHERMAN. If I can inquire of the Chair, is it necessary that Mr. Berry remain standing through my speech or can that be waived through unanimous consent?

The SPEAKER pro tempore. It is necessary for the gentleman to remain on his feet.

Mr. SHERMAN. Well, then, perhaps brevity is called for, and I thank the gentleman. I did not realize the imposition involved.

Mr. Speaker, earlier today I stated that we have to reflect on the votes of

yesterday, where by a 2-to-1 majority we voted against a unilateral withdrawal. But this was not a ringing endorsement of our current military or diplomatic strategy with regard to Yugoslavia nor is it a call for the introduction of NATO ground troops; rather, it is important that we come up with additional options. I have a few that I believe deserve to be considered, and I thank the gentleman from Arkansas for giving me the opportunity to present them to this House.

The first of these involves training, though not necessarily arming the Albanians, both those who are citizens of Albania and wish to fight for their brethren and the Kosovar refugees who have escaped from Kosovo.

Now, there are objections to this strategy. They point out that there is an arms embargo with regard to the nation of Yugoslavia. But this arms embargo would not be violated if we simply provided training while Americans retained custody of the weapons.

Second, the idea of just arming the Kosovars with the idea that we would just open up a box and distribute rifles does not create an army capable of defeating Milosevic. In fact, the KLA already has plenty of rifles from a variety of sources.

Now, I am not saying that the time has come to turn over custody of artillery and tanks to the Albanians. But if Milosevic knew that we were training an Albanian force to use heavy weapons, then he would know that he was up against not only the NATO air armada, not only a ragtag band of lightly armed KLA guerillas, but would also know that soon we would be able to unleash a force of heavily armed Albanians.

Second, I think it is important that we look at our diplomatic strategy and posturing. At this point we seem too tied to the intense vilification of Milosevic. And it is indeed tempting, for he is indeed evil. But let us keep in mind that we have to do business with evil men.

The Government of China sent its emissary to this Capitol just a few weeks ago. That government is responsible for more deaths than all the Albanians that have ever been alive anywhere since the days of the ancient Eridians. Saddam Hussein, a man with much blood on his hands, has not been deposed by the United States and we have had to reach an accommodation with him. Those who say that our objective should be to remove Milosevic should contemplate the casualties involved in sending American ground troops not only into Kosovo but into Serbia.

Mr. Speaker, our colleague, the gentleman from Pennsylvania (Mr. CURT WELDON), is leading a group to Vienna, and we should praise those efforts, because he is going to reach out to members of the Russian Duma in an effort to enlist Russian support for a negotiated peace. We should remember that negotiation involves give and take.

All too often we focus on the results of World War II. Glorious as they were, they are not typical. In fact, only one of our foreign wars ended with the unconditional surrender of our adversary. And for us to expect an unconditional surrender of Serbia, whether it is the unconditional surrender of its Kosovo province and all parts of it, or whether it is the surrender of that government and the occupation of all of Serbia, this should not be the expected result nor is it the necessary result.

I would suggest, and I have suggested this not only to the gentleman from Pennsylvania (Mr. WELDON) but several others who are traveling with him, that we propose to the Russians that there be two zones in Kosovo and two separate peacekeeping forces. One zone would be along the border between Kosovo and Serbia and Kosovo and Montenegro and would be patrolled exclusively by Russian peacekeepers.

This area Serbia would know they would retain rights with regard to. And this area should include the ancient battlefield of Kosovo Polyea, the famous monastery to the south of Pristina, the City of Pec, which was the original site of the Serbian Orthodox Church, and other lands of critical significance to the Serb nation.

The remaining, I would suspect 70 to 80 percent of Kosovo, would be subject to NATO occupation, a NATO peacekeeping force, and in this area the Albanian Kosovars would live in security and could return from their refugee status.

If we propose this, Milosevic then has a reason to deal. Because instead of proposing that he lose all rights in Kosovo, we are proposing that he retains rights that he might otherwise lose if he continues to battle us and our Albanian allies in the year to come.

At the same time, we should work toward any acceptable peace. And an acceptable peace is one that is workable, and where the Kosovars are able to return to Kosovo, or any reasonable part thereof, to live in peace and security and, knowing the generosity of the American and European people, with the aid and trade concessions they need to live prosperous as well as secure lives.

□ 1500

Mr. HILL of Indiana. Mr. Speaker, will the gentleman yield?

Mr. BERRY. I yield to the gentleman from Indiana.

Mr. HILL of Indiana. Mr. Speaker, I thank the gentleman from Arkansas for yielding.

Mr. Speaker, when I am home traveling in my district and talking to farmers in southern Indiana about this farm crisis that we are in, they always tell me that they do not want any handouts. What they do tell me is they want access to credit.

I think it is just common sense to provide farmers access to enough credit so they can plant their crops, market their products, and pay their bills. It does not make any sense to me that this has not been a higher priority for this Congress. Every day families across the country are losing their farms. I am especially concerned that this crisis is taking a hard toll on our next generation of farmers.

I think it is important that the American people understand how great the need is in rural America for this emergency money. The situation in my home State of Indiana is not encouraging. For one thing, many of our loan programs in Indiana are exhausted, or close to it anyway. Our direct operating loan money is, for the most part, exhausted. We are completely all out of guaranteed farm ownership loans. We are short nearly $800,000 for beginning and non-beginning direct farm ownership loans.

On March 23, the House of Representatives passed a supplemental appropriations bill that included much needed emergency credit for farmers across this country. I was one of the few Members of my own party to vote for the bill. Two days later, the Senate passed the Emergency Supplemental Appropriations bill and asked for a conference committee to come together to work out the differences of the House and Senate bills.

It was only on April 22, almost a month later, that the House leadership agreed to send the emergency bill to conference committee and appoint conferees. In the meantime, farmers in Indiana and all across this country have been waiting for this emergency money.

Many farmers have not been able to begin spring planting, while others have been forced to sell the family farm. While the farmers have been waiting, Secretary of Agriculture Glickman has been transferring money from different USDA accounts in an attempt to give the States more access to credit for farmers.

Without the supplemental appropriations to restore to these accounts we have been borrowing from, we are facing layoffs and furloughs at FSA offices. We have had even to borrow money from FSA salary accounts. As a last resort, more and more farmers are being forced to appeal to their local FSA offices for financial assistance, and demand for farm loans has increased by 62 percent over the last year.

So today I urge the leadership to act on the supplemental bill that this body passed over a month ago. I am truly concerned about Hoosier farmers. It is difficult for me to see this many farmers in need of access to credit. Indiana farmers need our help.

Every weekend I go back to Indiana to visit with my constituents, and many times my constituents are farmers. I have a lot of them in my district. And each time that I go back, I ask these farmers whether or not, in their view, they believe that a young man or woman in this country can on their own become a farmer, and each and every time all the farmers say no.

Now, there have been many speakers before me talking about the farm crisis, but this is a farm tragedy, to think that a young man or woman in this country could not fulfill their dream of becoming a farmer. I know of no other business, no other industry where this is true.

So today is the day we must start to begin to help the family farmer.

Mr. BERRY. Mr. Speaker, I thank the distinguished gentleman from Indiana for his comments in support of America's farmers and his leadership in this area.

## TRAVEL-TOURISM WEEK

The SPEAKER pro tempore (Mr. RYAN). Under the Speaker's announced policy of January 6, 1999, the gentleman from Florida (Mr. FOLEY) is recognized for 60 minutes as the designee of the majority leader.

Mr. FOLEY. Mr. Speaker, I want to commend my colleague today. I know how proud his mother must be as he ascends in the chair of the United States Congress in his first term. I am sure the people of Wisconsin are indeed fortunate and proud to have him representing them. And I salute him as he leads this Chamber today during our Special Orders.

Our Special Order today is designed to highlight Travel and Tourism Week, May 2 through May 8. Wednesday, May 5, is Tourist Appreciation Day; and in honor of this day there is a reception being held in the Longworth cafeteria from 5:30 to 8:30 p.m.

Why are we focusing on travel and tourism today? Well, my colleagues, it is vitally important to the economic mission, if you will, of all Floridians and all Americans. We have a lot to boast about when we think of the great resources around our country that people from all over the world come to each and every day. And some of us take those, frankly, for granted.

So I wanted to illuminate some of the things that are occurring in Florida's 16th District, talk about some of the revenues derived from tourism, and talk also as well about some of the significant sites in my district. Florida's 16th Congressional District has over $1 billion in travel expenditures annually. Over 16,000 people are employed in the travel business in the 16th District, earning a total of $236 million.

Restaurants, one of which I started, in 1980 I started the Lettuce Patch Restaurant, a small family restaurant, with my parents, and we began to develop a network of friends and customers. Well, 1999 has been designated the Year of the Restaurant by the Commerce Department.

Nationwide, international travelers spend more than $97 billion dining out in restaurants around America. Restaurants are the leading source of travel industry jobs in the United States. 47.8 million foreign travelers visited the United States in 1997, 47.8 million foreign visitors, a tremendous impact on both employment, economic opportunity, and job development. In fact, the restaurants have been leading the way in providing substantial jobs for those that are moving from welfare to work.

In fact, my first job in life was in a restaurant. I was a dishwasher in a small restaurant in Lake Worth, Florida. I obviously had to attend that job on a regular schedule basis. I learned the value of hard work, and I realized how hard it was to manage a small business. I learned what the impact of regulation was on taxes, on, if you will, customer preference.

So I got a huge experience at the age of 14 in my first job as a dishwasher, which then led me to start my own business, started the restaurant, as I said. And I said earlier it was 1980. It was actually 1975. But it taught me an entrepreneurial spirit. So the restaurant industry is, of course, alive and well and thriving throughout America's cities.

Projections for 1999. Travel and tourism contributes a total of $70 billion in Federal, State, and local tax revenue. $70 billion in Federal, State, and local tax revenue. Travel and tourism will represent 12 percent of the gross domestic product of the United States.

The United States' travel and tourism will have a trade surplus of $24.7 billion. Travel and tourism will support more than 7 million people in direct jobs and nearly $128 billion in payroll each year. Let me repeat that. Travel and tourism will support more than 7 million people in direct jobs and nearly 128 billion in payroll dollars each year. Travel and tourism was the United States' leading service export and third largest export overall.

Now, when we talk about travel and tourism, we do not just talk about restaurants, we talk about transportation. In 1997, airline passenger traffic increased 4.6 percent to top 605 million passenger miles. Amtrak passenger traffic grew to reach 5.2 billion passenger miles.

Now, one of the things I like to boast about and why I am proud of the 16th District is the vast array of assets that we have to entice people to come to Florida. One is significant because it is a national park. It is the Everglades National Park, managed by our National Park Service.

The Everglades National Park is the largest remaining subtropical wilderness in the continental United States, and has extensive fresh and salt water areas, open everglades prairies and mangrove forests. It has abundant wildlife, includes rare and colorful birds. And this is the only place in the world where alligators and crocodiles exist side-by-side.

The park is 1,506,539 acres or 606,688 hectares in size. It is a World Heritage site, an international biosphere reserve, and a wetland of international significance.

Now, obviously, people come from around the world to see Everglades National Park. But it also has a dual purpose. It not only is a national park, it is also the reservoir for water to supply South Floridians with the vital need of fresh, clean, clear drinking water. The park acts as an ecosystem. It is a natural refuge, as I mentioned, for birds and animals, but also for the sustenance of life in South Florida.

Now, program activities include ranger-led walks and talks, the boat tours, tram tours. But, most significantly, it is the educational programs that are arranged. The Everglades National Park sponsors on-site curriculum-based education programs for local fourth, fifth, and sixth graders. Participation in these programs is by advance reservation, and teachers are required to attend training workshops before their classes are allowed to be admitted to the park. So it serves vital resources, tourist education and, obviously, clean and clear and abundant water.

The main park is 38 miles of road winding from the entrance to Flamingo. U.S. 41 leads to the Shark Valley entrance, and U.S. 29 leads to the Gulf Coast Visitor Center. Parking is available for buses at all visitor centers.

Now, this is a national park in which we are all vitally interested. In fact, this Congress has appropriated more money than any Congress in the past in order to provide and make certain that the Everglades National Park remains a vital, important national treasure.

I know every Member of Congress can talk about travel and tourism in their district, as well. I would like to show, in fact, a picture painted by my mother of the Jupiter Lighthouse. This is in my district. This, of course, is a rendering of one of the most historic sites in Palm Beach County.

And of course Jupiter, in the northern part of my district, is clearly proud of its lighthouse and, obviously, its history. But this is one I am proudly displaying in my office. In fact, many people comment as they come from our community how impressed they are with the painting. And I am thankful to my mother, clearly, for doing it for me. But most importantly, it represents something that most people when they come to our Nation's Capital can look at and admire and reflect

on the fact that they just recently arrived from Florida, and they can see something that relates back to my district that they can enjoy and talk about.

The Jupiter Lighthouse was constructed in 1853 under the administration of President Franklin Pierce, and he appropriated at that time the sum of $25,000 for the building of the lighthouse at Jupiter Inlet. It was designed by Lieutenant George Gordon Meade, who later gained fame as the general in command of the victorious Union forces at the battle of Gettysburg.

The site was selected and the materials brought in in 1854. And of course it served as clearly an indication for navigational traffic, to make certain that they would arrive safely into the Jupiter Inlet at the time. And so this was one of our first vitally important public works projects by the Nation, but now is the oldest structure in Palm Beach County, and it is listed on the Natural Register of Historic Places. The lighthouse is maintained by the Florida History Center and Museum in cooperation with the United States Coast Guard.

So those are just a few of the places that exist in Florida that are, of course, vitally important, and we have many, many others.

Mr. Speaker, I see a friend approaching who would certainly like to speak, the gentleman from Utah (Mr. HANSEN), the chairman; and I would be delighted to yield to the chairman to talk about travel and tourism in his State.

Mr. HANSEN. Mr. Speaker, I appreciate the gentleman from Florida yielding.

Let me just say, as chairman of the Committee on Public Lands and National Parks, I cannot believe how much people love parks. I tell my friend from Florida, there was a survey done recently on what the American people like the very most about America or the United States Government, and the thing that came out number one was the national parks. People love our parks. In fact, they love them to death.

And does my colleague know what they love the least? Maybe I should not even bring this up. It was the Internal Revenue Service.

Be that as it may, I am glad to join with my friend here and talk about the economic effects of many visitors who come to Utah for business and pleasure. And it is very substantial.

In Utah we have five national parks: Zion, Bryce, Capitol Reef, Canyonlands and Arches. We have seven national monuments: Cedar Breaks, Rainbow Bridge, Dinosaur, Natural Bridges, Hovenweep, Timpanogas Cave, and on September 16, 1998, the President of the United States gave us one that we really did not want very badly but we have it now, and it is called the Grand Staircase Escalante.

In addition to that, we have the Glen Canyon National Recreation Area, known as Lake Powell, and the Golden Spike National Historic Site, one of the most beautiful areas that we have in the West.

These scenic, cultural, and historic sites draw thousands of visitors to Utah each year to absorb and enjoy the wondrous lessons, stories, and inspiration to be gained from these special places.

□ 1515

The same can be said of the thousands of acres of public lands in Utah's national forests and those administered by the Bureau of Land Management. As these visitors seek out great destinations in Utah's public lands, there is a group of professional service providers in most of the units of the national park system to meet their necessary and appropriate needs.

My thanks go to these dedicated people who work at our several parks and the concession companies who work so diligently doing it. They provide the food, the laundry and the transportation, souvenirs and equipment rentals. Every day there are meetings, talking with and assisting the visitors to enjoy a more comfortable and safe experience. The park concessionaires are a vital cog in the network of those who make travel and tourism a major part of the Utah economy.

Many others in the broader area of the hospitality industry serve our national parks as well as other networks. It is fun, as the chairman of the Subcommittee Committee on National Parks, to go into the parks of America, like going into Yellowstone, and say, ''What do you like about Yellowstone?'' Some people like the bears, some people like the geysers. Some say, ''I just like the lodge, I like to go to the Old Faithful Lodge or the Lake Lodge or I like to go out on the lake.'' We all have something different we see in these areas. But we are so blessed in this country. Teddy Roosevelt was so right, if I may say so, when he established those. I guess I kind of zero in on those because so many, many people go to the parks of America.

Frankly, if I may say so, the parks are the best deal in America. In 1915 they could go to Yellowstone Park and drive their old Model A or Model T in there and it cost them $10. In 1996 the cost of taking a car into Yellowstone was $10. As you know, we have traded that up just a tad, and now they pay a few more dollars for it. It is funny how many people will write me and say, ''Mr. Chairman, we are getting such a good deal, I feel like I have ripped off the public'' and they send money, which I immediately give to the Treasury, I want the gentleman to know. It is interesting to see how many people realize what a good deal they have got. If you take the wife and family out to a show and dinner, you are going to pay a lot more than you would pay to go into our parks.

As we observe National Tourism Week, 1999, I am proud to join with my colleagues in saluting all of those involved with travel and tourism across America, in my home State of Utah and pledge my cooperation to work in continuing the great results that come from this extremely vital part of our economy.

Mr. FOLEY. Mr. Speaker, let me thank the gentleman from Utah for his strong and dedicated work on funding our national parks, because that in fact is a real magnet, if you will, for people coming to America. As he clearly stated in his time allocated, that people desperately love to come to see the natural resources that we have to offer. Many of them in their own countries have not prioritized preservation of public lands in order to enhance not only this generation but future generations to come.

The gentleman from Utah has not only been a good steward of those resources but has appropriately given credit to President Teddy Roosevelt for establishing them. I think that is lost on a lot of people. But it took foresight, dedication and, I am sure, perseverance when there were other demands for dollars to be spent to preserve what are then great heritage sites for us that become something that is synonymous with America and represents, I think, the great fabric of our society. I want to commend the gentleman from Utah for that leadership.

Mr. Speaker, I yield to the gentlewoman from Maryland (Mrs. MORELLA) who is also another strong advocate of tourism and probably can tell us a number of great sites that are located within the wonderful State of Maryland.

Mrs. MORELLA. I thank the gentleman from Florida (Mr. FOLEY) for taking out this special order. I would certainly recognize the gentleman from Utah (Mr. HANSEN) also for the stewardship he has shown and certainly the leadership that the gentleman from Florida has shown.

I wanted to make sure I came down to the floor of the House to be able to comment to this body about how important travel and tourism is, because every year more than 21 million visitors travel from every part of the country and the far corners of the world to Washington, D.C. The District is the Nation's capital. It is a cultural hub with many fine museums and theaters, and it is home to many fine colleges and universities. These visitors bring economic prosperity to the metropolitan Washington area, creating jobs, income and tax revenues for the local area.

Mr. Speaker, I rise to pay tribute to the travel and tourism industry which

has long been an important part of the American economy. The industry is the Nation's second largest employer, providing more than 16 million jobs. It is the third largest retail sales industry. In 1998, it generated more than $71 billion in tax revenues for Federal, State and local governments. The travel and tourism industry is diverse and it touches every sector of our society, from business to the arts to education. Dollars that tourists spend trickle down to local communities and benefit the whole U.S. economy.

The good news is that people are traveling at record rates and the industry is proving that it is an economic success story. The travel and tourism industry is often perceived as a collection of separate business industries: the hotel industry, airline industry, the cruise line industry, the car rental industry and the food and beverage industry. Considered as a whole, travel and tourism is an industrial powerhouse. It is critical to the economy of every State in our Nation.

In 1996, travel spending generated nearly 97,000 jobs in my State of Maryland, and nearly $1.9 billion in salaries and wages for Maryland residents. The 97,000 travel-generated jobs comprise 4.4 percent of the total State nonagricultural employment. Domestic and international travelers spent more than $6.4 billion in Maryland during 1996, of which more than $1.2 billion went to the Federal, State and local governments.

Over the past 10 years, world tourism has continued to grow. In 1997, there were 613 million international visitors to the United States. They spent approximately $444 billion. International arrivals to the United States reached 47.8 million in 1997 which was 7.8 percent of the world total.

Next week, and that is May 2nd through 8th, is National Tourism Week. The purpose of National Tourism Week is to celebrate the economic, social and cultural impact of travel and tourism on our Nation. Localities everywhere will celebrate tourism and make efforts to educate local residents on the importance and impact of tourism on their communities.

Mr. Speaker, this is a fitting time to pay tribute to the travel and tourism industry, because the industry is one of the largest in terms of employment. It is first as the Nation's largest export industry, and provides more than 684,000 executive-level positions. Spending by domestic and international travelers last year averaged $1.38 billion a day, which is $57.4 million in an hour, $955,800 a minute, and $15,900 a second. Without a doubt, travel and tourism is a major contributor to the economic well-being of our country.

I am really very pleased to add my voice to the chorus of praise to the travel and tourism industry, which brings a virtual treasure trove of economic opportunity right in our own backyards. I certainly thank the gentleman for his leadership in having us come to the floor of the House and submit statements on behalf of what is being done for our country through travel and tourism.

Mr. FOLEY. I thank the gentlewoman from Maryland.

It is my distinct pleasure to now introduce a gentleman who knows a great deal about travel and tourism, who in fact represents probably one of Florida's most dynamic cities, Orlando, which is the home to a number of large entities who have created, if you will, great opportunities for families to enjoy Florida's great opportunities, Disney, Universal and others, the gentleman from Florida (Mr. MCCOLLUM) who is from Orlando, chairman of the Subcommittee on Crime, and has been a leading proponent of tourism for Floridians and for all of our American citizens.

Mr. MCCOLLUM. I thank the gentleman from Florida (Mr. FOLEY) for having this time today. I want to join with him and the gentlewoman from Maryland who just gave the statistics that are so enlightening about the sheer dollar power of tourism to our Nation, but I can tell you as the representative who does represent, as you said, the number one tourist destination I think in the world, we have Disney World, we have Universal Studios of Florida in my district, we have Sea World, and we have lots of people who come, not just from other parts of the United States but from all over the world. Someone told me once that Brazil produced more than any other single country for tourism of Disney's products that are there and to visit the theme parks.

I think tourism is probably less understood as a business by most Americans than it should be. So this special order time and our Travel and Tourism Caucus that you work so much with and I work with is a very important thing to bring home that message.

And it is an opportunity to thank all of the people who are in the industry. We do not always think of what that industry is. I again hear the statistics rattled off about the dollars involved but there are people involved, people involved in operating those hotels, a tremendous number of hotel rooms, a tremendous number of employees who work very, very hard and contribute mightily to the business of travel and tourism. People who work in the airline industry. We would not get all those people coming here if it were not for the airlines, frankly. People who work with car rental companies. I do not know how many cars we have got but I know there are a lot of them. I remember being told that Orlando has more car rentals than anyplace else, I think, in the country, if I am not mistaken. I know it is very large.

And when we think about tourism, of course, we also immediately think about these theme parks. We have opened up so many new ones down there lately in terms of Disney has expanded, Universal has expanded and Sea World now in Orlando, and that area is about to expand with a new theme park, which will bring more business to central Florida and more business to the United States, probably add more hotel beds. We know they are building more hotel rooms every day. It is the number one industry in our State.

Agriculture, which the gentleman represents a great deal of that, is right there on its heels, has been a traditional source of very great industry to our State. But travel and tourism is indeed the thought that centers on central Florida and our State first and foremost in people's minds, again as a place to go to visit, as a place to go to have a good time.

But I think today we are more importantly saying thank you to the people who are employed in those industries, who develop and create them, who work them and who produce the economic engine that is so important to lots of other people whose jobs depend on that, who are not themselves maybe employed by the particular theme park or by the hotel or by the airline or by the car rental company or whomever else, but who would not be able to have these jobs that they have were it not for all the people who are brought into the area, is a tremendous economic engine. Again I am not here to belabor the point, but I could not resist being a part of your special order time, knowing that my home county, my hometown and my district is the number one tourist destination in the country.

Mr. FOLEY. Let me share a personal aside with the gentleman from Florida. When I was in China with Speaker Gingrich a couple of years ago when we were talking about a variety of issues relating to trade and what have you, I kept trying to explain to them where West Palm Beach, Florida was. It became very difficult. I said West Palm Beach. They were not sure where it was. Finally I decided, I am an hour and a half, two hours south of Disney; they would immediately say, ''Disney World, I know that.'' So it really is well known worldwide.

I think the other thing, if you would comment briefly, was the high-tech side of the business. When you look at the motion picture industry and some of the other things that are going on in your district, I think that speaks to technology, it speaks to enhanced job opportunities for our youth, if the gentleman would take a moment on that.

Mr. MCCOLLUM. Absolutely. I thank the gentleman for yielding. The spinoff from this is enormous. You think of jobs, I mentioned earlier, you think of

the hotels and so on. But the gentleman is quite right. What is happening in our university, the large University of Central Florida and in our community college, we have programs now that have been developed in order to give opportunities for young people to get into motion picture production, to get into theater, to get into lots of things that are related to the studios and the businesses that are there that we would not otherwise have had, and as a result of that, that in addition has stimulated a lot of high-tech interest in coming to the area.

We have developed a great big technology center in central Florida now with high-tech industries that would not be there if it were not for the climate and the opportunity and the tourism and travel industry presence that was already there to begin with. We have a very large semiconductor manufacturing company there. I probably should not start naming names here of businesses.

We have the Navy, the Army and the Air Force's simulation training and research facilities in Orlando for the entire country. That in turn has spawned a lot of small-tech industries, over 150 small businesses in the last 5 years alone that have come to the region. I am confident this growth in that kind of quality business would not have occurred had it not been for Disney, Universal, Sea World and the tourism industry generally coming to Florida and to central Florida.

There is a synergy that operates around that whole area. We all know, for example, the field of animation, what is happening in that regard. Well, Disney has all these animations, but think about the games that people every day see themselves or have their kids playing on computers. One of the major computer manufacturing concerns, Electronic Arts—I named a company, I guess—came to central Florida, developed, working with a business that arose there, and they are employing people that basically use animation to make those football games and baseball games and sports games that people see played.

Most people have no idea a lot of that gamesmanship is developed in central Florida and a lot of the people they have employed are young people who came there associated with the other industry that is there, the tourism sector, the attractions sector who are involved in theater, animation and so on that go along with those theme parks.

□ 1530

So, Mr. Speaker, my colleague is quite right. It is an elaborate network of job creation and high tech development as a part of that, again a synergy with travel and tourism that most people do not recognize.

Mr. FOLEY. Well, Mr. Speaker, virtually every face you come in contact with in Florida has something to do with travel and tourism, whether you are arriving at Orlando International Airport where you will see the porter or the reservation clerk or the taxicab driver or the bus operator, or as you leave that facility, you encounter somebody at the fuel station, or you get to your hotel and check in.

I think that is the dynamic that is missed on a lot of people, is the sheer job generation, and it is not necessarily that they just work in travel and tourism, but the off shoots from that; as you mentioned, high tech, the things that are occurring.

Because of a transportation system that was originally designed for the tourist industry, the large expansion of the airport which has been very, very successful, it is highly regarded and probably one of the most efficient airports. But that now has spurred, if you will, the high tech side of it because now business executives can fly from around the country right to your hub airport.

Mr. MCCOLLUM. Mr. Speaker, if the gentleman would yield on just the airport, we have seen, for example, we have a travel tourism industry right in downtown Orlando called Church Street Station, and the fact that that night spot, and it is a family type night spot that was generated there a few years ago; the fact that it exists there transformed the entire downtown of Orlando and made it a community that was revived after years of decline, as many inner cities have, so that today we have a marvelous downtown city, and I would welcome people to come visit downtown Orlando, not just go to the theme parks that are out there, and see what we have got to offer. And you now see the businesses like that so that building and construction going on of high rises and office complexes there has just grown, too.

So, Mr. Speaker, it is amazing what things are related, and again most people never think about how travel and tourism, as an industry, produces all of this change, and it has certainly done so in my community.

Mr. FOLEY. Mr. Speaker, I thank the gentleman for joining us today on our special order highlighting Travel and Tourism Week, which is May 2 through the 8.

Now I would like to present to my colleagues the gentlewoman from Nevada (Ms. BERKLEY), a new Member of Congress. Welcome.

Ms. BERKLEY. Mr. Speaker, I thank the gentleman very much for giving me the opportunity to share some thoughts with him for Tourism Week.

I represent the most unique district in the United States. I represent the City of Las Vegas. It is the fastest growing community in the United States. I have got the fastest growing school age population, the fastest growing senior population, the fastest growing veterans population. I have got the fastest growing Hispanic population, the fastest growing Asian population, and the fastest growing Jewish population in the United States. The reason that thousands of people, that is, 5,000 new residents a month are pouring into Las Vegas is because of the incredible strength of our economy, and our economy is based on one industry, the tourism industry.

In my home State of Nevada tourism is the very life blood of our economy. We owe our incredible quality of life and our thriving economy to one industry, and that is the tourism industry. More than one-third of our jobs in Nevada, over 315,000, are created by tourism.

In addition to gaming, world class hotels, spectacular entertainment, fine dining, and the wonders of the Valley of Fire, Hoover Dam and the Red Rock Canyon, visitors to Las Vegas have the opportunity to experience the majesty of the Grand Canyon by taking air tours that depart from my district. Without air tours, many of these travelers who come to Las Vegas solely to see the Grand Canyon would never have the opportunity to experience the grandeur of the Grand Canyon due to a disability or some other constraint which would prevent them from viewing the Grand Canyon and enjoying its splendor. Yet the air tour industry could be put out of business if an ill-advised provision of H.R. 1000 is passed. It would force the industry to meet impossible sound standards for no good environmental or esthetic reasons.

I urge the gentleman from Florida (Mr. FOLEY) to join me in opposition to this provision so that travelers may continue to enjoy the Grand Canyon from the air, in addition to all the other wonders that my great district has to offer. And I want to thank the gentleman from Florida, and I will be glad to share with him any other thoughts that he would like me to on this issue.

Mr. FOLEY. Mr. Speaker, one thing I think is important to note, the family value of the gentlewoman from Nevada's destination. I understand a lot of families now have great activities in Las Vegas and in Nevada that they can enjoy.

Ms. BERKLEY. Mr. Speaker, as my colleague knows, that is very true, and I grew up in Las Vegas. My family moved there 38 years ago, and I have two wonderful children that are also growing up in Las Vegas.

When I first moved to town, Las Vegas was a destination where many families did not think of coming. But today I can tell my colleague it is an entirely different environment. We have some of the most magnificent hotels in the world that cater to children, cater to families and have made our community family-friendly, and I can tell my colleague that when it comes

to my children, my parents who also live in Las Vegas, when they take the grandchildren for an afternoon, most times they take them to the Las Vegas strip so they can enjoy the many attractions that are designed specifically for children and for families who come to my wonderful community.

Mr. FOLEY. I think that is why it is important today for Members to come out and describe their districts and describe some of the value that the tourism and travel industry plays in their hometown communities because, as the gentlewoman is suggesting, years ago it was known as a destination primarily for gaming, but now it is the site of international conventions dealing with some of the most important issues. It has become very family-friendly and is a great resource for all residents of Nevada who enjoy employment, enjoy economic growth and opportunity and activity.

So it is very appropriate that we signal and salute the variety of sectors of the Nation, if my colleague will, and the 435 districts that make up the great United States of America.

Ms. BERKLEY. Well, as my colleague knows, a very interesting statistic:

In 1900 the census showed that there were 30 residents in the Las Vegas Valley. Now we boast of 1.2 million. It has been a remarkable, remarkable growth area, and that is primarily because our area is for tourism, it is a destination resort area, and the tourism industry has played an incredible and indispensable role in making Las Vegas what it is today. And when we have 30 million visitors a year coming to Las Vegas to enjoy what we have to offer, we invite the rest of the country to come to Las Vegas and enjoy the wonderful scenery that we have, the magnificent hotels that we have. And as my colleague knows, if he comes to the Las Vegas strip he can see pyramids, he can see the City of Paris, he can see the City of Venice, he can see medieval castles and New York, New York, a replica of the City of New York, the City of New Orleans. It is just the most spectacular place.

And I will boast this: Our pyramids, our medieval castles, our City of Paris, our City of Venice, and New York, New York are better than the originals. So I invite my colleague to come out and see it for himself.

Mr. FOLEY. Well, I am indeed tempted to, and I will also tell my colleague she gained national prominence with the opening of the Beloagio, which has probably one of the great art collections that I understand being displayed for the benefit of art lovers as well.

Ms. BERKLEY. Well, if I can share something with my colleague for one half a minute more, Las Vegas has not been known as a cultural Mecca; however, with the addition of the Beloagio Art Museum I can tell him that it has added significantly to our culture. And my own children, who have studied art in school, we took them to the Beloagio Art Museum, and as soon as my children walked into the facility they were able to pick out Monets, Picassos, Renoirs, and they never would have had an opportunity to see these magnificent works of art up close and personal if not for the Beloagio bringing them to our fair city.

So I invite my colleague from Florida to come out and not only see all those other wonderful things, but see a wonderful art collection as well.

Mr. FOLEY. I thank the gentlewoman from Nevada (Ms. BERKLEY) for joining us today in this special order, and I do want to in conclusion thank a variety of groups that have helped supply some of the critical data that we have shared today.

I want to go over it real quickly again so people understand the, if my colleague will, great economic import of the industries we talk about today:

The travel industry supports 7 million jobs contributing 127.8 billion in payroll expenditures.

The restaurant industry is the leading source of travel industry jobs in the United States.

Employment growth in the travel industry continues to outpace job growth in the overall economy.

During 1997 the industry produced more than 200,000 new tourism jobs.

The travel industry generates more than $70 billion in Federal, State and local tax revenue.

47.8 million foreign travelers visited the United States in 1997, spending $94.2 billion.

Last year visits from international travelers fell 1 percent. This drop represented 627,000 less travelers, 950 million in lost spending and 121 million in lost tax to Federal, State and local governments.

The reason I bring that up is the fact that the gentleman from California (Mr. FARR), a Member of Congress who represents the areas of Pebble Beach, and I decided that as former, if my colleague will, employees of the travel and tourism sector, we felt it vitally important to make certain that we remain competitive, that we try and see how we can continue to grow the industry, if my colleague will, again for the sake of providing jobs and opportunity for Americans and for Floridians, as I represent Florida.

The National Restaurant Association and the Travel Industry Association of America and the Travel Business Round Table and other groups have contributed mightily to the presentation, if my colleague will, today, of the statistical data. In fact, it was the Travel Industry Association of America that worked in conjunction with the White House, the 1995 national strategy at the White House Conference on Travel and Tourism, in order to determine exactly what the statistics are, because we want to be able to document for the record the significance of which travel and tourism relates to people's home districts.

And again we have enjoyed being able to present these facts for people as we once again celebrate Travel and Tourism Week, May 2 through the 8, and again I would remind the staff of Members of Congress that on Wednesday, May 5, it is Tourist Appreciation Day, and we will again have a reception in the Longworth cafeteria from 5:30 to 8:30 p.m.

And again I want to thank specifically the gentleman from California (Mr. FARR), who has been a leading proponent and advocate of travel and tourism in his district. We are a bipartisan committee. We are an advocate for the travel and tourism industry. We are equally represented by Democrats and Republicans because we recognize that the growth of opportunity and the growth of jobs and the growth of a strong community depends on the many components and parts that make up this unique and great industry.

## GETTING TO THE BOTTOM OF ILLEGAL CAMPAIGN CONTRIBUTIONS

The SPEAKER pro tempore (Mr. RYAN of Wisconsin). Under the Speaker's announced policy of January 6, 1999, the gentleman from Indiana (Mr. BURTON) is recognized for 60 minutes.

Mr. BURTON of Indiana. Mr. Speaker, my committee, the Committee on Government Reform and Oversight, of which I am chairman over the past 2½ years, has been investigating illegal campaign contributions that came in from a variety of countries around the world. Came in from South America, from Taiwan, from communist China, from Macao, from Indonesia, from Egypt, and on and on, and these illegal campaign contributions came in to the Clinton/Gore Reelection Committee and to the Democrat National Committee.

During the past 2½ years we have been trying, day and night, to get to the bottom of this. We have tried to get people to come forward and testify, we tried to get cooperation from the Justice Department, the White House, but we have been very, very unsuccessful because there seems to have been a stone wall erected by the White House and the Justice Department and other agencies to keep us from getting to the bottom of this.

We have had 121 people, 121 people take the Fifth Amendment or flee the country. That is unparalleled in American history, and I have been here on the floor a number of times talking about this because I think it is unbelievable that foreign governments should be able to influence our elections and even elect a President. Millions of dollars have come in illegally

into the Clinton/Gore campaign and to the Democrat National Committee, and much of that money has been returned because of our investigation.

Now today I rise on a different subject, but it may be related, and that is why it is so troubling to me. The Chinese communists, through people in their government, the head of their military intelligence and the head of their Chinese aerospace industry gave a man named Johnny Chung $300,000 to give, at least in large part, to the Clinton Reelection Committee, and they were not doing it in my opinion for Mr. Clinton's good looks. They obviously had some kind of an agenda. The head of the Chinese military intelligence and the head of the Chinese aerospace industry giving campaign contributions to a candidate for President in this country would lead almost anyone to say there is something amiss here, there is something wrong, and it should be thoroughly investigated.

Mr. Speaker, we just recently found out that at Los Alamos, one of our nuclear research facilities, that they had a man there named Wen Ho Lee who had been there for a long time who is believed to have been involved in espionage.

□ 1545

I am very concerned about some of the statements that have come out of the administration with respect to China's thefts of these U.S. nuclear secrets. Again and again we have seen administration officials all the way up to the President make misleading statements about what they knew and when they knew it. Let me provide you with some examples.

One good example is on March 19, 1999, President Clinton was asked by a reporter, ''Can you assure the American people that under your watch, no valuable secrets were lost?''

The President responded, ''Can I tell you there has been no espionage at the lab since I have been President? I can tell you that no one,''—listen to this—''I can tell you that no one has reported to me that they suspect such a thing has occurred.'' So the President was saying he was totally uninformed. He did not know anything about it.

Well, Mr. Speaker, the President's response about his knowledge of Chinese spying is not only troubling and disingenuous, it is just hard to believe. The Clinton administration, his administration, knew about the full extent of Chinese spying at Los Alamos and Livermore and other laboratories as far back as 1996, over 3 years ago.

Then the National Security Adviser, Sandy Berger, head of the NSC, was briefed about the Chinese spying by the Energy Department's chief of intelligence, a Mr. Notra Trulock. Berger was told that China had stolen W–88 nuclear warhead designs and neutron bomb technology. He was told that a spy might still be passing secrets to China at Los Alamos, our nuclear research facility. He was even told that the theft of neutron bomb data occurred in 1995 under the President's administration.

Let me just tell you that the W–88 warhead is a miniaturized nuclear warhead that can be put on one missile. You can put 10 of these nuclear warheads on one missile so that with one missile you can hit 10 American cities and kill 50 to 60 million American citizens. We have no defense for that right now.

The neutron bomb technology would allow a neutron bomb to be launched on a missile to the United States, and, if it exploded over a major city, it would kill everybody in the city, but the infrastructure would not be damaged, so it would be something an enemy would like to do, protect the infrastructure, the roads, the buildings, and so forth, but kill all the people in it.

At the end of the briefing that Mr. Berger, the head of the National Security Council, received, Trulock referred to a recent intelligence report. In the report a Chinese source, a Chinese spy that spies for us, a Chinese source said that officials inside, inside, China's intelligence service, were boasting about how they had just stolen U.S. nuclear secrets, and how those secrets allowed them to improve their neutron bomb technology.

Now, Mr. Speaker, again in July of 1997, a year before his meeting with President Jiang of Communist China and 21 months before his meeting with Prime Minister Shu of China, Sandy Berger received a second detailed briefing about China's spying, and soon after told the President about the weaknesses at the laboratories at Los Alamos and Livermore, and about the Chinese spying. This was in 1997.

Now, remember, the President just a few weeks ago said that no one had informed him. Yet Sandy Berger, the head of the NSC, did tell him for sure 2 years ago in 1997. Why would the President misspeak? Why would he mislead the American people? I do not know.

Mr. Speaker, in August of 1997, Gary Samore, the senior National Security Council official assigned to the China spy case, received a briefing from Mr. Notra Trulock, who is the head of intelligence security over at the Department of Energy, and immediately after the briefing about this spying, he went to the CIA director and asked the CIA director to seek an alternative analysis about how the Chinese had developed these small nuclear warheads.

So after he had been told they stole this nuclear technology and that spying was going on, he went to the CIA and said, ''Can't you give us a different way they got this technology?''

Why would he do that? Why, when presented with such overwhelming evidence of Chinese espionage, did Gary Samore seek to downplay the significance of the information, asking the CIA to come up with another explanation, other than espionage, about China's advances? We had already gotten some of this information from our intelligence sources over in China.

Mr. Speaker, in May of 1998, Notra Trulock, the Energy Department's director of intelligence, was demoted; he was demoted after he brought this information out, to acting deputy director of Intelligence, after he made a third report to the Energy Department's Inspector General about a steady pattern, a steady pattern of suppression of counterintelligence issues. They did not like what he was saying, so they demoted the guy.

I want to go back just a minute to this briefing that took place about the neutron bomb. The Chinese intelligence source that we have also said that Chinese agents solved a 1988 design problem by coming back to the United States after they had already been involved in espionage in 1995 to steal more secrets. Trulock's April 1996 briefing to Sandy Berger could not have been more detailed and it could not have been more alarming. So the head of the NSC, the man who reports to the President about security issues, was completely informed about this in 1996, in April.

When Paul Redmund, the CIA's chief spy hunter was given a similar briefing from Trulock a few months earlier, he said that China spying, now, get this, China spying was far more damaging to the U.S. national security than Aldrich Ames, who is now serving a prison term for spying, and it would turn out to be as bad as the Rosenbergs, who were put to death because they gave Communist Russia, the Soviet Union, secrets back after World War II.

Mr. Speaker, is it really, really likely that Sandy Berger, the head of the NSC, after hearing such a detailed and alarming picture of Chinese espionage, would not tell the President about it? Yet the President just a few weeks ago said no one brought it to his attention, and this was 3 years ago. If you were the President or if I was the President and our head of National Security did not tell us this, you would fire him. You would have him hung out to dry, because this a national tragedy, a national security issue. Yet the President said he did not know about it just a few weeks ago.

According to the White House, Berger first briefed the President about Chinese spying in July of 1997. So why did the President say he had not been informed about it? He did so after he received a second briefing from Notra Trulock, which, according to Berger, was much more specific than the first.

In addition, according to NSC spokesman David Levy, Berger ''did not detail each and every allegation.''

Why would he not detail each and every allegation? We are talking about spying at one of our foremost nuclear research laboratories and about technology that could endanger every man, woman and child in the country. Mr. Levy gave this explanation, after being asked if Berger had told the President about the neutron bomb data that was stolen in 1995.

Apparently the White House wants us to believe that Berger only told the President about the W–88 design theft which happened before 1992, which was done under his watch, and left out the theft of the neutron bomb data and China's recent spying at Los Alamos.

Are we to believe that 3 years after the President's national security adviser received his first briefing about this wave of espionage that happened under the President's watch, that he would not have told the President about it? And, after that, how can you believe anything the administration says?

Why does the President, despite all the evidence to the contrary, continue to accept every Chinese denial, not only of spying, but also of illegally funneling money to the Clinton-Gore reelection committee?

We know that the President was briefed about China's spying in July of 1997. Why then, while in China in 1998, with President Jiang, did he quickly accept President Jiang's denial that China had illegally funneled money to the Clinton-Gore reelection committee? He already knew about the spying. He already had Chinese nationals coming in and out of the White House on a regular basis. Johnny Chung was bringing them in, Charlie Trie was bringing them in, John Huang, Mark Middleton, and on and on and on. They were running in and out like they were on a railroad train. Yet he said he believed President Jiang when President Jiang said they were not illegally funneling money into the Clinton-Gore reelection committee. We know for a fact that that was going on.

How could the President say, I do believe him, that he did not order, authorize or approve such a thing, the illegal contributions, and that he could find no evidence that anybody in governmental authority had done that?

The head of the Chinese military intelligence was running money through Johnny Chung. The head of the Chinese aerospace industry, who benefitted from the technology transfer I am talking about, was involved. They were very high up. In fact, the head of the Chinese National Aeronautics Agency over there, the aerospace industry, her father was the head of the Chinese Liberation Army, the People's Liberation Army. He was right in the Politburo, right next to the President of the country.

For them to say the head of the country was not involved is just ludicrous, because if you do not keep the head of the government involved in a Communist society, you are either put away for good or you are killed.

Mr. Speaker, again in April of this year, how could the President listen to Chinese Prime Minister Zhu Rongji deny that Chinese had any involvement in spying and respond by saying, and this is what the President said, ''China is a big country with a big government, and I can only say that America is a big country with a big government, and occasionally things happen in this government that I do not know about.''

He was implying the Chinese did not know, the head of the Chinese Government, did not know they were stealing through espionage nuclear technology from Los Alamos and Livermore. That is just insane. I do not think anybody could believe that.

Mr. Speaker, our leadership cannot continually be blind and accept each and every denial that comes out of China. Newsweek recently reported that a team of U.S. nuclear weapons experts in America practically fainted when the CIA showed them the data that China had obtained. These are the guys that know what these weapons can do. They practically fainted when they found out that technology had been taken by espionage to the Communist Chinese.

What did this data show? It showed that Chinese scientist also routinely used phrases, descriptions and concepts that came straight out of Los Alamos and Livermore labs. The Chinese penetration, they said, is total, one official close to the investigation said. They are deep, deep into the labs' black programs. Those are the top, top secret programs involving our country and our security.

Now, today, because of these things that happened, the head of the Senate Intelligence Committee, Mr. SHELBY, started investigating it. Mr. SHELBY said that he had known there was an ongoing investigation and that it confirmed his worst fears. He said we have got to get to the bottom of this. He is working on it right now.

One of the people, a senior analyst and nuclear weapons expert at the Natural Resources Defense Council, said, ''It is staggering. I am still in shock here.''

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. RYAN of Wisconsin). The gentleman should please refrain from quoting Members of the other body.

Mr. BURTON of Indiana. I will do that. I will mention the other body generically, Mr. Speaker.

''It is staggering,'' he said. ''I am still in shock here,'' a senior analyst and nuclear weapons expert at the Natural Resources Defense Council said. He said, ''If someone had access to Lee's,'' that is the fellow who was involved in the espionage, allegedly involved, ''unclassified computer, this could be all over the world.''

What he was talking about, this was this Mr. Wen Ho Lee, took this top secret information and he transferred it from a top secret computer into a nontop secret computer, where all you had to do was put in a password and you could get every one of our nuclear secrets that he had available to him.

This has been going on for some time. Norris's colleague, physicist Matthew G. McKenzie said that ''unauthorized access to those programs, so-called legacy codes, used to simulate warhead detonation, would represent an unprecedented act of espionage in his scope. Get this. The espionage in the Manhattan Project, that was right after we discovered the nuclear bomb that ended World War II, the espionage in the Manhattan Project would pale, would pale, in comparison.''

This is so much more damaging. We are focusing everything right now in the media almost on Kosovo, and our heart goes out to the people who are suffering over there. But this espionage endangers every man, woman and child in this country if we ever go to war with Communist China. And they have made threats in the Taiwan Straits. They have made overt threats about we would not go into Taiwan to protect them because we value Los Angeles more than we do Taiwan, which was an implied threat. So you do not know what might happen. They are a Communist dictatorship. Yet they got all this, and we keep working with them and dealing with them as if nothing happened.

Asked whether Clinton stands by his statement that he made last month that there was no evidence indicating Chinese espionage on his watch, David Levy, a National Security Council spokesman, said, ''Administration officials are investigating a number of recent allegations and are under no illusion that China and other nations continue to acquire secrets. This does not come as news to this administration,'' he said.

Does not come as news? The President said just a few weeks ago that he had not been informed about it, even though the national security adviser, the head of National Security in this country, found out about it in 1996.

Why? Why was this money coming into America from Chinese Communist sources into the campaign? Why did this technology transfer take place, this espionage? Why did that take place? And why did the President say he did not know about it?

The transfers took place from 1983 to 1995 when Los Alamos began installing a new mechanism that would have made such transfers more difficult. It looks like he was moving quickly, Mr. Lee, in the last few months, to get it transferred before the new system came in. They were coming up with a new system.

When the FBI finally searched Lee's computer last month, following his dismissal on March 8, the official said they found he had made an effort to erase what he had been doing as far as classified information was concerned.

□ 1600

Mr. Speaker, what is interesting is that the FBI a couple of years ago wanted to put electronic surveillance on Mr. Lee and the Justice Department said no. The Justice Department told the FBI two years ago that they did not want electronic surveillance on Mr. Lee because the information was not current enough. We were talking about espionage of our most top secret nuclear weapons systems, and the Justice Department denied the FBI the right to put electronic surveillance on this guy.

In addition to that, they wanted a warrant to go in and look at his computer and search facilities of his, and that also was denied by the Justice Department. Why? What in the world is wrong with this administration, from the White House all the way to the Justice Department? I do not understand it.

Mr. STEARNS. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Florida.

Mr. STEARNS. Mr. Speaker, I just wanted to come down here to the House floor to compliment the gentleman for what he is trying to do, to educate the American people and also educate some of our colleagues, in fact, many of our colleagues.

Mr. Speaker, I served in the Air Force, and I was in a classified program dealing with top secret material, and the access we had to have to get into the room where we worked was coded, and the code would change, and we would have to punch it in. Then, when we had classified material on our desks, we had to account for this at the end of the day, and we had to account for it the next morning. There were very detailed procedures on how we handled it.

What I read today in the paper, and in The New York Times yesterday, is very alarming, and I think the gentleman is talking about this scientist, Wen Ho Lee. It was reported in The New York Times on March 24 that he was already under investigation. Now, the gentleman may have said this and I might have missed it.

Mr. BURTON of Indiana. Mr. Speaker, they started investigating him in 1996–1997.

Mr. STEARNS. It was reported on March 24 of this year, he was under investigation as a suspected spy for China to run a sensitive weapons program, and it is just outrageous that they would continue to take a person like this and put him in that responsibility. Then he was asked, as the gentleman knows, to hire his own special assistant. So he hired a special assistant.

Mr. BURTON of Indiana. This was after he was under surveillance.

Mr. STEARNS. After he was under surveillance, after he was working there. So he hired a researcher who was a citizen of China. Intelligence and law enforcement officials have confirmed this. The FBI has said that they wanted to put a wiretap on Mr. Lee. And so it is sort of flabbergasts the American people, I think, if they look at it, how this individual could get a top secret clearance and get access to so much information.

Mr. BURTON of Indiana. And why the Justice Department denied electronic surveillance on the man.

Let me just interrupt my colleague and tell him something else that we recently found out, and I will be having other Special Orders going into other aspects of this, but the gentleman is welcome to stay so that we can discuss this.

We found out under Hazel O'Leary, the previous head of the Department of Energy, that she relaxed, cut the budget for security, cut the security force to such a degree that the head of intelligence for the Energy Department was really alarmed. Not only that, they changed the cards, the cards that they used to have, one card for top secret people, another card for somebody else, color codes so people could not get into the top secret areas, she did away with those and came up with one card for everybody so you could not track who was going in and out of the top secret areas.

This was an invitation to espionage. I cannot figure out why in the world they relaxed, they cut the budget for security, especially in view of the fact that this man was a suspect back as far as 1996. It does not make any sense to me.

Mr. STEARNS. Mr. Speaker, if the gentleman will yield, just to confirm what the gentleman is saying, throughout all our military they do not have that type of operations in their classified programs, they do not have that one-pass-fits-all, and I do not think any classified program of that delicate a nature should have be relaxed; in fact, they should have increased security.

Mr. BURTON of Indiana. Mr. Speaker, that is absolutely correct. However, this administration, for whatever reason, from top to bottom, is guilty of either just mishandling all of this or worse. I do not know what it is. But we need to get to the bottom of it because this endangers, as I said before, every man, woman and child in this country.

Let me just go on with this article, because I have some things I would like to comment about it. When the FBI finally searched Lee's computer last month following his dismissal, they found that he was trying to erase top secret information that he had put in the computer. The official said that a password was needed to access the information even after Lee transferred it from the classified computer system, but all he had to do was give the password to one of his Communist friends and they could access every nuclear secret before him at that laboratory, everything that was in that computer, and this was top secret information that had been transferred to a non-top secret computer.

The unclassified system allows investigators to determine when and whether the data was accessed, the official said, and initial indications are that the materials was accessed. So they think somebody did get into the computer and get this technology, at least a little bit.

Who was looking at it remains unclear, the official said, since Lee could have given the password to anyone else in any government.

Another high-ranking official reported no indication that the information was compromised. He denied a published report of evidence showing a password had been misused to gain access. He also denied that the FBI had been derelict in not searching Lee's computer at the beginning of the espionage investigation in 1996. At the time the FBI agents from the Bureau's Albuquerque field office wanted to search the computer but were told they needed a search warrant from the Federal court under the Foreign Intelligence Surveillance Act. The warrant was denied, the official said, because a lack of evidence showed that Mr. Lee was engaged in acts of espionage.

If there was any doubt, why would the Justice Department not grant a search warrant? That would have been the prudent thing to do. They could have done that.

I can tell the gentleman, the FBI would never go to the Justice Department without probable cause. If they think there is probable cause that espionage took place and they went to the Justice Department and that was denied, that is darn near criminal.

Lee became a suspect in 1996 after the Energy Department and intelligence agencies determined that a Chinese military document that the CIA had obtained from some of our sources a year earlier contained classified data about the size and shape of the newest miniaturized nuclear weapon, which I was talking about, the W–88. The FBI was unable to gather hard evidence against him, and he has not been charged with a crime yet, but Lee was fired in March for security violations after the investigation was disclosed. The official said transferring data to an unclassified computer system would be or could be a crime, depending on the intent of the person who did it.

As soon as FBI agents discovered Lee had transferred massive amounts of secret data to his unclassified computer, Richardson ordered to shut down, Mr. Richardson is now the head of the Energy Department, Richardson ordered a shutdown of the classified computers at Los Alamos, Lawrence Livermore and Sandia National Laboratories.

The problem is this: The cat is out of the bag. The secrets have been taken by the Chinese communists. The things that our taxpayers spent millions and millions and millions of dollars and hundreds and thousands of man-hours researching to protect the citizens of this country have been given away through espionage to the Chinese communists, endangering every man, woman and child in this country.

My committee will continue to investigate the illegal campaign contributions. The Cox report which looked into this espionage should be made public. The White House has blocked, according to the information I have, the White House has continued to block the Cox report from being made public. Much of it has been leaked to the American people through the media, but not all, and that information needs to be made known to every man, woman and child.

Because if this administration has been derelict in its responsibilities and endangered every man, woman and child, it is more important than Kosovo. It is more important than anything. And we need to get to the bottom of it and those who let this happen, for whatever reason, campaign contributions or because they like the Chinese or whatever reason. They need to be held accountable and brought to justice.

Mr. STEARNS. Mr. Speaker, if the gentleman will yield, I would just echo what the gentleman says. If nothing else, at some point we in the House should have an up-or-down vote to make the Cox report public if the White House continues to procrastinate on this, and at that point the House can redact or take out the things that they think would compromise some of our agents, but somehow we have to get this report public.

So I think the gentleman's effort here this afternoon in trying to say to the American people, this is important to us, this is important to Congress, we have to get to the bottom of this, is right on target. As the gentleman pointed out earlier, the Department of Energy as well as the administration knew all about this a long time ago. They relaxed the security provisions, and that in itself is terrible. The fact that the White House did not move quickly to put in place more secure operations is a sad commentary.

Mr. BURTON of Indiana. Mr. Speaker, one other thing. Just a few weeks ago the President denied he had knowledge of any of this, and yet we know that he was briefed by Sandy Berger as far back as 1997. I can not understand why he is saying that.

This chart, which I did not get to today, but I will get to in a future Special Order, and I hope the gentleman from Florida will once again join me as I get additional information for people regarding this espionage.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ENGEL (at the request of Mr. GEPHARDT) for today on account of family illness.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FILNER) to revise and extend their remarks and include extraneous material:)

Mr. FILNER, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mr. UNDERWOOD, for 5 minutes, today.

Mr. LUTHER, for 5 minutes, today.

Mr. BLUMENAUER, for 5 minutes, today.

Mr. MINGE, for 5 minutes, today.

Ms. HOOLEY of Oregon, for 5 minutes, today.

Mr. STENHOLM, for 5 minutes, today.

Mr. DAVIS of Florida, for 5 minutes, today.

Mr. DOOLEY of California, for 5 minutes, today.

Mr. SMITH of Washington, for 5 minutes, today.

Mr. HOLT, for 5 minutes, today.

Mr. SHERMAN, for 5 minutes, today.

Mr. CUMMINGS, for 5 minutes, today.

(The following Members (at the request of Mr. FLETCHER) to revise and extend their remarks and include extraneous material:)

Mr. NETHERCUTT, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today.

Mr. WHITFIELD, for 5 minutes, on May 3.

## ADJOURNMENT

Mr. BURTON of Indiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly, (at 4 o'clock and 13 minutes p.m.), under its previous order the House adjourned until Monday, May 3, 1999, at 2 p.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1780. A letter from the Secretary of Transportation, transmitting the annual report of the Maritime Administration (MARAD) for Fiscal Year 1998, pursuant to 46 U.S.C. app. 1118; to the Committee on Armed Services.

1781. A letter from the Administrator, Panama Canal Commission, transmitting a draft of proposed legislation to authorize expenditures for fiscal year 2000 for the operation and maintenance of the Panama Canal; to the Committee on Armed Services.

1782. A letter from the Secretary of Health and Human Services Secretary of Labor, transmitting a draft of proposed legislation to reauthorize the Older Americans Act of 1965 and thereby set the stage for strategic activities the Administration will pursue to more effectively and efficiently serve older Americans and their caregivers in the 21st Century; to the Committee on Education and the Workforce.

1783. A letter from the Acting Assistant General Counsel for Regulatory Law, Department of Energy, transmitting Life Cycle Asset Management; to the Committee on Commerce.

1784. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report which describes current conditions in Hong Kong of interest to the United States, the report covers the period since the last report in March 1998; to the Committee on International Relations.

1785. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting a draft of proposed legislation to authorize the transfer of administrative jurisdiction of land within the boundary of the Home of Franklin Delano Roosevelt National Historic Site to the Archivist of the United States for the construction of a visitor center; to the Committee on Resources.

1786. A letter from the Chief Justice, the Supreme Court of the United States, transmitting amendments to the Federal Rules of Bankruptcy Procedure as adopted by the Court, pursuant to 28 U.S.C. 2075; (H. Doc. No. 106–53); to the Committee on the Judiciary and ordered to be printed.

1787. A letter from the Chief Justice, the Supreme Court of the United States, transmitting amendments to the Federal Rules of Civil Procedure adopted by the Court; (H. Doc. No. 106–54); to the Committee on the Judiciary and ordered to be printed.

1788. A letter from the Chief Justice, the Supreme Court of the United States, transmitting amendments to the Federal Rules of Criminal Procedure adopted by the Court; (H. Doc. No. 106–55); to the Committee on the Judiciary and ordered to be printed.

1789. A letter from the President, U.S. Institute of Peace, transmitting a report of the audit of the Institute's accounts for fiscal year 1998, pursuant to 22 U.S.C. 4607(h); jointly to the Committees on International Relations and Education and the Workforce.

1790. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a draft of proposed legislation to authorize appropriations for the Department of State to carry out its authorities and responsibilities in the conduct of foreign affairs during the fiscal years 2000 and 2001; jointly to the Committees on International Relations, Government Reform, and Ways and Means.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. SENSENBRENNER: Committee on Science. H.R. 1183. A bill to amend the Fastener Quality Act to strengthen the protection against the sale of mismarked, misrepresented, and counterfeit fasteners and eliminate unnecessary requirements, and for other purposes; with an amendment (Rept. 106–121, Pt. 1). Referred to the Committee of the Whole House on the State of the Union.

Mr. GILMAN: Committee on International Relations. H.R. 1211. A bill to authorize appropriations for the Department of State and related agencies for fiscal years 2000 and 2001, and for other purposes; with amendments (Rept. 106–122). Referred to the Committee of the Whole House on the State of the Union.

Mr. GEKAS: Committee on the Judiciary. H.R. 833. A bill to amend title 11 of the United States Code, and for other purposes; with an amendment (Rept. 106–123 Pt. 1). Referred to the Committee of the Whole House on the State of the Union.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the Committee on Banking and Financial Services discharged from further consideration. H.R. 833 referred to the Committee of the Whole House on the State of the Union.

Pursuant to clause 5 of rule X the Committee on Commerce discharged from further consideration. H.R. 1183 referred to the Committee of the Whole House on the State of the Union.

## TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 833. Referral to the Committee on Banking and Financial Services extended for a period ending not later than April 29, 1999.

H.R. 1183. Referral to the Committee on Commerce extended for a period ending not later than April 29, 1999.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. GEJDENSON (for himself and Mr. NEAL of Massachusetts):

H.R. 1619. A bill to amend the Quinebaug and Shetucket Rivers Valley National Heritage Corridor Act of 1994 to expand the boundaries of the Corridor; to the Committee on Resources.

By Mr. ISTOOK (for himself, Mr. BALLENGER, Mr. BOEHNER, Mr. BONILLA, Mr. BURTON of Indiana, Mr. CANNON, Mr. CHABOT, Mr. COMBEST, Mrs. CUBIN, Mr. CUNNINGHAM, Mr. DEAL of Georgia, Mr. DELAY, Mr. DEMINT, Mr. DICKEY, Mrs. EMERSON, Mr. GRAHAM, Ms. GRANGER, Mr. HOSTETTLER, Mr. SAM JOHNSON of Texas, Mr. MCINTOSH, Mr. MILLER of Florida, Mrs. MYRICK, Mr. NETHERCUTT, Mrs. NORTHUP, Mr. NORWOOD, Mr. LARGENT, Mr. PAUL, Mr. PORTER, Mr. SCHAFFER, Mr. STUMP, Mr. TALENT, Mr. TANCREDO, Mr. WAMP, Mr. WICKER, and Mr. YOUNG of Florida):

H.R. 1620. A bill to amend the National Labor Relations Act to provide for inflation adjustments to the mandatory jurisdiction thresholds of the National Labor Relations Board; to the Committee on Education and the Workforce.

By Mr. FRANKS of New Jersey (for himself, Mr. DINGELL, Mr. MCHUGH, Mr. GEORGE MILLER of California, Mr. SMITH of New Jersey, Mr. KILDEE, Mr. LATOURETTE, Mr. HINCHEY, Mr. FORBES, Mr. BROWN of Ohio, Mr. DEAL of Georgia, Ms. DANNER, Mr. BACHUS, Ms. DELAURO, Mr. WEINER, Mr. BRADY of Pennsylvania, Mrs. MINK of Hawaii, Mrs. MALONEY of New York, Mr. LIPINSKI, Mr. GREEN of Texas, Mr. SPRATT, Mr. CLYBURN, Mr. VISCLOSKY, Mr. GOODE, Mr. PASCRELL, Mr. STARK, Mrs. THURMAN, and Mr. PALLONE):

H.R. 1621. A bill to prohibit the use of the ''Made in USA'' label on products of the Commonwealth of the Northern Mariana Islands and to deny such products duty-free and quota-free treatment; to the Committee on Resources, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KLECZKA:

H.R. 1622. A bill to prohibit the importation of products made with dog or cat fur, to prohibit the sale, manufacture, offer for sale, transportation, and distribution of products made with dog or cat fur in the United States, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CLAY (for himself, Mr. KILDEE, and Mr. MARTINEZ):

H.R. 1623. A bill to reduce class size, and for other purposes; to the Committee on Education and the Workforce.

By Mr. LAFALCE (for himself, Mr. VENTO, Mr. KANJORSKI, Mr. FRANK of Massachusetts, Ms. HOOLEY of Oregon, Ms. LEE, Ms. SCHAKOWSKY, Mrs. MEEK of Florida, Mr. WAXMAN, Mr. RAHALL, Mr. FILNER, Mr. BROWN of California, Ms. WOOLSEY, Mr. OLVER, Mr. MEEHAN, and Mr. BRADY of Pennsylvania):

H.R. 1624. A bill to improve the quality of housing for elderly individuals and families, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. LANTOS (for himself, Mrs. MORELLA, Mr. PORTER, Mr. KUCINICH, Mr. SMITH of New Jersey, Ms. MCKINNEY, Mr. BARRETT of Wisconsin, Mr. BERMAN, Mr. BLAGOJEVICH, Mr. BOUCHER, Mr. BROWN of California, Mr. BROWN of Ohio, Mr. CLYBURN, Mr. COSTELLO, Mr. COYNE, Mr. DEFAZIO, Mr. DELAHUNT, Mr. ENGEL, Mr. EVANS, Mr. FARR of California, Mr. FRANK of Massachusetts, Mr. GUTIERREZ, Mr. HINCHEY, Ms. KILPATRICK, Mr. KLECZKA, Mr. LEWIS of Georgia, Ms. LOFGREN, Mrs. LOWEY, Mr. LUTHER, Mr. MCDERMOTT, Mr. MCGOVERN, Mr. MCNULTY, Mrs. MALONEY of New York, Mr. GEORGE MILLER of California, Mr. MINGE, Mr. MOAKLEY, Ms. NORTON, Mr. OBERSTAR, Mr. OLVER, Ms. PELOSI, Mr. PETERSON of Minnesota, Ms. RIVERS, Mr. SABO, Ms. SLAUGHTER, Mr. STARK, Ms. SCHAKOWSKY, Mr. SHAYS, Mr. SMITH of Washington, Mrs. THURMAN, Mr. UNDERWOOD, Mr. WAXMAN, Mr. WEINER, and Mr. WEXLER):

H.R. 1625. A bill to provide a process for declassifying on an expedited basis certain documents relating to human rights abuses in Guatemala, Honduras, and other regions; to the Committee on Government Reform.

By Mr. BAKER:

H.R. 1626. A bill to amend the Clean Air Act to repeal the highway sanctions; to the Committee on Commerce.

By Mr. BALDACCI (for himself and Mr. ALLEN):

H.R. 1627. A bill to require the Secretary of Housing and Urban Development to distribute funds available for grants under title IV of the Stewart B. McKinney Homeless Assistance Act to help ensure that each State receives not less than 0.5 percent of such funds for certain programs, and for other purposes; to the Committee on Banking and Financial Services.

By Ms. BROWN of Florida:

H.R. 1628. A bill to direct the Secretary of Veterans Affairs to establish a national cemetery for veterans in the Miami, Florida, metropolitan area; to the Committee on Veterans' Affairs.

By Mrs. CLAYTON (for herself, Mr. CLAY, Mr. ETHERIDGE, Mr. PRICE of North Carolina, Mrs. MINK of Hawaii, Mrs. ROUKEMA, Mr. LAHOOD, Mr. SANDERS, Mr. CLYBURN, Mr. BOUCHER, Mr. POMEROY, Mr. COSTELLO, Mr. TOWNS, Mr. BISHOP, Mr. SCOTT, Mr. OWENS, Mr. GEORGE MILLER of California, Mr. FORD, Mr. FROST, Mr. WU, Mr. CUMMINGS, Mr. TAYLOR of Mississippi, Mr. JACKSON of Illinois, Mr. JOHN, Ms. WOOLSEY, Mr. TURNER, Mrs. THURMAN, Mr. HOLDEN, and Mrs. CHRISTENSEN):

H.R. 1629. A bill to provide grants to rural eligible local educational agencies to enable the agencies to recruit and retain qualified teachers; to the Committee on Education and the Workforce.

By Mr. COYNE (for himself and Mr. RANGEL):

H.R. 1630. A bill to amend the Internal Revenue Code of 1986 to extend permanently environmental remediation costs; to the Committee on Ways and Means.

By Mr. FORD:

H.R. 1631. A bill to amend the Internal Revenue Code of 1986 to make higher education more affordable by providing a full tax deduction for higher education expenses and interest on student loans; to the Committee on Ways and Means.

By Mr. GREEN of Wisconsin (for himself and Mr. RYAN of Wisconsin):

H.R. 1632. A bill to provide that certain attribution rules be applied with respect to the counting of certain prisoners in a decennial census of population; to the Committee on Government Reform.

By Mr. HOUGHTON (for himself, Mr. RANGEL, Mr. ENGLISH, Mr. RAMSTAD, Mr. CRANE, Mr. KLECZKA, Mr. THOMAS, Mr. WATKINS, Mr. MCINNIS, Mr. HERGER, Mr. MATSUI, Mr. HAYWORTH, Mr. MCCRERY, Mr. BECERRA, Mr. SAM JOHNSON of Texas, Mrs. JOHNSON of Connecticut, Mr. HULSHOF, Mr. LEVIN, Mrs. THURMAN, Mr. LEWIS of Georgia, Ms. DUNN, Mr. PORTMAN, Mr. JEFFERSON, Mr. CARDIN, Mr. FOLEY, and Mr. CAMP):

H.R. 1633. A bill to amend the Internal Revenue Code of 1986 to repeal the limitation on

the use of foreign tax credits under the alternative minimum tax; to the Committee on Ways and Means.

By Mr. JONES of North Carolina:

H.R. 1634. A bill to amend the Consumer Credit Protection Act to assure meaningful disclosures of the terms of rental-purchase agreements, including disclosures of all costs to consumers under such agreements, to provide certain substantive rights to consumers under such agreements, and for other purposes; to the Committee on Banking and Financial Services.

H.R. 1635. A bill to amend the Internal Revenue Code of 1986 to provide that a member of the uniformed services shall be treated as using a principal residence while away from home on qualified official extended duty in determining the exclusion of gain from the sale of such residence; to the Committee on Ways and Means.

By Mrs. LOWEY (for herself, Mr. CASTLE, Mrs. CLAYTON, Mrs. JOHNSON of Connecticut, Mr. LEWIS of Georgia, Mr. KOLBE, Mrs. CAPPS, Mr. SHAYS, Ms. JACKSON-LEE of Texas, Mrs. MORELLA, Mr. BARRETT of Wisconsin, Ms. PRYCE of Ohio, Mr. TOWNS, Mr. PORTER, Mrs. THURMAN, Mrs. ROUKEMA, and Mr. MORAN of Virginia):

H.R. 1636. A bill to provide for a reduction in the rate of adolescent pregnancy through the evaluation of public and private prevention programs, and for other purposes; to the Committee on Commerce.

By Mr. MARTINEZ:

H.R. 1637. A bill to amend the Older Americans Act of 1965 to extend authorizations of appropriations for programs under the Act through fiscal year 2004, to establish a National Family Caregiver Support Program, to modernize aging programs and services, to address the need to engage in life course planning, and for other purposes; to the Committee on Education and the Workforce.

By Mr. MCINNIS:

H.R. 1638. A bill to amend the Internal Revenue Code of 1986 to expand S corporation eligibility for banks, and for other purposes; to the Committee on Ways and Means.

By Mr. QUINN:

H.R. 1639. A bill to amend title XVIII of the Social Security Act to require 6-months' advance notice to enrollees of Medicare managed care plans of termination of hospital participation under such plans; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RANGEL:

H.R. 1640. A bill to amend the Internal Revenue Code of 1986 to restore and make permanent the exclusion from gross income for amounts received under qualified group legal services plans; to the Committee on Ways and Means.

By Mr. REGULA:

H.R. 1641. A bill to amend the Federal Election Campaign Act of 1971 to eliminate PAC contributions to individual House of Representatives candidates, to provide a tax credit and tax deduction for contributions to such candidates, to provide for voluntary expenditure limitations in House of Representatives elections, and for other purposes; to the Committee on House Administration, and in addition to the Committees on Ways and Means, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROGAN:

H.R. 1642. A bill to require local educational agencies to develop and implement a random drug testing and counseling program for students in grades 9 through 12; to the Committee on Education and the Workforce.

By Mr. SAXTON (for himself and Mr. FALEOMAVAEGA):

H.R. 1643. A bill to establish a moratorium on large fishing vessels in Atlantic herring and mackerel fisheries; to the Committee on Resources.

By Mr. SERRANO (for himself, Mr. LEACH, Mr. ALLEN, Mr. BARRETT of Wisconsin, Mr. BLUMENAUER, Mr. BOUCHER, Mr. BROWN of California, Mr. CAMPBELL, Mr. CLAY, Mr. CUMMINGS, Mr. DAVIS of Illinois, Mr. DELAHUNT, Mr. DOOLEY of California, Mr. ENGLISH, Mr. EVANS, Mr. FARR of California, Mr. HILLIARD, Mr. JOHN, Ms. KILPATRICK, Mr. LAFALCE, Mr. LAMPSON, Ms. LEE, Ms. LOFGREN, Mrs. LOWEY, Mr. MCDERMOTT, Mr. MCGOVERN, Ms. MCKINNEY, Mrs. MALONEY of New York, Mr. MEEKS of New York, Mr. GEORGE MILLER of California, Mr. MINGE, Mr. MOAKLEY, Mr. MORAN of Virginia, Mr. MORAN of Kansas, Mrs. MORELLA, Mr. NADLER, Mr. NEAL of Massachusetts, Mr. NETHERCUTT, Mr. NEY, Mr. OBERSTAR, Mr. OLVER, Ms. PELOSI, Ms. RIVERS, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SHAYS, Mr. STARK, Ms. WATERS, and Ms. WOOLSEY):

H.R. 1644. A bill to provide the people of Cuba with access to food and medicines from the United States, and for other purposes; to the Committee on International Relations, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STARK (for himself, Mr. MCDERMOTT, Mr. LEWIS of Georgia, Mrs. THURMAN, Ms. KAPTUR, Ms. JACKSON-LEE of Texas, Mr. FILNER, Mr. CUMMINGS, Ms. BROWN of Florida, Mr. FROST, and Mr. HILLIARD):

H.R. 1645. A bill to amend title XVIII of the Social Security Act to provide for full payment rates under Medicare to hospitals for costs of direct graduate medical education of residents for residency training programs in specialties or subspecialties which the Secretary of Health and Human Services designates as critical need specialty or subspecialty training programs; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STARK:

H.R. 1646. A bill to authorize the Secretary of Health and Human Services to provide for an extra payment amount under the Medicare Program to rural providers of services who furnish case manager services to Medicare beneficiaries; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SWEENEY:

H.R. 1647. A bill to amend the Crime Control Act of 1990 to prohibit law enforcement agencies from imposing a waiting period before accepting reports of missing children less than 21 years of age; to the Committee on the Judiciary.

By Mrs. TAUSCHER (for herself, Mr. BOEHLERT, Mr. BROWN of California, Mrs. CHRISTENSEN, Mr. CONDIT, Mr. CONYERS, Mr. CROWLEY, Mr. CUMMINGS, Mr. DEFAZIO, Mr. DINGELL, Mr. DOOLEY of California, Mr. ETHERIDGE, Mr. FILNER, Mr. FROST, Mr. GILCHREST, Mr. GREEN of Texas, Mr. HOLDEN, Mr. KUCINICH, Mr. LAMPSON, Mr. LEWIS of Georgia, Ms. LOFGREN, Mr. MARTINEZ, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MORAN of Virginia, Mr. PAYNE, Ms. PELOSI, Mr. ROEMER, Mr. SHERMAN, Mr. SHOWS, Ms. STABENOW, Mr. STARK, Mr. TIERNEY, and Mr. WEINER):

H.R. 1648. A bill to establish State infrastructure banks for education; to the Committee on Education and the Workforce.

By Mr. TIAHRT (for himself, Mr. ROYCE, Mr. ROHRABACHER, Mr. SANFORD, Mrs. MYRICK, Mr. PITTS, Mr. DOOLITTLE, Mr. SUNUNU, Mr. POMBO, Mr. COBURN, Mr. SHADEGG, Mr. GOSS, Mr. RYUN of Kansas, Mr. KASICH, Mr. FOLEY, Mr. MILLER of Florida, Mrs. KELLY, Mr. WELDON of Florida, Mr. PAUL, Mr. BARTLETT of Maryland, Mr. DELAY, Mr. EHRLICH, Mr. BLUNT, and Mr. MCINTOSH):

H.R. 1649. A bill to abolish the Department of Energy; to the Committee on Commerce, and in addition to the Committees on Armed Services, Science, Resources, Rules, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. UPTON (for himself, Mr. LAFALCE, Mr. BONILLA, Mr. CONYERS, Mr. MCHUGH, Ms. JACKSON-LEE of Texas, Mr. METCALF, Mr. KNOLLENBERG, Mr. CAMP, Mr. RAHALL, Mr. QUINN, Mr. PASTOR, Mr. STUPAK, Mr. SENSENBRENNER, Mr. SUNUNU, Mr. BALDACCI, Ms. SCHAKOWSKY, Mr. HOUGHTON, Mr. WALSH, Mr. ALLEN, Mr. HOLDEN, Mr. REYES, Mr. FROST, Mr. DAVIS of Florida, Ms. RIVERS, Mr. POMEROY, Mr. ENGLISH, Mr. EHLERS, Mr. SMITH of Michigan, Mr. KILDEE, Mr. CAMPBELL, Mr. ORTIZ, Mr. HOEKSTRA, Mr. OXLEY, Mr. LATOURETTE, Mr. PICKETT, Mr. SABO, Mr. RODRIGUEZ, Mr. WYNN, Ms. LEE, and Mr. BONIOR):

H.R. 1650. A bill to amend the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 to modify the requirements for implementation of an entry-exit control system; to the Committee on the Judiciary, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. YOUNG of Alaska (for himself, Mr. SAXTON, and Mr. FALEOMAVAEGA):

H.R. 1651. A bill to amend the Fishermen's Protective Act of 1967 to extend the period during which reimbursement may be provided to owners of United States fishing vessels for costs incurred when such a vessel is seized and detained by a foreign country; to the Committee on Resources.

By Mr. YOUNG of Alaska (for himself and Mr. SAXTON):

H.R. 1652. A bill to establish the Yukon River Salmon Advisory Panel; to the Committee on Resources.

By Mr. YOUNG of Alaska (for himself, Mr. SAXTON, and Mr. FALEOMAVAEGA) (all by request):

H.R. 1653. A bill to approve a governing international fishery agreement between the United States and the Russian Federation; to the Committee on Resources.

By Mr. KASICH:

H.J. Res. 49. A joint resolution to designate the Village of Sunbury, Ohio, as ''Flagville, U.S.A.''; to the Committee on Government Reform.

## MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

27. The SPEAKER presented a memorial of the Senate of the State of Idaho, relative to Senate Joint Memorial No. 104 memorializing that they support the passage of the Imported Meat Labeling Act of 1999 by the First Session of the 106th Congress; to the Committee on Agriculture.

28. Also, a memorial of the House of Delegates of the Commonwealth of Virginia, relative to House Joint Resolution No. 650 memorializing the Congress of the United States be urged to reconsider federal restrictions on discipline of certain students with disabilities; to the Committee on Education and the Workforce.

29. Also, a memorial of the House of Delegates of the Commonwealth of Virginia, relative to House Joint Resolution No. 552 memorializing the Congress of the United States be urged to either enact meaningful patient protections at the federal level with respect to employer self-funded plans or, in the absence of such federal action, amend the Employee Retirement Income Security Act (ERISA) of 1974 to grant authority to all individual states to monitor and regulate self-funded, employer-based health plans; to the Committee on Education and the Workforce.

30. Also, a memorial of the House of Representatives of the State of Michigan, relative to House Resolution No. 14 memorializing the Congress to enact legislation to prohibit the federal government from claiming any tobacco settlement money from the states or directing how the states expend these funds; to the Committee on Commerce.

31. Also, a memorial of the House of Delegates of the Commonwealth of Virginia, relative to House Joint Resolution No. 640 memorializing the Congress of the United States be urged to direct the Federal Communications Commission to study the feasibility of including all of Buchanan County, Virginia, and all of Dickenson County, Virginia, into the Southwest Virginia Network; to the Committee on Commerce.

32. Also, a memorial of the House of Delegates of the Commonwealth of Virginia, relative to House Joint Resolution No. 598 memorializing the Congress of the United States be urged to enact legislation giving states and localities the power to control waste imports into their jurisdictions; to the Committee on Commerce.

33. Also, a memorial of the House of Delegates of the Commonwealth of Virginia, relative to House Joint Resolution No. 581 memorializing the Congress of the United States be urged to enact legislation to prevent the seizure of state tobacco settlement funds by the federal government, and that the federal government be urged not to interfere in the tobacco settlement which has been reached between the fifty states and the largest tobacco manufacturers; to the Committee on Commerce.

34. Also, a memorial of the Senate of the State of Maine, relative to Senate Paper #750 memorializing the President of the United States and the United States Congress to support a World War II Memorial; to the Committee on Resources.

35. Also, a memorial of the General Assembly of the Commonwealth of Virginia, relative to Senate Joint Resolution No. 440 memorializing Congress to enact the ''Conservation and Reinvestment Act''; to the Committee on Resources.

36. Also, a memorial of the House of Delegates of the Commonwealth of Virginia, relative to House Joint Resolution No. 754 memorializing the Congress of the United States be urged to grant historic congressional federal recognition to the Chickahominy; the Chickahominy, Eastern Division; the Mattaponi; the Monacan; the Nansemond; the Pamunkey; the Rappahannock; and the Upper Mattaponi as Indian tribes under federal law; to the Committee on Resources.

37. Also, a memorial of the House of Delegates of the Commonwealth of Virginia, relative to House Joint Resolution No. 568 memorializing the retention of the 1,250-mile perimeter rule and slot rule at Ronald Reagan Washington National Airport be supported and that any relaxation of, exemption from, or amendment to Section 6012 of the Metropolitan Washington Airports Act of 1986 or the regulations promulgated pursuant thereto be opposed; to the Committee on Transportation and Infrastructure.

38. Also, a memorial of the General Assembly of the State of North Dakota, relative to House Concurrent Resolution No. 3039 memorializing the United States Congress to enact legislation to return adequate funds to states to fund the employment security system and give a fair return to employers for the taxes employers pay under the Federal Unemployment Tax Act; to the Committee on Ways and Means.

39. Also, a memorial of the Senate of the State of Idaho, relative to Senate Joint Memorial No. 103 memorializing the Congress and the President to provide that the provisions of the North American Free Trade Agreement be enforced or that the Agreement be nullified and the United States withdrawn from the provisions of and participating in the Agreement; to the Committee on Ways and Means.

40. Also, a memorial of the Senate of the State of Idaho, relative to Senate Joint Memorial No. 101 memorializing that they strongly support aggressive, immediate and continued management activities on all acres of Douglas fir bark beetle infested lands on all Idaho national forests, and specifically on the Idaho Panhandle National Forests; jointly to the Committees on Resources and Agriculture.

41. Also, a memorial of the Senate of the State of Idaho, relative to Senate Joint Memorial No. 102 memorializing the Congress to implement procedures similiar to the procedure employed by the state of Idaho which requires all rules proposed by executive agencies to be submitted to the Legislature of the State of Idaho for final approval before such administrative law may become effective; jointly to the Committees on the Judiciary and Government Reform.

42. Also, a memorial of the House of Delegates of the Commonwealth of Virginia, relative to House Joint Resolution No. 649 memorializing that availability and unfettered usage of strong encryption technology for any legitimate purpose will enable and facilitate the growth of the information economy and therefore should be encouraged and supported by government at all levels; jointly to the Committees on International Relations, Commerce, and the Judiciary.

## ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 5: Ms. STABENOW, Mrs. NORTHUP, and Mr. GOODLING.

H.R. 8: Mr. ROGAN, Mr. SCARBOROUGH, Mr. SAXTON, Mr. GREEN of Wisconsin, Mr. DEAL of Georgia, Mr. BASS, Mr. BOEHLERT, Mrs. BIGGERT, Mr. SAM JOHNSON of Texas, Mr. SUNUNU, and Mr. WHITFIELD.

H.R. 49: Mr. BOSWELL and Mr. ENGLISH.

H.R. 137: Mr. FORBES.

H.R. 142: Mr. BATEMAN, Mrs. BIGGERT, and Mr. COBURN.

H.R. 175: Mr. PACKARD, Mr. GALLEGLY, Mr. DREIER, Mr. FARR of California, Mr. BATEMAN, Mr. SPENCE, Mr. WATTS of Oklahoma, Mr. KING, Mrs. NAPOLITANO, Mr. ROGERS, Mr. SPRATT, Mr. PHELPS, and Mr. STARK.

H.R. 230: Ms. SLAUGHTER.

H.R. 261: Ms. SCHAKOWSKY.

H.R. 262: Mr. MCDERMOTT and Mr. RANGEL.

H.R. 315: Mr. MEEKS of New York, Mr. CROWLEY, Mr. HOLT, and Mr. BERMAN.

H.R. 323: Mr. ACKERMAN.

H.R. 324: Mr. DAVIS of Illinois.

H.R. 351: Mr. SHIMKUS, Mr. HOUGHTON, and Mrs. BIGGERT.

H.R. 353: Mr. CAPUANO, Mr. NUSSLE, Mr. WELDON of Pennsylvania, Mrs. MINK of Hawaii, Ms. PELOSI, Mr. PALLONE, Ms. DELAURO, Mr. PASTOR, and Mr. MCNULTY.

H.R. 383: Mr. LAZIO, and Mr. COOKSEY.

H.R. 425: Mr. ENGLISH, Ms. SCHAKOWSKY, Mr. CAMPBELL, and Mr. OBERSTAR.

H.R. 488: Mr. LATOURETTE.

H.R. 516: Mr. COBURN, Mr. WALSH, and Mr. WALDEN of Oregon.

H.R. 518: Mr. COBURN, Mr. WALSH, and Mr. UPTON.

H.R. 544: Mrs. EMERSON.

H.R. 568: Ms. STABENOW.

H.R. 580: Ms. DUNN, Mr. LEWIS of Georgia, Mr. MCCRERY, and Mr. STARK.

H.R. 629: Mr. SANDLIN.

H.R. 632: Mr. GUTKNECHT, Mr. DEUTSCH, Mr. LOBIONDO, Mr. WALSH, Mr. HOLT, Mr. GARY MILLER of California, Mrs. CHRISTENSEN, Mr. COOK, Mr. DIAZ-BALART, Mr. RAMSTAD, Mr. HAYES, Mr. LAHOOD, and Mr. DEAL of Georgia.

H.R. 639: Mr. DEMINT.

H.R. 648: Ms. PRYCE of Ohio and Mr. LAMPSON.

H.R. 655: Ms. DEGETTE, Mrs. JOHNSON of Connecticut, and Mr. BALDACCI.

H.R. 673: Mr. YOUNG of Florida.

H.R. 674: Mr. MCINNIS and Mr. HOUGHTON.

H.R. 716: Mr. RODRIGUEZ.

H.R. 721: Mr. MOAKLEY.

H.R. 742: Mr. ANDREWS, Mr. STUPAK, Mr. WATKINS, AND Ms. WOOLSEY.

H.R. 750: Mr. GANSKE and Mr. NADLER.

H.R. 756: Mr. BURTON of Indiana.

H.R. 764: Mr. BOEHLERT, Mrs. FOWLER, Mr. CRAMER, Mr. HOBSON, Mr. COOKSEY, Mr. FRANKS of New Jersey, Mrs. JOHNSON of Connecticut, and Mr. LAHOOD.

H.R. 773: Mr. MICA, Mr. WATT of North Carolina, Mr. LARSON, and Mr. FOSSELLA.

H.R. 775: Mr. SIMPSON.

H.R. 796: Mr. ISTOOK, Mr. PACKARD, and Mr. FROST.

H.R. 815: Mr. GANSKE, Mr. SMITH of New Jersey, Mr. BACHUS, and Mr. DEMINT.

H.R. 828: Mr. BASS.

H.R. 835: Mr. THOMPSON of California.

H.R. 845: Mr. BARRETT of Wisconsin.

H.R. 864: Mr. WALSH, Mr. RADANOVICH, Mr. WALDEN of Oregon, Mr. FRELINGHUYSEN, Mr. GARY MILLER of California, Mr. FARR of California, Mr. PACKARD, Mr. GALLEGLY, Mr. DREIER, Mr. HERGER, Mr. BATEMAN, Mr. SPENCE, Mr. KING, Mrs. NAPOLITANO, Mr. MEEKS of New York, Mr. SPRATT, Mr. BLUMENAUER, Ms. WOOLSEY, Mr. MALONEY of Connecticut, and Mr. PHELPS.

H.R. 872: Mr. UNDERWOOD.

H.R. 895: Mr. TOWNS, Mr. GUTIERREZ, Mr. PRICE of North Carolina, Ms. ROYBAL-ALLARD, Mr. BLUMENAUER, Mr. UDALL of Colorado, Mr. MARTINEZ, Mr. JACKSON of Illinois, Mr. INSLEE, Mr. RANGEL, Ms. WATERS, Mrs. CAPPS, Mr. BERMAN, Mr. ALLEN, Ms. RIVERS, Mr. BROWN of Ohio, Ms. WOOLSEY, Mr. GEJDENSON, Mr. UNDERWOOD, and Mr. BROWN of California.

H.R. 904: Mr. BALDACCI, Mr. PASTOR, Mr. SHOWS, and Ms. RIVERS.

H.R. 941: Mr. FOLEY, Mr. HILLIARD, Mr. MATSUI, Mrs. JOHNSON of Connecticut, and Mr. ENGLISH.

H.R. 948: Mr. WICKER.

H.R. 989: Mr. ACKERMAN.

H.R. 1008: Mr. PALLONE and Mr. SMITH of Washington.

H.R. 1039: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. SMITH of Washington, and Mr. KIND.

H.R. 1044: Mrs. EMERSON.

H.R. 1070: Mr. BRADY of Pennsylvania and Mr. TOWNS.

H.R. 1074: Mr. BEREUTER, Mrs. CHENOWETH, Mr. NETHERCUTT, and Mr. WHITFIELD.

H.R. 1083: Mr. SNYDER and Mr. CHAMBLISS.

H.R. 1084: Mrs. MYRICK.

H.R. 1088: Mr. HOYER, Mr. WHITFIELD, Mr. FROST, Mrs. EMERSON, and Mr. KOLBE.

H.R. 1095: Mr. BENTSEN, Ms. BALDWIN, Mr. BLUMENAUER, and Mr. LUTHER.

H.R. 1102: Mr. TANCREDO.

H.R. 1111: Mr. DICKS and Mr. MARTINEZ.

H.R. 1122: Mr. RAMSTAD, Mr. LEWIS of Georgia, Mr. SAM JOHNSON of Texas, Mr. SESSIONS, Mr. FARR of California, Ms. SANCHEZ, Mr. NEAL of Massachusetts, and Ms. HOOLEY of Oregon.

H.R. 1130: Mr. PASCRELL and Mr. STARK.

H.R. 1138: Mr. CALVERT.

H.R. 1178: Mr. WICKER, Mr. TURNER, and Mr. LAHOOD.

H.R. 1180: Mr. FARR of California and Mr. BONIOR.

H.R. 1183: Mr. HOBSON.

H.R. 1187: Mr. GUTKNECHT, Mr. MORAN of Virginia, and Mr. HOUGHTON.

H.R. 1193: Mr. NEAL of Massachusetts, Mr. CALLAHAN, Mr. GANSKI, Mr. WELDON of Florida, and Mr. BONIOR.

H.R. 1194: Mr. BARRETT of Nebraska and Mrs. MORELLA.

H.R. 1196: Mr. WAXMAN.

H.R. 1224: Mr. RAHALL.

H.R. 1229: Mr. WHITFIELD and Mr. BARCIA.

H.R. 1239: Mr. BLAGOJEVICH, Mr. MEEKS of New York, and Mr. SPRATT.

H.R. 1250: Mr. SABO and Mr. WYNN.

H.R. 1260: Mr. SAXTON, Mr. MCDERMOTT, Mr. DICKS, Mr. ENGLISH, Mr. LOBIONDO, Mr. ORTIZ, Mr. LATOURETTE, Mr. LIPINSKI, Mr. STUPAK, Mr. BENTSEN, Mr. FATTAH, Mr. DELAHUNT, Mr. BRADY of Pennsylvania, Mr. LAMPSON, Mr. SMITH of Washington, Mr. SHOWS, Mr. INSLEE, and Mr. CAPUANO.

H.R. 1261: Mr. SHAYS, Mr. FROST, and Mr. NETHERCUTT.

H.R. 1278: Mr. INSLEE.

H.R. 1288: Mr. BONIOR and Ms. DELAURO.

H.R. 1304: Mr. GOODE, Mr. KILDEE, Mr. BARR of Georgia, and Mr. DICKEY.

H.R. 1317: Mr. LUCAS of Kentucky.

H.R. 1319: Ms. DEGETTE.

H.R. 1320: Mr. ACKERMAN, Ms. EDDIE BERNICE JOHNSON of Texas, and Mr. GORDON.

H.R. 1333: Mr. GUTIERREZ, Mr. PASTOR, Mr. FATTAH, and Mr. MCGOVERN.

H.R. 1337: Mr. DELAY and Mr. KOLBE.

H.R. 1342: Mr. MALONEY of Connecticut, Ms. ESHOO, and Mr. BROWN of California.

H.R. 1344: Mr. BISHOP.

H.R. 1349: Mr. BARRETT of Nebraska and Mr. BILBRAY.

H.R. 1387: Ms. CARSON and Mr. MCINTOSH.

H.R. 1388: Mr. GUTIERREZ, Mr. NADLER, Ms. PRYCE of Ohio, and Mr. KOLBE.

H.R. 1399: Mr. DAVIS of Illinois, Mr. GEORGE MILLER of California, Mr. WAXMAN, Ms. SCHAKOWSKY, and Mr. WYNN.

H.R. 1414: Mr. GARY MILLER of California, Mr. RAHALL, and Mr. LAFALCE.

H.R. 1447: Mr. HOLDEN.

H.R. 1472: Mr. WYNN, Mr. SISISKY, Mr. BALDACCI, Mr. BONIOR, Mr. PRICE of North Carolina, Mr. GREENWOOD, Mrs. EMERSON, Mr. INSLEE, Mr. BAIRD, Mr. DAVIS of Illinois, Mr. GILCHREST, Mr. SMITH of New Jersey, Mr. RAMSTAD, Mr. MALONEY of Connecticut, Mr. RODRIGUEZ, and Mr. LATOURETTE.

H.R. 1477: Mr. GARY MILLER of California, and Ms. SCHAKOWSKY.

H.R. 1491: Mr. JEFFERSON and Mr. HILL of Indiana.

H.R. 1530: Mrs. MEEK of Florida, Mr. DIAZ-BALART, and Mrs. THURMAN.

H.R. 1551: Mr. BARCIA.

H.R. 1560: Mr. SHAW.

H.R. 1579: Mr. PHELPS and Mr. GUTIERREZ.

H.J. Res. 25: Mr. FRELINGHUYSEN, Mr. DAVIS of Illinois, Mr. DEAL of Georgia, and Mr. ACKERMAN.

H. Con. Res. 30: Mrs. CHENOWETH and Mr. TOOMEY.

H. Con. Res. 78: Mr. UNDERWOOD.

H. Res. 35: Mr. ROMERO-BARCELO, Mr. SMITH of Washington, and Ms. HOOLEY of Oregon.

H. Res. 106: Mr. WHITFIELD.

# SENATE—*Thursday, April 29, 1999*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, Dr. Thomas A. Erickson, Valley Presbyterian Church, Scottsdale, AZ.

We are pleased to have you with us.

## PRAYER

The guest Chaplain, Dr. Thomas A. Erickson, Valley Presbyterian Church, Scottsdale, AZ, offered the following prayer:

Let us pray.

Gracious and ever-living God, You promised through the Psalmist, ''I will instruct you and teach you the way you should go, I will counsel you with my eye upon you.''—Psalm 32:8. In response, we open our minds to You, asking that in all the business before us we may clearly see Your will and courageously do Your work.

O God, when world events threaten to crush our hope, reassure us that peace is possible, for Your will shall yet be done in all the Earth. Then help us to do what we can, individually and together, to achieve that peace for all people everywhere.

At the end of this day, let every Senator know, let every staff member and aide know, that they have done their duty to You, to their Nation, and to one another. Give them satisfaction in knowing that they have moved our Nation a step further in its unrelenting quest to be ''one Nation under God, with liberty and justice for all.'' Amen.

## RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

Mr. GRAMS. I thank the Chair.

## SCHEDULE

Mr. GRAMS. Mr. President, today the Senate will immediately begin 1 hour of debate relating to the cloture motion to the MCCAIN amendment to the Y2K legislation. At approximately 10:30 a.m., following that debate, the Senate will proceed to a cloture vote on the pending MCCAIN amendment.

As a reminder, by a previous agreement, second-degree amendments to the McCain amendment must be filed by 10 a.m. today.

Following the cloture vote, the Senate may continue debate on the Y2K bill, the lockbox issue, or any other legislative or executive items cleared for action.

Also, as a further reminder, a cloture motion was filed on Wednesday to the pending amendment to S. 557 regarding the Social Security lockbox legislation. That vote will take place on Friday at a time to be determined by the two leaders.

For the remainder of the week, it is possible that the Senate may begin debate on the situation in Kosovo.

Mr. President, I yield the floor.

The PRESIDENT pro tempore. The able Senator from Arizona is recognized.

Mr. KYL. I thank the Chair.

## GUEST CHAPLAIN THOMAS ERICKSON

Mr. KYL. Mr. President, it is an honor for me this morning to have in the Senate Chamber both of my ministers—of course, the Chaplain of the Senate, Lloyd Ogilvie, and the individual who gave our prayer this morning, who is Thomas Erickson, minister of the Valley Presbyterian Church in Scottsdale, AZ. This is the church in which I am a member in my home State of Arizona. His wife Carol joins him today in the Nation's Capital, and as I said, it is my honor to be with them today and certainly an honor for my church to have its minister deliver the opening of the Senate.

Valley Presbyterian Church is a dynamic congregation of some 2,400 members and growing. Reverend Erickson has been with the church now for almost 13 years.

Mr. President, you perhaps noticed that as he was delivering the morning prayer, if you closed your eyes just a little bit, it almost sounded like our Chaplain, Lloyd Ogilvie. I frequently do that when I am in church here or I am in the Senate Chamber. I close my eyes and I can almost hear the other speaking, because they have the same resonant voice, especially when delivering a prayer.

So I am honored, as I said, to be able to present Dr. Erickson to my fellow Senators this morning and all of those who observed the morning prayer on television.

I thank you, Mr. President. I yield the floor.

## Y2K ACT—CLOTURE MOTION

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Oregon.

Mr. WYDEN. I thank the Chair.

To begin the hour of debate that we have on the Y2K measure, I would like to discuss the agreement entered into late yesterday, the special effort that was led by Senator DODD of Connecticut. Senator DODD has been the leader on our side on the Y2K issue. The agreement that was entered into last night involved Senator MCCAIN, myself, Chairman HATCH, Senator FEINSTEIN, Chairman BENNETT; a number of colleagues were involved. It seems to me that this effort, which was led by Senator DODD, has directly responded to a number of the concerns outlined by the White House in the statement that was delivered yesterday to the Senate. I would like to briefly outline the proposals which are going to be offered by the Senator from Connecticut in conjunction with the group of us that has been working on a bipartisan basis for this legislation.

Under the changes made yesterday, there would be punitive damage caps for small businesses. We ensure that there is fairness to both sides. We would eliminate punitive damage caps for the large businesses, those over 50 employees. We would protect municipalities and governmental entities from punitive damages. And we would also ensure that State evidentiary standards for claims involving fraud were kept in place.

The legislation would continue to do the following. There would have to be a 30-day notice. The plaintiff would have to submit a 30-day notice to the defendant on the plaintiff's intentions to sue, with a description of the Y2K problem. If the defendant responded with a plan to remediate, then an additional 60 days would be allowed to resolve the problem. If the defendant didn't agree to fix the problem, the plaintiff would be in a position to sue on the 31st day. We would establish—and this was of great concern to a number of Members of the Senate—liability proportionality. We would ensure that defendants don't pay more than the damage they are responsible for but exceptions would include plaintiffs with a modest net worth who were not able to collect from one or more defendants and defendants who had intentionally injured plaintiffs.

I think this is especially important because, clearly, if you have a defendant who has engaged in intentionally abusive conduct, you want to send the strongest possible message, and we do establish liability proportionality under the agreement led by Senator DODD.

We would also preserve contract rights so as to not interfere with parties who have already agreed on Y2K terms and conditions. We would also confirm the duty to mitigate. This is an effort to essentially confirm existing law that plaintiffs have to limit

damages and can't collect damages that could have been avoided. This is an opportunity for potential defendants to provide widespread information on Y2K solutions to assist potential plaintiffs.

Finally, our proposal would encourage alternative dispute resolution, and it also keeps, as a number of Democrats have discussed with us, all personal injury and wrongful death claims with every opportunity to use existing law to ensure protection for the consumer and for injured parties.

I commend my colleague from Connecticut, Senator DODD. He is the Democratic leader on the Y2K issue. Let me also say that what Senator DODD has done, in conjunction with myself and Senator MCCAIN, is he has essentially taken a lot of what we have done in the securities litigation area, a lot of what we have done in the earlier Y2K legislation, and used that as a model. So Senator DODD's proposal, in my view, is very constructive. We now have an agreement that has been entered into by Senator DODD, Chairman MCCAIN, myself, Chairman HATCH, who has been exceptionally helpful on this effort, our colleague from California, Senator FEINSTEIN, and Senator BENNETT, who chairs the Y2K committee.

So I am very pleased about this effort that was entered into late yesterday. I say to my colleagues—especially Democrats who were concerned about the statement issued earlier by the White House—this compromise effort that I have outlined—and we also issued a statement on it—responds directly to a number of the concerns that were outlined by the White House, especially the two perhaps most important, which are protection for injured parties as it relates to the opportunity to seek punitive damages where appropriate, and also to ensure that with respect to evidentiary standards, no one could say that this was now raising somehow for all time a change through Federal law. We specifically preserve State evidentiary standards for important claims involving fraud.

But I would say, Mr. President and colleagues, this legislation is not going to be a change for all time in our laws. It is essentially a bill, and it has a strong sunset provision that is going to last for 3 years or so. We are trying to make sure, through that sunset provision, that we deal just with those concerns raised by Y2K. Y2K is not a partisan issue. It affects every computer system that uses date information. It was essentially an engineering tradeoff which brought us to this predicament; to get more space on a disk and in memory, the idea of century indicators was abandoned. It is hard for us to believe today that disk and memory space at a premium, but it was at one time. So in an effort to try to make sure during those earlier days there were standards by which programs and systems could exchange information, there was this engineering tradeoff.

Now, some say you could just solve the Y2K problem by dumping all the old layers of computer code accumulated over the last few decades. That is not realistic. So what we ought to be trying to do is to make sure that information technology systems are brought into Y2K compliance as soon as possible. That is what the substitute that Senator MCCAIN and I have offered seeks to do, and I believe that substitute has been vastly improved now by the leadership of the Senator from Connecticut, Mr. DODD.

I think as this discussion goes forward in the next hour, it is also important to recognize just how dramatic the implications are for this issue. I would like to cite one example which I know a number of my colleagues on the Democratic side can identify with very easily. A lot of my colleagues, led by Senator KENNEDY, have been very concerned about making sure that there is a good prescription drug benefit for seniors under Medicare. It is the view of a lot of us that billions of dollars are wasted. Billions of dollars are wasted every single year as a result of seniors not taking prescriptions in a way so as to limit some adverse interaction. We waste billions of dollars and millions of seniors suffer as a result of not taking these prescriptions properly. And the best single antidotes that we have today are some of the new online computer systems which keep track of seniors' prescriptions and are in a position to help limit these adverse drug interactions.

Well, the fact of the matter is, if we have, next January, chaos in the marketplace with our pharmacies and our health care systems and programs that help us limit these problems involving drug interactions, we are going to waste billions of dollars which could be used to get senior citizens decent prescription drug benefits, and we are going to hurt older people needlessly.

Now, that has been a problem documented by the General Accounting Office. I raise it primarily because there has been a discussion in the Senate about how this legislation is just sort of a high-tech bill, and maybe some folks care about it in the State of Oregon where we care passionately about technology, or Silicon Valley, or another part of the country. I think we all know that technology is important in every State in our Nation. But I think it is very clear that these issues dramatically affect our entire Nation. It doesn't just involve a handful of high-tech companies; it involves millions and millions of Americans. The reason I have taken the Senate's time to discuss particularly how this would affect older people with their prescription drugs is that I think this is just a microcosm of this debate. I think this is just one small example of what this discussion is all about.

Now, the Congressional Budget Office and other experts have estimated that Y2K-related litigation could cost consumers and businesses twice as much as fixing the Y2K problem itself. Now, I think those predictions may, in fact, be exaggerated; maybe they are wildly exaggerated. But I would much prefer to see the Senate craft responsible legislation now rather than to delay. And should the Senate not act on this legislation in an expeditious way, I believe there is a very real possibility that the Senate could be back here in January having a special session to deal with this issue.

So I am very hopeful that we can go forward on it. I know that the minority leader, Senator DASCHLE, has worked very hard to be fair and to ensure that there is opportunity for colleagues to raise amendments. He has been working closely with the majority leader, Senator LOTT. Those procedural issues are still to be resolved.

I happen to agree with Senator KENNEDY on this matter of raising the minimum wage. I think he is absolutely correct that we ought to raise the minimum wage. But I am very hopeful that we will not see these issues pitted against each other. It is extremely important to raise the minimum wage. I also think it is extremely important to deal with this Y2K issue in a responsible fashion.

I know there are other Members of the Senate who wish to speak on this issue. They haven't arrived on the floor quite yet. I think I will just take an additional couple of minutes, as we await them, to outline some of the changes that have been made since the legislation left the Commerce Committee. At that time, regrettably, it was a partisan bill and did not yet have the constructive changes made by the Senator from Connecticut, Mr. DODD, and did not at that point include the eight major changes that Chairman MCCAIN and I negotiated. I would like to wrap up my initial comments by taking a minute or two to talk about those changes that have been made in the legislation. For example, Mr. President and colleagues, early on none of the bills had a sunset provision in the legislation. There was a great concern that somehow some change in tort law and contract law would be for all time, establishing new Federal standards in this area. It was a feeling on my part and upon the part of other colleagues that it was absolutely critical to have a sunset provision to ensure that we were talking just about problems relating to the Y2K and not creating massive changes in Federal tort law or contract law that would last for all time.

None of the original bills contained a sunset date. We now have a 3-year sunset date making it very clear that any Y2K failure must occur before January 1, 2003, in order to be eligible to be covered by the legislation. Most industry

analysts agree that Y2K failures are likely to follow a bell curve, a peaking on approximately January 1, 2000, and trailing off in 1 to 3 years. The sunset date that has been added tracks the very best professional analysis we have about the problem.

I thank Chairman MCCAIN for adding that in our initial negotiations. It is extremely important to me. I felt a lot of the Members of the Senate on the Democratic side felt that it was critical that this be a set of changes that was limited to a short period of time. That 3-year sunset addition, I think, sends a very powerful message that this is not changing tort and contract law for all time. I am very pleased that it has been added.

Second, in the committee there were some vague, essentially new Federal defenses that I and others felt unfairly biased this process in favor of the defendant. Those were removed. Essentially what those original provisions said was that if defendants engaged in what was called a ''reasonable effort'' that they would be protected advocates. Consumers felt strongly that this language was mushy and vague.

I agree completely with them on it. In fact, we originally had it in committee, and I opposed it at that time. But at the request of the consumer groups, this mushy, vague language that protects defendants who engaged in something called a ''reasonable effort'' was dropped.

We also made changes to keep the principle of joint liability. After the legislation left the committee, we thought it was important to make sure that for cases involving fraud and egregious conduct we kept the traditional principle of joint and several liability. It was also extended to involve insolvent defendants.

Senator DODD has continued to help us in this area to ensure there is fairness for injured parties while at the same time making it clear that the defendants don't pay more than the damage for which they are responsible.

The legislation continues to have in place what we negotiated after the legislation left the committee. This is incorporated into the announcements we made last night about the important efforts made by Senator DODD.

Finally, we thought it was important to make sure contract rights were paramount in this area. This legislation does not involve any changes whatever in personal injury rights. If, for example, an individual is in an elevator and that elevator falls 10 floors to the bottom of a building, and that individual is tragically injured, or dies, all of the personal injury remedies are kept in place. That is not something that would be affected by this legislation. This legislation involves contractual rights between private business parties. I and others felt that it was not adequately laid out in the committee legislation, that the contract rights were paramount in this area. As a result of the negotiations we had after the legislation left the committee, those rights were kept in place. I and others felt that was essential.

I see my good friend from the State of Connecticut on the floor. I am going to yield in just one second. But first I want to take a minute and tell him how much I appreciate what he has done. He is, of course, the Democratic leader on the Y2K issue.

I am essentially still a rookie in the Senate, and the Senator from Connecticut has been so helpful as we have tried to take this legislation that passed the committee unfortunately on a partisan vote and tried to make it responsive to the many legitimate issues that have been raised by our colleagues on this side of the aisle. The colleagues on this side of the aisle have been absolutely right about saying that the original bill was not adequate with respect to punitive damages. It wasn't adequate with respect to evidentiary standards. It didn't do enough to address the issues that we heard about from the White House late yesterday.

As a result of an agreement led by the Senator from Connecticut, we have been responsive to those issues. We have essentially had nine major changes made after the bill came out of committee. The Senator from Connecticut has led the bipartisan effort. I discussed that bipartisan effort earlier involving Senator FEINSTEIN, Senator HATCH, and Senator BENNETT.

I want to yield the floor now to the Senator from Connecticut, and thank him for all he has done to make this a bill that I believe can get the support of a significant number of Democrats, because it responds to what we heard from the White House. I thank him as well personally for all of the good counsel and help that he has given me. He is the leader on this issue. He is the one who navigated the securities litigation legislation. I pointed out how he took much of what the Senate learned on the securities litigation in the earlier Y2K bill and made that part of his compromise. I thank the Senator from Connecticut.

Mr. President, I yield the floor. I look forward to hearing from the Senator from Connecticut.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. Mr. President, I will be very brief.

Let me begin by thanking our colleague from Oregon. He is very effusive and gracious in his compliments. He describes himself as a rookie. But he is anything than a rookie when it comes to the legislative process. He served with great distinction in the other body, and has been here now several years proving the value of his experience as a seasoned legislator in the Senate.

Let me just say I am very hopeful. I was very pleased yesterday that we were able to reach an agreement on three proposals that I felt, and many others felt, were essential if this Y2K litigation legislation was going to succeed. One of these proposals was to deal with the punitive damages cap issue with the exception of municipalities, government entities, and smaller businesses, which are described as businesses that employ 50 people or less. This number is more than the 25 employees which usually defines a small business. I realize that one might make a very strong case that even more than 50 employees would still constitute a small business. But with a country that is growing all the time, I think most of us would agree that a small business today would still be one that employed 50 people or less.

We also eliminated the caps on the director and officer liability because under the disclosure bill passed last year we crafted a safe harbor for forward-looking statements by directors and officers and managers. We felt that this safe harbor would suffice, along with the normal business judgment rule which protects managers to some degree. As a result, we didn't think a cap on director and officer liability was necessary.

I am pleased that Senator MCCAIN and Senator HATCH, as well as my good colleague and friend, Senator BENNETT—who really has been the leader on the Y2K issue for so many years—agreed with both of those provisions, as well as with the state of mind provisions. It gets rather arcane when you start talking about some of these legal terms, but they are important matters.

What we are doing with the claims involving state of mind is leaving the status quo with respect to the evidentiary standard. That is, each State determines what that standard is, instead of having a national standard. There was some effort to have clear and convincing evidence be used as the evidentiary standard you would have to reach, but 34 States already have that standard. Many other States do not have that standard, so we thought the best result on a compromise was to leave it to the States to decide what that standard ought to be, rather than incorporating it in this bill.

Again, I thank Senator MCCAIN, Senator HATCH, Senator BENNETT, and others who have agreed to and supported these changes.

As I understand it, there are other outstanding issues. The Senator from Oregon is absolutely correct. There are colleagues who have other amendments. They would not support this bill even with these additions. I know Senator KERRY of Massachusetts has a strong interest in proportional liability issues. I am confident that Senator HOLLINGS and Senator EDWARDS have some suggestions they might want to make to this bill.

My hope is that our leaders can work this out. I know Senator DASCHLE is more than prepared to sit down and work with our distinguished majority leader to allow for a series of amendments to be considered, as we normally do here, on this bill and to allow them to come up, to debate them, to vote on them, and to try and get this bill completed. I think we could complete it by this weekend, by tomorrow, if we began to work.

I do not know what the schedule is. There may be other matters that are more pressing in the minds of the leadership. But it seems to me now that agreeing on a package of amendments that can be offered is the way to go. We are going to have a cloture vote here shortly. I am going to oppose invoking cloture because we have not yet agreed on a process and I do not want to deny an opportunity to any of my colleagues. I know there may be some on the majority side who do not yet agree with this bill. There are several who have strong reservations about this bill even with the additions we have made to it by this agreement, and they may have some amendments they may want to offer. That is how we do business in the Senate. The Presiding Officer knows of what I speak. We both served in the other body, the House of Representatives, where you have strict rules and whoever is in the majority controls this exactly, determining if any amendments are to be considered.

In the Senate we are a different institution. Here we allow the free flow of debate and we do not deny Members the opportunity to bring up issues that they believe are critically important, even issues that are not germane to the matter before us. Although we do not encourage that in every instance, that can be done here. That is what makes the Senate of the United States different from the Chamber down the hall. We are, in a sense, counterweights to each other. In the House of Representatives the rule of the majority prevails, as it should. In a sense, in the Senate we protect the rights of a minority to be heard.

That is what we are hoping the leaders will allow to happen today. We hope an agreement is reached on a series of amendments that will allow them to be debated and discussed and voted on. If that is the case, I am very confident that we will be able to pass this important piece of legislation and send it to the House, where they are considering similar legislation. I am also very confident that we can secure a signature from the President, who I know cares very much about this issue, as does the Vice President, and we can accomplish what many have sought here—to protect against the dangers of massive litigation over this year 2000 computer bug which is looming on the horizon.

Two hundred and forty days from now, when the millenium clock turns, I do not think that any of us here wants to be looking back and saying we lost an opportunity here in April to try to at least limit the kind of financial hardship and economic disruption that could occur if we do not address the threat of a Y2K litigation explosion. So I am very hopeful that we can come together, as we have already come so far.

Again, I express my thanks to the chairman of the committee who has the thankless job of trying to move a complicated bill along. Senator HATCH has also been tremendously helpful and supportive on this. Again, Senator BENNETT of Utah, with whom I work on the Y2K committee, has done just an astounding job, I think, of bringing to the attention of all of us here, as well as to the people across this country, the importance of this issue. And, of course, the efforts of the distinguished Senator from Oregon and Senator FEINSTEIN of California. My colleague from Connecticut, Senator LIEBERMAN, who cares very much about litigation reform issues generally, has also been very helpful on this. I fear I am leaving some people out here. I hope I am not. But at this juncture I know these are people who have been involved in this issue and care about it. Again, my plea to the majority leader, and I know Senator DASCHLE cares about this, too, is to see if we can now come to some agreement.

The PRESIDING OFFICER (Mr. CRAPO). The time of the proponents has expired.

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

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

Mr. WYDEN. Will the Senator yield?

Mr. DODD. I do.

Mr. WYDEN. I will be brief. I concur completely with what the Senator from Connecticut has said. I want to ask him one question about the very helpful punitive damages agreement he negotiated with us last night.

My understanding is, this agreement tracks very closely with what the Clinton administration has agreed to in the past with respect to product liability. In fact, our agreement seems to be more generous to plaintiffs than what the administration has agreed to in the past.

In the past, they seemed to have said we ought to look at something that would have two times compensatory damages. This legislation has three times the damages, to make sure there is a fair shake for the consumer. Is that the understanding of the Senator from Connecticut? I ask because he has been involved in this issue involving punitive damage questions for quite some time. I think he has been very fair to plaintiffs in this area. It seems to me, actually, the Senator has gone beyond what has been talked about in various other discussions that we had.

In just this minute I would like to take one more moment to hear the Senator's opinion on that issue which is a key issue for Democrats.

Mr. DODD. I think I ought to ask unanimous consent for an additional minute.

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

Mr. DODD. In response to my colleague—and I thank him for raising the issue—I do not claim great expertise in the product liability area. We have done some work, and I appreciate his comments, on the securities bill, the standards reform bill, and here on the Y2K area. So going back and revisiting this, while I do not recall the point the Senator raises, I do not question what he has said. I presume, in fact, that he is correct. I simply do not bring any personal recollection of how we crafted that.

I know the administration cares about the Y2K issue. I negotiated with the White House on securities litigation, and there were some difficult issues to resolve. The Senator may recall that in that case the President vetoed the bill and the Congress overrode the veto. That is how that piece of legislation became law.

On uniform standards, President Clinton and Vice President GORE were tremendously helpful and supportive, and I suspect they will be here as well. I want to be careful. I think it is fine to go back and use previous examples on punitive damages and on director and officer liability and on state of mind issues. However, there are differences in the application of law when you are dealing with bodily injury and other questions where product liability issues can come in, and even more differences when contract law comes into play. Contract law is basically what we are talking about here.

Let me just say this, because the Senator has raised a very important point. I know there are going to be Members—there always are—who think that we are going too far in the punitive damage area and with director and officer liability, and who think we are giving away too much. I think there are people who care about the trial bar and think we have not done enough in this area and that there is too much here against the trial bar.

This bill really does provide a balance at this point. We have not adopted this amendment, but on the assumption it is adopted, we have removed the caps on punitive damages in most instances, removed the caps on director and officer liability, and kept the status quo on state of mind issues. Those are issues the trial bar said were very important to them.

Is it everything they want? No. Does it give away more than some who care about these issues want? It does. But traditionally, when you are trying to craft a piece of legislation with as many different points of view as 100

Senators can bring to the debate, clearly no side is going to prevail with everything it would like. What we have done here, I think, is struck a sound, good balance that is a good bill and one I hope will attract the broad support of Republicans and Democrats, and to move on.

I see the chairman of the committee has arrived on the floor here. In his absence I was praising him. I would do so in his presence as well, but I realize he may want to go on to other matters here. I have already been taking advantage of the Presiding Officer's presence here by extending the time by unanimous consent, and I do not want to abuse the graciousness he has already demonstrated to me any more than that, so I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I ask unanimous consent to speak for an additional 7 minutes.

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

Mr. MCCAIN. Mr. President, before the Senator from Connecticut leaves the floor, I thank him for all of his efforts. We have engaged in intensive and sometimes emotional negotiation, and we have had a long relationship for many years. His contribution, no matter how this cloture vote comes out today, has been critical in moving this process forward. It has given me optimism that we will be able to resolve this issue. Without his involvement, we would not have the opportunities that I believe we will have in the future.

In my prepared statement, which I will make in just a minute, this issue is too important to just go away. I think the Senator from Connecticut knows that and the Senator from Oregon, who has played such a critical role, along with Senator FEINSTEIN, Senator HATCH, and others on this issue, know that. It is not going to go away.

What the Senator from Connecticut has done and the Senator from Oregon has done is move this process forward to where I believe we will be able to get it done, because it is too important for us to just say we cannot agree on it. I thank both my colleagues for all their efforts.

Mr. President, we are now at a critical time if we are to pass this bill. We have been attempting to debate and act on this matter for a week. We are about to have our second cloture vote as we crawl through the morass of Senate procedure. We have endured hours of quorum calls waiting for substantive discussion. We have heard at length the views of the ranking member, Senator HOLLINGS, in opposition to this bill. We have detoured from the bill to hear the minority's complaints about scheduling unrelated matters of interest to them. But now, Mr. President, we are about to have a critical vote.

This is a vote to allow us to complete action on this critical bill. This is a vote to cast aside the partisan procedural games and get on with the business of the nation. Important business, as the thousands of CEO's and business people from all segments of industry: high tech, accounting, insurance, retail, wholesale, large and small, who are actively supporting this bill will attest. The Y2K problem is not going away, nor is it going to be postponed by petty, partisan procedural wrangling.

The cost of solving the Y2K problem is staggering. Experts have estimated that the businesses in the United States alone will spend $50 billion in fixing affected computers, products and systems. But experts have also predicted that the potential litigation costs could reach $1 trillion—more than the legal costs associated with asbestos, breast implants, tobacco, and Superfund litigation combined—more than three times the total annual estimated cost of all civil litigation in the United States. This is not just my opinion, but are facts supported by a panel of experts on an American Bar Association panel last August. These costs represent resources and energy that will not be directed toward innovation, new technology, or new productivity for our nation's economy. This litigation could overwhelm and paralyze the industries driving the best economy in our history.

The Y2K phenomenon, while anticipated for years, presents nevertheless, a one-time, unique problem. Our legal system is neither designed, nor adequately equipped, to handle the flood of litigation which we can expect when law firms across the country are laying in wait, in eager anticipation of a golden opportunity. More to the point, the vast majority of our Nation's citizens do not want to sue. They want their computers, their equipment, their systems to work. They want solutions to problems, and a healthy economy, not a trial lawyers' full employment act.

S. 96 presents a solution, a reasonable practical, balanced, and most important, bi-partisan solution. Since it passed out of committee, with the help of my colleagues especially Senator WYDEN, Senator DODD, Senator FEINSTEIN, and others it has been improved, narrowed, and more carefully crafted to ensure a fair and practical result to the Y2K situation.

The Public Policy Institute of the Democratic Leadership Council published a Y2K background paper in March which has been widely circulated and quoted on the Senate floor in the past several days. The authors state:

In order to diminish the threat of burdensome and unwarranted litigation, it is essential that any legislation addressing Y2K liability:

Encourage remediation over litigation and the assignment of blame;

Enact fair rules that reassure businesses that honest efforts at remediation will be rewarded by limiting liability, while enforcing contracts and punishing negligence;

Promote Alternative Dispute Resolution; and

Discourage frivolous lawsuits while protecting avenues of redress for parties that suffer real injuries.

S. 96 does all of those things.

It provides time for plaintiffs and defendants to resolve Y2K problems without litigation;

It reiterates the plaintiff's duty to mitigate damages, and highlights the defendant's opportunity to assist plaintiffs in doing that by providing information and resources;

It provides for proportional liability in most cases, with exceptions for fraudulent or intentional conduct, or where the plaintiff has limited assets;

It protects governmental entities including municipalities, school, fire, water and sanitation districts from punitive damages;

It eliminates punitive damage limits for egregious conduct, while providing some protection against runaway punitive damage awards; and

It provides protection for those not directly involved in a Y2K failure;

It is a temporary measure. It sunsets January 1, 2003;

And it does not deny the right of anyone to redress their legitimate grievances in court.

I have spent hours working with several of my colleagues, including the distinguished Senator from Connecticut, Mr. DODD, to resolve specific concerns. We have arrived at an agreement to further modify the substitute amendment my friend Mr. WYDEN and I earlier agreed upon. There may still be others, such as Mr. KERRY of Massachusetts, with ideas, suggestions, or a different perspective on solving the problem.

I welcome hearing other ideas. My colleagues may want to offer amendments. I am willing to enter into consent agreements to allow the opportunity for debate on other ideas. We can then vote and the best idea will win. That is the way of the Senate. But, that cannot take place unless we vote yes now on cloture.

The clock is ticking. Mr. President, 246 days plus a few hours remain until January 1. This bill cannot wait. Its purpose is to provide incentives for proaction—to encourage remediation and solution and to prevent Y2K problems from occurring. It will not serve its purpose unless it passes now.

This vote is a simple vote. It is a critical vote. This is a vote as to whether we want to solve and prevent the Y2K litigation problem, which has already begun, or whether we will let partisan ''politics as usual'' be an obstacle to our nation's well-being. It is a vote to either help the American economy or to show your willingness to do

the bidding of the Trial Lawyers Association. Make no mistake, I hope companies across America are paying attention. Senators will vote to help protect small and large business, the high tech industry, and others, or they will choose to protect the trial lawyers' stream of income. That is the choice. I ask my colleagues to consider carefully the message they send with their vote today. Are you part of the solution? Or part of the problem?

Mr. President, I believe it is time for the vote. I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina has 22 minutes remaining.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, we have a cloture vote set at a specific time; is that correct?

The PRESIDING OFFICER. The cloture motion vote was scheduled to occur at the end of 1 hour of debate. We have had unanimous consent agreements extending the time. There are 22 minutes remaining in the debate. This time is under the control of the Senator from South Carolina.

Mr. HOLLINGS. I yield whatever time the Senator needs.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I will address the question of the Y2K for just a moment, if I may, and then I was going to ask unanimous consent just to make a couple comments as in morning business for the purpose of introducing a bill.

Prior to doing that—do I understand the Senator from Arizona would object to that taking place at this point?

Mr. MCCAIN. I would object to going to morning business at this time. The Senator from South Carolina has 22 minutes left, and I am glad to listen on that time, but it is getting time for us to vote on cloture.

Mr. KERRY. All right.

Mr. President, let me just say a few words on the issue of the Y2K. I have been working quietly with a number of colleagues in order to try to see if we cannot come to some sort of compromise.

I heard the Senator from Arizona assert that the principal reason that we are where we are right now is because the revenue stream for lawyers, for trial counsel, might be somehow impacted, and that is the sort of overbearing consideration that has brought us to this point of impasse. Let me just say as directly and as forcefully as I possibly can that there really are public policy considerations that extend beyond that.

I have tried cases previously as a trial attorney. I understand the motivations and needs to certainly have a client base which allows you to survive. I have seen some ugly practices out there, and I have joined in condemning them as a Member of the Senate and also as a member of the bar.

I do not think any of us who are members of the bar take pride in the practices of some attorneys who have obviously given the profession a bad name at times and have abused what ought to be a more respected and sacrosanct relationship in the country.

But at the same time, just as with any business—whether it is Wall Street and brokers or businesspeople who are manufacturers who somehow put a product on the marketplace that cost lives—there are always exceptions to fundamental rules. There are also a lot of lawyers out there who work for nothing, who do pro bono work, who give their energies to fighting for the environment or for civil rights or a whole lot of other things. I think it is a mistake to sweep everybody into one basket and suggest that that is all this issue is about.

We have some time-honored traditions in this country about access to our court system. We have some deep-rooted principles which allow victims of certain kinds of abuses, and sometimes even arrogance, to be able to get redress for that. That is one of the beauties of the American judicial system. And I could show—and I do not have time now—countless examples of life being made better for millions of Americans because some lawyer took a case to court and was willing to fight for a particular principle.

I happened to bump into Ralph Nader a little while ago going into a Banking hearing related to an issue on privacy on the House side. I recall, obviously, his landmark efforts with respect to automobiles and safety, and millions of American lives have been saved because of those kinds of challenges.

Sometimes the pendulum sweeps too far, and I well recognize that. In fact, there is a great tendency within the Congress for us to react to a particular problem, and, kaboom, we wind up with unintended consequences, and then we sort of have to pull the pendulum back. I have done that.

I have joined with colleagues here to change the law on liability with respect to aircraft manufacturing because we found that there was a particular problem for small, light plane manufacturing in the country. We also changed the law with respect to securities reform, and I joined in that effort. And I joined in overriding the veto of a President with respect to those things because I thought the reform was important and legitimate. No one here ought to condone the capacity of individual lawyers to simply trigger a lawsuit with the hopes of walking into a company and then holding them up for settlement because it is too expensive to litigate.

I believe that in the compromise we have on the table, as well as in other efforts that have been offered, there are legitimate restraints on the capacity of lawyers to abuse the system. There are increased specificity requirements with respect to the pleadings so that you cannot just go in on a fishing expedition. There is a 90-day period for cure; i.e., once a company is noticed that they are in fact in a particular possible breach with respect to the contract that extends for the sale of a particular computer or software program, they are given 90 days within which time they can cure the problem and there is no lawsuit. In addition to that, there are a series of other restraints which I think are entirely appropriate, and I would vote for those.

Let's say somebody's mother or father is at home and you have a bank account and a bank loses your entire bank account, for whatever reason, or there is some doctor's appointment that is lost by somebody that was critical to the provision of some serum or antibiotic. Who knows what might be occurring that has been computerized and expected on a particular schedule that might be affected. There is a requirement in their legislation, the legislation currently about to be voted on, which would deny any consumer access to remedy for 90 days.

You get a 90-day stay period. What is the rationale for that? That was supposed to apply to the companies, not to individuals. But we don't have a legitimate carve-out for consumers, for the average consumer, for Joe ''Six-Pack'' who might be affected by this. They are somehow going to be plunked into a basket with all of the other companies.

In addition to that, there is a legitimate problem with respect to access to the system. If you have a company that does business abroad, does not have a home base here, you have no capacity to reach them with respect to service of process. We are going to say that we are going to deny somebody the capacity to have full redress or remedy, and they are going to have to go chase that other person somehow, no matter what the level of that person's responsibility is. To do that is effectively to say to people, Sorry, folks. No lawyer in the country is going to take that case. We're effectively stripping you of the rights to be able to have access to the court system.

I am for a fair balance here. I have a lot of companies in Massachusetts that are high-tech companies, a lot of companies that are impacted by this. I know a lot of people in the industry whom I respect enormously who deserve to be protected against greedy, voracious sorts of wrongful, totally predatory efforts to try to hold them up in the system. I am for stopping that.

I would, in our effort, put restraints on the capacity to bring class actions

wrongly. And I think we have an increased standard with respect to materiality that would make it much tougher for people to put a class together without a showing of injury.

So the real issue here before us in the Senate is, What is really trying to be achieved here? If we are trying to simply achieve a balanced, fair approach to protecting companies from unfair lawsuits and being balanced about the average citizen's approach to the court system there is a way to do that. But if what we are doing is a larger tort reform agenda, because of the bad name that lawyers in general have, and some lawyers in particular have earned for them, if that is the effort, in order to seek some broader change in the legal system that denies people access to the courts, then I think we have a different kind of problem.

There are many people in this Chamber who have practiced law before, some on the other side of the fence, on the Republican side, who do not believe any legislation is necessary, that this is a one-time problem, that the greatest incentive you can have to avoid a problem is for people to fix it ahead of time, and the greatest way in which you will get the best and biggest and fastest fix ahead of time is to have people required to be open to the possibilities of redress if they did not do that.

But if we limit people's potential liability, there is a great likelihood that a lot of people will say, Well, I'm not going to fix this. I'm not liable. I don't need to do anything about it. They can't bring suit against me. And you may, in fact, have taken away the very incentive you are trying to create.

Mr. President, there are very real and legitimate substantive arguments: Access to our court system. What is the best incentive? How do you approach this fairly? How are you going to wind up with a system that is balanced? All of those issues are really at stake in this. I hope colleagues will remember that as they approach the question of what is the best compromise here which would give us the kind of balance that we need.

Mr. President, I yield the remainder of my time to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina has 11 minutes remaining.

Mr. HOLLINGS. Mr. President, I thank my distinguished friend from Massachusetts. He has summed it up.

I will only point out again this morning's news, the Wall Street Journal. I quote from page B4:

> [By now] the year 2000 bug was supposed to have played havoc with corporate computer spending, with companies supposedly too worried about their mainframes to think of anything else. A cautious attitude about the issue was the theme in comments by big technology companies that released first-quarter results in the past few weeks.
>
> But with one notable exception, the technology industry has so far escaped any broad year 2000 slowdown.

Mr. President, I ask unanimous consent to print in the RECORD an editorial from this morning's Washington Post about Y2K liability.

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

[From the Washington Post, Apr. 29, 1999]

Y2K LIABILITY

The Senate is considering a bill to limit litigation stemming from the Year 2000 computer problem. The current version, a compromise reached by Sens. John McCain (R–Ariz.) and Ron Wyden (D–Ore.), would cap punitive damages for Y2K-related lawsuits and require that they be preceded by a period during which defendants could fix the problems that otherwise would give rise to the litigation. Cutting down on frivolous lawsuits is certainly a worthy goal, and we are sympathetic to litigation reform proposals. But this bill, though better than earlier versions, still has fundamental flaws. Specifically, it removes a key incentive for companies to fix problems before the turn of the year, and it also responds to a problem whose scope is at this stage unknown.

Nobody knows just how bad the Y2K problem is going to be or how many suits it will provoke. Also unclear is to what extent these suits will be merely high-tech ambulance chasing or, conversely, how many will respond to serious failures by businesses to ensure their own readiness. In light of all this uncertainty, it seems premature to give relief to potential defendants.

The bill is partly intended to prevent resources that should be used to cure Y2K problems from being diverted to litigation. But giving companies prospective relief could end up discouraging them from fixing those problems. The fear of significant liability is a powerful incentive for companies to make sure that their products are Y2K compliant and that they can meet the terms of the contracts they have entered. To cap damages in this one area would encourage risk-taking, rather than costly remedial work, buy companies that might or might not be vulnerable to suits. The better approach would be to wait until the implications of the problem for the legal system are better understood. Liability legislation for the Y2K problem can await the Y2K.

Mr. HOLLINGS. I thank the distinguished Chair.

''Liability legislation for the Y2K problem can await the Y2K.'' What we are talking about is an instrument, a computer. The average cost for a small business and otherwise is $2,000. They are not going to buy a $2,000 instrument in 1999 that is not going to last past January 1.

It is quite obvious that it is not the poor, but it is the economically advantaged, the small businesses, and the doctors in America that use this instrument now. And all they have to do is go into Circuit City and say: Now, put it up, let me see that it works, that it is Y2K compliant.

Why do away with the entire law system, the 10th amendment to the Constitution, the habitual and constitutional control of torts at the State level under article 10 over the 200 years of history? Do you know why? Because they put in this amendment to amendment to amendment. When they put in the first one, even chambers of commerce objected to it. What you had in the McCain bill was still a bad bill. The McCain-Wyden bill is still a bad bill. The McCain-Wyden amendment to the McCain-Wyden amendment is still bad, as evidenced by this editorial here this morning.

Again, Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Kaiser Permanente Executive Offices, dated April 27.

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

KAISER PERMANENTE,
*Oakland, CA, April 27, 1999.*

Hon. Barbara Boxer,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR BOXER: On behalf of Kaiser Permanente, we would like to address a number of serious concerns regarding S. 96, a bill introduced by Senator John McCain, which addresses disputes arising out of year 2000 computer based problems (Y2K).

In brief, S. 96 as currently drafted:

Threatens the ability of the health care industry to maintain rates;

Severely limits the rights of small businesses, consumers and non-profit organizations like ours to recover the often excessive costs of Y2K fixes, purchases and upgrades;

Unfairly prejudices (or completely bars) the ability of the health care community to recover the costs associated with any potential personal injury or wrongful death award from the entity primarily at fault for the defect that caused the injury. S. 96 permits the manufacturers, vendors and sellers of non-compliant Y2K equipment and products to profit at the expense of their customers and leaves the health care industry (and ultimately our employer groups and patients) responsible to bear the costs of their negligence.

The four provisions in S. 96 that cause us the most concern are as follows:

The Act would not prohibit a patient injured in a hospital by a Y2K defective product from suing the hospital or health plan providing the medical service in which the defect arose. The Act would, however, limit or bar a claim brought by the hospital or health plan against the manufacturer or vendor of the defective product, leaving the health care providers solely responsible for the damages.

The 90 day waiting period requirement will impair the ability of the health care industry to complete its Y2K compliance efforts. The health care providers must remedy their Y2K problems quickly to be compliant with internal and external (including state and federal regulatory) timeliness. For a considerable length of time, Kaiser Permanente has been diligently identifying, mediating, validating, and testing equipment and software with respect to Y2K issues. A key component of this process has been demanding information, assistance, and corrective action from manufacturers and vendors, who often have control of the source codes and other information that is necessary to achieve compliance. Vendors who at this late date have still not adequately addressed their Y2K defects in their products, despite repeated requests by us, should not be afforded a 90 day period in which to respond to such requests. Such a delay in pursuing legal

remedies could prejudice our ability to complete our Y2K efforts by the year 2000.

While the Act limits the liability of manufacturers and sellers of defective equipment and software, it does not require that they fix the problems that they created for a reasonable price. Some manufacturers and vendors sold Y2K defective products in recent years knowing that their products would not be usable past the year 2000. Yet S.96 would allow such tortfeasors to charge exorbitant rates for fixes which should be provided at a discounted or nominal fee. In other words, the Act allows tortfeasors to increase their ill-gained profits at the health care purchaser's expense.

The Act does not carefully limit the use of the powerful defenses it creates. Rather, it permits a defendant to assert defenses in any action related ''directly or indirectly to an actual or potential Y2K failure''. Manufacturers and vendors will find it useful to assert that there are Y2K issues in cases where a Y2K problem is not alleged, lengthening and confusing litigation and potentially barring claims for other defects.

The above provisions in S.96 are of the greatest concern to us. However, there are other unfair provisions in the Act which inequitably limit liability, including the abrogation of joint liability, the mandate of proportionate liability, the limitation to economic loss, the increase in the standard of proof for the plaintiff, and the addition of new defenses for the defendant. Please carefully review S.96 again in light of our concerns. We would be happy to discuss this with you further, please do not hesitate to call Wendy Weil at 510–271–2630 or Laird Burnett at 202–296–1314.

Sincerely,

MARY ANN THODE,
*Senior Vice President,*
*Chief Operating Officer.*

Mr. HOLLINGS. Quoting from the letter:

In brief, S. 96 [as currently drafted] threatens the ability of the health care industry to maintain rates; severely limits the rights of small businesses, consumers and non-profit organizations like ours to recover the often excessive costs of Y2K fixes, purchases and upgrades; unfairly prejudices (or completely bars) the ability of the health care community to recover the costs associated with any personal injury or wrongful death award from the entity primarily at fault for the defect that caused the injury. S. 96 permits the manufacturers, vendors and sellers of noncompliant Y2K equipment and products to profit at the expense of their customers and leaves the health care industry (and ultimately our employer groups and patients) responsible to bear the costs of their negligence.

Mr. President, I could read on and on, but when different industries—the automobile industry, the grocer industry, and otherwise—come to the attention of this 36-page document to change around the 200-year experience of the enforcement of torts, the Uniform Commercial Code nationally, and do away with it and the so-called privilege it required. To come in here and cap punitive damages, describe a small business as any 50 or less—I notice in this most recent amendment, Mr. President, on page 2, a defendant is described as an unincorporated business, a partnership, corporation, association, or organization with fewer than 50 full-time employees. It used to be smaller, 25. But they are going in the wrong direction, all with this so reasonable, so bipartisan, so studied, so compromising, so interested—come on. Give me a break.

Look at the next sentence: ''No cap with injury specifically intended.'' Paragraph 1 does not apply if the plaintiff establishes by clear and convincing evidence that the defendant acted with specific intent to injure the plaintiff. So there go the class actions. Each plaintiff has got to come in and prove by clear and convincing, not by the greater weight of the preponderance of evidence, but by clear and convincing, that it is specifically intended for that particular plaintiff to be injured.

Mr. President, what we really have is a fixed jury. We could talk sense, but I notice in the morning paper that Kenneth Starr, the independent prosecutor, is asking the judge down there in Arkansas to go and interview the jurors after the verdict. He ought to come to Washington where they interview the jurors before the verdict.

That is my problem on the floor of the Senate here this morning; I can tell you that right now. They run around this Chamber, the Chamber of Commerce is in here, the Business Roundtable, this conference board, get all those organizations going. I am tending to my business down home. And you are for tort reform. You know this Y2K liability, $1 trillion for the trial lawyers and all that.

Yes, I am against that. I am against a trillion dollars for the trial lawyers. Everybody says that, running for office. Sure, the idea of tort reform.

So they have Kosovo, they have the balanced budget, and the lockbox charade going on, and right in the middle of this they come with all the fixed votes, the jurors, before we even get to debate and show that there is a nonproblem.

I am getting there. I can see the Parliamentarian blinking his eyes, so I am running out of time here. We are going to have to vote. But here is the biggest fix I have ever seen. We had a difficult time trying to get the truth around to our colleagues about S. 96 here this morning, but I hope we can withhold and get some time to vote against this cloture motion so we will have time to really show what is going on.

We have problems in this country, but I can tell Senators, it is not the tort system. It is not how the tort system affects business. Business is going through the roof financially in New York. Everybody is making money, particularly in the computer business. Of all the people to ask for special legislation here in the Congress as well as special protections and the revision of all the tort practices, is the computer industry, the richest in the entire world.

I appreciate the indulgence of the Chair, and I yield the floor.

Mr. LIEBERMAN. Mr. President, I would like to add my strong support to the bill we are currently considering, the Y2K Act. Although I plan to join my colleagues on this side of the aisle in voting against cloture, I don't want anyone to construe that vote as an indication that I have any doubts about the need for, and the wisdom of, this legislation.

Congress needs to act to address the probable explosion of litigation over the Y2K problem, and it needs to act now. We are all familiar with the problem caused by the Y2K bug. Although no one can predict with certainty what will happen next year, there is little doubt that there will be computer program failures, possibly on a large scale, and that those failures could bring both minor inconveniences and significant disruptions in our lives. This could pose a serious challenge to our economy, and if there are wide spread failures, American businesses will need to focus on how they can continue providing the goods and services we all rely on in the face of disruptions.

Just as importantly, the Y2K problem will present a unique challenge to our court system—unique because of the likely massive volume of litigation that will result and because of the fact that that litigation will commence within a span of a few months, potentially flooding the courts with cases and inundating American companies with lawsuits at the precise time they need to devote their resources to fixing the problem. I think it is appropriate for Congress to act now to ensure that our legal system is prepared to deal efficiently, fairly and effectively with the Y2K problem—to make sure that those problems that can be solved short of litigation will be, to make sure that companies that should be held liable for their actions will be held liable, but to also make sure that the Y2K problem does not just become an opportunity for a few enterprising individuals to profit from frivolous litigation, unfairly wasting the resources of companies that have done nothing wrong or diverting the resources of companies that should be devoting themselves to fixing the problem.

To that end, I have worked extensively with the sponsors of this legislation—with Senators MCCAIN, GORTON, WYDEN, DODD, HATCH, FEINSTEIN and others—to try to craft targeted legislation that will address the Y2K problem. Like many others here, I was uncomfortable with the breadth of the initial draft of this legislation. I took those concerns to the bill's sponsors, and together, we worked out my concerns. I thank them for that. With the addition of the amendment just agreed to by Senators DODD, MCCAIN and others, I think we have a package of which we all can be proud, one which will help us

fairly manage Y2K litigation. Provisions like the one requiring notice before filing a lawsuit will help save the resources of our court system while giving parties the opportunity to work out their problems before incurring the cost of litigation and the hardening of positions the filing of a lawsuit often brings. The requirement that defects be material for a class action to be brought will allow recovery for those defects that are of consequence while keeping those with no real injury from using the court system to extort settlements out of companies that have done them no real harm. And the provision keeping plaintiffs with contractual relationships with defendants from seeking through tort actions damages that their contracts don't allow them to get will make sure that settled business expectations are honored and that plaintiffs get precisely—but not more than—the damages they are entitled to.

I think it is critical for everyone to recognize that the bill we have before us today is not the bill that Senator MCCAIN first introduced or that was reported out of the Commerce Committee. Because of the efforts of the many of us interested in seeing legislation move, the bill has been significantly narrowed. For example, a number of the provisions changing substantive state tort law have been dropped. Provisions offering a new ''reasonable efforts'' defense have been dropped. The punitive damages section has been altered. And, instead of a complete elimination of joint liability, we now have a bill that holds those who committed intentional fraud fully jointly liable, that offers full compensation to plaintiffs with small net worths and that allows partial joint liability against a defendant when its co-defendants are judgment proof—precisely what most of us voted for in the context of securities litigation reform.

I understand that there are those who still have concerns about some of the remaining provisions in the bill. To them and to the bill's supporters, I offer what has become a cliche around here, but has done so because it is truly a wise piece of advice: let us not make the perfect the enemy of the good. Y2K liability reform is necessary—in fact critical—legislation that we must enact. Those of us supporting the legislation must be open to reasonable changes necessary to make the bill move, and those with legitimate concerns about the bill need to work with us to help address them. I hope we can all work together to get this done.

CLOTURE MOTION

The PRESIDING OFFICER. All time for debate has expired. Under the previous order, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the pending amendment to Calendar No. 34, S. 96, the Y2K legislation:

Senators Trent Lott, John McCain, Rick Santorum, Spence Abraham, Judd Gregg, Pat Roberts, Wayne Allard, Rod Grams, Jon Kyl, Larry Craig, Bob Smith, Craig Thomas, Paul Coverdell, Pete Domenici, Don Nickles, and Phil Gramm.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on amendment No. 267 to S. 96, the Y2K legislation, shall be brought to a close?

The yeas and nays are required under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from New York (Mr. MOYNIHAN) is absent due to surgery.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN), would vote ''no.''

The PRESIDING OFFICER (Mr. ALLARD). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 52, nays 47, as follows:

[Rollcall Vote No. 95 Leg.]

YEAS—52

| | | |
|---|---|---|
| Abraham | Frist | McConnell |
| Allard | Gorton | Murkowski |
| Ashcroft | Gramm | Nickles |
| Bennett | Grams | Roberts |
| Bond | Grassley | Roth |
| Brownback | Gregg | Santorum |
| Bunning | Hagel | Sessions |
| Burns | Hatch | Smith (NH) |
| Campbell | Helms | Smith (OR) |
| Chafee | Hutchinson | Snowe |
| Collins | Hutchison | Stevens |
| Coverdell | Inhofe | Thomas |
| Craig | Jeffords | Thompson |
| Crapo | Kyl | Thurmond |
| DeWine | Lott | Voinovich |
| Domenici | Lugar | Warner |
| Enzi | Mack | |
| Fitzgerald | McCain | |

NAYS—47

| | | |
|---|---|---|
| Akaka | Edwards | Lieberman |
| Baucus | Feingold | Lincoln |
| Bayh | Feinstein | Mikulski |
| Biden | Graham | Murray |
| Bingaman | Harkin | Reed |
| Boxer | Hollings | Reid |
| Breaux | Inouye | Robb |
| Bryan | Johnson | Rockefeller |
| Byrd | Kennedy | Sarbanes |
| Cleland | Kerrey | Schumer |
| Cochran | Kerry | Shelby |
| Conrad | Kohl | Specter |
| Daschle | Landrieu | Torricelli |
| Dodd | Lautenberg | Wellstone |
| Dorgan | Leahy | Wyden |
| Durbin | Levin | |

NOT VOTING—1

Moynihan

The PRESIDING OFFICER. On this vote, the yeas are 52, the nays are 47. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS-CONSENT REQUEST

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now resume consideration of S. 96, and the last amendment pending to S. 96 be modified with the changes proposed by Senators DODD, WYDEN, HATCH, FEINSTEIN, BENNETT, and Senator MCCAIN which I now send to the desk. And I send a cloture motion to the desk to the compromise amendment.

The PRESIDING OFFICER. Is there objection?

Mr. HOLLINGS. Most respectfully, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LOTT. Mr. President, for the information of all Senators, this cloture vote would have occurred, if consent had been granted, on Monday on the so-called compromise worked out among the chairman and Senator DODD, Senator FEINSTEIN, and others as mentioned above.

Let me say, I appreciate the effort of the chairman. I appreciate the effort, the work, and the willingness to try to find an adequate solution by Senator WYDEN. And Senator FEINSTEIN has been involved, and a number of others, Senator DODD, obviously.

But in light of this objection, I do not intend to bring this bill back before the Senate until consent can be granted by the Democrats. And if it is predicated on agreement that we open this up for every amendment in the kitchen, then it is over. Or until we get a commitment that we are going to get the votes for cloture and get a reasonable solution to this problem, I think it would be unreasonable for me to waste the Senate's time with any further debate or action on this amendment.

We need to do this. We can do it. But I am prepared now—if everybody is ready, we will just say it is over, the trial lawyers won, and we will move on to the next bill. But I am willing to be supportive of Members on both sides of the aisle who, acting in good faith, want to get this done.

We should do it. This is a reasonable approach. There is no reason we should use the Y2K computer glitch as an opportunity for a litigation bonanza. I am a lawyer, and everybody in this Chamber knows I have relatives who would be very interested in this. But I am interested in what is fair and what is right. We need to do this. The negotiations have happened. Concessions have been made. But, frankly, I am ready to move on to something else, unless we can get this done. So I do not intend to do anything else until we hear some solution to this problem.

I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democrat leader.

Mr. DASCHLE. Mr. President, I am disappointed with the announcement just made by the majority leader. I

think, as others have already indicated, that we have made extraordinary progress in the last couple of days. That would not have happened without Senator DODD, Senator WYDEN, Senator KERRY, Senator MCCAIN, and a number of other Senators who have been very involved in bringing us to this point.

I am disappointed, as well, that there was an objection to returning to the Y2K bill, because we were making real progress toward improving the bill. I believe that negotiations have delivered progress, even though more improvements will be needed. I support proceeding back to the Y2K bill. I support keeping the negotiations going. I want a bill. I think we will get a bill. I think it is important we get a bill.

I also think, however, that there were unfortunate decisions made by the majority about how we consider legislation on the floor. We are negotiating all of this off the floor. I would much prefer to have a good debate and offer amendments. The amendment tree is filled. We are not able to offer a Democratic amendment—relevant or not relevant. So we are relegated to negotiating off the floor. And we are making progress even in that context. I only wish we would recognize in this Chamber all the rich tradition of debate in the Senate and we would have the opportunity to offer amendments and debate them, dispose of them, and move on.

Senator MCCAIN has suggested that. So I am not necessarily accusing the manager of any effort to keep us from having those amendments. But I will say this. We will not be gagged when it comes to our ability to offer amendments. It is religion. And it ought to be religion on both sides. It is a fundamental question about fairness, about rights, and about any one Senator's opportunity to participate fully in the debate and consideration of any important legislation.

So I am frustrated that the tree is full. I am frustrated that we are not able to move this process forward in the normal, open process under which we should consider any bill, especially this one. But I am also hopeful that we will come to some resolution. I am hopeful that we will find compromise. I know we will pass this legislation before long.

I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. Senator MCCAIN is recognized.

Mr. MCCAIN. Mr. President, could I first say, before Senator DASCHLE leaves the floor, that having been in the minority for the first 7 years or 8 years I was here, I certainly have sympathy with his frustration. The great strength of the Senate is that not only does every Senator have the right to be heard but the minority does also. But I also think Senator DASCHLE realizes that if we allow any amendment on any subject with extended debate, then the body does not move forward.

I have not seen a better relationship than the one that exists between Senator DASCHLE and Senator LOTT. It is one of friendship and it is one of cooperation. I think the legislative accomplishments which have been achieved during Senator LOTT's and Senator DASCHLE's stewardship have been incredibly impressive, really.

I think perhaps it would be best for us to recognize that there is virtue on both sides of the argument, especially in light of, for example, yes, the tree is filled, but I did state, and the majority leader stated, we would be glad to vitiate one of those parts of the tree so that we could take up relevant amendments. I think that was made clear. So with the tree filled, there was the opportunity to debate relevant amendments.

I also comment that, as Senator DASCHLE pointed out, it is not really best to have all of this progress done off the floor in negotiations. I can't express a deep enough appreciation to Senator DODD, Senator WYDEN, Senator FEINSTEIN, Senator HATCH, and Senator BENNETT for their efforts, and others, and those of Senator KERRY of Massachusetts. From a personal standpoint, I express my sympathy for Senator DASCHLE's frustration. But at the same time, I do believe we could have moved forward with debate and votes on this issue.

I really appreciate his comments about his commitment to seeing this bill pass, because we really do have to pass this legislation. We will engage in further negotiations. But between now and early next week, what I would sincerely hope is that all of us—the majority leader and Senator DASCHLE would urge all of our colleagues to get together, come up with a set of amendments, as we usually do when this process comes to an end, come up with a set of relevant amendments, a time period associated with it, and get this thing done so we do not have to have another cloture vote and not have this very vital issue addressed.

Again, I also say that these amendments are important. I know the Senator from South Carolina feels very strongly about many of them. But it is time, really, that we started going through that process, even though we are bringing the bill down today.

Again, I express my appreciation to Senator FEINSTEIN, Senator WYDEN, and Senator DODD on this very important issue.

Mr. President, I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I just want to ask unanimous consent that a list of amendments in the 103rd Congress—the last Congress, of course, that the Democrats were in the majority was the 103rd Congress. I would be remiss if I did not submit for the RECORD right now a list of amendments that were not relevant that were offered by Republicans to legislation during the 103rd Congress. There were at least 19 nonrelevant amendments offered, and this may not be the complete list. We may update this as time goes on.

This issue of relevancy is interesting because it was never an issue in the 103rd Congress. Nonrelevant amendments were added. That list details a number of things. In fact, the manager of the bill today, Senator MCCAIN, had a nonrelevant amendment on the motor voter bill that would have allowed certain rescission authority on the part of the President. The Senator from Arizona also offered a nonrelevant amendment to the unemployment compensation bill in December, 1993. The amendment was to eliminate the Social Security earnings test.

The ability to offer nonrelevant amendments has been part of the consideration and deliberation of legislation here in the Senate for every Congress, including the 103rd Congress when we were in the majority.

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

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

GOP NON–RELEVANT AMENDMENTS—103RD CONGRESS

| Vote No. | Date | |
|---|---|---|
| 9 | 2/4/93 | Family and Medical Leave (H.R. 1, P.L. 103–3)—Mitchell motion to table Dole, et al., perfecting amendment to Dole, et al., amendment (as amended by Mitchell amendment—Vote No. 8): Directs Congress to conduct thorough review of all executive orders, DOD directives, and regulations of military departments concerning appointment, enlistment, and retention of homosexuals in armed services before July 15, 1993; specifies that all such orders, directives or regulations in effect on January 1, 1993, shall remain in effect until review is completed, unless changed by law; requires President to submit any change to this policy to Congress as bill; and sets forth expedited procedures for Senate and House floor consideration. (62–37) |
| 27 [1] | 3/10/93 | Motor Voter (H.R. 2)—McCain motion to waive Budget Act to permit consideration of McCain et al., amendment: Permits President to rescind all or part of appropriations bill if he determines, and notifies Congress within 20 days, that rescission would help balance Federal budget and not harm national interests; deems rescinded budget authority canceled unless Congress passes disapproval bill and overrides expected Presidential veto; and contains expedited procedures for Senate floor consideration. (45–52) |
| 109 | 4/29/93 | Department of Environmental Protection (S. 171)—Glenn motion to table Nickles-Reid, et al., modified amendment: Requires Comptroller General and GAO to prepare impact statement to accompany each bill, resolution, or conference report before it may be reported or considered by either House of Congress that describes legislation's impact on economic growth and employment, on State and local governments, on ability of U.S. industries to compete internationally, on Federal revenues and outlays, and on gross domestic product; requires Executive Branch agencies to prepare such impact statements to accompany their proposed and final regulations; and requires brief summary statement if aggregate effect of legislation is less than $100 million or 10,000 jobs. (50–48) |
| 120 [1] | 5/13/93 | RTC Funding (S. 714, 103–204)—Gramm motion to waive Budget Act to permit consideration of Gramm-Mack-Brown amendment: Extends discretionary spending caps and sequestration for Defense, International, and Domestic budgetary categories through FY 1998. (43–53) |

GOP NON–RELEVANT AMENDMENTS—103RD CONGRESS—Continued

| Vote No. | Date | |
|---|---|---|
| 160 [1] | 6/22/93 | Supplemental Appropriations, 1993 (H.R. 2118, P.L. 103–50)—Roth motion to waive Budget Act to permit consideration of Rom, et al., amendment: Provides capital gains tax cut indexed for inflation, 150 percent depreciation expense increase, $2,000 tax deductible IRA for all taxpayers, jobs tax credit for new hiring, repeal of luxury taxes, and passive loss reform for real estate; and offsets cost by eliminating Federal retirement lump sum benefit, freezing domestic discretionary spending for five years, reducing Federal employment by 150,000, and imposing Medicare secondary payor reform and reducing Federal aid for mass transit. (39–59) |
| 197 | 7/20/93 | Hatch Act Reform (H.R. 20, P.L. 103–94)—Sasser-Glenn motion to table Domenici, et al., modified amendment: Expresses sense of Senate that President should submit supplementary budget as required by law no later than July 26, 1993. (56–43) |
| 206 | 7/22/93 | National Community Service (H.R. 2010, 103–82)—Moseley-Braum motion to table Helms amendment: Extends design patent for insignia of United Daughters of Confederacy for 14 years. (48–52) |
| 207 | 7/22/93 | National Community Service (H.R. 2010, 103–82)—Bennett motion to reconsider vote No. 206 by which Senate failed to table Helms amendment: Extends design patent for insignia of United Daughters of Confederacy for 14 years. (76–24) |
| 208 | 7/22/93 | National Community Service (H.R. 2010, 103–82)—Moseley-Braum motion to table Helms amendment: Extends design patent for insignia of United Daughters of Confederacy for 14 years. (75–25) |
| 327 | 10/26/93 | Emergency Unemployment Compensation (H.R. 3167, 103–152)—Hutchison motion to waive Budget Act to permit consideration of Hutchison-Shelby, et al., amendment: Eliminates retroactivity of Tax increase on upper income individuals: makes effective date of estate and gift tax rates August 10, 1993; cuts discretionary spending caps for agency and departments operating expenses by $36 billion over three years; and exempts DOD expenses from these cuts in FY 1994. (50–44) |
| 337 [1] | 10/27/93 | Emergency Unemployment Compensation (H.R. 3167, 103–152)—Gramm motion to waive Budget Act to permit consideration of Gramm amendment: Reduces discretionary spending caps for FY 1994–98 by amount comparable to savings achieved from termination of superconducting super collider. (58–39) |
| 338 [1] | 10/27/93 | Emergency Unemployment Compensation (H.R. 3167, 103–152)—McCain motion to waive Budget Act to permit consideration of McCain amendment: Eliminates Social Security earnings test for individuals age 65. (46–51) |
| 339 | 10/28/93 | Emergency Unemployment Compensation (H.R. 3167, 103–152)—Nickles-Shelby amendment: Creates point of order against any bill, amendment, joint resolution, motion, conference report or amendment between House and Senate which increases taxes retroactively and provides for waiver by affirmative three-fifths vote of all Senators, during time of war, or after adoption of joint resolution declaring that military conflict in which U.S. is engaged is serious threat to national security. (40–56) |
| 28 | 2/8/94 | Goals 2000: Educate America Act (H.R. 1804, 103–227)—Helms amendment: Prohibits use of funds by DOE or HHS to support or promote distribution or provision of, or prescription for, condoms or other contraceptive devices or drugs to unemancipated minor without prior written consent of parent or guardian. (34–59) |
| 36 | 2/9/94 | Emergency Earthquake Supplemental Appropriations, 1994 (H.R. 3759, P.L. 103–211)—D'Amato amendment, as amended: Extends to December 31, 1995, or date on Resolution Trust Corporation (RTC) is terminated, whichever is later, statute of limitations for RTC to file civil lawsuits for certain tort actions responsible for thrift failure. (95–0) |
| 44 | 2/10/94 | Emergency Earthquake Supplemental Appropriations, 1994 (H.R. 3759, P.L. 103–211)—Byrd motion to table McConnell-Dole-Nickles amendment: Expresses sense of Senate that report and related documents pertaining to disclosure of Bush Administration files should be made available to Congressional Offices with legitimate oversight interests; confidentiality of report should be protected by Congress until Office of Inspector General (OIG) releases and OIG should report in writing to Majority and Republican Leaders why such procedures were not observed in release of OIG report entitled ''Special Inquiry into the Search and Retrieval of William Clinton's Passport File'' and his reason for declining to prosecute case. (55–39) |
| 53 | 3/10/94 | National Competitiveness (H.R. 820)—Glenn motion to table Wallop, et al., modified amendment: Requires agencies to submit regulatory flexibility analysis of all proposed regulations. (31–67) |

GOP NON–RELEVANT AMENDMENTS—103RD CONGRESS—Continued

| Vote No. | Date | |
|---|---|---|
| 251 | 8/2/94 | Improving America's Schools (H.R. 6, P.L. 103–382)—Biden motion to table Gramm-Dole amendment: Expands Federal jurisdiction to all State crimes of violence and drug trafficking where gun is used and provides for minimum penalties for illegal use of firearm; permits waiver of these penalties for drug offenses under specifically defined circumstances; establishes mandatory minimum sentence for distribution and trafficking of drugs by person under age 18; permits admission of evidence of previous assault or child molestation offense in criminal or civil cases involving these offenses; and requires attorney for government to disclose such to defendant at least 15 days before scheduled date of trial or at such later time as court may allows for good cause. (55–44) |
| 268 | 8/10/94 | DOD Appropriations, 1995 (H.R. 4650, P.L. 103–335)—Inouye motion to table Helms amendment (to Committee amendment): States sense of Senate that major health care reform is too important to enact in rushed fashion, and Congress should take whatever time is necessary to do it right deferring action until next year in order to give Congress and American time to obtain, read, and consider all alternatives, unless Senate has had full opportunity to debate and amend proposal after CBO estimates have been made available. (54–46) |

[1] 3/5ths majority.
[2] 2/3rds majority.

Mr. DASCHLE. Mr. President, I yield the floor.

The PRESIDING OFFICER. Is the Senator from Texas seeking recognition?

The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, the distinguished majority leader alluded to the fact that he had relatives that were trial lawyers. That puts me in the position of qualifying to even speak. Let me first say that I am proud to be a trial lawyer. No trial lawyer has called me or talked to me about this bill. They don't need to. They know and understand.

Now, what happens is, when you grow up in a small town, you get a varied experience. I am also known as a good business and corporate lawyer. I represented a grocery chain that had 125 Piggly Wiggly stores all over, and we were sued for antitrust. I won that going all the way to the Supreme Court.

I know about frivolous suits. I represented the local transit company, the South Carolina Electric and Gas. Every November, somehow everybody slipped down on the bus. They got their arm caught in the door. They tripped up on the floor. They were small cases, but the attorneys who preceded me handling them didn't want to try them. It is Christmastime, New Year's.

I backed them all up. We tried them all. We won them all. I saved that corporation millions of dollars. I am the first southern Governor to get a AAA credit rating from Standard & Poor's and Moody's. I know about business responsibility.

Now, we trial lawyers have had the fortune to represent people who have been dying of asbestosis, and then we have the young ladies who had the breast implants, and then moved to the tobacco. But here now for a change it is trial lawyers. We are beginning to get credibility. We are representing small businesses, with $20,000 in their pockets or more. You don't go down and buy a computer for $20. And small business people are buying that instrument. I wish they would read Business Week. I wish they would listen to Kaiser Permanente in California, how they are absolutely opposed to this particular bill, and that it would hurt the health industry. I wish they would read the record whereby the individual doctor came from New Jersey. He said he had—I can't remember the exact name so I don't want to refer to it incorrectly—a supplier. He bought the computer in 1996, and the salesman bragged about how it was going to be Y2K compliant. It would last for over 10 years and on and on.

And then he found out last year that it wasn't compliant. You see, you don't have to wait until January 1. This is an important point for the Senate to understand. You don't have to wait for January 1.

This is all political applesauce. You don't have to wait until January 1, when you go in and buy a computer, and everybody who reads the newspaper and anybody with $20,000 in their pocket knows now the Y2K problem.

He asked that it be fixed, and they did not even answer when he called a couple of times. Then he wrote a letter. And after a couple of months passed, he decided that he had to get a lawyer. He was told that it would be $25,000. Now, mind you me, he only paid $16,000 for the computer, but it would be $25,000 to make it Y2K compliant.

So as a result, they brought the suit, and somehow it got on the Internet. The next thing you know, this particular supplier had 17,000 doctors similarly situated. And immediately the supplier said, oh, yes, we will fix it for free and even pay the lawyers' fees to get out of this thing. But that is the cost/benefit of some of these businesses.

We have been into this tort thing. We have the Uniform Commercial Code. We have the States. No State attorney general is running around saying we need a national approach and to do away with 200 years of history of the Constitution under the 10th amendment, and tort law and all the trial codes of America. The State of Colorado has a good bill, not like this incidentally, which brings me to the real point about negotiating.

The crowd that says this is nonnegotiable has been running around trying to pick up votes. That is what the negotiation has been about. I just read the amendment to the amendment to the amendment. When it first started, even chambers of commerce said, this is too violating and we are not going to get away with this. They actually opposed the bill when it was first introduced. Then they got this McCain bill. Then they got the McCain-WYDEN bill. Then they got the amendment, and

now we have the amendment to the amendment. It showed how objectionable it was.

It is tricky. They are still plying downtown. Tom Donahue has been out in the hall saying what we will go with.

This is a political exercise. There is not a national need for Y2K legislation, as the Washington Post just this morning said. The communities know and understand. This is certainly not a conservative newspaper. I have introduced it. ''Liability legislation for the Y2K problem can await the Y2K.''

But it is a political problem, if you can identify with Silicon Valley and get their money and get their votes. They collected 14 million last night and they have to perform. The rich expect a fight, and you have to show you are fighting. You don't care about Y2K and the person buying a computer and everything else of that kind. It is taken care of; it is a nonproblem.

Read Business Week, March 1 issue. All the blue chip corporations of America have notified their suppliers to be compliant by the end of April, this year, 7, 8 months ahead of time.

So we are talking about a problem that is a nonproblem. It is certainly not a Federal problem, but it is a national political problem between the parties.

Yes, some on this side think they can get in bed with the Silicon Valley boys who want a capital gains tax cut. They want estate tax cuts. We have heard it. The bills are running all around. That is the crowd that is shoving them. If we can just give them a little bit, I can go out and get a fund-raiser. That is what is going on.

When you refer to the trial lawyers, we trial lawyers are finally getting a little credibility. We are representing good, responsible, financially solvent clients, not an injured party who is hurt from smoking or from a breast implant or dying from asbestosis and doesn't have any money, and can hardly pay the doctor, much less the lawyer. How are they going to get into court? Like I am committing some civic offense by representing them—Mr. President, I do not get a dime unless I win. What does winning mean? Winning means drawing the pleadings and negotiating, because I know you don't make money in court. But, by gosh, you might have to go to court.

And then you have to get the jurors. Then they will think of other things to get up on appeal. And I have to go all the way and pay all the expenses—investigation, court expenses, and everything else. That is the contingent fee process, so the indigent poor in this America can get their day in court. It has worked for 200 years.

It is not the crowd where we have former Senators still indebted, having been investigated, $450 an hour, sitting down with the mahogany walls and the blooming Oriental rugs. I want a continuance. I want a continuance. No trial lawyer is frivolous. He doesn't want a continuance. He has to move it along. Like Senator MCCAIN says, ''Let's move it along.'' The trial lawyers are a move-along crowd. But when they see a fixed jury, then they say, wait, lets stop, look, and listen.

I earlier remarked on something here. Kenneth Starr is in the morning news trying to interview the jury after the verdict. We understand, from this particular charade, that you have to interview the jury before the verdict, because we are the jury and they are running around with all of these entities. I can't do it. The Chamber of Commerce, the Business Roundtable, NFIB—they are all running around—are you for tort reform? I am for tort reform. We have had it in South Carolina. It is a good bill. It practices there. I get in all the industries, and no businessman in my backyard is complaining. I have the best of the best. Give me the blue chips. I have GE, Westinghouse, BMW, Hoffman-LaRoche. Give me the best of the best.

I went out to Bosch not long ago. They make the antilock brakes for Mercedes and Toyota, and they have a contract for all GM. I asked the gentleman who was briefing us, ''What about product liability on defective antilock brakes?'' He said, ''No, every one of these is numbered. We would know immediately where it went wrong.'' That is what trial lawyers have caused. They have caused the utmost care in production. You have quality care and you ought to be proud of it. That is how you get productive—not on a State tax cut or a capital gains tax cut.

Let the trial lawyers show you the way for quality production. We get on them when they give you a bad article. That is what we argued about here when they referred to the trial lawyers as if there is something wrong with them. I am proud that we can be able to represent people with money for a change. So I am ready to stay here and object.

If there were some negotiations, it would be better while we move on some other legislation. They need to get a reasonable bill that doesn't change all the tort law or joint and several and these other things they have in there, where you just sue them and they say, ''That part was made in India, so go out to New Delhi and see if you can find them''—come on. No small businessman or doctor has the wherewithal to do that. They have no recourse. They are trying to take away individual rights on a political bum's rush.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, there is a lot I would like to say in response to Senator DASCHLE's remarks and Senator HOLLINGS' remarks. Some of it would probably be better left unsaid, but I must comment.

Regarding amendments, I reiterate what Senator MCCAIN, the manager of the legislation, said. Amendments that are relevant to this bill, germane to this bill, we ought to do that. That is why I left a window in the parliamentary procedure yesterday so we could do that. Unfortunately, the Senator from Massachusetts showed up and stuck in a totally irrelevant amendment, and I felt that that was an abuse of my good-faith effort. But we can still do that. If Senator DODD, Senator ROBB, or some other Senator has an amendment with regard to Y2K, OK, that is the way you legislate. But the idea that we are going to have a political legislative agenda dumped off on this bill, which is a very thinly veiled effort to kill the bill—that is really what is at stake here—any majority leader would be certainly unwilling to agree to that.

I offer this to Senators again: If we have relevant amendments, we will be glad to do that.

Let me talk for a moment about what this bill does. It seems to be a little bit clouded by the debate. It provides time for plaintiffs and defendants to resolve the Y2K computer problems without litigation—without litigation. That sounds like a good idea to me. Those who think the solution to the problem in America is more lawsuits, I don't think they have been talking to the real world. I am a lawyer. But the idea that we ought to just have more opportunities to file lawsuits—I understand lawyers are calling the families of the poor victims in Colorado and saying, ''Can we sue somebody for you?'' That makes me sick to my stomach, that in this moment of grief, members of my profession would call and say, ''Let me sue somebody for you.''

No, the answer is not more lawsuits in America. The answer is solutions, opportunities for resolution, sanity, for Heaven's sake. So we would like to have a process here where we don't always have to resort to litigation. Wonderful lawsuits. Great. I don't believe the American people want that.

This bill reiterates the plaintiff's duty to mitigate damages and highlights the defendant's opportunity to assist plaintiffs in doing that by providing information and resources. Does that make sense? Why, sure. It is giving them help to solve the problem. This is a unique problem, one we have never had before. Shall we rush to the courts? No. Should we try to find a way to resolve the problem for all concerned? Yes.

The bill provides for proportional liability in most cases, with exceptions for fraudulent or intentional conduct, or where the plaintiff has limited assets.

Are there legitimate causes for court actions? Yes. I don't have the extensive practice background that the distinguished Senator from South Carolina has, but I practiced a little law and I did some corporate work and some public defender work, and I filed some lawsuits because I thought they were necessary. I can remember a medical malpractice case that I thought was justified. Yes, there are cases, but they should be only after other avenues have been pursued where there is fraud or intentional misconduct.

This bill protects governmental entities, including municipalities, schools, fire, water sanitation districts from punitive damages. Should there be some general protection for the school districts from being sued? Sure.

The bill eliminates punitive damage limits for egregious conduct while providing some protection against runaway punitive damage awards. Do we need some protection here? You see lawsuits out here in some States for $40 million, and it is totally inexplicable and, in my opinion, indefensible.

It provides protection for those not directly involved in a Y2K failure. And it is a temporary measure. We are not trying to have product liability reform on this bill or tort reform—although we ought to have both, in my opinion, and the sooner the better. I can't wait until we can get it done. But this is a temporary measure to deal with a temporary, one-time problem. It sunsets January 1, 2002.

I want to emphasize that it does not deny the right of anyone to redress their legitimate grievances in court.

What is at stake here? What is going on here? Some people don't want this bill at all, pure and simple. To the credit of the Senator from South Carolina, I don't think he has denied that. His goal is to defeat this bill. For every name of people out here in the hall on the business side, I can assure you there is somebody on the other side. But the idea that we are going to resort to the courts to solve all of the problems in America, and the insinuation that this bill is some sinister plot to block legitimate legal action, I just find that wrong.

I think it is a good effort. I hope we get it done. But I am willing to stand on this line right here. Those who just voted against cloture can live with it, as far as I am concerned, and they can explain it to their constituents—big businesses, small businesses, farmers, people who are going to get sued if we don't do this, when it is not even necessary.

So if this bill dies on this line, it is OK with me, because I think the blame is clear. But I am not going to be a part of shenanigans here, to have an agenda dumped on this bill that would result in killing it. We are not going to keep spinning our wheels. We are going to come up with a legitimate compromise solution, and we are going to vote and move or not—either way. If anybody in this Chamber thinks the solution to the Y2K problem is more lawsuits, I don't believe they have talked to the people in America.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

(The remarks of Mr. KYL, Mrs. HUTCHISON, and Mr. HOLLINGS pertaining to the introduction of S. 912 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. HOLLINGS. Mr. President, let me thank the distinguished Senator from Texas. She is right on target. We have graduated over 2,000 agents from the finest school down there for Border Patrol agents. Two who trained there have already been killed.

I have visited from time to time. The matter of pay is the issue. We advertise and we solicit in the local area over the entire State—and nationally—and it is a pay problem.

I hope we can confront it.

Mr. President, I will say a word about the majority leader's rejoinder relative to this legislation.

He points out specifically that without litigation, we have time; it gives an avenue, gives 90 days in time, to fix the problem.

Mr. President, this Senator knows, rather than fixing the problem, they are trying to fix the defendants and see if, on a cost-benefit basis, they can move the problem out to India or some other supplier that is indigent or bankrupt or otherwise; that is what they do during the 90 days.

We do not need in law a 90-day waiting period before you can file. Nobody is filing immediately. Nobody wants to get to court. These businesspeople don't run down and get a lawyer. They do as the doctor did in his testimony before the Commerce Committee: He called and called, and he wasn't called back; then he wrote the letter; he spent $16,000 for a computer, and in a year's time he had to pay $25,000 just to be Y2K compliant.

We live in the real world. Why is this gimmick on all legal proceedings all of a sudden given a 90-day extension for fixing the problem? For an individual running a little corner grocery store with a computer that goes down, if they call the company and don't have the money to make it Y2K compliant, in 90 days they are out of business. They are still waiting around while they are maneuvering with their lawyers.

These manufacturers who are sued have lawyers on retainer sitting up on the 32nd floor wondering when they can get off to play another golf game or when they can get another continuance. They think about how to stay out of the courtroom and how to get the clock running. It is a bad provision.

Let me agree with the distinguished majority leader and say I agree that no bill is needed. We find out after all of the debate, here comes the Washington Post that says, wait a minute, the market is fixing it now. On January 1, if there is a real problem that the States can't handle, there are courts in all the States, and if they can't handle it, we have a national problem, fine. But don't use Y2K as an instrument to distort the tort system and get through what they haven't been able to get through for the past 20 years.

I yield the floor.

## GUIDANCE FOR THE DESIGNATION OF EMERGENCIES AS A PART OF THE BUDGET PROCESS

The PRESIDING OFFICER (Mr. BUNNING). The Senate will now resume consideration of S. 557, which the clerk will report.

The bill clerk read as follows:

A bill (S. 557) to provide guidance for the designation of emergencies as part of the budget process.

The Senate resumed consideration of the bill.

Pending:

Lott (for Abraham) amendment No. 254, to preserve and protect the surpluses of the social security trust funds by reaffirming the exclusion of receipts and disbursement from the budget, by setting a limit on the debt held by the public, and by amending the Congressional Budget Act of 1974 to provide a process to reduce the limit on the debt held by the public.

Abraham amendment No. 255 (to Amendment No. 254), in the nature of a substitute.

Lott motion to recommit the bill to the Committee on Governmental Affairs, with instructions and report back forthwith.

Lott amendment No. 296 (to the instructions of the Lott motion to recommit), to provide for Social Security surplus preservation and debt reduction.

Lott amendment No. 297 (to amendment No. 296), in the nature of a substitute.

The PRESIDING OFFICER. The Senator from Maine.

Ms. COLLINS. Mr. President, I ask unanimous consent I be permitted to proceed as in morning business not to exceed 15 minutes.

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

(The remarks of Ms. COLLINS pertaining to the introduction of S. 913 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

Mr. SMITH of New Hampshire. I thank the Chair.

(The remarks of Mr. SMITH of New Hampshire, pertaining to the introduction of S. 914 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. SMITH of New Hampshire. Mr. President, I ask unanimous consent for an additional 5 minutes.

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

## TED GUY, AN AMERICAN HERO

Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to an American hero. We could use some heroes today, of all days, considering the last few days we have had in America. But I rise today to pay tribute to retired Col. Theodore Wilson Guy, United States Air Force, from Missouri. Ted Guy, nicknamed the ''Hawk'' by those who knew him best, was a genuine American hero. He was best known for having sacrificed his freedom for his country as a U.S. POW during the Vietnam war. But aside from being a hero, perhaps more importantly, Ted would say he was a husband, a father, a brother, and a friend to many, including myself. Last Friday, April 23, 1999, Ted passed away only 6 months after discovering symptoms associated with leukemia.

I will always remember Ted Guy for the encouraging faxes and e-mails he used to send to my office, especially during the investigation conducted by the Senate Select Committee on POW/MIA Affairs, which I cochaired in the early 1990s. I gained a lot of strength from those inspiring messages from this hero. Ted will never know, but I want his family to know how much those messages meant to me.

Ted felt strongly that our Government needed to do more to account for his missing comrades from the Vietnam war. He traveled at his own expense to Washington, DC, to the Halls of Congress, to make this point.

Ted was right to be concerned about our Government's handling of the issue of POWs and MIAs, and with his support, and the support of his fellow veterans and family members of POWs and MIAs, we have made significant progress in opening the books, declassifying the records, and pressing foreign governments for answers over the last decade.

However, as Ted continued to maintain up until his last days with us, there is still much work to be done with our accounting effort, and I, for one, am committed to seeing this issue through, in part because of people like Ted.

I commit to you, Ted, we will keep working. We owe it to you.

I say to the youth of America, if you want a role model to aspire to and to inspire you, they do not come any better than men like Ted Guy. When looking for a hero, oftentimes young people look to professional athletes or others. You want to remember that a hero is not only somebody you care for, but if they are a real hero, that person will care about you, too.

Ted joined the Air Force in 1947. He served his country as an Air Force fighter pilot for the next 26 years. He served in both the Korean and Vietnam wars flying the F–84 in the Korean theater and the F–4 in the Vietnam theater. On March 22, 1968, while attacking an automatic weapons position near the Vietnamese-Laotian border during the battle of Khe Sanh, Ted's plane was shot down and he was captured by the Communist forces.

Ted Guy was subsequently marched up the Ho Chi Minh Trail and then held in several POW camps in the Hanoi area, to include the infamous Hanoi Hilton. He was brutally tortured by the North Vietnamese to the point where he would pass out from severe beatings. He also was forced to spend nearly 4 years in solitary confinement.

He was one tough guy—Ted Guy. He did not talk about it much, though. You could not get him to talk about it. He was not looking for sympathy.

When he was finally removed from solitary confinement, he was put in a prison with more than 100 other U.S. military and civilian prisoners. He became the senior officer among them and was responsible for maintaining order, the chain of command, and the code of conduct among his fellow POWs.

His leadership and guidance helped his fellow POWs survive their ordeal. Many have said just that. Many referred to themselves as ''Hawks' Heroes'' in honor of Ted Guy.

To the code of conduct, Ted added his own personal code that consisted of two points. The first point was to resist until unable to resist any longer before doing anything to embarrass his family or his country. The second point was to accept death before losing his honor.

Ted once said:

> Honor is something that once you lose it, you become like an insect in the jungle. You prey upon others and others prey upon you until there is nothing left. Once you lose your honor, all the gold in the world is useless in your attempt to regain it.

Mr. President, Ted Guy never, never lost his honor. What an inspiration he was to all Americans. I wish more Americans could have known him personally. I wish more Americans knew more about Ted Guy. He leaves behind his wife Linda of 26 years, four sons and two stepdaughters. He touched a lot of people—so many people.

However, his unselfish and patriotic sacrifices for America and his heartfelt concerns about efforts to account for his missing comrades from the Vietnam war who never made it home were huge accomplishments. I was proud to call him a friend, and I already miss him.

As with other POWs, Ted used a tap code in Hanoi to communicate through the walls with other POWs. It was an alphabet matrix—five lines across, five lines down. Ted used to end his messages by tapping the code ''GBU,'' or ''God bless you,'' and ''CUL'' for ''See you later.''

I end my tribute with the same message to Ted: ''GBU CUL, Ted.''

Mr. President, I ask unanimous consent that the tributes to Ted Guy from his son, his POW-MIA supporters, and his dear friend and fellow POW, ''Swede'' Larson, and also a copy of the tapping code, as Ted Guy used it, be printed in the RECORD.

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

A TRIBUTE TO TED GUY, SR. FROM HIS SON, TED GUY, JR.

On Friday, April 23rd, my dad passed away. Col. Ted Guy was a man of tremendous conviction, determination and patriotism. As his son, I would like to share with you a picture of my Dad you might not have been aware of. Please read this as a tribute from a son to his Dad.

It was a little over six months ago that Linda alerted me to the fact that Dad was not feeling well and he would be undergoing some tests. The test showed the seriousness of Dad's illness. I knew Dad would do everything he could to fight the cancer, as his five year experience in POW camp had provided a glimpse of his determination. However, my concern became that he would finish well. To finish well would be to be right with God. To be right with God would be to understand and accept God's word, the Bible. To accept God's word would be to receive Jesus Christ as one's Saviour.

When I visited with Dad shortly after Christmas, I gave him a copy of the book ''Mere Christianity'' by C.S. Lewis. On the cover of the book I had written, ''Dad, I desire more than anything in life that you would spend eternity with me in heaven. I ask you to read this book with an open mind as it is written by a 'wanna be' fighter jock, C.S. Lewis.''

Prior to giving this book to Dad, we had had discussions about Jesus Christ, but Dad felt he was pretty much a self made man and could make it on his own. But when your Dad is dying, you tend to again go the extra mile as my greatest concern was where would he spend eternity.

I am so pleased to report that Dad read the book. As he was fighting the cancer, his loving wife, Linda, would read from ''Mere Christianity'' to Dad every night before he went to bed. In addition, I gave Dad an audio cassette about the ''proof of Christ.'' About two months ago, Dad called me and said he had listened to the tape and ''it made a lot of sense.'' He also told me not to worry as he and God were going to be O.K.

Throughout these past four months, I have had the great privilege of seeing Dad do everything he could to beat the cancer. I believe he received outstanding care. I also believe the love and care shown Dad by Linda in helping him fight the cancer is a real example of loving and serving at its very best.

I have also seen Dad's heart towards God change. This change was reflected not only in what he said to people about the things of God, but this change was also reflected in the warmth and love he expressed to so many in his last days. He understood the love of Christ and the beauty of Christ's gift on the cross. But more than understanding, he accepted the gift of God through his Son Jesus Christ.

My wife, Rita, and my sons, David and Jeremy, will miss Dad. David and Jeremy will miss fishing with Granddad as well as being the only two people on the planet that could

humble him. (A 4 and 5 year old have that amazing ability.) We are so proud of the great American he was, the lives he touched and the causes he fought. His legacy of patriotism and determination will live on, we promise.

While we are proud, we are also very thankful. We are thankful Dad received Jesus Christ as Lord and Savior. Perhaps, the Lord has placed dad in a place of great need in having cancer. A place where dad could completely understand his need for Jesus Christ. If I could say one thing to my dad, it would be: ''Dad, you served, you fought, but most of all, you finished well. I am proud to be Ted Guy, Jr.''

Knowing my Dad, he would have wanted you to know he died with peace in his heart. He knew he was loved and cared for; but more than anything, he would want you to know he knew the love of God.

POW-MIA INTERNETWORK TRIBUTE TO TED GUY

Re Colonel Ted 'Hawk' Guy Passes.
Date: April 25, 1999.

From the flight lines of Korea and Vietnam, to a cell in the Hanoi Hilton, to the hallowed halls of Congress . . . Ted Guy never failed to speak his mind, do his job and command respect, awe and admiration from all who crossed his path.

And now he has passed on to a final freedom and peace.

After duty in Korea and stateside, he was transferred to Vietnam where he bailed out over Laos after one of his bombs prematurely exploded and was captured by the North Vietnamese. From the jungles of Laos, Ted was marched to Hanoi, repeatedly exposed along the way to Agent Orange. Upon reaching the Hanoi Hilton, he spent 3 years in solitary confinement and upon release to the general population, assumed his role as Senior POW Officer (SRO).

He was badly beaten, tortured and as a result of extreme mistreatment during captivity, he was retired shortly after his release during Operation Homecoming.

Ted rallied family members, activists and Ex-POWs the same way he rallied his men . . . With compassion, strength and passion. He openly spoke of his confinement, the politics of POWs and was a resounding voice of reason in an unreasonable issue and world.

The continued saturation of Agent Orange took its final toll . . . Ted was diagnosed with Leukemia as a result of AO exposure and within a scant 6 months, passed from this world.

There are no words to express how much he is respected and how much he will be missed. His voice may have been silenced, but his message will endure.

In closing he always signed his letters and e-mails to us with the POW tap code, GBU and CUL, and we were and we did . . . and we will, one day.

May your flight be swift and the winds carry you high Ted.

GBU–CUL

NATIONAL ALLIANCE OF POW/MIA FAMILIES TRIBUTE TO TED GUY

It is with deep sadness that we inform you of the passing, on April 23rd, 1999 of Korean and Vietnam War Vet and former Vietnam Prisoner of War—Col. Ted Guy. For those unaware, Col. Guy was with us, from the very beginning of the Alliance. He spoke at our first forum back in July 1990. When our website started (www.nationalalliance.org), he agreed to write the foreward for our Vietnam Pages.

Col. Guy was a strong supporter of the Live POW issue. He was never afraid to speak his mind and he stood by his convictions.

All of us in the POW/MIA issue will miss him. We have lost a dear friend and our POW's have lost a strong advocate.

A MESSAGE FROM COL ''SWEDE'' LARSON, FORMER POW—HANOI VIETNAM

It is with deep regret, that I inform you of the death of Col. Ted Guy. He passed away today, 23 April 1999, from complications associated with Leukemia. He only lived 6 months from the time of his first symptoms. He is survived by his wife Linda, two step daughters, four son's, and a brother.

Since most of you did not know Ted, and a few misunderstood him, I am going to ask your indulgence, and tell you a little about him, since I was his very close friend for 44 years.

We first met at Luke Air Force base in 1955 as young Captains instructing fighter gunnery. He had previously completed a combat tour in Korea, flying F–84's. He and I had three things in common. We both loved to fly, party, and fish. Over the years we stayed in close touch, and after his retirement, we fished together many times.

He was assigned to South Vietnam in F–4's while I was in Thailand flying out-country missions, in F–105's. When he showed up in Hanoi, I couldn't fathom how he had gotten there. After we were released, I learned that he was shot down during the battle at Khe Sanh, bailed out and captured in Laos by the North Vietnamese (they were never in Laos! -yah, right!). On the second day of his capture while he was starting his walk to Hanoi, he was heavily sprayed with Agent Orange. In the ensuing days, he walked through many areas that had been previously defoliated.

As he was captured in Laos, he was kept away from the rest of us and spent his first 3 years in solitary confinement. He was then put in with the 100 plus, Army and civilian prisoners and was the Senior Officer. He had his hands full with a group of very young, non-motivated and rebellious enlisted men. Unlike our group, (after the death of HO), he was badly treated by his captors, almost up to our release. He was badly beaten during this time for acting as SRO and on one occasion, suffered severe head injuries, which several years later resulted in his being medically discharged from the service. He had been on the ''fast track'' prior to shoot down, and had been promoted to Lt. Col. below the zone. To my knowledge, he was the only POW promoted (to 06) below the zone while a POW. Those concussions he suffered forced his early retirement.

He was not an active member of our group, primarily because he did not know or serve with any of us in Hanoi. He also felt that even though our group elected to be non-political, we should have made an exception and taken a prominent stand as a potential powerful lobby group, to demand a full accounting of the MIA's. He was an individual of deep loyalties, and a boundless love of his country and flag. He stood up tall against those he felt were in the wrong.

His medical specialists felt that his Leukemia was a direct result of his repeated heavy exposures to Agent Orange. The Veterans Administration however, in their infinite wisdom felt otherwise, and denied his emergency claim for Agent Orange disabilities. (Hence no DIC for his wife).

He ended up loosing a promising military career and suffered an early end to his life, in his service to his country. I shall truly miss him. Thanks for your indulgence.

GBU Ted.

SWEDE LARSON.

OBITUARY FOR TED GUY

Theodore Wilson Guy, 70, of Sunrise Beach, Missouri, died April 23, 1999, at St. Marys Health Center.

He was born April 18, 1929, in Chicago, a son of Theopholus W. and Edwina LaMonte Guy.

He was married October 18, 1973, to Linda Bergquist, who survives at the home.

A 1949 graduate of Kemper Military College, he served as a pilot in the Air Force until his retirement in 1973 as a colonel. A veteran of the Korean and Vietnam wars, he received a Silver Star, the Distinguished Service Medal, the Distinguished Flying Cross, the Air Medal and a Purple Heart. He was a POW for five years in Laos and North Vietnam. After his retirement from the Air Force, he became National Adjutant for the Order of Daedalians.

In 1977, he became associated with TRW, assigned to Iran as Senior Tactical Adviser to the Commander, Iranian Tactical Air Command.

He was a member of St. George Episcopal Church, Camdenton.

Other survivors include: two sons, Ted Guy Jr. and Michael Guy, both of Phoenix; two stepdaughters, Elizabeth Thannum, Los Angeles, and Katherine Roth, Chicago; one brother, Donald Guy, state of Alabama; and three grandsons.

Services will be at 3 p.m. Friday at St. George Episcopal Church. The Rev. Tim Coppinger will officiate. The remains were cremated. Inurnment, with military honors, will be at a later date in Arlington National Cemetery, Arlington, Virginia.

Memorials are suggested to the Leukemia Society of America.

POW TAP CODE IN HANOI HILTON

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| 1 | A | B | C | D | E |
| 2 | F | G | H | I | J |
| 3 | L | M | N | O | P |
| 4 | Q | R | S | T | U |
| 5 | V | W | X | Y | Z |

Mr. SMITH of New Hampshire. I thank the Chair for his courtesy. I yield the floor.

Mr. GRAMS. Mr. President, I ask unanimous consent that I be allowed to speak for up to 10 minutes as in morning business.

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

(The remarks of Mr. GRAMS pertaining to the introduction of S. 916 and S. 917 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. GRAMS. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. VOINOVICH). Without objection, it is so ordered.

Mr. BROWNBACK. Mr. President, I ask unanimous consent to speak as in morning business for a period of up to 15 minutes.

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

## VIDEO VIOLENCE AND THE CULTURE OF KILLING

Mr. BROWNBACK. Mr. President, I rise to address the body today on another aspect of our culture. I have spoken several times this week about different aspects of our culture in areas that I think need desperate reform, which certainly has been highlighted by what took place in Colorado.

Today, I want to speak of video games. I have examples to show people in this body and I hope around the country of what is being marketed to our children, what is being put out there, what they are receiving.

I have kids who are in this age range. My oldest daughter is 12, my son is 11, and my youngest daughter is 9. They have some exposure to some of these notions. I rise to address one aspect of our society that I think demands attention, particularly in the wake of these tragic events.

Yesterday, I addressed the rise in popularity of music with hyperviolent, often misogynistic lyrics. More and more kids are tuning in to music which glorifies and glamorizes violence and viciousness. As the popularity and profitability of music depicting murder, torture, and rape grows, the music industry is making a killing off our kids.

The problem is not unique to the music industry. It is found in many entertainment fields. This coming Tuesday, we will hold a hearing in the Commerce Committee to examine marketing violence.

Today, I will talk about another equally troubling trend in pop entertainment, the rising popularity of gory, graphic video games. The video game industry has received far less attention than television or movies but is among the fastest growing entertainment media in the country.

Last year, the video game industry was worth more than $6 billion. Its profitability is climbing steadily and rapidly. The rise in profitability is fueled by the rise in popularity of these games. Video games are being played more often by more people and particularly more kids.

Even industry executives acknowledge that video games are a growing part of the cultural landscape. I want to put this in the context of the cultural landscape. One executive of the industry went so far as to assert in a recent Wall Street Journal article that:

Games are a primary vehicle for popular culture.

These games are.

As a father with a young son who plays a lot of video games, I can tell you, they get to spend more time with him a lot of times than anybody else does, as he plays the video games.

Although many video games are nonviolent, a growing number of companies are producing and promoting unimaginable gory, interactive video games. They are gory and they are interactive.

Consider these few examples. ''Carmaggedon'' is a highly popular video game put out by Interplay, which debuted a little over a year ago. The purpose of the game is for the player, who controls a race car, to mow down as many pedestrians as he possibly can. That is the purpose of the game, ''Carmaggedon.'' You are in the car mowing down people. Points are awarded for each pedestrian killed, and the more gruesome, the better.

Unlike some games where the player aims to kill villains, such as monsters or aliens, the targets in this game are innocent people. The game player is no longer cast in the role of vigilante but simply a cold-blooded killer.

The video game ''Quake,'' put out by Midway Games and ID Software, the same companies as producers of ''Doom,'' consists of a lone gunman confronting a variety of monsters. For every kill, he gets points. As he advances in the game, the weapons he uses grow more powerful and more gory. He trades in a shotgun for an automatic, and later he gets to use a chain saw on his enemies. The more skilled the player, the gorier the weapons he gets to use. Bloodshed is his reward. ''Quake'' sold more than 1.7 million copies its first year out.

Here are some other examples of popular games. I want to show you some of these ads, because I think they are particularly troubling in the advertisement that they use. These are ads that were all taken from a recent gaming magazine, again, aimed at a teenage audience. These are generally aimed at people under the age of 18. And I can see some of our interns and pages up front. I rather imagine they will recognize some of this advertising that I am going to show.

But I want you to look at some. Here is ''Quake.'' Just look how this is advertised, if you would, Mr. President.

Blowing your friends to pieces with a rocket launcher is only the beginning . . . .

Sound familiar?

Whether you are in search of the ultimate online frag-fest or looking for the latest Quake news, information player ranks, or skins—the Imagine Games Network has it all.

It talks about ''[b]lowing your friends to pieces with a rocket launcher is only the beginning. . ..'' Unfortunately, does that sound like a news headline?

Let's look at the next one we have up here. And I want to point out, before I get to the real graphics of it, it is rated 14. So there is actually a rating system on video games. So this one is supposed to be purchased by people under the age of 18. It is rated to do so.

Listen to the title of this one. Look at how this one is advertised at the very top. ''Kill Your Friends Guilt Free'' is the advertising. ''Kill Your Friends Guilt Free.''

If you consider yourself a fighter kind of surg, Guilty Gear comes highly recommended. No true fan can be—

This is online here. What else do we have of this one? ''Fighting games.'' You can see the rest of it, and the gory details. It is rated for teens. This is rated for kids under the age of 18.

''Kill Your Friends Guilt Free.'' Does that sound horrible?

This is an actual game screen, really. This is of a very popular game.

It is built on the revolutionary Quake II engine kingpin. Life of crime. Includes a multiple player gang bang deathmatch for up to 16 thugs.

I think you can see the blood splattering here at the side in which different people are blown away.

One other point I want to make about this is that we will have people testify at our hearing about the desensitization that this does to people to allow and even empower them to do things to people that are not even imaginable, but after you spend so much time looking at and studying the screen and shooting at and blowing up people, the desensitization process happens.

We will have an expert witness testifying that that allows you to do things that you would otherwise have an internal mechanism in you saying, no, you cannot do that; no, you do not do that. But after hour after hour of the blood and guts, it has a desensitization to it.

These are advertisements.

Look at this one. Look at this one: ''Deploy. Destroy. Then relax over a cold one.''

''Deploy. Destroy.'' And ''[t]hen relax over a cold one.''

On this one you can see the little teen label. This is marketed and this is for teens to purchase. They actually are for teens to purchase.

Can you really sit there and say that the consumption of this on and on and on does not have some impact on a young mind, on a young soul?

''Deploy. Destroy. Then relax over a cold one.''

Look at this one. This one goes further than even death.

Destroying your enemies isn't enough. * * * You must devour their souls [in this one]. Legacy of Kain: Soul Reaver. As a result, stalk the shadows of Nosgoth, hunting your vampire brethren. Impale them with spears, incite them with torches, down them in water. No matter how you must destroy them, you must feed on their souls to sustain your quest, the ruin of your creator, Kain.

[Y]ou must feed on their souls to sustain your quest, the ruin of your creator, Kain.

Dark Gothic story, shift real time between material and special planes. Morph.

Those are being marketed to our kids.

The video game industry has not only deemed some of these acceptable for teens and parental consent unnecessary, but they market them to teens as well.

This may seem over the top, but they are among the more popular games around. One survey of 900 fourth to eighth graders found that almost half of the children said their favorite electronic games involved violence.

Columnist John Leo put it this way:

We are now a society in which the chief form of play for millions of youngsters is making large numbers of people die. Hurting and maiming others is the central fun activity in video games played so addictively by the young. Can it be that all this constant training in make-believe killing has no social effects?

One would think that some of these games are so violent that they are out on the fringe somewhere snubbed by respectable companies, cringing somewhere in the electronic redlight district. Not so. They are backed and distributed by some of the biggest names in the business.

GT Interactive distributes ''Quake.'' Sony Corporation is developing the ''Doom'' game, which so inspired the two young killers in Littleton, into a movie. They are making this into a movie and are in the process of negotiating with its own game division's ''Twisted Metal'' car game, where the object is to mow down innocent pedestrians.

In these games, the goal is death. Success is determined by the body count. Others' pain is your gain.

Moreover, almost all of these games are sold in toy stores. Reports indicate that they are typically arranged in alphabetical order, not by rating or age level.

It seems pretty apparent to me that toy stores are designed to appeal to children. Children are the targeted audience. Parents do not enter toy stores to buy toys for themselves. But right there on the shelves are products that are supposedly unsuitable for children.

Defenders of these games say they are mere fantasy and harmless role-playing. But is it really the best thing for our children to play the role of murderous psychopaths? Is it truly harmless to fantasize about mass murder? Is it?

We need to do better than this. I am not saying that companies do not have a right to peddle this, but it is not right to make a killing off peddling violence to our children.

Raising children is a precious duty and a precarious task. It requires nurturing, sacrifice, and lots of love. But even the most devoted parents may find it impossible to shield their child from these images and messages that surround them at school, at the mall, at a friend's house, through music, TV, movies, and video games. We can no more shield our children from a polluted culture than we can shield them from polluted air.

Just as a polluted physical ecosystem is poisoned by several sources, so our cultural ecosystem has many points of source pollution. And this is one. We all need to do our part in cleaning up our cultural ecosystem—or else we shall all be poisoned by it.

Mr. President, I am willing to share these graphics with other offices for them to look at as well. I simply ask them to look and to examine and to think as we start to explore more in this area of cultural renewal and the need for renewal of what we are actually dealing with today—how do we move forward to get to a better and a brighter day, so our children can live in a culture of life rather than a culture of violence and a culture of death? What are they receiving today versus what we want them to receive tomorrow? Can we really sit here and say that these have no impact on our children? I don't think we can.

I think we need to examine and push, each of us individually, and start down this line of saying, what is it that is being received? What sort of cultural pollution is getting to our children, and how do we improve that ecosystem? How do we get it renewed?

We can, and we have to start about this task, not by a series of censorship but first by knowledge and, by that, spreading and getting away from a culture of doom and death to a culture of life.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CRAPO). Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that I be allowed to proceed for up to 12 minutes as in morning business.

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

## ILL-CONSIDERED PROSECUTION OF FORMER AGRICULTURE SECRETARY MICHAEL ESPY

Mr. LEAHY. Mr. President, there have been a lot of interesting things in the news this week. One is a story about the Supreme Court's ruling on Tuesday. It confirms the view that many of us have held for some time. Special Prosecutor Donald Smaltz was overreaching, at the very least, in indicting and trying former Secretary of Agriculture Mike Espy. Mr. Smaltz spent over 4 years and about $17 million of our taxpayers' money to run out of office this distinguished public servant.

Last December, a jury said ''no'' to Special Prosecutor Smaltz and acquitted Mr. Espy of the charges against him. In fact, the jury said ''no'' and ''no'' and ''no'' and ''no'' and ''no,'' I believe, over 30 times. Now the Supreme Court has said a resounding ''no'' also. They rejected the broad reading urged by Mr. Smaltz of the criminal laws he has used to bring down a Cabinet Secretary. The Supreme Court, Tuesday, concluded that the conviction of a trade association for giving Mr. Espy gifts was correctly thrown out by a lower court.

According to the Supreme Court, if Mr. Smaltz's reading of the Federal gratuity statute were correct—a reading that out-of-control special prosecutors seem to have—''it would criminalize, for example, token gifts to the President based on his official position and not linked to any identifiable act—such as the replica jerseys given by championship sports teams each year during ceremonial White House visits . . . [or] a high school principal's gift of a school baseball cap to the Secretary of Education, by reason of his office, on the occasion of the latter's visit to the school.''

The Supreme Court wisely rejected these absurd results.

Secretary Espy began his tenure as Agriculture Secretary facing challenges to the safety of our food supply, and he dealt with those challenges with enormous energy, compassion, and effectiveness. Just before he was sworn as Secretary, several children died because they ate contaminated hamburgers in Washington State.

I remember this very well. I remember Secretary Espy immediately flying to Washington State to be with the families, because he cares about people. I remember talking to him about that, because I was at that time chairman of the Senate Agriculture Committee. I know that when he flew back to Washington, he devoted himself to preventing these needless deaths. He started putting into effect policies which will save thousands of lives in our country. He fought the industry itself—a very powerful, well-heeled industry—to do the right thing.

History will record his tenure as a turning point in updating and modernizing our food safety standards—a tradition continued by Secretary Glickman and President Clinton.

But his ''trial by fire'' began at the hand of a special prosecutor run amuck. The unanimous jury verdict acquitting him underscores what I have been concerned about for some time—unaccountable prosecutors with unlimited budgets who can and will bring charges that no other prosecutor in the world would bring.

This special prosecutor is one who is extremely frustrating. If I thought that what he did was out of sheer stupidity, that would be one thing. It would be enough if we thought that this was a man who was just not bright enough to know his job. But along with his total lack of judgment, his total stupidity, came a man whose overwhelming ego was such that he cared less about anybody he was after. The taxpayers were paying his bill. He cared only about preening before the cameras himself.

He was particularly interested in promoting himself and patting himself on the back. He was among the first of the special prosecutors to establish his own Internet web page. It is like an advertisement for himself on this web page. Mr. Smaltz posted his reaction to the jury verdict and downplayed the acquittal since an ''indictment of a public official may, in fact, be as great a deterrent as a conviction of that official.'' That was the most flagrant admission of abuse of a prosecutor's power that I have ever seen—I was a prosecutor for nearly 9 years—and it remains posted on his web page today.

What he is saying is, it doesn't make any difference if the person is guilty or not. It doesn't make any difference if the jury acquitted over and over again, and the person is not guilty. All the prosecutor has to do is bring an indictment; that will teach them. This is no way to restore faith in the criminal justice system. This is an example of a prosecutor who indicts somebody for something that no jury would ever convict the person for, but says, ''I will show them because I am the prosecutor,'' or, ''I can do that because, after all, it is going to cost you hundreds of thousands and maybe millions of dollars to prove your innocence. And, besides, the taxpayers are paying my bill. So why should I care about you?''

What ego, what stupidity, what arrogant abuse of power. I really cannot think of words strong enough to condemn such actions.

No prosecutor should bring an indictment simply as a deterrent and without a good-faith belief that the case can be proved beyond a reasonable doubt. Prosecutors should not bring these charges simply to harass somebody, simply to cost them money. A prosecutor has a sworn duty not to bring a charge unless he or she thinks there is at least a reasonable chance they can prove the charge and the person is guilty. Common decency, saying nothing about the canons of ethics, would require that. Frankly, no prosecutor who has to answer to anybody would do that. Only a prosecutor who doesn't have to answer to anyone, only a prosecutor who has the taxpayers paying their unlimited bills, would do that.

Putting aside the harm to reputation and cost to the defendant and witnesses of bringing unwarranted charges, indictments based on flimsy facts can be dangerous. The Government is barred under our Constitution's double jeopardy clause from bringing a case twice. So a prosecutor has a responsibility to ensure that the Government can prove its case the first time around. There is no opportunity for a second ''bite at the apple.''

One item that Special Prosecutor Smaltz did not put up on his web page was, I thought, one of the most disgusting things I have seen any prosecutor do. It was so bad that apparently, even with his unbridled ego and his lack of intellectual honesty, he did not feel he could bring himself to put it on the web page. That item was: he congratulated his team of well paid prosecutors with gifts of wristwatches. According to the press reports, these watches ''look good, with Smaltz' name around an eagle in the center of the independent counsel seal and the case name, 'In re Espy.' ''

It is like he was on some big game hunt and these were the trophies. Stupidity one might excuse, and stupidity was evident here. But this kind of arrogant, egotistical abuse of a public trust nobody can forgive. In fact, I have wondered whether the cost of those gratuities exceeded the costs of the gifts that Mr. Espy was charged with receiving. Watch gifts may not be criminal; I find them certainly offensive.

Mr. President, as we go into the debate we will have this year on whether we renew the Office of Independent Counsel—something, I predict, will not be done—let us not aim all our fire at the excesses of Kenneth Starr, or his tactics, or his misstatements of the facts to the Attorney General, or even some of the lies that came out of his office. Let us not focus just on that. Let's look at people like Donald Smaltz, a man who showed what happens when somebody of limited talent, of questionable ethics, of no integrity, how they can act when they are given unbelievable power, unlimited budget; and we in the Congress should ask ourselves whether we want to continue this.

The Office of Independent Counsel, when filled with good men and women—and there have been some very good men and women of both parties who have been there—who follow the restraints that prosecutors would normally expect to have, have done a good job. But when it is filled by people who would serve with a sense of self-aggrandizement, it hurts the whole Nation. It hurts an awful lot of innocent people—people found innocent by juries, people found innocent by appellate courts, people whose reputations are besmirched and their bankrolls exhausted by the actions of unconscionable, incompetent, out-of-control persons like this man.

Mr. President, I may speak more on this. I have tried to restrain myself in my comments about him today and to give him the benefit of the doubt. I have probably given him the benefit of the doubt more than he deserves.

Mr. President, seeing no one else seeking the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KERRY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. KERRY. Mr. President, I ask unanimous consent to speak as in morning business.

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

(The remarks of Mr. KERRY, Mr. KOHL, and Mr. JEFFORDS pertaining to the introduction of S. 918 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. KERRY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. LINCOLN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mrs. LINCOLN. Mr. President, I ask unanimous consent to address the Senate for 10 minutes.

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

Mrs. LINCOLN. I thank the Chair.

## AGRICULTURE SUPPLEMENTAL APPROPRIATIONS

Mrs. LINCOLN. Mr. President, I rise today to bring attention to a situation that grows more dim with each passing day. My colleagues and I came to the floor before the Easter recess and addressed this very issue.

The Farm Service Agency has depleted many of its accounts, and quick passage of the supplemental appropriations bill is absolutely vital to replenish these funds and to get our farmers back into the fields.

I was very pleased with USDA's emergency action on March 26 to keep loan money available and to keep temporary employees on staff. However, that funding has run out in many areas, and Congress has yet to complete action on the bill.

The billions of dollars in agricultural credit authority contained in the bill is literally the only hope of staying on the farm for hundreds of Arkansas producers and many farm families.

In Arkansas, we need an additional $41 million for FSA's loan programs. We are experiencing the largest USDA

credit demand since the mid-1980s. As of April 23, our State FSA offices had delivered more than $179 million in credit assistance.

Due to bad weather, low prices and poor outlooks, the need for Government-guaranteed credit has increased substantially this year. Our agricultural industry is on a deadline with Mother Nature, and it cannot wait any longer.

The timeliness of this legislation cannot be overemphasized. For those of us in Southern States, our planting time has already come and is just about gone. We are in dire straits. All farmers across this Nation are in dire straits. It is so very important for us to act in this body in a timely fashion in recognizing this problem.

In addition, I take this opportunity to express to my colleagues that agriculture is vitally important to all of us across this Nation and to the rest of this world. It seems that every time I turn on the television, there is another story applauding the unbelievable success of our Nation's economy.

Unfortunately, not every segment of our society is sharing in this period of economic bliss. The agricultural community nationwide is suffering.

USDA economic projections for 1999 do not offer much hope for relief in the immediate future, and it will fall upon our shoulders to explore the short-term, as well as the long-term, policy resolutions to farm revenue problems.

It may not be the most popular issue of the day, but every one of us enjoys the safest, most abundant and most affordable food supply in the world today produced by American agricultural growers.

This safe and abundant food supply will not be there for this Nation or for the world if we do not support our family farmers at this critical time. Once those family farms are gone, they will no longer be back in production.

I certainly thank the President for allowing me to talk about this and to reiterate to my colleagues how absolutely important it is.

## IN HONOR OF SENATOR DAVID PRYOR

Mrs. LINCOLN. Mr. President, I rise today to do something that I know my fellow colleagues in the Senate will be very interested in, and that is to pay tribute to one of the Senate's esteemed graduates and a role model for all Americans, former Senator David Pryor.

As a young woman and a former Congresswoman from Arkansas, I have always looked up to Senator David Pryor for his intelligence, his dedication, his tenacity and his compassion for his fellow man.

Now, I have found a new reason to admire my former colleague and longtime friend. For those of you who don't know, last week David Pryor left his current post at Harvard's Kennedy School of Government.

No, he didn't take a job at Yale or even an Ambassadorship. He has gone to Kosovo. Not as a diplomat or as a U.S. official, not even as a Harvard professor, but as a hands-on volunteer who is helping care for Kosovo refugees in Albania.

I am sure that many of you who served with David Pryor and already know him as a great humanitarian are not in the least bit surprised by this.

Senator Pryor recently signed on with the International Rescue Mission, a New York based group which was started by Albert Einstein to help those suffering under Hitler's regime. The organization is currently building shelters and assembling sanitation systems to improve living conditions for thousands of displaced Albanians.

Senator Pryor loaded up his suitcase with gifts for the refugee children—candy bars and crayons. And he told the International Rescue Mission that he was going there to work for 30 to 60 days.

Some may ask what prompted David Pryor to take this step. By all accounts, he has had a remarkable career—serving as a Senator and the Governor of my home state and the state legislature as one of its youngest members.

He has been able to continue his love of politics by teaching young people at Harvard's esteemed school of Government. And he has a wonderful family, who he enjoys immensely and who loves him dearly. It all sounds like a pretty full life.

When asked by a friend why he made the decision to go to Kosovo, Pryor responded that he was too young to fight in World War II and he was too involved in his own career during the civil rights struggle to contribute much in that event.

Now, later in life he was struck by the reports and pictures coming out of the Yugoslav region. He was concerned for the thousands of children and families who were in need and who he wanted to do something for. So, after a week of deliberating within himself, he woke his wife in the middle of the night and said, ''Honey, we've got to talk.'' A week later, off he went.

Since he has been in Albania, Senator Pryor has reported once back to his family and sent a fascinating letter to friends, family and former staff. He works in a camp digging latrines and assisting the Red Cross efforts to secure supplies. Last Saturday he bought 5,000 bars of soap and diapers for 1,000 babies.

''Being here a week makes me wonder about our world and how people can do such unthinkable, brutal things to other humans,'' Senator Pryor wrote. ''It is a world of unreality.''

He says of the men ''All their incentive and pride has been stripped from them and they having nothing left.''

About half of the dislocated refugees in the camp where Senator Pryor works are children. They are scared. They are tired. They are hungry. And above all, they are devastatingly sad. They mourn lost loved ones and ache to return to their homeland.

Senator Pryor also shared with his family the stories of two women, one whose daughter had been raped at the hands of a Serb police officer; the other a young mother has been separated from her three children, all under the age of 5, for more than a month. She was forced to flee her home, abandon her life and possessions in Yugoslavia, and now continues to desperately search for her family, her small children.

These are just some of the images Senator David Pryor is seeing on his trip. They are even more heart wrenching than any of us could imagine.

Whether or not you support U.S. involvement in the Kosovo region, none of us can imagine or ignore the human tragedy that is unfolding along its borders. Every day our televisions and newspapers carry new images of the suffering—new reports of atrocities by Yugoslav troops.

I, for one, feel better about the humanitarian conditions and the thousands who are suffering, knowing that David Pryor is lending a hand and leading with his heart.

My generation has yet to see the kind of nationwide mobilization and spirit of volunteerism that swept our country during World War II and the Korean War. My mother has often told me of rationing gas and preserving food. She told me of joining together with friends and family to plant a victory garden and to make morale-boosting gifts to send to our troops overseas.

I have such enormous respect for the efforts of all Americans during that time and I hope we as a nation can join together in support of our troops and the humanitarian efforts to help the Kosovo refugees now.

I commend Senator David Pryor's efforts, wish him well, and urge all of us to take note of his selfless example.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FITZGERALD). Without objection, it is so ordered.

## ORDER OF PROCEDURE

Mr. LOTT. Mr. President, I ask unanimous consent beginning at 9:30 on Friday there be 30 minutes for debate only with respect to the Social Security lockbox issue, and at 10 a.m. a cloture vote occur pursuant to rule XXII.

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

Mr. LOTT. I further ask that following that vote, the Senate proceed to S. Res. 33 reported today by the Judiciary Committee regarding National Military Appreciation Month, and the Senate proceed to vote on the resolution without further debate.

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

Mr. LOTT. I ask consent it be in order for me to ask for the yeas and nays at this time.

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

Mr. LOTT. Mr. President, I now ask for the yeas and nays on adoption of S. Res. 33.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LOTT. There will be two rollcall votes on Friday beginning at 10 a.m. I thank my colleagues for their consideration of these issues.

As a result of the agreement outlined, there will be no further votes today. In addition, I am working with the minority leader, Senator McCain, and others to reach an agreement for consideration of the resolution Senator MCCAIN introduced regarding Kosovo. That could involve other votes or other resolutions. For now, we are working on exactly when the MCCAIN resolution would come up. I hope the Senate can reach consideration on this matter in early May. I expect a little debate yet today on the pending lockbox issue.

## RECESS

Mr. LOTT. In light of a briefing that is ongoing, a very important briefing in the secure room with regard to the conflict in Kosovo, I ask that the Senate stand in recess until 4:30 so all Senators can attend this briefing.

There being no objection, the Senate, at 3:42 p.m., recessed until 4:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. GORTON].

The PRESIDING OFFICER. The Presiding Officer, in his capacity as a Senator from the State of Washington, notes the absence of a quorum.

The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

## CONGRATULATING THE ST. PIUS DECATHLON TEAM

Mr. DOMENICI. Mr. President, with the recent tragic events in Colorado, it's good for us to remind one another that there are a lot of terrific young people out there accomplishing great feats involving teamwork, academic study, and a lot of guts.

That's why today I want to salute the St. Pius High School academic decathlon team from my hometown in Albuquerque, NM. The St. Pius students just finished in 7th place at the national academic decathlon finals in California. That's the best finish New Mexico young people have ever scored at the decathlon nationals.

One of the St. Pius team members said it best about the contest. He said its the only competitive event in high school where your best chance of winning involves going home and reading a book.

These outstanding young people were tested based on their knowledge and scholastic skills in fine art, music, history, economics, mathematics and literature.

It is with great pride that I salute the St. Pius decathlon team and their accomplishments. Congratulations to team members Caleb Benton, Nicholas Jaramillo, Stephanie Piegzik, Dennis Carmody, Mark Mulder, Matt Spurgeon, Louis Rivera, Ben Sachs, Jesse Vigil and their coach James Penn.

THE PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 925 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

## THE FLAWED ENDANGERED SPECIES ACT

Mr. DOMENICI. Mr. President, I rise today to share with my fellow Senators an extraordinary exchange that occurred last week in the Interior Appropriations Subcommittee when they were conducting a hearing under your chairmanship regarding the year 2000 budget for the Department of Interior.

As some of you here may know, Secretary Babbitt and I, while both being from adjacent Western States, have not agreed on a lot of land management, water, and endangered species issues affecting the West. However, last Thursday a most unusual and enlightening thing took place. We both agreed that, regarding the impact of the Endangered Species Act on desert States like New Mexico, the current implementation of the law does not work.

I ask unanimous consent Secretary Babbitt's testimony be printed in the RECORD. It is not yet an official record because the entire transcript has not been completed, but it is a literal translation of what he said that day.

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

DEPARTMENTS OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2000

THURSDAY, APRIL 22, 1999

U.S. SENATE, SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
*Washington, DC.*

The subcommittee met at 9:33 a.m., in room SD–124, the Dirksen Senate Office Building, Hon. Slade Gorton (chairman of the subcommittee) presiding. Present: Senators Gorton, Stevens, Cochran, Domenici, Burns, Campbell and Byrd.

UNEDITED PARTIAL TRANSCRIPT

Senator GORTON. Senator Campbell?

Senator CAMPBELL. Mr. Chairman, Senator Domenici has to—he has another very tight commitment.

Did you want to ask a question before I go?

Senator DOMENICI. I would really ask if I could ask two questions. I have to preside at a committee hearing at 10:00 o'clock, and I will be a little late to that.

Senator GORTON. Fine, fine. Go ahead.

Senator DOMENICI. Thank you.

Mr. Secretary, I am going to submit some questions to you with reference to the drought in the State of New Mexico, which will essentially be asking you if you can make sure there is a coordination of all of the federal agencies, some under you, as to what might be done.

We are—we are clearly—I do not know if you know this, but we are destined this year to have the worst drought we have ever had. Our rivers are going to run dry, and a lot of things are going to happen that are very, very bad. And I will ask you about that in detail.

But now I wanT to raise an issue that is related to the drought and share it with you with reference to the Endangered Species Law, and I think you are aware of this.

Mr. Secretary, New Mexico, like Arizona, is a very arid state. Folks here in the Beltway are primarily unaware of the critical needs for water out there in the West. We are very grateful that you come from out there and you know about these needs.

With the lack of snow pack and precipitation in New Mexico, we are going to have a drought. In fact, parts of the Rio Grande River which you are familiar with, which historically has gone dry at various times, may dry up as early as this week, believe it or not.

The traditional stresses of water users are only made more difficult by litigation regarding the needs for the silver minnow endangered species. A recent notice of intent to sue by the Forest Guardians and others—that is an entity in New Mexico—threatened to force the release of stored water in any of Heron, El Vado, Abiquiú, and Cochití Reservoirs to maintain—quote, ''to maintain the riparian habitat necessarily for the survival,'' of the silver minnow and the willow flycatcher.

I am concerned about water necessary for the survival of New Mexico, our cities which use that water, our irrigators which have—as you know, under our water system, they have primacy as per the time they applied it to the ground, and they own much of that water.

In the lawsuit which sought to force immediate critical habitat designation, you, as the Secretary of Interior, in the lawsuit which I will make available to you, you argued that the Department did not have the data necessary to determine water amounts needed for the fish.

Fish and Wildlife Service Director Rappaport-Clark stated in an affidavit that: The Service must comply with NEPA requirements and perform an economical analysis of the impacts. The EIS would likely be needed which would require more time for the habitat designation. The Environmental—the ESA requires that the Service, when designating critical habitat, take into consideration the economic impacts of specifying any particular area as critical.

I wonder if you would share with the committee, as soon as you can, answers to the following questions, and if you could answer them right now, it would be very helpful.

Secretary BABBITT. I would be happy to. I would be happy to.

Senator DOMENICI. Without scientific data available for the minnow, water needs, nor reliable economic analysis, will not the Department need additional time to follow through and find out what the needs are? You have stated that in the lawsuit, but would you tell the committee if that is the case?

Secretary BABBIT. Well, Senator, if I may——

Senator DOMENICI. Please.

Secretary BABBITT. I would like to step back and frame this issue and then specifically answer your question.

Senator DOMENICI. Sure.

Secretary BABBITT. Senator, I do not think it is any secret that we have not had much luck in our relationship in finding common ground in New Mexico.

Senator DOMENICI. No.

Secretary BABBITT. But this is another tough problem being served up, and let me just say that notwithstanding our failures in the past, I intend to do everything I can to see if we can work our way through this.

Now, let me say this also: I believe that our failure to work out a reasonable relationship is in some ways due to the underlying fact that in New Mexico, more than any other western state, including Alaska, Colorado, Montana and Washington, these issues are characterized by intransigence on both sides.

I have never worked in an environment in which the natural resource users have been so rigid and inflexible; and I would say exactly the same thing of the environmental groups. Now, it is in that context that we must deal with this problem.

I have voiced my concerns about the way that we are mandated to use the designation of critical habitat under the Endangered Species Act. It does not work. It does not produce good results. It should be modified, because the Courts are driving us to front-end determinations which, more properly, should be incorporated in recovery plans at the back end when we, in fact, have the information.

Now, the Courts have laid out a set of case decisions here that have put us in a straitjacket. They are not going to give us the kind of time we need because the Act does not allow it. So that is just the bottom line.

Doe we need more time? Yes. But the Endangered Species Act does not give it to us. The Courts do not give it to us. And we are going to proceed with declaring critical habitat. I would prefer not to. It is a—it is not productive. It is incendiary, and it will be in this case.

Now, finally, let me say, and then I will back off, that I believe that there are solutions available here. It is going to take some movement by those middle ground irrigation districts. They do not have a reputation for water use efficiency. And there are many ways, I believe, that we could work something out. They have not shown the flexibility that we have found in other places, like in Eastern Washington, in Colorado, and elsewhere.

The environmentalists may, in fact, be making—not ''may, in fact,'' but are, in fact, making some unreasonable demands about their version of what the hydrology of the Rio Grande Valley ought to be like.

I would like to continue attempting the work. I have talked with the Bureau of Reclamation. I believe we have some water resources that are going to allow us to stagger through this season, with a little bit of flexibility.

Senator DOMENICI. Thank you very much.

I know I used a lot of the Committee's time.

But I compliment you on your statement, and—while I do not necessarily agree with you characterization of my fellow New Mexicans as being intransigent and the worst in America, as you have just phrased it, but—but I do believe that something is terribly bad in the way the Courts are handling this situation because you have to close down a river to users without knowing what the habitat—what the water is needed for the—what water is needed for the endangered species.

It is an impossibility. Maybe we could fix that here. It probably would bring the world down on our necks, even if we tried to do what he suggested. But we ought to think about that.

Let me make sure that everybody understands the seriousness of this problem. I grew up within eight blocks of this river. And for many years of my younger days, I used to walk to this river, and many times it was dry.

So for those who are used to rivers in your state or in Alaska that run all year long and were having arguments about salmon fish habitat, we do not have that. We have a river that, for much of the time, does not have any water in it.

On the other hand, we built storage places that make it better now. We do have more water, and we have a different water system than most of you. Our water system is based upon: The first one to use it and apply it to a beneficial use owns it, and they own it as of the date they did it. And they are valuable; you can sell those rights.

Now, the problem we have is that the endangered species comes along with litigants who know how to use the Courts, and they say, regardless of those water rights, you have to save the fish, the minnow.

Now, the minnows have survived, I believe, during eras that I have told you about. When there is no water running in the river, they have survived in some other place in the river where there is water.

And now what we have is a drought and rivers that do not always run wet, and we have at the worst possible time a lawsuit against him and his Department saying, ''Create an endangered species, Mr. Judge,'' and now ordering them to try to get water out of the reclamation projects, even if they have to dump our lakes that are there for irrigation purposes and other things, to save the minnow.

Now, that is a very frustrating position for a state to be in, and for a Senator, when the Endangered Species Act is a national law. And I do not know whether we want them to go to court and see if they really have water rights under the Endangered Species Law.

That is a nice question. And everybody has been kind of dancing around it, except for a couple of courts—you could guess where—from California, California Circuit. They have kind of ruled that they have water rights even though they are not part of New Mexico's water ambiance at all.

The Secretary is indicating that perhaps people have been intransigent regarding their water rights. I can tell you they may have been. But if you were under the gun all of the time about whether you are going to have enough water even though you own it, you would be kind of nervous about sharing it with anybody.

And I think that is kind of what happened, and then put on the 800,000-population city which gets its water from an underground aquifer that is fed by this river, and they own a lot of water in order for their future, and you have a real tough situation. So I may need the Senators' assistance.

But I will tell you for now, Mr. Secretary, I hope you are not alluding, in terms of intransigence, to your and my difficulties earlier in your Secretarial term. They are there, and they are acknowledged, and they will kind of be wounds for a long time on both of us.

But this is a new ball game with a new problem, and I clearly intend to work with you if you will work with me to see if we can find a way to get through this on a temporary basis until we can fix it up in some permanent manner.

Thank you very much.

Senator STEVENS. Senator, would you yield just for one minute?

Senator DOMENICI. I am finished. Thank you.

Senator STEVENS. My friend, I think that is the most enlightened statement about the Endangered Species Act that I have heard from any Administration official since that act was passed, and I was here when it passed. And I am going to get a copy of that, and I do believe that we can work on that basis.

Mr. DOMENICI. Secretary Babbitt's testimony could open the door to some changes in the Endangered Species Act and may permit all parties to work together. I am submitting, as I indicated, this unedited transcript from the hearing for the RECORD. The Secretary's remarks are very significant because they acknowledge that this law, however well intentioned, is not working as it should. I hope we can begin serious work on improving the Endangered Species Act, certainly as it applies to dry States where water is very much in demand and where we have an imposition on those waters by the Endangered Species Act as it is currently being implemented.

Just last month I indicated that people and people's needs should come before the minnow, which is an endangered species in this particular Rio Grande river valley. I wrote a letter to editors of papers in our State, which appeared in multiple newspapers around New Mexico, saying it is now time to face the devastating impacts of laws such as the Endangered Species Act on people in a desert State like New Mexico, particularly in the area of water.

I got some real arguments and some flak for writing that letter, but I also got some very enlightened commentary on the problems facing an arid

State, and I am pleasantly surprised to find that Secretary Babbitt has contributed to the debate in a very constructive way.

New Mexico, my home State, is very dry. I have found that people within the beltway and in eastern America are unaware of the critical need for water in the West. With the lack of snow pack and precipitation in our State this year, we are facing a severe drought this summer. In fact, parts of the Rio Grande River, the largest river in our State, which runs from north to south and through the city of Albuquerque and many other communities, which has historically gone dry at times—this river is already drying up, even this early in the season.

My discussion with Secretary Babbitt was extremely timely, since my office received a call this past weekend from the Fish and Wildlife representatives saying they were out trying to find out what was happening to the endangered silvery minnow in the dry stretches of the river.

You see, the traditional tension among water users is not only exacerbated by litigation regarding the needs of the endangered silvery minnow, but also obviously exacerbated by all conflicting water needs when you are in a drought period.

In a lawsuit filed by the Forest Guardians and Defenders of Wildlife, a recent 10th Circuit Court of Appeals decision ordered an immediate critical habitat designation for the Rio Grande silvery minnow. The practical effect of this determination is the fish may get too much of the limited water in the river and some human users may not get any.

A Federal district judge in New Mexico allowed a few more months for the designation, but the lawsuit only dramatizes the growing conflict between the Federal Endangered Species Act and water for Rio Grande users. Secretary Babbitt agreed.

I asked the Secretary whether the Interior Department had sufficient data to determine the true water needs to sustain the silvery minnow in the Rio Grande River in New Mexico or to make an accurate economic and social assessment of the critical habitat designation on existing water rights owners.

In States like New Mexico, people actually own a proportionate share of the water in a river basin. All of those owners and their rights are predicated upon State law, which says if you put water to a beneficial use and continue to use it over time, you own the water rights that you have moved off the river and used. From the time you first applied water to beneficial use, you become a priority owner of the water as of that time.

Secretary Babbitt replied that his Department does not have sufficient information, but it has no choice but to act because of Federal court orders.

Secretary Babbitt stated that the Endangered Species Act does not work. He hoped that it could be modified to prevent court-ordered, unscientific, premature determinations. The courts need to give the Interior Department time to gather the data to develop a workable plan for habitat designation.

He does not have that data necessary to make a valid, critical habitat designation, and the courts, in trying to follow the act, are not giving him the necessary time. He will be forced to proceed, perhaps, with declaring a habitat. He also said he felt that it will not be productive and will be very inflammatory.

Litigation has only inflamed passions on both sides of this debate. In addition to the critical habitat litigation, a recent notice of intent to sue by the Forest Guardians and others threatens to force the release of stored water in any of four New Mexico reservoirs to ''maintain the riparian habitat necessary for the survival'' of two endangered species.

I am concerned about water necessary for the survival of New Mexicans, their well-being and way of life. I can only hope that the potential needs of this silvery minnow will not drain reservoirs which Albuquerque, Santa Fe, and many others depend on for their water.

I do believe that something is terribly wrong when people who own rights to water have to forego usage or face penalties for ''taking'' of a species without knowing what amount of water is needed for that endangered species.

Incidentally, Mr. President, I grew up in Albuquerque, and I lived within about eight city blocks of this Rio Grande River. I can tell you, as anyone who has lived in New Mexico for very long can assert, that river ran dry plenty of times. Historical data collected before the irrigation projects or large population increases along the river showed it dried up consistently in certain places. I am no biologist, but that minnow survived.

I can assure you that the river water did not run down the entire length of the river from north to south, which is what some say we must do now for the survival of the silvery minnow.

Mr. President, it really is upsetting when I understand that some data available indicates that the minnow ''needs'' more water than the Rio Grande can provide, even without consideration of the needs of human users. How can critical habitat be designated without the consideration of all users and their needs along the river, especially if they have property rights and own the water?

Some irrigators may have to take their toothbrushes to work because they might be thrown in jail due to a ''take'' of fish that they have shared the wet and dry times with for many years.

I care about including the silvery minnow. I care about making sure we try our best to save the silvery minnow. I support the intent of the Endangered Species Act. I actually was here to vote in favor of it, and I did. Today, I agree with Secretary Babbitt that it is broken and does not work. I do not think the problem is necessarily what we designed in the legislation, but I think the court interpretations have made it unworkable.

Mr. President, I say to my colleagues, I know the mention of modifying the Endangered Species Act brings howls and scowls from some quarters, but I say to you today that it can and it must be improved. I am willing to work with my fellow Senators and the administration and those surrounding this issue on all sides to try to find some solutions to this problem, both nationally and for my State of New Mexico.

Mr. President, I yield the floor.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I ask unanimous consent to speak as in morning business for 15 minutes.

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

Mrs. MURRAY. Thank you, Mr. President.

## MICROSOFT CORPORATION

Mrs. MURRAY. Mr. President, I rise today to talk about an issue of great importance to Washington State and our country. I know it is an issue the Presiding Officer, the Senator from Washington, shares concern with me. There has been a lot of talk in recent months in the media and on the Senate floor about Microsoft and the Department of Justice. I want to take a few minutes today on the Senate floor and share a few of my thoughts on Microsoft.

Recently, Microsoft's competitors and critics have portrayed Microsoft as a serious threat to the technology sector. I can speak from experience about Microsoft. The Microsoft I know is far different than the ruthless company that has been described in newspaper articles. My own professional and political career covers the 20-year period of Microsoft's growth from the first personal computers to today's innovative software programs which have spurred consumers and educators and students and the business community to the reinvention of their daily lives.

Almost everyone is familiar with Microsoft and its products. Bill Gates and Paul Allen, the company's founders, had one vision in mind—that one day every home and family would have a PC. It was an ambitious goal but one that seems more attainable every day. Through the years, the company has developed tremendous innovations in

the technology industry, but Microsoft is more than the product it makes. I want to take some time today to talk about the things Microsoft does to make the lives of everyone in our country better.

I have spent most of my career as an advocate for education. I have traveled all across my State visiting schools and talking to students, parents, teachers, and local business leaders. I have worked hard to put computers into schools and train teachers in the use of technology and make sure that all children, no matter who they are or where they come from, has access to technology and the opportunities such skills and knowledge bring.

If there is one thing I have learned, it is that providing a good education, if we want to do it, takes the involvement of everyone, and that is particularly true of businesses. Microsoft believes one of its most important goals is to build technology to empower teachers and families to make lifelong learning more dynamic, more powerful, and more accessible. To this end, Microsoft contributes more than a half billion dollars annually for education, workforce training, and access to technology programs.

Microsoft is a leader in education technology. Through its connected learning community effort, they help students and educators and parents access technology, and through its ''Working Connections'' program, Microsoft supports technology training for underserved populations through the Nation's community college system. If we want our young people to compete for high paying technology jobs, we need to make sure they have the right skills.

Microsoft is also a leader in addressing the technological gap in many communities across our country. The Gates Library Foundation grants provide public access to the Internet in underserved areas in both rural and urban settings. Their ongoing financial commitment to this effort is making a real difference for underserved populations and areas.

I tell you these things today because I know firsthand of all the great things Microsoft and its employees are doing to bring new inventions and opportunities to American consumers.

When a grandfather learns how to e-mail his grandchild and play a larger role in that child's life, I appreciate Microsoft's efforts on behalf of families. When a Washington State family finds work in the technology sector, I appreciate Microsoft's contribution to my State's economy. When a child discovers the Internet as an educational tool for the first time, I see a child filled with excitement, for learning and hope for the future, and I thank Microsoft for helping to make that possible. That is the Microsoft I see and that is the Microsoft I represent in the Senate.

Now, we all know that high technology, and particularly the software business, is immensely competitive. Certainly, Microsoft, and all the other Washington high-tech firms, compete vigorously. That is the nature of these industries. Washington State has become a high-tech leader through hard work, a dedicated and creative workforce, and an unmatched quality of life.

Microsoft has enjoyed immense success over the years and continues to grow at an impressive rate. This success has been hard fought, however, and has recently drawn the oversight of the Department of Justice.

The Department of Justice has alleged consumer harm, but I have to ask: Where are the consumers who have been hurt? There is no consumer uproar over Microsoft or its business practices. Microsoft's business model—high volume, product sales at low prices—is both successful and proconsumer.

Microsoft's consumer benefits are well understood by the American public. A recent nationwide poll conducted by Hart-Teeter found that 73 percent of those polled believe Microsoft has benefited consumers, and 69 percent of those individuals have a favorable impression of Microsoft.

While those results do not surprise me, I was surprised to learn that 66 percent of those polled believe that the Government should not be pursuing this case against Microsoft, and more than half of the respondents believe that this case represents a poor use of tax dollars.

I have read the complaint filed by the Justice Department and I have followed the court proceedings in this case. I have seen how easy it might be to conclude, based on press reports, that Microsoft is faring poorly in the courtroom. The vigorous courtroom presentations during the trial have led to an aggressive public relations effort outside the courtroom. I think it is time for the parties in this case to move to a more productive dialogue.

The judge in this trial has implored both sides to seek a settlement. And I agree. Microsoft and the Justice Department should do all they can to meet the judge's request. Both sides should be free to pursue a settlement in private and free from the influence of the public and their competitors. Settlement of this case will mean that consumers will continue to benefit from Microsoft's innovative products and the antitrust claims will be put to rest.

At issue here is more than just the fate of Microsoft. The resolution of this trial will have broad implications on the software industry as a whole. Microsoft employs more than 30,000 people, including 15,000 from my home State. The U.S. software industry employs more than 600,000 people and enjoys an annual growth rate of 10 percent.

The industry paid more than $36 billion in wages to U.S. employees in 1996. Software and high-tech companies have been the driving force behind the economic expansion that we continue to experience here in the United States, and much of our economic future lies in these knowledge-based industries. We have to be cautious and thoughtful about Government intervention so that we do not stifle the economic promise that software and high-tech companies offer.

Of course, we should not protect companies or guarantee profits and market share. But we—as legislators and as the Federal Government—must be careful to correctly interpret the state of competition. My own view is competition is alive in this industry. Any tech company that rests on its current product line or stock price risks a quick and decisive downfall.

While Microsoft is headquartered in Redmond, WA, my remarks are more than a defense of a constituent company. My concerns should be felt by every Senator on this floor.

A recent piece in the Wall Street Journal offered the following passage:

> Dominant firms are the norm in high tech. TV ads boast that virtually all internet traffic travels on Cisco systems. Quicken has 80 percent of the financial-software market. Netscape once boasted of having 90 percent of the browser business. Intel still has 76 percent of the microprocessor business. America Online, Lotus Notes and Oracle all dominate their respective markets. Executives who work in such glass offices should think twice before encouraging zealous prosecutors and gullible reporters to define monopoly as a large share of an artificially tiny market.

The high-tech industry employs 4.5 million workers across this country. According to the American Electronics Association, 47 of the 50 States added high-tech workers between 1994 and 1996. It is not just States such as Washington and California and Texas that are booming as a result of technology jobs. Georgia, Colorado, North Carolina, Oregon, Illinois, Virginia, Florida, and Utah are States that are experiencing phenomenal job growth in the tech sector.

To maintain this impressive nationwide job growth in the technology sector, the Congress and the Federal Government must be careful. Let's not forget that most of this phenomenal growth occurred over the last decade when technology was not on either the Federal or congressional radar screen.

Before yielding, let me reiterate the points that brought me to the floor today. I hope each of my colleagues will give serious consideration to these issues.

Microsoft is a true Washington State and American success story that is still unfolding for the benefit of consumers, business and the general public. Microsoft has a particularly impressive record of community activism, and I am especially proud of the company's efforts in the area of education.

The ongoing court case is of utmost interest and importance to me in the work I do in the Senate. I implore all parties to give the legal system an opportunity to work. Judge Jackson has urged both parties to seek a settlement, and I strongly encourage them to heed the judge's advice.

Finally, the outcome of the Microsoft case will have long-term ramifications on our Nation's economy. Technology is growing rapidly, and we all know many technology jobs are high-paying, family-wage jobs. The United States is a technology superpower. The Federal Government must use its immense powers with care and caution in monitoring the technology sector. When the Federal Government interjects itself in this intensely competitive sector of our economy, it must ensure that it does not do serious damage to our economy.

Mr. President, I again urge my colleagues to pay attention to the Microsoft case. I look forward to discussing this issue with my colleagues again on the floor of the Senate.

## EDUCATION AND CLASS SIZE

Mrs. MURRAY. Mr. President, while I have the floor, I want to turn quickly to a different topic, and that is on the issue of education and class size.

I know my colleagues have watched me come to the floor and talk numerous times about how important it is that we reduce class sizes in the grades of 1 through 3. I have talked about the research in this country which has shown that reducing class size makes a difference for our students.

I ask unanimous consent to have printed in the RECORD a report from Tennessee that has just come out. It is called the Star Report.

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

[From the Project STAR News]

BENEFITS OF SMALL CLASSES PAY OFF AT GRADUATION

PROJECT STAR FINDS SMALL CLASSES IN K–3 LINKED TO GREATER STUDENT ACHIEVEMENT, BETTER GRADES, LOWER DROPOUT RATES, AND HIGHER COLLEGE ASPIRATIONS

WASHINGTON, D.C.—A ground-breaking Tennessee-based class size study has found that public school students placed in small classes in grades K–3 continue to outperform students in larger classes right through high school graduation.

Researchers for Project STAR (Student/Teacher Achievement Ratio)—whose earlier findings helped form the basis for class size reduction in some 20 states—today reported that students placed in small class sizes in grades K–3 have better high school graduation rates, higher grade point averages, and are more inclined to pursue higher education.

''This research adds to the evidence we have compiled over the past 14 years,'' said Dr. Helen Pate-Bain, who convinced the Tennessee state legislature to provide funding for the initial STAR research. ''The project's findings indicate that students placed in small classes in grades K–3 continue to benefit from that experience in grades 4–12.''

The original STAR research tracked the progress of an average of 6,500 students each year in 79 schools between 1985 and 1989 (and 11,600 students overall). It found that children who attended small classes (13–17 pupils per teacher) in kindergarten through grade 3 outperformed students in larger classes (22–25 pupils) in both reading and math on the Stanford Achievement Test for elementary students. The second phase of the STAR research found that even after returning to larger classes in grade 4, STAR's small class students continued to outperform their peers who had been in larger class sizes.

At a news conference held today at the National Press Club, STAR researchers released a new wave of findings:

Students in small classes are more likely to pursue college: STAR students who attended small classes—and black students in that group in particular—were more likely to take the ACT or SAT college entrance exams, according to Princeton University economist Dr. Alan B. Krueger, who researched test data linked to the Project STAR database. ''Attendance in small classes appears to have cut the black-white gap in the probability of taking college-entrance exam by more than half,'' Krueger said.

Small classes lead to higher graduation rates: Preliminary data from participating STAR school districts in Tennessee show that students in small classes were more likely to graduate on schedule; they were less likely to drop out of high school; and they were more likely to graduate in the top 25% of their classes, according to Dr. Jayne Boyd-Zaharias, a STAR researcher since 1986. In addition. Boyd-Zaharias found that small class students graduated with higher grade point averages (GPAs) than regular class size students.

Students in small classes achieve at higher levels: Three other reearchers—Dr. Jeremy D. Finn, professor of education at SUNY Buffalo, Susan B. Gerber of SUNY Buffalo, and Charles M. Achilles, Ed.D., of Eastern Michigan University, together with Boyd-Zaharias—released new findings showing that STAR students who attended small classes in grades K–3 were between 6 and 13 months ahead of their regular-class peers in math, reading, and science in each of grades 4, 6, and 8. ''Our analyses show that at least three years in a small class are necessary in order for the benefits to be sustained through later grades,'' wrote the researchers. ''Further, the benefits of having been in a small class in the primary years generally increase from grade to grade.''

Class size is different from pupil/teacher ratio: Achilles, one of the original STAR researchers, explained the difference between class size (the number of students assigned to a teacher) and pupil/teacher ratio (the total number of students divided by the total number of educators in a school). Many ''class size'' studies, he noted, have relied on pupil/teacher ratios to make their case. The STAR research is able to track students based on specific class size. Achilles noted that some 20 states—including Michigan, California, Nevada, Florida, Texas, Utah, Illinois, Indiana, New York, Oklahoma, Iowa, Minnesota, Massachusetts, South Carolina, and Wisconsin—have initiated or considered STAR-like class size reduction efforts.

Teachers who taught small classes in Project STAR support the program strongly.

''All educators instinctively know that the smaller the class size, the more individual attention a teacher can provide a student,'' said Sandy Heinrich, a teacher at Granbery Elementary School in Davidson County, Tenn., who taught first grade in the STAR program in 1986. ''The more individual attention per student, the more learning and personal growth each student can enjoy. I was fortunate enough to witness this notion first-hand.''

The STAR research is the only large-scale, long-term class size research of its kind. Dr. Frederick Mosteller, a professor of mathematical statistics at Harvard University, said this about STAR in 1995: ''Because a controlled education experiment (as distinct from a sample survey) of this quality, magnitude, and duration is a rarity, it is important that both educators and policymakers have access to its statistical information and understand its implications.''

In fact, the STAR research provided support for federal legislation that proposes to reduce class sizes by hiring 100,000 new teachers in grades K–3 nationwide.

Last fall, Congress appropriated $1.2 billion in the FY 1999 federal budget as a ''downpayment'' on that legislation, enough to hire approximately 30,000 teachers for one year. Future funding will require congressional authorization and additional annual appropriations. Pate-Bain was scheduled to share the new STAR findings with a number of education policy experts and Members of Congress later in the day.

Mrs. MURRAY. This is a report about a study that researchers in Tennessee began many years ago in relation to reduced class size in the first through third grades. They followed those young people all the way through to the point where they are now graduating this year.

It is a very impressive study. It shows exactly what I have been debating on the floor of the Senate; and that is that students who are in smaller class sizes in the first through third grades are more likely to pursue college, have higher graduation rates, they achieve at higher levels, and it makes a difference in discipline.

Mr. President, it seems to me that we have to get back to this issue. I urge all of my colleagues to take a second look and recognize that we can make a difference by continuing our support of class size reduction and teacher training here in the Senate.

I ask unanimous consent that the 23 Senators on the list that I send to the desk be added as cosponsors to my bill, S. 564, the Class Size Reduction and Teacher Quality Act of 1999.

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

Mrs. MURRAY. Thank you, Mr. President.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBB. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## NUCLEAR WASTE STORAGE

Mr. LOTT. Mr. President, more than 15 years ago, Congress directed the Department of Energy (DOE) to take responsibility for the disposal of nuclear waste created by commercial nuclear power plants and our nation's defense programs. Today, there are more than 100,000 tons of spent nuclear fuel that must be dealt with. Over a year has now passed since the DOE was absolutely obligated under the NWPA of 1982 to begin accepting spent nuclear fuel from utility sites. Today DOE is no closer in coming up with a solution. This is unacceptable. This is in fact wrong—so say the Federal Courts. The law is clear, and DOE must meet its obligation. If the Department of Energy does not live up to its responsibility, Congress will act.

I am encouraged that Congressmen BLILEY, BARTON, UPTON, and the rest of the House of Representatives have begun to address this issue. It is good to see a bipartisan effort for a safe, practical and workable solution for America's spent fuel storage needs. The proper storage of spent fuel is not a partisan issue —it is a safety issue. The solution being advanced is certainly more responsible than just leaving waste at 105 separate power plants in 34 states all across the nation. There are 29 sites which will reach their storage capacity by the end of this year.

Where is DOE? Where is the solution? All of America's experience in waste management over the last twenty-five years of improving environmental protection has taught Congress that safe, effective waste handling practices entail using centralized, permitted, and controlled facilities to gather and manage accumulated waste.

Mr. President, the management of used nuclear fuel should capitalize on this knowledge and experience. Nearly 100 communities have spent fuel sitting in their ''backyard,'' and it needs to be gathered and accumulated. This lack of a central storage capacity could very possibly cause the closing of several nuclear power plants. These affected plants produce nearly 20% of America's electricity. Closing these plants just does not make sense.

Nuclear energy is a significant part of America's energy future, and must remain part of the energy mix. America needs nuclear power to maintain our secure, reliable, and affordable supplies of electricity. Nuclear power, at the same time, allows the nation to directly and effectively address increasingly stringent air quality requirements.

Both the House and the Senate passed a bill in the 105th Congress to require the DOE to build this interim storage site in Nevada, but unfortunately this bill didn't complete the legislative process because of time constraints. We ran out of time. I challenge my colleagues in both chambers of the 106th Congress to get this environmental bill done. The citizens, in some 100 communities where fuel is stored today, challenge the Congress to act and get this bill done. The nuclear industry has already committed to the federal government about $15 billion toward building the facility. In fact, the nuclear industry continues to pay about $650 million a year in fees for storage of spent fuel. It is time for the federal government to honor its commitment to the American people and the power community. It is time for the federal government to protect those 100 committees.

To ensure that the federal government meets its commitment to states and electricity consumers, the 106th Congress must mandate completion of this program—a program that includes temporary storage, a site for permanent disposal, and a transportation infrastructure to safely move used fuel from plants to the storage facility.

Mr. President, this federal foot dragging is unfortunate and unacceptable. Clearly, the only remedy to stopping these continued delays is timely action in the 106th Congress on this legislation. By moving this process, which must also include the work of the Senate, the House's work can be improved. Let's move forward and get this bill done.

## COMMENDING ABHISHEK GUPTA

Mr. REID. Mr. President, I would like to take this opportunity to praise the outstanding accomplishments of a distinguished young man from Florida. At the age of 17, Abhishek Gupta has succeeded in making a greater contribution towards the alleviation of pain and suffering on a global scale than most people can boast of in a lifetime. Last November, Abhishek organized 9 other students and initiated a project designed to provide humanitarian relief to underprivileged citizens in his Southern Florida community and throughout the world.

In a rare exemplification of compassion and determination, Abhishek, a junior at Phillips Exeter Academy in New Hampshire, created a non-profit organization called ''Clothes, Food and Education for the Poor and Needy.'' Drawing on Abhishek's inspiration, this group worked toward the goal of raising $50,000 to provide crucial relief for numerous families about whom Abhishek had read in several local newspaper articles.

Abhishek went to work lobbying corporate sponsors to pay for operational expenses, and entreating members of his community to help him meet his goal. Ultimately, he exceeded his own expectations by raising $60,000 in a matter of weeks. He channeled this money toward helping impoverished children in Southern Florida and victims of Hurricane Mitch in Central America.

Mr. President, I have always believed that the most effective way to give charity is to give time—money comes second. I want to stress that Abhishek did not only formulate the infrastructure for raising such a lofty sum, he also spent part of his Christmas vacation accompanying a medical team to Honduras and Nicaragua in order to contribute personally. During his week in Central America, Abhishek helped administer food, clothing and medical supplies to the disaster victims, and provided direct medical aid to nearly 600 patients who were in dire need of treatment.

''Clothes, Food and Education for the Poor and Needy'' is continuing to collect donations for relief of the downtrodden, and I commend Abhishek Gupta for his dedication to such a worthy cause. It is rare that so young a citizen can play such a direct role in both reducing human pain and suffering, and providing inspiration to old and young alike.

## THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, April 28, 1999, the federal debt stood at $5,598,229,787,052.49 (Five trillion, five hundred ninety-eight billion, two hundred twenty-nine million, seven hundred eighty-seven thousand, fifty-two dollars and forty-nine cents).

One year ago, April 28, 1998, the federal debt stood at $5,512,794,000,000 (Five trillion, five hundred twelve billion, seven hundred ninety-four million).

Five years ago, April 28, 1994, the federal debt stood at $4,564,295,000,000 (Four trillion, five hundred sixty-four billion, two hundred ninety-five million).

Ten years ago, April 28, 1989, the federal debt stood at $2,756,668,000,000 (Two trillion, seven hundred fifty-six billion, six hundred sixty-eight million) which reflects a doubling of the debt—an increase of almost $3 trillion—$2,841,561,787,052.49 (Two trillion, eight hundred forty-one billion, five hundred sixty-one million, seven hundred eighty-seven thousand, fifty-two dollars and forty-nine cents) during the past 15 years.

## SENATOR DAVID PRYOR—HELPING THE REFUGEES AND INSPIRING US ALL

Mr. KENNEDY. Mr. President, our former colleague in the Senate from Arkansas, David Pryor, has a new mission, and I believe that all of us will be greatly inspired by his commitment and dedication.

During the spring term this year, Senator Pryor has been a fellow at the Institute of Politics in the Kennedy School of Government at Harvard University. Last week, touched by the

tragic plight of the hundreds of thousands of refugees from Kosovo, he left for Tirana, Albania to be a volunteer with the International Rescue Committee, which is dedicated to easing the plight of the refugees.

I commend our former colleague for the inspiring example he is setting of service to those most in need. His action clearly and deeply impressed his students at Harvard. An article in the Harvard Crimson last week reported his decision and his departure for Albania. I believe the article will be of interest to all of us in the Senate, and I ask unanimous consent that it be printed in the RECORD.

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

[From the Harvard Crimson, Apr. 21, 1999]

IOP FELLOW PRYOR HEADS TO BALKAN STATES—FORMER SENATOR TO AID KOSOVAR REFUGEES

(By Alysson R. Ford)

Since the NATO bombings of Yugoslavia began almost a month ago, members of the Harvard community have expressed concern about the plight of Kosovar refugees in peace vigils, panels, and class discussions on Kosovo.

But David Pryor—a spring term fellow at the Institute of Politics (IOP) and a former U.S. senator and governor of Arkansas—has taken his desire to help ease the refugee crisis a few steps further.

After notifying colleagues and students of his decision Monday, Pryor departed yesterday for the Albanian capital of Tirana as volunteer for the International Rescue Committee (IRC).

In a letter to Director of the IOP Alan K. Simpson, Pryor expressed that he wanted to do something concrete for those devastated by the conflict.

Pryor wrote that he did not know exactly how he would help the Kosovar refugees but added that he felt it was important to offer his assistance.

''What I am doing is something I must do. I don't know exactly where I will be, nor do I know what my assignment will be, I just hope I can make a contribution—even though small,'' Pryor wrote. ''I was too young for Hitler, too self-preoccupied for [the civil rights struggle in] Selma, and this time I've got to do something.''

Pryor estimated in his letter that he would be gone 30 to 60 days with the IRC, an organization created in 1933 to assist victims who were fleeing from Nazi Germany. The group has been in the Balkans since 1991, according to Edward P. Bligh, IRC vice president of communications.

Most recently, the IRC has sent volunteers and aid to Albania and Macedonia to help the refugees who have been streaming out of Kosovo. The group is helping to shelter refugees and develop water supplies and sanitary facilities. It also provides medical services and has special programs for children, Bligh said.

Pryor also wrote in his letter that the IRC volunteers had inspired him.

''To be able to watch and know these gallant, and yes, believing, young men and women who want to serve restores faith and binds our hopes together,'' Pryor wrote.

But those who know Pryor said he is the one providing inspiration to others.

''Here's a man that has dedicated his life to serving the people of Arkansas [and] the people of the U.S.,'' said IOP fellow and former South Carolina governor David Beasley. ''He makes us proud to be American, and he inspires us all.''

Simpson spoke of the positive example that Pryor is setting, particularly to the often-cynical students he sees on campus.

''When [students] look around cynically at politicians and those looking only to serve themselves, they'll remember David Pryor [as a positive example],'' Simpson said.

Pryor taught a study group at the IOP this semester called ''Everything (Well Almost) You Ever Wanted To Know About Winning and Holding Public Office But Were Afraid to Ask.''

Students who know Pryor said they were impressed by his commitment to helping others.

''For this 65-plus-year-old, former U.S. senator to just decide to go off to Albania . . . I think it really exemplifies the kind of person he is and the kind of senator he was,'' said Eugene Krupitsky '02, one of Pryor's study group liaisons.

''It was just amazing to think of this individual just leaving the IOP early to go do community action. It's exemplary that he is bridging the gap between politics and community service,'' he added.

In his letter, Pryor wrote of a friend from his home state who has a sign painted on the side of his truck that says, ''When you wake up, get up, and when you get up, do something.''

''That's what I intend to do,'' Pryor wrote. ''I'm going to go over and do something.''

## COMBINED SEWER OVERFLOW CONTROL AND PARTNERSHIP ACT OF 1999

Ms. SNOWE. Mr. President, I rise today in support of the Smith-Snowe Combined Sewer Overflow Control and Partnership Act of 1999. If enacted, this bill will eliminate or appropriately control combined sewer overflow (CSO) discharges in this country by the year 2010. This legislation will also help ratepayers in at least 53 communities throughout the state of Maine and over 1,000 other communities around the country. Presently, over 43 million people in the U.S. are incurring the high costs of trying to overcome the problem of combined sewer overflows because of the lack of federal statute and funding to meet federal sewage treatment mandates for these CSO communities.

Mr. President, CSOs are by far the single largest public works project in the history of almost every CSO community. When the Maine Municipal Association members met with me last month, they informed me of communities where people are facing paying more in sewer rates than they will owe in property taxes. This, to me, is unacceptable.

Most, but not all, of the combined sewer systems are located primarily in the Northeast and Great Lakes areas where sewer lines and stormwater collection systems were first constructed in the 1800s and early 1900s. Typically, sewer lines designated to carry raw sewage from urban residential areas and business were laid first. These were followed by stormwater drainage systems designed to collect rainwater during storms to reduce or eliminate urban flooding. In many cases, sewer lines and stormwater conduits were connected into a combined sewer, which served as a single collection system to transport both sewage and stormwater. Eleven states in the two geographic areas of New England and the Great Lakes account for 85 percent of the water-quality problems attributed to CSOs nationwide.

Sewer overflow problems arise mainly during wet weather, causing an overload of the systems, and the untreated or partially treated waste water discharges through combined sewer overflow outfalls into receiving waters such as rivers, lakes, estuaries and bays. The CSOs are the last remaining discharges from a point, or known, source of untreated or partially treated sewage into the nation's waters.

The federal government has been long on regulation and short on financial assistance. The CSO problem was first addressed when Congress revisited the Federal Water Pollution Control Act, better known as the Clean Water Act, almost three decades ago. The subsequent Clean Water Act Amendments of 1972 established the fundamental principles and objectives of a national wastewater management policy. To implement these goals, a national program was created to regulate the discharge of pollutant into surface waters, the National Pollutant Discharge Elimination System, or NPDES. This system required outfalls for industrial process waste and sewage from municipal treatment plants. Individual states were allowed to assume responsibility for the administration of NPDES once their permitting processes were approved by the EPA.

Maine and 37 other states operate EPA-approved NPDES permitting programs. The law requires that state water-quality standards be consistent with federal policy, but, if necessary to achieve the act's objectives, states are allowed to impose water-quality standards more stringent than those required by federal regulations.

Section 10(a)(4) of the CWA Amendments of 1972 explicitly linked the achievement of national water-quality goals to federal financial assistance for municipalities affected by the new mandate by creating the Construction Grants Program (CGP) that provided subsidies for the construction of publicly owned treatment works. In Section 516(b), the EPA was charged with administering the program, and was required to develop biennial estimates of the cost of construction of all needed publicly owned treatment works in each of the States.

In the past, federal funds have paid for as much as 75 percent of the construction costs for water treatment

and sewage facilities. In recent years, federal contributions have been limited to low interest loans rather than grants, through a revolving loan fund (SRF), and local ratepayers and taxpayers bear the burden of rehabilitating, upgrading and for operating costs. It is clear that more federal funding assistance is needed so that CSO communities can be given policy and financial tools with which to handle their ongoing CSO problem of sewer overflows into our rivers and bays.

The Smith-Snowe CSO bill amends the Clean Water Act and addresses the problems faced by such CSO cities and towns, 45 in my state alone. The purpose of the bill is to move forward with technology-based controls that are the most cost effective and to make sure communities do not put in controls that are not actually needed. The bill seeks to codify the Environmental Protection Agency's rational approach to CSO control, its ''CSO Policy of April, 1994''. Codification is necessary since the implementation of EPA's CSO policy has been inadequate to date.

The bill also provides congressional approval of the inclusion of realistic water quality standards compliance schedules for CSO control in permits and other enforceable documents issued as called for in the 1994 EPA Control Policy.

Initiation of the water quality standards/designated use review and revision process called for in EPA's Control Policy must also occur before requiring long-term CSO control plan implementation. The guidelines that the EPA is currently developing to assist communities for implementing measures for the control of CSOs are only just that, guidelines, and could potentially be changed after a community has spent hundreds of thousands of dollars following them. CSO communities need certainty, not changing guidelines after costly measures have already been taken.

The bill also authorizes federal grant funding assistance for CSO communities to implement long term CSO controls.

The problem of CSOs has been a long standing issue Mr. President, for which I cosponsored similar legislation in the House in the 102nd Congress. The CSO problem is not going to go away, but only become a bigger financial burden for our CSO communities.

I want to thank my colleagues who have agreed to cosponsor the Smith-Snowe CSO bill and urge those not yet cosponsoring to join us in support of this much needed legislation.

## MESSAGES FROM THE HOUSE

At 1:11 p.m., a message from the House of Representatives, delivered by one of its reading clerks, Mr. Hanrahan, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1569. An act to prohibit the use of funds appropriated to the Department of Defense from being used for the deployment of ground elements of the United States Armed Forces in the Federal Republic of Yugoslavia unless that deployment is specifically authorized by law.

## EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–2741. A communication from the Deputy Archivist, National Archives and Records Administration, transmitting, pursuant to law, the report of a rule entitled ''Researcher registration and research room procedures'' (RIN3095–AA69), received April 26, 1999; to the Committee on Governmental Affairs.

EC–2742. A communication from the Director, Office of Personnel Management, transmitting a draft of proposed legislation entitled ''Federal Employees' Benefits Equity Act of 1999''; to the Committee on Governmental Affairs.

EC–2743. A communication from the Chairman, United States Parole Commission, Department of Justice, transmitting, pursuant to law, the annual report for 1998; to the Committee on Governmental Affairs.

EC–2744. A communication from the Executive Director, Committee for Purchase from People who are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule relative to the procurement list, received April 20, 1999; to the Committee on Governmental Affairs.

EC–2745. A communication from the Executive Director, Committee for Purchase from People who are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule relative to the procurement list, received April 7, 1999; to the Committee on Governmental Affairs.

EC–2746. A communication from the President and Chief Executive Officer, Overseas Private Investment Corporation, transmitting, pursuant to law, the annual management report for fiscal year 1998; to the Committee on Governmental Affairs.

EC–2747. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report for fiscal years 1997 and 1998; to the Committee on Health, Education, Labor, and Pensions.

EC–2748. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled ''The Sixth Triennial Report to Congress on Drug Abuse and Addiction Research'', dated November, 1998; to the Committee on Health, Education, Labor, and Pensions.

EC–2749. A communication from the Board Members, United States of America Railroad Retirement Board, transmitting, a draft of proposed legislation amending the Railroad Retirement Act; to the Committee on Health, Education, Labor, and Pensions.

EC–2750. A communication from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a statement of policy entitled ''Use of Alternative Dispute Resolution''; to the Committee on Health, Education, Labor, and Pensions.

EC–2751. A communication from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting, pursuant to law, the report of a rule entitled ''Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits'' received April 9, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2752. A communication from the President, United States Institute of Peace, transmitting, pursuant to law, the report of the audit for fiscal year 1998; to the Committee on Health, Education, Labor, and Pensions.

EC–2753. A communication from the Secretary of Health and Human Services and the Secretary of Labor, transmitting jointly, a draft of proposed amendments to the Older Americans Act of 1965; to the Committee on Health, Education, Labor, and Pensions.

EC–2754. A communication from the Assistant General Counsel, Division of Regulatory Services, Office of Postsecondary Education, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Final Regulation—Gaining Early Awareness and Readiness for Undergraduate Programs'' (RIN1840–AC59), received April 12, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2755. A communication from the Assistant General Counsel for Regulations, Office of Elementary and Secondary Education, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Notice of Final Funding Priorities for Fiscal Year 1999 under the Native Hawaiian Curriculum Development, Teacher Training, and Recruitment Program'', received April 12, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2756. A communication from the Assistant General Counsel for Regulations, Office of Postsecondary Education, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''Final Regulations—Federal Family Education Loan Program'' (RIN1840–AC57), received April 12, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2757. A communication from the Assistant General Counsel for Regulations, Special Education & Rehabilitative Services, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''National Institute on Disability & Rehabilitative Research'' (84.133A & 84.133B), received April 13, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2758. A communication from the Deputy Director, Regulations Policy and Management Staff, Office of Policy, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Mutual Recognition of Pharmaceutical Good Manufacturing Practice Inspection Reports, Medical Device Quality System Audit Reports, and Certain Medical Device Product Evaluation Reports Between the United States and the European Community: Correction'' (RIN0910–ZA11), received April 9, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2759. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medical Devices; Exemptions from Premarket Notification; Class II Devices'', received April 6, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2760. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Over-the-Counter Drug Products Containing Analgesic/Antipyretic Active Ingredients for Internal Use; Required Alcohol Warning—Final Rule'' (Docket No. 77N-094W), received April 12, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2761. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medical Devices; Retention in Class III and Effective Date of Requirement for Premarket Approval for Three Preamendment Class III Devices'' (98N-0405), received April 19, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2762. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Medical Devices; Effective Date of Requirement for Premarket Approval for Three Class III Preamendments Physical Medicine Devices'' (98N-0467), received April 19, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2763. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Quality Mammography'' (98N-0728), received April 29, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2764. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Over-the-Counter Human Drugs; Labeling Requirements; Corrections'' (RIN0910–AA79), received April 19, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2765. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Secondary Direct Food Additives Permitted in Food for Human Consumption; Sulphopropyl Cellulose'', received April 19, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2766. A communication from the Director, Regulations Policy and Management, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Indirect Food Additives: Adjuvants, Production Aids and Sanitizers'', received April 12, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2767. A communication from the Under Secretary for Export Administration, Department of Commerce, transmitting, pursuant to law, a report relative to various export licenses; to the Committee on Banking, Housing, and Urban Affairs.

EC–2768. A communication from the Under Secretary for Export Administration, Department of Commerce, transmitting, pursuant to law, a report relative to various export controls; to the Committee on Banking, Housing, and Urban Affairs.

EC–2769. A communication from the Managing Director, Office of General Counsel, Federal Housing Finance Board, transmitting, pursuant to law, the report of a rule entitled ''Prohibition on Payment of Fee in Lieu of Mandatory Excess Capital Stock Redemption'' (RIN3069-AA83), received April 9, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2770. A communication from the Managing Director, Office of General Counsel, Federal Housing Finance Board, transmitting, pursuant to law, the report of a rule entitled ''Collateral Eligible to Secure Federal Home Loan Bank Advances'' (RIN3069-AA77), received April 13, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2771. A communication from the President, transmitting, pursuant to law, a report concerning the national emergency with respect to Angola; to the Committee on Banking, Housing, and Urban Affairs.

EC–2772. A communication from the Chairman, National Credit Union Administration, transmitting, pursuant to law, the annual report for calendar year 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–2773. A communication from the President and Chairman, Export-Import Bank of the United States, transmitting, pursuant to law, a report relative to exports to Tunisia; to the Committee on Banking, Housing, and Urban Affairs.

EC–2774. A communication from the Secretary, Security and Exchange Commission, transmitting, pursuant to law, the report of amendments to a rule entitled ''Deregistration of Certain Registered Investment Companies'' (RIN3235-AG29) and Form N-8F and Rule 8f-1, received April 19, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2775. A communication from the Executive Director, Presidential Advisory Commission on Holocaust Assets in the United States, transmitting a draft of proposed legislation relative to the Commission; to the Committee on Banking, Housing, and Urban Affairs.

EC–2776. A communication from the Chairman, Federal Financial Institutions Examination Council, transmitting, pursuant to law, the annual report for 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–2777. A communication from the Legislative and Regulatory Activities Division, Comptroller of the Currency, transmitting, pursuant to law, the report of a rule entitled ''Risk-Based Capital Standards: Market Risk'', received April 15, 1999; to the Committee on Banking, Housing, and Urban Affairs.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

S. Res. 22. A resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives serving as law enforcement officers.

S. Res. 29. A resolution to designate the week of May 2, 1999, as ''National Correctional Officers and Employees Week.''

S. Res. 33. A resolution designating May 1999 as ''National Military Appreciation Month.''

S. Res. 72. A resolution designating the month of May in 1999 and 2000 as ''National ALS Awareness Month.''

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 39. A bill to provide a national medal for public safety officers who act with extraordinary valor above the call of duty, and for other purposes.

S. 322. A bill to amend title 4, United States Code, to add the Martin Luther King Jr. holiday to the list of days on which the flag should especially be displayed.

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 704. A bill to amend title 18, United States Code, to combat the overutilization of prison health care services and control rising prisoner health care costs.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S.J. Res. 14. A joint resolution proposing an amendment to the Constitution of the United States authorizing Congress to prohibit the physical desecration of the flag of the United States.

## EXECUTIVE REPORTS OF A COMMITTEE

The following executive reports of a committee were submitted:

By Mr. WARNER, for the Committee on Armed Services:

Brian E. Sheridan, of Virginia, to be an Assistant Secretary of Defense.

Lawrence J. Delaney, of Maryland, to be an Assistant Secretary of the Air Force.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C, section 601:

*To be lieutenant general*

Maj. Gen. Donald G. Cook.

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Lt. Gen. Lance W. Lord.

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

*To be brigadier general, Dental Corps*

Col. Kenneth L. Farmer, Jr.

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be general*

Lt. Gen. John G. Coburn.

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

*To be brigadier general, Medical Corps*

Col. Joseph G. Webb, Jr.

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Maj. Gen. Leslie F. Kenne.

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Lt. Gen. Ronald T. Kadish.

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be general*

Gen. Ralph E. Eberhart.

The following named officer for appointment as Vice Chief of Staff, United States Air Force, and appointment to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., sections 601 and 8034:

*To be general*

Lt. Gen. Lester L. Lyles.

The following named officer for appointment as Assistant Surgeon General and Chief of the Dental Corps, United States Army, and for appointment to the grade indicated under title 10, U.S.C., section 3039:

*To be major general*

Brig. Gen. Patrick D. Sculley.

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be vice admiral*

Rear Adm. Thomas R. Wilson.

The following Air National Guard of the United States officer for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203:

*To be brigadier general*

Col. Ronald J. Bath.

(The above nominations were reported with the recommendation that they be confirmed.)

Mr. WARNER. Mr. President, for the Committee on Armed Services, I report favorably nomination lists which were printed in the RECORDS of March 2, 18, 22, April 13, 15, 20 and 21, 1999, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

In the Air Force nominations beginning *Husam S. Nolan, and ending James H. Walker, which nominations were received by the Senate and appeared in the Congressional Record of March 18, 1999

In the Army nominations beginning Thomas M. Johnson, and ending *Anthony P. Risi, which nominations were received by the Senate and appeared in the Congressional Record of March 18, 1999

In the Army nominations beginning Randall F. Cochran, and ending *Regina K. Draper, which nominations were received by the Senate and appeared in the Congressional Record of March 18, 1999

In the Army nominations beginning Alfred C. Faber, Jr., and ending Edward L. Wright, which nominations were received by the Senate and appeared in the Congressional Record of March 18, 1999

In the Army nominations beginning Dale F. Becker, and ending John F. Stoley, which nominations were received by the Senate and appeared in the Congressional Record of March 18, 1999

In the Marine Corps nomination Harold E. Poole, Sr., which was received by the Senate and appeared in the Congressional Record of March 18, 1999

In the Navy nomination of Leo J. Grassilli, which was received by the Senate and appeared in the Congressional Record of March 18, 1999

In the Air Force nominations beginning Robert J. Vaughn, and ending Todd B. Silverman, which nominations were received by the Senate and appeared in the Congressional Record of March 22, 1999

In the Air Force nominations beginning Gerald F. Bunting Blake, and ending Jeffery A. Renshaw, which nominations were received by the Senate and appeared in the Congressional Record of March 22, 1999

In the Navy nominations beginning Clifford A. Anderson, and ending Stephen G. Young, which nominations were received by the Senate and appeared in the Congressional Record of March 22, 1999

In the Marine Corps nomination of Timothy W. Foley, which was received by the Senate and appeared in the Congressional Record of April 15, 1999

In the Air Force nomination of Jerry A. Cooper, which was received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Air Force nomination of Thomas A. Drohan, which was received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Air Force nominations beginning Harvey J. U. Adams, Jr., and ending David J. Zupi, which nominations were received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Air Force nominations beginning Ronald G. Adams, and ending Walter H. Zimmer, which nominations were received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Army nomination of Stephen K. Siegrist, which was received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Army nomination of David A. Mayfield, which was received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Army nominations beginning John D. Knox, and ending David M. Shublak, which nominations were received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Army nomination of Francisco J. Dominguez, which was received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Army nomination of Japhet C. Rivera, which was received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Army nomination of Roy T. McCutcheon, III, which was received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Army nominations beginning Joseph I. Smith, and ending Sara J. Zimmer, which nominations were received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Marine Corps nomination of Kenneth C. Cooper, which was received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Marine Corps nominations beginning Francis X. Bergmeister, and ending Kenneth P. Myers, which nominations were received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Marine Corps nominations beginning Seth D. Ainspac, and ending James B. Zientek, which nominations were received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Marine Corps nominations beginning Robert S. Abbott, and ending Steven M. Zotti, which nominations were received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Navy nominations beginning Brian L. Kozkil, and ending Stephen M. Wilson, which nominations were received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Navy nomination of Melvin D. Newman, which was received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Navy nomination of Scott R. Hendren, which was received by the Senate and appeared in the Congressional Record of April 20, 1999

In the Army nominations beginning Paul C. Proffitt, and ending Michael D. Zabrzeski, which nominations were received by the Senate and appeared in the Congressional Record of April 21, 1999

(The nominations ordered to lie on the Secretary's desk were printed in the RECORDS of the above dates, at the end of the Senate proceedings.)

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. CONRAD (for himself, Mr. NICKLES, Mr. INOUYE, Mr. ROCKEFELLER, and Mr. HARKIN):

S. 909. A bill to provide for the review and classification of physician assistant positions in the Federal Government, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CRAIG:

S. 910. A bill to streamline, modernize, and enhance the authority of the Secretary of Agriculture relating to plant protection and quarantine, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRAMS:

S. 911. A bill to amend title XVIII of the Social Security Act to ensure medicare reimbursement for certain ambulance services, and to improve the efficiency of the emergency medical system, and for other purposes; to the Committee on Finance.

By Mr. KYL (for himself, Mrs. HUTCHISON, Mr. DOMENICI, Mr. MCCAIN, Mr. GRAMM, Mr. BINGAMAN, Mr. HOLLINGS, Mr. ABRAHAM and Mrs. FEINSTEIN):

S. 912. A bill to modify the rate of basic pay and the classification of positions for certain United States Border Patrol agents, and for other purposes; to the Committee on the Judiciary.

By Ms. COLLINS (for herself and Ms. SNOWE):

S. 913. A bill to require the Secretary of Housing and Urban Development to distribute funds available for grants under title

IV of the Stewart B. McKinney Homeless Assistance Act to help ensure that each State received not less than 0.5 percent of such funds for certain programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. SMITH of New Hampshire (for himself, Ms. SNOWE, Mr. WARNER, Mr. VOINOVICH, Ms. COLLINS, Mr. ABRAHAM, Mr. ROBB, Mr. HAGEL, and Mr. LUGAR):

S. 914. A bill to amend the Federal Water Pollution Control Act to require that discharges from combined storm and sanitary sewers conform to the Combined Sewer Overflow Control Policy of the Environmental Protection Agency, and for other purposes; to the Committee on Environment and Public Works.

By Mr. GRAMM (for himself, Mrs. HUTCHISON, Mr. MACK, and Mr. COVERDELL):

S. 915. A bill to amend title XVIII of the Social Security Act to expand and make permanent the medicare subvention demonstration project for military retirees and dependents; to the Committee on Finance.

By Mr. GRAMS (for himself, Mr. FEINGOLD, Mr. FITZGERALD, Mr. ABRAHAM, Mr. KOHL, Mr. HAGEL, Mr. DURBIN, Mr. ALLARD, Mr. CRAIG, Mr. CONRAD, and Mr. WELLSTONE):

S. 916. A bill to amend the Agricultural Market Transition Act to repeal the Northeast Interstate Dairy Compact provision; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. GRAMS (for himself and Mr. FEINGOLD):

S. 917. A bill to equalize the minimum adjustments to prices for fluid milk under milk marketing orders; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. KERRY (for himself, Mr. BOND, Mr. BINGAMAN, Ms. LANDRIEU, Mr. HARKIN, Mr. LIEBERMAN, Mr. WELLSTONE, Mr. KOHL, Mr. BURNS, Mr. ROBB, Mr. EDWARDS, Mr. LEVIN, Mr. GRAHAM, Ms. SNOWE, Mr. AKAKA, Mrs. MURRAY, Mr. CLELAND, Mr. KENNEDY, Mr. JEFFORDS, Ms. COLLINS, Mr. ABRAHAM, Mr. LEAHY, Mr. BAUCUS, Mr. KERREY, Mr. GRASSLEY, Mr. MOYNIHAN, Mrs. LINCOLN, Mr. BAYH, Mr. CHAFEE, Mr. LAUTENBERG, Mr. COCHRAN, and Mr. DASCHLE):

S. 918. A bill to authorize the Small Business Administration to provide financial and business development assistance to military reservists' small business, and for other purposes; to the Committee on Small Business.

By Mr. DODD (for himself, Mr. LIEBERMAN, Mr. KERRY, and Mr. KENNEDY):

S. 919. A bill to amend the Quinebaug and Shetucket Rivers Valley National Heritage Corridor Act of 1994 to expand the boundaries of the Corridor; to the Committee on Energy and Natural Resources.

By Mrs. HUTCHISON (for herself, Mr. MCCAIN, Mr. HOLLINGS, and Mr. INOUYE):

S. 920. A bill to authorize appropriations for the Federal Maritime Commission for fiscal years 2000 and 2001; to the Committee on Commerce, Science, and Transportation.

By Mr. ABRAHAM (for himself, Mr. MCCAIN, and Mr. LOTT):

S. 921. A bill to facilitate and promote electronic commerce in securities transactions involving broker-dealers, transfer agents and investment advisers; to the Committee on Banking, Housing, and Urban Affairs.

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

S. 922. A bill to prohibit the use of the ''Made in the USA'' label on products of the Commonwealth of the Northern Mariana Islands and to deny such products duty-free and quota-free treatment; to the Committee on Finance.

By Mr. SMITH of Oregon (for himself, Mr. THOMAS, and Mr. BROWNBACK):

S. 923. A bill to promote full equality at the United Nations for Israel; to the Committee on Foreign Relations.

By Mr. NICKLES (for himself, Ms. LANDRIEU, Mr. MURKOWSKI, Mr. DOMENICI, and Mrs. HUTCHISON):

S. 924. A bill entitled the ''Federal Royalty Certainty Act''; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI:

S. 925. A bill to require the Secretary of the military department concerned to reimburse a member of the Armed Forces for expenses of travel in connection with leave cancelled to meet an exigency in connection with United States participation in Operation Allied Force; to the Committee on Armed Services.

By Mr. DODD (for himself, Mr. HAGEL, Mr. GRAMS, Mr. LUGAR, Mr. CHAFEE, Mr. LEAHY, Mr. KERREY, Mr. KERRY, Mr. LEVIN, Mr. KENNEDY, Mr. JEFFORDS, Mrs. LINCOLN, and Mrs. MURRAY):

S. 926. A bill to provide the people of Cuba with access to food and medicines from the United States, and for other purposes; to the Committee on Foreign Relations.

By Mr. DODD (for himself and Mr. HAGEL):

S. 927. A bill to authorize the President to delay, suspend, or terminate economic sanctions if it is in the important national interest of the United States to do so; to the Committee on Foreign Relations.

By Mr. SANTORUM (for himself, Mr. SMITH of New Hampshire, Mr. LOTT, Mr. ABRAHAM, Mr. ALLARD, Mr. ASHCROFT, Mr. BOND, Mr. BROWNBACK, Mr. BUNNING, Mr. BURNS, Mr. COCHRAN, Mr. CRAIG, Mr. CRAPO, Mr. DEWINE, Mr. DOMENICI, Mr. ENZI, Mr. FITZGERALD, Mr. FRIST, Mr. GORTON, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. HAGEL, Mr. HATCH, Mr. HELMS, Mr. HUTCHINSON, Mr. INHOFE, Mr. KYL, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCONNELL, Mr. MURKOWSKI, Mr. NICKLES, Mr. ROBERTS, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of Oregon, Mr. THOMAS, Mr. THURMOND, Mr. VOINOVICH, and Mr. WARNER):

S. 928. A bill to amend title 18, United States Code, to ban partial-birth abortions; to the Committee on the Judiciary.

By Mr. ROBB (for himself, Mrs. HUTCHISON, Mr. KERREY, Mr. HAGEL, Mr. REED, Mr. SMITH of New Hampshire, Mr. CLELAND, Mr. ABRAHAM, and Mr. HUTCHINSON):

S. 929. A bill to provide for the establishment of a National Military Museum, and for other purposes; to the Committee on Armed Services.

By Mr. REID (for himself and Mr. BRYAN):

S. 930. A bill to provide for the sale of certain public land in the Ivanpah Valley, Nevada, to the Clark County, Nevada, Department of Aviation; to the Committee on Energy and Natural Resources.

By Mr. MCCAIN (for himself, Mr. LIEBERMAN, and Mr. CONRAD):

S.J. Res. 23. A joint resolution expressing the sense of the Congress regarding the need for a Surgeon General's report on media and violence; to the Committee on Health, Education, Labor, and Pensions.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. HATCH (for himself, Mr. BINGAMAN, Mr. MCCAIN, Mr. REID, Mr. DOMENICI, Mr. LAUTENBERG, Mr. ABRAHAM, Mrs. FEINSTEIN, Mr. BOND, Mrs. MURRAY, and Mrs. HUTCHISON):

S. Res. 90. A resolution designating the 30th day of April 2000 as ''Dia de los Ninos: Celebrating Young Americans'', and for other purposes; to the Committee on the Judiciary.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CONRAD (for himself, Mr. NICKLES, Mr. INOUYE, Mr. ROCKEFELLER, and Mr. HARKIN):

S. 909. A bill to provide for the review and classification of physician assistant positions in the Federal Government, and for other purposes; to the Committee on Governmental Affairs.

PHYSICIAN ASSISTANT EQUITY ACT

Mr. CONRAD. Mr. President, today I am pleased to be joined by Senators NICKLES, ROCKEFELLER, INOUYE, and HARKIN to introduce legislation that directs the Office of Personnel Management (OPM) to develop a classification standard appropriate to the occupation of physician assistant.

Physician assistants are a part of a growing field of health care professionals that make quality health care available and affordable in underserved areas throughout our country. Because the physician assistant profession was very young when OPM first developed employment criteria in 1970, the agency adapted the nursing classification system for physician assistants. Today, this is no longer appropriate. Physician assistants have different education and training requirements than nurses and they are licensed and evaluated according to different criteria.

The inaccurate classification of physician assistants had led to recruitment and retention problems of physician assistants in federal agencies, usually caused by low starting salaries and low salary caps. Because it is recognized that physician assistants provide cost-effective health care, this is an important problem to resolve.

This legislation mandates that OPM review this classification in consultation with physician assistants and the organizations that represent physician assistants. The bill specifically states that OPM should consider the educational and practice qualifications of the position as well as the treatment of physician assistants in the private sector in this review.

Mr. President, I believe that this legislation will make an important correction that will help federal agencies

make better use of these providers of cost-effective, high quality health care.

By Mr. CRAIG:

S. 910. A bill to streamline, modernize, and enhance the authority of the Secretary of Agriculture relating to plant protection and quarantine, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

NOXIOUS WEED COORDINATION AND PLANT PROTECTION ACT

• Mr. CRAIG. Mr. President, I rise today to introduce the ''Noxious Weed Coordination and Plant Protection Act of 1999''—a comprehensive bill which will focus the effort of federal agencies in fighting noxious weeds and other plant pests.

In January I introduced the Plant Protection Act, S. 321. This bill generated a lot of discussion and several suggestions for improvement, much of which is reflected in the bill I am introducing today. The Noxious Weed Coordination and Plant Protection Act of 1999 retains most of S. 321 but includes a section on federal coordination of noxious weed removal.

Mr. President, I ask that the bill and a section-by-section analysis be printed in the RECORD.

The material follows:

S. 910

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

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Noxious Weed Coordination and Plant Protection Act''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:



**SEC. 2. FINDINGS.**

Congress finds that—

(1) the detection, control, eradication, suppression, prevention, and retardation of the spread of plant pests and noxious weeds is necessary for the protection of the agriculture, environment, and economy of the United States;

(2) biological control—

(A) is often a desirable, low-risk means of ridding crops and other plants of plant pests and noxious weeds; and

(B) should be facilitated by the Secretary of Agriculture, Federal agencies, and States, whenever feasible;

(3) the smooth movement of enterable plants, plant products, certain biological control organisms, or other articles into, out of, or within the United States is vital to the economy of the United States and should be facilitated to the extent practicable;

(4) markets could be severely impacted by the introduction or spread of plant pests or noxious weeds into or within the United States;

(5) the unregulated movement of plants, plant products, biological control organisms, plant pests, noxious weeds, and articles capable of harboring plant pests or noxious weeds would present an unacceptable risk of introducing or spreading plant pests or noxious weeds;

(6) the existence on any premises in the United States of a plant pest or noxious weed new to or not known to be widely prevalent in or distributed within and throughout the United States could threaten crops, other plants, and plant products of the United States and burden interstate commerce or foreign commerce; and

(7) all plants, plant products, biological control organisms, plant pests, noxious weeds, or articles capable of harboring plant pests or noxious weeds regulated under this Act are in or affect interstate commerce or foreign commerce.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) ARTICLE.—The term ''article'' means a material or tangible object that could harbor a plant pest or noxious weed.

(2) BIOLOGICAL CONTROL ORGANISM.—The term ''biological control organism'' means an enemy, antagonist, or competitor organism used to control a plant pest or noxious weed.

(3) ENTER.—The term ''enter'' means to move into the commerce of the United States.

(4) ENTRY.—The term ''entry'' means the act of movement into the commerce of the United States.

(5) EXPORT.—The term ''export'' means to move from the United States to any place outside the United States.

(6) EXPORTATION.—The term ''exportation'' means the act of movement from the United States to any place outside the United States.

(7) IMPORT.—The term ''import'' means to move into the territorial limits of the United States.

(8) IMPORTATION.—The term ''importation'' means the act of movement into the territorial limits of the United States.

(9) INTERSTATE.—The term ''interstate'' means—

(A) from 1 State into or through any other State; or

(B) within the District of Columbia, Guam, the Virgin Islands of the United States, or any other territory or possession of the United States.

(10) INTERSTATE COMMERCE.—The term ''interstate commerce'' means trade, traffic, movement, or other commerce—

(A) between a place in a State and a point in another State;

(B) between points within the same State but through any place outside the State; or

(C) within the District of Columbia, Guam, the Virgin Islands of the United States, or any other territory or possession of the United States.

(11) MEANS OF CONVEYANCE.—The term ''means of conveyance'' means any personal property that could harbor a pest, disease, or noxious weed and that is used for or intended for use for the movement of any other personal property.

(12) MOVE.—The term ''move'' means to—

(A) carry, enter, import, mail, ship, or transport;

(B) aid, abet, cause, or induce the carrying, entering, importing, mailing, shipping, or transporting;

(C) offer to carry, enter, import, mail, ship, or transport;

(D) receive to carry, enter, import, mail, ship, or transport;

(E) release into the environment; or

(F) allow an agent to participate in any of the activities referred to in this paragraph.

(13) MOVEMENT.—The term ''move'' means the act of—

(A) carrying, entering, importing, mailing, shipping, or transporting;

(B) aiding, abetting, causing, or inducing the carrying, entering, importing, mailing, shipping, or transporting;

(C) offering to carry, enter, import, mail, ship, or transport;

(D) receiving to carry, enter, import, mail, ship, or transport;

(E) releasing into the environment; or

(F) allowing an agent to participate in any of the activities referred to in this paragraph.

(14) NOXIOUS WEED.—The term ''noxious weed'' means a plant or plant product that has the potential to directly or indirectly injure or cause damage to a plant or plant product through injury or damage to a crop (including nursery stock or a plant product), livestock, poultry, or other interest of agriculture (including irrigation), navigation, natural resources of the United States, public health, or the environment.

(15) PERMIT.—The term ''permit'' means a written (including electronic) or oral authorization by the Secretary to move a plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance under conditions prescribed by the Secretary.

(16) PERSON.—The term ''person'' means an individual, partnership, corporation, association, joint venture, or other legal entity.

(17) PLANT.—The term ''plant'' means a plant (including a plant part) for or capable of propagation (including a tree, tissue culture, plantlet culture, pollen, shrub, vine, cutting, graft, scion, bud, bulb, root, and seed).

(18) PLANT PEST.—The term ''plant pest'' means—

(A) a living stage of a protozoan, invertebrate animal, parasitic plant, bacteria, fungus, virus, viroid, infection agent, or pathogen that has the potential to directly or indirectly injure or cause damage to, or cause disease in, a plant or plant product; or

(B) an article that is similar to or allied with an article referred to in subparagraph (A).

(19) PLANT PRODUCT.—The term ''plant product'' means—

(A) a flower, fruit, vegetable, root, bulb, seed, or other plant part that is not covered by paragraph (17); and

(B) a manufactured or processed plant or plant part.

(20) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(21) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and any other territory or possession of the United States.

(22) UNITED STATES.—The term ''United States'', when used in a geographical sense, means all of the States.

## TITLE I—PLANT PROTECTION

### SEC. 101. REGULATION OF MOVEMENT OF PLANT PESTS.

(a) PROHIBITION OF UNAUTHORIZED MOVEMENT OF PLANT PESTS.—Except as provided in subsection (b), no person shall import, enter, export, or move in interstate commerce a plant pest, unless the importation, entry, exportation, or movement is authorized under general or specific permit and is in accordance with such regulations as the Secretary may promulgate to prevent the introduction of plant pests into the United States or the dissemination of plant pests within the United States.

(b) AUTHORIZATION OF MOVEMENT OF PLANT PESTS BY REGULATION.—

(1) EXCEPTION TO PERMIT REQUIREMENT.—The Secretary may promulgate regulations to allow the importation, entry, exportation, or movement in interstate commerce of specified plant pests without further restriction if the Secretary finds that a permit under subsection (a) is not necessary.

(2) PETITION TO ADD OR REMOVE PLANT PESTS FROM REGULATION.—A person may petition the Secretary to add a plant pest to, or remove a plant pest from, the regulations promulgated under paragraph (1).

(3) RESPONSE TO PETITION BY THE SECRETARY.—In the case of a petition submitted under paragraph (2), the Secretary shall—

(A) act on the petition within a reasonable time; and

(B) notify the petitioner of the final action the Secretary takes on the petition.

(4) BASIS FOR DETERMINATION.—The determination of the Secretary on the petition shall be based on sound science.

(c) PROHIBITION OF UNAUTHORIZED MAILING OF PLANT PESTS.—

(1) IN GENERAL.—Subject to section 304, a letter, parcel, box, or other package containing a plant pest, whether or not sealed as letter-rate postal matter, is nonmailable and shall not knowingly be conveyed in the mail or delivered from any post office or by any mail carrier, unless the package is mailed in compliance with such regulations as the Secretary may promulgate to prevent the dissemination of plant pests into the United States or interstate.

(2) APPLICATION OF POSTAL LAWS.—Nothing in this subsection authorizes a person to open a mailed letter or other mailed sealed matter except in accordance with the postal laws (including regulations).

(d) REGULATIONS.—Regulations promulgated by the Secretary to implement subsections (a), (b), or (c) may include provisions requiring that a plant pest imported, entered, to be exported, moved in interstate commerce, mailed, or delivered from a post office—

(1) be accompanied by a permit issued by the Secretary before the importation, entry, exportation, movement in interstate commerce, mailing, or delivery of the plant pest;

(2) be accompanied by a certificate of inspection issued (in a manner and form required by the Secretary) by appropriate officials of the country or State from which the plant pest is to be moved;

(3) be raised under post-entry quarantine conditions by or under the supervision of the Secretary for the purposes of determining whether the plant pest may be infested with other plant pests, may pose a significant risk of causing injury to, damage to, or disease in a plant or plant product, or may be a noxious weed; and

(4) be subject to such remedial measures as the Secretary determines are necessary to prevent the dissemination of plant pests.

### SEC. 102. REGULATION OF MOVEMENT OF PLANTS, PLANT PRODUCTS, BIOLOGICAL CONTROL ORGANISMS, NOXIOUS WEEDS, ARTICLES, AND MEANS OF CONVEYANCE.

(a) IN GENERAL.—The Secretary may prohibit or restrict the importation, entry, exportation, or movement in interstate commerce of a plant, plant product, biological control organism, noxious weed, article, or means of conveyance, if the Secretary determines that the prohibition or restriction is necessary to prevent the introduction into the United States or the dissemination of a plant pest or noxious weed within the United States.

(b) REGULATIONS.—The Secretary may promulgate regulations to carry out this section, including regulations requiring that a plant, plant product, biological control organism, noxious weed, article, or means of conveyance imported, entered, to be exported, or moved in interstate commerce—

(1) be accompanied by a permit issued by the Secretary prior to the importation, entry, exportation, or movement in interstate commerce;

(2) be accompanied by a certificate of inspection issued (in a manner and form required by the Secretary) by appropriate officials of the country or State from which the plant, plant product, biological control organism, noxious weed, article, or means of conveyance is to be moved;

(3) be subject to remedial measures the Secretary determines to be necessary to prevent the spread of plant pests or noxious weeds; and

(4) in the case of a plant or biological control organism, be grown or handled under post-entry quarantine conditions by or under the supervision of the Secretary for the purpose of determining whether the plant or biological control organism may be infested with a plant pest or noxious weed, or may be a plant pest or noxious weed.

(c) LIST OF RESTRICTED NOXIOUS WEEDS.—

(1) PUBLICATION.—The Secretary may publish, by regulation, a list of noxious weeds that are prohibited or restricted from entering the United States or that are subject to restrictions on interstate movement within the United States.

(2) PETITIONS TO ADD PLANT SPECIES TO OR REMOVE PLANT SPECIES FROM LIST.—

(A) IN GENERAL.—A person may petition the Secretary to add a plant species to, or remove a plant species from, the list authorized under paragraph (1).

(B) ACTION ON PETITION.—The Secretary shall—

(i) act on the petition within a reasonable time; and

(ii) notify the petitioner of the final action the Secretary takes on the petition.

(C) BASIS FOR DETERMINATION.—The determination of the Secretary on the petition shall be based on sound science.

(d) LIST OF BIOLOGICAL CONTROL ORGANISMS.—

(1) PUBLICATION.—The Secretary may publish, by regulation, a list of biological control organisms the movement of which in interstate commerce is not prohibited or restricted.

(2) DISTINCTIONS.—In publishing the list, the Secretary may take into account distinctions between biological control organisms, such as whether the organisms are indigenous, nonindigenous, newly introduced, or commercially raised.

(3) PETITIONS TO ADD BIOLOGICAL CONTROL ORGANISMS TO OR REMOVE BIOLOGICAL CONTROL ORGANISMS FROM LIST.—

(A) IN GENERAL.—A person may petition the Secretary to add a biological control organism to, or remove a biological control organism from, the list authorized under paragraph (1).

(B) ACTION ON PETITION.—The Secretary shall—

(i) act on the petition within a reasonable time; and

(ii) notify the petitioner of the final action the Secretary takes on the petition.

(C) BASIS FOR DETERMINATION.—The determination of the Secretary on the petition shall be based on sound science.

### SEC. 103. NOTIFICATION AND HOLDING REQUIREMENTS ON ARRIVAL.

(a) DUTY OF SECRETARY OF THE TREASURY.—

(1) NOTIFICATION.—The Secretary of the Treasury shall promptly notify the Secretary of Agriculture of the arrival of a plant, plant product, biological control organism, plant pest, or noxious weed at a port of entry.

(2) HOLDING.—The Secretary of the Treasury shall hold a plant, plant product, biological control organism, plant pest, or noxious weed, for which notification is made under paragraph (1) at the port of entry until the plant, plant product, biological control organism, plant pest, or noxious weed is—

(A) inspected and authorized by the Secretary of Agriculture for entry into or movement through the United States; or

(B) otherwise released by the Secretary of Agriculture.

(3) EXCEPTIONS.—Paragraphs (1) and (2) shall not apply to a plant, plant product, biological control organism, plant pest, or noxious weed that is imported from a country or region of a country designated by the Secretary of Agriculture, by regulation, as exempt from the requirements of those paragraphs.

(b) NOTIFICATION BY RESPONSIBLE PERSON.—The person responsible for a plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance required to have a permit under section 101 or 102 shall, as soon as practicable on arrival at the port of entry and before the plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance is moved from

the port of entry, notify the Secretary of Agriculture or, at the Secretary of Agriculture's direction, the proper official of the State to which the plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance is destined, or both, as the Secretary of Agriculture may prescribe, of—

(1) the name and address of the consignee;

(2) the nature and quantity of the plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance proposed to be moved; and

(3) the country and locality where the plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance was grown, produced, or located.

(c) PROHIBITION OF MOVEMENT OF ITEMS WITHOUT INSPECTION AND AUTHORIZATION.—No person shall move from a port of entry or interstate an imported plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance unless the imported plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance has been—

(1) inspected and authorized by the Secretary of Agriculture for entry into or movement through the United States; or

(2) otherwise released by the Secretary of Agriculture.

**SEC. 104. GENERAL REMEDIAL MEASURES FOR NEW PLANT PESTS AND NOXIOUS WEEDS.**

(a) AUTHORITY TO HOLD, TREAT, OR DESTROY ITEMS.—If the Secretary considers it necessary to prevent the dissemination of a plant pest or noxious weed that is new to or not known to be widely prevalent or distributed within and throughout the United States, the Secretary may hold, seize, quarantine, treat, apply other remedial measures to, destroy, or otherwise dispose of a plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance that—

(1)(A) is moving into or through the United States or interstate, or has moved into or through the United States or interstate; and

(B)(i) the Secretary has reason to believe is a plant pest or noxious weed or is infested with a plant pest or noxious weed at the time of the movement; or

(ii) is or has been otherwise in violation of this Act;

(2) has not been maintained in compliance with a post-entry quarantine requirement; or

(3) is the progeny of a plant, plant product, biological control organism, plant pest, or noxious weed that is moving into or through the United States or interstate, or has moved into the United States or interstate, in violation of this Act.

(b) AUTHORITY TO ORDER AN OWNER TO TREAT OR DESTROY.—

(1) IN GENERAL.—The Secretary may order the owner of a plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance subject to action under subsection (a), or the owner's agent, to treat, apply other remedial measures to, destroy, or otherwise dispose of the plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance, without cost to the Federal Government and in a manner the Secretary considers appropriate.

(2) FAILURE TO COMPLY.—If the owner or agent of the owner fails to comply with an order of the Secretary under paragraph (1), the Secretary may take an action authorized by subsection (a) and recover from the owner or agent of the owner the costs of any care, handling, application of remedial measures, or disposal incurred by the Secretary in connection with actions taken under subsection (a).

(c) CLASSIFICATION SYSTEM.—

(1) IN GENERAL.—To facilitate control of noxious weeds, the Secretary may develop a classification system to describe the status and action levels for noxious weeds.

(2) CATEGORIES.—The classification system may include the geographic distribution, relative threat, and actions initiated to prevent introduction or distribution.

(3) MANAGEMENT PLANS.—In conjunction with the classification system, the Secretary may develop integrated management plans for noxious weeds for the geographic region or ecological range where the noxious weed is found in the United States.

(d) APPLICATION OF LEAST DRASTIC ACTION.—No plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance shall be destroyed, exported, or returned to the shipping point of origin, or ordered to be destroyed, exported, or returned to the shipping point of origin under this section unless, in the opinion of the Secretary, there is no less drastic action that is feasible and that would be adequate to prevent the dissemination of any plant pest or noxious weed new to or not known to be widely prevalent or distributed within and throughout the United States.

**SEC. 105. EXTRAORDINARY EMERGENCIES.**

(a) AUTHORITY TO DECLARE.—Subject to subsection (b), if the Secretary determines that an extraordinary emergency exists because of the presence of a plant pest or noxious weed that is new to or not known to be widely prevalent in or distributed within and throughout the United States and that the presence of the plant pest or noxious weed threatens plants or plant products of the United States, the Secretary may—

(1) hold, seize, quarantine, treat, apply other remedial measures to, destroy, or otherwise dispose of, a plant, plant product, biological control organism, article, or means of conveyance that the Secretary has reason to believe is infested with the plant pest or noxious weed;

(2) quarantine, treat, or apply other remedial measures to any premises, including a plant, plant product, biological control organism, article, or means of conveyance on the premises, that the Secretary has reason to believe is infested with the plant pest or noxious weed;

(3) quarantine a State or portion of a State in which the Secretary finds the plant pest or noxious weed or a plant, plant product, biological control organism, article, or means of conveyance that the Secretary has reason to believe is infested with the plant pest or noxious weed; or

(4) prohibit or restrict the movement within a State of a plant, plant product, biological control organism, article, or means of conveyance if the Secretary determines that the prohibition or restriction is necessary to prevent the dissemination of the plant pest or noxious weed or to eradicate the plant pest or noxious weed.

(b) REQUIRED FINDING OF EMERGENCY.—The Secretary may take action under this section only on finding, after review and consultation with the Governor or other appropriate official of the State affected, that the measures being taken by the State are inadequate to prevent the dissemination of the plant pest or noxious weed or to eradicate the plant pest or noxious weed.

(c) NOTIFICATION PROCEDURES.—

(1) IN GENERAL.—Before any action is taken in a State under this section, the Secretary shall—

(A) notify the Governor or another appropriate official of the State;

(B) issue a public announcement; and

(C) except as provided in paragraph (2), publish in the Federal Register a statement of—

(i) the findings of the Secretary;

(ii) the action the Secretary intends to take;

(iii) the reason for the intended action; and

(iv) if practicable, an estimate of the anticipated duration of the extraordinary emergency.

(2) TIME SENSITIVE ACTIONS.—If it is not practicable to publish a statement in the Federal Register under paragraph (1) before taking an action under this section, the Secretary shall publish the statement in the Federal Register within a reasonable period of time, not to exceed 10 business days, after commencement of the action.

(d) APPLICATION OF LEAST DRASTIC ACTION.—No plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance shall be destroyed, exported, or returned to the shipping point of origin, or ordered to be destroyed, exported, or returned to the shipping point of origin under this section unless, in the opinion of the Secretary, there is no less drastic action that is feasible and that would be adequate to prevent the dissemination of a plant pest or noxious weed new to or not known to be widely prevalent or distributed within and throughout the United States.

(e) PAYMENT OF COMPENSATION.—

(1) IN GENERAL.—The Secretary may pay compensation to a person for economic losses incurred by the person as a result of action taken by the Secretary under this section.

(2) AMOUNT.—The determination by the Secretary of the amount of any compensation to be paid under this subsection shall be final and shall not be subject to judicial review.

**SEC. 106. RECOVERY OF COMPENSATION FOR UNAUTHORIZED ACTIVITIES.**

(a) RECOVERY ACTION.—The owner of a plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance destroyed or otherwise disposed of by the Secretary under section 104 or 105 may bring an action against the United States to recover just compensation for the destruction or disposal of the plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance (not including compensation for loss due to delays incident to determining eligibility for importation, entry, exportation, movement in interstate commerce, or release into the environment) if the owner establishes that the destruction or disposal was not authorized under this Act.

(b) TIME FOR ACTION; LOCATION.—

(1) TIME FOR ACTION.—An action under this section shall be brought not later than 1 year after the destruction or disposal of the plant, plant product, biological control mechanism, plant pest, noxious weed, article, or means of conveyance involved.

(2) LOCATION.—The action may be brought in a United States District Court where the owner is found, resides, transacts business, is licensed to do business, or is incorporated.

(c) PAYMENT OF JUDGMENTS.—A judgment in favor of the owner shall be paid out of any money in the Treasury appropriated for

plant pest control activities of the Department of Agriculture.

**SEC. 107. CONTROL OF GRASSHOPPERS AND MORMON CRICKETS.**

(a) IN GENERAL.—Subject to the availability of funds under this section, the Secretary of Agriculture shall carry out a program to control grasshoppers and Mormon Crickets on all Federal land to protect rangeland.

(b) TRANSFER AUTHORITY.—

(1) IN GENERAL.—Subject to paragraph (3), on the request of the Secretary of Agriculture, the Secretary of the Interior shall transfer to the Secretary of Agriculture, from any no-year appropriations, funds for the prevention, suppression, and control of actual or potential grasshopper and Mormon Cricket outbreaks on Federal land under the jurisdiction of the Secretary of the Interior.

(2) USE.—The transferred funds shall be available only for the payment of obligations incurred on the Federal land.

(3) TRANSFER REQUESTS.—The Secretary of Agriculture shall make a request for the transfer of funds under this subsection as promptly as practicable.

(4) LIMITATION.—The Secretary of Agriculture may not use funds transferred under this subsection until funds specifically appropriated to the Secretary of Agriculture for grasshopper and Mormon Cricket control have been exhausted.

(5) REPLENISHMENT OF TRANSFERRED FUNDS.—Funds transferred under this section shall be replenished by supplemental or regular appropriations, which the Secretary of Agriculture shall request as promptly as practicable.

(c) TREATMENT FOR GRASSHOPPERS AND MORMON CRICKETS.—

(1) IN GENERAL.—Subject to the availability of funds under this section, on request of the head of the administering agency or the agriculture department of an affected State, the Secretary of Agriculture, to protect rangeland, shall immediately treat Federal, State, or private land that is infested with grasshoppers or Mormon Crickets at levels of economic infestation, unless the Secretary of Agriculture determines that delaying treatment will not cause greater economic damage to adjacent owners of rangeland.

(2) OTHER PROGRAMS.—In carrying out this section, the Secretary of Agriculture shall work in conjunction with other Federal, State, and private prevention, control, or suppression efforts to protect rangeland.

(d) FEDERAL COST SHARE OF TREATMENT.—

(1) CONTROL ON FEDERAL LAND.—Out of funds made available under this section, the Secretary of Agriculture shall pay 100 percent of the cost of grasshopper or Mormon Cricket control on Federal land to protect rangeland.

(2) CONTROL ON STATE LAND.—Out of funds made available under this section, the Secretary of Agriculture shall pay 50 percent of the cost of grasshopper or Mormon Cricket control on State land.

(3) CONTROL ON PRIVATE LAND.—Out of funds made available under this section, the Secretary of Agriculture shall pay 33.3 percent of the cost of grasshopper or Mormon Cricket control on private land.

(e) TRAINING.—From funds made available or transferred by the Secretary of the Interior to the Secretary of Agriculture to carry out this section, the Secretary of Agriculture shall provide adequate funding for a program to train personnel to accomplish effectively the purposes of this section.

**SEC. 108. CERTIFICATION FOR EXPORTS.**

The Secretary may certify a plant, plant product, or biological control organism as free from plant pests and noxious weeds, and exposure to plant pests and noxious weeds, according to the phytosanitary or other requirements of the countries to which the plant, plant product, or biological control organism may be exported.

## TITLE II—INSPECTION AND ENFORCEMENT

**SEC. 201. INSPECTIONS AND WARRANTS.**

(a) IN GENERAL.—Consistent with guidelines approved by the Attorney General, the Secretary may—

(1) stop and inspect, without a warrant, a person or means of conveyance moving into the United States to determine whether the person or means of conveyance is carrying a plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance subject to this Act;

(2) stop and inspect, without a warrant, a person or means of conveyance moving in interstate commerce on probable cause to believe that the person or means of conveyance is carrying a plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance subject to this Act;

(3) stop and inspect, without a warrant, a person or means of conveyance moving in intrastate commerce or on premises quarantined as part of an extraordinary emergency declared under section 105 on probable cause to believe that the person or means of conveyance is carrying a plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance subject to this Act; and

(4) enter, with a warrant, a premises in the United States for the purpose of conducting investigations or making inspections under this Act.

(b) WARRANTS.—

(1) IN GENERAL.—A United States judge, a judge of a court of record in the United States, or a United States magistrate judge may, on proper oath or affirmation showing probable cause to believe that there is on certain premises a plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance regulated under this Act, issue a warrant for entry on the premises to conduct an investigation or make an inspection under this Act.

(2) EXECUTION.—The warrant may be applied for and executed by the Secretary or a United States marshal.

**SEC. 202. COLLECTION OF INFORMATION.**

The Secretary may gather and compile information and conduct such investigations as the Secretary considers necessary for the administration and enforcement of this Act.

**SEC. 203. SUBPOENA AUTHORITY.**

(a) AUTHORITY TO ISSUE.—The Secretary may require by subpoena—

(1) the attendance and testimony of a witness; and

(2) the production of all documentary evidence relating to the administration or enforcement of this Act or a matter under investigation in connection with this Act.

(b) LOCATION OF PRODUCTION.—The attendance of a witness and production of documentary evidence may be required from any place in the United States at any designated place of hearing.

(c) ENFORCEMENT OF SUBPOENA.—If a person fails to comply with a subpoena, the Secretary may request the Attorney General to invoke the aid of a court of the United States within the jurisdiction in which the investigation is conducted, or where the person resides, is found, transacts business, is licensed to do business, or is incorporated, in obtaining compliance.

(d) FEES AND MILEAGE.—

(1) IN GENERAL.—A witness summoned by the Secretary shall be paid the same fees and mileage that are paid to a witness in a court of the United States.

(2) DEPOSITIONS.—A witness whose deposition is taken, and the person taking the deposition, shall be entitled to the same fees that are paid for similar services in a court of the United States.

(e) PROCEDURES.—

(1) IN GENERAL.—The Secretary shall publish procedures for the issuance of subpoenas under this section.

(2) LEGAL SUFFICIENCY.—The procedures shall include a requirement that a subpoena be reviewed for legal sufficiency and signed by the Secretary.

(3) DELEGATION.—If the authority to sign a subpoena is delegated, the agency receiving the delegation shall seek review for legal sufficiency outside that agency.

(f) SCOPE OF SUBPOENA.—A subpoena for a witness to attend a court in a judicial district or to testify or produce evidence at an administrative hearing in a judicial district in an action or proceeding arising under this Act may run to any other judicial district.

**SEC. 204. PENALTIES FOR VIOLATION.**

(a) CRIMINAL PENALTIES.—A person that knowingly violates this Act, or that knowingly forges, counterfeits, or, without authority from the Secretary, uses, alters, defaces, or destroys a certificate, permit, or other document provided under this Act shall be guilty of a misdemeanor, and, on conviction, shall be fined in accordance with title 18, United States Code, imprisoned not more than 1 year, or both.

(b) CIVIL PENALTIES.—

(1) IN GENERAL.—A person that violates this Act, or that forges, counterfeits, or, without authority from the Secretary, uses, alters, defaces, or destroys a certificate, permit, or other document provided under this Act may, after notice and opportunity for a hearing on the record, be assessed a civil penalty by the Secretary that does not exceed the greater of—

(A) $50,000 in the case of an individual (except that the civil penalty may not exceed $1,000 in the case of an initial violation of this Act by an individual moving regulated articles not for monetary gain), or $250,000 in the case of any other person for each violation, except the amount of penalties assessed under this subparagraph in a single proceeding shall not exceed $500,000; or

(B) twice the gross gain or gross loss for a violation or forgery, counterfeiting, or unauthorized use, defacing or destruction of a certificate, permit, or other document provided for in this Act that results in the person's deriving pecuniary gain or causing pecuniary loss to another person.

(2) FACTORS IN DETERMINING CIVIL PENALTY.—In determining the amount of a civil penalty, the Secretary—

(A) shall take into account the nature, circumstance, extent, and gravity of the violation; and

(B) may take into account the ability to pay, the effect on ability to continue to do business, any history of prior violations, the degree of culpability of the violator, and any other factors the Secretary considers appropriate.

(3) SETTLEMENT OF CIVIL PENALTIES.—The Secretary may compromise, modify, or

remit, with or without conditions, a civil penalty that may be assessed under this subsection.

(4) FINALITY OF ORDERS.—

(A) IN GENERAL.—An order of the Secretary assessing a civil penalty shall be treated as a final order reviewable under chapter 158 of title 28, United States Code.

(B) COLLECTION ACTION.—The validity of an order of the Secretary may not be reviewed in an action to collect the civil penalty.

(C) INTEREST.—A civil penalty not paid in full when due under an order assessing the civil penalty shall (after the due date) accrue interest until paid at the rate of interest applicable to a civil judgment of the courts of the United States.

(c) LIABILITY FOR ACTS OF AN AGENT.—For purposes of this Act, the act, omission, or failure of an officer, agent, or person acting for or employed by any other person within the scope of employment or office of the officer, agent, or person, shall be considered to be the act, omission, or failure of the other person.

(d) GUIDELINES FOR CIVIL PENALTIES.—The Secretary shall coordinate with the Attorney General to establish guidelines to determine under what circumstances the Secretary may issue a civil penalty or suitable notice of warning in lieu of prosecution by the Attorney General of a violation of this Act.

**SEC. 205. ENFORCEMENT ACTIONS OF ATTORNEY GENERAL.**

The Attorney General may—

(1) prosecute, in the name of the United States, a criminal violation of this Act that is referred to the Attorney General by the Secretary or is brought to the notice of the Attorney General by any person;

(2) bring a civil action to enjoin the violation of or to compel compliance with this Act, or to enjoin any interference by a person with the Secretary in carrying out this Act, if the Attorney General has reason to believe that the person has violated or is about to violate this Act, or has interfered, or is about to interfere, with the Secretary; and

(3) bring a civil action for the recovery of an unpaid civil penalty, funds under a reimbursable agreement, late payment penalty, or interest assessed under this Act.

**SEC. 206. COURT JURISDICTION.**

(a) IN GENERAL.—Except as provided in section 204(b), a United States district court, the District Court of Guam, the District Court of the Virgin Islands, the highest court of American Samoa, and the United States courts of other territories and possessions are vested with jurisdiction in all cases arising under this Act.

(b) LOCATION.—An action arising under this Act may be brought, and process may be served, in the judicial district where—

(1) a violation or interference occurred or is about to occur; or

(2) the person charged with the violation, interference, impending violation, impending interference, or failure to pay resides, is found, transacts business, is licensed to do business, or is incorporated.

## TITLE III—MISCELLANEOUS PROVISIONS

**SEC. 301. COOPERATION.**

(a) IN GENERAL.—To carry out this Act, the Secretary may cooperate with—

(1) other Federal agencies or entities;

(2) States or political subdivisions of States;

(3) national governments;

(4) local governments of other nations;

(5) domestic or international organizations;

(6) domestic or international associations; and

(7) other persons.

(b) RESPONSIBILITY.—The individual or entity cooperating with the Secretary shall be responsible for—

(1) obtaining the authority necessary for conducting the operations or taking measures on all land and property within the foreign country or State, other than land and property owned or controlled by the United States; and

(2) other facilities and means determined by the Secretary.

(c) TRANSFER OF BIOLOGICAL CONTROL METHODS.—The Secretary may transfer to a Federal or State agency or other person biological control methods using biological control organisms against plant pests or noxious weeds.

(d) COOPERATION IN PROGRAM ADMINISTRATION.—The Secretary may cooperate with State authorities or other persons in the administration of programs for the improvement of plants, plant products, and biological control organisms.

**SEC. 302. BUILDINGS, LAND, PEOPLE, CLAIMS, AND AGREEMENTS.**

(a) IN GENERAL.—The Secretary may acquire and maintain such real or personal property, and employ such persons, make such grants, and enter into such contracts, cooperative agreements, memoranda of understanding, or other agreements, as are necessary to carry out this Act.

(b) TORT CLAIMS.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may pay a tort claim (in the manner authorized in the first paragraph of section 2672 of title 28, United States Code) if the claim arises outside the United States in connection with an activity authorized under this Act.

(2) REQUIREMENTS OF CLAIM.—A claim may not be allowed under paragraph (1) unless the claim is presented in writing to the Secretary not later than 2 years after the claim arises.

**SEC. 303. REIMBURSABLE AGREEMENTS.**

(a) PRECLEARANCE.—

(1) IN GENERAL.—The Secretary may enter into a reimbursable fee agreement with a person for preclearance (at a location outside the United States) of plants, plant products, biological control organisms, articles, and means of conveyance for movement to the United States.

(2) ACCOUNT.—All funds collected under this subsection shall be credited to an account that—

(A) may be established by the Secretary; and

(B) if established, shall remain available for preclearance activities until expended.

(b) OVERTIME.—

(1) IN GENERAL.—Notwithstanding any other law, the Secretary may pay an employee of the Department of Agriculture performing services under this Act relating to imports into and exports from the United States, for all overtime, night, or holiday work performed by the employee, at a rate of pay determined by the Secretary.

(2) REIMBURSEMENT OF SECRETARY.—The Secretary may require a person for whom the services are performed to reimburse the Secretary for funds paid by the Secretary for the services.

(3) ACCOUNT.—All funds collected under this subsection shall be credited to the account that incurs the costs and remain available until expended.

(c) LATE PAYMENT PENALTY AND INTEREST.—

(1) COLLECTION.—On failure of a person to reimburse the Secretary in accordance with this section, the Secretary may assess a late payment penalty against the person.

(2) INTEREST.—Overdue funds due the Secretary under this section shall accrue interest in accordance with section 3717 of title 31, United States Code.

(3) ACCOUNT.—A late payment penalty and accrued interest shall be credited to the account that incurs the costs and shall remain available until expended.

**SEC. 304. PROTECTION FOR MAIL HANDLERS.**

This Act shall not apply to an employee of the United States in the performance of the duties of the employee in handling the mail.

**SEC. 305. PREEMPTION.**

(a) REGULATION OF FOREIGN COMMERCE.—No State or political subdivision of a State may—

(1) regulate in foreign commerce a plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance; or

(2) in order to control a plant pest or noxious weed—

(A) eradicate a plant pest or noxious weed; or

(B) prevent the introduction or dissemination of a biological control organism, plant pest, or noxious weed.

(b) REGULATION OF INTERSTATE COMMERCE.—

(1) IN GENERAL.—Except as provided in paragraph (2), if the Secretary has promulgated a regulation or order to prevent the dissemination of a plant, plant product, biological control organism, plant pest, or noxious weed within the United States, no State or political subdivision of a State may—

(A) regulate the movement in interstate commerce of the plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance; or

(B) in order to control the plant pest or noxious weed—

(i) eradicate the plant pest or noxious weed; or

(ii) prevent the introduction or dissemination of the biological control organism, plant pest, or noxious weed.

(2) EXCEPTIONS.—

(A) REGULATIONS CONSISTENT WITH FEDERAL REGULATIONS.—Except as provided in subparagraph (B), a State or a political subdivision of a State may impose a prohibition or restriction on the movement in interstate commerce of plants, plant products, biological control organisms, plant pests, noxious weeds, articles, or means of conveyance that are consistent with and do not exceed the requirements of the regulations promulgated or orders issued by the Secretary under this Act.

(B) SPECIAL LOCAL NEED.—A State or political subdivision of a State may impose a prohibition or restriction on the movement in interstate commerce of plants, plant products, biological control organisms, plant pests, noxious weeds, articles, or means of conveyance, that are in addition to a prohibition or restriction imposed by the Secretary, if the State or political subdivision of a State demonstrates to the Secretary and the Secretary finds that there is a special need for additional prohibitions or restrictions based on sound scientific data or a thorough risk assessment.

**SEC. 306. REGULATIONS AND ORDERS.**

The Secretary may promulgate such regulations, and issue such orders, as the Secretary considers necessary to carry out this Act.

**SEC. 307. REPEAL OF SUPERSEDED LAWS.**

(a) REPEAL.—The following provisions of law are repealed:

(1) Subsections (a) through (e) of section 102 of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 147a).

(2) Section 1773 of the Food Security Act of 1985 (7 U.S.C. 148f).

(3) The Golden Nematode Act (7 U.S.C. 150 et seq.).

(4) The Federal Plant Pest Act (7 U.S.C. 150aa et seq).

(5) The Joint Resolution of April 6, 1937 (56 Stat. 57, chapter 69; 7 U.S.C. 148 et seq.).

(6) The Act of January 31, 1942 (56 Stat. 40, chapter 31; 7 U.S.C. 149).

(7) The Act of August 20, 1912 (commonly known as the ''Plant Quarantine Act'') (37 Stat. 315, chapter 308; 7 U.S.C. 151 et seq.).

(8) The Halogeton Glomeratus Control Act (7 U.S.C. 1651 et seq.).

(9) The Act of August 28, 1950 (64 Stat. 561, chapter 815; 7 U.S.C. 2260).

(10) The Federal Noxious Weed Act of 1974 (7 U.S.C. 2801 et seq.), other than the first section and section 15 of that Act (7 U.S.C. 2801 note, 2814).

(b) EFFECT ON REGULATIONS.—Regulations promulgated under the authority of a provision of law repealed by subsection (a) shall remain in effect until such time as the Secretary promulgates a regulation under section 306 that supersedes the earlier regulation.

## TITLE IV—FEDERAL COORDINATION

**SEC. 401. DEFINITIONS.**

In this title:

(1) ACTION PLAN.—The term ''Action Plan'' means the National Invasive Species Action Plan developed and submitted to Congress under section 404, including any updates to the Action Plan.

(2) ALIEN SPECIES.—The term ''alien species'' means, with respect to a particular ecosystem, any species, including its seeds, eggs, spores, or other biological material capable of propagating the species, that is not native to that ecosystem.

(3) CONTROL.—The term ''control'' means—

(A) the suppression, reduction, or management of invasive species populations;

(B) the prevention of the spread of invasive species from areas where the species are present; and

(C) the taking of measures such as the restoration of native species and habitats to reduce the effects of invasive species and to prevent further invasions.

(4) COUNCIL.—The term ''Council'' means the Invasive Species Council established by section 402.

(5) ECOSYSTEM.—The term ''ecosystem'' means the complex of a community of organisms and the community's environment.

(6) FEDERAL AGENCY.—The term ''Federal agency'' has the meaning given the term ''agency'' in section 551 of title 5, United States Code, except that the term does not include an independent establishment (as defined in section 104 of title 5, United States Code).

(7) INTRODUCTION.—The term ''introduction'' means the intentional or unintentional escape, release, dissemination, or placement of a species into an ecosystem as a result of human activity.

(8) INVASIVE SPECIES.—The term ''invasive species'' means an alien species the introduction of which causes or is likely to cause economic or environmental harm or harm to human health.

(9) NATIVE SPECIES.—The term ''native species'' means, with respect to a particular ecosystem, a species that, other than as a result of an introduction, historically occurred or currently occurs in the ecosystem.

(10) SPECIES.—The term ''species'' means a group of organisms all of which—

(A) have a high degree of physical and genetic similarity;

(B) generally interbreed only among themselves; and

(C) show persistent differences from members of allied groups of organisms.

(11) STAKEHOLDER.—The term ''stakeholder'' means an entity with an interest in invasive species, including—

(A) a State, tribal, or local government agency;

(B) an academic institution;

(C) the scientific community; and

(D) a nongovernmental entity, including an environmental, agricultural, or conservation organization, trade group, commercial interest, or private landowner.

**SEC. 402. INVASIVE SPECIES COUNCIL.**

(a) ESTABLISHMENT.—There is established an advisory council to be known as the ''Invasive Species Council''.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Council shall be composed of—

(A) the Secretary of State;

(B) the Secretary of the Treasury;

(C) the Secretary of Defense;

(D) the Secretary of the Interior, who shall be a cochairperson of the Council;

(E) the Secretary of Agriculture, who shall be a cochairperson of the Council;

(F) the Secretary of Commerce, who shall be a cochairperson of the Council;

(G) the Secretary of Transportation;

(H) the Administrator of the Environmental Protection Agency; and

(I) a representative of State government appointed by the National Governors' Association.

(2) OTHER FEDERAL AGENCY REPRESENTATIVES.—The Council may—

(A) invite other representatives of Federal agencies to serve as members of the Council, including representatives from subcabinet bureaus or offices with significant responsibilities concerning invasive species; and

(B) prescribe special procedures for the participation by those other representatives on the Council.

(c) DUTIES.—The Invasive Species Council shall—

(1) provide national leadership regarding invasive species;

(2) oversee the implementation of this title and make recommendations designed to ensure that the activities of Federal agencies concerning invasive species are coordinated, complementary, cost-efficient, and effective, relying to the maximum extent practicable on organizations addressing invasive species, such as—

(A) the Aquatic Nuisance Species Task Force established by section 1201 of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4721);

(B) the Federal Interagency Committee for the Management of Noxious and Exotic Weeds; and

(C) the Committee on Environment and Natural Resources of the Office of Science and Technology Policy;

(3) encourage planning and action at local, tribal, State, regional, and ecosystem-based levels to achieve the goals and objectives of the Action Plan, in cooperation with stakeholders and organizations addressing invasive species;

(4) develop recommendations for international cooperation in addressing invasive species;

(5) develop, in consultation with the Council on Environmental Quality, guidance to Federal agencies under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) concerning prevention and control of invasive species, including the procurement, use, and maintenance of native species in a manner designed to affect invasive species;

(6) facilitate development of a coordinated network among Federal agencies to document, evaluate, and monitor impacts from invasive species on the economy, the environment, and human health;

(7) facilitate establishment of a coordinated, up-to-date information-sharing system that—

(A) uses, to the maximum extent practicable, the Internet; and

(B) facilitates access to and exchange of information concerning invasive species, such as—

(i) information on the distribution and abundance of invasive species;

(ii) life histories of invasive species and invasive characteristics;

(iii) economic, environmental, and human health impacts from invasive species;

(iv) techniques for management of invasive species; and

(v) laws and programs for management, research, and public education concerning invasive species; and

(8) develop and submit to Congress the Action Plan.

(d) EXECUTIVE DIRECTOR; STAFF.—With the concurrence of the other cochairpersons, the Secretary of the Interior shall—

(1) appoint an Executive Director of the Council; and

(2) provide staff and administrative support for the Council.

**SEC. 403. ADVISORY COMMITTEE.**

(a) ESTABLISHMENT.—The Secretary of the Interior shall—

(1) establish an advisory committee to provide information and advice for consideration by the Council; and

(2) after consultation with other members of the Council, appoint members of the advisory committee to represent stakeholders.

(b) DUTIES.—The duties of the advisory committee shall include making recommendations for plans and actions at local, tribal, State, regional, and ecosystem-based levels to achieve the goals and objectives of the Action Plan.

(c) COOPERATION.—The advisory committee shall act in cooperation with stakeholders and organizations addressing the problem of invasive species.

(d) ADMINISTRATIVE AND FINANCIAL SUPPORT.—The Secretary of the Interior shall provide administrative and financial support for the advisory committee.

**SEC. 404. INVASIVE SPECIES ACTION PLAN.**

(a) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, the Council shall develop and submit to Congress a National Invasive Species Action Plan, which shall—

(1) detail and recommend performance-oriented goals and objectives and specific measures of success for Federal agency efforts concerning invasive species;

(2) detail and recommend measures to be taken by the Council to carry out its duties under section 402; and

(3) identify the personnel, other resources, and additional levels of coordination needed to achieve the goals and objectives of the Action Plan.

(b) PUBLIC PARTICIPATION AND COORDINATION.—The Action Plan shall be—

(1) developed through a public process and in consultation with Federal agencies and stakeholders; and

(2) coordinated with any State plans concerning invasive species.

(c) SPECIAL REQUIREMENTS FOR FIRST ACTION PLAN.—

(1) IN GENERAL.—The first Action Plan submitted under subsection (a) shall—

(A) include a review of existing and prospective approaches and authorities for preventing the introduction and spread of invasive species, including approaches for—

(i) identifying pathways for the introduction of invasive species; and

(ii) minimizing the risk of introductions by means of those pathways; and

(B) identify research needs and recommend measures to minimize the risk that introductions will occur.

(2) RECOMMENDED PROCESSES.—The measures recommended under paragraph (1)(B) shall provide for—

(A) a science-based process to evaluate risks associated with the introduction and spread of invasive species; and

(B) a coordinated and systematic risk-based process to identify, monitor, and interdict pathways that may be involved in the introduction of invasive species.

(3) RECOMMENDATIONS FOR LEGISLATION.—If any measure recommended under paragraph (1)(B) is not authorized by law in effect as of the date of the recommendation, the Council shall develop and submit to Congress legislative proposals for necessary changes in law.

(d) UPDATES AND EVALUATIONS OF ACTION PLAN.—The Council shall—

(1) develop and submit to Congress biennial updates of the Action Plan; and

(2) concurrently evaluate and report on success in achieving the goals and objectives specified in the Action Plan.

(e) RESPONSE BY FEDERAL AGENCIES.—Not later than 18 months after the date of submission to Congress of the Action Plan, each Federal agency that is required to implement a measure recommended under subsection (a)(1) or (c)(1)(B) shall—

(1) take the recommended action; or

(2) provide to the Council an explanation of why the action is not feasible.

**TITLE V—AUTHORIZATION OF APPROPRIATIONS**

**SEC. 501. AUTHORIZATION OF APPROPRIATIONS.**

(a) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this Act.

(b) COMPENSATION.—Except as provided in section 106 and as specifically authorized by law, no part of the amounts appropriated under this section shall be used to provide compensation for property injured or destroyed by or at the direction of the Secretary.

**SEC. 502. TRANSFER AUTHORITY.**

(a) AUTHORITY TO TRANSFER CERTAIN FUNDS.—In connection with an emergency in which a plant pest or noxious weed threatens a segment of the agricultural production of the United States, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department of Agriculture such amounts as the Secretary considers necessary to be available in the emergency for the arrest, control, eradication, and prevention of the dissemination of the plant pest or noxious weed and for related expenses.

(b) AVAILABILITY.—Any funds transferred under this section shall remain available for such purposes until expended.

(c) CONFORMING AMENDMENTS.—The first section of Public Law 97–46 (7 U.S.C. 147b) is amended—

(1) by striking ''plant pests or''; and

(2) by striking ''section 102 of the Act of September 21, 1944, as amended (7 U.S.C. 147a), and''.

---

SECTION-BY-SECTION ANALYSIS OF THE NOXIOUS WEED COORDINATION AND PLANT PROTECTION ACT

Sections 1, 2, and 3—The first three sections of the bill serve as a ''road map'' to the rest of the legislation. Section 1 consists entirely of the title and table of contents. Section 2 outlines certain findings as to why the legislation is necessary. Section 3 provides the definitions used throughout the rest of the bill.

TITLE ONE—PLANT PROTECTION

Section 101—Outlaws the importation or interstate movement of a plant pest (defined in Section 3 as anything that has the potential to directly or indirectly injure or cause damage to or disease in a plant product) without a permit from the Secretary of Agriculture.

Section 102—Grants USDA the authority to block or regulate the importation or movement of a noxious weed, or other plant, if the Secretary determines that such a prohibition is necessary to prevent the weed's introduction into a new area. In addition, USDA is required to publish a list of noxious weeds that are prohibited from entering the country or whose interstate movement is restricted and allows a procedure to have weeds added to or removed from the list. USDA would also publish a list of control agents which may be transported without restriction.

Section 103—Requires the Secretary of the Treasury (who oversees the Customs Service) to notify USDA of the arrival of any plant or noxious weed upon its arrival at a port of entry and to hold it at the border until it can be inspected and authorized for entry.

Section 104—Authorizes USDA to hold, seize, quarantine, treat, or destroy any noxious weed or plant pest that it finds in violation of this law.

Section 105—Authorizes USDA to declare ''extraordinary emergencies'' when necessary to confront the importation or to fight the spread of a noxious weed. In addition, the bill outlines what actions are authorized during such an emergency.

Section 106—Allows a plant owner to seek compensation from USDA if the owner ''establishes that the destruction or disposal'' of this plant or other property ''was not authorized under this Act'' if he does so within one year of the action.

Section 107—Makes USDA the federal department in charge of the fight against grasshoppers and Mormon Crickets on all federal lands. In addition to the authority, funds to carry out the program would be transferred from other federal agencies and departments to USDA. It also establishes a cost sharing program in which the federal govenrmetn will assume the entire cost of fighting grasshoppers and Mormon Crickets on federally owned land, one-half of the cost on state owned land, and one-third the cost on private land.

Section 108—Allows the USDA to develop a means by which it can certify plants to be free of pests or noxious weeds.

TITLE TWO—INSPECTION AND ENFORCEMENT

Section 201—Allows USDA inspectors to stop and inspect persons and items entering the country or moving from one state to another in search of noxious weeds or plant pests. In addition, USDA is authorized to seek a warrant to search private premises for weeds and pests.

Section 202—Allows USDA to ''gather and compile information'' needed to carry out its investigations.

Section 203—Authorizes and restricts how USDA may issue a subpoena in its investigations.

Section 204—Establishes criminal and civil penalties for anyone who ''knowingly violates this Act,'' forges or counterfeits a permit, or uses a permit unlawfully. Such a violation would be a misdemeanor punishable with a maximum penalty of 1 year in prison and/or a fine of up to $250,000 (limits are set in the case that the action is taken by an individual [$50,000] or done without the intention of monetary gain [$1,000]).

Section 205—Authorizes the Attorney General to enforce the Act.

Section 206—Locates enforcement at a federal court where the violation occurs or where the defendant lives.

TITLE THREE—MISCELLANEOUS PROVISIONS

Sections 301, 302, and 303—Authorizes USDA to seek cooperation with other agencies, states, associations, and individuals in fulfilling its responsibilities.

Section 304—Stipulates that the regulations against mailing a plant pest or noxious weed included in the bill will not interfere with an employee of the U.S. Postal Service and his responsibility in handling the mail.

Section 305—Authorizes USDA to issue regulations and orders needed to carry out the Act.

Section 306—Repeals federal laws which have been superseded or replaced by the Act.

TITLE FOUR—FEDERAL COORDINATION

Section 401—Provides the definitions used throughout the rest of the title.

Section 402—Establishes a multi-agency Invasive Species Council and outlines the duties of the Council.

Section 403—Directs the Secretary of the Interior to establish an advisory committee to provide information and advice to the Council.

Secton 404—Gives the Council nine months to develop a National Invasive Species Action Plan with public participation and coordination with State plans concerning invasive species.

TITLE FIVE—AUTHORIZATION FOR APPROPRIATIONS

Secton 501—Authorizes Congress to appropriate the funds necessary to carry out the Act.

Section 502—Authorizes the Secretary of Agriculture to transfer other USDA funds to the programs authorized by the Act.●

---

By Mr. KYL (for himself, Mrs. HUTCHISON, Mr. DOMENICI, Mr. MCCAIN, Mr. GRAMM, Mr. BINGAMAN, Mr. HOLLINGS, Mr. ABRAHAM, and Mrs. FEINSTEIN):

S. 912. A bill to modify the rate of basic pay and the classification of positions for certain United States Border Patrol agents, and for other purposes; to the Committee on the Judiciary.

BORDER PATROL RECRUITMENT AND RETENTION ACT OF 1999

Mr. KYL. Mr. President, I rise today with Senator KAY BAILEY HUTCHISON to introduce the Border Patrol Recruitment and Retention Act of 1999.

In 1996, the Congress passed unanimously, and the President signed, my amendment to the Immigration Reform Act requiring that 1,000 Border

Patrol agents be hired each year between the years 1997 and 20001. Last year, Congress provided the Immigration and Naturalization Service with $93 million to hire, train, and deploy 1,000 agents during 1999.

We have now learned that the INS will not come close to hiring the required 1,000 agents during this year; and, in fact, may only hire 200 to 400. As a result, states that need the increased personnel the most will not receive them. Arizona, which itself was slated to receive 400 new agents, will now receive only 100 to 150 new agents. That's not nearly enough. Border Patrol agents in the Tucson sector apprehended 60,537 illegal immigrants last month and seized over 28,000 pounds of marijuana, an all-time record in both areas. Project that annually and then factor in the estimate that 3 times as many illegal aliens successfully cross the border than are apprehended. The situation is so out of control in Arizona that recently, 600 people attempted to cross the border en masse in broad daylight. Some Arizonans are growing so anxious about the upsurge of illegal activity in their community that they have attempted to take matters into their own hands. Unless Arizona is given more federal personnel and resources to get things under control, many are worried about how this situation will develop.

What the INS says is that it is having recruitment and retention problems, and so it cannot take on the added personnel at this time. Couldn't the INS foresee some of these recruitment issues more than two months before now? And couldn't INS do something to correct the problem of recruitment?

We concluded Congress would have to initiate some solutions. Therefore, Senator HUTCHISON and I introduce this bill today to try to begin to address some of the Border Patrol's recruitment and retention problems. It is not a panacea, and we need to continue to explore additional ways of improving recruitment and retention; but it will open the debate and will provide for a much-needed increase in salary levels for the Border Patrol.

Currently Border Patrol agents are, for the most part, capped at a GS–9 level (currently, only about 20 percent of agents, namely those who perform special duties, are raised to the GS–11 level). The Border Patrol Retention and Recruitment Enhancement Act would allow all agents with a successful year's experience at a GS–9 level to move up to a GS–11 level. This would enable agents to move from an approximate $34,000 annually salary to an approximate $41,000 annually salary. And that's fair. These agents have a tough time in their assignments. They must speak two languages. They deserve a raise.

The bill would also establish the Office of Border Patrol Recruitment and Retention, which would allow the Border Patrol to be more involved in recruiting and hiring and will direct the Border Patrol to make policy suggestions about ways to improve recruitment and retention. Currently, the INS and the Office of Personnel Management are responsible for all such activity. We have heard testimony from Border Patrol chiefs who say that the Border Patrol has unique and specific knowledge about how to enhance these efforts.

Mr. President, this bill will not solve all of the Border Patrol's recruiting and retention problems, but it will be a responsible start toward increasing the numbers of agents who will so honorably protect our nation's borders.

Mr. President, I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Thank you, Mr. President. I thank Senator KYL for his leadership on this bill that we have just introduced.

Senator KYL and I, along with Senators DOMENICI, GRAMM, MCCAIN, and BINGAMAN, have been very concerned about the Border Patrol issue that faces our border States. In fact, we were stunned this week to learn that though Congress has authorized and authorized funding for 1,000 new Border Patrol agents that in fact only 200 to 400 are coming on line this year.

Mr. President, that is stunning. That is stunning when you consider that last year the Border Patrol apprehended 1.5 million persons illegally crossing the border, and fully half of those were at my State of Texas. In fact, the McAllen Border Patrol sector, which includes Brownsville, Harlingen and McAllen, had the largest number of drug seizures of all Border Patrol Sectors in the United States—1,610 drug seizures just in that one sector. The drugs apprehended have a value of over $410 million. Two Border Patrol agents in the McAllen sector lost their lives last year in a raid of a drug trafficker's hideout. It was the first time Border Patrol agents had been killed during such a raid.

Senator ABRAHAM held a hearing this week, and the Chief of the Border Patrol told us that he has not been able to recruit and retain and, in fact, is losing 10 percent of the agents. For every one that we are bringing on, we are losing two, because our Border Patrol agents are capped at a journeymen-9 level. That translates to roughly $34,000 a year for an agent that has several years of experience. For an agent, that is certainly a job of law enforcement at its toughest.

Under the bill that we have just introduced, the agents would be eligible to be paid at a journeymen-11 level, which is approximately a $7,000 increase.

This pay raise is also consistent with the pay of other law enforcement agencies that work along the border. One significant problem for the Border Patrol has been that many agents go to work for the Customs Service, or the DEA when they reach the cap. So they get to their cap, their experience, and they go over to another Federal agency that pays better.

We must solve this discrepancy among Federal agencies in the same place that are doing similar kinds of tough duty work for hazardous pay. Yet, the Border Patrol is $7,000 less than Customs and DEA agents. We must correct this discrepancy if we are going to get control of our borders, which are a sieve right now with drugs moving through at an alarming rate.

This is not just a Texas-Arizona-New Mexico-California problem. The drugs that come in from our borders go right up into Ohio, Michigan, New Hampshire, Oregon—all over our country, because we don't have the proper control of our border.

Mr. President, there is not a higher priority for the Federal Government than to have the sovereign borders of the United States safe from illegal drugs coming into our country, and most certainly illegal immigrants that have not gone through the proper procedures so that we know who is coming into our country and what their record is so that we have the control that any sovereign nation would have.

Mr. President, this is an emergency. It is why Senator KYL and I have introduced this legislation today, because we are in a crisis. This is a war. It is a war on drugs, and we are losing. We are losing our young people in this country. Part of the problem is that we are not putting the resources into law enforcement.

I have to say, Mr. President, that I am disappointed to the maximum that our INS has money from Congress and authorization from Congress to hire 1,000 agents and they have only been able to come up with 200 to 400 agents this year. That means we are 600 to 800 short, as we speak, from what was allocated this year, and which was given priority by Congress. I think the INS needs to make this a priority. We are going to give them the pay increases with the bill that we have just introduced today.

Senator GREGG, who has been a strong supporter of our efforts to beef up the border, has said he will work with us to reprogram money from this year's budget for these pay increases so that we will hopefully be able to do this on an expedited basis by October 1 of this year.

Hopefully, we will be able to retain agents knowing that this pay raise is in the pipeline. But, Mr. President, it also takes an effort by the INS to make it a priority to fill these slots, because

if they don't look at a little more creative approach to recruiting, the $7,000 increase is not going to be enough.

I am at my wit's end. Senator KYL, Senator MCCAIN, Senator GRAMM, Senator DOMENICI, and Senator BINGAMAN are at their wit's end, and certainly Senator FEINSTEIN and Senator BOXER are at their wit's end with promises made and not fulfilled by the Border Patrol to keep the illegal drugs out of our country that are preying on our young people.

This is a priority. It is an emergency. It is a war that we are losing, and we are going to try to fix it. But we must have the support of the INS to do it. We are going to give them pay raises. We are going to create another office in the Border Patrol for recruitment and retention to tell us what else we need to do, and we are going to fix this problem if we can have a hand-to-hand relationship with the INS and the Border Patrol.

It is inexcusable that they did not come to us earlier to tell us they were this far behind. We are going to fix this problem. We are not going to sit back and let the children of our country be absorbed in drugs that are illegally crossing the border and made available to young people who are not yet mature enough to know what to do when they are approached.

Mr. President, we are trying to do our part. I call on the INS and the Border Patrol and this administration to do their part, because we are not going to take it anymore. We are going to solve this problem. We are going to put the resources in it. If the INS will put those resources to work and be creative and innovative and dogged in their determination, we will make a difference, but we can't do it without their commitment.

Thank you, Mr. President.

Mr. HOLLINGS. Will the distinguished Senator yield?

Mrs. HUTCHISON. I yield to the Senator from South Carolina.

Mr. HOLLINGS. I thank the Senator for the introduction. I ask unanimous consent that I be made a cosponsor.

Mrs. HUTCHISON. I would be pleased to add Mr. HOLLINGS as an original cosponsor.

Mr. HOLLINGS. I would like to say a word about this particular problem.

Is the Senator yielding the floor?

Mrs. HUTCHISON. I thank the Senator from South Carolina, because he has provided leadership and support in our committee and because he has the training agency that is sitting empty right now in his State. They do a great job training our agents. He knows what a problem this is. I look forward to his remarks. I appreciate his support, and I appreciate his leadership in the past on trying to help us recruit. I think this is something that is in the interest of all of us to solve so that every school in America will be drug free.

I yield the floor.

Mr. HOLLINGS. Mr. President, let me thank the distinguished Senator from Texas. She is right on target. We have graduated over 2,000 agents from the finest school down there for Border Patrol agents. Two who trained there have already been killed.

I have visited from time to time. The matter of pay is the issue. We advertise and we solicit in the local area over the entire State—and nationally—and it is a pay problem.

I hope we can confront it.

Mr. MCCAIN. Mr. President, I join Senator KYL and the other co-sponsors in introducing legislation that I hope will significantly improve the Border Patrol's ability to recruit and retain the talented individuals we need to guard our nation's borders against illegal immigration and illicit drugs. This legislation is timely and important. I hope we can act on it promptly.

As my colleagues know, the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 mandated the addition of 1,000 new Border Patrol agents annually through 2001 as a means of providing better enforcement against illegal immigration, particularly along the southwest border. Unfortunately, this Administration has seen fit to request full funding for those authorized agents in only one year since we passed that law.

Moreover, problems in recruiting and retaining Border Patrol agents have resulted in a net increase of only several hundred new agents annually. Thus, during the current fiscal year, for which we did in fact appropriate funds for 1,000 new agents, the recruiting and retention problems are such that the Border Patrol will see a net increase in its ranks of only several hundred agents. Indeed, Border Patrol Chief Gus de la Vina testified before the Senate Immigration Subcommittee only yesterday that, despite the Congressional mandate to add 1,000 new agents this year, the Border Patrol only anticipates hiring between 200 and 400 agents. Arizona, which had anticipated receiving about 400 of the 1,000 new agents slated for FY 1999, will now receive fewer than 150. We can and must do better than that.

The Border Patrol's Tucson sector last month recorded a record 60,537 illegal immigrant detentions, raising this year's total to more than 200,000. And the Tucson sector does not even cover the entire Arizona border with Mexico. The immigration problem in my state is getting worse, not better, as the President's decision to request funding for no new agents in FY 2000 implies. The Border Patrol's inability to hire the required number of new agents even as towns like Douglas, Arizona face a rising tide of illegal immigrants does not inspire confidence in its ability to properly carry out its mission.

Our legislation would promote all Border Patrol agents who have completed at least one year at the GS–9 level, and who are rated as fully successful or higher, to the GS–11 rank, placing them on a professional level commensurate with their peers in other Federal law enforcement agencies. Our bill would also create an Office of Border Patrol Recruitment and Retention to develop outreach programs for prospective Border Patrol agents, develop programs to provide retention incentives, and make recommendations about Border Patrol salaries and benefits. It is our hope that this legislation will help reverse the outflow of skilled agents from the Border Patrol, as well as make such service more appealing to the talented men and women it relies on.

America's Border Patrol agents perform critical work but have been underappreciated for years. It's time we changed that. The premise of our legislation is the Border Patrol agents, whose duties involve considerable risks and require unique abilities, perform work as important as many of our other Federal law enforcement agents and should be compensated accordingly. Similarly, the Border Patrol should develop personnel policies to attract more of our best and brightest. At a time when we are having trouble hiring and retaining new agents, and as pressure from illegal immigration intensifies in some areas, especially southern Arizona, we cannot afford not to take better care of the men and women of the U.S. Border Patrol. Our legislation makes meaningful progress toward that end.

---

By Ms. COLLINS (for herself and Ms. SNOWE):

S. 913. A bill to require the Secretary of Housing and Urban Development to distribute funds available for grants under title IV of the Stewart B. McKinney Homeless Assistance Act to help ensure that each State received not less than 0.5 percent of such funds for certain programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE HOMELESSNESS ASSISTANCE FUNDING FAIRNESS ACT

Ms. COLLINS. Mr. President, I rise today to introduce the Homelessness Assistance Funding Fairness Act. I introduce this bill in conjunction with my House colleague, Congressman JOHN BALDACCI, who is sponsoring a companion bill in the House. Congressman BALDACCI and I have been working on issues involving the homeless for some time, in our attempt to devise an approach that will distribute federal funds more equitably and effectively.

Congress has taken important steps to begin to address the root causes of homelessness in America. Some of the most important are the Continuum of Care programs which provide grants that link neighborhood partnerships and community services with shelter.

The goal of Continuum of Care programs is self-sufficiency for people who are homeless, an approach that goes well-beyond the ''band aid'' solutions of yesteryear which provided the homeless only a bed for the night. Continuum of Care programs support treatment and counseling programs in conjunction with shelter, recognizing the hard reality that many homeless people must overcome serious substance abuse, addiction, and mental health problems before a life of permanent housing and stability is possible.

Under the leadership of VA–HUD Appropriations Subcommittee Chairman BOND, Congress has recognized the great importance of Continuum of Care programs, and has risen to the challenge to provide this broad spectrum of care by appropriating $975 million last year for homeless assistance grants, a large portion of which are Continuum of Care grants.

Although the strategy behind the Continuum of Care grant programs has been saluted for its logic, the Department of Housing and Urban Development's administration of the competitive award process that allocates this funding has not been similarly celebrated.

The unfortunate experience of the State of Maine last year is illustrative of the problems in the distribution of funding. Maine submitted two Continuum of Care grant applications in 1998, one to address the needs of the City of Portland, and another to serve the needs of much of the remainder of the state.

In December 1998, HUD announced the Continuum of Care grant recipients and Maine was shocked to learn the State would receive no funding through the grant process. After some investigation, my office determined that the scores for both the Maine applications were within two points of a passing grade. Nevertheless, Continuum of Care HUD homeless assistance funding distributed to Maine went from $3.7 million to zero, despite the fact that in 1998 Secretary Cuomo had awarded programs which received funding through the Continuum of Care program the ''best practices'' award of excellence.

Following a vigorous public campaign by Maine residents, and the repeated intervention of Maine's congressional delegation, HUD provided a small portion of the original request to the City of Portland outside the competitive process. The money, though welcomed, was far from enough to allow Portland to meet the needs of its homeless population.

The human cost of this bureaucratic determination is immense. In light of the ongoing needs of the homeless in Maine, as well the often harsh weather conditions in our region of the country, HUD's decision was particularly troubling.

The experience of the state of Maine has convinced me not only of the critical need for funding of these projects, but also of the need to re-evaluate the process for distributing these funds. No state should be wholly shut out of the funding award process, because it is an unfortunate reality that all states have homeless people with significant needs.

In response to the unfortunate experience of the State of Maine last year, the legislation I am proposing specifically directs the Department of Housing and Urban Development to provide a minimum percentage of Continuum of Care competitive grant funding to each state. This will create a safety net for the homeless of each state, without ending the competitive process that recognizes programs of special merit or need. My legislation also directs HUD to distribute this funding to a state's priority programs should the state only receive this mandatory minimum.

This legislation is not only driven by basic questions of fairness to all states, but by the significant and often forgotten needs of homeless people living in rural America.

The problem of homelessness is often mischaracterized as an exclusive problem of urban areas. However, homelessness in Maine, and in many rural communities across our country, is a large and growing problem. From 1993 to 1996, Maine experienced an increase in its homeless population of almost 20%—it is estimated that more than 14,000 people are homeless in my home state today. In a state of only 1.2 million people, this is a troubling percentage of the population.

A recent article in the Christian Science Monitor perhaps said it best: ''If the urban homeless are faceless and nameless. . . then the rural homeless are practically invisible.'' However, Mr. President, that does not mean they do not exist. Unlike homeless individuals in urban areas who are seen on busy streets everyday, rural individuals living in poverty often subsist in relative isolation.

The 27,000 Maine households with incomes of less than $6,000 annually teeter on a shadowy brink where income cannot guarantee shelter. When fortune turns sour, it is these families who find themselves without decent shelter. When substance abuse or mental illness afflicts the parents, the likelihood of homelessness escalates. Indeed, in Maine, 24 percent of visitors to Maine homeless shelters are families with children.

The problem of providing services to homeless people is compounded by many challenges. In some areas of Maine, geographic isolation is the most critical obstacle to receipt of services; in others, rising housing costs makes obtaining housing exceedingly difficult for the marginally employed. Both these circumstances are compounded by the significant substance abuse and mental health problems prevalent among the homeless population in Maine as in all areas of the country.

I am proud to say that the people of Maine have developed many innovative programs to assist our homeless population. Through programs like the Bangor Area Homeless Shelter, which fills the immediate needs of outreach, shelter and counseling to area homeless, and more long term programs like Shalom House, which provides services and shelter for the mentally ill, the Preble Street Resource Center, which provides job training, social services and medical care among its many services, and the YWCA, which provides programs to assist teen age moms, Mainers have worked hard to reach out and assist those in need and to provide effective care and outreach for Maine's homeless people.

I recently had the opportunity to visit with the staff and clients of a shelter in Alfred, Maine, that is making a real difference in the lives of homeless men and women. As one man who has battled both severe alcoholism and mental illness told me, ''The people at this shelter saved my life. Without their help, I'd be dead on the street. But now, I can see a future for myself.'' Significantly, 90 percent of the homeless people served by this York County Shelter face serious problems with substance abuse or mental illness.

These programs, and others like them, depend on federal funding, and its unexpected loss last year has left my state scrambling to make up for this serious shortfall. I hope you will join me in supporting this legislation that will prevent other states from facing this same misfortune. All states deserve at least a minimum percentage of homeless funding available through the Continuum of Care grants, because no state has yet solved the problems faced by its homeless men, women and children.

Ms. SNOWE. Mr. President, I rise in support of legislation being introduced by my colleague from Maine, Senator COLLINS, the Homeless Assistance Funding Fairness Act.

This bill will set a minimum allocation for state homeless funding by the U.S. Department of Housing and Urban Development (HUD) in an effort to prevent future repeats of a situation that Maine faced this year when HUD denied applications for homeless funding from the Maine State Housing Authority and the city of Portland, Maine's largest city.

Maine was one of just four states denied funding this year under HUD homeless programs—and that is a situation that no state should have to endure. HUD took steps to partially rectify this situation since the original announcement, but this legislation will assure minimum funding for every state and assure a fairer allocation of funding in the future. The legislation requires HUD to provide a minimum of 0.5 percent of funding to each state

under Title IV of the Stewart B. McKinney Homeless Assistance Act.

Mr. President, it may interest my colleagues to learn a little more about the problem that inspired this legislation. In January, HUD issued grant announcements for its Continuum of Care program—which provides rental assistance for those who are or were recently homeless—but denied applications by the Maine State Housing Authority and by the city of Portland, leaving the state one of only four not to receive funds.

The Maine congressional delegation immediately protested the decision to HUD Secretary Andrew M. Cuomo, and I wrote and spoke repeatedly with Secretary Cuomo about the decision—to encourage HUD to work with Maine homeless providers to find an acceptable solution. I also contacted the Senate Appropriations Subcommittee on Veterans' Affairs and Housing and Urban Development and asked committee members to examine the issue as well.

HUD officials restored about $1 million in funding to the city of Portland, but refused to restore State homeless funding. In 1998, Maine homeless assistance providers received about $3.5 million from the Continuum of Care Program, and this year the State had requested $1.2 million for renewals and $1.27 million to meet additional needs. MSHA, which coordinates the program, estimates that many individuals with mental illness or substance abuse problems who have been receiving rent subsidies will lose those subsidies over the course of the next six months as a result of HUD's failure to fund Maine programs. This in spite of the ''proven track record'' of Maine homeless programs, including praise by Secretary Cuomo during his visit to Maine in August 1998.

Without this homeless assistance, basic subsidized housing and shelter programs suffer, and it is more difficult for the State to provide job training, health care, child care, and other vital services to the victims of homelessness, many of whom are children, battered women, and others in serious need.

In 1988, 14,653 people were temporarily housed in Maine's emergency homeless shelters. Alarmingly, young people account for 30 percent of the population staying in Maine's shelters, which is approximately 135 homeless young people every night. Twenty-one percent of these young people are between 5½ with the average age being 13. Meanwhile, Maine earmarks more funding per capita for the elderly, disabled, mentally ill, and poor for services and support programs then the majority of other states, even though it ranks 36th nationwide in per capita income.

In closing, I would simply reiterate that Maine was not the only state that was frozen out of the process this year. Without congressional intervention, what state will be next? This makes it all the more important that changes be made to our homeless policy to ensure that no state falls through the cracks. As such, I urge my colleagues to join Senator COLLINS and myself in a strong show of support for this legislation.

---

By Mr. SMITH of New Hampshire (for himself, Ms. SNOWE, Mr. WARNER, Mr. VOINOVICH, Ms. COLLINS, Mr. ABRAHAM, Mr. ROBB, Mr. HAGEL, and Mr. LUGAR):

S. 914. A bill to amend the Federal Water Pollution Control Act to require that discharges from combined storm and sanitary sewers conform to the Combined Sewer Overflow Control Policy of the Environmental Protection Agency, and for other purposes; to the Committee on Environment and Public Works.

COMBINED SEWER OVERFLOW CONTROL AND PARTNERSHIP ACT OF 1999

Mr. SMITH of New Hampshire. Mr. President, I would like to take a few minutes to introduce important environmental legislation that will have a significant and positive impact on our nation's waterways. Today, along with my colleague from Maine, Senator SNOWE, and seven other cosponsors, I am introducing the Combined Sewer Overflow Control and Partnership Act of 1999.

While the title of this bill, indeed, the subject matter itself, may not be the most exciting, front-burner policy issue of the day, the control of overflows from sewer systems is a serious environmental and financial concern for hundreds of communities across this country. For my own state of New Hampshire, there are six communities with combined sewer overflow, or CSO, problems. The cities of Manchester, Nashua, Portsmouth, Exeter, Berlin, and Lebanon are all facing this challenge.

I have worked closely with the mayors of these cities over the past several years and have seen first-hand the environmental problems. This legislation is aimed at helping CSO communities comply with Clean Water Act mandates to reduce or eliminate overflows into nearby rivers and streams. CSOs are the last permitted point source discharges of untreated or partially treated sewage into the nation's waters. For those colleagues who don't have CSO communities in their states, I'll briefly explain what they are.

Combined sewer systems collect sanitary sewage from homes and office buildings during periods of dry weather for conveyance to wastewater treatment plants for treatment. However, these systems also receive storm water during wet weather, which typically causes a hydraulic overload of the system, triggering the discharge of untreated wastewater to receiving waters through combined sewer overflow outfalls. Not a pleasant sight.

Most combined systems were installed at the turn of the century when they were state-of-the-art sewer technology, mainly in the Northeast and Midwest regions of the country. Controlling or eliminating CSO discharges is an enormously expensive proposition that often requires communities to completely rebuild their sewer systems. The national cost estimates to complete this job range from $50 billion to $100 billion. Compounding the sheer financial magnitude of the CSO problem is the fact that the vast majority of the approximately 1,000 CSO communities nationwide have less than 10,000 residents, or ratepayers. These ratepayers could pay hundreds of dollars more per year on their water bills without this legislation. With these statistics, it is not surprising that a CSO control program often poses the single largest public works project in a CSO community's history.

Although the Federal Clean Water Act does not specifically speak to the issue of combined sewers, it has been interpreted to require the control and treatment of CSO discharges. Recognizing the financial burden this would pose on small towns, in 1994, the Environmental Protection Agency issued the ''Combined Sewer Overflow Policy,'' which allowed CSO control programs to be developed in the most cost-effective, flexible and site-specific manner possible. This policy was developed with the input from many stakeholders, including local governments, environmental groups, and engineering firms, and was viewed as a major step forward in tackling this problem through commonsense means.

Unfortunately, this policy is just an administrative policy and lacks statutory authority. So, one of the most important provisions of this bill would essentially codify or affirm EPA's CSO Policy. This provision will give CSO communities the legal protection and regulatory relief they so desperately need. A key component of the CSO Policy is to ensure that water quality standards are consistent with whatever CSO control plans are mandated.

The second part of the bill sets up a partnership between the Federal Government and our local governments by authorizing five years of funding assistance for these communities. While there is a State revolving loan fund under the Clean Water Act that provides loan assistance to municipalities for water treatment, the SRF cannot possibly meet the needs of these CSO communities. The financial burden of CSO control programs generally far exceed the capacity of local ratepayers to assume the full cost.

I emphasize that ratepayers cannot assume the full cost of these programs.

While this bill does authorize new funding assistance, I do not intend for

this funding to increase EPA's overall budget. As many of my colleagues are aware, numerous earmarks for CSOs or other public works projects are frequently included in appropriations bills. I am hoping that the existence of a CSO assistance program at EPA will discourage the practice of earmarking specific projects and seek competitive funding through this program.

In conclusion, Mr. President, I would like to add that this legislation has been endorsed by the CSO Partnership, a recognized coalition of CSO communities and mayors. I would also like to thank Senator SNOWE for her support and assistance on this legislation, as well as the other original cosponsors: Senators WARNER, VOINOVICH, COLLINS, ABRAHAM, ROBB, HAGEL, and LUGAR. I am hopeful that we will have an opportunity to consider this legislation in the Environment and Public Works Committee and the full Senate sometime this year. It is both proenvironment and procommunity and I ask for my colleagues support and welcome their cosponsorship.

---

By Mr. GRAMM (for himself, Mrs. HUTCHISON, Mr. MACK, and Mr. COVERDELL):

S. 915. A bill to amend title XVIII of the Social Security Act to expand and make permanent the Medicare subvention demonstration project for military retirees and dependents; to the Committee on Finance.

LEGISLATION EXPANDING AND MAKING PERMANENT THE MEDICARE SUBVENTION DEMONSTRATION PROJECT FOR MILITARY RETIREES AND DEPENDENTS

Mr. GRAMM. Mr. President, along with Senators KAY BAILEY HUTCHISON, CONNIE MACK, and PAUL COVERDELL, I am introducing legislation today which will expand the opportunities for military retirees to use their Medicare coverage to pay for treatment at military medical facilities. By giving our military retirees this option, we fulfill a health care promise that America has made to every man and woman who has retired from our armed forces after a career of exemplary service.

Upon retirement after twenty or more years of military service, our nation promises to provide military health care to our retirees for the rest of their lives. This promise is one of the most important commitments our country makes to its military retirees. Unfortunately, for many military retirees age 65 and over, this promise is being broken. More and more of the 65 and over retirees have found themselves unable to receive care on a space-available basis at their local military medical facility. For these retirees, America's promise of health care for life is not being honored.

Ironically, many of these military retirees are entitled to Medicare in addition to their military health care eligibility. An estimated 1.2 million Americans fit into this ''dual-eligible'' category, with over 300,000 of them regularly using military medical treatment facilities for their health care. The result is that the Department of Defense effectively subsidizes Medicare at the rate of approximately $1.4 billion per year to treat these dual-eligible beneficiaries.

As a first step toward fulfilling America's promise to military retirees 65 and over, Congress passed my proposal for a three-year demonstration project as part of the Balanced Budget Act of 1997. Under this demonstration project, known as Medicare Subvention, over 28,000 dual-eligible military retirees are being treated in military facilities at selected test locations across the country. For these retirees, Medicare is reimbursing the Department of Defense up to 95% of the amount Medicare would pay Health Maintenance Organizations for similar care. Unfortunately, the limited scope of the demonstration project means that the majority of dual-eligible retirees are still unable to receive the treatment they have earned at the military facilities in their hometowns.

The bill we introduce today will keep the health care promise America made to her military retirees 65 and over by expanding the demonstration project and by ultimately making Medicare Subvention permanent across the country. Specifically, this bill will expand the test locations for the demonstration project to 16 sites effective January 1, 2000. At these 16 sites, the demonstration project will become permanent. In addition, on October 1, 2002, the bill expands Medicare Subvention to any military medical treatment facility approved by the secretaries of Defense and Health and Human Services.

This bill not only fulfills commitments America made in the past, it gives meaning and credibility to promises America is making to our military service members today. If America does not keep her word to those served during World War II, Korea, Vietnam, and the cold war, how can we expect America's best and brightest to dedicate their careers to serve this country in the future? We must act now to ensure that America's defense in the future will be as strong as it has been in the past. I ask my colleagues to support this important legislation. Mr. President, I ask unanimous consent that the text of a letter of support for the bill, signed by the Military Coalition, which is a consortium of military and veterans associations, be printed in the RECORD.

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

THE MILITARY COALITION,
*Alexandria, VA, April 27, 1999.*

Hon. PHIL GRAMM,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR GRAMM: The Military Coalition, a consortium of military and veterans associations representing more than five million current and former members of the uniformed services, plus their families and survivors, is very grateful for your leadership in developing legislation to expand and make permanent TRICARE Senior Prime (the Medicare Subvention demonstration project for Medicare-eligible uniformed services beneficiaries). TRICARE Senior Prime has been successfully implemented in all of the demonstration sites and, by all accounts, has been very well received by eligible beneficiaries at each site. The Department of Defense has also expressed a strong desire to expand this program to other sites across the country wherever feasible. Your initiatives to expand TRICARE Senior Prime to ten additional locations by January 1, 2001 and then across the remaining TRICARE Prime catchment areas not later than October 1, 2002 clearly meets a critical need for our Medicare-eligible beneficiaries.

The Military Coalition is particularly pleased that your bill takes the additional step of making TRICARE Senior Prime a permanent program. The Coalition has been concerned that some older retirees have refrained from participating in TRICARE Senior Prime because of their perception that the temporary nature of the demonstration program could place participants at financial risk. Beneficiaries need assurance that this program will not disappear abruptly as so many of their other health care benefits have, especially since TRICARE Senior Prime is an integral part of fulfilling the promise of health care for life for uniformed services beneficiaries. Your bill takes a great step toward providing retirees this assurance.

The Military Coalition is also pleased that your legislation would authorize non-enrollees to use TRICARE Senior Prime services on a ''fee-for-service'' basis. The Military Coalition believes this would be particularly useful for the Department of Defense, as well as beneficiaries, especially at some of the smaller facilities with little or no inpatient capabilities where it might be difficult to implement a Medicare HMO program.

The Military Coalition wholeheartedly endorses your bill, and will take whatever steps are necessary to encourage other members of the Senate to co-sponsor this bill and have it enacted as soon as the data from the existing test sites validate that Medicare subvention is as valuable to DoD, Medicare and the beneficiaries as we believe it is.

Sincerely,

THE MILITARY COALITION.

(Signatures of Associations enclosed).

Air Force Association, Air Force Sergeants Association, Army Aviation Assn. of America, Assn. of Military Surgeons of the United States, Assn. of the US Army, Commissioned Officers Assn. of the US Public Health Service, Inc., CWO & WO Assn., US Coast Guard, Enlisted Association of the National Guard of the US, Fleet Reserve Assn., Gold Star Wives of America, Inc., Jewish War Veterans of the USA, Marine Corps Reserve Officers Assn., National Guard Assn. of the US, National Military Family Assn., National Order of Battlefield Commissions, Naval Enlisted Reserve Assn., Naval

Reserve Assn., Navy League of the US, Reserve Officers Assn., Society of Medical Consultants to the Armed Forces, The Military Chaplains Assn. of the USA, The Retired Enlisted Assn., The Retired Officers Assn., United Armed Forces Assn., USCG Chief Petty Officers Assn., US Army Warrant Officers Assn., Veterans of Foreign Wars of the US, and Veterans' Widows International Network, Inc.

Mr. COVERDELL. Mr. President, today I am proud to join my esteemed colleagues in introducing a bill that will expand and make permanent the Medicare Subvention demonstration program passed as part of the 1997 Balanced Budget Agreement. I worked with Senator GRAMM to pass that measure then and I am pleased to join him again today to move this program to its next level.

Military retirees have had an increasingly difficult time obtaining the lifetime health care they were promised in return for 20 years of service to their country. The problem, largely, has been access. The number of military hospitals has decreased dramatically since the end of the cold war and TRICARE/CHAMPUS, the health care plan created to assist military retirees, not only is not available to a military retiree who is Medicare eligible, but also when it is available its reimbursement rates are so low many private practitioners will not accept it, forcing military retirees back into military hospitals on a ''space available'' basis. Mr. President, you can see the vicious cycle this creates. Simply, put, military retirees are being shut out of the military health care system.

Congress, in turn, has been looking for solutions to this lack of access. Last year I cosponsored a commonsense measure with Senator THURMOND. Our simple proposal would have given military retirees the option to enroll in the Federal Employees Health Benefits Plan, the same plan in which you and I and our staffs are enrolled, Mr. President. Congress acted on this idea by creating an FEHBP demonstration program. While not a total solution, the program has moved us in the right direction.

Another commonsense measure, Mr. President, is Medicare Subvention. Currently, Medicare does not reimburse the Defense Department for health care services. This makes little sense considering that Medicare would reimburse any other private physician or medical care provider. If a Medicare-eligible military retiree lives near a military hospital he cannot use his Medicare and he cannot use TRICARE. He must find another insurance provider to help pay for his medical care. This is why, Mr. President, we passed a test of the Medicare Subvention in the 105th Congress.

Now we hope to move this concept forward. It is my understanding that while the program is working, the connotation of the word ''test'' is deterring military retirees who might otherwise enroll in a program they know to be permanent. This bill would solve that problem. Our bill also provides a fee-for-service Medicare option at certain Military Treatment Facilities if this would be a more cost effective approach for those facilities.

Mr. President, this bill enjoys widespread support. The Military Coalition strongly favors an expansion of the Medicare subvention test. My colleague from Texas, Senator GRAMM introduced for the RECORD a letter from the Coalition supporting this bill. Further, Congressman HEFLEY's bill in the House has already garnered 69 cosponsors. I believe this is a proposal Congress should move forward.

Congress must continue to increase access to health care for our nation's military retirees. Medicare subvention is a commonsense approach to achieving this end. Thus far, based on the demonstration program, the parties involved feel that Medicare Subvention has been a success. Now we must let our military retirees know that when they enter this program the Government will not leave them in the lurch. This bill will do exactly that.

---

By Mr. GRAMS (for himself, Mr. FEINGOLD, Mr. FITZGERALD, Mr. ABRAHAM, Mr. KOHL, Mr. HAGEL, Mr. DURBIN, Mr. ALLARD, Mr. CRAIG, Mr. CONRAD, and Mr. WELLSTONE):

S. 916. A bill to amend the Agricultural Market Transition Act to repeal the Northeast Interstate Dairy Compact provision; to the Committee on Agriculture, Nutrition, and Forestry.

DAIRY COMPACT REPEAL LEGISLATION

Mr. FEINGOLD. Mr. President, I rise to join the Senator from Minnesota, Senator GRAMS, in introducing a measure to repeal the Northeast Interstate Dairy Compact. The Northeast Dairy Compact was included in the 1996 farm bill during conference negotiations after it had been struck from the Senate version of the farm bill during floor consideration.

Mr. President, support of this legislation is especially crucial as compact proponents have recently introduced a measure to make permanent and expand the Northeast Interstate Dairy Compact and establish a southern dairy compact. In other words, a measure devised to control three percent of the country's milk is now seeking 40% of the country's milk. The cost to consumers, taxpayers, and farmers outside the compact region are enormous.

Mr. President, the Northeast Interstate Dairy Compact bill of 1996 established a commission for six Northeastern States—Vermont, Maine, New Hampshire, Massachusetts, Rhode Island, and Connecticut—empowered to set minimum prices for fluid milk above those established under Federal Milk Marketing Orders. This sort or compact was unprecedented and unnecessary because the Federal milk marketing order system already provided farmers in the designated compact region with minimum milk prices higher than those received by most other dairy farmers throughout the nation. But they wanted more.

This compact not only allows the six States to set artificially high fluid milk prices for their producers, it also allows those States to keep out lower priced milk from producers in competing States and provides processors within the region with a subsidy to export their higher priced milk to non-compact States.

Mr. President, the arguments against this type of price-fixing scheme are numerous: It interferes with interstate commerce by erecting barriers around one region of the Nation; It provides preferential price treatment for farmers in the Northeast at the expense of farmers nationally and may now extend that privilege to the south; It encourages excess milk production in one region without establishing effective supply control that drives down milk prices for producers throughout the country; It imposes higher costs on the millions of consumers in the Compact region; It imposes higher costs to taxpayers who pay for nutrition programs such as food stamps and the national school lunch programs which provide milk and other dairy products and as a price-fixing mechanism, the compact it is unprecedented in the history of this Nation.

Most important to my home State of Wisconsin, Mr. President, is that the Northeast Dairy Compact exacerbates the inequities within the Federal milk marketing orders system that already discriminates against dairy farmers in Wisconsin and throughout the upper Midwest. Federal orders provide higher fluid milk prices to producers the further they are located from Eau Claire, WI, for markets east of the Rocky Mountains.

Wisconsin farmers have complained for many years that this inherently discriminatory system provides other regions, such as the Northeast, the Southeast, and the Southwest with milk prices that encourage excess production in those regions. Of course, that excess production drives down prices throughout the Nation and results in excessive production of cheese, butter, and dry milk.

Cheese and other manufactured dairy products constitute the pillar of our dairy industry in Wisconsin. Competition for the production and sale of these products by other regions spurred on by artificial incentives under milk marketing orders has eroded our markets for cheese and other products.

Mr. President, my State of Wisconsin loses more dairy farms each year than any other state. A recent survey by the

National Milk Producers Federation revealed that, between 1993 and 1998, Wisconsin lost over 7000 dairy farms—that's three dairy farms a day! The number of manufacturing plants has declined from 400 in 1985 to less than 230 in 1996. These losses are due in part, to the systematic discrimination and market distortions created by Federal dairy policies that provide artificial regional advantages that cannot be justified on any rational economic grounds.

Lets look at their arguments: They claim this legislation is necessary to save their small dairy farmers, yet the bill does not target small operations. One year after the compact began, New England dairy farms went out of business at a 41% faster rate than in the prior two years.

They also claim that consumers in their regions are willing to pay a higher price at the grocery store as a result of the compact. However, studies show that higher milk prices at the retail level result in a decline in milk consumption at home. According to economists, a 10% increase in price can lead to as much as an 8% decline in consumption. The spread of dairy compacts to include half of the U.S. population in the Northeast, the South and parts of the Midwest could drive up milk prices as much as 20%.

Mr. President, my colleague from Minnesota, Senator GRAMS and I are on the floor today offering this legislation because the Northeast Dairy Compact reinforces the outrageous discrimination that has so wounded the dairy industry in our States. We have fought to change Federal milk marketing orders and we will fight to prevent the Northeast Dairy Compact from becoming permanent and expanding, and prevent the authorization of a southern compact. We will do all of these things in the name of basic fairness, simple justice and economic sanity in the marketplace. Upper Midwest dairy farmers have been bled long enough.

When prices fall, as they have recently, all farmers feel the stress. Why should one farmer in a region arbitrarily suffer or benefit more than another farmer on a similar operation in another region because of this artificial finger on the scale called the compact. Regional inequities are the inherent assumption of compact proponents and a basic economic premise of the compact idea. Shouldn't we be working together to make conditions better for all dairy producers? Why should one region, and now multiple regions be treated differently?

And yet the Northeast Compact provides price protection for dairy farmers in six States, insulating them from market conditions which ordinary non-compact farmers have to live with. Compact proponents have never been able to explain how conditions in the Northeast merit greater protection from market price fluctuations than other regions of the country. The fact that there are no compelling arguments made in favor of the compact that justified special treatment for the Northeast was emphasized by a vote in the full Senate to strike the compact from the 1996 farm bill. It was the only recorded vote on approval or disapproval of the Northeast Dairy Compact—and it killed the compact in the Senate. The way in which the compact was ultimately included in the 1996 farm bill also illustrates the weak justification for its approval. Let me remind my colleagues that the compact was never included in the House version of the farm bill and yet emerged as part of the bill after a closed door Conference negotiation. Legislation which is patently unfair and difficult to defend must frequently be negotiated behind closed doors rather than in the light of day.

Even the Secretary of Agriculture, after approving the compact, was unable to come up with an economic justification for the compact. The Secretary's finding of 'compelling public interest' as a basis for justifying his approval of the compact was so weak and unsupported by the public record that a suit was filed by compact opponents in Federal court charging that the Secretary violated the Administrative Procedures Act.

Mr. President, authorizing dairy compacts is bad public policy because it increases costs to taxpayers and consumers and currently only benefits a few in privileged regions. It is bad dairy policy because it exacerbates regional discrimination of existing Federal milk marketing orders by providing artificial advantages to a small group of producers at the expense of all others. And it is bad economic policy because it establishes barriers to interstate trade—barriers of the type the United States has been working hard to eliminate in international markets.

Mr. President, Congress should never have provided Secretary Glickman with authority to approve the compact. That in my view, was an improper and potentially unconstitutional delegation of our authority and it was irresponsible. It is the role of Congress to approve interstate compacts and we irresponsibly abrogated our responsibility in this matter. It is time to make it right.

It is incumbent upon Congress to undo the mistake it made in the 1996 farm bill. It's time to repeal the Northeast Interstate Dairy compact.

I urge my colleagues to support this legislation.

---

By Mr. GRAMS (for himself and Mr. FEINGOLD):

S. 917. A bill to equalize the minimum adjustments to prices for fluid milk under milk marketing orders; to the Committee on Agriculture, Nutrition, and Forestry.

THE DAIRY REFORM ACT

Mr. GRAMS. Mr. President, I rise today in order to call attention to one of the most onerous barriers currently facing American agriculture. It is a regional price-fixing cartel, which benefits only those producers within its own boundaries, at the direct expense of consumers. It is a patently unfair, unabashed attempt to distort basic principles of market forces. It is the Northeast Interstate Dairy Compact, which has been in effect in New England States since July 1997.

Today, Senator RUSS FEINGOLD of Wisconsin and I introduce the Dairy Fairness Act, which would repeal the Northeast Interstate Dairy Compact. As many southeastern States are passing enabling legislation to lay the groundwork in forming their own compacts, we feel it is necessary to once again review the notorious history of the Northeast Interstate Dairy Compact, and its negative impact on consumers and on all dairy farmers—with the notable exception, of course, of the largest dairy industries within the compact region.

The 1996 FAIR Act included significant reforms for diary policy. It set the stage for greater market orientation in dairy, including reform of the archaic Federal milk marketing orders. Yet despite a strong vote by the Senate to strip the Northeast Interstate Dairy Compact from its version of the FAIR Act, and the deliberate exclusion of any compact language from the House version of the bill, a Northeast Interstate Dairy Compact provision was slipped into the conference report. This language called for the termination of the compact upon the completion of the Federal milk marketing order process. That would have been in April of 1999. Well, through last year's appropriations process, the implementation of USDA's Federal Milk Marketing Order reforms have been delayed by 6 months. Of course, this was not at the request of the USDA. With the delay came an automatic extension of this compact. This political maneuvering is outrageous, and it comes with a high price tag attached—a high price tag to be paid by milk drinkers, and the rest of the Nation's dairy farmers.

The goals of the Northeast Dairy Compact have been clear since its inception. That was—to increase the profits of producers within the compact region, but at the expense of everyone outside of the compact. And by now, the obvious ramifications have been realized—higher milk prices within the compact region. This, not surprisingly, has led to a decrease in milk consumption. According to data from the Northeast Dairy Compact Commission, the compact, since it has been in effect, has added $46.5 million to the cost of milk in New England. As the fluid milk prices which consumers pay rise, the burden falls disproportionately on low-

income families, particularly those with small children. Low-income families spend a greater percentage of their income on food. They are harmed as a direct result of this compact.

The compact is having other dramatic effects as well. The increase in prices which producers receive for their milk has led to surplus production, which has had a negative effect on other producers around the country. Conversion of this surplus milk into cheese, butter, and powder drives down prices for these products in other non-compact regions. Take milk powder, for instance. Some of the compact's excess supply has been converted into nonfat milk powder. Between October 1997 and March 1998, New England produced 11 million more pounds of powder, 60 percent more than it did in the same period of the preceding year. During that time, nonfat powder production in the U.S. increased by only 2 percent. Furthermore, between October 1, 1997 and March 31, 1998, the nonfat milk powder glut in the U.S. drove prices so low that USDA had to spend nearly $41 million to buy surplus milk powder from dairy processors. Dairy producers outside of the compact region clearly are harmed as a direct result of the compact.

In fact, the only real winners have been the largest industrial dairies of the Northeast. It is really no surprise. Just consider it: if the compact pays a premium per hundredweight of milk, and large industrial dairies are able to produce, for example, 15 to 20 times more than the ''typical'' traditional dairy farm that the compact was supposedly going to protect, who do you think the big winners are? It certainly isn't the traditional dairy farm. They are also put at a competitive disadvantage, and thanks again to regional politics. And so are dairies outside the compact region.

We must keep sight of the fact that a dairy compact, or any sort of compact for that matter, is essentially a price-fixing scheme, which so abuses interstate commerce that it requires a special authorization of Congress. Otherwise it would violate Federal antitrust laws. We have come to the point where we must ask ourselves, as a nation, in which direction will we proceed concerning dairy policy. USDA has just presented its recommendations for Federal Milk Marketing Order reforms. It is not a great step in the way of reform, but at least it represents a rational attempt to decrease Federal interference in the dairy business and to treat producers all over the country a little more fairly. A national patchwork of compacts would render the Federal Milk Marketing Order reforms meaningless. It would essentially kill any hope for the beginning of real Federal reform. Interstate commerce in the milk industry would be so confusing it would be a confusing maze that harms consumers. While dairy was not included in the farm bill, it was always envisioned that a later dairy solution would conform to the free market concept of that farm bill.

We all know that it is difficult in Washington to have the courage to bypass any of those quick-fix issues in favor of a long-range view which would produce better and sound dairy policies. But that is exactly what we need today. That is where real leadership comes into play. So let's be advocates for the traditional dairy farmers, not just the mega-dairies. What is required now is a complete overhaul of this backward-looking and just plain unfair compact legislation. Senator FEINGOLD and I will continue to fight the Northeast Interstate Dairy Compact, and any other dairy compact that may be proposed. And we urge our colleagues to give all dairy farmers, in all areas of our country, the ability to compete on a level playing field.

To this end, and in order to underscore the need for significant reform, Senator FEINGOLD and I today also introduce the Dairy Reform Act, which would equalize the minimum adjustments to prices for fluid milk marketing orders at $1.80 per hundredweight of milk. This legislation, again, represents real reform, and a level playing field that will allow farmers to compete fairly and not have the Federal Government stand on the neck of dairy farmers in one area of the country while supporting those in others. It would allow producers to compete in a system where efficiencies—efficiencies—would be rewarded and they would be important according to market principles. The current system is so weighted against the Upper Midwest that our dairy farmers have to be twice as good just to be able to break even. The Dairy Reform Act proposes a marketing system which would truly be fair.

Mr. FEINGOLD. Mr. President, today I rise in support of the Dairy Reform Act of 1999, introduced by my colleague from Minnesota, Senator ROD GRAMS.

The Federal Dairy Program was developed in the 1930's, when the Upper Midwest was seen as the primary reserve for additional supplies of milk. The idea was to encourage the development of local supplies of fluid milk in areas of the country that had not produced enough to meet local needs. Six decades ago, the poor condition of the American transportation infrastructure and the lack of portable refrigeration technology prevented Upper Midwest producers from shipping fresh fluid milk to other parts of the country. Therefore, the only way to ensure consumers a fresh local supply of fluid milk was to provide dairy farmers in those distant regions with a boost in milk price large enough to encourage local production—that higher price referred to as the Class I differential. Mr. President, the system worked well—too well. Wisconsin is no longer this country's largest milk producer. This program has outlived its necessity and is now working only to shortchange the Upper Midwest, and in particular, Wisconsin dairy farmers.

The Dairy Reform Act of 1998 is very simple. It establishes that the minimum Class I price differential will be the same, $1.80/hundredweight, for each marketing order. As many of you know, the price for fluid milk increases at a rate of approximately 21 cents per 100 miles from Eau Claire, WI. Fluid milk prices, as a result, are nearly $3 higher in Florida than in Wisconsin, more than $2 higher in New England, and more than $1 higher in Texas. This bill ensures that the Class I differentials will no longer vary according to an arbitrary geographic measure—like the distance from Eau Claire Wisconsin. No longer will the system penalize producers in the Upper Midwest with an archaic program that outlived its purpose years ago. This legislation identifies one of the most unfair and unjustly punitive provisions in the current system, and corrects it. There is no substantive, equitable justification to support non-uniform Class I differentials in present day policy.

USDA's Federal Milk Marketing Order reform proposal was recently published. Although the USDA was successful in narrowing Class I differentials, discrepancies still exist. It is long past the time to set aside regional bickering and address the problems faced by dairy producers in all regions. The Dairy Reform Act of 1999 will make a change to USDA's proposed rule which will make the entire package more palatable for Wisconsin's producers. It will take USDA's proposal a step further and lead the dairy industry into a more market oriented program. Also producers will still be able to receive payment for transportation costs and over-order premiums. This measure would finally bring fairness to an unfair system. With this bill we will send a clear message to USDA and to Congress that Upper-Midwest dairy farmers will never stop fighting this patently unfair federal milk marketing order system. After over 60 years of struggling under this burden of inequality, Wisconsin's dairy industry deserves more; it deserves a fair price.

---

By Mr. KERRY (for himself, Mr. BOND, Mr. BINGAMAN, Ms. LANDRIEU, Mr. HARKIN, Mr. LIEBERMAN, Mr. WELLSTONE, Mr. KOHL, Mr. BURNS, Mr. ROBB, Mr. EDWARDS, Mr. LEVIN, Mr. GRAHAM, Ms. SNOWE, Mr. AKAKA, Mrs. MURRAY, Mr. CLELAND, Mr. KENNEDY, Mr. JEFFORDS, Ms. COLLINS, Mr.

ABRAHAM, Mr. LEAHY, Mr. BAUCUS, Mr. KERREY, Mr. GRASSLEY, Mr. MOYNIHAN, Mrs LINCOLN, Mr. BAYH, Mr. CHAFEE, Mr. LAUTENBERG, Mr. COCHRAN, and Mr. DASCHLE):

S. 918. A bill to authorize the Small Business Administration to provide financial and business development assistance to military reservists' small business, and for other purposes; to the Committee on Small Business.

MILITARY RESERVIST SMALL BUSINESS RELIEF ACT OF 1999

Mr. KERRY. Mr. President, I come to the floor today to introduce the Military Reservist Small Business Relief Act of 1999. I offer it on behalf of myself and 30 other colleagues: Senators BOND, BINGAMAN, LANDRIEU, HARKIN, LIEBERMAN, WELLSTONE, KOHL, BURNS, ROBB, EDWARDS, LEVIN, GRAHAM, SNOWE, AKAKA, MURRAY, CLELAND, KENNEDY, JEFFORDS, COLLINS, ABRAHAM, LEAHY, BAUCUS, BOB KERREY of Nebraska, GRASSLEY, MOYNIHAN, LINCOLN, BAYH, CHAFEE, LAUTENBERG, COCHRAN, and DASCHLE. I thank these Senators for their support.

Mr. President, a number of those colleagues I listed serve on either the Small Business Committee, the Armed Services Committee or on the Veterans Affairs Committee. However, all have joined me in a universal concern that I think goes across the aisle for the problems that reservists face when they are called suddenly to active duty. This bill will help small businesses whose owner, manager, or key employee is called to active duty. Most immediately, we are obviously looking at the question of service in Kosovo, but the act also applies to future contingency operations, military conflicts, or national emergencies.

Since 1973, we have taken pains as a result of the Vietnam experience to build an all-volunteer military. Our reservists are much more than just weekend warriors. When they are called, they are an essential ingredient of any kind of long-term or significant deployment of American forces. I think everyone knows the contributions they have made as soldiers, sailors, airmen, marines and Coast Guard, serving our country in extraordinary ways in recent years.

The National Guard and the Reservists have become a critical component of U.S. force deployment. In the Persian Gulf war they accounted for more than 46 percent of our total forces. The Acting Assistant Secretary for Defense for Reserve Affairs just Tuesday said that ''Reservists are absolutely vital to our national military strategy.''

To support the NATO operations in the Balkans, Secretary of Defense Cohen has asked for and received the authorization to call up members of the Selected Reserve to active duty. President Clinton has authorized deployment of 33,000 reservists, but the initial callup includes only about 2,100 personnel. These first reservists come from Alabama, Arizona, California, Kansas, Indiana, Michigan, Pennsylvania and Wisconsin. A total of 1.4 million Americans currently serve in our seven Reserve components of the U.S. Armed Forces.

When these folks are called up, even though they know they are in the Reserves and even though they know at some point in time they might be called to meet an emergency of our country, the fact is that nothing prepares their families or them for the remarkably fast transition that takes place. There are obviously emotional and personal hardships people have to deal with, but in addition to that there are significant financial realities.

I have heard first-hand, talking to a number of vets who suffered this callup process, how difficult it is. One veteran told the ''Boston Globe'' on the 1-year anniversary of the Persian Gulf War:

> The Gulf War is going to wind up having caused a lot of stress for me personally and for my family. It didn't just take a year out of my life. It's going to take a minimum of another two years, because that's how long it's going to take for us to catch up.

I think it is imperative that we help these families and communities to bridge the gap between the moment when the troops leave and when they return. We are talking about people who fill all of the normal, everyday positions of commerce that help to keep this country strong—bankers, barbers, mechanics, merchants, farmers, doctors, Realtors, owners of fast food restaurants—all kinds of positions that reservists hold and ultimately leave when they go to active duty.

As some veterans of the Persian Gulf War know all too well, they left their businesses and their companies in good shape. They were earning a living, they were providing a service, they were adding to the tax base, they were creating jobs, and then they returned to hardships that range from bankruptcy to financial ruin; from deserted clients to layoffs.

Even if you are not a small business owner, one has to ask what happens to one's family or to one's business or company during a 6- to 7-month deployment if you or your key employee suddenly has to depart. Particularly in rural areas and small towns it can be extremely difficult to find a replacement.

Let me share with you just one very quick story from my part of the country. For privacy purposes I am not going to use any names. However, I am going to talk about a physician from Raynham, MA. He was a lieutenant commander in the Navy Reserve and was called up for Operation Desert Storm as a flight surgeon in January 1991. For 10 years he had been a solo practitioner. After only 6 months of service, he had to file bankruptcy. That bankruptcy affected not only him but his wife, his two employees, and their families. After 1 year on duty, he came home and he found he literally had no business, no clients at that point in time, and no job—no income as a consequence.

We do not know for how long reservists will be called away, but whenever they return, we ought to make certain, to the degree we can, that the negative impacts are as minimal as possible. There is a way to do that. The way to do it is through this legislation.

What we seek to do is to authorize the SBA, the Small Business Administration, to defer existing loan repayments and to reduce the interest rates on direct loans that may be outstanding to those who are called up. That would include disaster loans. The deferrals and reductions that are authorized by this bill would be available from the date that the individual reservist is called to active duty until 180 days after his or her release from that duty.

For microloans and loans guaranteed under the SBA's financial assistance programs, such as the 504 program or 7(a) loan programs, the bill directs the agency to develop policies that encourage and facilitate ways that SBA lenders can either defer or reduce loan repayments.

For example, a microlender's ability to repay its debt to the SBA is obviously dependent upon the repayments from its microborrowers. So, with this bill's authority, if a microlender extends or defers loan repayment to a borrower who is a deployed military reservist, in turn the SBA would extend repayment obligations to the microlender.

Second, the bill establishes a low-interest, economic injury loan program to be administered by the SBA through its disaster loan program. These loans would be specifically available to provide interim operating capital to any small business when the departure of a military reservist for active duty causes economic injury. Under the bill, such harm includes three general cases: No. 1, inability to make loan repayments; No. 2, inability to pay ordinary and necessary operating expenses; or, No. 3, inability to market, produce or provide a service or product that it ordinarily provides.

Identical to the loan deferral requirements, an eligible small business can apply for an economic injury loan from the date that the company's military reservist is ordered to active duty, again until 180 days after the release from active duty.

Finally, the bill directs the SBA, and all of its private sector partners, such as the small business development centers, the women's business centers, to make positive efforts—proactive efforts—to reach out to those businesses affected by the call-up of military reservists to active duty, and to offer

business counseling and training. Those left behind to run the businesses, whether it is a spouse or a child or an employee, while the military reservist is serving overseas, may be inexperienced in running the business and need quick access to management and marketing counseling. We think it is important to do what we can to help bring those folks together, to keep the doors of the business open, and to reduce the impact of a military conflict and national emergency on the economy.

Some people might argue—I have not heard this argument sufficiently—but it is not inconceivable that some people would say: Wait a minute now, reservists do not deserve this special assistance because they ought to know the inherent risks of their chosen role and they ought to be prepared for deployment.

It is true you may live with those possibilities and those probabilities. It is also true it is very hard to pick up from the moment of notification to the moment of departure in as little as 3 days, pulling all the pieces together sufficiently. During the Persian Gulf war, one reservist's wife, Mrs. Carolee Ploof of Middlebury, VT, reported that her family had 3 days to prepare for her husband's departure. She said: ''How do you prepare [for that]? I really think it's unfair that self-employed people have to lose their shirts to protect their country.'' So, from the moment her husband was mobilized, he reported for duty until 10 p.m. and then went home to try to teach his wife how to run the business—all in 48 hours before he was to depart.

I think we should understand we are talking here about loans and extensions on loans. We are not talking about forgiveness, and we are not talking about grants. We are talking about a hand up, not a hand-out. We are talking about trying to facilitate what is obviously a very difficult process.

Finally, let me just say we are the people who designed the policy that made it so our military deployments for significant kinds of conflicts are, in fact, so Reserve-dependent. We did that for a lot of good reasons, not the least of which is that we have a great tradition in this country of citizen soldiers—a voluntary civilian component of our military service. We also know it is a significant way to reduce the costs of a standing army. The costs of carrying a standing army, in lieu of having reservists as the important component they are, millions of times outweighs the very small, targeted help we are talking about in this legislation.

I thank my 30 other colleagues who are cosponsors of this bill. I hope that this legislation will move very rapidly through the Senate so reservists will know, and their families will know, that, should there be a greater deployment in the future, it will not come with the kind of loss, or double hit if you will, for the notion of service to our country.

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

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

S. 918

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Military Reservists Small Business Relief Act of 1999''.

**SEC. 2. REPAYMENT DEFERRAL FOR ACTIVE DUTY RESERVISTS.**

Section 7 of the Small Business Act (15 U.S.C. 636) is amended by adding at the end the following:

''(n) REPAYMENT DEFERRED FOR ACTIVE DUTY RESERVISTS.—

''(1) DEFINITIONS.—In this subsection:

''(A) ELIGIBLE RESERVIST.—The term 'eligible reservist' means a member of a reserve component of the Armed Forces ordered to active duty during a period of military conflict.

''(B) OWNER, MANAGER, OR KEY EMPLOYEE.—An owner, manager, or key employee described in this subparagraph is an individual who—

''(i) has not less than a 20 percent ownership interest in the small business concern described in subparagraph (D)(ii);

''(ii) is a manager responsible for the day-to-day operations of such small business concern; or

''(iii) is a key employee (as defined by the Administration) of such small business concern.

''(C) PERIOD OF MILITARY CONFLICT.—The term 'period of military conflict' means—

''(i) a period of war declared by Congress;

''(ii) a period of national emergency declared by Congress or by the President; or

''(iii) a period of a contingency operation, as defined in section 101(a) of title 10, United States Code.

''(D) QUALIFIED BORROWER.—The term 'qualified borrower' means—

''(i) an individual who is an eligible reservist and who, received a direct loan under subsection (a) or (b) before being ordered to active duty; or

''(ii) a small business concern that received a direct loan under subsection (a) or (b) before an eligible reservist, who is an owner, manager, or key employee described in subparagraph (B), was ordered to active duty.

''(2) DEFERRAL OF DIRECT LOANS.—

''(A) IN GENERAL.—The Administration shall, upon written request, defer repayment of principal and interest due on a direct loan made under subsection (a) or (b), if such loan was incurred by a qualified borrower.

''(B) PERIOD OF DEFERRAL.—The period of deferral for repayment under this paragraph shall begin on the date on which the eligible reservist is ordered to active duty and shall terminate on the date that is 180 days after the date such eligible reservist is discharged or released from active duty.

''(C) INTEREST RATE REDUCTION DURING DEFERRAL.—Notwithstanding any other provision of law, during the period of deferral described in subparagraph (B), the Administration may, in its discretion, reduce the interest rate on any loan qualifying for a deferral under this paragraph.

''(3) DEFERRAL OF LOAN GUARANTEES AND OTHER FINANCINGS.—The Administration shall—

''(A) encourage intermediaries participating in the program under subsection (m) to defer repayment of a loan made with proceeds made available under that subsection, if such loan was incurred by a small business concern that is eligible to apply for assistance under subsection (b)(3); and

''(B) not later than 30 days after the date of enactment of this subsection, establish guidelines to—

''(i) encourage lenders and other intermediaries to defer repayment of, or provide other relief relating to, loan guarantees under subsection (a) and financings under section 504 of the Small Business Investment Act of 1958 that were incurred by small business concerns that are eligible to apply for assistance under subsection (b)(3), and loan guarantees provided under subsection (m) if the intermediary provides relief to a small business concern under this paragraph; and

''(ii) implement a program to provide for the deferral of repayment or other relief to any intermediary providing relief to a small business borrower under this paragraph.''.

**SEC. 3. DISASTER LOAN ASSISTANCE FOR MILITARY RESERVISTS' SMALL BUSINESSES.**

(a) IN GENERAL.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting after the undesignated paragraph that begins with ''*Provided,* That no loan'', the following:

''(3)(A) In this paragraph—

''(i) the term 'economic injury' means an economic harm to a business concern that results in the inability of the business concern—

''(I) to meet its obligations as they mature;

''(II) to pay its ordinary and necessary operating expenses; or

''(III) to market, produce, or provide a product or service ordinarily marketed, produced, or provided by the business concern;

''(ii) the term 'owner, manager, or key employee' means an individual who—

''(I) has not less than a 20 percent ownership in the small business concern;

''(II) is a manager responsible for the day-to-day operations of such small business concern; or

''(III) is a key employee (as defined by the Administration) of such small business concern; and

''(iii) the term 'period of military conflict' has the meaning given the term in subsection (n)(1).

''(B) The Administration may make such disaster loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) to assist a small business concern (including a small business concern engaged in the lease or rental of real or personal property) that has suffered or that is likely to suffer economic injury as the result of the owner, manager, or key employee of such small business concern being ordered to active military duty during a period of military conflict.

''(C) A small business concern described in subparagraph (B) shall be eligible to apply for assistance under this paragraph during the period beginning on the date on which the owner, manager, or key employee is ordered to active duty and ending on the date that is 180 days after the date on which such owner, manager, or key employee is discharged or released from active duty.

''(D) Any loan or guarantee extended pursuant to this paragraph shall be made at an

annual interest rate of 4 percent, without regard to the ability of the small business concern to secure credit elsewhere.

''(E) No loan may be made under this paragraph, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis, if the total amount outstanding and committed to the borrower under this subsection would exceed $1,500,000, unless such applicant constitutes a major source of employment in its surrounding area, as determined by the Administration, in which case the Administration, in its discretion, may waive the $1,500,000 limitation.

''(F) For purposes of assistance under this paragraph, no declaration of a disaster area shall be required.''.

(b) CONFORMING AMENDMENTS.—Section 4(c) of the Small Business Act (15 U.S.C. 633(c)) is amended—

(1) in paragraph (1), by striking ''7(b)(4),''; and

(2) in paragraph (2), by striking ''7(b)(4), 7(b)(5), 7(b)(6), 7(b)(7), 7(b)(8),''.

**SEC. 4. BUSINESS DEVELOPMENT AND MANAGEMENT ASSISTANCE FOR MILITARY RESERVISTS' SMALL BUSINESSES.**

(a) IN GENERAL.—Section 8 of the Small Business Act (15 U.S.C. 637) is amended by adding at the end the following:

''(*l*) MANAGEMENT ASSISTANCE FOR SMALL BUSINESSES AFFECTED BY MILITARY OPERATIONS.—The Administration shall utilize, as appropriate, its entrepreneurial development and management assistance programs, including programs involving State or private sector partners, to provide business counseling and training to any small business concern adversely affected by the deployment of units of the Armed Forces of the United States in support of a period of military conflict (as defined in section 7(n)(1)).

(b) ENHANCED PUBLICITY DURING OPERATION ALLIED FORCE.—For the duration of Operation Allied Force and for 120 days thereafter, the Administration shall enhance its publicity of the availability of assistance provided pursuant to the amendments made by this Act, including information regarding the appropriate local office at which affected small businesses may seek such assistance.

**SEC. 5. GUIDELINES.**

Not later than 30 days after the date of enactment of this Act, the Administrator of the Small Business Administration shall issue such guidelines as the Administrator determines to be necessary to carry out this Act and the amendments made by this Act.

**SEC. 6. EFFECTIVE DATES.**

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) DISASTER LOANS.—The amendments made by section 3 shall apply to economic injury suffered or likely to be suffered as the result of a period of military conflict occurring on or after March 24, 1999.

Mr. KOHL. Mr. President, more than 2,000 reservists were called up Tuesday to participate in NATO Operation Allied Force. These men and women who may serve for as long as nine months are making a great sacrifice, as are their family members and co-workers who are left behind.

It is incumbent upon us to find ways to ease the burden of this service for our reservists, their families and their employers. Two weeks ago the Senate passed tax relief for those serving in Operation Allied Force. The legislation we are introducing today addresses the economic impact of taking reservists away from small businesses, whether the reservist is the owner, a manager or a key employee.

The Military Reservists Small Business Relief Act allows small businessmen and women to defer loan payments on any direct loan from the Small Business Administration (SBA), including disaster loans. The bill directs SBA to come up with a policy for payment deferrals for the microloan program and loans guaranteed under one of SBA's financial assistance programs. Deferrals on loan payments would extend 180 days after the reservist's release from active duty.

The bill also establishes a low interest economic injury loan program to provide interim operating capital to any small business experiencing economic harm because a military reservist has been called to active duty. The bill defines economic harm as being unable to provide goods or services that the business usually provides. SBA will administer the loan program through its disaster loan program.

Recognizing the disruptions that may occur as a result of the recent call up, the Military Reservists Small Business Relief Act directs SBA and its private sector partners to mobilize their resources to offer business counseling and training to inexperienced employees or family members who are left behind to run businesses on their own when a reservist is called up.

This legislation is modeled on similar legislation adopted during Operation Desert Storm. It is a practical response to the real and often overlooked impact of calling up military reservists. Wisconsin has some marvelous employers who are tremendously supportive of their employees who serve in the reserves. Several years ago, Schneider Truck of Green Bay, WI, was recognized as the Reserves Employer of the year by the Defense Department. Companies like Schneider do all they can to make it easier for reservists and their families to manage while the service member is on active duty. It is my hope that this legislation will help smaller companies and encourage them to provide reservists and their families with this kind of support.

The men and women of the reserves are far more than ''weekend warriors,'' they are the backbone of our military. We are grateful for their willingness to serve. We thank the men and women of the reserves, their families, and their employers for their sacrifices and this service.

Mr. LEVIN. Mr. President, the President has approved the call-up of up to 33,000 Reservists to support NATO operations over Kosovo. Reserve forces are playing an ever-increasing role in military operations. With the downsizing of our Active forces and the increased number of missions, our Armed Forces cannot operate successfully without use of our Reserve component resources. For example, of the 540,000 service members deployed to Saudi Arabia for Desert Shield/Desert Storm, 228,000, or 42%, were reservists. Reservists have also answered the call for service in Operation RESTORE HOPE in Somalia, Operation UPHOLD DEMOCRACY in Haiti, and Operation JOINT ENDEAVOR/JOINT GUARD in Bosnia.

National Guard and Reserve forces are involved in helping Central America recover from the devastation of Hurricane Mitch, and they are routinely called upon to respond to disasters in the United States. As the Reserve components are relied on more and more, even during nornal times they are called away from their civilian jobs more and more.

The absence of these men and women from their families, jobs and businesses while they are serving their country on active duty will clearly present some hardships. We should do everything we can do to try minimize any economic hardships that might arise from their absence on their businesses and places of employment. That is why I have cosponsored the Military Reservists Small Business Relief Act that Mr. KERRY has introduced today to provide financial and business development assistance to military reservists' small businesses.

This legislation will help military reservists who are called away from their jobs and businesses to serve the United States in any military operation with respect to Kosovo by allowing them to defer existing government guaranteed small business loans and giving them access to low interest rate government guaranteed loans to bridge any financial gap that might arise out of their absence. These Reservists will be eligible for assistance if they are an owner, manager or key employee of a small business.

This legislation provides more generous loan repayment terms for small business reservists who have SBA loans. It does this by authorizing a deferral of loan repayments for small business reservists on any direct loan from the Small Business Administration (SBA), including disaster loans. Interest will not accrue during the time that the loan is deferred. The legislation also directs SBA to develop policies such as extending repayments of its government guaranteed loans such as micro loans or 7(a) loans for reservists who are called up for active duty. The deferrals will be available from the date the reservist is called to active duty until 180 days after his or her release from active duty.

The legislation also establishes a low interest economic injury loan program to be administered by SBA through its disaster loan program. Such loans

would be made available to provide interim operating capital to any small business when the departure of a military reservist to active duty causes economic harm.

The legislation also directs the SBA and its private sector partners to make every effort to reach out to those businesses affected by the absence of key employees who are Reservists and provide assistance such as businesses counseling and training for how to run the business in the absence of these key employees.

I am pleased to be a cosponsor of this important legislation designed to reduce any economic hardship created by the absence of active duty reservists from their jobs and businesses and I hope the Senate will act on it quickly.

Mr. JEFFORDS. Mr. President, it is widely known that our nation can no longer commit military force to conflicts, national emergencies and contingency operations without the participation of our National Guard and Reserves. This is expressly provided in our national military strategy. It is confirmed by the 300% increase in the pace of operations for our National Guard alone since Operation Desert Storm.

While I enthusiastically support the full integration of our reserve components into a seamless Total Force, I recognize its potential to seriously affect our nation's small businesses. In most communities across this nation small businesses sustain the local economy, yet many of these businesses rely upon key employees, owners or managers who are also Guard members or Reservists subject to being called away to active duty. On Tuesday, the President approved the call-up of 33,102 members of the Selected Reserve to active duty in support of NATO operations in Yugoslavia. We cannot ignore the impact of this on our small businesses. The challenge is upon us. That is why I am happy to join Senator KERRY in introducing the Military Reservists Small Business Relief Act.

For eligible reservists called to active duty in support of a declared war, national emergency or contingency operation, the bill provides in part:

1. An authorization to defer loan repayments on any direct loan from the Small Business Administration (SBA), including disaster loans, to borrowers who are members of the Guard and Reserves called to active duty.

2. A low interest economic injury loan program, administered by SBA, which would provide interim operating capital to any small business likely to suffer economic harm caused by the departure of an employee, who is a member of the Guard or Reserves called to active duty.

3. Direction to the SBA and all of its private sector partners, such as the Small Business Development Centers, to offer business training and counseling to small business affected by a loss of an employee who is a member of the Guard or Reserves called to active duty.

Given that our Guard and Reserve are shouldering an increasing share of our worldwide missions, we cannot overlook the effects of these operations on our civilian workforce and their civilian employers. This legislation ensures that we keep their interests in mind during periods of military conflict.

---

By Mr. DODD (for himself, Mr. LIEBERMAN, Mr. KERRY, and Mr. KENNEDY):

S. 919. A bill to amend the Quinebaug and Shetucket Rivers Valley National Heritage Corridor Act of 1994 to expand the boundaries of the corridor; to the Committee on Energy and Natural Resources.

QUINEBAUG AND SHETUCKET RIVERS VALLEY NATIONAL HERITAGE CORRIDOR REAUTHORIZATION ACT OF 1999

Mr. DODD. Mr. President, I am pleased to join with my colleagues, Senator LIEBERMAN, Senator KERRY, and Senator KENNEDY, to introduce legislation to reauthorize the Quinebaug and Shetucket Rivers Valley National Heritage Corridor (Corridor). Congressman GEJDENSON from Connecticut and Congressman NEAL from Massachusetts will be introducing companion legislation today in other body.

The 25-town area in eastern Connecticut was originally designated a Corridor in 1994, when the U.S. Congress passed and the President signed Public Law 103–449. The purpose of the Corridor is to encourage grassroots efforts to preserve historic and environmental treasures while promoting economic development. Today's legislation builds upon the success of the Corridor and extends it by including nine towns from Massachusetts and one additional town from Connecticut. The towns affected include Union, Connecticut, and the following towns in Massachusetts—Brimfield, Charlton, Dudley, East Brookfield, Holland, Oxford, Southbridge, Sturbridge, and Webster.

Because this is an established Corridor which has been developing and implementing cultural, economic and environmental programs to preserve this beautiful and historic region of Connecticut, the legislation we are introducing increases the Corridor authorization level to $1.5 million. This level of funding is consistent with recent new Corridor authorization levels of $1 million. Our Corridor has been significantly underfunded each year; I can only imagine the further great works that can be undertaken with adequate funding.

Unfortunately, Connecticut ranks near the bottom among States in the amount of Federal land within its borders, such as National Parks, Recreation Areas, and Forests. That is why I joined with Congressman GEJDENSON back in 1993 to introduce the original bill designating the Quinebaug and Shetucket Heritage Corridor and why I am advocating an increase in the size and scope of it. Extending through eastern Connecticut and soon southeastern Massachusetts, the Corridor is within a two hour's drive from the major metropolitan areas of Boston, New Haven, Hartford and New York.

The Quinebaug and Shetucket Rivers Valley saw a rebirth with the dawn of the industrial age. Hundreds of mills were built along the banks of the rivers and this region became a leader in the textile industry. Today, the mills are quiet, many of them abandoned, and the valley is a picturesque area of rolling hills and beautiful farms. It offers landscapes for hiking and biking, rivers for canoeing and fishing, and abandoned mills which offer a glimpse at history. It is the birthplace of Revolutionary War hero Nathan Hale and the Prudence Crandall School, the site of the first teacher-training school for African-American women established in 1833. There are also many Native American and archaeological sites.

The area is rich in history and those groups and individuals involved with the Corridor have developed a management plan to preserve local resources, enhance recreational potential and promote appropriate development. By joining forces with the people of Massachusetts, a more integrated system can be undertaken. The important historic and cultural resources do not stop at the border.

In the few short years that the Corridor has been in place, its stewards have provided grants and technical assistance to towns and nonprofits embarking on historic preservation and research, economic development, tourism, natural resource conservation and recreation.

The Corridor has public and private support throughout Connecticut and the regions in Massachusetts look forward to working with the existing partnerships to enhance their quality of life. It is the goal of the Corridor to ensure a healthy environment and robust economy compatible with the character of the region.

Mr. President, I urge my colleagues to look favorably on this effort and I ask unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 919

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

**SECTION 1. SHORT TITLE; REFERENCES.**

(a) SHORT TITLE.—This Act may be cited as the ''Quinebaug and Shetucket Rivers Valley National Heritage Corridor Reauthorization Act of 1999''.

(b) REFERENCES.—Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Quinebaug and Shetucket Rivers Valley National Heritage Corridor Act of 1994 (16 U.S.C. 461 note; title I of Public Law 103–449).

**SEC. 2. FINDINGS.**

Section 102 is amended—

(1) in paragraph (1), by inserting ''and the Commonwealth of Massachusetts'' after ''State of Connecticut'';

(2) by striking paragraph (2);

(3) by redesignating paragraphs (3) through (9) as paragraphs (2) through (8), respectively;

(4) in paragraph (3) (as so redesignated), by inserting ''New Haven,'' after ''Hartford,''; and

(5) in paragraph (8) (as so redesignated), by striking ''regional and State agencies'' and inserting ''regional, and State agencies,''.

**SEC. 3. ESTABLISHMENT OF QUINEBAUG AND SHETUCKET RIVERS VALLEY NATIONAL HERITAGE CORRIDOR; PURPOSE.**

Section 103 is amended—

(1) in subsection (a), by inserting ''and the Commonwealth of Massachusetts'' after ''State of Connecticut''; and

(2) by striking subsection (b) and inserting the following:

''(b) PURPOSE.—The purpose of this title is to provide assistance to the State of Connecticut and the Commonwealth of Massachusetts, and their units of local and regional government and citizens, in the development and implementation of integrated natural, cultural, historic, scenic, recreational, land, and other resource management programs in order to retain, enhance, and interpret the significant features of the land, water, structures, and history of the Quinebaug and Shetucket Rivers Valley.''.

**SEC. 4. BOUNDARIES AND ADMINISTRATION.**

Section 104 is amended—

(1) in the first sentence of subsection (a)—

(A) by inserting ''Union,'' after ''Thompson,''; and

(B) by inserting before the period at the end the following: ''in the State of Connecticut, and the towns of Brimfield, Charlton, Dudley, East Brookfield, Holland, Oxford, Southbridge, Sturbridge, and Webster in the Commonwealth of Massachusetts, which are contiguous areas in the Quinebaug and Shetucket Rivers Valley, related by shared natural, cultural, historic, and scenic resources''; and

(2) by adding at the end the following:

''(b) ADMINISTRATION.—The Corridor shall be managed by Quinebaug-Shetucket Heritage Corridor, Inc., in accordance with the management plan and in consultation with the Governors.''.

**SEC. 5. MANAGEMENT PLAN.**

Section 105 is amended—

(1) by striking the section heading and inserting the following:

**''SEC. 105. MANAGEMENT PLAN.'';**

(2) by striking subsections (a) and (b);

(3) by redesignating subsection (c) as subsection (a);

(4) in subsection (a) (as so redesignated)—

(A) in the subsection heading, by inserting ''MANAGEMENT'' before ''PLAN'';

(B) by striking the first sentence and inserting the following: ''The management entity shall implement the management plan.'';

(C) in paragraph (5), by striking ''identified pursuant to the inventory required in section 5(a)(1)''; and

(D) in paragraphs (6) and (7), by striking ''plan'' each place it appears and inserting ''management plan''; and

(5) by adding at the end the following:

''(b) GRANTS AND LOANS.—The management entity may, for the purposes of implementing the management plan, make grants or loans to the States, their political subdivisions, nonprofit organizations, and other persons to further the goals set forth in the management plan.''.

**SEC. 6. DUTIES OF THE SECRETARY.**

Section 106 is amended to read as follows:

**''SEC. 106. DUTIES OF THE SECRETARY.**

''(a) IN GENERAL.—Upon request of the management entity, the Secretary and the heads of other Federal agencies shall assist the management entity in the implementation of the management plan.

''(b) FORMS OF ASSISTANCE.—Assistance under subsection (a) shall include provision of funds authorized under section 109 and technical assistance necessary to carry out this Act.''.

**SEC. 7. DUTIES OF OTHER FEDERAL AGENCIES.**

Section 107 is amended by striking ''Governor'' and inserting ''management entity''.

**SEC. 8. DEFINITIONS.**

Section 108 is amended—

(1) in paragraph (1), by inserting before the period at the end the following: ''and the Commonwealth of Massachusetts'';

(2) in paragraph (3), by inserting before the period at the end the following: ''and the Governor of the Commonwealth of Massachusetts'';

(3) in paragraph (5), by striking ''means each of'' and all that follows and inserting the following: ''means—

''(A) the Northeastern Connecticut Council of Governments, the Windham Regional Council of Governments, and the Southeastern Connecticut Council of Governments in Connecticut (or any successor council); and

''(B) the Pioneer Valley Regional Planning Commission and the Southern Worcester County Regional Planning Commission in Massachusetts (or any successor commission).''; and

(4) by adding at the end the following:

''(6) MANAGEMENT ENTITY.—The term 'management entity' means Quinebaug-Shetucket Heritage Corridor, Inc., a not-for-profit corporation incorporated under the law of the State of Connecticut (or a successor entity).

''(7) MANAGEMENT PLAN.—The term 'management plan' means the document approved by the Governor of the State of Connecticut on February 16, 1999, and adopted by the management entity, entitled 'Vision to Reality: A Management Plan', comprising the management plan for the Corridor, as the document may be amended or replaced from time to time.''.

**SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

Section 109 is amended to read as follows:

**''SEC. 109. AUTHORIZATION OF APPROPRIATIONS.**

''(a) IN GENERAL.—There is authorized to be appropriated to carry out this title—

''(1) $1,500,000 for any fiscal year; but

''(2) not more than a total of $15,000,000.

''(b) COST SHARING.—Federal funding provided under this title may not exceed 50 percent of the total cost of any assistance provided under this title.''.

**SEC. 10. CONFORMING AMENDMENT.**

Section 110 is amended in the section heading by striking ''**SERVICE**'' and inserting ''**SYSTEM**''.

By Mrs. HUTCHISON (for herself, Mr. MCCAIN, Mr. HOLLINGS, and Mr. INOUYE):

S. 920. A bill to authorize appropriations for the Federal Maritime Commission for fiscal years 2000 and 2001; to the Committee on Commerce, Science, and Transportation.

FEDERAL MARITIME COMMISSION AUTHORIZATION ACT OF 1999

● Mrs. HUTCHISON. Mr. President, today I, with Senator MCCAIN, Chairman of the Commerce Committee; Senator HOLLINGS, the ranking member of the Commerce Committee; and Senator INOUYE, ranking member of the Surface Transportation and Merchant Marine Subcommittee are introducing a bill to authorize appropriations for fiscal years 2000 and 2001 for the Federal Maritime Commission (FMC).

The Federal Maritime Commission is an independent agency composed of five commissioners. The Commission's primary responsibility is administering the Shipping Act of 1984 and enforcing the Foreign Shipping Practices Act and Section 19 of the Merchant Marine Act of 1920. By doing so, the FMC protects shippers and carriers from restrictive or unfair practices of foreign-flag carriers. Currently, the Commission is engaged in the implementation of the Ocean Shipping Reform Act of 1998. The Act, which takes effect on May 1 of this year is the first major deregulation of international ocean shipping. This bill authorizes funding for the Commission to continue its important work.

Specifically, the bill authorizes $15.6 million for the FMC for fiscal year 2000 and $16.3 million for fiscal year 2001. The fiscal year 2000 funding is $385,000 above the amount requested by the President in order to fund the appointment of the fifth commissioner and his or her staff.

I look forward to working on this important legislation and hope my colleagues will join me and the other sponsors in expeditiously moving this authorization through the legislative process.●

● Mr. MCCAIN. Mr. President, I am pleased to join Senator HUTCHISON, Chairman of the Surface Transportation and Merchant Marine Subcommittee in introducing this bill.

The Federal Maritime Commission has done a commendable job in its implementation of the Ocean Shipping Reform Act that takes effect on May 1, 1999. This measure will insure that the Commission can complete their implementation efforts and continue their other duties, administering the Shipping Act of 1984 and enforcing the Foreign Shipping Practices Act and Section 19 of the Merchant Marine Act of 1920.

I am pleased that the subcommittee is taking this action today and will join Senator HUTCHISON and the other sponsors in expeditiously moving this

authorization through the legislative process.●

Mr. HOLLINGS. Mr. President, I rise in support of the Federal Maritime Commission Authorization Act of 1999, which would authorize appropriations for the Federal Maritime Commission (FMC) for fiscal years 2000 and 2001. With the recent passage of the Ocean Shipping Reform Act of 1998 (''OSRA'') the Commission's role in overseeing the ocean transportation industry has changed dramatically and increased in importance. The Commission must have the necessary funding to ensure that Congress' intentions with OSRA are met, and that all segments of the industry are fully protected from potential abuses.

I am particularly pleased with the effort made by the Commission to adopt regulations to implement OSRA. OSRA, which was signed into law on October 14, 1998, and will go into effect on May 1, 1999, significantly altered the Commission's primary underlying statute—the Shipping Act of 1984. Nevertheless, the Commission was only given until March 1, 1999, to adopt final regulations to implement the changes made to the Act. The Commission met this deadline while fully complying with all notice and comment requirements of the Administrative Procedure Act. The Commission solicited and received comment from the entire industry and, based on those comments, arrived at final rules that are fully consistent with the Congressional intent. The Commission should be applauded for accomplishing this difficult task in such a timely and responsive manner.

I would also note that under OSRA the Commission will continue to exercise its vital role in addressing unfair foreign trade practices under section 19 of the Merchant Marine Act, 1920 and the Foreign Shipping Practices Act of 1988. The Commission has proven time and again—most recently with the Japan port controversy and several restrictive practices in Brazil—that it can effectively address such practices and, if adequately funded, will be able to continue to do its fine job. I am a firm proponent of aggressive policies that promote fair and open trades, and I commend the FMC for their role in opening markets for our ocean carrier and ocean shipper communities.

The amounts authorized for the FMC take into account the fact that the Commission will soon be fully staffed with five Commissioners. The President recently nominated a fifth Commissioner and his nomination is pending before the Commerce Committee. The Commission needs full funding to bring the agency up to its full complement of members and to meet its new responsibilities under OSRA.

---

By Mr. ABRAHAM (for himself, Mr. MCCAIN, and Mr. LOTT):

S. 921. A bill to facilitate and promote electronic commerce in securities transactions involving broker-dealers, transfer agents, and investment advisers; to the Committee on Banking, Housing, and Urban Affairs.

ELECTRONIC SECURITIES TRANSACTIONS ACT

Mr. ABRAHAM. Mr. President, I rise today with Senator MCCAIN and Senator LOTT to introduce legislation designed to modernize the manner in which registered securities broker-dealers, transfer agents, and investment advisers serve millions of American investors every day.

Only a few years ago, a few pioneering brokerage firms, utilizing the vast potential of the Internet, began to revolutionize the securities industry by offering individual investors the opportunity to buy and sell stocks online. Because of the lower costs of electronic transactions, investors have found they can place trades online at a mere fraction of the price they were paying for services at traditional brokerage firms. They have also found that online brokerage firms offer them access to a wide array of information, investing assistance, and research that previously was available only to institutional investors. Almost overnight, many investors have demonstrated their preference for the savings and the empowerment that online brokerage services give them.

For example, today Charles Schwab, which has been at the forefront of offering electronic services, reports that it has approximately 2.5 million active online accounts and that more than 50 percent of its custoemr trades are placed online. Since Schwab offers its customers multiple channels of access to its trading services, the fact that more than half of its customer trades are placed online is a dramatic illustration of the investing public's enthusiasm for and acceptance of online services. The dramatic emergence of online-only brokerage firms, such as E*Trade, Discover and Ameritrade, and the continued migration of traditional brokerage firms to the Web is further evidence of this. Soon, millions of securities transactions will be conducted electronically every day.

Unfortunately, the full potential of online investing has been impeded because of antiquated laws that do not yet take account of electronic commerce. These laws act as barriers to the efficiencies and investor empowerment opportunities that the online brokerage industry offers. Now, once again, it is time for the government to catch up to the market developments spurred by the technology sector. It is time for the government to remove impediments to online investing.

Today, when a person wishes to become a customer of an online broker, he can visit the web-sites of various brokerage firms to compare the value and services those firms offer. He may even provide some information about himself and the type of account he wishes to establish. However, because of traditional principles of contract law and certain recordkeeping requirements, an investor cannot open the account online with any legal certainty. Instead, he must print the application and physically sign and send it by regular mail. The technology gap demonstrated here must be bridged. Investors who, once their accounts are opened, may access investment tools and research and quickly submit trade orders online, should not have to wait days or perhaps even weeks to complete the process for opening an account. This system can and should be changed.

Continuing to require pen-and-ink signatures on account applications and other documents, when secure electronic signature technology exists, imposes unnecessary costs and inefficiencies on brokerage firms and customers alike. Similar costs and inefficiencies have been recognized and removed in other areas of securities regulation, such as recordkeeping and document delivery. Today, brokerage firms can store documents in electronic rather than paper format and are allowed to deliver many documents, such as prospectuses, to customers electronically. There is no reason why the advantages of technology cannot and should not be extended to documents that require a signature.

The legislation my colleagues and I introduce today would do just that by facilitating and enabling the use of electronic signatures by registered broker-dealers and others in the securities industry in their business dealings with customers and other transactional parties. The legislation would make clear that individuals can open a brokerage account and conduct business with a brokerage firm using an electronic signature as proof of identification and intent. It would also give both brokerage firms and their customers the assurance that they can rely on electronic signatures in their business dealings and that the validity of those dealings will not be challenged merely because a pen-and-ink signature was not used.

At this point I think it is important to stress to my colleagues that the online brokerage industry is different from the day-trading industry, which has received a lot of negative attention in the past year. Day-trading firms offer a specialized service that enables their customers to enter orders and trade directly with the market. And while I am sure that most of these businesses are legitimate and sound, in recent months reports of abusive or questionable practices have emerged in relation to this type of trading. Anecdotal accounts tell of investors losing many times the amount of money they originally brought to the market.

The online investing services provided by brokerage firms are quite different from the services provided by

day-trading firms. For example, brokerage firms such as Charles Schwab, E*Trade, DLJ Direct, Discover, among others, set strict limits on the extent to which investors are permitted access to margin and option accounts. These firms empower their customers and are not the problem, and it is important that my colleagues and the public understand the differences.

It is that simple. Frankly, I am surprised that the SEC does not require the use of electronic signatures, because unless a physical signature is witnessed, electronic signatures are a far more reliable means of guaranteeing a person is who they say they are. Electronic signatures may result from a variety of technological means that allow users to confirm the authenticity of an electronic documents author, location or content. These technologies are designed to allow contracts to be reviewed and agreed to electronically, to permit individuals and businesses to safely purchase goods online, and to enable government agencies to verify the authenticity of information submitted to them. It is a natural fit for transactions between online brokerage firms and investors.

Despite the changes being made in the investor-brokerage relationship, we recognize that the Securities and Exchange Commission must retain full regulatory authority in this industry. This legislation therefore authorizes the SEC to provide guidance on the use of electronic signatures by broker-dealers and others in the securities industry. The SECs active involvement in the move from physical to electronic signatures is important. If the change is to be orderly, the Commission must be familiar with the various types of electronic signatures available. The Commission, as the expert regulator of the securities industry, may determine that some forms of signature are superior to others for certain types of records.

Mr. President, the securities industry is experiencing explosive growth in electronic transactions, and this bill's response is necessary and appropriate. The industry and the investors who utilize this medium need the efficiencies and certainty this bill would provide. I believe that the more efficient transaction procedures that will result from the bill will translate into cost savings for customers and industry alike. And that should be the ultimate purpose of any securities legislation relating to electronic commerce.

Again, I would like to thank Senator MCCAIN and the majority leader for joining me in introducing this legislation. I hope the Senate Banking Committee can move on this legislation in the near future.

I ask unanimous consent that a copy of this legislation be printed into the RECORD.

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

S. 921

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Electronics Securities Transactions Act.''

**SEC. 2. FINDINGS.**

Congress finds that—

1. the growth of electronic commerce and electronic transactions represents a powerful force for econmic growth, consumer choice and creation of wealth;

2. inefficient transaction procedures impose unnecessary costs on investors and persons who facilitate transactions on their behalf;

3. new techniques in electronic commerce create opportunities for more efficient and safe procedures for effecting securties transactions; and

4. because the securities markets are an important national asset which must be preserved and strenghened, it is in the national interest to establish a framework to facilitate the economically efficient execution of securities transactions.

**SEC. 3. PURPOSES.**

The purposes of this act are—

1. to permit and encourage the continued expansion of electronic commerce in securities transactions; and

2. to facilitate and promote electronic commerce in securities transactions by clarifying the legal status of electronic signatures for signed documents and records used in relation to securities transactions involving broker-dealers, transfer agents and investment advisers.

**SEC. 4. DEFINITONS.**

For purposes of this subsection—

(1) ''document'' means any record, including without limitation any notification, consent, acknowledgement or written direction, intended, either by law or by custom, to be signed by a person.

(2) ''electronic'' means of or relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(3) ''electronic record'' means a record created, stored, generated, received, or communicated by electronic means.

(4) ''electronic signature'' means an electronic identifying sound, symbol or process attached to or logically connectd with an electronic record.

(5) ''record'' or ''records'' means the same information or documents defined or identified as ''records'' under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940, respectively.

(6) ''transaction'' means an action or set of actions relating to the conduct of business affairs that involve or concern activities conducted pursuant to or regulated under the Securities Exchange Act of 1934 or the Investment Advisers Act of 1940 and occurring between two or more persons.

(7) Signature.—The term ''signature'' means any symbol, sound, or process executed or adopted by a person or entity, with intent to authenticate or accept a record.

**SEC. 5. SECURITIES MODERNIZATION PROVISIONS.**

(1) Section 15 of the Securities Exchange act of 1934 (15 USC 78o) is amended by adding the following new subsections thereto:

(*i*) Reliance on Electronic Signatures

(i) A registered broker or registered dealer may accept and rely upon an electronic signature on any application to open an account or on any other document submitted to it by a customer or counterparty, and such electronic signature shall not be denied legal effect, validity, or enforceability solely because it is an electronic signature, except as the Commission shall otherwise determine pursuant to Section 23 of this Act (15 USC 78w) or Section 36 of this Act (15 USC 78mm).

(ii) Where any provision of this Act or any regulation, rule, or interpretation promulgated by the Commission thereunder, including any rules of a self-regulatory organization approved by the Commission, requires a signature to be provided on any record such requirement shall be satisfied by an electronic record containing an electronic signature, except as the Commission shall otherwise determine pursuant to Section 23 of this Act (15 USC 78w) or Section 36 of this Act (15 USC 78mm).

(iii) A registered broker or registered dealer may use electronic signatures in the conduct of its business with any customer or counterparty, and such electronic signature shall not be denied legal effect, validity or enforceability solely because it is an electronic signature.

(iv) With regard to the use of or reliance on electronic signatures, no registered broker or registered dealer shall be regulated by, be required to register with, or be certified, licensed, or approved by, or be limited by or required to act or operate under standards, rules, or regulations promulgated by, a State government or agency or instrumentality thereof.

(2) Section 17A of the Securities Exchange Act of 1934 (15 USC 78q-1) is amended by adding the following new subsections thereto:

(g) Reliance on Electronic Signatures

(i) A registered transfer agent may accept and rely upon an electronic signature on any application to open an account or on any other document submitted to it by a customer or counterparty, and such electronic signature shall not be denied legal effect, validity or enforceability solely because it is an electronic signature, except as the Commission shall otherwise determine pursuant to Section 23 of this Act (15 USC 78w) or Section 36 of this Act (15 USC 78mm).

(ii) Where any provision of this Act or any regulation or rule promulgated by the Commission thereunder, including any rule of a self-regulatory organization approved by the Commission, requires a signature to be provided on any record such requirement shall be satisfied by an electronic record containing an electronic signature, except as the Commission shall otherwise determine pursuant to Section 23 of this Act (15 USC 78w) or Section 36 of this Act (15 USC 78mm).

(iii) A registered transfer agent may use electronic signatures in the conduct of its business with any customer or counterparty, and such electronic signature shall not be denied legal effect, validity or enforceability solely because it is an electronic signature.

(iv) With regard to the use of or reliance on electronic signatures, no registered transfer agent shall be regulated by, be required to register with, or be certified, licensed, or approved by, or be limited by or required to act or operate under standards, rules, or regulations promulgated by, a State government or agency or instrumentality thereof.

(3) Section 215 of the Investment Advisers Act of 1940 (15 USC 80b-15) is amended by adding the following new subsections thereto:

(c) Reliance on Electronic Signatures

(i) A registered investment adviser may accept and rely upon an electronic signature on any investment advisory contract or on any other document submitted to it by a customer or counterparty, and such signature shall not be denied legal effect, validity or enforceability solely because it is an electronic signature, except as the Commission shall determine pursuant to 206A of this Act (15 USC 806-6a) or Section 211 of this Act (15 USC 80b-11).

(ii) Where any provision of this Act or any regulation or rule promulgated by the Commission thereunder, including any rule of a self-regulatory organization approved by the Commission, requires a signature to be provided on any record such requirement shall be satisfied by an electronic record containing an electronic signature, except as the Commission shall otherwise determine pursuant to Section 206A of this Act (15 USC 80b-6a) or Section 211 of this Act (15 USC 80b-11).

(iii) A registered investment adviser may use electronic signatures in the conduct of its business with any customer or counterparty, and such electronic signature shall not be denied legal effect, validity or enforceability solely because it is an electronic signature.

(iv) With regard to the use or reliance on electronic signatures no registered investment adviser shall be regulated by, be required to register with, or be certified, licensed, or approved by, or be limited by or required to act or operate under standards, rules, or regulations promulgated by, a State government or agency or instrumentality thereof.

**SEC. 6. RULEMAKING AUTHORITY.**

The Commission is authorized to provide guidance on the acceptance of, reliance on and use of electronic signatures by any registered broker, dealer, transfer agent or investment adviser, as provided in section 5 above.

---

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

S. 922. A bill to prohibit the use of the ''Made in the USA'' label on products of the Commonwealth of the Northern Mariana Islands and to deny such products duty-free and quota-free treatment; to the Committee on Finance.

THE ''MADE IN USA'' LABEL DEFENSE ACT OF 1999

Mr. ABRAHAM. Mr. President, I am very pleased today to join my distinguished colleague Senator HOLLINGS in introducing legislation to defend the truth and the integrity of the ''Made in USA'' label.

This is the second time, Mr. President, that the Senator from South Carolina and I have worked together to defend the ''Made in USA'' label.

Last Congress, when the Federal Trade Commission proposed to dilute the meaning of the ''Made in USA'' label by allowing that label on products with substantial foreign content, Senator HOLLINGS and I introduced a bipartisan resolution opposing this plan.

Our resolution urged the FTC to restore the traditional and honest standard for the use of the ''Made in USA'' label. That standard, which has been in existence for more than 50 years, is that products must be ''all or virtually all'' made in the U.S.A. in order to earn the label ''Made in USA.''

Mr. President, there was an overwhelming outpouring of grassroots support from the American people for this straightforward and honest standard and for our Resolution. In just a few months, a total of 256 Members of Congress, including the Majority and Minority Leaders of the U.S. Senate, joined us as cosponsors of our Senate Resolution and its companion bill in the House.

We were extremely pleased to see the FTC reverse its decision to dilute the ''Made in USA'' label and return to the traditional and time-tested standard for the use of the label. Frankly, this is the only standard that makes sense to the American consumers. If it says ''Made in USA'' the U.S. consumer has a right to expect that the entire product and all of its components was made by U.S. citizens.

This standard is honest. It is clear. It provides value for all those who look for the label and for those who have earned the use of it.

But in order to retain that value, the integrity of the ''Made in USA'' label must be defended. We cannot and will not permit the ''Made in USA'' label to be used misleadingly. It belongs to those American businesses and workers who follow the rules, pay the taxes, and work hard—often against the odds presented by unfair foreign competition—to continue to manufacture products here in America.

These workers are correct to insist that Congress protect this cherished symbol of American pride and workmanship from abuse and misuse.

That is why Senator HOLLINGS and I recently informed our colleagues of our intention to introduce ''The 'Made in USA' Label Defense Act of 1999.''

This legislation is necessary to close loopholes that currently allow the ''Made in USA'' label to be misused. These loopholes must be closed to prevent the inappropriate and misleading use of this label at the expense of American consumers, taxpayers, and U.S. workers.

The particular misuse of the ''Made in USA'' label which we seek to address involves a U.S. territory, the Commonwealth of the Northern Mariana Islands, or as it is sometimes referred to, Saipan.

To understand how this situation arose, some history is in order.

Saipan was the site of an important battle in World War II which cost America 15,000 casualties. Following the end of the war, it was administered by the U.S. on behalf of the United Nations as a district of the Trust Territory of the Pacific Islands from 1947 to 1986. In 1986, Saipan came under U.S. sovereignty pursuant to a Covenant that was approved by popular vote in Saipan and by the U.S. Congress (Public Law 94–241.) At that point, Saipan, now known as the Commonwealth of the Northern Mariana Islands, or CNMI, became an insular possession of the United States.

CNMI negotiators for this Covenant sought an exemption from U.S. immigration laws. This exemption was granted, but it came with a clear warning from the Reagan Administration: the exemption was not to be used to bring in a permanent alien labor force in order to evade duties and quotas on Asian textile products and to provide unfair competition to domestic textile industry. The duty free and quota free treatment provided to Headnote 3(a) industries such as textiles was to benefit local U.S. citizens living and working in the CNMI.

In a letter to the Governor of the CNMI in May of 1986, the year in which the Covenant was adopted, the Assistant Secretary for Territorial and International Affairs of Interior Department in the Reagan Administration, Richard R. Montoya, issued the following clear warnings to the Government of the CNMI:

> The recent news reports on the tremendous growth in alien labor in the Northern Mariana Islands are extremely disturbing. . . . I would be remiss if I did not speak frankly to you on the possible consequences of the NMI's alien labor policy.
>
> As I have often stated, the intent of the Congress in providing the privilege of Headnote 3(a) to the territories is to benefit local and not alien job and business growth. The extensive and permanent use of alien labor in Headnote 3(a) industries is an abuse which cannot be tolerated by the [Reagan] Administration.
>
> The objectives of the recently negotiated Covenant financial agreement could be derailed as the wholesale transfer of U.S. tax, trade and social benefits to non-U.S. citizens occurs under the CNMI's alien labor promotion policies.

Mr. President, I ask unanimous consent to insert the full text of this letter, dated May 7, 1986, from then-Assistant Secretary Richard Montoya to the then-Governor of the CNMI, Pedro Tenorio, at this point in my remarks.

At the time of the concerns raised in this letter, the total number of aliens in the CNMI was a mere 6,600 people. Today, the number of alien workers in the textile industry alone greatly exceeds this number. The number of non-U.S. citizens in the CNMI now tops 35,000, and actually exceeds the number of U.S. citizens in the territory. In fact, 91 percent of the entire private sector workforce is composed of alien labor.

Even more alarming, Mr. President, we are now told by U.S. Government officials and news media investigations that the People's Republic of China itself may actually be involved in running some of these garment factories in Saipan. According to the February 8, 1998 Philadelphia Inquirer: ''One of the biggest island factories is Marianas

Garment Manufacturing, Inc.—indirectly owned by the China National Textiles Import and Export Corp. (Chinatech), a behemoth that handles $1.2 billion in Chinese textile exports to the world, much of it to the United States.'' If this is true, then companies owned by the communist Chinese government have succeeded in deceiving U.S. consumers and evading U.S. trade laws. Clearly, this is a situation that demands the immediate attention of and a firm response by both parties in the Congress.

But what concerns Senator HOLLINGS and myself and what directly prompted us to introduce this legislation is the direct effect of the CNMI situation on American consumers.

First, American consumers are deceived by the fact that, due to a loophole in U.S. law, the more than $1 billion worth of textile products that are now shipped each year from the CNMI to the U.S. can be legally labeled as ''Made in USA''—even though they are made with nearly all foreign labor and foreign materials.

This deceives American consumers, who have a right to expect that products labeled as ''Made in USA'' are made by U.S. workers with U.S. materials.

Second, American taxpayers are harmed because these foreign goods are allowed to be imported into the U.S. duty-free—as if they were made by U.S. workers. As the CNMI was so clearly warned by the Reagan Administration, duty free treatment for textiles from the insular possessions was designed to help local U.S. citizens in these territories.

This abuse of our duty-Free laws is costing American taxpayers an estimated $200 million annually. This $200 million could be used to fund a tax cut to the American people or could be used to reduce other duties.

Mr. President, let me say that I am a strong believer in free trade. I believe the U.S. and the whole world benefits form the unfettered movement of goods and services.

But the fact that foreign garment exports to the U.S are laundered in Saipan to escape duties and quotas has nothing to do with free trade and everything to do with a form of subterfuge. We cannot allow those nations whose imports are subject to lawful duties and quotas to evade these laws at the expense of American taxpayers.

Third, American workers also are being harmed by this situation because the $200 million which these foreign imports escape paying to the U.S. Treasury acts as a subsidy for these misleadingly labeled products.

Mr. President, in order to address these concerns, I am proud to join today with my colleague from South Carolina in introducing a tightly crafted and narrowly drawn piece of legislation that will address these concerns.

Our bill is designed to protect Americans from the deleterious effects of the current situation by closing what we believe our colleagues will agree are two indefensible loopholes in current law:

(1) The loophole that allows these factories in the CNMI to use the ''Made in USA'' label on their products or in any way imply that they were produced or assembled in the United States.

(2) The loophole that allows foreign exports from the CNMI to masquerade as U.S.-made products for duty and quota purposes. Further, I will work to ensure that the estimated $200 million derived from eliminating the duty-free treatment of these products is rebated to the American taxpayer through tax cuts or tariff reductions.

If in the future the CNMI feels that the domestic content of its products has increased to the extent that a use of the ''Made in USA'' label on these products would no longer be deceptive to the consumer, then it can petition Congress for a change in the covenant. Given its history of ignoring warnings from both Republican and Democratic Administrations on this matter, Senator HOLLINGS and I believe that the burden should be on the CNMI to prove to Congress and the American people that products coming from the CNMI deserve to be labeled ''Made in USA.''

At the same time, Mr. President, we are currently engaged in the long and arduous process of bringing China into the World Trading Organization. I support China's admission into the WTO as long as they meet the same criteria which all member nations must meet and as long as they are truly dedicated to working to reduce and eliminate such trade barriers as quotas and tariffs. Our long-term objective must be to create a global trading regime where all nations conduct trade and commerce on a level playing field. However, until countries such as China demonstrate that they are prepared to adhere to such principles, we must continue to take certain steps to protect our own domestic industries and workers from the unfair trade practices utilized by some of our trading partners, such as those currently ongoing in the CNMI.

This legislation is a bipartisan compromise measure that I hope avoids the political pitfalls of previous measures. Mindful of Members who wish not to interfere in the domestic laws of the CNMI, our bill merely takes those minimal steps necessary to defend the ''Made in USA'' label from misuse and to enforce U.S. trade laws for the benefit of the American taxpayer. It simply prevents the substantive equivalent of foreign textile products from evading U.S. trade laws.

There will be those who argue that more is necessary, and this may be true. But Senator HOLLINGS and I are committed to doing that which can be done on a bipartisan basis and achieved in this Congress.

We urge our colleagues on both sides of the aisle to cosponsor this important legislation.

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

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

S. 922

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Made in USA Label Defense Act of 1999''.

**SEC. 2. RESTRICTIONS ON GOODS IMPORTED FROM NORTHERN MARIANA ISLANDS.**

The joint resolution entitled ''Joint Resolution to approve the 'Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America', and for other purposes'', approved March 24, 1976 (48 U.S.C. 1801 et seq.), is amended by adding at the end the following new sections:

**''SEC. 7. PROHIBITION ON IDENTIFICATION OF CERTAIN GOODS AS MADE IN THE UNITED STATES.**

''Notwithstanding any other provision of law, no product that is made in the Northern Mariana Islands shall have a stamp, tag, label, or other means of identification or substitute therefor on or affixed to the product stating 'Made in the USA' or otherwise stating or implying that the product was made or assembled in the United States.

**''SEC. 8. DUTY-FREE TREATMENT OF PRODUCTS PRODUCED BY UNITED STATES CITIZENS.**

''Notwithstanding General Note 3(a)(iv) of the Harmonized Tariff Schedule of the United States, any provision of the covenant set forth in the first section of this joint resolution, or any other provision of law, no product that is made in the Northern Mariana Islands shall be admitted free of duty or quotas into the customs territory of the United States as the product of a United States insular possession.''.

**SEC. 3. EFFECTIVE DATE.**

The amendments made by this Act apply to goods entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of enactment of this Act.

---

By Mr. SMITH of Oregon (for himself, Mr. THOMAS, and Mr. BROWNBACK):

S. 923. A bill to promote full equality at the United Nations for Israel; to the Committee on Foreign Relations.

INTERNATIONAL AFFAIRS LEGISLATION

Mr. SMITH of Oregon. Mr. President, I rise today to introduce legislation requiring the Secretary of State to report on actions taken by our Ambassador to the United Nations to push the nations of the Western Europe and Others Group (WEOG) to accept Israel into their group.

As you may know, Israel is the only nation among the 185 member states that does not hold membership in a regional group. Membership in a regional

group is the prerequisite for any nation to serve on key United Nations bodies such as the Security Council. In order to correct this inequality, I am introducing ''The Equality for Israel at the United Nations Act of 1999.'' I believe that this legislation will prompt our United Nations Representative to make equality for Israel at the United Nations a high priority.

I am proud to be joined by Senators BROWNBACK and THOMAS as original cosponsors of this important legislation.

Mr. President, Israel has been a member of the United Nations since 1949, yet it has been continuously precluded from membership in any regional bloc. Most member states from the Middle East would block Israel's membership in any relevant regional group. The Western Europe and Others Group, however, has accepted countries from other geographical areas—the United States and Australia for example.

Last year, United Nations Secretary General Kofi Annan announced that ''It's time to usher in a new era of relations between Israel and the United Nations * * *. One way to rectify that new chapter would be to rectify an anomaly: Israel's position as the only Member State that is not a member of one of the regional groups, which means it has no chance of being elected to serve on main organs such as the Security council or the Economic and Social Council. This anomaly would be corrected.''

I believe it is time to back Secretary General Annan's idea with strong support from the United States Senate and I ask all my colleagues to join me in sending this message to the UN to stop this discrimination against Israel.

---

By Mr. NICKLES (for himself, Ms. LANDRIEU, Mr. MURKOWSKI, Mr. DOMENICI, and Mrs. HUTCHISON):

S. 924. A bill entitled the ''Federal Royalty Certainty Act''; to the Committee on Energy and Natural Resources.

FEDERAL ROYALTY CERTAINTY ACT

Mr. NICKLES. Mr. President, I rise today to introduce the Federal Royalty Certainty Act. The domestic oil and gas industry is an essential element of the United States economy. The Administration needs to acknowledge the critical importance of this industry and stop hindering it with regulatory obstacles. Right now, our domestic oil and gas procedures are reeling from low oil prices. In Oklahoma alone, 50,000 jobs are dependent on the oil industry. Last year, we had over 350 producing oil rigs in the country, now we have slightly over 100. The industry is in a state of depression, not a decline, and these conditions pose a threat to our national security and our economy.

The Administration's policies have failed domestic producers. What is needed is a comprehensive plan to maintain the viability of the domestic oil and gas industry. Part of that plan should be to eliminate or greatly reduce the administrative costs of the current royalty program with simple, clear and certain guidelines. We need to eliminate rules that are burdensome and excessively costly. The Nation cannot afford to allow the devastation of our domestic oil and gas industry to continue.

We should be taking action to encourage growth in the industry. Instead, the Administration has advocated policies that undermine it. We must raise our country's awareness and reverse this course of action by providing relief from big government and burdensome regulations. We must provide this critical segment of our economy fairness and efficiency in their contracts with the federal government.

Several years ago, I began taking a closer look at oil and gas produced from federal leases and the Department of the Interior's administration of those lease contracts. I was pleased when Congress passed the Royalty Simplification and Fairness Act which I introduced and which became law in August of 1996. What that Act accomplished was to streamline the accounting processes for federal royalties. While that Act made significant steps forward in simplifying the payment of federal royalties, the heart of the issue is still before us—what royalty does a lessee owe to the government under its lease contract for oil and gas produced from a federal lease? When a person or company contracts with the federal government, it should know exactly what is owed under the contract.

While this should be a simple question with a simple and unambiguous answer, that is unfortunately not the case today. There appears to be multiple answers, changing answers and a morass of regulatory interpretations that change over time. Such regulatory obstacles prevent industry from knowing what they owe and being able to make business decisions with that knowledge. It also prevents the collection of royalties easily and efficiently. Having a clear understanding of the correct amount due is the central and critical element of any successful royalty management program. Without it, the program cannot operate fairly, efficiently or cost effectively.

In January 1997, MMS issued a Notice of Proposed Rulemaking for a new oil valuation rule. The proposed rule was met with a firestorm of protests and thousands of pages of comments have ensued. Despite serious problems that have been raised with the proposal, its workability and its fairness, the Department has repeatedly stated that it will publish its rule as final. As a result, this Congress has imposed two moratoriums on the proposed rule and is in the process of imposing another. Congress and Industry have repeatedly attempted to initiate negotiations with DOI/MMS to no avail. The current moratorium continues until June 1, 1999. Secretary Babbitt has stated that the MMS would publish a final rule on June 1, 1999 and in Congressional briefings the MMS has stated that ''MMS does not believe that further dialogue on the rule would be productive.'' DOI Communications Director Michael Gaulding stated to Inside Energy that ''we're sticking to the position we've taken. It gives us an issue to demogogue for another year.'' Rather than perpetuate the moratoria I believe Congressional action is needed. I am therefore today introducing the ''Federal Royalty Certainty Act.'' This Act addresses and resolves issues related to royalties both when they are paid in value and in amount.

This bill amends the Outer Continental Shelf Lands Act and the Minerals Lands Leasing Act and provides that when payment of royalties is made in value, the royalty due is based on oil or gas production at the lease in marketable condition. When royalty is paid in kind, the royalty due is based on the royalty share of production at the lease. If the payment (in value or kind) is calculated from a point away from the lease, the payment is adjusted for quality and location differentials, and the lessee is allowed reimbursements at a reasonable commercial rate for transportation, marketing, and processing services beyond the lease through the point of sale, other disposition, or delivery

My bill will codify the fundamental, longstanding principle that royalty is due on the value of production at the lease. The Department of the Interior recognizes this principle and very recently has said ''royalty payments [should be] based on no more than the value of production at the lease'' (News Release, MMS 2/5/98), there should be agreement on this codification. This legislation provides proper adjustments when sales are made downstream of the lease to arrive at values that equal the value of production at the lease. In addition, this legislation includes a consistent basis for valuation of royalty both onshore and offshore. Importantly, this legislation also resolves many of the core issues related to the proposed rule on oil valuation in a manner that is fair and equitable to the people of the United States and the producers who have entered into contracts with the federal government. These provisions will reduce the costs of a complicated system that spawns disputes, while preserving the taxpayer's right to a fair return for its resources. As I have said on many occasions, we need to reduce unnecessary, burdensome and excessively costly regulations. We need a little common sense.

In summary, all interested parties need to work together to arrive at a

workable, permanent solution—a system whereby the government can collect what is due in a manner that is simple, certain, consistent with lease agreements and fair to all parties involved. The Royalty Fairness bill was a significant first step to simplify and eliminate regulatory obstacles in the Department's accounting procedures. I believe that the Federal Royalty Certainty Act is an important next step.

Mr. DOMENICI. Mr. President, I want to commend Senator NICKLES for developing this legislation. Simply stated, it stands for the proposition that there has never been, is not now, nor ever shall be a ''duty to market.''

If you read a federal oil and gas lease there is no mention of a duty to market. It has been Mineral Management Services' (MMS) position that the duty to market is an implied covenant in the lease. And this legislation says that MMS is wrong.

Let me back up, and explain the issue and why this legislation is needed.

Oil and gas producers doing business on federal leases pay royalites to the federal government based on ''fair market value.'' Under the Clinton Administration, this is easier said than done. One of the long standing disputes between the Congress and the Mineral Management Service (MMS) has been the development of workable oil royalty valuation regulations that can articulate just exactly what fair market value is.

Cynthia Quarterman, the former director of the MMs, set out the Interior Department's position that fair market value includes a ''duty to market the lease production for the mutual benefit of the lessee and the lessor,'' but without the federal government paying its share of the costs. Many of these costs are transportation costs and they are significant. MMS calls it a duty to market, I call it federal government mooching.

This bill states Congressional intent: No duty to market, no federal government mooching. And let me be clear, whether there is a duty to market is a matter exclusively within the jurisdiction of Congress. It is not the job of lawyers at the MMS to raise the Congressionally set royality rate through the back door.

And, the so-called ''duty to market'' is a back door royalty increase—make no mistake about it.

The MMS has been unable to develop workable royalty valuation rules and Congress has had to impose a moratorium on these regulations. The core issue has been duty to market.

For this reason, I hope the Senate Energy and Natural Resources Committee will act expeditiously on this legislation. In this period of hard economic times for the oil and gas industry, the oil royalty valuation issue should be resolved with certainty, fairness and without a hidden royalty rate increase.

By Mr. DOMENICI:

S. 925. A bill to require the Secretary of the military department concerned to reimburse a member of the Armed Forces for expenses of travel in connection with leave canceled to meet an exigency in connection with United States participation in Operation Allied Force; to the Committee on Armed Services.

REIMBURSEMENT FOR U.S. PERSONNEL INVOLVED IN KOSOVO

Mr. DOMENICI. Mr. President, I rise today to offer a bill to reimburse U.S. military personnel for costs incurred due to cancellation of travel plans. This bill would authorize DoD to reimburse the men and women involved in Kosovo operations in any instance where they are forced to pay a fee to the airlines for changes in travel plans or purchased non-refundable tickets.

In those instances where military personnel are recalled from leave or forced to cancel their leave plans due to the current crisis in Kosovo, the Defense Department is not authorized to reimburse them for costs incurred to change or cancel their personal travel plans.

Military legal offices only pay the claims that Congress has authorized them to pay through legislation. Currently, DoD is only authorized to pay very specific claims. These claims usually involve damage to government property. Personal property is only covered if the damage or loss is related to official duty. There is no statutory authority to reimburse a member who incurs additional costs related to their leave, even if these costs are a direct result of performing their duty as members of the U.S. military.

I find this situation preposterous. These men and women are being asked to cover expenses incurred through no fault of their own. In response to their commitment to an international security crisis, we tell them to foot the bill for any vacation plans they might have had.

In light of earlier legislation we passed this year to signal to our military personnel that Congress will not short-change them for their service to this country, this measure offers one additional token of our appreciation and pride.

I ask unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 925

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

**SECTION 1. REIMBURSEMENT OF TRAVEL EXPENSES INCURRED BY MEMBERS OF THE ARMED FORCES IN CONNECTION WITH LEAVE CANCELED FOR INVOLVEMENT IN KOSOVO-RELATED ACTIVITIES.**

(a) REQUIREMENT FOR REIMBURSEMENT.—The Secretary of the military department concerned shall reimburse a member of the Armed Forces under the jurisdiction of the Secretary for expenses of travel (to the extent not otherwise reimbursable under law) that have been incurred by the member in connection with approved leave canceled to meet an exigency in connection with United States participation in Operation Allied Force.

(b) ADMINISTRATIVE PROVISIONS.—The Secretary of Defense shall prescribe the procedures and documentation required for application for, and payment of, reimbursements to members of the Armed Forces under subsection (a).

---

By Mr. DODD (for himself, Mr. HAGEL, Mr. GRAMS, Mr. LUGAR, Mr. CHAFEE, Mr. LEAHY, Mr. KERREY, Mr. KERRY, Mr. LEVIN, Mr. KENNEDY, Mr. JEFFORDS, Mrs. LINCOLN, and Mrs. MURRAY):

S. 926. A bill to provide the people of Cuba with access to food and medicines from the United States, and for other purposes; to the Committee on Foreign Relations.

THE CUBAN FOOD AND MEDICINE SECURITY ACT OF 1999

• Mr. DODD. Mr. President, today Senator JOHN WARNER and twelve of our colleagues in the Senate are introducing a bill to end restrictions on the sale of food and medicine to Cuba—the so-called Cuban Food and Medicine Security Act of 1999. Our House colleagues JOSÉ SERRANO and JIM LEACH are introducing the House companion bill today as well.

Yesterday the Clinton Administration took some long overdue steps to end the practice of using food and medicine as foreign policy weapons. President Clinton has decided to reverse existing U.S. policy of prohibiting sales of such items to Iran, Libya, and Sudan. We applaud that decision. Joe Lockhart, the White House spokesman said President Clinton had decided that, ''food should not be used as a tool of foreign policy, except under the most compelling circumstances.''

In announcing the change in policy yesterday, Under Secretary of State Stuart Eizenstat stated that President Clinton had approved the policy after a two-year review concluded that the sale of food and medicine ''doesn't encourage a nation's military capability or its ability to support terrorism.''

I am gratified that the administration has finally recognized what we determined some time ago, namely that ''sales of food, medicine and other human necessities do not generally enhance a nation's military capacities or support terrorism.'' On the contrary, funds spent on agricultural commodities and products are not available for other, less desirable uses.

Regrettably, the Administration did not include Cuba in its announced policy changes. It seems to me terribly inconsistent to say that it is wrong to deny the children of Iran, Sudan and Libya access to food and medicine, but

it is all right to deny Cuban children, living ninety miles from our shores, similar access. The administration's rationale for not including Cuba was rather confused. The best I can discern from the conflicting rationale for not including Cuba in the announced policy changes was that policy toward Cuba has been established by legislation rather than executive order, and therefore should be changed through legislative action.

I disagree with that judgment. However, in order to facilitate the lifting of such restrictions on such sales to Cuba, Senator WARNER, myself, and twelve of our Senate colleagues have decided to move forward with this legislation today.

It is our assumption that the Clinton Administration will support this legislation, since it does legislatively for Cuba what it has just instituted by Executive order for Sudan, Libya and Iran.

What about those who say that it is already possible to sell food and medicine to Cuba? To those people I would say, ''If that is what you think, then you should have no problem supporting this legislation.''

However, I must tell you, Mr. President, that the people who say that are not members of the U.S. agricultural or pharmaceutical industries. Ask any representative of a major drug or grain company about selling to Cuba and they will tell you it is virtually impossible.

The Administration's own statistics speak for themselves. Department of Commerce licensing statistics prove our point:

Between 1992 and mid-1997, the Commerce Department approved only 28 licenses for such sales, valued at less than $1 million, for the entire period. To give you some perspective: prior to the passage of the 1992 Cuba Democracy Act which shut down U.S. food and medicine exports, Cuba was importing roughly $700 million of such products on an annual basis from U.S. subsidiaries.

Moreover, since Commerce Department officials do no follow up on whether proposed licenses culminate in actual sales, the high water mark for the export of U.S. medicines to Cuba over a four and one half year period doesn't even represent roughly 0.1% of the exports of U.S. food and medicines that took place prior to 1992.

For these reasons we feel strongly that the complexities of the U.S. licensing process, coupled with on-site verification requirements, serve as de facto prohibitions on U.S. pharmaceutical companies doing business with Cuba. Food sales are virtually impossible to undertake as well.

Let me be clear—I am not defending the Cuban government for its human rights practices or some of its other policy decisions. I believe that we should speak out strongly on such matters as respect for human rights and the treatment of political dissidents. But U.S. policy with respect to Cuba goes far beyond that—it denies eleven million innocent Cuban men, women and children access to U.S. food and medicine.

The highly respected human rights organization, Human Rights Watch—a severe critic of the Cuban government's human rights practices—recently concluded, that the ''(U.S.) embargo has not only failed to bring about human rights improvements in Cuba,'' it has actually ''become counterproductive'' to achieving that goal.

America is not about denying medicine or food to the people in Sudan, in Libya, or in Iran, and it shouldn't be about denying food and medicine to the Cuban people either, certainly not my America.

That is why I hope my colleagues will support this legislation when it comes to a vote later this year.●

● Mr. WARNER. Mr. President, I rise today as chief co-sponsor of the Cuban Food and Medicine Security Act of 1999. I am pleased to join my good friend and colleague Senator DODD and many of our colleagues in introducing this important legislation.

The goal of this bill is simple—alleviate the suffering of the Cuban people created by the inadequate supplies of food, medicine and medical supplies on that island nation less than 100 miles from our shore. If enacted, this legislation would authorize the President to permit the sale of food, medicine and medical equipment to the Cuban people.

The Cuban Food and Medicine Security Act of 1999 also mandates that a study be carried out on how to promote the consumption of U.S. agricultural commodities in Cuba through existing U.S. agricultural export promotion and credit programs and requires a report to Congress assessing the impact of the bill six months after its enactment.

Yesterday, President Clinton announced an important change in U.S. economic sanctions policy which will enable U.S. firms to sell food and medicine to Iran, Sudan and Libya. In making the announcement, Under Secretary of State Stuart Eizenstat stated ''Sales of food, medicine and other human necessities do not generally enhance a nation's military capabilities or support terrorism. On the contrary, funds spent on agricultural commodities and products are not available for other, less desirable uses. Our purpose in applying sanctions is to influence the behavior of regimes, not to deny people their basic humanitarian needs.''

This major change in the Administration's sanctions policy, however, will not affect Cuba because restrictions on the sale of food and medicine to that country are statutory. The legislation we are introducing today, however, would remove those restrictions on the sale of food and other agricultural products, medicine and medical supplies with regards to Cuba.

The time has come to stop using food and medicine as a foreign policy tool. I hope my colleagues will join us in supporting this important and timely legislation.●

---

By Mr. DODD (for himself and Mr. HAGEL):

S. 927. A bill to authorize the President to delay, suspend, or terminate economic sanctions if it is in the important national interest of the United States to do so; to the Committee on Foreign Relations.

THE SANCTIONS RATIONALIZATION ACT OF 1999

● Mr. DODD. Mr. President, I rise today to introduce a bill on behalf of myself and Senator HAGEL, which we hope will bring desperately needed reform to the process by which the United States imposes sanctions on other nations.

Eighty years ago, President Wilson formally added economic sanctions to America's foreign policy arsenal for the first time, saying that with sanctions as a weapon, ''there will be no need for force.'' In the intervening decades, we have taken a greater liking to sanctions than President Wilson ever could have imagined. I doubt very much, however, that he would approve of the way in which we employ that tool today nor of the results accomplished by sanctions.

When President Wilson described his idea of sanctions as a diplomatic tool, he was trying to convince the Senate to ratify American membership in the League of Nations. The sanctions he envisioned were broad, multi-national efforts designed to affect specific results under limited circumstances. He also intended sanctions to serve as one component of multi-stage escalation of diplomatic pressure, rather than a complete response.

Our method for imposing sanctions today bears almost no resemblance to President Wilson's original concept. Sanctions have become the first response to actions which are objectionable to the United States. Very often, they are also a response in and of themselves, rather than part of a coherent escalation of pressure. In addition, the vast majority of American sanctions are not the multilateral efforts President Wilson envisioned. Rather, Mr. President, they are unilateral efforts which anger our allies, damage our global standing, and hurt our own businesses and people. And lest we excuse the drawbacks of unilateral sanctions with the argument that the benefits for American foreign policy outweigh the harm, let me be very clear: there are very rarely such benefits.

For far too long we have subscribed to the mistaken view that sanctions

represent concrete steps more powerful than mere condemnation and more speedy than diplomacy. Unilateral sanctions, Mr. President may make us feel good by severing access to American know-how, markets, ideas, and products. They may help us demonstrate that we are willing to be tough on governments with unacceptable policies or even allow us to appease a particular constituency that has clamored for action against a particular rogue nation.

What unilateral sanctions do not do, however, is work. We are blindfolded by our own rhetoric, Mr. President, if we think that sanctions are the key to correcting the behavior of targeted nations. A recent study found that perhaps one out of every five unilateral sanctions has any desired effect at all. And in those few cases where our goal was met, such as a change in the President of Colombia, sanctions were only one of many factors.

When we mention successes, we all too often ignore the much longer list of countries—including Haiti, Cuba, Libya, Iran, Iraq, China, Panama, and North Korea—where sanctions have failed. In fact, sanctions may even allow some authoritarian regimes to consolidate their control by providing them with a convenient scapegoat to blame for their domestic failures.

In addition, we must not lose sight of the unintended consequences of sanctions. They hurt our economy. They hurt our allies. They hurt our ability to achieve our foreign policy goals. Perhaps most of all, they hurt our own citizens. Mr. President, it is imperative that we move expeditiously to correct the deep flaws in our system for imposing sanctions. In recent years, Congress has imposed sanctions intended to discourage the proliferation of weapons of mass destruction and the ballistic missiles to deliver them, advance human rights and end genocide, end state-supported terrorism, discourage armed aggression, thwart drug trafficking, protect the environment and even, in a few cases, oust governments that are anathema to the United States.

Since President Wilson proposed the use of sanctions to realize American foreign policy goals, we have imposed them more than 110 times. Today, however, the situation is growing more acute. In just the past six years, Congress passed more than 70 sanctions. That is more than 11 per year. Last year, we had sanctions in place against 26 different countries which included more than half of the world's population.

When Congress passes these sanctions, however, it often takes a second congressional action to repeal them. This onerous process robs our nation of the ability to react to changing circumstances, interferes with the President and Secretary of State's mandate to negotiate with foreign governments and leaders and prevents the lifting of sanctions which have little chance of success while bringing harm on the United States' national interests. The bill that I am proposing today will correct these deficiencies by giving the President the authority to delay, suspend or terminate any sanction that he determines is not in the United States' national interest.

We often think of sanctions as costless actions since they require no governmental appropriation. As business leaders and workers across the country will tell you, however, that perception is simply erroneous. In 1998, the United States had sanctions, of some sort, in place against 26 different nations including China and India, the two most populous nations in the world. Those sanctions covered well over half of the world's population, cutting American firms off from billions of potential customers. According to the Institute for International Economics here in Washington, the economic sanctions currently in effect cost American businesses $20 billion annually in lost export sales and cost America's workers 200,000 high-wage jobs.

Those figures, however, tell only part of the story. The cost to businesses does not end when the sanctions are repealed. Rather, the absence of American companies allows foreign competitors to make inroads leaving the American businesses to try battle the entrenched competition, along with any lingering popular resentment toward the United States, when the barriers fall. Needless to say, our allies think that American unilateral sanctions, while affording them a rather pleasant competitive advantage, lack a degree of rationality.

It would be shortsighted, Mr. President, to consider the cost merely in terms of the monetary loss. Rather, our wholesale use of unilateral sanctions damages our standing in the world community. Our diplomats have to spend an inordinate amount of time and effort trying to assuage the concerns of our allies who find themselves on the receiving end of some of our secondary sanctions. Meanwhile, when dealing with target nations, they are deprived of the ability to offer a carrot in exchange for policy changes. Moreover, the fact that more than half of the world's population is now on the receiving end of American sanctions and our willingness to impose sanctions when the rest of the world finds them unnecessary degrades our ability to convince other nations to follow our leadership.

Congress' current infatuation with sanctions also hampers our nation's ability to conduct diplomacy. The Constitution gives Congress a powerful role in foreign policy, from the power to declare war to the power to regulate commerce. Clearly, Congress is within its Constitutional mandate when it imposes sanctions on foreign governments. What Congress cannot do, however, is micro-manage our foreign policy on a day to day basis. The power to negotiate with foreign governments and leaders rests solely with the President. Anything which detracts from his ability to negotiate, including sanctions over which he has no control over, damages his ability to exact concessions and come to an agreement acceptable to the United States.

I am not arguing, Mr. President, that sanctions are not a legitimate foreign policy tool nor that, if used appropriately, they can be efficacious. Nor am I arguing that all sanctions currently in place should be removed. To the contrary, I strongly support sanctions against countries such as Iraq and Yugoslavia.

Sanctions, however, should be part of a comprehensive foreign policy with clear goals. They should be imposed for a finite period of time with an option to extend if the situation warrants continued pressure. Finally, sanctions must allow the President and Secretary of State the room they need to maneuver in order to effectively negotiate foreign governments.

It is also essential that we strive for multinational support of our sanctions. Board sanctions, either global or at least in concert with the other industrialized countries, not only have a far greater chance of affecting the desired result but minimize the threat to our international leadership, and domestic economy in both the short and long term.

Occasionally, other nations take actions so offensive to American policy that the United States must act regardless of foreign cooperation. In those cases, we must endeavor to minimize the negative effects our sanctions have on third countries and on our own economy. We must also carefully target our sanctions at the offending government officials rather than the general population—people who often have little or no ability to affect meaningful change.

Sanctions deserve a place, even a prominent place, in our foreign policy tool kit. Working with our allies, they can have the power President Wilson described shortly after witnessing the horrors of World War I. At the same time, Mr. President, we must not be so infatuated with sanctions as to replace tools which have stood us in such good stead for more than two centuries, such as diplomacy.

The legislation that my colleagues and I are introducing today will make the sanctions we do impose more powerful and improve the results while simultaneously reducing the costs to Americans and our allies. In fact, Mr. President, these reforms will lead to a stronger American foreign policy capable of realizing our foreign policy goals

more quickly and with less effort. This bill will allow us to finally reach the goal Congress held when it began imposing sanctions at this alarming pace. Mr. President, I urge my colleagues to join me in supporting this bipartisan resolution and enacting these overdue reforms.●

● Mr. HAGEL. Mr. President, I am pleased to join with Senator DODD in introducing the Sanctions Rationalization Act. This bill would grant broad authority to the President to waive unilateral sanctions that no longer make sense and that he determines harm U.S. national interests.

Sanctions must remain a policy tool. But sanctions are only effective when they are multilateral.

This bill will complete the package of three sanctions reform bills that have been introduced this Congress. Senator DODD and I are sponsors or cosponsors of each of these three bills.

The first of these three sanctions reform bills is S. 757, the Sanctions Policy Reform Act. This legislation, introduced by Senator LUGAR would establish a sensible process for the enactment of future unilateral economic sanctions by either the President or the Congress. Among its safeguards, the Lugar bill would require a cost/benefit analysis and would require a study on the likelihood that the proposed sanctions would achieve their policy goals. It would also sunset all unilateral sanctions after two years unless reauthorized by Congress. The Lugar bill does not undo any existing sanctions, with one exception. It would make permanent the President's ability to waive the Glenn amendment for U.S. national security reasons. The Glenn amendment as originally drafted puts permanent unilateral sanctions on any country that tests a nuclear device.

I introduced the second bill, which is S. 327, the Food and Medicine Sanctions Relief Act. Senator DODD is the lead cosponsor on that bill. Food and medicine are basic humanitarian needs. As a matter of policy, food and medicine should not be included in unilateral sanctions. The President made a good first step in addressing this issue yesterday when he removed most, but not all, food and humanitarian goods from sanctions on Iran, Sudan and Libya. He did not lift restrictions on financing for agricultural sales, nor did he lift food and medicine sanctions on several other nations. He could not take these two additional steps because he is restricted from doing so by other legislation. My bill, S. 327, would enable him to adopt a comprehensive policy of exempting food and medicine from unilateral sanctions.

The bill Senator DODD and I are introducing today would also grant the President much broader authority to protect U.S. interests by waiving unilateral sanctions.

The Sanctions Rationalization Act allows the President, with Congressional review, to ''delay, suspend or terminate'' any unilateral economic sanction if he determines that it ''does not serve U.S. national interests.'' A Presidential waiver under the Act cannot go into effect for 30 days. This gives the Congress ample time to consider the Presidential action. The bill establishes expedited procedures to ensure that Congress would have a chance to disapprove the Presidential waiver if the action is unwise.

Finally, the legislation restricts the use of this Presidential waiver authority in specific cases. The President cannot waive sanctions that are multilateral rather than unilateral. He is also restricted from waiving sanctions based on health or safety concerns, treaty obligations, and specific trade laws enacted to remedy unfair trade practices or market disruptions.

As a nation, we are letting unilateral sanctions isolate ourselves. Let me demonstrate why:

A CRS report on January 22, 1998 listed a total of 97 unilateral sanctions now in place.

A study by the National Association of Manufacturers found that from 1993–1996, the U.S. imposed unilateral sanctions 61 times against 35 countries. These 35 nations make up 42% of world population and 19% of world's $790 billion export market.

A study by the International Institute of Economics estimates that in 1995 alone unilateral sanctions cost Americans $15–20 billion in lost exports . . . which resulted in 200,000 lost jobs.

The National Foreign Trade Council has identified 41 separate legislative statutes on the books that either require or authorize the imposition of unilateral sanctions.

Repeated use of sanctions undermines confidence in America as a reliable supplier. Even after sanctions are lifted, Americans find it difficult or impossible to regain export markets.

Mr. President, each of the three bills I mentioned addresses an important feature of ending the overuse of unilateral economic sanctions. The Lugar bill would create a process for producing more effective sanctions policies for the future. The Hagel bill would exempt food and medicine from all unilateral economic sanctions. The Dodd bill is a final, critical reform. It would allow the President, with congressional review, to waive those sanctions laws that have become outdated and no longer serve U.S. national interests.

Again, I congratulate my colleague from Connecticut for his leadership on this issue. I am pleased to join him in introducing the Sanctions Rationalization Act.●

---

By Mr. SANTORUM (for himself, Mr. SMITH of New Hampshire, Mr. LOTT, Mr. ABRAHAM, Mr. ALLARD, Mr. ASHCROFT, Mr. BOND, Mr. BROWNBACK, Mr. BUNNING, Mr. BURNS, Mr. COCHRAN, Mr. CRAIG, Mr. CRAPO, Mr. DEWINE, Mr. DOMENICI, Mr. ENZI, Mr. FITZGERALD, Mr. Frist, Mr. GORTON, Mr. GRAMM, Mr. GRAMS, Mr. GRASSLEY, Mr. HAGEL, Mr. HATCH, Mr. HELMS, Mr. HUTCHINSON, Mr. INHOFE, Mr. KYL, Mr. LUGAR, Mr. MACK, Mr. MCCAIN, Mr. MCCONNELL, Mr. MURKOWSKI, Mr. NICKLES, Mr. ROBERTS, Mr. SESSIONS, Mr. SHELBY, Mr. SMITH of Oregon, Mr. THOMAS, Mr. THURMOND, Mr. VOINOVICH, and Mr. WARNER):

S. 928, A bill to amend title 18, United States Code, to ban partial-birth abortions; to the Committee on the Judiciary.

THE PARTIAL BIRTH ABORTION BAN ACT OF 1999

Mr. SANTORUM. Mr. President, I rise today to introduce the Partial Birth Abortion Ban Act. This bill is identical to the legislation endorsed by the American Medical Association (AMA) and vetoed by President Clinton in October, 1997. This bill is narrowly written to prohibit one particularly gruesome, inhumane, and medically unaccepted late term abortion method, except when the procedure is necessary to save the life of the mother.

Also known as Intact Dilation Evacuation or Intrauterine Cranial Decompression, a partial birth abortion is performed over a three day period during the second or third trimester. After the cervix is dilated over a two-day period, the doctor begins the actual abortion on the third day. Once the doctor turns the baby into the breech position, he delivers all but the head through the birth canal. At this point the child is still alive. Then, the doctor stabs the baby in the base of its skull with curved scissors and uses a suction catheter to remove the child's brain. This procedure kills the baby. After the skull collapses, the doctor completes the delivery.

Partial birth abortions are performed as outpatient procedures in clinics. They are usually done on healthy 20–25 week olds with healthy mothers. Estimates suggest as many as 5000 are performed annually in the U.S. We know of 1500 per year in one New Jersey clinic.

The American public finds this procedure repugnant. A growing consensus in the medical community considers it unnecessary and even unethical. Yet the reason this horrific procedure is still legal in the United States is because President Clinton has twice vetoed legislation that would have outlawed partial birth abortion, except in cases of maternal life endangerment.

The lies propagated by proponents of partial birth abortion have taken on a life of their own. First, we were told—

and by we I mean Congress—there was no such thing as partial birth abortion. Three years after Dr. Martin Haskell, a pioneer of this technique, described it to the National Abortion Federation (NAF), the NAF sent a letter to Congress denying its existence. Then Congress was assured the fetus feels no pain during the procedure because anesthesia given to the mother induced ''neurological fetal demise.'' Such was the testimony of Dr. James McMahon, another pioneer of the partial birth abortion, to the House Judiciary Subcommittee on the Constitution. After pregnant women across the country started refusing necessary surgery, Dr. Norig Ellison, President of the American Society of Anesthesiologists, testified before the Senate Judiciary Committee to set the record straight. He told the Committee women would have to be anesthetized to the point where their own health was endangered to achieve ''neurological demise'' of the fetus. By the way, ''neurological demise'' refers to the ''brain death,'' not literal death. Not to be deterred, proponents of partial birth abortion circulated a third lie—anesthesia kills the fetus. Yet we know from Dr. Ellison's testimony and Dr. Haskell's own statements that the baby is alive during the procedure. Lie number four asserted partial birth abortions were ''rare.'' Then, a small newspaper in New Jersey discovered that 1500 of these ''rare'' procedures were performed each year in one clinic. This one clinic was performing three times the supposed national rate of partial birth abortions. Ron Fitzsimmons, executive director of the National Coalition of Abortion Providers, suggested as many as 5000 could be performed annually. Another egregious lie asserted this technique was only used in cases where the mother's life or health were at risk, or when the fetus was deformed. Ron Fitzsimmons helped spread this misinformation. He would later admit that he ''lied through my teeth.''

The last lie, which the President continues citing in defense of this procedure, proports that partial birth abortion is necessary to protect women's health. A group of more than 600 doctors, most of whom are OB–GYNs or perinatologists, call this lie the ''most serious distortion.'' In reality, partial birth is never medically necessary. That is the opinion of doctors across this country. The AMA says it is ''not medically indicated,'' ''is not good medicine,'' is ''ethically wrong'' and ''is not an accepted 'medical practice' ''. Former Surgeon General C. Everett Koop, who has 30 years of experience in pediatric surgery, has publicly denounced this procedure. Dr. Warren Hern, who wrote the most widely used textbook on performing abortions admitted he ''* * * would dispute any statement that this is the safest procedure to use.'' The Physicians Ad Hoc Coalition for Truth (PHACT), a group of over 600 doctors, emphatically states that partial birth abortion is never medically necessary and ''should be banned in the interests of women, their children, and the proper practice of medicine.''

There is absolutely no evidence that partial birth abortion is a safe procedure. There are no peer reviewed scientific studies. It is not mentioned in medical textbooks or taught in medical schools. The facts, as reviewed by doctors, suggest this technique is in fact dangerous for women. Because of the deliberate breech positioning and the blind procedure of stabbing the baby at the base of its skull, partial birth abortion subjects women to risks beyond those normally encountered in conventional late term abortions. Furthermore, it could not be used in the two most common life endangering conditions during pregnancy, infection and hemorrhage, because it puts women at greater risk for both.

Conditions such as hydrocephaly, trisomy, Downs Syndrome, and development of the organs or brain outside the body have been cited as instances in which partial birth abortion was recommended to preserve a woman's life, health, or future fertility. There are tragic situations that require separation of the child from the mother. But it is never necessary to kill the child during that separation to preserve maternal health.

I have met families who were advised to have a partial birth abortion after their child was diagnosed with a disability. These mothers faced many of the same struggles, such as concerns for their other children, concerns about whether they would be able to care for a handicapped baby, and finding a doctor who was willing to deliver the child. As the Senate considers the Partial Birth Abortion Ban Act, I will tell the stories of these families and the children.

In closing, I ask my colleagues to examine this issue with their hearts. We know of two baby girls, one born in Phoenix and the other in Ohio, who survived this brutal procedure. Baby Phoenix overcame cuts and a skull fracture sustained during a partial birth abortion procedure. Today, she lives with her adopted parents in Texas. Baby Hope lived only three hours and eight minutes. She was born prematurely during the first dilation stage of a partial birth abortion. Her life was short, but she personalized this issue for the hospital staff who gently nursed her for those few hours. I ask that my colleagues consider whether these little girls deserved to be subjected to partial birth abortions. I ask them to consider that these children were not catch phrases, slogans, or concepts. These babies, and other candidates for partial birth abortions, are human beings. They are being killed with a procedure that would not be legal for use on animals. I ask my colleagues to do the right thing and vote to outlaw this horrific procedure.

Mr. President, I ask unanimous consent that the text of the Partial Birth Abortion Ban Act of 1999 be inserted into the RECORD.

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

S. 928

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Partial-Birth Abortion Ban Act of 1999''.

**SEC. 2. PROHIBITION ON PARTIAL-BIRTH ABORTIONS.**

(a) IN GENERAL.—Title 18, United States Code, is amended by inserting after chapter 73 the following:

*''CHAPTER 74—PARTIAL-BIRTH ABORTIONS*

''Sec.

''1531. Partial-birth abortions prohibited.

**''§ 1531. Partial-birth abortions prohibited**

''(a) Any physician who, in or affecting interstate or foreign commerce, knowingly performs a partial-birth abortion and thereby kills a human fetus shall be fined under this title or imprisoned not more than two years, or both. This paragraph shall not apply to a partial-birth abortion that is necessary to save the life of a mother whose life is endangered by a physical disorder, illness, or injury. This paragraph shall become effective one day after enactment.

''(b)(1) As used in this section, the term 'partial-birth abortion' means an abortion in which the person performing the abortion partially vaginally delivers a living fetus before killing the fetus and completing the delivery.

''(2) As used in this section, the term 'physician' means a doctor of medicine or osteopathy legally authorized to practice medicine and surgery by the State in which the doctor performs such activity, or any other individual legally authorized by the State to perform abortions: *Provided*, *however*, That any individual who is not a physician or not otherwise legally authorized by the State to perform abortions, but who nevertheless directly performs a partial-birth abortion, shall be subject to the provisions of this section.

''(3) As used in this section, the term 'vaginally delivers a living fetus before killing the fetus' means deliberately and intentionally delivers into the vagina a living fetus, or a substantial portion thereof, for the purpose of performing a procedure the physician knows will kill the fetus, and kills the fetus.

''(c)(1) The father, if married to the mother at the time she receives a partial-birth abortion procedure, and if the mother has not attained the age of 18 years at the time of the abortion, the maternal grandparents of the fetus, may in a civil action obtain appropriate relief, unless the pregnancy resulted from the plaintiff's criminal conduct or the plaintiff consented to the abortion.

''(2) Such relief shall include—

''(A) money damages for all injuries, psychological and physical, occasioned by the violation of this section; and

''(B) statutory damages equal to three times the cost of the partial-birth abortion.

''(d)(1) A defendant accused of an offense under this section may seek a hearing before the State Medical Board on whether the physician's conduct was necessary to save the life of the mother whose life was endangered by a physical disorder, illness or injury.

''(2) The findings on that issue are admissible on that issue at the trial of the defendant. Upon a motion of the defendant, the court shall delay the beginning of the trial for not more than 30 days to permit such a hearing to take place.

''(e) A woman upon whom a partial-birth abortion is performed may not be prosecuted under this section, for a conspiracy to violate this section, or for an offense under section 2, 3, or 4 of this title based on a violation of this section.''.

(b) CLERICAL AMENDMENT.—The table of chapters for part I of title 18, United States Code, is amended by inserting after the item relating to chapter 73 the following new item:

**''74. Partial-birth abortions ..... 1531''.**

● Mr. DEWINE. Mr. President, I am very proud to join my distinguished colleague, Senator SANTORUM, in introducing this legislation to ban one of the most barbaric practices ever tolerated in a civilized society. The Partial Birth Abortion Ban Act is a measure we have already passed twice, only to see it overturned by Presidential vetoes. Enactment of this bill into law is long overdue.

A recent tragic event in my own home state of Ohio brings home yet again the need for this ban.

On April 6, a young woman went into the Dayton Medical Center in Montgomery County, Ohio, to undergo a partial-birth abortion. This is a procedure that usually takes place behind closed doors, where it can be ignored, its moral status left unquestioned.

But this particular procedure was different. In this procedure, on April 6, things did not go as planned. Here's what happened.

The Dayton abortionist, Dr. Martin Haskell, started a procedure to dilate her cervix, so the child could eventually be removed and killed. He applied seaweed to start the procedure. He then sent her home—because this procedure usually takes two or three days. In fact, the patient is supposed to return on the second day for a further application of seaweed—and then come back a third time for the actual partial-birth abortion.

So the woman went home to Cincinnati, expecting to return to Dayton and complete the procedure in two or three days. But her cervix dilated far too quickly. Shortly after midnight in the first day, after experiencing severe stomach pains, she was admitted to Bethesda North Hospital in Cincinnati.

The child was born. After three hours and eight minutes, the child died.

The cause of death was listed on the death certificate as ''prematurity secondary to induced abortion.''

True enough, Mr. President. But also on the death certificate is a space for ''Method of death.'' And it says, in the case of this child, quote, ''Method of death: natural.''

Now that, Mr. President, may well be true in the technical sense. But if you look at the events that led up to her death, you'll see that there was really nothing natural about them about them at all.

The medical technician who held that little girl for the three hours and eight minutes of her short life named her Baby Hope. Baby Hope did not die of natural causes. She was the victim of a barbaric procedure that is opposed by the vast majority of the American people. A procedure that has twice been banned by act of Congress—only to see the ban repeatedly overturned by a Presidential veto.

The death of Baby Hope did not take place behind the closed doors of an abortion clinic. It took place in public—in a hospital dedicated to saving lives, not taking them. It reminds us of the brutal reality and tragedy of what partial birth abortion really is.

When we voted to ban partial-birth abortions, we talked about this procedure in graphic detail. The public reaction to this disclosure—the disclosure of what partial-birth abortion really is—was loud and it was decisive. And there is a very good reason for this. The procedure is barbaric.

One of the first questions people ask is ''why?''

''Why do they do this procedure? Is it really necessary? Why do we allow this to happen?''

Dr. C. Everett Koop speaks for the consensus of the medical profession when he says this is never a medically necessary procedure. Even Martin Haskell—the abortionist in the Baby Hope case—has admitted that at least eighty percent of the partial-birth abortions he performs are elective.

The facts are clear. Partial-birth abortion is not that rare a procedure. What is rare is that we—as a society—saw it happen. It happened by surprise, at a regular hospital, where it wasn't supposed to.

Baby Hope was not supposed to die in the arms of a medical technician. But she did. And she cannot easily be ignored.

This procedure is not limited to mothers and fetuses who are in danger. It's performed on healthy women—and healthy babies—all the time.

The goal of a partial birth abortion is not to protect somebody's health but to kill a child. That is what the doctor wants to do.

Dr. Haskell himself has said as much. In an interview with the American Medical News, he said—and I quote—''you could dilate further and deliver the baby alive but that's really not the point. The point is you are attempting to do an abortion. And that's the goal of your work, is to complete an abortion. Not to see how do I manipulate the situation so that I get a live birth instead.'' Unquote.

Dr. Haskell admitted it. Why don't we?

Again, let's hear Dr. Haskell describe this procedure. Quote: ''I just kept on doing D&Es (dilation and extractions) because that was what I was comfortable with, up until 24 weeks. But they were very tough. Sometimes it was a 45-minute operation. I noticed that some of the later D&Es were very, very easy. So I asked myself why can't they all happen this way. You see the easy ones would have a foot length presentation, you'd reach up and grab the foot of the fetus, pull the fetus down and the head would hang up and then you would collapse the head and take it out. It was easy.''

It was easy, Mr. President. Easy for him. He doesn't say it was easy for the mother, and I suspect he doesn't care. His goal is to perform abortions. Is he the person we're going to trust to decide when abortions are necessary? He's got a production line going—and nothing's going to stop him from meeting his quota.

Dr. Haskell continues: ''At first, I would reach around trying to identify a lower extremity blindly with the tip of my instrument. I'd get it right about 30–50 percent of the time. Then I said, 'Well gee, if I just put the ultrasound up there I could see it all and I wouldn't have to feel around for it.' I did that and sure enough, I found it 99 percent of the time. Kind of serendipity.'' End of quote.

Serendipity, Mr. President.

Let me conclude.

We need to ask ourselves, what does our toleration of this procedure say about us, as a nation?

Where do we draw the line? At what point do we finally stop saying, ''I don't really like this, but it doesn't really matter to me, so I'll put up with it?''

At what point do we say, unless we stop this from happening, we cannot justly call ourselves a civilized nation?

Mr. President, when you come right down to it, America's moral anesthetic is wearing off. We know what's going on behind the curtain—and we can't wish that knowledge away. We have to face it—and do what's right.

We have to make the Partial Birth Abortion Ban Act the law of the land. Twice in the last three years, Congress has passed this legislation with strong, bipartisan support, only to see it fall victim to a Presidential veto. Once again, I am confident Congress will do the right thing and pass this very important bill.

But that's not enough, Mr. President. Passing this legislation in Congress is not enough. It will not save any lives. For lives to be saved, the bill must become law.

If something happens behind the iron curtain of an abortion clinic it's easier to pretend that it doesn't happen. But the death of Baby Hope has torn that

curtain, revealing the truth of this barbaric procedure. Let people not ask about us fifty years from now, ''How can they not have known?'' and ''Why didn't they do anything?''

Because, Mr. President, the fact is: We do know. And we must take action.●

---

By Mr. ROBB (for himself, Mrs. HUTCHISON, Mr. KERREY, Mr. HAGEL, Mr. REED, Mr. SMITH of New Hampshire, Mr. CLELAND, Mr. ABRAHAM, and Mr. HUTCHINSON):

S. 929. A bill to provide for the establishment of a National Military Museum, and for other purposes; to the Committee on Armed Services.

NATIONAL MILITARY MUSEUM ACT

Mr. ROBB. Mr. President, when future generations search for ''lessons learned'' from America's 18th, 19th and 20th century military experiences, they no doubt will be accessible through dusty texts, dated documentary videos, or long-forgotten Congressional transcripts.

I am concerned, however, that these lessons will not carry forward into the next century as an enduring reminder of the true costs, and the true benefits, of waging wars, on behalf of freedom and democracy.

Increasingly, we have seen the gap between the military, and the rest of society, widen.

Early in the next century, for example, we expect that less than four percent of the population will be veterans, down from over 11 percent in 1980.

This means that fewer and fewer civilians will have a personal understanding of the military, making it more and more difficult to pass on to successive generations, one of our most powerful military assets—our experience.

How then do we ensure that we don't ''repeat'' our past mistakes—and that we build on our past successes?

Mr. President, I am joined by Senators HUTCHISON, of Texas, KERREY of Nebraska, HAGEL, REED of Rhode Island, SMITH of New Hampshire, CLELAND, ABRAHAM, and HUTCHINSON of Arkansas in introducing the National Military Museum Act.

It will teach visitors about each of the major wars in which America has fought.

Finally, it will help build pride, in our military, and the nation.

The United States, through the fine stewardship of the Smithsonian Institution, operates over a score of excellent national museums—from the National Portrait Gallery, to the National Postal Museum, yet none of these are dedicated to the armed forces.

In fact, the individual military services have many museums—the Army alone, has over 60.

We also have military artifacts and battles represented in sections of some of the Smithsonian museums.

Yet we do not have a single, prestigious, integrated national museum to tell America's military story and to honor our armed forces.

This is an extraordinary shortcoming in the telling of our national heritage.

By contrast, many of our key allies have national military museums.

The British Imperial War Museum, and the Australian War Memorial, are two fine examples.

The United States is a nation that has influenced world events decisively over the last century and will continue to do so for centuries to come.

And it is a military power that has sought not to conquer other lands, but to bring freedom, and democracy to the entire world.

History shows few if any nations, with such disproportionate means, employing force for such consistently altruistic ends.

Yet we have no national place to tell, this extraordinary story.

Mr. President, where, would a teenager interested in World War I, World War II, Korea, or Vietnam, go, to learn more about these wars? There really is no museum displaying artifacts from these wars, in a comprehensive fashion.

We do in fact have several fine Civil War museums, but the lack of representations of so many other wars is remarkable.

The idea of a National Military Museum goes back to the late 1800s.

Several attempts to build this museum, (including a concerted effort by President Truman) failed, for various reasons: inadequate funding, post-war disillusionment, or blueprints that were too ambitious.

Now, as we enter the 21st century, the time is right to display the enormous inventories of artifacts, that have been accumulated from this century—especially from conflicts since World War II.

As now envisioned, the National Military Museum would include display sections for each of the military services as well as separate sections for each of the country's major wars.

A spectacular atrium would house large items, from: missiles to ship sections to aircraft.

Based on a review of numerous potential sites, this legislation authorizes that the new museum be located on the Navy Annex property just west of the Pentagon.

Bounded symbolically, by Arlington National Cemetery, to the north, and offering a commanding view of the capital area, this location is ideal, and one of the last available parcels, in the area, suitable for a museum of this scope and importance.

The museum would share a large 55-acre tract of land with an expansion of Arlington National Cemetery and possibly other veterans' memorials.

The buildings currently on this land, are slated for demolition around 2015.

The National Military Museum Act establishes a National Military Museum Foundation, which will be responsible for the design construction, and operation, of the museum.

The Foundation's Board, will consist of 10 members, and their first action will be to conduct a study on the siting, design, environmental impact, and governing of the museum.

The Foundation may recommend that the museum, become part, of the Smithsonian Institution.

Assuming no Congressional action, upon receipt of both this study, and a General Accounting Office evaluation, the Foundation will proceed with final design preparations, and pursue fundraising.

Construction would begin after demolition of the existing Navy Annex buildings.

Mr. President, I am very pleased to introduce this legislative cornerstone, for building, one of the most important, and—I would anticipate—most visited museums, in the world.

Let us honor our nation's military with this long overdue museum.

Let us safeguard our past, so that future generations will know what has been done before—and what may have to be done again, in the future—to push back the forces of tyranny, and to preserve the freedoms, we are so fortunate to enjoy.

---

By Mr. REID (for himself and Mr. BRYAN):

S. 930. A bill to provide for the sale of certain public land in the Ivanpah Valley, Nevada, to the Clark County, Nevada, Department of Aviation; to the Committee on Energy and Natural Resources.

IVANPAH VALLEY AIRPORT PUBLIC LAND TRANSFER ACT

Mr. REID. Mr. President, I rise today to introduce the Ivanpah Valley Airport Public Land Transfer Act. This act authorizes the Secretary of Interior to convey, at fair market value, certain lands in the Ivanpah Valley to the Clark County Department of Aviation. Authorization of this conveyance will allow the Department to proceed with the proposed development of a new airport to serve Southern Nevada.

As you are aware, growth in both the general population and the tourism industry in Southern Nevada has been and is expected to continue to be very strong. Statistics show that over half the people who come to Southern Nevada now come by air. From 1985 to 1998, operations at McCarran Airport increased at an annual rate of approximately five percent. Even if this growth rate slows to two percent, activities at McCarran will be at or exceed capacity by the year 2014. At this level, the traveling public will also experience significant delays. It is obvious we must begin to plan now for the future.

The Department of Aviation has completed an extensive review of options available for meeting the growing needs for air traffic in Southern Nevada. These options included construction of a new runway at McCarran and the building of an entirely new airport at any one of four different sites. Analysis of these options shows that for a variety of technical, safety-related, and economic reasons, the Ivanpah site is the only option that can accommodate the growing air traffic needs of the region.

The bill Senator BRYAN and I introduce today is based on similar legislation that was introduced in both the House and Senate in the 105th Congress. However, this bill incorporates changes from the prior legislation to address environmental concerns and issues that were raised by the Bureau of Land Management in testimony before the House Resources Subcommittee on National Parks and Public Lands last year. Some of those concerns were related to endangered species habitat, potential conflicts with existing uses, and determination of fair market value for the lands to be conveyed.

Congress should be aware that this is not a giveaway. Clark County will pay fair market value for the land and the airport will be publicly owned and operated. The bill also provides that the revenues collected by the government for the sale will be available for other use by the BLM under the terms of the Southern Nevada Public Land Management Act of 1998.

The Clark County Department of Aviation is committed to the preparation of necessary environmental documentation for airport construction once Congressional approval for the land sale is granted. The County cannot, however, invest the substantial amounts of time, dollars, and resources an environmental study demands without assurance the site will be available for purchase should an airport be deemed to have no significant negative impacts. The bill also provides for return of the land to the Department of Interior, should airport development prove to be infeasible.

I thank my fellow Senator from Nevada, Mr. BRYAN, for his support on this issue and urge my colleagues to vote for passage of this bill.

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

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

S. 930

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

**SECTION. 1. SHORT TITLE.**

This Act may be cited as the ''Ivanpah Valley Airport Public Land Transfer Act''.

**SEC. 2. CONVEYANCE TO CLARK COUNTY, NEVADA, DEPARTMENT OF AVIATION.**

(a) IN GENERAL.—

(1) CONVEYANCE.—Notwithstanding the land use planning reqirements contained in sections 202 and 203 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1711, 1712), on occurrence of the conditions specified in subsection (b), the Secretary of the Interior (referred to in this section as the ''Secretary'') shall convey to Clark Country, Nevada, on behalf of the Department of Aviation (referred to in this section as the ''Department''), all right, title, and interest of the United States in and to the public land identified for disposition on the map entitled ''Ivanpah Valley, Nevada-Airport Selections'' numbered 01 and dated April 1999, for the purpose of developing an airport facility and related infrastructure.

(2) MAP.—The map described in paragraph (1) shall be on file and available for public inspection in the offices of the Director of the Bureau of Land Management and the Las Vegas District of the Bureau of Land Management.

(b) CONDITIONS.—The Secretary shall make the conveyance under subsection (a) if—

(1) the Department conducts an airspace assessment to identify any potential adverse effect on access to the Las Vegas basin under visual flight rules that would result from the construction and operation of a commercial or primary airport, or both, on the land to be conveyed;

(2) the Administrator of the Federal Aviation Administration certifies to the Secretary that—

(A) the assessment under paragraph (1) is thorough; and

(B) alternatives have been developed to address each adverse effect identified in the assessment, including alternatives that ensure access to the Las Vegas basin under visual flight rules at a level that is equal to or better than the access in existence as of the date of enactment of this Act; and

(3) the Department enters into an agreement with the Secretary to retain ownership of Jean Airport and to maintain and develop Jean Airport as a general aviation airport.

(c) PHASED CONVEYANCES.—At the option of the Department, the Secretary shall convey the land described in subsection (a) in parcels over a period of up to 20 years, as may be required to carry out the phased construction and development of the airport facility and infrastructure on the land.

(d) CONSIDERATION.—

(1) IN GENERAL.—As consideration for the conveyance of each parcel, the Department shall pay the United States an amount equal to the fair market value of the parcel.

(2) DETERMINATION OF FAIR MARKET VALUE.—

(A) INITIAL 3-YEAR PERIOD.—During the 3-year period beginning on the date of enactment of this Act, the fair market value of a parcel to be conveyed under subsection (a) shall be based on an appraisal of the fair market value of the parcel as of a date not later than 180 days after the date of enactment of this Act.

(B) SUBSEQUENT APPRAISALS.—

(i) IN GENERAL.—The fair market value of each parcel conveyed after the end of the 3-year period referred to in subparagraph (A) shall be based on a subsequent appraisal.

(ii) FACTORS.—An appraisal conducted after that 3-year period—

(I) shall take into consideration the parcel in its unimproved state; and

(II) shall not reflect any enhancement in the value of the parcel based on the existence or planned construction of infrastructure on or near the parcel.

(3) USE OF PROCEEDS.—The proceeds of the sale of each parcel—

(A) shall be deposited in the special account established under section 4(e)(1)(C) of the Southern Nevada Public Land Management Act of 1998 (112 Stat. 2345); and

(B) shall be disposed of by the Secretary as provided in section 4(e)(3) of that Act (112 Stat. 2346).

(e) REVERSIONARY INTEREST.—

(1) IN GENERAL.—During the 5-year period beginning 20 years after the date on which the Secretary conveys the first parcel under subsection (a), if the Secretary determines that the Department is not developing or progressing toward the development of the parcel as part of an airport facility, the Secretary may exercise a right to reenter the parcel.

(2) PROCEDURE.—Any determination of the Secretary under paragraph (1) shall be made on the record after an opportunity for a hearing.

(3) REFUND.—If the Secretary exercises a right to reenter a parcel under paragraph (1), the Secretary shall refund to the Department an amount that is equal to the amount paid for the parcel by the Department.

(f) WITHDRAWAL.—The public land described in subsection (a) is withdrawn from mineral entry under—

(1) sections 910, 2318 through 2340, and 2343 through 2346 of the Revised Statutes (commonly known as the ''General Mining Law of 1872'') (30 U.S.C. 21, 22, 23, 24, 26 through 30, 33 through 43, 46 through 48, 50 through 53); and

(2) the Act of February 25, 1920 (commonly known as the ''Mineral Lands Leasing Act of 1920'') (41 Stat. 437, chapter 85; 30 U.S.C. 181 et seq.).

(g) MOJAVE NATIONAL PRESERVE.—The Secretary of Transportation shall consult with the Secretary in the development of an airspace management plan for the Ivanpah Valley Airport that, to the extent practicable and without adversely affecting safety considerations, restricts aircraft arrivals and departures over the Mojave National Preserve, California.

---

By Mr. MCCAIN (for himself, Mr. LIEBERMAN, and Mr. CONRAD):

S.J. Res. 23. A joint resolution expressing the sense of the Congress regarding the need for a Surgeon General's report on media and violence; to the Committee on Health, Education, Labor, and Pensions.

SURGEON GENERAL'S MEDIA VIOLENCE REPORT ACT

Mr. MCCAIN. Mr. President, an entire nation was stunned this past week with the shocking violence that unfolded in Littleton, Colorado. Perhaps, if this had been an isolated incident, we could have written it off as two crazed individuals. However, the tragic reality is that it was not an isolated incident, but another in an increasing pattern of violence in our schools. Even more disturbing is that these schoolyard shootings are occurring against the backdrop of ever-escalating youth violence, and suicide.

This is an extraordinarily complex problem, with many contributing factors. However, what this comes down to is responsibility, and the most basic and profound responsibility that our culture—any culture—has, is raising its children. We are failing that responsibility, and the extent of our failure is

being measured in the deaths, and injuries of our kids in the schoolyard and on the streets of our neighborhoods and communities.

Primary responsibility lies with families. As a country, we are not parenting our children. We are not adequately involving ourselves in our children's lives, the friends they hang out with, what they do with their time, the problems they are struggling with. This is our job, our paramount responsibility, and most unfortunately, we are failing. We must get our priorities straight, and that means putting our kids first.

However, parents need help. They need help because our homes and our families—our children's minds, are being flooded by a tide of violence. This dehumanizing violence pervades our society: our movies depict graphic violence; our children are taught to kill and maim by interactive video games; the Internet, which holds such tremendous potential in so many ways, is tragically used by some to communicate unimaginable hatred, images and descriptions of violence, and ''how-to'' manuals on everything from bomb construction to drugs. Our culture is dominated by media, and our children, more-so than any generation before them, is vulnerable to the images of violence and hate that, unfortunately, are dominant themes in so much of what they see, and hear.

Thus, today I rise to introduce, calling upon the Surgeon General to conduct a comprehensive study of media violence, in all its forms, and to issue a report on its effects, and recommendations on how we can turn this tragic tide of youth violence.

As I have said, this is a complex challenge. Certainly, working with the media industry, we can come to some consensus on immediate measures that can be taken to curb our children's access to the types of excessive and gratuitous violence that is currently flooding our homes and families. However, the crisis we are currently facing did not occur overnight, and we must take time to achieve a comprehensive understanding of how media violence affects childhood development, and what children are most at risk to its impact.

Again, I urge all Americans to get involved in their kids' lives. Ask questions, listen to their fears and concerns, their hopes and their dreams. Children are not simply small adults.

Childhood is a time of innocence, a time to teach discipline and values. Our children are our most precious gift, they are full of innocence and hope. We must work together to preserve the sanctity of childhood.

## ADDITIONAL COSPONSORS

S. 51

At the request of Mr. BIDEN, the names of the Senator from North Carolina (Mr. EDWARDS) and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 51, a bill to reauthorize the Federal programs to prevent violence against women, and for other purposes.

S. 58

At the request of Ms. COLLINS, the name of the Senator from Montana (Mr. BAUCUS) was added as a cosponsor of S. 58, a bill to amend the Communications Act of 1934 to improve protections against telephone service ''slamming'' and provide protections against telephone billing ''cramming'', to provide the Federal Trade Commission jurisdiction over unfair and deceptive trade practices of telecommunications carriers, and for other purposes.

S. 218

At the request of Mr. MOYNIHAN, the name of the Senator from Illinois (Mr. FITZGERALD) was added as a cosponsor of S. 218, a bill to amend the Harmonized Tariff Schedule of the United States to provide for equitable duty treatment for certain wool used in making suits.

S. 344

At the request of Mr. BOND, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 344, a bill to amend the Internal Revenue Code of 1986 to provide a safe harbor for determining that certain individuals are not employees.

S. 443

At the request of Mr. LAUTENBERG, the name of the Senator from Maryland (Ms. MIKULSKI) was added as a cosponsor of S. 443, a bill to regulate the sale of firearms at gun shows.

S. 459

At the request of Mr. BREAUX, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 459, a bill to amend the Internal Revenue Code of 1986 to increase the State ceiling on private activity bonds.

S. 487

At the request of Mr. GRAMS, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 487, a bill to amend the Internal Revenue Code of 1986 to provide additional retirement savings opportunities for small employers, including self-employed individuals.

S. 514

At the request of Mr. COCHRAN, the names of the Senator from Georgia (Mr. CLELAND), the Senator from Nebraska (Mr. HAGEL), and the Senator from Illinois (Mr. DURBIN) were added as cosponsors of S. 514, a bill to improve the National Writing Project.

S. 517

At the request of Mr. GRAHAM, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 517, a bill to assure access under group health plans and health insurance coverage to covered emergency medical services.

S. 564

At the request of Mrs. MURRAY, the names of the Senator from Illinois (Mr. DURBIN), the Senator from Iowa (Mr. HARKIN), the Senator from New Jersey (Mr. TORRICELLI), the Senator from Massachusetts (Mr. KERRY), the Senator from Michigan (Mr. LEVIN), the Senator from California (Mrs. BOXER), the Senator from Maryland (Ms. MIKULSKI), the Senator from Connecticut (Mr. DODD), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Virginia (Mr. ROBB), the Senator from Maryland (Mr. SARBANES), the Senator from Rhode Island (Mr. REED), the Senator from Hawaii (Mr. AKAKA), the Senator from Minnesota (Mr. WELLSTONE), the Senator from Nebraska (Mr. KERREY), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Nevada (Mr. BRYAN), the Senator from Delaware (Mr. BIDEN), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Montana (Mr. BAUCUS), the Senator from New York (Mr. SCHUMER), and the Senator from Nevada (Mr. REID) were added as cosponsors of S. 564, a bill to reduce class size, and for other purposes.

S. 594

At the request of Mrs. FEINSTEIN, the names of the Senator from New York (Mr. SCHUMER), the Senator from New Jersey (Mr. TORRICELLI), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Maryland (Ms. MIKULSKI), and the Senator from Minnesota (Mr. WELLSTONE) were added as cosponsors of S. 594, a bill to ban the importation of large capacity ammunition feeding devices.

S. 632

At the request of Mr. DEWINE, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 632, a bill to provide assistance for poison prevention and to stabilize the funding of regional poison control centers.

S. 636

At the request of Mr. REED, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 636, a bill to amend title XXVII of the Public Health Service Act and part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 to establish standards for the health quality improvement of children in managed care plans and other health plans.

S. 638

At the request of Mr. BINGAMAN, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 638, a bill to provide for the establishment of a School Security Technology Center and to authorize grants for local school security programs, and for other purposes.

S. 648

At the request of Mr. KERRY, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 648, a bill to provide for the protection of employees providing air safety information.

S. 676

At the request of Mr. CAMPBELL, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of S. 676, a bill to locate and secure the return of Zachary Baumel, a citizen of the United States, and other Israeli soldiers missing in action.

S. 678

At the request of Mrs. FEINSTEIN, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 678, a bill to establish certain safeguards for the protection of purchasers in the sale of motor vehicles that are salvage or have been damaged, to require certain safeguards concerning the handling of salvage and nonrebuildable vehicles, to support the flow of important vehicle information to the National Motor Vehicle Title Information System, and for other purposes.

S. 704

At the request of Mr. DEWINE, his name was added as a cosponsor of S. 704, a bill to amend title 18, United States Code, to combat the overutilization of prison health care services and control rising prisoner health care costs.

S. 708

At the request of Mr. DEWINE, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 708, a bill to improve the administrative efficiency and effectiveness of the Nation's abuse and neglect courts and the quality and availability of training for judges, attorneys, and volunteers working in such courts, and for other purposes consistent with the Adoption and Safe Families Act of 1997.

S. 735

At the request of Mr. TORRICELLI, his name was added as a cosponsor of S. 735, a bill to protect children from firearms violence.

At the request of Mr. WELLSTONE, his name was added as a cosponsor of S. 735, supra.

S. 757

At the request of Mr. LUGAR, the names of the Senator from Virginia (Mr. WARNER) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. 757, a bill to provide a framework for consideration by the legislative and executive branches of unilateral economic sanctions in order to ensure coordination of United States policy with respect to trade, security, and human rights.

S. 764

At the request of Mr. THURMOND, the name of the Senator from New Hampshire (Mr. SMITH) was added as a cosponsor of S. 764, a bill to amend section 1951 of title 18, United States Code (commonly known as the Hobbs Act), and for other purposes.

S. 839

At the request of Mr. WELLSTONE, his name was added as a cosponsor of S. 839, a bill to restore and improve the farmer owned reserve program.

S. 881

At the request of Mr. BENNETT, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 881, a bill to ensure confidentiality with respect to medical records and health care-related information, and for other purposes.

S. 882

At the request of Mr. MURKOWSKI, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 882, a bill to strengthen provisions in the Energy Policy Act of 1992 and the Federal Nonnuclear Energy Research and Development Act of 1974 with respect to potential Climate Change.

SENATE JOINT RESOLUTION 20

At the request of Mr. MCCAIN, the name of the Senator from New Jersey (Mr. LAUTENBERG) was added as a cosponsor of Senate Joint Resolution 20, a joint resolution concerning the deployment of the United States Armed Forces to the Kosovo region in Yugoslavia.

SENATE RESOLUTION 22

At the request of Mr. CAMPBELL, the name of the Senator from Louisiana (Mr. BREAUX) was added as a cosponsor of Senate Resolution 22, a resolution commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives serving as law enforcement officers.

SENATE RESOLUTION 27

At the request of Mr. DEWINE, his name was added as a cosponsor of Senate Resolution 27, a resolution expressing the sense of the Senate regarding the human rights situation in the People's Republic of China.

SENATE RESOLUTION 29

At the request of Mr. ROBB, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of Senate Resolution 29, a resolution to designate the week of May 2, 1999, as ''National Correctional Officers and Employees Week.''

SENATE RESOLUTION 72

At the request of Mr. TORRICELLI, the names of the Senator from Rhode Island (Mr. REED), the Senator from Michigan (Mr. LEVIN), the Senator from Wyoming (Mr. ENZI), the Senator from Maine (Ms. COLLINS), the Senator from Ohio (Mr. VOINOVICH), the Senator from Kansas (Mr. ROBERTS), the Senator from Texas (Mr. GRAMM), and the Senator from Colorado (Mr. ALLARD) were added as cosponsors of Senate Resolution 72, a resolution designating the month of May in 1999 and 2000 as ''National ALS Awareness Month.''

## SENATE RESOLUTION 90—DESIGNATING THE 30TH DAY OF APRIL 2000 AS ''DIA DE LOS NIÑOS: CELEBRATING YOUNG AMERICANS''

Mr. HATCH (for himself, Mr. BINGAMAN, Mr. MCCAIN, Mr. REID, Mr. DOMENICI, Mr. LAUTENBERG, Mr. ABRAHAM, Mrs. FEINSTEIN, Mr. BOND, Mrs. MURRAY, and Mrs. HUTCHISON) submitted the following resolutions; which was referred to the Committee on the Judiciary:

S. RES. 90

Whereas many of the nations throughout the world, and especially within the Western hemisphere, celebrate ''Día de los Niños'' on the 30th of April, in recognition and celebration of their country's future—their children;

Whereas children represent the hopes and dreams of the citizens of the United States;

Whereas children are the center of American families;

Whereas children should be nurtured and invested in to preserve and enhance economic prosperity, democracy, and the American spirit;

Whereas Latinos in the United States, the youngest and fastest growing ethnic community in the nation, continue the tradition of honoring their children on this day, and wish to share this custom with the rest of the nation;

Whereas one in four Americans is projected to be of Hispanic descent by the year 2050, and there are now 10.5 million Latino children;

Whereas traditional Latino family life centers largely on its children;

Whereas the primary teachers of family values, morality, and culture are parents and family members, and we rely on children to pass on these family values, morals, and culture to future generations;

Whereas more than 500,000 children drop out of school each year and hispanic dropout rates are unacceptably high;

Whereas the importance of literacy and education are more often communicated to children through family members;

Whereas families should be encouraged to engage in family and community activities that include extended and elderly family members and encourage children to explore, develop confidence, and pursue their dreams;

Whereas the designation of a day to honor the children of the Nation will help affirm for the people of the United States the significance of family, education, and community;

Whereas the designation of a day of special recognition of children of the United States will provide an opportunity to children to reflect on their future, to articulate their dreams and aspirations, and find comfort and security in the support of their family members and communities;

Whereas the National Latino Children's Institute, serving as a voice for children, has worked with cities throughout the country to declare April 30 as ''Día de los Niños: Celebrating Young Americans''—a day to bring together Latinos and other communities nationwide to celebrate and uplift children;

Whereas the children of a nation are the responsibility of all its citizens, and citizens

should be encouraged to celebrate the gifts of children to society—their curiousity, laughter, faith, energy, spirit, hopes, and dreams: Now, therefore, be it

*Resolved*, That the Senate designates the 30th of April of 2000, as ''Día de los Niños: Celebrating Young Americans'' and requests that the President issue a proclamation calling on the people of the United States to join with all children, families, organizations, communities, churches, cities, and states across the nation to observe the day with appropriate ceremonies, beginning April 30, 2000, that include:

(1) Activities that center around children, and are free or minimal in cost so as to encourage and facilitate the participation of all our citizens;

(2) Activities that are positive, uplifting, and that help children express their hopes and dreams;

(3) Activities that provide opportunities for children of all backgrounds to learn about one another's cultures and share ideas;

(4) Activities that include all members of the family, and especially extended and elderly family members, so as to promote greater communication among the generations within a family, enabling children to appreciate and benefit from the experiences and wisdom of their elderly family members;

(5) Activities that provide opportunities for families within a community to get acquainted; and

(6) Activities that provide children with the support they need to develop skills and confidence, and find the inner strength—the will and fire of the human spirit—to make their dreams come true.

Mr. HATCH. Mr. President, I am very pleased to announce my submission of a Senate resolution, together with other members of the U.S. Senate Republican Conference Task Force on Hispanic Affairs and the Senate Democrat Working Group on Hispanic Issues, to designate April 30, 2000, as Dia de los Niños: Celebrating Young Americans.

Last Congress, the resolution to designate April 30, 1999, as a day to celebrate young Americans passed with overwhelming bipartisan support. As a result, cities and towns throughout the country will host community events to celebrate the nation's children throughout this week.

In fact, in my home state of Utah a very special celebration is planned. Tomorrow, in Salt Lake City, on Dia de los Niños: Dia de Los Libros [Day of the Children: Day of Books], we will dedicate the first Americas Award Reference and Resource Library to be established at the Centro de la Familia Center. This unique library will house over 1,500 books and will form the central part of a literacy program aimed at encouraging children and young adults to explore the written world by reading books that authentically and engagingly present the experience of individuals in Latin America, the Caribbean, and Latinos in the United States. These wonderful stories will help children learn to read, to expand their universe and dreams, to develop a better understanding of the history of the Americas, and to enhance their own self-esteem.

Our children are our greatest promise for the preservation and betterment of this country's healthy and competitive global edge. As leaders and purveyors of hope for a better America, we must continue to nurture their development and potential through innovative programs and discussions that encourage and challenge them to become the prime movers and guardians of investments made thus far.

Children's days are celebrated in many other nations, including Japan and Korea on May 5, Canada on November 20, Turkey on April 23, and Mexico on April 30. Local coalitions have formed in 17 states to realize Dia de los Niños: Celebrating Young Americans as a special day for all children throughout this country.

I think it is imperative, especially now given the recent tragedy of Columbine, Colorado, that we celebrate, honor, and encourage our youth, in much the same way we honor parents during Mother's Day or Father's Day. Our purpose is strictly to uplift children.

There are no easy solutions for the challenges that face our modern day society. But I do know that we need to make and take the time to listen, to support, to observe, and to accept responsibility as parents for raising children prepared to meet the challenge of living in a complex multicultural society—a society that bestows freedom on its citizens predicated on the acceptance of basic moral values. I believe that calling upon the nation to set aside a day for that purpose can be an important step in building awareness among adults that our children need parental love, care, and guidance. They need positive role models—coaches, teachers, employers—as well as from the entertainment industry and professional sports. They need to know there is satisfaction in doing their best, honor in doing the right things, and consequences for doing the wrong thing.

A day to reflect on what we are teaching our children and the cultural legacy we are leaving them could very well be a turning point for our country. It is my hope that when the sun goes down tomorrow evening we will have rededicated ourselves to this most important purpose of all—to nurture our children.

## AMENDMENTS SUBMITTED

### Y2K ACT

### DODD (AND OTHERS) AMENDMENT NO. 298

(Ordered to lie on the table.)

Mr. DODD (for himself, Mr. MCCAIN, Mr. WYDEN, Mr. HATCH, Mrs. FEINSTEIN, Mr. BENNETT, and Mr. LIEBERMAN) submitted an amendment intended to be proposed by him to the bill (S. 96) to regulate commerce between and among the several States by providing for the orderly resolution of disputes arising out of computer-based problem related to processing data that includes a 2-digit expression of that year's date; as follows:

At the appropriate place insert the following:

In section 5, strike subsection (b) and insert the following:

(b) CAPS ON PUNITIVE DAMAGES.—

(1) IN GENERAL.—Subject to the evidentiary standard established by subsection (a), punitive damages permitted under applicable law against a defendant described in paragraph (2) in a Y2K action may not exceed the lesser of—

(A) 3 times the amount awarded for compensatory damages; or

(B) $250,000.

(2) DEFENDANT DESCRIBED.—A defendant described in this paragraph is a defendant—

(A) who—

(i) is sued in his or her capacity as a individual; and

(ii) whose net worth does not exceed $500,000; or

(B) that is an unincorporated business, a partnership, corporation, association, or organization with fewer than 50 full-time employees.

(3) NO CAP IF INJURY SPECIFICALLY INTENDED.—Paragraph (1) does not apply if the plaintiff establishes by clear and convincing evidence that the defendant acted with specific intent to injure the plaintiff.

In section 13—

(1) in subsection (a), strike ''by clear and convincing evidence'' and inserting ''by the standard of evidence under applicable State law in effect before January 1, 1999'';

(2) in subsection (b)(1), strike ''by clear and convincing evidence'' and inserting ''by the standard of evidence under applicable State law in effect before January 1, 1999''; and

(3) at the end add the following:

(d) PROTECTIONS OF THE YEAR 2000 INFORMATION AND READINESS DISCLOSURE ACT APPLY.—The protections for the exchange of information provided by section 4 of the Year 2000 Information and Readiness Disclosure Act (Public Law 105–271) shall apply to this Act.

Strike section 14.

### DOMENICI AMENDMENT NO. 299

(Ordered to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill, S. 96, supra; as follows:

At the end of amendment 273 insert the following:

At the appropriate place, insert the following:

**SEC. ___. WAIVER OF SOVEREIGN IMMUNITY FOR A Y2K ACTION.**

(a) IN GENERAL.—Consent is given to join the United States as a necessary party defendant in a Y2K action.

(b) JURISDICTION AND REVIEW.—The United States, when a party to any Y2K action—

(1) shall be deemed to have waived any right to plead that it is not amenable thereto by reason of its sovereignty;

(2) shall be subject to judgments, orders, and decrees of the court having jurisdiction; and

(3) may obtain review thereof, in the same manner and to the same extent as a private individual under like circumstances.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. GRAMS. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Thursday, April 29, 1999, beginning at 10 a.m. in room 215 Dirksen.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GRAMS. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be permitted to meet on Thursday, April 29, 1999, at 10 a.m. for a hearing on the nominations of Myrta ''Chris'' Sale to be Controller of the Office of Federal Financial Management at the Office of Management and Budget and John Spotila to be Administrator of the Office of Information and Regulatory Affairs at the Office of Management and Budget.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. GRAMS. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on ''ESEA Reauthorization'' during the session of the Senate on Thursday, April 29, 1999, at 10 a.m.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. GRAMS. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet in executive session during the session of the Senate on Thursday, April 29, 1999, at 4 p.m.

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

COMMITTEE ON THE JUDICIARY

Mr. GRAMS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold an Executive Business Meeting during the session of the Senate on Thursday, April 29, 1999, at 10 a.m. in room 226 of the Senate Dirksen Office Building.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. GRAMS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, April 29, 1999, at 10 a.m. to hold a closed hearing on intelligence matters.

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

SPECIAL COMMITTEE ON THE YEAR 2000 TECHNOLOGY PROBLEM

Mr. GRAMS. Mr. President, I ask unanimous consent that the Special Committee on the Year 2000 Technology Problem be permitted to meet on April 29, 1999, at 9:30 a.m. for the purpose of conducting a hearing.

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

SUBCOMMITTEE ON HOUSING AND TRANSPORTATION

Mr. GRAMS. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Transportation of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, April 29, 1999, to conduct a hearing on ''Oversight of HUD's Grants Management System.''

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

SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY

Mr. GRAMS. Mr. President, I ask unanimous consent that the Subcommittee on International Economic Policy, Export and Trade Promotion of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, April 29, 1999, at 10 a.m. to hold a hearing.

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

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. GRAMS. Mr. President, I ask unanimous consent that the Subcommittee on National Parks, Historic Preservation and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, April 29, for purposes of conducting a joint hearing with the Subcommittee on Interior Appropriations of the Appropriations Committee which is scheduled to begin at 9:30 a.m. The purpose of this oversight hearing is to review the report of the General Accounting Office on the Everglades National Park Restoration Project.

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

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY, AND SPACE

Mr. GRAMS. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology, and Space of the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, April 29, 1999, at 10 a.m. on NASA FY/2000 Budget.

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

SUBCOMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Mr. GRAMS. Mr. President, I ask unanimous consent that the Subcommittee on Transportation and Infrastructure be granted permission to conduct a hearing Thursday, April 29, 9:30 a.m., hearing room (SD–406), on project delivery and streamlining of the Transportation Equity Act for the 21st Century.

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

## ADDITIONAL STATEMENTS

### TRIBUTE TO PATRICIA J. KOLL

• Mr. KOHL. Mr. President, I rise today to pay tribute to one of Wisconsin's premier educators. Dr. Patricia J. Koll is retiring this May after a distinguished 31-year career with the University of Wisconsin-Oshkosh.

Born and raised in Wisconsin, Patricia has excelled in the field of Education. Working as a professor of education and assistant vice chancellor, she has authored numerous books and received many accolades for her work. She was honored in both 1991 and 1992 with the Wisconsin Teacher Educator of the Year Award. She has also been a recipient of the University of Wisconsin-Oshkosh John McN Rosebush award, the university's highest award for scholarly excellence.

Patricia has been an instrumental part of education development in the state. She has served as president of both the Wisconsin Association for Supervision and Curriculum Development and the Northern Wisconsin chapter of the American Society for Training and Development. In addition, she has worked with many school districts providing invaluable leadership experience and expertise.

Patricia's dedication and talent have been enormous assets to the University of Wisconsin-Oshkosh and the Oshkosh community. Her talents will be sorely missed by her colleagues. However, we wish Patricia all the best for her retirement.•

### RECOGNIZING LIBERTY ELEMENTARY SCHOOL IN MARYSVILLE, WA.

• Mr. GORTON. Mr. President, this week's Innovation in Education Award recipient is a remarkable school, Liberty Elementary, in Marysville, Washington. With help from school staff and led by Principal Paula Jones, Liberty Elementary's students have made outstanding advances in their reading performance.

Historically, this school has not shown great success in student standardized test results. To improve those results, the school's staff researched proven ''best practices'' for improving student reading. The staff eventually selected a program called ''Success For All'' that focuses on early intervention and personal attention to promote literacy.

Liberty Elementary's parents and staff recognized that in order for this program to succeed, they needed to be closely involved. So the parents and staff established ''Family Fun Night'' each month to educate families on the importance of reading, the benefits of education reform, and how to feel more comfortable as active partners in their children's education. Liberty's staff attends these family activities without

extra compensation. The staff has also teamed up with local businesses to help acknowledge outstanding participation and achievement by students and parents.

Two years ago, Liberty teachers, parents, and students decided to refocus their efforts on reading. Now 80% of the students are reading at current grade level and above—a tremendous increase of 58%. Students at Liberty are now proud and successful readers thanks to the hard work of the Liberty staff and the support from their devoted parents and community.

What is noteworthy about Liberty is that the students became better readers because the community became more involved with its children. This Innovation in Education award is another example of how local communities really do know best. Local educators and parents work with our children every day and know what needs improvement. They deserve our support and should have more decision-making authority over how federal education dollars are to be spent. Educators from Washington state and from across the country need and deserve more flexibility and more control over their classrooms. Liberty Elementary and schools like it are the reasons why I will fight to return that power to our local schools where it belongs.●

## MAY 1—GUILLAIN-BARRÉ SYNDROME AWARENESS DAY

● Mr. KENNEDY. Mr. President, communities across America will observe Guillain-Barré Syndrome Awareness Day this Saturday, May 1. Guillain-Barré Syndrome, or GBS, is a paralyzing disorder that can strike any person, regardless of age, gender, or background. Victims often face months of hospital care and long-term disabilities can result.

For many years the GBS Foundation International has been renowned for its worldwide leadership in the battle against GBS, and I welcome this opportunity to commend the Foundation for all it has done. The Foundation, established in 1980, provides an effective support network for patients and their families. It also provides educational materials, funds medical research, and conducts symposia.

GBS Awareness Day is an important part of educating the public about this potentially catastrophic disease. In Massachusetts, for example, the chapter of the Foundation in Boston is coordinating an event for the entire New England area that will include a fundraising walk around the New England Rehabilitation Hospital in Woburn, followed by a video presentation and seminars on the medical and psychological aspects of the disease.

One of the most disturbing developments in the battle against GBS is the recent scientific research linking this disease to infection by a common food-borne pathogen known as Campylobacter, which is the most common bacterial cause of food-borne illness in the United States. These bacteria frequently contaminate raw chicken. Unfortunately, Campylobacter is also one of a growing number of bacteria that are developing resistance to the antibiotic drugs commonly used to treat the diseases they cause, and these drug-resistant bacteria are now a major public health threat.

The health and safety of the American people is one of our top priorities in Congress. Microbial contamination of food is an increasing problem. The association of GBS with Campylobacter infection demonstrates that food-borne illness is a serious national challenge. We need to take more effective action against these threats to families and communities. An important priority of this Congress is to act on legislation that will enhance the nation's ability to deal with contaminated food and antimicrobial-resistant organisms.

We in Congress also need to do more to support research into all aspects of the prevention, treatment, and cure of GBS. I welcome GBS Awareness Day this year as an opportunity for all of us in Congress and across the country to become more actively involved in meeting this important public health challenge.●

## 25TH ANNIVERSARY OF ASSOCIATION OF MAPPING SENIORS

● Ms. MIKULSKI. Mr. President, I rise today to congratulate the Association of Mapping Seniors (AMS) on the 25th Anniversary of their founding.

The AMS is a distinguished organization of former employees at mapping and imagery agencies like the National Imagery and Mapping Agency (NIMA). Their important work has been invaluable to both our national policy makers, and our national security.

Mr. President, the data produced by these dedicated Americans has been key to understanding our world and making it safer. Mapping and imagery not only help us support our men and women in uniform, but also help us develop our cultural understanding of ourselves in terms of population, growth, religious and economic clusters, and more. I want to commend each and every member of the AMS for their indispensable service to our country, our community, and our culture.

I am also proud to note that Maryland has been home to many devoted members of this important organization. As many of my colleagues know, I am a strong and unyielding supporter of federal employees, and these men and women are no exception. I want to thank them, Mr. President, for their outstanding service to our country, and to honor them in celebration of the 25th Anniversary of the Association of Mapping Seniors.●

## RECOGNITION OF FAMILIES FOR HOME EDUCATION

● Mr. BOND. Mr. President, I rise today in recognition of Families for Home Education (FHE) in observance of Home Education Week, May 2–8, in my home State of Missouri. I join with the Missouri General Assembly in recognizing their commitment not only to excellence in education, but also to the promotion of public policy that strengthens the family.

Home educators make tremendous sacrifices to educate our nation's young people and they are making a difference. Countless studies show that parental involvement positively impacts the education of a child. Homeschooled children, in particular, benefit greatly from the individualized, one-on-one training they receive from dedicated parents and home educators. They are also afforded unique opportunities to participate in apprenticeships, and community and civic organizations. These activities serve to strengthen social skills and enrich their overall educational experience.

In today's challenging society, it is more important than ever that our young people receive a quality education if they are to succeed in the expanding global market. Home educators play a vital part in preparing children, tomorrow's workforce, to successfully compete and prosper in the adult world. I commend these dedicated parents and FHE, and wish them continued success in their endeavors.●

## TRIBUTE TO MARIANNE BOND WEBSTER

● Mr. CLELAND. Mr. President, I rise today to pay tribute to and honor the many accomplishments of Marianne Bond Webster, of Dunwoody, Georgia. By the age of 43, Marianne was a success by most yardsticks: happily married and the mother of two, tennis champion, gourmet cook, and a popular caterer. However, several events in Marianne's life sparked a midlife change which would cause her to re-examine her life and become more involved in our nation's political system. This realization spurred her to a more active role in WAND—the Women's Action for New Directions.

WAND is a national grassroots peace group emphasizing the role of women—activists, legislators and community leaders—on issues related to the federal budget, the military, violence, and nuclear disarmament and nonproliferation. A nonprofit organization founded in the early 1980s, WAND has grown into a national organization headquartered in Boston, MA, with an advocacy office in Washington, DC, and

a field office in Atlanta, GA, with chapters and organizational partners across the country. WAND's educational arm, WAND Education Fund, was started in 1982.

WAND's mission is to empower women to act politically to reduce violence and militarism and redirect excessive military resources to human and environmental needs.

In 1990, WiLL—the Women Legislators' Lobby, a program of WAND—was formed. WiLL is a powerful and unique membership network of progressive women state legislators. It is the only national multipartisan network of women state legislators from all 50 states working to influence federal policies and budget priorities. One out of three women state legislators is a member.

During the 1990s, it seemed Marianne Bond Webster was everywhere, doing everything for WAND and WiLL: lobby days, media workshops, a session on nuclear waste for junior high school students, a tour of the Savannah River Site, campaigning for Congresswoman CYNTHIA MCKINNEY, arranging benefit concerts with the Indigo Girls, and leading WAND both locally and nationally.

By 1998 Marianne had made two major decisions: to serve as WAND's National president, and to run for an open seat in the Georgia legislature. Caring, smart, honest, brave, and decent, I know she would have made a tremendous difference.

But, tragically, on April 17, 1998 she jumped on her bicycle to deliver her campaign leaflets. The bag holding her literature caught in the spokes, and she flew over the handlebars, breaking her neck when she landed. Marianne never regained consciousness. She died on June 11, 1998.

Family, friends, and WAND members maintained a constant vigil by Marianne's hospital bed and joined hands with those who could not through daily e-mail updates. She touched so many with her special magic. Her spirit lives on in all of us. And her work continues through Marianne's Fund.

Her family and friends developed the idea for a fund shortly after Marianne's death. And in 1999 WAND Education Fund established Marianne's Fund with the Atlanta Women's Foundation. WiLL and the other WAND programs, which had become so central in Marianne's life, will be beneficiaries of the Fund.

Marianne believed wholeheartedly that all women, if offered support and training, would contribute significantly to the political process. She recruited women state legislators to WiLL enthusiastically, and connected WAND activists with WiLL members nationally, to forge powerful alliances. With courage and intelligence, she took on WAND's complex issues, becoming an expert on the subject of nuclear waste. Marianne toured nuclear weapons facilities and test sites. She wrote passionately about the legacy of nuclear weapons, alerting her audience to the dangers and costs of continued nuclear weapons production.

Related programs of peace, justice, and protection of the environment identified by the Webster/Bond family will also be beneficiaries of Marianne's Fund. Marianne worked to increase the women's vote, strongly supported affirmative action for women in business and the professions, donated generously to battered women and children's causes, and contributed much to other grassroots organizations.

Mr. President, I ask that you and my colleagues join me in recognizing and honoring the life of Marianne Bond Webster. Marianne was a wonderful and amazing person who positively touched the lives, and bettered the lives, of many Georgians and many Americans. Although her life was unfortunately too short, her memory and her work on behalf of our country and our political system will last forever.●

## TRIBUTE TO HIS HIGHNESS SHAIKH ESSA BIN SALMAN AL-KHALIFA

● Mr. ABRAHAM. Mr. President, I rise today to pay tribute to His Highness Shaikh Essa Bin Salman Al-Khalifa, the late Amir of the State of Bahrain. The people of Bahrain recently commemorated the 40th day of mourning for their great leader who passed away on the 6th of March. Shaikh Essa was known for his kindness and compassion and will be dearly missed by both the people of Bahrain and his friends around the world.

Shaikh Essa was a visionary leader who helped transform the Bahraini economy from an oil-based economy to an economy of trade, investment, banking, and service. These improvements led to Bahrain achieving one of the highest standards of living among the Arab countries.

Under Shaikh Essa, Bahrain strengthened its relationship with the West. In 1903, Mason Memorial, the first American hospital in the region, was established. It has since become a landmark. In 1932, when Bahrain became the first country in the southern Gulf region to discover oil, American expertise backed the exploration. This year Bahrain is celebrating the 50th Anniversary of the strong friendship it has with the United States and our Navy. The Bahrani Ambassador to the United States, His Excellency Mohammad Abdul Ghaffar Abdulla, continues to do a wonderful job in keeping this strong friendship alive.

My condolences go out to the people of Bahrain and Shaikh Essa's family. I wish to extend my warmest regards to His Highness Shaikh Hamad Bin Essa Al-Khalifa, who has succeeded his father as the new Amir of Bahrain. I am certain he will follow his father's path and continue to keep allied relations between Bahrain and the United States.

Mr. President, I ask that the Amir's tribute to his father be printed in the RECORD.

The tribute follows.

SPEECH OF HIS HIGHNESS SHAIKH HAMAD BIN ESSA AL-KHALIFA, AMIR OF THE STATE OF BAHRAIN

In The Name of God, Most Gracious, Most Merciful

Our Dear People, Peace, And God Blessings Be Upon You

God most high said ''among the believers are men who have been true to their covenant with God, of them some have completed their vow, and some still wait, but they have never changed their determination in the least.'' Trust said God almighty.

At this historical circumstances, we share with you the great tragic of the sad demise and great loss of our father, the leader.

At the same time we are all united with prospect of confidence to shoulder the responsibility of continuing the pursuance of the path and the course he laid down through his sagacity, devotion and tolerance.

In line with this, we need to meet the demands and changes of the future, in a world rift with volatility, by means of Bahrain's potentialities comprising the ability to develop and revitalize since the start of process of modern progress and development.

For that, Bahrain has been leading the drive among brotherly states and closely working with them in this vital region, of the Arab nation and the whole world.

The Respected Citizens, with the loss of our father, late Shaikh Essa Bin Salman Al-Khalifa, we have lost an Amir who was a caring beloved leader, a close friend to every individual of his people and a great man whom the whole world loved and respected.

His human legacy shall remain the guide of this nation and over next generations, reflecting the true image of Bahrain in devotion, tolerance and civilization.

Prevailed by this great tragic loss, and satisfied by the creed of God almighty, we pray that his mercy and blessing bestow our beloved who granted his country, people and nation all the goodness of action which shall remain the guide we follow in the nation and which will be preserved as a path we pursue enabling us to shoulder and assume the tremendous responsibility, we all are charged with for the sake of the pride, prosperity of Bahrain and for the future of the generations.

The great late beloved left for us a well-developed, flourished and secured nation and he turned Bahrain into an oasis of civilization, prosperity and a landmark of knowledge and progress in an Arabian Gulf and the pan Arab nation.

We ought to carry the standard, should the responsibility and continue the drive to serve this nation which is characterized by good nature and manner of the people, and by the competence and the civilized standard of the sons of this country.

Our dear people, Our great late man shall be recorded by history for his leading role, high status and great decency.

From this rich testimony, having great respect for the great late father, and at this adieu position with a forward look towards future, we recall that Essa Bin Salman was for us and his people in Bahrain, the man of

national independence, of the constitution and consultation and the man who accomplished the state of institutions, law and order.

He was the man of development, panprogress and national economy.

He was the man of Gulf unity and Arab solidarity in most difficult situations and circumstances.

He was the man of peace and international cooperation and genuine friendship among the peoples of the world.

All these guiding features shall remain before us while we pursue national path, our Gulf unity and our Arab solidarity and in all domains of our regional approach with the neighbors and our global cooperation.

We shall remain the solid course at various levels, with all of you in the drive of the national work, with the brothers in the Gulf and the Arab world and with every sincere friend of Bahrain, in this region and in the whole world.

With the blessings of God almighty, we shall adhere to the track forged by the great late, we shall share love, brace and cooperation with all who seek goodness for Bahrain, inside and outside, and we shall protect and safeguard Bahrain against any harm through the determination and sacrifices.

As we pay tribute to the great late man and accolade his achievements, we ought to applaud with gratitude and for the sake of truth and history, the leading role of his brother and his right hand our uncle His Highness Shaikh Khalifa Bin Salman Al-Khalifa, the Prime Minister, who and since the beginning till the last minute, spared no effort in serving the nation, developing the country, leading the government through his deep vision, sagacity and hard work resulting in the fruits of wisdom, experience and well organized systems.

He was and shall remain a source of richness and a source of vision and inspiration to face the tasks of national work and future challenges.

Every thanks and appreciation are extended to His Highness for the honorable and leading stances he played for the sake of this nation and at all stages of development. We have the confidence that through gifted traits of deep perception and solid resolve, His Highness will continue the path of devotion we expect from him and from the generation of the fathers who accompanied him in quest for development and progress.

On other respect, witnessing this historical turning point, we call on and urge the young generation of Bahrain to shoulder their responsibilities and prepare for their tasks, starting from our Crown Prince His Highness Shaikh Salman Bin Hamad Al-Khalifa, whom we wish every success in discharging his new constitutional mission.

We take this opportunity to express our appreciation for the unanimity and the support we gained from the members of the ruling family, led by our uncle His Highness Shaikh Khalifa Bin Salman Al-Khalifa and our uncle His Highness Shaikh Mohammed Bin Salman Al-Khalifa who commended his appointing as the Crown Prince in accordance with the constitution.

Our dear people, It would be necessary to express to all of you every gratitude over the cohesion and sincere loyalty you have demonstrated at this historical situation, representing your sustained allegiance which reflects true unity between the people and their leadership in this cherished country.

I would like to say it clearly that as a son of Essa and as an adherent to the duty, I shall raise the standard of his path which does not differentiate between the people of the single nation, regardless of their beliefs and origin, and which only consider the honesty of national association, and which consider the true citizenship which seeks every goodness for Bahrain and her people.

On the Gulf, Arab and Islamic domains, we are pleased to express, on your behalf, the deep appreciation for the sentiments of heartfelt condolences and over the stances of sincere support we received from all brothers, leaders and people in the Gulf and Arab states, affirming the reality of unity which binds us all and to whom our late great leader was one of its prominent figures.

We are also in the position to convey appreciation and thanks to the Islamic countries which embraced us with truly sincere feelings, and to all friendly states of the world with whom we share the keenness for a stable, secure and prosperous international community.

To conclude, witnessing this historical point, and as we consider our assessment of all the institutions, the Consultative Council and various bodies of Bahrain national community for their constructive contribution, we have the pleasure to extend a message of applaud to those who safeguarded the soil of this nation and protected the achievements, and to express, on your behalf, every encouragement and support to the personnel of Bahrain Defense Force, who are shouldering the tremendous responsibilities in protecting the country, safeguarding its territories and securing the security and tranquility of citizens and residents.

This is achieved by means of joining forces with exerted efforts of security forces, police and the national guard.

At this moment, we recall the saying of our great late leader who addressed the personnel of Bahrain Defense Force and said ''our solid belief of Bahrain Defense Force is an integral part of the forces of Gulf Cooperation Council providing with further confidence and determination to achieve the security and stability of our region. You have presented a true example in accomplishing the mission of honor and duty.''

Such belief will remain our solid conviction at all times and circumstances.

Our dear people, We pledge to remain with you at every step and stage of our national work, for we are strong through the support of God almighty and your backing.

Cohesion and unity will continue to exist between us for the sake of Bahrain image and pride and for the sake of her prosperity.

We shall present before you our views and perspective on the future of the national action, and it would be our concern to perceive your expectations and aspirations for the goodness of Bahrain based on the formula of cohesion between the leadership and the citizen.

We are greatly confident that our Bahraini civilized society is blessed with many potentials of real progress upon which we can build in the path of political, administrative and economic development.

Such path we highly believe in and consider it as a source of richness for our traditions of consultation, and as a pattern for governmental development and for accomplishing the comprehensive progress and diversifying of the national economy in the interest of the people of this nation and every piece of this soil.

Finally, we have but to pray for God almighty to bestow our great loss and our leader with the mercy and rest him unto the heaven.

We are consoled by the fact that we shall remain adherent to his spirit and keep his path, to protect the soil of this nation, by every means of determination, dedication and resolve.

And say work righteousness, soon will God observe your work and his Apostle and the believers. Peace and God's blessings be upon you.●

## HONORS FOR STAN AND IRIS OVSHINSKY

● Mr. LEVIN. Mr. President, this weekend, two very special people, Stan and Iris Ovshinsky, will be honored by the Workmen's Circle/Arbeter Ring, a nonprofit organization dedicated to preserving Jewish heritage and Yiddish culture, and to pursuing social and economic justice.

The organization's selection of Stan and Iris is most fitting. Their work on behalf of social causes and their love of Yiddish culture has been a constant part of their lives. But what makes Stan and Iris so special is that theirs is also a great love story. Stan and Iris met, fell very much in love, married and dedicated themselves to ''Tikkun Olam,'' the Jewish belief in the responsibility to ''repair the world'' and leave it a better place for future generations. Their steadfast commitment to Tikkun Olam is nowhere more evident than in their work together at Energy Conversion Devices (ECD), the materials technology company they founded in Troy, Michigan in 1960 when they joined their lives together.

Stan, a self-taught inventor/scientist who never attended college, began working in the field of amorphous and disordered materials in 1955, when the scientific community regarded them as of little scientific interest. Iris, who has a PhD in biochemistry, joined him in his work after they met. Stan and Iris proved that these materials were of great value scientifically and technologically. Stan's initial paper describing their properties has become one of the five most cited publications in the history of the prestigious Physical Review Letters. That and subsequent papers, some co-authored with Iris, led to a new field of scientific study.

From the beginning, Stan and Iris understood the significance of their discoveries. They saw a future in which new engineered materials could be used to improve people's lives, solve societal problems and build new industries. They committed themselves and ECD to that vision and never wavered from it. Always on the cutting edge, often ahead of their time, they have stayed the course. Today, ECD holds over 350 active U.S. patents and over 800 corresponding foreign patients. Amorphous semiconductors and other engineered amorphous and disordered materials are now widely used in an array of products, many of which have been developed and commercialized at ECD.

Three technologies exemplify the Ovshinskys' ingenuity and commitment to their vision:

Amorphous Silicon Photovoltaics (PV): The Ovshinskys were determined to develop a practical and affordable method of generating electric power from the sun, and pioneered the use of amorphous silicon materials to reduce materials costs and energy used in a highly innovative roll-to-roll solar cell production process. Award winning products using their technologies are already in the marketplace.

Ovonuc Nickel Metal Hydride Batteries: The ''Ovonic'' battery is a high performing, nontoxic rechargeable nickel metal hydride (NiMH) battery. NiMH batteries are replacing nickel cadmium batteries used in portable electronic devices. Determined to develop products of benefit to society, the Ovshinskys led their company into developing the battery for advanced vehicle technologies to ease growing concerns over air pollution. NiMH batteries are the advanced electric vehicle battery of choice of major auto manufacturers.

Computer Information Storage Materials and Devices: The phase change erasable semiconductor materials developed by the Ovshinskys have become the standard in rewritable optical discs. Similar materials employing the same physics show the potential for use in electronic devices that can help the United States recapture its former dominant position in semiconductor memories.

The totality of Stan and Iris's achievements is remarkable. They pioneered a new branch of science and then successfully applied this science to develop new technologies and commercial products having significant impacts on the energy and information industries. Because of their efforts to solve major problems through science and technology, the world will be a better place. Now in their 70s, their work and their commitment continue unabated, as does their obvious love for and delight in one another.●

## WHEN HISTORY ASKS WHO STOOD UP TO EVIL IN KOSOVO, THE ANSWER WILL BE: NATO

● Mr. DODD. Mr. President, sixty years ago, as Europe moved increasingly close to war, a number of philanthropic organizations came to the aid of those desperately trying to escape the Holocaust. Today, many of those same organizations have turned their attention to helping the latest victims of genocide. The American Jewish Committee, for example, has raised over $800,000 in humanitarian aide for the Kosovar refugees.

As in World War II, these organizations recognize that they cannot stop the genocide without support from the world community. In the case of Kosovo, that means that NATO has had to bring its military might to bear on Slobodan Milosevic. This sentiment was poignantly expressed in a recent statement by the American Jewish Committee, one of the organizations actively worked to alleviate both the European genocide of today and that of a generation ago.

Mr. President, I therefore ask that their statement in support of NATO's ongoing efforts be printed in the RECORD.

The statement follows.

STATEMENT BY THE AMERICAN JEWISH COMMITTEE

When history asks who stood up to evil in Kosovo, the answer will be: NATO. The world could see the slaughter coming. Diplomats worked furiously to prevent it—and, for a time, succeeded.

But when Yugoslavia's Slobodan Milosevic, in the name of a nationalism run amok, set his army and police at the throat of the ethnic Albanian citizens of Kosovo defying appeals to end the terror and withdraw, one international force had the resolve to stand up to Belgrade's policy of barbarism.

NATO, the guarantor of European security for half a century, rose to the challenge of defending the Kosovo Albanians. Nineteen countries acted in unison to stop the violence against the Kosovars and seek their safe return under international protection.

In this noble mission, NATO must prevail. What is at stake in Kosovo isn't oil or commerce or trading routes. What is at stake are basic principles: human rights, human dignity, the credibility of deterrence, collective security. With determination and courage, NATO weighed the difficult choices and chose to act—because it was right, because the alternative would give tyrants a green light to terrorize civilian populations and destroy the fabric of international order. We recognize the sacrifice made by each NATO member to arrest evil in Kosovo. In this dark century, witness to unspeakable acts of inhumanity, we applaud the alliance for taking a principled stand.●

## TRIBUTE TO CHIEF THOMAS C. O'REILLY

● Mr. LAUTENBERG. Mr. President, throughout my career in the Senate I have made the fight against crime one of my top legislative priorities. Consequently, it gives me great pleasure to recognize the career and accomplishments of one of New Jersey's most distinguished public servants, Chief Thomas C. O'Reilly of the Newark Police Department.

For years, the City of Newark has faced many challenges. But I am proud to say today Newark is now a city on the rise. There are many people to thank and recognize for the rebirth of New Jersey's largest city. Today, I would like to thank Chief Thomas C. O'Reilly in particular. Chief O'Reilly has devoted more than four decades of his life to serving the city of Newark as a police officer. His service to the city began on December 10, 1956, when he joined the Police Department. He started as a patrol officer and rose through the ranks to Detective, Sergeant, Lieutenant, Captain, Inspector, Deputy Chief, Chief-of-Staff and finally Police Chief.

Tonight, April 29, 1999, Chief Thomas C. O'Reilly will be honored by the city of Newark and I am happy to join the many voices who will thank him for his career on the front lines of law enforcement. We are indebted to him for his service. Those who follow him as Police Chief have a spendid model of leadership to follow. Chief Thomas O'Reilly's level of commitment and dedication to the safety of Newark's residents represents our nation's finest traditions of community service.●

## APPOINTMENT

The PRESIDING OFFICER. The Chair announces on behalf of the majority leader, pursuant to Public Law 105–277, the appointment of Delna Jones of Oregon, Representative of Local Government, as a member of the Advisory Commission on Electronic Commerce, vice James Barksdale.

Mr. LOTT. Mr. President, the Internet is nearly a ubiquitous aspect of American life. It goes without saying ''electronic commerce''—e-commerce—has become a central aspect for buying products and services. Only two years ago five million households shopped for some product on the Internet. Last year that number doubled. Now the forecast for this year is that nearly 15 million households will let their keyboards do the work. This is a threefold increase of shoppers in only two years. One can also look at the dollar volume affected, which is predicted to double to $31B this year.

Mr. President, city, county and state officials are understandably overwhelmed by this Internet Tsunami—15 million homes spending $31 billion. I have spent time talking with these public officials. I have listened to their views. They are frightened, and they have legitimate concerns about their sales tax base. However, electronic commerce will not end Main Street as we now know it. I am confident public policy will evolve to deal with the new electronic marketplace in a fair and balanced manner.

Although the Internet is currently accessed by almost 40 million American homes, less than half are using the Internet for commerce purposes. This tells me there are issues that need to be addressed beyond how the sales tax is treated—issues like encryption, privacy and digital signatures—all necessary components for vibrant Internet commerce. I hope Congress will examine and act on these issues during the 106th Congress, while the Advisory Commission on Electronic Commerce works on the tax implications.

The Advisory Commission on Electronic Commerce must complete its report promptly so the information is available to Congress before the moratorium on new Internet taxes ends. Mr. President, the report date does not need to be extended. I am very impressed with Governor Jim Gilmore's

leadership of the Commission and his aggressive technology agenda. I commend him for his progress thus far, and I know he will deliver on time a fair and balanced report.

Mr. President, let me back up and say a few words about the Commission. This provision was part of the compromise Representative CHRIS COX worked out with state and local government associations. His efforts precipitated the legislative process and culminated in the bill becoming law. I want to thank Representative COX for proposing and fine tuning the Commission. I consulted with him as Congress worked to get this Commission up and running and appreciate his diligence and insight throughout the process.

Mr. President, today I also want to commend my friend Jimmy Barksdale for graciously volunteering to step down from the Commission. He and I both agree that the issues surrounding the Internet are too important to let individuals and personal agendas get in the way. Jimmy decided to step aside so the Commission can get beyond the disruptive law suit. Let me say a few words about why I selected Jimmy in the first place—I wanted a Mississippian who could bring Southern common sense and wisdom to the evolving public policy for the Internet. Jimmy knows what it takes to create a new marketplace and he understands the interplay and context for each facet of the telecommunications sector, especially since the Telecommunications Act of 1996 empowered many sectors to compete with each other.

I have selected Ms. Delna Jones to fill the vacancy. Ms. Jones is a public official who brings the Commission into a balance between public and private sector interests. Ms. Jones is a county official from Washington County, Oregon, thus ensuring that each layer of local government is now represented. Ms. Jones is from a non-sales tax state which now means all state configurations for income and sales tax approaches are present. Ms. Jones also worked for a telecommunications company and is no stranger to this aspect of the communication world. Ms. Jones will provide the Commission a voice for the 46% of all Internet users who are female. Ms. Jones has been recognized by the National Federation of Independent Business which tells me she is sensitive to the needs of small business—a key component of our economy. Her background brings a valuable professional richness to the Commission. Senator GORDON SMITH both knows and has served with Ms. Jones in Oregon's state legislature. He believes she has the right mix of professional and personal skills to make a meaningful and significant contribution to the Commission.

Mr. President, I want the record to be clear. The Commission's imbalance was not created by me, and it is unfortunate that those who did not fulfill the law's mandate were paralyzed and unable to offer a real fix. I have stepped up to the problem and changed one of my selections. Evolving Internet public policy is just too important to be held hostage. I want America to have a vibrant electronic communication and commerce medium for the 21st Century.

I also want to challenge the members of the Advisory Commission on Electronic Commerce to focus and produce recommendations that will assist Congress in making the right public policy for the Internet.

Mr. President, today 37 million Americans will click on the Internet for something, perhaps a purchase. They need and deserve the right public policy—a policy this Commission can and will influence. We should not be afraid of this technology shift—the Internet's Tsunami, e-commerce—nor should we ignore the consequences of how America's commerce is or should be structured to ensure the prosperity and vitality of America's 21st Century electronic economy.

The PRESIDING OFFICER. The Senator from Oklahoma.

## COMMEMORATING MEN AND WOMEN WHO HAVE LOST THEIR LIVES SERVING AS LAW ENFORCEMENT OFFICERS

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate now proceed to immediate consideration of Senate Resolution 22, reported today by the Judiciary Committee.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 22) commemorating and acknowledging the dedication and sacrifice made by the men and women who have lost their lives while serving as law enforcement officers.

There being no objection, the Senate proceeded to consider the resolution.

Mr. NICKLES. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table

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

The resolution (S. Res. 22) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 22

Whereas the well-being of all citizens of this country is preserved and enhanced as a direct result of the vigilance and dedication of law enforcement personnel;

Whereas more than 700,000 men and women, at great risk to their personal safety, presently serve their fellow citizens in their capacity as guardians of peace;

Whereas peace officers are the front line in preserving our children's right to receive an education in a crime-free environment that is all too often threatened by the insidious fear caused by violence in schools;

Whereas 158 peace officers lost their lives in the performance of their duty in 1998, and a total of nearly 15,000 men and women have now made that supreme sacrifice;

Whereas every year 1 in 9 officers is assaulted, 1 in 25 officers is injured, and 1 in 4,400 officers is killed in the line of duty; and

Whereas, on May 15, 1999, more than 15,000 peace officers are expected to gather in our Nation's Capital to join with the families of their recently fallen comrades to honor them and all others before them: Now, therefore, be it

*Resolved,* That the Senate—

(1) recognizes May 15, 1999, as Peace Officers Memorial Day, in honor of Federal, State, and local officers killed or disabled in the line of duty; and

(2) calls upon the people of the United States to observe this day with the appropriate ceremonies and respect.

## NATIONAL CORRECTIONAL OFFICERS AND EMPLOYEES WEEK

Mr. NICKLES. Mr. President, I ask unanimous consent the Senate proceed to the immediate consideration of Calendar No. 100, Senate Resolution 29.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 29) designating the week of May 2, 1999, as ''National Correctional Officers and Employees Week.''

There being no objection, the Senate proceeded to consider the resolution.

Mr. NICKLES. I ask unanimous consent the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table

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

The resolution (S. Res. 29) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 29

Whereas the operation of correctional facilities represents a crucial component of our criminal justice system;

Whereas correctional personnel play a vital role in protecting the rights of the public to be safeguarded from criminal activity;

Whereas correctional personnel are responsible for the care, custody, and dignity of the human beings charged to their care; and

Whereas correctional personnel work under demanding circumstances and face danger in their daily work lives: Now, therefore, be it

*Resolved,* That the Senate designates the week of May 2, 1999, as ''National Correctional Officers and Employees Week''. The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

## NATIONAL ALS AWARENESS MONTH

Mr. NICKLES. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 102, Senate Resolution 72.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 72) designating the month of May in 1999 and 2000 as ''National ALS Awareness Month.''

There being no objection, the Senate proceeded to consider the resolution.

Mr. NICKLES. Mr. President, I ask unanimous consent the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table

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

The resolution (S. Res. 72) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 72

Whereas Amyotrophic Lateral Sclerosis (ALS), commonly known as Lou Gehrig's Disease, is a progressive neuromuscular disease characterized by a degeneration of the nerve cells of the brain and spinal cord leading to the wasting of muscles, paralysis, and eventual death;

Whereas approximately 30,000 individuals in the United States are afflicted with ALS at any time, with approximately 5,000 new cases appearing each year;

Whereas ALS usually strikes individuals that are 50 years of age or older;

Whereas the life expectancy of an individual with ALS is 3 to 5 years from the time of diagnosis;

Whereas there is no known cause or cure for ALS;

Whereas aggressive treatment of the symptoms of ALS can extend the lives of individuals with the disease; and

Whereas recent advances in ALS research have produced promising leads, many related to shared disease processes that appear to operate in many neurodegenerative diseases: Now, therefore, be it

*Resolved,* That the Senate—

(1) designates the month of May in 1999 and 2000 as ''National ALS Awareness Month''; and

(2) requests the President to issue a proclamation calling on the people of the United States to observe the month with appropriate ceremonies and activities.

## EXECUTIVE SESSION

### EXECUTIVE CALENDAR

Mr. NICKLES. I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations: Executive Calendar No. 44 and all nominations reported by the Armed Services Committee today with the exception of Lt. Gen. Ronald T. Kadish.

I further ask unanimous consent the nominations be confirmed, the motion to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF THE TREASURY

David C. Williams, of Maryland, to be Inspector General for Tax Administration, Department of the Treasury. (New Position)

DEPARTMENT OF DEFENSE

Brian E. Sheridan, of Virginia, to be an Assistant Secretary of Defense.

Lawrence J. Delaney, of Maryland, to be an Assistant Secretary of the Air Force.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Maj. Gen. Donald G. Cook.

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Lt. Gen. Lance W. Lord.

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated title 10, U.S.C., section 624:

*To be brigadier general, Dental Corps*

Col. Kenneth L. Farmer, Jr.

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be general*

Lt. Gen. John G. Coburn.

The following named officer for appointment in the United States Army to the grade indicated title 10, U.S.C., section 624:

*To be brigadier general, Medical Corps*

Col. Joseph G. Webb, Jr..

IN THE AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be lieutenant general*

Maj. Gen. Leslie F. Kenne.

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be general*

Gen. Ralph E. Eberhart.

The following named officer for appointment as Vice Chief of Staff, United States Air Force, and appointment to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601 and 8034:

*To be general*

Lt. Gen. Lester L. Lyles.

IN THE ARMY

The following named officer for appointment as Assistant Surgeon General and Chief of the Dental Corps, United States Army, and for appointment to the grade indicated under title 10, U.S.C., section 3039:

*To be major general*

Brig. Gen. Patrick D. Sculley.

IN THE NAVY

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

*To be vice admiral*

Rear Adm. Thomas R. Wilson.

IN THE AIR FORCE

The following Air National Guard of the United States officer for appointment in the Reserve of the Air Force to the grade indicated under title 10, U.S.C., section 12203:

*To be brigadier general*

Col. Ronald J. Bath.

The following named officer for appointment to the grade indicated in the United States Air Force, under title 10, U.S.C., sections 624 and 1552:

*To be lieutenant colonel*

Jerry A. Cooper

The following named officer for appointment to the grade indicated in the United States Air Force and appointment as permanent professor, United States Air Force Academy, under title 10, U.S.C., sections 9333(b) and 9336(a):

*To be colonel*

Thomas A. Drohan

The following named officer for appointment to the grade indicated in the Reserve of the Army under title 10, U.S.C., section 12203:

*To be colonel*

Stephen K. Siegrist

The following named officer for appointment to the grade indicated in the United States Army in the Judge Advocate General's Corps under title 10, U.S.C., sections 624 and 3064:

*To be lieutentant colonel*

David A. Mayfield

The following named officer for appointment to the grade indicated in the United States Army Medical Corps under title 10, U.S.C., sections 624, 628, and 3064;

*To be lieutenant Colonel*

Francisco J. Dominguez

The following named officer for appointment to the grade indicated in the United States Army Medical Service Corps under title 10, U.S.C., sections 531, 624, 628, and 3064:

*To be major*

Japhet C. Rivera

The following named Army National Guard of the United States officer for appointment to the grade indicated in the Reserve of the Army under title 10, U.S.C., sections 12203 and 12211:

*To be colonel*

Roy T. McCutcheon, III

IN THE MARINE CORPS

The following named officer for appointment to the grade indicated in the United States Marine Corps under title 10, U.S.C., section 624:

*To be colonel*

Harold E. Poole, Sr.

The following named limited duty officer for appointment to the temporary grade indicated in the United States Marine Corps in

accordance with section 6222 of title 10, U.S.C.:

*To be colonel*

Timothy W. Foley

The following named officer for appointment to the grade indicated in the United States Marine Corps under title 10, U.S.C., section 624:

*To be major*

Kenneth C. Cooper

IN THE NAVY

The following named officer for appointment to the grade indicated in the United States Navy under title 10, U.S.C., section 624:

*To be commander*

Leo J. Grassilli

The following named officer for appointment to the grade indicated in the United States Navy under title 10, U.S.C., section 624:

*To be captain*

Melvin D. Newman

The following named officer for appointment to the grade indicated in the United States Navy under title 10, U.S.C., section 624:

*To be commander*

Scott R. Hendren

IN THE AIR FORCE

Air Force nominations beginning *Husam S. Nolan, and ending James H. Walker, which nominations were received by the Senate and appeared in the Congressional Record on March 18, 1999.

Air Force nominations beginning Robert J. Vaughn, and ending Todd B. Silverman, which nominations were received by the Senate and appeared in the Congressional Record on March 22, 1999.

Air Force nominations beginning Gerald F. Bunting Blake, and ending Jeffery A. Renshaw, which nominations were received by the Senate and appeared in the Congressional Record on March 22, 1999.

Air Force nominations beginning Harvey J.U. Adams, Jr., and ending David J. Zupi, which nominations were received by the Senate and appeared in the Congressional Record on April 20, 1999.

Air Force nominations beginning Ronald G. Adams, and ending Walter H. Zimmer, which nominations were received by the Senate and appeared in the Congressional Record on April 20, 1999.

IN THE ARMY

Army nominations beginning Thomas M. Johnson, and ending *Anthony P. Risi, which nominations were received by the Senate and appeared in the Congressional Record on March 18, 1999.

Army nominations beginning Randall F. Cochran, and ending *Regina K. Draper, which nominations were received by the Senate and appeared in the Congressional Record on March 18, 1999.

Army nominations beginning Alfred C. Faber, Jr., and ending Edward L. Wright, which nominations were received by the Senate and appeared in the Congressional Record on March 18, 1999.

Army nominations beginning Dale F. Becker, and ending John F. Stoley, which nominations were received by the Senate and appeared in the Congressional Record on March 18, 1999.

Army nominations beginning John D. Knox, and ending David M. Shublak, which nominations were received by the Senate and appeared in the Congressional Record on April 20, 1999.

Army nominations beginning Joseph I. Smith, and ending Sara J. Zimmer, which nominations were received by the Senate and appeared in the Congressional Record on April 20, 1999.

Army nominations beginning Paul C. Proffitt, and ending Michael D. Zabrzeski, which nominations were received by the Senate and appeared in the Congressional Record on April 21, 1999.

Marine Corps nominations beginning Francis X. Bergmeister, and ending Kenneth P. Myers, which nominations were received by the Senate and appeared in the Congressional Record on April 20, 1999.

Marine Corps nominations beginning Seth D. Ainspac, and ending James B. Zientek, which nominations were received by the Senate and appeared in the Congressional Record on April 20, 1999.

Marine Corps nominations beginning Robert S. Abbott, and ending Steven M. Zotti, which nominations were received by the Senate and appeared in the Congressional Record on April 20, 1999.

IN THE NAVY

Navy nominations beginning Clifford A. Anderson, and ending Stephen G. Young, which nominations were received by the Senate and appeared in the Congressional Record on March 22, 1999.

Navy nominations beginning Brian L. Kozlik, and ending Stephen M. Wilson, which nominations were received by the Senate and appeared in the Congressional Record on April 20, 1999.

## LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

## ORDERS FOR FRIDAY, APRIL 30, 1999

Mr. NICKLES. Mr. President I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 9:30 a.m. on Friday, April 30. I further ask that on Friday immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day.

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

## PROGRAM

Mr. NICKLES. Mr. President, for the information of all Senators, the Senate will convene on Friday at 9:30 a.m. and immediately begin 30 minutes of debate relating to the cloture on the Social Security lockbox issue. Following that debate, the Senate will proceed to two rollcall votes. The first vote will be on the cloture to the Abraham amendment to Senate bill 557. The second vote on Senate Resolution 33, regarding a National Military Appreciation Month, will take place immediately following the first vote. Therefore, Senators can expect two votes at approximately 10 a.m. For the remainder of the day, the Senate may continue to debate the lockbox issue or any other legislation or executive items cleared for action.

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

## ORDER FOR ADJOURNMENT

Mr. NICKLES. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of my colleague, Senator ROBB.

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

The Senator from Virginia is recognized.

Mr. ROBB. I thank my colleague from Oklahoma.

(The remarks of Mr. ROBB pertaining to the introduction of S. 929 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

## ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. The Senate, under the previous order, stands adjourned until 9:30 a.m. Friday, April 30, 1999.

Thereupon, the Senate, at 5:44 p.m., adjourned until Friday, April 30, 1999, at 9:30 a.m.

## CONFIRMATIONS

Executive Nominations Confirmed by the Senate April 29, 1999:

DEPARTMENT OF THE TREASURY

DAVID C. WILLIAMS, OF MARYLAND, TO BE INSPECTOR GENERAL FOR TAX ADMINISTRATION, DEPARTMENT OF THE TREASURY. (NEW POSITION)

DEPARTMENT OF DEFENSE

BRIAN E. SHERIDAN, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE.

LAWRENCE J. DELANEY, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF THE AIR FORCE.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

*To be lieutenant general*

MAJ. GEN. DONALD G. COOK.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

*To be lieutenant general*

LT. GEN. LANCE W. LORD.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

*To be brigadier general, Dental Corps*

COL. KENNETH L. FARMER, JR.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED

WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

*To be general*

LT. GEN. JOHN G. COBURN.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

*To be brigadier general, Medical Corps*

COL. JOSEPH G. WEBB, JR.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10 U.S.C., SECTION 601:

*To be lieutenant general*

MAJ. GEN. LESLIE F. KENNE.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10 U.S.C., SECTION 601:

*To be general*

GEN. RALPH E. EBERHART.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS VICE CHIEF OF STAFF, UNITED STATES AIR FORCE, AND APPOINTMENT TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTIONS 601 AND 8034:

*To be general*

LT. GEN. LESTER L. LYLES.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS ASSISTANT SURGEON GENERAL AND CHIEF OF THE DENTAL CORPS, UNITED STATES ARMY, AND FOR APPOINTMENT TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 3039:

*To be major general*

BRIG. GEN. PATRICK D. SCULLEY.

NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

*To be vice admiral*

REAR ADM. THOMAS R. WILSON.

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT IN THE RESERVE OF THE AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

*To be brigadier general*

COL. RONALD J. BATH.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE, UNDER TITLE 10, U.S.C., SECTIONS 624 AND 1552:

*To be lieutenant colonel*

JERRY A. COOPER.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE AND APPOINTMENT AS PERMANENT PROFESSOR, UNITED STATES AIR FORCE ACADEMY, UNDER TITLE 10, U.S.C., SECTIONS 9333(B) AND 9336(A):

*To be colonel*

THOMAS A. DROHAN.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTION 12203:

*To be colonel*

STEPHEN K. SIEGRIST.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN THE JUDGE ADVOCATE GENERAL'S CORPS UNDER TITLE 10, U.S.C., SECTIONS 624 AND 3064:

*To be lieutenant colonel*

DAVID A. MAYFIELD.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 624, 628, AND 3064:

*To be lieutenant colonel*

FRANCISCO J. DOMINGUEZ.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL SERVICE CORPS UNDER TITLE 10, U.S.C., SECTIONS 531, 624, 628, AND 3064:

*To be major*

JAPHET C. RIVERA.

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

*To be colonel*

ROY T. MC CUTCHEON III.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

*To be colonel*

HAROLD E. POOLE, SR.

THE FOLLOWING NAMED LIMITED DUTY OFFICER FOR APPOINTMENT TO THE TEMPORARY GRADE INDICATED IN THE UNITED STATES MARINE CORPS IN ACCORDANCE WITH SECTION 6222 OF TITLE 10, U.S.C.:

*To be colonel*

TIMOTHY W. FOLEY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

*To be major*

KENNETH C. COOPER.

NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

*To be commander*

LEO J. GRASSILLI.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

*To be captain*

MELVIN D. NEWMAN.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE INDICATED IN THE UNITED STATES NAVY UNDER TITLE, 10, U.S.C., SECTION 624:

*To be commander*

SCOTT R. HENDREN.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING *HUSAM S. NOLAN, AND ENDING JAMES H. WALKER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 18, 1999.

AIR FORCE NOMINATIONS BEGINNING ROBERT J. VAUGHN, AND ENDING TODD B. SILVERMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 22, 1999.

AIR FORCE NOMINATIONS BEGINNING GERALD F BUNTING BLAKE, AND ENDING JEFFERY A. RENSHAW, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 22, 1999.

AIR FORCE NOMINATIONS BEGINNING HARVEY J. U. ADAMS, JR., AND ENDING DAVID J. ZUPI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 20, 1999.

AIR FORCE NOMINATIONS BEGINNING RONALD G. ADAMS, AND ENDING WALTER H. ZIMMER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 20, 1999.

IN THE ARMY

ARMY NOMINATIONS BEGINNING THOMAS M. JOHNSON, AND ENDING *ANTHONY P. RISI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 18, 1999.

ARMY NOMINATIONS BEGINNING RANDALL F. COCHRAN, AND ENDING *REGINA K. DRAPER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 18, 1999.

ARMY NOMINATIONS BEGINNING ALFRED C. FABER, JR., AND ENDING EDWARD L. WRIGHT, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 18, 1999.

ARMY NOMINATIONS BEGINNING DALE F. BECKER, AND ENDING JOHN F. STOLEY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 18, 1999.

ARMY NOMINATIONS BEGINNING JOHN D. KNOX, AND ENDING DAVID M. SHUBLAK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 20, 1999.

ARMY NOMINATIONS BEGINNING JOSEPH J. SMITH, AND ENDING SARA J. ZIMMER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 20, 1999.

ARMY NOMINATIONS BEGINNING PAUL C. PROFFITT, AND ENDING MICHAEL D. ZABRZESKI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 21, 1999.

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING FRANCIS X. BERGMEISTER, AND ENDING KENNETH P. MYERS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 20, 1999.

MARINE CORPS NOMINATIONS BEGINNING SETH D. AINSPAC, AND ENDING JAMES B. ZIENTEK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 20, 1999.

MARINE CORPS NOMINATIONS BEGINNING ROBERT S. ABBOTT, AND ENDING STEVEN M. ZOTTI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 20, 1999.

IN THE NAVY

NAVY NOMINATIONS BEGINNING CLIFFORD A. ANDERSON, AND ENDING STEPHEN G. YOUNG, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 22, 1999.

NAVY NOMINATIONS BEGINNING BRIAN L. KOZLIK, AND ENDING STEPHEN M. WILSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 20, 1999.

# EXTENSIONS OF REMARKS

## ELDERLY HOUSING QUALITY IMPROVEMENT ACT

### HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. LAFALCE. Mr. Speaker, today, I plan to introduce the ''Elderly Housing Quality Improvement Act.'' I am pleased to be joined in this effort by ranking Banking Committee Democrats VENTO, KANJORSKI, and FRANK, as well as many other co-sponsors.

According to HUD's ''Worse Case Housing Needs'' study, 1.5 million elderly households pay over 50% of their income for rent or live in severely substandard housing. As our nation ages, and as our affordable housing stock continues to shrink, this problem is likely to get worse.

The Elderly Housing Quality Improvement Act addresses this growing crisis through targeted funding increases and legislative changes designed to update and expand our stock of elderly housing, and to improve the quality of life of low-income seniors.

As affordable elderly housing units built in the 1970's and 1980's have aged, project sponsors, many of them non-profits, all too often lack the resources for adequate repair and maintenance. The first goal of the Elderly Housing Quality Improvement Act is to give these sponsors additional tools and resources to properly maintain elderly housing.

Most dramatically, the bill creates a new grant program for capital repairs for federally assisted elderly housing units, to be funded at $100 million a year. Funds would be awarded on a competitive basis, based on the need for the proposed repairs, the financial need of the applicant, and the impact on the tenants for failure to make such repairs.

The bill also amends existing programs to improve the quality of elderly housing units. It facilitates the refinancing of high interest rate Section 202 elderly housing projects, by guaranteeing that at least half of refinancing savings, plus all excess reserve funds, may be retained for the benefit of the tenants or for the benefit of the project.

The bill contains an innovative approach to accelerate the availability of 1997 Mark-to-Market Section 531 recapture grant funds, to enable affordable housing sponsors to make large capital expenditures. The bill also makes all federally assisted housing projects eligible for such grants. And, the bill increases annual income for non federally insured Section 236 affordable housing projects, by letting them keep ''excess income.''

The second major goal of the bill is to make assisted living facilities more available and affordable to low income elderly. Assisted living facilities provide meals, health care, and other services to frail senior citizens who need assistance with activities of daily living. Unfortunately, poorer seniors who can't afford assisted living facilities are instead forced to move into nursing homes—with a lower quality of life at a higher cost.

In order to overcome this affordability problem, the bill makes conversion of federally assisted elderly housing to assisted living facilities an eligible activity under the newly created capital grant program. It also authorizes the use of Section 8 vouchers to pay the rental component of any assisted living facility. This would make the 200,000 elderly now receiving vouchers eligible to use them in assisted living facilities.

The legislation also authorizes 15,000 incremental vouchers, on a demonstration basis, for low income seniors for use in assisted living facilities. These vouchers are to be made available to ten state housing finance agencies or local public housing agencies.

Funds may be used so that an elderly tenant in project-based Section 8 project-based housing who needs assistance with activities of daily living may receive a new voucher to move to an assisted living facility. The vouchers may also be used to incentivize construction of assisted living facilities which agree to serve low-income seniors.

This demonstration would give us the opportunity to analyze whether authorizing additional Section 8 vouchers for this purpose might actually reduce government spending, by reducing the level of Medicaid expenditures that would otherwise be expended by the state and federal government in a nursing home setting.

Third, the bill promotes the use of service coordinators, which help elderly and disabled tenants gain access to local community services, thereby promoting independence. This bill doubles funding for grants for service coordinators in federally assisted housing, and lets service coordinators serve other low-income seniors in a local community. It also provides funds for new public housing service coordinator grants, and mandates renewal of all expiring grants, including those grants not renewed in the FY 1998 lottery.

Finally, the bill seeks to expand our stock of affordable housing for the elderly, by increasing Section 202 new construction of elderly housing by $50 million. It also encourages appropriators to consider demonstration projects which encourage the leveraging of funds from other sources, such as from tax credit deals, and to encourage the development of additional housing which is affordable for moderate income elderly.

Earlier this year, the Chairmen of the Housing Subcommittee and Banking Committee introduced H.R. 202, which deals with the worthy goal of ''conversion'' of Section 202 elderly housing projects. The Elderly Housing Quality Improvement Act complements H.R. 202, and simply gives elderly housing sponsors additional tools to carry out their mission. It is my hope that Democrats and Republicans can work together in a bi-partisan fashion to adopt the best of all these proposals and enact them into law.

## THE 75TH ANNIVERSARY OF THE FAIRVIEW COMMUNITY CHURCH

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. KUCINICH. Mr. Speaker, today I rise in honor of the 75th Anniversary of the Fairview Community Church for their outstanding service to the Cleveland area for the past 75 years.

Starting as just a Sunday School, with an enrollment of 129 people, the church grew to accommodate the growing community. On January 27, 1924, the Fairview Christian Union Church was founded with 52 members from 28 families. As the community continued to grow many in the community were unchurched. In addition to expanding to bring more people in to the church the congregation supported Christian missions. Mission giving continues to be an important part of the church's tradition today, over seventy years later.

Membership doubled and in April of 1936, even through hard financial times, the need for a building became apparent. With the support of the Cleveland Baptist Association a new Baptist chapter was formed. On May 2, 1943, even through the financial challenges, the new church building was dedicated.

In its effort to better serve the citizens of Cleveland on October 13, 1968, The Fairview Church merged with the West Shore Baptist Church and became known as the Fairview Community Church. Over the years the church has become an active member in many programs such as FISH, Food For Our Brothers, and the building of Willowood Manor. To help the needy in the area the church is also involved at the Jones Home, St. Paul's Community Church, The City Mission and with the families at Garnett School.

My fellow colleagues join me in honoring The Fairview Community Church for its outstanding commitment to the whole community, and especially the needy in the Cleveland area.

## TRIBUTE TO BOY SCOUT TROOP 116

### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. RADANOVICH. Mr. Speaker, I rise today to pay tribute to Boy Scout Troop 116 which is celebrating its 50th year of service to

Madera, California. Troop 116 has influenced the lives of approximately 700 men and boys in the values of citizenship, leadership by example, caring for the environment, respecting one's fellow man, and respecting the religious values of others.

During the troop's 50 years it has guided 42 of its members through the requirements to attain the ultimate rank of Eagle Scout. About eight percent of Troop 116's youth have attained the Eagle Scout Rank—about four times the national average. Scout training has also enabled two scouts to receive the Life Saving Awards from the National Council for saving a life while greatly risking their own.

Troop 116 has participated in several activities, and encourages volunteerism. It has sent many members to the periodic National jamborees held at various national historical sites. Scouts have initiated and participated in numerous food and clothing drives for the needy, a variety of clean-up and local improvement projects, as well as volunteering and doing a host of maintenance and upgrading projects in state and federal parks.

The Eagle Scouts will recognize their sponsor, The United Methodist Church of Madera, by presenting an Eagle's Nest as a sign of appreciation for the church's sponsorship over the past 50 years.

Mr. Speaker, I rise today to recognize Boy Scout Troop 116 in their 50th Anniversary for doing its part to positively influence the lives of men and boys in the Central Valley, and contribute to the community. I urge my colleagues to join me in wishing Troop 116 many years of continued success.

## MEDICARE MODERNIZATION BILL NO. 3—RURAL CASE MANAGEMENT ACT OF 1999

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. STARK. Mr. Speaker, it gives me great pleasure to introduce the Rural Case Management Act of 1999, a common sense approach to delivering high-quality, coordinated health care in rural America. This is the third week, and the third bill, in my campaign to modernize and improve Medicare.

Health care needs in rural areas are unique. Whereas many metropolitan areas suffer from an over-supply of providers, often there is only one provider serving a vast number of rural communities. One-size-fits-all solutions do not work for these opposite ends of the health care spectrum.

Yet, Republicans continue to promote managed care as the solution for all problems and people. Most recently, they have asked taxpayers to subsidize private managed care companies in rural counties, despite the widely acknowledged reality that managed care cannot function in rural areas due to the lack of providers. Changes made in 1997 BBA result in outlandish over-payments to private managed care plans that serve rural markets. In some counties, health plans are being paid almost twice as much as it costs traditional fee-for-service Secretary to operate there. Putting more money into an idea that simply cannot work is ridiculous. It's like watering a garden that has no seeds.

The Rural Case Management Act of 1999 would eliminate the waste established in the BBA by making payments directly to rural providers who coordinate care for their patients. This benefit would help coordinate care for the chronically ill, such as diabetes or HIV/AIDS patients, improve notification for preventive services, such as mammograms and flu shots, and provide follow-up care for people who need it. The choice to participate would be entirely voluntary: no one would be ''locked in'' to the web of a rural managed care plan that had limited providers and limited budgets.

There is no evidence that managed care is better for consumers than fee-for-service Medicine. In fact, for the frail chronically ill, evidence suggests the contrary. If HMOs were established in rural communities, beneficiaries in the area might be forced to join in order to get any service from the few local doctors and the one local hospital. Then, if they needed expensive care at a specialty center, would their local providers be reluctant to refer them to that center for care, when the cost would come out of the small budget of the local, rural HMO?

In light of the Patients Bill of Rights debate and the managed care horror stories I have shared with my colleagues in the past, I wonder if we should be subjecting rural America to monopolistic ''managed care'' unless much stronger consumer protections and quality measures are in place.

Providers are also having a difficult time with managed care. In a recent Project Hope survey, providers reported very serious problems with HMO reimbursement, clinical review, and paperwork. We should not encourage the growth of a health system with this many problems.

The most valuable thing managed care offers is coordinated follow-up care. This is an administrative function. Providers in areas without managed care can serve this function effectively. We can reap the benefits of managed care without throwing more money at an idea that simply will not work. The bill I am proposing would pay rural providers a special amount to provide the best thing that managed care has to offer: care management.

Some Members believe that bringing managed care into rural areas would being prescription drug coverage to rural beneficiaries. This is not likely. Managed care needs competition in order to work. But there will never be competition in many rural areas. The problem is that rural areas do not have ''extra'' providers to compete against one other.

Competition is also what results in extra benefits in Medicare managed care. Health plans vying for greater enrollment entice beneficiaries to their plan by providing extra benefits, such as prescription drug coverage and zero deductibles. Due to the lack of competition, these extra benefits will seldom be offered in rural areas. A recent GAO report noted that prescription drugs were the only extra benefit for which overall beneficiary access increased in 1999. However, access to prescription drugs actually decreased in lower payment (i.e., rural) areas. This decrease occurred despite the 23 percent payment increase in low-payment counties (compared to only 4 percent increase in all other counties). The GAO report proves that more money will not guarantee extra benefits in rural areas. We must find creative alternatives to solve the unique problems of health access in rural America.

Managed care is not a silver bullet solution for delivering health care. In the best of worlds, managed care can offer coordinated health services for enrollees. The same function can be provided by providers who live in rural areas and have an established relationship with their patients. This bill eliminates the middle man by sending payments directly to providers in rural areas. Instead of spending money to create managed care plans in areas of provider shortages, this bill helps to improve the quality of care by putting the money where it is needed most. I strongly encourage members' support.

## IN RECOGNITION OF OCCUPATION THERAPY MONTH

### HON. ELLEN O. TAUSCHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mrs. TAUSCHER. Mr. Speaker, I rise in recognition of Occupation Therapy Month and in recognition of the invaluable services that occupational therapists provide to their patients. Occupational therapists provide people with the support, the rehabilitation, and the medical care that enables them to live full lives and function at the highest possible level, despite disability, illness, injury, or other limitations. Occupational therapists work in nursing homes, support individuals with mental illnesses, assist physically disabled individuals in performing ordinary life activities, and help children in our schools learn at the highest level. Occupational therapy is a necessary component of quality medical care in that it allows individuals who face physical challenges to retain their independence and to perform the daily activities that we all take for granted.

I know from personal experience that this is true. A number of years ago, my father contracted Guillan-Barre Syndrome, a devastating illness which leaves the individual in temporary paralyzed state. We were truly fortunate that we had the highest quality medical care. The doctors saved my father's life. The therapists gave him his life. Their expertise and specialized knowledge allowed him to resume his daily activities and stay independent.

My daughter Katherine is an active, energetic seven-year old who plays soccer and a number of other sports. Seeing her today, you would never guess that as an infant she spent a year of her life in a full body cast because of problems with her hip. Again, we had the most qualified and experienced doctors caring for her, but I believe that it was her therapists who were responsible for assuring that she would remain active and energetic for the rest of her life.

Quality medical care is a composite and I would like to recognize the contribution that occupational therapists make in assuring that our medical system not only cures patients, but allows them to live their lives to the fullest.

## THE COURAGE OF ONE'S CONVICTIONS

### HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. SMITH of New Jersey. Mr. Speaker, I want to call my colleagues' attention to the incisive commentary on the moral and religious dimensions of the horrific tragedy in Littleton, Colorado by Charles W. Colson, who many believe is one of the greatest Christian leaders in the world.

The senseless killings at the Columbine High School are a direct challenge to human decency and powerfully underscore the consequences that can occur when the value of human life is eroded by our society and culture.

Below is the full text of Mr. Colson's analysis of the killings, with a special emphasis on the heroism and courage of Cassie Bernall, who was gunned down, point blank, for merely professing her faith in God publicly.

[BreakPoint Commentary, Apr. 26, 1999]

LITTLETON'S MARTYRS

(By Charles W. Colson)

It was a test all of us would hope to pass, but none of us really wants to take. A masked gunman points his weapon at a Christian and asks, ''Do you believe in God?'' She knows that if she says ''yes,'' she'll pay with her life. But unfaithfulness to her Lord is unthinkable.

So, with what would be her last words, she calmly answers ''yes, I believe in God.''

What makes this story remarkable is that the gunman was no communist thug, nor was the martyr a Chinese pastor. As you may have guessed, the event I'm describing took place last Tuesday in Littleton, Colorado.

As the Washington Post reported, the two students who shot 13 people, Eric Harris and Dylan Klebold, did not choose their victims at random—they were acting out of a kaleidoscope of ugly prejudices.

Media coverage has centered on the killers' hostility toward racial minorities and athletes, but there was another group the pair hated every bit as much, if not more: Christians. And, there were plenty of them to hate at Columbine High School. According to some accounts eight Christians—four Evangelicals and four Catholics—were killed.

Among them was Cassie Bernall. And it was Cassie who made the dramatic decision I've just described—fitting for a person whose favorite movie was ''Braveheart,'' in which the hero dies a martyr's death.

Cassie was a 17-year-old junior with long blond hair, hair she wanted to cut off and have made into wigs for cancer patients who had lost their hair through chemotherapy. She was active in her youth group at Westpool's Community Church and was known for carrying a Bible to school.

Cassie was in the school library reading her Bible when the two young killers burst in. According to witnesses, one of the killers pointed his gun at Cassie and asked, ''do you believe in God?'' Cassie paused and then answered, ''Yes, I believe in God.'' ''Why?'' the gunman asked. Cassie did not have a chance to respond; the gunman had already shot her dead.

As her classmate Mickie Cain told Larry King on CNN, ''She completely stood up for God. When the killers asked her if there was anyone who had faith in Christ, she spoke up and they shot her for it.''

Cassie's martyrdom was even more remarkable when you consider that just a few years ago she had dabbled in the occult, including witchcraft. She had embraced the same darkness and nihilism that drove her killers to such despicable acts. But two years ago, Cassie dedicated her life to Christ, and turned her life around. Her friend, Craig Moon, called her a ''light for Christ.''

Well, this ''light for Christ'' became a rare American martyr of the 20th Century. According to the Boston Globe, on the night of her death, Cassie's brother Chris found a poem Cassie had written just two days prior to her death. It read:

Now I have given up on everything else
I have found it to be the only way
To really know Christ and to experience
The mighty power that brought
Him back to life again, and to find
Out what it means to suffer and to
Die with him. So, whatever it takes
I will be one who lives in the fresh
Newness of life of those who are
Alive from the dead.

The best way all of us can honor Cassie's memory is to embrace that same courageous commitment to our faith. For example, we should stand up to our kids when they want to play violent video games. We should be willing to stand up to community ridicule when we oppose access to Internet pornography at the local library.

For the families of these young martyrs, I can only offer deep personal sympathy and the hope that they might take strength from the words Jesus spoke to the woman who honored Him by pouring ointment on His head. ''Wherever this gospel is preached in the whole world, what she has done will be told in memory of her'' (Matthew 26:13).

''Well done, good and faithful servant. Now enter into the joy of your Lord'' (Matthew 25:23).

## CLEVELAND CATHOLIC BLIND COMMUNITY'S 50TH ANNIVERSARY

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. KUCINICH. Mr. Speaker, I rise today to recognize the Cleveland Catholic Blind Community for 50 years of providing support to the city's blind residents.

The Catholic Blind Community, an organization for blind and partially sighted Catholics, was founded in 1949 by Mr. and Mrs. Glenn Hoffman. Because Mr. Hoffman himself was blind and his wife was partially sighted, they clearly understood the needs and challenges faced by the visually impaired. According to Mr. Green, the first president of the Catholic Blind Community, the group represented an effort ''to bring blind people into the Church and bring the Church closer to the blind.'' This mission was achieved with help from members of the St. Vincent de Paul society.

By the mid-1970s, the organization had grown significantly in size and began meeting regularly at the St. Augustine Parish. The Catholic Blind Community soon joined in partnership with the parish and began working with the hunger center, the Deaf Community, and support groups established at the parish for those suffering from mental disabilities and illnesses. The blind quickly became integral members in the parish by singing in the choir, serving as lectors and Eucharistic ministers, serving on the parish council and planning parish activities.

In 1994 the Catholic Blind Community organized the Catholic Blind Association, a voluntary association that is Catholic in character but welcomes members of all faiths. This additional group was organized to provide greater service to the Blind Community. The Blind Community now boasts a membership of 225 blind individuals.

I would like to take this opportunity to commend Mr. Jim Green, the organization's first president who served for nine years and is honored by the group for his 50 years of volunteerism and leadership by voting him president in this anniversary year.

Through its dedicated efforts, the group has worked to improve the quality of life for the blind. On behalf of all those whose lives have been affected by the group, I offer my congratulations to the Cleveland Catholic Blind Community for 50 years of service.

## TRIBUTE TO EDWARD BOELE

### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. RADANOVICH. Mr. Speaker, I rise to pay tribute to Ed Boele for his dedicated loyalty to Electric Motor Shop for 53 years. Mr. Boele started working at the Electric Motor Shop on New Year's Day in 1946, and has been employed ever since.

Ed Boele is as enthusiastic today as he was on his first day back in 1946. Electric Motor Shop has been in Fresno since 1913. The need for electric motors flourished in Fresno and the San Joaquin Valley due to the agriculture. Ed Boele hasn't quite figured out what to call himself, he isn't an electrical technician, but he serves a vital purpose at the shop. Customer service is a large part of Boele's daily routine. He also purchases many of the electrical motors for the shop.

When Ed started, he didn't know a nut from a bolt, his knowledge of electrical motors comes from years of working at the shop, and he says he's not done learning. Ed never considered quitting his work at the shop and told Frank that he would give him a years notice when he was ready to retire. In January 1998, at the age of 68, Ed finally gave Frank his years notice.

Mr. Speaker, I rise today to pay tribute to Ed Boele on his retirement from Electric Motor Shop. Mr. Boele has been a dedicated employee from the first day he started. I urge my colleagues to join me in wishing Ed Boele happiness in his retirement.

## CELEBRATING A LIFETIME OF ACHIEVEMENTS

### HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. BARCIA. Mr. Speaker, it gives me great pleasure today to honor a dedicated father of four wonderful children and three grandchildren, a loyal and supportive friend, an outstanding humanitarian and a fiercely focused hardworking self-made entrepreneur, respected by all of his peers, Paul Mark Monea.

Paul was born in the beautiful countryside of Ohio to George and Sylvia Monea, immigrants from Romania and Switzerland, respectively. George Monea missed his date with destiny by being two days late for the ill-fated Titanic on which he was scheduled to travel. Paul's parents always taught and instilled the virtues of honesty, integrity and family values. Although some individuals and trusted professional advisors over the years have taken incredible unfair advantage of Paul and his family, he has always stood by his upbringing motto, ''right will always ultimately win out.''

Today I join Paul's children, Andrew, Michele, Brooke and Blake, his three grandchildren, Alex, Sean, and Brandon, his family friends and confidants Daniel, Sharie, Richard, Walter and Nora Bohlmann together with a host of supporters over the years to salute Paul Monea's triumph over incalculable odds. Paul's family and true friends have always stood by him over the years; a tribute to his honesty and integrity in working with his fellow colleagues. Paul proudly notes that his favorite pastime is spending time with his children and grandchildren.

Charitable and community support in a silent behind the scenes fashion has always been Paul's style. As a young businessman, Paul mustered the support of his fellow Hobby Industry Association members to contribute on a per mile basis for his walk-a-thon dedication to the Muscular Dystrophy of America. Paul walked 28 straight days, over 400 miles from Louisville, Ohio to King of Prussia, Pennsylvania and raised well over $25,000, all without any desire for personal publicity. This year marks the 25th Anniversary of that noteworthy event where Paul in his true reserved fashion is silently supporting Walk-A-Thon and other charitable events in his mid-west area. Paul has formed the Paul Monea Family Charitable Foundation, to benefit programs targeted to assisting our youth in a better quality of life and the elderly to live in dignity. Paul's challenge to the young people of America is: ''Focus on the future with honesty, integrity, and a spirit of innovation in your hearts.''

Paul Monea is widely recognized as the World's leading trendsetter in state of the art, multi-level marketing and informercial programs. TaeBo, starring Billy Blanks, was the mastermind informercial creation of Paul who in his typical humble style gives credit for this phenomenal success story to everyone except himself. Incidentally, Johnny Unser, driving his father's ''retired'' number 92 will drive the ''Tae-Bo'' race car at this year's Indy 500 in honor of America's National Fitness month. Prior to TaeBo, Paul originated the 2 for 1 Dine out Programs, ''The Stimulator,'' pain relief product promotions, ''My Little Angel,'' children's programs, and the ''Super Salsa'' machine for gourmets. Monea Publishing company is also the distributor of works done by artist Sharie Hatchett Bohlmann, who created the art commemorating the 1987 White House Easter Egg Roll. Always vigilant to offer to the world products which make life safer, cleaner, healthier and less troublesome, Paul is currently producing a ''Stop Smoking'' program that has proven results.

Paul has never been a political person and those around Paul Monea are frequently reminded by him that his work is never about making money. On the contrary, it is always about providing a better way of life for others. This inward desire to provide innovative products because, ''It's the right thing to do,'' puts Paul Monea in a class by himself.

Mr. Speaker, I invite you and our colleagues to join me in recognizing one of America's business leaders and legends, Paul Mark Monea. We salute him on his special day and thank him for the countless millions of people around the World whose lives he has made better because of his dedication to mankind.

## NATIONAL CEMETERY FOR VETERANS IN MIAMI, FLORIDA AREA

### HON. CORRINE BROWN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Ms. BROWN of Florida. Mr. Speaker, I am today introducing legislation requiring the Secretary of Veterans Affairs to establish a national cemetery in the Miami, Florida, metropolitan area to serve the needs of veterans and their families, and to report to Congress on a schedule for that establishment and an estimate of associated costs.

I am distressed that the Department of Veterans Affairs continues to ignore the long-identified national veterans' cemetery needs of southern Florida. In both 1987 and 1994, the Miami area was designated by congressional mandated reports as one of the top geographic areas in the United States in which need for burial space for veterans is greatest. Yet, as late as August 1998, VA's strategic planning through the year 2010 indicated nothing more than a willingness to continue evaluating the needs of nearly 800,000 veterans in the Miami/Ft. Lauderdale primary and secondary service area. Mr. Speaker, that is over 54 percent of the estimated State veteran population and 3.3 percent of the total U.S. veteran population. By VA's estimate, there will be nearly 25,000 veteran deaths in the greater Miami area in FY 2000, and by the year 2010, the annual veteran death rate in southern Florida will be nearly 26,000.

Although VA statistics show that demand for cemetery space will increase sharply in the near future—with burials increasing 42 percent from 1995 to 2010—the Administration's FY 2000 budget for VA failed to include a request for the funding required to initiate a single new national cemetery.

Mr. Speaker, the time for evaluating the needs of southern Florida is long past and the time for action is rapidly slipping away. National veterans' cemeteries are not built in a day. It takes at least five-to-seven years to plan and build one. For those who served this country with pride and dignity, VA has an obligation to provide an opportunity to be buried in a national cemetery near their home—an opportunity not now available to those who live in southern Florida.

It has been the intent of Congress since the establishment of the National Cemetery System in 1862 that the Federal Government purchase ''cemetery grounds'' to be used as national cemeteries ''for soldiers who shall have died in the service of the country.'' Today, of the 115 national cemeteries administered by VA, only 57 are open to all interment, 36 can accommodate cremated remains and family members of those already interred, and 22 are closed to new interments. In southern Florida there is not a veterans cemetery of any description.

I urge Members to support my legislation so that the Memorial Days of the 21st century can be observed by the families and friends of veterans in southern Florida at a nearby, appropriate national resting place of honor for an American hero.

## THE MEDICARE CRITICAL NEED GME PROTECTION ACT

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. STARK. Mr. Speaker, I rise today to introduce ''The Medicare Critical Need GME Protection Act of 1999.'' This important legislation seeks to protect our nation against the depletion of health care professionals that are trained to appropriately treat costly and deadly illnesses.

Under current law, the Medicare program provides reimbursement to hospitals for the direct costs of graduate medical education training. That reimbursement is designed to cover the direct training costs of residents in their initial residency training period. However, if a resident decides to proceed with further training in a specialty or subspecialty, a hospital's reimbursement is cut to half (50 percent) for that additional training.

The rationale for this policy is strong. In general, we have an oversupply of specialty physicians in our country and a real need to increase the number of primary care providers. By reducing the reimbursement for specialty training, the Medicare program has promoted increases in primary care training rather than specialty positions.

I agree with this policy. However, as is often the case, there are always exceptions to the rule. We do not want to hinder training of particular specialties or subspecialties if there is strong evidence that there is a serious shortage of those particular physicians. That is why I am introducing The Medicare Critical Need GME Protection Act.

To provide an example of a current subspecialty facing serious shortages of professionals, we can look at nephrology. Between 1986 and 1995, the number of patients with

End Stage Renal Disease (ESRD) has more than doubled. At present, more than 40 million Americans die from kidney failure or its complications each year. In 1998, the estimated cost to treat ESRD exceeded $12 billion. However, current data indicates that only 51.8 percent of today's nephrologists will still be in practice in the year 2010.

Most primary care physicians are not trained to treat the complex multi-symptom medical problems typically seem in ESRD and are unfamiliar with particular medications and technology prescribed for such patients. The decreasing supply of nephrologists, coupled with an expanding population of renal patients, puts the health of our nation at risk.

The Medicare Critical Need GME Protection Act provides a tool to help combat such shortages of qualified professionals. The bill would simply provide the Secretary of Health and Human Services with the flexibility to continue full-funding for a specialty or subspecialty training program if there is evidence that the program has a current shortage, or faces an imminent shortage, of physicians to meet the needs of our health care system. The Secretary would grant this exception only for a limited number of years. The Secretary would have complete control of the exception process. Programs would present evidence of the shortage and she could agree or disagree with the analysis. Nothing in this bill would require the Secretary to take any action whatsoever.

The bill also includes protections for budget neutrality. If the Secretary approves a specialty or subspecialty training program for full-funding under this bill, the Secretary must adjust direct GME payments to ensure that no additional funds are spent.

Again, The Medicare Critical Need GME Protection Act does nothing more than provide limited flexibility to the Secretary of Health and Human Services to ensure that we are training the health care professionals that meet our nation's needs.

I would encourage my colleagues to join me in support of this important legislation. By giving the Secretary the flexibility to allocate funds to attract and train professionals in certain ''at risk'' fields of medicine, we will significantly improve patient care and lower long term health care costs.

## A TRIBUTE TO MORRIS W. OFFIT

### HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mrs. LOWEY. Mr. Speaker, I rise today to express my great admiration for Morris Offit, a remarkable individual and leader in the world of business and finance who this year will be honored by the Educational Alliance for his exceptional community service.

A man of high principle, piercing intelligence, and boundless energy, Mr. Offit has acquired a well-deserved reputation for financial expertise and creativity. He formed Offitbank in 1983 and has since built it into a highly respected wealth management firm offering comprehensive investment management services to private clients and not-for-profit institutions.

Mr. Offit's professional success is matched by his devotion to philanthropy and community service. He has served as Chairman of the Boards of Johns Hopkins University and the Jewish Museum, as well as in leadership positions with organizations such as UJA-Federation of New York.

We are a better community and nation thanks to Morris Offit's vision and leadership. I am confident that his exceptional example will remain a source of guidance and inspiration for many years to come and that he will continue to set a standard of excellence in all his professional and civic endeavors.

## CELEBRATION OF THE FREE SONS OF ISRAEL 150TH ANNIVERSARY

### HON. CAROLYN McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mrs. MCCARTHY of New York. Mr. Speaker, it is with great pleasure that I rise to celebrate a momentous occasion, the 150th Anniversary of the Free Sons of Israel, the oldest Jewish Fraternal Benefit Society in the United States. The society was established in 1849 and officially marked 150 years on January 7, 1999. This is an impressive achievement and I am proud to call many of the members of the Free Sons of Israel my good friends.

The Free Sons of Israel are a national order, formed to promote the ideals of their motto: Friendship, Love and Truth. They protect the rights of Jews and fight all forms of persecution on behalf of their members. During the years, their scope has broadened to include all people worldwide, regardless of race, religion or color.

This special organization is the first of its kind to donate a substantial amount of money to the Holocaust Museum in Washington, D.C. Furthermore, their charitable arm has raised millions of dollars for worthwhile causes on a non-sectarian basis, including thousands of toys that they donate during the holidays to needy children in hospitals and care centers. The Free Sons of Israel has a scholarship Fund that grants awards to its members and children. it also has a bloodbank, credit union and insurance fund.

The Free Sons of Israel make this a better place for people throughout Long Island, New York and the entire world. They are a model of community service and action. I thank my friends for all their work and I commend them on this important anniversary.

## IN HONOR OF THE ASSOCIATION OF PHILIPPINE PHYSICIANS IN OHIO

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. KUCINICH. Mr. Speaker, I rise today to honor the 25th anniversary of the Association of Philippine Physicians in Ohio (APPO).

The APPO is a non-profit, professional organization of Filipino American physicians in Northeast Ohio. The group strives to provide continuing medical educational programs for physicians and allied professionals and conducts medical and surgical missions to the Philippines for the indigent. APPO also sponsors scholarships and grants to deserving medical students in the U.S. and in the Philippines. The selfless members of APPO are committed to helping the needy and less fortunate, and they often volunteer in free clinics, hunger centers and nursing homes.

APPO will be celebrating its 25th anniversary in conjunction with its annual Sampaguita Ball on May 1, 1999. The Sampaguita Ball is a fund raising event to support the various charitable projects of the organization.

My fellow colleagues, please join me in honoring the Association of Philippine Physicians in Ohio for the service they have provided to the Cleveland area and to those in the Philippines for 25 years.

## THE WORLD CELEBRATES THE DUKE'S CENTENNIAL BIRTHDAY

### HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. CONYERS. Mr. Speaker, today is a historic day for jazz lovers all over the world, because today marks Duke Ellington's 100th birthday. Edward Kennedy Ellington was born right here in the Nation's capital on April 29, 1899. The nickname Duke was given to him by his friends because of his regal air and his love of fancy clothes with elegant style. He retained those traits throughout his life, but he wore his sophistication without a hint of pretentiousness. The Duke was a genius at instrumental combinations, improvisions, and jazz arranging which brought the world the unique ''Ellington'' sound that found consummate expression in works like ''Mood Indigo,'' and ''Sophisticated Lady.''

He said he decided to become a musician when, in his youth, he realized that ''when you were playing piano there was always a pretty girl standing down at the bass clef end of the piano.'' It became obvious that he was truly talented when he played his first musical composition, ''What You Gonna Do When the Bed Breaks Down?'' When he finished the crowd went wild and demanded more, however, since he had not written any other music he changed the arrangement and style right there on the spot. Thus, began the Duke's magnificent career as one of the world's greatest composers.

A pioneer, an innovator and an inspiration to generations, Duke Ellington personified elegance and sophistication. Also, he was a creative genius who never stopped exploring new dimensions of his musical world. By the end of his life, he would declare, ''Music is my mistress.'' And so it was. No other lover was ever better kept, or in grander style. Duke Ellington knew how to treat his Muse. And she returned the favor.

The power of his presence was as strong off the stage as on. Ellington's nephew, Stephen James, says, ''When you were in his presence, you felt it. If no one knew him and

he were in . . . [a] room, everybody would be drawn to him. It was just the nature of his aura, his magnetism.''

Ellington's career as a bandleader lasted more than fifty years; during at least forty-five of which he was a public figure of some prominence. It is often said that there were three high-water marks in that span. The first occurred in the late 1920s, when he attained the security and prestige of a residency at the Cotton Club, where the best black entertainers of the day worked for gangsters and performed at night for all-white audiences. Duke survived those years with his dignity intact—no small achievement—and he learned from his musicians, some of whom were then more skilled than he. By the end of the twenties, he had begun to experiment as a composer and arranger, and had several hits under his belt.

In the early thirties, he sharpened his skills, and made his first attempts at composing longer works. By the late thirties, he had assembled the best collection of players he ever had under his command at one time. Duke showed off his musicians in miniature masterpieces, three-minute concertos that displayed a single soloist against the backdrop of a tightly-knit ensemble. Many of these pieces are among his most enduring. Others from this time, equally memorable, explore a dizzyingly shifting labyrinth of textures, as different instruments take the lead and the accompaniment moves from one section of the band to another.

Billy Strayhorn, a brilliant young arranger who had joined the band in 1939, became increasingly important as Duke's principle collaborator in composition. By most accounts, Strayhorn was a musical genius of Mozartean proportions for whom composing music was as natural as breathing. Capable of doing almost anything musically, he chose to spend most of his adult life as an adjunct to Ellington, matching his compositional style to the maestro's, but also introducing some new musical concepts that would become part of Duke's palette. Ellington always learned from his musicians, but Strayhorn was his postdoctoral fellowship.

Duke Ellington created a body of music that endures and always rewards. His place in the sweep of American music is unique, and his stature is the equal of that of any of the acknowledged European masters.

In 1988, Congress appropriated funds for the acquisition and care of Duke Ellington's vast archives. Today I went before the Subcommittee on Labor, Health and Human Services and Education and requested that $1 million be added to the FY 2000 appropriation for the Department of Education Program and that it be earmarked for the Smithsonian Institution's Jazz Program.

We must continue to keep Duke's music alive for all generations.

## A TRIBUTE TO DR. RAYMUNDO D. TALABAN

### HON. JO ANN EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mrs. EMERSON. Mr. Speaker, I rise today to pay tribute to Dr. Raymundo D. Talaban who is retiring from Madison Medical Center after 28 years of dedicated service to the medically under served people of southern Missouri. Dr. Talaban is a doctor of medicine, (an accomplishment that earns accolades by itself), but more importantly he is a doctor in a part of my District which typifies rural America. Some may have a hard time understanding the problems with health care access in rural America. Mr. Speaker, in southern Missouri there are only three health care professionals for every 100 people, and the average hospital is located anywhere from 35 minutes to two hours away from the next hospital. Many times people must take time from work and drive hours to the nearest hospital to receive what other people would consider a routine procedure or checkup. So you see, in this part of America, Dr. Talaban is not just another doctor, he is one of a few who brings care and attention to many.

Dr. Talaban's wife, Nenita, has proudly shared with me some of the her husband's wonderful accomplishments. I would have to say that Dr. Talaban's most outstanding achievement must be his family, including his three daughters: Caroline, Catherine, Andrea and his three grandchildren. I'm sure they realize what a wonderful father and grandfather they have, a role model and a man who spent the entirety of his life helping others.

Dr. Talaban received his medical degree from Far Eastern University Medical School in Manilla, Phillippines. Before he came to Madison Medical Center, Dr. Talaban worked at Missouri Baptist Hospital and St. Louis State Hospital. The folks of southern Missouri were lucky enough to have him come on board at Madison Medical Center in 1971. There Dr. Talaban held two prestigious positions as Vice Chief of Staff and Chief of Surgery. He not only established a record of outstanding care, but also a history on unfailing compassion.

Dr. Talaban also found time to volunteer his services to the American Red Cross and advisor to the American Cancer Society. His membership in many prestigious groups including the Philippine Medical Society of Greater St. Louis, the American Medical Society, The American Society of Abdominal Surgeons, the Missouri State Medical Society, and the St. Louis Metropolitan Medical Society enhanced his ability to give quality health care to the people of Madison County.

Dr. Talaban, I want to thank you for dedicating your life to helping others. Although we all will be sorry to see you leave Madison Medical Center, we hope that you will heartily enjoy the years of your retirement. My thoughts are with you, Dr. Talaban, as you, your family and friends come together to celebrate all the important years that you dedicated to our community. You had a very positive impact on peoples' lives in rural southern Missouri, and we will never forget your dedication and service to our community.

## IN MEMORY OF ART PICK

### HON. KEN CALVERT

OF CALIFORNIA

### HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. CALVERT. Mr. Speaker, today my colleague, Mr. BROWN of California, and I would like to honor and pay tribute to an individual whose dedication to the community and to the overall well-being of the city of Riverside, CA, is unparalleled. Riverside was indeed fortunate to have such a dynamic and dedicated community leader who willingly and unselfishly gave of his time and talents to make his community a better place in which to live and work. The individual we are speaking of is Mr. Art Pick, who we were fortunate to have been able to call our friend. He died yesterday at the age of 68.

Born Joseph Arthur Pickleheimer, Jr., Art moved to Riverside from Kentucky in 1955. A fixture in the community, Art was a man who never shied away from community involvement. Art led the Greater Riverside Chambers of Commerce for 26 years, first as executive vice president, then as executive director and chief executive officer. He truly believed that Riverside was the best place in the world, and worked tirelessly to get that message across to others. In his position, he reached out to the Hispanic and African-American Chambers of Commerce to ensure that the area's diverse business community worked together.

Art knew education was key to job creation in his community. A graduate of the University of California at Riverside, he was an enthusiastic member and officer of the Alumni Association. Besides being an unabashed booster for his alma mater, Art also recognized the role that the private and community colleges in Riverside played in preparing the workforce for a recovering local economy.

He was also active in many community organizations, including serving as a Riverside City Councilman; serving as a La Sierra University trustee; founding member of the Inland Area Urban League; and, serving as a trustee for the Riverside Community College District. He was also a lifelong supporter of the Sherman Indian School. His good deeds and work in the community would fill pages and pages were we to try and list them all.

Art's forthright honesty and outspokenness rubbed more than a few politicians and journalists the wrong way. But we always remembered that his goal, first and foremost, was what was good for his city. And those of us on the receiving end of Art's comments were always better for the experience because Art was so often right; and, if he wasn't right, well at least he had made us think long and hard about the subject at hand.

Our deepest condolences go to his wife, Galina Mokshina; his daughter, Maria; and his brother, David. Art was a true patriot and an outstanding American who will be deeply missed by everyone in the community. We can best honor him by trying to meet the same high standard he set as a patriot, citizen, and friend.

## TRIBUTE TO DEAN BENNETTE LIVINGSTON

### HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. SPENCE. Mr. Speaker, I rise today to bring to the attention of the House an outstanding South Carolinian, Dean Bennette Livingston, who is retiring on April 30th, as the Publisher of The Times and Democrat, the daily newspaper of Orangeburg, South Carolina. He is a man of many accomplishments.

Dean Livingston first became associated with the newspaper business at the age of 12, when he was a production employee and a columnist for the Orangeburg Observer, a weekly newspaper for which he wrote the ''Teen Talk'' column. He attended The University of South Carolina on a football scholarship, and he also managed to find the time to contribute articles to the school newspaper, The Gamecock. After graduation from Carolina, Dean Livingston joined the staff of The Times and Democrat for a brief period before leaving for three years to serve his Country in the United States Air Force, as a navigator. Upon completion of his military service, he returned to Orangeburg, where he became the Managing Editor of The Times and Democrat. At the age of 29, Dean Livingston became the youngest newspaper publisher in South Carolina, a post he has held for thirty-seven years. He is now the longest-serving newspaper publisher in the history of the Palmetto State.

Under the leadership of Dean Livingston, The Times and Democrat has received hundreds of awards for news and advertising, as well as been a pioneer for innovations in newspaper printing in South Carolina. In 1965, The Times and Democrat became the first newspaper in our State to convert to offset printing, and, in 1990, it became the first South Carolina newspaper to paginate by computer to a full-page typeset format.

Dean Livingston has been a leader in professional associations and in civic affairs, serving as the President of the South Carolina Press Association, the South Carolina Press Association Foundation, the AP News Council, and the Orangeburg Chamber of Commerce. He has also supported journalism internship programs for college students. His lovely wife, Grace, has been a true partner in his many activities, and she has served as the President of the Women's Division of the South Carolina Press Association.

The numerous contributions of Dean Livingston to the newspaper industry in South Carolina and across the Southeast are widely known by his colleagues. He has influenced many lives and he has always advocated high standards in journalism.

I consider it a privilege to have known Dean Livingston since our days together as students at The University of South Carolina. He has always provided wise counsel and I have appreciated his insight into current events. Although he is entering retirement, I am certain that he will continue to make significant contributions to the newspaper business, to which he is devoted, and to the Midlands of our State. He is truly a great South Carolinian.

## CONGRATULATIONS TO TERRY BOTTINELLI

### HON. STEVEN R. ROTHMAN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. ROTHMAN. Mr. Speaker, on Friday, May 7, 1999, Terry Paul Bottinelli, Esq. will be sworn in as the 101st President of the Bergen County Bar Association in Woodcliff Lake, New Jersey.

I have known Terry for many years; he is a trusted friend and a gifted attorney practicing in Hackensack, New Jersey in the 9th Congressional District. He is a partner in the law firm of Herten, Burstein, Sheridan, Cevasco, Bottinelli & Litt, where he specializes in personal injury litigation.

Terry is a resident of Wyckoff, New Jersey, and is a Member of the New Jersey and Florida Bars. He has been admitted to the United States Tax Court and the New Jersey Federal District Court. He received his Juris Doctor from Western New England School of Law; he also studied at Rutgers School of Law. His undergraduate work was done at Fairfield University and the Universidad de Madrid.

Terry Paul Bottinelli serves as Planning Board Attorney for the Borough of Bogota in Bergen County. He also serves the Borough of Cresskill as the Municipal Court Judge.

Terry is affiliated with the American Bar Association, the American Trial Lawyers Association, the New Jersey Trial Lawyers Association, the New Jersey State Bar Association, the Bergen County Bar Association, The Florida Bar, and the American Arbitration Association. As an affiliate with the Bergen County Bar Association, Terry is a Trustee of the Young Lawyers Division, the Chair of the Civil Practice Committee, the Chair of the Law Day Committee; he is a Delegate to the State Bar General Council and represents the People's Law School in conjunction the ATLA.

Terry Paul Bottinelli had dedicated many hours to civic activities in Bergen County. He is a Trustee of the Wyckoff Community School, a Member of the Boy Scouts of America, Explorer Advisory Committee, serves the Bergen County Office on Aging, Senor Citizen Pro Bono Legal Services Program, and is a football coach in the Wyckoff Recreation League.

Terry Paul Bottinelli, Esp. is indeed an outstanding attorney and American citizen who has well-earned the confidence of his colleagues in the Bergen County Bar Association who have elected him their new President. I am proud to call him my dear friend. The residents of my Congressional District owe Terry a debt of gratitude for his outstanding legal and civic work. He is truly a remarkable individual, and I take great pleasure in extending my sincere congratulations to him on this wonderful occasion.

## HONORING FERNANDA BENNETT

### HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. ACKERMAN. Mr. Speaker, I rise today to honor Fernanda Bennett, whose dedication and perseverance has made the fifth district Annual Congressional High School Art Competition a resounding success year after year. 1999 marks the seventh year that the Nassau County Museum of Art generously hosts this noteworthy event, displaying the pieces entered into competition from high schools in Nassau, Queens and Suffolk counties. As the Assistant Director and Registrar, Ms. Bennett directs the smooth installation and public display of these works.

Her enormous contribution to the art competition is indicative of her successful career at the museum. Fernanda Bennett started as an intern in 1983, and has since worked her way up through the staff. Over the years, she has helped plan, organize, and install over fifty exhibitions, ranging from Tiffany lamps to Picasso canvases. As the Registrar, Ms. Bennett handles the details on insurance, transport, and display of numerous, invaluable pieces of art. She also helps maintain records of all borrowed items by collecting photos and documenting their exhibition histories.

As Assistant Director, Ms. Bennett oversees the day to day operation at the museum. She ensures that the building is kept clean and that the gallery environment is properly maintained. In addition, she inspects the artwork to ensure that it is cared for in a manner benefiting its valuable status. Because of its location on a 145 acre preserve, The Nassau County Museum of Art exhibits a collection of monumental outdoor sculptures. Ms. Bennett oversees the preparation of the sites for sculpture installation, handles the removal and placement of these magnificent pieces, and administers the care needed to display the works at their finest.

Her commitment to the museum and years of service to the community have enabled the fifth district art competition to be one of the biggest and best in the country. Seven years ago, only fifty students participated in this event. Due largely to Ms. Bennett's extraordinary dedication, that number has jumped by fifth percent; in the last two years, an average of seventy-five students per year have taken part in the competition. Therefore, I ask all of my colleagues to join me in honoring this remarkable individual, Fernanda Bennett.

## 84TH COMMEMORATION OF ARMENIAN GENOCIDE

SPEECH OF

### HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 21, 1999*

Mr. LIPINSKI. Mr. Speaker, I want to first thank Mr. PALLONE and Mr. PORTER for organizing a special order on April 21 to commemorate the Armenian genocide and their

leadership as co-chairmen of the Congressional Armenian Issues Caucus. I would also like to salute Mr. BONIOR and Mr. RADANOVICH for their vision and initiative in introducing a resolution calling for a collection of all U.S. records relating to the Armenian genocide.

On the 84th anniversary of the Armenian genocide. I rise today to join my colleagues and the Armenian-American community in honoring the memories of those who perished at the hands of the Ottoman Empire. April 24, 1915 is recognized the world over as the day hundreds of Armenian leaders in Constantinople were rounded up and killed. Thousands more were murdered in public. This began an eight year long killing spree that claimed the lives of over 1.5 million Armenian men, women and children—half of the world's Armenian population at the time. Moreover, 500,000 Armenians were forcibly driven out of their homeland to seek refuge in other nations. By 1923 the Turks successfully eradicated nearly all traces of a 3000 year-old civilization. There were 2.1 million Armenians in Turkey before 1915, now there are only 100,000, and Armenia itself is nearly empty of Armenians. An entire civilization was forced to watch as their world disintegrated around them.

We cannot, should not and will not forget this tragic chapter in world history. It is a sad and shameful period. This moment allows us to reflect the dark side of human nature, a side we sometimes are unwilling to acknowledge, but acknowledge we must. If we do not remember, we are condemned to repeat our past mistakes.

Mr. Speaker, I stand today with the Armenian-American community to commemorate the memories of the victims of the Armenian genocide in the hopes of such a crime against humanity will never be repeated. The Turks ravaged an entire civilization. We must heed the lessons contained in this sad and shameful period, we must remember, and we must learn never to forget.

## TRIBUTE TO SEVEN DEDICATED TEACHERS

### HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. VISCLOSKY. Mr. Speaker, it is my distinct honor to commend seven dedicated teachers from Northwest Indiana who have been voted outstanding educators by their peers for the 1998–1999 school year. These individuals, Bea Cak, Debra Clements, Jayne Gardner, Kevin Garling, Brenda Kovich, Toni Sulewski, and Denise Thrasher will be presented the Crystal Apple Award at a reception sponsored by the Indiana State Teachers Association and Horace Mann Insurance Company. This glorious event will take place at the Broadmoor County Club in Merrillville, Indiana, on Tuesday, May 4, 1999. Toni Sulewski will also receive the Torch of Knowledge Award for being selected the outstanding member of this distinguished group of educators.

Bea Cak from Hanover Community School Corporation has taught for 27 years. Currently she teaches second grade half of the day, and serves as the district elementary resource teacher at Jane Ball Elementary the other half of her workday. As a resource teacher, Bea has the responsibility of providing information and techniques to keep staff personnel updated. During monthly staff in-service sessions she shares creative K–6 activities that all teachers can utilize in their classrooms. Her colleagues know her as a dedicated teacher since she puts so much time into developing special projects for the school and her surrounding community.

Debra Clements is described by her peers as an outstanding professional and dedicated teacher. She is an English/language arts teacher at Highland High School where she has taught for 19 years. To grow professionally, Debra has been actively involved in textbook selections and handbook revisions. She strives to be approachable and communicates well with administrators, fellow teachers, students and parents. Her special inner core of education-related beliefs and opinions are well received and respected.

Within her 25 years of teaching, Jayne Gardner had the opportunity to teach in many diverse settings. Currently, she serves as an English/language arts teacher at Kahler Middle School. She utilizes her ability as a mediator to discuss and address the concerns of teachers. Through her caring attitude she exhibits a great deal of thoughtfulness towards both students and teachers. Jayne's dedication to the profession of teaching is exemplary to any new educator.

For the past 13 years, Kevin Garling has been the agriculture teacher at Lowell High School. His teaching approach is built upon the theme ''Kids come first.'' As a sponsor of the Future Farmers of America, he has taken the club members to state and national competitions. He has created a parental group to work with the club members. Kevin's unselfishness and commitment to his students are an inspiration to all who know him.

Brenda Kovich, a national board certified teacher, has worked with academically talented students at Elliott Elementary School in Munster, Indiana, for the past 15 years. She has written and received numerous grants, including a grant from the Lilly Foundation. Brenda is a continuous source of enthusiasm for both her students and others.

Toni Sulewski from the Crown Point Community School Corporation has taught for 30 years. Dedicated to those students who have difficulty with school, she persevered to ensure an alternative school program was developed in the community. As a professional educator, she works closely with the special education staff to adapt teaching methods to the various students' learning styles. Her performance as a professional is twofold: one is her dedication to the students and their development; while the second is her dedication to fellow teachers and the safety of their environment.

Denise Thrasher teaches foreign language and literature at North Newton High School. Her commitment to students is obvious. She tutors students during lunchtime and also after school. Despite having cancer surgery and undergoing chemotherapy treatments, she has remained very active both teaching and serving on local and state school committees. Denise's energy is an incentive to all.

Mr. Speaker, I ask you and my distinguished colleagues to join me in commending these outstanding educators on their receipt of the 1999 Crystal Apple Award. The years of hard work they have put forth in shaping the minds and futures of Northwest Indiana's young people is a true inspiration to us all.

## TRIBUTE TO MS. DOROTHY ELLSWORTH

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. KUCINICH. Mr. Speaker, I rise today to recognize the labor career of Ms. Dorothy ''Dottie'' Ellisworth-Gannon. Since 1977 Ms. Ellsworth-Gannon, Assistant Director of the Legislative Department, has served the International Association of Machinists and Aerospace Workers with distinction (IAM).

Dottie has announced her retirement efffective June 1, 1999. This announcement culminates a career dedicated to advancing the interests of working men and women. She is currently a senior member of the AFL–CIO Administrative Committee, where she worked with affiliated union lobbyists to advance and protect common interests in the legislative arena.

Dottie, considered one of Washington's premier lobbyists, has demonstrated great effectiveness and sensitivity in dealing with the needs and issues that particularly affect IAM members. She has also commanded the respect of Members of Congress from both parties who had the opportunity to work with her.

On April 28, 1999, a retirement dinner will be held by the International Association of Machinists and Aerospace Workers for her dedication and outstanding performance for the past twenty-two years. Mr. Speaker, I ask you to join me in honoring Ms. Ellsworth-Gannon for her distinguished labor career and offer her my best wishes for the future.

## INTRODUCTION OF THE STATE INFRASTRUCTURE BANKS FOR SCHOOLS ACT OF 1999

### HON. ELLEN O. TAUSCHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mrs. TAUSCHER. Mr. Speaker, today I am introducing the State Infrastructure Banks for Schools Act of 1999. I urge my colleagues to support this important piece of legislation.

It is a distressing fact that across our Nation we have nineteenth century schools and libraries for twenty-first century students. In our inner-cities, rural communities, and suburban neighborhoods, children are attending schools where toilets clog, computers cannot link to the Internet, and roofs leak. Public libraries do not fare much better, often lacking adequate space to house their materials or to run after-school reading programs. And it is our kids who suffer as a result.

By now we all know that our Nation's schools require an overwhelming $112 billion

to repair America's education infrastructure. Behind this glaring statistic is the additional need for library construction. The one source of Federal aid to libraries, the Library Services and Technology Act, no longer covers major construction of libraries. If we do not start investing in our schools and libraries immediately, we will end up paying a much higher price down the road for graduating students who will not be adequately prepared to compete in the New Economy.

In fact, studies now reveal the obvious: a direct correlation exists between the condition of school facilities and the academic achievement of our students. That's right, our kids grades are affected by the state of their school. This should come as no surprise. It is difficult to learn when the roof is leaking or blackouts occur because too many computers are on.

We also know that 50 percent of a child's intellectual development takes place before the age of four. Our nation's public and school libraries play a critical role in a child's early development because they provide a wealth of books and other resources that can give every child a head start on life and learning.

In my state of California, 61 percent of our schools are over 40 years old, and public school enrollment is expected to exceed 6 million students by the turn of the century, yet large numbers of students are already being housed in temporary buildings. As states around the nation, like California, adopt mandated class size reductions, more and more classroom space will be needed. The state already has 1.3 million students in grades one through three who require an astonishing 6,500 additional classrooms to meet class size reduction mandates.

The latest statewide library facility needs assessment for California called for $2 billion for approximately 425 projects. In addition, the deplorable state of America's public school libraries' collections has increased the demands on public libraries. In many instances, public libraries substitute for school libraries, thereby creating a higher demand for material and physical space to house literature and educational computer equipment. We know that summer reading programs at public libraries are the most important factor in helping children avoid what educators call ''summer learning loss.''

With this in mind, we need, first and foremost, to find creative ways, in the age of shrinking budgets, to find the necessary dollars to start rebuilding our educational infrastructure. That is why I am re-introducing my State Infrastructure Banks for Schools Act. This common-sense measure would create infrastructure banks at the state level to provide a range of loan and credit options, to help finance locally supported projects. The use of State Infrastructure Banks (SIBS) will provide much-needed and cost-effective financial assistance to our local districts to rebuild, repair or replace their current facilities—without placing a constant strain on the Federal treasury or the American taxpayer.

Just as importantly, with SIBs, school districts and counties could avoid bond market pressures to borrow more than they actually need which can often make a project unacceptable to local voters. We have seen this happen several times in my District alone. Our local leaders know how much is needed to fix up their schools and libraries, and they rightly refuse to borrow more than necessary. By supporting this proposal, we are not only wisely utilizing limited federal funds, but we would be saving local taxpayers' money otherwise spent on inflated bond requests, fees, and other administrative costs associated with the for-profit market.

Specifically, SIBs will be created with federal seed money and offer a flexible menu of loan and credit enhancement assistance, terms, and maturities—all of which will allow communities to save local taxpayer dollars. As loans are repaid, the SIBs funds would be replenished and the banks could make new loans or loan guarantees to other school and library infrastructure projects.

Our children need to feel pride in their schools and libraries. It is my hope that my legislation is one of several first steps that can be made towards addressing this overwhelming issue of school and library construction. It is no secret that we need to educate our kids in a safe and supportive environment if we expect them to achieve in the 21st century.

## TRIBUTE TO COMMANDER MARK M. LEARY

### HON. BILL C.W. YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. YOUNG of Florida. Mr. Speaker, I rise today to recognize an outstanding Naval Officer, Commander Mark Leary who has served with distinction for the past 3 years for the Assistant Secretary of the Navy, Financial Management and Comptroller as a Principle Assistant and Deputy in the Appropriations Matters Office. It is a privilege for me to recognize his many outstanding achievements and commend him for the superb service he has provided to the Navy, the Congress, and our great Nation as a whole.

During his tenure in the Appropriations Matters Office, which began in January of 1996, Commander Leary has provided members of the House Appropriations Committee, Subcommittee on Defense as well as our professional and personal staffs with timely and accurate support regarding Navy plans, programs and budget decisions. His valuable contributions have enabled the Subcommittee and the Department of the Navy to strengthen its close working relationship and to ensure the most modern, well trained and well equipped naval forces attainable for the defense of our great nation.

Mr. Speaker, Mark Leary and his wife Paula have made many sacrifices during his naval career and as they embark once again on that greatest adventure of a Naval Aviator's career, commander of a helicopter squadron, I call upon my colleagues to wish him every success as well as fair winds and following seas.

## IN RECOGNITION OF THE AMERICAN LEGION POST 694, NORTHPORT ON THE OCCASION OF 75 YEARS OF SPONSORSHIP BOY SCOUTS OF AMERICA TROOP 41

### HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. ACKERMAN. Mr. Speaker, I rise today to pray tribute to the American Legion Post #694 of Northport, NY, for its continuous support for Boy Scout Troop #41. For the past 75 years the American Legion Post has sponsored this troop, making it the oldest sponsorship in New York State. Post 694's commitment to this troop and its membership over these many years symbolizes all that is truest in America; patriotism, loyalty and love of country.

All of the good deeds that men do, does in fact live after them. So that today, we salute the many members of the American Legion Post 694 who began and continued the sponsorship up until this present date. In a society that seeks great heroes and leaders, it is most commendable that the American Legion Post 694 has striven mightily to maintain this troop with honor and dignity, and to provide a positive role model.

On Sunday, May 2, 1999, when family, friends and members of the American Legion Post 694 and the Boy Scout Troop 41 gather to celebrate this outstanding accomplishment, let us all applaud this Herculean effort and achievement.

Mr. Speaker, I ask my colleagues in the House of Representatives to salute the members of the American Legion Post 694, past and present, in an acknowledgment of a deed well done.

## EXPOSING RACISM

### HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. THOMPSON of Mississippi. Mr. Speaker, in my continuing efforts to document and expose racism in America, I submit the following articles into the CONGRESSIONAL RECORD.

TRUTH SOUGHT IN 1910 MOB KILLING OF BLACK MAN

(By Todd Bensman)

The Dallas Morning News (KRT) Dallas—The only memorial to Allen Brooks is a novelty picture postcard—made from a photograph and, for many years in an earlier time popularly mailed from Dallas.

In the photograph, snapped 89 years ago, a vast Dallas mob of 10,000, many of them children, stand shoulder to shoulder around Brooks, a black man.

He was lynched from a telephone pole in downtown Dallas. The execution is ''one of the great tragedies ever to occur in Dallas,'' said local journalist and historian Darwin Payne. All that remains in the city's memory is an original postcard at the Dallas Public Library and a few old newspaper clippings.

Until now, the event in March 1910 has not been publicly viewed as worthy of investigation or academic reflection.

But that would change if some scholars and city officials have their way.

They say the city of Dallas should commission a study to investigate the incident if only because Brooks' guilt is doubtful and no mob leaders were ever held responsible. The 68-year-old Dallas man was to have stood trial on never-proved charges of molesting a white 3-year-old girl.

''It's not in the nature of Dallas historians to do research on that sort of topic,'' said Bill Farmer, a historian and professor emeritus of theology at Southern Methodist University. ''That's true of Southern regions in general and the tendency to bemoan bad things that happened but then to forget them. And Dallas has a particularly bad case of this.

''But I think there is a readiness now. I think the time is right.''

Kenneth Hamilton, a professor of history at SMU, points to recent efforts to unearth the truth about long-buried cases of killings of blacks, such as massacres in Rosewood, Fla., and Forsyth, Ga., and the Tulsa, Okla., race riots. In Tulsa, a city commission is reconstructing the 1921 melee set off by a rape charge against a black man. Local blacks want reparations.

''We don't have an urban historian on campus who does Dallas history. There's no conspiracy; we just have people whose interests lay elsewhere, and that's not unusual,'' said Dr. Hamilton of SMU, who is black. ''Blacks were not important to Dallas until recently. So if it's important to Dallas, then Dallas can commission someone to do it.''

As the State and Nation cope with the modern-day trial in Jasper, TX, of a white supremacist convicted of dragging a black man to death, historians recall an earlier time of such acts.

Small-town Texas contributed to the annals of Southern mob lynchings from post-slavery Reconstruction through the 1920's and 1930's.

But few such incidents anywhere were as urban, well-attended or festive as the mob killing of Brooks in downtown Dallas, historians say.

The only thing that anyone knows for certain is that Brooks never got his day in a big-city court.

According to newspaper accounts, Brooks was found in a barn with Mary Ethel Huvens, a 3-year-old who had been missing. He was accused of molesting her and arrested in late February 1910.

Authorities, correctly reading public sentiment, anticipated a lynch-minded mob. They hid Brooks for a week before his scheduled trial. A mob that did form outside the city jail disbanded only after a delegation toured the facility and left satisfied that Brooks was not inside.

But according to eyewitness accounts, the vigilantes knew they would find Brooks a week later at his trial in the Dallas County Courthouse.

Overwhelming more than 70 peace officers, they broke into Judge Robert Sealey's second-floor courtroom, nabbed Brooks and tied a rope around his neck. The other end was thrown to the crowd below. A struggling Brooks was pushed and pulled through the window.

It is thought that he died from the fall. But their fury unassuaged, the crowd dragged his body and hung him up on a telephone pole near an arch erected for an Elks convention. Moments later, witnesses say, people tore his clothing and the rope to shreds for souvenirs.

Judge Sealey ordered a grand jury investigation that proved inconclusive after police officers swore they recognized no one in the crowd.

The incident, one of the hundreds that occurred all over the South during the period, made headlines and was quickly forgotten.

''There wasn't any public outcry,'' Payne said. ''Man, you're talking about the bloody teens and the bloody '20s. This was home to Klan Chapter Number 66, the largest in the country. Lawyers, judges, fire chiefs, police chiefs, they were all members.''

Historians familiar with the period suggest there are reasons to doubt Brooks' guilt, primarily because many mob hangings of blacks were set off by flimsy, deliberately inflammatory rape allegations. In 1921 in Tulsa, the rape charges that set off the riots were later dropped, the black suspect acquitted.

Brooks' case, based on the testimony of a 3-year-old, would hardly have withstood a routine defense in a truly impartial court, experts say.

Some odd tidbits have surfaced that cast doubt on the case against Brooks.

Payne, the author of ''Big D,'' said he learned during his research for the book a quarter-century ago that Brooks had been among several black men working for a wealthy white family. After an argument, another black man employed as a cook smeared chicken blood on the child's legs and said Brooks raped her.

But even a determined effort to get at the truth may prove difficult. County grand jury records dating back to the time were mostly destroyed in a 1950's flood of the basement where they were stored. Neither Dallas police nor the county district attorney's office have records dated to those days.

Census, birth and marriage records searches yielded nothing on Huvens, the alleged victim who would be 92 now. It is unknown whether she lived out her life in the area or whether descendants still do. What became of the Brooks family also is uncertain.

No student dissertations or theses about the Brooks case have been done.

City Council member Al Lipscomb, a student of black history, said he supports a commission that would investigate the Brooks case.

''I think it would be healthy for Dallas. Dallas is big enough to weather that, to face that, to clear the conscience of this city and move on,'' Lipscomb said. ''At least we would say we didn't know about and forgot about it. We can't have anything like that in our past without any hint of an investigation.''

---

MINORITIES ARE PAWNS IN VOUCHER GAME

(By Starita Smith)

The battle over school vouchers is heating up again all over the country.

In New York City, Schools Chancellor Rudy Crew threatened to resign over Mayor Rudolph Giuliani's voucher proposal. Giuliani is trying to persuade the school board to establish an experimental program giving vouchers to students in one of the 32 community school districts that make up the New York system.

In Florida and Texas, legislators ponder bills that would give scholarships—read vouchers—to children to attend private schools.

In Florida, these children would normally attend what the state would deem to be failing public schools. In Texas, they would be from large urban areas, with a limit of 5,000 pupils per district eligible for the vouchers. The districts affected would be Houston, Dallas and San Antonio.

While all these proposals sound altruistic, there is a hidden agenda.

Many vouchers proponents are motivated not by the plight of minority children but by the opportunity to score political points. These vouchers are intended to build support among desperate minority parents, who would then ally with conservatives who want to defund public schools and promote private schools.

The strategy seems to be working. Already in Wisconsin and Texas, a few minority Democratic leaders have joined with Republicans to support voucher programs because they think minority children would benefit.

In the past, the momentum has been against vouchers, as Democrats and others have defeated voucher initiatives usually proposed by Republicans without any mention of improving things for poor kids. Now that vouchers are being proposed for the children who attend the worst schools, struggling families and others who opposed vouchers are rethinking their positions.

A primary argument for vouchers is that public education needs competition just like corporations. The worst schools won't get better until they face a challenge for their clientele, who for the first time will have a choice, vouchers proponents argue.

If the logic sounds as if it sprang from corporate culture, that's because it did. Here in Texas, some of the main proponents of the competition idea are wealthy white businessmen. Some have even given tiny chunks of their multimillion dollar fortunes to start scholarship funds for poor kids to further the idea.

When you sit in a well-furnished office at the top of a tall office building, as some of these men do, I can see how the reasoning might sound good.

However, at ground zero, in the shabby classrooms of our public schools, it doesn't ring true.

Public schools are not corporations. When a corporation faces an aggressive competitor, it can raise more capital; merge with other corporations to become stronger; diversify, or if worst comes to worst, shut down. Public schools, by law, can hardly do any of these things.

Any state funding plan that provides for vouchers will hurt public schools. The voucher proposals would lure thousands of kids away from public schools, and with them, tens of millions of dollars, since public-school funding formulas are based on attendance.

Then there is the long-term consequence of distancing more voters from public schools. If children don't attend public schools, then there is no truly compelling reason for their parents and relatives to vote for local school-tax measures.

Already, public schools face strong competition from private ones in several communities in the South and the North. This competition dates back to the days of fierce resistance to school desegregation, when private schools cropped up as an alternative for white parents who didn't want their children to attend public schools.

Montgomery, Ala, is one of these places. As I toured the city, I rode past imposing campus after imposing campus, expecting to see that at least one or two of them was a public school. None were. A public magnet school I visited looked as if it could use a few

hundred thousand dollars worth of work. Friends who volunteer in Montgomery's public schools said the schools are so strapped for cash that teachers have to provide the toilet paper.

The private schools are nearly all white. The public ones are mostly black.

Vouchers would not yield universally integrated private schools. Too few minority children would be able to get vouchers and many of the best private schools would still be too expensive.

The latest proposals simply make minority children pawns in a political game aimed at improving the lot of those who already have all the advantages.

---

RIGHTS LEADERS SAY LAWS NATIONWIDE TARGETING HATE CRIMES HAVE BEEN EFFECTIVE

(By Sabrina L. Miller)

Knight Ridder Newspapers (KRT) Miami—Prosecuting hate isn't easy. Although Florida's hate crimes law is one of the toughest in the nation, the number of defendants actually prosecuted under the 10-year-old statute remains relatively low, prosecutors say, because the standard is often difficult to prove.

''What you have to prove is that but for the fact that the victim was not a member of a certain group, the crime would not have happened,'' said prosecutor Charles Morton, a homicide supervisor in Broward, where a murder last week may have been a case of racial hatred run amok.

Still, civil rights leaders said, laws nationwide targeting hate crimes have been effective.

''We can't prove the negative, meaning we can't prove what hate crimes did not occur because of the law,'' said Arthur Teitelbaum, Southern Area director for the Anti-Defamation League of B'nai B'rith. ''But we know that the Florida law is well known to the haters and the bigots, and they fear its consequences.''

For Robert Boltuch, the man accused this week of the Feb. 24 killing of Jody-Gaye Bailey, being charged with a hate crime won't help or hinder his case because he already faces the most severe penalty for his alleged actions: If he is formally charged with first-degree murder and convicted, Boltuch faces either life in prison without parole or the death penalty. Boltuch has yet to be charged by the Broward state attorney's office.

''When you're dealing with Murder One, hate doesn't elevate it any further,'' Morton said. ''The defendant is facing either life or death.''

Florida's hate crimes law is used to elevate the seriousness and penalty associated with a crime. That is, a defendant cannot be charged independently with a hate crime; rather, the charge is added to an existing crime, such as aggravated assault or battery.

Being charged with a hate crime can bump a misdemeanor up to a felony and, if a defendant is convicted, can mean the difference between probation and prison.

The law cannot be used to enhance a non-capital crime to one where the defendant would face the death penalty. The hate element also cannot be used as an ''aggravator,'' or a factor that jurors could consider in a death penalty case.

Although statistics show hate crimes nationwide have declined, glaring incidents like Bailey's death have made headlines. The names and the incidents are chilling and have gripped the public's worst fears about violence against minorities: James Byrd, a black man tied to a truck and dragged to his death by a white supremacist in Jasper, Texas; Matthew Shepard, a University of Wyoming student beaten to death because he was gay; and the Feb. 19 beating death of Billy Jack Gaither, a gay man in Alabama.

Teitelbaum's group drafted the hate crimes law and was instrumental in getting it passed by the Legislature in 1989. The law was challenged as unconstitutional, with critics saying it targeted attitudes and speech rather than behavior. But a Broward case became the model in a state Supreme Court ruling that the hate crimes law is constitutional.

Fort Lauderdale defense attorney Herb Cohen was physically and verbally attacked by Richard Stalder in 1991 after going to Stalder's home to retrieve earrings for a female friend. Stalder answered the door, stating: ''Hey Jew boy, what do you want?'' and repeatedly made derogatory comments about Cohen's ancestry.

Stalder was charged with battery against Cohen, and when the two appeared in court, Stalder continued to assault Cohen with antisemitic slurs. Circuit Judge J. Leonard Fleet dismissed the charges against Stalder, saying the hate crimes law was unconstitutional. But the state Supreme Court reversed Fleet in 1994.

Former Chief Justice Gerald Kogan in the opinion wrote: ''I do not dispute that people have a right to hold intolerant and bigoted opinions. But that is a far different matter than saying they have a right to act upon those opinions. . . . Criminal motive is not and never has been a protected form of expression.''

Stalder later accepted a plea deal and received probation. Cohen said Friday that the standard of proof is fair and appropriate.

''These cases can be difficult to prosecute, and, in a sense, I guess they should be,'' Cohen said. ''It shouldn't be easy to prosecute someone for what they say. But if the criminal act was motivated by race or religion, then it should be prosecuted as a hate crime.''

Defendants charged with hate crimes in South Florida can be hit with a double-whammy in state and federal court. Local state law-enforcement agencies have worked closely with the United States Attorney's Office and the FBI to impose the harshest penalties on both levels. Defendants face criminal charges in state court and prosecution for civil rights violations in federal court.

Eighteen-year-old Raymond Leone, for example, faces up to 30 years in prison on state and federal charges after pleading guilty to two separate incidents in which he targeted the victims because of their race and religious backgrounds.

He and several others affiliated with the white-separatist group World Church of the Creator beat a Hispanic father and son for refusing to accept racist literature outside a rock concert in Sunrise in 1997. Leone also robbed and beat the owner of an adult video store in Hollywood because the man is Jewish.

Teitelbaum said the laws continue to punish ugly incidents of hatred.

''We saw the need to have an effective legislative response, a tool for law enforcement to prosecute these crimes because of their specific nature and impact,'' he said. ''The victim is impacted, and every person in the victim's group is threatened and traumatized.

''American history, unfortunately, has been stained by these hate crimes,'' he said.

## AUTHORIZING PRESIDENTS TO CONDUCT MILITARY AIR OPERATIONS AND MISSILE STRIKES AGAINST FEDERAL REPUBLIC OF YUGOSLAVIA

---

SPEECH OF

### HON. DONNA MC CHRISTENSEN

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mrs. CHRISTENSEN. Mr. Speaker, I am compelled to rise to make this brief statement on the issue of funding and supporting the NATO operations in Kosovo.

While I, like many would like to see a clearer definition of the scope of the conflict, and a specific endpoint in sight, I will not abandon our men and women who join those of our partnering countries, or undermine them or our country. Further, while I am pained that the same concern and appropriate intervention has not taken place for the countries of my ancestry, Africa, as my colleague Mr. MEEKS said that is no reason to deny protection or relief from their persecution to the Albanian people of Kosovo.

I support Senate Concurrent Resolution 21, because it is the right thing to do.

## TRIBUTE TO JIM AND ELLYNE WARSAW

---

### HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to Jim and Ellyne Warsaw who have spent over 20 years building and nurturing their marriage, and family, as well as their strong sense of Jewish community in the Orange County area.

The Talmud states that ''He who does charity and justice is as if he had filled the whole world with kindness.'' In the spirit of such words, innovative volunteers actively participate in delivering tremendous support, selflessly dedicating their time and energy to enriching our community.

Jim Warsaw, has shown his dedication as the Honorary Chair of Project TBY 2000 Building Fund Campaign, as Past President of the American Friends of the Hebrew University of Jerusalem, and as a board member of numerous organizations including the Regional Board of the Anti-Defamation League, the National New Leadership board of Israel Bonds, and an active member of the Board of Directors of the National Parkinson's Foundation Alliance and the Lobby for Parkinson's Action Network.

Ellyne Warsaw has shown her dedication to Temple Bat Yahm as Past President of the Early Education PFO, Chairperson for the Annual PFO Fashion Show and Holiday Boutique, Trustee as the Vice-President of the Temple Bat Yahm Early Education Program, and as a supporter and contribute for the Annual Canvas of Hope fundraiser for a local chapter supporting Parkinson's Disease.

In addition to their caring for the needs of the Jewish community, Jim and Ellyne Warsaw are symbols of commitment, integrity, and

devotion to their children—Bryan, Zakary, and Kyle.

Mr. Speaker, distinguished colleagues, please join me in paying tribute to Jim and Ellyne Warsaw. They are both deserving of our utmost respect and praise.

## IN HONOR OF THE INSTALLATION OF HONORARY CONSUL OF THE SLOVAK REPUBLIC FOR THE STATE OF OHIO

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. KUCINICH. Mr. Speaker, I rise today to recognize Dr. Edward Keshock, Honorary Consul Designate of the Slovak Republic for the State of Ohio.

Dr. Keshock is currently Professor of Mechanical Engineering at Cleveland State University. He received his Ph.D. in Mechanical Engineering from Oklahoma State University and has conducted research on a variety of topics, including energy conservation. Dr. Keshock was also a summer faculty fellow at the NASA Lewis Research Center in Cleveland. He has received numerous awards for his teaching and research. In addition, he holds the rights to two patents.

In addition to his academic achievements, he is also President of the Cleveland-Bratislava Sister Cities. In 1995 he helped coordinate the group of trade and government officials from the Slovak Republic who attended the White House Conference on Trade and Investment in Central and Eastern Europe.

Dr. Keshock has strong ties to the Slovak Republic and was a co-founder of the Public Against Violence movement in 1989 that was the leading Slovak force in the Velvet Revolution against communism.

On May 2, 1999, Dr. Keshock will be installed as the Honorary Consul during the Slovak Spring Weekend celebration. The weekend events include the ceremonial opening of Slovak Consulate Offices in Cleveland, Ohio, which will be attended by the Slovak Republic Ambassador, Ambassador Butora. This opening is a historic event in Slovak-American relations and interactions. Other activities being held include traditional Slovak entertainment and history presentations.

Mr. Speaker, I congratulate Dr. Keshock for being installed Honorary Consul Designate, a position for which he is well qualified.

## TRIBUTE TO LIEUTENANT COLONEL CHESTER A. RILEY

### HON. BILL C.W. YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. YOUNG of Florida. Mr. Speaker, I rise today to recognize an outstanding Marine Corps Officer, Lieutenant Colonel Chester A. Riley who has served with distinction for the past three years for the Commandant of the Marine Corps and the Assistant Secretary of the Navy, Financial Management and Comptroller as a Principal Assistant and Deputy in the Appropriations Matters Office. It is a privilege for me to recognize his many outstanding achievements and commend him for the superb service he has provided to the Marine Corps, the Department of the Navy, the Congress, and our great Nation as a whole.

During his tenure in the Appropriations Matters Office, which began in October of 1996, Lieutenant Colonel Riley has provided members of the House Appropriations Committee, Subcommittee on Defense as well as our professional and personal staffs with timely and accurate support regarding Marine Corps plans, programs and budget decisions. His valuable contributions have enabled the Subcommittee and the Department of the Navy to strengthen its close working relationship and to ensure the most modern, well trained and well equipped naval forces attainable for the defense of our great nation.

Mr. Speaker, Chet Riley and his wife Licia have made many sacrifices during his career in the Marine Corps and as they embark the next great adventure beyond their beloved Corps I call upon my colleagues to wish him every success and to thank him for his long, distinguished and ever faithful service to God, country and Corps. Semper Fidelis.

## A TRIBUTE TO LIEUTENANT COLONEL MARK L. HAALAND

### HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. LEWIS of California. Mr. Speaker, I rise today to inform the Congress of the imminent retirement of Lieutenant Colonel Mark L. Haaland, a truly outstanding soldier in the United States Army. His service to the nation has been perfectly honorable and faithful for 20 years. The story of Mark's service reflects the devotion to duty, family and nation that keeps America strong and free.

The son of a military family, Mark graduated from the United States Military Academy at West Point on June 6, 1979 and was commissioned a Second Lieutenant of Armor. Upon completion of the Ranger and Armor Officer Basic courses, Mark flew to Germany to serve with the glorious 11th Armored Cavalry Regiment. His bride, Toni, joined him a few months later. Mark served as a platoon leader, executive officer, and troop commander with this famous regiment, frequently deploying to the East-West German border areas to guard against communist aggression during the height of the Cold War.

Mark and Toni returned from Germany in late 1984, to attend the Infantry Officer Advanced Course at Fort Benning, Georgia followed by graduate school toward an MBA at Syracuse University. Upon completion of graduate school, Mark served as a comptroller at the Army's Training and Doctrine Command headquarters at Fort Monroe, Virginia. While serving at Training and Doctrine Command, Mark provided important analytical assistance with the Army's long-range strategic and program planning, and the command budget. During these quiet years between graduate school and serving as a junior comptroller, Mark and Toni started their family with the birth of Robyn in 1985 and Patrick in 1987.

In 1988, Mark was selected for promotion to the rank of Major and attendance at the prestigious Army Command and General Staff College at Fort Leavenworth, Kansas. Upon graduation in 1990, Mark's next assignment took the Haaland's to the Army's Armor Center at Fort Knox, Kentucky, for duties with the 194th Separate Armored Brigade. Two months after their arrival in Kentucky, Saddam Hussein invaded Kuwait. For the next year, Mark trained and assisted in the preparation of Army active and reserves units and soldiers for deployment to the Kuwait Theater of Operations. At the same time, Toni helped families and the communities of Fort Knox and Radcliff, Kentucky cope with the challenges of an Army at war far from home. During the war and for the following two years, Mark served as the Brigade operations officer for planning, then as a battalion/task force operations officer, and finally as the Brigade operations officer.

Following his very rewarding three-year experience with the soldiers and families of the 194th Separate Armor Brigade, Mark was ordered to the Pentagon in Washington, D.C. where he was assigned to the Army's Budget Office. Although somewhat hesitant about moving to the major metropolitan area of Washington, D.C., Mark, Toni, Robyn, and Patrick were glad to return to their home state, the Commonwealth of Virginia. Soon after the Haalands' arrival in the summer of 1993, the Army selected Mark for promotion to lieutenant colonel and he pinned on his new rank in 1994. During his almost six years in Washington with the Department of the Army, Mark has served as the Army's budget analyst for counter-drug operations and has managed the nearly $9 billion budget and financial operations for the Army's operating forces. Most noteworthy, Mr. Speaker, during the past three years, Mark Haaland has supported the House and Senate Appropriations Committees as Deputy Chief of the Army's Congressional Budget Liaison Office. I am pleased to have had Lieutenant Colonel Mark Haaland serving in this position. His experience with our Army's operational units together with his comptroller experience has been of immeasurable importance toward ensuring that America's Army has been well represented on Capitol Hill. Mark's dedication to the Army and the Congress, technical competence, intellectual capacity, boundless energy, and irrepressible good humor have earned Mark the respect and admiration of the Members and staffs of both Chambers' appropriations committees. His contributions to our success over the years have been great and will be missed.

Mr. Speaker, I wish to thank this officer and his family for their service to our nation—truly a standard of duty, honor and country. And I wish for them all God's blessings and success in the future.

PROVIDING FOR CONSIDERATION OF H.R. 1569, H. CON. RES. 82, H. J. RES. 44, AND S. CON. RES. 21, MEASURES REGARDING U.S. MILITARY ACTION AGAINST YUGOSLAVIA

SPEECH OF

## HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. WOLF. Mr. Speaker, I want to comment on the votes we are casting in the House today concerning U.S. military involvement in Kosovo. That the U.S. is mired in a Balkan conflict, not of our choosing, is not in doubt. I have been and remain critical of the course of action pursued by the White House that led to today. The White House simply did not think things through.

What has happened, however, is that while attempting to bomb Milosevic into oblivion and crushing the infrastructure of his country, a horror show of catastrophic proportions involving as many as 1.5 million ethnic Albanian refugees from Kosovo has been created. These refugees, about half remaining in Kosovo and half fleeing or being driven to Montenegro, Albania, Macedonia and elsewhere have been brutalized by Milosevic forces. They are fearful, homeless, without adequate food, water, sanitation, medical care and without much hope. Many have had family or friends killed and many more are injured or ill.

What has happened is exactly what NATO intervention had hoped to prevent. And exactly what many informed sources available to NATO and to the Administration predicted. But the Clinton Administration did not listen.

I have visited the Balkans a number of times to see things for myself. In February, just before the breakdown of the Rambouillet peace talks which led to NATO bombing of Serb targets, I traveled to Albania, to Macedonia and to Kosovo where I met with all parties—Serbs, KLA, representatives of the Rugova shadow government, men and women in the street, diplomats, NGO's and United Nations officials. Many predicted that ethnic cleansing would begin as Western officials left Kosovo in advance of NATO troops arriving had the peace accords been signed.

Even they must be shocked at the degree their prediction have been fulfilled by the brutality unleashed by Milosevic. Yesterday, I heard for the first time that refugees reported Serb forces have used flame throwers to kill and torture ethnic Albanians.

As reports of refugees streaming out of Kosovo filled the airways, I returned to Albania earlier this month to visit the Kosovo border crossing at Kukes and Morina to meet and talk with refugees. What has happened is so terrible I see no way the world can turn its back on them. Immediate care is a critical problem and so is the longer term need to provide for them. Nearly all wish to someday return home to Kosovo. But for too many, there is no home to return to. As they were driven away from their towns and villages, their burning and destroyed homes were visible behind them.

And now the world tries to work its way out of this mess. The White House and NATO have not found the answer. Last week on April 21 here on the House floor I called on the President to convene a group of experienced and proven wise men and women to develop a workable Balkan strategy. Thus far, the White House only continues to bomb and hope and bomb and hope. Today the President announced a 33,000 reservist call-up. His response to the question of what to do if bombing didn't work was to bomb some more.

Congress and the American people are wondering what should be done. I'm not sure Congress has found the solution among the four measures being voted on today.

I am convinced that it is important for the world, for the U.S. and for NATO that we prevail in today's Balkan conflict. If NATO were to walk away it would be inhumane to the million-plus refugees. It would dangerously destabilize eastern Europe, leaving a huge refugee problem.

It also would permanently stain and call into question the credibility and will of the U.S. and NATO emboldening rouge governments around the globe to rise up for their own gain and power. If we walk away, what would that say to China, which is eyeing Taiwan? What would that say to Iraq, with its arsenal of biological and chemical weapons? What would that say to Iran, which could think the time was ripe to strike Israel? What would that say to North Korea, looking to its south?

More than that, it would just be wrong. Terrible crimes against humanity are being committed that cannot be allowed to continue. The world, including the U.S., must bring them to an end.

Today, Congress considers H.R. 1569, which provides that no funds will be used for ground troops in Yugoslavia unless the funding is authorized by Congress. It is critical that Congress be involved in any decision to insert ground forces in any military campaign, and the administration has an obligation to come to Congress, similar to President Bush's involving Congress in the Persian Gulf war. President Clinton has stated to the congressional leadership that he will consult with Congress on the use of ground forces. That's the time for this vote. To vote now to ban the use of ground troops when there are currently no plans for this action sends the wrong message. How this question is handled will establish a precedent for future administrations, so we must be careful and thoughtful.

H. Con. Res. 82, calling for the removal of the U.S. military pursuant to the War Powers Resolution, is an equally bad proposal and I do not support it either. If the purpose is to question the constitutionality of the War Powers Resolution which has been ignored by all presidents and congresses since it was enacted in 1973, a better test must be found that will not jeopardize U.S. forces, U.S. interests and the lives of all those refugees. Men and women in U.S. uniform are in combat now risking their lives. Three of them are being held as prisoners.

I also do not support H.J. Res. 44, declaring war on Yugoslavia. Calling for this vote is both frivolous and mischievous and serves no useful purpose. The world is faced with a serious problem in the Balkans which merits thoughtful consideration and action.

S. Con. Res. 21, authorizing air and missile strikes, acknowledges what is now taking place in Yugoslavia. While support of this measure could send to the White House the message that Congress endorses the present "bomb to oblivion" strategy without regard to whether or not it works, not to vote for it would take away from the men and women now engaged in air combat in Serbia. America stands behind our soldiers, sailors, airmen and marines and a "yes" vote reaffirms this support.

Additionally, it would be wrong to send any message that could in any way provide aid and comfort to Milosevic. My "yes" vote is a vote in support of our men and women in uniform now risking their lives in the Balkans.

Again, I call on the President to assemble a group of wise men and women skilled in world affairs, diplomacy and the application of force to find resolution and keep an intractable Balkan problem from becoming an Achilles' heel to world peace.

The U.S. must find a winning strategy and unite behind it. Today's debate and votes are both healthy and necessary and a start to finding a solution. Had the President involved Congress and the American people in this matter at the outset, we might be closer to a resolution than we are. The President needs to come to Congress and the American people and tell us what is needed to achieve our goal and why.

CONGRATULATING THE BENJAMIN FRANKLIN SCHOOL ON ITS NATO PAINTING

## HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mrs. ROUKEMA. Mr. Speaker, I rise to congratulate the students of Benjamin Franklin Middle School in Ridgewood, NJ, on the distinct honor of being one of only 19 schools across the Nation chosen to contribute a painting to the recent NATO Summit held in Washington, DC. This inspiring and impressive work of art—displayed at the summit to welcome world leaders—was a tribute to the nation of Canada created as part of the international celebration of NATO's 50th birthday.

The artwork project was an important part of the NATO summit, offering students an invaluable lesson in the history, geography and politics of NATO's member nations. It enabled young people from all over the country to participate in one of the most significant events of their lifetime—the gathering of world leaders celebrated the alliance that has safeguarded freedom and security since World War II and marked the beginning of a new era of partnership. And the artwork these students created will serve as a permanent symbol of the relevance of the transatlantic alliance to future generations in preserving peace and democracy.

Each participating school was assigned one of the 19 NATO countries and asked to interpret the three main themes of the summit—freedom, democracy, and partnership. Student artists worked with the colors of each country's flag, plus the NATO colors of blue and gold, to illustrate significant moments in history or culture. The 4-foot-by-6-foot acrylic paintings on canvas were then combined into a 10-

foot-by-28-foot commemorative mural that was displayed at the summit as a welcome to NATO leaders.

Students at Benjamin Franklin were assigned to create a painting honoring our northern neighbor Canada. Their inspiring design shows three individuals draped in the flags of the United States, France, and Britain—the three nations with which Canada has its closest ties—against the Canadian flag. It is a strong symbol of international unity that highlights the enduring relationship of the nations depicted. The students, their teachers, and Principal Tony Bencivenga did an outstanding job.

I ask my colleagues in the House of Representatives to join me in congratulating these young people not only for creating an outstanding piece of art but for seeing the importance of international harmony and becoming active participants in our global society. From culture to economy, no nation is ''an island'' today. Young people who understand that are better prepared to be the leaders of tomorrow and to be dedicated to expanding democracy, peace, and prosperity in our world.

## A BILL TO REPEAL THE LIMITATION ON THE USE OF FOREIGN TAX CREDITS UNDER THE ALTERNATIVE MINIMUM TAX

### HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. HOUGHTON. Mr. Speaker, I am pleased to join my colleague from New York, Mr. RANGEL, together with a number of other colleagues, in introducing our bill that would eliminate a fundamental unfairness in the application of the U.S. tax law to taxpayers that have income from foreign sources.

A U.S. citizen or domestic corporation that earns income from sources outside the United States generally is subject to tax by a foreign government on that income. The taxpayer also is subject to U.S. tax on that same income, even though it is earned outside the United States. Thus, the same income is subject to tax both in the country in which it is earned and in the United States. However, the United States allows taxpayers to treat the foreign taxes paid on their foreign-source income as an offset against the U.S. tax with respect to that same income. This offset is accomplished through the foreign tax credit; the foreign tax paid on foreign-source income is treated as a credit against the U.S. tax that otherwise would be payable on that same income. Although the details of the foreign tax credit rules are extraordinarily complex (as are the international provisions of the Internal Revenue Code generally), the basic principle is simple: to provide relief from double taxation.

When it comes to the alternative minimum tax (AMT), this basic principle of providing relief from double taxation falls by the wayside. The AMT was enacted to ensure that individuals and businesses that qualify for various ''preferences'' in the tax rules nevertheless are subject to a minimum level of taxation. However, the foreign tax credit provisions of the AMT operate to ensure double taxation. Under these AMT rules, the allowable foreign tax credit is limited to 90 percent of the taxpayer's alternative minimum tax liability. Because of this limitation, income that is subject to foreign tax is subject also to the U.S. AMT. The result is double (and even triple) taxation of income that is used to support U.S. jobs, R&D and other activities.

There is no rational basis for denying relief from double taxation to that class of taxpayers that are subject to the AMT. Accordingly, the bill we are introducing today will eliminate the 90 percent limitation on foreign tax credits for AMT purposes. With the elimination of this limitation, relief from double taxation will be provided to taxpayers that are subject to the AMT in the same manner as it is provided to those taxpayers that are subject to the regular tax.

Concern regarding the unfairness of the AMT limitation on the use of the foreign tax credits is not new. Indeed, the House in 1995 passed a provision repealing the 90 percent limitation as part of a complete package of AMT reforms. Overall reform of the AMT, for individuals and businesses, remains an important piece of unfinished business. This bill to eliminate the 90 percent limitation on foreign tax credits for AMT purposes represents an important step in that direction and we urge our colleagues to join us in cosponsoring this legislation.

## INTRODUCTION OF THE BROWNFIELDS CLEAN-UP ACT

### HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. COYNE. Mr. Speaker, today I am introducing legislation which would make the existing tax incentive for cleaning up brownfields permanent.

Brownfields are vacant industrial or commercial sites. There are more than 400,000 such sites across the country. Brownfields cause economic blight by crowding out new businesses, preventing the creation of new jobs, and reducing municipal property tax revenues. They reduce the value of surrounding property and they can be public health problems.

Brownfields sites often require environmental remediation before they can be redeveloped and returned to productive use. At the very least, the prospect of significant remediation costs often discourages the redevelopment of such sites.

The 1997 Taxpayer Relief Act established a provision for expensing brownfield clean-up costs in certain targeted areas—empowerment zones, enterprise communities, EPA brownfields pilot project sites, and census tracts with high poverty rates. This provision can be an important tool for encouraging the clean-up and redevelopment of unproductive brownfield sites.

Unfortunately, however, the existing provision only allows expensing for expenditures or costs incurred between August 6, 1997, and December 31, 2000. That is too short a period of time for many potential users to take advantage of it. Consequently, I believe that this provision should be made permanent. The Administration shares that view and proposed making the provision permanent in the budget request that it submitted to Congress in February.

Today Congressman RANGEL and I are introducing legislation that would make the brownfields expensing provision permanent. Enactment of this legislation would provide much-needed help to many of the economically distressed communities across the country that are currently burdened with one or more brownfields sites. I urge my colleagues to cosponsor this important legislation.

## DECLARING STATE OF WAR BETWEEN UNITED STATES AND GOVERNMENT OF FEDERAL REPUBLIC OF YUGOSLAVIA

SPEECH OF

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. KUCINICH. Mr. Speaker, the truth is war is being waged and will continue to be waged without declaration. But such violence is neither redemptive nor justified in law or morality. Hope is redemptive, love is redemptive, peace is redemptive, but the violence of this conflict stirs our most primitive instincts. When we respond to such instincts, we enact the law of an eye for an eye, and we at last become blind and spend our remaining days groping to regain that light we had once enjoyed.

He only understands force, it is said of Mr. Milosevic, but we must understand more than force. Otherwise, war is inescapable. We must make peace as inexorable as the instinct to breathe, as inevitable as the sunrise, as predictable as the next day. With this vote, let us release ourselves from the logic of war and energize a consciousness of peace, peace through implied strength, peace through express diplomacy, peace through a belief that through nonviolent human interaction, we can still control our destiny.

## A TRIBUTE TO DR. YVONNE SCARLETT-GOLDEN, DOCTORATE OF LAWS, BETHUNE-COOKMAN COLLEGE

### HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mrs. MEEK of Florida. Mr. Speaker, I rise today in tribute to the honorable Dr. Yvonne Scarlett-Golden, my dear friend, whose title of honorary Doctorate of Laws was conferred by Bethune-Cookman College on April 26, 1999. This honor is very highly deserved. I have had the honor and the immense pleasure of knowing and working with Yvonne for many years, and her name is synonymous with dedication and commitment towards the public good.

She is a master teacher, a superlative retired school principal, an effective city council

member, a committed community activist, and an exemplary mother. Her dedication is beyond praise, for it is impossible to calculate the number of young students who have been inspired by Yvonne in her career. Like ripples in a pond, Dr. Yvonne Scarlett-Golden's kind acts towards her students served as catalysts for them, to enrich their own spheres of influence with the strong guidance and example of character which they have received.

After a long career as a highly popular teacher, Dr. Yvonne Scarlett-Golden became an energetic city council member, and she continues her fight for the underdog in yet another venue. Vibrant, bright, and always committed, the devotion of Dr. Yvonne Scarlett-Golden to State of Florida has been an inspiration over the decades of our close friendship.

It is indeed one of my great pleasures to pay tribute to truly a great Floridian and, indeed, a such a great American, Dr. Yvonne Scarlett-Golden, on the occasion of her achievement in being awarded the title of Doctorate of Laws by Bethune-Cookman College.

## McGRAW FAMILY TO CELEBRATE 50TH ANNUAL REUNION

### HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. WALSH. Mr. Speaker, I rise today in special recognition of an occasion which will be celebrated in the County of Cortland in my district in Central New York State this summer. On July 18th, the McGraw family, along with the many guests who will join them, will hold their 50th Annual Reunion.

This wonderful tradition was begun in 1950 as a means of bringing together the large and distinguished McGraw family. Having settled in Cortland County in the 1850's in the wake of the Irish potato famine, the McGraws quickly became one of the most well-respected residents of the area. The most well-known member of this family, John Joseph McGraw, was the Manager of the New York baseball Giants from 1902 to 1932. Having won more games than any other manager in major league history, Mr. McGraw was inducted into the Baseball Hall of Fame in Cooperstown.

Today, as was the case fifty years ago at the time of the first McGraw reunion, the Central New York area is indebted to the McGraw family for its many contributions to our community. I would like to express the sense of the many visitors and ''honorary McGraws'' who will travel from near and far to share in their celebration this summer in thanking them for making Central New York a better place, and in wishing them well in this and many family reunions to come.

## INTRODUCTION OF THE HOMELESSNESS ASSISTANCE FUNDING FAIRNESS ACT

### HON. JOHN ELIAS BALDACCI

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. BALDACCI. Mr. Speaker, I am pleased to introduce today the Homelessness Assistance Funding Fairness Act that will ensure that every state receives a minimum allocation of funding from the Department of Housing and Urban Development's ''Continuum of Care'' grant programs. I am introducing this legislation in conjunction with Senator SUSAN COLLINS of Maine. We have been working to address the challenges of meeting the needs of homeless people in a rural state for some time now, and I believe that this legislation represents an important step forward.

Homelessness is a problem that knows no boundaries. In every state, Americans find themselves without adequate shelter or access to affordable housing. Unfortunately, since the Continuum of Care grants are currently awarded on a competitive basis, some states may be denied funding in a given year.

Homelessness is also not limited to urban areas. In fact, rural homelessness is a significant problem and may pose even greater challenges due to geographical realities. Maine is a predominantly rural state. Homelessness is a growing problem, with more than 14,000 people currently believed to be homeless. While this number may seem relatively small, when we consider that the state's overall population is only 1.2 million, we recognize that there is in fact a significant problem.

In the past, Maine organizations have competed successfully for Continuum of Care funding. In fact, last year, HUD Secretary Andrew Cuomo visited several of Maine's homeless assistance projects and presented them with a ''Best Practices'' award in recognition of their excellent work. For that reason, it came as a shock when HUD announced in 1999 Continuum of Care grant recipients and we learned that no funds had been awarded to any Maine applicants.

In addition to Maine, three other states—Oklahoma, Kansas and North Dakota—were not awarded any Continuum of Care funding this year. The homeless of these four rural states are just as deserving and in need of assistance as the homeless of the other 46 states. Unfortunately, they are now facing drastic cuts in services and the outright elimination of many programs that have sought to provide housing and services to help break the cycle of poverty and dependency.

I respect the goals of the competitive funding process: to encourage excellence; to foster innovation; and to ensure that Federal taxpayers get the most ''bang for their buck'' when it comes to providing assistance to America's homeless. But I also recognize that in a competition such as this, excellent programs sometimes fall just short of the cut-offs that are determined by funding availability. And I am concerned especially because the cut-offs are absolute—Maine's funding, for example, went from about $3.7 million to $0.

For that reason, I am introducing this legislation which will provide a safety net to ensure that every state receives at least a minimum allocation to provide a Continuum of Care to that state's homeless. My legislation would continue the grant competition, but would provide that every state must receive at least half a percent of the total Continuum of Care funds. This would ensure that the homeless of every state would be able to count on some continuity of services from year to year.

It is not an exaggeration to say that lives depend on the services provided as a result of the Continuum of Care grants. People must have a place to escape the bitter cold of a January day in Maine or the brutal heat of an August day in Texas. People must have a chance to break out of poverty ad to become productive citizens. This is difficult to do when much of each day must be spent meeting such basic needs as finding food and shelter.

The Homelessness Assistance Funding Fairness Act would take a small step in ensuring that no state's homeless persons are left without assistance in finding permanent or transitional housing. Unless we take action, the tragedy that has befallen Maine's homeless population this year, could easily happen to those of other states next year when the funds are competed again.

I urge my colleagues to support this important legislation.

## INTRODUCTION OF THE TEENAGE PREGNANCY REDUCTION ACT OF 1999

### HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. CASTLE. Mr. Speaker, I am pleased to be an original cosponsor of the Teenage Pregnancy Reduction Act of 1999. This legislation is an important commitment on the part of Congress to give local communities the resources they need to operate effective teenage pregnancy programs.

More specifically, the bill authorizes $10.5 million in total over three years for HHS to conduct a study of effective teen pregnancy prevention programs, with an emphasis on determining the factors contributing to the effectiveness of the programs, and methods for replicating the programs in other locations.

It also authorizes the creation of an information clearinghouse to collect, maintain, and disseminate information on prevention programs; to develop networks of prevention programs; to provide technical assistance and to encourage public media campaigns regarding pregnancy in teenagers.

Finally, it authorizes $10 million in total over three years for one-time incentive grants for programs which are found to be effective under HHS's study described earlier, to assist them with the expenses of operating the program.

Helping our communities prevent teenage pregnancy is an important mission. The United States has the highest teenage birth rate of industrialized countries, which has far reaching consequences for our Nation's teenage mothers and their children.

Unmarried teenagers who become pregnant face severe emotional, physical, and financial

difficulties. The children born to unmarried teenagers will struggle to fulfill the promise given to all human life, and many of them simply will not succeed. Many of them will remain trapped in a cycle of poverty, and unfortunately may become part of our criminal justice system.

How bad is the problem? In 1960, 15 percent of teen births were out-of-wedlock. In 1970, 30 percent of teen births were out-of-wedlock. In 1980, 48 percent of teen births were out-of-wedlock. In 1990, 68 percent of teen births were out-of-wedlock. In 1993, 72 percent of all teen births were out-of-wedlock.

Why do we care about this? For the simple reason that beyond the statistics, this trend has devastating consequences for the young women who become unwed teen parents, and for the children born to them.

The report, ''Kids Having Kids,'' by the Robin Hood Foundation quantified some of these consequences. Compared to those who delay childbearing until they are 20 or 21, adolescent mothers: spend 57 percent more time as single parents in their first 13 years; are 50 percent more likely to depend on welfare; are 50 percent less likely to complete high school; and are 24 percent more likely to have more children.

Children of adolescents (compared to children of 20- and 21-year-olds) are more likely to be born prematurely and 50 percent more likely to be low-birth weight babies of less than five and a half pounds—meaning an increased likelihood of infant death, mental retardation or illness, dyslexia, hyperactivity, among others.

How can we make a difference? By working in partnership with communities. At the national level, we need to take a clear stand against teenage pregnancy and foster a national discussion—involving national leaders, respected organizations, the media, and states about how religion, culture, and public values influence both teen pregnancy and responses to it. The Congressional Advisory Committee to the National Campaign to Prevent Teen Pregnancy, which I co-chair with Congresswoman LOWEY, will play an active role in this discussion.

At the local level, communities need to develop programs targeted to the characteristics, needs, and values of its families. Communities know what their needs are and what will be most effective with their teenagers, so it is critical that they design and implement the programs, not the federal government. This legislation will assist efforts of communities, and I hope that my colleagues will join me as a cosponsor.

Our goal to reduce teen pregnancy is challenging and difficult. But if we work together we CAN make a difference.

## EARTHQUAKE HAZARDS REDUCTION AUTHORIZATION ACT OF 1999

SPEECH OF

### HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

The House in Committee of the Whole House on the State of the Union has under consideration the bill (H.R. 1184) to authorize appropriations for carrying out the Earthquake Hazards Reduction Act of 1977 for fiscal years 2000 and 2001, and for other purposes:

Mrs. MINK of Hawaii. Mr. Chairman, I rise in support of H.R. 1184, the Earthquake Hazards Reduction Authorization Act of 1999.

H.R. 1184 will take earthquake research and earthquake engineering research to the next level enabling the replacement of antiquated earthquake warning systems and equipment while linking monitoring centers and laboratories together and stimulating scientific research that will help prevent losses of life and property due to earthquakes.

I am pleased that H.R. 1184 will establish two new projects that will greatly boost our earthquake research and monitoring efforts: the Network for Earthquake Engineering Simulation (NEES); and the Advanced National Seismic Research and Monitoring System. These programs will join earthquake engineering research facilities and monitoring systems from across the country while upgrading and expanding earthquake testing at the facilities. The programs will help to eliminate duplication of research and promote coordination, cooperation and sharing of information to better enable us to utilize science in the protection of life and property.

I am also pleased that the Committee accepted an amendment offered by Congresswoman WOOLSEY to direct FEMA to report on the components of the ''National Earthquake Hazard Reduction Programs that address the needs of at-risk populations: the elderly, the disabled, the non-English speaking, and single parent households.'' These populations face additional challenges following natural disasters and we must not neglect the most vulnerable of our populations during such disasters. I applaud Congresswoman WOOLSEY in her effort to address this problem.

I also appreciate the committee language expressing that the committee will soon begin examining why insurance companies refuse to reduce insurance premiums to builders, home owners, and commercial properties, that have complied with the new engineering standards and practices shown to reduce damages caused by earthquakes. Those who make conscious efforts to incorporate higher standards to prevent earthquake damages should not have to pay the same rates as those who do not incorporate these standards.

I support this legislation because we need to be prepared for earthquakes; we need to improve our abilities to predict earthquakes; and we need to implement policies and building practices that would minimize losses of life due to earthquakes. But, in addition to this, we must prepare for the rebuilding and relief efforts that would be necessary in response to disastrous earthquakes and other natural phenomena including, tsunamis, hurricanes, and volcanic eruptions. We must accelerate community efforts to prepare for such incidents by encouraging the development of response plans and promoting construction practices that minimize losses from disasters.

Accordingly, I have introduced legislation to provide our nation better protection from financial catastrophe caused by earthquakes, volcanic eruptions, and tsunamis. My bill, H.R. 481, the ''Earthquake, Volcanic Eruption and Hurricane Hazards Insurance Act of 1999,'' would establish a Federal residential insurance program, much like the national flood insurance program, to cover damage by earthquakes, volcanic eruptions, and hurricanes so that home-owners have access to affordable insurance that can help protect them against total financial ruin because of a natural disaster. It would require States that wish to participate in the program to implement mitigation measures to help guard against extensive damage which might be preventable.

Although I hope we may never need to utilize such a program, it is only a matter of time until we are faced with another disaster and it is irresponsible not to prepare for the worst.

I support H.R. 1184, the ''Earthquake Hazards Reduction Authorization Act of 1999,'' and I urge immediate consideration of H.R. 481, the ''Earthquake, Volcanic Eruption and Hurricane Hazards Insurance Act of 1999.''

## PROVIDING FOR CONSIDERATION OF H.R. 1569, H. CON. RES. 82, H. J. RES. 44, AND S. CON. RES. 21, MEASURES REGARDING U.S. MILITARY ACTION AGAINST YUGOSLAVIA

SPEECH OF

### HON. ROBERT A. BRADY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. BRADY of Pennsylvania. Mr. Speaker, we are here today in this impressive and ornate building, full of pride in our suits and dresses; safe in the knowledge that we are protected by metal detectors and police officers and sergeants at arms. No one but us can enter this room. We are pretty secure. But what are we doing here? What message are we sending to our men and women in the armed forces? They aren't as safe as we are. They are in harm's way in Europe working to make life safe for innocent people over there. I am apologetic and ashamed of the message we are sending to them. We should not be showing our troops, our enemies, or the world that we are divided during this crucial time. I believe that we are doing this for political reasons and at the expense of our brave men and women in uniform. I don't think they are very proud of us right now.

I am proud of them and I admire them. My prayers are with them. God bless them.

## CHINESE-AMERICAN CONTRIBUTION TO TRANSCONTINENTAL RAILROAD

### HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. DOOLITTLE. Mr. Speaker, today I rise to honor the Chinese-American community and pay tribute to its ancestors' contribution to the building of the American transcontinental railroad.

On May 8th, the Colfax Area Historical Society in my Congressional District will place a monument along Highway 174 at Cape Horn, near Colfax, California to recognize the efforts of the Chinese in laying the tracks that linked the east and west coasts for the first time.

With the California Gold Rush and the opening of the West came an increased interest in building a transcontinental railroad. To this end, the Central Pacific Railroad Company was established, and construction of the route East from Sacramento began in 1863. Although the beginning of the effort took place on relatively flat land, labor and financial problems were persistent, resulting in only 50 miles of track being laid in the first two years. Although the company needed over 5,000 workers, it only had 600 on the payroll by 1864.

Chinese labor was suggested, as they had already helped build the California Central Railroad, the railroad from Sacramento to Marysville and the San Jose Railway. Originally thought to be too small to complete such a momentous task, Charles Crocker of Central Pacific pointed out, ''the Chinese made the Great Wall, didn't they?''

The first Chinese were hired in 1865 at approximately $28 per month to do the very dangerous work of blasting and laying ties over the treacherous terrain of the high Sierras. They lived in simply dwellings and cooked their own meals, often consisting of fish, dried oysters and fruit, mushrooms and seaweed.

Work in the beginning was slow and difficult. After the first 23 miles, Central Pacific faced the daunting task of laying tracks over terrain that rose 7,000 feet in 100 miles. To conquer the many sheer embankments, the Chinese workers used techniques they had learned in China to complete similar tasks. They were lowered by ropes from the top of cliffs in baskets, and while suspended, they chipped away at the granite and planted explosives that were used to blast tunnels. Many workers risked their lives and perished in the harsh winters and dangerous conditions.

By the summer of 1868, 4,000 workers, two thirds of which were Chinese, had built the transcontinental railroad over the Sierras and into the interior plains. On May 10, 1869, the two railroads were to meet at Promontory, Utah in front of a cheering crowd and a band. A Chinese crew was chosen to lay the final ten miles of track, and it was completed in only twelve hours.

Without the efforts of the Chinese workers in the building of America's railroads, our development and progress as a nation would have been delayed by years. Their toil in severe weather, cruel working conditions and for meager wages cannot be under appreciated. My sentiments and thanks go out to the entire Chinese-American community for its ancestors' contribution to the building of this great Nation.

## NATIONAL GRANGE WEEK

### HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. SCHAFFER. Mr. Speaker, last week Colorado Grangers joined more than 300,000 of their colleagues in celebration of National Granger Week. Today, I rise to pay tribute to the Grangers and their time-honored American values.

Organized in 1867, the Grange is a grassroots organization designed to promote the best interests of agriculture and preserve family values. Grangers are known for many community-centered projects including youth scholarships, activities for the deaf, emergency relief for farmers and ranchers and lobbying legislatures to provide opportunities and education for all family members. In my home state of Colorado, the Granger combined forces to fund relief for Colorado ranchers who lost cattle in the blizzards of 1997.

Mr. Speaker, our nation began as many small communities and families working together to support one another. Today, local Granges work hard to preserve our American traditions. Therefore, I proudly rise in recognition of National Grange Week. With confidence, I look forward to the continuing success of Grangers nationwide.

## ''KITTY HAWK REVISITED''

### HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Ms. BALDWIN. Mr. Speaker, today I would like to submit a poem entitled ''Kitty Hawk Revisited'' into the RECORD. This poem was written by Ms. Marion Brimm Rewey of Verona, Wisconsin, and I believe she captures the adventurous spirit of the Wright brothers first flight with her words.

KITTY HAWK REVISITED

(By Marion Brimm Rewey)

I wish I had seen them, the quiet men who built bicycles and odd machines, pushing and dragging their da Vinci dream over sea grass and sand.

It might have been a good day to change the world, full of cumulus clouds, strings of pelicans flying ragged formations, a sandpiper or two and curlew calls . . . and the wind of December purling off the Atlantic, plucked wires and struts, hummed such music as had not been heard since sirens lured Ulysses to forbidden shores.

So, while running seas rearranged the sand and every man stood with feet planted firmly on solid ground, here, under untried skies, on Kill Devil Hill, a handmade skeleton, like a prehistoric bird, teetered on the ledge of the last frontier.

In the broken silence of birds, wind, tide, Orville belly-flopped on the waiting wing.

Then came a universe splitting roar-propellers spun, sand exploded and ballooned, chains rattled and slapped through metal guides, the engine's pitch climbed to a scream.

The plane shuddered, rocked like a cradle, lumbered over the dunes, rose, hung between ocean and space, floundered, twisted sideways, steadied, caught the wind and flew!

To touch the moon.

## ''WE THE PEOPLE . . . THE CITIZEN AND THE CONSTITUTION''

### HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. POMEROY. Mr. Speaker, on May 1st through 3rd of this year, high school students from across the country will compete in the national finals of the ''We the People . . . The Citizen and the Constitution'' program. I would like to take this opportunity to congratulate the students of Flasher High School of Flasher, North Dakota, who will represent my home state in this event. These students have worked hard to reach this stage of the competition and have demonstrated a thorough understanding of the principals underlying our constitutional democracy.

We the People is the most extensive program in the country designed to teach students the history and philosophy of the Constitution and the Bill of Rights. The three-day national competition is modeled after hearings held in the United States Congress. These mock hearings consist of oral presentations by the student participants before a panel of adult judges. The students testify as constitutional experts before a ''congressional committee'' of judges representing various regions of the country and appropriate professional fields. The students' testimony is followed by a question and answer period during which the judges test students on their depth of understanding and ability to apply their constitutional knowledge. The knowledge these students have acquired to reach the national level of this competition is truly impressive. Mr. Speaker, I ask that a copy of the questions posed to the students at these hearings be included in the record.

I would also like to especially recognize our talented representatives from Flasher High School, of Flasher, North Dakota. This is the first year that Flasher High School has competed in the We the People program, and after months of hard work and preparation, all 31 students in the senior class will be coming to Washington to represent North Dakota in the national competition. In just over a month, these students raised $17,000 to fund this trip. I would like to recognize by name the dedicated students from Flasher High School: Ashley Bahm, Lori Boeshans, Cheryl Breiner, Nikki Erhardt, Scott Fisher, Nadine Fleck, Nicolle Fleck, Joe Fleck, Sherry Gerhardt, Albert Heinert, Amber Heinz, Nathan Honrath, Sylvia Koch, Randy Kovar, Jody Kraft, Jessy Meyer, Adrian Miller, Justin Miller, Sunshine Schmidt, Travis Schmidt, Dan Schmidt, Brielle Schmidt, Joy Schmidt, Keesha Stroh, Brent Ternes, Kyle Ternes, Kevan Thornton, Mitch Tishmack, Thomas Tschida, Paul Wienberger, Steve Zeller.

I would also like to recognize and thank their teacher, Michael Severson, for his critical role in these students' success and their interest in American government.

Again, Mr. Speaker, I would like to welcome the student team from Flasher High School to Washington, and wish them the very best of luck. They have made all of us in North Dakota very proud.

WE THE PEOPLE—THE CITIZEN AND THE CONSTITUTION

NATIONAL HEARING QUESTIONS, ACADEMIC YEAR 1998–99

Unit one: What Are the Philosophical and Historical Foundations of the American Political System?

1. The U.S. Constitution guarantees Americans a ''republican form of government.'' Republicanism, however, has taken on different meanings in different times and places. What did the phrase mean to the Framers of the Constitution?

How was their understanding of the term different from that of the ancients?

What specific provisions of the U.S. Constitution help us to understand the Framers' definition of republicanism?

2. Two of the three monuments erected to the Magna Carta at Runnymede in England are American. A copy of the Great Charter now resides alongside the documents of our nation's founding in the National Archives. Why has this document, above all other legacies of British constitutionalism, been so cherished by Americans?

What impact did the Magna Carta have on the founding of the American colonies? In the events leading to the American Revolution? On the U.S. Bill of Rights?

What tenets or principles are embodied in the Magna Carta and why were they important to the development of constitutional government?

3. At the time of their independence from Great Britain the American people could call upon over a century of experience in self-government, especially in the management of local affairs. Many historians believe that this colonial legacy was crucial to the success of the new nation after 1776. What were the most important principles, practices, and institutions of this legacy?

What examples can you identify of written guarantees of basic rights in colonial America? Why were these written guarantees important to the colonists? How did they influence the U.S. Constitution and Bill of Rights?

Many of the new democracies of the post-Cold War era have no such experience of self-governance on which to draw. How might this affect their chances for success? What special burdens or needs does this lack of experience place upon them?

Unit two: How Did the Framers Create the Constitution?

1. George Washington, James Madison, and other Framers used the word ''miracle'' to describe the accomplishments of the Constitutional Convention. Historians since have suggested that much of the success of the Convention had to do with timing. They have pointed out that what the Framers were able to accomplish in the Philadelphia summer of 1787 would not have been possible a few years earlier or later. Do you agree or disagree? Explain your position.

What circumstances and developments helped to create a window of opportunity in 1787?

In what ways did the American experience with state governments and constitutions between 1776 and 1787 influence the drafting of the U.S. Constitution in 1787?

2. One of the arguments used by the Framers to reject the creation of a monarchical executive was the belief that kings, unlike their ministers, could never be impeached. Monarchy was rejected and provision for the impeachment of presidents included in the Constitution. But only two of our nation's 42 chief executives have been impeached and none have been convicted in the course of 210 years. Does this suggest that Americans have, in fact, elevated their presidents to a status not unlike that of a monarch? Why or why not?

Because U.S. presidents are heads of state as well as chief executives, should the bar of justification for their removal from office be higher than that for other public officials? Why or why not?

Should a national recall vote be substituted for Senate trial in the case of impeached presidents? Explain your position.

3. In the debates over the Constitution's ratification, the Federalists argued that the Constitution was a true and proper culmination of the American Revolution. The Constitution, they claimed, brought to life the basic principles set forth in the Declaration of Independence. What arguments did the Federalists use to support such claims? Do you agree or disagree with their position? Why?

Do you believe that the decision of the Framers to scrap the Articles of Confederation, establish an entirely new government, and lay down the rules for its implementation was consistent or inconsistent with the principles of the Declaration of Independence? Explain your position.

Why did the Framers insist that the Constitution be ratified by popularly elected state conventions?

Unit Three: How Did the Values and Principles Embodied in the Constitution Shape American Institutions and Practices?

1. A modern biographer of our country's first president has argued that if Washington ''had been taken by smallpox or dropped by an Indian bullet as a young man, the future United States might well have come into being in some form or other. But it would have been harder, and it might have been a lot harder.''[1] Do you agree with that statement? Why or why not?

Where do you believe Washington's contribution was the most crucial: in securing independence from Great Britain, in the drafting and ratification of the Constitution, or in the implementation of the executive branch?

Washington's contemporary admirers spoke of the man's ''majestic fabrick,'' ''commanding countenance,'' ''martial dignity,'' ''graceful bearing,'' and ''wonderful control.'' How important are style and charisma to political leadership? Would you put such qualities on a par with consistency or purity of principles? Why or why not?

2. The Federalists argued that a bill of rights was unnecessary in a constitution of enumerated powers, checks and balances, and popular sovereignty. Why did they believe these features of the Constitution would protect individual rights?

How did the Anti-Federalists and other advocates of a national bill of rights respond to such arguments?

The Federalists and some constitutional scholars have argued that the original constitution as drafted in 1787 was itself a ''bill of rights.'' What basis did they have for making this claim?

3. In Federalist 81 Alexander Hamilton argued that the authority of judicial review can be deduced ''from the general theory of a limited constitution.'' Do you believe his deduction is correct? Why or why not?

What specific provisions of the Constitution provide the basis for judicial review?

Does Chief Justice John Marshall's statement, that ''it is emphatically the provenance and duty of the judicial department to say what the law is,'' mean that representatives of the other two branches of government do not have the authority to interpret the meaning of the Constitution? Why or why not?

UNIT FOUR: HOW HAVE THE PROTECTIONS OF THE BILL OF RIGHTS BEEN DEVELOPED AND EXPANDED?

1. Both George III in 1776 and Abraham Lincoln in 1861 rejected the right of rebellion. Lincoln argued that no government on earth could function if it recognized a right of rebellion. Compare the positions of the British monarch and the American president. How were they alike? How were they different?

Why would George III have rejected the arguments of the Declaration of Independence? What might have been his reply?

Why did Lincoln reject the attempt of the Southern states to apply the principles of 1776 to their secession in 1860–61?

2. Reconstruction's attempt to secure equality of citizenship for African Americans was in large measure a failure. The civil rights movement of the middle decades of this century (sometimes referred to as the ''Second Era of Reconstruction'') has achieved a large measure of success. How do you account for the failure of the one and the success of the other?

What does a comparison of these two series of events suggest about the abilities and limitations of constitutional solutions to the nation's problems?

What remedies other than constitutional amendments or laws might reduce or prevent discrimination? What are the advantages and disadvantages of each of these remedies?

3. In 1972 Congress approved and referred to the states the Equal Rights Amendment, specifying that ''equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.'' Approved by 35 states, three short of the necessary two-thirds majority (a few states subsequently rescinded their approval), the ERA failed ratification. Is there a need for such an amendment today? Why or why not?

Do you believe that the Fourteenth Amendment argues for or against the need for such an amendment? Explain your position.

How have developments in the quarter-century since the ERA was first introduced affected this issue? Do you believe that such an amendment is more or less necessary than it was in 1972? Explain your position.

UNIT FIVE: WHAT RIGHTS DOES THE BILL OF RIGHTS PROTECT?

1. Although the right of association is not mentioned in the Constitution, courts have ruled that it is a right implied by the enumerated rights of the First Amendment and by the due process clause of the Fourteenth Amendment. What is the basis for this implication?

What role has the right of association played in protecting other individual rights?

Under what circumstances do you think restrictions on freedom of association can be justified? Explain your position.

2. In 1956 Justice Hugo Black declared that ''there can be no equal justice where the kind of trial a man gets depends on the amount of money he has.''[2] Do you agree

[1] Richard Brookhiser, Founding Father: Rediscovering George Washington (New York: Simon & Schuster), 1996.

[2] Griffin v. Illinois

with Justice Black's statement? Why or why not?

How have the nation's courts attempted to reduce the disparities of justice between rich and poor?

Should the courts' objective be equality of legal resources or assurance of access to minimal legal resources? What's the difference?

3. The Fourth Amendment is said to be both one of the most important protections of individual liberty and one of the most troublesome provisions of the Bill of Rights. Why was the Fourth Amendment added to the Constitution and what rights does it protect? Why has determining what is an ''unreasonable'' search and seizure proved to be so difficult?

How is the Fourth Amendment related to what courts have said is an individual's ''legitimate expectation of privacy''?

Given the variety of activities for which Americans use their cars and the amount of time and money they invest in them, should vehicles be accorded the same degree of constitutional protection as residences, i.e., should the car as well as the home be regarded as a person's ''castle''?

UNIT SIX: WHAT ARE THE ROLES OF THE CITIZEN IN AMERICAN DEMOCRACY?

1. The Founders believed that republican self-government required a greater degree of civic virtue than did other forms of government. Why did they hold that belief? How did they reconcile it with their belief in the natural rights philosophy?

How was Tocqueville's view of good citizenship different from that of the Founders?

To promote good citizenship the Founders supported both religious instruction and civic education. What purposes did they believe each of these experiences would serve? Are those purposes still important to good citizenship today? Why or why not?

2. The Internet has been called the ''electronic frontier.'' The current absence of government regulation of this new world of cyberspace is similar in certain respects to Locke's state of nature. How might Locke and the other natural rights philosophers have resolved the issues of life, liberty, and property as these rights exist on the Internet?

Should government regulate freedom of expression in cyberspace? Why or why not?

Has the potential of the Internet fundamentally altered the nature of representative government? Why or why not?

3. American constitutionalism, especially its principles of federalism, and independent judiciary, and fundamental rights, has had a major impact on the development of constitutional democracy in other countries. The American form of government, however, has not been widely copied. Most of the world's democracies have opted instead for a parliamentary form of government rather than one of shared powers among three coequal branches of government. What are the relative advantages and disadvantages of these two different systems?

Do you believe that the American system of divided government has become impractical in the complex, fast-paced world of today? Explain your position.

What constitutional reforms might you suggest to improve the effectiveness of our form of government?

## IN MEMORY OF O.G. ''SPEEDY'' NIEMAN

### HON. LARRY COMBEST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. COMBEST. Mr. Speaker, I rise today to pay tribute to the life and achievements of the late O.G. ''Speedy'' Nieman from Hereford, Texas.

Speedy was born November 12, 1928 in Dawson County, Texas. He graduated from Lamesa High School and attended Texas Tech University where he played basketball. He served in the U.S. Coast Guard and was a Korean war veteran. He married Lavon Stewart on Oct. 27, 1951, in Hamlin, Texas.

Speedy and his wife were co-owners and publishers of the Slaton Slatonite for almost eight years before they moved to Hereford. He worked as the sports editor of several West Texas papers. Speedy then entered into a partnership with Roberts Publishing Co. of Andrews to purchase The Hereford Brand newspaper and reorganized the North Plains Printing Co. He moved to Hereford in January of 1971 where he served as publisher for The Hereford Brand and president of North Plains Printing Co. for 26 years.

He was a two-time recipient of Hereford's Bull Chip Award and received a wide variety of professional recognition. He served as president of three press associations.

Speedy was a member and deacon at First Baptist Church of Hereford. He also was a member of the Lion's Club and Deaf Smith Chamber of Commerce. He helped establish Hereford's Christmas Stocking Fund. Speedy Nieman always had a strong commitment and tireless dedication to enhance the well-being of the town and its residents he so loved. He will be sorely missed.

## NEA FUNDING

### HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

Mr. PACKARD. Mr. Speaker, I read an article last week in the Washington Times, outlining a recent grant from the National Endowment for the Arts for a film which chronicles the sexual exploits of two seventeen year old adolescent women. This grant sickens me and reaffirms the fact that we have no business wasting taxpayer dollars on the NEA.

While many of the NEA funds go to tasteful projects, what greatly concerns me are the NEA grants given to projects that most taxpayers would fine inappropriate and repulsive. The recent grants described in the Washington Times article offers no educational purpose but succeeds in degrading women.

Americans have a right to create and enjoy works of art that often span a variety of tastes. However, taxpayers should not be forced to support an agency which continues to use federal taxpayer funds to subsidize tasteless and sometimes offensive projects.

Mr. Speaker, at a time when our country is experiencing a trillion dollar debt, can't the money we waste on the NEA be better spent saving Social Security, cutting taxes and strengthening our military? The fact is, as elected officials we owe a responsibility to the American taxpayer. Funding the NEA is reneging on that responsibility.

NEA GRANTS INCLUDE FUNDS FOR FILMS ON FEMALE SEXUALITY—PREVIOUS AWARD DREW FIRE ON HILL

(By Julia Duin)

The National Endowment for the Arts announced $58 million in new grants yesterday, including $12,000 to Women Make Movies, a New York distributor that a Michigan congressman once likened to a ''veritable taxpayer-funded peep show.''

This latest grant is for ''Girls Like Us,'' a documentary on the sexuality of girls growing up in the 1990s. It won the 1997 Sundance Film Festival Grand Jury award for best documentary.

It is part of a package of four films. The others are ''Jenny and Jenny,'' about two 17-year-olds in Israel; ''Girls Still Dream,'' about women coming of age in Egypt; and ''The Righteous Babes,'' about women in rock 'n roll.

The money will go to produce a study guide for the films and help market it to 100,000 U.S. secondary schools.

''It's a terrific organization. We're proud to be funding them, and it's a terrific project,'' NEA spokeswoman Cherie Simon said of Women Make Movies (WMM). ''[The documentary] went through an extremely competitive process and was found to be meritorious.''

The film, which follows four teen-agers from south Philadelphia ''deals superficially with sex and its consequences,'' says a review in the Arizona Republic. ''Sex, for the girls, is not about physical pleasure or desire, not about love, not about social pressures. It's just something teens do, they seem to say.''

Although the grant is minuscule compared to much larger NEA awards to orchestras, operas and ballets around the country, it is symbolic of the arts agency's new confidence.

Its fortunes were at a low ebb in 1997, when Rep. Peter Heokstra, Michigan Republican, blasted WMM for its themes on lesbians and children's sexuality. He was especially incensed about a $31,500 grant for ''Watermelon Woman,'' an explicit WMM film about black lesbians.

House Republicans voted to kill all funding for the NEA in the summer of 1997, but the agency's life was extended by the Senate. Since then, NEA has acquired a new chairman, William Ivey, and President Clinton recently proposed increasing its budget by 53 percent.

''Rather than raise the red flag, why don't they let it lay for a couple of years?'' Mr. Hoekstra said yesterday in response to ''Girls Like Us.''the NEA doesn't care about what Congress thinks.''

He was more concerned, he said, about ''inequities'' in NEA funding.

''They are posturing themselves as wanting to build a better relationship with Congress, but [in 1998], 167 congressional districts received no grants,'' he said. ''If you want to build some bridges and show you're at least listening to what's a sizeable group in Congress, at least start distributing the money more fairly.''

The 600,000 people in his western Michigan district ''didn't receive one dollar'' from the NEA, but in 1998, ''New York got 14 percent of the money distributed,'' he said, ''Now,

New York doesn't have 14 percent of the populations in America.''

New York groups got large chunks of funding in the most recent grant cycle, including $60,000 to the Dance Theater of Harlem, $100,000 to the Metropolitan Opera, $150,000 to the New York Philharmonic and $200,000 to the New York City Ballet.

In Washington, the Humanities Council got a $50,000 grant for a project involving writers, and the Woolly Mammoth Theatre Co. got $64,000 for a theater project with young people and adults in the Shaw neighborhood.

Other grants include $45,000 to the Fairfax County public schools system for its plan to use its Arts in Elementary Schools program at Mosby Woods Elementary as a model for 134 other county elementary schools.

The Institute of Musical Traditions in Silver Spring received $18,000 for an outreach program to low-income schools and for its programs for traditional folk artist.

Grants for $100,000 went to opera companies in Houston and Los Angeles. The National Foundation for Jewish Culture in New York got $100,000, as did the Nebraska Arts Council and the Atlantic Center for the Arts in New Smyrna Beach, Fla.

## REMOVAL OF UNITED STATES ARMED FORCES FROM THE FEDERAL REPUBLIC OF YUGOSLAVIA

SPEECH OF

## HON. DAVE WELDON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, April 28, 1999*

Mr. WELDON of Florida. Mr. Speaker, I am pleased to support H. Con. Res. 82 calling for the removal of U.S. troops from their positions in connection with the present operation against the Federal Republic of Yugoslavia.

This has been a very troubled region for centuries. In recent years, the U.S. Department of State has reported that the civil war in Kosovo between the Serbian government and the Kosovo Liberation Army (KLA) has heightened. In recent weeks, while the NATO attacks on the Serbian police and troops in Serbia's Kosovo province have increased, the Serb forces have heightened their efforts to remove ethnic Albanians from Kosovo. Ironically, the President argued that airstrikes were needed in order to keep this very action from taking place. Unfortunately, the airstrikes only heightened these atrocities.

Unfortunately, there are no easy answers. It now seems apparent that President Clinton's decision to begin a bombing campaign was not the right decision and that is why I opposed the resolution supporting U.S. military action before the NATO bombing attacks began. Indeed, the Washington Post has reported that many military leaders doubted Mr. Clinton's bombing strategy would end the civil war in Kosovo. Unfortunately, they have been proved right.

As a Member of Congress I have the responsibility to ask the following questions, ''Is the situation in Kosovo in our national interest?'' If it is in our national interest I must ask myself, ''Am I willing to say to my constituents and my neighbors that I believe the lives of their sons and daughters in the military should be placed in jeopardy by sending them into battle in Kosovo?'' I say NO to both. We do not have a national interest in Kosovo and we should not risk the lives of our men and women in uniform.

# SENATE—*Friday, April 30, 1999*

The Senate met at 9:31 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

## PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Our loving heavenly Father, there are times when our hearts overflow with gratitude to You. Today is one of those times. This has not been an easy week in our Nation or our world. And yet, in the midst of the turmoil, You have blessed us with strength and courage. We thank You for the stabilizing security You give us in the midst of challenges and change. Bless the Senators and all who serve in the Senate with a special measure of Your sustained grace. You know the needs of each person and every office. Heal all physical and spiritual distress; comfort those who suffer pain in silence; strengthen those who have heavy burdens to bear. We commit to You the families of the Senators and their staffs. Watch over them; keep them in Your love. While we focus our attention on Your calling here, surround them with Your care. Through our Lord and Saviour. Amen.

## RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from New Mexico is recognized.

Mr. DOMENICI. I thank the Chair.

## SCHEDULE

Mr. DOMENICI. On behalf of the majority leader, I make the following opening statement.

Today the Senate will immediately begin 30 minutes of debate relating to cloture on the Social Security lockbox issue. Following that debate, the Senate will proceed to two rollcall votes. The first will be a cloture vote on the Abraham amendment to S. 557; the second on S. Res. 33 regarding National Military Appreciation Month, which will take place immediately following the first vote. Therefore, Senators can expect two votes at approximately 10 a.m.

For the remainder of the day, the Senate may continue debate on the lockbox issue or any other legislative or executive items cleared for action.

I yield the floor.

## GUIDANCE FOR THE DESIGNATION OF EMERGENCIES AS A PART OF THE BUDGET PROCESS

The PRESIDING OFFICER (Mr. DEWINE). The clerk will report S. 557.

The assistant legislative clerk read as follows:

A bill (S. 557) to provide guidance for the designation of emergencies as part of the budget process.

The Senate resumed consideration of the bill.

Pending:

Lott (for Abraham) Amendment No. 254, to preserve and protect the surpluses of the social security trust funds by reaffirming the exclusion of receipts and disbursement from the budget, by setting a limit on the debt held by the public, and by amending the Congressional Budget Act of 1974 to provide a process to reduce the limit on the debt held by the public.

Abraham Amendment No. 255 (to Amendment No. 254), in the nature of a substitute.

Lott motion to recommit the bill to the Committee on Governmental Affairs, with instructions and report back forthwith.

Lott Amendment No. 296 (to the instructions of the Lott motion to recommit), to provide for Social Security surplus preservation and debt reduction.

Lott Amendment No. 297 (to Amendment No. 296), in the nature of a substitute.

The PRESIDING OFFICER. Under the previous order, there will now be 30 minutes for debate on the cloture motion on amendment No. 255.

Mr. ABRAHAM addressed the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from Michigan.

Mr. ABRAHAM. Mr. President, might I just ask, is the 30 minutes of debate to be equally divided?

The PRESIDING OFFICER. That is correct.

Mr. ABRAHAM. In that case, Mr. President, I yield myself up to 5 minutes at this point.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Mr. President, just to remind our colleagues, as well as those who watch our deliberations, what we are trying to do with this amendment is to amend the budget process in such a fashion that we protect the surpluses that will be built up over the next 10 years in the Social Security trust fund. We have now entered an era in which we project very substantial surpluses coming into the Federal Government, not just as a result of Social Security trust fund payments but also in the rest of the budget as well. We do not need to use Social Security trust funds to balance the budget. We are at the point now where we can accomplish that without any Social Security money being used.

That, combined with the fact we are facing a huge long-term unfunded obligation problem in the Social Security trust fund, in my judgment, absolutely requires us at this time to protect those Social Security trust fund dollars so they can be used to modernize Social Security. The purpose of this amendment is to try to accomplish that.

In short, this amendment says that until we come up with a plan to modernize Social Security, the Social Security trust fund surpluses should be used to pay down the publicly held debt.

I do not think this is a very complicated proposal. I think it is one that people on both sides of the aisle were applauding just a few months ago when it was talked about by the President in the State of the Union Address, and yet now we hear one after another argument as to why we should not do this. The arguments range from those of some colleagues who say, well, let's just take all the Social Security trust fund surplus and, instead of paying down the national debt, put it in Fort Knox or some other place where it is secure—I can't quite even figure out how that one would work—to others who say this is not the right kind of lockbox; instead of just protecting the Social Security trust fund surplus, we should also save money for fixing Medicare.

Well, their argument seems to be that if we don't somehow address Medicare simultaneously, we should spend the Social Security trust fund surplus. That one I can't figure out, either. Then we have heard, from the Secretary of Treasury, various concerns raised about the process by which this amendment would work. We have offered to try to address those concerns. We attempt to do that. We address that in this amendment, responding to his initial letter. Then we heard additional concerns in a second letter. Yet, we have heard no proposal from either the White House or the Treasury as to how to put together a lockbox that would satisfy them.

Based on the vote last week, and what I expect to be the vote today, I think we are hearing an awful lot of protests, but I am increasingly questioning whether or not people are really sincere about truly trying to save this trust fund surplus.

So for those reasons we are going to keep pushing this issue. We are going to keep bringing this back to the floor. We believe the money people send in for Social Security which creates a surplus ought to be saved to either modernize Social Security or used to pay down the debt and not spent on more programs here in Washington. The people pay in the money. They deserve to have it for their own retirement. We

are going to keep working very hard to make sure they do.

At this point, Mr. President, I will yield back any remaining time I had in this first 5 minutes, and now for 5 minutes I yield to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. I thank the Chair.

Mr. President, I rise today in favor of the provision to protect Social Security, to, in effect, put it in a lockbox to make sure it is not dissipated or misallocated or used to cover deficits in other parts of Government.

The votes we are about to cast are important votes. They relate to the future of Social Security, the integrity of Social Security, the strength of America and its ability to meet its obligations when individuals call upon Social Security to do what Congress has said Social Security would be able to do.

This vote is about making sure the Social Security surpluses are not used to pay for new budget deficit spending in other parts of Government.

Congress is committed to stopping the raid on Social Security. This Congress has passed a budget without using Social Security trust funds. This is historic and it is novel. We have not been passing budgets like this. We have not done it before.

It is important; we have passed a budget that says we are not going to raid the Social Security trust fund. In contrast, over the next 5 years, President Clinton's budget would have taken $158 billion from the Social Security trust fund to pay for non-Social Security programs.

I think Congress is on the right track. Should we have a $158 billion raid or no raid at all? I think Congress has it right: Don't have any raid at all on Social Security.

Frankly, this vote should be bipartisan and unanimous. Last month, the Senate voted 99 to nothing in support of legislation to protect Social Security. We are calling on every Senator to vote with us to pass the legislation that implements the unanimous resolution passed by the Senate 99 to nothing earlier this month.

The Abraham-Domenici-Ashcroft lockbox will make sure that Social Security funds do not go for anything other than Social Security.

The bill will achieve these three important results:

No. 1, the President will no longer be able to propose budgets that use Social Security funds to balance the budget. Write into the law the President is not to send us proposals for spending which include a backdoor raid on Social Security. It really establishes a priority. It says Social Security is more important than these other new programs or ideas for spending.

No. 2, Congress will no longer routinely pass budgets that use Social Security trust funds to balance the budget. A congressional budget that uses Social Security funds to balance the budget will be subject to what is called a point of order.

All of us have been involved at one point or another in meetings where someone tries to bring something up and the chairman simply says with a thump of the gavel, ''That's out of order; we are not going to discuss it.'' That is how it should be when people propose, for example, raiding the Social Security trust fund for other Government programs.

Mr. President, you, as the occupant of the Chair, should say, with a thump, ''That is out of order, that is off the table, we do not discuss those things, that is not part of what we do.'' A point of order then simply allows, provides for the Chair to say, ''That's out of order, that's not something we do, and if you want to do that, you have to change the way we do business around here, you have to change the rules or suspend them.'' I think that is a major step forward.

As a final tool to make sure Social Security trust funds are not used to finance new deficits, this provision will reduce the amount of debt held by the public by the amount of the Social Security surplus, so that when the Social Security surplus is not spent on programs but is invested to pay down the national debt so that we are stronger when we need to pay for Social Security, this makes sure the money will not go into other programs. This will ensure that any and all Social Security surpluses will be directed toward reducing the debt, which means strengthening the capacity to pay Social Security when the time comes.

Americans, including the 1 million Missourians who receive Social Security benefits, want Social Security protected, and they have a right to have it protected. They paid for it, they have earned it, and we should protect the integrity of the fund.

This bill does what America wants and what every Senator has previously said they want to do as well in behalf of their constituents. It is time for the Senate to vote now to end the debate on this bill, to pass this bill, to do this month what we said last month we wanted to do when we passed the budget resolution; that is, to protect the Social Security trust fund, to reserve it for the benefit of the recipients of the fund, to strengthen and protect the integrity of the fund. I call upon other Members of the Senate to join in this noble cause to which they have already registered their serious commitment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ABRAHAM. Mr. President, I inquire as to how much time is left on our side.

The PRESIDING OFFICER. The Senator from Michigan has 6 minutes 20 seconds.

Mr. ABRAHAM. It is my understanding that the chairman of the Budget Committee, Senator DOMENICI, wants to be the final speaker on our side for approximately 5 minutes, and Senator LAUTENBERG, who is the ranking member of the committee, wants to have approximately 5 minutes before that. I suggest the absence of a quorum and ask, in our desire to protect the time on our side, that the time be assessed against Senator LAUTENBERG's time.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. LAUTENBERG. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senator from New Jersey has 10 minutes 20 seconds left, and the Senator from Michigan has 5 minutes 51 seconds left.

Mr. LAUTENBERG. I thank the Chair.

Mr. President, I rise to support walling off all Social Security surpluses and in strong opposition to the pending Social Security lockbox.

I stand in opposition to the Social Security lockbox proposal that is in front of us because I believe this legislation is a lockbox in name only. In reality, instead of protecting Social Security benefits, I believe it would actually threaten them, and I think the threat is a serious one. It could cause a Government default and trigger worldwide economic instability.

Before I review the problem with the Social Security lockbox, I will take a minute to talk about saving Social Security and my continuing hope that we can address this issue in the near future.

I am fairly optimistic, Mr. President, but I have heard a lot of gloomy comments about the prospects for legislation to protect and preserve Social Security for the future. I hope we do not give up on this.

I do not want to be critical in any way of any of my colleagues. I know many are concerned that this issue is just too hot to handle politically, but I do not see it that way. In fact, I think we have a unique opportunity this year to really prepare our country for the future, and it is an opportunity we should seize.

President Clinton has made Social Security reform a top priority. He is in his second term and is eager to take on this politically difficult task and can lend us the leadership it requires. We are now in pretty good financial shape.

We are projecting budget surpluses for years to come. And with the economy going so strong, our Nation is ready to accept some of the hard choices that will be necessary to get the job done.

If we cannot solve the Social Security problem now, I would ask, When can we? This is the time to act, and we need to do it soon before we get too close to the next year's Presidential election. And we need to do it on a bipartisan basis. Frankly, that is the only way it can be done—through direct negotiations between the congressional leadership of both parties in both Houses and the White House.

One thing should be clear to everyone, and that is that the Social Security lockbox amendment before us does not represent Social Security reform. It does nothing to prepare our country for the financial pressures which will be created when the baby boomers retire. It does not extend Social Security solvency by even a single day. I just hope it will not be used as an excuse to avoid dealing with Social Security in a real and meaningful way.

I have reviewed this before, but I want to again recount for my colleagues the three serious problems I see with this legislation.

First, it directly threatens Social Security benefits. Treasury Secretary Rubin has explained in a letter that under this proposal an unexpected economic downturn could block the issuance of Social Security checks, as well as Medicare, veterans', and other benefits.

Additionally, the amendment contains a huge loophole that would allow Social Security contributions to be diverted for purposes other than direct Social Security benefits. Anything the Congress labels as ''Social Security reform'' would be exempt from the lockbox. So this could include privatization plans that might be risky, tax cuts, or who knows what.

I know some of my colleagues dispute my interpretation of this provision. But I would simply point to the broad language of the legislation itself. It effectively exempts from the lockbox any legislation which includes a provision designating itself as Social Security reform. So if Congress passes a big tax cut, even if it provides significant benefit to wealthy retirees, we can just claim that this represents Social Security reform, and all the costs of the legislation will be exempt from the lockbox. Some of the bill's cosponsors may say that is not their intent. But that is what the bill says.

I would like to be able to offer an amendment to correct this problem. The majority, however, has prohibited us from offering any amendments whatsoever. So we have had little opportunity to do anything but point out the loophole.

Mr. President, the second major problem with the pending bill is that it does absolutely nothing to protect Medicare. Instead, it allows Congress to squander funds needed for Medicare on tax breaks which go largely to the wealthier among us.

Senator CONRAD and I have developed a different lockbox to protect both Social Security and Medicare. Our bill, S. 862, would reserve all of the Social Security surpluses exclusively for Social Security, and 40 percent of the non-Social Security surpluses for Medicare. We would like an opportunity to offer that lockbox amendment to this bill, but again the majority is blocking all of these amendments.

Finally, and perhaps most importantly, the Republicans' so-called lockbox threatens a potential Government default. In the short term this could undermine our Nation's credit standing and increase interest costs. Ultimately, it could block benefit payments and lead to a worldwide economic crisis. That is why the Treasury Secretary, Robert Rubin, has said he would recommend that the President veto the bill if it ever reaches his desk.

Mr. President, the lockbox Senator CONRAD and I have developed avoids the risk of default, while protecting both Social Security and Medicare. Our lockbox would not establish a new debt limit. It would use supermajority points of order and across-the-board cuts to guarantee enforcement. I think it is a far better, more responsible approach.

So I urge my colleagues to oppose cloture on this legislation. Let's establish a Social Security lockbox. In fact, let's establish a Social Security and Medicare lockbox. Let's make it a real, responsible lockbox, not one that actually, in its implementation, could threaten Social Security benefits, risking a worldwide financial crisis. And then, Mr. President, let's sit down with the White House and negotiate a compromise which will truly protect Social Security and Medicare for the long term.

I yield the floor.

Mr. KENNEDY. Mr. President, the Republican ''lockbox'' proposal is deeply flawed, and does not deserve to be adopted. It does nothing to extend the life of the Social Security Trust Fund for future beneficiaries. In fact, it would do just the reverse. This legislation actually places Social Security at greater risk than it is today. It would allow payroll tax dollars that belong to Social Security to be spent instead on risky privatization schemes. And, because of the harsh debt ceiling limits it would impose, this plan could produce a governmental shutdown that would jeopardize the timely payment of Social Security benefits to current recipients.

It is time to look behind the rhetoric of the proponents of the ''lockbox.'' Their statements convey the impression that they have taken a major step toward protecting Social Security. In truth, they have done nothing to strengthen Social Security. Their proposal would not provide even one additional dollar to pay benefits to future retirees. Nor would it extend the solvency of the Trust Fund by even one more day. It merely recommits to Social Security those dollars which already belong to the Trust Fund under current law. At best, that is all their so-called ''lockbox'' would do.

By contrast, President Clinton's proposed budget would contribute 2.8 trillion new dollars of the surplus to Social Security over the next 15 years. By doing so, the President's budget would extend the life of the Trust Fund by more than a generation, to beyond 2050.

There is a fundamental difference between the parties over what to do with the savings which will result from using the surplus for debt reduction. The Federal Government will realize enormous savings from paying down the debt. As a result, billions of dollars that would have been required to pay interest on the national debt will become available each year for other purposes. President Clinton believes those debt savings should be used to strengthen Social Security. Since it is payroll tax revenues which make the debt reduction possible, those savings should in turn be used to strengthen Social Security. I wholeheartedly agree. It is an eminently reasonable plan. But Republican Members of Congress oppose it.

Not only does the Republican plan fail to provide any new resources to fund Social Security benefits for future retirees, it does not even effectively guarantee that existing payroll tax revenues will be used to pay Social Security benefits. They have deliberately built a trapdoor in their ''lockbox.'' Their plan would allow Social Security payroll taxes to be used instead to finance unspecified ''reform'' plans. This loophole opens the door to risky schemes to finance private retirement accounts at the expense of Social Security's guaranteed benefits. If these dollars are expended on private accounts, there will be nothing left for debt reduction, and no new resources to fund future Social Security benefits. Such a privatization plan could actually make Social Security's financial picture far worse than it is today, necessitating deep benefit cuts in the future.

A genuine ''lockbox'' would prevent any such diversion of funds. A genuine ''lockbox'' would guarantee that those payroll tax dollars would be in the Trust Fund when needed to pay benefits to future recipients. The Republican ''lockbox'' does just the opposite. It actually invites a raid on the Social Security Trust Fund.

The Social Security reform proposal put forth by Chairman ARCHER and Congressman SHAW earlier this week demonstrates that the real Republican

agenda is to substitute private accounts for traditional Social Security benefits. That plan would spend the entire Social Security surplus on tax credits to subsidize private accounts. There would be no money left for debt reduction, and thus no debt service savings which could be used to help fund future Social Security benefits. In fact, their plan will ultimately require either enormous new borrowing or drastic program cuts to continue funding the private accounts after the Social Security surplus is exhausted. These costly tax credits would go to subsidize private accounts disproportionately benefiting the most affluent workers. Low and middle income workers would receive little or no net benefit from the Archer plan. Their retirement security would not be enhanced at all.

Placing Social Security on a firm financial footing should be our highest budget priority, not further enriching the already wealthy. Two-thirds of our senior citizens depend upon Social Security retirement benefits for more than fifty percent of their annual income. Without it, half the nation's elderly would fall below the poverty line.

To our Republican colleagues, I say: ''If you are unwilling to strengthen Social Security, at least do not weaken it. Do not divert dollars which belong to the Social Security Trust Fund for other purposes. Every dollar in that Trust Fund is needed to pay future Social Security benefits.''

The proposed ''lockbox'' poses a second, very serious threat to Social Security. By using the debt ceiling as an enforcement mechanism, it runs the risk of creating a government shutdown crisis. The Republicans propose to enforce their ''lockbox'' by mandating dangerously low debt ceilings. Such a reduced debt ceiling could make it impossible for the federal government to meet its financial obligations—including its obligation to pay Social Security benefits to millions of men and women who depend upon them. The risk is real. It is fundamentally wrong to put those who depend on Social Security at risk in this way.

The ''lockbox'' which proponents claim will save Social Security actually imperils it. As Treasury Secretary Rubin has said, ''This legislation does nothing to extend the solvency of the Social Security Trust Fund, while potentially threatening the ability to make Social Security payments to millions of Americans.''

While this ''lockbox'' provides no genuine protection for Social Security, it provides no protection at all for Medicare. The Republicans are so indifferent to senior citizens' health care that they have completely omitted Medicare from their ''lockbox''.

By contrast, Democrats have proposed to devote 15% of the surplus to Medicare over the next 15 years. Those new dollars would come entirely from the on-budget portion of the surplus. The Republicans have adamantly refused to provide any additional funds for Medicare. Instead, they propose to spend the entire on-budget surplus on tax cuts disproportionately benefiting the wealthiest Americans.

I urge my colleagues, on both sides of the aisle, to reject this ill-conceived proposal. It jeopardizes Social Security and ignores Medicare. It is an assault on America's senior citizens, and it does not deserve to pass.

Mr. GRASSLEY. Mr. President, today we are taking a critical step toward saving Social Security. However, in considering this measure we are seeking to reaffirm provisions in the current law stating that money earmarked for Social Security should not be considered for purposes of the Federal budget. Furthermore, this measure would make it very difficult for this Congress and Administration, or future Congresses and Administrations, to use Social Security surpluses to achieve a balanced budget.

In his 1998 State of the Union address, the President pledged to save every penny of the Social Security surplus for Social Security. Many of us supported his pledge and worked not to spend Social Security surplus money. However, his fiscal year 2000 budget request would require the use of $158 billion in Social Security surplus money over the next five years.

The ''lockbox'' measure we are considering today would prohibit Congress or the President from spending Social Security trust fund money but would still allow Congress the flexibility needed in case unforeseen emergencies, such as a war or a recession, develop. It is vital that we take steps to exercise fiscal restraint so that we don't squander the surpluses necessary to enact improvements to the Social Security program which would enhance the retirement security of our children and grandchildren.

I believe that this is of critical importance in the path toward saving Social Security, so much so that I am missing a field hearing by the Senate Committee on Commerce, Science and Transportation back home in Iowa that Senator MCCAIN was gracious enough to hold on the difficulties Iowa faces with competition in the airline industry. Unfortunately, I can't be there right now, but I hope my being here to cast this vote supporting this proposal is a testament to the importance of taking steps to bring us closer to saving Social Security.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time do we have?

The PRESIDING OFFICER. The Senator from New Mexico has 5 minutes 51 seconds.

Mr. DOMENICI. I yield myself such time as I use.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, first, let me suggest that this idea that we are locking out any amendments with our Social Security Protection Act is nice to say, but it isn't true. If the Democrats let us vote on this, we will see whether it passes or not, but once it passes, it is subject to amendments.

The good Senator from New Jersey, my dear friend, can offer his substitute or his amendment, but first we have to have an opportunity to vote on this amendment, which for some strange reason, while the other side of the aisle and the President keep saying, ''Let's not spend any of the Social Security trust fund,'' they somehow do not want to vote for a proposition that will really lock it up so it cannot be spent, it cannot be embezzled, as some Democrats called it a few years ago, when you use it. They said you were embezzling the trust fund. I would think if that is true—I never used that word—you ought to lock it up tough, you ought to put a whopping key on it that can't hardly be moved. So that is what we have done.

For those who say, ''If you can't spend the Social Security trust fund, you are going to destroy the economy of America,'' that is just absolutely untrue. Would anyone believe that taking a trust fund which belongs to Social Security, using it to pay down the debt until we need it for Social Security reform, would anybody submit that that is going to harm America? That is going to help us. We are going to be reducing the debt right at the right time by a huge amount, which is going to keep inflation down, which is going to keep interest rates down, all of which helps Social Security.

All of these arguments about cash management, and you can't pay Social Security—just read the bill. The bill says, under all circumstances the Social Security checks are forthcoming, just by specific item. The management problems that the Treasury Secretary has have been fixed.

The truth of the matter is, those on the other side of the aisle think it might be easy to spend this money if you do not have this lockbox. And they are right, it will be easy to spend it. In fact, the President of the United States, in his budget, spent $158 billion of it in the first 5 years. No wonder he does not want this lockbox. It wrecks his budget, because he is already going to spend it. We say, ''No. No, you can't spend it. You challenged us not to spend it. We are for real.'' That is what this is all about.

Last but not least, let me suggest that it is really amazing for some on the other side of the aisle to talk about saving both Medicare and Social Security in some kind of a lockbox when

you see what it really is. It is sort of a Democratic position that we should not cut taxes for the American people or, if we do, we ought to do it their way—even though we are in the majority and the President has a veto pen, we ought to do it their way.

We say there is plenty of money outside of Social Security to give the American taxpayers back a real tax reduction over the next decade. Whenever you say, let's take more of that surplus that does not belong to Social Security, and say let's spend it on something else, you are really choosing not to give the American people a tax reduction that they deserve.

Frankly, I do not believe today we are going to get cloture. But I think sooner or later—and hopefully it will not be too much later—we will make this filibuster a real one. We will stay down here until we wear out, around the clock. And let's stay here a couple nights so everybody will understand this is serious business, and who is keeping us from voting on it, to protect our seniors and their money for the next decade when it is most in jeopardy. It will be those on that side of the aisle who will not vote today. They will probably not vote for it the next time. But sooner or later, a lot of Americans are going to be asking, who is holding up the real lockbox that will protect our money? It is going to dawn on a few people on the other side of the aisle that they are and that the American people are cognizant and aware of it, and maybe some people will change their minds.

With that, if I have any remaining time, I yield it back. I understand we have agreed to start voting at this time, in any event.

The PRESIDING OFFICER. The Senator from New Jersey has 3 minutes remaining.

Mr. LAUTENBERG. Mr. President, does the Senator from New Mexico have some time remaining, may I ask?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, with all due respect and friendship for my colleague, the chairman of the Committee on the Budget, we both would like to get to the same place. I am sure he has never heard me use terms like ''embezzlement.'' I don't do that kind of stuff. Frankly, I do not like that terminology. I don't care from where it comes.

But what we see here is what I would call a couple of escape hatches in the legislation that worry the devil out of us. That is, perhaps in the interest of Social Security reform or retirement security, we are locking ourselves into a position where we would be unable to respond to changes in the economy. That is not where we ought to be.

This economy is too important in the whole world scheme of things. It is too important in terms of those who are very dependent, totally dependent, in some cases, on the benefits derived from Social Security, veterans' benefits, Medicare. That is all they have in many cases. With the threat of creating a debt limit, and I think artificially creating a new debt limit, I think we could immediately be damaging the possibility that these benefits might be offered.

That is where we differ. I always enjoy my work with the distinguished Senator from New Mexico, except when he wins, which we does so often. But other than that, we ought to be able to sit down and reason out some of these things.

I hope this vote, by discouraging cloture, will give us some impetus to sit down and try to work the problems out.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I have 1 minute?

The PRESIDING OFFICER. The Senator has 1 minute.

Mr. DOMENICI. Mr. President, I want to use it at this point to make a couple of points.

Senior citizens, what some like to do is to say, to protect your Social Security trust fund, we are going to hurt other people who are entitled to Federal money because we may have a recession one of these days and things may change.

We are aware of that. Read the bill. It says the lockbox is held in abeyance in the event we have two quarters of economic downturn, which normally is called a recession. You hold it steady there and see where we come out. Anybody who would be looking at this kind of proposition would think that is a prudent thing to do. We did that.

Likewise, in case of a national emergency like a war, we have said, you cannot not spend money on that, and so there is an emergency that takes place then and you can temporarily use it. Remember, we are holding $1.8 trillion for the seniors and these emergencies of which we are speaking. If they occur, they will be very small in proportion to the good we are doing under this proposal.

I, too, hope we can get a true lockbox put together. If bipartisan, fine; if not, I am very comfortable with this one.

CLOTURE MOTION

The PRESIDING OFFICER. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative assistant read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the standing rules of the Senate, do hereby move to bring to a close debate on the pending amendment to Calendar No. 89. S. 577, a bill to provide guidance for the designation of emergencies as a part of the budget process.

Trent Lott, Pete Domenici, Ben Nighthorse Campbell, Jeff Sessions, Kay Bailey Hutchison, Craig Thomas, Slade Gorton, Chuck Hagel, Spencer Abraham, Pat Roberts, Thad Cochran, Conrad Burns, Christopher Bond, John Ashcroft, Jon Kyl, and Mike DeWine.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on amendment No. 255 to S. 557, a bill to provide for designation of emergencies as a part of the budget process, shall be brought to a close?

The yeas and nays are required under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll:

Mr. NICKLES. I announce that the Senator from Texas (Mr. GRAMM), the Senator from Utah (Mr. HATCH), the Senator from Kentucky (Mr. BUNNING), and the Senator from Arizona (Mr. MCCAIN), are necessarily absent.

I further announce that the Senator from Alaska (Mr. STEVENS) is absent on official business.

Mr. REID. I announce that the Senator from Iowa (Mr. HARKIN), is necessarily absent.

I also announce that the Senator from New York (Mr. MOYNIHAN), is absent due to surgery.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN), would vote ''no.''

The result was announced—yeas 49, nays 44, as follows:

[Rollcall Vote No. 96 Leg.]

YEAS—49

| | | |
|---|---|---|
| Abraham | Fitzgerald | Murkowski |
| Allard | Frist | Nickles |
| Ashcroft | Gorton | Roberts |
| Bennett | Grams | Santorum |
| Bond | Grassley | Sessions |
| Brownback | Gregg | Shelby |
| Burns | Hagel | Smith (NH) |
| Campbell | Helms | Smith (OR) |
| Chafee | Hutchinson | Snowe |
| Cochran | Hutchison | Specter |
| Collins | Inhofe | Thomas |
| Coverdell | Jeffords | Thompson |
| Craig | Kyl | Thurmond |
| Crapo | Lott | Voinovich |
| DeWine | Lugar | Warner |
| Domenici | Mack | |
| Enzi | McConnell | |

NAYS—44

| | | |
|---|---|---|
| Akaka | Edwards | Lieberman |
| Baucus | Feingold | Lincoln |
| Bayh | Feinstein | Mikulski |
| Biden | Graham | Murray |
| Bingaman | Hollings | Reed |
| Boxer | Inouye | Reid |
| Breaux | Johnson | Robb |
| Bryan | Kennedy | Rockefeller |
| Byrd | Kerrey | Roth |
| Cleland | Kerry | Sarbanes |
| Conrad | Kohl | Schumer |
| Daschle | Landrieu | Torricelli |
| Dodd | Lautenberg | Wellstone |
| Dorgan | Leahy | Wyden |
| Durbin | Levin | |

NOT VOTING—7

| | | |
|---|---|---|
| Bunning | Hatch | Stevens |
| Gramm | McCain | |
| Harkin | Moynihan | |

The PRESIDING OFFICER (Mr. SESSIONS). On this vote, the yeas are 49, the nays are 44. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

## NATIONAL MILITARY APPRECIATION MONTH

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. Res. 33, which the clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 33) designating May 1999 as ''National Military Appreciation Month''.

The Senate proceeded to consider the resolution.

Mr. THURMOND. Mr. President, I rise today in support of Senate Resolution 33, which designates May 1999 as ''National Military Appreciation Month.'' I congratulate Senator MCCAIN for introducing this important legislation, and I am proud to be a cosponsor.

In Congress, we spend many hours discussing this Nation's national security and how our Armed Forces will be used to secure America's defenses. We spend far too little time discussing what is central in making our national security possible—the individual service member. Great warplanes, warships, tanks and ground weapon systems are only as good as the soldiers, sailors, airmen and marines who man the front lines. American military service members are unique in their mission, their special culture and have a special place in our society.

The American military lives by fundamental values: duty, honor, country. We are unique in the world in this respect. Our service personnel put their lives on the line not for danger or the thrill of combat, but for a higher cause. To do their job effectively, those in the military must have faith in the society they serve. In turn, our society must support and honor its Armed Forces. General Matthew Ridgway strongly believed that those in uniform must be forthright with the American citizen they serve. He said, ''The professional soldier should never pull his punches, should never let himself for one moment be dissuaded from stating honest opinions based on his own military experience and judgment which tells him what will be needed to do the job required of him.'' No factor of political motivation should excuse, and no reason of political expediency should interfere with the supreme duties our military undertake. General Ridgway went on to note that ''Since George Washington's time, no top soldier has forgotten that he is a citizen first and a soldier second, and that the troops under his command are an instrument of the people's will.'' This is why the American people have always had a special relationship with its military.

This is what makes the American military men and women unique. If you have been there, you know exactly what I mean. For those who have not had the opportunity to serve, you should speak with our military men and women. Learn more about their accomplishments, challenges, and sacrifices. In combat, in conflict and violence, bonds of trust and love are forged. This is a very powerful experience which contributes to how the words duty, honor, country have a sacred meaning to our military. As the military, we learn that every decision we make calls upon us to act on our own personal integrity and our own willingness to sacrifice. No commitment is more powerful.

The military instills a sense of purpose, a sense of belonging, a sense that the military matters to the citizens they serve. After all, this is a profession where people are called upon to make the ultimate and most personal sacrifice. The military is not a mere interest group. In the turmoil following Vietnam, General Fred Weyand wrote, ''The American Army is really a people's Army in the sense that it belongs to the American people who take a jealous proprietary interest in its involvement . . . The American Army is not so much an arm of the Federal Government as it is an arm of the American people.'' We Americans should keep this in mind before we make the serious decisions which may put our best youngsters into harm's way. The American military is a national treasure, for which we all are accountable.

The military professional is set apart from those who have followed other walks of life. It is a family. This is true throughout the services and down to the level of small units, whose cohesiveness was clearly illustrated during the Gulf War. When a television correspondent interviewed a young African American soldier in a tank platoon on the eve of Desert Storm and repeatedly asked him to speak to his fear of the impending battle, the young soldier just as persistently repeated his answer: ''This is my family and we'll take care of each other.'' The values and beliefs that form the substance of military professionalism determine in no small measure the role of the military in our great Nation.

We Americans should at the very least show appreciation to our military service members.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the resolution. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Texas (Mr. GRAMM), the Senator from Utah (Mr. HATCH), the Senator from Kentucky (Mr. BUNNING), and the Senator from Arizona (Mr. MCCAIN) are necessarily absent.

I further announce that the Senator from Alaska (Mr. STEVENS) is absent on official business.

Mr. REID. I announce that the Senator from Iowa (Mr. HARKIN), is necessarily absent.

I also announce that the Senator from New York (Mr. MOYNIHAN) is absent due to surgery.

I further announce that, if present and voting, the Senator from New York (Mr. MOYNIHAN) would vote ''aye.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 93, nays 0, as follows:

[Rollcall Vote No. 97 Leg.]

YEAS—93

| | | |
|---|---|---|
| Abraham | Edwards | Lott |
| Akaka | Enzi | Lugar |
| Allard | Feingold | Mack |
| Ashcroft | Feinstein | McConnell |
| Baucus | Fitzgerald | Mikulski |
| Bayh | Frist | Murkowski |
| Bennett | Gorton | Murray |
| Biden | Graham | Nickles |
| Bingaman | Grams | Reed |
| Bond | Grassley | Reid |
| Boxer | Gregg | Robb |
| Breaux | Hagel | Roberts |
| Brownback | Helms | Rockefeller |
| Bryan | Hollings | Roth |
| Burns | Hutchinson | Santorum |
| Byrd | Hutchison | Sarbanes |
| Campbell | Inhofe | Schumer |
| Chafee | Inouye | Sessions |
| Cleland | Jeffords | Shelby |
| Cochran | Johnson | Smith (NH) |
| Collins | Kennedy | Smith (OR) |
| Conrad | Kerrey | Snowe |
| Coverdell | Kerry | Specter |
| Craig | Kohl | Thomas |
| Crapo | Kyl | Thompson |
| Daschle | Landrieu | Thurmond |
| DeWine | Lautenberg | Torricelli |
| Dodd | Leahy | Voinovich |
| Domenici | Levin | Warner |
| Dorgan | Lieberman | Wellstone |
| Durbin | Lincoln | Wyden |

NOT VOTING—7

| | | |
|---|---|---|
| Bunning | Hatch | Stevens |
| Gramm | McCain | |
| Harkin | Moynihan | |

The resolution (S. Res. 33) was agreed to.

The preamble was agreed to.

The resolution (S. Res. 33), with its preamble, reads as follows:

S. RES. 33

Whereas the freedom and security that United States citizens enjoy today are results of the vigilant commitment of the United States Armed Forces in preserving the freedom and security;

Whereas it is appropriate to promote national awareness of the sacrifices that members of the United States Armed Forces have made in the past and continue to make every day in order to support the Constitution and to preserve the freedoms and liberties that enrich the Nation;

Whereas it is important to preserve and foster the honor and respect that the United States Armed Forces deserve for vital service on behalf of the United States;

Whereas it is appropriate to emphasize the importance of the United States Armed Forces to all persons in the United States;

Whereas it is important to instill in the youth in the United States the significance of the contributions that members of the United States Armed Forces have made in

securing and protecting the freedoms that United States citizens enjoy today;

Whereas it is appropriate to underscore the vital support and encouragement that families of members of the United States Armed Forces lend to the strength and commitment of those members;

Whereas it is important to inspire greater love for the United States and encourage greater support for the role of the United States Armed Forces in maintaining the superiority of the United States as a nation and in contributing to world peace;

Whereas it is appropriate to recognize the importance of maintaining a strong, equipped, well-educated, well-trained military for the United States to safeguard freedoms, humanitarianism, and peacekeeping efforts around the world;

Whereas it is important to give greater recognition for the dedication and sacrifices that individuals who serve in the United States Armed Forces have made and continue to make on behalf of the United States;

Whereas it is appropriate to display the proper honor and pride United States citizens feel towards members of the United States Armed Forces for their service;

Whereas it is important to reflect upon the sacrifices made by members of the United States Armed Forces and to show appreciation for such service;

Whereas it is appropriate to recognize, honor, and encourage the dedication and commitment of members of the United States Armed Forces in serving the United States; and

Whereas it is important to acknowledge the contributions of the many individuals who have served in the United States Armed Forces since inception of the Armed Forces: Now, therefore, be it

*Resolved*, That the Senate—

(1) designates May 1999 as ''National Military Appreciation Month''; and

(2) requests that the President issue a proclamation calling upon the people of the United States to recognize and honor the dedication and commitment of the members of the United States Armed Forces and to observe the month with appropriate ceremonies and activities.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from South Carolina.

## MORNING BUSINESS

Mr. THURMOND. Mr. President, I ask unanimous consent that there now be a period for morning business, with Senators to speak for up to 10 minutes each. I further ask unanimous consent that the following Senators be recognized to speak: Senator MCCONNELL, Senator DORGAN, and Senator CONRAD.

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

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. I thank the Chair.

(The remarks of Mr. MCCONNELL, Mr. CONRAD, and Mr. DORGAN pertaining to the introduction of S. 931 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

## NATIONAL MILITARY APPRECIATION MONTH

Ms. COLLINS. Mr. President, I am proud to be a cosponsor of the resolution that the Senate just unanimously approved to designate May as the National Military Appreciation Month.

With troops in harm's way in Bosnia, in Serbia, in Haiti and the Persian Gulf, it is difficult to conceive of a more appropriate time for the Senate to have clearly put itself on record as supporting our brave men and women in uniform.

Regardless of how we may feel about these individual deployments, it is important that the American people send an unmistakable signal to our troops that we salute their bravery, their patriotism, their courage and their unparalleled skill as they carry out dangerous missions throughout the world.

I am proud to support our troops 100 percent, as they carry out their missions and the will of the Commander in Chief.

Mr. President, let us all join together today and every day to remember our troops throughout the world.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SPECTER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROBERTS). Without objection, it is so ordered.

The Senate is in morning business and Senators are granted permission to speak up to 10 minutes on a Friday afternoon.

The Senator is recognized.

Mr. SPECTER. Mr. President, I ask unanimous consent that I be permitted to speak for up to 20 minutes in morning business, notwithstanding the afternoon.

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

## DEPLOYMENT OF U.S. ARMED FORCES IN KOSOVO

Mr. SPECTER. Mr. President, on Monday, in the afternoon, the distinguished majority leader has scheduled a vote, so far denominated as a tabling motion on the pending S.J. Res. 20, concerning the deployment of United States Armed Forces in the Kosovo region of the Federal Republic of Yugoslavia.

Since Monday afternoon is likely to be crowded with debate on this subject and there is free time in the Senate Chamber today, I have decided to speak about this issue because I believe it is a matter of overwhelming importance for the United States, for NATO, for Europe and, for that matter, for the world.

The resolution provides in a short statement worth reading in its entirety:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that the President is authorized to use all necessary force and other means, in concert with United States allies, to accomplish United States and North Atlantic Treaty Organization objectives in the Federal Republic of Yugoslavia (Serbia and Montenegro).

Mr. President, I am strongly opposed to this resolution because it gives a total blank check to the President to involve the United States in any type of military action which he deems appropriate when it is the Congress of the United States that has the sole authority under the Constitution to declare war. In my view, the Congress ought not to give such a blank check, but instead ought to ask the President to come before the Congress, specifying what the President seeks to accomplish and what the means are for accomplishing that objective.

I supported the resolution for airstrikes with a specific limitation that there would not be a deployment of ground forces. We have a great many very, very important questions, the answers to which ought to be provided, in my judgment, by the executive branch, by the President, to the Congress before the Congress exercises its authority to, in effect, declare war.

Bear in mind at the outset, that the President has asked for no such authority, and that is a very important point and a threshold matter. But these are some of the questions which ought to be examined. I know that the distinguished Presiding Officer, Senator ROBERTS from Kansas, who is on the Armed Services Committee, has participated in offering legislation which conditions funding and conditions congressional authority on a number of similar issues.

These questions are of such vital importance that they bear repetition and they bear analysis and understanding by the American people, at least the relatively few who are watching on C–SPAN2 today. But these are monumental matters. These are some of the issues which I think have to be answered before the Congress is in a position to decide what authorization is to be given to the President:

First, to what extent have the forces of the Federal Republic of Yugoslavia been degraded by the air attacks?

Second, what would the projected resistance be of the armed forces of the Federal Republic of Yugoslavia?

Third, what is the President's plan? So far we do not know what the President would like to do. There is not agreement among the alliance. The

President has stated that he wishes to proceed with the support of the alliance, just as he has had the support of the alliance up to date.

Once we know what the plan is, the fourth question would be, what resources are necessary to implement a specific plan?

Fifth, what would the risks be to U.S. military personnel in carrying out the plan?

Next, what contributions would be made by others of the alliance?

And an additional question: What other pressures are available to use against the forces of President Milosevic, such as the pressure of the War Crimes Tribunal?

These are all vital questions which ought to be answered before the Congress of the United States plunges into this field precipitously, without a request by the President, without a request by NATO, without any plan for us to consider on issues which can be answered only by the President of the United States.

What we are being asked for on this resolution is a blank check, and it is really an unusual form of a blank check because the check is not only blank as to amount, but the check is also blank as to the identity of the payee; that is, who receives the funds.

A check has a number of ingredients. There is the party who writes the check. That would be the Congress of the United States in the case of this resolution. A check has the identification of the party who receives the check, the payee. And the check has the amount of the check. And this check is blank in both material aspects. What is the amount of the check and who is to receive the check?

I think the Congress of the United States would be most unwise to enact such a resolution on the state of the record which exists at the present time.

What we have in Kosovo, what we have with NATO, what we have in our military action against the Republic of Yugoslavia is really a constitutional crisis. It is a constitutional crisis of major import, if anybody would pay attention to the Constitution. Only by ignoring the Constitution are we able to ignore the constitutional crisis.

But the Constitution is explicit that only the Congress of the United States has the authority to declare war. Only the Congress of the United States has the power, responsibility and authority to engage the U.S. Armed Forces in war. But what we have going on at the present time in Kosovo against the Federal Republic of Yugoslavia is a war.

The military actions there are clear-cut acts of war. We have this war in process without the authority of the Congress of the United States.

As of Wednesday of this week, we have the war in process with a specific action of the House of Representatives in rejecting the use of airstrikes by a tie vote of 213–213.

It is true that the Senate authorized the use of airstrikes with the reservation against ground forces by a vote of 58–41. But we have, as we all know, a bicameral legislature. You cannot have a declaration of war by the Senate. You could only have a declaration of war by the Congress; and that means joint action of the Senate and the House of Representatives.

And now we have the House of Representatives rejecting the President's authority to conduct air operations by a vote of 213–213. And that is as forceful a rejection as had it been 426–0. Unless it passes, albeit by as little as a single vote, it is a rejection.

The House of Representatives had a curious legislative day on Wednesday, April 28, taking up a series of resolutions by Congressman TOM CAMPBELL of California. And I compliment Congressman CAMPBELL for bringing the issues to a head—or trying to bring the issues to a head.

The House of Representatives rejected a resolution calling for a state of war by a vote of 2 in favor, 427 against.

The House of Representatives then voted on a resolution directing the President, under the War Powers Resolution, to withdraw troops from the operation against the Federal Republic of Yugoslavia. That, too, was rejected by a vote of 139–290.

Then there was the resolution authorizing the President to conduct air operations similar to the one passed by the Senate on March 23. As previously noted, that was rejected 213–213.

Then, the House passed a resolution 249–180, placing limitations on the funding of the President to use ground troops in Federal Republic of Yugoslavia without prior congressional authority.

When we read through the War Powers Act, the legislation which was passed to try to limit the erosion of Congress' authority to declare war with the taking on of that authority by the President under his constitutional powers as Commander in Chief, the provisions of 5c specify that ''at any time the United States Armed Forces are engaged in hostilities outside the territory of the United States, its possessions and territories, without a declaration of war or specific statutory authorization, such forces shall be removed by the President if a Congress so directs by concurrent resolution.''

So here we have the anomalous situation that the House turns down a declaration of war, the House turns down the use of airstrikes, the Senate has authorized airstrikes with the reservation prohibiting the use of ground forces, and you do not have the Congress—even the House—directing the withdrawal of forces. So it is a quagmire, to say the least.

And it is a constitutional confrontation and a constitutional crisis to identify it squarely, when you have the Constitution requiring action by the Congress to declare war to involve the United States in war, and you have one House of the Congress, the House of Representatives, failing to authorize the airstrikes which are currently underway.

The resolution which is going to be voted on on Monday, Mr. President, bears a striking similarity to the infamous Gulf of Tonkin Resolution, which was used to justify United States participation in the Vietnam war without a declaration of war.

Section 2 of the Gulf of Tonkin Resolution provides as follows:

''. . .The United States is, therefore, prepared, as the President determines, to take all necessary steps, including the use of armed force, to assist any member or protocol state of the Southeast Asia Collective Defense Treaty requesting assistance in defense of its freedom.''

And note with particularity the language ''to take all necessary steps, including the use of armed force'' from the Gulf of Tonkin resolution compared to the resolution to be voted on on Monday that the President is ''authorized to use all necessary force and other means.'' These are blank checks which are not in the interest of the United States, but these checks ought to be very carefully considered, and ought to be very carefully written before the United States is engaged in war with the authorization of the Congress of the United States.

The President has, to his credit, held a series of meetings with Members of Congress, going really beyond notification and really beyond what is customarily regarded as consultation in seeking opinions of Members of the Senate and the House of Representatives. In one of these meetings, the President raised the issue of collateral activities, beyond or in addition to the use of military force, and made a specific reference to the War Crimes Tribunal. We have had President Milosevic denominated as early as the end of 1992, by then-Secretary of State Eagleburger, as, in effect, being a war criminal.

We know that the War Crimes Tribunal has successfully completed prosecutions arising out of the incidents in Bosnia. There has been a very noteworthy plea of guilty and a life sentence for the Prime Minister of Rwanda for the genocide which occurred there, a guilty plea, a conviction, and a life sentence—the life sentence now being under appeal—of enormous importance, although hardly noticed by the press in the United States or the press in Europe. Somehow a matter of genocide or a matter of a conviction or a matter of a prosecution of a war criminal in Rwanda is of lesser status. It should not be, but that happens to be the practical fact of life.

This morning there was a bipartisan meeting with Justice Louise Arbour, the chief prosecutor in the War Crimes Tribunal. Justice Arbour made a strong point of seeking support for the arrest of Karadzic, who is under indictment for war crimes in Bosnia, and for seeking an arrest for others in cases where there are sealed indictments arising from war crimes in Bosnia.

Justice Arbour described the number of these cases, by the reference that there are only a handful, but she made the point—and I think it is a very valid point—that IFOR should proceed to arrest those individuals—even those under sealed indictment who have been identified to the military forces now in Bosnia, and Karadzic is an especially prominent war criminal under indictment, where the indictment has been outstanding for some 4 years. Not only has Karadzic thumbed his nose at the War Crimes Tribunal, but the reality is that the IFOR troops who have a responsibility to execute those warrants have, in effect, similarly thumbed their nose at the War Crimes Tribunal. The military commanders on the scene have been heard to say that they could make these arrests, that they could make the arrest of Karadzic who is, according to reportedly reliable information, in the French quarter. A real question arises as to the willingness of the French to cooperate in the arrest of Karadzic, but this is something which could be accomplished.

Justice Arbour makes the point, and I think with great validity, that it would send a very strong message and have a chilling effect on the military and political leaders under Milosevic, if they saw that the War Crimes Tribunal had the skill to acquire evidence to bring forth indictments and then to follow with convictions; and, if the NATO and the IFOR forces had the political courage to execute those warrants of arrest by taking those indictees into custody. This would be a very, very strong deterrent to the continuation of the criminal activity by the Serbian forces and by the forces of the Federal Republic of Yugoslavia.

The War Crimes Tribunal has done its job. Now it is a matter of courage, the political courage and the military courage to serve those warrants of arrest and take those individuals into custody.

By way of a footnote, Justice Arbour outlined the need for some $18 million in funding. The entire War Crimes Tribunal has only 17 investigators, an amazingly small number, to carry out the sort of work which has to be undertaken. For example, investigating overhead satellites intelligence which is telling something about the mass grave sites. This funding is something which will be coming before the Appropriations Committee next week, soon before the full Senate, and then the Congress. And at least judging from the reaction of the Senators who were present at the meeting today with Justice Arbour, there will be a favorable response. Certainly $18 million for the War Crimes Tribunal and an additional $2 million for extra State Department officials and extra help from the Central Intelligence Agency is a very small amount of the $6 billion requested by the President and the additions which have been made by the House of Representatives.

Mr. President, in conclusion—the two most popular words of any speech—I urge my colleagues to focus with great care on this resolution. I have a strong sense that it won't be possible to make extended remarks on Monday, when a vote grows nearer. The number of Senators will increase, from the presiding Senator and the one Senator on the floor making a speech, to a fair number of Senators who will be seeking recognition. When we had the resolution authorizing the use of force with the airstrikes, there was a limited time agreement. Speakers were limited to 2 minutes in the final stage of that debate before the vote, not too much time to express a Senatorial judgment on an important issue, but more time than many of us were accorded later when the time was so limited that we couldn't even speak. So seeing an empty Chamber, and in attendance an attentive Presiding Officer, I thought I would take this opportunity to speak at some length on this important subject.

I thank the Chair for his attention. The Chair is customarily in attendance, infrequently at attention.

Mr. KYL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## DRAFT RESOLUTION ON YUGOSLAVIA

Mr. LOTT. Mr. President, for the information of all Senators, I am including in the RECORD today a draft Senate Joint Resolution setting forth requirements that must be met before the United States Armed Forces may be deployed in or adjacent to the Federal Republic of Yugoslavia (Serbia and Montenegro) to conduct offensive ground operations. This draft resolution has been the subject of discussion among numerous Senators, as a possible compromise measure on the subject of Kosovo. My discussions with Senator DASCHLE and other Senators, from both parties, continue in an effort to determine whether bipartisan agreement can be reached on the timing and substance of a Kosovo debate here in the Senate. I commend the attached resolution to the attention of my colleagues. I ask unanimous consent it be printed in the RECORD.

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

Whereas the United States and its allies in the North Atlantic Treaty Organization (NATO) are conducting offensive air combat operations against the Federal Republic of Yugoslavia (Serbia and Montenegro);

Whereas the Federal Republic of Yugoslavia (Serbia and Montenegro) has refused to comply with NATO demands that it withdraw its military, paramilitary, and security forces from the province of Kosovo, permit the return of ethnic Albanian refugees to their homes, and permit the establishment of an international peacekeeping force in Kosovo;

Whereas the men and women of the Armed Forces of the United States have performed their mission with the utmost professionalism, dedication, and patriotism; and

Whereas the President has not proposed the deployment of the Armed Forces of the United States in or adjacent to the Federal Republic of Yugoslavia (Serbia and Montenegro) for the purpose of conducting offensive ground operations: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. REQUIREMENTS BEFORE DEPLOYMENT OF THE ARMED FORCES OF THE UNITED STATES IN YUGOSLAVIA FOR THE PURPOSE OF CONDUCTING OFFENSIVE GROUND OPERATIONS.**

(a) IN GENERAL.—Except as provided in subsection (c), none of the funds available to the Department of Defense (including funds appropriated for fiscal year 1999 or any prior fiscal year) may be used to deploy the Armed Forces of the United States in or adjacent to the Federal Republic of Yugoslavia (Serbia and Montenegro) for the purpose of conducting offensive ground operations unless and until—

(1) the President submits a written request to the Speaker of the House of Representatives and the President pro tempore of the Senate—

(A) seeking specific statutory authorization for any such deployment or a declaration of war against the Federal Republic of Yugoslavia (Serbia and Montenegro); and

(B) containing the information described in subsection (b) regarding the deployment; and

(2) Congress enacts specific statutory authorization for any such deployment or a declaration of war against the Federal Republic of Yugoslavia (Serbia and Montenegro).

(b) REQUEST ELEMENTS.—In addition to the request described in subsection (a)(1)(A), the written request required by subsection (a) shall set forth—

(1) the national security interests of the United States at stake that warrant the deployment;

(2) the political and military objectives of the deployment;

(3) in general terms the military forces and other means by which the President proposes to attain the objectives specified in paragraph (2);

(4) the role the President proposes for the Kosovo Liberation Army in connection with such combat, and what assistance, if any, the President proposes to extend to that organization;

(5) in general terms what the President believes the obligations of the United States will be in connection with the recovery and reconstruction of those nations in the Balkans affected by the combat once the combat has ceased;

(6) the anticipated duration and cost of the deployment;

(7) in general terms the number of personnel of the Armed Forces of the United States estimated to be required in and around the Federal Republic of Yugoslavia (Serbia and Montenegro) after the termination of armed conflict and the mission of those personnel; and

(8) in general terms the roles and responsibilities of the NATO allies in the conduct of offensive ground operations, recovery and reconstruction efforts, and military missions after the termination of armed conflict.

(c) EXCEPTION.—Subsection (a) does not apply to any action to protect the security of personnel of the Armed Forces of the United States, or personnel of the armed forces of any other member country of the North Atlantic Treaty Organization (NATO), that are involved in military air operations in or adjacent to the Federal Republic of Yugoslavia (Serbia and Montenegro).

## THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, April 29, 1999, the federal debt stood at $5,597,263,457,235.83 (Five trillion, five hundred ninety-seven billion, two hundred sixty-three million, four hundred fifty-seven thousand, two hundred thirty-five dollars and eighty-three cents).

One year ago, April 29, 1998, the federal debt stood at $5,512,959,000,000 (Five trillion, five hundred twelve billion, nine hundred fifty-nine million).

Five years ago, April 29, 1994, the federal debt stood at $4,568,704,000,000 (Four trillion, five hundred sixty-eight billion, seven hundred four million).

Twenty-five years ago, April 29, 1974, the federal debt stood at $471,613,000,000 (Four hundred seventy-one billion, six hundred thirteen million) which reflects a debt increase of more than $5 trillion—$5,125,650,457,235.83 (Five trillion, one hundred twenty-five billion, six hundred fifty million, four hundred fifty-seven thousand, two hundred thirty-five dollars and eighty-three cents) during the past 25 years.

## EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–2778. A communication from the Assistant to the Board, Policy Development, Federal Reserve Board of Governors, transmitting, pursuant to law, the report of a rule entitled ''Risk-Based Capital Standards: Market Risk'' (Docket No. R–0996), received April 12, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2779. A communication from the Assistant to the Board, Division of Consumer and Community Affairs, Federal Reserve Board of Governors, transmitting, pursuant to law, the report of a rule entitled ''Regulation Z, Truth in Lending'' (R–1029), received April 13, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2780. A communication from the Assistant to the Board, Division of Consumer and Community Affairs, Federal Reserve Board of Governors, transmitting, pursuant to law, the report of a rule entitled ''Regulation M, Consumer Lending'' (R–1029), received April 13, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2781. A communication from the Office of General Counsel, Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled ''Final Flood Elevation Determinations, 64 FR 17571, 04/12/99'', received April 15, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2782. A communication from the Office of General Counsel, Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled ''Changes in Flood Elevation Determinations, 64 FR 17569, 04/12/99'' (FEMA–7280), received April 15, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2783. A communication from the Office of General Counsel, Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled ''Changes in Flood Elevation Determinations, 64 FR 17567, 04/12/99'', received April 15, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2784. A communication from the Assistant General Counsel for Regulations, Office of the Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Implementation of the Housing for Older Persons Act of 1995 (FR–4094)'' (RIN2529–AA80), received April 9, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2785. A communication from the Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Amendments to the Iranian Transactions Regulations (31 CFR Part 560): Implementation of Executive Order 13059'' (31 CFR Part 560), received April 20, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2786. A communication from the Assistant General Counsel for Regulations, Office of the Secretary-Office of Lead Hazard Control, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Lead-Based Paint Poisoning Prevention in Certain Residential Structures-Information Collection Approval Numbers; Technical Amendment'' (FR–4444–F–02), received April 9, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2787. A communication from the Assistant Secretary for Export Administration, Bureau of Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Exports of Firearms'' (RIN0694–AB68), received April 7, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2788. A communication from the Assistant General Counsel for Regulations, Office of the Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Builder Warranty for High-Ratio FHA Insured Single Family Mortgages for New Homes (FR–4288)'' (RIN2502–AH08), received April 9, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2789. A communication from the Assistant General Counsel for Regulations, Office of Public Housing and Indian Housing, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Section 8 Certificate and Voucher Programs Conforming Rule; Technical Amendment (4054)'' (RIN2577–AB63), received April 9, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2790. A communication from the Assistant General Counsel for Regulations, Office of Public Housing and Indian Housing, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Section 8 Certificate and Voucher Programs Conforming Rule; Technical Amendment (FR–4054)'' (RIN2577–AB63), received April 9, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2791. A communication from the Assistant General Counsel for Regulations, Office of the Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''FHA Single Family Mortgage Insurance; Statutory Changes for Maximum Mortgage Limit and Downpayment Requirement (FR–4431)'' (RIN2502–AH31), received April 9, 1999; to the Committee on Banking, Housing, and Urban Affairs.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HELMS, from the Committee on Foreign Relations, without recommendation without amendment and with a preamble:

S.J. Res. 20. A joint resolution concerning the deployment of the United States Armed Forces to the Kosovo region in Yugoslavia.

## EXECUTIVE REPORTS OF A COMMITTEE

The following executive reports of a committee were submitted:

By Mr. JEFFORDS, for the Committee on Health, Education, Labor, and Pensions:

Kenneth M. Bresnahan, of Virginia, to be Chief Financial Officer, Department of Labor, vice Edmundo A. Gonzales, resigned.

Arthur J. Naparstek, of Ohio, to be a Member of the Board of Directors of the Corporation for National and Community Service for a term expiring October 6, 2003. (Reappointment)

Ruth Y. Tamura, of Hawaii, to be a Member of the National Museum Services Board for a term expiring December 6, 2001. (Reappointment)

Chang-Lin Tien, of California, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 2004.

Joseph Bordogna, of Pennsylvania, to be Deputy Director of the National Science Foundation.

Gary L. Visscher, of Maryland, to be a Member of the Occupational Safety and Health Review Commission for a term expiring April 27, 2001.

Lorraine Pratte Lewis, of the District of Columbia, to be Inspector General, Department of Education.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any

duly constituted committee of the Senate.)

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. MCCONNELL (for himself, Mr. BENNETT, Mr. CONRAD, and Mr. DORGAN):

S. 931. A bill to provide for the protection of the flag of the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. CAMPBELL:

S. 932. A bill to prevent Federal agencies from pursuing policies of unjustifiable nonacquiescence in, and relitigation of, precedent established in the Federal judicial courts; to the Committee on the Judiciary.

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

S. 933. A bill to amend the Internal Revenue Code of 1986 to clarify the tax treatment of Settlement Trusts established pursuant to the Alaska Native Claims Settlement Act; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. KENNEDY, Mr. SARBANES, Mr. KERRY, Mr. HARKIN, and Mrs. MURRAY):

S. 934. A bill to enhance rights and protections for victims of crime; to the Committee on the Judiciary.

By Mr. LUGAR:

S. 935. A bill to amend the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to authorize research to promote the conversion of biomass into biobased industrial products, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

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

S.J. Res. 24. A joint resolution conferring status as an honorary veteran of the United States Armed Forces on Zachary Fisher; to the Committee on Veterans Affairs.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MCCONNELL (for himself, Mr. BENNETT, Mr. CONRAD, and Mr. DORGAN):

S. 931. A bill to provide for the protection of the flag of the United States, and for other purposes; to the Committee on the Judiciary.

FLAG PROTECTION ACT OF 1999

Mr. MCCONNELL. Mr. President, the American flag is our most precious national symbol and the Constitution is our most revered national document. They both represent the ideas, values and traditions that unify us as a people and a nation. Brave men and women have fought and given their lives in defense of the freedom and way of life that they both represent.

Today, I am proud to introduce, along with my colleague from Utah, Senator BENNETT, and my colleagues from North Dakota, Senator CONRAD and Senator DORGAN, the Flag Protection Act of 1999. This legislation would ensure that acts of deliberately confrontational flag-burnings are punished with stiff fines and even jail time. My bill will help prevent desecration of the flag, and at the same time, protect the Constitution.

Those malcontents who desecrate the flag do so to grab attention for themselves and to inflame the passions of patriotic Americans. And, speech that incites lawlessness or is intended to do so merits no First Amendment protection, as the Supreme Court has made abundantly clear. From Chaplinsky's ''fighting words'' doctrine in 1942 to Brandenburg's ''incitement'' test in 1969 to Wisconsin v. Mitchell's ''physical assault'' standard in 1993, the Supreme Court has never protected speech which causes or intends to cause physical harm to others.

And, that, Mr. President, is the basis for this legislation. My bill outlaws three types of illegal flag desecration. First, anyone who destroys or damages a U.S. flag with a clear intent to incite imminent violence or a breach of the peace may be punished by a fine of up to $100,000, or up to one year in jail, or both.

Second, anyone who steals a flag that belongs to the United States and destroys or damages that flag may be fined up to $250,000 or imprisoned up to 2 years, or both.

And third, anyone who steals a flag from U.S. property and destroys or damages that flag may also be fined up to $250,000 or imprisoned up to 2 years, or both.

Some of my colleagues will argue that we've been down the statutory road before and the Supreme Court has rejected it. However, the Senate's previous statutory effort wasn't pegged to the well-established Supreme Court precedents in this area.

This bill differs from the statutes reviewed by the Supreme Court in the two leading cases: Texas v. Johnson, (1989) and U.S. v. Eichman, (1990).

In Johnson, the defendant violated a Texas law banning the desecration of a venerated object, including the flag, in a way that will offend one or more persons. Johnson took a stolen flag and burned it as part of a political protest staged outside the 1984 Republican convention in Dallas. The state of Texas argued that its interest in enforcing the law centered on preventing breaches of the peace. But the government, according to the Supreme Court, may not ''assume every expression of a provocative idea will incite a riot. . . .'' Johnson, according to the Court, was prosecuted for the expression of his particular ideas: dissatisfaction with government policies. And it is a bedrock principle underlying the First Amendment, said the Court, that an individual cannot be punished for expressing an idea that offends.

The Johnson decision started a national debate on flag-burning and as a result, Congress, in 1989, enacted the Flag Protection Act. In seeking to safeguard the flag as the symbol of our nation, Congress took a different tack from the Texas legislature. The federal statute simply outlawed the mutilation or other desecration of the flag.

The Supreme Court, however, ruled in Eichman that the federal statute was unconstitutional. Specifically, the Court found that Congressional intent to protect the national symbol was insufficient to overcome the First Amendment protection for the expressive conduct exhibited by flag-burning.

Notwithstanding these decisions, the Court clearly left the door open for outlawing flag-burning that incites lawlessness: ''the mere destruction or disfigurement of a particular physical manifestation of the symbol, without more, does not diminish or otherwise affect the symbol itself in any way.''

But Mr. President, you don't have to take my word on it. The Congressional Research Service has offered legal opinions concluding that this initiative will withstand constitutional scrutiny:

> The judicial precedents establish that the [Flag Protection and Free Speech Act], if enacted, while not reversing Johnson and Eichman, should survive constitutional attack on First Amendment grounds.

In addition, Bruce Fein, a former official in the Reagan Administration and respected constitutional scholar, concurs:

> In holding flag desecration statutes unconstitutional in Johnson, the Court cast no doubt on the continuing vitality of Brandenburg and Chaplinsky as applied to expression through use or abuse of the flag. [The Flag Protection and Free Speech Act] falls well within the protective constitutional umbrella of Brandenburg and Chaplinsky . . . [and it] also avoids content-based discrimination which is generally frowned on by the First Amendment.

And several other constitutional specialists also agree that this initiative respects the First Amendment and will withstand constitutional challenge. A memo by Robert Peck, and Professors Robert O'Neil and Erwin Chemerinsky concludes that this legislation ''conforms to constitutional requirements in both its purpose and its provisions.''

And, these same three respected men have looked at the few State court cases which have been decided since we had this debate 3 years ago and have reiterated their original finding of constitutionality. In a recent memo, they explained:

> Three years ago . . . [w]e expressed our strongly held opinion that [the Flag Protection and Free Speech Act] would be compatible with the U.S. Supreme Court's rulings in Texas v. Johnson, 491 U.S. 397 (1989) and United States v. Eichman, 496 U.S. 310 (1990). We write now to reiterate that position, finding that nothing that has occurred in the interim casts any doubt on our conclusion.

Mr. President, I ask unanimous consent that the full text of these various memos be printed in the RECORD. And, I note that some of the memos refer to S. 982 in the 105th Congress and some

refer to S. 1335 in the 104th Congress. These bills, introduced in different sessions of Congress, are the same, and are both entitled the Flag Protection and Free Speech Act.

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

BRUCE FEIN,
ATTORNEY AT LAW,
*Great Falls, VA, October 21, 1995.*

Senator MITCH MCCONNELL,
*U.S. Senate, Russell Senate Office Building, Washington, DC.*

DEAR SENATOR: This letter responds for your request for an appraisal of the constitutionality of the proposed ''Flag Protection and Free Speech Act of 1995.'' I believe it easily passes constitutional muster with flying banners or guidons.

The only non-frivolous constitutional question is raised by section 3(a). It criminalizes the destruction or damaging of the flag of the United States with the intent to provoke imminent violence or a breach of the peace in circumstances where the provocation is reasonably likely to succeed. In Chaplinsky v. New Hampshire (1942), the Supreme Court upheld the constitutionality of laws that prohibit expression calculated and likely to cause a breach of the peace. Writing for a unanimous Court, Justice Frank Murphy explained that such ''fighting'' words ''are no essential part of any exposition of ideas, and are of such slight social value as a step to truth that any benefit that may be derived from them is clearly outweighed by the social interest in order and morality.''

In Brandenburg v. Ohio (1969), the Court concluded that the First Amendment is no bar to the punishment of expression ''directed to inciting or producing imminent lawless action and is likely to incite or produce such action.''

In holding flag desecration statutes unconstitutional in Texas v. Johnson (1989), the Court cast no doubt on the continuing vitality of Brandenburg and Chaplinsky as applied to expression through use or abuse of the flag. See 491 U.S. at 409–410.

Section 3(a) falls well within the protective constitutional umbrella of Brandenburg and Chaplinsky. It prohibits only expressive uses of the flag that constitute ''fighting'' words or are otherwise intended to provoke imminent violence and in circumstances where the provocation is reasonably likely to occasion lawlessness. The section is also sufficiently specific in defining ''flag of the United States'' to avoid the vice of vagueness. The phrase is defined to include any flag in any size and in a form commonly displayed as a flag that would be perceived by the reasonable observer to be a flag of the United States. The definition is intended to prevent circumvention by destruction or damage to virtual flag representations that could be as provocative to an audience as mutilating the genuine article. Any potential chilling effect on free speech caused by inherent definitional vagueness, moreover, is nonexistent because the only type of expression punished by section 3(a) is that intended by the speaker to provoke imminent lawlessness, not a thoughtful response. The First Amendment was not intended to protect appeals to imminent criminality.

Section 3(a) also avoids content-based discrimination which is generally frowned on by the First Amendment. It does not punish based on a particular ideology or viewpoint of the speaker. Rather, it punishes based on calculated provocations of imminent violence through the destruction or damage of the flag of the United States that are reasonably likely to succeed irrespective of the content of the speaker's expression. Such expressive neutrality is not unconstitutional discrimination because the prohibition is intended to safeguard the social interest in order, not to suppress a particular idea. See F.C.C. v. Pacifica Foundation, 438 U.S. 726, 744–746 (1978).

I would welcome the opportunity to amplify on the constitutionality of section 3(a) as your bill progresses through the legislative process.

Very truly yours,

BRUCE FEIN.

---

MEMORANDUM

To: Interested Parties.

From: Robert S. Peck, Esq. Robert M. O'Neil, Professor, University of Virginia Law School and Director, Thomas Jefferson Center for the Protection of Free Expression. Erwin Chemerinsky, Sydney Irmas Professor of Law and Political Science, University of Southern California.

Re: S. 982, the Flag Protection and Free Speech Act of 1997.

Three years ago, we offered our analysis of constitutional issues raised by S. 1335, which has been reintroduced this Congress as S. 982, the Flag Protection and Free Speech Act. We expressed our strongly held opinion that such a statute would be compatible with the First Amendment and not conflict with the U.S. Supreme Court's rulings in Texas v. Johnson, 491 U.S. 397 (1989) and United States v. Eichman, 496 U.S. 310 (1990). We write now to reiterate that position, finding that nothing that has occurred in the interim casts any doubt on our conclusion.

We observed in our earlier memorandum that the Eichman Court expressly left open a number of options for flag-related laws, including the approach taken by then-S. 1335 (now S. 982). Moreover, we noted that, in R.A.V. v. City of St. Paul, 505 U.S. 377, 385 (1992), the Court reiterated this opening by indicating that flag burning could be punishable under circumstances where dishonoring the flag did not comprise the gist of the crime.

S. 982 targets for punishment incitement to violence, which has never been regarded as a constitutionally protected activity. Some opponents of S. 982 have suggested that several recent state court decisions raise questions about our conclusions. They are mistaken. This memorandum will supplement our earlier analysis by reviewing those cases. Once again, we find that our earlier reasoning remains sound.

The most recent of these state court decisions, and the only one that was not available to us when we wrote our earlier memorandum, is Wisconsin v. Janssen, 570 N.W. 2d 746 (Wis. App. 1997)., review granted, 215 Wis. 2d 421 (Wis. Nov. 20, 1997). This memorandum will also review the holdings in Ohio v. Lessin, 620 N.E. 2d 72 (Ohio 1993), cert. denied, 510 U.S. 1194 (1994), and Texas v. Jimenez, 828 S.W. 2d 455 (Tex. App.), cert. denied, 506 U.S. 917 (1992). In preparing our original memorandum in 1995, we found these two cases irrelevant to the constitutionality of S. 1335 (now S. 982). Review of these cases, in fact, strengthens our conclusion about the constitutional viability of S. 982 because these courts recognized the same distinction between the protected expression of disparaging views of the flag, and the punishable conduct outlined in our earlier memorandum.

In Janssen, a state statute made punishable as a crime both contemptuous treatment of the American flag, as well as conduct that did not contain expressive elements. A Wisconsin Court of Appeals invalidated the statute that penalized anyone who ''intentionally and publicly mutilates, defiles, or casts contempt upon the flag . . .'' Such a statute, the court said, improperly punishes contemptuous treatment of the flag and impermissibly discriminates against a viewpoint, the same flaw that the U.S. Supreme Court found in its original flag burning decisions, Texas v. Johnson, 491 U.S. 397 (1989) and United States v. Eichman, 496 U.S. 310 (1990). Thus, the court found that the statute's broad language ''. . . clearly encompasses acts that the United States Supreme Court has deemed to be protected speech.'' The Wisconsin court did not specifically examine the non-expressive portion of the statute, which did not implicate First Amendment concerns, finding that courts cannot rewrite statutes to bring them into compliance with constitutional commands. The court's treatment of the statute endorses the view that a statute that eschews punishment for expressing a point of view by mistreatment of the flag and instead focuses solely on punishable non-expressive conduct will pass constitutional muster. The far more precise language of S. 982 is carefully designed to avoid punishing an expressed viewpoint. The Janssen case thus has no bearing on S. 982.

The Ohio Supreme Court's decision in Lessin also has no impact on any analysis of S. 982. The Court did not overturn the statute in question, which was a general incitement statute, but instead reversed a conviction because of flawed jury instructions. In fact, the Court indicated that a conviction would be upheld if a jury convicted the accused on the basis of a more ''accurate and thorough set of jury instructions.'' The fatal flaw in the jury instructions was that there was a failure to separate purely expressive conduct from legitimately criminalized violence. Because of that failure, the Court could not say whether the jury convicted the defendant for contempt for the flag or incitement. The Court said that the jury must be informed that ''flag burning in the absence of a call to violence is protected speech under the First Amendment.'' By the same token, the Court's statement clearly indicates that burning an American flag to incite violence is not protected by the First Amendment. S. 982 properly punishes the use of the flag to incite violence, and Lessin supports its constitutionality.

Finally, Jimenez invalidated a Texas law that a court of appeals in that state found indistinguishable from the federal law invalidated by the U.S. Supreme Court in Eichman. Unlike S. 982, the Texas law did not require proof of direct incitement to imminent lawless action. Instead, it still targeted protected expression, though it contained no viewpoint bias. While the Jimenez Court speculated that no flag burning law could ever be constitutional, that question was definitively answered otherwise, as we indicated in our first memorandum, by the U.S. Supreme Court in R.A.V., a decision issued several months after Jimenez. In R.A.V., the Court said that flag burning that did not publish the message or viewpoint of the flag burner, but concentrated solely on the criminal conduct, would meet constitutional requirements.

Opponents of S. 982 also argue that the fact that the Supreme Court denied certiorari in Jimenez and Lessin shows that the Court

would likely find S. 982 unconstitutional. This argument is flawed for two principal reasons. First, since the underlying state decisions do not address the constitutionality of S. 982, or call into question the premises upon which its validity rests, the Court's denial of certiorari in those cases could not support the claim that the Court would invalidate S. 982 on constitutional grounds.

Second, the Supreme Court each year decides to review only a tiny fraction of the several thousand appeals and petitions that are filed. The Court is not a court of error, but rather takes cases that require a national resolution, and it spoke definitively to the flag burning issue in Johnson and Eichman. Given that neither Jimenez nor Lessin raised novel or undecided constitutional issues that required such a national resolution, there was very little chance that the Court would be interested in hearing these cases. As Justice Stevens stated last year, ''it is well settled that our decision to deny a petition for a writ of certiorari does not in any sense constitute a ruling on the merits of the case in which the writ is sought.'' Bethley v. Louisiana, 117 S. Ct. 2425 (1997) (statement of Stevens, J.); see also Maryland v. Baltimore Radio Show, Inc., 228 U.S. 912, 919 (1950) (opinion of Frankfurter, J., respecting denial of petition for writ of cert.), U.S. v. Carver, 260 U.S. 482 (1923). The value of the Jimenez and Lessin decisions, therefore, is in no way enhanced by the Court's refusal of review.

We conclude, on the basis of all relevant judicial decisions, that S. 982 is constitutional.

---

MEMORANDUM

To: Interested Parties.

From: Robert S. Peck, Esq. Robert M. O'Neil, Professor, University of Virginia Law School Erwin Chemerinsky, Legion Lex Professor of Law, University of Southern California.

Re: S. 1335, the Flag Protection and Free Speech Act of 1995.

Date: November 7, 1995.

This memorandum will analyze the constitutional implications of S. 1335, the Flag Protection and Free Speech Act of 1995. As its name implies and the legislation states as its purpose, S. 1335 seeks ''to provide the maximum protection against the use of the flag of the United States to promote violence while respecting the liberties that it symbolizes.'' S. 1335, 104th Cong., 1st Sess. §2(b) (1995). This memorandum concludes that the bill conforms to constitutional requirements in both its purpose and its provisions.

It would be a mistake to conclude that S. 1335 is unconstitutional simply because the U.S. Supreme Court invalidated the Flag Protection Act of 1990 in its decision in United States v. Eichman, 496 U.S. 310 (1990). In this decision, as well as its earlier flag-desecration opinion, the Court specifically left open a number of options for flag-related laws, including the approach undertaken by S. 1335. The Court reiterated its stand in its 1992 cross-burning case, indicating that flag burning could be punishable under circumstances where dishonoring the flag did not comprise the gist of the crime. R.A.V. v. City of St. Paul, 112 S.Ct. 2538, 2544 (1992).

Unlike the 1990 flag law that the Court negated, S. 1335 is not aimed at suppressing non-violent political protest; in fact, it fully acknowledges that constitutionally protected right. In contrast, the Flag Protection Act, the Court said, unconstitutionally attempted to reserve the use of the flag as a symbol for governmentally approved expressive purposes. S. 1335 makes no similar attempt to prohibit the use of the flag to express certain points of view. Instead, it both advances a legitimate anti-violent purpose while remaining solicitous of our tradition of ''uninhibited, robust, and wide-open'' public debate. New York Times v. Sullivan, 376 U.S. 254, 270 (1964).

Moreover, the statute is sensitive to, and complies with, several other constitutional considerations, namely: (1) it does not discriminate between expression on the basis of its content or viewpoint, since it avoids the kind of discrimination condemned by the court in R.A.V.; (2) it does not provide opponents of controversial political ideas with an excuse to use their own propensity for violence as a means of exercising a veto over otherwise protected speech, since it requires that the defendant have a specific intent to instigate a violent response; and (3) it does not usurp authority vested in the states, since it does not intrude upon police powers traditionally exercised by the states. Each of these points will be discussed in greater detail below.

One additional point is worth noting. Passing a statute is far preferable to enacting a constitutional amendment that would mark the first time in its more than two centuries as a beacon of freedom that the United States amended the Bill of Rights. Totalitarian regimes fear freedom and enact broad authorizations to pick and choose the freedoms they allow. The broadly worded proposed constitutional amendment follows that blueprint by giving plenary authority to the federal and state governments to pick and choose which exercises of freedom will be tolerated. On the contrary, American democracy has never feared freedom, and no crisis exists that should cause us to reconsider this path. Because the Court has never said that Congress lacks the constitutional power to enact a statute to prevent the flag from becoming a tool of violence, a statute—rather than a constitutional amendment—is an incomparably better choice.

I. S. 1335 PUNISHES VIOLENCE OR INCITEMENT TO VIOLENCE, NOT EXPRESSIVE CONDUCT

The fatal common flaw in the flag-desecration prosecution of Gregory Lee Johnson, whose Supreme Court case started the controversy that has led to the proposed constitutional amendment, and the subsequent enactment by Congress of the Flag Protection Act of 1989 was the focus on punishing contemptuous views concerning the American flag. Eichman, 496 U.S. at 317–19; Texas v. Johnson, 491 U.S. 397, 405–07 (1989). In both instances, law was employed in an attempt to reserve use of the flag for governmentally approved viewpoints (i.e., patriotic purposes). The Court held such a reservation violated bedrock First Amendment principles in that the government has no power to ''ensure that a symbol be used to express only one view of that symbol or its referents.'' Id. at 417.

Johnson had been charged with desecrating a venerated object, rather than any of a number of other criminal charges that he could have been prosecuted for and that would not have raised any constitutional issues. Critical to the Supreme Court's decision in his case, as well as to the Texas courts that also held the conviction unconstitutional, was the fact that ''[n]o one was physically injured or threatened with injury.'' 491 U.S. at 399. The Texas Court of Criminal Appeals noted that ''there was no breach of the peace nor does the record reflect that the situation was potentially explosive.'' Id. at 401 (quoting 755 S.W. 2d 92, 96 (1988)). Thus, the primary concern addressed by S. 1335, incitement to violence, was not at issue in the Johnson case. The Eichman Court found the congressional statute to be indistinguishable in its intent and purpose from the prosecution reviewed in Johnson and thus also unconstitutional.

In reaching its conclusion about the issue of constitutionality, the Court, however, specifically declared that ''[w]e do not suggest that the First Amendment forbids a State to prevent, 'imminent lawless action.'" Id. at 410 (quoting Brandenburg v. Ohio, 395 U.S. 444, 447 (1969)). In Brandenburg, the Court said that government may not ''forbid or proscribe advocacy of the use of force or of law violation except where such advocacy is directed to inciting or producing imminent lawless action and is likely to incite or produce such action.'' 395 U.S. at 447. It went on to state that ''[a] statute which fails to draw this distinction impermissibly intrudes upon the freedoms guaranteed by the First and Fourteenth Amendments. It sweeps within its condemnation speech which our Constitution has immunized from government control.'' Id. at 448.

S. 1335 merely takes up the Court's invitation to focus a proper law on ''imminent lawless action.'' It specifically punishes ''[a]ny person who destroys or damages a flag of the United States with the primary purpose and intent to incite or produce imminent violence or a breach of the peace, and in circumstances where the person knows it is reasonably likely to produce imminent violence or a breach of the peace.'' S. 1335, at §3(a). The language precisely mirrors the Court's Brandenburg criteria. It does not implicate the Constitution's free-speech protections, because ''[t]he First Amendment does not protect violence.'' NAACP v. Claiborne Hardware Co., 458 U.S. 886, 916 (1982).

More recently, the Court put it this way: ''a physical assault is not by any stretch of the imagination expressive conduct protected by the First Amendment.'' Wisconsin v. Mitchell, 113 S. Ct. 2194, 2199 (1993). Under the Court's criteria, for example, a symbolic protest that consists of hanging the President in effigy is indeed protected symbolic speech. Although hanging the actual President might convey the same message of protest, a physical assault on the nation's chief executive cannot be justified as constitutionally protected expressive activity and could constitutionally be singled out for specific punishment. S. 1335 makes this necessary distinction as well, protecting the use of the flag to make a political statement, whether pro- or anti-government, while imposing sanctions for its use to incite a violent response.

Courts and prosecutors are quite capable of discerning the difference between protected speech and actionable conduct. Federal law already makes a variety of threats of violence a crime. Congress has, for example, targeted for criminal sanction interference with commerce by threat or violence, 18 U.S.C. §1951, (1994), incitement to riot, 18 U.S.C. §2101, tampering with consumer products, U.S.C. §1365, and interfering with certain federally protected activities. 18 U.S.C. §245. S. 1335 fits well within the rubric that these laws have previously occupied. It cannot be reasonably asserted that S. 1335 attempts to suppress protected expression.

II. S. 1335 DOES NOT UNCONSTITUTIONALLY DISCRIMINATE ON THE BASIS OF CONTENT OR VIEWPOINT

The Supreme Court has repeatedly recognized that ''above all else, the First Amendment means that government has no power

to restrict expression because of its message, its ideas, its subject matter, or its content.'' Police Department v. Mosley, 408 U.S. 92, 95 (1972). On this basis, the Court recently invalidated a St. Paul, Minnesota ordinance that purported to punish symbolic expression when it constituted fighting words directed toward people because of their race, color, creed, religion or gender. Fighting words is a category of expression that the Court had previously held to be outside the First Amendment's protections. Chaplinsky v. New Hampshire, 315 U.S. 568, 571–72 (1942). In R.A.V. v. City of St. Paul, 112 S. Ct. 2538, 2543 (1992), the Court gave this statement greater nuance by stating that categories of speech such as fighting words are not so entirely without constitutional import ''that they may be made the vehicles for content discrimination unrelated to their distinctively proscribable content.'' Explaining this concept, the Court gave an example involving libel: ''the government may proscribe libel; but it may not make the further content discrimination of proscribing only libel critical of the government.'' Id.

As a further example, the Court said a city council could not enact an ordinance prohibiting only those legally obscene works that contain criticism of the city government. Id. As yet another example, the Court stated that ''burning a flag in violation of an ordinance against outdoor fires could be punishable, whereas burning a flag in violation of an ordinance against dishonoring the flag is not.'' Id. at 2544. The rationale behind this limitation, the Court explained, was that government could not be vested with the power to ''drive certain ideas or viewpoints from the marketplace.'' Id. at 2545 (quoting Simon & Schuster, Inc. v. Members of the N.Y. State Crime Victims Bd., 112 S.Ct. 501, 508 (1991)).

No such danger exists under S. 1335. Both the patriotic group that makes use of the flag to provoke a violent response from dissenters and the protesters who use the flag to provoke a violent response from loyalists are subject to its provisions. A law that would only punish one or the other perspective would have the kind of constitutional flaw identified by the Court in R.A.V. Moreover, the legislation recognizes, as the Supreme Court itself did (''the flag occupies a ''deservedly cherished place in our community,'' 491 U.S. at 419) that the flag has a special status that justifies its special attention. Similarly, the R.A.V. Court noted that a law aimed at protecting the President against threats of violence, even though it did not protect other citizens, is constitutional because such threats ''have special force when applied to the person of the President.'' Id. at 2546. The rule against content discrimination, the Court explained, is not a rule against content discrimination, the Court explained, is not a rule against underinclusiveness. For example, ''a State may choose to regulate price advertising in one industry but not in others, because the risk of fraud is in its view greater there.'' Id. (parenthetical and citation omitted).

The federal law cited earlier that make certain types of threats of violence into crimes are not thought to pose content discrimination problems because they deal with only limited kinds of threats. To give another example, federal law also makes the use of a gun in the course of a crime grounds for special additional punishment. See 18 U.S.C. §924(c). In Brandenburg, the Court found that a Ku Klux Klan rally at which guns were brandished and overthrow of the government discussed remained protected free speech. Because guns were used for expressive purposes in Brandenburg and found to be beyond the law's reach there does not mean that the law enhancing punishment because a gun is used during the commission of a crime unlawfully infringes on any expressive rights.

The gun law makes the necessary constitutional distinctions that the Court requires, and so does S. 1335's concentration on crimes involving the American flag rather than protests involving the flag. S. 1335 properly identifies in its findings the reason for Congress to take special note of the flag: ''it is a unique symbol of national unity.'' §2(a)(1). It notes that ''destruction of the flag of the United States can occur to incite a violent response rather than make a political statement.'' §2(a)(4). As a result, Congress has developed the necessary legislative facts to justify such a particularized law.

In its only post-R.A.V. decision on a hate-crimes statute, the Court upheld a statute that enhanced the punishment of an individual who ''intentionally selects'' his victim on the basis of race, religion, color, disability, sexual orientation, national origin or ancestry. Wisconsin v. Mitchell, 113 S.Ct. 2194 (1993). A fair reading of the Court's unanimous decision in that case supports the conclusion that the Court would not strike down S. 1335 on R.A.V. grounds. In Mitchell, the Court concluded that the statute did not impermissibly punish the defendant's ''abstract beliefs,'' id. at 2200 (citing Dawson v. Delaware, 122 S. Ct. 1093 (1992)), but instead spotlighted conduct that had the potential to cause a physical harm that the State could properly proscribe. S. 1335 similarly eschews ideological or viewpoint discrimination to focus on the intentional provocation of violence, a harm well within the government's power to punish.

III. S. 1335 DOES NOT ENCOURAGE A HECKLER'S VETO

First Amendment doctrine does not permit the government to use the excuse of a hostile audience to prevent the expression of political ideas. Thus, the First Amendment will not allow the government to give a heckler some sort of veto against the expression of ideas that he or she finds offensive. As a result, the Court has observed, ''in public debate our own citizens must tolerate insulting, and even outrageous, speech in order to provide 'adequate breathing space' to the freedoms protected by the First Amendment.'' Boos v. Barry, 485 U.S. 312, 322 (1988). Any other approach to free speech ''would lead to standardization of ideas either by legislatures, courts, or dominant political or community groups.'' Terminiello v. Chicago, 337 U.S. 1, 4 (1949). Thus, simply because some might be provoked and respond violently to a march that expressed hatred of the residents of a community, that is insufficient justification to overcome the First Amendment's protection of ideas, no matter how noxious they may be deemed. See, e.g., Collin v. Smith, 578 F.2d 1197 (7th Cir.), cert. denied, 436 U.S. 953 (1978).

The Supreme Court's flag-burning decisions applied this principal. In Johnson, the state of Texas attempted to counter the argument against its flag-desecration prosecution by asserting an overriding governmental interest; it claimed that the burning of a flag ''is necessarily likely to disturb the peace and that the expression may be prohibited on this basis.'' 491 U.S. at 408 (footnote omitted). The Court rejected this argument on two grounds: (1) no evidence had been submitted to indicate that there was an actual breach of the peace, nor was evidence adduced that a breach of the peace was one of Johnson's goals; Id. at 407, and (2) to hold ''that every flag burning necessarily possesses [violent] potential would be to eviscerate our holding in Brandenburg [that the expression must be directed to and likely to incite or produce violence to be subject to criminalization].'' Id. at 409.

S. 1335 avoids the problems that Texas had by requiring that the defendant have ''the primary purpose and intent to incite or produce imminent violence or a breach of the peace, . . . in circumstances where the person knows it is reasonably likely to produce imminent violence or a breach of the peace.'' S. 1335, at §(a)(a). If Texas had demonstrated that Johnson had intended to breach the peace and was likely to accomplish this goal, Johnson could have been convicted of a crime for burning the U.S. flag. Texas, however, never attempted to prove this.

Moreover, S. 1335 does not enable hecklers to veto expression by reacting violently because it requires that the defendant have the specific intent to provoke that response, while at the same time taking away any bias-motivated discretion from law enforcers. The existence of a scienter requirement and a likelihood element is critical to distinguishing between a law that unconstitutionally punishes a viewpoint because some people hate it and one that legitimately punishes incitement to violence.

IV. S. 1335 IS CONSISTENT WITH FEDERALISM PRINCIPLES

Earlier this year, the Supreme Court held that the Gun-Free School Zones Act of 1990, 18 U.S.C. §922(q)(1)(a) unconstitutionally exceeded the power of Congress to regulate Commerce. Untied States v. Lopez, 63 U.S.L.W. 4343(1995). In doing so, the Court reaffirmed the original principle that ''the powers delegated by the [] Constitution to the federal government are few and defined. Those which are to remain in the State governments are numerous and indefinite.'' Id. at 4344 (quoting The Federalist No. 45, pp. 292–293 (C. Rossiter ed. 1961) (James Madison)).

S. 1335 respects these principles by directing its sanctions only at preventing the use of the national flag to incite violence, preventing someone from damaging an American flag belonging to the United States, or damaging, on federal land, an American flag stolen from another person. Each of these acts have a clear federal nexus and remain properly within the jurisdiction of the federal government. Moreover, the bill concedes jurisdiction to the states wherever it may properly be exercised. S. 1335, at §3(a)(d).

V. CONCLUSION

S. 1335 is carefully crafted to avoid constitutional difficulties by being solicitous of federalism and freedom of speech by focusing on incitement to violence. By doing so, it meets all constitutional requirements.

---

CONGRESSIONAL RESEARCH SERVICE,
*Washington, DC, October 23, 1995.*

To: Honorable Robert F. Bennett. Attention: Lisa Norton.

From: American Law Division.

Subject: Constitutionality of Flag Desecration Bill.

This memorandum is in response to your request for a constitutional evaluation of S. 1335, 104th Congress, a bill to provide for the protection of the flag of the United States and free speech and for other purposes.

Briefly, the bill would criminalize the destruction or damage of a United States flag

under three circumstances. First, subsection (a) would penalize such conduct when the person engaging in it does so with the primary purpose and intent to incite or produce imminent violence or a breach of the peace and in circumstances where the person knows it is reasonably likely to produce imminent violence or a breach of the peace.

Second, subsection (b) would punish any person who steals or knowingly converts to his or her use, or to the use of another, a United States flag belonging to the United States and who intentionally destroys or damages that flag. Third, subsection (c) punishes any person who, within any lands reserved for the use of the United States or under the exclusive or concurrent jurisdiction of the United States, steals or knowingly converts to his or her use, or to the use of another, a flag of the United States belonging to another person and who intentionally destroys or damages that flag.

Of course, the bill is intended to protect the flag of the United States in circumstances under which statutory protection may be afforded. The obstacle to a general prohibition of destruction of or damage to the flag is the principle enunciated in United States v. Eichman, 496 U.S. 310 (1990), and Texas v. Johnson, 491 U.S. 397 (1989), that flag desecration, usually through burning, is expressive conduct if committed to ''send a message,'' and that the Court would review limits on this conduct with exacting scrutiny; legislation that proposed to penalize the conduct in order to silence the message or out of disagreement with the message violates the First Amendment speech clause.

Rather clearly, subsections (b) and (c) would present no constitutional difficulties, based on judicial precedents, either facially or as applied. The Court has been plain that one may not exercise expressive conduct or symbolic speech with or upon the property of others or by trespass upon the property of another Eichman, supra, 496 U.S., 316 n. 5; Johnson, supra, 412 n. 8; Spence v. Washington, 418 U.S. 405, 408–409 (1974). See also R. A. V. v. City of St. Paul, 112 S.Ct. 2538 (1992) (cross burning on another's property). The subsections are directed precisely to the theft or conversion of a flag belonging to someone else, the government or a private party, and the destruction of or damage to that flag.

Almost as evident from the Supreme Court's precedents, subsection (a) is quite likely to pass constitutional muster. The provision's language is drawn from the ''fighting words'' doctrine of Chaplinsky v. New Hampshire, 315 U.S. 568 (1942). That case defined a variety of expression that was unprotected by the First Amendment, among the categories being speech that inflicts injury or tends to incite immediate violence. Id., 572. While the Court over the years has modified the other categories listed in Chaplinsky, it has not departed from the holding that the ''fighting words'' exception continues to exist. It has, of course, laid down some governing principles, which are reflected in the subsection's language.

Thus, the Court has applied to ''fighting words'' the principle of Brandenburg v. Ohio, 395 U.S. 444 (1969), under which speech advocating unlawful action may be punished only if it directed to inciting or producing imminent lawless action and is likely to incite or produce such action. Id., 447. This development is spelled out in Cohen v. California, 403 U.S. 15, 20, 22–23 (1971). See also NAACP v. Claiborne Hardware Co., 458 U.S. 886, 928 (1982); Hess v. Indiana, 414 U.S. 105 (1973).

A second principle, enunciated in an opinion demonstrating the continuing vitality of the ''fighting words'' doctrine, is that it is impermissible to punish only those ''fighting words'' of which government disapproves. Government may not distinguish between classes of ''fighting words'' on an ideological basis. R. A. V. v. City of St. Paul, 112 S.Ct. 2538 (1992).

Subsection (a) is drafted in a manner to reflect both these principles. It requires not only that the conduct be reasonably likely to produce imminent violence or breach of the peace, but that the person intend to bring about imminent violence or breach of the peace. Further, nothing in the subsection draws a distinction between approved or disapproved expression that is communicated by the action committed with or on the flag.

In conclusion, the judicial precedents establish that the bill, if enacted, would survive constitutional attack. Subsections (b) and (c) are more securely grounded in constitutional law, but subsection (a) is only a little less anchored in decisional law.

Because of time constraints, this memorandum is necessarily brief. If, however, you desire a more generous treatment, please do not hesitate to get in touch with us.

JOHNNY H. KILLIAN,
*Senior Specialist,*
*American Constitutional Law.*

Mr. MCCONNELL. I urge the Senate to pass this legislation and protect our Nation's most cherished symbol and our most revered document.

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

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

S. 931

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Flag Protection Act of 1999''.

**SEC. 2. FINDINGS AND PURPOSE.**

(a) FINDINGS.—Congress finds that—

(1) the flag of the United States is a unique symbol of national unity and represents the values of liberty, justice, and equality that make this Nation an example of freedom unmatched throughout the world;

(2) the Bill of Rights is a guarantee of those freedoms and should not be amended in a manner that could be interpreted to restrict freedom, a course that is regularly resorted to by authoritarian governments which fear freedom and not by free and democratic nations;

(3) abuse of the flag of the United States causes more than pain and distress to the overwhelming majority of the American people and may amount to fighting words or a direct threat to the physical and emotional well-being of individuals at whom the threat is targeted; and

(4) destruction of the flag of the United States can be intended to incite a violent response rather than make a political statement and such conduct is outside the protections afforded by the first amendment to the Constitution.

(b) PURPOSE.—The purpose of this Act is to provide the maximum protection against the use of the flag of the United States to promote violence while respecting the liberties that it symbolizes.

**SEC. 3. PROTECTION OF THE FLAG OF THE UNITED STATES AGAINST USE FOR PROMOTING VIOLENCE.**

(a) IN GENERAL.—Section 700 of title 18, United States Code, is amended to read as follows:

**''§ 700. Incitement; damage or destruction of property involving the flag of the United States**

''(a) DEFINITION OF FLAG OF THE UNITED STATES.—In this section, the term 'flag of the United States' means any flag of the United States, or any part thereof, made of any substance, in any size, in a form that is commonly displayed as a flag and that would be taken to be a flag by the reasonable observer.

''(b) ACTIONS PROMOTING VIOLENCE.—Any person who destroys or damages a flag of the United States with the primary purpose and intent to incite or produce imminent violence or a breach of the peace, and under circumstances in which the person knows that it is reasonably likely to produce imminent violence or a breach of the peace, shall be fined not more than $100,000, imprisoned not more than 1 year, or both.

''(c) DAMAGING A FLAG BELONGING TO THE UNITED STATES.—Any person who steals or knowingly converts to his or her use, or to the use of another, a flag of the United States belonging to the United States, and who intentionally destroys or damages that flag, shall be fined not more than $250,000 imprisoned not more than 2 years, or both.

''(d) DAMAGING A FLAG OF ANOTHER ON FEDERAL LAND.—Any person who, within any lands reserved for the use of the United States, or under the exclusive or concurrent jurisdiction of the United States, steals or knowingly converts to his or her use, or to the use of another, a flag of the United States belonging to another person, and who intentionally destroys or damages that flag, shall be fined not more than $250,000, imprisoned not more than 2 years, or both.

''(e) CONSTRUCTION.—Nothing in this section shall be construed to indicate an intent on the part of Congress to deprive any State, territory, or possession of the United States, or the Commonwealth of Puerto Rico of jurisdiction over any offense over which it would have jurisdiction in the absence of this section.''.

(b) CLERICAL AMENDMENT.—The analysis for chapter 33 of title 18, United States Code, is amended by striking the item relating to section 700 and inserting the following:

''700. Incitement; damage or destruction of property involving the flag of the United States.''.

Mr. MCCONNELL. Mr. President, I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I rise today as an original cosponsor of the bipartisan Flag Protection Act of 1999. I salute its author, Senator MCCONNELL of Kentucky.

I believe every Member of this body abhors acts of desecration against the flag. Burning a flag, or otherwise dishonoring this symbol of freedom, is repugnant to me, to my colleagues, and to the vast majority of American citizens. I believe we should protect the flag from the acts of those few who would dishonor it.

But the question is, How do we do it? Mr. President, we have previously

passed a statute to protect the flag but that was overturned by the U.S. Supreme Court as unconstitutional.

Some now say the only alternative is to pass a constitutional amendment. After considerable study and review, I have concluded that is not the case. There is an alternative, and the alternative is the legislation that we offer today, the Flag Protection Act of 1999. It is a statute. It is not a constitutional amendment. It will protect the flag, and I believe it will be upheld as constitutional.

We have a clear responsibility to exhaust all other options before we take the very serious step of amending the Constitution of the United States. Every one of us in the Senate pledges on our first day in this Chamber to uphold, protect, and defend the Constitution of the United States. Amending that time-honored, time-tested document is among the most serious of our duties—a step we have taken only rarely in the long history of our country.

The Constitution is the foundation of our Government. I believe it is one of the greatest documents in human history. Its freedoms are the source of our strength as a nation—and a model of freedom to the world.

Mr. President, the Founding Fathers wisely made it very difficult to amend the Constitution. They knew that a process that would allow for easy amendment of the Constitution could destabilize our country, that it could undermine the stability we have enjoyed through our long history. The Constitution has been amended only 27 times in 200 years, although many more attempts have been made.

Those 27 amendments, beginning with the Bill of Rights, were the result of fundamental debates about the nature of our society, and who we would be as a nation. Freedom of religion, freedom of the press, freedom to assemble peacefully, the right to a trial by jury, the right to vote—these amendments address rights so basic we almost take them for granted today. Yet, some of them at the time of adoption provoked serious debate and division, division so deep they threatened to split the country.

Mr. President, I hesitate to launch this Nation on an undertaking of such magnitude and divisiveness. When there is an alternative—and there is an alternative—I believe we can protect the flag without amending the Constitution. I believe we can propose and pass a statute that will protect the flag against burning and other acts of desecration, and I believe that statute will be upheld as constitutional.

That is why today I am joining this bipartisan effort with my colleagues, Senator MCCONNELL of Kentucky, Senator DORGAN of North Dakota, and Senator BENNETT of Utah, to introduce the Flag Protection Act of 1999. This statute provides for maximum protection for the flag while respecting the liberties it symbolizes. We have been assured by experts at the Congressional Research Service and by constitutional scholars that it will be upheld by the courts.

When it comes to amending the Constitution, I am conservative. I feel strongly that the flag can and should be protected. But before we take the step of amending the Constitution of the United States, we should exhaust every other remedy. Today we have introduced a statutory remedy. I ask my colleagues to join me in approving this law to protect the flag and the Constitution.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the AMVETS of North Dakota. The AMVETS, in a letter to me, dated September 29, 1998, have endorsed this approach. I also ask unanimous consent to have printed in the RECORD the specific provision that they adopted at their convention supporting the approach that we are taking today.

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

AMVETS,
DEPARTMENT OF NORTH DAKOTA,
*Fargo, ND, September 29, 1998.*

Hon. KENT CONRAD,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR CONRAD: I am sure your are hearing both sides of the issue concerning SJR–40. During our May 1998 Department convention in West Fargo, our membership passed an amended resolution to petition congress to work towards legislation to prevent U.S. Flag Desecration. Enclosed is a copy of the passed resolution S98–14. During the convention you addressed our membership and stated you felt this was a viable and defensible alternative to a proposed Constitutional amendment. At our State Executive Committee meeting Wahpeton, ND, on September 26, 1998, the SEC voted to continue pursuing this goal.

Thank you for your time and consideration of this matter.

RANDALL A. LEKANDER,
*Department Commander.*

RESOLUTION S. 98–14

U.S. FLAG DESECRATION

Whereas although the right of free expression is part of the foundation of the Constitution of the United States, very carefully drawn limits on expression, in specific instances, have long been recognized as legitimate means of maintaining public safety and defining other societal standards, and

Whereas certain actions, although arguably related to a person's free expression, nevertheless raise issues concerning public decency, public space, and the rights of other citizens, and

Whereas the United States flag is a most honorable and worthy banner of a nation which is thankful for its strengths and committed to curing its faults, a nation that remains the destination of millions of immigrants attracted by the universal power of the American ideal, and

Whereas the law, as interpreted by the United States Supreme Court, no longer accords the Stars and Stripes the reverence, respect and dignity befitting a banner of that most noble experiment of a nation-state, and

Whereas it is only fitting the Americans everywhere should lend their voices to a forceful call for restoration of the Stars and Stripes to a proper station under law and decency; now therefore, be it

*Resolved,* That AMVETS petition Congress to work towards legislation which specifies that Congress shall have the power to prohibit physical desecration of the United States flag.

Mr. CONRAD. Mr. President, I would also like to read briefly from a letter I received from a constituent in North Dakota. He wrote to me the following:

As a third generation military officer, I cannot support an amendment to the Constitution with respect to the flag. I have many compelling reasons to ask that you not support this amendment. My sworn duty as an officer in the United States Air Force to uphold and defend the Constitution of the United States lies at the heart of my opposition. This amendment will weaken the Constitution and open the door for more frivolous amendments in the future. I cannot stand by and let this happen without raising my voice.

He went on to say:

Of the gallant Americans who fought and died in the service of our country within the last 200 years, I tell you this: They did not die defending the flag. They died defending our freedom and the ideals upon which our country was founded. Don't cheapen their sacrifice by supporting this misguided amendment.

Mr. President, a third letter that I received was from a man also from North Dakota. He wrote me this:

On my mother's side, my great-grandfather came to the United States from Bohemia and fought in the Union Army. On my father's side, my great-grandmother lost her two oldest sons, Iowa soldiers, at the Siege of Vicksburg. And members of my family have represented the United States in every war since. I am a Korean War combat veteran.

He went on to say:

The flag is strong enough to take care of itself. But if these flag protectors are sincere about its protection, then strong legislation is the safest way to go.

Mr. President, that is what we are offering today on a bipartisan basis—four Senators; two Democrats, two Republicans—offering the Flag Protection Act of 1999. We believe this is the appropriate way to protect the flag.

Mr. President, I yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER (Mr. BURNS). The Senator from North Dakota.

Mr. DORGAN. Mr. President, I rise today as a cosponsor of the legislation that my colleagues, Senator MCCONNELL, Senator BENNETT, Senator CONRAD and I have jointly introduced—a piece of legislation called the Flag Protection Act.

This, at its roots, is about the Constitution. Some will say the Constitution is an easy issue.

A decade ago, the U.S. Supreme Court struck down a Texas statute, a statute which provided criminal sanctions for the burning of an American

flag. The Supreme Court said, no, the desecration of a flag is an expression of speech. That fellow in Texas had a constitutional right to do that. That was a 5–4 decision of the Supreme Court. I disagreed with that decision. I think the Supreme Court was wrong. But immediately—and for 10 years—there was an effort to amend the Constitution to overturn the Supreme Court's decision and allow a statute to be deemed constitutional that would prohibit the desecration of the American flag.

I have voted on two occasions against a constitutional amendment to prohibit flag desecration. Those who say it is an easy vote say it is just an amendment amending the Constitution. Let's just do it and protect the flag.

It might be easy for them; it is not easy for me.

Then there are those who say we should never amend the Constitution, that you have a right to desecrate the flag. They too say this is an easy choice. Let's just make that choice.

This decision has been just as difficult. I have agonized about this issue.

There are many, many Americans, over many, many years, who have shed their blood to nurture this country's liberties and freedoms. The burning of an American flag is a disgusting act, one that I personally do not think is protected under the first amendment of the Constitution.

The question is, however, what do you do to remedy this situation? Do you amend the Constitution, or is there a way to craft a statute saying flag desecration is wrong in a manner that the Supreme Court would say, yes, this statute will meet the test?

I believe there is. I have believed all along there is. I pledged to some folks back in my home State that I would review this, reanalyze it again. I have done that over and over. I have read everything that has been written by virtually all of the scholars on both sides of this issue. I conclude, once again, that our country is better served by reserving our attempts to alter the U.S. Constitution for those things that are extraordinary occasions, as one of the authors of the Constitution, James Madison discussed. Then the Constitution should be amended only in circumstances when it is the only remedy.

Some 12 or 13 years ago, I went to Philadelphia in the summertime for the 200th birthday of the writing of the U.S. Constitution. I have told my colleagues this before, but I want to say it again, because it describes how I feel for the Constitution.

Two hundred years previously, 55 white men marched into the assembly room in Independence Hall, a room that is substantially smaller than this Chamber. Those 55 men wrote a Constitution for this country. Walking down the cobbled streets of Philadelphia, someone asked Benjamin Franklin, one of the 55, what they were doing. He said, we are writing a Constitution, if you can keep it.

Two hundred years after the writing of that Constitution, 55 of us were privileged to go back into the very same room. The chair where George Washington presided still sits in the front of the room. Mason sat over here, Madison, Ben Franklin. I was one of the 55 chosen, men, women, minorities. I come from a town of 300 people, a high school class of 9. I got goose bumps sitting in this room where they wrote the Constitution of the United States. I have never forgotten that day, thinking that I am in the room where the historic figures of our country created the framework for governance in our country.

That day is always etched in my memory when we debate the questions of whether we should amend the Constitution of the United States.

There have been 11,000 proposals to change America's Constitution. Outside of the first 10, the Bill of Rights, only 17 amendments have changed our Constitution in the more than two centuries of history in this country.

Now we have a proposal during these past 10 years to change the Constitution. Is it a serious proposal about a serious issue? Yes, it is. Our flag is important. So is our Constitution. It seems to me, as I said, our country is better served if there is a way to address the issue of flag desecration by passing a statute that will meet the test of the Supreme Court, to do that rather than alter our U.S. Constitution.

The piece of legislation we have introduced today has been reviewed by a number of constitutional experts, the Congressional Research Service and elsewhere, and they indicate they feel it does meet the test. It would be upheld by the Supreme Court.

To be able to enact a statute of this type and avoid altering the Constitution makes eminent good sense to me. I think future generations and our Founding Fathers would agree that it is worth the effort for us to find a way to protect our flag without having to wonder about the unintended consequences of altering this significant area of our Constitution that guarantees and preserves important rights for the citizens of our country.

Mr. President, I know that many who have invested a great amount of time and effort to enact a constitutional amendment will be sorely disappointed by my decision and, perhaps, Senator CONRAD's decision and others, to not support a constitutional amendment on flag desecration. I know they are impatient to correct a decision by the Supreme Court that they and I believe was wrong.

I have wrestled with this issue for so long. I wish I were not, with my decision, disappointing so many, including some of my friends who passionately believe we must amend the Constitution to protect the flag. But as I sift through all of the material and think about the history of our country and think about this constitutional framework of our government and all of the appetite that exists here and elsewhere to change this Constitution for 100 different reasons and 100 different ways, I think our country is better served by patience and by a thoughtful effort to correct a problem short of altering our country's Constitution.

For that reason, I join my colleagues today, two Republicans and two Democrats, to offer a piece of legislation that would serve, instead of altering our Constitution, as an effort to protect our American flag.

Mr. President, I ask that my written statement be printed in the RECORD.

● Mr. DORGAN. Mr. President, 10 years ago the U.S. Supreme Court in a 5-4 decision struck down a Texas flag protection statute on the grounds that burning an American flag was ''speech'' and therefore protected under the First Amendment of the Constitution. I disagreed with the Court's decision then and I still do. I don't believe that the act of desecrating a flag is an act of speech. I believe that our flag, as our national symbol, can and should be protected by law.

In the intervening years since the Supreme Court decision I have twice supported federal legislation that would make flag desecration illegal, and on two occasions I voted against amendments to the Constitution to do the same. I voted that way because, while I believe that flag desecration is despicable conduct that should be prohibited by law, I also believe that amending our Constitution is a step that should be taken only rarely and then only as a last resort.

In the past year I have once again reviewed in detail nearly all of the legal opinions and written materials published by Constitutional scholars and courts on all sides of this issue. I pledged to the supporters of the Constitutional amendment that I would reevaluate whether a Constitutional amendment is necessary to resolve this issue.

From my review I have concluded that there remains a way to protect our flag without having to alter the Constitution of the United States. I am joining with Senators BENNETT, MCCONNELL and CONRAD today to introduce legislation that I believe accomplishes that goal. The bill we introduce today protects the flag but does so without altering the Constitution and a number of respected Constitutional scholars tell us they believe this type of statute will be upheld by the U.S. Supreme Court. This statute protects the flag by criminalizing flag desecration when the purpose is to, and the person doing it knows, it is likely to lead to violence.

Supporters of a Constitutional amendment will be disappointed I know by my decision to support this statutory remedy to protect the flag rather than support an amendment to the U.S. Constitution. I know they are impatient to correct a decision by the Supreme Court that they and I believe was wrong. I have wrestled with this issue for so long and I wish I were not, with my decision, disappointing those, including many of my friends, who passionately believe that we must amend the Constitution to protect the flag.

But in the end I know that our country will be better served reserving our attempts to alter the Constitution only for those things that are ''extraordinary occasions'' as outlined by President James Madison, one of the authors of the Constitution, and only in circumstances when it is the only remedy for something that must be done.

More than 11,000 Constitutional amendments have been proposed since our Constitution was ratified. However, since the ratification of the Bill of Rights in 1791 only 17 amendments have been enacted. These 17 include three reconstruction era amendments that abolished slavery, and gave African-Americans the right to vote. The amendments included giving women the right to vote, limiting Presidents to two terms, and establishing an order of succession in case of a President's death or departure from office. The last time Congress considered and passed a new Constitutional amendment was when it changed the voting age to 18, more than a quarter of a century ago. All of these matters were of such scope they required a Constitutional amendment to be accomplished.

But protecting the American flag can be accomplished without amending the Constitution, and that is a critically important point.

Constitutional scholars, including those at the Congressional Research Service, the research arm of Congress, and Duke University's Professor William Alstyne, have concluded that this statute passes Constitutional muster, because it recognizes that the same standard that already applies to other forms of speech applies to burning the flag as well. This is the same standard which makes it illegal to falsely cry ''fire'' in a crowded theater. Reckless speech that is likely to cause violence is not protected under the ''fighting words'' standard, long recognized by the Supreme Court of the United States.

I believe that future generations—and our founding fathers—would agree that it's worth the effort for us to find a way to protect our flag without having to wonder about the unintended consequences of altering our Constitution.●

Mr. President, I yield the floor.

By Mr. CAMPBELL:

S. 932. A bill to prevent Federal agencies from pursuing policies of unjustifiable nonacquiescence in, and relitigation of, precedent established in the Federal judicial courts; to the Committee on the Judiciary.

FEDERAL BUREAUCRACY ACCOUNTABILITY ACT OF 1999

Mr. CAMPBELL. Mr. President, today I introduce the Federal Bureaucracy Accountability Act of 1999.

This legislation is clearly needed because when federal bureaucracies are faced with a decision between enforcing their rules and regulations or complying with our nation's laws they all to often choose to ignore the law and follow their rules. These bureaucracies can get away with ignoring laws passed by Congress, signed into law and then interpreted by our federal courts because of a technical, legal loophole. Bureaucracies ought not ignore our laws and courts simply because they may find it easier and more convenient to stick with their familiar rules and regulations rather than changing their ways and complying with the law. And when these bureaucracies choose to ignore the law it is almost always average Americans who end up suffering.

There are thousands of stories of Americans who have been wrongfully denied their rightful benefits because some federal agency refuses to follow the legal decisions reached by our federal courts. In these situations ordinary American citizens must comply with the law, but federal agencies may simply choose to ignore that same law whenever they may so choose. This is not equal justice under the law.

Our Founding Fathers envisioned a justice system in which everyone is required to obey the laws as they are interpreted and enforced through our courts. When there are disagreements appeals can be made to higher courts. But otherwise, when the courts have spoken, we all must obey the law or face the consequences, as it was intended.

Currently, if a federal court in one jurisdiction rules against a federal agency's rule, that same federal agency can continue to follow that same rule in other jurisdictions, even if it is to the detriment of the American citizens they are purportedly serving. This needlessly leads to years of costly legal wrangling while also compounding the pain and suffering American citizens endure as they try to secure the same services other Americans are already receiving in neighboring jurisdictions.

Some of the more egregious actions are seen in the Social Security Administration, the federal agencies running Medicare and Medicaid, the Bureau of Land Management, and the Internal Revenue Service.

In legal terms, this bill would prevent federal agencies from pursuing policies of unjustifiable nonacquiesence with, or the relitigation of, judicial precedents as established through the federal courts.

This legislation is a revised version of S. 1166, a bill I introduced in the 105th Congress. The bill I am introducing today contains perfecting language reflecting the valuable input I received during a June 15, 1998, Senate Judiciary Subcommittee on Administrative Oversight and the Courts hearing on S. 1166.

During that hearing, a fellow Coloradan, Lynn Conforti, testified about how her claims for disability benefits were repeatedly denied by the Social Security Administration, not on the basis of existing law, but on the basis of bureaucratic policies. Her testimony highlighted how her physical suffering was compounded by severe financial troubles and mental anguish as a result of her 32-month struggle with the Social Security Administration. This was her return for 27 years of contributing to Social Security. Ms. Conforti hopes to be able to return to work in the future, but she still requires access to the resources she needs to continue her rehabilitation efforts. Finally, Ms. Conforti was awarded her disability benefits by an Administrative Law Judge in an on the record determination.

Ms. Conforti's story is just one sad example of how agencies too often fail to help the very people whose need is real. Thousands of other Americans go through similar experiences each year. Something clearly must be done to ensure that federal agencies comply with federal law.

There are important organizations that also make it clear that something needs to be done. The Judicial Conference of the United States, chaired by Supreme Court Chief Justice William Rehnquist, serves as the Federal Judiciary's governing body. The Judicial Conference has identified federal agency nonacquiesence as a policy that undermines legal certainty and the fair application of the law. The American Bar Association has also strongly recommended that Congress pass legislation to stop federal agencies from disregarding federal judicial decisions. In addition, organizations such as the National Multiple Sclerosis Society and the Diabetes Research Institute also came out in support of last year's bill, S. 1166.

It's time we made sure federal agencies comply with the law. I urge my colleagues to support passage of this legislation.

Mr. President, I ask unanimous consent that a copy of the Federal Bureaucracy Accountability Act of 1999 be printed in the RECORD following my comments.

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

S. 932

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

**SECTION 1. PROHIBITING INTRACIRCUIT AGENCY NON-ACQUIESCENCE IN APPELLATE PRECEDENT.**

(a) SHORT TITLE.—This Act may be cited as the ''Federal Bureaucracy Accountability Act of 1999''.

(b) IN GENERAL.—Chapter 7 of title 5, United States Code, is amended by adding at the end the following:

**''§ 707. Adherence to court of appeals precedent**

''(a) Except as provided in subsection (b), an agency (as defined in section 701(b)(1) of this title) shall in civil cases, in administering a statute, rule, regulation, program, or policy within a judicial circuit, adhere to the existing precedent respecting the interpretation and application of such statute, rule, regulation, program, or policy, as established by the decisions of the United States court of appeals for that circuit. All officers and employees of an agency, including administrative law judges, shall adhere to such precedent.

''(b) An agency is not precluded under subsection (a) from taking a position, either in administrative or litigation, that is at variance with precedent established by a United States court of appeals if—

''(1) it is not certain whether the administration of the statute, rule, regulation, program, or policy will be subject to review exclusively by the court of appeals that established that precedent or a court of appeals for another circuit;

''(2) the Government did not seek further review of the case in which that precedent was first established, in that court of appeals or the United States Supreme Court, because—

''(A) neither the United States nor any agency or officer thereof was a party to the case; or

''(B) the decision establishing that precedent was otherwise substantially favorable to the Government; or

''(3) it is reasonable to question the continued validity of that precedent in light of a subsequent decision of that court of appeals or the United States Supreme Court, a subsequent change in any pertinent statute or regulation, or any other subsequent change in the public policy or circumstances on which that precedent was based.''.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 7 of title 5, United States Code, is amended by adding at the end the following new item:

''707. Adherence to court of appeals precedent.''.

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

S. 933. A bill to amend the Internal Revenue Code of 1986 to clarify the tax treatment of Settlement Trusts established pursuant to the Alaska Native Claims Settlement Act; to the Committee on Finance.

ALASKA NATIVE SETTLEMENT TRUST TAX LEGISLATION

Mr. MURKOWSKI. Mr. President, I am pleased to be joined by Senator STEVENS in introducing legislation that will allow Alaska Native Corporations to establish settlement trusts designed to promote the health, education, welfare and cultural heritage of Alaska Natives.

Mr. President, in 1987, the Alaska Native Claims Settlement Act was amended to permit Native Corporations to establish settlement trusts to hold lands and investments for the benefit of current and future generations of Alaska Natives. Assets in these trusts are insulated from business exposure and risks and can be invested to provide distributions of income to Native shareholders and their future generations.

Although the 1987 amendments were designed to facilitate the development of settlement trusts, many Native Corporations have been stymied in their efforts because the tax law, in many cases, imposes onerous penalties on the Native shareholders when the trusts are created. For example, when assets are transferred to the trust, they are treated as a de facto distribution of assets directly to the shareholders themselves to the extent of the corporation's earnings and profits.

Even though the current shareholders receive no actual income at the time of the transfer into the trust, they are liable for income taxes as if they received an actual distribution. This not only requires the shareholder to come up with money to pay taxes on a distribution he or she never received, but also can result in a situation where a trust fund beneficiary is required to prepay taxes on his share of the entire trust corpus, which may be substantially more in taxes than the amount of cash benefits he or she will actually receive in the future.

Our legislation remedies this inequity by requiring that a beneficiary of a settlement trust will be subject to taxation with respect to assets conveyed to the trust only when the actual distribution is received by the beneficiary. Moreover, the legislation provides that distributions from the trust will be taxable as ordinary income even if the distribution represents a return of capital. In addition, to ensure that these trusts do not accumulate excessive levels of the corporation's earnings, the legislation requires that the trust must annually distribute at least 55 percent of their taxable income.

Mr. President, Alaska Native Corporations are unique entities. Unlike Native American tribes in the lower 48, Alaska Native corporations are subject to income tax. But unlike ordinary C corporations, Alaska Native corporations have diverse purposes, one of which is to preserve and protect the heritage of the Native shareholders. The settlement trust concept is well suited to the special needs of Alaska's Natives. As the Conference Committee Report to ANSCA amendments of 1987 stated:

> Trust distributions may be used to fight poverty, provide food, shelter and clothing and served comparable economic welfare purposes. Additionally, cash distributions of trust income may be made on an across-the-board basis to the beneficiary population as part of the economic welfare function.

Settlement trusts will ensure that for generations to come, Native Alaskans will have a steady stream of income on which to continue building an economic base. The current tax rules discourage the creation of such trusts with the result that Native corporations are under extreme pressure to distribute all current earnings rather than prudently reinvesting for the future.

Mr. President, it is my hope that we will be able to see this legislation adopted into law this year. For the long-term benefit of Alaska Natives, this tax law change is fundamentally necessary.

Mr. President, I ask unanimous consent that the text of the legislation be included in the RECORD.

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

S. 933

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

**SECTION 1. TAX TREATMENT OF ALASKA NATIVE SETTLEMENT TRUSTS.**

(a) TAX EXEMPTION.—Section 501(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(28) A trust which—

''(A) constitutes a Settlement Trust under section 39 of the Alaska Native Claims Settlement Act (43 U.S.C. 1629e), and

''(B) with respect to which an election under subsection (p)(2) is in effect.''

(b) SPECIAL RULES RELATING TO TAXATION OF ALASKA NATIVE SETTLEMENT TRUSTS.—Section 501 of the Internal Revenue Code of 1986 is amended by redesignating subsection (p) as subsection (q) and by inserting after subsection (o) the following new subsection:

''(p) SPECIAL RULES FOR TAXATION OF ALASKA NATIVE SETTLEMENT TRUSTS.—

''(1) IN GENERAL.—For purposes of this title, the following rules shall apply in the case of a Settlement Trust:

''(A) ELECTING TRUST.—If an election under paragraph (2) is in effect for any taxable year—

''(i) no amount shall be includible in the gross income of a beneficiary of the Settlement Trust by reason of a contribution to the Settlement Trust made during such taxable year, and

''(ii) except as provided in this subsection, the provisions of subchapter J and section 1(e) shall not apply to the Settlement Trust and its beneficiaries for such taxable year.

''(B) NONELECTING TRUST.—If an election is not in effect under paragraph (2) for any taxable year, the provisions of subchapter J and section 1(e) shall apply to the Settlement Trust and its beneficiaries for such taxable year.

''(2) ONE-TIME ELECTION.—

''(A) IN GENERAL.—A Settlement Trust may elect to have the provisions of this subsection and subsection (c)(28) apply to the trust and its beneficiaries.

''(B) TIME AND METHOD OF ELECTION.—An election under subparagraph (A) shall be made—

''(i) before the due date (including extensions) for filing the Settlement Trust's return of tax for the 1st taxable year of the Settlement Trust ending after the date of the enactment of this subsection, and

''(ii) by attaching to such return of tax a statement specifically providing for such election.

''(C) PERIOD ELECTION IN EFFECT.—Except as provided in paragraph (3), an election under subparagraph (A)—

''(i) shall apply to the 1st taxable year described in subparagraph (B)(i) and all subsequent taxable years, and

''(ii) may not be revoked once it is made.

''(3) SPECIAL RULES WHERE TRANSFER RESTRICTIONS MODIFIED.—

''(A) TRANSFER OF BENEFICIAL INTERESTS.—If, at any time, a beneficial interest in a Settlement Trust may be disposed of in a manner which would not be permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)) if the interest were Settlement Common Stock—

''(i) no election may be made under paragraph (2)(A) with respect to such trust, and

''(ii) if an election under paragraph (2)(A) is in effect as of such time—

''(I) such election is revoked as of the 1st day of the taxable year following the taxable year in which such disposition is first permitted, and

''(II) there is hereby imposed on such trust a tax equal to the product of the fair market value of the assets held by the trust as of the close of the taxable year in which such disposition is first permitted and the highest rate of tax under section 1(e) for such taxable year.

The tax imposed by clause (ii)(II) shall be in lieu of any other tax imposed by this chapter for the taxable year.

''(B) STOCK IN CORPORATION.—If—

''(i) the Settlement Common Stock in any Native Corporation which transferred assets to a Settlement Trust making an election under paragraph (2)(A) may be disposed of in a manner not permitted by section 7(h) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(h)), and

''(ii) at any time after such disposition of stock is first permitted, such corporation transfers assets to such trust,

clause (ii) of subparagraph (A) shall be applied to such trust on and after the date of the transfer in the same manner as if the trust permitted dispositions of beneficial interests in the trust in a manner not permitted by such section 7(h).

''(C) ADMINISTRATIVE PROVISIONS.—For purposes of subtitle F, any tax imposed by subparagraph (A)(ii)(II) shall be treated as an excise tax with respect to which the deficiency procedures of such subtitle apply.

''(4) DISTRIBUTION REQUIREMENT ON ELECTING SETTLEMENT TRUST.—

''(A) IN GENERAL.—If an election is in effect under paragraph (2) for any taxable year, a Settlement Trust shall distribute at least 55 percent of its adjusted taxable income for such taxable year.

''(B) TAX IMPOSED IF INSUFFICIENT DISTRIBUTION.—If a Settlement Trust fails to meet the distribution requirement of subparagraph (A) for any taxable year, then, notwithstanding subsection (c)(28), a tax shall be imposed on the trust under section 1(e) on an amount of taxable income equal to the amount of such failure.

''(C) DESIGNATION OF DISTRIBUTION.—Solely for purposes of meeting the requirements of this paragraph, a Settlement Trust may elect to treat any distribution (or portion) during the 65-day period following the close of any taxable year as made on the last day of such taxable year. Any such distribution (or portion) may not be taken into account under this paragraph for any other taxable year.

''(D) ADJUSTED TAXABLE INCOME.—For purposes of this paragraph, the term 'adjusted taxable income' means taxable income determined under section 641(b) without regard to any deduction under section 651 or 661.

''(5) TAX TREATMENT OF DISTRIBUTIONS TO BENEFICIARIES.—

''(A) ELECTING TRUST.—If an election is in effect under paragraph (2) for any taxable year, any distribution to a beneficiary shall be included in gross income of the beneficiary as ordinary income.

''(B) NONELECTING TRUSTS.—Any distribution to a beneficiary from a Settlement Trust not described in subparagraph (A) shall be includible in income as provided under subchapter J.

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) NATIVE CORPORATION.—The term 'Native Corporation' has the meaning given such term by section 3(m) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(m)).

''(B) SETTLEMENT TRUST.—The term 'Settlement Trust' means a trust which constitutes a Settlement Trust under section 39 of the Alaska Native Claims Settlement Act (43 U.S.C. 1629e).''

(c) WITHHOLDING ON DISTRIBUTIONS BY ELECTING ANCSA SETTLEMENT TRUSTS.—Section 3402 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(t) TAX WITHHOLDING ON DISTRIBUTIONS BY ELECTING ANCSA SETTLEMENT TRUSTS.—

''(1) IN GENERAL.—Any Settlement Trust (as defined in section 501(p)(6)(B)) which is exempt from income tax under section 501(c)(28) (in this subsection referred to as an 'electing trust') and which makes a payment to any beneficiary shall deduct and withhold from such payment a tax in an amount equal to such payment's proportionate share of the annualized tax.

''(2) EXCEPTION.—The tax imposed by paragraph (1) shall not apply to any payment to the extent that such payment, when annualized, does not exceed an amount equal to the amount in effect under section 6012(a)(1)(A)(i) for taxable years beginning in the calendar year in which the payment is made.

''(3) ANNUALIZED TAX.—For purposes of paragraph (1), the term 'annualized tax' means, with respect to any payment, the amount of tax which would be imposed by section 1(c) (determined without regard to any rate of tax in excess of 31 percent) on an amount of taxable income equal to the excess of—

''(A) the annualized amount of such payment, over

''(B) the amount determined under paragraph (2).

''(4) ANNUALIZATION.—For purposes of this subsection, amounts shall be annualized in the manner prescribed by the Secretary.

''(5) NO APPLICATION TO THIRD PARTY PAYMENTS.—This subsection shall not apply in the case of a payment made, pursuant to the written terms of the trust agreement governing an electing trust, directly to third parties to provide educational, funeral, or medical benefits.

''(6) ALTERNATE WITHHOLDING PROCEDURES.—At the election of an electing trust, the tax imposed by this subsection on any payment made by such trust shall be determined in accordance with such tables or computational procedures as may be specified in regulations prescribed by the Secretary (in lieu of in accordance with paragraphs (2) and (3)).

''(7) COORDINATION WITH OTHER SECTIONS.—For purposes of this chapter and so much of subtitle F as relates to this chapter, payments which are subject to withholding under this subsection shall be treated as if they were wages paid by an employer to an employee.''

(d) REPORTING.—Section 6041 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(f) APPLICATION TO ALASKA NATIVE SETTLEMENT TRUSTS.—In the case of any distribution from a Settlement Trust (as defined in section 501(p)(6)(B)) to a beneficiary, this section shall apply, except that—

''(1) this section shall apply to such distribution without regard to the amount thereof,

''(2) the Settlement Trust shall include on any return or statement required by this section information as to the character of such distribution (if applicable) and the amount of tax imposed by chapter 1 which has been deducted and withheld from such distribution, and

''(3) the filing of any return or statement required by this section shall satisfy any requirement to file any other form or schedule under this title with respect to distributive share information (including any form or schedule to be included with the trust's tax return).''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years of Settlement Trusts ending after the date of the enactment of this Act and to contributions to such trusts after such date.

By Mr. LEAHY (for himself, Mr. KENNEDY, Mr. SARBANES, Mr. KERRY, Mr. HARKIN, and Mrs. MURRAY):

S. 934. A bill to enhance rights and protections for victims of crime; to the Committee on the Judiciary.

CRIME VICTIMS ASSISTANCE ACT

Mr. LEAHY. Mr. President, this past Sunday marked the beginning of National Crime Victims' Rights Week. We set this week aside each year to focus attention on the needs and rights of crime victims. I am pleased to take this opportunity to introduce legislation with my good friend from Massachusetts, Senator KENNEDY, and our cosponsors, Senators SARBANES, KERRY, HARKIN, and MURRAY. Our ''Crime Victims Assistance Act'' represents the next step in our continuing efforts to afford dignity and recognition to victims of crime.

My involvement with crime victims began more than three decades ago when I served as State's Attorney for Chittenden County, Vermont, and witnessed first hand the devastation of crime. I have worked ever since to ensure that the criminal justice system is one that respects the rights and dignity of victims of crime, rather than one that presents additional ordeals for those already victimized.

I am proud that Congress has been a significant part of the solution to provide victims with greater rights and assistance. Over the past 15 years, Congress has passed several bills to this end. These bills have included: the Victims and Witness Protection Act of 1982; the Victims of Crime Act of 1984; the Victims' Bill of Rights of 1990; the 1994 Violent Crime Control and Law

Enforcement Act; the Justice for Victims of Terrorism Act of 1996; the Victim Rights Clarification Act of 1997; and the Victims with Disabilities Awareness Act.

Also, on the first day of this session, we introduced S.9, a youth crime bill. In that legislation, which we have identified as a legislative priority for the entire Democratic caucus, we included provisions for victims of juvenile crime so that their rights to appear, to be heard, and to be informed would be protected. The recent tragedy in Littleton, Colorado, was only the most recent reminder of the urgent need to enhance protections for these victims, to ensure that their voices are heard.

The legislation that we introduce today, the ''Crime Victims Assistance Act,'' builds upon this progress. It provides for a wholesale reform of the Federal Rules and Federal law to establish additional rights and protections for victims of federal crime.

Particularly, the legislation would provide crime victims with an enhanced: right to be heard on the issue of pretrial detention; right to be heard on plea bargains; right to a speedy trial; right to be present in the courtroom throughout a trial; right to give a statement at sentencing; right to be heard on probation revocation; and right to be notified of a defendant's escape or release from prison.

The legislation goes further than other victims rights proposals that are currently before Congress by including: enhanced penalties for witness intimidation; an increase in Federal victim assistance personnel; enhanced training for State and local law enforcement and officers of the Court; the development of state-of-the-art systems for notifying victims of important dates and developments in their cases; the establishment of ombudsman programs for crime victims; the establishment of pilot programs that implement balanced and restorative justice models; and more direct and effective Federal assistance to victims of international terrorism, including victims of the Lockerbie bombing and other terrorist acts occurring prior to passage of the Victims of Crime Act.

These are all matters that can be considered and enacted this year with a simple majority of both Houses of Congress. They need not overcome the delay and higher standards necessitated by proposing to amend the Constitution. They need not wait the hammering out of implementing legislation before making a difference in the lives of crime victims.

The Judiciary Committee has already held another hearing this year on a proposed constitutional amendment regarding crime victims. Previous hearings on this proposal were held in 1996, 1997, and 1998. Unfortunately, the Committee has devoted not a minute to consideration of legislative initiatives like the Crime Victims Assistance Act, which Senator KENNEDY and I have introduced over the past years to assist crime victims and better protect their rights. Like many other deserving initiatives, it has taken a back seat to the constitutional amendment debate that continues.

I regret that we did not do more for victims last year or the year before. Over the course of that time, I have noted my concern that we not dissipate the progress we could be making by focusing exclusively on efforts to amend the Constitution. Regretfully, I must note that the pace of victims legislation has slowed noticeably and many opportunities for progress have been squandered.

I look forward to continuing to work with the Administration, victims groups, prosecutors, judges and other interested parties on how we can most effectively enhance the rights of victims of crime. Congress and State legislatures have become more sensitive to crime victims rights over the past 20 years and we have a golden opportunity to make additional, significant progress this year to provide the greater voice and rights that crime victims deserve.

I would like to acknowledge several groups and individuals who have been extremely helpful with regards to the legislation that we are introducing today: The Office for Victims of Crime at the Justice Department; the National Network to End Domestic Violence; the NOW Legal Defense Fund; the National Clearinghouse for the Defense of Battered Women; the National Victim Center; the National Organization for Victim Assistance; Professor Lynne Henderson of Indiana Law School; and Roger Pilon, Director of the Center for Constitutional Studies at the Cato Institute.

While we have greatly improved our crime victims assistance programs and made advances in recognizing crime victims rights, we still have more to do. That is why it is my hope that Democrats and Republicans, supporters and opponents of a constitutional amendment on this issue, will join in advancing this important legislation through Congress. We can make a difference in the lives of crime victims right now, and I hope Congress will make it a top priority and pass the Crime Victims Assistance Act before the end of the year.

Mr. President, I ask unanimous consent that the text of the bill and the section-by-section analysis be printed in the RECORD.

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

S. 934

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

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Crime Victims Assistance Act''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:



**SEC. 2. DEFINITIONS.**

In this Act—

(1) the term ''Attorney General'' means the Attorney General of the United States;

(2) the term ''bodily injury'' has the meaning given that term in section 1365(g) of title 18, United States Code;

(3) the term ''Commission'' means the Commission on Victims' Rights established under section 204;

(4) the term ''Indian tribe'' has the same meaning as in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e));

(5) the term ''Judicial Conference'' means the Judicial Conference of the United States established under section 331 of title 28, United States Code;

(6) the term ''law enforcement officer'' means an individual authorized by law to engage in or supervise the prevention, detection, investigation, or prosecution of any violation of law, and includes corrections, probation, parole, and judicial officers;

(7) the term ''Office of Victims of Crime'' means the Office of Victims of Crime of the Department of Justice;

(8) the term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands;

(9) the term ''unit of local government'' means any—

(A) city, county, township, town, borough, parish, village, or other general purpose political subdivision of a State; or

(B) Indian tribe;

(10) the term ''victim''—

(A) means an individual harmed as a result of a commission of an offense; and

(B) in the case of a victim who is less than 18 years of age, incompetent, incapacitated, or deceased—

(i) the legal guardian of the victim;

(ii) a representative of the estate of the victim;

(iii) a member of the family of the victim; or

(iv) any other person appointed by the court to represent the victim, except that in no event shall a defendant be appointed as the representative or guardian of the victim; and

(11) the term ''qualified private entity'' means a private entity that meets such requirements as the Attorney General may establish.

## TITLE I—VICTIM RIGHTS

### Subtitle A—Amendments to Title 18, United States Code

**SEC. 101. RIGHT TO BE NOTIFIED OF DETENTION HEARING AND RIGHT TO BE HEARD ON THE ISSUE OF DETENTION.**

Section 3142 of title 18, United States Code, is amended by adding at the end the following:

''(k) NOTIFICATION OF RIGHT TO BE HEARD.—

''(1) IN GENERAL.—In any case involving a defendant who is arrested for an offense involving death or bodily injury to any person, a threat of death or bodily injury to any person, a sexual assault, or an attempted sexual assault, in which a detention hearing is scheduled pursuant to subsection (f)—

''(A) the Government shall make a reasonable effort to notify the victim of the hearing, and of the right of the victim to be heard on the issue of detention; and

''(B) at the hearing under subsection (f), the court shall inquire of the Government as to whether the efforts at notification of the victim under subparagraph (A) were successful and, if so, whether the victim wishes to be heard on the issue of detention and, if so, shall afford the victim such an opportunity.

''(2) LIMITATION.—Upon motion of either party that identification of the defendant by the victim is a fact in dispute, and that no means of verification has been attempted, the Court shall use appropriate measures to protect integrity of the identification process.

''(3) DEFINITION OF VICTIM.—In this subsection, the term 'victim' means any individual against whom an offense involving death or bodily injury to any person, a threat of death or bodily injury to any person, a sexual assault, or an attempted sexual assault, has been committed and also includes the parent or legal guardian of a victim who is less than 18 years of age, or incompetent, or 1 or more family members designated by the court if the victim is deceased or incapacitated.''.

**SEC. 102. RIGHT TO A SPEEDY TRIAL AND PROMPT DISPOSITION FREE FROM UNREASONABLE DELAY.**

Section 3161(h)(8)(B) of title 18, United States Code, is amended by adding at the end the following:

''(v) The interests of the victim (or the family of a victim who is deceased or incapacitated) in the prompt and appropriate disposition of the case, free from unreasonable delay.''.

**SEC. 103. ENHANCED RIGHT TO ORDER OF RESTITUTION.**

Section 3664(d)(2)(A)(iv) of title 18, United States Code, is amended by inserting '', and the right of the victim (or the family of a victim who is deceased or incapacitated) to attend the sentencing hearing and to make a statement to the court at the sentencing hearing'' before the semicolon.

**SEC. 104. ENHANCED RIGHT TO BE NOTIFIED OF ESCAPE OR RELEASE FROM PRISON.**

Section 503(c)(5)(B) of the Victims' Rights and Restitution Act of 1990 (42 U.S.C. 10607(c)(5)(B)) is amended by inserting after ''offender'' the following: '', including escape, work release, furlough, or any other form of release from a psychiatric institution or other facility that provides mental health services to offenders''.

**SEC. 105. ENHANCED PENALTIES FOR WITNESS TAMPERING.**

Section 1512 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''as provided in paragraph (2)'' and inserting ''as provided in paragraph (3)'';

(B) by redesignating paragraph (2) as paragraph (3);

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

''(2) Whoever uses physical force or the threat of physical force, or attempts to do so, with intent to—

''(A) influence, delay, or prevent the testimony of any person in an official proceeding;

''(B) cause or induce any person to—

''(i) withhold testimony, or withhold a record, document, or other object, from an official proceeding;

''(ii) alter, destroy, mutilate, or conceal an object with intent to impair the object's integrity or availability for use in an official proceeding;

''(iii) evade legal process summoning that person to appear as a witness, or to produce a record, document, or other object, in an official proceeding; and

''(iv) be absent from an official proceeding to which such person has been summoned by legal process; or

''(C) hinder, delay, or prevent the communication to a law enforcement officer or judge of the United States of information relating to the commission or possible commission of a Federal offense or a violation of conditions of probation, parole, or release pending judicial proceedings;

shall be punished as provided in paragraph (3).''; and

(D) in paragraph (3)(B), as redesignated, by striking ''in the case of'' and all that follows before the period and inserting ''an attempt to murder, the use of physical force, the threat of physical force, or an attempt to do so, imprisonment for not more than 20 years''; and

(2) in subsection (b), by striking ''or physical force''.

### Subtitle B—Amendments to Federal Rules of Criminal Procedure

**SEC. 121. RIGHT TO BE NOTIFIED OF PLEA AGREEMENT AND TO BE HEARD ON MERITS OF THE PLEA AGREEMENT.**

(a) IN GENERAL.—Rule 11 of the Federal Rules of Criminal Procedure is amended by adding at the end the following:

''(i) RIGHTS OF VICTIMS.—

''(1) IN GENERAL.—In any case involving a defendant who is charged with an offense involving death or bodily injury to any person, a threat of death or bodily injury to any person, a sexual assault, or an attempted sexual assault—

''(A) the Government, prior to a hearing at which a plea of guilty or nolo contendere is entered, shall make a reasonable effort to notify the victim of—

''(i) the date and time of the hearing; and

''(ii) the right of the victim to attend the hearing and to address the court; and

''(B) if the victim attends a hearing described in subparagraph (A), the court, before accepting a plea of guilty or nolo contendere, shall afford the victim an opportunity to be heard on the proposed plea agreement.

''(2) DEFINITION OF VICTIM.—In this subsection, the term 'victim' means any individual against whom an offense involving death or bodily injury to any person, a threat of death or bodily injury to any person, a sexual assault, or an attempted sexual assault, has been committed and also includes the parent or legal guardian of a victim who is less than 18 years of age, or incompetent, or 1 or more family members designated by the court if the victim is deceased or incapacitated.

''(4) MASS VICTIM CASES.—In any case involving more than 15 victims, the court, after consultation with the Government and the victims, may appoint a number of victims to serve as representatives of the victims' interests.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall become effective as provided in paragraph (3).

(2) ACTION BY JUDICIAL CONFERENCE.—

(A) RECOMMENDATIONS.—Not later than 180 days after the date of enactment of this Act, the Judicial Conference shall submit to Congress a report containing recommendations for amending the Federal Rules of Criminal Procedure to provide enhanced opportunities for victims of offenses involving death or bodily injury to any person, the threat of death or bodily injury to any person, a sexual assault, or an attempted sexual assault, to be heard on the issue of whether or not the court should accept a plea of guilty or nolo contendere.

(B) INAPPLICABILITY OF OTHER LAW.—Chapter 131 of title 28, United States Code, does not apply to any recommendation made by the Judicial Conference under this paragraph.

(3) CONGRESSIONAL ACTION.—Except as otherwise provided by law, if the Judicial Conference—

(A) submits a report in accordance with paragraph (2) containing recommendations described in that paragraph, and those recommendations are the same as the amendment made by subsection (a), then the amendment made by subsection (a) shall become effective 30 days after the date on which the recommendations are submitted to Congress under paragraph (2);

(B) submits a report in accordance with paragraph (2) containing recommendations described in that paragraph, and those recommendations are different in any respect

from the amendment made by subsection (a), the recommendations made pursuant to paragraph (2) shall become effective 180 days after the date on which the recommendations are submitted to Congress under paragraph (2), unless an Act of Congress is passed overturning the recommendations; and

(C) fails to comply with paragraph (2), the amendment made by subsection (a) shall become effective 360 days after the date of enactment of this Act.

(4) APPLICATION.—Any amendment made pursuant to this section (including any amendment made pursuant to the recommendations of the United States Sentencing Commission under paragraph (2)) shall apply in any proceeding commenced on or after the effective date of the amendment.

**SEC. 122. ENHANCED RIGHTS OF NOTIFICATION AND ALLOCUTION AT SENTENCING.**

(a) IN GENERAL.—Rule 32 of the Federal Rules of Criminal Procedure is amended—

(1) in subsection (b)—

(A) in paragraph (4), by striking subparagraph (D) and inserting the following:

''(D) a victim impact statement, identifying, to the maximum extent practicable—

''(i) each victim of the offense (except that such identification shall not include information relating to any telephone number, place of employment, or residential address of any victim);

''(ii) an itemized account of any economic loss suffered by each victim as a result of the offense;

''(iii) any physical injury suffered by each victim as a result of the offense, along with its seriousness and permanence;

''(iv) a description of any change in the personal welfare or familial relationships of each victim as a result of the offense; and

''(v) a description of the impact of the offense upon each victim and the recommendation of each victim regarding an appropriate sanction for the defendant;''; and

(B) by adding at the end the following:

''(7) VICTIM IMPACT STATEMENTS.—

''(A) IN GENERAL.—Any probation officer preparing a presentence report shall—

''(i) make a reasonable effort to notify each victim of the offense that such a report is being prepared and the purpose of such report; and

''(ii) provide the victim with an opportunity to submit an oral or written statement, or a statement on audio or videotape outlining the impact of the offense upon the victim.

''(B) USE OF STATEMENTS.—Any written statement submitted by a victim under subparagraph (A) shall be attached to the presentence report and shall be provided to the sentencing court and to the parties.'';

(2) in subsection (c)(1), by adding at the end the following: ''Before sentencing in any case in which a defendant has been charged with or found guilty of an offense involving death or bodily injury to any person, a threat of death or bodily injury to any person, a sexual assault, or an attempted sexual assault, the Government shall make a reasonable effort to notify the victim (or the family of a victim who is deceased) of the time and place of sentencing and of their right to attend and to be heard.''; and

(3) in subsection (f), by inserting ''the right to notification and to submit a statement under subdivision (b)(7), the right to notification and to be heard under subdivision (c)(1), and'' before ''the right of allocution''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall become effective as provided in paragraph (3).

(2) ACTION BY JUDICIAL CONFERENCE.—

(A) RECOMMENDATIONS.—Not later than 180 days after the date of enactment of this Act, the Judicial Conference shall submit to Congress a report containing recommendations for amending the Federal Rules of Criminal Procedure to provide enhanced opportunities for victims of offenses involving death or bodily injury to any person, the threat of death or bodily injury to any person, a sexual assault, or an attempted sexual assault, to participate during the presentencing phase of the criminal process.

(B) INAPPLICABILITY OF OTHER LAW.—Chapter 131 of title 28, United States Code, does not apply to any recommendation made by the Judicial Conference under this paragraph.

(3) CONGRESSIONAL ACTION.—Except as otherwise provided by law, if the Judicial Conference—

(A) submits a report in accordance with paragraph (2) containing recommendations described in that paragraph, and those recommendations are the same as the amendments made by subsection (a), then the amendments made by subsection (a) shall become effective 30 days after the date on which the recommendations are submitted to Congress under paragraph (2);

(B) submits a report in accordance with paragraph (2) containing recommendations described in that paragraph, and those recommendations are different in any respect from the amendments made by subsection (a), the recommendations made pursuant to paragraph (2) shall become effective 180 days after the date on which the recommendations are submitted to Congress under paragraph (2), unless an Act of Congress is passed overturning the recommendations; and

(C) fails to comply with paragraph (2), the amendments made by subsection (a) shall become effective 360 days after the date of enactment of this Act.

(4) APPLICATION.—Any amendment made pursuant to this section (including any amendment made pursuant to the recommendations of the United States Sentencing Commission under paragraph (2)) shall apply in any proceeding commenced on or after the effective date of the amendment.

**SEC. 123. RIGHTS OF NOTIFICATION AND ALLOCUTION AT A PROBATION REVOCATION HEARING.**

(a) IN GENERAL.—Rule 32.1 of the Federal Rules of Criminal Procedure is amended by adding at the end the following:

''(d) RIGHTS OF VICTIMS.—

''(1) IN GENERAL.—At any hearing pursuant to subsection (a)(2) involving one or more persons who have been convicted of an offense involving death or bodily injury to any person, a threat of death or bodily injury to any person, a sexual assault, or an attempted sexual assault, the Government shall make reasonable effort to notify the victim of the offense (and the victim of any new charges giving rise to the hearings), of—

''(A) the date and time of the hearing; and

''(B) the right of the victim to attend the hearing and to address the court regarding whether the terms or conditions of probation or supervised release should be modified.

''(2) DUTIES OF COURT AT HEARING.—At any hearing described in paragraph (1) at which a victim is present, the court shall—

''(A) address each victim personally; and

''(B) afford the victim an opportunity to be heard on the proposed terms or conditions of probation or supervised release.

''(3) DEFINITION OF VICTIM.—In this rule, the term 'victim' means any individual against whom an offense involving death or bodily injury to any person, a threat of death or bodily injury to any person, a sexual assault, or an attempted sexual assault, has been committed and a hearing pursuant to subsection (a)(2) is conducted, including—

''(A) a parent or legal guardian of the victim, if the victim is less than 18 years of age or is incompetent; or

''(B) 1 or more family members or relatives of the victim designated by the court, if the victim is deceased or incapacitated.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) shall become effective as provided in paragraph (3).

(2) ACTION BY JUDICIAL CONFERENCE.—

(A) RECOMMENDATIONS.—Not later than 180 days after the date of enactment of this Act, the Judicial Conference shall submit to Congress a report containing recommendations for amending the Federal Rules of Criminal Procedure to ensure that reasonable efforts are made to notify victims of offenses involving death or bodily injury to any person, or the threat of death or bodily injury to any person, of any revocation hearing held pursuant to rule 32.1(a)(2) of the Federal Rules of Criminal Procedure.

(B) INAPPLICABILITY OF OTHER LAW.—Chapter 131 of title 28, United States Code, does not apply to any recommendation made by the Judicial Conference under this paragraph.

(3) CONGRESSIONAL ACTION.—Except as otherwise provided by law, if the Judicial Conference—

(A) submits a report in accordance with paragraph (2) containing recommendations described in that paragraph, and those recommendations are the same as the amendment made by subsection (a), then the amendment made by subsection (a) shall become effective 30 days after the date on which the recommendations are submitted to Congress under paragraph (2);

(B) submits a report in accordance with paragraph (2) containing recommendations described in that paragraph, and those recommendations are different in any respect from the amendment made by subsection (a), the recommendations made pursuant to paragraph (2) shall become effective 180 days after the date on which the recommendations are submitted to Congress under paragraph (2), unless an Act of Congress is passed overturning the recommendations; and

(C) fails to comply with paragraph (2), the amendment made by subsection (a) shall become effective 360 days after the date of enactment of this Act.

(4) APPLICATION.—Any amendment made pursuant to this section (including any amendment made pursuant to the recommendations of the United States Sentencing Commission under paragraph (2)) shall apply in any proceeding commenced on or after the effective date of the amendment.

## Subtitle C—Amendment to Federal Rules of Evidence

**SEC. 131. ENHANCED RIGHT TO BE PRESENT AT TRIAL.**

(a) IN GENERAL.—Rule 615 of the Federal Rules of Evidence is amended—

(1) by striking ''At the request'' and inserting the following:

''(a) IN GENERAL.—Except as provided in subsection (b), at the request'';

(2) by striking ''This rule'' and inserting the following:

''(b) EXCEPTIONS.—Subsection (a)'';

(3) by striking ''exclusion of (1) a party'' and inserting the following: ''exclusion of—

''(1) a party'';

(4) by striking ''person, or (2) an officer'' and inserting the following: ''person;

''(2) an officer'';

(5) by striking ''attorney, or (3) a person'' and inserting the following: ''attorney;

''(3) a person'';

(6) by striking the period at the end and inserting ''; or''; and

(7) by adding at the end the following:

''(4) a person who is a victim (or a member of the immediate family of a victim who is deceased or incapacitated) of an offense involving death or bodily injury to any person, a threat of death or bodily injury to any person, a sexual assault, or an attempted sexual assault, for which a defendant is being tried in a criminal trial, unless the court concludes that—

''(A) the testimony of the person will be materially affected by hearing the testimony of other witnesses, and the material effect of hearing the testimony of other witnesses on the testimony of that person will result in unfair prejudice to any party; or

''(B) due to the large number of victims or family members of victims who may be called as witnesses, permitting attendance in the courtroom itself when testimony is being heard is not feasible.

''(c) DISCRETION OF COURT; EFFECT ON OTHER LAW.—Nothing in subsection (b)(4) shall be construed—

''(1) to limit the ability of a court to exclude a witness, if the court determines that such action is necessary to maintain order during a court proceeding; or

''(2) to limit or otherwise affect the ability of a witness to be present during court proceedings pursuant to section 3510 of title 18, United States Code.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall become effective as provided in paragraph (3).

(2) ACTION BY JUDICIAL CONFERENCE.—

(A) RECOMMENDATIONS.—Not later than 180 days after the date of enactment of this Act, the Judicial Conference shall submit to Congress a report containing recommendations for amending the Federal Rules of Evidence to provide enhanced opportunities for victims of offenses involving death or bodily injury to any person, or the threat of death or bodily injury to any person, to attend judicial proceedings, even if they may testify as a witness at the proceeding.

(B) INAPPLICABILITY OF OTHER LAW.—Chapter 131 of title 28, United States Code, does not apply to any recommendation made by the Judicial Conference under this paragraph.

(3) CONGRESSIONAL ACTION.—Except as otherwise provided by law, if the Judicial Conference—

(A) submits a report in accordance with paragraph (2) containing recommendations described in that paragraph, and those recommendations are the same as the amendments made by subsection (a), then the amendments made by subsection (a) shall become effective 30 days after the date on which the recommendations are submitted to Congress under paragraph (2);

(B) submits a report in accordance with paragraph (2) containing recommendations described in that paragraph, and those recommendations are different in any respect from the amendments made by subsection (a), the recommendations made pursuant to paragraph (2) shall become effective 180 days after the date on which the recommendations are submitted to Congress under paragraph (2), unless an Act of Congress is passed overturning the recommendations; and

(C) fails to comply with paragraph (2), the amendments made by subsection (a) shall become effective 360 days after the date of enactment of this Act.

(4) APPLICATION.—Any amendment made pursuant to this section (including any amendment made pursuant to the recommendations of the United States Sentencing Commission under paragraph (2)) shall apply in any proceeding commenced on or after the effective date of the amendment.

### Subtitle D—Remedies for Noncompliance

**SEC. 141. REMEDIES FOR NONCOMPLIANCE.**

(a) GENERAL LIMITATION.—Any failure to comply with any amendment made by this Act shall not give rise to a claim for damages, or any other action against the United States, or any employee of the United States, any court official or officer of the court, or an entity contracting with the United States, or any action seeking a rehearing or other reconsideration of action taken in connection with a defendant.

(b) REGULATIONS TO ENSURE COMPLIANCE.—

(1) IN GENERAL.—Notwithstanding subsection (a), not later than 1 year after the date of enactment of this Act, the Attorney General and the Chairman of the United States Parole Commission shall promulgate regulations to implement and enforce the amendments made by this title.

(2) CONTENTS.—The regulations promulgated under paragraph (1) shall—

(A) contain disciplinary sanctions, including suspension or termination from employment, for employees of the Department of Justice (including employees of the United States Parole Commission) who willfully or repeatedly violate the amendments made by this title, or willfully or repeatedly refuse or fail to comply with provisions of Federal law pertaining to the treatment of victims of crime;

(B) include an administrative procedure through which parties can file formal complaints with the Department of Justice alleging violations of the amendments made by this title;

(C) provide that a complainant is prohibited from recovering monetary damages against the United States, or any employee of the United States, either in his official or personal capacity; and

(D) provide that the Attorney General, or the designee of the Attorney General, shall the ultimate arbiter of the complaint, and there shall be no judicial review of the final decision of the Attorney General by a complainant.

## TITLE II—VICTIM ASSISTANCE INITIATIVES

**SEC. 201. INCREASE IN VICTIM ASSISTANCE PERSONNEL.**

There are authorized to be appropriated such sums as may be necessary to enable the Attorney General to—

(1) hire 50 full-time or full-time equivalent employees to serve victim-witness advocates to provide assistance to victims of any criminal offense investigated by any department or agency of the Federal Government; and

(2) provide grants through the Office of Victims of Crime to qualified private entities to fund 50 victim-witness advocate positions within those organizations.

**SEC. 202. INCREASED TRAINING FOR STATE AND LOCAL LAW ENFORCEMENT, STATE COURT PERSONNEL, AND OFFICERS OF THE COURT TO RESPOND EFFECTIVELY TO THE NEEDS OF VICTIMS OF CRIME.**

Notwithstanding any other provision of law, amounts collected pursuant to sections 3729 through 3731 of title 31, United States Code (commonly known as the ''False Claims Act''), may be used by the Office of Victims of Crime to make grants to States, units of local government, and qualified private entities, to provide training and information to prosecutors, judges, law enforcement officers, probation officers, and other officers and employees of Federal and State courts to assist them in responding effectively to the needs of victims of crime.

**SEC. 203. INCREASED RESOURCES FOR STATE AND LOCAL LAW ENFORCEMENT AGENCIES, COURTS, AND PROSECUTORS' OFFICES TO DEVELOP STATE-OF-THE-ART SYSTEMS FOR NOTIFYING VICTIMS OF CRIME OF IMPORTANT DATES AND DEVELOPMENTS.**

(a) IN GENERAL.—Subtitle A of title XXIII of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322; 108 Stat. 2077) is amended by adding at the end the following:

**''SEC. 230103. STATE-OF-THE-ART SYSTEMS FOR NOTIFYING VICTIMS OF CRIME OF IMPORTANT DATES AND DEVELOPMENTS.**

''(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Office of Victims of Crime of the Department of Justice such sums as may be necessary for grants to State and local prosecutors' offices, State courts, county jails, State correctional institutions, and qualified private entities, to develop and implement state-of-the-art systems for notifying victims of crime of important dates and developments relating to the criminal proceedings at issue.

''(b) FALSE CLAIMS ACT.—Notwithstanding any other provision of law, amounts collected pursuant to sections 3729 through 3731 of title 31, United States Code (commonly known as the 'False Claims Act'), may be used for grants under this section.''.

(b) VIOLENT CRIME REDUCTION TRUST FUND.—Section 310004(d) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14214(d)) is amended—

(1) in the first paragraph designated as paragraph (15) (relating to the definition of the term ''Federal law enforcement program''), by striking ''and'' at the end;

(2) in the first paragraph designated as paragraph (16) (relating to the definition of the term ''Federal law enforcement program''), by striking the period at the end and inserting ''; and''; and

(3) by inserting after the first paragraph designated as paragraph (16) (relating to the definition of the term ''Federal law enforcement program'') the following:

''(17) section 230103.''.

**SEC. 204. PILOT PROGRAMS TO ESTABLISH OMBUDSMAN PROGRAMS FOR CRIME VICTIMS.**

(a) DEFINITIONS.—In this section:

(1) DIRECTOR.—The term ''Director'' means the Director of the Office of Victims of Crime.

(2) OFFICE.—The term ''Office'' means the Office of Victims of Crime.

(3) QUALIFIED PRIVATE ENTITY.—The term ''qualified private entity'' means a private entity that meets such requirements as the Attorney General, acting through the Director, may establish.

(4) QUALIFIED UNIT OF STATE OR LOCAL GOVERNMENT.—The term ''qualified unit of State or local government'' means a unit or a State or local government that meets such requirements as the Attorney General, acting through the Director, may establish.

(5) VOICE CENTERS.—The term ''VOICE Centers'' means the Victim Ombudsman Information Centers established under the program under subsection (b).

(b) PILOT PROGRAMS.—

(1) IN GENERAL.—Not later than 12 months after the date of enactment of this Act, the Attorney General, acting through the Director, shall establish and carry out a program to provide for pilot programs to establish and operate Victim Ombudsman Information Centers in each of the following States:

(A) Iowa.

(B) Massachusetts.

(C) Ohio.

(D) Tennessee.

(E) Utah.

(F) Vermont.

(2) AGREEMENTS.—

(A) IN GENERAL.—The Attorney General, acting through the Director, shall enter into an agreement with a qualified private entity or unit of State or local government to conduct a pilot program referred to in paragraph (1). Under the agreement, the Attorney General, acting through the Director, shall provide for a grant to assist the qualified private entity or unit of State or local government in carrying out the pilot program.

(B) CONTENTS OF AGREEMENT.—The agreement referred to in subparagraph (A) shall specify that—

(i) the VOICE Center shall be established in accordance with this section; and

(ii) except with respect to meeting applicable requirements of this section concerning carrying out the duties of a VOICE Center under this section (including the applicable reporting duties under subsection (c) and the terms of the agreement) each VOICE Center shall operate independently of the Office; and

(C) NO AUTHORITY OVER DAILY OPERATIONS.—The Office shall have no supervisory or decisionmaking authority over the day-to-day operations of a VOICE Center.

(c) OBJECTIVES.—

(1) MISSION.—The mission of each VOICE Center established under a pilot program under this section shall be to assist a victim of a Federal or State crime to ensure that the victim—

(A) is fully apprised of the rights of that victim under applicable Federal or State law; and

(B) participates in the criminal justice process to the fullest extent of the law.

(2) DUTIES.—The duties of a VOICE Center shall include—

(A) providing information to victims of Federal or State crime regarding the right of those victims to participate in the criminal justice process (including information concerning any right that exists under applicable Federal or State law);

(B) identifying and responding to situations in which the rights of victims of crime under applicable Federal or State law may have been violated;

(C) attempting to facilitate compliance with Federal or State law referred to in subparagraph (B);

(D) educating police, prosecutors, Federal and State judges, officers of the court, and employees of jails and prisons concerning the rights of victims under applicable Federal or State law; and

(E) taking measures that are necessary to ensure that victims of crime are treated with fairness, dignity, and compassion throughout the criminal justice process.

(d) OVERSIGHT.—

(1) TECHNICAL ASSISTANCE.—The Office may provide technical assistance to each VOICE Center.

(2) ANNUAL REPORT.—Each qualified private entity or qualified unit of State or local government that carries out a pilot program to establish and operate a VOICE Center under this section shall prepare and submit to the Director, not later than 1 year after the VOICE Center is established, and annually thereafter, a report that—

(A) describes in detail the activities of the VOICE Center during the preceding year; and

(B) outlines a strategic plan for the year following the year covered under subparagraph (A).

(e) REVIEW OF PROGRAM EFFECTIVENESS.—

(1) GAO STUDY.—Not later than 2 years after the date on which each VOICE Center established under a pilot program under this section is fully operational, the Comptroller General of the United States shall conduct a review of each pilot program carried out under this section to determine the effectiveness of the VOICE Center that is the subject of the pilot program in carrying out the mission and duties described in subsection (c).

(2) OTHER STUDIES.—Not later than 2 years after the date on which each VOICE Center established under a pilot program under this section is fully operational, the Attorney General, acting through the Director, shall enter into an agreement with 1 or more private entities that meet such requirements the Attorney General, acting through the Director, may establish, to study the effectiveness of each VOICE Center established by a pilot program under this section in carrying out the mission and duties described in subsection (c).

(f) TERMINATION DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), a pilot program established under this section shall terminate on the date that is 4 years after the date of enactment of this Act.

(2) RENEWAL.—If the Attorney General determines that any of the pilot programs established under this section should be renewed for an additional period, the Attorney General may renew that pilot program for a period not to exceed 2 years.

(g) FUNDING.—Notwithstanding any other provision of law, an aggregate amount not to exceed $5,000,000 of the amounts collected pursuant to sections 3729 through 3731 of title 31, United States Code (commonly known as the ''False Claims Act''), may be used by the Director to make grants under subsection (b).

**SEC. 205. AMENDMENTS TO VICTIMS OF CRIME ACT OF 1984.**

(a) CRIME VICTIMS FUND.—Section 1402 of the Victims of Crime Act of 1984 (42 U.S.C. 10601) is amended—

(1) in subsection (b)—

(A) in paragraph (3), by striking ''and'' at the end;

(B) in paragraph (4), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(5) any gifts, bequests, and donations from private entities or individuals.''; and

(2) in subsection (d)—

(A) by striking paragraph (1) and inserting the following:

''(1) All unobligated balances transferred to the judicial branch for administrative costs to carry out functions under sections 3611 and 3612 of title 18, United States Code, shall be returned to the Crime Victims Fund and may be used by the Director to improve services for crime victims in the Federal criminal justice system.''; and

(B) in paragraph (4), by adding at the end the following:

''(C) States that receive supplemental funding to respond to incidents or terrorism or mass violence under this section shall be required to return to the Crime Victims Fund for deposit in the reserve fund, amounts subrogated to the State as a result of third-party payments to victims.''.

(b) CRIME VICTIM COMPENSATION.—Section 1403 of the Victims of Crime Act of 1984 (42 U.S.C. 10602) is amended—

(1) in subsection (a)—

(A) in each of paragraphs (1) and (2), by striking ''40'' and inserting ''60''; and

(B) in paragraph (3), by inserting ''and evaluation'' after ''administration''; and

(2) in subsection (b)(7), by inserting ''because the identity of the offender was not determined beyond a reasonable doubt in a criminal trial, because criminal charges were not brought against the offender, or'' after ''deny compensation to any victim''.

(c) CRIME VICTIM ASSISTANCE.—Section 1404 of the Victims of Crime Act of 1984 (42 U.S.C. 10603) is amended—

(1) in subsection (c)—

(A) in paragraph (1)—

(i) by striking the comma after ''Director'';

(ii) by inserting ''or enter into cooperative agreements'' after ''make grants'';

(iii) by striking subparagraph (A) and inserting the following:

''(A) for demonstration projects, evaluation, training, and technical assistance services to eligible organizations;'';

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

(v) by adding at the end the following:

''(C) training and technical assistance that address the significance of and effective delivery strategies for providing long-term psychological care.''; and

(B) in paragraph (3)—

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

(ii) in subparagraph (D), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(E) use funds made available to the Director under this subsection—

''(i) for fellowships and clinical internships; and

''(ii) to carry out programs of training and special workshops for the presentation and dissemination of information resulting from demonstrations, surveys, and special projects.''; and

(2) in subsection (d)—

(A) by striking paragraph (1) and inserting the following:

''(1) the term 'State' includes—

''(A) the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, and any other territory or possession of the United States; and

''(B) for purposes of a subgrant under subsection (a)(1) or a grant or cooperative agreement under subsection (c)(1), the United States Virgin Islands and any agency of the government of the District of Columbia or the Federal Government performing law enforcement functions in and on behalf of the District of Columbia.'';

(B) in paragraph (2)—

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

(ii) by adding at the end the following:

''(E) public awareness and education and crime prevention activities that promote, and are conducted in conjunction with, the provision of victim assistance; and

''(F) for purposes of an award under subsection (c)(1)(A), preparation, publication, and distribution of informational materials and resources for victims of crime and crime victims organizations.'';

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

''(4) the term 'crisis intervention services' means counseling and emotional support including mental health counseling, provided as a result of crisis situations for individuals, couples, or family members following and related to the occurrence of crime;'';

(D) in paragraph (5), by striking the period at the end and inserting ''; and''; and

(E) by adding at the end the following:

''(6) for purposes of an award under subsection (c)(1), the term 'eligible organization' includes any—

''(A) national or State organization with a commitment to developing, implementing, evaluating, or enforcing victims' rights and the delivery of services;

''(B) State agency or unit of local government;

''(C) tribal organization;

''(D) organization—

''(i) described in section 501(c) of the Internal Revenue Code of 1986; and

''(ii) exempt from taxation under section 501(a) of such Code; or

''(E) other entity that the Director determines to be appropriate.''.

(d) COMPENSATION AND ASSISTANCE TO VICTIMS OF TERRORISM OF MASS VIOLENCE.—Section 1404B of the Victims of Crime Act of 1984 (42 U.S.C. 10603b) is amended—

(1) in subsection (a), by striking ''1404(a)'' and inserting ''1402(d)(4)(B)''; and

(2) in subsection (b), by striking ''1404(d)(4)(B)'' and inserting ''1402(d)(4)(B)''.

**SEC. 206. SERVICES FOR VICTIMS OF CRIME AND DOMESTIC VIOLENCE.**

Section 504 of the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1996 (110 Stat. 1321–53) may not be construed to prohibit a recipient (as that term is used in that section) from using funds derived from a source other than the Legal Services Corporation to provide related legal assistance (as defined in section 502(b) of Public Law 105–119 (111 Stat. 2511)) to any person with whom an alien (as that term is used in subsection (a)(11) of that section) has a relationship covered by the domestic violence laws of the State in which the alien resides or in which an incidence of violence occurred.

**SEC. 207. PILOT PROGRAM TO STUDY EFFECTIVENESS OF RESTORATIVE JUSTICE APPROACH ON BEHALF OF VICTIMS OF CRIME.**

(a) IN GENERAL.—Notwithstanding any other provision of law, amounts collected pursuant to sections 3729 through 3731 of title 31, United States Code (commonly known as the ''False Claims Act''), may be used by the Office of Victims of Crime to make grants to States, units of local government, and qualified private entities for the establishment of pilot programs that implement balanced and restorative justice models.

(b) DEFINITION OF BALANCED AND RESTORATIVE JUSTICE MODEL.—In this section, the term ''balanced and restorative justice model'' means an approach to criminal justice that promotes the maximum degree of involvement by a victim, offender, and the community served by a criminal justice system by allowing the criminal justice system and related criminal justice agencies to improve the capacity of the system and agencies to—

(1) protect the community served by the system and agencies; and

(2) ensure accountability of the offender and the system.

**SEC. 208. VICTIMS OF TERRORISM.**

(a) IN GENERAL.—Section 1404B of the Victims of Crime Act of 1984 (42 U.S.C. 10603b) is amended to read as follows:

**''SEC. 1404B. COMPENSATION AND ASSISTANCE TO VICTIMS OF TERRORISM OR MASS VIOLENCE.**

''(a) IN GENERAL.—The Director may make grants, as provided in either section 1402(d)(4)(B) or 1404—

''(1) to States, which shall be used for eligible crime victim compensation and assistance programs for the benefit of victims described in subsection (b); and

''(2) to victim service organizations, and public agencies that provide emergency or ongoing assistance to victims of crime, which shall be used to provide, for the benefit of victims described in subsection (b)—

''(A) emergency relief (including compensation, assistance, and crisis response) and other related victim services; and

''(B) emergency response training and technical assistance.

''(b) VICTIMS DESCRIBED.—Victims described in this subsection are victims of a terrorist act or mass violence, whether occurring within or outside the United States, who are—

''(1) citizens or employees of the United States; and

''(2) not eligible for compensation under title VIII of the Omnibus Diplomatic Security and Antiterrorism Act of 1986.''.

(b) APPLICABILITY.—The amendment made by this section applies to any terrorist act or mass violence occurring on or after December 20, 1989.

---

SECTION-BY-SECTION SUMMARY OF THE CRIME VICTIMS ASSISTANCE ACT

TITLE I—VICTIMS RIGHTS IN THE FEDERAL SYSTEM

Title I reforms federal law and the federal rules of evidence to provide enhanced protections to victims of federal crime, from the time of the defendant's arrest through sentencing, including post-sentencing hearings.

*Subtitle A. Amendments to Title 18*

*Sec. 101. Right to be Notified of Detention Hearing and Right to be Heard on the Issue of Detention*

Section 101 amends federal law to establish a victim's right to be notified of a detention hearing, to attend the detention hearing, and be heard on the issue of detention. No such right currently exists in federal law.

In cases where identification of the defendant remains at issue, section 101 provides flexibility to the presiding judge to protect the integrity of the identification.

*Sec. 102. Right to a Speedy Trial and Prompt Disposition Free From Unreasonable Delay*

Section 102 amends the Speedy Trial Act to require the Court to take into account the interests of the victim in the prompt and appropriate disposition of the case, free from unreasonable delay when considering a motion to continue a trial.

*Sec. 103. Enhanced Right to Order of Restitution*

Section 103 amends federal law to ensure that the victim has the right to attend a sentencing hearing and to make a statement to the court at sentencing.

*Sec. 104. Right to be Notified of Escape or Release from Prison*

Section 104 amends the Victims Rights and Restitution Act of 1990 to expand the victim's right to be notified of an offender's release or escape from custody. Specifically, this section clarifies that a victim has the right to be notified of the offender's escape or release from a psychiatric institution. Current law does not address this potentially critical issue.

*Sec. 105. Enhanced Penalties for Witness Tampering*

Section 105 amends a federal witness tampering statute (18 U.S.C. §1512) to raise the statutory maximum penalties in witness tampering cases involving the use or threatened use of physical force from 10 years to 20 years.

*Subtitle B. Amendments to Federal Rules of Criminal Procedure*

*Sec. 121. Right to be Notified of Plea Agreement and to be Heard on Merits of the Plea Agreement*

Section 121 (a) amends Rule 11 of the Federal Rules of Criminal Procedure (governing pleas) to require the government to make a reasonable effort to notify the victim of an upcoming plea hearing, and of the victim's right to be heard at the plea hearing. In cases involving more than 15 victims, the Court, after consultation with the government and the victims, may appoint a number of victims as representatives of the victims' interests.

Section 121 (b) provides a timetable for the implementation of the amendments to Rule 11, taking into consideration the recommendations of the United States Judicial Conference.

*Sec. 122. Enhanced Rights of Notification and Allocution at Sentencing*

Section 122 (a) amends Rule 32 of the Federal Rules of Criminal Procedures (Sentencing) to provide for enhanced opportunities for victims to participate in the criminal sentencing process. Specifically, section 122(a) amends Rule 32 to require that presentence reports contain very specific information about victim impact. Probation officers are required to make reasonable efforts to notify the victim about the preparation of the presentence reports, and must provide victims with an opportunity to submit oral or written statements, including statements on audio or videotape, describing the impact of the offense on the victim. In addition, Rule 32 is amended to require the government to make a reasonable effort to notify the victim of the time and place of sentencing, and the victim's right to be heard at sentencing. These provisions are intended to insure that victims remain actively involved throughout the criminal process.

Section 122(b) provides a timetable for the implementation of the amendments to Rule 32, taking into consideration the recommendations of the United States Judicial Conference.

*Sec. 123. Rights of Notification and Allocution At a Probation Revocation Hearing*

Section 123(a) amends Rule 32.1 of the Federal Rules of Criminal Procedure (Probation Revocation or Modification of Supervised Release) to provide enhanced opportunities for victims to be notified of and participate in revocation hearings. Often times, when a defendant is taken into custody for violating conditions of release or conditions of probation, a victim is unaware of these important developments. Section 123 (a) amends Rule 32.1 to direct the government to make a reasonable effort to notify the victim of the impending revocation hearing, and to notify the victim of his or her right to attend the hearing and address the court.

Section 123(b) provides a timetable for the implementation of the amendments to Rule 32.1, taking into consideration the recommendations of the United States Judicial Conference.

*Subtitle C. Amendment to Federal Rules of Evidence*

*Sec. 131. Enhanced Right to Be Present At Trial*

Section 131 amends Rule 615 of the Federal Rules of Evidence (Witness Sequestration) to establish a statutory right for crime victims to attend court proceedings, including trials. Currently, victims are routinely prevented from being present at trials, except during their own testimony. Section 131(a) amends Rule 615 to permit crime victims to attend trials and other court proceedings, unless the court makes a finding that the testimony of the person will be materially affected by hearing the testimony of other witnesses, and the material effect will result in unfair prejudice to any party, or that due to large numbers of victims or family members of victims who may be called as witnesses, permitting attendance in the courtroom when testimony is being heard is not feasible.

Section 131(b) provides a timetable for the implementation of the amendment to Rule 615, taking into consideration the recommendations of the United States Judicial Conference.

*Subtitle D. Remedies for Noncompliance*

*Sec. 141. Remedies for Noncompliance*

Section 141 establishes a mechanism for addressing violations of the newly created statutory rights of crime victims. Section 141(a) clarifies that no party can file a civil action for damages or injunctive relief against the U.S., any employee of the U.S., any officer of the court, nor any entity contracting with the U.S., for failure to comply with any amendment in this Act.

Section 141(b) directs the Attorney General and the Chair of the U.S. Parole Commission to establish a workable regulatory scheme that will permit the effective administrative enforcement of victims rights. These regulations must contain disciplinary sanctions, including termination for employees of the Department of Justice who willfully violate or refuse to comply with Federal provisions pertaining to the treatment of victims of crime. These regulations must also include an administrative procedure through which formal complaints with the Department of Justice alleging violations of this title can be filed. Under the proposed administrative scheme a complainant is prohibited from recovering any monetary damages against the United States.

This subsection states that the Attorney General is the ultimate arbiter of the complaint, and there will be no judicial review of the final decision of the Attorney General.

TITLE II—VICTIM ASSISTANCE INITIATIVES

Title II contains a series of provisions designed primarily to assist victims of state crime, and to ensure that victims participate in the criminal process to the maximum extent.

*Sec. 201. Increase in Victim Assistance Personnel*

Section 201 authorizes to be appropriated such sums as may be necessary to enable the Attorney General to provide grants through the Office of Victims of Crime (OVC) to qualified private entities to fund 50 victim-witness advocate positions, who can assist victims of state crimes.

This section also authorizes to be appropriated such sums as may be necessary to enable the Attorney General to hire 50 full-time (or full-time equivalent) employees to serve as victim-witness advocates to provide assistance to victims of any federal criminal offense investigation.

*Sec. 202. Increased Training for State and Local Law Enforcement, State Court Personnel, and Officers of the Court to Respond Effectively to the Needs of Victims of Crime*

Section 202 provides that funds collected pursuant to the False Claims Act (31 U.S.C. 3729–3731) may be used by OVC to make grants to States, units of local government, and qualified private entities, to provide training and information to prosecutors, judges, law enforcement officers, probation officers, and other officers and employees of Federal and State court in order to assist them in responding effectively to the needs of victims of crime.

*Sec. 203. Increased Resources for State and Local Law Enforcement Agencies, Courts, and Prosecutors' Offices to Develop State-of-the-Art Systems for Notifying Victims of Crime of Important Dates and Developments*

Section 203 amends subtitle A of title 23 of the Violent Crime Control and Law Enforcement Act of 1994 (P.L. 103–322; 108 Stat. 2077) by authorizing to be appropriated such sums as may be necessary to OVC to fund grants to State and local prosecutors' offices, State courts, county jails, State correctional institutions, and qualified private entities, to develop and implement state-of-the-art systems for notifying victims of crime of important dates and developments relating to the criminal proceedings at issue.

Section 203 authorizes funds collected pursuant to the False Claims Act (31 U.S.C. 3729–3731) to be used for these grants.

This section also amends Section 310004(d) of the Violent Crime Control and Law Enforcement Act of 1994 to permit funds from the Violent Crime Reduction Trust Fund to be used for grants outlined in this section.

*Sec. 204. Pilot Programs to Establish Ombudsman Programs for Crime Victims*

Section 204 authorizes pilot programs designed to establish innovative programs to assist victims of both federal and state crime in vindicating their rights. All too frequently, victims do not have a sufficient voice during the criminal process. Some localities have responded to this problem by creating ombudsman programs wherein independent officers are established whose function is to represent the victim's interests. These ombudsmen will educate prosecutors and judges as to their victim-related responsibilities, and will provide helpful guidance and support to crime victims themselves. These programs have shown considerable promise in a number of cities.

Section 204 authorizes the creation of these ombudsman programs. Subsection (a) sets out definitions of the terms ''director,'' ''office,'' ''qualified private entity,'' ''qualified unit of State or local government,'' and ''VOICE Centers'' for the purposes of this section.

Subsection (b) provides that within a year after the enactment of this Act, the Attorney General (acting through the Director of OVC) will establish pilot programs to operate Victim Ombudsman Information Centers (''VOICE'' Centers) in Iowa, Massachusetts, Ohio, Tennessee, Utah, and Vermont.

This subsection also authorizes the Attorney General to enter into agreement with and provide for a grant to assist a qualified private entity or unit of State or local government in carrying out the pilot program. The agreement shall specify that the VOICE Center shall, excepting applicable requirements of this section, operate independently of OVC, and OVC shall have no supervisory or decision making authority over the day-to-day operations of a VOICE Center. The purpose of this provision is to ensure that VOICE centers operate independently.

Subsection (c) provides that the mission of each VOICE Center shall be to ensure that victims of Federal or State crimes are fully appraised of the rights of victims and that the victims participate in the criminal justice process to the fullest extent of the law.

This subsection also sets out the duties of the VOICE Centers. The duties include providing information to victims concerning their right to participate in the criminal justice process; identifying and responding to situations in which rights of victims of crime may have been violated; attempting to rectify violations of victims' rights; educating police, prosecutors, court officials, and employees of jails and prisons about the rights of victims; and taking measures to ensure victims are treated with respect, dignity, and compassion during the justice process.

Subsection (d) authorizes OVC to provide technical assistance to each VOICE Center. Each pilot VOICE Center shall submit an annual report to the Director of OVC detailing the activities of the VOICE Center and the strategic plan for the following year.

Subsection (e) provides that within two years of each VOICE Center's pilot program establishment, the Comptroller General of the U.S. shall review their effectiveness in carrying out their mission and duties as described in subsection (c). This subsection also requires that within two years of each VOICE Center's pilot program establishment, the Attorney General shall have private entities study the effectiveness of the VOICE Centers in carrying out their mission and duties as described in subsection (c).

Subsection (f) states that the pilot program shall terminate 4 years after the date of enactment of the Act. If the Attorney General determines that any of the pilot programs should be renewed for an additional period, they may be renewable for up to two years.

Subsection (g) authorizes an amount not to exceed $5,000,000 of the amounts collected pursuant to the False Claims Act to be used by the Director of OVC to make grants to fund the pilot programs.

*Sec. 205. Amendments to Victims of Crime Act of 1994*

Section 205 provides for various improvements in the program of federal support for victim assistance and compensation under the Victims of Crime Act.

Subsection (a) authorizes the receipt of private donations to the Crime Victims Fund. It also provides that unobligated funds transferred to the judicial branch for the establishment of the (now defunct) National Fine Center are to be returned to the Crime Victims Fund and may be used for the benefit of federal crime victims. Moreover, it requires states to return to the Crime Victims Fund amounts for which they are reimbursed under subrogation provisions as a result of third party payments to victims, or where the state has received supplemental funding for incidents of terrorism or mass violence. This will help replenish the funds available for assistance to victims of terrorism and mass violence.

Subsection (b) changes the minimum threshold for the annual grant that the Director shall make from the Fund to an eligible crime victim compensation program. The change is from 40 percent of the amounts awarded during the preceding fiscal year to 60 percent.

Subsection (b) also enhances authority and support for demonstration projects, training, technical assistance, and program evaluation, and clarifies that compensation will not be denied to any victim because the identity of the offender was not determined beyond a reasonable doubt in a criminal trial or because criminal charges were not brought against the offender.

Subsection (c) clarifies that the Director may enter into cooperative agreements in addition to making grants; that such cooperative agreements or grants may be for evaluation purposes and training and technical assistance that address the significance of and effective delivery strategies for providing long-term psychological care; that the Director may use funds for fellowships, clinical internships, and programs of training and special workshops for the presentation and dissemination of information resulting from demonstrations, surveys, and special projects. Subsection (c) also tightens some of the definitions in the Victims of Crime Act.

*Sec. 206. Services for Victims of Crime and Domestic Violence*

Section 206 directs that a specified statute not be construed to prohibit a recipient from using funds derived from a source other than the Legal Services Corporation to provide related legal assistance to any person with whom an alien has a relationship covered by the domestic violence laws of the State in which the alien resides or in which an incidence of violence occurred.

*Sec. 207. Pilot Program to Study Effectiveness of Restorative Justice Approach on Behalf of Victims of Crime*

Section 207 authorizes the use of funds collected under the False Claims Act by OVC to make grants to States, units of local government, and qualified private entities for the establishment of pilot programs that implement balanced and restorative justice models.

*Sec. 208. Victims of Terrorism*

Section 208 clarifies the intent of the antiterrorism amendment to the Victims of Crime Act by enabling OVC to assist the victims of terrorist acts or mass violence occurring outside the United States and authorizing it to provide funding directly to nonprofits and other Federal agencies, medical and mental health organizations and others in response to such victims' needs.

Section 208 will also enable OVC to provide assistance to the victims of terrorist acts or mass violence occurring prior to the passage of the Victims of Crime Act, but on or after December 20, 1989. This will allow OVC to assist the family members of those killed in the bombing of Pan Am 103. These family members reside in various states around the country including Alabama, California, Colorado, Connecticut, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, South Carolina, Texas, Virginia, Washington, and West Virginia.

Mr. KENNEDY. Mr. President, today, Senator LEAHY and I are introducing the Crime Victims Assistance Act. For too long, our criminal justice system has neglected the hundreds of thousands of victims of crime whose lives are shattered by violence or threats of violence each year.

Clearly, the rights of victims deserve better from our criminal justice system. Too often, the system does not provide adequate relief for victims of crime. They are not given basic information about their case—such as the status of the case, scheduling changes in court proceedings, and notice of a defendant's arrest, bail status and release from prison.

Victims deserve to know about their case. They deserve to know about hearings and other court proceedings. They deserve to know when their assailants are being considered for parole. And they certainly deserve to know when their attackers are released from incarceration.

But there is a right way and a wrong way to protect victims' rights. The wrong way is to amend the Constitution. One of the guiding principles that has served the nation well for two hundred years is that if it is not necessary to amend the Constitution, it is necessary not to amend it.

We have amended the Constitution only 17 times in the two centuries since the adoption of the Bill of Rights. We should consider such amendments only in rare instances, when the enactment of a statute is clearly inadequate.

The right way to protect victims' rights is by statute, not by constitutional amendment. One of the most obvious provisions of such a statute is additional resources for courts and prosecutors. These resources can be used to establish better notification, provide better training to deal with victims' needs, and to take all the other steps required to see that the criminal justice system deals fairly with the victims of crime. If Congress is truly committed to victims rights, we can act quickly by statute.

Senator LEAHY and I are proposing a victims rights statute—not a constitutional amendment, because we believe it accomplishes the needed goals. It provides protection for victims now—this year. We do not have to wait for a constitutional amendment that may take years for the States to ratify.

Chief Justice Rehnquist also opposes amending the Constitution. He has specifically stated that a statute, rather than a constitutional amendment, ''would have the virtue of making any provisions in the bill which appeared mistaken by hindsight to be amended by a simple act of Congress.''

Crime victims must be treated with dignity, compassion and understanding. Being victimized by crime is traumatic enough. We must do all we can to see that victims of crime are not victimized again by the criminal justice system.

At the federal level, the system has become more victim friendly. I am proud to have sponsored the Sentencing Reform Act of 1994, which vastly expanded the authority of the courts to order defendants to pay restitution to the victims. Subsequent laws have given victims the right to be heard at sentencing.

This legislation we are introducing today assures victims of a greater voice in decisions on the detention and prosecution of criminals.

It contains a series of provisions to assist victims of state crimes, and to ensure that victims participate in the criminal justice process to the maximum extent. For example, it provides grants to fund victim-witness advocate positions. It provides training for judges, prosecutors, and law enforcement. It establishes our ombudsman programs.

Legislation on victims' rights deserves high priority in this Congress. I urge the Senate to act swiftly to accomplish the goal we share of genuine protections for victims rights.

By Mr. LUGAR:

S. 935. A bill to amend the National Agricultural Research, Extension, and Teaching Policy Act of 1977 to authorize research to promote the conversion of biomass into biobased industrial products, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

NATIONAL SUSTAINABLE FUELS AND CHEMICALS ACT OF 1999

• Mr. LUGAR. Mr. President, I rise to introduce The National Sustainable Fuels and Chemicals Act, with the goal of advancing biotechnologies likely to offer outstanding benefits in terms of strategic security, reduction of greenhouse gases and healthier rural economies.

At the heart of the National Sustainable Fuels and Chemicals Act is a novel research Initiative, jointly administered by the Secretary of Agriculture and the Secretary of Energy, that authorizes research for the purpose of overcoming technical barriers to low cost biomass conversion and gives priority funding to consortia composed of technical experts from academia, national laboratories, Federal research agencies and industry. By enhancing creative and imaginative approaches toward biomass processing, the Sustainable Fuels and Chemicals Research Initiative will serve to develop the next generation of advanced technologies making possible low cost biobased industrial products.

Innovative in both purpose and structure, the Initiative will promote integrated research partnerships as the best means of overcoming technical challenges that span multiple academic disciplines while also leveraging scarce Federal discretionary spending. 49 million dollars per annum is proposed for the Sustainable Fuels and Chemicals Research Initiative; funding is authorized for six years, through 2005. Given the potential benefits in improved national security, rural development and greenhouse gas reductions, this expenditure represents an investment in America's future and is in line with recommendations from a report of the President's Committee of

Advisors on Science and Technology (PCAST).

The legislation will also coordinate and focus Federal research in cellulosic biomass processing through creation of the Sustainable Fuels and Chemicals Board consisting of senior representatives from the National Science Foundation, the Environmental Protection Agency, the Department of the Interior and the White House Office of Science and Technology Policy. Co-chaired by designees of the Secretary of Agriculture and Secretary of Energy, the Board shall coordinate research, development and demonstration activities relating to biobased industrial products between the Departments of Energy and Agriculture which are the two principal agencies for biotechnology research on fuels, chemicals and power. The Board will also serve to coordinate research activities across the many Federal agencies that are involved in research, regulation and policy formulation of fuels, commodity chemicals and power.

To advise the Secretary of Agriculture and Secretary of Energy on the technical focus and direction of the request for proposals issued under the research Initiative, a Sustainable Fuels and Chemicals Technical Advisory Committee is established. Modeled on the National Defense Sciences Board, the Advisory Committee consists of experts from academia, prominent engineers and scientists, representatives from commodity trade organizations and environmental or conservation groups. As an independent panel of technical experts, the Sustainable Fuels and Chemicals Technical Advisory Committee will serve an important role in the strategic planning and oversight of research carried out under the Initiative.

The case for promoting technology that will supply fuels, notably ethanol, chemicals and power from cellulosic biomass can be made independently of whether the world will continue to enjoy cheap oil. However, a wealth of scientific data indicates both that the world's supply of conventional oil is nearly half exhausted and that with each passing year, the demand for petroleum-derived energy increases. History gives us a clear warning that individual oil wells, oil fields, and national petroleum outputs have all shown a decline in production rates when the level of reserves reaches 50 percent. Balanced against both such 'common sense' and Malthusian theory are optimists, including the late economist Julian Simon, who uses energy supplies as one example when arguing that natural resources have become more available rather than more scarce.

I would suggest that cellulosic biomass offers a unique opportunity for consensus between these seemingly unalterable opposing views. No longer is the debate centered on the delicate political and international issue of how best to divide the shrinking pie of world resources. Rather, application of the limitless supply of human ingenuity will be used to create a new and sustainable resource. In this regard, nature offers us the hint of a solution by demonstrating its own methods for harnessing power from the sun, nutrients in the soil and water, in support of a vast array of plant life.

Following nature's elegant example, engineers and scientists have developed biotechnologies capable of breaking down nearly any form of plant, tree or grass into their constituent chemical building blocks, principally in the form of complex sugars. From this intermediate step, a wide variety of biobased industrial products including feed, fuels, chemicals, materials and power can be produced. With this capability, plants, trees, grasses and agricultural residues assume a new significance as a potential source of biobased industrial products. Significantly, cellulosic biomass is the only foreseeable sustainable source of organic fuels, chemicals and materials that find ubiquitous use in any modern economy.

Consider that biobased industrial chemicals can provide functional replacements for essentially all organic chemicals currently derived from petroleum, and have clear potential for product life cycles that are much more environmentally friendly than their fossil fuel counterparts. The new cellulosic conversion technology under development will contribute towards growth of what is now a fledgling industry centered on biobased products—including chemicals, lubricants, plastics, adhesives and building materials—with a market worth an estimated $300 billion per year in its infancy.

Biobased fuels such as ethanol have clear potential to be sustainable, low-cost and high performance, are compatible with both current and future transportation systems, and provide near zero net greenhouse gas emissions. The impact of bioethanol on greenhouse gas emissions is particularly significant because the transportation sector accounts for one-third of the total greenhouse gas emissions. Of the many contributing factors to possible climate change, the transportation sector is our most difficult challenge because of the ubiquitous dependence on greenhouse gas producing fossil fuels. Cellulosic ethanol, a renewable fuel derived from grasses, plants, trees and waste materials, offers a positive long-term approach to the problem of global warming that does not assume a shift from the automobile culture or increased costs for American employers and consumers.

Cellulosic ethanol is a versatile, liquid fuel and consequently will be able to use much of the existing infrastructure built over the last century in support of gasoline and internal combustion engines. The compatibility of water with biomass derived products, including ethanol, is an important environmental consideration and a powerful demonstration of green chemistry. As my friend Jim Woolsey is fond of saying, ''If a second Exxon Valdez filled with ethanol ran aground off Alaska, it would produce a lot of evaporation and some drunk seals.''

By providing farmers of the world the possibility of additional commodity products, whether dedicated crops or income from collection of agricultural residues, biomass processing can lead to healthier rural economies. A major strength of the new technologies for breaking down cellulosic biomass is that almost any type of plant, tree, or agricultural waste can be used as a source of fuel. This high degree of flexibility allows farmers the possibility of a cash crop simply by collecting their agricultural wastes. Local crops that enrich the soil, prevent erosion and improve local environmental conditions can be planted and then harvested for fuel. My firm belief is that innovations in biotechnology enabling the co-production of food, fuel, chemicals and materials from the sustainable supply of cellulosic biomass, are vital to the future of agriculture.

While undertaking this effort, I remain mindful that biofuels must be produced in ways that enhance overall environmental quality. Sound land-use policies must be followed to protect wildlife habitat and biological diversity concerns. But professional land-use techniques should readily accomplish this.

Providing an alternative fuel that will power the internal combustion engine of the automobile will help reduce our dependence on Middle Eastern oil without necessitating a rebuilding of the massive infrastructure built in support of gasoline. Reliance on the unstable states of the Middle East adversely impacts American strategic security, while massive oil imports skew our balance of payments. With the need for affordable energy rising with increasing population, and the transportation sector fueled almost exclusively by fossil fuels, the Middle East will control something approaching three-quarters of the world's oil in the coming century, providing that unstable region with a disproportionate leverage over diplomatic affairs. At a time when the United States confronts an ill-defined and confused drama of events on the international stage, including an increasingly assertive China, and nuclear and missile technology proliferation to North Korea, it seems clear we should dedicate a relatively small amount of money toward research that could lead to a revolution in the way we produce and consume energy. Or as presented by a distinguished panel of scientists and industrial experts in a recent PCAST report, ''. . . the security of the

United States is at least as likely to be imperiled in the first half of the next century by the consequences of inadequacies in the energy options available to the world as by inadequacies in the capabilities of U.S. weapons systems.'' The report succinctly concludes, ''It is striking that the Federal government spends about twenty times more R&D money on the latter problem than on the former.''

Before we are able to reap the significant benefits offered by biobased industrial products, the cost of the new conversion technology must be significantly reduced. Research and development is the only systematic means for creating the innovations and technical improvements that will lower the costs of biomass processing. Given the relatively short-term horizon characteristic of private sector investments, and because many benefits of biomass processing are in the public interest, industry is ill-equipped to fund the necessary fundamental research that will result in cost effective technologies for biomass conversion.

Research activities carried out by the Department of Agriculture, Department of Energy and other Federal agencies are a principal reason for much of the progress witnessed in biomass processing and underscore the future promise if new technology is developed. Nonetheless, coordination among the Federal agencies is disjointed and the research tends to be driven by institutional missions rather than by an overarching strategy to develop cost-effective technologies for biomass conversion. The National Sustainable Fuels and Chemicals Act is designed to overcome these shortcomings and raise the level of the Federal commitment to biotechnologies that are already demonstrating potential as powerful new alternatives to the traditional practices of the past.

In this effort, I am asking for the support of President Clinton and Vice President GORE who have indicated their commitment to the development of sustainable resources. On this issue we can develop a consensus for undertaking research that will improve our national security and balance of payments, reduce greenhouse gas emissions and strengthen rural economies in America and around the world. Working together we can promote the type of innovation-focused research essential for improvements in the utilization of America's biomass resource. It is my firm belief that future Americans will enjoy a rich return on our investment in the promise of a green revolution.●

## ADDITIONAL COSPONSORS

S. 98

At the request of Mr. MCCAIN, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 98, a bill to authorize appropriations for the Surface Transportation Board for fiscal years 1999, 2000, 2001, and 2002, and for other purposes.

S. 348

At the request of Ms. SNOWE, the names of the Senator from Kentucky [Mr. BUNNING] and the Senator from Oregon [Mr. WYDEN] were added as cosponsors of S. 348, a bill to authorize and facilitate a program to enhance training, research and development, energy conservation and efficiency, and consumer education in the oilheat industry for the benefit of oilheat consumers and the public, and for other purposes.

S. 414

At the request of Mr. GRASSLEY, the names of the Senator from South Carolina [Mr. THURMOND] and the Senator from California [Mrs. BOXER] were added as cosponsors of S. 414, a bill to amend the Internal Revenue Code of 1986 to provide a 5-year extension of the credit for producing electricity from wind, and for other purposes.

S. 514

At the request of Mr. COCHRAN, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 514, a bill to improve the National Writing Project.

S. 579

At the request of Mr. BROWNBACK, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 579, a bill to amend the Foreign Assistance Act of 1961 to target assistance to support the economic and political independence of the countries of the South Caucasus and Central Asia.

S. 662

At the request of Mr. CHAFEE, the names of the Senator from Missouri [Mr. BOND] and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of S. 662, a bill to amend title XIX of the Social Security Act to provide medical assistance for certain women screened and found to have breast or cervical cancer under a federally funded screening program.

S. 783

At the request of Mrs. FEINSTEIN, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 783, a bill to limit access to body armor by violent felons and to facilitate the donation of Federal surplus body armor to State and local law enforcement agencies.

S. 880

At the request of Mr. INHOFE, the names of the Senator from Montana [Mr. BURNS] and the Senator from Virginia [Mr. WARNER] were added as cosponsors of S. 880, a bill to amend the Clean Air Act to remove flammable fuels from the list of substances with respect to which reporting and other activities are required under the risk management plan program

S. 918

At the request of Mr. KERRY, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 918, a bill to authorize the Small Business Administration to provide financial and business development assistance to military reservists' small business, and for other purposes.

S. 926

At the request of Mr. WARNER, his name was added as a cosponsor of S. 926, a bill to provide the people of Cuba with access to food and medicines from the United States, and for other purposes.

SENATE RESOLUTION 29

At the request of Mr. ROBB, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of Senate Resolution 29, a resolution to designate the week of May 2, 1999, as ''National Correctional Officers and Employees Week''.

SENATE RESOLUTION 33

At the request of Mr. LEAHY, his name was added as a cosponsor of Senate Resolution 33, a resolution designating May 1999 as ''National Military Appreciation Month''.

At the request of Mrs. HUTCHISON, her name was added as a cosponsor of Senate Resolution 33, supra.

At the request of Mr. BRYAN, his name was added as a cosponsor of Senate Resolution 33, supra.

SENATE RESOLUTION 84

At the request of Ms. SNOWE, the name of the Senator from West Virginia [Mr. BYRD] was added as a cosponsor of Senate Resolution 84, a resolution to designate the month of May, 1999, as ''National Alpha 1 Awareness Month''.

## NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce that on Wednesday, May 5, 1999, the Committee on Energy and Natural Resources will hold an oversight hearing on Damage to the National Security from Chinese Espionage at DOE Nuclear Weapons Laboratories. The hearing will be held at 9:30 a.m., in room 216 of the Hart Senate Office Building in Washington, DC. A portion of the hearing may be closed for national security reasons.

Those who wish further information may write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. SPECTER. Mr. President, I ask unanimous consent that the Foreign Relations Committee be authorized to meet during the session of the Senate

on Friday, April 30, 1999, at 11 a.m., to hold a business meeting.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. SPECTER. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions, Subcommittee on Aging be authorized to meet for a hearing on ''Older Americans Act'' during the session of the Senate on Friday, April 30, 1999, at 11 a.m.

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

## ADDITIONAL STATEMENTS

### RECOGNIZING HAWAII'S ENVIRONMENTAL HEROES

• Mr. AKAKA. Mr. President, I rise today to recognize the work and accomplishments of a team of individuals in Hawaii who have been honored by the National Oceanic and Atmospheric Administration (NOAA) as 1999 ''Environmental Heroes.'' We seldom take the time to recognize the outstanding accomplishments of those working at the community level, with high school students, far from Washington, D.C. Their dedication can make a big difference in people's lives and the health of our environment.

Honored in Hawaii were Hawaii Sea Grant's Extension Director Bruce Miller, Hawaii State Representative Brian Schatz, and Youth for Environment Service Coordinator Sean Casey.

This marks the third year that NOAA has recognized individuals and organizations throughout the United States for their ''tireless efforts to preserve and protect the nation's environment.'' The 1999 NOAA Class of Environmental Heroes included 34 individuals or programs, and the honorees are traditionally announced as part of Earth Day activities nationwide. Each honoree was also sent personal commendations from Vice President Al Gore who congratulated this year's heroes for their commitment and accomplishments in protecting the environment of our nation.

The Hawaii team was recognized for their creation of Youth for Environmental Service, called YES. The YES program educates and engages K–12 students in discussions of local environmental issues and activities that sustain the environment. YES gives students a chance to get involved through projects such as restoring trails, planting trees, picking up litter from beaches and streams, and more. To date, YES has given presentations to more than 65,000 students in 450 schools, involved 25,000 students in environmental community service projects, removed 20 tons of debris from Honolulu streams, restored one mile of the most used hiking trail on Oahu; planted approximately 2,000 plants, cleaned 40 beaches, stenciled more than 2,500 storm drains with a ''Dump No Waste'' message, and organized more than 350 other community service projects.

The YES project is an excellent example of the partnering of extension and educational goals through the University of Hawaii's Sea Grant Program. Mr. President, I extend my warmest congratulations to our three Hawaii Environmental Heroes.•

### CONGRATULATIONS TO US AIRWAYS

• Mr. SANTORUM. Mr. President, I rise today to congratulate one of the many employers in the Commonwealth of Pennsylvania which, through innovation and dynamic business planning, has recently received prestigious recognition. The W. Frank Barton School of Business at Wichita State University and the University of Nebraska at Omaha Aviation Institute have ranked US Airways number one in their annual ''Airline Quality Rating'' study.

I congratulate the over 16,000 Pennsylvanians who work at US Airways on their dedication and hard work. I also make special note of President and Chief Executive Officer Rakesh Gangwal, whose ongoing commitment to excellence has had a major impact on this airline, to the great benefit of our Commonwealth.

In my eight years of service in the U.S. House and Senate, I have watched as US Airways (formerly USAir) has struggled through some very difficult times. For this airline to be recognized as number one in quality only a few years after its financial struggles is a true testament to the energy and skill of its workforce and executives. An indication of this is Mr. Gangwal's first comment after learning of the quality rating, ''While we are very proud of our No. 1 ranking and its reflection of accomplishment, there is more to be done in meeting the needs of the traveling public and we are focused on achieving this goal.''

Again, I offer my congratulations to US Airways and its many employees. I look forward to continued work with its executives, management teams, and labor unions.•

### EFFORTS TO RESEARCH S.A.D.

• Mr. MURKOWSKI. Mr. President, I rise today to recognize the seventh and eighth graders from Dzantik'i Henni Middle School. They are doing important work by educating the public on something that affects much of Alaska in the winter: Seasonal Affective Disorder or SAD. This disorder causes severe depression during the winter months in Alaska when there can be up to 24 hours of darkness in some places.

About one in three Alaskans suffer from mild to severe Seasonal Affective Disorder. Researchers suggest SAD may play a role in a variety of Alaska's social and medical problems, ranging from spousal abuse to alcoholism.

These incredible students, led by teacher Robert Traul Jones, developed a community health project to combat SAD. The project had two major goals. The first was to educate people about depression and its impact on northern communities and their residents. The second goal was to provide affordable treatment for this condition. The students did this by designing, marketing and building high-intensity light boxes, which they distributed to the surrounding communities. The light boxes combat the daily darkness outside with light therapy.

Their efforts were extraordinarily successful. The students projected 10 units being sold and ended up selling 39 units. The students are currently working with the Juneau Economic Development Commission to transfer their business to a local nonprofit organization.

Mr. President, it is with great pride that I recognize the achievements of these students. Their hard work and dedication is an inspiration to us all. These are the future leaders of our country and our single greatest resource. The seventh and eighth grade students from Dzantik'I Heeni Middle School should be proud of their achievements in combating SAD.•

### THE 25TH ANNIVERSARY OF THE BLUE KNIGHTS INTERNATIONAL LAW ENFORCEMENT MOTORCYCLE CLUB

• Mr. CAMPBELL. Mr. President, I would like to take a moment to acknowledge the 25th year anniversary of the Blue Knights International Law Enforcement Motorcycle Club.

The Blue Knights International Law Enforcement Motorcycle Club is a fraternal organization of law enforcement professionals and their families actively serving communities throughout the United States, Canada, Australia, France, England, Belgium, the Netherlands, Luxembourg, Germany, Switzerland, Sweden, Norway and Mexico.

This fraternal organization was established in Bangor, Maine, in 1974 and has grown to more than 10,000 members both male and female. They share a common bond of promoting motorcycling, which includes safety and awareness to the non-motorcycle riding public.

In addition, the Blue Knights also assists many organizations and communities with developing and implementing fund-raising programs such as the March of Dimes ''Bikers for Babies,'' the Muscular Dystrophy Association, the Breast Cancer Foundation's ''Race for the Cure'' and the Blue

Knights ''Youth Identification Program.'' The combined efforts of the Blue Knights has made a positive contribution to society.

The Blue Knights began in April 1974 when Ed Gallant, a police officer with the Bangor Police Department, had an idea and several of his colleagues worked with him to see the idea become a reality. The idea was to form a motorcycle club for people in law enforcement. The news of the Blue Knights organization spread after an article in the Bangor Daily News was picked up by U.P.I. inquiries started pouring in and consequently chapters started to form worldwide.

As an honorary member of the Blue Knights, I have had the privilege of meeting numerous members from around the world and participate in many worthy causes. On this, their 25th anniversary, I applaud the efforts of the Blue Knights and look forward to learning of their future successes.●

## TRIBUTE TO KEN KNIGHT

● Mr. HATCH. Mr. President, I rise today to recognize and pay tribute to Kenneth Y. Knight, a fellow Utahan whose selfless contributions have benefited many, and whose indelible imprint will be felt for many years to come across the great State of Utah.

Ken Knight is truly a hero to the community of Salt Lake City. His selfless acts of kindness along with his unparalleled wisdom have made him one of the most respected individuals the State of Utah has had the good fortune of calling ''one of its own.''

Ken is truly a ''man for all seasons.'' He is a devoted husband and father, a highly respected businessman, a loyal community servant, and a deeply patriotic and religious leader.

Mr. Knight has had a life full of extraordinary achievement. As a youth, he gained the Boy Scouts of America Eagle Rank—an honor he continues to hold dear—and was elected student body president at his high school. He excelled in academics and athletics as well.

For the past several years, Ken Knight has distinguished himself in business, serving as Vice Chairman of the Board of Sinclair Oil Corporation and Little America. He was instrumental in the remarkable expansion of Sinclair and Little America, and he has mentored and shared his skills with dozens of corporate employees and community leaders.

Mr. Knight's special friend and professional partner R. Earl Holding recognized the value of Ken's service when he stated, ''Perhaps the biggest challenge I faced with Ken—a challenge in which I failed was to keep him to myself. Every organization, every board, and every worthwhile charity you can think of, all wanted him to be part of their cause. His personal contributions—in time and resources—have been profound. He loves the community and the community loves him. And he had the admiration and respect of civic and government leaders throughout the State of Utah.''

Many organizations in Utah have benefited from his service and involvement including—Intermountain Health Care, the Salt Lake City Chamber of Commerce, Brigham Young University, the Salt Lake Convention and Visitors Bureau, the Salt Place Advisory Board, the Utah Travel Council, LDS Hospital, U.S. West, Utah Economic Development Corporation, the LDS Foundation's National Executive Committee for Natural Resources, Utah Youth Village, and the Utah Symphony.

Gordon B. Hinckley, president of the Church of Jesus Christ of Latter-day Saints, described Mr. Knight this way: ''The measure of any man is his contribution to the society of which he is a part. Using that measure, Ken stands very tall. He truly has been a giant in our city. He knows the pulse of the community. He measures well before he leaps. There is nothing impetuous about him. He is quiet and methodical . . . He has been a good friend to each of us. He has been a man of singular accomplishment. We are all indebted to him.''

While serving as Chairman of the Utah Symphony, Mr. Knight was faced with a great challenge. ''Ken is the kind of person who relishes a challenge and it was in that spirit that he took on the chairmanship of the Utah Symphony during its darkest hour, when it had virtually depleted its reserves after running deficits for a period of several years,'' stated Harris H. Simmons, president and chief executive officer for Zions Bancorporation. To secure its future, he led legislative efforts and a public referendum to permanently devote civic funds for artistic achievement. This action not only saved the symphony, but it also widened cultural opportunities in dance, opera, theater, and other artistic expressions.

''When he was Chairman of the Salt Lake Convention and Visitors Bureau, he was the champion for expansion of the Salt Palace Convention Center, which has had a positive economic impact of hundreds of millions of dollars from increased convention and visitor spending,'' stated Richard E. Davis, president and CEO of the Bureau.

While serving the Chamber of Commerce he helped overhaul the Workers Compensation Fund in Utah. Fred Ball, who was the Executive Director of the Chamber at the time, stated, ''The results of his efforts have now made Utah one of the very best States in the Nation for both rates and for benefits. Costs and claims were reduced dramatically and all agree that without Ken Knight, it would never have happened. Every Utah business, large and small, are enjoying the efforts of Ken Knight.''

Ken and his wife Nancy have raised five wonderful children, all of whom are decent, responsible citizens and—like their parents—achievers. Perhaps the greatest tribute written about Ken comes from his daughter Lucy Knight Andre when she wrote: ''My father is often honored for his many professional and civic accomplishments. While those honors are well-deserved, they do not represent the most important and least known side of my father—his complete devotion to his family. He adores his children and his grandchildren, and everything he has done in his life has been for the ultimate benefit of his family . . . He taught us to work hard, laugh often, and never look at any problem as insurmountable. He has a great love for his Heavenly Father and an absolute commitment to his Church. He taught us by example the importance of service to our God and our fellow men. Whatever his myriad accomplishments in the community might be, those of us in his family have a remarkable legacy of ingenuity, devotion and love.''

These are indeed wonderful words for a truly remarkable man. It is an honor for me to call all of his magnificent achievements to the attention of the Senate.●

## SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES ACT AMENDMENTS

Mr. KYL. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 39, S. 609.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 609) to amend the Safe and Drug-Free Schools and Communities Act of 1994 to prevent the abuse of inhalants through programs under the Act.

There being no objection, the Senate proceeded to consider the bill.

Mr KYL. I ask unanimous consent the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed at this point in the RECORD.

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

The bill (S. 609) was read the third time and passed, as follows:

S. 609

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

**SECTION 1. DEFINITIONS.**

Section 4131 of the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7141) is amended by adding at the end the following:

''(7) ABUSE.—The term 'abuse', used with respect to an inhalant, means the intentional breathing of gas or vapors from the inhalant for the purpose of achieving an altered state of consciousness.

''(8) DRUG.—The term 'drug' includes a substance that is an inhalant, whether or not possession or consumption of the substance is legal.

''(9) INHALANT.—The term 'inhalant' means a product that—

''(A) may be a legal, commonly available product; and

''(B) has a useful purpose but can be abused, such as spray paint, glue, gasoline, correction fluid, furniture polish, a felt tip marker, pressurized whipped cream, an air freshener, butane, or cooking spray.

''(10) USE.—The term 'use', used with respect to an inhalant, means abuse of the inhalant.''.

**SEC. 2. FINDINGS.**

Section 4002 of the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7102) is amended—

(1) in paragraph (2), by inserting '', and the abuse of inhalants,'' after ''other drugs'';

(2) in paragraph (5), by striking ''and the illegal use of alcohol and drugs'' and inserting '', the illegal use of alcohol and drugs, and the abuse of inhalants'';

(3) in paragraph (7), by striking ''and tobacco'' each place it appears and inserting '', tobacco, and inhalants'';

(4) in paragraph (9), by striking ''and illegal drug use'' and inserting '', illegal drug use, and inhalant abuse''; and

(5) by adding at the end the following:

''(11)(A) The number of children using inhalants has doubled during the 10-year period preceding 1999. Inhalants are the third most abused class of substances by children age 12 through 14 in the United States, behind alcohol and tobacco. One of 5 students in the United States has tried inhalants by the time the student has reached the 8th grade.

''(B) Inhalant vapors react with fatty tissues in the brain, literally dissolving the tissues. A single use of inhalants can cause instant and permanent brain, heart, kidney, liver, and other organ damage. The user of an inhalant can suffer from Sudden Sniffing Death Syndrome, which can cause a user to die the first, tenth, or hundredth time the user uses an inhalant.

''(C) Because inhalants are legal, education on the dangers of inhalant abuse is the most effective method of preventing the abuse of inhalants.''.

**SEC. 3. PURPOSE.**

Section 4003 of the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7103) is amended, in the matter preceding paragraph (1), by inserting ''and abuse of inhalants'' after ''and drugs''.

**SEC. 4. GOVERNOR'S PROGRAMS.**

Section 4114(c)(2) of the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7114(c)(2)) is amended by inserting ''(including inhalant abuse education)'' after ''drug and violence prevention''.

**SEC. 5. DRUG AND VIOLENCE PREVENTION PROGRAMS.**

Section 4116 of the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7116) is amended—

(1) in subsection (a)(1)(A), by inserting '', and the abuse of inhalants,'' after ''illegal drugs''; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by inserting ''and the abuse of inhalants'' after ''use of illegal drugs''; and

(ii) by inserting ''and abuse inhalants'' after ''use illegal drugs''; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by inserting ''(including age appropriate inhalant abuse prevention programs for all students, from the preschool level through grade 12)'' after ''drug prevention''; and

(ii) in subparagraph (C), by inserting ''and inhalant abuse'' after ''drug use''.

**SEC. 6. FEDERAL ACTIVITIES.**

Section 4121(a) of the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7131(a)) is amended, in the first sentence, by striking ''illegal use of drugs'' and inserting ''illegal use of drugs, the abuse of inhalants,''.

**SEC. 7. MATERIALS.**

Section 4132(a) of the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7142(a)) is amended by striking ''illegal use of alcohol and other drugs'' and inserting ''illegal use of alcohol and other drugs and the abuse of inhalants''.

**SEC. 8. QUALITY RATING.**

Section 4134(b)(1) of the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7144(b)(1)) is amended by inserting '', and the abuse of inhalants,'' after ''tobacco''.

## USE OF THE CAPITOL GROUNDS

Mr. KYL. Mr. President, I ask unanimous consent that H. Con. Res. 49 be discharged from the Rules Committee and, further, the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

A House concurrent resolution (H. Con. Res. 49) authorizing the use of the Capitol Grounds for a bike rodeo to be conducted by the Earth Force Youth Bike Summit.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. KYL. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to and the motion to reconsider be laid upon the table.

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

The concurrent resolution (H. Con. Res. 49) was agreed to.

## ORDERS FOR MONDAY, MAY 3, 1999

Mr. KYL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 12 noon, on Monday, May 3. I further ask that on Monday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate begin a period of morning business equally divided between the two parties for 1 hour, with Senators allowed to speak for up to 10 minutes each. I further ask consent that Sunday not count against the provision of the War Powers Act.

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

## PROGRAM

Mr. KYL. Mr. President, for the information of all Senators, the Senate will convene on Monday at 12 noon and be in a period of morning business until 1 p.m. Following morning business, the Senate will immediately begin consideration of the McCain resolution, S.J. Res. 20, pursuant to the provisions of the War Powers Act. A rollcall vote on or in relation to S.J. Res. 20, concerning the deployment of U.S. Armed Forces to the Kosovo region in Yugoslavia, is expected to take place at 5:30 on Monday.

For the information of all Senators, consideration of the financial modernization bill is expected to begin on Tuesday and conclude on Thursday evening.

## DEPLOYMENT OF U.S. FORCES IN YUGOSLAVIA

(Pursuant to 50 U.S.C. 1545(b), S.J. Res. 20 ''Concerning the Deployment of United States Armed Forces to the Kosovo region in Yugoslavia'' is the pending business.)

The joint resolution is as follows:

S.J. RES. 20

Whereas the United States and its allies in the North Atlantic Treaty Organization are conducting large-scale military operations against the Federal Republic of Yugoslavia (Serbia and Montenegro); and

Whereas the Federal Republic of Yugoslavia (Serbia and Montenegro) has refused to comply with NATO demands that it withdraw its military, paramilitary and security forces from the province of Kosovo, allow the return of ethnic Albanian refugees to their homes, and permit the establishment of a NATO-led peacekeeping force in Kosovo: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the President is authorized to use all necessary force and other means, in concert with United States allies, to accomplish United States and North Atlantic Treaty Organization objectives in the Federal Republic of Yugoslavia (Serbia and Montenegro).

## ADJOURNMENT UNTIL MONDAY, MAY 3, 1999

Mr. KYL. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 1:02 p.m., adjourned until Monday, May 3, 1999, at noon.

## NOMINATIONS

Executive nominations received by the Senate April 30, 1999:

THE JUDICIARY

FRANK H. MCCARTHY, OF OKLAHOMA, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF OKLAHOMA, VICE THOMAS RUTHERFORD BRETT, RETIRED.

# HOUSE OF REPRESENTATIVES—*Monday, May 3, 1999*

The House met at 2 p.m. and was called to order by the Speaker pro tempore (Mrs. BIGGERT).

## DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
*May 3, 1999.*

I hereby appoint the Honorable JUDY BIGGERT to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
*Speaker of the House of Representatives.*

## PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

With gratefulness and praise, O gracious God, we laud Your name for the strength You provide for us in all the seasons of life. In times of great anxiety and sorrow, Your spirit comforts and sustains our very souls; in times of great joy and acclaim, Your spirit encourages us in our celebration of life. Whether in tears or laughter, whether in illness or health, Your presence in our lives gives meaning and purpose and confidence for this day. For all Your gifts to us and to all people we offer this our earnest prayer. Amen.

## THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nevada (Mr. GIBBONS) come forward and lead the House in the Pledge of Allegiance.

Mr. GIBBONS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Sherman Williams, one of his secretaries.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 49. Concurrent resolution authorizing the use of the Capitol Grounds for a bike rodeo to be conducted by the Earth Force Youth Bike Summit.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 609. An act to amend the Safe and Drug-Free Schools and Communities Act of 1994 to prevent the abuse of inhalants through programs under that Act, and for other purposes.

## COMMUNICATION FROM CHAIRMAN, HOUSE REPUBLICAN CONFERENCE

The SPEAKER pro tempore laid before the House a communication from the Honorable J.C. WATTS, Jr., Chairman, House Republican Conference:

HOUSE REPUBLICAN CONFERENCE,
HOUSE OF REPRESENTATIVES,
*Washington, DC, April 30, 1999.*

Hon. J. DENNIS HASTERT,
*Speaker, House of Representatives, Washington, DC.*

DEAR MR. SPEAKER: I write to notify you pursuant to L. Deschler, 3 Deschler's Precedents of the United States House of Representatives ch. 11, §14.8 (1963), that I have been served with an administrative agency subpoena (in my capacity as Chairman of the House Republican Conference) issued by the Federal Election Commission. The subpoena seeks information and documents relating to Conference activity from 1996.

Sincerely,

J.C. WATTS, Jr.,
*Chairman.*

## COMMUNICATION FROM THE HONORABLE JOHN A. BOEHNER, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable JOHN A. BOEHNER, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*April 30, 1999.*

Hon. J. DENNIS HASTERT,
*Speaker, House of Representatives, Washington, DC.*

DEAR MR. SPEAKER: This is to notify you pursuant to L. Deschler, 3 Deschler's Precedents of the United States House of Representatives ch. 11 §14.8 (1963), that I have been served with an administrative agency subpoena issued by the Federal Election Commission.

Sincerely,

JOHN A. BOEHNER.

## COMMUNICATION FROM STAFF MEMBER OF THE HONORABLE JOHN A. BOEHNER, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from Barry Jackson, Chief of Staff to the Honorable JOHN A. BOEHNER, Member of Congress:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
*April 30, 1999.*

Hon. J. DENNIS HASTERT,
*Speaker, U.S. House of Representatives, Washington, DC.*

DEAR MR. SPEAKER: This is to notify you pursuant to L. Deschler, 3 *Deschler's Precedents of the United States House of Representatives* ch. 11, §14.8 (1963), that I have been served with an administrative agency subpoena issued by the Federal Election Commission.

Sincerely,

BARRY JACKSON,
*Chief of Staff.*

## OUR COLLEGES AND UNIVERSITIES ARE THE FOUNDATIONS OF AMERICAN INTELLECT

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Madam Speaker, today I rise in recognition of our colleges and universities for they are the foundations of America's intellect as they prepare our young men and women for their futures.

The University of Nevada-Reno has strengthened that foundation and is receiving national recognition for a program that helps student athletes complete their degrees after their sports eligibility expires.

The National Consortium for Academics and Sports based in Orlando, Florida, recently honored the University of Nevada-Reno's program as a model for more than 100 colleges and universities that utilize the consortium's services.

Member schools invite former scholarship student athletes back to campus in order to complete degree requirements. In exchange, the former student athletes participate in community service and youth outreach. This is a

winning approach for the students, the university and the surrounding communities.

I applaud the University of Nevada-Reno and its continued excellence in education.

## NATIONAL EMERGENCY WITH RESPECT TO NARCOTICS TRAFFICKERS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106–56)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

*To the Congress of the United States:*

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to significant narcotics traffickers centered in Colombia that was declared in Executive Order 12978 of October 21, 1995.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 3, 1999*.

## ECONOMIC SANCTIONS REGARDING REPUBLIC OF YUGOSLAVIA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106–51)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

*To the Congress of the United States:*

In response to the brutal ethnic cleansing campaign in Kosovo carried out by the military, police, and paramilitary forces of the Federal Republic of Yugoslavia (Serbia and Montenegro), the NATO allies have agreed to buttress NATO's military actions by tightening economic sanctions against the Milosevic regime. Pursuant to section 204(b) of the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1703(b)), I hereby report to the Congress that, in order to implement the measures called for by NATO, I have exercised my statutory authority to take additional steps with respect to the continuing human rights and humanitarian crisis in Kosovo and the national emergency described and declared in Executive Order 13088 of June 9, 1998.

Pusuant to this authority, I have issued a new Executive order that:

—expands the assets freeze previously imposed on the assets of the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), the Republic of Serbia, and the Republic of Montenegro subject to U.S. jurisdiction, by removing the exemption in Executive Order 13088 for financial transactions by United States persons conducted exclusively through the domestic banking system within the Federal Republic of Yugoslavia (Serbia and Montenegro) or using bank notes or barter;

—prohibits exports or reexports, directly or indirectly, from the United States or by a United States person, wherever located, of goods, software, technology, or services to the Federal Republic of Yugoslavia (Serbia and Montenegro) or the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), the Republic of Serbia, or the Republic of Montenegro;

—prohibits imports, directly or indirectly, into the United States of goods, software, technology, or services from the Federal Republic of Yugoslavia (Serbia and Montenegro) or owned or controlled by the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), the Republic of Serbia, or the Republic of Montenegro;

—prohibits any transaction or dealing, including approving, financing, or facilitating, by a United States person, wherever located, related to trade with or to the Federal Republic of Yugoslavia (Serbia and Montenegro) or the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), the Republic of Serbia, or the Republic of Montenegro.

The trade-related prohibitions apply to any goods (including petroleum and petroleum products), software, technology (including technical data), or services, except to the extent excluded by section 203(b) of IEEPA (50 U.S.C. 1702(b)).

The ban on new investment by United States persons in the territory of Serbia—imposed by Executive Order 13088—continues in effect.

The Executive order provides that the Secretary of the Treasury, in consultation with the Secretary of State, shall give special consideration to the circumstances of the Government of the Republic of Montenegro. As with Executive Order 13088, an exemption from the new sanctions has been granted to Montenegro. In implementing this order, special consideration is also to be given to the humanitarian needs of refugees from Kosovo and other civilians within the Federal Republic of Yugoslavia (Serbia and Montenegro).

In keeping with my Administration's new policy to exempt commercial sales of food and medicine from sanctions regimes, the Executive order directs the Secretary of the Treasury, in consultation with the Secretary of State, to authorize commercial sales of agricultural commodities and products, medicine, and medical equipment for civilian end use in the Federal Republic of Yugoslavia (Serbia and Montenegro). Such sales are to be subject to appropriate safeguards to prevent diversion to military, paramilitary, or political use by the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), the Republic of Serbia, or the Republic of Montenegro.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *April 30, 1999*.

## CONTINUING NATIONAL EMERGENCY WITH RESPECT TO SUDAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106–58)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

*To The Congress of the United States:*

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c) and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 3, 1999*.

## SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

## EVERYONE IS WORSE OFF BY STARTING THIS WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Madam Speaker, I read this weekend an article from The Washington Post that said our bombs have done $50 billion worth of damage to Yugoslavia. Also, the article said that this was more bombing than that country had sustained during all of World War II when it was bombed by both sides, and that unemployment there is now over 50 percent.

Yugoslavia is a relatively small country geographically, with a population about equal to that of Tennessee and North Carolina combined. It is obvious that Yugoslavia and especially

an economically devastated Yugoslavia cannot hold out much longer against the massive firepower we have unleashed. Then the President will be able to declare a great victory. But what will we have accomplished, really?

As I have said before and many syndicated columnists from liberal to conservative have written, we made the situation and especially the refugee crisis many times worse by everything we have done there. I read Friday in the Washington Post that one of our bombs missed and hit a house where 11 children were killed. Also, we hit a bus where even more children were killed.

We are making enemies out of friends, creating a reputation around the world for the U.S. as a bully state or, as one person said, the largest rogue nation.

All of this at tremendous expense of many billions to the American taxpayer thus far and many billions more to resettle and reconstruct the country after the bombing stops.

All of this in a vain and hopeless attempt to stop a civil war where ethnic and religious fighting has gone on for centuries and will come back once again unless we stay there forever at a tremendous cost to our children and grandchildren.

I do not agree with Reverend Jessie Jackson on very much, but I commend him for getting our prisoners released, and I join him in urging our leaders to show a little at least humility and attempt to settle this mess and get us out of there, the sooner the better.

Madam Speaker, one of the best summaries of this situation came not from a syndicated columnist but from a letter to the editor of the Washington Times by a man named Steven Costello of Lake Jackson, Texas.

Mr. Costello wrote, ''it concerns me that the President has ordered U.S. war planes to bomb a sovereign country where we have no national security interest. It concerns me that the President has involved America in a civil war that has lasted for centuries over religious and national disagreements that a few cruise missiles cannot possibly resolve. It concerns me that this bombing is being conducted under the auspices of NATO, even though no member country of the NATO alliance has been attacked. It concerns me that Russia has condemned the NATO attacks against Yugoslavia.

''But what concerns me the most,'' Mr. Costello continued, ''is the real possibility that President Clinton, by misusing his authority as commander in chief in an apparent effort to manipulate media attention away from his shortcomings, is cultivating a generation of America-haters across the globe. By his indiscriminate bombing of Iraq, Afghanistan, the Sudan and Yugoslavia, is there a growing generation of disgruntled fathers, sons and brothers of those killed by our cruise missiles who are vowing to extract vengeance some day by shedding American blood?

Are our innocent sons, being raised today on Main Street USA, the future private Ryans who some day will face the disgruntled generation on the battlefield, all because of Mr. Clinton's present and past indiscretions?''

These are good questions and serious questions that need to be asked for as long as we continue to fund and carry out this very unjust war.

In a column in last Thursday's USA's Today, Charles Colson gave several reasons why this war could not be called a just war, among which he wrote, quote, the damage inflicted by a just war must be proportionate to the objectives of the war. So far, Mr. Colson said, we are not preventing suffering in proportion to what we are causing. As anyone should have reasonably expected, our attacks only emboldened Milosevic, resulting in more suffering and more ethnic Albanians being driven from their homes, unquote.

Mr. Colson is right. No one is defending Milosevic, the Communist dictator, but he never threatened us or any other country in any way. We made everyone worse off by starting this war.

If our President and Secretary of State were attempting to improve their legacies as great world leaders, they have not only failed, they have failed miserably.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DUNCAN) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes each, on May 4 and 5.

Mr. RYAN of Wisconsin, for 5 minutes, on May 4.

Mr. DUNCAN, for 5 minutes, today.

Mr. HULSHOF, for 5 mintues, on May 4.

Mr. SOUDER, for 5 minutes each, on May 4 and 5.

Mr. TOOMEY, for 5 minutes, on May 4.

## SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 609. An act to amend the Safe and Drug-Free Schools and Communities Act of 1994 to prevent the abuse of inhalants through programs under that Act, and for other purposes; to the Committee on Education and the Workforce.

## ADJOURNMENT

Mr. DUNCAN. Madame Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 15 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, May 4, 1999, at 12:30 p.m., for morning hour debates.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1791. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Cyprodinil; Pesticide Tolerance for Emergency Exemption [OPP–300833; FRL–6073–3] (RIN: 2070–AB–78) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1792. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Cyromazine; Extension of Tolerance for Emergency Exemptions [OPP–300831; FRL–6072–3] (RIN: 2070–AB78) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1793. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Fluthiacet-methyl; Pesticide Tolerance [OPP–300829; FRL 6072–2] (RIN: 2070–AB78) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1794. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Imidacloprid; Pesticide Tolerances for Emergency Exemptions; Correction [OPP–300771A; FRL–6071–6] (RIN: 2070–AB78) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1795. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Pyriproxyfen (2-[1-methyl-2- (4-phenoxyphenoxy) ethoxy]pyridine; Pesticide Tolerance [OPP–300830; FRL–6071–3] (RIN: 2070–AB78) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1796. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Tebufenozide; Benzoic Acid, 3,5-dimethyl-1- (1,1-dimethylethyl)-2- (4-ethylbenzoyl) hyrazide; Pesticide Tolerances [OPP–300839; FRL–6073–9] (RIN: 2070–AB78) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1797. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; District of Columbia; Withdrawal of Final Rule [DC017–2013a; FRL–6323–5] received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1798. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality State Implementation Plans (SIP); Texas: Motor Vehicle

Inspection and Maintenance (I/M) Program [TX–84–1–7341a; FRL–6324–2] received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1799. A communication from the President of the United States, transmitting a report on developments concerning the national emergency with respect to significant narcotics traffickers centered in Colombia that was declared in Executive Order No. 12978 of October 21, 1995, pursuant to 50 U.S.C. 1703(c); (H. Doc. No. 106–56); to the Committee on International Relations and ordered to be printed.

1800. A communication from the President of the United States, transmitting a report on developments concerning the national emergency with regards to Kosovo as described and declared in Executive Order 13088 of June 9, 1998, pursuant to 50 U.S.C. 1703(c); (H. Doc. No. 106–57); to the Committee on International Relations and ordered to be printed.

1801. A communication from the President of the United States, transmitting a report on developments concerning the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997, and matters relating to the measures in that order, pursuant to 50 U.S.C. 1641(c); (H. Doc. No. 106–58); to the Committee on International Relations and ordered to be printed.

1802. A communication from the President of the United States, transmitting Progress toward a negotiated settlement of the Cyprus question covering the period December 1, 1998, to January 31, 1999, pursuant to 22 U.S.C. 2373(c); to the Committee on International Relations.

1803. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's annual report on international terrorism entitled ''Patterns of Global Terrorism: 1998,'' pursuant to 22 U.S.C. 2656f; to the Committee on International Relations.

1804. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting Copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

1805. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification that effective March 28, 1999, the 25% danger pay allowance for the United Nations Transitional Administration for Eastern Slavonia in Vukovar, Croatia was eliminated, pursuant to 5 U.S.C. 5928; to the Committee on International Relations.

1806. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification that effective March 19, 1999, the danger pay rate for Kampala, Uganda is designated at the 15% level, pursuant to 5 U.S.C. 5928; to the Committee on International Relations.

1807. A letter from the General Counsel, Arms Control and Disarmament Agency, transmitting copies of the English and Russian texts of Joint Compliance and Inspection Commission Joint Statement 31, negotiated and concluded during the Nineteenth Session of the JCIC; to the Committee on International Relations.

1808. A letter from the Chairman, Broadcasting Board of Governors, transmitting a draft of proposed legislation to authorize appropriations for U.S. international broadcasting, and to amend the United States International Broadcasting Act of 1994, as amended; to the Committee on International Relations.

1809. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a Report Concerning Minorities and the Foreign Service Officer Corps; to the Committee on International Relations.

1810. A communication from the President of the United States, transmitting a report to the Congress on Chemical and Biological Weapons Defense, submitted pursuant to Condition 11(F) of the resolution of advice and consent to ratification of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction, adopted by the United States Senate on April 24, 1997; to the Committee on International Relations.

1811. A letter from the Secretary of State, transmitting a modification to the reorganization plan submitted by the President on December 30, 1998; to the Committee on International Relations.

1812. A letter from the Administrator and Chief Executive Officer, Bonneville Power Administration, Department of Energy, transmitting the 1998 Annual Report of the Bonneville Power Administration, pursuant to 31 U.S.C. 9106; to the Committee on Government Reform.

1813. A letter from the Chief Financial Officer, Export-Import Bank, transmitting the Bank's Annual Management Report for the year ended September 30, 1998, pursuant to 31 U.S.C. 9106; to the Committee on Government Reform.

1814. A letter from the Vice President, Federal Financing Bank, transmitting the Annual Management Report of the Federal Financing Bank for fiscal year 1998, pursuant to 31 U.S.C. 9106; to the Committee on Government Reform.

1815. A letter from the Managing Director, Federal Housing Finance Board, transmitting the Board's annual Sunshine Act report covering calendar year 1998, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform.

1816. A letter from the Director, Financial Management, General Accounting Office, transmitting the FY 1998 annual report of the Comptrollers' General Retirement System, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Reform.

1817. A letter from the President and Chief Executive Officer, Overseas Private Investment Corporation, transmitting the Corporation's annual management report, pursuant to 31 U.S.C. 9106; to the Committee on Government Reform.

1818. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting a draft of proposed legislation to amend the National Trails System Act to designate El Camino Real de Tierra Adentro as a National Historic Trail; to the Committee on Resources.

1819. A letter from the Acting Assistant Attorney General, Civil Rights Division, Department of Justice, transmitting the Department's final rule—Architectural and Transportation Barriers Compliance Board [A.G. Order No. 2191–98] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1820. A letter from the Vice President, Communications, Tennessee Valley Authority, transmitting the Statistical Summary for Fiscal Year 1998, pursuant to 16 U.S.C. 831h(a); to the Committee on Transportation and Infrastructure.

1821. A letter from the Principal Deputy Assistant Secretary for Congressional Affairs, Department of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to authorize VA to furnish the Department of Defense with drug and alcohol treatment resources; jointly to the Committees on Veterans' Affairs and Armed Services.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ROHRABACHER:

H.R. 1654. A bill to authorize appropriations for the National Aeronautics and Space Administration for fiscal years 2000, 2001, and 2002, and for other purposes; to the Committee on Science.

By Mr. CALVERT:

H.R. 1655. A bill to authorize appropriations for fiscal years 2000 and 2001 for the civilian energy and scientific research, development, and demonstration and related commercial application of energy technology programs, projects, and activities of the Department of Energy, and for other purposes; to the Committee on Science.

H.R. 1656. A bill to authorize appropriations for fiscal years 2000 and 2001 for the commercial application of energy technology and related civilian energy and scientific programs, projects, and activities of the Department of Energy, and for other purposes; to the Committee on Science, and in addition to the Committees on Commerce, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WAXMAN (for himself, Mr. SAXTON, Mr. PALLONE, Mr. BONIOR, Mr. BLUMENAUER, Mr. DEFAZIO, Ms. PELOSI, Mr. GUTIERREZ, Mr. GEJDENSON, Mr. ABERCROMBIE, Mr. SMITH of New Jersey, Mr. HASTINGS of Florida, Mr. MARKEY, Mr. NADLER, Mr. CLYBURN, Mr. EVANS, Mr. BROWN of Ohio, Mrs. MEEK of Florida, Mr. DELAHUNT, Mr. BERMAN, Mr. GOSS, Ms. DEGETTE, Ms. KILPATRICK, Mr. BORSKI, Mr. UNDERWOOD, Mr. GREEN of Texas, Mr. MEEHAN, Mr. HINCHEY, Mrs. MALONEY of New York, Ms. ESHOO, Mr. LEACH, Mr. COOK, Mrs. ROUKEMA, Ms. MCCARTHY of Missouri, Mr. RUSH, Mr. PASCRELL, Mr. ROTHMAN, Mr. LEVIN, Mr. ALLEN, Mr. CLAY, Mr. METCALF, Mr. MCDERMOTT, Mr. OLVER, Mr. LAFALCE, Mr. LANTOS, Mr. KUCINICH, Mr. LEWIS of Georgia, Ms. BROWN of Florida, Mr. ANDREWS, Mr. KENNEDY of Rhode Island, Mr. FORBES, Mr. BLAGOJEVICH, Ms. NORTON, Mr. KILDEE, Mr. OBERSTAR, Mr. ACKERMAN, Mr. UDALL of Colorado, Mr. GEORGE MILLER of California, Mr. FILNER, Ms. MILLENDER-MCDONALD, Ms. STABENOW, Mr. TIERNEY, Mr. WEXLER, Mr. COYNE, Mrs. LOWEY, Mr. MALONEY of Connecticut, Mr. HOLT, Mr. SMITH of Washington, Mr. VENTO, Mr. MCNULTY, Mr. BARRETT of Wisconsin, Mr. DIXON, Ms. DELAURO, Ms. ROYBAL-ALLARD, Mr. SHAYS, Mr. SANDERS, Mr. WYNN, Mr. SERRANO, Mr. CAPUANO, Mr. MCGOVERN, Mr. STARK, Ms. WATERS, Mr. CUMMINGS, Mr. DICKS, Mrs. JOHNSON of Connecticut, Mr. UDALL of New Mexico, Mr. JACKSON of Illinois, Mr. DAVIS of Illinois, Mr. SABO, Ms. WOOLSEY, Mr.

FARR of California, Ms. MCKINNEY, Mr. PAYNE, Mr. SHERMAN, Mr. CARDIN, Mr. MOAKLEY, Ms. HOOLEY of Oregon, Mr. BROWN of California, Mr. NEAL of Massachusetts, Ms. JACKSON-LEE of Texas, Ms. SLAUGHTER, Mrs. MORELLA, Mrs. CLAYTON, Mr. TOWNS, Mr. MENENDEZ, Ms. SCHAKOWSKY, Ms. LEE, Mr. BALDACCI, Mr. PASTOR, Ms. LOFGREN, Mr. FRELINGHUYSEN, Mr. FALEOMAVAEGA, Ms. SANCHEZ, Ms. EDDIE BERNICE JOHNSON of Texas, Mrs. MINK of Hawaii, Mr. MATSUI, Mr. KIND, Mr. FRANK of Massachusetts, Mr. MORAN of Virginia, Mr. ENGEL, Mr. MARTINEZ, and Mrs. TAUSCHER):

H.R. 1657. A bill to disclose environmental risks to children's health and expand the public's right to know about toxic chemical use and release, and for other purposes; to the Committee on Commerce.

By Mrs. MEEK of Florida:

H. Res. 156. A resolution commending the Reverend Jesse L. Jackson, Sr. on securing the release of Specialist Steven Gonzales of Huntsville, Texas, Staff Sergeant Andrew Ramirez of Los Angeles, California, and Staff Sergeant Christopher Stone of SMITHs Creek, Michigan, from captivity in Belgrade, Yugoslavia; to the Committee on International Relations.

## MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

43. The SPEAKER presented a memorial of the House of Delegates of the Commonwealth of Virginia, relative to House Joint Resolution No. 245 memorializing the Congress of the United States to place the Preamble of the Constitution of the United States and the Bill of Rights on the one-dollar bill; to the Committee on Banking and Financial Services.

44. Also, a memorial of the Senate of the State of Maine, relative to Senate Paper #531 memorializing the Congress of the United States to direct the Department of Housing and Urban Development to release an amount of funds commensurate with the extent of the devastation incurred by the State's electric utilities and their customers from the funds appropriated by Public Law 105–174; to the Committee on Banking and Financial Services.

45. Also, a memorial of the House of Delegates of the Commonwealth of Virginia, relative to House Joint Resolution No. 499 memorializing the General Assembly of Virginia to reaffirm its notice to the federal government that the Commonwealth strongly opposes any effort to weaken the powers reserved to the states and the people by the 10th Amendment of the Constitution of the United States; to the Committee on the Judiciary.

46. Also, a memorial of the Legislature of the State of Nebraska, relative to Legislative Resolution No. 10 memorializing the Congress of the United States to propose to the states an amendment to Article I, section 2, of the United States Constitution that would increase the length of the terms of office for members of the House of Representatives from two years to four years with one-half of the members' terms expiring every two years; to the Committee on the Judiciary.

## ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 72: Mr. PALLONE.

H.R. 274: Mr. OBERSTAR.

H.R. 413: Mr. FARR of California, Mr. INSLEE, Mr. LEWIS of Georgia, Mr. SMITH of New Jersey, Mrs. MORELLA, Mr. MICA, and Mr. GUTIERREZ.

H.R. 637: Mr. MOORE, Mr. ALLEN, and Mr. ENGLISH.

H.R. 775: Mr. FORBES.

H.R. 852: Mr. SMITH of Washington.

H.R. 921: Mrs. EMERSON.

H.R. 958: Ms. CARSON AND MR. DAVIS of Illinois.

H.R. 974: Mr. SHAYS.

H.R. 1144: Ms. WOOLSEY and Mr. MCINNIS.

H.R. 1170: Ms. SLAUGHTER and Mr. UNDERWOOD.

H.R. 1245: Mr. WAXMAN, Mr. MEEHAN, Mr. WEINER, Mrs. JONES of Ohio, and Mr. NADLER.

H.R. 1247: Ms. LOFGREN.

H.R. 1256: Mr. MCINTOSH, Ms. PRYCE of Ohio, Mr. COBURN, and Mr. FOLEY.

H.R. 1334: Mr. NETHERCUTT, Mr. MCCRERY, and Mr. CHAMBLISS.

H.R. 1358: Mr. PALLONE.

H.R. 1413: Mr. CANADY of Florida and Mr. STEARNS.

H.R. 1443: Ms. MCKINNEY, Mr. JACKSON of Illinois, and Mr. PASTOR.

H.R. 1491: Mr. THOMPSON of Mississippi.

H.R. 1496: Mr. DEAL of Georgia, Mr. MANZULLO, Mr. ENGLISH, and Ms. MILLENDER-MCDONALD.

H.R. 1519: Mr. ENGLISH.

H.J. Res. 34: Mr. KOLBE.

# SENATE—*Monday, May 3, 1999*

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

## PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, who hears and answers prayer, we praise You for the answer to our prayers for the release of the three American soldiers imprisoned in Yugoslavia. A week ago today, we joined with millions of people in prayer for them. Today we praise You for the release of Staff Sergeants Christopher J. Stone and Andrew Ramirez and Specialist Steven M. Gonzales. Thank You for the strategic part Jesse Jackson played in the negotiations for their release.

Now, Father, with the same intercessory intensity we pray for the debate here in the Senate on the next steps in the NATO strategy for ending the ethnic cleansing in Kosovo and a safe return of all refugees to their homes. Be with the Senators as they search for an answer. Give them open minds to listen to You and to one another.

The days of this busy week stretch out before us. We commit them to You. Make them productive. We yield our minds to discern Your divine solutions to our problems. Only You have the true perspective, and by Your Spirit You can help us to see through Your eyes. We trust You, for You are faithful. Through our Lord and Saviour. Amen.

## RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

Mr. HAGEL. I thank the Chair.

## SCHEDULE

Mr. HAGEL. Mr. President, the Senate will be in a period of morning business until 1 p.m. today. Following morning business, the Senate will immediately begin consideration of the McCain resolution, Senate Joint Resolution 20, pursuant to provisions of the War Powers Act. A rollcall vote on or in relation to Senate Joint Resolution 20 concerning the deployment of U.S. Armed Forces to the Kosovo region in Yugoslavia is expected to take place at 5:30 p.m. today.

For the information of all Senators, consideration of the financial modernization bill is expected to begin on Tuesday and hopefully conclude on Thursday evening.

Mr. President, I note the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. VOINOVICH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HAGEL). Without objection, it is so ordered.

The Senator from Ohio is recognized.

Mr. VOINOVICH. I thank the Chair.

## MORNING BUSINESS

## MCCAIN RESOLUTION REGARDING KOSOVO

Mr. VOINOVICH. Mr. President. I rise today to oppose the McCain Resolution.

First, I congratulate Reverend Jesse Jackson, Congressman ROD BLAGOJEVICH, Joan Brown Campbell and religious leaders for the release of our three servicemen. I am particularly proud that Joan Campbell, the Secretary General of the National Council of Churches and the mother of County Commissioner Jane Campbell, and Father Irinej Dobrijevic, a Serbian-American Priest from St. Sava Orthodox Cathedral in Cleveland, were major participants in the release.

I pray that the letter from Jesse Jackson to President Clinton and other diplomatic moves this weekend with President Yeltsin of Russia will bring all parties to the table so we can end the bombing, death and destruction that is going on in Serbia and Kosovo.

Mr. President, I am astonished at the negative reaction. In fact, Elizabeth Sullivan in today's Cleveland Plain Dealer pointed out that ''the alliance sneers at Yugoslav President Slobodan Milosevic's latest offer, to accept a lightly armed U.N. peace force, refusing to treat it as the basis for further talks.''

In my opinion, our State Department, President and NATO are allowing their egos to get in the way of their common sense and good judgment.

It was this hubris—which is defined as ''excessive pride or self-confidence; arrogance''—and their miscalculation of the importance of Kosovo to the Serbian people and Milosevic that got us into this mess.

It appears that they are ''hell bent'' to get us into a major war that will have catastrophic impact on our domestic and international responsibilities for years to come and may well ignite destabilization of southeast Europe, a new cold war with Russia and the creation of new alliances by this country's adversaries who we have been working to bring into the international community.

I believe it is time to stop the bombing, reduce hostilities on both sides and resume negotiations to bring about peace and restore stability to the region.

I agree with the sentiments expressed yesterday by Majority Leader TRENT LOTT who said ''let's see if we can't find a way to get the bombing stopped, get Milosevic to pull back his troops, find a way to get the Kosovars to go back in a secure way. Short of that, I see a quagmire that is going to go on. It's going to get bloodier.''

So, before we vote on this resolution and continue down the path to a further escalation and a greater involvement, there are three things that we have to ask ourselves: (1) What is the price? (2) What is the risk? (3) What is the prize?

The main price that will be paid will be done so in human lives. There will be casualties—American and NATO troops, Kosovar civilians and refugees, Serb civilians as well as civilians in neighboring countries where we've already mistakenly dropped bombs.

We have to remember the experience of World War II, where 700,000 German troops were held-off by 150,000 Serb guerrillas. Are we willing to make such a commitment?

We also have to consider the financial impact of this war so far. Thus far, it is being paid for by Social Security. If the war escalates to include ground forces and if we're totally honest with the American people, we have to tell them that one of three things will happen to pay for this war—

(1) we'll continue to use Social Security to pay for it and the deficit will go up;

(2) we'll reduce spending for domestic programs; or

(3) we'll increase taxes.

In addition, each passing day further diminishes the readiness of our armed forces. We already have a terrible readiness problem—this campaign is only making it worse.

Indeed, comments made by General Richard Hawley, head of the U.S. Air Combat Command indicate that we could run out of the state-of-the-art satellite-guided Joint Direct Attack Munition (JDAM) for our B–2 Stealth bombers sometime this month.

He is quoted as saying ''it's going to be really touch-and-go as to whether we'll go Winchester on JDAM's.'' That's pilot jargon for ''running out of bullets.'' He also indicated that because more crews are being called up

for this campaign, fewer crews are available should another crisis appear elsewhere in the world (North Korea, Iraq, etc.)

Our main military goal should be to ensure our readiness to the extent that our adversaries know we are prepared.

There are projections indicate that it will take at least $30 billion to address readiness effectively.

The longer we continue our current efforts, the greater the opportunity that one or more of our NATO allies may decide enough is enough. This could leave the U.S. holding the bag! We could also stir regional resentment among Serbia's neighbors, leading to further political instability and the possibility of a wider war. There are already groups promoting a greater Albania that would include parts of Montenegro, Macedonia, and Greece.

This war could also undermine U.S. and NATO credibility and erode our ability to deter aggression globally.

If we suffer significant casualties, equipment failures, morale loss, etc. potential adversaries in North Korea, China, Iran and Iraq will take note and could react;

Our experience in the Persian Gulf bolstered our credibility but this situation is very different—different terrain, there was an international consensus that Iraqi aggression against a sovereign nation must be reversed, threat of weapons of mass destruction.

AND FINALLY—THE PRIZE

When we win—and I am confident we would win—what do we get?

First there is the need to put in a long-term occupation force to oversee the peace. I am concerned that such a force could be subject to continual guerrilla attacks which would incur casualties.

Then we would have to rebuild the infrastructure and economy of Kosovo and Serbia and that could cost as much as $100 billion.

We would also have to build a new, Western-oriented and democratic state with whatever existing civic institutions there are available. This could lead to a period of ''growing pains'' where there is considerable political uncertainty for a number of years.

Mr. President, as our colleague from Kansas, Senator ROBERTS, has pointed out, there would be a precedent for U.S. to intervene militarily when there are widespread humanitarian abuses.

We have a lot of questions to answer before we find ourselves in a war from which we cannot extricate ourselves.

Fundamentally, what Senator MCCAIN's resolution does is give our President carte blanche, and when you look at the price and the risk and the prize, you can understand why I am opposed to this resolution.

We should not give the President blanket authority to get us into another Viet Nam that could very well have much greater negative impact nationally and internationally than Viet Nam.

Two weekends ago I visited Arlington Cemetery, the Vietnam and Korean memorials and I'm going to do everything in my power to make sure that we do not have a Kosovo Memorial here in Washington.

If the Senate passes anything, it ought to be what the House did this last weekend when they had the courage to stand up and be counted.

Congress must exert its Constitutional authority in foreign policy matters and demand that the President seek a declaration of war or formal authorization before he deploys ground troops.

Again, should the Senate decide to offer alternative legislation to the McCain measure, it should include such considerations.

The way we have conducted ourselves with NATO in regard to Kosovo has created an environment that has allowed Slobodan Milosevic and the Serbs to do exactly what those responsible for bombing did not want to happen regarding human rights and ethnic cleansing in Kosovo.

It has resulted in the destruction of the infrastructure in Kosovo to the extent that thousands of Kosavars will never return to their destroyed homeland.

The decision also has resulted in death and destruction in Serbia that is also unconscionable when one realizes that the alleged purpose is to force Slobodan Milosevic to sign an agreement which is tantamount to the Serbs and giving up their sovereignty.

Think about it, Mr. President. If we had not engaged in ''sign-or-bomb'' diplomacy, we could still be at the negotiating table with 1,600 observers in Kosovo.

The time has come, Mr. President, where NATO needs to get off its high horse, restrain its ego and instead of trying to save face over a major foreign policy blunder and start thinking about saving lives.

It's time to stop the bombing and put everyone's efforts into finding a diplomatic solution that will quickly result in the removal of Serbian troops from Kosovo, end the ethnic cleansing, return the Kosavars to Kosovo and commit to rebuilding both physical and political infrastructure of Kosovo.

We need to fully protect all minority rights including the Serbs and other minorities who live in Kosovo and full participation of all in the Federal Republic of Yugoslavia including the Serbian Parliament.

Last but not least an international force to guarantee in the beginning that the agreement provisions are fully implemented and abided by all parties.

Mr. President, let's get to the peace table. Let's all of us get down on our knees and pray that the Holy Spirit will inspire us to remember Jesus' exultation to us—''Bless are the peacemakers for they shall be called the children of God.''

This nightmare has to end now.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. DEWINE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DEWINE. Mr. President, I ask unanimous consent to proceed for the next 12 minutes as in morning business.

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

## REACHING OUT TO PREVENT TRAGEDY

Mr. DEWINE. Mr. President, I rise today to make a few comments regarding the tragic shootings in Littleton, CO.

Thirteen days after this tragedy occurred, our Nation is still really in shock. The hearts of my own family and all Ohio families, and, of course, all Americans families, go out to the families who have lost loved ones. There is nothing that you can say that can take the pain away. Anyone who has lost a child understands that. The loss these families have suffered cannot be repaired. But it is important that these families know that there are people—many of us far away from Colorado—whose thoughts and prayers are with them at this terrible time.

What went wrong? Could the shootings have been prevented? What should we do to prevent other tragedies such as this from occurring in the future?

These are all very difficult questions—difficult issues for a public official to talk about, because when you do, people will think that you are claiming to have ''the answer.'' Let me say flat out that I don't claim to have ''the answer.''

What happened in Littleton will always to some extent remain a mystery, and why it happened. Evil is a mystery that exists deep in the human heart. But that brutal fact of human existence that we can't come up with ''the answer'' does not excuse us from our moral responsibilities—our responsibilities, as legislators, as parents, as citizens. In fact, it increases our responsibilities. If we don't have ''the answer,'' we have to work harder to find answers—things we can do to make a difference child by child by child. Some of the things we have to do may not be glamorous, but they will all be helpful. They will save lives.

Fred Hiatt pointed out in a powerful Washington Post article recently that 13 children a day—13 children a day—

are killed by guns in this country—in effect, the Littleton massacre every day. Statistically, of these 13 children who die every day, 8 are murdered every day; 4 tragically commit suicide every day, and 1 dies accidentally every day.

Mr. President, maybe we can't prevent a massacre such as the one in Colorado, but we can work on initiatives that would save some of the 13 children a day who are dying in gun-related deaths.

What I would like to do this afternoon is talk briefly about a few of those initiatives that I believe would save lives. We don't know whose lives they would save, but I have had, I think, enough experience in this area to say that they would save some lives, and, therefore, we should do this.

No. 1, I have a bill, which is now included in the juvenile justice bill, that we will be considering in just a few days.

This provision provides incentives to local governments to coordinate the services they offer to the kids who are the most at risk in their county, or their area. I am referring, for example, to the children who have been duly diagnosed as having both maybe a psychiatric disorder and a substance abuse problem, or some other combination of problems. For too long, kids have been falling between the cracks of the court system, the children's services system, the mental health system, and the substance abuse system. Other kids are misdiagnosed or don't get access to all the services that they need. My proposal would promote an approach that has been successful in Hamilton County, OH—in the Cincinnati area—an approach that gives our most problematic kids the multiple services they need, under the overall coordination of the juvenile court system. These kids should not fall victim of bureaucratic turf conflicts. All of them are our kids.

No. 2, parents, teachers and local service agencies need to explore ways to reach out and provide appropriate services to at-risk youth before they end up—before they end up—in the juvenile court system. That is the essence of prevention—to find ways to keep children from ever coming in contact with a juvenile court. That is why a renewed investment in mental health diagnosis and treatment is so vitally important with our children.

We have to as a country, as a people, make a more serious investment in diagnosing and treating these kids with psychological problems. Throughout the whole system, everybody—teachers, probation officers, everyone—will tell you that we do not now have enough resources.

I have talked to so many juvenile court judges who look at these kids they have in front of them, and who know they have mental health problems, and yet who do not have the resources, and try to reach these kids and turn them around, to cure them before it becomes too late. We need to get these kids early.

A third suggestion of things that are, I think, practical and that we could very easily do is keep closer track of kids who have been convicted of violent crimes. The tracking provisions I, along with Senator SESSIONS, have written into the juvenile crime bill we will be considering in just a matter of a few days will help do that.

When a young person commits a crime, and then, let us say, moves to another State and commits another crime, local law enforcement officials and judges many times do not have the available information. They do not know this person has committed a violent crime, and the reason they don't is because we don't have a good nationwide tracking system for juveniles, and we should. We should do it with juveniles who have already demonstrated that they will commit and can commit and may in the future commit a violent crime.

When it comes to making key decisions about juvenile offenders, judges and probation officers need to make judgments based on the best possible information. That is what my provision would give them.

No. 4, we need to get serious about background checks on gun purchases. Everybody talks about the Brady bill. But very few people realize that the Brady background checks are only as effective as the information that goes into them. That is why I have been fighting for almost 15 years for improved law enforcement information systems. That means good criminal records, knowing who has done what.

Last year, I wrote a bill on crime technology. Senators GREGG and HOLLINGS were very helpful in the appropriations process in getting the money for that.

The fact is that 60 percent of the States have criminal records that are less than 80 percent complete. In other words, our criminal record system isn't as good as it should be. The Brady bill will only work as well as the underlying criminal justice system it is based on. We need to fix it and do a better job.

No. 5, we need to get serious about confronting our cultural problems. I thank our colleagues, Senators MCCAIN and LIEBERMAN. I think they were right when they encouraged the President to call a summit meeting of the leaders in the media community—TV, radio, movies, video games and the recording industry—to talk about the responsibility in shaping the messages that we are sending kids.

We can't force them not to air trash that is harmful to people. The first amendment doesn't allow that. I hope the President's summit is a success. The fact is, the President does have, as Theodore Roosevelt said, a bully pulpit, and he needs to use it on this issue. We need to be upfront about the costs of excessive violence in the media—the price paid not just in lives lost in tragic events such as the shooting in Littleton, but also in the day-to-day harm that occurs in the emotional lives of children.

Many have blamed the toxic culture for the shootings in Littleton. I personally have no doubt that if the culture were not as coarsened as it is today, those kids very well may not have committed this crime. We will never be able to prove it or know for sure. It is too simplistic to say the culture caused the shootings; but to deny a connection would also be simplistic, and, I believe, naive. The culture that thrives on cruelty and hatred did not create these killers, but it offered them an outlet, a particular way of self-expression, that ended up devastating a whole community.

We need to work on creating and promoting the alternative to a culture based on death and violence, a culture based, rather, on the value of life, on the principle that every human life is unique, priceless, and worth defending.

We can't ban movie and video games we don't like. But there are things that we can do. I think there are positive steps the media could take to improve our culture and protect children to some extent.

The most important measure of all is parental involvement. Parents are the most important teachers for their kids. They should be their most important influence.

We need to reach out to our children. We need to listen to them. We need to pay attention. It is not a cliche to say that tragic events are a cry for help. It is the simple truth.

In conclusion, there is no bill we can pass to make any of this happen. For this we have to look inside ourselves. In the meantime, those who are in public life need to do everything they can to make this task just a little bit easier. I mentioned five ideas that I have. I look forward to working with my colleagues in the Senate and concerned people at the local community level in Ohio and across our Nation to make sure we are doing all that we can.

I yield the floor.

## DEPLOYMENT OF U.S. ARMED FORCES TO THE KOSOVO REGION IN YUGOSLAVIA

The PRESIDING OFFICER (Mr. CRAPO). Under the previous order, the Senate will now resume consideration of Senate Joint Resolution 20, which the clerk will report.

The legislative assistant read as follows:

A resolution (S.J. Res. 20) concerning the deployment of United States Armed Forces to the Kosovo region in Yugoslavia.

Mr. MCCAIN. Mr. President, on behalf of the leader, I ask unanimous consent the time today for consideration of S.J. Res. 20 be for debate only.

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

Mr. WELLSTONE. Will the Senator yield?

Mr. MCCAIN. I am happy to yield to the Senator.

Mr. WELLSTONE. I know Senator BYRD wants to speak. I wonder whether I could ask unanimous consent that after the Senator from Arizona and the Senator from West Virginia speak, I be allowed to speak.

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

Mr. MCCAIN. Today, Mr. President, the Senate should begin a constructive, long overdue, and thorough debate on America's war with Serbia. But we will not. We will not because the Senate leadership, both Republican and Democrat, with the passive cooperation of the President of the United States, has determined that we will limit debate on war and peace to a few hours this afternoon. Apparently, the hard facts of war need not inconvenience the Senate at this time, and the solemn duties that war imposes on those of us privileged to lead this nation can be avoided indefinitely.

I heard my friend, the Democratic Leader, say the other day that now is not the time for this debate. When is the right time, Mr. President? After the war ends? Shall we wait to declare ourselves until the outcome is known? Shall those who oppose NATO's attack on Serbia wait until NATO's defeat is certain before voting their conscience? Shall those of us who believe American interests and values are now so at risk in the Balkans that they must be protected by all necessary force wait until victory is certain before voting our conscience?

I would hope not, Mr. President. For that would mean that we have allowed American pilots and, possibly, American soldiers to risk their lives for a cause that we will not risk our careers for. I think we are better people than that. I think we are a better institution than that. And I think we should use this debate to prove it.

All Senators should, for a start, use the opportunity provided by debate on this resolution to declare unequivocally their support or opposition for the war. Having declared their support or opposition, Senators should then endorse that course of action allowed Congress that logically and ethically corresponds to their views on the war. If Senators believe this war is worth fighting, then recognize that the President should exercise the authority vested in his office to use the power of the United States effectively to achieve victory as quickly as possible.

If Senators believe that this war is not worth the cost in blood and treasure necessary to win it, then take the only course open to you to prevent further bloodshed. Vote to refuse the funds necessary to prosecute it. Senators cannot say that they oppose the war, but support our pilots, and then allow our pilots to continue fighting a war that they believe cannot justify their loss. If the war is not worth fighting for, then it is not worth letting Americans die for it.

Last week, a majority in the other body sent just such a message to our servicemen and women, to the American public and to the world. They voted against the war and against withdrawing our forces. Such a contradictory position does little credit to Congress. Can we in the Senate not see our duty a little clearer? Can we not match our deeds to our words?

Should we meet our responsibilities honorably, we will not only have acted more forthrightly than the other body, we will have acted more forthrightly than has the President. The supporters of this resolution find ourselves defending the authority of the Presidency without the support of the President, a curious, but sadly, not unexpected position.

Opponents have observed that the resolution gives the President authority he has not asked for. They are correct. The President has not asked for this resolution. Indeed, it is quite evident that he shares the leadership's preference that the Senate not address this matter. But, in truth, he need not ask for this authority. He possesses it already, whether he wants it or not.

I cannot join my Republican friends in the other body by supporting the unconstitutional presumptions of the War Powers Act. Every Congress and every President since the act's inception has ignored it with good reason until now. We should have repealed the Act long ago, but that would have required us to surrender a little of the ambiguity that we find so useful in this city. Only Congress can declare war. But Congress cannot deny the President the ability to use force unless we refuse him the funds to do so. By taking neither aciton, Congress leaves the President free to prosecute this war to whatever extent he deems necessary.

Although I can speak only for myself, I believe the sponsors of this resolution offered it to encourage the President to do what almost every experienced statesmen has said he should do—prepare for the use of ground troops in Kosovo if they are necessary to achieve victory. Regrettably, the President owuld rather not be encouraged. But his irresponsibility does not excuse Congress'. I beleive it is now imperative that we pass this resolution to distinguish the powers of the Presidency from the muddled claim made upon them by the House of Representatives.

During the Foreign Relations Committee's consideration of this resolution, my friend, the Senator from Missouri, Senator ASHCROFT, criticized the wording as too broad a grant of authority to the President, and an infringement of congressional authority. How, Mr. President, can Congress claim authority that it neither possesses constitutionally nor, as we see, cares to exercise even if we did possess it? No, Mr. President, the authority belongs to the President unless we deny it to him by means expressly identified in the Constitution. In short, and I welcome arguments to the contrary, only Congress can declare war but the President can wage one unless we deprive him of the means to do so.

Therefore, I feel it is urgent that the Senate contradict the actions of the other body and clarify to the public, and to America's allies and our enemies that the President may, indeed, wage this war. And, with our encouragement, he might wage this war more effectively than he has done thus far. If he does not, the shame is on him and not on us.

I regret to say that I have on more than one occasion suspected, as I suspect today, that the President and some of us among the loyal opposition suffer from the same failing. It seems to me that the President, in his poll driven approach to his every responsibility, fails to distinguish the office he holds from himself. And some of us in Congress are so distrustful of the President that we feel obliged to damage the office in order to restrain the current occupant. Both sides have lost the ability to tell the office from the man.

Publicly and repeatedly ruling out ground troops may be smart politics according to the President's pollster, but it is inexcusably irresponsible leadership. In this determination to put politics over national security, the President even acquiesced to the other body's attempt to deprive him of his office's authority. He sent a letter promising that he would seek Congress' permission to introduce ground troops in the unlikely event he ever discovers the will to use them.

My Republican colleagues in the House, who sought to uphold a law that I doubt any of them believed in before last week, should take greater care with an office that will prove vital to our security in the years ahead. President Clinton will not stand for re-election again. Twenty months from now we will have a new President. And whoever he or she is will need all the powers of the office to begin to repair the terrible damage that this President has done to the national security interests of the United States.

It is to avoid further damage to those interests and to the office of the President that I ask my colleagues to consider voting for this resolution. The irony that this resolution is being considered only because of a statute I oppose is not lost on me. But bad laws

often produce unexpected irony along with their other, more damaging effects. So we have made what good use of it we can.

We are here beginning a debate that many did not want, and few will mind seeing disposed of quickly. In my opening comments, I know I have spoken provocatively. Although I believe my points are correct, I could have been a little more restrained in offering them. I was not because I hope it will encourage, perhaps incite is a better word, greater debate today than is contemplated by our leaders. I meant to offend no one, but if any took offense, I hope they will come to the floor to make their case. Let us have the kind of debate today that the matter we are considering surely deserves.

Mr. President, we are debating war. Not Bill Clinton's war. Not Madeleine Albright's war. America's war. It became America's war the moment the first American flew into harm's way to fight it. Nothing anyone can do will change that. If we lose this war, the entire country, and the world will suffer the consequences. Yes, the President would leave office with yet another mark against him. But he will not suffer this indignity alone. We will all be less secure. We will all be dishonored.

This is America's war, and we are America's elected leaders. As we speak, tens of thousands of Americans are ready to die if they must to win it. They risk their lives for us, and for the values that define our good Nation. Can we not risk our political fortunes for them? Don't they deserve more than a few hours of perfunctory and sparsely attended debate? They do, Mr. President, they deserve much better than that.

We might lose those vote and we might lose it badly. That would be a tragedy. But I would rather fight and lose, than not fight at all. I hope that an extended debate might persuade more Members to support the resolution. The resolution does not instruct the President to begin a ground war in Yugoslavia. Nor does it grant the President authority he does not already possess. Nor does it require the President to pursue additional objectives in the Balkans. But if Members would be more comfortable if those objectives and realities were expressed in the resolution than I am sure the sponsors would welcome amendments to that effect.

But even if a majority of Members can never be persuaded to support this resolution, let us all agree that a debate—an honest, extensive, responsible debate—is appropriate in these circumstances. Surely, our consciences are agreed on that.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, how is the time controlled?

The PRESIDING OFFICER. The time is equally divided between the proponents and the opponents.

Mr. BYRD. Who has control of the time in opposition to the resolution?

The PRESIDING OFFICER. No individual Senator has control.

Mr. MCCAIN. Mr. President, there is no division of time here. This is a unanimous consent agreement, that time today for consideration of S.J. Res. 20 be for debate only.

The PRESIDING OFFICER. I am advised that the time control is written in the War Powers Act.

Mr. MCCAIN. Thank you. I stand corrected. I appreciate the outstanding work of the Parliamentarian.

On behalf of the other side, I ask unanimous consent to allow Senator BYRD to speak for as long as he may deem necessary.

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

The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Arizona. I thank him for his courtesy. I thank him for his leadership on this resolution and for his leadership on many of the great issues that we have debated in this Senate from time to time. There are occasions when I vote with Mr. MCCAIN. There are occasions when I feel that we do not see eye to eye. That is not to say that I do not have the greatest respect for his position, for his viewpoint. I do have.

Mr. President, I commend Senator MCCAIN, and I commend the other Senators, Senator BIDEN and the others, who have cosponsored this resolution, for having the courage of their convictions and for standing up for that in which they believe. I am sorry that I cannot agree on this occasion, but there may be a time down the road when we will be working together and I can agree and they can agree with me.

I shall not use more than 5 minutes, Mr. President.

The course of action that they are advocating—giving the President blanket authority to use whatever force he deems necessary to resolve the Kosovo conflict—is a bold and possibly risky stroke. But whatever the outcome, they are forcing the Senate to confront the Kosovo crisis head-on, and that in itself is noteworthy.

Unfortunately, this resolution troubles me for a number of reasons. First, in my judgment, it is premature. In response to a request from the President, the Senate authorized air strikes against Yugoslavia in March. To date, the President has not requested any expansion of that authority. In fact, he has specifically stated on numerous occasions that the use of ground troops is not being contemplated.

I think that has been a mistake from the very beginning, virtually saying to the Yugoslavian leader that we have no intention whatsoever of confronting you with ground troops. That loosens whatever bonds or chains Mr. Milosevic may otherwise feel constrain him. But the President has not announced that.

Now it is deep into our spring, and by the time we put ground troops on the ground, I assume it will be nearing winter in the Balkans. I think that the President has made a mistake from the very beginning in saying we have no intent. I would prefer to let Mr. Milosevic guess as to our intent than tell him we have no intent of doing thus and so.

If the intent of this resolution is to send a message to Slobodan Milosevic that the United States is serious about its commitment to the NATO operation in Kosovo, there are better ways to accomplish that objective. Swift action on the emergency supplemental appropriations bill to pay for the Kosovo operation would be a good first step.

Second, this resolution has the practical effect of releasing the President from any obligation to consult with Congress over future action in Kosovo. With this language, the Senate is effectively bowing out of the Kosovo debate and ceding all authority to the executive branch.

My friends may say that the Senate is not entertaining any debate anyhow, but at least it might do so. I do not think this is in the best interest of the Nation. The President needs to consult Congress, but nobody can seem to agree on just exactly what ''consultation'' means.

The President has had a few of us down to the White House upon several occasions. I have gone upon three occasions, and I have declined to go upon one, I believe, but those consultations, while they are probably beneficial and should be had, are really not enough. But the President does need to consult with Congress, and if he determines ground troops are needed in Kosovo, he needs to make that case to the American people.

He has to make the case. Nobody can make that case for him. The Secretary of State, Madeleine Albright, cannot make the case. The Vice President cannot make the case. Who is going to listen to Sandy Berger? I am not going to listen very much. So who can make the case? Nobody but the President can really make the case. We in the Senate will do the President no favor by giving him the means to short circuit the process.

Third, this resolution goes beyond policy and infringes on the power of Congress to control the purse. If the Senate gives the President blanket authorization to ''use all necessary force and other means'' to accomplish the goals and objectives set by NATO for the Kosovo operation, the Senate has no choice but to back that up with a blank check to pay for it.

I think I have to agree with the distinguished Senator from Arizona in most of what he said. Practically speaking, he is exactly right. He is precisely correct when he says that the only real check that the Congress has upon the President is the power over the purse. Money talks. That is the raw power. Congress alone has that power.

If we were to adopt this resolution, we would be essentially committing the United States to pay an undetermined amount of money for an unknown period of time to finance an uncertain and open-ended military offensive. Mr. President, that, by any standard, is not sound policy.

I believe there are better ways for the Senate to address the conflict in Kosovo, ways in which we can encourage the administration to work with Congress and to listen to the views of the American people as expressed through their representatives in Congress. I have repeatedly urged the President to provide Congress—and the American people—with more details on the Kosovo strategy, including the projected level of U.S. involvement in terms of personnel and equipment, the estimated cost and source of funding, the expected duration and exit strategy, and the anticipated impact on military readiness and morale.

Of course, we heard the promises made in connection with Bosnia: We were only going to be there a year. Repeatedly, we put that question to the administration people and they assured us, ''It will only take about a year.''

We have heard those promises before. We do not pay much attention to them anymore. Those assurances do not mean anything.

The President has certainly made a good faith effort to date to consult on this matter, with Members of Congress, but we are only in the opening stages of this operation, and the path ahead is very unclear. The President would be well served to continue consulting closely with Congress and to seek Congressional support for any decision that he contemplates involving ground forces. For its part, the Senate should not take any action that would jeopardize this dialog, as I believe this resolution would do.

Mr. President, again I commend Senator MCCAIN and Senator BIDEN, and the other Senators who are cosponsors, for seeking a straightforward determination of the role that Congress will play in the Kosovo conflict.

There is no question where the Senator from Arizona stands. He steps up to the plate, takes hold of the bat, says, here is how I stand, this is what I believe in. He is willing to have the Senate vote. I admire him for that. I admire his patriotism. I admire his determination to have the Senate speak. But I do not believe that this resolution is the appropriate action to take at this time. I urge my colleagues to table it.

I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Minnesota is to be recognized.

Mr. MCCAIN. May I ask, for planning purposes, how long the Senator from Minnesota plans to speak?

Mr. WELLSTONE. I will try to keep this under 20 minutes.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I say to Senator MCCAIN, I believe silence equals betrayal, and I think we should be debating this question. Besides having a great deal of respect for him, I appreciate his efforts. We may be in disagreement, but I thank the Senator from Arizona for his important efforts.

It was with this deep belief in my soul that I voted 6 weeks ago to authorize the participation of the United States in the NATO bombing of Yugoslavia. I did so with a heavy heart and not without foreboding, because I knew once unleashed, a bombing campaign led by the world's greatest superpower to put a stop to violence would likely lead to more violence. Violence begets violence, and yet there are those extremely rare occasions when our moral judgment dictates that it is the only remaining course available to us.

I did so because it was my judgment that we had exhausted every diplomatic possibility and that our best and most credible information was that without military action by the United States, a humanitarian disaster was about to occur.

Just as the Senate was about to conduct a rollcall vote on the subject, I sought to make sure that the RECORD reflected the rightness of our course of action.

I was assured that our purpose was to prevent the imminent slaughter of thousands, if not tens of thousands, of innocent civilians living in the Yugoslav province of Kosovo by Serb security forces.

I had no doubt about the wisdom and correctness of our decision, and today I harbor no second thoughts about the morality of the initial course. Others may question the reasoning of some who embarked upon the bombing campaign. History will judge whether there were other rationales involved: the significance of prior threats we had made and how our credibility was on the line; the geopolitical factors that required that we act; the continued viability of NATO as a force to be reckoned with throughout the world.

Whatever the importance these factors may have played in the decisions of others to authorize the bombing, my own was a simple one: Inaction in the face of unspeakable, imminent, and preventable violence is absolutely unacceptable. In short, the slaughter must be stopped.

I have no regrets about that decision. The violence perpetrated against the innocents of Kosovo has been, indeed, unspeakable. My only regret is that our actions have been less effective than I had hoped: over a million humans, mostly women and children, uprooted from their homes; hundreds of thousands expelled from their country, and their homes and villages burned; women raped, thousands of the residents killed, and children separated from their families.

The catalog of these atrocities expands every single day.

Just last week, the Serb paramilitaries in southern Kosovo reportedly forced between 100 and 200 young men from a convoy of refugees heading for the border, took them into a nearby field, made them drop to their knees, and summarily executed them, leaving their bodies there as a warning to their fellow refugees.

The catalog of horror goes on and on and on.

I met a woman from Kosovo in my office on Friday with a businessman. They told me of four little children they had met in a refugee camp. The children had bandages over their eyes. They thought perhaps they had been near an explosion. That was not the case. The Serbs had raped their mother. They had witnessed the rape, and the Serbs cut their eyes out—they cut their eyes out. I do not understand this level of hatred. I do not understand this frame of reference. I have no way of knowing how people can do this.

We have witnessed the destabilization of neighboring countries who cannot possibly handle the new masses of humanity heaped on their doorstep. Hundreds of thousands are homeless, without shelter and food, wandering throughout the mountains of Kosovo, frightened and in hiding. Certainly war crime prosecutions await the perpetrators. And we cry out for justice to be done.

We watch the humanitarian relief efforts underway by our own Government, by our European friends, by the offices of the United Nations High Commissioner for Refugees, and by countless nongovernmental humanitarian relief organizations, and we weep at the abundant good that exists in the world in the face of the unspeakable horror.

As I said, legitimate questions remain. There will undoubtedly be hearings relating to the wisdom and timing of our decision to enter this conflict. But that time is not now. So long as our military forces are engaged in this mission, they deserve our full support.

I began my statement with the phrase ''silence is betrayal.'' I believe it is time to speak out once again, this time about where we are and where we are headed.

First, I want to express my strongest possible support for diplomatic efforts

to resolve this crisis, especially the shuttle diplomacy undertaken by Deputy Secretary Strobe Talbott, and the response of the Yeltsin government in sending Mr. Chernomyrdin to speak with President Clinton here today about his latest concrete proposals for resolving this crisis.

As the NATO bombing campaign enters its sixth week, I think it is imperative that we put as much energy into pushing and pursuing a diplomatic solution to the Kosovo crisis as we are putting into the military campaign. We see exhaustive daily briefings on our success in hitting military targets. I would like to see an equal emphasis on evaluating our success in achieving our diplomatic goals.

I have the greatest respect for Strobe Talbott, and I think he is representing us ably in our efforts to engage the Russians in helping to forge a negotiated settlement in Kosovo. I have told him recently how important I believe it is that we not simply try to get the Russians to agree to NATO's view on how a settlement should be reached.

I support the basic military, political, and humanitarian goals which NATO has outlined: the safe return of refugees to their homes; the withdrawal of Serb security forces—or at least to halt the bombing, a start on their withdrawal, with a commitment to a concrete timetable; the presence of an armed international force to protect refugees and monitor Serb compliance; full access to Kosovo for nongovernmental organizations aiding the refugees; and Serb willingness to participate in meaningful negotiations on Kosovo's status.

But there are different ways to meet these goals. We need to be open to new Russian ideas on how to proceed, including the key issue of the composition of an international military presence—and it must be a military presence—to establish and then keep the peace there.

We should welcome imaginative Russian initiatives. I think the Russians have shown once again—by President Yeltsin's engagement on this issue and by his appointment as envoy of a former Prime Minister—a sincere willingness to try to come up with a reasonable settlement.

Let's encourage them to put together the best proposals they can and assure them that NATO will be responsible and flexible in its response.

I am heartened by the former Prime Minister's visit today to the United States, and that United States-Russian diplomatic channels are open and are being used continuously. These channels should be used continuously to keep the Russian mediation efforts on track, if possible.

I think it is imperative that we not sit back and hope that more bombing, or expanding the list of targets, will eventually work. We really need to put all the effort we can into our diplomacy. I think, as I have said, the Russians may have a key role to play.

Second, we must keep uppermost in our mind that a humanitarian disaster of historic proportions is unfolding in refugee camps throughout the region.

The American people have been horrified by the situation in Kosovo and are anxious to help. Now is not the time for the U.S. Government to be parsimonious about our humanitarian assistance. The lives and well-being of the Kosovars was at the crux of why we entered this crisis in the first place. I believe we may need to bolster the current funding request by several hundred million dollars to provide the aid that will be needed by international aid organizations, the religious community, and others deeply involved in the refugee effort.

If it turns out that it is not necessary, we can return the funds to the Treasury. But we should authorize more now, anticipating that we and other NATO allies who will share this burden will be called upon to do much more in the coming months. Medical supplies, food, basic shelter, blankets, skilled physicians and trauma specialists to aid the refugees, longer-term economic development, and relocation aid all will be critical to relieving this crisis.

Third, on the conduct of the military campaign, we must remember that NATO forces undertook this bombing campaign to stop the slaughter and protect those living in Kosovo. Let me repeat that. The most immediate and important goals of our bombing campaign, from my perspective, were to stop the slaughter and mass displacement of millions of innocent civilians throughout Kosovo and deter further Serb aggression against them.

So far that goal has gone unmet, with terrible results and a very high human cost. Some NATO military officers have been quoted as saying the bombing campaign alone will not and cannot stop the ethnic cleansing.

While it is clear that we made progress in weakening the Serb military machine, including its air defenses, supply lines to Kosovo, oil and munitions sites, other military sites, the hard truth is that while the bombing campaign has gone on, Kosovo is being looted, emptied, and burned.

Now that the Apache attack helicopters and accompanying antimissile systems have arrived in the region, we should be pressing forward with these airstrikes against these paramilitary forces in Kosovo most responsible for the most brutal attacks on civilians. There can be no excuse for further delays.

Mr. President, it is clear that we have not stopped the slaughter. Ethnic cleansing, which we sought to stop, goes on and on and on.

Our response has been to intensify the bombing, especially in Serbia, and to expand the targets to include economic and industrial sites there. Some of these were originally chosen because they were said to be ''dual use.'' I understand that rationale. But now some seemingly nonmilitary targets appear to be selected—including the radio and TV network, Milosevic party headquarters, the civilian electricity grid, and other seeming civilian targets—to put pressure on the people of Serbia who, it is hoped, will in turn put political pressure on the Milosevic regime to back down. I think this reasoning is pure folly and cannot be used to justify the expansion of civilian targets to be bombed. True military targets are legitimate. Certain dual-use targets, especially those directly related to the Serb war effort, may be. But I know of no rules of war which allow for the targeting of civilian targets like some of those we have targeted. We should rethink this strategy, not the least because it undermines the legitimate moral and political claims we have made to justify our military efforts to protect innocent civilians in Kosovo.

Expanding the target list in this way is wrong. Not only does the expansion of civilian, industrial and economic sites greatly increase the risk of civilian casualties, but it is morally questionable if the primary purpose is to do economic harm to the civilian population—people who have nothing to do with the violent ethnic cleansing campaign being conducted by the Serbian military machine.

What are the future military plans being discussed? These now apparently include an embargo against future shipments of oil to Yugoslavia. Russia is the Serbs' major oil supplier. What if oil shipments continue to come from Russia? Will Russian transports be the next targets of NATO forces?

Mr. President, this resolution, as open-ended as it is, is not the right way to proceed on this complex and difficult question. It reminds me in some ways of the now infamous Gulf of Tonkin resolution which helped trigger the Vietnam war. It is too open-ended, too vague, and I will not vote for it. NATO military commanders have not asked for ground troops. The President of the United States has not asked Congress to authorize them. We should promptly table this resolution later today. Even one of its principal sponsors, Senator BIDEN, has observed that they did not intend for this resolution to be brought to the Senate floor now under the expedited procedures of the War Powers Act. But even though we will likely table it, we must continue to move forward in our efforts to achieve a prompt, just and peaceful end to this conflict. And we should have the debate.

Once again, I cannot be silent. In short, I think it is time for all the parties to consider a brief and verifiable

timeout. Yes, a timeout before we proceed further down the risky and slippery slope of further military action, before it is too late to turn back.

There are negotiations underway. There are pivotal efforts being undertaken by the Russian leaders. There are discussions. There are proposals and counterproposals being discussed. Some are being interpreted in different ways by different parties. Ideas are being explored.

Some of our friends in and out of NATO are discussing various ways to end this nightmare. The continued evolution of these plans must be given a chance. There is no ''light at the end of the tunnel'' unless renewed diplomacy is given a chance to work.

With the former Prime Minister and the President talking today, what I am proposing on the floor of the Senate for consideration, if it can be worked out in a way which would protect NATO troops and would not risk Serb resupply of the war machine, is a brief and verifiable halt in the bombing, a cessation of what seems to be the slide toward the bombing of a broader array of nonmilitary targets, a potential oil embargo directed at other countries, and toward deeper involvement in a wider war that I believe we could come to regret.

I am not naive about whether we can trust Milosevic; we have seen him break his word too many times for that. Nor am I proposing an open-ended halt in our effort; but a temporary pause of 48 hours or so, offered on condition that Milosevic not be allowed to use the period to resupply troops or to repair his air defenses and that he immediately orders his forces in Kosovo to halt their attacks and begin to actually withdraw. It would not require his formal prior assent to each of these conditions, but if our intelligence and other means of verification concludes that he is taking military advantage of such a pause by doing any of these things, then we should resume the bombing. .I believe that we may need to take the first step, a gesture, in the effort to bring these horrors to an end.

Such a pause may well be worthwhile, if it works to prompt the cessation of the ethnic cleansing and a return of Serb forces to their garrisons. .It may create the conditions for the possibility of further talks on the conditions under which NATO's larger term goals, which I support, can be met. .A brief cessation might also enable nongovernmental organizations and other ''true neutrals'' in the conflict to airlift or truck in and then distribute relief supplies to the internally displaced Kosovars who are homeless and starving in the mountains of Kosovo, without the threat of this humanitarian mission being halted by the Serbian military.

A Serb guarantee of their safe conduct would be an important reciprocal gesture on the part of Milosevic. .These people must be rescued, and my hope is that a temporary bombing pause might help to enable aid organizations to get to them. .I hope that President Clinton and Mr. Chernomyrdin will consider this idea and other similar proposals in their discussion today. .I intend to explore and refine these ideas further with administration officials in the coming days to see if it might hold any promise to bring this awful war to a peaceful close.

I am not naive. .I understand that the safety of our NATO forces must be held paramount in any such exploration. .But it is, it seems to me, worth exploring further. .One thing that is clear is that the situation on the ground in Kosovo today and in those countries which border it is unacceptable and likely to worsen considerably in the coming weeks.

I am not just talking about a geographical or geopolitical abstraction, the stability of the region. .I am talking about the human cost of a wider Balkan conflict. .For 50 years, we have spent the blood and treasure of Americans and Europeans to help provide for a stable, peaceful Europe. .I believe we must again work with the Europeans, and now with the Russians and others, who have historic ties to the Serbs to try to resolve this crisis before the flames of war in Kosovo and the refugee exodus which it has prompted consume the region. .Stepped up diplomacy, a possible pause in the airstrikes, and other similar efforts to bring a peaceful and just end to this crisis should be pursued right now.

Silence equals betrayal.

It was with that belief deep in my soul that I voted, six weeks ago, to authorize the United States participation in the NATO bombing of Yugoslavia.

I did so with a heavy heart, and not without foreboding, because I knew that, once unleashed, a bombing campaign led by the world's greatest superpower to put a stop to violence will likely lead to more violence. Violence begets violence. And yet, there are those extremely rare occasions when our moral judgment dictates that that is the only remaining course available to us.

I did so because it was my judgment that we had exhausted every diplomatic possibility, and that our best and most credible information was that without military action by the United States, a humanitarian disaster was beginning to occur.

Just as the Senate was about to conduct a roll call vote on this subject, I sought to make sure that the record reflected the rightness of our course of action. I was assured that our purpose was to prevent the imminent slaughter of thousands, if not tens of thousands of innocent civilians living in the Yugoslav province of Kosovo by Serb security forces.

I had no doubt about the wisdom and correctness of our decision. And today, I harbor no second thoughts about the morality of that initial course.

Others may question the reasoning of some who embarked upon the bombing campaign. History will judge whether there were other rationales involved:

The significance of prior threats we had made and how our credibility was on the line; the geopolitical factors that required that we act; the continued viability of NATO as a force to be reckoned with throughout the world.

Whatever importance these factors may have played in the decisions of others to authorize the bombing, my own was a simple one—inaction in the face of unspeakable, imminent, and preventable violence was absolutely unacceptable. In short, the slaughter must be stopped.

I have no regrets about that decision. The violence perpetrated against the innocents of Kosovo has indeed been unspeakable. My only regret is that our actions have been less effective than I had hoped.

Over a million humans, mostly women and children, uprooted from their homes.

Hundreds of thousands expelled from their country, their homes and villages burned.

Women raped, thousands of the residents killed, children separated from their families.

The catalog of these atrocities expands every single day. From Acareva to Zim, villages in Kosovo have been burned by Serb forces. In Cirez, as many as 20,000 Albanian refugees were reportedly recently used as human shields against NATO bombings. In Djakovica, over 100 ethnic Albanians were reportedly summarily executed by Serb forces. In Goden, the Serbs reportedly executed over 20 men, including schoolteachers, before burning the village to the ground. In Kuraz, 21 schoolteachers were reported by refugees to have been executed in this village near Srbica, with hundreds more being held there by Serb paramilitary forces. In Pastasel, the bodies of over 70 ethnic Albanians, ranging in age from 14 to 50, were discovered by refugees on April 1. In Podujevo, Serb forces may have executed over 200 military-age Kosovar men, removing some from their cars and shooting them on the spot, at point-blank range.

In Pristina, the Serbs appear to have completed their military operations in the city and have been ethnically cleansing the entire city. Approximately 25,000 Kosovars were forcibly expelled from the city last month, shipped to Macedonia by rail cars in scenes eerily reminiscent of the holocaust trains, and approximately 200,000 more may be detained there, awaiting their forced expulsion. In Prizren, Serb forces reportedly executed between 20 and 30 civilians. In Srbica, after

emptying the town of its Kosovar inhabitants, Serb forces are believed to have executed 115 ethnic Albanian males over the age of 18. Over twenty thousand prisoners are reportedly still being housed in an ammunition factory near the town, under Serbian guard. Just last week, Serb paramilitaries in southern Kosovo reportedly forced between 100 and 200 young men from a convoy of refugees heading for the border, took them into a nearby field, made them drop to their knees, and summarily executed them, leaving their bodies there as a warning to their fellow refugees. The catalog of horrors goes on and on.

We have witnessed the destabilization of neighboring countries who cannot possibly handle the new masses of humanity heaped on their doorstep.

Hundreds of thousands homeless, without shelter and without food, wandering throughout the mountains of Kosovo, frightened and in hiding.

Certainly war crime prosecutions await the perpetrators and we cry out for justice to be done.

We watch the humanitarian relief efforts underway, by our own government, by our European friends, by the offices of the United Nations High Commissioner for Refugees, and by countless non-governmental humanitarian relief organizations and we weep at the abundant good that exists in the world in the face of this unspeakable horror.

As I said, legitimate questions remain, and there will undoubtedly be hearings relating to the wisdom and timing of our decision to enter this conflict. But that time is not now, and so long as our military forces are engaged in this mission they deserve our full support.

I began my statement with the phrase ''silence is betrayal.'' And I believe it is time to speak out once again, this time about where we are, and where we are headed.

First, I want to express my strongest possible support for diplomatic efforts to resolve this crisis, especially the shuttle diplomacy undertaken by Deputy Secretary Strobe Talbott, and the response of the Yeltsin government in sending Mr. Chernomyrdin to speak with President Clinton here today about his latest concrete proposals for resolving this crisis. As the NATO bombing campaign enters its sixth week I think it is imperative that we put as much energy into pursuing a diplomatic solution to the Kosovo crisis as we are putting into the military campaign. We see exhaustive daily briefings on our success in hitting military targets—I would like to see equal emphasis on evaluating our success in achieving our diplomatic goals. I have the greatest respect for Strobe Talbott and I think he is representing us ably in our efforts to engage the Russians in helping to forge a negotiated settlement in Kosovo. I have told him recently how important I believe it is that we not simply try to get the Russians to agree to NATO's views on how a settlement should be reached.

I support the basic military, political and humanitarian goals which NATO has outlined: the safe return of refugees to their homes; the withdrawal of Serb Security forces—or at least, to halt the bombing, a start on their withdrawal, with a commitment to a concrete timetable; the presence of an armed international force to protect refugees and monitor Serb compliance; full access to Kosovo for non-governmental organizations aiding the refugees; and Serb willingness to participate in meaningful negotiations on Kosovo's status. But there are different ways to meet these goals. And we need to be open to new Russian ideas on how to proceed, including on the key issue of the composition of an international military presence to establish and then keep the peace there.

We should welcome imaginative Russian initiatives. I think the Russians have shown once again—by President Yeltsin's engagement on this issue and by his appointment as envoy of a former Prime Minister—a sincere willingness to try to come up with a reasonable settlement. Let's encourage them to put together the best proposals they can and assure them that NATO will be flexible in its response. I am heartened by the former Prime Minister's visit today to the U.S., and that US-Russian diplomatic channels are open and are being used continuously. These channels should be used continuously to keep the Russian mediation efforts on track, if possible.

I think it is imperative that we not sit back and hope that more bombing, or expanding the list of targets, will eventually work. We need to really put all the effort we can into our diplomacy. And I think, as I've said, the Russians may have a key role to play.

Second, we must keep uppermost in our mind that a humanitarian disaster of historic proportions is unfolding in refugee camps throughout the region. The situation is so tense that it is being reported there have been nearriots in some camps over the desperate conditions there, and the situation in camps near Blace in Macedonia and at Kukes in northern Albania are especially grim. Shortly, we will consider an emergency supplemental package to fund the military and humanitarian costs for the Kosovo crisis. I am deeply concerned that the amount requested for refugee assistance may not be enough to meet the overwhelming needs of this emergency—the largest refugee crisis since World War II.

We are meeting the military challenge by spending millions a day to assist NATO in its war against Serb aggression. The humanitarian challenge we face is just as great. If we have learned anything in recent weeks, it is that we must prepare for the worst of the worst-case scenarios.

Hundreds of thousands of refugees are still trapped inside Kosovo, waiting for an opportunity to escape. A further massive exodus seems likely. We must be prepared to meet their needs. Extensive medical supplies and possibly another field hospital will also be needed, since more and more new arrivals are requiring medical attention. Our experience in Bosnia has taught us that these refugees will not be going home anytime soon. Long-term assistance is required. Further, we must support Albania and Macedonia who are struggling to meet basic needs of their own people, let alone those of the Kosovar refugees.

The American people have been horrified by the situation in Kosovo, and are anxious to help. Now is not the time for the US government to be parsimonious about our humanitarian assistance. The lives and well-being of the Kosovars was at the crux of why we entered this crisis in the first place. I believe we may need to bolster the current funding request by several hundred million to provide the aid that will be needed by international aid organizations, the religious community, and others deeply involved in the refugee effort. If it turns out that it is not necessary, we can return the funds to the Treasury. But we should authorize more now, anticipating that we and our other NATO allies who share this burden will be called upon do much more in the coming months. Medical supplies, food, basic shelter, blankets, skilled physicians and trauma specialists to aid the refugees, longer-term economic development and relocation aid—all will be critical to relieving this crisis.

Third, on the conduct of the military campaign, we must remember that NATO forces undertook this bombing campaign to stop the slaughter and protect those living in Kosovo. Let me repeat that. The most immediate and important goals of our bombing campaign, from my perspective, were to stop the slaughter and mass displacement of innocent civilians throughout Kosovo, and to deter further Serb aggression against them. So far that goal has gone unmet, with terrible results and very high human costs. Some NATO military officers have been quoted as saying that the bombing campaign alone will not and cannot stop the ethnic cleansing.

While it is clear we have made progress in weakening the Serb military machine, including its air defenses, supply lines to Kosovo, oil and munitions sites, and other military sites, the hard truth is that while the bombing campaign has gone on, Kosovo is being looted, emptied and burned. Now that the Apache attack helicopters and accompanying anti-missile

systems have arrived in the region, we should be pressing forward our air strikes against those paramilitary forces in Kosovo most responsible for the most brutal attacks against civilians. There can be no excuse for further delays.

There will be time to determine whether our bombing accelerated, or whether it increased, the slaughter. In any case, it now seems clear, from detailed and credible reports in the media and elsewhere, that the Serb ethnic cleansing campaign, labeled the other day by the Washington Post as ''one of the most ambitiously ruthless military campaigns in Europe in half a century,'' was carefully and meticulously planned for months before the bombing. The attacks have reportedly seriously damaged over 250 villages, with well over 50 being completely burned to the ground. Systematically integrating Interior Ministry (MUP) forces, regular Yugoslav army forces, police units and paramilitary gangs for the first time, this effort was clearly coldly calculated to terrorize the populace, and ultimately to rid the entire province of its ethnic Albanian majority. It is clear that we have not stopped the slaughter. Ethnic cleansing, which we sought to stop, goes on, and on, and on.

Our response has been to intensify the bombing, especially in Serbia, and to expand the targets to include economic and industrial sites there. Some of these were originally chosen because they were said to be ''dual use.'' I understand that rationale. But now some seemingly non-military targets appear to be selected—including the radio and tv network, the Milosevic Party headquarters, the civilian electricity grid, and other seeming civilian targets—to put pressure on the people of Serbia who, it is hoped, will in turn put political pressure on the Milosevic regime to back down.

I think this reasoning is pure folly and cannot be used to justify the expansion of civilian targets to be bombed. True military targets are legitimate. Certain dual use targets, especially those directly related to the Serb War effort, may be. But I know of no rules of war which allow for the targeting of civilian targets like some of those we have targeted. We should rethink this strategy, not least because it undermines the legitimate moral and political claims we have made to justify our military efforts to protect innocent civilians in Kosovo.

Expanding the target lists in this way is wrong. Not only does the expansion to civilian industrial and economic sites greatly increase the risk of civilian casualties, but it is morally questionable if the primary purpose is to do economic harm to the civilian population—people who have nothing to do with the violent ethnic cleansing campaign being conducted by the Serbian military machine.

I am also very concerned about reports from the NATO summit that future targeting decisions will likely be placed in the hands of NATO military officials, without careful review of elected civilian representatives—a policy that I think is at odds with our constitutional insistence upon civilian control.

And what other future military plans are being discussed? These now apparently include an embargo against future shipments of oil to Yugoslavia. Russia is the Serbs' major oil supplier. What if oil shipments continue to come from Russia? Will Russian transports be the next targets of NATO forces?

While I recognize the legitimate concern of NATO military officials that we must not put pilots' lives at risk to hit oil production and distribution facilities servicing the Serb armies, while allowing oil to pour in to them through ports in Montenegro or through other means, we must be very careful as we proceed here.

And then there is the question of the introduction of ground troops. After the NATO summit last weekend, plans are being ''taken off the shelf and updated.'' Propositioning of ground troops is being advocated by some within our own government. It doesn't take clairvoyance to see where some seem to be headed.

This resolution, as open-ended as it is, is not the right way to proceed on this complex and difficult question. It reminds me, in some ways, of the now infamous Gulf of Tonkin resolution which helped trigger the Vietnam War. It is too open-ended, too vague, and I will not vote for it. NATO military commanders have not asked for ground troops, the President of the U.S. has not asked Congress to authorize them; we should promptly table this resolution later today. Even one of its principal sponsors, Senator BIDEN, has observed that they did not intend for this resolution to be brought to the Senate floor now, under the expedited procedures of the War Powers Act. But even though we will likely table it, we must continue to move forward in our efforts to achieve a prompt, just and peaceful end to this conflict.

And so, once again, I cannot be silent. In short, I think it's time for all the parties to consider a brief and verifiable time-out. Yes, a time-out, before we proceed further down the risky and slippery slope of further military action, before it's too late to turn back.

There are negotiations underway. There are pivotal efforts being undertaken by the Russian leaders. There are discussions. There are proposals and counter proposals being discussed. Some are being interpreted in different ways by different parties. Ideas are being explored. Some of our friends, in and out of NATO, are discussing various ways to end this nightmare. The continued evolution of these plans must be given a chance. There is no ''light at the end of the tunnel'' unless renewed diplomacy is given a chance to work.

With the former Prime Minister and the President talking today, what I am proposing for consideration—if it can be worked out in a way which would protect NATO troops, and would not risk Serb resupply of their war machine—is a brief and verifiable halt in the bombing, a cessation of what seems to be a slide toward the bombing of a broader array of non-military targets, a potential oil embargo directed at other countries, and toward deeper involvement in a wider war that I believe we could come to regret.

I am not naive about whether we can trust Milosevic; we have seen him break his word too many times for that. Nor am I proposing an open-ended halt in our effort. But a temporary pause of 48 hours or so, offered on condition that Milosevic not be allowed to use the period to resupply troops or to repair his air defenses, and that he immediately orders his forces in Kosovo to halt their attacks and begin to actually withdraw. It would not require his formal prior assent to each of these conditions, but if our intelligence and other means of verification concludes that he is taking military advantage of such a pause by doing any of these things, then we should resume the bombing. I believe that we may need to take the first step, a gesture, in the effort to bring these horrors to an end.

I know there are risks and costs associated with such an even temporary halt in the airstrikes. I am not yet sure, for example, that we could develop a verifiable time-out plan which would prevent Serb forces from quickly repairing their air defense systems such that they would pose new risks to NATO pilots; that cannot be allowed. I know there would be real problems in verifying that Serb attacks on the ground in Kosovo had stopped, and military and paramilitary units were actually pulling back, during any bombing pause. I am no military expert, but I am posing those and other questions to US military officials and others, to see if there is not room for such an initiative.

Such a pause may well be worthwhile; if it works to prompt a cessation of the ethnic cleansing and a return of Serb forces to their garrisons, it may create the conditions for the possibility of further talks on the conditions under which NATO's longer-term goals, which I support, can be met.

A brief cessation might also enable non-governmental organizations and other ''true neutrals'' in the conflict to airlift or truck in, and then distribute, relief supplies to the internally-displaced Kosovars who are homeless and starving in the mountains of Kosovo,

without the threat of this humanitarian mission being halted by the Serbian military. A Serb guarantee of their safe conduct would be an important reciprocal gesture on the part of Milosevic. These people must be rescued, and my hope is that a temporary bombing pause might help to enable aid organizations to get to them.

I hope that President Clinton and Mr. Chernomyrdin will consider this idea, and other similar proposals, in their discussion today. I intend to explore and refine this idea further with Administration officials in the coming days, to see if it might hold any promise to bring this awful war to a peaceful close. I am not naive, and I understand that the safety of our NATO forces must be held paramount in any such exploration. But it is, it seems to me, worth exploring further.

One thing that is clear is that the situation on the ground in Kosovo today and in those countries which border it is unacceptable and likely to worsen considerably in the coming weeks.

It has been argued by the Administration and others that an intense and sustained conflict in Kosovo, which has sent hundreds of thousands of refugees across borders and could potentially draw Albania, Macedonia, Greece and Turkey into a wider war would be disastrous. That is true. We may not be able to contain a wider Balkan war without far greater risk and cost than has been contemplated. And we could well face an even greater humanitarian catastrophe than we face now in the weeks and months to come.

I am not just talking about a geopolitical abstraction, the stability of the region. I am talking about the human cost of a wider Balkan conflict. For fifty years, we have spent the blood and treasure of Americans and Europeans to help provide for a stable, peaceful Europe. I believe we must again work with the Europeans—and now with the Russians and others who have historic ties to the Serbs—to try to resolve this crisis before the flames of war in Kosovo and of the refugee exodus which it has prompted consume the region. Stepped-up diplomacy, a possible pause in the airstrikes, and other similar efforts to bring a peaceful and just end to this crisis should be pursued right now.

Mr. President, I yield the floor.

Mr. MCCAIN. Mr. President, I yield such time to the Senator from Arkansas as he may consume.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. HUTCHINSON. Mr. President, I thank the Senator from Arizona. I especially thank him for his strong leadership on this issue and for pushing this issue to the point that we are having this debate on the floor of the Senate.

I have believed for some time that this debate has been sorely needed and greatly lacking. Senator MCCAIN is truly an American hero. He is one that I respect immensely, along with Senator HAGEL and the other cosponsors of this resolution.

Though I disagree with them and though I rise in opposition to the resolution, I believe they have taken a principled position, a principled stand that is justifiable and behind which there are rational arguments. I believe they reciprocate that respect for the principled position and belief that we do not have a vital national interest in the Balkans and that we have made a policy mistake and that given where we are, the placement of ground troops is not the next step that we should be taking.

I regret the silence that has characterized Congress to this point, particularly the Senate. I applaud those who have pushed that we might have this time today.

As I read the resolution, I read that it authorizes the use of all necessary force and other means. That, I do believe, is a blank check. I believe it grants blanket authority, and it does take us out of what is a very, very important role for the Congress. I read also that all necessary force and other means is granted to accomplish NATO's objectives in the Federal Republic of Yugoslavia, Serbia and Montenegro.

One of the questions I have is, what are our objectives? I do not believe those objectives have been clearly outlined. Does the resolution refer to military objectives, which we have been told means to degrade the military capability of Milosevic—whatever that term ''degrade'' may mean, subjective as it is—or does this reference to the objectives of NATO refer to political objectives, which have been defined in a much broader sense in reference to the withdrawal of Milosevic, the incorporation of an international peacekeeping force, humanitarian aid and a number of things?

So I am not certain what objectives are in mind in the resolution or how one would determine whether or not they have been achieved.

When I made reference to the silence that I think has been embarrassing for the Senate, I think Members of the Senate have been reluctant to speak on this for a couple of reasons. We have been reticent to speak out because nobody wants to be portrayed as not being in support of American troops.

I went to Aviano. We have the bravest young men and women imaginable involved in this. They are willing and have been risking their lives daily in pursuit of this policy and the orders they have been given. I support them and I believe in them. I believe in their effectiveness and I believe in their courage. But I think that is one reason people have been hesitant to get into this debate, because they are afraid of being portrayed as not being supportive of the military, and also because of the horrible atrocities that have been committed by the Serbs and the Milosevic war machine.

Nobody wants to be portrayed as being uncaring or not having a humanitarian concern for the ethnic cleansing and for the killing and massacres that have gone on, which truly are deplorable and ought to be condemned by all right-thinking people. I care about that just as I care about the 1.3 million-plus civilians who have died in the Sudan in the Sudanese civil war, and just as I care about those who died in the Ethiopian civil war, and just as I care about those who died in Rwanda, and just as I care about the oppression that goes on today in China. I care about those tragedies that are going on all over the world, not just in the Balkans.

I have agonized a great deal about what is the right position not only on this resolution but on this, what I believe is a misguided conflict. The war in Kosovo reveals the extent to which we have overstretched our armed services. They are overdeployed and underfunded. For example, over the last 3 fiscal years, the Congress has added $21 billion to the President's meager defense requests. Unfortunately, even these increases have not kept pace with the military's increased tempo of operations. The President has committed United States forces to Haiti, Somalia, Iraq, Bosnia, Macedonia, the Taiwan Strait, and now Kosovo. Each of these much-needed congressional plus-ups was passed over the administration's objections, and the administration simply said the Pentagon hadn't asked for the additional money.

Between the years 1945 and 1990, the U.S. Army was deployed only 10 times, Mr. President. But since 1991, the U.S. Army has been deployed 32 times. That is an increase in deployments of over 300 percent. Simultaneous with our 300-percent increase in deployments around the world, we have cut funding for the U.S. armed services by one-third. That is a simple calculation that, if you ask the armed services to do 300 percent more and you give them one-third less, you are inviting a disaster and you are creating a crisis, and that is what we face today.

This overuse of America's limited military might threatens our ability to execute our national security strategy to be able to fight—and this is our stated strategy—and win two near-simultaneous, medium, regional conflicts. This past Friday in the Washington Post, Bradley Graham authored an important article on this very point. In the article, General Richard Hawley, who heads the Air Combat Command, told reporters—and General Hawley is retiring in June and therefore he spoke with particular candor—that 5 weeks of bombing Yugoslavia have left United

States munitions critically short, not just of air-launched cruise missiles, as previously reported, but also of another precision weapon, the joint direct attack munition dropped by B–2 bombers. So low is the inventory of the new satellite-guided weapons, Hawley said, that as the bombing campaign accelerates, the Air Force risks exhausting its prewar supply of JDAMs before the next scheduled delivery sometime in May.

In the past 8 years, the U.S. military has been weakened appreciably. While we are occupied in Kosovo, United States intelligence assets are necessarily focused on military operations there. If another country conducts a ballistic missile test while the bulk of United States intelligence assets are focused in Kosovo, and if that country only needs one test before deployment, like North Korea, for instance, then we will not have missed simply the one test, but we will have missed all the tests necessary to know what they are deploying and when they will deploy it.

There is a great deal going on in our world, including a deteriorating relationship with Japan, with the People's Republic of China, with Russia; a dangerous situation in North Korea; Iraq is busy again on their ballistic missile and weapons of mass destruction programs, with no U.N. inspections to inhibit them; India and Pakistan launching ballistic missiles and testing nuclear weapons; Iran, and other surprises yet to come. The United States needs to be sure it has the resources to focus on more than one troubled spot at a time. We need to decide what is important and see that we have the necessary capabilities.

As reported in this most recent edition of National Review:

> General Henry Shelton, the Chairman of the Joint Chiefs of Staff, told Congress, ''Anecdotal and now measurable evidence indicates that our current readiness is fraying and that the long-term health of the total force is in jeopardy.''
>
> Today's military is 36 percent smaller than it was during the Gulf War. Last year, the Pentagon determined that there was a high risk of being unable to [fight and] win two [near] simultaneous wars, a capability that current U.S. strategic doctrine demands. And even though [the Pentagon doesn't consider] the Kosovo assaults . . . as one of these major engagements, they have led to fewer patrols being flown over Iraq, and a [substantial] gap in naval forces in the Pacific.

President Clinton responded to the readiness alert sounded by his military chiefs by proposing an additional $12 billion for next year's defense budget. But $8 billion of this ''increase'' represents savings from lower fuel costs and inflation rates that would be going to the military anyway. A good portion of the remaining $4 billion is dedicated to items like commissary operations and renovation of the Pentagon, which leaves precious little to meet our crying readiness demands.

I believe that since we started what I believe is a misguided war in the Balkans, it has been flawed since its implementation. President Clinton and his national security team have mismanaged this operation from the very beginning.

The U.S. and NATO should stop saying what the allies will or will not do. For example: We will hit only these targets. Why should we tell them that?

We will only hit those targets at 2 a.m. when nobody will be hurt. We are running out of cruise missiles. Why should we tell them that? We are bringing in A–10 aircraft, or Apache helicopters, in four weeks.

Why do we say that? Once again, such statements only help the enemy.

It would also seem that the President did not learn many lessons from a war that he so forcefully and vocally opposed. A ''graduated response'' didn't work in Vietnam for President Johnson; it won't work for NATO in Kosovo. It will cost lives. If the United States is going to get into a fight, if we are going to place America's sons and daughters in harm's way, then it is worth winning, and we should hit hard and hit hard up front. Hoping for a measured antiseptic war—''immaculate coercion''—to be successful, without deaths on either side, is the only hope of the unschooled.

The present practice of ''war by committee'' is another area ripe for scrutiny. There are too many lives at risk for NATO to continue to operate as it has for the first 6 weeks of the air war, with delays for the approval of each of the targets and delays on the dispatching of various weapons systems, such as the Apaches. If a ''war by committee'' is difficult to implement in an air campaign, I believe it would be virtually impossible to execute in a ground campaign.

Even Margaret Thatcher, who herself advocates ground troops, has harbored doubts about Operation Allied Force and its implementation. During a speech delivered last week, the former British Prime Minister stated:

> So here we are now, fighting a war . . . on treacherous terrain, so far without much effective local support, with imperfect intelligence, and with war aims that some find unclear and unpersuasive.

The key question that confronts the Senate and the Congress and the country is, What will guide our national security policy? Will it truly be our vital national security interests, or will it be that guided by understandable humanitarian concerns? Is Kosovo in our national security interest?

Another excellent article that appeared recently that I would like to quote from, I think, speaks eloquently about this issue of our vital national interest. Ultimately, it says our vital interests must somehow be involved.

> Sometimes, as with President Clinton's attempts to relate America's interest to Kosovo with the outbreak of two world wars in the Balkans, it takes the form of bad history. Apart from the fact that the beginning of World War II had nothing to do with the Balkans, World War I began at a time when the interests of three vast empires collided in the region, making it one of extraordinary geopolitical sensitivity. That is no longer the case. Now, properly considered, it should be an insignificant backwater, and it has taken a good deal of determined and sustainable political effort to make it otherwise.

The article goes on to conclude with an interview with Lawrence Eagleburger, whom the article rightly describes as ''one of the few Americans who both understands foreign policy and has a close firsthand knowledge of Yugoslavia''. Mr. Eagleburger is quoted as saying:

> Serb nationalism is the real ruler here. Whoever would follow Mr. Milosevic would certainly be just as bad. Or he might even be worse—a true believer in the nationalist cause.

Mr. Harries continues:

> But if Serb nationalism is the real ruler, it doesn't make a great deal of difference whether the ostensible ruler is or is not a true believer, for in either case he is riding a tiger.

Mark Helprin, writing recently, raised similar points. He rightly asks if it is the policy of the United States to support separatism and secession wherever they may be close to ignition and war?

He goes on:

> The Administration's answer is that the Balkans are ''in the heart of Europe.'' The Balkans, of course, are not in the heart of Europe. They are a backwater separated from the European heartland by mountain ranges and salt water. They are entirely unastride the major routes of communication and/or axis of invasion, and they are strategically and economically unessential. In citing them as the origins of the First and, incorrectly, Second World Wars, and therefore as justification for his policy of internationalizing their conflicts, President Clinton seems not to comprehend that one of the reasons for the First World War was that the great powers of the time stupidly, mistakenly and fatally internationalized the conflicts there.

May I say, Mr. President, that is what we are doing. We are taking the conflict in the Balkans and we are ratcheting it up. We are internationalizing the conflicts in the Balkans.

What is the proper role of Congress in all of this? I have applauded Senator MCCAIN for ensuring that debate took place. There has been too much congressional silence—perhaps afraid of the political repercussions, perhaps wanting to make this a political winner for one party or the other.

But at the Constitutional Convention in Philadelphia, one of our Nation's Founding Fathers, James Wilson, a signatory of the Constitution, not only implicitly equated declaring war and entering war, but also explicitly foreclosed exercise of the power by the President acting alone. And he emphasizes the role of our national interests in entering a war.

He said:

This [new] system will not hurry us into war; it is calculated to guard against it. It will not be in the power of a single man, or a single body of men, to involve us in such distress; for the important power of declaring war is vested in the legislature at large; this declaration must be made with the concurrence of the House of Representatives; from this circumstance we may draw a certain conclusion that nothing but our national interest can draw us into a war.

So it was envisioned by our Founding Fathers that nothing but our national interest can draw us into a war. It has yet to be adequately demonstrated to Congress or the American people that it is our vital national interest that has drawn us into this conflict. In fact, I would say we have stumbled into this conflict. We have slipped into this war.

I want to take just a moment, Mr. President, to talk about the difficulties of a ground war.

Escalating the conflict in Kosovo to include U.S. ground forces would require broad and deep public support, which is presently lacking.

Deploying a NATO-led force of any consequence, would require the broad consensus of NATO's nineteen member states. Judging by the limited commitment of forces made by some of our NATO allies to the present operation, I strongly doubt that a consensus could be reached on deploying 200,000 or more soldiers into Kosovo.

In fact, as important as this exercise is today, as important as this debate is today, it may truly be a moot point, because the likelihood of receiving consensus among our NATO allies is remote.

Deploying a NATO-led force large enough to expel the Serbian Army and any paramilitary forces would take several months, by which time Slobodan Milosevic may have succeeding in expelling all of Kosovo's ethnic Albanian population. If anyone doubts this point, I would encourage them to re-examine just how long it took the Army to deploy just 24 Apache helicopters and their supporting equipment from Germany to Albania. That deployment alone took over one full month.

Any ground operation in Kosovo, however it ends, would require an armed NATO-led presence in Kosovo for decades to come. While the American people have focused—focused well and focused appropriately—on the humanitarian disaster in the Balkans, they have not yet focused on the length and cost of the commitment that this resolution would be asking us to make—truly a decade-long commitment. One need only look at the Korean peninsula where American troops have been deployed for over 45 years.

Remember the first time I mentioned the decade-long commitment to the press, and the eyebrows went up and a look of skepticism. No one is skeptical about tenure with experts in foreign policy now saying 20, 30, 40 years, or a generation for sure. That is the kind of commitment that we are talking about. Americans must also keep in mind, as Andrew Bagevich wrote recently:

. . . success will not come without cost, in blood as well as treasure. Once achieved, it will impose new burdens that few Americans will welcome: the U.S. will inevitably bear the chief responsibility for rebuilding and rehabilitating a post-Milosevic Yugoslavia (Estimates for rebuilding the Balkans already stands at over $30 billion.). Clinton, Albright, Berger, et al., will retire to write their memoirs. The rest of us will end up taking care of the broken crockery.

It will be an enormous cost. It is a major commitment. We must ensure before we take that step that, in fact, this is a vital national interest to us, and therefore worth it and we can do it. Nor should we pull back, nor should we become isolationists. We do have a burden to bear as the leading democracy in the world and the remaining superpower in the world, but we must choose our fight well.

The other great question as to what would happen with the introduction of American ground troops in Kosovo is the Russian question. I don't know the answer to that, but I know that we bet a lot that they are bluffing; that we bet a lot when we say they will back down; that they are more concerned about IMF loans than they are in being a major world power or player. But I do know this: They have 20,000 nuclear warheads still, which cannot only be used but can be sold, and that threat is a serious one and I think arguably a more serious one than a bully boy in Serbia.

The issue of NATO's credibility comes up repeatedly in the United States, and the argument is that it may have been unwise to go in. Maybe we shouldn't have taken this step. But we did. And now that we are in it, we have to win it because otherwise we lose credibility. How many times have we heard advocates of escalation put forth the argument that NATO's credibility is at stake?

At this time the near consensus among the foreign policy elite in Washington is that whatever the flaws of the original case for waging war over Kosovo, there is no alternative to pressing on, even if it means sending in ground troops. The cost of not doing so, it is insisted, would be prohibitive. But while it is certainly true that it would be very high, that there would be a high cost of not winning it, that in itself, in my estimation, is not a conclusive argument. The real question is whether it would be higher than the cost of the alternatives. There will be a high cost if we exit the Balkans without a clear and unambiguous victory, but we must weigh that against what the cost will be if we go down that road and we then do not have a clear and unequivocal victory. That question is not as easy, and I suggest to those who sincerely offer this resolution that is a serious issue for us to debate.

For ordinary Americans, the strongest argument for continuing is likely to be to alleviate the condition of the Kosovar refugees. If you ask most Americans why, that is their justification for being there. It is graphically demonstrated on television screens every night. The American people are compassionate people and it is understandable and commendable that they react to those scenes that way.

Senator WELLSTONE spoke earlier. It was the humanitarian disaster that became the primary justification. When President Clinton speaks about this war, it is primarily the humanitarian disaster that becomes the rationale for our involvement. Yet, if that is our rationale, where do we not go—because humanitarian disasters are occurring around the world, oftentimes as a result of bitter ethnic civil wars. Can we ask the American people to bear that burden and to introduce American troops in all of those places?

In contrast to the reaction of the American people, for the foreign policy establishment the overriding argument turns on the necessity to protect America's and NATO's future credibility. If, having started the thing, we do not now prevail, the future costs all over the world in terms of emboldened thugs and rogue states will be steep.

While those arguments are both serious and valid, those arguments were equally valid in 1965 when the question of how to proceed with respect to Vietnam was the issue, and in the end the policy they gave rise to turned out to be not such a great idea.

This administration, I believe, needs to remember the ''Rule of Holes.'' If you find yourself in one, stop digging. To simply say that because we are there, we stumbled in or slipped in, because we are there, we must now stay regardless of the cost, I think, is misguided thinking.

An infantry campaign in the Balkans will forever alter the unstable politics of Russia, may well provide it with the organizing principle for rearmament, and will most assuredly play into the hands of the ultra nationalists. When we think about the cost in American credibility, in NATO credibility, this alone will more than cancel out the benefits of impressing potential enemies with our resolve, the fact that we upset that balance of power in Russia. Anyone seriously planning to challenge American interests will be unimpressed if America itself cannot clearly define where those interests are, and thus we indiscriminately squander our military assets.

It has been said nothing is more comforting to a soldier than to see the enemy fire wildly and waste ammunition. We need to ensure that when we go in, we go in with full force and that

we have adequate justification from a national interest standpoint and that we have marshalled the support of the American people.

I fear this resolution provides a carte blanche to the administration. It is a blank check. It takes Congress out of the process too early. This would be a wrong step to take. If we should go in pursuit of a misguided policy and, if, then, NATO fractures, the consensus is lost, and if at some future point we bail out of what we have escalated to the point of ground troops, I suggest to my colleagues that our long-term credibility would be damaged far more in that circumstance than making the prudent decisions denying this conflict now.

I reluctantly, and with enormous respect for those whom I regard as American heroes who are sponsoring this resolution, take exception to their principal position and will vote against the resolution before the Senate today.

I yield the floor.

Mr. MCCAIN. I yield myself 30 seconds to thank Senator HUTCHINSON for his principled stand and his articulation on his views.

I point out that former Secretary of State Eagleburger, who the Senator talked about in his remarks, has written a letter strongly supporting this resolution and urging the vote on it. I hope that he and other opponents of this resolution recognize that every former Secretary of State, every former Secretary of Defense, every former National Security Adviser, in both parties, support this resolution and support a strong vote on it.

I yield to the Senator from Nebraska such time as he may consume.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Nebraska.

Mr. HAGEL. Mr. President, thank you. I wish to strongly endorse and support the McCain-Biden resolution. Mr. President, I'm an original cosponsor. I have listened this afternoon to my colleagues, who have all made significant contributions to this issue.

There are many complicating currents coursing through this very complicated issue. There are no good answers. But surely one of the answers is not to not deal with this issue. We cannot escape our responsibility in this body to debate this issue. We should have had this debate weeks ago.

There are very significant consequences attached to what we're doing. We've heard some of those stated directly and very well from our colleagues this afternoon. First, let's be clear on the making of war. It is not risk-free. It is not antiseptic. It is not without uncertainty.

One not need read an awful lot of history to understand that. General Eisenhower's comments and what he wrote and put in his pocket hours before the D-Day invasion in case D-Day failed. And he wrote out in longhand a paragraph that said essentially, I take full responsibility for the failure. So you see, as we look back even 50 years ago, we understand that war is uncertain.

But we also understand there are things worth going to war for, and there are things worth dying for. Questions raised today will be continued to be raised about national interests of our country: Should we be at war? All fair questions. Legitimate questions. But first we need to talk about it, debate it, and ask the serious questions.

I've heard today, I've heard over the weeks all the reasons for failure, all the complications, all the problems. Yet I hear at the same time over here, well, we have to stop the slaughter and the ethnic cleansing. If we could just come together. But sometimes we just can't come together. Sometimes there is no more talk. When people are being slaughtered at a rather considerable rate, and genocide is occurring, and ethnic cleansing is occurring, and people are being driven from their homes and their countries at an unprecedented rate, and the other side that we're trying to deal with continues to lie and cheat and kill—then we must face reality. What do we do now? The geopolitical consequences, the humanitarian consequences involved in this are great. They are deep. And they are serious.

I've heard some conversation today about this resolution taking the Congress out of play. This doesn't take the Congress out of play. The power of the purse still resides in the Congress of the United States. And no President surely would go forward unilaterally, arbitrarily, without confiding in, without reaching out to, without wanting the support of the Congress, and the American people. Why would you do that? And certainly not this President.

I don't disagree with many of my colleagues, what they've said today—the Senator from West Virginia, Senator BYRD, Senator HUTCHINSON from Arkansas, Senator WELLSTONE from Minnesota,—about how this war initially was conducted. How irresponsible it was to take off the table certain of our military's abilities to wage this war. So what does that do? Well, I think it's rather obvious what it's done. It's allowed this tyrant, this butcher, Milosevic, to go completely unimpeded and slaughter people and drive people out of Kosovo—without any pressure on him other than withstanding the air war. And that's been antiseptic and that's been timid. So there's no question the conduct of this war from the beginning has been questionable.

There will be much time to debate the miscalculations and the mistakes and the problems. But the fact is we are in the middle of this. Our actions will have consequences. There are other Milosevics out there.

If the word of this Nation, if the word of America—the most powerful nation on Earth, the most powerful nation for good—cannot be trusted, and NATO—the most effective peacekeeping organization in the history of man—if the word of that organization cannot be trusted, then what kind of a world are we going to be dealing with as we now move into this dangerous new century?

We should think through this very carefully. All the problems that surround this. We are forcing the President to lead. That's what this resolution's about. This resolution is not about abdicating our responsibility in the Congress. Although some I suspect wish it be the case.

We're asking the United States Senate to take a stand. What does this country come to—to ask a United States Senator to stand up and take some responsibility for the Nation being at war?

This resolution is about getting the Congress involved in it. This resolution is about forcing the President to take some leadership and responsibility.

Now, we're not going to pass this resolution. Senator MCCAIN and I and others know the reality of that. But if we can make it a little uncomfortable for some people around here to have to deal with an uncomfortable issue, then that's worth it. I've never asked one of my colleagues to support this resolution, nor has Senator MCCAIN, nor has Senator BIDEN, or any of the other cosponsors. But we have asked them to take a look and debate it, and take a position and take a stand.

There are consequences to our actions, and there are consequences to our inactions. If we do not see this through the right way, we will leave the world more dangerous than it is today.

I happen to believe that the Balkans are in the national security interest of this country for many reasons, aside from the humanitarian dynamics of this.

Do we really believe that the greatest, most noble, most free nation on earth can stand aside and watch this butchering and act like it's not there?

History has surely taught us that when you defer the tough decisions, when you let the butchers continue and the tyrants and dictators continue, it gets worse. And it has gotten worse with Milosevic. For ten years we've dealt with him. Four wars he's started. He's lied and cheated and slaughtered all through those ten years. Don't we have some responsibility to deal with this, as imperfect as all the options are?

Again I go back to my first point. As my friend, the sponsor of this resolution, John MCCAIN, said earlier—and said it very well—we must understand something very clearly. Whatever you think of this President, this President is out of office in a year and a half. But

the Presidency remains. The vitalness of this Presidency, this Executive branch that a new leader will inherit, must remain strong and must be able to deal with an international crisis. So we must be very careful not to take advantage of this weakened President.

And if that would ever happen—ladies and gentlemen, the world will not be safer and it will not be better. When you weaken the United States of America, you weaken all of freedom everywhere.

So it is, Mr. President, for those reasons that I will support this resolution. I think it is in the best interest of our country, and I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. MCCAIN. Mr. President, I yield such time as the Senator from Wisconsin may consume.

Mr. FEINGOLD. I thank my good friend from Arizona.

Mr. President, let me first express my feelings and those of the Senate and every American that we are so pleased that the three soldiers are freed from their captivity in Yugoslavia. But I do reiterate what the administration and others have said. Mr. Milosevic and his cohorts should get absolutely no benefit out of those incidents that led to the capture and then the release of these soldiers.

I hope no step we take or no comments we make today or at any point in the next few days suggest in any way that Mr. Milosevic deserves any kind of reward for undoing something that should not have been done in the first place. We are terribly pleased that the soldiers are free. That does not change what Mr. Milosevic has done, which is unforgivable.

I, of course, praise the main authors of this resolution, my friend from Arizona, Mr. MCCAIN, and another good friend, Senator HAGEL from Nebraska. These are two of the best people to work with in this entire body. I know that their goal and the goal of the other cosponsors is a very worthy one, an important one, and that is to bring clarity with regard to our policy and our military action concerning Kosovo.

I rise today to make what I believe are two important points regarding S.J. Res. 20, the McCain-Biden resolution authorizing the use of force in the current conflict in Yugoslavia.

First, on the one hand, I oppose this resolution because I cannot at this point wholly endorse the current means being employed by the President to carry out a still murky policy with regard to Kosovo, and I cannot, in light of that, expand the authority of the President through congressional action beyond our current vision and information and understanding, even of the facts today, let alone what the facts may be tomorrow or in a couple of weeks. This is why I cannot support the resolution today.

On the other hand—and I think this is very important as well—I believe it is very important that the Senate debate this resolution now, as we are doing, because whatever our divergent views on the current crisis may be, we in Congress share a common set of duties under the Constitution and under the War Powers Resolution to do what we are attempting to do this afternoon. I begin by talking a little bit about the process.

Our minds are primarily on the current intervention and involvement, and that is appropriate. We also have to take a moment at a time like this to realize how this fits into the overall context of the role of Congress, the role of the Senate, with regard to the waging of war.

In certain respects, the process so far has established, or at least reiterated, important precedents. In some other ways, I regret that the Senate has at least partially ducked its weighty responsibilities in this regard. There are precedents being set by the consideration of S.J. Res. 20.

Although it was apparently not the intent of the sponsors, S.J. Res. 20 has been determined to be privileged under the terms of section 6 of the War Powers Resolution. That is an important moment, because sometimes Presidents and others have attempted to not take the War Powers Resolution seriously. Not only must it be taken seriously, but because of the appropriate ruling of the Parliamentarian with regard to the meaning of the War Powers Resolution, it is being taken seriously.

I would like to make note of the Parliamentarian's comments at Friday's meeting of the Senate Foreign Relations Committee, on which I serve. Even Chairman HELMS thought it was legally important enough to have the Parliamentarian's opinion be made part of the record of that meeting, and I thought it was as well.

So, Mr. President, I ask unanimous consent to have printed in the RECORD a memo from Mr. Dove at the conclusion of my remarks. This is a memo that I asked to be sent to me summarizing what the Parliamentarian concluded on Friday. I ask that it be printed in the RECORD.

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

(See exhibit 1.)

Mr. FEINGOLD. I thank the Chair.

Let me just read to the Senate one sentence. The memo is dated April 30.

> The War Powers Resolution . . . controls the consideration of any such joint resolution.

He was referring to the specific language of and the date of introduction of the joint resolution that is before us.

Mr. President, that is important in terms of the history of the War Powers Resolution.

So while this resolution does not actually make a specific reference to the War Powers Resolution, the very fact that it triggered the provisions of this law demonstrates the vitality—the vitality—of the War Powers Resolution to a degree that I think is often forgotten or ignored when we are between crises of this kind.

The determination by the Parliamentarian leaves no doubt that the debate the Senate is engaged in today is an explicit and required exercise in war powers under the law of this country.

I am pleased about that. But I do have a few concerns about other aspects of the process that we have undertaken.

First, I am concerned about the President's action. I remain concerned that although the President did send a letter to the Congress acknowledging that hostilities had broken out, he did not submit the report required under section 4(a) of the War Powers Resolution.

Now, nonetheless, as the Parliamentarian has ruled, the language of the resolution still triggered the War Powers Resolution on its own. But I believe it required, in a situation like this, the President to specifically refer to the War Powers Resolution. As a number of people have said, obviously, we are at war, or certainly we are in a situation that involves hostilities or imminent hostilities insofar as the War Powers Resolution applies.

Second, I am concerned about the way the Senate has handled this matter. The resolution, of course, has been hurriedly considered. That is in part because I do not think the authors intended, and many people did not realize for a while, that the War Powers Resolution and its clock were ticking. So it was understandable that there had to be some hurry. But there was enough time, in my view, for a more thorough consideration of this matter before the Senate Foreign Relations Committee.

A business meeting on this was hastily scheduled. There really was no time to consider the matter except for a brief hour, hour and a half discussion. There was not really a proper markup. We did not have a chance to offer any amendments or modifications to the language of the resolution, which the distinguished chairman himself properly called one of the most important matters that had ever been taken up by the committee in his tenure on the committee—which is a lengthy tenure. And then, after all of that, the committee reported out the resolution without recommendation, without taking a stand for or against the resolution. Then, finally, it was reported out to the full Senate without a written report.

I do not understand what the Senate Foreign Relations Committee is for if it is not the committee which would take a real look at and amend and mark up and consider, in some detail, a matter of this importance. Again,

given the tremendous courtesy and skill of the members of the committee, this is not said out of any disrespect. We were put in a very difficult time constraint, but it seems somehow we should have had a process that was more in keeping with the importance of the resolution and its role within the War Powers Resolution law.

Mr. President, I also was concerned last week that some Members were discussing propounding a unanimous consent agreement that threatened to weaken the force of the War Powers Resolution, or at least I was concerned about the fact that it might do that, by making it easier to eliminate the privileged status of future Senate actions related to war powers.

I want it noted in the record that the proposed unanimous consent agreement did not prevail. It was apparently not even propounded because of concerns. And I am pleased, because I do not think we should take it upon ourselves to make exceptions or weaken the importance and binding character of the War Powers Resolution. That has been attempted far too many times in the past.

We need this law that was passed to give some real content and meaning to the constitutional role of Congress under article I and throughout the Constitution with regard to the conduct of war or hostilities by the United States of America.

Mr. President, I also want to agree with some comments I at least read by the Senator from Arizona, Senator MCCAIN, who, of course, is doing a very, very brave job of leading this whole issue. He did comment that this problem—and correct me if I am wrong, Senator—that this is not really a long enough debate for a matter of this importance. Four hours, split between the two sides, 2 hours each, is not in keeping with the magnitude of this situation or the magnitude of this resolution.

In fact, although I am certainly sometimes guilty of not always being out here on the Senate floor, the fact that I have only seen five or six Senators on the floor for what is soon to be over half of the entire debate on this matter does not remind me of the effort and the care and the listening that went into a similar debate when it came to the Iraq intervention some 8 years ago.

So the debate surely should be longer. And as Senators start arriving and hope to find time to speak before 5:30, I think there may be some frustration. In any event, we certainly should all be listening to each other when it comes to a matter of this importance, as much as we were during the impeachment trial.

Mr. President, finally, I also am a little troubled about the idea of the tabling of this resolution. A motion to table can be interpreted—often is interpreted—as a procedural vote. On something this important, we should be voting on the merits of the language. I do not understand why at 5:30 tonight we are not going to just vote up or down on this resolution.

A tabling motion seems, to me, to be not in keeping with the significance of this. Mr. President, as I have indicated, in the past the War Powers Resolution has sometimes been ignored, but sometimes we have come very close to getting it right.

Two examples where we came close were the Lebanon intervention and the 1990–1991 Iraqi situation. In the Lebanon case, Congress actually authorized continued participation of Marines in the multinational peacekeeping force. Although the 18-month duration of the authorization represented a compromise to get the administration to agree to it, the congressional authorization represented the first time since the War Powers Resolution had become law where Congress obtained a signature by the President on legislation that actually invoked the War Powers Resolution, and also, as I just alluded to a moment ago, with regard to Iraq and the Persian Gulf.

In the case of that war, President Bush actually requested congressional support, which ended up being granted. There was a problem in that case. That request, of course, came significantly after President Bush had already deployed thousands of troops to the area, but at least the President of the United States, in that situation, explicitly acknowledged the applicability of the law in that case.

So despite my concerns—that I did think were important to put in the record for future reference in situations like this—in the end, consideration of this resolution remains an appropriate exercise of the Senate's responsibilities under the War Powers Resolution. We have begun to do our duty, and the vitality of the War Powers Resolution has again been affirmed and respected.

President, as I said, although I would have preferred to vote up or down on the merits of the Senate joint resolution, I will support the motion to table this resolution because I do not support the scope of the resolution and I have real doubts about the policy which it seeks to endorse. Especially given the breadth of the authority that is given under the resolution I am concerned. But I have concerns about the policy in Kosovo in any event.

First, Mr. President, I do not understand how this decision to intervene in Kosovo and to continue and broaden the intervention really fits in with an overall post-cold war American foreign policy strategy. I do not see how this fits in with our long-term goals.

Obviously, the tragedies and the horrors that are being perpetrated in Kosovo demand a response. That response must include the United States. But I do not think the question has been well answered why in Kosovo and not in other places. I give the Senator from Nebraska credit for just attempting to address the issue. He spoke a little bit about his belief that it would be difficult for us to act in some of the places in Africa and other places where there are similar tragedies. I am not sure I agree with that. We are not limited in our ability to act only in Europe or only near our own boundaries, especially in light of the actions that were taken with regard to the Middle East and Iraq. We have shown our ability to act throughout the world. The fact is, in my mind we could have acted in Rwanda. In fact, we apologized to Rwanda for having not taken the action that we could have taken to stop the genocide in that place.

In Rwanda, in Sierra Leone, in East Timor, in Sudan, there are atrocities that are comparable, in some cases arguably worse, if that is possible, than what is going on in Kosovo. Why is it that—it at least appears to some—an accident of geography is sufficient to allow inaction while Kosovo requires a huge commitment? This question needs to be answered not so much for me but for the American people, because they do not understand, and I do not understand exactly why one tragedy demands our attention and our action and another one simply does not, especially when it comes to the use of significant military force.

Another concern, the Senator from Nebraska was suggesting, in effect, is that we must take a stand. He is right, but he assumes this is the only option when he says we must support this resolution. Otherwise, he seems to say, we would have to be accused of taking no action, or we would be accused of being unconcerned or not moved by what is happening in Kosovo.

I am not sure all the other options have truly been explored. What about the possibility of arming the Albanian Kosovars so they have a better and legitimate chance at their own self-defense? The Secretary of State said to me at a hearing recently that they wouldn't be able to do much with the arms anyway. I question that. I bet the Kosovar Albanians would question that. I even remember a briefing the other day by some of the NATO officials indicating that resistance from some of the Kosovar Albanians had had a negative impact on the Serbian troops. This is something that we should encourage rather than simply allow people to be herded around and tortured. They have a right to self-defense like anyone else.

What about support for democratic elements in Serbia, as has been suggested by some of our colleagues in the recently introduced Serbian Democracy Act? Are there further diplomatic efforts that could be taken? What

about the United Nations? Have we fully explored all of the options available working with Russia?

It is not so clear to me that the only way to proceed is to give a broad, open-ended blank check to the President with regard to this situation. I don't think it is the only option.

I am also concerned how this fits in with our overall policy just with respect to the Balkans. I am amazed at how infrequently in this debate people even refer to the fact that we are still stuck in the Bosnia intervention. We were promised at the time of the Bosnia intervention that it would be 1 year, that the troops would be home by December 1996, that it would cost no more than $2 billion. But here we are, in 1999, it has cost, I am told, over $9 billion. We no longer even hear any talk about when the troops will come home. It is Christmas after Christmas after Christmas after the time when all of our troops were supposed to be out of Bosnia.

How does this policy in Kosovo connect with the policy in Bosnia? What is the strategy for getting in and for getting out? Sometimes I believe with respect to what we are doing in Bosnia, the administration's policy is sort of a ''less said the better'' attitude. If you don't mention it, nobody is going to remind you that we have been there for an awfully long time and have not been able to get out.

I am also concerned, and I say this carefully, about what I consider to be a somewhat inconsistent application of international law by the administration with regard to this action. Again, I have no sympathy for Mr. Milosevic and his regime. But the fact is, our country recognizes Kosovo as being part of Yugoslavia, and yet we proceed with this action without a real explanation of how this comports with the rules of international law. I can tell you, most experts in international don't have a good explanation of how we can go about doing this.

It would be one thing if we were talking about recognizing an independent Kosovo, but we have not taken that position. I asked the Secretary of State the other day whether that might be in the offing, and she indicated that was not a likely scenario. In the same conversation, I asked her, what about lifting the arms embargo on the Albanian Kosovars? She said we couldn't do that because of international law. Well, this is sort of a cavalier attitude, where we rely on international law as an excuse to not do something we should do in one case, the case of lifting the arms embargo, but we disregard international law or suggest that it is a technicality when it comes to the idea of not recognizing an area separate from Serbia and then going ahead and proceeding to take military action with what our own policy apparently regards as, in effect, a province of Serbia. This troubles me.

I ask unanimous consent that Secretary Albright's comments in this regard from an April 20, 1999, hearing of the Senate Committee on Foreign Relations be printed in the RECORD.

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

EXCERPTS FROM HEARING, SENATE FOREIGN RELATIONS COMMITTEE, APRIL 20, 1999

Senator RUSSELL FEINGOLD. Thank you, Mr. Chairman. Madame Secretary, I've been critical of some of the decisions that have been made getting into this policy, so let me take his opportunity to publicly thank you for your devotion and effort with regard to this. I'm sure it's incredibly difficult, and I thank you for it.

In light of what's happened, are there any circumstances under which the administration would support an independent Kosovo?

Secretary ALBRIGHT. I think that we do not consider it a useful end to this because of the additional problems that it would cause within the region, where the—we see it as potentially destabilizing Albania and Macedonia, then if Macedonia were to fall apart, there's a whole—I don't want to predict all the dire things, but I think it basically is a destabilizing effect for the region, and it is not our position to support independence.

Senator FEINGOLD. Well, I'm still thinking it through as well, but I do hope the administration will at least keep an open mind with regard to whether that is not the way things should end up. And this relates as well to Senator Dodd's comments. I take a little different tack, at least potentially, with regard to the issue of arming the Kosovar Albanians. I think one of the reasons that we ended up having to send ground troops to Bosnia was the failure of the United States to lift the arms embargo for the Bosnian Muslims when we could have. And I notice that we are there many years and many dollars more than we intended to be.

I recognize your comment about the arms embargo that's in place.

At the same time, I wonder about our legal status in terms of bombing a nation with regard to a question having to do with an area that we consider part of that nation, in terms of international law. I'm wondering why in the one instance we are so concerned about an international arms embargo, but we are not particularly concerned about the issues of international law that apply to a situation where we regard Kosovo as part of Serbia.

So, what I'm interested in is what would be the practical effect, on the ground, of arming the Kosovar Albanians?

Secretary ALBRIGHT. Well, the practical effect is that they still—their numbers are not sufficient so that they can defend themselves. Two, and this goes to why are we nice about one legal regime and not another, it's a practical issue, which is that in both the Bosnia case and here the minute that you break an arms embargo it means that the other side is entitled to be also supplied, and I think that we have great concern about the Serb—breaking the arms embargo because the Serbs would definitely be supplied.

I think there is also the effect that we are part of an alliance and this is in Europe, and the Europeans are very much opposed, as are we, to the arming of the KLA and to the independence.

Senator FEINGOLD. Madame Secretary, with regard to Bosnia, I believe that at least one of the factors that helped us leading up to Dayton was the ability of the Bosnian Muslims, through different means, to get greater arms, and I am not at all convinced that this situation wouldn't be assisted. In fact, in listening to one of the NATO briefings the other day, I think there was a specific reference to some of the resistance that the Kosovar Albanians were able to put up as helpful with regard to fighting the Serbian troops. So I would ask that that be kept on the table.

And finally, I notice that Congressman Campbell in the house has introduced two separate resolutions, one to declare war and the other to demand an immediate retreat. I am glad that the senators who have talked earlier today have introduced a resolution in the Senate with regard to our involvement. And I'm wondering, in light of your answer to Senator Hagel's question, whether we're really at war. You seem to have indicated that we are not, at this point. What criteria would need to be met in order for you to agree with those who believe that our action in Kosovo amounts to a war or could amount to a war in the near future?

Secretary ALBRIGHT. I think that a lot of those are legal questions. I think that politically, though, there are a number of reasons why a declaration of war is not helpful in terms of how we operate in the region and with our allies, and so we are opposed to a declaration of war.

Senator FEINGOLD. Thank you, Mr. Chairman.

Mr. FEINGOLD. I would like to make just a couple other points regarding my concern about supporting this resolution with respect to the substance of it, with respect to the intervention itself.

This is almost a cliche—almost every Member of the Congress has said it—but it is still correct; that is, that our strategy is unclear. I don't believe the administration has fully articulated the policy which the airstrikes were intended to support.

I did oppose the airstrikes. I recognize the Senate voted for them. But I didn't see the policy at the time. The goals need to be explained more fully and a better case needs to be made for our continued military involvement. Certainly, if we are going to pass a resolution of this scope, we need a far clearer understanding. I don't think the President has adequately explained the national interest and objectives and cost estimates and exit strategy in this situation.

Finally, with regard to concerns in terms of whether this is a course we should follow, I have to share the view of the Senator from Arkansas, who indicated that this argument, that maybe we made a mistake in the first place but we have to finish it now that we are there, is really a terrible argument. It is a dangerous situation—we have been there before—to suggest that simply because we have gotten into a situation that we have to go full bore into it without really being sure of how far it will go or what the ultimate consequences would be. The mere fact that we started it does not mean we have to take every possible step in pursuit of a policy that had flaws from the beginning.

In any event, after having listed five or six concerns about the substance of

this intervention, let me conclude by making just a couple of comments about the fact that the resolution itself is too broad, even if it did support what we are doing exactly in Kosovo at this time. I am pleased the Senate is considering a resolution that would authorize the use of military force, but the resolution before us today does not define parameters of what that military involvement would be. The phrase ''blank check'' is appropriate. That is what this resolution provides. I think it would be irresponsible, very similar to what happened with regard to the Gulf of Tonkin in the Vietnam situation, if we go down this road.

As we think about taking this very extensive measure, let us remember that there is a lack of consensus among the American people and the Congress about the policy to pursue with regard to Kosovo. Even under the current facts and circumstances that the American people know and that we know, this resolution is too broad. But given its breadth and the implications, we have no idea what the position will be in a few weeks, and this resolution gives a blank check.

We do have to take a stand. This Senate did take a stand in favor of the bombing a few weeks ago, even though I voted no. But the fact is, only this body supported the airstrikes. Last week the other body, on a tie vote, 213 to 213, voted not to support the airstrikes, after having watched the impact and the effects of the airstrikes for the last month. So there is no joint resolution by this Congress at any point in support of even the airstrikes. There is no resolution of the kind that went through the House and the Senate in the Iraq intervention. Yes, that was a close vote in the Senate with regard to Iraq, but the difference is, both Houses sent that up to the President as a reflection of the will of Congress.

I share some of the concerns with regard to some of the votes in the other body. I do recognize that it is very hard to understand how some people can vote not to go forward with this action and then in the next minute vote to put additional funding in for the action. That is very confusing as well.

What I am afraid it reflects is that there is no consensus in the Congress or in the country with regard to what we have already done in Kosovo, let alone a consensus that would justify the sweeping language that we find before us today.

Let me conclude by saying that I will vote to table the resolution because we should not rush into further steps in this matter, including deployment of forces, without a consensus in Congress, without a plan from the administration, and without some sense of how this decision to intervene in this tragedy fits into the broader question of what our foreign policy should be in the post-cold-war era, when we are confronted with human tragedy around the world.

Let me finally say that I thank the sponsors because they have triggered events that have allowed us today to exercise our roles to reaffirm the vitality and continuing need for the War Powers Resolution and the obligations of Congress and the President to comply with them.

I thank the Chair.

(Ms. COLLINS assumed the chair.)

EXHIBIT NO. 1

MEMORANDUM

To: Senator Feingold
From: Bob Dove
Re: War Powers
Date: April 30, 1999

The Foreign Relations Committee met today on S. J. Res. 20—106th Cong., introduced by Senator McCain.

The War Powers Resolution (P.L. 93–148) controls the consideration of any such joint resolution.

Questions raised at Committee Meeting 4/30

1. Is a privileged joint resolution under the War Powers Resolution subject to a motion to table? Yes, and such a motion would carry with it any amendment then pending.

2. Would adoption of an amendment that stated that ''this resolution shall not be privileged under the War Powers Resolution'' kill the privilege. No. That language is not effective until enactment (no bootstrapping). What about language that cuts off funds, text of H.R. 1569 as passed by House on April 28, 1999? Yes it would. That language is as follows:

**PROHIBITION ON USE OF DEPARTMENT OF DEFENSE FUNDS FOR DEPLOYMENT OF UNITED STATES GROUND FORCES TO THE FEDERAL REPUBLIC OF YUGOSLAVIA WITHOUT SPECIFIC AUTHORIZATION BY LAW.**

(a) IN GENERAL.—None of the funds appropriated or otherwise available to the Department of Defense may be obligated or expended for the deployment of ground elements of the United States Armed Forces in the Federal Republic of Yugoslavia unless such deployment is specifically authorized by a law enacted after the enactment of this Act.

(b) RULE OF CONSTRUCTION.—The prohibition in subsection (a) shall not apply with respect to the initiation of missions specifically limited to rescuing United States military personnel or United States citizens in the Federal Republic of Yugoslavia or rescuing military personnel of another member nation of the North Atlantic Treaty Organization in the Federal Republic of Yugoslavia as a result of operations as a member of an air crew.

3. What is the meaning of subsections 6(a), and (b)? (Section 6 is codified at 50 U.S.C. 1545). Subsection 6(a) requires referral to the Foreign Relations Committee, and requires the committee to report ''one such joint resolution or bill'' by day 36 after the report of the President (or after President should have reported); section 6(b) provides that such joint resolution or bill ''so reported shall become the pending business of the House in question . . . and shall be voted on within three calendar days thereafter . . .''

Mr. MCCAIN. Madam President, I yield myself 60 seconds.

Madam President, I will next yield to Senator LUGAR for such time as he may consume. I tell my colleagues that the list I have after him is Senator BOXER for 10 minutes, Senator SPECTER for 15 minutes, Senator HUTCHISON of Texas for 30 minutes, Senator GORTON for 10 minutes. We also have requests from Senators SHELBY, INHOFE, DOMENICI, LIEBERMAN, BIDEN and KERRY of Massachusetts. I ask my colleagues to come over and get in the queue as they can.

Clearly, with that number of speakers, I think it would be both inappropriate and unfortunate if we had a tabling motion before every Senator who wishes to speak would be allowed to speak on this issue. I will strongly resist an effort to table before every Senator who wants to speak on this very important issue can do so. I remind my colleagues that in the case of the Persian Gulf resolution, there were two opposing resolutions, with two up-or-down votes, and a full day of debate. On Bosnia, there were opposing measures by Senators Dole and HUTCHISON of Texas, with separate up-and-down votes, and a full day of debate on final passage. We are not giving this resolution nearly the attention the previous resolutions got.

I yield such time as he may consume to the Senator from Indiana, Senator LUGAR.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Madam President, I thank the distinguished sponsor of this legislation, Senator MCCAIN, for yielding to me. I congratulate him on the resolution. I will advocate that the Senate should affirm the McCain resolution. Certainly, we should not table the resolution.

Madam President, a week after the war began, I wrote in the Washington Post:

> We are losing the war in Kosovo. President Slobodan Milosevic and his Serbian Armed Forces are killing Kosovar political leaders, expelling Kosovars from their homes, and causing a flow of refugees into countries with few resources to care for them. The United States and NATO have the capacity to reverse this situation, but this will require presidential leadership and a commitment to taking the hard steps necessary to win.

I wrote, additionally, in the same column:

> President Clinton still has the chance, as our Commander in Chief, to produce victory, even if what he advocated was based on a hopelessly incomplete vision of the end game and a dubious strategy to reach even severely limited aims.

Madam President, I wrote that on April 1—a month ago—and the situation is identical to that which I described then. We have an opportunity to win the war. We have an opportunity to come to the limited objective the President has listed, but this will require very, very substantial Presidential leadership, hard decisions on the part of our President, and support of those decisions by the American people, as represented by this Congress.

I come today not to argue procedure. I regret, as others do, that we are in a predicament of a 4-hour debate, and a tabling motion was announced in the national press. The leadership of both parties will advocate tabling and disposing of this resolution, thus ending the chapter until, presumably, a more appropriate time to discuss Kosovo. But I come not to lament that fact. It is part of our circumstances, and we shall have the vote in due course and I will vote ''no'' on the motion to table.

I come today not to argue whether we should specifically authorize the President to use air power, as they have done in the House by a 213–213 vote, to temporize on that issue, not on the issue of ground forces, nor whether we have to be consulted before there are ground forces, or any other forces.

We are presently talking about a situation in which the President has set forth some very limited objectives. In my judgment, we have very little hope of meeting those limited objectives, and that translates into defeat for the United States of America, and for NATO. People talk about whether this is the right war, the war we were preparing for, whoever that may have been. We are in a war. It is a big war. It is the only war NATO ever had. It is an occasion for the North Atlantic treaty alliance to work, or for it to fail.

While we can fault our President and others while putting NATO at stake, and we can fault the President for failing to have the resources prepared; for a faulty diplomacy that produced one threat after another, which required some follow-through for credibility; for failure to say from the beginning we have to plan for every potential use of our resources, and we are doing so because we are intent upon coming to the right result.

All of that might have occurred. But, it did not. As I pointed out on April 1, it had not happened then, and it hasn't occurred since. But what has occurred is a very clear statement of objectives, and they are: the retreat, the withdrawal, the end of Serbian forces in Kosovo—out, all 43,000 of them, whether they are police, special police, regular armed forces, or paramilitary forces—these are the people, these particular Serbians, who, in fact, are killing people in Kosovo and expelling those they do not kill from their homes and their country. So, the first objective is all of these forces must leave Kosovo.

The second objective is the Kosovars must be allowed back in. There must be a condition in which people who have lost their loved ones, who have watched atrocities, who have suffered grievously and lost their identities, their bank accounts, their houses, to go back into their country where there has to be an international security force in which they believe—not in which we believe or that we temporize with others, and say a little bit of this or that country, a little balance here and there. The question will be: Do the Kosovars believe in it? Will they go back? If they do not, they are going to be in Macedonia, Albania, and increasingly in Italy, Germany, everywhere, spilling out all over Europe, hundreds of thousands of souls who require support—expensive people, people who could destabilize the economies and the governments of the host countries that have been so generous.

We have barely a month of humanitarian relief, and we understand how tragic it is for those people, how expensive and dangerous it is for the countries in the surrounding area. That has already happened. You cannot walk away from that. We can take a resolution today and say this wasn't our war and we are tired of it or that we are bored with it or, as a matter of fact, we don't even want to participate anymore. But for the suffering people that are a consequence of this conflict, there is no walking away, and the consequences for us, for Europe, for NATO, for our Armed Forces morale, for civilian leadership intersecting with the Armed Forces, are very great.

So I am saying that you have to have an international force that gives confidence enough to the people who have lost almost everything to go back. There has to be money to pay for the houses they go back to, for the lights and the water, and the possibilities of making a living, and of some safety net of economic support while all that is happening.

Who will pay for that? Congressional leaders asked the President. He said the Europeans will take the preponderant share of that. I hope that is true. I hope the President has worked that out, or has broached that, or at least has some assurance of exactly how burdensharing will go—for humanitarian purposes or military purposes. This is terribly important and very expensive, and lying directly ahead, either in Kosovo, in Macedonia, Albania, or other countries.

Madam President, after these expelled people get back and the money is spent—and we hope to do much of this before the cold weather comes—as the President has pointed out with regard to the bombing raids in September and October—then at this point, negotiations proceed on the tortuous path on what kind of democracy in Kosovo, within the constraints of an autonomous province of Serbia but protected by an international force sufficiently strong, armed, and credible to the Kosovars so that they will come back and try to rebuild their country. That will be a very difficult negotiation.

If you were a Kosovar who had gone through all of this—and there are people advocating independence—the siren song of independence is pretty strong. Yet European countries all around are advocating no independence; that is not on the table. As the President has outlined our objective, independence is not on the table. It is autonomy, where people think about self-government within constraints.

Those are the objectives, narrow as they may be. Madam President, we had all better be giving a lot of thought as to how they might be met.

I believe that the McCain resolution is important because it says to the President, ''Mr. President, take all necessary ways and means to win, to find your objective, the objectives now shared by 18 other NATO allies.'' It is important that the President do that.

Normally, there might be a situation in which the President had planned for several months before the war in Kosovo to preposition equipment, to consider ground troops in Europe in addition to air resources, and other provisions, including provisions for humanitarian fallout that might occur. Ideally, all of that might have happened. But it didn't happen. As a matter of fact, the nation's attention was not on Kosovo, except from time to time throughout this period of time. And certainly there were no Presidential messages to the American people indicating the gravity of the situation, and very little debate here on the floor of the Senate. So that planning might have happened. But it did not.

We are now in a predicament where we are in a very large war, where the consequences are very great. We have limited objectives, but, in my judgment—I have expressed this candidly and personally to the President—we do not have the means to achieve those objectives. We have not had the means from the very beginning of the operation.

In his defense, the President stoutly affirms that the bombing campaign will do it, that you can get to those objectives with the bombing campaign alone. He would also add, some helpful information getting into a Serbia—some better control of that situation will be helpful. So would help by the Russians—and help by anybody, for that matter. But, nevertheless, the President from the beginning said no ground forces. He has followed up and said, ''I am not even planning for ground forces.'' He has almost taken pride in saying there will be no planning for ground forces; it is the bombing campaign.

I have said to the President respectfully, ''Mr. President, you have to have at least plan B. There has to be a safety net. We cannot suffer failure. You cannot suffer failure.'' There may be some Members of Congress—we read about these people in the paper who say, ''This is President Clinton's war, and when he falls flat on his face, that is his problem. He deserves it, having

ill prepared for this, having very little strategy that seems to be relevant to getting the job done.''

Madam President, we got over that very rapidly. This is not the President falling on his face. It is not a personal failure of the President. We are in a war. The United States is at war—not President Clinton.

I think what Senator MCCAIN, Senator HAGEL, Senator BIDEN, and others have been saying in essence is, ''Mr. President, we need a much broader strategy. We need more options.''

I have said specifically we need, at a minimum, a public declaration that we are planning ground options—lots of them. We don't know what the situation will be on the ground 5 months from now, but we had better have some options, and it had been better be apparent we are doing that, for our own credibility.

Furthermore, we could preposition supplies and equipment conspicuously so forces can get there, as opposed to constantly saying it will be weeks or months before we can do anything as an excuse for not doing so.

I am advised that the American people in various polls have a low tolerance for casualties. Some people have crassly suggested: What if 100 Americans lost their lives? Would you still be in favor of the war? Would you be in favor of ground forces? How about 200 or 500? At what point do you say, after America loses, we leave; that is an unacceptable set of circumstances?

In polls, however, it may test the political courage of the President, or any of us. If the President is failing even to say, ''I will think about planning for the ground option,'' because he is reading polls that say that is very unpopular, very unacceptable, then the President needs to get over that too, as we do here on the floor of the Senate.

We are talking now about the fate of our country—our credibility with regard to foreign policy and the Armed Forces. We can say, regardless of Kosovo, we are ready for the real war, or the big war, or whatever war comes along. But, Madam President, with what? What kind of political will? What kind of ability to pull this country together, and Congress, and the people? What kind of ability to keep the alliance together with some credibility that we are for real, and that when we go to war, we go to win? And having set the objectives, knowing very clearly what they are, we have to get to the point of winning.

The McCain resolution is tremendously important, because it simply says, ''Mr. President, you have got to do more—a lot more. You have to lead. You have to have a strategy that finally says to whomever—President Milosevic and anybody else—we are going to win, we are going to prevail, the United States means it.''

If we are not prepared to give the President that support, if our debate degenerates into the fact that: ''Mr. President, we would like for you to win. We would like for the alliance to be credible. But do we think everything doesn't really work? We certainly don't want to do the ground forces option. We are not really sure about the money, the humanitarian relief, if the Europeans don't do their share. And we haven't worked it out with them. As a matter of fact, we don't know why we are there and why we got there, and we don't really want to know. We are tired of hearing about the history of this part of the world over the past thousand years. What we really want to know now is specifically, how do we get out of a bad dream?''

As Senators, we are not movie critics. We are not taking a look at a scenario which is a bad dream. We have a responsibility, and the responsibility today is to vote no. The responsibility is to say that it is not simply the President who is responsible—the President's war, the President's plan, the President's request that, if somehow he is inadequate, we simply affirm that and say how sad that he is inadequate.

Madam President, if we lose the war, the fact is, the Congress is inadequate. We also are elected by the people. We also have a constitutional responsibility and, when it comes to war, a responsibility to win. If the President needs shoring up, that may be our job. If the President needs concerted advice and support, we ought to provide it.

There could be other resolutions today, but we have in front of us a big one.

It does not come as a surprise that Senator MCCAIN's resolution has been well debated throughout the country, even if not here. What will be a surprise today, Madam President, is if Senators, Members of this body, are prepared to take some responsibility as opposed to arguing, as I have already heard, that the resolution is too broad, too sweeping, a blank check for a President in whom many Senators are not certain they have confidence to prosecute the war.

These are useful rationalizations before a war but not in the middle of one. It is a war, not just an exercise; however divorced it may be from our lives, that is not the case for those who are involved.

I am hopeful we will vote no on the tabling motion. I propose that we leave the options open to the President. I propose that as opposed to proscriptive motions—that, in the future we offer advice as to how we can help the President and we try to affirm that certain things should be done, as opposed to taking off the table the necessary means that he may need.

In response to my colleague from Pennsylvania, I am happy to yield for a question.

Mr. SPECTER. I thank my colleague from Indiana. I passed a note to the Senator because I did not want to interrupt the chain of thought.

I think there is no one in this Chamber who carries greater respect than Senator LUGAR on issues of foreign policy. I noted your comments earlier calling for Presidential leadership and referring to your op-ed piece which appeared in the Washington Post. I think it not inappropriate to comment at this time that the President noted your op-ed piece in the Washington Post at a meeting with you, Senator WARNER, and myself in attendance. We were the last three to meet with the President in a very extraordinary meeting that lasted a little over 2 hours. At the very end of the meeting, Senator WARNER, Senator LUGAR, and myself stayed and he commented about your op-ed piece.

The Senator made a comment, again referring to your op-ed piece, that the President has a dubious strategy to meet a limited goal.

The problem that I have, which leads to my question, is the President's leadership. He has initiated the airstrikes along with NATO without a clear-cut strategy, and an overused word, the so-called end game. The Secretary of Defense, the Secretary of State, and the National Security Advisor speculated that Milosevic might relent after the first wave; that there might be a pause; that they might have a different attitude after there was some substantial damage done.

Absent a relenting on the part of Milosevic, where do we go from here? In lengthy meetings—the President has now had four with Members—the President has not asked for troops nor has he asked for the authority which is present in the pending resolution to allow him to use whatever force is necessary.

The question I have for my distinguished colleague: In light of the absence of any request by the President and in the absence of any showing of leadership by the President and acknowledging the correctness of Senator LUGAR's assertion that the situation calls for Presidential leadership, why is it sensible to, in effect, give the President a blank check when he has not asked for the resources and has not demonstrated any capability to exercise leadership to effectively carry out that broad guarantee of authority?

Mr. LUGAR. I respond briefly to my colleague that I believe the President must begin to offer that leadership, that he must begin to offer the strategy. I find it unacceptable if we were, as critics of the President, simply to note that he has failed to do so.

In other words, it seems to me there is about this war a sense of unreality. Clearly, if we had been in the so-called cold war period and we were at war with another country at that point, and the President apparently did not have an adequate strategy and we were

losing, it would not be a useful question to ask why the President hasn't asked for what he needs. We have to say at that point that the President needs to ask.

We respectfully request the President to accept some advice and to accept some strategy that we have a responsibility to offer.

Simply left to an inadequate President, history would condemn him, but we would lose and the country would suffer grievous harm. That is our predicament in this situation. The President clearly hasn't asked for the authority, the arms, or whatever he needs. We are saying he needs to ask, and he needs to do so rapidly. We cannot sit around and simply wish that he did so and then lament that he failed to ask. We have a responsibility to act along with him. I hope and pray that he will do that.

I think the President, in this conversation the Senator cited, indicated he could ask General Shelton and General Shelton could produce a plan. In fact, allied armed services could be over there about 5 months and the President felt that might win the war.

We need to define very carefully, if that is the case, what the ground forces' objectives are, where they come in, and include all the options. In other words, that was a rather sweeping statement, but it has gone through the President's mind and what we are suggesting might have some impact.

I hope this debate pushes that forward.

I thank the Senator for his question.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Madam President, I ask unanimous consent I be allowed to control the time until such time as an opponent of the resolution arrives. At that time, I will control the time for the proponents of the resolution, and at a later time a designee of the opponents of the resolution will be designated.

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

Mr. MCCAIN. I yield 15 minutes to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. BOXER. Madam President, I thank the Senator from Arizona for his indulgence. He has been very patient as Members have debated—many speaking against his resolution. He has been very generous in his attitude toward all Members. I greatly appreciate it.

I rise this afternoon to debate the resolution that is before the Senate and to also join with all Americans in rejoicing that the three prisoners of war have been released and have been united with their families.

One of these young men, Sgt. Andrew Ramirez, is a constituent of mine from Los Angeles. I spoke with his mother a few days ago before we knew his release was a possibility. I know how she felt. I heard in her voice the terror of the situation. We are all relieved.

I say today to all the families, you did the right thing by coming forward, by continuing to look into the cameras when it was difficult for you; yet because you did that, you put the human face on these young men. That was very, very helpful. I thank Jesse Jackson for working to secure the release of these brave soldiers.

The irony of the situation is that Milosevic wrongfully abducted these soldiers. Now he allows them to return home, while at the same time he refuses to allow the million Kosovar Albanians who were wrongfully displaced to safely return home.

Yes, the three soldiers come home and now we see no move by Milosevic at all, at all, to allow so many decent families to return to their homes.

Mr. Milosevic could end this war today. I know some have said, let's take a pause in the bombing, and that may be something that NATO wants to do. It is going to be up to them as they go about deciding the best strategy. But I say to Mr. Milosevic that he can end this war today. He has to agree to do three things. They are very simple.

No. 1, pull your army and your special forces out of Kosovo;

No. 2, allow for the safe return of Kosovar refugees to what is left of their homes;

No. 3, allow for an international peacekeeping force, which includes NATO's participation, to ensure the safe return of the refugees.

That is very straightforward. It is very simple in many ways. It takes us back to the days when Kosovo had its autonomy and those people could live in peace. So, yes, we welcome the POWs home with our open arms and open hearts, and we long for the day that Mr. Milosevic will stop this war by allowing the refugees to return home, ensuring a stable situation by allowing an international peacekeeping force into Kosovo.

I know the McCain-Biden resolution was written with the aim of achieving those three goals that I outlined, the three steps that Milosevic must take. However I do not support that resolution for the following reasons. I stated this in the Foreign Relations Committee, but I wanted to expand my remarks a little bit today. No. 1, the resolution is too broad and it is too open ended. Specifically, I am very concerned about the clause that says, ''all necessary force and other means.'' I do not believe it was the intention of the Senators to open the door to every weapon known to mankind. But when you read the resolution, there is no clarity on that point. I think it opens the door for Congress to underwrite the use of chemical weapons, biological weapons, and nuclear weapons.

In the committee, Senator SMITH entered into a colloquy with Senator BIDEN and he said: Senator, I am worried about this being so all-encompassing that it could include biological, chemical, and nuclear weapons. Senator BIDEN said that was not the intent. We can have a colloquy on the floor to say that is not what we meant; we meant conventional weapons. But a colloquy is not enough for Senators to have, it seems to me, when you are voting on a measure so important. It ought to be clear what we are talking about, and this resolution says, in essence, any and all weapons. That is the first reason I oppose it. It is open ended and too broad.

Second, the resolution takes Congress out of the decisionmaking process. In other words, once you pass this sweeping resolution, our job is essentially done; you are handing this over to the President.

By the way, I think this President has shown tremendous leadership on this issue. I disagree with my friend from Pennsylvania and my friend from Indiana on their colloquy. If you think it is easy to keep 19 NATO nations together on one track, think again. This is not easy. Some of these nations have an inclination not to go along. I give tremendous credit to President Clinton and to Prime Minister Tony Blair on this matter, because I think they are the ones who have kept NATO focused.

I am very pleased with the fact that the President has done something here, but I do not want to take the Congress out of this debate. I think this resolution does that. I think my constituents want me to be included in this every inch of the way. If the President asks us for ground troops, we need to vote on that. If he asks us for other means, we should be able to vote on that. I do not see it as others do, that the Congress really should just say: Any and all force.

I support what we are doing. I want to be clear. I want to respond to Senator HAGEL who said those of you who do not support this, essentially you are not courageous and you are not—I don't want to put words in his mouth, but he basically said we are not standing up with courage. I just want to put that into context, because when I voted to support the NATO bombing, I was taking a very strong stand. This is not easy, to see these bombs falling. This is tough. I believe they will bring Milosevic to the table. I do really believe that. So I do not view that vote as just some easy vote. It was a hard vote for me to say use force in this circumstance. So I hope colleagues would not think those of us who do not support them on this want us to leave the scene, to run away.

There are three points of view here that are all very legitimate. One that I have heard represented by several of our colleagues is: Do nothing. Do nothing. This is not in the national interest of the United States of America. Do

nothing. I do not agree with that. If it is not in the national interest to stop the most god-awful ethnic cleansing since Hitler—if that is not in our national interest, I do not know what is. We are human beings first and foremost. We cannot allow that to stand. So I do not subscribe to those who say: Do nothing, in terms of military force. I just do not think we have the choice here. Milosevic was engaging in this ethnic cleansing. The only difference now is the light is on it and we see it.

I also do not agree with those who back this resolution, which is: Any and all necessary force, all kinds of weapons, the President has the ability to do that. I think it goes too far, takes us out.

So I am in the middle here. I support the current policy. I do think it is working. I do think we need to be patient. I do know there has been bad weather. I do have faith that the conduct of this war will lead to what we want, an end of the ethnic cleansing.

The President has not asked us for this additional language. I am sure any President would welcome it, by the way. But he has not asked us. As a matter of fact, he sent us a letter.

I ask unanimous consent to have this letter printed in the RECORD, Madam President.

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

THE WHITE HOUSE,
*Washington, April 28, 1999.*

Hon: TRENT LOTT,
*Majority Leader, U.S. Senate,*
*Washington, DC.*

DEAR MR. LEADER: I appreciate the opportunity to continue to consult closely with the Congress regarding events in Kovoso.

The unprecedented unity of the NATO Members is reflected in our agreement at the recent summit to continue and intensify the air campaign. Milosevic must not doubt the resolve of the NATO alliance to prevail. I am confident we will do so through use of air power.

However, were I to change my policy with regard to the introduction of ground forces, I can assure you that I would fully consult with the Congress. Indeed, without regard to our differing constitutional views on the use of force, I would ask for Congressional support before introducing U.S. ground forces into Kosovo into a non-permissive environment. Milosevic can have no doubt about the resolve of the United States to address the security threat to the Balkans and the humanitarian crisis in Kosovo. The refugees must be allowed to go home to a safe and secure environment.

Sincerely,

BILL CLINTON.

Mrs. BOXER. What the President said is he is confident we will prevail through airpower, and he says, ''I can assure you that'' if we needed ground forces he would ''fully consult with the Congress'' before he would introduce ground forces into what he called a nonpermissive environment.

So, I support what we are doing now. I also want to comment on the remarks of one of our colleagues, who said, why don't we stop horrible things from happening in other parts of the world? I do not subscribe to the theory that if you cannot stop all evil stop no evil. I think you stop it where you can. In this case, because of the President's leadership, there are 19 nations united. This is a mission of NATO. We can stop this evil and we should stop this evil.

Let me remark on some of the human rights abuses that are being reported by Human Rights Watch. They conducted 19 separate interviews, which showed that 100 men were summarily executed in the town of Meja on April 27. According to the witnesses, these men were pulled out of convoys headed towards Albania, and executed. Witnesses reported the dead bodies covered an area of ground about 12 feet by 20 feet and were stacked 4 feet high.

I ask people to imagine, what does that remind you of; after World War II, when we saw those bodies piled one on top of the other? How my colleagues can say it is not in our national interest to stop this is beyond my capability to understand.

Another witness said he fled his town of Sojevo, leaving behind his paralyzed father and elderly mother in their home because they could not get out, and he believed the Serb paramilitary forces would not harm the disabled and the elderly and the helpless. He returned home hours later to find his father shot dead and his mother's body mutilated. How can people say it is not in our national interest to stop that?

Violence against women in Kosovo has been reported widely. One woman interviewed by Human Rights Watch reported police held a knife to her 3-year-old son, saying he would be killed if she did not produce money or gold.

We know there are several accounts of women being raped by Serb forces in front of their children. I heard a quote on CNN that Milosevic said: ''There are bad things happening in Kosovo, but it's not the military, it's the paramilitary.''

I say to Milosevic: Stop it; you can stop it. The paramilitary, the military, the special police, you control it; you can stop it. You can send three POWs home to us. You never should have taken them in the first place. They were on a peacekeeping mission. You can send three POWs home to us. Let the good people who want nothing more than to live in their homes in Kosovo go home and stop the rape and the torture and the mutilation of old people and sick people. Yes, you admit bad things are happening in Kosovo. You can stop them from happening.

I support NATO, and I support the administration. I believe the best way to show that support for the current policy is to table the resolution. If we are asked to do more, I will consider it. I stand on my vote of March 23 when Congress approved that resolution authorizing the President to conduct airstrikes against Milosevic. I believe the Senate should stand behind that vote and continue to support NATO's effort to end the nightmare in Kosovo.

Last point. I say to my friend, JOE BIDEN, and to my friend, JOHN MCCAIN, Madam President, they are showing leadership in this resolution. They are putting forward their point of view. It is quite a legitimate point of view. I think the other points of view being expressed are legitimate as well. When the House voted, they sent a very chaotic message to the world: Yes, we will keep sending the money; no, we won't bring home the troops; no, we don't like the bombing; no, we don't want ground forces. It was extremely confusing.

The best signal we can send today is a signal that we support NATO. If we table this resolution, that will be my interpretation, that we support NATO today, that we reaffirm our support that was given to NATO in a bipartisan way on March 23.

I thank you very much, Madam President, and I yield the floor.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. MCCAIN. I yield 15 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Madam President, I thank my distinguished colleague from Arizona.

I am opposed to the pending resolution for constitutional policy reasons and for pragmatic reasons.

With respect to the constitutional issue, we have seen a significant erosion of congressional authority, as mandated in the Constitution, to declare war—the President having assumed the authority to declare war under his powers as Commander in Chief. Korea was a war without a declaration by the Congress. Vietnam was a war without a declaration by the Congress, except for the ill-advised Gulf of Tonkin Resolution. The missile strikes against Iraq in December constitute acts of war without authorization by Congress. The airstrikes against the Federal Republic of Yugoslavia constitute acts of war without congressional authorization. There was a resolution authorizing airstrikes which passed the Senate 58–41, but under our bicameral form of Government, the House of Representatives did not concur in authorizing that use of force.

The broad sweeping authority contained within the pending resolution really is, in effect, tantamount to a delegation of Congress' authority.

The President has had a series of four meetings with Members of Congress which I believe have been very constructive and are very much to the President's credit. When he met with

Members of Congress last Wednesday, on April 28, he publicly acknowledged this. The President said that he would not order ground troops without prior authorization by the Congress of the United States. He wanted to reserve his constitutional authority to do so without prior congressional approval, but he said as a practical matter, he would get congressional authorization as a good-faith matter because of the sequence of events which have transpired and which he anticipates will transpire before any such move.

If we are to authorize the President, in the language of this resolution, ''to use all necessary force and other means, in concert with United States allies, to accomplish United States and North Atlantic Treaty Organization objectives in the Federal Republic of Yugoslavia (Serbia and Montenegro),'' the Congress of the United States would be taking itself out of the picture with respect to being a party to whatever action the executive branch, the President, our Armed Forces might take.

I suggest, Madam President, that there is substantial collective wisdom in the House and in the Senate which ought to be consulted, which ought to be a party to the takeoff, as well as the landing, which ought to be a party to advising what our rules should be, reserving, of course, the military function to the generals and to the admirals and to the executive branch. But the Congress has a very, very significant role to play in deciding what course we ought to take. As a matter of policy, it seems to me important that the Congress reserve its rights and not become involved in such a broad delegation of congressional authority.

As a pragmatic matter, we have seen the ill-advised Gulf of Tonkin Resolution, and I quote from that resolution in part:

> . . . The United States is therefore prepared, as the President determines, to take all necessary steps, including the use of armed force, to assist any member . . . of the Southeast Asia Collective Defense Treaty . . .

The language, ''to take all necessary steps including the use of armed force,'' is strikingly similar to the language of the present resolution to authorize the use of all necessary force. I suggest that the Gulf of Tonkin Resolution was very, very ill-advised.

Madam President, I supported the resolution passed by the Senate 58–41 to authorize airstrikes, expressly reserving that there should be no ground forces. I am prepared to consider whatever the President may request, providing that very, very important questions are answered.

I believe we need to know to what extent the airstrikes have degraded the military forces of the Federal Republic of Yugoslavia. We need to know what the prospective resistance would be, what the plan of attack would be, what resources would be necessary to implement the plan, what of those resources would come from the United States, what of those resources would come from our NATO allies, and what would be the cost to be borne by our NATO allies as well as the United States?

We are currently looking at a request from the President for some $6 billion, and we are looking at an add-on from the House of Representatives which may bring the total bill to $12 billion, or to $13 billion. Before any such appropriation is authorized, it seems to me that we are going to have to take a very hard look at precisely what is involved and what our obligations are and what our NATO allies have contributed.

Now that there is a surplus and there has been a public declaration backed by consensus that the surplus ought to be used for Social Security, it has been noted that these appropriations are going to come out of the Social Security fund. That puts a political coloration on the matter which is going to require a lot of analysis to be sure that we are doing absolutely the right thing before we deplete funds which might be directed toward Social Security.

There is another aspect in the consideration of this resolution, and that is the high improbability, really impossibility, of an acceptance of this resolution by the House of Representatives, in light of their votes last Wednesday, April 28.

The House of Representatives turned down a resolution on a tie vote, 213–213, for the President to conduct air operations, so that the House is saying, by that tie vote, that they do not approve of what the President is doing at the present time. And in not approving even the limited air operations, with the specific reservation prohibiting the use of ground forces, what is there to support the belief that the House of Representatives will be prepared to grant even broader authority to the President?

The vote by the House of Representatives on another resolution appears directly inconsistent with their refusal to authorize the President to continue the air operations. The House of Representatives rejected a resolution, 290–139, directing the President, under the War Powers Resolution, to withdraw troops from operations against the Federal Republic of Yugoslavia. Now, there may be some ambiguity or difference between the withdrawal of troops compared to a cessation of air operations, but they amount to about the same thing.

So here you have the House of Representatives saying, ''We will not authorize the President to carry out the air operations,'' and at the same time, ''We do not call for the withdrawal of troops,'' or, realistically viewed, whatever it is that the United States is doing in a military context at the present time.

I believe it is important to consider negotiations, as has been urged by some Members, although I would not suspend the bombing operations.

The return of the three U.S. soldiers by President Milosevic was, indeed, welcome news yesterday. I congratulate Reverend Jackson for his initiatives and his courage in undertaking that daring mission, and in succeeding at it. But I would not reward President Milosevic for doing something, in returning the three GIs, which he should have done weeks ago. I do think that we need to stay the course on the authorization of the resolution that the Senate passed on airstrikes. But I do also believe we ought to be cooperative with the efforts of Russia, and with any other efforts to have a negotiated settlement, providing we do not give up the standing to prosecute President Milosevic as a war criminal if the evidence so bears out.

We know that as long ago as late 1992 then-Secretary of State Eagleburger, in effect, declared Milosevic a war criminal. And I believe that it is very important that the War Crimes Tribunal proceed to gather evidence. I think you will have a very salutary, a very deterrent effect if the evidence is present to proceed with an indictment against Milosevic.

A bipartisan group of Senators met with Justice Louise Arbour last Friday, and she made a very strong plea for the IFOR, for the allied forces, to take Karadzic into custody. And that would be an occasion to take many other high ranking military and political figures into custody: war criminals, for the violation of human rights in Bosnia. And that could have a very, very profound effect on Milosevic's immediate subordinates.

So we ought to be working in a number of directions—at a negotiated settlement, if it can be obtained, consistent with the NATO conditions, to pursue the issue of treating Milosevic and his subordinates as war criminals, and to continue with our airstrikes.

But I do believe that at opposite ends of the poles, it is unsatisfactory, really counterproductive, for the House to reject the current military operations and the airstrikes by the tie vote; and I think it would be counterproductive at the other end of the spectrum to have a broad sweeping authorization of authority for the President to take whatever action he deems appropriate as a blank check.

And in taking that position, I acknowledge the leadership of the distinguished Senator from Arizona, Senator MCCAIN, who speaks with great authority on military matters, and the leadership of his principal cosponsor, Senator BIDEN, the ranking member of the Senate Foreign Relations Committee. But for constitutional policy and pragmatic reasons, I urge my colleagues to vote against the pending resolution.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Madam President, I yield 30 minutes to the Senator from Texas, Senator HUTCHISON.

The PRESIDING OFFICER. The Senator from Texas is recognized for 30 minutes.

Mrs. HUTCHISON. Thank you, Madam President. I, too, thank my colleagues, Senator MCCAIN and Senator BIDEN, for having principle, for stating their principle very forcefully, even though I disagree with what they are trying to do with the resolution that is before us today.

I think every Member of this body has the responsibility to address this issue, to say what we think, and to back that up with action. In fact, I have to say that I was stunned, after the House action last week, that some Members came forward and said, ''Oh, this is partisan.''

Madam President, this is not partisan. There are Members from both sides of the aisle who have very differing views on this. I would never say that someone who does not vote with me is partisan or is coming to this debate with anything other than their own conscience.

So I am going to speak from my conscience and my heart. I am against this resolution. I am not against it procedurally; I am against it on the merits. I respect everyone who is on either side of this issue, and I think we need to have the debate. I think we need to take an action that would turn us in a different direction from the course we are on in Kosovo today.

Madam President, I have to take a moment of personal privilege and say that I was stunned to pick up my paper on Saturday and read that one of my constituents, Larry Joyce, had died on Friday. Friday night, when I was speaking to a group, I was talking about Larry Joyce—not knowing that he had passed away—because Larry Joyce is one of my heroes. He has had an indelible impression on me.

He was watching this debate and this issue very closely, because Larry Joyce was a decorated Vietnam veteran who lost his son in Somalia. Sergeant Casey Joyce was one of the great Army Rangers who lost his life in his first mission as an Army Ranger. When Larry Joyce told me his story, I invited him to come and testify before the Senate Armed Services Committee. I have to say, he gave the most compelling testimony that I have heard in all of my time on that wonderful committee.

Larry Joyce was a hero. He was a patriot. He was very concerned about this Kosovo issue. I wish he were alive to see this issue all the way through, because he certainly had a lot to say that was important.

This resolution is wrong for a lot of reasons. It is the wrong time—through no fault of the authors of the resolution because they could not have known, when they introduced this resolution in the Senate, that we would have the release of our American prisoners over the weekend. Of course, all of us were so thrilled when on Saturday we heard that President Milosevic had agreed to release the prisoners, and then on Sunday, when many of us were waking up, we heard the news that they had already been released.

I was proud to meet with Mr. and Mrs. Gonzales in my home State of Texas on their way to Frankfurt yesterday, and there weren't two more relieved people in the whole United States of America than they were.

This release does give us a narrow window of opportunity for a diplomatic solution. I think it is wrong to pass a resolution on the floor of the Senate saying escalate the intensity of this campaign. That is the wrong message. Instead, I call on President Clinton to take bold action, open a door for discussion with President Milosevic, set a timetable, require that there be immediate cessation of any hostilities toward Kosovars of Albanian extraction, and ask Mr. Milosevic if he will agree to come to the table and talk about a peace.

This is a window. If it fails, what have we lost? Set a timetable, 5 days. Do you think we could lose 5 days in bombing to save maybe hundreds of lives, maybe thousands of lives, maybe years of conflict? I think it is worth a try. I call on the President today to do just that, take a bold step. This is the opportunity for President Clinton to see if President Milosevic is serious. If he is, talking does not hurt, and it just may help.

The resolution is wrong for other reasons. Those who offer this resolution believe it is necessary because Congress has a responsibility to act. I don't think this resolution is an exercise of responsibility. I think it is an abdication of responsibility. It tells the President, in so many words, don't bother us anymore with this war. Congress doesn't want to know what your plan is. We don't want to know what it is going to cost. We don't want to know from you what the exit strategy is. Congress doesn't want to authorize the use of ground forces. In short, we are saying, President Clinton, go fix it and don't bother us, send us the bill.

I reject that view of taking responsibility for Congress. I think we do have a responsibility to say what we think. If we have learned one lesson from Vietnam, it should be that Congress must take the responsibility that is given it by the Constitution and not let something go on and on and on, when we know we are going in the wrong direction.

In 1964, the Senate passed what became known as the Gulf of Tonkin resolution. That resolution urged President Johnson to take all necessary measures to prevent further aggression in Southeast Asia. The debate on the Gulf of Tonkin resolution was much of the same debate we are hearing today—concern about whether our allies were dragging us into a war that wasn't ours; concern about whether they would accept enough of their responsibility; concern about cost; concern about whether we were actually declaring war, but being too timid to do it; and there was concern about escalation.

We know what happened. Over the next 10 years, every one of us can tell what happened. Congress abdicated its responsibility. They let the war go on and on and on, and we lost 59,000 Americans because Congress did not stand up and say, wait a minute, we are going in the wrong direction, let's do something about it.

I am not going to abdicate my responsibility. If I were the only vote in this body, I would vote against this resolution on the merits right now. That is not to say that I would not welcome the President coming to Congress and telling us what he wants, but he has not asked for more force. He has not submitted a plan. He has not stated goals with which I could agree.

Why would we take an action that would give him more authority to use more force at exactly the wrong time? The President had not submitted a plan when the Senate voted to authorize the air operation, and that is why I voted no. At the time, we were told the operation would deter President Milosevic from hurting the Kosovar Albanians. When the bombing began, we all know that he escalated the atrocities against those poor people. That is not our fault. I would never blame us for that. But it is our fault that we didn't have a contingency plan.

I would never compound that problem by giving the President more authority to send our troops in on the ground and put them in harm's way with no contingency plan. He has not come to Congress; he has not asked for more authority. The last thing we ought to do is give a blanket authority when we do not know the plans. It would be an abdication of our responsibility to do that.

I think the administration has been all over the lot on the policy that we say that we want to solve this problem. Do we want an independent Kosovo? The administration says no. Do we want to drive Mr. Milosevic from power? The administration says no. Do we want to encourage European democracies who are very strong and stable right now to assume more responsibility for European security? The administration says yes, but the crisis is demonstrating the opposite.

Do we want a strong NATO with a clear sense of purpose and the ability

to defend a united Europe? The administration says yes, but I think this Balkan policy is going to tear the alliance apart. It goes far beyond what 19 countries can agree to in a consensus.

We are learning that you cannot fight an offensive war by committee. What we want in Yugoslavia, according to the administration, is a multiethnic, multiparty democracy. We seem to be prepared to impose it on both sides, neither of whom are ready to accept our terms.

We have tried an experimental Balkan policy in Bosnia. It is not workable. Thousands of American troops are there with no end in sight. The head of the international observer group has fired elected officials and canceled sessions of parliament because opposition parties oppose what we are doing in Kosovo. People vote in elections and then cannot stay and serve where they are elected.

I do not think that is an example of a democracy. I think it is a collection of countries trying to force their will on the people of another country.

I certainly do not think we should try to do this in Kosovo with Bosnia as an example. Are we going to require the Kosovar Albanians to live under Milosevic? Surely no one could seriously take that as a goal, but that is the goal stated by the administration—an autonomous region within Serbia that is protected by a NATO force with no end in sight.

So, Madam President, I think it is time for us to look for a responsible force that has a chance to succeed. With the glimmer of hope that we have with the release of our prisoners, I urge the President to seize the opportunity to seek a diplomatic solution, try to bring Mr. Milosevic to the table, bring in the other parties, and look for a region-wide solution.

I think the United States should go back to its role in the region of being a friend to all and an enemy to none. As the world's greatest superpower, we do not have to take sides in ethnic conflicts if we are going to be the neutral party that can bring them together. We should be able to bring the powers together to work out a solution that would have a long-term chance to succeed, one that recognizes the open, gaping wounds of all the parties in the Balkans. It would require much more energy than was put into Rambouillet. It would require President Clinton to take a personal interest and an investment in the solution. And he can do that. The effort would be worth it. We should bring Russia back to the brink to forge an alliance with the West, not push them further away from us. We should provide people in the region self-determination so they can create countries that have a chance for longevity.

It would keep the United States from devoting incredible resources for its open-ended commitment in the Balkans, because our ability to fight elsewhere in the world is being jeopardized by this operation. We are now talking about blockading Yugoslavia. That will take more ships than we now have allocated to this mission. It will hamper our ability to operate in the Persian Gulf. We have already seen that it is diverting military resources from as far as the Asian theater.

Madam President, as much time as we have put in on this Balkans issue, I think we need to come out with a solution that is not a ''Band-Aid'' for Kosovo, but something that will settle down the Balkans for a longer term and give them a chance to live as neighbors, side by side, to have stable economies, to get their people back in their respective countries, to be able to live and have self-determination; and then, hopefully, they could become trading partners and friends.

Madam President, I don't think that any strategic planner in the world ever thought, as the cold war ended, that we would propose a new strategic concept for America that would include tens of thousands of troops dedicated to the Balkans in perpetuity, but that is exactly what is happening. I have listened to the arguments that are being made. The basic argument seems to be: I don't really like how we got here, but now that we are here, we have to win. We are in it, so we must win it. I keep hearing that over and over again. That is like saying when you are going in the wrong direction, keep going and speed up.

I don't think the Senate ought to say that. I think we ought to be a partner with the President in trying to say, wait a minute, Mr. President, we don't agree with what you have done, so let's try to take a different course. I am suggesting tonight that that course be that glimmer of hope that we can have a diplomatic solution, which would be much bigger than just a ''Band-Aid'' on Kosovo.

I have heard the argument that the credibility of NATO is at stake. Now, that is a good argument. I want the credibility of NATO to remain intact. But what kind of alliance, with a mistake staring them in the face, would keep going down the same road and say that, in order to remain credible, we have to go down the same road, at any cost in lives, at the cost of any treasure of any of our countries, and we are going to gut it out even though everyone who has any little bit of awareness of what has been going on is bound to say this isn't working very well?

Is there any doubt in anyone's mind that, if NATO were under attack, we could win a war? No, there is no doubt, because if one of our countries was under siege, we would go all out and we would win. We might use nuclear weapons if we had to, but we would win if one of us had a security threat. But the fact of the matter is, Madam President, we don't have a security risk. We have a humanitarian tragedy. So we are not in this full force. It is a ''gentlemen's war.'' We are doing strategic bombing. We are trying to be careful not to kill civilians, thank Heaven. We aren't going to put in ground troops. The President has said that.

This is not a war on which you can judge the credibility of NATO. If we wanted to win, we would win. We have the force to win, make no mistake about it. Nobody in their right mind would doubt it. But the problem here is the same as we had in Vietnam; we are not prepared to use full force to win, because it isn't a security threat.

To keep NATO strong, I submit that we don't keep going forward on a mission that doesn't appear to be very positive. To keep NATO strong, we should have a clear principle, a clear mission, and not an immediate reaction, but be slow to get into action. And when you go, by God, you go to win. That is what was wrong with Vietnam, and it is what is wrong today in Kosovo. It is not the credibility of NATO that we don't win a ''gentlemen's war.'' The credibility of NATO would be tested if we had a real security threat to one of our countries, and we would go in and we would win.

So I think the resolution today is meaningless, because we know we are not going to use full force. We are not going to use weapons of mass destruction, and we are not going to use ground troops. The President has said that. He hasn't even asked for it. And this operation should show us, and it should be a lesson for NATO, that if we are not prepared to go for a win, we should not take the first step. That is the lesson to keep the credibility of NATO.

If we are not prepared to go for a win and declare war on Serbia we shouldn't have started the bombing, and we shouldn't continue in this direction. That is why the resolution is wrong.

I am not ready to declare war on Serbia. I think they have a despot as a leader. But I don't think the American people are ready to declare war on a country that is not a security threat to the United States. I don't think we should start bombing another country if we are not ready to declare war.

Madam President, I don't think it is right for Congress to say go full force in the same direction you have been going. I think it is my responsibility as a Senator to say: I think we are going in the wrong direction, Mr. President. Let's take stock of the situation, and let's try to do something that would be a positive turn.

I was reading in the New York Times this morning a column by William Safire about the price of trust. The central question is, Do we trust the President to use all force necessary to establish the principle that no nation

can drive out an unwanted people? And the answer is no. The distrust is palpable. Give him the tools and he will not finish the job.

Madam President, I don't want to give him the tools in that kind of atmosphere. It would be an abdication of my responsibility as a Member of the Senate to do that. The only responsible action for the Senate is to ask the President to come to Congress if you want to escalate this conflict. Come to Congress, and tell us why and tell us what your plan is. Tell us what the cost is. Tell us how many troops you need, and for how long. Tell us what the mission is. And what is victory?

How could we say that passing this resolution is an act of responsibility? I don't doubt for one minute that everyone who votes for this resolution is doing it because they believe it is right—because they believe in the Presidency. So many of the war heroes in this Senate believe in the Presidency. I think that is why they are standing so tall.

But, Madam President, I am a Member of the Senate. I believe in the Presidency. But I believe that when the President is doing something that is wrong—that I should stand up and say so. That is what I was elected to do. That is what the people of Texas sent me here to do.

I hope that we can have an influence on the President. I hope he will take bold action. I hope he will sit down tonight and decide that there is a glimmer of hope with the release of the American prisoners and it is worth a chance.

That is why I hope we will table this resolution—that we will take our responsibility seriously as Members of the Senate, and say: Mr. President, what we are doing isn't working, and I am not going to escalate it. I am not going to put our troops into harm's way, most assuredly, when you don't ask us to do it. And when you don't give us a plan, and when you don't give us a policy that we can decide if we support or not. The people who elected me to take the tough vote trust me to do what I think is right in my heart. I would never abdicate my conscience by giving a blank check to put our troops into harm's way in support of a policy that I haven't seen, and what I have seen I disagree with. No way.

Madam President, I yield the floor.

Mr. MCCAIN. Madam President, I ask that the Chair recognize the Senator from Washington for 10 minutes.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. Madam President, should the Congress, in the words of the McCain resolution, authorize the President ''to use all necessary force'' to accomplish U.S. objectives in Yugoslavia? That is the question upon which we will be voting shortly.

In order to answer that question, however, we must, it seems to me, first deal with two prerequisites and vital questions.

First, what are our American objectives in Yugoslavia? And are they so vital to our national interest as to warrant a full-scale war?

Second, do we have a sufficient degree of confidence in the quality of our Presidential leadership to give the President unlimited and unrequested authority to pursue those objectives?

In connection with that first question, our American objectives, we are now engaged in an experiment, a venture, that is an entirely new function for the North Atlantic Treaty Organization—not defensive in nature, but reaching outside of its own borders to attempt to settle one among many ethnic and religious conflicts around the world.

In my view, at the time at which we began this adventure, it was clearly not a vital interest to the United States of America. In addition to the absence of any vital national interest was the appalling lack of contingency plans on the part of the administration, as explained to Members of the Senate of both parties in the days leading up to the beginning of the bombing—no contingency plans as to what took place if the first two stages of bombing in a week or 10 days or 2 weeks was unsuccessful; no recognition of the high possibility or probability of extensive Serb atrocities in Kosovo aimed at the very people our actions were designed to protect.

In summary, Madam President, I believe that the administration's position at the beginning of this conflict ranked somewhere between frivolity and folly and, therefore, I was one of 41 Senators to vote against ratifying what we all knew the administration was going to do whatever the vote in the Senate.

On the other hand, as critical as I am of both the inception of this conflict and of its conduct, it is very difficult, I think impossible, to avoid the conclusion that what was not a vital national interest in the first place now involves a far greater national interest resulting from a flawed concept and a worse execution.

We now do implicate the very survival of the North Atlantic Treaty Organization. And our actions have precipitated a refugee crisis unmatched in Europe since the end of World War II. Well over a million Kosovars are homeless, many of them refugees outside of the boundaries of the Republic of Yugoslavia, all of them far worse off when they are not dead than they were before our intervention began.

Having recognized this, however, what are the possible outcomes? All of them, it seems to me, are bad.

The first is that we quit and come home. And some advocate that. I no longer honestly can do so as much as I opposed the beginning of this conflict.

The other and perhaps best possibility is that our air attacks may still be successful, that Milosevic and the Serbs may still give up, in which case we get to occupy an absolutely devastated and destroyed Kosovo for perhaps a quarter of a century, and receive a bill to rebuild Kosovo, and maybe Serbia as well, some of which we may attempt with greater or lesser success to pass over on our allies, and will now have to support the independence of that country. Its residents can no longer live with Serbia at all. That independence and that occupation, in my view, are the only way we will persuade Kosovar Albanians to return to their homes.

The next alternative, of course, is the Russian compromise —defeat, disguised as a form of compromise. The Kosovars under those circumstances, without an American occupation, with a Russian occupation, will almost certainly by the hundreds of thousands be rightly frightened to return to their homes. Such a compromise is likely to end up in a partition, in which Serbia ends up with far more of Kosovo than it deserves, given its actions.

However, that is now a course of action advocated by the previous speaker and by many others—defeat disguised as compromise.

Finally, we have the McCain resolution, a ground war led by this administration, which has already shown itself incompetent to run even an air war, and a 19-member steering committee—a prescription for total disaster.

What about the second question, the inevitable question of the quality of our national leadership? By its own criteria, the administration has been a total failure. It has not protected the Kosovars; it has not prevented a spread of the war. Its leadership is all spin, no recognition of its own difficulties, no willingness to explain to the people of the United States what it is all about or where we are going. We can have no confidence in either the preparation of this administration or the conduct of its operations.

We get to the ultimate question. We are asked by this resolution to grant unlimited authority to wage war in Yugoslavia to an administration unwilling to use that authority and incompetent to carry it out if it were willing.

I ask unanimous consent to have printed in the RECORD a Time magazine column by Charles Krauthammer last week stating that position more eloquently than I can.

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

[From Time magazine, May 3, 1999]

NO TO A GROUND WAR

(By Charles Krauthammer)

What in God's name do we do now? There are three schools of thought: (1) now that we're in it, we've got to win it—meaning ground troops; (2) cut our losses before it's too late; (3) keep on bombing until we have a better idea.

Option 3, air war on autopilot, is the current policy of the Clinton Administration. It is a hope and a prayer. It is not a policy. At some point the choice will come down to (1) fight on the ground or (2) retreat under some Russian-brokered deal.

What should it be? There is a powerful groundswell to win. Even those who before the bombing thought Bismarck was right when he said the Balkans were ''not worth the healthy bones of a single Pomeranian grenadier'' are having second thoughts. Many who, like Henry Kissenger, opposed the war, have come to the view that now that we are committed, we must win.

Their case is powerful. Whereas we had no compelling national interest in Kosovo before March 24, we do now. Our actions have created interests. Two in particular. First, a moral obligation to the Kosovars, whom we said we were going in to save and who are now shivering, starving, terrorized and homeless. We owe them—as we did the Kurds, whom we encouraged to rise up against Saddam after the Gulf War—at least safety, if not victory.

Second, the war on Serbia has become a test of NATO credibility. The Administration foolishly staked the credibility—and perhaps the existence—of the most successful defensive alliance in history on the outcome of a civil war in a backwater of minimal strategic significance. But now that we're there, it is minimal no more.

The case seems open and shut. The U.S. should go in and, in the words of John McCain, use all necessary force to finish the job.

Alas, the real question is not Should the U.S. (and its allies) go in on the ground? The real question facing us today is Do you really want this foreign policy team—Clinton and Albright and Cohen and Berger—running a Balkan ground war?

They launched an air war of half-measures, expecting Milosevic to fold at the first sight of Bill Clinton coming over the horizon on a Tomahawk. They had no contingency plan when Milosevic didn't. They had no contingency plan—indeed, they were shocked—when the man they called Hitler countered with a savage campaign of ethnic cleansing. They responded with the feeblest of aerial escalation, recapitulating the disastrous gradualism of Vietnam.

By every one of their criteria—protecting the Kosovars, preventing the crisis from spreading to neighboring countries, keeping the conflict from internationalizing—this campaign has been a disaster. Do we want to entrust a ground war, a far more dangerous and risky enterprise, to a team that has demonstrated a jaw-dropping inability to plan ahead, to adapt to contingencies, to act forcefully?

Even if your answer is yes, consider this: the Clinton team is so viscerally opposed to ground troops that Clinton ruled them out from the very beginning, thus immeasurably emboldening and strengthening Milosevic. Clinton was willing to sacrifice the military advantages of leaving the ground-war question ambiguous in order to rid himself—he thought—of the issue. He is terrified of becoming Lyndon Johnson, stuck in a ground war with no exit. He confessed as much to Dan Rather: ''The thing that bothers me about introducing ground troops . . . is the prospect of never being able to get them out.''

It is one thing to urge a ground war on leaders simply incompetent to carry it out. It is another to urge it on leaders unwilling to carry it out. What kind of ground campaign can we expect from an Administration that has been pressured into mounting one?

And finally, consider Clinton's co-commanders. One of the reasons the air war has been such an abject failure is that every move must be approved by all 19 NATO members. Luxembourg, say, has veto power over targets. France has raised objections to the very minor step of blockading Yugoslav ports. The committee of 19 had to approve the deployment—the agonizingly slow deployment—of Apache gunships. Imagine a ground war run by this hydra-headed body, in which every rule of engagement, every change in strategy, every new operation would have to go before and through the committee of 19.

If we had a serious President (say, John McCain) and a serious Secretary of State (say, Jeanne Kirkpatrick) and a serious NATO commander (say, Colin Powell), it might make sense to go in on the ground to win. But we don't. Which is why we are where we are. Better a face-saving deal that alleviates some of the suffering of the Albanians than a charge up Kosovo hills, led by a reluctant, uncertain Clinton.

A pessimist, says Israeli humorist Yaakov Kirschen, is a person who thinks things have hit rock bottom. ''I am an optimist,'' says Kirschen. ''I believe that things can get much worse.''

And so they can. Especially in the Balkans.

Mr. GORTON. As a consequence, what might be an appropriate response to an administration that sought it, that expressed its goals coherently enough to define what winning was, and competent to reach its goals, is totally inappropriate to grant to this administration—unasked, unwilling, and unable to carry on a war of this importance.

The inevitable vote on this resolution is to vote to table.

Mr. MCCAIN. Madam President, for the information of my colleagues, Senator CHAFEE will be next for 10 minutes; Senator INHOFE for 30 minutes; Senator ROBB for 20 minutes; Senator LEAHY for 10 minutes; Senator BUNNING for 10 minutes; Senator DOMENICI for 10 minutes; Senator LANDRIEU for 5 minutes; Senator DORGAN for 10 minutes; Senator BIDEN for 30 minutes; Senator DURBIN for 10 minutes; Senator WARNER for 10 minutes; Senator NICKLES for 20 minutes; Senator KERRY of Massachusetts for 30 minutes; and Senator DODD for 15 minutes.

I make one additional comment. This resolution does not call for ground operations. This resolution calls for use of whatever force is necessary to bring this war to a conclusion. Those who portray this as a resolution that calls for ground operations simply mischaracterizes the resolution, and I believe I am owed, along with Senator BIDEN, the intellectual honesty to at least portray this resolution for what it is, which is a resolution to use whatever force is necessary, which is exactly the same resolution as the Persian Gulf war.

I yield 10 minutes to the Senator from Rhode Island, Mr. CHAFEE.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. I thank the manager of the bill.

Madam President, I will support the motion to table, not because I am opposed to properly carrying out this military campaign but because I believe that setting this resolution aside today will give NATO a better chance to achieve our military objectives in Kosovo.

Since the early days of this military campaign, I have argued that the President ought not have ruled out the use of ground troops as a military option in NATO's campaign against Yugoslav forces in Kosovo. Sending this signal gives President Milosevic some comfort, knowing that his army and Serb para-military forces would not have to confront a NATO ground campaign. That gives Milosevic a freer hand in carrying out his brutal campaign of ethnic cleansing against ethnic Albanians.

Today, the Senate must decide whether to give the President authority to use ''all necessary force and other means'' to accomplish U.S. and NATO objectives in Yugoslavia. Passage would certainly permit the Administration to send U.S. ground forces into Yugoslavia. I commend the efforts of Senator MCCAIN and the other sponsors of this resolution, who I know have only our national interests in mind in bringing this measure forward today.

My instinct is to support this resolution. However, I must oppose considering it at this time for two reasons.

First, it should be clear to anyone following this debate that a majority of Senators needed to pass this resolution simply does not exist today. An acrimonious debate, followed by a vote against granting the President enhanced authority to conduct this military campaign, would weaken significantly NATO's hand in carrying out its mission. Such a vote would give Slobodan Milosevic and his band of marauders in Kosovo aid and comfort in fighting an alliance led by a divided U.S. government. So, in the interests of taking on Milosevic with as unified a front as possible, I think a vote today to table this resolution is prudent.

Second, it is not entirely clear to me whether the timing for passage of this resolution is appropriate. Although many are frustrated at the progress of the six-week air campaign, I think it deserves a chance to succeed. No one ever said that this military campaign would be quick and tidy—as wars rearely are—and it is wrong to demand an immeidate result.

However, if, in the coming days and weeks, the President and our NATO allies decide that ground forces are, in fact, needed to carry out our campaign against Yugoslav forces, I believe that consideration of this resolution would be appropriate and I would vote for it.

Madam President, while my instinct is to support this resolution today, I

believe it is premature. Thus I shall vote to table the resolution.

Mr. MCCAIN. I yield 30 minutes to the Senator from Oklahoma, Mr. INHOFE.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 30 minutes.

Mr. INHOFE. I thank the Senator from Arizona particularly for the way he has conducted himself in this debate in spite of the fact that there are many who do not agree with him and the resolution.

Let me first share some ideas that perhaps have not been discussed. I have done a lot of crossing off as I have listened today, taking off items I was going to discuss, and I have shortened my remarks and probably won't use all of my time.

First of all, months ago I went to Kosovo when I saw the handwriting on the wall, when I felt that ultimately this President was going to send ground troops into Kosovo. In spite of the fact he continuously said he was not going to, I felt very strongly that he was. I went over to find out as much as I could before all of the bombing started, what it was really like in Kosovo. Truly, Milosevic is just as bad a person as everybody says he is. I do not question that. But one of the things I came back with is a knowledge of a little bit of the history of the area and that some of the people over there are bad, too.

For example, you are talking about Kosovo, which is very small. It is about 75 miles in diameter, surrounded by mountains and for 600 years has been an area that has strived unsuccessfully for autonomy. There have been times when the Albanians have been the bad guys and the Serbs have been the good guys, and vice versa. It was about 12 years ago we were all so concerned because the KLA was doing all the raping and looting and burning, and not the Serbs.

Also, I noticed only two dead people in the road going across Kosovo. I turned them over. They ended up being Serbs. They were killed by the KLA. They were executed at point-blank range.

Rounding a corner about 10 minutes later, I saw someone—I found myself in the sights of a rifle-propelled grenade, an RPG–7, a very lethal weapon. After they put it down, we walked over, and it was the KLA, it wasn't the Serbs.

I went on and we saw on the map a place called the ''no-go zone.'' I asked what it was. They said that is where you do not go. They do not care whether you are a United States Senator or whether you are a Serb or an Albanian; if you go in there, you are going to be shot. It was controlled by the KLA.

I guess what I am saying, Madam President, is there are bad guys on both sides.

I would like to just mention one thing about the China scandal, because I see a connection here. I hate to say this, but a couple of months ago on this floor I told the history of what had happened in the China scandal and the fact that back in the 1980s the technology known as the WA–8 technology was stolen and nobody knew about it until about 1995. The administration—the President and the administration found out about it and they withheld that from Congress for quite a number of years—not months but years. So in Senator WARNER's committee we started having some hearings to find out what the truth was.

Sometimes I remember that Winston Churchill said:

> Truth is incontrovertible. Panic may rescind it, ignorance may deride it, malice may destroy it, but there it is.

Ultimately you get to that truth. That is what we are trying to get. And Notra Trulock, who was in charge of the intelligence for the Department of Energy—he said it became very serious a year ago—said we are going to have to tell Congress about this. So he wanted to come. He had to go to his superior, who was the Acting Director of the Department of Energy, Betsy Moler. And she said: No, you can't do that. You can't do that because it might be detrimental to the President's China policy.

Here we are talking about the theft of the most significant nuclear device in our arsenal, the WA–8 warhead. To give you an idea what it is, Madam President, this is something that has 10 times the explosive power of the bomb that was dropped on Hiroshima. It is a fraction of the size. The Chinese actually had missiles that were aimed at us at that time, at the time the President was running around the country, 133 times, saying: For the first time in the nuclear age there is not one missile aimed at American children—when in fact we had some 28 cities that were being targeted at that time. He signed the waiver to allow the Chinese to have a guidance technology to make those missiles more accurate, and he had knowledge of the fact they had, now, the warhead, the WA–8 warhead, that could be fitted on one of these. As a matter of fact, more than one could be fitted on one of their multiple-stage rockets.

I say that there is a connection. There is always talk about the President, every time he gets in trouble, something big happens, like sending cruise missiles into Sudan or Afghanistan or Iraq. In this case, we started a war. But I will say this—I do not want to dwell on this because that is not the subject at hand today—I see a connection. I believe there is a connection. I think we may very well have a ''Wag The Dog'' situation here. I think everyone knows what I am talking about. They do not say it, but they know what I am talking about.

But I did ask, in the committee meeting, since we had two diametrically opposed testimonies coming from Mr. Trulock and Ms. Moler, if they would submit to a lie detector test. Mr. Trulock immediately said he would; Ms. Moler vacillated. And then, in response to a letter, I found he is willing and she said she is not. So I think I know who is telling the truth. Nonetheless, we are going to have to address that in a little bit different way.

We have learned since then, by the way, in the last 6 years, virtually everything in our nuclear arsenal is now in the hands of the Chinese.

What I would like to do is cover this in four areas that have not been discussed by previous speakers. I think they are significant. First of all, some of the things this President has said that led us to where we are today. The President does have an insatiable propensity to say things that are not true, and he does it with such conviction that people start nodding and agreeing with him. I am not going into the details on that; everybody knows about that.

But one of the things that I think had the greatest impact on the American people in supporting the President to send our assets in there and get involved in a war of a sovereign nation, in a civil war—the first time we have done that, certainly the first time in 50 years that NATO has done that—was when he started talking about the history of World War I and World War II. He gave a very persuasive story of how World War I and World War II started. The only trouble is, he was not telling the truth. I am not a historian and neither is the President, but I will tell you who is: Henry Kissinger. He said he got quite upset with the thing. I am quoting now. He said:

> The Second World War did not start in the Balkans, much less as a result of its ethnic conflicts.

Then he said:

> World War I started in the Balkans not as a result of ethnic conflicts but for precisely the opposite reason: because outside powers intervened in a local conflict.

He said:

> Russia backed Serbia and France backed Russia . . ..

And then Germany jumped in on Austria's side. So we had the same situation as is happening today. We had the great powers dividing up and getting on both sides of this, a civil war. It was a civil war, just like it is today. If that started World War I, certainly that could start World War III.

So what he said to the American people just simply was not true, Madam President. I think we need to talk about that.

The Senator from Washington just a few minutes ago talked about the article by Charles Krauthammer. I think that was very significant, when he talked about the Russians. It is already submitted for the RECORD so I will not

resubmit it, but I will read a few things out of it. He said:

Prime Minister Yevgeny Primakov turned his U.S.-bound plane around in mid-transit to protest the bombing.

* * * * *

Russia kicked NATO's representatives out of Moscow. It sent a spy ship into the Adriatic to shadow the U.S. fleet. It threatened to send military supplies to Belgrade. It boycotted NATO's 50th-year summit in Washington.

I don't know what we could have done that could have precipitated more of a problem between us and Russia than has already been done by this President in getting involved in war.

The last paragraph reads:

Most important, Primakov will have proved to the world—and to pro-Western Russians—that an anti-American foreign policy puts Russia back on the stage and gives it diplomatic clout, while the pro-American policy followed since the Gulf War yielded Russia nothing but a ticket to oblivion.

We will have vindicated Primakov's vision of Russia as leader of the opposition, friend and broker of rogue regimes [like] Serbia and Iraq [and] balancer of American power. This might even get him elected president next year when Yeltsin's term expires.

Clinton will finally have his legacy.

I would like to make one comment also to clarify the RECORD. I know Senator MCCAIN said this does not authorize ground troops. But it does authorize whatever force necessary, and some of us could interpret it that way. But in my opinion, the President has always known that there were going to have to be ground troops. I know he said he is opposed to ground troops, but he wasn't telling the truth. I offer as evidence of that what, long before we sent bombers in there, General Wesley Clark said.

We never thought air power alone could stop the paramilitary tragedy. . . everyone understood it.

When he said that, he was with the President of the United States.

We had Secretary Bill Cohen, a man I have a great deal of respect for and served with here in this body, in the Senate, but I asked him the same question about this, and he elaborated a little bit on it, but he said we understood that Milosevic:

. . . could take action very quickly and that an air campaign could do little, if anything, to stop him.

So when people talk about this resolution doing that, I think this is what the President had in mind all the time anyway.

The second thing I wanted to talk about is the cost of this thing. A lot of people have not realized, they do not stop and think about, the cost in terms of both money and our capability of defending America. I do not think there is anyone who is not going to stand up here and agree with me in this Senate that the President, through his veto power, has decimated the military budget so we right now, today, are at one-half the force strength that we were in 1991, back during the Persian Gulf days. That is very significant. I think people need to hear this and understand it: One-half the force strength. I am talking about one-half the Army divisions, one-half the tactical air wings, one-half the ships, from 600 down to 300.

We are one-half the force strength that we were because of this President. Add to that the deployments. We have had more deployments in the last 6 years than the previous 20 years to areas where we do not have any national security interests. We need to look at that. For Joe Lockhart, the Press Secretary of the President, to stand up last week and say that INHOFE is wrong, we are as strong today as we were in 1991, that is just an outrageous lie, and it is quantified in force strength. Anyone who is working on the committees understands this.

We have the deployments, we have the problems, and we are paying the price. Yet, we do not have the national security interests. I was so proud of Colin Powell this weekend to come out and admit that America does not have national strategic interests in Kosovo, the same as Henry Kissinger said. I have quoted both of them extensively. Yet, here we are making the commitment.

I came back from my last trip to Kosovo just to hear Tony Blair stand up and make his very eloquent statement: We want to escalate the war, escalate the airstrikes. Here is a guy standing up who does have national security interests. He is over there; we are halfway around the world. We do not have strategic interests there, but he does. He stood up and said we need to escalate the airstrikes when, at the time he said this, we had 365 airplanes over there and they had 20. That is easy for him to say. I say he is a better negotiator than we are.

I was very much concerned with what I saw over there. I see several members of the committee here. I have to say that sometimes the NATO interests do not necessarily coincide with our interests. I wonder sometimes what has happened to sovereignty in the United States of America, why we have to take on all these other obligations at the expense of our ability to defend ourselves.

Can we defend ourselves? Again, General Hawley was very brave when he, this weekend, said—keep in mind he is the air combat commander, the top guy, a four-star general. It takes a lot of courage for one of these generals to stand up against the Commander in Chief, President Clinton.

He said that 5 weeks of bombing in Yugoslavia has left U.S. munitions stocks critically short, not just of air-launched cruise missiles, as previously reported, but also of another precision weapon, the joint direct attack munition—that is JDAM—dropped, used by these beautiful B–2s that are performing very well. Now we are short of them.

He went on to say we would be hard pressed to handle a second war in the Middle East or Korea. Let's stop and think about that a little bit. Our national military strategy has always been to be able to defend America on two regional fronts. I do not think there is anyone in here who believes we can simultaneously defend America on two regional fronts.

What General Hawley is saying on the commitments we have made to Bosnia and Kosovo and with the deployments we have made there is we would have a very difficult time. And he questions whether we could defend America if something happened in either North Korea or in Iraq. That is very serious.

I went back to the 21st TACOM, and I know people are tired of hearing me talk about that, but any time we do a ground operation anywhere in that theater, it has to be logistically supported and run and operated by the 21st TACOM in Germany, down the road from Ramstein Air Force Base.

A year or so ago, I was over there. They said just with what we are doing in Bosnia, we are at 100 percent capacity; we cannot do anymore. And now they are doing more.

As I watched the deployments take place and they were cranking these troops through—5,000 were there a few days ago —as they were taken through, I said: What are you going to do if there is any contingency like in Iraq?

They said: We would be 100 percent dependent on Guard and Reserve.

We know the President's intentions are to activate the Guard and Reserve. He has already called up units. He has notified units.

Anyway, we do not have the capacity. I went over, Madam President, to Tirana, where our troops are, in a C–17. I found some things out there that were really kind of scary. The C–17 I went in was carrying two MLRSs, that is the mobile launch capability, and one humvee, and all the rest filled up with troops. We were at gross weight. We could not hold another pound in that C–17.

We have now done 300 sorties with C–17s. That is the beautiful high-lift vehicle that is going to replace a lot of the others of which we don't have enough and need more. Nonetheless, we are tying those things up. Four hundred of them are going in and out, taking things into Albania.

Then we have our scenarios as to what the cost is going to be. I will only say this. I came back convinced that the paper that was written by the Heritage Foundation was true, because from the officers over there, I learned three scenarios, which are: The most

conservative scenario, go in and take over Kosovo, as if you can do that and nothing else is going to happen; second, take over Belgrade; third, take over Yugoslavia.

The first scenario would take 30,000 American troops; the second scenario, 100,000 American troops; the third scenario, 250,000 American troops. While they do not like to think in terms of casualties, casualties under the most conservative scenario would be somewhere between 500 and 2,000 American casualties; the Belgrade option would be somewhere between 5,000 and 10,000 casualties; and the Yugoslavia total effort would be somewhere between 15,000 and 20,000 American casualties. That is very, very serious.

Before I quit, I have two other things I want to share. I have heard many Senators stand on this floor and talk about the horrible atrocities that are going on, and they are. Anytime anyone is killed, anytime there are refugees, anytime there is any degree of ethnic cleansing, it is a tragedy.

For the junior Senator from California to stand up and say, ''the most God-awful ethnic cleansing since Hitler,'' just is not true. I am sure she believes it is true or she would not say it.

We keep hearing these horrible stories. We heard the President walk out into the Rose Garden last week and talk about what Brian Atwood, the AID Administrator, told him about the groups of men that were lined up and doused with gasoline and lighted on fire. I was with Brian Atwood over there a few days before that. Apparently, this allegedly happened before that time. He did not tell me about it.

I don't know what is true and is not true. I will say this. I know despite what you hear to the contrary—and this is most significant—the atrocities that have been committed on the Kosovar Albanians are minor when compared to other places.

I am involved in mission work. I go to west Africa with some regularity. I was in west Africa less than a month ago. This does not have anything to do with being a Senator. It is doing the Lord's work in some of these places. I am talking about Benin, Cote d'Ivoire, Angola, Nigeria, Sierra Leone. For every one person who has been killed, ethnically cleansed, killed in the Kosovar Albanians, for every one, there have been 80 killed in just the two countries of Angola and Sierra Leone.

Are they as brutal? Yes. They went into Sierra Leone and took whole tribes of people, lined up the children and cut their hands off. Entire tribes, the most brutal killing. For every one killed in Kosovo, 80 were killed there. Why aren't we concerned about that? We have now come to the conclusion that it is humanitarian reasons that are motivating us. What is wrong with the 80-to-1 ratio in west Africa?

What about Rwanda? For every one that has been killed in Kosovo, there have been 300 killed in the one country of Rwanda. You can go throughout Africa and see much greater atrocities.

I don't know why people sit back and act like there is no problem anywhere in the world except there. I have to come to the same conclusion that some of the others have come to. There was an article written in the Minneapolis-St. Paul newspaper that I will submit for the RECORD at the conclusion of my remarks that is very specific as to why it might be we are not concerned about this many Africans when just a handful are killed in Kosovo.

You have to also ask why are so many killed in Kosovo. We know it is a tragic thing. I have come to the conclusion that it is because of the bombing. I know that George Tenet, who is Director of Central Intelligence for the United States, said long before the bombing started, and this is from the Washington Post of March 31:

> For weeks before NATO's air campaign against Yugoslavia, CIA Director Tenet had been forecasting Serb-led Yugo forces might respond by accelerating the ethnic cleansing.

I asked the Secretary of Defense, Bill Cohen, before our committee if, in fact, that was true. He said:

> With respect to General Tenet testifying that bombing could, in fact, accelerate Milosevic's plans, we also knew that.

So we did know that. So I am wondering how many of the Kosovar Albanians are dead today who would be alive if we had not gone in there and bombed.

I have to say also that when I was in Tirana with witnesses, with newspapers, with the media from America—who did not repeat this, by the way—I interviewed everyone I could in that refugee camp outside of Tirana. They were doing all right. They were well fed. They were taken care of. I think they were as well taken care of as you would expect refugees to be. There was not one who said they had any problems until the bombing began.

Then I was interviewed by a Tirana Albanian TV station, and they said, ''When are you and the United States going to come out and take care of all these refugees?'' I said, ''Why us?'' They said, ''Because if it weren't for you, they wouldn't be here.'' That is the way they are thinking there.

I am running out of time. I want to say one thing about the troops.

One of the reasons I went over to be there when the troops arrived is because I saw a New York Times article on April 13 that said, ''We're going into Albania, the middle of nowhere, with no infrastructure, naked and exposed.'' And this was an official who gave this quote. So I went over to see if, in fact, that was what I would find. And you know what? That is exactly what I found.

I went over with the troops. As we unloaded, we went down, and the troops were over there building the tent cities. And, bless their hearts, they are doing a great job. Their spirits are high. They are ready to do whatever their commanding officer tells them to do, which is what they said they would do when they joined the military. They are knee deep in mud, and they are exposed.

I will tell you a little bit about Albania that not many people know about Albania. First of all, it is the poorest country in Europe. Secondly, it is one of the three most dangerous countries anywhere in the world. Thirdly, back during the Hoxha regime, they actually declared it as an atheist nation. So it is the only declared atheist nation out there. And fourth, the pyramid scheme that took place in the middle 1990s was one that actually took over, from the military, all of their weaponry. I am talking about RPG–7s; that is the rifle-propelled grenade, a very lethal weapon; the AK–47s—we know what that is—the SA–7s—that is the shoulder-launched surface-to-air missiles; it can knock down our helicopters over there, and every other kind of thing—mortars, other kinds of equipment—and yet our troops are over there standing in the mud without any infrastructure, without any protection, no troop protection. I am very, very concerned about that. If I ever saw a place more ripe for a gradual escalation in mission creep, like Vietnam, this is it.

Some people say, ''Where do you go from here?'' That always bothers me, when people say, ''What are you going to do now?'' If it weren't for us, we would not be where we are today. ''This is something where we were pushed into it. We had no control over it.'' We have a President who decided he was going to declare war, and joined NATO in declaring war, on a sovereign nation.

So there is where we are. But people say, ''If you try something else, our reputation is on the line.'' How is our reputation on the line, if we have tucked our tail between our legs and run from Saddam Hussein in Iraq? Do we have any weapons inspectors there in Iraq anymore? No, we do not. He kicked us out and laughed at us. In the Middle East we are the laughingstock, and our foreign policy. So we cannot do worse than we did before.

I really believe there is no way out, that the only way to keep our President from sending American ground troops in—then it becomes irreversible. Then we are in for the long haul, when that happens. The only way to stop it is, No. 1, today—or tomorrow morning, whenever this comes up for a vote—to join the House with the votes that they voted last week and not give the permission to use any type of force that is necessary; and, secondly, inform the American people.

Let's face it, this administration is poll driven. This administration does what the polls say most people are going to find acceptable. I will repeat

and quote General Hawley one more time: ''I would argue we cannot continue to accumulate contingencies,'' he said. ''At some point you have to figure out how to get out of something.''

You see, it is easy to get into something. We learned that in Bosnia, when the President promised it would be 12 months, and then here it is several years later and we are still in there. So this is what we are facing at this time.

So, anyway, I just think we are going to have to reject the McCain resolution. I anticipate we will do that. I think we need to inform the American people what the real threat is, inform the American people as to what our ability to defend America is, where our vital national security interests are, what it really is. If we do that, I think we are going to have the American people behind us.

I think also we have to keep in mind that if we end up saying, ''All right, those of you in Europe who have national security interests at stake, if you want to go ahead and take care of those national security interests, you fight the battle,'' we will go back and we will regroup and we will start rebuilding our military so we can defend America on two regional fronts, and, ''We will protect you against Iraq and against North Korea.'' I think that is probably the greatest thing we could do for our NATO allies.

Whatever the indication, we need to be out of there. This isn't our war, and whatever it takes to get out we should do.

Mr. MCCAIN. Madam President, I understand the distinguished chairman of the Foreign Relations Committee, Senator HELMS, is to be recognized for 5 minutes.

Mr. HELMS. Madam President, I thank my distinguished friend and great American, Senator MCCAIN.

Madam President, before commenting on the substance of the resolution before us today, I think I ought to make it clear that I take exception to the circumstances that would have been dictated by the War Powers Act had the Foreign Relations Committee not acted voluntarily this past Friday morning to take an action. In my judgment, the War Powers Act is ill considered and fundamentally unconstitutional, as such distinguished Senators of years gone by have declared it to be—along with near unanimity of sitting conservative Senators today.

In any case, Madam President, including the distinguished Presiding Officer at the moment, this past Friday, April 30, the Foreign Relations Committee met formally and officially reported S.J. Res. 20 without recommendation in order to avoid setting a precedent in support of the War Powers Act. Let me repeat, had we not met and had we not reported the type of legislation that we did report, we would have set a precedent in support of the War Powers Act. And I would resign from the Senate before I would have done that voluntarily. The committee reported S.J. Res. 20 without recommendation by a vote of 14–4.

While I do support the underlying sentiment of the resolution offered by my friend, JOHN MCCAIN, to win the war against Serbia, I do not—and I cannot—support S.J. Res. 20.

In times of armed conflict between the United States and a hostile power, it is the duty of the President of the United States, in his role as Commander in Chief, to provide leadership in seeking to achieve our political and military objectives.

The Senate cannot and must not force the President to take measures that he is unwilling or unprepared to take. So I am not prepared to sign off prematurely on measures and methods on which I do not yet have details.

Approval of this resolution would mistakenly—even dangerously perhaps—authorize the President to use force in a manner far exceeding anything that he has thus far publicly or privately indicated to the Congress.

Now, approval of this resolution would also provide the President with prior congressional approval—prior congressional approval—for any and all action he may want to subsequently undertake in prosecuting the war—and that is what it is—against Serbia. And that would have the effect of preventing Congress from exercising its responsibilities in authorizing, or limiting, options as circumstances may change.

Now let me be clear: I detest the unspeakably cruel acts committed by the Milosevic forces, and I certainly pray for that evil man's early and speedy defeat in this war. But that, however, is not what this resolution is about, despite what are, without doubt, the good intentions by the author.

I worry that a negative vote by the Senate on S.J. Res. 20 will provide comfort to Mr. Milosevic, and lead him to assume falsely that the United States is not resolute in its determination to prevail in this conflict. Yet I am more concerned about what may be unintended effects of this resolution.

This resolution would simply give the President a blank check. It would provide the President with prior Congressional approval for anything and everything the President may decide to undertake in prosecuting the war against Serbia.

S.J. Res. 20 puts the cart before the horse. Giving the President carte blanche to do whatever he wants in Kosovo without first coming to Congress to explain his mission and ask for authorization, is not a solution for the President's failure to follow the Constitution.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER (Mr. FRIST). The majority leader is recognized.

Mr. LOTT. Mr. President, I ask unanimous consent that during today's debate no motions be in order and at 9:30 a.m. on Tuesday, the majority leader be recognized to make a motion to table S.J. Res. 20.

The PRESIDING OFFICER. Without objection, it is ordered.

Mr. LOTT. Mr. President, just one moment to explain what has transpired. We have a number of Senators who wish to be heard on this issue. I view this as a procedural vote by moving to table it. We have this issue before us at this time because of the War Powers Act. There was a lot of feeling that we should have postponed this debate and vote until a later time, but under our rules we couldn't get that done. That is why Senator DASCHLE and I felt at this time that a procedural motion to table was appropriate and that that vote should occur at 5:30.

Senator DASCHLE is on the way back, but I understand he has agreed to this request. You cannot cut Senators off who are asking to speak on a matter of this magnitude. We have worked out an arrangement. We have gone into the night. There are probably an hour or two more of speeches left, and that way we will have a vote in the morning. Even if Senators had to come back for a 9:30 vote, they would have to be here tonight anyway. So I apologize for any inconvenience that may be caused by this delay of the vote for Senators who did come back for the 5:30 vote, but it seems it is the fair thing to do at this time.

I appreciate the cooperation of Senators on both sides of the aisle.

Mr. BIDEN. Mr. President, will the Senator yield?

Mr. LOTT. I yield to the Senator from Delaware.

Mr. BIDEN. It is true, Senator DASCHLE does agree with this. I thank the leader for this accommodation. There are a number of people who do wish to speak. I think it is wise not to cut them off. I thank you and the Democratic leader.

Mr. LOTT. Mr. President, I yield the floor.

Mr. MCCAIN. Mr. President, I thank the majority leader. We have a different view of the meaning of this vote, but I do appreciate his allowing numerous Senators who wish to speak on this issue to speak this evening before the vote tomorrow.

I recognize Senator ROBB for 20 minutes.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, I rise to endorse emphatically granting to the Commander in Chief the authority he needs to achieve our military objectives and the objectives of our NATO alliance against the Federal Republic of Yugoslavia. Rather than considering limitations to the President's powers, as they are interpreted through the

War Powers Act, we ought to be singularly focused on aiding his ability to prosecute and end this war as quickly as possible. That is why I am an original cosponsor of this resolution permitting the use of all necessary force and other means to accomplish our goals in the Kosovo region of Yugoslavia.

We are now weeks into an air campaign that may last months. Americans need to prepare themselves now, psychologically at least, for war. War is not risk free. We have to accept the fact and the responsibility that goes with it that we may well lose significant numbers of American lives, and we can't wait to see how it turns out before we risk taking a stand for which we will be and should be held accountable.

The longer we exhibit a lack of resolve to see this through to conclusion, the longer it is going to last, the more it is going to cost, and the greater the risk that the U.S. and alliances' casualties will mount. In effect, Mr. President, we are exacerbating everything we purport to worry about—time, money, and, most importantly, lives—and we protract the suffering of those we are trying to save.

We cannot and should not tolerate defeat or compromise simply because we lack the will and conviction to win. Doing so would injure the credibility we fought so hard to rebuild in Operation Desert Storm. It is simply inconceivable to me that we would allow the confidence restored in American military power in Iraq to be frittered away in the Balkans. Given the importance of this military campaign, I was stunned by last week's House vote on support for current operations, and remain deeply concerned that individual feelings about our Commander in Chief seem to be influencing votes that have consequences that are so much more important than any Commander in Chief.

At the same time, I am deeply concerned about our unwillingness to accept responsibility for our position of world leadership. I regret that fewer and fewer of our citizens are willing to take necessary risks. There are beliefs and principles that our founders were willing to die for, and we cannot shrink from the challenge that we face today.

This resolution simply gives the Commander in Chief the options necessary to implement our military objectives, and it is consistent with my belief that winning the conflict is of paramount importance.

I commend Senators MCCAIN and BIDEN for their efforts today and urge support for the resolution and opposition to the tabling motion.

With that, Mr. President, I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I yield 10 minutes to the Senator from Kentucky. Excuse me. I am sorry. I apologize to the Senator from Kentucky. The Senator from Vermont is next. I apologize to the Senator from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, the Senator from Arizona has been doing a good job of running the traffic here today. I commend the Senator from Arizona for helping make the arrangements, and the Senator from Delaware for putting this vote off until tomorrow. I think there are a number of Senators who do wish to speak on both sides of this issue and should have a chance to speak. The Senator from Arizona and the Senator from Delaware and other sponsors of this amendment, the Senator from Connecticut, Mr. DODD, and others are right in saying, give us a chance to speak before voting.

Mr. President, I intend to vote against tabling this resolution. I want other Senators to be very clear why I will not join the distinguished majority leader and the distinguished Democratic leader in their motion to table and why, like what I might normally do in a case like this, I will vote against such a leadership motion.

The United States, as the leader of NATO, is engaged in a costly and dangerous war in Kosovo that has immense importance for the people of Kosovo, for NATO, and for humanity. Horrendous war crimes are being perpetrated by President Milosevic's forces, and I believe that NATO has no alternative but to try to stop them.

We could debate how and why we got into this. We could debate, obviously, whether we are pursuing the best strategy to achieve our goals. We could debate the rationale for the $6 billion in supplemental funds the President has asked for to continue the war and care for the 1.5 million refugees and displaced people who are struggling to survive, many in a life-and-death struggle, but so far we have not had that debate.

Now, I support the supplemental funding. In fact, I believe the request for humanitarian assistance is too little. I believe we are not facing up to the reality that these refugees are not going to go back this year, and we are going to come very quickly to the fall months in that part of the world and into the winter. I know the weather; it is not unlike the weather in my own State of Vermont. They are going to be there—hundreds of thousands, if not well over a million refugees—throughout next winter. We are not looking at what those costs are going to be. I also will oppose this motion to table because I believe it is time for the Senate to debate our policy in Kosovo and take a stand on it one way or the other.

I want to be clear that by voting against tabling, I am not voting on the merits of this resolution. I am voting only to have a debate. The President has not sought such broad, open-ended authorization in the resolution. But even if he had, it is possible that the resolution may be too broadly worded. That is the sort of thing we would find in a debate, and I believe that the proponents of the resolution have done a service to the Senate by bringing it before us for a debate. If we think it should be different, then we can amend it and vote on it.

As my distinguished friend from West Virginia, the senior Senator, has noted, this resolution, if approved, would prematurely write the Congress out of any future debate on Kosovo. He raises a good issue, but one that should be debated. For example, the resolution would authorize the President to deploy ground troops even though he has not expressed an intention to do so, nor provided an assessment of what the costs and benefits of such a deployment would be.

But we need to debate this resolution. We saw what happened last week in the House—a partisan, muddled exercise that sent conflicting messages and solved nothing. For too long, we have seen a policy in Kosovo that is guided more by polls than by a policy with clearly defined, achievable goals and a credible strategy for achieving them.

The Senate can be the conscience of the Nation, and I believe, after my years here, the Senate should be the conscience of the Nation, and sometimes it is—but only when we rise to the occasion and debate an issue, as difficult as it may be. Issues of war and going to war and committing our men and women to war is as difficult an issue as we could ever debate here. It is an issue of the utmost gravity. It cries out for a thorough debate, and we should not shrink from it. We need the Senate to speak with substance, not sound bites, and we need the administration to do the same. The world's attention is on Kosovo. Many American lives are at stake, and so are billions of dollars of taxpayers' money.

So let us debate the resolution. The war is in its second month, and there is no end in sight. I must say again that I disagree with our leadership in saying that we should table this motion. I don't believe that. I don't believe the Senator from Arizona wishes this resolution to be tabled either. Let us debate. We will either vote for or against it. We will either vote to amend it or not. But 100 Senators will stand up and vote one way or another on this issue. Frankly, I think the American people would like to see that because they would like that kind of guidance.

Mr. President, I will not shrink from that responsibility. I will vote tomorrow against tabling this resolution. The resolution will probably be tabled. I hope that it will not be and that the

Senate will stop all hearings, all other matters, and stay here and debate this resolution. We could do it. We have the people here to do it. We have the expertise here. I think we can come out with a very clear statement of American policy—perhaps a clearer one than we have heard to date.

Mr. President, I thank the distinguished Senator from Arizona for his usual courtesy. I see my distinguished colleague from Kentucky on the floor awaiting recognition.

I yield the floor.

Mr. MCCAIN. Mr. President, I thank the Senator from Vermont and apologize for almost putting him out of order. The Senator from Kentucky wishes to speak for 10 minutes. I yield to him for that purpose.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. BUNNING. Mr. President, I rise in opposition to Senate Joint Resolution 20 for a number of reasons, and in favor of tabling.

First of all, we have no national security interest to intervene in this civil war. I have not heard one compelling reason from President Clinton, the Pentagon, the Secretary of State, my colleagues, or anyone else as to why America needs to send her troops halfway around the globe and into the middle of another nation's civil war.

I am dismayed to see on television every night the images of refugees fleeing their destroyed homes and villages, and everybody should be disheartened by this horrific tragedy. But if there should be any immediate intervention into this civil war, let it come directly from those European neighbors where this tragedy is occurring. This is happening in Europe's backyard, and it has been happening there for century upon century.

We need to force Europe to deal with this and let them take the lead. Are we going to intervene wherever we see these images and similar ones on our television every night? If so, then America will be everywhere at all times and our military will be spread throughout the corners of the world, into different regional, civil, ethnic, and tribal conflicts, and our military will be stretched to the point of breaking.

Second, by using whatever force necessary by the United States in this region, we will be pulling our troops and weapons out of regions where we truly have an interest.

Are we ready to stop the no-fly zone around Iraq and send our troops into a ground war in Kosovo? This could entice Saddam Hussein to invade other Middle Eastern countries, much like he did Kuwait. Are we ready to dive into a war in Kosovo by pulling our military forces out and away from our presence on the border of North Korea?

Iraq and North Korea are the two most dangerous hot spots in the world. Can we justify scaling back our efforts in those two regions to play referee in a civil war in Kosovo?

Are we prepared to let Saddam Hussein out of the cage and pull away from North Korea, which has a nuclear missile capability? These two areas hold our national security interests. I don't believe Kosovo is even close by comparison.

Third, because of Kosovo, our military readiness is suffering. The Clinton administration believes our military is ready for a variety of missions. Yet, President Clinton has required more of our soldiers with less money and support.

In the past 10 years, the national defense budget has been cut by approximately $120 billion. The U.S. military force structure has been reduced by more than 30 percent. The Department of Defense operations and maintenance accounts have been reduced by 40 percent.

The Department of Defense procurement funding has declined by more than 50 percent. Operational commitments for the U.S. military have increased fourfold.

The Army has reduced its ranks by over 630,000 soldiers and civilians, closed over 700 installations at home and overseas, and cut 10 divisions from its force structure.

The Army has reduced its presence in Europe from 215,000 to 65,000 personnel.

The Army has averaged 14 major deployments every four years, increased significantly from the cold war trend of one deployment every four years.

The Air Force has been downsized by nearly 40 percent, while at the same time experiencing a fourfold increase in operational commitments.

And I could go on and on as to how we are decreasing the power and force of our military while asking them to do more and more.

And just last week the President called up 33,000 reservists to answer his call to Kosovo.

Why? It is most likely because recruitment is at the lowest it has ever been and because our soldiers are leaving the Armed Forces in droves.

Here are a couple quotes I found that are very timely to this debate and even more disturbing.

> The high level of operations over the past several years is beginning to wear on both our people and our systems and is stressing our readiness.

That was what Air Force Vice Chief of Staff, General Ralph Eberhart said in the Air Force Times.

Here's another quote. This is from General Gordon Sullivan, former Army Chief of Staff.

> With our national budget now allocating only 3 percent of the gross domestic product to defense, I see our future national security in peril.

And finally a quote from the chief sponsor of this Senate joint resolution who is also a member of the Senate Armed Services Committee.

He said in 1998 in the July issue of Defense Daily, that he currently sees, and I quote, ''very serious echoes of the 1970s when we had a hollow army.''

He said, ''I think that we have failed to modernize the force.''

And he adds, ''We're losing qualified men and women. We've having to lower our recruiting standards.''

Mr. President, with this information, how can we vote and pass a resolution knowing that our military is not ready to carry out a mission which authorizes President Clinton to use all force necessary to accomplish United States and NATO objectives in the Federal Republic of Yugoslavia?

And how can we expect our military to fully enter into this war without being told what their mission is, how long they will be deployed there, and what their exit strategy is.

The military does not know, the American people do not know, the Congress does not know, and I doubt President Clinton knows what those answers are that many of my colleagues in Congress have been asking for months.

Will there be more troops deployed if our goals and mission are not met?

What are the rules of engagement?

How will this mission be paid for and will valuable dollars be pulled from military readiness accounts to pay for this deployment?

What, if any, is our exit strategy?

We need to reject this resolution for the sake of our military and for the sake of the stature of the United States in the world.

We have no national security interests to throw our soldiers into a war in Kosovo.

And we have had no answers from this administration who would dare throw our country into a war as to why this is a national security interest to the United States.

If rejecting this resolution undermines NATO, then so be it and let it undermine NATO.

This administration has already warped NATO by turning it into an offensive force instead of its original nature of being a defensive force against Soviet threats.

Let us not throw our sons and daughters into war to preserve an international organization.

Please let us reject this resolution, and if necessary table it tomorrow.

Thank you. I thank the President.

Mr. MCCAIN. Mr. President, I grant myself 3 minutes.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, I am grateful to those of my colleagues who have come to the floor this afternoon to speak on our war with Serbia, and even those who have spoken in opposition to the pending resolution.

The role of the United States in the Balkans is obviously a matter of life

and death, and surely deserves serious discussion in the Senate of the United States. So I thank those Senators who have recognized the importance of having this debate.

I want to respond briefly to a few of the points made in opposition to the resolution. First, the resolution gives too broad a grant of authority to the President.

As I observed earlier, the Presidency already has its authority. The Constitution gives Congress the sole right to declare war. It does not give us the right to declare peace unless we are asked to ratify a peace treaty, or if we refuse to appropriate money for the conduct of the war. That is the only peacemaking authority that we possess.

If this Senate does nothing, and it seems at the moment to be the Senate's preferred course of action, the President has the power to commit all armies to the conflict in Yugoslavia tomorrow, if he should suddenly decide to seek victory there. Unless we cut off the money, nothing but his own lack of resolve can stop him from doing whatever is necessary to win the war.

I offered the resolution not because I felt the President needed the authority but to encourage him to fight this war in a manner most likely to achieve our goals in Kosovo.

So, please, Mr. President, let us hear no more criticism that the sponsors have given too much power to the President. The Constitution wisely gave him that power long before any of us arrived on the scene. If the opponents want to prevent the President from exercising the full power of his office, and fighting this war as if the stakes are as high as he claims they are, then they should not vote for the supplemental appropriations bill that will soon be on the floor. Any Senator who supports the troops but opposes this war as unjust, unnecessary, unwise, and not in our interest should also vote against the supplemental bill.

Mr. President, you can't support the troops and permit them to be sent into a conflict that doesn't justify their sacrifice. Trust me. The troops would rather be spared that kind of support.

If you believe this war is worth fighting, or if you believe that, once begun, America's vital interests and most treasured values are imperiled in this war, then vote to encourage the President to do the right thing by our service men and women. Vote to implore him to fight to win this war as soon as possible so that what losses we do incur will not be in vain. Have no fear that our troops won't appreciate it. They will do their duty, and they will expect us to do ours. They will win this war for us, the alliance we led, the people of Kosovo and for the values of the distinguished America for all of our history. They will win this war if only their elected leaders allow them to.

Mr. President, I ask that the Senator from New Mexico be recognized for up to 10 minutes.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, first, let me thank the distinguished Senator from Arizona and those who have joined him in this cause.

While I disagree, it certainly should not be taken as any diminution of the great respect I have for JOHN MCCAIN and a number of Senators who are here on the floor to support this issue.

But, Mr. President, I believe what we should do is to prepare a letter to the President of the United States. I think we should say to the President something like this: ''Mr. President, you are the Commander in Chief. Mr. President, we are engaged in a limited military undertaking joined by our NATO allies in the Kosovo-Yugoslavia area. You, Mr. President, have decided that we should do this; you have decided the limitation and the scope of our involvement.''

When the appropriations bill comes along we will make sure our military men and women get everything they need to protect themselves adequately and in the most safe manner possible, so we are going to support them with all the money they need.

Mr. President, we anxiously await further requests from you. If, as a matter of fact, you believe we should proceed beyond the current limited involvement to a broader involvement. If you desire to have our military men and women on the ground trying to take part in operations in Kosovo and Yugoslavia so that what you, Mr. President, say the goal is might be accomplished, you request that of the Senate. We should sign this letter and say that we await the President's request, and it will be dealt with immediately.

Frankly, the reason I start my comments that way is I don't believe we should say to a President of the United States and his military commanders, who apparently agree with him, how to conduct his military operations. They don't want to even plan for a land war—the President has said that many times. He has said, If you gave me authority I wouldn't use it. He has made up his mind that this is the kind of war he wants to conduct.

We are not privy as Senators to what relationship exists between the NATO countries and the United States of America regarding what is going on over there. What will change some people's minds about their unity of people is if America acts unilaterally or in some way inconsistent with their understandings and agreement. That is not for the Congress; we don't know about those relationships. We don't know about the negotiations taking place now to try to bring this to a conclusion. God willing, it will be brought to a conclusion sooner rather than later.

Why should we take unilateral action when he does not ask Congress for it. Regardless of what the Senate may tell him, he alone has the authority to conduct this war.

My friend from Arizona almost makes my case by saying whether we do this or not, he has the authority. I think that is what I heard him say—whether we do this or not he has the authority. What are we up to?

Mr. MCCAIN. Same thing we were up to in the Persian Gulf resolution.

Mr. DOMENICI. He is not asking for it. That is the big difference with the Persian Gulf resolution. President Bush asked us in writing and stated what it was about.

My other observation—in fact, if the President of the United States and our military commander serving our Nation want to go beyond what we are doing now, I would think he would at least tell us what it means. If they sought from us what President Bush sought, to go into a land war for some reason over there—and it may be necessary—then he should request our approval.

As a matter of fact, I wonder from time to time why the President isn't asking for it. The point is, if we asked for it, he would specify his objectives. He wouldn't just send something up here and say he wants to have our men and women go in and do this. We would have some briefings and we would understand what the end game is. We might even understand the risks involved in his plans. Even in expeditiously treating a request, we would get some answers we don't have today. I think we should expect those answers.

I don't believe we should involve ourselves in a military venture into the great unknown of that area because we want to in some way tell the President of the United States and the generals and Chairman of the Joint Chiefs of Staff, we want to give you more authority than you think you need; we want to tell you we are giving you more authority than you think you need.

We are not offering them any authority that they don't have already under the commander and chief powers of the Constitution.

I want to make it absolutely clear that I don't agree with my friend, JOHN MCCAIN, that in order to support the men and women engaged over there in a military event that the President has ordered, that we should not vote for money to protect them and give them what they need unless we are for this resolution. Those just don't follow. As a matter of fact, I want to assure those who are wondering, this is one Senator who will give them as much money as I can justify, to make sure our military is better prepared when we come out of

this skirmish than we were when we went in. I do that without any concern that I have not voted to give the President authority to do more because they are already there; I believe I am neglectful in my duty if I did not give them emergency money.

First of all, it wouldn't bring them home because they could go on for a long time under the President's Commander in Chief authority. By not doing a supplemental, we wouldn't be getting them out of there. We wouldn't be ending it precipitously.

From my standpoint, the Members of the Senate who don't vote for this resolution ought to join in a letter to the President and tell him unequivocally, Mr. President, we understand you are the Commander in Chief, we understand you put us there. Some of us didn't agree but they are there and now here is a letter from us saying if you need more authority from us to engage in a ground war, would you send us a request and brief us adequately on why you need it and we will vote quickly and decide what are our concerted feelings about that event.

I think that is a far better way to do it. I will have a letter, in case any Senators would like to join me in sending that kind of letter to the President. I ask unanimous consent that this letter be printed in the RECORD.

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

MAY 3, 1999.

DEAR PRESIDENT CLINTON: As a representative of our country's citizens and strong supporter of our military men and women, I feel obliged to convey my position with you regarding the U.S. involvement in hostilities in Kosovo. As you well know, several legislative packages already exist which would propose to preempt, further define, or curtail your authority and responsibilities as President. I believe that these options are neither prudent at this particular time, nor do they necessarily conform with desired consensus in an effort that involves the active engagement of our military in a hostile situation.

I fully acknowledge you as Commander-in-Chief of the U.S. forces. I recognize that this Office gives you broad authorities and grave responsibilities in decisions of national security and foreign policy. As Commander-in-Chief you have chosen to take the lead in this air war. As before, I continue to look to you and your military advisors to determine what objectives our military seeks and determine what means may be necessary to attain such objectives. As you well know, these are decisions that directly impact the daily lives of citizens throughout this country and will have long-term implications for the security and prosperity of the American people.

If you should decide that this operation requires means beyond the current air campaign, I respectfully ask that you send us your request.

Upon receiving any such request, I offer you my commitment to bring the matter before the Senate for deliberation and a decision as expeditiously as possible.

Sincerely,

Mr. DOMENICI. Mr. President, I yield the floor and thank the Senator for yielding me the time.

Mr. MCCAIN. I am intrigued at the prospect of exercising our constitutional responsibility through a letter to the President.

I yield 15 minutes to the Senator from Connecticut.

Mr. DODD. To my colleague from Utah, Mr. HATCH, I yield 1 or 2 minutes for some observations.

Mr. HATCH. I thank my colleague.

Mr. President, today I stand in support of this resolution offered by the Senator from Arizona. I think we all must acknowledge his experience in military issues. And, few of us in the Senate can speak with the authority that his personal experience in war has given him.

I do not believe that we should be debating this today because of the War Powers Act, which I have always believed to be unconstitutional. But, Mr. President, if the War Powers Act is unconstitutional, it is unconstitutional under President Clinton as much as it was under President Nixon. I, for one, will not reverse my legal assessment of the act just because of the current officeholder in the White House.

I confess that I do not have a great deal of confidence in the foreign policy of the Clinton Administration, Mr. President. I have been outspoken about this President's failures, particularly in dealing with this ongoing crisis in the Balkans.

But, I do not think we should shape analysis, shade history, or ignore facts to serve our profound discomfort with this Administration's foreign policy.

For example, I would not join some members of the other body when they argue that Operation Allied Force caused the genocidal campaign now being perpetrated by Milosevic's troops and thugs in Kosovo. That is a deplorable abandonment of analytic thinking, an egregious failure to recognize cause and effect.

We know, Mr. President, that the Serbs were planning this program of ethnic uprooting, of civilian massacres and worse. We know that the Serbs were preparing this for nearly a year. We know that, for many years, the official Serbian regime practiced a form of apartheid toward the Kosovar Albanians. And we know that genocide and ethnic cleansing are what Slobodan Milosevic does. It's on his resume.

This is Milosevic's fourth war. This is not a manipulation of reality. In 1991, Milosevic's Yugoslav military attacked Slovenia and Croatia. In 1992, he began a war in Bosnia that led to the deaths of over 250,000 people, most of whom were civilians.

And, let us not forget Vukovar, Mr. President, the Croatian city besieged and demolished by Serb forces, who, upon the fall of the city, entered and massacred residents, including patients trapped in hospitals.

Let us not forget Srebrenica, Mr. President, when Milosevic's general, Ratko Mladic, captured the Muslim town, marched 7,000 men and boys into open fields outside of town and massacred them in open graves. This is what Milosevic does.

His reward for these wars was to be a negotiating partner at Dayton, Ohio. He survived because the Clinton administration operates under naive notions of peace and a feckless obeisance to polls. When it leads, it follows chimeras of the Vietnam protester generation; most of the time it follows.

For the Clinton Administration, Mr. President, the pursuit of peace is the pursuit of a childish notion: The notion that peace is the absence of conflict. Such a simplistic view of peace explains why they have committed so many mistakes in the Balkans. The absence of conflict, Richard Nixon once wrote, exists only in two places: in the grave and at the typewriter. The point is not the absence of conflict, but the management of conflict so that it does not erupt into violence.

And, Mr. President, to continue to negotiate with Slobodan Milosevic, as we did until last month, and as I suspect the Administration would do if it could, is a guarantee of greater, future violence. The evidence is plenty and irrefutable, in my opinion, that the ultranationalist regime Milosevic must have war to survive. That is why, Mr. President, we are seeing the brutal effects of Milosevic's fourth war today.

Many are very uncomfortable in giving this President the kind of support stated in this resolution. Columnist William Safire in Monday's New York Times called it ''The Price of Distrust,'' and stated that ''Clinton has so few followers in Congress because he is himself the world's leading follower.''

Recall how candidate Clinton advocated bombing Slobodan Milosevic in 1992 as part of the ''lift and strike'' strategy (lift the embargo on the Bosnians and strike the Serbs) to aid the Bosnians, who were desperately holding off Milosevic's forces. I promoted ''lift and strike'' in 1992. But when candidate Clinton became President Clinton, he lost his desire to attack Milosevic and adopted a policy of leading the Europeans, whose mismanagement of the conflict ultimately required American leadership in 1995.

I have a vivid and bitter memory of a dramatic discussion I had with then Bosnian Prime Minister Haris Siladzic in the summer of 1995, when he had come to the U.S. to plead for us to lift our arms embargo against his forces besieged by the well-armed Serbs. He met with me moments after pleading, unsuccessfully, with Vice President GORE. President Clinton had refused to meet with him. When I asked the Prime Minister what was the Vice President's reasoning, I was told that the Administration believed that lifting the arms embargo would cause the Serbs to attack the eastern enclaves of Zepa, Gorazde and Srebrenica.

This is, of course, what the Serbs did anyway, weeks later. Over 8,000 unarmed men and boys were herded out of town and massacred. In retrospect, I do not know what is more astounding: The Administration's completely fallacious logic then, or the fact that, with the graves of Srebrenica as a glaring lesson, they were unprepared for Milosevic's campaign of genocide unleashed in the last month.

In spite of these criticisms, I believe there are essential American national interests at stake in the Balkans. Europe has always been important to the United States, both politically and economically. We cannot stand by and watch while this region is continually disrupted. We cannot accept instability in a region that is a geopolitical crossroads and an economic thoroughfare benefitting U.S. security and trade.

Therefore, Mr. President, I rise in support of this resolution. Its purpose is to indicate a congressional stand on a war that is going into its second month. Countries in the region are being destabilized. Albanian and Croatian borders have been crossed by Serbian military forces, and the slaughter going on in Kosovo has seen nothing like it in Europe since the Holocaust.

In the wake of these events, I believe the United States must lead. If we wish our own interests to be secure, we cannot afford to ignore instability in other key regions. We cannot look the other way and imagine that such conflict will not have an impact on us.

And, we cannot abdicate our role in NATO, perhaps the most successful military alliance of the post-war era. If NATO, comprised of democratic, freedom-loving nations of Europe, fails, we face untold political and military tests in the future.

Yes, Mr. President, there have been egregious mistakes conducted in the prosecution of this war. No mistake has been greater than the repeated assertion that we would not even plan for the possibility of ground forces.

This is not political leadership, Mr. President, it is leadership paralysis. It will lead, I fear, to a defeat for NATO, to a diminution of the symbolic power of the U.S. military, and an increase in the insecurity this country will face in the very near future.

Other NATO leaders such as British Prime Minister Tony Blair—who, never once in his political career has been referred to as a ''hawk''—have at least the sensibility to recommend planning for the possibility of ground forces.

The most critical error made by this Administration has been to reiterate our refusal to consider ground forces. This self-limiting rhetoric—which the public doesn't even believe—has compromised our military campaign so far.

By declaring to Milosevic what we will not do, we have prolonged the air campaign, and thereby increased the risks to the pilots and their support. We have undermined out political goals, which, one must presume, can only be achieved by meeting our military goals. In short, we have given Milosevic the incentive to ''wait NATO out.''

And this is what leads us to this debate today, Mr. President. I believe that NATO, as the alliance led by this country for half a century, embodies both the symbolic and real military strength of this country. If it is to engage in war, as it is now, it should not limit its planning so that we increase the chance of failure. That is what is happening right now.

Some fear that we give this President a blank check with this resolution. We should also consider that such reticence by the Senate position can be interpreted as a lack of resolve by Milosevic and his gang of killers.

It could also be read by this President as an excuse to conclude this war in a way that does not meet even the scant NATO objectives articulated so far.

One thing we have witnessed over the past decade in the Balkans, Mr. President, is that the longer we wait, the lousier the options. Fear of incrementalism can become incrementalism. We have seen this in years of ignoring the situation each time until it escalates and then meeting that escalation with stop-gap measures.

Had we used airpower to degrade or destroy Milosevic's regime in the early part of this decade, we would most likely have seen the rise of a Serbian alternative to his regime. By allowing him to stay in power, he has eviscerated the legitimate democratic opposition in Serbia, and he has coalesced his power by bringing in the worst of the ultranationalists. So today, at the end of a decade of genocidal wars led by Milosevic, we appear feckless in the face of yet another war.

Mr. President, let me predict now that if Milosevic's military is not destroyed—whether by air, by land, or by sea—this will not be the last war. Ask the leaders of Albania and Macedonia if they feel secure having a strong Serb military led by Milosevic camped on their borders. Ask the Hungarian leadership.

Let me be clear about this: This is not an instruction to the President to send in ground forces. I do not believe we should micromanage wars. To the extent that air power can get the job done, I would be very happy not to send American troops into this theater.

But, this resolution indicates that we accept no self-limiting conditions on our military options. The leader of the United States has hamstrung the most modern, effective military operation in history. But, this resolution puts him on notice: If he fails to achieve the objectives, he will not turn to the supporters of this resolution and declare we were responsible for the failure.

Some insist that this is primarily a ''civil war,'' and that there is the matter of Serbian sovereignty to respect. I would make three brief remarks regarding this view.

One, the rapid depopulation of hundreds of thousands of people and their forced movement across borders is an aggressive act, with destabilizing consequences for the region. If, for example, the Chinese were to unleash a million refugees across the Pacific to our shores, we would consider that an aggressive act.

Second, international law is by no means clear in protecting the right of a brutal regime to slaughter its citizens.

And, third, Mr. President, while we can debate the level of national interest in Kosovo, I do not believe that we, in this body, Republican or Democrat, advocate for the sovereign rights of genocidal dictators.

Mr. President, I greatly fear the consequences of failing in our war against Milosevic. Yes, it is complicated, as are most matters of foreign policy. Yes, we do not have excellent options, although rarely in our history have we had them.

But we cannot deny the reality of an aggressive dictator waging war after war in Europe, in a Europe this country has recognized is in our national interest, a Europe over which we fought two hot wars and one Cold War.

The result of our victory in that Cold War was the liberation of eastern Europe. One dictator remaining in southeastern Europe has inflamed the region, and if he continues undefeated, others will rise in Europe and elsewhere. Among them will be some who believe they are destined to challenge America.

Some of these dictators have already shown themselves, such as Saddam Hussein. And, he's taking notes. Seeing the survival of Slobodan Milosevic, he and others will challenge us again and again. I predict, Mr. President, that with the survival of Slobodan Milosevic, the security of this country will be increasingly challenged.

Mr. President, the point of this resolution is to indicate that the Senate of the United States will support whatever it takes to achieve the NATO objectives. If NATO fails—and there is no objective reason that it should—it will be because of a failure of political will.

The supporters of this resolution, every one of them, indicate today that we have the political will. I expect that we will have the opportunity in the near future when members who support tabling the resolution will be able to revisit the debate and demonstrate their resolve as well.

Discomfort and disappointment with the Administration's conduct of this war is not an excuse for us to hedge our political will, Mr. President. That is why I will support the McCain resolution. At the end of the day, history

does not wait for a heroic administration.

As I stand to address this debate, I recall the Boland amendment debates in the 1980s, and the constant interference with the President's right to resolve foreign policy issues. I argued that this violated the Constitution at that time, and I tend to disagree today with some Republicans who are reluctant to support the President simply because the tables have turned.

I support the McCain resolution. I think it is the right thing. All we do is give the President the authorization to use all necessary force to support our objectives. It seems to me that is a pretty reasonable thing for which to ask.

Three years ago we met with Milosevic in Belgrade. This is a man who has put himself in power and kept himself in power through ethnic conflict. If NATO and this President don't do what is right here, this man will continue that ethnic conflict and it will lead to more wars.

In 1992, I recommended a lift-and-strike strategy—lift the embargo and strike Milosevic's army that was committing genocidal war. Had we done that then, we wouldn't be in this problem today.

The President has done what is right in going after this regime and in stopping them from further genocidal conduct and letting them know that enough is enough. But I fear the President has begun something that he is unsure of completing. His goals remain vague and, worse, he has limited the means he declares he will employ.

I commend those who have supported this particular resolution, and I thank my dear friend from Connecticut for allowing me this time.

Mr. President, I ask unanimous consent to have printed in the RECORD ''The Price of Distrust,'' by William Safire.

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

''THE PRICE OF DISTRUST''

(By William Safire)

WASHINGTON.—Congress is not only ambivalent about buying into ''Clinton's War,'' it is also of two minds about being ambivalent.

That is because the war to make Kosovo safe for Kosovars is a war without an entrance strategy. By its unwillingness to enter Serbian territory to stop the killing at the start, NATO conceded defeat. The bombing is simply intended to coerce the Serbian leader to give up at the negotiating table all he has won on the killing field. He won't.

He will make a deal. By urging that Russia be the broker, Clinton knows he can do no better than compromise with criminality. That means we are not fighting to win but are merely punishing to settle.

Small wonder that no majority has formed in Congress to adopt the McCain-Biden resolution giving the President authority to use ''all necessary force'' to achieve a clear victory. Few want to go out on a limb for Clinton knowing that he is preparing to saw that limb off behind them.

Clinton has so few followers in Congress because he is himself the world's leading follower. He steers not by the compass but by the telltale, driven by polls that dictate both how far he can go and how little he can get away with.

The real debate, then, is not intervention vs. isolation, not sanctity of borders vs. self-determination of nations, not Munich vs. Vietnam, not NATO credibility vs. America the globocop. The central question is: Do we trust this President to use all force necessary to establish the principle that no nation can drive out an unwanted people?

The answer is no. The distrust is palpable. Give him the tools and he will not finish the job.

Proof that such distrust is well founded is in the erosion of NATO's key goal: muscular protection of refugees trusting enough to return to Kosovo.

At first, that was to be done by ''a NATO force,'' rather than U.N. peacekeepers. The fallback was to ''a NATO-led force,'' including Russians. Now the formulation is ''ready to lead,'' if anybody asks, or ''a force with NATO at its core,'' which means Serb-favoring Russians, Ukrainians and Argentinians, with Hungarians and Czechs to give the illusion of ''a NATO core.''

If you were an ethnic-Albanian woman whose husband had been massacred, sister raped, children scattered and house burned down on orders from Belgrade—would you go back home under such featherweight protection?

Only a fool would trust an observer group so rotten to its ''core.'' And yet that is the concession NATO has made even before formal negotiations begin.

What can we expect next? After a few more weeks of feckless bombing while Milosevic completes his dirty work in Kosovo, Viktor Chernomyrdin or Jimmy Carter or somebody will intercede to arrange a cease-fire. Film will be shot of Serbian tanks (only 30 were hit in a month of really smart bombing) rolling back from Kosovo as bombardment halts and the embargo is lifted.

Sergei Rogov, the Moscow Arbatovnik, laid out the Russian deal in yesterday's Washington Post: (1) autonomy for Kosovo but no independence or partition; (2) Milosevic troops out but Serbian ''border guards'' to remain in Kosovo, and (3) peace ''enforcers'' under not NATO but U.N. and Helsinki Pact bureaucrats. As a grand concession, NATO would be allowed to care for refugees in Albania and Macedonia.

That, of course, would be a triumph for mass murderers everywhere, and Clinton will insist on face-savers: war-crimes trials for sergeants and below, a Brit and a Frenchman in command of a NATO platoon of Pomeranian grenadiers, no wearing of blue helmets and absolutely no reparations to Serbia to rebuild bridges in the first year.

Perhaps Britain's Tony Blair will prod Clinton to do better, and all Serbian troops and paramilitary thugs will be invited out of Kosovo. But the returning K.L.A. will find mass graves and will likely lash out at Serbs; after an indecent interval Belgrade will assert sovereignty with troops in police uniforms.

And what will happen to the principle of no reward for internal aggression? It will be left for resolution to our next President, who, in another test, will have the strength of the people's trust.

Mr. DODD. Mr. President, I want to begin by commending our colleague from Arizona, Senator MCCAIN, our colleague from Delaware, Senator BIDEN, and others who are responsible for drafting this resolution of which I am a cosponsor.

As the Senator from Utah has indicated, this resolution gives our President the means to respond to this crisis, utilizing whatever force may be necessary in concert with our allies. Obviously the best resolution to the crisis in Kosovo would be a political and diplomatic agreement which does not put any more lives in harm's way. Unfortunately, such a resolution depends on Slobodan Milosevic halting his campaign of genocide and agreeing to the reasonable conditions set forth by the United States and our allies. So far, however, he has indicated that force is the only language he understands.

Clearly, this is not a unilateral effort on behalf of the United States. There are 18 other nations that make up the NATO strategic alliance. As a result, it is essential that we act in concert with them.

The resolution before us is fair, balanced, and deserves the support of our colleagues.

As my colleague from Arizona said earlier, it is unfortunate that we are placed under the pressure of casting a yea or nay vote or a tabling motion, if one is made, after such a short period of debate. Ideally, we might have waited a few more days for consideration of this resolution. It was not the desire of the distinguished Senator from Arizona nor the distinguished Senator from Delaware to force this vote. It is one that is being forced upon us by a procedural requirement under the law.

Never the less, the resolution before us is both sound and important. I urge my colleagues to join me in supporting it.

Before I proceed to the matter before us today, let me just take a moment to join my colleagues in expressing how pleased I am that Servicemen Ramirez, Gonzales and Stone have finally been freed from their prison cells and have now been reunited with their families. Reverend Jackson, who led the delegation and secured their release, certainly deserves our commendation.

While we rejoice at the freedom of three brave Americans, however, we must also keep in mind that on the very same day they were released, some 7,000 Kosovars were forced to flee for their lives and seek refuge in neighboring countries. Today, they have joined the ranks of more than one million Kosovar Albanians who have watched their homes disappear behind clouds of acrid smoke, who now know the pain of missing or murdered family members, or who know the personal pain of torture or rape.

These atrocities are not isolated incidents. Rather, they represent a calculated and methodical effort to commit genocide, designed and executed by Slobodan Milosevic and his soldiers

and policemen. Mr. Milosevic has left his bloody hand print on more than just Kosovo. Several years ago, we saw his willingness to use murder, torture and rape as tools of a ethnic-cleansing in Bosnia and Herzegovina. Months before NATO dropped the first bomb on Yugoslavia he had already forced 400,000 Kosovars from their homes in spite of the Herculean efforts by the United States and our allies to find a diplomatic or political resolution.

Thus, the notion that NATO forces have contributed or caused the Kosovars to be displaced or put in harm's way is entirely without merit. This tragedy has resulted from the actions of one individual and those of his supporters who have allowed this policy to go forward.

The messages we send, both by the words we utter and by the votes we cast, often travel far beyond the walls of this chamber. Rarely, however, do they travel as far or as widely as will the messages we send during this debate.

Firstly, our service men and women are listening at their posts around the world. They want to know where they stand when it comes to the Senate. They ought to know, in performance of their duties, they have the backing and the support of their elected representatives. It ought to be abundantly clear that we stand shoulder to shoulder with them when they fight under the American flag. It was not their decision to be engaged in combat. Yet, the jobs they do are monumentally important. We must not take any action here in the Senate which will send the signal that they have anything but the highest level of support we can muster.

The innocent men, women and children of Kosovo are also listening tonight. More than 665,000 are in refugee camps in Macedonia or Albania living under tremendously difficult conditions. While they are safe, they desperately want to be able to return to what is left of their homes and villages and begin the difficult process of rebuilding. Hundreds of thousands of others are hiding in the hills of Kosovo without adequate food or shelter, praying that Serb forces will not find them. They too are listening to the message we send here today, wondering when they will be able to come out of the hills without a fear of death or torture.

They are also listening in Belgrade tonight. President Milosevic is listening for a crack in the United States' resolve to oppose his reign of terror in Kosovo. I hope there is no debate in this Chamber that his actions should be ignored. Similarly, I hope that the Senate will not stand silent instead of expressing our sense of outrage over what this man has done to so many innocent people simply because of their ethnicity. We must never stand silent in the face of Mr. Milosevic's genocide.

All across Europe, our NATO allies are listening. It has not been easy for the 19 member nations to come together in a common purpose. I hope that, as our allies watch these proceedings tonight and tomorrow, they understand how highly we regard this alliance. I have heard some of our colleagues say it does not make any difference to them whether or not NATO is damaged as a result of our votes or action. I cannot disagree more vigorously. It would be a grave mistake to damage this important alliance. Yet, we could do just damage by the votes we cast and statements we make over the next several hours.

Finally, the governments and citizens of the front-line states are listening. It is critically important that we demonstrate our support to Albania, which has borne the greatest burden, and Macedonia, which despite its complicated political situation, has taken in large numbers of refugees. The province of Montenegro also deserves commendation for, despite is status as a province of Yugoslavia, it has refused to subjugate its police forces to Yugoslav control and has taken in tens of thousands of Kosovar refugees. Bulgaria, Romania, Slovenia, Croatia, Hungary and Bosnia also deserve international commendation. With the exception of Hungary, none of those is a NATO ally, yet they are standing with us. Yet, in contrast to their steadfast support, in a little more than 12 hours, the United States Senate may decide that this crisis is not worthy of our vote to give the President and NATO the backing they need to deal with this issue.

I want to point out to my colleagues, that the world—from a newly orphaned child in a Macedonian refugee camp to our allies to Slobodan Milosevic—does listen to the messages we send. Mr. President, 60 years ago next week a ship called the ''St. Louis'' sailed from Hamburg, Germany. Aboard were 937 passengers with one-way tickets. Ninehundred six of the passengers were Jewish refugees who, having lived through Kristallnacht six months earlier, already feared for their lives. Holding what they believed to be valid entry permits for Cuba, they left their homes and lives behind, hoping to find safety on the far side of the Atlantic Ocean. When they arrived in Havana two weeks later, however, only 28 were permitted, to go ashore. After lying at anchor for a full week under the oppressive sun, the St. Louis left Havanna and tried to enter American waters, but they were told that they were not welcome in this country, that we could not take 900 more people into the United States.

That ship and its passengers returned to Europe more than a month after it left. The United States Holocaust Memorial Museum just a few blocks from here has traced the lives of the St. Louis' passengers. The fates of the more than one third of the St. Louis' passengers who later perished in the Holocaust should stand as a stark warning to us here today.

There are no ships at sea tonight, but I make the case that there is indeed a ''St. Louis.'' It is called Albania; it is called Montenegro; it is called Macedonia. And there are many more thousands inside Kosovo who are now watching and listening to what we, the leader of the free world, the leader of the effort to try to bring some order to the chaos which has been visited in the Balkans, are saying.

To all of the different parties listening to our debate tonight and to our votes tomorrow, we must send the same message and we must send that message with a clear and convincing voice. We should support the McCain resolution in order to demonstrate that we will give NATO the backing and support it needs politically, diplomatically, and, yes, if need be, militarily, to respond to this situation. If we fail to respond, we may well place not only Kosovo but the rest of Europe in harm's way

The lessons of history are before us. We have been told by George Santayana that ''Those who cannot remember the past are condemned to repeat it.''

I hope that in the next 12 hours or so, before we vote on this matter, our colleagues think long and hard about this resolution. I hope we will find the strength to overlook the personalities. Whether or not we like this President or voted for him or agree with him on every issue, there is an organization called NATO which we will place in jeopardy if we fail to act properly and prudently. There are people's lives who are in jeopardy at this very hour as we debate this issue on the floor of the Senate. And there is the future precedent being set by how we act here.

If we do not approve this resolution, history will judge us. Let the words of the Nobel Peace Prize Laureate Elie Wiesel be a warning to us here tonight: ''Rejected by mankind, the condemned to not go so far as to reject it in turn. Their faith remains unshaken, and one may well wonder why. They do not despair. The proof: they persist in surviving not only to survive, but to testify. The victims elect to become witnesses.''

So, Mr. President, I urge the support and adoption of the McCain-Biden resolution. I believe it is the right thing to do. History will judge us properly and well if we support this important resolution. Our future, our children and generations to come, both here in America and around the world, will applaud the action of a Congress that has not lost sight of the lessons of history.

Mr. President, I see the arrival of the majority leader and I yield the floor.

Mr. LOTT. I thank the Senator from Connecticut for yielding. Mr. President, I do have a unanimous consent

request to propound momentarily. This is on the financial services modernization bill.

While I am waiting, I commend Senator DASCHLE for his leadership, helping to get us to a position where we could move to that legislation tomorrow; and Senator GRAMM and Senator SARBANES have been working together. I think this is a good agreement, a fair one, and allows us to get to a substitute that could be offered.

## UNANIMOUS CONSENT AGREEMENT—S. 900

Mr. LOTT. I ask unanimous consent that following the vote relative to S.J. Res. 20, if tabled, the Senate move to proceed and agree to the motion to proceed to S. 900—that is, the financial services modernization bill—and, following opening statements, Senator SARBANES be recognized to offer an amendment in the nature of a substitute, the text of which is S. 753, and no amendments or motions to commit or recommit be in order during the pendency of the substitute, and, if the amendment is agreed to, it be considered as original text for the purpose of further amendment.

I further ask that, following disposition of the Sarbanes substitute, the next two amendments in order be first-degree amendments to be offered by the chairman or his designee.

I also ask that following the disposition of two Republican amendments, Senator SARBANES or his designee be recognized to offer an amendment, the text of which is the CRA provisions of S. 753 substituting for the CRA provisions of S. 900 and no amendments or motions to commit or recommit be in order during the pendency of the Sarbanes/CRA amendment.

Finally, I ask that all amendments in order to S. 900 be relevant to the financial services legislation.

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

Mr. LOTT. I thank my colleagues and yield the floor.

## DEPLOYMENT OF UNITED STATES ARMED FORCES TO THE KOSOVO REGION IN YUGOSLAVIA

The Senate continued with the consideration of the resolution.

Mr. MCCAIN. Mr. President, I yield 30 minutes to the Senator from Delaware, Senator BIDEN.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, may I make a parliamentary inquiry? Is Senator DURBIN next on the list after me? The reason I ask is, Senator DURBIN apparently agreed to switch spots with Senator KERRY.

Mr. MCCAIN. After Senator BIDEN is Senator KERRY, Senator WARNER, Senator NICKLES, Senator DURBIN, then Senator DORGAN, Senator LIEBERMAN, Senator CLELAND, Senator LEVIN, Senator HOLLINGS, and Senator BROWNBACK.

Mr. BIDEN. I thank the Senator. I know the Senator has a very important appointment he has to make. I am prepared, if it is all right with the Senator from Arizona, to switch with him and follow him. In other words, then the Senator from Massachusetts will be next and then I will speak.

Mr. MCCAIN. I ask unanimous consent that the Senator from Massachusetts, Mr. KERRY, be recognized for 15 minutes, followed by Senator BIDEN for 30 minutes, and the RECORD will show the incredible generosity of the Senator from Delaware, Mr. BIDEN, having allowed two—not one, but two—Senators to precede him.

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

Mr. MCCAIN. Mr. President, I ask that Senator KERRY be recognized for up to 30 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. I thank the Chair, and I particularly thank Senator BIDEN for his courtesy. I appreciate this enormously. I also thank Senator DURBIN, who is not here, but will be here shortly, for his courtesy.

Mr. President, I join with the Senator from Arizona, the Senator from Connecticut, Senator DODD, Senator BIDEN and others in support of this resolution. I understand the sensitivities of a great many of our colleagues and the administration to where we find ourselves. But I think that a fair analysis of what the Senate has before it and what the country has before it really mandates that the Senate be prepared to back up its own steps, the steps that we took when we supported the bombing itself.

I heard a number of my colleagues in the course of the debate over this afternoon, most recently the Senator from New Mexico, say, ''Well, we need to recognize that the President made a decision and the President, having made a decision, we now need to know from the President what the strategy is; we need to know from the President what the exit strategy is; we need to know from the President what is called for.''

Frankly, I say to my colleagues, there is not a small measure of contradiction in those statements today. There may even be some measure, I think, of confusion about the road that we have traveled.

The fact is that the President made it clear to us at the outset what our goal was. The goal has always been the capacity of the Kosovars to live in peace within Kosovo. The goal has been a return to the status quo before Mr. Milosevic withdrew autonomy which had been enjoyed by the ethnic Albanians in Kosovo for years, in the wake of his sudden discovery that playing the nationalist card, in fact, was a road to power, as it was also the road to some four wars and to an extraordinary amount of killing in Bosnia, in Slovenia, Herzegovina and Croatia.

Now, Mr. President, we find ourselves in the situation where the Senator from Arizona and some of us are suggesting that the course that we chose in the beginning is, in fact, a correct course, and the course that we ought to follow. The truth is that it was not just the President of the United States who made a decision. So did the Senate of the United States. A majority of the Senators in this body voted to approve the bombing, and having approved the bombing and having decided to send American forces into harm's way, they embraced the goals that were then stated.

One component of those goals did change, obviously, dramatically. The effort initially was to prevent the ethnic cleansing from taking place and to hope we could sufficiently degrade the military machine to prevent that from happening. That, obviously, did not occur, and the ethnic cleansing continued. We now find ourselves with more than half the population dislocated outside of Kosovo, a significant portion displaced within Kosovo, and as to how many that may be is imprecise.

It seems to me that this is not a time for the Senate to engage in covering its own posterior, not a time for the Senate to engage in a wholesale set of contradictions. It is rather the time for the Senate to declare, as unequivocally as it declared 40 days ago, that we are prepared to move forward with the bombing, that the same goals and the same objectives are viable today.

It is interesting. I know that some have hearkened back to the Tonkin Gulf resolution and have hearkened back to some of the lessons of the Vietnam war. There is no small irony, however, in the fact that we are beyond, in a way, the Gulf of Tonkin resolution. There was a time for people to question why we were bombing, what the motives were of bombing, what we hoped to achieve through the bombing and whether or not it was appropriate to start bombing and then suddenly stop, short of achieving those objectives. That, I think, would have been appropriate.

Having decided that you were going to bomb, I think most people accepted the notion that the reason for bombing was legitimate enough, that the reason for putting American forces in harm's way was legitimate enough, that the goals that we were trying to achieve were legitimate enough, and that if you were prepared to take the risks of putting those people in harm's way, you were also accepting the responsibility for achieving the goal that was set out.

Back in the 1960s, when the Gulf of Tonkin resolution came to the floor,

there were two Senators who stood up and, as a matter of conscience, said: I disagree with this, and voted against. One was Wayne Morse; the other was Ernest Gruening. It took a long time for history to prove those lone Senators correct. It may well be that those Senators who voted against the resolution supporting air strikes against Yugoslavia and who might choose to vote against those things necessary to achieve the goals may be proven correct by history. I do not know. At least that opposition is consistent, and at least that opposition is devoid of the disingenuity that we seem to see in those who voted to start bombing, those who have been saying for a year and a half or 2 years or more, you have to stop Mr. Milosevic, those who were crying for the United States to take a stand only a year ago, and then once the President does take a stand—the only stand that most people in the world thought he could take—all of a sudden they begin to vanish and run for the sidelines and take cover. I find that rather extraordinary, not to mention that it is, in fact, a contradiction of enormous proportions.

I understand how some in this Chamber have reservations about bombing. I understand full well about how some, given the history of the Balkans, may have inherent reservations about the United States, through NATO, even being involved there. Some of those people reflected those deep-rooted beliefs and fears in their original vote.

But the majority of the Senate voted by a greater margin than the majority who sent this Nation to war in Desert Storm—a greater majority. After Desert Storm, all those who had voted against it came together to suggest that the stated goals of the United States were such that we ought to guarantee the outcome. And we were committed to do what was necessary in order to achieve that, and we would support any efforts in order to achieve that.

Mr. President, I think one of the great lessons of the Vietnam period—and I think Senator HAGEL feels it very strongly, Senator MCCAIN feels it very strongly, Senator ROBB, myself, and others—is that if you are going to commit American forces, you make the decisions at the outset about what you are trying to achieve, and you make decisions at the outset that if you are going to send those soldiers—airmen, seamen, all of them—into battle, you do so with the understanding that you are committed to achieving the goals that you have set out.

I think it would be astonishing, in the face of the reality that the goals are achievable here, that this is so distinctly different from a Vietnam or even a Desert Storm in some ways—that we should ourselves provide these ingredients of doubt and reservation that seem to back off the original commitment that we made.

I have heard many people questioning, not only today, some of the rationale for why we are there or how the war is proceeding. But some seek a reservation in the notion that the President has not asked for this authorization of force or the Joint Chiefs of Staff have not asked for it. But those same people are always quick to come to the floor and assert the powers and prerogatives of the U.S. Congress in the conduct of foreign policy.

They are often the first to come to the floor to suggest some alternative policy to the President. They have often come to the floor with amendments to change Presidential policy in foreign policy, to amend it, to strengthen it. I think there is an irony that all of a sudden they are suggesting so much power to the President, so much prerogative away from the Congress, when they have spent an awful long time here asserting the very opposite.

In addition to that, I have heard colleagues deeply disturbed—as anybody should be appropriately—about collateral damage and what happens in the bombing. I do not think there is an American, in good conscience, who does not feel pangs or deep reservations about any errant missile or errant bomb and what the effects are. But there is no moral equivalency whatsoever between those errant impacts and what we are trying to achieve and what Mr. Milosevic has been achieving. There is simply no moral equivalency.

Let us not get confused between collateral damage and the murder, rape, organized rape, pillage, plunder, decimation of ethnicity, robbing of identities, the wholesale destruction of villages, the killing of teachers and parents in front of their children, the remarkable—remarkable—dismemberment of the people that Mr. Milosevic is engaged in and not for the first time. Having seen the record of what he did in Bosnia, to allow that kind of moral equivocation to enter into our thinking in this is, to me, to miss the point altogether.

The fact is that Senator DODD from Connecticut pointed out, and others have pointed out, that what we do here can have a profound, long-lasting, deep impact on our capacity to negotiate, to pressure, and to speak about and stand for morality and for a standard of behavior that is different from the kind of killing and marauding that has governed so much of this century.

Now, some will say, ''Well, the Balkans are different.'' Some will say, ''Well, we can't always affect the outcome of these things.'' The fact is, we can affect this outcome. We can affect this result. We do have the power and the ability to be able to do this.

I have heard some of my colleagues come to the floor and say this is going to affect our capacity to fight some other war somewhere. What war? Where? What are they talking about? I mean, are we planning suddenly some other war of which we are not aware?

This is staring us in the face. It is here. It is now. We are at war. The question we must ask ourselves is whether or not we are prepared to win or whether we are going to put obstacle after obstacle in front of ourselves to deprive ourselves of the capacity to achieve the goals that are achievable.

I hear some refer to Vietnam a lot, but other kinds of conflicts as well. I suggest that this is not a Vietnam—unless we make it a Vietnam, unless it is our own lack of resolve and pursuit.

Some have said, well, if it is a mistake in the first place, you do not want to go down the road pursuing a mistake. I support that notion. I recall coming back from Vietnam and saying, ''it is pretty hard to ask somebody to be the person to die for a mistake or especially the last person to die for it.''

I am sensitive to that. But the original question is, Is this a mistake? When 58 of us voted on the floor of the Senate to send people into harm's way in order to achieve our stated goals, we were making a judgment about whether or not we thought it was a mistake to intervene. And now that we have decided to intervene, let us at least have the courage to persevere.

Why did we intervene? Well, I believe that the imperatives of intervention outweigh the alternatives so far that it is hard to really measure the counterarguments. Any one of us in the Senate can hear this well of the Senate ringing out with the voices of those who would have come to the floor if the images of CNN night after night had been of Milosevic running unstopped over the people of Kosovo, unstopped, and no effort whatsoever to try to prevent him. I could hear people coming to the floor and saying, ''Where is a President with the courage of Ronald Reagan or George Bush who's willing to draw the line as they did?'' You can hear those speeches now. They would have been spoken.

President George Bush, in fact, had the same policy that President Clinton has. George Bush, before he left office, said we would draw the line in Kosovo and told Mr. Milosevic, in no uncertain terms, ''Don't monkey around with this one.'' And because he had the credibility of what he had done in Kuwait, you can bet that that made a difference.

That is why we are here on the floor with this resolution, to give our effort the kind of credibility that it deserves, to back up our soldiers who are running those risks on a daily basis, with the understanding that there is a rationale for our having asked them to do what they are doing. I do not, by any sense of the imagination, believe that we have exhausted the air campaign in this.

It astonishes me, in some ways, that so many people are so questioning of

an air campaign that—knock on wood—has not yet cost us the life of one of those pilots. I am astonished, as a former serviceperson, at the quality and care with which this has been prosecuted. We lose more people every week in the military of this country in normal training exercises and operations. The fact that this has been carried on now for 40 days, melding Dutch, British, Germans, Americans, French, Greeks, 19 different countries together, melding all of these airplanes and those multiple sorties, and bringing that together, is really a remarkable accomplishment.

At the same time, day by day by day, albeit some Members of the Yugoslav Army may feel better and think, gee, we have been given a purpose in life, the fact is that on a daily basis their capacity to wage the war is being stripped away. Who in their right mind would choose Mr. Milosevic's hand to play in this versus the hand of NATO?

The question before the Senate and this country is, Will we have the capacity to stay and play out the hand that we have?

This is not Vietnam. This is not a country that stretches from the equivalent of New England all the way down to the tip of Florida with a Laos and a Cambodia on its borders, with a superpower, the former Soviet Union, and China sitting in the background supplying, pushing down the Ho Chi Minh Trail, ready to come in when we threaten to use whatever force may be available to us. This is not the United States essentially acting alone.

Taken together, Serbia and Montenegro are slightly smaller than Kentucky and are essentially surrounded by friendly people. Kosovo is approximately the size of Los Angeles county. Unlike North Vietnam and South Vietnam at the time, unlike that country, where we became involved on the side of one of the combatants, where we chose to carry on years of colonial effort that had been misconstrued by the population and outright opposed and reviled for years, unlike the inadvisability of having been embroiled, we have been very careful here to suggest we are not for independence for Kosovo, we are not for the KLA ravaging their countryside any more than we are for Mr. Milosevic and the Serbs doing so.

We are fighting for the standards of internationally accepted, universally accepted behavior that country after country has signed on to through United Nations conventions and other instruments of international law and through their own standards of behavior.

I can't think of anything more right than taking a position against this kind of thuggery and this kind of effrontery to those standards as we leave the end of this century.

Some people say to me, ''well, Senator, we are going to have some people there for a long time.'' My answer is, So what? If that is what it takes in order to try to begin to establish a principle that is more long lasting, so be it.

What is the difference between 4,000 troops who have been asked to be part of a peaceful effort to change the standards of behavior in Kosovo as part of southern Europe—what is the difference between that and the 500,000 troops we had at a high point in Europe after World War II? Don't forget the way in which most Americans were skeptical of Harry Truman and the Marshall plan. How on Earth could the United States of America, having fought the Germans, turn around and put money back into their country? How on Earth could we try to bring the Germans into NATO?

Well, where are we today? A united Germany, the Berlin Wall gone, Berlin about to be the united capital of Germany, and the result, Germans participating with us in standing up against the very kinds of things that stained the history of this century and of their country during World War II. Is there a more beautiful circle in terms of understanding what is at stake? I do not think so.

It seems to me, Mr. President, that an investment of some 5,000, 6,000, 7,000 troops in southern Europe to guarantee that Greece, Macedonia, Montenegro, and Albania can remain stable and not be dragged into this, that is worthwhile.

Some would say, Senator, we heard that old domino argument before; that is the one they gave us in Vietnam.

Once again, the facts on the ground are proving the reality. Can anyone here tell me with a straight face that Montenegro, without our current efforts and involvement, could possibly withstand the strains of what is happening? Can anybody tell me that if the entire population of Kosovo were driven out into Albania, you wouldn't somehow see Macedonia, Greece, Albania dragged into this? Ultimately, there isn't a person in the Senate who doesn't understand that we would have been dragged into it, too. There was an inevitability that NATO would be called on to take a stand.

How astonishing it is that people find some kind of moral equivalency here between some of the difficulties of waging a fairly carefully prosecuted—not fairly, a very carefully prosecuted war, and what we are trying to achieve. How astonishing that people are so concerned about finding that equivalency measured against what Mr. Milosevic has done.

I believe if we will stand our ground and be steady and show the resolve that we need to show as a great country and the leader of the free world, that we have the ability, through this air campaign, to achieve ultimately the diplomatic outcome that we would like to achieve.

But we have also learned through all of history—Henry Kissinger and Richard Nixon will tell you this, in dealing with the North Vietnamese in the Christmas bombing, and I hated it back then, but I have come to understand that there are, in fact, sometimes some things that do speak and make a difference to certain people. Like it or not, as I have been deeply involved in that part of the world in the last years, I have learned that that did help make a difference to people's decisions to try to come to some kind of resolution.

The fact is that we are now backing up diplomacy with force. I have heard some people call for a stay in that force, that somehow it would be diplomatically nice if we were to turn around and have a bombing pause.

My response to that is very simple: Do not let the politicians decide, after sending the military personnel in to risk their lives, when you are going to have a bombing pause, without adequately passing it by the military to ensure that you are not going to put your people at greater risk if you don't achieve your goals at the back side of it.

I can't go into all the reasons for that, but people understand that there are a great many repercussions to a bombing halt which could have greater jeopardy to our pilots and greater jeopardy to the use of whatever force we need to use down the road. I am perfectly committed to having that happen at the right moment, but I want that to be driven by the military needs of achieving our goals and not simply the political imperatives at the time.

Finally, Mr. President, let me say that I hear colleagues say: Well, we want to know what the end game is; we want to know what the strategy is. We have even heard mention of the Boland amendment and other things. Are we in this to win?

There are only three or so choices in this, Mr. President. That is about it. Anybody ought to be able to figure them out. Stop the bombing and fail to achieve your goals. And if you stop the bombing; NATO would be irreparably damaged, if not simply finished. Mr. Milosevic can declare victory, do what he wants, and you will have no force in there. That is one choice.

Another choice is that you continue to prosecute the air war as you press the diplomatic effort, with a guarantee that you are going to press that until you get that effort.

The third is—and it is the best end game, best exit strategy of all—you win. That is the exit strategy. You achieve the simple stated goal of returning the Kosovars into Kosovo, allowing them to live in a protected structure where people won't be killing them, and at the same time have a force that has the capacity to prevent the UCK/KLA from also engaging in killing. It is called peace. I think that is an end game worth fighting for.

If the impact of the air war is substantial enough to force Mr. Milosevic to yield and accept NATO's terms for ending the war, then we will have won. However, if bombing alone is not enough, then winning will require that we have the determination and resolve to do whatever is necessary on the ground to achieve these objectives—to win.

I think when you measure the history of Europe and the importance of southern Europe, and the success of the integration process in Europe, you cannot question the need to achieve our stated goals in Kosovo. NATO has played an important role in the integration process—just talk to the officials in Spain or in other parts of Europe about the impact of NATO as an organizing principal, as a means of having brought countries together around democracy. They will tell you unequivocally of the degree to which the process of meeting, of coming together, of having mutual responsibilities, of needing to work together have had a profound impact on the capacity of Europe to develop so that they now have a common market and are working on the last efforts of integration, with more power in Brussels and more capacity as a European entity to speak to the world and to stand for these principles.

Are we going to deny that to southeastern Europe? Are we going to ignore the lesson that we would sent to Baghdad or Pyongyang or Tripoli or to other parts of the world if we fail to do what is necessary to win in Kosovo? I hope the answer of the Senate would be unequivocally no. The lessons of history are such that they taught us that this is the right thing to be doing for the right reasons. They are, I think, efforts that are worthy of our commitment in order to see it through to the end.

I am confident that if the Senate and the country were to speak with a single voice on this, in a short period of time we would see this resolved and, most likely, Mr. President, without recourse to ground troops or to prolonged war.

I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I have been authorized, since nobody else is on the floor, to go down the list here. I believe I am to be yielded 30 minutes at this point. I ask that I be able to proceed.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 30 minutes.

Mr. BIDEN. Mr. President, there are few issues that this body debates which are of consequence equal to what we are debating today. We are literally talking about the life and death of thousands of people, including possibly American personnel, American soldiers.

I have been here for 27 years, and on those occasions when I have been put in the position of having to vote on matters that relate to whether or not someone will live or die, I have tried my level best to be as intellectually honest and rigorous with myself as I possibly can. I have listened to the debate on the floor today with great interest and with some disappointment. It comes as no surprise to my colleagues that have served with me in the last 10 years or so, or even those in the last year or so, how strongly I feel about the Balkans. I am given blame, or credit, depending on the place from which you come, for getting us as involved in Bosnia as we are. I came back in the early nineties from a long, several-hour meeting late in the night in the office of Slobodan Milosevic, the President of Yugoslavia, and I came away convinced that this was a man with an agenda that was anathema to our interests and was literally genocidal.

I wrote a report years ago, referred to as ''lift and strike,'' whereby I urged us to change our policy. And so I don't want to attempt to hide in any way the intensity of my feelings about what the appropriate action for the United States, NATO, and the world is relative to Mr. Milosevic. But when I recently got back from Macedonia late at night on a Sunday, I got home. After flying, I guess, for 12 or so hours—whatever the timeframe was—I did what most people do after a long trip. I took a shower and brushed my teeth and tried as quietly as I could to climb into bed and not disturb my wife, who was asleep.

After I got settled, thinking I had accomplished not awakening her, she leaned over and said, ''Welcome home.'' Then she asked me a question, which I suspect the American people are asking. You are going to ask every one of us. My constituents are going to ask me. It was absolutely sincere. She said, in the dark of the night—and I could not even see her face—''Joe, are you sure you're correct?''

That sort of cut right to the quick of things. I had been so outspoken on this issue, and that took me aback for a moment. I answered her with complete honesty and candor. I said, ''I don't know. I am not positive. I can't guarantee it, but I feel so strongly that I'm right, that I'm going to continue to pursue pushing us in the direction of doing what I think is right.''

If my wife is asking me if I'm sure I'm right, and she is privy to my thoughts, concerns, and serious contemplations about whether or not I should be a party to causing some Americans to die, then I wonder what the majority of the American people must think. They must be moved by, or find appealing, the arguments of some of my colleagues today on the floor: It is not our fight. We should not be there. We are doing it the wrong way. The President of the United States is not worthy of our trust as Commander in Chief. We should bring the boys home. We have no vital interests.

You know, I sit in a seat now that men such as Vandenberg sat in. I am a senior Senator. There is only one person on the Foreign Relations Committee that has been there as long as I have been there. When I was the age of these pages—this is the truth—I used to wonder, when I was in high school and college, as we studied about Hitler and Germany, why nobody did anything in 1934 or 1935 or 1937 or 1938 when the price would have been incredibly lower. You look back now and just think what would have happened had the world united and gone in and taken Hitler out. Just think how different it would have been.

By the way, I note parenthetically that I am not equating Milosevic to Hitler in terms of his capacity, ability, or his danger. As the Senator from Massachusetts pointed out, he does not represent a country of 50 million people, an industrial giant. He does not have the military power of a country as great as Germany. He does not present the same threat.

But it is analogous in the following way: In a closed meeting of the Foreign Relations Committee, with senior Members of the Senate in attendance from the Committee on Appropriations and, I believe, Armed Services, I was making a case several months ago about why we had to be involved.

One of my colleagues, for whom I have an overwhelming amount of respect, a veteran who put his life on the line for this country, a very promilitary guy, looked at me and asked the following question, which answered for me that question I could never answer as a young man, Why did we not act? After listening to my case as to why we should be involved with NATO, he said, ''But, Joe, can you guarantee me no American will be killed?'' It was as if somebody took one of those little hammers that the doctors use to test your reflexes, those little rubber hammers, and went bing, and hit me right in the head. The light went on, and all of a sudden I realized why the Vandenbergs of the world didn't do anything.

It is difficult to explain to the American people how you would risk even one American life, or more than that, how you would be able to say I can assure you that Americans will die for something that hasn't happened yet. How do you do that? I am sure somebody said, in 1935: If we go in after Hitler, it is going to cost 100 or 1,000 or 2,000 American lives to get the job done.

I am sure Senators like the Presiding Officer and me sat there and said, ''How am I going to go home and explain that to my folks? How can I go

home and explain we are going to lose several thousand American lives to take out a guy they do not know anything about, who is no immediate threat to them now, and all he is doing is beating up Jews and gypsies?'' Hard sell. That is where we are now. We have a guy who is doing more than beating up Jews and gypsies. We have a guy who, if you turn on your television, is loading thousands of people into railroad cars in the heart of Europe. He has corralled them like cattle, putting them in railroad cars. I looked at it, and I thought to myself: This is almost like a video game, or something. Is this real? This is 1999. They are loading people on railroad cars because of their ethnicity and religion.

The Senator from Oklahoma, Mr. INHOFE, said he was recently in the camps in Macedonia. So was I in the same camps. We came away with two different impressions. We agreed they were happy to be there. We agreed they were getting fed well. But do you know what struck me? As a Senator, I have been in refugee camps all over the world. It was the following. I was standing there talking to people. And there was thousands of people in line—like a long movie line. They were about six or eight wide, snaked all through this camp. I was standing there answering questions for people, and asking questions of refugees. All of a sudden it struck me. I was standing next to a guy who had on a sport coat that must have cost $750. Another guy—I looked down at his shoes. They had been to be $300 Italian-made leather shoes. In between them was an old lady in a babushka with her teeth missing. All of a sudden it came to me. This is the enormity of the cleansing. It had nothing to do with their economic station. It had nothing to do with the specific territory they lived in. It had to do with their religion and their ethnicity.

It is as if someone marched into an office building in downtown Washington and took out the $400,000 lawyers along with the cleaning lady because they were both Moslem.

People say ''no vital interest.'' Let me ask my colleagues who are listening and the staff of my colleagues who are monitoring this debate. Ask yourself the following question: Can anyone say that they will be leaving their children and grandchildren a more secure future if NATO and the United States do nothing to stop the ethnic cleansing in the heart of Europe? Forget for a moment whether or not I and others are right, that if we do not act, it will result in an open war and the split between Greece and Turkey, a division within Europe that is reminiscent of 1910 and 1915, although the Hapsburg, Ottoman, German, and Russian Empires were still in existence. Forget that. Assume we are wrong about that. Tell me, anybody explain to me, how my child and granddaughters are going to be more secure if, in fact, you have a million people displaced, you have thousands of people—at least now documented hundreds of people —brought out in the backyards of their homes and knelt down and had their heads blown off.

There are 11 million ethnic Russians living in Ukraine. There are thousands, tens of thousands of Hungarians living in Romania. There are hundreds of thousands of Turks living in Bulgaria. Tell me how this works. Someone explain to me. And then, even if they can explain that, explain to me how the United States of America can be prevent itself from being dragged into a war in Europe.

Look, I am not saying to you all that if we don't act right now, within the next 5 years our future is doomed. But tell me what Europe looks like in 20 years. Tell me how it is possible that the United States can conduct its foreign policy anywhere in the world without a stable and secure Europe, not because we are ''Europhile'' and we only think Europe is important or more important than Asia. But tell me how with our economic, political, cultural, and military ties there can be a Europe divided and our interests not be affected. I find it absolutely astounding that anyone in this Chamber could say we have no vital interest.

I also find this moral relativism very fascinating. It kind of goes like this. If there is an injustice anywhere in the world and we can't deal with every injustice, then we should deal with no injustice. If in Rwanda African tribes are killing one another and the carnage is greater there, or in Cambodia where 2 million people were killed—and the list goes on—if we didn't get involved there, how did we get involved now?

Well, I point out two little facts:

One, we have the means in Europe that do not exist in those other parts of the world; two, we have the ability with the means available to us if we are willing to execute an outcome that we desire; and, three, if Europe begins to disintegrate, we are in trouble, because we are a European power.

I said that I would try my best to be as honest with myself as I could because, by the way, I tell you we are political. I am not suggesting those who oppose our involvement in Kosovo do it for this reason. But I can tell you that it is a lot easier for me in my State to be for noninvolvement. That is a sacred place to be, Mr. President. That is the easier place to be. I didn't look for this fight. This is not why I came to the Senate at age 30 saying I want to be for pushing us to go to war. That is why I examine these arguments the best I can, because if there is a better way that doesn't include war, I am for it.

I listened to all the arguments today. The only one, with all due respect, that I think made sense was PETE DOMENICI's. He is in opposition to the McCain-Biden resolution. What he said, from my perspective at least, adds up, and it makes sense. He said, ''Hey, look. The President didn't ask for this authority. Why are you forcing it on him? He doesn't want it yet. So don't give it to him.'' And we should send him a letter that says, ''If you want it, Mr. President, ask us and we will act on it quickly.''

When the Senator from Arizona and I introduced this resolution, that was basically our intention. We didn't—at least I didn't—contemplate that the Parliamentarian would rule correctly—I am not challenging the ruling—that the War Powers Act was implicated and that we must vote on this resolution. That was not what we anticipated. We anticipated, when we introduced this, for it to be here on the floor ready and able to be brought up when it was needed, because we—at least I—concluded that we should give the air campaign a full opportunity to succeed—I haven't given up on that yet—but that Milosevic and the rest of the world should know we were prepared to do whatever it took to win.

Here we are, voting on it because of the procedural rules not of the Senate, but of the statute, and thereby by the Senate rule.

I understand Senator DOMENICI's argument. By the way, I believe, notwithstanding all the speeches today, if the President of the United States asks for ground troops with NATO, that this body will vote for it; that there are over 51 votes for it. When the rubber meets the road and Members have to vote yes or no, I predict we will see a lot of opinions change.

Now, I heard today time and again the Gulf of Tonkin analogy. With all due respect, it is not at all analogous. In the Gulf of Tonkin resolution, the U.S. Congress said to the President, and I am paraphrasing, Mr. President, use whatever means at your disposal. It didn't say what the McCain-Biden resolution says; it didn't say use whatever means is at your disposal—assuming 18 other nations sign on with you. You do not, if McCain-Biden passes, Mr. President, have the authority to use force unilaterally. It is in conjunction with NATO; not alone, in conjunction with NATO.

At the time of Vietnam and the Gulf of Tonkin resolution, we were essentially alone in the world in concluding that force need be used. With regard to Kosovo, we are in the majority. The entire civilized world, including the Russians, acknowledge that Milosevic is engaged in behavior that violates every notion of civilized conduct. They disagree on the means we should use to deal with that.

I was in Macedonia. I went into a tent city about which my friend from Oklahoma talked. He is right, these are courageous young men and women. I

sat in a tent that housed about 20 military folks. I walked in and said, They make the analogy back home about Vietnam; what do you guys think of that? There were two women, as well. What do you think of that? A sergeant looked at me, he was 23, 24 years old, and he said the following:

Senator, when you were 23 years old, if they had sent you here, would you have any doubt about the morality of what you were undertaking?

The answer is no. It is not analogous to Vietnam. I was a student during Vietnam. We were told there was a monolithic communism that was going to roll out of Moscow and Beijing, roll down through Southeast Asia. Our history professors would say, Wait a minute, the Chinese and the Russians aren't getting along together. And, wait, the Chinese and the Vietnamese have been fighting each other for 300 years. So explain to me how this domino is going to fall.

Did anybody notice fleets of Russians in Cam Ranh Bay? Not because of us, the Chinese weren't going to let them be there. This monolithic communism didn't exist.

I don't want to relitigate Vietnam but it is not analogous, not only for the reasons my friend from Massachusetts stated—the size of the territory, the population, the availability of the arms materiel, the allies. Sure, China and Russia cooperated because it suited their interest to keep the Vietnamese fighting us but not because of the rationale we were given.

I respectfully suggest there is nothing analogous. The Tonkin Gulf resolution is not analogous because it is not giving the President authority on his own in the McCain-Biden resolution as Tonkin Gulf did. It is a different continent, it is a different population, it is a different rationale. There is no doubt on the part of anyone about the morality of the undertaking.

That old joke, and I am paraphrasing, Can 18 European countries that don't have a lot in common be wrong, all at once? Can they all be wrong?

Listening to this debate, one would think the President of the United States just woke up one morning and said: ''You know, I need a war. I would like to have a war. I would like to test our new smart bombs. I would like to figure out if they work better than they did in Desert Storm. We put a lot of money and time into it, and I have just the guy to look to. Eighteen other nations said what this guy is doing is bad.''

Some of my colleagues will say they have been fighting for thousands of years; all those people are the same. There are a lot of bad guys on all sides, but I don't see the Moslems loading up Serbs on cars and sending them off. I don't see this happening anywhere else in Europe.

There is one remaining dictator in the region. His name is Slobodan Milosevic. He is a bad guy. He is a smart bad guy. He is doing very bad things. The idea that the United States of America, when all of Europe has stood up and said this must stop, will walk away, I think is absolutely bizarre.

Does anybody here truly believe we could stand aside, let this happen, and it not affect our vital interests in the year 2010 and 2012 and 2020 when my granddaughters and their husbands will be sent off?

It seems to me we are making a gigantic mistake here to try to hide behind a lot of arguments. I raise this question with my friend. We use that phrase all the time—''my friend.'' This guy really is my friend. We have been friends for 27 years. We were back in the Cloakroom talking. I said, what the heck is going on here? I think we both came to a similar conclusion, at least in part. On both sides of the aisle people are using code words because they don't want to be isolationist. This is about isolationism or internationalism. That is what this is about.

A lot of Republicans don't trust this President. I am not suggesting they trust him, but just sort of take that nickel when you do the cards at McDonald's for your kids and see whether you won a cup or something. Scrape it off a little bit and right below is the real link—isolationism.

On my side are a lot of the old antiwar Members. By the way, decorated veterans such as Senator MCCAIN and Senator KERRY say we should be doing this.

Look, folks, I don't know how to run an antiseptic foreign policy. I don't know how you can be President of the United States and make every decision you make based upon the following formula: If an American will lose their life, we can't get involved.

Look, if there is any man in this Chamber, or woman, who understands the loss of life in war and the brutality of war, it is my colleague here, Senator MCCAIN. I am not being gratuitous here. He may be the next President of the United States of America. Guys like him, and women like him, may have to say, ''I am going to have to do something that is going to cost American lives.''

People who disagree with us, I say to my friend, act like we are cavalier about it. I don't understand it like my friend understands it, but I think I understand loss of life a little bit. It is not about that. It is about the recognition that this is a mean damn world out there.

So I listen to my colleagues make the strangest arguments. I hear a Democrat stand up and say: You know, we should not be involved in this at all. This is a terrible thing. I voted against the bombing. And, by the way, we have to save the refugees. We are going to save the refugees.

Where the heck are you going to save them?

Mr. MCCAIN. Will my colleague yield for a question?

Mr. BIDEN. Sure, I am happy to yield.

Mr. MCCAIN. What does my friend from Delaware make of the argument that this is not the right time, this is not the right time to vote on this? So we are going to table this motion tomorrow and a whole bunch of our colleagues are going to say—including, by the way, my dear friend from Virginia: Yes, this is a problem. It has only been going on for 5 weeks now. Hundreds of thousands of people have been moved from their homes, thousands have been killed, massacres every day—but this is not the right time to vote on this particular issue. So we will vote tomorrow to table it and cut off debate and cut off discussion and abrogate the responsibilities that we have as Senators.

Frankly, does my friend think that maybe they know better?

Mr. BIDEN. I say to my friend from Arizona, and I spoke to this very briefly in his absence, it is the only argument that has any substance, in my view. I disagree with it. I disagree with it for a lot of reasons I have spoken to. I am going to vote and urge my colleagues not vote to table. We will do it the right way. But at least they have an argument that the President has not asked for it. I think we should be telling the President he has it.

We are not demanding, the Senator from Arizona and I, that he use ground troops. We are saying to him: We want to make sure you understand that you have to win this and you can't come back to us and say you didn't do it because you didn't have the means. At least that is why this Senator is pushing this.

The arguments I find totally disingenuous, though, are the ones that go like this. I heard today: You know, I voted against the bombing, but I tell you what, I am going to vote to table this use of the available ground troops to the President because I don't trust the President. But I tell you what, if this President were a leader, he would do whatever it took to stop this. But I am going to vote against giving him the authority it would take to stop it because I don't trust this President.

How? I don't understand.

Mr. MCCAIN. Will the Senator yield for one more question?

Mr. BIDEN. I sure will.

Mr. WARNER. Mr. President, I do not want to interrupt this important colloquy, but I believe I am up next.

Mr. BIDEN. You are, but I don't believe my time is up yet. If it is—apparently my time is up.

Mr. WARNER. I would like to ask a question of you.

Mr. MCCAIN. Mr. President, I believe I was asking a question. I do not believe the Senator from Virginia has the floor.

Mr. WARNER. I did not mean to interrupt, Mr. President.

Mr. MCCAIN. I ask unanimous consent for 2 additional minutes for Senator BIDEN—excuse me—I grant Senator BIDEN 3 additional minutes.

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

Mr. MCCAIN. The White House, the National Security Adviser, the Secretary of Defense and Secretary of State are now frantically lobbying against this resolution, who are saying vote to table. Has my colleague ever heard of a time where the White House and the administration lobbied actively against obtaining more authority?

Mr. BIDEN. Only on one occasion. The point the Senator is making I understand. But only on one occasion. Two other occasions I can think of where Presidents have asked not to have more authority—when they thought they were going to lose.

I have personally spoken to the President. I have spoken to the National Security Adviser. The National Security Adviser would like to have this authority. But what he does not want to have is a vote that says he cannot have the authority. They are worried if there is a vote that is a straight up-and-down vote and it loses, that it will mean, in conjunction with the House vote last week, that the Congress is on record against ground troops.

My argument to them is it does not mean that. It means they concluded they were not prepared to do it now without the White House asking for it. But I believe there have been circumstances in the past where Presidents have affirmatively suggested they not ask for authority and table something when they thought they did not have the votes.

My colleagues on this side have told them they do not have the votes, as have your colleagues. I think my colleagues on this side are wrong, and I think the colleagues on the other side are wrong about the votes. Because I find an interesting thing, Senator. On very, very important matters—and everyone knows how important this is—Congress likes to avoid responsibility.

I will take us back very briefly to the Persian Gulf. On the Persian Gulf we had great disagreement, and during that time I remember going to my caucus and saying: We must demand a vote. And my colleagues on my side, whose names I will not mention, but I give you my word to this, who were against the action in the Persian Gulf, said: No, no, don't ask for a vote, because they wanted to be in line. Because if it succeeded, they wanted to be able to say, ''Great job, Mr. President,'' and if it failed, they wanted to be able to say, ''Not me.'' I think that is at work here, I say to my friend from Arizona.

But the bottom line of it is that the Senator from Arizona, in my opinion, is dead right. I think the amendment is dead right on. I think we do more to bring a successful conclusion to this war by giving that authority whether or not it is used. I think we would make a tragic mistake being apologists for a policy that in fact makes no civilized sense, when we make moral equivalence about the people in the region, when we argue that a bombing pause would not affect anything, when we argue—my time is up. Ten seconds.

I compliment Reverend Jackson on bringing these folks home. But with all due respect, I can think of a lot of people with his standing who could have gone and probably gotten the same result, if in fact they were willing, and believed as he does, that we should stop the bombing.

I think it is a mistake. It is a little bit like saying: Give me three people back and I will not do anything about the 300 you massacred—which they did, by the way, just 4 days earlier.

I think it is a tragic mistake. I wish we would get our act together. I think the President is going to have to take the case to the Nation more forcefully than he has. I hope we do not table the McCain-Biden resolution, but it appears we are going to do that. As you can tell, I have spoken too long. But I think this is something in our vital interest with the capacity to affect the outcome that would be beneficial to all people, and the idea that it would be a failure if we had to have forces there in order to maintain the peace, who were not being killed, and the genocide stopped—I would consider that victory, not failure.

Mr. MCCAIN. Mr. President, with apologies and respect to my colleague from Virginia for going over time, I yield 15 minutes to the Senator from Virginia, Senator WARNER.

Mr. WARNER. I thank my friend. Before he leaves the floor, I think a colloquy here—and I am very much interested in following the one you and Senator BIDEN had—might be helpful. This Senator intends to vote to table. I do so with a heavy conscience, because I have no better friend, nor a man I respect more, than my good friend, the Senator from Arizona. We sort of served in the Navy together. He had more rank than I did; at one point I had a little more authority than he did. And my good friend from Delaware, you do recall who was your cosponsor. It was Biden-Warner. So I think that points out there are differences of conscience, clear conscience now and then, where we differ.

I want to ask both of you, on the condition you answer on your time, on such time you have, a very simple question: What does this resolution give the President of the United States that the Constitution has not clearly reposed in this President and in every other President since the beginning of this great Republic?

I ask that question because to vote otherwise would possibly, if this were to carry, in my judgment, send a hollow message not only to the United States but across the world. He has the authority under the Constitution to do precisely what you state in here.

I ask simply: What does this confer on the President that the Constitution has not already conferred?

Mr. MCCAIN. I will be brief in my response.

Mr. WARNER. We have the understanding it is on their time, Mr. President.

Mr. MCCAIN. Mr. President, I yield myself 1 minute to respond to the question from Senator WARNER.

This is exactly the same as the authority that was granted to the President in the case of Bosnia, in the case of the Persian Gulf war, in the case of going all the way back to Beirut, exactly the same thing: Telling the President of the United States that Congress does play a role.

We ignore the War Powers Act. We all know that. This is not a war in the classic sense, and we do not declare wars. This is a role for the Congress of the United States to play, endorsing the President's ability to use whatever force is necessary in order to bring the conflict to a conclusion. It is no different than that of the Persian Gulf war resolution, the Bosnia resolution, the Lebanon resolution, the Grenada resolution—there has been literally one in every conflict in which we have engaged.

Finally, may I say that it is also an effort, frankly, to get the President of the United States to do the right thing.

I yield my time.

Mr. BIDEN. May I have 1 minute to respond?

Mr. MCCAIN. I yield 2 minutes to the Senator from Delaware to respond.

Mr. BIDEN. I thank the Senator.

I say to my friend from Virginia, I think it is constitutionally required. I am in the minority in that view. I do not think the President has the authority to commit ground troops without the consent of the Congress, but I think it is politically necessary. I think it is politically necessary because it is of great value to any President to have the Congress on the line with him as he prosecutes a war. I think it is constitutionally necessary and politically wise.

I realize that there are those who disagree with me, that the war clause—not the War Powers Act, the war clause—of the Constitution I believe requires the consent of the Congress for the use of this force now, but it——

Mr. WARNER. By ''this force,'' the Senator means what?

Mr. BIDEN. I am sorry. If he were to use ground forces. But I acknowledge there is a constitutional argument that says that if the Congress had voted and the House did not, but if they had voted, as we had, for the use of air power, that he would not need that additional authority.

I do think there is a constitutional requirement for the Congress to assent to this action. I understand I am in the minority. Beyond that, I think there is a political necessity that we be united.

My friend and I have talked about this privately before. We can all disagree about the lessons from Vietnam, but I think we both agree that one of the lessons out of Vietnam was that no matter how smart, no matter how brilliant a foreign policy is, it cannot be sustained without the informed consent of the American people and their elected representatives being signed on to it.

That is my primary motivation. The place my friend from Arizona and I disagree is, I am not doing this to embolden the President to do the right thing. The reason I signed on to it is to make sure the Congress goes on record saying that we will back whatever action the President takes to meet the four goals that he has stated. There is legitimate constitutional disagreement, but I fall down on the side that I think it is necessary.

Mr. WARNER. Mr. President, I will simply reply to my good friend, only four times in the history of the United States of America has Congress used that phrase, ''declare war.'' World War II is the last; am I not correct?

Mr. BIDEN. You are.

Mr. WARNER. How many times did we send out our troops? Are we suggesting each time, whether it was Vietnam in particular or Korea, that that wasn't the proper authority exercised by the President of the United States? You suggest that, I say to the Senator, when you say——

Mr. BIDEN. Mr. President, yes, I am. In the one case in Vietnam, it was given through the Tonkin Gulf. In Korea, I don't think it is constitutionally—by the way, I am not alone in this. I happen to teach—it does not make me an expert, but I happen to teach constitutional law and separation of powers now in law school. I can assure you one thing: The vast majority of constitutional scholars agree with me.

The point being, you do not need to declare war. As Louis Henkin, who wrote the Restatement of International Law, pointed out, it does not require a declaration of war; it requires a consent of the Congress, which is equivalent to the authority required, just like what we did in the Persian Gulf. When the Congress went on record granting the authority to the President to use the force in the resolution, that is the equivalent of a declaration of war. All constitutional scholars agree on that point.

Mr. WARNER. Mr. President, the resolution of the gulf in 1991 is one I remember, may I say with a lack of modesty.

Mr. BIDEN. I think you drafted it.

Mr. WARNER. I was the author of that resolution. I say to the Senator from Delaware and the Senator from Arizona, there is a clear distinction in that case. There the President of the United States asked the Congress; am I not correct? Did he not ask the Congress?

Mr. BIDEN. He is correct, Mr. President. I am sounding too much like a lawyer now. From a constitutional standpoint, whether they are asked or not is irrelevant. The only relevant constitutional point—and this is getting us off the point here, but the only relevant constitutional point is whether or not the Congress granted authority, asked for or not. That is the only relevant constitutional point.

With the Senator's permission, I would like to ask unanimous consent to print in the RECORD a legal brief which I have written on this point relative to the war powers clause and whether or not it is required and on the issue of whether or not there is the equivalency of a declaration of war by the consent of the Congress for the action specified.

Mr. WARNER. Mr. President, may that request be granted in such a way that it can appear after our colloquy and at the conclusion of my remarks?

Mr. BIDEN. With the permission of the Senator, I will put it in tomorrow so there is no question that it is not interrupting his remarks.

Mr. WARNER. Mr. President, while I have the Senator's attention, though, he said—very interesting—I don't want to breach confidences, but he and I have been present at three very important consultations with the President of the United States.

Mr. BIDEN. Yes.

Mr. WARNER. My recollection is, the first one was an hour and a half; the second, almost 2; and the third, I think I was the last to leave after 2 hours.

Mr. BIDEN. Long time.

Mr. WARNER. I know my colleague from Oklahoma, who will next speak, was there throughout the 2 hours. I recall the Senator from Delaware was engaged in a very interesting colloquy with the President about the issue of asking and not asking. Does the Senator remember that colloquy?

Mr. BIDEN. I do.

Mr. WARNER. I thought he was quite accurate. My recollection is, did you not solicit?

Mr. BIDEN. I did. Mr. President, again, I am sounding too much like a constitutional lawyer here. I don't want to mix apples and oranges.

Mr. WARNER. Mr. President, let's talk like a Senator. We are all Senators here.

Mr. BIDEN. If I may, the Senator makes a valid point. I will not tell you what the President said, because that will be inappropriate. I will tell you what I said. I am allowed to do that.

Mr. WARNER. I remember it very well.

Mr. BIDEN. There was an issue, and all the Senate and House Members were assembled, and they were about to vote on the floor of the House of Representatives on a resolution relating to whether or not the President would ask for consent to use ground troops. Let me be precise.

A resolution was submitted characterized by the Speaker, as we sat there, as one that would say the following, and eventually was voted on. It said: Mr. President, before you introduce ground troops into Kosovo, you must come to us under the Constitution and ask for our permission.

And the President—I can say this because he said it publicly. The President said, ''I didn't want to do something no President has acknowledged that he has to do in a debate with Congress.'' And I stood up, and I said, ''Mr. President, let me respectfully suggest you send the following letter to the House,'' because I didn't want the vote to turn into the debacle it did. And I suggested the President say the following: ''Notwithstanding the fact that I am not required to ask permission, I assure you that I will, in fact, ask the permission of the Congress before I use ground troops, if I make that decision.''

That is exactly what I said. And then we got a letter from the President which said essentially that. My purpose was not relating to the Constitution. My purpose was trying to keep the House from doing the thing I found to be imprudent, because I was worried that if they passed the resolution, which in fact they have the authority to do—the Congress—it would send a message to Milosevic and others that we were unwilling to use ground troops if need be.

The President was saying, ''I don't want ground troops now.'' So I said, ''The way to settle this, Mr. President, you don't have to give up what you think you're''—you may remember—I said, ''Mr. President, I think you do need authority from the Congress if you're going to send ground troops. But you don't have to give that up. You don't have to give up that legal argument. Say, 'Notwithstanding the fact I, the President, don't think I need that, I promise you I will not introduce ground troops before I ask for your permission.' ''

That is not a constitutional commitment he is making. It is a personal commitment he is making, as President.

And my purpose, I say to my friend from Virginia, was to keep the House

from voting on that inappropriate resolution ahead of time, the very inappropriate resolution that the Congress introduced and passed. That is why.

Mr. WARNER. To move this along, I want to pick up on a few words. You said, ''Mr. President, the way to settle this is to send a letter.''

Mr. BIDEN. That is right.

Mr. WARNER. Here is the letter.

I ask unanimous consent to have it printed in the RECORD.

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

THE WHITE HOUSE,
*Washington, April 28, 1999.*

Hon. J. DENNIS HASTERT,
*Speaker, House of Representatives,*
*Washington, DC.*

DEAR MR. SPEAKER: I appreciate the opportunity to continue to consult closely with the Congress regarding events in Kosovo.

The unprecedented unity of the NATO Members is reflected in our agreement at the recent summit to continue and intensify the air campaign. Milosevic must not doubt the resolve of the NATO alliance to prevail. I am confident we will do so through use of air power.

However, were I to change my policy with regard to the introduction of ground forces, I can assure you that I would fully consult with the Congress. Indeed, without regard to our differing constitutional views on the use of force, I would ask for Congressional support before introducing U.S. ground forces into Kosovo into a non-permissive environment. Milosevic can have no doubt about the resolve of the United States to address the security threat to the Balkans and the humanitarian crisis in Kosovo. The refugees must be allowed to go home to a safe and secure environment.

Sincerely,

BILL CLINTON.

Mr. WARNER. He sent the letter. Why is that, then, the way to settle this as opposed——

Mr. MCCAIN. I have to call for the regular order here. The Senator from Virginia has 10 minutes, and the Senator from Oklahoma and others are waiting. So we have to proceed with the regular order.

Mr. WARNER. Well, this is a time to do that, Senator. I think I am within my time.

The PRESIDING OFFICER. The Senator from Arizona declines to yield further to the Senator from Delaware?

Mr. MCCAIN. I decline to yield.

Mr. BIDEN. I am not seeking recognition.

The PRESIDING OFFICER. The Senator from Virginia has the floor.

Mr. WARNER. I will try and summarize.

Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator still has 11 minutes of the original 15 minutes remaining.

Mr. WARNER. As a courtesy to the managers and the whip, I will not use all that time, but I would like to just finish our colloquy. Because I thought we were making a point, at least I felt very strongly, the President gave the assurances. And you said the way to settle this—and you wanted it for the House, the letter was sufficient for the House—why wouldn't this letter continue to be sufficient for the Senate? If it is sufficient for one body, it is sufficient for the other body. That is my point.

Mr. BIDEN. Would the Senator like me to answer? I will try to do it quickly.

Mr. WARNER. Put it on my time, Mr. President, so we do not interrupt the distinguished manager from Arizona.

Mr. BIDEN. The House was trying to stop an action. The Senator from Arizona and I are trying to start an action. We are not asking for the President's permission. We are trying to encourage the President to use all the persuasion available to him with our NATO allies to let him, the President, know and our NATO allies know——

Mr. WARNER. You are encroaching beyond the minute or two.

Mr. BIDEN. That is my answer. They are trying to stop; we are trying to start. It is a different issue.

Mr. WARNER. I simply say, with great respect to both you and Senator MCCAIN, this does not grant the President of the United States one single bit of authority that he does not possess at this moment and that every President of the United States has possessed from the beginning of this great Republic. And, therefore, I fear that this could be a hollow message. It could be misunderstood, not only in the United States, but in the other 18 nations that are allied with us; my point being, the success thus far has been the ability—and, indeed, this President has been active, as have other heads of state—in keeping 19 nations solidly together to pursue this military action.

And my concern is, if the Senate were to take a resolution like this, does that not say to the other nations, the 18, ''Well, go to your legislatures. And similarly, don't you have a responsibility comparable to what we have in the United States of America?''

And, Senator, I say this respectfully to my colleague form Delaware, that other nations of that 18 group, their legislatures might well not act favorably on such a piece of legislation, and begin to start a fracturing of the solidarity of the NATO group.

That is my great concern, Mr. President. Therefore, I feel that it is just most unwise. And I shall vote against it. I really salute the Senator from Arizona, as well as my colleague from Delaware, because I believe their steadfast stance on this gave backbone to NATO to begin to at least dust off the plans to look at the introduction of ground forces, both under a permissive and nonpermissive situation.

I ask unanimous consent to have printed in the RECORD remarks that I made as chairman of the Armed Services Committee when the Secretary of Defense and the Chairman of the Joint Chiefs were before our committee, urging them to do just that.

That was weeks ago, before and during the course of the summit the Secretary General announced they would take that step.

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

STATEMENT OF SENATOR WARNER—KOSOVO HEARING—APRIL 15, 1999

I start this morning by expressing my deepest regret for the loss of innocent civilian lives—both Kosovar Albanian and Serbian—in this conflict. I know our forces have done their best to avoid such collatoral damage.

I welcome our witnesses this morning and note that this is the first public hearing before the Congress on the situation in Kosovo since NATO began its military operation on March 24. I thank you, Secretary Cohen and General Shelton, for your willingness to testify on this crucial issue.

Since military operations began, the Armed Services Committee has convened 5 closed briefings for Senators on developments in Kosovo. I thank our witnesses for providing officials to testify at those sessions. Today, the American public will witness the first real public debate between Administration officials and Members of Congress on this issue. It is important that the American people have an opportunity to see such an exchange of views. We have a duty to keep our citizens well informed as our men and women in uniform are in harms way.

As we meet this morning, the NATO air operation against the Federal Republic of Yugoslavia—Operation Allied Force—is entering its fourth week. I was, and continue to be, a supporter of air strikes against Milosevic's military machine. We must see this air campaign through.

However, I have always believed that all options should have been left on the table, including the planning necessary to keep in place a ground option. By taking it off the table, the wrong signal could have been sent to Milosevic.

In the meantime, I believe that positioning NATO ground forces in key locations on Yugoslavia's Serbian border—as is being done now on a small scale—could limit Milosevic's freedom in the disposition of his ground forces and, together with the air campaign, force him to prepare for a possible ground attack by NATO forces. NATO should begin now to move heavy equipment into the region, within striking distance of Yugoslavia, both to threaten Milosevic and to lend protection to countries such as Albania which are now threatened by Milosevic's troops. The decision to use NATO forces to attack Yugoslav troops on the ground in Kosovo could be made later—but the deterrent effect of placing these forces in the region would be, I believe, substantial.

Since last September when I traveled to Kosovo and Macedonia, I have advocated the use of U.S. ground troops in Kosovo as a stabilizing force to allow the various humanitarian organizations to assist the Kosovar Albanians who, at that time, had been forced into the hills by the brutal actions of Milosevic. And I supported the use of U.S. ground troops to implement the peace agreement which was under consideration at Rambouillet.

There have been calls in Congress for a vote on legislation authorizing the President to use ''all necessary means'' to accomplish our objectives in Kosovo. The leadership of both the Senate and the House have decided that such legislation should not be considered this week. That gives all Members the time to gather the necessary information on what it would take to engage in a ground war against Yugoslavia. We need the facts. What would be the basic parameters of such a ground force—the size, type of forces and equipment required, duration of the mission and exit strategy for such an operation? A NATO assessment last summer estimated that it might require 200,000 troops for NATO to fight its way into Kosovo—and win. Is that estimate still valid, or has it changed since the air strikes and Milosevic's intensive military operations in Kosovo began? It is imperative for Senators to have this information before we are called upon to vote to authorize the use of ground troops against Yugoslavia.

It is my hope that we will continue to gather that vital information today, for the Senate, for the American people.

This hearing will also address future NATO strategy as we approach the 50th anniversary Summit. In my view, the most important issue to be discussed at that Summit is a revised Strategic Concept for NATO—the document that spells out the future Strategy and mission of the Alliance. I have recently written to the President urging him NOT to adopt a final version of a new Strategic Concept at the upcoming Summit in Washington, given the uncertainty of events in Kosovo.

The United States and our NATO allies will have many ''lessons learned'' to assess from the Kosovo operation—lessons which will be a pivotal part of any future Strategic Concept for NATO. If NATO is to continue to conduct such ''out of area'' military operations in defense of ''common interests'' in the future, we had better take the time to carefully evaluate the Kosovo experience and incorporate the ''lessons learned'' into any future strategy and doctrine for the Alliance. NATO is simply too important for us to proceed in haste on this key issue.

Mr. WARNER. I am likewise concerned about consultation. The Senate and the House—the Congress—work very hard with this President, as they have with other Presidents, to get consultation on these key questions of our national security and foreign policy.

Were we to pass this, coupled with what I predict will be a strong vote for the emergency supplemental, indeed, the President's advisers might say, ''We've got whatever we need now. Let's go about this. And we need not have the consultation.''

We have had extensive consultation in the course of this very difficult military action, and that consultation has enabled this Senator—sometimes there were 30 other Members of Congress up with the President working in consultation for not just 15 or 20 minutes or a half-hour but hours on end.

I commend the President for sitting there very patiently and entering into a strong colloquy and exchange of views throughout that consultation.

We might well lose consultation. We will send out a message that could be misinterpreted. And, indeed, we could cast an affirmative responsibility on other legislatures which could cause a fracture and a breakdown of the 19 NATO nations standing together.

So, Mr. President, I commend my two colleagues. This has been a good debate. It is going to go on for a while. We owe a great deal to both of you and others who wanted to have this debate. I think it has been a good one. I am pleased to have been a part of it.

I yield the floor.

Mr. MCCAIN. Mr. President, I thank Senator WARNER for his always insightful and well-thought-out debate and discussion. We appreciate his outstanding work as chairman of the Senate Armed Services Committee.

The Senator from Oklahoma is recognized for 20 minutes.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I thank my friend and colleague, Senator MCCAIN, for recognizing me, and I also compliment him for his leadership, although I oppose the resolution that is before us. I also wish to compliment Senator WARNER for his comments. And I agree with his comments. I think we have had some good debate. I think it is an important debate.

I have heard many things on both sides of the issues. I happen to concur with a lot of the statements that some of the proponents have made on this resolution. I just disagree with its conclusion. I think it is going to be interpreted, this resolution, as a blank check for the President to do whatever is necessary to win in Kosovo, whatever that means.

''If you win, you are going to own Kosovo.'' Are you going to occupy Kosovo? Maybe Kosovo is second prize; first prize will be Serbia. And then we get to run Serbia. I do not think we want to do that. I think it would be a mistake.

I stated on the floor, prior to the bombing resolution, that I thought it was a mistake. And I think it really kind of resulted as a failure in diplomatic effort.

As a matter of fact, I think the diplomatic mission in this area has been a disaster. Unfortunately, it has resulted in a humanitarian disaster.

Mr. President, could we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. NICKLES. I thank the Chair.

I want to go through a little bit of the chronology to show, at least in my opinion, how we got into the bombing campaign, because what this resolution is kind of implying is, well, the bombing campaign is not working. And we call it a campaign because the polls don't like the word ''war.''

It is interesting, I was with some of our colleagues, and we went to the Kosovo region into the Balkans. We talked to our military planners. They use the word ''war.'' But the politicians do not use the word ''war.'' It doesn't poll very well. People don't like war. So this is called an air campaign. This is a mission.

I disagree with that terminology. How did we get into the air campaign? How did we get into this air war?

I want to go through several statements, because, as I mentioned in my opening comment, I think this has been a diplomatic disaster that has led to a humanitarian disaster. It is not working, and some people are saying, let's double the ante again. Let's throw in troops now and then maybe we can win.

I do not think that would be the result. I want to win, but I question, what is winning? Are we going to have a NATO presence, a U.S. presence in Kosovo forever? Are we going to go all the way into Serbia and occupy Belgrade and take Milosevic out and have him tried as a war criminal? He is a criminal. He is a thug. I have met with him. He doesn't tell the truth. He is responsible for a lot of serious atrocities, and he should be punished. But something tells me this body is not going to say, let's mount up 250,000 or 300,000 troops so we can invade Serbia and occupy Serbia and go door to door at the expense of that. So I just mention that.

Let me go through a little chronology of how we got into the bombing campaign as classified by the State Department. Just to put this in context, we started bombing on March 24. The Senate voted on March 23.

This is from the New York Times on February 19:

> As the deadline neared for a settlement in the Kosovo peace talks, the military and diplomatic pressure mounted today on President Slobodan Milosevic of Yugoslavia to choose between tolerating NATO-led peacekeepers in Kosovo or suffering NATO air strikes for refusing them.
>
> Secretary of State Madeleine K. Albright said she had again spelled out the choice in a telephone call to the Yugoslav leader and that she would return Saturday to the talks, which she visited last week.

That was on February 19th. February 20th:

> President Clinton warned President Slobodan Milosevic of Yugoslavia today not to ''stonewall'' a peace settlement in Kosovo and threatened to bomb Serbia if Mr. Milosevic missed the Saturday deadline for an end to the peace talks.

So we are threatening bombing. ''Mr. Clinton said the two NATO allies''—in this case, he is talking about President Chirac of France—stood ''united in our determination to use force if Serbia fails to meet its previous commitment to withdraw forces from Kosovo and if it fails to accept the peace agreement.''

I will talk about the peace agreement in a moment.

He also says, this is President Clinton, ''I don't think there is an option other than NATO airstrikes.'' This was in the New York Times, February 20th.

Also February 20th, Secretary of State Madeleine Albright says, at a press conference:

Let me stress that we expect nothing less than a complete interim agreement, including Belgrade's acceptance of a NATO-led force and a civilian mission building on OSCE's Kosovo Verification Mission. Until the parties have accepted all provisions of the agreement, preparations for NATO military action will continue and if that agreement is not confirmed by Tuesday, Secretary General Solana will draw the appropriate conclusions.

i.e., the bombing will begin. It is also interesting that on February 21 she says, according to the New York Times, ''If this fails because both sides say 'no,' there will be no bombing of Serbia.'' Mrs. Albright said that on February 21, as Rambouillet talks were winding down.

It is also interesting to note that 2 days after Rambouillet ended, the European Union envoy to the talks, Mr. Petritsch, said, ''the Yugoslav President decided he was not going to accept NATO troops—and mustered his own forces and propaganda to prepare for this military showdown.''

It is also interesting to note in this same article, it says, In a meeting with Italy's new Prime Minister in the Oval Office with the President on March 5, Mr. Clinton said Mr. Milosevic had ''accepted almost everything,'' according to Italian officials, except for the international peacekeeping force. I added that comment. That wasn't in the quote, but that is what he had not accepted.

This individual was skeptical. He asked the President, what was the plan if there was no deal and NATO airstrikes failed to subdue the Serbian leader. The result, he said, would be 300,000 to 400,000 refugees passing into Albania and crossing the Adriatic into Italy.

''What will happen then,'' Mr. D'Alema wanted to know, according to the Italian officials. Mr. Clinton looked at Mr. Berger for guidance; that is, Sandy Berger. ''NATO will keep bombing,'' Mr. Berger replied. After Rambouillet fell apart, a follow-up conference was called in Paris 3 weeks later. While the world waited, Mr. Milosevic continued to build up his forces in and around Kosovo.

A defining moment came on March 18 at the International Conference Center on the Avenue Kleber in Paris. To polite applause, four ethnic Albanian delegates signed the peace plan that would give their people broad autonomy for a three-year interim period. The Serbs did not sign. That paved the way to airstrikes.

Ms. Albright said that setting up a deal signed only by one side was a crucial step forward. ''Signing Rambouillet was crucial in getting Europeans two things,'' she said. ''Getting them to agree to the use of force and getting the Albanians on the side of this kind of a settlement.''

February 23, this is, again, Secretary Albright talking about Rambouillet.

Rambouillet talks to a close. The Kosovo Albanians have requested two weeks for consideration. Belgrade must be ready to move by then as well, or prepare to face the consequences. This period of reflection should not be taken by either side as an excuse for military activities on the ground. We're particularly concerned by recent movements of Serb forces and harassment of members of the Kosovo Verification Mission. The mission's security must be assured, and there should be no doubt that NATO's January 30th decision permitting Secretary Solana to authorize airstrikes remains in force. We also call on the Kosovo Liberation Army to refrain from provocations.

So there is a 2- or 3-week period for the Kosovo representative to consider this negotiation.

March 15, this is in the New York Times:

A massacre in the Kosovo village of Racak of more than 40 ethnic Albanians by Serbian forces in January spurred the current efforts of Ms. Albright to persuade NATO to authorize air strikes against the Serbs if they reject a settlement.

So there was a massacre, according to this press report, of 40 people who were killed in January. That led to this effort to use military force in a bombing campaign.

March 18, again, this is Secretary Albright, State Department:

So the situation is as clear as it could be. The Albanians have said yes to the accords and the Serbs are saying no. At the same time, Belgrade's security forces are stepping up their unjustified and aggressive actions in Kosovo and if Belgrade doesn't reverse course, the Serbs alone will be responsible for the consequences.

The war drums are rattling. This is March 19, a few days before the bombing commences. This is also in the New York Times.

With the Kosovo talks at a dead end, and the Yugoslav leader more recalcitrant than ever, the Clinton Administration was publicly pushing the threat of airstrikes today, but officials said they have no option but diplomacy, at least for another week.

Instead of responding to the threats, Mr. Milosevic has moved in the opposite direction, building up his troops in Kosovo to such an extent there are now deep concerns over whether the 1,400 international monitors in Kosovo can leave safely before his troops trap them by sealing their exit route.

Also in the same article it says, ''American military is warning that airstrikes may not be easy.''

March 22, a couple of days before the bombing campaign begins.

Secretary of State Madeleine Albright said that Holbrooke would warn Milosevic that the NATO allies are preparing comprehensive missile and bombing strikes that could devastate much of his military infrastructure. ''He will make clear that Milosevic faces a stark choice: to halt aggression against the Kosovar Albanians and accept an interim agreement with a NATO-led implementation force, or bear the full responsibility for NATO military action.''

This is just a couple days before, the night before bombing began, on March 23, on Larry King's program. Mr. King asked Secretary Albright:

Is there a timeframe here, Madam Secretary? Like you are going to keep this up for 3, 4 days, let us know by Saturday? Is there a plan?

Secretary Albright:

Well, again I am not going to reveal the operation time line, this is a very well-thought-out military mission. I think it would be a mistake. You wouldn't want me to give the details here so that President Milosevic could hear everything that is going on. But it is going to be a sustained attack, and it is not going to go on for an overly long time.

Then she continues and says: ''No, I mean what we have said. Ambassador Holbrooke said to him''—talking about Milosevic—''he had an opportunity to accept accords signed by the Kosovar Albanians in Paris and have a peace agreement. He had an opportunity also to stop the fighting. Ambassador Holbrooke told him that if he did not do that, there would be very serious consequences. He has not accepted those two threshold objectives and, therefore, he knows there are now serious consequences.''

The next day the bombing began. I might mention that Secretary Albright said, ''We are very well prepared. This is a well-thought-out campaign.'' I just take issue with that.

I am not going to say I told you so, but on the debate we had on March 23, the day before the bombing campaign commenced, I made a speech. On the floor of the Senate, I urged colleagues to vote no because I said I was afraid it would be a mistake. I said—and history has proven—that bombing alone doesn't work. The President has said we are only going to bomb and not use ground troops. Then, I also said that I was afraid it might make things worse. Instead of stopping atrocities, it may turn a guerrilla war into an all-out war. I am afraid that is what has happened. I think we had a diplomatic failure and, as a result, now we have a humanitarian disaster, a catastrophe.

I was in Kosovo a week or so ago with some colleagues and I saw some of these refugee camps. There are 600,000-plus people who are now outside of Kosovo, driven away from their homes—in my opinion, because of a diplomatic disaster. We turned a guerrilla war into a real war. We started the bombing campaign, and I stated this on the floor of the Senate before the bombing started. I said:

Mr. Milosevic, instead of his response being to move back into greater Serbia away from Kosovo, moving his forces out, he may be more assertive and aggressive, and he may want to strike out against the U.S. airplanes that are flying. He might find that unsuccessful. He might have no success against our pilots and our planes, but if he is not successful against our planes, what can he be successful against? Maybe the KLA, or maybe he would be more aggressive in striking out where he can have results on the ground. So by initiating the bombing instead of bringing stability, we may bring instability. We may be igniting a tinderbox that has been very, very explosive for a long time.

I am afraid that is what happened. The bombing campaign has made things worse. I am afraid if we go in and say let's use all necessary force, send in 300,000 troops, we may make things worse. I don't want to compound a past mistake that was a mistake, in my opinion, diplomatically as well as a mistake now through the air campaign, and certainly has turned into a humanitarian disaster. I don't want to further compound that.

Again, when I read the resolution it says to accomplish NATO objectives—we are going to use all necessary force and other means to accomplish United States and North Atlantic treaty objectives with the Federal Republic of Yugoslavia.

I have the Rambouillet agreement. I wonder how many colleagues have read this thing. I urge you to do it. It is 44 pages.

I am looking at some of the comments or statements made in this Rambouillet accord. They said, ''We negotiated and Mr. Milosevic would not sign this accord.'' I will read one paragraph. I brought this to the President's attention last week, and Secretary Albright said: Mr. Milosevic would not even talk to us about an international peacekeeping force. In one paragraph, we were insisting that if he didn't comply, we were going to bomb him. On page 41, paragraph 8 of the appendix B, it says this, talking about the NATO force—and some people say let's give NATO all necessary force. This is one of the things about which we said we are going to bomb you if you don't sign:

NATO personnel shall enjoy, together with their vehicles, vessels, aircraft, and equipment, free and unrestricted passage and unimpeded access throughout the Federal Republic of Yugoslavia, including associated airspace and territorial waters. This shall include, but not be limited to, the right of bivouac maneuver, billet, and utilization of any areas or facilities as required for support, training, and operations.

Basically, it says NATO gets to occupy not only Kosovo but Serbia as well. Isn't that interesting? I brought that to the President's attention. I don't know if he knew that was in there. I kind of doubt it. Secretary Albright almost acted taken aback. ''What are you doing reading the Rambouillet agreement?'' This is what we were saying he has to sign, or else ''we are going to bomb you.'' I think that is diplomacy failure. It has led to a bombing campaign. We threatened that we were going to bomb and now our credibility is at stake. I have heard that time and time again.

I want NATO to be credible, but for crying out loud, when you are so arrogant to say here is our wisdom, here is this accord, we determined this is in your best interest and you must sign it or else we are going to bomb you—I stated in my speech on the bombing resolution that I don't think you can bomb a country into submission or into signing an agreement. I doubted then that Mr. Milosevic, after the bombs were going to fall, was going to raise the white flag and say: Now I see the wisdom. That didn't happen in Bosnia. It got his attention in Bosnia. In fact, the Croatian army was ethnically cleansing their own, and he was losing the war. He decided to be more interested in a peace agreement.

I think Rambouillet was a diplomatic disaster and a failure and to say, OK, well, we tried to bomb them into agreeing to this, but I don't think that is going to work; maybe now we should use ground forces so they can sign onto NATO objectives. I think it is a mistake. What should we do? I don't want to just complain, but I think this is a disaster. If you had seen the refugee camps, you would know it is a disaster. There were several hundred thousand people. Senator MCCAIN pointed out that it is not just the several hundred thousand people who are outside of Kosovo and Albania and Macedonia, but the hundreds of thousands who are displaced inside of Kosovo. What should we do? I have heard several people in the administration say that he must withdraw forces and accept this international peacekeeping force, and if he stops all the aggression, then we will stop the bombing.

Mr. President, I think we need to have two or three things happen simultaneously. He needs to get his aggressive forces out. We need to have an international peacekeeping force to protect the returning refugees allowed back in. And simultaneously with that, we need to stop the bombing. We need to do all of them simultaneously.

The big difference I can see going on now is the negotiation of who should compose the international peacekeeping force. I heard Secretary Cohen say, and I have read time and time again, that it must be NATO-led or a NATO corps. They are talking about U.S. participation. I think our objective should not be so much just what is the composition of the peacekeepers; it should be to keep the Kosovars safe and sound and return them back to their homes. Those people are living in terrible conditions, living in tents. They have absolutely nothing to do. They are waiting hours to pick up food. They have to wait for a long time to use the restroom facilities—latrines would be a more accurate description. It is not a pretty sight.

In the first place, I want to compliment many of the international relief agencies that are doing a miraculous job. They have a very difficult, if not impossible, job.

Mr. President, I think we need a very aggressive diplomatic effort. I don't think this is a situation where one says, ''Well, let's just double up our military forces; well, if the bombing sorties''—and we are running so many thousands of these bombing sorties—''that is not working; let's throw in another three or four hundred planes, double up the bombing; let's get ready to have ground troop invasion into Kosovo, into Serbia.'' I don't think that is the solution. I think we need a diplomatic solution.

I believe I heard Strobe Talbott, Under Secretary of State, yesterday say we are not negotiating. I almost fell off my chair when he said that. Obviously, Jesse Jackson did some negotiation. I want this administration to be negotiating. They need to be negotiating aggressively to save lives, to minimize the human disaster, the humanitarian disaster, the diplomatic disaster. Let's do everything we can to allow the Kosovars to return safely as soon as possible—hopefully as soon as possible under the guise of an international peacekeeping force. And it can be with NATO participation. It can be U.N. led. It can be the Organization for Security and Cooperation in Europe. But let's make it happen, and make it happen soon.

Mr. President, I urge my colleagues to vote ''no'' on this resolution tomorrow.

Again, my compliments to the sponsor of the resolution. I think this debate is important. He was requesting the debate, and I think we have had an excellent debate as well.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the text of the Rambouillet Agreement. It is 44 pages long.

Consistent with the Standing Rules of the Senate, I ask unanimous consent that the text be printed in the CONGRESSIONAL RECORD. The cost of printing the text will total $3,758.

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

RAMBOUILLET AGREEMENT—INTERIM AGREEMENT FOR PEACE AND SELF-GOVERNMENT IN KOSOVO

The Parties of the present Agreement,

*Convinced* of the need for a peaceful and political solution in Kosovo as a prerequisite for stability and democracy,

*Determined* to establish a peaceful environment in Kosovo,

*Reaffirming* their commitment to the Purposes and Principles of the United Nations, as well as to OSCE principles, including the Helsinki Final Act and the Charter of Paris for a new Europe,

*Recalling* the commitment of the international community to the sovereignty and territorial integrity of the Federal Republic of Yugoslavia,

*Recalling* the basic Clements/principles adopted by the Contact Group at its ministerial meeting in London on January 29, 1999,

*Recognizing* the need for democratic self-government in Kosovo, including full participation of the members of all national communities in political decision-making,

*Desiring* to ensure the protection of the human rights of all persons in Kosovo, as well as the rights of the members of all national communities, *Recognizing* the ongoing contribution of the OSCE to peace and stability in Kosovo,

*Noting* that the present Agreement has been concluded under the auspices of the members of the Contact Group and the European Union and undertaking with respect to these members and the European Union to abide by this Agreement,

*Aware* that full respect for the present Agreement will be central for the development of relations with European institutions,

Have agreed as follows:

FRAMEWORK

ARTICLE I: PRINCIPLES

1. All citizens in Kosovo shall enjoy, without discrimination, the equal rights and freedoms set forth in this Agreement.

2. National communities and their members shall have additional rights specified in Chapter 1. Kosovo, Federal, and Republic authorities shall not interfere with the exercise of these additional rights. The national communities shall be legally equal as specified herein, and shall not use their additional rights to endanger the rights of other national communities or the rights of citizens, the sovereignty and territorial integrity of the Federal Republic of Yugoslavia, or the functioning of representative democratic government in Kosovo.

3. All authorities in Kosovo shall fully respect human rights, democracy, and the equality of citizens and national communities.

4. Citizens in Kosovo shall have the right to democratic self-government through legislative, executive, judicial, and other institutions established in accordance with this Agreement. They shall have the opportunity to be represented in all institutions in Kosovo. The right to democratic self-government shall include the right to participate in free and fair elections.

5. Every person in Kosovo may have access to international institutions for the protection of their rights in accordance with the procedures of such institutions.

6. The Parties accept that they will act only within their powers and responsibilities in Kosovo as specified by this Agreement. Acts outside those powers and responsibilities shall be null and void. Kosovo shall have all rights and powers set forth herein, including in particular as specified in the Constitution at Chapter 1. This Agreement shall prevail over any other legal provisions of the Parties and shall be directly applicable. The Parties shall harmonize their governing practices and documents with this Agreement.

7. The Parties agree to cooperate fully with all international organizations working in Kosovo on the implementation of this Agreement.

ARTICLE II: CONFIDENCE-BUILDING MEASURES

END OF USE OF FORCE

1. Use of force in Kosovo shall cease immediately. In accordance with this Agreement, alleged violations of the cease-fire shall be reported to international observers and shall not be used to justify use of force in response.

2. The status of police and security forces in Kosovo, including withdrawal of forces, shall be governed by the items of this Agreement. Paramilitary and irregular forces in Kosovo are incompatible with the terms of this Agreement.

RETURN

3. The Parties recognize that all persons have the right to return to their homes. Appropriate authorities shall take all measures necessary to facilitate the safe return of persons, including issuing necessary documents. All persons shall have the right to reoccupy their real property, asset their occupancy rights in state-owned property, and recover their other property and personal possessions. The Parties shall take all measures necessary to readmit returning persons to Kosovo.

4. The Parties shall cooperate fully with all efforts by the United Nations High Commissioner for Refugees (UNHCR) and other international and non-governmental organizations concerning the repatriation and return of persons, including those organizations monitoring of the treatment of persons following their return.

ACCESS FOR INTERNATIONAL ASSISTANCE

5. There shall be no impediments to the normal flow of goods into Kosovo, including materials for the reconstruction of homes and structures. The Federal Republic of Yugoslavia shall not require visas, customs, or licensing for persons or things for the Implementation Mission (IM), the UNHCR, and other international organizations, as well as for non-governmental organizations working in Kosovo as determined by the Chief of the Implementation Mission (CIM).

6. All staff, whether national or international, working with international or non-governmental organizations including with the Yugoslav Red Cross, shall be allowed unrestricted access to the Kosovo population for purposes of international assistance. All persons in Kosovo shall similarly have safe, unhindered, and direct access to the staff of such organizations.

OTHER ISSUES

7. Federal organs shall not take any decisions that have a differential, disproportionate, injurious, or discriminatory effect on Kosovo. Such decisions, if any, shall be void with regard to Kosovo.

8. Martial law shall not be declared in Kosovo.

9. The Parties shall immediately comply with all requests for support from the Implementation Mission (IM). The IM shall have its own broadcast frequencies for radio and television programming in Kosovo. The Federal Republic of Yugoslavia shall provide all necessary facilities, including frequencies for radio communications, to all humanitarian organizations responsible for delivering aid to Kosovo.

DETENTION OF COMBATANTS AND JUSTICE ISSUES

10. All abducted persons or other persons held without charge shall be released. The Parties shall also release and transfer in accordance with this Agreement all persons held in connection with the conflict. The Parties shall cooperate fully with the International Committee of the Red Cross (ICRC) to facilitate its work in accordance with its mandate, including ensuring full access to all such persons, irrespective of their status, wherever they might be held, for visits in accordance with the ICRC's standard operating procedures.

11. The Parties shall provide information, through tracing mechanisms of the ICRC, to families of all persons who are unaccounted for. The Parties shall cooperate fully with the ICRC and the International Commission on Missing Persons in their efforts to determine the identity, whereabouts, and fate of those unaccounted for.

12. Each Party:

(a) shall not prosecute anyone for crimes related to the conflict in Kosovo, except for persons accused of having committed serious violations of international humanitarian law. In order to facilitate transparency, the Parties shall grant access to foreign experts (including forensics experts) along with state investigators;

(b) shall grant a general amnesty for all persons already convicted of committing politically motivated crimes related to the conflict in Kosovo. This amnesty shall not apply to those properly convicted of committing serious violations of international humanitarian law at a fair and open trial conducted pursuant to international standards.

13. All Parties shall comply with their obligation to cooperate in the investigation and prosecution of serious violations of international humanitarian law.

(a) As required by United Nations Security Council resolution 827 (1993) and subsequent resolutions, the Parties shall fully cooperate with the International Criminal Tribunal for the Former Yugoslavia in its investigations and prosecutions, including complying with its requests for assistance and its orders.

(b) The Parties shall also allow complete, unimpeded, and unfettered access to international experts—including forensics experts and investigators to investigate allegations of serious violations of international humanitarian law.

INDEPENDENT MEDIA

14. Recognizing the importance of free and independent media for the development of a democratic political climate necessary for the reconstruction and development of Kosovo, the Parties shall ensure the widest possible press freedoms in Kosovo in all media, public and private, including print, television, radio, and Internet.

CHAPTER 1

CONSTITUTION

*Affirming* their belief in a peaceful society, justice, tolerance, and reconciliation,

*Resolved* to ensure respect for human rights and the quality of all citizens and national communities,

*Recognizing* that the preservation and promotion of the national, cultural, and linguistic identity of each national community in Kosovo are necessary for the harmonious development of a peaceful society,

*Desiring* through this interim Constitution to establish institutions of democratic self-government in Kosovo grounded in respect for the territorial integrity and sovereignty of the Federal Republic of Yugoslavia and from this Agreement, from which the authorities of governance set forth herein originate,

*Recognizing* that the institutions of Kosovo should fairly represent the national communities in Kosovo and foster the exercise of their rights and those of their members,

*Recalling and endorsing* the principles/basic elements adopted by the Contact Group at its ministerial meeting in London on January 29, 1999,

ARTICLE I: PRINCIPLES OF DEMOCRATIC SELF-GOVERNMENT IN KOSOVO

1. Kosovo shall govern itself democratically through the legislative, executive, judicial, and other organs and institutions specified herein. Organs and institutions of Kosovo shall exercise their authorities consistent with the terms of this Agreement.

2. All authorities in Kosovo shall fully respect human rights, democracy, and the equality of citizens and national communities.

3. The Federal Republic of Yugoslavia has competence in Kosovo over the following areas, except as specified elsewhere in this Agreement: (a) territorial integrity, (b) maintaining a common market within the

Federal Republic of Yugoslavia, which power shall be exercised in a manner tat does not discriminate against Kosovo, (c) monetary policy, (d) defense, (e) foreign policy, (f) customs services, (g) federal taxation, (h) federal elections, and (i) other areas specified in this Agreement.

4. The Republic of Serbia shall have competence in Kosovo as specified in this Agreement, including in relation to Republic elections.

5. Citizens in Kosovo may continue to participate in areas in which the Federal Republic of Yugoslavia and the Republic of Serbia have competence through their representation in relevant institutions, without prejudice to the exercise of competence by Kosovo authorities set forth in this Agreement.

6. With respect to Kosovo:

(a) There shall be no changes to the borders of Kosovo;

(b) Deployment and use of police and security forces shall be governed by Chapters 2 and 7 of this Agreement; and

(c) Kosovo shall have authority to conduct foreign relations within its areas of responsibility equivalent to the power provided to Republics under Article 7 of the Constitution of the Federal Republic of Yugoslavia.

7. There shall be no interference with the right of citizens and national communities in Kosovo to call upon appropriate institutions of the Republic of Serbia for the following purposes:

(a) assistance in designing school curricula and standards;

(b) participation in social benefits programs, such as care for war veterans, pensioners, and disabled persons; and

(c) other voluntarily received services, provided that these services are not related to police and security matters governed by Chapters 2 and 7 of this Agreement, and that any Republic personnel serving in Kosovo pursuant to this paragraph shall be unarmed service providers acting at the invitation of a national community in Kosovo.

The Republic shall have the authority to levy taxes or charges on those citizens requesting services pursuant to this paragraph, as necessary to support the provision of such services.

8. The basic territorial unit of local self-government in Kosovo shall be the commune. All responsibilities in Kosovo not expressly assigned elsewhere shall be the responsibility of the communes.

9. To preserve and promote democratic self-government in Kosovo, all candidates for appointed, elective, or other public office, and all office holders, shall meet the following criteria:

(a) No person who is serving a sentence imposed by the International Criminal Tribunal for the Former Yugoslavia, and no person who is under indictment by the Tribunal and who has failed to comply with an order to appear before the Tribunal, may stand as a candidate or hold any office; and

(b) All candidates and office holders shall renounce violence as a mechanism for achieving political goals; past political or resistance activities shall not be a bar to holding office in Kosovo.

ARTICLE II; THE ASSEMBLY

GENERAL

1. Kosovo shall have an Assembly, which shall be comprised of 120 Members.

(a) Eighty Members shall be directly elected.

(b) A further 40 Members shall be elected by the members of qualifying national communities.

(i) Communities whose members constitute more than 0.5 per cent of the Kosovo population but less than 5 per cent shall have ten of these seats, to be divided among them in accordance with their proportion of the overall population.

(ii) Communities whose members constitute more than 5 per cent of the Kosovo population shall divide the remaining thirty seat equally. The Serb and Albanian national communities shall be presumed to meet the 5 per cent population threshold.

OTHER PROVISIONS

2. Elections for all Members shall be conducted democratically, consistent with the provisions of Chapter 3 of this Agreement. Members shall be elected for a term of three years.

3. Allocation of seats in the Assembly shall be based on data gathered in the census referred to in Chapter 5 of this Agreement. Prior to the completion of the census, for purposes of this Article declarations of national community membership made during voter registration shall be used to determine the percentage of the Kosovo population that each national community represents.

4. Members of the Assembly shall be immune from all civil or criminal proceedings on the basis of words expressed or other acts performed in their capacity as Members of the Assembly.

POWERS OF THE ASSEMBLY

5. The Assembly shall be responsible for enacting laws of Kosovo, including in political, security, economic, social, educational, scientific, and cultural areas as set out below and elsewhere in this Agreement. This Constitution and the laws of the Kosovo Assembly shall not be subject to change or modification by authorities of the Republic or the Federation.

(a) The Assembly shall be responsible for:

(i) Financing activities of Kosovo institutions, including by levying taxes and duties on sources within Kosovo;

(ii) Adopting budgets of the Administrative organs and other institutions of Kosovo, with the exception of communal and national community institutions unless otherwise specified herein;

(iii) Adopting regulations concerning the organization and procedures of the Administrative Organs of Kosovo;

(iv) Approving the list of Ministers of the Government, including the Prime Minister;

(v) Coordinating educational arrangements in Kosovo, with respect for the authorities of national communities and Communes;

(vi) Electing candidates for judicial office put forward by the President of Kosovo;

(vii) Enacting laws ensuring free movement of goods, services, and persons in Kosovo consistent with this Agreement;

(viii) Approving agreements concluded by the President within the areas of responsibility of Kosovo;

(ix) Cooperating with the Federal Assembly, and with the Assemblies of the Republics, and conducting relations with foreign legislative bodies;

(x) Establishing a framework for local self-government;

(xi) Enacting laws concerning inter-communal issues and relations between national communities, when necessary;

(xii) Enacting laws regulating the work of medical institutions and hospitals;

(xiii) Protecting the environment, where inter-communal issues are involved;

(xiv) Adopting programs of economic, scientific, technological, demographic, regional, and social development, as well as urban planning;

(xv) Adopting programs for the development of agriculture and of rural areas;

(xvi) Regulating elections consistent with Chapters 3 and 5;

(xvii) Regulating Kosovo-owned property; and

(xviii) Regulating land registries.

(b) The Assembly shall also have authority to enact laws in areas within the responsibility of the Communes if the matter cannot be effectively regulated by the Communes or if regulation by individual Communes might prejudice the rights of other Communes. In the absence of a law enacted by the Assembly under this subparagraph that preempts communal action, the Communes shall retain their authority.

PROCEDURE

6. Laws and other decisions of the Assembly shall be adopted by majority of Members present and voting.

7. A majority of the Members of a single national community elected to the Assembly pursuant to paragraph 1(b) may adopt a motion that a law or other decision adversely affects the vital interests of their national community. The challenged law or decision shall be suspended with regard to that national community until the dispute settlement procedure in paragraph 8 is completed.

8. The following procedure shall be used in the event of a motion under paragraph 7:

(a) The Members making the vital interest motion shall give reasons for their motion. The proposers of the legislation shall be given an opportunity to respond.

(b) The Members making the motion shall appoint within one day a mediator of their choice to assist in reaching an agreement with those proposing the legislation.

(c) If mediation does not produce an agreement within seven days, the matter may be submitted for a binding ruling. The decision shall be rendered by a panel comprising three Members of the Assembly: one Albanian and one Serb, each appointed by his or her national community delegation; and a third Member, who will be of a third nationality and will be selected within two days by consensus of the Presidency of the Assembly.

(i) A vital interest motion shall be upheld if the legislation challenged adversely affects the community's fundamental constitutional rights, additional rights as set forth in Article VII, or the principle of fair treatment.

(ii) If the motion is not upheld, the challenged legislation shall enter into force for that community.

(d) Paragraph (c) shall not apply to the selection of Assembly officials.

(e) The Assembly may exclude other decisions from this procedure by means of a law enacted by a majority that includes a majority of each national community elected pursuant to paragraph 1(b).

9. A majority of the Members shall constitute a quorum. the Assembly shall otherwise decide its own rules of procedure.

LEADERSHIP

10. The Assembly shall elect from among its Members a Presidency, which shall consist of a President, two Vice-Presidents, and other leaders in accordance with the Assembly's rules of procedure. Each national community meeting the threshold specified in paragraph 1(b)(ii) shall be represented in the leadership. the President of the Assembly shall not be from the same national community as the President of Kosovo.

The President of the Assembly shall represent it, call its sessions to order, chair its meetings, coordinate the work of any committees it may establish, and perform other tasks prescribed by the rules of procedure of the Assembly.

ARTICLE III: PRESIDENT OF KOSOVO

1. There shall be a President of Kosovo, who shall be elected by the Assembly by vote of a majority of its Members. The President of Kosovo shall serve for a three-year term. No person may serve more than two terms as President of Kosovo.

2. The President of Kosovo shall be responsible for:

(i) Representing Kosovo, including before any international or Federal body or any body of the Republics;

(ii) Proposing to the Assembly candidates for Prime Minister, the Constitutional Court, the Supreme Court, and other Kosovo judicial offices;

(iii) Meeting regularly with the democratically elected representatives of the national communities;

(iv) Conducting foreign relations and concluding agreements within this power consistent with the authorities of Kosovo institutions under this Agreement. Such agreements shall only enter into force upon approval by the Assembly;

(v) Designating a representative to serve on the Joint Commission established by Article 1.2 of Chapter 5 of this Agreement;

(vi) Meeting regularly with the Federal and Republic Presidents; and

(vii) Other functions specified herein or by law.

ARTICLE IV: GOVERNMENT AND ADMINISTRATIVE ORGANS

1. Executive power shall be exercised by the Government. The Government shall be responsible for implementing the laws of Kosovo, and of other government authorities when such responsibilities are devolved by those authorities. The Government shall also have competence to propose laws to the Assembly.

(a) The Government shall consist of a Prime Minister and Ministers, including at least one person from each national community meeting the threshold specified in paragraph 1(b)(ii) of Article II. Ministers shall head the Administrative Organs of Kosovo.

(b) The candidate for Prime Minister proposed by the President shall put forward a list of Ministers to the Assembly. The Prime Minister, together with the list of Ministers, shall be approved by the majority of those present and voting in the Assembly. In the event that the Prime Minister is not able to obtain a majority for the Government, the President shall propose a new candidate for Prime Minister within ten days.

(c) The Government shall resign if a no confidence motion is adopted by a vote of a majority of the members of the Assembly. If the Prime Minster or the Government resigns, the President shall select a new candidate for Prime Minister who shall seek to form a Government.

(d) The Prime Minister shall call meetings of the Government, represent it as appropriate, and coordinate its work. Decisions of the Government shall require a majority of Ministers present and voting. The Prime Minister shall cast the deciding vote in the event Ministers are equally divided. The Government shall otherwise decide its own rules of procedure.

2. Administrative Organs shall be responsible for assisting the Government in carrying out its duties.

(a) National communities shall be fairly represented at all levels in the Administrative Organs.

(b) Any citizen in Kosovo claiming to have been directly and adversely affected by the decision of an executive or administrative body shall have the right to judicial review of the legality of that decision that exhausting all avenues for administrative review. The Assembly shall enact a law to regulate this review.

3. There shall be a Chief Prosecutor who shall be responsible for prosecuting individuals who violate the criminal laws of Kosovo. He shall head an Office of the Prosecutor, which shall at all levels have staff representative of the population of Kosovo.

ARTICLE V: JUDICIARY

GENERAL

1. Kosovo shall have a Constitutional Court, a Supreme Court, District Courts, and Communal Courts.

2. The Kosovo courts shall have juridiction over all matters arising under this Constitution or the laws of Kosovo except as specified in paragraph 3. The Kosovo courts shall also have jurisdiction over questions of federal law, subject to appeal to the Federal courts on these questions after all appeals available under the Kosovo system have been exhausted.

3. Citizens in Kosovo may opt to have civil disputes to which they are party adjudicated by other courts in the Federal Republic of Yugoslavia, which shall apply the law applicable in Kosovo.

4. The following rules will apply to criminal cases:

(a) At the start of criminal proceedings, the defendant is entitled to have his or her trial transferred to another Kosovo court that he or she designates.

(b) In criminal cases in which all defendants and victims are members of the same national community, all members of the judicial council will be from a national community of their choice if any party so requests.

(c) A defendant in a criminal case tried in Kosovo courts is entitled to have at least one member of the judicial council hearing the case to be from his or her national community. Kosovo authorities will consider and allow judges of other courts in the Federal Republic of Yugoslavia to serve as Kosovo judges for these purposes.

CONSTITUTIONAL COURT

5. The Constitutional Court shall consist of nine judges. There shall be at least one Constitutional Court judge from each national community meeting the threshold specified in paragraph 1(b)(ii) of Article II. Until such time as the Parties agree to discontinue this arrangement, 5 judges of the Constitutional Court shall be selected from a list drawn up by the President of the European Court of Human Rights.

6. The Constitutional Court shall have authority to resolve disputes relating to the meaning of this Constitution. That authority shall include, but is not limited to, determining whether laws applicable in Kosovo, decisions or acts of the President, the Assembly, the Government, the Communes, and the national communities are compatible with this Constitution.

(a) Matters may be referred to the Constitutional Court by the President of Kosovo, the President or Vice-Presidents of the Assembly, the Ombudsman, the communal assemblies and councils, and any national community acting according to the democratic procedures.

(b) Any court which finds in the course of adjudicating a matter that the dispute depends on the answer to a question within the Constitutional Court's jurisdiction shall refer the issue to the Constitutional Court for a preliminary decision.

7. Following the exhaustion of other legal remedies, the Constitutional Court shall at the request of any person claiming to be victim have jurisdiction over complaints that human rights and fundamental freedoms and the rights of members of national communities set forth in this Constitution have been violated by a public authority.

8. The Constitutional Court shall have such other jurisdiction as may be specified elsewhere in this Agreement or by law.

SUPREME COURT

9. The Supreme Court shall consist of nine judges. There shall be at least one Suprme Court judge from each national community meeting the threshold specified in paragraph 1(b)(ii) of Article II.

10. The Supreme Court shall hear appeals from the District Courts and the Communal Courts. Except as otherwise provided in this Constitution, The Supreme Court shall be the court of final appeal for all cases arising under law applicable in Kosovo. Its decisions shall be recognized and executed by all authorities in the Federal Republic of Yugoslavia.

FUNCTIONING OF THE COURTS

11. The Assembly shall determine the number of District and Communal Court judges necessary to meet current needs.

12. Judges of all courts in Kosovo shall be distinguished jurists of the highest moral character. They shall be broadly representative of the national communities of Kosovo.

13. Removal of a Kosovo judge shall require the consensus of the judges of the Constitutional Court. A Constitutional Court judge whose removal is in question shall not participate in the decision on his case.

14. The Constitutional Court shall adopt rules for itself and for other courts in Kosovo. The Constitutional and Supreme Courts shall each adopt decisions by majority vote of their members.

15. Except as otherwise specified in their rules, all Kosovo courts shall hold public proceedings. They shall issue published opinions setting forth the reasons for their decisions.

ARTICLE VI: HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

1. All authorities in Kosovo shall ensure internationally recognized human rights and fundamental freedoms.

2. The right and freedoms set forth in the European Convention for the Protection of Human Right and Fundamental Freedoms and its Protocols shall apply directly in Kosovo. Other internationally recognized human rights instruments enacted into law by the Kosovo Assembly shall also apply. These rights and freedoms shall have priority over all other law.

3. All courts, agencies, governmental institutions, and other pubic institutions of Kosovo or operating in relation to Kosovo shall conform to these human rights and fundamental freedoms.

ARTICLE VII: NATIONAL COMMUNITIES

1. National communities and their members shall have additional rights as set forth below in order to preserve and express their national, cultural, religious, and linguistic identities in accordance with international standards and the Helsinki Final Act. Such rights shall be exercised in conformity with human rights and fundamental freedoms.

2. Each national community may elect, through democratic means and in a manner consistent with the principles of Chapter 3 of this Agreement, institutions to administer its affairs in Kosovo.

3. The national communities shall be subject to the laws applicable in Kosovo, provided that any act or decision concerning national communities must be non-discriminatory. The Assembly shall decide upon a procedure for resolving disputes between national communities.

4. The additional rights of the national communities, acting through their democratically elected institutions, are to:

(a) preserve and protect their national, cultural, religious, and linguistic identities, including by:

(i) inscribing local names of towns and villages, of squares and streets, and of other topographic names in the language and alphabet of the national community in addition to signs in Albanian and Serbia, consistent with decisions about style made by the communal institutions;

(ii) providing information in the language and alphabet of the national community;

(iii) providing for education and establishing educational institutions, in particular for schooling in their own language and alphabet and in national culture and history, for which relevant authorities will provide financial assistance; curricula shall reflect a spirit of tolerance between national communities and respect for the rights of members of all national communities in accordance with international standards;

(iv) enjoying unhindered contacts with representatives of their respective national communities, within the Federal Republic of Yugoslavia and abroad;

(v) using and displaying national symbols, including symbols of the Federal Republic of Yugoslavia and the Republic of Serbia;

(vi) protecting national traditions on family law by, if the community decides, arranging rules in the field of inheritance; family and matrimonial relations; tutorship; and adoption;

(vii) the preservation of sites of religious, historical, or cultural importance to the national community in cooperation with other authorities;

(viii) implementing public health and social services on a non-discriminatory basis as to citizens and national communities;

(ix) operating religious institutions in cooperation with religious authorities; and

(x) participating in regional and international non-governmental organizations in accordance with procedures of these organizations;

(b) be guaranteed access to, and representation in, public broadcast media, including provisions for separate programming in relevant languages under the direction of those nominated by the respective national community on a fair and equitable basis; and

(c) finance their activities by collecting contributions the national communities may decided to levy on members of their own communities.

5. Members of national communities shall also be individually guaranteed:

(a) the right to enjoy unhindered contacts with members of their respective national communities elsewhere in the Federal Republic of Yugoslavia and abroad;

(b) equal access to employment in public services at all levels;

(c) the right to use their languages and alphabets;

(d) the right to use and display national community symbols;

(e) the right to participate in democratic institutions that will determine the national community's exercise of the collective rights set forth in this Article; and

(f) the right to establish cultural and religious association, for which relevant authorities will provide financial assistance.

(6) Each national community and, where appropriate, their members acting individually may exercise these additional rights through Federal institutions and institutions of the Republics, in accordance with the procedures of those institutions and without prejudice to the ability of Kosovo institutions to carry out their responsibilities.

7. Every person shall have the right freely to choose to be treated or not to be treated as belonging to a national community, and no disadvantage shall result from that choice or from the exercise of the rights connected to that choice.

ARTICLE VIII: COMMUNES

1. Kosovo shall have the existing communes. Changes may be made to communal boundaries by act of the Kosovo Assembly after consultation with the authorities of the communes concerned.

2. Communes may develop relationships among themselves for their mutual benefit.

3. Each commune shall have an Assembly, and Executive Council, and such administrative bodies as the commune may establish.

(a) Each national community whose membership constitutes at least three percent of the population of the commune shall be represented on the Council in proportion to its share of the communal population or by one member, whichever is greater.

(b) Prior to the completion of a census, disputes over communal population percentages for purposes of this paragraph shall be resolved by reference to declarations of national community membership in the voter registry.

4. The communes shall have responsibility for:

(a) law enforcement, as specified in Chapter 2 of this Agreement;

(b) regulating and, when appropriate, providing child care;

(c) providing education, consistent with the rights and duties of national communities, and in a spirit of tolerance between national communities and respect for the rights of the members of all national communities in accordance with international standards;

(d) protecting the communal environment;

(e) regulating commerce and privately-owned stores;

(f) regulating hunting and fishing;

(g) planning and carrying out public works of communal importance, including roads and water supplies, and participating in the planning and carrying out of Kosovo-wide public works projects in coordination with other communes and Kosovo authorities;

(h) regulating land use, town planning, building regulations, and housing construction;

(i) developing programs for tourism, the hotel industry, catering, and sport;

(j) organizing fairs and local markets;

(k) organizing public services of communal importance, including fire, emergency response, and police consistent with Chapter 2 of this Agreement; and

(l) financing the work of communal institutions, including raising revenues, taxes and preparing budgets.

5. The communes shall also have responsibility for all other areas within Kosovo's authority not expressly assigned elsewhere herein, subject to the provisions of Article II.5(b) of this Constitution.

6. Each commune shall conduct its business in public and shall maintain publicly available records of its deliberations and decisions.

ARTICLE IX: REPRESENTATION

1. Citizens in Kosovo shall have the right to participate in the election of:

(a) At least 10 deputies in the House of Citizens of the Federal Assembly; and

(b) At least 20 deputies in the National Assembly of the Republic of Serbia.

2. The modalities of elections for the deputies specified in paragraph 1 shall be determined by the Federal Republic of Yugoslavia and the Republic of Serbia respectively, under procedures to be agreed with the Chief of the Implementation Mission.

3. The Assembly shall have the opportunity to present to the appropriate authorities a list of candidates from which shall be drawn:

(a) At least one citizen in Kosovo to serve in the Federal Government, and at least one citizen in Kosovo to serve in the Government of the Republic of Serbia; and

(b) At least one judge on the Federal Constitutional Court, one judge on the Federal Court, and three judges on the Supreme Court of Serbia.

ARTICLE X: AMENDMENT

1. The Assembly may by a majority of two-thirds of its Members, which majority must include a majority of the Members elected from each national community pursuant to Article II.1(b)(ii), adopt amendments to this Constitution.

2. There shall, however, be no amendments to Article I.3–8 or to this Article, nor shall any amendment diminish the rights granted by Articles VI and VII.

ARTICLE XI: ENTRY INTO FORCE

This Constitution shall enter into force upon signature of this Agreement.

CHAPTER 2

POLICE AND CIVIL PUBLIC SECURITY

ARTICLE I: GENERAL PRINCIPLES

1. All law enforcement agencies, organizations and personnel of the Parties, which for purposes of this Chapter will include customs and border police operating in Kosovo, shall act in compliance with this Agreement and shall observe internationally recognized standards of human rights and due process. In exercising their functions, law enforcement personnel shall not discriminate on any ground, such as sex, race, color, language, religion, political or other opinion, national or social origin, association with a national community, property, birth or other status.

2. The Parties invite the Organization for Security and Cooperation in Europe (OSCE) through its Implementation Mission (IM) to monitor and supervise implementation of this Chapter and related provisions of this Agreement. The Chief of the Implementation Mission (CIM) or his designee shall have the authority to issue binding directives to the Parties and subsidiary bodies on police and civil public security matters to obtain compliance by the Parties with the terms of this Chapter. The Parties agree to cooperate fully with the IM and to comply with its directives. Personnel assigned to police-related duties within the IM shall be permitted to wear a uniform while serving in this part of the mission.

3. In carrying out his responsibilities, the CIM will inform and consult KFOR as appropriate.

4. The IM shall have the authority to:

(a) Monitor, observe, and inspect law enforcement activities, personnel, and facilities, including border police and customs units, as well as associated judicial organizations, structures, and proceedings;

(b) Advise law enforcement personnel and forces, including border police and customs units, and, when necessary to bring them

into compliance with this Agreement, including this Chapter, issue appropriate binding directions in coordination with KFOR;

(c) Participate in and guide the training of law enforcement personnel;

(d) In coordination with KFOR, assess threats to public order;

(e) Advise and provide guidance to governmental authorities on how to deal with threats to public order and on the organization of effective civilian law enforcement agencies;

(f) Accompany the Parties' law enforcement personnel as they carry out their responsibilities, as the IM deems appropriate;

(g) Dismiss or discipline public security personnel of the Parties for cause; and

(h) Request appropriate law enforcement support from the international community to enable IM to carry out the duties assigned in this Chapter.

5. All Kosovo, Republic and Federal law enforcement and Federal military authorities shall be obligated, in their respective areas of authority, to ensure freedom of movement and safe passage for all persons, vehicles and goods. This obligation includes a duty to permit the unobstructed passage into Kosovo of police equipment which has been approved by the CIM and COMKFOR for use by Kosovo police, and of any other support provided under subparagraph 4(h) above.

6. The Parties undertake to provide one another mutual assistance, when requested, in the surrender of those accused of committing criminal acts within a Party's jurisdiction, and in the investigation and prosecution of offenses across the boundary of Kosovo with other parts of the FRY. The Parties shall develop agreed procedures and mechanisms for responding to these requests. The CIM or his designee shall resolve disputes on these matters.

7. The IM shall aim to transfer law enforcement responsibilities described in Article II below to the law enforcement officials and organizations described in Article II at the earliest practical time consistent with civil public security.

ARTICLE II: COMMUNAL POLICE

1. As they build up, communal police units, organized and stationed at the communal and municipal levels, shall assume primary responsibility for law enforcement in Kosovo. The specific responsibilities of the communal police will include police patrols and crime prevention, criminal investigations, arrest and detention of criminal suspects, crowd control, and traffic control.

2. *Number and Composition*. The total number of communal police established by this Agreement operating within Kosovo shall not exceed 3,000 active duty law enforcement officers. However, the CIM shall have the authority to increase or decrease this personnel ceiling if he determines such action is necessary to meet operational needs. Prior to taking any such action, the CIM shall consult with the Criminal Justice Administration and other officials as appropriate. The national communities in each commune shall be fairly represented in the communal police unit.

3. *Criminal Justice Administration*.

a. A Criminal Justice Administration (CJA) shall be established. It shall be an Administrative Organ of Kosovo, reporting to an appropriate member of the Government of Kosovo as determined by the Government. The CJA shall provide general coordination of law enforcement operations in Kosovo. Specific functions of the CJA shall include general supervision over, and providing guidance to, communal police forces through their commanders, assisting in the coordination between separate communal police forces, and oversight of the operations of the police academy. In carrying out these responsibilities, the CJA may issue directives, which shall be binding on communal police commanders and personnel. In the exercise of its functions, the CJA shall be subject to any directions given by CIM.

b. Within twelve months of the establishment of the CJA, the CJA shall submit for review by the CIM a plan for the coordination and development of law enforcement bodies and personnel in Kosovo within its jurisdiction. This plan shall serve as the framework for law enforcement coordination and development in Kosovo and be subject to modification by the CIM.

c. The IM will endeavor to develop the capacities of the CJA as quickly as possible. Prior to the point when the CJA is able to properly carry out the functions described in the preceding paragraph, as determined by the CIM, the IM shall carry out these functions.

4. *Communal Commanders*. Subject to review by the CIM, each commune will appoint, and may remove for cause, by majority vote of the communal council, a communal police commander with responsibility for police operations within the commune.

5. *Service in Police*.

(a) Recruitment for public security personnel will be conducted primarily at the local level. Local and communal governments, upon consultation with communal Criminal Justice Commissions, will nominate officer candidates to attend the Kosovo Police Academy. Offers of employment will be made by communal police commanders, with the concurrence of the academy director, only after the candidate has successfully completed the academy basic recruit course.

(b) Recruitment, selection and training of communal police officers shall be conducted under the direction of the IM during the period of its operation.

(c) There shall be no bar to service in the communal police based on prior political activities. Members of the police shall not, however, be permitted while they hold this public office to participate in party political activities other than membership in such a party.

(d) Continued service in the police is dependent upon behavior consistent with the terms of this Agreement, including this Chapter. The IM shall supervise regular reviews of officer performance, which shall be conducted in accordance with international due process norms.

6. *Uniforms and Equipment*.

(a) All communal police officers, with the exception of officers participating in crowd control functions, shall wear a standard uniform. Uniforms shall include a badge, picture identification, and name tag.

(b) Communal police officers may be equipped with a sidearm, handcuffs, a baton, and a radio.

(c) Subject to authorization or modification by the CIM, each commune may maintain, either at the communal headquarters or at municipal stations, no more than one long-barreled weapon not to exceed 7.62 mm for every fifteen police officers assigned to the commune. Each such weapon must be approved by and registered with the IM and KFOR pursuant to procedures established by the CIM and COMKFOR. When not in use, all such weapons will be securely stored and each commune will keep a registry of these weapons.

(i) In the event of a serious law enforcement threat that would justify the use of these weapons, the communal police commander shall obtain IM approval before employing these weapons.

(ii) The communal police commander may authorize the use of these weapons without prior approval of the IM for the sole purpose of self-defense. In such cases, he must report the incident no later than one hour after it occurs to the IM and KFOR.

(iii) If the CIM determines that a weapon has been used by a member of a communal police force in a manner contrary to this Chapter, he may take appropriate corrective measures; such measures may include reducing the number of such weapons that the communal police force is allowed to possess or dismissing or disciplining the law enforcement personnel involved.

(d) Communal police officers engaged in crowd control functions will receive equipment appropriate to their task, including batons, helmets and shields, subject to IM approval.

ARTICLE III: INTERIM POLICE ACADEMY

1. Under the supervision of the IM, the CJA shall establish an interim Police Academy that will offer mandatory and professional development training for all public security personnel, including border police. Until the interim police academy is established, IM will oversee a temporary training program for public security personnel including border police.

2. All public security personnel shall be required to complete a course of police studies successfully before serving as communal police officers.

3. The Academy shall be headed by a Director appointed and removed by the CJA in consultation with the Kosovo Criminal Justice Commission and the IM. The Director shall consult closely with the IM and comply fully with its recommendations and guidance.

4. All Republic and Federal police training facilities in Kosovo, including the academy at Vucitrn, will cease operations within 6 months of the entry into force of this Agreement.

ARTICLE IV: CRIMINAL JUSTICE COMMISSIONS

1. The parties shall establish a Kosovo Criminal Justice Commission and Communal Criminal Justice Commissions. The CIM or his designee shall chair meetings of these Commissions. They shall be forums for cooperation, coordination and the resolution of disputes concerning law enforcement and civil public security in Kosovo.

2. The functions of the Commissions shall include the following:

(a) Monitor, review, and make recommendations regarding the operation of law enforcement personnel and policies in Kosovo, including communal police units;

(b) Review, and make recommendations regarding the recruitment, selection and training of communal police officers and commanders;

(c) Consider complaints regarding police practices filed by individuals or national communities, and provided information and recommendations to communal police commanders and the CIM for consideration in their reviews of officer performance; and

(d) In the Kosovo Criminal Justice Commission only: In consultation with designated local, Republic and Federal police liaisons, monitor jurisdiction sharing in cases of overlapping criminal jurisdiction between Kosovo, Republic and Federal authorities.

3. The membership of the Kosovo Criminal Justice Commission and each Communal Criminal Justice Commission shall be representative of the population and shall include:

(a) In the Kosovo Criminal Justice Commission:
(i) a representative of each commune;
(ii) the head of the Kosovo CJA;
(iii) a representative of each Republic and Federal law enforcement component operating in Kosovo (for example, Customs police and Border police);
(iv) a representative of each national community;
(v) a representative of the IM, during its period of operation in Kosovo;
(vi) a representative of the VJ border guard, as appropriate;
(vii) a representative of the MUP, as appropriate, while present in Kosovo; and
(viii) a representative of KFOR, as appropriate.
(b) In the Communal Criminal Justice Commissions:
(i) the communal police commander;
(ii) a representative of any Republic and Federal law enforcement component operating in the commune;
(iii) a representative of each national community;
(iv) a civilian representative of the communal government;
(v) a representative of the IM, during its period of operation in Kosovo;
(vi) a representative of the VJ border guard, who shall have observer status, as appropriate; and
(viii) A representative of KFOR, as appropriate.
4. Each Criminal Justice Commission shall meet at least monthly, or at the request of any Commission member.

ARTICLE V: POLICE OPERATIONS IN KOSOVO

1. The communal police established by this Agreement shall have exclusive law enforcement authority and jurisdiction and shall be the only police presence in Kosovo following the reduction and eventual withdrawal from Kosovo by the MUP, with the exception of border police as specified in Article VI and any support provided pursuant to Article I(3)(h).
(a) During the transition to communal police, the remaining MUP shall carry out only normal policing duties, and shall draw down, pursuant to the schedule described in Chapter 7.
(b) During the period of the phased drawdown of the MUP, the MUP in Kosovo shall have authority to conduct only civil police functions and shall be under the supervision and control of the CIM. The IM may dismiss from service, or take other appropriate disciplinary action against, MUP personnel who obstruct implementation of this Agreement.
2. Concurrent Law Enforcement in Kosovo.
(a) Except as provided in Article V.1 and Article VI, Federal and Republic law enforcement officials may only act within Kosovo in cases of hot pursuit of a person suspected of committing a serious criminal offense.
(i) Federal and Republic authorities shall as soon as practicable, but in no event later than one hour after their entry into Kosovo while engaged in a hot pursuit, notify the nearest Kosovo law enforcement officials that the pursuit has crossed into Kosovo. Once notification has been made, further pursuit and apprehension shall be coordinated with Kosovo law enforcement. Following apprehension, suspects shall be placed into the custody of the authorities originating the pursuit. If the suspect has not been apprehended within four hours, the original pursuing authorities shall cease their pursuit and immediately depart Kosovo unless invited to continue their pursuit by the CJA or the CIM.
(ii) In the event the pursuit is of such short duration as to preclude notification, Kosovo law enforcement officials shall be notified that an apprehension has been made and shall be given access to the detainee prior to his removal from Kosovo.
(iii) Personnel engaged in hot pursuit under the provisions of this Article may only be civilian police, may only carry weapons appropriate for normal civilian police duties (sidearms, and long-barreled weapons not to exceed 7.62mm), may only travel in officially marked police vehicles, and may not exceed a total of eight personnel at any one time. Travel in armored personnel carriers by police engaged in hot pursuit is strictly prohibited.
(iv) The same rules shall apply to hot pursuit of suspects by Kosovo law enforcement authorities to Federal territory outside of Kosovo.
(b) All Parties shall provide the highest degree of mutual assistance in law enforcement matters in response to reasonable requests.

ARTICLE VI: SECURITY ON INTERNATIONAL BORDERS

1. The Government of the FRY will maintain official border crossings on its international borders (Albania and FYROM).
2. Personnel from the organizations listed below may be present along Kosovo's international borders and at international border crossings, and may not act outside the scope of the authorities specified in this Chapter.
(a) Republic of Serbia Border Police.
(i) The Border Police shall continue to exercise authority to Kosovo's international border crossings and in connection with the enforcement of Federal Republic of Yugoslavia immigration laws. The total number of border police shall be drawn down to 75 within 14 days of entry into force of this Agreement.
(ii) While maintaining the personnel threshold specified in subparagraph (i), the ranks of the existing Border Police units operating in Kosovo shall be supplemented by new recruits so that they are representative of the Kosovo population.
(iii) All Border Police stationed in Kosovo must attend police training at the Kosovo police academy within 18 months of the entry into force of this Agreement.
(b) Customs Officers.
(i) The FRY Customs Service will continue to exercise customs jurisdiction at Kosovo's official international border crossings and in such customs warehouses as may be necessary within Kosovo. The total number of customs personnel shall be drawn down to 50 within 14 days of the entry into force of this Agreement.
(ii) Kosovar Albanian officers of the Customs Service shall be trained and compensated by the FRY.
(c) The CIM shall conduct a periodic review of customs and border police requirements and shall have the authority to increase or decrease the personnel ceilings described in paragraphs (a)(i) and (b)(i) above to reflect operational needs and to adjust the composition of individual customs units.

ARTICLE VII: ARREST AND DETENTION

1. Except pursuant to Article V, Article I(3)(h), and sections (a)–(b) of this paragraph, only officers of the communal police shall have authority to arrest and detain individuals in Kosovo. (a) Border Police officers shall have authority within Kosovo to arrest and detain individuals who have violated criminal provisions of the immigration laws.
(b) Officers of the Customs Service shall have authority within Kosovo to arrest and detain individuals for criminal violations of the customs laws.
2. Immediately upon making an arrest, the arresting officer shall notify the nearest Communal Criminal Justice Commission of the detention and the location of the detainee. He subsequently shall transfer the detainee to the nearest appropriate jail in Kosovo at the earliest opportunity.
3. Officers may use reasonable and necessary force proportionate to the circumstances to effect arrests and keep suspects in custody.
4. Kosovo and its constituent communes shall establish jails and prisons to accommodate the detention of criminal suspects and the imprisonment of individuals convicted of violating the laws applicable in Kosovo. Prisons shall be operated consistent with international standards. Access shall be provided to international personnel, including representatives of the International Committee of the Red Cross.

ARTICLE VIII: ADMINISTRATION OF JUSTICE

1. Criminal Jurisdiction over Persons Arrested within Kosovo.
(a) Except in accordance with Article V and subparagraph (b) of this paragraph, any person arrested within Kosovo shall be subject to the jurisdiction of the Kosovo courts.
(b) Any person arrested within Kosovo, in accordance with the law and with this Agreement, by the Border Police or Customs Police shall be subject to be jurisdiction of the FRY courts. If there is no applicable court of the FRY to hear the case, the Kosovo courts shall have jurisdiction.
2. *Prosecution of Crimes.*
(a) The CJA shall, in consultation with the CIM, appoint and have the authority to remove the Chief Prosecutor.
(b) The IM shall have the authority to monitor, observe, inspect, and when necessary, direct the operations of the Office of the Prosecutor and any and all related staff.

ARTICLE IX: FINAL AUTHORITY TO INTERPRET

The CIM is the final authority regarding interpretation of this Chapter and his determinations are binding on all Parties and persons.

CHAPTER 3

CONDUCT AND SUPERVISION OF ELECTIONS

ARTICLE I: CONDITIONS FOR ELECTIONS

1. The Parties shall ensure that conditions exist for the organization of free and fair elections, which include but are not limited to:
(a) freedom of movement for all citizens;
(b) an open and free political environment;
(c) an environment conducive to the return of displaced persons;
(d) a safe and secure environment that ensures freedom of assembly, association, and expression;
(e) an electoral legal framework of rules and regulations complying with OSCE commitments, which will be implemented by a Central Election Commission, as set forth in Article III, which is representative of the population of Kosovo in terms of national communities and political parties; and
(f) free media, effectively accessible to registered political parties and candidates, and available to voters throughout Kosovo.
2. The Parties request the OSCE to certify when elections will be effective under current conditions in Kosovo, and to provide assistance to the Parties to create conditions for free and fair elections.
3. The Parties shall comply fully with Paragraphs 7 and 8 of the OSCE Copenhagen Document, which are attached to this Chapter.

ARTICLE II: ROLE OF THE OSCE

1. The Parties request the OSCE to adopt and put in place an elections program for Kosovo and supervise elections as set forth in this Agreement.

2. The Parties request the OSCE to supervise, in a manner to be determined by the OSCE and in cooperation with other international organizations the OSCE deems necessary, the preparation and conduct of elections for:

(a) Members of the Kosovo Assembly;

(b) Members of Communal Assemblies;

(c) other officials popularly elected in Kosovo under this Agreement and the laws and Constitution of Kosovo at the discretion of the OSCE.

3. The Parties request the OSCE to establish a Central Election Commission in Kosovo (''the Commission'').

4. Consistent with Article IV of Chapter 5, the first elections shall be held within nine months of the entry into force of this Agreement. The President of the Commission shall decide, in consultation with the Parties, the exact timing and order of elections for Kosovo political offices.

ARTICLE III: CENTRAL ELECTION COMMISSION

1. The Commission shall adopt electoral Rules and Regulations on all matters necessary for the conduct of free and fair elections in Kosovo, including rules relating to: the eligibility and registration of candidates, parties, and voters, including displaced persons and refugees; ensuring a free and fair elections campaign; administrative and technical preparation for elections including the establishment, publication, and certification of election results; and the role of international and domestic election observers.

2. The responsibilities of the Commission, as provided in the electoral Rules and Regulations, shall include:

(a) the preparation, conduct, and supervision of all aspects of the electoral process, including development and supervision of political party and voter registration, and creation of secure and transparent procedures for production and dissemination of ballots and sensitive election materials, vote counts, tabulations, and publication of elections results;

(b) ensuring compliance with the electoral Rules and Regulations established pursuant to this Agreement, including establishing auxiliary bodies for this purpose as necessary;

(c) ensuring that action is taken to remedy any violation of any provision of this Agreement, including imposing penalties such as removal from candidate or party lists, against any person, candidate, political party, or body that violates such provisions; and

(d) accrediting observers, including personnel from international organizations and foreign and domestic non-governmental organizations, and ensuring that the Parties grant the accredited observers unimpeded access and movement.

3. The Commission shall consist of a person appointed by the Chairman-in-Office (CIO) of the OSCE, representatives of all national communities, and representatives of political parties in Kosovo selected by criteria to be determined by the Commission. The person appointed by the CIO shall act as the President of the Commission. The rules of procedure of the Commission shall provide that in the exceptional circumstance of an unresolved dispute within the Commission, the decision of the President shall be final and binding.

4. The Commission shall enjoy the right to establish communication facilities, and to engage local and administrative staff.

CHAPTER 4

ECONOMIC ISSUES

ARTICLE I

1. The economy of Kosovo shall function in accordance with free market principles.

2. The authorities established to levy and collect taxes and other charges are set forth in this Agreement. Except as otherwise expressly provided, all authorities have the right to keep all revenues from their own taxes or other charges consistent with this Agreement.

3. Certain revenue from Kosovo taxes and duties shall accrue to the Communes, taking into account the need for an equalization of revenues between the Communes based on objective criteria. The Assembly of Kosovo shall enact appropriate non-discriminatory legislation for this purpose. The Communes may also levy local taxes in accordance with this Agreement.

4. The Federal Republic of Yugoslavia shall be responsible for the collection of all customs duties at international borders in Kosovo. There shall be no impediments to the free movement of persons, goods, services, and capital to and from Kosovo.

5. Federal authorities shall ensure that Kosovo receives a proportionate and equitable share of benefits that may be derived from international agreements concluded by the Federal Republic and of Federal resources.

6. Federal and other authorities shall within their respective powers and responsibilities ensure the free movement of persons, goods, services, and capital to Kosovo, including from international sources. They shall in particular allow access to Kosovo without discrimination for person delivering such goods and services.

7. If expressly required by an international donor or lender, international contracts for reconstruction projects shall be concluded by the authorities of the Federal Republic of Yugoslavia, which shall establish appropriate mechanisms to make such funds available to Kosovo authorities. Unless precluded by the terms of contracts, all reconstruction projects that exclusively concern Kosovo shall be managed and implemented by the appropriate Kosovo authority.

ARTICLE II

1. The Parties agree to reallocate ownership and resources in accordance insofar as possible with the distribution of powers and responsibilities set forth in this Agreement, in the following areas:

(a) government-owned assets (including educational institutions, hospitals, natural resources, and production facilities);

(b) pension and social insurance contributions;

(c) revenues to be distributed under Article 1.5; and

(d) any other matters relating to economic relations between the Parties not covered by this Agreement.

2. The Parties agree to the creation of a Claim Settlement Commission (CSC) to resolve all disputes between them on matters referred to in paragraph 1.

(a) The CSC shall consist of three experts designated by Kosovo, three experts designated jointly by the Federal Republic of Yugoslavia and the Republic of Serbia, and three independent experts designated by the CIM.

(b) The decisions of the CSC, which shall be taken by majority vote, shall be final and binding. The Parties shall implement them without delay.

3. Authorities receiving ownership of public facilities shall have the power to operate such facilities.

CHAPTER 4A

HUMANITARIAN ASSISTANCE, RECONSTRUCTION AND ECONOMIC DEVELOPMENT

1. In parallel with the continuing full implementation of this Agreement, urgent attention must be focused on meeting the real humanitarian and economic needs of Kosovo in order to help create the conditions for reconstruction and lasting economic recovery. International assistance will be provided without discrimination between national communities.

2. The Parties welcome the willingness of the European Commission working with the international community to co-ordinate international support for the parties' efforts. Specifically, the European Commission will organize an international donors' conference within one month of entry into force of this Agreement.

3. The international community will provide immediate and unconditional humanitarian assistance, focusing primarily on refugees and internally displaced persons returning to their former homes. The Parties welcome and endorse the UNHCR's lead role in co-ordination of this effort, and endorse its intention, in close co-operation with the Implementation Mission, to plan an early, peaceful, orderly and phased return of refugees and displaced persons in conditions of safety and dignity.

4. The international community will provide the means for the rapid improvement of living conditions for the population of Kosovo through the reconstruction and rehabilitation of housing and local infrastructure (including water, energy, health and local education infrastructure) based on damage assessment surveys.

5. Assistance will also be provided to support the establishment and development of the institutional and legislative framework laid down in this Agreement, including local governance and tax settlement, and to reinforce civil society, culture and education. Social welfare will also be addressed, with priority given to the protection of vulnerable social groups.

6. It will also be vital to lay the foundations for sustained development, based on a revival of the local economy. This must take account of the need to address unemployment, and to stimulate the economy by a range of mechanisms. The European Commission will be giving urgent attention to this.

7. International assistance, with the exception of humanitarian aid, will be subject to full compliance with this Agreement as well as other conditions defined in advance by the donors and the absorptive capacity of Kosovo.

CHAPTER 5

IMPLEMENTATION I

ARTICLE I: INSTITUTIONS

IMPLEMENTATION MISSION

1. The Parties invite the OSCE, in cooperation with the European Union, to constitute an Implementation Mission in Kosovo. All responsibilities and powers previously vested in the Kosovo Verification Mission and its Head by prior agreements shall be continued in the Implementation Mission and its Chief.

JOINT COMMISSION

2. A Joint Commission shall serve as the central mechanism for monitoring and coordinating the civilian implementation of this Agreement. It shall consist of the Chief of the Implementation Mission (CIM), one Federal and one Republic representative, one representative of each national community

in Kosovo, the President of the Assembly, and a representative of the President of Kosovo. Meetings of the Joint Commission may be attended by other representatives of organizations specified in this Agreement or needed for its implementation.

3. The CIM shall serve as the Chair of the Joint Commission. The Chair shall coordinate and organize the work of the Joint Commission and decide the time and place of its meetings. The Parties shall abide by and fully implement the decisions of the Joint Commission. The Joint Commission shall operate on the basis of consensus, but in the event consensus cannot be reached, the Chair's decision shall be final.

4. The Chair shall have full and unimpeded access to all places, persons, and information (including documents and other records) within Kosovo that in his judgment are necessary to his responsibilities with regard to the civilian aspects of this Agreement.

JOINT COUNCIL AND LOCAL COUNCILS

5. The CIM may, as necessary, establish a Kosovo Joint Council and Local Councils, for informal dispute resolution and cooperation. The Kosovo Joint Council would consist of one member from each of the national communities in Kosovo. Local Councils would consist of representatives of each national community living in the locality where the Local Council is established.

ARTICLE II: RESPONSIBILITIES AND POWERS

1. The CIM shall:

(a) supervise and direct the implementation of the civilian aspects of this Agreement pursuant to a schedule that he shall specify;

(b) maintain close contact with the Parties to promote full compliance with those aspects of this Agreement;

(c) facilitate, as he deems necessary, the resolution of difficulties arising in connection with such implementation;

(d) participate in meetings of donor organizations, including on issues of rehabilitation and reconstruction, in particular by putting forward proposals and identifying priorities for their consideration as appropriate;

(e) coordinate the activities of civilian organizations and agencies in Kosovo assisting in the implementation of the civilian aspects of this Agreement, respecting fully their specific organizational procedures;

(f) report periodically to the bodies responsible for constituting the Mission on progress in the implementation of the civilian aspects of this Agreement; and

(g) carry out the functions specified in this Agreement pertaining to police and security forces.

2. The CIM shall also carry out other responsibilities set forth in this Agreement or as may be later agreed.

ARTICLE III: STATUS OF IMPLEMENTATION MISSION

1. Implementation Mission personnel shall be allowed unrestricted movement and access into and throughout Kosovo at any time.

2. The Parties shall facilitate the operations of the Implementation Mission, including by the provision of assistance as requested with regard to transportation, subsistence, accommodation, communication, and other facilities.

3. The Implementation Mission shall enjoy such legal capacity as may be necessary for the exercise of its functions under the laws and regulations of Kosovo, the Federal Republic of Yugoslavia, and the Republic of Serbia. Such legal capacity shall include the capacity to contract, and to acquire and dispose of real and personal property.

4. Privileges and immunities are hereby accorded as follows to the Implementation Mission and associated personnel:

(a) the Implementation Mission and its premises, archives, and other property shall enjoy the same privileges and immunities as a diplomatic mission under the Vienna Convention on Diplomatic Relations;

(b) the CIM and professional members of his staff and their families shall enjoy the same privileges and immunities as are enjoyed by diplomatic agents and their families under the Vienna Convention on Diplomatic Relations; and

(c) other members of the Implementation Mission staff and their families shall enjoy the same privileges and immunities as are enjoyed by members of the administrative and technical staff and their families under the Vienna Convention on Diplomatic Relations.

ARTICLE IV: PROCESS OF IMPLEMENTATION

GENERAL

1. The Parties acknowledge that complete implementation will require political acts and measures, and the election and establishment of institutions and bodies set forth in this Agreement. The Parties agree to proceed expeditiously with these tasks on a schedule set by the Joint Commission. The Parties shall provide active support, cooperation, and participation for the successful implementation of this Agreement.

ELECTION AND CENSUS

2. Within nine months of the entry into force of this Agreement, there shall be elections in accordance with and pursuant to procedures specified in Chapter 3 of this Agreement for authorities established herein, according to a voter list prepared to international standards by the Central Election Commission. The Organization for Security and Cooperation in Europe (OSCE) shall supervise those elections to ensure that they are free and fair.

3. Under the supervision of the OSCE and with the participation of Kosovo authorities and experts nominated by and belonging to the national communities of Kosovo, Federal authorities shall conduct an objective and free census of the population in Kosovo under rules and regulations agreed with the OSCE in accordance with international standards. The census shall be carried out when the OSCE determines that conditions allow an objective and accurate enumeration.

(a) The first census shall be limited to name, place of birth, place of usual residence and address, gender, age, citizenship, national community, and religion.

(b) The authorities of the Parties shall provide each other and the OSCE with all records necessary to conduct the census, including data about places of residence, citizenship, voters' lists, and other information.

TRANSITIONAL PROVISIONS

4. All laws and regulations in effect in Kosovo when this Agreement enters into force shall remain in effect unless and until replaced by laws or regulations adopted by a competent body. All laws and regulations applicable in Kosovo that are incompatible with this Agreement shall be presumed to have been harmonized with this Agreement. In particular, martial law in Kosovo is hereby revoked.

5. Institutions currently in place in Kosovo shall remain until superseded by bodies created by or in accordance with this Agreement. The CIM may recommend to the appropriate authorities the removal and appointment of officials and the curtailment of operations of existing institutions in Kosovo if he deems it necessary for the effective implementation of this Agreement. If the action recommended is not taken in the time requested, the Joint Commission may decide to take the recommended action.

6. Prior to the election of Kosovo officials pursuant to this Agreement, the CIM shall take the measures necessary to ensure the development and functioning of independent media in keeping with international standards, including allocation of radio and television frequencies.

ARTICLE V: AUTHORITY TO INTERPRET

The CIM shall be the final authority in theater regarding interpretation of the civilian aspects of this Agreement, and the Parties agree to abide by his determinations as binding on all Parties and persons.

CHAPTER 6

THE OMBUDSMAN

ARTICLE I: GENERAL

1. There shall be an Ombudsman, who shall monitor the realization of the rights of members of national communities and the protection of human rights and fundamental freedoms in Kosovo. The Ombudsman shall have unimpeded access to any person or place and shall have the right to appear and intervene before any domestic, Federal, or (consistent with the rules of such bodies) international authority upon his or her request. No person, institution, or entity of the Parties may interfere with the functions of the Ombudsman.

2. The Ombudsman shall be an eminent person of high moral standing who possesses a demonstrated commitment to human rights and the rights of members of national communities. He or she shall be nominated by the President of Kosovo and shall be elected by the Assembly from a list of candidates prepared by the President of the European Court of Human Rights for a non-renewable three-year term. The Ombudsman shall not be a citizen of any State or entity that was a part of the former Yugoslavia, or of any neighboring State. Pending the election of the President and the Assembly, the CIM shall designate a person to serve as Ombudsman on an interim basis who shall be succeeded by a person selected pursuant to the procedure set forth in this paragraph.

3. The Ombudsman shall be independently responsible for choosing his or her own staff. He or she shall have two Deputies. The Deputies shall each be drawn from different national communities.

(a) The salaries and expenses of the Ombudsman and his or her staff shall be determined and paid the Kosovo Assembly. The salaries and expenses shall be fully adequate to implement the Ombudsman's mandate.

(b) The Ombudsman and members of his or her staff shall not be held criminally or civilly liable for any acts carried out within the scope of their duties.

ARTICLE II: JURISDICTION

1. The Ombudsman shall consider:

(a) alleged or apparent violations of human rights and fundamental freedoms in Kosovo, as provided in the Constitutions of the Federal Republic of Yugoslavia and the Republic of Serbia, and the European Convention for the Protection of Human Rights and Fundamental Freedoms and the Protocols thereto; and

(b) alleged or apparent violations of the rights of members of national communities specified in this Agreement.

2. All persons in Kosovo shall have the right to submit the complaints to the Ombudsman. The Parties agree not to take any

measures to punish persons who intend to submit or who have submitted such allegations, or in any other way to deter the exercise of this right.

ARTICLE III: POWERS AND DUTIES

1. The Ombudsman shall investigate alleged violations falling within the jurisdiction set forth in Article II.1. He or she may act either on his or her own initiative or in response to an allegation presented by any Party or person, non-governmental organization, or group of individuals claiming to be the victim of a violation or acting on behalf of alleged victims who are deceased or missing. The work of the Ombudsman shall be free of charge to the person concerned.

2. The Ombudsman shall have complete, unimpeded, and immediate access to any person, place, or information upon his or her request.

(a) The Ombudsman shall have access to and may examine all official documents, and he or she can require any person, including officials of Kosovo, to cooperate by providing relevant information, documents, and files.

(b) The Ombudsman may attend administrative hearings and meetings of other Kosovo institutions in order to gather information.

(c) The Ombudsman may examine facilities and places where persons deprived of their liberty are detained, work, or are otherwise located.

(d) The Ombudsman and staff shall maintain the confidentiality of all confidential information obtained by them, unless the Ombudsman determines that such information is evidence of a violation of rights falling within his or her jurisdiction, in which case that information may be revealed in public reports or appropriate legal proceedings.

(e) The Parties undertake to ensure cooperation with the Ombudsman's investigations. Willful and knowing failure to comply shall be criminal offense prosecutable in any jurisdiction of the Parties. Where an official impedes an investigation by refusing to provide necessary information, the Ombudsman shall contact that official's superior or the public prosecutor for appropriate penal action to be taken in accordance with the law.

3. The Ombudsman shall issue findings and conclusions in the form of a published report promptly after concluding an investigation.

(a) A Party, institution, or official identified by the Ombudsman as a violator shall, within a period specified by the Ombudsman, explain in writing how it will comply with any prescriptions the Ombudsman may put forth for remedial measures.

(b) In the event that a person or entity does not comply with the conclusions and recommendations of the Ombudsman, the report shall be forwarded for further action to the Joint Commission established by Chapter 5 of this Agreement, to the President of the appropriate Party, and to any other officials or institutions that the Ombudsman deems proper.

CHAPTER 7

IMPLEMENTATION II

ARTICLE I: GENERAL OBLIGATIONS

1. The Parties undertake to recreate, as quickly as possible, normal conditions of life in Kosovo and to co-operate fully with each other and with all international organizations, agencies, and non-governmental organizations involved in the implementation of this Agreement. They welcome the willingness of the international community to send to the region a force to assist in the implementation of this Agreement.

a. The United Nations Security Council is invited to pass a resolution under Chapter VII of the Charter endorsing and adopting the arrangements set forth in this Chapter, including the establishment of a multinational military implementation force in Kosovo. The Parties invite NATO to constitute and lead a military force to help ensure compliance with the provisions of this Chapter. They also reaffirm the sovereignty and territorial integrity of the Federal Republic of Yugoslavia (FRY).

b. The Parties agree that NATO will establish and deploy a force (hereinafter ''KFOR'') which may be composed of ground, air, and maritime units from NATO and non-NATO nations, operating under the authority and subject to the direction and the political control of the North Atlantic Council (NAC) through the NATO chain of command. The Parties agree to facilitate the deployment and operations of this force and agree also to comply fully with all the obligations of this Chapter.

c. It is agreed that other States may assist in implementing this Chapter. The Parties agree that the modalities of those States' participation will be the subject of Agreement between such participating States and NATO.

2. The purposes of these obligations are as follows:

a. to establish a durable cessation of hostilities. Other than those Forces provided for in this Chapter, under no circumstances shall any armed Forces enter, reenter, or remain within Kosovo without the prior express consent of the KFOR Commander (COMKFOR). For the purposes of this Chapter, the term ''Forces'' includes all personnel and organizations with military capability, including regular army, armed civilian groups, paramilitary groups, air forces, national guards, border police, army reserves, military police, intelligence services, Ministry of Internal Affairs, Local, Special, Riot and Anti-Terrorist Police, and any other groups or individuals so designated by COMKFOR. The only exception to the provisions of this paragraph is for civilian police engaged in hot pursuit of a person suspected of committing a serious criminal offense, as provided for in Chapter 2;

b. to provide for the support and authorization of the KFOR and in particular to authorize the KFOR to take such actions as are required, including the use of necessary force, to ensure compliance with this Chapter and the protection of the KFOR, Implementation Mission (IM), and other international organizations, agencies, and non-governmental organizations involved in the implementation of this Agreement, and to contribute to a secure environment;

c. to provide, at no cost, the use of all facilities and services required for the deployment, operations and support of the KFOR.

3. The Parties understand and agree that the obligations undertaken in this Chapter shall apply equally to each Party. Each Party shall be held individually responsible for compliance with its obligations, and each agrees that delay or failure to comply by one Party shall not constitute cause for any other Party to fail to carry out its own obligations. All Parties shall be equally subject to such enforcement action by the KFOR as may be necessary to ensure implementation of this Chapter in Kosovo and the protection of the KFOR, IM, and other international organizations, agencies, and non-governmental organizations involved in the implementation of this Agreement.

ARTICLE II: CESSATION OF HOSTILITIES

1. The Parties shall, immediately upon entry into force of this Agreement (EIF), refrain from committing any hostile or provocative acts of any type against each other or against any person in Kosovo. They shall not encourage or organize hostile or provocative demonstrations.

2. In carrying out the obligations set forth in paragraph 1, the Parties undertake in particular to cease the firing of all weapons and explosive devices except as authorized by COMKFOR. They shall not place any mines, barriers, unauthorized checkpoints, observation posts (with the exception of COMKFOR-approved border observation posts and crossing points), or protective obstacles. Except as provided in Chapter 2, the Parties shall not engage in any military, security, or training-related activities, including ground, air, or air defense operations, in or over Kosovo, without the prior express approval of COMKFOR.

3. Except for Border Guard forces (as provided for in Article IV), no Party shall have Forces present within a 5 kilometer zone inward from the international border of the FRY that is also the border of Kosovo (hereinafter ''the Border Zone''). The Border Zone will be marked on the ground by EIF + 14 days by VJ Border Guard personnel in accordance with direction from IM. COMKFOR may determine small scale reconfigurations for operational reasons.

4. a. With the exception of civilian police performing normal police duties as determined by the CIM, no Party shall have Forces present within 5 kilometers of the Kosovo side of the boundary of Kosovo with other parts of the FRY.

b. The presence of any Forces within 5 kilometers of the other side of that boundary shall be notified to COMKFOR; if, in the judgment of COMKFOR, such presence threatens or would threaten implementation of this Chapter in Kosovo, he shall contact the authorities responsible for the Forces in question and may require those Forces to withdraw from or remain outside the area.

5. No party shall conduct any reprisals, counter-attacks, or any unilateral actions in response to violations of this Chapter by another Party. The Parties shall respond to alleged violations of this Chapter through the procedures provided in Article XI.

ARTICLE III: REDEPLOYMENT, WITHDRAWAL, AND DEMILITARIZATION OF FORCES

In order to disengage their Forces and to avoid any further conflict, the Parties shall immediately upon EIF begin to re-deploy, withdraw, or demilitarize their Forces in accordance with Articles IV, V, and VI.

ARTICLE IV: VJ FORCES

I. VJ ARMY UNITS

a. By K-Day + 5 days, all VJ Army units in Kosovo (with the exception of those Forces specified in paragraph 2 of this Article) shall have completed redeployment to the approved cantonment sites listed at Appendix A to this Chapter. This senior VJ commander in Kosovo shall confirm in writing to COMKFOR by K-Day + 5 days that the VJ is in compliance and provide the information required in Article VII below to take account of withdrawals or other changes made during the redeployment. This information shall be updated weekly.

b. By K-Day + 30 days, the Chief of the VJ General Staff, through the senior VJ commander in Kosovo, shall provide for approval by COMKFOR a detailed plan for the phased withdrawal of VJ Forces from Kosovo to other locations in Serbia to ensure the following timelines are met:

(1) By K-Day + 90 days, VJ authorities must, to the satisfaction of COMKFOR, withdraw from Kosovo to other locations in Serbia 50% of men and materiel and all designated offensive assets. Such assets are taken to be: main battle tanks; all other armored vehicles mounting weapons greater than 12.7mm; and, all heavy weapons (vehicle mounted or not) of over 82mm.

(2) By K-Day + 180 days, all VJ Army personnel and equipment (with the exception of those Forces specified in paragraph 2 of this Article) shall be withdrawn from Kosovo to other locations in Serbia.

2. VJ BORDER GUARD FORCES

a. VJ Border Guard forces shall be permitted but limited to a structure of 1500 members at pre-February 1998 Border Guard Battalion facilities located in Djakovica, Prizren, and Urosevac and subordinate facilities within the 5 kilometer Border Zone, or at a limited number of existing facilities in the immediate proximity of the Border Zone subject to the prior approval of COMKFOR, with that number to be reached by K-Day + 14 days. An additional number of VJ personnel—totaling no more than 1000 C2 and logistics forces—will be permitted to remain in the approved cantonment sites listed at Appendix A to fulfill brigade-level functions related only to border security. After an initial 90 day period from K-Day, COMKFOR may at any time review the deployments of VJ personnel and may require further adjustments to force level, with the objective of reaching the minimum force structure required for legitimate border security, as the security situation and the conduct of Parties warrant.

b. VJ elements in Kosovo shall be limited to weapons of 82mm and below. They shall possess neither armored vehicles (other than wheeled vehicles mounting weapons of 12.7mm or less) nor air defense weapons.

c. VJ Border Guard units shall be permitted to patrol in Kosovo only within the Border Zone and solely for purpose of defending the border against external attack and maintaining its integrity by preventing illicit border crossings. Geographic terrain considerations may require Border Guard maneuver inward of the Border Zone; any such maneuver shall be coordinated with and approved by COMKFOR.

d. With the exception of the Border Zone, VJ units may travel through Kosovo only to reach duty stations and garrisons in the Border Zone or approved cantonment sites. Such travel may only be along routes and in accordance with procedures that have been determined by COMKFOR after consultation with the CIM, VJ unit commanders, communal government authorities, and police commanders. These routes and procedures will be determined by K-Day + 14 days, subject to re-determination by COMKFOR at any time. VJ forces in Kosovo but outside the Border Zone shall be permitted to act only in self-defense in response to a hostile act pursuant to Rules of Engagement (ROE) which will be approved by COMKFOR in consultation with the CIM. When deployed in the Border Zone, they will act in accordance with ROE established under control of COMKFOR.

e. VJ Border Guard forces may conduct training activities only within the 5 kilometer Border Zone, and only with the prior express approved of COMKFOR.

3. YUGOSLAV AIR AND AIR DEFENSE FORCES (YAADF)

All aircraft, radars, surface-to-air missiles (including man-portable air defense systems {MANPADS}) and anti-aircraft artillery in Kosovo shall immediately upon EIF begin withdrawing from Kosovo to other locations in Serbia outside the 25 kilometer Mutual Safety Zone as defined in Article X. This withdrawal shall be completed and reported by the senior VJ commander in Kosovo to the appropriate NATO commander not more than 10 days after EIF. The appropriate NATO commander shall control and coordinate use of airspace over Kosovo commencing at EIF as further specified in Article X. No air defense systems, target tracking radars, or anti-aircraft artillery shall be positioned or operated within Kosovo or the 25 kilometer Mutual Safety Zone without the prior express approval of the appropriate NATO commander.

ARTICLE V: OTHER FORCES

1. The actions of Forces in Kosovo other than KFOR, VJ, MUP, or local police forces provided for in Chapter 2 (hereinafter referred to as ''Other Forces'') shall be in accordance with this Article. Upon EIF, all Other Forces in Kosovo must immediately observe the provisions of Article I, paragraph 2, Article II, paragraph 1, and Article III and in addition refrain from all hostile intent, military training and formations, organization of demonstrations, and any movement in either direction or smuggling across international borders or the boundary between Kosovo and other parts of the FRY. Furthermore, upon EIF, all Other Forces in Kosovo must publicly commit themselves to demilitarize on terms to be determined by COMKFOR, renounce violence, guarantee security of international personnel, and respect the international borders of the FRY and all terms of this Chapter.

2. Except as approved by COMKFOR, from K-Day, all Other Forces in Kosovo must not carry weapons:

a. within 1 kilometer of VJ and MUP cantonments listed at Appendix A;

b. within 1 kilometer of the main roads as follows:

(1) Pec—Lapusnik—Pristina.

(2) border—Djakovica—Klina.

(3) border—Prizren—Suva Rika—Pristina.

(4) Djakovica—Orahovac—Lapusnik—Pristina.

(5) Pec—Djakovica—Prizren—Urosevac—border.

(6) border—Urosevac—Pristina—Podujevo—border.

(7) Pristina—Kosovska Mitrovica—border.

(8) Kosovka Mitrovica—(Rakos)—Pec.

(9) Pec—Border with Montenegro (through Pozaj).

(10) Pristina—Lisica—border with Serbia.

(11) Pristina—Gnjilane—Urosevac.

(12) Gnjilane—Veliki Trnovac—border with Serbia.

(13) Prizren—Doganovic.

c. within 1 kilometer of the Border Zone;

d. in any other areas designated by COMKFOR.

3. By K-Day+5 days, all Other Forces must abandon and close all fighting positions, entrenchments, and checkpoints.

4. By K-Day+5 days, all Other Forces' commanders designated by COMKFOR shall report completion of the above requirements in the format at Article VII to COMKFOR and continue to provide weekly detailed status reports until demilitarization is complete.

5. COMKFOR will establish procedures for demilitarization and monitoring of Other Forces in Kosovo and for the further regulation of their activities. These procedures will be established to facilitate a phased demilitarization program as follows:

a. By K-Day+5 days, all Other Forces shall establish secure weapons storage sites, which shall be registered with and verified by the KFOR;

b. By K-Day+30 days, all Other Forces shall store all prohibited weapons (any weapon 12.7mm or larger, any anti-tank or anti-aircraft weapons, grenades, mines or explosives) and automatic weapons in the registered weapons storage sites. Other Forces commanders shall confirm completion of weapons storage to COMKFOR no later than K-Day+30 days;

c. By K-Day+30 days, all Other Forces shall cease wearing military uniforms and insignia, and cease carrying prohibited weapons and automatic weapons;

d. By K-Day+90 days, authority for storage sites shall pass to the KFOR. After this date, it shall be illegal for Other Forces to possess prohibited weapons and automatic weapons, and such weapons shall be subject to confiscation by the KFOR;

e. By K-Day+120 days, demilitarization of all Other Forces shall be completed.

6. By EIF+30 days, subject to arrangements by COMKFOR is necessary, all Other Forces personnel who are not of local origin, whether or not they are legally within Kosovo, including individual advisors, freedom fighters, trainers, volunteers, and personnel from neighboring and other States, shall be withdrawn from Kosovo.

ARTICLE VI: MUP

1. Ministry of Interior Police (MUP) is defined as all police and public security units and personnel under the control of Federal or Republic authorities except for the border police referred to in Chapter 2 and police academy students and personnel at the training school in Vucitrn referred to in Chapter 2. The CIM, in consultation with COMKFOR, shall have the discretion to exempt any public security units from this definition if he determines that it is in the public interest (e.g. firefighters).

a. By K-Day+5 days, all MUP units in Kosovo (with the exception of the border police referred to in Chapter 2) shall have completed redeployment to the approved cantonment sites listed at Appendix A to this Chapter or to garrisons outside Kosovo. The senior MUP commander in Kosovo or his representatives shall confirm in writing by K-Day+5 days to COMKFOR and the CIM that the MUP is in compliance and update the information required in Article VII to take account of withdrawals or other changes made during the redeployment. This information shall be updated weekly. Resumption of normal communal police patrolling will be permitted under the supervision and control of the IM and as specifically approved by the CIM in consultation with COMKFOR, and will be contingent on compliance with the terms of this Agreement.

b. Immediately upon EIF, the following withdrawals shall begin:

(1) By K-Day+5 days, those MUP units not assigned to Kosovo to 1 February 1998 shall withdraw all personnel and equipment from Kosovo to other locations in Serbia.

(2) By K-Day+20 days, all Special Police, including PJP, SAJ, and JSO forces, and their equipment shall be withdrawn from their cantonment sites out of Kosovo to other locations in Serbia. Additionally, all MUP offensive assets (designated as armored vehicles mounting weapons 12.7mm or larger, and all heavy weapons {vehicle mounted or not} of over 82mm) shall be withdrawn.

c. By K-Day+30 days, the senior MUP commander shall provide for approval by COMKFOR, in consultation with the CIM, a detailed plan for the phased drawdown of the remainder of MUP forces. In the event that

COMKFOR, in consultation with the CIM, does not approve the plan, he has the authority to issue his own binding plan for further MUP drawdowns. The CIM will decide at the same time when the remaining MUP units will wear new insignia. In any case, the following time-table must be met:

(1) by K-Day+60 days, 50% drawdown of the remaining MUP units including reservists. The CIM after consultations with COMKFOR shall have the discretion to extend this deadline for up to K-Day+90 days if he judges there to be a risk of a law enforcement vacuum;

(2) by K-Day+120 days, further drawdown to 2500 MUP. The CIM after consultations with COMKFOR shall have the discretion to extend this deadline for up to K-Day+180 days to meet operational needs;

(3) transition to communal police force shall begin as Kosovar police are trained and able to assume their duties. The CIM shall organize this transition between MUP and communal police;

(4) in any event, by EIF+one year, all Ministry, of Interior Civil Police shall be drawn down to zero. The CIM shall have the discretion to extend this deadline for up to an additional 12 months to meet operational needs.

d. The 2500 MUP allowed by this Chapter and referred to in Article V.1(a) of Chapter 2 shall have authority only for civil police functions and be under the supervision and control of the CIM.

ARTICLE VII: NOTIFICATIONS

1. By K-Day+5 days, the Parties shall furnish the following specific information regarding the status of all conventional military; all police, including military police, Department of Public Security Police, special police; paramilitary; and all Other Forces in Kosovo, and shall update the COMKFOR weekly on changes in this information:

a. location, disposition, and strengths of all military and special police units referred to above;

b. quantity and type of weaponry of 12.7mm and above, and ammunition for such weaponry, including location of cantonments and supply depots and storage sites;

c. positions and descriptions of any surface-to-air missiles/launchers, including mobile systems, anti-aircraft artillery, supporting radars, and associated command and control systems;

d. positions and descriptions of all miners, unexploded ordnance, explosive devices, demolitions, obstacles, booby traps, wire entanglements, physical or military hazards to the safe movement of any personnel in Kosovo, weapons systems, vehicles, or any other military equipment; and

e. any further information of a military or security nature requested by the COMKFOR.

ARTICLE VIII: OPERATIONS AND AUTHORITY OF THE KFOR

1. Consistent with the general obligations of Article I, the Parties understand and agree that the KFOR will deploy and operate without hindrance and with the authority to take all necessary action to help ensure compliance with this Chapter.

2. The Parties understand and agree that the KFOR shall have the right:

a. to monitor and help ensure compliance by all Parties with this Chapter and to respond promptly to any violations and restore compliance, using military force if required. This includes necessary action to:

1) enforce VJ and MUP reductions; 2) enforce demilitarization of Other Forces; 3) enforce restrictions of all VJ, MUP and Other Forces' activities, movement and training in Kosovo;

b. to establish liaison arrangements with IM, and support IM as appropriate;

c. to establish liaison arrangements with local Kosovo authorities, with Other Forces, and with FRY and Serbian civil and military authorities;

d. to observe, monitor, and inspect any and all facilities or activities in Kosovo, including within the Border Zone, that the COMKFOR believes has or may have military capability, or are or may be associated with the employment of military or police capabilities, or are otherwise relevant to compliance with this Chapter;

e. to require the Parties to mark and clear minefields and obstacles and to monitor their performance;

f. to require the Parties to participate in the Joint Military Commission and its subordinate military commissions as described in Article XI.

3. The Parties understand and agree that the KFOR shall have the right to fulfill its supporting tasks, within the limits of its assigned principal tasks, its capabilities, and available resources, and as directed by the NAC, which include the following:

a. to help create secure conditions for the conduct by others of other tasks associated with this Agreement, including free and fair elections;

b. to assist the movement of organizations in the accomplishment of humanitarian missions;

c. to assist international agencies in fulfilling their responsibilities in Kosovo;

d. to observe and prevent interference with the movement of civilian populations, refugees, and displaced persons, and to respond appropriately to deliberate threat to life and person.

4. The Parties understand and agree that further directives from the NAC may establish additional duties and responsibilities for the KFOR in implementing this Chapter.

5. KFOR operations shall be governed by the following provisions:

a. KFOR and its personnel shall have the legal status, rights, and obligations specified in Appendix B to this Chapter;

b. the KFOR shall have the right to use all necessary means to ensure its full ability to communicate and shall have the right to the unrestricted use of the entire electromagnetic spectrum. In implementing this right, the KFOR shall make reasonable efforts to coordinate with the appropriate authorities of the Parties;

c. The KFOR shall have the right to control and regulate surface traffic throughout Kosovo including the movement of the Forces of the Parties. All military training activities and movements in Kosovo must be authorized in advance by COMKFOR;

d. The KFOR shall have complete and unimpeded freedom of movement by ground, air, and water into and throughout Kosovo. It shall in Kosovo have the right to bivouac, maneuver, billet, and utilize any areas or facilities to carry out its responsibilities as required for its support, training, and operations, with such advance notice as may be practicable. Neither the KFOR nor any of its personnel shall be liable for any damages to public or private property that they may cause in the course of duties related to the implementation of this Chapter. Roadblocks, checkpoints, or other impediments to KFOR freedom of movement shall constitute a breach of this Chapter and the violating Party shall be subject to military action by the KFOR, including the use of necessary force to ensure compliance with its Chapter.

6. The Parties understand and agree that COMKFOR shall have the authority, without interference or permission of any Party, to do all that he judges necessary and proper, including the use of military force, to protect the KFOR and the IM, and to carry out the responsibilities listed in this Chapter. The Parties shall comply in all respects with KFOR instructions and requirements.

7. Notwithstanding any other provision of this Chapter, the Parties understand and agree that COMKFOR has the right and is authorized to compel the removal, withdrawal, or relocation of specific Forces and weapons, and to order the cessation of any activities whenever the COMKFOR determines such Forces, weapons, or activities to constitute a threat or potential threat to either the KFOR or its mission, or to another Party. Forces failing to redeploy, withdraw, relocate, or to cease threatening or potentially threatening activities following such a demand by the KFOR shall be subject to military action by the KFOR, including the use of necessary force, to ensure compliance, consistent with the terms set forth in Article I, paragraph 3.

ARTICLE IX: BORDER CONTROL

The Parties understand and agree that, until other arrangements are established, and subject to provisions of this Chapter and Chapter 2, controls along the international border of the FRY that is also the border of Kosovo will be maintained by the existing institutions normally assigned to such tasks, subject to supervision by the KFOR and the IM, which shall have the right to review and approve all personnel and units, to monitor their performance, and to remove and replace any personnel for behavior inconsistent with this Chapter.

ARTICLE X: CONTROL OF AIR MOVEMENTS

The appropriate NATO commander shall have sole authority to establish rules and procedures governing command and control of the airspace over Kosovo as well as within a 25 kilometer Mutual Safety Zone (MSZ). This MSZ shall consist of FRY airspace within 25 kilometers outward from the boundary of Kosovo with other parts of the FRY. This Chapter supersedes the NATO Kosovo Verification Mission Agreement of October 12, 1998 on any matter or area in which they may contradict each other. No military air traffic, fixed or rotary wing, of any Party shall be permitted to fly over Kosovo or in the MSZ without the prior express approval of the appropriate NATO commander. Violations of any of the provisions above, including the appropriate NATO commander's rules and procedures governing the airspace over Kosovo, as well as unauthorized flight or activation of FRY Integrated Air Defense (IADS) within the MSZ, shall be subject to military action by the KFOR, including the use of necessary force. The KFOR shall have a liaison team at the FRY Air Force HQ and a YAADF liaison shall be established with the KFOR. The Parties understand and agree that the appropriate NATO commander may delegate control of normal civilian air activities to appropriate FRY institutions to monitor operations, deconflict KFOR air traffic movements, and ensure smooth and safe operation of the air traffic system.

ARTICLE XI: ESTABLISHMENT OF A JOINT MILITARY COMMISSION

1. A Joint Military Commission (JMC) shall be established with the deployment of the KFOR to Kosovo.

2. The JMC shall be chaired by COMKFOR or his representative and consist of the following members:

a. the senior Yugoslav military commander of the Forces of the FRY or his representative;

b. the Ministers of Interior of the FRY and Republic of Serbia or their representatives;

c. a senior military representative of all Other Forces;

d. a representative of the IM;

e. other persons as COMKFOR shall determine, including one or more representatives of the Kosovo civilian leadership.

3. The JMC shall:

a. serve as the central body for all Parties to address any military complaints, questions, or problems that require resolution by the COMKFOR, such as allegations of ceasefire violations or other allegations of noncompliance with this Chapter;

b. receive reports and make recommendations for specific actions to COMKFOR to ensure compliance by the Parties with the provisions of this Chapter;

c. assist COMKFOR in determining and implementing local transparency measures between the Parties.

4. The JMC shall not include any persons publicly indicted by the International Criminal Tribunal for the Former Yugoslavia.

5. The JMC shall function as a consultative body to advise COMKFOR. However, all final decisions shall be made by COMKFOR and shall be binding on the Parties.

6. The JMC shall meet at the call of COMKFOR. Any Party may request COMKFOR to convene a meeting.

7. The JMC shall establish subordinate military commissions for the purpose of providing assistance in carrying out the functions described above. Such commissions shall be at an appropriate level, as COMKFOR shall direct. Composition of such commissions shall be determined by COMKFOR.

ARTICLE XII: PRISONER RELEASE

1. By EIF + 21 days, the Parties shall release and transfer, in accordance with international humanitarian standards, all persons held in connection with the conflict (hereinafter ''prisoners''). In addition, the Parties shall cooperate fully with the International Committee of the Red Cross (ICRC) to facilitate its work, in accordance with its mandate, to implement and monitor a plan for the release and transfer of prisoners in accordance with the above deadline. In preparation for compliance with this requirement, the Parties shall:

a. grant the ICRC full access to all persons, irrespective of their status, who are being held by them in connection with the conflict, for visits in accordance with the ICRC's standard operating procedures;

b. provide to the ICRC any and all information concerning prisoners, as requested by the ICRC, by EIF + 14 days.

2. The Parties shall provide information, through the tracing mechanisms of the ICRC, to the families of all persons who are unaccounted for. The Parties shall cooperate fully with the ICRC in its efforts to determine the identity, whereabouts, and fate of those unaccounted for.

ARTICLE XIII: COOPERATION

The Parties shall cooperate fully with all entities involved in implementation of this settlement, as described in the Framework Agreement, or which are otherwise authorized by the United Nations Security Council, including the International Criminal Tribunal for the former Yugoslavia.

ARTICLE XIV: NOTIFICATION TO MILITARY COMMANDS

Each Party shall ensure that the terms of this Chapter and written orders requiring compliance are immediately communicated to all of its Forces.

ARTICLE XV: FINAL AUTHORITY TO INTERPRET

1. Subject to paragraph 2, the KFOR Commander is the final authority in theater regarding interpretation of this Chapter and his determinations are binding on all Parties and persons.

2. The CIM is the final authority in theater regarding interpretation of the references in this Chapter to his functions (directing the VJ Border Guards under Article II, paragraph 3; his functions concerning the MUP under Article VI) and his determinations are binding on all Parties and persons.

ARTICLE XVI: K–DAY

The date of activation of KFOR—to be known as K–Day—shall be determined by NATO.

APPENDICES

A. Approved VJ/MUP Cantonment Sites
B. Status of Multi-National Military Implementation Force

APPENDIX A: APPROVED VJ/MUP CANTONMENT SITES

1. There are 13 approved cantonment sites in Kosovo for all VJ units, weapons, equipment, and ammunition. Movement to cantonment sites, and subsequent withdrawal from Kosovo, will occur in accordance with this Chapter. As the phased withdrawal of VJ units progresses along the timeline as specified in this Chapter, COMKFOR will close selected cantonment sites.

2. Initial approved VJ cantonment sites:
(a) Pristina SW 423913NO210819E.
(b) Pristina Airfield 423412NO210040E
(c) Vuctrin North 424936NO205227E.
(d) Kosovska Mitrovica 425315NO205227E.
(e) Gnjilane NE 422807NO212845E.
(f) Urosevac 422233NO210753E.
(g) Prizren 421315NO204504E.
(h) Djakovica SW 422212NO202530E.
(i) Pec 423910NO201728E.
(j) Pristina Explosive Storage Fac 423636NO211225E.
(k) Pristina Ammo Depot SW 423518NO205923E.
(l) Pristina Ammo Depot 510 424211NO211056E.
(m) Pristina Headquarters facility 423938NO210934E.

3. Within each cantonment site, VJ units are required to canton all heavy weapons and vehicles outside of storage facilities.

4. After EIF + 180 days, the remaining 2500 VJ forces dedicated to border security functions provided for this Agreement will be garrisoned and cantoned at the following locations: Djakovica, Prizren, and Ursoevac; subordinate border posts within the Border Zone; a limited number of existing facilities in the immediate proximity of the Border Zone subject to the prior approval of COMKFOR; and headquarters/C2 and logistic support facilities in Pristina.

5. There are 37 approved cantonment sites for all MUP and Special Police force units in Kosovo. There are seven (7) approved regional SUP's. Each of the 37 approved cantonment sites will fall under the administrative control of one of the regional SUPs. Movement to cantonment sites, and subsequent withdrawal of MUP from Kosovo, will occur in accordance with this Chapter.

6. Approved MUP regional SUPs and cantonment sites:
(a) Kosovska Mitrovica SUP 425300NO205200E.
(1) Kosovska Mitrovica (2 locations)
(2) Leprosavic
(3) Srbica
(4) Vucitrin
(5) Zubin Potok
(b) Pristina SUP 424000NO211000E.
(1) Pristina (6 locations)
(2) Glogovac
(3) Kosovo Polje
(4) Lipjan
(5) Obilic
(6) Podujevo
(c) Pec SUP 423900NO201800E.
(1) Pec (2 locations)
(2) Klina
(3) Istok
(4) Malisevo
(d) Djakovica SUP 422300NO202600E.
(1) Djakovica (2 locations)
(2) Decani
(e) Urosevac SUP 422200NO2111000E.
(1) Urosevac (2 locations)
(2) Stimlje
(3) Strpce
(4) Kacanik
(f) Gnjilane SUP 422800NO212900E.
(1) Gnjilane (2 locations)
(2) Kamenica
(3) Vitina
(4) Kosovska
(5) Novo Brdo
(g) Prizren SUP 421300NO204500E.
(1) Prizxen (2 locations)
(2) Orahovac
(3) Suva Reka
(4) Gora

7. Within each cantonment site, MUP units are required to canton all vehicles above 6 tons, including APCs and BOVs, and all heavy weapons outside of storage facilities.

8. KFOR will have the exclusive right to inspect any cantonment site or any other location, at any time, without interference from any Party.

APPENDIX B: STATUS OF MULTI-NATIONAL MILITARY IMPLEMENTATION FORCE

1. For the purposes of this Appendix, the following expressions shall have the meetings hereunder assigned to them

a. ''NATO'' means the North Atlantic Treaty Organization (NATO), its subsidiary bodies, its military Headquarters, the NATO-led KFOR, and any elements/units forming any part of KFOR or supporting KFOR, whether or not they are from a NATO member country and whether or not they are under NATO or national command and control, when acting in furtherance of this Agreement.

b. ''Authorities in the FRY'' means appropriate authorities, whether Federal, Republic, Kosovo or other.

c. ''NATO personnel'' means the military, civilian, and contractor personnel assigned or attached to or employed by NATO, including the mililtary, civilian, and contractor personnel from non-NATO states participating in the Operation, with the exception of personnel locally hired.

d. ''the Operation'' means the support, implementation, preparation, and participation by NATO and NATO personnel in furtherance of this Chapter.

e. ''Military Headquarters'' means any entity, whatever its denomination, consisting of or constituted in part by NATO military personnel established in order to fulfill the Operation.

f. ''Authorities'' means the appropriate responsible individual, agency, or organization of the Parties.

g. ''Contractor personnel'' means the technical experts or functional specialists whose services are required by NATO and who are in the territory of the FRY exclusively to

serve NATO either in an advisory capacity in technical matters, or for the setting up, operation, or maintenance of equipment, unless they are:

(1) nationals of the FRY; or

(2) persons ordinarily resident in the FRY.

h. ''Official use'' means any use of goods purchased, or of the services received and intended for the performance of any function as required by the operation of the Headquarters.

i. ''Facilities'' means all buildings, structures, premises, and land required for conducting the operational, training, and administrative activities by NATO for the Operation as well as for accommodation of NATO personnel.

2. Without prejudice to their privileges and immunities under this Appendix, all NATO personnel shall respect the laws applicable in the FRY, whether Federal, Republic, Kosovo, or other, insofar as compliance with those laws is compatible with the entrusted tasks/mandate and shall refrain from activities not compatible with the nature of the Operation.

3. The Parties recognize the need for expeditious departure and entry procedures for NATO personnel. Such personnel shall be exempt from passport and visa regulations and the registration requirements applicable to aliens. At all entry and exit points to/from the FRY, NATO personnel shall be permitted to enter/exit the FRY on production of a national identification (ID) card. NATO personnel shall carry identification which they may be requested to produce for the authorities in the FRY, but operations, training, and movement shall not be allowed to be impeded or delayed by such requests.

4. NATO military personnel shall normally wear uniforms, and NATO personnel may posses and carry arms if authorized to do so by their orders. The Parties shall accept as valid, without tax or fee, drivers' licenses and permits issued to NATO personnel by their respective national authorities.

5. NATO shall be permitted to display the NATO flag and/or national flags of its constituent national elements/units on any NATO uniform, means of transport, or facility.

6. a. NATO shall be immune from all legal process, whether civil, administrative, or criminal.

b. NATO personnel, under all circumstances and at all times, shall be immune from the Parties' jurisdiction in respect of any civil, administrative, criminal, or disciplinary offenses which may be committed by them in the FRY. The Parties shall assist States participating in the Operation in the exercise of their jurisdiction over their own nationals.

c. Notwithstanding the above, and with the NATO Commander's express agreement in each case, the authorities in the FRY may exceptionally exercise jurisdiction in such matters, but only in respect of Contractor personnel who are not subject to the jurisdiction of their nation of citizenship.

7. NATO personnel shall be immune from any form of arrest, investigation, or detention by the authorities in the FRY. NATO personnel erroneously arrested or detained shall immediately be turned over to NATO authorities.

8. NATO personnel shall enjoy, together with their vehicles, vessels, aircraft, and equipment, free and unrestricted passage and unimpeded access throughout the FRY including associated airspace and territorial waters. This shall include, but not be limited to, the right of bivouac, maneuver, billet, and utilization of any areas or facilities as required for support, training, and operations.

9. NATO shall be exempt from duties, taxes, and other charges and inspections and custom regulations including providing inventories or other routine customs documentation, for personnel, vehicles, vessels, aircraft, equipment, supplies, and provisions entering, exiting, or transiting the territory of the FRY in support of the Operation.

10. The authorities in the FRY shall facilitate, on a priority basis and with all appropriate means, all movement of personnel, vehicles, vessels, aircraft, equipment, or supplies, through or in the airspace, ports, airports, or roads used. No charges may be assessed against NATO for air navigation, landing, or takeoff of aircraft, whether government-owned or chartered. Similarly, no duties, dues, tolls or charges may be assessed against NATO ships, whether government-owned or chartered, for the mere entry and exit of ports. Vehicles, vessels, and aircraft used in support of the Operation shall not be subject to licensing or registration requirements, nor commercial insurance.

11. NATO is granted the use of airports, roads, rails, and ports without payment of fees, duties, dues, tolls, or charges occasioned by mere use. NATO shall not, however, claim exemption from reasonable charges for specific services requested and received, but operations/movement and access shall not be allowed to be impeded pending payment for such services.

12. NATO personnel shall be exempt from taxation by the Parties on the salaries and emoluments received from NATO and on any income received from outside the FRY.

13. NATO personnel and their tangible moveable property imported into, acquired in, or exported from the FRY shall be exempt from all duties, taxes, and other charges and inspections and custom regulations.

14. NATO shall be allowed to import and to export, free of duty, taxes and other charges, such equipment, provisions, and supplies as NATO shall require for the Operation, provided such goods are for the official use of NATO or for sale to NATO personnel. Goods sold shall be solely for the use of NATO personnel and not transferable to unauthorized persons.

15. The Parties recognize that the use of communications channels is necessary for the Operation. NATO shall be allowed to operate its own internal mail services. The Parties shall, upon simple request, grant all telecommunications services, including broadcast services, needed for the Operation, as determined by NATO. This shall include the right to utilize such means and services as required to assure full ability to communicate, and the right to use all of the electromagnetic spectrum for this purpose, free of cost. In implementing this right, NATO shall make every reasonable effort to coordinate with and take into account the needs and requirements of appropriate authorities in the FRY.

16. The Parties shall provide, free of cost, such public facilities as NATO shall require to prepare for and execute the Operation. The Parties shall assist NATO in obtaining, at the lowest rate, the necessary utilities, such as electricity, water, gas and other resources, as NATO shall require for the Operation.

17. NATO and NATO personnel shall be immune from claims of any sort which arise out of activities in pursuance of the Operation; however, NATO will entertain claims on an ex gratia basis.

18. NATO shall be allowed to contract directly for the acquisition of goods, services, and construction from any source within and outside the FRY. Such contracts, goods, services, and construction shall be subject to the payment of duties, taxes, or other charges. NATO may also carry out construction works with their own personnel.

19. Commercial undertakings operating in the FRY only in the service of NATO shall be exempt from local laws and regulations with respect to the terms and conditions of their employment and licensing and registration of employees, businesses, and corporations.

20. NATO may hire local personnel who on an individual basis shall remain subject to local laws and regulations with the exception of labor/employment laws. However, local personnel hired by NATO shall:

a. be immune from legal process in respect of words spoken or written and all acts performed by them in their official capacity;

b. be immune from national services and/or national military service obligations;

c. be subject only to employment terms and conditions established by NATO; and

d. be exempt from taxation on the salaries and emoluments paid to them by NATO.

21. In carrying out its authorities under this Chapter, NATO is authorized to detain individuals and, as quickly as possible, turn them over to appropriate officials.

22. NATO may, in the conduct of the Operation, have need to make improvements or modifications to certain infrastructure in the FRY, such as roads, bridges, tunnels, buildings, and utility systems. Any such improvements or modifications of a non-temporary nature shall become part of and in the same ownership as that infrastructure. Temporary improvements or modifications may be removed at the discretion of the NATO Commander, and the infrastructure returned to as near its original condition as possible, fair wear and tear excepted.

23. Failing any prior settlement, disputes with the regard to the interpretation or application of this Appendix shall be settled between NATO and the appropriate authorities in the FRY.

24. Supplementary arrangements with any of the Parties may be concluded to facilitate any details connected with the Operation.

25. The provisions of this Appendix shall remain in force until completion of the Operation or as the Parties and NATO otherwise agree.

## CHAPTER 8

### AMENDMENT, COMPREHENSIVE ASSESSMENT, AND FINAL CLAUSES

### ARTICLE I: AMENDMENT AND COMPREHENSIVE ASSESSMENT

1. Amendments to this Agreement shall be adopted by agreement of all the Parties, except as otherwise provided by Article X of Chapter 1.

2. Each Party may propose amendments at any time and will consider and consult with the other Parties with regard to proposed amendments.

3. Three years after the entry into force of this Agreement, an international meeting shall be convened to determine a mechanism for a final settlement for Kosovo, on the basis of the will of the people, opinions of relevant authorities, each Party's efforts regarding the implementation of this Agreement, and the Helsinki Final Act, and to undertake a comprehensive assessment of the implementation of this Agreement and to consider proposals by any Party for additional measures.

### ARTICLE II: FINAL CLAUSES

1. This Agreement is signed in the English language. After signature of this Agreement,

translations will be made into Serbian, Albanian, and other languages of the national communities of Kosovo, and attached to the English text.

2. This Agreement shall enter into force upon signature.

Mr. NICKLES. I yield the floor.

Mr. McCAIN. Mr. President, I thank the Senator from Oklahoma. I appreciate his involvement, and deep involvement, in this issue. I respect his views.

I yield 10 minutes to the Senator from Illinois, Senator DURBIN.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. I thank the Senator from Arizona and ask if I may enlarge that time to 20 minutes.

Mr. McCAIN. I have no objection.

Mr. DURBIN. I thank the Senator.

Mr. President, I am joining today in this discussion and debate on what is a critically important issue not just for the current challenge facing America in the Balkans but also, frankly, in terms of the history of Congress and this Nation.

I feel very strongly about that provision of the Constitution which gives to Congress, and Congress alone, the authority to declare war. It is, unfortunately, a power allotted to Congress which for the past 50 years has been largely ignored.

One day after the bombing of Pearl Harbor, President Franklin Roosevelt hobbled to the podium of the House of Representatives and gave his memorable speech referring to a day which would ''live in infamy.'' He then asked from a joint session of Congress for a declaration of war, first against Japan and then later against Germany and Italy.

That was literally the last time a President came before Congress and recognized the authority of Congress to declare war. Every subsequent President—Democrat and Republican alike—found an excuse not to come before Congress and to wage wars of varying magnitude.

It is curious, when you look back after World War II, at the debate on the formation of NATO and of the United Nations, how careful the Members of Congress from both political parties were to preserve the authority of Congress to declare war, to make certain that we would not delegate that authority to any international institution or any treaty organization. Time and time again during the course of that debate we were reminded that even as members of the United Nations, even as members of NATO, we were not ceding the power of Congress under the Constitution to declare war.

The steady decline of congressional involvement in the war-making process resulted, of course, in our participation in Korea, in Vietnam, in a dozen other military undertakings without the express approval of Congress.

Last year, I stood on the floor of this institution and asked my colleagues—Democrats and Republicans alike—to join me in reasserting the principle that Congress, and Congress alone, has the authority to declare war and to engage in any offensive military action. Yes, the President is Commander in Chief and defends American personnel, American territory, and does it without coming to Congress waiting for a quorum and a debate and a final vote before he acts. No one would ever demand that a President restrain that authority to defend this country or its people. But in the case of an offensive military action, one where we were not defending Americans, or our territory, or engaged in some peacekeeping permissive activity, I felt the Constitution was clear. I offered that amendment to the defense appropriations bill last year.

For those who are keeping score at home, they might be interested to know that 15 of the 100 Senators voted in favor of my resolution, and 84 in opposition.

It will be interesting to take the debate on this resolution and the statements made by so many of my colleagues and put them next to that vote and ask them if there has been a change of heart. I think to some extent there has been. I think it is unfortunate that we are considering this particular resolution and that we will have little chance to amend it.

I strongly agree with my colleagues who drafted the resolution that Congress must vote to authorize any escalation of this conflict to include ground troops. I filed an amendment that would prohibit the use of ground troops to invade Yugoslavia unless specifically authorized by Congress. The President said he doesn't intend to use ground troops. He has promised in a letter to congressional leaders that he will ask for a vote of Congress before introducing United States ground forces into Kosovo in a nonpermissive environment.

I think the President must come to Congress before committing us to any ground war. I think it would better for us to vote on that specifically. But I understand that a motion to table Senate Joint Resolution 20 will be made and that it is not likely that I will be able to offer this amendment.

I did vote for Senate Concurrent Resolution 21 on March 23 that supported airstrikes against Yugoslavia. It passed by a vote of 58 to 41. I commend the President and this administration for giving the Senate at least an opportunity to vote before any action was taken. That is a concession that has rarely been made by any President. Most Presidents moved forward as if the Constitution did not exist in terms of congressional authority.

I support the President and NATO's policy. I think we need to have patience and resolve to see the air campaign through. Many have questioned the strategy of conducting an air campaign without committing ground troops.

This is an important debate. But I believe we had no choice but to start the bombing campaign in an attempt to respond to ethnic cleansing, the genocide in Kosovo. We could not stand idly by and watch it happen.

I have listened to the speeches on the floor from some of my colleagues who take exception to the premise that the United States should even be involved in this conflict. I do not agree with that. Frankly, having been there, having seen literally thousands of people in a refugee camp in Brazda in Macedonia, it is clear to me what is going on. The policies of Milosevic in Yugoslavia are directed toward innocent people.

Time and time again I asked these innocent Kosovars why they left Kosovo—an open-ended question. Time and time again the response was exactly the same. In the middle of the night a knock on the door, people in black ski masks, or otherwise concealed identity, gave them literally minutes to leave: Pick up your babies, pick up your grandparents and whatever you can hold, and leave, because we are going to burn down or blow up your home. If they were lucky, they got out. They got out with a family intact. But many were not so fortunate. They were victims of ethnic cleansing—not just displacement but murder. So many times over and over we hear these stories of murder, of genocide against people, not because they have done anything wrong but because they are of the wrong ethnic persuasion, the wrong culture, the wrong religious belief.

I am not sure what the word ''genocide'' means technically. But what I have seen is the closest I may come to it in my lifetime in that refugee camp in Macedonia—victims of murder, rape, displacement, genocide, suffering. These are the people forced out of Kosovo.

Some of my colleagues will come to the floor and say that is none of our business, we can't be the policeman to the world; the United States has limited capability, limited responsibility. That is a point of view that I would disagree with but I understand. We certainly cannot police the world. But the fact is, we are part of a NATO alliance which is being tested in terms of its existence and its future. If NATO does not come forward at this moment in time unified and determined to rid Milosevic of his killing fields in Kosovo, the NATO alliance is all but moribund and dead and pointless.

For the 20th century, we have invested so much in American treasures, in American lives to preserve Europe: World War I, World War II, and the cold war—thousands and thousands of Americans fighting and dying for the

stability and safety and security of Europe.

Now in the closing moments of this century are we to walk away from this corner of the world which has been so important in our alliance in the past? Are we to ignore the barbarism being practiced by Slobodan Milosevic? Are we to say that a man who has initiated four wars in 10 years can now start another war if he cares to, find more innocent victims for his policy of ethnic cleansing? Should we, as the United States, step back as the lead nation in this important alliance and declare it is over? I hope not.

I think President Clinton is right. Fighting this war at this moment in time is critically important because it will validate the future of NATO. I hope for a generation, perhaps even a century of peace in a Europe that has been torn with warfare too many times.

The critical question in Senate Joint Resolution 20 is how far do we go. I voted for airstrikes, I mentioned earlier. But this resolution goes further. I read it in its entirety in the resolution clause:

That the President is authorized to use all necessary force and other means in concert with United States allies to accomplish United States and North Atlantic Treaty Organization objectives in the Federal Republic of Yugoslavia, Serbia and Montenegro.

I cannot support that. As much as I support the current air war, as much as I support our efforts to stop ethnic cleansing by Slobodan Milosevic, I cannot support committing ground troops. I think that is a mistake.

I made a point during my recent visit to ask military experts how it would be accomplished. How can we send troops in the field and accomplish this goal? Time and time again the answer came back: With great difficulty. We don't have the port facility that we can rely on. Frankly, we can't look at the nations surrounding Yugoslavia and find a ready entry strategy. What we would have to do would be elaborate, costly, expensive, time consuming, and dangerous.

That is why, though I support the air war, I don't support the concept of sending ground troops. I don't believe it is necessary nor practical, and I don't think we should do it. This resolution is open ended and gives the President authority for ground troops and beyond.

Just last week, the House of Representatives considered this issue. I am sorry to say, about an institution where I served for 14 years and one which I hold in the highest regard, that it was not one of their finer moments. It was an aimless, pointless, confusing debate. At a time when the American people needed clarity and leadership from the Congress, they received neither. They voted not to expand the war; they voted not to pull out; and then by a tie vote they failed to pass a resolution even supporting the current air war in place in Kosovo and in Yugoslavia.

I am not sure what message was sent. We spend a lot of time here on Capitol Hill talking about sending messages as if we are some sort of e-mail source or Western Union. But that was a very confused day for America, and I am sure the confusion was felt around the world.

I hope our vote here does not lead to the same misunderstanding. I think it is likely that this resolution, because it is so broad and open ended, will be tabled. The decision made by that, I believe, that we will continue the Senate approval of the air war, we will not give to this President something he has not asked for—the authority to commit ground troops or whatever other power is in his hands.

How did we reach this point where we have to debate whether Congress will exercise its constitutional authority? I think there are several reasons. By attrition we have given back to the executive branch the conduct not only of foreign policy but of the military as well, without any real reference for the language of the Constitution. We have said fundamentally, Mr. President, it is your decision to make.

I think it reflects many things. I think it reflects historical attrition. I think it also reflects a timidity on the part of Congress in terms of getting its hands dirty, involved in a military struggle that might result in American casualties. That is a sad commentary because the American people count on us to come forward during the course of debate and with as much clarity as possible to explain the choices and to make the call in terms of our military and foreign policy.

I think, unfortunately, this resolution by Senators MCCAIN, BIDEN, and others, does not express the feelings of Congress today. I think if there were a resolution in the Senate as to whether or not we should continue this air war, as the President has proposed, it again will pass as it did on March 23. This idea of expanding beyond goes too far.

I listened to the Senator from Virginia argue earlier that Congress has a very limited, if any, role, when it comes to the declaration of war. I disagree with him on that score. I believe there is an important element here that must be remembered. The words of James Madison aptly summarize the founders of this country and their thinking on this point when he said:

In no part of the constitution is more wisdom to be found, than in the clause which confides the question of war or peace to the legislature, and not to the executive department. . .[T]he trust and the temptation would be too great for any one man. . ..Hence it has grown into an axiom that the executive is the department of power most distinguished by its propensity to war; hence it is the practice of all states, in proportion as they are free, to disarm this propensity of its influence.

It is hard to imagine a clearer situation for acting on the Congress' war power than the situation we face with Yugoslavia and Kosovo today.

I have offered a resolution which states that if the President seeks to expand this war beyond the current air war approved earlier by Senate resolution, it would require Senate approval. I think with that type of resolution we would continue to assert our constitutional authority to authorize military activity and to draw clear, bright lines as to the extent that the President can go.

I understand the Senator from Arizona, and I have heard him speak many times on the floor and in the press about his belief that we should give to this President all power necessary to complete the war. I appreciate his point of view, though I respectfully disagree with him. I think that involvement in a ground war could be costly and, frankly, not the result for which the American people are looking.

I hope during the course of this debate several things come through loudly and clearly. First, regardless of your point of view on this resolution, we support the men and women in uniform. Regardless of party preference, we are here in support of their actions. I am proud of what I have seen and what I am sure will continue in their service to this country.

Second, we condemn the ethnic cleansing policy of Slobodan Milosevic. He has picked on innocent victims time and time again, and this type of genocide must come to an end.

Third, any expansion of this war beyond the current military undertaking must be with the consent of the American people through their elected Representatives in Congress. I hope, regardless of what the vote may be on this resolution tomorrow, that that will be a principle which the President will continuing to abide by.

I believe NATO has a future. I certainly believe that America has a future in its leadership in the world. We are being tested in the Balkans. I want to pass that test so the 21st century is a century of peace.

I yield back the remainder of my time.

Mr. LAUTENBERG. Mr. President, I rise today as a cosponsor of the pending resolution authorizing the use of ''all necessary force and other means'' to address the crisis in Kosovo. I know our vote will be a procedural one, and that the Senate may well vote to table the resolution.

I would therefore urge my colleagues to demonstrate their support for the resolution by joining the distinguished senior Senator from Arizona, Senator MCCAIN, and the Ranking Member of

the Foreign Relations Committee, Senator BIDEN, and others who have cosponsored this legislation.

I am heartened by this bipartisan support for President Clinton's leadership of NATO efforts to stop the killing in Kosovo and allow ethnic Albanians to return and rebuild their homes under the protection of a NATO-led peacekeeping force.

Mr. President, we are not debating whether our values and interests merit the engagement of our armed forces.

President Bush first issued the so-called Christmas warning in 1992, threatening the use of force if Yugoslav forces moved against Kosovo. President Clinton renewed that pledge soon after taking the oath of office for the first time. Unlike our colleagues in the other body, the Senate clearly voted to authorize the President to conduct air operations and missile strikes against Yugoslavia.

Why did we do so? Why does the fate of ethnic Albanians in a province of what remains of Yugoslavia matter to the American people?

Because fundamental United States interests and values are at stake.

The first is the credibility of the United States as a moral leader in establishing rules of civilized behavior among countries, to take a stand against mass killings and mass rapes and mass expulsions of innocent civilians wherever they occur.

The second is the promise of developed nations banding together to enforce these standards of conduct, as members of NATO are doing through joint military action against Belgrade.

At the fiftieth anniversary Summit, the leaders of nineteen democracies strengthened the Euro-Atlantic partnership so we can more often act—particularly in Europe—in concert with allies who generally share our interests and values and who have the capability to undertake fully integrated military operations alongside U.S. armed forces.

Those nineteen heads of state and government were joined by the leaders of many other nations in the Euro-Atlantic Partnership Council expressing solidarity to address the threat to European security from the Milosevic regime in Belgrade.

Third is the credibility of United States threatening the use of force when appropriate.

We have followed through on declarations made by President Bush and President Clinton. Now we must prevail. Otherwise, our leadership around the world will not be taken seriously, and we may find our interests threatened more in the future.

Fourth, we must stop conflicts early, before a small but intense fire becomes a widespread conflagration.

We must help neighboring states, particularly Albania and Macedonia and Montenegro, confront the challenge of helping hundreds of thousands of ethnic Albanians driven out of their native Kosovo. We have already seen the pressure which Belgrade has brought to bear by flooding these countries with refugees.

One cannot fully predict what will happen if we do not prevail, stopping these crimes against humanity, this genocide in the Balkans, rather than permitting this abhorrent behavior to become an ordinary means of controlling events.

Finally, I would remind my colleagues, Mr. President, that Milosevic and his police and military forces are killing people and raping women and driving families from their homes based on their ethnicity—they are committing unacceptable acts. We have an obligation and a responsibility to act to stop genocide.

We cannot stand by and allow these massacres to continue and claim to stand for what is right in this world?

Mr. President, the United States Senate has already decided that our national interests and values justify the engagement of our armed forces. NATO air power has struck targets in Yugoslavia for more than a month now.

There are signs Belgrade's will to resist may be faltering. Therefore, we should not be showing weakness, because civilized values will certainly be under assault.

We must have history reflect that such appalling behavior will trigger sharp rebuff by democratic, life-respecting nations.

Milosevic cannot seriously question the military superiority of NATO. Despite some losses, we have managed to sustain a serious air campaign with relative impunity. We have overwhelming force on our side.

Milosevic is instead pinning his hopes on NATO lacking the unity and political will to use the necessary force to prevail.

The time has come to disabuse him of these delusions. This resolution will tell Milosevic that we are prepared to do whatever it takes to halt and reverse his campaign of terror against the people of Kosovo.

Let me address some of the questions raised by my colleagues who may not support the pending legislation: Does this Resolution mean the United States and our NATO allies will fight their way into Kosovo on the ground? Should we not give air power more time to be effective? Why not negotiate an end to the conflict?

The resolution would authorize the President ''to use all necessary force and other means, in concert with United States allies. . . .'' That would authorize use of resources if the President determines this is necessary. The President has asked us to be patient, to give air power time to achieve Belgrade's acceptance of NATO conditions.

While I am reluctant to wait while the killing and the rapes and the expulsions continue, as a practical matter it will take some time—perhaps months—to plan and mount a ground campaign. NATO Secretary General Solana has rightly decided to update plans for the use of ground forces to liberate Kosovo and escort more than a million displaced Kosovars back to their homes.

By signaling our readiness to commit ground forces if necessary, we can actually improve prospects for Belgrade's capitulation. In any case, the United States should participate in an international force to maintain stability and protect the civilian population of Kosovo, though our European partners will appropriately take the lead in such an effort.

Negotiations are taking place. Former Russian Prime Minister Victor Chernomyrdin, United Nations Secretary General Kofi Annan, and others are trying to mediate a solution. This is all well and good, so long as these mediators understand that we will not negotiate away the principles NATO has set out as conditions for an end to the bombing.

We all appreciate Reverend Jesse Jackson's courageous intervention to secure the release of the three American soldiers captured on the Yugoslav/Macedonian border. However, we cannot accept the ostensibly humane act of their release as a license for Milosevic's forces to continue the mayhem, rape, and killing they are committing even as we speak.

Mr. President, I ask unanimous consent to have printed in the RECORD a description from the New York Times of a singular atrocity.

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

[From the New York Times, May 3, 1999]

SURVIVOR TELLS OF MASSACRE AT KOSOVO VILLAGE

(By Anthony DePalma)

KUKES, ALBANIA, MAY 2—It lasted no more than three minutes, three minutes of savagery unleashed without even a word. ''They just started shooting and I got hit in the shoulder. the dead bodies behind me pushed me over the cliff and into the stream. I was lucky because all of the dead bodies fell on top of me.''

Isuf Zheniqi, who said he survived when 58 men died in a massacre near Bela Crkva in southwestern Kosovo more than a month ago, speaks out hesitantly, fearing Serbian forces might take revenge on members of his family still in Kosovo.

But after crawling out from under the bodies of his relatives, neighbors and friends, with a bullet from a Serbian automatic rifle embedded in his right shoulder and horrors filling his head, he has carried around the names of almost all the men who died that day.

In crimped handwriting he puts them down on the pages of an address book, name after name of old men, young boys, teenagers and men, like himself, who were suspected by the Serbs of belonging to the Kosovo Liberation Army, which is fighting to make Kosovo independent from Serbia.

He remembers the names of all but one. But he knows there were 58 because he

helped bury them, each one with a written name.

As refugees from Kosovo continue to flee across the border, the accounts of atrocities committed by Serbian forces in Kosovo multiply: a killing spree in the village of Velika Krusa, the rampage of troops through the streets of Djakovica, the slaughter of up to 100 men in the village of Meja.

Accounts from different refugees are consistent enough to lend a great deal of credibility to some. But eyewitness accounts by survivors like Mr. Zheniqi are rare, either because the killing was done efficiently enough to prevent survivors, or because the sheer terror of minutes like those on the embankment at Bela Crkva prevents survivors from recounting their ordeals.

Mr. Zheniqi said that when he was brought across the border by relatives he told human rights investigators what had happened at Bela Crkva. But until now, he has not given journalists a full account of his experience.

Human Rights Watch separately interviewed Mr. Zheniqi and four other witnesses, who corroborated parts of his account.

Mr. Zheniqi was the only one who testified that he saw the actual killing, Human Rights Watch officials said. Four women who were separated from the men at Bela Crkva heard the shots as they were walking to Zrze and later returned to see the bodies.

And other refugees told Human Rights Watch that they were among the group of 20 or so people who returned the day after the killings to bury the bodies.

''All the witnesses gave us highly credible and unusually consistent accounts of what happened at Bela Crkva,'' said Fred Abrahams of Human Rights Watch. ''They corroborated what the eyewitness told us.''

The other witnesses appear to have left Kukes since they were interviewed. It was impossible to confirm the killings independently, beyond the refugee accounts, since reporters and independent investigators have been unable to visit that area of Kosovo since the bombing started.

Today Mr. Zheniqi lives in a Kukes pool hall, with his daughter and her family. He cannot use his right arm because of the bullet wound, and during the days he can often be seen dozing in the sun outside the pool hall, trying to steal some moments of the rest that eludes him every night because of his terrible dreams.

''My daughter tells me 'Father, sleep, why don't you sleep?' '' Mr. Zheniqi said. ''But I can't. All those dead bodies on top of mine. When I meet someone from Kosovo and they ask me what happened, I cry. I'm embarrassed, because I'm 39 years old and I'm crying.''

The slightly built farmer, who worked for eight years in Switzerland before returning to the fertile soil of southwestern Kosovo, said that before the turmoil in Kosovo began over a year ago, he had almost no contact with Serbs living nearby.

But the area was a known stronghold of the Kosovo Liberation Army, and the Serbs were advancing ruthlessly on rebel positions, including the area of Bela Crkva. Mr. Zheniqi said that he was not a member of the rebel force and that none of those killed had any connection to the Kosovo Liberation Army.

At 9:30 in the morning, Mr. Zheniqi said, 16 special policemen appeared, shooting their automatic weapons in the air. Two families had strayed from the group and Mr. Zheniqi said the Serbs opened fire, killing every member of both except for a 2-year-old boy who had been protected by his mother.

''She hid the baby in front of her and saved him,'' Zheniqi said, His lips quivered and he could not talk. When he continued, he said, ''I saw this with my own eyes, maybe 150 feet from me.

The Serbs then shot their rifles in the air again and shouted, in Albanian, ''Get up and come here.''

The villagers climbed up the banks of the stream with their hands over their heads. When they reached the train trestle, the men were separated from the women and children, and ordered to strip down to their undershorts.

About 3:30 A.M. on March 25, on the First night of NATO bombings in Yugoslavia, Serbian forces started their operation, Mr. Zheniqi said. He said he saw about a dozen Serbian tanks take positions in Bela Crkva. ''One was in front of my house,'' he said. Anticipating violence, he took his family and his brother's family—17 people in all—and ran to the nearby mountains to hide.

When the streets again fell silent, they returned, thinking the tanks has moved on. But they hadn't. Smoke soon rose from the houses of Bela Crkva that were closest to the road from Prizren to Rahovec. Mr. Zheniqi and his family fled again, this time scrambling down the deep banks of a large nearby stream. It was about 4:30 A.M.

''The people from the whole village started to collect there in the stream,'' he said. They went to a place he called Ura e Bellase, where a train trestle crossed the stream. About 800 villagers tried to hide beneath the bridge.

After daybreak, the villagers tried to move toward Zrze and Rogovo, two nearby hamlets they thought would be safe. But Serbian snipers followed their movements.

The police then went through their belongings, Mr. Zheniqi said, taking anything of value. A local doctor trainee, Nesim Popaj, tried to talk to the police in Serbian because his nephew, Shendet Popaj, 17, had been thrown on the ground and was under a policeman's boot.

''The Serb looked at the doctor, said just two or three words, and told him to move over a bit,'' Mr. Zheniqi said. ''Then he shot him. We were shocked. The man was a captain using an automatic rifle. He wore a green camouflage uniform, and on his shoulders were stars. I don't know his name, but he was tall and he had a scrunched-up mouth. I could recognize his picture easily.''

The women and children were sent to Zrze. The men were allowed to get dressed and then were forced to move over to the high ground above the stream. Mr. Zheniqi was in the first line, at the edge of the stream bank, with many men behind him.

''We tried to say something to the Serbs but they didn't let us,'' Mr. Zheniqi said. ''If we tried they just said, 'Shut up.' We all cried. Sahid Popaj cried from the moment we were forced to take off our clothes to the moment he died. He just cried.''

The shooting started without a word from the policemen. Several of them standing just behind the villagers opened fire with automatic weapons. Being farthest away from the gunmen provided Mr. Zheniqi with some cover, but he was struck by a bullet in his right shoulder. The shooting lasted about three minutes, he said. The weight of the men falling behind him pushed him over into the stream.

He fell about six feet, landing in the water. ''At that moment, I was just thinking of getting to one stone and from there holding my head above the water. I stayed there like a dead man for a total of maybe 20 minutes.''

The terror has not ended. The policemen lowered themselves down the embankment.

''I heard someone telling a guy in the stream: 'He's breathing, shoot him; he's breathing, shoot him,' '' Mr. Zheniqi said. They found nine men who had hidden themselves in the bushes, and killed them.

He waited another 15 minutes, and when all was quiet he pull himself out from under the weight of his dead friends and relatives. That was when he saw the extent of what had happened in Bela Crkva. ''There in the stream, I saw terrible things: men without eyes, men with half their heads blown off.''

He staggered to Zrze, where he found some of his family and told them about the killing. He said the men organized a group to go back to the stream, but Mr. Zheniqi was not among them. He said they found four other survivors, and piled them into the wagon behind their tractor, dodging sniper fire. On the way back, two of the survivors died.

The following day, about 20 villagers from Bela Crkva returned to the stream to bury the dead. Already, they were thinking of justice and the memory of those who had been mowed down in three minutes.

''We wrote the names of all the dead on separate pieces of paper,'' Mr. Zheniqi said. Then we put the papers inside plastic soda bottles. There was one name in each bottle. We put the bottle inside the grave, not on top. And we buried them, not far from the stream.''

Mr. LAUTENBERG. Mr. President, our cause is just. Our objectives are reasonable. President Clinton has thus far insisted that Kosovo be granted substantial autonomy within the borders of Yugoslavia.

We should be prepared to do whatever is necessary to prevail, to stop the killing and the rapes and the expulsions, to reverse ethnic cleansing.

We must stand up for what is right. I hope my colleagues will agree and will join me in supporting this legislation.

Mr. President, I plan to vote against the motion to table the Resolution. I believe the Senate has the right and the responsibility to clearly address this issue.

And I hope that this Senate, given the opportunity to vote on the Resolution, will rise to the occasion and clearly authorize the President to do what it takes, together with our NATO allies, to prevail over the Milosevic regime, to stop the killing in Kosovo and help bring peace and stability to a troubled region of Europe.

I yield the floor.

Mr. THOMPSON. Mr. President, on its face, this resolution is hard to challenge. Of course, we want to do whatever it takes to win a conflict we are engaged in. However, voting for this Resolution, while appealing to my instincts, would go against what I believe to be my obligation. This Resolution is essentially a Declaration of War—a Declaration of War that the President hasn't even requested. It would give to the President a blank check for an indefinite period of time, regardless of any changes in circumstances. It does not even require that we act in concert with our NATO allies.

Congress's Constitutional authority to declare war presupposes that the

President will support such action. In each of the five wars for which Congress has passed Declarations of War, none have come without a specific presidential request. This resolution today, however, would grant the President authority he has not sought, based on the War Powers Resolution he does not recognize, to fight a ground war he has promised he will not undertake.

If the Commander in Chief decides that we need ground troops in Yugoslavia, then he should come to the Congress and request them. At that time, the Congress would have the opportunity to ask certain questions, such as:

What are our vital national interests here?

What are our military and political objectives?

Do we propose to take Belgrade or parts or all of Kosovo?

How do we propose to get our troops into the battle area?

How many troops will it take?

How many casualties do we expect?

What will be the make up of the NATO ground forces?

e.g., how many U.S. troops?

How long will it take us to achieve our objectives?

How thinly spread will we be left in other places in the world where we have military commitments?

What is the overall commitment level of our NATO allies, both with regard to such an operation and with regard to its aftermath?

When and if that time comes, I will ask these questions and others and listen carefully to the answers. I will give it careful consideration and cast my vote depending upon the circumstances that exist at that time. If we pass this Resolution now, however, I fear that these important questions will never be answered.

When Congress was first consulted with regard to the air campaign in Yugoslavia, it was done almost as an afterthought, after the Administration had already made its decision to begin bombing. Many of us felt at the time what we should all now know with certainty—that Administration officials had not adequately considered all of the ramifications of what they were doing. On the heels of that experience, should Congress now, when the stakes have been raised much higher, authorize and even pressure the Administration to fight a ground war that they are clearly not prepared to fight? Does the Senate not want answers to why and how a ground campaign would work—the kind of answers that we should have demanded before the Senate voted to approve the air campaign?

And with regard to the timing of this resolution, some now suggest that more time should be devoted to debating this issue and I agree. However, this argument is being made a little late. It would have been more helpful if we had had a more extended discussion of this issue at a time when it might have had more relevance—before the final decision for the bombing campaign was made. At that time, the President should have explained to the Congress and the American people why going to war in the Balkans was in our national interest. We should have demanded it. However, he didn't and the Senate, after a debate under a 30 minute time agreement, gave pro forma approval to a decision that had already been made.

And now in the middle of a bombing campaign that the President still says will achieve our objectives, we are asked to cast another vote that will have no effect. So be it. But I would hope that in the future we would take up these matters earlier in the process and not let the President present them to us as a fait accompli. Perhaps then the two branches of government could come together with some unity of purpose and we could all go to the American people with a clear message about our intent and about our interests. What we are witnessing now in the disunity of the Congress and among the American people is the result of our failure to do that.

Mr. KOHL. Mr. President, I will be voting to table S.J. Res. 20, which would authorize the President to use all necessary force against Yugoslavia.

On March 23, I voted along with 58 of my colleagues to authorize the use of air strikes against Yugoslavia. I deplore the actions of Slobodan Milosevic, a dictator who has caused pain and suffering for all the peace-loving people of the region. The decision to launch airstrikes was made only after the Administration and NATO worked diligently to bring a peaceful resolution to the conflict in Kosovo. There was, and continues to be, an international consensus that Milosevic's actions demand our continued use of air power. I continue to hope that air strikes will pave the way for an end to hostilities in the region, a return of refugees to Kosovo, and an autonomy arrangement that can be supported by all. The possibility of a diplomatic resolution to this conflict is very much alive.

Thus, the resolution before us today is premature. The President has not indicated that he intends to expand the use of force here, he has not indicated any immediate plans to use ground troops, nor has he asked us to fund such an expansion of the conflict in Kosovo. Thus, I must vote to table this resolution.

Mr. GRASSLEY. Mr. President, I rise today with deep concern over the Clinton Administration's policy regarding Yugoslavia and Kosovo.

I have observed, over the past year, an Administration policy characterized by a lack of vision regarding events in the Federal Republic of Yugoslavia. In recent months, the American public has seen the conflict in Kosovo explode onto the front pages of newspapers and dominate primetime television news. This conflict, however, is not new. It stems from centuries of tension and a decade of deteriorating relations between Serbs and Albanians in Kosovo, made worse because of Slobodan Milosevic's rule over the country.

I do not want to downplay the seriousness of Milosevic's action in Kosovo. Milosevic has treated the Kosovar Alabnians in a barbarous manner. But, have NATO airstrikes solved this problem? No. And the sad fact is: United States policy has—if nothing else—unfortunately speeded up Milosevic's campaign of terror in Kosovo.

And now, with our men and women risking their lives over the skies and on the ground in the Balkan region—we must take time to evaluate past policy and determine how best to move forward toward peace while making wise use of limited military resources.

Military intervention should be the method of last resort in any conflict. Once all efforts have been made to resolve a conflict peaceably—the only way to conduct military operations is with a clear vision of goals to be achieved—goals backed up by sound military advice, common-sense wisdom with maximum objectivity based upon factual evidence.

I follow the Colin Powell doctrine on military operations—you should not get into a military situation you don't know how to exit. In other words, have plans on how you're going to get out of the situation. And, if you do initiate a military operation—you should go in at the beginning with enough force to ensure victory.

A critical miscalculation in Clinton's Kosovo policy was the president's outright statement that ground troops would not be introduced into the region. It was an impassioned, emphatic statement. And it signaled to the world that—right out of the gate—the United States was not serious about this mission. Not only were the military goals vague, but the means to achieve those goals were laid out clearly for Slobodan Milosevic to see. Milosevic knew he had time to further his own twisted goals in Kosovo and has succeeded in wreaking havoc on the region while dodging NATO missiles.

Therefore, we are in a situation where ''gradualism'' is being practiced. This was Clinton's only way of his misstatement regarding ground troops. I say ''gradualism'' because the Administration has already set the stage for troops to be on the ground—regardless of what Congress says about it. First, United States ground forces were sent to surrounding countries to aid in humanitarian efforts. They were followed up by support troops for air divisions—

troops to support the Apache helicopter division—troops to support artillery to support the Apache helicopters. Soon, we will need troops on the ground to protect troops already on the ground. I think it's fair to say we are in a ground war even though we don't have United States military forces on the ground within the geographical confines of Kosovo.

Today we are debating a resolution to give President Clinton the authority to use ''all necessary force'' to achieve Clinton Administration goals in Kosovo. I understand this resolution inadvertently triggered the War Powers Act, which requires a vote. But, the president not only hasn't asked for this broad-ranging authority, he still maintains it isn't needed. Some of my colleagues wish to affirm the president's authority regarding our involvement in Kosovo. I cannot support such a resolution.

I cannot support a policy lacking common sense. I cannot—with a clear conscience—provide limitless authority to an Administration which has failed to demonstrate an understanding of the consequences of its policies. We must have a defined goal—and I'm talking more defined than the United States diminishing Slobodan Milosevic's ''capacity to maintain his grip and impose his control on Kosovo.''

What is our goal? To destroy all Yugoslav military forces and control the entire Federal Republic of Yugoslavia? To occupy Belgrade? To expel Milosevic's forces from Kosovo?

This resolution will not move us closer to a clear goal—a clear strategy.

I support our men and women who are risking their lives—even at this moment—for the sake of NATO's reputation and Clinton's military policy. I condemn Slobodan Milosevic's reprehensible actions in the Kosovo region.

I seek clear military goals and concise, appropriate communication from our nation's commander-in-chief. Congress and the people of the United States are waiting.

Mr. ASHCROFT. Mr. President, I rise in opposition to S.J. Res. 20 to authorize the use of all necessary force in the NATO operation against Yugoslavia. Taking such a step at this time is imprudent, particularly in light of the poor management of the ongoing air campaign against President Milosevic. Nothing in the operation to date indicates we have defined strategic goals in Kosovo or summoned the political will to achieve those goals. Clearly, this is not the time to authorize the Administration to escalate a strategically flawed and poorly managed campaign in the Balkans.

A lack of foresight and planning has defined both the air war and the refugee relief effort, allowing Milosevic to seize and keep the initiative. The air war has been waged in a classic Vietnam-style fashion of escalation. Two principle elements of war, surprise and overwhelming force, have been sacrificed to the political whims of our European allies. The first three weeks of bombing in Allied Force were comparable to one day of bombing in the Gulf War. NATO has waited a full month before targeting Yugoslavia's electrical and television networks. In the Gulf War, such assets were destroyed in the first two days of the conflict.

Even as the President sends additional planes and personnel to enhance NATO's firepower, a lack of leadership continues to undermine our efforts to punish Milosevic. According to statements by NATO Military Committee Chairman, General Klaus Naumann, Apache helicopters will not be sent into Kosovo, but fire into the province from Albania. NATO Commander General Wesley Clark is requesting additional planes, but NATO is running out of basing areas in the Balkans. A lack of preparatory work to have these facilities ready has delayed 400 planes being deployed to the region. NATO has an oil embargo on Yugoslavia but will not use force to stop shipments into the country.

The refugee crisis has been compounded by poor planning for the relief effort. Before the air campaign began on March 24, the Administration had enough food in the region to feed 500,000 people for five months. Almost two-thirds of that amount was stationed in Yugoslavia, however. For relief supplies such as tents and blankets, Belgrade was the only staging area for the U.S. Office of Foreign Disaster Assistance.

Clearly, the Administration's record to date on Kosovo is not a basis upon which to authorize the use of ''all necessary force.'' The Administration misjudged the enemy and started this war with inadequate means. Now that we are engaged, we need to deploy overwhelming air power to accomplish our objectives. I want to see an aggressive air campaign waged before we take the next step of deploying thousands of ground troops to the Balkans.

We should be patient and allow an aggressive air campaign to take its toll, but the air war must be combined with better political leadership if our objectives are to be achieved. An inability to explain why the United States is engaged in Kosovo has plagued this operation from the beginning. Until the Administration has demonstrated the political leadership to define and achieve clear objectives in Kosovo, authorizing the use of ground forces is ill-advised.

Mr. GRAMS. Mr. President, as a strong critic of the Administration's policy in the Balkans, I am uncomfortable expressing my reservations now that we are in a state of war. The U.S. forces conducting air strikes against Serbia have my full support as they go into battle even though I do not support what I believe to be an ill-defined mission.

Mr. President, I opposed the resolution authorizing the President to bomb Serbia, because I did not see how bombing Serbia would end the atrocities being committed, bring about stability in the region, or lead to greater political autonomy for Kosovo. And I am going to oppose this resolution as well. The Senate should not be moving to authorize the President ''to use all necessary force''—when the President has not asked us for that authority—and when the President has given every indication that he has no intention of moving in that direction. I know that the authors of this resolution have the best intentions, but I do not think that it is prudent to push the Commander-in-Chief towards putting U.S. troops on the ground. If the President believes that ground troops are necessary, the President should come to the Congress, clearly explain his objectives and how the use of force can achieve those specific goals. Then, and only then, should the President ask Congress for authorization to use ground troops. That is the way to proceed.

Mr. President, the only lasting solution to this conflict in the Balkans is a negotiated agreement where both sides agree to live with the results. It is inevitable that Russia, and other traditional Serb allies, will play a role in this process. But given the record of the UN in Bosnia, the peacekeeping force would be more credible if it was under a different organization's control. OSCE member nations who did not participate in the NATO bombing campaign could provide a credible force. The conflict between the Serbs and the Kosovars will not end with a NATO defeat of the Serbs, just as it didn't end with the defeat of the Serbs by the Turks in Kosovo in 1389. The conflict will continue to flare unless a political solution is found to this intractable problem, so I urge the Administration to actively engage in finding a negotiated settlement to this conflict which will lead to a sustainable peace in the Balkan region.

Mr. FRIST. Mr. President, for a deliberative democracy, going to war is an agonizing task. It is a slow, cumbersome, sometimes combative process itself. It is discomforting to all.

With regards to Kosovo, I understand the President's vision of what our world should be and what the United States' role in such a world should be. I believe I also understand the foundations of his vision of the role of the United States in a Europe fundamentally different than the one into which NATO was born—where barbarians are not allowed to butcher, and where long term stability on the continent must be defended to maintain the standard

of living we have fought so hard to achieve.

I also understand the intent of the authors and sponsors of this resolution. For our Nation to prevail in war, both the citizenry and the Congress must be united behind the Commander in Chief during times of war. I commend my colleague from Arizona for his intent.

As Members of the Senate, we must make no mistake about the importance of this vote, but we must also keep in mind the three critical interpretations this vote represents, regardless of the specific wording of the resolution:

First, this vote will be interpreted as a vote on whether we approve of the President's strategy so far—a strategy which seems to have initially failed to achieve at least one of our primary goals: to stop ethnic cleansing in Kosovo.

Second, this vote will be interpreted as a vote on what we believe the role of the Congress should be in the future prosecution of this unfolding war.

Third, and most important, this vote will be interpreted as a statement on whether we are willing to commit ground troops to invade Yugoslavia, and whether we are willing to risk a considerable sum in blood and treasure to meet those goals.

On all three accounts, the vote on this resolution is premature. The wisdom or failure of the President's strategy cannot yet be fully determined. More important, at the current time in our military campaign, with the decision of what means will be employed to achieve our ends still undetermined, it is premature for Congress to relinquish any future authority to say how this war will or will not be conducted.

While I said that I fully appreciate the importance of an unencumbered Commander in Chief, I also believe it is necessary for Congress to retain its limited but critical Constitutional role in declaring war. Such a vote, where that limited authority would be relinquished now at a time prior to the President specifically seeking it from the Congress, is tantamount to approval of the deployment of ground troops to invade Kosovo or other parts of Yugoslavia. That is a blessing I am not willing to give at this time—when the Commander in Chief has not even sought that approval.

Because the resolution is premature, I will not support it now. If the Commander in Chief believes this war must be expanded beyond the air campaign, he will have every opportunity to seek that authority. I will listen thoroughly and fulfill my Constitutional duties at that time.

For now, I will vote to table this resolution because such a vote does not tie the President's hands more that he has already. I certainly will not give aid and comfort to our enemies by voting against the possibility of using ground troops. My vote allows the President full range of options but does underscore my insistence that he more adequately address his rationale before the U.S. Congress and the American people before committing ground troops to battle.

Mr. MCCAIN. I yield 15 minutes to the Senator from Connecticut, Senator LIEBERMAN.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. Mr. President, I have been privileged to join with the Senator from Arizona, the Senator from Delaware and others, in cosponsoring this resolution. So I have listened with considerable personal interest as one after another of our colleagues have expressed their points of view. I joined with Senator MCCAIN and Senator BIDEN and the others in cosponsoring this resolution as a way to express my personal support, and hopefully on a bipartisan basis—and the cosponsors of this resolution are a broad and bipartisan group—to give the Senate an opportunity to express our support for the objectives that NATO has adopted in entering the conflict in the Balkans and that the United States and this administration have, of course, subscribed to. Let me read what those objectives are:

> That the Federal Republic of Yugoslavia, (Serbia and Montenegro) . . . withdraw its military, paramilitary and security forces from the province of Kosovo, [that the Federal Republic of Yugoslavia] allow the return of ethnic Albanian refugees to their homes, and [that Serbia] permit the establishment of a NATO-led peacekeeping force in Kosovo.

In light of all the blood that has been spilled, in light of the horrific scenes that we have all not just heard about, not just heard rumored, not heard speculated about, but seen with our own eyes on television, heard the eye-witness reports on television; of all the horrors that we have been forced to witness again that have occurred in Kosovo—when we think of all of those objectives of the NATO campaign, the NATO effort, the NATO war in the Balkans, they are extremely reasonable and extremely just.

So I joined with my colleagues in offering this resolution as a way to restate clearly and simply what our objectives are here and to say that we want to support the President of the United States. We want to support the President of the United States in the decision he has made to join with our allies in NATO to carry out this cause. We want to say by this resolution, so strongly do we believe in this cause, that we are prepared to give this President, as the resolution says, authorization ''to use all necessary force and other means, in concert with the United States allies, to accomplish United States and NATO objectives,'' that I have just described.

To me, it is an opportunity, broadbased, simple, fair, direct, not just to stand together on a bipartisan basis in this Senate, but to stand together in support of the policy that this administration has adopted in support of our NATO allies and, in doing so, to send a message to the enemy, to Mr. Milosevic—who we are reliably informed began this invasion of Kosovo, this massacre, this massive expulsion, as others have said before me tonight and earlier today, based on the ethnic history, identity and religion of the people being expelled—to say to Mr. Milosevic, who, again, we are reliably informed, began his evil deeds in Kosovo with the hope and the belief that the NATO allies would soon break their cohesiveness, would not hold in the face of this onslaught and his clever diplomatic moves, he was wrong.

The NATO allies were here just a week ago. They spoke with unity. They strengthened their ranks. They came together. They agreed to intensify the effort against Milosevic and they have done so in the ensuing week. Those of us who have brought this resolution before the Senate have done so with the hope that we might also make clear to Milosevic that the other belief he had, that he could divide the American people and their Representatives here in Congress, was false. It was in vain. It was folly.

That is the spirit in which this resolution was offered. I have listened to my colleagues speak, and, as others who have spoken before me, it seems clear to me the motion to table this resolution will be agreed to tomorrow. I have heard three or four different reasons given for that. I would say the majority of reasons are procedural, and I understand those. They are not substantive. They do not go to the heart of the policy that we, the sponsors of this resolution, have intended to convey. Some of my colleagues have said the resolution is not needed; it is premature.

What NATO is doing now is carrying out the aerial bombardment of Serbia and military sites in Kosovo. The Senate has already authorized that, to our great credit, on a bipartisan basis. Almost 60 percent of the Senate voted almost a month ago, as the air campaign began, to authorize and support, if you will, the President and NATO in that effort—that valiant effort, that effort that has been conducted by the men and women in uniform for all the NATO countries and for ourselves. I am proud to cite the tremendous courage and skill with which our military personnel have carried out that effort. The Senate distinguished itself in support of that effort. Unfortunately, the House did not do so last week and sent a mixed signal. But I understand some of my colleagues have said tonight the Senate has already spoken on the military effort that is part of this battle against Milosevic, so we need not speak now in more width or depth.

What others have said—the second reason I can hear—is that the President is not asking for this authorization. In fact, since we introduced this resolution, S.J. Res. 20, the President has indicated both at meetings in the White House with a broad, bipartisan group of Senators, and publicly, if it came to a point, which he hopes and believes we will not reach—and of course we all hope we will not reach—when it became clear, tragically, that the Milosevic leadership in Serbia was remaining what I would describe as insanely intransigent in the face of a devastating air campaign against that country—which some experts say, analysts say has already set back the Serbian economy a decade, some say even more—if Milosevic remained intransigent, the President has said, and he was forced to reconsider the statement he has made that he does not believe we need to employ ground forces there, that he would come to Congress and ask for our consent. So I understand some of our colleagues have said, therefore, that this resolution is premature.

There are others, and I hope and believe, as I will say a little bit later on, that they are in the minority here, who do not support this effort at all, who want to see us negotiate a settlement or, worse, negotiate a settlement with a regime that has blood on its hands, that has violated the values that we hold dear, the humanitarian values, as we have all seen. We know what is happening. This is a regime in Belgrade that has carried out aggression, that has aimed at destabilizing Europe; a regime that, over the last decade, successively has invaded Slovenia, Croatia, Bosnia, and now Kosovo.

This is a regime that, evidence leads us to conclude, by its policies has brought about the death of hundreds of thousands of people. That is what this is about: Destabilization, aggression, ethnic cleansing and genocide in Europe at the end of this century, challenging the premise that brought about the creation of NATO 50 years ago, which was not just to defend against a Soviet invasion of Western Europe, but was to uphold the principles for which the then recently completed Second World War was fought, which were freedom, human dignity, democracy. Sometimes, as I watch the slaughter continuing, the expulsions continuing in Kosovo, as I think of the history of Serbia and Milosevic for these last 10 years, I just say to myself: Have we not learned the lessons of this century, of the last 60 years of this century?

Why did we fight the Second World War and the cold war if not to establish the principle that it was in America's security interest and, of course, even more intensely and intimately in the security interest and the principal interest of our allies in Europe not to allow tyranny, brutality, communism to exist in Europe? It threatened the stability of that great region with which we have historic ties, with which we have extraordinary economic ties, which contains the heart of our alliance, the strength of the partners we would turn to, not just when in crisis in Europe, but when in crisis anywhere in the world, as we did in the gulf war. Whom did we ask to stand by our fight, to fight by our side? Our allies in Europe, first and most significantly.

Will we allow this century to end having fought the Second World War, made vivid in the Spielberg movie, ''Saving Private Ryan''—did those Americans fight that extraordinary fight with that unbelievable courage, lose their lives, so that a dictator, bent on the same kind of aggression and ethnic genocide at the end of the century, would be allowed to work his evil will in Europe?

Did we spend billions of dollars and stand face to face with Communist tyranny for the long years of the cold war, did President Reagan lead us to the great final victories in the cold war, so less than a decade later we would allow a Communist—what is Milosevic? He is an unreconstructed Communist dictator—that we would allow a Communist dictator to work his will in the heart of Europe and in the backyard of NATO, that we would stand by and do nothing? I hope not.

I take issue respectfully on the merits, as I see them, with those who oppose this resolution because they do not think we should be involved. But I understand those who say, as my colleague from Illinois said a moment ago, that the Senate is not ready to make the statement contained in this resolution.

As a cosponsor of this resolution, as one who worked with Senator MCCAIN, Senator BIDEN, and others to fashion this resolution, I have already made the statement, I have already come to the conclusion, so I will stand with all of my colleagues who have cosponsored this resolution and whom I heard speak up to now on this debate, who say they will oppose the motion to table.

We are ready to vote, and we will vote tomorrow morning against the tabling of this resolution. We will vote against the tabling of the resolution with the confidence that if the President is wrong and the air campaign does not bring this war to an end, not on any weakened terms, but on the terms we clearly state in this resolution—the Serbs out, the Kosovars back in to live in peace, and an international peacekeeping force there—then we will return.

Those who have said that they are not prepared now to vote for this resolution, those who have said this is merely a procedural vote—and I understand that—those who are essentially voting to table not because they are against, as I hear them speak, the substance of this resolution——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MCCAIN. Mr. President, I yield 3 additional minutes to the Senator.

Mr. LIEBERMAN. I thank the Senator.

I am confident if that day comes—and, of course, I hope it does not come. But if we are not able to achieve the victory we must have here, that NATO must have to remain credible, the United States must have to remain credible, that we must achieve so that all the bullies, the thugs and the dictators, wherever they may be—in Asia, the Middle East or anywhere else—will not see an opportunity to take advantage of us, if we return at that point to the Senate and ask for support for the next necessary means to achieve our objectives, I am confident that on that day a bipartisan majority in the Senate will not walk away from the field of battle with the enemy having achieved the victory, will not yield to the forces of ethnic cleansing and ethnic slaughter and ethnic expulsion but will stand together, united across party lines, to support our soldiers in uniform, yes, indeed, our NATO allies, of course, to support the principles upon which this country was founded, which are at stake in Kosovo today, and to support the administration in the full conduct of this effort.

This is one of those defining moments. Tomorrow's vote is not the defining moment. Tomorrow's vote is, if you will, an early round in the debate in which a majority of Members are not prepared to vote for this resolution. If necessary, I am convinced on another day that they will, and I am convinced that that is very much in the national security interest and in the national moral interest of the United States of America.

I thank the Chair, and I yield the floor.

Mr. MCCAIN. Mr. President, I continue to be pleased and proud of the Senator from Connecticut for his intellect, his insight, and his courage. I thank him for his remarks tonight, but also his steadfast adherence to lessons of history. May I point out that he is joined in his views by former Secretary of State Eagleburger, former National Security Adviser Brent Scowcroft, former Secretary of Defense Weinberger, former Secretary of State Warren Christopher, and a broad array of other leaders who have led this country throughout the last three decades. I am proud Senator LIEBERMAN is one of those as well.

I yield 10 minutes to my dear and beloved friend from Georgia, Senator CLELAND.

Mr. CLELAND. Mr. President, I thank the distinguished Senator from Arizona, my dear colleague and friend and fellow Vietnam veteran, for pushing to make sure that this issue of war in Kosovo, war in Yugoslavia, war in

the Balkans receives the time and attention from this great and august body that I think it truly deserves.

I am struck by the fact that in the earlier weeks of this year, all of my colleagues in the Senate gathered on a question of serious constitutional gravity: impeachment of the President of the United States. This is a serious matter equivalent to that, Mr. President, that is, sending young Americans into harm's way. It is a constitutional matter, one that I personally feel strongly about and one on which I am personally conflicted.

As the distinguished Senator from Arizona, I served in Vietnam. I cannot help but think back, on the presentation of this resolution, to the fact that some 35 years ago the Senate voted 88–2 in favor of the Tonkin Gulf resolution which authorized the President to ''take all necessary steps, including the use of armed forces,'' in Vietnam. The House approved that resolution unanimously, 416–0.

It is fascinating that my colleague, my friend, my mentor, Senator Russell, in those days chairman of the Armed Services Committee, and a great student of history, actually succeeded in attaching language which gave Congress the right to terminate the authorization of the Tonkin Gulf resolution at any time by concurrent resolution.

Senator Russell, in those days, certainly spoke against open-ended conflict where the Congress gave wide open authority to the President. He tried to rein in the Executive and preserve the ability of the Senate, particularly, to exercise its constitutional authority and exercise its constitutional role.

But this vote on the Tonkin Gulf resolution served as an unchallenged congressional authorization of war until 1970, by which time, of course, we were deeply involved in the conflict, but no closer, unfortunately, to our political objectives. The way out was long and difficult.

The near unanimous votes in favor of war against North Vietnam in the mid-1960s reflected an apparent certainty of purpose and clarity of message to the President, our adversaries, the American people, and our service men and women. However, future events, as they unraveled, were to show that this hasty congressional action, done for the best of intentions, to display national unity, eventually produced exactly the opposite result—national disunity. And we gave an uncertain reaction to the service men and women—and I was one of those servicemen—who carried out the Government's policies and came back to a divided nation and a nation on its way out of war, not in it. But that process took 10 years, Mr. President.

Growing out of our Vietnam experiences, the Senator from Arizona and I have taken the Kosovo issue very seriously. For us, it is not an issue—it is a war, a war in which young men and women's lives are at stake. And we come to very different conclusions about what should be done in that war in terms of further military conflict. But we both believe the same thing in one sense, and that is, above all, the Senate must speak, the Senate must debate, the Senate must stand up and be counted in terms of the policy that we are to follow in the Balkans.

For that reason, Mr. President, I urge that the motion to table this resolution be defeated. I shall be voting against the motion to table. We cannot just table a war. We cannot just shunt aside the future lives of young men and women as they are risked at this hour.

It is fascinating how the resolution reads, the last sentence of which says that the President is authorized to ''use all necessary force and other means in concert with United States allies to accomplish United States and North Atlantic Treaty Organization objectives in the Federal Republic of Yugoslavia.'' ''All necessary force and other means.''

Mr. President, to me, that is an echo, a strange ominous echo of the language in the Gulf of Tonkin resolution that passed this body overwhelmingly in the mid-1960s. This got us into deep trouble in Southeast Asia. I see too many similarities between that experience then and the war in the Balkans now. I see a similarity in an open-ended conflict—one with no real military solution in sight, a conflict with no real military strategy to win, and certainly a conflict in which we have no exit strategy from which to disengage ourselves from the war in the Balkans.

Instead, I see a greater Americanized war. I see a doubling of the warplanes—almost to 1,000 now—with the heavy majority of those airplanes being from the United States. I see 5,000 muddy boots on the ground in Albania, all of them American forces, up cheek to jowl, right across the line, with Serbian forces in tanks and dug into the mountains with armored personnel carriers and hand-held missiles, and a tremendous capability of ground fire. God forbid if we launch the Apache helicopters into that forbidden zone.

I say to you, Mr. President, I support further debate. I will oppose the tabling motion, but I will also oppose this resolution on its merits.

I thank the President, and I thank the distinguished Senator from Arizona for the time to speak on this important matter.

Mr. President, I yield back the remainder of my time.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. I thank the Senator from Georgia for his always very perceptive and enlightening debates.

I yield the Senator from Michigan, Mr. LEVIN, 10 minutes.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, first, I thank my good friend from Arizona. Always, he puts his finger on an issue—in this case, on an issue of war and an issue of conscience. And this is an issue of both.

There is nobody who more eloquently or doggedly pursues both issues—war and conscience—and the implications of both. And the experience that he brings—as does our good friend from Georgia, and others—to this body is absolutely indispensable in trying to work its way towards the right conclusion in many of these issues. And I just, again, add my gratitude to what he adds to this body, to this Nation.

Mr. President, while I favor the thrust of the resolution before us, I do not favor its timing, and I will vote to table. I want to just take a few moments this evening to explain this.

The stakes are tremendously high in Kosovo. We simply must not fail. We cannot fail to succeed in Kosovo. NATO must not fail to succeed in Kosovo.

Even before I visited the refugee camps a week or so ago, I felt strongly about this. But meeting with the refugees, of course, reinforces my conclusion about the nature of Mr. Milosevic's ethnic cleansing.

This century of ours began with a genocide against Armenians; it is ending with an ethnic cleansing against the Kosovars; and there was a holocaust in between.

If we want the next century to be freer of the slaughter that this century has seen in so many wars, we simply must support the united action of a united Europe to stop the success of Milosevic in his goals in Kosovo.

Of course, when you read about what the refugees have gone through, and you talk to refugees, it reinforces that determination—the stories of mass executions, mass rapes, the burning of 400 villages by forces that presumably should be protecting those villages, since Milosevic claims sovereignty in Kosovo. But instead of pursuing what sovereigns historically have done, which is to protect people they claim sovereignty over, this particular dictator is trying to destroy the very people of Kosovo.

NATO made a statement last week which is of critical importance. It restates a decision on the part of NATO to prevail. And the only way—the best way, but perhaps the only way—that we are going to have a century next which is more peaceful in Europe and elsewhere than the current century, is if NATO succeeds in its unified determination, as stated in Washington just about a week ago.

Two sentences kind of say it all. And those two sentences are these: ''We will not allow Milosevic's campaign of terror to succeed. NATO is determined to prevail.''

This has rarely been true in Europe. I am not sure it has ever been true where we have 19 nations, including the United States and Canada, that have come together to try to stop a genocide from succeeding in their backyard.

Europe has been divided before now—France, England on one side, sometimes Germany on another, countries divided into blocs against each other. But now what we have in Europe is the coming together of all of the European nations, making one joint statement about what they will not permit in their own land. ''We will not allow Milosevic's campaign of terror to succeed. NATO is determined to prevail.''

But that unity which is so critical to the success of the mission, I believe, will be negatively impacted if the Senate adopts this resolution that is before us, because this resolution would put this Senate and this Nation ahead of NATO. And we have to work in harmony with NATO, in unity with NATO, in harness with 18 other democracies that have taken a position. And that position is that we are going to pursue, relentlessly, doggedly the success of the military mission and air campaign, the purpose of which is to significantly diminish Milosevic's military capability.

That is the current mission.

It is hoped the success of that mission will achieve the broader policy objective of being able to return refugees, now over 1 million, to their homes in Kosovo. If that military mission and its success in reducing Milosevic's capability to keep a stranglehold on Kosovo does not achieve the broader mission of being able to return these refugees, at that point we can consider changing the military mission. At that point we can consider the use of ground troops by NATO.

Is it prudent to plan for that? Yes, it is. In my judgment, it is prudent to plan for it. Would it be prudent, in fact, to carry it out once the groundwork has been laid and Milosevic's military capability has been significantly weakened? Yes, in my judgment it would be. Most important to the success of this mission, broad and narrow, is NATO's unity. It is my fear that the adoption of this resolution will put us in a significantly different position than the rest of NATO, in advance of a need to do so.

NATO is unified on an air campaign. It is not yet unified on a ground campaign. The Apaches alone, after their employment begins, will take 30 to 60 days before they have a significant impact on the ground. That is what General Clark, the commander, has told us. That may not be the common wisdom, common understanding, common media message, but that is the truth, as General Clark believes it—that it will take 30 to 60 days for the Apaches to have an effect after they begin to be employed. So the debate over authorizing ground forces is a premature debate. I believe it will distract us from a current unified mission while we are in the middle of an air campaign.

It is for that reason that, with some reluctance, I am going to vote to table the resolution, the general direction of which I support, because it is so critically important that we be unified and united with NATO allies, that we stay together in planning and in execution of a mission which must succeed. We must not be distracted by a premature debate about ground forces. Prudence and common sense would indicate that we plan for such a contingency, but there is no need for us to authorize it at this time. It seems to me, if anything, it will divide and distract, rather than protect that critical unity which is so essential to the success of this mission.

Again, I commend my good friend from Arizona and Senator BIDEN, Senator LIEBERMAN, and the other cosponsors for their support of a very important position, which is that we now must win. That is the thrust of this resolution. Again, while I support that thrust, I will vote to table for the reasons indicated.

I thank the Chair and, again, thank my good friend from Arizona.

Mr. McCAIN. Mr. President, I thank my friend, the Senator from Michigan. May I just point out, he made the point that it took a month or two to get the Apaches there. The reason I am urging that preparations be made in case we have to exercise the option is exactly the reason he stated concerning the Apaches. It would take 6 to 8 weeks now for us to assemble ground forces if we decide to use the option.

I am told by some military experts that we now have to worry about the onset of bad weather in the fall, but I do appreciate the remarks of the Senator from Michigan, and I appreciate the results of his trip that he made and the information that he brought back, which I think was very helpful to the entire Senate.

Mr. LEVIN. Mr. President, I thank my good friend. Again, I happen to concur that the planning is prudent and should be underway. It is the commitment to the utilization that I think might divide and distract. Again, I thank him.

Mr. McCAIN. Mr. President, I note the belated appearance of my dear friend from Kansas. I yield him however much time he may consume.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, thank you very much for allowing me to speak tonight. I recognize my distinguished colleague from Arizona for all he has done on this issue but, more than that, for what he has given to his country. He chairs the Commerce Committee, which I serve on with him, but I have enormous respect for what he has already given to his Nation, the sacrifice where he put his life on the line in a previous war. Actions speak louder than words, and he spoke with his actions many times. I am enormously proud to know and be associated with him in this body.

Mr. President, the situation in Kosovo is clearly a very serious one deserving of our deliberation and vigorous debate. To this point in time, though, the administration, for my satisfaction, has certainly not provided the Members of the full Senate body with the information needed to make an informed decision on this matter. Therefore, I will vote to table the resolution.

One month ago, I wrote to the President asking that he respond to certain fundamental questions regarding the objectives and the implementation of the NATO mission in Kosovo. To date, I have not received a response to those questions.

What is the objective, I put forward? They have been responding and defining some of that as we have gone along, but more specifically, how do we define success? Is there a coherent and achievable plan of action in place? What price would we pay for this in terms of potential loss of lives? What about the monetary cost? Is escalation in the true national interest of the United States? Those simple, basic questions that I have put forward have not been answered.

Not until we understand the objective of NATO and how that objective will be attained can we make an informed determination with respect to S.J. Res. 20. The administration must provide the answers to these questions, with clarity, with satisfaction, and to the satisfaction of all Members of the Senate. Until that happens, I cannot give my support to the administration in this broad, open resolution.

At such time that it is shown how granting the President the authority to use all necessary force and other means will bring us to a resolution more quickly, or at less expense or other means, then we would be able to consider this proposal in some context.

I note, Mr. President, that I fully support our troops. I appreciate the sacrifices that they are being asked to make to stop Milosevic and the atrocities he has perpetrated against the people of Kosovo. It was several weeks ago that I was in Wichita at the McConnell Air Base meeting with some of the troops and their families before they were shipping off. You could see in their eyes their willingness, their commitment to see this action on through. They asked a number of the same questions that I continue to ask of the President, that I continue not to get satisfactory answers.

Until those are answered, I cannot give my support to this type of authority. It is appreciation for these troops

that makes it impossible for me to support this resolution, until we understand the full plan. Once we know it, then we can debate its merits and determine how best to support the President and our troops. Without that and in clarity of what that plan is, we are making a decision in a vacuum. The situation merits more attention than that.

Again, I note, as I did at the outset, my enormous respect for my colleague from Arizona who has put forward this resolution and his wisdom. His support of this makes me give much more pause to my statement. But these questions have not been answered to my satisfaction. While I respect that and I respect enormously the Senator from Arizona, I cannot in good conscience vote for this resolution at this time.

Mr. President, I yield the floor.

Mr. MCCAIN. Mr. President, may I say to my dear young friend, who I see as one of the rising stars in this Senate—and I can say that with confidence because I have watched very closely, as a member of the Commerce Committee, his involvement with a number of issues—I respect his dissatisfaction with the failure to get an answer to certain fundamental questions that he and, frankly, the people of Kansas and of this country have a right to get the answers to. I understand his position on this issue, and I am in deep sympathy with it.

He makes a compelling case that we should be better informed before we embark on a ground war or consider the likelihood of a ground war. I appreciate his views. The realities on the battlefield, I say to my friend from Kansas, are that it requires a minimum of 6 to 8 weeks to get some forces assembled. So if we don't begin preparations—and I am not saying we would have to use them, but it is of the utmost importance that we do that; otherwise, we will lose the opportunity.

A person that Senator BROWNBACK and I respect enormously, Henry Kissinger, the former Secretary of State, testified before the Senate Armed Services Committee last week. I quote him saying:

> On the issue of ground forces, my view is as follows: I have no way of judging what will ultimately be necessary. That is a military decision. But first, it is a mistake to preclude any category of forces and to turn the conflict into an endurance contest.
>
> Secondly, even if one believes that air power will ultimately succeed, which it well may, we nevertheless should make clear not only that we are planning to use ground forces; we should assemble the ground forces that will be needed. This will put a safety net under the bombing campaign because under present circumstances, it is a question of endurance. Thus, Milosevic and the Serbian leadership believe that they can simply outlast us.
>
> If they know that at the end—not even at the end, at some stage in this process—we will insist on using ground forces, I think it will shorten the air campaign.

That was the testimony last week of Dr. Kissinger before the Armed Services Committee. I know of no wiser man than Henry Kissinger, a person who has a great appreciation for history and its challenges.

Because of our failure to even plan, much less prepare ground forces, as Dr. Kissinger, Larry Eagleburger, Brent Scowcroft, et cetera, seek us to do, this gives rise to articles such as were in the New York Times this morning by William Safire. William Safire, who I think is one of the most thoughtful and informed columnists in America, states:

> Congress is not only ambivalent about buying into ''Clinton's War,'' it is also of two minds about being ambivalent.
>
> That is because the war to make Kosovo safe for Kosovars is a war without an entrance strategy. By its unwillingness to enter Serbian territory to stop the killing at the start, NATO conceded defeat. The bombing is simply intended to coerce the Serbian leader to give up at the negotiating table all he has won on the killing field. He won't.
>
> He will make a deal. By urging that Russia be the broker, Clinton knows he can do no better than compromise with criminality. That means we are not fighting to win, but are merely punishing to settle.
>
> * * * Clinton has so few followers in Congress because he is himself the world's leading follower. He steers not by the compass but by the telltale, driven by polls that dictate both how far he can go and how little he can get away with.
>
> The real debate, then, is not intervention vs. isolation, not sanctity of borders vs. self-determination of nations, not Munich vs. Vietnam, not NATO credibility vs. America the globocop. The central question is: Do we trust this President to use all force necessary to establish the principle that no nation can drive out an unwanted people?

It goes on, Mr. President, in this article to describe exactly the deal that will be cut over time.

> * * * Perhaps Britain's Tony Blair will prod Clinton to do better, and all Serbian troops and paramilitary thugs will be invited out of Kosovo. But the returning K.L.A will find mass graves and will likely lash out at Serbs; after an indecent interval, Belgrade will assert sovereignty with troops in police uniforms.
>
> And what will happen to the principle of no reward for internal aggression? It will be left for resolution to our next President, who, in another test, will have the strength of the people's trust.

Mr. President, I ask unanimous consent that this entire article, along with these other documents, be printed in the RECORD.

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

[From the New York Times, May 3, 1999]

THE PRICE OF DISTRUST

(By William Safire)

WASHINGTON.—Congress is not only ambivalent about buying into ''Clinton's War,'' it is also of two minds about being ambivalent.

That is because the war to make Kosovo safe for Kosovars is a war without an entrance strategy. By its unwillingness to enter Serbian territory to stop the killing at the start, NATO conceded defeat. The bombing is simply intended to coerce the Serbian leader to give up at the negotiating table all he has won on the killing field. He won't.

He will make a deal. By urging that Russia be the broker, Clinton knows he can do no better than compromise with criminality. That means we are not fighting to win but are merely punishing to settle.

Small wonder that no majority has formed in Congress to adopt the McCain-Biden resolution giving the President authority to use ''all necessary force'' to achieve a clear victory. Few want to go out on a limb for Clinton knowing that he is preparing to saw that limb off behind them.

Clinton has so few followers in Congress because he is himself the world's leading follower. He steers not by the compass but by the telltale, driven by polls that dictate both how far he can go and how little he can get away with.

The real debate, then, is not intervention vs. isolation, not sanctity of borders vs. self-determination of nations, not Munich vs. Vietnam, not NATO credibility vs. America the globocop. The central question is: Do we trust this President to use all force necessary to establish the principle that no nation can drive out an unwanted people?

The answer is no. The distrust is palpable. Give him the tools and he will not finish the job.

Proof that such distrust is well founded is in the erosion of NATO's key goal: muscular protection of refugees trusting enough to return to Kosovo.

At first, that was to be done by ''a NATO force,'' rather than U.N. peacekeepers. The fallback was to ''a NATO-led force,'' including Russians. Now the formulation is ''ready to lead,'' if anybody asks, or ''a force with NATO at its core,'' which means Serb-favoring Russians, Ukrainians and Argentinians, with Hungarians and Czechs to give the illusion of ''a NATO core.''

If you were an ethnic-Albanian woman whose husband had been massacred, sister raped, children scattered and house burned down on orders from Belgrade—would you go back home under such featherweight protection?

Only a fool would trust an observer group so rotten to its ''core.'' And yet that is the concession NATO has made even before formal negotiations begin.

What can we expect next? After a few more weeks of feckless bombing while Milosevic completes his dirty work in Kosovo, Viktor Chernomyrdin or Jimmy Carter or somebody will intercede to arrange a cease-fire. Film will be shot of Serbian tanks (only 30 were hit in a month of really smart bombing) rolling back from Kosovo as bombardment halts and the embargo is lifted.

Sergei Rogov, the Moscow Arbatovnik, laid out the Russian deal in yesterday's Washington Post: (1) autonomy for Kosovo but no independence or partition; (2) Milosevic troops out but Serbian ''border guards'' to remain in Kosovo, and (3) peace ''enforcers'' under not NATO but U.N. and Helsinki Pact bureaucrats. As a grand concession, NATO would be allowed to care for refugees in Albania and Macedonia.

That, of course, would be a triumph for mass murderers everywhere, and Clinton will insist on face-savers: war-crimes trials for sergeants and below, a Brit and a Frenchman in command of a NATO platoon of Pomeranian grenadiers, no wearing of blue helmets and absolutely no reparations to Serbia to rebuild bridges in the first year.

Perhaps Britain's Tony Blair will prod Clinton to do better, and all Serbian troops

and paramilitary thugs will be invited out of Kosovo. But the returning K.L.A. will find mass graves and will likely lash out at Serbs; after an indecent interval Belgrade will assert sovereignty with troops in police uniforms.

And what will happen to the principle of no reward for internal aggression?

It will be left for resolution to our next President, who, in another test, will have the strength of the people's trust.

---

DEAR SENATOR MCCAIN: If the 21st Century is to be a peaceful and stable time, only the steadiness and power of the United States will make it so. That steadiness and power is now being tested; we must not fail. If ground forces are essential to assuring our success, then we must use them.

Sincerely,

LAWRENCE S. EAGLEBURGER.

---

I strongly support Senate Joint Resolution 20. Its passage will be a strong message of our determination to Milosevic—who may be doubting our resolve. It will also encourage the President to do what is necessary to prevail.

BRENT SCOWCROFT.

Mr. MCCAIN. Finally, Mr. President, a person that I know the Senator from Kansas and I and the Senator from Illinois have enjoyed and appreciated over many years, Margaret Thatcher, who once counseled during the Persian Gulf war for President Bush not to ''go wobbly''—I believe she said, ''Don't go wobbly now, George''—made a speech the other night for ''Project for the New American Century.''

I ask unanimous consent that her statement be printed in the RECORD.

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

Margaret Thatcher: Last September I went to Vukovar, a city destroyed and its inhabitants butchered by the soldiers of Slobodan Milosevic. The place still smells of death, the windows weep, and the ruins gape. Around Srebrenica, where neither I nor many other Westerners have gone, the bodies of thousands of slaughtered victims still lie in unmarked graves. In Kosovo, we can only imagine what depravities of human wickedness, what depths of human degradation, those endless columns of refugees have fled. Mass rape, mass graves, death camps, historic communities wiped out by ethnic cleansing—these are the monuments to Milosevic's triumphs.

They are also, let's remember and admit, the result of eight long years of Western weakness. When will they ever learn?

Appeasement has failed in the 90s, as it failed in the 30s. Then, there were always politicians to argue that the madness of Nazism could be contained and that a reckoning could somehow be avoided. In our own day too there has never been a lack of politicians and diplomats willing to collaborate with Milosevic's Serbia. At each stage, both in the thirties and in the nineties, the tyrant carefully laid his snares, and naive negotiators obligingly fell into them.

For eight years I have called for Serbia to be stopped. Even after the massacre of Srebrenica I was told that my calls for military action were mere ''emotional nonsense,'' words which, I think, only a man could have uttered.

But there were also good reasons for taking action early. The West could have stopped Milosevic in Slovenia or Croatia in 1991, or in Bosnia in 1992. But instead we deprived his opponents of the means to arm themselves, thus allowing his aggression to prosper.

Even in 1995, when at last a combination of airstrikes and well-armed Croat and Muslin ground forces broke the power of the Bosnian-Serb aggressors, we intervened to halt their advance onto Banja Luka, and so avoid anything that might threaten Milosevic. Even then, Western political leaders believed that the butcher of Belgrade could be a force for stability. So here we are now, fighting a war eight years too late, on treacherous terrain, so far without much effective local support, with imperfect intelligence, and with war aims that some find unclear and unpersuasive.

But with all that said—and it must be said, so that the lessons are well and truly learned—let there be no doubt: this is a war that must be won.

I understand the unease that many feel about the way in which this operation began. But those who agonize over whether what is happening in Kosovo today is really of sufficient importance to justify our military intervention, gravely underestimate the consequences of doing nothing. There is always method in Milosevic's madness. He is a master at using human tides of refugees to destabilize his neighbors and weaken his opponents. And that we simply cannot now allow. The surrounding countries just can't absorb two million Albanian refugees without provoking a new spiral of violent disintegration, possibly involving NATO members.

But the over-riding justification for military action is quite simply the nature of the enemy we face. We are not dealing with some minor thug whose local brutalities may offend our sensibilities from time to time. Milosevic's regime and the genocidal ideology that sustains it represent something altogether different—a truly monstrous evil; one which cannot with safety be merely checked or contained; one which must be totally defeated and be seen by the Serbs themselves to be defeated.

When that has been done, we need to learn the lessons of what has happened and of the warnings that were given but ignored. But this is not the time. There has already been too much media speculation about targets and tactics, and some shameful and demoralizing commentary which can only help the enemy. So I shall say nothing of detailed tactics here tonight.

But two things more I must say.

First, about our fundamental aims. It would be both cruel and stupid to expect the Albanian Kosovans now to return to live under any form of Serbian rule. Kosovo must be given independence, initially under international protection. And there must be no partition, a plan that predictable siren voices are already advancing. Partition would only serve to reward violence and ethnic cleansing. It would be to concede defeat. And I am unmoved by Serb pleas to retain their grasp on most of Kosovo because it contains their holy places. Coming from those who systematically leveled Catholic churches and Muslim mosques wherever they went, such an argument is cynical almost to the point of blasphemy.

Second, about the general conduct of the war. There are, in the end, no humanitarian wars. War is serious and it is deadly. In wars risk is inevitable and casualties, including alas civilian casualties, are to be expected. Trying to fight a war with one hand tied behind your back is the way to lose it. We always regret the loss of the lives. But we should have no doubt that it is not our troops or pilots, but the men of evil, who bear the guilt.

The goal of war is victory. And the only victory worth having now is one that prevents Serbia ever again having the means to attack its neighbors and terrorize its non-Serb inhabitants. That will require the destruction of Serbia's political will, the destruction of its war machine and all the infrastructure on which these depend. We must be prepared to cope with all the changing demands of war—including, if that is what is required, the deployment of ground troops. And we must expect a long haul until the job is done.

Mr. MCCAIN. Those are Margaret Thatcher's remarks. They were delivered at the Institute for Free Enterprise on the 20th anniversary of her becoming Great Britain's Prime Minister.

I hope that all of my colleagues before voting tomorrow will read her remarks—Brent Scowcroft, Lawrence Eagleburger, and virtually every person who has held a position of authority on national security matters, both Republican and Democrat, for more than two decades.

Mr. President, the hour is late. I will move to the closing remarks in just a moment.

We have had a good debate today. I wish it had been longer. I think it should go on for several more days. But it won't.

Tomorrow we will have a tabling motion which may be one of the more bizarre scenarios that I have seen in my 13 years here in the Senate, with an administration lobbying feverishly to defeat a resolution which gives it more authority. I have never seen that before in my years in the Senate.

I believe we could have carried this resolution if the administration had supported it. I can only conclude that the reason for it is that the President of the United States is more interested in his own Presidency than the institution of the Presidency. Mr. President, that is indeed a shame.

## THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business, Friday, April 30, 1999, the federal debt stood at $5,585,839,850,171.61 (Five trillion, five hundred eighty-five billion, eight hundred thirty-nine million, eight hundred fifty thousand, one hundred seventy-one dollars and sixty-one cents).

One year ago, April 30, 1998, the federal debt stood at $5,499,895,000,000 (Five trillion, four hundred ninety-nine billion, eight hundred ninety-five million).

Fifteen years ago, April 30, 1984, the federal debt stood at $1,486,116,000,000 (One trillion, four hundred eighty-six billion, one hundred sixteen million).

Twenty-five years ago, April 30, 1974, the federal debt stood at $472,852,000,000 (Four hundred seventy-two billion, eight hundred fifty-two million) which

reflects a debt increase of more than $5 trillion—$5,112,987,850,171.61 (Five trillion, one hundred twelve billion, nine hundred eighty-seven million, eight hundred fifty thousand, one hundred seventy-one dollars and sixty-one cents) during the past 25 years.

## GENERAL HAWLEY'S COMMENTS ON READINESS

Mr. STEVENS. Mr. President, last week the Air Force General in charge of the Air Combat Command provided some valuable observations for the Senate to consider as we contemplate funding another protracted military operation.

General Richard Hawley observed that the current build up in Europe has weakened our ability to meet our other global commitments. General Hawley added that the air operation in Kosovo would require a reconstitution period of up to five months.

The General will be retiring in June, and has spoken out on how this war in Kosovo will weaken the readiness of the Air Force. I hope Senators will consider his concerns, and I ask unanimous consent that the General's remarks on military readiness reported in the April 30th Washington Post be printed in the RECORD.

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

[From the Washington Post, Apr. 30, 1999]

GENERAL SAYS U.S. READINESS IS AILING

(By Bradley Graham)

The general who oversees U.S. combat aircraft said yesterday the Air Force has been sorely strained by the Kosovo conflict and would be hard-pressed to handle a second war in the Middle East or Korea.

Gen. Richard Hawley, who heads the Air Combat Command, told reporters that five weeks of bombing Yugoslavia have left U.S. munition stocks critically short, not just of air-launched cruise missiles as previously reported, but also of another precision weapon, the Joint Direct Attack Munition (JDAM) dropped by B–2 bombers. So low is the inventory of the new satellite-guided weapons, Hawley said, that as the bombing campaign accelerates, the Air Force risks exhausting its prewar supply of more than 900 JDAMs before the next scheduled delivery in May.

''It's going to be really touch-and-go as to whether we'll go Winchester on JDAMs,'' the four-star general said, using a pilot's term for running out of bullets.

On a day the Pentagon announced deployment of an additional 10 giant B–52 bombers to NATO's air battle, Hawley said the continuing buildup of U.S. aircraft means more air crew shortages in the United States. And because the Air Force tends to send its most experienced crews, Hawley said, the experience level of units left behind also is falling. With NATO's latest request for another 300 U.S. aircraft—on top of 600 already committed—Hawley said the readiness rating of the remaining fleet will drop quickly and significantly.

His grim assessment underscored questions about the U.S. military's ability to manage a conflict such as the assault on Yugoslavia after reducing and reshaping forces since the Cold War. U.S. military strategy no longer calls for battling another superpower, but it does require the Pentagon to be prepared to fight two major regional wars at about the same time.

As the number of U.S. planes involved in the conflict over Kosovo approaches the level of a major regional war, the operation is exposing weaknesses in the availability and structure of Air Force as well as Army units, engendering fresh doubts about the military's overall preparedness for the world it now confronts. If another military crisis were to erupt in the Middle East or Asia, Hawley said reinforcements are still available, but he added: ''I'd be hard-pressed to give them everything that they would probably ask for. There would be some compromises made.''

The Army's ability to respond nimbly to foreign hot spots also has been put in question by the month it has taken to deploy two dozen AH–64A Apache helicopters to Albania. While Army officials insist the helicopter taskforce moved faster than any other country could have managed, the experience appeared to highlight a gap between the Pentagon's talk about becoming a more expeditionary force and the reality of deploying soldiers.

Massing forces for a ground invasion of Yugoslavia, officials said, would require two or three months. Because U.S. military planners never figured on fighting a ground war in Europe following the Soviet Union's demise, little Army heavy equipment is prepositioned near the Balkans. Nor are there Army units that would seem especially designed for the job of getting to the Balkans quickly with enough firepower and armor to attack dug-in Yugoslav forces over mountainous terrain.

''What we need is something between our light and heavy forces, that can get somewhere fast but with more punch,'' a senior Army official said.

Yugoslav forces have shown themselves more of a match for U.S. and allied air power than NATO commanders had anticipated. The Serb-led Yugoslav army has adopted a duck-and-hide strategy, husbanding air defense radars and squirreling away tanks, confounding NATO's attempts to gain the freedom for low-level attacks to whittle down field units. Yugoslav units also have shown considerable resourcefulness, reconstituting damaged communication links and finding alternative routes around destroyed bridges, roads and rail links.

''They've employed a rope-a-dope strategy,'' said Barry Posen, a political science professor at the Massachusetts Institute of Technology. ''Conserve assets, hang back, take the punches and hope over time that NATO makes some kind of mistake that can be exploited.''

Hawley disputed suggestions that the assault on Yugoslavia has represented an air power failure, saying the full potential of airstrikes has been constrained by political limits on targeting.

''In our Air Force doctrine, air power works best when it is used decisively,'' the general said. ''Clearly, because of the constraints, we haven't been able to see that at this point.''

NATO's decision not to employ ground forces, he added, also has served to undercut the air campaign. He noted that combat planes such as the A–10 Warthog tank killer often rely on forward ground controllers to call in strikes.

''When you don't have that synergy, things take longer and they're harder, and that's what you're seeing in this conflict,'' the general said.

At the same time, Hawley, who is due to retire in June, insisted the course of the battle so far has not prompted any rethinking about U.S. military doctrine or tactics, nor has it caused any second thoughts about plans for the costly development of two new fighter jets, the F–22 and Joint Strike Fighter. Despite the apparent success U.S. planes have demonstrated in overcoming Yugoslavia's air defense network, Hawley said the next generation of warplanes is necessary because future adversaries would be equipped with more advanced anti-aircraft missiles and combat aircraft than the Yugoslavs.

If the air operation has highlighted any weaknesses in U.S. combat strength, Hawley said, it has been in what he termed a desperate shortage of aircraft for intelligence-gathering, radar suppression and search-and-rescue missions. While additional planes and unmanned aircraft to meet this shortfall are on order or under development, Hawley said it will take ''a long time'' to field them.

In the meantime, he argued, the United States must start reducing overseas military commitments. He suggested some foreign operations have been allowed to go on too long, noting that the U.S. military presence in Korea has lasted more than 50 years, and U.S. warplanes have remained stationed in Saudi Arabia and Turkey, flying patrols over Iraq, for more than eight years.

''I would argue we cannot continue to accumulate contingencies,'' he said.'' At some point you've got to figure out how to get out of something.''

The Air Force blames a four-fold jump in overseas operations this decade, coming after years of budget cuts and troop reductions, for contributing to an erosion of military morale, equipment and training. The Air Force has tried various fixes in recent years to stanch an exodus of pilots and other airmen in some critical specialties.

It has boosted bonuses, cut back on time-consuming training exercises and tried to limit deployment periods. It also has requested and received hundreds of millions of dollars in extra funds for spare parts.

Additionally, it announced plans last August to reorganize more than 2,000 warplanes and support aircraft into 10 ''expeditionary'' groups that would rotate responsibility for deployments to such longstanding trouble zones as Iraq and Bosnia.

But Hawley's remarks suggested that the growing scale and uncertain duration of the air operation against Yugoslavia threaten to undo whatever progress the Air Force has made in shoring up readiness. Whenever the airstrikes end, he said, the Air Force will require ''a reconstitution period'' to put many of its units back in order.

''We are going to be in desperate need, in my command, of a significant retrenchment in commitments for a significant period of time,'' he said. ''I think we have a real problem facing us three, four, five months down the road in the readiness of the stateside units.''

## ON NATO INTERVENTION IN KOSOVO

Mr. MOYNIHAN. Mr. President, a month ago, April 7, as the war in Yugoslavia began to assume its present form, President Clinton spoke to the U.S. Institute for Peace. It was an important statement about the nature of conflict in the years to come. ''Clearly,'' he stated, ''our first challenge is

to build a more peaceful world, one that will apparently be dominated by ethnic and religious conflicts we once thought of primitive, but which Senator MOYNIHAN, for example, has referred to now as post-modern.'' I am scarcely alone in this; it has become, I believe, a widely held view. A recent article in The Wall Street Journal began by asking: ''Does Kosovo represent the future or the past.'' The distinguished Dean of the John F. Kennedy School had an emphatic answer.

. . . Joseph Nye, a Clinton Pentagon alumnus, forecasts a brave new world dominated by ethnic conflicts. There are thousands of ethnic groups that could plausibly argue they deserve independence, he estimates, making it imperative for the U.S. to decide where it should intervene. ''There's potential for enormous violence,'' he says.

In this spirit, just yesterday, The Times spoke of ''The Logic of Kosovo.''

With the cold war over, the country needs to devise a new calculus for determining when its security is threatened and the use of force is warranted. Kosovo is a test case. If the United States and its NATO allies are prepared to let a tyrant in the Balkans slaughter his countrymen and overrun his neighbors with hundreds of thousands of refugees, other combustible regions of Europe may face similar upheavals.

Almost a decade ago the eminent scientist E. O. Wilson offered a perspective from the field of sociobiology. Once ''the overwhelmingly suppressive force of supranational ideology was lifted,'' ethnicity would strike. ''It was the unintended experiment in the natural science mode: cancel one factor at a time, and see what happens.'' For ''coiled and ready ethnicity is to be expected from a consideration of biological evolutionary theory.''

Throw in television and the like, and surely we are in a new situation. Just as surely, it is time to think anew.

The first matter has to do with the number of such potential conflicts. Here it is perhaps the case that the United States bears a special responsibility. For it is we, in the person of President Woodrow Wilson, and the setting of the Versailles Peace Conference who brought to world politics the term ''self-determination.'' It is not sufficiently known that Wilson's Secretary of State, Robert Lansing, of Jefferson County, New York, had the greatest foreboding. Hence this entry in his diary written in Paris on December 30, 1918.

''SELF-DETERMINATION'' AND THE DANGERS

DECEMBER 30, 1918

The more I think about the President's declaration as to the right of ''self-determination'', the more convinced I am of the danger of putting such ideas into the minds of certain races. It is bound to be the basis of impossible demands on the Peace Congress, and create trouble in many lands . . . . The phrase is simply loaded with dynamite. It will raise hopes which can never be realized. It will, I fear, cost thousands of lives. In the end it is bound to be discredited, to be called the dream of an idealist who failed to realize the danger until too late to check those who attempt to put the principle into force. What a calamity that the phrase was ever uttered! What misery it will cause! Think of the feelings of the author when he counts the dead who dies because he coined a phrase! A man, who is a leader of public thought, should beware of intemperate or undigested declarations. He is responsible for the consequences.

There have to be limits, and it should be a task of American statecraft to seek to define them. It is not that 185 members of the United Nations are enough. There is room for more. But surely there needs to be a limit to the horrors we have witnessed in the Balkans in this decade, and in Kosovo this past month. From the Caucuses to the Punjab, from Palestine to the Pyrenees, violence beckons. It is not difficult to get started. At least one American diplomat holds a direct view of the origin of the present horror. I cannot speak for every detail of his account, but some are well known, and his view is not, to my knowledge, contested.

The current phase of the Kosovo crisis can be traced back to 1996, when financial collapse in Albania (small investors lost their meager life savings in a classic Ponzi scheme condoned by the then government) led to political and social chaos. President Berisha (a Geg from the misnamed Democratic Party) was forced out amidst massive rioting in which the army disappeared as its armories were emptied. Arms found their way into the armed gangs and eventually to an incipient Kosovo Albanian guerrilla movement that called itself the Kosovo Liberation Army. The new government of Socialist Fatos Nan (a Southerner, a Tosk, and a former Communist) was unable to establish effective control over the north and Berisha made a conspicuous point of not only supporting the KLA, but actually turning his personal property in the north over to the KLA as a training base. Supporting fellow Gegs apparently makes for good politics among the northerners.

The KLA's strategy was very simple: Target Serbian policemen and thus provoke the inevitable brutal Serb retaliation against Kosovo Albanian civilians, all in the hopes of bringing NATO into the conflict. They have succeeded brilliantly in this goal, but have not proved to be much a fighting force themselves.

These are not arguments new to the Senate. A year ago, April 30, 1998, my eminent colleague JOHN W. WARNER and I offered cautionary amendments concerning NATO expansion eastward. I went first with a proposal that new NATO members should first belong to the European Union. I received, as I recall, 17 votes. My colleague then proposed to postpone any further enlargement of NATO for a period of at least three years. That proposal, again if I recall, received 41 votes. We felt, on the whole, somewhat lonely. Now, however, we learn that Defense Secretary William Perry and his top arms-control aide, Ashton Carter, as related by Thomas L. Friedman in The Times of March 16, 1999.

Mr. Perry and Mr. Carter reveal that when they were running the Pentagon they argued to Mr. Clinton that NATO expansion ''should be deferred until later in the decade.'' Mr. Perry details how he insisted at a top-level meeting with the President, on December 21, 1994, that ''early expansion was a mistake,'' because it would provoke ''distrust'' in Russia and undermine cooperation on arms control and other issues, and because ''prematurely adding untried militaries'' at a time when NATO itself was reassessing its role would not be helpful.

The Secretary of Defense lost the argument; in Friedman's view domestic politics overrode strategic concerns. But who won? The various pronouncements that issued from the recent NATO summit come close to a telephone directory of prospective new NATO members. Before we get carried away, might we ask just how many of them have the kind of internal ethnic tension so easily turned on? Which will be invaded by neighbors siding with the insurgents? Must NATO then go to war in the Caucuses?

The second matter of which I would speak is that of international law. The United States and its NATO allies have gone to war, put their men and women in harm's way for the clearest of humanitarian purposes. They have even so attacked a sovereign state in what would seem a clear avoidance of the terms of the U.N. Charter, specifically Article 2(4). The State Department has issued no statement as to the legality of our actions. An undated internal State Department document cites Security Council Resolution 1199 affirming that the situation in Kosovo constitutes a threat to the peace in the region, and demanding that the parties cease hostilities and maintain peace in Kosovo. The Department paper concludes: ''FRY actions in Kosovo cannot be deemed an internal matter, as the Council has condemned Serbian action in Kosovo as a threat to regional peace and security.''

A valid point. But of course the point is weakened, at very least, by the fact of our not having gone back to the Security Council to get authorization to act as we have done. We have not done this, of course, because the Russians and/or the Chinese would block any such resolution. Even so, it remains the case that the present state of international law is in significant ways a limitation on our freedom to pursue humanitarian purposes. Again, a matter that calls for attention, indeed, demands attention.

In sum, limits and law.

## CLINTON HIGH SCHOOL'S ATTACHÉ SHOW CHOIR

Mr. LOTT. Mr. President, today I want to honor the premiere high school show choir in the Nation—Mississippi's own Clinton High School's Attaché. Forty-two singers/dancers, sixteen instrumentalists, and seventeen crew members make up the outstanding group of young adults from a high

school with an enrollment of 11 hundred.

For the past decade, the members of Attaché have proven to be goodwill ambassadors for their high school, their community, and the great State of Mississippi. They have traveled to competitions all across America—Indiana, Illinois, Alabama, Florida, New York, and California. During this time, Attaché has not only competed in, but won every major show choir competition in the United States. They are the only high school show choir to ever win the grand championship in each venue of the Showstopper's International Invitational Competitions—an accomplishment of which Mississippians should truly be proud. While competing with other American high school students, they have demonstrated to the nation Mississippi's culture and excellence in the arts.

Mr. President, I want to point out that all of these accomplishments have been made while balancing practice and performance schedules with academics. These students serve as role models for the Nation. They demonstrate the tremendous achievements which are possible through dedication and hard work.

Since 1992, David and Mary Fehr have led Attaché. David serves as the group's director. He arranges all numbers, directs the vocals and serves as the pianist during the show choir's performances. Mary designs the sets and costumes for the performers and personally sews the girls' outfits. This husband and wife team illustrates the value of teamwork. Discipline, self-reliance, and hard work are each of their charges. They are the epitome of what a public school educator should be. The Clinton Public Schools are blessed to have them on board.

This outstanding group of young adults and their dedicated leaders are shining examples of what positive energy can produce. It is refreshing to know that there are still teenagers out there with dedication and determination. Being a part of this show choir requires long hours and hard-work. Clinton and the whole state of Mississippi should be truly proud of the accomplishments of Attaché.

## JOHN HUME'S 30 OUTSTANDING YEARS IN NORTHERN IRELAND

Mr. KENNEDY. Mr. President, John Hume's career is surely one of the most distinguished in Irish history, or in any nation's history, and all of us in America who care about Ireland are greatly in his debt. Last week, this distinguished leader of the Social Democratic and Labour Party celebrated 30 years of public service. His accomplishments are many, as was recognized last year when he shared the Nobel Peace Prize for extraordinary leadership in producing the Good Friday Peace Agreement. One detail about that prize speaks volumes about John Hume—he donated the entire cash prize to charities in Northern Ireland.

I welcome this opportunity to extend my warmest congratulations to John Hume on his 30 years of service to peace and the people of Northern Ireland, and I ask unanimous consent to have printed in the RECORD an article from the Irish Times of April 29 on the celebration in Belfast last week of his brilliant service.

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

[From The Irish Times, Apr. 29, 1999]

HUME'S 30-YEAR CAREER HONOURED

(By Gerry Moriarty)

The SDLP faithful turned out in strength in Belfast last night to celebrate the 30-year political career of party leader and Nobel laureate Mr. John Hume. The Europa Hotel was the venue for what was described as a gala ''bash''.

The emphasis was on ''nostalgia and crack'' rather than the often depressing stuff of Northern politics as colleagues and friends of Mr. Hume gathered to reminisce on his career and the SDLP's 29 year history.

Founder members of the party were present, including Mr. Ivan Cooper, Fine Gael TD Mr. Austin Currie and Mr. Paddy O'Hanlon. Apologies were received from Mr. Paddy Devlin and former SDLP leader Lord Fitt.

More than 400 people attended the reception and dinner including the Minister for Social, Community and Family Affairs, Mr. Ahern, and the Minister of State for Foreign Affairs, Ms. Liz O'Donnell.

Ms. O'Donnell praised Mr. Hume's political ingenuity in devising a political plan that brought Sinn Fein into the political equation and ultimately led to the Belfast Agreement. She said Mr. Hume had won respect right across the ''political board''. His analysis had proved correct and she was delighted to be attending the gala in his honour.

Music was supplied by the McCafferty singers from Derry and Belfast vocalist Brian Kennedy.

Ms. Gerry Cosgrove, the SDLP general secretary, said the party wanted to celebrate and honour Mr. Hume's achievements. ''The 30-year career of John Hume has been characterised by courage, conviction and vision,'' she said.

''He has been instrumental in perhaps every positive development in the long and difficult history of the Troubles, and is widely regarded as the principal architect of the Good Friday agreement,'' she said. ''This function was to say thank you for that courage and vision.''

The Northern Secretary, Dr. Mo Mowlam, apologised for being unable to attend. In a message she praised Mr. Hume for his single-minded determination in pursuing the ''goal of peace''.

Among the speakers were Mr. Cooper, the SDLP deputy leader and Deputy First Minister, Mr. Seamus Mallon, and Mr. Ahern. Mr. Hume was accompanied by his wife, Pat.

## MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination which was referred to the Committee on the Judiciary.

(The nomination received today is printed at the end of the Senate proceedings.)

## REPORT ON EMERGENCY IN SUDAN—MESSAGE FROM THE PRESIDENT—PM 21

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

*To the Congress of the United States:*

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c) and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 3, 1999.*

## REPORT ON BLOCKING PROPERTY AND PROHIBITING TRADE INVOLVING YUGOSLAVIA—MESSAGE FROM THE PRESIDENT—PM 22

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

*To the Congress of the United States:*

In response to the brutal ethnic cleansing campaign in Kosovo carried out by the military, police, and paramilitary forces of the Federal Republic of Yugoslavia (Serbia and Montenegro), the NATO allies have agreed to buttress NATO's military actions by tightening economic sanctions against the Milosevic regime. Pursuant to section 204(b) of the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1703(b), I hereby report to the Congress that, in order to implement the measures called for by NATO, I have exercised my statutory authority to take additional steps with respect to the continuing human rights and humanitarian crisis in Kosovo and the national emergency described and declared in Executive Order 13088 of June 9, 1998.

Pursuant to this authority, I have issued a new Executive order that:

—expands the assets freeze previously imposed on the assets of

the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), the Republic of Serbia, and the Republic of Montenegro subject to U.S. jurisdiction, by removing the exemption in Executive Order 13088 for financial transactions by United States persons conducted exclusively through the domestic banking system within the Federal Republic of Yugoslavia (Serbia and Montenegro) or using bank notes or barter;

—prohibits exports or reexports, directly or indirectly, from the United States or by a United States person, wherever located, of goods, software, technology, or services to the Federal Republic of Yugoslavia (Serbia and Montenegro) or the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), the Republic of Serbia, or the Republic of Montenegro;

—prohibits imports, directly or indirectly, into the United States of goods, software, technology, or services from the Federal Republic of Yugoslavia (Serbia and Montenegro) or owned or controlled by the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), the Republic of Serbia, or the Republic of Montenegro;

—prohibits any transaction or dealing, including approving, financing, or facilitating, by a United States person, wherever located, related to trade with or to the Federal Republic of Yugoslavia (Serbia and Montenegro) or the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), the Republic of Serbia, or the Republic of Montenegro.

The trade-related prohibitions apply to any goods (including petroleum and petroleum products), software, technology (including technical data), or services, except to the extent excluded by section 203(b) of IEEPA (50 U.S.C. 1702(b)).

The ban on new investment by United States persons in the territory of Serbia—imposed by Executive Order 13088—continues in effect.

The Executive order provides that the Secretary of the Treasury, in consultation with the Secretary of State, shall give special consideration to the circumstances of the Government of the Republic of Montenegro. As with Executive Order 13088, an exemption from the new sanctions has been granted to Montenegro. In implementing this order, special consideration is also to be given to the humanitarian needs of refugees from Kosovo and other civilians within the Federal Republic of Yugoslavia (Serbia and Montenegro).

In keeping with my Administration's new policy to exempt commercial sales of food and medicine from sanctions regimes, the Executive order directs the Secretary of the Treasury, in consultation with the Secretary of State, to authorize commercial sales of agricultural commodities and products, medicine, and medical equipment for civilian end use in the Federal Republic of Yugoslavia (Serbia and Montenegro). Such sales are to be subject to appropriate safeguards to prevent diversion to military, paramilitary, or political use by the Governments of the Federal Republic of Yugoslavia (Serbia and Montenegro), the Republic of Serbia, or the Republic of Montenegro), the Republic of Serbia, or the Republic of Montenegro.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *April 30, 1999.*

## REPORT ON NARCOTICS TRAFFICKERS IN COLOMBIA—MESSAGE FROM THE PRESIDENT—PM 23

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

*To the Congress of the United States:*

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I transmit herewith a 6-month periodic report on the national emergency with respect to significant narcotics traffickers centered in Colombia that was declared in Executive Order 12978 of October 21, 1995.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 3, 1999.*

## EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–2792. A communication from the Secretary of Agriculture, transmitting, a draft of proposed legislation entitled ''Department of Agriculture Livestock Price Reporting Act of 1999''; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2793. A communication from the Administrator, Farm Service Agency, Farm and Foreign Agricultural Services, Department of Agriculture, transmitting, pursuant to law, the report of a rule relative to 1998 Marketing Quotas and Price Support Levels for various types of tobacco (RIN0560–AF2066), received April 13, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2794. A communication from the Administrator, Farm Service Agency, Farm and Foreign Agricultural Services, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Dairy Indemnity Payment Program'' (RIN0560–AF66), received April 2, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2795. A communication from the Administrator, Farm Service Agency, Farm and Foreign Agricultural Services, Department of Agriculture, transmitting, pursuant to law, the report of two rules entitled ''End-Use Certificate Program'' (RIN0560–AF64) and ''Livestock Assistance Program'' (RIN0560–AF58), received April 2, 1999; to the Committee on Agriculture, Nutrition and Forestry.

EC–2796. A communication from the Administrator, Farm Service Agency, Farm and Foreign Agricultural Services, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Non-insured Crop Disaster Assistance Program'' (RIN0560–AF46), received April 13, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2797. A communication from the Administrator, Farm Service Agency, Farm and Foreign Agricultural Services, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Suspension of Collection of Recapture Amount for Borrowers with Certain Shared Appreciation Agreements'' (RIN0560–AF80), received April 27, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2798. A communication from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Milk in the New England and Other Marketing Areas; Decision on Proposed Amendments to Marketing Agreements and to Orders–DA–97–12'' (RIN0581–AB49), received April 2, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2799. A communication from the Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Almonds Grown in California; Revision of Reporting Requirements'' (Docket No. FV99–981–1–FR), received April 22, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2800. A communication from the Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Nectarines and Peaches Grown in California; Revision of Handling Requirements for Fresh Nectarines and Peaches'' (Docket No. FV–99–916–2–FR), received April 22, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2801. A communication from the Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Olives Grown in California; Increased Assessment Rate'' (Docket No. FV99–932–1–FR), received April 2, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2802. A communication from the Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Oranges, Grapefruit, Tangerines and Tangelos Grown in Florida and Imported Grapefruit; Relaxation of the Minimum Size Requirement for Red Seedless Grapefruit'' (Docket No. FV99–905–1–FIR), received April 2, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2803. A communication from the Inspector General, Department of Agriculture, transmitting, the report of an audit of the

settlements of complaints of discrimination; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2804. A communication from the Administrator, Grain Inspection, Packers and Stockyards Administration, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''7 CFR Part 801, Official Testing Service for Corn Oil, Protein and Starch'' (RIN0580–AA62), received April 12, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2805. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Services, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Karnal Bunt; Reclassification of Regulated Areas'' (RIN0579–AA83), received April 29, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2806. A communication from the Administrator, Food and Consumer Service, Department of Agriculture, Transmitting, pursuant to law, the report of a rule entitled ''WIC/Food Stamp Program (FSP) Vendor Disqualifications'' (RIN0584–AC50), received April 1, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2807. A communication from the Under Secretary, Rural Development, Department of Agriculture, transmitting, pursuant to law, the report of a entitled ''Processing Requests for Farm Labor Housing (LH) Loans and Grants'' (RIN0575–AC19), received April 30, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2808. A communication from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of six rules relative to the Small Business Regulatory Enforcement and Fairness Act of 1996, received April 9, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2809. A communication from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of three rules relative to the Small Business Regulatory Enforcement and Fairness Act of 1996, received April 12, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2810. A communication from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of three rules relative to the Small Business Regulatory Enforcement and Fairness Act of 1996, received April 14, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2811. A communication from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of three rules relative to the Small Business Regulatory Enforcement and Fairness Act of 1996, received March 31, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2812. A communication from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of two rules relative to the Small Business Regulatory Enforcement and Fairness Act of 1996, received April 16, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2813. A communication from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of three rules and the withdrawal of a rule relative to the Small Business Regulatory Enforcement and Fairness Act of 1996, received April 22, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2814. A communication from the Director, Office of Government Relations, Smithsonian Institution, transmitting, pursuant to law, a report entitled ''Annual Proceedings of the One Hundred and Seventh Continental Congress'' of the National Society of the Daughters of the American Revolution; to the Committee on Rules and Administration.

EC–2815. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Trichoderma Harzianum KRL–AG2 (ATCC #20947) or Strain T–22; Revision of Exemption from the Requirement of a Tolerence'' (RIN2070–AB78), received on April 19, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2816. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Beauveria bassiana (ATC #74949); Exemption from the Requirement of a Tolerence'' (RIN2070–AB78), received on April 19, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2817. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Clopyralid; extension of Tolerance for Emergency Exemptions'' (RIN2070–AB78), received on April 6, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2818. A communication from the Director, Committee for Purchase From People Who Are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule relative to additions to the procurement list, received April 26, 1999; to the Committee on Governmental Affairs.

EC–2819. A communication from the Director, Committee for Purchase From People Who Are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule relative to additions and deletions to the procurement list, received April 30, 1999; to the Committee on Governmental Affairs.

EC–2820. A communication from the Auditor, District of Columbia transmitting, pursuant to law, a report entitled ''Evaluation of the Department of Public Works' Monitoring and Oversight of the Ticket Processing and Delinquent Ticket Debt Collection Contracts''; to the Committee on Governmental Affairs.

EC–2821. A communication from the Independent Counsel transmitting, pursuant to law, a report relative to the investigations and prosecutions of former Secretary of Agriculture Espy; to the Committee on Governmental Affairs.

EC–2822. A communication from the Director Designee, Federal Mediation and Conciliation Service transmitting a report relative to the Inspector General Act; to the Committee on Governmental Affairs.

## PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–70. A resolution adopted by the Senate of the Legislature of the State of New Hampshire; to the Committee on Energy and Natural Resources.

SENATE RESOLUTION NO. 5

Whereas, in 1993, Congress passed legislation authorizing the building of a national World War II Memorial in Washington, D.C., or its immediate environs; and

Whereas, under the provisions of the Commemorative Works Act, a construction permit must be obtained from the Secretary of the Interior within 7 years of the legislation authorizing the construction of the World War II Memorial, that is, by May 2000; and

Whereas the World War II Memorial shall be funded by private contributions, as specified in federal law, including corporate and foundation giving, veterans groups, associations, and individual donations; and

Whereas the capital campaign goal of the World War II Memorial project is $100 million, of which approximately $38 million has been received thus far; and

Whereas, before a construction permit will be issued, the final design must be approved and all funds for construction of the World War II Memorial must be on hand; and

Whereas, in consideration of the approaching May 2000 deadline, the honor, courage, and memory of every veteran who served in World War II shall be more appropriately served, and the gratitude of a nation more fully expressed, by expediting the construction process to permit construction of the World War II Memorial to begin immediately; now, therefore, be it

*Resolved* by the Senate:

That the honor and achievements of all World War II veterans shall be best served by allowing for the construction of the World War II Memorial to begin immediately; and

That Congress undertake any and all appropriate action, legislative or otherwise, to permit the construction process for the World War II Memorial to begin immediately; and

That copies of this resolution, signed by the president of the senate, be forwarded by the senate clerk to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and to each member of the New Hampshire congressional delegation.

---

POM–71. A concurrent resolution adopted by the Legislature of the State of Kansas; to the Committee on Appropriations.

HOUSE CONCURRENT RESOLUTION NO. 5021

Whereas, Nearly 700,000 United States troops, including 7,500 Kansans, deployed to the Persian Gulf region in Operation Desert Shield and Operation Desert Storm to liberate Kuwait; and

Whereas, Federal research efforts have not yet identified the prevalence, patterns, causes or treatments for illnesses by Gulf War veterans; and

Whereas, Nationwide, very few Gulf War veterans who have applied for disability compensation for undiagnosed illnesses from the United States Department of Veterans Affairs have received compensation; and

Whereas, The Kansas Persian Gulf War Veterans Health Initiative has surveyed 2031 Kansas Gulf War-era veterans; and

Whereas, The Kansas Gulf War Veterans Health Study preliminary results indicate that 30% of deployed veterans suffer from a complex of symptoms characterized by fatigue, joint and muscle pain, cognitive and

mood disturbances, and a variable array of respiratory, gastrointestinal, neurological, skin, and auditory problems, collectively identified as Gulf War illness; and

Whereas, The Kansas Gulf War Veterans Health Study indicates that Gulf War illness occurs in identifiable patterns, including differences by areas of deployment; and

Whereas, The Kansas Gulf War Veterans Health Study indicates that among veterans who did not deploy to the Gulf War, Gulf War illness occurs at a significantly higher rate among veterans who received vaccines during that period than those who did not receive vaccines; and

Whereas, The Kansas Gulf War Veterans Health Study indicates that children of Gulf War veterans born since the war were significantly more likely to have been born with health problems, including birth defects, than children born to nondeployed veterans during the same period; and

Whereas, The Kansas Gulf War Veterans Health Study indicates that most deployed veterans with Gulf War illness continue to be employed, but 79% say their health affects their ability to work; and

Whereas, The Kansas Gulf War Veterans Health Study indicates that Kansas veterans who deployed to the Gulf War are significantly less likely to receive disability compensation from the United States Department of Veterans Affairs than nondeployed veterans of the same era; and

Whereas, Kansas has thousands of deployable troops at facilities such as Fort Riley, Fort Leavenworth, McConnell Air Base, as well as reservists and members of our Kansas National Guard; and

Whereas, The results of the Kansas Persian Gulf War Veterans Health Initiative are very troubling, we must do all we can to prevent a repeat of ''Gulf War illness'' in any future conflict that affects our Kansas military men and women: Now, therefore, be it

*Resolved by the House of Representatives of the State of Kansas, the Senate concurring therein,* That we, the Kansas Legislature, believe that Gulf War illness has had a severe negative impact on the physical and emotional well-being of Gulf War veterans who honorably served Kansas and the United States; and be it further

*Resolved,* That we memorialize the President and the Congress of the United States to provide funding for Gulf War illness research independent of that administered by the United States Departments of Defense and Veterans Affairs; and to establish a process of independent review of federal policies and programs associated with Gulf War illness research, benefits, and health care; and be it further

*Resolved,* That we urge the Governor of Kansas, the Secretary of Health and Environment, the Kansas Commission on Veterans Affairs, and other appropriate state agency heads to take action to continue to investigate Gulf War illness and promote programs to inform and assist Kansas Gulf War veterans and family members suffering from Gulf War illness; and be it further

*Resolved,* That we urge our Kansas Congressional Delegation to coordinate acquisition of federal grants from the National Institute of Health (N.I.H.) or other federal sources to seek causes and cures for Gulf War illness; and be it further

*Resolved,* That we urge our Kansas Congressional Delegation to build coalitions with other states to call on Congress and the administration for action in investigating and finding answers to Gulf War illness; and be it further

*Resolved,* That we encourage our Kansas Congressional Delegation to meet with members of the Kansas Persian Gulf War Veterans Initiative to coordinate efforts on the federal level; and be it further

*Resolved,* That the Secretary of State be directed to provide an enrolled copy of this resolution to the President of the United States, the Vice-President of the United States, the Speaker of the United States House of Representatives, the Secretary of Defense, the Secretary of Veterans Affairs, and to each member of the Kansas Congressional delegation; to the Governor of the State of Kansas, the Secretary of Health and Environment, the Secretary of Human Resources, and the Chairman of the Kansas Commission on Veterans Affairs; and to the National and State Commanders of the American Legion, the Veterans of Foreign Wars and the Disabled American Veterans.

---

POM–72. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Finance.

JOINT RESOLUTION NO. 10

Whereas, the Constitution of the United States assigns certain powers and responsibilities to the Federal Government and reserves the balance of those powers and responsibilities to the individual states; and

Whereas, beginning in the 1930s when the Social Security System was established, public employees were excluded from participation; and

Whereas, many pension plans of state and local governments have elected to complement their own pension programs through coverage under the Social Security System; and

Whereas, other public pension plans, including the Pubic Employees' Retirement System of Nevada, decided not to participate in the national Social Security System, but rather to provide their own independent and excellent programs of retirement benefits; and

Whereas, mandatory Social Security coverage of newly hired state and local governmental employees in the State of Nevada will seriously disrupt our well-founded Public Employees' Retirement System; and

Whereas, there is no evidence to support the idea that mandatory Social Security coverage of newly hired public employees will solve the funding problems of the national Social Security System; and

Whereas, there are serious constitutional and administrative problems with the extension of mandatory Social Security coverage to newly hired public employees; now therefore, be it

*Resolved by the Assembly and Senate of the State of Nevada, Jointly,* That the members of the Legislature of the State of Nevada hereby express their strong opposition to the extension of mandatory Social Security coverage to newly hired state and local governmental employees; and be it further

*Resolved,* That the Nevada Legislature hereby urges Congress to oppose all efforts to extend mandatory Social Security coverage to newly hired state and local governmental employees; and be it further

*Resolved,* That the Chief of the Assembly prepare and transmit a copy of this resolution to the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

*Resolved,* That this resolution becomes effective upon passage and approval.

---

POM–73. A resolution adopted by the House of the Legislature of the Commonwealth of Pennsylvania; to the Committee on Banking, Housing, and Urban Affairs.

HOUSE RESOLUTION NO. 130

Whereas, Senior citizen housing was originally designed to provide adequate and safe housing for older citizens in an environment where residents' interests and needs were held in common; and

Whereas, Many senior citizens choose senior citizen housing in order to live in a community setting around individuals of common interest and common experiences while maintaining independent living quarters; and

Whereas, Senior citizen housing was designed to provide our older residents with affordable housing while ensuring them a quality-of-life standard; and

Whereas, The Department of Housing and Urban Development has begun placing nonsenior citizens in buildings originally designed to house senior citizens; and

Whereas, These young individuals, while meeting certain eligibility requirements for placement within these housing complexes, do not maintain a lifestyle conductive to that of the older residents in those same complexes; and

Whereas, Increased crime, noise and dangerous traffic conditions are among the serious problems now seen in those complexes where young tenants are being placed; therefore be it

*Resolved*, That the House of Representatives of the Commonwealth of Pennsylvania memorialize the Congress of the United States to urge the Department of Housing and Urban Development to carefully consider the needs of all residents of a complex or building with respect to placing new tenants in areas previously considered to be senior citizen housing; and be it further

*Resolved*, That copies of this resolution be transmitted to the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

---

POM–74. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Appropriations.

JOINT RESOLUTION

Whereas, the people of Maine believe that every student should receive an adequate public education; and

Whereas, it costs on average more than twice as much to educate a student with a disability as to educate a student without a disability; and

Whereas, the issue of funding special education in our schools is one of the people of Maine's foremost concerns; and

Whereas, when the Individuals with Disabilities Education Act was first enacted, Congress committed to covering 40% of the cost of special education in the United States; and

Whereas, according to the Maine Department of Education, in fiscal year 1998, the Federal Government covered only 8.15% of the cost of special education in the State of Maine; and

Whereas, special education costs paid with local and state taxes have more than doubled in the past 10 years from $52,697,027 in the 1987–1988 school year to $139,008,607 in the 1997–1998 school year; and

Whereas, special education costs in some Maine communities consume a large percentage of local education dollars including:

1. An amount of $4,595,769 constituting 19.7% of total education expenditures in the City of Auburn;

2. An amount of $1,324,791 constituting 13.2% of total education expenditures in the Town of Wiscasset;

3. An amount of $5,758,750 constituting 21.5% of total education expenditures in the City of Lewiston;

4. An amount of $2,941,301 constituting 11.7% of total education expenditures in the City of Bangor;

5. An amount of $14,860 constituting 21.7% of total education expenditures in Monhegan Plantation; and

6. An amount of $6,357,742 constituting 12.4% of total education expenditures in the City of Portland; and

Whereas, the cost of special education has increased dramatically in recent years, causing property taxes in the State of Maine to rise and school districts around the State to cut activities such as art and music programs, field trips and extracurricular activities to maintain balanced budgets; now therefore, be it

*Resolved,* That We, your Memorialists, respectfully urge and request that the United States Congress increase funding to support special education at a level originally envisioned in the Individuals with Disabilities Education Act; and be it further

*Resolved,* That suitable copies of this resolution, duly authenticated by the Secretary of State, be transmitted to the Honorable William J. Clinton, President of the United States, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and each member of the Maine Congressional Delegation.

---

POM–75. A resolution adopted by the Senate of the Legislature of the Commonwealth of Pennsylvania; to the Committee on Environment and Public Works.

SENATE RESOLUTION NO. 53

Whereas, the United States Supreme Court has issued a series of decisions holding that the Commerce Clause of the Constitution of the United States prohibits states from restricting the importation of solid waste from other states; and

Whereas, over the past ten years owners and operators of solid waste landfills located in this Commonwealth have significantly increased the amount of municipal waste that they accept from other states; and

Whereas, New York City released a long-term waste management plan on December 2, 1998, that will allow New York City to close the Fresh Hills Landfill as planned on December 31, 2001, resulting in the export of approximately 13,000 tons of solid waste a day now disposed at the Fresh Hills Landfill to Pennsylvania and other states; and

Whereas, the states of Pennsylvania, West Virginia, Virginia, New Jersey and Maryland notified the Mayor of New York City that the recently released waste plan to manage waste displaced by the closure of Fresh Hills Landfill did not adequately address limiting the exportation of the waste as well as other viable waste management alternatives; and

Whereas, the present and projected future levels of municipal waste that owners and operators of landfills and incinerators located in this Commonwealth import from other states pose environmental, aesthetic and traffic problems and is unfair to citizens of this Commonwealth, particularly citizens living in areas where landfills and incinerators are located; and

Whereas, Pennsylvania has met its recycling goal of 25% and has established a new goal of 35% by the year 2003; and

Whereas, it is within the power of the Congress of the United States to delegate authority to the states to restrict the amount of municipal waste imported from other states; and

Whereas, legislation has been introduced in Congress which will regulate and restrict the amount of municipal waste imported from other states; and

Whereas, Governor Thomas J. Ridge and the governors of the Great Lakes states of Ohio, Michigan and Indiana wrote to Congress expressing their desire to reach an accord on authorizing states to place reasonable limits on the importation of solid waste; and

Whereas, the failure of Congress to act will harm this Commonwealth by allowing the continued unrestricted flow of solid waste generated in other states to landfills and incinerators located in this Commonwealth; therefore be it

*Resolved,* That the Senate of the Commonwealth of Pennsylvania memorialize the President of the United States and Congress and the states to support legislation authorizing states to restrict the amount of solid waste being imported from other states and creating a rational solid waste management strategy that is equitable among the states and environmentally sound; and be it further

*Resolved,* That the Senate memorialize the President of the United States and Congress to support legislation that gives communities hosting landfills and incinerators the right to decide by agreement whether to accept waste from other states and that creates a rational municipal waste management strategy that is equitable among the states and environmentally sound; and be it further

*Resolved,* that copies of this resolution be transmitted to the President of the United States, the presiding officers of each house of Congress and to each member of Congress from Pennsylvania.

---

POM–76. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Foreign Relations.

SENATE JOINT RESOLUTION NO. 13

Whereas, good health is a basic right for every citizen of the world and access to the highest standards of health information and services is necessary to help guarantee this right; and

Whereas, participation in international health programs is crucial to world health as the potential for the spread of various infectious diseases increases proportionately with the increase in world trade and travel; and

Whereas, the World Health Organization set forth in the first chapter of its charter the objective of attaining the highest possible level of health for all people; and

Whereas, in 1977, the World Health Organization established ''Health for all by the year 2000'' as its overriding priority and reaffirmed that commitment in 1995 with the initiation of its ''Health for All'' renewal process; and

Whereas, this country's population of 21 million is larger than three-quarters of the member states already in the World Health Organization and Taiwan shares the noble goals of the organization; and

Whereas, the achievements of Taiwan in the field of health are substantial, including one of the highest life expectancy levels in Asia, maternal and infant mortality rates comparable to those of western countries, the eradication of such infectious diseases as cholera, smallpox and the plague and the first country in the world to provide children with free hepatitis B vaccinations; and

Whereas, before its loss of membership in the World Health Organization in 1972, Taiwan sent specialists to serve in other member countries on countless health projects and its health experts held key positions in the organization, all to the benefit of the entire Pacific region; and

Whereas, presently, this remarkable country is not allowed to participate in any forums and workshops organized by the World Health Organization concerning the latest technologies in the diagnosis, monitoring and control of diseases; and

Whereas, in recent years, the government and the expert scientists and doctors in the field of medicine of Taiwan have expressed a willingness to assist financially or technically in international aid and health activities supported by the World Health Organization, but these offers have ultimately been refused; and

Whereas, according to the constitution of the World Health Organization, Taiwan does not fulfill the criteria for membership; and

Whereas, because the World Health Organization does not allow observers to participate in the activities of the organization and considering all of the benefits that such participation would bring, it is in the best interests of all persons in this World that Taiwan be admitted to the World Health Organization, now, therefore, be it

*Resolved by the Senate and Assembly of the State of Nevada, Jointly,* That the members of the 70th session of the Nevada Legislature do hereby urge President Clinton and the Congress of the United States to support all efforts made by Taiwan of the Republic of China to gain meaningful participation in the World Health Organization; and be it further

*Resolved,* That the policy of the United States should include the pursuit of an initiative in the World Health Organization that would ensure such participation; and be it further

*Resolved,* That the Secretary of the Senate prepare and transmit a copy of this resolution to the President of the United States, the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives, the Secretary of Health, Education and Welfare, the World Health Organization, the Director General of the Taipei Economic and Cultural Office in San Francisco and each member of the Nevada Congressional Delegation; and be it further

*Resolved,* That this resolution becomes effective upon passage and approval.

---

POM–77. A resolution adopted by the House of the Legislature of the State of New Hampshire to the Committee on Appropriations.

Whereas, the White Mountain National Forest consists of 720,000 acres in 35 different communities and 14 unincorporated places in New Hampshire; and

Whereas, the presence of national forest land provides both economic benefits and burdens to these communities; and

Whereas, adequate funding by Congress of the Land and Resource Management Plan ensures that the full economic, social and conservation benefits of proper management are received by these communities; and

Whereas, full payment in lieu of taxes by the federal government ensures that these communities receive revenues comparable to revenues these lands would generate in property taxes were they in private ownership; and

Whereas, full funding of the forest plan and full payment in lieu of taxes constitute a fiscal relationship between the federal government and the White Mountain National Forest communities that is essential to maintaining public trust and support for continued management of these lands by the federal government; now, therefore, be it

*Resolved by the House of Representatives:*

That an annual report be issued by the United States Department of Agriculture Forest Service for public view and distribution, containing National Forest contributions to local towns in lieu of property taxes, statistics on revenues from timber sales, information regarding road construction, and approximate numbers of those who use the White Mountain National Forest for recreation and the economic impact on area business; and

That the federal government should make full funding of the Land and Resource Management Plan its highest priority in relation to its ownership and management of the White Mountain National Forest; and

That the federal government fully fund its statutory obligation to make payment in lieu of taxes to New Hampshire communities which contain land within the White Mountain National Forest; and

That copies of this resolution be forwarded by the house clerk to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and the member of the New Hampshire congressional delegation.

POM–78. A resolution adopted by the Senate of the Legislature of the State of Hawaii; to the Committee on Appropriations.

SENATE RESOLUTION NO. 25

Whereas, during World War II, the United States forcibly removed and interned over 120,000 United States citizens and legal permanent residents of Japanese ancestry from their homes and relocated them to government internment camps; and

Whereas, in addition, the United States arranged the deportation of over 2,264 men, women, and children of Japanese ancestry from thirteen Latin American countries to the United States to be interned and used in prisoner of war exchanges with Japan; and

Whereas, in 1988, the United States Congress passed, and President Reagan signed, the Civil Liberties Act of 1988 (the Act), which acknowledged the fundamental injustice of that evacuation, relocation, and internment, and to apologize on behalf of the people of the United States for the wrongs done to United States citizens and legal permanent residents of Japanese ancestry; and

Whereas, that Act further sought to make restitution to those individuals of Japanese ancestry who were interned by authorizing a $20,000 redress payment to each citizen and legal permanent resident of Japanese ancestry who was deprived of liberty or property as a result of government action; and

Whereas, the Act directed the United States Treasury to distribute these payments, to which Congress appropriated $1,650,000,000 between October 1990 and October 1993; and

Whereas, in a subsequent settlement of a class action suit, the United States agreed to send a letter of apology and to pay a $5,000 redress payment from the same fund to each formerly interned Japanese Latin American; and

Whereas, to fulfill its educational purpose of informing the public about the internment so as to prevent the recurrence of similar events, the Act also created the Civil Liberties Public Education Fund to make disbursements for research and educational activities up to a total of $50,000,000; and

Whereas, Congress specified in the Act that the principal of $1,650,000,000 was to be invested in government obligations and earn interest at an annual rate of at least five per cent; and

Whereas, in 1998, a Japanese Peruvian former internee and the National Coalition for Redress/Reparations filed a class action suit alleging that the Treasury Department breached its fiduciary duty by failing to invest the funds mandated by Congress, and seeking to recover the lost interest which is estimated to be between $50,000,000 and $200,000,000; and

Whereas, while the reparations fund has made payments to approximately eighty-two thousand claimants, there will not be sufficient money in the trust fund established by Congress to pay all of the remaining claims by Japanese Americans and Japanese Latin Americans or to meet the goal of $50,000,000 in educational grants; and

Whereas, a United States Justice Department official has apparently acknowledged that the funds were not invested as originally mandated by Congress, and that the $1,650,000,000 has all been spent, although claims are still pending; and

Whereas, the Legislature finds that while nothing can replace the loss of civil liberties suffered by those who were forced to evacuate their homes and relocate to internment camps on the basis of their ancestry, a formal apology and token redress payment to these individuals of Japanese ancestry is the least that can be done to compensate them for the loss of their rights; now, therefore, be it

*Resolved by the Senate of the Twentieth Legislature of the State of Hawaii, Regular Session of 1999,* That the United States government is urged to restore redress funds to pay all outstanding Japanese American and Japanese Latin American redress claims and to fulfill the educational mandate of the act; and be it further

*Resolved,* That certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, Hawaii's congressional delegation, and the Governor of Hawaii.

---

POM–79. A resolution adopted by the Legislature of the State of Minnesota; to the Committee on Finance.

RESOLUTION NO. 2

Whereas, the State of Minnesota entered into a settlement agreement on May 8, 1998, ending the lawsuit brought by the state against the tobacco industry; and

Whereas, the federal government has not brought its own lawsuit against the tobacco industry; and

Whereas, the federal government, through the Health Care Financing Administration, has asserted that it is entitled to a share of the state settlement on the basis that it allegedly represents the federal share of Medicaid costs; and

Whereas, the federal government asserts that it is authorized and obligated, under the third-party recovery provisions of the Social Security Act, to collect its share of any settlement funds attributable to Medicaid; and

Whereas, the state lawsuit was brought in state court under state law theories of consumer fraud, unlawful trade practices, deceptive trade practices, false advertising, unreasonable restraints of trade, and the use of monopoly power to affect competition in violation of the laws of the State of Minnesota; and

Whereas, the state initiated the lawsuit without any financial, technical, or other assistance from any branch or agency of the federal government, and settled without any assistance from the federal government; and

Whereas, the state is entitled to all of the funds negotiated in the tobacco settlement agreement entered into on May 8, 1998, without any federal claim; now, therefore, be it

*Resolved by the Legislature of the State of Minnesota,* That it urges the Congress and the Administration to support legislation that would explicitly prohibit the federal government from claiming or recouplng any state tobacco settlement recoveries. Be it further

*Resolved,* That the United States Senators elected from Minnesota are requested to become cosponsors of S346 introduced in the Senate on February 3, 1999, by Senators Hutchison and Graham, and the United States Representatives elected from Minnesota are requested to become cosponsors of HR351 introduced in the House of Representatives on January 19, 1999, by Representative Bilirakis and Franks. Be it further,

*Resolved,* That the Secretary of State of the State of Minnesota is directed to prepare copies of this memorial and transmit them to the President of the United States, the President and the Secretary of the United States Senate, the Speaker and Clerk of the United States House of Representatives, and Minnesota's Senators and Representatives in Congress.

---

POM–80. A resolution adopted by the Board of County Commissioners, Collier County, Florida relative to English as the Official Language of Collier County; to the Committee on Governmental Affairs.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. DURBIN (for himself, Mr. CHAFEE, Mr. KENNEDY, Mr. SCHUMER, Mr. LAUTENBERG, Mrs. BOXER, and Mr. REED):

S. 936. A bill to prevent children from having access to firearms; to the Committee on the Judiciary.

By Mrs. HUTCHISON (for herself, Mr. MCCAIN, Mr. HOLLINGS, and Mr. INOUYE):

S. 937. A bill to authorize appropriations for fiscal years 2000 and 2001 for certain maritime programs of the Department of Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 938. A bill to eliminate restrictions on the acquisition of certain land contiguous to Hawaii Volcanoes National Park, and for other purposes; to the Committee on Energy and Natural Resources.

S. 939. A bill to correct spelling errors in the statutory designations of Hawaiian National Parks; to the Committee on Energy and Natural Resources.

By Mr. SPECTER (by request):

S. 940. A bill to provide a temporary authority for the use of voluntary separation incentives by the Department of Veterans Affairs to reduce employment levels, restructure staff, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WYDEN (for himself, Mr. MACK, Mr. ROCKEFELLER, and Mr. SMITH of Oregon):

S. 941. A bill to amend the Public Health Service Act to provide for a public response

to the public health crisis of pain, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SCHUMER:

S. 942. A bill to amend the Internal Revenue Code of 1986 to require the Secretary of the Treasury to develop an Internet site where a taxpayer may generate a receipt for an income tax payment which itemizes the portion of the payment which is allocable to various Government spending categories; to the Committee on Finance.

By Mrs. HUTCHISON:

S. 943. A bill to authorize the Administrator of General Services to restore, preserve, and operate the LBJ Presidential Office Suite in Austin, Texas; to the Committee on Governmental Affairs.

By Mr. INHOFE:

S. 944. A bill to amend Public Law 105–188 to provide for the mineral leasing of certain Indian lands in Oklahoma; to the Committee on Indian Affairs.

By Mr. DURBIN (for himself, Mr. LEAHY, Mr. KENNEDY, Mr. FEINGOLD, and Mr. SARBANES):

S. 945. A bill to amend title 11, United States Code, and for other purposes; to the Committee on the Judiciary.

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

S. 946. A bill to authorize the Secretary of the Interior to transfer administrative jurisdiction over land within the boundaries of the Home of Franklin D. Roosevelt National Historic Site to the Archivist of the United States for the construction of a visitor center; to the Committee on Energy and Natural Resources.

By Mr. HOLLINGS (for himself and Mr. MCCAIN):

S. 947. A bill to amend federal law regarding the tolling of the Interstate Highway System; to the Committee on Environment and Public Works.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. SANTORUM:

S. Res. 91. A resolution expressing the sense of the Senate that Jim Thorpe should be recognized as the ''Athlete of the Century''; to the Committee on Commerce, Science, and Transportation.

By Mrs. BOXER (for herself, Mr. LAUTENBERG, Mr. REID, Mr. JEFFORDS, Mr. SCHUMER, Mr. ASHCROFT, Mr. MACK, Mr. COVERDELL, and Mr. HELMS):

S. Res. 92. A resolution expressing the sense of the Senate that funding for prostate cancer research should be increased substantially; to the Committee on Health, Education, Labor, and Pensions.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN (for himself, Mr. CHAFEE, Mr. KENNEDY, Mr. SCHUMER, Mr. LAUTENBERG, Mrs. BOXER, and Mr. REED):

S. 936. A bill to prevent children from having access to firearms; to the Committee on the Judiciary.

CHILDREN'S FIREARM ACCESS PREVENTION ACT

Mr. DURBIN. Mr. President, I rise today with my colleagues Senator CHAFEE, Senator KENNEDY, Senator SCHUMER, Senator LAUTENBERG, Senator BOXER, and Senator REED to introduce the Child Firearm Access Prevention Act of 1999.

Following the tragedy in Littleton, Colorado, it is natural to ask ''why'', but we also need to ask ''how?''

How do two teenagers enter their high school armed with a Tec 9, semi-automatic assault rifle, two sawed off 12 gauge shotguns, a 9 millimeter semi-automatic pistol, 30 explosive devices and kill 13 innocent people?

There are those who say you can't pass laws to stop this behavior because those inclined to do it will simply ignore the law. I guess the message of this logic is if you can't solve the entire problem, you shouldn't even try.

I think that logic is wrong. We have to act and we have to act now. Everyday in America, 13 children die as a result of gun violence.

In the last two years our schools have been shattered by gun violence.

October 1, 1997, Pearl, Mississippi: A sixteen year old boy killed his mother then went to his high school and shot nine students, two fatally.

December 1, 1997, West Paducah, Kentucky: Three students were killed and five were wounded in a hallway at Heath High School by a 14 year old classmate.

March 24, 1998, Jonesboro, Arkansas: Four girls and a teacher were shot to death and 10 people were wounded during a false fire alarm at a middle school when two boys 11 and 13 opened fire from the woods.

April 24, 1998, Edinboro, Pennsylvania: A science teacher was shot to death in front of students at an eighth grade dance by a 14 year old student.

May 19, 1998, Fayetteville, Tennessee: Three days before his graduation, an 18 year old honor student allegedly opened fire in a parking lot at a high school killing a classmate who was dating his ex-girlfriend.

May 21, 1998, Springfield, Oregon: Two teen-agers were killed and more than 20 people were hurt when a 15 year old boy allegedly opened fire at a high school. The boy's parents were killed at their home.

There is something we can do to protect our children. Seventeen states have already recognized the problem and passed a child firearm access prevention law, which is known as a CAP law. These laws say to those who purchase and own guns, it is not enough for you to follow the law in purchasing them and to use the guns safely; you have another responsibility. If you are going to own a firearm in your home, you have to keep it safely and securely so that children do not have access to it.

These laws are effective. Florida was the first State to pass a CAP law in 1989. The following year, unintentional shooting deaths of children dropped 50%. Moreover, a study published in the Journal of the American Medical Association (JAMA) in October of 1997 found a 23% decrease in unintentional firearm related deaths among children younger than 15 in those States that had implemented CAP laws. According to the JAMA article, if all 50 states had CAP laws during the period of 1990–94, 216 children might have lived.

Should we consider these state laws as a national model? I think the obvious answer is yes. Unfortunately, the Littleton tragedy is no longer unique.

Mr. President, what I propose today is Federal legislation that will apply to every State, not just 17, but every State. And this is what it says. If you want to own a handgun, a rifle or shotgun, and it is legal to do so, you can; but if you own it, you have a responsibility to make certain that it is kept securely and safely.

What does the bill do? The bill imposes criminal penalties for gun owners who know or should know that a juvenile could gain access to the gun, and a juvenile does gain access & thereby causes death or injury or exhibits the gun in a public place. The gun owner is subject to a prison sentence of up to 1 year and/or fined $10,000 (a misdemeanor penalty). The bill also provides a felony provision for a reckless violation.

The bill has 5 common sense exceptions. (1) The adult uses a trigger lock, secure storage box, or other secure storage technique; (2) The juvenile used the gun in a lawful act of self-defense; (3) The juvenile takes the gun off the person of a law enforcement official; (4) The owner has no reasonable expectation that juveniles will be on the premises; and (5) The juvenile got the gun as a result of a burglary.

States which have passed CAP laws include: Florida, Connecticut, Iowa, California, Nevada, New Jersey, Virginia, Wisconsin, Hawaii, Maryland, Minnesota, North Carolina, Delaware, Rhode Island, Texas, Massachusetts and Illinois. An examination of this list does not reveal the most liberal states in America. The first State to pass this legislation in 1989 was Florida and in 1995, Texas, certainly no bleeding heart state by any political definition, passed a CAP law.

I ask my Senate colleagues to join me in this bipartisan effort to protect children from the dangers of gun violence. Children and easy access to guns are a recipe for tragedy.

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

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

S. 936

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Children's Firearm Access Prevention Act''.

**SEC. 2. CHILDREN AND FIREARMS SAFETY.**

(a) DEFINITION.—Section 921(a)(34)(A) of title 18, United States Code, is amended by inserting ''or removing'' after ''deactivating''.

(b) PROHIBITION.—Section 922 of title 18, United States Code, is amended by inserting after subsection (y) the following:

''(z) PROHIBITION AGAINST GIVING JUVENILES ACCESS TO CERTAIN FIREARMS.—

''(1) DEFINITION OF JUVENILE.—In this subsection, the term 'juvenile' means an individual who has not attained the age of 18 years.

''(2) PROHIBITION.—Except as provided in paragraph (3), it shall be unlawful for any person to keep a loaded firearm, or an unloaded firearm and ammunition for the firearm, any of which has been shipped or transported in interstate or foreign commerce or otherwise substantially affects interstate or foreign commerce, within any premise that is under the custody or control of that person if that person knows, or reasonably should know, that a juvenile is capable of gaining access to the firearm without the permission of the parent or legal guardian of the juvenile.

''(3) EXCEPTIONS.—Paragraph (2) does not apply if—

''(A) the person uses a secure gun storage or safety device for the firearm;

''(B) the person is a peace officer, a member of the Armed Forces, or a member of the National Guard, and the juvenile obtains the firearm during, or incidental to, the performance of the official duties of the person in that capacity;

''(C) the juvenile obtains, or obtains and discharges, the firearm in a lawful act of self-defense or defense of 1 or more other persons;

''(D) the person has no reasonable expectation, based on objective facts and circumstances, that a juvenile is likely to be present on the premises on which the firearm is kept; or

''(E) the juvenile obtains the firearm as a result of an unlawful entry by any person.''.

(c) PENALTIES.—Section 924(a) of title 18, United States Code, is amended by adding at the end the following:

''(7) Whoever violates section 922(z), if a juvenile (as defined in section 922(z)) obtains access to the firearm and thereby causes death or bodily injury to the juvenile or to any other person, or exhibits the firearm either in a public place, or in violation of section 922(q)—

''(A) shall be fined not more than $10,000, imprisoned not more than 1 year, or both; or

''(B) if such violation is reckless, shall be fined in accordance with this title, imprisoned not more than 5 years, or both.''.

(d) ROLE OF LICENSED FIREARMS DEALERS.—Section 926 of title 18, United States Code, is amended by adding at the end the following:

''(d) CONTENTS OF FORM.—The Secretary shall ensure that a copy of section 922(z) appears on the form required to be obtained by a licensed dealer from a prospective transferee of a firearm.''.

(e) NO EFFECT ON STATE LAW.—Nothing in this section or the amendments made by this section shall be construed to preempt any provision of the law of any State, the purpose of which is to prevent juveniles from injuring themselves or others with firearms.

---

By Mrs. HUTCHISON (for herself, Mr. MCCAIN, Mr. HOLLINGS, and Mr. INOUYE):

S. 937. A bill to authorize appropriations for fiscal years 2000 and 2001 for certain maritime programs of the Department of Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

MARITIME ADMINISTRATION AUTHORIZATION ACT FOR FISCAL YEARS 2000 AND 2001

● Mrs. HUTCHISON. Mr. President, today I rise to introduce legislation on behalf of myself, Senator MCCAIN, chairman of the Senate Commerce Committee, Senator HOLLINGS, the ranking member of the Commerce Committee and Senator INOUYE, Surface Transportation and Merchant Marine Subcommittee ranking member. This legislation authorizes appropriations for fiscal year 2000 for the Maritime Administration.

The introduction of this bill demonstrates our firm commitment to our nation's maritime industry and our willingness to work with the Maritime Administration to provide effective leadership on a wide range of maritime issues. The bill was developed along with Administration officials and provides a base to build upon in coming weeks.

There are several aspects of this measure that will require interested members of the Senate to work together to come to a consensus. Therefore, this bill can be viewed as a starting point for reauthorizing the agency and making changes to U.S. maritime policy. I look forward to working with members of the Committee and the administration to find common ground for a final legislation.

The bill authorizes appropriations for the Maritime Administration [MarAd] for fiscal year 2000 and covers two appropriated accounts: (1) operations and training and (2) the shipbuilding loan guarantee program authorized by Title XI of the Merchant Marine Act, 1936.

MarAd oversees the operations of U.S. Government-supported maritime promotion programs, such as the Maritime Security Program, the state maritime academies and the U.S. Merchant Marine Academy. I am a strong supporter of the state maritime academies, in particular, and want to ensure that they are adequately funded.

Title XI shipbuilding loan guarantee program is important to ensuring critical shipbuilding capacity in the United States. This legislation provides $6 million in loan guarantee funds for Title XI in FY2000. However, this program has received substantially more in previous years, and I look forward to working with the Administration to determine the appropriate level of funding.

This bill codifies the administrative process associated with Title XI. The measure provides the Secretary the authority to hold all bond proceeds generated under Title XI during the construction period in escrow. Currently, the Secretary must administratively establish a separate construction fund with a private bond agent for a portion of the bond proceeds not captured in escrow. This will eliminate the cost associated with the establishment of the separate construction fund and better protect the government's interest.

Futher, the measure provides the Secretary authority under Title XI to collect and hold cash collateral in the U.S. Treasury, under certain circumstances associated with a guaranteed transaction. This will relieve the obligors and the agency from spending the time and money associated with negotiating depository agreements and legal opinions in Title XI transactions.

Additionally, the bill amends Title IX to provide a waiver of the three year period bulk and breakbulk vessels newly registered under the U.S. flag must wait in order to carry government-impelled cargo. The waiver would be in effect for one year beginning on the date of enactment.

Finally, the bill would reauthorize the War Risk Insurance Program through June 30, 2005, change the requirement for an annual report to Congress by the Maritime Administration detailing its's activities to a biennial report, and make clear the ownership status of the vessel named the *Jeremiah O'Brien*.

I look forward to working on this important legislation and hope my colleagues will join me and the other sponsors in expeditiously moving this authorization through the legislative process.●

● Mr. MCCAIN. Mr. President, I am pleased to join Senator HUTCHISON, Chairman of the Surface Transportation and Merchant Marine Subcommittee in the introducing the Maritime Administration Authorization Act for Fiscal Year 2000.

The bill was developed along with administration officials and provides a firm base to build on in coming weeks. While I do not fully agree with all aspects of this measure. I look forward to an open debate in formulating final legislation.

The bill authorizes appropriations for the Maritime Administration[MarAd] for fiscal year 2000 covering operations and training along with the loan guarantee program authorized by title XI of the Merchant Marine Act, 1936. MarAd's oversight of the operations of U.S. Government-suppored maritime promotion programs are as important toady as ever. With increasing pressure on our nation's military resources, MarAd's administration of the Martime Security Program provides an important link in insuring that our troops world wide receive essential supplies in a timely and efficient manor.

This bill will streamline several administrative processes associated with the Title XI Loan Guarantee Program. The measure provides the Secretary of Transportation with additional authority to secure loan guaranteed by allowing collateral collected to be held in

the U.S. Treasury. This will not only save time and money associated with negotiating depository agreements but will provide greater security for tax payers funds appropriated for this program.

Further, the bill amends Title IX of the Merchant Marine At of 1936 to provide a waiver for eliminating the three year period bulk and breakbulk vessels newly registered under the U.S. flag must wait in order to carry government-impelled cargo; reauthorize the War Risk Insurance Program through June 30, 2005; reduces the requirement for an annual report to Congress by the Maritime Administration detailing its's activities to be a biennial report; and makes clear the ownership status of the vessel names the *Jeremian O'Brien*.

I am pleased that the Subcommittee is taking this action today and will join Senator HUTCHISON and the other sponsors in expeditiously moving this authorization through the legislative proceeds.●

---

By Mr. SPECTER (by request):

S. 940. A bill to provide a temporary authority for the use of voluntary separation incentives by the Department of Veterans Affairs to reduce employment levels, restructure staff, and for other purposes; to the Committee on Veterans' Affairs.

DEPARTMENT OF VETERANS AFFAIRS EMPLOYMENT REDUCTION ASSISTANCE ACT OF 1999

Mr. SPECTER. Mr. President, as chairman of the Committee on Veterans' Affairs, I have today introduced, at the request of the Department of Veterans Affairs, S. 940, the proposed Department of Veterans Affairs Employment Reduction Assistance Act of 1999. The Department of Veterans Affairs submitted this legislation to the President of the Senate by an undated letter received by the President of the Senate on April 13, 1999.

My introduction of this measure is in keeping with the policy which I have adopted of generally introducing—so that there will be specific bills to which my colleagues and others may direct their attention and comments—all Administration-proposed draft legislation referred to the Committee on Veterans' Affairs. Thus, I reserve the right to support or oppose the provisions of, as well as any amendment to, this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD, together with the transmittal letter and the enclosed analysis of the draft legislation which accompanied it.

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

S. 940

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Department of Veterans Affairs Employment Reduction Assistance Act of 1999.''

**SEC. 2. DEFINITIONS.**

For the purpose of this Act—

(a) ''Department'' means the Department of Veterans Affairs.

(b) ''Employee'' means an employee (as defined by section 2105 of title 5, United States Code) of the Department of Veterans Affairs, who is serving under an appointment without time limitation, and has been currently employed by such Department for a continuous period of at least 3 years, but does not include—

(1) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Federal Government;

(2) an employee having a disability on the basis of which such employee is eligible for disability retirement under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Federal Government;

(3) an employee who is in receipt of a specific notice of involuntary separation for misconduct or unacceptable performance;

(4) an employee who previously has received any voluntary separation incentive payment by the Federal Government under this Act or any other authority;

(5) an employee covered by statutory reemployment rights who is on transfer to another organization; or

(6) any employee who, during the twenty-four month period preceding the date of separation, has received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or a recruitment bonus under section 7458 of title 38, United States Code;

(7) any employee who, during the twelve-month period preceding the date of separation, received a retention allowance under section 5754 of title 5, United States Code, or a retention bonus under section 7458 of title 38, United States Code.

(c) ''Secretary'' means the Secretary of Veterans Affairs.

**SEC. 3. DEPARTMENT PLANS; APPROVAL.**

(a) IN GENERAL.—The Secretary, before obligating any resources for voluntary separation incentive payments, shall submit to the Director of the Office of Management and Budget a strategic plan outlining the use of such incentive payments and a proposed organizational chart for the Department once such incentive payments have been completed.

(b) CONTENTS.—The plan shall specify—

(1) the positions and functions to be reduced or eliminated, identified by organizational unit, geographic location, occupational category and grade level; the proposed coverage may be based on—

(A) any component of the Department;

(B) any occupation, level or type of position;

(C) any geographic location;

(D) other non-personal factors; or

(E) any appropriate combination of the factors in paragraphs (A), (B), (C) and (D);

(2) the manner in which such reductions will improve operating efficiency or meet actual or anticipated levels of budget or staffing resources;

(3) the period of time during which incentives may be paid; and

(4) a description of how the affected component(s) of the Department will operate without the eliminated functions and positions.

(c) APPROVAL.—The Director of the Office of Management and Budget shall approve or disapprove each plan submitted under subsection (a), and may make appropriate modifications to the plan with respect to the time period in which voluntary separation incentives may be paid, with respect to the number and amounts of incentive payments, or with respect to the coverage of incentives on the basis of the factors in subsection (b)(1).

**SEC. 4. VOLUNTARY SEPARATION INCENTIVE PAYMENTS.**

(a) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—

(1) IN GENERAL.—The Secretary may pay a voluntary separation incentive payment to an employee only to the extent necessary to reduce or eliminate the positions and functions identified by the strategic plan;

(2) EMPLOYEES WHO MAY RECEIVE INCENTIVES.—In order to receive a voluntary separation incentive payment, an employee must separate from service with the Department voluntarily (whether by retirement or resignation) under the provisions of this Act;

(b) AMOUNT AND TREATMENT OF PAYMENTS.—A voluntary separation incentive payment—

(1) shall be paid in a lump sum after the employee's separation;

(2) shall be equal to the lesser of—

(A) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code, if the employee were entitled to payment under such section (without adjustment for any previous payment made under that section); or

(B) an amount determined by the Secretary, not to exceed $25,000;

(3) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit;

(4) shall not be taken into account in determining the amount of severance pay to which an employee may be entitled under section 5595 of title 5, United States Code, based on any other separation; and

(5) shall be paid from the appropriations or funds available for payment of the basic pay of the employee.

**SEC. 5. EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.**

(a) An individual who has received a voluntary separation incentive payment under this Act and accepts any employment with the Government of the United States, or who works for any agency of the United States Government through a personal services contract, within 5 years after the date of the separation on which the payment is based shall be required to repay, prior to the individual's first day of employment, the entire amount of the incentive payment to the Department.

(b)(1) If the employment under subsection (a) is with an Executive agency (as defined by section 105 of title 5, United States Code), the United States Postal Service, or the Postal Rate Commission, the Director of the Office of Personnel Management may, at the request of the head of the agency, waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(2) If the employment under subsection (a) is with an entity in the legislative branch, the head of the entity or the appointing official may waive the repayment if the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(3) If the employment under subsection (a) is with the judicial branch, the Director of the Administrative Office of the United States Courts may waive the repayment if the individual involved possesses unique

abilities and is the only qualified applicant available for the position.

(c) For the purpose of this section, the term ''employment'' includes—

(1) for the purposes of subsections (a) and (b), employment of any length or under any type of appointment, but does not include employment that is without compensation; and

(2) for the purpose of subsection (a), employment with any agency of the United States Government through a personal services contract.

**SEC. 6. ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.**

(a) In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, the Department shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee of the Department who is covered under subchapter III of chapter 83 or chapter 84 of title 5 to whom a voluntary separation incentive has been paid under this Act.

(b) For the purpose of this section, the term 'final basic pay', with respect to an employee, means the total amount of basic pay that would be payable for a year of service by that employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor.

**SEC. 7. REDUCTION OF AGENCY EMPLOYMENT LEVELS.**

(a) IN GENERAL.—The total full-time equivalent employment in the Department shall be reduced by one for each separation of an employee who receives a voluntary separation incentive payment under this Act. The reduction will be calculated by comparing the Department's full-time equivalent employment for the fiscal year in which the voluntary separation payments are made with the actual full-time equivalent employment for the prior fiscal year.

(b) ENFORCEMENT.—The President, through the Office of Management and Budget, shall monitor the Department and take any action necessary to ensure that the requirements of this section are met.

(c) Subsection (a) of this section may be waived upon a determination by the President that—

(1) the existence of a state of war or other national emergency so requires; or

(2) the existence of an extraordinary emergency which threatens life, health, safety, property, or the environment, so requires.

**SEC. 8. CONTINUED HEALTH INSURANCE COVERAGE.**

Section 8905a(d)(4) of title 5, United States Code, is amended—

(1) in subparagraph (A) by inserting after force '', or an involuntary separation from a position in or under the Department of Veterans Affairs due to a reduction in force or a title 38 staffing adjustment'';

(2) in subparagraph (B) by inserting at the beginning thereof ''With respect to the Department of Defense,'';

(3) by redesignating subparagraph (C) as subparagraph (D);

(4) by adding a new subparagraph (C) as follows:

(C) With respect to the Department of Veterans Affairs, this paragraph shall apply with respect to any individual whose continued coverage is based on a separation occurring on or after the date of enactment of this paragraph and before—

(i) October 1, 2004; or

(ii) February 1, 2005, if specific notice of such separation was given to such individual before October 1, 2004.

**SEC. 9. REGULATIONS.**

The Director of the Office of Personnel Management may prescribe any regulations necessary to administer the provisions of this Act.

**SEC. 10. LIMITATION; SAVINGS CLAUSE.**

(a) No voluntary separation incentive under this Act may be paid based on the separation of an employee after September 30, 2004;

(b) This Act supplements and does not supersede other authority of the Secretary.

**SEC. 11. EFFECTIVE DATE.**

(a) This Act shall take effect on the date of enactment.

---

ANALYSIS OF DRAFT BILL

The first section provides a title for the bill, ''Department Of Veterans Affairs Employment Reduction Assistance Act of 1999.''

Section 2 provides definitions of ''Department'', employee'', and ''Secretary.'' Among the provisions, an employee who has received any previous voluntary separation incentive from the Federal Government is excluded from any incentives under this Act.

Section 3 requires the VA Secretary to submit to the Director of the Office of Management and Budget a strategic plan outlining the use of voluntary separation incentive payments to Department employees, and a proposed organizational chart for the Department once such incentive payments have been completed. The Secretary must submit the plan before obligating any resources for such incentive payments.

The plan must include the proposed coverage for offers of incentives to Department employees, specifying the positions and functions to be reduced or eliminated, identified by organizational unit, geographic location, occupational category and grade level. Coverage may be on the basis of any component of the Department of Veterans Affairs, any occupation, levels of an occupation or type of position, any geographic location, other non-personal factors, or any appropriate combination of these factors. The plan must also specify the manner in which the planned employment reductions will improve efficiency or meet budget or staffing levels. The plan must also include a proposed time period for payment of separation incentives, and a description of how the affected component of the Department will operate without the eliminated functions and positions.

The Director of the Office of Management and Budget shall approve or disapprove each plan submitted, and may modify the plan with respect to the time period of incentives, with respect to the number and amounts of incentive payments, or the coverage of incentive offers.

Section 4 authorizes the Secretary to pay a voluntary separation incentive payment to an employee only to the extent necessary to reduce or eliminate the positions and functions identified by the strategic plan. It also requires that an employee must separate from service with the Department (whether by retirement or resignation) under the Act in order to receive a voluntary separation incentive.

The voluntary separation incentive is to be paid in a lump sum after the employee's separation. The incentive payment would be for an amount equal to the lesser of the amount of severance pay that the employee would be entitled to receive under section 5595 of title 5, United States Code, if so entitled, (without adjustment for any previous severance pay), or an amount determined by the Secretary, not to exceed $25,000. The incentive payment is not to be a basis for the computation of any other type of Government benefit, and is not be taken into account in determining the amount of severance pay to which an employee may be entitled based on any other separation. Appropriations for employee basic pay are to be used to pay the incentive payments.

Section 5 provides that any employee who receives a voluntary separation incentive under this Act and then accepts any employment with the Government within 5 years after separating must, prior to the first day of such employment, repay the entire amount of the incentive to the agency that paid the incentive. If the subsequent employment is with the Executive branch, including the United States Postal Service, the Director of the Office of Personnel Management may waive the repayment at the request of the agency head if the individual possesses unique ability and is the only qualified applicant available for the position. For subsequent employment in the legislative branch, the head of the entity or the appointing official may waive repayment on the same criteria. If the subsequent employment is in the judicial branch, the Director of the Administrative Office of the United States Courts may waive repayment on the same criteria. For the purpose of the repayment provisions, but not the waiver provisions, employment includes employment under a personal service contract. For the purpose of the repayment and waiver provisions, employment does not include without compensation employment.

Section 6 requires additional agency contributions to the Civil Service Retirement and Disability Fund in amounts equal to 15 percent of the final basic pay of each employee of the Department who is covered by the Civil Service Retirement System, or the Federal Employees' Retirement System, to whom a voluntary separation incentive is paid under this Act. It also defines ''final basic pay''.

Section 7 requires the reduction of full-time equivalent employment (FTEE) in the Department of Veterans Affairs by one FTEE for each separation of an employee who receives a voluntary separation incentive under this Act. Also it directs the Office of Management and Budget to take any action necessary to ensure compliance. Reductions will be calculated on a FTEE basis. For example, if the Department's FTEE usage in FY 1998 was 1050 FTEEs, and 50 FTEE separate during FY 1999 using voluntary separation incentive payments provided under this Act, then the Department's staffing levels at the end of FY 1999 shall not exceed 1000 FTEEs. The President may waive the reduction in FTEE in the event of war or emergency.

Section 8 amends section 8905a(d)(4) of title 5 to provide that VA employees who are involuntarily separated in a reduction in force or staffing adjustment, can continue health benefits coverage for 18 months and be required to pay only the employee's share of the premium. Section 8 also extends the section 8905a sunset provisions for VA employees for FY 1999 through FY2004.

Section 9 provides that the Director of OPM may prescribe any regulations necessary to administer the provisions of the Act.

Section 10 provides that no voluntary separation incentive under the Act may be paid

based on the separation of an employee after September 30, 2004, and that the Act supplements and does not supersede other authority of the Secretary.

Section 11 provides that the Act is effective on the date of enactment.

---

DEPARTMENT OF VETERANS AFFAIRS,
*Washington, DC.*

Hon. ALBERT GORE, Jr.
*President of the Senate,*
*Washington, DC.*

DEAR MR. PRESIDENT: On behalf of the Department of Veterans Affairs (VA), I am submitting a draft bill ''To provide a temporary authority for the use of voluntary separation incentives by the Department of Veterans Affairs to reduce employment levels, restructure staff, and for other purposes.'' The Department requests that it be referred to the appropriate committee for prompt consideration and enactment.

In the next several years, VA will undergo significant changes. VA believes that separation incentives can be an appropriate tool for those VA components that are redesigning their employment mix, when the use of incentives is properly related to the specific changes that are needed. Separation incentives can also be an invaluable tool for components that are restructuring and reengineering, such as the Veterans Health Administration (VHA) and the Veterans Benefits Administration (VBA), as they move towards primary care and new methods of delivering services to veterans. Other VA components also are engaged in reengineering and restructuring, and would benefit from this authority. Under the draft bill, the use of the incentives would be related to the specific changes that are needed for reshaping VA for the future. Further, the draft bill would appropriately limit the time period for the incentive offers over the next five fiscal years, when VA will accomplish these changes.

This initiative is based on VA's previous experience with voluntary separation incentives under the Federal Workforce Restructuring Act of 1994, and the Treasury, Postal Service, and General Government Appropriations Act of 1997. We believe that VA used these previous authorities conservatively, responsibly, and effectively. As an example, VHA required that elements allowing a buyout must abolish the position of the employee receiving the buyout. VA has implemented a total of 9,392 buyouts under both statutes, which is significantly fewer than the total number authorized. VA's previous use of buyouts significantly assisted VA in restructuring its workforce, and enabled it to achieve downsizing and streamlining goals while minimizing adverse impact on employees, through such actions as involuntary separations.

* * * * *

The Office of Financial Management would like to offer approximately 60 buyouts over the next five fiscal years to support its plans to reduce and adjust the staffing mix in its Franchise Fund and Supply Fund activities. Over this period, these activities will undergo changes in program and product lines, as well as new technologies. These changes will require fewer employees and employees with different skill sets the current employees. The Office of Financial Management will target any incentive payments to specific organizations, locations, occupations and grade levels.

Under the proposed bill, before obligating any resources for any incentive payments, the VA Secretary must submit to the Director of the Office of Management and Budget (OMB) a strategic plan outlining the use of such incentive payments. The plan must specify the positions and functions to be reduced or eliminated, identified by organizational unit, geographic location, occupational category and grade level. Coverage may be on the basis of any component of VA, any occupation, levels of an occupation or type of position, any geographic location, other non-personal factors, or any appropriate combination of these factors. The plan must also specify the manner in which the planned employment reductions would improve efficiency or meet budget or staffing levels. The plan must also include a proposed time period for payment of separation incentives, and a description of how the affected VA component would operate without the eliminated functions and positions. The Director of the OMB would approve or disapprove each plan submitted, and would have authority to modify the time period for payment of incentives, the number and amounts of incentive payments, or coverage of incentive offers. We believe that these provisions for plan approval would ensure that separation incentives are appropriately targeted within VA in view of the specific cuts that are needed, and are offered on a timely basis. Although VA would reduce full-time equivalent employment by one for each employee receiving an incentive payment who separates, we believe that service to veterans would improve as a result of the reengineering that is happening simultaneously within the system.

The authority for separation incentives would be in effect for the period starting with the enactment of this Act and ending September 30, 2004. The amount of an employee's incentive would be the lesser of the amount that the employee's severance pay would be, or an amount determined by the Secretary, not to exceed $25,000.

Any employee who receives an incentive and then accepts any employment with the Government within 5 years after separating must, prior to the first day of employment, repay the entire amount of the incentive. The repayment requirement could be waived only under very stringent circumstances of agency need.

This proposal would provide a very useful tool to assist in reorganizing VA and reengineering services quickly, effectively, and humanely, to provide higher quality service to more veterans. We also believe that it is a tool that would allow significant cost savings. The buyout would be funded within the base in the President's FY 1999 Budget. If VA receives authority before June 30, 1999, it could implement buyouts in VBA with modest costs of $4.7 million in FY 1999 and estimated savings of $13.3 million annually in subsequent years. It also could implement buyouts in the Office of Financial Management with savings of $320,000 in FY 1999 and estimated savings of approximately $1 million annually in subsequent years. VHA would implement buyouts at the beginning of FY 2000, with expected discretionary savings of $103 million in FY 2000 and estimated savings of $220.1 million annually in subsequent years. VBA's savings for buyouts authorized for FY 2000 would be $2.7 million, with estimated savings of $15.5 million annually in subsequent years. The Office of Financial Management savings for FY 2000 would be $992,000, with estimated savings of approximately $1 million annually in subsequent years. In addition, each subsequent year's buyouts during the five-year period would yield additional discretionary savings.

The Office of Management and Budget advises that there is no objection to the submission of this draft bill from the standpoint of the Administration's program.

Sincerely yours,
SHEILA CLARKE MCCREADY,
*Principal Deputy Assistant Secretary for Congressional Affairs.*

---

By Mr. INHOFE:

S. 944. A bill to amend Public Law 105–188 to provide for the mineral leasing of certain Indian lands in Oklahoma; to the Committee on Indian Affairs.

MINERAL LEASING OF CERTAIN INDIAN LANDS IN OKLAHOMA

Mr. INHOFE. Mr. President, for too long, economic development in Indian country has been hindered by antiquated rules and regulations, many dating back to before the turn of the century. Many American Indians continue to struggle, denied by bureaucracy the opportunity to take steps to improve their position. I am proposing legislation today that would reverse one of these situations.

Under current law, Indian lands owned by more than one person require the consent of 100 percent of the owners before mineral development can go forward. Oftentimes, this fractionated property is owned by over one hundred people; it is difficult, if not impossible, to locate all the owners. Once found, developers must obtain their unanimous consent. As you can imagine, this creates a significant and often insurmountable obstacle for leasing or other development. Last year, Congress lowered this requirement for the Three Affiliated Tribes of the Fort Berthold Indian Reservation to a majority, which more closely resembles regulations for non-Indian land. By loosening the consent requirements, these tribes have found the right balance between economic progress and protection of landowners' rights.

I am proposing to extend last year's legislation to seven Oklahoma tribes: the Comanche, Kiowa, Apache, Fort Sill Apache, Delaware, and the Wichita and Affiliated Tribes. Oil and gas are the cornerstone of Oklahoma's economy, but these tribes have by and large been left out of this industry because of the stringent consent statutes. Increased access to their own land would greatly facilitate mineral development, bringing increased economic opportunity. These tribes and their members will now be able to undertake oil and gas exploration which was previously not possible. This will represent a significant advance toward greater economic empowerment, breaking out of the constraints now imposed on these tribes.

Common sense dictates that the first step of self-sufficiency is being allowed to use the resources you already own. This proposal will be equitable and beneficial to all parties involved. I look forward to working with my colleagues

on this and other such legislation that would help American Indians achieve greater economic independence.

---

By Mr. DURBIN (for himself, Mr. LEAHY, Mr. KENNEDY, Mr. FEINGOLD, and Mr. SARBANES):

S. 945. A bill to amend title 11, United States Code, and for other purposes; to the Committee on the Judiciary.

CONSUMER BANKRUPTCY REFORM ACT OF 1999

Mr. DURBIN. Mr. President, today, joined by colleagues, Senator LEAHY, Senator KENNEDY, Senator FEINGOLD and Senator SARBANES, I am introducing the bankruptcy reform bill that passed the Senate last year by a vote of 97–1.

A constant theme that has guided me throughout the consideration of bankruptcy legislation is balanced reform. You cannot have meaningful bankruptcy reform without addressing both sides of the problem—irresponsible debtors and irresponsible creditors.

Unfortunately, the bill we worked so hard to develop, was decimated in conference and the result was a one-sided bill designed to reward the credit industry and penalize American consumers. I could not support it. I hope this year will be different.

The bankruptcy code is delicate balance. When you push one thing, almost invariably something else will give. For that reason, it is crucial for bankruptcy reform to be thoughtful and for the changes to be targeted and not create more problems than they attempt to solve.

This year, Senator GRASSLEY has introduced S.625, the bankruptcy reform bill of 1999. This bill has more similarities to last year's conference report than the bipartisan measure that passed the Senate last year by an overwhelming margin.

The Durbin-Leahy bill is fairer. S.625 uses a means test adopted from IRS collection allowances. The test would require every debtor, regardless of income, who files for Chapter 7 bankruptcy to be scrutinized by the U.S. trustee to determine whether the filling is abusive. The bill creates a presumption that a case is abusive if a debtor can pay the lesser of 25% of unsecured nonpriority claims or $15,000 over 5 years. The IRS means test was designed for use on a case by case basis, not as an automatic template.

In my home state, the average annual income for bankruptcy filers in the Central District of Illinois for 1998 was $20,448, yet the average amount of unsecured debt was $22,900. This figure shows that many filers were hopelessly insolvent. They owed more money on debt that had no collateral than their total income for the entire year. These debtors don't even come close to meeting the standards that would require them to convert their case to a chapter 13 case, but they will be forced to go through additional scrutiny at extra costs to everyone involved.

In contrast, the Durbin-Leahy bill gives courts discretion to dismiss or convert a Chapter 7 bankruptcy case if the debtor can fund a Chapter 13 repayment plan. One of the factors for the court to consider in making the decision is whether the debtor is capable of paying 30% of unsecured claims under a 3 year plan. This reform can address abuses without the complexity of certifying ability to pay in every case as required by S.625.

The Durbin-Leahy bill is cheaper because every case does not go through means testing. By requiring the trustee to submit reports on all filers the cost to trustees is dramatically increased with little reward.

The means test in S. 625 looks a lot like the means test in the House bill. We now know that the means test in the House bill would only apply to far less than 10% of Chapter 7 filings. A study released by the American Bankruptcy Institute found that by using the test from the House bill, 97% of sample Chapter 7 debtors had too little income to repay even 20% of their unsecured debts over five years. As a result, only 3% of the sample Chapter 7 filers had sufficient repayment capacity to be barred from Chapter 7 under the rigid means test. This means 100% of the filers would have to go through a process that would only apply to 3% of the cases.

Beyond the administrative costs, there is the unneeded stress on poor families. According to the National Conference on Bankruptcy Judges, a review of surveys of Chapter 7 cases from 46 judicial districts in 33 states reveals that the median gross annual income for the 3151 cases in 1998 was $21,540, some $15,000 lower than the 1997 national median income for all families in the United States. Yet, the median amount of unsecured nonpriority debt for these same debtors was $23,411. These people are insolvent, and forcing them to go through unnecessary hoops for little reward is unfair and ineffective.

The Durbin-Leahy bill is more balanced. The Durbin-Leahy bill includes credit disclosures designed to help families understand their debt and prevent them from incurring debt which makes them financially vulnerable. Many families file for bankruptcy after a health crisis or some other catastrophic event that prevents them from paying their debts. For example, the survey conducted by the bankruptcy judges shows that on average over 25% of bankruptcy cases involve debtors with medical debts over $1000. By requiring more complete information for debtors, they can make better credit decisions and avoid bankruptcy altogether.

The Durbin-Leahy bill addresses abusive creditor practices. The Durbin-Leahy bill protects the elderly from predatory lending practices. Much of our discussion concerning reform of the nation's bankruptcy laws has focused upon perceived abuses of the bankruptcy system by consumer debtors. Far less discussion has occurred with regard to abuses by creditors that help usher the nation's consumers into bankruptcy. I believe that abuses exist on both sides of the debtor-creditor relationship and that bankruptcy reform is incomplete if it fails to address documented abuses among creditors.

Last year, I worked to protect elderly Americans by prohibiting a high-cost mortgage lender who extended credit in violation of the provisions of the Truth-In-Lending Act from collecting its claim in bankruptcy. If the lender has failed to comply with the requirements of the Truth-in-Lending Act for high-cost second mortgages, the lender will have absolutely no claim against the bankruptcy estate. This provision is not aimed at all lenders or at all second mortgages. Indeed, it is aimed only at the worst, most predatory, of these by and large worthy lenders. It is aimed only at practices that are already illegal and it does not deal with technical or immaterial violations of the Truth in Lending Act.

Disallowing the claims of predatory lenders in bankruptcy cases will not end these predatory practices altogether. Yet it is one step we can take to curb creditor abuse in a situation where the lender bears primary responsibility for the deterioration of a consumer's financial situation.

I encourage my Senate colleagues to join Senator LEAHY and me in this effort. Bankruptcy reform must be balanced and must not create a nation of financial outlaws.

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

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

S. 945

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

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Consumer Bankruptcy Reform Act of 1999''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

## TITLE I—NEEDS-BASED BANKRUPTCY

**SEC. 101. CONVERSION.**

Section 706(c) of title 11, United States Code, is amended by inserting ''or consents to'' after ''requests''.

**SEC. 102. DISMISSAL OR CONVERSION.**

(a) IN GENERAL.—Section 707 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

**''§ 707. Dismissal of a case or conversion to a case under chapter 13''**;

and

(2) in subsection (b)—

(A) by inserting ''(1)'' after ''(b)'';

(B) in paragraph (1), as redesignated by subparagraph (A) of this paragraph—

(i) in the first sentence—

(I) by striking ''but not'' and inserting ''or'';

(II) by inserting '', or, with the debtor's consent, convert such a case to a case under chapter 13,'' after ''consumer debts''; and

(III) by striking ''substantial abuse'' and inserting ''abuse''; and

(ii) by striking ''There shall be a presumption in favor of granting the relief requested by the debtor.''; and

(C) by adding at the end the following:

''(2) In considering under paragraph (1) whether the granting of relief would be an abuse of the provisions of this chapter, the court shall consider whether—

''(A) under section 1325(b)(1), on the basis of the current income of the debtor, the debtor could pay an amount greater than or equal to 30 percent of unsecured claims that are not considered to be priority claims (as determined under subchapter I of chapter 5); or

''(B) the debtor filed a petition for the relief in bad faith.

''(3)(A) If a panel trustee appointed under section 586(a)(1) of title 28 brings a motion for dismissal or conversion under this subsection and the court grants that motion and finds that the action of the counsel for the debtor in filing under this chapter was not substantially justified, the court shall order the counsel for the debtor to reimburse the trustee for all reasonable costs in prosecuting the motion, including reasonable attorneys' fees.

''(B) If the court finds that the attorney for the debtor violated Rule 9011, at a minimum, the court shall order—

''(i) the assessment of an appropriate civil penalty against the counsel for the debtor; and

''(ii) the payment of the civil penalty to the panel trustee or the United States trustee.

''(C) In the case of a petition referred to in subparagraph (B), the signature of an attorney shall constitute a certificate that the attorney has—

''(i) performed a reasonable investigation into the circumstances that gave rise to the petition; and

''(ii) determined that the petition—

''(I) is well grounded in fact; and

''(II) is warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law and does not constitute an abuse under paragraph (1).

''(4)(A) Except as provided in subparagraph (B) and paragraph (5), the court may award a debtor all reasonable costs in contesting a motion brought by a party in interest (other than a panel trustee or United States trustee) under this subsection (including reasonable attorneys' fees) if—

''(i) the court does not grant the motion; and

''(ii) the court finds that—

''(I) the position of the party that brought the motion was not substantially justified; or

''(II) the party brought the motion solely for the purpose of coercing a debtor into waiving a right guaranteed to the debtor under this title.

''(B) A party in interest that has a claim of an aggregate amount less than $1,000 shall not be subject to subparagraph (A).

''(5)(A) Only the judge, United States trustee, bankruptcy administrator, or panel trustee may bring a motion under this subsection if the debtor and the debtor's spouse combined, as of the date of the order for relief, have current monthly total income equal to or less than the national median household monthly income calculated on a monthly basis for a household of equal size.

''(B) For purposes of subparagraph (A), for a household of more than 4 individuals, the median monthly income for that household shall be—

''(1) the median monthly income of a household of 4 individuals; plus

''(2) $583 for each additional member of that household.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 7 of title 11, United States Code, is amended by striking the item relating to section 707 and inserting the following:

''707. Dismissal of a case or conversion to a case under chapter 13.''.

## TITLE II—ENHANCED PROCEDURAL PROTECTIONS FOR CONSUMERS

**SEC. 201. ALLOWANCE OF CLAIMS OR INTERESTS.**

Section 502 of title 11, United States Code, is amended by adding at the end the following:

''(k)(1) The court may award the debtor reasonable attorneys' fees and costs if, after an objection is filed by a debtor, the court—

''(A)(i) disallows the claim; or

''(ii) reduces the claim by an amount greater than 20 percent of the amount of the initial claim filed by a party in interest; and

''(B) finds the position of the party filing the claim is not substantially justified.

''(2) If the court finds that the position of a claimant under this section is not substantially justified, the court may, in addition to awarding a debtor reasonable attorneys' fees and costs under paragraph (1), award such damages as may be required by the equities of the case.''.

**SEC. 202. EXCEPTIONS TO DISCHARGE.**

Section 523 of title 11, United States Code, is amended—

(1) in subsection (a)(2)(A), by striking ''a false representation'' and inserting ''a material false representation upon which the defrauded person justifiably relied''; and

(2) by striking subsection (d) and inserting the following:

''(d)(1) Subject to paragraph (3), if a creditor requests a determination of dischargeability of a consumer debt under this section and that debt is discharged, the court shall award the debtor reasonable attorneys' fees and costs.

''(2) In addition to making an award to a debtor under paragraph (1), if the court finds that the position of a creditor in a proceeding covered under this section is not substantially justified, the court may award reasonable attorneys' fees and costs under paragraph (1) and such damages as may be required by the equities of the case.

''(3)(A) A creditor may not request a determination of dischargeability of a consumer debt under subsection (a)(2) if—

''(i) before the filing of the petition, the debtor made a good faith effort to negotiate a reasonable alternative repayment schedule (including making an offer of a reasonable alternative repayment schedule); and

''(ii) that creditor refused to negotiate an alternative payment schedule, and that refusal was not reasonable.

''(B) For purposes of this paragraph, the debtor shall have the burden of proof of establishing that—

''(i) an offer made by that debtor under subparagraph (A)(i) was reasonable; and

''(ii) the refusal to negotiate by the creditor involved to was not reasonable.''.

**SEC. 203. EFFECT OF DISCHARGE.**

Section 524 of title 11, United States Code, is amended by adding at the end the following:

''(i) The willful failure of a creditor to credit payments received under a plan confirmed under this title (including a plan of reorganization confirmed under chapter 11) in the manner required by the plan (including crediting the amounts required under the plan) shall constitute a violation of an injunction under subsection (a)(2).

''(j) An individual who is injured by the failure of a creditor to comply with the requirements for a reaffirmation agreement under subsections (c) and (d), or by any willful violation of the injunction under subsection (a)(2), shall be entitled to recover—

''(1) the greater of—

''(A)(i) the amount of actual damages; multiplied by

''(ii) 3; or

''(B) $5,000; and

''(2) costs and attorneys' fees.''.

**SEC. 204. AUTOMATIC STAY.**

Section 362(h) of title 11, United States Code, is amended to read as follows:

''(h)(1) An individual who is injured by any willful violation of a stay provided in this section shall be entitled to recover—

''(A) actual damages; and

''(B) reasonable costs, including attorneys' fees.

''(2) In addition to recovering actual damages, costs, and attorneys' fees under paragraph (1), an individual described in paragraph (1) may recover punitive damages in appropriate circumstances.''.

**SEC. 205. DISCHARGE.**

Section 727 of title 11, United States Code, is amended—

(1) in subsection (c), by adding at the end the following:

''(3)(A) A creditor may not request a determination of dischargeability of a consumer debt under subsection (a) if—

''(i) before the filing of the petition, the debtor made a good faith effort to negotiate a reasonable alternative repayment schedule (including making an offer of a reasonable alternative repayment schedule); and

''(ii) that creditor refused to negotiate an alternative payment schedule, and that refusal was not reasonable.

''(B) For purposes of this paragraph, the debtor shall have the burden of proof of establishing that—

''(i) an offer made by that debtor under subparagraph (A)(i) was reasonable; and

''(ii) the refusal to negotiate by the creditor involved to was not reasonable.''; and

(2) by adding at the end the following:

''(f)(1) The court may award the debtor reasonable attorneys' fees and costs in any case in which a creditor files a motion to deny relief to a debtor under this section and that motion—

''(A) is denied; or

''(B) is withdrawn after the debtor has replied.

''(2) If the court finds that the position of a party filing a motion under this section is not substantially justified, the court may assess against the creditor such damages as may be required by the equities of the case.''.

**SEC. 206. DISCOURAGING PREDATORY LENDING PRACTICES.**

Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8), by striking ''or'' at the end;

(2) in paragraph (9), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(10) the claim is based on a secured debt if the creditor has failed to comply with the requirements of subsection (a), (b), (c), (d), (e), (f), (g), (h), or (i) of section 129 of the Truth in Lending Act (15 U.S.C. 1639).''.

**SEC. 207. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY DWELLING.**

(a) OPEN-END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 127A(a)(13) of the Truth in Lending Act (15 U.S.C. 1637a(a)(13)) is amended—

(A) by striking ''CONSULTATION OF TAX ADVISOR.—A statement that the'' and inserting the following: ''TAX DEDUCTIBILITY.—A statement that—

''(A) the''; and

(B) by striking the period at the end and inserting the following: ''; and

''(B) in any case in which the extension of credit exceeds the fair market value of the dwelling, the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes.''.

(2) CREDIT ADVERTISEMENTS.—Section 147(b) of the Truth in Lending Act (15 U.S.C. 1665b(b)) is amended—

(A) by striking ''If any'' and inserting the following:

''(1) IN GENERAL.—If any''; and

(B) by adding at the end the following:

''(2) CREDIT IN EXCESS OF FAIR MARKET VALUE.—Each advertisement described in subsection (a) that relates to an extension of credit that may exceed the fair market value of the dwelling shall include a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(b) NON-OPEN END CREDIT EXTENSIONS.—

(1) CREDIT APPLICATIONS.—Section 128 of the Truth in Lending Act (15 U.S.C. 1638) is amended—

(A) in subsection (a), by adding at the end the following:

''(15) In the case of a consumer credit transaction that is secured by the principal dwelling of the consumer, in which the extension of credit may exceed the fair market value of the dwelling, a clear and conspicuous statement that—

''(A) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(B) the consumer should consult a tax advisor for further information regarding the deductibility of interest and charges.''; and

(B) in subsection (b), by adding at the end the following:

''(3) In the case of a credit transaction described in paragraph (15) of subsection (a),

disclosures required by that paragraph shall be made to the consumer at the time of application for such extension of credit.''.

(2) CREDIT ADVERTISEMENTS.—Section 144 of the Truth in Lending Act (15 U.S.C. 1664) is amended by adding at the end the following:

''(e) Each advertisement to which this section applies that relates to a consumer credit transaction that is secured by the principal dwelling of a consumer in which the extension of credit may exceed the fair market value of the dwelling shall clearly and conspicuously state that—

''(1) the interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for Federal income tax purposes; and

''(2) the consumer may want to consult a tax advisor for further information regarding the deductibility of interest and charges.''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect 1 year after the date of enactment of this Act.

**SEC. 208. DUAL-USE DEBIT CARD.**

(a) CONSUMER LIABILITY.—

(1) IN GENERAL.—Section 909 of the Electronic Fund Transfer Act (15 U.S.C. 1693g) is amended—

(A) by redesignating subsections (b) through (e) as subsections (d) through (g), respectively;

(B) in subsection (a)—

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

(ii) by inserting ''CARDS NECESSITATING UNIQUE IDENTIFIER.—

''(1) IN GENERAL.—'' after ''(a)'';

(iii) by striking ''other means of access can be identified as the person authorized to use it, such as by signature, photograph,'' and inserting ''other means of access can be identified as the person authorized to use it by a unique identifier, such as a photograph, retina scan,''; and

(iv) by striking ''Notwithstanding the foregoing,'' and inserting the following:

''(2) NOTIFICATION.—Notwithstanding paragraph (1),''; and

(C) by inserting after subsection (a) the following new subsections:

''(b) CARDS NOT NECESSITATING UNIQUE IDENTIFIER.—A consumer shall be liable for an unauthorized electronic fund transfer only if—

''(1) the liability is not in excess of $50;

''(2) the unauthorized electronic fund transfer is initiated by the use of a card that has been properly issued to a consumer other than the person making the unauthorized transfer as a means of access to the account of that consumer for the purpose of initiating an electronic fund transfer;

''(3) the unauthorized electronic fund transfer occurs before the card issuer has been notified that an unauthorized use of the card has occurred or may occur as the result of loss, theft, or otherwise; and

''(4) such unauthorized electronic fund transfer did not require the use of a code or other unique identifier (other than a signature), such as a photograph, fingerprint, or retina scan.

''(c) NOTICE OF LIABILITY AND RESPONSIBILITY TO REPORT LOSS OF CARD, CODE, OR OTHER MEANS OF ACCESS.—No consumer shall be liable under this title for any unauthorized electronic fund transfer unless the consumer has received in a timely manner the notice required under section 905(a)(1), and any subsequent notice required under section 905(b) with regard to any change in the information which is the subject of the notice required under section 905(a)(1).''.

(2) CONFORMING AMENDMENT.—Section 905(a)(1) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)(1)) is amended to read as follows:

''(1) the liability of the consumer for any unauthorized electronic fund transfer and the requirement for promptly reporting any loss, theft, or unauthorized use of a card, code, or other means of access in order to limit the liability of the consumer for any such unauthorized transfer;''.

(b) VALIDATION REQUIREMENT FOR DUAL-USE DEBIT CARDS.—

(1) IN GENERAL.—Section 911 of the Electronic Fund Transfer Act (15 U.S.C. 1693i) is amended—

(A) by redesignating subsection (c) as subsection (d); and

(B) by inserting after subsection (b) the following new subsection:

''(c) VALIDATION REQUIREMENT.—No person may issue a card described in subsection (a), the use of which to initiate an electronic fund transfer does not require the use of a code or other unique identifier other than a signature (such as a fingerprint or retina scan), unless—

''(1) the requirements of paragraphs (1) through (4) of subsection (b) are met; and

''(2) the issuer has provided to the consumer a clear and conspicuous disclosure that use of the card may not require the use of such code or other unique identifier.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—Section 911(d) of the Electronic Fund Transfer Act (15 U.S.C. 1993i(d)) (as redesignated by subsection (a)(1) of this section) is amended by striking ''For the purpose of subsection (b)'' and inserting ''For purposes of subsections (b) and (c)''.

**SEC. 209. ENHANCED DISCLOSURES UNDER AN OPEN END CREDIT PLAN.**

(a) AMENDMENTS TO THE TRUTH IN LENDING ACT.—

(1) ENHANCED DISCLOSURE OF REPAYMENT TERMS.—

(A) IN GENERAL.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(11)(A) In a clear and conspicuous manner, repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

''(i) the required minimum monthly payment on that balance, represented as both a dollar figure and a percentage of that balance;

''(ii) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that current balance if the consumer pays only the required minimum monthly payments and if no further advances are made;

''(iii) the total cost to the consumer, including interest and principal payments, of paying that balance in full if the consumer pays only the required minimum monthly payments and if no further advances are made; and

''(iv) the following statement: 'If your current rate is a temporary introductory rate, your total costs may be higher.'.

''(B) In making the disclosures under subparagraph (A) the creditor shall apply the annual interest rate that applies to that balance with respect to the current billing cycle for that consumer in effect on the date on which the disclosure is made.''.

(B) PUBLICATION OF MODEL FORMS.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish model disclosure forms in accordance with section 105 of the Truth in Lending Act for the purpose of compliance with section 127(b)(11) of the Truth in Lending Act, as added by this paragraph.

(C) CIVIL LIABILITY.—Section 130(a) of the Truth in Lending Act (15 U.S.C. 1640(a)) is amended, in the undesignated paragraph following paragraph (4), by striking the second sentence and inserting the following: ''In connection with the disclosures referred to in subsections (a) and (b) of section 127, a creditor shall have a liability determined under paragraph (2) of this subsection only for failing to comply with the requirements of section 125, 127(a), or of paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b), or for failing to comply with disclosure requirements under State law for any term or item that the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms or items referred to in section 127(a), or paragraph (4), (5), (6), (7), (8), (9), (10), or (11) of section 127(b).''.

(2) DISCLOSURES IN CONNECTION WITH SOLICITATIONS.—

(A) IN GENERAL.—Section 127(c)(1)(B) of the Truth in Lending Act (15 U.S.C. 1637(c)(1)(B)) is amended by adding at the end the following:

''(iv) CREDIT WORKSHEET.—An easily understandable credit worksheet designed to aid consumers in determining their ability to assume more debt, including consideration of the personal expenses of the consumer and a simple formula for the consumer to determine whether the assumption of additional debt is advisable.

''(v) BASIS OF PREAPPROVAL.—In any case in which the application or solicitation states that the consumer has been preapproved for an account under an open end consumer credit plan, the following statement must appear in a clear and conspicuous manner: 'Your preapproval for this credit card does not mean that we have reviewed your individual financial circumstances. You should review your own budget before accepting this offer of credit.'.

''(vi) AVAILABILITY OF CREDIT REPORT.—That the consumer is entitled to a copy of his or her credit report in accordance with the Fair Credit Reporting Act.''.

(B) PUBLICATION OF MODEL FORMS.—Not later than 180 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish model disclosure forms in accordance with section 105 of the Truth in Lending Act for the purpose of compliance with section 127(c)(1)(B) of the Truth in Lending Act, as amended by this paragraph.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on January 1, 2001.

**SEC. 210. VIOLATIONS OF THE AUTOMATIC STAY.**

Section 362(a) of title 11, United States Code, is amended—

(1) in paragraph (7), by striking ''and'' at the end;

(2) in paragraph (8), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(9) any communication threatening a debtor, at any time after the commencement and before the granting of a discharge in a case under this title, of an intention—

''(A) to file a motion to determine the dischargeability of a debt;

''(B) to file a motion under section 707(b) to dismiss or convert the case; or

''(C) to repossess collateral from the debtor to which the stay applies.''.

**SEC. 211. DISCOURAGING ABUSIVE REAFFIRMATION PRACTICES.**

Section 524 of title 11, United States Code, is amended—

(1) in subsection (c)—

(A) in paragraph (2)—

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

(ii) in subparagraph (B), by adding ''and'' after the semicolon; and

(iii) by adding at the end the following:

''(C) such agreement contains a clear and conspicuous statement that advises the debtor which portion of the debt to be reaffirmed is attributable to—

''(i) principal;

''(ii) interest;

''(iii) late fees;

''(iv) creditor's attorneys fees; or

''(v) expenses or other costs relating to the collection of the debt;'';

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

(C) in paragraph (6)—

(i) in subparagraph (A), by striking the period and inserting '' ; except that''; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) to the extent that the debt is a consumer debt secured by real property or is a debt described in paragraph (7), subparagraph (A) shall not apply; and'';

(E) by adding at the end the following:

''(7) in a case concerning an individual—

''(A)(i) if the consideration for such agreement is based in whole or in part—

''(I) on an unsecured consumer debt; or

''(II) on a debt for an item of personalty with a value of $250 or less at the point of purchase; and

''(ii) in which the creditor asserts a purchase money security interest; and

''(B) if the court, approves such agreement as—

''(i) in the best interest of the debtor in light of the debtor's income and expenses;

''(ii) not imposing an undue hardship on the future ability of the debtor to pay for the needs of children and other dependents (including court ordered support);

''(iii) not requiring the debtor to pay the creditor's attorney's fees, expenses or other costs relating to the collection of the debt;

''(iv) not entered into to protect property that is necessary for the care and maintenance of children or other dependents that would have nominal value on repossession;

''(v) not entered into after coercive threats or actions by the creditor in the creditor's course of dealings with the debtor; and

''(vi) not unfair because excessive in amount based upon the value of the collateral.''; and

(2) in subsection (d)(2), by striking ''requirements of subsection (c)(6) of this section if the consideration for such agreement is based in whole or in part on a consumer debt that is not secured by real property of the debtor'' and inserting ''applicable requirements of paragraphs (6) and (7) of subsection (c)''.

**SEC. 212. SENSE OF CONGRESS REGARDING THE HOMESTEAD EXEMPTION.**

(a) FINDINGS.—The Congress finds that—

(1) one of the most flagrant abuses of the bankruptcy system involves misuse of the homestead exemption under section 522 of title 11, United States Code, which allows a debtor to exempt the debtor's home, up to a certain value, as established by State law, from being sold off to satisfy debts;

(2) while the vast majority of States responsibly cap the exemption at not more than $40,000, 5 States exempt homes regardless of their value;

(3) in the few States with unlimited homestead exemptions, debtors can shield their assets in luxury homes, while legitimate creditors receive little or nothing;

(4) beneficiaries of the homestead exemption include convicted insider traders and savings and loan criminals, while short-changed creditors include children, spouses, governments, and banks; and

(5) the homestead exemption should be capped at $100,000 to prevent such high-profile abuses.

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

(1) meaningful bankruptcy reform cannot be achieved without capping the homestead exemption; and

(2) bankruptcy reform legislation should include a cap of $100,000 on the homestead exemption under title 11, United States Code.

**SEC. 213. ENCOURAGING CREDITWORTHINESS.**

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

(1) certain lenders may sometimes offer credit to consumers indiscriminately, without taking steps to ensure that consumers are capable of repaying the resulting debt, and in a manner which may encourage certain consumers to accumulate additional debt; and

(2) resulting consumer debt may increasingly be a major contributing factor to consumer insolvency.

(b) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (referred to in this section as the ''Board'') shall conduct a study of—

(1) consumer credit industry practices of soliciting and extending credit—

(A) indiscriminately;

(B) without taking steps to ensure that consumers are capable of repaying the resulting debt; and

(C) in a manner that encourages consumers to accumulate additional debt; and

(2) the effects of such practices on consumer debt and insolvency.

(c) REPORT AND REGULATIONS.—Not later than 24 months after the date of enactment of this Act, the Board—

(1) shall make public a report on its findings with respect to the indiscriminate solicitation and extension of credit by the credit industry;

(2) may issue regulations that would require additional disclosures to consumers in connection with extensions of credit; and

(3) may take any other actions, consistent with its existing statutory authority, that the Board finds necessary to ensure responsible industrywide practices and to prevent resulting consumer debt and insolvency.

**SEC. 214. TREASURY DEPARTMENT STUDY REGARDING SECURITY INTERESTS UNDER AN OPEN END CREDIT PLAN.**

(a) STUDY.—The Board of Governors of the Federal Reserve System (hereafter in this section referred to as the ''Board''), in consultation with the Secretary of the Treasury, the general credit industry, and consumer groups, shall conduct a study of the adequacy of information received by consumers regarding the creation of security interests under open end credit plans (as defined in the Truth in Lending Act).

(b) FINDINGS.—The study required under subsection (a) shall include the findings of the Board regarding—

(1) whether consumers understand at the time of purchase of property under an open end credit plan that such property may serve as collateral under that credit plan;

(2) whether consumers understand at the time of purchase the legal consequences of disposing of property that is purchased under an open end credit plan and is subject to a security interest under that plan; and

(3) whether creditors holding security interests in property purchased under an open end credit plan use such security interests to coerce reaffirmations of existing debts under section 524 of title 11, United States Code.

(c) CONSIDERATIONS.—In formulating the findings under subsection (b), the Board shall consider, among other factors the Board determines relevant, prevailing industry practices in this area.

(d) DISCLOSURE RECOMMENDATIONS.—The study required under subsection (a) shall include the recommendations of the Board regarding the utility and practicality of additional disclosures by credit card issuers at the time of purchase regarding security interests under open end credit plans, including—

(1) disclosures of the specific property in which the creditor will receive a security interest;

(2) disclosures of the consequences of nonpayment of the credit card balance, including how the security interest may be enforced; and

(3) disclosures of the process by which payments made under the plan will be credited with respect to the lien created by the security contract and other debts under the plan.

(e) SUBMISSION OF REPORT.—Not later than 180 days after the date of enactment of this Act, the Board shall submit a report of its findings under the study required by this section to the Committee on the Judiciary of the Senate, the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on the Judiciary of the House of Representatives, and the Committee on Banking and Financial Services of the House of Representatives.

## TITLE III—IMPROVED PROCEDURES FOR EFFICIENT ADMINISTRATION OF THE BANKRUPTCY SYSTEM

**SEC. 301. NOTICE OF ALTERNATIVES.**

(a) IN GENERAL.—Section 342 of title 11, United States Code, is amended by striking subsection (b) and inserting the following:

''(b) Before the commencement of a case under this title by an individual whose debts are primarily consumer debts, that individual shall be given or obtain (as required in section 521(a)(1), as part of the certification process under subchapter 1 of chapter 5) a written notice prescribed by the United States trustee for the district in which the petition is filed under section 586 of title 28. The notice shall contain the following:

''(1) A brief description of chapters 7, 11, 12, and 13 and the general purpose, benefits, and costs of proceeding under each of those chapters.

''(2) A brief description of services that may be available to that individual from a credit counseling service that is approved by the United States trustee or the bankruptcy administrator for that district.''.

(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, is amended—

(1) by inserting ''(a)'' before ''The debtor shall—'';

(2) by striking paragraph (1) and inserting the following:

''(1) file—

''(A) a list of creditors; and

''(B) unless the court orders otherwise—

''(i) a schedule of assets and liabilities;

''(ii) a schedule of current income and current expenditures;

''(iii) a statement of the debtor's financial affairs and, if applicable, a certificate—

''(I) of an attorney whose name is on the petition as the attorney for the debtor or

any bankruptcy petition preparer signing the petition under section 110(b)(1) indicating that such attorney or bankruptcy petition preparer delivered to the debtor any notice required by section 342(b); or

''(II) if no attorney for the debtor is indicated and no bankruptcy petition preparer signed the petition, of the debtor that such notice was obtained and read by the debtor;

''(iv) copies of any Federal tax returns, including any schedules or attachments, filed by the debtor for the 3-year period preceding the order for relief;

''(v) copies of all payment advices or other evidence of payment, if any, received by the debtor from any employer of the debtor in the period 60 days prior to the filing of the petition;

''(vi) a statement of the amount of projected monthly net income, itemized to show how calculated; and

''(vii) a statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of filing;''; and

(3) by adding at the end the following:

''(b)(1) At any time, a creditor, in the case of an individual under chapter 7 or 13, may file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case and the court shall make those documents available to the creditor who requests those documents.

''(2) At any time, a creditor, in a case under chapter 13, may file with the court notice that the creditor requests the plan filed by the debtor in the case and the court shall make that plan available to the creditor who requests that plan.

''(c) An individual debtor in a case under chapter 7 or 13 shall file with the court—

''(1) at the time filed with the taxing authority, all tax returns, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed;

''(2) at the time filed with the taxing authority, all tax returns, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a)(1) were filed with respect to the period that is 3 years before the order for relief;

''(3) any amendments to any of the tax returns, including schedules or attachments, described in paragraph (1) or (2); and

''(4) in a case under chapter 13, a statement subject to the penalties of perjury by the debtor of the debtor's income and expenditures in the preceding tax year and monthly income, that shows how the amounts are calculated—

''(A) beginning on the date that is the later of 90 days after the close of the debtor's tax year or 1 year after the order for relief, unless a plan has been confirmed; and

''(B) thereafter, on or before the date that is 45 days before each anniversary of the confirmation of the plan until the case is closed.

''(d)(1) A statement referred to in subsection (c)(4) shall disclose—

''(A) the amount and sources of income of the debtor;

''(B) the identity of any persons responsible with the debtor for the support of any dependents of the debtor; and

''(C) the identity of any persons who contributed, and the amount contributed, to the household in which the debtor resides.

''(2) The tax returns, amendments, and statement of income and expenditures described in paragraph (1) shall be available to the United States trustee, any bankruptcy administrator, any trustee, and any party in interest for inspection and copying, subject to the requirements of subsection (e).

''(e)(1) Not later than 30 days after the date of enactment of the Consumer Bankruptcy Reform Act of 1999, the Director of the Administrative Office of the United States Courts shall establish procedures for safeguarding the confidentiality of any tax information required to be provided under this section.

''(2) The procedures under paragraph (1) shall include restrictions on creditor access to tax information that is required to be provided under this section.

''(3) Not later than 1 year after the date of enactment of the Consumer Bankruptcy Reform Act of 1999, the Director of the Administrative Office of the United States Courts shall prepare, and submit to Congress a report that—

''(A) assesses the effectiveness of the procedures under paragraph (1); and

''(B) if appropriate, includes proposed legislation—

''(i) to further protect the confidentiality of tax information; and

''(ii) to provide penalties for the improper use by any person of the tax information required to be provided under this section.

''(f) If requested by the United States trustee or a trustee serving in the case, the debtor provides a document that establishes the identity of the debtor, including a driver's license, passport, or other document that contains a photograph of the debtor and such other personal identifying information relating to the debtor that establishes the identity of the debtor.''.

(c) TITLE 28.—Section 586(a) of title 28, United States Code, is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(7) on or before January 1 of each calendar year, and also not later than 30 days after any change in the nonprofit debt counseling services registered with the bankruptcy court, prescribe and make available on request the notice described in section 342(b)(3) of title 11 for each district included in the region.''.

**SEC. 302. FAIR TREATMENT OF SECURED CREDITORS UNDER CHAPTER 13.**

(a) RESTORING THE FOUNDATION FOR SECURED CREDIT.—Section 1325(a) of title 11, United States Code, is amended—

(1) in paragraph (5), by striking the matter preceding subparagraph (A) and inserting the following:

''(5) with respect to an allowed claim provided for by the plan that is secured under applicable nonbankruptcy law by reason of a lien on property in which the estate has an interest or is subject to a setoff under section 553—''; and

(2) by adding at the end of the subsection the following flush sentence:

''For purposes of paragraph (5), section 506 shall not apply to a claim described in that paragraph.''.

(b) PAYMENT OF HOLDERS OF CLAIMS SECURED BY LIENS.—Section 1325(a)(5)(B)(i) of title 11, United States Code, is amended to read as follows:

''(B)(i) the plan provides that the holder of such claim retain the lien securing such claim until the debt that is the subject of the claim is fully paid for, as provided under the plan; and''.

(c) DETERMINATION OF SECURED STATUS.—Section 506 of title 11, United States Code, is amended by adding at the end the following:

''(e) Subsection (a) shall not apply to an allowed claim to the extent attributable in whole or in part to the purchase price of personal property acquired by the debtor during the 90-day period preceding the date of filing of the petition.''.

**SEC. 303. DISCOURAGEMENT OF BAD FAITH REPEAT FILINGS.**

Section 362(c) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' before ''Except as'';

(2) by striking ''(1) the stay'' and inserting ''(A) the stay'';

(3) by striking ''(2) the stay'' and inserting ''(B) the stay'';

(4) by striking ''(A) the time'' and inserting ''(i) the time'';

(5) by striking ''(B) the time'' and inserting ''(ii) the time''; and

(6) by adding at the end the following:

''(2) Except as provided in subsections (d) through (f), the stay under subsection (a) with respect to any action taken with respect to a debt or property securing such debt or with respect to any lease shall terminate with respect to the debtor on the 30th day after the filing of the later case if—

''(A) a single or joint case is filed by or against an individual debtor under chapter 7, 11, or 13; and

''(B) a single or joint case of that debtor (other than a case refiled under a chapter other than chapter 7 after dismissal under section 707(b)) was pending during the preceding year but was dismissed.

''(3) If a party in interest so requests, the court may extend the stay in a particular case with respect to 1 or more creditors (subject to such conditions or limitations as the court may impose) after providing notice and a hearing completed before the expiration of the 30-day period described in paragraph (2) only if the party in interest demonstrates that the filing of the later case is in good faith with respect to the creditors to be stayed.

''(4) A case shall be presumed to have not been filed in good faith (except that such presumption may be rebutted by clear and convincing evidence to the contrary)—

''(A) with respect to the creditors involved, if—

''(i) more than 1 previous case under any of chapters 7, 11, or 13 in which the individual was a debtor was pending during the 1-year period described in paragraph (1);

''(ii) a previous case under any of chapters 7, 11, or 13 in which the individual was a debtor was dismissed within the period specified in paragraph (2) after—

''(I) the debtor, after having received from the court a request to do so, failed to file or amend the petition or other documents as required by this title; or

''(II) the debtor, without substantial excuse, failed to perform the terms of a plan that was confirmed by the court; or

''(iii)(I) during the period commencing with the dismissal of the next most previous case under chapter 7, 11, or 13 there has not been a substantial change in the financial or personal affairs of the debtor;

''(II) if the case is a chapter 7 case, there is no other reason to conclude that the later case will be concluded with a discharge; or

''(III) if the case is a chapter 11 or 13 case, there is not a confirmed plan that will be fully performed; and

''(B) with respect to any creditor that commenced an action under subsection (d) in a previous case in which the individual was a debtor, if, as of the date of dismissal of that case, that action was still pending or had been resolved by terminating, conditioning,

or limiting the stay with respect to actions of that creditor.

''(5)(A) If a request is made for relief from the stay under subsection (a) with respect to real or personal property of any kind, and the request is granted in whole or in part, the court may, in addition to making any other order under this subsection, order that the relief so granted shall be in rem either—

''(i) for a definite period of not less than 1 year; or

''(ii) indefinitely.

''(B)(i) After an order is issued under subparagraph (A), the stay under subsection (a) shall not apply to any property subject to such an in rem order in any case of the debtor.

''(ii) If an in rem order issued under subparagraph (A) so provides, the stay shall, in addition to being inapplicable to the debtor involved, not apply with respect to an entity under this title if—

''(I) the entity had reason to know of the order at the time that the entity obtained an interest in the property affected; or

''(II) the entity was notified of the commencement of the proceeding for relief from the stay, and at the time of the notification, no case in which the entity was a debtor was pending.

''(6) For purposes of this section, a case is pending during the period beginning with the issuance of the order for relief and ending at such time as the case involved is closed.''.

**SEC. 304. TIMELY FILING AND CONFIRMATION OF PLANS UNDER CHAPTER 13.**

(a) FILING OF PLAN.—Section 1321 of title 11, United States Code, is amended to read as follows:

**''§ 1321. Filing of plan**

''The debtor shall file a plan not later than 90 days after the order for relief under this chapter, except that the court may extend such period if the need for an extension is attributable to circumstances for which the debtor should not justly be held accountable.''.

(b) CONFIRMATION OF HEARING.—Section 1324 of title 11, United States Code, is amended by adding at the end the following: ''That hearing shall be held not later than 45 days after the filing of the plan, unless the court, after providing notice and a hearing, orders otherwise.''.

**SEC. 305. APPLICATION OF THE CODEBTOR STAY ONLY WHEN THE STAY PROTECTS THE DEBTOR.**

Section 1301(b) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following:

''(2)(A) Notwithstanding subsection (c) and except as provided in subparagraph (B), in any case in which the debtor did not receive the consideration for the claim held by a creditor, the stay provided by subsection (a) shall apply to that creditor for a period not to exceed 30 days beginning on the date of the order for relief, to the extent the creditor proceeds against—

''(i) the individual that received that consideration; or

''(ii) property not in the possession of the debtor that secures that claim.

''(B) Notwithstanding subparagraph (A), the stay provided by subsection (a) shall apply in any case in which the debtor is primarily obligated to pay the creditor in whole or in part with respect to a claim described in subparagraph (A) under a legally binding separation or property settlement agreement or divorce or dissolution decree with respect to—

''(i) an individual described in subparagraph (A)(i); or

''(ii) property described in subparagraph (A)(ii).

''(3) Notwithstanding subsection (c), the stay provided by subsection (a) shall terminate as of the date of confirmation of the plan, in any case in which the plan of the debtor provides that the debtor's interest in personal property subject to a lease with respect to which the debtor is the lessee will be surrendered or abandoned or no payments will be made under the plan on account of the debtor's obligations under the lease.''.

**SEC. 306. IMPROVED BANKRUPTCY STATISTICS.**

(a) AMENDMENT.—Chapter 6 of part I of title 28, United States Code, is amended by adding at the end the following:

**''§ 159. Bankruptcy statistics**

''(a) The clerk of each district shall compile statistics regarding individual debtors with primarily consumer debts seeking relief under chapters 7, 11, and 13 of title 11. Those statistics shall be in a form prescribed by the Director of the Administrative Office of the United States Courts (referred to in this section as the 'Office').

''(b) The Director shall—

''(1) compile the statistics referred to in subsection (a);

''(2) make the statistics available to the public; and

''(3) not later than October 31, 1999, and annually thereafter, prepare, and submit to Congress a report concerning the information collected under subsection (a) that contains an analysis of the information.

''(c) The compilation required under subsection (b) shall—

''(1) be itemized, by chapter, with respect to title 11;

''(2) be presented in the aggregate and for each district; and

''(3) include information concerning—

''(A) the total assets and total liabilities of the debtors described in subsection (a), and in each category of assets and liabilities, as reported in the schedules prescribed under section 2075 of this title and filed by those debtors;

''(B) the current total monthly income, projected monthly net income, and average income and average expenses of those debtors as reported on the schedules and statements that each such debtor files under sections 111, 521, and 1322 of title 11;

''(C) the aggregate amount of debt discharged in the reporting period, determined as the difference between the total amount of debt and obligations of a debtor reported on the schedules and the amount of such debt reported in categories which are predominantly nondischargeable;

''(D) the average period of time between the filing of the petition and the closing of the case;

''(E) for the reporting period—

''(i) the number of cases in which a reaffirmation was filed; and

''(ii)(I) the total number of reaffirmations filed;

''(II) of those cases in which a reaffirmation was filed, the number in which the debtor was not represented by an attorney; and

''(III) of those cases, the number of cases in which the reaffirmation was approved by the court;

''(F) with respect to cases filed under chapter 13 of title 11, for the reporting period—

''(i)(I) the number of cases in which a final order was entered determining the value of property securing a claim in an amount less than the amount of the claim; and

''(II) the number of final orders determining the value of property securing a claim issued;

''(ii) the number of cases dismissed for failure to make payments under the plan; and

''(iii) the number of cases in which the debtor filed another case within the 6 years previous to the filing; and

''(G) the extent of creditor misconduct and any amount of punitive damages awarded by the court for creditor misconduct.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 6 of title 28, United States Code, is amended by adding at the end the following:

''159. Bankruptcy statistics.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

**SEC. 307. AUDIT PROCEDURES.**

(a) AMENDMENTS.—Section 586 of title 28, United States Code, is amended—

(1) in subsection (a), as amended by section 301 of this Act, by striking paragraph (6) and inserting the following:

''(6) make such reports as the Attorney General directs, including the results of audits performed under subsection (f); and''; and

(2) by adding at the end the following:

''(f)(1)(A) The Attorney General shall establish procedures to determine the accuracy and completeness of petitions, schedules, and other information which the debtor is required to provide under sections 521 and 1322 of title 11, and, if applicable, section 111 of title 11, in individual cases filed under chapter 7 or 13 of such title.

''(B) Those procedures shall—

''(i) establish a method of selecting appropriate qualified persons to contract to perform those audits;

''(ii) establish a method of randomly selecting cases to be audited, except that not less than 1 out of every 500 cases in each Federal judicial district shall be selected for audit;

''(iii) require audits for schedules of income and expenses which reflect greater than average variances from the statistical norm of the district in which the schedules were filed; and

''(iv) establish procedures for providing, not less frequently than annually, public information concerning the aggregate results of such audits including the percentage of cases, by district, in which a material misstatement of income or expenditures is reported.

''(2) The United States trustee for each district is authorized to contract with auditors to perform audits in cases designated by the United States trustee according to the procedures established under paragraph (1).

''(3)(A) The report of each audit conducted under this subsection shall be filed with the court and transmitted to the United States trustee. Each report shall clearly and conspicuously specify any material misstatement of income or expenditures or of assets identified by the person performing the audit. In any case where a material misstatement of income or expenditures or of assets has been reported, the clerk of the bankruptcy court shall give notice of the misstatement to the creditors in the case.

''(B) If a material misstatement of income or expenditures or of assets is reported the United States trustee shall—

''(i) report the material misstatement, if appropriate, to the United States Attorney under section 3057 of title 18; and

''(ii) if advisable, take appropriate action, including but not limited to commencing an adversary proceeding to revoke the debtor's discharge under section 727(d) of title 11.''.

(b) AMENDMENTS TO SECTION 521 OF TITLE 11, UNITED STATES CODE.—Section 521(a) of title 11, United States Code, as amended by section 301(b) of this Act, is amended in paragraphs (3) and (4) by inserting ''or an auditor appointed under section 586 of title 28'' after ''serving in the case'' each place it appears.

(c) AMENDMENTS TO SECTION 727 OF TITLE 11, UNITED STATES CODE.—Section 727(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking ''or'' at the end;

(2) in paragraph (3), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(4) the debtor has failed to explain satisfactorily—

''(A) a material misstatement in an audit performed under section 586(f) of title 28; or

''(B) a failure to make available for inspection all necessary accounts, papers, documents, financial records, files and all other papers, things, or property belonging to the debtor that are requested for an audit conducted under section 586(f) of title 28.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

**SEC. 308. CREDITOR REPRESENTATION AT FIRST MEETING OF CREDITORS.**

Section 341(c) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(c)''; and

(2) by adding at the end the following:

''(2) Notwithstanding any local court rule, provision of a State constitution, any other Federal or State law that is not a bankruptcy law, or other requirement that representation at the meeting of creditors under subsection (a) be by an attorney, a creditor holding a consumer debt or any representative of the creditor (which may include an entity or an employee of an entity and may be a representative for more than 1 creditor) shall be permitted to appear at and participate in the meeting of creditors in a case under chapter 7 or 13, either alone or in conjunction with an attorney for the creditor.

''(3) Nothing in this subsection shall be construed to require any creditor to be represented by an attorney at any meeting of creditors.''.

**SEC. 309. FAIR NOTICE FOR CREDITORS IN CHAPTER 7 AND 13 CASES.**

Section 342 of title 11, United States Code, is amended—

(1) in subsection (c), by striking '', but the failure of such notice to contain such information shall not invalidate the legal effect of such notice''; and

(2) by adding at the end the following:

''(d)(1) If the credit agreement between the debtor and the creditor or the last communication before the filing of the petition in a voluntary case from the creditor to a debtor who is an individual states an account number of the debtor that is the current account number of the debtor with respect to any debt held by the creditor against the debtor, the debtor shall include that account number in any notice to the creditor required to be given under this title.

''(2) If the creditor has specified to the debtor, in the last communication before the filing of the petition, an address at which the creditor wishes to receive correspondence regarding the debtor's account, any notice to the creditor required to be given by the debtor under this title shall be given at such address.

''(3) For purposes of this section, the term 'notice' includes—

''(A) any correspondence from the debtor to the creditor after the commencement of the case;

''(B) any statement of the debtor's intention under section 521(a)(2);

''(C) notice of the commencement of any proceeding in the case to which the creditor is a party; and

''(D) any notice of a hearing under section 1324.

''(e)(1) At any time, a creditor, in a case of an individual under chapter 7 or 13, may file with the court and serve on the debtor a notice of the address to be used to notify the creditor in that case.

''(2) If the court or the debtor is required to give the creditor notice, not later than 5 days after receipt of the notice under paragraph (1), that notice shall be given at that address.

''(f) An entity may file with the court a notice stating its address for notice in cases under chapter 7 or 13. After the date that is 30 days following the filing of that notice, any notice in any case filed under chapter 7 or 13 given by the court shall be to that address unless specific notice is given under subsection (e) with respect to a particular case.

''(g)(1) Notice given to a creditor other than as provided in this section shall not be effective notice until that notice has been brought to the attention of the creditor.

''(2) If the creditor has designated a person or department to be responsible for receiving notices concerning bankruptcy cases and has established reasonable procedures so that bankruptcy notices received by the creditor will be delivered to that department or person, notice shall not be brought to the attention of the creditor until that notice is received by that person or department.''.

**SEC. 310. STOPPING ABUSIVE CONVERSIONS FROM CHAPTER 13.**

Section 348(f)(1) of title 11, United States Code, is amended—

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

(2) in subparagraph (B)—

(A) by striking ''in the converted case, with allowed secured claims'' and inserting ''only in a case converted to chapter 11 or 12 but not in a case converted to chapter 7, with allowed secured claims in cases under chapters 11 and 12''; and

(B) by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(C) with respect to cases converted from chapter 13, the claim of any creditor holding security as of the date of the petition shall continue to be secured by that security unless the full amount of that claim determined under applicable nonbankruptcy law has been paid in full as of the date of conversion, notwithstanding any valuation or determination of the amount of an allowed secured claim made for the purposes of the chapter 13 proceeding.''.

**SEC. 311. PROMPT RELIEF FROM STAY IN INDIVIDUAL CASES.**

Section 362(e) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(e)''; and

(2) by adding at the end the following:

''(2) Notwithstanding paragraph (1), in the case of an individual filing under chapter 7, 11, or 13, the stay under subsection (a) shall terminate on the date that is 60 days after a request is made by a party in interest under subsection (d), unless—

''(A) a final decision is rendered by the court during the 60-day period beginning on the date of the request; or

''(B) that 60-day period is extended—

''(i) by agreement of all parties in interest; or

''(ii) by the court for such specific period of time as the court finds is required for good cause.''.

**SEC. 312. DISMISSAL FOR FAILURE TO TIMELY FILE SCHEDULES OR PROVIDE REQUIRED INFORMATION.**

Section 707 of title 11, United States Code, as amended by section 102 of this Act, is amended by adding at the end the following:

''(c)(1) Notwithstanding subsection (a), and subject to paragraph (2), if an individual debtor in a voluntary case under chapter 7 or 13 fails to file all of the information required under section 521(a)(1) within 45 days after the filing of the petition commencing the case, the case shall be automatically dismissed effective on the 46th day after the filing of the petition.

''(2) With respect to a case described in paragraph (1), any party in interest may request the court to enter an order dismissing the case. The court shall, if so requested, enter an order of dismissal not later than 5 days after that request.

''(3) Upon request of the debtor made within 45 days after the filing of the petition commencing a case described in paragraph (1), the court may allow the debtor an additional period of not to exceed 50 days to file the information required under section 521(a)(1) if the court finds justification for extending the period for the filing.''.

**SEC. 313. ADEQUATE TIME FOR PREPARATION FOR A HEARING ON CONFIRMATION OF THE PLAN.**

Section 1324 of title 11, United States Code, as amended by section 304 of this Act, is amended—

(1) by striking ''After'' and inserting the following:

''(a) Except as provided in subsection (b) and after''; and

(2) by adding at the end the following:

''(b) If not later than 5 days after receiving notice of a hearing on confirmation of the plan, a creditor objects to the confirmation of the plan, the hearing on confirmation of the plan may be held no earlier than 20 days after the first meeting of creditors under section 341(a).''.

**SEC. 314. DISCHARGE UNDER CHAPTER 13.**

Section 1328(a) of title 11, United States Code, is amended by striking paragraphs (1) through (3) and inserting the following:

''(1) provided for under section 1322(b)(5);

''(2) of the kind specified in paragraph (2), (4), (5), (8), or (9) of section 523(a);

''(3) for restitution, or a criminal fine, included in a sentence on the debtor's conviction of a crime; or

''(4) for restitution, or damages, awarded in a civil action against the debtor as a result of willful or malicious injury by the debtor that caused personal injury to an individual or the death of an individual.''.

**SEC. 315. NONDISCHARGEABLE DEBTS.**

Section 523(a) of title 11, United States Code, is amended by inserting after paragraph (14) the following:

''(14A) incurred to pay a debt that is nondischargeable by reason of section 727, 1141, 1228 (a) or (b), or 1328(b), or any other provision of this subsection, if the debtor incurred the debt to pay such a nondischargeable debt with the intent to discharge in bankruptcy the newly created debt.''.

**SEC. 316. CREDIT EXTENSIONS ON THE EVE OF BANKRUPTCY PRESUMED NONDISCHARGEABLE.**

Section 523(a)(2) of title 11, United States Code, as amended by section 202 of this Act, is amended—

(1) in subparagraph (A), by striking the semicolon at the end and inserting the following: ''(and, for purposes of this subparagraph, consumer debts owed in an aggregate amount greater than or equal to $400 incurred for goods or services not reasonably necessary for the maintenance or support of the debtor or a dependent child of the debtor to a single creditor that are incurred during the 90-day period preceding the date of the order for relief shall be presumed to be nondischargeable under this subparagraph); or'';

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

(3) by striking subparagraph (C).

**SEC. 317. DEFINITION OF HOUSEHOLD GOODS AND ANTIQUES.**

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Federal Trade Commission shall promulgate regulations defining the term ''household goods'', to be applied to section 522(d)(3) of title 11, United States Code, in a manner suitable and appropriate for cases under that title.

(b) ABSENCE OF FINAL REGULATIONS.—If final regulations are not promulgated under subsection (a) and in effect by the date that is 180 days after the date enactment of this Act, then, for purposes of section 522(d)(3) of title 11, United States Code, the term ''household goods'' shall have the meaning given that term in section 444.1(i) of title 16, Code of Federal Regulations, except that the term shall also include any tangible personal property reasonably necessary for the maintenance or support of a dependent child.

**SEC. 318. RELIEF FROM STAY WHEN THE DEBTOR DOES NOT COMPLETE INTENDED SURRENDER OF CONSUMER DEBT COLLATERAL.**

(a) AUTOMATIC STAY.—Section 362 of title 11, United States Code, as amended by section 303 of this Act, is amended—

(1) in subsection (c)(1), in the matter preceding subparagraph (A), by striking ''(e) and (f)'' and inserting ''(e), (f), and (h)'';

(2) by redesignating subsection (h) as subsection (i); and

(3) by inserting after subsection (g) the following:

''(h) In an individual case under chapter 7, 11, or 13 the stay provided by subsection (a) is terminated with respect to property of the estate securing in whole or in part a claim that is in an amount greater than $3,000, or subject to an unexpired lease with a remaining term of at least 1 year (in any case in which the debtor owes at least $3,000 for a 1-year period), if within 30 days after the expiration of the applicable period under section 521(a)(2)—

''(1)(A) the debtor fails to timely file a statement of intention to surrender or retain the property; or

''(B) if the debtor indicates in the filing that the debtor will retain the property, the debtor fails to meet an applicable requirement to—

''(i) either—

''(I) redeem the property pursuant to section 722; or

''(II) reaffirm the debt the property secures pursuant to section 524(c); or

''(ii) assume the unexpired lease pursuant to section 365(d) if the trustee does not do so; or

''(2) the debtor fails to timely take the action specified in a statement of intention referred to in paragraph (1)(A) (as amended, if that statement is amended before expiration of the period for taking action), unless—

''(A) the statement of intention specifies reaffirmation; and

''(B) the creditor refuses to reaffirm the debt on the original contract terms for the debt.''.

(b) DEBTOR'S DUTIES.—Section 521(a)(2) of title 11, United States Code, as redesignated by section 301(b) of this Act, is amended—

(1) in the matter preceding subparagraph (A), by striking ''consumer'';

(2) in subparagraph (B)—

(A) by striking ''forty-five days after the filing of a notice of intent under this section'' and inserting ''30 days after the first meeting of creditors under section 341(a)''; and

(B) by striking ''forty-five-day period'' and inserting ''30-day period''; and

(3) in subparagraph (C), by inserting '', except as provided in section 362(h)'' before the semicolon.

**SEC. 319. ADEQUATE PROTECTION OF LESSORS AND PURCHASE MONEY SECURED CREDITORS.**

(a) IN GENERAL.—Chapter 13 of title 11, United States Code, is amended by adding after section 1307 the following:

**''§ 1307A. Adequate protection in chapter 13 cases**

''(a)(1)(A) On or before the date that is 30 days after the filing of a case under this chapter, the debtor shall make cash payments in an amount determined under paragraph (2)(A), to—

''(i) any lessor of personal property; and

''(ii) any creditor holding a claim secured by personal property to the extent that the claim is attributable to the purchase of that property by the debtor.

''(B) The debtor or the plan shall continue making the adequate protection payments until the earlier of the date on which—

''(i) the creditor begins to receive actual payments under the plan; or

''(ii) the debtor relinquishes possession of the property referred to in subparagraph (A) to—

''(I) the lessor or creditor; or

''(II) any third party acting under claim of right, as applicable.

''(2) The payments referred to in paragraph (1)(A) shall be determined by the court.

''(b)(1) Subject to the limitations under paragraph (2), the court may, after notice and hearing, change the amount and timing of the dates of payment of payments made under subsection (a).

''(2)(A) The payments referred to in paragraph (1) shall be payable not less frequently than monthly.

''(B) The amount of a payment referred to in paragraph (1) shall not be less than the reasonable depreciation of the personal property described in subsection (a)(1), determined on a month-to-month basis.

''(c) Notwithstanding section 1326(b), the payments referred to in subsection (a)(1)(A) shall be continued in addition to plan payments under a confirmed plan until actual payments to the creditor begin under that plan, if the confirmed plan provides—

''(1) for payments to a creditor or lessor described in subsection (a)(1); and

''(2) for the deferral of payments to such creditor or lessor under the plan until the payment of amounts described in section 1326(b).

''(d) Notwithstanding sections 362, 542, and 543, a lessor or creditor described in subsection (a) may retain possession of property described in that subsection that was obtained in accordance with applicable law before the date of filing of the petition until the first payment under subsection (a)(1)(A) is received by the lessor or creditor.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 13 of title 11, United States Code, is amended by inserting after the item relating to section 1307 the following:

''1307A. Adequate protection in chapter 13 cases.''.

**SEC. 320. LIMITATION.**

Section 522 of title 11, United States Code, is amended—

(1) in subsection (b)(2)(A), by inserting ''subject to subsection (n),'' before ''any property''; and

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

''(n)(1) Except as provided in paragraph (2), as a result of electing under subsection (b)(2)(A) to exempt property under State or local law, a debtor may not exempt any amount of interest that exceeds in the aggregate $100,000 in value in—

''(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

''(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

''(C) a burial plot for the debtor or a dependent of the debtor.

''(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(2)(A) by a family farmer for the principal residence of that farmer.''.

**SEC. 321. MISCELLANEOUS IMPROVEMENTS.**

(a) WHO MAY BE A DEBTOR.—Section 109 of title 11, United States Code, is amended by adding at the end the following:

''(h)(1) Subject to paragraphs (2) and (3) and notwithstanding any other provision of this section, an individual may not be a debtor under this title unless that individual has, during the 90-day period preceding the date of filing of the petition of that individual, received credit counseling, including, at a minimum, participation in an individual or group briefing that outlined the opportunities for available credit counseling and assisted that individual in performing an initial budget analysis, through a credit counseling program (offered through an approved credit counseling service described in section 111(a)) that has been approved by—

''(A) the United States trustee; or

''(B) the bankruptcy administrator for the district in which the petition is filed.''.

''(2)(A) Paragraph (1) shall not apply with respect to a debtor who resides in a district for which the United States trustee or bankruptcy administrator of the bankruptcy court of that district determines that the approved credit counseling services for that district are not reasonably able to provide adequate services to the additional individuals who would otherwise seek credit counseling from those programs by reason of the requirements of paragraph (1).

''(B) Each United States trustee or bankruptcy administrator that makes a determination under subparagraph (A) shall review that determination not later than 1 year after the date of that determination, and not less frequently than annually thereafter.

''(3)(A) Subject to subparagraph (B), the requirements of paragraph (1) shall not apply with respect to a debtor who submits to the court a certification that—

''(i) describes exigent circumstances that merit a waiver of the requirements of paragraph (1);

''(ii) states that the debtor requested credit counseling services from an approved credit counseling service, but was unable to obtain the services referred to in paragraph (1) during the 5-day period beginning on the date on which the debtor made that request; and

''(iii) is satisfactory to the court.

''(B) With respect to a debtor, an exemption under subparagraph (A) shall cease to apply to that debtor on the date on which the debtor meets the requirements of paragraph (1), but in no case may the exemption apply to that debtor after the date that is 30 days after the debtor files a petition.''.

(b) CHAPTER 7 DISCHARGE.—Section 727(a) of title 11, United States Code, is amended—

(1) in paragraph (9), by striking ''or'' at the end;

(2) in paragraph (10), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(11) after the filing of the petition, the debtor failed to complete an instructional course concerning personal financial management described in section 111 that was administered or approved by—

''(A) the United States trustee; or

''(B) the bankruptcy administrator for the district in which the petition is filed.''.

(c) CHAPTER 13 DISCHARGE.—Section 1328 of title 11, United States Code, is amended by adding at the end the following:

''(f) The court shall not grant a discharge under this section to a debtor, unless after filing a petition the debtor has completed an instructional course concerning personal financial management described in section 111 that was administered or approved by—

''(1) the United States trustee; or

''(2) the bankruptcy administrator for the district in which the petition is filed.''.

(d) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by section 318(b) of this Act, is amended by adding at the end the following:

''(e) In addition to the requirements under subsection (a), an individual debtor shall file with the court—

''(1) a certificate from the credit counseling service that provided the debtor services under section 109(h); and

''(2) a copy of the debt repayment plan, if any, developed under section 109(h) through the credit counseling service referred to in paragraph (1).''.

(e) EXCEPTIONS TO DISCHARGE.—Section 523(d) of title 11, United States Code, as amended by section 202 of this Act, is amended by striking paragraph (3)(A)(i) and inserting the following:

''(i) within the applicable period of time prescribed under section 109(h), the debtor received credit counseling through a credit counseling program in accordance with section 109(h); and''.

(f) GENERAL PROVISIONS.—

(1) IN GENERAL.—Chapter 1 of title 11, United States Code, is amended by adding at the end the following:

**''§ 111. Credit counseling services; financial management instructional courses**

''(a) The clerk of each district shall maintain a list of credit counseling services that provide 1 or more programs described in section 109(h) and that have been approved by—

''(1) the United States trustee; or

''(2) the bankruptcy administrator for the district.

''(b) The United States trustee or each bankruptcy administrator referred to in subsection (a)(1) shall—

''(1) make available to debtors who are individuals an instructional course concerning personal financial management, under the direction of the bankruptcy court; and

''(2) maintain a list of instructional courses concerning personal financial management that are operated by a private entity and that have been approved by the United States trustee or that bankruptcy administrator.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter 1 of title 11, United States Code, is amended by adding at the end the following:

''111. Credit counseling services; financial management instructional courses.''.

(g) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

(3) by inserting after paragraph (13) the following:

''(13A) 'debtor's principal residence'—

''(A) means a residential structure, including incidental property, without regard to whether that structure is attached to real property; and

''(B) includes an individual condominium or co-operative unit;''; and

(2) by inserting after paragraph (27), the following:

''(27A) 'incidental property' means, with respect to a debtor's principal residence—

''(A) property commonly conveyed with a principal residence in the area where the real estate is located;

''(B) all easements, rights, appurtenances, fixtures, rents, royalties, mineral rights, oil or gas rights or profits, water rights, escrow funds, or insurance proceeds; and

''(C) all replacements or additions;''.

**SEC. 322. BANKRUPTCY JUDGESHIPS.**

(a) SHORT TITLE.—This section may be cited as the ''Bankruptcy Judgeship Act of 1999''.

(b) TEMPORARY JUDGESHIPS.—

(1) APPOINTMENTS.—The following judgeship positions shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:

(A) One additional bankruptcy judgeship for the eastern district of California.

(B) Four additional bankruptcy judgeships for the central district of California.

(C) One additional bankruptcy judgeship for the southern district of Florida.

(D) Two additional bankruptcy judgeships for the district of Maryland.

(E) One additional bankruptcy judgeship for the eastern district of Michigan.

(F) One additional bankruptcy judgeship for the southern district of Mississippi.

(G) One additional bankruptcy judgeship for the district of New Jersey.

(H) One additional bankruptcy judgeship for the eastern district of New York.

(I) One additional bankruptcy judgeship for the northern district of New York.

(J) One additional bankruptcy judgeship for the southern district of New York.

(K) One additional bankruptcy judgeship for the eastern district of Pennsylvania.

(L) One additional bankruptcy judgeship for the middle district of Pennsylvania.

(M) One additional bankruptcy judgeship for the western district of Tennessee.

(N) One additional bankruptcy judgeship for the eastern district of Virginia.

(2) VACANCIES.—The first vacancy occurring in the office of a bankruptcy judge in each of the judicial districts set forth in paragraph (1) that—

(A) results from the death, retirement, resignation, or removal of a bankruptcy judge; and

(B) occurs 5 years or more after the appointment date of a bankruptcy judge appointed under paragraph (1);

shall not be filled.

(c) EXTENSIONS.—

(1) IN GENERAL.—The temporary bankruptcy judgeship positions authorized for the northern district of Alabama, the district of Delaware, the district of Puerto Rico, the district of South Carolina, and the eastern district of Tennessee under section 3(a) (1), (3), (7), (8), and (9) of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) are extended until the first vacancy occurring in the office of a bankruptcy judge in the applicable district resulting from the death, retirement, resignation, or removal of a bankruptcy judge and occurring—

(A) 8 years or more after November 8, 1993, with respect to the northern district of Alabama;

(B) 10 years or more after October 28, 1993, with respect to the district of Delaware;

(C) 8 years or more after August 29, 1994, with respect to the district of Puerto Rico;

(D) 8 years or more after June 27, 1994, with respect to the district of South Carolina; and

(E) 8 years or more after November 23, 1993, with respect to the eastern district of Tennessee.

(2) APPLICABILITY OF OTHER PROVISIONS.—All other provisions of section 3 of the Bankruptcy Judgeship Act of 1992 remain applicable to such temporary judgeship position.

(d) TECHNICAL AMENDMENT.—The first sentence of section 152(a)(1) of title 28, United States Code, is amended to read as follows: ''Each bankruptcy judge to be appointed for a judicial district as provided in paragraph (2) shall be appointed by the United States court of appeals for the circuit in which such district is located.''.

(e) TRAVEL EXPENSES OF BANKRUPTCY JUDGES.—Section 156 of title 28, United States Code, is amended by adding at the end the following new subsection:

''(g)(1) In this subsection, the term 'travel expenses'—

''(A) means the expenses incurred by a bankruptcy judge for travel that is not directly related to any case assigned to such bankruptcy judge; and

''(B) shall not include the travel expenses of a bankruptcy judge if—

''(i) the payment for the travel expenses is paid by such bankruptcy judge from the personal funds of such bankruptcy judge; and

''(ii) such bankruptcy judge does not receive funds (including reimbursement) from the United States or any other person or entity for the payment of such travel expenses.

''(2) Each bankruptcy judge shall annually submit the information required under paragraph (3) to the chief bankruptcy judge for the district in which the bankruptcy judge is assigned.

''(3)(A) Each chief bankruptcy judge shall submit an annual report to the Director of the Administrative Office of the United States Courts on the travel expenses of each bankruptcy judge assigned to the applicable district (including the travel expenses of the chief bankruptcy judge of such district).

''(B) The annual report under this paragraph shall include—

''(i) the travel expenses of each bankruptcy judge, with the name of the bankruptcy judge to whom the travel expenses apply;

''(ii) a description of the subject matter and purpose of the travel relating to each travel expense identified under clause (i), with the name of the bankruptcy judge to whom the travel applies; and

''(iii) the number of days of each travel described under clause (ii), with the name of the bankruptcy judge to whom the travel applies.

''(4)(A) The Director of the Administrative Office of the United States Courts shall—

''(i) consolidate the reports submitted under paragraph (3) into a single report; and

''(ii) annually submit such consolidated report to Congress.

''(B) The consolidated report submitted under this paragraph shall include the specific information required under paragraph (3)(B), including the name of each bankruptcy judge with respect to clauses (i), (ii), and (iii) of paragraph (3)(B).''.

**SEC. 323. DEFINITION OF DOMESTIC SUPPORT OBLIGATION.**

Section 101 of title 11, United States Code, as amended by section 321(g) of this Act, is amended—

(1) by striking paragraph (12A); and

(2) by inserting after paragraph (14) the following:

''(14A) 'domestic support obligation' means a debt that accrues before or after the entry of an order for relief under this title that is—

''(A) owed to or recoverable by—

''(i) a spouse, former spouse, or child of the debtor or that child's legal guardian; or

''(ii) a governmental unit;

''(B) in the nature of alimony, maintenance, or support (including assistance provided by a governmental unit) of such spouse, former spouse, or child, without regard to whether such debt is expressly so designated;

''(C) established or subject to establishment before or after entry of an order for relief under this title, by reason of applicable provisions of—

''(i) a separation agreement, divorce decree, or property settlement agreement;

''(ii) an order of a court of record; or

''(iii) a determination made in accordance with applicable nonbankruptcy law by a governmental unit; and

''(D) not assigned to a nongovernmental entity, unless that obligation is assigned voluntarily by the spouse, former spouse, child, or parent solely for the purpose of collecting the debt.''.

**SEC. 324. PRIORITIES FOR CLAIMS FOR DOMESTIC SUPPORT OBLIGATIONS.**

Section 507(a) of title 11, United States Code, is amended—

(1) by striking paragraph (7);

(2) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively;

(3) in paragraph (2), as redesignated, by striking ''First'' and inserting ''Second'';

(4) in paragraph (3), as redesignated, by striking ''Second'' and inserting ''Third'';

(5) in paragraph (4), as redesignated, by striking ''Third'' and inserting ''Fourth'';

(6) in paragraph (5), as redesignated, by striking ''Fourth'' and inserting ''Fifth'';

(7) in paragraph (6), as redesignated, by striking ''Fifth'' and inserting ''Sixth'';

(8) in paragraph (7), as redesignated, by striking ''Sixth'' and inserting ''Seventh''; and

(9) by inserting before paragraph (2), as redesignated, the following:

''(1) First, allowed claims for domestic support obligations to be paid in the following order on the condition that funds received under this paragraph by a governmental unit in a case under this title be applied:

''(A) Claims that, as of the date of entry of the order for relief, are owed directly to a spouse, former spouse, or child of the debtor, or the parent of such child, without regard to whether the claim is filed by the spouse, former spouse, child, or parent, or is filed by a governmental unit on behalf of that person.

''(B) Claims that, as of the date of entry of the order for relief, are assigned by a spouse, former spouse, child of the debtor, or the parent of that child to a governmental unit or are owed directly to a governmental unit under applicable nonbankruptcy law.''.

**SEC. 325. REQUIREMENTS TO OBTAIN CONFIRMATION AND DISCHARGE IN CASES INVOLVING DOMESTIC SUPPORT OBLIGATIONS.**

Title 11, United States Code, is amended—

(1) in section 1129(a), by adding at the end the following:

''(14) If the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order or statute for such obligation that become payable after the date on which the petition is filed.'';

(2) in section 1325(a)—

(A) in paragraph (5), by striking ''and'' at the end;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order for such obligation that become payable after the date on which the petition is filed.''; and

(3) in section 1328(a), as amended by section 314 of this Act, in the matter preceding paragraph (1), by inserting '', and with respect to a debtor who is required by a judicial or administrative order to pay a domestic support obligation, certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before or after the petition was filed) have been paid'' after ''completion by the debtor of all payments under the plan''.

**SEC. 326. EXCEPTIONS TO AUTOMATIC STAY IN DOMESTIC SUPPORT OBLIGATION PROCEEDINGS.**

Section 362(b) of title 11, United States Code, is amended—

(1) by striking paragraph (2) and inserting the following:

''(2) under subsection (a)—

''(A) of the commencement or continuation of an action or proceeding for—

''(i) the establishment of paternity as a part of an effort to collect domestic support obligations; or

''(ii) the establishment or modification of an order for domestic support obligations; or

''(B) the collection of a domestic support obligation from property that is not property of the estate;'';

(2) by inserting after paragraph (4) the following:

''(5) under subsection (a) with respect to the withholding of income pursuant to an order as specified in section 466(b) of the Social Security Act (42 U.S.C. 666(b));

(3) in paragraph (17), by striking ''or'' at the end;

(4) in paragraph (18), by striking the period and inserting ''; or''; and

(5) by inserting after paragraph (18) the following:

''(19) under subsection (a) with respect to—

''(A) the withholding, suspension, or restriction of drivers' licenses, professional and occupational licenses, and recreational licenses pursuant to State law, as specified in section 466(a)(16) of the Social Security Act (42 U.S.C. 666(a)(16)) or with respect to the reporting of overdue support owed by an absent parent to any consumer reporting agency as specified in section 466(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7));

''(B) the interception of tax refunds, as specified in sections 464 and 466(a)(3) of the Social Security Act (42 U.S.C. 664 and 666(a)(3)); or

''(C) the enforcement of medical obligations as specified under title IV of the Social Security Act (42 U.S.C. 601 et seq.).''.

**SEC. 327. NONDISCHARGEABILITY OF CERTAIN DEBTS FOR ALIMONY, MAINTENANCE, AND SUPPORT.**

Section 523 of title 11, United States Code, as amended by section 202 of this Act, is amended—

(1) in subsection (a), by striking paragraph (5) and inserting the following:

''(5) for a domestic support obligation;'';

(2) in subsection (c), by striking ''(6), or (15)'' and inserting ''or (6)''; and

(3) in paragraph (15), by striking ''governmental unit'' and all through the end of the paragraph and inserting a semicolon.

**SEC. 328. CONTINUED LIABILITY OF PROPERTY.**

Section 522 of title 11, United States Code, as amended by section 320 of this Act, is amended—

(1) in subsection (c), by striking paragraph (1) and inserting the following:

''(1) a debt of a kind specified in paragraph (1) or (5) of section 523(a) (in which case, notwithstanding any provision of applicable nonbankruptcy law to the contrary, such property shall be liable for a debt of a kind specified in section 523(a)(5));''; and

(2) in subsection (f)(1)(A), by striking the dash and all that follows through the end of the subparagraph and inserting ''of a kind that is specified in section 523(a)(5); or''.

**SEC. 329. PROTECTION OF DOMESTIC SUPPORT CLAIMS AGAINST PREFERENTIAL TRANSFER MOTIONS.**

Section 547(c) of title 11, United States Code, is amended by striking paragraph (7) and inserting the following:

''(7) to the extent such transfer was a bona fide payment of a debt for a domestic support obligation; or''.

**SEC. 330. PROTECTION OF RETIREMENT SAVINGS IN BANKRUPTCY.**

(a) IN GENERAL.—Section 522 of title 11, United States Code, as amended by section 328 of this Act, is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) by striking ''(2)(A) subject to subsection (n), any property'' and inserting:

''(3) Subject to subsection (n), property listed in this paragraph is—

''(A) any property'';

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

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

(iv) by adding at the end the following:

''(C) retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986 and which has not been pledged or promised to any person in connection with any extension of credit.'';

(B) by striking paragraph (1) and inserting:

''(2) Property listed in this paragraph is property that is specified under subsection (d) of this section, unless the State law that is applicable to the debtor under paragraph (3)(A) of this subsection specifically does not so authorize.'';

(C) in the matter preceding paragraph (2)—

(i) by striking ''(b)'' and inserting ''(b)(1)'';

(ii) by striking ''paragraph (2)'' both places it appears and inserting ''paragraph (3)'';

(iii) by striking ''paragraph (1)'' each place it appears and inserting ''paragraph (2)''; and

(iv) by striking ''Such property is—''; and

(D) by adding at the end of the subsection the following:

''(4) For purposes of paragraph (3)(C), the following shall apply:

''(A) If the retirement funds are in a retirement fund that has received a favorable determination pursuant to section 7805 of the Internal Revenue Code of 1986, and that determination is in effect as of the date of the commencement of the case under section 301, 302, or 303, those funds shall be presumed to be exempt from the estate.

''(B) If the retirement funds are in a retirement fund that has not received a favorable determination pursuant to such section 7805, those funds are exempt from the estate if the debtor demonstrates that—

''(i) no prior determination to the contrary has been made by a court or the Internal Revenue Service; and

''(ii)(I) the retirement fund is in substantial compliance with the applicable requirements of the Internal Revenue Code of 1986; or

''(II) the retirement fund fails to be in substantial compliance with such applicable requirements, the debtor is not materially responsible for that failure.

''(C) A direct transfer of retirement funds from 1 fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986, pursuant to section 401(a)(31) of the Internal Revenue Code of 1986, or otherwise, shall not cease to qualify for exemption under paragraph (3)(C) by reason of that direct transfer.

''(D)(i) Any distribution that qualifies as an eligible rollover distribution within the meaning of section 402(c) of the Internal Revenue Code of 1986 or that is described in clause (ii) shall not cease to qualify for exemption under paragraph (3)(C) by reason of that distribution.

''(ii) A distribution described in this clause is an amount that—

''(I) has been distributed from a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986; and

''(II) to the extent allowed by law, is deposited in such a fund or account not later than 60 days after the distribution of that amount.''; and

(2) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking ''subsection (b)(1)'' and inserting ''subsection (b)(2)''; and

(B) by adding at the end the following:

''(12) Retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986.''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, as amended by section 326 of this Act, is amended—

(1) in paragraph (18), by striking ''or'' at the end;

(2) in paragraph (19), by striking the period and inserting ''; or'';

(3) by inserting after paragraph (19) the following:

''(20) under subsection (a), of withholding of income from a debtor's wages and collection of amounts withheld, pursuant to the debtor's agreement authorizing that withholding and collection for the benefit of a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986 that is sponsored by the employer of the debtor, or an affiliate, successor, or predecessor of such employer—

''(A) to the extent that the amounts withheld and collected are used solely for payments relating to a loan from a plan that satisfies the requirements of section 408(b)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(b)(1)); or

''(B) in the case of a loan from a thrift savings plan described in subchapter III of title 5, that satisfies the requirements of section 8433(g) of that title.''; and

(4) by adding at the end of the flush material following paragraph (20) the following: ''Paragraph (20) does not apply to any amount owed to a plan referred to in that paragraph that is incurred under a loan made during the 1-year period preceding the filing of a petition. Nothing in paragraph (20) may be construed to provide that any loan made under a governmental plan under section 414(d) of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.''.

(c) EXCEPTIONS TO DISCHARGE.—Section 523(a) of title 11, United States Code, as amended by section 202 of this Act, is amended—

(1) by striking ''or'' at the end of paragraph (17);

(2) by striking the period at the end of paragraph (18) and inserting ''; or''; and

(3) by adding at the end the following:

''(19) owed to a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(c) of the Internal Revenue Code of 1986, pursuant to—

''(A) a loan permitted under section 408(b)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(b)(1)); or

''(B) a loan from the thrift savings plan described in subchapter III of title 5, that satisfies the requirements of section 8433(g) of that title.

Paragraph (19) does not apply to any amount owed to a plan referred to in that paragraph that is incurred under a loan made during the 1-year period preceding the filing of a petition. Nothing in paragraph (19) may be construed to provide that any loan made under a governmental plan under section 414(d) of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.''.

(d) PLAN CONTENTS.—Section 1322 of title 11, United States Code, is amended by adding at the end the following:

''(f) A plan may not materially alter the terms of a loan described in section 362(b)(20).''.

**SEC. 331. ADDITIONAL AMENDMENTS TO TITLE 11, UNITED STATES CODE.**

(a) Section 507(a) of title 11, United States Code, is amended by inserting after paragraph (7) the following:

''(8) Eighth, allowed claims for death or personal injuries resulting from the operation of a motor vehicle or vessel if such operation was unlawful because the debtor was intoxicated from using alcohol, a drug or another substance.''.

(b) Section 523(a)(9) of title 11, United States Code, is amended by inserting ''or vessel'' after ''vehicle''.

**SEC. 332. DEBT LIMIT INCREASE.**

Section 104(b) of title 11, United States Code, is amended by adding at the end the following:

''(4) The dollar amount in section 101(18) shall be adjusted at the same times and in the same manner as the dollar amounts in paragraph (1) of this subsection, beginning with the adjustment to be made on April 1, 2001.''.

**SEC. 333. ELIMINATION OF REQUIREMENT THAT FAMILY FARMER AND SPOUSE RECEIVE OVER 50 PERCENT OF INCOME FROM FARMING OPERATION IN YEAR PRIOR TO BANKRUPTCY.**

Section 101(18)(A) of title 11, United States Code, is amended by striking ''the taxable year preceding the taxable year'' and inserting ''at least 1 of the 3 calendar years preceding the year''.

**SEC. 334. PROHIBITION OF RETROACTIVE ASSESSMENT OF DISPOSABLE INCOME.**

(a) IN GENERAL.—Section 1225(b) of title 11, United States Code, is amended—

(1) by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following:

''(2) The plan shall be confirmed if—

''(A) the plan provides for specific amounts of property to be distributed on account of allowed unsecured claims as required by paragraph (1)(B);

''(B) the amounts under subparagraph (A) equal or exceed the debtor's projected disposable income for the applicable period; and

''(C) the plan meets the requirements for confirmation other than those of this subsection, the plan shall be confirmed.''.

(b) MODIFICATION OF PLAN.—Section 1229 of title 11, United States Code, is amended by adding at the end the following:

''(d)(1) A modification of the plan under this section may not increase the amount of payments that were due prior to the date of the order modifying the plan.

''(2) A modification of the plan under this section to increase payments based on an increase in the debtor's disposable income may not require payments to unsecured creditors in any particular month greater than the debtor's disposable income for that month unless the debtor proposes such a modification.

''(3) A modification of the plan in the last year of the plan shall not require payments that would leave the debtor with insufficient funds to carry on the farming operation after the plan is completed unless the debtor proposes such a modification.''.

**SEC. 335. AMENDMENT TO SECTION 1325 OF TITLE 11, UNITED STATES CODE.**

Section 1325(b)(2) of title 11, United States Code, is amended by inserting ''(other than child support payments, foster care payments, or disability payments for a dependent child made in accordance with applicable nonbankruptcy law and which is reasonably necessary to be expended)'' after ''received by the debtor''.

**SEC. 336. PROTECTION OF SAVINGS EARMARKED FOR THE POSTSECONDARY EDUCATION OF CHILDREN.**

Section 541(b) of title 11, United States Code, is amended—

(1) in paragraph (5), by striking ''or'' at the end;

(2) by redesignating paragraph (5) as paragraph (7); and

(2) by inserting after paragraph (4) the following:

''(5) except as otherwise provided under applicable State law, any funds placed in a qualified State tuition program (as described in section 529(b) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief;

''(6) any funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) at least 180 days before the date of entry of the order for relief; or''.

## TITLE IV—FINANCIAL INSTRUMENTS

**SEC. 401. BANKRUPTCY CODE AMENDMENTS.**

(a) DEFINITIONS OF FORWARD CONTRACT, REPURCHASE AGREEMENT, SECURITIES CLEARING AGENCY, SWAP AGREEMENT, COMMODITY CONTRACT, AND SECURITIES CONTRACT.—Title 11, United States Code, is amended—

(1) in section 101—

(A) in paragraph (25)—

(i) by striking ''means a contract'' and inserting ''means—

''(A) a contract'';

(ii) by striking '', or any combination thereof or option thereon;'' and inserting '', or any other similar agreement;''; and

(iii) by adding at the end the following:

''(B) a combination of agreements or transactions referred to in subparagraphs (A) and (C);

''(C) an option to enter into an agreement or transaction referred to in subparagraph (A) or (B);

''(D) a master netting agreement that provides for an agreement or transaction referred to in subparagraph (A), (B), or (C), together with all supplements to such master netting agreement, without regard to whether such master netting agreement provides for an agreement or transaction that is not a forward contract under this paragraph, except that such master netting agreement shall be considered to be a forward contract under this paragraph only with respect to each agreement or transaction under such master netting agreement that is referred to in subparagraph (A), (B), or (C); or

''(E) a security agreement or arrangement, or other credit enhancement, related to any agreement, a contract, option, or transaction referred to in subparagraph (A), (B), (C), or (D);'';

(B) by striking paragraph (47) and inserting the following:

''(47) 'repurchase agreement' and 'reverse repurchase agreement'—

''(A) mean—

''(i) an agreement, including related terms, that provides for the transfer of—

''(I) a certificate of deposit, mortgage related security (as defined in section 3 of the Securities Exchange Act of 1934), mortgage loan, interest in a mortgage related security or mortgage loan, eligible bankers' acceptance, or qualified foreign government security (defined for purposes of this paragraph to mean a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development); or

''(II) a security that is a direct obligation of, or that is fully guaranteed by, the United States or an agency of the United States against the transfer of funds by the transferee of such certificate of deposit, eligible bankers' acceptance, security, loan, or interest;

with a simultaneous agreement by such transferee to transfer to the transferor thereof a certificate of deposit, eligible bankers' acceptance, security, loan, or interest of the kind described in subclause (I) or (II), at a date certain that is not later than 1 year after the date of the transferor's transfer or on demand, against the transfer of funds;

''(ii) a combination of agreements or transactions referred to in clauses (i) and (iii);

''(iii) an option to enter into an agreement or transaction referred to in clause (i) or (ii);

''(iv) a master netting agreement that provides for an agreement or transaction referred to in clause (i), (ii), or (iii), together with all supplements to such master netting agreement, without regard to whether such master netting agreement provides for an agreement or transaction that is not a repurchase agreement under this subparagraph, except that such master netting agreement shall be considered to be a repurchase agreement under this subparagraph only with respect to each agreement or transaction under such master netting agreement that is referred to in clause (i), (ii), or (iii); or

''(v) a security agreement or arrangement, or other credit enhancement, directly pertaining to a contract referred to in clause (i), (ii), (iii), or (iv); and

''(B) do not include a repurchase obligation under a participation in a commercial mortgage loan;''; and

(C) by striking paragraph (53B) and inserting the following:

''(53B) 'swap agreement'—

''(A) means—

''(i) an agreement, including the terms and conditions incorporated by reference in such agreement, that is—

''(I) an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap;

''(II) a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement;

''(III) a currency swap, option, future, or forward agreement;

''(IV) an equity index or an equity swap, option, future, or forward agreement;

''(V) a debt index or a debt swap, option, future, or forward agreement;

''(VI) a credit spread or a credit swap, option, future, or forward agreement; or

''(VII) a commodity index or a commodity swap, option, future, or forward agreement;

''(ii) an agreement or transaction that is similar to an agreement or transaction referred to in clause (i) that—

''(I) is currently, or in the future becomes, regularly entered into in the swap market (including terms and conditions incorporated by reference therein); and

''(II) is a forward, swap, future, or option on a rate, currency, commodity, equity security, or other equity instrument, on a debt security or other debt instrument, or on an economic index or measure of economic risk or value;

''(iii) a combination of agreements or transactions referred to in clauses (i) and (ii);

''(iv) an option to enter into an agreement or transaction referred to in this subparagraph; or

''(v) a master netting agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), or (iv), together with all supplements to such master netting agreement and without regard to whether such master netting agreement contains an agreement or transaction described in any such clause, but only with respect to each agreement or transaction referred to in any such clause that is under such master netting agreement; except that

''(B) the definition under subparagraph (A) is applicable for purposes of this title only, and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations prescribed by the Securities and Exchange Commission or the Commodity Futures Trading Commission.'';

(2) in section 741, by striking paragraph (7) and inserting the following:

''(7) 'securities contract'—

''(A) means—

''(i) a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan or an interest in a mortgage loan, a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including an interest therein or based on the value thereof), or option on any of the foregoing, including an option to purchase or sell any of the foregoing;

''(ii) an option entered into on a national securities exchange relating to foreign currencies;

''(iii) the guarantee by or to a securities clearing agency of a settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, or mortgage loans or interests therein (including any interest therein or based on the value thereof), or option on any of the foregoing, including an option to purchase or sell any of the foregoing;

''(iv) a margin loan;

''(v) any other agreement or transaction that is similar to an agreement or transaction referred to in this subparagraph;

''(vi) a combination of the agreements or transactions referred to in this subparagraph;

''(vii) an option to enter into an agreement or transaction referred to in this subparagraph;

''(viii) a master netting agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii), together with all supplements to such master netting agreement, without regard to whether such master netting agreement provides for an agreement or transaction that is not a securities contract under this subparagraph, except that such master netting agreement shall be considered to be a securities contract under this subparagraph only with respect to each agreement or transaction under such master netting agreement that is referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii); or

''(ix) a security agreement or arrangement, or other credit enhancement, related to any agreement or transaction referred to in this subparagraph; and

''(B) does not include a purchase, sale, or repurchase obligation under a participation in, or servicing agreement for, a commercial mortgage loan;''; and

(3) in section 761(4)—

(A) by striking ''or'' at the end of subparagraph (D); and

(B) by adding at the end the following:

''(F) any other agreement or transaction that is similar to an agreement or transaction referred to in this paragraph;

''(G) a combination of the agreements or transactions referred to in this paragraph;

''(H) an option to enter into an agreement or transaction referred to in this paragraph;

''(I) a master netting agreement that provides for an agreement or transaction referred to in subparagraph (A), (B), (C), (D), (E), (F), (G), or (H), together with all supplements to such master netting agreement, without regard to whether such master netting agreement provides for an agreement or transaction that is not a commodity contract under this paragraph, except that such master netting agreement shall be considered to be a commodity contract under this paragraph only with respect to each agreement or transaction under such master netting agreement that is referred to in subparagraph (A), (B), (C), (D), (E), (F), (G), or (H); or

''(J) a security agreement or arrangement, or other credit enhancement, related to any agreement or transaction referred to in this paragraph.''.

(b) DEFINITIONS OF FINANCIAL INSTITUTION, FINANCIAL PARTICIPANT, AND FORWARD CONTRACT MERCHANT.—Section 101 of title 11, United States Code, is amended—

(1) by striking paragraph (22) and inserting the following:

''(22) 'financial institution' means—

''(A) a Federal reserve bank, or an entity that is a commercial or savings bank, industrial savings bank, savings and loan association, trust company, or receiver or conservator for such entity; and

''(B) if such Federal reserve bank, receiver, or conservator or entity is acting as agent or custodian for a customer in connection with a securities contract, as defined in section 741, such customer;'';

(2) by inserting after paragraph (22) the following:

''(22A) 'financial participant' means an entity that—

''(A) is a party to a securities contract, commodity contract or forward contract;

''(B) on the date of the filing of the petition, has 1 or more agreements or transactions under section 561(a)(2)with the debtor or any other entity (other than an affiliate) of a total gross dollar value of not less than $1,000,000,000 in notional or actual principal amount outstanding on any date during the previous 15-month period; or

''(C) has gross mark-to-market positions of not less than $100,000,000 (aggregated across counterparties) in an agreement or transaction under subparagraph (A) with the debtor or any other entity (other than an affiliate) on any date during the previous 15-month period;''; and

(3) by striking paragraph (26) and inserting the following:

''(26) 'forward contract merchant' means a Federal reserve bank, or an entity, the business of which consists in whole or in part of entering into forward contracts as or with merchants or in a commodity, as defined or in section 761, or any similar good, article, service, right, or interest that is presently or in the future becomes the subject of dealing or in the forward contract trade;''.

(c) DEFINITION OF MASTER NETTING AGREEMENT AND MASTER NETTING AGREEMENT PARTICIPANT.—Section 101 of title 11, United States Code, is amended by inserting after paragraph (38) the following new paragraphs:

''(38A) the term 'master netting agreement'—

''(A) means an agreement providing for the exercise of rights, including rights of netting, setoff, liquidation, termination, acceleration, or closeout, under or in connection with 1 or more contracts that are described in any 1 or more of paragraphs (1) through (5) of section 561(a), or any security agreement or arrangement or other credit enhancement related to 1 or more of the foregoing; except that

''(B) if a master netting agreement contains provisions relating to agreements or transactions that are not contracts described in paragraphs (1) through (5) of section 561(a), the master netting agreement shall be deemed to be a master netting agreement only with respect to those agreements or transactions that are described in any 1 or more of paragraphs (1) through (5) of section 561(a); and

''(38B) the term 'master netting agreement participant' means an entity that, at any time before the filing of the petition, is a party to an outstanding master netting agreement with the debtor;''.

(d) SWAP AGREEMENTS, SECURITIES CONTRACTS, COMMODITY CONTRACTS, FORWARD CONTRACTS, REPURCHASE AGREEMENTS, AND MASTER NETTING AGREEMENTS UNDER THE AUTOMATIC STAY.—

(1) IN GENERAL.—Section 362(b) of title 11, United States Code, as amended by section 330 of this Act, is amended—

(A) in paragraph (6), by inserting '', pledged to, and under the control of,'' after ''held by'';

(B) in paragraph (7), by inserting '', pledged to, and under the control of,'' after ''held by'';

(C) by striking paragraph (17) and inserting the following:

''(17) under subsection (a), of the setoff by a swap participant of a mutual debt and claim under or in connection with a swap agreement that constitutes the setoff of a claim against the debtor for a payment or transfer due from the debtor under or in connection with a swap agreement against a payment due to the debtor from the swap participant under or in connection with a swap agreement or against cash, securities, or other property held by, pledged to, and under the control of, or due from such swap participant to guarantee, secure, or settle a swap agreement;'';

(D) in paragraph (19), by striking ''or'' at the end;

(E) in paragraph (20), by striking the period at the end and inserting ''; or''; and

(F) by inserting after paragraph (20) the following:

''(21) under subsection (a), of the setoff by a master netting agreement participant of a mutual debt and claim, to the extent such participant is eligible to exercise such offset rights under paragraph (6), (7), or (17) for each individual contract covered by the master netting agreement in issue.''.

(2) LIMITATION.—Section 362 of title 11, United States Code, as amended by section 432(2) of this Act, is amended by adding at the end the following:

''(*i*) The exercise of rights not subject to the stay arising under subsection (a) pursuant to paragraph (6), (7), or (17) of subsection (b) shall not be stayed by an order of a court or administrative agency in any proceeding under this title.''.

(e) LIMITATION OF AVOIDANCE POWERS UNDER MASTER NETTING AGREEMENT.—Section 546 of title 11, United States Code, is amended—

(1) in subsection (g), (as added by section 103 of Public Law 101–311 (104 Stat. 267 et seq.))—

(A) by striking ''under a swap agreement''; and

(B) by striking ''in connection with a swap agreement'' and inserting ''under or in connection with any swap agreement''; and

(2) by inserting before subsection (i) (as redesignated by section 407 of this Act) the following new subsection:

''(h) Notwithstanding sections 544, 545, 547, 548(a)(2)(B), and 548(b), the trustee may not avoid a transfer made by or to a master netting agreement participant under or in connection with any master netting agreement or any individual contract covered thereby that is made before the commencement of the case, and except to the extent that the trustee could otherwise avoid such a transfer made under an individual contract covered by such master netting agreement (except under section 548(a)(1)(A)).''.

(f) FRAUDULENT TRANSFERS OF MASTER NETTING AGREEMENTS.—Section 548(d)(2) of title 11, United States Code, is amended—

(1) in subparagraph (C), by striking ''and'';

(2) in subparagraph (D), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(E) a master netting agreement participant that receives a transfer in connection with a master netting agreement or any individual contract covered thereby takes for value to the extent of such transfer, except, with respect to a transfer under any individual contract covered thereby, to the extent that such master netting agreement participant otherwise did not take (or is otherwise not deemed to have taken) such transfer for value.''.

(g) TERMINATION OR ACCELERATION OF SECURITIES CONTRACTS.—Section 555 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

**''§ 555. Contractual right to liquidate, terminate, or accelerate a securities contract'';**

and

(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.

(h) TERMINATION OR ACCELERATION OF COMMODITIES OR FORWARD CONTRACTS.—Section 556 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

**''§ 556. Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract'';**

and

(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.

(i) TERMINATION OR ACCELERATION OF REPURCHASE AGREEMENTS.—Section 559 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

**''§ 559. Contractual right to liquidate, terminate, or accelerate a repurchase agreement'';**

and

(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.

(j) LIQUIDATION, TERMINATION, OR ACCELERATION OF SWAP AGREEMENTS.—Section 560 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

**''§ 560. Contractual right to liquidate, terminate, or accelerate a swap agreement'';**

(2) in the first sentence, by striking ''termination of a swap agreement'' and inserting ''liquidation, termination, or acceleration of a swap agreement''; and

(3) by striking ''in connection with any swap agreement'' and inserting ''in connection with the termination, liquidation, or acceleration of a swap agreement''.

(k) LIQUIDATION, TERMINATION, ACCELERATION, OR OFFSET UNDER A MASTER NETTING AGREEMENT AND ACROSS CONTRACTS.—Title 11, United States Code, is amended by inserting after section 560 the following new section:

**''§ 561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts**

''(a) Subject to subsection (b), the exercise of any contractual right, because of a condition of the kind specified in section 365(e)(1), to cause the termination, liquidation, or acceleration of or to offset or net termination values, payment amounts or other transfer obligations arising under or in connection with 1 or more (or the termination, liquidation, or acceleration of 1 or more)—

''(1) securities contracts, as defined in section 741(7);

''(2) commodity contracts, as defined in section 761(4);

''(3) forward contracts;

''(4) repurchase agreements;

''(5) swap agreements; or

''(6) master netting agreements,

shall not be stayed, avoided, or otherwise limited by operation of any provision of this title or by any order of a court or administrative agency in any proceeding under this title.

''(b)(1) A party may exercise a contractual right described in subsection (a) to terminate, liquidate, or accelerate only to the extent that such party could exercise such a right under section 555, 556, 559, or 560 for each individual contract covered by the master netting agreement in issue.

''(2)(A) A party may not exercise a contractual right described in subsection (a) to offset or to net obligations arising under, or in connection with, a commodity contract against obligations arising under, or in connection with, any instrument listed in subsection (a), if the obligations are not mutual.

''(B) If a debtor is a commodity broker subject to subchapter IV of chapter 7,a party may not net or offset an obligation to the debtor arising under, or in connection with, a commodity contract against any claim arising under, or in connection with, other instruments if that party has no positive net equity in the commodity account of the debtor, as calculated under subchapter IV.

''(c) As used in this section, the term 'contractual right' includes a right set forth in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency, a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not evidenced in writing, arising under common law, under law merchant, or by reason of normal business practice.''.

(*l*) MUNICIPAL BANKRUPTCIES.—Section 901 of title 11, United States Code, is amended—

(1) by inserting '', 555, 556'' after ''553''; and

(2) by inserting '', 559, 560, 561, 562,'' after ''557''.

(m) ANCILLARY PROCEEDINGS.—Section 304 of title 11, United States Code, is amended by adding at the end the following:

''(d) Any provisions of this title relating to securities contracts, commodity contracts, forward contracts, repurchase agreements, swap agreements, or master netting agreements shall apply in a case ancillary to a foreign proceeding under this section or any other section of this title, so that enforcement of contractual provisions of such contracts and agreements in accordance with their terms—

''(1) shall not be stayed or otherwise limited by—

''(A) operation of any provision of this title; or

''(B) order of a court in any case under this title;

''(2) shall limit avoidance powers to the same extent as in a proceeding under chapter 7 or 11; and

''(3) shall not be limited based on the presence or absence of assets of the debtor in the United States.''.

(n) COMMODITY BROKER LIQUIDATIONS.—Title 11, United States Code, is amended by inserting after section 766 the following:

**''§ 767. Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants**

''Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights or affect any provision of this subchapter relating to customer property or distributions.''.

(o) STOCKBROKER LIQUIDATIONS.—Title 11, United States Code, is amended by inserting after section 752 the following:

**''§ 753. Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants**

''Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of rights or affect any provision of this subchapter relating to customer property or distributions.''.

(p) SETOFF.—Section 553 of title 11, United States Code, is amended—

(1) in subsection (a)(3)(C), by inserting ''(except for a setoff of a kind described in section 362(b)(6), 362(b)(7), 362(b)(17), 362(b)(21), 555, 556, 559, 560, or 561)'' before the period; and

(2) in subsection (b)(1), by striking ''362(b)(14),'' and inserting ''362(b)(17), 362(b)(21), 555, 556, 559, 560,''.

(q) SECURITIES CONTRACTS, COMMODITY CONTRACTS, AND FORWARD CONTRACTS.—Title 11, United States Code, is amended—

(1) in section 362(b)(6), by striking ''financial institutions,'' each place such term appears and inserting ''financial institution, financial participant'';

(2) in section 546(e), by inserting ''financial participant'' after ''financial institution,'';

(3) in section 548(d)(2)(B), by inserting ''financial participant'' after ''financial institution,'';

(4) in section 555—

(A) by inserting ''financial participant'' after ''financial institution,''; and

(B) by inserting before the period '', a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not in writing, arising under common law, under law merchant, or by reason of normal business practice''; and

(5) in section 556, by inserting '', financial participant'' after ''commodity broker''.

(r) TECHNICAL AND CONFORMING AMENDMENT.—Section 104 of title 11, United States Code, is amended by adding at the end the following:

''(c) EXCEPTION FOR CERTAIN DEFINED TERMS.—No adjustments shall be made under this section to the dollar amounts set forth in the definition of the term 'financial participant' in section 101 (22A).''.

(s) CONFORMING AMENDMENTS.—Title 11 of the United States Code is amended—

(1) in the table of sections for chapter 5—

(A) by striking the items relating to sections 555 and 556 and inserting the following:

''555. Contractual right to liquidate, terminate, or accelerate a securities contract.

''556. Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract.'';

(B) by striking the items relating to sections 559 and 560 and inserting the following:

''559. Contractual right to liquidate, terminate, or accelerate a repurchase agreement.

''560. Contractual right to liquidate, terminate, or accelerate a swap agreement.'';

and

(C) by adding after the item relating to section 560 the following:

''561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts.'';

and

(2) in the table of sections for chapter 7—

(A) by inserting after the item relating to section 766 the following:

''767. Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants.'';

and

(B) by inserting after the item relating to section 752 the following:

''753. Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants.''.

**SEC. 402. DAMAGE MEASURE.**

(a) IN GENERAL.—Title 11, United States Code, is amended by inserting after section 561 (as added by section 401(b)) the following:

**''§ 562. Damage measure in connection with swap agreements, securities contracts, forward contracts, commodity contracts, repurchase agreements, or master netting agreements**

''If the trustee rejects a swap agreement, securities contract as defined in section 741, forward contract, repurchase agreement, or master netting agreement pursuant to section 365(a), or if a forward contract merchant, stockbroker, financial institution, securities clearing agency, repo participant, master netting agreement participant, or swap participant liquidates, terminates, or accelerates any such contract or agreement, damages shall be measured as of the earlier of—

''(1) the date of such rejection; or

''(2) the date of such liquidation, termination, or acceleration.''.

(b) CLAIMS ARISING FROM REJECTION.—Section 502(g) of title 11, United States Code, is amended—

(1) by designating the existing text as paragraph (1); and

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

''(2) A claim for damages calculated in accordance with section 562 shall be allowed under subsection (a), (b), or (c) of this section or disallowed under subsection (d) or (e) of this section as if such claim had arisen before the date of the filing of the petition.''.

**SEC. 403. ASSET-BACKED SECURITIZATIONS.**

Section 541 of title 11, United States Code, as amended by section 336 of this Act, is amended—

(1) in subsection (b)—

(A) by striking ''or'' at the end of paragraph (6); and

(B) by redesignating paragraph (7) as paragraph (8);

(2) by inserting after paragraph (6) the following:

''(7) any eligible asset (or proceeds thereof), to the extent that such eligible asset was transferred by the debtor, before the date of commencement of the case, to an eligible entity in connection with an asset-backed securitization, except to the extent such asset (or proceeds or value thereof) may be recovered by the trustee under section 550 by reason of avoidance under section 548(a); or''; and

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

''(e) In this section:

''(1) The term 'asset-backed securitization' means a transaction in which eligible assets transferred to an eligible entity are used as the source of payment on securities, the most senior of which are rated investment grade by 1 or more nationally recognized securities rating organizations, issued by an issuer.

''(2) The term 'eligible asset' means—

''(A) financial assets (including interests therein and proceeds thereof), either fixed or revolving, including residential and commercial mortgage loans, consumer receivables, trade receivables, and lease receivables, that, by their terms, convert into cash within a finite time period, plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders;

''(B) cash; and

''(C) securities.

''(3) The term 'eligible entity' means—

''(A) an issuer; or

''(B) a trust, corporation, partnership, or other entity engaged exclusively in the business of acquiring and transferring eligible assets directly or indirectly to an issuer and taking actions ancillary thereto.

''(4) The term 'issuer' means a trust, corporation, partnership, or other entity engaged exclusively in the business of acquiring and holding eligible assets, issuing securities backed by eligible assets, and taking actions ancillary thereto.

''(5) The term 'transferred' means, with respect to a debtor, that the debtor, under a written agreement, represented and warranted that eligible assets were sold, contributed, or otherwise conveyed with the intention of removing them from the estate of the debtor pursuant to subsection (b)(5), without regard to—

''(A) whether the debtor directly or indirectly obtained or held an interest in the issuer or in any securities issued by the issuer;

''(B) whether the debtor had an obligation to repurchase or to service or supervise the servicing of all or any portion of such eligible assets; or

''(C) the characterization of such sale, contribution, or other conveyance for tax, accounting, regulatory reporting, or other purposes.''.

**SEC. 404. PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.**

Section 106 of the Truth in Lending Act (15 U.S.C. 1605) is amended by adding at the end the following:

''(g) PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.—A creditor may not, solely because a consumer has not incurred finance charges in connection with an extension of credit—

''(1) refuse to renew or continue to offer the extension of credit to that consumer; or

''(2) charge a fee to that consumer in lieu of a finance charge.''.

**SEC. 405. FEES ARISING FROM CERTAIN OWNERSHIP INTERESTS.**

Section 523(a)(16) of title 11, United States Code, is amended—

(1) by striking ''dwelling'' the first place it appears;

(2) by striking ''ownership or'' and inserting ''ownership,'';

(3) by striking ''housing'' the first place it appears; and

(4) by striking ''but only'' and all that follows through ''such period,'', and inserting ''or a lot in a homeowners association, for as long as the debtor or the trustee has a legal, equitable, or possessory ownership interest in such unit, such corporation, or such lot,''.

**SEC. 406. BANKRUPTCY FEES.**

Section 1930 of title 28, United States Code, is amended—

(1) in subsection (a), by striking ''Notwithstanding section 1915, the parties'' and inserting ''Subject to subsection (f), the parties''; and

(2) by adding at the end the following:

''(f)(1) The Judicial Conference of the United States shall prescribe procedures for waiving fees under this subsection.

''(2) Under the procedures described in paragraph (1), the district court or the bankruptcy court may waive a filing fee described in paragraph (3) for a case commenced under chapter 7 of title 11 if the court determines that an individual debtor is unable to pay that fee in installments.

''(3) A filing fee referred to in paragraph (2) is—

''(A) a filing fee under subsection (a)(1); or

''(B) any other fee prescribed by the Judicial Conference of the United States under subsection (b) that is payable to the clerk of the district court or the clerk of the bankruptcy court upon the commencement of a case under chapter 7 of title 11.

''(4) In addition to waiving a fee described in paragraph (3) under paragraph (2), the district court or the bankruptcy court may waive any other fee prescribed under subsection (b) or (c) if the court determines that the individual is unable to pay that fee in installments.''.

**SEC. 407. APPLICABILITY.**

The amendments made by this title shall apply with respect to cases commenced or appointments made under any Federal or State law after the date of enactment of this Act.

## TITLE V—ANCILLARY AND OTHER CROSS-BORDER CASES

**SEC. 501. AMENDMENT TO ADD CHAPTER 6 TO TITLE 11, UNITED STATES CODE.**

(a) IN GENERAL.—Title 11, United States Code, is amended by inserting after chapter 5 the following:

**''CHAPTER 6—ANCILLARY AND OTHER CROSS-BORDER CASES**



**''§ 601. Purpose and scope of application**

''(a) The purpose of this chapter is to incorporate the Model Law on Cross-Border Insolvency so as to provide effective mechanisms for dealing with cases of cross-border insolvency with the objectives of—

''(1) cooperation between—

''(A) United States courts, United States trustees, trustees, examiners, debtors, and debtors in possession; and

''(B) the courts and other competent authorities of foreign countries involved in cross-border insolvency cases;

''(2) greater legal certainty for trade and investment;

''(3) fair and efficient administration of cross-border insolvencies that protects the interests of all creditors, and other interested entities, including the debtor;

''(4) protection and maximization of the value of the debtor's assets; and

''(5) facilitation of the rescue of financially troubled businesses, thereby protecting investment and preserving employment.

''(b) This chapter applies if—

''(1) assistance is sought in the United States by a foreign court or a foreign representative in connection with a foreign proceeding;

''(2) assistance is sought in a foreign country in connection with a case under this title;

''(3) a foreign proceeding and a case under this title with respect to the same debtor are taking place concurrently; or

''(4) creditors or other interested persons in a foreign country have an interest in requesting the commencement of, or participating in, a case or proceeding under this title.

''(c) This chapter does not apply to—

''(1) a proceeding concerning an entity identified by exclusion in subsection 109(b); or

''(2) an individual, or to an individual and such individual's spouse, who have debts within the limits specified in section 109(e) and who are citizens of the United States or aliens lawfully admitted for permanent residence in the United States.

''SUBCHAPTER I—GENERAL PROVISIONS

**''§ 602. Definitions**

''For purposes of this chapter, the term—

''(1) 'debtor' means an entity that is the subject of a foreign proceeding;

''(2) 'establishment' means any place of operations where the debtor carries out a nontransitory economic activity;

''(3) 'foreign court' means a judicial or other authority competent to control or supervise a foreign proceeding;

''(4) 'foreign main proceeding' means a foreign proceeding taking place in the country where the debtor has the center of its main interests;

''(5) 'foreign nonmain proceeding' means a foreign proceeding, other than a foreign main proceeding, taking place in a country where the debtor has an establishment;

''(6) 'trustee' includes a trustee, a debtor in possession in a case under any chapter of this title, or a debtor under chapter 9 or 13 of this title; and

''(7) 'within the territorial jurisdiction of the United States' when used with reference to property of a debtor refers to tangible property located within the territory of the United States and intangible property deemed to be located within that territory, including any property that may properly be seized or garnished by an action in a Federal or State court in the United States.

**''§ 603. International obligations of the United States**

''To the extent that this chapter conflicts with an obligation of the United States arising out of any treaty or other form of agreement to which it is a party with 1 or more other countries, the requirements of the treaty or agreement prevail.

**''§ 604. Commencement of ancillary case**

''A case under this chapter is commenced by the filing of a petition for recognition of a foreign proceeding under section 615.

**''§ 605. Authorization to act in a foreign country**

''A trustee or another entity designated by the court, may be authorized by the court to act in a foreign country on behalf of an estate created under section 541. An entity authorized to act under this section may act in any way permitted by the applicable foreign law.

**''§ 606. Public policy exception**

''Nothing in this chapter prevents the court from refusing to take an action governed by this chapter if the action would be manifestly contrary to the public policy of the United States.

**''§ 607. Additional assistance**

''(a) Nothing in this chapter limits the power of the court, upon recognition of a foreign proceeding, to provide additional assistance to a foreign representative under this title or under other laws of the United States.

''(b) In determining whether to provide additional assistance under this title or under other laws of the United States, the court shall consider whether such additional assistance, consistent with the principles of comity, will reasonably assure—

''(1) just treatment of all holders of claims against or interests in the debtor's property;

''(2) protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in such foreign proceeding;

''(3) prevention of preferential or fraudulent dispositions of property of the debtor;

''(4) distribution of proceeds of the debtor's property substantially in accordance with the order prescribed by this title; and

''(5) if appropriate, the provision of an opportunity for a fresh start for the individual that such foreign proceeding concerns.

**''§ 608. Interpretation**

''In interpreting this chapter, the court shall consider its international origin, and the need to promote an application of this chapter that is consistent with the application of similar statutes adopted by foreign jurisdictions.

''SUBCHAPTER II—ACCESS OF FOREIGN REPRESENTATIVES AND CREDITORS TO THE COURT

**''§ 609. Right of direct access**

''(a) A foreign representative is entitled to commence a case under section 604 by filing a petition for recognition under section 615, and upon recognition, to apply directly to other Federal and State courts for appropriate relief in those courts.

''(b) Upon recognition, and subject to section 610, a foreign representative shall have the capacity to sue and be sued.

''(c) Recognition under this chapter is prerequisite to the granting of comity or cooperation to a foreign representative in any Federal or State court in the United States. Any request for comity or cooperation by a foreign representative in any court shall be accompanied by a sworn statement setting forth whether recognition under section 615 has been sought and the status of any such petition.

''(d) Upon denial of recognition under this chapter, the court may issue appropriate orders necessary to prevent an attempt to obtain comity or cooperation from courts in the United States without such recognition.

**''§ 610. Limited jurisdiction**

''The sole fact that a foreign representative files a petition under sections 604 and 615 does not subject the foreign representative to the jurisdiction of any court in the United States for any other purpose.

**''§ 611. Commencement of case under section 301 or 303**

''(a) Upon filing a petition for recognition, a foreign representative may commence—

''(1) an involuntary case under section 303; or

''(2) a voluntary case under section 301 or 302, if the foreign proceeding is a foreign main proceeding.

''(b) The petition commencing a case under subsection (a) must be accompanied by a statement describing the petition for recognition and its current status. The court where the petition for recognition has been filed must be advised of the foreign representative's intent to commence a case under subsection (a) prior to such commencement.

''(c) A case under subsection (a) shall be dismissed unless recognition is granted.

**''§ 612. Participation of a foreign representative in a case under this title**

''Upon recognition of a foreign proceeding, the foreign representative in that proceeding is entitled to participate as a party in interest in a case regarding the debtor under this title.

**''§ 613. Access of foreign creditors to a case under this title**

''(a) Foreign creditors have the same rights regarding the commencement of, and participation in, a case under this title as domestic creditors.

''(b)(1) Subsection (a) does not change or codify law in effect on the date of enactment of this chapter as to the priority of claims under section 507 or 726, except that the claim of a foreign creditor under section 507 or 726 shall not be given a lower priority than that of general unsecured claims without priority solely because the holder of such claim is a foreign creditor.

''(2)(A) Subsection (a) and paragraph (1) do not change or codify law in effect on the date of enactment of this chapter as to the allowability of foreign revenue claims or other foreign public law claims in a proceeding under this title.

''(B) Allowance and priority as to a foreign tax claim or other foreign public law claim shall be governed by any applicable tax treaty of the United States, under the conditions and circumstances specified therein.

**''§ 614. Notification to foreign creditors concerning a case under this title**

''(a) Whenever in a case under this title notice is to be given to creditors generally or to any class or category of creditors, such notice shall also be given to the known creditors generally, or to creditors in the notified class or category, that do not have addresses in the United States. The court may order that appropriate steps be taken with a view to notifying any creditor whose address is not yet known.

''(b) The notification to creditors with foreign addresses described in subsection (a) shall be given individually, unless the court considers that, under the circumstances, some other form of notification would be more appropriate. No letters rogatory or other similar formality is required.

''(c) When a notification of commencement of a case is to be given to foreign creditors, the notification shall—

''(1) indicate the time period for filing proofs of claim and specify the place for their filing;

''(2) indicate whether secured creditors need to file their proofs of claim; and

''(3) contain any other information required to be included in such a notification to creditors pursuant to this title and the orders of the court.

''(d) Any rule of procedure or order of the court as to notice or the filing of a claim shall provide such additional time to creditors with foreign addresses as is reasonable under the circumstances.

''SUBCHAPTER III—RECOGNITION OF A FOREIGN PROCEEDING AND RELIEF

**''§ 615. Application for recognition of a foreign proceeding**

''(a) A foreign representative applies to the court for recognition of the foreign proceeding in which the foreign representative has been appointed by filing a petition for recognition.

''(b) A petition for recognition shall be accompanied by—

''(1) a certified copy of the decision commencing the foreign proceeding and appointing the foreign representative;

''(2) a certificate from the foreign court affirming the existence of the foreign proceeding and of the appointment of the foreign representative; or

''(3) in the absence of evidence referred to in paragraphs (1) and (2), any other evidence acceptable to the court of the existence of the foreign proceeding and of the appointment of the foreign representative.

''(c) A petition for recognition shall also be accompanied by a statement identifying all foreign proceedings with respect to the debtor that are known to the foreign representative.

''(d) The documents referred to in paragraphs (1) and (2) of subsection (b) must be translated into English. The court may require a translation into English of additional documents.

**''§ 616. Presumptions concerning recognition**

''(a) If the decision or certificate referred to in section 615(b) indicates that the foreign proceeding is a foreign proceeding, within the meaning of section 101(23) and that the person or body is a foreign representative, within the meaning of section 101(24), the court is entitled to so presume.

''(b) The court is entitled to presume that documents submitted in support of the petition for recognition are authentic, whether or not the documents have been subjected to legal processing under applicable law.

''(c) In the absence of evidence to the contrary, the debtor's registered office, or habitual residence in the case of an individual, is presumed to be the center of the debtor's main interests.

**''§ 617. Order recognizing a foreign proceeding**

''(a) Subject to section 606, an order recognizing a foreign proceeding shall be entered if—

''(1) the foreign proceeding is a foreign main proceeding or foreign nonmain proceeding within the meaning of section 602 and is a foreign proceeding within the meaning of section 101(23);

''(2) the person or body applying for recognition is a foreign representative within the meaning of section 101(24); and

''(3) the petition meets the requirements of section 615.

''(b) The foreign proceeding shall be recognized—

''(1) as a foreign main proceeding if it is taking place in the country where the debtor has the center of its main interests; or

''(2) as a foreign nonmain proceeding if the debtor has an establishment within the meaning of section 602 in the foreign country where the proceeding is pending.

''(c) A petition for recognition of a foreign proceeding shall be decided upon at the earliest possible time. Entry of an order recognizing a foreign proceeding shall constitute recognition under this chapter.

''(d) The provisions of this subchapter do not prevent modification or termination of recognition if it is shown that the grounds for granting it were fully or partially lacking or have ceased to exist, but in considering such action the court shall give due weight to possible prejudice to parties that have relied upon the granting of recognition. The case under this chapter may be closed in the manner prescribed for a case under section 350.

**''§ 618. Subsequent information**

''After the petition for recognition of the foreign proceeding is filed, the foreign representative shall file with the court promptly a notice of change of status concerning—

''(1) any substantial change in the status of the foreign proceeding or the status of the foreign representative's appointment; and

''(2) any other foreign proceeding regarding the debtor that becomes known to the foreign representative.

**''§ 619. Relief that may be granted upon petition for recognition of a foreign proceeding**

''(a) Beginning on the date on which a petition for recognition is filed and ending on the date on which the petition is decided upon, the court may, at the request of the foreign representative, if relief is urgently needed to protect the assets of the debtor or the interests of the creditors, grant relief of a provisional nature, including—

''(1) staying execution against the debtor's assets;

''(2) entrusting the administration or realization of all or part of the debtor's assets located in the United States to the foreign representative or another person, including an examiner, designated by the court, including an examiner, in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation, or otherwise in jeopardy; and

''(3) any relief referred to in paragraph (3), (4), or (7) of section 621(a).

''(b) Unless extended under section 621(a)(6), the relief granted under this section terminates when the petition for recognition is decided upon.

''(c) It is a ground for denial of relief under this section that such relief would interfere with the administration of a foreign main proceeding.

''(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.

''(e) The standards, procedures, and limitations applicable to an injunction shall apply to relief under this section.

**''§ 620. Effects of recognition of a foreign main proceeding**

''(a)(1) Upon recognition of a foreign proceeding that is a foreign main proceeding—

''(A) section 362 applies with respect to the debtor and that property of the debtor that is within the territorial jurisdiction of the United States; and

''(B) a transfer, an encumbrance, or any other disposition of an interest of the debtor in property within the territorial jurisdiction of the United States is restrained as and to the extent that is provided for property of an estate under sections 363, 549, and 552.

''(2) Unless the court orders otherwise, the foreign representative may operate the debtor's business and may exercise the powers of a trustee under section 549, subject to sections 363 and 552.

''(b) The scope, and the modification or termination, of the stay and restraints referred to in subsection (a) are subject to the exceptions and limitations provided in subsections (b), (c), and (d) of section 362, subsections (b) and (c) of section 363, and sections 552, 555 through 557, 559, and 560.

''(c) Subsection (a) does not affect the right to commence individual actions or proceedings in a foreign country to the extent necessary to preserve a claim against the debtor.

''(d) Subsection (a) does not affect the right of a foreign representative or an entity to file a petition commencing a case under this title or the right of any party to file claims or take other proper actions in such a case.

**''§ 621. Relief that may be granted upon recognition of a foreign proceeding**

''(a) Upon recognition of a foreign proceeding, whether main or nonmain, if necessary to effectuate the purpose of this chapter and to protect the assets of the debtor or the interests of the creditors, the court may, at the request of the foreign representative, grant any appropriate relief, including—

''(1) staying the commencement or continuation of individual actions or individual proceedings concerning the debtor's assets, rights, obligations, or liabilities to the extent the actions or proceedings have not been stayed under section 620(a);

''(2) staying execution against the debtor's assets to the extent the execution has not been stayed under section 620(a);

''(3) suspending the right to transfer, encumber, or otherwise dispose of any assets of the debtor to the extent that right has not been suspended under section 620(a);

''(4) providing for the examination of witnesses, the taking of evidence, or the delivery of information concerning the debtor's assets, affairs, rights, obligations, or liabilities;

''(5) entrusting the administration or realization of all or part of the debtor's assets within the territorial jurisdiction of the United States to the foreign representative or another person, including an examiner, designated by the court;

''(6) extending relief granted under section 619(a); and

''(7) granting any additional relief that may be available to a trustee, except for relief available under sections 522, 544, 545, 547, 548, 550, and 724(a).

''(b) Upon recognition of a foreign proceeding, whether main or nonmain, the court may, at the request of the foreign representative, entrust the distribution of all or part of the debtor's assets located in the United States to the foreign representative or another person, including an examiner, designated by the court, if the court is satisfied that the interests of creditors in the United States are sufficiently protected.

''(c) In granting relief under this section to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the laws of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.

''(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.

**''§ 622. Protection of creditors and other interested persons**

''(a) The court may grant relief under section 619 or 621, or may modify or terminate relief under subsection (c), only if the court finds that the interests of the creditors and other interested entities, including the debtor, are sufficiently protected.

''(b) The court may subject relief granted under section 619 or 621 to conditions that the court considers to be appropriate.

''(c) The court may, at the request of the foreign representative or an entity affected by relief granted under section 619 or 621, or at its own motion, modify or terminate the relief.

**''§ 623. Actions to avoid acts detrimental to creditors**

''(a) Upon recognition of a foreign proceeding, the foreign representative has standing in a case concerning the debtor pending under another chapter of this title

to initiate actions under sections 522, 544, 545, 547, 548, 550, and 724(a).

''(b) In any case in which the foreign proceeding is a foreign nonmain proceeding, the court must be satisfied that an action under subsection (a) relates to assets that, under United States law, should be administered in the foreign nonmain proceeding.

**''§ 624. Intervention by a foreign representative**

''Upon recognition of a foreign proceeding, the foreign representative may intervene in any proceedings in a Federal or State court in the United States in which the debtor is a party.

''SUBCHAPTER IV—COOPERATION WITH FOREIGN COURTS AND FOREIGN REPRESENTATIVES

**''§ 625. Cooperation and direct communication between the court and foreign courts or foreign representatives**

''(a) In all matters included within section 601, the court shall cooperate to the maximum extent possible with foreign courts or foreign representatives, either directly or through the trustee.

''(b) The court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representatives, subject to the rights of parties in interest to notice and participation.

**''§ 626. Cooperation and direct communication between the trustee and foreign courts or foreign representatives**

''(a) In all matters included within section 601, the trustee or other person, including an examiner, designated by the court, shall, subject to the supervision of the court, cooperate to the maximum extent possible with foreign courts or foreign representatives.

''(b) The trustee or other person, including an examiner, designated by the court is entitled, subject to the supervision of the court, to communicate directly with foreign courts or foreign representatives.

''(c) Section 1104(d) shall apply to the appointment of an examiner under this chapter. Any such examiner shall comply with the qualifications requirements imposed on a trustee under section 322(a).

**''§ 627. Forms of cooperation**

''Cooperation referred to in sections 625 and 626 may be implemented by any appropriate means, including—

''(1) appointment of a person or body, including an examiner, to act at the direction of the court;

''(2) communication of information by any means considered appropriate by the court;

''(3) coordination of the administration and supervision of the debtor's assets and affairs;

''(4) approval or implementation of agreements concerning the coordination of proceedings; and

''(5) coordination of concurrent proceedings regarding the same debtor.

''SUBCHAPTER V—CONCURRENT PROCEEDINGS

**''§ 628. Commencement of a case under this title after recognition of a foreign main proceeding**

''After recognition of a foreign main proceeding, a case under another chapter of this title may be commenced only if the debtor has assets in the United States. The effects of such case shall be restricted to the assets of the debtor that are within the territorial jurisdiction of the United States and, to the extent necessary to implement cooperation and coordination under sections 625, 626, and 627, to other assets of the debtor that are within the jurisdiction of the court under sections 541(a) and 1334(e) of title 28, to the extent that such other assets are not subject to the jurisdiction and control of a foreign proceeding that has been recognized under this chapter.

**''§ 629. Coordination of a case under this title and a foreign proceeding**

''In any case in which a foreign proceeding and a case under another chapter of this title are taking place concurrently regarding the same debtor, the court shall seek cooperation and coordination under sections 625, 626, and 627, and the following shall apply:

''(1) If the case in the United States is taking place at the time the petition for recognition of the foreign proceeding is filed—

''(A) any relief granted under section 619 or 621 shall be consistent with the relief granted in the case in the United States; and

''(B) even if the foreign proceeding is recognized as a foreign main proceeding, section 620 does not apply.

''(2) If a case in the United States under this title commences after recognition, or after the filing of the petition for recognition, of the foreign proceeding—

''(A) any relief in effect under section 619 or 621 shall be reviewed by the court and shall be modified or terminated if inconsistent with the case in the United States; and

''(B) if the foreign proceeding is a foreign main proceeding, the stay and suspension referred to in section 620(a) shall be modified or terminated if inconsistent with the relief granted in the case in the United States.

''(3) In granting, extending, or modifying relief granted to a representative of a foreign nonmain proceeding, the court shall be satisfied that the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.

''(4) In achieving cooperation and coordination under sections 628 and 629, the court may grant any of the relief authorized under section 305.

**''§ 630. Coordination of more than 1 foreign proceeding**

''In matters referred to in section 601, with respect to more than 1 foreign proceeding regarding the debtor, the court shall seek cooperation and coordination under sections 625, 626, and 627, and the following shall apply:

''(1) Any relief granted under section 619 or 621 to a representative of a foreign nonmain proceeding after recognition of a foreign main proceeding shall be consistent with the foreign main proceeding.

''(2) If a foreign main proceeding is recognized after recognition, or after the filing of a petition for recognition, of a foreign nonmain proceeding, any relief in effect under section 619 or 621 shall be reviewed by the court and shall be modified or terminated if inconsistent with the foreign main proceeding.

''(3) If, after recognition of a foreign nonmain proceeding, another foreign nonmain proceeding is recognized, the court shall grant, modify, or terminate relief for the purpose of facilitating coordination of the proceedings.

**''§ 631. Presumption of insolvency based on recognition of a foreign main proceeding**

''In the absence of evidence to the contrary, recognition of a foreign main proceeding is for the purpose of commencing a proceeding under section 303, proof that the debtor is generally not paying its debts as such debts become due.

**''§ 632. Rule of payment in concurrent proceedings**

''Without prejudice to secured claims or rights in rem, a creditor who has received payment with respect to its claim in a foreign proceeding pursuant to a law relating to insolvency may not receive a payment for the same claim in a case under any other chapter of this title regarding the debtor, so long as the payment to other creditors of the same class is proportionately less than the payment the creditor has already received.''.

(b) CLERICAL AMENDMENT.—The table of chapters for title 11, United States Code, is amended by inserting after the item relating to chapter 5 the following:

**''6. Ancillary and Other Cross-Border Cases ..... 601''.**

**SEC. 502. AMENDMENTS TO OTHER CHAPTERS IN TITLE 11, UNITED STATES CODE.**

(a) APPLICABILITY OF CHAPTERS.—Section 103 of title 11, United States Code, is amended—

(1) in subsection (a), by inserting before the period the following: '', and this chapter, sections 307, 304, 555 through 557, 559, and 560 apply in a case under chapter 6''; and

(2) by adding at the end the following:

''(j) Chapter 6 applies only in a case under such chapter, except that section 605 applies to trustees and to any other entity, including an examiner, designated by the court under chapter 7, 11, or 12, to debtors in possession under chapter 11 or 12, and to debtors under chapters 9 and 13 who are authorized to act under section 605.''.

(b) DEFINITIONS.—Paragraphs (23) and (24) of section 101 of title 11, United States Code, are amended to read as follows:

''(23) 'foreign proceeding' means a collective judicial or administrative proceeding in a foreign state, including an interim proceeding, pursuant to a law relating to insolvency in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization or liquidation;

''(24) 'foreign representative' means a person or body, including a person or body appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor's assets or affairs or to act as a representative of the foreign proceeding;''.

(c) AMENDMENTS TO TITLE 28, UNITED STATES CODE.—

(1) PROCEDURES.—Section 157(b)(2) of title 28, United States Code, is amended—

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

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

(C) by adding at the end the following:

''(P) recognition of foreign proceedings and other matters under chapter 6 of title 11.''.

(2) BANKRUPTCY CASES AND PROCEEDINGS.—Section 1334(c)(1) of title 28, United States Code, is amended by striking ''Nothing in'' and inserting ''Except with respect to a case under chapter 6 of title 11, nothing in''.

(3) DUTIES OF TRUSTEES.—Section 586(a)(3) of title 28, United States Code, is amended by inserting ''6,'' after ''chapter''.

## TITLE VI—MISCELLANEOUS

**SEC. 601. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.**

Section 365(d) of title 11, United States Code, is amended by striking paragraph (4) and inserting the following:

''(4)(A) Subject to subparagraph (B), in any case under any chapter of this title, an unexpired lease of nonresidential real property

under which the debtor is the lessee shall be deemed rejected and the trustee shall immediately surrender that nonresidential real property to the lessor if the trustee does not assume or reject the unexpired lease by the earlier of—

''(i) the date that is 120 days after the date of the order for relief; or

''(ii) the date of the entry of an order confirming a plan.

''(B) The court may extend the period determined under subparagraph (A) only upon a motion of the lessor.''.

**SEC. 602. EXPEDITED APPEALS OF BANKRUPTCY CASES TO COURTS OF APPEALS.**

(a) IN GENERAL.—Section 158 of title 28, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e);

(2) by inserting after subsection (c) the following:

''(d)(1) Any final judgment, decision, order, or decree of a bankruptcy judge entered for a case in accordance with section 157 may be appealed by any party in such case to the appropriate court of appeals if—

''(A) an appeal from such judgment, decision, order, or decree is first filed with the appropriate district court of the United States; and

''(B) the decision on the appeal described under subparagraph (A) is not filed by a district court judge within 30 days after the date such appeal is filed with the district court.

''(2) On the date that an appeal is filed with a court of appeals under paragraph (1), the chief judge for such court of appeals shall issue an order to the clerk for the district court from which the appeal is filed. Such order shall direct the clerk to enter the final judgment, decision, order, or decree of the bankruptcy judge as the final judgment, decision, order, or decree of the district court.''; and

(3) in subsection (e), (as redesignated by paragraph (1) of this section) by striking ''subsections (a) and (b)'' and inserting ''subsections (a), (b), and (d)''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 305(c) of title 11, United States Code, is amended by striking ''section 158(d)'' and inserting ''section 158(e)''.

(2) Section 1334(d) of title 28, United States Code, is amended by striking ''section 158(d)'' and inserting ''section 158(e)''.

(3) Section 1452(b) of title 28, United States Code, is amended by striking ''section 158(d)'' and inserting ''section 158(e)''.

**SEC. 603. CREDITORS AND EQUITY SECURITY HOLDERS COMMITTEES.**

Section 1102(a)(2) of title 11, United States Code, is amended by inserting before the first sentence the following: ''On its own motion or on request of a party in interest, and after notice and hearing, the court may order a change in the membership of a committee appointed under this subsection, if the court determines that the change is necessary to ensure adequate representation of creditors or equity security holders.''.

**SEC. 604. REPEAL OF SUNSET PROVISION.**

Section 302 of the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended by striking subsection (f).

**SEC. 605. CASES ANCILLARY TO FOREIGN PROCEEDINGS.**

Section 304 of title 11, United States Code, as amended by section 410 of this Act, is amended by adding at the end the following:

''(e)(1) In this subsection—

''(A) the term 'domestic insurance company' means a domestic insurance company, as that term is used in section 109(b)(2);

''(B) the term 'foreign insurance company' means a foreign insurance company, as that term is used in section 109(b)(3);

''(C) the term 'United States claimant' means a beneficiary of any deposit referred to in paragraph (2)(A) or any multibeneficiary trust referred to in subparagraph (B) or (C) of paragraph (2);

''(D) the term 'United States creditor' means, with respect to a foreign insurance company—

''(i) a United States claimant; or

''(ii) any business entity that operates in the United States and that is a creditor; and

''(E) the term 'United States policyholder' means a holder of an insurance policy issued in the United States.

''(2) Notwithstanding subsections (b) and (c), the court may not grant relief under subsection (b) to a foreign insurance company that is not engaged in the business of insurance or reinsurance in the United States with respect to any claim made by a United States creditor against—

''(A) a deposit required by an applicable State insurance law;

''(B) a multibeneficiary trust required by an applicable State insurance law to protect United States policyholders or claimants against a foreign insurance company; or

''(C) a multibeneficiary trust authorized under an applicable State insurance law to allow a domestic insurance company that cedes reinsurance to the debtor to reflect the reinsurance as an asset or deduction from liability in the ceding insurer's financial statements.''.

**SEC. 606. LIMITATION.**

Section 546(c)(1)(B) of title 11, United States Code, is amended by striking ''20'' and inserting ''45''.

**SEC. 607. AMENDMENT TO SECTION 546 OF TITLE 11, UNITED STATES CODE.**

Section 546 of title 11, United States Code, as amended by section 401 of this Act, is amended by adding at the end the following:

''(i) Notwithstanding paragraphs (2) and (3) of section 545, the trustee may not avoid a warehouseman's lien for storage, transportation, or other costs incidental to the storage and handling of goods, as provided by an applicable State law that is similar to section 7–209 of the Uniform Commercial Code.''.

**SEC. 608. AMENDMENT TO SECTION 330(a) OF TITLE 11, UNITED STATES CODE.**

Section 330(a)(3)(A) of title 11, United States Code, is amended—

(1) by inserting ''In determining the amount of reasonable compensation to be awarded a trustee, the court shall treat such compensation as a commission based on the results achieved.'' after ''(3)(A)''; and

(2) by inserting ''to an examiner, chapter 11 trustee, or professional person'' after ''awarded''.

## TITLE VII—TECHNICAL CORRECTIONS

**SEC. 701. ADJUSTMENT OF DOLLAR AMOUNTS.**

Section 104 of title 11, United States Code, is amended by inserting ''522(f)(3), 707(b)(5),'' after ''522(d),'' each place it appears.

**SEC. 702. EXTENSION OF TIME.**

Section 108(c)(2) of title 11, United States Code, is amended by striking ''922'' and all that follows through ''or'', and inserting ''922, 1201, or''.

**SEC. 703. WHO MAY BE A DEBTOR.**

Section 109(b)(2) of title 11, United States Code, is amended by striking ''subsection (c) or (d) of''.

**SEC. 704. PENALTY FOR PERSONS WHO NEGLIGENTLY OR FRAUDULENTLY PREPARE BANKRUPTCY PETITIONS.**

Section 110(j)(3) of title 11, United States Code, is amended by striking ''attorney's'' and inserting ''attorneys' ''.

**SEC. 705. LIMITATION ON COMPENSATION OF PROFESSIONAL PERSONS.**

Section 328(a) of title 11, United States Code, is amended by inserting ''on a fixed or percentage fee basis,'' after ''hourly basis,''.

**SEC. 706. SPECIAL TAX PROVISIONS.**

Section 346(g)(1)(C) of title 11, United States Code, is amended by striking '', except'' and all that follows through ''1986''.

**SEC. 707. EFFECT OF CONVERSION.**

Section 348(f)(2) of title 11, United States Code, is amended by inserting ''of the estate'' after ''property'' the first place it appears.

**SEC. 708. AUTOMATIC STAY.**

Section 362(b) of title 11, United States Code, as amended by section 401 of this Act, is amended—

(1) in paragraph (20), by striking ''or'' at the end;

(2) in paragraph (21), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (21) the following:

''(22) under subsection (a) of this section of any transfer that is not avoidable under section 544 and that is not avoidable under section 549;

''(23) under subsection (a)(3) of this section, of the continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement and the debtor has not paid rent to the lessor under the terms of the lease agreement or applicable State law after the commencement and during the course of the case;

''(24) under subsection (a)(3) of this section, of the commencement or continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement that has terminated pursuant to the lease agreement or applicable State law;

''(25) under subsection (a)(3), of any eviction, unlawful detainer action, or similar proceeding, if the debtor has previously filed within the preceding year and failed to pay post-petition rent during the course of that case; or

''(26) under subsection (a)(3), of eviction actions based on endangerment to property or person or the use of illegal drugs.''.

**SEC. 709. ALLOWANCE OF ADMINISTRATIVE EXPENSES.**

Section 503(b)(4) of title 11, United States Code, is amended by inserting ''subparagraph (A), (B), (C), (D), or (E) of'' before ''paragraph (3)''.

**SEC. 710. PRIORITIES.**

Section 507(a) of title 11, United States Code, as amended by section 323 of this Act, is amended—

(1) in paragraph (3)(B), by striking the semicolon at the end and inserting a period; and

(2) in paragraph (7), by inserting ''unsecured'' after ''allowed''.

**SEC. 711. EXEMPTIONS.**

Section 522 of title 11, United States Code, as amended by section 320 of this Act, is amended—

(1) in subsection (f)(1)(A)(ii)(II)—

(A) by striking ''includes a liability designated as'' and inserting ''is for a liability

that is designated as, and is actually in the nature of,''; and

(B) by striking '', unless'' and all that follows through ''support''; and

(2) in subsection (g)(2), by striking ''subsection (f)(2)'' and inserting ''subsection (f)(1)(B)''.

**SEC. 712. EXCEPTIONS TO DISCHARGE.**

Section 523 of title 11, United States Code, as amended by section 315 of this Act, is amended—

(1) in subsection (a)(3), by striking ''or (6)'' each place it appears and inserting ''(6), or (15)'';

(2) as amended by section 304(e) of Public Law 103–394 (108 Stat. 4133), in paragraph (15), by transferring such paragraph so as to insert it after paragraph (14A) of subsection (a);

(3) in subsection (a)(9), by inserting '', watercraft, or aircraft'' after ''motor vehicle'';

(4) in subsection (a)(15), as so redesignated by paragraph (2) of this subsection, by inserting ''to a spouse, former spouse, or child of the debtor and'' after ''(15)'';

(5) in subsection (a)(17)—

(A) by striking ''by a court'' and inserting ''on a prisoner by any court'';

(B) by striking ''section 1915 (b) or (f)'' and inserting ''subsection (b) or (f)(2) of section 1915''; and

(C) by inserting ''(or a similar non-Federal law)'' after ''title 28'' each place it appears; and

(6) in subsection (e), by striking ''a insured'' and inserting ''an insured''.

**SEC. 713. EFFECT OF DISCHARGE.**

Section 524(a)(3) of title 11, United States Code, is amended by striking ''section 523'' and all that follows through ''or that'' and inserting ''section 523, 1228(a)(1), or 1328(a)(1) of this title, or that''.

**SEC. 714. PROTECTION AGAINST DISCRIMINATORY TREATMENT.**

Section 525(c) of title 11, United States Code, is amended—

(1) in paragraph (1), by inserting ''student'' before ''grant'' the second place it appears; and

(2) in paragraph (2), by striking ''the program operated under part B, D, or E of'' and inserting ''any program operated under''.

**SEC. 715. PROPERTY OF THE ESTATE.**

Section 541(b)(4)(B)(ii) of title 11, United States Code, is amended by inserting ''365 or'' before ''542''.

**SEC. 716. PREFERENCES.**

Section 547 of title 11, United States Code, is amended—

(1) in subsection (b), by striking ''subsection (c)'' and inserting ''subsections (c) and (h)''; and

(2) by adding at the end the following:

''(h) If the trustee avoids under subsection (b) a security interest given between 90 days and 1 year before the date of the filing of the petition, by the debtor to an entity that is not an insider for the benefit of a creditor that is an insider, such security interest shall be considered to be avoided under this section only with respect to the creditor that is an insider.''.

**SEC. 717. POSTPETITION TRANSACTIONS.**

Section 549(c) of title 11, United States Code, is amended—

(1) by inserting ''an interest in'' after ''transfer of'';

(2) by striking ''such property'' and inserting ''such real property''; and

(3) by striking ''the interest'' and inserting ''such interest''.

**SEC. 718. TECHNICAL AMENDMENT.**

Section 552(b)(1) of title 11, United States Code, is amended by striking ''product'' each place it appears and inserting ''products''.

**SEC. 719. DISPOSITION OF PROPERTY OF THE ESTATE.**

Section 726(b) of title 11, United States Code, is amended by striking ''1009,''.

**SEC. 720. GENERAL PROVISIONS.**

Section 901(a) of title 11, United States Code, as amended by section 401 of this Act, is amended by inserting ''1123(d),'' after ''1123(b),''.

**SEC. 721. APPOINTMENT OF ELECTED TRUSTEE.**

Section 1104(b) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following:

''(2)(A) If an eligible, disinterested trustee is elected at a meeting of creditors under paragraph (1), the United States trustee shall file a report certifying that election. Upon the filing of a report under the preceding sentence—

''(i) the trustee elected under paragraph (1) shall be considered to have been selected and appointed for purposes of this section; and

''(ii) the service of any trustee appointed under subsection (d) shall terminate.

''(B) In the case of any dispute arising out of an election under subparagraph (A), the court shall resolve the dispute.''.

**SEC. 722. ABANDONMENT OF RAILROAD LINE.**

Section 1170(e)(1) of title 11, United States Code, is amended by striking ''section 11347'' and inserting ''section 11326(a)''.

**SEC. 723. CONTENTS OF PLAN.**

Section 1172(c)(1) of title 11, United States Code, is amended by striking ''section 11347'' and inserting ''section 11326(a)''.

**SEC. 724. DISCHARGE UNDER CHAPTER 12.**

Subsections (a) and (c) of section 1228 of title 11, United States Code, are amended by striking ''1222(b)(10)'' each place it appears and inserting ''1222(b)(9)''.

**SEC. 725. EXTENSIONS.**

Section 302(d)(3) of the Bankruptcy, Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended—

(1) in subparagraph (A), in the matter following clause (ii), by striking ''or October 1, 2002, whichever occurs first''; and

(2) in subparagraph (F)—

(A) in clause (i)—

(i) in subclause (II), by striking ''or October 1, 2002, whichever occurs first''; and

(ii) in the matter following subclause (II), by striking ''October 1, 2003, or''; and

(B) in clause (ii), in the matter following subclause (II)—

(i) by striking ''before October 1, 2003, or''; and

(ii) by striking '', whichever occurs first''.

**SEC. 726. BANKRUPTCY CASES AND PROCEEDINGS.**

Section 1334(d) of title 28, United States Code, is amended—

(1) by striking ''made under this subsection'' and inserting ''made under subsection (c)''; and

(2) by striking ''This subsection'' and inserting ''Subsection (c) and this subsection''.

**SEC. 727. KNOWING DISREGARD OF BANKRUPTCY LAW OR RULE.**

Section 156(a) of title 18, United States Code, is amended—

(1) in the first undesignated paragraph—

(A) by inserting ''(1) the term'' before '' 'bankruptcy''; and

(B) by striking the period at the end and inserting ''; and''; and

(2) in the second undesignated paragraph—

(A) by inserting ''(2) the term'' before '' 'document''; and

(B) by striking ''this title'' and inserting ''title 11''.

**SEC. 728. ROLLING STOCK EQUIPMENT.**

(a) IN GENERAL.—Section 1168 of title 11, United States Code, is amended to read as follows:

**''§ 1168. Rolling stock equipment**

''(a)(1) The right of a secured party with a security interest in or of a lessor or conditional vendor of equipment described in paragraph (2) to take possession of such equipment in compliance with an equipment security agreement, lease, or conditional sale contract, and to enforce any of its other rights or remedies under such security agreement, lease, or conditional sale contract, to sell, lease, or otherwise retain or dispose of such equipment, is not limited or otherwise affected by any other provision of this title or by any power of the court, except that the right to take possession and enforce those other rights and remedies shall be subject to section 362, if—

''(A) before the date that is 60 days after the date of commencement of a case under this chapter, the trustee, subject to the court's approval, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract; and

''(B) any default, other than a default of a kind described in section 365(b)(2), under such security agreement, lease, or conditional sale contract that—

''(i) occurs before the date of commencement of the case and is an event of default therewith is cured before the expiration of such 60-day period;

''(ii) occurs or becomes an event of default after the date of commencement of the case and before the expiration of such 60-day period is cured before the later of—

''(I) the date that is 30 days after the date of the default or event of the default; or

''(II) the expiration of such 60-day period; and

''(iii) occurs on or after the expiration of such 60-day period is cured in accordance with the terms of such security agreement, lease, or conditional sale contract, if cure is permitted under that agreement, lease, or conditional sale contract.

''(2) The equipment described in this paragraph—

''(A) is rolling stock equipment or accessories used on rolling stock equipment, including superstructures or racks, that is subject to a security interest granted by, leased to, or conditionally sold to a debtor; and

''(B) includes all records and documents relating to such equipment that are required, under the terms of the security agreement, lease, or conditional sale contract, to be surrendered or returned by the debtor in connection with the surrender or return of such equipment.

''(3) Paragraph (1) applies to a secured party, lessor, or conditional vendor acting in its own behalf or acting as trustee or otherwise in behalf of another party.

''(b) The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the court's approval, to extend the 60-day period specified in subsection (a)(1).

''(c)(1) In any case under this chapter, the trustee shall immediately surrender and return to a secured party, lessor, or conditional vendor, described in subsection (a)(1), equipment described in subsection (a)(2), if at any time after the date of commencement

of the case under this chapter such secured party, lessor, or conditional vendor is entitled under subsection (a)(1) to take possession of such equipment and makes a written demand for such possession of the trustee.

''(2) At such time as the trustee is required under paragraph (1) to surrender and return equipment described in subsection (a)(2), any lease of such equipment, and any security agreement or conditional sale contract relating to such equipment, if such security agreement or conditional sale contract is an executory contract, shall be deemed rejected.

''(d) With respect to equipment first placed in service on or before October 22, 1994, for purposes of this section—

''(1) the term 'lease' includes any written agreement with respect to which the lessor and the debtor, as lessee, have expressed in the agreement or in a substantially contemporaneous writing that the agreement is to be treated as a lease for Federal income tax purposes; and

''(2) the term 'security interest' means a purchase-money equipment security interest.

''(e) With respect to equipment first placed in service after October 22, 1994, for purposes of this section, the term 'rolling stock equipment' includes rolling stock equipment that is substantially rebuilt and accessories used on such equipment.''.

(b) AIRCRAFT EQUIPMENT AND VESSELS.—Section 1110 of title 11, United States Code, is amended to read as follows:

**''§ 1110. Aircraft equipment and vessels**

''(a)(1) Except as provided in paragraph (2) and subject to subsection (b), the right of a secured party with a security interest in equipment described in paragraph (3), or of a lessor or conditional vendor of such equipment, to take possession of such equipment in compliance with a security agreement, lease, or conditional sale contract, and to enforce any of its other rights or remedies, under such security agreement, lease, or conditional sale contract, to sell, lease, or otherwise retain or dispose of such equipment, is not limited or otherwise affected by any other provision of this title or by any power of the court.

''(2) The right to take possession and to enforce the other rights and remedies described in paragraph (1) shall be subject to section 362 if—

''(A) before the date that is 60 days after the date of the order for relief under this chapter, the trustee, subject to the approval of the court, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract; and

''(B) any default, other than a default of a kind specified in section 365(b)(2), under such security agreement, lease, or conditional sale contract that occurs—

''(i) before the date of the order is cured before the expiration of such 60-day period;

''(ii) after the date of the order and before the expiration of such 60-day period is cured before the later of—

''(I) the date that is 30 days after the date of the default; or

''(II) the expiration of such 60-day period; and

''(iii) on or after the expiration of such 60-day period is cured in compliance with the terms of such security agreement, lease, or conditional sale contract, if a cure is permitted under that agreement, lease, or contract.

''(3) The equipment described in this paragraph—

''(A) is—

''(i) an aircraft, aircraft engine, propeller, appliance, or spare part (as defined in section 40102 of title 49) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that, at the time such transaction is entered into, holds an air carrier operating certificate issued under chapter 447 of title 49 for aircraft capable of carrying 10 or more individuals or 6,000 pounds or more of cargo; or

''(ii) a documented vessel (as defined in section 30101(1) of title 46) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that is a water carrier that, at the time such transaction is entered into, holds a certificate of public convenience and necessity or permit issued by the Department of Transportation; and

''(B) includes all records and documents relating to such equipment that are required, under the terms of the security agreement, lease, or conditional sale contract, to be surrendered or returned by the debtor in connection with the surrender or return of such equipment.

''(4) Paragraph (1) applies to a secured party, lessor, or conditional vendor acting in its own behalf or acting as trustee or otherwise in behalf of another party.

''(b) The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the approval of the court, to extend the 60-day period specified in subsection (a)(1).

''(c)(1) In any case under this chapter, the trustee shall immediately surrender and return to a secured party, lessor, or conditional vendor, described in subsection (a)(1), equipment described in subsection (a)(3), if at any time after the date of the order for relief under this chapter such secured party, lessor, or conditional vendor is entitled under subsection (a)(1) to take possession of such equipment and makes a written demand for such possession to the trustee.

''(2) At such time as the trustee is required under paragraph (1) to surrender and return equipment described in subsection (a)(3), any lease of such equipment, and any security agreement or conditional sale contract relating to such equipment, if such security agreement or conditional sale contract is an executory contract, shall be deemed rejected.

''(d) With respect to equipment first placed in service on or before October 22, 1994, for purposes of this section—

''(1) the term 'lease' includes any written agreement with respect to which the lessor and the debtor, as lessee, have expressed in the agreement or in a substantially contemporaneous writing that the agreement is to be treated as a lease for Federal income tax purposes; and

''(2) the term 'security interest' means a purchase-money equipment security interest.''.

**SEC. 729. CURBING ABUSIVE FILINGS.**

(a) IN GENERAL.—Section 362(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking ''or'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(4) with respect to a stay of an act against real property under subsection (a), by a creditor whose claim is secured by an interest in such real estate, if the court finds that the filing of the bankruptcy petition was part of a scheme to delay, hinder, and defraud creditors that involved either—

''(A) transfer of all or part ownership of, or other interest in, the real property without the consent of the secured creditor or court approval; or

''(B) multiple bankruptcy filings affecting the real property.

If recorded in compliance with applicable State laws governing notices of interests or liens in real property, an order entered pursuant to this subsection shall be binding in any other case under this title purporting to affect the real property filed not later than 2 years after that recording, except that a debtor in a subsequent case may move for relief from such order based upon changed circumstances or for good cause shown, after notice and a hearing.''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, as amended by section 708 of this Act, is amended—

(1) in paragraph (25), by striking ''or'' at the end;

(2) in paragraph (26), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (26) the following:

''(27) under subsection (a) of this section, of any act to enforce any lien against or security interest in real property following the entry of an order under section 362(d)(4) as to that property in any prior bankruptcy case for a period of 2 years after entry of such an order, except that, the debtor in a subsequent case of the debtor, may move the court for relief from such order based upon changed circumstances or for other good cause shown, after notice and a hearing; or

''(28) under subsection (a) of this section, of any act to enforce any lien against or security interest in real property—

''(A) if the debtor is ineligible under section 109(g) to be a debtor in a bankruptcy case; or

''(B) if the bankruptcy case was filed in violation of a bankruptcy court order in a prior bankruptcy case prohibiting the debtor from being a debtor in another bankruptcy case.''.

**SEC. 730. STUDY OF OPERATION OF TITLE 11 OF THE UNITED STATES CODE WITH RESPECT TO SMALL BUSINESSES.**

Not later than 2 years after the date of enactment of this Act, the Administrator of the Small Business Administration, in consultation with the Attorney General, the Director of the Administrative Office of United States Trustees, and the Director of the Administrative Office of the United States Courts, shall—

(1) conduct a study to determine—

(A) the internal and external factors that cause small businesses, especially sole proprietorships, to become debtors in cases under title 11 of the United States Code and that cause certain small businesses to successfully complete cases under chapter 11 of such title; and

(B) how Federal laws relating to bankruptcy may be made more effective and efficient in assisting small businesses to remain viable; and

(2) submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report summarizing that study.

**SEC. 731. TRANSFERS MADE BY NONPROFIT CHARITABLE CORPORATIONS.**

(a) SALE OF PROPERTY OF ESTATE.—Section 363(d) of title 11, United States Code, is amended—

(1) by striking ''only'' and all that follows through the end of the subsection and inserting ''only—

''(1) in accordance with applicable nonbankruptcy law that governs the transfer of

property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust; and

''(2) to the extent not inconsistent with any relief granted under subsection (c), (d), (e), or (f) of section 362.''.

(b) CONFIRMATION OF PLAN FOR REORGANIZATION.—Section 1129(a) of title 11, United States Code, is amended by adding at the end the following:

''(14) All transfers of property of the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust.''.

(c) TRANSFER OF PROPERTY.—Section 541 of title 11, United States Code, as amended by section 403 of this Act, is amended by adding at the end the following:

''(e) Notwithstanding any other provision of this title, property that is held by a debtor that is a corporation described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code may be transferred to an entity that is not such a corporation, but only under the same conditions as would apply if the debtor had not filed a case under this title.''.

(d) APPLICABILITY.—The amendments made by this section shall apply to a case pending under title 11, United States Code, on the date of enactment of this Act, except that the court shall not confirm a plan under chapter 11 of this title without considering whether this section would substantially affect the rights of a party in interest who first acquired rights with respect to the debtor after the date of the petition. The parties who may appear and be heard in a proceeding under this section include the attorney general of the State in which the debtor is incorporated, was formed, or does business.

**SEC. 732. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.**

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect on the date of enactment of this Act.

(b) APPLICATION OF AMENDMENTS.—The amendments made by this title shall apply only with respect to cases commenced under title 11, United States Code, on or after the date of enactment of this Act.

---

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

S. 946. A bill to authorize the Secretary of the Interior to transfer administrative jurisdiction over land within the boundaries of the Home of Franklin D. Roosevelt National Historic Site to the Archivist of the United States for the construction of a visitor center; to the Committee on Energy and Natural Resources.

FDR NATIONAL HISTORIC SITE AND PRESIDENTIAL LIBRARY VISITOR CENTER CONSTRUCTION LEGISLATION

Mr. MOYNIHAN. Mr. President, I rise with my colleague and fellow New Yorker, Senator SCHUMER, to introduce this bill to transfer administrative jurisdiction of less than an acre of land at the Home of Franklin Delano Roosevelt National Historic Site from the National Park Service to the National Archives and Records Administration. This legislation would remove the last remaining obstacle to the construction of the National Archives' planned FDR Presidential Library Visitor Center and requires no Federal funds.

For the past several years, the National Archives has worked closely with the National Park Service, the New York State Historic Preservation Office, the Franklin and Eleanor Roosevelt Institute, and the General Services Administration, to determine the appropriate site for a visitor center. In order to serve the greatest number of visitors, the optimum location was found to be property currently controlled by the National Park Service. Since the National Archives will administer the visitor center, administrative jurisdiction of the property must be transferred from the National Park Service, which the National Park Service supports.

To date, $8,200,000 in Federal funds have been appropriated for this project and the Franklin and Eleanor Roosevelt Institute has contributed an additional $3,400,000. Design work is scheduled to be completed in September of 1999, and construction could begin after jurisdiction is transferred.

Last year, the House passed H.R. 4829 to accomplish this same goal. Unfortunately, time expired on the 106th Congress before we could take it up in the Senate. This year, Congressman JOHN E. SWEENEY has reintroduced the bill, now H.R. 1104, which has a strong chance of passing. We would be most fortunate, indeed, if the Senate would agree to our noncontroversial bill.

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

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

S. 946

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

**SECTION 1. VISITOR CENTER FOR HOME OF FRANKLIN D. ROOSEVELT NATIONAL HISTORIC SITE.**

(a) TRANSFER OF ADMINISTRATIVE JURISDICTION.—The Secretary of the Interior may transfer to the Archivist of the United States administrative jurisdiction over land located in the Home of Franklin D. Roosevelt National Historic Site in Hyde Park, New York.

(b) VISITOR CENTER.—On the land transferred under subsection (a), the Archivist shall construct a visitor center facility to serve the Home of Franklin D. Roosevelt National Historic Site and the Franklin D. Roosevelt Presidential Library.

(c) CONDITIONS OF TRANSFER.—

(1) PROTECTION OF THE SITE.—Any transfer under subsection (a) shall be subject to an agreement between the Secretary and the Archivist that includes provisions for the protection of the Home of Franklin D. Roosevelt National Historic Site and for the joint use of the visitor center facility by the Secretary and the Archivist.

(2) DISCONTINUANCE OF USE BY THE ARCHIVIST.—If the Archivist determines to discontinue use of land transferred under subsection (a), the Archivist shall retransfer administrative jurisdiction over the land to the Secretary.

(d) LAND DESCRIPTION.—The land referred to in subsection (a) shall consist of not more than 1 acre of land, as agreed to by the Secretary and the Archivist and more particularly described in the agreement under subsection (c)(1).

---

By Mr. HOLLINGS (for himself and Mr. MCCAIN):

S. 947. A bill to amend federal law regarding the tolling of the Interstate Highway System; to the Committee on Environment and Public Works.

INTERSTATE TOLLS RELIEF ACT OF 1999

Mr. HOLLINGS. Mr. President, I rise to bring to your attention an issue of great national concern. We all remember the great debate that this chamber had last year during reauthorization of the federal highway bill, TEA–21. We all negotiated to get more funds for our states because we know that more investment in our highways means better, safer, and more efficient transportation for those who rely on roads for making deliveries, going to work or school, or just doing the grocery shopping. Transportation is the lynchpin for economic development, and those states that have good, efficient transportation systems attract business development, ultimately raising standards of living. However, I think that we may have gone too far in authorizing states additional means to raise revenue for highway improvements. These means to raise revenue are not productive and hurt our system of transportation.

Specifically, I am concerned that states have too much flexibility to establish tolls on our Interstate highway system. For many states, the large increases in TEA–21 funding have satisfied the need to invest in infrastructure. Other states have found that they need to raise more money, and so they have raised their state fuel taxes or taken other actions to raise the needed revenue. These increases may be difficult to implement politically, because frankly most people don't support any tax increase. However, I believe that highway tolls are a non-productive and overly intrusive means of raising revenue causing more harm to commerce than can be justified.

Congress, mistakenly in my opinion, increased the authority of states to put tolls on their Interstate highways in TEA–21. I am introducing the Interstate Tolls Relief Act of 1999 to restrict Interstate toll authority. The debate over highway tolls goes back to the genesis of our Republic, and contributed to our movement away from the Articles of Confederation to a more uniform system of governance under the U.S. Constitution. Toll roads were the bane of commerce, in the early years of the Republic, as each state would attempt to toll the interstate

traveling public to finance state public improvements. Ultimately, frustration with delay and uneven costs helped contribute to the adoption of Commerce Clause powers to help facilitate interstate and foreign trade. Those same concerns hold true today, and I think that we in Congress must take a national perspective and promote interstate commerce.

I think that if one were to ask the citizens of the United States about tolls, they would ultimately conclude that Interstate tolls would reduce the efficiency of our Interstate highways, increase shipping costs, and make interstate travel more expensive and less convenient. Not to mention the safety problems associated with erecting toll booths and operating them to collect revenues.

Now, I recognize that tolls under certain circumstances may be a good idea, and my bill does not prevent states from tolling non-Interstate highways. My bill also does not affect tolls on highways where they are already in use, and states will continue to be able to rely on existing tolls for revenues. Furthermore, my bill recognizes that when funds must be found for a major Interstate bridge or tunnel project, states may have no other option but to use tolls to finance the project. They may continue to do so under my bill. I believe this is consistent with the original intent of authority granted for Interstate tolls. What my bill does is to prevent the proliferation of Interstate tolls, and restrict tolling authority for major bridges and tunnels.

Mr. President, this bill is essential if we are to continue to have an Interstate Highway System that is safe and facilitates the efficient movement of Interstate commerce and personal travel. I urge the support of my colleagues.

I ask unanimous consent that the full text of the bill be printed in the RECORD.

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

S. 947

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Interstate Tolls Relief Act of 1999''.

**SEC. 2. INTERSTATE SYSTEM RECONSTRUCTION AND REHABILITATION PILOT PROGRAM REPEALED.**

Section 1215(b) of the Transportation Equity Act for the 21st Century (112 Stat. 212–214) is repealed.

**SEC. 3. TOLLS ON BRIDGES AND TUNNELS.**

Section 129(a)(1)(C) of title 23, United States Code, is amended by striking ''toll-free bridge or tunnel,'' and inserting ''toll-free major bridge or tunnel. For purposes of this section, a 'major bridge' is one that has a deck area which exceeds 125,000 square feet.''.

**SEC. 4. LIMITATION ON USE OF TOLL REVENUES.**

Section 129(a)(3) of title 23, United States Code, is amended by—

(1) striking ''first'' in the first sentence and inserting ''only''; and

(2) striking ''If the State certifies annually that the tolled facility is being adequately maintained, the State may use any toll revenues in excess of amounts required under the preceding sentence for any purpose for which Federal funds may be obligated by a State under this title.''.

## ADDITIONAL COSPONSORS

S. 51

At the request of Mr. BIDEN, the names of the Senator from Louisiana (Mr. BREAUX), the Senator from Nebraska (Mr. KERREY), and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of S. 51, a bill to reauthorize the Federal programs to prevent violence against women, and for other purposes.

S. 296

At the request of Mr. FRIST, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 296, a bill to provide for continuation of the Federal research investment in a fiscally sustainable way, and for other purposes.

S. 345

At the request of Mr. ALLARD, the names of the Senator from Maine (Ms. COLLINS) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 391

At the request of Mr. KERREY, the names of the Senator from Kansas (Mr. ROBERTS), the Senator from Michigan (Mr. LEVIN), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from Utah (Mr. BENNETT), and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 391, a bill to provide for payments to children's hospitals that operate graduate medical education programs.

S. 434

At the request of Mr. BREAUX, the name of the Senator from Connecticut (Mr. LIEBERMAN) was added as a cosponsor of S. 434, a bill to amend the Internal Revenue Code of 1986 to simplify the method of payment of taxes on distilled spirits.

S. 443

At the request of Mr. LAUTENBERG, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 443, a bill to regulate the sale of firearms at gun shows.

S. 514

At the request of Mr. COCHRAN, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. 514, a bill to improve the National Writing Project.

S. 534

At the request of Mr. TORRICELLI, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 534, a bill to expand the powers of the Secretary of the Treasury to regulate the manufacture, distribution, and sale of firearms and ammunition, and to expand the jurisdiction of the Secretary to include firearm products and nonpowder firearms.

S. 595

At the request of Mr. DOMENICI, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 595, a bill to amend the Internal Revenue Code of 1986 to establish a graduated response to shrinking domestic oil and gas production and surging foreign oil imports, and for other purposes.

S. 625

At the request of Mr. GRASSLEY, the name of the Senator from Nebraska (Mr. KERREY) was added as a cosponsor of S. 625, a bill to amend title 11, United States Code, and for other purposes.

S. 632

At the request of Mr. DEWINE, the names of the Senator from Massachusetts (Mr. KERRY), the Senator from Oregon (Mr. WYDEN), the Senator from Georgia (Mr. COVERDELL), the Senator from Alabama (Mr. SESSIONS), and the Senator from Pennsylvania (Mr. SANTORUM) were added as cosponsors of S. 632, a bill to provide assistance for poison prevention and to stabilize the funding of regional poison control centers.

S. 661

At the request of Mr. ABRAHAM, the name of the Senator from Ohio (Mr. VOINOVICH) was added as a cosponsor of S. 661, a bill to amend title 18, United States Code, to prohibit taking minors across State lines in circumvention of laws requiring the involvement of parents in abortion decisions.

S. 663

At the request of Mr. SANTORUM, his name was added as a cosponsor of S. 663, a bill to impose certain limitations on the receipt of out-of-State municipal solid waste, to authorize State and local controls over the flow of municipal solid waste, and for other purposes.

S. 678

At the request of Mrs. FEINSTEIN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 678, a bill to establish certain safeguards for the protection of purchasers in the sale of motor vehicles that are salvage or have been damaged, to require certain safeguards concerning the handling of salvage and nonrebuildable vehicles, to support the flow of important vehicle information to the National Motor Vehicle Title Information System, and for other purposes.

S. 692

At the request of Mr. KYL, the names of the Senator from Ohio (Mr. DEWINE),

the Senator from Kansas (Mr. BROWNBACK), and the Senator from Kentucky (Mr. BUNNING) were added as cosponsors of S. 692, a bill to prohibit Internet gambling, and for other purposes.

S. 763

At the request of Mr. THURMOND, the names of the Senator from Mississippi (Mr. LOTT) and the Senator from Louisiana (Ms. LANDRIEU) were added as cosponsors of S. 763, a bill to amend title 10, United States Code, to increase the minimum Survivor Benefit Plan basic annuity for surviving spouses age 62 and older, and for other purposes.

S. 796

At the request of Mr. WELLSTONE, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 796, a bill to provide for full parity with respect to health insurance coverage for certain severe biologically-based mental illnesses and to prohibit limits on the number of mental illness-related hospital days and outpatient visits that are covered for all mental illnesses.

S. 817

At the request of Mrs. BOXER, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of S. 817, a bill to improve academic and social outcomes for students and reduce both juvenile crime and the risk that youth will become victims of crime by providing productive activities during after school hours.

S. 873

At the request of Mr. DURBIN, the names of the Senator from Louisiana (Mr. BREAUX) and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 873, a bill to close the United States Army School of the Americas.

S. 906

At the request of Mr. ABRAHAM, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 906, a bill to establish a grant program to enable States to establish and maintain pilot drug testing and drug treatment programs for welfare recipients engaging in illegal drug use, and for other purposes.

S. 918

At the request of Mr. KERRY, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 918, a bill to authorize the Small Business Administration to provide financial and business development assistance to military reservists' small business, and for other purposes.

S. 920

At the request of Mrs. HUTCHISON, the name of the Senator from Mississippi (Mr. LOTT) was added as a cosponsor of S. 920, a bill to authorize appropriations for the Federal Maritime Commission for fiscal years 2000 and 2001.

S. 928

At the request of Mr. SANTORUM, the name of the Senator from Georgia (Mr. COVERDELL) was added as a cosponsor of S. 928, a bill to amend title 18, United States Code, to ban partial-birth abortions.

SENATE JOINT RESOLUTION 21

At the request of Ms. SNOWE, the names of the Senator from Pennsylvania (Mr. SPECTER), the Senator from South Carolina (Mr. THURMOND), and the Senator from Delaware (Mr. ROTH) were added as cosponsors of Senate Joint Resolution 21, a joint resolution to designate September 29, 1999, as ''Veterans of Foreign Wars of the United States Day.''

SENATE RESOLUTION 59

At the request of Mr. LAUTENBERG, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of Senate Resolution 59, a resolution designating both July 2, 1999, and July 2, 2000, as ''National Literacy Day.''

## SENATE RESOLUTION 91—EXPRESSING THE SENSE OF THE SENATE THAT JIM THORPE SHOULD BE RECOGNIZED AS THE ''ATHLETE OF THE CENTURY''

Mr. SANTORUM submitted the following resolution; which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 91

**SECTION 1. SENSE OF THE SENATE THAT JIM THORPE SHOULD BE RECOGNIZED AS THE "ATHLETE OF THE CENTURY".**

(a) FINDINGS.—The Senate finds the following:

(1) Jim Thorpe is the only athlete ever to excel as an amateur and a professional in 3 major sports—track and field, football, and baseball.

(2) Prior to the 1912 Olympic Games, Jim Thorpe won the pentathlon and the decathlon at the Amateur Athletic Union National Championship Trials in Boston, Massachusetts.

(3) Jim Thorpe represented the United States and the Sac and Fox Nation in the 1912 Olympic Games in Stockholm, Sweden, where he won a gold medal in the pentathlon, became the first American athlete to win a gold medal in the decathlon, in which he set a world record, and became the only athlete in Olympic history to win both the pentathlon and the decathlon during the same year.

(4) The athletic feats of Jim Thorpe resulted in worldwide publicity that helped to ensure the viability of the Olympic Games.

(5) During his major league baseball career, Jim Thorpe played with the New York Giants, the Cincinnati Reds, and the Boston Braves, and ended the 1919 baseball season with a .327 batting average.

(6) Jim Thorpe established his amateur football record playing halfback, defender, punter, and place-kicker while he was a student at the Carlisle Indian School in Pennsylvania, and was chosen as Walter Camp's First Team All-American Half-Back in 1911 and 1912.

(7) Jim Thorpe was a founding father of professional football, playing with the Canton Bulldogs, which was the team recognized as world champion in 1916, 1917, and 1919, the Cleveland Indians, the Oorang Indians, the Rock Island Independent, the New York Giants, and the Chicago Cardinals.

(8) In 1920, Jim Thorpe was named the first president of the American Professional Football Association, now known as the National Football League.

(9) Jim Thorpe was voted America's Greatest All-Around Male Athlete and chosen as the greatest football player of the half-century in 1950 by an Associated Press poll of sportswriters.

(10) Jim Thorpe was named the Greatest American Football Player in History in a 1977 national poll conducted by Sport Magazine.

(11) Because of his outstanding achievements, Jim Thorpe was inducted into the National Track and Field Hall of Fame, the Professional Football Hall of Fame, the Helms Professional Football Hall of Fame, the National Indian Hall of Fame, the Pennsylvania Hall of Fame, and the Oklahoma Hall of Fame.

(12) The immeasurable sports achievements of Jim Thorpe have long been an inspiration to the youth in Pennsylvania and throughout the United States.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Jim Thorpe should be recognized as the ''Athlete of the Century''.

● Mr. SANTORUM. Mr. President, I rise today to submit a resolution recognizing Jim Thorpe as the Athlete of the Century.

Born to an impoverished family on Sac-and-Fox Indian land, Jim Thorpe overcame adverse circumstances to excel as an amateur and as a professional in three sports; track and field, football and baseball. Thorpe, who was voted ''Athlete of the First Half of the Century'' by the Associated Press almost fifty years ago, is the only American athlete ever to excel at this level in three major sports.

As a student at Carlisle Indian School in Pennsylvania, Thorpe prooved his athletic ability early on. One anecdote recalls how the 5-foot-9½ inch, 144-pound Thorpe almost singlehandedly overcame the entire Lafayette track team at a meeting in Easton, Pennsylvania, winning six events. Also while attending the Carlisle Indian School, Jim Thorpe established his amateur football record playing halfback, defender, punter, and placekicker. In 1911, he was named an All American.

In 1912, he represented the United States and the Sac-and-Fox Nation in the Olympic Games in Stockholm, Sweden. To this day, Thorpe is the only athlete to win gold medals in the pentathlon and decathlon. After his Olympic feats in Sweden, Thorpe retured to Carlisle's football team and was named an All-American again.

In 1913, Thorpe left amateur athletics and signed a $5,000 contract to play baseball with the New York Giants. As an outfielder with the Giants, and later with the Cincinnati Reds and Boston Braves, his best season was his last one, when he batted .327 in 60 games for Boston.

In 1915, Thorpe agreed to play professional football for the Canton Bulldogs.

Thorpe went on to become a key part of this team as it was recognized as the ''world champion'' in 1916, 1917, and 1919. Thorpe's professional football career later included stints with Cleveland, Rock Island, the New York Giants, and the Chicago Cardinals. In 1920, Thorpe became the first president of the American Football Association, which was later to become the National Football League. Today, he is recognized as a founding father of professional football.

Recently, I had the privilege of attending a luncheon honoring Jim Thorpe's daughter, Grace, at the Jim Thorpe Memorial Hall in the Carbon County, Pennsylvania, a town named for the great athlete. Grace Thorpe has traveled around the country asking people to sign petitions declaring her father athlete of the century. She plans to send the petition to cable sports networks and national sportswriters. As Jim Thorpe Area Sports Hall of Fame president, Jack Kmetz has noted, Thorpe unfortunately missed out on the modern-day media blitz that surrounds popular athletes today. Nonetheless, I promised Ms. Thorpe and the people of Jim Thorpe, Pennsylvania that I would introduce this resolution which I hope will raise awareness of this true legend's achievements and give him the recongnition he deserves.●

## SENATE RESOLUTION 92—TO EXPRESS THE SENSE OF THE SENATE THAT FUNDING FOR PROSTATE CANCER RESEARCH SHOULD BE INCREASED SUBSTANTIALLY

Mrs. BOXER (for herself, Mr. LAUTENBERG, Mr. REID, Mr. JEFFORDS, Mr. SCHUMER, Mr. ASHCROFT, Mr. MACK, Mr. COVERDELL, and Mr. HELMS) submitted the following resolution; which was referred to the Committee on Health, Education, Labor, and Pension:

S. RES. 92

Whereas in 1999, prostate cancer is expected to kill more than 37,000 men in the United States and be diagnosed in over 180,000 new cases;

Whereas prostate cancer is the most diagnosed nonskin cancer in the United States;

Whereas African Americans have the highest incidence of prostate cancer in the world;

Whereas considering the devastating impact of the disease among men and their families, prostate cancer research remains underfunded;

Whereas more resources devoted to clinical and translational research at the National Institutes of Health will be highly determinative of whether rapid advances can be attained in treatment and ultimately a cure for prostate cancer;

Whereas the Congressionally Directed Department of Defense Prostate Cancer Research Program is making important strides in innovative prostate cancer research, and this Program presented to Congress in April of 1998 a full investment strategy for prostate cancer research at the Department of Defense; and

Whereas the Senate expressed itself unanimously in 1998 that the Federal commitment to biomedical research should be doubled over the next 5 years: Now, therefore, be it

*Resolved,*

**SECTION 1. SHORT TITLE.**

This resolution may be cited as the ''Prostate Cancer Research Commitment Resolution of 1999''.

**SEC. 2. SENSE OF THE SENATE.**

It is the sense of the Senate that—

(1) finding treatment breakthroughs and a cure for prostate cancer should be made a national health priority;

(2) significant increases in prostate cancer research funding, commensurate with the impact of the disease, should be made available at the National Institutes of Health and to the Department of Defense Prostate Cancer Research Program; and

(3) these agencies should prioritize prostate cancer research that is directed toward innovative clinical and translational research projects in order that treatment breakthroughs can be more rapidly offered to patients.

● Mrs. BOXER. Mr. President, I submit today the Prostate Cancer Research Commitment Resolution Act of 1999 along with several of my colleagues, Senators LAUTENBERG, REID, JEFFORDS, SCHUMER, ASHCROFT, MACK, COVERDELL, and HELMS.

Prostate cancer is the most diagnosed nonskin cancer in the United States. More than 40 percent of all male cancers and 14 percent of all male cancer-related deaths are due to complications from prostate cancer. In 1998, over 40,000 American men died from prostate cancer, and in 1999, it is expected that this deadly disease will strike another 37,000 men in the United States.

I, along with my colleagues, am deeply committed to aiding our medical community in their research efforts to find preventive measures to stem—and eventually eradicate—this disease.

Our resolution expresses the sense of the Senate that funding for prostate cancer research should be increased substantially, commensurate with the impact of the disease. Funds should be made available at the National Institutes of Health and at the Department of Defense Prostate Cancer Research Program. We are also encouraging these agencies to prioritize prostate cancer research that is directed toward innovative research projects in order that treatment breakthroughs can be more rapidly offered to patients.

Mr. President, this is an important step on behalf of men in the United States who have suffered from prostate cancer. Increasing funds for research would assist the medical community in its efforts to identify preventive measures men can take through prostate cancer screening procedures.

I am pleased to offer this resolution today and I urge my colleagues to support this legislation.●

## AMENDMENTS SUBMITTED

## DEPLOYMENT OF THE UNITED STATES ARMED FORCES TO THE KOSOVO REGION IN YUGOSLAVIA

### DURBIN AMENDMENT NO. 300

(Ordered to lie on the table.)

Mr. DURBIN submitted an amendment intended to be proposed by him to the preamble to the joint resolution (S.J. Res. 20) concerning the deployment of the United States Armed Forces to the Kosovo region in Yugoslavia; as follows:

Strike the preamble and insert the following:

Whereas the United States and its allies in the North Alantic Treaty Organization are conducting large-scale military operations against the Federal Republic of Yugoslavia (Serbia and Montenegro);

Whereas the Federal Republic of Yugoslavia (Serbia and Montenegro) has refused to comply with NATO demands that it withdraw its military, paramilitary and security forces from the province of Kosovo, allow the return of ethnic Albanian refugees to their homes, and permit the establishment of a NATO-led peacekeeping force in Kosovo;

Whereas Article 11 of the North Atlantic Treaty states that ''its provisions [shall be] carried out by the Parties in accordance with their respective constitutional processes'';

Whereas Article 1, Section 8, of the Constitution vests in Congress the power to declare war; and

Whereas, on March 23, 1999, the Senate passed Senate Concurrent Resolution 21, relating to authorizing the President of the United States to conduct military air operations and missile strikes against the Federal Republic of Yugoslavia (Serbia and Montenegro): Now, therefore, be it

### DURBIN AMENDMENT NO. 301

(Ordered to lie on the table.)

Mr. DURBIN submitted an amendment intended to be proposed by him to the joint resolution, S.J. Res. 20, as follows:

Strike all after the resolving clause and insert the following:

**SECTION 1. REQUIREMENT OF SPECIFIC STATUTORY AUTHORIZATION PRIOR TO USE OF UNITED STATES GROUND FORCES AGAINST YUGOSLAVIA.**

No ground forces of the Armed Forces of the United States may be used to invade the Federal Republic of Yugoslavia (Serbia and Montenegro) unless specifically authorized by statute.

## NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry, will meet on May 5, 1999 in SR–328A at 9:00 a.m. The purpose of this meeting will be: (1) To consider the nomination of Thomas J. Erickson to be a Commissioner of the Commodity Futures Trading Commission

and (2) To discuss agricultural trade options.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LUGAR. Mr. President, I would like to announce that the Senate Committee on Agriculture, Nutrition, and Forestry, Subcommittee on Forestry, Conservation, and Rural Revitalization will meet on May 8, 1999 in Nampa, ID starting at 9 a.m. at the City Council Chambers. The purpose of this hearing will be to examine the noxious weeds and plant pest problems.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. CRAIG. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on Forests and Public Land Management of the Senate Committee on Energy and Natural Resources.

The hearing will take place on Thursday, May 13, at 2:30 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, D.C.

The purpose of this hearing is to receive testimony on fire preparedness on Federal lands. Specifically, what actions the Bureau of Land Management and the Forest Service are taking to prepare for the fire season; whether the agencies are informing the public about these plans; and ongoing research related to wildfire and fire suppression activities.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. For further information, please call Amie Brown or Mike Menge (202) 224–6170.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. SMITH. Mr. President, I would like to announce for the information of the State and the public that a hearing has been scheduled before the Subcommittee on Water and Power.

The hearing will take place on Thursday, May 27, 1999 at 2:00 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 244, To authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, and for other purposes; S. 623, To amend Public Law 89–108 to increase authorization levels for State and Indian tribal, municipal, rural, and industrial water supplies, to meet current and future water quantity and quality needs of the Red River Valley, to deauthorize certain project features and irrigation service areas, to enhance natural resources and fish and wildlife habitat, and for other purposes; and S. 769, To provide a final settlement on certain debt owed by the city of Dickinson, North Dakota, for construction of the bascule gates on the Dickinson Dam.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on Water and Power, Committee on Energy and Natural Resources, United States Senate, 364 Dirksen Senate Office Building, Washington, DC, 20510–6150.

For further information, please call Colleen Deegan, Counsel, or Julia McCaul, Staff Assistant at (202) 224–8115.

## AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. HUTCHISON. Mr. President, I ask unanimous consent that the Governmental Affairs Committee Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia be permitted to meet on Monday, May 3, 1999, at 3:30 p.m. for a hearing on Management Reform in the District of Columbia.

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

## ADDITIONAL STATEMENTS

### OUTSTANDING VOLUNTEER PERFORMANCE BY BROWARD COUNTY SENIORS

• Mr. GRAHAM. Mr, President, today I am delighted to have the opportunity to salute the 1999 honorees of the Dr. Nan S. Hutchison Broward Senior Hall of Fame Award. These outstanding volunteers have contributed time, talents and love toward benefitting the residents of Broward County.

On May 6, 1999, eleven new members selected for this prestigious honor will be at ceremonies celebrating their selection, and their names will be added to a commemorative plaque housed in the Broward County Government Building.

This year's honorees are: Panchitta Chishom, Estelle Ernstoff, Commissioner Sam Goldsmith, Max Klein, Bill Kling, Ella Anderson Lawrence, Madolyn Markham, Hyman Moskowitz, Hattie Robinson, Marvin Simon and John Washburn.

Panchitta Chishom has dedicated her life to serving the community as a teacher for 38 years in the Broward County School system and as a volunteer. She devotes her wisdom, generosity and tireless efforts to various groups including the Northwest Federated Woman's Club, Broward General Medical Center and the NAACP.

Estelle Ernstoff has a passion for volunteer work that has enriched the lives of those in her community. Among the work she has done for various causes, she has faithfully arranged bi-annual blood drives while supporting the Cancer Association and the Memorial Manor Nursing Home Auxiliary. Her devotion to improving the lives of others has made her a role model for her community.

Commissioner Sam Goldsmith has patiently and steadfastly tended to the needs and concerns of the citizens of Coconut Creek. Besides serving as a former mayor and current city commissioner, Sam has devoted additional precious time to volunteer for several organizations including the Florida Council of Aging, American Legion Post #170 and Board of Trustees of Northwest Regional Hospital.

Max Klein has been a determined and energetic activist for the citizens of Broward County, and in particular, the City of Lauderhill. His participation in journalism and the political process has brought attention to the issues and concerns of elderly. His compassion extends to all residents, young and old, of Broward County.

Bill Kling has spent his adult life campaigning for the rights and benefits of war veterans. He was instrumental in establishing the Veterans Administration outpatient clinic in Oakland Park. His compassion and perseverance have served the community in numerous ways.

Ella Anderson Lawrence has dedicated her life to others through her generous community service. From distributing lap robes to local nursing homes to preparing and serving meals for her church, Bethlehem Lutheran, she has contributed her time, energy and kindness to her entire neighborhood and its residents.

Madolyn Markham has made a pledge over many years and across various interests to help all those in need in her community. As President and Director of C. Robert Markham Foundation, she has supported numerous causes, including The Twelve Step House, United Way and Kids in Distress. Her charity and grace have touched the lives of many people, young and old.

Hyman Moskowitz has a strong sense of community that is evident through his many accomplishments and volunteer work. His efforts have led to the establishment of the Northwest Focal Point Senior Center and a monthly award honoring ''Students of the Month'' by the Margate City Commission. His dedication to volunteering enriches the lives of everyone around him.

Hattie Robinson shows her compassion for humanity through her generous good deeds to her church, the 15th Street Baptist Church of Christ, and throughout her neighborhood. She has fed the hungry, distributed clothing to the needy and been an active member of the Broward County Foster

Grandparent Program. Her kindness and charity are not limited by boundaries, but instead touch the lives of all whom she meets.

Marvin Simon has been a dedicated and enthusiastic supporter of Broward County's senior population. His perseverance resulted in the establishment of an Emergency Medical Services base on the Pine Island Ridge Condominium grounds. His devotion extends past his neighbors through his active participation in various organizations including the Gilda's Club and the Jewish War Veterans, Post 730.

John Washburn has a gift of giving that has enhanced the lives of all those who have been touched by his generosity. He volunteers for numerous organizations including the Cooperative Feeding Program, Manna Share a Meal program and Optimist Club of West Broward/Lauderhill. His commitment to the community has benefitted all, especially the needy and the sick, the young and the elderly.

Florida and Broward County are fortunate to have these inspiring senior citizens who have given so much to their communities. I congratulate them today and wish for them many more productive and healthy years.●

## HONORING THE ALASKA NATIVE HERITAGE CENTER

● Mr. MURKOWSKI. Mr. President, I rise to honor the opening of the Alaska Native Heritage Center in Anchorage, Alaska.

The Heritage Center, the first of its kind in Alaska, is a twenty-six acre campus that offers a unique opportunity to learn and explore the traditional ways of Alaska Native cultures. The Center will be a ''gathering place'' where local residents and visitors to Alaska can meet Native Tradition Bearers, artists and performers. While visiting, they can learn about the Native traditional lifestyle by participating in workshops and guided tours of the five traditional village settings that have been built around a lake on the campus.

In 1994, I was privileged to add the Stevens/Murkowski Alaska Native Culture and Arts Development Act as an amendment to the School-to-Work Opportunities Act. This amendment paved the way for authorizing federal funding for the Alaska Native Heritage Center. Congressman DON YOUNG was instrumental in winning House approval for the measure. Over the past six years, Senator STEVENS has been successful in securing matching federal funds for the Center—I am proud to say the Center isn't just a federal project, but a statewide project funded by individuals, private companies, Native Corporations and friends from outside the State who were united in a common dream.

Finally, I would like to commend the vision and relentless dedication of the Chairman of the Alaska Native Heritage Center, Mr. Roy Huhndorf. The Heritage Center is a tribute to his leadership and determination to ensure a vibrant and continuing celebration of Alaska Native traditions and cultures for years to come.●

## TRIBUTE TO DR. PATRICIA CLEMENTS

● Mr. GRAHAM. Mr. President, today I rise to offer a tribute to Dr. Patricia L. Clements for her years of work on behalf of historical preservation in Florida.

As we prepare for a new millennium, with its promise of inventions and technical advances beyond our comprehension, we are reminded of the importance of preserving and understanding our past.

Toward that end, Dr. Clements has helped lead the historical preservation effort in Florida, particularly in preserving and intrepreting women's history.

Women helped build and lead Florida, and their roles have been preserved in myriad ways by Dr. Clements and her colleagues.

She has been a pioneer in producing audio biographies of prominent Florida women. Dr. Clements is the founder of the Inaugural Gown Collection, housed at the Museum of Florida History, including textiles dating to 1901, nearly a century ago.

Meanwhile, she has collected more than 100 artifacts for the First Families exhibit at the Museum of Florida History. Strong public interest prompted the museum to extend the exhibit by three months.

Florida has many ways of recognizing the contributions of outstanding women, one of which is through the Florida Women's Hall of Fame. Dr. Clements is the audiobiographer of women inducted into this elite group, and is a member of the Florida Women's Hall of Fame selection committee.

Mr. President, we live in a fast-paced world, and can expect mobility and the pace of the flow of information to increase in the next century. As we embrace the future, we salute those who preserve the past and help us to understand our heritage.●

## RECOGNITION OF NATIONAL CHARTER SCHOOLS DAY

● Mr. ABRAHAM. Mr. President, I rise this morning to recognize the contribution of charter schools to the education of our nation's children. Today, on Charter Schools Day, we celebrate the hard labor and accomplishments of charter school teachers, parents, and students.

In 1993, Michigan became the ninth state to grant citizens the freedom to establish charter schools. Many public school educators had found that the complex labyrinth of federal and state regulations prevented them from providing their students the best education possible. The Michigan State Legislature passed charter school legislation to provide regulatory relief for educators, ensure school accountability, and encourage educators to innovate. The following year, Congress established the public Charter Schools program which authorized $15 million for the Department of Education to support the development, initial implementation, and evaluation of charter schools. During the 105th Congress, I voted for the Charter School Expansion Act of 1998 which increased federal charter school funding to $100 million.

Mr. President, charter schools are integral to our nation's education system because they empower citizens to develop schools which meet the needs of their local communities. One fine example of charter school innovation may be found in Michigan's Saginaw County. Four year ago, the Saginaw County Intermediate School District opened their Transitional Academy. This school was designed to educate juvenile offenders and provide them with an individualized education that would allow them to return to their regular schools and graduate with their classmates. Today, I am pleased to report that the Saginaw County Transitional Academy has not only graduated a majority of their students, but that these students have remained crime free.

Charter schools are also successful because they empower parents to send their children to the public school of their choice. Last year, Michigan parents sent 30,000 children to charter schools, an increase from 21,000 in 1997. Throughout the nation, charter school organizations report that most, if not all, schools have large waiting lists. These lists symbolize the healthy competition that charter schools have created within the public school system.

However, a charter school's primary mission is to educate its students. Standardized testing has revealed that a charter school education has a dramatic impact on its students. All public schools in Michigan, including charter schools, administer the Michigan Education Assessment Program test. Between 1997 and 1998, Michigan charter schools exam results kept pace or surpassed those of traditional public schools. In fact, half of all charter schools in 1998 doubled or tripled the number of students receiving satisfactory scores in one or more subjects. These results indicate that charter schools are truly improving education.

In closing, I wish to honor charter school students, who work day after day to develop their skills and gifts. These students are the future of our nation and contribute to the vibrant life found throughout the countryside and cities of America. I applaud them for their efforts and congratulate them

on this important day, Charter Schools Day.●

## ORDERS FOR TUESDAY, MAY 4, 1999

Mr. MCCAIN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Tuesday, May 4. I further ask that on Tuesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day. I further ask that, following the prayer, Senator MCCAIN be recognized for 5 minutes for a closing statement, with the majority leader recognized immediately following Senator MCCAIN.

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

Mr. MCCAIN. I ask unanimous consent that on Tuesday the Senate recess from 12:30 p.m. until 2:15 p.m. so that the weekly party caucus luncheons may take place.

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

## PROGRAM

Mr. MCCAIN. Mr. President, for the information of all Senators, the Senate will convene on Tuesday at 9:30 a.m. Following a brief statement by Senator MCCAIN, the majority leader will make a motion to table S.J. Res. 20. Therefore, Senators can expect the first rollcall vote of the day at approximately 9:35 a.m. If S.J. Res. 20 is tabled, the Senate will immediately begin debate on S. 900, the financial modernization bill, under the provisions agreed to this evening by unanimous consent. It is hoped that significant progress will be made on the banking bill. Therefore, Senators can expect further rollcall votes throughout Tuesday's session of the Senate. The Senate will recess for the weekly party caucus luncheons from 12:30 p.m. until 2:15 p.m.

## ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. MCCAIN. If there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 9:06 p.m., adjourned until Tuesday, May 4, 1999, at 9:30 a.m.

## NOMINATIONS

Executive nominations received by the Senate May 3, 1999:

DEPARTMENT OF JUSTICE

ROBERT RABEN, OF FLORIDA, TO BE AN ASSISTANT ATTORNEY GENERAL, VICE ANDREW FOIS, RESIGNED.

# EXTENSIONS OF REMARKS

## HIGH-TECH INDUSTRY EXPORT LAWS

### HON. DARLENE HOOLEY

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 3, 1999*

Ms. HOOLEY of Oregon. Mr. Speaker, I rise today to stress the importance of assuring that our export control laws do not unnecessarily hinder the development of the U.S. high-technology industry.

Mr. Speaker, in districts like mine in Oregon, where constituents have suffered the consequences of economic shifts in the logging, fishing, and agricultural sectors, the high-tech industry presents itself as a growth sector and an anchor for future employment. I see the high tech industry as vital for economic development in my district and in the State of Oregon.

The rest of the country should be looking to this sector for employment growth as well. According to the Department of Commerce, between 1995 and 1997 the high tech sector has been responsible for 35% of economic growth in the United States. If things continue at that rate, this industry will almost double its employment numbers over the next six years.

If we saddle this industry with unreasonable unilateral export restrictions, that type of job growth, so badly needed in my district, will go to other nations.

While there are often legitimate national security reasons to restrict high-tech exports, much of our export laws do not keep pace with actual advances in technology.

Mr. Speaker, let me give you an example of how high-tech exports can be unreasonably restricted. The application and approval process to ship a computer—no bigger than the server in many Congressional offices—to Tier III nations can take as along as 30 days.

If we were the only country offering high-speed and powerful personal computers, this might not be a problem. But Mr. Speaker we are not the only nation that can build and sell these machines. By placing unilateral export controls we cede the sales of these computers to our foreign competitors. Let me raise another example of how our export control policy just doesn't make sense. Right now the U.S. government places restrictions on the export of encryption technology. While 128 bit encryption technology is widely available on the Internet and can be easily bought in countries like Canada and Germany, the United States prevents our companies from exporting 128 bit encryption.

This puts U.S. high tech firms at a severe competitive disadvantage. It is for this reason that I have become a co-sponsor of the SAFE act which will bring our trade policy in line with the current state of encryption technology. Our National Security does not depend on these types of unilateral economic sanctions. Our National Security relies on the development of U.S. based high technology companies—who currently supply the United States military with 75% of its high tech national security apparatus. If our U.S. based technology companies are weakened, Mr. Speaker, our own national security is weakened. I would like to thank all of the members of my party who have been working to bring these issues to the forefront. Through their support of bills like the SAFE act we can assure that U.S. trade policies allow U.S. technology firms to grow, while enhancing our own national security.

## IN HONOR OF EILEEN THORNTON FOR HER DEDICATION AND SERVICE TO THE WOMEN'S POLITICAL CAUCUS OF NEW JERSEY AND FOR RECEIVING THE ''WOMAN OF ACHIEVEMENT'' AWARD

### HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 3, 1999*

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize Ms. Eileen Thornton for her hard work and dedication to the women of New Jersey and for being presented with the Women's Political Caucus of New Jersey ''Woman of Achievement'' award.

Ms. Thornton has long believed that women play a vital role in our government—that they make an important and significant difference in politics and government. In addition, she believes that women should support women for public office and various positions of governmental authority. Ms. Thornton's commitment to this philosophy has prompted her to be proactive on the national, state, and county levels as a long time supporter and promoter of women's roles in politics.

Ms. Thornton has provided years of service and leadership to the WPC–NJ. Serving as President of WPC–NJ for five of its twenty-seven years, Ms. Thornton has made numerous contributions to the women's political equality movement by participating in campaigns, fundraising activities, strategy and issue development, public relations and news publicity work. She has also organized women's vote drives, emphasizing the necessity for women to exercise their voting power.

In addition, Ms. Thornton has served as President of the National Women's Equity Action League and NJ WEAL, an advocacy organization for women's equality in education, sports, and economy. She is also active in the Business and Professional Women's Federation.

Ms. Thornton exemplifies leadership and dedication to women and the political process. For these tremendous contributions to New Jersey and her incredible example as a public servant, I am very happy to honor Ms. Thornton for her achievements. I salute and congratulate her on these extraordinary accomplishments and for winning the WPC–NJ ''Woman of Achievement'' award.

## IN MEMORY OF DANIEL JOSEPH McTIGHE

### HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 3, 1999*

Mrs. MEEK of Florida. Mr. Speaker, I rise today in memory of the late Daniel Joseph McTighe on the fifth anniversary of his death, which occurred in the Spring of 1994, on Friday, May 20. Mr. McTighe was a popular Thoroughbred groom who spent many triumphant moments in the winner's circle at Florida's Hialeah Race Course and in winner's circles along the Eastern Seaboard. An athletic equestrian, Mr. McTighe owned and rode the most temperamental of Thoroughbreds with empathetic strength and grace.

Known for his compassion and extraordinary wit, Danny McTighe, 35, was a vibrant employee of the Florida Thoroughbred industry in the late 1970's. Dedicated to his family, friends, church, and community of Bowie, Maryland, Mr. McTighe usually could be found working outdoors, busy with painting, gardening, carpentry, and photography. Habitually sunburned and lithe, he was quick to give of his talents whenever needed. When the old cemetery of his church was in dire need of repair, Mr. McTighe laughingly exhorted his friend, the kind priest, to take action, saying, ''I'll help however I can! Our cemetery looks like the backdrop of a Halloween movie!''

Danny McTighe was immensely popular with children, and he encouraged them to live their dreams. He joked, ''Show me a man who keeps his two feet on the ground, and I'll show you a man who can't get his pants off!'' A blond with hazel eyes, Mr. McTighe also loved Florida, where he had planned to vacation with his beloved mother, Jane, the week he passed away.

Mr. McTighe was devoted to his brothers and sisters: Shaun, Rory, Katie, Brian, and Bridget. He revered his sisters-in-law, Gayle, Dixie, and Kay, and brother-in-law, Michael Hoyt. And he dearly loved his nieces and nephews: Molly, Kevin, Kim, Adam, and Connor. His eldest sister, Molly, and his father, Jack, preceded him in death, and his nephew, Kellan, was born after his death. Another nephew will be born into the loving McTighe family later this year.

Daniel Joseph McTighe lived the ethos of dedication to God, family, and country. The memory of his easy laughter and constant courage in physical adversity has left an indelible impression on those who knew him.

## KAREN MIKOLASY: WASHINGTON STATE'S TEACHER OF THE YEAR

### HON. JAY INSLEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 3, 1999*

Mr. INSLEE. Mr. Speaker, I am honored to announce that Karen Mikolasy has been chosen Washington State's Teacher of the Year.

Ms. Mikolasy teaches English at Shorecrest High School, located in Washington's 1st congressional district. During her 28 years, she has become famous for being not only a remarkable teacher, but also a tireless champion of her students' talents. She never fails to help them strive for excellence. She has devoted countless hours of selfless service to the most valuable resource in this country—our children. Her gift of teaching gives her students the intellectual tools to become successful and productive members of society.

Mr. Speaker, there is nothing that impacts America's social, economic and political future more than the quality of learning that happens in our schools. I do not believe educators are given nearly the amount of accolades they deserve, so I appreciate the chance to simply say: thank you for the important and meaningful work you do.

With teachers like Karen Mikolasy, I am confident that today's students will become tomorrow's leaders.

Thank you, Karen Mikolasy, for your commitment to education and congratulations, again, on becoming Washington State's Teacher of the Year.

## TRIBUTE TO FLORETTE POTKIN

### HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 3, 1999*

Mr. SHERMAN. Mr. Speaker, I rise to pay tribute to Florette Potkin, who is being honored for her dedicated service to the community. Florette and her family are residents of Northridge, California, and have been extremely generous to Temple Ner Maarav, our community, and many charitable causes.

President Kennedy once said, ''For those to whom much is given, much is required.'' Temple Ner Maarav has recognized Florette for exemplifying leadership, volunteerism, and dedication. For over three decades, Florette has worked tirelessly to better the community as a whole.

Through her love for the arts, Florette found her way to Temple Ner Tamid through her participation in a musical play. Thereafter, she became active through a variety of programs within the temple. While serving as Sisterhood President in 1974, she also helped to pave the way for women in religious functions when she became a Bat Mitzvah that same year.

Florette and her husband, Perry, have served in leadership positions in both Temple Ner Tamid and Temple Maarev. Florette has also encouraged her four children to become active in the Jewish community. Florette has been unwavering in her efforts to work with members of the community through her generous contributions.

Mr. Speaker, distinguished colleagues, please join me in paying tribute to Florette Potkin, who is truly a role model for the citizens of Los Angeles.

## IN HONOR OF THE BAYONNE CHAPTER OF UNICO NATIONAL ON THEIR 50TH YEAR ANNIVERSARY

### HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 3, 1999*

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the Bayonne Chapter of UNICO National on their 50th Anniversary of dedicated service to the community.

UNICO, an Italian-American organization, has been committed to serving the community through grassroots work and the building of partnerships with other community activist and advocacy groups while maintaining its identity as Italian-American. In order to fulfill this goal, UNICO National has supported five basic principals: maintain Unity; serve one's Neighbor; maintain Integrity of character; be motivated by Charity; and open Opportunity to the underprivileged.

Since its inception in 1949, the Bayonne Chapter of UNICO National has contributed more than $300,000 to more than 200 charities, scholarship programs, youth programs, schools, senior organizations, as well as others in the community at need. Because of members' tireless efforts, the Bayonne Chapter has also been successful in facilitating a $25,000 donation for the building of a Child Care Facility at the YMCA, at $20,000 donation to the Bayonne Hospital, and a college scholarship program which has awarded more than $50,000 in scholarships to local students.

The Bayonne Chapter of UNICO exemplifies leadership and dedication to both the Italian-American community and to Bayonne. For these tremendous contributions to New Jersey, I am very happy to honor the Bayonne Chapter for its achievements on its 50th Anniversary. I salute and congratulate UNICO National on these extraordinary accomplishments.

## ADMINISTRATION CERTIFICATION OF RUSSIA REGARDING RELIGIOUS FREEDOM

### HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 3, 1999*

Mr. SMITH of New Jersey. Mr. Speaker, through Public Law 105–292, the International Religious Freedom Act, Congress is on record as standing for religious liberty throughout the world.

Furthermore, Public Law 105–177, the foreign appropriations legislation passed in the 105th Congress, mandates that no foreign aid money be appropriated to the Government of the Russian Federation if the President determines that the Russian government has implemented legislation or regulations that discriminate, or cause discrimination, against religious groups or religious communities in Russia in violation of accepted international agreements on human rights and religious freedoms to which the Russian Federation is a party. This provision was in response to the 1997 Russian Law on Freedom of Conscience and Religious Associations, which many feared would lead to limitations on religious worship and a retreat from the standards of religious freedom that had been achieved in Russia following the dissolution of the Soviet Union.

This year, for the second year in a row, the President has made the determination that the Government of the Russian Federation has not implemented legislation or regulations that cause such discrimination against religious groups. The Presidential Determination states ''During the period under review, the Government of the Russian Federation has applied the 1997 Law on Religion in a manner that is not in conflict with its international obligations on religious freedom. However, this issue requires continued and close monitoring as the Law on Religion furnishes regional officials with an instrument that has been interpreted and used by officials at the local level to restrict the activities of religious minorities.'' Furthermore, the Presidential Determination states, ''To the extent that restrictions on the rights of religious minorities have occurred, they have been the consequence of actions taken by regional or local officials and do not appear to be a manifestation of federal government policy. Such incidents, while they must be taken seriously, represent a relatively small number of problems when viewed against the size of the country and the number of religious organizations.''

Mr. Speaker, I believe that the above statements are a reasonably accurate representation of the religious liberty situation in Russia and that the Presidential Determination is probably a fair one, given the lack of firm legal structure and the geopolitical situation in the present-day Russian Federation. Moreover, some of the most egregious instances of restrictions against religious groups in Russia have been corrected through court action.

And to be fair, Russia is hardly the worst offender in the former Soviet Union. In Turkmenistan, for instance, religious groups are required to have five-hundred members before they can be legally registered with the government to operate openly. It is a ridiculously high number and has resulted in harassment of unregistered religious groups. Of course, unlike Russia, the Government of Turkmenistan doesn't claim to be much of a democracy or go out of its way to adhere to international standards of human rights.

In Uzbekistan, the 1998 law imposes severe criminal penalties for meeting without registering and for engaging in free religious expression with the intent to persuade the listener to another point of view, in violation of OSCE religious liberty commitments. Since February 1999, several pastors in Uzbekistan have been detained and jailed on charges of drug possession eerily reminiscent of charges brought in years past against Soviet religious dissidents.

These comparisons, however, do not change the fact that there are still several problems in the area of religious liberty in Russia that should be noted and corrected, especially if a considerable sum of U.S. taxpayer money still continues to go to Russia. In the East-West Church & Ministry Report of Winter 1999, Mark Elliot and Sharyl Corrado of the Institute for East-West Christian Studies write:

Implementation of the 1997 law to date has been uneven. At least in the short run, a number of factors appear to have worked against consistently harsh application . . . . Still life since the passage of the law has not been easy for many who wish to worship outside the folds of the Moscow [Russian Orthodox] Patriarchate. The first 15 months of the new law included at least 69 specific instances of state harassment, restriction or threat of restriction against non-Moscow Patriarchate religious communities in the Russian Republic.

For instance, I wonder if it was a coincidence that a few days after the Presidential Determination, the Russian Federation Ministry of Justice rejected the application of the Society of Jesuits for official registration. For that matter, most of the property seized by the Communists from the Roman Catholic Church in Russia has not been restored.

In the city of Moscow, which is considered a liberal jurisdiction, the Jehovah's Witnesses have been subjected to a protracted trial that threatens to return them to "underground" status.

In Stavropol, the local Moslem community has not only been refused the return of a mosque that had been seized by the Communists, but also been prevented from holding worship services in other quarters. A provincial official justified this policy by saying that Moslems only make up 10 percent of the population in the city.

These are only a few of the most prominent cases of concern. In rural areas, local officials attempt to hinder worship activities by a number of subterfuges, ranging from the refusal to rent city property to religious groups without their own premises to outright threats and eviction of missionaries.

Therefore, while I believe the Presidential Determination is, by and large, acceptable at this time, I would emphasize the reference to "continued and close monitoring" of the situation. In my opinion, the Administration has done a good job of monitoring the Russian religious liberty situation, and I trust these efforts will continue. As Chairman of the Commission on Security and Cooperation in Europe, I urge the Russian government to take every appropriate step to see that religious freedom is a reality for all in Russia, and I know the Congress will continue to follow this issue closely.

## IN MEMORY OF THE REVEREND SEAMUS O'SHAUGHNESSY

### HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 3, 1999*

Mrs. MEEK of Florida. Mr. Speaker, I rise today in memory of the late Reverend Seamus O'Shaughnessy, a well known champion of civil rights, peace activist, and 29-year Archdiocese of Miami priest who died earlier this month at Little Flower Catholic Church in Hollywood. Father O'Shaughnessy will be remembered as an outspoken and passionate advocate for minority rights.

Born in 1940 in Limerick City, Ireland, Father O'Shaughnessy learned about the Archdiocese of Miami through a recruitment offer, came to our city, and was assigned as the assistant pastor of Our Lady of the Holy Rosary in Perrine. Subsequently, he served in other parishes, and he helped to organize the First National Black Catholic Congress in 1987.

Reverend O'Shaughnessy formed a local chapter of Orita Rite, a group that recognizes the rites of passage into adulthood of young people of color. This active priest often wore kente cloth when speaking at his Catholic Church.

Mr. Speaker, it is a privilege for me to pay tribute to a priest who was so vigorous in advancing minority rights. Father O'Shaughnessy will be missed by his congregation and his many friends in the community.

## ARSON AWARENESS WEEK

### HON. ROBERT E. WISE, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 3, 1999*

Mr. WISE. Mr. Speaker, I rise to remind all Americans and especially West Virginians that this week is Arson Awareness Week. As a member of the Congressional Fire Service Caucus, I support the efforts of the International Association of Arson Investigators and their West Virginia Chapter who will celebrate the IAAI's 50th Anniversary this year.

The IAAI in cooperation with the United States Fire Administration educates the public about the hundreds of innocent people who die each year and the millions of dollars of property damage caused by the arsonist's match. I am proud of what the West Virginia Chapter of the IAAI has done to control arson. The Chapter provides advanced training for police, fire and insurance personnel. They also work to educate West Virginians about how arson affects their lives.

The intentional burning of homes, businesses and cars has long been a problem. Even more outrageous was when our places of worship came under attack. I proudly worked with my colleagues in a bipartisan effort to prevent more church burnings. Through the efforts of the Congressional Fire Services Institute, an educational program was presented nationwide for church leaders. The West Virginia Chapter of the International Association of Arson Investigators conducted many of these programs.

I am proud of my long relationship with the West Virginia Fire Service. I know that many of our firefighters risk their lives extinguishing these intentionally set blazes. That is why I will continue to work to prevent arson so our fire fighters won't be endangered. Mr. Speaker, I join with all members of Congress in reminding Americans that we must work together to prevent arson.

## IN RECOGNITION OF CABERNET SAUVIGNON

### HON. MIKE THOMPSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 3, 1999*

Mr. THOMPSON of California. Mr. Speaker, I am pleased today to recognize the Cabernet Sauvignon winegrape, indisputably the grape that put California and the United States on the international wine map.

Cabernet Sauvignon will be celebrated in my hometown St. Helena, California from May 10 to May 16 by the California Cabernet Society, the Culinary Institute of America, and the Wine Spectator Greystone Restaurant, and it's fitting that we honor the "king" of red wines.

Each year the California Cabernet Society stages a Spring Barrel Tasting to showcase the most recent vintage. This year's tasting will, for the first time, kick off an entire week, Cabernet Week, highlighting this varietal and offering consumers the opportunity to taste rare and older offerings of America's most treasured grape.

Cabernet Sauvignon, Mr. Speaker, has a long and distinguished history in California and the United States dating back to the late 1800's. It is a remarkably steady and consistent performer throughout much of the state. In certain areas, it is capable of rendering wines of uncommon depth, richness, concentration and longevity. It rises to the greatest heights in Napa Valley and its smaller appellations such as Calistoga, Oakville, Rutherford, and the Stags Leap District. It also performs exceptionally well in the mountains on both sides of the valley, and in select vineyards in Alexander Valley, Dry Creek Valley, Sonoma Valley, Sonoma Mountain, Paso Robles, and in the Santa Cruz Mountains.

I need not remind my colleagues that the renowned 1976 Paris tasting rocked the international wine world by placing California Cabernet Sauvignon on the same playing field with Bordeaux. Indeed, a few of California's offerings were judged as superior wines. A 1973 Stag's Leap Wine Cellars' Cabernet Sauvignon scored highest when matched against French Bordeaux, which is also made from the Cabernet Sauvignon grape. In fact, American wines made a very strong showing throughout the competition. The Paris tasting gave international recognition and much-needed momentum to American vintners, American wines, and American methods of grape growing and wine production.

Cabernet Sauvignon has come a long way since 1976 and has become a model inspiring vintners in France, Italy, Spain, South Africa, Chile, Australia and New Zealand to adopt our New World technology and technique. Cabernet produces wines of great intensity and depth of flavor. A $1.5 billion business in California, Cabernet Sauvignon is the most regal of all wines and is second only to Zinfandel in total red-wine acreage. Because of the high esteem of Cabernet and the way it compliments a meal, a huge proportion of the varietal wines are sold in the best restaurants worldwide.

Mr. Speaker, I believe it is fitting and appropriate at this time to honor Cabernet

Sauvignon, the king of red wine. I raise my glass to the California Cabernet Society, the Culinary Institute of America and the Wine Spectator Greystone Restaurant for their tremendous generosity to the community and their meritorious service, and I wish them well this coming Cabernet Week.

## TRIBUTE TO JUSTIN BLAKE HORNE

### HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 3, 1999*

Mr. KOLBE. Mr. Speaker, I rise today to pay tribute to one of Arizona's finest young people, sixth-grader Justin Blake Horne of Booth-Fickett Math/Science Magnet School in Tucson. We all too often complain that today's young people don't care about their communities or their schools. I think the following articles from The Arizona Daily Star and The Tucson Citizen show just how committed to others in their community some of our young people truly are.

[From the Arizona Daily Star, Mar. 19, 1999]

KODAK LIKES TUCSON KID'S CRIME DETERRENT IDEA

(By Sarah Tully Tapia)

Sixth-grader Justin Blake Horne knew exactly how to push the buttons of Kodak's CEO.

The 12-year-old invoked company tradition in asking George Fisher to bankroll his idea: Give school monitors cameras so they can take pictures of suspicious activity such as last fall's string of attempted child abductions in Tucson-area schools.

''I have heard it said, 'A picture is worth a thousand words,' '' Justin wrote to Fisher, chief executive officer of the Eastman Kodak Co. ''Of course, my idea would be totally experimental, however, where would Kodak be if George Eastman did not undertake to perform experiments.''

Fisher accepted the challenge, donating 50 cameras and sending Justin a handwritten note. ''Your idea seems interesting and we are always experimenting with new thoughts,'' Fisher wrote, adding that he wants progress reports.

Yesterday, Justin delivered 10 cameras to Kellond Elementary School. He plans to give 10 each to four more schools, including his own, Booth-Fickett Magnet School.

In his letter, Justin explains that in one of the attempted kidnappings, a monitor spotted someone approaching a child, but the man drove off before the monitor could get a good look at the man, car or license plate.

If Kodak donated cameras—worth $15 to $17 each—monitors could snap pictures of the vehicles and suspects for evidence, Justin wrote.

At Kellond, Justin gave Principal Marcia Baab explicit instructions for his ''deterrent program,'' saying the cameras must be used only for security purposes and must be turned in to the police immediately. He plans to write instructions for all the schools.

''He'd got it so organized, I can't even mess up,'' Baab said.

The school had four instances of suspicious behavior in the fall, but no one could provide police a good description of the perpetrator.

The school resource officer said the cameras could help.

''It's good to see someone else being proactive besides us,'' said Officer Judy Augustine.

Justin said he hopes the mere presence of cameras will keep criminals away from the schools.

''I actually am not expecting pictures. It's kind of odd,'' Justin said. If it works, he said he's like to see the program go national.

This isn't the first time Justin has taken such an initiative.

In second grade, he wrote to a stapler company for parts to repair his teacher's broken stapler, which she was going to throw out. They sent him parts, staples and other goodies.

At Booth-Fickett, he arranged for police to bring a helicopter to the school. He convinced Iceoplex to donate 130 passes for students with improved grades and behavior.

A science whiz, Justin is already planning to put these activities on his application for MIT.

Justin's latest endeavor is attracting a lot of attention, including an interview on a Denver radio station and a planned visit from Congressman Jim Kolbe. Justin's ready for the spotlight to dim, as his classmates have ribbed him a bit.

But he has no intention of stopping.

''I want to help people and I don't want to be a slumball in life,'' Justin said.

---

[From The Tucson Citizen, Mar. 1, 1999]

CAN-DO KID'S IDEAS TURN INTO SOLUTIONS

(By Marty Bustamante)

Many people write to their congressman when they want something done.

Not Justin Blake Horne, who even at 12 years old is anything but like most people.

When the sixth-grader at Booth-Fickett Math/Science Magnet School identifies a problem, he goes right to the top in seeking a solution.

His most recent missive was addressed to George Fisher, chief executive officer of Eastman Kodak Co.

The problem: a rash of attempted abductions of Tucson schoolchildren.

His solution: 50 cameras for adult monitors to help catch the creeps.

''Even though there are after-school monitors . . . on the playground, the children are still in danger,'' Justin wrote Fisher.

''In one incident the monitor saw a stranger approaching a child and when he saw the monitor he ran quickly to his car and drove off. The monitor saw both the abductor and his car, however, she was unable to identify the individual, his automobile or the license plate.''

His letter continued: ''I have heard it said, 'A picture is worth a thousand words.' Of course, my idea would be totally experimental, however, where would Kodak be if George Eastman did not undertake . . . experiments?''

How could a big-time CEO turn down a request like that?

It turns out he couldn't.

Fisher, in a handwritten note to Justin, concurred that ''we are always experimenting with new thoughts.''

Fifty cameras soon followed the note, in which Fisher asked that Justin give him a progress report on the idea.

And Fisher offered a little advice: ''It would seem you need to make it generally known that the monitors have cameras to fend off potential troublemakers.''

Indeed, the cameras—which will be in the hands of 50 monitors soon, according to Booth-Fickett Principal John Michel—can also be used as a deterrent.

Michel, along with Justin's parents, Michelle and Howard Horne, is helping Justin make his plan work.

Justin is trying to make arrangements to get the film developed free, should a monitor catch a snapshot of a potential abductor.

Start-up of Justin's plan is being accelerated after a teen-age girl walking home from school was raped a few weeks ago and, in another case, some teen-age boys apparently tried to abduct another girl near a school.

Going right to the top to solve a problem is not new to Justin.

As a second-grader at Borton Magnet Primary, he found a nearly brand-new, but broken, stapler in his teacher's wastebasket.

Outraged, he told his teacher she shouldn't be throwing away Tucson Unified School District property.

She assured him she had bought the $20-plus stapler with her own money.

Justin then persuaded her to give him a shot at fixing it.

He wrote a letter to ''Mr. Stanley Bostitch,'' believing the two last names on the stapler were the first and last names of the owner.

In his letter, he explained that the stapler needed for the class-room was broken, but that his teacher did not have money to again buy one out of her own pocket.

He told ''Mr. Bostitch'' that he would attempt to fix it himself if the company would just send him a replacement spring.

Justin received not only a spring—and safety glasses—for the repair job but also two new staplers, a staple remover and a box of 5,000 staples.

He fixed the broken stapler, by the way.

Granted, a broken stapler is hardly a life-or-death situation. But Justin has been involved in those cases, too, as a second-grader.

During an escape drill from a portable classroom, which had only one door, he noticed his teacher's aide could not get out of the window as an escape alternative, as the limber youngsters could.

He came home shaking his head. ''Would you believe one of my teachers got burned up today?'' he asked his parents.

They asked him what he meant, and he explained.

Portable classrooms are 2 feet off the ground. The windows are 4 feet up the wall inside, making it a 6-foot drop.

The teacher's aide helped students get out, but nobody was there to help her.

A videotape of the drill was shown to Principal Robert Wortman, who called Robert O'Toole, TUSD director of fiscal and operational support, for help with the problem.

Justin's father said O'Toole explained he had $700,000 in requests for repairs and $70,000 to spend.

''He said there was no way it could get done, at least for now,'' the father recalled. Justin piped in:

''Have you seen what we're talking about?''

''Not really,'' O'Toole reportedly replied.

''Come out and I'll show you,'' Justin said.

And so the young boy and O'Toole went out to the portable, followed by Justin's father and the principal.

''You see, this is where we have to jump, and my teacher couldn't get out. She would have gotten burned,'' Justin told O'Toole.

''What if it was your mother. Would you want her to jump or burn up?''

O'Toole nodded in understanding, praising the boy.

Give days later, the Hornes got a call from the principal.

''He said, 'You won't believe this, but they're out here installing (second) doors on all the portables,' '' Justin's father recalled.

And it wasn't just at Borton.

TUSD installed additional doors—found in storage—for all 205 portable classrooms in the district.

Over the following years, Justin also spearheaded an effort to get the Tucson Police Department helicopter support group and the SWAT team to visit Borton and Booth Fickett.

In the fourth grade, he persuaded the president of Ice-O-Plex skating arena to donate 260 passes for Justin's program to reward students who made individual improvements in their classwork.

Justin spread word of his program with fliers and certificates printed from his home computer, which he built.

''You have to try,'' Justin said, summing up his philosophy for getting things done. ''If you try, you probably will succeed. It's better to try and get rejected than not to try at all.''

## ROSA SUGRANES—THE SMALL BUSINESS PERSON OF THE YEAR FOR 1999

### HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 3, 1999*

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to congratulate my constituent, Mrs. Rosa Sugranes, who was recognized recently in ceremonies at the U.S. Capitol by the Small Business Council of America as the Small Business Person of the Year for 1999.

Rosa has built Iberia Tiles into one of our nation's largest independently owned distributors of ceramic tiles, marble and stone. Starting out as a 22-year-old college student with just a $100,000 investment, she opened a tile warehouse in 1980. Her hard work and dedication helped create today's major corporation which has annual revenues of over $24 million and offices throughout South Florida and the Atlanta area. Miami's Bayside Marketplace, Joe's Stone Crabs and the World Trade Center in Panama are among the many famous buildings which have used Iberia tiles.

Among the many roles she is being honored for by the council include her commitment to the vital cause of multilingual education, as well as her many civic and charitable contributions which have greatly benefited our community and nation. She heads the Greater Miami Chamber of Commerce's multilingual task force and is chairwoman of the Multilingual Development Committee of the Miami-Dade Public Schools. Rosa also serves on the board of trustees of Florida International University and the United Way, and has played a major role in Miami-Dade County' Efficiency & Competition Committee and Cultural Affairs Council.

This is definitely a fitting tribute for Rosa Sugranes who, over the past twenty years, has very ably served as an entrepreneur, civic leader, education crusader and mother of two children.

## IN HONOR OF THE BAYONNE ELKS LODGE NO. 434 FOR ITS WORK WITH ELKS NATIONAL YOUTH WEEK

### HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 3, 1999*

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize the Bayonne Elks Lodge No. 434 for all of its efforts with the Elks National Youth Week.

The Bayonne Elks Lodge has been committed to reaching out to our youth, shining a light on the contributions and accomplishments of young people in the community. Every year during the first week of May, selected area high school seniors are honored by the Elks Lodge for National Youth Week.

This year thirty outstanding students are scheduled to be honored on Youth Day, set to take place on May 4, 1999. Pictures and biographies of the selected students can be found in local newspapers as the Elks Outstanding Students.

As part of the Elks Lodge National Youth Week program, students get the opportunity to gain first hand experience of government. They are assigned positions within the city government, are sworn into these positions, and tour City Hall. This opportunity not only promotes work in government as a positive and honorable career choice, but it also opens students to the possibilities that public service has to offer.

Bayonne Elks Lodge No. 434 exemplifies leadership and dedication to young people and to the Bayonne community. For these tremendous contributions to New Jersey, I am very happy to honor the Bayonne Elks Lodge for its achievements with the Elks National Youth Week program. I salute and congratulate the Bayonne Elks Lodge on these extraordinary accomplishments.

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, May 4, 1999 may be found in the Daily Digest of today's RECORD.

## MEETINGS SCHEDULED

MAY 5

9 a.m.

Environment and Public Works

To hold hearings on the nomination of Timothy Fields, Jr., of Virginia, to be Assistant Administrator, Office of Solid Waste, Environmental Protection Agency.

SD–406

Governmental Affairs

To hold hearings on the current state of Federal and State relations.

SD–342

Agriculture, Nutrition, and Forestry

To hold hearings on proposed legislation authorizing funds for programs of the Commodity Exchange Act.

SR–328A

9:30 a.m.

Indian Affairs

To hold oversight hearings on Tribal Priority Allocations and Contract Support Costs Report.

SR–485

Banking, Housing, and Urban Affairs

Financial Institutions Subcommittee

To hold hearings on the proposed Financial Institutions Insolvency Improvement Act of 1999.

SD–538

Energy and Natural Resources

To resume hearings to examine damage to the national security from alleged Chinese espionage at the Department of Energy nuclear weapons laboratories. (Hearings may go into a closed session).

SH–216

Appropriations

Defense Subcommittee

To hold closed hearings on certain intelligence programs.

S–407, Capitol

Commerce, Science, and Transportation

Business meeting to markup S.305, to reform unfair and anticompetitive practices in the professional boxing industry; S.795, to amend the Fastener Quality Act to strengthen the protection against the sale of mismarked, misrepresented, and counterfeit fasteners and eliminate unnecessary requirements; S.296, to provide for continuation of the Federal research investment in a fiscally sustainable way; S.342, to authorize appropriations for the National Aeronautics and Space Administration for fiscal years 2000, 2001, and 2002; and S.376, to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications.

SR–253

10 a.m.

Finance

To resume hearings on Medicare reform issues, focusing on financial obligations of taxpayers and beneficiaries.

SD–215

Foreign Relations

To hold hearings on issues relating to the ABM Treaty, focusing on United States strategic and arms control objectives.

SD–562

Judiciary

To hold oversight hearings on the programs of the Department of Justice.

SD–226

3 p.m.
Intelligence
Closed business meeting to markup proposed legislation authorizing funds for fiscal year 2000 for intelligence related programs.
SH–219

MAY 6

9 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2000 for National Institutes of Health, Department of Health and Human Services, focusing on disease research.
SD–124

9:30 a.m.
Energy and Natural Resources
To hold hearings to examine the results of the December 1998 plebiscite on Puerto Rico.
SH–216

Governmental Affairs
To hold hearings on Federalism and crime control, focusing on the increasing Federalization of criminal law and its impact on crime control and the criminal justice system.
SD–342

Environment and Public Works
Business meeting to consider pending calendar business.
SD–406

10 a.m.
Commission on Security and Cooperation in Europe
To hold joint hearings on the state of democratization and human rights in Kazakstan.
SR–485

Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To hold hearings on United States and Iran relations.
SD–562

Health, Education, Labor, and Pensions
To resume hearings on proposed legislation authorizing funds for programs of the Elementary Secondary Education Act, focusing on safety programs.
SD–628

11 a.m.
Veterans Affairs
To hold hearings to examine Veteran Affairs strategies in restructuring health care, including potential facility closures and proposed legislation relating to voluntary seperation incentive bonuses for Veteran Affairs employees.
SR–418

2 p.m.
Foreign Relations
To hold closed hearings to examine the growing threat of biological weapons.
SH–219

Judiciary
Antitrust, Business Rights, and Competition Subcommittee
Business meeting to consider S.467, to establish time limits on Federal Communications Commission review of telecommunications mergers.
SD–226

2:30 p.m.
Commerce, Science, and Transportation
Oceans and Fisheries Subcommittee
To hold hearings to examine coastal zone management.
SR–253

MAY 10

1 p.m.
Judiciary
Administrative Oversight and the Courts Subcommittee
To hold oversight hearings on the investigation of TWA Flight #800.
SD–226

MAY 11

10 a.m.
Judiciary
To hold hearings on how to promote a responsive and responsible role for the Federal Government on combatting hate crimes.
SD–226

10:30 a.m.
Governmental Affairs
Oversight of Government Management, Restructuring and the District of Columbia Subcommittee
To hold hearings on multiple program coordination in early childhood education.
SD–342

MAY 12

9:30 a.m.
Indian Affairs
To hold oversight hearings on HUBzones implementation.
SR–485

Health, Education, Labor, and Pensions
To resume hearings on proposed legislation authorizing funds for programs of the Elementary and Secondary Education Act, focusing on Title I provisions.
SD–628

Energy and Natural Resources
Business meeting to consider pending calendar business.
SD–366

2 p.m.
Judiciary
Technology, Terrorism, and Government Information Subcommittee
Business meeting to consider pending calendar business.
SD–226

MAY 13

9:30 a.m.
Energy and Natural Resources
To hold hearings on S.698, to review the suitability and feasibility of recovering costs of high altitude rescues at Denali National Park and Preserve in the state of Alaska; S.711, to allow for the investment of joint Federal and State funds from the civil settlement of damages from the Exxon Valdez oil spill; and S.748, to improve Native hiring and contracting by the Federal Government within the State of Alaska.
SD–366

10 a.m.
Environment and Public Works
To hold hearings on issues relating to the Clean Water Action Plan.
SD–406

Health, Education, Labor, and Pensions
To hold hearings on the nomination of Richard M. McGahey, of the District of Columbia, to be an Assistant Secretary of Labor.
SD–628

2:30 p.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold hearings to examine fire preparedness on Federal lands.
SD–366

MAY 19

9:30 a.m.
Indian Affairs
To hold hearings on S.614, to provide for regulatory reform in order to encourage investment, business, and economic development with respect to activities conducted on Indian lands; and S.613, to encourage Indian economic development, to provide for the disclosure of Indian tribal sovereign immunity in contracts involving Indian tribes, and for other purposes.
SR–485

MAY 20

2 p.m.
Energy and Natural Resources
Energy Research and Development, Production and Regulation Subcommittee
To hold hearings on S.348, to authorize and facilitate a program to enhance training, research and development, energy conservation and efficiency, and consumer education in the oilheat industry for the benefit of oilheat consumers and the public.
SD–366

2:30 p.m.
Energy and Natural Resources
Energy Research and Development, Production and Regulation Subcommittee
To hold joint oversight hearings with the House Committee on Government Reform's Subcommittee on National Economic Growth, Natural Resources and Regulatory Affairs, on the Administration's fiscal year 2000 budget request for climate change programs and compliance with various statutory provisions in fiscal year 1999 appropriations acts requiring detailed accounting of climate change spending and performance measures for each requested increase in funding.
SD–366

MAY 27

2 p.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S.244, to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system; S.623, to amend Public Law 89-108 to increase authorization levels for State and Indian tribal, municipal, rural, and industrial water supplies, to meet current and future water quantity and quality needs of the Red River Valley, to deauthorize certain project features and irrigation service areas, to enhance natural resources and fish and wildlife habitat; and S.769, to provide a final settlement on certain debt owed by the city of Dickinson, North Dakota, for the construction of the bascule gates on the Dickinson Dam.
SD–366

SEPTEMBER 28

9:30 a.m.
Veterans Affairs
To hold joint hearings with the House Committee on Veterans Affairs to review the legislative recommendations of the American Legion.
345 Cannon Building

## CANCELLATIONS

MAY 5

2 p.m.
Judiciary
Youth Violence Subcommittee
To hold hearings on youth violence issues.
SD–226

2:30 p.m.
Commerce, Science, and Transportation
Business meeting to markup S.761, to regulate interstate commerce by electronic means by permitting and encouraging the continued expansion of electronic commerce through the operation of free market forces.
SR–253

# SENATE—*Tuesday, May 4, 1999*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, You have promised, ''In quietness and trust shall be your strength.''—Isaiah 30:15. For a brief moment we retreat into our inner world, that wonderful place called prayer, where we find Your strength. Here we escape from the noise of demanding voices and pressured conversations. With You there are no speeches to give, positions to defend, or party loyalties to push. In Your presence we can simply be. You love us in spite of our mistakes and give us new beginnings each day. We thank You that we can depend upon You for guidance in all that is ahead of us today. Particularly we ask for Your guidance on the vote on the war powers resolution concerning our involvement in Kosovo.

Now, Father, we realize that this quiet moment in which we have placed our trust in You has refreshed us. We are replenished with new hope. Now we can return to our outer world with greater determination to keep our priorities straight. Today is a magnificent opportunity to serve You by giving our very best to the leadership of our Nation. In the name of our Lord and Saviour. Amen.

## RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader is recognized.

Mr. LOTT. I thank the Chair.

## SCHEDULE

Mr. LOTT. This morning the Senate will resume consideration of S.J. Res. 20, with a brief statement by Senator MCCAIN. Following Senator MCCAIN, the majority leader will be recognized to make a motion to table S.J. Res. 20. Before I speak, however, and make that motion, I believe Senator DASCHLE will use leader time to make some remarks, too. So Senator MCCAIN will speak, Senator DASCHLE, and I will speak and make a motion to table S.J. Res. 20. Therefore, the first rollcall vote of the day will occur at approximately 9:45.

If S.J. Res. 20 is tabled, the Senate will immediately begin debate on S. 900, the financial services modernization bill, under the provisions agreed to last night by unanimous consent. It is hoped that significant progress will be made on the banking bill, and therefore Senators can expect further rollcall votes today.

We do have one complicating factor. We have also had another natural disaster to strike our country, this time in Oklahoma. The Senators from Oklahoma feel the necessity, understandably, to go to Oklahoma, and we will have to take that into consideration in how we schedule votes. I will consult with the Democratic leader about that timing.

The Senate will be in recess for the weekly party caucus luncheons from 12:30 to 2:15. I thank my colleagues for their attention. I believe Senator MCCAIN is ready to speak.

## RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. ALLARD). Under the previous order, the leadership time is reserved.

## DEPLOYMENT OF U.S. ARMED FORCES TO THE KOSOVO REGION OF YUGOSLAVIA

The Senate resumed consideration of the joint resolution.

The PRESIDING OFFICER. Under the previous order, the Chair recognizes Senator MCCAIN for 5 minutes.

Mr. MCCAIN. Mr. President, I would like to ask unanimous consent that Senator DORGAN be allowed to make a brief unanimous consent request.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

PRIVILEGE OF THE FLOOR

Mr. DORGAN. I ask unanimous consent that privilege of the floor be granted to Anthony Blaylock, a member of my staff, during the pendency of S.J. Res. 20.

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

Mr. MCCAIN. Mr. President, I also ask unanimous consent for 3 additional minutes, if necessary, for me to complete my statement.

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

Mr. MCCAIN. Mr. President, I thank Senators LOTT and DASCHLE for allowing the Senate more time for this debate than was their original intention. I think it has been a good debate. It was not as long as I would have liked but better than I had expected yesterday morning. Many Members on both sides, or should I say on all the multiple sides of the question, have had the opportunity to express themselves and most have done so with distinction. I also thank the cosponsors of the resolution for having the courage of their convictions, Senators HAGEL, BIDEN, LUGAR, KERRY, DODD, ROBB, and all the other cosponsors. You have made the case for the resolution far more persuasively than have I, and I commend you for fighting this good fight.

Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will please be in order.

The Senator from Arizona is recognized.

Mr. MCCAIN. Mr. President, I want to speak plainly in the few minutes remaining to me. What I say now may offend some people, even some of my friends who support this resolution. I am sorry for that, but I say it because I believe it is the truth, the important truth, and it should be said.

The President of the United States is prepared to lose a war rather than do the hard work, the politically risky work, of fighting as the leader of the greatest nation on Earth should fight when our interests and our values are imperiled.

We all know why in a few minutes this resolution is going to lose. It is going to lose because the President and members of his Cabinet have joined with the opponents to the war and lobbied hard for the resolution's defeat. Do not believe administration officials when they tell you that the resolution would have been defeated even without their active opposition. Had they worked half as hard in support of it as they did to defeat it, the result would have been different today.

No, it is not that they could not win; it is because they did not want to win that we are facing defeat this morning. That is a shame, a real shame.

I have said repeatedly that the President does not need this resolution to use all the force he deems necessary to achieve victory in Kosovo. I stand by that contention. And I have the good company of the Constitution behind me.

I had wanted this resolution considered in the now forlorn hope that the President would take courage from it and find the resolve to do his duty, his duty by us, the American people, by the alliance he leads, and by the suffering people of Kosovo who now look to America and NATO for their very lives.

I was wrong, and I must accept the blame for that. The President does not want the power he possesses by law because the risks inherent in its exercise have paralyzed him.

Let me identify for my colleagues the price paid by Kosovars for the

President's repeated and indefensible ruling out of ground troops. Mr. Milosevic was so certain of the limits to our commitment that he felt safe enough to widely disperse his forces. Instead of massing his forces to meet a possible ground attack, he has deployed them in small units to reach more towns and villages in less time than if the President had remained silent on the question of ground troops. In other words, he has been able to displace, rape, and murder more Kosovars more quickly than he could have if he feared he might face the mightiest army on Earth. That is a fact of this war that is undeniable. And shame on the President for creating it.

Now what is left to us, as our war on the cheap fails to achieve the objectives for which we went to war? Well, bombing pauses seem to be an idea in vogue. They were popular once before in another war. And I personally witnessed how effective they were. No, Mr. President, I do not have much regard for the diplomatic or military efficacy of bombing pauses. As a matter of fact, it was only when bombing pauses were finally abandoned in favor of sustained strategic bombing that almost 600 of my comrades and I received our freedom. I daresay some of the years that we had lost were attributable to bombing pauses. I will not support a bombing pause until Milosevic surrenders and not a moment before.

My father gave the order to send B–52s—planes that did not have the precision-guided munitions that so impress us all today—he gave the order to send them to bomb the city where his oldest son was held a prisoner of war. That is a pretty hard thing for a father to do, Mr. President, but he did it because it was his duty, and he would not shrink from it. He did it because he didn't believe America should lose a war, or settle for a draw or some lesser goal than it had sacrificed its young to achieve. He knew that leaders were expected to make hard choices in war. Would that the President had half that regard for the responsibilities of his office.

Give peace a chance. Yes, peace is a wonderful condition. Sweeter than many here will ever fully appreciate. The Kosovars appreciate it. They are living in its absence, and it is a horrible experience. But the absence of freedom is worse. They know that too. They know it well. And if the price of peace is that we abandon them to the cruelty of their oppressors, then the price is too high.

Some have suggested that we can drop our demand that NATO keep the peace in Kosovo. Let the U.N. command any future peacekeeping force instead. But a U.N. peacekeeping force led directly to the Srebrinica massacre in Bosnia. I think the Kosovars would rather they not have that kind of peace, Mr. President. And we should not impose it on them.

Give peace a chance. If we cannot keep our word to prevail over this inferior power that threatens our interests and our most cherished ideals, then it is unlikely that we will long know a real peace. We may enjoy a false peace for a brief time, but that will pass. Whatever your views about whether we were right or wrong to get involved in this war, why would you think that losing will recover what we have risked in the Balkans. If we fail to win this war, our allies and our enemies will lose their respect for our resolve and our power. You may count on it, Mr. President. And we will soon face far greater threats than we face today. We will know a much more dangerous absence of peace than we are experiencing today.

Mr. President, I ask my colleagues, in this late hour, to put aside our reservations, our past animosities, and encourage, implore, cajole, beg, shame this administration into doing its duty. Shame on the President if he persists in abdicating his responsibilities. But shame on us if we let him.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I will use leadership time to conclude this debate with a few comments of my own.

Let me begin by commending the authors of this resolution, Senator MCCAIN, Senator BIDEN, and others. I support their intent, and I appreciate the effort of all the authors in making this resolution the focus of our attention this morning.

There ought to be three rules this country should always adhere to in an addressing an international conflict. The first rule is that every effort should be made to resolve the matter diplomatically. I believe this is being done in the case of the conflict in Kosovo. In this struggle, there is no end to the lengths the United States and NATO have gone in an effort to resolve this matter diplomatically. As we speak, diplomatic efforts are underway. There will continue to be negotiations, discussions, and communications to resolve this matter diplomatically. Up to now all these efforts have failed.

Secondly, should diplomacy fail and U.S. forces be needed, we must not tie the hands of the Commander-in-Chief. We must provide whatever support is requested. That is what this resolution says: that the President is authorized to use all necessary force. I understand and support that concept.

Thirdly, we must support our troops when they come home—something we haven't always done. We didn't in Vietnam when they were suffering from the effects of exposure to Agent Orange; we didn't in the Persian Gulf when they were hit by Persian Gulf Syndrome. We have not always supported our troops when they come home. Veterans and the Veterans' Administration oftentimes are neglected in times of peace.

There is a caveat, an obvious caveat, to these three rules. When deploying force, there must be a clear indication of need. Only in the rarest of circumstances when it comes to executing a war, a military effort, should the Congress get ahead of the Commander in Chief and his military advisers. That is especially true when the United States is involved, as it is today in Yugoslavia, with other nations. They are the ones—the military, the Commander in Chief—who must decide what kind of forces are to be used, what kind of war is to be waged, what facts must be considered in waging it successfully.

The distinguished Senator from Arizona made some comments about the President's unwillingness to use ground troops. It isn't just the President. It is all of his Joint Chiefs of Staff. It is everybody in the Pentagon who advises the President who has said, This is not the time; we do not want to commit ground troops at this point, Mr. President; don't request them. And he has not.

It is for this reason, Mr. President, that I reluctantly join in tabling this resolution today. I do so for three reasons. First, as I have just noted, the President has not asked for this authority, nor have his military advisers. They have indicated they don't support the inclusion of ground troops at this time. Why? Because the air campaign is working. That is not what some of the media want you to hear, but it is the case that the air campaign is working. The resolve on the part of Yugoslavia is being tested. And, I must say, there is increasing evidence that their resolve is weakening. There is increasing evidence that, regardless of what criteria one uses to evaluate the success of the air campaign, it is working.

Until we have given every opportunity for the air campaign to work, moving to a new strategy is premature. The time involved, the logistics involved, the questions involved in moving forces into Yugoslavia all have to be considered, but not now. This is not the time. Will there come a time? Perhaps. But it is not now. The Joint Chiefs of Staff unanimously endorse that position—not now. What is the Commander in Chief supposed to do? He listens to his military advisers and they say, ''Not now.'' He listens to his national security people and they say, ''Not now.''

This isn't a matter of courage, this isn't a matter of a lack of resolve on the part of the President. Instead, it is a matter of the President working with all the people in this administration to pick the best course of action. I believe he has done so.

Secondly, we must keep one thing in mind about this effort. This is not unilateral. We are involved with 18 other nations, most of whom oppose changing NATO's current air campaign strategy. If all necessary force implies using

ground troops, they oppose taking a different course of action. This is a test for NATO. We should all recognize that. If we truly want NATO to succeed, we have no choice, no choice but to make all decisions involving strategy in concert with our NATO allies.

For Members today to say we are going to assert that our position calls for a change in strategy, that the air war alone is not working, sends a clear message to all the other NATO countries that we are the ones in charge, we are the only ones making this decision; we don't care what you think, we are not going to resolve this matter in concert with you; it is going to be us; we will call the shots.

We are not prepared to do that today, Mr. President.

Thirdly, because this authority has not been requested either by the President or his military advisers or by NATO, we have no clear idea what it is we are authorizing with this resolution. Because the President hasn't made a specific proposal, are we voting to use tactical nuclear weapons? Are we committing 500,000 troops for 5 years? Are we committing ourselves to an invasion of neighboring countries, should that be necessary? The answer to these questions, of course, is no. They are extreme options which no one would dare suggest. But what are we authorizing with this resolution? Without a specific proposal from the President, we can only guess. By guessing, we do a disservice to our mission. By guessing, we relegate too much discretion to others.

Mr. President, an up-or-down vote on this resolution is premature. There may be a time when it will be required. That time must be determined by the Commander in Chief and our NATO allies. If or when that time comes, it is the responsibility of the Congress to do what we must do and what we have done on many occasions in the past: We must debate it and we must vote on a resolution of approval. Until then, the Senate has spoken on this conflict. On a bipartisan vote, we have given our approval to the air campaign. We have no need to do so again.

So I ask my colleagues, let us be patient. Let us support our military as they fight so valiantly and successfully in the air mission. Let us send a clear message to the leaders in Yugoslavia, and to NATO: We will not terminate the air war until we are successful.

I might note another bit of evidence of our success occurred just this morning. There are reports that a NATO F–16 fighter jet shot down a Serb Mig29. The air war is working. We will keep the pressure on. We will not look the other way when victims of ethnic cleansing look to us.

A vote on this motion to table this resolution is a vote to postpone the decision to alter our military course in Yugoslavia. It is a vote to support our military in their efforts to bring peace to this region. I urge our colleagues to support it.

I yield the floor.

Mr. SHELBY. Mr. President, there are few people in the United States Congress who are as familiar with war as is the sponsor of this joint resolution, my esteemed colleague from Arizona, Senator JOHN MCCAIN. I agree with the principles behind his resolution; that this Nation should not fight wars to a stalemate, it should fight them to win or not fight them at all.

Mr. President, for the past 6 weeks, American military forces have been participating in a NATO-led aerial campaign in the Balkans. In March, I voted to support the use of air power in this operation. It was my view then that the administration had already committed our forces to action. A vote against the President, when bombing was imminent, would have undercut our troops at the front. However, that is not the case with the resolution before us today. As a nation we have a choice to make. The choice should be an informed one. Our intentions in this operation have been noble and just. However, the boundaries of this conflict are not apparent to many in this body nor it seems to a majority of the American people. Before we give a blank check to the administration, I believe that the President should clearly articulate to both Congress and the American people the objectives and the national interest which require a resolution authorizing full scale war. To date he has not done so.

As have many of my colleagues, I have traveled to the region. I have been briefed by General Clark, spoken to troops in the field and visited refugee camps in Albania. There is no question that our military personnel are the best in the world and are doing an outstanding job under extremely difficult circumstances. However, I have grave concerns over NATO's ability to salvage the humanitarian situation through aerial bombardment and its policy of war by committee. I know that Senator MCCAIN shares this latter concern. The United States led a coalition force during the Persian Gulf war. Yet in that war it was our military leaders and not politicians in Brussels who called the shots. Mr. President, we won the Persian Gulf war; we are not winning this war. My fear is that if we adopt this resolution now, it will be viewed as tacit approval of an overly bureaucratic and ineffective NATO command structure. The Senate can pass this resolution and authorize the President's ''. . . use of all necessary force and other means . . .'' but I fear the effect will be mitigated by the current command structure. It is a prerequisite that prior to any escalation of our involvement in this conflict, that NATO streamline its command structure and put professional soldiers back in charge.

A greater concern to me is the effect that this operation is having on the readiness of our military forces worldwide. Can we adequately defend South Korea, Taiwan, and Kuwait while waging a full scale war against Serbia? Some of the facts are alarming. We have no carrier battle group in the Western Pacific. The Air Force has committed one-third of its combat aircraft to the Balkans. The President has authorized the activation of over 33,000 reservists, including many Air National Guard tanker pilots from Birmingham, Alabama. The United States is still involved in an undeclared shooting war with Iraq. Last week, the administration informed the Appropriations Committee that the Nation's stated ability to simultaneously fight and win two major regional conflicts is tenuous at best. And finally, our intelligence resources are being stretched thin due to this crisis. In short, we are pushing the envelope of our military capabilities. It begs the question: Is there a vital national interest in the Balkans which necessitates a commitment of the bulk of our limited military assets and endangers longstanding strategic interests? I don't have the answer to that question. The answer must come from the President. He must make his case for war to the Congress and American people prior to the passage of any resolution authorizing full scale war. I urge him to do so. It is his duty as the Commander in Chief. The stakes are very high.

I close with a reaffirmation of my support for our military forces throughout the world, especially those personnel fighting in the Balkans. Like their predecessors throughout history, the Americans who today go in harm's way wearing the uniform of their country lead a noble pursuit. Their service is not just another job as some would have us believe. Regardless of the outcome of this vote, I pledge my continued support to those soldiers, sailors, airmen, marines, and Coast Guardsmen who are in the field as I speak today.

This resolution authorizes the President to, ''. . . use all necessary force and other means, in concert with United States allies, to accomplish United States and North Atlantic Treaty Organization objectives in the Federal Republic of Yugoslavia.'' I have no doubt that Senator MCCAIN knows what it takes to succeed in a military campaign. I am confident that our military leaders know what it takes to succeed in a military campaign. However, as of today, this administration has demonstrated neither the vital necessity for, nor the capacity to successfully prosecute, a full scale war in the Balkans. I urge the Commander in Chief to execute the duties of his office and make that case before Congress and the American people. Until he does so, I cannot in good conscience vote to support Joint Resolution 20.

Mr. HOLLINGS. Mr. President, Winston Churchill observed that the ''Balkans have produced more history than we can absorb locally.'' With that in mind, let's realize certain history necessary to judgment.

This was a civil war in a sovereign country. Last Spring it was escalating. The shooting of a Serb policeman on the corner and the resulting burning of Albanian homes on the block had mushroomed to three thousand KLA fighting for independence versus ten thousand Serbian troops massing on the Kosovo border. By Fall it had grown to ten thousand KLA versus forty thousand Serbs.

In walks Secretary of State Madeleine Albright in Rambouillet, announcing to Milosevic and the Kosovars that killing would have to stop; that there be a cooling off period for three years, then one man one vote. The intent was noble—to defend human rights. The dreadful massacre at the hands of the Serbs was met with equally savage conduct by the Albanians. The agreement instrument was intentionally vague to be interpreted by the Kosovars as a vote for independence. The important thing to remember is that Serbia-Montenegro is a sovereign country. Milosevic was selected as its head by its Parliament. In this civil war there was no good side. Today in total war there is no good side.

Another important point is that the proposed agreement was a non-starter—Milosevic could not agree any more to relinquishing Kosovo than Lincoln could the South—a so called free election in three years was a given in an area ninety percent Albanian and ten percent Serb.

According to the Carter Center in Atlanta there are twenty-two wars the world around—all civil. And over half more violent than Kosovo. The United States is a world power. To continue as a world power with sufficient credibility to extend our influence for freedom and individual rights we cannot venture into every human rights conflict. The American people will not support it—as evidenced by the vote in the Congress. And living in the real world we need to husband our integrity for the world concerns of Russia and its missiles, North Korea, peace in the Middle East and the like.

There is no national security threat to the United States in Kosovo. We have yet to have a national debate to determine that GIs are to be sacrificed for human rights.

The demand that Milosevic agree or be bombed into agreement was diplomacy at its worst. The Congress, the country and most of all the military were totally unprepared to pursue this threat. More importantly, as I learned in the artillery no matter how good the aim if the recoil is going to kill the gun crew, don't fire!

The following is the recoil: (A) A civil war has turned into one of national defense for Milosevic. When the U.S. went to national defense upon the attack on Pearl Harbor, the first order of business was to clear the west coast of all who were thought to be the enemy or sympathetic to the enemy. Over 110,000 Nisei, sixty-four percent of whom were U.S. citizens, were forced from their homes into internment camps. When NATO attacked, Milosevic's ethnic cleansing became enemy cleansing; 700,000 in three weeks. Milosevic never would have attempted this on his own save the NATO attack on his country. We have made Milosevic popular in his country.

(B) Unprepared to pursue a ground war, NATO has strengthened Milosevic's military control of Kosovo.

(C) In contrast, the KLA assumes NATO has taken its side in the civil war and now will want revenge no matter what happens. We have ignited further the historic flames of enmity.

(D) With no national security interest at stake, the overwhelming air invasion of the U.S. into a small European country appears arrogant and threatening to much of Europe. Russia, no longer a strategic threat in Europe, is now being revitalized into a strategic threat.

(E) A country half the size of South Carolina with half the population is being hit with forty bombardments a day. Like Viet Nam, we are destroying it in order to save it.

It appears to me the recoil is killing the gun crew. Once again we are told that bombing will soon cause the people of Serbia-Montenegro to arise and throw the rascals out. In 1944 while preparing to cross the Rhine I heard this about Hitler; then in Viet Nam about Ho Chi Min; then for the past seven years about Saddam. When will the State Department learn? When will we all learn that there is no ''win'' in Kosovo? At the moment we are not only losing the war, we are losing our integrity as a world power. This mistake must be brought to a close. While under orders, we all support our troops. But this is not the issue before us. Unfortunately, the policy in Kosovo is a split decision between the House and the Senate. We still debate to determine that policy. This is sad, but it's the reality. Under no circumstance should we sacrifice a single GI for this mistake and indecision.

I shall vote to table.

Mr. MURKOWSKI. Mr. President, I rise in support of the motion to table the resolution authorizing the President to use whatever force and means necessary to carry the military campaign against Yugoslavia to a successful conclusion. As written, this resolution would provide the President with blanket authority to wage this war, including the right to deploy ground troops in the Balkans. There are too many unanswered, if not ignored questions about this war. If the Senate were to give the President this blanket authorization, we would abrogate our responsibility to our troops and to the American people to get real answers to these questions.

First of all, what would constitute a ''successful conclusion'' to this war? Would it be the overthrow of Slobodan Milosevic and his government? Perhaps the removal of all Serbian troops from Kosovo and the subsequent return of all refugees to their homeland? Or would a successful conclusion to the war simply be forcing Milosevic to agree to the terms of the peace agreement which failed at Rambouillet? I, for one, do not feel this question has been sufficiently addressed, and I have a hunch that most, if not all of my colleagues would agree with this assessment.

Mr. President, even if we can agree to what would constitute a ''successful conclusion'' to the war, what else are we agreeing to? Surely the use of ground troops. But how many are we talking? 50,000? 100,000? 200,000? more? We have already committed our pilots to the conflict. But as to ground troops—I think this is an issue which mandates a separate Senate debate specifically on this issue. We owe it to the American people, and we surely owe this to the troops whose lives lay in the balance of this decision.

What about the costs of this operation? I do not think we have a clue what this will cost—in lives or in dollars. We know that the President has requested somewhere in the realm of $6 billion, but the actual floor debate hasn't even begun and the figure is already fluctuating between $8 and 13 billion.

There is another matter about this resolution, and about this war, which troubles me greatly. When the military completed its Quadrennial Defense Review (QDR), we were assured that our readiness state would allow us to successfully respond to two full scale wars at the same time. This would mean that although we are engaged in the air, and perhaps on the ground, in Kosovo, we would be ready to fight a full scale operation at the same time in another theater—the Korean Peninsula and Iraq come to mind as real possibilities.

Prior to the Kosovo operation, the Department of Defense assessed the risks associated with responding to a second major theater war as ''high.'' But now, because of our large commitment in the Balkans, and the fact that we are running dangerously low on cruise missiles and other munitions, our same military planners have changed this assessment to ''very high.'' If I understand this correctly, and I think I do, some of our own military strategists are concerned that our readiness is insufficient at this time to take on Milosevic and Saddam Hussein (Iraq) or Kim Jung-il (North Korea) at the same time.

Given this Administration's track record in dealing with Iraq and North Korea, I think we have a real problem on our hands. This is a catastrophe of virtually untellable proportions waiting to happen.

President Clinton has not asked the Congress for this blanket authorization on this war—and he continues to oppose the use of ground troops. While I strongly believe that it would be wrong for him to deploy ground troops absent clear Congressional authorization, I also do not believe that we should grant him this authority before he makes the request and the case for this authority.

On a final note, I want to congratulate Reverend Jesse Jackson for his efforts this past weekend, and convey my deep relief and pleasure that the three American soldiers were released and are now reunited with their families.

Mr. President, I support the motion to table, and urge my colleagues to do the same.

Mr. KERREY. Mr. President, I rise today to state my strong opposition to the McCain-Biden resolution currently pending before the Senate. I intend to vote to table this resolution.

I continue to have concerns about both the failure of diplomacy that led to the use of force in Kosovo and the current military strategy being employed. But now that U.S. Armed Forces are engaged, we should send a strong message of unity and determination to see the mission through. President Milosevic should know both the U.S. Senate and the American people remain committed to achieving our objectives.

I will vote to table S.J. Res. 20 for three reasons. First, the language contained in the resolution is too broad. I respect what Senators MCCAIN and BIDEN are trying to accomplish with this resolution; they are trying to increase the chance of success of our military operation. However, I do not support giving the President of the United States the authority to ''use all necessary force'' to accomplish our goals in Kosovo. I find it disturbing that the United States Senate is considering a resolution that would give the President more authority to exercise military force than he has requested. Passage of this resolution would be the equivalent of giving the President a blank check to operate militarily in Yugoslavia.

Secondly, passage of the resolution would abrogate Congressional responsibility for the conduct of this war. The Constitution provides the Congress with a clear role in the use of military force. While the President has consistently stated his belief that ground forces will not be used in a non-permissive environment, passage of this resolution would allow the President to reverse his position without prior Congressional authorization. To be clear, Mr. President, if this resolution were to pass, the President would be able to commit the full might of the U.S. military in Kosovo without first coming to the Congress and explaining the mission, without explaining the military objectives, without explaining the exit strategy, and without explaining how such a deployment would affect our military commitments around the world. Mr. President, the American people should expect more from their elected representatives; Congress should not surrender its Constitutional responsibilities in this matter.

Finally, I oppose the McCain-Biden resolution because it is the wrong legislative statement at the wrong time. While I recognize S.J. Res. 20 is before the Senate due to the parliamentary intricacies of the War Powers Act, it does not provide an appropriate starting point for a Senate debate. The truth is, the Senate is long-overdue in conducting a real debate over our role in Kosovo. What are our objectives? What are our long-term strategic interests in the Balkans? How do our military actions Kosovo affect our commitments to peace and stability throughout the world? These are the sort of fundamental questions we should be debating on the floor today. Rather than providing a starting point for discussing our policy options, the McCain-Biden resolution merely provides the final answer: the President knows best. This is not the statement I want to provide to the people of Nebraska.

I remain hopeful that the current air campaign will bring about a return to diplomacy. President Milosevic must realize that NATO's objectives—to stop the humanitarian tragedy in Kosovo, return the Kosovar people to their homes, and re-establish Kosovar autonomy—will be achieved. The only hope for the Serbian people is a negotiated settlement. In the mean time, the United States and our NATO allies should continue to apply pressure on the Serbian government while working with nations like Russia to establish the basis for a settlement. In the long-run, the United States and Europe are going to have to address the issues of peace and stability in the Balkans in a larger context of economic development and ethnic security.

Mr. President, Congress does have a role to play, both in the short-term discussion of our current military actions and in the long-term discussion of our broader policy in the Balkans. We must begin to talk about these issues in a serious manner or continue to face the prospect of having our decisions made for us as events pass us by. Mr. President, let's table the McCain-Biden resolution and begin a real debate on Kosovo and our national security interests.

Ms. LANDRIEU. Mr. President, Douglas MacArthur, one of this country's greatest military minds, stated ''it is fatal to enter any war without the will to win it.'' I believe that we are faced with that question today. Does this country have the will to win the war in Kosovo, or will the Atlantic Alliance become another fatality of Serbian aggression? We must pose this question to the Senate now because of a mistake. As NATO policy in Kosovo evolved, we made the mistake of taking a critical capability off the table. From the very start, the President and NATO leadership stated that this would be an air campaign, and an air campaign only. They went to great lengths to make this point to the press and to the public. Unfortunately, other ears were also listening. Slobodan Milosevic heard loud and clear that this would be a limited NATO effort. By doing so, we gave Milosevic every reason to doubt that NATO had the will to win.

Furthermore, we gave Mr. Milosevic a vital piece of intelligence on how we would fight this war. In doing so, we have inadvertently given him an advantage more valuable than divisions of soldiers, or batteries of antiaircraft guns. This information has allowed Milosevic to disperse his forces and dig in. He knows he has only to wait out the air campaign to win this war.

It is axiomatic that you cannot win a war by air power alone. We tried in Vietnam. We tried in Iraq, but when meeting an enemy determined to resist, airpower can only succeed with the use of ground troops. However, at the start of this war, we told Milosevic that he did not have to worry about ground troops. That is why he is so certain that this country and NATO do not have the will to win. Ask yourselves, how much more accommodating to NATO demands would Serbia be, if they knew we were preparing an invasion? Yesterday, Milosevic announced that he has over 100,000 troops in Kosovo. This is most likely a lie, but nevertheless, could Milosevic afford to have so many troops rounding up Kosovars if he knew NATO might invade? Of course not. One of the reasons that this man has been able to continue to perpetrate war crimes in Kosovo, is precisely because he has always known that he need not fear a ground war.

Mr. President, I believe it is high time that we rectify our mistake. Mr. Milosevic has underestimated the resolve of the United States and the resolve of NATO. We will see this war through to victory. The first step to victory is a very simple one. Mr. Milosevic must understand that this country will use all of its resources to prevail. No one doubts that we have the means to win the war in Kosovo, this resolution will also demonstrate that we have the will. It does not commit the United States to a ground war, but it does state that if a ground war is necessary for NATO to meet its objectives, we will fight a ground war. In

short, we will fight anywhere and anytime to accomplish this mission.

This country has faced dark days in Europe before. I think few people expressed the significance of that time better than Winston Churchill. When asked what were his goals for the war with Germany he said simply ''victory at all costs, victory in spite of all terror, victory however long and hard the road may be; for without victory there is no survival.''

I believe that if this Nation has learned any lesson from the twentieth century, it is that you do not win wars by half measures. Winston Churchill understood this. So do the American people. I hope that the Senate will demonstrate that it too understands this lesson, and will oppose tabling the McCain resolution today.

The PRESIDING OFFICER. The majority leader is recognized to move to table.

Mr. LOTT. Mr. President, I want to use my leader time to make a brief statement also.

Mr. President, I should begin by saying I understand the feeling of the sponsors of this resolution and I commend them for their dedication and their untiring efforts. But I would today, in dealing with this resolution, quote an ancient Greek historian who once said, ''Observe due measure, for right timing is in all things the most important factor.''

This resolution is out of sync with current events. There is no request for this action. NATO is not seeking additional authority. The President is not seeking additional authority. The Senate has already acted and expressed its support for the bombing campaign.

I have had my reservations about the President's policy from the beginning and I so voted; but it appears that perhaps the Administration has stopped deciding on targets by committee and that they are actually attacking targets that have greater value. We should allow that campaign to continue to work. This is the wrong language and it is at the wrong time. Currently, there seem to be some effort to find a negotiated settlement. We should encourage that.

But this language would go too far, beyond what I think the Senate is prepared to do and what is necessary and what has been requested. It authorizes the use of all necessary force and other means to prosecute this fight. That does include ground troops. I think the Senate would want to have a longer debate and want to discuss other options. For instance, when we were considering the timing of this resolution last week, we were exchanging language between the majority leader and the Democratic leader, to see if we could find language that would have broad, bipartisan support. That was interrupted by this resolution.

Let me review how we got here. This resolution was introduced weeks ago. And under the War Powers Act, it was the pending business as of last Friday. We cannot go to another matter, under the War Powers Act, once the Parliamentarian ruled that this language kicked into action the War Powers Act. So we had to either act on it or get an agreement to postpone it. I agreed and urged that we postpone it for a week or 10 days until we had some bipartisan language we could agree on. Senator MCCAIN agreed to that postponement. Senator DASCHLE indicated that he thought he could support that.

But, along the way, as Senators are entitled to do, there were objections to postponing it by unanimous consent. So we had to deal with this issue. My suggestion at that time was that we not get into a substantive debate, that we offer a procedural motion to set it aside until another time when we can better determine what is needed—if something different is required than what is already on the books, if something more is asked for by the President, or if we are ready to go forward with the War Powers Act or even a declaration of war. But I don't think we are there at this moment.

So we are forced to have this vote today. I would like to describe it as a procedural vote because I think it is. It is to table this resolution and to reserve the opportunity at some future date to have a vote on whether or not we want to give the President authority to prosecute this matter with all necessary force. I do not think that is where we are today. But I do want to say emphatically that I think the language is substantively excessive, not necessary, and uncalled for.

So, Mr. President, I urge our colleagues to support the motion to table and I so move to table the resolution. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the majority leader. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The result was announced, yeas 78, nays 22, as follows:

[Rollcall Vote No. 98 Leg.]

YEAS—78

| | | |
|---|---|---|
| Abraham | Collins | Gramm |
| Akaka | Conrad | Grams |
| Allard | Coverdell | Grassley |
| Ashcroft | Craig | Gregg |
| Baucus | Crapo | Harkin |
| Bennett | Daschle | Helms |
| Bingaman | Domenici | Hollings |
| Bond | Dorgan | Hutchinson |
| Boxer | Durbin | Hutchison |
| Breaux | Edwards | Inhofe |
| Brownback | Enzi | Jeffords |
| Bunning | Feingold | Johnson |
| Burns | Feinstein | Kennedy |
| Byrd | Fitzgerald | Kerrey |
| Campbell | Frist | Kohl |
| Chafee | Gorton | Kyl |
| Levin | Roberts | Specter |
| Lincoln | Rockefeller | Stevens |
| Lott | Roth | Thomas |
| Mikulski | Santorum | Thompson |
| Moynihan | Sarbanes | Thurmond |
| Murkowski | Schumer | Torricelli |
| Murray | Sessions | Voinovich |
| Nickles | Shelby | Warner |
| Reed | Smith (NH) | Wellstone |
| Reid | Snowe | Wyden |

NAYS—22

| | | |
|---|---|---|
| Bayh | Hagel | Lugar |
| Biden | Hatch | Mack |
| Bryan | Inouye | McCain |
| Cleland | Kerry | McConnell |
| Cochran | Landrieu | Robb |
| DeWine | Lautenberg | Smith (OR) |
| Dodd | Leahy | |
| Graham | Lieberman | |

The motion to lay on the table the joint resolution (S.J. Res. 20) was agreed to.

## FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The PRESIDING OFFICER (Mr. BUNNING). The motion to proceed to S. 900 is agreed to and the clerk will report.

The legislative assistant read as follows:

A bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Does the Senator from New Mexico wish to say something before we start?

Mr. President, I ask unanimous consent to yield to Senator DOMENICI and to reclaim my time when he is finished.

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

The Senator from New Mexico is recognized.

(The remarks of Mr. DOMENICI pertaining to the introduction of S. 951 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, let me try to outline the procedure that we have agreed to by unanimous consent as we begin the debate on financial services modernization. We have agreed to have opening statements. I guess we will assume that the rest of the morning will be used up in those opening statements. I will make an opening statement, the ranking member of the committee, Senator SARBANES, will make an opening statement, and then all those who would like to make an opening statement are encouraged to come to the floor and do those statements this morning.

Under the unanimous consent agreement, Senator SARBANES would then

offer a comprehensive substitute for the committee mark. That would be debated for the remainder of the morning—if there is any morning left when it is introduced—and this afternoon. When debate on that is completed, a vote would be set. It is my assumption, since we have colleagues from two States who have had a terrible natural disaster and have gone home this morning to assist in making the evaluations that will help us respond to that through our Federal emergency programs, my assumption is that we will set aside the vote until some time tomorrow when they can come back.

Under the unanimous consent agreement, at the end of the Sarbanes amendment, I, or my designee, would be recognized to offer two amendments. Those amendments will be offered and debated. And then, depending on where we are in terms of our colleagues coming back from their States that have had the natural disasters, we would begin the voting process.

The final part of the unanimous consent agreement would be a fourth amendment that Senator SARBANES, or his designee, would offer, and that would be an amendment that would strike the CRA provisions of the committee bill and insert the provisions related to CRA, which are in the Sarbanes substitute. That would get us four amendments into the process, and we would then begin the normal debate process where the floor would be open to those who seek recognition.

I know that it is the hope of our leadership that we would finish the bill this week. I don't see any reason that we can't do that. Let me say, as we begin this debate, I am willing to stay here late at night, through the night, if we need to in order to have a full debate on these issues. I think we all recognize that under the Senate rules everybody gets to have their say. Everybody gets an opportunity to offer amendments. I am hopeful that we can complete this process by Thursday. We have a long trail to follow to complete the bill.

As many people in the Senate are aware, the House has a divided jurisdiction. The House committee has acted on the bill, the Banking Committee; but the Commerce Committee, which has joint jurisdiction, is now in the process, on a bipartisan basis, of writing a bill that is very different. So I am hopeful that by this Thursday we can complete this bill and start moving toward conference and toward all the work that still lies before us.

I would be happy to yield to Senator SARBANES.

Mr. SARBANES. Mr. President, I just want to underscore a couple of the things that the able chairman of the committee just stated. This is a partial agreement that was worked out and was an effort to get the Senate into its consideration of the bill in an orderly and prompt manner. I think it will accomplish that.

A number of colleagues asked me during the last vote about making opening statements. I indicated that the chairman would be making an opening statement, and I would make one, and then the floor would be open for opening statements. We hope we can complete those, I assume, this morning before we take a break for the conference luncheons, and then we would be able to move on to the substitute amendment in the afternoon.

So we hope Members will try to keep this schedule in mind and come over sometime during the morning here. I know a number have left to go to committee meetings, but they said they wanted to come back in order to make an opening statement. We want to try to accommodate our colleagues in that regard.

On the vote schedule, I think we will have to work that out on the basis of the people who are away, so that we can accommodate everyone in terms of being able to vote, which I assume will be sometime tomorrow, as I understand it.

Mr. GRAMM. Mr. President, I think that is right. Some time between noon and 4 o'clock is the word that I received.

Mr. SARBANES. We will have to discuss that, because I think we may have a little problem with that. We may need to extend that a little bit.

Mr. GRAMM. I don't see any reason why we can't accommodate each other. We want to have a full debate. Much of the essence of the differences that exist are embodied in the first and fourth amendments. I think having a full debate is what we should do. I think it is important that people understand the issues, and I can certainly say, from my point of view, I think the better people understand these issues, the better off we are.

We are here to debate the most important banking bill in 60 years today. This bill would dramatically change the American financial system. It would knock down existing barriers that separate insurance and banking and separate securities and banking. It would create a new financial institution in America, which would still be a bank or a bank holding company, would still have the same structure, but it would be a very different institution, and it would be basically a supermarket for financial services.

Let me say, in going into the process, that my goal is to put together a bill that will provide greater diversity and financial services at a lower price to American consumers. If this bill does not meet the test of providing benefit in terms of a greater diversity and availability of product, if it doesn't meet the test of providing a lower cost for those products, for the people who do the work and pay the taxes and pull the wagon in America, then it would be my view that we have failed in this bill. That, I think, is the test that we need to use in order to judge our success or lack thereof on this bill.

In terms of barriers erected between insurance and banking and between securities and banking, most of these barriers erected in the 1920s and 1930s, what has happened that has really brought us to this point in terms of legislating this dramatic change in the American financial system is that, over time, these barriers have stopped looking like barriers, and now they look like little slices of Swiss cheese. They have large and small holes in them, some created by innovative regulators, some created by the growth of practice and convention. But the net result is that after fighting each other for 50 years to try to keep other industries out of their individual portion of the financial services industry, these three great economic forces in the American economy—the insurance industry, the banking industry, and the securities industry—have basically concluded that they would be better off in terms of an open field of competition and greater able to meet the needs of their consumers if we simply took down these barriers.

Also students of this problem—no matter what their persuasion within limits at the beginning of the debate—have concluded that the instability that exists in allowing these walls that divide these three major financial industries to continue to stand, knowing that these walls have, because of the holes in them, produced this instability and produced an unstable structure in many cases—the basic conclusion has been reached by virtually everyone engaged in the debate that we would be better off to take down these barriers than to leave them standing as they are. The debate today is not about the changes that we make in the name of financial services modernization.

That is why I believe and hope that in the end we can reach a consensus where at least 51 Members of the Senate—hopefully more—will vote for the final product of this deliberation.

What we are debating is not about what changes are to be made, but how to make those changes. That really involves basically two areas, and they will be the focal point of this debate.

The first area is the question of where these new financial services should be provided. Should these new financial services be provided within the bank itself, within the legal structure of the bank, and what capital that is invested in these new parts of the financial services industry will count as the capital of the bank itself? Or should these new financial services be provided by affiliates of holding companies outside the bank?

This is a fundamentally important question. It is a question where we

have great differences of opinion. It is a question that the Chairman of the Federal Reserve Board, Alan Greenspan, believes is so important that he has said in testimony before the House Commerce Committee that if we had a bill that allowed banks to provide these expanded services within the bank itself, that bill would be so dangerous in terms of providing an unlevel playing surface—in terms of encouraging artificially the concentration of securities products being sold and serviced inside the bank—and the safety and soundness dangers with the Federal Deposit Insurance Corporation would be so great, that he and every member of the Board of Governors of the Federal Reserve Board have taken a position that it would be better to pass no financial services modernization than to undertake to allow banks to provide these new services within the bank itself.

The White House and the Treasury have taken exactly the opposite position—they favor a bill where banks can provide these services within the legal structure of the bank.

It is my understanding—I have not seen it, but it is my understanding—that we have another veto threat from the President. The number of items the President is threatening to veto has grown, and now we have gone from four items in his first letter to six items, some of which, it is my understanding, would also apply to the Sarbanes substitute and to the House bill, further raising some question about the administration's degree of seriousness about this bill.

That is our first issue. Should banks provide the new expanded financial services within the structure of the bank itself, or should they be forced to take capital out of the bank and invest it through their holding company in these separate and independent entities that, while affiliated with the bank holding company, will be independent of the bank?

That is probably the most important issue that we will vote on. I will say more about it later in my opening statement. You will hear a lot more about it as we get further into the debate.

Inevitably in a big bill like this, subsidiary issues take on great importance. One issue that has taken on very great importance in this bill is community reinvestment. I will talk more about this later when we turn to these two areas of dispute.

But let me say the real question here boils down to this simple question: Should we have a massive expansion in CRA and CRA enforcement and with it a massive expansion in regulatory burden, or should we reform the existing program to try to eliminate the growing abuse that is occurring in that program and the growing regulatory burden that exists in that program?

That will be the second major issue that we will deal with as part of this bill.

Before I turn to a discussion about what the underlying committee bill does, I just want to say a few words of thanks to people that have been important in putting this bill together.

I first want to thank Senator BRYAN and Senator JOHNSON for their help in committee in making many elements of this bill a bipartisan bill.

I joined with Senator BRYAN to adopt a provision related to how banks would sell insurance.

I thank Senator JOHNSON from South Dakota, who joined with Senator SHELBY in supporting an amendment to exempt very small rural banks from the regulatory burden of CRA.

I think the action by these two Senators really set a standard that we ought to work to meet in the rest of this bill.

I thank my Republican colleagues who sat through many long seminars on financial services modernization, for lack of a better term. I thank them for doing this with a minimum of complaint. I think the net result is that by and large the Republican members of the Banking Committee understand this issue better than we did when this issue was discussed last year. I think the net result is that we have a better bill.

I would like to thank all of my staff on the majority side of the committee. But I especially want to thank our staff director, Wayne Abernathy, our chief counsel, Linda Lord, and our financial economist, Steve McMillin, for all the work they have done on this bill and the work that they have done to make the bill better.

Finally, let me just express a regret. I regret that I have not done a better job in working with Senator SARBANES. We have had a difficult time in working together to forge a bipartisan bill. Some of this is inevitable, I think. Some of it is not. I just want to say that my inability to work with Senator SARBANES on this bill is something that I regret. I have the highest regard for his intellect and his sincerity on these issues. And while he and I do not agree on many of these issues, I don't doubt for a moment that he understands the issues and he is sincere about the position he has taken.

I think that is one of the reasons it is very hard to work out some of these issues, because, as Thomas Jefferson observed long ago, good men with good intentions in a free society often reach different conclusions. When that happens, the best we can do is to simply plow ahead. And that is what we are doing here.

Let me try to run through very quickly what I believe are the major elements in the Financial Services Modernization Act of 1999 as reported by the Senate Banking Committee. First, this bill repeals Glass-Steagall. It knocks down the barriers between insurance and banking and between securities and banking. It chooses to do this for the vast majority of the capital in the banking industry through affiliates of bank holding companies. This bill makes the decision that it is unwise and dangerous to allow large banks to provide these expanded services within the structure of the bank itself.

The majority of the members of the committee concluded that Chairman Greenspan is right, that there are strong safety and soundness arguments against allowing banks to provide these expanded services within the structure of the bank itself and that this endangers the taxpayer through the Federal Deposit Insurance Corporation.

Additionally, the majority of the members of the committee were convinced that to give banks the ability to sell these financial products within the structure of the bank, and therefore to give them the ability to internalize the inherent subsidies that are built into FDIC insurance, plus the ability of banks to borrow from the Fed window at the lowest interest rates in the country and use the Fed wire, that these implicit subsidies—which the Federal Reserve Board has estimated to be as high as 12 basis points—would be big enough to assure over time to virtually guarantee a massive degree of economic concentration, concentration whereby banks would end up dominating these markets—not because they are more inherently efficient but because they would have the advantage of the subsidies that come from undertaking these provisions within the bank.

This view was very broadly held last year. Senator SARBANES, in the bill he supported, supported this position last year. This was the position of the House bill last year. Now we have a debate as to whether or not the Congress, the Senate committee and the House itself, should reverse its position. This is not a partisan issue. I don't know how the votes are going to fall, and I know partisanship has really entered into this area. Historically, on issues like this there has been a great division on a bipartisan basis.

Congressman JOHN DINGELL, who is the ranking Democrat on the House Commerce Committee that has joint jurisdiction on this issue, has taken a very strong position that he will oppose the bill if banks are allowed to provide these services within the structure of the bank itself. It is clear that the House Commerce Committee is going to take the position of the Senate bill. This is clearly a very important issue.

An effort was made in the Senate Banking Committee to try to reach a compromise on this issue, to let very

small banks that in general are not big enough to operate holding companies efficiently, yet might in a very small way want to get into other financial services such as securities and insurance—we set out a dividing line of $1 billion of assets and below for smaller banks that together when added up comprise about 18 percent of the capital of our banking system, that we would allow them to use operating subsidiaries, but with special accounting rules so they could expand services and not be precluded from the activity based on their size. However, we require any bank with assets over $1 billion or that has a holding company to use subsidiaries of holding companies so that these services are provided outside the bank.

We allow banks to underwrite municipal revenue bonds. We follow functional regulations so that whatever industry you are in, no matter what name is on your marquee, and no matter what business it is associated with, you will be regulated by the regulators who regulate that particular type of activity. We make a strong effort to reduce regulatory burden and streamline the process by giving the Federal Reserve Board the umbrella supervisory ability but requiring them in most instances to use the audits of other agencies.

The committee bill takes a very strong position in reaffirming the State regulation of the insurance business. We reaffirm that McCarran-Ferguson is the law of the land, and we require that any institution that is selling insurance in any State comply with the licensing requirements of that State. Our requirement on the State is simply that they have nondiscriminatory requirements.

We expand the resolution process, knowing that in the future there will be debate about what products are insurance products or banking products or securities products. We have a resolution process. Then we give equal standing to the contesting regulators before the court. We go to extra lengths to protect small banks and their trust departments.

Between 15 percent and 20 percent of the income of many small banks comes from trust departments. There is a very real concern that banks which are providing trust functions that might never get into financial services modernization, that might never open up a securities affiliate or op-sub could find themselves regulated by the Securities and Exchange Commission and have a dual regulatory burden, are being forced to set up an op-sub or set up a subsidiary simply to continue to do the same things in their trust department that they have always done.

We have a very strong provision to protect these small banks, and basically have the preemptive provision that if a bank is providing the service in a trust department today that they cannot be required to set up a separate entity to conduct those same services.

We have two CRA provisions in the bill. The first provision has to do with integrity. It is a very simple provision. Unfortunately, in this debate one of my great frustrations is that many people don't want to debate the issue before the Senate. As almost always happens in these cases, especially when you have an emotionally charged issue, people change the subject; they set up straw men and knock them down.

Let me make it clear that nothing in this bill in any way repeals CRA. This bill, as reported by the Senate Banking Committee, does two things in CRA. First, it has an integrity provision which says if banks have historically been in compliance with CRA, if in their annual evaluations they have been found to be in compliance not once, not twice, but three times in a row, if they are currently in compliance, then if protest groups or objectors want to come in and object to a bank action, then objector or protester has to present some substantial evidence to suggest that the bank—which has been in compliance 3 years in a row and is currently deemed to be in compliance—is out of compliance.

As I will discuss in just a moment, we have a long history of case law as it relates to what ''substantial evidence'' means. But that is the first requirement. It is simply an integrity requirement. It says that if you are in compliance with CRA and you have a long history of being in compliance, someone can't rush in at the last minute on a major bank merger, where hundreds of millions of dollars are at stake, and say they want to undertake a merger and file a protest saying that these two banks are racist or these two banks are loan sharks. These are words that have been used by people who filed these protests—without presenting one scintilla of evidence. In fact, one of the definitions of substantial evidence is ''more than a single scintilla of evidence.''

So this amendment simply says, if you are going to try to prevent a bank from doing something that it has been certified historically on a continuing basis as being in compliance to do, you have to present some substantial evidence to suggest that all these evaluations have been wrong or that something has happened since the last evaluation.

I do not understand, personally, why anyone would object to that amendment. We already require in case law that the decisions of administrators at the Federal level be based on substantial evidence. So we are really requiring by statute what is already required under case law, and I will talk about that a little more in just a moment.

Our second amendment exempts very small, rural banks from CRA. These are banks that have less than $100 million of assets. These are banks that often have between 6 and 10 employees. And these are banks that are outside standard metropolitan areas. I will talk more in a minute about the regulatory burden that is imposed by CRA on these very small banks, but since many figures have been used by people who have been critical of this proposal, let me say that while 38 percent of the banks and S&Ls in America are very small, rural institutions, together they have only 2.7 percent of the capital that is contained in our banking system nationwide. The basic argument here, which has strong roots in existing banking law and which is supported, to some degree on a bipartisan basis, is that these very small, very rural banks that do not have a city to serve, in most cases, much less an inner city, should not have massive regulatory burden imposed on them through CRA.

The next provision of the bill is that we eliminate the SAIF special reserve fund, allowing that money to go into the SAIF itself.

We cut off the unitary thrift holding company provision. This is a controversial issue. It will be debated. Let me just give a brief summary of the thinking of the majority of the members of the Banking Committee on this issue. Current law permits commercial companies to own an S&L. This is called a unitary thrift, and a decision was made in our bill to end this provision.

So, then the question is what are you going to do about commercial entities that already own S&Ls? The decision we made was to cut off, effective as of the date that we introduced the committee mark, any further applications for a commercial company to own an S&L, so that all of those applications which were filed prior to that date can be evaluated by the Federal regulator, but no new applications would be allowed.

There is a second question as to whether we should go so far as to limit the ability of commercial entities that already have thrifts to sell their thrift to another commercial interest. The majority of the members of the Banking Committee concluded that we could go as far as not allowing any new entities to come into existence. But an ex post facto law that goes back and changes the rules that thrifts operate on, after people have already invested their money—many of these entities came in and made investments of hard money during the S&L crisis; many of these commercial entities were encouraged to invest this money and in doing so they saved the taxpayer literally billions of dollars—and to come in now and say not only are we not going to allow any more unitary thrifts to come into existence, something that this bill supports, but we are going to limit what you can do with the thrift you already have, we believe that runs afoul

of the takings provision of the fifth amendment of the Constitution.

We think it is very important to be aware of that conflict with the Constitution because recently savings and loans have filed suit against the Federal Government based on another bill, FIRREA, where Congress, on an ex post facto basis, went back and took back provisions when these companies entered into a contract with the Federal Government. And we are now told, based on a ruling by the Supreme Court, that we can expect billions of dollars of payments to these S&Ls because the Federal Government has breached its contract. We have set out a line that we are not willing to go over, and that line is we are not willing to violate the Constitution.

We have provisions that allow community banks of less than $500 million to be members of and to use the Federal Home Loan Bank. We also allow them to use small business, small farm and small agriculture lending as collateral for loans, and we believe this will improve the liquidity of small banks and their ability to serve their communities.

We have a 3-year freeze on existing FICO assessment. We are discussing this issue at great length, but basically when we made a decision to move the two insurance rates to the same level, there was also a discussion about merging the two insurance funds. But Congress never acted on that issue. The majority of the members of the committee in our underlying bill believed there ought to be a discussion about that issue and that we ought to make a decision on that issue.

Finally, in terms of the bill itself, we mandate a major GAO study of subchapter S corporations that are engaged in the banking business as a first step toward changing the way we tax very small banks. Many of our colleagues will remember that last year we were able to allow small banks with fewer than 75 shareholders to be taxed as individuals under subchapter S. We are now trying to expand that out to 150 shareholders. This is a very important provision for small banks.

Let me review briefly the two major issues of contention in the bill. Operating subs versus affiliates; Chairman Greenspan and all former living Chairmen of the Federal Reserve Board and most former Secretaries of the Treasury have argued that it is unwise and dangerous to let banks provide these broad financial services within the structure of the bank itself; that they should be required to separate securities, separate insurance, separate these other industries from the capital of the bank itself because the bank is insured by the American taxpayer. So the first argument is a safety and soundness argument. The second argument is that the implicit subsidies to banks will give them an unfair advantage in providing these services if they are allowed to do them within the bank.

I just want to read a couple of quotes from Alan Greenspan. This is Alan Greenspan in his April 28 testimony before the House Commerce Committee. ''I and my colleagues''—and by ''colleagues'' he means every member of the Board of Governors of the Federal Reserve Board. I want to remind our colleagues, meaning Senators, that most of those members of the Federal Reserve Board were appointed by Bill Clinton, by this President. Chairman Greenspan said:

> I and my colleagues accordingly are firmly of the view that the long-term stability of U.S. financial markets and the interest of the American taxpayer would be better served by no financial services modernization bill, rather than one that allows the proposed new activities to be conducted by the bank as proposed in H.R. 10.

And I would say in the Sarbanes-Daschle substitute.

In other words, every member of the Board of Governors of the Federal Reserve Board says that for the safety of the taxpayer in FDIC insurance, and for the general competitiveness of the economy, if we had a choice between letting banks provide these broad services within the bank or having no bill at all, they unanimously would prefer having no bill rather than doing it the wrong way, as they concluded.

Greenspan goes on to say that allowing these services to be provided within the bank ''leads to greater risks for the deposit insurance funds and for the taxpayer.''

Secondly, John Dingell, long-time chairman of the House Commerce Committee and, in the minds of many, the most influential Democrat in the House of Representatives, has said that, ''absent significant changes in H.R. 10''—that is, the House bill, and the same provisions are in the Sarbanes substitute—''that I will be compelled to oppose this bill with every bit of strength I have.''

So this is a very important issue and an issue which we will vote on as part of the general substitute that will be voted on first, and then perhaps we will vote on again.

Let me turn to a discussion of CRA. Most people think of the Community Reinvestment Act as being a very small program. And it was a very small program until 1992.

In 1977, Senator Proxmire put a little provision in a housing bill that nominally required banks to make loans in the communities where they collected deposits. A North Carolina Democrat objected to the provision. There was a vote to strip it out of the bill, and the vote failed on a 7–7 tie. This so-called CRA provision went on to become the law of the country and became far more important than the bill to which it was attached.

Prior to 1992, if you added up all the CRA agreements and all the bank capital allocated by the CRA requirements, these provisions had allocated only about $42 billion worth of capital.

Today, 6 years later, CRA is allocating $694 billion in 1 year. That is loans, that is commitments to lend, and that is hard cash payments. To put this in perspective, that is bigger than the gross domestic product of Canada. It is bigger than the combined assets of General Motors, Ford, and Chrysler. It is bigger than the total discretionary Federal budget of the U.S. Government.

Especially troubling is the $9 billion of cash payments which have been made as part of CRA agreements.

In 1977, nobody ever contemplated that under a requirement of law which required banks to meet credit needs of the communities where they collected deposits that someday banks would pay out and commit $9 billion of cash payments as part of this process.

Let me explain these cash payments: As part of every CRA agreement we have been able to obtain, there is a requirement that the banks pay cash to individual protesters and protest groups, in return for which they generally sign an agreement that they will withdraw their objection to the banks taking the activity which they objected to.

Our provisions relating to CRA are very simple. Let me begin with the integrity provision.

Under current law—or under current practice, because the law is a very general law—it is possible for a protest group, say, in Boston to protest a bank merger in Illinois and, in essence, not go away until its ''expenses'' in a cash payment to it are made.

It has now become fairly common for protest groups from one State or region to protest bank actions in another State or region, entering into the process to file a complaint or to threaten a complaint. But often official complaints are not filed. You are going to hear figures about there being complaints in only 1 percent of the bank applications. Remember, most applications are only to close or open a branch. The big applications are merger applications, and one of the reasons we have had an explosion in CRA and the cash payments in the last 6 years is from these mergers.

None of these agreements is public—every agreement we have seen, and we now have three that I have read, and we are getting more every day—every one of them requires the bank to keep the agreement private, so no one knows what percentage of the face value of the loan goes to the community group in a cash payment. No one knows how much in direct payments occurs. No one knows how much the community group collects in classes, say, that it makes the borrowers go to and then pay it cash money.

But basically our first amendment tries to deal with the following problem: The last-minute protest, or where the protester does not file with the Comptroller of the Currency but simply goes to the bank in question and says, ''Look, I'm going to file this complaint. Here is a letter that I'm going to send to the Comptroller of the Currency calling you a racist and calling you a loan shark. And these are the protests that I'm going to hold in these various locations. And I wanted to see, before I did all this stuff, if you were willing to 'comply' with the law.''

Basically what is happening in these cases is, there is immense pressure on the bank to make a cash payment or to enter into some kind of agreement in order to be able to move forward on their merger.

Here is what our amendment says. If a bank has been in compliance with CRA—the bank has been evaluated by any of the Federal regulators who have jurisdiction to come to the bank, evaluate it, review its records, and determine that it is complying with CRA—if the bank has complied 3 years in a row, and if it is currently in compliance, then a protester is not precluded from protesting. You are going to hear some people say this is a safe harbor. It is not a safe harbor. Legally, it is a rebuttable presumption. The bank is assumed to be in compliance if it has been in compliance three times in a row and is deemed by its regulators in compliance now, unless the protester or protest group can present substantial evidence of noncompliance.

Now, what does ''substantial evidence'' mean and where does the term come from? Substantial evidence is referenced 900 times in the United States Code. It is probably the best defined legal term in the American system of jurisprudence. There have been 400 major cases defining what substantial evidence means.

Title 5 of the United States Code relating to administrative law—that is, how agencies function—already requires that agency action be based upon substantial evidence, not on arbitrary or capricious action. So the reality is, it is already the law that bank regulators should be using this standard right now for evaluating CRA. In fact, all banking laws and procedures and the judicial review of all banking laws and all banking procedures use one standard—substantial evidence.

Now, what does substantial evidence mean? I have a good counsel, and she has gone back and researched all these 900 laws and all of these court rulings. Here is what substantial evidence means. In order for a protester to stop a bank merger or have its protest become a formal part of the consideration for a bank application, the protester must present substantial evidence that the bank is either not in compliance or won't be in compliance after its action.

Now, what does substantial evidence mean? It means ''more than a mere scintilla.'' In other words, you have a bank that is engaged in a transaction where it could literally lose $100 million a day by being unable to consummate its agreement, and the standard that we require for you as an individual to come in and throw a rock in the gear and potentially stop this whole process is that you have to present more than a mere scintilla of evidence that this bank, with a long history of compliance, where the regulators say it is in compliance right now, all you have to do is present more than a mere scintilla of evidence that in fact the bank is not in compliance.

Now, what is onerous about that? In fact, should we have a procedure in a free society where professional protesters, without presenting a mere scintilla of evidence, can literally hold up institutions and potentially impose hundreds of millions of dollars of costs on them and their customers without presenting a scintilla of evidence? Who could be against that proposal?

A second definition defined in case law and in statute is, such relevant evidence as a reasonable mind might—it doesn't say ''has to''—accept as adequate to support a claim; real, material, not seeming or imaginary; considerable in amount, value, and worth.

So I ask my colleagues and anybody who might be interested in this debate, is it unreasonable for a bank which has historically been in compliance with the CRA law, has been meeting the requirements as judged by the regulators who have responsibility for judging, having been in compliance 3 years in a row, being in compliance now, if somebody wants to come in and prevent them from doing things which the regulator has already judged in their last evaluation that at least as of that point they were in compliance with the law to allow them to do that, is it unreasonable to ask that they present at least one scintilla of evidence, that they present evidence that a reasonable mind might accept as adequate to support a claim, that their evidence be real, material and not seeming or imaginary, or that it be considerable in amount, value, and worth? How could anyone think that standard is too high?

The second issue related to CRA has to do with small banks. Small banks in rural areas have a very small percentage of the capital that is available in the American banking system—about 2.7 percent. But I think of greater importance is the following figure, and I think it proves one thing conclusively: Small banks in communities that are outside metropolitan areas—that is, generally don't even have a city much less an inner city—are doing an excellent job of serving their communities.

Since 1990, there have been 16,380 CRA exams on small, rural banks. Many of the small bankers from all over America who have written the Banking Committee have estimated that CRA compliance costs them about $60- to $80,000 a year. They have to name a CRA compliance officer. Many of these banks have between 6 and 10 employees. By the time they do all the paperwork and comply with all of the regulations, by the time they name a CRA compliance officer—normally that is the president of the bank—they are having to pay between $60- and $80,000 a year to comply. Sixteen thousand, three hundred and eighty of them have been examined for CRA compliance since 1990, and only three small rural banks and S&Ls have been deemed to be out of compliance. That is, 3/100 of 1 percent of the evaluations have turned up just three small banks and small S&Ls in rural areas that are out of compliance.

In return for having turned up 3 supposed bad actors, you have had 16,380 evaluations, 40 percent of the entire enforcement mechanism for CRA. What I do not understand is why CRA advocates don't want to take that enforcement and put it where the money is, in the urban areas and in the big banks.

I have numerous letters—and I will read some of them—from small bankers, several of whom have been Federal regulators enforcing these very laws in the past, outlining how hard it is for them to comply with these regulations and that they are already lending to everybody in town just to stay in business. These are very small communities, and they have a very small lending base.

Now, I have spent a lot of time going through these issues, but I think they are important issues. I look forward to debating this issue. I hope we can pass a good bill. I agree with Alan Greenspan and I agree with every one of the Board of Governors of the Federal Reserve Board, however, on one point: It is better to have no bill than to have a bad bill.

I want a bill that is going to promote competition, not reduce it. I want a bill that is going to reduce regulation and redtape and cost, not increase it. I want a bill that is going to expand financial services, not reduce them. I want a bill that is going to lower the costs of financial services, not increase them. I believe we have such a bill before the Senate.

I hope my colleagues will listen very carefully to the debate. I hope they will enter it with open, not necessarily empty, minds. I think if they listen to the two major issues we are going to debate—and those issues are: Should banks provide these expanded services within a bank, or should they have to provide it outside the bank structure?—and as they listen to the issue about whether or not we want integrity and relevance in CRA, which has become, now, the largest program undertaken by the Federal Government, if

measured against direct government spending.

It seems to me that the conclusions they will reach are obvious, and in reaching those conclusions we will have the additional benefit of passing a bill that will expand financial services and reduce costs. I thank my colleagues for their patience.

I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland.

Mr. SARBANES. Mr. President, for the fourth time in 11 years, the Senate is debating legislation to modernize the structure of the financial services industry. We are addressing this issue because we want our financial services statutes to keep pace with forces that are changing the financial marketplace, forces such as globalization, technological change, and the development of new products.

Many experts agree that the time has come to allow affiliations between banks, securities firms, and insurance companies; in other words, those actors within the financial services industry that heretofore have been kept separate by existing statutes—although those statutes have, to some extent, been eroded either by regulatory decisions or by court decisions. It is, therefore, felt that financial services modernization legislation would be useful in helping to set the structure within which financial institutions are to operate, to provide a certainty and a stability that is now missing under the existing arrangements, and which is not altogether clear along the borderline of what activities are permitted and what activities are not permitted.

Now, we have not only no objection, we are supportive of the effort to allow these affiliations to take place within the financial services industry. Therefore, we are anxious to obtain the enactment of financial services modernization legislation. However, it is important, in the course of doing that, that we achieve or preserve certain important goals: obviously, the safety and soundness of the financial system; the continuing access to credit for all communities in our country; protecting consumers, who, after all, are Mr. and Mrs. America. We are concerned that in this effort to create a new structure we don't lose sight of the very specific problems that relate to the ordinary American with respect to credit; and finally, maintaining the separation of banking and commerce. There are some who would like to cross that line as well, but we think that would be a great mistake to do that.

Now, just a little bit of history here. Last year, every Democratic member of the Senate Banking Committee voted for financial services modernization in the form of what was then referred to as H.R. 10, the Financial Services Act of 1998. That bill was reported by the Senate Banking Committee on a bipartisan vote of 16–2. So there was a joint bipartisan effort last year, to try to obtain enactment of financial services modernization legislation, which didn't prove out—unfortunately, in my view.

Now, this year, unfortunately, the bill brought out of the Committee was on a vote of 11–9, a straight party vote, which I regret. I particularly regret that, since last year we were able to bring a bill out on a 16–2 vote, which, in effect, was a very strong bipartisan statement. That obviously raises the question: Why this dramatic change from last year to this year? I think, very simply, it is because the bill brought to the Senate now, S. 900, does not meet the important goals that I set out earlier of continuing access to credit for all communities in our country, protecting consumers, and maintaining the separation of banking and commerce.

Before this year, the efforts of the Banking Committee to modernize financial services,—in other words, taking earlier efforts to which I referred, in which we moved legislation out and, on occasion, even moved it through the Senate, but weren't able to get it passed in the House—those efforts were, in each instance, bipartisan efforts. We reported legislation with support from both sides of the aisle. That effort, of course, earlier on, and certainly last year, reflected compromises among Committee members and among industry groups on a wide range of issues and, in fact, last year's bill was not opposed by a single major financial services industry association.

Now, this year, the consensus so carefully developed last year has been abandoned. That decision, of course, has made this bill a controversial one and has led to opposition to it. As I indicated, all of the Members on this side of the aisle in the Committee opposed the Committee bill. Some financial industry groups oppose aspects of the Committee bill. Civil rights groups, community groups, consumer organizations, and local government officials also strongly oppose the Committee bill, especially with respect to the Community Reinvestment Act provision, which is an extremely important issue, as Members are well aware.

Lastly, let me note, because it is highly relevant to the process in which we find ourselves, that the White House—the President himself—strongly opposes this legislation. The President sent a letter to the Committee at the time of the markup, saying:

> This administration has been a strong proponent of financial legislation that would reduce costs and increase access to financial services for consumers, businesses and communities. Nevertheless, we cannot support the Financial Services Modernization Act of 1999, as currently proposed by Chairman GRAMM, now pending before the Senate Banking Committee.

They then go on to indicate their difficulties with the Community Reinvestment Act provisions, noting that:

> It is a law that has helped to build homes, create jobs and restore hopes in communities across America.

They reference that:

> The bill would deny financial services firms the freedom to organize themselves in the way that best serves their customers, prohibits a structure with proven advantages for safety and soundness, which is the op-sub affiliate issue.
>
> The bill would provide inadequate consumer protections and, finally, the bill could expand the ability of depository institutions and non-financial firms to affiliate at a time when experience around the world suggests the need for caution in this area.

The President concludes that letter by saying:

> I agree that reform of the laws governing our Nation's financial services industry would promote the public interest. However, I will veto the financial services modernization act if it is presented to me in its current form.

I ask unanimous consent that the President's letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. ENZI). Without objection, it is so ordered.

(See Exhibit 1.)

Mr. SARBANES. Mr. President, the administration has also just submitted a Statement of Administration Policy, which starts out:

> The Administration strongly opposes S. 900, which would revise laws governing the financial services industry. This Administration has been a strong proponent of financial modernization legislation that would best serve the interests of consumers, businesses, and communities, while protecting the safety and soundness of our financial system. Consequently, it supports the bill's repeal of the Glass-Steagall Act's prohibition on banks affiliating with securities firms and of the Bank Holding Company Act's prohibitions on insurance underwriting. Nevertheless, because of crucial flaws in the bill, the President has stated that, if the bill were presented to him in its current form, he would veto it.

And then it enumerates their concerns with the bill, most of which repeat the points made in the President's letter to the Committee of March 2.

Mr. President, I ask unanimous consent that this Statement of Administration Policy be printed in the RECORD at the conclusion of my remarks, and following the letter from the President to the Committee.

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

(See Exhibit 2.)

Mr. SARBANES. Mr. President, my colleague from Texas, the chairman of the Committee, indicated in his remarks that he had doubts about the administration's seriousness about the bill. I don't quite know where those doubts come from. But let me simply say that I don't think they could be more serious about it than they have

indicated, and I know the very strong feeling that the Secretary of Treasury and indeed the President hold on a number of these issues that we are debating here and seeking to try to resolve on the floor of the U.S. Senate.

We have this situation where it is clear that unless these concerns enumerated and expressed by the President are resolved in a favorable way we are heading down a path towards a veto. That doesn't seem to me to be the most constructive or productive path on which to proceed in terms of trying to enact legislation.

The Democratic Members of the Banking Committee have joined with Senator DASCHLE in introducing Senate bill 753, the Financial Services Act of 1999. That bill largely encompasses the compromises that were developed last year in the bipartisan legislation.

It differs in one important respect, and that is with respect to the bank operating subsidiary provisions. I will discuss those in a little more detail shortly. But that alternative which reflects essentially last year's bipartisan agreement will be offered as an amendment in a the nature of a substitute to S. 900.

That in fact will be the first amendment that will be offered. And obviously we expect to do that at the conclusion of opening statements when Members have had an opportunity to make their opening statements. We expect them to go to the alternative, and we will discuss it obviously in some detail. It is I think a very important proposal.

If in fact the alternative were substituted for the bill we would be well on the way to getting legislation enacted into law, because it would remove the veto threat at the end of this path and would in effect put the Senate essentially in the same ballpark, although not exactly, with where the House Banking Committee was when it reported out, on a vote of 51 to 8, a bipartisan piece of legislation.

It is quite true that bill now has to go through the House Commerce Committee because of the division of jurisdiction on the House side, and presumably differences between how the House Commerce Committee sees issues and how the House Banking Committee has seen them will have to be resolved on the floor of the House of Representatives.

But at this stage, the first step, what the House Banking Committee has done—I underscore score again on a very strong 51 to 8 vote, an overwhelming bipartisan endorsement—parallels, is very similar, to what is contained in the alternative that we will be offering as an amendment as a substitute for the bill that is now before us.

Let me turn to the bill that is now before us with special emphasis on its differences from the Committee reported bill last year with the 16 to 2 vote that we had in the Committee.

It is important I think to try to develop a consensus on these issues. The Committee in the past has essentially worked in a nonpartisan way. We have divisions within the Committee but they have not usually been on a straight party basis.

I share the regret expressed by the chairman that we have not been able to work this matter out this year in a way to avoid these sharp party differences. But the failure to do so relates back directly to these very critical issues that are at stake. These were issues on which last year we were able to work out accommodations and in fact the provisions we are advancing in the substitute are last year's agreed-upon provisions, the consensus provisions from last year with the one exception of the operating sub-affiliate issue which I will address shortly.

Clearly one obvious and extremely important problem with S. 900, the bill now before us, brought out by the Committee is the treatment of the Community Reinvestment Act, or CRA. The agreement that we have reached in terms of the order of procedure provide that an amendment specifically directed to CRA will be in order as fourth in the line.

We set out this order just for the first four amendments in an effort to structure at least the outset of the consideration of this very important legislation.

I share the chairman's perception that this is very important legislation. It is an issue we have wrestled with for many years. It pertains to the workings of our financial services industry, which in turn, of course, pertains to the workings of our economy and our position in the international economic scene. These are important matters to which we are addressing ourselves.

I echo the chairman's hope that Members will pay close attention. I assume that Members will pay close attention, and that they will come to it with an open mind as they weigh the various considerations that are before us.

Let me turn to the CRA provisions.

Let me first say that the Community Reinvestment Act, in the judgment of most objective observers, has played a critical role in expanding access to credit and investment in low- and moderate-income communities. We think it has been of critical importance in providing access to credit, which very frankly is, in today's context when we talk about civil rights in terms of economic opportunity, a very important aspect of civil rights.

In 1977, the CRA was enacted to encourage banks and thrifts to serve the credit needs of their entire communities. Consistent with safe and sound banking practices, banks and thrifts must serve not just upper-income areas but low- and moderate-income neighborhoods, as well. CRA reflect the view that banks and thrifts receive public benefits such as deposit insurance, access to the Federal Reserve discount window and the Federal Reserve payment system, that they draw deposits out of these communities and that they have a responsibility to make loans into the communities in order to serve the entire community.

In fact, the loan-to-deposit ratio is often an important standard to measure the extent to which the institutions drawing deposits out of the community are providing a flow of credit back into those communities.

Now, my colleague, the chairman of the Committee, has talked about these very large amounts of money that have been committed for community reinvestment purposes. First of all, let me say those figures are grossly overstated. The figures cited reflect commitments made by financial institutions projected 10 years into the future. They are not the commitments for 1 year. He is upset by the size of them. I wish they were for 1 year. I am not upset by the size of them. I would like to see these kind of commitments made into reinvesting in our communities. In any event, in order to get this debate on an apples and apples basis, I think it is very important to understand that the figures that were being tossed around by the chairman reflect commitments made by the institutions over an extended period of time and not what is going to take place this year.

CRA has significantly improved the availability of credit in historically underserved communities. There are any number of success stories. Obviously, we will address those when we turn to the specific CRA amendment. Let me just simply point out that CRA has been credited with a dramatic increase in homeownership by low- and moderate-income individuals. Between 1993 and 1997, private sector home mortgage lending and low- and moderate-income census tracks increased by 45 percent. CRA has helped spur community economic development. The number of loans for small business in low- and moderate-income areas has increased substantially.

Now, the chairman says there has been this sharp increase in the amount of commitments. That is true, but there has been a very sharp increase in the amount of mergers and acquisitions which helped to trigger the CRA process. There has been a more receptive attitude toward CRA on the part of the regulatory agencies. In fact, regulatory agencies, community groups, local and State elected officials and many bankers agree that CRA has been beneficial. Chairman Greenspan specified that ''CRA has very significantly increased the amount of credit in communities,'' that the changes have been ''quite profound.''

The U.S. Conference of Mayors has promoted CRA as an essential tool in revitalizing cities, while the National League of Cities has listed CRA preservation as a major Federal priority for 1999.

Bankers have been able to work with CRA, made it very effective and developed new relationships with their communities. As a consequence, the chairman and CEO of BankAmerica, Hugh McColl, stated earlier this year,

My company supports the Community Reinvestment Act in spirit and in fact. To be candid, we have gone way beyond its requirements.

CRA has accomplished these goals by encouraging banks and thrifts to make profitable market rate loans and investments. Chairman Greenspan noted last year that there is no evidence that banks' safety and soundness have been compromised by low- and moderate-income lending and bankers often report sound business opportunities. In fact, the CRA legislation requires that these loans are made consistent with safety and soundness criteria.

My colleague suggests that somehow the CRA was put into law sort of unbeknownst to everyone, that the only vote was a 7–7 vote in Committee on an amendment to take the provision out of a bill that had been laid out for markup. When that bill came to the floor an amendment was proposed to strike the CRA title of the bill. That amendment was defeated on a vote of 31 in favor and 40 against.

For whatever it is worth, I simply want to put down this notion that somehow this matter wasn't considered at the time it was first put into law in the Senate. It was considered in the Committee and it was considered on the floor of the Senate. It was voted on in both places and it remained in the law. That is the provision that we now have with some subsequent modifications.

In the mid-1990s an effort was made to revise the CRA regulations and deal with the complaint that was being received from a number of financial institutions that the regulatory process was overly burdensome. Secretary Rubin actually took the lead in doing that. I think he did a very successful job, in effect trimming down CRA requirements, in order to ease that burden. In fact, at the time his work was received with great approval.

Let me talk very quickly about the defects that are in the bill with respect to CRA. As I said, we had good agreement on this last year. This year, unfortunately, we really have had a major conflict over this extremely important issue.

The chairman makes a number of assertions about CRA but we have never held any hearings to substantiate those assertions. We are constantly being told about how extensive the abuse is. I am prepared to consider the possibility that on occasion abuses occur, but I think the ones that took place and most of the ones talked about took place in the early years of the CRA and that, by and large, now the CRA process is working quite well.

I know that doesn't meet my colleagues concern. I'm a little bit reminded of the story of the program that was working well in practice, but the objection was raised, Is it working well in theory? As I listen to this debate, I'm reminded of that story.

Let me talk about the provisions in the bill as it differed from last year's approach. The bill eliminates the need to have a ''satisfactory'' CRA rating as a precondition of expanded affiliations. In other words, the substitute we will offer will provide that if a bank wants to go into securities or into insurance, that the bank must have a ''satisfactory'' CRA rating. In other words, a bank that has an unsatisfactory performance rating would not be able to move into those activities. It is asserted that that is a major expansion of CRA. The major expansion is the ability of the banks to go into those activities which heretofore they have been precluded from. That is the expansion.

Our position is if that is going to take place, a CRA screening with respect to the bank's performance—not to the securities or insurance affiliate, the bank's performance—is a perfectly reasonable requirement to expanding the activities. Otherwise, this bill is not neutral. I mean, it allows the banks in effect to shift assets out. If they do not have the requirement of a ''satisfactory'' CRA rating, you would dramatically undermine CRA as it now exists. In fact, Secretary Rubin stated:

If we wish to preserve the relevance of CRA at a time when the relative importance of bank mergers may decline and the establishment of non-bank financial services will become increasingly important, the authority to engage in newly authorized activities should be connected to a satisfactory CRA performance.

The financial institutions are prepared, willing, to live with this requirement. They are not clamoring that it be dropped from the legislative package. In fact, they were supportive of it last year and accepting of it this year.

Second, and I am touching on them very quickly because I know there are other Members wishing to make an opening statement.

Mr. WELLSTONE. Mr. President, might I just interrupt my colleague and ask a question?

Mr. SARBANES. Surely.

Mr. WELLSTONE. I am a little uneasy he is being rushed along. My understanding is at 12:15 we were going to go into morning business; is that correct?

The PRESIDING OFFICER. There is not an order to that effect.

Mr. WELLSTONE. There is or is not?

The PRESIDING OFFICER. There is not.

Mr. WELLSTONE. I say to my colleague I did not want him to rush. I will come after the caucuses and speak.

Mr. SARBANES. As I understand it, there are a number of people who want to make opening statements. Presumably we would complete opening statements after lunch if we have not completed them before lunch.

Mr. GRAMM. Will the Senator yield?

Mr. SARBANES. Certainly.

Mr. GRAMM. Mr. President, let me just ask our colleague how long he needs after lunch to speak?

Mr. WELLSTONE. I have a fairly lengthy statement because I am probably one of the few Senators who objects to this bill and I want to lay out my case. I want to talk strongly in the positive about some of what Senator SARBANES is presenting. So I think probably about 40 minutes, I would need.

Mr. GRAMM. Let me say I do not object. I think we should go back and forth. So if we have a Republican who would like to speak after Senator SARBANES, we can do that. If the Senator wants, he can have 40 minutes or an hour and 40 minutes. We would like to hear it.

Mr. WELLSTONE. If I could just do this, because I do not want my colleague from Maryland rushing along and there are other colleagues out here: I ask unanimous consent I be allowed to speak this afternoon before we get to amendments?

Mr. SARBANES. You don't have any objection to that?

Mr. GRAMM. Sure.

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

Mr. WELLSTONE. I thank the chair.

Mr. SARBANES. Second, Mr. President, is the provision for a safe harbor for banks with a ''satisfactory'' CRA rating. Actually, what this provision would do is effectively eliminate public comment on CRA performance. Banks that had received a ''satisfactory'' or better rating at the recent exam, and during the preceding 3 years, would be deemed to be in compliance with CRA and immune from public comments on CRA performance. That would be the case unless you had substantial, verifiable information to the contrary—which of course is a very heavy burden of proof.

Actually the regulators oppose this. Comptroller of the Currency Hawke stated:

Public comment is extremely valuable in providing relevant information to an agency in its evaluation of an application under the CRA, convenience and needs and other applicable standards—even by an institution that has a ''satisfactory'' CRA rating. This amendment would limit or reduce public comment that is useful in our application process.

And there is a similar comment from Ellen Seidman, the Director of the Office of Thrift Supervision.

Public comment is useful because many banks or regulators sample only

a portion of the markets to determine the institution's CRA rating. Public comment provides an opportunity for community members to point out facts and data that have been overlooked in a particular examination.

Actually, 97 percent of the institutions get a ''satisfactory'' rating so you, in effect, are going to exclude out from this CRA review most of the institutions.

None of the statistics support these assertions that there are too many challenges, that there is too much delay. In fact the percentages are quite small, in terms of the number of challenges that are filed, and then the number of instances in which the challenge gains any recognition from the regulators.

The regulators, of course hear all of the comments. Individuals seeking to comment on other aspects of the bank's performance—financial and managerial resources, or competitive implications—are not going to have their rights similarly curtailed. We do not think the rights on CRA should be so curtailed. We will develop this, of course, later in the debate.

Let me now turn very quickly to the small bank exemption. The exemption for the rural institutions would exempt a vast number of institutions in underserved rural areas. It is asserted that these banks by their very nature serve their communities. But small banks have historically received the lowest CRA ratings. In fact, FDIC statistics show that 57 percent of small banks and thrifts have loan-to-deposit ratio below 70 percent, with 17 percent of those having levels below 50 percent.

The Madison, Wisconsin Capital Times, in an editorial, summed up this practice in many rural communities as follows:

[M]any rural banks establish a very different pattern [than reinvesting in their communities], where local lending takes a lower priority than making more assured investments, like federal government securities. Thus, such banks drain local resources of the very localities that support them, making it much harder for local citizens to get credit.

We revised the regulations, I think in a very effective way, to slim them down in terms of the burden on the small banks. We don't think an exemption is necessary to relieve the regulatory burden. They now have a streamlined examination process. They generally do not need to keep paperwork or records beyond what they would do in the ordinary course of business.

OTS Director Ellen Seidman stated:

Small banks should be subject to CRA. The simple assumption that if an institution is small it must be serving its community is not entirely correct.

Let me turn very quickly to the banking and commerce issue. Again, that is an area in which there is a difference between what was worked out last year and the bill that has been brought to the floor this year.

A wide range of commentators including, interestingly enough on this issue, Chairman Greenspan and Secretary Rubin, former Federal Reserve Chairman Paul Volcker, banking industry associations and public interest groups, support retaining the separation of banking and commerce.

Chairman Greenspan said:

It seems to us wise to move first toward the integration of banking, insurance and securities and employ the lessons we learn from that important step before we consider whether and under what conditions it would be desirable to move to the second stage of the full integration of commerce and banking.

And Secretary Rubin stated, ''We continue to oppose any efforts to expand the integration of banking and commerce.''

The Committee bill permits the continued existence of what is called a unitary thrift loophole; and, therefore, it permits a major breaching of the separation between banking and commerce.

The American Bankers Association and the Independent Community Bankers of America have written to the Senate urging us to support the Johnson amendment on unitary thrifts that would prohibit existing unitary thrift holding companies to sell themselves to commercial firms going forward. I think it is very important that we try to check this loophole which continues to exist in the law.

I simply say to the chairman that I share his view that we ought not to cross any line that is violative of the Constitution. We do not think this provision is violative of the Constitution. We think there is a lot of very good case law that would support that position.

In addition to the unitary thrift loophole, the Committee-reported bill—and I will just touch on these—allows unnecessary, open-ended merchant banking investments. It permits holding companies to engage in any nonfinancial activities that regulators believe are ''complimentary'' to financial activities, which is, of course, a potentially very large stretch of these activities.

Former Federal Reserve Chairman Paul Volcker gave very strong testimony on this very issue. And careful observers of the issue have said that they regard the failure to maintain this distinction between banking and commerce, which we have had in our law for a very long period of time, as one of the reasons that contributed to the Asian financial crisis.

Economist Henry Kaufman warned us. He said that it would lead to conflicts of interest and unfair competition in the allocation of credit. He said:

A large corporation that controls a big bank would use the bank for extending credit to those who can benefit the whole organization. . . . The bank would be inclined to withhold credit from those who are, or could be, competitors to the parent corporation. Thus, the cornerstone of effective banking, independent credit decisions based on objective evaluation of creditworthiness, would be undermined.

And Paul Volcker, in commenting about the Asian financial crisis has written:

Recent experience with the banking crises in countries as different in their stages of development as Japan, Indonesia and Russia demonstrates the folly of permitting industrial-financial conglomerates to dominate financial markets and potentially larger areas of the economy.

Now, let me turn very quickly to some consumer protection issues which we think will be more adequately covered in our alternative than in the Committee bill.

The alternative, which reflects last year's bipartisan agreement, provides mechanisms for regulators to receive and address consumer complaints. It provides that Federal regulations that provide a greater protection for consumers would apply rather than weaker State regulations. It provides that the securities activities of banks would be more closely checked on the broker-dealer question and with respect to mutual fund investors.

The Committee bill extends the assessment differential on the special deposit insurance assessment paid by thrifts. We do not do that in our alternative.

Let me turn quickly to the operating subsidiary issue. This is one area where we do differ from last year's joint bipartisan bill. We were much impressed by the fact that the Treasury Department agreed to significant additional safeguards regarding the scope and regulation of bank subsidiary activities. Therefore, we thought it now reasonable to permit activities to take place in an operating subsidiary with the safeguards the Treasury came forward with.

First, that insurance underwriting may not take place in a bank's subsidiary; secondly, that the Federal Reserve shall have exclusive authority to define merchant banking activities in bank subsidiaries; thirdly, that the Treasury agrees that the Secretary and the Federal Reserve shall jointly determine which activities are financial in nature, both for a holding company and for a bank subsidiary, and that they shall jointly issue regulations and interpretations under the financial-in-nature standard.

So we think that these changes on the part of the Treasury—including the requirement that every dollar of a bank's investment in a subsidiary would be deducted from the bank's capital for regulatory purposes, that a bank could not invest in a subsidiary in an amount the bank could not pay its holding company as a dividend, and the strict limits which now apply to

transactions between a bank and its affiliates would apply to transactions between banks and their subsidiaries—we think this will level the playing field, eliminate any economic benefit, and provide for safety and soundness.

So we take the view now, on the basis of this agreement that the Treasury has made, that permitting bank operating subsidiaries can be consistent with the goals of preserving safety and soundness, protecting consumers, and promoting comparable regulation.

I ask unanimous consent that an article entitled ''Ex-FDIC Chiefs Unanimously Favor the Op-Sub Structure'' be printed in the RECORD at the end of my remarks.

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

(See Exhibit No. 3.)

Mr. SARBANES. In conclusion, let me simply state, Mr. President, that on this side of the aisle we are very much committed to trying to get financial services modernization legislation. All of us supported it last year. In the Committee again this year we supported legislation which would accomplish that purpose. We do not believe that the bill brought forward by the Committee meets the very important goals which I outlined at the outset.

I think the legislation introduced by Senator DASCHLE, and joined in by us, is a balanced, prudent approach to financial services modernization. It reflects last year's carefully struck bipartisan compromises. It is not opposed by any financial services industry actor or player. It is similar to the bill passed, by a broad bipartisan vote, by the House Banking Committee, and it is clearly the approach most likely to achieve the enactment of financial services modernization legislation.

If you want to get legislation, given that at the end of the line it must not only pass the Congress, but be signed by the President, this approach is clearly the one that is most likely to achieve the enactment of financial services modernization legislation.

When the opportunity presents itself, I urge my colleagues to shift off the path that is before us and to move on to that path.

I yield the floor.

EXHIBIT 1

THE WHITE HOUSE,
*Washington, March 2, 1999.*

Hon. PAUL S. SARBANES,
*U.S. Senate, Washington, DC*

DEAR PAUL: This Administration has been a strong proponent of financial legislation that would reduce costs and increase access to financial services for consumers, businesses and communities. Nevertheless, we cannot support the ''Financial Services Modernization Act of 1999,'' as currently proposed by Chairman Gramm, now pending before the Senate Banking Committee.

In its current form, the bill would undermine the effectiveness of the Community Reinvestment Act (CRA), a law that has helped to build homes, create jobs, and restore hope in communities across America. The CRA is working, and we must preserve its vitality as we write the financial constitution for the 21st Century. The bill would deny financial services firms the freedom to organize themselves in the Way that best serves their customers, and prohibit a structure with proven advantages for safety and soundness. The bill would also provide inadequate consumer protections. Finally, the bill could expand the ability of depository institutions and nonfinancial firms to affiliate, at a time when experience around the world suggests the need for caution in this area.

I agree that reform of the laws governing our nation's financial services industry would promote the public interest. However, I will veto the Financial Services Modernization Act if it is presented to me in its current form.

Sincerely,

BILL CLINTON.

EXHIBIT 2

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
*Washington, DC, May 3, 1999.*

STATEMENT OF ADMINISTRATION POLICY

S. 900—FINANCIAL SERVICES MODERNIZATION ACT OF 1999 (GRAMM (R) TX)

The Administration strongly opposes S. 900, which would revise laws governing the financial services industry. This Administration has been a strong proponent of financial modernization legislation that would best serve the interests of consumers, businesses, and communities, while protecting the safety and soundness of our financial system. Consequently, it supports the bill's repeal of the Glass-Steagall Act's prohibition on banks affiliating with securities firms and of the Bank Holding Company Act's prohibitions on insurance underwriting. *Nevertheless, because of crucial flaws in the bill, the President has stated that, if the bill were presented to him in its current form, he would veto it.*

In its current form, the bill would undermine the effectiveness of the Community Reinvestment Act (CRA), a law that has helped to build homes and create jobs by encouraging banks to serve creditworthy borrowers throughout the communities they serve. The bill fails to require that banks seeking to conduct new financial activities achieve and maintain a satisfactory CRA record. In addition, the bill's ''safe harbor'' provision would amend current law to effectively shield financial institutions from public comment on banking applications that they file with Federal regulators. The CRA exemption for banks with less than $100 million in assets would repeal CRA for approximately 4,000 banks and thrifts that banking agency rules already exempt from CRA paperwork reporting burdens. In all, these limitations constitute an assault upon CRA and are unacceptable.

The bill would unjustifiably deny financial services firms holding 99 percent of national bank assets the choice of conducting new financial activities through subsidiaries, forcing them to conduct those activities exclusively through bank holding company affiliates. Thus the bill largely prohibits a structure with proven advantages for safety and soundness, effectively denying many financial services firms the freedom to organize themselves in the way that best serves their customers.

The bill would also inadequately inform and protect consumers under the new system of financial products it authorizes. If Congress is to authorize large, complex organizations to offer a wide range of financial products, then consumers should be guaranteed appropriate disclosures and other protections.

The bill would dramatically expand the ability of depository institutions and nonfinancial firms to affiliate. The Administration has serious concerns about mixing banking and commercial activity under any circumstances, and these concerns are heightened by the financial crises affecting other countries over the past few years.

The Administration also opposes the bill's piecemeal modification of the Federal Home Loan Bank System. The Administration believes that the System must focus more on lending to community banks and less on arbitrage activities and short-term lending that do not advance its public purpose. The Administration opposes any changes to the System that do not include these crucial reforms.

In addition, the Administration opposes granting the Federal Housing Finance Board independent litigation authority. Such authority would be inconsistent with the Attorney General's authority to coordinate and conduct litigation on behalf of the United States.

PAY-AS-YOU-GO SCORING

S. 900 would affect direct spending and receipts. Therefore, it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. OMB's pay-as-you-go scoring of this bill is under development.

EXHIBIT 3

[From the American Banker, September 2, 1998]

EX-FDIC CHIEFS UNANIMOUSLY FAVOR THE OP-SUB STRUCTURE

(By Ricki Tigert Helfer, William M. Isaac, and L. William Seidman)

The debate on banks conducting financial activities through operating subsidiaries has been portrayed as a battle between the Treasury and the Federal Reserve. The Treasury believes banks should be permitted to conduct expanded activities through direct subsidiaries. The Fed wants these activities to be conducted only through holding company affiliates.

Curiously, the concerns of the Federal Deposit Insurance Corp. have been largely ignored. The FDIC, alone among the agencies, has no ''turf'' at stake in this issue, as its supervisory reach extends to any affiliate of a bank. The FDIC's sole motivation is to safeguard the nation's banks against systemic risks.

In the early 1980s, when one of us, William Isaac, became the first FDIC chairman to testify on this subject, he was responding to a financial modernization proposal to authorize banks to expand their activities through holding company affiliates.

While endorsing the thrust of the bill, he objected to requiring that activities be conducted in the holding company format. Every subsequent FDIC chairman, including the current one, has taken the same position, favoring bank subsidiaries (except Bill Taylor who, due to his untimely death, never expressed his views). Each has had the full backing of the FDIC professional staff on this issue.

The bank holding company is a U.S. invention; no other major country requires this format. It has inherent problems, apart from its inefficiency. For example, there is a built-in conflict of interest between a bank and its parent holding company when financial problems arise. The FDIC is still fighting a lawsuit with creditors of the failed

Bank of New England about whether the holding company's directors violated their fiduciary duty by putting cash into the troubled lead bank.

Whether financial activities such as securities and insurance underwriting are in a bank subsidiary or a holding company affiliate, it is important that they be capitalized and funded separately from the bank. If we require this separation, the bank will be exposed to the identical risk of loss whether the company is organized as a bank subsidiary or a holding company affiliate.

The big difference between the two forms of organization comes when the activity is successful, which presumably will be most of the time. If the successful activity is conducted in a subsidiary of the bank, the profits will accrue to the bank.

Should the bank get into difficulty, it will be able to sell the subsidiary to raise funds to shore up the bank's capital. Should the bank fail, the FDIC will own the subsidiary and can reduce its losses by selling the subsidiary.

If the company is instead owned by the bank's parent, the profits of the company will not directly benefit the bank. Should the bank fail, the FDIC will not be entitled to sell the company to reduce its losses.

Requiring that bank-related activities be conducted in holding company affiliates will place insured banks in the worst possible position. They will be exposed to the risk of the affiliates' failure without reaping the benefits of the affiliates' successes.

Three times during the 1980s, the FDIC's warnings to Congress on safety and soundness issues went unheeded, due largely to pressures from special interests.

The FDIC urged in 1980 that deposit insurance not be increased from $40,000 to $100,000 while interest rates were being deregulated.

The FDIC urged in 1983 that money brokers be prohibited from dumping fully insured deposits into weak banks and S&Ls paying the highest interest.

The FDIC urged in 1984 that the S&L insurance fund be merged into the FDIC to allow the cleanup of the S&L problems before they spun out of control.

The failure to heed these warnings—from the agency charged with insuring the soundness of the banking system and covering its losses—cost banks and S&Ls, their customers, and taxpayers many tens of billions of dollars.

Ignoring the FDIC's strongly held views on how bank-related activities should be organized could well lead to history repeating itself. The holding company model is inferior to the bank subsidiary approach and should not be mandated by Congress.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

Mr. GRAMM. Mr. President, I am going to yield to the Presiding Officer and come up and preside so he can give his opening statement, if he would like to do that. Before doing that, however, I will make a couple of points in response to Senator SARBANES' statement.

First of all, the substitute that Senator SARBANES will offer is not last year's bill. In fact, it is fundamentally different from last year's bill on the most important issue in financial services modernization. That issue is, should the modernization occur within the structure of the bank, or should it occur through the holding company? Last year's bill followed the proposal which has been made and supported by all of the members of the Federal Reserve Board and its Chairman, Alan Greenspan, whereas this bill——

Mr. SARBANES. Will the Senator yield on that point?

Mr. GRAMM. I am happy to yield.

Mr. SARBANES. The Senator isn't suggesting that I didn't lay out in the course of my statement the fact that it differed in this respect from last year's bill, is he?

Mr. GRAMM. No. I am simply making sure that everybody understands—because there were a lot of references made between last year's bill and this year's bill—that how someone voted last year is interesting and may, to some extent, be relevant, but on the fundamental issue that is before us, whether or not these new services should be provided within the bank or outside the bank in holding companies, the substitute which the Senator will offer later today is a very different bill from last year's bill. That is the only point I am making.

The second thing I will make clear is, I didn't object to the growth in CRA and the commitments made to CRA. I did make the point, however, that when in a given year—in fact, last year—the loans, the commitments to lend, the cash payments, and the commitments to pay cash in the future are bigger than the Canadian economy, bigger than the discretionary budget of the Federal Government, perhaps it is time to look at potential abuses.

Now, granted, the Senator made the point that not every loan was made this year, and not every cash payment was made this year. I was simply using the data the way community groups presented it. I was very careful to say that the $694 billion was loans, commitments to lend, cash payments, commitments to pay cash in the future. I stand by those numbers, and those are the numbers of the community service groups.

Mr. SARBANES. Will the Senator yield for a question?

Mr. GRAMM. I am happy to yield.

Mr. SARBANES. Was the Canadian GNP figure the Senator was using a 1-year figure or a 10-year figure?

Mr. GRAMM. It was a 1-year figure.

Mr. SARBANES. I thank the chairman.

Mr. GRAMM. There will be more agreements next year and next year and next year. The point is, this has grown from a very small program into a very big program. I believe, and the majority of the members of the committee believe, it is time to look at this program and look at abuses, and we are going to have plenty of time to debate this later.

Let me also note that, under current law, a bank is not required to get CRA approval to sell insurance. Under current law, there are a limited number of banks that do have some insurance powers. They are not required under current law to get CRA approval to engage in those security powers.

Now, in terms of the CRA reforms in the bill reported by the Banking Committee, those reforms have been endorsed by the American Bankers Association, by the Bankers Roundtable, and by the Independent Bankers Association of America. When our colleague says everybody is happy with the provisions of his substitute, I want people to know that three major banking groups have endorsed the provisions of our bill.

Let me say again—and I don't know what you do to get people to use the English language—there is not a safe harbor in this bill. A safe harbor is where something can't be challenged. There is a rebuttable presumption in the bill. There is a big difference between the two. The rebuttable presumption in the bill simply says that in order to stop or delay a regulatory action, you have to present substantial evidence. That substantial evidence is defined in law as more than a scintilla. It is defined as such relevant evidence as a reasonable person might accept as adequate to support a claim.

That is not a safe harbor. That simply is giving the evaluation that has occurred some standing.

Our colleague talks about comments. Nothing in the bill prevents anybody from commenting on any CRA evaluation. Comments can be made. People can submit any comments. All our provision says is, if a bank has been in compliance for 3 years in a row, if they are currently in compliance in their evaluation with CRA, if the regulator is going to stop the process or delay it, they have to have more than a scintilla of evidence. In order for the protest or objection to be used to stop the process for a bank with a long history of compliance, there has to be substantial evidence. People can comment all they want to comment. Nothing in this provision prevents comments.

Finally—and we will have lots of time to debate these—in terms of unitary thrifts, unitary thrift holding companies are not a loophole. Congress legislated them. We end them in saying that you cannot do any more, but to suggest that they are a loophole, an accident, that nobody ever intended they come into existence, they have existed for over 30 years. We are not debating here whether or not we should stop the issue of new licenses to commercial interests to create ''new unitary thrifts.'' The question is, What do you do with people who already have the charters? Do you change the rules of the game on them?

If our colleagues would indulge me, I yield to Senator ENZI.

Mr. REED. Mr. President, just a point of information, I presume we are

going to adjourn at 12:30. Presumptively, that means Senator ENZI would be the last speaker this morning.

The PRESIDING OFFICER (Mr. GRAMM). Let the Chair ask Senator ENZI, could the Senator tell us how long he intends to speak?

Mr. ENZI. Mr. President, I think I have about 7 or 8 minutes' worth and would be willing to stay for Senator REED's comments as well.

Mr. REED. I thank the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I rise in support of S. 900, the Financial Services Modernization Act of 1999.

I commend the senior Senator from Texas, the chairman of the Banking Committee, Mr. GRAMM, for his leadership on this important measure, a bill that will increase global competitiveness of U.S. financial firms. It will increase access to financial services for all Americans, and it will decrease costs for consumers.

I congratulate Senator GRAMM on his willingness to meet with all of the different groups that have asked to meet with him, the way he has reached out and been willing to talk to people on both sides of the aisle, as well as spend innumerable hours with those of us who have had questions about some of the very detailed technical parts of the bill, particularly the operating subsidiaries, for the research that he has done. I compliment him on the simplification he has done. There were some very complicated issues in last year's bill that, because of the end of the year pressure, were included but weren't very concise. They seemed to be misunderstood by people on both sides of whatever issue. Of course, around here there are more than two sides to every issue.

The chairman sat down with those people and worked out some simplification of language that they say they agree with now. One of the results is, it has reduced a 308-page bill to 150 pages without damaging anything, but it has greatly increased the readability.

We have asked the banking industry and we have asked the agencies to put this in plain language. The chairman has done that and, I think, given people an opportunity to comment on it and discuss it with him in private meetings, if they wanted, as well as in other meetings. It is long overdue that Congress pass legislation that will allow full and open competition at least across the banking, securities and insurance industries.

I believe now is the best time to pass S. 900 in order for U.S. financial intermediaries to be prepared for the challenges of the new millennium. The current laws governing our financial sector have been eroded by the actions of regulators, the decisions of the courts, the continuing changes in technology, and the increasing competitive global markets. In addition, these laws limit competition and innovation, thus imposing unnecessary costs onto the service provider, and that is ultimately additional costs on the consumer.

There are several provisions in this bill I believe are particularly important as several of them are very relevant to small financial institutions.

Section 306 of the bill requires the Federal banking agencies to use plain language in all of their rulemakings used to implement this bill. Since this legislation will impact both large and small financial institutions, this provision will help ensure that small banks will not have to hire several lawyers to interpret the new rules resulting from this legislation.

The bill also requires the GAO to study expanded small bank access to S corporation status, specifically those provisions relating to Senator Allard's bill. I enthusiastically support his efforts to reduce the tax burden on small business corporations.

Additionally, this legislation grants non-metropolitan banks of less than $100 million in assets—very small institutions by any standard—an exemption from the paperwork requirements of the Community Reinvestment Act, or CRA. The total bank and thrifts assets exempt from this requirement would equal only 3 percent. Small, non-metropolitan banks and thrifts by their very nature must be responsive to the needs of the entire communities they serve or they will not remain in business. The exemption in this bill will help reduce the regulatory costs imposed on these smaller institutions. When less time is used to comply with the letter of the law, more time can be devoted to comply with the spirit of the law by better serving the needs of each customer and the entire community.

Title III of the bill also eliminates the Savings Association Insurance Fund (SAIF) special reserve, a top priority of the FDIC. Senator Johnson and I have introduced identical language in a stand alone bill, S. 377, to ensure that the special reserve is abolished. This could save the thrift industry about $1 billion because the funds set aside in the special reserve cannot be used until the SAIF reaches a dangerously low level. Therefore, if unforeseen circumstances impact the SAIF, the FDIC may choose to increase insurance premiums on thrifts to recapitalize the SAIF. The elimination of the special reserve represents a sound public policy that will save the private sector from unnecessary costs.

I strongly support the approach the chairman of the Banking Committee has taken to develop a more streamlined, less burdensome bill. It is only 150 pages. The bill reported out of the Banking Committee last year was 308 pages—double the length of the bill we are debating today. I do not believe more is usually better in terms of the length of a bill. Many times that policy means more hoops and ladders the private sector must go through, thus creating more inefficiencies and higher costs in the marketplace. I believe the bill before us will not hamper industries with unnecessary, congressional-created, burdens and inefficiencies.

Before closing, I want to dispel some of the myths surrounding this legislation—specifically the allegation that the majority in the Banking Committee have abandoned the consensus reached by the Committee last year.

There is no consensus in the substitute bill sponsored by the minority members of the Banking Committee. The House Commerce Committee held a hearing last week on H.R. 10, which is nearly identical to the substitute bill. Members on both sides of the isle were very critical of the bill. Ranking Member DINGELL was especially harsh in his criticism. I mention this to prove there is not consensus on the substitute bill.

Further, this substitute is not the product from last year. It differs in a number of respects from last year's bill, most significantly with regard to the operating subsidiary provisions. The op-sub provisions in the House bill and the minority's bill are those that are causing significant heartburn for the House Commerce Committee and Federal Reserve Chairman Alan Greenspan.

In addition, I want to set the record straight about the vote on the old H.R. 10 in Banking Committee last year. The bill did pass by a vote of 16 to 2. However, I for one can say that I support the bill we are now debating, S. 900, much more than the H.R. 10 I reluctantly supported last year. My biggest concern with that H.R. 10 was, and continues to be, the expansion of CRA.

It has been mentioned that with CRA there have been more loans, houses and businesses. I suggest that, particularly with the time period that we are relating to, those are as a result of low interest rates, not some kind of effort that we are making under CRA.

I want to reiterate that there were 16,380 investigations into CRA, and three small banks were out of compliance. It takes an extra officer to handle CRA, and that is a huge cost to them. To find three people? There has to be something better that we can do.

I strongly encourage my colleagues to support the bill passed by the Banking Committee. It represents a sensible approach to forming the future framework for our financial services industry.

Mr. President, I ask unanimous consent that the time for debate be extended for Senator REED to give his remarks, followed by Senator SPECTER.

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

At the conclusion of Senator REED's remarks, Senator SPECTER will be recognized, and at the conclusion of his

remarks, we will adjourn for the luncheons.

The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I thank Senator ENZI for his graciousness in offering the unanimous consent request.

I want to begin by stating how important I think it is to pass financial service modernization legislation as quickly as possible.

The existing legal framework has become an anachronism over the last several years—in fact, even the last decade or so. The industry has responded to changes in this market faster than the law has responded. It is our obligation to ensure that we have appropriate legal standards, so that our financial services industry can be competitive in a worldwide market, which is highly dynamic, and which requires more flexibility and more responsiveness than is inherent in the current system, which began under Glass-Steagall more than 60 years ago.

So I am a strong proponent of financial modernization. In fact, it is ironic that we were very close in the last Congress to passing financial modernization legislation, which was agreed to by all the major interest groups and which represented a balancing of the need for flexibility, the need for new and expanded powers, the need for financial services industry to be able to reach across prior lines of demarcation to the securities industry, banking industry and insurance industry, and at the same time maintain the principles of safety and soundness, and also the notion that we have to ensure community access to credit. All these things were carefully worked out. Yet, regrettably, H.R. 10 failed in the last few moments of the last Congress.

We are back today to begin to address these issues again on the floor of the Senate. That is an encouraging point because I think the worse thing to do would be to continue to delay and avoid this debate.

Having said that, let me also recognize that the current legislation we are considering, S. 900, significantly deviates from the principles and the compromises that were carefully worked out in the last Congress. In so doing, I think it raises serious questions about the viability of this legislation, regardless of whether it will pass this body or the other body. There is a strong question of whether it will ultimately become law. It think it should become law and, as a result, I think we need to make changes in the form of amendments. In fact, unless we can deal with some of the issues, I am prepared to oppose this legislation, even though I am strongly committed to ensuring that we ultimately achieve a modernization of our financial services industry.

The critical issues that face us with respect to this bill that are troubling are, first, with respect to the Community Reinvestment Act. Over the last several decades, since 1977, over $1 trillion in loans and loan commitments have been made under the Community Reinvestment Act. It has literally helped maintain and rehabilitate communities, both urban centers and rural areas, throughout this country. Without it, this would be literally a foreign issue, particularly in urban neighborhoods and rural areas. With it, we managed to spark hope and build new communities in places that were sadly lacking in significant opportunities and significant hope.

One example of the many in my State is in Woonsocket, RI. It was, at the turn of the century, a thriving mill town. In fact, the river was crowded with factory after factory after factory. With the demise of northern manufacturing, that town has seen difficult times. Through the CRA, citizens were able to avail themselves of significant assistance and credit when they formed the Woonsocket Neighborhood Development Corporation to work toward preserving the neighborhood. I have been there. I have visited these neighborhoods. They are rebuilding old homes that were built in the 1800s. They receive grants and loans from the First National Bank and the Federal Home Loan Bank Board in Boston, all under the auspices of CRA. Without these loans, they would not be able to rebuild their communities. It is necessary, it is important, and it can't be dismissed or short-circuited, as I fear S. 900 attempts to do.

One of the other provisions in the bill that specifically cuts back on the scope and the effectiveness of CRA is the limitation exemption of CRA for rural financial institutions with assets under $100 million. We all admit that a $100 million bank is a small institution. But such banks represent 76 percent of rural banks in the United States, the vast majority of rural institutions. And these banks historically have the lowest CRA ratings. They are a bank that, on their own volition, aren't responsive going through the data to their local community, and by taking away the responsibility of CRA we will make this situation worse.

I think what we will do, in effect, is deny to many rural areas what they think is part and parcel of the local bank in the community; that is, investment in their own community, in their own neighborhood. The reality of this is that people who run banks, which comes as no surprise to anybody, want to make money. When they look around their community and they see a loan for a community project, for housing redevelopment, or a local project to develop a community with a low rate of return, and yet they can see they can park their money someplace in a big city without CRA, the tendency, the temptation, and probably the reality is they will send that money out of that community.

It is the local money that forms the basis of these banks. CRA says you have to look at the community, you have to invest in it, you have to care for it, and you have to commit to it, but you don't have to lose money. There is nothing in the CRA law that says you have to make a bad loan. There is nothing in the CRA law that says you have to do something unsafe, unsound, or foolish in banking. It does say that you have to look for appropriate lending opportunities in your community and make those commitments. That is what I think most people assume that local community banks do day in and day out.

What I think will happen by the exemption is you will find in rural areas it will be harder to get the kind of credit for those types of community projects, rebuilding of housing, small businesses that do not have the kind of attraction or a track record yet to get the support of the local banks. That is something I think would represent a further demise in the community.

Then there is another provision, which has been referred to as ''rebuttal of presumption'' by some and ''safe harbor'' by others, which is included in the legislation and which essentially says, if you have a satisfactory CRA rating, you are presumptively in compliance with respect to a proposed transaction unless someone can come forward with ''substantial verifiable information'' that your rating is not warranted.

First, you have to ask yourself, who outside of the bank would have ''substantial verifiable information''? That is typically not in the public domain. So you are setting up in this rebuttal of presumption, or safe harbor, an impossible task that outside community groups particularly would be able to know the inner workings of the bank so well that they could come in and present ''substantial verifiable information.'' So, in effect, what you are doing is saying, if we get your satisfactory rating, we are not going to pay much attention to the CRA.

The practical reality is that in major transactions, the notion that CRA is a factor that prompts first these depository institutions to behave better before the transaction and, certainly in contemplation of the transaction, review carefully their commitment to their local community, is one of the most effective and nonintrusive ways, because it doesn't represent the Government going in and directing lending or directing anything in a nonintrusive way if a bank responds to the needs of the community, and to vitiate this by this rebuttal of presumption is, I think, a mistake.

One of the other aspects of this rebuttal of presumption is the fact that 97 percent of the institutions have these satisfactory ratings, which could lead to the question of how thorough

these reviews are by the regulatory agencies in the first place.

It might add a further argument to the fact that perhaps it is only in the context of a serious review or serious questions raised by outside parties that banking institutions take their CRA responsibilities seriously and, in fact, act upon them. But that is another factor which I think we have to consider when we are talking about dispensing with the opportunity to raise in a meaningful way CRA concerns with respect to major transactions.

Frankly, everything we have read in the paper over the last several years, several days, and several months has been about major transactions between financial institutions. That has been the driving force in the industry and, coincidentally, has helped the bank be more committed and more responsive to the CRA concerns, because they know this is an item that can be looked at and challenged in a meaningful way in a transaction. If you dispense with that, I think that would be a mistake.

There is another provision in the legislation which has been alluded to by the ranking member, Senator SARBANES, and that is essentially providing very limited opportunities to conduct activities in a subsidiary of a banking institution.

The bill as it stands today would establish a $1 billion asset cap on those banks that may engage in underwriting activities for securities and merchant banking in an operating subsidiary. I believe that banks of any size should have the opportunity to form themselves in such a way that they feel most competitive in the marketplace with respect to these two particular functions, securities underwriting and merchant banking. Therefore, they can choose to put them in an affiliate holding company, which would be a Federal Reserve regulation, or in a subsidiary of the depository institution which would be subject to the Office of the Comptroller of the Currency.

I think giving that type of flexibility makes more sense than determining that ''one size fits all'' and all has to be done in the context of a holding company arrangement.

I offered last year, because of these views, an amendment to H.R. 10 which would have allowed banks to engage in securities underwriting and merchant banking subsidiaries. I would anticipate another amendment with respect to that. In fact, this language is in the alternative which Senator SARBANES will offer later today, or which I would expect to be offered to try to reach this point. It is an important point. It is not just a point with respect to turf allocations between Federal regulators; it is an opportunity to give the banking industry the flexibility that all say they deserve.

There is another problem I see in the legislation. That is with respect to the elimination, for all practical purposes, of prior Federal Reserve Board approval before allowing a bank to merge or engage in a new activity. This once again goes to the heart of the regulatory process.

It is nice to assume that banking institutions and financial institutions are responsible and appropriate in their conduct of activities and that they would only conduct a merger that would be in the best interests of not only themselves but the public. But I think that sometimes strains credulity.

It is appropriate, important and, in very practical ways, necessary to have the requirement for prior approval of these major transactions by the Federal Reserve Board, because the Federal Reserve Board has a role independent of the management of the banks. They are trying to maximize shareholder value; they are trying to be competitive in a very difficult market.

But it is the Federal Reserve's responsibility to ensure safety and soundness, that competition will not be adversely affected, and that this transaction will in some way serve the public interest. I don't think you can do that by implication. I don't think you can do that by checking after the fact.

Again, the reality is that when multibillion-dollar institutions merge and then discover after the fact that it really was a bad idea, it is hard to unravel those transactions. To do it right, you have to do it up front. Therefore, this legislation should have prior approval by the Federal Reserve Board.

All of my comments have been appropriately addressed by the Democrat substitute, which will be offered by Senator SARBANES.

Let me conclude with some specific concerns about a question that has concerned me throughout the course of our debate not only in this Congress but in the last Congress. That is whether or not the regulatory framework we are creating will be sufficient to protect the safety and soundness of institutions and ultimately protect the public interest.

We are trying to expand opportunities, to break down the old hierarchies, the old barriers between different types of financial activity, to give the kind of robust, dynamic opportunities that are concomitant with this world of instantaneous transfer of information and billions of dollars across boundaries. In doing that, we have to recognize our ultimate responsibility is to ensure these institutions operate safely, that they are sound, and that regulatory responsibilities are discharged.

We expand dramatically the powers of these institutions under this legislation. But in some respect we are inhibiting some of the traditional regulatory roles of our Federal regulators. For example, in section 114, there is a prohibition which prevents the Office of the Comptroller of the Currency and the Office of Thrift Supervision from examining a mutual fund operated by a bank or thrift. Currently, they have limited authority to do such examinations. We are taking that away.

Section 111, another example, prohibits the Federal Reserve from examining the securities or insurance affiliate unless there is a ''reasonable cause to believe'' the affiliate is engaging in risky activity. Ask yourself, how do you reasonably believe such activity is taking place unless you have the opportunity and indeed the authority to at least go in and check periodically what is going on?

Many of these provisions might create a structure of regulation which is just too porous to withstand the kind of pressures that we see in the financial marketplace. It is reasonable to conclude how we got here. We have emphasized throughout this debate this notion of functional regulation, that securities should be regulated by the SEC, depositories should be regulated exclusively by banking regulators, and that a loose, overarching regulatory provision should be discharged by the Federal Reserve.

Setting up compartments with a loose umbrella invites the notion that something will go wrong, something will fall through the cracks. As we go through this process, the debate and the continued examination of this bill, we have to ask ourselves not only before the legislation is passed but if it is passed afterwards, are there any unintended loopholes that could be exploited, unfortunately, which would be detrimental to safety and soundness?

There is another provision which I think is important to point out. That is the notion that in the context of the insurance business, State insurance regulators basically have a veto over Federal Reserve authority to demand that an insurance affiliate contribute to the State of a holding company. This is a reversal from the traditional authority and the traditional regulatory perspective of the Federal Reserve.

For years, since their active regulation of the Bank Holding Company Act, the doctrine of the Federal Reserve has been that the holding company is a source of strength to the underlying depository institution. That ''source of strength'' doctrine is, in part, repealed by this legislation, because within the context of an insurance company, and specifically the next great round of mergers will be between depository institutions and insurance companies—that is the example that Travelers and Citicorp established when these insurance companies started merging together with banks, big banks, big insurance companies—we are going to have for the first time in our financial

history, a situation where an insurance regulator can say to the Chairman of the Fed, even though that depository institution is ailing mightily and my insurance company is very healthy, I'm not going to allow any transfer of funds from the insurance entity to the depository institution because I don't have to, one; and, two, I'm concerned about the long-term viability of the insurance entity, so I will not cooperate.

What that means is that rather than the present model where every subsidiary affiliate of a holding company contributes to the health of the deposit insurance, we have a situation where the taxpayer, through the insurance funds, will be bailing out a bank that very well might have a very healthy insurance affiliate.

These are some of the regulatory examples which I think have to continue to be watched, examined, and thought about. I hope as we go forward that we could engage the Fed in a constructive dialog with respect to their views on how we on a practical basis deal with some of the concerns I raised today.

We have the potential of passing legislation which would be terribly helpful to our financial community. I want to pass the legislation. Unless we resolve the issue of the Community Reinvestment Act, unless we resolve the issue of operating subsidiaries, unless we look more carefully and closely and make changes perhaps in some of the regulatory framework, this is not the legislation that ultimately can or should become law.

I yield my time.

Mr. SARBANES. Mr. President, I ask unanimous consent that when the Senate resumes its session, I believe it is now scheduled for 2:15—after the party caucus break—Senator WELLSTONE be recognized to make his opening statement. I think he thought that was the understanding but we did not actually have a unanimous consent request. This has been cleared by both sides.

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

(The remarks of Mr. SPECTER pertaining to the introduction of S. 952 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

## THE PALESTINIAN AUTHORITY

Mr. SPECTER. Mr. President, I compliment the Palestinian Authority for not acting unilaterally to declare statehood. Chairman Yasser Arafat visited me on March 23, and I urged him at that time not to make a unilateral declaration of statehood. He then said to me that when the Palestinian Authority had changed its charter, as it was urged to do so by an amendment introduced by Senator SHELBY and myself some years ago, that there was no credit given for that. I said there should have been credit given. And Chairman Arafat asked if they did not make the unilateral declaration if there would be some acknowledgment of that move. I said I would take the floor when May 4 came, which was the date targeted—that is today—and there was no unilateral declaration of statehood. And there has been none.

I congratulate the Palestinian Authority for its restraint. That is a matter which ought to be negotiated under the terms of the Oslo agreement. Chairman Arafat asked me if I would put it in writing that I would make the statement. And I said I would; and I did.

I ask unanimous consent that my letter to him dated in March be printed in the RECORD.

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

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
*Washington, DC, March 31, 1999.*

Chairman YASSER ARAFAT,
*President of the National Authority, Gaza City, GAZA, Palestinian National Authority.*

DEAR MR. CHAIRMAN: Thank you very much for coming to my Senate hideaway and for our very productive discussion on March 23rd.

Following up on that discussion, I urge that the Palestinian Authority not make a unilateral declaration of statehood on May 4th or on any subsequent date. The issue of the Palestinian state is a matter for negotiation under the terms of the Oslo Accords.

I understand your position that this issue will not be decided by you alone but will be submitted to the Palestinian Authority Council.

When I was asked at our meeting whether you and the Palestinian Authority would receive credit for refraining from the unilateral declaration of statehood, I replied that I would go to the Senate floor on May 5th or as soon thereafter as possible and compliment your action in not unilaterally declaring a Palestinian state.

I look forward to continuing discussions with you on the important issues in the Mid-East peace process.

Sincerely,

ARLEN SPECTER,
*Chairman.*

Mr. SPECTER. I again thank the Chair for his staying late. I thank him, beyond that, for listening to my speech. Very often Presiding Officers are otherwise engaged. I yield the floor.

## RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, at 1:03 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GREGG).

## FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The PRESIDING OFFICER. The Senate will continue consideration of S. 900.

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I will be spending some time on S. 900, but I also, in my remarks today, will be focusing on the question of when the Senate is going to start dealing with issues that affect ordinary citizens. I think that is what people in Minnesota would like to know.

This is called the Financial Services Modernization Act. I have no doubt that the large banks and lending institutions are all for this. The question I have is, When are we going to come out here with legislation that benefits ordinary citizens?—which I mean in a positive way. I will come back to this later on.

The Minnesota Farm Services Administration has now had to lay off close to 60 employees. That is where we are heading. This is an agency, the Farm Services Administration, that is a grassroots organization. They are out there trying to serve farmers. They are out in the field. They pick up on what is happening in rural Minnesota.

Right now the message we are sending here from the Congress is, we can't even pass a supplemental appropriations bill that we started working on several months ago to provide spring planting operating money for family farmers. Prices are way down. Income is way down. People are being foreclosed on. It is not just where they work, it is where they live. They are losing their farms, and we can't even get to them some disaster relief money, some loan money, so they can continue to go on until we go back and change this ''Freedom to Fail'' bill that we passed several years ago.

I am not telling you that some of the large conglomerates and some of the large grain companies and some of the large packers aren't making record profits. They are. They have muscled their way to the dinner table. They exercise raw political control over family farmers.

Meanwhile, this bill, the Financial Services Modernization Act, is all about consolidation and letting large financial institutions have unchecked power. But what we should be talking about is these family farmers going under.

I talked with Tracy Beckman today, director of the Minnesota FSA office. He told me that right now we have 340 loan requests, totaling $44.9 million, that are approved but are unfunded due to a lack of funding. Right now there is the possibility, unless we get this funding, that we are going to have 800 farm families in Minnesota that aren't going to get any financing. They need that financing if they are going to be able to go on.

Yesterday Tracy Beckman told me the story of a family farmer who found

out he couldn't get any loan money and he doesn't have any cash flow. You can work 24 hours a day and be the best manager in the world, and you will not make it as a family farmer right now. He said to one of our FSA officers out in the field, out in the countryside, when he found out that FSA can't help him because we are not able to pass a supplemental emergency assistance program, this farmer said, ''I'm just going to go home and shoot myself and my family.''

This is someone who is desperate. There is a lot of desperation in the countryside. We can't even pass a supplemental appropriations bill that will get some loan money out to family farmers, which we should have done a month ago or 6 weeks ago. Instead, we are out here on the floor talking about the Financial Services Modernization Act of 1999, the big bank act, the large conglomerate act, the large financial institution act. When are we going to be out here talking about affordable child care, or about raising the minimum wage? When are we going to make sure people get decent health coverage? When are we going to talk about providing more funding for the Head Start Program? When are we going to be out here talking about how to reduce violence in homes, and in schools, and in our communities? When are we going to be out here talking about something that makes a difference to ordinary people?

Now, Mr. President, I understand that all of the trade groups support this legislation—that is to say, all of the financial services groups. But I rise in strong opposition to this legislation called the Financial Services Modernization Act of 1999.

This bill, S. 900, would aggravate a trend toward economic concentration that endangers not only our economy, but, I think, more importantly, it endangers our democracy. S. 900 would make it easier for banks, securities firms, insurance companies, and, in some cases, commercial firms, to merge into gigantic new conglomerates that would dominate the financial industry.

Mr. President, this is the wrong kind of modernization at the wrong time. Modernization of the existing, confusing patchwork of laws, regulations, and regulatory authorities would be a good thing; but that is not what this legislation is really about. S. 900 is really about accelerating the trend toward massive consolidation in the financial sector.

This is the wrong kind of modernization because it fails to put in place adequate regulatory safeguards for these new financial giants whose failure could jeopardize the entire economy. It is the wrong kind of modernization because taxpayers could be stuck with the bill if these conglomerates become ''too big to fail.'' We have heard that before—''too big to fail.''

This is the wrong kind of modernization because it fails to protect consumers. In too many instances, S. 900 would lead to less competition in the financial industry, not more. It would result in higher fees for many customers, and it would squeeze credit for small businesses and rural America. Most importantly, Mr. President, this is the wrong kind of modernization because it encourages the concentration of more and more economic power in the hands of fewer and fewer people. The regulatory structure of S. 900, as well as the concentration it promotes, would wall off enormous areas of economic decisionmaking from democratic accountability.

Mr. President, this is the wrong time to be promoting concentration in the financial sector. S. 900 purports to update obsolete financial regulations, but the bill itself is already obsolete. This idea has been around for over a decade. But economic circumstances have changed drastically in the intervening years. Today, much of the global economy is in crisis, and this is no time to be promoting a potentially destabilizing concentration of economic power.

The banking industry has become more and more concentrated over the last 18 years, and especially during the 1990s. There have been 7,000 bank mergers since 1980. In the last year or so, we have seen megamergers that are the largest in the history of American banking. The merger of NationsBank and BankAmerica would have assets of $525 billion, and the BancOne and First Chicago/NBD merger would have assets of $233 billion. In 1980, by comparison, there were no mergers or acquisitions of commercial banks with a total of more than $1 billion in assets.

What is new and different about the situation today is that banks are beginning to merge with insurance and securities firms. The merger between one of America's largest banks, Citibank, and the largest of insurance groups and brokerage groups, Travelers, is probably the best example. This new conglomerate will control over $700 billion in assets.

Supporters of S. 900 argue that whether we like it or not, the lines between banking and securities—and the lines between banking and insurance—have already been breached. Regulators and courts have already let banks dabble more and more into securities and insurance, and they have let brokerages invade banking. The battle over Glass-Steagall has already been lost, they say.

Well, Mr. President, I am not so convinced. If S. 900 didn't encourage more and bigger mergers, I don't think so many big banks, big insurance companies, and securities firms would be so enthusiastic about it.

In fact, passage of S. 900 would set in motion a tidal wave of big money mergers. It would prompt other banks to start courting insurance and securities firms. And it would put increasing pressure on the banks of every size to find new partners. It may be true that we have already come a long way down this road. It may be true that the protections of Glass-Steagall and the Bank Holding Company Act have already been eroded. It is certainly true that we cannot turn back the clock.

But it does not necessarily follow that we are doomed to continue down this perilous path wherever it may take us. Yes, regulators have already given banks an inch, but it doesn't mean we have to give them a mile. If the old laws and regulations are inadequate to deal with the changing world of finance, then we need better regulations, not weaker ones. We should not be supplying the wrecking ball that tears down all remaining walls between banking and other risky activities, without first putting into place adequate safeguards.

Passing this bill would be an act of monumental hubris. It would reflect a smugness and complacency about our economic policy that I believe is unhealthy and unwarranted. We have heard the argument that America has entered the new age, a ''new paradigm,'' a so-called ''new economy.'' Depression and deflation are relics of a distant past. The old laws of ''boom and bust'' no longer apply. Our superior technology, so the argument goes, will allow us to sustain this economic recovery for another 20 or 30 years, and maybe more. This is the beginning of a long boom. Some have dared to imagine that we have arrived at the end of history.

There is a dangerous moral to this story: that we no longer have to prepare for emergencies or guard against disaster; that the safeguards put in place years ago to stabilize the economy can now be safely withdrawn; that a safety net that will never again be tested by adversity can now be safely shredded; that we no longer need to worry about inadequate oversight of markets because the markets can and will police themselves; that bigger is better, antitrust is obsolete, and regulation is passe.

I think we are flirting with disaster. We are strolling casually along the upper decks of the *Titanic*, oblivious to the dangers ahead of us. Remember, the *Titanic* in its day symbolized the ultimate triumph of technology and progress. Just like these new financial conglomerates, it was considered ''too big to fail.'' Because everybody assumed this flagship of Western technology was unsinkable, they saw no need to take ordinary precautions. They disregarded the usual rules of speed and safety, as Congress is now doing with S. 900. And they failed to store enough lifeboats for all the passengers, which reminds me of nothing

so much as the repeal of the welfare entitlement.

Mr. President, that is another thing that maybe we should be talking about on the floor of the Senate—what is happening with welfare reform. Later in my remarks, when I am talking about the real issues that affect real people, and in particular poor people, I will return to that.

Some of the passengers in first class may be oblivious, but the world economy is still in a precarious state. Most of Asia is still in a depression. The Japanese economy is slugging through the 9th year of an unshakable slump. Russia has been mired in a depression for 8 years, its economy shrunk to half its former size. Brazil is entering into recession, with serious implications for all of its Latin American neighbors. European economies are showing signs of weakness.

In the face of these sobering developments, the solution offered by this legislation is simply more of the same—more deregulation, more mergers, more concentration. At precisely the moment when, for the first time in 50 years, we face some of the hazards that Glass-Steagall was designed to contain, Congress wants to tear down the remaining firewalls once and for all.

We seem determined to unlearn the lessons of history. Scores of banks failed in the Great Depression as a result of unsound banking practices, and their failure only deepened the crisis. Glass-Steagall was intended to protect our financial system by insulating commercial banking from other forms of risk. It was designed to prevent a handful of powerful financial conglomerates from holding the rest of the economy hostage. Glass-Steagall was one of several stabilizers designed to keep that from ever happening again, and until very recently it was very successful. But now S. 900 openly breaches the wall between banking and commerce.

And what about the lessons of the savings and loan crisis? The Garn-St Germain Act of 1982 allowed thrifts to expand their services—people in the country will remember this—beyond basic home loans, and only seven years later taxpayers were tapped for a multibillion-dollar bailout. I'm afraid we're running the same kind of risks with this legislation. S. 900 would lead to the formation of a wide array of ''too big to fail'' conglomerates that might have to be bailed out with taxpayer money. These financial holding companies may well be tempted to run greater risks, knowing that taxpayers will come to their rescue if things go bad.

S. 900 does set up firewalls to protect banks for failures of their insurance and securities affiliates. But even Alan Greenspan has admitted that these firewalls would be weak. And as the Chairwoman of the FDIC has testified, ''In times of stress, firewalls tend to weaken.'' The economists Robert Auerbach and James Galbraith warn that ''the firewalls may be little more than placing potted plants between the desks of huge holding companies.''

Regulators will have little desire to stop violations of these firewalls if they think a holding company is ''too big to fail.'' After the stock market crash of 1987, for example, Continental Illinois breached its internal firewalls to prop up a securities subsidiary. Regulators reprimanded Continental with a slap on the wrist.

And even if there is no taxpayer bailout, the Treasury Department has expressed its concerns about unmet expectations. Investors and depositors may assume protection is indeed much greater for these holding companies than it actually is. And they may panic when they realize they were mistaken.

And what about the lessons of the Asian crisis? Just recently, the financial press was crowing about the inadequacies of Asian banking systems. Now we are considering a bill that would make out banking system more like theirs. The much maligned cozy relationships between Asian banks, brokers, insurance companies and commercial firms are precisely the kind of crony capitalism S. 900 would promote.

The economists James Galbraith and Robert Auerbach warn against repeating the mistakes of the Asian economies: ''There is already evidence of monopolistic practices in the banking industry that would be heightened by [S. 900]. There is now devastating experience from the recent problems experienced by huge banking-finance conglomerates in Asia. There is little justification to follow these examples, as would be allowed by [S. 900]. It could happen here if we build the same unwieldy structures to dominate our banking system.''

To be accurate, if we want to locate the real causes of the Asian crisis, we have to look at the reckless liberalization of capital markets that led to unbalanced development and made these economies so vulnerable to investor panic in the first place. The IMF and other multilateral institutions failed to understand how dangerous and destabilizing financial deregulation can be without first putting appropriate safeguards in place.

World Bank Chief Economist Joseph Stiglitz wrote last year about the Asian crisis:

> The rapid growth and large influx of foreign investment created economic strain. In addition, heavy foreign investment combined with weak financial regulation to allow lenders in many Southeast Asian countries to rapidly expand credit, often to risky borrowers, making the financial system more vulnerable. Inadequate oversight, not overregulation, caused these problems. Consequently, our emphasis should not be on deregulation, but on finding the right regulatory regime to reestablish stability and confidence.

That is World Bank chief economist Joseph Stiglitz. We claim to have learned our lessons from the crisis in Asia. But I am not sure we have.

Tell me why on Earth are we doing this, besides the fact that these large financial institutions have so much political power? Why now?

The backers of S. 900 claim that the Glass-Steagall Act of 1933 and the Bank Holding Act of 1956 are obsolete and financial regulation must be modernized. Well, I'm all for modernization. But the question is: what kind of modernization?

I think most of us agree that the existing patchwork of confusing and inconsistent regulations needs to be simplified and rationalized. GAO has testified that the piecemeal approach to deregulation taken by the Fed and Treasury has resulted in ''overlaps, anomalies, and even some gaps'' in oversight.

The problem is that S. 900 doesn't really fix that problem. It maintains a patchwork of regulators. Who knows how they would coordinate their efforts when holding companies run into trouble?

But most importantly, the reach of S. 900's regulatory safeguards does not match the size of these new conglomerates. A central feature of S. 900 is the transfer of regulatory authority for the newly created holding companies to the Federal Reserve. This seems a lot more like deregulation than modernization.

Let me repeat that. A central feature of S. 900 is the transfer of regulatory authority for the newly created holding companies to the Federal Reserve. This sounds a lot more like deregulation than modernization.

How much confidence can we have in the Fed's oversight? The case of Long Term Capital Management last year does not exactly inspire confidence. Only one week before that $3.5 billion bailout, Alan Greenspan testified before Congress that the risk of hedge funds was well under control and that bankers policing them knew exactly what they were doing. Well, in this case at least, they didn't know what they were doing. And apparently neither did the Fed.

What concerns me more is that this massive transfer of power is anti-democratic. The Federal Reserve Board is not an elective body, and it's not democratically accountable. To the extent Congress pries into the Fed's business—which is not very much—we focus on monetary policy, not bank oversight. Why should we hand over so much power to an institution that is essentially accountable to the financial industry and nobody else?

I repeat that. Why should we hand over so much power to an institution that is essentially accountable to the financial industry and nobody else?

James Galbraith and Robert Auerbach write:

The Federal Reserve's decision-making is contingent to a great extent on the banking industry which it regulates. Bankers elect two-thirds of its 108 directors on the boards directors of its 12 regional Federal Reserve Banks. This 25,000 employee bureaucracy with its own budget that is not authorized or approved by the Congress is not independent of the bankers and finance companies that it would regulate.

Several commentators have expressed open delight that this transfer of power to the Fed will insulate financial regulation from ''partisan politics.'' The Christian Science Monitor endorsed H.R. 10 last year because ''it would make financial regulation more remote from politics.''

But is this really something we should welcome? Another term for ''partisan politics'' in this case is ''democracy.'' Democracy may be messy sometimes. It would be vastly improved by real and meaningful campaign finance reform. But it also happens to be the basis of our form of government.

Why should such an important area of public life be ''insulated'' from democratic accountability? Why should the people making the most important economic decisions in our country be accountable only to Wall Street and not to voters?

Why are we transferring this kind of authority?

We've already walled off most economic decisionmaking from any kind of democratic input. Former Labor Secretary Robert Reich has argued that we no longer have any fiscal policy to speak of, and Congress has delegated monetary policy to the Federal Reserve. ''The Fed, the IMF, and the Treasury are staffed by skilled economists,'' he wrote, ''but can we be sure that the choices they make are the right ones in the eyes of most of the people whose lives are being altered by them?'' He has noted that ''One reason governments exist is to insure that economies function for the benefit of the people, and not the other way around.'' Already, decisions about interest rates and desirable rates of unemployment—decisions that will decisively impact the lives of millions of Americans—are beyond the reach of democracy. They are reserved to the exclusive jurisdiction of unelected bankers.

What does it mean, as a practical matter, for supervision of the financial sector to be protected from democratic accountability? The contents of S. 900 itself should give us a pretty good idea. For whose benefit is this legislation being passed? In the long debate over this legislation, there has been a lot of talk about the conflicting interests of bankers, insurance companies, and brokers, but very little discussion of the public interest.

Financial services firms argue that consolidation is necessary for their survival. They claim they need to be as large and as diversified as foreign firms in order to compete in the global marketplace. But the U.S. financial industry is already dominant across the globe and in recent years has been quite profitable. I see no crisis of competitiveness.

Financial firms also argue that consolidation will produce efficiencies that can be passed on to consumers. But there is little evidence that big mergers translate into more efficiency or better service. In fact, studies by the Federal Reserve indicate just the opposite. There is no convincing evidence that mergers produce greater economic efficiencies. On the contrary, they often lead to higher banking fees and charges for small businesses, farmers, and other customers. Bigger bankers offer fewer loans for small businesses. And other Fed studies have shown that the concentration of banking squeezes out the smaller community banks.

S. 900 reflects the same priority of interest promoted by financial consolidation itself. A provision designed to ensure that people with lower incomes can have access to basic banking services has been stripped out. Let me repeat that. A provision designed to ensure that people with lower incomes can have access to basic banking services has been stripped out. This provision was to address the growing problem that banking services are beyond the reach of millions of Americans. According to U.S. PIRG, the average cost of a checking account is $264 per year, a major obstacle to opening a checking account for low-income families. These families have to rely instead on usurious check-cashing operations and money order services.

I don't see much protection for consumers in S. 900 either. Banks that have always offered safe, federally insured deposits will have every incentive to lure their customers into riskier investments. Last year, for example, NationsBank paid $7 million to settle charges that it misled bank customers into investing in risky bonds through a securities affiliate it set up with Morgan Stanley Dean Witter.

S. 900 makes nominal attempts to address these and other problems. But in the end, I am afraid this bill is an invitation to fraud and it is an invitation to abuse.

Finally, the impact of S. 900 on the Community Reinvestment Act is a cause of real concern. I thank my colleague, Senator SARBANES, for his tremendous leadership in making sure that we protect community reinvestment as a part of his substitute legislation. CRA has been an effective financial tool for the empowerment and growth of our communities for over 20 years. Despite this success, CRA is now in great danger. Why? Because S. 900 is a legislative package of deals and favors aimed to please Wall Street, certainly not Main Street. It is not good for small business, not good for low-income families, not good for rural America, not good for our neighbors or our communities.

Within this bill are three substantial provisions intended to ''modernize'' financial services by rolling back the Community Reinvestment Act. But that will only encourage discrimination and promote economic despair.

We need to ask ourselves a very important question: Are we willing to turn the clock back and abandon the Community Reinvestment Act? Are we willing to return to the days before 1977 when banks could freely discriminate against neighbors, farms, small towns, and other underserved populations, just because they were viewed as less profitable customers?

We need to keep the doors open for families, seniors, farmers, small businesses, for consumers to access credit so they can realize their dream to own a home or start a business. We need to keep the doors open for community groups, for cities and towns to access credit to revitalize impoverished neighborhoods or to restore once abandoned buildings. We need to keep CRA strong because we all benefit from community reinvestment.

CRA establishes a simple rule—that depository institutions must serve the needs of the communities in which they are chartered. In a safe and sound manner, they form partnerships with groups and consumers to provide lending to those denied credit. In a safe and sound manner, banks work with families looking to achieve their dream of owning a home. In a safe and sound manner, banks lend to small businesses to help them grow. In a safe and sound manner, banks lend to farmers who fall on hard times and need some extra help to survive falling commodity prices.

For many consumers, CRA has been a lifesaver. To deny the positive impact CRA has made in improving the economic health of our country is simply to deny the facts. The CRA has delivered an estimated $1 trillion or more for affordable homeownership and community development. The role of CRA is not just to benefit the most impoverished neighborhoods in our States; rather, CRA cuts across class lines, race lines, gender lines, practically every hurdle to discrimination, to promote economic stability for families, small farmers, and communities. This legislation in its present form begins to take all that away.

What is my proof? According to the statistics collected by the Local Initiative Support Corporation, or LISC, in 1997 the Home Mortgage Disclosure Act data showed that lending to minority and low-income borrowers is on the rise. For example, since 1993 the number of home mortgage loans to African Americans increased by 58 percent; to Hispanics, by 62 percent; and to low- and moderate-income borrowers by 38

percent—well above the overall market.

In 1997, large commercial banks made $18.6 billion in community development investments. In 1997, banks and thrifts subject to CRA's reporting requirements made two-thirds of all the small business loans made that year. More than one-fifth of those loans were made to small businesses and low- and moderate-income communities.

Each time I return to Minnesota, I am convinced that CRA is working. Early this year, I had a chance to present an award to a family who had achieved their dream of becoming homeowners. Rene and Gloreen Cabrarra were the 750th family to purchase their home through an innovative partnership between the community group ACORN and a local bank. Rene and Gloreen had to move out of their apartment when it was condemned for repair problems. As a result, they moved in with other family members. The Cabrarras began working with the community group ACORN in the Twin Cities and were soon able to obtain a special low-income loan to buy their home, thanks to a CRA agreement between that community group and that bank in that metro area. There is no doubt that CRA has benefited Rene and Gloreen. As a result, they are now proud homeowners living in the Phillips neighborhood.

From the nearly 170 mayors who have signed their name in support of the progress CRA has made in their communities, there is tremendous support. From family farm and rural organizations who see access to credit as being essential tools for their small communities, there is tremendous support. A story of empowerment can be shared by every group working for the advancement of their rights.

Despite this undeniable success, the CRA is under attack. S. 900 would begin to dismantle its effectiveness in the communities where it has been most beneficial. Specifically, I will speak to two anti-CRA provisions in S. 900.

First, S. 900 creates a safe harbor for banks that have maintained a satisfactory CRA rating for 3 consecutive years. This provision would practically eliminate the opportunity for public comment on the CRA performance of a bank at the time of a merger application. Banks that have received a satisfactory or better CRA rating for 3 years consecutively would be deemed in compliance and therefore freed from the requirement of public comment on their application.

Public comment on a proposed merger is an especially useful tool in the case of large banks serving a variety of markets. In such cases, regulators examine only a portion of these markets to evaluate a bank's CRA rating. Since performance in small communities is weighted less than in larger areas, public comment sometimes provides the only means to truly examine the commitments of a bank to all of its community members. Simply put, public comment is a chance for community groups and consumers to bring to light important information and facts that may have been overlooked during the review process.

However, this avenue for public involvement in the merger process is seriously undercut by S. 900's safe harbor provision. The only way a citizen could exercise his or her democratic rights would be to find ''substantial verifiable information'' of noncompliance since the merging bank's last CRA examination. This is a very high burden. An estimated 95 percent of all banks are deemed CRA compliant. As a result, the vast majority of mergers would be exempted from public comment.

Some have justified this undemocratic safe harbor as a way to prevent extortion by community groups during the merger review process. Mr. President, in August 1998, I wrote a letter to the Federal Reserve requesting a public hearing on the proposed merger between Norwest Corporation, based in Minnesota, and Wells Fargo Company. I specifically requested that special attention be paid to the possible effects that this merger would have on the people and the communities who rely on Norwest's services and community participation across the State. I ask my colleagues, Was this extortion?

I was not the only elected official to request such a hearing. A Congressman, a State representative, and various community groups did as well. Were they guilty of extortion?

The 2-day hearing opened the doors for 70 different groups and individuals to publicly comment on the strengths and weaknesses of both Norwest and Wells Fargo with regard to community involvement. Representatives from the Navajo Nation, statewide nonprofit housing organizations, and microcredit lending organizations that provide a lifeline to small businesses, all had their chance to be heard. They had their chance to publicly challenge these merging entities to remain involved in their communities. Did this constitute extortion?

No one was practicing extortion by requesting a public hearing on the merger between these two financial giants. No elected officials or nonprofits were doing anything improper when they publicly commented on the lending practices of these two banks. What these 70-plus groups and individuals were practicing was democracy.

Using S. 900, citizens would be deprived of these democratic rights unless they could ''substantially verify'' a merging bank's noncompliance. That is not just undemocratic, it is unjust. At least the Daschle-Sarbanes amendment would retain the consumers' democratic right to participate in the process.

The second anti-CRA provision in S. 900 is the small bank exemption. This provision would exempt banks in rural communities with assets of less than $100 million from CRA requirements. In fact, it would exempt 63 percent of all banks from the requirements of CRA. It would send a clear message to farmers, to small businesses, and to consumers in small towns that they do not have the same rights to access credit as consumers who live in urban areas.

Some of my colleagues would argue that small banks in rural communities do not need CRA. Why? They claim that small banks by their nature serve the credit needs of local communities. But CRA compliance records will tell you a different story.

More importantly, rural America is facing an economic crisis. Family farms are disappearing one by one from this country's rural landscape. Many rural communities are in great need of access to credit before their economies collapse. This anti-CRA provision completely ignores the realities and needs of rural America.

According to a recent SBA (Small Business Administration) report, June 1998 data show a 4.6-percent decline in the number of small farm loans. That June 1998 data also reveals that the value of very large farm loans, over 1 million, has increased by 25 percent, while small farm loans under $250,000 increased by only 3.9 percent. As family farm and rural community organizations have concluded, larger loans are going to fewer farmers.

According to a similar study conducted by the State of Wisconsin, farming operations were more likely to obtain a loan if they were under contract with an agribusiness. Small and independent farmers faced greater difficulty accessing the necessary credit to remain in operation.

To quote an April 29 letter signed by 19 organizations representing the interests of farmers in rural communities:

> Rural areas continue to suffer from a serious shortage of affordable housing. Farmers are facing the worst financial conditions in more than a decade due to declining commodity prices. Rural Americans continue to need the tools of the CRA to ensure accountability of their local lending institutions. CRA helps to meet the credit demand of millions of family farmers, rural residents, and local businesses.

In a March 24 letter to Senators, the National Farmers Union also sent the message that rural America needs the CRA just as much as our urban centers. To quote the letter from President Leland Swenson:

> The Community Reinvestment Act prohibits redlining, and encourages banks to make affordable mortgage, small farm, and small business loans. Under the impetus of CRA, banks and thrifts made $11 billion in farm loans in 1997. CRA loans assisted small farmers in obtaining credit for operating expenses, livestock and real estate purchases. Low- and moderate-income residents in rural communities also benefited from $2.8 billion in small business loans in 1997.

In 1999, access to credit is tighter than usual, making it critical to maintain the CRA.

For many consumers living in rural communities, having access to credit is having access to a future. Our rural communities need CRA because they can depend on little else in today's agricultural markets.

I am strongly opposed to the small bank exemption in S. 900 because I have witnessed firsthand the important role CRA plays in rural communities in Minnesota. At least the Sarbanes-Daschle amendment would remove this harmful provision from the bill.

We need to ask ourselves, do we really intend to return to the old banking practices of red lining? Do we want to leave our cities, small towns, and families without a means to become economically stable and strong? Do we intend to draw a clear line between the haves and have-nots?

It has been nearly 3 years since the passage of welfare reform. Since then, urban and rural America has seen a dramatic rise in the numbers and needs of the desperately poor.

Mr. President, that is right. Since then, we have seen a dramatic rise in the number and needs of the desperately poor. Why are we not talking about other issues on the floor of the Senate? I will get back to this in a little while.

What does that have to do with CRA? Everything. Because of CRA, nonprofit organizations that assist the homeless are able to establish partnerships with banks to access credit and build affordable and emergency long-term housing. CRA loans that develop dilapidated neighborhoods and bring more jobs to our urban centers benefit former welfare recipients. Over $1 trillion has been invested with innovative ways of providing housing, jobs, and community revitalization to stabilize these economically troubled areas.

CRA has been a mainstream banking practice for over 20 years. It has evolved over the years to better serve banks and their communities, and it has been streamlined to reduce the regulatory burden on small banks. This is a law that has been improved and has grown to better serve banks and consumers.

A lot of big banks don't like the CRA. They feel it is an imposition. They denounce it as big government and overregulation. But for most people I ask, Which is the greatest danger here, concentration of political power in government or concentration of economic power? I don't think it is a close call.

I think our goal should be to help ordinary people make sure they have some say over the economic decisions that affect their lives. Repealing CRA is not going to do that. No amount of antigovernment rhetoric is going to do that. But enforcing some meaningful consumer protections would do that. So would prohibiting mergers that threaten to crowd out community banking, squeeze credit for small businesses, and open the door to higher fees and ever more fraud and abuse.

This is the fundamental problem with deregulation and economic concentration generally. It allows the Nation's economic power to be held in the hands of fewer and fewer people. The same thing is happening in many of our other major industries, including airlines, electric utilities, and communications.

Ben Bagdikian has noted that 20 corporations and multinationals own most of the major media in the entire country—newspapers, magazines, radio, television and publishing companies. In the 2 years since the Congress eased restrictions on ownership of radio, 4,000 stations have been sold—in the last 2 years—and more than half of all big-city stations are in the hands of just five companies.

The electric utility industry is already consolidating in expectation that the States and Congress will soon mandate retail competition. And 4,500 corporate mergers were announced in the first 6 months of last year, with the combined value of $1.7 trillion. These include SBC and Ameritech, Chrysler and Daimler Benz, Enron and PGE, Monsanto and American Home Products, Worldcom and MCI, and Columbia and HCA Healthcare. Now we hear about mergers between BP and Amoco, Mobil and Exxon, and on and on.

Pretty soon we are going to have three financial service firms in the country, four airlines, two media conglomerates, and five energy giants.

Mr. President, this is absolutely amazing to me, which is why I have spent some time making the case. We see more consolidations here. We see a dangerous concentration of power in telecommunications—that is the flow of information in democracy—and the same thing in energy, the same thing with health insurance companies.

In agriculture it is absolutely unbelievable—absolutely unbelievable. Everywhere family farmers look you have these conglomerates that have muscled their way to the dinner table, exercising their raw economic and political power over family farmers, over consumers, and I might add, over taxpayers as well.

Joel Klein came out to Minnesota, along with Mike Dunn, who heads the Packers and Stockyard Administration in the USDA, for a very dramatic public hearing in our State just a couple of Sundays ago. Let me tell you, you have these hog producers that are facing extinction, and then you have these packers that are in hog heaven. You have your grain farmers going under; and you have Cargill making a 52-percent profit in this past year.

The farmers are saying, ''What is going on here? Consumers aren't getting a break. And we're not getting the prices that enable us to even keep going on with our farming. Who is making the money?'' Everywhere you see this concentration of power. I will have an amendment on this bill later on that will talk about antitrust action.

Antitrust action has been taken off the table. Antitrust action has been taken off the table. This is a classic example of why we need reform. Because when it comes to antitrust action, and having the Senate say we are on the side of consumers, we are on the side of family farmers, we are on the side of community people, and we are willing to take on these huge companies, we dare not do that. These monopolies are the campaign givers. These are the heavy hitters. These are the investors.

We have been through this before, Mr. President. At the end of the last century, industrial concentration accelerated at an alarming pace. Lots of people, including the columnist and author E.J. Dionne, former House Speaker Newt Gingrich, and the philosopher, Michael Sandel, have noted the similarities between that era and our own.

American democracy suffered as a result of that concentration of economic power. The two parties became dominated by similar corporate interests. Their platforms started to sound an awful lot alike, and voter participation declined dramatically. Why? Because people realized that they had little to say in the economic decisions that most affected their lives.

I think that aptly describes the situation today. I tell you, when I travel in Minnesota or travel in the country, one of the things that people say to me is that they think both parties are controlled by the same investors. They do not think there is any real opportunity for them to have any say anymore in this political process.

And once again, we are about to pass a piece of legislation —I hope we do not, but if we do—a piece of legislation that will lead to the rapid consolidation in the financial services industry, to the detriment of rural America, to the detriment of small towns, to the detriment of low- and moderate-income people, and to the detriment of working families. But there is an awful lot of economic and political clout behind this bill.

And what is in store for us if we allow this trend to continue? Huge financial conglomerates the size of Citigroup will truly be ''too big to fail.'' Government officials and Members of Congress will be prone to confuse Citigroup's interests with the public interest, if they do not already. I think they do already.

What happens when one of these colossal conglomerates decides, for example, it might like to turn a profit by privatizing Social Security? Who is going to stand in their way? That is a

trick question, of course, because we already face that dilemma today. But I contend that the economic concentration resulting from passage of S. 900 would only make that problem worse.

In a sense, then, campaign finance is only a symptom of a larger problem. By all means, we should drive money out of politics. Absolutely, we should. But even if we succeed, the trend towards economic concentration will diminish the value of democratic decisionmaking. If few or none of the most important economic decisions are made democratically, or are even subject to democratic accountability, what is the point of voting? Indeed, these developments raise important and fundamental questions about the role of democracy itself.

It used to be that these questions were a source of concern for many people. And they were a hot topic for political debate. Thomas Jefferson and Andrew Jackson warned not only against the concentration of political power, but also against the concentration of economic power.

The great Supreme Court Justice Louis Brandeis railed against the ''Curse of Bigness.'' Brandeis argued that industrial concentration coarsened the value of democracy by diminishing the role of individuals in economic decisions. We should not let that debate die. It is a vital part of our democratic heritage.

There may be some colleagues who share these concerns but will nonetheless vote for S. 900. They say this is the best we can do. They say the damage has already been done, and concentration will continue with or without this legislation.

I disagree. I think we need to take a good look at this. Before we consider sweeping changes in our financial services laws, we had better understand the effects of the latest wave of mergers. The true test of these new combinations will be the impact of the next recession. We need to see how these megamergers hold up before proceeding any further.

There is simply no justification or excuse for this kind of invitation to bigness before a solid, updated regulatory system can be put in place. I believe this legislation is an enormous mistake. It is not necessary. And it could do real harm to the economy. It should be soundly defeated. It should be soundly rejected.

Mr. President, with due respect to my colleagues, while I have the floor I want to argue one other case. And I say to both the Senator from Texas and the Senator from Utah, I will not dominate the whole afternoon, but I do want to make one other argument. And it is this: I do not understand why we are on the floor dealing with this legislation. I do not really understand why we are dealing with—what is it called—the Financial Services Modernization Act.

When I talk to people in cafes in Minnesota, they do not talk to me about the Financial Services Modernization Act at all. As a matter of fact, I will tell you something. If you spend a little bit of time with people, most people will say—and both of my colleagues, the Senator from Texas and the Senator from Utah will be happy to hear the first part of what they say, and maybe not as happy to hear the second part. If you do a poll and ask them, ''Are you a liberal or a conservative,'' at the Town Talk Cafe in Willmar, which is my focus group—and that is the name of the cafe—I would say 75 percent of the people say they are conservative. They do.

But you know what? If you stick around and talk to people for a while, they do not like the way in which these big banks have taken over financial services and have driven out the community banks. And they do not like these big insurance companies that are dominating health insurance. And they do not like how these conglomerates are driving family farmers out. And they do not like the concentration in telecommunications. And they do not like to see the merger of the energy companies. And they are not all that happy with Northwest Airlines that basically dominates about 75 percent of the flights in the State of Minnesota.

Those people in the cafes of Minnesota have a healthy skepticism about bigness. They have a healthy skepticism about a piece of legislation that leads to dangerous consolidation, and basically leaves the economic decisionmaking, that can make or break the lives of families and communities and neighbors, in a few hands. They are right. More importantly, one more time, I just want to sound this alarm, which is why I am going to talk a little bit more here. We have a situation in my State of Minnesota right now which I can only define as desperate.

I have spoken at enough farm gatherings. I spoke first, it was a farm gathering in northwest Minnesota, Crookston. Then there was a farm gathering that I spoke at in Worthington. Then there was a farm gathering in Sioux Falls, SD. Then there was a farm gathering in Sioux City, IA. Every time I spoke at those gatherings—and there were 500, 600, 700, several thousand farmers—I looked out there and I saw the pain in the faces of family farmers.

I see the pain in the faces of those family farmers as I am in this Chamber for two reasons: First of all, on the long-term front, these family farmers can't make it without a decent price. They want to know what we are going to do about getting farm income up. Why aren't we talking about farm income today? Why aren't we doing something about agriculture?

They want to talk about when there is going to be antitrust action. They want to talk about who is going to be on their side, not on Cargill's side or IBP's side or Monsanto's side. They want to talk about whether or not there is going to be some protection for them so they have a chance to make it.

These family farmers also want to know why in the world we can't get emergency assistance to them as a part of the emergency supplemental bill. They thought 2 months ago we were going to do it, but we didn't. We left and went home for spring break. Now we are back. I say to the majority party, get that supplemental bill out here on the floor and pass it. How can we hold this bill up? There was supposed to be a separate ag supplemental bill. But I think it was tied to Central American assistance. I think they went together.

It should be passed out of here, because, one more time, the Minnesota FSA is laying off its employees. You might say, so what, a bunch of bureaucrats. Not so. This is a grassroots organization, with people out in the farmland providing people with credit, as a lender of last resort, with more and more demand as farm prices are down, farmers are facing foreclosure, trying to get out there and plant, and they do not have the loan money. This is a demoralized agency, and they are letting people go.

As I said earlier, we are going to have, on the present course, at least 800 farmers who aren't going to get any financing at all. They are going to go under. That is a real emergency supplemental bill.

I am tempted, while I have the floor, to speak for a while about this, because it seems to me that we ought to be doing something about this and we ought to be doing something about it right now. The Financial Services Modernization Act—I have to write this down—the Financial Services Modernization Act does not mean a thing to them. The Financial Services Modernization Act does not mean a thing to these family farmers. They want this Congress to pass that supplemental bill because for them time is not neutral. Time marches on. If they do not get any assistance, they are going to go under. These are hardworking people. I think it is just simply unconscionable. I am not just talking about the Financial Services Modernization Act. I think it is unconscionable that any piece of legislation go forward on the floor of the Senate until we do something about this.

It is absolutely unbelievable; it really is.

I mentioned a story earlier. I see there are people in the Chamber who are watching the debate—or at least watching one person speak. I have a hard time giving people a feel for the gloom that is out there. Again, I talked to Tracy Beckman, not using any names, who is director of the Minnesota FSA.

He said, I think it was this morning, that one of the farmers who was denied a loan because there was no money, because we haven't done anything—we are supposed to pass this emergency supplemental bill and get the funding out there—one farmer today said, ''Well, I'm just going to shoot myself and my family.'' That is horrifying. That is what he said.

There is tremendous economic pain, tremendous desperation. People are going under. We have the Financial Services Modernization Act, this piece of legislation. Frankly, it doesn't mean anything to these farmers. They want to get some help. They would like to get spring planting loan money. That is what they would like to have done for them. That is not what we are doing.

When are we going to get serious? It is clear what this piece of legislation does. We have the Community Reinvestment Act, which has been tremendously important to lots of people in small communities. It has ended redlining. I used to do community organizing against redlining. It has worked well. It has made a huge difference. It's a source of capital, and lots of communities have overcome discrimination. This piece of legislation takes all that away. Wipes it out, wipes it out through the two provisions that I talked about.

My question is, what does it do for ordinary citizens? What does it do for ordinary people? That is the question. Why aren't Senators talking about issues that matter to working people, that matter to ordinary citizens in our country? Why aren't we talking about the Town Talk Cafe?

I see my colleagues on the floor.

Mr. GRAMM. Will the Senator yield for one moment?

Mr. WELLSTONE. As long as I continue to have the floor, I will be pleased to yield.

Mr. GRAMM. I have to accommodate our dear colleague from Minnesota. Let me say, I wish he could go on forever, because I am always enlightened listening to him. But to accommodate him, I asked unanimous consent that he might have 40 minutes when we came back in at 2:15. It is now 3:15. The Senator has spoken an hour.

I asked other people to come over to speak based on that agreement. I do not intend to try to enforce the 40 minutes, but if the Senator could take that into account, because I asked Senator BENNETT, who, as are all of us, is busy, to come over based on that agreement. He has been sitting here now for 25 minutes or so. If the Senator could sort of begin to bring it to a close, it would be much appreciated.

Mr. WELLSTONE. Mr. President, let me say to my colleague that initially—and I appreciate what he is saying and because of that, I will try to bring it to a close—I said I thought it would take 40 minutes. My colleague was gracious enough to say, take the time you need, take an hour and a half, whatever you need. I think that is actually part of the RECORD.

And when he said that—I usually take direction from my colleague from Texas—I thought to myself, well, if I have an hour and a half to talk about the issues that I think we really ought to be talking about, I will take that. So I am about ready to finish up on that hour and a half.

Mr. BENNETT. Mr. President, will the Senator yield for a question?

Mr. WELLSTONE. I am pleased to, although I want to make sure that I focus on some of these other issues. Let me yield for a question.

Mr. BENNETT. I want to answer some of the things the Senator has been saying here and ask him a question in that context.

The Senator has asked the question, why we are taking this up, and why does it matter, and is there any urgency. My question to the Senator is, is he aware of the fact that Robert Rubin, the Secretary of the Treasury, and Alan Greenspan, Chairman of the Federal Reserve system, both testified before the Senate Banking Committee that this legislation was of the highest urgency and that if it did not pass as quickly as possible, the entire banking system of the United States would be adversely affected by virtue of foreign competition? Is the Senator aware of that testimony from the administration and the Federal Reserve Board?

Mr. WELLSTONE. Mr. President, it is a fair enough question. In answering the question, let me say that I actually just did have an opportunity to be in a session with Secretary Rubin in which several of us expressed the very concerns that I have taken an hour to express. He said they are very valid concerns. ''On balance, I think it is better that we do this'' was what he said.

And then when we had a discussion about CRA—and I have devoted a good deal of my time talking about that—the Secretary was very clear about the President's veto letter and very clear that it was important that we maintain these CRA provisions.

Of course, the Secretary is interested in this legislation, though it wasn't quite the same report I heard that my colleague heard. I say one more time—I am coming to the end of my remarks—that in deference to all my colleagues out here, I know this Financial Services Modernization Act has the support of the industry groups and has the support of the financial institutions. Of course, because it is going to lead to more concentration of power and give them more say.

I am sure Alan Greenspan would like it. The Federal Reserve Board is going to have even more power—an unelected body with yet even more decisionmaking power over decisions that vitally affect people's lives. But I have to tell you, in all due respect to one of my favorite colleagues, the Senator from Utah, one more time, besides believing this piece of legislation is a huge mistake, I won't support this legislation in its present form.

I won't support the alternative, the substitute, either. Besides thinking it is a huge mistake, for reasons I have argued over the last hour—and my colleague from Texas was gracious enough to give me that opportunity—I also want to say one more time to family farmers in the State of Minnesota right now that this Financial Modernization Services Act doesn't mean anything. It doesn't mean a thing. They want to know why we are not getting some loan money out to them right now because they are in such desperate shape. They are trying to live to be able to farm another day.

To the people who are going to be laid off in Minnesota FSA, who are doing the good work of trying to process loans and help people, but have no money to work with, I think it is absolutely outrageous. To all the farmers in economic pain because we are not doing a darn thing about getting farm income up, or about getting price up, or a darn thing to take on some of these big grain companies and packers so family farmers can get a fair shake in the marketplace, I am for putting more free enterprise back into the food industry. It is the big monopolies I don't care for. These farmers have every reason to wonder what we are doing here.

I will tell you one more time that the people in the cafes I have been in are not talking about this particular legislation; they don't see this as a crisis. Alan Greenspan may see the world in a very different way than people in the cafes in Minnesota, and so might the Secretary. Certainly these financial institutions do. Certainly Wall Street does.

But people in Minnesota are not particularly interested in mergers, acquisitions, and all this consolidation of power. They are interested in a good job at a good wage. Why aren't we out here talking about raising the minimum wage?

They are interested in not falling between the cracks when it comes to health care coverage. Why aren't Senators talking about decent health care coverage for people? They are interested in how they can afford prescription drugs. Why aren't Senators talking about affordable prescription drug coverage for seniors, and, for that matter, for all of us? They are interested in how there can be a decent education for their children. Why aren't Senators having a major debate about education or getting resources to communities so we can do a better job of educating our children? They are interested in how we can reduce violence in homes, in

schools, and end the violence in our communities. Why aren't Senators out here with legislation that deals with that? They are interested in how to earn a decent living and how to give their children what they need and deserve. They are interested in making sure that every child, by kindergarten, comes to school ready to learn. Why aren't we investing in good, developmental affordable child care?

That is what they are interested in.

We are not dealing with any of those issues. I want to know when Senators are going to come out on the floor and deal with pieces of legislation that dramatically affect ordinary people, working families in my State and working families around the country.

I yield the floor.

Mr. BENNETT addressed the Chair.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Utah is recognized.

Mr. BENNETT. Mr. President, I have enjoyed the presentation by my friend from Minnesota. I return his friendship, and he is my friend. We disagree on just about everything, and we disagree about most of the things he said here today. I want to make a few comments about some of the positions he has taken before I talk about the bill.

As I listened to the Senator run down the litany of things he thinks we ought to solve with legislation—we ought to solve farm prices with legislation; we ought to solve preparation for school with legislation; we ought to solve education, generally, with legislation; we ought to solve the amount of money people earn with legislation, and on down the list—he reminds me of a comment that I found very insightful that was made by a head of state in another country as I was visiting there. This man said to me, ''Politicians think that money comes from the budget.'' Money does not come from the budget. Money comes from the economy. If the economy doesn't work, there is no money in the budget. And if I may, Mr. President, I think that discussing financial modernization has a great deal to do with all of the issues that the Senator from Minnesota was discussing because it has to do with the health of the economy.

If the banking system, the financial system, and the economy does not work efficiently, if it does not work carefully and properly, the economy as a whole will suffer, the amount of tax revenue coming into the Government will suffer, and we can have all of the discussions we want about solving all of the social problems with legislation, and then we will turn around and find that the cupboard is bare.

It is very important that we recognize the impact of this legislation on the Nation's economy. As I said in my question to my friend from Minnesota, we heard testimony in the Banking Committee from the member of the administration most charged with focusing on this area of the economy, the Secretary of the Treasury, and with the head of the independent agency most charged with keeping the economy strong and vital, the Chairman of the Federal Reserve Board, that it was essential that we modernize our financial legislative structure in this country.

Why? They told us that foreign banks are coming to the United States, and as the American banks go overseas, they are competing in a different regulatory framework. They said that the American framework is outdated, it is outmoded, it is expensive, and that it gets in the way of America's ability to compete.

The big banks that my friend from Minnesota attacks so vigorously, the last time I checked, all paid taxes on the revenues they received. The best way to make sure that we do not get those tax revenues is to say, let us hobble those banks in their competitive structure with foreign banks. Let's see to it that they cannot compete in the same kind of atmosphere as their foreign competitors, in the name of preventing them from concentrating power, and then see how much taxes we get from those big banks. Taxes are a percentage of profits; if there are no profits, there are no taxes and there is no money in the budget to pay for all of the programs that the Senator from Minnesota wants to fund.

Now, he made another comment that I found fascinating, from a personal point of view. He said that, of course, the big banks don't like CRA because it forces them to do what they should be doing. He stands up for the little banks that he wants to protect from the big banks that, in his view, want to gobble them up. In my experience with this legislation, it has been exactly the reverse. The big banks have said to me: We don't much care about the CRA provisions. We have learned to live with CRA. We have learned to handle our banking practices in such a way that gets us appropriate CRA ratings. And some of the big banks have said: Don't pay any attention to the CRA amendments in this bill because we can live with them just fine. No. The protest about CRA has come, ironically, given the position of the Senator from Minnesota, from the small banks, the little bank.

Let me give you an example that I have heard of, secondhand, but I think summarizes what we are dealing with here. I have heard of a bank in California that was opened by a group of Chinese Americans. What do you do in the marketplace when you are trying to find a niche that will allow you to survive, whether you are in the banking business, or the clothing business, or the automobile business, or whatever kind of a business? You do look around for some community that is not being served properly, and say to yourself, ''I can fill that niche.'' The oldest business advice in the world is find a need and fill it. Here were a group of Chinese Americans who decided that other Chinese Americans for some reason or another were not getting access to the credit they needed. They found this need and they hoped they could fill it. They did. They were successful. They prospered.

Then comes the CRA regulators, and they said, ''Let us see your books. Let us look at your loans.'' They came back and said, ''You are only making loans to Chinese Americans. That is, you are not complying with the Community Reinvestment Act that requires you to make loans to Hispanics or African Americans or other minorities that we, the regulators, will identify and determine.'' The people at this bank said, ''Of course we are only making loans to Chinese Americans. That is what we set up to do. That is the market we set up to serve.'' ''Well, you will accept the penalties and strictures of CRA regulation if you do not go out and find statistically enough African Americans and Hispanics to meet our requirements.''

This was a community that these Chinese Americans did not understand instinctively. This was the community that they were not set up to serve. Maybe you can say that it was a good kind of thing for them to reach out beyond their natural business area and start serving these other sectors, but it created a burden on this small bank, and it was a very small bank that the managers of the bank objected to.

In my own State of Utah, I get the same reaction. The big banks don't much care about CRA. They don't like it. They find it burdensome. But they have learned to live with it. Banks that have written in that are complaining are the little banks, and they are complaining for the same reason in the example that I have given. They feel they are serving their communities and they are being forced to try to reach beyond their natural communities to try to find somebody who can statistically qualify under CRA.

This is from a very small bank in Utah. The President of the bank says, ''We have and will continue to lend to all segments of our community because it has been defined by regulation. The time spent documenting our community lending efforts for regulatory purposes is in itself counterproductive, as we could instead redirect our energies toward additional lending and community development activities.''

In other words, they are spending more time filling out forms for CRA than they are investing in their community.

Another one from a very small town in Utah, and it is surrounded by the family farmers that the Senator from

Minnesota was talking about: ''Exempting our institution from CRA requirements would allow bank personnel to spend more time with our customers and developing new products rather than gathering information to satisfy CRA documentation requirements.''

We will have a great deal more to say about the CRA issue, I am sure, when it comes up. I simply wanted to make those points in response to the points that were made by my friend from Minnesota, because he is very clearly talking to different people than I am talking to. He is talking to the people in the crossroads cafes. And I think that is fine. But I think when it gets to the issue of banking regulation, he might spend some time talking to people who run banks and talking to people who borrow from banks.

He made another point that I will talk about and then get specifically to the bill.

He talked about the concentration of power, and he railed at great length against corporations that he felt were destroying our democracy. ''Fewer and fewer people,'' he said—I wrote that phrase down—are controlling our economic power.

I want to share a statistic that I saw in the paper last week that has an interesting slant on this.

Back in, say, 1950—my memory is not sharp enough to give you the exact year, but it was sometime in the 1950s—the percentages of Americans who owned stock in corporations was 4 percent. Today it is over 50 percent.

I would say to those who, like my colleague from Minnesota, are concerned about the concentration of power in the hands of a few people, who does he think owns Citibank? Who does he think owns these corporations that he says are so terrible? They are owned by Americans. They are owned by individuals. Fifty percent of Americans now own stock, and the number is going up all the time.

This is one of the reasons that the class warfare arguments that we have heard around this Chamber for so long are beginning to wear thinner and thinner, because the people who own the corporations are ordinary, everyday, hard-working Americans. The days of J.P. Morgan being the controller of these institutions are over. J.P. Morgan is dead, his heirs scattered, and the controlling shareholder ownership of these corporations is in the hands of the teachers' pension fund—in the hands of ordinary people who have invested their savings in these corporations and have a stake in seeing to it that these corporations survive. That is why the class warfare arguments get thinner and thinner with each passing year.

We are in a sense, Mr. President, turning Karl Marx on his head. He wanted the people to own all of the means of production. That was tried in the Soviet Union in the name of the government as they attacked the terrible capitalists in the United States, and ironically it is the capitalists that are seeing to it that the people ultimately own the means of production, but they own the means of production in their own name with shares held in their own name, which they can control and which they can vote and which they can sell if they don't like what the corporation is doing. And we are getting the people's ownership of the means of production through capitalism rather than through the forced distribution of wealth that Karl Marx and his followers practiced in modern communism.

Having given that reaction to the political science lecture from my friend, who was once a professor of political science—I was never a professor, but I was once a student of political science, and I like to engage in these kinds of debate—I would like to say just a few words about the bill.

The fact that it is just a few words is a testament to the expertise of our chairman who has worked harder and more personally on a piece of legislation than any chairman I have ever seen. We have resolved the controversies in this legislation to the point where there are only a few left. The Senator from Texas has led the fight in doing that.

When we first started this, when I first came to the Banking Committee, the number of issues was huge and the gap between those issues was very wide. I would go out and people would ask me where we were on financial modernization. Unlike my friend from Minnesota, I did get those questions. I would go out in places where people were interested. And I would say repeatedly through my first term of service in the Senate that we were nowhere and we were not going to have financial modernization legislation, because the issues were so contentious and the gap between the two sides was so great that we were simply not going to get it done, and, quite frankly, I was not paying any attention to it for that reason. I didn't want to waste my time becoming cognizant of all of the ins and outs of these arguments when the arguments were going nowhere, and the legislation was going nowhere.

We made a major step towards resolving these last year when Senator D'Amato was the chairman of the committee, and we finally began to grapple with some of these issues and tried to bring them closer together. But Senator GRAMM has brought us even closer together and produced a bill on which there are now only relatively few issues in contention rather than the great many issues that were in contention 4 or 5 years ago.

I think that is an extraordinary achievement, not only on the part of the chairman who has led the issue, but, frankly, on the part of the committee as a whole. The fact that we are having this debate when we should have been having it a few years ago, according to those who are following the issue, demonstrates how far we have come.

This reminds me in some ways of the debate we had in the telecommunications bill where we had huge forces on both sides of the issue struggling, literally, for survival. We had telephone companies, cable companies, long-distance carriers, local carriers, all fighting over what would happen to their future.

We finally came together on a bill that virtually everybody could buy off on. They weren't happy with it, but they said they could live with it. We made a landmark step forward in telecommunications.

I think that analogy holds true here. Insurance companies, when I first came to the Senate, were bitter in their opposition to any kind of change that would affect them; banks were chomping at the bit for more competitive opportunities and complaining that laws passed in the 1930s were freezing them out; testimony which I have referred to from Chairman Greenspan and Secretary Rubin indicated we are being savaged by foreign competition because our regulatory structure gets in the way; the securities industry and all the other folks, everybody agreed we needed reform but nobody could agree on the form of that reform.

Now we have a bill before the Senate that, however reluctantly, the insurance companies have said, ''We can live with,'' and the banks have said, ''We can live with''—the big banks and the little banks that are not usually on the same page on everything; the insurance agents and the insurance companies are not necessarily always on the same page.

We have reconciled these various interests now. The regulators have said they can live with this and that. There is only one major regulatory argument left, and we will do our best to work our way through that one and find a compromise.

The time to pass the bill is now. The moment has come when all of these forces are together. Let us not waste that moment. Let the Senate not shatter it all and say we will deal with it later. The forces of competition that led Secretary Rubin and Chairman Greenspan to speak of the urgency of this are still there and their pressures are still there. The passage of time, as we get farther and farther away from the 1930s when our present regulatory structure was put in place, is not on our side in terms of making the financial services in this country efficient, more effective, and more competitive.

We need this bill. We need it now. We should not lose the opportunity we have to seize the moment while there

is a degree of agreement among all of the parties of the bill to get it done.

I salute the chairman for his personal effort in getting us where we are. I urge the Senate to pass the bill.

Mr. GRAMM. Mr. President, let me thank our dear colleague from Utah for his very fine comments. Any colleagues who want an opportunity to speak on the bill should come to the floor to be afforded that opportunity. At some point, if we don't have people over to speak on the bill, Senator SARBANES, under the unanimous consent request, will offer his substitute. Members can wait and speak on that substitute, if the Senator chooses to offer it, and obviously if you want to speak about the bill itself, you can do it on the substitute. Members desiring to speak on the bill before the substitute is pending, should come on over.

Mr. President, I will respond very briefly to our dear colleague, Senator WELLSTONE. Senator WELLSTONE gave an impassioned plea not to repeal CRA. Let me say that one of my great frustrations with our efforts to reform CRA and curb abuses in CRA is that nobody wants to debate the reforms. Even the spokesman for the national association of the community groups that form the heart of CRA has said what they call ''green mail'' exists. They think it is harmful to CRA. Most Americans would call that process ''blackmail'' and not ''green mail.''

I think many people have had at least their eyebrows raised by the fact that $9 billion in cash payments have been made or committed under CRA. CRA is not about giving people money not to testify against your bank merger, or to testify for it; instead, CRA is about giving people an opportunity to have input and present evidence as to whether they are meeting the requirements of the law.

I don't know what any judicial process—and this is a quasi-judicial process, I guess you could say—how anyone would not be revolted by the practice of paying witnesses. In essence, as Members will see when we begin the debate on CRA and we show some of the documents with the names redacted, that is exactly what is happening all over America today.

The point I make about CRA is no one is talking about repealing CRA. This is not a debate about repealing or weakening CRA. This is a debate about integrity of banks that have long-standing records of compliance, and whether somebody just by calling them a name—by saying they are a loan shark, they are a racist, or some other inflammatory name—should be able to delay actions that they are guaranteed on an impartial basis under the law.

All our provision in the bill says is that if a bank is going to be denied the ability to do something that they would have to be in CRA compliance for, and they have a long history of being in compliance on CRA, then those people who object—for their objection to be used to delay the process—have to present substantial evidence.

Now, ''substantial evidence'' is defined in law more precisely than any other term of art in the American legal system: more than a scintilla of evidence; facts that would lead a reasonable person to think that something might be true.

We are talking about the lowest standard of law, not the highest standard.

The second provision in out bill would allow very small banks in rural areas that don't have a city to serve, much less an inner city, to be exempt from a regulatory burden that costs them between $60,000 and $80,000 a year, even though these banks generally have only between 6 and 10 employees. Since 1990, in 16,000 audits of these small, rural banks, only three banks have been found to be in substantial noncompliance.

Every word that the Senator said about not repealing CRA I am sure resonated, but it doesn't have anything to do with the debate we are having. Nobody is proposing we repeal CRA in this bill. We are talking about two targeted reforms. I don't want anybody to get confused.

Senator DODD has come to the floor. I yield the floor.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, I have noticed over the last week every time I get up to give a talk, the Senator from Idaho is in the Chair.

The PRESIDING OFFICER. I love to hear the Senator's speech.

Mr. DODD. I enjoy the Senator's collegiality and leadership. It is nice to have the distinguished Senator from Idaho as a new Member of the Senate.

Let me begin these brief remarks by commending the distinguished chairman of the committee, Senator GRAMM, and the ranking Democrat, Senator SARBANES, for their efforts on this legislation to date.

I have been on the Banking Committee, and in fact I sat with my colleague from Maryland. I have been in the Congress 24 years, and I think for almost all 24 years he has been my seatmate—usually depending on where we were, the majority or the minority, to the left or right of me—almost all 24 years on one committee or another, including service in the House, in the Judiciary Committee, and then over these last 18 years in both the Foreign Relations Committee and the Banking Committee. I have been fortunate to have his good counsel and advice, and admired his leadership and thoughtfulness on so many issues. This is one which I constantly feel like the mythological figure of Sisyphus, rolling up this rock of financial services modernization every Congress. I do not think there is one we have missed since my arrival in this Chamber 18 years ago, not one Congress in which we have not tried to address the issue of modernization of financial services. On numerous occasions, the Senate, this body, actually completed its work but, because of bifurcated jurisdictions and other matters in the House, we were never able to attain success; that is, sending a bill, a broad bill on financial modernization, to a President, any of them that I served with—including President Reagan, President Bush, and now President Clinton.

But we are precariously close to achieving a result that has been unattainable over the last number of years. The fact that we are dealing with this legislation as early as we are in this Congress is heartening to me, because it means we have in front of us an opportunity to complete action on what I think is a worthwhile endeavor.

Again, let me commend my two colleagues who are making it possible for us to arrive at the point where we are on the floor of the Senate. Over the next several days we will consider, I assume, a number of different amendments that will, I hope, allow us to bring broad-based support to this proposal and to enter a conference with the other body and send a measure to the President which he can sign.

That is a lot of steps in front of us. I realize that. But if you know the past history of this legislation, they seem like minor steps indeed, when you consider we rarely reach the point we are today.

Let me also, once again, in this forum here, commend my colleague from Texas, Senator GRAMM. This is his first major legislative effort as chairman of the Banking Committee. He has had other major legislative efforts but never as the chairman of this committee. He deserves all due credit for his contributions to this bill. Few committee chairmen have more personally invested themselves in a piece of legislation than he has. As I said a moment ago, my colleague and friend from Maryland brings a career's worth of experience in dealing with financial services issues, both domestic and international. His counsel and advice and words of wisdom ought to be heeded.

The legislation before us does address some very, very important issues, outstanding issues. It provides a framework for modernization of our Nation's financial services. It allows banks and securities firms, as I know you have heard from both the chairman of the committee and the Senator from Maryland, and insurance companies, to affiliate. It provides a rational process, we think, for these affiliations to take place.

Although it needs to improve, in my view this bill provides some significant

benefits and protections to consumers who would not only benefit from these diversified firms but who would also benefit from having standardized and comprehensive protections for the sale of securities and insurance products.

Let me add right here, these are arcane subject matters. Sometimes we are asked where the consumer protections are in this bill; where is the consumer in this legislation? The consumer is all through this bill, in a sense. First and foremost, the consumer is there because consumers are seeking to handle their financial matters in a more expeditious way, knowing they have broad, comprehensive protections.

In many ways, this legislation is trying to catch up with what already is occurring in the marketplace, both at home and abroad. By regulation and court decision, much of our modernization is occurring. What we are seeking to do here is involve ourselves, as we should have been years ago, in setting out the guidelines of modernization from a public policy standpoint. So it is very important legislation because the courts, and in too many cases the regulators, do not bring to bear the kind of consumer issues that only a public policy forum like the Senate can do.

When the issue is raised where is the consumer in this legislation, in fact the consumer is all through this bill. It is our goal here to see to it that they will be able to conduct their financial matters, financial business in a way that conforms to the lives and demands of consumers in this country, and that will also better equip them with protections in dealing with other matters in securities and insurance issues.

This bill also protects the traditional right of States to regulate insurance, something that has been subject to longstanding debate. This will codify at the end of the 20th century how we in Congress feel about that issue, while at the same time will provide for functional regulation of all financial institutions. That has been an ongoing debate for years, and one that the adoption of this bill would establish firmly as we enter the 21st century.

But I believe the outstanding issues, such as banking and commerce, the operating subsidy of affiliate structure and additional consumer protections, can and will be worked out in a reasonable fashion. However, I must share my deep frustration, frankly, and great concern over the future of financial services modernization legislation. During my tenure, as I said a moment ago, in the Senate, I, like many of my colleagues, have invested a significant amount of time and effort attempting to enact modernization legislation. I am of the belief that it is vital to the future of America's financial services industries and important to consumers as well.

This process has not been an easy one. Finding the delicate balance of protecting consumers while at the same time creating a regulatory framework that fosters market efficiency and industry innovation has been a difficult and a long task. I had hoped that by today I would be speaking on behalf of the merits of a bipartisan legislative approach. I had hoped to speak on behalf of a bill that last year received the overwhelming support of the Senate Banking Committee by a vote of 16 to 2. Just recently, similar legislation passed the House Banking Committee by a vote of 51 to 8. Instead, I reluctantly rise to express my deep concerns about the legislation before us that attacks what I consider to be one of the most important laws in our Federal code, the Community Reinvestment Act, CRA, of which you are going to hear a great deal in the coming days.

The attack on CRA contained in this legislation is clear, in my view, and unmitigated. It broadly exempts depository institutions from CRA. It attempts to address a problem that simply does not exist, and in the process, in my view, does great harm to a law that has brought billions of dollars in mortgage and small business credit to rural and urban Americans, allowing them to participate with equal opportunity to expand their financial gains and opportunities in this country.

As you know, this bill as drafted will be vetoed by the President. We usually receive a statement of administration policy written by the appropriate department head. Only on rare occasions does the President of the United States write a personal letter prior to committee markup, stating his concerns and articulating his promise to veto a bill if certain provisions are not resolved. Of primary importance to the President is the preservation of the Community Reinvestment Act in the context of any financial modernization legislation.

I will say very directly—I say this to my colleagues, whom I know have a different point of view. If this bill is not changed to address various CRA concerns, the President of the United States will veto this bill. And that mythological figure of Sisyphus will, once again, rear his head at the close of the 20th century and we will fail in our attempts to modernize financial services.

That would be a great misfortune. But I say as well that to pass a piece of legislation as we end the 20th century, about to begin the 21st, and to disregard the principles and values incorporated in the Community Reinvestment Act, also, in my view, would be a tragedy of significant proportion.

The veto of this bill as written is certain, as certain as our ability to avoid it. We should understand who supports this attack on the CRA provisions contained in this bill. The attack has not been sought by the industry, which is normally the case. There is no constituency of support for them. The support of this legislation is not contingent on the inclusion of CRA provisions. Banks are in the midst of their 7th year of record profits with CRA as the law of the land.

Over the years, at the request of industry and appropriate regulators, CRA has been simplified and modified to be far less invasive to depository institutions. The fact of the matter is that banks care little about changing CRA. The attack on CRA is truly supported only by a few people. I say again with deep respect to my colleague and friend from Texas, who cares deeply about this issue, as does the senior Senator from Alabama: I respect their points of view. I disagree with them fundamentally. I respect their points of view. But there are really no other constituencies that I can find who share their point of view on this issue. There are many people who have a different point of view, including financial institutions, consumer groups, and others about the importance of extending the CRA provisions.

Let me reiterate, if I can. The President of the United States, all Federal regulators, industry, 51 of the 60 Democrats and Republicans in the House Banking Committee, 16 of the 18 Democrats and Republicans in the Senate Banking Committee, all support the preservation of CRA.

While not perfect—and no one is arguing that it is—CRA, in my view, and in the view of many others, has been truly a success story.

Between 1993 and 1997, the number of conventional home mortgage loans extended to African Americans increased by over 70 percent. Let me repeat that. Between 1993 and 1997, the number of conventional home mortgages extended to African Americans increased by over 70 percent.

Over the same period, the number of home mortgage loans increased 45 percent for Hispanics, and 30 percent for Native Americans.

According to the Small Business Administration, loans to African-American-owned businesses doubled between the years of 1993 and 1997.

More than $1 trillion has been leveraged under CRA—credit for home mortgages, small businesses, and other purposes—that has enabled creditworthy citizens, minority creditworthy citizens to improve their economic status and that of their families in both rural areas and inner cities.

We should not retreat from these laudable goals if we are going to make the modernization of financial services conform with the modernization of a society that reaches out to each and every sector of that society to see to it that they have the equal opportunity to invest and to grow and to enjoy the full benefits of being Americans.

Despite these strides, CRA has not erased all lending discrimination in this country.

In 1997, mortgage loans for African Americans, Native Americans, and Hispanics were denied at a rate of more than twice those of white mortgage applicants of similar incomes. For both urban and rural areas, CRA has played an invaluable role in economic development.

I recently received a letter from the U.S. Conference of Mayors, signed by the mayors of nearly 200 towns and cities of all sizes, from New Haven, CT, to Houston, TX. Let me quote them. It states:

The Community Reinvestment Act has played a critical role in encouraging federally insured financial institutions to invest in the cities of our nation.

The letter goes on further and says:

Unless the onerous CRA provisions are addressed and the CRA is preserved, we would urge strong opposition to the Senate bill as presently drafted.

Urban areas are not the only beneficiaries of CRA. CRA loans assist small farmers in obtaining credit for operating expenses, livestock, and real estate.

Less than a month ago, we voted unanimously to award a Congressional Medal of Honor to Rosa Parks. As we all know, Ms. Parks led the fight in this country for racial equality. The CRA provisions in this bill we have before us today would send, in my view, Rosa Parks and many others to the back of that bus economically. They would directly hurt minorities and rural citizens by restricting their right to pursue the American dream to own a home, start a small business, to receive fair access to credit.

Despite my strong support for financial services modernization—and, Mr. President, it is very strong, indeed—if the price of modernization is the denial of financial services in the 21st century to rural Americans, African Americans, Asian Americans, Hispanic Americans, and Native Americans in the country, then I am unwilling to pay it.

I strongly urge my colleagues to support Senator SARBANES' substitute amendment and Senator BRYAN's CRA amendment. In my view, if these measures are improved, as I believe they should be, then I think we would have a strong bill.

There are a lot of other amendments that may be offered. There is a debate over the op-sub and the affiliate issue. I think that is an important issue. I think the issue of privacy in financial dealings is an important issue. And there are many other matters that may be raised.

But, in my view, nothing—nothing—is as important as whether or not we are going to provide equal access to our financial institutions to all Americans. The Community Reinvestment Act has made a significant contribution to tearing down the barriers that have existed far too long and has provided the access to credit, home mortgages, and improving the financial future of too many of our citizens to retreat now. To back up on a major, major bill such as this, I think, would be a great retreat, indeed.

So as strongly as I support the concepts included in the fundamental financial modernization bill, Mr. President, I could not support a bill that treats too many of our Americans unfairly as they presently are by retreating on Community Reinvestment Act provisions.

So I urge my colleagues, those who care about financial modernization, those who care about civil rights and care about access to financial institutions, to support the substitute, support the CRA amendments. I think then we would have a strong bill, and remaining issues could be resolved without too much difficulty. But a bill that fails to address this issue is a bill that, in my view, will not pass and will not be signed into law, and it would be an unfortunate, unfortunate day, indeed.

Mr. President, with that, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GORTON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BYRD. Mr. President, is time under control?

The PRESIDING OFFICER. There is no control of time.

Mr. BYRD. I thank the Chair.

I presume that the Pastore rule has expired for the day?

The PRESIDING OFFICER. It expired at 1:15 this afternoon.

Mr. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent to speak for not to exceed 5 minutes out of order.

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

## COMMENDATION OF THE REVEREND JESSE JACKSON

Mr. BYRD. Mr. President, over the weekend, a glimmer of light broke through the war clouds shrouding Yugoslavia. That light was kindled by the release of the three American soldiers who have been held hostage in the Federal Republic of Yugoslavia since their capture by the forces of Yugoslav President Slobodan Milosevic on March 31. The individual responsible for this remarkable turn of events is the Reverend Jesse L. Jackson. For his efforts, he has earned the thanks of a grateful nation. Due to the faith and determination of Mr. Jackson, the Reverend Joan Brown Campbell of the National Council of Churches and the delegation of religious leaders that Mr. Jackson led to Yugoslavia, in this one small corner of a terrible conflict, good has triumphed over evil.

I have no doubt but that the motives of President Milosevic in freeing the American servicemen will be analyzed, dissected, and ruminated on by the commentators in the coming days. Despite all the conjectures, we may never know what he was hoping to achieve. Surely Milosevic will be disappointed if he believes that this gesture, welcome as it is, will blind the United States and the rest of NATO to the atrocities that he is inflicting on the ethnic Albanian population of Kosovo.

But in contrast to Mr. Milosevic, we do know what the Reverend Mr. Jackson was hoping to achieve.

He has faced some of the most ruthless strongmen in the world, including Syrian President Hafiz Assad, Cuban President Fidel Castro, and Iraqi President Saddam Hussein.

In 1984, Mr. Jackson won the release from Syria of Navy Lieutenant Robert Goodman Jr., who was shot down over Lebanon. That same year, he persuaded Castro to release 48 American and Cuban prisoners. In 1990, he helped to win freedom for more than 700 foreigners who were being detained as human shields by Saddam Hussein following the invasion of Kuwait. His trip to Yugoslavia marks the fourth time that Jesse Jackson has won freedom for hostages.

In the faces of the freed soldiers and their families, I am reminded once again that faith can move mountains. I salute the Reverend Mr. Jackson and his delegation for their remarkable success.

Mr. President, as a mark of respect for Mr. Jackson and the delegation of church leaders, I am today submitting a Sense of the Senate Resolution commending Mr. Jackson for the deep faith that marked his mission to Belgrade, and for his successful efforts to free Staff Sergeant Andrew A. Ramirez of California, Staff Sergeant Christopher J. Stone of Michigan, and Specialist Steven M. Gonzales of Texas. We welcome these soldiers home with open arms. We also salute the brave men and women of our armed forces who remain in harm's way in the Balkans. Their courage and patriotism, and the dedication and sacrifice of their families, are appreciated and honored by all Americans.

Mr. President, I ask unanimous consent that I may send the resolution to the desk and that it be held there until the majority leader and the minority leader decide upon a proper disposition of it, but that it can't be held longer than a day, the end of business today.

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

Mr. GRAMM. Mr. President, I ask the distinguished Senator from West Virginia to add me as a cosponsor to that resolution, if he would.

Mr. BYRD. I thank the distinguished Senator. Mr. President, I make that request.

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

Mr. BYRD. Mr. President, I have retrieved my resolution from the desk. I ask unanimous consent that S. Res. 94 be printed in the RECORD.

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

S. RES. 94

Whereas on March 31, 1999, Staff Sergeant Andrew A. Ramirez, Staff Sergeant Christopher J. Stone, and Specialist Steven M. Gonzales were taken prisoner by the armed forces of the Federal Republic of Yugoslavia while on patrol along the Macedonia-Yugoslav border;

Whereas Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales conducted themselves throughout their ordeal with dignity, patriotism, and faith;

Whereas the Reverend Jesse Jackson led a delegation of religious leaders to the Federal Republic of Yugoslavia that succeeded in negotiating the release of Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales; and

Whereas the Reverend Jesse Jackson has previously succeeded in securing the release of hostages held in Syria, Cuba, and Iraq: Now, therefore, be it

*Resolved,* That—

(1) the Senate commends the Reverend Jesse Jackson for his successful efforts in securing the release of Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales, and for his leadership and actions arising from his deep faith in God; and

(2) the Senate joins the families of Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales in expressing relief and joy at their safe release.

## FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The Senate resumed consideration of the bill.

Mr. ALLARD addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. Mr. President, I rise in support of S. 900, the financial modernization bill. I supported this legislation as a member of the Banking Committee, and I commend Chairman GRAMM for the excellent work he has done in bringing this bill to the floor. The chairman has worked very hard to craft a bill that makes sense. It is balanced and will benefit our economy.

This legislation is designed to modernize America's financial services industry by providing a sensible framework for the affiliation of banks, securities firms, insurance companies, and other financial institutions. It is, of course, very difficult to craft a compromise that is acceptable to many diverse interests, but it is necessary that we do so.

Much of our financial services industry is governed by laws written in the 1930s. Congress has struggled with this issue for many years. I am hopeful that this is finally the year we enact this legislation.

I will focus my comments on several issues concerning community banks.

In Colorado, the community bank is an important institution. It is the center of many of our towns and rural areas. I have worked hard to represent their interests in the Banking Committee. I am a supporter of the provisions in this bill to exempt small rural banks from the Community Reinvestment Act. For small banks, the CRA, or Community Reinvestment Act, is a regulatory burden. While a large bank can often devote an entire department to CRA compliance, a small bank has to divert scarce resources toward compliance. Each of these small banks is required to undergo regular exams and actually designate a CRA compliance officer. This makes little sense when one recognizes that small rural banks could not survive if they did not invest in the community. Frankly, where else could they put their money?

I will read a few excerpts from Colorado banks on this very important point.

From the First National Bank of Stratton:

Your amendment removing the CRA requirement will have a positive benefit for small community banks located in non-metropolitan areas. As a small community bank in a town of 700, the employees and the bank's officers are already involved in literally everything going on in the town. The CRA requirement provides a burdensome paper and personnel requirement for small community banks.

Remember, this is coming from a bank in a town of only 700 people.

Then from the First National Bank of Cortez:

In our bank, our compliance officer spends a great deal of time preparing documents for the CRA file and Bank Examiners. We estimate that it takes 80 to 100 hours each year to update the CRA file, and to date, we have never had a customer ask to see the file.

Then from the First National Bank in Las Animas and La Junta:

I strongly support the provision to remove the onerous requirements of the CRA from small rural banks. We serve our communities well and if we do not serve the needs of our community we will not exist.

From the Kirk State Bank:

As a small rural bank, the CRA is a burdensome regulation. In reality, small banks and small communities have to be good community citizens to be successful and a bureaucratic regulation does nothing to improve the situation.

Mr. President, I ask unanimous consent to have the text of these letters and others from Colorado bankers printed in the RECORD.

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

THE FIRST NATIONAL BANK OF STRATTON,
*Stratton, CO, March 29, 1999.*

Hon. PHIL GRAMM,
*Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.*

DEAR SENATOR GRAMM: Your amendment removing the CRA requirement will have a positive benefit for small community banks located in Non-metropolitan areas. As a small community bank in a town of 700, the employees and the bank's officers are already involved in literally everything going on in the town. The CRA requirement provides a burdensome paper and personnel requirement for small community banks.

Your support of this amendment is greatly appreciated.

Yours Truly,

DANA M. SIEKMAN,
*Vice President.*

---

FIRST NATIONAL BANK, CORTEZ,
*Cortez, CO, March 30, 1999.*

Hon. PHIL GRAMM,
*Chairman, Committee on Banking, Housing and Urban Affairs, Washington, DC.*

DEAR SENATOR GRAMM: Thank you for your letter of inquiry regarding our position on your amendment to exempt banks less than $100 million in aggregate assets from the CRA regulation.

Needless to say, I am very proud of you and your committee and strongly desire that this amendment be passed.

In our bank, our compliance officer spends a great deal of time preparing documents for the CRA file and Bank Examiners. We estimate that it takes 80 to 100 hours each year to update the CRA file, and to date, we have never had a customer request to see the file. Of course the Bank examiners do request this information. We find that this regulation is completely worthless and of no benefit at all.

Also, in my opinion the whole CRA regulation should be disposed of, since it does not apply to others in the financial industry.

Very truly yours,

DONALD G. HALEY,
*President.*

---

THE FIRST NATIONAL BANK,
*Las Animas, CO, March 29, 1999.*

Hon. PHIL GRAMM,
*Chairman, U.S. Senate Committee on Banking, Housing and Urban Affairs, Washington, DC.*

DEAR SENATOR GRAMM: I appreciated your letter of March 22, inquiring about the financial services modernization bill and the exemption from the requirements of CRA for smaller rural banks, such as our own. Although I do not believe many of the aspects of the financial services modernization bill are in the best interest of our nation I strongly support the provision to remove the onerous requirements of the CRA from small rural banks. We serve our communities well and if we do not serve the needs of our communities we will not exist. The CRA requirements, are in many cases, counter-productive and anything that can be done to remove the bureaucracy involved in that would be appreciated. Thank you again for soliciting input.

Sincerely,

DALE L. LEIGHTY,
*President.*

THE KIRK STATE BANK,
*Kirk, CO, March 31, 1999.*

Senator PHIL GRAMM,
*U.S. Senate, Committee on Banking, Housing and Urban Affairs, Washington, DC.*

DEAR SENATOR GRAMM: Thank you for your letter of March 22, 1999 regarding the CRA Amendment.

As a small rural bank, the CRA is a burdensome regulation. In reality, small banks in small communities have to be good community citizens to be successful and a bureaucratic regulation does nothing to improve the situation.

Very truly yours,

L.E. HOUSE,
*President.*

---

FOOTHILLS BANK,
*Wheat Ridge, CO, April 13, 1999.*

Hon. PHIL GRAMM,
*Chairman, Banking Committee, U.S. Senate, Washington, DC.*

DEAR SENATOR GRAMM: The Community Reinvestment Act has outlived it's usefulness, and was never fairly implemented to included all financial institutions. It was a government hammer to force banks to make loans and open branches that were not prudent. Enforcement of discrimination laws produces better results.

Please hold firm on exempting banks with less than $100 million in assets from CRA requirements during your consideration of the Financial Services Modernization bill. The exemption should be at the $500 million level, if not removed altogether, and all financial institutions (lenders) should be included; such as Credit Unions.

Finally, please remember, this great Country's economic health is largely based on the freedom of individuals who take the risk of opening a small business, and a small bank is a small business. The less government regulation for small banks the better we can compete with large banks who have full time staffs to handle regulatory requirements. As the President of a small bank that I started after a large bank purchased the bank I had worked at for 20+ years, and let me go at the ripe old age of 49 years, I wear many hats and spend much of my mornings reviewing stacks of regulatory correspondence. Any relief will be appreciated.

Sincerely,

JOE L. WILLIAMS,
*President & CEO.*

---

FIRST NATIONAL BANK
OF CANON CITY,
*Cañon City, CO, April 7, 1999.*

Hon. PHIL GRAMM,
*Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.*

DEAR SENATOR GRAMM: We support your thoughts that rural banks of less than $100 million in assets should be exempt from the provisions of CRA. In my thirty years of banking, I can honestly say that CRA compliance issues in a bank of this size ($95 million in assets in a community of less than 50,000 people)are unnecessary. This bank and every other rural bank, by their very nature, are leaders and innovators in meeting the credit needs of the citizens and businesses in communities in which they are located.

Our directors, officers and employees, for the most part, were born and raised in this community and they volunteer untold numbers of hours to community organizations and governmental agencies. While attending these events, we have and take the opportunity to listen to the needs of the community and to communicate our products and services accordingly. We often develop new products and services, or actually sponsor events, to satisfy specific needs based on feed-back we have received from the community.

The present CRA examination procedures for small banks have already been simplified to the point, that the remaining procedures are nothing more than an exercise in futility. The results prove nothing that the examiner doing the work and the bank being examined does not already know. The bank is truly meeting the community's credit needs and there is no discrimination or redlining taking place. Eliminating small rural banks from any and all CRA requirements would be cost effective and will permit bank examiners to focus on safety and soundness areas that are truly meaningful and effective in the examination process.

Respectfully yours,

WILLIAM H. PAOLINO,
*Sr. V.P. and Cashier.*

---

PAONIA STATE BANK,
*Paonia, CO, April 1, 1999.*

Senator PHIL GRAMM,
*Chairman, Committee on Banking, Housing, & Urban Affairs, U.S. Senate, Washington, DC.*

DEAR SENATOR GRAMM: Thank you for your letter of March 22, 1999, received today. Please be advised that we do support the amendment to the Financial Services Modernization bill, to exempt banks with less than $100 million in assets and in non-metropolitan areas, from CRA requirements.

We believe that mall community banks have more than demonstrate that we must reinvent in our communities on a wide basis, simply to continue in business. With the high levels of competition in the marketplace, we do not have any alternative but to complete rigorously, and that means covering all areas and segments of our population and service areas, with full and complete banking services. The costs of doing so are enormous without the added costs of documentation of compliance with CRA. It will be more helpful to small community banks like ours to be relieved of such burden, and we thank you for pursuing the amendment.

Sincerely,

CLINTON W. BOOTH,
*President & CEO.*

---

THE GUNNISON BANK
AND TRUST COMPANY,
*Gunnison, CO, April 9, 1999.*

Hon. PHIL GRAMM,
*Committee on Banking, Housing, and Urban Affairs, Washington, DC.*

DEAR SENATOR GRAMM: Thank you for your letter regarding the pending financial modernization legislation. While I applaud your support of regulatory relief from the burdens of the Community Reinvestment Act for small rural banks, there continue to be provisions of the financial modernization legislation that concerns me. I believe, as does the Independent Bankers of Colorado on whose Board I am a member, that the financial modernization bill as it is currently written is harmful to community bank interests.

We support the closure of the unitary thrift holding company loophole through which an increasing number of non-banking firms are acquiring thrifts. We agree with the Federal Reserve, Independent Bankers' of America Association and American Bankers' Association that this loophole allows the mixing of banking and commerce and the entry of non-federally insured entities to the payments system and discount window. Without a payments system reserved solely for federally insured financial institutions the future of community banking is doubtful. Community banks cannot compete effectively against a combination of the country's largest banking, financial and commercial firms. These combined entities would own and control products and services vital to the continuing viability of community banks. Moreover, they would control access to the payments system the lifeblood of community banks and communities throughout Colorado and the nation, especially of our rural community banks and communities.

For these same reasons, we oppose any commercial basket that allows a bank to invest its revenues in commercial firms-the mixing of banking and commerce. Community banks cannot compete effectively against financial and commercial conglomerates that will control a variety of commercial and consumer markets.

We support an increase in community bank access to the Federal Home Loan Bank (FHLB) by according membership to the FHLB for all banks less than $500 million in assets and by including agricultural and small business paper as eligible collateral. Alternative sources of funding are becoming increasingly expensive for community banks to acquire. Increased access to the FHLB will help to ensure an additional, affordable source of funds for community bank lending, particularly rural community bank lending. Without affordable sources of funding, community banks cannot adequately support their local communities.

Community banks remain concerned about the insurance provisions that may be included in financial modernization legislation. We urge that Congress not take any legislative steps that would hinder community bank insurance activities. Community banks must retain the authority to engage in insurance activities to be able to compete effectively against big banks, insurance companies and financial conglomerates controlled by unitary thrift holding companies that are increasingly in pursuit of community bank customers.

Thank you for seeking my input into your laudable efforts to reach a comprise on financial modernization that benefits all parties.

With Sincere Regards,

TOM L. HAVENS,
*President.*

---

THE FIRST NATIONAL BANK
OF STRATTON,
*Stratton, CO, March 26, 1999.*

Hon. PHIL GRAMM,
*Chairman, Committee On Banking, Housing & Urban Affairs, U.S. Senate, Washington, DC.*

DEAR SENATOR GRAMM: I would like to thank you for your support in the Senate Banking Committee, concerning your proposal to exempt Banks with under one hundred million in assets, from the Community Reinvestment Act.

We strongly support this exemption. We are all over burdened with regulatory requirements and CRA is at the top of this list. We have devoted countless hours and thousands of reams of paper to be outstanding in our CRA Reports.

It is a well known and documented fact that any Bank surviving in the 80's and into the 90's who is not meeting the requirements of the Community Reinvestment Act, is not succeeding. Most small Banks not in the

metropolitan setting perform all the acts, required under CRA, in their daily survival.

It might be further interesting to note that due to the change in the matrix and composition of the requirements for an outstanding CRA rural Banks find it very difficult to receive an outstanding. We had worked diligently and faithfully to maintain an outstanding CRA Rating and then with the change of rules we are almost excluded by a definition form being able to obtain an outstanding rating and have to be satisfied with merely a satisfactory.

This again points up the fact that there is no reason to go through that gyration to be only satisfactory, as we certainly are satisfied in the daily performance of our Banking lives. We are all concerned about the Community and daily make every effort to enhance the Communities which we serve.

We therefore highly support the exemption of this requirement on the smaller institutions. It would save us dollars and cents, but more importantly would allow us the time to get out of the office, away from the paper work requirements and actually serve the customers as we intend to. It would also help provide one less unfair advantage to small Banks concerning our Credit Union struggles and brings us one step closer to a level playing field. Credit Unions are not required to be under any CRA requirements.

I thank you for the opportunity to be heard and to support your efforts on the Financial Modernization Bill. We also would ask for your support in closing the unitary thrift loophole which is detrimental to the small Banks and the Banking payment system in general. We believe these two items are of the highest priority in the up coming Modernization Bill.

Respectfully,

ROBERT L. TODD,
*President.*

Mr. ALLARD. Mr. President, these letters contain a number of views on the CRA and other provisions of the bill.

Now I want to talk about taxes. For over a year now, I have been working on legislation to reduce the tax burden on small banks. Last week, I introduced S. 875 along with Chairman GRAMM and Senators BENNETT, ABRAHAM, HAGEL, ENZI, MACK, GRAMS and SHELBY.

This legislation expands the subchapter S option for small banks. Subchapter S is a portion of the Tax Code designed for small businesses with a modest number of shareholders. The most important feature of subchapter S is that it eliminates the double taxation faced by corporations. Subchapter S businesses are taxed only at the shareholder level.

Congress made this provision available to banks 3 years ago. Since then, nearly 1,000 small banks have converted from C corporations to S corporations. Unfortunately, many more would like to convert. They are prevented from doing so by a number of remaining obstacles in the tax law.

My legislation would change this by making subchapter S available to many more banks. I will be working closely with Senator GRAMM and the Finance Committee in the months to come in an attempt to include this legislation in a tax bill.

Mr. President, I will include a full description of the provisions of my bill at the end of these comments.

I also want to talk briefly about one additional matter that has come to my attention. This is a proposal to permit banks to be organized as limited liability companies, or LLCs. LLCs were first created in the mid-1980s and have spread throughout the Nation. Virtually every State now permits businesses to be organized as LLCs, as well as corporations and partnerships. The tax benefit of an LLC is similar to that of a subchapter S corporation. Double taxes are eliminated and taxes are paid at the level of the owners. Up to this point, Federal law had limited banks to the corporate form.

In recent years, a number of experts have questioned this restriction, and there appear to be good reasons why we may wish to examine permitting small banks to be organized as LLCs.

I will provide the chairman with language on this point and ask that he take a good look at it. I want to thank Chairman GRAMM, once again, for his hard work on this bill. I have been pleased to be a member of the Banking Committee, and I am pleased to support the legislation.

Mr. President, I ask unanimous consent that an explanation of my legislation be printed in the RECORD.

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

SMALL BUSINESS AND FINANCIAL INSTITUTIONS TAX RELIEF ACT OF 1999 LEGISLATION TO REDUCE THE FEDERAL TAX BURDEN ON SMALL BANKS

This legislation expands Subchapter S of the IRS Code. Subchapter S corporations do not pay corporate income taxes, earnings are passed through to the shareholders where income taxes are paid, eliminating the double taxation of corporations. By contrast, Subchapter C corporations pay corporate income taxes on earnings, and shareholders pay income taxes again on those same earnings when they pass through as dividends. Subchapter S of the IRS Code was enacted in 1958 to reduce the tax burden on small business. The Subchapter S provisions have been liberalized a number of times over the last two decades, significantly in 1982, and again in 1996. This reflects a desire on the part of Congress to reduce taxes on small business.

This S corporation legislation would benefit many small businesses, but its provisions are particularly applicable to banks. Congress made S corporation status available to small banks for the first time in the 1996 ''Small Business Job Protection Act'' but many banks are having trouble qualifying under the current rules. The proposed legislation:

Permits S corporation shares to be held as Individual Retirement Accounts (IRAs), and permits IRA shareholders to purchase their shares from the IRA in order to facilitate a Subchapter S election.

Clarifies that interest and dividends on investments maintained by a bank for liquidity and safety and soundness purposes shall not be ''passive'' income. This is necessary because S corporations are restricted in the amount of passive investment income they may generate.

Increases the number of S corporation eligible shareholders from 75 to 150.

Provides that any stock that bank directors must hold under banking regulations shall not be a disqualifying second class of stock. This is necessary because S corporations are permitted only one class of stock.

Permits banks to treat bad debt charge offs as items of built in loss over the same number of years that the accumulated bad debt reserve must be recaptured (four years) for built in gains tax purposes. This provision is necessary to properly match built in gains and losses relating to accounting for bad debts. Banks that are converting to S corporations must convert from the reserve method of accounting to the specific charge off method and the recapture of the accumulated bad debt reserve is built in gain. Presently the presumption that a bad debt charge off is a built in loss applies only to the first S corporation year.

Clarifies that the general 3 Year S corporation rule for certain ''preference'' items applies to interest deductions by S corporation banks, thereby providing equitable treatment for S corporation banks. S corporations that convert from C corporations are denied certain interest deductions (preference items) for up to 3 years after the conversion, at the end of three years the deductions are allowed.

Provides that non-health care related fringe benefits such as group-term life insurance will be excludable from wages for ''more-than-two-percent'' shareholders. Current law taxes the fringe benefits of these shareholders. Health care related benefits are not included because their deductibility would increase the revenue impact of the legislation.

Permits Family Limited Partnerships to be shareholders in Subchapter S corporations. Many family owned small businesses are organized as Family Limited Partnerships or controlled by Family Limited Partnerships for a variety of reasons. A number of small banks have Family Limited Partnership shareholders, and this legislation would for the first time permit those partnerships to be S corporation shareholders.

Permits S corporations to issue preferred stock in addition to common. Prohibited under current law which permits S corporations to have only one class of stock. Because of limitations on the number of common shareholders, banks need to be able to issue preferred stock in order to have adequate access to equity.

Reduces the required level of shareholder consent to convert to an S corporation from unanimous to 90 percent of shares. Non-consenting shareholders retain their stock, with such stock treated as C corporation stock. The procedures for consent are clarified in order to streamline the process.

Clarifies that Qualified Subchapter S Subsidiaries (QSSS) provide information returns under their own tax id number. This can help avoid confusion by depositors and other parties over the insurance of deposits and the payer of salaries and interest.

Mr. ALLARD. Mr. President, I yield back my time.

Mr. SCHUMER addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. SCHUMER. Mr. President, I rise to address the issue of the financial services legislation now before us. Like many of my colleagues, Mr. President, this marks my 19th year of trying to improve financial services. We haven't

done much in 19 years, but I am hoping this 20th year is the charm.

Today, however, regrettably I have a few doubts. As much as anyone in the Senate, I want to see modernization pass, and I want to see it pass now. The bill is critical to the vitality of New York's economy. New York City is the financial capital of the world.

As I have said time and time again, financial modernization legislation is critical to ensuring that our financial institutions are competitive at home and abroad. Because of the entrepreneurialness of America, particularly in financial services, we dominate the world. Hundreds of thousands, if not millions, of people are employed in every one of the 50 great States because of our dominance in this area. And even as things that have happened in America spread to Europe and Asia, it is more and more American companies that are taking the lead and doing them. That is because we are technologically, entrepreneurially, and in innovation ahead of just about every other country in the world in financial services. So today we are the financial capital. We are the leaders. But we may not be tomorrow. Our superiority is not some historical inevitability. We need to compete in order to win. And we cannot compete in the present context of the laws.

Mr. President, when I came to the Congress in 1981, I was strongly supportive of the Glass-Steagall law. It seemed to me very simple—that while my inclination would be to allow financial institutions to do whatever they chose, they should not take part in risky activities with insured dollars. In those days, many of the banking institutions in the country wanted to use their insured dollars for the riskiest of activities. Some of us, even back in the early eighties, warned against it, and we were like voices against the wind.

I will never forget an amendment of the Banking Committee in the House, sponsored by the gentleman from Louisiana, Mr. Roemer, and myself, that said no S&L, for instance, could use insured dollars for equity investments in real estate. It lost by one vote. Had it passed, America would have saved $200 billion.

But as a result of the awful S&L crisis, we were able to come closer together on financial services. One of the great ironies is that in the early eighties, when many had said let everybody do everything, even with insured dollars, and they deadlocked with those of us who felt—some felt that each institution should be pigeonholed, but others felt don't pigeon-hole institutions but pigeon-hole insured dollars and make sure they only go to low-risk types of activities. But the S&L crisis allowed us to come together because everyone realized that insured dollars should not be used for risky activities.

And so in the early and middle nineties, legislation was crafted that allowed institutions to underwrite, sell, and even be agents for all varieties of financial services, but that successfully walled off insured dollars from the rest. This is good legislation. And so in the last few years, I—who was regarded, I guess, as one of the leading opponents of modernization—became an advocate. I was proud to support the modernization bill that reached the floor of the House last year. In fact, I persuaded a good number of my New York colleagues to support it and it passed by one vote.

We found a good model, Mr. President; we ought to stick with it. There was balance in that model. There was bipartisanship in that model. It worked. Yet, we come here to the floor of the Senate today, with financial services at risk. They are at risk because even though we had a plan that had almost everyone's support, that is not the bill coming to the floor today.

One of the main sticking points is CRA. CRA is supported by most of the financial institutions in my State, while those who seek to lift CRA say that it is a terrible burden for the financial institutions. I seem to hear that more from some of my colleagues in the Senate than from the institutions that it is supposed to help. In fact, if you surveyed the major banks and major insurance companies and major securities firms in my State of New York, almost every one would say they were happy to support last year's H.R. 10 and would be happy to support it again this year.

They realize that CRA has been an important tool for building communities across America. It has been at work in my State, whether it be in the inner city, which in the past was starved for capital, or whether it be in rural areas, also starved for capital. Individuals, homeowners, small builders, small business people, from the Adirondack Mountains and from the South Bronx, have come and said, ''Senator, make sure we keep CRA.''

The amazing thing is that CRA has worked. While in the past financial institutions, banks, would write off whole areas because it was hard to find the good loans, the economical loans, CRA forced them to go in and now they find they are making money by lending money in rural areas and inner-city areas. So it works. All of a sudden, we see that these provisions, widely accepted by the industry, widely accepted in a bipartisan measure in the House this year, accepted last year by the Senate Banking Committee by a 16–2 vote margin, are ready to scuttle the whole bill.

Let me say this: I fear that the Community Reinvestment Act provisions in the bill before us would doom modernization's failure once again, doom modernization to partisanship, doom modernization to a Presidential veto. It cannot and should not be the monkey wrench that grinds modernization to a halt. CRA or removing CRA should not be the monkey wrench that grinds modernization to a halt.

I greatly respect the views of our chairman. He is a towering intellect—somebody I joust with on many occasions and have always done it in a respectful way so that we each enjoyed it and went away shaking hands.

I say to my chairman that I understand his strongly held views. But if you believe that financial modernization is important, given the consensus that CRA has built through most parts of this country and among most Members of both parties—the House, for instance, passed a bill with a similar CRA provision as the Sarbanes substitute by a 51 to 8 margin—I ask the chairman to reexamine it, and again not have his strong feelings about CRA be the monkey wrench that undoes the whole financial services construct.

Strangely enough, it is not the passions of the many in the House but rather the passions of the few in the Senate that are causing us problems today. This is a reversal of what has usually happened.

The bill's provisions that undermine CRA will clearly cause a Presidential veto. It caused all of the Democrats on the committee to vote against the bill.

One thing we have learned in financial services in this long, tortuous, and sad history is that unless we have bipartisan support, a bill such as this with so many conflicting interests will fail. It is my hope we can today move this bill forward by setting aside partisanship and confrontation and replacing it with pragmatism and compromise.

There are certain provisions in the Democratic substitute that I don't particularly like. I am giving serious thought to the affiliate op-sub issue. In the past I have strongly been for the affiliates for the same Glass-Steagall reasons I mentioned before. I talked to the Secretary of the Treasury, who feels strongly on the other side, and he has modified the bill to meet some of the objections I have. But I don't want to let my views on that issue hold up the bill.

It is my hope similarly with CRA that we will act with dispatch. It is my hope that the Senate will adopt the CRA provisions of the Democratic substitute and we can move this bill forward to conference assured that we have created a bill that has sufficient support to pass the Senate on a bipartisan basis, assured that we have created a bill that will finally, after 20 years, be signed into law.

Thank you, Mr. President.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, we have been trying to accommodate

Members who wish to make opening statements. We have been forbearing on offering the substitute, which is in order under the agreement as the first amendment. I guess I am really just trying to let colleagues know that I am sort of close to being ready to offer the substitute. I don't know whether there are others who want to make an opening statement before we get to that. I see the Senator from Nebraska may be interested in doing so. I withhold. Obviously, Members, once the substitute is offered, can make statements, too. But I withhold. I see the Senator is seeking recognition.

Mr. ALLARD addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. Mr. President, on this side I think we have at least two Members right now who want to be recognized to make opening statements. I request we go ahead and give them an opportunity to do that.

Mr. HAGEL addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HAGEL. Thank you, Mr. President.

Mr. President, I rise today in support of S. 900, the Financial Services Modernization Act of 1999. As a member of the Senate Banking Committee, I am proud to have played a small role in writing this bill.

America's financial services companies operate under a regulatory regime that dates back to the Great Depression. Our banks, insurance, and securities firms are bound by artificial barriers that do not recognize the current realities of the global marketplace. The reality is this: That the line separating these industries have been blurred by the evolution of new financial products and technology.

Securities firms, insurance companies, and banks already affiliate with one another, because the marketplace demands it. However, these affiliations cannot lead to full and fair competition or the full potential benefits for consumers because of the Glass-Steagall Act and its legal barriers.

Clearly, it is time for Congress to modernize U.S. financial service regulations and introduce full and open competition across the banking securities and insurance industries. S. 900 would accomplish that.

Passage of this bill will benefit consumers in two basic ways: First, allowing competition among banks, securities firms, and insurance companies will lead to lower costs and higher savings for consumers. Second, this competition will strengthen our financial service firms that are integral to the health of the American economy.

A 1995 Bureau of Economic Analysis report estimated that increased competition in the financial services industry would save consumers nearly $3 billion a year. I realize, Mr. President, that $3 billion may not seem to be a large figure around here, but in places such as Scottsbluff, NE, and other towns in my State that is real money.

If we don't modernize our laws governing the delivery of financial services, then we will put our companies and our industries at a severe disadvantage in the global arena.

Today, the United States is the world leader in financial services. We must not jeopardize this position through congressional inaction. Just as exports of manufactured goods and commodities have become increasingly important to the growth of our Nation's economy, so are our exports of financial services very important to our economy's growth.

Our global position was strengthened by the conclusion of a historic financial services side agreement to the Uruguay Round of GATT. It is ironic that the United States pushed hard for this agreement to reduce barriers to competition abroad while our domestic market continues to operate under a 1930s regulatory regime. It is time to tear down barriers to competition in our domestic markets and ensure that our industries are able to continue to compete at home and abroad.

The members of the Senate Banking Committee took a hard look at this important issue surrounding financial modernization. S. 900 balances the sense of urgency surrounding passage of financial services reform legislation with the need to ensure that the legislation responds to future marketplace dynamics and not just to today's realities and political pressures.

Is this legislation perfect? No, it is not perfect. There are far too many competing and important interests involved in this legislation. And perfection means different things to different people. But this bill does achieve a very workable and relevant and realistic balance between the politics of financial modernization and sound public policy.

Some of my colleagues have alleged that this bill is only going to help large financial institutions and will not help small banks. This is not true. S. 900 includes some very important changes, for example, to the Federal home loan bank system. These changes are very important to small banks everywhere across this country, not just in the rural States, such as my State of Nebraska, but in urban communities and large cities as well.

The Federal home loan bank provisions in S. 900 will strengthen local community banks that are vital to the economic growth and viability of all communities. They will ensure that in an era of banking megamergers, smaller banks are able to compete effectively and continue to serve their customers' lending needs.

These provisions are supported by all of the major banking trade organizations. There are many specific dynamics to improving the marketplace and the ability for the small institutions to compete. Many of my colleagues this afternoon have detailed those changes rather well.

It is important, Mr. President, to modernize our financial service laws to ensure that our companies can compete in this new global marketplace. As barriers to trade come down, our financial service firms must be prepared to take advantage of new global opportunities.

Congress can help them prepare by giving them the flexibility they so desperately need. S. 900 provides this flexibility. I urge my colleagues to support its speedy passage.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am not a member of the Banking Committee, although I have served there from time to time. I don't have an opening statement in the normal sense of the word because I don't intend to address the specific provisions in the bill, but rather to say to those who are on the committee, and in particular the chairman of the committee, Senator GRAMM, while many may not understand and appreciate the significance of the banking and financing institutions of the United States, and some may even come to the floor, as my good friend, Senator WELLSTONE, and talk about when we might get on to some business in the Senate that really helps people, that prompted me to come down and talk about something that I think is very, very people-oriented.

As a matter of fact, I have given a number of talks to fellow Americans. When I have asked, what do you think is the most significant thing institutionally about the United States that contributes to the opportunities we have in our daily lives to live better lives? Then I answer for them and say, it is the financing system in the United States.

There is no doubt about what helps the average man buy a car, buy a house, make renovations to his house, perhaps even buy a second cabin, or a second car for his children, those things which, when added up, make America the most prosperous Nation on Earth, the country that has people with more material wealth—if that is what measures the validity of a society—than any other nation in the world. It is that we can finance purchases. We can finance what we buy, we can pay for it over time, and of late we are getting the interest rates down where they ought to be, as low as possible.

This is the best thing for Americans in their day-by-day life which permits them to use their salary and their earnings in a way that will let them spread out the costs of items that they

need over a period of time, with a reasonable and rational finance plan.

It is absolutely important that from time to time, even though in the Congress we don't like to legislate items like a brand-new banking and finance bill—it is tedious for some, it is difficult, and for many it doesn't even seem like anything exciting we ought to be doing in the Senate. However, realizing what it does for our people, it ought to be full speed ahead to get to the floor with a good bill to modernize the banking and financing system of this country.

Earlier in our history, almost everything was financed through banks and the type of institutions that are principally the subject matter of this bill. Because we didn't modernize the system soon enough, financing is done in various ways—perhaps there is more financing done outside the banking system than there is in the banking system per se. Insurance companies do financing; companies that are big enough do their own financing of appliances; clearly, institutions that are not banks and not subject to banking rules or financing purchases.

When it comes to measuring a country's long-term success and the international markets and the day-by-day availability of good credit and soundness of our economy, we have to always look to the banking system. As a matter of fact, just think a moment of the past 3 years when things have gone wrong in other countries, when some of these countries went almost totally bankrupt. What led such failures? It was frequently led by the failure of their banking system. That should say something when we see that all around us.

Why is the country of Japan, that many people 15 years ago said we should mimic—obviously we don't choose to speak that way today; I never spoke about it even 15 years ago—what has happened to Japan today? They don't want to face up to the fact their financing institutions are in a state of chaos, if not bankruptcy. It is tough for them to admit.

We didn't want to admit it when our savings and loans were going bankrupt. We didn't want to come up with the money it took to bail out the depositors who were guaranteed their money, up to $100,000, who financed the S&L banking system in the United States, but we finally did it. We saved it. We spent a lot of money doing it.

In a very real sense, those who are managing this bill, including my good friend from Maryland, Senator SARBANES, and obviously the chairman, who I have already mentioned, are contributing a very vital quality to American life by trying to modernize the financial and banking system of the United States.

As my good friend from Nebraska said, what we have is too old, too ancient. It is not modern. It is not taking care of modern problems. It is not helping banks grow in a way they can and should to be modern institutions of financing.

I commend and laud those on the committee who have worked hard. I hope even with our differences we will get a bill. I read a letter from the President saying if certain things are in the bill, he will veto it. This letter was directed to the distinguished chairman, Senator GRAMM. We know the executive branch has a couple of strong feelings about this bill; perhaps the Senate has equally strong feelings about the same items.

On the other hand, I believe when we are finished and go to conference and work this through with the House and with the administration in an effort to get a bill that is sound, reform-minded, modern and yet protects certain interests that the banking system is currently helping and protecting, we will get a bill. The opportunity doesn't come very often for Congress to reform a significant portion of our capitalist system.

I will make one other observation. For anyone who doesn't think capital—which is the substance of banks—isn't important to a capitalist society, let me suggest that the last 3 years ought to prove it up in America in spades. While many economies in the world were in a state of bankruptcy, couldn't buy our goods and were having great economic difficulty, what happened to America? Our consumers bought more rather than less. Interest rates went down rather than up. There was more money for almost any venture desired because the banking system in our country was the greatest safe haven for capital that the world has ever seen. That meant anyone with extra money sent it here. Thus, that money was available to finance purchases in America, bring interest rates down rather than up.

The question is, What will happen when the world economy goes the other direction? Frankly, we ought to have a modernized banking system when that occurs. It is predicted that America's prosperity may turn a little bit in the wrong direction within 3 to 5 years. If it lasts 5 years, it will be astronomical in terms of a previous growth period. We have learned that the availability of a lot of capital in a capitalist system such as ours can make this economy grow and prosper in a way we had never quite figured out until we became almost totally dependent upon that.

There are signs all over the place that this great opportunistic land of ours needs a good, sound, solvent, and modern banking system. I came down to make sure those listening understand this is not a bill for bankers. This is not a bill for rich people. This is a bill to let a banking and finance system work for Americans—whether they are financing a home, whether they are moderate-income people, whether they are financing an education for their kids, whatever it may be. We have to have a sound set of financial rules in America for Americans to grow and prosper.

American business needs to borrow money, and clearly a banking system has to be ready and able to do that for the American business people here and abroad. It cannot be done with a system that is hog tied with ancient rules and regulations that don't meet today's times.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. I thank both my Republican colleagues for great statements. I think the Senator from New Mexico reminded us of the successes of our banking system and how we should appreciate it. I think he made a very good statement. My colleague from Nebraska, who is working real hard on the Banking Committee with the chairman and all members on the Banking Committee, I appreciate his effort and help on these very important issues. He has contributed considerably to this legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

AMENDMENT NO. 302

Mr. SARBANES. Mr. President, pursuant to the order that is governing our consideration of this bill, at least currently, I send an amendment in the nature of a substitute to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maryland [Mr. SARBANES], for Mr. DASCHLE, for himself, Mr. SARBANES, Mr. DODD, Mr. KERRY, Mr. BRYAN, Mr. JOHNSON, Mr. REED, Mr. SCHUMER, Mr. BAYH and Mr. EDWARDS proposes an amendment numbered 302.

Mr. SARBANES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Maryland.

Mr. SARBANES. Mr. President, as I have indicated earlier in the course of the opening debate on this issue, we are very anxious on our side to have financial service modernization legislation, and most of us subscribe to the proposition of allowing affiliations between banks, security firms, and insurance companies.

However, as I have indicated, that is not the only issue before us. We have to consider that question in the context of addressing important questions

of providing credit in all communities in our country; namely, the Community Reinvestment Act issue. We have to consider how these activities are to be done, whether they are to be done solely in an affiliate, outside of the banking structure, or whether banks will have the opportunity either to use the affiliate or to do it in an operating subsidiary. We have the important issue of the long historical separation between banking and commerce, which has prevailed in this country. And we have other aspects of the legislation which I think are of importance, including important provisions with respect to consumer protection.

As we have indicated earlier, we were not able to support this legislation in the committee and the legislation was brought to the floor on an 11-to-9 vote. The alternative, which we have now offered, just offered, and which is at the desk, is, in effect, the bill that the committee reported last year on a 16-to-2 vote with the one substantial change of providing for the operating subsidiary approach. That is now contained in the alternative, the substitute amendment which I have sent to the desk.

Last year some very careful compromises were worked out in order to move this legislation forward on a consensus basis. Unfortunately, that has not been the case this year, and the legislation that was developed in the committee was reported by the majority but contained no supporting vote from any of the Democratic members of the committee. The proposal before us, S. 900, the bill from the committee, is strongly opposed by a great number of civil rights groups, community groups, consumer organizations, and local government officials. People within the financial services industry have mixed views on some of the provisions of S. 900, and of course the President has indicated that he will veto the committee bill.

Unfortunately, we have this sharp contrast with last year's bipartisan approach. I think it is fair to say that none of the industry association groups oppose the substitute. They have been caught in the switches, so to speak, on this issue, and subjected to considerable persuasion. But I think it is fair to say that the provisions that are in the substitute will pass muster. These provisions also are fairly close to what the House Banking Committee has done by a 51-to-8 bipartisan vote. So we think the approach contained in the substitute just sent to the desk stands the greatest chance of finally being enacted into law. This substitute amendment, in effect, would put us on a path, at the end of which we could obtain the President's signature and get legislation.

Let me briefly seek to contrast the substitute and S. 900, the bill brought from the committee. It should be clearly understood that there is an intense view on this side of the aisle, and I believe shared by at least a few on the other side of the aisle, that the Community Reinvestment Act has really been a very significant and constructive public policy. It has improved the availability of credit in low- and moderate-income communities. There is example after example, and we will put those in the RECORD as this debate develops, where the CRA lending and investments have brought life to previously neglected communities and given people not only hope, but the ability to move up the American ladder of opportunity. It has helped to alleviate credit needs and improve services in rural areas and on Native American reservations. It has had a significant impact on home ownership amongst minority groups, African Americans and Hispanic Americans, whose numbers in terms of home ownership have increased dramatically, and everyone who goes and observes that phenomenon reports back that the CRA has had a considerable role to play in that very important objective.

The President has stated:

> [W]e should all be proud of what [CRA] has meant for low and moderate-income Americans of all races. Although we still have a long way to go in bringing all Americans into the economic mainstream, under CRA the private sector has pumped billions of dollars of credit to build housing, create jobs and restore hope in communities left behind.

It is for this reason that farm groups, labor unions, mayors all across the country, community development corporations, Hispanic organizations, Asian American, Native American—this has had a significant impact on the Indian reservations across the country—and civil rights groups all support retaining the effectiveness of CRA.

I will include in the RECORD at the end of my remarks letters from these various organizations detailing their very strong view about CRA, and in effect their support for this substitute.

The substitute requires that banks should have at least a satisfactory CRA rating before they can affiliate with securities and insurance firms, and that they would have to maintain that rating to continue the new affiliation. These provisions are essential in order to maintain the effectiveness of CRA within the expanded holding company structure. Capital, management, and CRA performance are at issue when an institution files an application for deposit insurance, a charter, a merger, an acquisition or other corporate reorganization, a branch or the relocation of a home office or branch.

If you are going to allow banks for the first time in a comprehensive way to engage in insurance and securities activities, then it is important that those banks, before they can do that, meet the CRA test. Otherwise, you are going to have a situation in which financial institutions could enter into additional activities, even if they were deficient in their CRA performance.

As the FDIC Chairman, Donna Tanoue stated:

> The bank and thrift regulatory agencies consistently take into account an insured institution's record of performance under CRA when considering an application to open or relocate a branch, a main office, or acquire or merge with another institution. As this legislation would enable institutions to enter into additional activities, it would seem consistent that CRA compliance should continue to be a determining factor.

Last year, we worked out these CRA provisions in the bill that was reported out of the committee. And the consensus, a 16–2 vote, contained these important CRA provisions.

This year, the provision requiring a satisfactory rating as a precondition of expanded affiliations is absent from the committee-reported bill. There are two provisions in the committee-reported bill which we feel very strongly contribute to undermining the application of CRA.

This substitute amendment, unlike the committee bill, requires banks have and maintain satisfactory CRA ratings in order to engage in and maintain expanded affiliations. To fail to do so would allow banks, for the first time, to move out in terms of the activities they can engage in, in a comprehensive way—both securities and insurance—without the bank that is going to do that having to meet the CRA test.

It does not apply, the CRA, to the insurance and securities activities, although many CRA advocates want to do exactly that. It only requires that the bank, as a condition of affiliation, meet the CRA performance standards.

As Secretary Rubin has stated:

> If we wish to preserve the relevance of CRA at a time when the relative importance of bank mergers may decline and the establishment of non-bank financial services will become increasingly important, the authority to engage in newly authorized activities should be connected to a satisfactory CRA performance.

Let me turn to the other CRA issues that are, in effect, posed by the substitute as compared to the committee-reported bill.

The second provision of the committee bill that weakens CRA is its safe harbor for banks with a ''satisfactory'' or better CRA rating. This is, banks would be deemed in compliance with CRA if they had in each of their three preceding examinations received a satisfactory rating. Groups, in fact, would not be able to comment about CRA performance unless they could carry the very heavy burden of providing substantial, verifiable information to the contrary.

The Federal bank regulatory agencies oppose this provision. They agree that a satisfactory CRA rating is not conclusive evidence that a bank is

meeting the credit needs of all of its communities. On the contrary, they welcome comments from the public regarding the CRA performance of the institutions they supervise.

For example, Ellen Seidman, Director of the Office of Supervision said:

[w]e generally find that the information received from those few who do comment on applications is relevant, constructive, and thoughtful, and frequently raise issues that need to be considered. In order for us to reach a supportable disposition on an application, and satisfy our statutory responsibilities, we need to have public input.

Public comment is especially useful in the case of large banks serving multiple markets, because regulators sample only a portion of these markets to determine the institution's CRA rating. Public comment provides an opportunity for community members to point out facts and data that may have been overlooked in a particular examination.

In fact, the provision that is in the committee bill would preclude looking at anything that took place prior to the past examinations if those examinations produced a satisfactory rating.

It is very clear that this safe harbor provision of the committee bill would stifle public comment on banks' and thrifts' CRA performance. This is so because nearly all banks and thrifts receive satisfactory or better CRA ratings, well up into the 90s, 90-percentile figures.

The committee majority asserts that the public comment process has been routinely abused, but that assertion is not supported by the record. We get these sort of examples that are brought in. There has never been a full-scale hearing on this issue. All of the statistical information from the regulatory agencies indicate that there has not been abuse of the public comment process. The vast majority of applications reviewed on CRA grounds are approved in a timely manner. Many do not receive any adverse comments. Very few applications that receive adverse CRA comments are delayed.

The substantial, verifiable information would really knock community groups and ordinary citizens out of being able to comment in any meaningful way. As the FDIC Chairman Tanoue stated, ''Public comments relating to CRA should not bear a burden of proof that is not imposed on public comment related to any other aspect of a bank's performance.''

The regulators take in all these comments and then they make their judgment. There seems to be a presumption here that when people come in and make a comment that somehow they then carry the day. Nothing could be further from the truth. The regulators collate all these comments, consider them, and proceed to make their judgment. And the number of instances in which CRA has been raised is a very small percentage of the total.

The third way in which the committee bill attacks CRA is the exemption for rural institutions with less than $100 million in assets. This would obviously have very severe consequences for low- and moderate-income rural communities which depend heavily on small banks for their credit needs.

It is asserted that these small banks, by their nature, serve the credit needs of their local communities. However, historically, in the ratings made by the regulators, small banks have received the lowest CRA ratings. Although many small banks do serve the needs of their communities, observers note that some small banks often invest in Treasury bonds rather than in their own communities.

Some have argued that you need an exemption in order to relieve the regulatory burden. The fact of the matter is, as the Federal bank regulators revised the CRA regulations in 1995 to reduce the cost of compliance for small banks, the new rules provided a streamlined examination for small banks. They exempted small banks from reporting requirements. And they emphasized the institution's actual performance rather than paperwork.

The FDIC, the OTS, and the OCC support the application of CRA to small banks. FDIC Chairman Tanoue stated:

Although the vast majority of institutions satisfactorily help to meet the credit needs of their communities, not all institutions may do so over time, including small institutions. Some institutions may unreasonably lend outside of their communities, or arbitrarily exclude low- and moderate-income areas or individuals within their communities. We believe that periodic CRA examinations for all insured depository institutions, regardless of asset-size, are an effective means to ensure that institutions help to meet the credit needs of their entire communities, including low- and moderate-income areas.

Before I turn to that subject, let me again stress how critical the flow of credit, which has resulted from CRA, has been to the redevelopment of low- and moderate-income areas. The bill brought out of the committee, S. 900, would really close down opportunity for large numbers of people in these low- and moderate-income communities to really improve themselves, to move to home ownership, to open small businesses, to carry out the sort of community renewal which gives them a better neighborhood in which to live.

I have heard these assertions, but we can take you through instance after instance in which the impact of CRA has been such as to provide hope to communities and to lift them up and to enable people to move up the ladder of opportunity. I do not know what could be more consistent with an American goal or objective than to give people this opportunity to advance. And particularly the financial institutions, which are subject to these CRA requirements, are prepared to abide by them. Many of them have given testimony about the beneficial impact it has had on the community and the beneficial impact on their relationship with the community.

Let me turn to the banking and commerce issue. Another aspect of the committee bill—and this is an important part of the substitute—that differs significantly from the substitute amendment is its approach to the separation of banking and commerce. In an important respect, the committee bill breaches the separation of banking and commerce, and this could lead to biased lending decisions and may well ultimately put the taxpayer-backed deposit insurance funds at risk.

Now, this separation of banking and commerce is a longstanding principle in American law, dating back over now almost 140 years to the National Bank Act of 1864, which specifically forbids banks to engage in or invest in commercial or industrial activities. Under existing law, a commercial firm, such as General Motors or Microsoft, may not own a bank or be owned by a bank. We have tried to draw a line there. There has been some fuzzing of that line, but not much.

In 1956, the Congress enacted the Bank Holding Company Act, which prohibited commercial firms from owning banks and prohibited holding companies owning two or more banks from owning commercial firms. This policy was strengthened by the Bank Holding Company Act Amendments of 1970, which extended the prohibition on owning commercial firms to holding companies owning just one bank. In other words, it drew a very sharp line.

In submitting the 1970 amendments, President Nixon said:

The strength of our banking system depends largely on its independence. Banking must not dominate commerce or be dominated by it.

Now, why do we have this principle of separating banking and commerce in U.S. law? Because allowing banks to affiliate with commercial firms raises concerns relating to risk to the deposit insurance fund, the impartial granting of credit, unfair competition, and concentration of economic power. A bank affiliated with a commercial firm would have an incentive to make loans to that firm, even if the firm were less creditworthy than other borrowers. The bank would have a similar incentive not to lend to the firm's competitors, even if they were creditworthy.

Financial experts have pointed out these dangers. Secretary Rubin testified that mixing banking and commerce:

. . . might pose additional, unforeseen and undue risk to the safety and soundness of the financial system, potentially exposing the federal deposit Insurance funds and taxpayers to substantial losses. . . . Equally uncertain is the effect such combinations might have on the cost and availability of

credit to numerous diverse borrowers and on the concentration of economic resources.

The leading economist Henry Kaufman warned that mixing banking and commerce would lead to conflicts of interest and unfair competition in the allocation of credit. In his view:

. . . a large corporation that controls a big bank would use the bank for extending credit to those who can benefit the whole organization. . . . The bank would be inclined to withhold credit from those who are or could be competitors to the parent corporation. Thus, the cornerstone of effective banking, independent credit decisions based on objective evaluation of creditworthiness, would be undermined.

Public interest groups have made the same point. Consumers Union testified that it opposes:

. . . permitting federally-insured institutions to combine with commercial interests because of the potential to skew the availability of credit, conflict of interest issues, and general safety and soundness concerns from expanding the safety net provided by the government.

The difficulties experienced in Asia demonstrate the risks associated with mixing banking and commerce. Both Secretary Rubin and Chairman Greenspan testified that the financial crisis in Asia was made worse by imprudent lending by banks to affiliated commercial firms. In other words, if you cross that line and put the commercial firm in the bank—as it were, in the same pot—you run a heavy risk, as was exemplified in the Asian financial crisis, of imprudent lending.

Former Federal Reserve Chairman Paul Volcker wrote, recent experience with the banking crises in countries as different in their stages of development as Japan, Indonesia and Russia demonstrate the folly of permitting industrial financial conglomerates to dominate financial markets in potentially large areas of the economy.

The substitute amendment tries to sustain this line between banking and commerce. The committee bill crosses this line in a number of respects.

First of all, it permits bank affiliates to acquire any type of company in connection with merchant banking activities. However, the committee bill drops certain safeguards that are in the substitute and that were in last year's bipartisan bill. Those safeguards allowed merchant banking investment to be held only for such period of time as would permit the sale of the investment on a reasonable basis. It precluded the bank affiliate from actively participating in the day-to-day management of the company.

The committee bill drops those safeguards. In effect, it would allow a bank holding company to operate commercial companies of any size and in any industry for an unlimited period of time. This would break down the separation of banking and commerce.

The substitute restores the safeguards that were in last year's bill.

Secondly, both the committee bill and the substitute amendment allow holding companies that own banks to engage in activities that are financial in nature or incidental to such financial activities. But the committee bill goes further by authorizing holding companies to engage in activities that are complementary activities that are financial in nature. It provides no definition or limitation of these complementary activities and, therefore, raises the danger that these complementary activities would be commercial in nature and cross the separation between banking and commerce. The substitute does not permit those complementary activities.

Finally, the committee bill does not close the unitary thrift company loophole. That loophole refers to the fact that a company that owns just one thrift, called a unitary thrift holding company, may also own a commercial firm. There are currently over 500 thrifts owned by unitary holding companies. The vast majority of these are owned by financial firms. Now, both the committee bill and the substitute would prohibit the creation of new unitary thrift holding companies by commercial firms. However, there is a sharp difference in that the committee bill would allow a commercial company to acquire any of the 500 existing unitary thrift holding companies.

Now, obviously, if they can do that, if hundreds of commercial firms, in effect, can acquire a unitary thrift holding company, they can effectively obliterate the separation between banking and commerce. Financial leaders and banking industry groups advise the committee to prohibit commercial firms from acquiring control of thrifts. Chairman Greenspan recommended that financial services modernization legislation at least prohibit, or significantly restrict, the ability of grandfather unitary thrift holding companies to transfer their legislatively created grandfather rights to another commercial organization.

Secretary Rubin observed that, ''without such a limit on transferability, existing charters may tend to migrate to commercial firms and could become a significant exception to the general prohibition against commercial ownership of depository institutions.''

Both the ABA and IBAA—the American Bankers Association and the Independent Bankers Association of America—wrote to Senators yesterday expressing their support for closing the unitary thrift holding company provision, including restricting transferability of existing unitaries.

Now, let me turn briefly to some important consumer protection provisions that are in the substitute amendment, but that are not in the committee bill, and which we think make the substitute more desirable legislation than the committee bill.

Obviously, if you are going to have a financial services modernization bill, you must ensure adequate consumer protection. We need to be sure that consumer protections keep pace with changes taking place in the financial market. In recent years, banking securities and insurance products have become more similar. A wider variety of financial products is available through banks. This increases potential customer confusion about the risks of the product the customer is buying, who is selling it, and whether or not it is insured by the FDIC. Measures such as disclosure to customers and licensing of personnel can help keep such misunderstandings to a minimum, and such a provision should be included in any financial services modernization bill.

Unfortunately, the committee bill fails to include a number of important consumer protection provisions that passed the committee overwhelmingly last year, and which we have now included in the substitute that is now before the body.

Very quickly, on insurance sales, while some of the provisions of last year's bill relating to insurance sales have been substituted into the committee bill—that was done in the committee—but more remains to be done. The substitute amendment would require Federal bank regulators to establish mechanisms for receiving and addressing consumer complaints—something that is completely absent in the committee bill.

The substitute amendment would provide that Federal regulations would supersede State regulations when the Federal regulations afforded greater protection for consumers. The committee bill allows State regulations to prevail even if it offers less protection to consumers.

With respect to securities activities, the committee bill provides less protection for consumers than does the substitute amendment.

Currently, banks enjoy a total exemption from the definitions of ''broker,'' ''dealer'' and ''investment advisor'' under the Federal securities law. Because of this blanket exemption, consumers who purchase securities from banks do not receive any of the protections of the securities laws, which in many ways are superior to those offered by the banking laws. For example, broker-dealer personnel have an obligation to recommend to their clients only transactions that are suitable based on their client's tolerance for risk, overall portfolio, and so forth.

Bank personnel have no such obligation. Broker-dealer personnel must pass licensing exams and are subject to continuing education requirements. Bank personnel are exempt from these requirements. Disciplinary histories of broker-dealer personnel are made publicly available to investors. No such

history is available regarding bank personnel. Broker-dealer managers have a duty to supervise their sales personnel, which is enforceable under the Federal securities laws. Bank managers do not.

Finally, customer disputes with brokerage firms are subject to arbitration, which offers a specialized, quicker and cheaper forum for settling disputes. No arbitration exists for customer disputes with banks.

Now, the committee bill, like the substitute amendment, would repeal the total exemption banks enjoy from the definition of broker and dealer. Also, like the substitute amendment, the committee bill contains a number of exceptions that allow certain securities activities to continue to take place directly within banks. However, the exceptions in the committee bill are significantly wider than those in the substitute amendment. Let me just mention some of those important differences.

The committee bill allows a bank trust department conducting securities transactions to be compensated on a transaction-by-transaction basis, just like a broker. Where the substitute amendment allows a bank to sell unregistered securities exclusively to sophisticated investors, the committee bill allows a bank to sell unregistered securities to all investors.

Finally, the committee bill prohibits the SEC from determining that a new product is a security and, therefore, must be sold by an SEC-registered broker-dealer, unless the Federal Reserve concurs. Over time, this will move even more securities activities directly into banks. The substitute amendment would afford the SEC the first opportunity to define new products as securities.

The committee bill also leaves the SEC with less authority over bank-advised mutual funds and with less ability to protect investors in those funds.

Now, the substitute amendment requires the Federal banking regulators to issue regulations regarding the sale of securities by banks and bank affiliates. The bank regulators would have established mechanisms to review and address consumer complaints. The committee bill does not include this provision.

No one of these provisions that I made reference to may seem to be of major import. But all of them taken together, I think, indicate that the protections for consumers that are contained in the substitute amendment significantly exceed those that are in the committee-reported bill.

Another area in which the committee bill departs from last year's agreement regards a special deposit insurance assessment paid by thrifts.

Prior to 1996, thrifts paid a higher assessment rate than banks did for interest payments on certain bonds issued to pay for the resolution of the savings and loan crisis, so-called ''FICO bonds.'' In 1996, Congress acted to close this assessment differential on FICO bonds. The rates were to be equalized until January 1, 2000, and the bill that we reported last year left the 1996 agreement intact. The committee bill now before us would extend this assessment differential for another 3 years, so that thrifts would continue to pay a higher assessment rate for another 3 years.

This may well lead institutions to shift their deposits from the thrift insurance fund to the bank insurance fund, which might well create stability problems for the thrift insurance fund.

Chairman Tanoue has written that this provision serves no positive public policy purpose. And it is not in the substitute amendment that is now before us.

Let me now turn to an issue in which my colleague, the chairman of the committee, has spent a considerable amount of time here on the floor today in pointing out the differences between the substitute that is now before us and the committee bill.

All of these provisions I have thus far enumerated were essentially contained in the bill that was reported last year by the committee on a 16-to-2 vote. The one area in which the substitute amendment differs from last year's bipartisan bill is its treatment of operating subsidiaries and banks.

Last year's bill contemplated that principal activities, such as underwriting securities and insurance, would take place in a holding company's subsidiary rather than bank subsidiaries. Certain agency activities such as sales of insurance were permitted in bank subsidiaries.

This approach was supported by the Federal Reserve. It was opposed by the Treasury Department. That was an important difference last year. It remains an important difference this year.

As the legislative process has proceeded, the Treasury Department has agreed to significant additional safeguards regarding the scope and regulation of bank subsidiaries' activities. With these safeguards, it appeared to us that banks should be given the option of conducting financial activities in operating subsidiaries. That approach is contained in the substitute amendment now before the Chamber.

President Clinton has indicated that he will veto the reported bill in part because ''it would deny financial services firms the freedom to organize themselves in a way that best serves their customers.''

Let me talk a bit about the safeguards, the changes in the sense that the Treasury has agreed to, which I think now warrant allowing the banking institution to have a choice. They wouldn't be required to do it in an op-sub. They could still do it in an affiliate. They could have a choice between the two as a matter of their own organizational preference.

Last year, the Treasury was clear that they would not do real estate in the operating-sub. And they continue to hold to that position this year. In addition, the Treasury last year agreed that insurance underwriting may not take place in a bank subsidiary. This prohibition on insurance underwriting would be in addition to an explicit prohibition on real estate development conducted by bank subsidiaries to which the Treasury agreed last year. So we have these two areas now that were provided for and placed outside of the op-sub umbrella.

On merchant banking, the Treasury has agreed that the Federal Reserve shall have the authority to define merchant banking activities and bank subsidiaries. This meaningful step on the part of the Treasury will contribute to bank subsidiary activities being structured in a prudent fashion.

Merchant banking presents a potential breach in the separation of banking and commerce. The possible dangers would be increased if two different regulators were to define separately the dimensions of permissible merchant banking activities. Then to avoid the possibility that would happen—that the dimensions of the permissible merchant banking activities would be defined by two different regulators who would have different concepts—in the substitute, we have the provision that the Federal Reserve would have the exclusive authority to define merchant banking activities and bank subsidiaries.

The Treasury has also agreed that the Secretary and the Federal Reserve should jointly determine which activities are financial in nature, both for a holding company subsidiary and for a bank subsidiary. Both the Secretary and the Federal Reserve would jointly issue regulations and interpretations under ''the financial in nature'' standard. This would eliminate a potential competition between bank regulators.

Further, to place activities on an equal footing, the same conditions would apply to a national bank seeking to exercise expanded affiliation through a subsidiary as a holding company seeking to exercise those affiliations. These conditions are that banks be well capitalized, well managed, and in compliance with CRA.

The Treasury also supports the application of the functional regulation of securities and insurance activities taking place in bank subsidiaries just as it applies to holding company subsidiaries.

These provisions are all reflected in the substitute amendment.

In addition, the Treasury supports a requirement that national banks with total assets of $10 billion or more retain a holding company, even if they choose to engage in expanded financial

activities through subsidiaries. This is designed to preserve the oversight that the Federal Reserve now has over the Nation's largest commercial banks through their holding company. So this was an effort by the Treasury to accommodate one of the concerns that had been repeatedly expressed by the Federal Reserve.

Furthermore, the substitute amendment contains certain additional safeguards that the Treasury Department now supports for financial services modernization legislation. Every dollar of a bank's investment in a subsidiary would be deducted from the bank's capital for regulatory purposes. In this way, the bank would have to remain well capitalized, even after deducting the investment in the subsidiary, and even should it lose its entire investment.

Secondly, a bank could not invest in a subsidiary in an amount exceeding the amount the bank would pay to a holding company as a dividend.

And, thirdly, the strict limits that now apply to transactions between banks and their affiliates would apply to transactions between banks and their subsidiaries.

These restrict extensions of credit from banks to their affiliates guaranteed by banks for the benefit of their affiliates and purchases of assets by banks from their affiliates. All such transactions must be at arm's length, and fully collateralized, and the total amount of such transactions between a bank and all of the affiliates is limited.

In total, these safeguards pertaining to the regulation of bank subsidiaries should eliminate any economic benefit that may exist when activities are conducted in bank subsidiaries rather than holding company subsidiaries.

The provisions regarding the scope of activities permitted for bank subsidiaries should remove any opportunity for regulators to compete with one another to the detriment of the safety and soundness of the banking system, or the separation of banking and commerce.

FDIC Chairman Tanoue testified:

From a safety-and-soundness perspective, both the bank operating subsidiary and the holding company affiliate structures can provide adequate protection to the insured depository institution from the direct and indirect effects of losses in nonbank subsidiaries or affiliates.

This position of the current FDIC Chairman was echoed by three former Chairmen of the FDIC in an editorial that I printed earlier in the remarks.

On the basis of the provisions agreed to by the Treasury Department and the testimony given by the FDIC—

And I want to underscore the efforts on the part of the Treasury Department to address questions that had been raised last year; in other words, what we are containing in the substitute differs from what the Treasury was putting forward last year and has encompassed all of these various safeguards which they have sought to develop—

[it was our judgment that] permitting bank operating subsidiaries can be consistent with the goals of preserving safety and soundness, protecting consumers, and promoting comparable regulation.

Therefore, we have included the operating subsidiary provisions in this substitute amendment and regard it as a meaningful step toward enactment of financial services modernization legislation.

Let me simply close with these observations. The substitute amendment now before the body achieves the primary objective of financial services modernization; namely, allowing affiliation of banks, securities firms, and insurance companies. It does so while preserving safety and soundness, protecting consumers, providing for regulatory parity, and promoting the availability of financial services to all communities.

The committee bill, S. 900, falls short of these goals. It undermines the Community Reinvestment Act. It does not provide bank operating subsidiaries with the scope sought by the Treasury Department. Its protections for consumers are substantially less than in the substitute. And, finally, it enables the separation of banking and commerce to be breached with respect to the unitary thrift holding companies.

For all of these reasons, the President has declared he will veto it in its current form. I believe that the substitute amendment, the one that is now before the Senate and on which at the conclusion of this debate we will vote, represents a balanced, prudent approach to financial services modernization. It is legislation which has broad acceptance within the industry. In many ways, it is comparable to the activities of the legislation of the House Banking Committee.

I am frank to say that I clearly think it is the approach most likely to achieve the enactment of financial services modernization legislation. If Members want financial services modernization legislation, if Members want to manufacture a legislative vehicle that can go all the way through to Presidential signature and become law, then Members should vote for the substitute amendment.

I yield the floor.

Mr. GRAMM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRAMM. Mr. President, let me talk about simplicity and clarity in the two bills. I know that seldom in writing laws do we hear lawmakers talk about what makes sense and what is simple and what is readable.

I begin by asking people to look at the bill adopted by the Senate Banking Committee modernizing financial services. That bill is 150 pages long. The substitute which has been offered by Senator SARBANES is 349 pages long. Members might ask, What is the extra 200 pages for? The extra 200 pages is for a convoluted process that breaks the simplicity of the bill adopted by the Banking Committee.

What is very good about our bill is, it is very easy to understand. If a securities firm wants to set up a bank holding company and engage in securities activities, banking activities, and insurance activities, it can set up a bank holding company, and outside the bank it can be involved in insurance and securities and it can be involved in banking under the bank holding company. It is a very simple organization. It is an organization that provides any one of the three financial industries to become bank holding companies and participate in providing a broad array of services, including banking services. And it is an organization that is very easy to understand. It is an organization that you can set out in 150 pages with all the whistles and bells and all the icing on the cake.

The Sarbanes substitute is 200 pages more complicated, and it is more complicated because it goes about things in a very different way. You can have a bank holding company that can be in the banking business and in the securities business under the basic framework of the bank. You can have a financial services holding company, a totally new entity, and it can have an insurance company, a bank holding company, and a securities firm. And under the bank holding company, you can have a bank, and that bank can be in the securities business, and it creates another totally new entity, a wholesale financial holding company, and it can be in the insurance business, wholesale financial institution business, and securities firms. Finally, banks can be in the securities business.

So the first argument I want to make is based on simplicity—not that anybody ever gauged a Federal law based on, ''Does it make sense, is it simple, could people actually employ it, what kind of roadmap is it for the development of new financial institutions in America?'' But the reason our bill can do what it sets out to do in 150 pages, and the reason the substitute takes 300 pages, is the underlying bill adopted by the Banking Committee has a simple structure that everybody can understand and that securities firms, banks, and insurance companies could all participate in. Under our bill, it is easy for any one of the three to set up a bank holding company.

The substitute is a lot more complicated and brings in a lot of new institutions. It would be very hard, in terms of a user-friendly roadmap, as to how to do this. I do not know that sways anybody in the private sector or in any real world activity. But simplicity, and the sort of clear approach that people can follow—if they are buying a roadmap or if they are buying a computer program—is an important thing. Unfortunately, it is not something that is often mentioned in making the law of the land; but, quite frankly, it should be.

I am going to try to take less time in responding than I did in my opening statement on this. I want to break the proposal into eight areas and discuss the proposal in that way. There are eight key ways that this substitute is fundamentally different from the bill which was adopted by the Banking Committee and which is before us.

The first and most important difference is that the substitute before us—offered by Senator SARBANES, which is different from the bill that Senator SARBANES supported last year, different from the bill that was adopted by the Banking Committee last year, and far different from the bill that is before the Senate now—allows banks to engage in broad financial services within the legal framework of the bank.

Alan Greenspan, the Chairman of the Board of Governors of the Federal Reserve, has said—and I want to read this quote because I think it is important. I think, No. 1, everybody in America takes Alan Greenspan seriously. Second, I want to remind people that the majority of the Governors of the Federal Reserve Board were appointed by this President, Bill Clinton. This is a statement that Chairman Greenspan made just last week before the House Commerce Committee in opposition to exactly the proposal which is the heart of the Sarbanes substitute. When Chairman Greenspan refers to ''colleagues,'' he means every member of the Federal Reserve Board, including those appointed by Bill Clinton:

> I and my colleagues are firmly convinced of the view that the long-term stability of U.S. financial markets and the interests of the American taxpayer would be better served by no financial modernization bill rather than one that allows the proposed new activities to be conducted by the bank. . . .

I want to be sure everybody understands this quote. It is as clear as you can be clear. The most respected economic mind in America, the man who more than any other person on this planet has been responsible for the financial stability that has created over 20 million jobs and enriched working Americans by driving up equity values and by creating unparalleled prosperity in America, said last week that he and every member of the Board of Governors of the Federal Reserve believe it would be better to have no financial services modernization bill than to adopt the Sarbanes substitute.

That is pretty clear. I think it is a profound position to take. Let me make the point: Everybody who knows Alan Greenspan knows that Alan Greenspan goes out of his way not to be confrontational. Everybody who knows Chairman Greenspan knows that if there is a way of saying something around the barn, something which might be offensive to somebody, he sort of walks all the way around the barn and let's you understand—where you can hope nobody else understands—that he said your idea is a bad idea. That is the way Alan Greenspan works.

But in front of God and everybody at the House Commerce Committee last week, Alan Greenspan said if the alternative is the Sarbanes substitute or no bill, he and every member of the Board of Governors of the Federal Reserve are convinced that ''no bill'' is better than the Sarbanes substitute.

Why does he say this? In a dozen other quotes, he basically says two things: No. 1, since we have deposit insurance, where the taxpayer is on the hook for bank failures that threaten insured deposits, he is concerned that allowing banks to get into these other kinds of financial businesses within the framework of the bank itself endangers deposit insurance and threatens the taxpayer. So the first reason that Chairman Greenspan made this extraordinary statement—in fact, the strongest statement he has made as Chairman of the Board of Governors of the Federal Reserve—is concern about the insurance fund and the taxpayer being on the hook.

The second concern is that if banks provide these expanded activities, such as securities and insurance or whatever activities are ultimately allowed within banks, the subsidy that banks have in deposit insurance—something no other institution has besides banks, S&Ls, and other institutions that have Federal guarantees, and when I am saying banks I mean broadly defined—plus the ability to borrow from the Federal Reserve at the lowest interest rates at which anybody in the world borrows, and the ability to use the Fed wire, where they can wire money that instantly becomes bank reserves and it is guaranteed by the Federal Reserve bank, Chairman Greenspan and the Federal Reserve have estimated that if banks were allowed to provide these services within the bank, they probably have an effective subsidy of around 14 basis points. And this subsidy is due to the access to these three items: Deposit insurance, the Fed window, the Fed wire.

Chairman Greenspan has explained to anybody who would listen that if you let banks perform these services within the banking structure itself, banks will have an advantage over those who are providing securities services and selling securities outside of banks; that if you allowed banks to do insurance within the bank, they would have an advantage over insurance companies that are not banks.

Chairman Greenspan has tried to alert us to the fact that if we adopted the Sarbanes substitute we could literally, within 10 or 20 years, have a financial system where virtually all of the securities activities and all of the insurance activities, if banks were allowed to do insurance within the bank itself, would be dominated by a handful of big banks. In other words, our economy would look very much like the Japanese economy, in terms of its financial structure.

Chairman Greenspan says, if your choice is no bill or doing what the Sarbanes substitute wants to do, for safety and soundness reasons, for the protection of the taxpayer, for the protection of competition, for the protection of the competitiveness of the American economy, Chairman Greenspan says: Kill the bill before you do what the Sarbanes substitute would do, in terms of letting banks in these other lines of financial services within the structure of the bank.

Chairman Greenspan said let banks do these things—let them sell insurance, let them provide securities services—but make banks do them outside the bank where they have to take capital out of the bank to capitalize these companies and where they compete with nonbanks on an equal footing.

This is a critically important issue, and it is an incredible paradox, an absolutely astounding paradox that Senator SARBANES, who supported Chairman Greenspan's position in the bill last year, is now taking exactly the opposite position. It is my understanding that perhaps all the Democrat Members of the Senate may be inclined to take this position, a position that many of them, perhaps two out of every three, would have opposed as any kind of freestanding measure. I hope that is not the case, but perhaps it is.

If for no other reason, if you do not have 101 other reasons to vote against the Sarbanes substitute, listen to Alan Greenspan: Spare the taxpayer, spare deposit insurance, and spare the economy by rejecting this proposal.

The pending substitute dramatically expands CRA. It dramatically expands CRA in several ways. For the first time in the history of CRA, the Sarbanes substitute provides that financial institutions that fall out of compliance with CRA will now be deemed to be in violation of banking law and, therefore, potentially subject to fines of up to $1 million a day.

Let me remind those who do not follow these issues—and why would you unless you are in this line of work?—

currently under the Community Reinvestment Act, while banks are evaluated every year and while banks take a legitimate pride in getting good scores on their evaluations, they are not required to be in compliance. The only time CRA imposes a ''penalty'' is if a bank wants to take an action that requires CRA evaluation—such as the opening or closing of a branch, or selling or buying a bank, or merging with another bank.

The Sarbanes substitute would vastly expand CRA by making it a violation of Federal banking law simply to be out of compliance with CRA and, in the process, potentially subject not just the bank, but an individual bank officer and an individual board member, to a fine of $1 million a day.

The Independent Community Bankers of America sent a letter today raising a very important issue. Little banks have trouble getting people of substance to serve on their bank boards. It is hard because there are liability issues involved, and one of the big struggles that little banks have is getting city leaders to be on the bank board. We want the best people to serve on bank boards because they are the people who ultimately make decisions that affect safety and soundness, that affect the well-being of the depositor, that affect lending policy, and that affect the taxpayer through Federal deposit insurance.

I want you to listen to the president of the Independent Community Bankers of America. This is an organization that represents small, independent banks all over America. Listen to this paragraph:

> We also have grave concerns about expanding CRA enforcement authority to include the levying of heavy fines and penalties against banks or their officers and directors. An ongoing challenge for many community banks in small communities is finding willing and qualified bank directors. Legislation following the savings and loan crisis of the 1980s and early 1990s greatly increased the amount of civil monetary penalties to which bank officers and directors may be subject. Any increase in the potential for fines and penalties could provide further disincentive for serving on a bank board.

All Members should realize that this does not apply just to small banks, it applies to big banks. If you had a bank with 200 branches and just one branch fell out of compliance, you could potentially be subjected to this fine. This is regulatory overkill. This is totally unjustified.

Our colleague, Senator SARBANES, says we have not presented enough data about abuses. Where is the abuse that could possibly call for such a provision? This is punitive legislation at its worst, and if you think we have a problem now with community groups intervening and demanding cash payments, you add to it a possibility that a bank officer or board member could be fined $1 million a day and you are going to multiply the abuse a thousandfold. This is a proposal which was clearly written, and I can tell you where and when, when there was a desperate effort in the House to get their bill passed last year. It passed by one vote, and they basically gave this provision to groups that wanted to massively expand CRA. That is how it got into this whole debate.

I cannot believe anybody seriously would want to subject bank officers and bank directors to a potential $1-million-a-day fine for temporarily falling out of compliance with CRA.

The Sarbanes substitute expands CRA by requiring CRA compliance to engage in new financial activities, including insurance and securities. No CRA test is now required for such banking activities.

Here is the whole issue. Today, some banks do sell insurance. Today, some 20 banks engage in securities activities, and virtually every bank, through their holding company, engages in activities which, under the Sarbanes substitute, would be pushed out of the trust department and into an affiliate or an operating sub and, therefore, would subject that bank to this new regulation.

The point is, current law does not require a bank to get CRA approval to sell insurance. Current law does not require a bank to get CRA approval to sell securities. This is, again, a massive expansion in CRA. And if the Senator is justified in questioning our justification for wanting to adopt two modest reforms of CRA, I think it is reasonable to ask what is the justification for this massive expansion in CRA.

Finally, on CRA, for the first time in American history, the Sarbanes substitute would expand CRA to a noninsured institution. The justification for CRA was that banks and other banking-type institutions, S&Ls, have deposit insurance.

And that is a subsidy to the bank. Therefore, asking the bank to provide these resources, on a broad basis, to the community or to allocate capital based on a Government dictate rather than the market had a justification. That was the justification for CRA.

The Sarbanes substitute would expand CRA coverage to a new institution, the wholesale financial institution, or WFI, which does not have FDIC insurance. This is a clear expansion of CRA beyond anything that has ever been enacted into law. In addition, the Sarbanes substitute would repeal the two reform provisions that are in the bill.

I am not going to get into a long dissertation on this subject, because we are going to have an opportunity to debate this subject at length tomorrow—and believe me, I am ready to debate it—but I just want to make a couple points about the provisions that would be stricken by the Sarbanes substitute.

First of all, our first provision is an integrity provision. Put simply, consider a bank that is in compliance and has been in continuing compliance with CRA for 3 years in a row, so that in the mind of the regulator, based on the information they have been presented—and any group in America can have an input into those evaluations—this bank is a good actor, they have a good record of compliance.

The Sarbanes substitute would strike our provision that says that while anybody can present any information they want to the regulator—and the regulator can demand a new evaluation when the bank in question seeks, for example, to merge with another bank or sell or buy a bank—but unless the protesting group presents some substantial evidence that this bank is out of compliance—something that their regulators had said three times in a row they were not—unless they can present some substantial evidence, then based on that objection alone, the regulator cannot turn down the proposal or delay it.

I went through earlier today—and I hope people heard it and remember it—but I went through what ''substantial evidence'' means. The most important thing to remember about it is, the law already requires it. All banking law requires decisionmaking to be based on ''substantial evidence,'' and bars decisionmaking based on arbitrary and capricious action. All banking law currently requires it. All appeals of banking regulator decisions must be based on the absence of substantial evidence.

So really what we are trying to do here is force the regulator to comply with the normal administrative convention, which is, if somebody wants to enter a process—at the last moment, in this case—and demand that someone not be allowed to do something that they have earned a right to do, then they must present substantial evidence to show that they are not complying.

Senator SARBANES suggested that the evidence can only be on items which have occurred since the last evaluation. Not so. In fact, what our bill says is that the regulator may not delay or deny an application unless ''substantial verifiable information arising since the time of [the bank's] most recent examination under that Act demonstrating noncompliance is filed with the appropriate Federal [regulator].''

Our provision provides that any new information may be presented. It is not something that has occurred since the last evaluation. It is something that the banking examiners did not have before when they said the bank was complying with the law.

I went through at great length the 900—I did not go through all 900 of them—but 900 times in Federal statutes we refer to ''substantial evidence.'' We have 400 court cases that have defined it. What does it mean?

''More than a scintilla of information,'' a factual basis under which a reasonable person might reach a conclusion—not that they would reach a conclusion, but that they might reach a conclusion.

So what Senator SARBANES is determined to kill is a simple proposal that certainly does not repeal CRA or overturn CRA or do violence to CRA. All it says is, if a bank has a long record of being in compliance with CRA, if they are in compliance with CRA now, and they want to undertake an action that requires CRA evaluation, that if somebody wants to come in and object, they can say anything they want, they can present any information they want, but the regulator cannot overturn their established record unless the protester presents substantial information or data to back up their claim.

You might ask, why could anybody be opposed to that? Can you imagine that you have a bank which is trying to buy another bank, and they have been in compliance with CRA for three evaluations in a row and are currently in compliance, they have hundreds of millions of dollars at stake in consummating this agreement, a decision that can affect thousands of people, and you let one protester, who often is from not just another State but another region of the country—a protester from Brooklyn, NY—and he comes in and protests a bank merger in Illinois and will not go away until he gets his ''expenses paid'' and until he gets a cash payment? Now, under our provision, anybody can come in and protest, but in order for them to be able to stop the process, they have to provide substantial information.

I cannot understand how anybody can be opposed to that.

The second provision of our bill that would be overturned by the SARBANES substitute is the small bank exemption. Let me try to explain this, I think, in a way that everybody can understand.

I have two colleagues here. Let me say that I am sorry, but Senator SARBANES took an extended period of time to present this, and I have to go through and be sure it is responded to comprehensively. So I am probably going to talk for another half an hour or 45 minutes. If either one of my colleagues has just a few minutes, I will stop and let them speak. But I do not want them staying around here, standing up and thinking that I am about to finish. So with that, if either one of you just has an announcement you want to make or a unanimous consent request, I will yield. OK.

Here is the problem. You have little banks in rural areas. They have, most of them, between 6 and 10 employees. They are serving communities that do not even have a city, much less an inner city, and they are being forced to comply with this law called CRA.

It would be one thing if there were a record showing that these small, rural banks are not lending in their communities. But the plain truth is, as I pointed out earlier, since 1990 there have been 16,380 examinations conducted by bank regulators of small banks and S&Ls in rural areas, that is, outside standard metropolitan areas. And in those 16,380 examinations, only 3 rural banks have been found to be in substantial noncompliance. These examinations and the regulatory burden imposed in complying with this law costs the average rural bank between $60- and $80,000. Imagine, you have a bank with 6 to 10 employees and they have to pay $80,000 to comply with a law that has found, since 1990, 3/100 of 1 percent of them out of compliance.

You might ask, is this overkill? It is interesting, because in other financial laws that relate to similar issues, we exempt banks outside standard metropolitan areas. In the HMDA statute related to similar areas, if you are very small, you are exempt if you are outside a standard metropolitan area. And that is what we are talking in our provision—exempting very small banks in very rural areas.

Instead of my speaking for the problem, let me let the people who are affected speak. They are a lot more articulate on these issues than I am. Let me just run over some numbers with you.

We have received hundreds of letters from small banks all over America urging us to adopt the provision in this bill; we have received 488 as of today. What these small banks tell us is that CRA compliance is costing them between $60- and $80,000 a year.

The First National Bank of Seiling, OK, has estimated it takes the equivalent of one full-time employee to comply with CRA. The Chemical Bank of Big Rapids, MN—with assets of $94 million—agrees that it takes one full-time employee. Crosby State Bank of Crosby, TX, agrees with the one full-time employee. The First National Bank of Cortez, CO, thinks that they spend a minimum of 100 hours annually of CRA compliance officer time.

Let me read from some of the letters that have been submitted to the committee. I am only going to read from five or six of them, but I think they tell the story.

The first letter is from the Cattle National Bank. The Cattle National Bank, for those of you who don't know, and you should, is in Seward, NE. Here is what the vice president and cashier of the Cattle National Bank in Seward, NE, says:

Let me add that since the origination of public disclosure of CRA examinations we have not had one person from our community ever request the information. The only requests that we have had have come from bank consultants wanting to glean some tidbit from our disclosure.

This is a letter from Copiah Bank, which is a national bank in Crystal Springs, MS. This is written by the president and chief executive officer.

Our Compliance Officer, Gary Broome, and his assistant have spent many research hours and reams of paper in their efforts to comply with the mandated requirement's paper work. We have even had to outsource some of its checkpoints to a compliance consultant from time to time. As an $83 million community bank . . . that means they probably have 6 or 7 employees . . . we feel an obligation to help in your efforts toward easing our paper work burden.

Lakeside State Bank, ND.

As a former bank examiner for the Federal Deposit Insurance Corporation, which included consumer compliance experience, and as a banker for over 15 years I believe I have a good understanding of the intent and the workings of CRA. Over 47 years of our existence we have provided financing to virtually every main street business in our town, our customer base includes approximately 80 percent of the area farms and for the last several years over 50 percent of our loans have been to American Indians. The law—

And he means CRA.

. . . is a heavy burden because of the expansiveness of the regulations and the paper requirements of compliance. We spend hours documenting what we have already done rather than spending that time more efficiently by doing more for our community.

This is from Farmers and Merchants Bank, and this is in Arnett, OK, written by the executive vice president and CEO.

I am the CEO as well as the chief loan officer, compliance officer and CRA officer. I have to wear so many hats because we are small and have a staff of only 7 including myself. CRA compliance, done correctly, takes a lot of time, which takes me away from my primary responsibility of loaning money to my community. It has almost gotten to the point that lending is a secondary function. It seems like we have the choice of lending to our community or writing up CRA plans showing how we would lend to the community if we had time to make the loans.

It is funny how wisdom just leaps off the page.

Large banks can hire full time CRA officers and other compliance personnel to administer CRA programs, but small banks cannot . . .

This is from the Redlands Centennial Bank, and it is in Redlands, CA.

We spent approximately $80 thousand dollars of our shareholders' money last year supporting this ill-defined regulation. Even the regulators who examined us were hard pressed to give us specific definitions on how we might better implement this regulation. I am urging you to get rid of this nonsensical CRA yoke. Keep up the fight, because there are a lot of us out here who are too busy balancing making a living with government regulations in this crazy business . . .

Chemical Bank North, which is a little bank in Grayling, MI. It is a $74 million bank, which means it probably has 6 to 10 employees.

As it is, we must devote disproportionate resources to creating and maintaining the ''paper trail'' that the current CRA regulations require. Our board members must attend time consuming CRA Committee meetings and our officers and staff members

spend significant valuable time preparing reports and keeping records that serve no purpose other than to keep us in compliance with a regulation that attempts to enforce from a regulatory standpoint what we do everyday in the normal course of our business . . . I would estimate that we devote the equivalent of a full time employee to all aspects of CRA compliance.

I mean, does anybody care that, for this little bank, that one-tenth of their payroll is needed to comply with a government regulation that in 9 years, in 16,000 such audits, has found only 3 banks substantially out of compliance? In 9 years, in 16,000 audits of banks like the Chemical Bank in Grayling, MI, government regulators have found only 3 banks out of the 16,000 evaluations where there was substantial noncompliance. And yet, we are making these banks pay $80,000 a year. Does anybody care? You know, we talk about the little guy and why aren't we here debating this and that. Does anybody care that a little bank, trying to serve consumers in a small town, a little independent bank in an era when a lot of people are worried about all the banks being taken over by big banks, here is a little bitty bank trying to stay in business, and 1 out of every 10 people they employ—because they only employ 10—has to spend time complying with one regulation, which, over 9 years, in 16,000 audits, has found 3 violators? Yet, our colleague, Senator SARBANES, is so outraged that we would lift this paperwork burden that he has offered a substitute. I don't understand it. I don't understand it. But I don't guess I have to understand it.

First National Bank, founded in 1876, in Wamego, KS, spelled W-A-M-E-G-O. I ask the Chair, am I pronouncing it right?

The PRESIDING OFFICER (Mr. BROWNBACK). The Chair notes that the correct pronunciation is Wamego.

Mr. GRAMM. The occupant of the Chair knows because he knows and loves everybody that lives in that State, and I appreciate that. Wamego, KS. This is a little bitty bank, the First National Bank of Wamego, KS, founded in 1876. In other words, it has been in business for 123 years. How big do you think it is after 123 years of service? They have $65 million in assets, and it is the lifeblood of Wamego, KS. It is struggling with paperwork. It is a small bank and has 6 to 10 employees. People in that town are proud they have a bank. In a lot of towns that size, the bank has already gone broke and moved off to the big city. This bank has not deserted its customer base. They are trying to make a living. Let me read to you from their letter:

Our bank was listed 2 years in a row as the best bank in Kansas to obtain loans for small businesses by Entrepreneur Magazine.

They have received an outstanding rating under CRA—the best rating you can get.

Our outstanding grade did not make us a better bank. CRA did not make us make more loans than we would have made. CRA did take a lot of employee time to document that we were an outstanding bank.

Here is the point. This is a little bank that has been doing the job for 123 years. It only has $65 million in assets. This is a very small bank. It probably does not have 10 employees. It has been evaluated as being outstanding. But in 16,000 evaluations over the last 9 years, bank regulators nationwide found only 3 banks that were in substantial noncompliance. Why are we tormenting this little bank in Wamego, KS, which is doing a great job, and imposing $60,000 to $80,000 in costs on them to discover that only 3 banks out of 16,000 evaluations aren't doing a good job?

The next letter is from Nebraska National Bank, which is in Kearney, NE. They have $34 million in assets. This has to be one of the smallest banks in America. It has been in business for an extended period of time. I don't know how many employees they have, but I would guess five or six employees in the whole bank:

We do not make foreign loans. We don't speculate in derivatives. We don't siphon deposits from this area to fund loans elsewhere. Instead, like virtually all banks under $250 million in assets [remember, they are only $34 million in assets], we provide home loans, business loans, farm loans, construction loans. We don't do this because of the Community Reinvestment Act, but because it makes good business sense. I bitterly resent every minute of my time and that of my staff spent to comply with this regulation because it takes time away from productive duties. I feel the regulation is now being used by consumer activist groups to shake down banks seeking regulatory approval for expansion of mergers.

Now, that is a strong testament. Nothing I could say could give a stronger testament than that.

Let me give you one final one. Like I said, we have 488 just like it. They don't understand why it is unreasonable to lift this heavy regulatory burden when only 3 substantial noncompliant banks have been discovered in 9 years after 16,000 audits. You take 16,000 audits at $80,000 apiece, for the banks, that is a lot of money for these little towns.

The last letter is from American State Bank, an independent bank in Portland, OR. It is signed by the chairman and the CEO:

As one of the oldest and most strongly capitalized African American owned banks west of the Mississippi River, Portland based American State Bank supports your position on CRA exemption for nonmetropolitan banks. We also urge you to explore exempting from CRA requirements minority-owned commercial banks. Today, minority-owned banks still maintain their focus on serving our Nation's minority communities and their citizens. It is redundant at best to impose CRA requirements on banks whose sole purpose is to serve minority citizens. At worst, it compels minority banks to sustain burdensome, expensive administrative costs and subjects banks to a bureaucracy largely unaware of the realities of the inner-city marketplace.

Now, I could go on and on, Mr. President, in outlining the arguments related to small banks, but let me stop there on this issue and go back to the other provisions of the bill.

Let me say to my colleague that to go through and respond to each of the points Senator SARBANES made is probably going to take me another half hour. If the Senator has a unanimous consent request, or a short statement, I would be glad to yield. But if not, I want him and others to know that I should be finished maybe by 7 o'clock.

Mr. SARBANES. Will the Senator yield?

Mr. GRAMM. I am happy to yield.

Mr. SARBANES. Senator KERRY has been trying to make a statement all day. I guess, by this process he won't be able to do it now. What is the Senator's intention for tomorrow? How can we carve out some time?

Mr. GRAMM. It was my hope tonight that we could finish debate on this amendment, and that we would have a vote tomorrow. Our problem, as you know, is that we have the two Senators from Oklahoma who have flown home to participate in the evaluation and assistance with the terrible tragedy that happened there with the tornadoes. We are hopeful that they are going to be back tonight or in the morning. Then we are going to have a vote on Senator BYRD's resolution commending the Rev. Jesse Jackson, and other clergy leaders who participated in his trip. That vote is going to occur in the morning; I am not sure exactly what time. But the idea would be to have that vote in the morning and then, at that point, either I or the majority leader would move to table the amendment and we would have a vote on it. We would then offer one of our amendments at that point.

Mr. KERRY. Will the Senator yield?

Mr. GRAMM. I am happy to yield.

Mr. KERRY. Unaccustomed as I am to speaking from this side of the aisle, maybe it will get me extra credit from the Senator from Texas. Would it be possible to carve out some time because of my complications on the schedule? I have been here a number of times today trying to get in on the schedule to speak prior to the vote. Would I be able to have 20 minutes set aside for that purpose?

Mr. GRAMM. I would assume we will have a debate in the morning and that we will probably have at least a half an hour on each side. I see nothing unreasonable about having time in the morning. I would strongly suggest that we do it. Any Member can object to any unanimous consent request. Otherwise, if the Senator wishes to have time, we will divide the time equally tomorrow. I don't see any reason why he couldn't have a chance to speak tomorrow.

Mr. KERRY. Mr. President, if the Senator will further yield, I don't want

to disturb the schedule of the Senator from Maryland or concept of how he wishes to proceed managing our side of the aisle, if that would fit within his framework.

Mr. SARBANES. If we have sufficient time before we vote on this substitute to take care of the Senator and a couple of others who want to speak on it, including the minority leader, I don't have a problem with that. But if the time period is extremely short, then we would be precluded from accomplishing this objective.

Mr. GRAMM. Why don't I do this. Just reclaiming my time, why don't I try to finish up here in 20 minutes and yield and let the Senator speak?

Mr. KERRY. Mr. President, the problem is that isn't going to work on the schedule I have now this evening. I simply say to the Senator, Mr. President, that it would seem to me, in furtherance of what the Senator from Maryland has said, that if we were to write in the order for the morning for tomorrow that X amount of time will be set on both sides, taking into account the amount of time I have requested from the Senator, we could accomplish all of the goals, if the Senator were willing to try to make that the order.

Mr. GRAMM. I don't know whether we have 30 minutes equally divided or 1 hour equally divided, but within that constraint, it seems to me, the Senator could speak.

Mr. KERRY. I thank the Chair. I thank the Senator from Texas. I thank the Senator from Maryland.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, let me just touch on four more issues in the Sarbanes substitute that I take strong issue with. I see Senator GORTON is here and he wanted to say something.

The next concern that I have and that the majority has with the Sarbanes substitute is that it adopts security law revisions making it significantly more difficult for small banks to engage in trust and fiduciary activities. These activities currently make up about 15 to 20 percent of the revenues of small banks.

Here is the problem. Our bill goes to great lengths to say to some small bank in some small town that doesn't intend to get into financial services, that nothing in this bill is going to force them to take their trust department activities that they are now engaged in and either set up an operating subsidiary or set up an affiliate.

I believe the provisions of the Sarbanes substitute could adversely affect virtually every small bank in America and endanger the operations that they currently can do within a bank only under regulation by the bank in the name of trust department activities. I believe the provision offered by Senator SARBANES could force many of these banks to set up operating subsidiaries, or set up affiliates, and in the process drive up their costs and threaten their revenues.

Now we come to the so-called unitary thrift holding company. If you listen to Senator SARBANES, you get the idea that somehow we are expanding commercial activities of banks. The reality is that the Sarbanes substitute, by allowing banks to hold a commercial basket for 15 years, expands commercial activities of banks substantially more than our bill does.

Our bill restricts the ability of commercial companies—an ability they have under current law—our bill restricts their ability to apply for charters and to set up a unitary thrift.

Unitary thrifts are legal under current law. So, for example, General Motors can get an S&L charter and can go into the S&L or banking business through that charter. That is the law of the land today. As a result, a substantial number of commercial companies have gotten those charters.

Our bill ends that practice. And effective on the day that the underlying committee bill was released as a committee print, any application for a unitary thrift received after that date would not be acted upon.

The difference between the Sarbanes substitute and what we do is that, in addition, the Sarbanes substitute goes back and says that those unitary thrifts that already exist would have an ex post facto change in law that would limit their ability to sell their thrift—which is a change in the regulations under which they set up or bought the charter.

I believe that this is a takings of property, that it violates the fifth amendment of the Constitution. In fact, we have recently had a Supreme Court ruling striking down another ex post facto law that Congress passed that took away provisions that were in contracts that banks—and in this case S&Ls—had negotiated with Federal S&L regulators.

So we create no new commercial powers. There is nothing in our bill that in any way expands the ability of banks to hold commercial assets, whereas the substitute will allow them to hold them for 15 years under a grandfather provision, a provision that is not in our bill.

I was somewhat stunned to hear the presentation by Senator SARBANES that we were expanding commercial powers when in reality his substitute has a 15-year grandfather for existing activities, a provision that our bill does not have. Our bill not only does not expand commercial activities but it cuts off the issue of new unitary thrift licenses. But we do not go back and change the rules of the game on S&Ls that invested good money, many of them during the S&L crisis, saving the taxpayer billions of dollars. We don't go back and change the rules of the game on them.

I talked about No. 7. That is the commercial basket issue. The substitute offered by Senator SARBANES allows commercial banks to hold these commercial assets for up to 15 years. There is no similar provision in our bill.

Finally, the Sarbanes substitute strips away power from State insurance regulators. Under the Sarbanes substitute, States could only collect information but could not act on information, nullifying the authority of State insurance commissioners to review and approve or disapprove applications.

The National Association of Insurance Commissioners opposes this provision.

So basically those are the differences. I think the differences are very clear and very stark. I hope my colleagues will look at them and will reject this substitute.

This substitute would create a bill that Alan Greenspan and every member of the Federal Reserve Board, speaking as a body through the Chairman, has said would be worse, in terms of danger to the taxpayers, danger to the insurance fund, danger to the economy, than passing no bill at all.

This bill would repeal two very simple, very targeted, very minor reforms of CRA, and would institute the most massive expansion of CRA in America history.

I think if people look at any one of these eight areas that I have outlined, they will conclude that the committee acted properly in rejecting the Sarbanes substitute. But the Sarbanes substitute wasn't rejected just because it was deficient in, say, five of these eight areas. It was rejected because in each and every one of these areas it was inferior—in terms of the well-being of the taxpayer, the well-being of the depository insurance system, the well-being of the economy—to the underlying bill that was adopted by the Banking Committee.

I urge my colleagues to reject this substitute. There will be a tabling motion tomorrow on some basis yet to be agreed to.

I yield the floor.

Mr. GORTON. Mr. President, I support the distinguished Senator from Texas, the chairman of the Banking Committee, in his advocacy of his own proposal and in his desire that we defeat the substitute which is before the Senate at the present time.

He has stated in great detail his reason for his support and the majority support for his financial reorganization bill. I mention only three differences that seem to me to be very significant.

One is the arcane but vitally important difference between a holding company structure and a structure of making subsidiaries. In this respect, it

seems to me the holding company system has worked well for this country, literally for generations. The advice of the Chairman of the Federal Reserve Board, Alan Greenspan, overwhelmingly supports the proposition of the choice that has been made in this regard by the committee majority itself.

Second, with respect to the Community Reinvestment Act, it also seems to me that the chairman's modest reforms are steps in the right direction. They do not destroy that system by any stretch of the imagination but, they do fire a warning shot across the bow of those who would use that bill for extortion purposes.

Finally, and most important to me in my own State, is the way in which the bill, is against the proposed substitute, deals with unitary thrifts. A unitary thrift is authorized to affiliate with both financial and commercial companies. This authority is balanced both by lending restrictions and by safeguards prohibiting thrifts from extending credit to a commercial affiliate. This chartering structure has been available for more than 30 years. To the best of my knowledge, during that 30-year period of time, 30 years during which thrifts have been allowed to combine with commercial firms, there have been no major scandals, no serious corruption, no sapping of America's capitalism vigor. In other words, to limit the authority of thrifts while we are extending the authority of commercial banks in the bulk of this bill is to deal with an evil that simply does not exist.

Financial modernization should be about expanding choices for consumers and chartering options, not constricting those options and stripping existing authorities from consumer-oriented institutions without sound policy justification.

I do not believe we should limit the unitary thrift chartering option at all. Unitary thrifts have a longstanding record of serving their communities. There is a glaring absence of any evidence that their commercial affiliations have led to a concentration of economic powers or posed risks to consumers or taxpayers. This legislation includes a provision that grandfathers the commercial affiliation authorities of unitary thrifts chartered or applied for before February 28 of this year. Given the lack of any evidence that those affiliations are harmful, financial modernization should, at the minimum, not roll back the authority of existing unitary thrifts.

Limiting the ability of commercial firms to charter thrifts in the future is debatable policy, but there is no question in my mind that the authorities of existing unitary thrifts should not be abolished.

For these reasons, I oppose the Democratic substitute and intend to fight any later amendment which deals with this issue alone.

With the expression of my support for the position taken by the distinguished chairman of the Banking Committee, I yield the floor.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## THE UNITED STATES CAPITOL POLICE AND RECRUIT CLASS 116

Mr. LOTT. Mr. President, the past year has been a trying one for the United States Capitol Police. The deaths of Officer Jacob Chestnut and Detective John Gibson struck a chord with the American people and the Congress. We are keenly aware that we rely on the men and women of the U.S. Capitol Police to protect the Capitol Complex and all of those who work and visit here. In doing so, they ensure that the national legislative process proceeds unhindered and that citizens are safe and free to visit their Capitol, view the House and Senate in session, and meet with their elected representatives.

Protecting the Capitol Complex requires well trained, highly-motivated, and dedicated police officers. On April 27, the U.S. Capitol Police added such officers to its ranks when it graduated Recruit Class 116. The twenty-four recruits in this class proudly became police officers after successfully completing five months of exhaustive training. These officers came from all walks of life and from a number of states around the nation. Many had prior military experience, others had previous experience in the law enforcement profession, while some just recently graduated from college. The common bond among these officers is the desire to enter the law enforcement profession and honor the memory of Officer Chestnut and Detective Gibson.

During the graduation ceremony, which was attended by the members of the U.S. Capitol Police Board, the Department's Command Staff, and family and friends of the recruit officers, Class President Robert Garisto gave a speech on behalf of the members of the Recruit Class 116. I feel that this speech is indicative of the caliber of personnel who fill the ranks of the U.S. Capitol Police. I ask unanimous consent that Officer Garisto's speech be printed in the RECORD.

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

UNITED STATES CAPITOL POLICE CLASS 116—GRADUATION SPEECH

Good afternoon everyone. I would like to start by expressing my gratitude to the Members of Class 116. I have been fortunate to have spent the last five months getting to know each and every one of you. Now that I do, the honor you have bestowed on me by allowing me to represent you means so much more and it is an experience I will cherish forever.

Now, class, we are about to take a dramatic step forward. The challenges which lie ahead of us are immense, many of the problems we will confront as police officers are highly complex. The skills and abilities we bring to our positions in law enforcement must be continually honed to transcend these obstacles.

I am sure everyone here is aware of the events that have taken place recently in the United States. The crisis of crime and violence in our society is really a crisis of values and conscience. It is a problem compounded by the glamorization of violence, drugs, sex and greed in Hollywood films and music lyrics. Our young people are being told that it is okay to carry a 9MM and live the lifestyle of a drug dealer, it is all right to ''sex you up.'' They are told they have the right to the latest music CD or the coolest clothes. They have the right to have these things even if they have to take from someone else. They can have what they want at any price regardless of the consequences. However, there are consequences to a society that sensationalizes sin while it trivializes morality and religious beliefs. The consequence is the carnage we see on the streets of America almost every day. Too many of our children have learned to solve problems of conflict and anger with weapons for the simple reason that they haven't experienced love, compassion and understanding from those who should be the role models in their lives. It's insane and it's hurting our Nation in the worst possible way, because our young people are our greatest national resource and asset. More importantly, they are our future.

We as parents, police officers, teachers and public officials must take an active role in the rearing of America's youth.

This world we live upon is a tremendously huge place but, technology is, and will continue to make, the global experience more accessible to everyone. Young people must understand the global context of our existence. The horizons and life opportunities that exist for them throughout this world. And, yes, there will continue to be racism and bias fueled by ignorance and fear. Those who are different will continue to be judged by the standard of what is considered by the judge to be normal. However, it should never be intellectualized as the sole excuse for failure. More importantly, it must serve as the impetus which pushes us forward toward higher achievement and success.

A contemporary society cannot develop unless it places a premium on education and human development. The complex issues and problems we face today require agents with thoughtful and progressive minds committed to bringing about positive change.

I believe that each of us of The Graduating Class of 116 are those agents of change.

Thank you.

Mr. LOTT. Mr. President, I am proud of the men and women of the United States Capitol Police and I appreciate what they do, each day, in service to the Congress and the nation. I would like to congratulate Officer Garisto and the men and women of Recruit Class 116 on their accomplishments and I wish them continued success during their careers with the United States Capitol Police.

## HONORING THE AAA SAFETY PATROL LIFESAVING MEDAL AWARD WINNERS

Mr. DASCHLE. Mr. President, I am proud to announce to the Senate today the names of the 7 young men and women who have been selected to receive the 1999 American Automobile Association Lifesaving Medal. This award is the highest honor given to members of the school safety patrol.

There are roughly 500,000 members of the school safety patrol in this country, helping over 50,000 schools. Every day, these young people ensure that their peers arrive safely at school in the morning, and back home in the afternoon.

Most of the time, they accomplish their jobs uneventfully. But, on occasion, these volunteers must make split-second decisions, placing themselves in harm's way to save the lives of others. The heroic actions of this year's honorees exemplify this selflessness, and richly deserve recognition.

The first AAA Lifesaving Medal recipient comes from Rochester, New York.

On September 22, 1998, 11-year-old Theodore Roosevelt Elementary School Safety Patrol Katherine Garcia was at her post in the back parking lot. She was helping create order out of the chaos that occurs when buses, walkers and parents all try to leave the school at the same time.

Behind her post, a 9-year-old boy and his 7-year-old friend separated from his grandmother to look for their car. They tried to run past Katherine. As they did, she quickly reached out, grabbed the boys by their t-shirts, and pulled them out of the path of an oncoming car.

This year's second AAA Lifesaving Medal honoree comes from Brooklyn, New York.

On January 5, 1999, an 8-year-old student asked Public School 151 Safety Patrol Anthony Christian, Jr. if he would walk him across the street.

Leaving his post in the hands of his patrol partner, Anthony carefully checked the traffic signal and crossed the street. Just as they reached the other corner, two cars collided at high speed in the middle of the intersection. One of the cars spun out of control, heading directly for the two boys. Without regard for his own safety, Anthony pulled the little boy out of the way just before the car jumped the curb where the two boys were.

The third AAA Lifesaving Medal winner comes from Unadilla, New York.

On October 8, 1997, Unadilla Elementary School Safety Patrol Nichole L. Decker was at her post at the school's back door when she heard a 7-year-old boy's desperate cries for help.

When she went outside, she saw the boy trapped on the ground by a huge dog—a husky/wolf mix. The dog was biting at the little boy's face and throat. Without considering what the 50-pound dog could do to her, 13-year-old Nichole began shouting and waving her arms to distract it from the boy. When the dog ran away, Nichole scooped up the badly bleeding boy and took him inside the school for help.

The fourth recipient of the AAA Lifesaving Medal comes from Brooklyn, New York.

On January 28, 1999, 10-year-old Public School 91 Safety Patrol Stacia Walker saw a car drop off a 5-year-old boy at school, then depart.

Instead of entering the schoolyard, the little boy turned around and headed for a park across the street, Stacia ran to the little boy and stopped him just before he crossed the street in front of a car.

This year's fifth AAA Lifesaving Medal honoree comes from Mt. Pleasant, Michigan.

On September 2, 1998, 12-year-old Ganiard Elementary School Safety Patrol Michael T. Wiltsie was helping the adult crossing guard at the corner of Broadway and Adams streets, the busiest corner for patrols.

The adult crossing guard had just walked to the center of the street to stop traffic when a 7-year-old boy walked around Michael's outstretched arms to follow her. A truck made a left-hand turn and passed between the adult crossing guard and Michael's post on the curb, ignoring the stop sign held by the adult crossing guard. Michael reached out, grabbed the 7-year-old boy by the backpack, and pulled him to safety just as the truck sped by.

The fifth recipient of the AAA Lifesaving Medal comes from Fairfax, Virginia.

On February 22, 1999, Fairhill Elementary School Safety Patrol Roxanne A. Bauland (BALL-lund) was standing at her post near a bus stop when she noticed there was something wrong with a 6-year-old girl approaching the bus stop from across the street.

When the little girl began running toward the bus stop, the hard candy she had been eating became lodged in her throat, causing her to cough and choke. Quickly sizing up the situation, 11-year-old Roxanne performed the Heimlich maneuver on the little girl and dislodged the candy from her throat, quite possibl saving the little girl's life.

The final AAA School Safety Patrol Lifesaving Award recipient comes from Minneapolis, Minnesota.

On November 2, 1998, 11-year-old Jenny Lind Community School Safety Patrol Tonya L. M. Boner was completing her shift for the day when she decided to wait a little longer to help some stragglers cross the street safely.

Three students, ages 7, 9, and 10, began to cross the road. Across the intersection, a car stopped briefly at the stop sign, then headed straight for the crosswalk and the students. Seeing the immediate danger, Tonya hurried the students to the other side just as the car sped through the crosswalk a mere 2 feet from where she and the students had been walking seconds before.

Mr. President, on behalf of the Senate, I extend congratulations and thanks to these young women and men who are visiting the Capitol today. They are an asset to their communities, and their families and neighbors should be very proud of their courage and dedication.

I would also like to recognize the American Automobile Association for providing the supplies and training necessary to keep the safety patrol on duty nationwide.

Since the 1920's, AAA clubs across the country have been sponsoring student safety patrols to guide and protect younger classmates against traffic accidents. Easily recognizable by their fluorescent orange safety belt and shoulder strap, safety patrol members represent the very best of their schools and communities. Experts credit school safety patrol programs with helping to lower the number of traffic accidents and fatalities involving young children.

We owe AAA our gratitude for their tireless efforts to ensure that our Nation's children arrive to and from school safe and sound.

And we owe our thanks to these exceptional young men and women for their selfless actions. The discipline and courage they displayed deserves the praise and recognition of their schools, their communities and the Nation.

## CLARIFYING TAX TREATMENT OF SETTLEMENT TRUSTS ESTABLISHED UNDER ANCSA

Mr. STEVENS. Mr. President, today I join Senator MURKOWSKI in rising in support of S. 933, which would clarify tax treatment of Settlement Trusts established under the Alaska Native Claims Settlement Act. Our legislation would amend the U.S. tax code by allowing these Settlement Trusts to organize as 501(c)(28) tax exempt organizations. This bill is similar to S. 2065 which I co-sponsored with Senator MURKOWSKI last year.

Consistent with last year's proposal, this bill allows for conveyances to a Settlement Trust without including those contributions in the beneficiaries' gross income. This is an important provision because under the current tax code, beneficiaries of a Settlement Trust can be taxed on contributions to the trust, even though they haven't received a payment or disbursement from the Settlement Trust.

Our new provision also outlines the process and terms for revoking a trust's tax exempt status as a 501(c)(28) organization. Under this provision, if a Settlement Trust engages in forbidden

activities as outlined in the Alaska Native Claims Settlement Act, its election as a 501(c)(28) tax exempt organization would be revoked and the trust would pay a tax on the fair market value of the assets held. This ensures that U.S. taxpayers will not underwrite forbidden transactions within the trusts or between the trusts and the beneficiaries.

This provision also requires a Settlement Trust to distribute at least 55 percent of its adjusted taxable income for each year. This would insure that Settlement Trusts fulfill a basic obligation to the beneficiaries.

In addition, the new provision requires trusts electing to be recognized as 501(c)(28) tax exempt organizations to withhold income tax from payments made to beneficiaries. There is, however, an important exception to this withholding provision. That exception would apply to third party payments made on the behalf of beneficiaries for educational, funeral, or medical benefits.

It is my hope that we will clarify the tax treatment of these Settlement Trusts so that beneficiaries are treated in a fair and just manner.

## THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, May 3, 1999, the federal debt stood at $5,562,741,424,540.43 (Five trillion, five hundred sixty-two billion, seven hundred forty-one million, four hundred twenty-four thousand, five hundred forty dollars and forty-three cents).

Five years ago, May 3, 1994, the federal debt stood at $4,569,524,000,000 (Four trillion, five hundred sixty-nine billion, five hundred twenty-four million).

Ten years ago, May 3, 1989, the federal debt stood at $2,769,324,000,000 (Two trillion, seven hundred sixty-nine billion, three hundred twenty-four million).

Fifteen years ago, May 3, 1984, the federal debt stood at $1,489,259,000,000 (One trillion, four hundred eighty-nine billion, two hundred fifty-nine million).

Twenty-five years ago, May 3, 1974, the federal debt stood at $467,768,000,000 (Four hundred sixty-seven billion, seven hundred sixty-eight million) which reflects a debt increase of more than $5 trillion—$5,094,973,424,540.43 (Five trillion, ninety-four billion, nine hundred seventy-three million, four hundred twenty-four thousand, five hundred forty dollars and forty-three cents) during the past 25 years.

## REVISED BUDGET LEVELS FOR FISCAL YEAR 1999

Mr. DOMENICI. Mr. President, pursuant to Sec. 209 of H. Con. Res. 68, the Concurrent Resolution on the Budget for Fiscal Year 2000, I hereby submit to the Senate revised budget levels for fiscal year 1999.

The following table displays the appropriations caps and the committee allocation levels that will be enforced for the remainder of fiscal year 1999.

I ask unanimous consent to have the table printed in the RECORD.

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

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT, BUDGET YEAR TOTAL 1999

[In millions of dollars]

| Committee | Direct spending jurisdiction | | Entitlements funded in annual appropriations acts | |
|---|---|---|---|---|
| | Budget authority | Outlays | Budget authority | Outlays |
| Appropriations: | | | | |
| Defense | 279,891 | 271,403 | 0 | 0 |
| General Purpose Discretionary | 287,157 | 273,901 | 0 | 0 |
| Violent Crime Reduction Trust Fund | 5,800 | 4,953 | 0 | 0 |
| Highways | 0 | 21,885 | ..... | ..... |
| Mass Transit | 0 | 4,401 | ..... | ..... |
| Mandatory | 299,159 | 291,731 | 0 | 0 |
| Total | 872,007 | 868,274 | 0 | 0 |
| Agriculture, Nutrition, and Forestry | 8,931 | 6,362 | 17,273 | 9,183 |
| Armed Services | 48,285 | 48,158 | 0 | 0 |
| Banking, Housing, and Urban Affairs | 9,200 | 3,182 | 0 | 0 |
| Commerce, Science, and Transportation | 8,119 | 5,753 | 682 | 678 |
| Energy and Natural Resources | 2,185 | 2,163 | 40 | 39 |
| Environmental and Public Works | 28,591 | 1,365 | 0 | 0 |
| Finance | 694,516 | 688,064 | 146,033 | 146,926 |
| Foreign Relations | 10,908 | 12,141 | 0 | 0 |
| Governmental Affairs | 58,113 | 57,036 | 0 | 0 |
| Judiciary | 4,954 | 4,528 | 231 | 232 |
| Labor and Human Resources | 8,000 | 7,525 | 1,328 | 1,328 |
| Rules and Administration | 93 | 56 | 0 | 0 |
| Veterans' Affairs | 1,204 | 1,428 | 22,629 | 22,536 |
| Indian Affairs | 492 | 485 | 0 | 0 |
| Small Business | 0 | (220) | 0 | 0 |
| Unassigned to Committee | (303,086) | (294,966) | 0 | 0 |
| Total | 1,452,512 | 1,411,334 | 188,216 | 180,922 |

## RECOGNITION OF KAREN MIKOLASY—WASHINGTON STATE TEACHER OF THE YEAR

Mr. GORTON. Mr. President, ''Teacher''—Webster's defines a teacher as one who ''imparts knowledge of or skill in'' a particular subject matter. Teaching, of course, extends far beyond that clinical definition. Many teachers bring passion and dedication to their work that often reaches outside the classroom as teachers serve as mentors, coaches, advisors and friends to their students. Each of us can remember a teacher who inspired us, motivated us, even changed our lives.

The students at Shorecrest High School in Washington state have just such a teacher. Karen Mikolasy has taught for 28 years with passion for her students and for her work. She emphasizes consistency and standards. In Mrs. Mikolasy's class homework is handed in on time and papers are rewritten until they earn at least a B. That consistency in expectations also carries over to consistent positive reinforcement to her students—she tells them daily that it is a privilege to be their teacher. She says that in 28 years, not one day has gone by which she hasn't wanted to be in the classroom with her students.

I was honored to meet Mrs. Mikolasy a few weeks ago in my office while she was in DC to be recognized as the Washington State Teacher of the Year. In the few minutes I met with her, I understood why she won this honor. Her passion and commitment to educating and inspiring young people was clear. The words of her students however, are probably the best tribute.

One student characterized Mrs. Mikolasy this way: ''. . . she teased, she nagged, fumed, roared, tested and laughed. She turned us into real readers. She led us through worlds both familiar and foreign. There are still rumors that hint at her unwavering

stance in class, but one legend should not be overlooked or forgotten. Mrs. Mikolasy is and always will be a masterful teacher.''

Mrs. Mikolasy also tells a story about a package she received one day from a former student who is now a lawyer. The package, in which was a Mont Blanc pen, also included a note: ''Dear teacher, big case, won lots of bucks! Won case because of writing. You taught writing: you get pen. I did writing: I get money. Spend money. Money gone? Do more writing, get more money. Writing not work, maybe I come get another writing lesson.'' It is said that while most Americans spend their living building careers, teachers spend their careers building lives. That certainly seems to be the case with Karen Mikolasy.

So today I recognize Karen Mikolasy with the Innovation in Education Award. This is an award I give out each week to recognize people who make a difference in our local communities. It is based on the common-sense idea, that it is parents and educators who look our children in the eyes every day who know best how to educate them. Karen Mikolasy is most deserving of this award.

Last night another experience made clear to me the impact teachers can have on their students. I attended an awards dinner for the ''We the People . . . the Citizens and the Constitution'' program. The program encourages junior high and high school students to study the constitution by developing competitive teams at each school. Each team has a teacher as a coach. Last night each teacher was recognized. There were no fewer than 1200 students giving their teachers standing ovations and cheering in appreciation of their efforts.

I also like to recognize all of the teachers in Washington state, who demonstrate their passion for teaching and for kids every day in the classroom. Today and the balance of this week is set aside to honor and celebrate teachers. I know that all of my colleagues will join me in recognizing our wonderful teachers across the nation.

## RECOGNITION OF THE WASHINGTON STATE CHAMPIONS OF THE ''WE THE PEOPLE . . . THE CITIZENS AND THE CONSTITUTION'' COMPETITION

Mr. GORTON. Mr. President, this week's Innovation in Education Award recipient is an award winning class from Tahoma High School in Maple Valley, Washington. Earlier this year 29 exceptional students from Tahoma High School in Washington state won Washington state's competition testing their knowledge of the Constitution. As a result of that victory, this past weekend they were in Washington, D.C. to participate in the national finals of the ''We the People . . . The Citizen and the Constitution'' program.

The ''We the People . . . The Citizens and the Constitution'' program, administered by the Center for Civic Education, provides our elementary and secondary students a strong foundation in the history and philosophical underpinnings of the Constitution. That foundation ultimately promotes a sense of civic responsibility in these students and provides them with the means to act effectively within a democratic society.

The final activity in this program, which took place April 30–May 3, is a simulated congressional hearing in which students ''testify'' before a panel of judges. Students demonstrate their knowledge and understanding of constitutional principles and have opportunities to evaluate, take, and defend positions on relevant historical and contemporary issues. I am happy to announce that I attended last night's award ceremony which the Tahoma High team won a regional award.

I am proud of the achievement of these students and am happy to recognize them. They are Adam Baldridge, Mary Basinger, Josh Bodily, Sydney Brumbach, Katie Carder, Erica Chavez, Elizabeth Dauenhauer, Steven Dekoker, Meaghan Denney, Nathan Dill, Marisa Dorazio, Jesse Duncan, Jayson Hart, Jon Hallstrom, Carolyn Hott, Daniel Linder, Casey Lineberger, Clark Lundberg, Karrie Pilgrim, Michael Pirog, David Rosales, Jason Shinn, Jeremy Sloan, Justin Sly, Donny Trieu, Orianna Tucker, Jessica Walker, Raymond Williams, and Elizabeth Zaleski. I also recognize Kathy Hand, the Washington state coordinator for the ''We the People . . .'' program, and Kristy Ulrich, the district coordinator.

Finally, I applaud Mark Oglesby and his assistant Stephanie Galloway, the teachers who have led their Tahoma High School class to this national competition, and have taught the past four state championship classes from Washington state. That track record shows great leadership and dedication to the education of their students.

I enjoyed meeting with the students this weekend and wish them the best for their future. They will certainly be well prepared for it.

## MESSAGES FROM THE HOUSE

At 12:59 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1480. An act to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 93. Concurrent resolution expressing the sense of the Congress regarding the social problem of child abuse and neglect and supporting efforts to enhance public awareness of this problem.

## MEASURE REFERRED

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 93. Concurrent resolution expressing the sense of the Congress regarding the social problem of child abuse and neglect and supporting efforts to enhance public awareness of this problem; to the Committee on the Judiciary.

## EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–2823. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a report entitled ''Fiscal Year 2000 Capital Investment and Leasing Program''; to the Committee on Environment and Public Works.

EC–2824. A communication from the Vice President, Communications, Tennessee Valley Authority, transmitting, pursuant to law, a report entitled ''The Statistical Summary for Fiscal Year 1998''; to the Committee on Environment and Public Works.

EC–2825. A communication from the Assistant General Counsel for Regulations, Office of the Assistant Secretary for Housing—Federal Housing Commissioner, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Builder Warranty for High-Ratio FHA-Insured Single Family Mortgages for New Homes (FR–4288–C–02)'' (RIN2502–AH08), received April 9, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2826. A communication from the Assistant General Counsel for Regulations, Office of the Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Fair Housing Complaint Processing; Plain Language Revision and Reorganization; Interim Rule (FR–4431–I–01)'' (RIN2529–AA86), received April 27, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2827. A communication from the Assistant General Counsel for Regulations, Office of the Assistant Secretary for Public and Indian Housing, Department of Housing and Urban Development, transmitting, pursuant to law, the report of a rule entitled ''Public Housing Agency Plans and Section 8 Certificate and Voucher Merger Rules; Announcement of Public Forums; Solicitation of Additional Public Comment on Relationship of PHA Plans to Consolidate Plan (FR–4420–N–02)'' (RIN2577–AB89), received April 27, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2828. A communication from the Assistant General Counsel for Regulations, Office

of the Assistant Secretary for Public and Indian Housing, Department of Housing and Urban Affairs, transmitting, pursuant to law, the report of a rule entitled ''Public Housing Agency Plans and Section 8 Certificate and Voucher Merger Rules; Announcement of Public Forums; Solicitation of Additional Public Comment on Relationship of PHA Plans to Consolidated Plan (FR–4420–N–02)'' (RIN2577–AB89), received on April 27, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2829. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled ''Native Hawaiian Revolving Loan Fund'' for fiscal years 1995 through 1997; to the Committee on Indian Affairs.

EC–2830. A communication from the Administrator, Office of Juvenile Justice and Delinquency Prevention, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Juvenile Accountability Incentive Block Grants'' (RIN1121–AA46), received on April 30, 1999; to the Committee on the Judiciary.

EC–2831. A communication from the Executive Director, American Academy of Arts and Letters, transmitting, pursuant to law, a report of activities during calendar year 1999; to the Committee on the Judiciary.

EC–2832. A communication from the Director, Administrative Office of the United States Courts, transmitting, pursuant to law, the annual report for calendar year 1998; to the Committee on the Judiciary.

EC–2833. A communication from the General Counsel, Department of Justice, transmitting, a draft of proposed legislation to authorize consent to and authorize appropriations for the United States subscription to additional shares of the capital of the Multilateral Investment Guarantee Agency; to the Committee on Foreign Relations.

EC–2834. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting the report of the texts of international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC–2835. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the report of an export license relative to Turkey; to the Committee on Foreign Relations.

EC–2836. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a rule entitled ''Visas: Documentation of Nomimmigrants Under the Immigration and Nationality Act—Amendment of Transit Without Visa (TWOV) List'' (RIN1400–AA48), received April 27, 1999; to the Committee on Foreign Relations.

EC–2837. A communication from the Secretary of Education and the Chief Operating Officer, Office of Student Financial Assistance Programs, Department of Education, transmitting jointly, pursuant to law, a report relative to student financial aid programs; to the Committee on Health, Education, Labor, and Pensions.

EC–2838. A communication from the Secretary of Labor, transmitting a report of proposed legislation entitled ''Hazard Reporting Protection Act of 1999''; to the Committee on Health, Education, Labor, and Pensions.

EC–2839. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled ''Premarket Notification Program for Food Contact Substances-Cost Estimate''; to the Committee on Health, Education, Labor, and Pensions.

EC–2840. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Carbohydrase and Protease Enzyme Preparations Derived from Bacillus Subtilis or Bacillus Amyloliquefaciens; Affirmation of GRAS Status as Direct Food Ingredients'', received April 26, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2841. A communication from the Director, Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Investigational New Drug Applications; Clinical Holds; Confirmation of Effective Date'' (RIN0910–AA84), received April 26, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2842. A communication from the Director, Division of Policy, Planning and Program Development, Office of Federal Contract Compliance Programs, Department of Labor, transmitting, pursuant to law, the report of a rule entitled ''Affirmative Action and Nondiscrimination Obligations of Contractors and Subcontractors Regarding Special Disabled Veterans and Vietnam Era Veterans; OMB Control Numbers for OFCCP Information Collection Requirements'' (FR Docket No. 99–7835), received April 13, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2843. A communication from the Assistant General Counsel for Regulation, Special Education & Rehabilitative Services, Department of Education, transmitting, pursuant to law, the report of a rule entitled ''National Institute on Disability & Rehabilitative Research'' (84.133), received April 29, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–2844. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, the report of the Chief of Engineers dated February 3, 1999; to the Committee on Environment and Public Works.

EC–2845. A communication from the Assistant Secretary for Fish and Wildlife and Parks, National Park Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Kaloko-Honokohau National Historical Park, Hawaii; Public Nudity'' (RIN1024–AC66); to the Committee on Energy and Natural Resources.

EC–2846. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report entitled ''Annual Performance Plan, Fiscal Year 2000''; to the Committee on Energy and Natural Resources.

EC–2847. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a report entitled ''International Energy Outlook 1999''; to the Committee on Energy and Natural Resources.

EC–2848. A communication from the Director, Office of Surface Mining, Department of The Interior, transmitting, pursuant to law, the report of a rule entitled ''Virginia Regulatory Program'' SPATS No. VA–110–FOR, received April 27, 1999; to the Committee on Energy and Natural Resources.

EC–2849. A communication from the Director, Office of Surface Mining, Department of The Interior, transmitting, pursuant to law, the report of a rule entitled ''Texas Regulatory Program'' SPATS No. TX–045–FOR, received April 27, 1999; to the Committee on Energy and Natural Resources.

## PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–81. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Environment and Public Works.

SENATE JOINT MEMORIAL 8013

To the Honorable William J. Clinton, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, and to the Senate and House of Representatives of the United States, in Congress assembled:

We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

Whereas, parts of Western Washington received the highest amount of rainfall in state history between the months of November and February, raining for ninety-one consecutive days and producing over fifty-five inches of rain in King County; and

Whereas, parts of the Olympic Peninsula, i.e., Lilliwaup, received over one hundred fourteen inches of rain in a four-month period; and

Whereas, sixty-one homes have been damaged and twenty-six homes are uninhabitable in the area known as Carlyon Beach in Thurston County, with property losses estimated at over ten million dollars; and

Whereas, ground water flooding and landslides in Thurston County have directly impacted at least seven hundred and sixty-five residents, many of whom are elderly or have special needs; and

Whereas, a landslide in the Aldercrest neighborhood in Cowlitz County has damaged one hundred and thirty-seven homes to date, and at least fifty additional homes are threatened; and

Whereas, ground water problems will cost over two million dollars to repair and currently no water or sewer systems are in operation; and

Whereas, shoreline bulkheads are failing, and public facilities expenses are estimated at one million dollars, excluding the cost of geotechnical assistance; and

Whereas, Washington State Department of Transportation estimates of highway damages reach eleven million two hundred two thousand dollars, and ten million dollars of those damages are in Mason County alone; and

Whereas, local government estimates of damages to county roads and city streets reach seven million three hundred ninety-two thousand four hundred thirty-five dollars; and

Whereas, Governor Locke's emergency proclamation now includes six western counties and directs state government to support emergency response activities as needed around the state and authorizes the Washington Military Department and its Emergency Management Division to coordinate state agencies in the affected areas; and

Whereas, county officials are continuing to assess damages to determine sufficient damage for justification of federal assistance; and

Whereas, when damage from an event is so great it is beyond the capability of local and state government to repair, the Governor can ask the President to declare a disaster, thus making a variety of federal disaster assistance programs available to help restore communities to their predisaster condition; and

Whereas, the federal disaster assistance programs available may include housing and relocation assistance, individual and family grants, funding to restore public infrastructure and roads, tax exemptions for the relocation of evacuated citizens, funding for geotechnical studies to prevent future damage, and hazard mitigation;

Now, therefore, your Memorialists respectfully pray that if the Governor requests federal assistance, the President and the Federal Emergency Management Agency will respond favorably to the request and authorize the needed maximum available disaster recovery support to address the needs of Washington's citizens devastated by the record rainfall.

*Be it resolved*, That copies of this Memorial be immediately transmitted to the Honorable William J. Clinton, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

POM–82. A joint resolution adopted by the Legislature of the State of Washington; to the Committee on Appropriations.

HOUSE JOINT MEMORIAL 4008

To the Honorable William J. Clinton, President of the United States, and to the President of the Senate and the Speaker of the House of Representatives, and to the Senate and House of Representatives of the United States, in Congress assembled:

We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

Whereas, the introduction of aquatic nuisance species, such as the zebra mussel, European green crab, and the mitten crab have the potential to cause significant environmental and economic damage to our state and nation; and

Whereas, aquatic nuisance species can spread from any state within our nation causing harm to all; and

Whereas, the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 authorizes the Aquatic Nuisance Species Task Force to approve aquatic nuisance species management plans that are submitted by state governors, and authorizes the United States Fish and Wildlife Service to fund up to seventy-five percent of the implementation cost of approved plans; and

Whereas, an important function of aquatic nuisance species management plans is to encourage state and regional jurisdictions to respond to aquatic nuisance species problems; and

Whereas, Congress has authorized four million dollars annually to fund the implementation of state management plans to minimize the environmental and economic damage caused by aquatic nuisance species to our state and nation; and

Whereas, in recent years only two hundred thousand dollars has been appropriated annually to fund the implementation of aquatic nuisance species management plans; and

Whereas, the Washington State Aquatic Nuisance Species Management Plan alone identified one million seven hundred thousand dollars in additional funding needed to address aquatic nuisance species problems; and

Whereas, two hundred thousand dollars is inadequate to allow fifty states, as well as interstate organizations, to implement effective programs identified in aquatic nuisance species management plans; and

Whereas, the appropriation of the full four million dollars authorized to fund aquatic nuisance species management plans would encourage development of plans, and thereby serve to reduce the destructive impact of aquatic nuisance species and minimize the risk of their spread to other states;

Now, therefore, your Memorialists respectfully pray that the President and Congress should recognize the destructive potential of aquatic nuisance species and act to minimize this destruction by supporting appropriation of the four million dollars authorized to fund state aquatic nuisance species management plans in fiscal year 2000 and future years.

*Be it resolved*, That copies of this Memorial be immediately transmitted to the Honorable William J. Clinton, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington.

POM–83. A joint resolution adopted by the Legislature of the State of Montana; to the Committee on Energy and Natural Resources.

JOINT RESOLUTION 17

Whereas, the President of the United States, by Executive Order, initiated the Interior Columbia Basin Ecosystem Management Project (ICBEMP) to create a scientifically sound, legally defensible, ecosystem management plan; and

Whereas, the ICBEMP was to be a broad-scale, 12-month project that would give general direction to public land managers for ecosystem management but has become a top-down, highly prescriptive set of management directives; and

Whereas, the management direction provided by the ICBEMP does not match the purpose and need statements made in the environmental impact statement (EIS), which were to restore and maintain a healthy forest, to provide sustainable and predictable levels of products and services, and to support economic and social needs of people, cultures, and communities; and

Whereas, the Columbia Basin ecosystem is a very diverse and complex environment, and basinwide standards could be a detriment to some or all forest-dependent and range-dependent economies; and

Whereas, experts maintain that the ICBEMP violates the Multiple-Use Sustained-Yield Act of 1960, the National Forest Management Act of 1976, the Forest and Rangeland Renewable Resource Planning Act of 1974, the Regulatory Flexibility Act, and the Small Business Regulatory Enforcement Fairness Act of 1996; and

Whereas, the ICBEMP was intended to be a scientifically sound management plan but has become politically based on selective science, which supports predetermined preservation goals with a top-down, one-size-fits-all, highly prescriptive set of management objectives and standards; and

Whereas, the recent interim roadless policy proposed by federal agencies indicates a strong desire to create de facto wilderness areas and circumvent the authority of Congress (in direct violation of the previously listed laws) and indicates the political direction incorporated into the ICBEMP, which obfuscates the tireless, good faith efforts of local representatives who participated in the ICBEMP process; and

Whereas, public lands administered by the U.S. Forest Service and U.S. Bureau of Land Management (BLM) are to be managed for multiple use for the benefit of the citizens of the United States, and road closures proposed within the ICBEMP EIS preferred alternative will severely limit the multiple use of millions of acres of public land; and

Whereas, current road closures already dramatically limit physical and financial abilities to control noxious weeds, and the ICBEMP-proposed further closures pose a serious threat of further and more serious weed encroachment into Montana's forests and grasslands; and

Whereas, the ICBEMP has become a political document, rather than a resource manageable planning document; and

Whereas, the ICBEMP contains too many economic assumptions and too few economic projections based on accurate information; and

Whereas, implementation of the ICBEMP will directly affect management of 16 BLM districts and 30 national forests, all in the western United States; and

Whereas, the ICBEMP coverage extends to 104 counties and 144 million acres of land (72 million scores of which are private), and the ICBEMP implementation will directly and indirectly affect the livelihoods of millions of citizens in the planning area; and

Whereas, a major component of the basic economies of about two-thirds of the affected rural and natural resource-dependent counties would be directly and potentially severely impacted by implementation of the ICBEMP; and

Whereas, the citizens of Montana, Montana's local government units, and Montana's communities have a direct interest in public land management that produces payments in lieu of taxes and (most importantly) forest receipts that generate revenue to the federal treasury and significantly contribute to funding public schools and roads; and

Whereas, it is questionable whether Congress will fund the ICBEMP implementation, and the impacts of inadequate implementation funding would be significantly more disastrous for natural resources than if implementation were fully funded; and

Whereas, the citizens of the United States and communities throughout the western United States depend on the stewardship, sustained yield, and even-flow production of goods and services from multiple-use management of public lands located in those states; and

Whereas, there is increasing national and world demand for renewable, recyclable goods and services, including recreation, wildlife, fisheries, food, fiber, clean air, and clean water; and

Whereas, in Montana, the U.S. Forest Service has reduced timber harvest by over 50% since 1950, even though wood is the preferred raw material for home building, and transferred global environmental consequences were never discussed or considered when decisions were being made to reduce budgets; and

Whereas, domestic raw materials production is being increasingly restricted in the United States, even in light of rising domestic consumption and the United States' position as a massive net importer of raw materials; and

Whereas, decisions are being made on a daily basis and at all levels of government to restrict raw materials production, almost always on environmental grounds, yet consumption is virtually never discussed; and

Whereas, the ICBEMP draft documents fail to adequately and truthfully define and disclose the economic, environmental, and social conditions of Montana's communities and local government units and the future effects on these entities of implementation of the proposed ecosystem management practices; and

Whereas, the ICBEMP represents a top-down management paradigm that reduces or eliminates effective local input to natural resource management and environmental decisionmaking; and

Whereas, the ICBEMP has become a 6-year, over $40 million project, with no end in sight: Now, therefore, be it

*Resolved by the Senate and the House of Representatives of the State of Montana,* That the federal government be strongly urged to:

(1) terminate the ICBEMP and issue no Record of Decision on the ICBEMP;

(2) forward the accurate ecosystem management data developed through the ICBEMP to relevant BLM district managers and U.S. Forest Service forest supervisors;

(3) ensure that all public comments on the ICBEMP be incorporated into the public record for the ICBEMP;

(4) forward to district managers and supervisors the public comments provided on the ICBEMP for the managers' and supervisors' consideration related to updates to the land and resource management plans required by federal law; and

(5) coordinate plan revisions between adjoining management units to provide consistency and connectivity and to consider cumulative impacts in dealing with broad-scale issues that affect multiple jurisdictions.

BE IT FURTHER RESOLVED, that federal natural resource planning and environmental management feature site-specific management decisions made by local decisionmakers, local citizenry, and parties directly and personally affected by these decisions for our public lands.

BE IT FURTHER RESOLVED, that the federal government acknowledge that the alternatives presented in the ICBEMP EIS are inconsistent with but should be consistent with the balanced ''Purpose of and Need for Action'' statements in the same documents, which are:

(1) ''restore and maintain long-term ecosystem health and ecological integrity'' (i.e., restore and maintain a healthy forest); and

(2) ''support economic and/or social needs of people, cultures, and communities, and provide sustainable and predictable levels of products and services from our public lands administered by the Forest Service or BLM . . .''; be it further

*Resolved,* That copies of this resolution be sent by the Secretary of State to the President of the United States, the Vice President of the United States, the Secretary of Agriculture, the Secretary of the Interior, the presiding officers of the Appropriations Committees of the U.S. Senate and U.S. House, the Montana Congressional Delegation, the Chief of the Forest Service, and the Director of the Bureau of Land Management.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. ROBB:

S. 948. A bill to amend chapter 83 and 84 of title 5, United States Code, to provide for the equitable waiver of certain limitations on the election of survivor reductions of Federal annuities, and for other purposes; to the Committee on Governmental Affairs.

By Mr. LUGAR (for himself, Mr. FITZGERALD, and Mr. FEINGOLD):

S. 949. A bill to clarify and enhance the authorities of the Chief Information Officer of the Department of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

By Mrs. FEINSTEIN:

S. 950. A bill to award grants for school construction; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DOMENICI (for himself, Mr. BINGAMAN, Mr. FRIST, Mr. LIEBERMAN, and Ms. SNOWE):

S. 951. A bill to amend the Internal Revenue Code of 1986 to establish a permanent tax incentive for research and development, and for other purposes; to the Committee on Finance.

By Mr. SPECTER:

S. 952. A bill to expand an antitrust exemption applicable to professional sports leagues and to require, as a condition of such an exemption, participation by professional football and major league baseball sports leagues in the financing of certain stadium construction activities, and for other purposes; to the Committee on the Judiciary.

By Mr. JOHNSON (for himself and Mr. DASCHLE):

S. 953. A bill to direct the Secretary of Agriculture to convey certain land in the State of South Dakota to the Terry Peak Ski Area; to the Committee on Energy and Natural Resources.

By Mr. SMITH of New Hampshire:

S. 954. A bill to amend title 18, United States Code, to protect citizens' rights under the Second Amendment to obtain firearms for legal use, and for other purposes; to the Committee on the Judiciary.

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

S. 955. A bill to allow the National Park Service to acquire certain land for addition to the Wilderness Battlefield in Virginia, as previously authorized by law, by purchase or exchange as well as by donation; to the Committee on Energy and Natural Resources.

By Ms. SNOWE (for herself, Mr. HARKIN, and Mr. FRIST):

S. 956. A bill to establish programs regarding early detection, diagnosis, and interventions for newborns and infants with hearing loss; to the Committee on Health, Education, Labor, and Pensions.

By Mr. KOHL:

S. 957. A bill to amend chapter 111 of title 28, United States Code, relating to protective orders, sealing of cases, disclosures of discovery information in civil actions, and for other purposes; to the Committee on the Judiciary.

By Mr. BENNETT:

S. 958. A bill to amend certain banking and securities laws with respect to financial contracts; to the Committee on Banking, Housing, and Urban Affairs.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. DURBIN (for himself and Mr. FITZGERALD):

S. Res. 93. A resolution to recognize Lincoln Park High School for its educational excellence, congratulating the faculty and staff of Lincoln Park High School for their efforts, and encouraging the faculty, staff, and students of Lincoln Park High School to continue their good work into the next millennium; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BYRD (for himself and Mr. GRAMM):

S. Res. 94. A resolution commending the efforts of the Reverend Jesse Jackson to secure the release of the soldiers held by the Federal Republic of Yugoslavia.

By Mr. THURMOND:

S. Res. 95. A resolution designating August 16, 1999, as ''National Airborne Day''; to the Committee on the Judiciary.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LUGAR (for himself, Mr. FITZGERALD, and Mr. FEINGOLD):

S. 949. A bill to clarify and enhance the authorities of the Chief Information Officer of the Department of Agriculture; to the Committee on Agriculture, Nutrition, and Forestry.

THE USDA INFORMATION TECHNOLOGY REFORM AND YEAR-2000 COMPLIANCE ACT OF 1999

Mr. LUGAR. Mr. President, today I rise to introduce the USDA Information Technology Reform and Year-2000 Compliance Act of 1999. This legislation aims to centralize all year 2000 computer conversion and other information technology acquisition and management activities within the Office of the Chief Information Office of the Department of Agriculture. Centralization is the most efficient way to manage the complex and important task of ensuring that all critical computer functions at the department are operational on January 1, 2000. It is also a wiser and more cost-effective way to construct an information technology infrastructure to enable USDA's hundreds of computer systems to interoperate, which unfortunately they cannot now do.

The Department of Agriculture is charged with enormous responsibilities and its year 2000 readiness is crucial. It has a diverse portfolio of over 200 Federal programs throughout the Nation and the world. The department delivers about $80 billion in programs. It is the fourth largest Federal agency, with 31 agencies and offices. The department is responsible for the safety of our food supply, nutrition programs that serve the poor, young and old, and the protection of our natural resources. Since more than 40 percent of the non-tax debt owed to the Federal Government is owed to USDA, the department has a responsibility to ensure the financial soundness of taxpayers' investments.

Responsibility for keeping the mission-critical information technology functioning should clearly rest with the Chief Information Officer. The decentralized approach to the year 2000 issue at USDA led to a lack of focus on departmental priorities. Each agency

was allowed to determine what services, programs, and activities it deemed important enough to be operational at the end of the millennium. This decentralized approach also led to a lack of guidance, oversight and the development of contingency plans. Efforts to rectify this situation are well underway. I am pleased that Secretary of Agriculture Glickman has pledged his personal commitment to the success of year 2000 compliance and has made it one of the highest priorities for USDA.

In fiscal year 1999, USDA plans to spend more than $1.2 billion on information technology and related information resources management activities, including year 2000 computer compliance. The General Accounting Office has chronicled USDA's long history of problems in managing its substantial information technology investments. The GAO reports that such ineffective planning and management have resulted in USDA's wasting millions of dollars on computer systems.

Last year, I introduced S. 2116, a bill to reform the information technology systems of the Department of Agriculture. It gave the Chief Information Officer control over the planning, development, and acquisition of information technology at the department. Introduction of that bill and similar legislation in 1997 prompted some coordination of information technology among the department's agencies and offices. However, component agencies are still allowed to independently acquire and manage information technology investments solely on the basis of their own parochial interests or needs. This legislation is needed to strengthen that coordination and ensure that centralized information technology management continues in the future.

This legislation further requires that the Chief Information Officer manage the design and implementation of an information technology architecture based on strategic business plans that maximizes the effectiveness and efficiency of USDA's program activities. Included in the bill is authority for the Chief Information Officer to approve expenditures for information resources and for year 2000 compliance purposes, except for minor acquisitions. To accomplish these purposes, the bill requires that each agency transfer up to 10 percent of its information technology budget to the Chief Information Officer's control.

The bill makes the Chief Information Officer responsible for ensuring that the information technology architecture facilitates a flexible common computing environment for the field service centers based on integrated program delivery. The architecture will also provide maximum data sharing with USDA customers and other Federal and state agencies, which is expected to result in a significant reduction in operating costs.

Mr. President, this is a bill whose time has come. Unfortunately, USDA's problems in managing information technology are not unusual among Government agencies, according to the General Accounting Office. I commend the attention of my colleagues to this bill designed to address a portion of the information resource management problems of the Federal Government and ask for their support of it.

Mr. President, I ask that the full text and a summary of the bill be printed in the RECORD.

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

S. 949

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

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''USDA Information Technology Reform and Year-2000 Compliance Act of 1999''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:



**SEC. 2. FINDINGS AND PURPOSES.**

(a) FINDINGS.—Congress finds that—

(1) United States agriculture, food safety, the health of plants and animals, the economies of rural communities, international commerce in food, and food aid rely on the Department of Agriculture for the effective and timely administration of program activities essential to their success and vitality;

(2) the successful administration of the program activities depends on the ability of the Department to use information technology in as efficient and effective manner as is technologically feasible;

(3) to successfully administer the program activities, the Department relies on information technology that requires comprehensive and Department-wide overview and control to avoid needless duplication and misuse of resources;

(4) to better ensure the continued success and vitality of agricultural producers and rural communities, it is imperative that measures are taken within the Department to coordinate and centrally plan the use of the information technology of the Department;

(5) because production control and subsidy programs are ending, agricultural producers of the United States need the best possible information to make decisions that will maximize profits, satisfy consumer demand, and contribute to the alleviation of hunger in the United States and abroad;

(6) a single authority for Department-wide planning is needed to ensure that the information technology architecture of the Department is based on the strategic business plans, information technology, management goals, and core business process methodology of the Department;

(7) information technology is a strategic resource for the missions and program activities of the Department;

(8) year-2000 compliance is 1 of the most important challenges facing the Federal Government and the private sector;

(9) because the responsibility for ensuring year-2000 compliance at the Department was initially left to individual offices and agencies, no overall priorities have been established, and there is no assurance that the most important functions of the Department will be operable on January 1, 2000;

(10) it is the responsibility of the Chief Information Officer to provide leadership in—

(A) defining and explaining the importance of achieving year-2000 compliance;

(B) selecting the overall approach for structuring the year-2000 compliance efforts of the Department;

(C) assessing the ability of the information resource management infrastructures of the Department to adequately support the year-2000 compliance efforts; and

(D) mobilizing the resources of the Department to achieve year-2000 compliance;

(11) the failure of the Department to meet the requirement of the Director of the Office of Management and Budget that all mission-critical systems of the Department achieve year-2000 compliance would have serious adverse consequences on the program activities of the Department, the economies of rural communities, the health of the people of the United States, world hunger, and international commerce in agricultural commodities and products;

(12) centralizing the approval authority for planning and investment for information technology in the Office of the Chief Information Officer will—

(A) provide the Department with strong and coordinated leadership and direction;

(B) ensure that the business architecture of an office or agency is based on rigorous core business process methodology;

(C) ensure that the information technology architecture of the Department is based on the strategic business plans of the offices or agencies and the missions of the Department;

(D) ensure that funds will be invested in information technology only after the Chief Information Officer has determined that—

(i) the planning and review of future business requirements of the office or agency are complete; and

(ii) the information technology architecture of the office or agency is based on business requirements and is consistent with the Department-wide information technology architecture; and

(E) cause the Department to act as a single enterprise with respect to information technology, thus eliminating the duplication and inefficiency associated with a single office- or agency-based approach; and

(13) consistent with the Information Technology Management Reform Act of 1996 (40 U.S.C. 1401 et seq.), each office or agency of the Department should achieve at least—

(A) a 5 percent per year decrease in costs incurred for operation and maintenance of information technology; and

(B) a 5 percent per year increase in operational efficiency through improvements in information resource management.

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

(1) to facilitate the successful administration of programs and activities of the Department through the creation of a centralized office, and Chief Information Officer position, in the Department to provide strong and innovative managerial leadership to oversee the planning, funding, acquisition, and management of information technology and information resource management; and

(2) to provide the Chief Information Officer with the authority and funding necessary to correct the year-2000 compliance problem of the Department.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) CHIEF INFORMATION OFFICER.—The term ''Chief Information Officer'' means the individual appointed by the Secretary to serve as Chief Information Officer (as established by section 5125 of the Information Technology Management Reform Act of 1996 (40 U.S.C. 1425)) for the Department.

(2) DEPARTMENT.—The term ''Department'' means the Department of Agriculture.

(3) INFORMATION RESOURCE MANAGEMENT.—The term ''information resource management'' means the process of managing information resources to accomplish agency missions and to improve agency performance.

(4) INFORMATION TECHNOLOGY.—

(A) IN GENERAL.—The term ''information technology'' means any equipment or interconnected system or subsystem of equipment that is used by an office or agency in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information.

(B) USE OF EQUIPMENT.—For purposes of subparagraph (A), equipment is used by an office or agency if the equipment is used by—

(i) the office or agency directly; or

(ii) a contractor under a contract with the office or agency—

(I) that requires the use of the equipment; or

(II) to a significant extent, that requires the use of the equipment in the performance of a service or the furnishing of a product.

(C) INCLUSIONS.—The term ''information technology'' includes computers, ancillary equipment, software, firmware and similar procedures, services (including support services), and related resources.

(D) EXCLUSIONS.—The term ''information technology'' does not include any equipment that is acquired by a Federal contractor that is incidental to a Federal contract.

(5) INFORMATION TECHNOLOGY ARCHITECTURE.—The term ''information technology architecture'' means an integrated framework for developing or maintaining existing information technology, and acquiring new information technology, to achieve or effectively use the strategic business plans, information resources, management goals, and core business processes of the Department.

(6) OFFICE OR AGENCY.—The term ''office or agency'' means, as applicable, each—

(A) national, regional, county, or local office or agency of the Department;

(B) county committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5));

(C) State committee, State office, or field service center of the Department; and

(D) group of multiple offices and agencies of the Department that are, or will be, connected through common program activities or systems of information technology.

(7) PROGRAM ACTIVITY.—The term ''program activity'' means a specific activity or project of a program that is carried out by 1 or more offices or agencies of the Department.

(8) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(9) YEAR-2000 COMPLIANCE.—The term ''year-2000 compliance'', with respect to the Department, means a condition in which information systems are able to accurately process data relating to the 20th and 21st centuries—

(A) within the Department;

(B) between the Department and local and State governments;

(C) between the Department and the private sector;

(D) between the Department and foreign governments; and

(E) between the Department and the international private sector.

**SEC. 4. MANAGEMENT OF YEAR-2000 COMPLIANCE AT DEPARTMENT.**

(a) FINDING.—Congress finds that the Chief Information Officer of the Department has not been provided the funding and authority necessary to adequately manage the year-2000 compliance problem at the Department.

(b) MANAGEMENT.—The Chief Information Officer shall provide the leadership and innovative management within the Department to—

(1) identify, prioritize, and mobilize the resources needed to achieve year-2000 compliance;

(2) coordinate the renovation of computer systems through conversion, replacement, or retirement of the systems;

(3) develop verification and validation strategies (within the Department and by independent persons) for converted or replaced computer systems;

(4) develop contingency plans for mission-critical systems in the event of a year-2000 compliance system failure;

(5) coordinate outreach between computer systems of the Department and computer systems in—

(A) the domestic private sector;

(B) State and local governments;

(C) foreign governments; and

(D) the international private sector, such as foreign banks;

(6) identify, prioritize, and mobilize the resources needed to correct periodic date problems in computer systems within the Department and between the Department and outside computer systems; and

(7) during the period beginning on the date of enactment of this Act and ending on June 1, 2001, consult, on a quarterly basis, with the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on actions taken to carry out this section.

(c) FUNDING AND AUTHORITIES.—To carry out subsection (b), the Chief Information Officer shall use—

(1) the authorities in sections 7, 8, and 9, particularly the authority to approve the transfer or obligation of funds described in section 7(a) intended for information technology and information resource management; and

(2) the transferred funds targeted by offices and agencies for information technology and information resource management under section 8.

**SEC. 5. POSITION OF CHIEF INFORMATION OFFICER.**

(a) ESTABLISHMENT.—To ensure the highest quality and most efficient planning, acquisition, administration, and management of information technology within the Department, there is established the position of the Chief Information Officer of the Department.

(b) CONFIRMATION.—

(1) IN GENERAL.—The position of the Chief Information Officer shall be appointed by the President, by and with the advice and consent of the Senate.

(2) SUCCESSION.—An official who is serving as Chief Information Officer on the date of enactment of this Act shall not be required to be reappointed by the President.

(c) REPORT.—The Chief Information Officer shall report directly to the Secretary.

(d) POSITION ON EXECUTIVE INFORMATION TECHNOLOGY INVESTMENT REVIEW BOARD.—The Chief Information Officer shall serve as an officer of the Executive Information Technology Investment Review Board (or its successor).

**SEC. 6. DUTIES AND AUTHORITIES OF CHIEF INFORMATION OFFICER.**

(a) IN GENERAL.—Notwithstanding any other provision of law (except the Government Performance and Results Act of 1993 (Public Law 103–62), amendments made by that Act, and the Information Technology Management Reform Act of 1996 (40 U.S.C. 1401 et seq.)) and policies and procedures of the Department, in addition to the general authorities provided to the Chief Information Officer by section 5125 of the Information Technology Management Reform Act of 1996 (40 U.S.C. 1425), the Chief Information Officer shall have the authorities and duties within the Department provided in this Act.

(b) INFORMATION TECHNOLOGY ARCHITECTURE.—

(1) IN GENERAL.—To ensure the efficient and effective implementation of program activities of the Department, the Chief Information Officer shall ensure that the information technology architecture of the Department, and each office or agency, is based on the strategic business plans, information resources, goals of information resource management, and core business process methodology of the Department.

(2) DESIGN AND IMPLEMENTATION.—The Chief Information Officer shall manage the design and implementation of an information technology architecture for the Department in a manner that ensures that—

(A) the information technology systems of each office or agency maximize—

(i) the effectiveness and efficiency of program activities of the Department;

(ii) quality per dollar expended; and

(iii) the efficiency and coordination of information resource management among offices or agencies, including the exchange of information between field service centers of the Department and each office or agency;

(B) the planning, transfer or obligation of funds described in section 7(a), and acquisition of information technology, by each office or agency most efficiently satisfies the needs of the office or agency in terms of the customers served, and program activities and employees affected, by the information technology; and

(C) the information technology of each office or agency is designed and managed to coordinate or consolidate similar functions of the missions of the Department and offices or agencies, on a Department-wide basis.

(3) COMPLIANCE WITH RESULTING ARCHITECTURE.—The Chief Information Officer shall—

(A) if determined appropriate by the Chief Information Officer, approve the transfer or obligation of funds described in section 7(a) in connection with information technology architecture for an office or agency; and

(B) be responsible for the development, acquisition, and implementation of information technology by an office or agency in a manner that—

(i) is consistent with the information technology architecture designed under paragraph (2);

(ii) results in the most efficient and effective use of information technology of the office or agency; and

(iii) maximizes the efficient delivery and effectiveness of program activities of the Department.

(4) FIELD SERVICE CENTERS.—The Chief Information Officer shall ensure that the information technology architecture of the Department facilitates the design, acquisition, and deployment of an open, flexible common computing environment for the field service centers of the Department that—

(A) is based on strategic goals, business reengineering, and integrated program delivery;

(B) is flexible enough to accommodate and facilitate future business and organizational changes;

(C) provides maximum data sharing, interoperability, and communications capability with other Department, Federal, and State agencies and customers; and

(D) results in significant reductions in annual operating costs.

(c) EVALUATION OF PROPOSED INFORMATION TECHNOLOGY INVESTMENTS.—

(1) IN GENERAL.—In consultation with the Executive Information Technology Investment Review Board (or its successor), the Chief Information Officer shall adopt criteria to evaluate proposals for information technology investments that are applicable to individual offices or agencies or are applicable Department-wide.

(2) CRITERIA.—The criteria adopted under paragraph (1) shall include consideration of—

(A) whether the function to be supported by the investment should be performed by the private sector, negating the need for the investment;

(B) the Department-wide or Government-wide impacts of the investment;

(C) the costs and risks of the investment;

(D) the consistency of the investment with the information technology architecture;

(E) the interoperability of information technology or information resource management in offices or agencies; and

(F) whether the investment maximizes the efficiency and effectiveness of program activities of the Department.

(3) EVALUATION OF INFORMATION TECHNOLOGY AND INFORMATION RESOURCE MANAGEMENT.—

(A) IN GENERAL.—In consultation with the Executive Information Technology Investment Review Board (or its successor), the Chief Information Officer shall monitor and evaluate the information resource management practices of offices or agencies with respect to the performance and results of the information technology investments made by the offices or agencies.

(B) GUIDELINES FOR EVALUATION.—The Chief Information Officer shall issue Departmental regulations that provide guidelines for—

(i) establishing whether the program activity of an office or agency that is proposed to be supported by the information technology investment should be performed by the private sector;

(ii)(I) analyzing the program activities of the office or agency and the mission of the office or agency; and

(II) based on the analysis, revising the mission-related and administrative processes of the office or agency, as appropriate, before making significant investments in information technology to be used in support of the program activities and mission of the office or agency;

(iii) establishing effective and efficient capital planning for selecting, managing, and evaluating the results of all major investments in information technology by the Department;

(iv) ensuring compliance with governmental and Department-wide policies, regulations, standards, and guidelines that relate to information technology and information resource management;

(v) identifying potential information resource management problem areas that could prevent or delay delivery of program activities of the office or agency;

(vi) validating that information resource management of the office or agency facilitates—

(I) strategic goals of the office or agency;

(II) the mission of the office or agency; and

(III) performance measures established by the office or agency; and

(vii) ensuring that the information security policies, procedures, and practices for the information technology are sufficient.

(d) ELECTRONIC FUND TRANSFERS.—The Chief Information Officer shall ensure that the information technology architecture of the Department complies with the requirement of section 3332 of title 31, United States Code, that certain current, and all future payments after January 1, 1999, be tendered through electronic fund transfer.

(e) DEPARTMENTAL REGULATIONS.—The Chief Information Officer shall issue such Departmental regulations as the Chief Information Officer considers necessary to carry out this Act within all offices and agencies.

(f) REPORT.—Not later than March 1 of each year through March 1, 2003, the Chief Information Officer shall submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes—

(1) an evaluation of the current and future information technology directions and needs of the Department;

(2) an accounting of—

(A) each transfer or obligation of funds described in section 7(a), and each outlay of funds, for information technology or information resource management by each office or agency for the past fiscal year; and

(B) each transfer or obligation of funds described in section 7(a) for information technology or information resource management by each office or agency known or estimated for the current and future fiscal years;

(3) a summary of an evaluation of information technology and information resource management applicable Department-wide or to an office or agency; and

(4) a copy of the annual report to the Secretary by the Chief Information Officer that is required by section 5125(c)(3) of the Information Technology Management Reform Act of 1996 (40 U.S.C. 1425(c)(3)).

**SEC. 7. FUNDING APPROVAL BY CHIEF INFORMATION OFFICER.**

(a) IN GENERAL.—Notwithstanding any other provision of law, an office or agency, without the prior approval of the Chief Information Officer, shall not—

(1) transfer funds (including appropriated funds, mandatory funds, and funds of the Commodity Credit Corporation or any other corporation within the Department) from 1 account of a fund or office or agency to another account of a fund or office or agency for the purpose of investing in information technology or information resource management involving planning, evaluation, or management, providing services, or leasing or purchasing personal property (including all hardware and software) or services;

(2) obligate funds (including appropriated funds, mandatory funds, and funds of the Commodity Credit Corporation or any other corporation within the Department) for the purpose of investing in information technology or information resource management involving planning, evaluation, or management, providing services, or leasing or purchasing personal property (including all hardware and software) or services; or

(3) obligate funds (including appropriated funds, mandatory funds, and funds of the Commodity Credit Corporation) for the purpose of investing in information technology or information resource management involving planning, evaluation, or management, providing services, or leasing or purchasing personal property (including all hardware and software) or services, obtained through a contract, cooperative agreement, reciprocal agreement, or any other type of agreement with an agency of the Federal Government, a State, the District of Columbia, or any person in the private sector.

(b) DISCRETION OF CHIEF INFORMATION OFFICER.—The Chief Information Officer may, by Departmental regulation, waive the requirement under subsection (a) applicable to, as the Chief Information Officer determines is appropriate for the office or agency—

(1) the transfer or obligation of funds described in subsection (a) in an amount not to exceed $200,000; or

(2) a specific class or category of information technology.

(c) CONDITIONS FOR APPROVAL OF FUNDING.—Under subsection (a), the Chief Information Officer shall not approve the transfer or obligation of funds described in subsection (a) with respect to an office or agency unless the Chief Information Officer determines that—

(1) the proposed transfer or obligation of funds described in subsection (a) is consistent with the information technology architecture of the Department;

(2) the proposed transfer or obligation of funds described in subsection (a) for information technology or information resource management is consistent with and maximizes the achievement of the strategic business plans of the office or agency;

(3) the proposed transfer or obligation of funds described in subsection (a) is consistent with the strategic business plan of the office or agency; and

(4) to the maximum extent practicable, economies of scale are realized through the proposed transfer or obligation of funds described in subsection (a).

(d) CONSULTATION WITH EXECUTIVE INFORMATION TECHNOLOGY INVESTMENT REVIEW BOARD.—To the maximum extent practicable, as determined by the Chief Information Officer, prior to approving a transfer or obligation of funds described in subsection (a) for information technology or information resource management, the Chief Information Officer shall consult with the Executive Information Technology Investment Review Board (or its successor) concerning whether the investment—

(1) meets the objectives of capital planning processes for selecting, managing, and evaluating the results of major investments in information technology or information resource management; and

(2) links the affected strategic plan with the information technology architecture of the Department.

**SEC. 8. AVAILABILITY OF AGENCY INFORMATION TECHNOLOGY FUNDS.**

(a) TRANSFER.—

(1) IN GENERAL.—Not later than December 1 of each fiscal year, the Secretary shall transfer to the appropriations account of the Chief Information Officer an amount of funds of an office or agency determined under paragraph (2).

(2) AMOUNT.—

(A) IN GENERAL.—Subject to subparagraph (B), the amount of funds of an office or agency for a fiscal year transferred under paragraph (1) may be up to 10 percent of the discretionary funds made available for that fiscal year by the office or agency for information technology or information resource management.

(B) ADJUSTMENT.—Not later than September 30 of each fiscal year, the Secretary shall adjust the amount to be transferred from the funds of an office or agency for the fiscal year to the extent that the estimate for the fiscal year was in excess of, or less than, the amount actually expended by the office or agency for information technology or information resource management.

(b) USE OF FUNDS.—Funds transferred under subsection (a) shall be used by the Chief Information Officer—

(1) to carry out the duties and authorities of the Chief Information Officer under—

(A) this Act;

(B) section 5125 of the Information Technology Management Reform Act of 1996 (40 U.S.C. 1425); and

(C) section 3506 of title 44, United States Code;

(2) to direct and control the planning, transfer or obligation of funds described in section 7(a), and administration of information technology or information resource management by an office or agency;

(3) to meet the requirement of the Director of the Office and Management and Budget that all mission-critical systems achieve year-2000 compliance; or

(4) to pay the salaries and expenses of all personnel and functions of the office of the Chief Information Officer.

(c) AVAILABILITY OF FUNDS.—The Chief Information Officer shall transfer unexpended funds at the end of a fiscal year to the office or agency that made the funds available under subsection (a), to remain available until expended.

(d) NO REDUCTION OF EMPLOYEES OF OFFICES OR AGENCIES.—A transfer of funds under subsection (a) shall not result in a reduction in the number of employees in an office or agency.

(e) TERMINATION OF AUTHORITY.—The authority under this section terminates on September 30, 2004.

**SEC. 9. AUTHORITY OF CHIEF INFORMATION OFFICER OVER INFORMATION TECHNOLOGY PERSONNEL.**

(a) AGENCY CHIEF INFORMATION OFFICERS.—

(1) ESTABLISHMENT.—Subject to the concurrence of the Chief Information Officer, the head of each office or agency shall establish within the office or agency the position of Agency Chief Information Officer and shall appoint an individual to that position.

(2) RELATIONSHIP TO HEAD OF OFFICE OR AGENCY.—The Agency Chief Information Officer shall—

(A) report to the head of the office or agency; and

(B) regularly update the head of the office or agency on the status of year-2000 compliance and other significant information technology issues.

(3) PERFORMANCE REVIEW.—The Chief Information Officer shall—

(A) provide input for the performance review of an Agency Chief Information Officer of an office or agency;

(B) annually review and assess the information technology functions of the office or agency; and

(C) provide a report on the review and assessment to the Under Secretary or Assistant Secretary for the office or agency.

(4) DUTIES.—The Agency Chief Information Officer of an office or agency shall be responsible for carrying out the policies and procedures established by the Chief Information Officer for that office or agency, the Administrator for the office or agency, and the Under Secretary or Assistant Secretary for the office or agency.

(b) MANAGERS OF MAJOR INFORMATION TECHNOLOGY PROJECTS.—

(1) IN GENERAL.—The assignment, and continued eligibility for the assignment, of an employee of the Department to serve as manager of a major information technology project (as defined by the Chief Information Officer) of an office or agency, shall be subject to the approval of the Chief Information Officer.

(2) PERFORMANCE REVIEW.—The Chief Information Officer shall provide input into the performance review of a manager of a major information technology project.

(c) DETAIL AND ASSIGNMENT OF PERSONNEL.—Notwithstanding any other provision of law, an employee of the Department may be detailed to the Office of the Chief Information Officer for a period of more than 30 days without reimbursement by the Office of the Chief Information Officer to the office or agency from which the employee is detailed.

(d) INFORMATION TECHNOLOGY PROCUREMENT OFFICERS.—A procurement officer of an office or agency shall procure information technology for the office or agency in a manner that is consistent with the Departmental regulations issued by the Chief Information Officer.

**SEC. 10. ANNUAL COMPTROLLER GENERAL REPORT ON COMPLIANCE.**

(a) REPORT.—Not later than May 15 of each year through May 15, 2003, in coordination with the Inspector General of the Department, the Comptroller General of the United States shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report evaluating the compliance with this Act in the past fiscal year by the Chief Information Officer and each office or agency.

(b) CONTENTS OF REPORT.—Each report shall include—

(1) an audit of the transfer or obligation of funds described in section 7(a) and outlays by an office or agency for the fiscal year;

(2) an audit and evaluation of the compliance of the Chief Information Officer with the requirements of section 8(c);

(3) a review and evaluation of the performance of the Chief Information Officer under this Act; and

(4) a review and evaluation of the success of the Department in—

(A) creating a Department-wide information technology architecture; and

(B) complying with the requirement of the Director of the Office of Management and Budget that all mission-critical systems of an office or agency achieve year-2000 compliance.

**SEC. 11. OFFICE OF INSPECTOR GENERAL.**

(a) IN GENERAL.—The Office of Inspector General of the Department shall be exempt from the requirements of this Act.

(b) REPORT.—The Inspector General of the Department shall semiannually submit a report to the Committee on Agriculture and the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the progress of the Office of Inspector General regarding—

(1) year-2000 compliance; and

(2) the establishment of an information technology architecture for the Office of Inspector General of the Department.

**SEC. 12. TECHNICAL AMENDMENT.**

Section 13 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714k) is amended in the second sentence by striking ''section 5 or 11'' and inserting ''section 4, 5, or 11''.

---

SUMMARY OF THE USDA INFORMATION TECHNOLOGY REFORM AND YEAR 2000 COMPLIANCE ACT OF 1999

The bill:

Requires the Chief Information Officer to manage the design and implementation of an information technology architecture, based on strategic business plans, that maximizes the effectiveness and efficiency of USDA's program activities;

requires the Chief Information Officer to approve or disapprove all expenditures for information resources, and allows the Chief Information Officer to waive this authority for expenditures under $200,000;

permits the Secretary of Agriculture to transfer to the Chief Information Officer up to ten percent of each agency's information technology funds for year 2000 compliance, information technology acquisition or information resource management (this authority expires in 2003);

requires the Secretary of Agriculture to ensure the transfer of information technology funds does not result in a reduction in the number of employees in an agency;

requires the Chief Information Officer to manage the year 2000 computing crisis throughout USDA agencies, between USDA and other federal, state and local agencies and between USDA and private and international partners;

makes the Chief Information Officer a presidential appointee, subject to Senate confirmation, thereby raising the stature of the Chief Information Officer in the department as envisioned by the Clinger-Cohen Act; and

requires an annual report from the Comptroller General regarding USDA's compliance with this act.

---

By Mr. DOMENICI (for himself, Mr. BINGAMAN, Mr. FRIST, Mr. LIEBERMAN, and Ms. SNOWE):

S. 951. A bill to amend the Internal Revenue Code of 1986 to establish permanent tax incentives for research and development, and for other purposes; to the Committee on Finance.

PRIVATE SECTOR RESEARCH AND DEVELOPMENT INVESTMENT ACT OF 1999

Mr. DOMENICI. Mr. President, today I am joining my cosponsors, Senators BINGAMAN, FRIST, LIEBERMAN, and

SNOWE, in introducing the Private Sector Research and Development Investment Act of 1999.

This bill makes the research tax credit permanent and significantly improves the structure of that credit. Many Senators are for this extension, and it is high time, and for the permanentization of this credit.

This also adjusts the credit to today. That credit was put in place many years ago, and much of what it does doesn't fit today's industrial base, including many startup companies that cannot take the right kind of credit.

We have made some changes which will make it cost a little bit more, but I think the Finance Committee should take a look at some of the changes that are in this Domenici-Bingaman bill, because it will make the credit more effective and more available.

In March of 1998, 150 of our Nation's top decisionmakers met at MIT for the first national innovative summit. The summit leaders included CEOs, university presidents, labor leaders, Governors, Members of Congress, and senior administrative officials.

In essence, they conclude that in order to keep the United States of America on the cutting edge of research that can be applied to innovative things for America's future and for our businesses, that we must make this tax permanent, that dollar for dollar it is the best investment in both general research and specific research to keep America strong and competitive in the world.

When those people say dollar for dollar it is the most effective, they are saying it is more effective than programmatic assistance to research, which obviously is very necessary, and we continue to expand upon and have it grow. But if you don't make this permanent, you are losing a lot of research by American businesses, No. 1. If you don't correct it, you will lose the effectiveness among companies that need it the most. And third, you will see to it that more, rather than less, American companies do research overseas.

Research jobs are great jobs. They are just as much a part of America's basic prosperity as are the jobs that come from that research by way of products or activities.

Mr. President, advanced technologies drive a significant part of our nation's economic strength. Our economy and our standard of living depend on a constant influx of new technologies, processes, and products from our industries.

Many countries provide labor at lower costs than the United States. Thus, as any new product matures, competitors using overseas labor frequently find ways to undercut our production costs. We maintain our economic strength only by constantly improving our products through innovation. Maintaining and improving our national ability to innovate is critically important to the nation.

The majority of new products requires industrial research and development to reach the market stage. I want to encourage that research and development to create new products to ensure that our factories stay busy and that our workforce stays fully employed at high salaried jobs.

I want more of our large multi-national companies to select the United States as the location of their R&D. R&D done here creates American jobs. And since frequently the benefits of research in one area apply in another area, I want those spin-off benefits here, too.

Congress created the Research Tax Credit to encourage companies to perform research. But many studies document that the present form of this Tax Credit is not providing as much stimulation to industrial R&D as it could. Today, we're introducing legislation to improve the Research Tax Credit.

In March of 1998, 150 of our nation's top decision makers met at MIT, for the first National Innovation Summit. The Summit included corporate CEO's, university presidents, labor leaders, governors, members of Congress, and Senior Administration officials.

At the Summit, these experts discussed the health of the future national research base. More than three-quarters of them thought that the quality of that base would be no better or worse than it is today, with nearly one third projecting that it would be weaker.

The Summit participants singled out the Research Tax Credit as the policy measure with the greatest potential for a positive near-term impact. The Council on Competitiveness, who co-sponsored that Summit, stated that ''making the [Research] Tax Credit permanent reflected a widely share consensus among leaders whose companies and universities contribute decisively to the nation's economy.''

The single most important change in our bill is to make the Credit permanent. Many studies point out that the temporary nature of the Credit has prevented companies from building careful research strategies.

Many of my colleagues in Congress have also expressed interest in making the Credit permanent. But we're urging them to go beyond that action and, at the same time, address shortcomings that have been identified in the current Credit. I want to use the current enthusiasm for permanence to also craft a Credit that will better serve the nation.

For example, the current Credit references a company's research intensity back to 1984–88. That's too outdated to meet today's dynamic market conditions. Many companies are involved today in products that weren't even invented in 1984.

Our legislation allows a company to base their credit on their research intensity averaged over the preceding eight years. It also allows companies to stay with the current formulation of the Credit if they prefer.

Our bill builds other improvements into the Credit as well. For example, the Alternative Research Credit component has been criticized because it only rewards the maintenance level of a company's research, it does not provide significant motivation to increase research intensity. With our proposed changes, the Alternative Credit now incorporates the same 20 percent motivation for increased research intensity that is found in the regular Credit—this is a major improvement. We also increase the base level of the Alternative Credit significantly.

The current Credit has a provision that severely restricts the ability of start-up companies to fully benefit. Analysis by the Congressional Research Service showed that 5 our of 6 start-up companies received reduced benefits because of a current provision that limits their allowable increase in research expenditures.

I'm concerned when start-up companies aren't receiving full Credit. These are just the companies that drive the innovative cycle in this country; they are the ones that frequently bring out the newest leading-edge products. Our legislation thus drops this limitation and introduces additional help for start-up businesses.

Our legislation addresses several other shortcomings in the current Credit as well. Now there is a ''Basic Research Credit'' allowed, but rarely used. This should be encouraging research conducted at universities.

But that part of the Credit is now defined to include only research that does ''not have a specific commercial objective.'' There aren't many companies that want to support—much less admit to their stockholders that they are supporting—research with no commercial interest. The idea of this clause was to encourage support of long term research, which is a fine idea.

This is the kind of research that benefits far more than just the next product improvement. It can enable a whole new product or service and we need to encourage it.

Our legislation adds major incentives for basic research by dropping the requirement that only increments above a baseline can be used and by including any research that is done for a consortium of U.S. companies or any research that is destined for open literature publication. We're also allowing this Credit to apply to research done in national labs.

And finally our legislation recognizes the importance of encouraging companies to use research capabilities wherever they exist in the country, whether

in other businesses, universities, or national labs. The current credit disallows 35% of all expenses for research performed under an external contract—our legislation allows all such expenses to apply towards the Credit when the research is performed at a university, small business, or national laboratory.

In summary, this bill incorporates all the improvement suggested in other bills that primarily make the credit permanent and provide some increase in the alternative credit. But this bill goes further and corrects weaknesses in the current formulation of the Credit. I want to seize this opportunity to make the Research Tax Credit a tool that will truly meet the goals for which it was established.

The fact that this bill addresses significant shortcomings in the current Credit has not gone unnoticed. Spokesman for several groups that endorse this bill are here with us today. After Senator BINGAMAN speaks, I'll invite representatives from the Council on Competitiveness, the National Association of State Universities and Land Grant Colleges, the National Coalition for Advanced Manufacturing, and the American Association of Engineering Societies to add their perspectives.

With this new bill, we will significantly strengthen incentives for private companies to undertake research that leads to new processes, new services, and new products. The result will be stronger companies that are better positioned for global competition. Those stronger companies will hire people at higher salaries with real benefits to our national economy and workforce.

I ask unanimous consent that the text and a summary of the bill, section by section, be printed in the RECORD.

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

S. 951

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Private Sector Research and Development Investment Act of 1999''.

**SEC. 2. PERMANENT EXTENSION OF RESEARCH CREDIT.**

(a) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking subsection (h).

(b) CONFORMING AMENDMENT.—Section 45C(b)(1) of the Internal Revenue Code of 1986 is amended by striking subparagraph (D).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after June 30, 1999.

**SEC. 3. IMPROVED ALTERNATIVE INCREMENTAL CREDIT.**

(a) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities), as amended by section 2, is amended by adding at the end the following new subsection:

''(h) ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.—

''(1) IN GENERAL.—At the election of the taxpayer, the credit under subsection (a)(1) shall be determined under this section by taking into account the modifications provided by this subsection.

''(2) DETERMINATION OF BASE AMOUNT.—

''(A) IN GENERAL.—In computing the base amount under subsection (c)—

''(i) notwithstanding subsection (c)(3), the fixed-base percentage shall be equal to 80 percent of the percentage which the aggregate qualified research expenses of the taxpayer for the base period is of the aggregate gross receipts of the taxpayer for the base period, and

''(ii) the minimum base amount under subsection (c)(2) shall not apply.

''(B) START-UP AND SMALL TAXPAYERS.—In computing the base amount under subsection (c), the gross receipts of a taxpayer for any taxable year in the base period shall be treated as at least equal to $1,000,000.

''(C) BASE PERIOD.—For purposes of this subsection, the base period is the 8-taxable year period preceding the taxable year (or, if shorter, the period the taxpayer (and any predecessor) has been in existence).

''(3) ELECTION.—An election under this subsection shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary.''

(b) CONFORMING AMENDMENT.—Section 41(c) of the Internal Revenue Code of 1986 is amended by striking paragraph (4) and by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 4. MODIFICATIONS TO CREDIT FOR BASIC RESEARCH.**

(a) ELIMINATION OF INCREMENTAL REQUIREMENT.—

(1) IN GENERAL.—Paragraph (1) of section 41(e) of the Internal Revenue Code of 1986 (relating to credit allowable with respect to certain payments to qualified organizations for basic research) is amended to read as follows:

''(1) IN GENERAL.—The amount of basic research payments taken into account under subsection (a)(2) shall be determined in accordance with this subsection.''

(2) CONFORMING AMENDMENTS.—

(A) Section 41(a)(2) of such Code is amended by striking ''determined under subsection (e)(1)(A)'' and inserting ''for the taxable year''.

(B) Section 41(e) of such Code is amended by striking paragraphs (3), (4), and (5) and by redesignating paragraphs (6) and (7) as paragraphs (3) and (4), respectively.

(C) Section 41(e)(4) of such Code, as redesignated by subparagraph (B), is amended by striking subparagraph (B) and by redesignating subparagraphs (C), (D), and (E) as subparagraphs (B), (C), and (D), respectively.

(D) Clause (i) of section 170(e)(4)(B) of such Code is amended by striking ''section 41(e)(6)'' and inserting ''section 41(e)(3)''.

(b) BASIC RESEARCH.—

(1) SPECIFIC COMMERCIAL OBJECTIVE.—Section 41(e)(4) of the Internal Revenue Code of 1986 (relating to definitions and special rules), as redesignated by subsection (a)(2)(B), is amended by adding at the end the following new subparagraph:

''(E) SPECIFIC COMMERCIAL OBJECTIVE.—For purposes of subparagraph (A), research shall not be treated as having a specific commercial objective if the results of such research are to be published in a timely manner as to be available to the general public prior to their use for a commercial purpose.''

(2) EXCLUSIONS FROM BASIC RESEARCH.—Clause (ii) of section 41(e)(4)(A) of such Code (relating to definitions and special rules), as redesignated by subsection (a), is amended to read as follows:

''(ii) basic research in the arts and humanities.''

(c) EXPANSION OF CREDIT TO RESEARCH DONE AT FEDERAL LABORATORIES.—Section 41(e)(3) of the Internal Revenue Code of 1986, as redesignated by subsection (a), is amended by adding at the end the following new subparagraph:

''(E) FEDERAL LABORATORIES.—Any organization which is a Federal laboratory (as defined in section 4(6) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3703(6)).''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 5. CREDIT FOR EXPENSES ATTRIBUTABLE TO CERTAIN COLLABORATIVE RESEARCH CONSORTIA.**

(a) CREDIT FOR EXPENSES ATTRIBUTABLE TO CERTAIN COLLABORATIVE RESEARCH CONSORTIA.—Subsection (a) of section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking ''and'' at the end of paragraph (1), striking the period at the end of paragraph (2) and inserting '', and '', and by adding at the end the following new paragraph:

''(3) 20 percent of the amounts paid or incurred by the taxpayer in carrying on any trade or business of the taxpayer during the taxable year (including as contributions) to a qualified research consortium.''

(b) QUALIFIED RESEARCH CONSORTIUM DEFINED.—Subsection (f) of section 41 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(6) QUALIFIED RESEARCH CONSORTIUM.—The term 'qualified research consortium' means any organization—

''(A) which is—

''(i) described in section 501(c)(3) and is exempt from tax under section 501(a) and is organized and operated primarily to conduct scientific or engineering research, or

''(ii) organized and operated primarily to conduct scientific or engineering research in the public interest (within the meaning of section 501(c)(3)),

''(B) which is not a private foundation,

''(C) to which at least 5 unrelated persons paid or incurred during the calendar year in which the taxable year of the organization begins amounts (including as contributions) to such organization for scientific or engineering research, and

''(D) to which no single person paid or incurred (including as contributions) during such calendar year an amount equal to more than 50 percent of the total amounts received by such organization during such calendar year for scientific or engineering research.

All persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as related persons for purposes of subparagraph (C) and as a single person for purposes of subparagraph (D).''

(c) CONFORMING AMENDMENT.—Paragraph (3) of section 41(b) of the Internal Revenue Code of 1986 is amended by striking subparagraph (C).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 6. IMPROVEMENT TO CREDIT FOR SMALL BUSINESSES AND RESEARCH PARTNERSHIPS.**

(a) ASSISTANCE TO SMALL AND START-UP BUSINESSES.—The Secretary of the Treasury or the Secretary's delegate shall take such actions as are appropriate to—

(1) provide assistance to small and start-up businesses in complying with the requirements of section 41 of the Internal Revenue Code of 1986, and

(2) reduce the costs of such compliance.

(b) REPEAL OF LIMITATION ON CONTRACT RESEARCH EXPENSES PAID TO SMALL BUSINESSES, UNIVERSITIES, AND FEDERAL LABORATORIES.—Section 41(b)(3) of the Internal Revenue Code of 1986, as amended by section 5(c), is amended by adding at the end the following new subparagraph:

''(C) AMOUNTS PAID TO ELIGIBLE SMALL BUSINESSES, UNIVERSITIES, AND FEDERAL LABORATORIES.—

''(i) IN GENERAL.—In the case of amounts paid by the taxpayer to an eligible small business, an institution of higher education (as defined in section 3304(f)), or an organization which is a Federal laboratory (as defined in subsection (e)(3)(E)), subparagraph (A) shall be applied by substituting '100 percent' for '65 percent'.

''(ii) ELIGIBLE SMALL BUSINESS.—For purposes of this subparagraph, the term 'eligible small business' means a small business with respect to which the taxpayer does not own (within the meaning of section 318) 50 percent or more of—

''(I) in the case of a corporation, the outstanding stock of the corporation (either by vote or value), and

''(II) in the case of a small business which is not a corporation, the capital and profits interests of the small business.

''(iii) SMALL BUSINESS.—For purposes of this subparagraph—

''(I) IN GENERAL.—The term 'small business' means, with respect to any calendar year, any person if the annual average number of employees employed by such person during either of the 2 preceding calendar years was 500 or fewer. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the person was in existence throughout the year.

''(II) STARTUPS, CONTROLLED GROUPS, AND PREDECESSORS.—Rules similar to the rules of subparagraphs (B) and (D) of section 220(c)(4) shall apply for purposes of this clause.''

(c) CREDIT FOR PATENT FILING FEES.—Section 41(a) of the Internal Revenue Code of 1986, as amended by section 5(a), is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting '', and'', and by adding at the end the following new paragraph:

''(4) 20 percent of the patent filing fees paid or incurred by a small business (as defined in subsection (b)(3)(C)(iii)) to the United States or to any foreign government in carrying on any trade or business.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

---

DOMENICI-BINGAMAN RESEARCH TAX CREDIT BILL

This bill addresses two broad goals: establishes a permanent Credit, and strengthens the formulation of the Credit.

The Bill enhances the Credit received by all users of the regular Research Tax Credit. Thus, all companies benefiting from its current formulation are positively impacted. The changes in the Credit are focused in the Alternative Credit and Basic Research Credit portions of the current Credit legislation and represent significant enhancements to these options.

The Bill addresses several concerns with the existing Credit: base period used for the regular credit, 1984–88, is out-dated; 50% rule precludes most startups from gaining full credit; basic research credit is very difficult to use, and alternative credit provides no strong incentive for increased research intensity.

In addition to permanence, the Bill increases the maintenance level of the alternative credit to 4%. (Thus the Bill meets the goals of some groups who favor simply permanence and 1% additional to the alternative credit). In addition, the bill; establishes a 20% marginal rate for increased intensity for users of the alternative credit; changes the base period for alternative credit users to an 8 year average; eliminates the 50% rule for users of the alternative credit; encourages industrial partnerships with universities and national labs; expands definition of basic research to include all published work; enables basic research at FFRDCs to count toward their basic research credit; qualifies 100% of contract research accomplished at universities, national labs, and small businesses; encourages establishment of research-driven consortia by providing 20% credit for their research expenses; provides a phase-in of credit for start-up businesses, and enables small businesses to count patent filing fees toward research expenses.

With these enhancements, the Domenici-Bingaman Bill provides a permanent Research Tax Credit that address shortcomings in the current formulation of the Credit. Furthermore, the Bill meets the goals of constituents who favor only permanence or only permanence plus an increase in the alternative credit.

SUMMARY

| | |
|---|---|
| Joint Tax 10-yr evaluations: | |
| Section II: Make the Credit permanent | $26.3 B |
| Section III: Improve the Alternative Investment Credit, AIC, by increasing the Credit allowed for the base maintenance level of R&E expenditures, and add an incremental incentive package onto the AIC. Create a floating 8-year base period for the AIC. Drop the ''50%'' rule for the AIC. Insert a transition approach to help startups | 3.8 |
| Section IV: Provide a flat credit for basic research expenditures at universities, small businesses, and national labs. Improve definition of basic research | 5.0 |
| Section V: Provide flat credit for consortia-based research | 0.1 |
| Section VI: Increase the allowance for contract research conducted at universities, small businesses, and national labs from 65% to 100%. Add patent filing expenses as qualified expenditures for small businesses | [1]3?? |
| Total | 38.2 |

[1]Joint Tax did not score Section VI yet. A version of Section VI was in S. 2072 last year, except that it increased the allowance for everybody, including large businesses. They scored that at $4.8B. The score this year ''has to'' be well below $4.8B, I used $3 for talking purposes.

NOTES—TO JOINT TAX SCORES

Section II duplicates Senator BOXER's S. 195 by just making the Credit permanent, Representative SENSENBRENNER has the same version in the House.

Sections II and III together duplicate and extend the approach of the Baucus/Hatch S. 680 with 36 cosponsors and the Johnson/Matsui Bill in the House. These two sections give permanence plus increase the AIC by slightly more than 1%. They also add major enhancements to the AIC by establishing an option for companies to realize a 20% incremental benefit. The Baucus/Hatch version is supported by the R&D Tax Coalition, using their mantra of ''Permanence plus 1%.'' Sections II and III do everything that the R&D Tax Coalition wants and a lot more.

Section IV is expensive at $5 Billion, but gains the strongest possible support from universities. This section changes the definition of basic research, but more important, lets contract research at a university (+SB or lab) be treated as a flat 20% credit, not above an incremental base. This is a tremendous incentive to fund expenditures for basic research at universities.

Section V encourages consortia to fund research. Senator has encouraged consortia formation in other ways, this continues his leadership in this area.

Section VI is a further major incentive for companies to fund research at universities, labs, and small businesses.

Mr. BINGAMAN. Mr. President, I am pleased to join with my co-sponsors, Senators DOMENICI, LIEBERMAN, FRIST, and SNOWE in introducing the Private Sector Research and Development Investment Act of 1999. This bill will finally make the Research and Experimentation Tax Credit permanent, a provision of the federal tax code that was first enacted in 1981, and has been extended 9 times since.

In addition to the provision of permanence, our bill has other improvements that I believe will address many of the shortcomings of existing law, and will bring the code more in synch with the ways industry is performing R&D today. But before I speak to some of those provisions, I would like to spend a little time discussing why I think we need to enact this legislation now.

I think it is fair to say that the nation's economy owes much of its resurgence to the increases in productivity attributable to the infusion of high technology products and services. Our nation is today in the enviable position of not only having the greatest access to these products, but also being the primary provider of these products for the rest of the world.

These capabilities have enabled American businesses to be in a position of world leadership in areas as diverse as medical and bio technologies, microelectronics, and financial services.

In order for us to insure that the economic engine continues to run at peak form, we must assure that there is a continual infusion of new technologies that will spawn the products and services of the future market. Many economists state that the best way to do this is to create a stable incentive for research investment and an environment where businesses have the flexibility to choose among all the options available to perform the research. A policy which achieves these goals will provide businesses with the long-term incentive to invest in both the research and the people that will create the next generation of commercially successful products.

That is exactly what the ''Private Sector Research and Development Investment Act of 1999'' does. First, it makes Section 41 of the Internal Revenue Code permanent, creating a stable long-term environment for investment. But it goes beyond that.

Present law does not allow all companies to benefit equally from the Tax Credit. Some companies, simply as a result of where they were in the business cycle in the late 80's, find that they cannot attain the full benefit of the credit. And, if the company did not exist at all in the 80's, as is the case with most of the Internet and many of the biotech start-up firms, there is simply no way at all for them to access the full credit rate. This is simply not fair. Our bill proposes to correct that inequity by making the 20% marginal rate available to all companies that are growing their research investment.

With much of the nation's research talent residing in our universities and federal laboratories, we are proposing to extend the full Tax Credit for research investments companies make in those institutions.

I am particularly pleased with the part of this provision that provides a more cost effective way for companies to invest in the education of our future generation of scientists and engineers at our universities. If this bill becomes law, as many as 3000 additional masters and doctoral level engineers and scientists could be produced each year, with up to 1000 of these being women and minorities, all at no additional cost to businesses.

I fully expect that the ''Private Sector Research and Development Investment Act of 1999'' will accelerate business investment in universities, growing the number of trained scientists and engineers even faster. At a time when there has been much debate over providing additional employment visas to foreign engineers, this bill provides one mechanism for educating qualified Americans to fill these high tech jobs.

As the cost of doing research continues to escalate, and companies find it more difficult to go it alone, our bill proposes that the research investments companies make in research consortia with other businesses, universities, and federal laboratories be fully available for the Tax Credit. I have seen firsthand, at places like Sandia and Los Alamos National Laboratories, the results of consortia partnerships between industry and our national labs, and I believe that it is in our nation's best interest to promote these research arrangements.

All of our studies indicate that small businesses are the ''high test'' fuel of the nation's economy, producing more and highly paid jobs. Yet it is this group of companies that have the hardest time in accessing the Tax Credit under existing law. We propose to modify the law so that small businesses have greater benefit in their early years, when the value of the credit can have the greatest impact on a rapidly growing, but often cash-limited, company.

Finally, to assure that these small businesses are truly able to compete in the global market and to protect their intellectual assets, we are proposing that the full value of the Tax Credit be applied to their patent filing fees, both here and abroad.

In speaking with owners of small, high tech businesses in New Mexico, I hear that anything we can do to increase the capital funds available to these businesses as they are starting up is critical to their success. These two special provisions for small businesses are positive steps in that direction.

Mr. President, many of my fellow Senators and Members of the House have already endorsed the concept of a permanent R&D Tax Credit. With that base of enthusiasm already in place, I encourage my colleagues to seize the opportunity to move forward and complete the job. Let's make it permanent, and let's make it right.

Mr. LIEBERMAN. Mr. President, I am pleased to join Senators DOMENICI and BINGAMAN today in supporting the Private Sector Research and Development Investment Act of 1999. This bill recognizes that we are moving toward a New Economy and supports the engine of that New Economy. Let me explain.

In this decade, we have returned to our nation's historic growth rate of 3% plus growth. We haven't seen this in 30 years, but now we are back there again. We know what the last few years of growth feel like—America is starting to feel like an opportunity society again. We are moving toward some fundamental changes in our economic structure, toward a knowledge-based economy and further away from a resource-based economy. Key to these high growth rates has been overall productivity gains that are back in the 2% range, which has enabled the United States to experience real growth and real growth in incomes without significant inflation. A significant part of our productivity gains have come from gains in manufacturing productivity, which has approached 4% in each of the past three years. These manufacturing gains come directly from innovation, and in recent years these are largely driven by innovation in information technology—one of the most amazing results of R&D in this century from the invention of the transistor over 50 years ago to the development of the Internet today. And it looks like we are starting to get noticeable productivity gains in our services sector as well, also driven by information technology. The digital revolution is affecting every sector of our economy. As Andy Grove, Chairman of Intel, said, ''In five years, there will be no Internet companies. Every company will be an Internet company,'' or it won't be in business.

Some analysts look at the stock market today and compare it to the 1600's Dutch tulip bulbs investment bubble, maybe the largest bubble of all time, and its subsequent crash. The difference is that tulip bulbs did not fundamentally alter the means of communication and increase productivity as the Internet does.

Pharmaceuticals and health care is another area in which our country's investment in R&D has catapulted us above our competitors. A recent study from the Department of Commerce found that the United States is decades ahead of other countries in the pharmaceutical and health related industries directly because of our investment in R&D. In the past 50 years, researchers from U.S. pharmaceutical companies have discovered and developed breakthrough treatments for asthma, heart disease, osteoporosis, HIV/AIDS, stroke, ulcers, and glaucoma. And they have developed vaccines against previously common causes of infant death including polio, rubella, influenza B and whooping cough. Why is the U.S. pharmaceutical industry the number one global innovator in medicine? According to Raymond Gilmartin, Chairman, President and CEO of Merck & Co., because ''The U.S. pharmaceutical industry leads the world in its commitment to research. . . .''

There have been at least a dozen major economic studies, including those of Nobel Prize winner Robert Solow, which conclude that technological progress accounts for 50%, and lately considerable more, of our total growth and has twice the impact on economic growth as labor or capital. For the long term health of our economy, we need to invest now in activities that will have a future payoff in innovation and productivity. A one percent increase in our nation's investment in research results in a productivity increase of 0.23%. We need to ensure our future by creating the institutions and incentives to increase R&D

investment in the United States. This Act will replace our current, dysfunctional system of on-again, off-again R&D tax credits with a tax credit that is reliably permanent. In the global economy we will have to not only outperform our competitors, but out-innovate them. Giving our industry the tools to support their own innovation is a timely act.

This Act meets the goals of some groups who favor simply making the credit permanent and increasing the alternative credit by one percent, as does the bill introduced by my esteemed colleague Senator HATCH. I am a cosponsor of Senator HATCH's bill. I believe we need to make the R&D credit permanent. But I feel strongly that we need further changes to the Act to increase its effectiveness, make it more accessible to small and start up businesses, update the credit to account for changes we are seeing in industry and, importantly, to complement the relationship between Federal and private sector research. The bill that Senators DOMENICI, BINGAMAN, FRIST, SNOWE, and myself are introducing makes these important changes, as well as making the R&D tax credit permanent.

Industry research is largely dependent on the basic research undertaken by the Federal government. Because industry itself does not perform basic research—84% of industry research is concentrated on product development, the final stage of R&D—the private sector must draw on government-funded research to develop ideas for new market products. Of all papers cited in U.S. industry patents, 73% are from government and non-profit funded research. This marriage of basic Federal research and applied private research is essential. Yet, as a percent of GDP, Federal investment in R&D has been nearly halved over the last 30 years. We are living off of the fruits of basic research from the mid-1960s. In addition, the national labs and universities are facing a brain drain by the private sector as engineers and scientists are in high demand and increasingly in short supply. The private sector recognizes the importance of work accomplished through Federal funding and knows this is a problem that needs to be addressed. This bill encourages collaboration between private sector research and national labs and universities and offers a financial incentive to use the national labs and universities. Specifically, the Act encourages industry to use the federally funded programs by qualifying 100% of contract research accomplished at universities, national labs, and small businesses. It also enables basic research at Federally Funded R&D Centers to count toward the basic research credit. By expanding the credit to research done in consortia, the Act also recognizes that research today is more often done in collaboration than in isolation.

The fastest method of moving research into the marketplace is often through small, startup companies. The Act updates the tax credit rules to accommodate the special R&D cycles faced by these companies. By supporting the small but crucial R&D efforts of new technology-based firms, the Act nurtures the very companies who contribute disproportionately to our national productivity and employment growth.

The Act also updates our view of R&D. For the alternative credit, it calculates R&D expenditures with respect to a rolling baseline, rather than a fixed 1980's baseline that is increasingly remote and outdated as time passes.

Mr. President, I believe there has been a growing awareness among Senators over the past couple of years that technology has been one of the driving forces behind our fantastic economic growth in this country. Despite that we are finally out of the red on the budget and finally in the black, we know that continued control and restraint must be exercised on the budget and we will have to make difficult choices about what programs to fund and what tax cuts to make. But now that we know that technological progress is responsible for 50% or more of economic growth, I think we owe it to ourselves to encourage such progress whenever possible. It is an investment in our future which we cannot do without.

---

By Mr. SPECTER:

S. 952. A bill to expand an antitrust exemption applicable to professional sports leagues and to require, as a condition of such an exemption, participation by professional football and major league baseball sports leagues in the financing of certain stadium construction activities, and for other purposes; to the Committee on the Judiciary.

STADIUM FINANCING AND FRANCHISE RELOCATION ACT OF 1999

Mr. SPECTER. Mr. President, I have sought recognition today to introduce legislation, the Stadium Financing and Franchise Relocation Act of 1999, which is designed to respond to the need for stabilizing major league baseball and football franchises located in metropolitan areas of the United States.

I have long been concerned with the pressure put upon communities by baseball and football clubs seeking new playing facilities, where, with the gun to their heads of the team's overt or tacit threat to move to another city, government leaders feel compelled to have taxpayers finance a lion's share of ballpark and stadium construction costs. As those costs rise—a present state-of-the-art new facility goes for close to $300 million—those pressures have intensified.

Professional sports teams are entrusted with a public interest. The movement of the Dodgers from Brooklyn, which broke the hearts of millions of their Flatbush followers, was the start of pirating of sports franchises in America, and should never have been allowed. It was accompanied, of course, by the flight of the Giants from New York to San Francisco.

Since then, the matter has proliferated to an almost absurd degree. It is hard to understand why the taxpayers of Maryland and Baltimore had to be in a bidding contest for the Cleveland Browns, when Baltimore should have had its own team, the Colts, instead of the Colts moving out of Baltimore in the middle of the night to go to Indianapolis.

I have participated in America's love affair with sports since I was a youngster in Wichita, Kansas, reading the box scores in the Wichita Eagle every morning because of my love and passion for baseball. I have been attending Phillies and Eagles games, and, when I can, Pirates and Steelers games, because of my love for each of these sports. They are tremendously exciting.

Basically, it was unfair for the old Browns to have been taken out of Cleveland, but now I am glad to hail the arrival of the new Browns, even though it was at great cost to the taxpayers, and deprived the Eagles of a well-earned first overall draft pick.

The value of sports franchises to their owners has ballooned in recent years. Jeffrey Lurie bought the Philadelphia Eagles in 1995 for a then-high price of $185 million. Last year, the successful bidder for an expansion NFL franchise in Cleveland paid $530 million. The bidding for the Washington Redskins franchise (including Cooke Stadium) has surpassed $800 million. There also seems to be no limit to the amount of money available to club owners when it comes to paying players—witness Mike Piazza's signing last year of a $91 million ten-year contract with the New York Mets.

New ballparks and stadiums clearly provide an enhancement to the culture and tax base of communities. That said, however, there is also no doubt that having a new ballpark or stadium significantly increases the value of a sports franchise for its owner. In December, 1998, Forbes Magazine estimated the net worth of the nation's professional sports teams. Seven of the top ten valued baseball franchises and eight of the top ten valued football franchises were in cities with ballparks and stadiums built or approved to be built since 1990.

In January, 1999, the Philadelphia Inquirer quoted Jeffrey Stein, managing director of McDonald Investments, a Cleveland brokerage house, who said: ''New stadiums, in and of themselves, significantly enhance the value of a team.'' He cited the Cleveland Indians Baseball Club as an example. In the December, 1998, Forbes article, the value

of that team, which now plays in beautiful new Jacobs Field, was listed as $322 million, the third highest in baseball. In 1986, the Indians had been purchased for $35 million. In 1993, the last year the Indians played at Cleveland Stadium, the team had revenues of $54.1 million. Its 1997 revenues were $140 million.

The value of these sports franchises to a community is reflected in the astronomical broadcast rights fees the sports leagues command in the U.S. marketplace. Ten years ago, the National Football League received $970 million a year for its network television rights. The NFL now receives three times that amount, through contracts with TV and cable networks that pay the League $17.6 billion for its TV rights over an 8-year period commencing with the 1998 season, an average of $2.2 billion per year, while Major League Baseball annually derives more than $400 million from this source. These revenues are shared by the clubs and their players.

One would think some of that giant revenue windfall might trickle down and be used to help finance new ballparks and stadiums, which produce greatly enhanced revenues for team owners, yet it seems the more TV money a league makes, the more its clubs demand from local taxpayers to fund the construction of new playing facilities. The irony of this is that none of these huge TV revenues would accrue to the clubs and their players if the leagues did not have the benefit of an antitrust exemption permitting clubs to pool their TV rights.

In the interest of fairness, I believe the leagues should, with a small portion of these TV revenues, assist local communities in the financing of new playing facilities for the leagues' clubs, as a condition of their continuing to receive the antitrust exemption which permits pooling of TV rights.

I also believe the leagues should have an antitrust exemption which permits them to deny a club's request to move, thus minimizing the implied threat to move which has characteristically accompanied demands upon local government for a new ballpark or stadium.

Both these objectives are met by the legislation I am offering today. It will clarify the broadcast antitrust exemption given to sports leagues and give the National Football League and Major League Baseball an opportunity to continue to receive it by agreeing to place 10% of their network TV revenues into a trust fund to be used to help finance construction or renovation of ballparks and stadiums for use by their teams. Trust fund revenues will be restricted to such use and will be excluded from the league's gross receipts which are distributed to clubs and players.

Money from the trust fund will be provided to finance up to one-half the cost of construction or renovation of ballparks and stadiums on a matching fund basis, conditioned upon the local government's agreement to provide at least one dollar of financing for every two dollars to be provided from the trust fund.

Thus, for example, if the cost of constructing a new stadium for the Philadelphia Eagles, or for the Pittsburgh Steelers, were $280 million, the National Football League would be obliged to provide $140 million to each such project, on condition that the city and state, combined, provided at least $70 million. Ideally, the League would pay one-half the cost out of the trust fund and the other half would be financed by the club owner and the local government.

The legislation will also enlarge the antitrust exemption given to baseball, basketball, football, and hockey leagues to permit those leagues to deny a member club's request to move its franchise to a different city.

My bill will take effect on the date of its passage, and will apply to all network TV revenues thereafter received by the leagues, and to all new ballpark and stadium facilities not yet constructed, such as the construction now underway in Cleveland and Pittsburgh.

I have sought recognition today to introduce the Stadium Financing and Franchise Relocation Act of 1999. This legislation would require that the National Football League and Major League Baseball act to provide financing for 50 percent of new stadium construction costs, and that the National Football League be given a limited antitrust exemption to regulate franchise moves.

This legislation is necessary because baseball and football have for too long had a public-be-damned attitude. At the present time, major league sports is out of control on franchise moves for football teams and the demands upon cities and states for exorbitant construction costs is a form of legalized extortion in major league sports.

The National Football League has a multi-year television contract for $17.6 billion which it enjoys by virtue of a special status and antitrust exemption which they have for revenue sharing or else they could not collect television receipts of $17 billion. But, at the same time, when they are asked to step forward and help with stadium construction costs, which are minimal compared to their television receipts, they put one community in competition with another community. A franchise, being what it is, leaves a city like Hartford and a state like Connecticut to offer $375 million to lure the Patriots from Massachusetts to Connecticut.

This is a problem which is particularly acute for my State, Pennsylvania, which is now looking at the construction of four new stadiums. Two are now under construction in western Pennsylvania—Pittsburgh for the Pirates and the Steelers—and two more are being sought in eastern Pennsylvania for the Phillies and for the Eagles. It is a $1 billion price tag which we are looking at now, which is significant for public funding, especially in a context where our schools are under funded, where our housing is in need of assistance, where we need funds for child assistance, where we need funds for transition from welfare to work, where we need funds for highways, and for so many other important matters. But, understandably, a NFL franchise is a very major matter for the prestige of a city and also for the economy of a city. And a major league baseball franchise, similarly, is a major matter for the economy and the prestige of a city.

You have a situation, for example, where the Colts left Baltimore in the middle of the night for Indianapolis. Then there was a bidding war for the Browns, which left Cleveland to go to Baltimore at an enormous cost to the taxpayers of Maryland and Baltimore. Indianapolis ought to have a football team, but they ought not to have Baltimore's football team. Similarly, Cleveland ought to be able to retain the Browns. It has been a matter of great pride for Cleveland for many, many years.

The start occurred in 1958 when the Dodgers left Brooklyn to go to Los Angeles. Brooklyn had no more precious possession than ''Dem Bums,'' the Dodgers. And I recall as a youngster the 1941 World Series, Mickey Owens' famous fumble, dropping of the third strike, and the tremendous tradition that the Dodgers had with Jackie Robinson and Pee Wee Reese in the Pennant races. And off they went to Los Angeles. Los Angeles should have had a baseball team, but not Brooklyn's baseball team. And they had a twofer, they took the Giants out of New York and put them in San Francisco at the same time.

Baseball has had an opportunity, to some extent, to control franchise moves because baseball has an unlimited antitrust exemption. And they have it in a very curious, illogical way. Justice Oliver Wendell Holmes ruled in the 1920s that baseball was a sport and not involved in interstate commerce and therefore exempt. That has been an item which has been out of touch with reality for a long time. Justice Blackmun said baseball was a big business, in a Supreme Court decision, and involved in interstate commerce. But since it had been unregulated with the antitrust exemption for so long, it has been left to Congress to make a change.

It may be that we ought to make a change and take away the antitrust exemption from baseball generally. Baseball fiercely resists any contribution to stadium construction costs—fiercely

resists with a lobbying campaign, which is now underway, of great intensity. I will not list the cosponsors who have prospectively dropped off this bill because of that lobbying.

I am introducing this bill on behalf of Senator HATCH, chairman of the Judiciary Committee, Senator BIDEN, former chairman of the Judiciary Committee, and myself. We had a hearing in the Antitrust Subcommittee of Judiciary where I serve, and I asked the head of the Antitrust Division of the Department of Justice and the Chairman of the Federal Trade Commission to take a look at revoking baseball's antitrust exemption totally. Baseball has not been responsible in dealing with salary caps and with revenue sharing. So there would be some equality and some parity for cities like Pittsburgh, small cities, where you have the financial power of the New York Yankees dominating the league, buying up all the players; where you have Mr. Murdoch acquiring the Dodgers for a giant price in connection with his satellite ideas and with television revenues and the superstation which Atlanta now has.

Here you have a goose which is laying a golden egg and baseball has not faced up to fairness in changing its approach to dealing with the realities of the market and has not undertaken the salary caps and the revenue sharing necessary to stabilize baseball.

So this bill goes, to a limited extent, on conditioning baseball's continuation of its antitrust exemption to helping with stadium construction costs. I want them to help build a stadium for the Philadelphia Phillies. I want them to help on the construction costs for the Pittsburgh Pirates. I went them to help on construction costs for new teams, where cities are facing the reality of either spending hundreds of millions of dollars for these new stadiums, or having the teams flee to other cities. That is something baseball ought to face up to, even though it is true that baseball has a different situation from football, because baseball's television revenues are lesser. But there has to be some equality and there has to be some parity. Or if baseball wants to function like any other business, let them do so, but without the antitrust exemption, and let's see what will happen to those giant salaries for the baseball players and those tremendous rates and the way baseball operates, if it does not have an antitrust exemption which is very special and unique.

Football has an antitrust exemption as to revenue sharing. Without that exemption they could not have the $17 billion multi-year television contract. They have plenty of funds to face up to stadium construction costs for the Pittsburgh Steelers and for the Philadelphia Eagles and for other teams. The facts are not yet before the public, but I hear the rumors that football is putting up a very substantial sum to have the Patriots remain in Massachusetts to top the bid of Connecticut. Connecticut is a television market, according to the media, about 24th. Boston, MA, is a media market about 6th. And the National Football League wants to protect its media market so they will put up a substantial sum of money to accomplish that.

It ought to be regularized and they ought to have a specific obligation. And 50 percent is not too much for the leagues to contribute. That would leave the owners with 25 percent and would still leave the public with 25 percent. One of the prospective cosponsors dropped off the bill because he does not want to be associated with even 25 percent for the public. But I suggest when the raiders—I am not talking about the Oakland Raiders; I am talking about the sports franchise raiders coming to his State, which I shall not name—go after his baseball team and go after his football team, watch the scurrying around to pay a lot more than 25 percent unless there is some leveraging and some compulsion.

Baseball and football are not going to face up to a fair allocation of funds if they are left to their own devices. But the Congress of the United States does have control of the antitrust exemption and we can take it away from baseball or we can limit it for baseball. And we can take away, if we choose, the football antitrust exemption on revenue sharing. So I do believe this is a matter which is of significant public interest. When a city like Hartford and a State like Connecticut bids $375 million of funds which could obviously be used better; where Pennsylvania is looking at more than $1 billion in four new stadiums at a time when $17 billion comes to the NFL, and the salaries are astronomical. If the leagues are to have this exemption, if they are to have this special break, they ought to face up to some public responsibility.

The second part of this legislation would grant football a limited antitrust exemption so they could regulate franchise moves. When the Raiders moved from Oakland to Los Angeles, there was a multimillion-dollar lawsuit which the NFL had to pay. So they are reluctant to take a stand on exercising their league rules which require three-fourths approval. But, if they had an antitrust exemption to this limited extent, then they would be in a position to ameliorate the larceny. Maybe it would be petit larceny instead of grand larceny. But I think that kind of antitrust exemption would be worthwhile.

As you can tell, I feel very strongly about this subject. I have been a sports fan since I was 8 years old—perhaps 5 years old when my family, living in Wichita, KS, made a trip to Chicago for the World's Fair and I became a Cubs fan. And I became a Phillies fan when I moved to Philadelphia more than a half century ago. And I am a Pirates fan, too, except when they are playing the Phillies.

If you lived in Wichita, KS, when the morning paper came, the major item of interest would be the sports page and the box scores. And I am an Eagles fan and a Steelers fan and held season tickets as early as 1958. When the Dodgers and Giants moved away from Brooklyn and New York City, I thought that was really a very serious breach. Such moves have a great impact on the public, and we ought to stop this legalized extortion, and we ought to get a fair share for the tremendous antitrust break which baseball and football enjoy.

---

By Mr. SMITH of New Hampshire:

S. 954. A bill to amend title 18, United States Code, to protect citizens' rights under the second amendment to obtain firearms for legal use, and for other purposes; to the Committee on the Judiciary.

SECOND AMENDMENT PRESERVATION ACT OF 1999

Mr. SMITH of New Hampshire. Mr. President, I rise today to introduce the Second Amendment Preservation Act of 1999.

Mr. President, my bill is intended to address the lawsuits that have been filed by various municipal governments against firearms manufacturers. These lawsuits are premised on the novel theory that manufacturers in full compliance with all of the laws governing the production of their products can nevertheless be held liable for the criminal misuse of those products by individuals who are completely beyond their control. This radical notion is flatly contrary to the principle of individual responsibility on which the tort laws of our Nation are based.

In at least some cases, Mr. President, these lawsuits seem to be intended to subject firearms manufacturers, importers and dealers to legal costs that are so onerous that they may not be able to defend themselves, or indeed be able to remain in business. A majority of firearms manufacturers, importers and dealers are small, privately-owned businesses that cannot afford to bear the legal costs of defending themselves in a large number of judicial forums. Moreover, compared to most firearms manufacturers, importers and dealers, States and local governments are large and relatively wealthy entities that are able to spend large amounts of taxpayers' dollars on wars of attrition against small business.

Mr. President, these lawsuits represent an effort by social activists and trial lawyers to use the Nation's judiciary to secure victories against the firearms industry that they never would be able to achieve through the legislative process. In fact, the firearms industry won't be the last target of these lawsuits. In a January 31, 1999, article in

the Washington Post, plaintiffs' attorney John Coale stated ''. . . we are interested in taking a close look at the exorbitant prices of prescription drugs for the elderly, for example.'' ''Unless the courts reject our approach,'' Coale continued, ''we will continue to utilize it to tackle industry bullies.''

Thankfully, Mr. President, the public is not fooled. A December, 1998, survey of 1,008 U.S. adults by DecisionQuest, a jury consulting firm, found that 66.2% of American adults oppose these lawsuits against firearms manufacturers. Only 19.3% of Americans believe that these suits are justified.

Even some anti-gun elements of the media oppose these lawsuits. A March 1, 1999, editorial in the Boston Globe stated that ''. . . guns should be controlled by the legislative process rather than through litigation.'' ''gun makers may be responsible for flaws in their products that lead to injury or death,'' the editorial continued. ''Making manufacturers liable for the actions of others,'' the editorial concluded, ''. . . stretches the boundaries beyond reasonable limits . . . .''

Mr. President, I believe that fairness requires that a unit of government that undertakes an unsuccessful ''fishing expedition'' against a firearms manufacturer, importer or dealer should bear the costs of that business in defending itself against such a frivolous and unwarranted civil action. Fairness also requires that taxpayers not be required to pay millions of dollars to wealthy attorneys, out of awards that are intended, at least in part, to benefit the victims of crime.

The second amendment to the Constitution of the United States requires that Congress must respond to actions that are intended to, and that would have the effect of, nullifying that provision of the Bill of Rights. Congress has the power under the second amendment, and under the Commerce Clause, to take appropriate action to protect the rights of citizens to obtain and own firearms.

One action that Congress may take, Mr. President, is to provide protection from excessive and unwarranted legal fees. The Second Amendment Preservation Act, which I am introducing today, provides that protection. My bill limits attorneys' fees to plaintiffs in civil lawsuits that seek ''to hold a firearms manufacturer, importer, or dealer liable for damages caused by the unlawful or tortuous use of a firearm by a person not employed by or affiliated with the manufacturer, dealer, or importer.'' Under my bill, those fees are limited to the lesser of $150 per hour, plus expenses, or 10% of the amount that the plaintiff is awarded in the action.

Further, my bill provides that in lawsuits in which the defendant is found by the court to be ''not wholly or primarily liable for the damages sought,'' the plaintiff must reimburse the defendant for reasonable attorney's fees and costs.

Finally, Mr. President, my bill provides that if a court strikes down this legislation as unconstitutional, the decision is directly appealable as of right to the Supreme Court of the United States.

Mr. President, I ask unanimous consent that the text of my bill, the Second Amendment Preservation Act, be printed in the RECORD.

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

S. 954

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Second Amendment Preservation Act of 1999''.

**SEC. 2. FINDINGS.**

Congress finds that—

(1) a number of State and local governments have commenced civil actions, or are considering commencing civil actions, against manufacturers, importers, and dealers of firearms based on the unlawful use of the firearms by a purchaser or other person;

(2) in at least some cases, the intent in bringing the action is to subject manufacturers, importers, and dealers to legal costs that are so onerous that the manufacturers, importers, and dealers may not be able defend themselves, or indeed be able to remain in business;

(3) a majority of manufacturers, importers, and dealers of firearms are small, privately owned businesses that cannot afford to bear the legal costs of defending themselves in a large number of judicial forums;

(4) compared to most manufacturers, importers, and dealers of firearms, States and local governments are large and relatively wealthy entities that are able to spend large amounts of taxpayers' dollars on a war of attrition with small businesses;

(5) fairness requires that—

(A) a unit of government that undertakes an unsuccessful ''fishing expedition'' against a firearm manufacturer, importer, or dealer bear the cost of defending against its frivolous and unwarranted civil action; and

(B) taxpayers not be required to pay millions of dollars to wealthy attorneys, out of awards that are intended, at least in part, to benefit the victims of crime;

(6) the Second Amendment to the Constitution requires that Congress respond to actions that are intended to, and that would have the effect of, nullifying that provision of the Bill of Rights;

(7) Congress has power under the Second Amendment and under the Commerce Clause to take appropriate action to protect the right of citizens to obtain and own firearms; and

(8) one appropriate action that Congress may take is to provide protection from excessive and unwarranted legal fees.

**SEC. 3. RULES GOVERNING ACTIONS BROUGHT TO CURTAIL THE SALE OR AVAILABILITY OF FIREARMS FOR LEGAL PURPOSES.**

(a) IN GENERAL.—Chapter 44 of title 18, United States Code, is amended by adding at the end the following:

**''§ 926B. Rules governing actions brought to curtail the sale or availability of firearms for legal purposes**

''(a) DEFINITIONS.—In this section, the term 'action brought to curtail the sale or availability of firearms for legal purposes' means a civil action brought in Federal or State court that—

''(1) has as a defendant a firearms manufacturer, importer, or dealer in firearms;

''(2) expressly or by implication requests actual damages, punitive damages, or any other form of damages in excess of the lesser of—

''(A) $1,000,000; or

''(B) 50 percent of the net assets of any such defendant; and

''(3) seeks, in whole or in part, to hold a firearms manufacturer, importer, or dealer liable for damages caused by the unlawful or tortious use of a firearm by a person not employed by or affiliated with the manufacturer, dealer, or importer.

''(b) LIMITATION ON ATTORNEY'S FEES AWARDED TO PLAINTIFF.—In a civil action brought to curtail the sale or availability of firearms for legal purposes, notwithstanding any other provision of law or any agreement between any persons to the contrary, amounts paid in plaintiff's attorney's fees in connection with the settlement or adjudication of the action shall not exceed the lesser of—

''(1) an amount equal to $150 per hour for each hour spent productively, plus actual expenses incurred by the attorney in connection with the action; or

''(2) an amount equal to 10 percent of the amount that the plaintiff receives under the action.

''(c) ATTORNEY'S FEES FOR THE DEFENDANT.—In a civil action brought to curtail the sale or availability of firearms for legal purposes, if the court finds that the defendant is not wholly or primarily liable for the damages sought, the court shall require the plaintiff to reimburse the defendant for reasonable attorney's fees and court costs, as determined by the court, incurred in litigating the action, unless the court finds that special circumstances make such a reimbursement unjust.

''(d) POWER OF CONGRESS.—If any court renders a decision in an action brought to curtail the sale or availability of firearms for legal purposes or in any other proceeding that the Constitution does not confer on Congress the power to enact this section, the decision shall be directly appealable as of right to the Supreme Court.''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 44 of title 18 is amended by inserting after the item relating to section 926A the following:

''926B. Rules governing actions brought to curtail the sale or availability of firearms for legal purposes.''.

(c) EFFECTIVE DATE.—The amendment made by subsection (a)—

(1) takes effect on the date of enactment of this Act; and

(2) applies to any action pending or on appeal on that date or brought after that date.

---

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

S. 955. A bill to allow the National Park Service to acquire certain land for addition to the Wilderness Battlefield in Virginia, as previously authorized by law, by purchase or exchange as well as by donation; to the Committee on Energy and Natural Resources.

LONGSTREET'S FLANK ATTACK

Mr. WARNER. Mr. President, I rise today to introduce legislation which will preserve a site of great historical importance. The legacy of Civil War battlefields must be perpetuated, not only to commemorate those who lost their lives in this tragic epoch, but also to consecrate land upon which some our country's finest strategic maneuvers occurred. On the hallowed land of Wilderness, Virginia occurred one of the greatest tactical stratagems in military history. Snatching the initiative to turn the tide of battle, Lt. General James A. Longstreet, under the command of General Robert E. Lee, forced back Union forces directed by General Ulysses S. Grant, in an advance known as ''Longstreet's Flank Attack''.

Mr. President, this legislation will allow the Park Service to acquire this stretch of land, which will serve to ''complete'' Wilderness Battlefield. The legacy of the Civil War is far-reaching. A war which wrought such destruction has been the source of much fascination for scholars and amateur historians. The Battle of Wilderness is legendary for the tactical skills employed and the caliber of the soldiers who fought. There, among the tangled forests and twisted undergrowth, the Union Army, numerically superior and well supplied, were forced into confrontation with General Lee's hard scrabble Confederate troops. It would be one of the last battles in which Lee's incomparable martial machine would force Grant's Army of the Potomac to withdraw. It is also the site of the wounding of Gen. Longstreet, who, like General Stonewall Jackson, was wounded by friendly fire. Though Longstreet's injury was not mortal, the genius of the cadre of officers under the command of Lee dwindled. Thus would begin the twilight of the Confederacy.

Legislation passed in the 102nd Congress would have allowed the Park Service to acquire this land by donation. Despite numerous efforts, the Park Service has been unable to accomplish this. The legislation at hand would amend Public Law 102–541 to allow the Park Service to procure the land by purchase or exchange as well as donation. The heritage and history which dwell amongst the interlaced undergrowth of this land deserve our recognition. I look forward to the swift passage of this bill.

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

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

S. 955

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

**SECTION 1. ADDITION TO WILDERNESS BATTLEFIELD, VIRGINIA.**

(a) REMOVAL OF CONDITION ON BATTLEFIELD ADDITION.—Section 2(a)(2) of Public Law 102–541 (16 U.S.C. 525k note; 106 Stat. 3565) is amended by striking '': *Provided*,'' and all that follows through ''Interior''.

(b) AUTHORIZED METHODS OF ACQUISITION.—(1) ACQUISITION OF CERTAIN LANDS BY DONATION.—Section 3(a) of Public Law 101–214 (16 U.S.C. 425*l*(a)) is amended by adding at the end the following new sentence: ''However, the lands designated 'P04–04' on the map referred to in section 2(a) numbered 326–40072E/89/A and dated September 1990 may be acquired only by donation.''.

(2) REMOVAL OF RESTRICTION ON ACQUISITION OF ADDITION.—Section 2 of Public Law 102–541 (16 U.S.C. 525k note; 106 Stat. 3565) is amended by striking subsection (b).

(c) TECHNICAL CORRECTION.—Section 2(a) of Public Law 101–214 (16 U.S.C. 425k(a)) is amended by striking ''Spotslyvania'' and inserting ''Spotsylvania''.

---

By Ms. SNOWE (for herself, Mr. HARKIN, and Mr. FRIST):

S. 956. A bill to establish programs regarding early detection, diagnosis, and interventions for newborns and infants with hearing loss; to the Committee on Health, Education, Labor, and Pensions.

NEWBORN AND INFANT HEARING SCREENING AND INTERVENTION ACT OF 1999

● Ms. SNOWE. Mr. President, I rise today to introduce the Newborn and Infant Hearing Screening and Intervention Act of 1999. This bill is a companion bill to H.R. 1193, introduced in the House by Representative JIM WALSH. I am pleased to be joined again this year by my colleague from Iowa, Senator HARKIN, who has long been a champion of the hearing impaired, and my colleague from Tennessee, Senator FRIST.

We usually associate hearing problems with the aging process, and it is true that the largest group of Americans suffering from hearing impairment are those in the 65 to 75 year age range. But at the same time, approximately 1.5 to 3 out of every 1000 children—or as many as 33 children per day—are born with significant hearing problems. According to the National Institute on Deafness and Other Communication Disorders, as many as 12,000 infants are born each year in the United States with some form of hearing impairment.

In recent years, scientists have stressed that the first years of a child's life are crucial to their future development. This makes early detection and intervention of hearing loss a necessity if we are to ensure that all our children get the strong start they deserve. Specialists in speech and language development believe that the crucial period of speech and communication in a child's life can begin as early as six months of age. Unfortunately, though the average age of diagnosis of hearing loss is close to three years of age.

The ability to hear is a major element of one's ability to read and communicate. To the extent that we can help infants and young children overcome disabilities detected early in life, we will improve their ability to function in society, receive an education, obtain meaningful employment, and enjoy a better quality of life. Without early diagnosis and intervention, these children are behind the learning curve—literally—before they have even started. They should not be denied a strong start in life simply for the lack of a simple screening test.

There are many causes of hearing loss, and in many states a newborn child is screened only if the physician is aware of some factor that puts that baby in a risk category. The good news is that over 550 hospitals in 46 states operate universal newborn hearing screening programs. Nine states—Hawaii, Rhode Island, Mississippi, Connecticut, Colorado, Utah, Virginia, West Virginia, and Massachusetts—have passed legislation requiring universal newborn hearing screening. Hawaii, Mississippi, Rhode Island, Utah, and Wyoming have statewide early hearing detection and intervention programs. And scientists across the country are developing and implementing model rural-based infant hearing, screening, follow-up, and intervention programs for children at risk for hearing and language disabilities.

The bad news is that, unfortunately, only about 20 percent of the babies in this country are born in hospitals with universal newborn hearing screening programs, and more than 85 percent of all hospitals do not do a hearing screening before sending the baby home.

Universal screening is not a new idea. As early as 1965, the Advisory Committee on Education of the Deaf, in a report of the Secretary of Health, Education and Welfare, recommended the development and nationwide implementation of ''universally applied procedures for early identification.'' In 1989, former Surgeon General C. Everett Koop used the year 2000 as a goal for identifying 90 percent of children with significant hearing loss before they are one year old.

In 1997, an expert panel at the National Institute of Deafness and Other Communication Disorders recommended that the first hearing screening be carried out before an infant is three months old in order to ensure that treatment can begin before six months of age. The Panel also recommended that the most comprehensive and effective way of ensuring screening before an infant is six months old is to have newborns screened before they sent home from the hospital. But a 1998 report by the Commission on Education of the Deaf estimated that the average age at which a child with congenital hearing loss was identified in the United States was a 2½ to 3 years old, with many children not being identified until five or six years old.

It is time to move beyond the recommendations and achieve the goal of

universal screening. In addition to the nine states that require screening, the Bureau of Maternal and Child Health, in conjunction with the Centers for Disease Control, is helping 17 states commit to achieving universal hearing screening by the year 2000. This plan will lead to the screening of more than one million newborns a year, but it still leaves more than half the states without universal screening programs.

The purpose of the bill I am introducing today is to provide the additional assistance necessary to help all the states in implementing programs to ensure that all our newborns are tested and to ensure that those identified with a hearing impairment get help. Specifically, the bill:

(1) Authorizes $5 million in FY 2000 and $8 million in FY 2001 for the Secretary of Health and Human Services to work with the states to develop early detection, diagnosis and intervention networks for the purpose of developing models to ensure testing and to collect data;

(2) Authorizes $5 million in FY 2000 and $7 million in FY 2001 for the Centers for Disease Control to provide technical assistance to State agencies and to conduct applied research related to infant hearing detection, diagnosis and treatment/intervention; and

(3) Authorizes the National Institutes of Health to carry out research on the efficacy of new screening techniques and technology.

A baby born today will be part of this country's future in the 21st century. Surely we owe it to that child to give them a strong start on that future by ensuring that if they do have a hearing impairment it is diagnosed and treatment started well before their first year of life is completed. I urge my colleagues to join me, Senator HARKIN, and Senator FRIST in supporting the Newborn and Infant Hearing Screening and Intervention Act of 1999.●

● Mr. HARKIN. Mr. President, I am pleased to introduce, along with my colleagues, Senator SNOWE and Senator FRIST, the Newborn and Infant Hearing Screening and Intervention Act of 1999.

Tne Newborn and Infant Hearing Screening and Intervention Act would help States establish programs to detect and diagnose hearing loss in every newborn child and to promote appropriate treatment and intervention for newborns with hearing loss. The Act would fund research by the National Institutes of Health to determine the best detection, diagnostic, treatment and intervention techniques and technologies.

Every year, approximately 12,000 children in the United States are born with a hearing impairment. Most of them will not be diagnosed as hearing-impaired until after their second birthday. The consequences of not detecting early hearing impairment are significant, but easily avoidable.

Late detection means that crucial years of stimulating the brain's hearing centers are lost. It may delay speech and language development. Delayed language development can retard a child's educational progress, minimize his or her socialization skills, and as a result, destroy his or her self-esteem and confidence. On top of all that, many children are diagnosed incorrectly as having behavioral or cognitive problems, simply because of their undetected hearing loss.

In 1988, the Commission on Education of the Deaf reported to Congress that early detection, diagnosis and treatment were essential to improving the status of education for people who are deaf in the United States. Based on that report and others, in 1991, when I was chair of the Labor-HHS Subcommittee on Appropriations, we urged the National Institute on Deafness and Other Communication Deisorders—NIDCD—to determine the most effective means of identifying hearing impairments in newborn infants. In 1993, the Labor-HHS Subcommittee supported NIDCD's efforts to sponsor a consensus development conference on early identification of hearing impairment in infants and children. And in 1998, the Subcommittee encouraged NIDCD to pursue research on intervention strategies for infants with hearing impairments, and encouraged HRSA to provide states with the results of the NIH study on the most effective forms of screening infants for hearing loss.

Mr. President, the Act we are introducing today builds on these earlier efforts. The Act would help states develop programs that many of them already are working on; it would not impose a single federal mandate. At least eight states already have mandatory testing programs; many others have legislation pending to establish such programs. Other states have achieved universal newborn testing voluntarily. These programs can work; they deserve federal help.

One of the highlights of my Congressional career, indeed, of my life, has been working on policies and laws to ensure that people with disabilities have an equal opportunity to succeed in our society. This is especially meaningful to me, because my brother Frank became deaf as a child.

I watched Frank grow up, and I saw how few options and support services were available for people who were deaf. I remember the frustrations and challenges Frank faced, and I told myself early on that I would do all I could to break down the barriers in our society that prevented people who were deaf from reaching their potential. By supporting early screening, diagnosis, and treatment programs, this act would go a long way toward accomplishing that goal.

I would like to thank Senators SNOWE and FRIST for their hard work and support of this act, and I hope our colleagues will join us in this worthy effort.●

---

By Mr. KOHL:

S. 957. A bill to amend chapter 111 of title 28, United States Code, relating to protective orders, sealing of cases, disclosures of discovery information in civil actions, and for other purposes, to the Committee on the Judiciary.

SUNSHINE IN LITIGATION ACT OF 1999

Mr. KOHL. Mr. President, I rise today to offer the Sunshine in Litigation Act of 1999, a measure that addresses the growing abuse of secrecy orders issued by our Federal courts. All too often our Federal courts allow vital information that is discovered in litigation—and which directly bears on public health and safety—to be covered up, to be shielded from mothers, fathers and children whose lives are potentially at stake, and from the public officials we have asked to protect our health and safety.

All this happens because of the use of so-called ''protective orders''—really gag orders issued by courts—that are designed to keep information discovered in the course of litigation secret and undisclosed. Typically, injured victims agree to a defendant's request to keep lawsuit information secret. They agree because defendants threaten that, without secrecy, they will fight every document requested and will refuse to agree to a settlement. Victims cannot afford to take such chances. And while courts in these situations actually have the legal authority to deny requests for secrecy, typically they do not—because both sides have agreed, and judges have other matters to which they prefer to attend. So judges are regularly and frequently entering these protective orders, using the power of the Federal government to keep people in the dark about the dangers they face.

Perhaps the worst offenders are the tobacco companies. They have used protective orders not only to keep incriminating documents away from public view, but also to drive up litigation costs by preventing document sharing, effectively forcing every successive plaintiff to ''reinvent the wheel.'' One tobacco industry official even boasted, ''The aggressive posture we have taken regarding depositions and discovery in general continues to make these cases extremely burdensome and expensive for plaintiffs' lawyers, particularly sole practitioners. To paraphrase General Patton, the way we won these cases was not by spending all of our money, but by making the other S.O.B. spend all his.''

This systematic abuse of secrecy orders is one of the reasons that it took more than four decades of tobacco litigation to achieve a reasonable settlement. In fact, Congress and the public's

shift in recent years against Big Tobacco resulted in large part from disclosure of materials that had been concealed under secrecy orders, including materials regarding youth targeting and nicotine manipulation.

The problem of excessive secrecy orders in cases involving public health and safety has been apparent for years. The Judiciary Committee first held hearings on this issue in 1990 and again in 1994. In 1990, Arthur Bryant, the executive director of Trial Lawyers for Public Justice, told us, ''The one thing we learned . . . is that this problem is far more egregious than we ever imagined. It goes the length and depth of this country, and the frank truth is that much of civil litigation in this country is taking place in secret.''

Four years later, attorney Gerry Spence told us about 19 cases in which he had been involved where his clients had been required to sign secrecy agreements. They included cases involving defects in a hormonal pregnancy test that caused severe birth defects, a defective braking system on a steamroller, and an improperly manufactured tire rim.

But that's not surprising, because individual examples of this problem abound. For over a decade, Miracle Recreation, a U.S. playground equipment company, marketed a merry-go-round that caused serious injury to scores of small children—including severed fingers and feet. Lawsuits brought against the manufacturer were confidentially settled, preventing the public and the Consumer Products Safety Commission from learning about the hazard. It took more than a decade for regulators to discover the danger and for the company to recall the merry-go-round.

There are yet more cases like these. In 1973, GM allegedly began marketing vehicles with dangerously placed fuel tanks that tended to rupture, burn, and explode on impact more frequently than regular tanks. Soon after these vehicles hit the American road, tragic accidents began occurring, and lawsuits were filed. More than 150 lawsuits were settled confidentially by GM. For years this secrecy prevented the public from learning of the alleged dangers presented by these vehicles—millions of which are still on the road. It wasn't until a 1993 trail that the public learned about sidesaddle gas tanks and some GM crash test data that demonstrated these dangers.

The thrust of our legislation is straightforward. In cases affecting public health and safety, Federal courts would be required to apply a balancing test: they could permit secrecy only if the need for privacy outweighs the public need to know about potential health or safety hazards. Moreover, all courts—both Federal and state—would be prohibited from issuing protective orders that prevent disclosure to regulatory agencies. In this way, our bill will bring crucial information out of the darkness and into the light.

Although this law may result in some small additional burden on judges, a little extra work seems a tiny price to pay to protect blameless people from danger. Every day, in the course of litigation, judges make tough calls about how to construe the public interest and interpret other laws that Congress passes. I am confident that the courts will administer this law fairly and sensibly. If this requires extra work, then that work is well worth the effort. After all, no one argues that spoiled meat should be allowed on the market because stricter regulations mean more work for FDA meat inspectors.

Having said all this, we must in fairness recognize that there is another side to this problem. Privacy is a cherished possession, and business information is a cherished commodity. For this reason, the courts must, in some cases, keep trade secrets and other business information confidential.

But, in my opinion, today's balance of these interests is entirely inadequate. Our legislation will ensure that courts do not carelessly and automatically sanction secrecy when the health and safety of the American public are at stake. At the same time, this bill will allow defendants to obtain secrecy orders when the need for privacy is significant and substantial.

Indeed, this proposal would simply codify the practices of the most thoughtful Federal judges. As Justice Breyer has said, ''no court can or should stand silent when they see an immediate, serious risk to . . . health or safety.'' Virtually identical legislation received 49 votes on the floor in 1994 and was passed with bipartisan support out of the Judiciary Committee in 1996.

Who knows what other hazards are hidden behind courthouse doors? Do we want to wait four decades for the next ''tobacco'' to be disclosed? We need to take action to prevent the next threat before it's too late.

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

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

S. 957

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

**SECTION 1. PROTECTIVE ORDERS AND SEALING OF CASES AND SETTLEMENTS RELATING TO PUBLIC HEALTH OR SAFETY.**

(a) SHORT TITLE.—This section may be cited as the ''Sunshine in Litigation Act of 1999''.

(b) PROTECTIVE ORDERS AND SEALING OF CASES.—Chapter 111 of title 28, United States Code, is amended by adding at the end the following new section:

**''§ 1660. Protective orders and sealing of cases and settlements relating to public health or safety**

''(a)(1) A court shall enter an order under rule 26(c) of the Federal Rules of Civil Procedure restricting the disclosure of information obtained through discovery, an order approving a settlement agreement that would restrict the disclosure of such information, or an order restricting access to court records in a civil case only after making particularized findings of fact that—

''(A) such order would not restrict the disclosure of information which is relevant to the protection of public health or safety; or

''(B)(i) the public interest in disclosure of potential health or safety hazards is clearly outweighed by a specific and substantial interest in maintaining the confidentiality of the information or records in question; and

''(ii) the requested protective order is no broader than necessary to protect the privacy interest asserted.

''(2) No order entered in accordance with paragraph (1) (other than an order approving a settlement agreement) shall continue in effect after the entry of final judgment, unless at or after such entry the court makes a separate particularized finding of fact that the requirements of paragraph (1) (A) or (B) have been met.

''(b) The party who is the proponent for the entry of an order, as provided under this section, shall have the burden of proof in obtaining such an order.

''(c)(1) No court of the United States may approve or enforce any provision of an agreement between or among parties to a civil action, or approve or enforce an order subject to subsection (a)(1), that prohibits or otherwise restricts a party from disclosing any information relevant to such civil action to any Federal or State agency with authority to enforce laws regulating an activity relating to such information.

''(2) Any such information disclosed to a Federal or State agency shall be confidential to the extent provided by law.''.

(c) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 111 of title 28, United States Code, is amended by adding after the item relating to section 1659 the following:

''1660. Protective orders and sealing of cases and settlements relating to public health or safety.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 30 days after the date of enactment of this Act and shall apply only to orders entered in civil actions or agreements entered into on or after such date.

---

By Mr. BENNETT:

S. 958. A bill to amend certain banking and securities laws with respect to financial contracts; to the Committee on Banking, Housing, and Urban Affairs.

FINANCIAL INSTITUTIONS INSOLVENCY IMPROVEMENT ACT OF 1999

Mr. BENNETT. Mr. President, I rise today to introduce the Financial Institutions Insolvency Improvement Act of 1999. Recognizing that the changes to our Nations' banking laws have not kept pace with changes in our capital markets, this bill would strengthen the laws that enforce and protect certain financial agreements and transactions

in the event that one of the parties involved becomes insolvent. This legislation would also harmonize the treatment of financial instruments under the bankruptcy code and the banking insolvency laws.

The legislation that I am introducing is based largely on the recommendations made in March of 1998 by the President's Working Group on Financial Markets. This same working group reiterated on April 29th of this year, in their report on hedge fund activity, that Congress should pass this legislation. However, in an effort to keep this legislation free and separate from the ongoing bankruptcy debate, I am only introducing those portions of the proposal which amend banking law. I will be chairing a hearing on this legislation on the Financial Institutions Subcommittee tomorrow morning.

Since the adoption of the Bankruptcy Code in 1978, Congress has recognized that certain financial market transactions qualify for different treatment in the event that one of the parties becomes insolvent. Specifically, many financial instruments are exempted from the automatic stay that is imposed on general commercial contracts during a bankruptcy proceeding. This is largely due to the fact that the Federal Deposit Insurance Corporation (FDIC), by law, becomes a trustee during any bankruptcy proceeding.

Mr. President, the ability to terminate, or close out and ''net'' financial products is an essential and vital part of our capital markets. Congress has recognized that participants in swap transactions should have the ability to terminate and ''net'' their swap agreements. Simply put, netting means that money payments or other obligations owed between parties with multiple contracts can be offset against each other, and one net amount can be paid by one party to the other in settlement. Cross-product netting means that parties can net out different kinds of financial contracts, such as swap agreements being offset with repurchase agreements. By eliminating the need for large fund transfers for each transaction in favor of a smaller net payment, netting allows parties to enter into multiple-transaction relationships with reduced credit and liquidity exposures to a counterparty's insolvency.

Many parties involved in financial transactions have entered into them for hedging purposes. My legislation encourages this type of behavior by clarifying that cross-product close-out netting should be permitted for positions in securities contracts, commodity contracts, forward contracts, repurchase agreements and swaps.

For example, in certain cases, the protections for financial contracts in the bank insolvency laws have not kept pace with market evolution. Assume, for example, that Party A and Party B have two outstanding equity swaps in which the payments are calculated on the basis of an equity securities index. If Party A enter insolvency, it is not entirely clear whether Party B's contractual rights to close-out and net would be protected by the current ''swap agreement'' definition in the Federal Deposit Insurance Act. If both of the parties are ''financial institutions'' under the Federal Deposit Insurance Corporation Improvement Act or the Federal Reserve Board's Regulation EE and the swap agreements are ''netting contracts,'' then Party B might (although it is not entirely clear) be able to exercise its close-out, netting and foreclosure rights.

However, if one of the parties is not a ''financial institution'' or the contract does not constitute a ''netting contract'' (for example, because it is governed by the laws of the United Kingdom), then Party B could be subject, among other things, to the risk of ''cherry-picking''—the risk that Party A's receiver would assume responsibility only for the swap that currently favors Party A, leaving Party B with a potentially sizable claim against Party A (which would be undersecured because of the impairment of netting) and the risk that its foreclosure on any collateral would be blocked indefinitely. This could impair Party B's creditworthiness, which in turn could lead to its default to its counterparties. It is this sort of ''chain reaction'' that can exacerbate systemic risk in the financial markets.

Finally, Mr. President, it is important to recognize that the framework for the bill I am introducing was contained in S. 1301, the bankruptcy bill introduced by Senator GRASSLEY last year which passed the Senate by a vote of 97–1.

## ADDITIONAL COSPONSORS

S. 341

At the request of Mr. CRAIG, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 341, a bill to amend the Internal Revenue Code of 1986 to increase the amount allowable for qualified adoption expenses, to permanently extend the credit for adoption expenses, and to adjust the limitations on such credit for inflation, and for other purposes.

S. 376

At the request of Mr. BURNS, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 376, a bill to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes.

S. 385

At the request of Mr. ENZI, the names of the Senator from Tennessee [Mr. FRIST] and the Senator from Kansas [Mr. BROWNBACK] were added as cosponsors of S. 385, a bill to amend the Occupational Safety and Health Act of 1970 to further improve the safety and health of working environments, and for other purposes.

S. 434

At the request of Mr. BREAUX, the name of the Senator from Louisiana [Ms. LANDRIEU] was added as a cosponsor of S. 434, a bill to amend the Internal Revenue Code of 1986 to simplify the method of payment of taxes on distilled spirits.

S. 440

At the request of Mr. DURBIN, his name was added as a cosponsor of S. 440, a bill to provide support for certain institutes and schools.

S. 505

At the request of Mr. GRASSLEY, the names of the Senator from South Dakota [Mr. DASCHLE] and the Senator from Montana [Mr. BAUCUS] were added as cosponsors of S. 505, a bill to give gifted and talented students the opportunity to develop their capabilities.

S. 512

At the request of Mr. GORTON, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of S. 512, a bill to amend the Public Health Service Act to provide for the expansion, intensification, and coordination of the activities of the Department of Health and Human Services with respect to research on autism.

S. 514

At the request of Mr. COCHRAN, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 514, a bill to improve the National Writing Project.

S. 625

At the request of Mr. GRASSLEY, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 625, a bill to amend title 11, United States Code, and for other purposes.

S. 710

At the request of Mr. LOTT, the name of the Senator from Louisiana [Ms. LANDRIEU] was added as a cosponsor of S. 710, a bill to authorize the feasibility study on the preservation of certain Civil War battlefields along the Vicksburg Campaign Trail.

S. 774

At the request of Mr. BREAUX, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 774, a bill to amend the Internal Revenue Code of 1986 to increase the deduction for meal and entertainment expenses of small businesses.

S. 784

At the request of Mr. ROCKEFELLER, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 784, a bill to establish a demonstration project to study and provide coverage of routine patient care costs for

medicare beneficiaries with cancer who are enrolled in an approved clinical trial program.

S. 882

At the request of Mr. MURKOWSKI, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 882, a bill to strengthen provisions in the Energy Policy Act of 1992 and the Federal Nonnuclear Energy Research and Development Act of 1974 with respect to potential Climate Change.

S. 918

At the request of Mr. KERRY, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 918, A bill to authorize the Small Business Administration to provide financial and business development assistance to military reservists' small business, and for other purposes.

SENATE CONCURRENT RESOLUTION 22

At the request of Mr. DODD, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of Senate Concurrent Resolution 22, a concurrent resolution expressing the sense of the Congress with respect to promoting coverage of individuals under long-term care insurance.

SENATE RESOLUTION 34

At the request of Mr. TORRICELLI, the name of the Senator from Idaho [Mr. CRAPO] was added as a cosponsor of Senate Resolution 34, a resolution designating the week beginning April 30, 1999, as ''National Youth Fitness Week.''

SENATE RESOLUTION 59

At the request of Mr. LAUTENBERG, the name of the Senator from Connecticut [Mr. DODD] was added as a cosponsor of Senate Resolution 59, a resolution designating both July 2, 1999, and July 2, 2000, as ''National Literacy Day.''

SENATE RESOLUTION 71

At the request of Mr. ABRAHAM, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of Senate Resolution 71, a resolution expressing the sense of the Senate rejecting a tax increase on investment income of certain associations.

## SENATE RESOLUTION 93—TO RECOGNIZE LINCOLN PARK HIGH SCHOOL FOR ITS EDUCATIONAL EXCELLENCE, CONGRATULATING THE FACULTY AND STAFF OF LINCOLN PARK HIGH SCHOOL FOR THEIR EFFORTS, AND ENCOURAGING THE FACULTY, STAFF, AND STUDENTS OF LINCOLN PARK HIGH SCHOOL TO CONTINUE THEIR GOOD WORK INTO THE NEXT MILLENNIUM

Mr. DURBIN (for himself and Mr. FITZGERALD) submitted the following resolution; which was referred to the Committee on Health, Education, Labor, and Pensions:

S. RES. 93

Whereas 1999 marks the centennial anniversary of the establishment of Lincoln Park High School;

Whereas Lincoln Park High School is the oldest continually operated high school building in the Chicago Public School System;

Whereas Lincoln Park High School has been a cornerstone of the community and an educational leader in Chicago for 100 years;

Whereas over 100,000 students have graduated from Lincoln Park High School, with 85 percent of those students pursuing higher education;

Whereas throughout its existence, Lincoln Park High School has created an environment of academic excellence and has produced many Illinois State Scholars and National Merit Scholars;

Whereas Lincoln Park High School has been a leader in education, being the first school in Illinois to offer the International Baccalaureate program;

Whereas Lincoln Park High School has been a racially integrated institution throughout its 100-year history;

Whereas Lincoln Park High School has provided stability to the community in times of need, through World War I, the Great Depression, World War II, the Korean conflict, the civil rights struggle, and the Vietnam era; and

Whereas Lincoln Park High School is consistently among the top public high schools in both test scores and other measures of academic achievement: Now, therefore, be it

*Resolved,* That the Senate—

(1) recognizes Lincoln Park High School for its educational excellence;

(2) congratulates the faculty and staff of Lincoln Park High School for their efforts; and

(3) encourages the faculty, staff, and students of Lincoln Park High School to continue their good work into the next millennium.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the principal of Lincoln Park High School.

● Mr. DURBIN. Mr. President, I rise today to submit a resolution honoring the academic achievements and excellence of Lincoln Park High School in Chicago, Illinois, which is celebrating its 100th anniversary this year.

Educating America's youth is a difficult and often overlooked task. For the students of today to become the leaders of tommorrow, education is critical. It is the foundation on which a student builds his or her future. With our ever changing world, education is the key that unlocks the door of opportunity. Therefore, it is an honor to acknowledge this institution for its great service over the last century.

Since 1899, Lincoln Park High School has been an educational leader in Chicago, maintaining a standard of excellence that should be looked upon as a model. Furthermore, Lincoln Park High School has been consistently among the top public high schools in test scores and other measures of achievement, and has been racially integrated throughout its history.

I am pleased to be joined today by my colleague from Illinois, Senator PETER FITZGERALD, in presenting this resolution recognizing Lincoln Park High School as a model for educational institutions throughout the United States.●

● Mr. FITZGERALD. Mr. President, It is my pleasure to recognize an outstanding public high school in my home state of illinois. I, along with Senator DICK DURBIN, want to congratulate Lincoln Park High School, a public high school in Chicago, Illinois, on its 100th anniversary this year.

Throughout its history, Lincoln Park High School has been a model for other public schools in its single minded pursuit of excellence. I'd like to share with you some of the history of this terrific school. Lincoln Park is the oldest continually-used public high school in the Chicago Public School system. Since its opening in 1899, more than 100,000 students have passed through the doors of Lincoln Park High and benefitted from the classes and extracurricular activities offered. Additionally, Lincoln Park High has created an atmosphere of academic excellence and produced many Illinois State Scholars and National Merit Scholars. It is ranked consistently among the top high schools in test scores and other measures of academic achievement. The school's strive to excel is readily apparent with the establishment of rigorous academic programs such as the ''Access to Excellence'' magnet program and the International Baccalaureate Program, a program available only in selected schools. The outstanding academic success of Lincoln Park High School prompted President Ronald Reagan to praise the school publicly in 1984.

Mr. President, I am pleased to submit this resolution with my colleague, Senator DURBIN, and congratulate the faculty, staff and students who attend Lincoln Park High School on their 100th anniversary. They should be very proud of this tremendous accomplishment.●

## SENATE RESOLUTION 94—COMMENDING THE EFFORTS OF THE REVEREND JESSE JACKSON TO SECURE THE RELEASE OF THE SOLDIERS HELD BY THE FEDERAL REPUBLIC OF YUGOSLAVIA

Mr. BYRD (for himself and Mr. GRAMM) submitted the following resolution; which was ordered held at the desk until the close of business on May 4, 1999:

S. RES. 94

Whereas on March 31, 1999, Staff Sergeant Andrew A. Ramirez, Staff Sergeant Christopher J. Stone, and Specialist Steven M. Gonzales were taken prisoner by the armed forces of the Federal Republic of Yugoslavia while on patrol along the Macedonia-Yugoslav border;

Whereas Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales conducted themselves throughout their ordeal with dignity, patriotism, and faith;

Whereas the Reverend Jesse Jackson led a delegation of religious leaders to the Federal Republic of Yugoslavia that succeeded in negotiating the release of Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales; and

Whereas the Reverend Jesse Jackson has previously succeeded in securing the release of hostages held in Syria, Cuba, and Iraq: Now, therefore, be it

*Resolved,* That—

(1) the Senate commends the Reverend Jesse Jackson for his successful efforts in securing the release of Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales, and for his leadership and actions arising from his deep faith in God; and

(2) the Senate joins the families of Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales in expressing relief and joy at their safe release.

## SENATE RESOLUTION 95—DESIGNATING AUGUST 16, 1999, AS ''NATIONAL AIRBORNE DAY''

Mr. THURMOND submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 95

Whereas the Parachute Test Platoon was authorized by the War Department on June 25, 1940, to experiment with the potential use of airborne troops;

Whereas the Parachute Test Platoon was composed of 48 volunteers that began training in July, 1940;

Whereas the Parachute Test Platoon performed the first official Army parachute jump on August 16, 1940;

Whereas the success of the Parachute Test Platoon led to the formation of a large and successful airborne contingent serving from World War II until the present;

Whereas the 11th, 13th, 17th, 82nd, and 101st Airborne Divisions and the numerous other regimental and battalion-sized airborne units were organized following the success of the Parachute Test Platoon;

Whereas the 501 Parachute Battalion participated successfully and valiantly in achieving victory in World War II;

Whereas the airborne achievements during World War II provided the basis for continuing the development of a diversified force of parachute and air assault troops;

Whereas paratroopers, glidermen, and air assault troops of the United States were and are proud members of the world's most exclusive and honorable fraternity, have earned and wear the ''Silver Wings of Courage'', have participated in a total of 93 combat jumps, and have distinguished themselves in battle by earning 68 Congressional medals of Honor, the highest military decoration of the United States, and hundreds of Distinguished Service Crosses and Silver Stars;

Whereas these airborne forces have performed in important military and peacekeeping operations, wherever needed, in World War II, Korea, Vietnam, Lebanon, Sinai, the Dominican Republic, Panama, Somalia, Haiti, and Bosnia; and

Whereas the Senate joins together with the airborne community to celebrate August 16, 1999, as ''National Airborne Day'': Now, therefore, be it

*Resolved,* That the Senate—

(1) designates August 16, 1999, as ''National Airborne Day''; and

(2) requests that the President issue a proclamation calling on Federal, State, and local administrators and the people of the United States to observe the day with appropriate programs, ceremonies, and activities.

Mr. THURMOND. Mr. President, I am pleased to submit today a Senate resolution proclaiming August 16, 1999 as ''National Airborne Day.''

On June 25, 1940, the War Department authorized the Parachute Test Platoon to experiment with the potential use of airborne troops. The Parachute Test Platoon, which was composed of 48 volunteers, performed the first official army parachute jump on August 16, 1940. The success of the Platoon led to the formation of a large and successful airborne contingent that has served from World War Two unto the present.

The 82d Airborne Division was the first airborne division to be organized. In a two-year period during World War Two, the regiments of the 82d served in Italy at Anzio, in France at Normandy, where I landed with them, and at the Battle of the Bulge.

Other units were subsequently organized, including the 101st Airborne, and since their formation airborne forces have defended American interests all over the world. They have seen action in the Caribbean, Asia, Panama, and in the Persian Gulf. Airborne units have earned over 65 Congressional Medals of Honor, our Nation's highest military honor.

These brave soldiers have served our Nation for over sixty years with distinction. This resolution recognizes the airborne's past and present commitment to our country. It is only fitting that we honor them.

I urge you to join with me in sponsoring ''National Airborne Day'' to express our support for the members of the airborne community and also our gratitude for their tireless commitment to our Nation's defense and ideals.

## AMENDMENTS SUBMITTED

## FINANCIAL SERVICES MODERNIZATION ACT OF 1999

### DASCHLE (AND OTHERS) AMENDMENT NO. 302

Mr. SARBANES (for Mr. DASCHLE (for himself, Mr. SARBANES, Mr. DODD, Mr. KERRY, Mr. BRYAN, Mr. REED, Mr. SCHUMER, Mr. BAYH, and Mr. EDWARDS)) proposed an amendment to the bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE; PURPOSES; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Financial Services Act of 1999''.

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

(1) To enhance competition in the financial services industry, in order to foster innovation and efficiency.

(2) To ensure the continued safety and soundness of depository institutions.

(3) To provide necessary and appropriate protections for investors and ensure fair and honest markets in the delivery of financial services.

(4) To avoid duplicative, potentially conflicting, and overly burdensome regulatory requirements through the creation of a regulatory framework for financial holding companies that respects the divergent requirements of each of the component businesses of the holding company, and that is based upon principles of strong functional regulation and enhanced regulatory coordination.

(5) To reduce and, to the maximum extent practicable, to eliminate the legal barriers preventing affiliation among depository institutions, securities firms, insurance companies, and other financial service providers and to provide a prudential framework for achieving that result.

(6) To enhance the availability of financial services to citizens of all economic circumstances and in all geographic areas.

(7) To enhance the competitiveness of United States financial service providers internationally.

(8) To ensure compliance by depository institutions with the provisions of the Community Reinvestment Act of 1977 and enhance the ability of depository institutions to meet the capital and credit needs of all citizens and communities, including underserved communities and populations.

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

## TITLE I—FACILITATING AFFILIATION AMONG SECURITIES FIRMS, INSURANCE COMPANIES, AND DEPOSITORY INSTITUTIONS

### Subtitle A—Affiliations

**SEC. 101. GLASS-STEAGALL ACT REFORMED.**

(a) SECTION 20 REPEALED.—Section 20 of the Banking Act of 1933 (12 U.S.C. 377) (commonly referred to as the ''Glass-Steagall Act'') is repealed.

(b) SECTION 32 REPEALED.—Section 32 of the Banking Act of 1933 (12 U.S.C. 78) is repealed.

**SEC. 102. ACTIVITY RESTRICTIONS APPLICABLE TO BANK HOLDING COMPANIES WHICH ARE NOT FINANCIAL HOLDING COMPANIES.**

(a) IN GENERAL.—Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended to read as follows:

''(8) shares of any company the activities of which had been determined by the Board by regulation under this paragraph as of the day before the date of enactment of the Financial Services Act of 1999, to be so closely related to banking as to be a proper incident thereto (subject to such terms and conditions contained in such regulation, unless modified by the Board);''.

(b) CONFORMING CHANGES TO OTHER STATUTES.—

(1) AMENDMENT TO THE BANK HOLDING COMPANY ACT AMENDMENTS OF 1970.—Section 105 of

the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1850) is amended by striking '', to engage directly or indirectly in a nonbanking activity pursuant to section 4 of such Act,''.

(2) AMENDMENT TO THE BANK SERVICE COMPANY ACT.—Section 4(f) of the Bank Service Company Act (12 U.S.C. 1864(f)) is amended by striking the period and adding at the end the following: ''as of the day before the date of enactment of the Financial Services Act of 1999.''.

**SEC. 103. FINANCIAL HOLDING COMPANIES.**

The Bank Holding Company Act of 1956 is amended by inserting after section 5 (12 U.S.C. 1844) the following new section:

**''SEC. 6. FINANCIAL HOLDING COMPANIES.**

''(a) FINANCIAL HOLDING COMPANY DEFINED.—For purposes of this section, the term 'financial holding company' means a bank holding company which meets the requirements of subsection (b).

''(b) ELIGIBILITY REQUIREMENTS FOR FINANCIAL HOLDING COMPANIES.—

''(1) IN GENERAL.—No bank holding company may engage in any activity or directly or indirectly acquire or retain shares of any company under this section unless the bank holding company meets the following requirements:

''(A) All of the subsidiary depository institutions of the bank holding company are well capitalized.

''(B) All of the subsidiary depository institutions of the bank holding company are well managed.

''(C) All of the subsidiary depository institutions of the bank holding company have achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of each such institution under the Community Reinvestment Act of 1977.

''(D) The company has filed with the Board a declaration that the company elects to be a financial holding company and certifying that the company meets the requirements of subparagraphs (A) through (C).

''(2) FOREIGN BANKS AND COMPANIES.—For purposes of paragraph (1), the Board shall establish and apply comparable capital and other operating standards to a foreign bank that operates a branch or agency or owns or controls a bank or commercial lending company in the United States, and any company that owns or controls such foreign bank, giving due regard to the principle of national treatment and equality of competitive opportunity.

''(3) LIMITED EXCLUSIONS FROM COMMUNITY NEEDS REQUIREMENTS FOR NEWLY ACQUIRED DEPOSITORY INSTITUTIONS.—

''(A) IN GENERAL.—If the requirements of subparagraph (B) are met, any depository institution acquired by a bank holding company during the 24-month period preceding the submission of a declaration under paragraph (1)(D) and any depository institution acquired after the submission of such declaration may be excluded for purposes of paragraph (1)(C) until the later of—

''(i) the end of the 24-month period beginning on the date the acquisition of the depository institution by such company is consummated; or

''(ii) the date of completion of the first examination of such depository institution under the Community Reinvestment Act of 1977 which is conducted after the date of the acquisition of the depository institution.

''(B) REQUIREMENTS.—The requirements of this subparagraph are met with respect to any bank holding company referred to in subparagraph (A) if—

''(i) the bank holding company has submitted an affirmative plan to the appropriate Federal banking agency to take such action as may be necessary in order for such institution to achieve a rating of 'satisfactory record of meeting community credit needs', or better, at the next examination of the institution under the Community Reinvestment Act of 1977; and

''(ii) the plan has been approved by such agency.

''(c) ENGAGING IN ACTIVITIES THAT ARE FINANCIAL IN NATURE.—

''(1) FINANCIAL ACTIVITIES.—Notwithstanding section 4(a), a financial holding company and a wholesale financial holding company may engage in any activity, and acquire and retain the shares of any company engaged in any activity, that the Board and the Secretary of the Treasury have jointly determined, pursuant to paragraph (2) (by regulation or order), to be financial in nature or incidental to such financial activities.

''(2) FACTORS TO BE CONSIDERED.—In determining whether an activity is financial in nature or incidental to financial activities, the Board and the Secretary of the Treasury shall take into account—

''(A) the purposes of this Act and the Financial Services Act of 1999;

''(B) changes or reasonably expected changes in the marketplace in which bank holding companies compete;

''(C) changes or reasonably expected changes in the technology for delivering financial services; and

''(D) whether such activity is necessary or appropriate to allow bank holding companies to—

''(i) compete effectively with any company seeking to provide financial services in the United States;

''(ii) use any available or emerging technological means, including any application necessary to protect the security or efficacy of systems for the transmission of data or financial transactions, in providing financial services; and

''(iii) offer customers any available or emerging technological means for using financial services.

''(3) ACTIVITIES THAT ARE FINANCIAL IN NATURE.—The following activities shall be considered to be financial in nature:

''(A) Lending, exchanging, transferring, investing for others, or safeguarding money or securities.

''(B) Insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, or providing and issuing annuities, and acting as principal, agent, or broker for purposes of the foregoing.

''(C) Providing financial, investment, or economic advisory services, including advising an investment company (as defined in section 3 of the Investment Company Act of 1940).

''(D) Issuing or selling instruments representing interests in pools of assets permissible for a bank to hold directly.

''(E) Underwriting, dealing in, or making a market in securities.

''(F) Engaging in any activity that the Board has determined, by order or regulation that is in effect on the date of enactment of the Financial Services Act of 1999, to be so closely related to banking or managing or controlling banks as to be a proper incident thereto (subject to the same terms and conditions contained in such order or regulation, unless modified by the Board).

''(G) Engaging, in the United States, in any activity that—

''(i) a bank holding company may engage in outside the United States; and

''(ii) the Board has determined, under regulations issued pursuant to section 4(c)(13) of this Act (as in effect on the day before the date of enactment of the Financial Services Act of 1999) to be usual in connection with the transaction of banking or other financial operations abroad.

''(H) Directly or indirectly acquiring or controlling, whether as principal, on behalf of 1 or more entities (including entities, other than a depository institution, that the bank holding company controls) or otherwise, shares, assets, or ownership interests (including without limitation debt or equity securities, partnership interests, trust certificates or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

''(i) the shares, assets, or ownership interests are not acquired or held by a depository institution;

''(ii) such shares, assets, or ownership interests are acquired and held by a securities affiliate or an affiliate thereof as part of a bona fide underwriting or merchant banking activity, including investment activities engaged in for the purpose of appreciation and ultimate resale or disposition of the investment;

''(iii) such shares, assets, or ownership interests are held only for such a period of time as will permit the sale or disposition thereof on a reasonable basis consistent with the nature of the activities described in clause (ii); and

''(iv) during the period such shares, assets, or ownership interests are held, the bank holding company does not actively participate in the day to day management or operation of such company or entity, except insofar as necessary to achieve the objectives of clause (ii).

''(I) Directly or indirectly acquiring or controlling, whether as principal, on behalf of 1 or more entities (including entities, other than a depository institution or subsidiary of a depository institution, that the bank holding company controls) or otherwise, shares, assets, or ownership interests (including without limitation debt or equity securities, partnership interests, trust certificates or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

''(i) the shares, assets, or ownership interests are not acquired or held by a depository institution or a subsidiary of a depository institution;

''(ii) such shares, assets, or ownership interests are acquired and held by an insurance company that is predominantly engaged in underwriting life, accident and health, or property and casualty insurance (other than credit-related insurance);

''(iii) such shares, assets, or ownership interests represent an investment made in the ordinary course of business of such insurance company in accordance with relevant State law governing such investments; and

''(iv) during the period such shares, assets, or ownership interests are held, the bank holding company does not directly or indirectly participate in the day-to-day management or operation of the company or entity except insofar as necessary to achieve the objectives of clauses (ii) and (iii).

''(4) ACTIONS REQUIRED.—

''(A) REGULATION OF MERCHANT BANKING.—The Board may prescribe regulations and

issue interpretations to implement paragraph (3)(H).

''(B) REGULATION OF OTHER ACTIVITIES.—The Board and the Secretary of the Treasury—

''(i) may jointly prescribe regulations and issue interpretations under paragraph (3), other than subparagraph (H); and

''(ii) shall jointly define, by regulation, activities described in paragraph (5), to the extent that they are consistent with the purposes of this Act, as financial in nature or incidental to activities that are financial in nature.

''(5) ACTIVITIES DESCRIBED.—The activities described in this paragraph are—

''(A) lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities;

''(B) providing any device or other instrumentality for transferring money or other financial assets; and

''(C) arranging, effecting, or facilitating financial transactions for the account of third parties.

''(6) POST-CONSUMMATION NOTIFICATION.—

''(A) IN GENERAL.—A financial holding company and a wholesale financial holding company that acquires any company, or commences any activity, pursuant to this subsection shall provide written notice to the Board describing the activity commenced or conducted by the company acquired no later than 30 calendar days after commencing the activity or consummating the acquisition.

''(B) APPROVAL NOT REQUIRED FOR CERTAIN FINANCIAL ACTIVITIES.—Except as provided in section 4(j) with regard to the acquisition of a savings association or in paragraph (7) of this subsection, a financial holding company and a wholesale financial holding company may commence any activity, or acquire any company, pursuant to paragraph (3) or any regulation prescribed or order issued under paragraph (4), without prior approval of the Board.

''(7) NOTICE REQUIRED FOR LARGE COMBINATIONS.—

''(A) IN GENERAL.—No financial holding company or wholesale financial holding company shall directly or indirectly acquire, and no company that becomes a financial holding company or a wholesale financial holding company shall directly or indirectly acquire control of, any company in the United States, including through merger, consolidation, or other type of business combination, that—

''(i) is engaged in activities permitted under this subsection or subsection (g); and

''(ii) has consolidated total assets in excess of $40,000,000,000,

unless such holding company has provided notice to the Board, not later than 60 days prior to such proposed acquisition or prior to becoming a financial holding company or wholesale financial holding company, and during that time period, or such longer time period not exceeding an additional 60 days, as established by the Board, the Board has not issued a notice disapproving the proposed acquisition or retention.

''(B) FACTORS FOR CONSIDERATION.—In reviewing any prior notice filed under this paragraph, the Board shall take into consideration—

''(i) whether the company is in compliance with all applicable criteria set forth in subsection (b) and the provisions of subsection (d);

''(ii) whether the proposed combination represents an undue aggregation of resources;

''(iii) whether the proposed combination poses a risk to the deposit insurance system;

''(iv) whether the proposed combination poses a risk to State insurance guaranty funds;

''(v) whether the proposed combination can reasonably be expected to be in the best interests of depositors or policyholders of the respective entities; and

''(vi) whether the proposed transaction can reasonably be expected to produce benefits to the public.

''(C) REQUIRED INFORMATION.—The Board may disapprove any prior notice filed under this paragraph if the company submitting such notice neglects, fails, or refuses to furnish to the Board all relevant information required by the Board.

''(D) SOLICITATION OF VIEWS OF OTHER SUPERVISORY AGENCIES.—

''(i) IN GENERAL.—Upon receiving a prior notice under this paragraph, in order to provide for the submission of their views and recommendations, the Board shall give notice of the proposal to—

''(I) the appropriate Federal banking agency of any bank involved;

''(II) the appropriate functional regulator of any functionally regulated nondepository institution (as defined in section 5(c)(1)(C)) involved; and

''(III) the Secretary of the Treasury, the Department of Justice, and the Federal Trade Commission.

''(ii) TIMING.—The views and recommendations of any agency provided notice under this paragraph shall be submitted to the Board not later than 30 calendar days after the date on which notice to the agency was given, unless the Board determines that another shorter time period is appropriate.

''(d) PROVISIONS APPLICABLE TO FINANCIAL HOLDING COMPANIES THAT FAIL TO MEET REQUIREMENTS.—

''(1) IN GENERAL.—If a financial holding company is not in compliance with the requirements of subparagraph (A), (B), (C), or (D) of subsection (b)(1), the appropriate Federal banking agency of the subsidiary depository institution shall notify the Board which shall give notice of such finding to the company.

''(2) AGREEMENT TO CORRECT CONDITIONS REQUIRED.—

''(A) IN GENERAL.—Not later than 45 days after receipt by a financial holding company of a notice given under paragraph (1) (or such additional period as the Board may permit), the company and any relevant depository institution shall execute an agreement acceptable to the Board and the appropriate Federal banking agency to comply with the requirements applicable to a financial holding company.

''(B) CERTAIN FAILURES TO COMPLY.—A financial holding company shall not be required to divest any company held, or terminate any activity conducted pursuant to, subsection (c) solely because of a failure to comply with subsection (b)(1)(C).

''(3) BOARD MAY IMPOSE LIMITATIONS.—Until the conditions described in a notice to a financial holding company under paragraph (1) are corrected—

''(A) the Board may impose such limitations on the conduct or activities of the company or any affiliate of the company (other than a depository to institution or a subsidiary of a depository institution) as the Board determines to be appropriate under the circumstances; and

''(B) the appropriate Federal banking agency may impose such limitations on the conduct or activities of an affiliated depository institution or subsidiary of a depository institution as the appropriate Federal banking agency determines to be appropriate under the circumstances.

''(4) FAILURE TO CORRECT.—If, after receiving a notice under paragraph (1), a financial holding company or a depository institution affiliate of such company does not—

''(A) execute and implement an agreement in accordance with paragraph (2);

''(B) comply with any limitations imposed under paragraph (3);

''(C) in the case of a notice of failure to comply with subsection (b)(1)(A), restore each depository institution subsidiary to well capitalized status before the end of the 180-day period beginning on the date such notice is received by the company (or such other period permitted by the Board); or

''(D) in the case of a notice of failure to comply with subparagraph (B) or (C) of subsection (b)(1), restore compliance with any such subparagraph on or before the date on which the next examination of the depository institution subsidiary is completed or by the end of such other period as the Board determines to be appropriate,

the Board may require such company, under such terms and conditions as may be imposed by the Board and subject to such extension of time as may be granted in the Board's discretion, to divest control of any depository institution subsidiary or, at the election of the financial holding company, instead to cease to engage in any activity conducted by such company or its subsidiaries pursuant to this section.

''(5) CONSULTATION.—In taking any action under this subsection, the Board shall consult with all relevant Federal and State regulatory agencies.

''(e) SAFEGUARDS FOR BANK SUBSIDIARIES.—A financial holding company shall assure that—

''(1) the procedures of the holding company for identifying and managing financial and operational risks within the company, and the subsidiaries of such company, adequately protect the subsidiaries of such company which are insured depository institutions from such risks;

''(2) the holding company has reasonable policies and procedures to preserve the separate corporate identity and limited liability of such company and the subsidiaries of such company, for the protection of the company's subsidiary insured depository institutions; and

''(3) the holding company complies with this section.

''(f) AUTHORITY TO RETAIN LIMITED NONFINANCIAL ACTIVITIES AND AFFILIATIONS.—

''(1) IN GENERAL.—Notwithstanding section 4(a), a company that is not a bank holding company or a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978) and becomes a financial holding company after the date of enactment of the Financial Services Act of 1999 may continue to engage in any activity and retain direct or indirect ownership or control of shares of a company engaged in any activity if—

''(A) the holding company lawfully was engaged in the activity or held the shares of such company on September 30, 1997;

''(B) the holding company is predominantly engaged in financial activities as defined in paragraph (2); and

''(C) the company engaged in such activity continues to engage only in the same activities that such company conducted on September 30, 1997, and other activities permissible under this Act.

''(2) PREDOMINANTLY FINANCIAL.—For purposes of this subsection, a company is predominantly engaged in financial activities if the annual gross revenues derived by the holding company and all subsidiaries of the holding company (excluding revenues derived from subsidiary depository institutions), on a consolidated basis, from engaging in activities that are financial in nature or are incidental to activities that are financial in nature under subsection (c) represent at least 85 percent of the consolidated annual gross revenues of the company.

''(3) NO EXPANSION OF GRANDFATHERED COMMERCIAL ACTIVITIES THROUGH MERGER OR CONSOLIDATION.—A financial holding company that engages in activities or holds shares pursuant to this subsection, or a subsidiary of such financial holding company, may not acquire, in any merger, consolidation, or other type of business combination, assets of any other company which is engaged in any activity which the Board has not determined to be financial in nature or incidental to activities that are financial in nature under subsection (c).

''(4) CONTINUING REVENUE LIMITATION ON GRANDFATHERED COMMERCIAL ACTIVITIES.—Notwithstanding any other provision of this subsection, a financial holding company may continue to engage in activities or hold shares in companies pursuant to this subsection only to the extent that the aggregate annual gross revenues derived from all such activities and all such companies does not exceed 15 percent of the consolidated annual gross revenues of the financial holding company (excluding revenues derived from subsidiary depository institutions).

''(5) CROSS MARKETING RESTRICTIONS APPLICABLE TO COMMERCIAL ACTIVITIES.—A depository institution controlled by a financial holding company shall not—

''(A) offer or market, directly or through any arrangement, any product or service of a company whose activities are conducted or whose shares are owned or controlled by the financial holding company pursuant to this subsection or subparagraph (H) or (I) of subsection (c)(3); or

''(B) permit any of its products or services to be offered or marketed, directly or through any arrangement, by or through any company described in subparagraph (A).

''(6) TRANSACTIONS WITH NONFINANCIAL AFFILIATES.—An insured depository institution controlled by a financial holding company or wholesale financial holding company may not engage in a covered transaction (as defined by section 23A(b)(7) of the Federal Reserve Act) with any affiliate controlled by the company pursuant to section 10(c), this subsection, or subparagraph (H) or (I) of subsection (c)(3).

''(7) SUNSET OF GRANDFATHER.—A financial holding company engaged in any activity, or retaining direct or indirect ownership or control of shares of a company, pursuant to this subsection, shall terminate such activity and divest ownership or control of the shares of such company before the end of the 10-year period beginning on the date of enactment of the Financial Services Act of 1999. The Board may, upon application by a financial holding company, extend such 10-year period by a period not to exceed an additional 5 years if such extension would not be detrimental to the public interest.

''(g) DEVELOPING ACTIVITIES.—A financial holding company and a wholesale financial holding company may engage directly or indirectly, or acquire shares of any company engaged, in any activity that the Board has not determined to be financial in nature or incidental to financial activities under subsection (c) if—

''(1) the holding company reasonably concludes that the activity is financial in nature or incidental to financial activities;

''(2) the gross revenues from all activities conducted under this subsection represent less than 5 percent of the consolidated gross revenues of the holding company;

''(3) the aggregate total assets of all companies the shares of which are held under this subsection do not exceed 5 percent of the holding company's consolidated total assets;

''(4) the total capital invested in activities conducted under this subsection represents less than 5 percent of the consolidated total capital of the holding company;

''(5) the Board has not determined that the activity is not financial in nature or incidental to financial activities under subsection (c);

''(6) the holding company is not required to provide prior written notice of the transaction to the Board under subsection (c)(6); and

''(7) the holding company provides written notification to the Board describing the activity commenced or conducted by the company acquired no later than 10 business days after commencing the activity or consummating the acquisition.

''(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) WELL CAPITALIZED.—The term 'well capitalized' has the same meaning as in section 38 of the Federal Deposit Insurance Act. For purposes of this section, the appropriate Federal banking agency shall have exclusive jurisdiction to determine whether an depository institution is well capitalized.

''(2) WELL MANAGED.—

''(A) IN GENERAL.—The term 'well managed' means—

''(i) in the case of an depository institution that has been examined, unless otherwise determined in writing by the appropriate Federal banking agency, the achievement of—

''(I) a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the depository institution; and

''(II) at least a rating of 2 for management, if that rating is given; or

''(ii) in the case of an depository institution that has not been examined, the existence and use of such managerial resources as the appropriate Federal banking agency determines are satisfactory.

''(B) EXISTING JURISDICTION PRESERVED.—For purposes of this section, the appropriate Federal banking agency shall have exclusive jurisdiction to determine whether a depository institution is well managed.''.

**SEC. 104. OPERATION OF STATE LAW.**

(a) AFFILIATIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), no State may, by statute, regulation, order, interpretation, or other action, prevent or restrict an insured depository institution or wholesale financial institution, or a subsidiary or affiliate thereof, from being affiliated directly or indirectly or associated with any person or entity, as authorized or permitted by this Act or any other provision of Federal law.

(2) INSURANCE.—With respect to affiliations between insured depository institutions or wholesale financial institutions, or any subsidiary or affiliate thereof, and persons or entities engaged in the business of insurance, paragraph (1) does not prohibit any State from—

(A) requiring any person or entity that proposes to acquire control of an entity that is engaged in the business of insurance and domiciled in that State (hereafter in this subparagraph referred to as the ''insurer'') to furnish to the insurance regulatory authority of that State, not later than 60 days before the effective date of the proposed acquisition—

(i) the name and address of each person by whom, or on whose behalf, the affiliation referred to in this subparagraph is to be effected (hereafter in this subparagraph referred to as the ''acquiring party'');

(ii) if the acquiring party is an individual, his or her principal occupation and all offices and positions held during the 5 years preceding the date of notification, and any conviction of crimes other than minor traffic violations during the 10 years preceding the date of notification;

(iii) if the acquiring party is not an individual—

(I) a report of the nature of its business operations during the 5 years preceding the date of notification, or for such shorter period as such person and any predecessors thereof shall have been in existence;

(II) an informative description of the business intended to be done by the acquiring party and any subsidiary thereof; and

(III) a list of all individuals who are, or who have been selected to become, directors or executive officers of the acquiring party or who perform, or will perform, functions appropriate to such positions, including, for each such individual, the information required by clause (ii);

(iv) the source, nature, and amount of the consideration used, or to be used, in effecting the merger or other acquisition of control, a description of any transaction wherein funds were, or are to be, obtained for any such purpose, and the identity of persons furnishing such consideration, except that, if a source of such consideration is a loan made in the lender's ordinary course of business, the identity of the lender shall remain confidential if the person filing such statement so requests;

(v) fully audited financial information as to the earnings and financial condition of each acquiring party for the 5 fiscal years preceding the date of notification of each such acquiring party, or for such lesser period as such acquiring party and any predecessors thereof shall have been in existence, and similar unaudited information as of a date not earlier than 90 days before the date of notification, except that, in the case of an acquiring party that is an insurer actively engaged in the business of insurance, the financial statements of such insurer need not be audited, but such audit may be required if the need therefor is determined by the insurance regulatory authority of the State;

(vi) any plans or proposals that each acquiring party may have to liquidate such insurer, to sell its assets, or to merge or consolidate it with any person or to make any other material change in its business or corporate structure or management;

(vii) the number of shares of any security of the insurer that each acquiring party proposes to acquire, the terms of any offer, request, invitation, agreement, or acquisition, and a statement as to the method by which the fairness of the proposal was arrived at;

(viii) the amount of each class of any security of the insurer that is beneficially owned or concerning which there is a right to acquire beneficial ownership by each acquiring party;

(ix) a full description of any contracts, arrangements, or understandings with respect

to any security of the insurer in which any acquiring party is involved, including transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies, and identification of the persons with whom such contracts, arrangements, or understandings have been entered into;

(x) a description of the purchase of any security of the insurer during the 12-month period preceding the date of notification by any acquiring party, including the dates of purchase, names of the purchasers, and consideration paid, or agreed to be paid, therefor;

(xi) a description of any recommendations to purchase any security of the insurer made during the 12-month period preceding the date of notification by any acquiring party or by any person based upon interviews or at the suggestion of such acquiring party;

(xii) copies of all tender offers for, requests or invitations for tenders of, exchange offers for and agreements to acquire or exchange any securities of the insurer and, if distributed, of additional soliciting material relating thereto; and

(xiii) the terms of any agreement, contract, or understanding made with any broker-dealer as to solicitation of securities of the insurer for tender and the amount of any fees, commissions, or other compensation to be paid to broker-dealers with regard thereto;

(B) requiring an entity that is acquiring control of an entity that is engaged in the business of insurance and domiciled in that State to maintain or restore the capital requirements of that insurance entity to the level required under the capital regulations of general applicability in that State to avoid the requirement of preparing and filing with the insurance regulatory authority of that State a plan to increase the capital of the entity, except that any determination by the State insurance regulatory authority with respect to such requirement shall be made not later than 60 days after the date of notification under subparagraph (A);

(C) taking actions with respect to the receivership or conservatorship of any insurance company; or

(D) restricting a change in the ownership of stock in an insurance company, or a company formed for the purpose of controlling such insurance company, for a period of not more than 3 years beginning on the date of the conversion of such company from mutual to stock form.

(3) PRESERVATION OF STATE ANTITRUST AND GENERAL CORPORATE LAWS.—

(A) IN GENERAL.—Nothing in paragraph (1) shall be construed as affecting State laws, regulations, orders, interpretations, or other actions of general applicability relating to the governance of corporations, partnerships, limited liability companies or other business associations incorporated or formed under the laws of that State or domiciled in that State, or the applicability of the antitrust laws of any State or any State law that is similar to the antitrust laws.

(B) DEFINITION.—For purposes of this paragraph, the term ''antitrust laws'' has the same meaning as in subsection (a) of the first section of the Clayton Act, and includes section 5 of the Federal Trade Commission Act to the extent that such section 5 relates to unfair methods of competition.

(b) ACTIVITIES.—

(1) IN GENERAL.—Except as provided in paragraph (3), and except with respect to insurance sales, solicitation, and cross marketing activities, which shall be governed by paragraph (2), no State may, by statute, regulation, order, interpretation, or other action, prevent or restrict an insured depository institution, wholesale financial institution, or subsidiary or affiliate thereof from engaging directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other entity or person, in any activity authorized or permitted under this Act.

(2) INSURANCE SALES.—

(A) IN GENERAL.—In accordance with the legal standards for preemption set forth in the decision of the Supreme Court of the United States in Barnett Bank of Marion County N.A. v. Nelson, 116 S. Ct. 1103 (1996), no State may, by statute, regulation, order, interpretation, or other action, prevent or significantly interfere with the ability of an insured depository institution or wholesale financial institution, or a subsidiary or affiliate thereof, to engage, directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other party, in any insurance sales, solicitation, or cross-marketing activity.

(B) CERTAIN STATE LAWS PRESERVED.—Notwithstanding subparagraph (A), a State may impose any of the following restrictions, or restrictions which are substantially the same as, but no more burdensome or restrictive than, those in each of the following clauses:

(i) Restrictions prohibiting the rejection of an insurance policy solely because the policy has been issued or underwritten by any person who is not associated with such insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof, when such insurance is required in connection with a loan or extension of credit.

(ii) Restrictions prohibiting a requirement for any debtor, insurer, or insurance agent or broker to pay a separate charge in connection with the handling of insurance that is required in connection with a loan or other extension of credit or the provision of another traditional banking product, unless such charge would be required when the insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof, is the licensed insurance agent or broker providing the insurance.

(iii) Restrictions prohibiting the use of any advertisement or other insurance promotional material by an insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof, that would cause a reasonable person to believe mistakenly that—

(I) a State or the Federal Government is responsible for the insurance sales activities of, or stands behind the credit of, the institution, affiliate, or subsidiary; or

(II) a State, or the Federal Government guarantees any returns on insurance products, or is a source of payment on any insurance obligation of or sold by the institution, affiliate, or subsidiary.

(iv) Restrictions prohibiting the payment or receipt of any commission or brokerage fee or other valuable consideration for services as an insurance agent or broker to or by any person, unless such person holds a valid State license regarding the applicable class of insurance at the time at which the services are performed, except that, in this clause, the term ''services as an insurance agent or broker'' does not include a referral by an unlicensed person of a customer or potential customer to a licensed insurance agent or broker that does not include a discussion of specific insurance policy terms and conditions.

(v) Restrictions prohibiting any compensation paid to or received by any individual who is not licensed to sell insurance, for the referral of a customer that seeks to purchase, or seeks an opinion or advice on, any insurance product to a person that sells or provides opinions or advice on such product, based on the purchase of insurance by the customer.

(vi) Restrictions prohibiting the release of the insurance information of a customer (defined as information concerning the premiums, terms, and conditions of insurance coverage, including expiration dates and rates, and insurance claims of a customer contained in the records of the insured depository institution or wholesale financial institution, or a subsidiary or affiliate thereof) to any person or entity other than an officer, director, employee, agent, subsidiary, or affiliate of an insured depository institution or a wholesale financial institution, for the purpose of soliciting or selling insurance, without the express consent of the customer, other than a provision that prohibits—

(I) a transfer of insurance information to an unaffiliated insurance company, agent, or broker in connection with transferring insurance in force on existing insureds of the insured depository institution or wholesale financial institution, or subsidiary or affiliate thereof, or in connection with a merger with or acquisition of an unaffiliated insurance company, agent, or broker; or

(II) the release of information as otherwise authorized by State or Federal law.

(vii) Restrictions prohibiting the use of health information obtained from the insurance records of a customer for any purpose, other than for its activities as a licensed agent or broker, without the express consent of the customer.

(viii) Restrictions prohibiting the extension of credit or any product or service that is equivalent to an extension of credit, lease or sale of property of any kind, or furnishing of any services, or fixing or varying the consideration for any of the foregoing, on the condition or requirement that the customer obtain insurance from the insured depository institution, wholesale financial institution, a subsidiary or affiliate thereof, or a particular insurer, agent, or broker, other than a prohibition that would prevent any insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof—

(I) from engaging in any activity that would not violate section 106 of the Bank Holding Company Act Amendments of 1970, as interpreted by the Board of Governors of the Federal Reserve System; or

(II) from informing a customer or prospective customer that insurance is required in order to obtain a loan or credit, that loan or credit approval is contingent upon the procurement by the customer of acceptable insurance, or that insurance is available from the insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof.

(ix) Restrictions requiring, when an application by a consumer for a loan or other extension of credit from an insured depository institution or wholesale financial institution is pending, and insurance is offered or sold to the consumer or is required in connection with the loan or extension of credit by the insured depository institution or wholesale financial institution, or any subsidiary or affiliate thereof, that a written disclosure be

provided to the consumer (or prospective customer) indicating that his or her choice of an insurance provider will not affect the credit decision or credit terms in any way, except that the insured depository institution or wholesale financial institution may impose reasonable requirements concerning the creditworthiness of the insurance provider and scope of coverage chosen.

(x) Restrictions requiring clear and conspicuous disclosure, in writing, where practicable, to the customer prior to the sale of any insurance policy that such policy—

(I) is not a deposit;

(II) is not insured by the Federal Deposit Insurance Corporation;

(III) is not guaranteed by the insured depository institution or wholesale financial institution or, if appropriate, its subsidiaries or affiliates or any person soliciting the purchase of or selling insurance on the premises thereof; and

(IV) where appropriate, involves investment risk, including potential loss of principal.

(xi) Restrictions requiring that, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or wholesale financial institution, or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, the credit and insurance transactions be completed through separate documents.

(xii) Restrictions prohibiting, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or wholesale financial institution or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, inclusion of the expense of insurance premiums in the primary credit transaction without the express written consent of the customer.

(xiii) Restrictions requiring maintenance of separate and distinct books and records relating to insurance transactions, including all files relating to and reflecting consumer complaints, and requiring that such insurance books and records be made available to the appropriate State insurance regulator for inspection upon reasonable notice.

(C) LIMITATIONS.—

(i) OCC DEFERENCE.—Section 306(e) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before March 4, 1999, and that is not described in subparagraph (B).

(ii) NONDISCRIMINATION.—Subsection (c) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before March 4, 1999, and that is not described in subparagraph (B).

(iii) CONSTRUCTION.—Nothing in this paragraph shall be construed to limit the applicability of the decision of the Supreme Court in Barnett Bank of Marion County N.A. v. Nelson, 116 S. Ct. 1103 (1996) with respect to a State statute, regulation, order, interpretation, or other action that is not described in subparagraph (B).

(iv) LIMITATION ON INFERENCES.—Nothing in this paragraph shall be construed to create any inference with respect to any State statute, regulation, order, interpretation, or other action that is not referred to or described in this paragraph.

(3) INSURANCE ACTIVITIES OTHER THAN SALES.—State statutes, regulations, interpretations, orders, and other actions shall not be preempted under subsection (b)(1) to the extent that they—

(A) relate to, or are issued, adopted, or enacted for the purpose of regulating the business of insurance in accordance with the Act of March 9, 1945 (commonly known as the ''McCarran-Ferguson Act'');

(B) apply only to persons or entities that are not insured depository institutions or wholesale financial institutions, but that are directly engaged in the business of insurance (except that they may apply to depository institutions engaged in providing savings bank life insurance as principal to the extent of regulating such insurance);

(C) do not relate to or directly or indirectly regulate insurance sales, solicitations, or cross-marketing activities; and

(D) are not prohibited under subsection (c).

(4) FINANCIAL ACTIVITIES OTHER THAN INSURANCE.—No State statute, regulation, interpretation, order, or other action shall be preempted under subsection (b)(1) to the extent that—

(A) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, insurance sales, solicitations, or cross marketing activities covered under paragraph (2);

(B) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, the business of insurance activities other than sales, solicitations, or cross marketing activities, covered under paragraph (3);

(C) it does not relate to securities investigations or enforcement actions referred to in subsection (d); and

(D) it—

(i) does not distinguish by its terms between insured depository institutions, wholesale financial institutions, and subsidiaries and affiliates thereof engaged in the activity at issue and other persons or entities engaged in the same activity in a manner that is in any way adverse with respect to the conduct of the activity by any such insured depository institution, wholesale financial institution, or subsidiary or affiliate thereof engaged in the activity at issue;

(ii) as interpreted or applied, does not have, and will not have, an impact on depository institutions, wholesale financial institutions, or subsidiaries or affiliates thereof engaged in the activity at issue, or any person or entity affiliated therewith, that is substantially more adverse than its impact on other persons or entities engaged in the same activity that are not insured depository institutions, wholesale financial institutions, or subsidiaries or affiliates thereof, or persons or entities affiliated therewith;

(iii) does not effectively prevent a depository institution, wholesale financial institution, or subsidiary or affiliate thereof from engaging in activities authorized or permitted by this Act or any other provision of Federal law; and

(iv) does not conflict with the intent of this Act generally to permit affiliations that are authorized or permitted by Federal law.

(c) NONDISCRIMINATION.—Except as provided in any restrictions described in subsection (b)(2)(B), no State may, by statute, regulation, order, interpretation, or other action, regulate the insurance activities authorized or permitted under this Act or any other provision of Federal law of an insured depository institution or wholesale financial institution, or subsidiary or affiliate thereof, to the extent that such statute, regulation, order, interpretation, or other action—

(1) distinguishes by its terms between insured depository institutions or wholesale financial institutions, or subsidiaries or affiliates thereof, and other persons or entities engaged in such activities, in a manner that is in any way adverse to any such insured depository institution or wholesale financial institution, or subsidiary or affiliate thereof;

(2) as interpreted or applied, has or will have an impact on depository institutions or wholesale financial institutions, or subsidiaries or affiliates thereof, that is substantially more adverse than its impact on other persons or entities providing the same products or services or engaged in the same activities that are not insured depository institutions, wholesale financial institutions, or subsidiaries or affiliates thereof, or persons or entities affiliated therewith;

(3) effectively prevents a depository institution or wholesale financial institution, or subsidiary or affiliate thereof, from engaging in insurance activities authorized or permitted by this Act or any other provision of Federal law; or

(4) conflicts with the intent of this Act generally to permit affiliations that are authorized or permitted by Federal law between insured depository institutions or wholesale financial institutions, or subsidiaries or affiliates thereof, and persons and entities engaged in the business of insurance.

(d) LIMITATION.—Subsections (a) and (b) shall not be construed to affect the jurisdiction of the securities commission (or any agency or office performing like functions) of any State, under the laws of such State, to investigate and bring enforcement actions, consistent with section 18(c) of the Securities Act of 1933, with respect to fraud or deceit or unlawful conduct by any person, in connection with securities or securities transactions.

(e) DEFINITION.—For purposes of this section, the term ''State'' means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

**SEC. 105. MUTUAL BANK HOLDING COMPANIES AUTHORIZED.**

Section 3(g)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(g)(2)) is amended to read as follows:

''(2) REGULATIONS.—A bank holding company organized as a mutual holding company shall be regulated on terms, and shall be subject to limitations, comparable to those applicable to any other bank holding company.''.

**SEC. 106. PROHIBITION ON DEPOSIT PRODUCTION OFFICES.**

(a) IN GENERAL.—Section 109(d) of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (12 U.S.C. 1835a(d)) is amended—

(1) by inserting '', the Financial Services Act of 1999,'' after ''pursuant to this title''; and

(2) by inserting ''or such Act'' after ''made by this title''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 109(e)(4) of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 (12 U.S.C. 1835a(e)(4)) is amended by inserting ''and any branch of a bank controlled by an out-of-State bank holding company (as defined in section 2(o)(7) of the Bank Holding Company Act of 1956)'' before the period.

**SEC. 107. CLARIFICATION OF BRANCH CLOSURE REQUIREMENTS.**

Section 42(d)(4)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1831r–1(d)(4)(A)) is

amended by inserting ''and any bank controlled by an out-of-State bank holding company (as defined in section 2(o)(7) of the Bank Holding Company Act of 1956)'' before the period.

**SEC. 108. AMENDMENTS RELATING TO LIMITED PURPOSE BANKS.**

(a) IN GENERAL.—Section 4(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)) is amended—

(1) in paragraph (2)(A)(ii)—

(A) by striking ''and'' at the end of subclause (IX);

(B) by inserting ''and'' after the semicolon at the end of subclause (X); and

(C) by inserting after subclause (X) the following new subclause:

''(XI) assets that are derived from, or incidental to, consumer lending activities in which institutions described in section 2(c)(2)(F) or section 2(c)(2)(H) are permitted to engage;'';

(2) in paragraph (2), by striking subparagraph (B) and inserting the following new subparagraphs:

''(B) any bank subsidiary of such company engages in any activity in which the bank was not lawfully engaged as of March 5, 1987, unless the bank is well managed and well capitalized;

''(C) any bank subsidiary of such company both—

''(i) accepts demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties; and

''(ii) engages in the business of making commercial loans (and, for purposes of this clause, loans made in the ordinary course of a credit card operation shall not be treated as commercial loans); or

''(D) after the date of enactment of the Competitive Equality Amendments of 1987, any bank subsidiary of such company permits any overdraft (including any intraday overdraft), or incurs any such overdraft in such bank's account at a Federal reserve bank, on behalf of an affiliate, other than an overdraft described in paragraph (3).''; and

(3) by striking paragraphs (3) and (4) and inserting the following new paragraphs:

''(3) PERMISSIBLE OVERDRAFTS DESCRIBED.—For purposes of paragraph (2)(D), an overdraft is described in this paragraph if—

''(A) such overdraft results from an inadvertent computer or accounting error that is beyond the control of both the bank and the affiliate;

''(B) such overdraft—

''(i) is permitted or incurred on behalf of an affiliate which is monitored by, reports to, and is recognized as a primary dealer by the Federal Reserve Bank of New York; and

''(ii) is fully secured, as required by the Board, by bonds, notes, or other obligations which are direct obligations of the United States or on which the principal and interest are fully guaranteed by the United States or by securities and obligations eligible for settlement on the Federal Reserve book entry system; or

''(C) such overdraft—

''(i) is permitted or incurred by or on behalf of an affiliate that is engaged predominantly in activities that are financial in nature, and is incurred solely in connection with an activity that is financial in nature, as determined under section 6(c); and

''(ii) does not cause the bank to violate any provision of section 23A or 23B of the Federal Reserve Act, either directly, in the case of a bank that is a member of the Federal Reserve System, or by virtue of section 18(j) of the Federal Deposit Insurance Act, in the case of a bank that is not a member of the Federal Reserve System.

''(4) DIVESTITURE IN CASE OF LOSS OF EXEMPTION.—If any company described in paragraph (1) fails to qualify for the exemption provided under such paragraph by operation of paragraph (2), such exemption shall cease to apply to such company and such company shall divest control of each bank it controls before the end of the 180-day period beginning on the date that the company receives notice from the Board that the company has failed to continue to qualify for such exemption, unless before the end of such 180-day period, the company has—

''(A) corrected the condition or ceased the activity that caused the company to fail to continue to qualify for the exemption; and

''(B) implemented procedures that are reasonably adapted to avoid the reoccurrence of such condition or activity.''.

(b) INDUSTRIAL LOAN COMPANIES AFFILIATE OVERDRAFTS.—Section 2(c)(2)(H) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)(2)(H)) is amended by inserting before the period at the end '', or that is otherwise permissible for a bank controlled by a company described in section 4(f)(1)''.

**SEC. 109. REPORTS ON ONGOING FTC STUDY OF CONSUMER PRIVACY ISSUES.**

With respect to the ongoing multistage study being conducted by the Federal Trade Commission on consumer privacy issues, the Commission shall submit to the Congress an interim report on the findings and conclusions of the Commission, together with such recommendations for legislative and administrative action as the Commission determines to be appropriate, at the conclusion of each stage of such study and a final report at the conclusion of the study.

**SEC. 110. GAO STUDY OF ECONOMIC IMPACT ON COMMUNITY BANKS AND OTHER SMALL FINANCIAL INSTITUTIONS.**

(a) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study of the projected economic impact that the enactment of this Act will have on financial institutions which have total assets of $100,000,000 or less.

(b) REPORT TO THE CONGRESS.—The Comptroller General of the United States shall submit a report to the Congress before the end of the 6-month period beginning on the date of the date of enactment of this Act containing the findings and conclusions of the Comptroller General with regard to the study required under subsection (a) and such recommendations for legislative or administrative action as the Comptroller General may determine to be appropriate.

**Subtitle B—Streamlining Supervision of Financial Holding Companies**

**SEC. 111. STREAMLINING FINANCIAL HOLDING COMPANY SUPERVISION.**

Section 5(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(c)) is amended to read as follows:

''(c) REPORTS AND EXAMINATIONS.—

''(1) REPORTS.—

''(A) IN GENERAL.—The Board from time to time may require any bank holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to—

''(i) its financial condition, systems for monitoring and controlling financial and operating risks, and transactions with depository institution subsidiaries of the holding company; and

''(ii) compliance by the company or subsidiary with applicable provisions of this Act.

''(B) USE OF EXISTING REPORTS.—

''(i) IN GENERAL.—The Board shall, to the fullest extent possible, accept reports in fulfillment of the Board's reporting requirements under this paragraph that a bank holding company or any subsidiary of such company has provided or been required to provide to other Federal and State supervisors or to appropriate self-regulatory organizations.

''(ii) AVAILABILITY.—A bank holding company or a subsidiary of such company shall provide to the Board, at the request of the Board, a report referred to in clause (i).

''(iii) REQUIRED USE OF PUBLICLY REPORTED INFORMATION.—The Board shall, to the fullest extent possible, accept in fulfillment of any reporting or recordkeeping requirements under this Act information that is otherwise required to be reported publicly and externally audited financial statements.

''(iv) REPORTS FILED WITH OTHER AGENCIES.—In the event the Board requires a report from a functionally regulated nondepository institution subsidiary of a bank holding company of a kind that is not required by another Federal or State regulator or appropriate self-regulatory organization, the Board shall request that the appropriate regulator or self-regulatory organization obtain such report. If the report is not made available to the Board, and the report is necessary to assess a material risk to the bank holding company or any of its subsidiary depository institutions or compliance with this Act, the Board may require such subsidiary to provide such a report to the Board.

''(C) DEFINITION.—For purposes of this subsection, the term 'functionally regulated nondepository institution' means—

''(i) a broker or dealer registered under the Securities Exchange Act of 1934;

''(ii) an investment adviser registered under the Investment Advisers Act of 1940, or with any State, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

''(iii) an insurance company subject to supervision by a State insurance commission, agency, or similar authority; and

''(iv) an entity subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.

''(2) EXAMINATIONS.—

''(A) EXAMINATION AUTHORITY.—

''(i) IN GENERAL.—The Board may make examinations of each bank holding company and each subsidiary of a bank holding company.

''(ii) FUNCTIONALLY REGULATED NONDEPOSITORY INSTITUTION SUBSIDIARIES.—Notwithstanding clause (i), the Board may make examinations of a functionally regulated nondepository institution subsidiary of a bank holding company only if—

''(I) the Board has reasonable cause to believe that such subsidiary is engaged in activities that pose a material risk to an affiliated depository institution, or

''(II) based on reports and other available information, the Board has reasonable cause to believe that a subsidiary is not in compliance with this Act or with provisions relating to transactions with an affiliated depository institution and the Board cannot make such determination through examination of the affiliated depository institution or bank holding company.

''(B) LIMITATIONS ON EXAMINATION AUTHORITY FOR BANK HOLDING COMPANIES AND SUBSIDIARIES.—Subject to subparagraph (A)(ii), the Board may make examinations under

subparagraph (A)(i) of each bank holding company and each subsidiary of such holding company in order to—

''(i) inform the Board of the nature of the operations and financial condition of the holding company and such subsidiaries;

''(ii) inform the Board of—

''(I) the financial and operational risks within the holding company system that may pose a threat to the safety and soundness of any subsidiary depository institution of such holding company; and

''(II) the systems for monitoring and controlling such risks; and

''(iii) monitor compliance with the provisions of this Act and those governing transactions and relationships between any subsidiary depository institution and its affiliates.

''(C) RESTRICTED FOCUS OF EXAMINATIONS.—The Board shall, to the fullest extent possible, limit the focus and scope of any examination of a bank holding company to—

''(i) the bank holding company; and

''(ii) any subsidiary of the holding company that, because of—

''(I) the size, condition, or activities of the subsidiary;

''(II) the nature or size of transactions between such subsidiary and any depository institution which is also a subsidiary of such holding company; or

''(III) the centralization of functions within the holding company system,

could have a materially adverse effect on the safety and soundness of any depository institution affiliate of the holding company.

''(D) DEFERENCE TO BANK EXAMINATIONS.—The Board shall, to the fullest extent possible, use, for the purposes of this paragraph, the reports of examinations of depository institutions made by the appropriate Federal and State depository institution supervisory authority.

''(E) DEFERENCE TO OTHER EXAMINATIONS.—The Board shall, to the fullest extent possible, address the circumstances which might otherwise permit or require an examination by the Board by forgoing an examination and instead reviewing the reports of examination made of—

''(i) any registered broker or dealer by or on behalf of the Securities and Exchange Commission;

''(ii) any registered investment adviser properly registered by or on behalf of either the Securities and Exchange Commission or any State;

''(iii) any licensed insurance company by or on behalf of any state regulatory authority responsible for the supervision of insurance companies; and

''(iv) any other subsidiary that the Board finds to be comprehensively supervised by a Federal or State authority.

''(3) CAPITAL.—

''(A) IN GENERAL.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, guidelines, standards, or requirements on any subsidiary of a financial holding company that is not a depository institution and—

''(i) is in compliance with applicable capital requirements of another Federal regulatory authority (including the Securities and Exchange Commission) or State insurance authority; or

''(ii) is properly registered as an investment adviser under the Investment Advisers Act of 1940, or with any State.

''(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as preventing the Board from imposing capital or capital adequacy rules, guidelines, standards, or requirements with respect to activities of a registered investment adviser other than investment advisory activities or activities incidental to investment advisory activities.

''(C) LIMITATIONS ON INDIRECT ACTION.—In developing, establishing, or assessing holding company capital or capital adequacy rules, guidelines, standards, or requirements for purposes of this paragraph, the Board shall not take into account the activities, operations, or investments of an affiliated investment company registered under the Investment Company Act of 1940, if the investment company is not—

''(i) a bank holding company; or

''(ii) controlled by a bank holding company by reason of ownership by the bank holding company (including through all of its affiliates) of 25 percent or more of the shares of the investment company, where the shares owned by the bank holding company have a market value equal to more than $1,000,000.

''(4) TRANSFER OF BOARD AUTHORITY TO APPROPRIATE FEDERAL BANKING AGENCY.—

''(A) IN GENERAL.—In the case of any bank holding company which is not significantly engaged in nonbanking activities, the Board, in consultation with the appropriate Federal banking agency, may designate the appropriate Federal banking agency of the lead insured depository institution subsidiary of such holding company as the appropriate Federal banking agency for the bank holding company.

''(B) AUTHORITY TRANSFERRED.—An agency designated by the Board under subparagraph (A) shall have the same authority as the Board under this Act to—

''(i) examine and require reports from the bank holding company and any affiliate of such company (other than a depository institution) under section 5;

''(ii) approve or disapprove applications or transactions under section 3;

''(iii) take actions and impose penalties under subsections (e) and (f) of section 5 and section 8; and

''(iv) take actions regarding the holding company, any affiliate of the holding company (other than a depository institution), or any institution-affiliated party of such company or affiliate under the Federal Deposit Insurance Act and any other statute which the Board may designate.

''(C) AGENCY ORDERS.—Section 9 of this Act and section 105 of the Bank Holding Company Act Amendments of 1970, shall apply to orders issued by an agency designated under subparagraph (A) in the same manner such sections apply to orders issued by the Board.

''(5) FUNCTIONAL REGULATION OF SECURITIES AND INSURANCE ACTIVITIES.—The Board shall defer to—

''(A) the Securities and Exchange Commission with regard to all interpretations of, and the enforcement of, applicable Federal securities laws (and rules, regulations, orders, and other directives issued thereunder) relating to the activities, conduct, and operations of registered brokers, dealers, investment advisers, and investment companies;

''(B) the relevant State securities authorities with regard to all interpretations of, and the enforcement of, applicable State securities laws (and rules, regulations, orders, and other directives issued thereunder) relating to the activities, conduct, and operations of registered brokers, dealers, and investment advisers; and

''(C) the relevant State insurance authorities with regard to all interpretations of, and the enforcement of, applicable State insurance laws (and rules, regulations, orders, and other directives issued thereunder) relating to the activities, conduct, and operations of insurance companies and insurance agents.''.

**SEC. 112. ELIMINATION OF APPLICATION REQUIREMENT FOR FINANCIAL HOLDING COMPANIES.**

(a) PREVENTION OF DUPLICATIVE FILINGS.—Section 5(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(a)) is amended by adding the following new sentence at the end: ''A declaration filed in accordance with section 6(b)(1)(D) shall satisfy the requirements of this subsection with regard to the registration of a bank holding company but not any requirement to file an application to acquire a bank pursuant to section 3.''.

(b) DIVESTITURE PROCEDURES.—Section 5(e)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(e)(1)) is amended—

(1) by striking ''Financial Institutions Supervisory Act of 1966, order'' and inserting ''Financial Institutions Supervisory Act of 1966, at the election of the bank holding company—

''(A) order''; and

(2) by striking ''shareholders of the bank holding company. Such distribution'' and inserting ''shareholders of the bank holding company; or

''(B) order the bank holding company, after due notice and opportunity for hearing, and after consultation with the primary supervisor for the bank, which shall be the Comptroller of the Currency in the case of a national bank, and the Federal Deposit Insurance Corporation and the appropriate State supervisor in the case of an insured nonmember bank, to terminate (within 120 days or such longer period as the Board may direct) the ownership or control of any such bank by such company.

''The distribution referred to in subparagraph (A)''.

**SEC. 113. AUTHORITY OF STATE INSURANCE REGULATOR AND SECURITIES AND EXCHANGE COMMISSION.**

Section 5 of the Bank Holding Company Act of 1956 (12 U.S.C. 1844) is amended by adding at the end the following new subsection:

''(g) AUTHORITY OF STATE INSURANCE REGULATOR AND THE SECURITIES AND EXCHANGE COMMISSION.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, any regulation, order, or other action of the Board which requires a bank holding company to provide funds or other assets to a subsidiary insured depository institution shall not be effective nor enforceable if—

''(A) such funds or assets are to be provided by—

''(i) a bank holding company that is an insurance company or is a broker or dealer registered under the Securities Exchange Act of 1934; or

''(ii) an affiliate of the depository institution which is an insurance company or a broker or dealer registered under such Act; and

''(B) the State insurance authority for the insurance company or the Securities and Exchange Commission for the registered broker or dealer, as the case may be, determines in writing sent to the holding company and the Board that the holding company shall not provide such funds or assets because such action would have a material adverse effect on the financial condition of the insurance company or the broker or dealer, as the case may be.

''(2) NOTICE TO STATE INSURANCE AUTHORITY OR SEC REQUIRED.—If the Board requires a bank holding company, or an affiliate of a

bank holding company, which is an insurance company or a broker or dealer described in paragraph (1)(A) to provide funds or assets to an insured depository institution subsidiary of the holding company pursuant to any regulation, order, or other action of the Board referred to in paragraph (1), the Board shall promptly notify the State insurance authority for the insurance company or the Securities and Exchange Commission, as the case may be, of such requirement.

''(3) DIVESTITURE IN LIEU OF OTHER ACTION.—If the Board receives a notice described in paragraph (1)(B) from a State insurance authority or the Securities and Exchange Commission with regard to a bank holding company or affiliate referred to in that paragraph, the Board may order the bank holding company to divest the insured depository institution not later than 180 days after receiving the notice, or such longer period as the Board determines consistent with the safe and sound operation of the insured depository institution.

''(4) CONDITIONS BEFORE DIVESTITURE.—During the period beginning on the date an order to divest is issued by the Board under paragraph (3) to a bank holding company and ending on the date the divestiture is completed, the Board may impose any conditions or restrictions on the holding company's ownership or operation of the insured depository institution, including restricting or prohibiting transactions between the insured depository institution and any affiliate of the institution, as are appropriate under the circumstances.''.

**SEC. 114. PRUDENTIAL SAFEGUARDS.**

Section 5 of the Bank Holding Company Act of 1956 (12 U.S.C. 1844) is amended by inserting after subsection (g) (as added by section 113 of this subtitle) the following new subsection:

''(h) PRUDENTIAL SAFEGUARDS.—

''(1) IN GENERAL.—The Board and the appropriate Federal banking agency may, jointly, by regulation or order, impose, modify, or eliminate restrictions or requirements on relationships or transactions between a depository institution subsidiary of a bank holding company and any affiliate of such depository institution which the Board and the appropriate Federal banking agency jointly find is consistent with the public interest, the purposes of this Act, the Financial Services Act of 1999, the Federal Reserve Act, and other Federal law applicable to depository institution subsidiaries of bank holding companies and the standards in paragraph (2).

''(2) STANDARDS.—The Board and the appropriate Federal banking agency may exercise joint authority under paragraph (1) if they find that such action would—

''(A) avoid any significant risk to the safety and soundness of depository institutions or any Federal deposit insurance fund;

''(B) enhance the financial stability of bank holding companies;

''(C) avoid conflicts of interest or other abuses;

''(D) enhance the privacy of customers of depository institutions; or

''(E) promote the application of national treatment and equality of competitive opportunity between nonbank affiliates owned or controlled by domestic bank holding companies and nonbank affiliates owned or controlled by foreign banks operating in the United States.

''(3) REVIEW.—The appropriate Federal banking agency shall regularly—

''(A) review all restrictions or requirements established pursuant to paragraph (1) to determine whether there is a continuing need for any such restriction or requirement to carry out the purposes of the Act, including any purpose described in paragraph (2); and

''(B) propose the modification or elimination of any restriction or requirement that it finds is no longer required for such purposes.

''(4) FOREIGN BANKS.—The Board may, by regulation or order, impose restrictions or requirements on relationships or transactions between a foreign bank and any affiliate in the United States of such foreign bank that the Board finds are consistent with the public interest, the purposes of this Act, the Financial Services Act of 1999, the Federal Reserve Act, and other Federal law applicable to foreign banks and their affiliates in the United States, and the standards in paragraphs (2) and (3).''.

**SEC. 115. EXAMINATION OF INVESTMENT COMPANIES.**

(a) EXCLUSIVE COMMISSION AUTHORITY.—

(1) IN GENERAL.—Except as provided in paragraph (3), the Commission shall be the sole Federal agency with authority to inspect and examine any registered investment company that is not a bank holding company or a savings and loan holding company.

(2) PROHIBITION ON BANKING AGENCIES.—Except as provided in paragraph (3), a Federal banking agency may not inspect or examine any registered investment company that is not a bank holding company or a savings and loan holding company.

(3) CERTAIN EXAMINATIONS AUTHORIZED.—Nothing in this subsection prevents the Federal Deposit Insurance Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the depository institution and the affiliate, and the effect of such relationship on the depository institution.

(b) EXAMINATION RESULTS AND OTHER INFORMATION.—The Commission shall provide to any Federal banking agency, upon request, the results of any examination, reports, records, or other information with respect to any registered investment company to the extent necessary for the agency to carry out its statutory responsibilities.

(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) BANK HOLDING COMPANY.—The term ''bank holding company'' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

(2) COMMISSION.—The term ''Commission'' means the Securities and Exchange Commission.

(3) FEDERAL BANKING AGENCY.—The term ''Federal banking agency'' has the same meaning as in section 3(z) of the Federal Deposit Insurance Act.

(4) REGISTERED INVESTMENT COMPANY.—The term ''registered investment company'' means an investment company which is registered with the Commission under the Investment Company Act of 1940.

(5) SAVINGS AND LOAN HOLDING COMPANY.—The term ''savings and loan holding company'' has the same meaning as in section 10(a)(1)(D) of the Home Owners' Loan Act.

**SEC. 116. LIMITATION ON RULEMAKING, PRUDENTIAL, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE BOARD.**

The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended by inserting after section 10 the following new section:

**''SEC. 10A. LIMITATION ON RULEMAKING, PRUDENTIAL, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE BOARD.**

''(a) LIMITATION ON DIRECT ACTION.—

''(1) IN GENERAL.—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a regulated subsidiary of a bank holding company unless the action is necessary to prevent or redress an unsafe or unsound practice or breach of fiduciary duty by such subsidiary that poses a material risk to—

''(A) the financial safety, soundness, or stability of an affiliated depository institution; or

''(B) the domestic or international payment system.

''(2) CRITERIA FOR BOARD ACTION.—The Board shall not take action otherwise permitted under paragraph (1) unless the Board finds that it is not reasonably possible to effectively protect against the material risk at issue through action directed at or against the affiliated depository institution or against depository institutions generally.

''(b) LIMITATION ON INDIRECT ACTION.—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a financial holding company or a wholesale financial holding company where the purpose or effect of doing so would be to take action indirectly against or with respect to a regulated subsidiary that may not be taken directly against or with respect to such subsidiary in accordance with subsection (a).

''(c) ACTIONS SPECIFICALLY AUTHORIZED.—Notwithstanding subsection (a), the Board may take action under this Act or section 8 of the Federal Deposit Insurance Act to enforce compliance by a regulated subsidiary with Federal law that the Board has specific jurisdiction to enforce against such subsidiary.

''(d) REGULATED SUBSIDIARY DEFINED.—For purposes of this section, the term 'regulated subsidiary' means any company that is not a bank holding company and is—

''(1) a broker or dealer registered under the Securities Exchange Act of 1934;

''(2) a registered investment adviser, properly registered by or on behalf of either the Securities and Exchange Commission or any State, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

''(3) an investment company registered under the Investment Company Act of 1940;

''(4) an insurance company or an insurance agency subject to supervision by a State insurance commission, agency, or similar authority; or

''(5) an entity subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.''.

**SEC. 117. INTERAGENCY CONSULTATION.**

(a) PURPOSE.—It is the intention of Congress that the Board of Governors of the Federal Reserve System, as the umbrella supervisor for financial holding companies, and the State insurance regulators, as the functional regulators of companies engaged in insurance activities, coordinate efforts to supervise companies that control both a depository institution and a company engaged in insurance activities regulated under State law. In particular, Congress believes that the Board and the State insurance regulators should share, on a confidential basis, information relevant to the supervision of companies that control both a depository institution and a company engaged in insurance activities, including information regarding the financial health of the consolidated organization and information regarding transactions and relationships between insurance companies and affiliated depository institutions. The appropriate Federal banking agencies for depository institutions should also share, on a confidential basis, information with the relevant State insurance regulators regarding transactions and relationships between depository institutions and affiliated companies engaged in insurance activities. The purpose of this section is to encourage this coordination and confidential sharing of information, and to thereby improve both the efficiency and the quality of the supervision of financial holding companies and their affiliated depository institutions and companies engaged in insurance activities.

(b) EXAMINATION RESULTS AND OTHER INFORMATION.—

(1) INFORMATION OF THE BOARD.—Upon the request of the appropriate insurance regulator of any State, the Board may provide any information of the Board regarding the financial condition, risk management policies, and operations of any financial holding company that controls a company that is engaged in insurance activities and is regulated by such State insurance regulator, and regarding any transaction or relationship between such an insurance company and any affiliated depository institution. The Board may provide any other information to the appropriate State insurance regulator that the Board believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(2) BANKING AGENCY INFORMATION.—Upon the request of the appropriate insurance regulator of any State, the appropriate Federal banking agency may provide any information of the agency regarding any transaction or relationship between a depository institution supervised by such Federal banking agency and any affiliated company that is engaged in insurance activities regulated by such State insurance regulator. The appropriate Federal banking agency may provide any other information to the appropriate State insurance regulator that the agency believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(3) STATE INSURANCE REGULATOR INFORMATION.—Upon the request of the Board or the appropriate Federal banking agency, a State insurance regulator may provide any examination or other reports, records, or other information to which such insurance regulator may have access with respect to a company which—

(A) is engaged in insurance activities and regulated by such insurance regulator; and

(B) is an affiliate of an insured depository institution, wholesale financial institution, or financial holding company.

(c) CONSULTATION.—Before making any determination relating to the initial affiliation of, or the continuing affiliation of, an insured depository institution, wholesale financial institution, or financial holding company with a company engaged in insurance activities, the appropriate Federal banking agency shall consult with the appropriate State insurance regulator of such company and take the views of such insurance regulator into account in making such determination.

(d) EFFECT ON OTHER AUTHORITY.—Nothing in this section shall limit in any respect the authority of the appropriate Federal banking agency with respect to an insured depository institution, wholesale financial institution, or bank holding company or any affiliate thereof under any provision of law.

(e) CONFIDENTIALITY AND PRIVILEGE.—

(1) CONFIDENTIALITY.—The appropriate Federal banking agency shall not provide any information or material that is entitled to confidential treatment under applicable Federal banking agency regulations, or other applicable law, to a State insurance regulator unless such regulator agrees to maintain the information or material in confidence and to take all reasonable steps to oppose any effort to secure disclosure of the information or material by the regulator. The appropriate Federal banking agency shall treat as confidential any information or material obtained from a State insurance regulator that is entitled to confidential treatment under applicable State regulations, or other applicable law, and take all reasonable steps to oppose any effort to secure disclosure of the information or material by the Federal banking agency.

(2) PRIVILEGE.—The provision pursuant to this section of information or material by a Federal banking agency or State insurance regulator shall not constitute a waiver of, or otherwise affect, any privilege to which the information or material is otherwise subject.

(f) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPROPRIATE FEDERAL BANKING AGENCY; INSURED DEPOSITORY INSTITUTION.—The terms ''appropriate Federal banking agency'' and ''insured depository institution'' have the same meanings as in section 3 of the Federal Deposit Insurance Act.

(2) BOARD; FINANCIAL HOLDING COMPANY; AND WHOLESALE FINANCIAL INSTITUTION.—The terms ''Board'', ''financial holding company'', and ''wholesale financial institution'' have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

**SEC. 118. EQUIVALENT REGULATION AND SUPERVISION.**

(a) IN GENERAL.—Notwithstanding any other provision of law, the provisions of—

(1) section 5(c) of the Bank Holding Company Act of 1956 (as amended by this Act) that limit the authority of the Board of Governors of the Federal Reserve System to require reports from, to make examinations of, or to impose capital requirements on bank holding companies and their nonbank subsidiaries; and

(2) section 10A of the Bank Holding Company Act of 1956 (as added by this Act) that limit whatever authority the Board might otherwise have to take direct or indirect action with respect to bank holding companies and their nonbank subsidiaries,

shall also limit whatever authority that the Federal Deposit Insurance Corporation might otherwise have under any statute to require reports, make examinations, impose capital requirements or take any other direct or indirect action with respect to bank holding companies and their nonbank subsidiaries (including nonbank subsidiaries of depository institutions), subject to the same standards and requirements as are applicable to the Board under such provisions.

(b) CERTAIN EXAMINATIONS AUTHORIZED.—Nothing in this section shall prevent the Federal Deposit Insurance Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the depository institution and the affiliate, and the effect of such relationship on the depository institution.

**SEC. 119. PROHIBITION ON FDIC ASSISTANCE TO AFFILIATES AND SUBSIDIARIES.**

Section 11(a)(4)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)(B)) is amended by striking ''to benefit any shareholder of'' and inserting ''to benefit any shareholder, affiliate (other than an insured depository institution that receives assistance in accordance with the provisions of this Act), or subsidiary of''.

**Subtitle C—Subsidiaries of National Banks**

**SEC. 121. SUBSIDIARIES OF NATIONAL BANKS AUTHORIZED TO ENGAGE IN FINANCIAL ACTIVITIES.**

(a) FINANCIAL SUBSIDIARIES OF NATIONAL BANKS.—Chapter one of title LXII of the Revised Statutes of United States (12 U.S.C. 21 et seq.) is amended—

(1) by redesignating section 5136A (12 U.S.C. 25a) as section 5136C; and

(2) by inserting after section 5136 (12 U.S.C. 24) the following new section:

**''SEC. 5136A. SUBSIDIARIES OF NATIONAL BANKS.**

''(a) ACTIVITIES PERMISSIBLE.—

''(1) IN GENERAL.—A subsidiary of a national bank may—

''(A) engage in any activity that is permissible for the parent national bank;

''(B) engage in any activity that is authorized under the Bank Service Company Act, section 25 or 25A of the Federal Reserve Act, or any other Federal statute that expressly authorizes national banks to own or control subsidiaries; and

''(C) engage in any activity that is permissible for a bank holding company under any provision of section 6(c) of the Bank Holding Company Act of 1956, other than—

''(i) paragraph (3)(B) of that section (relating to insurance activities), insofar as that paragraph (3)(B) permits a bank holding company to engage as principal in insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, or in providing or issuing annuities; and

''(ii) paragraph (3)(I) of that section (relating to insurance company investments).

''(2) ACTIVITY LIMITATIONS.—In addition to any other limitation imposed on the activity of subsidiaries of national banks, a subsidiary of a national bank may not, pursuant to paragraph (1)—

''(A) engage as principal in insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death (other than in connection with credit-related insurance) or in providing or issuing annuities; or

''(B) engage in real estate investment or development activities,

(except to the extent that a Federal statute expressly authorizes a national bank to engage directly in such an activity).

''(3) SIZE FACTOR WITH REGARD TO FREESTANDING NATIONAL BANKS.—A national bank which has total assets of $10,000,000,000 or more may not control a subsidiary engaged in activities pursuant to paragraph (1) or (2) unless such national bank is a subsidiary of a bank holding company.

''(b) REQUIREMENTS APPLICABLE TO NATIONAL BANKS WITH FINANCIAL SUBSIDIARIES.—

''(1) IN GENERAL.—A financial subsidiary of a national bank may engage in activities pursuant to subsection (a)(1)(C) only if—

''(A) the national bank is well capitalized, is well managed, and achieved the rating described in section 6(b)(1)(C) of the Bank Holding Company Act of 1956, during the most recent examination of the bank by the Comptroller of the Currency;

''(B) each insured depository institution affiliate of the national bank is well capitalized, is well managed, and achieved the rating described in section 6(b)(1)(C) of the Bank Holding Company Act of 1956, during the most recent examination of the institution by the appropriate Federal banking agency;

''(C) the national bank and each of the subsidiary depository institutions of the same bank holding company have achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of each such institution under the Community Reinvestment Act of 1977; and

''(D) the national bank has received the approval of the Comptroller of the Currency by regulation or order.

''(2) CORRECTIVE PROCEDURE.—

''(A) IN GENERAL.—If a national bank that controls a financial subsidiary, or any insured depository institution affiliated with such national bank, fails to meet the requirements of paragraph (1), the Comptroller shall give written notice to the national bank to that effect, describing the conditions giving rise to the notice.

''(B) AGREEMENT TO CORRECT CONDITIONS REQUIRED.—

''(i) CONTENT OF AGREEMENT.—Not later than 45 days after the date on which the national bank receives a notice under subparagraph (A) (or such additional period of time as the Comptroller may permit), the national bank or its insured depository institution affiliate failing to meet the requirements of paragraph (1) shall provide a plan to the appropriate Federal banking agency for such institution to correct the conditions described in the notice.

''(ii) COMPTROLLER MAY IMPOSE LIMITATIONS.—Until the conditions giving rise to the notice referred to in clause (i) are corrected, the Comptroller may (notwithstanding any other provision of law) impose such limitations on the conduct of the business of the national bank or the financial subsidiary of the national bank as the Comptroller determines to be appropriate under the circumstances.

''(iii) CERTAIN FAILURES TO COMPLY.—A national bank shall not be required to divest any financial subsidiary held, or terminate any activity conducted pursuant to, subsection (a) solely because of a failure to comply with subsection (b)(1)(D).

''(C) FAILURE TO CORRECT.—If the conditions described in the notice under subparagraph (A) are not corrected before the end of the 180-day period beginning on the date on which the bank receives the notice, the Comptroller may (notwithstanding any other provision of law) require, under such terms and conditions as the Comptroller may impose—

''(i) that the national bank divest control of each financial subsidiary engaged in an activity that is not permissible for the bank to engage in directly; or

''(ii) that each financial subsidiary of the national bank cease any activity that is not permissible for the bank to engage in directly.

''(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) AFFILIATE.—The term 'affiliate' has the same meaning in section 3 of the Federal Deposit Insurance Act.

''(2) FINANCIAL SUBSIDIARY.—The term 'financial subsidiary' means a company that—

''(A) is a subsidiary of an insured bank; and

''(B) is engaged in any financial activity that is not otherwise permissible under subparagraph (A) or (B) of subsection (a)(1) of this section.

''(3) SUBSIDIARY.—The term 'subsidiary' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

''(4) WELL CAPITALIZED.—The term 'well capitalized' has the same meaning as in section 38 of the Federal Deposit Insurance Act. For purposes of this section, the appropriate Federal banking agency shall have exclusive jurisdiction to determine whether an insured depository institution is well capitalized.

''(5) WELL MANAGED.—The term 'well managed' means—

''(A) in the case of an insured depository institution that has been examined, the achievement of—

''(i) a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the insured depository institution; and

''(ii) at least a rating of 2 for management, if that rating is given; or

''(B) in the case of an insured depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter one of title LXII of the Revised Statutes of the United States is amended—

(1) by redesignating the item relating to section 5136A as section 5136C; and

(2) by inserting after the item relating to section 5136 the following new item:

''5136A. Subsidiaries of national banks.''.

**SEC. 122. SUBSIDIARIES OF STATE BANKS.**

(a) SUBSIDIARIES OF STATE BANKS AUTHORIZED TO ENGAGE IN FINANCIAL ACTIVITIES.—Section 24(d) of the Federal Deposit Insurance Act (12 U.S.C. 1831a(d)) is amended by adding at the end the following new paragraphs:

''(4) CONDITIONS ON CERTAIN ACTIVITIES.—

''(A) IN GENERAL.—No subsidiary of a State bank shall engage as principal in an activity that is not described in subparagraph (A) or (B) of section 5136A(a)(1) of the Revised Statutes of the United States unless the State bank is in compliance with the requirements of subsection (b) of that section 5136A and receives the approval of the appropriate Federal banking agency.

''(B) APPLICATION OF SECTION 5136A OF REVISED STATUTES.—For purposes of applying section 5136A of the Revised Statutes of the United States to the activities of a subsidiary of a State bank under this paragraph—

''(i) all references in that section to a national bank shall be deemed to be references to a State bank;

''(ii) all references in that section to the Comptroller of the Currency shall be deemed to be references to the appropriate Federal banking agency with respect to such State bank; and

''(iii) all references to regulations and orders of the Comptroller shall be deemed to be references to regulations and orders of the appropriate Federal banking agency.

''(C) NOTIFICATION OF NONCOMPLIANCE.—The Board of Governors of the Federal Reserve System, the Corporation, the Comptroller of the Currency, and the Office of Thrift Supervision shall establish procedures for notifying the appropriate Federal banking agency if a national bank, State bank, or savings association that is affiliated with a State bank under this paragraph fails to meet the requirements described in subparagraph (A).''.

(b) FINANCIAL SUBSIDIARIES OF STATE MEMBER BANKS.—The 20th undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 335) is amended by adding at the end the following new sentence: ''To the extent permitted under State law, a State member bank may acquire, establish, or retain a financial subsidiary (as defined in section 5136A(c) of the Revised Statutes of the United States), except that all references in subsection (b) of that section 5136A to the Comptroller of the Currency, the Comptroller, or regulations or orders of the Comptroller, shall be deemed to be references to the Board or regulations or orders of the Board.''.

**SEC. 123. SAFETY AND SOUNDNESS FIREWALLS BETWEEN BANKS AND THEIR FINANCIAL SUBSIDIARIES.**

(a) PURPOSES.—The purposes of this section are—

(1) to protect the safety and soundness of any insured bank that has a financial subsidiary;

(2) to apply to any transaction between the bank and the financial subsidiary (including a loan, extension of credit, guarantee, or purchase of assets), other than an equity investment, the same restrictions and requirements as would apply if the financial subsidiary were a subsidiary of a bank holding company having control of the bank; and

(3) to apply to any equity investment of the bank in the financial subsidiary restrictions and requirements equivalent to those that would apply if—

(A) the bank paid a dividend in the same dollar amount to a bank holding company having control of the bank; and

(B) the bank holding company used the proceeds of the dividend to make an equity investment in a subsidiary that was engaged in the same activities as the financial subsidiary of the bank.

(b) SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

**''SEC. 45. SAFETY AND SOUNDNESS FIRE WALLS APPLICABLE TO SUBSIDIARIES OF BANKS.**

''(a) LIMITING THE EQUITY INVESTMENT OF A BANK IN A SUBSIDIARY.—

''(1) CAPITAL DEDUCTION.—In determining whether an insured bank complies with applicable regulatory capital standards, the appropriate Federal banking agency shall deduct from assets and tangible equity of the bank the aggregate amount of the outstanding equity investments of the bank in the financial subsidiaries of the bank, and the assets and liabilities of such financial subsidiaries shall not be consolidated with those of the bank.

''(2) INVESTMENT LIMITATION.—An insured bank may not, without the prior approval of the appropriate Federal banking agency, purchase or make an investment in the equity securities of a financial subsidiary that would, at the time of such purchase or investment, exceed the amount that the bank could pay as a dividend without obtaining prior regulatory approval.

''(b) OPERATIONAL AND FINANCIAL SAFEGUARDS FOR THE BANK.—An insured bank that has a financial subsidiary shall maintain procedures for identifying and managing financial and operational risks posed by the financial subsidiary.

''(c) MAINTENANCE OF SEPARATE CORPORATE IDENTITY AND SEPARATE LEGAL STATUS.—

''(1) IN GENERAL.—Each insured bank shall ensure that the bank maintains and complies with reasonable policies and procedures to preserve the separate corporate identity and legal status of the bank and any financial subsidiary or affiliate of the bank.

''(2) EXAMINATIONS.—The appropriate Federal banking agency, as part of each examination, shall review whether an insured bank is observing the separate corporate identity and separate legal status of any subsidiaries and affiliates of the bank.

''(d) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section, the term 'financial subsidiary' has the same meaning as section 5136A(c) of the Revised Statutes of the United States.

''(e) REGULATIONS.—The appropriate Federal banking agencies shall jointly prescribe regulations implementing this section.''.

(c) LIMITING THE CREDIT EXPOSURE OF A BANK TO A FINANCIAL SUBSIDIARY TO THE AMOUNT OF PERMISSIBLE CREDIT EXPOSURE TO AN AFFILIATE.—Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d), the following new subsection:

''(e) RULES RELATING TO BANKS WITH FINANCIAL SUBSIDIARIES.—

''(1) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section and section 23B, the term 'financial subsidiary' has the same meaning as section 5136A(c) of the Revised Statutes of the United States.

''(2) APPLICATION TO TRANSACTIONS BETWEEN A FINANCIAL SUBSIDIARY OF A BANK AND THE BANK.—For purposes of applying this section and section 23B to a transaction between a financial subsidiary of a bank and the bank (or between such financial subsidiary and any other subsidiary of the bank that is not a financial subsidiary), and notwithstanding subsection (b)(2) of this section and section 23B(d)(1)—

''(A) the financial subsidiary of the bank—

''(i) shall be an affiliate of the bank and of any other subsidiary of the bank that is not a financial subsidiary; and

''(ii) shall not be deemed a subsidiary of the bank; and

''(B) a purchase of or investment in equity securities issued by the financial subsidiary shall not be deemed to be a covered transaction.

''(3) APPLICATION TO TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARY AND NONBANK AFFILIATES.—

''(A) IN GENERAL.—A transaction between a financial subsidiary and an affiliate of the financial subsidiary (that is not a subsidiary of a bank) shall not be deemed to be a transaction between a subsidiary of a bank and an affiliate of the bank for purposes of section 23A or section 23B of this Act.

''(B) CERTAIN AFFILIATES EXCLUDED.—For purposes of this paragraph and notwithstanding paragraph (4), the term 'affiliate' shall not include a bank, or a subsidiary of a bank that is engaged exclusively in activities permissible for a national bank to engage in directly or activities referred to in section 5136A(a)(1)(B) of the Revised Statutes of the United States.''.

**SEC. 124. FUNCTIONAL REGULATION.**

(a) PURPOSE.—The purpose of this section is to ensure that—

(1) securities activities conducted in a subsidiary of a bank are functionally regulated by the Securities and Exchange Commission to the same extent as if they were conducted in a nonbank subsidiary of a financial holding company; and

(2) insurance agency and brokerage activities conducted in a subsidiary of a bank are functionally regulated by a State insurance authority to the same extent as if they were conducted in a nonbank subsidiary of a financial holding company.

(b) FUNCTIONAL REGULATION OF FINANCIAL SUBSIDIARIES.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

**''SEC. 46. FUNCTIONAL REGULATION OF SECURITIES AND INSURANCE AGENCY SUBSIDIARIES OF INSURED DEPOSITORY INSTITUTIONS.**

''(a) BROKER OR DEALER SUBSIDIARY.—A broker or dealer that is a subsidiary of an insured depository institution shall be subject to regulation under the Securities Exchange Act of 1934, in the same manner and to the same extent as a broker or dealer that—

''(1) is controlled by the same bank holding company as controls the insured depository institution; and

''(2) is not an insured depository institution or a subsidiary of an insured depository institution.

''(b) INSURANCE AGENCY SUBSIDIARY.—An insurance agency or brokerage that is a subsidiary of an insured depository institution shall be subject to regulation by a State insurance authority in the same manner and to the same extent as an insurance agency or brokerage that—

''(1) is controlled by the same bank holding company as controls the insured depository institution; and

''(2) is not an insured depository institution or a subsidiary of an insured depository institution.

''(c) DEFINITIONS.—For purposes of this section, the terms 'broker' and 'dealer' have the same meanings as in section 3 of the Securities Exchange Act of 1934.''.

**SEC. 125. MISREPRESENTATIONS REGARDING DEPOSITORY INSTITUTION LIABILITY FOR OBLIGATIONS OF AFFILIATES.**

(a) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1007 the following new section:

**''§ 1008. Misrepresentations regarding financial institution liability for obligations of affiliates**

''(a) IN GENERAL.—No institution-affiliated party of an insured depository institution or institution-affiliated party of a subsidiary or affiliate of an insured depository institution shall fraudulently represent that the institution is or will be liable for any obligation of a subsidiary or other affiliate of the institution.

''(b) CRIMINAL PENALTY.—Whoever violates subsection (a) shall be fined under title, imprisoned for not more than 1 year, or both.

''(c) INSTITUTION-AFFILIATED PARTY DEFINED.—For purposes of this section, the term 'institution-affiliated party' with respect to a subsidiary or affiliate has the same meaning as in section 3 of the Federal Deposit Insurance Act, except that references to an insured depository institution shall be deemed to be references to a subsidiary or affiliate of an insured depository institution.

''(d) OTHER DEFINITIONS.—For purposes of this section, the terms 'affiliate', 'insured depository institution', and 'subsidiary' have same meanings as in section 3 of the Federal Deposit Insurance Act.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 47 of title 18, United States Code, is amended by inserting after the item relating to section 1007 the following new item:

''1008. Misrepresentations regarding financial institution liability for obligations of affiliates.''.

**SEC. 126. REPEAL OF STOCK LOAN LIMIT IN FEDERAL RESERVE ACT.**

Section 11 of the Federal Reserve Act (12 U.S.C. 248) is amended by striking the paragraph designated as ''(m)'' and inserting ''(m) [Repealed]''.

## Subtitle D—Wholesale Financial Holding Companies; Wholesale Financial Institutions

### CHAPTER 1—WHOLESALE FINANCIAL HOLDING COMPANIES

**SEC. 131. WHOLESALE FINANCIAL HOLDING COMPANIES ESTABLISHED.**

(a) DEFINITION AND SUPERVISION.—Section 10 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended to read as follows:

**''SEC. 10. WHOLESALE FINANCIAL HOLDING COMPANIES.**

''(a) COMPANIES THAT CONTROL WHOLESALE FINANCIAL INSTITUTIONS.—

''(1) WHOLESALE FINANCIAL HOLDING COMPANY DEFINED.—The term 'wholesale financial holding company' means any company that—

''(A) is registered as a bank holding company;

''(B) is predominantly engaged in financial activities as defined in section 6(g)(2);

''(C) controls 1 or more wholesale financial institutions;

''(D) does not control—

''(i) a bank other than a wholesale financial institution;

''(ii) an insured bank other than an institution permitted under subparagraph (D), (F), or (G) of section 2(c)(2); or

''(iii) a savings association; and

''(E) is not a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978).

''(2) SAVINGS ASSOCIATION TRANSITION PERIOD.—Notwithstanding paragraph (1)(D)(iii), the Board may permit a company that controls a savings association and that otherwise meets the requirements of paragraph (1) to become supervised under paragraph (1), if the company divests control of any such savings association within such period, not to exceed 5 years after becoming supervised under paragraph (1), as permitted by the Board.

''(b) SUPERVISION BY THE BOARD.—

''(1) IN GENERAL.—The provisions of this section shall govern the reporting, examination, and capital requirements of wholesale financial holding companies.

''(2) REPORTS.—

''(A) IN GENERAL.—The Board from time to time may require any wholesale financial holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to—

''(i) the company's or subsidiary's activities, financial condition, policies, systems

for monitoring and controlling financial and operational risks, and transactions with depository institution subsidiaries of the holding company; and

''(ii) the extent to which the company or subsidiary has complied with the provisions of this Act and regulations prescribed and orders issued under this Act.

''(B) USE OF EXISTING REPORTS.—

''(i) IN GENERAL.—The Board shall, to the fullest extent possible, accept reports in fulfillment of the Board's reporting requirements under this paragraph that the wholesale financial holding company or any subsidiary of such company has provided or been required to provide to other Federal and State supervisors or to appropriate self-regulatory organizations.

''(ii) AVAILABILITY.—A wholesale financial holding company or a subsidiary of such company shall provide to the Board, at the request of the Board, a report referred to in clause (i).

''(C) EXEMPTIONS FROM REPORTING REQUIREMENTS.—

''(i) IN GENERAL.—The Board may, by regulation or order, exempt any company or class of companies, under such terms and conditions and for such periods as the Board shall provide in such regulation or order, from the provisions of this paragraph and any regulation prescribed under this paragraph.

''(ii) CRITERIA FOR CONSIDERATION.—In making any determination under clause (i) with regard to any exemption under such clause, the Board shall consider, among such other factors as the Board may determine to be appropriate, the following factors:

''(I) Whether information of the type required under this paragraph is available from a supervisory agency (as defined in section 1101(7) of the Right to Financial Privacy Act of 1978) or a foreign regulatory authority of a similar type.

''(II) The primary business of the company.

''(III) The nature and extent of the domestic and foreign regulation of the activities of the company.

''(3) EXAMINATIONS.—

''(A) LIMITED USE OF EXAMINATION AUTHORITY.—The Board may make examinations of each wholesale financial holding company and each subsidiary of such company in order to—

''(i) inform the Board regarding the nature of the operations and financial condition of the wholesale financial holding company and its subsidiaries;

''(ii) inform the Board regarding—

''(I) the financial and operational risks within the wholesale financial holding company system that may affect any depository institution owned by such holding company; and

''(II) the systems of the holding company and its subsidiaries for monitoring and controlling those risks; and

''(iii) monitor compliance with the provisions of this Act and those governing transactions and relationships between any depository institution controlled by the wholesale financial holding company and any of the company's other subsidiaries.

''(B) RESTRICTED FOCUS OF EXAMINATIONS.—The Board shall, to the fullest extent possible, limit the focus and scope of any examination of a wholesale financial holding company under this paragraph to—

''(i) the holding company; and

''(ii) any subsidiary (other than an insured depository institution subsidiary) of the holding company that, because of the size, condition, or activities of the subsidiary, the nature or size of transactions between such subsidiary and any affiliated depository institution, or the centralization of functions within the holding company system, could have a materially adverse effect on the safety and soundness of any depository institution affiliate of the holding company.

''(C) DEFERENCE TO BANK EXAMINATIONS.—The Board shall, to the fullest extent possible, use the reports of examination of depository institutions made by the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Director of the Office of Thrift Supervision or the appropriate State depository institution supervisory authority for the purposes of this section.

''(D) DEFERENCE TO OTHER EXAMINATIONS.—The Board shall, to the fullest extent possible, address the circumstances which might otherwise permit or require an examination by the Board by forgoing an examination and by instead reviewing the reports of examination made of—

''(i) any registered broker or dealer or any registered investment adviser by or on behalf of the Commission; and

''(ii) any licensed insurance company by or on behalf of any State government insurance agency responsible for the supervision of the insurance company.

''(E) CONFIDENTIALITY OF REPORTED INFORMATION.—

''(i) IN GENERAL.—Notwithstanding any other provision of law, the Board shall not be compelled to disclose any nonpublic information required to be reported under this paragraph, or any information supplied to the Board by any domestic or foreign regulatory agency, that relates to the financial or operational condition of any wholesale financial holding company or any subsidiary of such company.

''(ii) COMPLIANCE WITH REQUESTS FOR INFORMATION.—No provision of this subparagraph shall be construed as authorizing the Board to withhold information from the Congress, or preventing the Board from complying with a request for information from any other Federal department or agency for purposes within the scope of such department's or agency's jurisdiction, or from complying with any order of a court of competent jurisdiction in an action brought by the United States or the Board.

''(iii) COORDINATION WITH OTHER LAW.—For purposes of section 552 of title 5, United States Code, this subparagraph shall be considered to be a statute described in subsection (b)(3)(B) of such section.

''(iv) DESIGNATION OF CONFIDENTIAL INFORMATION.—In prescribing regulations to carry out the requirements of this subsection, the Board shall designate information described in or obtained pursuant to this paragraph as confidential information.

''(F) COSTS.—The cost of any examination conducted by the Board under this section may be assessed against, and made payable by, the wholesale financial holding company.

''(4) CAPITAL ADEQUACY GUIDELINES.—

''(A) CAPITAL ADEQUACY PROVISIONS.—Subject to the requirements of, and solely in accordance with, the terms of this paragraph, the Board may adopt capital adequacy rules or guidelines for wholesale financial holding companies.

''(B) METHOD OF CALCULATION.—In developing rules or guidelines under this paragraph, the following provisions shall apply:

''(i) FOCUS ON DOUBLE LEVERAGE.—The Board shall focus on the use by wholesale financial holding companies of debt and other liabilities to fund capital investments in subsidiaries.

''(ii) NO UNWEIGHTED CAPITAL RATIO.—The Board shall not, by regulation, guideline, order, or otherwise, impose under this section a capital ratio that is not based on appropriate risk-weighting considerations.

''(iii) NO CAPITAL REQUIREMENT ON REGULATED ENTITIES.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, standards, guidelines, or requirements upon any subsidiary that—

''(I) is not a depository institution; and

''(II) is in compliance with applicable capital requirements of another Federal regulatory authority (including the Securities and Exchange Commission) or State insurance authority.

''(iv) CERTAIN SUBSIDIARIES.—The Board shall not, by regulation, guideline, order or otherwise, prescribe or impose any capital or capital adequacy rules, standards, guidelines, or requirements upon any subsidiary that is not a depository institution and that is registered as an investment adviser under the Investment Advisers Act of 1940, except that this clause shall not be construed as preventing the Board from imposing capital or capital adequacy rules, guidelines, standards, or requirements with respect to activities of a registered investment adviser other than investment advisory activities or activities incidental to investment advisory activities.

''(v) LIMITATIONS ON INDIRECT ACTION.—In developing, establishing, or assessing holding company capital or capital adequacy rules, guidelines, standards, or requirements for purposes of this paragraph, the Board shall not take into account the activities, operations, or investments of an affiliated investment company registered under the Investment Company Act of 1940, if the investment company is not—

''(I) a bank holding company; or

''(II) controlled by a bank holding company by reason of ownership by the bank holding company (including through all of its affiliates) of 25 percent or more of the shares of the investment company, where the shares owned by the bank holding company have a market value equal to more than $1,000,000.

''(vi) APPROPRIATE EXCLUSIONS.—The Board shall take full account of—

''(I) the capital requirements made applicable to any subsidiary that is not a depository institution by another Federal regulatory authority or State insurance authority; and

''(II) industry norms for capitalization of a company's unregulated subsidiaries and activities.

''(vii) INTERNAL RISK MANAGEMENT MODELS.—The Board may incorporate internal risk management models of wholesale financial holding companies into its capital adequacy guidelines or rules and may take account of the extent to which resources of a subsidiary depository institution may be used to service the debt or other liabilities of the wholesale financial holding company.

''(c) NONFINANCIAL ACTIVITIES AND INVESTMENTS.—

''(1) GRANDFATHERED ACTIVITIES.—

''(A) IN GENERAL.—Notwithstanding section 4(a), a company that becomes a wholesale financial holding company may continue to engage, directly or indirectly, in any activity and may retain ownership and control of shares of a company engaged in any activity if—

''(i) on the date of enactment of the Financial Services Act of 1999, such wholesale financial holding company was lawfully engaged in that nonfinancial activity, held the

shares of such company, or had entered into a contract to acquire shares of any company engaged in such activity; and

''(ii) the company engaged in such activity continues to engage only in the same activities that such company conducted on the date of enactment of the Financial Services Act of 1999, and other activities permissible under this Act.

''(B) NO EXPANSION OF GRANDFATHERED COMMERCIAL ACTIVITIES THROUGH MERGER OR CONSOLIDATION.—A wholesale financial holding company that engages in activities or holds shares pursuant to this paragraph, or a subsidiary of such wholesale financial holding company, may not acquire, in any merger, consolidation, or other type of business combination, assets of any other company which is engaged in any activity which the Board has not determined to be financial in nature or incidental to activities that are financial in nature under section 6(c).

''(C) LIMITATION TO SINGLE EXEMPTION.—No company that engages in any activity or controls any shares under subsection (f) of section 6 may engage in any activity or own any shares pursuant to this paragraph.

''(2) COMMODITIES.—

''(A) IN GENERAL.—Notwithstanding section 4(a), a wholesale financial holding company which was predominately engaged as of January 1, 1997, in financial activities in the United States (or any successor to any such company) may engage in, or directly or indirectly own or control shares of a company engaged in, activities related to the trading, sale, or investment in commodities and underlying physical properties that were not permissible for bank holding companies to conduct in the United States as of January 1, 1997, if such wholesale financial holding company, or any subsidiary of such holding company, was engaged directly, indirectly, or through any such company in any of such activities as of January 1, 1997, in the United States.

''(B) LIMITATION.—The attributed aggregate consolidated assets of a wholesale financial holding company held under the authority granted under this paragraph and not otherwise permitted to be held by all wholesale financial holding companies under this section may not exceed 5 percent of the total consolidated assets of the wholesale financial holding company, except that the Board may increase such percentage of total consolidated assets by such amounts and under such circumstances as the Board considers appropriate, consistent with the purposes of this Act.

''(3) CROSS MARKETING RESTRICTIONS.—A wholesale financial holding company shall not permit—

''(A) any company whose shares it owns or controls pursuant to paragraph (1) or (2) to offer or market any product or service of an affiliated wholesale financial institution; or

''(B) any affiliated wholesale financial institution to offer or market any product or service of any company whose shares are owned or controlled by such wholesale financial holding company pursuant to such paragraphs.

''(d) QUALIFICATION OF FOREIGN BANK AS WHOLESALE FINANCIAL HOLDING COMPANY.—

''(1) IN GENERAL.—Any foreign bank, or any company that owns or controls a foreign bank, that operates a branch, agency, or commercial lending company in the United States, including a foreign bank or company that owns or controls a wholesale financial institution, may request a determination from the Board that such bank or company be treated as a wholesale financial holding company (other than for purposes of subsection (c)), subject to such conditions as the Board deems appropriate, giving due regard to the principle of national treatment and equality of competitive opportunity and the requirements imposed on domestic banks and companies.

''(2) CONDITIONS FOR TREATMENT AS A WHOLESALE FINANCIAL HOLDING COMPANY.—A foreign bank and a company that owns or controls a foreign bank may not be treated as a wholesale financial holding company unless the bank and company meet and continue to meet the following criteria:

''(A) NO INSURED DEPOSITS.—No deposits held directly by a foreign bank or through an affiliate (other than an institution described in subparagraph (D) or (F) of section 2(c)(2)) are insured under the Federal Deposit Insurance Act.

''(B) CAPITAL STANDARDS.—The foreign bank meets risk-based capital standards comparable to the capital standards required for a wholesale financial institution, giving due regard to the principle of national treatment and equality of competitive opportunity.

''(C) TRANSACTION WITH AFFILIATES.—Transactions between a branch, agency, or commercial lending company subsidiary of the foreign bank in the United States, and any securities affiliate or company in which the foreign bank (or any company that owns or controls such foreign bank) has invested and which engages in any activity authorized only as a result of the application of subsection (c) or (g) of section 6, comply with the provisions of sections 23A and 23B of the Federal Reserve Act in the same manner and to the same extent as such transactions would be required to comply with such sections if the foreign bank were a member bank.

''(3) TREATMENT AS A WHOLESALE FINANCIAL INSTITUTION.—Any foreign bank which is, or is affiliated with a company which is, treated as a wholesale financial holding company under this subsection shall be treated as a wholesale financial institution for purposes of paragraphs (1)(C) and (3) of section 9B(c) of the Federal Reserve Act, and any such foreign bank or company shall be subject to paragraphs (3), (4), and (5) of section 9B(d) of the Federal Reserve Act, except that the Board may adopt such modifications, conditions, or exemptions as the Board deems appropriate, giving due regard to the principle of national treatment and equality of competitive opportunity.

''(4) SUPERVISION OF FOREIGN BANK WHICH MAINTAINS NO BANKING PRESENCE OTHER THAN CONTROL OF A WHOLESALE FINANCIAL INSTITUTION.—A foreign bank that owns or controls a wholesale financial institution but does not operate a branch, agency, or commercial lending company in the United States (and any company that owns or controls such foreign bank) may request a determination from the Board that such bank or company be treated as a wholesale financial holding company, except that such bank or company shall be subject to the restrictions of paragraphs (2)(A) and (3) of this subsection.

''(5) NO EFFECT ON OTHER PROVISIONS.—This section shall not be construed as limiting the authority of the Board under the International Banking Act of 1978 with respect to the regulation, supervision, or examination of foreign banks and their offices and affiliates in the United States.''.

(b) UNINSURED STATE BANKS.—Section 9 of the Federal Reserve Act (12 U.S.C. 321 et seq.) is amended by adding at the end the following new paragraph:

''(24) ENFORCEMENT AUTHORITY OVER UNINSURED STATE MEMBER BANKS.—Section 3(u) of the Federal Deposit Insurance Act, subsections (j) and (k) of section 7 of such Act, and subsections (b) through (n), (s), (u), and (v) of section 8 of such Act shall apply to an uninsured State member bank in the same manner and to the same extent such provisions apply to an insured State member bank and any reference in any such provision to 'insured depository institution' shall be deemed to be a reference to 'uninsured State member bank' for purposes of this paragraph.''.

**SEC. 132. AUTHORIZATION TO RELEASE REPORTS.**

(a) FEDERAL RESERVE ACT.—The last sentence of the eighth undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 326) is amended to read as follows: ''The Board of Governors of the Federal Reserve System, at its discretion, may furnish reports of examination or other confidential supervisory information concerning State member banks or any other entities examined under any other authority of the Board to any Federal or State authorities with supervisory or regulatory authority over the examined entity, to officers, directors, or receivers of the examined entity, and to any other person that the Board determines to be proper.''.

(b) COMMODITY FUTURES TRADING COMMISSION.—The Right to Financial Privacy Act of 1978 (12 U.S.C. 3401 et seq.) is amended—

(1) in section 1101(7) (12 U.S.C. 3401(7))—

(A) by redesignating subparagraphs (G) and (H) as subparagraphs (H) and (I), respectively; and

(B) by inserting after subparagraph (F) the following new subparagraph:

''(G) the Commodity Futures Trading Commission; or''; and

(2) in section 1112(e) (12 U.S.C. 3412(e)), by striking ''and the Securities and Exchange Commission'' and inserting '', the Securities and Exchange Commission, and the Commodity Futures Trading Commission''.

**SEC. 133. CONFORMING AMENDMENTS.**

(a) BANK HOLDING COMPANY ACT OF 1956.—

(1) DEFINITIONS.—Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended by adding at the end the following new subsections:

''(p) WHOLESALE FINANCIAL INSTITUTION.—The term 'wholesale financial institution' means a wholesale financial institution subject to section 9B of the Federal Reserve Act.

''(q) COMMISSION.—The term 'Commission' means the Securities and Exchange Commission.

''(r) DEPOSITORY INSTITUTION.—The term 'depository institution'—

''(1) has the same meaning as in section 3 of the Federal Deposit Insurance Act; and

''(2) includes a wholesale financial institution.''.

(2) DEFINITION OF BANK INCLUDES WHOLESALE FINANCIAL INSTITUTION.—Section 2(c)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)(1)) is amended by adding at the end the following new subparagraph:

''(C) A wholesale financial institution.''.

(3) INCORPORATED DEFINITIONS.—Section 2(n) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(n)) is amended by inserting '' 'insured bank','' after '' 'in danger of default',''.

(4) EXCEPTION TO DEPOSIT INSURANCE REQUIREMENT.—Section 3(e) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(e)) is amended by adding at the end the following: ''This subsection shall not apply to a wholesale financial institution.''.

(b) FEDERAL DEPOSIT INSURANCE ACT.—Section 3(q)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)(2)(A)) is amended to read as follows:

''(A) any State member insured bank (except a District bank) and any wholesale financial institution as authorized pursuant to section 9B of the Federal Reserve Act;''.

## CHAPTER 2—WHOLESALE FINANCIAL INSTITUTIONS

**SEC. 136. WHOLESALE FINANCIAL INSTITUTIONS.**

(a) NATIONAL WHOLESALE FINANCIAL INSTITUTIONS.—

(1) IN GENERAL.—Chapter one of title LXII of the Revised Statutes of the United States (12 U.S.C. 21 et seq.) is amended by inserting after section 5136A (as added by section 121(a) of this title) the following new section:

**''SEC. 5136B. NATIONAL WHOLESALE FINANCIAL INSTITUTIONS.**

''(a) AUTHORIZATION OF THE COMPTROLLER REQUIRED.—A national bank may apply to the Comptroller on such forms and in accordance with such regulations as the Comptroller may prescribe, for permission to operate as a national wholesale financial institution.

''(b) REGULATION.—A national wholesale financial institution may exercise, in accordance with such institution's articles of incorporation and regulations issued by the Comptroller, all the powers and privileges of a national bank formed in accordance with section 5133 of the Revised Statutes of the United States, subject to section 9B of the Federal Reserve Act and the limitations and restrictions contained therein.

''(c) COMMUNITY REINVESTMENT ACT OF 1977.—A national wholesale financial institution shall be subject to the Community Reinvestment Act of 1977, only if the wholesale financial institution has an affiliate that is an insured depository institution or that operates an insured branch, as those terms are defined in section 3 of the Federal Deposit Insurance Act.''.

(2) CLERICAL AMENDMENT.—The table of sections for chapter one of title LXII of the Revised Statutes of the United States is amended by inserting after the item relating to section 5136A (as added by section 121(d) of this title) the following new item:

''5136B. National wholesale financial institutions.''.

(b) STATE WHOLESALE FINANCIAL INSTITUTIONS.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 9A the following new section:

**''SEC. 9B. WHOLESALE FINANCIAL INSTITUTIONS.**

''(a) APPLICATION FOR MEMBERSHIP AS WHOLESALE FINANCIAL INSTITUTION.—

''(1) APPLICATION REQUIRED.—

''(A) IN GENERAL.—Any bank may apply to the Board of Governors of the Federal Reserve System to become a wholesale financial institution and, as a wholesale financial institution, to subscribe to the stock of the Federal reserve bank organized within the district where the applying bank is located.

''(B) TREATMENT AS MEMBER BANK.—Any application under subparagraph (A) shall be treated as an application under, and shall be subject to the provisions of, section 9.

''(2) INSURANCE TERMINATION.—No bank the deposits of which are insured under the Federal Deposit Insurance Act may become a wholesale financial institution unless it has met all requirements under that Act for voluntary termination of deposit insurance.

''(b) GENERAL REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—

''(1) FEDERAL RESERVE ACT.—Except as otherwise provided in this section, wholesale financial institutions shall be member banks and shall be subject to the provisions of this Act that apply to member banks to the same extent and in the same manner as State member insured banks, except that a wholesale financial institution may terminate membership under this Act only with the prior written approval of the Board and on terms and conditions that the Board determines are appropriate to carry out the purposes of this Act.

''(2) PROMPT CORRECTIVE ACTION.—A wholesale financial institution shall be deemed to be an insured depository institution for purposes of section 38 of the Federal Deposit Insurance Act except that—

''(A) the relevant capital levels and capital measures for each capital category shall be the levels specified by the Board for wholesale financial institutions; and

''(B) all references to the appropriate Federal banking agency or to the Corporation in that section shall be deemed to be references to the Board.

''(3) ENFORCEMENT AUTHORITY.—Subsections (j) and (k) of section 7, subsections (b) through (n), (s), and (v) of section 8, and section 19 of the Federal Deposit Insurance Act shall apply to a wholesale financial institution in the same manner and to the same extent as such provisions apply to State member insured banks and any reference in such sections to an insured depository institution shall be deemed to include a reference to a wholesale financial institution.

''(4) CERTAIN OTHER STATUTES APPLICABLE.—A wholesale financial institution shall be deemed to be a banking institution, and the Board shall be the appropriate Federal banking agency for such bank and all such bank's affiliates, for purposes of the International Lending Supervision Act.

''(5) BANK MERGER ACT.—A wholesale financial institution shall be subject to sections 18(c) and 44 of the Federal Deposit Insurance Act in the same manner and to the same extent the wholesale financial institution would be subject to such sections if the institution were a State member insured bank.

''(6) BRANCHING.—Notwithstanding any other provision of law, a wholesale financial institution may establish and operate a branch at any location on such terms and conditions as established by the Board and, in the case of a State-chartered wholesale financial institution, with the approval of the Board, and, in the case of a national bank wholesale financial institution, with the approval of the Comptroller of the Currency.

''(7) ACTIVITIES OF OUT-OF-STATE BRANCHES OF WHOLESALE FINANCIAL INSTITUTIONS.—

''(A) GENERAL.—A State-chartered wholesale financial institution shall be deemed to be a State bank and an insured State bank for purposes of paragraphs (1), (2), and (3) of section 24(j) of the Federal Deposit Insurance Act, and a national wholesale financial institution shall be deemed to be a national bank for purposes of section 5155(f) of the Revised Statutes of the United States.

''(B) DEFINITIONS.—The following definitions shall apply solely for purposes of applying paragraph (1):

''(i) HOME STATE.—The term 'home State' means—

''(I) with respect to a national wholesale financial institution, the State in which the main office of the institution is located; and

''(II) with respect to a State-chartered wholesale financial institution, the State by which the institution is chartered.

''(ii) HOST STATE.—The term 'host State' means a State, other than the home State of the wholesale financial institution, in which the institution maintains, or seeks to establish and maintain, a branch.

''(iii) OUT-OF-STATE BANK.—The term 'out-of-State bank' means, with respect to any State, a wholesale financial institution whose home State is another State.

''(8) DISCRIMINATION REGARDING INTEREST RATES.—Section 27 of the Federal Deposit Insurance Act shall apply to State-chartered wholesale financial institutions in the same manner and to the same extent as such provisions apply to State member insured banks and any reference in such section to a State-chartered insured depository institution shall be deemed to include a reference to a State-chartered wholesale financial institution.

''(9) PREEMPTION OF STATE LAWS REQUIRING DEPOSIT INSURANCE FOR WHOLESALE FINANCIAL INSTITUTIONS.—The appropriate State banking authority may grant a charter to a wholesale financial institution notwithstanding any State constitution or statute requiring that the institution obtain insurance of its deposits and any such State constitution or statute is hereby preempted solely for purposes of this paragraph.

''(10) PARITY FOR WHOLESALE FINANCIAL INSTITUTIONS.—A State bank that is a wholesale financial institution under this section shall have all of the rights, powers, privileges, and immunities (including those derived from status as a federally chartered institution) of and as if it were a national bank, subject to such terms and conditions as established by the Board.

''(11) COMMUNITY REINVESTMENT ACT OF 1977.—A State wholesale financial institution shall be subject to the Community Reinvestment Act of 1977, only if the wholesale financial institution has an affiliate that is an insured depository institution or that operates an insured branch, as those terms are defined in section 3 of the Federal Deposit Insurance Act.

''(c) SPECIFIC REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—

''(1) LIMITATIONS ON DEPOSITS.—

''(A) MINIMUM AMOUNT.—

''(i) IN GENERAL.—No wholesale financial institution may receive initial deposits of $100,000 or less, other than on an incidental and occasional basis.

''(ii) LIMITATION ON DEPOSITS OF LESS THAN $100,000.—No wholesale financial institution may receive initial deposits of $100,000 or less if such deposits constitute more than 5 percent of the institution's total deposits.

''(B) NO DEPOSIT INSURANCE.—Except as otherwise provided in section 8A(f) of the Federal Deposit Insurance Act, no deposits held by a wholesale financial institution shall be insured deposits under the Federal Deposit Insurance Act.

''(C) ADVERTISING AND DISCLOSURE.—The Board shall prescribe regulations pertaining to advertising and disclosure by wholesale financial institutions to ensure that each depositor is notified that deposits at the wholesale financial institution are not federally insured or otherwise guaranteed by the United States Government.

''(2) MINIMUM CAPITAL LEVELS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—The Board shall, by regulation, adopt capital requirements for wholesale financial institutions—

''(A) to account for the status of wholesale financial institutions as institutions that accept deposits that are not insured under the Federal Deposit Insurance Act; and

''(B) to provide for the safe and sound operation of the wholesale financial institution

without undue risk to creditors or other persons, including Federal reserve banks, engaged in transactions with the bank.

''(3) ADDITIONAL REQUIREMENTS APPLICABLE TO WHOLESALE FINANCIAL INSTITUTIONS.—In addition to any requirement otherwise applicable to State member insured banks or applicable, under this section, to wholesale financial institutions, the Board may impose, by regulation or order, upon wholesale financial institutions—

''(A) limitations on transactions, direct or indirect, with affiliates to prevent—

''(i) the transfer of risk to the deposit insurance funds; or

''(ii) an affiliate from gaining access to, or the benefits of, credit from a Federal reserve bank, including overdrafts at a Federal reserve bank;

''(B) special clearing balance requirements; and

''(C) any additional requirements that the Board determines to be appropriate or necessary to—

''(i) promote the safety and soundness of the wholesale financial institution or any insured depository institution affiliate of the wholesale financial institution;

''(ii) prevent the transfer of risk to the deposit insurance funds; or

''(iii) protect creditors and other persons, including Federal reserve banks, engaged in transactions with the wholesale financial institution.

''(4) EXEMPTIONS FOR WHOLESALE FINANCIAL INSTITUTIONS.—The Board may, by regulation or order, exempt any wholesale financial institution from any provision applicable to a member bank that is not a wholesale financial institution, if the Board finds that such exemption is not inconsistent with—

''(A) the promotion of the safety and soundness of the wholesale financial institution or any insured depository institution affiliate of the wholesale financial institution;

''(B) the protection of the deposit insurance funds; and

''(C) the protection of creditors and other persons, including Federal reserve banks, engaged in transactions with the wholesale financial institution.

''(5) LIMITATION ON TRANSACTIONS BETWEEN A WHOLESALE FINANCIAL INSTITUTION AND AN INSURED BANK.—For purposes of section 23A(d)(1) of the Federal Reserve Act, a wholesale financial institution that is affiliated with an insured bank shall not be a bank.

''(6) NO EFFECT ON OTHER PROVISIONS.—This section shall not be construed as limiting the Board's authority over member banks under any other provision of law, or to create any obligation for any Federal reserve bank to make, increase, renew, or extend any advance or discount under this Act to any member bank or other depository institution.

''(d) CAPITAL AND MANAGERIAL REQUIREMENTS.—

''(1) IN GENERAL.—A wholesale financial institution shall be well capitalized and well managed.

''(2) NOTICE TO COMPANY.—The Board shall promptly provide notice to a company that controls a wholesale financial institution whenever such wholesale financial institution is not well capitalized or well managed.

''(3) AGREEMENT TO RESTORE INSTITUTION.—Not later than 45 days after the date of receipt of a notice under paragraph (2) (or such additional period not to exceed 90 days as the Board may permit), the company shall execute an agreement acceptable to the Board to restore the wholesale financial institution to compliance with all of the requirements of paragraph (1).

''(4) LIMITATIONS UNTIL INSTITUTION RESTORED.—Until the wholesale financial institution is restored to compliance with all of the requirements of paragraph (1), the Board may impose such limitations on the conduct or activities of the company or any affiliate of the company as the Board determines to be appropriate under the circumstances.

''(5) FAILURE TO RESTORE.—If the company does not execute and implement an agreement in accordance with paragraph (3), comply with any limitation imposed under paragraph (4), restore the wholesale financial institution to well capitalized status not later than 180 days after the date of receipt by the company of the notice described in paragraph (2), or restore the wholesale financial institution to well managed status within such period as the Board may permit, the company shall, under such terms and conditions as may be imposed by the Board and subject to such extension of time as may be granted in the Board's discretion, divest control of its subsidiary depository institutions.

''(6) WELL MANAGED DEFINED.—For purposes of this subsection, the term 'well managed' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

''(e) RESOLUTION OF WHOLESALE FINANCIAL INSTITUTIONS.—

''(1) CONSERVATORSHIP OR RECEIVERSHIP.—

''(A) APPOINTMENT.—The Board may appoint a conservator or receiver for a wholesale financial institution to the same extent and in the same manner as the Comptroller of the Currency may appoint a conservator or receiver for a national bank.

''(B) POWERS.—The conservator or receiver for a wholesale financial institution shall exercise the same powers, functions, and duties, subject to the same limitations, as a conservator or receiver for a national bank.

''(2) BOARD AUTHORITY.—The Board shall have the same authority with respect to any conservator or receiver appointed for a wholesale financial institution under paragraph (1), and the wholesale financial institution for which it has been appointed, as the Comptroller of the Currency has with respect to a conservator or receiver for a national bank and the national bank for which the conservator or receiver has been appointed.

''(3) BANKRUPTCY PROCEEDINGS.—The Comptroller of the Currency (in the case of a national wholesale financial institution) and the Board may direct the conservator or receiver of a wholesale financial institution to file a petition pursuant to title 11, United States Code, in which case, title 11, United States Code, shall apply to the wholesale financial institution in lieu of otherwise applicable Federal or State insolvency law.

''(f) EXCLUSIVE JURISDICTION.—Subsections (c) and (e) of section 43 of the Federal Deposit Insurance Act shall not apply to any wholesale financial institution.''.

(c) VOLUNTARY TERMINATION OF INSURED STATUS BY CERTAIN INSTITUTIONS.—

(1) SECTION 8 DESIGNATIONS.—Section 8(a) of the Federal Deposit Insurance Act (12 U.S.C. 1818(a)) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) through (10) as paragraphs (1) through (9), respectively.

(2) VOLUNTARY TERMINATION OF INSURED STATUS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by inserting after section 8 the following new section:

**''SEC. 8A. VOLUNTARY TERMINATION OF STATUS AS INSURED DEPOSITORY INSTITUTION.**

''(a) IN GENERAL.—Except as provided in subsection (b), an insured State bank or a national bank may voluntarily terminate such bank's status as an insured depository institution in accordance with regulations of the Corporation if—

''(1) the bank provides written notice of the bank's intent to terminate such insured status—

''(A) to the Corporation and the Board of Governors of the Federal Reserve System not less than 6 months before the effective date of such termination; and

''(B) to all depositors at such bank, not less than 6 months before the effective date of the termination of such status; and

''(2) either—

''(A) the deposit insurance fund of which such bank is a member equals or exceeds the fund's designated reserve ratio as of the date the bank provides a written notice under paragraph (1) and the Corporation determines that the fund will equal or exceed the applicable designated reserve ratio for the 2 semiannual assessment periods immediately following such date; or

''(B) the Corporation and the Board of Governors of the Federal Reserve System approved the termination of the bank's insured status and the bank pays an exit fee in accordance with subsection (e).

''(b) EXCEPTION.—Subsection (a) shall not apply with respect to—

''(1) an insured savings association; or

''(2) an insured branch that is required to be insured under subsection (a) or (b) of section 6 of the International Banking Act of 1978.

''(c) ELIGIBILITY FOR INSURANCE TERMINATED.—Any bank that voluntarily elects to terminate the bank's insured status under subsection (a) shall not be eligible for insurance on any deposits or any assistance authorized under this Act after the period specified in subsection (f)(1).

''(d) INSTITUTION MUST BECOME WHOLESALE FINANCIAL INSTITUTION OR TERMINATE DEPOSIT-TAKING ACTIVITIES.—Any depository institution which voluntarily terminates such institution's status as an insured depository institution under this section may not, upon termination of insurance, accept any deposits unless the institution is a wholesale financial institution subject to section 9B of the Federal Reserve Act.

''(e) EXIT FEES.—

''(1) IN GENERAL.—Any bank that voluntarily terminates such bank's status as an insured depository institution under this section shall pay an exit fee in an amount that the Corporation determines is sufficient to account for the institution's pro rata share of the amount (if any) which would be required to restore the relevant deposit insurance fund to the fund's designated reserve ratio as of the date the bank provides a written notice under subsection (a)(1).

''(2) PROCEDURES.—The Corporation shall prescribe, by regulation, procedures for assessing any exit fee under this subsection.

''(f) TEMPORARY INSURANCE OF DEPOSITS INSURED AS OF TERMINATION.—

''(1) TRANSITION PERIOD.—The insured deposits of each depositor in a State bank or a national bank on the effective date of the voluntary termination of the bank's insured status, less all subsequent withdrawals from any deposits of such depositor, shall continue to be insured for a period of not less than 6 months and not more than 2 years, as determined by the Corporation. During such period, no additions to any such deposits,

and no new deposits in the depository institution made after the effective date of such termination shall be insured by the Corporation.

''(2) TEMPORARY ASSESSMENTS; OBLIGATIONS AND DUTIES.—During the period specified in paragraph (1) with respect to any bank, the bank shall continue to pay assessments under section 7 as if the bank were an insured depository institution. The bank shall, in all other respects, be subject to the authority of the Corporation and the duties and obligations of an insured depository institution under this Act during such period, and in the event that the bank is closed due to an inability to meet the demands of the bank's depositors during such period, the Corporation shall have the same powers and rights with respect to such bank as in the case of an insured depository institution.

''(g) ADVERTISEMENTS.—

''(1) IN GENERAL.—A bank that voluntarily terminates the bank's insured status under this section shall not advertise or hold itself out as having insured deposits, except that the bank may advertise the temporary insurance of deposits under subsection (f) if, in connection with any such advertisement, the advertisement also states with equal prominence that additions to deposits and new deposits made after the effective date of the termination are not insured.

''(2) CERTIFICATES OF DEPOSIT, OBLIGATIONS, AND SECURITIES.—Any certificate of deposit or other obligation or security issued by a State bank or a national bank after the effective date of the voluntary termination of the bank's insured status under this section shall be accompanied by a conspicuous, prominently displayed notice that such certificate of deposit or other obligation or security is not insured under this Act.

''(h) NOTICE REQUIREMENTS.—

''(1) NOTICE TO THE CORPORATION.—The notice required under subsection (a)(1)(A) shall be in such form as the Corporation may require.

''(2) NOTICE TO DEPOSITORS.—The notice required under subsection (a)(1)(B) shall be—

''(A) sent to each depositor's last address of record with the bank; and

''(B) in such manner and form as the Corporation finds to be necessary and appropriate for the protection of depositors.''.

(3) DEFINITION.—Section 19(b)(1)(A)(i) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)(i)) is amended by inserting '', or any wholesale financial institution subject to section 9B of this Act'' after ''such Act''.

(d) TECHNICAL AND CONFORMING AMENDMENTS TO THE BANKRUPTCY CODE.—

(1) BANKRUPTCY CODE DEBTORS.—Section 109(b)(2) of title 11, United States Code, is amended by striking ''; or'' and inserting the following: '', except that—

''(A) a wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act may be a debtor if a petition is filed at the direction of the Comptroller of the Currency (in the case of a wholesale financial institution established under section 5136B of the Revised Statutes of the United States) or the Board of Governors of the Federal Reserve System (in the case of any wholesale financial institution); and

''(B) a corporation organized under section 25A of the Federal Reserve Act may be a debtor if a petition is filed at the direction of the Board of Governors of the Federal Reserve System; or''.

(2) CHAPTER 7 DEBTORS.—Section 109(d) of title 11, United States Code, is amended to read as follows:

''(d) Only a railroad and a person that may be a debtor under chapter 7 of this title, except that a stockbroker, a wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act, a corporation organized under section 25A of the Federal Reserve Act, or a commodity broker, may be a debtor under chapter 11 of this title.''.

(3) DEFINITION OF FINANCIAL INSTITUTION.—Section 101(22) of title 11, United States Code, is amended to read as follows:

''(22) 'financial institution' means a person that is a commercial or savings bank, industrial savings bank, savings and loan association, trust company, wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act, or corporation organized under section 25A of the Federal Reserve Act and, when any such person is acting as agent or custodian for a customer in connection with a securities contract, as defined in section 741 of this title, such customer,''.

(4) SUBCHAPTER V OF CHAPTER 7.—

(A) IN GENERAL.—Section 103 of title 11, United States Code, is amended—

(i) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(ii) by inserting after subsection (d) the following:

''(e) Subchapter V of chapter 7 of this title applies only in a case under such chapter concerning the liquidation of a wholesale financial institution established under section 5136B of the Revised Statutes of the United States or section 9B of the Federal Reserve Act, or a corporation organized under section 25A of the Federal Reserve Act.''.

(B) WHOLESALE BANK LIQUIDATION.—Chapter 7 of title 11, United States Code, is amended by adding at the end the following:

''SUBCHAPTER V—WHOLESALE BANK LIQUIDATION

**''§ 781. Definitions for subchapter**

''In this subchapter—

''(1) the term 'Board' means the Board of Governors of the Federal Reserve System;

''(2) the term 'depository institution' has the same meaning as in section 3 of the Federal Deposit Insurance Act, and includes any wholesale bank;

''(3) the term 'national wholesale financial institution' means a wholesale financial institution established under section 5136B of the Revised Statutes of the United States; and

''(4) the term 'wholesale bank' means a national wholesale financial institution, a wholesale financial institution established under section 9B of the Federal Reserve Act, or a corporation organized under section 25A of the Federal Reserve Act.

**''§ 782. Selection of trustee**

''Notwithstanding any other provision of this title, the conservator or receiver who files the petition shall be the trustee under this chapter, unless the Comptroller of the Currency (in the case of a national wholesale financial institution for which it appointed the conservator or receiver) or the Board (in the case of any wholesale bank for which it appointed the conservator or receiver) designates an alternative trustee. The Comptroller of the Currency or the Board (as applicable) may designate a successor trustee, if required.

**''§ 783. Additional powers of trustee**

''(a) The trustee under this subchapter has power, with permission of the court—

''(1) to sell the wholesale bank to a depository institution or consortium of depository institutions (which consortium may agree on the allocation of the wholesale bank among the consortium);

''(2) to merge the wholesale bank with a depository institution;

''(3) to transfer contracts to the same extent as could a receiver for a depository institution under paragraphs (9) and (10) of section 11(e) of the Federal Deposit Insurance Act;

''(4) to transfer assets or liabilities to a depository institution;

''(5) to distribute property not of the estate, including distributions to customers that are mandated by subchapters III and IV of this chapter; or

''(6) to transfer assets and liabilities to a bridge bank as provided in paragraphs (1), (3)(A), (5), (6), and (9) through (13), and subparagraphs (A) through (H) and (K) of paragraph (4) of section 11(n) of the Federal Deposit Insurance Act, except that—

''(A) the bridge bank shall be treated as a wholesale bank for the purpose of this subsection; and

''(B) any references in any such provision of law to the Federal Deposit Insurance Corporation shall be construed to be references to the appointing agency and that references to deposit insurance shall be omitted.

''(b) Any reference in this section to transfers of liabilities includes a ratable transfer of liabilities within a priority class.

**''§ 784. Right to be heard**

''The Comptroller of the Currency (in the case of a national wholesale financial institution), the Board (in the case of any wholesale bank), or a Federal Reserve bank (in the case of a wholesale bank that is a member of that bank) may raise and may appear and be heard on any issue in a case under this subchapter.

**''§ 785. Expedited transfers**

''The trustee may make a transfer pursuant to section 783 without prior judicial approval, if the Comptroller of the Currency (in the case of a national wholesale financial institution for which it appointed the conservator or receiver) or the Board (in the case of any wholesale bank for which it appointed the conservator or receiver) determines that the transfer would be necessary to avert serious adverse effects on economic conditions or financial stability.''.

(C) CONFORMING AMENDMENT.—The table of sections for chapter 7 of title 11, United States Code, is amended by adding at the end the following:

''781. Definitions for subchapter.
''782. Selection of trustee.
''783. Additional powers of trustee.
''784. Right to be heard.
''785. Expedited transfers.''.

(e) RESOLUTION OF EDGE CORPORATIONS.—Section 25A(16) of the Federal Reserve Act (12 U.S.C. 624(16)) is amended to read as follows:

''(16) APPOINTMENT OF RECEIVER OR CONSERVATOR.—

''(A) IN GENERAL.—The Board may appoint a conservator or receiver for a corporation organized under the provisions of this section to the same extent and in the same manner as the Comptroller of the Currency may appoint a conservator or receiver for a national bank, and the conservator or receiver for such corporation shall exercise the same powers, functions, and duties, subject to the same limitations, as a conservator or receiver for a national bank.

''(B) EQUIVALENT AUTHORITY.—The Board shall have the same authority with respect

to any conservator or receiver appointed for a corporation organized under the provisions of this section under this paragraph and any such corporation as the Comptroller of the Currency has with respect to a conservator or receiver of a national bank and the national bank for which a conservator or receiver has been appointed.

''(C) TITLE 11 PETITIONS.—The Board may direct the conservator or receiver of a corporation organized under the provisions of this section to file a petition pursuant to title 11, United States Code, in which case, title 11, United States Code, shall apply to the corporation in lieu of otherwise applicable Federal or State insolvency law.''.

**Subtitle E—Preservation of FTC Authority**

**SEC. 141. AMENDMENT TO THE BANK HOLDING COMPANY ACT OF 1956 TO MODIFY NOTIFICATION AND POST-APPROVAL WAITING PERIOD FOR SECTION 3 TRANSACTIONS.**

Section 11(b)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1849(b)(1)) is amended by inserting ''and, if the transaction also involves an acquisition under section 4 or section 6, the Board shall also notify the Federal Trade Commission of such approval'' before the period at the end of the first sentence.

**SEC. 142. INTERAGENCY DATA SHARING.**

To the extent not prohibited by other law, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System shall make available to the Attorney General and the Federal Trade Commission any data in the possession of any such banking agency that the antitrust agency deems necessary for antitrust review of any transaction requiring notice to any such antitrust agency or the approval of such agency under section 3, 4, or 6 of the Bank Holding Company Act of 1956, section 18(c) of the Federal Deposit Insurance Act, the National Bank Consolidation and Merger Act, section 10 of the Home Owners' Loan Act, or the antitrust laws.

**SEC. 143. CLARIFICATION OF STATUS OF SUBSIDIARIES AND AFFILIATES.**

(a) CLARIFICATION OF FEDERAL TRADE COMMISSION JURISDICTION.—Any person which directly or indirectly controls, is controlled directly or indirectly by, or is directly or indirectly under common control with, any bank or savings association (as such terms are defined in section 3 of the Federal Deposit Insurance Act) and is not itself a bank or savings association shall not be deemed to be a bank or savings association for purposes of the Federal Trade Commission Act or any other law enforced by the Federal Trade Commission.

(b) SAVINGS PROVISION.—No provision of this section shall be construed as restricting the authority of any Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) under any Federal banking law, including section 8 of the Federal Deposit Insurance Act.

(c) HART-SCOTT-RODINO AMENDMENT.—Section 7A(c)(7) of the Clayton Act (15 U.S.C. 18a(c)(7)) is amended by inserting before the semicolon at the end thereof the following: '', except that a portion of a transaction is not exempt under this paragraph if such portion of the transaction (A) requires notice under section 6 of the Bank Holding Company Act of 1956; and (B) does not require approval under section 3 or 4 of the Bank Holding Company Act of 1956''.

**SEC. 144. ANNUAL GAO REPORT.**

(a) IN GENERAL.—By the end of the 1-year period beginning on the date of enactment of this Act and annually thereafter, the Comptroller General of the United States shall submit a report to the Congress on market concentration in the financial services industry and its impact on consumers.

(b) ANALYSIS.—Each report submitted under subsection (a) shall contain an analysis of—

(1) the positive and negative effects of affiliations between various types of financial companies, and of acquisitions pursuant to this Act and the amendments made by this Act to other provisions of law, including any positive or negative effects on consumers, area markets, and submarkets thereof or on registered securities brokers and dealers which have been purchased by depository institutions or depository institution holding companies;

(2) the changes in business practices and the effects of any such changes on the availability of venture capital, consumer credit, and other financial services or products and the availability of capital and credit for small businesses; and

(3) the acquisition patterns among depository institutions, depository institution holding companies, securities firms, and insurance companies including acquisitions among the largest 20 percent of firms and acquisitions within regions or other limited geographical areas.

**Subtitle F—Applying the Principles of National Treatment and Equality of Competitive Opportunity to Foreign Banks and Foreign Financial Institutions**

**SEC. 151. APPLYING THE PRINCIPLES OF NATIONAL TREATMENT AND EQUALITY OF COMPETITIVE OPPORTUNITY TO FOREIGN BANKS THAT ARE FINANCIAL HOLDING COMPANIES.**

Section 8(c) of the International Banking Act of 1978 (12 U.S.C. 3106(c)) is amended by adding at the end the following new paragraph:

''(3) TERMINATION OF GRANDFATHERED RIGHTS.—

''(A) IN GENERAL.—If any foreign bank or foreign company files a declaration under section 6(b)(1)(D) of the Bank Holding Company Act of 1956, or receives a determination under section 10(d)(1) of the Bank Holding Company Act of 1956, any authority conferred by this subsection on any foreign bank or company to engage in any activity which the Board has determined to be permissible for financial holding companies under section 6 of such Act shall terminate immediately.

''(B) RESTRICTIONS AND REQUIREMENTS AUTHORIZED.—If a foreign bank or company that engages, directly or through an affiliate pursuant to paragraph (1), in an activity which the Board has determined to be permissible for financial holding companies under section 6 of the Bank Holding Company Act of 1956 has not filed a declaration with the Board of its status as a financial holding company under such section or received a determination under section 10(d)(1) by the end of the 2-year period beginning on the date of enactment of the Financial Services Act of 1999, the Board, giving due regard to the principle of national treatment and equality of competitive opportunity, may impose such restrictions and requirements on the conduct of such activities by such foreign bank or company as are comparable to those imposed on a financial holding company organized under the laws of the United States, including a requirement to conduct such activities in compliance with any prudential safeguards established under section 5(h) of the Bank Holding Company Act of 1956.''.

**SEC. 152. APPLYING THE PRINCIPLES OF NATIONAL TREATMENT AND EQUALITY OF COMPETITIVE OPPORTUNITY TO FOREIGN BANKS AND FOREIGN FINANCIAL INSTITUTIONS THAT ARE WHOLESALE FINANCIAL INSTITUTIONS.**

Section 8A of the Federal Deposit Insurance Act (as added by section 136(c)(2) of this Act) is amended by adding at the end the following new subsection:

''(i) VOLUNTARY TERMINATION OF DEPOSIT INSURANCE.—The provisions on voluntary termination of insurance in this section shall apply to an insured branch of a foreign bank (including a Federal branch) in the same manner and to the same extent as they apply to an insured State bank or a national bank.''.

**SEC. 153. REPRESENTATIVE OFFICES.**

(a) DEFINITION OF ''REPRESENTATIVE OFFICE''.—Section 1(b)(15) of the International Banking Act of 1978 (12 U.S.C. 3101(15)) is amended by striking ''State agency, or subsidiary of a foreign bank'' and inserting ''or State agency''.

(b) EXAMINATIONS.—Section 10(c) of the International Banking Act of 1978 (12 U.S.C. 3107(c)) is amended by adding at the end the following: ''The Board may also make examinations of any affiliate of a foreign bank conducting business in any State if the Board deems it necessary to determine and enforce compliance with this Act, the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.), or other applicable Federal banking law.''.

**Subtitle G—Federal Home Loan Bank System Modernization**

**SEC. 161. SHORT TITLE.**

This subtitle may be cited as the ''Federal Home Loan Bank System Modernization Act of 1999''.

**SEC. 162. DEFINITIONS.**

Section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422) is amended—

(1) in paragraph (1), by striking ''term 'Board' means'' and inserting ''terms 'Finance Board' and 'Board' mean'';

(2) by striking paragraph (3) and inserting the following:

''(3) STATE.—The term 'State', in addition to the States of the United States, includes the District of Columbia, Guam, Puerto Rico, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.''; and

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

''(13) COMMUNITY FINANCIAL INSTITUTION.—

''(A) IN GENERAL.—The term 'community financial institution' means a member—

''(i) the deposits of which are insured under the Federal Deposit Insurance Act; and

''(ii) that has, as of the date of the transaction at issue, less than $500,000,000 in average total assets, based on an average of total assets over the 3 years preceding that date.

''(B) ADJUSTMENTS.—The $500,000,000 limit referred to in subparagraph (A)(ii) shall be adjusted annually by the Finance Board, based on the annual percentage increase, if any, in the Consumer Price Index for all urban consumers, as published by the Department of Labor.''.

**SEC. 163. SAVINGS ASSOCIATION MEMBERSHIP.**

(a) FEDERAL HOME LOAN BANK MEMBERSHIP.—Section 5(f) of the Home Owners' Loan Act (12 U.S.C. 1464(f)) is amended to read as follows:

''(f) FEDERAL HOME LOAN BANK MEMBERSHIP.—On and after January 1, 1999, a Federal savings association may become a member of the Federal Home Loan Bank System, and

shall qualify for such membership in the manner provided by the Federal Home Loan Bank Act.''.

(b) WITHDRAWAL.—Section 6(e) of the Federal Home Loan Bank Act (12 U.S.C. 1426(e)) is amended by striking ''Any member other than a Federal savings and loan association may withdraw'' and inserting ''Any member may withdraw''.

**SEC. 164. ADVANCES TO MEMBERS; COLLATERAL.**

(a) IN GENERAL.—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and indenting appropriately;

(2) by striking ''(a) Each'' and inserting the following:

''(a) IN GENERAL.—

''(1) ALL ADVANCES.—Each'';

(3) by striking the second sentence and inserting the following:

''(2) PURPOSES OF ADVANCES.—A long-term advance may only be made for the purposes of—

''(A) providing funds to any member for residential housing finance; and

''(B) providing funds to any community financial institution for small businesses, agricultural, rural development, or low-income community development lending.'';

(4) by striking ''A Bank'' and inserting the following:

''(3) COLLATERAL.—A Bank'';

(5) in paragraph (3) (as so designated by paragraph (4) of this subsection)—

(A) in subparagraph (C) (as so redesignated by paragraph (1) of this subsection) by striking ''Deposits'' and inserting ''Cash or deposits'';

(B) in subparagraph (D) (as so redesignated by paragraph (1) of this subsection), by striking the second sentence; and

(C) by inserting after subparagraph (D) (as so redesignated by paragraph (1) of this subsection) the following new subparagraph:

''(E) Secured loans for small business, agriculture, rural development, or low-income community development, or securities representing a whole interest in such secured loans, in the case of any community financial institution.'';

(6) in paragraph (5)—

(A) in the second sentence, by striking ''and the Board'';

(B) in the third sentence, by striking ''Board'' and inserting ''Federal home loan bank''; and

(C) by striking ''(5) Paragraphs (1) through (4)'' and inserting the following:

''(4) ADDITIONAL BANK AUTHORITY.—Subparagraphs (A) through (E) of paragraph (3)''; and

(7) by adding at the end the following:

''(5) REVIEW OF CERTAIN COLLATERAL STANDARDS.—The Board may review the collateral standards applicable to each Federal home loan bank for the classes of collateral described in subparagraphs (D) and (E) of paragraph (3), and may, if necessary for safety and soundness purposes, require an increase in the collateral standards for any or all of those classes of collateral.

''(6) DEFINITIONS.—For purposes of this subsection, the terms 'small business', 'agriculture', 'rural development', and 'low-income community development' shall have the meanings given those terms by rule or regulation of the Finance Board.''.

(b) CLERICAL AMENDMENT.—The section heading for section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended to read as follows:

**''SEC. 10. ADVANCES TO MEMBERS.''.**

(c) CONFORMING AMENDMENTS RELATING TO MEMBERS WHICH ARE NOT QUALIFIED THRIFT LENDERS—Section 10(e)(1) of the Federal Home Loan Bank Act (12 U.S.C. 1430(e)(1)) is amended in the second sentence, by inserting before the period ''or, in the case of any community financial institution, for the purposes described in subsection (a)(2)''.

**SEC. 165. ELIGIBILITY CRITERIA.**

Section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1424(a)) is amended—

(1) in paragraph (2)(A), by inserting, ''(other than a community financial institution)'' after ''institution''; and

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

''(3) LIMITED EXEMPTION FOR COMMUNITY FINANCIAL INSTITUTIONS.—A community financial institution that otherwise meets the requirements of paragraph (2) may become a member without regard to the percentage of its total assets that is represented by residential mortgage loans, as described in subparagraph (A) of paragraph (2).''.

**SEC. 166. MANAGEMENT OF BANKS.**

(a) BOARD OF DIRECTORS.—Section 7(d) of the Federal Home Loan Bank Act (12 U.S.C. 1427(d)) is amended—

(1) by striking ''(d) The term'' and inserting the following:

''(d) TERMS OF OFFICE.—The term''; and

(2) by striking ''shall be two years''.

(b) COMPENSATION.—Section 7(i) of the Federal Home Loan Bank Act (12 U.S.C. 1427(i)) is amended by striking '', subject to the approval of the board''.

(c) REPEAL OF SECTIONS 22A AND 27.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by striking sections 22A (12 U.S.C. 1442a) and 27 (12 U.S.C. 1447).

(d) SECTION 12.—Section 12 of the Federal Home Loan Bank Act (12 U.S.C. 1432) is amended—

(1) in subsection (a)—

(A) by striking '', but, except'' and all that follows through ''ten years'';

(B) by striking '', subject to the approval of the Board'' each place that term appears;

(C) by striking ''and, by its Board of directors,'' and all that follows through ''agent of such bank,'' and inserting ''and, by the board of directors of the bank, to prescribe, amend, and repeal by-laws governing the manner in which its affairs may be administered, consistent with applicable laws and regulations, as administered by the Finance Board. No officer, employee, attorney, or agent of a Federal home loan bank''; and

(D) by striking ''Board of directors'' each place that term appears and inserting ''board of directors''; and

(2) in subsection (b), by striking ''loans banks'' and inserting ''loan banks''.

(e) POWERS AND DUTIES OF FEDERAL HOUSING FINANCE BOARD.—

(1) ISSUANCE OF NOTICES OF VIOLATIONS.—Section 2B(a) of the Federal Home Loan Bank Act (12 U.S.C. 1422b(a)) is amended by adding at the end the following new paragraphs:

''(5) To issue and serve a notice of charges upon a Federal home loan bank or upon any executive officer or director of a Federal home loan bank if, in the determination of the Finance Board, the bank, executive officer, or director is engaging or has engaged in, or the Finance Board has reasonable cause to believe that the bank, executive officer, or director is about to engage in, any conduct that violates any provision of this Act or any law, order, rule, or regulation or any condition imposed in writing by the Finance Board in connection with the granting of any application or other request by the bank, or any written agreement entered into by the bank with the agency, in accordance with the procedures provided in section 1371(c) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. Such authority includes the same authority to take affirmative action to correct conditions resulting from violations or practices or to limit activities of a bank or any executive officer or director of a bank as appropriate Federal banking agencies have to take with respect to insured depository institutions under paragraphs (6) and (7) of section 8(b) of the Federal Deposit Insurance Act, and to have all other powers, rights, and duties to enforce this Act with respect to the Federal home loan banks and their executive officers and directors as the Office of Federal Housing Enterprise Oversight has to enforce the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, the Federal National Mortgage Association Charter Act, or the Federal Home Loan Mortgage Corporation Act with respect to the Federal housing enterprises under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

''(6) To address any insufficiencies in capital levels resulting from the application of section 5(f) of the Home Owners' Loan Act.

''(7) To sue and be sued, by and through its own attorneys.''.

(2) TECHNICAL AMENDMENT.—Section 111 of Public Law 93–495 (12 U.S.C. 250) is amended by inserting ''Federal Housing Finance Board,'' after ''Director of the Office of Thrift Supervision,''.

(f) ELIGIBILITY TO SECURE ADVANCES.—

(1) SECTION 9.—Section 9 of the Federal Home Loan Bank Act (12 U.S.C. 1429) is amended—

(A) in the second sentence, by striking ''with the approval of the Board''; and

(B) in the third sentence, by striking '', subject to the approval of the Board,''.

(2) SECTION 10.—Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended—

(A) in subsection (c)—

(i) in the first sentence, by striking ''Board'' and inserting ''Federal home loan bank''; and

(ii) in the second sentence, by striking ''held by'' and all that follows before the period;

(B) in subsection (d)—

(i) in the first sentence, by striking ''and the approval of the Board''; and

(ii) by striking ''Subject to the approval of the Board, any'' and inserting ''Any''; and

(C) in subsection (j)(1)—

(i) by striking ''to subsidize the interest rate on advances'' and inserting ''to provide subsidies, including subsidized interest rates on advances'';

(ii) by striking ''Pursuant'' and inserting the following:

''(A) ESTABLISHMENT.—Pursuant''; and

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

''(B) NONDELEGATION OF APPROVAL AUTHORITY.—Subject to such regulations as the Finance Board may prescribe, the board of directors of each Federal home loan bank may approve or disapprove requests from members for Affordable Housing Program subsidies, and may not delegate such authority.''.

(g) SECTION 16.—Section 16(a) of the Federal Home Loan Bank Act (12 U.S.C. 1436(a)) is amended—

(1) in the third sentence—

(A) by striking ''net earnings'' and inserting ''previously retained earnings or current net earnings''; and

(B) by striking '', and then only with the approval of the Federal Housing Finance Board''; and

(2) by striking the fourth sentence.

(h) SECTION 18.—Section 18(b) of the Federal Home Loan Bank Act (12 U.S.C. 1438(b)) is amended by striking paragraph (4).

**SEC. 167. RESOLUTION FUNDING CORPORATION.**

(a) IN GENERAL.—Section 21B(f)(2)(C) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)(C)) is amended to read as follows:

''(C) PAYMENTS BY FEDERAL HOME LOAN BANKS.—

''(i) IN GENERAL.—To the extent that the amounts available pursuant to subparagraphs (A) and (B) are insufficient to cover the amount of interest payments, each Federal home loan bank shall pay to the Funding Corporation in each calendar year, 20.75 percent of the net earnings of that bank (after deducting expenses relating to section 10(j) and operating expenses).

''(ii) ANNUAL DETERMINATION.—The Board annually shall determine the extent to which the value of the aggregate amounts paid by the Federal home loan banks exceeds or falls short of the value of an annuity of $300,000,000 per year that commences on the issuance date and ends on the final scheduled maturity date of the obligations, and shall select appropriate present value factors for making such determinations.

''(iii) PAYMENT TERM ALTERATIONS.—The Board shall extend or shorten the term of the payment obligations of a Federal home loan bank under this subparagraph as necessary to ensure that the value of all payments made by the banks is equivalent to the value of an annuity referred to in clause (ii).

''(iv) TERM BEYOND MATURITY.—If the Board extends the term of payments beyond the final scheduled maturity date for the obligations, each Federal home loan bank shall continue to pay 20.75 percent of its net earnings (after deducting expenses relating to section 10(j) and operating expenses) to the Treasury of the United States until the value of all such payments by the Federal home loan banks is equivalent to the value of an annuity referred to in clause (ii). In the final year in which the Federal home loan banks are required to make any payment to the Treasury under this subparagraph, if the dollar amount represented by 20.75 percent of the net earnings of the Federal home loan banks exceeds the remaining obligation of the banks to the Treasury, the Finance Board shall reduce the percentage pro rata to a level sufficient to pay the remaining obligation.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on January 1, 1999. Payments made by a Federal home loan bank before that effective date shall be counted toward the total obligation of that bank under section 21B(f)(2)(C) of the Federal Home Loan Bank Act, as amended by this section.

### Subtitle H—Direct Activities of Banks

**SEC. 181. AUTHORITY OF NATIONAL BANKS TO UNDERWRITE CERTAIN MUNICIPAL BONDS.**

The paragraph designated the Seventh of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24(7)) is amended by adding at the end the following new sentence: ''In addition to the provisions in this paragraph for dealing in, underwriting or purchasing securities, the limitations and restrictions contained in this paragraph as to dealing in, underwriting, and purchasing investment securities for the national bank's own account shall not apply to obligations (including limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of section 142(b)(1) of the Internal Revenue Code of 1986) issued by or on behalf of any state or political subdivision of a state, including any municipal corporate instrumentality of 1 or more states, or any public agency or authority of any state or political subdivision of a state, if the national banking association is well capitalized (as defined in section 38 of the Federal Deposit Insurance Act).''.

### Subtitle I—Deposit Insurance Funds

**SEC. 186. STUDY OF SAFETY AND SOUNDNESS OF FUNDS.**

(a) STUDY REQUIRED.—The Board of Directors of the Federal Deposit Insurance Corporation shall conduct a study of the following issues with regard to the Bank Insurance Fund and the Savings Association Insurance Fund:

(1) SAFETY AND SOUNDNESS.—The safety and soundness of the funds and the adequacy of the reserve requirements applicable to the funds in light of—

(A) the size of the insured depository institutions which are resulting from mergers and consolidations since the effective date of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994; and

(B) the affiliation of insured depository institutions with other financial institutions pursuant to this Act and the amendments made by this Act.

(2) CONCENTRATION LEVELS.—The concentration levels of the funds, taking into account the number of members of each fund and the geographic distribution of such members, and the extent to which either fund is exposed to higher risks due to a regional concentration of members or an insufficient membership base relative to the size of member institutions.

(3) MERGER ISSUES.—Issues relating to the planned merger of the funds, including the cost of merging the funds and the manner in which such costs will be distributed among the members of the respective funds.

(b) REPORT REQUIRED.—

(1) IN GENERAL.—Before the end of the 9-month period beginning on the date of enactment of this Act, the Board of Directors of the Federal Deposit Insurance Corporation shall submit a report to the Congress on the study conducted pursuant to subsection (a).

(2) CONTENTS OF REPORT.—The report shall include—

(A) detailed findings of the Board of Directors with regard to the issues described in subsection (a);

(B) a description of the plans developed by the Board of Directors for merging the Bank Insurance Fund and the Savings Association Insurance Fund, including an estimate of the amount of the cost of such merger which would be borne by Savings Association Insurance Fund members; and

(C) such recommendations for legislative and administrative action as the Board of Directors determines to be necessary or appropriate to preserve the safety and soundness of the deposit insurance funds, reduce the risks to such funds, provide for an efficient merger of such funds, and for other purposes.

(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) INSURED DEPOSITORY INSTITUTION.—The term ''insured depository institution'' has the same meaning as in section 3(c) of the Federal Deposit Insurance Act.

(2) BIF AND SAIF MEMBERS.—The terms ''Bank Insurance Fund member'' and ''Savings Association Insurance Fund member'' have the same meanings as in section 7(*l*) of the Federal Deposit Insurance Act.

**SEC. 187. ELIMINATION OF SAIF AND DIF SPECIAL RESERVES.**

(a) SAIF SPECIAL RESERVES.—Section 11(a)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(6)) is amended by striking subparagraph (L).

(b) DIF SPECIAL RESERVES.—Section 2704 of the Deposit Insurance Funds Act of 1996 (12 U.S.C. 1821 note) is amended—

(1) by striking subsection (b); and

(2) in subsection (d)—

(A) by striking paragraph (4);

(B) in paragraph (6)(C)(i), by striking ''(6) and (7)'' and inserting ''(5), (6), and (7)''; and

(C) in paragraph (6)(C), by striking clause (ii) and inserting the following:

''(ii) by redesignating paragraph (8) as paragraph (5).''.

### Subtitle J—Effective Date of Title

**SEC. 191. EFFECTIVE DATE.**

Except with regard to any subtitle or other provision of this title for which a specific effective date is provided, this title and the amendments made by this title shall take effect at the end of the 270-day period beginning on the date of enactment of this Act.

## TITLE II—FUNCTIONAL REGULATION

### Subtitle A—Brokers and Dealers

**SEC. 201. DEFINITION OF BROKER.**

Section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4)) is amended to read as follows:

''(4) BROKER.—

''(A) IN GENERAL.—The term 'broker' means any person engaged in the business of effecting transactions in securities for the account of others.

''(B) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a broker because the bank engages in any of the following activities under the conditions described:

''(i) THIRD PARTY BROKERAGE ARRANGEMENTS.—The bank enters into a contractual or other arrangement with a broker or dealer registered under this title under which the broker or dealer offers brokerage services on or off the premises of the bank if—

''(I) such broker or dealer is clearly identified as the person performing the brokerage services;

''(II) the broker or dealer performs brokerage services in an area that is clearly marked and, to the extent practicable, physically separate from the routine deposit-taking activities of the bank;

''(III) any materials used by the bank to advertise or promote generally the availability of brokerage services under the contractual or other arrangement clearly indicate that the brokerage services are being provided by the broker or dealer and not by the bank;

''(IV) any materials used by the bank to advertise or promote generally the availability of brokerage services under the contractual or other arrangement are in compliance with the Federal securities laws before distribution;

''(V) bank employees (other than associated persons of a broker or dealer who are qualified pursuant to the rules of a self-regulatory organization) perform only clerical or ministerial functions in connection with brokerage transactions including scheduling appointments with the associated persons of a broker or dealer, except that bank employees may forward customer funds or securities

and may describe in general terms the range of investment vehicles available from the bank and the broker or dealer under the contractual or other arrangement;

''(VI) bank employees do not directly receive incentive compensation for any brokerage transaction unless such employees are associated persons of a broker or dealer and are qualified pursuant to the rules of a self-regulatory organization, except that the bank employees may receive compensation for the referral of any customer if the compensation is a nominal one-time cash fee of a fixed dollar amount and the payment of the fee is not contingent on whether the referral results in a transaction;

''(VII) such services are provided by the broker or dealer on a basis in which all customers which receive any services are fully disclosed to the broker or dealer;

''(VIII) the bank does not carry a securities account of the customer except in a customary custodian or trustee capacity; and

''(IX) the bank, broker, or dealer informs each customer that the brokerage services are provided by the broker or dealer and not by the bank and that the securities are not deposits or other obligations of the bank, are not guaranteed by the bank, and are not insured by the Federal Deposit Insurance Corporation.

''(ii) TRUST ACTIVITIES.—The bank effects transactions in a trustee capacity, or effects transactions in a fiduciary capacity in its trust department or other department that is regularly examined by bank examiners for compliance with fiduciary principles and standards, and (in either case)—

''(I) is primarily compensated for such transactions on the basis of an administration or annual fee (payable on a monthly, quarterly, or other basis), a percentage of assets under management, or a flat or capped per order processing fee equal to not more than the cost incurred by the bank in connection with executing securities transactions for trustee and fiduciary customers, or any combination of such fees, consistent with fiduciary principles and standards; and

''(II) does not publicly solicit brokerage business, other than by advertising that it effects transactions in securities in conjunction with advertising its other trust activities.

''(iii) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank effects transactions in—

''(I) commercial paper, bankers acceptances, or commercial bills;

''(II) exempted securities;

''(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

''(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

''(iv) CERTAIN STOCK PURCHASE PLANS.—

''(I) EMPLOYEE BENEFIT PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of any pension, retirement, profit-sharing, bonus, thrift, savings, incentive, or other similar benefit plan for the employees of that issuer or its subsidiaries, if—

(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan; and

''(bb) the bank's compensation for such plan or program consists primarily of administration fees, or flat or capped per order processing fees, or both.

''(II) DIVIDEND REINVESTMENT PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of that issuer's dividend reinvestment plan, if—

''(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan;

''(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission; and

''(cc) the bank's compensation for such plan or program consists primarily of administration fees, or flat or capped per order processing fees, or both.

''(III) ISSUER PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of a plan or program for the purchase or sale of that issuer's shares, if—

''(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan or program;

''(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission; and

''(cc) the bank's compensation for such plan or program consists primarily of administration fees, or flat or capped per order processing fees, or both.

''(IV) PERMISSIBLE DELIVERY OF MATERIALS.—The exception to being considered a broker for a bank engaged in activities described in subclauses (I), (II), and (III) will not be affected by a bank's delivery of written or electronic plan materials to employees of the issuer, shareholders of the issuer, or members of affinity groups of the issuer, so long as such materials are—

''(aa) comparable in scope or nature to that permitted by the Commission as of the date of enactment of the Financial Services Act of 1999; or

''(bb) otherwise permitted by the Commission.

''(v) SWEEP ACCOUNTS.—The bank effects transactions as part of a program for the investment or reinvestment of bank deposit funds into any no-load, open-end management investment company registered under the Investment Company Act of 1940 that holds itself out as a money market fund.

''(vi) AFFILIATE TRANSACTIONS.—The bank effects transactions for the account of any affiliate of the bank (as defined in section 2 of the Bank Holding Company Act of 1956) other than—

''(I) a registered broker or dealer; or

''(II) an affiliate that is engaged in merchant banking, as described in section 6(c)(3)(H) of the Bank Holding Company Act of 1956.

''(vii) PRIVATE SECURITIES OFFERINGS.—The bank—

''(I) effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of the Securities Act of 1933 or the rules and regulations issued thereunder;

''(II) at any time after the date that is 1 year after the date of enactment of the Financial Services Act of 1999, is not affiliated with a broker or dealer that has been registered for more than 1 year in accordance with this title, and engages in dealing, market making, or underwriting activities, other than with respect to exempted securities; and

''(III) effects transactions exclusively with qualified investors.

''(viii) SAFEKEEPING AND CUSTODY ACTIVITIES.—

''(I) IN GENERAL.—The bank, as part of customary banking activities—

''(aa) provides safekeeping or custody services with respect to securities, including the exercise of warrants and other rights on behalf of customers;

''(bb) facilitates the transfer of funds or securities, as a custodian or a clearing agency, in connection with the clearance and settlement of its customers' transactions in securities;

''(cc) effects securities lending or borrowing transactions with or on behalf of customers as part of services provided to customers pursuant to division (aa) or (bb) or invests cash collateral pledged in connection with such transactions; or

''(dd) holds securities pledged by a customer to another person or securities subject to purchase or resale agreements involving a customer, or facilitates the pledging or transfer of such securities by book entry or as otherwise provided under applicable law.

''(II) EXCEPTION FOR CARRYING BROKER ACTIVITIES.—The exception to being considered a broker for a bank engaged in activities described in subclause (I) shall not apply if the bank, in connection with such activities, acts in the United States as a carrying broker (as such term, and different formulations thereof, are used in section 15(c)(3) and the rules and regulations thereunder) for any broker or dealer, unless such carrying broker activities are engaged in with respect to government securities (as defined in paragraph (42) of this subsection).

''(ix) BANKING PRODUCTS.—The bank effects transactions in traditional banking products, as defined in section 206(a) of the Financial Services Act of 1999.

''(x) DE MINIMIS EXCEPTION.—The bank effects, other than in transactions referred to in clauses (i) through (ix), not more than 500 transactions in securities in any calendar year, and such transactions are not effected by an employee of the bank who is also an employee of a broker or dealer.

''(C) BROKER DEALER EXECUTION.—The exception to being considered a broker for a bank engaged in activities described in clauses (ii), (iv), and (viii) of subparagraph (B) shall not apply if the activities described in such provisions result in the trade in the United States of any security that is a publicly traded security in the United States, unless—

''(i) the bank directs such trade to a registered broker dealer for execution;

''(ii) the trade is a cross trade or other substantially similar trade of a security that—

''(I) is made by the bank or between the bank and an affiliated fiduciary; and

''(II) is not in contravention of fiduciary principles established under applicable Federal or State law; or

''(iii) the trade is conducted in some other manner permitted under rules, regulations, or orders as the Commission may prescribe or issue.

''(D) NO EFFECT OF BANK EXEMPTIONS ON OTHER COMMISSION AUTHORITY.—The exception to being considered a broker for a bank engaged in activities described in subparagraphs (B) and (C) shall not affect the authority of the Commission under any other provision of this Act or any other securities law.

''(E) FIDUCIARY CAPACITY.—For purposes of subparagraph (B)(ii), the term 'fiduciary capacity' means—

''(i) in the capacity as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, or custodian under a uniform gift to minor act, or as an investment adviser if the bank receives a fee for its investment advice;

''(ii) in any capacity in which the bank possesses investment discretion on behalf of another; or

''(iii) in any other similar capacity.

''(F) EXCEPTION FOR ENTITIES SUBJECT TO SECTION 15(e).—The term 'broker' does not include a bank that—

''(i) was, immediately prior to the enactment of the Financial Services Act of 1999, subject to section 15(e); and

''(ii) is subject to such restrictions and requirements as the Commission considers appropriate.''.

**SEC. 202. DEFINITION OF DEALER.**

Section 3(a)(5) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(5)) is amended to read as follows:

''(5) DEALER.—

''(A) IN GENERAL.—The term 'dealer' means any person engaged in the business of buying and selling securities for such person's own account through a broker or otherwise.

''(B) EXCEPTION FOR PERSON NOT ENGAGED IN THE BUSINESS OF DEALING.—The term 'dealer' does not include a person that buys or sells securities for such person's own account, either individually or in a fiduciary capacity, but not as a part of a regular business.

''(C) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a dealer because the bank engages in any of the following activities under the conditions described:

''(i) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank buys or sells—

''(I) commercial paper, bankers acceptances, or commercial bills;

''(II) exempted securities;

''(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes of the United States, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

''(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

''(ii) INVESTMENT, TRUSTEE, AND FIDUCIARY TRANSACTIONS.—The bank buys or sells securities for investment purposes—

''(I) for the bank; or

''(II) for accounts for which the bank acts as a trustee or fiduciary.

''(iii) ASSET-BACKED TRANSACTIONS.—The bank engages in the issuance or sale to qualified investors, through a grantor trust or otherwise, of securities backed by or representing an interest in notes, drafts, acceptances, loans, leases, receivables, other obligations, or pools of any such obligations predominantly originated by the bank, or a syndicate of banks of which the bank is a member, or an affiliate of any such bank other than a broker or dealer.

''(iv) BANKING PRODUCTS.—The bank buys or sells traditional banking products, as defined in section 206(a) of the Financial Services Act of 1999.

''(v) DERIVATIVE INSTRUMENTS.—The bank issues, buys, or sells any derivative instrument to which the bank is a party—

''(I) to or from a qualified investor, except that if the instrument provides for the delivery of one or more securities (other than a derivative instrument or government security), the transaction shall be effected with or through a registered broker or dealer;

''(II) to or from other persons, except that if the derivative instrument provides for the delivery of one or more securities (other than a derivative instrument or government security), or is a security (other than a government security), the transaction shall be effected with or through a registered broker or dealer; or

''(III) to or from any person if the instrument is neither a security nor provides for the delivery of one or more securities (other than a derivative instrument).''.

**SEC. 203. REGISTRATION FOR SALES OF PRIVATE SECURITIES OFFERINGS.**

Section 15A of the Securities Exchange Act of 1934 (15 U.S.C. 78o–3) is amended by inserting after subsection (i) the following new subsection:

''(j) REGISTRATION FOR SALES OF PRIVATE SECURITIES OFFERINGS.—A registered securities association shall create a limited qualification category for any associated person of a member who effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of the Securities Act of 1933 and the rules and regulations thereunder, and shall deem qualified in such limited qualification category, without testing, any bank employee who, in the 6-month period preceding the date of enactment of the Financial Services Act of 1999, engaged in effecting such sales.''.

**SEC. 204. SALES PRACTICES AND COMPLAINT PROCEDURES.**

Section 18 of the Federal Deposit Insurance Act is amended by adding at the end the following new subsection:

''(s) SALES PRACTICES AND COMPLAINT PROCEDURES WITH RESPECT TO BANK SECURITIES ACTIVITIES.—

''(1) REGULATIONS REQUIRED.—Each Federal banking agency shall prescribe and publish in final form, not later than 6 months after the date of enactment of the Financial Services Act of 1999, regulations which apply to retail transactions, solicitations, advertising, or offers of any security by any insured depository institution or any affiliate thereof other than a registered broker or dealer or an individual acting on behalf of such a broker or dealer who is an associated person of such broker or dealer. Such regulations shall include—

''(A) requirements that sales practices comply with just and equitable principles of trade that are substantially similar to the Rules of Fair Practice of the National Association of Securities Dealers; and

''(B) requirements prohibiting (i) conditioning an extension of credit on the purchase or sale of a security; and (ii) any conduct leading a customer to believe that an extension of credit is conditioned upon the purchase or sale of a security.

''(2) PROCEDURES REQUIRED.—The appropriate Federal banking agencies shall jointly establish procedures and facilities for receiving and expeditiously processing complaints against any bank or employee of a bank arising in connection with the purchase or sale of a security by a customer, including a complaint alleging a violation of the regulations prescribed under paragraph (1), but excluding a complaint involving an individual acting on behalf of such a broker or dealer who is an associated person of such broker or dealer. The use of any such procedures and facilities by such a customer shall be at the election of the customer. Such procedures shall include provisions to refer a complaint alleging fraud to the Securities and Exchange Commission and appropriate State securities commissions.

''(3) REQUIRED ACTIONS.—The actions required by the Federal banking agencies under paragraph (2) shall include the following:

''(A) establishing a group, unit, or bureau within each such agency to receive such complaints;

''(B) developing and establishing procedures for investigating, and permitting customers to investigate, such complaints;

''(C) developing and establishing procedures for informing customers of the rights they may have in connection with such complaints;

''(D) developing and establishing procedures that allow customers a period of at least 6 years to make complaints and that do not require customers to pay the costs of the proceeding; and

''(E) developing and establishing procedures for resolving such complaints, including procedures for the recovery of losses to the extent appropriate.

''(4) CONSULTATION AND JOINT REGULATIONS.—The Federal banking agencies shall consult with each other and prescribe joint regulations pursuant to paragraphs (1) and (2), after consultation with the Securities and Exchange Commission.

''(5) PROCEDURES IN ADDITION TO OTHER REMEDIES.—The procedures and remedies provided under this subsection shall be in addition to, and not in lieu of, any other remedies available under law.

''(6) DEFINITION.—As used in this subsection—

''(A) the term 'security' has the same meaning as in section 3(a)(10) of the Securities Exchange Act of 1934;

''(B) the term 'registered broker or dealer' has the same meaning as in section 3(a)(48) of the Securities Exchange Act of 1934; and

''(C) the term 'associated person' has the same meaning as in section 3(a)(18) of the Securities Exchange Act of 1934.''.

**SEC. 205. INFORMATION SHARING.**

Section 18 of the Federal Deposit Insurance Act is amended by adding at the end the following new subsection:

''(t) RECORDKEEPING REQUIREMENTS.—

''(1) REQUIREMENTS.—Each appropriate Federal banking agency, after consultation with and consideration of the views of the Commission, shall establish recordkeeping requirements for banks relying on exceptions contained in paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934. Such recordkeeping requirements shall be sufficient to demonstrate compliance with the terms of such exceptions and be designed to facilitate compliance with such exceptions. Each appropriate Federal banking agency shall make any such information available to the Commission upon request.

''(2) DEFINITIONS.—As used in this subsection the term 'Commission' means the Securities and Exchange Commission.''.

**SEC. 206. DEFINITION AND TREATMENT OF BANKING PRODUCTS.**

(a) DEFINITION OF TRADITIONAL BANKING PRODUCT.—For purposes of paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a) (4), (5)), the term ''traditional banking product'' means—

(1) a deposit account, savings account, certificate of deposit, or other deposit instrument issued by a bank;

(2) a banker's acceptance;

(3) a letter of credit issued or loan made by a bank;

(4) a debit account at a bank arising from a credit card or similar arrangement;

(5) a participation in a loan which the bank or an affiliate of the bank (other than a broker or dealer) funds, participates in, or owns that is sold—

(A) to qualified investors; or

(B) to other persons that—

(i) have the opportunity to review and assess any material information, including information regarding the borrower's creditworthiness; and

(ii) based on such factors as financial sophistication, net worth, and knowledge and experience in financial matters, have the capability to evaluate the information available, as determined under generally applicable banking standards or guidelines; and

(6) any derivative instrument, whether or not individually negotiated, involving or relating to—

(A) foreign currencies, except options on foreign currencies that trade on a national securities exchange;

(B) interest rates, except interest rate derivative instruments that—

(i) are based on a security or a group or index of securities (other than government securities or a group or index of government securities);

(ii) provide for the delivery of one or more securities (other than government securities); or

(iii) trade on a national securities exchange; and

(C) commodities, other rates, indices, or other assets, except derivative instruments that—

(i) are securities or that are based on a group or index of securities (other than government securities or a group or index of government securities);

(ii) provide for the delivery of one or more securities (other than government securities); or

(iii) trade on a national securities exchange.

(b) AMENDMENT TO THE SECURITIES EXCHANGE ACT OF 1934.—Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended by adding at the end the following new subsection:

''(i) TRANSACTIONS INVOLVING HYBRID PRODUCTS.—

''(1) COMMISSION AUTHORITY.—

''(A) IN GENERAL.—The Commission may, after consultation with the Board, determine, by regulation published in the Federal Register, that a bank that effects transactions in, or buys or sells, a new product should be subject to the registration requirements of this section.

''(B) LIMITATION.—The Commission may not impose the registration requirements of this section on any bank that effects transactions in, or buys or sells, a product under this subsection unless the Commission determines in the regulations described in subparagraph (A) that—

''(i) the subject product is a new product;

''(ii) the subject product is a security; and

''(iii) imposing the registration requirements of this section is necessary or appropriate in the public interest and for the protection of investors.

''(2) OBJECTION TO COMMISSION REGULATION.—

''(A) FILING OF PETITION FOR REVIEW.—The Board, or any aggrieved party, may obtain review of any final regulation described in paragraph (1) in the United States Court of Appeals for the District of Columbia Circuit by filing in such court, not later than 60 days after the date of publication of the final regulation, a written petition requesting that the regulation be set aside.

''(B) TRANSMITTAL OF PETITION AND RECORD.—A copy of a petition described in subparagraph (A) shall be transmitted as soon as possible by the Clerk of the Court to an officer or employee of the Commission designated for that purpose. Upon receipt of the petition, the Commission shall file with the court the regulation under review and any documents referred to therein, and any other relevant materials prescribed by the court.

''(C) EXCLUSIVE JURISDICTION.—On the date of the filing of the petition under subparagraph (A), the court has jurisdiction, which becomes exclusive on the filing of the materials set forth in subparagraph (B), to affirm and enforce or to set aside the regulation at issue.

''(D) STANDARD OF REVIEW.—

''(i) IN GENERAL.—The court shall determine to affirm and enforce or set aside a regulation of the Commission under this subsection, based on the determination of the court as to whether the subject product—

''(I) is a new product, as defined in this subsection;

''(II) is a security; and

''(III) would be more appropriately regulated under the Federal securities laws or the Federal banking laws, giving equal deference to the views of the Commission and the Board.

''(ii) CONSIDERATIONS.—In making a determination under clause (i)(III), the court shall consider—

''(I) the nature of the subject new product;

''(II) the history, purpose, extent, and appropriateness of the regulation of the new product under the Federal securities laws; and

''(III) the history, purpose, extent, and appropriateness of the regulation of the new product under the Federal banking laws.

''(E) JUDICIAL STAY.—The filing of a petition by the Board or an aggrieved party pursuant to subparagraph (A) shall operate as a judicial stay, until the date on which the court makes a final determination under this paragraph, of—

''(i) any Commission requirement that a bank register as a broker or dealer under this section, because the bank engages in any transaction in, or buys or sells, the new product that is the subject of the petition; and

''(ii) any Commission action against a bank for a failure to comply with a requirement described in clause (i).

''(3) DEFINITIONS.—For purposes of this subsection—

''(A) the term 'Board' means the Board of Governors of the Federal Reserve System; and

''(B) the term 'new product' means a product or instrument offered or provided by a bank that—

''(i) was not subject to regulation by the Commission as a security under this title before the date of enactment of this subsection; and

''(ii) is not a traditional banking product, as defined in paragraphs (1) through (6) of section 206(a) of the Financial Services Act of 1999.''.

(c) CLASSIFICATION LIMITED.—Classification of a particular product or instrument as a traditional banking product pursuant to this section or the amendments made by this section shall not be construed as finding or implying that such product or instrument is or is not a security for any purpose under the securities laws, or is or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act.

(d) NO LIMITATION ON OTHER AUTHORITY TO CHALLENGE.—Nothing in this section or the amendments made by this section shall affect the right or authority of the Board of Governors of the Federal Reserve System, any appropriate Federal banking agency, or any interested party under any other provision of law to object to or seek judicial review as to whether a product or instrument is or is not appropriately classified as a traditional banking product under paragraphs (1) through (6) of section 206(a).

(e) INCORPORATED DEFINITIONS.—For purposes of this section—

(1) the term ''appropriate Federal banking agency'' has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(2) the term ''bank'' has the same meaning as in section 3(a)(6) of the Securities Exchange Act of 1934;

(3) the term ''Board'' means the Board of Governors of the Federal Reserve System;

(4) the term ''government securities'' has the same meaning as in section 3(a)(42) of the Securities Exchange Act of 1934, and, for purposes of this subsection, commercial paper, bankers acceptances, and commercial bills shall be treated in the same manner as government securities; and

(5) the term ''qualified investor'' has the same meaning as in section 3(a)(55) of the Securities Exchange Act of 1934, as amended by this Act.

**SEC. 207. DERIVATIVE INSTRUMENT AND QUALIFIED INVESTOR DEFINED.**

Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended by adding at the end the following new paragraphs:

''(54) DERIVATIVE INSTRUMENT.—

''(A) DEFINITION.—The term 'derivative instrument' means any individually negotiated contract, agreement, warrant, note, or option that is based, in whole or in part, on the value of, any interest in, or any quantitative measure or the occurrence of any event relating to, one or more commodities, securities, currencies, interest or other rates, indices, or other assets, but does not include a traditional banking product, as defined in section 206(a) of the Financial Services Act of 1999.

''(B) CLASSIFICATION LIMITED.— Classification of a particular contract as a derivative instrument pursuant to this paragraph shall not be construed as finding or implying that such instrument is or is not a security for any purpose under the securities laws, or is or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act.

''(55) QUALIFIED INVESTOR.—

''(A) DEFINITION.—For purposes of this title, the term 'qualified investor' means—

''(i) any investment company registered with the Commission under section 8 of the Investment Company Act of 1940;

''(ii) any issuer eligible for an exclusion from the definition of investment company pursuant to section 3(c)(7) of the Investment Company Act of 1940;

''(iii) any bank (as defined in paragraph (6) of this subsection), savings association (as defined in section 3(b) of the Federal Deposit Insurance Act), broker, dealer, insurance company (as defined in section 2(a)(13) of the Securities Act of 1933), or business development company (as defined in section 2(a)(48) of the Investment Company Act of 1940);

''(iv) any small business investment company licensed by the United States Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958;

''(v) any State sponsored employee benefit plan, or any other employee benefit plan, within the meaning of the Employee Retirement Income Security Act of 1974, other than an individual retirement account, if the investment decisions are made by a plan fiduciary, as defined in section 3(21) of that Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser;

''(vi) any trust whose purchases of securities are directed by a person described in clauses (i) through (v) of this subparagraph;

''(vii) any market intermediary exempt under section 3(c)(2) of the Investment Company Act of 1940;

''(viii) any associated person of a broker or dealer other than a natural person;

''(ix) any foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

''(x) the government of any foreign country;

''(xi) any corporation, company, or partnership that owns and invests on a discretionary basis, not less than $10,000,000 in investments;

''(xii) any natural person who owns and invests on a discretionary basis, not less than $10,000,000 in investments;

''(xiii) any government or political subdivision, agency, or instrumentality of a government who owns and invests on a discretionary basis not less than $50,000,000 in investments; or

''(xiv) any multinational or supranational entity or any agency or instrumentality thereof.

''(B) ADDITIONAL AUTHORITY.—The Commission may, by rule or order, define a 'qualified investor' as any other person, taking into consideration such factors as the financial sophistication of the person, net worth, and knowledge and experience in financial matters.''.

**SEC. 208. GOVERNMENT SECURITIES DEFINED.**

Section 3(a)(42) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(42)) is amended—

(1) by striking ''or'' at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting ''; or''; and

(3) by adding at the end the following new subparagraph:

''(E) for purposes of section 15C as applied to a bank, a qualified Canadian government obligation as defined in section 5136 of the Revised Statutes.''.

**SEC. 209. EFFECTIVE DATE.**

This subtitle shall take effect at the end of the 270-day period beginning on the date of enactment of this Act.

**SEC. 210. RULE OF CONSTRUCTION.**

Nothing in this Act shall supersede, affect, or otherwise limit the scope and applicability of the Commodity Exchange Act (7 U.S.C. 1 et seq.).

### Subtitle B—Bank Investment Company Activities

**SEC. 211. CUSTODY OF INVESTMENT COMPANY ASSETS BY AFFILIATED BANK.**

(a) MANAGEMENT COMPANIES.—Section 17(f) of the Investment Company Act of 1940 (15 U.S.C. 80a–17(f)) is amended—

(1) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively;

(2) by striking ''(f) Every registered'' and inserting the following:

''(f) CUSTODY OF SECURITIES.—

''(1) Every registered'';

(3) by redesignating the second, third, fourth, and fifth sentences of such subsection as paragraphs (2) through (5), respectively, and indenting the left margin of such paragraphs appropriately; and

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

''(6) SERVICES AS TRUSTEE OR CUSTODIAN.—The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the conditions under which a bank, or an affiliated person of a bank, either of which is an affiliated person, promoter, organizer, or sponsor of, or principal underwriter for, a registered management company may serve as custodian of that registered management company.''.

(b) UNIT INVESTMENT TRUSTS.—Section 26 of the Investment Company Act of 1940 (15 U.S.C. 80a–26) is amended—

(1) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively; and

(2) by inserting after subsection (a) the following new subsection:

''(b) The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the conditions under which a bank, or an affiliated person of a bank, either of which is an affiliated person of a principal underwriter for, or depositor of, a registered unit investment trust, may serve as trustee or custodian under subsection (a)(1).''.

(c) FIDUCIARY DUTY OF CUSTODIAN.—Section 36(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–35(a)) is amended—

(1) in paragraph (1), by striking ''or'' at the end;

(2) in paragraph (2), by striking the period at the end and inserting ''; or''; and

(3) by inserting after paragraph (2) the following:

''(3) as custodian.''.

**SEC. 212. LENDING TO AN AFFILIATED INVESTMENT COMPANY.**

Section 17(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–17(a)) is amended—

(1) by striking ''or'' at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting ''; or''; and

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

''(4) to loan money or other property to such registered company, or to any company controlled by such registered company, in contravention of such rules, regulations, or orders as the Commission may prescribe or issue consistent with the protection of investors.''.

**SEC. 213. INDEPENDENT DIRECTORS.**

(a) IN GENERAL.—Section 2(a)(19)(A) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(19)(A)) is amended—

(1) by striking clause (v) and inserting the following new clause:

''(v) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has executed any portfolio transactions for, engaged in any principal transactions with, or distributed shares for—

''(I) the investment company;

''(II) any other investment company having the same investment adviser as such investment company or holding itself out to investors as a related company for purposes of investment or investor services; or

''(III) any account over which the investment company's investment adviser has brokerage placement discretion,'';

(2) by redesignating clause (vi) as clause (vii); and

(3) by inserting after clause (v) the following new clause:

''(vi) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has loaned money or other property to—

''(I) the investment company;

''(II) any other investment company having the same investment adviser as such investment company or holding itself out to investors as a related company for purposes of investment or investor services; or

''(III) any account for which the investment company's investment adviser has borrowing authority,''.

(b) CONFORMING AMENDMENT.—Section 2(a)(19)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(19)(B)) is amended—

(1) by striking clause (v) and inserting the following new clause:

''(v) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has executed any portfolio transactions for, engaged in any principal transactions with, or distributed shares for—

''(I) any investment company for which the investment adviser or principal underwriter serves as such;

''(II) any investment company holding itself out to investors, for purposes of investment or investor services, as a company related to any investment company for which the investment adviser or principal underwriter serves as such; or

''(III) any account over which the investment adviser has brokerage placement discretion,'';

(2) by redesignating clause (vi) as clause (vii); and

(3) by inserting after clause (v) the following new clause:

''(vi) any person or any affiliated person of a person (other than a registered investment company) that, at any time during the 6-month period preceding the date of the determination of whether that person or affiliated person is an interested person, has loaned money or other property to—

''(I) any investment company for which the investment adviser or principal underwriter serves as such;

''(II) any investment company holding itself out to investors, for purposes of investment or investor services, as a company related to any investment company for which the investment adviser or principal underwriter serves as such; or

''(III) any account for which the investment adviser has borrowing authority,''.

(c) AFFILIATION OF DIRECTORS.—Section 10(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–10(c)) is amended by striking ''bank, except'' and inserting ''bank (together with its affiliates and subsidiaries) or any one bank holding company (together with its affiliates and subsidiaries) (as such terms are defined in section 2 of the Bank Holding Company Act of 1956), except''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect at the end of the 1-year period beginning on the date of enactment of this subtitle.

**SEC. 214. ADDITIONAL SEC DISCLOSURE AUTHORITY.**

Section 35(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–34(a)) is amended to read as follows:

''(a) MISREPRESENTATION OF GUARANTEES.—

''(1) IN GENERAL.—It shall be unlawful for any person, issuing or selling any security of which a registered investment company is the issuer, to represent or imply in any manner whatsoever that such security or company—

''(A) has been guaranteed, sponsored, recommended, or approved by the United States, or any agency, instrumentality or officer of the United States;

''(B) has been insured by the Federal Deposit Insurance Corporation; or

''(C) is guaranteed by or is otherwise an obligation of any bank or insured depository institution.

''(2) DISCLOSURES.—Any person issuing or selling the securities of a registered investment company that is advised by, or sold through, a bank shall prominently disclose that an investment in the company is not insured by the Federal Deposit Insurance Corporation or any other government agency. The Commission may adopt rules and regulations, and issue orders, consistent with the protection of investors, prescribing the manner in which the disclosure under this paragraph shall be provided.

''(3) DEFINITIONS.—The terms 'insured depository institution' and 'appropriate Federal banking agency' have the same meanings as in section 3 of the Federal Deposit Insurance Act.''.

**SEC. 215. DEFINITION OF BROKER UNDER THE INVESTMENT COMPANY ACT OF 1940.**

Section 2(a)(6) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(6)) is amended to read as follows:

''(6) The term 'broker' has the same meaning as in section 3 of the Securities Exchange Act of 1934, except that such term does not include any person solely by reason of the fact that such person is an underwriter for one or more investment companies.''.

**SEC. 216. DEFINITION OF DEALER UNDER THE INVESTMENT COMPANY ACT OF 1940.**

Section 2(a)(11) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(11)) is amended to read as follows:

''(11) The term 'dealer' has the same meaning as in section 3 of the Securities Exchange Act of 1934, but does not include an insurance company or investment company.''.

**SEC. 217. REMOVAL OF THE EXCLUSION FROM THE DEFINITION OF INVESTMENT ADVISER FOR BANKS THAT ADVISE INVESTMENT COMPANIES.**

(a) INVESTMENT ADVISER.—Section 202(a)(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(11)) is amended in subparagraph (A), by striking ''investment company'' and inserting ''investment company, except that the term 'investment adviser' includes any bank or bank holding company to the extent that such bank or bank holding company serves or acts as an investment adviser to a registered investment company, but if, in the case of a bank, such services or actions are performed through a separately identifiable department or division, the department or division, and not the bank itself, shall be deemed to be the investment adviser''.

(b) SEPARATELY IDENTIFIABLE DEPARTMENT OR DIVISION.—Section 202(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)) is amended by adding at the end the following:

''(26) The term 'separately identifiable department or division' of a bank means a unit—

''(A) that is under the direct supervision of an officer or officers designated by the board of directors of the bank as responsible for the day-to-day conduct of the bank's investment adviser activities for one or more investment companies, including the supervision of all bank employees engaged in the performance of such activities; and

''(B) for which all of the records relating to its investment adviser activities are separately maintained in or extractable from such unit's own facilities or the facilities of the bank, and such records are so maintained or otherwise accessible as to permit independent examination and enforcement by the Commission of this Act or the Investment Company Act of 1940 and rules and regulations promulgated under this Act or the Investment Company Act of 1940.''.

**SEC. 218. DEFINITION OF BROKER UNDER THE INVESTMENT ADVISERS ACT OF 1940.**

Section 202(a)(3) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(3)) is amended to read as follows:

''(3) The term 'broker' has the same meaning as in section 3 of the Securities Exchange Act of 1934.''.

**SEC. 219. DEFINITION OF DEALER UNDER THE INVESTMENT ADVISERS ACT OF 1940.**

Section 202(a)(7) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(7)) is amended to read as follows:

''(7) The term 'dealer' has the same meaning as in section 3 of the Securities Exchange Act of 1934, but does not include an insurance company or investment company.''.

**SEC. 220. INTERAGENCY CONSULTATION.**

The Investment Advisers Act of 1940 (15 U.S.C. 80b–1 et seq.) is amended by inserting after section 210 the following new section:

**''SEC. 210A. CONSULTATION.**

''(a) EXAMINATION RESULTS AND OTHER INFORMATION.—

''(1) The appropriate Federal banking agency shall provide the Commission upon request the results of any examination, reports, records, or other information to which such agency may have access with respect to the investment advisory activities—

''(A) of any—

''(i) bank holding company;

''(ii) bank; or

''(iii) separately identifiable department or division of a bank, that is registered under section 203 of this title; and

''(B) in the case of a bank holding company or bank that has a subsidiary or a separately identifiable department or division registered under that section, of such bank or bank holding company.

''(2) The Commission shall provide to the appropriate Federal banking agency upon request the results of any examination, reports, records, or other information with respect to the investment advisory activities of any bank holding company, bank, or separately identifiable department or division of a bank, any of which is registered under section 203 of this title.

''(b) EFFECT ON OTHER AUTHORITY.—Nothing in this section shall limit in any respect the authority of the appropriate Federal banking agency with respect to such bank holding company, bank, or department or division under any provision of law.

''(c) DEFINITION.—For purposes of this section, the term 'appropriate Federal banking agency' has the same meaning as in section 3 of the Federal Deposit Insurance Act.''.

**SEC. 221. TREATMENT OF BANK COMMON TRUST FUNDS.**

(a) SECURITIES ACT OF 1933.—Section 3(a)(2) of the Securities Act of 1933 (15 U.S.C. 77c(a)(2)) is amended by striking ''or any interest or participation in any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of assets contributed thereto by such bank in its capacity as trustee, executor, administrator, or guardian'' and inserting ''or any interest or participation in any common trust fund or similar fund that is excluded from the definition of the term 'investment company' under section 3(c)(3) of the Investment Company Act of 1940''.

(b) SECURITIES EXCHANGE ACT OF 1934.—Section 3(a)(12)(A)(iii) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(12)(A)(iii)) is amended to read as follows:

''(iii) any interest or participation in any common trust fund or similar fund that is excluded from the definition of the term 'investment company' under section 3(c)(3) of the Investment Company Act of 1940;''.

(c) INVESTMENT COMPANY ACT OF 1940.—Section 3(c)(3) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(3)) is amended by inserting before the period the following: '', if—

''(A) such fund is employed by the bank solely as an aid to the administration of trusts, estates, or other accounts created and maintained for a fiduciary purpose;

''(B) except in connection with the ordinary advertising of the bank's fiduciary services, interests in such fund are not—

''(i) advertised; or

''(ii) offered for sale to the general public; and

''(C) fees and expenses charged by such fund are not in contravention of fiduciary principles established under applicable Federal or State law''.

**SEC. 222. INVESTMENT ADVISERS PROHIBITED FROM HAVING CONTROLLING INTEREST IN REGISTERED INVESTMENT COMPANY.**

Section 15 of the Investment Company Act of 1940 (15 U.S.C. 80a–15) is amended by adding at the end the following new subsection:

''(g) CONTROLLING INTEREST IN INVESTMENT COMPANY PROHIBITED.—

''(1) IN GENERAL.—If an investment adviser to a registered investment company, or an affiliated person of that investment adviser, holds a controlling interest in that registered investment company in a trustee or fiduciary capacity, such person shall—

''(A) if it holds the shares in a trustee or fiduciary capacity with respect to any employee benefit plan subject to the Employee Retirement Income Security Act of 1974, transfer the power to vote the shares of the investment company through to another person acting in a fiduciary capacity with respect to the plan who is not an affiliated person of that investment adviser or any affiliated person thereof; or

''(B) if it holds the shares in a trustee or fiduciary capacity with respect to any person or entity other than an employee benefit plan subject to the Employee Retirement Income Security Act of 1974—

''(i) transfer the power to vote the shares of the investment company through to—

''(I) the beneficial owners of the shares;

''(II) another person acting in a fiduciary capacity who is not an affiliated person of that investment adviser or any affiliated person thereof; or

''(III) any person authorized to receive statements and information with respect to the trust who is not an affiliated person of that investment adviser or any affiliated person thereof;

''(ii) vote the shares of the investment company held by it in the same proportion

as shares held by all other shareholders of the investment company; or

''(iii) vote the shares of the investment company as otherwise permitted under such rules, regulations, or orders as the Commission may prescribe or issue consistent with the protection of investors.

''(2) EXEMPTION.—Paragraph (1) shall not apply to any investment adviser to a registered investment company, or any affiliated person of that investment adviser, that holds shares of the investment company in a trustee or fiduciary capacity if that registered investment company consists solely of assets held in such capacities.

''(3) SAFE HARBOR.—No investment adviser to a registered investment company or any affiliated person of such investment adviser shall be deemed to have acted unlawfully or to have breached a fiduciary duty under State or Federal law solely by reason of acting in accordance with clause (i), (ii), or (iii) of paragraph (1)(B).

''(4) CHURCH PLAN EXEMPTION.—Paragraph (1) does not apply to any investment adviser to a registered investment company, or an affiliated person of that investment adviser, holding shares in such a capacity, if such investment adviser or such affiliated person is an organization described in section 414(e)(3)(A) of the Internal Revenue Code of 1986.''.

**SEC. 223. CONFORMING CHANGE IN DEFINITION.**

Section 2(a)(5) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(5)) is amended by striking ''(A) a banking institution organized under the laws of the United States'' and inserting ''(A) a depository institution (as defined in section 3 of the Federal Deposit Insurance Act) or a branch or agency of a foreign bank (as such terms are defined in section 1(b) of the International Banking Act of 1978)''.

**SEC. 224. CONFORMING AMENDMENT.**

Section 202 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2) is amended by adding at the end the following new subsection:

''(c) CONSIDERATION OF PROMOTION OF EFFICIENCY, COMPETITION, AND CAPITAL FORMATION.—Whenever pursuant to this title the Commission is engaged in rulemaking and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission shall also consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation.''.

**SEC. 225. EFFECTIVE DATE.**

This subtitle shall take effect 90 days after the date of enactment of this Act.

**Subtitle C—Securities and Exchange Commission Supervision of Investment Bank Holding Companies**

**SEC. 231. SUPERVISION OF INVESTMENT BANK HOLDING COMPANIES BY THE SECURITIES AND EXCHANGE COMMISSION.**

(a) AMENDMENT.—Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended—

(1) by redesignating subsection (i) as subsection (l); and

(2) by inserting after subsection (h) the following new subsections:

''(i) INVESTMENT BANK HOLDING COMPANIES.—

''(1) ELECTIVE SUPERVISION OF AN INVESTMENT BANK HOLDING COMPANY NOT HAVING A BANK OR SAVINGS ASSOCIATION AFFILIATE.—

''(A) IN GENERAL.—An investment bank holding company that is not—

''(i) an affiliate of a wholesale financial institution, an insured bank (other than an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956), or a savings association;

''(ii) a foreign bank, foreign company, or company that is described in section 8(a) of the International Banking Act of 1978; or

''(iii) a foreign bank that controls, directly or indirectly, a corporation chartered under section 25A of the Federal Reserve Act,

may elect to become supervised by filing with the Commission a notice of intention to become supervised, pursuant to subparagraph (B) of this paragraph. Any investment bank holding company filing such a notice shall be supervised in accordance with this section and comply with the rules promulgated by the Commission applicable to supervised investment bank holding companies.

''(B) NOTIFICATION OF STATUS AS A SUPERVISED INVESTMENT BANK HOLDING COMPANY.—An investment bank holding company that elects under subparagraph (A) to become supervised by the Commission shall file with the Commission a written notice of intention to become supervised by the Commission in such form and containing such information and documents concerning such investment bank holding company as the Commission, by rule, may prescribe as necessary or appropriate in furtherance of the purposes of this section. Unless the Commission finds that such supervision is not necessary or appropriate in furtherance of the purposes of this section, such supervision shall become effective 45 days after the date of receipt of such written notice by the Commission, or within such shorter time period as the Commission, by rule or order, may determine.

''(2) ELECTION NOT TO BE SUPERVISED BY THE COMMISSION AS AN INVESTMENT BANK HOLDING COMPANY.—

''(A) VOLUNTARY WITHDRAWAL.—A supervised investment bank holding company that is supervised pursuant to paragraph (1) may, upon such terms and conditions as the Commission deems necessary or appropriate, elect not to be supervised by the Commission by filing a written notice of withdrawal from Commission supervision. Such notice shall not become effective until one year after receipt by the Commission, or such shorter or longer period as the Commission deems necessary or appropriate to ensure effective supervision of the material risks to the supervised investment bank holding company and to the affiliated broker or dealer, or to prevent evasion of the purposes of this section.

''(B) DISCONTINUATION OF COMMISSION SUPERVISION.—If the Commission finds that any supervised investment bank holding company that is supervised pursuant to paragraph (1) is no longer in existence or has ceased to be an investment bank holding company, or if the Commission finds that continued supervision of such a supervised investment bank holding company is not consistent with the purposes of this section, the Commission may discontinue the supervision pursuant to a rule or order, if any, promulgated by the Commission under this section.

''(3) SUPERVISION OF INVESTMENT BANK HOLDING COMPANIES.—

''(A) RECORDKEEPING AND REPORTING.—

''(i) IN GENERAL.—Every supervised investment bank holding company and each affiliate thereof shall make and keep for prescribed periods such records, furnish copies thereof, and make such reports, as the Commission may require by rule, in order to keep the Commission informed as to—

''(I) the company's or affiliate's activities, financial condition, policies, systems for monitoring and controlling financial and operational risks, and transactions and relationships between any broker or dealer affiliate of the supervised investment bank holding company; and

''(II) the extent to which the company or affiliate has complied with the provisions of this Act and regulations prescribed and orders issued under this Act.

''(ii) FORM AND CONTENTS.—Such records and reports shall be prepared in such form and according to such specifications (including certification by an independent public accountant), as the Commission may require and shall be provided promptly at any time upon request by the Commission. Such records and reports may include—

''(I) a balance sheet and income statement;

''(II) an assessment of the consolidated capital of the supervised investment bank holding company;

''(III) an independent auditor's report attesting to the supervised investment bank holding company's compliance with its internal risk management and internal control objectives; and

''(IV) reports concerning the extent to which the company or affiliate has complied with the provisions of this title and any regulations prescribed and orders issued under this title.

''(B) USE OF EXISTING REPORTS.—

''(i) IN GENERAL.—The Commission shall, to the fullest extent possible, accept reports in fulfillment of the requirements under this paragraph that the supervised investment bank holding company or its affiliates have been required to provide to another appropriate regulatory agency or self-regulatory organization.

''(ii) AVAILABILITY.—A supervised investment bank holding company or an affiliate of such company shall provide to the Commission, at the request of the Commission, any report referred to in clause (i).

''(C) EXAMINATION AUTHORITY.—

''(i) FOCUS OF EXAMINATION AUTHORITY.—The Commission may make examinations of any supervised investment bank holding company and any affiliate of such company in order to—

''(I) inform the Commission regarding—

''(aa) the nature of the operations and financial condition of the supervised investment bank holding company and its affiliates;

''(bb) the financial and operational risks within the supervised investment bank holding company that may affect any broker or dealer controlled by such supervised investment bank holding company; and

''(cc) the systems of the supervised investment bank holding company and its affiliates for monitoring and controlling those risks; and

''(II) monitor compliance with the provisions of this subsection, provisions governing transactions and relationships between any broker or dealer affiliated with the supervised investment bank holding company and any of the company's other affiliates, and applicable provisions of subchapter II of chapter 53, title 31, United States Code (commonly referred to as the 'Bank Secrecy Act') and regulations thereunder.

''(ii) RESTRICTED FOCUS OF EXAMINATIONS.—The Commission shall limit the focus and scope of any examination of a supervised investment bank holding company to—

''(I) the company; and

''(II) any affiliate of the company that, because of its size, condition, or activities, the

nature or size of the transactions between such affiliate and any affiliated broker or dealer, or the centralization of functions within the holding company system, could, in the discretion of the Commission, have a materially adverse effect on the operational or financial condition of the broker or dealer.

''(iii) DEFERENCE TO OTHER EXAMINATIONS.—For purposes of this subparagraph, the Commission shall, to the fullest extent possible, use the reports of examination of an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956 made by the appropriate regulatory agency, or of a licensed insurance company made by the appropriate State insurance regulator.

''(4) HOLDING COMPANY CAPITAL.—

''(A) AUTHORITY.—If the Commission finds that it is necessary to adequately supervise investment bank holding companies and their broker or dealer affiliates consistent with the purposes of this subsection, the Commission may adopt capital adequacy rules for supervised investment bank holding companies.

''(B) METHOD OF CALCULATION.—In developing rules under this paragraph:

''(i) DOUBLE LEVERAGE.—The Commission shall consider the use by the supervised investment bank holding company of debt and other liabilities to fund capital investments in affiliates.

''(ii) NO UNWEIGHTED CAPITAL RATIO.—The Commission shall not impose under this section a capital ratio that is not based on appropriate risk-weighting considerations.

''(iii) NO CAPITAL REQUIREMENT ON REGULATED ENTITIES.—The Commission shall not, by rule, regulation, guideline, order or otherwise, impose any capital adequacy provision on a nonbanking affiliate (other than a broker or dealer) that is in compliance with applicable capital requirements of another Federal regulatory authority or State insurance authority.

''(iv) APPROPRIATE EXCLUSIONS.—The Commission shall take full account of the applicable capital requirements of another Federal regulatory authority or State insurance regulator.

''(C) INTERNAL RISK MANAGEMENT MODELS.—The Commission may incorporate internal risk management models into its capital adequacy rules for supervised investment bank holding companies.

''(5) FUNCTIONAL REGULATION OF BANKING AND INSURANCE ACTIVITIES OF SUPERVISED INVESTMENT BANK HOLDING COMPANIES.—The Commission shall defer to—

''(A) the appropriate regulatory agency with regard to all interpretations of, and the enforcement of, applicable banking laws relating to the activities, conduct, ownership, and operations of banks, and institutions described in subparagraph (D), (F), and (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956; and

''(B) the appropriate State insurance regulators with regard to all interpretations of, and the enforcement of, applicable State insurance laws relating to the activities, conduct, and operations of insurance companies and insurance agents.

''(6) DEFINITIONS.—For purposes of this subsection and subsection (j)—

''(A) the term 'investment bank holding company' means—

''(i) any person other than a natural person that owns or controls one or more brokers or dealers; and

''(ii) the associated persons of the investment bank holding company;

''(B) the term 'supervised investment bank holding company' means any investment bank holding company that is supervised by the Commission pursuant to this subsection;

''(C) the terms 'affiliate', 'bank', 'bank holding company', 'company', 'control', and 'savings association' have the same meanings as in section 2 of the Bank Holding Company Act of 1956;

''(D) the term 'insured bank' has the same meaning as in section 3 of the Federal Deposit Insurance Act;

''(E) the term 'foreign bank' has the same meaning as in section 1(b)(7) of the International Banking Act of 1978; and

''(F) the terms 'person associated with an investment bank holding company' and 'associated person of an investment bank holding company' mean any person directly or indirectly controlling, controlled by, or under common control with, an investment bank holding company.

''(j) COMMISSION BACKUP AUTHORITY.—

''(1) AUTHORITY.—The Commission may make inspections of any wholesale financial holding company that—

''(A) controls a wholesale financial institution;

''(B) is not a foreign bank; and

''(C) does not control an insured bank (other than an institution permitted under subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956) or a savings association,

and any affiliate of such company, for the purpose of monitoring and enforcing compliance by the wholesale financial holding company with the Federal securities laws.

''(2) LIMITATION.—The Commission shall limit the focus and scope of any inspection under paragraph (1) to those transactions, policies, procedures, or records that are reasonably necessary to monitor and enforce compliance by the wholesale financial holding company or any affiliate with the Federal securities laws.

''(3) DEFERENCE TO EXAMINATIONS.—To the fullest extent possible, the Commission shall use, for the purposes of this subsection, the reports of examinations—

''(A) made by the Board of Governors of the Federal Reserve System of any wholesale financial holding company that is supervised by the Board;

''(B) made by or on behalf of any State regulatory agency responsible for the supervision of an insurance company of any licensed insurance company; and

''(C) made by any Federal or State banking agency of any bank or institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956.

''(4) NOTICE.—To the fullest extent possible, the Commission shall notify the appropriate regulatory agency prior to conducting an inspection of a wholesale financial institution or institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956.

''(k) AUTHORITY TO LIMIT DISCLOSURE OF INFORMATION.—Notwithstanding any other provision of law, the Commission shall not be compelled to disclose any information required to be reported under subsection (h) or (i) or any information supplied to the Commission by any domestic or foreign regulatory agency that relates to the financial or operational condition of any associated person of a broker or dealer, investment bank holding company, or any affiliate of an investment bank holding company. Nothing in this subsection shall authorize the Commission to withhold information from Congress, or prevent the Commission from complying with a request for information from any other Federal department or agency or any self-regulatory organization requesting the information for purposes within the scope of its jurisdiction, or complying with an order of a court of the United States in an action brought by the United States or the Commission. For purposes of section 552 of title 5, United States Code, this subsection shall be considered a statute described in subsection (b)(3)(B) of such section 552. In prescribing regulations to carry out the requirements of this subsection, the Commission shall designate information described in or obtained pursuant to subparagraphs (A), (B), and (C) of subsection (i)(5) as confidential information for purposes of section 24(b)(2) of this title.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(a)(34) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(34)) is amended by adding at the end the following new subparagraphs:

''(H) When used with respect to an institution described in subparagraph (D), (F), or (G) of section 2(c)(2), or held under section 4(f), of the Bank Holding Company Act of 1956—

''(i) the Comptroller of the Currency, in the case of a national bank or a bank in the District of Columbia examined by the Comptroller of the Currency;

''(ii) the Board of Governors of the Federal Reserve System, in the case of a State member bank of the Federal Reserve System or any corporation chartered under section 25A of the Federal Reserve Act;

''(iii) the Federal Deposit Insurance Corporation, in the case of any other bank the deposits of which are insured in accordance with the Federal Deposit Insurance Act; or

''(iv) the Commission in the case of all other such institutions.''.

(2) Section 1112(e) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3412(e)) is amended—

(A) by striking ''this title'' and inserting ''law''; and

(B) by inserting '', examination reports'' after ''financial records''.

### Subtitle D—Studies

#### SEC. 241. STUDY OF METHODS TO INFORM INVESTORS AND CONSUMERS OF UNINSURED PRODUCTS.

Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress regarding the efficacy, costs, and benefits of requiring that any depository institution that accepts federally insured deposits and that, directly or through a contractual or other arrangement with a broker, dealer, or agent, buys from, sells to, or effects transactions for retail investors in securities or consumers of insurance to inform such investors and consumers through the use of a logo or seal that the security or insurance is not insured by the Federal Deposit Insurance Corporation.

#### SEC. 242. STUDY OF LIMITATION ON FEES ASSOCIATED WITH ACQUIRING FINANCIAL PRODUCTS.

Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress regarding the efficacy and benefits of uniformly limiting any commissions, fees, markups, or other costs incurred by customers in the acquisition of financial products.

## TITLE III—INSURANCE

### Subtitle A—State Regulation of Insurance

**SEC. 301. STATE REGULATION OF THE BUSINESS OF INSURANCE.**

The Act entitled ''An Act to express the intent of the Congress with reference to the regulation of the business of insurance'' and approved March 9, 1945 (15 U.S.C. 1011 et seq.), commonly referred to as the ''McCarran-Ferguson Act'') remains the law of the United States.

**SEC. 302. MANDATORY INSURANCE LICENSING REQUIREMENTS.**

No person or entity shall provide insurance in a State as principal or agent unless such person or entity is licensed as required by the appropriate insurance regulator of such State in accordance with the relevant State insurance law, subject to section 104.

**SEC. 303. FUNCTIONAL REGULATION OF INSURANCE.**

The insurance sales activity of any person or entity shall be functionally regulated by the States, subject to section 104.

**SEC. 304. INSURANCE UNDERWRITING IN NATIONAL BANKS.**

(a) IN GENERAL.—Except as provided in section 305, a national bank and the subsidiaries of a national bank may not provide insurance in a State as principal except that this prohibition shall not apply to authorized products.

(b) AUTHORIZED PRODUCTS.—For the purposes of this section, a product is authorized if—

(1) as of January 1, 1997, the Comptroller of the Currency had determined in writing that national banks may provide such product as principal, or national banks were in fact lawfully providing such product as principal;

(2) no court of relevant jurisdiction had, by final judgment, overturned a determination of the Comptroller of the Currency that national banks may provide such product as principal; and

(3) the product is not title insurance, or an annuity contract the income of which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

(c) DEFINITION.—For purposes of this section, the term ''insurance'' means—

(1) any product regulated as insurance as of January 1, 1997, in accordance with the relevant State insurance law, in the State in which the product is provided;

(2) any product first offered after January 1, 1997, which—

(A) a State insurance regulator determines shall be regulated as insurance in the State in which the product is provided because the product insures, guarantees, or indemnifies against liability, loss of life, loss of health, or loss through damage to or destruction of property, including, but not limited to, surety bonds, life insurance, health insurance, title insurance, and property and casualty insurance (such as private passenger or commercial automobile, homeowners, mortgage, commercial multiperil, general liability, professional liability, workers' compensation, fire and allied lines, farm owners multiperil, aircraft, fidelity, surety, medical malpractice, ocean marine, inland marine, and boiler and machinery insurance); and

(B) is not a product or service of a bank that is—

(i) a deposit product;

(ii) a loan, discount, letter of credit, or other extension of credit;

(iii) a trust or other fiduciary service;

(iv) a qualified financial contract (as defined in or determined pursuant to section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act); or

(v) a financial guaranty, except that this subparagraph (B) shall not apply to a product that includes an insurance component such that if the product is offered or proposed to be offered by the bank as principal—

(I) it would be treated as a life insurance contract under section 7702 of the Internal Revenue Code of 1986; or

(II) in the event that the product is not a letter of credit or other similar extension of credit, a qualified financial contract, or a financial guaranty, it would qualify for treatment for losses incurred with respect to such product under section 832(b)(5) of the Internal Revenue Code of 1986, if the bank were subject to tax as an insurance company under section 831 of that Code; or

(3) any annuity contract, the income on which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

**SEC. 305. TITLE INSURANCE ACTIVITIES OF NATIONAL BANKS AND THEIR AFFILIATES.**

(a) AUTHORITY.—Notwithstanding any other provision of this Act or any other law, no national bank, and no subsidiary of a national bank, may engage in any activity involving the underwriting of title insurance, other than title insurance underwriting activities in which such national bank or subsidiary was actively and lawfully engaged before the date of enactment of this Act.

(b) INSURANCE AFFILIATE.—In the case of a national bank which has an affiliate which provides insurance as principal and is not a subsidiary of the bank, the national bank and any subsidiary of the national bank may not engage in any activity involving the underwriting of title insurance pursuant to subsection (a).

(c) INSURANCE SUBSIDIARY.—In the case of a national bank which has a subsidiary which provides insurance as principal and has no affiliate which provides insurance as principal and is not a subsidiary, the national bank may not engage in any activity involving the underwriting of title insurance pursuant to subsection (a).

(d) ''AFFILIATE'' AND ''SUBSIDIARY'' DEFINED.—For purposes of this section, the terms ''affiliate'' and ''subsidiary'' have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

**SEC. 306. EXPEDITED AND EQUALIZED DISPUTE RESOLUTION FOR FEDERAL REGULATORS.**

(a) FILING IN COURT OF APPEALS.—In the case of a regulatory conflict between a State insurance regulator and a Federal regulator as to whether any product is or is not insurance, as defined in section 304(c), or whether a State statute, regulation, order, or interpretation regarding any insurance sales or solicitation activity is properly treated as preempted under Federal law, either regulator may seek expedited judicial review of such determination by the United States Court of Appeals for the circuit in which the State is located or in the United States Court of Appeals for the District of Columbia Circuit by filing a petition for review in such court.

(b) EXPEDITED REVIEW.—The United States Court of Appeals in which a petition for review is filed in accordance with subsection (a) shall complete all action on such petition, including rendering a judgment, before the end of the 60-day period beginning on the date on which such petition is filed, unless all parties to such proceeding agree to any extension of such period.

(c) SUPREME COURT REVIEW.—Any request for certiorari to the Supreme Court of the United States of any judgment of a United States Court of Appeals with respect to a petition for review under this section shall be filed with the Supreme Court of the United States as soon as practicable after such judgment is issued.

(d) STATUTE OF LIMITATION.—No action may be filed under this section challenging an order, ruling, determination, or other action of a Federal regulator or State insurance regulator after the later of—

(1) the end of the 12-month period beginning on the date on which the first public notice is made of such order, ruling, determination, or other action in its final form; or

(2) the end of the 6-month period beginning on the date on which such order, ruling, determination, or other action takes effect.

(e) STANDARD OF REVIEW.—The court shall decide an action filed under this section based on its review on the merits of all questions presented under State and Federal law, including the nature of the product or activity and the history and purpose of its regulation under State and Federal law, without unequal deference.

**SEC. 307. CONSUMER PROTECTION REGULATIONS.**

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

**''SEC. 45. CONSUMER PROTECTION REGULATIONS.**

''(a) REGULATIONS REQUIRED.—

''(1) IN GENERAL.—The Federal banking agencies shall prescribe and publish in final form, before the end of the 1-year period beginning on the date of enactment of the Financial Services Act of 1999, consumer protection regulations (which the agencies jointly determine to be appropriate) that—

''(A) apply to retail sales practices, solicitations, advertising, or offers of any insurance product by any insured depository institution or wholesale financial institution or any person who is engaged in such activities at an office of the institution or on behalf of the institution; and

''(B) are consistent with the requirements of this Act and provide such additional protections for consumers to whom such sales, solicitations, advertising, or offers are directed as the agency determines to be appropriate.

''(2) APPLICABILITY TO SUBSIDIARIES.—The regulations prescribed pursuant to paragraph (1) shall extend such protections to any subsidiaries of an insured depository institution, as deemed appropriate by the regulators referred to in paragraph (3), where such extension is determined to be necessary to ensure the consumer protections provided by this section.

''(3) CONSULTATION AND JOINT REGULATIONS.—The Federal banking agencies shall consult with each other and prescribe joint regulations pursuant to paragraph (1), after consultation with the State insurance regulators, as appropriate.

''(b) SALES PRACTICES.—The regulations prescribed pursuant to subsection (a) shall include anticoercion rules applicable to the sale of insurance products which prohibit an insured depository institution from engaging in any practice that would lead a consumer to believe an extension of credit, in violation of section 106(b) of the Bank Holding Company Act Amendments of 1970, is conditional upon—

''(1) the purchase of an insurance product from the institution or any of its affiliates or subsidiaries; or

''(2) an agreement by the consumer not to obtain, or a prohibition on the consumer from obtaining, an insurance product from an unaffiliated entity.

''(c) DISCLOSURES AND ADVERTISING.—The regulations prescribed pursuant to subsection (a) shall include the following provisions relating to disclosures and advertising in connection with the initial purchase of an insurance product:

''(1) DISCLOSURES.—

''(A) IN GENERAL.—Requirements that the following disclosures be made orally and in writing before the completion of the initial sale and, in the case of clause (iii), at the time of application for an extension of credit:

''(i) UNINSURED STATUS.—As appropriate, the product is not insured by the Federal Deposit Insurance Corporation, the United States Government, or the insured depository institution.

''(ii) INVESTMENT RISK.—In the case of a variable annuity or other insurance product which involves an investment risk, that there is an investment risk associated with the product, including possible loss of value.

''(iii) COERCION.—The approval of an extension of credit may not be conditioned on—

''(I) the purchase of an insurance product from the institution in which the application for credit is pending or any of its affiliates or subsidiaries; or

''(II) an agreement by the consumer not to obtain, or a prohibition on the consumer from obtaining, an insurance product from an unaffiliated entity.

''(B) MAKING DISCLOSURE READILY UNDERSTANDABLE.—Regulations prescribed under subparagraph (A) shall encourage the use of disclosure that is conspicuous, simple, direct, and readily understandable, such as the following:

''(i) 'NOT FDIC–INSURED'.

''(ii) 'NOT GUARANTEED BY THE BANK'.

''(iii) 'MAY GO DOWN IN VALUE'.

''(C) ADJUSTMENTS FOR ALTERNATIVE METHODS OF PURCHASE.—In prescribing the requirements under subparagraphs (A) and (D), necessary adjustments shall be made for purchase in person, by telephone, or by electronic media to provide for the most appropriate and complete form of disclosure and acknowledgments.

''(D) CONSUMER ACKNOWLEDGMENT.—A requirement that an insured depository institution shall require any person selling an insurance product at any office of, or on behalf of, the institution to obtain, at the time a consumer receives the disclosures required under this paragraph or at the time of the initial purchase by the consumer of such product, an acknowledgment by such consumer of the receipt of the disclosure required under this paragraph with respect to such product.

''(2) PROHIBITION ON MISREPRESENTATIONS.—A prohibition on any practice, or any advertising, at any office of, or on behalf of, the insured depository institution, or any subsidiary as appropriate, which could mislead any person or otherwise cause a reasonable person to reach an erroneous belief with respect to—

''(A) the uninsured nature of any insurance product sold, or offered for sale, by the institution or any subsidiary of the institution; or

''(B) in the case of a variable annuity or other insurance product that involves an investment risk, the investment risk associated with any such product.

''(d) SEPARATION OF BANKING AND NONBANKING ACTIVITIES.—

''(1) REGULATIONS REQUIRED.—The regulations prescribed pursuant to subsection (a) shall include such provisions as the Federal banking agencies consider appropriate to ensure that the routine acceptance of deposits is kept, to the extent practicable, physically segregated from insurance product activity.

''(2) REQUIREMENTS.—Regulations prescribed pursuant to paragraph (1) shall include the following requirements:

''(A) SEPARATE SETTING.—A clear delineation of the setting in which, and the circumstances under which, transactions involving insurance products should be conducted in a location physically segregated from an area where retail deposits are routinely accepted.

''(B) REFERRALS.—Standards which permit any person accepting deposits from the public in an area where such transactions are routinely conducted in an insured depository institution to refer a customer who seeks to purchase any insurance product to a qualified person who sells such product, only if the person making the referral receives no more than a one-time nominal fee of a fixed dollar amount for each referral that does not depend on whether the referral results in a transaction.

''(C) QUALIFICATION AND LICENSING REQUIREMENTS.—Standards prohibiting any insured depository institution from permitting any person to sell or offer for sale any insurance product in any part of any office of the institution, or on behalf of the institution, unless such person is appropriately qualified and licensed.

''(e) DOMESTIC VIOLENCE DISCRIMINATION PROHIBITION.—

''(1) IN GENERAL.—In the case of an applicant for, or an insured under, any insurance product described in paragraph (2), the status of the applicant or insured as a victim of domestic violence, or as a provider of services to victims of domestic violence, shall not be considered as a criterion in any decision with regard to insurance underwriting, pricing, renewal, or scope of coverage of insurance policies, or payment of insurance claims, except as required or expressly permitted under State law.

''(2) SCOPE OF APPLICATION.—The prohibition contained in paragraph (1) shall apply to any insurance product which is sold or offered for sale, as principal, agent, or broker, by any insured depository institution or any person who is engaged in such activities at an office of the institution or on behalf of the institution.

''(3) SENSE OF THE CONGRESS.—It is the sense of the Congress that, by the end of the 30-month period beginning on the date of enactment of the Financial Services Act of 1999, the States should enact prohibitions against discrimination with respect to insurance products that are at least as strict as the prohibitions contained in paragraph (1).

''(4) DOMESTIC VIOLENCE DEFINED.—For purposes of this subsection, the term 'domestic violence' means the occurrence of 1 or more of the following acts by a current or former family member, household member, intimate partner, or caretaker:

''(A) Attempting to cause or causing or threatening another person with physical harm, severe emotional distress, psychological trauma, rape, or sexual assault.

''(B) Engaging in a course of conduct or repeatedly committing acts toward another person, including following the person without proper authority, under circumstances that place the person in reasonable fear of bodily injury or physical harm.

''(C) Subjecting another person to false imprisonment.

''(D) Attempting to cause or causing damage to property so as to intimidate or attempt to control the behavior of another person.

''(f) CONSUMER GRIEVANCE PROCESS.—The Federal banking agencies shall jointly establish a consumer complaint mechanism, for receiving and expeditiously addressing consumer complaints alleging a violation of regulations issued under this section, which mechanism shall—

''(1) establish a group within each regulatory agency to receive such complaints;

''(2) develop procedures for investigating such complaints;

''(3) develop procedures for informing consumers of rights they may have in connection with such complaints; and

''(4) develop procedures for addressing concerns raised by such complaints, as appropriate, including procedures for the recovery of losses to the extent appropriate.

''(g) EFFECT ON OTHER AUTHORITY.—

''(1) IN GENERAL.—No provision of this section shall be construed as granting, limiting, or otherwise affecting—

''(A) any authority of the Securities and Exchange Commission, any self-regulatory organization, the Municipal Securities Rulemaking Board, or the Secretary of the Treasury under any Federal securities law; or

''(B) except as provided in paragraph (2), any authority of any State insurance commissioner or other State authority under any State law.

''(2) COORDINATION WITH STATE LAW.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), regulations prescribed by a Federal banking agency under this section shall not apply to retail sales, solicitations, advertising, or offers of any insurance product by any insured depository institution or wholesale financial institution or to any person who is engaged in such activities at an office of such institution or on behalf of the institution, in a State where the State has in effect statutes, regulations, orders, or interpretations, that are inconsistent with or contrary to the regulations prescribed by the Federal banking agencies.

''(B) PREEMPTION.—If, with respect to any provision of the regulations prescribed under this section, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Board of Directors of the Federal Deposit Insurance Corporation determine jointly that the protection afforded by such provision for consumers is greater than the protection provided by a comparable provision of the statutes, regulations, orders, or interpretations referred to in subparagraph (A) of any State, such provision of the regulations prescribed under this section shall supersede the comparable provision of such State statute, regulation, order, or interpretation.

''(h) INSURANCE PRODUCT DEFINED.—For purposes of this section, the term 'insurance product' includes an annuity contract the income of which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.''.

**SEC. 308. CERTAIN STATE AFFILIATION LAWS PREEMPTED FOR INSURANCE COMPANIES AND AFFILIATES.**

Except as provided in section 104(a)(2), no State may, by law, regulation, order, interpretation, or otherwise—

(1) prevent or significantly interfere with the ability of any insurer, or any affiliate of an insurer (whether such affiliate is organized as a stock company, mutual holding company, or otherwise), to become a financial holding company or to acquire control of an insured depository institution;

(2) limit the amount of an insurer's assets that may be invested in the voting securities of an insured depository institution (or any

company which controls such institution), except that the laws of an insurer's State of domicile may limit the amount of such investment to an amount that is not less than 5 percent of the insurer's admitted assets; or

(3) prevent, significantly interfere with, or have the authority to review, approve, or disapprove a plan of reorganization by which an insurer proposes to reorganize from mutual form to become a stock insurer (whether as a direct or indirect subsidiary of a mutual holding company or otherwise) unless such State is the State of domicile of the insurer.

**SEC. 309. PUBLICATION OF PREEMPTION OF STATE LAWS.**

Section 5244 of the Revised Statutes of the United States (12 U.S.C. 43) is amended—

(1) by inserting ''or Federal savings association'' after ''national bank'' each place that term appears; and

(2) in subsection (c)(3)(B)(i), by inserting ''or savings associations'' after ''banks''.

## Subtitle B—National Association of Registered Agents and Brokers

**SEC. 321. STATE FLEXIBILITY IN MULTISTATE LICENSING REFORMS.**

(a) IN GENERAL.—The provisions of this subtitle shall take effect unless, not later than 3 years after the date of enactment of this Act, at least a majority of the States—

(1) have enacted uniform laws and regulations governing the licensure of individuals and entities authorized to sell and solicit the purchase of insurance within the State; or

(2) have enacted reciprocity laws and regulations governing the licensure of nonresident individuals and entities authorized to sell and solicit insurance within those States.

(b) UNIFORMITY REQUIRED.—States shall be deemed to have established the uniformity necessary to satisfy subsection (a)(1) if the States—

(1) establish uniform criteria regarding the integrity, personal qualifications, education, training, and experience of licensed insurance producers, including the qualification and training of sales personnel in ascertaining the appropriateness of a particular insurance product for a prospective customer;

(2) establish uniform continuing education requirements for licensed insurance producers;

(3) establish uniform ethics course requirements for licensed insurance producers in conjunction with the continuing education requirements under paragraph (2);

(4) establish uniform criteria to ensure that an insurance product, including any annuity contract, sold to a consumer is suitable and appropriate for the consumer based on financial information disclosed by the consumer; and

(5) do not impose any requirement upon any insurance producer to be licensed or otherwise qualified to do business as a nonresident that has the effect of limiting or conditioning that producer's activities because of its residence or place of operations, except that counter-signature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section.

(c) RECIPROCITY REQUIRED.—States shall be deemed to have established the reciprocity required to satisfy subsection (a)(2) if the following conditions are met:

(1) ADMINISTRATIVE LICENSING PROCEDURES.—At least a majority of the States permit a producer that has a resident license for selling or soliciting the purchase of insurance in its home State to receive a license to sell or solicit the purchase of insurance in such majority of States as a nonresident to the same extent that such producer is permitted to sell or solicit the purchase of insurance in its State, if the producer's home State also awards such licenses on such a reciprocal basis, without satisfying any additional requirements other than submitting—

(A) a request for licensure;

(B) the application for licensure that the producer submitted to its home State;

(C) proof that the producer is licensed and in good standing in its home State; and

(D) the payment of any requisite fee to the appropriate authority.

(2) CONTINUING EDUCATION REQUIREMENTS.—A majority of the States accept an insurance producer's satisfaction of its home State's continuing education requirements for licensed insurance producers to satisfy the States' own continuing education requirements if the producer's home State also recognizes the satisfaction of continuing education requirements on such a reciprocal basis.

(3) NO LIMITING NONRESIDENT REQUIREMENTS.—A majority of the States do not impose any requirement upon any insurance producer to be licensed or otherwise qualified to do business as a nonresident that has the effect of limiting or conditioning that producer's activities because of its residence or place of operations, except that countersignature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section.

(4) RECIPROCAL RECIPROCITY.—Each of the States that satisfies paragraphs (1), (2), and (3) grants reciprocity to residents of all of the other States that satisfy such paragraphs.

(d) DETERMINATION.—

(1) NAIC DETERMINATION.—At the end of the 3-year period beginning on the date of enactment of this Act, the National Association of Insurance Commissioners shall determine, in consultation with the insurance commissioners or chief insurance regulatory officials of the States, whether the uniformity or reciprocity required by subsections (b) and (c) has been achieved.

(2) JUDICIAL REVIEW.—The appropriate United States district court shall have exclusive jurisdiction over any challenge to the National Association of Insurance Commissioners' determination under this section and such court shall apply the standards set forth in section 706 of title 5, United States Code, when reviewing any such challenge.

(e) CONTINUED APPLICATION.—If, at any time, the uniformity or reciprocity required by subsections (b) and (c) no longer exists, the provisions of this subtitle shall take effect 2 years after the date on which such uniformity or reciprocity ceases to exist, unless the uniformity or reciprocity required by those provisions is satisfied before the expiration of that 2-year period.

(f) SAVINGS PROVISION.—No provision of this section shall be construed as requiring that any law, regulation, provision, or action of any State which purports to regulate insurance producers, including any such law, regulation, provision, or action which purports to regulate unfair trade practices or establish consumer protections, including countersignature laws, be altered or amended in order to satisfy the uniformity or reciprocity required by subsections (b) and (c), unless any such law, regulation, provision, or action is inconsistent with a specific requirement of any such subsection and then only to the extent of such inconsistency.

(g) UNIFORM LICENSING.—Nothing in this section shall be construed to require any State to adopt new or additional licensing requirements to achieve the uniformity necessary to satisfy subsection (a)(1).

**SEC. 322. NATIONAL ASSOCIATION OF REGISTERED AGENTS AND BROKERS.**

(a) ESTABLISHMENT.—There is established the National Association of Registered Agents and Brokers (hereafter in this subtitle referred to as the ''Association'').

(b) STATUS.—The Association shall—

(1) be a nonprofit corporation;

(2) have succession until dissolved by an Act of Congress;

(3) not be an agent or instrumentality of the United States Government; and

(4) except as otherwise provided in this Act, be subject to, and have all the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act (D.C. Code, sec. 29y–1001 et seq.).

**SEC. 323. PURPOSE.**

The purpose of the Association shall be to provide a mechanism through which uniform licensing, appointment, continuing education, and other insurance producer sales qualification requirements and conditions can be adopted and applied on a multistate basis, while preserving the right of States to license, supervise, and discipline insurance producers and to prescribe and enforce laws and regulations with regard to insurance-related consumer protection and unfair trade practices.

**SEC. 324. RELATIONSHIP TO THE FEDERAL GOVERNMENT.**

The Association shall be subject to the supervision and oversight of the National Association of Insurance Commissioners (hereafter in this subtitle referred to as the ''NAIC'').

**SEC. 325. MEMBERSHIP.**

(a) ELIGIBILITY.—

(1) IN GENERAL.—Any State-licensed insurance producer shall be eligible to become a member in the Association.

(2) INELIGIBILITY FOR SUSPENSION OR REVOCATION OF LICENSE.—Notwithstanding paragraph (1), a State-licensed insurance producer shall not be eligible to become a member if a State insurance regulator has suspended or revoked such producer's license in that State during the 3-year period preceding the date on which such producer applies for membership.

(3) RESUMPTION OF ELIGIBILITY.—Paragraph (2) shall cease to apply to any insurance producer if—

(A) the State insurance regulator renews the license of such producer in the State in which the license was suspended or revoked; or

(B) the suspension or revocation is subsequently overturned.

(b) AUTHORITY TO ESTABLISH MEMBERSHIP CRITERIA.—The Association shall have the authority to establish membership criteria that—

(1) bear a reasonable relationship to the purposes for which the Association was established; and

(2) do not unfairly limit the access of smaller agencies to the Association membership.

(c) ESTABLISHMENT OF CLASSES AND CATEGORIES.—

(1) CLASSES OF MEMBERSHIP.—The Association may establish separate classes of membership, with separate criteria, if the Association reasonably determines that performance of different duties requires different levels of education, training, or experience.

(2) CATEGORIES.—The Association may establish separate categories of membership for individuals and for other persons. The establishment of any such categories of membership shall be based either on the types of licensing categories that exist under State laws or on the aggregate amount of business handled by an insurance producer. No special categories of membership, and no distinct membership criteria, shall be established for members which are insured depository institutions or wholesale financial institutions or for their employees, agents, or affiliates.

(d) MEMBERSHIP CRITERIA.—

(1) IN GENERAL.—The Association may establish criteria for membership which shall include standards for integrity, personal qualifications, education, training, and experience.

(2) MINIMUM STANDARD.—In establishing criteria under paragraph (1), the Association shall consider the highest levels of insurance producer qualifications established under the licensing laws of the States.

(e) EFFECT OF MEMBERSHIP.—Membership in the Association shall entitle the member to licensure in each State for which the member pays the requisite fees, including licensing fees and, where applicable, bonding requirements, set by such State.

(f) ANNUAL RENEWAL.—Membership in the Association shall be renewed on an annual basis.

(g) CONTINUING EDUCATION.—The Association shall establish, as a condition of membership, continuing education requirements which shall be comparable to or greater than the continuing education requirements under the licensing laws of a majority of the States.

(h) SUSPENSION AND REVOCATION.—The Association may—

(1) inspect and examine the records and offices of the members of the Association to determine compliance with the criteria for membership established by the Association; and

(2) suspend or revoke the membership of an insurance producer if—

(A) the producer fails to meet the applicable membership criteria of the Association; or

(B) the producer has been subject to disciplinary action pursuant to a final adjudicatory proceeding under the jurisdiction of a State insurance regulator, and the Association concludes that retention of membership in the Association would not be in the public interest.

(i) OFFICE OF CONSUMER COMPLAINTS.—

(1) IN GENERAL.—The Association shall establish an office of consumer complaints that shall—

(A) receive and investigate complaints from both consumers and State insurance regulators related to members of the Association; and

(B) recommend to the Association any disciplinary actions that the office considers appropriate, to the extent that any such recommendation is not inconsistent with State law.

(2) RECORDS AND REFERRALS.—The office of consumer complaints of the Association shall—

(A) maintain records of all complaints received in accordance with paragraph (1) and make such records available to the NAIC and to each State insurance regulator for the State of residence of the consumer who filed the complaint; and

(B) refer, when appropriate, any such complaint to any appropriate State insurance regulator.

(3) TELEPHONE AND OTHER ACCESS.—The office of consumer complaints shall maintain a toll-free telephone number for the purpose of this subsection and, as practicable, other alternative means of communication with consumers, such as an Internet home page.

**SEC. 326. BOARD OF DIRECTORS.**

(a) ESTABLISHMENT.—There is established the board of directors of the Association (hereafter in this subtitle referred to as the ''Board'') for the purpose of governing and supervising the activities of the Association and the members of the Association.

(b) POWERS.—The Board shall have such powers and authority as may be specified in the bylaws of the Association.

(c) COMPOSITION.—

(1) MEMBERS.—The Board shall be composed of 7 members appointed by the NAIC.

(2) REQUIREMENT.—At least 4 of the members of the Board shall have significant experience with the regulation of commercial lines of insurance in at least 1 of the 20 States in which the greatest total dollar amount of commercial-lines insurance is placed in the United States.

(3) INITIAL BOARD MEMBERSHIP.—

(A) IN GENERAL.—If, by the end of the 2-year period beginning on the date of enactment of this Act, the NAIC has not appointed the initial 7 members of the Board of the Association, the initial Board shall consist of the 7 State insurance regulators of the 7 States with the greatest total dollar amount of commercial-lines insurance in place as of the end of such period.

(B) ALTERNATE COMPOSITION.—If any of the State insurance regulators described in subparagraph (A) declines to serve on the Board, the State insurance regulator with the next greatest total dollar amount of commercial-lines insurance in place, as determined by the NAIC as of the end of such period, shall serve as a member of the Board.

(C) INOPERABILITY.—If fewer than 7 State insurance regulators accept appointment to the Board, the Association shall be established without NAIC oversight pursuant to section 332.

(d) TERMS.—The term of each director shall, after the initial appointment of the members of the Board, be for 3 years, with ⅓ of the directors to be appointed each year.

(e) BOARD VACANCIES.—A vacancy on the Board shall be filled in the same manner as the original appointment of the initial Board for the remainder of the term of the vacating member.

(f) MEETINGS.—The Board shall meet at the call of the chairperson, or as otherwise provided by the bylaws of the Association.

**SEC. 327. OFFICERS.**

(a) IN GENERAL.—

(1) POSITIONS.—The officers of the Association shall consist of a chairperson and a vice chairperson of the Board, a president, secretary, and treasurer of the Association, and such other officers and assistant officers as may be deemed necessary.

(2) MANNER OF SELECTION.—Each officer of the Board and the Association shall be elected or appointed at such time and in such manner and for such terms not exceeding 3 years as may be prescribed in the bylaws of the Association.

(b) CRITERIA FOR CHAIRPERSON.—Only individuals who are members of the NAIC shall be eligible to serve as the chairperson of the board of directors.

**SEC. 328. BYLAWS, RULES, AND DISCIPLINARY ACTION.**

(a) ADOPTION AND AMENDMENT OF BYLAWS.—

(1) COPY REQUIRED TO BE FILED WITH THE NAIC.—The board of directors of the Association shall file with the NAIC a copy of the proposed bylaws or any proposed amendment to the bylaws, accompanied by a concise general statement of the basis and purpose of such proposal.

(2) EFFECTIVE DATE.—Except as provided in paragraph (3), any proposed bylaw or proposed amendment shall take effect—

(A) 30 days after the date of the filing of a copy with the NAIC;

(B) upon such later date as the Association may designate; or

(C) upon such earlier date as the NAIC may determine.

(3) DISAPPROVAL BY THE NAIC.—Notwithstanding paragraph (2), a proposed bylaw or amendment shall not take effect if, after public notice and opportunity to participate in a public hearing—

(A) the NAIC disapproves such proposal as being contrary to the public interest or contrary to the purposes of this subtitle and provides notice to the Association setting forth the reasons for such disapproval; or

(B) the NAIC finds that such proposal involves a matter of such significant public interest that public comment should be obtained, in which case it may, after notifying the Association in writing of such finding, require that the procedures set forth in subsection (b) be followed with respect to such proposal, in the same manner as if such proposed bylaw change were a proposed rule change within the meaning of such subsection.

(b) ADOPTION AND AMENDMENT OF RULES.—

(1) FILING PROPOSED REGULATIONS WITH THE NAIC.—

(A) IN GENERAL.—The board of directors of the Association shall file with the NAIC a copy of any proposed rule or any proposed amendment to a rule of the Association which shall be accompanied by a concise general statement of the basis and purpose of such proposal.

(B) OTHER RULES AND AMENDMENTS INEFFECTIVE.—No proposed rule or amendment shall take effect unless approved by the NAIC or otherwise permitted in accordance with this paragraph.

(2) INITIAL CONSIDERATION BY THE NAIC.—Not later than 35 days after the date of publication of notice of filing of a proposal, or before the end of such longer period not to exceed 90 days as the NAIC may designate after such date, if the NAIC finds such longer period to be appropriate and sets forth its reasons for so finding, or as to which the Association consents, the NAIC shall—

(A) by order approve such proposed rule or amendment; or

(B) institute proceedings to determine whether such proposed rule or amendment should be modified or disapproved.

(3) NAIC PROCEEDINGS.—

(A) IN GENERAL.—Proceedings instituted by the NAIC with respect to a proposed rule or amendment pursuant to paragraph (2) shall—

(i) include notice of the grounds for disapproval under consideration;

(ii) provide opportunity for hearing; and

(iii) be concluded not later than 180 days after the date of the Association's filing of such proposed rule or amendment.

(B) DISPOSITION OF PROPOSAL.—At the conclusion of any proceeding under subparagraph (A), the NAIC shall, by order, approve or disapprove the proposed rule or amendment.

(C) EXTENSION OF TIME FOR CONSIDERATION.—The NAIC may extend the time for concluding any proceeding under subparagraph (A) for—

(i) not more than 60 days if the NAIC finds good cause for such extension and sets forth its reasons for so finding; or

(ii) for such longer period as to which the Association consents.

(4) STANDARDS FOR REVIEW.—

(A) GROUNDS FOR APPROVAL.—The NAIC shall approve a proposed rule or amendment if the NAIC finds that the rule or amendment is in the public interest and is consistent with the purposes of this Act.

(B) APPROVAL BEFORE END OF NOTICE PERIOD.—The NAIC shall not approve any proposed rule before the end of the 30-day period beginning on the date on which the Association files proposed rules or amendments in accordance with paragraph (1), unless the NAIC finds good cause for so doing and sets forth the reasons for so finding.

(5) ALTERNATE PROCEDURE.—

(A) IN GENERAL.—Notwithstanding any provision of this subsection other than subparagraph (B), a proposed rule or amendment relating to the administration or organization of the Association shall take effect—

(i) upon the date of filing with the NAIC, if such proposed rule or amendment is designated by the Association as relating solely to matters which the NAIC, consistent with the public interest and the purposes of this subsection, determines by rule do not require the procedures set forth in this paragraph; or

(ii) upon such date as the NAIC shall for good cause determine.

(B) ABROGATION BY THE NAIC.—

(i) IN GENERAL.—At any time within 60 days after the date of filing of any proposed rule or amendment under subparagraph (A)(i) or clause (ii) of this subparagraph, the NAIC may repeal such rule or amendment and require that the rule or amendment be refiled and reviewed in accordance with this paragraph, if the NAIC finds that such action is necessary or appropriate in the public interest, for the protection of insurance producers or policyholders, or otherwise in furtherance of the purposes of this subtitle.

(ii) EFFECT OF RECONSIDERATION BY THE NAIC.—Any action of the NAIC pursuant to clause (i) shall—

(I) not affect the validity or force of a rule change during the period such rule or amendment was in effect; and

(II) not be considered to be a final action.

(c) ACTION REQUIRED BY THE NAIC.—The NAIC may, in accordance with such rules as the NAIC determines to be necessary or appropriate to the public interest or to carry out the purposes of this subtitle, require the Association to adopt, amend, or repeal any bylaw, rule or amendment of the Association, whenever adopted.

(d) DISCIPLINARY ACTION BY THE ASSOCIATION.—

(1) SPECIFICATION OF CHARGES.—In any proceeding to determine whether membership shall be denied, suspended, revoked, or not renewed (hereafter in this section referred to as a ''disciplinary action''), the Association shall bring specific charges, notify such member of such charges, give the member an opportunity to defend against the charges, and keep a record.

(2) SUPPORTING STATEMENT.—A determination to take disciplinary action shall be supported by a statement setting forth—

(A) any act or practice in which such member has been found to have been engaged;

(B) the specific provision of this subtitle, the rules or regulations under this subtitle, or the rules of the Association which any such act or practice is deemed to violate; and

(C) the sanction imposed and the reason for such sanction.

(e) NAIC REVIEW OF DISCIPLINARY ACTION.—

(1) NOTICE TO THE NAIC.—If the Association orders any disciplinary action, the Association shall promptly notify the NAIC of such action.

(2) REVIEW BY THE NAIC.—Any disciplinary action taken by the Association shall be subject to review by the NAIC—

(A) on the NAIC's own motion; or

(B) upon application by any person aggrieved by such action if such application is filed with the NAIC not more than 30 days after the later of—

(i) the date the notice was filed with the NAIC pursuant to paragraph (1); or

(ii) the date the notice of the disciplinary action was received by such aggrieved person.

(f) EFFECT OF REVIEW.—The filing of an application to the NAIC for review of a disciplinary action, or the institution of review by the NAIC on the NAIC's own motion, shall not operate as a stay of disciplinary action unless the NAIC otherwise orders.

(g) SCOPE OF REVIEW.—

(1) IN GENERAL.—In any proceeding to review such action, after notice and the opportunity for hearing, the NAIC shall—

(A) determine whether the action should be taken;

(B) affirm, modify, or rescind the disciplinary sanction; or

(C) remand to the Association for further proceedings.

(2) DISMISSAL OF REVIEW.—The NAIC may dismiss a proceeding to review disciplinary action if the NAIC finds that—

(A) the specific grounds on which the action is based exist in fact;

(B) the action is in accordance with applicable rules and regulations; and

(C) such rules and regulations are, and were, applied in a manner consistent with the purposes of this subtitle.

**SEC. 329. ASSESSMENTS.**

(a) INSURANCE PRODUCERS SUBJECT TO ASSESSMENT.—The Association may establish such application and membership fees as the Association finds necessary to cover the costs of its operations, including fees made reimbursable to the NAIC under subsection (b), except that, in setting such fees, the Association may not discriminate against smaller insurance producers.

(b) NAIC ASSESSMENTS.—The NAIC may assess the Association for any costs that the NAIC incurs under this subtitle.

**SEC. 330. FUNCTIONS OF THE NAIC.**

(a) ADMINISTRATIVE PROCEDURE.—Determinations of the NAIC, for purposes of making rules pursuant to section 328, shall be made after appropriate notice and opportunity for a hearing and for submission of views of interested persons.

(b) EXAMINATIONS AND REPORTS.—

(1) EXAMINATIONS.—The NAIC may make such examinations and inspections of the Association and require the Association to furnish to the NAIC such reports and records or copies thereof as the NAIC may consider necessary or appropriate in the public interest or to effectuate the purposes of this subtitle.

(2) REPORT BY ASSOCIATION.—As soon as practicable after the close of each fiscal year, the Association shall submit to the NAIC a written report regarding the conduct of its business, and the exercise of the other rights and powers granted by this subtitle, during such fiscal year. Such report shall include financial statements setting forth the financial position of the Association at the end of such fiscal year and the results of its operations (including the source and application of its funds) for such fiscal year. The NAIC shall transmit such report to the President and the Congress with such comment thereon as the NAIC determines to be appropriate.

**SEC. 331. LIABILITY OF THE ASSOCIATION AND THE DIRECTORS, OFFICERS, AND EMPLOYEES OF THE ASSOCIATION.**

(a) IN GENERAL.—The Association shall not be deemed to be an insurer or insurance producer within the meaning of any State law, rule, regulation, or order regulating or taxing insurers, insurance producers, or other entities engaged in the business of insurance, including provisions imposing premium taxes, regulating insurer solvency or financial condition, establishing guaranty funds and levying assessments, or requiring claims settlement practices.

(b) LIABILITY OF THE ASSOCIATION, ITS DIRECTORS, OFFICERS, AND EMPLOYEES.—Neither the Association nor any of its directors, officers, or employees shall have any liability to any person for any action taken or omitted in good faith under or in connection with any matter subject to this subtitle.

**SEC. 332. ELIMINATION OF NAIC OVERSIGHT.**

(a) IN GENERAL.—The Association shall be established without NAIC oversight and the provisions set forth in section 324, subsections (a), (b), (c), and (e) of section 328, and sections 329(b) and 330 of this subtitle shall cease to be effective if, at the end of the 2-year period beginning on the date on which the provisions of this subtitle take effect pursuant to section 321—

(1) at least a majority of the States representing at least 50 percent of the total United States commercial-lines insurance premiums have not satisfied the uniformity or reciprocity requirements of subsections (a), (b), and (c) of section 321; and

(2) the NAIC has not approved the Association's bylaws as required by section 328 or is unable to operate or supervise the Association, or the Association is not conducting its activities as required under this Act.

(b) BOARD APPOINTMENTS.—If the repeals required by subsection (a) are implemented, the following shall apply:

(1) GENERAL APPOINTMENT POWER.—The President, with the advice and consent of the Senate, shall appoint the members of the Association's Board established under section 326 from lists of candidates recommended to the President by the National Association of Insurance Commissioners.

(2) PROCEDURES FOR OBTAINING NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS APPOINTMENT RECOMMENDATIONS.—

(A) INITIAL DETERMINATION AND RECOMMENDATIONS.—After the date on which the provisions of subsection (a) take effect, the NAIC shall, not later than 60 days thereafter, provide a list of recommended candidates to the President. If the NAIC fails to provide a list by that date, or if any list that is provided does not include at least 14 recommended candidates or comply with the requirements of section 326(c), the President shall, with the advice and consent of the Senate, make the requisite appointments without considering the views of the NAIC.

(B) SUBSEQUENT APPOINTMENTS.—After the initial appointments, the NAIC shall provide a list of at least 6 recommended candidates for the Board to the President by January 15 of each subsequent year. If the NAIC fails to provide a list by that date, or if any list that

is provided does not include at least 6 recommended candidates or comply with the requirements of section 326(c), the President, with the advice and consent of the Senate, shall make the requisite appointments without considering the views of the NAIC.

(C) PRESIDENTIAL OVERSIGHT.—

(i) REMOVAL.—If the President determines that the Association is not acting in the interests of the public, the President may remove the entire existing Board for the remainder of the term to which the members of the Board were appointed and appoint, with the advice and consent of the Senate, new members to fill the vacancies on the Board for the remainder of such terms.

(ii) SUSPENSION OF RULES OR ACTIONS.—The President, or a person designated by the President for such purpose, may suspend the effectiveness of any rule, or prohibit any action, of the Association which the President or the designee determines is contrary to the public interest.

(c) ANNUAL REPORT.—As soon as practicable after the close of each fiscal year, the Association shall submit to the President and to the Congress a written report relative to the conduct of its business, and the exercise of the other rights and powers granted by this subtitle, during such fiscal year. Such report shall include financial statements setting forth the financial position of the Association at the end of such fiscal year and the results of its operations (including the source and application of its funds) for such fiscal year.

**SEC. 333. RELATIONSHIP TO STATE LAW.**

(a) PREEMPTION OF STATE LAWS.—State laws, regulations, provisions, or other actions purporting to regulate insurance producers shall be preempted as provided in subsection (b).

(b) PROHIBITED ACTIONS.—No State shall—

(1) impede the activities of, take any action against, or apply any provision of law or regulation to, any insurance producer because that insurance producer or any affiliate plans to become, has applied to become, or is a member of the Association;

(2) impose any requirement upon a member of the Association that it pay different fees to be licensed or otherwise qualified to do business in that State, including bonding requirements, based on its residency;

(3) impose any licensing, appointment, integrity, personal or corporate qualifications, education, training, experience, residency, or continuing education requirement upon a member of the Association that is different from the criteria for membership in the Association or renewal of such membership, except that counter-signature requirements imposed on nonresident producers shall not be deemed to have the effect of limiting or conditioning a producer's activities because of its residence or place of operations under this section; or

(4) implement the procedures of such State's system of licensing or renewing the licenses of insurance producers in a manner different from the authority of the Association under section 325.

(c) SAVINGS PROVISION.—Except as provided in subsections (a) and (b), no provision of this section shall be construed as altering or affecting the continuing effectiveness of any law, regulation, provision, or other action of any State which purports to regulate insurance producers, including any such law, regulation, provision, or action which purports to regulate unfair trade practices or establish consumer protections, including countersignature laws.

**SEC. 334. COORDINATION WITH OTHER REGULATORS.**

(a) COORDINATION WITH STATE INSURANCE REGULATORS.—The Association shall have the authority to—

(1) issue uniform insurance producer applications and renewal applications that may be used to apply for the issuance or removal of State licenses, while preserving the ability of each State to impose such conditions on the issuance or renewal of a license as are consistent with section 333;

(2) establish a central clearinghouse through which members of the Association may apply for the issuance or renewal of licenses in multiple States; and

(3) establish or utilize a national database for the collection of regulatory information concerning the activities of insurance producers.

(b) COORDINATION WITH THE NATIONAL ASSOCIATION OF SECURITIES DEALERS.—The Association shall coordinate with the National Association of Securities Dealers in order to ease any administrative burdens that fall on persons that are members of both associations, consistent with the purposes of this subtitle and the Federal securities laws.

**SEC. 335. JUDICIAL REVIEW.**

(a) JURISDICTION.—The appropriate United States district court shall have exclusive jurisdiction over litigation involving the Association, including disputes between the Association and its members that arise under this subtitle. Suits brought in State court involving the Association shall be deemed to have arisen under Federal law and therefore be subject to jurisdiction in the appropriate United States district court.

(b) EXHAUSTION OF REMEDIES.—An aggrieved person shall be required to exhaust all available administrative remedies before the Association and the NAIC before it may seek judicial review of an Association decision.

(c) STANDARDS OF REVIEW.—The standards set forth in section 553 of title 5, United States Code, shall be applied whenever a rule or bylaw of the Association is under judicial review, and the standards set forth in section 554 of title 5, United States Code, shall be applied whenever a disciplinary action of the Association is judicially reviewed.

**SEC. 336. DEFINITIONS.**

For purposes of this subtitle, the following definitions shall apply:

(1) HOME STATE.—The term ''home State'' means the State in which the insurance producer maintains its principal place of residence and is licensed to act as an insurance producer.

(2) INSURANCE.—The term ''insurance'' means any product, other than title insurance, defined or regulated as insurance by the appropriate State insurance regulatory authority.

(3) INSURANCE PRODUCER.—The term ''insurance producer'' means any insurance agent or broker, surplus lines broker, insurance consultant, limited insurance representative, and any other person that solicits, negotiates, effects, procures, delivers, renews, continues or binds policies of insurance or offers advice, counsel, opinions or services related to insurance.

(4) STATE.—The term ''State'' includes any State, the District of Columbia, American Samoa, Guam, Puerto Rico, and the United States Virgin Islands.

(5) STATE LAW.—The term ''State law'' includes all laws, decisions, rules, regulations, or other State action having the effect of law, of any State. A law of the United States applicable only to the District of Columbia shall be treated as a State law rather than a law of the United States.

## TITLE IV—UNITARY SAVINGS AND LOAN HOLDING COMPANIES

**SEC. 401. PREVENTION OF CREATION OF NEW S&L HOLDING COMPANIES WITH COMMERCIAL AFFILIATES.**

(a) IN GENERAL.—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

''(9) PREVENTION OF NEW AFFILIATIONS BETWEEN S&L HOLDING COMPANIES AND COMMERCIAL FIRMS.—

''(A) IN GENERAL.—Notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after March 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—

''(i) under paragraph (1)(C) or (2); or

''(ii) for financial holding companies under section 6(c) of the Bank Holding Company Act of 1956.

''(B) PREVENTION OF NEW COMMERCIAL AFFILIATIONS.—Notwithstanding paragraph (3), no savings and loan holding company may engage directly or indirectly (including through a subsidiary other than a savings association) in any activity other than as described in clauses (i) and (ii) of subparagraph (A).

''(C) PRESERVATION OF AUTHORITY OF EXISTING UNITARY S&L HOLDING COMPANIES.—Subparagraphs (A) and (B) do not apply with respect to any company that was a savings and loan holding company on March 4, 1999, or that becomes a savings and loan holding company pursuant to an application pending before the Office of Thrift Supervision on or before that date, and that—

''(i) meets and continues to meet the requirements of paragraph (3); and

''(ii) continues to control not fewer than 1 savings association that it controlled on March 4, 1999, or that it acquired pursuant to an application pending before the Office of Thrift Supervision on or before that date, or the successor to such savings association.

''(D) CORPORATE REORGANIZATIONS PERMITTED.—This paragraph does not prevent a transaction that—

''(i) involves solely a company under common control with a savings and loan holding company from acquiring, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company; or

''(ii) involves solely a merger, consolidation, or other type of business combination as a result of which a company under common control with the savings and loan holding company acquires, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company.

''(E) AUTHORITY TO PREVENT EVASIONS.—The Director may issue interpretations, regulations, or orders that the Director determines necessary to administer and carry out the purpose and prevent evasions of this paragraph, including a determination that, notwithstanding the form of a transaction, the transaction would in substance result in a company acquiring control of a savings association.

''(F) PRESERVATION OF AUTHORITY FOR FAMILY TRUSTS.—Subparagraphs (A) and (B) do

not apply with respect to any trust that becomes a savings and loan holding company with respect to a savings association, if—

''(i) not less than 85 percent of the beneficial ownership interests in the trust are continuously owned, directly or indirectly, by or for the benefit of members of the same family, or their spouses, who are lineal descendants of common ancestors who controlled, directly or indirectly, such savings association on March 4, 1999, or a subsequent date, pursuant to an application pending before the Office of Thrift Supervision on or before March 4, 1999; and

''(ii) at the time at which such trust becomes a savings and loan holding company, such ancestors or lineal descendants, or spouses of such descendants, have directly or indirectly controlled the savings association continuously since March 4, 1999, or a subsequent date, pursuant to an application pending before the Office of Thrift Supervision on or before March 4, 1999.''.

(b) CONFORMING AMENDMENT.—Section 10(o)(5)(E) of the Home Owners' Loan Act (15 U.S.C. 1467a(o)(5)(E)) is amended by striking '', except subparagraph (B)'' and inserting ''or (c)(9)(A)(ii)''.

**SEC. 402. OPTIONAL CONVERSION OF FEDERAL SAVINGS ASSOCIATIONS TO NATIONAL BANKS.**

Section 5(i) of the Home Owners' Loan Act (12 U.S.C. 1464(i)) is amended by adding at the end the following new paragraph:

''(5) CONVERSION TO A NATIONAL BANK.—Notwithstanding any other provision of law, any Federal savings association chartered and in operation before the date of enactment of the Financial Services Act of 1999, with branches in 1 or more States, may convert, with the approval of the Comptroller of the Currency, into 1 or more national banks, each of which may encompass one or more of the branches of the Federal savings association in 1 or more States, but only if the resulting national bank or banks will meet any and all financial, management, and capital requirements applicable to a national bank.''.

**SEC. 403. RETENTION OF "FEDERAL" IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.**

Section 2 of the Act entitled ''An Act to enable national banking associations to increase their capital stock and to change their names or locations'', approved May 1, 1886 (12 U.S.C. 30), is amended by adding at the end the following new subsection:

''(d) RETENTION OF 'FEDERAL' IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.—

''(1) IN GENERAL.—Notwithstanding subsection (a) or any other provision of law, any depository institution the charter of which is converted from that of a Federal savings association to a national bank or a State bank after the date of enactment of the Financial Services Act of 1999 may retain the term 'Federal' in the name of such institution if such depository institution remains an insured depository institution.

''(2) DEFINITIONS.—For purposes of this subsection, the terms 'depository institution', 'insured depository institution', 'national bank', and 'State bank' have the same meanings as in section 3 of the Federal Deposit Insurance Act.''.

## TITLE V—FINANCIAL INFORMATION ANTI-FRAUD

**SEC. 501. FINANCIAL INFORMATION ANTI-FRAUD.**

The Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by adding at the end the following:

## "TITLE X—FINANCIAL INFORMATION PRIVACY PROTECTION

**"SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.**

''(a) SHORT TITLE.—This title may be cited as the 'Financial Information Anti-Fraud Act of 1999'.

''(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:



**"SEC. 1002. DEFINITIONS.**

''For purposes of this title, the following definitions shall apply:

''(1) CUSTOMER.—The term 'customer' means, with respect to a financial institution, any person (or authorized representative of a person) to whom the financial institution provides a product or service, including that of acting as a fiduciary.

''(2) CUSTOMER INFORMATION OF A FINANCIAL INSTITUTION.—The term 'customer information of a financial institution' means any information maintained by a financial institution which is derived from the relationship between the financial institution and a customer of the financial institution and is identified with the customer.

''(3) DOCUMENT.—The term 'document' means any information in any form.

''(4) FINANCIAL INSTITUTION.—

''(A) IN GENERAL.—The term 'financial institution' means any institution engaged in the business of providing financial services to customers who maintain a credit, deposit, trust, or other financial account or relationship with the institution.

''(B) CERTAIN FINANCIAL INSTITUTIONS SPECIFICALLY INCLUDED.—The term 'financial institution' includes any depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act), any loan or finance company, any credit card issuer or operator of a credit card system, and any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis (as defined in section 603(p)).

''(C) FURTHER DEFINITION BY REGULATION.—The Board of Governors of the Federal Reserve System may prescribe regulations further defining the term 'financial institution', in accordance with subparagraph (A), for purposes of this title.

**"SEC. 1003. PRIVACY PROTECTION FOR CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.**

''(a) PROHIBITION ON OBTAINING CUSTOMER INFORMATION BY FALSE PRETENSES.—It shall be a violation of this title for any person to obtain or attempt to obtain, or cause to be disclosed or attempt to cause to be disclosed to any person, customer information of a financial institution relating to another person—

''(1) by knowingly making a false, fictitious, or fraudulent statement or representation to an officer, employee, or agent of a financial institution with the intent to deceive the officer, employee, or agent into relying on that statement or representation for purposes of releasing the customer information;

''(2) by knowingly making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution with the intent to deceive the customer into relying on that statement or representation for purposes of releasing the customer information or authorizing the release of such information; or

''(3) by knowingly providing any document to an officer, employee, or agent of a financial institution, knowing that the document is forged, counterfeit, lost, or stolen, was fraudulently obtained, or contains a false, fictitious, or fraudulent statement or representation, if the document is provided with the intent to deceive the officer, employee, or agent into relying on that document for purposes of releasing the customer information.

''(b) PROHIBITION ON SOLICITATION OF A PERSON TO OBTAIN CUSTOMER INFORMATION FROM FINANCIAL INSTITUTION UNDER FALSE PRETENSES.—It shall be a violation of this title to request a person to obtain customer information of a financial institution, knowing or consciously avoiding knowing that the person will obtain, or attempt to obtain, the information from the institution in any manner described in subsection (a).

''(c) NONAPPLICABILITY TO LAW ENFORCEMENT AGENCIES.—No provision of this section shall be construed so as to prevent any action by a law enforcement agency, or any officer, employee, or agent of such agency, to obtain customer information of a financial institution in connection with the performance of the official duties of the agency.

''(d) NONAPPLICABILITY TO FINANCIAL INSTITUTIONS IN CERTAIN CASES.—No provision of this section shall be construed to prevent any financial institution, or any officer, employee, or agent of a financial institution, from obtaining customer information of such financial institution in the course of—

''(1) testing the security procedures or systems of such institution for maintaining the confidentiality of customer information;

''(2) investigating allegations of misconduct or negligence on the part of any officer, employee, or agent of the financial institution; or

''(3) recovering customer information of the financial institution which was obtained or received by another person in any manner described in subsection (a) or (b).

''(e) NONAPPLICABILITY TO CERTAIN TYPES OF CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.—No provision of this section shall be construed to prevent any person from obtaining customer information of a financial institution that otherwise is available as a public record filed pursuant to the securities laws (as defined in section 3(a)(47) of the Securities Exchange Act of 1934).

**"SEC. 1004. ADMINISTRATIVE ENFORCEMENT.**

''(a) ENFORCEMENT BY FEDERAL TRADE COMMISSION.—Except as provided in subsection (b), compliance with this title shall be enforced by the Federal Trade Commission in the same manner and with the same power and authority as the Commission has under the Fair Debt Collection Practices Act to enforce compliance with that title.

''(b) ENFORCEMENT BY OTHER AGENCIES IN CERTAIN CASES.—

''(1) IN GENERAL.—Compliance with this title shall be enforced under—

''(A) section 8 of the Federal Deposit Insurance Act, in the case of—

''(i) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

''(ii) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign

banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act, by the Board;

''(iii) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System and national nonmember banks) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation; and

''(iv) savings associations the deposits of which are insured by the Federal Deposit Insurance Corporation, by the Director of the Office of Thrift Supervision; and

''(B) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union.

''(2) VIOLATIONS OF THIS TITLE TREATED AS VIOLATIONS OF OTHER LAWS.—For the purpose of the exercise by any agency referred to in paragraph (1) of its powers under any Act referred to in that paragraph, a violation of this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in paragraph (1), each of the agencies referred to in that paragraph may exercise, for the purpose of enforcing compliance with this title, any other authority conferred on such agency by law.

''(c) STATE ACTION FOR VIOLATIONS.—

''(1) AUTHORITY OF STATES.—In addition to such other remedies as are provided under State law, if the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this title, the State—

''(A) may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction;

''(B) may bring an action on behalf of the residents of the State to recover damages of not more than $1,000 for each violation; and

''(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

''(2) RIGHTS OF FEDERAL REGULATORS.—

''(A) PRIOR NOTICE.—The State shall serve prior written notice of any action under paragraph (1) upon the Federal Trade Commission and, in the case of an action which involves a financial institution described in section 1004(b)(1), the agency referred to in such section with respect to such institution and provide the Federal Trade Commission and any such agency with a copy of its complaint, except in any case in which such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action.

''(B) RIGHT TO INTERVENE.—The Federal Trade Commission or an agency described in subsection (b) shall have the right—

''(i) to intervene in an action under paragraph (1);

''(ii) upon so intervening, to be heard on all matters arising therein;

''(iii) to remove the action to the appropriate United States district court; and

''(iv) to file petitions for appeal.

''(3) INVESTIGATORY POWERS.—For purposes of bringing any action under this subsection, no provision of this subsection shall be construed as preventing the chief law enforcement officer, or an official or agency designated by a State, from exercising the powers conferred on the chief law enforcement officer or such official by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

''(4) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION PENDING.—If the Federal Trade Commission or any agency described in subsection (b) has instituted a civil action for a violation of this title, no State may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Federal Trade Commission or such agency for any violation of this title that is alleged in that complaint.

**''SEC. 1005. CIVIL LIABILITY.**

''Any person, other than a financial institution, who fails to comply with any provision of this title with respect to any financial institution or any customer information of a financial institution shall be liable to such financial institution or the customer to whom such information relates in an amount equal to the sum of the amounts determined under each of the following paragraphs:

''(1) ACTUAL DAMAGES.—The greater of—

''(A) the amount of any actual damage sustained by the financial institution or customer as a result of such failure; or

''(B) any amount received by the person who failed to comply with this title, including an amount equal to the value of any nonmonetary consideration, as a result of the action which constitutes such failure.

''(2) ADDITIONAL DAMAGES.—Such additional amount as the court may allow.

''(3) ATTORNEYS' FEES.—In the case of any successful action to enforce any liability under paragraph (1) or (2), the costs of the action, together with reasonable attorneys' fees.

**''SEC. 1006. CRIMINAL PENALTY.**

''(a) IN GENERAL.—Whoever violates, or attempts to violate, section 1003 shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

''(b) ENHANCED PENALTY FOR AGGRAVATED CASES.—Whoever violates, or attempts to violate, section 1003 while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.

**''SEC. 1007. RELATION TO STATE LAWS.**

''(a) IN GENERAL.—This title shall not be construed as superseding, altering, or affecting the statutes, regulations, orders, or interpretations in effect in any State, except to the extent that such statutes, regulations, orders, or interpretations are inconsistent with the provisions of this title, and then only to the extent of the inconsistency.

''(b) GREATER PROTECTION UNDER STATE LAW.—For purposes of this section, a State statute, regulation, order, or interpretation is not inconsistent with the provisions of this title if the protection such statute, regulation, order, or interpretation affords any person is greater than the protection provided under this title.

**''SEC. 1008. AGENCY GUIDANCE.**

''In furtherance of the objectives of this title, each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) shall issue advisories to depository institutions under the jurisdiction of the agency, in order to assist such depository institutions in deterring and detecting activities proscribed under section 1003.''.

**SEC. 502. REPORT TO CONGRESS ON FINANCIAL PRIVACY.**

Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the Federal Trade Commission, the Federal banking agencies, and other appropriate Federal law enforcement agencies, shall submit to the Congress a report on—

(1) the efficacy and adequacy of the remedies provided in the amendments made by section 501 in addressing attempts to obtain financial information by fraudulent means or by false pretenses; and

(2) any recommendations for additional legislative or regulatory action to address threats to the privacy of financial information created by attempts to obtain information by fraudulent means or false pretenses.

## TITLE VI—MISCELLANEOUS

**SEC. 601. GRAND JURY PROCEEDINGS.**

Section 3322(b) of title 18, United States Code, is amended—

(1) in paragraph (1), by inserting ''Federal or State'' before ''financial institution''; and

(2) in paragraph (2), by inserting ''at any time during or after the completion of the investigation of the grand jury,'' before ''upon''.

**SEC. 602. SENSE OF THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS OF THE SENATE.**

(a) FINDINGS.—The Committee on Banking, Housing, and Urban Affairs of the Senate finds that—

(1) financial modernization legislation should benefit small institutions as well as large institutions;

(2) the Congress made the subchapter S election of the Internal Revenue Code of 1986, available to banks in 1996, reflecting a desire by the Congress to reduce the tax burden on community banks;

(3) large numbers of community banks have elected or expressed interest in the subchapter S election; and

(4) the Committee on Banking, Housing, and Urban Affairs of the Senate recognizes that some obstacles remain for community banks wishing to make the subchapter S election.

(b) SENSE OF THE COMMITTEE.—It is the sense of the Committee on Banking, Housing, and Urban Affairs of the Senate that—

(1) the small business tax provisions of the Internal Revenue Code of 1986, should be more widely available to community banks;

(2) legislation should be passed to amend the Internal Revenue Code of 1986, to—

(A) increase the allowed number of S corporation shareholders;

(B) permit S corporation stock to be held in individual retirement accounts;

(C) clarify that interest on investments held for safety, soundness, and liquidity purposes should not be considered to be passive income;

(D) provide that bank director stock is not treated as a disqualifying second class of stock for S corporations; and

(E) improve the tax treatment of bad debt and interest deductions; and

(3) the legislation described in paragraph (2) should be adopted by the Congress in conjunction with any financial modernization legislation.

**SEC. 603. INVESTMENTS IN GOVERNMENT SPONSORED ENTERPRISES.**

Section 18(s) of the Federal Deposit Insurance Act (12 U.S.C. 1828(s)) is amended—

(1) by redesignating paragraph (4) as paragraph (6); and

(2) by inserting after paragraph (3) the following:

''(4) CERTAIN INVESTMENTS.—Paragraph (1) shall not apply with respect to investments lawfully made before April 11, 1996, by a depository institution in any Government sponsored enterprise.

''(5) STUDENT LOANS.—

''(A) IN GENERAL.—This subsection does not apply to any arrangement between a Holding Company (or any subsidiary of the Holding Company other than the Student Loan Marketing Association, hereafter in this paragraph referred to as the 'Association') and a depository institution, if the Secretary approves the affiliation and determines that—

''(i) the reorganization of the Association in accordance with section 440 of the Higher Education Act of 1965 (20 U.S.C. 1087–3), will not be adversely affected by the arrangement;

''(ii) the dissolution of the Association pursuant to such reorganization will occur before the end of the 2-year period beginning on the date on which such arrangement is consummated, or on such earlier date as the Secretary determines to be appropriate, except that the Secretary may extend such period for not more than 1 year at a time (not to exceed 2 years, in the aggregate) if the Secretary determines that such extension is in the public interest and is appropriate to achieve an orderly reorganization of the Association or to prevent market disruptions in connection with such reorganization;

''(iii) the Association will not purchase or extend credit to, or guarantee or provide credit enhancement to, any obligation of the depository institution;

''(iv) the operations of the Association will be separate from the operations of the depository institution; and

''(v) until the dissolution date (as that term is defined in section 440(i)(2) of the Higher Education Act of 1965) has occurred, such depository institution will not use the trade name or service mark 'Sallie Mae' in connection with any product or service it offers, if the appropriate Federal banking agency for the depository institution determines that—

''(I) the depository institution is the only institution offering such product or service using the Sallie Mae name; and

''(II) the use of such name would result in the depository institution having an unfair competitive advantage over other depository institutions.

''(B) TERMS AND CONDITIONS.—In approving any arrangement referred to in subparagraph (A), the Secretary may impose any terms and conditions on the arrangement that the Secretary considers appropriate, including—

''(i) imposing additional restrictions on the issuance of debt obligations by the Association; or

''(ii) restricting the use of proceeds from the issuance of such debt.

''(C) ADDITIONAL LIMITATIONS.—In the event that the Holding Company (or any subsidiary of the Holding Company) enters into such an arrangement, the value of the investment portfolio of the Association shall not at any time exceed the lesser of—

''(i) the value of such portfolio on the date of enactment of the Financial Services Act of 1999; or

''(ii) the value of such portfolio on the date on which such an arrangement is consummated.

''(D) ENFORCEMENT.—The terms and conditions imposed under subparagraph (B) may be enforced by the Secretary in accordance with section 440 of the Higher Education Act of 1965.

''(E) DEFINITIONS.—For purposes of this paragraph, the following definition shall apply:

''(i) ASSOCIATION; HOLDING COMPANY.—Notwithstanding any provision in section 3, the terms 'Association' and 'Holding Company' have the same meanings as in section 440(i) of the Higher Education Act of 1965.

''(ii) INVESTMENT PORTFOLIO.—The term 'investment portfolio' means all investments shown on the consolidated balance sheet of the Association, other than—

''(I) any instruments or assets described in section 439(d) of the Higher Education Act of 1965 (20 U.S.C. 1087–2(d));

''(II) any direct non-callable obligations of the United States, or any agency thereof, for which the full faith and credit of the United States is pledged; or

''(III) cash or cash equivalents.

''(iii) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.''.

**SEC. 604. REPEAL OF SAVINGS BANK PROVISIONS IN THE BANK HOLDING COMPANY ACT OF 1956.**

Section 3(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(f)) is amended to read as follows:

''(f) [Reserved].''.

**SEC. 605. SERVICE OF MEMBERS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.**

Notwithstanding the first undesignated paragraph of section 10 of the Federal Reserve Act, the vice chairman of the Board of Governors of the Federal Reserve System may serve as a member of the District of Columbia Financial Responsibility and Management Assistance Authority established by section 101 of the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

**SEC. 606. PROVISION OF TECHNICAL ASSISTANCE TO MICROENTERPRISES.**

(a) IN GENERAL.—Title I of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.) is amended by adding at the end the following new subtitle:

**''Subtitle C—Microenterprise Technical Assistance and Capacity Building Program**

**''SEC. 171. SHORT TITLE.**

''This subtitle may be cited as the 'Program for Investment in Microentrepreneurs Act of 1999', also referred to as the 'PRIME Act'.

**''SEC. 172. DEFINITIONS.**

''For purposes of this subtitle—

''(1) the term 'Administrator' has the same meaning as in section 103;

''(2) the term 'capacity building services' means services provided to an organization that is, or is in the process of becoming a microenterprise development organization or program, for the purpose of enhancing its ability to provide training and services to disadvantaged entrepreneurs;

''(3) the term 'collaborative' means 2 or more nonprofit entities that agree to act jointly as a qualified organization under this subtitle;

''(4) the term 'disadvantaged entrepreneur' means a microentrepreneur that is—

''(A) a low-income person;

''(B) a very low-income person; or

''(C) an entrepreneur that lacks adequate access to capital or other resources essential for business success, or is economically disadvantaged, as determined by the Administrator;

''(5) the term 'Fund' has the same meaning as in section 103;

''(6) the term 'Indian tribe' has the same meaning as in section 103;

''(7) the term 'intermediary' means a private, nonprofit entity that seeks to serve microenterprise development organizations and programs as authorized under section 175;

''(8) the term 'low-income person' has the same meaning as in section 103;

''(9) the term 'microentrepreneur' means the owner or developer of a microenterprise;

''(10) the term 'microenterprise' means a sole proprietorship, partnership, or corporation that—

''(A) has fewer than 5 employees; and

''(B) generally lacks access to conventional loans, equity, or other banking services;

''(11) the term 'microenterprise development organization or program' means a nonprofit entity, or a program administered by such an entity, including community development corporations or other nonprofit development organizations and social service organizations, that provides services to disadvantaged entrepreneurs or prospective entrepreneurs;

''(12) the term 'training and technical assistance' means services and support provided to disadvantaged entrepreneurs or prospective entrepreneurs, such as assistance for the purpose of enhancing business planning, marketing, management, financial management skills, and assistance for the purpose of accessing financial services; and

''(13) the term 'very low-income person' means having an income, adjusted for family size, of not more than 150 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2), including any revision required by that section).

**''SEC. 173. ESTABLISHMENT OF PROGRAM.**

''The Administrator shall establish a microenterprise technical assistance and capacity building grant program to provide assistance from the Fund in the form of grants to qualified organizations in accordance with this subtitle.

**''SEC. 174. USES OF ASSISTANCE.**

''A qualified organization shall use grants made under this subtitle—

''(1) to provide training and technical assistance to disadvantaged entrepreneurs;

''(2) to provide training and capacity building services to microenterprise development organizations and programs and groups of such organizations to assist such organizations and programs in developing microenterprise training and services;

''(3) to aid in researching and developing the best practices in the field of microenterprise and technical assistance programs for disadvantaged entrepreneurs; and

''(4) for such other activities as the Administrator determines are consistent with the purposes of this subtitle.

**''SEC. 175. QUALIFIED ORGANIZATIONS.**

''For purposes of eligibility for assistance under this subtitle, a qualified organization shall be—

''(1) a nonprofit microenterprise development organization or program (or a group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged entrepreneurs;

''(2) an intermediary;

''(3) a microenterprise development organization or program that is accountable to a local community, working in conjunction with a State or local government or Indian tribe; or

''(4) an Indian tribe acting on its own, if the Indian tribe can certify that no private organization or program referred to in this paragraph exists within its jurisdiction.

**"SEC. 176. ALLOCATION OF ASSISTANCE; SUBGRANTS.**

''(a) ALLOCATION OF ASSISTANCE.—

''(1) IN GENERAL.—The Administrator shall allocate assistance from the Fund under this subtitle to ensure that—

''(A) activities described in section 174(1) are funded using not less than 75 percent of amounts made available for such assistance; and

''(B) activities described in section 174(2) are funded using not less than 15 percent of amounts made available for such assistance.

''(2) LIMIT ON INDIVIDUAL ASSISTANCE.—No single organization or entity may receive more than 10 percent of the total funds appropriated under this subtitle in a single fiscal year.

''(b) TARGETED ASSISTANCE.—The Administrator shall ensure that not less than 50 percent of the grants made under this subtitle are used to benefit very low-income persons, including those residing on Indian reservations.

''(c) SUBGRANTS AUTHORIZED.—

''(1) IN GENERAL.—A qualified organization receiving assistance under this subtitle may provide grants using that assistance to qualified small and emerging microenterprise organizations and programs, subject to such rules and regulations as the Administrator determines to be appropriate.

''(2) LIMIT ON ADMINISTRATIVE EXPENSES.—Not more than 7.5 percent of assistance received by a qualified organization under this subtitle may be used for administrative expenses in connection with the making of subgrants under paragraph (1).

''(d) DIVERSITY.—In making grants under this subtitle, the Administrator shall ensure that grant recipients include both large and small microenterprise organizations, serving urban, rural, and Indian tribal communities and racially and ethnically diverse populations.

**"SEC. 177. MATCHING REQUIREMENTS.**

''(a) IN GENERAL.—Financial assistance under this subtitle shall be matched with funds from sources other than the Federal Government on the basis of not less than 50 percent of each dollar provided by the Fund.

''(b) SOURCES OF MATCHING FUNDS.—Fees, grants, gifts, funds from loan sources, and in-kind resources of a grant recipient from public or private sources may be used to comply with the matching requirement in subsection (a).

''(c) EXCEPTION.—

''(1) IN GENERAL.—In the case of an applicant for assistance under this subtitle with severe constraints on available sources of matching funds, the Administrator may reduce or eliminate the matching requirements of subsection (a).

''(2) LIMITATION.—Not more than 10 percent of the total funds made available from the Fund in any fiscal year to carry out this subtitle may be excepted from the matching requirements of subsection (a), as authorized by paragraph (1) of this subsection.

**"SEC. 178. APPLICATIONS FOR ASSISTANCE.**

''An application for assistance under this subtitle shall be submitted in such form and in accordance with such procedures as the Fund shall establish.

**"SEC. 179. RECORDKEEPING.**

''The requirements of section 115 shall apply to a qualified organization receiving assistance from the Fund under this subtitle as if it were a community development financial institution receiving assistance from the Fund under subtitle A.

**"SEC. 180. AUTHORIZATION.**

''In addition to funds otherwise authorized to be appropriated to the Fund to carry out this title, there are authorized to be appropriated to the Fund to carry out this subtitle—

''(1) $15,000,000 for fiscal year 2000;

''(2) $25,000,000 for fiscal year 2001;

''(3) $30,000,000 for fiscal year 2002; and

''(4) $35,000,000 for fiscal year 2003.

**"SEC. 181. IMPLEMENTATION.**

''The Administrator shall, by regulation, establish such requirements as may be necessary to carry out this subtitle.''.

(b) ADMINISTRATIVE EXPENSES.—Section 121(a)(2)(A) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4718(a)(2)(A)) is amended—

(1) by striking ''$5,550,000'' and inserting ''$6,100,000''; and

(2) in the first sentence, by inserting before the period '', including costs and expenses associated with carrying out subtitle C''.

(c) CONFORMING AMENDMENTS.—Section 104(d) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4703(d)) is amended—

(1) in paragraph (2)—

(A) by striking ''15'' and inserting ''17''; and

(B) in subparagraph (G)—

(i) by striking ''9'' and inserting ''11'';

(ii) by redesignating clauses (iv) and (v) as clauses (v) and (vi), respectively; and

(iii) by inserting after clause (iii) the following:

''(iv) 2 individuals who have expertise in microenterprises and microenterprise development;''; and

(2) in paragraph (4), in the first sentence, by inserting before the period ''and subtitle C''.

## NOTICES OF HEARINGS

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Senate Committee on Health, Education, Labor, and Pensions will be held on Thursday, May 6, 1999, 10 a.m., in SD–628 of the Senate Dirksen Building. The subject of the hearing is ''ESEA: Safe Schools.'' For further information, please call the committee, 202/224–5375.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place on Tuesday, May 11, 1999 and will commence at 9:30 a.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on S. 25, the Conservation and Reinvestment Act of 1999; S. 446, the Resources 2000 Act; S. 532, the Public Land and Recreation Investment Act of 1999; S. 819, the National Park Preservation Act and the Administration's Lands Legacy proposal. The hearing also will examine the role of the Council on Environmental Quality in the decision-making and management processes of agencies under the Committee's jurisdiction—Department of the Interior, Department of Energy, and the U.S. Forest Service.

Because of the limited time available for each hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Kelly Johnson at (202) 224–4971.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce that on Tuesday, May 25, 1999, the Committee on Energy and Natural Resources will hold an oversight hearing on State Progress in Retail Electricity Competition. The hearing will be held at 9:30 a.m. in room 366 of the Dirksen Senate Office Building in Washington, D.C.

Those who wish to testify or submit a written statement should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. For further information, please call Julia McCaul at (202) 224–6567.

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources. The purpose of this hearing is to review the Youth Conservation Corps and other job programs conducted by the National Park Service, Bureau of Land Management, Forest Service, and the U.S. Fish and Wildlife Service.

The hearing will take place on Wednesday, May 19, 1999 at 2:00 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, SD–364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole or Shawn Taylor of the committee staff at (202) 224–6969.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. GRAMM. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and

Transportation be allowed to meet on Tuesday, May 4, 1999, at 9:30 a.m. on TV violence.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GRAMM. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Tuesday, May 4, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purposes of this hearing is to receive testimony on S. 25, the Conservation and Reinvestment Act of 1000; S. 446, the Resources 2000 Act; S. 532, the Public Land and Recreation Investment Act of 1999; S. 819, the National Park Preservation Act; and the Administration's Lands Legacy proposal.

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

COMMITTEE ON FINANCE

Mr. GRAMM. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Tuesday, May 4, 1999 beginning at 10:00 a.m. in room 215 Dirksen.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 4, 1999 at 10 a.m. to hold a hearing.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate on Tuesday, May 4, 1999 at 9:30 a.m. to conduct an Oversight Hearing on Census 2000, Implementation in Indian Country. The Hearing will be held in room 485 of the Russell Senate Office Building.

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

SUBCOMMITTEE ON ADMINISTRATIVE OVERSIGHT AND THE COURTS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Subcommittee on Administrative Oversight and the Courts, of the Senate Judiciary Committee, be authorized to meet during the session of the Senate on Tuesday, May 4, 1999 at 2:00 p.m. to hold a hearing in room 226, Senate Dirksen Building, on ''S. 353, the Class Action Fairness Act of 1999.''

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

SUBCOMMITTEE ON ANTITRUST, BUSINESS RIGHTS, AND COMPETITION

Mr. GRAMM. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Business Rights, and Competition, of the Senate Judiciary Committee, be authorized to hold a hearing during the session of the Senate on Tuesday, May 4, 1999 at 10 a.m. in room 226 of the Senate Dirksen Office Building, on: ''S. 467, the Antitrust Merger Review Act: Accelerating FCC Review of Mergers.''

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

SUBCOMMITTEE ON INTERNATIONAL TRADE

Mr. GRAMM. Mr. President, I ask unanimous consent that the Subcommittee on International Trade and Finance of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session on the Senate on Tuesday, May 4, 1999, to conduct a hearing on ''Effects of International Institutions on U.S. Agricultural Exports.''

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

## ADDITIONAL STATEMENTS

### TRIBUTE TO JOHN ELWAY

• Mr. CAMPBELL. Mr. President, on Sunday, May 2nd, John Elway, who for 16 seasons has been the uncontested leader of the Denver Broncos and a valuable civic leader and mentor for young Americans, officially announced his retirement from the NFL. He will be sorely missed. From extraordinary moments like ''The Drive'' in the 1986 AFC Championship Game to countless other picturesque instances, all we have are the many memories now. How do you replace a legend? You can't.

Exactly 16 years from the date of his announcement—May 2, 1983—the Denver Broncos acquired John Elway from, the then Baltimore Colts in return for offensive lineman Chris Hinton, quarterback Mark Herrman, and the Broncos' first round draft pick in the 1984 draft. That day will go down as arguably the best day in Broncos' history, and one of the best in football history.

I had the pleasure on January 27, 1998 of addressing my colleagues on the Senate floor regarding the accomplishments of one of the best quarterbacks in the history of the NFL, John Elway, with Senate Resolution 167. On February 3, 1999, I again had the honor of calling to my colleagues' attention the outstanding accomplishments of the Denver Broncos and John Elway for capturing another Super Bowl victory. Today I have the distinct honor of congratulating John Elway for a remarkable career and would like to thank him for all he contributed to Colorado and to our nation.

Mr. President, John Elway's career has been packed with astonishing statistics; 148 victories, the NFL record for a quarterback; nine Pro Bowl selections; 5 Super Bowl starts, another NFL record; two Super bowl Championships; 300 career touchdown passes; over 50,000 passing yards; Super Bowl XXXIII's Most Valuable Player; the NFL's Most Valuable Player in 1987; the American Football Conference's Most Valuable Player in 1993; and 47 fourth-quarter comebacks, to name just a few of the many highlights of a stellar career.

John Elway's leadership and dedication to excellence have benefitted the Broncos, the city of Denver, the state of Colorado, and America. John Elway, your place in Canton, Ohio in the Pro Football Hall of Fame awaits.

I thank the Chair and yield the floor.•

### TRIBUTE TO JOHN ELWAY

• Mr. ALLARD. Mr. President, on May 2, 1999, John Elway retired concluding one of the most remarkable sports careers ever. After sixteen National Football League seasons, exactly sixteen years to the day after he was traded to the Denver Broncos by the Baltimore Colts, the Magnificent Number 7 bid farewell to the team he has led to five Super Bowls and two consecutive world championships.

John Elway has been among the most prolific quarterbacks ever. He is the all-time winningest quarterback with 148 wins as a starter. In 46 of those wins Elway engineered game winning fourth quarter drives. He stands second in all-time passing yards and third all-time in touchdown passes. He has been elected to nine Pro Bowls, starting in eight of them. He is the only quarterback to ever throw for 3,000 yards and rush for 200 in 7 consecutive seasons. Elway started in a record 5 Super Bowls, and last year was elected MVP of the game. In addition to his peerless offensive production John Elway has been the model of leadership and consistency both on and off the field.

On the field Elway missed only 15 games in 16 years due to illness or injury. This toughness is amazing considering that in 256 career games he was sacked an NFL record 559 times. Former Broncos coach Dan Reeves says that it is Elway's mental toughness that has allowed this consistency. Current coach Mike Shanahan cites Elway's competitive hunger and his confidence. What is clear at the end of sixteen years is that Elway's combined physical gifts and the mettle of his character have made him an American icon.

Off the field Elway has worked tirelessly for numerous Colorado charities, and his John Elway Foundation has generated more than a million dollars in contributions since its inception. The stability and commitment of the Elway Foundation insures that it will continue to make Colorado a better place for years to come.

In an age when so many celebrities shrink under the intensity of the spotlight John Elway has carried himself

with class and dignity. It is hard to define what John Elway means to Colorado, but it is clear to me that he is more than just a football player. He is more than just a superstar. He is a figure that stands for something good, something strong and dedicated. John Elway is the athlete you don't mind being a role model. It makes you feel good to see his jersey on a kid playing in the park. I believe that says far more than any statistic.

I know that the people of Colorado join me in wishing John Elway and his family the very best.●

## SALUTE TO THE NATIONWIDE COMPANIES

● Mr. CLELAND. Mr. President, I rise today to recognize an exeptional company based in Atlanta, GA. The Nationwide Companies proudly established its national headquarters in Atlanta just 7 years ago, and through the progressive, dynamic leadership of its founder and president, Bill Case, it has succeeded in the marketplace from coast to coast.

Success earns recognition, and Money Maker's Monthly, the prestigious business journal, recently awarded this ever-growing company the distinction as ''The Company of the Month'' in the United States. The front-page feature, appropriately titled, ''The Nationwide Miracle,'' meticulously describes the amazing progress of Nationwide, and applauds the company's founder and president Bill Case for his leadership and unquestioned integrity. Perhaps the best description of Nationwide as a uniquely American business is the conclusion in the feature that Bill Case and his company are ''revolutionizing the way the American public earns and saves money.''

The Money Maker's Monthly feature is a tribute to a man's vision and the ability to transfer dreams into reality. In order that others may celebrate this wonderful and well-deserved award and perhaps be inspired each day to realize the American dream, Mr. President, I ask you to join me and our colleagues in saluting the many successes of Bill Case and the Nationwide Companies. I ask that the Money Maker's monthly article be printed in the RECORD.

The article follows:

THE NATIONWIDE MIRACLE—ONE MAN'S VISION PRODUCES UNIQUE NETWORK MARKETING BIZ

Bill Case dreamed for many years of a business where people could enjoy financial freedom. He already knew that network marketing was the wave of the future, but concluded that the industry had complications that disillusioned many able and talented people. He wanted to find the simplest way that a home-based entrepreneur could earn impressively through network marketing without spending hard-earned money on things like inventory and also avoid obstacles like unproductive downlines. In other words, could you build a business where financial freedom was obtainable through good, honest work?

After carefully researching other network marketing companies and interviewing a cross-section of successful networking entrepreneurs throughout the country, Case found the answer. The result became The Nationwide Companies, his seven-year-old business that is viewed by many observers as a miracle in the network marketplace.

''Instead of selling marked-up merchandise, we sell a benefits package which gives the owner the right to purchase popular items like cars, boats, furniture and health insurance with the same group buying power and low prices enjoyed by Fortune 500 Companies.'' Case emphasizes that the Nationwide Benefits Package is ''a hot item because of value in savings.'' Case says his network marketing business, which is headquartered in Atlanta, is revolutionizing the way the American public earns and saves money. Skeptics are few and far between as Case and his company gladly showcase a growing number of success stories from California to Florida who are earning six-figure incomes. Nationwide networkers called Independent Marketing Directors (IMDs), publicly and rather proudly state that they are enjoying genuine financial freedom as associates of Case's ''Team Nationwide.''

With evangelical drive, Case welcomes everyone to visit under the umbrella of The Nationwide Companies. ''We are truly one of a kind among network marketing companies,'' observes Case. ''We have a quality product that stands on its own in the marketplace because it allows purchasers to obtain items of genuine value.'' He emphasizes that the Nationwide Benefits Package can be purchased by anyone. It is a retail item in the truest sense of the word. The Benefits Package allows the owner, according to Case, to buy or lease cars, trucks, RVs, boats, along with furniture, eye care, health insurance, and even exotic vacations. ''Our Benefits Package saves consumers substantial amounts of good, hard dollars. The benefits are from recognizable Fortune 500 companies like ''the big three'' automakers, General Electric, United Parcel Service, Hertz and LensCrafters, just to name a few,'' says Case, adding that the Package is ''one of the best bargains in the country!''

WITHOUT BURDENS

Like other network marketing businesses, Nationwide operates through its IMDs from Hawaii to New York. From the company's Atlanta headquarters, Case's fast-growing enterprise provides marketing and sales information, computer support and state-of-the-art, easily accessible training for its IMDs. When asked what makes Nationwide different from other network marketers, Case, breaking into a wide grin, responds, ''Our IMDS don't have to buy or keep any inventory. There's no quota of any kind, no penalties, no competition and no levels of unpaid production.'' Case adds that Nationwide's system ''pays to infinity.'' ''You get paid what you are worth with Nationwide, and you only have to make two sales each year. We believe that our IMDs should earn good money without unnecessary difficulty,'' he says.

Case describes Nationwide's management as ''hands-on.'' ''We have a National Sales Training Coordinator for Nationwide who has created the lion's share of the effective marketing tools used in the company's training program. Lynda is a crown jewel,'' says Hendryx. ''Her training expertise gives our IMDS the head start they need in earning good, solid money as quickly as possible.''

One of the key players on Nationwide's team is Dick Loehr, president of Loehr's Auto Consultants in Ft. Lauderdale, Fla., who operates the benefits company for Nationwide. Loehr, who once owned nine automobile franchises, ranging from Porsche to Chrysler, has vast experience in the national automobile marketplace. A protégé of Lee Iococca (Loehr was an advisor to Iococca at Chrysler and still wears the lapel pin award given for his service to Iococca and Chrysler), Loehr is a virtual encyclopedia of knowledge of the automobile industry, including the complicated areas of financing and leasing. Nationwide recently produced a video interview with Loehr, which is a reservoir of vital information that any consumer would need to know before buying or leasing an automobile.

Loehr's joining Nationwide meant coming out of retirement. ''When I heard about Nationwide, I did my own investigation and knew this company was a winner,'' says Loehr. With Loehr's auto industry skills, Nationwide continues to be able to make popular items like automobiles available to its associates through the same group buying power enjoyed by Fortune 500 companies. Also, Loehr's heralded experience in the car market is invaluable to Nationwide. ''I understand pricing of automobiles and trucks, and financing and leasing is almost second-hand to me,'' says Loehr, who is not bragging, but stating fact.

One of the most recent benefits available to Nationwide associates is the availability of Program cars, which became possible through Loehr's esoteric knowledge of the automobile industry. Loehr says this makes the Benefits Package even more valuable. ''A Program car is a recent model, low mileage auto in top shape from a fleet program which we obtain for sale or lease. These are incredible bargains available to anyone owning the Nationwide Benefits Package.''

TRIBUTES FROM THE TRENCHES

Case describes his national network of IMD's as ''my field generals.'' ''I'm proud of the quality and high character of every one,'' he says. Robert and Donna Fason of Mount Vernon, Ark., are Nationwide's National Sales Directors who earned their lofty title through impressive success. ''Every day is a vacation to us,'' says Robert, adding, ''We are making more money than ever and our IMD's are truly excited about even greater earnings as we work together for financial freedom.''

Two key Team Nationwide Associates, says Case are Ruby and Ray Riedel of Yakima, Wash. Both are successful veteran network marketers who left one of the big names in the industry for nationwide. Their story is a fascinating, personal endorsement of Case's network business dream. ''Unlike our previous company, we now have absolutely no inventory, monthly quotas or penalties,'' stated Ruby Riedel, ''How refreshing to be part of a genuine network company and to be free of all overhead, competition and no levels of unpaid production!'' In place of these obstacles, Ruby says that IMD's now have ''value with rewards,'' ''We and all others are paid what we're worth without limitations, under an amazing income system that pays to infinity.'' She hastens to add that Nationwide's regular training program deserves accolades. ''The intensive and effective support given to every IMD by people like Jack Hendryx and Lynda Davis keeps all of us going upward with our earnings. This training may be the very best in the network marketing industry.''

Perhaps no higher praise for Nationwide has been given than the observation of internationally respected and widely read author

Alfred Huang. A Maui, Hawaii resident and Nationwide IMD, Huang says he became an associate of Case's team not solely because of its proven earnings and savings, but particularly because the system ''helps people to live a better life.'' ''The true spirit and value of Nationwide is caring of people.'' Huang is a best-selling author whose next book, ''The Century of the Dragon—Creating Your Success and Prosperity in the Next Century,'' is due for publication later this year. He is convinced that network marketing will soon be the mainstream solution for financial wellness.

''Nationwide,'' Huang says, ''is the best network marketing [company] I have ever known.'' A native of China, who was imprisoned for 13 years after being wrongly convicted and sentenced as an American spy (his conviction was overturned), plans to write a book about Nationwide. ''I want to tell people how to change their attitude and build their self-confidence by sharing the beauty of Nationwide, its philosophy, its system, its opportunity and its loving and caring of people.''

INCOME TESTIMONIALS

Nationwide, according to Case, is a 100 percent debt-free company that parallels the American Dream of entrepreneurial success. ''Just look at Jack Hendryx, says Case. ''No man in America could, I believe, exceed his professional marketing ability and wonderful reputation for honesty.'' As a matter of fact, one of Hendryx's presentations, which he gives live in regional meetings, and is recorded on one of Nationwide's video programs, concludes with Hendryx' advice to everyone, ''The Benefits Package will sell itself. All you have to do is tell the truth, the whole truth, and nothing but the truth. the rest is easy.''

Case's expectations for 1999 and into the next millennium are high. ''We turned the corner sometime back and this year and the next will see us explode with new sales. My projection is to have tens of thousands more IMD's on board, spread evenly throughout the geographical areas of America with resulting growth in sales of the Benefits Package.'' Case revealed that new benefits are scheduled to be added to the package soon, and as they are added, they will be placed retroactively into Benefits Packages already owned. ''Remember, we are family and we share,'' says Case with his engaging smile and twinkling eyes.

Every great American business pioneer has said, in one way or another, that a company is measured by the accomplishments of its people. Perhaps no better measure of Nationwide's enviable position in America's network marketplace can be found than in the successes of its IMDs. Many companies, for whatever reason, are reluctant to disclose individuals with verifiable earnings, but not Nationwide ''We want people who are looking for the best earnings opportunity in America today to contact our folks and ask them questions,'' Case says. ''They are going to hear revelations from our people whose lives have been transformed because of the Nationwide miracle. And, I might add, I am talking about genuinely impressive earnings.''

Joyce Ross, along with her husband Marvin, is a Nationwide Regional Director in Malden, MO. She revealed an upward transformation in income during her first year with Nationwide. ''For 26 years, we owned a combination barber and beauty shop in a lovely small town, but worked ourselves nearly to death with an accumulation of bills and not enough money for the work we were doing. Then came Nationwide,'' says Joyce. ''It would have taken me ten years to earn as a hairdresser what I have earned with Nationwide in less than two years.''

Similarly, Don Garrison of Lampe, MO discloses that he earned over $300,000 in the first year. ''This is the only way I want to live and work, as a free American citizen!'' David Hervey mirrors Garrison's success by revealing that he, too, earned beyond $300,000 during the past year as an associate of Team Nationwide. Hervey, it should be added, is a Nationwide Regional Director in Jackson, Miss. Lamar Adams, a Regional Director in Madison, Miss., earned over $10,000, he says ''. . . in just my first six months as a Nationwide IMD!''

Jack Hendryx, speaking from Nationwide's Atlanta head-quarters, confirms that there are ''large numbers of similar testimonials that we are delighted to share with anyone, anytime, who has a genuine interest in bettering their lives and the lives of their families.'' Hendryx has an abundance of examples. ''All of our Regional Directors have their own earnings success stories. Jack and Becky Hearrell, Fred and Betty Swindle, and Shelby Langston deserve special recognition, as does Bob and Judi Montgomery. The team is built upon the Regional Directors' Shoulders.

Case is inseparable from his wife, Carol. It is more than symbolic that he includes Carol in as many Nationwide activities as her time and schedule will permit. ''Carol was instrumental in providing me with some of the central ideas that made Nationwide possible.'' Case says, ''She, in an admirable way, has marketing and public relations talents that go well beyond what you might expect to find on Madison Avenue or even here on Peachtree Street in Atlanta. Plus, we believe in husbands and wives, along with their families, being the core of Team Nationwide.''

The IMD Honor Roll of Nationwide bears out Case's ''family'' vision. The Regional Directors are almost invariably in husband and wife pairs. IMD's everywhere, pictured on his large conference room walls, are there with their respective husbands and wives and occasionally, other family members. Dick Loehr and his wife, Mary Lou are main stays in the Nationwide miracle; likewise, Jack and Heide Hendryx. ''What a wonderful country this will continue to be if we have more businesses like Nationwide,'' says Case ''where the preservation and betterment of the family unit is not only encouraged, but made possible through the miracle of financial freedom!''

Nationwide's story is the embodiment of the American dream. Case believes that Nationwide is just beginning its revolution in the network marketplace. During 1999 and well beyond, he is committed to making Nationwide the national exemplar of true financial freedom. He and his key team players like Hendryx, Loehr and Davis are driven toward their goal of financial freedom for everyone who is willing to work for it. Every bit of evidence, out in the national field and within their own business data in Atlanta, indicates that they must be taken seriously.

Nationwide is on solid ground in the precarious mine field we call the marketplace. Leadership, from Bill Case on down through the chain of command, is top-notch. The determination to grow and expand, based upon time-honored business methods, is evidenced dramatically by its affiliation with Superior Bank. The respected financial institution provides consumer loans and mortgages as one of Nationwide's benefits. Standing on its own, this banking relationship is a network industry original but merits applause.

Case lives his dream everyday, only now it's real for others as well. His IMDs are earning handsomely through the Nationwide miracle because Case has blended the magic business ingredients of planning, managing, and training with honesty and integrity, and combined it with a valuable, unprecedented Benefits Package.

Case and his team are telling America that a dream becomes a reality through hard work. The road to financial freedom took some effort to locate, but they found it and have it available today. It's a very rewarding journey.●

## TRIBUTE TO THE REVEREND MONSIGNOR R. DONALD KIERNAN

● Mr. COVERDELL. Mr. President, I rise today to pay tribute to an outstanding Georgian and a good friend, the Reverend Monsignor R. Donald Kiernan, of Dunwoody, who today celebrates his 50th Anniversary of service to the Church.

Monsignor Kiernan is a man of great warmth and humor, strong compassion for others, and deep devotion to God, the Church, and to his community. I have been privileged to work with Monsignor Kiernan as a member of the Selection Committee that assists me in choosing nominees for appointment to the United States military academies. His perception and judgment have been invaluable in making those always difficult selections. But that is only one example of the community service that has distinguished his career.

In 1962, Monsignor Kiernan was instrumental in founding the Georgia Association of Chiefs of Police, and served as that organization's director and chaplain for over twenty years. He has also served as a chaplain for the Georgia State Patrol, the Georgia Bureau of Investigation, the DeKalb County Police Department, the Atlanta office of the Bureau of Alcohol, Tobacco, and Firearms, the emergency medical technicians, and several other organizations. Three governors have recognized his dedication to the law enforcement community by appointing him to state commissions on crime.

He also plays leading roles as a member of the executive committee of the Atlanta Area Boy Scouts of America and on the Board of Directors of the United Service Organization.

The Monsignor's many civic activities have been an expression of his devoted service to the Church itself. After graduating from Mount Saint Mary's Seminary in Emmitsburg, Maryland, he was ordained on May 4, 1949 by Richard Cardinal Cushing, Archbishop of Boston, at the Holy Cross Cathedral in Boston. He was assigned to serve as Assistant Rector at the Cathedral of St. John the Baptist in Savannah Georgia. He went on to serve as an assistant pastor and then pastor of nearly a dozen churches across the state of Georgia, currently serving All Saints Catholic Church in

Dunwoody. In 1969 he was given the title Prelate of Honor (Reverend Monsignor) by Pope Paul VI. He was elevated to the highest rank of Monsignor by Pope John Paul I in 1979.

I could list many other honors and awards conferred upon Monsignor Kiernan, but perhaps his greatest achievement is in the many lives he has touched. By now he must be on the third generation of performing baptisms and marriages. His counsel, his example, and his leadership have been a comfort and an inspiration to many thousands of Georgians. His community service and his work raising money for the Church have benefitted many others.

Those of us fortunate enough to know Monsignor Kiernan are thankful that we do and so I am pleased, Mr. President, to congratulate Monsignor Kiernan on reaching this milestone and to thank him for his many years of outstanding service to our state, our nation, and to God.●

## UPCOMING ELECTIONS IN INDONESIA AND THE FUTURE OF EAST TIMOR

● Mr. KERRY. Mr. President, there are two issues of critical importance to the future of Indonesia, the region, and the international community which has interest in securing a stable and democratic future for Southeast Asia: the upcoming elections in Indonesia and the political status of East Timor. If the June national elections in Indonesia are determined to be free, fair and transparent, the ballot for East Timor's political future has a much better chance of being conducted under the same conditions. The U.S. and the international community must make a strong effort now to ensure that these conditions are established and upheld.

For the first time in forty-five years, Indonesians have a chance to participate in a free and fair election and to establish a government with popular support and legitimacy. For the first time in twenty-four years, the Indonesian government is willing to consider an East Timor that is independent of Indonesian rule, pending the decision of the East Timorese, themselves. Indonesia, indeed, stands at a cross-roads.

We must be sure that the U.S. and the international community stands there with it to guide Indonesia down the correct path. The path that leads to democracy and free-market economic growth. Not the one headed into chaos and economic downturn. It is clear that the stakes are high.

Indonesia boasts the fourth largest population, and is a crucial player in Asia, where American economic and political interests overlap. In 1996, the United States benefitted from some $3 billion in exports to Indonesia and American firms had invested over $5.1 billion in Indonesia's growing economy. The Asian financial crisis reversed this course of economic expansion, crippling Indonesia's economy and exposing the inherent weakness in Indonesia's political structure under the Suharto regime.

The resulting disintegration, which I saw first-hand during my trip to Indonesia in December, is overwhelming. Indonesia's GNP fell by fifteen percent in 1998, and is predicted to experience another decline this year. Unemployment stands at over 20 million, up from 8 million last May. Forty percent of Indonesia's 218 million people live below the poverty line. But, this is not the end of it.

Economic instability has exacerbated the already prevalent political and social tensions. Student protests, attacks on Chinese businessmen, conflicts between Ambonese Christians and Muslims, and paramilitary violence in East Timor is evident across the country. Separatist forces on Aceh, Irian Jaya and other islands in Indonesia's multiethnic archipelago are gaining sway as Timorese independence moves closer to reality. The Indonesian government must take strong and decisive steps now to reduce these tensions and build respect for the rule of law and human rights. This is necessary and crucial in order to create an atmosphere conducive to holding democratic elections and determining, peacefully, the future political status of East Timor.

I must, however, commend the actions that President Habibie has taken thus far to open the political process and set the stage for democratic elections in June. In February, 1999, he signed legislation that established guidelines and procedures for conducting national elections. Forty-eight parties are now registered to compete in the June election, as opposed to three in the Suharto era. The military's representation in the parliament has also been reduced. Seats will be allocated by proportional representation, rather than the winner take all strategy which favored the Golkar party.

I am pleased to cosponsor legislation introduced by Senator Robert TORRICELLI which supports these efforts of the Indonesian government to achieve a real and peaceful transition to democracy. This bill calls upon the government to make necessary preparations to ensure that free, fair and transparent national elections will occur in June and that there is a strong commitment to uphold the results of them. It also asks all parties involved in determining the status of East Timor to seek an equitable and workable resolution to this issue. I have cosponsored similar legislation in the past which affirmed the right of the East Timorese to have a referendum on self-determination, encouraged the Indonesian government to protect human rights and fundamental freedoms and urged the Indonesian political leaders to implement political and economic reforms. I will continue to support such efforts in the future.

The reforms that the Indonesian government has implemented —however encouraging—do not on their own guarantee free and fair elections, nor do they help to reduce the tensions related to East Timor's political status. Violence has been on the rise. The world has witnessed increased hostilities in recent months among groups that have cultural and political interest in what the future shape of East Timor will be. The Indonesian government has a responsibility to resolve these tensions. I believe it can begin by abandoning its plan to employ civilian militias to combat violence and dismantling existing militias, whose abuses are already heightening the potential for violence. The government must help the military find means for handling violent outbursts effectively, without abuse.

Allegations of the Indonesian military's direct involvement in committing human rights abuses and perpetuating violence led me to support a restriction on U.S. arms sales and International Military Education and Training (IMET) aid to Indonesia which was initiated by Congress in 1993. I was, and still am, concerned that the Indonesian armed forces might use U.S. arms, military training, and financial assistance to commit human rights violations against innocent civilians. It remains necessary to keep these restrictions in place until it is clear that the Indonesian military is committed to upholding democratic principles.

I am encouraged that the leaders of the Indonesian military, the pro-Indonesia militias and the pro-Independence rebels signed a peace agreement on April 21, 1999 that calls for an end to the violence and a laying down of arms. It also establishes a Peace and Stability Commission which may help to determine the process by which full disarmament can occur and the political status of East Timor can be determined. These are significant steps forward and I believe lay the groundwork for real stability and peace.

Mr. President, it must not stop there, however. The Indonesian government—with the support and commitment of its military—must continue its dialogue with all competing factions, both those that support and those that oppose independence. Together, they must seek to resolve outstanding issues—such as disarmament and the question that will be asked on the ballot—in the most expeditious way possible. I am pleased that East Timor groups favoring independence from Indonesia have been included in recent discussions regarding the future political status of East Timor. It is important for all parties to be at the table since all parties must ultimately abide

by the agreement if it is to be credible and enduring.

While the exact details of the tripartite negotiations that occurred last month between Indonesia, Portugal and the U.N. are not fully clear at this time, the world community will be watching closely when they are released. The August ballot is supposed to determine the political future of East Timor. Whether the East Timorese choose independence or continued unity with Indonesia, the voting process and the period following the vote must be free of violence and intimidation. The world community can play an active role in helping the Indonesian government see that this happens.

The Administration has pledged $30 million to assist Indonesia during its national election. However, I believe we, and others in the international community, should do more to make sure that sufficient funds are available both for a free and fair election to occur in June and to help the Indonesian government conduct a free and fair ballot for East Timor in August. The United Nations already has agreed to send a civilian police force to East Timor to monitor the vote. I believe this is a good first step. The U.N. presence should, though, be supplemented by international, non-governmental organizations, or equivalent Indonesian groups, which can help monitor and facilitate the ballot process.

The time is now for the U.S. and the international community to focus on Indonesia and East Timor. The national election for Indonesia is less than six weeks away and the ballot for East Timor is only about eight weeks after that. I believe, as one long involved in Southeast Asia, that it is important for those who have interest in the future stability of this region to start creating a positive atmosphere in which both of these events can occur.●

## OLDER AMERICANS MONTH

● Mr. GRASSLEY. Mr. President, since 1963, May has traditionally been designated Older Americans Month. I would like to take this opportunity to thank these valuable citizens and share an article that was recently printed in the Des Moines Register. The author reminds us of the many contributions older Americans make to our communities.

As we prepare for one of the largest demographic shifts in the history of our nation, we as policy makers often focus on the challenges presented by a graying nation. However, as suggested by Francis Keith in his article, ''Celebrate the Old Folks, Iowa's Assets,'' it would be a shame not to take the time to recognize and appreciate the vital role that seniors play in our communities.

Today more than ever, seniors are continuing to play active roles in their communities. In my home state of Iowa, I know many seniors who perform both paid and volunteer work well into their later years. Their wisdom and experience are a valuable resource that we should not allow to go to waste.

Mr. Marion Tierney, of Des Moines, Iowa recently spoke at an Aging Committee event. He is a perfect example of an older American who continues to be an active participant in his community. He made a career change half a lifetime ago because he was looking for a new challenge in sales and increased earning potential. Today, at the age of eighty, he serves nearly 100 customers of Iowa Machinery and Supply.

In a highly competitive business, Mr. Tierney says hard work is the key to success. He brings know-how, experience, relationships, and trust to customers as he assists them in developing solutions to improve their productivity through the use of his company's industrial products. He stays on top of new technology and products and retrains frequently to effectively meet customer needs. In turn, his field experience helps the company decide which new product lines to acquire.

His employer cites Mr. Tierney's willingness to share knowledge and experience with younger salesmen as a major contribution to the business.

Mr. Tierney is just one example of the many contributions older Americans make to their communities. I hope you will join me in honoring Mr. Tierney and all Older Americans for their many contributions. Not just during the month of May, but all year long.

I ask an article regarding Older Americans be printed in the RECORD.

The article follows:

[From the Des Moines Register, Apr. 27, 1999]

CELEBRATE THE 'OLD FOLKS,' IOWA'S ASSETS

(By Francis Keith)

In recent months there have been numerous stories about the aging of Iowa. The news reporters say our older population is a burden. They say that the increasing numbers of older people will be a liability for all the younger people who still work and pay taxes in Iowa. The graying of Iowa it's called.

There are predictions that as this trend continues, the problem of so many old people will become acute and drag the state into some economic quagmire that will have a negative effect on everyone living here.

I take a different and more positive view. I am retired, over 65; I was born in Iowa, I worked my whole life in Iowa and I retired in Iowa. Most of my peers and close friends are over 65. Many are over 70 and some over 80. For the most part, we ''old Iowans'' remain very active in our community and church and we know we are an asset to the state. We pay our own way and we make a contribution. We old people are a renewable resource.

We pay property taxes and help pay for the public schools, yet none of us has children still in school. We don't drive as much as when we worked and chauffeured our children to school and activities. Still, we pay our share of the street budget and we don't wear out the roads.

We pay income taxes, like everyone else, on our pensions, on interest earned on our savings, even on part of our Social Security.

We don't go to jail very often. As a group, we have a very low crime rate. Few of us are druggies, abuse children, speed, rob banks or use excess alcohol. We don't tie up the courts or fill the jails.

We pay our share of sales tax. We still buy things locally and support the stores and shops of Iowa. We eat out more often. while we may not have as much income as when we worked, we have more disposable income.

Most of our income is fixed, which has its limitations. But on the other hand, we aren't caught in economic downturns, layoffs, unemployment, labor strikes and other crises of the work years. Our income is limited, but dependable.

We know how to work. While it's true we don't run as fast as we used to, we are steady and dependable and we're not afraid to work. Some of us still have business interests and work every day. When we do have a business, we employ Iowans and contribute to the economic well-being of our state.

We work for free. We volunteer. We serve on boards and committees of many community activities and at hospitals and care centers, libraries, churches and schools. We give our time; some of us almost as much as a full-time job. We baby-sit our grandchildren.

We're a stable population. We don't move around much. Not that we don't travel for fun. We do that whenever we can, but we aren't job-hopping. We don't have to prove ourselves anymore by buying a bigger house or a bigger car, just to impress our peers. Been there, done that. We've been in the rat race—we know sometimes the rat wins. We've learned to rest a little, to see the world up close and far away. We look at sunsets and flowers and people in a little different way now. We have learned patience and tolerance and we are more thankful and appreciative of little things.

We even contribute when we are sick, which some doomsayers point out derisively as a negative of being old. Even our being in the hospital more than our younger friends contributes to the economy of Iowa. We keep people working as nurses, therapists, lab technicians and so on. We all die sometime, and for us it's likely to be sooner. Even that gives a job to someone.

Wouldn't any state like to have a group of honest, reliable, stable, sociable, tax-paying citizens who are willing to work without pay, who support our local businesses and who never go on strike?

Well, look around, Iowa, we're already here. We're your retired citizens. And we're working hard to keep Iowa the great state we choose to retire in.

We're nice people to have around. We know we're pretty darned good citizens and we have our pride. We have beaten the system. We have reached retirement with all its promises, most of which are true. Let's celebrate all the ''old folks'' in Iowa, not put them down as a liability.●

## JAPANESE CAR CARRIER TRADE

● Mr. HOLLINGS. Mr. President, with our trade deficit continuing to grow and with Japanese vehicle manufacturers continuing to increase exports to the United States, I rise to remind my colleagues that competitive U.S. companies continue to be thwarted in their efforts to break down the walls of ''kereitsu'' relationships built up over

decades in Japan. With Prime Minister Obuchi making his first official state visit to the United States, I thought it useful to review our economic relationship, or lack thereof.

As my colleagues know, the Japanese economy has been in a recession for quite some time. Unfortunately, it would appear the country has sought to export its way out of the problem and to continue to shield inefficient domestic companies from international competition. For instance, just last week the Commerce Department determined that Japanese steel imports were being dumped by margins of up to nearly 70%. Such actions are not acceptable. As the office of USTR recently said,

[A]s its demand for imports declines and its firms redouble their efforts to sell to healthier markets abroad, the effects of Japan's economic policies will continue to hit the United States. In 1998, the U.S. goods trade deficit with Japan reached $64.1 billion, an increase of $8.4 billion (14.2 percent) from the 1997 level. . . . U.S. merchandise exports to Japan fell to $57.9 billion, a decrease of 11.9 percent from the 1997 level. . . . Japan is more dependent on the U.S. market to absorb its exports than it has been for many years. In 1998, the United States bought about 31 percent of Japan's exports, the highest level since 1990, and close to the all-time high of 36 percent in 1986.

It will come as little surprise to Senators who are concerned about our steel industry and other sectors that Japan accounted for approximately one-fourth of our entire trade deficit in 1998. It is a mistake to suppose that such huge amounts of money can continue indefinitely to move one way across the exchange with reciprocal movement in the other direction blocked. In view of this situation, the USTR said in its report: ''The United States attaches top priority to opening Japan's markets to U.S. goods and services.'' I trust the President will share our government's concerns in his meeting with Prime Minister Obuchi, and will urge him to take steps to increase U.S. access to the Japanese market.

I also believe Japan can, and should, take additional steps to increase its defense sharing burden. Let me give one example. In the early 1990s, Congress and the Department of Defense recognized that more needed to be done to augment our strategic sealift capacity. Our experience in Desert Storm demonstrated a critical shortage of U.S.-flagged, U.S.-manned roll-on roll-off strategic sealift vessels. We therefore undertook new construction of a fleet of military ships of this type. Even with this new construction, however, there will continue to be a deficiency of lifting capacity.

To meet this deficiency, under the leadership of then-Senator Bill Cohen, Congress created the National Defense Features program. Under the program, U.S. companies have been invited to build vessels equipped with special military features for operation in normal commercial service but available in times of national emergency.

Under one proposal, a fleet of refrigerated car carriers would be built in the United States for operation in the U.S.-Japan trade. In normal commercial service, the vessels would carry vehicles to the United States and refrigerated products to Japan. In times of national emergency, the vessels would carry tanks, heavy trucks, and other military equipment, as well as substantial amounts of live ammunition.

Unfortunately, notwithstanding support from the Congress and the Secretary of Defense, the project has met with no interest or actual resistance in Japan. This is particularly disturbing because implementation of the project would, at no economic cost to the Government of Japan, enhance the mutual security of our two nations. Especially at a time when the Government of Japan wishes to play a greater role in advancing shared defense objectives, I am disappointed that it has not given more serious attention to this proposal.

I hope the Administration will continue to press the Government of Japan to take steps to reduce our trade deficit and enhance our mutual security. I also hope the Government of Japan will use the occasion of the Prime Minister's state visit to make further commitments to doing so.●

## COMMEMORATING BRANDON BURLSWORTH

● Mr. HUTCHINSON. Mr. President, it is not often that I rise to speak about specific individuals, but the individual I want to talk about today was a man of extraordinary character, Brandon Burlsworth.

Last Wednesday, I was saddened to learn about the tragic and untimely death of Brandon Burlsworth. Brandon was only 22 years old when a car accident ended his life. While his time on this earth was short, his impact on our world will be long lasting. Brandon was a hero to the community of Harrison, the Razorback family, and the entire state of Arkansas.

Brandon lived the kind of life that would make any parent proud. He led a wholesome life, and was a devout Christian who used his faith and strong work ethic to become a success in every facet of life.

Brandon was not a highly recruited athlete coming out of Harrison High School. Several small colleges expressed interest in him, but Brandon had his sights on walking on at Fayetteville and becoming a Razorback. While the odds were long, Brandon worked hard and not only made the team, but went on to start for the Razorbacks for three years. Last year, he earned All-American honors, while leading Arkansas to the SEC West Co-Championship and a berth in the Citrus Bowl. Last month, the Indianapolis Colts selected Brandon in the third round of the National Football League draft.

Not only was Brandon a disciplined player on the field, he was an outstanding student in the classroom as well. Brandon earned a bachelor's degree in marketing management and a master's in business administration, all in 4½ years. In addition, he was a three time member of the SEC Academic Honor Roll.

Today, newspapers and newscasts are often filled with stories about athletes and their brushes with the law. Brandon became a symbol of how student athletes should conduct themselves. The manner in which he conducted himself on and off the field will be Brandon's legacy. He was a young man of great character and dedication. While I recognize that words alone provide little comfort in times such as these, I hope that Brandon's family knows how many lives this young man has touched.●

## ORDERS FOR WEDNESDAY, MAY 5, 1999

Mr. GRAMM. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Wednesday, May 5. I further ask that on Wednesday, immediately following the prayer, the Journal of proceedings be approved to date, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and that the Senate then proceed to vote on the adoption of S. Res. 94, which is at the desk.

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

Mr. GRAMM. I now ask unanimous consent that it be in order to ask for the yeas and nays on S. Res. 94.

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

Mr. GRAMM. Mr. President, I now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GRAMM. I ask unanimous consent that immediately following the vote, there be a period of morning business until 11 a.m., with the time equally divided. I further ask that the first half of the time be allocated to Senator COVERDELL and the second half of the time to be allocated to Senator DORGAN or his designee.

I also ask consent that at 11 a.m. the Senate resume consideration of S. 900, the financial modernization bill, and the pending Sarbanes amendment.

I finally ask that the time until 12 noon be equally divided between Senator GRAMM and Senator SARBANES, and that Senator GRAMM be recognized

at 12 noon to make a motion to table the pending Sarbanes amendment to S. 900.

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

## PROGRAM

Mr. GRAMM. For the information of all Senators, the Senate will convene on Wednesday at 9:30 a.m. and will immediately proceed to a rollcall vote on adoption of S. Res. 94. Following the vote, the Senate will be in a period of morning business until 11 a.m. At 11 a.m., the Senate will resume consideration of Senator SARBANES' substitute amendment to S. 900, the Financial Services Modernization Act, with a vote on the Gramm motion to table occurring at approximately 12 noon. Additional amendments are expected, and therefore Senators can expect votes throughout Wednesday's session of the Senate.

## ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. GRAMM. If there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:08 p.m., adjourned until Wednesday, May 5, 1999, at 9:30 a.m.

# HOUSE OF REPRESENATIVES—*Tuesday, May 4, 1999*

The House met at 12:30 p.m.

## MORNING HOUR DEBATES

The SPEAKER. Pursuant to the order of the House of January 19, 1999, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to 5 minutes.

The Chair recognizes the gentleman from Florida (Mr. STEARNS) for 5 minutes.

## MTBE USAGE

Mr. STEARNS. Mr. Speaker, this week in the Committee on Commerce we are going to have a hearing Thursday, May 6, at 9:30, concerning amendment to the Clean Air Act. I am going to paint a little bit what the problem is, and it is centered at the EPA. In their efforts to really clean up the air what has happened is they have polluted the water, and it is a very interesting, but sad, commentary, and the Governor of California is coming here to testify, and almost all the Members of Congress from California are on the bill of the gentleman from California (Mr. BILBRAY), which is H.R. 11, and we are going to be holding a hearing on this bill. And let me just give my colleagues, Mr. Speaker, a little bit of background on this because this shows the unintended consequences sometimes of what we do here in Washington and what the EPA extends further to do.

So, if my colleagues will bear with me, imagine a city suddenly faced with contaminated drinking water. The elected officials desperately search for the responsible parties, they want retribution and justice, they want their tainted water supply cleaned up, the guilty must be found, and they must be punished.

Now this perhaps sounds like a Hollywood plot, a Hollywood movie, but it is not, and for many communities across this Nation, they are facing this situation. The guilty party is none other than the supposed protector, the Environmental Protection Agency.

Tom Randall, a managing editor of the Environmental News, recently brought some articles to my attention. They detail a pollutant being forced upon the American public by the EPA. The pollutant is methyl tertiary-butyl ether, MTBE. Now this may not be a common household word to many, but the EPA, oil companies which were mandated to produce it and many communities across this country are all too familiar with this water polluting gasoline additive.

The problem began in 1990 with a misguided amendment to the Clean Air Act which led the EPA to mandate the use of oxygenates in gasoline sold in areas which are out of compliance with clean air standards. Many in this body assumed the EPA had done their homework. In California, they trusted the EPA enough to become the first to use MTBE statewide even in areas not mandated by the EPA. In doing so, they also became the first State to face a water pollution problem we may all face in this country all because the EPA did not do its homework and still has not to this day.

These are the facts: There are basically two types of oxygenates: alcohol-based and ether-based. Alcohols are generally used in the Midwest where they are produced, but since they cannot be shipped through pipelines because they pick up water ethers, primarily MTBE, are the only economically feasible choices for the rest of the country.

What the EPA apparently did not know back when their mandate went into effect, and they still will not admit, is that MTBE is a powerful and persistent water pollutant and, from leaks and spills, has made its way into groundwater of nearly every State in this Nation; the problem, of course, being worse in California, the harbinger of what will surely come to pass in much of the rest of this country. It takes only a small amount of MTBE to make water undrinkable. It spreads rapidly in both groundwater and reservoirs, and so far attempts to remove MTBE from water have proven difficult and costly.

Has the EPA done anything to advance independent peer review research into this? Not at this point, Mr. Speaker. They have appointed a, quote, blue ribbon panel to study it, a panel composed in most parts in part of representatives of MTBE producers and environmental lobbyists which in my opinion have vested interest in protecting the use of this fuel additive.

In the meantime, States, universities and the courts are scrambling to clean up the EPA's mess. It is time, Mr. Speaker, we move to help them with meaningful legislation to end the mandates for oxygenates which, by the way, many scientists contend do nothing to reduce air pollution from the majority of cars on the road today.

Fortunately, Mr. Speaker, my friends and colleagues, the gentleman from California (Mr. BILBRAY) and the gentleman from New Jersey (Mr. FRANKS) have introduced corrective legislation. Mr. BILBRAY has introduced H.R. 11 which the Committee on Commerce will be holding a hearing on this Thursday. H.R. 11 allows for California to use alternative methods other than only using the oxygenates in gasoline. I applaud their efforts and encourage State engagement rather than federal mandates. The bill of the gentleman from New Jersey (Mr. FRANKS), H.R. 1367, would effectively end the use of MTBE.

Mr. Speaker, I strongly support both of these bills, and I urge my colleagues to support them also.

## TRANSPORTATION AND COMMUNITY SYSTEMS PRESERVATION ACT

The SPEAKER pro tempore (Mr. RADANOVICH). Under the Speaker's announced policy of January 19, 1999, the gentleman from Oregon (Mr. BLUMENAUER) is recognized during morning hour debates for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, as someone who came to Congress because I believe that Federal Government should do more to be a constructive partner with our communities to help promote livability, I could not be more excited about developments that are taking place this week in Detroit. I just left the conference, the town meeting, on sustainable development where there were over 3100 people from around the country and more still registering. It was not so much a wrap-up of the President's Council of Sustainable Development, but rather a handoff to citizen activists, students, business, government, nongovernmental agencies to deal with specific activities that they could do to help promote livable communities. There were a variety of workshops with people learning from one another, and the administration has announced 70 specific commitments to help promote that more sustainable future.

One of the programs that I am most pleased with was the Transportation and Community Systems Preservation Act. This was a provision in our TEA–21 legislation, the Surface Transportation Act last year, that was born in the Oregon experience where a group of

private citizens pushed the State and Federal transportation agencies to consider an alternative to simply constructing a traditional bypass to look at what would happen if we were more thoughtful about the ways that we put pieces together.

The results of their research was stunning. It proved conclusively that by dealing with the integration of land use, transportation being more connected and giving people more choices that we could, in fact, reduce congestion more than simply having a pavement-only solution.

That found its way into TEA–21. I was happy to have supported it in our House Committee on Transportation and Infrastructure. The driving force in the Senate was my Senator, RON WYDEN, a former colleague here in the House, and it has opened the floodgates; over 500 applications from around the country totaling over $400 million from people who understand the power of being able to plan their community. Sadly we are only able to award a small portion of those programs, approximately 39, although there are opportunities in the horizon to increase those in future years.

There may be some federal programs that obviously spend more money, but I think there will be fewer that will have more of an impact than helping citizens sort out the right investments and allowing them to be part of framing those solutions.

The entire town meeting effort is an illustration of what livable communities are all about. It is not about Federal interference, but partnership. It is about giving people more choices rather than fewer and that will end up costing people less money rather than more.

It is not the solutions for livable communities that are pushing people to the edge financially. It is the consequences of throwing money at problems in an unplanned way, problems that were first created by not carefully planning and thinking about what we are doing.

A country that can put a man on the moon and bring him back safely over 20 years ago does not have to build a generation of failed infrastructure projects. It should not be illegal in most of America for a clerk working in a drug store to live in an apartment above that drug store rather than having to have to commute every day. The Federal Government should not pay people more to pave a creek than restore a wetland, especially if that wetland restoration will actually solve the problem as well or even better, and we should guarantee that people in communities, large and small, across America have a place at the table to discuss the impacts of infrastructure investments rather than being shut out by State bureaucracies.

Finally, the Federal Government itself should do more to lead by example, whether it is finally requiring the Post Office to obey the same laws and codes that the private sector or that local government itself needs to follow or, for that matter, having the House of Representatives do as good a job in our recycling efforts as a couple of ambitious Boy Scout troops do back home.

The bottom line is that the American public wants our families to be safe, economically secure and healthy. What is going on with the town meeting this week in Detroit is an example of how to do that. I hope that my colleagues will look at ways that each of us in Congress can do our best to help make our communities more livable.

## THE CONTINUING STEEL IMPORT CRISIS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Ohio (Mr. REGULA) is recognized during morning hour debates for 5 minutes.

Mr. REGULA. Mr. Speaker, the steel import crisis, which began in 1997, is still continuing today. The numbers tell the story. Total steel imports in 1998 were at the highest level ever, 41.5 million net tons of steel mill products. This was a 33 percent increase over imports in 1997, which also was a record year.

While the pressure was on as the House debated the steel issue earlier this year and overwhelmingly passed H.R. 975, we saw steel imports begin to come down in December 1998 and in January and February of this year. But as soon as the pressure let up with uncertainty over the fate of this legislation in the other body, steel imports shot up again in March. We saw a 25 percent increase in steel imports in March over the levels in February.

The U.S. market continues to be the market of last resort for many exporters. As markets overseas continue to face economic turmoil, exporters continue to ship unprecedented levels of steel into the United States, the world's most open market. In order to obtain hard currency, exporters have sent the world's oversupply of steel to the U.S., often at prices that bear no relation to the actual production costs.

In March we also saw some imports source and product switching, which all of us had feared. We saw an increase in imports of blooms, billets and slabs and in hot rolled sheet from countries not subject to the current trade cases.

The impacts of this steel import crisis cannot be overstated. Every single ton of dumped steel displaces a ton of domestic production. The United States industry is losing competitiveness because of these unfairly traded imports. Companies are finding that as prices drop and imports continue to increase, they cannot commit to future capital investments, they cannot commit to needed modernizations, and they cannot commit to additional research and development. These effects, if not reversed soon, could have a lasting implication on an important industry well into the 21st century.

Company by company the impact is also being felt in the short term. Four companies have filed for bankruptcy protection. Mills are dramatically cutting production in capacity utilization. Foreign producers that dump their products are now realizing the benefits of American companies' successful efforts to rebuild the market for steel products here in the United States, and most disturbing is the damage that is being done to many American families as steelworkers lose their jobs. As stated in the President's steel report in January, 10,000 Americans have lost their jobs because of this crisis. Many will never return to jobs that can provide the level of pay and benefits that were provided by the steelworker jobs that have been lost, and that does not take into account the impact on local community services where jobs are lost, the impact of suppliers. So the job number could be much larger.

□ 1245

Some workers may not lose their jobs, but short work weeks, reduced shifts and lost hours can also have a devastating impact on their families. Those laid off and those with reduced hours are struggling to pay rent and mortgages, to put food on the table and to provide their children with the things they need.

As I have stated before, this crisis does not just impact steelworkers and their families. The shortage or the imports affect outside contractors, suppliers and everyone in the community that depends on these steel mills. I recently read a statistic that for every one million tons of domestic steel lost, nearly 5,000 U.S. jobs are directly or indirectly affected.

The highly competitive United States steel industry cannot compete with massive foreign subsidies, closed home markets and industrial cartels that protect an enormous worldwide overcapacity. It is now time for Congress and our government to step in and take the steps necessary to provide the U.S. industry a fair and level playing field in the global marketplace.

I urge the other body to complete action on H.R. 975. I further urge the House to take up other important trade law bills, including H.R. 412, which I introduced; H.R. 1120, which was introduced by the gentleman from Michigan (Mr. LEVIN) and the gentleman from New York (Mr. HOUGHTON); and H.R. 1505, which was introduced by the gentleman from Pennsylvania (Mr. ENGLISH).

The current steel import crisis must be stopped, and we must ensure that such a crisis will not happen again in the future.

I might add, I thought it was interesting that President Clinton even took the time to take this subject up with the Prime Minister of Japan because of their dumping practices.

## STEEL IMPORTS ONCE AGAIN ON THE RISE

The SPEAKER pro tempore (Mr. RADANOVICH). Under the Speaker's announced policy of January 19, 1999, the gentleman from Arkansas (Mr. BERRY) is recognized during morning hour debates for 3 minutes.

Mr. BERRY. Mr. Speaker, I rise today because the steelworkers in Northeast Arkansas and all over this country are frustrated, and they are the most productive steelworkers in the world. They have lost faith in their government's promise to uphold its basic trade laws.

The steel import figures for March show that imports are once again on the rise. Imports for March are 25 percent higher than the imports in February. Imports from Japan rose 36 percent; from Brazil, 54 percent; from Korea, 11 percent; from Indonesia, 339 percent. Compared to July of 1997, before the crisis began, Japan's imports are up 22 percent; Brazil's are up 25 percent; Korea, 77 percent; Indonesia, 889 percent.

Clearly, the steel crisis is not over.

Although they continue to assure us that they are negotiating and consulting with these nations, we continue to see higher rates of steel entering this Nation.

The President warned Japan Monday to reduce its steel shipments to the United States on a consistent basis or the government will act to block them. The President also said during a news conference that the U.S. would act to keep Japanese steel out of U.S. markets if those imports continued to exceed the levels existing before the Asian economic crisis.

How long does this crisis have to go on? Something must be done. We must take action now.

Arkansas steelworkers have lost faith in their government because we have failed them by failing to enforce our own trade laws.

The administration continues to sit on this problem without offering a substantive and timely remedy. Steelworkers need solid, immediate plans to end the flow of underpriced steel that is flooding our market. We cannot simply solve the world's financial crisis on the backs of the steelworkers of the United States. The time for action is now, as I have already said, strong and decisive action. For the sake of American steelworkers and their families, we must end this import crisis.

## THE CONTINUING STEEL IMPORT CRISIS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from New York (Mr. QUINN) is recognized during morning hour debates for 2 minutes.

Mr. QUINN. Mr. Speaker, I would like associate myself with the remarks of the gentleman from Ohio (Mr. REGULA) and also the gentleman from Arkansas (Mr. BERRY).

We rise today to discuss the steel crisis that continues to grip the steel industry and its workers.

On March 17, this past year, 289 House Members passed the bipartisan Steel Recovery Act. This bipartisan legislation calls for quotas to be placed on foreign steel to get back to its pre-crisis levels of July, 1997.

The bill would also set up a steel monitoring system that would track the amount of steel imports into the United States by foreign countries.

Mr. Speaker, I am not going to go into detail this morning about the reasons why our steel industry and its workers find themselves in this serious crisis. We have been through that in the months leading up to the vote on March 17. What I am here to say and to join the others in pointing out is that there still is a steel crisis in the United States and that we need something done immediately.

As many as four major steel companies are in bankruptcy right now, and we know that when those good-paying jobs disappear they disappear forever.

The need for our steel bill was clear on March 17, and today it is even more clear. 289 House Members believed that something must be done to stop these imports, as we continue to see higher rates of steel entering the country each and every day.

The administration may argue that the amount of steel imports for the month of March represents a 30 percent drop in imports since November of 1998; and, while that may be true, shipments from countries such as Brazil and Japan showed a significant increase.

It is important to point out that just yesterday the President warned Japan that the United States will take action if the steel imports are not returned to their pre-crisis levels. I believe that is an absolute positive step in the right direction, and I applaud the President for this action.

We must continue, though, in our action to make sure that passage of the bill that the House sent over is approved in the Senate and signed by the President of the United States.

On behalf of the American steelworkers and their families, I ask our administration and the Senate to act to end this crisis. This is not about free trade. It is about fair trade.

## THE ITC SHOULD RULE DECISIVELY IN FAVOR OF THE U.S. STEEL INDUSTRY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from West Virginia (Mr. WISE) is recognized during morning hour debates for 1 minute.

Mr. WISE. Mr. Speaker, today the International Trade Commission holds a hearing into illegal steel dumping. Well, let me report, I was in the northern panhandle yesterday. The pain, both economic and personal, continues from illegal dumping of steel in this country by foreign nations. Over 10,000 jobs have been lost nationwide. Weirton Steel alone has lost over 750 jobs. Net sales for Weirton Steel are down $76 million this quarter over last year, and as of March of this year the level of steel imports from Japan and Brazil were up 22 and 25 percent. These numbers show clearly this crisis, this steel crisis, is nowhere near over.

The decision from today's International Trade Commission hearing will not be given until mid-June, but I am urging the ITC to rule decisively in favor of the U.S. steel industry and its $70 billion contribution to our economy and to Weirton Steel and to many others.

When we see a crime, we call 911. Well, this time West Virginia steelworkers need some help from this international assault.

## TIME TO TAKE DECISIVE ACTION IN YUGOSLAVIA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Kentucky (Mr. WHITFIELD) is recognized during morning hour debates for 5 minutes.

Mr. WHITFIELD. Mr. Speaker, late last week this House took up a resolution to continue the administration's policy of bombing Yugoslavia, and by a vote of 213 to 213 the measure failed to endorse that policy.

Many of those of us who voted against the policy made a deliberate, considered vote of protest against incessant bombings that have not accomplished much of anything except to kill innocent civilians and destroy the infrastructure of Yugoslavia that in the end the U.S. will likely be asked to spend billions of dollars to rebuild.

Forty-one days of intensive bombings have not been successful in removing Milosevic's forces from Kosova, nor has it achieved the stated purpose of the bombing and that is to stop the ethnic cleansing of the Kosovars. Even our own NATO commanders have stated clearly that, except for weakening the air defense system in Yugoslavia, the air strikes have not been successful; and Serb forces continue to commit atrocities; and hundreds of civilians, men, women and children, are being killed by these bombs.

Contrary to the wishful thinking of those who supported that resolution, the bombing has not stopped the murders. It has not stopped the violence.

Instead, the bombings have exacerbated both.

Thus, the question is, how long will the world support a war in which the only victims are civilian men, women and children?

Now, Reverend Jessie Jackson returned from Yugoslavia and was successful in obtaining the release of three servicemen, and he brought a letter from Mr. Milosevic to give to President Clinton asking that they meet and talk about this issue. So I would say, Mr. President, the time has come to take a decisive action by stopping the bombs and initiate a committed, comprehensive effort to find a diplomatic solution to what is going on in Yugoslavia.

## CHINA WANTS ACCESSION INTO THE WORLD TRADE ORGANIZATION, BUT WITHOUT PLAYING BY THE RULES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, I would like to associate myself also with the remarks of the gentleman from Ohio (Mr. REGULA), the gentleman from West Virginia (Mr. WISE), the gentleman from New York (Mr. QUINN) and the gentleman from Arkansas (Mr. BERRY) in imploring the ITC to rule for the United States steel industry.

There is another trade issue that soon will be in front of Congress. Corporate jets are starting to land at National Airport one after another after another, filled with CEOs coming, descending on Capitol Hill to lobby on behalf of the Chinese Communist Government's accession to the World Trade Organization.

One prominent Chinese dissident who had spent many years in a Chinese jail simply for exercising what he considered his right to speak out about oppression and speak out against the Chinese Government and its policies, this dissident said that American corporate executives were in the vanguard of the Chinese Communist Party revolution, arguing in this body for special trade advantages, so-called Most Favored Nation status for China, arguing in this body that China should be admitted to the World Trade Organization.

Let us step back for a moment, Mr. Speaker, and look at a little bit of the history of China's attempt to join this world trade body and play by the rules that the United States and other countries around the world play by.

For 5 years, the People's Republic of China has courted the United States, trying to convince the United States that China, the Chinese Communist Government, should be admitted, acceded into the World Trade Organization, but look what they have done in those 5 years as they in a sense have been courting the United States: illegal sales of nuclear technology to Pakistan; smuggling of AK–47s into the harbor at San Francisco; child labor; slave labor; shooting missiles into the Straits of Taiwan when Taiwan was holding its first free election, something that the People's Republic of China is very unfamiliar with.

As China has been courting the United States, this is the way they have been acting. They have violated every norm, every reasonable standard that is accepted in the international community, standards that our country lives by, standards that the great majority of countries around the world live by.

China, while she has been courting the United States, has acted this way, yet they want accession into the World Trade Organization.

At the same time, China has exported last year $75 billion worth of goods to the United States. We have sold to China, exported to China, only about $12 billion worth of goods. We sell to Belgium more than we do to China, because China simply will not let most of our goods and services in their country.

China takes that $60 billion trade deficit, that surplus for them, in a sense that gift of $60 billion, turns around and buys more or less $60 billion worth of goods from Western Europe; generally, our western European allies. Then when we have a problem with China, when there is a human rights violation or some sort of theft of property rights or something that clearly China has acted not according to the rules of international trade, those European countries never are on our side in those trade disputes because they are such a big customer for China.

Understand that China has a $60 billion trade surplus with us. They make $60 billion in goods and services from us, turn around and spend that $60 billion in Western Europe; in a sense, buying allies in their quest around the world in the trade arena.

□ 1300

Mr. Speaker, what we need to do before granting China World Trade Organization is not listen to what they say, because they always make promise after promise after promise saying that they will behave, that they will play fair, they will stop the human rights abuses, they will stop the forced abortions, they will stop the religious discrimination, they will stop their war against the Tibetans, they will stop what they do against Taiwan, they will stop the child labor, their slave labor.

They promise that every year. Every year this country gives them Most-Favored-Nation status. Every year they break those promises. Mao Zedong Dong liked to quote his ideological communist mentor, Vladimir Lenin, the Soviet leader. He said, promises are like pie crust, they are made to be broken. That is what has happened with China as they have courted the United States to join the World Trade Organization.

Mr. Speaker, I ask the administration, I ask the President, I ask Republican leadership in this body, I ask the American business community, which is so strongly supportive of World Trade Organization entry for China immediately, I ask them to step back and let us see if China can behave for one year, if it can stop the human rights abuses, stop the slave labor and the child labor, can stop shooting missiles at Taiwan, can stop the nuclear sales to Pakistan, can stop the human rights violations.

Let us see if China can stop for 1 year and join the community of nations in its behavior for 1 year. Then let us talk about World Trade Organization accession. Do not let them in based on their promises, let them in based on their actions.

## MARKING THE 25TH ANNIVERSARY OF THE WIC PROGRAM

The SPEAKER pro tempore (Mr. RADANOVICH). Under the Speaker's announced policy of January 19, 1999, the gentleman from Texas (Mr. STENHOLM) is recognized during morning hour debates for 2 minutes.

Mr. STENHOLM. Mr. Speaker, it is a pleasure today to rise to mark the 25th anniversary of the WIC program, the women, infants and children. I am proud to join my colleagues in support of this very valuable and extremely successful program.

Several years ago when I served on the Committee on the Budget I had the opportunity to hear several CEOs of Fortune 500 companies testify in support of the WIC program. These executives talked about the difficulties they had in finding a qualified work force and the amount of money they had to spend to educate and retrain their employees.

They told us that while improving our educational system was an important part of the solution, our educational system can only do so much if the child is not prepared to learn by the time they reach school age.

These executives came to the conclusion that in order to find solutions to the problems they were facing and other problems facing society, we had to begin at the beginning and make sure children start out their lives with the nutrition they need to develop.

That conclusion is what brought these CEOs to the Committee on the Budget, and it is what brings me to the floor today. We continue to learn more each day about the importance of the first 3 years of life in the development of the brain. Common sense tells us that ensuring that children have proper nutrition at this critical period in

their lives will reap benefits for all of us as these children grow into adulthood.

A child who has the proper nutrition at the beginning of his or her life in the womb through the first 3 years of its life is more likely to succeed in school, less likely to become involved in the criminal justice system, and more likely to become a productive member of society.

There have been numerous studies showing the effectiveness of the WIC program in improving health of newborn children. From a fiscal standpoint, studies have found that Medicaid costs for women and children participating in WIC were reduced by between $1.77 and $3.13 for every dollar spent on WIC.

But more important than any of these statistics or studies about the effectiveness of the WIC program is this: The WIC program helps give all children a fair start in life. That is why I am proud to support the WIC program, and encourage our colleagues to continue to support and expand upon this very valuable program.

## ETHIOPIA AND ERITREA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Arkansas (Mr. SNYDER) is recognized during morning hour debates for 1½ minutes.

Mr. SNYDER. Mr. Speaker, recently I met with representatives of the Ethiopian and Eritrean embassies. The two countries are involved in a horrific border war that since May, 1998, has resulted in tens of thousands of casualties.

As family doctor who worked in a refugee camp near Kassala, Sudan, in 1985, and treated refugees from both Tigre and Eritrea, it is heartbreaking to see this war continue. Just a few years ago, the Horn of Africa was one of the most promising development storise on the continent. There was great hope for both Eritrea and Ethiopia in 1991, two countries with a great deal in common. Now, tragically, that promise is gone, swept away in war.

Mr. Speaker, I do not rise to ask the United States to take sides militarily in this war. It is not in our interests, or in those of the warring parties, that we do. What I do ask is for the two warring nations, Ethiopia and Eritrea, to agree to a cease-fire and peace settlement. The OAU proposal seems to be acceptable to both countries, but for unclear reasons has not been signed.

A cease-fire and peace treaty must be agreed to. The war must end. New enemies must again become old friends.

## PROBLEMS AMERICA IS CONFRONTING IN THE STEEL INDUSTRY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Maryland (Mr. CARDIN) is recognized during morning hour debates for 2 minutes.

Mr. CARDIN. Mr. Speaker, I join with the other Members who have been on the floor today to talk about the problems we are confronting in steel.

I recently had a chance to visit Bethlehem Steel's Sparrows Point division. I had a chance to meet with many of the 4,000 dedicated workers at this facility. I also had a chance to talk with management, to go over the investment that management is making in the most modern steel equipment, hundreds of millions of dollars.

Mr. Speaker, at Sparrows Point our workers can compete with any worker around the world. All they ask from us is a level playing field. They are not asking us to protect the steel industry from competition, but they are asking us to protect the steel industry from illegally dumped steel that is still coming into this country.

Yes, what we need to do, we need to enact the legislation, that passed, that rolls back the level of steel imports to the pre-crisis level. We need to reform our antidumping and counterveiling duty laws to protect from the surge of illegal steel or any product coming into this country, so we can act decisively. The gentleman from Pennsylvania (Mr. ENGLISH) and I have filed such legislation. We also need the ITC to take decisive action in their meetings today.

This is sort of like a Whack-a-Mole game, where you hit one country on the head that is dealing with illegal steel and another country pops up. But for the 10,000 steel workers' jobs that we have lost, this is not a game. It is time for us to take decisive action.

## THE CRISIS IN STEEL IS NOT OVER

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Minnesota (Mr. OBERSTAR) is recognized during morning hour debates for 2 minutes.

Mr. OBERSTAR. Mr. Speaker, the crisis in steel is not over. The International Trade Commission of the U.S. Department of Commerce has ruled that foreign steel imports are coming into this country at below-cost production in many cases, below cost of U.S. products, and are being, in the technical terms, dumped in the U.S. marketplace.

The Department of Commerce is now proceeding in the second phase of this unfair trade practice determining injury. The Clinton administration, through the Secretary of Commerce, Secretary Daley, and Secretary Rubin at Treasury, have moved smartly to impose counterveiling duties and put companies on notice in this country to post bond or cash to cover the cost between the unfair price and the U.S. market price.

We are now in the injury phase of this proceeding, an excruciating fair, time-consuming process, the most fair process of any country in the world trade community for determining unfair trade. In fact, it is so fair that I am afraid that American steel mills and in Minnesota taconite plants will be out of business before they come to the conclusion, the Department of Commerce, that there is injury, that these counterveiling duties should be imposed, and the level trading field reestablished in steel.

We ought to act decisively now. The Senate ought to pass the bipartisan Steel Recovery Act, because imports from Japan in March were up 36 percent, Brazil up 54 percent, Korea up 11 percent, and Indonesia tripled its exports in March to the United States. Korea has increased their exports to the U.S. so much that they are up 77 percent over a year ago.

The crisis in steel is not over. More countries are finding that the most open, fair market in the world is the United States, and are dumping their unemployment on our marketplace. It is not fair.

## AMERICAN STEEL COMPANIES AND STEEL FAMILIES REMAIN IN GRAVE DANGER FROM STEEL DUMPING

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from West Virginia (Mr. MOLLOHAN) is recognized during morning hour debates for 2 minutes.

Mr. MOLLOHAN. Mr. Speaker, as my colleagues today are point out, the latest trade figures are in and they confirm what we feared but also what we expected. They confirm, Mr. Speaker, that the steel dumping crisis is not over. In fact, just the opposite, they confirm that our American steel companies and our American steel families remain in grave danger.

It turns out that the recent drop in imports was not the start of a trend, it was only our trading partners catching their breath and then pumping up their March shipments by 25 percent. That includes a 39 percent increase from Japan and a 54 percent increase from Brazil, two of the main targets of complaints filed by our U.S. steelmakers.

It is clear that these countries are not very impressed with America's resolve to enforce our trade laws. What about our steelmakers? How are imports affecting them? Thanks to imports, LTV is reporting a first quarter loss of $29 million; Bethlehem a loss of $26 million, and in my district, Weirton Steel is reporting a loss of almost $28 million, the worst in 6 years. Seven hundred Weirton Steel employees remain out of work, putting a terrible

strain on communities all along the upper Ohio Valley.

Mr. Speaker, our trading partners do not care about our communities. They do not care about our families. They do not even care about following our trade laws. But this Congress and this administration must care, because when the playing field is level, we can compete with anyone on Earth.

This Congress must come full circle and pass tough trade legislation, and this administration must use every tool at its disposal to enforce basic, fair, trade laws. I repeat, Mr. Speaker, the crisis is not over. We cannot afford to act like it is.

## RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m.

Accordingly (at 1 o'clock and 11 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

## AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. BURR of North Carolina) at 2 p.m.

## PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

In this world where life contains what seems to be so much turmoil and tribulation we long for that tranquility that lives beside the still waters of peace, and yet we know that grace exists besides turbulence and healing exists besides pain. O gracious God, the creator of everyone, we laud and praise those who use their ability to bring peace and healing to our communities and to all the neighborhoods of our world. May Your spirit, O God, unite each person so we share our concerns and our hopes as one people with one creator. In Your name we pray. Amen.

## THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Illinois (Mr. RUSH) come forward and lead the House in the Pledge of Allegiance.

Mr. RUSH led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## PRIVATE CALENDAR

The SPEAKER pro tempore. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

## FRED STEFFENS

The Clerk called the bill (H.R. 509) to direct the Secretary of the Interior to transfer to the personal representative of the estate of Fred Steffens of Big Horn County, Wyoming, certain land comprising the Steffens family property.

There being no objection, the Clerk read the bill as follows:

H.R. 509

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

**SECTION 1. TRANSFER OF STEFFENS FAMILY PROPERTY.**

(a) CONVEYANCE.—Subject to valid existing rights, the Secretary of the Interior is directed to issue, without consideration, a quitclaim deed to Marie Wambeke of Big Horn County, Wyoming, the personal representative of the estate of Fred Steffens, to the land described in subsection (b): *Provided,* That all minerals underlying such land are hereby reserved to the United States.

(b) LAND DESCRIPTION.—The land referred to in subsection (a) is the approximately 80-parcel known as ''Farm Unit C'' in the E½NW¼ of Section 27 in Township 57 North, Range 97 West, 6th Principal Meridian, Wyoming.

(c) REVOCATION OF WITHDRAWAL.—The Bureau of Reclamation withdrawal for the Shoshone Reclamation Project under Secretrial Order dated October 21, 1913, is hereby revoked with respect to the lands described in subsection (b).

With the following committee amendment in the nature of a substitute:

Strike out all after the enacting clause and insert:

***SECTION 1. TRANSFER OF STEFFENS FAMILY PROPERTY.***

*(a) CONVEYANCE.—Subject to valid existing rights, the Secretary of the Interior is directed to issue, without consideration, a quitclaim deed to Marie Wambeke of Big Horn County, Wyoming, the personal representative of the estate of Fred Steffens, to the land described in subsection (b): Provided, That all minerals underlying such land are hereby reserved to the United States.*

*(b) LAND DESCRIPTION.—The land referred to in subsection (a) is the approximately 80-acre parcel known as ''Farm Unit C'' in the E½NW¼ of Section 27 in Township 57 North, Range 97 West, 6th Principal Meridian, Wyoming.*

*(c) REVOCATION OF WITHDRAWAL.—The Bureau of Reclamation withdrawal for the Shoshone Reclamation Project under Secretarial Order dated October 21, 1913, is hereby revoked with respect to the lands described in subsection (b).*

Mr. BALLENGER (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The committee amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

## JOHN R. AND MARGARET J. LOWE

The Clerk called the bill (H.R. 510) to direct the Secretary of the Interior to transfer to John R. and Margaret J. Lowe of Big Horn County, Wyoming, certain land so as to correct an error in the patent issued to their predecessors in interest.

There being no objection, the Clerk read the bill as follows:

H.R. 510

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

**SECTION 1. TRANSFER OF LOWE FAMILY PROPERTY.**

(a) CONVEYANCE.—Subject to valid existing rights, the Secretary of the Interior is directed to issue, without consideration, a quitclaim deed to John R. and Margaret J. Lowe of Big Horn County, Wyoming, to the land described in subsection (b): *Provided,* That all minerals underlying such land are hereby reserved to the United States.

(b) LAND DESCRIPTION.—The land referred to in subsection (a) is the approximately 40-acre parcel located in the SW¼SE¼ of Section 11, Township 51 North, Range 96 West, 6th Principal Meridian, Wyoming.

Mrs. CUBIN. Mr. Speaker, H.R. 509 and H.R. 510, as introduced in the House, mirror the bills introduced by Senators MIKE ENZI and CRAIG THOMAS that passed last year in the Senate by unanimous consent.

The first bill, H.R. 509, transfers eighty acres of public land in Big Horn County, Wyoming, to the estate of Mr. Fred Steffens.

The property outlined in the bill has been a part of the Steffens' family working farm since the land was purchased in 1928. Mr. Steffens was issued a warranty deed to the property by Mr. Frank McKinney, predecessor of interest.

Unfortunately, Mr. McKinney knowingly had neither title to the property nor an assignable right of entry. However, the fact that Mr. McKinney did not own the land did not stop him from selling the property or issuing the warranty deed.

In good faith, Mr. Steffens purchased the property and, according to the Big Horn County Assessor's office, paid taxes since the date of purchase in 1928.

Upon Mr. Steffens' death, in an attempt to settle his estate, it was discovered that a patent had never been issued for these lands. Mr. Steffens' sister and representative of the estate filed a Color of Title application with the BLM's Wyoming state office, but the title was rejected.

The reason given was that the lands at issue were, and continue to be, withdrawn by

the Bureau of Reclamation (BOR) for the Shoshone Reclamation Project. Regulations specifically preclude claims under the Color of Title Act when lands are withdrawn for Federal purposes.

The only option to remedy this situation is to pass H.R. 509. Both the BOR and the BLM support the transfer of title to the Steffens' estate. The bill preserves the rights of the federal government to own the mineral interests and transfers the right, title and surface estate to the Steffens.

Mr. Steffens' and his family occupied this property in good faith. I believe it's time for the issue to be resolved and ask my colleagues to favorably report the bill to the House floor.

H.R. 510 is another bill that the BLM supports which transfers forty acres of public land in Big Horn County, Wyoming, to John and Margaret Lowe.

Although there is a confusing history to this particular parcel, there is abundant evidence that the Lowe's claim to the land is justified.

The latest evidence comes at the hand of a Big Horn County assessor who wrote that based on other entries in the county records, the legal description of the land being transferred by the original patent should have included the forty acres under consideration.

The Lowe family, since acquiring the land in 1966, have paid taxes on the land since that time.

H.R. 510, although not the only alternative the Lowe's have in acquiring the forty acres, is the only alternative that will bring minimal additional expense to either the Lowe family or the BLM.

As I mentioned before, the BLM supports the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This concludes the call of the Private Calendar.

## COMMUNICATION FROM THE CLERK OF THE HOUSE

The Speaker pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
*Washington, DC, April 30, 1999.*

Hon. J. DENNIS HASTERT,
*The Speaker, House of Representatives, Washington, DC.*

DEAR MR. SPEAKER: Pursuant to the permission granted to Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on April 30, 1999 at 10:21 a.m. that the Senate passed S. Res. 88.

Appointment: Advisory Commission on Electronic Commerce

With best wishes, I am
Sincerely,

JEFF TRANDAHL,
*Clerk.*

## AMERICANS AND THREE RECENTLY RELEASED SOLDIERS OWE REVEREND JESSE JACKSON THANKS

(Mr. LEWIS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of California. Mr. Speaker, there are three American soldiers who are celebrating freedom today. These young men have now been reunited with their families and are receiving needed medical care in Germany.

America is very proud of Steven Gonzales, Andrew Ramirez, and Christopher Stone. Like so many others now in harm's way, they served at considerable risk to their own personal safety. They suffered physical harm at the hands of their captors, and they emerged from captivity with crisp salutes to their superior officers with their heads held high.

As we celebrate their safety, let us not overlook one fact: These soldiers were released through the efforts of Reverend Jesse Jackson.

While I will continue to support our troops in their actions abroad, I applaud any potential avenue for peace. Reverend Jackson is not our Secretary of State, but in recent days he has achieved diplomatically what had not before been possible. America, like these three young men, owes him our thanks.

## RESIDENTS IN NEW YORK BANNED FROM FLYING FLAG

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, residents of Brookshire Condominiums in Washingtonville, New York, have been banned from flying the American flag. Banned, ladies and gentlemen. In fact, they will be charged $25 for every day that they fly the flag beyond the five holidays allowed. Unbelievable.

The sad fact is in America today we can burn the flag, but we may not be allowed to fly the flag. Beam me up. Is it any wonder America is so screwed up?

I yield back the lives of thousands of heroic Americans who gave their lives in battle while carrying Old Glory into battle.

## HONORING AMERICA'S TEACHERS

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, I rise today in honor of America's teachers, those people who rise every day to open up the world of learning to our children.

As a former public high school math and science teacher myself, I can attest to the amount of time, energy, creativity, and patience that it takes to take our students to the next step of discovery, be it in literature, calculus, music theory or physics.

Today, I would like to especially honor one teacher from my district in Lancaster County, Pennsylvania, Elaine Savukas, from Hempfield High School.

Year after year, Ms. Savukas has brought a winning team of civics students to Washington to take part in the ''We the People, The Citizen and the Constitution'' 3-day academic competition on the Constitution and the Bill of Rights, as is shown in this picture of her class.

Her students know the Constitution probably better than many Members of Congress know it. She has instilled in her students a love of our history and brings civics alive. She stirs her students to excellence.

Mr. Speaker, there are excellent teachers like Elaine Savukas all over this country, and we are compelled to honor them not only this week but throughout the year as they help shape the minds and motivation of our leaders of the next millennium. I thank all our teachers.

## SUPPORT JOINT EFFORT OF CONGRESSIONAL MEMBERS AND RUSSIAN DUMA COUNTERPARTS TO FIND SOLUTION TO BALKAN CRISIS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, a window of opportunity to find a peaceful solution to this conflict in Kosovo was opened this weekend in Vienna, Austria.

For my congressional colleagues and my Russian Duma counterparts who participated, those meetings represent a real and attainable step toward a lasting peace.

Obviously, this conflict represents one of the most serious challenges to international security since World War II. Most Members realize the power that many constructive Russian-American efforts can offer in finding a solution.

In that light, this bilateral conference agreed on a course of action which would withdraw Serbian troops from Kosovo, cease all military activities of the KLA, and end NATO bombing.

Once these measures are complete, the repatriation of the refugees, administered by an international peacekeeping force and the international community, can begin the healing and rebuilding process.

Mr. Speaker, I rise today to ask my colleagues to support this joint effort

to find a diplomatic solution to the Balkans crisis because, in my mind, peace is an exit strategy everyone can understand.

## PASS EMERGENCY SUPPLEMENTAL AND HELP DESPERATE, DESERVING FARMERS

(Mr. BERRY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BERRY. Mr. Speaker, how many times do we have to come to the floor asking for help on behalf of the American farmer? How many more farmers have to go bankrupt before we pass the emergency supplemental? When is the Speaker going to stop holding America's farmers hostage and stop playing politics?

This could have been done months ago. The time to act is now. It is the right thing to do. America's farmers deserve to be treated better than this. Let us pass the emergency supplemental.

## H.R. 1503, CAPITAL GAINS EXPANSION FOR FARMERS

(Mr. BARRETT of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARRETT of Nebraska. Mr. Speaker, a week ago I introduced a bill to correct a flaw in the Tax Code. H.R. 1503 would allow family farmers to take advantage of the $500,000 capital gains tax break that many other Americans can take when they sell their homes. This bill expands the $500,000 capital gains tax exclusion for principal residences to cover the entire farm.

Most family farmers are unable to take advantage of the capital gains tax break because they do not spend extra money investing in their principal residence, they spend it investing in their whole farm. As a result, the capital gains exclusion is of little help to farmers selling their land. It simply makes sense. Farmers should enjoy the same capital gains exclusion as other Americans.

Agriculture producers are faced with many challenges these days, and we need to look at a variety of issues to improve the situation in rural America. I believe this bill begins to correct one that we can control, an inequity in the Tax Code.

I ask my colleagues to join me along with the gentleman from North Dakota (Mr. POMEROY) in supporting H.R. 1503.

## URGENT NEED FOR SUPPLEMENTAL AGRICULTURE FUNDING

(Mrs. CLAYTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, since the Congress began in January, all have acknowledged the need to enact emergency legislation to assist our small farmers and ranchers.

The emergency supplemental appropriation for farm loans was the result of unprecedented demand for agricultural credit due to the persistent low commodity prices across our Nation.

The Department of Agriculture's Farm Service Agency, FSA, needs an additional $152 million in fiscal year 1999 to provide credit and to deliver much-needed services to farmers and ranchers because of the low prices and bad weather.

The conferees have yet to resolve the differences in the emergency agriculture supplemental so this desperately needed legislation can be brought to the floor of the House for passage of the conference report.

My colleagues, we truly, truly have an emergency. We must act now. The situation is urgent. Let us pass the emergency supplemental so our farmers of America can continue to provide the food and fiber we desperately need.

## PRESIDENT HAS CREATED NATIONAL SECURITY EMERGENCY

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I call my colleagues' attention to this graph I have here. It shows that the President has neglected the defense budget for the past 6 years, while stretching our troops around the world. There has been laxity, inattention, and actual negligence in guarding our most valuable nuclear secrets.

I believe the President has created a national security emergency. There have been truly massive cuts in the defense budget in the area of weapons procurement, all this while using American troops in the role of social workers on humanitarian missions around the world. It is a recipe designed to leave our proud military in a state of emergency, unable to match resources with demands.

American servicemen deserve better. Those who serve our Nation should not be put in harm's way when our national security interests are not at stake, and they should be provided with the resources necessary to carry out our mission in a dangerous world.

The war in Kosovo has exposed for all the world to see our national security emergency.

□ 1415

## WEAPONS OF WAR ON OUR STREETS AND IN OUR SCHOOLS

(Ms. NORTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. NORTON. Mr. Speaker, in the wake of the Littleton, Colorado, tragedy yesterday, the gentleman from California (Mr. HENRY WAXMAN) and I sat at a hearing on the GAO report on the 50-caliber, state-of-the-art military rifle that is of Persian Gulf vintage.

The problem is that this armor-piercing sniper rifle, meant to bring down tanks and jeeps, has now infiltrated the States. GAO investigators went undercover in the National Capital area region and found dealers willing to sell the rifle even when the agent said he was interested in taking down a helicopter and in piercing a limousine.

All that is needed is an 18-year-old ID and no felony conviction. In contrast, you have to be 21 to get a handgun. Amazingly, there is no regulation of secondhand assault weapons.

Some of the weapons used at Columbine High School were bought at a gun show. Let us fill this loophole and keep the weapons of war off our streets and out of our schools.

## WIC

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, I rise in support of the Special Supplemental Nutrition Program for Women, Infants and Children, better known as WIC, a program that has been providing short-term, low-cost preventive health services to young families who are at risk due to low income or nutritionally-related health conditions for 25 years.

Studies have shown that pregnant women who participate in WIC have longer pregnancies leading to fewer premature births, have fewer low-birth-weight babies, experience few infant deaths, and seek prenatal care earlier in their pregnancy.

And when I say it is cost effective, let me point out some real numbers to my colleagues. It costs $22,000 a pound to raise a low or very low-birth-weight baby to normal weight, costs that are often covered by Medicaid. It costs only $40 per pound to provide WIC prenatal benefits. These figures show that WIC is making a real difference.

I want to thank those who have made the program a success and wish WIC a happy 25th birthday.

## TAX REFORM

(Mr. DEMINT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEMINT. Mr. Speaker, I recently received a letter from Tori Smith, a senior at Dorman High School in Spartanburg, South Carolina. She wrote:

I think you take out entirely too much money for tax. That is my dad's money. He worked for it, not you, he should keep it all for himself. Also, young teenagers who have part-time jobs, trying to make a little spending money pay taxes too. I do not think you should take taxes from us until we are 18. That is my opinion, which should count.

Well, Tori, your opinion does count. And Mr. Speaker, she is exactly right. That is their money and they deserve to keep a lot more of it. They should not be punished for working hard for some extra money or saving for college.

On behalf of young women like Tori and the students at Dorman High School, I ask my colleagues to find the courage to reduce taxes and get rid of the oppressive Tax Code. Let us say, enough is enough. Let us replace it with a national sales tax that rewards hard work and allows these young people to make their dreams come true.

Mr. Speaker, I thank Tori for writing me. I believe we are on the way to giving her a more secure future.

## APPOINTMENT AS MEMBER TO COMMISSION ON CIVIL RIGHTS

The SPEAKER pro tempore (Mr. SHIMKUS). Without objection, and pursuant to section 2(b) of Public Law 98–183, and upon the recommendation of the minority leader, the Chair announces the Speaker's appointment of the following member to the Commission on Civil Rights on the part of the House, effective May 4, 1999, to fill the existing vacancy thereon:

Mr. Christopher F. Edley, Jr., Cambridge, Massachusetts.

There was no objection.

## REAPPOINTMENT AS MEMBERS TO NATIONAL SKILL STANDARDS BOARD

The SPEAKER pro tempore. Without objection, and pursuant to section 503(b)(3) of the National Skill Standards Act of 1994, (20 U.S.C. 5933) and upon the recommendation of the minority leader, the Chair announces the Speaker's reappointment of the following members to the National Skill Standards Board on the part of the House for a 4-year term:

Ms. Carolyn Warner, Phoenix, Arizona; and

Mr. George Bliss, Washington, D.C.

There was no objection.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

If a recorded vote is ordered on House Concurrent Resolution 84, relating to the Disabilities Education Act; House Concurrent Resolution 88, relating to the Pell Grant Program; or House Resolution 157, relating to teacher appreciation, those votes will be taken after debate has concluded on those motions.

If a recorded vote is ordered on any remaining motion, those votes will be postponed until tomorrow.

## URGING CONGRESS AND PRESIDENT TO FULLY FUND INDIVIDUALS WITH DISABILITIES EDUCATION ACT

MR. GOODLING. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 84) urging the Congress and the President to fully fund the Federal Government's obligation under the Individuals With Disabilities Education Act, as amended.

The Clerk read as follows:

H. CON. RES. 84

Whereas all children deserve a quality education, including children with disabilities;

Whereas Pennsylvania Association for Retarded Children v. Commonwealth of Pennsylvania, 334 F. Supp. 1247 (E. Dist. Pa. 1971), and Mills v. Board of Education of the District of Columbia, 348 F. Supp. 866 (Dist. D. C. 1972), found that children with disabilities are guaranteed an equal opportunity to an education under the 14th amendment to the Constitution;

Whereas the Congress responded to these court decisions by passing the Education for All Handicapped Children Act of 1975 (enacted as Public Law 94–142), now known as the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), to ensure a free, appropriate public education for children with disabilities;

Whereas the Individuals with Disabilities Education Act provides that the Federal, State, and local governments are to share in the expense of educating children with disabilities and commits the Federal Government to pay up to 40 percent of the national average per pupil expenditure for children with disabilities;

Whereas the Federal Government has provided only 9, 11, and 12 percent of the maximum State grant allocation for educating children with disabilities under the Individuals with Disabilities Education Act in the last 3 years, respectively;

Whereas the national average cost of educating a special education student ($13,323) is more than twice the national average per pupil cost ($6,140);

Whereas research indicates that children who are effectively taught, including effective instruction aimed at acquiring literacy skills, and who receive positive early interventions demonstrate academic progress, and are significantly less likely to be referred to special education;

Whereas the high cost of educating children with disabilities and the Federal Government's failure to fully meet its obligation under the Individuals with Disabilities Education Act stretches limited State and local education funds, creating difficulty in providing a quality education to all students, including children with disabilities;

Whereas, if the appropriation for part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) exceeds $4,924,672,200 for a fiscal year, the State funding formula will shift from one based solely on the number of children with disabilities in the State to one based on 85 percent of the children ages 3 to 21 living in the State and 15 percent based on children living in poverty in the State, enabling States to undertake good practices for addressing the learning needs of more children in the regular education classroom and reduce over identification of children who may not need to be referred to special education;

Whereas the Individuals with Disabilities Education Act has been successful in achieving significant increases in the number of children with disabilities who receive a free, appropriate public education;

Whereas the current level of Federal funding to States and localities under the Individuals with Disabilities Education Act is contrary to the goal of ensuring that children with disabilities receive a quality education; and

Whereas the Federal Government has failed to appropriate 40 percent of the national average per pupil expenditure per child with a disability as required under the Individuals with Disabilities Education Act to assist States and localities to educate children with disabilities: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring)*, That—

(1) the Congress and the President—

(A) should, working within the constraints of the balanced budget agreement, give programs under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) the highest priority among Federal elementary and secondary education programs by meeting the commitment to fund the maximum State grant allocation for educating children with disabilities under such Act prior to authorizing or appropriating funds for any new education initiative; and

(B) should meet the commitment described in subparagraph (A) while retaining the commitment to fund existing Federal education programs that increase student achievement; and

(2) if a local educational agency chooses to utilize the authority under section 613(a)(2)(C)(i) of the Individuals with Disabilities Education Act to treat as local funds up to 20 percent of the amount of funds the agency receives under part B of such Act that exceeds the amount it received under that part for the previous fiscal year, then the agency should use those local funds to provide additional funding for any Federal, State, or local education program.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. GOODLING) and the gentleman from Michigan (Mr. KILDEE) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GOODLING).

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is an old topic for me, 25 years, speaking on the same subject, trying to encourage the Congress to put their money where their mouth was 24 years ago, when school districts were promised that if they participated in the Federal Individuals With Disabilities Education Act they would receive 40 percent of the excess cost in

order to fund special education programs to educate a child with a disability, which may be two, three, five, ten, twenty times greater than to educate a non-disabled student.

Obviously, that was not done. We got up to 6 percent. In the last 3 years, fortunately, we have been able to get huge increases, which gets us all the way up to 12 percent. And, hopefully, by the end of this year, it will be 15 percent, and we still have a long way to go.

What does it mean when we do not fund what we promised? It means that the local school districts must raise millions of dollars in order to fund a mandate that came from the Federal level, a mandate if they decided to participate.

I realize that no matter how much money we put up, we can never fully fund even our 40 percent unless we deal with the number of people who are placed in special education programs, many of which only have a reading problem and, therefore, really should not be there.

I hope that some of the early childhood programs that we have put into effect on the Federal level will help eliminate those who get into special ed simply because of those reading problems.

So, again, I am here today asking, as I have asked every year for 25 years, for Congress and the President to put their money where their mouth was before we talk about funding new programs.

Center cities particularly stand to get all sorts of money to deal with pupil-teacher ratio, to deal with maintenance of their buildings. All we have to do is get that 40 percent of excess costs back to those local school districts and then they can help all students. That is what this is all about, helping all students, not pitting one against another.

Mr. Speaker, I am pleased to bring House Concurrent Resolution 84 to the Floor. This Concurrent Resolution urges full funding of the Individuals with Disabilities Education Act (IDEA) before creating and funding any new education initiatives. The co-sponsors and I believe that the Federal government cannot continue to ignore the commitment it made over 24 years ago to children with disabilities.

At the time IDEA was first enacted, Congress committed that the Federal government would provide States and local school districts with 40% of the average per pupil expenditure to assist with the excess costs of educating students with disabilities. Where are we on that commitment? We are at 12% and it is this high only because Republicans have insisted and fought for increased Federal funds for IDEA. Since Republicans took over control of Congress in 1995, funding for IDEA has risen over 85%.

Failing to live up to our IDEA funding commitment fails our students, parents, schools, and communities.

Where do we stand on IDEA spending right now? Here's what we know about the President's thoughts on IDEA funding. Under his budget request, President Clinton wants to cut spending for students with disabilities from $702 per child in FY 1999 to $688 per child in FY 2000. We also know Secretary of Education Riley's top priorities. According to an article in the Washington Post of April 20, 1999, increasing funding for IDEA does not make the top three priorities of the Department.

The Committee on Education and the Workforce stated its funding priority quite clearly. In a bipartisan vote of 38–4, the Committee approved this resolution to give IDEA programs the highest priority among Federal elementary and secondary education programs.

What will giving IDEA the highest priority in Federal funding for K–12 education programs do for students and schools? It will allow schools to increase and improve services for all students, including students with disabilities.

Meeting the Federal IDEA funding commitment benefits every student by allowing the local school to fund the services needed by all students—everyone wins. Once the Federal government begins to pay its fair share under IDEA, local schools will no longer be forced to redirect local funds to cover the unpaid Federal share. Local funds will be freed up, allowing local schools to hire and train high-quality teachers, reduce class size, build and renovate classrooms, and invest in technology.

Every student will benefit, regardless of whether the student receives services under Title I, limited English proficiency programs, or IDEA.

We must fully fund IDEA before Washington creates new education programs. We do not need to spend our limited education resources on new, unproven Federal programs. Let's first live up to the promises we made over 24 years ago and fund a program that we know works.

House Concurrent Resolution 84 urges Congress to fully fund IDEA while maintaining its commitment to existing Federal education programs. We do not want to take funds from the Federal education programs currently serving students. However, year in and year out under both Democrat and Republican control, Congress must set priorities and we believe that funding the federal commitment to IDEA must come before funding new untested programs.

We can both ensure that children with disabilities receive a free and appropriate public education and ensure that all children have the best education possible if we just provide fair Federal funding for special education.

I urge everyone to support this important concurrent Resolution. Congress must fulfill its commitment to assist States and localities with educating children with disabilities.

Mr. Speaker, I reserve the balance of my time.

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to say at the beginning of my remarks that I am going to support this resolution.

However, the resolution that is before the House today is not as simple as it may seem. Unfortunately, this resolution tends to place the needs of disabled children and nondisabled children in conflict rather than to seek to recognize our commitment to all children.

Full funding for the Individuals With Disabilities Education Act is a goal which is vitally important to the education of the disabled children of our Nation and one that I have been committed to since I arrived in Congress 23 years ago. We need to provide 40 percent of the excess cost of educating a child with a disability, and this should be done and this should be one of our top priorities for Federal education funding.

In fact, as my chairman, the gentleman from Pennsylvania (Mr. GOODLING) knows, I have joined him and many other of my colleagues in demanding additional funding for special education so we can meet this goal now rather than later.

The gentleman from Pennsylvania (Mr. GOODLING) has been a real and long time leader for full funding of IDEA. I can recall several years ago, when we both served on the Committee on the Budget, the courage he took to be the one Member over there who joined me in trying to secure more funding for this program.

Supporting the needs of disabled children and providing them with a chance to become productive, participating members of society is extremely important, and there has been no greater champion than myself in this issue.

In fact, many years before the passage of 94–142, I, as one of its principal authors, helped enact Michigan's special education law. My commitment and experience in this issue has spanned three decades of my career in public service, and I understand and support the need to fully fund IDEA.

However, in our desire to provide full funding for IDEA, we should not do so at the expense of other Federal education programs or pit the needs of disabled children against those of nondisabled children. The resolution which we are considering today tends to do that, accentuate the politics of division rather than recognizing what has become a bipartisan goal, the full funding of IDEA.

The issue of IDEA funding is not a Democratic or Republican concern. There has been strong bipartisan support for substantial increases in funding for IDEA in recent appropriations bills, and I strongly believe this will continue.

In the past 3 years we have provided sizable increases for both IDEA and other Federal education initiatives, recognizing the need to build a total Federal commitment to education. IDEA alone has received over $1.5 billion in additional funding since 1996. The growth and funding for all Federal education programs that have a positive effect on student achievement should be the goal we set our sights on regardless of party or parochial interest.

It is my hope that we commit ourselves to the spirit of cooperation on the issue of educational funding.

Mr. Speaker, I reserve the balance of my time.

Mr. GOODLING. Mr. Speaker, I yield 1 minute to the gentleman from Montana (Mr. HILL).

Mr. HILL of Montana. Mr. Speaker, I thank the chairman for yielding me the time.

Mr. Speaker, I want to draw the attention of my colleagues to this headline. It says they are going to cut 60 non-tenured positions in my hometown, in my hometown paper.

The reason for that is that we are going to have to increase classroom size and reduce our gifted and talented programs because we cannot access dollars from any of the other Federal education programs. Specifically, we cannot access the dollars from the President's new initiative for new teachers and smaller classes. And that is a problem with our existing school funding programs.

So what we can do? What we can do is fully fund special education, living up to the commitment that Congress has made. What happens if we do that? First of all, it is going to take the pressure off of local taxpayers in my home State, property taxpayers. But, more important than that, it will provide more funding for the general fund budget for education.

By underfunding special education, we are forcing schools to go take money from their general education account and put it into their special education account.

□ 1430

By fully funding special education, we will reverse that process. It will address the area of greatest uncertainty and the area of greatest cost to most of our school districts. I would urge my colleagues to support this resolution.

Mr. KILDEE. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, like so many of all of my colleagues on both sides of the aisle, I am hearing constantly from parents and educators at home about the importance of meeting the Federal commitment to fund the Individuals with Disabilities Education Act, IDEA. Parents of children with special needs are absolutely frantic about their children's access to public education. They often feel like the schools are giving them the runaround, but schools are equally as worried about having the resources to do the job that they need to do. And the parents of students without special needs are more than fearful because they believe that special needs students are taking precious resources away from their children.

This cannot continue. Congress must step up to our responsibility, and we should do it this year while the economy is good and we have a surplus. If we cannot do it now, we never will.

But we should not be pitting one education program against another as this particular resolution does. When we do that, we pit students against students, parents against schools, and we pit schools against each other.

However, there is a way that we can in this Congress meet the Federal commitment to fund IDEA. We can do this while continuing our support for other important education programs. We can do this by using some of the funds that have been set aside under the Republicans' balanced budget agreement for tax cuts to fund IDEA.

The balanced budget agreement sets aside $778 billion for a 10-year tax cut. We would only need $11 billion additional in funds to fully fund IDEA this year.

When this resolution was marked up in the committee, I offered an amendment that urged Congress to fund IDEA before funding tax cuts. It lost on a partisan vote. 100 percent of the Democrats voted for it; 100 percent of the Republicans voted against it.

While I realize that no amendment can be considered on the floor this afternoon, I do want to point out that we can fully fund IDEA and we can do it without taking away from other education programs. Once again, I urge my colleagues to put education for our children with disabilities before tax cuts. Work with me. We can fully fund IDEA without taking funds from other important education programs.

Mr. GOODLING. Mr. Speaker, I yield 1 minute to the gentleman from Missouri (Mr. BLUNT).

Mr. BLUNT. Mr. Speaker, as I go around my district in southwest Missouri and ask school administrators or teachers what is their biggest problem with the Federal Government, I always get the same answer, IDEA. And so now I ask what is their second biggest problem with the Federal Government, and I get a variety of answers, but there is no question their biggest challenge is in the way IDEA is funded, the way IDEA is administered, the way that the rules and regulations are set up.

We cannot do anything today about the administration and the rules and regulations. That needs to be in another, bigger debate later. It needs to happen. But we can do something about the funding.

In 1974, when this program was conceptualized and put into law, Congress said they would pay 40 percent of the cost. Twenty years later, we were paying 6 percent of the cost. In the last 4 years, we have been able to double that, to 12 percent, so we are headed in the right direction. But we need to keep our word.

This is about the Federal Government, not just conceptualizing some new obligation but paying their share and keeping their commitment to make those programs work.

Mr. KILDEE. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER) a member of the committee.

Mr. ROEMER. Mr. Speaker, I thank the gentleman from Michigan (Mr. KILDEE) for yielding me this time.

I want to, first of all, preface my comments by indicating to the gentleman from Pennsylvania (Mr. GOODLING) that I intend to vote for this resolution. I believe that there has been a sufficient gap between what the Federal Government has promised with respect to funding individuals with disabilities and what we have actually paid for.

When I am in town meetings in my home State of Indiana, IDEA problems come up over and over and over again. Concerned parents, very upset about getting their children a sufficient and fair education, getting their children opportunities to learn in the classroom and having the Federal Government come through with the funding. So I will support the Goodling resolution.

There has also been a three-part series on the difficulties in special education done by the Washington Post here in Washington, D.C. I would ask at the appropriate time unanimous consent for these articles to be entered into the RECORD to show that we need to do more in special education.

But I do have two concerns about this resolution. One is that we do not pay for this resolution by taking money away from other good education programs, that we need to fund Head Start, that we need to fund Pell grants, that we need to make sure that we are not taking money away from education. And this should come from the Republican 10 percent across-the-board tax cut that everybody knows is not going to be out there, anyway.

And, secondly, I just end on the note of, there was a battle cry in 1988 of ''Where's the Beef?'' Where is the substance? This is a resolution. This does not mean anything yet. Let us get a bill. Where is the bill? Let us go forward with a bill that funds IDEA for our children and for our parents.

Mr. GOODLING. Mr. Speaker, it is interesting sometimes that we do not read the legislation since it says, ''should meet the commitment described in subparagraph (A) while retaining the commitment to fund existing Federal education programs.''

Mr. Speaker, I yield 1 minute to the gentleman from Delaware (Mr. CASTLE), the chairman of the subcommittee.

Mr. CASTLE. Mr. Speaker, I thank the gentleman for yielding me this time. I also rise in support of H. Con. Res. 84, the Individuals with Disabilities Act.

Let me tell Members that the meat is there now. The bottom line is that we

are obligated by statute to pay 40 percent of the education of those with disabilities in this country. We have unfortunately in this Congress over the years not gotten anywhere near that level. In fact, we are probably about 11 percent right now with about a $14 billion deficit that we have to make up.

Some people have gotten up and they have said, and I can understand it and I do not disagree with this, that we cannot do this at the expense of other programs. I will tell my colleagues that we will not do it at the expense of other programs. I am talking about Federal programs.

But if we paid that money into the local governments, into the local school districts, then they would be able to free up the money which they presently have to build schools, to hire more teachers and to help with all of the other programs, because they are funding the deficit which we created by mandating that they do this. We have an obligation to educate everybody in America if we possibly can. This legislation would do it. We should pass it.

Mr. KILDEE. Mr. Speaker, I yield 3 minutes to the gentlewoman from Michigan (Ms. RIVERS).

Ms. RIVERS. Mr. Speaker, Clement Atlee once said, ''Democracy means government by discussion, but it is only effective if you can stop people from talking.'' I agree.

Mr. Speaker, it is time to stop talking about special education funding. It is time to do something.

In 1972, the Federal Government did the right thing by enacting a national guarantee for education for special needs children. Before this action, far too many handicapped children never saw the inside of a schoolhouse.

As someone who served on a local board of education for nearly a decade, I know the positive impact of the Individuals with Disabilities Education Act. But as someone who struggled to pass local school district budgets, I also know that the Federal Government has never come close to funding at the promised level of 40 percent. In fact, it has been mentioned before, we barely reached 12 percent. In fact, the National Association of State Boards of Education point out that underfunding since the day the bill was passed totals $146 billion that was promised to local public schools over the last 22 years that was never delivered upon.

Schools need real help, not rhetorical soothing, real help. This proposal, the one we have before us, will not do anything. It is a sense of Congress, an opinion without the force of law. A sense of Congress will not pay teachers' salaries. It will not buy textbooks. It will not put school buses on the street. In short, it will not address any of the very real financial pressures facing America's schools every day.

This has been an issue for me from the beginning of my time in Congress. I have introduced bills and amendments to fully fund IDEA to the promised 40 percent. It is highly ironic to me that those proposals have repeatedly been voted down or tabled, in some cases, by Members who are today promoting what is no more than a reaffirmation of the 1972 promise.

Someone mentioned earlier, where is the real bill? Here is the real bill. I will soon be introducing this bill to fund IDEA at the promised 40 percent. I would invite every Member who has taken to the floor today to talk about the importance of meeting this obligation to actually act and become a cosponsor. I would invite all Members who recognize the value of IDEA and the value of keeping promises to join me in cosponsoring this bill.

This is real action, not soothing rhetoric, real action. Mr. Speaker, it is time to stop talking about special education.

Mr. GOODLING. Mr. Speaker, I yield 30 seconds to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I am pleased to rise in support of this measure. I commend the gentleman from Pennsylvania, the chairman of the Committee on Education and the Workforce, in his efforts to obtain full funding for individuals with disabilities.

In adopting this measure back in 1975, IDEA, Congress required the Federal, State and local governments to share the cost of educating children with disabilities. When enacted, the Federal Government was to assume 40 percent of the national average per pupil. It was never done. We need to fund this properly. We are only funding it for 11 percent this year. It is time we acted. I urge my colleagues to support this measure.

Mr. Speaker. I rise today in support of H. Con. Res. 84 and I commend the gentleman from Pennsylvania, the Chairman of the Education and Workforce Committee, Mr. GOODLING and his efforts to obtain full funding for the individuals With Disabilities Act (IDEA).

In adopting IDEA in 1975, Congress required the Federal, State and local governments to share the cost of educating children with disabilities. When enacted, the Federal Government was to assume 40 percent of the national average per pupil expense for such children.

While Congress has authorized this amount since 1982, the appropriation has never come close to the stated goal of 40 percent. Last year, it reached the highest level ever at 12 percent and now the President has requested that the program be cut to 11 percent for fiscal year 2000.

The result has been an enormous unfunded mandate on State and local school systems to absorb the cost of educating students with disabilities. In doing so, local school districts must divert funding away form other students and education activities. This has had the unfortunate effect of draining school budgets, decreasing the quality of education and unfairly burdening the taxpayers. Local school districts are spending as much as 20 percent of their budgets to fund IDEA.

Since 1995, educational funding levels have jumped 85 percent and have demonstrated Congress' commitment to help States and local school districts provide public education to children with disabilities. It is now time for this Congress to make good on its promise to fully fund IDEA at 40 percent. We can no longer let the States try to make up the difference between the funds they have been promised and the funds that they actually receive.

In my district, the schools are definitely feeling the negative effects of the lack of IDEA funding. East Ramapo School District in Rockland County should receive $2.04 million for IDEA but according to 1995 figures, they only saw $398,000. That is a difference of $1.6 million. Similarly, the Middletown City School District in Orange County was expecting $1.6 million but actually only saw $316,000. A difference of $1.3 million.

Mr. Speaker, it is time for the Congress to show that they are truly committed to our Nation's children's education. By fully funding IDEA, Congress will simultaneously ease the burden on local school budgets while ensuring that students with disabilities receive the same quality of education as their nondisabled counterparts.

Once the Federal Government begins to pay its fair share, local funds will be available for school districts to hire more teachers, reduce class size, invest in technology and even lower local property taxes for our constituents.

I proudly stand here today in support of H. Con. Res. 84 and I hope that this Congress will keep its word and fully fund the Individuals With Disability Act.

Mr. KILDEE. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. TIERNEY), a member of the committee.

Mr. TIERNEY. Mr. Speaker, I thank the gentleman from Michigan for yielding me this time.

I want to thank the gentleman from Pennsylvania (Mr. GOODLING), the gentleman from Michigan (Mr. KILDEE) and other members of the committee for bringing forth legislation which will in fact put more Federal funding and more emphasis on education. The presentation of this resolution marks an acknowledgment that all aspects of government, Federal, State and local, must step up to the plate and support education.

What is particularly notable is that the majority, which in the past has not been willing to do that, which has in fact been stepping back and saying that the Federal Government should get out of education, now is stepping forward and agreeing with us that, in fact, we all must participate.

The Constitution is what obligates people to fund IDEA. There is not a Federal legislative mandate. The Constitution told States that they have the obligation to fund this program,

and the Federal Government stepped forward and made an offer to assist, and we said we would do it to the extent that we could, hopefully up to 40 percent.

We are moving toward that goal. This resolution entitles us to move even more so forward. But in no way should we be pitting one education program against another. We still need more teachers and smaller classrooms. We need more technology. And we need more teacher development. We need to make sure that we do this.

I thank the chairman for accepting the language into this bill that says that local communities that have funds freed up by virtue of additional Federal funding must keep that money in educational programs so that in fact Federal, State and local governments all participate in smaller classrooms, more teachers, teacher development, technology and all the needs of education.

□ 1445

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I can only say it was awful lonely for 20 years in the minority trying to get some funding for IDEA.

Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. MCKEON), another subcommittee chair.

Mr. MCKEON. Mr. Speaker I would like to join my colleagues in support of H. Con. Res. 84 which calls on the President and Congress to fulfill our obligation to our Nation's neediest children, those with disabilities.

In my home State of California, the cost of educating an estimated 600,000 children with disabilities is a staggering $3.4 billion, but the Federal Government contributes only $400 million, which translates to only 11.7 percent of the total cost. I believe before we look at creating new programs with new Washington mandates we need to ensure that the Federal Government lives up to the promises it made to the students, parents and schools over 2 decades ago.

Mr. Speaker, I am not the only one who thinks so. I recently met with all of the superintendents in my district. Each and every one of them stated that we must increase funding for IDEA before we create a new Federal program. If the President would first fund a special education mandate, our States and local school districts would have the funds to do the things the President proposes.

This Congress will continue to work to provide fair Federal funding for special education so in the end we can improve education for all our children, Mr. Speaker.

Mr. GOODLING. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. BALLENGER), another subcommittee chair.

Mr. BALLENGER. Mr. Speaker, in our markup we heard from the Democrats that this bill, if enacted, would rob Peter to pay Paul. A more accurate way for the Democrats to look at this resolution is from the perspective of paying what we promised Paul before we begin to give new money and make other promises to Peter. We simply cannot neglect the fact that we promised to help pay for the education of these special-needs children and put scarce funds into other programs that do not have the same mandate.

It is also important to note that if the Federal Government had begun funding IDEA appropriately, schools would have more State and local money freed up to handle local school demands like teacher/pupil ratios and school construction.

Mr. KILDEE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. MARTINEZ), a member of the committee.

Mr. MARTINEZ. Mr. Speaker, as my colleagues know, I was listening to the debate, and I had not really planned to speak on this, but I think we lose touch with reality here.

Now the reality is that the responsibility for educating these children is really not the Federal Government's; it is the local school district's responsibility.

The reason that the Federal Government got into it at all was because there was a court case brought that proved that the local people were not educating those children with disabilities because it was so much more expensive to do so.

Now I understand that. So when the Federal Government got into it, they made a commitment that they would fund 40 percent of that extra cost of educating these children with disabilities. I do not like to call it disabilities; I think it is more challenges to them. It is disabilities in our mind, Mr. Speaker.

But the fact is that when we did, we made that commitment, and, like a lot of people here, I have felt badly that we have never lived up to that commitment. But we never lived up to the commitment of full funding Head Start or full funding a lot of other programs that are doing equally responsible jobs.

But remember this, that the responsibility for educating children lies at the local level. Our colleagues on the other side constantly remind us of that, that that responsibility lies there so the decisions should be made there. So how about the decisions to funding the cost of educating these children? They did not want to make that decision, so we made it for them. We said that they will educate those children.

Then I think magnanimously we offered to fund 40 percent of it. Now all of a sudden that becomes a burden to us. Not that I disagree with the fact that we ought to live up to that commitment because we made it; because we do not want to be people who go back on promises as elected officials and leaders of the communities.

So, Mr. Speaker, I agree with the idea, and I will vote for the resolution, but I am really disturbed by the constant reference to the fact that somehow or another this is the Federal government's responsibility. It is a responsibility the government has accepted for itself, but originally it was not. It was local.

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

Correcting the facts, yes, the court said all will be educated. However the Federal Government said: Do it our way and we will give you 40 percent of excess costs.

Mr. Speaker, I yield 1 minute to the gentleman from New Hampshire (Mr. BASS).

Mr. BASS. Mr. Speaker, I rise in support of the resolution before us today which is essentially the same as one which I introduced last year which passed by voice vote, and I certainly hope we have a recorded vote on this resolution this time, and I would like to say that I support it for four reasons:

Number one, it is plain good education policy to provide full funding for special education.

Secondly, it is meeting the worst unfunded federal mandate that this government currently has, 10 percent of a 40 percent obligation. Bearing in mind that it is up from 5 percent 4 years ago, still 10 percent is not acceptable.

Thirdly, it is an issue of local control, local control of education, letting local school boards make decisions for themselves whether they are going to have new teachers, build new classrooms or spend the money on other areas. The Federal Government should make this a top priority.

Lastly, this is an issue that is extremely important for disabled individuals, for families, for school boards, for administrators.

If my colleagues want to do something for education in 1999, support this resolution, and then move forward and fully fund special education.

Mr. KILDEE. Mr. Speaker, I yield 3 minutes to the gentleman from Maine (Mr. BALDACCI).

Mr. BALDACCI. Mr. Speaker, I want to thank the ranking member and the chairman for bringing this resolution to the floor.

I am a strong supporter of the Individuals with Disability Education Act or IDEA. I strongly agree that every child deserves the opportunity to benefit from a public education. We must do all that we can to ensure that every child reaches his or her fullest potential, but we also must recognize the tremendous cost of this endeavor.

In fact, the cost of educating a disabled student is on average more than

twice the cost of educating a nondisabled student. If our schools are truly to serve all students, the Federal Government must increase its commitment to IDEA funding.

When it was first passed, Congress committed to spending 40 percent of the cost. However, the Federal Government has consistently fallen far short of this goal. As a result, special education costs continue to rise, and we fall further behind. Currently we fund less than 12 percent of the cost, leaving State and local governments to pick up the rest.

Mr. Speaker, this resolution demonstrates Congress' commitment to stand behind our promise. It shows that we recognize the impact that special education costs are having on our State and local budgets and that we are committed to providing leadership and resources for our schools and their students.

Let me give my colleagues just one example of a city in Maine. Lewiston schools currently receive about $233,000 in special education funding. If we were meeting our 40 percent commitment currently, Lewiston schools would be receiving nearly $1.2 million, a difference of $1 million. Imagine the impact that freeing up $1 million for other educational needs could have on the education of all of Lewiston's young people, and then multiply that across every school and every district in the State of Maine, in every school district in the country.

As I traveled throughout my district, this is probably the concern I hear most frequently:

School budgets are rising and taking property tax rates with them.

I am often told that schools have to cut art and music programs, eliminate field trips and cancel extracurricula. I know that this situation is the same throughout the country

Mr. GOODLING. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Speaker, I thank the gentleman for yielding this time to me, and I thank him for his leadership on IDEA and for his help to our States and the children that they are trying to educate.

Mr. Speaker I have spoken with our Governor, Christie Todd Whitman, in New Jersey about what fully funding IDEA would mean to my State.

In New Jersey alone there are over 210,000 students in special education programs. According to our Governor, if the Federal Government paid its full 40 percent share last year, the State would have received an additional $300 million to pay for these children's education.

Our States are paying too great of an amount of our government's legal obligation to IDEA with money that otherwise could be spent to hire additional teachers, expand or maintain school facilities, pay for athletics or extracurricular activities. Mr. Speaker, until we pay our existing mandates, we should not consider paying for any new and expensive programs, any new entitlements.

I support this resolution, and I urge all of my colleagues to do the same.

Mr. GOODLING. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. NUSSLE).

Mr. NUSSLE. Mr. Speaker, I thank the gentleman for yielding this time to me, and I want to thank him and the committee for their support and for their work toward the fulfillment of a commitment that has been made by the Federal Government to fully fund special education made many years ago. It was a beautiful civil rights law saying every child ought to have access to education, and yet that beautiful law has been consistently underfunded ever since.

Mr. Speaker, that puts pressure on local taxes, that puts pressure on local control of education. It puts pressure on local control, it puts pressure on other education programs, general education programs, talented and gifted programs, and it puts cross pressure in a way that is totally unintended for the very people that we are trying to help.

For Iowa alone it would mean $80 million of additional funds for the kids, for the programs that make sure that Iowa's children are available and ready to learn, ready to meet the commitments of a continuing and growing economic demands for those kids, Mr. Speaker.

Let us not have new programs, Mr. Speaker. Let us fulfill our commitment to the existing programs first.

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, what we have before us today is really a get well card, and it is a very nice get well card.

If I have a friend who is ill, I will send my friend a get well card, and that is very important. It expresses my sentiment and my hope for him. But what my friend really needs, besides that get well card, is the Blue Cross card to pay the bills, and that is why the Committee on the Budget and Committee on Appropriations could do a much better job. Mr. Speaker, we will solicit our colleagues' support over there to get money for that Blue Cross card, send a get well card which is nice, but it does not do enough.

So I am going to vote for this because it is an encouraging, hopeful get well card. But upon receipt of that we must do more, and I would hope that each and every one of my colleagues over there would encourage the Committee on the Budget, encourage the Committee on Appropriations and indeed encourage the Committee on Ways and Means to do its job.

Mr. NUSSLE. Mr. Speaker, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from Iowa.

Mr. NUSSLE. Mr. Speaker, is the gentleman from Michigan aware that the Committee on the Budget put an extra billion dollars in the House proposal for special education this year to fund IDEA? I do not know if the gentleman voted for that, but that was an important priority from the Committee on the Budget. We did hear that. We were not trying to send just a get well card. We wanted to try and fully fund those programs, and we did not get a lot of support from the gentleman's side. That concerns us.

Mr. KILDEE. Mr. Speaker, to the gentleman from Iowa: I served on the Committee on the Budget very well. I know how the Committee on the Budget relates to the Committee on Appropriations. I referred to three committees. The real legislative committees here are the Committee on Appropriations and the Committee on Ways and Means, and they hold in their hands really the hope for any of these programs. If the Committee on Ways and Means cuts revenue, that makes it more difficult for us to fund these programs. Unless the Committee on Appropriations acts, these funds will not be appropriated.

So they are the ones who really control that Blue Cross card we are debating.

Mr. ROEMER. Mr. Speaker, will the gentleman yield?

Mr. KILDEE. I yield to the gentleman from Indiana.

Mr. ROEMER. Mr. Speaker, I think the gentleman from Michigan in trying to answer the inquiry from the gentleman from Iowa is also saying that we have a billion dollars in our budget and we are really concerned about these physically challenged kids and their families, where is the bill? Where is the beef? Where is the money?

Now we are going to vote on this side for this resolution, but where is the bill, the statutory authority, to follow through on what they said in their budget to provide funds for these families and these children?

□ 1500

We are going to get a Pell grant resolution, which I intend to vote for. We will do a resolution maybe on our teachers, which I intend to vote for, but I would hope that the Republican majority would come forward with a bill that we can debate that is fairly paid for and not just a resolution that does not have any money in it.

Mr. GOODLING. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I will say where the beef is. The beef is where we put it the last 3 years while we were in the majority. $800 million one year, $600 million the next year, another $500 million the next year for a total of almost $2 billion over 3 years, not where it was

for 20 years prior to that when I sat in the minority where we got zero, zero, zero and the majority was overwhelming at that particular time.

So we are putting the beef there. We know where the beef is, and we are getting it there, and we are getting it out to the children who can eat that beef.

Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. FORBES).

Mr. FORBES. Mr. Speaker, I rise in support of H. Con. Res. 84; and I would reiterate what the chairman has just said. Under the Democrats, we did not get any increases in this program, a valuable program that is working. It is working in this country. And I appreciate the leadership of the chairman in the last 25 years trying to raise the consciousness of this Congress to adequately fund this program.

We are asking our States to come up with better standards for our students, and they are doing that. In my own State of New York, they have raised the standards, which were already high standards.

Where are they getting the money? Where are they going to get the money? In New York State alone, we are $581 million short of this Federal mandate. This Federal mandate is asking my school districts to come up with the extra money. And who pays? The property taxpayer.

This is a Federal mandate. It should be fully funded at the 40 percent that Congress dictated over 25 years ago. In my own Longwood School District on Long Island, New York, in Middle Island they get $484,000 when they should be getting $2.4 million; $1.9 million short. I urge support.

Mr. GOODLING. Mr. Speaker, I yield 30 seconds to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Speaker, I rise today as an original cosponsor of H. Con. Res. 84 which would make fully funding special education one of the highest priorities in the Federal elementary and secondary education funding. It is imperative that we meet the objective of paying the 40 percent of the average per pupil expenses associated with educating children with disabilities.

I encourage all my colleagues on both sides of the aisle to not only support this resolution but as well to vote for the funding when we do the appropriations bills.

Mr. GOODLING. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Mrs. BIGGERT).

Mrs. BIGGERT. Mr. Speaker, I rise in support of the resolution of the gentleman from Pennsylvania (Chairman GOODLING).

In 1975, IDEA, which mandated every child, regardless of disability, would be given a free public education, Congress promised to fund up to 40 percent of the cost. Mr. Speaker, Congress and the President have not kept their part of the bargain. Today we fund 12 percent of the cost to educate children. Twelve percent is not 40 percent. Twelve percent is not enough.

Mr. Speaker, there are those who would say that increased IDEA funding will come at the expense of other high-priority programs, but if we in Congress fulfill our promise by picking up the slack, these other educational priorities will be funded on the local level, where they belong. Illinois alone would receive four times more than the $103 million we received last year.

I urge Members to support the resolution on behalf all of our Nation's children.

Mr. GOODLING. Mr. Speaker, I yield myself such time as I may consume.

The beauty of this resolution is, there are several, as a matter of fact. First of all, the resolution says that we do not take money from existing programs to fund this program. We heard a lot about how we will take money from existing programs to fund this. Well, if one reads the resolution, it does not do that.

Secondly, the resolution does not say fund immediately. What it says is, continue the drive that we have had the last 3 years. Forget the 20 years prior to that, where nothing was done, but continue the drive that we have had going the last 3 years, getting two billion over the last 3 years.

Then the beauty also is we do not pit one child against another child. As a matter of fact, by trying to get this money for special ed, we make sure that we take away that battle that is going on out there at the present time because the local districts have to use their money in order to fund special ed. They must take it away from other students. So we are giving an opportunity to help all students.

Yes, we are sending a get-well card, the same get-well card we sent last year; and that get-well card got us a half a billion dollars. The same get-well card we sent the year before, that get-well card got us $600 million. I am hoping that this get-well card, when the appropriators read it, will also get us another billion.

I would say that is a pretty good investment in a get-well card. I wish I could get some other get-well cards going out there that could get those kinds of returns that our get-well cards have gotten us in the last several years.

I want to make sure that everybody understands, yes, it was the Court who determined all children deserved an equal and a quality education. It was the Federal Government then who came along, as they generally do, and said, do it our way, do it our way, and we will give you 40 percent of that excess cost.

How attractive that is. Forty percent, that is better than trying to go it alone, but they should have known better. They should have known that that 40 percent was just a gimmick. It was not anything else.

Now, in the last 3 years we have changed all of that, and we are going to continue to change all of that because we are going to step up to the plate as we have the last 3 years and put our money where our mouth was and help all children by helping local districts fund special education.

Mr. PAUL. Mr. Speaker, I appreciate the opportunity to express my opposition to H. Con. Res. 84, the resolution calling for full-funding of the Individuals with Disabilities Act (IDEA). My opposition to this act should in no way be interpreted as opposition to increased spending on education. However, the way to accomplish this worthy goal is to allow parents greater control over education resources by cutting taxes, thus allowing parents to devote more of their resources to educating their children in such a manner as they see fit. Massive tax cuts for the American family, not increased spending on federal programs should be this Congress' top priority.

The drafters of this bill claim that increasing federal spending on IDEA will allow local school districts to spend more money on other educational priorities. However, because an increase in federal funding will come from the same taxpayers who currently fund the IDEA mandate at the state and local level, increasing federal IDEA funding will not necessarily result in a net increase of education funds available for other programs. In fact, the only way to combine full federal funding of IDEA with an increase in expenditures on other programs by state and localities is through massive tax increases at the federal, state, and/or local level!

This bill further assures that control over the education dollar will remain centered in Washington by calling for Congress to ''meet the commitment to fund existing Federal education programs.'' Thus, this bill not only calls on Congress to increase funding for IDEA, it also calls on Congress to not cut funds for any program favored by Congress. The practical effect of this bill is to place yet another obstacle in the road of fulfilling Congress' constitutional mandate to put control of education back into the hands of the people.

Rather than increasing federal spending, Congress should focus on returning control over education to the American people by enacting the Family Education Freedom Act (H.R. 935), which provides parents with a $3,000 per child tax credit to pay for K–12 education expenses. Passage of this act would especially benefit parents whose children have learning disabilities as those parents have the greatest need to devote a large portion of their income toward their child's education.

The Family Education Freedom Act will allow parents to develop an individualized education plan that will meet the needs of their own child. Each child is a unique person and we must seriously consider whether disabled children's special needs can be best met by parents, working with local educators, free from interference from Washington or federal educrats. After all, an increase in expenditures cannot make a Washington bureaucrat

know or love a child as much as that child's parent.

It is time for Congress to restore control over education to the American people. The only way to accomplish this goal is to defund education programs that allow federal bureaucrats to control America's schools. Therefore, I call on my colleagues to reject H. Con. Res. 84 and instead join my efforts to pass the Family Education Freedom Act. If Congress gets Washington off the backs and out of the pocketbooks of parents, American children will be better off.

Mrs. FOWLER. Mr. Speaker, I rise in strong support of this resolution urging Congress, and the President, to fully fund the Federal Government's obligation under the Individuals with Disabilities Education Act.

In 1975 the Federal Government committed to provide 40 percent funding aid for the mandate to educate those students with disabilities. As most of my colleagues know, federal funding for IDEA has never risen above 12 percent.

On average, local school districts currently spend 20 percent of their budgets on special education services. Once the Federal government begins to pay its fair share, local funds will be freed up, allowing local schools to hire and train additional high-quality teachers, reduce class size, build and renovate classrooms and invest in technology.

In my district, the Duval County School District receives about $7 million. If IDEA were fully funded, this school district would receive over $37 million, an increase of over $30 million.

It is time for us to send a clear message that the Federal government must honor our commitments to help our state and local school districts educate children with disabilities.

I urge my colleagues to support this important resolution.

Mrs. CAPPS. Mr. Speaker, I rise in support of the Individuals with Disabilities Education Act.

When special education legislation was first enacted in 1975, the federal government, recognizing the extraordinary costs of inclusion, pledged to provide state and local education agencies with forty percent of the excess costs associated with educating students with disabilities.

Sadly, the federal government has not come close to meeting this obligation, with annual appropriations never exceeding twelve percent of excess costs.

The chronic underpayment of this federal mandate has left state and local governments with a burden of more than $146 billion in lost funding over the past twenty-two years—a staggering shortfall that has forced education agencies to shift resources our of lower-priority, but important necessities such as building maintenance and upkeep.

Special education departments end up eating large portions of local and state school budgets, which creates a competitive relationship between regular and special education, as they vie for the same scarce funds. This situation is not the fault of school districts, but a direct result of Congress's inadequate funding of IDEA.

Special education has received a billion dollar increase over the past two years. Yet even with this substantial increase, funding is still substantially below Congress's 40 percent promise. This means that states and districts will continue to be unfairly burdened by these excess costs.

Congress is simply being unfair to our local school districts by not living up to our end of this bargain and we are taking needed resources away from regular education.

I hope the Congress will live up to its obligation, and fully fund IDEA. If we do not, all students across this country will suffer.

Mr. CLAY. Mr. Speaker, H. Con. Res. 84 calls for increased funding for IDEA at the expense of initiatives like the Clinton/Clay Class Size Reduction Act. While I support increased funding for IDEA, we should not be robbing Peter to pay Paul.

Achieving the goal of 100,000 new teachers will ensure that every child receives personal attention, gets a solid foundation for further learning, and is prepared to read by the end of the third grade.

I am disappointed that the Republicans have continued their attempt to torpedo this critical program. On the Ed-Flex bill, Republicans tried to raid class size funds for other programs. We should never pit one program against another—we should support overall increases in education spending.

I believe that reducing class sizes with well-qualified teachers is the single most significant action we can take to enhance student achievement.

We should increase funding for IDEA, but not at the expense of class size reduction.

Mr. RODRIGUEZ. Mr. Speaker, I rise in support of this resolution to fully fund the Individuals with Disabilities Education Act (IDEA).

IDEA ensures that all children with disabilities receive a free appropriate public education. Prior to IDEA, 2 million children were excluded from receiving their right to a public education. Another 2.5 million children received an inadequate education.

IDEA has served as a civil rights initiative for our Nation's children for more than 22 years.

Fully funding this educational program is important to the millions of learning disabled students in our districts across the country. It is important to our communities that benefit from the achievement level of all these students.

IDEA is another example of how government support of an educational program provides the foundation for states and local educational agencies to work together. Funding this initiative for the sake of our children is important for the future success of our schools and communities.

In addition to fully funding IDEA, Congress should also better fund other educational programs that are seriously underfunded. For example, consider Hispanic Serving Institutions (HSI's).

We have charged these institutions with ensuring the academic success of the Hispanic students that are at their institutions. Similar to IDEA, these institutions cannot fulfill their duty to the students and the community at large without adequate funding.

The funding of IDEA is critical along with the funding of all our education programs that aim to serve every child that has the right to fair, and equitable access to a quality education.

Ms. ESHOO. Mr. Speaker, I rise today to highlight one of the most important issues for our nation: educating our young people. Everyone agrees that a good education is critical for the future success of our children, and yet are not providing the financial resources that make this possible. This is especially true for the education of children with disabilities.

School districts are struggling with how to provide the best education possible for all children within often very tightly constrained budgets. I applaud their efforts. In many cases, however, school districts can not reduce class sizes, build needed schools, or hire new teachers while still providing the services so important to students with disabilities. In my home state of California, over 600,000 students receive special education and related services in public schools at a reported cost of $3.4 billion. Without federal assistance, local school districts are forced to use their general funds to the detriment of other programs.

This is not to say that the IDEA hasn't been successful. It has. By providing children with disabilities with the same educational opportunities as their abled peers, we now have a system supporting happier and more productive adults. According to the Department of Education, disabled young people are three times more likely today to attend college than prior to 1975 and twice as many of today's twenty-year olds with disabilities are working. But we must do more to make sure there are more success stories than setbacks.

I applaud my friends on the other side of the aisle for bringing to the floor House Concurrent Resolution 84, which urges the Congress and the President to fully fund the federal Government's obligation under IDEA. This must be more than just words in a Resolution though. I call upon this Congress, this year, to fulfill its pledge for full funding of IDEA. It is time that the federal government make good on its obligation to the school districts and our children across the country.

Mr. GOODLING. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SHIMKUS). The question is on the motion offered by the gentleman from Pennsylvania (Mr. GOODLING) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 84, as amended.

The question was taken.

Mr. GOODLING. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

## GENERAL LEAVE

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Con. Res. 84.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## URGING CONGRESS AND PRESIDENT TO INCREASE FUNDING FOR PELL GRANTS

Mr. MCKEON. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 88) urging the Congress and the President to increase funding for the Pell Grant Program and existing Campus-Based Aid Programs.

The Clerk read as follows:

H. CON. RES. 88

Whereas the Basic Educational Opportunity Grant Program, now known as the Pell Grant Program in honor of Senator Claiborne Pell of Rhode Island, was first authorized in the 1972 amendments to the Higher Education Act of 1965;

Whereas the Pell Grant Program has become the largest need-based Federal higher education scholarship program and is considered the foundation for all Federal student aid;

Whereas the purpose of the program is to assist students from low income families who would not otherwise be financially able to attend a postsecondary institution by providing grants to students to be used to pay the costs of attending the postsecondary institution of their choice;

Whereas in the late 1970's, the Pell Grant covered seventy-five percent of the average cost of attending a public four-year college; by the late 1990's, it only covered thirty-six percent of the cost of attending a public four-year college;

Whereas families across the country are concerned about the rising cost of a college education, and for children from low income families, the cost of college continues to be an overwhelming factor in their decision to forego a college education;

Whereas children from high income families are almost twice as likely to enroll in college as children from low income families;

Whereas higher education promotes economic opportunity for individuals and economic competitiveness for our Nation;

Whereas the Pell Grant and Campus-Based Aid Programs target aid to low income students as effectively as any programs administered by the Federal government; and

Whereas student borrowing to finance a postsecondary education has increased to an average indebtedness of $9,700, and therefore increased grant aid is more important than ever: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring)*, That the Congress and the President, should, working within the constraints of the balanced budget agreement, make student scholarship aid the highest priority for higher education funding by increasing the maximum Pell Grant awarded to low income students by $400 and increasing other existing campus-based aid programs that serve low-income students prior to authorizing or appropriating funds for any new education initiative.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. MCKEON) and the gentleman from California (Mr. MARTINEZ) each will control 20 minutes.

The Chair recognizes the gentleman from California (Mr. MCKEON).

Mr. MCKEON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are considering H. Con. Res. 88, which sets forth specific priorities for higher education funding and proposes that we refrain from creating new education programs until we adequately fund these priorities.

The top funding priority for higher education is the Pell Grant Program, and the goal is to increase the maximum award to students from low-income families to $3,525. This amount represents an increase of $400 to the maximum Pell grant award and would be the largest increase since the inception of the program in 1972.

The resolution also recognizes the importance of providing increased funding for the existing campus-based student aid programs. These need-based programs provide financial aid administrators at colleges across the country with considerable flexibility in the packaging of financial aid awards that best meet the needs of their students.

The Pell Grant Program is one of the largest voucher programs in the country, and it is considered the foundation program for all Federal student aid. Students eligible for a Pell grant can use that money to attend one of almost 6,000 postsecondary institutions in the country.

The Pell Grant Program was created in 1972, and the goal of the program was simple. Congress wanted to assist students from low-income families who would not otherwise be financially able to attend a postsecondary institution.

In the first year of the program, 176,000 students received Pell grant awards. Funding Pell grants at the level set forth in the resolution would make more than 4 million students eligible for Pell grants next year, including an additional 21,000 students in my home State of California.

Ninety percent of the students who will receive a Pell grant come from families with incomes under $30,000, and 54 percent of those students come from families with incomes under $10,000. This is a program that simply continues to serve the vital purpose for which it was originally created.

This is not the first time that we have stated our support for making the Pell Grant Program the top funding priority for higher education. On June 26, 1997, the gentleman from Pennsylvania (Mr. GOODLING), the gentleman from Missouri (Mr. CLAY), the ranking member, the gentleman from Michigan (Mr. KILDEE) and I sent a letter to the gentleman from Illinois (Mr. PORTER) and the gentleman from Wisconsin (Mr. OBEY) that began by saying, we greatly appreciate support for increased funding for the Pell Grant Program, and we believe it should be the top funding priority of all higher education programs.

I continue to believe that the Pell Grant Program should be the top higher education funding priority. I also think a $400 increase to the maximum award is a very reasonable request.

For more than 7 years, the Pell grant maximum fluctuated between $2,300 and $2,400. However, after years of stagnant funding levels, the Committee on Appropriations has shown overwhelming support for the program during the past 3 years by increasing funding for the Pell Grant Program by more than $2.7 billion. Had the administration not cut $250 million from last year's appropriation level for the Pell Grant Program in order to fund its other priorities, we would be well on our way to our goal of a maximum award of $3,525.

In addition to the Pell Grant Program, this resolution supports increased funding for the campus- based student aid programs. While Pell grants open the door to postsecondary education for many students from low-income families, it is the campus-based programs that provide these same students some degree of choice in selecting a postsecondary institution.

After years of double-digit increases in the cost of a college education, the maximum Pell grant no longer covers a large percentage of the cost of attendance at most public 4-year institutions in the country. However, a Pell grant, coupled with awards from the campus-based program, goes a long way in reducing the amount a student needs to borrow in student loans in order to pay the bills for tuition and room and board.

In closing, I want to address some of the objections I have heard with respect to this resolution. We all know the budget caps are tight, and the Committee on Appropriations will have a difficult time in making funding decisions, but that simply supports getting our priorities on record.

I have copies of testimony submitted to the subcommittee of the gentleman from Illinois (Mr. PORTER) from various higher education organizations, and each one identifies certain funding priorities important to the particular organization. However, there are two consistent messages. The first is strong support for a $400 increase to the maximum Pell grant. The second is strong support for funding proven education programs, rather than creating new ones that take money away from the existing programs.

Finally, do not misread this resolution. It does not say only fund Pell in the campus-based programs. It does not say that we should cut the class size teacher program. Unlike the President's budget that cuts several existing programs, including the Pell appropriation, impact aid, the Title VI block grant and others, this resolution does not propose cuts to existing programs.

□ 1515

This resolution simply establishes funding priorities for higher education. We have many higher education programs that have been in existence a long time and serve students well, such as the TRIO programs, Graduate Assistance in Areas of National Need, Institutional Aid programs under Title

III, and many others. We reauthorized these programs last year, and we support their continued funding.

Mr. Speaker, I want to thank the following associations and organizations that have given their support for this resolution, including the American Association of Community Colleges, the American Association of State Colleges and Universities, the United States Student Association, the Career College Association, the American Council on Education, the National Association of Independent Colleges and Universities, the U.S. Public Interest Research Group, the National Association of Student Financial Aid Administrators, the Coalition of Higher Education Organizations, the Association of American Universities, the National Association of State Universities and Land-Grant Colleges, and finally, the Association of Jesuit Colleges and Universities.

Mr. Speaker, I urge all my colleagues to support this resolution and the higher education funding priorities it establishes for the Congress and the President.

Mr. Speaker, I reserve the balance of my time.

Mr. MARTINEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise reluctantly today in opposition to House Concurrent Resolution 88.

I want to be very clear that I do support the priority for Pell Grant and campus-based student aid programs. However, specifically, I oppose the last 12 words of this resolution, which I believe are not only unnecessary to the intent of the resolution, but have the potential to tie the hands of Congress in our ability to help the children of this country.

Were we not considering this resolution under a suspension of the rules, I would have offered an amendment to strike those 12 words, as I did during the committee markup, which would allow, if we did strike those 12 words, it would allow myself and I daresay all of my colleagues on this side of the aisle to lend wholehearted support to this resolution. Members may get support from some of the Members on our side because those Members would not want to be on record as seeming to vote against Pell Grants, but they would not get their unconditional support.

I would stress that my colleagues and I are not opposed to establishing the Pell Grant and campus-based student aid programs as a funding priority. On the contrary, over the past years we have always supported Pell Grants and the increase in Pell Grants and campus-based student aid programs.

As a matter of fact, on the other side of the aisle, until recently they did not. But we, as a matter of fact, are delighted to see that our colleagues on that side are taking so much of an interest in these programs that have provided millions of low-income students with an opportunity to pursue higher education.

On this side of the aisle, we have always believed that providing an opportunity to less fortunate people of our country is a paramount responsibility of the government. The Pell Grant program has provided millions of low-income students with the opportunity to pursue their higher education dreams and goals.

Moreover, I firmly believe that my good friend, the gentleman from California (Mr. MCKEON), the sponsor of this resolution, is sincere in his desire to expand opportunity to millions of other struggling students. I sincerely regret that I cannot join him in supporting this resolution.

As I stated, my concern surrounding the resolution are the last 12 words, which call for the funding of Pell Grants and campus-based aid programs, and I quote, ''prior to authorizing or appropriating funds for any new education initiative.''

Earlier, my colleague said that it does not cut other programs, but it does prevent other programs from being funded. Although I understand and agree with my colleague and his desire to fund existing programs that work before we create and fund new programs, I am concerned that the language in this resolution is ambiguous and may tie our hands and our ability to help the children of our country.

The problem, as I see it, is that House Concurrent Resolution 88 fails to define the term ''new education initiative,'' and leaves open the question of how it might affect the future work of this Congress.

For instance, is the class size reduction initiative, which, although currently authorized for only 1 year, is in full swing in many of the States, is that a new program? Is the Reading Excellence Act which was just passed last year a new program?

Also created last year was Gear Up, a program that, like Pell and the campus-based aid programs, would allow millions of low-income students to attend college. Will it be considered a new program?

If in the course of reauthorizing ESEA we decide to consolidate several existing professional development programs into a larger, more effective professional development initiative, will it be considered a new program and therefore go unfunded?

If we develop a program to address school violence like that which took place in Littleton, Colorado, will it be considered a new program and be denied funding?

To avoid these pitfalls, during committee mark-up I mentioned that the Senate is currently considering a similar resolution which has bipartisan support, and I offered that as a substitute to this resolution.

Like House Concurrent Resolution 88, the resolution currently being considered by the Senate acknowledges the importance of Pell and campus-based student aid programs, and urges the Congress and the President to make them a funding priority. However, the Senate resolution refrains from bolstering students' aid at the possible expense of other programs. Senate Concurrent Resolution 828 is identical to this resolution except that it does not contain those last 12 words.

The language in the Senate resolution would have allowed us to recognize Pell and campus-based aid as educational priorities without denying the importance of existing programs or the potential importance of programs that may come out of the reauthorization of ESEA.

I regret that I did not have the opportunity to offer that amendment here today. I regret that, as a result of that, I will not be able to support this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. MCKEON. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I am pleased to rise to express strong support for the House Concurrent Resolution 88 urging both the President and Congress to increase Pell Grants for low-income students, and I commend the gentleman from California (Mr. MCKEON), the sponsor of this measure, for bringing it to the floor at this time.

Because the Pell Grant is basis for all Federal student aid, and the amount of aid needed to cover the ever-rising cost of higher education is increasing, it is imperative we make students' scholarship aid a high priority.

In the ever-increasing global market, our Nation must make sure that it maintains its leading role. Therefore, now more than ever we must guarantee that our students are well-prepared to compete against their counterparts from all over the world. Education is the only way that we can ensure a strong future for America's children, and increasing Pell Grant awards is one way we can begin to achieve that goal.

Accordingly, I urge our colleagues to fully support this measure.

Mr. MARTINEZ. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. GEORGE MILLER).

Mr. GEORGE MILLER of California. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of both of these resolutions. Unfortunately, I was detained and was not able to come over and speak on behalf of the full funding for IDEA.

But first let me say, on the Pell Grants, I strongly support increasing the Pell Grant program. As outlined by a couple of the speakers already, clearly as the cost of college continues to accelerate, we find that we are covering a much smaller percentage of that with the existing Pell Grants than we had previously. Previously we covered about 72 percent of the average costs. Now we are in the position of covering about 34 percent of that.

As a result of that, many young students from low-income families who have worked very hard in high school to get the grades in order to do the work required and to be accepted to college find out that economics now stand in the way of them achieving that education.

We should not allow that to happen, because we obviously have an economy that needs the contributions of all of these young people to our economic system. For that reason, I join the bipartisan support for the increase in the Pell Grant.

I am concerned, as the gentleman from California (Mr. MARTINEZ) pointed out, exactly the meaning of those words at the end of the legislation, because we know that there is a great deal of concern that this would take precedence over the class size reduction money, since that in fact is not an authorized program and needs authorization. And if it were to take place after the passage of this resolution, would that knock it out of the box?

We know that class size reduction, as we just found out last week with the Tennessee study, is starting to have some important positive impacts on young people, when coupled with qualified teachers. So I think the concern is quite proper that the gentleman from California (Mr. MARTINEZ) has raised about that. But since I think we will get a second shot at that in our authorizations, I am prepared to support the full funding.

On the question of the IDEA funding, I am deeply concerned about the suggestion that to be for full funding of education for individuals with disabilities, that therefore somehow we have to cut other worthy programs in the education field, because we know that it sets up a false choice between programs like Head Start or America Reads, all of which work to help kids become school-ready, to help them become ready to read and to participate in schools.

While fully supporting the idea of full funding for IDEA, I wish that the Republicans had not tried to set it up so they could chase away Democratic sponsors of this legislation by suggesting that it has to be done by cutting these other programs.

When we look at the Republican budget that cuts about $1.2 billion below a freeze compared to 1999 in the education field, if we were to fully fund this, we would be talking about a 40 percent cut below the President's education request to fully fund IDEA.

It is interesting to note that the Committee on the Budget, when full funding of IDEA was offered, they voted in lockstep against it, and again in the Committee on Rules would not allow that amendment to be put into consideration, where we could have provided offsets or what have you within the budget resolution.

So I am not sure that this resolution is exactly as it should be, but the fact is we should support the continued increase in appropriations of IDEA funds.

Finally, let me say that time and again it is suggested that somehow the Federal Government is shirking its responsibility when it does not provide all of the funding for IDEA. When we passed that legislation, Republicans and Democrats said that the goal was to provide some 40 percent of the excess costs of providing education for individuals with disabilities.

It continues to remain a goal. It is a goal that we have made great advancements on in the last couple of years. We ought to continue to go after it. But it is not a question of an unfunded Federal mandate. The fact is that this is there because of the United States Constitution.

If we were to repeal IDEA, every State and local education authority would still have the obligation under the Constitution of the United States to educate these children in a free and appropriate education. They could end up picking up 100 percent of the cost.

The Federal Government is trying to do the best it can to help districts with the cost of these educations, but the belief somehow is that this is our duty alone, and in fact the legislation passed last year would allow, unfortunately, schools to withdraw support for IDEA if we hit a Federal threshold, so the same schools who are saying they do not have enough money find out they can in fact withdraw support for this effort.

I think the intent of these resolutions is good and is proper, and both of these programs need increases in funding. The Pell Grant needs an increase in the maximum grant. But I am concerned about some of the nuances that are suggested in these resolutions.

Mr. MCKEON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from California for his support of the resolution. For the record, the President's budget for the year 2000 for education is $65.28 billion. Our budget for the year is $66.35 billion, $1.1 billion more than the President's.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. GOODLING), chairman of the full committee.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding me the time.

There was a time when Pell Grants covered 75 percent of a college education. We are now down to about 36 percent. The good news is, however, we did get a $2.7 billion increase in the last 3 years, so we have billions of dollars available in student aid from the Federal Government to State governments and institutions of higher education, and children from high-income families continue to enroll in college at almost twice the rate of children from low-income families.

For many of the students from low-income families, the cost of college is the overwhelming factor in their decision to forego a college education. In 1997 we supported the enactment of tax credits related to post-secondary education for middle- and upper-income families. At the same time, we voiced strong concern about the need to continue making substantial commitments to the Pell Grant program in order to assist those students from low-income families who would not receive any benefits from the new tax credit.

I mention that because I want to mention now the most unbelievable thing that I think I have heard in my entire time in the Congress. Prior to our mark-up of this resolution in committee last week, a Department of Education official told the Subcommittee on Labor, Health and Human Services of the Committee on Appropriations that a $400 increase to the Pell maximum would not help low-income students all that much, since they would lose their tuition tax breaks.

I want to repeat that, because I know everybody listening will be smart enough, I will not even have to explain how ridiculous it is.

□ 1530

But what he said was that a $400 increase to the Pell maximum would not help low-income students all that much since they would lose their tuition tax breaks.

I can only assume that the administration has forgotten the debate over tax credits and the testimony of college officials and students who all agree that up-front cash assistance such as the Pell Grant program is the most effective form of aid for increasing access to college.

Now, I would also remind that gentleman, and he should not need to be reminded, retroactive tax credits are great for those who have enough money to enroll in college in the first place. But I am sure if he would just look at his statistics, he would discover that 54 percent of the families receiving Pell Grants have incomes under $10,000. What tax credits are they waiting for? What tax credits are they expected to get? Of course, they do not get any. How silly the man could ever make a statement of that nature.

The resolution also expresses support for campus-based student aid programs.

These need-based programs help students pay the bills that are not covered by a $3,000 Pell Grant.

The campus-based student aid programs require institutions to provide matching funds in order to receive funds from the Federal government. The $1.5 billion devoted to the campus-based programs last year leveraged almost $400 million in additional aid to college students across the country.

The Higher Education Amendments of 1998 enacted last fall, streamlined the operation of all these programs in order to make them more effective. More importantly, the formula under which funds are distributed was modified. Under the new formula, any new money provided for the campus-based programs goes to institutions of higher education that serve large populations of students from low-income families who are most in need of financial assistance.

These are fundamentally sound programs that have served our nation's college students will for the past three decades and we should consider them a higher education funding priority.

This resolution does not propose cutting any programs. It does not say that we should not fund other education programs that work. It does not pit one program against another. It simply says that our highest priorities for higher education funding should be the Pell Grant Program and the campus-based aid programs, which have a proven record of success.

I urge my colleagues to support this resolution.

Mr. MARTINEZ. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. ROEMER), a really strong advocate of education.

Mr. ROEMER. Mr. Speaker, I thank the gentleman from California (Mr. MARTINEZ) for yield me this time. I rise to support the intent of the legislation, not particularly the accomplishment of the legislation.

Certainly, the ''whereas'' clauses in this Pell Grant concurrent resolution are very, very strong and language that I agree with, particularly the fact that in the language we talk about being concerned that the impact and the help of the Pell Grant has been sliced in half from the 1970s.

We have gone from providing through a Pell Grant about 76 percent of the cost of education; in the 1990s now, the impact of the Pell grant is about 36 percent of the cost of a 4-year public college. That is slashing in half the impact and the help of the Pell Grant, and we need to do something about that.

I sat on an airline just this past week with a young gentleman from Indiana who was trying to select between Cornell in New York and DePaul in Indiana. The entire rationale for his decision was going to be resting on one part of the economics of a decision between Cornell and DePaul, and that was the financial aid: what Pell Grant, Stafford loan, work study programs could be put together.

So families and students are very concerned about education. But what we need to do, Mr. Speaker, as we show our concern about the declining impact and help of the Pell Grant, is to come up with a piece of legislation, a bill that funds it.

This is a concurrent resolution. It is not signed by the President. It is not an appropriation bill that takes a penny out of the Treasury. It simply conveys the intent of Congress that we would like to see some more money put toward Pell Grant. I think everybody on our side would like to do that. I am sure everybody on the Republican side would like to do that.

But what we need are not unfunded mandates, not unfunded resolutions, but bipartisan solutions to this problem.

Mr. MCKEON. Mr. Speaker, I thank the gentleman from Indiana (Mr. ROEMER) for his support of our intent.

I yield 3 minutes to the gentleman from Nebraska (Mr. BARRETT), a member of the committee.

Mr. BARRETT of Nebraska. Mr. Speaker, I thank the gentleman from California for yielding me this time.

Mr. Speaker, I rise in support of H. Con. Res. 88. This resolution proposes our funding priority should first include programs that work, and Pell Grants do work. We are talking about a program of more than a 25-year track record of success. Pell Grants have offered millions of students the opportunity to pursue a higher education. While opening that door, they help narrow the gap between the rich and the poor and help alleviate the debt burden from young people just starting out in their careers.

Students awarded Pell Grants are among the neediest, and probably would not have attended college without this financial assistance. For example, in the 1995–1996 school year, 54 percent of Pell Grant recipients came from families with incomes of less than $10,000.

We all know that students from middle and high-income families are more likely to attend college, and one reason is that those parents can at least help finance the costs. Students from low-income families do not have that safety net, and Pell Grants help fill that void. At the current level, a Pell Grant on average only covers 36 percent of the cost of college, compared to 77 percent in the 1970s.

The Federal Government also helps students with loans, and thousands of both low and middle-income students finish college each year with loans to pay off. In fact, the average student graduates with more than $9,000 in debt. But low-income students, who have had to finance nearly everything, can face particularly steep debt.

This problem is amplified when considering that often these students choose lower paying but very important jobs like teaching or social work. In these situations, students may be faced with years and years of debt payments. We can lower that hurdle to higher education by not only continuing our strong support for the Pell Grant program, but by also increasing the minimum Pell Grant level.

The current maximum for Pell Grants is $3,125. This resolution suggests a modest $400 increase. The resolution also proposes increasing, within the context of our balanced budget agreement, other aid programs that serve low-income students. Those programs include work study, Supplemental Education Opportunity Grants, and Perkins Loans. Pell Grants, these programs work, and they could be put to much broader use if the funding is increased, and we should aim toward that goal before jumping into new untested education initiatives.

This resolution does not say that we should not fund other higher education programs, and it does not pit one group of students against another. It simply says that the Pell Grant program has worked well, and that by making Pell Grants a priority, we are indeed making education a priority and strengthening our commitment to helping low-income students achieve their potential.

I urge my colleagues to supports H. Con. Res. 88.

Mr. MARTINEZ. Mr. Speaker, I yield 2 minutes to the gentlewoman from the beautiful State of Hawaii (Mrs. MINK).

Mrs. MINK of Hawaii. Mr. Speaker, we have heard previous to this debate a long dissertation about the Federal obligation to fund IDEA. While there is disagreement in terms of how that responsibility has fallen upon the Federal Government, most of us agree that funding for IDEA should be increased.

Now we are discussing another concurrent resolution which has to do with Pell Grants. This I believe is a time when the majority must listen to what they were saying when they debated IDEA.

The authorization language which comes from this august committee calls for a basic funding of Pell Grants. That ought to be interpreted as an obligation which this Congress and this Federal Government is according based upon very severe eligibility standards. Much as we do Medicare, we have eligibility standards and then we decide how much funding that individual should get for Medicare, for hospitalization, for doctor's care, and so forth.

It seems to me that if we are really true to what we are saying on this floor with regard to the importance of funding low-income students, giving them the best opportunity to have a higher education, this Congress ought to fund the complete amount that we authorize for Pell Grants. That is the only way we are going to meet our fundamental responsibility. Let us not talk about just $400 beyond what was authorized

or appropriated last year. We ought to go for the entire amount.

Mr. Speaker, I am introducing a bill today which I ask all of my colleges on both sides of the aisle to cosponsor with me, and that is to make the Pell Grant program an entitlement. Young people ought to know with great assurance that if they meet the criteria for a Pell Grant to go on to higher education, that this Congress is willing to fund it.

So I have created a program which makes it a responsibility for this Congress, for this Federal Government, to treat this program as an entitlement. Every young person ought to have that right to continue on to higher education

Mr. Speaker, I rise today in support of increasing funding for Pell Grants.

There is nothing better we can do for this nation than to improve education, and ensure that all children in all communities across this nation have access to higher education.

Pell Grants were created to provided this access for low-income families. The Pell Grant Program was created in 1972 to assist students from low-income families in obtaining a postsecondary education by meeting at least 75% of a student's cost of attendance. Unfortunately, Congress is not living up to its promise.

In real dollars, the appropriated maximum individual grant, adjusted for inflation, has decreased 4.7% between 1980 and 1998. Considering the exorbitant increases in college costs, the Pell Grant has covered less and less of a student's cost of attendance. In just the last 10 years, total costs at public colleges have increased by 23% and at private colleges by 36%. According to the General Accounting Office, this means that over the last 15 years, tuition at a public 4-year college or university has nearly doubled as a percentage of median household income. All students suffer as a result of these increases; however students from low-income families suffer the most.

The resolution before us calls for an increase of $400 in the maximum Pell Grant awarded to students from low-income families.

Although it is important to raise the maximum Pell Grant awarded, it does not go far enough. We need to guarantee that eligible students are entitled to the maximum amount under the Pell Grant Program. Today, I have introduced legislation that does just that.

My bill will create a contractual obligation on the United States to reimburse institutions that award Pell Grants to its eligible students in the full amount they are entitled to. Simply put, my bill guarantees that an eligible student will receive the maximum award amount she is entitled to. By guaranteeing that eligible students will receive the maximum amount, this bill will make it easier for students from low-income families to get a higher education.

I urge my colleagues to do more than support this resolution, which merely requests a $400 increase in the maximum award allowed. I urge my colleagues to support my legislation which guarantees that eligible students are entitled to the maximum amount authorized under the Pell Grant Program.

Mr. MCKEON. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. BOEHNER), subcommittee chair of the Committee on Education and the Workforce.

Mr. BOEHNER. Mr. Speaker, American students I think are confused about the President's student aid priorities.

On Election Day in 1996 they heard the President proclaim, and I will quote, ''I am proud that we have got the biggest increase in Pell Grants in 20 years, but we must do more. I want to open the doors of college to all Americans; and if you give me 4 more years, that is exactly what I intend to do.''

That was in Lexington, Kentucky. He said the same thing in Cleveland, Santa Barbara, Green Bay, New Orleans, St. Louis, and the Democratic Convention in Chicago.

Many students also heard this ad, run by the President's campaign, and I will quote, ''As a Latino and a student, I know the value of education.'' The ad read in Spanish. ''Under President Clinton, Pell Grants and scholarships were increased. President Clinton wants us to have more opportunities to improve our quality of life. That is why, on November 5, I am going to vote for President Clinton.''

Well, Mr. Speaker, on November 5, that is exactly what a lot of students did. But now the President is singing a different tune. The President is proposing cutting Pell Grant funding by 3 percent; he proposes cutting Perkins Loans by eliminating an adjustment for inflation; and he proposes cutting student loans by $2 billion in favor of a program that makes the Department of Education the country's largest bank, a loan program that is 30 percent more expensive than the private sector program, and that is the program that most universities say that they do not want.

Mr. Speaker, students are confused about the President's student aid priorities, so let us be crystal clear about ours. This resolution sends a clear message that we are serious about funding programs that have been proven to work.

I went to college myself on a program that is now known as the Perkins Loan, and I can tell my colleagues firsthand that these programs do work. But if my colleagues no longer believe that these programs should be our highest priority, then vote ''no'' on this resolution. But do not blame students for being confused about where we stand on these student aid priorities.

Mr. MARTINEZ. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts (Mr. TIERNEY).

Mr. TIERNEY. Mr. Speaker, I am shocked, but pleasantly shocked, pleasantly shocked to hear the other side of the aisle finally stepping up to the plate and saying that rather than shut down the Department of Education, they understand that there is a Federal commitment to do something to raise the level and to raise the bar.

I was listening to the gentlewoman from Hawaii (Mrs. MINK) speak about making Pell Grants an entitlement, and I thought maybe we would need some armed guards over here to stop all of our friends and colleagues from the other side rushing over and signing onto that legislation as cosponsors. But I trust that really will not be a problem.

In fact, I asked some members of the Committee on Education and the Workforce who have been there for quite some time to search back in their historical perspective to see if there ever was an occasion when the current majority proposed more money for Pell Grants, to raise the authorization for Pell Grants, that the Democrats were not first in line to be there and do that. They could remember none.

In fact, I searched for the one bill that has been filed that would, in fact, raise the authorization for Pell Grants to make them worth what they used to be worth when this program was originally adopted, and that is H.R. 959. There were 62 sponsors and cosponsors on that bill, not one Member of the majority party.

So here we are today talking about a resolution. It is Teacher Appreciation Week. All things education are apparently on schedule for all of us. But when the dollar has to stop and the buck has to stop here, Mr. Speaker, let us see how many people on the other side are willing to actually come forward with the money by raising the appropriation level and by raising the authorization level to make Pell Grants really what they should be worth.

Again, I think we are faced here with a potential in this language for pitting program against program. The other side says that is not the case, and we hope it is so. And we are probably all going to vote for this because we want the strong message to continue as we have continuously put it forward, that we need to pay for Pell Grants because that is the best way to fund higher education. We need to raise funds for work study programs. We need to make the interest rates as low as possible for anybody that does have to take a loan.

But, Mr. Speaker, we have to stop making resolutions and feel-good pieces of legislation, move on to bills and acts that actually put our money where our mouth is, and make things happen. We stand ready to do that.

Mr. MCKEON. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. EHLERS), a member of the committee.

Mr. EHLERS. Mr. Speaker, I thank the gentleman from California for yielding me this time.

I have a personal interest in this. The previous speaker wondered why Republicans are supporting this bill, and I can certainly tell him why this Republican is.

□ 1545

When I wanted to go to college, my parents, who were low-income, regretfully told me that they simply did not have the money to support me. They would do what they could, but it was not much, and I would have to earn my own way.

I was not sure I would go to college but, fortunately, I was able to get summer employment in high school and save up enough money for the first year, and so I went off to college. I worked my way through, every cent, every inch of the way. I worked over 25 hours a week during the school year. I worked over 60 hours a week during the summers in order to put myself through college.

I am not saying this to brag, but I simply point out that students cannot do that today, even if they worked 40 hours a week. The costs have gone up too much. I paid $188 a semester for tuition. Today, it is many, many times that.

I am very intimately aware of the concerns and the problems that students have, and I have a special acquaintance with these problems because after going to college I went to graduate school, got a doctorate, and I taught at the University of California for some time and at Calvin College. So I have had experience in both the public and the private sector.

Higher education is expensive, and I am very thankful that the Federal Government has established student loan programs and Pell grants which allows every student today to achieve a college education. We have fallen behind in the amount of money available, particularly for lower income students.

I strongly support this resolution, and I ask this House to support it so that our students, no matter what the income level of the family, are able to go to colleges and universities, achieve a higher education and thereby improve their earning potential throughout their lives, as well as their appreciation of life and all that comes with education.

Mr. MARTINEZ. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. FORD), a member of the committee.

Mr. FORD. Mr. Speaker, I thank the gentleman from California for yielding me this time, and I rise in support of both resolutions we are considering today, both which urge this Congress and the President to fully fund IDEA and the Pell grant Programs before funding any new program.

As a supporter of both these programs, I understand that IDEA provides an education for many American children who would otherwise be denied an education, and the Pell grant has enabled millions of Americans, including my good friend and colleague, the gentleman from Michigan (Mr. EHLERS), to attend college. However, Mr. Speaker, these nonbinding resolutions will not make a dent, really, even with all the flowery and wonderful rhetoric we have heard from both sides today. For we are merely expressing our wishes, merely talking about the problem, but not acting.

I can assure my colleagues that if Democrats were in control of this Chamber, not only would we be talking today, we would be preparing to act. In fact, if we were serious about education, we would probably think about funding the class size reduction program of the President and the gentleman from Missouri (Mr. CLAY).

As the chairman of the full committee and the gentleman from California (Mr. MARTINEZ) both know, in Tennessee, where I am from, a study was just completed to show that small classes in grades K through 3 continue to outperform students in larger classes right through high school graduation.

I know my dear friend, the gentleman from Nebraska (Mr. BARRETT), knows and strongly believes, as I do, that we should support programs that work. This program works.

In addition, our schools are in dire need of modernization. It has been shown that this Federal Government can contribute money to build new prisons and build new roads and build new highways. We have to find the capacity and the courage to build new schools.

Let us stop being the suspension bill and resolution Congress. I say to the other side, let us go to work and do the job the American people pay us $136,500 a year to do. Resolutions, expressing our wishes will not do it. It is time to act. This Congress has failed that test, and we are failing American children in the process.

Mr. MCKEON. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. GARY MILLER), one of our great Members.

Mr. GARY MILLER of California. Mr. Speaker, let me tell my colleagues who is most impacted by the shrinking power of Pell grants: community colleges, junior colleges and the students they serve.

In California, our community college system has 106 campuses, 71 districts and serves 1.5 million students. That is the largest system in the country, dedicated to serving students with incomes below those students who attend our large University of California and California State University systems. They are the ones on the margin who are most impacted by any fee increase or any loss in buying power from the Pell grant.

The Pell grant was created to serve as the foundation of need-based student aid, and it is the single most important program for low-income students served by community colleges.

More and more students are benefiting from Pell grants. In 1973, 176,000 students received Pell grants. Under this resolution, almost 4 million students will receive a Pell grant next year.

Unfortunately, its purchase power has declined by 25 percent over the past 20 years. The President's last budget actually cut current appropriation levels by $250 million in order to fund his new education programs. The most disturbing part is that if the President did not propose cutting the actual appropriations, we would already be funding a $3,325 grant.

Maybe it is the nature of politics to loudly speak in favor of a program when it is new but then take money from it when it is not so new anymore to get credit for creating a new program.

All this resolution does is say that we will appropriately fund the programs that work, instead of taking money from them to create new programs. This resolution does not propose cutting any other program. Unlike the President's budget, we do not propose to cut the Pell grant Program appropriation, Impact Aid, Title VI block grants, or the other programs that are clearly not priorities of the President.

It does not say we should not fund other education programs that do work. It does not aim to pit one group against another. It simply says our highest priority for higher education funding should be the Pell Grant and Campus-Based Aid Programs, which have a proven success record.

If my colleagues do not believe that the Pell grant and Campus-Based Aid Programs work and should be our highest priority, then I urge them to vote ''no'' on this resolution. But I would urge my colleagues to support this program. It supports those low-income students who mostly need our help.

I urge my colleagues to: support existing programs before rushing to fund a new fad; support those lower income students who benefit from the Pell Grant Program, and support community colleges and colleges in your communities.

I urge my colleagues to support this common sense resolution.

Mr. MARTINEZ. Mr. Speaker, might I inquire how much time we have remaining?

The SPEAKER pro tempore (Mr. SHIMKUS). The gentleman from California (Mr. MARTINEZ) has 1½ minutes remaining, and the gentleman from California (Mr. MCKEON) has 1 minute remaining.

Mr. MARTINEZ. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, in closing, I just want to say we are not worried about pitting

Pell grants and Campus-Based Student Aid against other programs that have long been in existence and have long proven themselves to be worthy of funding. That is not the question. The question is, are we going to tie our hands so that if there is an innovative new program, in order to deal with school violence, such as the school violence that happened in Littleton, Colorado, are we then going to tie our hands and say we cannot fund a program, no matter how great it may look or how much good we feel it can do because we have tied ourselves to this resolution?

Now, I say that, but I am not really that concerned about it, because this is a resolution that carries no impact in law. In fact, I think I will vote for S.28, if it will ever get over here, but it will not get over here.

I will support Pell grants. My decision to not vote for this bill does not mean I do not support Pell grants. What it does mean is that I do not believe in the idea of cutting ourselves from any program that might have a tremendous impact on some aspect of education just because we say that we are feeling that Pell grants should be of the highest priority. We can say that without doing this.

So I will continue to not support this resolution. As I say, I will not vote against it, but I will not vote for it. I will reserve my right to be in strong support of Pell grants through other methods. And I will especially wait for the authorizing bill, in which I will vote, if that authorizing bill increases Pell grants.

This is not an authorizing bill, and it does not carry any weight in law.

Mr. MCKEON. Mr. Speaker, I yield 30 seconds to the gentleman from Washington (Mr. METCALF).

Mr. METCALF. Mr. Speaker, I rise today to honor our Nation's teachers. I would like to thank them for their dedication and inspiration.

I was a public school teacher for 30 years, so I understand the importance of a good education and the foundation it builds for our youth. American students, parents and teachers must maintain the highest level of quality in education.

Mr. MCKEON. Mr. Speaker, I yield myself the balance of my time.

A lot of the debate today, Mr. Speaker, has focused on Pell grants, but I also want to point out this does cover the Campus-Based Aid Programs which provide institutions with Federal support for grants, loans, and work-study programs. These require matching funds from the schools. It gives the schools greater flexibility to keep those in school that have the greatest need. And with requiring the matching funds, it is a multiplier and brings more money to the table to help those students that need it the most.

There has also been some talk about the fact that this is a resolution and does not really carry the weight of law. It does state and it does show how we have performed the last 5 years. Since we have had the majority, we have increased Pell grants every year. It indicates our high priority for the Pell grants and campus-based programs and the fact that we continue to want them to be the highest priority of higher education.

Mr. RODRIGUEZ. Mr. Speaker, I rise today in support of significant increased funding for Pell Grants and Campus-Based Aid programs.

Coming from south Texas, I know the dire need for Pell Grants. By providing resources for our students, we create real opportunity for them to attain higher education.

The Pell Grant program is the largest need-based Federal grant program for students pursuing higher education. I know that in San Antonio, this program is the foundation for student aid. Pell Grants help our students from families of modest income who could not otherwise afford a college education.

I support the resolution but would like to express my strong reservations about the wording. This resolution is another example of how Republicans are purporting to be education friendly when they are not. Just like a wolf in sheep's clothing there is a face behind this resolution.

The language in this resolution essentially says that any new programs we come up with would have to take a backseat to Pell Grant increases.

To make demands on what programs should take precedence at this time, is unrealistic and removed from the approach we should be taking on the funding of our education programs. For example, what if a new program is introduced later on this year that will seriously address the needs of our youth and the issue of violence? Does this program automatically get a back seat simply because it is a "new" program under this resolution?

Yes, we should fund Pell Grants but we should also look at the bigger picture and realize that there may be other "new" programs that have been introduced that will be equally as important and help with the early development of our students in the K–12 grades.

Higher education is a priority and what better way than through increases in Pell Grants. However, we should also make sure that we are doing what we can to strength the foundation of our elementary and secondary education system.

If our Republican colleagues are serious about the Pell Grant program I encourage them to support H.R. 959, the Affordable Education through Pell Grants Act. The legislation will raise the maximum Pell Grant award level to $6,500 for the academic year 2000 to 2001, bringing it to funding where the Pell Grant is meant to be.

If Republicans want to put their money where their mouth is, I would ask that they also support H.R. 959.

Education is our number one priority. The future of our economy, and our communities rests our ability to increase access to higher education but to also ensure our students can get from point A to point B.

Mr. CLAY. Mr. Speaker, it's a great revelation to see that our colleagues on your side of the aisle have come to realize the importance of increased support for student aid programs which assist low income students. I am especially pleased that, after numerous efforts to slash funding for education programs, Republicans now see the light. My hope is that they will continue moving in that direction and realize that increased funding for education across the board is essential to increase educational opportunities.

Mr. Speaker, I support a substantial increase for Pell funding. In fact, in the last Congress I introduced legislation to make Pell Grant funding mandatory spending, just like the loan programs.

However, I am concerned that the way H. Con. Res. 88 is written, could be interpreted to pit one group of education programs against another. If adopted and adhered to by the appropriators, it would rob Peter to pay Paul.

The record of House Democrats' support for increased aid to needy college students is clear. House Democrats have been in the forefront in advocating increased funding for student aid programs without short-changing or reducing spending for other programs. Since 1996, Democrats, in conjunction with the President, have been responsible for adding nearly $8 billion more for education than was in bills supported by House Republicans. With respect to Pell Grants, since 1996 the President requested, and House Democrats supported, an increase of $3.4 billion, while House Republicans advocated 62% less.

Today, we are being asked to vote for a resolution that would aid freshmen at the expense of first graders. We believe that is an unwise, inappropriate choice.

During the committee markup my colleagues and I offered amendments to H. Con. Res. 88 designed to increase Pell Grants without jeopardizing other worthy programs. The language we offered was the same language adopted in the Senate on a bipartisan basis. The Senate resolution calls for increased Pell Grants, without pitting one education program against another. Unfortunately, we are not successful in these efforts.

We should go on record for increasing our overall investment in education, instead of robbing Peter to pay Paul.

Mr. PAUL. Mr. Speaker, I appreciate the opportunity to explain why I oppose H. Con. Res. 88, which expresses the sense of the Congress that funding for the Pell Grant Program should be increased by $400 per grant and calls on Congress ton increase funding for other existing education programs prior to authorizing or appropriating funds for new programs. While I certainly do oppose creating any new federal education programs, I also oppose increasing funds for any programs, regardless of whether or not the spending is within the constraints of the so-called balanced budget agreement. Mr. Speaker, instead of increasing unconstitutional federal spending, Congress should empower the American people to devote more of their own resources to higher education by cutting their taxes. Cutting taxes, not increasing federal spending, should be Congress' highest priority.

By taxing all Americans in order to provide limited aid to a few, federal higher education programs provide the federal government with

considerable power to allocate access to higher education. Government aid also destroys any incentives for recipients of the aid to consider price when choosing a college. The result is a destruction of the price control mechanism inherent in the market, leading to ever-rising tuition. This makes higher education less affordable for millions of middle-class Americans who are ineligible for Pell Grants!

Federal funding of higher education also leads to federal control of many aspects of higher education. Federal control inevitably accompanies federal funding because politicians cannot resist imposing their preferred solutions for perceived ''problems'' on institutions beholden to taxpayer dollars. The prophetic soundness of those who spoke out against the creation of federal higher education programs in the 1960s because they would lead to federal control of higher education is demonstrated by examining today's higher educational system. College and universities are so fearful of losing federal aid they allow their policies on everything from composition of the student body to campus crime to be dictated by the Federal Government. Clearly, federal funding is being abused as an excuse to tighten the federal noose around both higher and elementary education.

Instead of increasing federal expenditures, Mr. Speaker, this Congress should respond to the American people's demand for increased support of higher education by working to pass bills giving Americans tax relief. For example, Congress should pass H.R. 1188, a bill I am cosponsoring which provides a tax deduction of up to $20,000 for the payment of college tuition. I am also cosponsoring several pieces of legislation to enhance the tax benefit for education savings accounts and pre-paid tuition plans to make it easier for parents to save for their children's education. Although the various plans I have supported differ in detail, they all share one crucial element. Each allows individuals the freedom to spend their own money on higher education rather than forcing taxpayers to rely on Washington to return to them some percentage of their own tax dollars to spend as bureaucrats see fit.

In conclusion, Mr. Speaker, I call upon my colleagues to reject H. Con. Res. 88 and any other attempt to increase spending on federal programs. Instead, my colleagues should join me in working to put the American people in control of higher education by cutting taxes and thus allowing them to use more of their resources for higher education.

Mr. CUMMINGS. Mr. Speaker, today, I come before the House to ask, ''have the Republicans done a U-turn?''

Their education record includes: opposing education funding increases; passing a year 2000 budget $2.9 billion short of the President's education proposal; and advocating for the abolishment of the Department of Education.

Again, I ask, ''is this resolution a Republican U-turn?''

I submit, Mr. Speaker, that there has been no U-turn. The Republican course is straight and does not lead to a true endorsement of education.

I support Pell Grant increases. However, without language to state otherwise, I am left to surmise that this resolution may endanger initiatives to reduce class size, hire more teachers, and modernize schools.

Let's set a better course and invest at every level of our children's education—preschool through postsecondary.

Let's stand up for all worthwhile education inititives!

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. MCKEON) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 88.

The question was taken.

Mr. MCKEON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

## GENERAL LEAVE

Mr. MCKEON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Concurrent Resolution 88.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

## EXPRESSING SENSE OF HOUSE IN SUPPORT OF AMERICA'S TEACHERS

Mr. ISAKSON. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 157) expressing the sense of the House of Representatives in support of America's teachers.

The Clerk read as follows:

H. RES. 157

Whereas the foundation of American freedom and democracy is a strong, effective system of education in which every child can learn in a safe and nurturing environment;

Whereas a first-rate education system depends on a partnership between parents, principals, teachers, and children;

Whereas much of the success of our Nation during the American Century is the result of the hard work and dedication of teachers across the land;

Whereas, in addition to their families, knowledgeable and skillful teachers can have a profound impact on a child's early development and future success;

Whereas, while many people spend their lives building careers, teachers spend their careers building lives;

Whereas our Nation's teachers serve our children beyond the call of duty as coaches, mentors, and advisors without regard to fame or fortune; and

Whereas across this land nearly 3 million men and women experience the joys of teaching young minds the virtues of reading, writing, and arithmetic: Now, therefore, be it

*Resolved*, That the House of Representatives—

(1) honors and recognizes the unique and important achievements of America's teachers; and

(2) urges all Americans to take a moment to thank and pay tribute to our Nation's teachers.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Georgia (Mr. ISAKSON) and the gentleman from California (Mr. MARTINEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Georgia (Mr. ISAKSON).

Mr. ISAKSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is only appropriate that today on the floor of this House the Congress of the United States of America recognize and acknowledge the teachers of our country. Today, over 3 million American men and women are teaching our children, our next generation, our Nation's greatest resource.

Were I to stand anywhere in this Chamber and pose one question to every Member, I would get exactly the same response. Were I to ask any Member, think for a second and tell me if there was ever a teacher that made a difference in their life, instantly, without question, every individual would think of a teacher or teachers and would respond further with a story about how that person had impacted their life.

So, too, is it true with almost every adult in America today. Save only our parents, teachers are the most important people in the lives of our children. While we are doing the right thing to pause today and pay tribute to America's teachers, we must remember every week and every day to give thanks and give support for the contribution that they make.

Were I to be asked if a teacher had made a difference in my life, I would think back to Alice Gibson in Atlanta, Georgia, a teacher who made a student of me. She was a disciplinarian, a demanding lady, a lover of literature. For me, before having Ms. Gibson, learning was work and books belonged on shelves. After attending her class, barely making it the first time and excelling the second, everything that is open to me today is because of the windows of the world that she opened in teaching that appreciation.

In my home district in Cobb County, there is a teacher by the name of Linda Morrison, a social studies teacher in North Cobb High School in Cobb County, who year in and year out her teams win Model U.N. and win debates. Every year political candidates come to her class and they are overwhelmed by the inspiration and motivation that Linda Morrison places in all those children.

I did that trip 3 months ago, shortly before my special election. Linda turned the classroom over to me; and I was once again impressed by the respect, the courtesy, and the insight of those kids. When I left the class, once again awed, the principal put his arm around me and told me that Ms. Morrison had just finished her first chemo

treatment but had come to class to see to it that her students were fulfilled and her class went on.

□ 1600

That is the kind of dedication, that is the kind of commitment we see not just in one but in many of our teachers all over America.

And lastly, it is only fitting that I recognize Andy Baumgartner, this year the United States of America's Teacher of the Year, as honored just 2 weeks ago in Washington D.C.; a kindergarten teacher outside of Augusta, Georgia who dedicates his life to putting excitement into education for every child. He recognizes that, at the age of five, he has one opportunity to help the life of an individual in the most formative year of their education.

Mr. Speaker, it is only appropriate that this House today commend our teachers all over this country, recognize them for the contribution they make, and appreciate the fact that today in every American classroom they are under the watchful eye of a teacher, an individual who is willing to share with them.

And, Mr. Speaker, I think all of us remember or might ask, had it not been for teachers or a teacher, where might any of us have been today?

Mr. Speaker, I reserve the balance of my time.

Mr. MARTINEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H. Res. 157, which recognizes the unique and important achievements of America's teachers and urges all Americans to pay tribute to our Nation's teachers.

As the gentleman from Georgia (Mr. ISAKSON) just said, most of us can point to a teacher in our lives that has made a difference. Were it not for the benefit of several outstanding teachers, I might not be where I am today.

I remember one particular teacher that really turned me around in the sixth grade. And I was busy doing things I should not have been doing, drawing pictures instead of doing the class lesson. And she snuck up behind me and caught my attention with the ruler that she carried, which was about 18 inches long and about 1½ inches wide, and it came down across my hands with a real sting. And I jumped up and raised back my hand, and she immediately struck me in the face with the ruler, not hard, just enough to make a sting and get my attention. And she got my attention. And then she instructed me to sit down and wait until the bell rang and I would stay after school, and I did.

But that was the most prosperous couple hours I had ever spent in school in my life, because in that 2 hours she taught me everything there was to learn about the lesson I was supposed to be learning. And I noticed something about it. When I started realizing that I could do the work and I was getting the answers right, I looked up and I saw her smiling at me from ear to ear. No one in the class had ever seen her smile before. And I thought, this is really a very nice teacher.

But more important was what she taught me that day. Well, from that day on I never had a problem with those lessons again and I decided that I can learn. But I think that was what she was saying to us.

I remember one time Terrel Bell, the Secretary of Education under Reagan, when he said to us one time at a hearing, there is nothing so rewarding to a teacher as when they look into that young person's eyes and see that light go on, that they learned that they can learn. Well, Mrs. Cassons saw that light go on in my eyes and she made me realize that a good teacher can make the difference between success and failure for a student.

Recent studies show that teacher quality is the most single important factor in student achievement. In recent hearings that we have held in the committee of the gentleman from California (Mr. MCKEON) we have had testimony, and when they were asked what was the most important thing in the education of young people, each of them answered the quality teacher.

However, if we look at today's teachers, they face greater challenges than ever before, greater challenges than my teacher, Mrs. Cassons, ever saw. Classes are larger and they are more unmanageable. Classroom spaces are now inadequate and they are in poor condition and often pose a safety hazard.

Discipline problems and school violence are at an all-time high, as we recently saw in Colorado. On top of all this, teacher candidates often do not receive adequate training, new teachers are not supported by their school system, and experienced teachers are not provided with meaningful professional development they need to remain effective.

Under these circumstances, even Mrs. Cassons would have had problems. Therefore, I think it is high time we provide our Nation's teachers with some greatly needed assistance.

Although most decisions regarding teacher recruitment, training, and professional development are made at the State and local level, as they should be, Congress has before it the wonderful opportunity to provide our Nation's teachers with the tools and support they need to educate the next generation of American citizens.

I feel very lucky to be the ranking member on the subcommittee which has jurisdiction over such a wonderful opportunity. And I am pleased to say that the gentleman from California (Mr. MCKEON) and I are currently working on legislation which provides incentives to States and districts to get high-quality individuals into the classroom and keep them there.

I know that the chairman, the gentleman from California (Mr. MCKEON), and many of my colleagues share my desire to help those special individuals who dedicate their lives to bettering the lives of others. I look forward to working with everyone in Congress to ensure that every child has a Mrs. Cassons.

Mr. Speaker, I reserve the balance of my time.

Mr. ISAKSON. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Pennsylvania (Mr. GOODLING), distinguished chairman of the Committee on Education and the Workforce.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding me the time.

I rise in support of the resolution to honor and recognize the unique and important achievements of America's teachers. As one who spent many years of his professional life in schools, and also as a Member whose wife continues to teach, I know firsthand the dedication and commitment teachers put forth every single day despite the ever-growing challenges that they face, which are almost insurmountable.

As the gentleman from Georgia mentioned, we can all remember a teacher or teachers. And, of course, I go back to my first 4 years in a one-room school where Ms. Yost was the teacher. She had 40 students, 4 different grades represented. She had no special teachers. She did it all. She stoked the stove. She carried out the ashes. She did everything. And she was a magnificent teacher.

It does not matter how many they have in the classroom if they do not have a quality teacher in that classroom.

One of the problems that teachers are often faced with today is the fact that many times they do not receive the kind of preparation and training that they should from the teacher training institutions. Sometimes they get assigned subject areas that they have very little knowledge about that particular subject, and oftentimes they are not given quality in-service programs.

So we, as Congress, working along with States, schools and parents, must continue to address the problems that face our Nation's teachers.

Specifically, we must continue to take a close lock at existing Federal education programs to determine if, in fact, they are meeting the needs of our teachers as well as the students they are intended to serve. If not, working together with State and local schools and parents, we must develop new ways to ensure these funds are being used effectively.

Mr. Speaker, in closing, I simply want to say to our teachers one great big ''thank you.''

Mr. MARTINEZ. Mr. Speaker, I yield such time as he may consume to the gentleman from Indiana (Mr. ROEMER).

Mr. ROEMER. Mr. Speaker, I thank my good friend from California for yielding me the time.

Mr. Speaker, I would start off by pointing out that the purpose of this resolution, Mr. Speaker, is twofold; and I would start with the second one, which urges all Americans to take a moment to thank and pay tribute to our Nation's teachers.

As a former teacher, Mr. Speaker, and as a product of both Catholic private education and public education, I rise to thank the many teachers that contributed to my education, that contribute to the children's education throughout Indiana, and contribute to all our Nation's children throughout all the schools in the United States of America.

There is not a single more important profession or calling on the face of the Earth than to get into a school classroom with 30, 25, or 30 or 35 children and to take on the challenges of teaching those children every day in our Nation's classrooms.

And I agree that we all, as parents, must participate in what this resolution calls for, and that is all of us getting out there on a daily basis, not just on a yearly basis, and having contact with the school and thanking the teacher and participating in reading programs with our classrooms and engaging that school.

I saw a figure last week that said about 30 percent of our parents have contact with the school, yet every single one of us has contact with the graduates of that school system. So we need to engage our schools and do even more than thank our teachers but participate in our children's education.

The first part of this resolution honors and recognizes the unique and important achievements of America's teachers. And certainly we recognize their integrity, we recognize their intelligence, we recognize their contributions every day to our children.

And more so, as I conclude, Mr. Speaker, on a note that more and more teachers are stepping forward on, it is not only to ensure that our schools get better but that our schools are safe. And in Jonesboro, Arkansas and in Littleton, Colorado we have school safety issues where teachers not only gave their intelligence, their talents, and their integrity; they gave their lives. They put their lives on the line and they lost them on school safety issues to protect other children.

So this resolution I think is timely, Mr. Speaker, in that not only should we thank our teachers, not only should we engage our education system and participate as community leaders and as parents, but we should also recognize the unlimited contributions that these teachers make to our children in terms of their intelligence, in terms of their safety, and in terms of their longstanding contributions in society.

Mr. ISAKSON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in strong support for Teacher Appreciation Week; and I urge Americans everywhere to take a moment to pay tribute to our Nation's teachers.

A sound democracy rests on a first-rate education system, one where parents and teachers work together. A solid education in any of our Nation's schools comes from the teachers who strive to give the gift of knowledge to the minds of our future generations.

Dedicated teachers work day after day to ensure that all of our students will have a bright and successful life. Teachers wear many hats: as counselor, friend, and, most importantly, role model. Today learning not only consists of the three R's but skills that parents no longer have time to teach.

Accordingly, I urge all of our colleagues to support this resolution honoring American teachers. I thank our colleagues, the gentlewoman from Texas (Ms. GRANGER), the gentleman from Pennsylvania (Mr. PITTS), and the gentleman from Georgia (Mr. ISAKSON) for sponsoring this legislation.

It is my hope that Congressional support for teachers will serve as an example to all Americans that the service that teachers render is irreplaceable.

This week is the 14th Annual Teacher Appreciation Week which was created by the National Parent Teacher Association (PTA). The PTA is an organization that encourages parent and public involvement in all of the Nation's public schools. By strengthening the tie between both parents and the nearly 3 million American school teachers we can only further ensure that American education continues to be second to none. Teachers have an immeasurable impact on the growth and development of students and are responsible, in part, to the shaping of a future generation. Because of this, teachers are indispensable.

The face on the American family is vastly different from the way it was only decades ago. My wife is a former teacher and when she was in school the sole job of a teacher was to impart knowledge. However, today teachers fill the void that hard working parents and single parents cannot.

Mr. MARTINEZ. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Mrs. MCCARTHY).

Mrs. MCCARTHY of New York. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, today I rise in support of the House resolution paying tribute to our Nation's teachers.

Since I have come to this House 2½ years ago, I spend so much time in my schools and have gotten to know my teachers, gotten to know how much they care about our students and how hard they are trying to make our students better prepared to go into the world, that makes this a better country.

Education is our number one priority for this country, and it should be. But we are seeing a teacher shortage and it is making our teachers' jobs harder. We are seeing that we are bringing young people out of college to become teachers; that they are failing mainly because they do not feel that they are well-prepared. I think that is something that we can work on, especially in the special education that we are going to be doing in the next several months.

Our teachers have to be well-prepared so they can do a great job in our classes, especially in early education. And I think that it is something that our teachers want, because they want to be the best they can.

We have to do everything in the world to prepare our young people to become teachers so that we again will have the amount of teachers that we are going to need. We are seeing too many of our teachers drop out, and that is not good for any of us, mainly because they felt that they were not prepared.

We dealt with it last year on the Higher Education Act on having teachers better prepared, and I think it is something that we can do on early education. I plan on introducing a bill to have a mentoring program on early education, and I hope I will have the support of my committee.

When we talk about the teachers in the classroom today versus the teachers that certainly taught us years ago, it was an easier time back then. We had so much more cooperation between the parents and the teachers, and we have to encourage that more and more.

Our teachers are supposed to be there, to be teaching. They need the support of the parents, and I think that is important. We are seeing our teachers today taking in our young people and trying to be parents to them when they can. That is not their job.

□ 1615

Their job is there to teach our children. But if we do not encourage our parents to become more involved in our schools, we are making our jobs harder for our teachers.

Look at some of the schools that do so well. It is not that the kids are brighter. It is because their parents are so involved in those particular schools. They are giving the encouragement for the teachers to go that extra yard. We have to make all our schools like that. That is how we are going to turn around education in this country.

Our children are bright, our teachers are good, but we have to work together to make sure that we are the best, better than anywhere else in this country. I think we are on the right track.

We still have some work to do, but certainly the love of teaching, someone

that I had in sixth grade, Mrs. Englman, she taught me the love of history. I think if she ever saw me here today, she would be so proud of me because she talked about the Constitution, she talked about our government, and here I am being very proud of being a graduate of her class but also living what she taught me.

Mr. Speaker, today I rise in support of the House Resolution paying tribute to our nation's teachers. This resolution expresses a sense of the House, thanking and paying tribute to our nation's teachers. Education is my number one priority. Providing our children with a good education and a bright future is one of our most effective tools for ending gun violence, drug abuse, and poverty in our country.

I spend every Monday and Friday in my schools on Long Island, talking with students, teachers, principals, superintendents, and parents about how we can make the education system work better.

In visiting these schools, I see teachers and students who are committed to education. And I have learned that our teachers are the cornerstone of our education system. Brand new classrooms, reduced class size and improved access to technology are empty promises without a dedicated, well-qualified teacher in front of the class.

Unfortunatley, we are facing a shortage of teachers. Our nation will need to hire 2 million new teachers in the next decade to handle a growing student population and to replace retiring teachers. However, fewer young people are going into teaching, and when they do, many do not receive the learning they need to succeed in the classroom. Many children are warehoused in bigger classes, often with unprepared instructors, because there simply are not enough teachers to go around.

Last year, Congress passed my teacher training bill as part of the Higher Education Act. My legislation will better prepare teachers for teaching our children. I worked with local school administrators and educators to draft a bill that will (1) recruit new teachers; (2) prepare future teachers for the rigors of the classroom; and (3) mentor new teachers in their first year on the job.

Today, I am proud to introduce legislation that will expand Teacher Mentoring programs in the Elementary and Secondary Education Act. This legislation will complement the mentoring programs I sponsored in the Higher Education Act, ensuring that mentoring becomes a continuous, comprehensive program, addressing the needs of experienced teachers as well as new teachers.

Mentoring programs help all teachers—they benefit new teachers by easing the transition into teaching, increasing retention rates and improving the quality of teaching. Mentoring also helps experienced teachers by exposing them to new ideas and current trends in teaching.

The key to improving the quality of education is our teachers. Reducing class size is not going to be effective unless you have a qualified teacher in that class. We must do everything we can to make sure our teachers are well-trained before they enter the classroom. And that they continue to improve their skills once they are in the classroom.

I will be working hard to pass my mentoring bill which will give teachers the tools they need to be the best possible educators they can. Our children, and our teachers, are worth it—and deserve it.

Mr. ISAKSON. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MCKEON), distinguished member of the Committee on Education and the Workforce.

Mr. MCKEON. Mr. Speaker, I rise in strong support of this important resolution and in recognition of the hard work of our Nation's teachers.

As a former member of the local school board and President of that school district for 9 years, as a father of six and grandfather of 16, I understand the crucial role that teachers play in the lives of our children and in our communities. We have for too long taken their role for granted and have come to expect our teachers to perform heroic acts of teaching despite ever-rising challenges.

I believe that as a Nation we must no longer take for granted the ability for teachers to somehow magically prepare our students. We must join together at the national, State and, most importantly, at the local level in working together to address these challenges facing our teachers, our schools and our students.

At the national level, we must ensure that Federal education programs are flexible enough to allow local schools to make decisions which meet their specific needs. At the same time, we must ensure that these funds are used effectively and that they are used for activities that demonstrate increased academic achievement for all students.

I am pleased to say that as chair of the Subcommittee on Postsecondary Education, Training and Life-Long Learning, I am working with Members to craft a bipartisan bill which will address some of these important issues. I am especially pleased to be working with the ranking member of the subcommittee, the gentleman from California (Mr. MARTINEZ), who has deep insight into this important area.

I would like to take just a moment, along with this resolution, to thank teachers who have had an impact on me personally. I have four younger brothers. We went to school in the Los Angeles unified school system. All five of us had Mrs. Peters for kindergarten.

I can think back to teachers at all levels, high school, junior high, elementary school, university, that have had an impact on my life. I do not know that I ever took the time to thank them, I know I did not thank them adequately, for the job that they have done. There is probably not a day that goes by that I do not think of some lesson that I learned from some teacher. Probably outside of my parents, teachers have had more impact on my life than anyone else.

I go visit schools whenever I am home in the district. I like to go in a classroom, probably for a selfish reason, because I always feel good when I leave, after seeing an enthusiastic, motivated teacher that is devoting and dedicating their life to helping our young people to make this a better world.

Our district at home, each year the members of the community have a night where they honor teachers. I was not able to be there this week, but I would like to thank them for taking the time to honor our teachers, because I do think that that is very important. I tell teachers when I visit that you can count the number of seeds in an apple, but you cannot count the number of apples in a seed. One little seed can grow into a giant apple tree that grows apples for many, many years and has great impact. That is what our teachers mean to us.

Mr. MARTINEZ. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the ranking member for his leadership and for yielding me this time.

What a special time to come on the floor of the House to honor those champions, those heroes who really are the basis of making our country great. This is a salute to teachers, and it means all teachers in all capacities but particularly those who educate our children.

I come personally and as the parent of two children recognizing the importance that teachers have in the lives of children. I also work and chair the Congressional Children's Caucus. Members who have joined that Caucus have committed themselves to promoting children as a national agenda. Where would we be without that strong and abiding force of those who believe in education, particularly those who treat young children with the kind of respect and the kind of belief in themselves that many of our teachers have and do with respect to our children?

I spend a lot of time in my schools, in particular our public schools, our elementary, our middle school and our secondary. I work a lot with our private schools. I know that each and every time I come upon a teacher it is someone who has expressed a love and affection for children, someone who cares for children, someone who wants to see children thriving and growing.

In the light of the events that have happened over the past couple of years, when teachers have been highlighted and spotlighted, unfortunately not for good but for the tragedy of maybe being injured, what comes to mind is certainly the heroic teacher in the Littleton, Colorado, tragedy, the stories that came out from the young people who said he put their lives ahead of his.

How many times we know that that occurs. And maybe not necessarily to

that degree, where a teacher has lost his or her life, but we realize that teachers who believe in what they do most often put the needs of their students in front of their personal needs. They extend their days, they take them on field trips, they guide and counsel them, they help them get into college, they help them get scholarships, they help them get into summer programs. So often the teachers who have taught my children have come to me and said, I think this program would be good for your child or that program, something a parent is not aware of.

At the same time in the public school setting, I know that teachers extend themselves. They are also the hall monitors, the people who participate on retreats or the ones who are the guiders of extracurricular activities, at the basketball games or football games.

And so, Mr. Speaker, I am delighted to be able to stand today to pay special tribute and applaud this resolution as an appropriate statement that this Congress should make and certainly the United States should make, that teachers are a vital part of our history, a vital part of our society.

I know, for one, that I am a product of the teachers who educated and helped educate me. I know that parents and home and church have a viable part in a child's education, but I can assure my colleagues that there are many teachers who I took in confidence and who helped me along the way, who made me feel better, and also that I had the ability to achieve albeit through some rocky times.

Can I just say to each and every one of them who may be sitting at home or in fact have another day's work tomorrow, in preparing a lesson plan or dealing with a student, that we do appreciate you, we salute and honor you. You are American heroes. We hope that this Congress will continue to stand behind you as you educate and provide and secure our children's lives.

Mr. ISAKSON. Mr. Speaker, I am pleased to yield 2½ minutes to distinguished gentlewoman from Texas (Ms. GRANGER), the original sponsor of this resolution.

Ms. GRANGER. Mr. Speaker, as a former teacher myself and as the daughter of two teachers it is my great privilege to cosponsor this important resolution, and it is my great pleasure to speak out on its behalf. Someone has said that teaching is not a lost art, but regard for it is a lost tradition.

Mr. Speaker, I rise today to praise the guardians of America's future, and those are our teachers. The issue of education generally and teachers specifically is as important as it is timely.

I approach this issue from a simple philosophy. Education is a Federal concern, a State responsibility and a local function. Education is a team sport, and it requires all of us to do our part.

As a Member of Congress, I believe one of the most important steps we can take to support the schools of our Nation is to encourage the teachers of our schools. I have always believed that teachers are a very special breed. While most people spend their lives building careers, most teachers spend their careers building lives. That is why it is so important that we take the time to honor our teachers as indeed they should be honored.

Moreover, we need to be encouraging the very best and brightest to join the teaching profession. We can all agree that teachers do not earn the kind of money they should, but the rewards of teaching cannot be measured in dollars and cents. Teachers see the fruits of their labor in lives that have changed.

So today we want to express the sense of the United States Congress that our teachers are an essential part of America's greatness. I know every one of us can point to a teacher in our past who helped to shape us, make us who we are. Though years ago we may have left their classes, their classes have never left us. From the teachers of the past we learned the traits we use today, how to type and how to calculate but how to read and how to write and how to think. These are lessons that have served us all well, and we will all do well to thank those who taught them to us.

That is exactly what this resolution does. As we end this century, let us begin a renewed commitment. In the debate over the future of education, there are a few things we can all agree on. Let us commit ourselves to having schools that are safe and curriculum that is sound. Let us commit ourselves to having our children learn to read today so they can read to learn throughout their lives. And let us commit ourselves to having teachers who know the subject they are teaching and the name of the child they are teaching it to.

Mr. Speaker, too often in Washington we talk in terms of politics, but this issue is different. Education is not a matter of right versus left. It is a matter of right versus wrong. It is always the right time to do the right thing. Let us pass this teacher appreciation resolution. Let us begin to renew our schools by recognizing our teachers. After all, they literally hold our future in their hands.

Mr. MARTINEZ. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, I rise in support of our Nation's teachers.

I am a graduate of the Cleveland Public School System of Cleveland, Ohio. I can remember all the wonderful teachers that were my teachers.

From kindergarten, I can remember Ms. Chapman's name, all the way up to teachers that I had in junior high and high school. In fact, several of my elementary teachers that taught me French were my French teachers in high school. So every chance I have an opportunity to talk about how great teachers are, I am glad to be able to say that. I need to put their names in the RECORD, Ms. Gilliam and Ms. DiPadova. I speak French as a result of the great work of those wonderful women.

As we pause today to celebrate teachers across our country, I wish that every child in these United States could have as memorable a moment in their lifetime as me with the teachers that I had in the public school system. I can even name some of my college and law school teachers that I remember very well.

Like the prior speaker, I would encourage all of us to assure our children that are in school today, be they black or white, urban or suburban or rural, that they have teachers who have the opportunity to teach.

Many teachers in our school systems today have to be mother, they have to be father, they have to be uncle, grandmother, grandfather, psychologist, disciplinarian, nurse, doctor; and they should not have to be all of those things. They should be able to teach in an environment that is safe. They should be able to teach in a classroom where there are 15 students or less. They should be able to have all of the accoutrements that go with teaching, the books they need at the time they need them, the room should be clean.

Mr. Speaker, as we rise in support of teachers today, I just want to add my kudos to all the teachers that I had. I praise the teachers who teach today. May God continue to bless them.

Mr. ISAKSON. Mr. Speaker, I yield 2 minutes to the gentleman from Delaware (Mr. CASTLE), distinguished member of the committee.

Mr. CASTLE. Mr. Speaker, I thank the gentleman for yielding me this time.

For years now we have been looking to how to restore civility to the House. Now I know all we have to do is introduce a resolution supporting our teachers and we find the thing that all of us agree upon.

I in Delaware have had the privilege of being in every single public school in my State—do not try that if you are in a big State—and almost all the private schools as well. When you spend 1 to 3 hours there, you obviously are going to touch in a lot of classrooms and watch a lot of teachers teaching.

There may not be good teachers in our classrooms in Delaware, I cannot say for sure there is, but I have not seen one. I have seen devoted men and women who are trying to care for their kids, sometimes in one-on-one circumstances, other times in larger classroom circumstances. These are individuals who are committed to their task at hand.

I am sure it is just as true in every other State in the Nation as it is in the State of Delaware. When you choose teaching, you choose a profession which is of profound importance to every young person in this country and to our society as a whole.

□ 1630

We have done, I think, remarkably well in the people that we have been able to attract to the teaching profession and retain in the teaching profession. They truly care about our children. They truly make the effort to teach as well as they possibly can.

Like others here, I, too, have memories. Maybe I was not as good a student as some of the others here because not all my memories are as good as I would like them to be, but it is actually some of those more difficult classes where teachers are more demanding that I have the greatest memories now of what they did for me and what they meant to all of us.

A quality education, it is the best gift we can possibly give our children, and the teachers are there every step of the way encouraging them, helping them, making sure they are on the road to success.

I am sure that the teaching profession may seem like a thankless job at times. We have all heard that expressed, and we have to worry when we see what happened in Littleton, Colorado. That affects all teachers. But as teachers, the teachers of this country really are shaping the future of the country.

I am fond of saying to a whole room of elected officials and corporate heads and everything else, that teachers are the most important people in our State, and sometimes people come back and, ''What about my father? He's a teacher.'' But teachers are extraordinarily important, and we should thank them not only today but at all times.

Mr. MARTINEZ. Mr. Speaker, I yield the balance of the time to the gentleman from Texas (Mr. HINOJOSA).

The SPEAKER pro tempore (Mr. COBLE). The gentleman from Texas is recognized for 3½ minutes.

Mr. HINOJOSA. Mr. Speaker, today it is my honor to join in saluting teachers in communities all across America as students, parents, school administrators and the public celebrate the teaching profession. Few other professionals touch so many people in such a lasting way as teachers do.

Mr. Speaker, I think each and every one of us can recall that one special teacher who inspired us, who guided us and who helped make us the person we are today, and I know I can. Teachers open children's minds to the magic of ideas, knowledge and dreams. They keep American democracy alive by laying the foundation for good citizenship, and they fill many roles as listeners, explorers, role models, motivators and mentors. Long after our school days are only memories, teachers continue to influence us.

I know that at elementary school Miss Halcomb did exactly that. In middle school Audrey Geoff did that for me. In high school math, E.R. Broughton; in high school government, Lucille Parrish; in high school English, Eddie McNail. From my youth I recall a proverb that has stayed with me throughout the years: Better than a thousand days of diligent study is one day with a great teacher.

Today and all throughout the year celebrate teaching. Take the time to recognize the lasting contributions that educators make to our community and thank those special teachers who have truly made a difference in each of our lives.

Mr. ISAKSON. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. TANCREDO).

Mr. TANCREDO. Mr. Speaker, I was impressed that my colleagues, the gentleman from Texas (Mr. HINOJOSA) and the gentlewoman from Ohio (Mrs. JONES), could remember so many of their teachers, and I was just sitting here thinking if I could remember any of my elementary and secondary teachers, and I do remember the first names of all of them, but I cannot remember much more. The first name was: Sister.

I rise in support of the House Resolution, pay tribute to the hard work of our Nation's teachers. As a former public school teacher, I take great pride in my former colleagues and believe that teachers are a national treasure. Those are teachers in public schools, private schools and, of course, parents who take on that huge responsibility of home schooling, and who have provided such wonderful models for their children and have done such a wonderful job in teaching their children.

But I would especially like to take this moment to pay tribute to an educator who through his heroism 2 weeks ago inspired us all. His name is David Sanders, and he gave his life to save the lives of several students at Columbine High School, Littleton, Colorado, my district. Dave Sanders was a business teacher and the coach of the girls' basketball and softball teams at Columbine, but he was also a friend to the hundreds of students at the school who looked at him for guidance and support.

Two weeks ago, during the rampage at Columbine, David Sanders saved a number of students from ricocheting bullets and then went upstairs in the school to aid other students. While leading two dozen students down a hallway to safety, Mr. Speaker, he was shot twice in the chest, and 3½ hours later David Sanders passed away, however, not before asking nearby students to tell his family that he loved them.

Later Rick Bath, Columbine softball coach, said about his friend: ''There were just so many good qualities about him, you always knew that he would just be there for you. All he ever wanted to do was teach since he was 21. He would not have known what else to do.''

Mr. Speaker, today the community of Littleton, Colorado joins me in thanking David Sanders for the sacrifice that he made for his students and his fellow teachers during last Tuesday's massacre and for making a difference in the lives of children at Columbine and, as a matter of fact, all over America.

Mr. MARTINEZ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not have any other speakers, and I am ready to yield back the balance of my time. I would just make a concluding statement in regard to the Columbine High School incident.

I read the other day in a paper where there were many instances of teachers' heroism. There was one teacher who herded a group of children into a room, and then closed the door and set her body in front of the door so that if any shots came through, they would hit her, not the students. I do not think that we can ever make any commendation high enough to reward someone with that kind of heroism.

Mr. Speaker, I think that teachers across this country by and large are the same kind of quality as teachers who are dedicated to their children. As many people have said today in honoring the teachers they can remember, I, like the gentleman from Colorado (Mr. TANCREDO) cannot remember a lot of last names, but I can remember a lot of first names, and I realize that my success in life was attributable to what they taught me.

So again, I honor the teachers of the United States of America.

Mr. Speaker, I yield back the balance of my time.

Mr. ISAKSON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from South Carolina (Mr. DEMINT).

Mr. DEMINT. Mr. Speaker, I rise in strong support today of this resolution honoring the nearly 3 million teachers across America that work every day to secure the future of our children.

Yesterday I had the opportunity to visit two of Mrs. Becham's classes at East Side High School in Greenville, South Carolina. These were two hour-and-a-half-long government classes, and these students wore me out with questions, and it reminded me of the incredible energy it takes every day, day in and day out, for these teachers to open the minds and to fill these minds with the knowledge that will help these students be successful in life. I thank Mrs. Becham, and I thank her that she wanted her students not only to hear about Congress, but she persisted until she got the Congressman right there in her room.

I am thankful myself for teachers because my wife and I have four children

from junior high through college. I am thankful for all the teachers that helped to shape their lives. I am thankful for the teachers, so many good ones, that when I was not such a good student did so much for me, particularly Mrs. Humphries in the 9th grade, when she handed me back one paper with red marks all over it and I expected to hear how bad it was, when she said:

''Jim, you're a good writer. You've got a lot of good ideas.''

Mr. Speaker, I ignored the red marks, and I took it to heart that I was a good writer, and that is what I made as my profession, and I thank Mrs. Humphries.

Today is a good day to honor all of teachers. We need to treat them as the professionals that they are. We have given them almost an impossible job to do. We have given them so much of the blame that they are not responsible for, and I am thankful today that we are giving them a little bit of the credit that they so richly deserve.

GENERAL LEAVE

Mr. ISAKSON. Mr. Speaker, before introducing our final speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on House Resolution 157.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. ISAKSON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Pennsylvania (Mr. PITTS).

Mr. PITTS. Mr. Speaker, this week we honor those who assist parents and take our children to the next levels of learning, America's teachers. Teachers have motivated our children. Teachers have helped our children to mature.

Here is a teacher through the eyes of a second grader, Kacie Hershey in my district, and I quote:

I like Mr. Durante because he is funny and because he teaches us math. Now he is teaching us about Japan and how to count to 10 in Japanese.

When teachers like Mr. Durante make learning fun for their students, whole new worlds are opened.

Mr. Speaker, I do not think it can be said any better than the way it is stated in this resolution, and I quote again:

Many people spend their lives building careers. Our teachers spend their careers building lives.

What could be more true? America's teachers rise every day out of their commitment to mold and shape young lives. As a former public school math and science teacher myself, I can attest to the amount of time, and energy, and creativity and patience that it takes to lead our students to the next step of discovery, be it in literature, math, music theory or physics.

Earlier today I honored Elaine Suvukas of Hempfield High School for leading an excellent group of students in the ''We the People, the Citizen, the Constitution'' academic competition on the Constitution and the Bill of Rights. Her students know America's Constitution probably better than many Members of Congress. She stirs her students to excellence. Excellent teachers like Miss Suvukas are all over this country using the resources that they have been given to the best of their ability for the betterment of our students, and we need to get more resources directly to our teachers, dollars into the classroom, and then we can truly honor their work.

Mr. Speaker, that is one very clear way that we can say thanks to our public school teachers across the country. After all, these are the people who are influencing our children and teaching young minds the value of reading, writing and arithmetic.

Except for parents at home, no adult is closer to the learning process of our kids. Teachers are the ones who have the power to affect the learning and help them so that they can compete. Let us arm them with the tools they need.

So, as we honor our teachers this week, let us continue the process throughout the year. Our children and our children's children are the most precious resources that we have, and that is why we must recognize their invaluable contributions of spending their entire days with them, shaping their lives.

To our teachers: I thank them. Their work is greatly needed, appreciated and admired.

Mr. PACKARD. Mr. Speaker, I would like to extend my sincere gratitude to our nation's teachers. Their dedicated service should be acknowledged every day, not just during National Teacher Appreciation Week.

As a father, grandfather and former school board member, I have a great deal of personal respect for those who educate our youth. I believe these individuals know our children better than some Washington bureaucrat. We should strive to give them programs that return educational decisions to those most qualified to make them, the parents, teachers, and local school boards.

Currently, only 65 percent of federal education funds actually make it to classrooms. Too many needed funds are spent on unnecessary and inefficient bureaucracies, rather than on local schools. We must make a commitment to send more education dollars to schools, libraries, teachers, and students. Our children are this nation's most precious resource. The future of a child's education is essential to the future of our nation.

Mr. Speaker, again I would like to extend my gratitude to those who make teaching our children more than simply a daily job. I will continue to support those whom we entrust with our children's future.

Mr. RODRIGUEZ. Mr. Speaker, I rise today to pay tribute to our nation's teachers. It is with great appreciation that I recognize teachers across America who are shaping a brighter future for our children.

Today teachers face many challenges in the classroom, challenges that often force them to give more of their time and energy on matters other than teaching. Increased classroom sizes, crumbling infrastructure, and new social challenges in the lives of children require our teachers to wear many different hats. They play a vital role in not only setting a solid academic foundation for all students, but also teaching our students basic life skills to succeed in the future. To say the least they are extraordinarily influential in shaping the lives of our students.

I would like to thank teachers everywhere for their time and commitment. As a former school board member and the husband of an elementary school teacher I know that teachers do not stop working when the school bell rings. A teacher's job never stops. Each day brings new challenges and new opportunities. Many evenings are spent reviewing papers and preparing for the next day's class, and teachers often devote their time to extracurricular activities on evenings and weekends. They have one of the most important jobs in the country and should be praised for their diligence in the classroom.

As we mark National Teachers Day this week, we cannot fail to mention one teacher in Littleton, Colorado, William Sanders, who gave his life defending and protecting his students. Teachers across the nation share his love of students and devotion to their well-being. Unfortunately, he paid the ultimate price and we should honor and remember his sacrifice.

We must provide our teachers with the means to do their job well. If they don't, our children lose. Without an education, our children will not be prepared to compete in the global economy, they will not be empowered to escape poverty, they will not have the tools to succeed. But worst of all, they will never know the joy of challenging and expanding their minds. It is most appropriate to honor our teachers who daily engage our children in the art of learning.

Mr. RYAN of Wisconsin. Mr. Speaker, I rise today in support of the resolution, and to express my profound appreciation for the teachers that played such an important role in my life.

From my days as a student at Roosevelt, St. Mary's, Marshall and finally graduation from Craig Sr. High, my teachers had a positive impact on my early learning habits as well as my future successes.

I'd like to single out for recognition, however, one teacher in particular, Mr. Sam Loizzo. Sam was my high school United States Government teacher. What distinguishes Sam is his ability to involve students in all aspects of learning activities. Students become active participants in the educational process, not casual observers, and they're trained to apply the lessons learned in his classroom. Sam's students don't simply learn about our government, but they gain an appreciation for the structure and framework by which this great country was founded.

Sam taught the value of civic responsibility. He encouraged me to research the role of the founding fathers and the Constitution. In fact, Sam was here on Capitol Hill with students from Craig Sr. High just last week impressing

upon them the very same values he had shared with me.

For over 20 years, Sam has been building friendships with his students, one on one relationships like ours that exist still today. He is a role model and a friend.

Sam has a remarkable influence upon the lives of all the students that have an opportunity to sit in his class. Sam is indeed a credit to his profession.

Through experience, skill and dedication, teachers like Sam are creating an environment in which every child in his or her class feels important and challenged.

The students of today will soon take active roles in business, education, government, and other important positions in society. Today's teachers, in coordination with parents and families, are doing a wonderful job of equipping those students for the tasks they will face after graduation.

I want to take this opportunity to not only recognize teachers like Sam, but to thank all of them for their contributions to future generations.

Mr. SCHAFFER. Mr. Speaker, today Americans celebrate National Teacher Day, a day set aside to honor dedicated individuals. I would like to take a moment to recognize educators of excellence across the Fourth Congressional District for their contribution to our state.

Teachers are a diverse group. Some teach children, some adults. Some give instruction in vocations, others liberal arts. Some educate children with special needs. Others teach English to students from other countries. Some coach basketball. Some are parents schooling their own children. Although different in many ways, good teachers have this in common: They are individuals devoted to excellence, possessing talent, patience, fortitude, and a personal love of learning.

Mr. Speaker, as you know, excellence in education has been the focus of my efforts since my days in the Colorado State Senate. As the son of two retired school teachers and the father of three children who attend public schools (and one on her way), no issue is closer to my heart and home. Exceptional school teachers deserve our admiration, not only for their hard work but for the shear weight of their accomplishments—the cultivation of an educated citizenry. These inspirational individuals give me a glimpse into what the future can hold if we let it. If we continue to improve our system by recognizing and building on the achievements of great educators, the sky is the limit for American education.

Empowering good teachers is essential to education reform. We can do this by ensuring more education funds reach the classroom, for example, by passing the Dollars to the Classroom Act. This act would require 95 percent of federal education money be spent in classrooms. Currently, as little as 39 cents of every dollar reaches the classroom. This Act would increase education spending in Colorado by as much as $11 million simply through efficiency savings in Washington. More importantly, this money would go to support teachers, not bureaucrats, and special interests.

After all, studies have shown the single most important factor in a quality education is a good teacher. Caring and talented teachers are of immeasurable worth to our society. They are the pride of our community and essential to our quality of life. In the words of Historian Henry Brooks Adams, "A teacher affects eternity; he can never tell where his influence stops." Let us honor them today.

The SPEAKER pro tempore. All time has expired.

The question is on the motion offered by the gentleman from Georgia (Mr. ISAKSON) that the House suspend the rules and agree to the resolution, House Resolution 157.

The question was taken.

Mr. ISAKSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has concluded on the first three motions to suspend the rules.

Pursuant to clause 8 of rule XX, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which those motions were entertained.

Votes will be taken in the following order:

H. Con. Res. 84, as amended, by the yeas and nays;

H. Con. Res. 88, by the yeas and nays; and

House Resolution 157, by the yeas and nays.

The Chair will reduce to 5 minutes the time for the third electronic vote in this series.

## URGING CONGRESS AND THE PRESIDENT TO FULLY FUND INDIVIDUALS WITH DISABILITIES EDUCATION ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 84, as amended.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. GOODLING) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 84, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 413, nays 2, answered "present" 1, not voting 17, as follows:

[Roll No. 105]

YEAS—413

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Castle
Chabot
Chambliss
Chenoweth
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood

Nussle
Oberstar
Olver
Ortiz
Ose
Oxley
Packard
Pallone
Pascrell
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Vento
Visclosky
Walden
Walsh
Wamp
Waters
Watt (NC)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Young (AK)
Young (FL)

NAYS—2

Obey Paul

ANSWERED ''PRESENT''—1

Owens

NOT VOTING—17

Berman
Brown (CA)
Carson
Dingell
Houghton
Istook
Johnson (CT)
Largent
Lucas (OK)
McCrery
Shuster
Simpson
Slaughter
Tiahrt
Watkins
Watts (OK)
Wynn

□ 1703

Mr. CLAY changed his vote from ''nay'' to ''yea.''

Mr. OWENS changed his vote from ''yea'' to ''present.''

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## URGING CONGRESS AND THE PRESIDENT TO INCREASE FUNDING FOR PELL GRANTS

The SPEAKER pro tempore (Mr. COBLE). The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 88.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. MCKEON) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 88, on which the yeas and nays are ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken on the next motion to suspend the rules on which the Chair has postponed further proceedings.

The vote was taken by electronic device, and there were—yeas 397, nays 13, answered ''present'' 4, not voting 19, as follows:

[Roll No. 106]

YEAS—397

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Castle
Chabot
Chambliss
Chenoweth
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson, E.B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Olver
Ortiz
Ose
Oxley
Packard
Pallone
Pascrell
Pastor
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Thurman
Tierney
Toomey
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Vento
Visclosky
Walden
Walsh
Wamp
Watt (NC)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Young (AK)
Young (FL)

NAYS—13

Clay
Clyburn
Conyers
Hilliard
Nadler
Obey
Paul
Payne
Sanford
Scott
Thompson (MS)
Towns
Waters

ANSWERED ''PRESENT''—4

Becerra
Clayton
Martinez
Owens

NOT VOTING—19

Berman
Brown (CA)
Carson
Dingell
Fattah
Houghton
Istook
Johnson (CT)
Largent
Lucas (OK)
McCrery
Roukema
Shuster
Simpson
Slaughter
Tiahrt
Watkins
Watts (OK)
Wynn

□ 1720

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## EXPRESSING THE SENSE OF THE HOUSE IN SUPPORT OF AMERICA'S TEACHERS

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the resolution, House Resolution 157.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. ISAKSON) that the House suspend the rules and agree to the resolution, H. Res. 157, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 408, nays 1, not voting 24, as follows:

[Roll No. 107]

YEAS—408

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Castle
Chabot
Chambliss
Chenoweth
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Costello
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McDermott
McGovern
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Paul
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaffer
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Vento
Visclosky
Walden
Walsh
Wamp
Waters
Watt (NC)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Young (AK)
Young (FL)

NAYS—1

Salmon

NOT VOTING—24

Berman
Brown (CA)
Carson
Cox
Diaz-Balart
Dingell
Fattah
Houghton
Istook
Jenkins
Johnson (CT)
Largent
Lucas (OK)
McCrery
Mica
Myrick
Shuster
Simpson
Slaughter
Snyder
Tiahrt
Watkins
Watts (OK)
Wynn

□ 1730

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. JENKINS. Mr. Speaker, on rollcall No. 107, I was unavoidably detained. Had I been present, I would have voted "yea."

Mr. SALMON. Mr. Speaker, I'm recorded as having voted "nay" on House rollcall vote No. 107. I intended to vote "yea."

## PERSONAL EXPLANATION

Ms. SLAUGHTER. Mr. Speaker, I was unable to be present for rollcall votes 105, 106, and 107. Had I been present, I would have voted "yes" or "aye" on rollcall votes 105, 106, and 107.

## REPORT ON H.R. 1664, EMERGENCY SUPPLEMENTAL APPROPRIATIONS RELATING TO THE CONFLICT IN KOSOVO

Mr. YOUNG of Florida, from the Committee on Appropriations, submitted a privileged report (Rept. No. 106–125) on the bill (H.R. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore (Mr. COBLE). Pursuant to clause 1 of rule XXI all points of order against provisions of the bill are reserved.

## REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1598

Mrs. EMERSON. Mr. Speaker, I ask unanimous consent to withdraw my name as a cosponsor of H.R. 1598.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

## REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 732

Ms. BROWN of Florida. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 732.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER, pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on the remaining motions to suspend the rules on

which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Such rollcall votes, if postponed, will be taken tomorrow.

## EXTENDING DEADLINE UNDER FEDERAL POWER ACT FOR MT. HOPE WATERPOWER PROJECT

Mr. BARTON of Texas. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 459) to extend the deadline under the Federal Power Act for FERC Project No. 9401, the Mt. Hope Waterpower Project.

The Clerk read as follows:

H.R. 459

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

**SECTION 1. EXTENSION OF TIME FOR FERC PROJECT.**

Notwithstanding the time limitations specified in section 13 of the Federal Power Act (16 U.S.C. 806), the Federal Energy Regulatory Commission, upon the request of the licensee for FERC Project No. 9401 (and after reasonable notice), is authorized, in accordance with the good faith, due diligence, and public interest requirements of such section 13 and the Commission's procedures under such section, to extend the time required for commencement of construction of such project until August 3, 2002.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas (Mr. BARTON) and the gentleman from Texas (Mr. HALL) each will control 20 minutes.

The Chair recognizes the gentleman from Texas (Mr. BARTON).

GENERAL LEAVE

Mr. BARTON of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to insert extraneous material on the bill, H.R. 459.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BARTON of Texas. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, H.R. 459 extends the construction period for a hydroelectric project in the State of New Jersey. Under section 13 of the Federal Power Act, project construction must begin within 4 years of issuance of the license. If construction is not begun by that time, the Federal Energy Regulatory Commission cannot extend the deadline and must terminate the license.

H.R. 459 grants the project developer until August 3, 2002, to commence construction if it pursues the commencement of construction in good faith and with due diligence.

These types of bills have not been controversial in the past. The bill does not change the license requirement in any way. It does not change environmental standards but merely extends the construction deadline.

There is a need to act, Mr. Speaker, since the construction deadline for the Mt. Hope Pumped Storage Project expires in August of this year. If Congress does not act, the Federal Energy Regulatory Commission will terminate the license, the project sponsor will lose $28 million that they have already invested in the project, and the local community will lose the prospect of significant job creation and added revenues. Construction of the Mt. Hope project will create 1,300 jobs during construction and generate $254 million for the local economy. If the Congress does not act, the local community will lose these jobs and these revenues.

These extension bills have not proved controversial in the past. H.R. 459 was approved by the Subcommittee on Energy and Power of the Committee on Commerce by unanimous voice vote. The bill was introduced jointly by the gentleman from New Jersey (Mr. FRELINGHUYSEN) and the gentleman from New Jersey (Mr. PALLONE).

I support H.R. 459, Mr. Speaker.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Texas. Mr. Speaker, I yield myself such time as I may consume.

I will be brief, Mr. Speaker. I thank the chairman of the committee; and I want to congratulate my colleague, the gentleman from New Jersey (Mr. FRELINGHUYSEN), for his very hard and successful bipartisan work on this bill. He has worked closely with the gentleman from New Jersey (Mr. FRANK PALLONE), who is an active member of our subcommittee, as well as the original cosponsor of this legislation. These two men together have done such an excellent job of building bipartisan support that, as the gentleman from Texas (Mr. BARTON) has pointed out, it was reported out unanimously by both the Subcommittee on Energy and Power and the full Committee on Commerce.

I know of no objection to this project; and I am, therefore, pleased to add our support to the legislation that would authorize FERC to extend the license for the Mt. Hope hydroelectric project for an additional 2 years.

Mr. Speaker, I have no further requests for time; and I yield back the balance of my time.

Mr. BARTON of Texas. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey (Mr. FRELINGHUYSEN), one of the original cosponsors whose district the project is located in.

Mr. FRELINGHUYSEN. Mr. Speaker, I thank the gentleman for yielding me this time; and I rise in strong support of H.R. 459, legislation I introduced earlier this year to extend the FERC license for the Mt. Hope hydroelectric project by a period of 3 years.

First, let me thank the gentleman from Texas (Mr. BARTON), the chairman of the Subcommittee on Energy and Power, and the gentleman from Virginia (Mr. BLILEY), chairman of the full Committee on Commerce, as well as the ranking member of the subcommittee, the gentleman from Texas (Mr. HALL), and my colleague, the gentleman from New Jersey (Mr. FRANK PALLONE), for moving so expeditiously on this bill.

Mt. Hope received its original FERC license in August of 1992. The license has been extended for 2 years by FERC and once by Congress in 1995. H.R. 459 would simply ensure that there is additional time for Mt. Hope to secure the energy supply contracts to begin the construction of the proposed facility.

This project is an advanced pumped-storage hydroelectric plant located in my district, Morris County, New Jersey. Far from a conventional hydro plant, this facility will be a closed cycle system in which water will be continuously circulated between two man-made reservoirs.

The project has the strong support of local government officials and organizations where the project will be built, namely the New Jersey Business and Industry Association and the Sierra Club of New Jersey. This $2 billion project will be financed entirely by the private sector with no taxpayers' dollars used for its construction.

As the chairman has mentioned, the project will bring approximately 1,300 jobs to New Jersey and boost our Nation's economy by adding approximately $6 billion to the gross national product during construction.

In a nutshell, this project can serve as our region's, northern New Jersey, New York and that area, as an energy insurance policy by enhancing the security of the electrical supply system for our region.

Mr. Speaker, the project has many environmental, energy and economic benefits to the State of New Jersey and the mid-Atlantic region. The project has strong support of local and State officials; and it will help us meet, most importantly, the goals of the Clean Air Act. I urge my colleagues to support the passage of H.R. 459 so we can begin to realize these benefits.

Mr. PALLONE. Mr. Speaker, I am pleased to speak today in support of H.R. 459, to extend the deadline for the Mt. Hope hydropower project.

The Federal Power Act allows a licensee two years to begin construction of a hydroelectric project once a license is issued. The Federal Energy Regulatory Commission (FERC) may extend that deadline, but it may only do so once and only for two years. If project construction has not commenced by this deadline, the commission is required to terminate the license.

However, there are many obstacles that often make it difficult for a project to commence construction during either the initial license time frame or the extension period. Perhaps the most frequent reason for delay is the lack of a power purchase agreement, for without such an agreement, it is unlikely that a project could get financed. This is the case with the Mt. Hope hydropower project to be located in Rockaway Township, Morris County, in my home state of New Jersey.

Because of the limitations set in the Federal Power Act, the House has had a long, bipartisan tradition of moving non-controversial license extensions. I am pleased that Representative FRELINGHUYSEN and I could introduce this bill in a bi-partisan manner. The Commerce Committee unanimously passed this bill. In addition, the chairman of FERC wrote a letter to the House Commerce Energy and Power Subcommittee just a few months ago indicating his approval for extending the deadline for this project.

Mr. Speaker, I know of no objection to this bill, and I urge my colleagues to support the legislation.

Mr. BARTON of Texas. Mr. Speaker, I have no further requests for time; and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas (Mr. BARTON) that the House suspend the rules and pass the bill, H.R. 459.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## LEWIS R. MORGAN FEDERAL BUILDING AND UNITED STATES COURTHOUSE

Mr. FRANKS of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1121) to designate the Federal building and United States courthouse located at 18 Greenville Street in Newnan, Georgia, as the ''Lewis R. Morgan Federal Building and United States Courthouse''.

The Clerk read as follows:

H.R. 1121

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

**SECTION 1. DESIGNATION.**

The Federal building and United States courthouse located at 18 Greenville Street in Newnan, Georgia, shall be known and designated as the ''Lewis R. Morgan Federal Building and United States Courthouse''.

**SEC. 2. REFERENCES.**

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building and United States courthouse referred to in section 1 shall be deemed to be a reference to the ''Lewis R. Morgan Federal Building and United States Courthouse''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. FRANKS) and the gentleman from Mississippi (Mr. SHOWS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. FRANKS).

Mr. FRANKS of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1121 designates the Federal Building and United States courthouse in Newnan, Georgia, as the ''Lewis R. Morgan Federal Building and United States Courthouse''.

Lewis Morgan was born and raised in Georgia and went on to earn his law degree from the University of Georgia.

Prior to his appointment to the Federal bench, Judge Morgan was in private practice and served in the Georgia General Assembly to represent Troup County. He also served as the administrative assistant to Congressman Sidney Camp, and during World War II served in the Signal Corps of the United States Army. Following the war, Judge Morgan was a city attorney for LaGrange and county attorney for Troup County.

Judge Morgan was appointed as a United States District Judge for the Northern District of Georgia in 1961. He served as chief judge prior to being appointed to the United States Court of Appeals for the Fifth Judicial Circuit.

In 1981, Judge Morgan was appointed to the Eleventh Circuit Court of Appeals. He maintained an active case load until illness forced him to retire in 1996.

This is a fitting tribute to a dedicated public servant. I support this bill and encourage my colleagues to support it as well.

Mr. Speaker, I reserve the balance of my time.

Mr. SHOWS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1121 is a bill to designate the Federal Building in Newnan, Georgia, as the ''Lewis R. Morgan Federal Building and United States Courthouse''.

Throughout his distinguished legal career, Judge Morgan has served the citizens of Georgia with humility, scholarship, compassion and dignity. Judge Morgan, a native Georgian, received his education in the public schools in Georgia and received his law degree from the University of Georgia. He served in the Georgia General Assembly and is a veteran of World War II.

In August of 1961, he was appointed as a United States District Judge for the Northern District of Georgia. During his career, he served on the Court of Appeals for both the Fifth and the Eleventh Circuit.

□ 1745

This designation in honor of Judge Morgan is widely supported by various groups, including the Mayor and City Council of Newnan, the Newnan-Coweta Bar Association, and the Mayor and City Council of LaGrange, Georgia.

It is most fitting and proper to honor the long, distinguished career of Judge Morgan with this designation. I support H.R. 1121 and I urge its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield as much time as he may consume to the gentleman from Georgia (Mr. COLLINS).

Mr. COLLINS. Mr. Speaker, I thank the gentleman from New Jersey for yielding me the time.

Mr. Speaker, I rise today to recognize a man whose record of community service to the State of Georgia is paralleled only by that of his contributions to the American judicial system.

Judge Lewis Render Morgan was a judge for the United States Board of Appeals for the Eleventh Circuit until his retirement in 1996. During his illustrious career, he maintained his office and chambers in the Federal Building and Courthouse located in Newnan, Georgia. Largely because of his efforts, this facility was constructed in 1968 and stands as a symbol of his integrity and commitment to American law. Therefore, it is very appropriate that the building be named for him.

Mr. Speaker, I will repeat many of the fine compliments that have already been made by my colleagues in my remarks, but I think this man well deserves a repetition of those remarks.

Judge Morgan was born in LaGrange, Georgia, July 14, 1913. He received his primary education in the LaGrange public school system before heading off to the hills of Ann Arbor to begin a pre-law program at the University of Michigan. Those studies culminated with a law degree from the University of Georgia in 1935.

Following his graduation, Judge Morgan began a distinguished career of public contribution to the State of Georgia, which included service as a member of the Georgia General Assembly, representing Troup County, Georgia; administrative assistant to the Honorable A. Sidney Camp, Member of Congress; member of the Signal Corps of the United States Army, World War II; city attorney for the City of LaGrange, Georgia; and county attorney for Troup County, Georgia.

The people of Coweta County were very fortunate when Judge Morgan was appointed as a United States District Court Judge for the Northern District of Georgia on August 10, 1961. That appointment served as the beginning of a long and productive relationship between Judge Morgan and the Coweta County residents.

Four years later, he served as Chief Judge of the Northern District, a position which he held until 1968, when he was appointed as a judge of the United States Court of Appeals for the Fifth Circuit. And on October 1, 1981, Judge Morgan was appointed to the Eleventh Circuit Court of Appeals.

During that tenure, Judge Morgan served the Federal judiciary in many

ways, including being a member of the Judicial Conference of the United States' Committee on the Budget from 1969 to 1979, serving as a judge of the Temporary Emergency Court of Appeals from 1979 to 1987, and as a member of the Special Division of the District of Columbia's Court of Appeals for Appointing an Independent Counsel from 1978 to 1988.

Judge Morgan is married to the former Sue Lorraine Phillips; and they have two children, Parks Healy and Sue Ann Morgan Everett. He is a member of the American Bar Association, the American Law Institute, the American Judicature Society, the Georgia Bar Association, the Troup County Bar Association, and the Coweta Judicial Circuit Bar Association.

Throughout his distinguished and celebrated career, Judge Morgan has served the City of Newnan, the State of Georgia, and the United States with honor and commitment. In recognition of this service, and for the high esteem with which he is held by the members of his community, it is very fitting, Mr. Speaker, that the site of his office and chambers bears his name.

I am very honored to have worked with many individuals in this legislative process, including the gentleman from Georgia (Mr. BARR) who has supported this endeavor from the start; Howard ''Bo'' Callaway, former Congressman and Secretary of the Army; L. Keith Brady, Mayor of Newnan and counsel of Newnan, Georgia; Walter Jeff Lukken, Mayor of LaGrange, Georgia; the Newnan-Coweta Bar Association; the Coweta County Board of Commissioners; United States District Court Judges Jack T. Camp and W. Homer Drake, Jr.; United States District Court Chief Judge G. Ernest Tidwell; and many others.

Generations to come will now have a lasting reminder of what Judge Morgan has meant and continues to mean to the City of Newnan, Georgia.

My thanks to the gentleman from New Jersey (Mr. FRANKS), subcommittee chairman, and the gentleman from Pennsylvania (Mr. SHUSTER), chairman of the Committee on Transportation, for this legislation, and to the ranking member for his assistance.

Mr. Speaker, I include for the RECORD the following resolutions from the different cities and organizations praising the accomplishments of Judge Morgan:

NEWNAN-COWETA BAR ASSOCIATION

Upon motion and second at a regularly scheduled and noticed meeting of the Newnan-Coweta Bar Association, the members of the Newnan-Coweta Bar Association unanimously voted to adopt the following resolution honoring United States Eleventh Circuit Court of Appeals Judge Lewis Render Morgan, requesting that the United States Courthouse and Federal Building located at 18 Greenville Street, Newnan, Georgia be named in his honor by the United States Congress.

RESOLUTION

Whereas, Judge Lewis R. Morgan is held in great esteem by all of the members of the Newnan-Coweta Bar Association and has long been a friend of this bar; and

Whereas, five current and active members of the Newnan-Coweta Bar Association are fortunate enough to have served as law clerks for the Judge; and

Whereas, many lawyers and former lawyers were friends and contemporaries of Judge Morgan throughout his legal career, including Walter D. Sanders, formerly City Attorney for the City of Newnan and county attorney for the county of Coweta; J. Littleton Glover, attorney for Newnan Utilities; Byron M. Matthews, former State Court Judge of Coweta County; Jack T. Camp, United States District Judge for the Northern District of Georgia; William F. Lee, Jr., Chief Superior Court Judge for the Coweta County Circuit; and W. Homer Drake, Jr., United States Bankruptcy Judge for the Northern District of Georgia; and

Whereas, Judge Morgan established his office and chambers in the City of Newnan since his original appointment to the Federal Bench in 1961 through his retirement 35 years later in 1996; and

Whereas, the Federal Court Building was constructed at its current location in 1968, largely due to the undertaking of Judge Morgan to locate the facility in the City of Newnan for the benefit of not only the citizens of Coweta County but also to benefit citizens throughout the entire Newnan Division, Northern District of Georgia; and

Whereas, Judge Morgan has had a prestigious and respected tenure on the judiciary as well as serving as a member of the Judicial Conference of the United States' Committee on the Budget from 1969 to 1979, serving as Judge of the Temporary Emergency Court of Appeals from 1979 to 1987, and as a member of the Special Division of the District of Columbia's Court of Appeals for Appointing Independent Counsel from 1978 to 1988; and

Whereas, Judge Morgan had a successful and thriving private practice wherein he developed his reputation as a fair, upstanding, and admired attorney prior to his appointment to the bench; and

Whereas, in the opinion of the members of the Newnan-Coweta Bar Association it would be appropriate for the Federal Building in Newnan to be named in honor of Judge Lewis Render Morgan.

Therefore, *Be it Resolved* that it is our desire that the United States Courthouse and Federal Building in Newnan be named as the ''Lewis R. Morgan United States Courthouse and Federal Building''; and

That it *Be Further Resolved* that we as an Association request the aid and support of the Honorable Mac Collins, United States Representative in Congress, for the purpose of introducing and sponsoring the necessary legislation to effectuate this Resolution in naming the United States Courthouse and Federal Building for Judge Lewis R. Morgan.

*It is so resolved* this 10th day of March 1999.

---

THE CITY OF NEWNAN, GEORGIA—OFFICE OF THE CITY COUNCIL

The members of the City Council of the City of Newnan, in regular meeting assembled, unanimously adopted the following Resolution concerning the naming of the United States Courthouse and Federal Building located at 18 Greenville Street, Newnan, Georgia, in honor of retired United States Circuit Judge Lewis Render Morgan:

RESOLUTION

Whereas, Judge Lewis R. Morgan served as a United States Judge since 1961 until his retirement from active service in 1996, having first served as a United States District Judge and later as a United States Circuit Judge; and

Whereas, Judge Morgan has served the Federal Judiciary well in many ways during his prestigious and respected career on the Bench, including being a member of the Judicial Conference of the United States' Committee on the Budget from 1969 to 1979, serving as a Judge of the Temporary Emergency Court of Appeals from 1979 to 1987, and also serving as a member of the Special Division of the District of Columbia's Court of Appeals for Appointing Independent Counsel from 1978 to 1988; and

Whereas, Judge Morgan enjoyed a most successful and thriving law practice all over the West Georgia area prior to his appointment to the Federal Bench, during which time he developed his reputation as a fair, upstanding, and admired attorney; and

Whereas, Judge Morgan has continually established his office and chambers in the City of Newnan since his appointment to the Federal Bench in 1961 through his retirement 35 years later in 1996; and

Whereas, the Federal Court facility in Newnan was constructed in 1968, principally because of the efforts of Judge Morgan; and

Whereas, this Federal facility was considered, in essence, his building, his idea, and his dream, and

Whereas, in the opinion of the members of the City Council of the City of Newnan, it would be a fitting climax to his career for this building, that presently has no name, to be named in honor of Judge Morgan.

Therefore, *Be it Resolved* that the members of the City Council of the City of Newnan officially acknowledge and recognize Judge Morgan's long and distinguished service as a member of the Federal Judiciary, recognize the high esteem in which he is held by the citizens of this community, and publicly extend our grateful appreciation to Judge Morgan for what he has meant, and continues to mean, to the City of Newnan; and

Therefore, *Be it Further Resolved,* that it is our desire that the United States Courthouse and Federal Building in Newnan be henceforth known as the ''Lewis R. Morgan United States Courthouse and Federal Building''; and

Therefore, *Be it Further Resolved,* that we respectfully solicit the assistance and support of the Honorable Mac Collins, United States Congress, in introducing and sponsoring legislation in Congress to name this building for Judge Morgan.

*Be it so Resolved and Ordered* in regular session assembled, this the 9th day of March, 1999.

---

TROUP COUNTY BAR ASSOCIATION

Upon motion and second at a called and noticed meeting of the Troup County Bar Association, the members of the Troup County Bar Association unanimously voted to adopt the following resolution honoring United States Eleventh Circuit Court of Appeals Judge Lewis Render Morgan, requesting that the United States Courthouse and Federal Building located at 18 Greenville Street, Newnan, Georgia be named in his honor by the United States Congress.

RESOLUTION

Whereas, Judge Lewis R. Morgan is held in great esteem by all members of the Troup County Bar Association and has long been a friend of this bar organization; and

Whereas, many lawyers and former lawyers of this bar were friends and contemporaries of Judge Morgan throughout his legal career; and

Whereas, many lawyers in this bar have had the honor to practice before Judge Morgan; and,

Whereas, the Federal Court Building was constructed at its current location in 1968, largely due to the undertaking of Judge Morgan to locate a facility in the City of Newnan for the benefit of not only the citizens of Coweta County but also to benefit citizens in Troup County and throughout the entire Newnan Division, Northern District of Georgia; and,

Whereas, Judge Morgan has had a prestigious and respected tenure on the judiciary as well as serving as a member of the Judicial Conference of the United States' Committee on the Budget from 1969 to 1979, serving as Judge of the Temporary Emergency Court of Appeals from 1979 to 1987, and as a member of the Special Division of the District of Columbia's Court of Appeals for Appointing Independent Counsel from 1978 to 1988; and

Whereas, Judge Morgan had a successful and thriving private practice wherein he developed the reputation as a fair, upstanding, and admired attorney prior to his appointment to the bench; and,

Whereas, in the opinion of the members of the Troup County Bar Association it would be appropriate and fitting that the Federal Building in Newnan be named in honor of Judge Lewis Render Morgan.

Therefore, *Be it Resolved* that it is our desire that the United States Courthouse and Federal Building in Newnan be named as the ''Lewis R. Morgan United States Courthouse and Federal Building''; and

That it *Be Further Resolved* that we as an Association request the aid and support of the Honorable Mac Collins, United States Representative to Congress, for the purpose of introducing and sponsoring the necessary legislation to effectuate this Resolution in naming the United States Courthouse and Federal Building for Judge Lewis R. Morgan.

*It is so Resolved*, this 24th day of March, 1999.

---

RESOLUTION

Whereas, Lewis R. (Pete) Morgan, a native son of Troup County, who after completing his primary education in the LaGrange public schools and receiving his law degree from the University of Georgia, returned to LaGrange and practiced law from 1935 to 1961, several of such years being served as Troup County attorney as well as attorney for the City of LaGrange; and

Whereas, the service to this county continued when he was appointed to the United States District Court for the Northern District of Georgia; and

Whereas, Judge Morgan served at the Newnan Division of said court hearing cases arising from this area including Troup County from 1961 to 1968, at which time he was appointed as a judge on the United States Court of Appeals for the Fifth Judicial Circuit. On October 1, 1981, he was appointed as a judge to the United States Eleventh Circuit Court of Appeals where he served until his retirement; and

Whereas, as a result of his appointment to the federal bench, Judge Morgan relocated his office from LaGrange to Newnan, Georgia, the site of the United States District Courthouse; and

Whereas, the construction of said building was carried our under the direction of Judge Morgan thereby making it easier for the citizens of Troup County to conduct any necessary business with the federal courts in a more convenient location in Newnan; and

Whereas, it appears to this Board that a lifetime of service to citizens of this county should be recognized.

*Now, Therefore, it is Hereby Resolved* that a copy of this Resolution be mailed to Congressman Bob Barr, representing this county in the United States Congress, with a request that Congressman Barr introduce legislation to name the building housing the United States District Court in Newnan in honor of Judge Lewis R. Morgan;

*It is Hereby Further Resolved* that a copy of this Resolution be spread upon the minutes of this body as a testament of a lifetime of service rendered our citizens by Judge Morgan.

*Resolved* this 6th day of April, 1999

TROUP COUNTY BOARD OF COMMISSIONERS.

---

RESOLUTION

Whereas, Judge Lewis R. Morgan served as a United States Judge since 1961 until his retirement from active service in 1996, having first served as a United States District Judge and later as a United States Circuit Judge; and

Whereas, Judge Morgan has served the Federal Judiciary well in many ways during his prestigious and respected career on the Bench, included being a member of the Judicial Conference of the United States' Committee on the Budget from 1969 to 1979, serving as a Judge of the Temporary Emergency Court of Appeals from 1979 to 1987, and also serving as a member of the Special Division of the District of Columbia's Court of Appeals for Appointing Independent Counsel from 1978 to 1988; and

Whereas, Judge Morgan enjoyed a most successful and thriving law practice all over the Coweta Judicial Circuit and the West Georgia area prior to his appointment to the Federal Bench, during which time he developed his reputation as a fair, upstanding, and admired attorney; and

Whereas, Judge Morgan has continually established his office and chambers in the City of Newman since his appointment to the Federal Bench in 1961 through his retirement 35 years later in 1996; and

Whereas, the Federal Court facility in Newnan, Coweta County, was constructed in 1968, principally because of the efforts of Judge Morgan; and

Whereas, this Federal facility was considered, in essence, his building, his idea, and his dream; and

Whereas, in the opinion of the members of the Coweta County Commission, it would be a fitting climax to his career for this building, that presently has no name, to be named in honor of Judge Morgan.

*Therefore, be it Resolved,* that the members of the Coweta County Board of Commissioners officially acknowledge and recognize Judge Morgan's long and distinguished service as a member of the Federal Judiciary, recognize the high esteem in which he is held by the citizens of this community, and publicly extend our grateful appreciation to Judge Morgan for what he has meant, and continues to mean, to Coweta County; and

*Therefore, be it Further Resolved* that it is our desire that the United States Courthouse and Federal Building in Newman, Coweta County, Georgia be henceforth known as the ''Lewis R. Morgan United States Courthouse and Federal Building''; and

*Therefore, be it Further Resolved* that we respectfully solicit the assistance and support of the Honorable Mac Collins, United States Congress, in introducing and sponsoring legislation in Congress to name this building for Judge Morgan.

*Be it so Resolved and Ordered* in Regular Session lawfully assembled, this the 16th day of March, 1999.

---

OFFICE OF THE MAYOR—LAGRANGE, GA

PROCLAMATION

Whereas, Lewis Render Morgan served as a United States District Judge for the Northern District of Georgia from 1951 to 1968 and was Chief Judge of that Court from 1965 to 1968; and

Whereas, Judge Morgan was appointed to the United States Court of Appeals for the Fifth Circuit in 1968 and took Senior Judge status in 1978 and was appointed to the newly created Eleventh Circuit in 1981; and

Whereas, Judge Morgan has served the State of Georgia as a member of the General Assembly from 1937 to 1939, Attorney for the City of LaGrange from 1943 to 1946, Attorney for Troup County from 1957 to 1961, a member of the Judicial Conference Committee on the Budget from 1969 to 1979, has served on the Special Division of the U.S. Court of Appeals for the District of Columbia Circuit since 1978 and in 1979 was appointed to serve on the temporary Emergency Court of Appeals; and

Whereas, Judge Morgan made his home and raised his family in LaGrange, Georgia and was married to Sue Lorene Phillips, has two children, Parks Healey Morgan and Sue Ann Morgan Rogers, and three grandchildren; and

Whereas, Judge Morgan is a member of the American Bar Association, the American Law Institute, the American Judicature Society, the Georgia Bar Association, the Troup County Bar Association, and the Coweta Judicial Circuit Bar Association; and

Whereas, Judge Morgan enjoyed a successful and thriving law practice throughout West Georgia prior to his appointment to the Federal Bench and developed a reputation as a fair, outstanding and admired attorney and, through his efforts, the Federal Court Facility in Newnan, Georgia was constructed in 1968.

*Now, Therefore Be It Resolved,* That the Mayor and Council of the City of LaGrange, Georgia desires that the United States Courthouse and Federal Building in Newnan, Georgia be henceforth known as the ''Lewis R. Morgan United States Courthouse and Federal Building''; and

*Be It Further Resolved,* That the City of LaGrange respectfully solicits the assistance and support of the Honorable Mac Collins, United States Congress, in introducing and sponsoring legislation in Congress to so name this facility for Judge Lewis Render Morgan.

Mr. BARR of Georgia. Mr. Speaker, I rise today in support of H.R. 1121, a bill to designate the Federal building and United States courthouse locates in Newman, GA, as the ''Lewis R. Morgan Federal Building and United States Courthouse.''

Judge Lewis R. Morgan served as a United States Judge since 1961 until his retirement from active service in 1996, having first served as a United States District Judge and later as a United States Eleventh Circuit Court Judge. Judge Morgan sat on the bench for 35 years developing a reputation as a fair, upstanding, and admired judge.

Lewis R. Morgan, a native son of Troup County, who after completing his primary education in the LaGrange, Georgia public school received his law degree from the University of Georgia, returned to LaGrange and practiced law from 1935 to 1961. During that time, he served the state of Georgia as a Member of

the General Assembly from 1937 to 1939, Attorney for the City of LaGrange from 1943 to 1946, Attorney for Troup County from 1957 to 1961.

Judge Morgan was appointed as a judge on the United States Court of Appeals for the Fifth Judicial Circuit. On October 1, 1981, he was appointed as a judge to the United States Eleventh Circuit Court of Appeals.

In addition, as a member of the bench he served on the Judicial Conference of the United States' Committee on the Budget from 1969 to 1979, serving as Judge of the Temporary Emergency Court of Appeals from 1979 to 1987, and as a member of the Special Division of the District of Columbia's Court of Appeals for Appointing Independent Counsel from 1978 to 1988.

The idea of naming this building after Judge Morgan has been endorsed by the Coweta County and Troup County Board of Commissioners, the City Council of Newnan, the Newnan-Coweta Bar Association, the Troup County Bar Association, the Office of the Mayor of LaGrange and the City Council, Georgia.

Judge Morgan has established his office and chamber in the City of Newnan since his original appointment to the Federal Bench in 1961 through his retirement. The federal court facility in Newnan, Georgia was constructed in 1968, principally because of the efforts of Judge Morgan. This facility was considered, in essence, his building, his idea, and his dream. Today we take a step in making the dream after the dreamer, Judge Lewis R. Morgan.

Mr. SHOWS. Mr. Speaker, we have no other requests for speakers, and I yield back the balance of my time.

Mr. FRANKS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. FRANKS) that the House suspend the rules and pass the bill, H.R. 1121.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## WILLIAM H. NATCHER BRIDGE

Mr. FRANKS of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1162) to designate the bridge on United States Route 231 that crosses the Ohio River between Maceo, Kentucky, and Rockport, Indiana, as the ''William H. Natcher Bridge.''

The Clerk read as follows:

H.R. 1162

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

**SECTION 1. DESIGNATION.**

The bridge on United States Route 231 that crosses the Ohio River between Maceo, Kentucky, and Rockport, Indiana, shall be known and designated as the ''William H. Natcher Bridge''.

**SEC. 2. REFERENCES.**

Any reference in a law, map, regulation, document, paper, or other record of the United States to the bridge referred to in section 1 shall be deemed to be a reference to the ''William H. Natcher Bridge''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. FRANKS) and the gentleman from Mississippi (Mr. SHOWS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. FRANKS).

Mr. FRANKS of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1162 designates the bridge on U.S. Route 231 over the Ohio River near Owensboro, Kentucky, as the ''William H. Natcher Bridge'' in honor of our late and former colleague William Natcher.

Identical legislation was passed unanimously by this House on June 18, 1996, and on September 22, 1994, but was never enacted.

Representative Natcher was born in Bowling Green, Kentucky, in 1909 and was educated at Western Kentucky College and the Ohio State University Law School. His life was dedicated to public service, serving in the U.S. Navy during World War II and holding a series of local and State offices before being elected to Congress. He moved up the ranks of the Committee on Appropriations, eventually assuming chairmanship of the full Committee in 1993.

I am proud to have had the privilege of serving in the House with Congressman Natcher. Although well-known for having cast 18,401 consecutive votes during his 40 years here, Congressman Natcher's accomplishments are much more than his extraordinary voting record. He put an extremely high value on public service and set a very high standard for himself.

Bill Natcher was always an inspiration to me and I know to many other Members, as well. He was a gentleman, a statesman, and a man of unquestioned integrity who served this House and his constituents in Kentucky from 1954 until his death in 1994 with quiet, unfailing dedication.

The naming of this bridge for Bill Natcher is a fitting and lasting memorial to our friend and former colleague. I support this bill and urge my colleagues to support it, as well.

Mr. Speaker, I reserve the balance of my time.

Mr. SHOWS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would simply like to associate my remarks with many of those of my colleagues who have had the honor to have known and served with Mr. Natcher. The distinguished gentleman from Kentucky represented the people of Kentucky in Congress for over 40 years.

This bill, H.R. 1162, has the full support of the Kentucky delegation. It would designate a bridge on U.S. Route 231 over the Ohio River between Maceo, Kentucky, and Rockport, Indiana, as the ''William H. Natcher Bridge.'' This legislation acknowledges the efforts of Mr. Natcher to construct this bridge.

Mr. Speaker, similar legislation passed the House in both the 103rd and 104th Congress but failed to be enacted. I urge a unanimous vote in approving this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield as much time as he may consume to my colleague, the gentleman from Kentucky (Mr. LEWIS).

Mr. LEWIS of Kentucky. Mr. Speaker, I rise today to express my support for H.R. 1162, which designates a new bridge under construction in Owensboro, Kentucky, the ''William H. Natcher Bridge.'' The House passed similar legislation in both the 103rd and 104th Congresses. Unfortunately, the other body never acted on these bills.

During consideration of those bills, however, many Members from both sides of the aisle shared their experiences about working with Mr. Natcher. They talked about the dedication and hard work of my predecessor.

I encourage my colleagues to take a moment to look at some of those comments. As most Members who served with Mr. Natcher can attest, he was a statesman and a true gentleman. While he will always be remembered on Capitol Hill for never missing a vote during his many years in service, he will be known in the Second District for his hard work on behalf of his constituents.

Mr. Natcher was dedicated to making this bridge a reality due to the benefits it would bring to the Second District. He guided this project through Congress and laid the groundwork to assure its completion.

The Commonwealth of Kentucky has already designated this bridge in honor of Mr. Natcher. Now it is our responsibility in Washington to do the same. This bill gives us the chance to recognize his efforts at the Federal level and provide a visible reminder of this true friend to Kentucky.

I hope my colleagues will join me and the members of the Kentucky House delegation in supporting this legislation.

Mr. SHOWS. Mr. Speaker, I yield back the balance of my time.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield as much time as he may consume to my colleague, the gentleman from Kentucky (Mr. ROGERS).

Mr. ROGERS. Mr. Speaker, I thank the gentleman from New Jersey for yielding me the time.

Mr. Speaker, I rise in support of this resolution. I want to commend our colleague, the gentleman from the Second District of Kentucky (Mr. RON LEWIS) for offering this legislation. His predecessor in the Second District, Bill Natcher, most all of us served with

here in this great body, and knew him and knew him to be the epitome of rectitude and the very model of what a U.S. Congressman ought to be.

Bill Natcher was a combined Lou Gehrig and Cal Ripken. He was the Lou Gehrig and Cal Ripken of Congress. Forty-one years of service in this body.

As has been mentioned, he holds the record for consecutive votes cast, 18,401 over that 41 years of service, never having missed a single vote, a record that I am going to say never will be matched. It is technically possible but not very likely.

But Bill Natcher, as we all know, was more than a consecutive voting streak; he was a patriot and a statesman. He was a man of the highest character. He prided himself in dutifully serving his district, his great Kentucky, and the Nation.

As has been mentioned, he was a very long time member of the Committee on Appropriations. He served for 18 years as the chairman of the District of Columbia Subcommittee, 18 years, and during that time became known as the mayor of Washington. In those days, the chairman of that subcommittee held great sway in the running of this city.

And then, of course, we know he served as chairman of the Subcommittee on Labor, Health and Human Services and Education, and that is where he really made his mark. His tenure was marked by a strong commitment to programs that benefitted the general welfare of our population. He was a man of commitment.

I am going to quote him here. He said, ''I have always believed that if you take care of the health of your people and educate your children, you continue living in the strongest country in the world.''

In 1992, at the age of 83, he ascended to become chairman of the full Committee on Appropriations. He liked to laughingly say that he had sat next to the chairman waiting to assume the seat for some, I think, 25 years, Jamie Whitten. And finally, in 1992, he assumed that chair. He continued his reputation as a fair and responsible lawmaker.

□ 1800

Bill Natcher's contributions to this country, to Kentucky, and to this body were so many, we never may fully appreciate all that he did and meant to all of us.

But one contribution that will certainly be appreciated by the residents of the Second District of Kentucky is that bridge extending over the Ohio River into Indiana. Methodically Bill Natcher labored to erect that bridge for his constituents and for the betterment of the State, and it was unable to be finished, of course, during his lifetime, unfortunately. But the gentleman from Kentucky (Mr. LEWIS) has taken up the task, and he has persistently fought to get the money and the authorization and the wherewithal to finish what bill Natcher had begun.

I want to commend the gentleman from Kentucky (Mr. LEWIS), Bill Natcher's very worthy successor, for continuing Bill Natcher's legacy and diligently working for the people of that great district and especially to finish the construction on this bridge, and now to name that bridge the William H. Natcher Bridge, something that all of us will be proud of until the day we die and our kids will continue believing is worthy of that name for many, many decades to come. It will be a daily reminder to Bill Natcher's former beloved constituents of his tremendous service to our Nation.

This is a fitting tribute to Kentucky's former dean, and I am honored to urge support unanimously of this measure.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN. Mr. Speaker, I thank the gentleman from New Jersey for yielding me this time. I wanted to take just a minute to express my appreciation to him and to the Speaker and to others who have brought this bill to the floor of the House here tonight.

I had the great privilege of knowing Congressman Natcher personally and working closely with him for several years.

What is interesting to me is just this morning I had a group from the First Baptist Church of Athens, Tennessee, on the floor of the House, showing them around the Capitol. I showed them the voting card that we each have and told them how we voted in the names, how they light up on the wall and so forth. One of the women in that group asked me about the man who broke the record, having the most consecutive votes, and so I told them about Congressman Bill Natcher, and that is who they were talking about.

Because I know, as has already been mentioned, he did not miss a rollcall vote for more than 40 years. He had a record that will never be broken. It will never be surpassed. He was so dedicated to this institution and so dedicated to this country.

He did many, many wonderful things for the District of Columbia during his time that he chaired the D.C. Appropriations Subcommittee. In fact, I think for a while he was called or frequently referred to as the Mayor of the District of Columbia for many years.

But he did many, many other things, also, in his work for the Committee on Appropriations. In this time of such big spending on campaigns, I remember that he used to pride himself in the fact that he spent I think only about $10 or $15 or something on some of his campaigns. He would spend a little gas money driving around the district.

It was phenomenal what he did in his campaigns and in his voting record, never missing a vote. I remember one time hearing that his wife was sick at home. Maybe somebody has already mentioned this. But his wife was sick in the hospital in Bowling Green. He flew for like 2 straight weeks each night after the House would get out of session. He would fly home to Nashville, drive I think 60 miles or so to Bowling Green or 70 miles, spend the night with her, fly back the next morning, and then do the same thing over again the next day and did that for 2 weeks. The lengths that he went to to keep up this record.

He was a great American. I do not think that we really could pay enough honor and tribute to William Natcher, who was the epitome of what a United States Congressman should be. I strongly support this legislation.

Mr. PETRI. Mr. Speaker, I rise in strong support of this bill. I think it only appropriate to honor our late friend and colleague by designating in his name this bridge, for which he fought so hard during his legendary tenure in this Chamber.

Bill Natcher will always be remembered for his determination and longevity, but it was his commitment to the people of the second district of Kentucky and his love and respect for this body that inspired us all.

Today we have the opportunity to create a lasting memorial honoring Bill Natcher's name.

I strongly urge that we pass H.R. 1162 and do just that.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COBLE). The question is on the motion offered by the gentleman from New Jersey (Mr. FRANKS) that the House suspend the rules and pass the bill, H.R. 1162.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## ROBERT K. RODIBAUGH UNITED STATES BANKRUPTCY COURTHOUSE

Mr. FRANKS of New Jersey. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 460) to designate the United States courthouse located at 401 South Michigan Street in South Bend, Indiana, as the ''Robert K. Rodibaugh United States Bankruptcy Courthouse''.

The Clerk read as follows:

S. 460

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

**SECTION 1. DESIGNATION OF ROBERT K. RODIBAUGH UNITED STATES BANKRUPTCY COURTHOUSE.**

The United States courthouse located at 401 South Michigan Street in South Bend, Indiana, shall be known and designated as the

''Robert K. Rodibaugh United States Bankruptcy Courthouse''.

**SEC. 2. REFERENCES.**

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the ''Robert K. Rodibaugh United States Bankruptcy Courthouse''.

The SPEAKER pro tempore (Mr. DUNCAN). Pursuant to the rule, the gentleman from New Jersey (Mr. FRANKS) and the gentleman from Mississippi (Mr. SHOWS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. FRANKS).

Mr. FRANKS of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 460 designates the United States courthouse in South Bend, Indiana, as the ''Robert K. Rodibaugh United States Bankruptcy Courthouse.'' Judge Rodibaugh served the northern district of Indiana in the area of bankruptcy law since his appointment as a bankruptcy judge in 1960. During his tenure he oversaw the growth of the bankruptcy court from one small courtroom with a part-time referee and a clerk's office of four employees in South Bend to four separate courtrooms located throughout northern Indiana. In 1985, Judge Rodibaugh was appointed Chief Bankruptcy Judge and assumed senior status in 1986.

Judge Rodibaugh has fulfilled his duties as a referee and a judge in bankruptcy proceedings with patience, fairness, dedication and legal scholarship, which is most worthy of recognition. It is a fitting tribute to honor him and his accomplishments in this manner today.

This marks the third time the House has passed legislation honoring Judge Rodibaugh. I am pleased to note that this bill passed the other body earlier this year, and we can safely say that the third time is the charm.

I support this act and urge my colleagues to support it as well.

Mr. Speaker, I reserve the balance of my time.

Mr. SHOWS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join in supporting S. 460, a bill to designate the Federal bankruptcy court in South Bend, Indiana, as the ''Robert K. Rodibaugh United States Bankruptcy Courthouse.''

As my colleagues all know, the gentleman from Indiana (Mr. ROEMER) introduced an identical bill in the 104th and 105th Congress. Unfortunately, the Senate did not consider these measures before it adjourned.

Judge Rodibaugh has served the citizens of Indiana with honor and distinction since 1960 and at the age of 80 years is one of the Nation's most senior judges.

Judge Rodibaugh is a native of Elkhart County, Indiana, and received his education in the public schools. He graduated from Notre Dame and received his law degree from Notre Dame in 1941.

During his judicial career, he has seen the rapid growth of the bankruptcy courts. He has seen the courts grow from one small courtroom with a part-time referee and a clerk's office with four employees to four different courtrooms in the cities of South Bend, Fort Wayne, Gary and Lafayette.

Judge Rodibaugh is an active member of the Board of Governors of the St. Joseph County Bar Association, the Boy Scouts of America, the Red Cross and the National Conference of Bankruptcy Judges.

Judge Rodibaugh is noted for his fairness, dedication and legal scholarship. He has set an example for his judicial clerks with his high standards and judicial excellence. It is fitting and proper to honor Judge Rodibaugh with this designation.

Mr. ROEMER. Mr. Speaker, I rise today in support of S. 460 which recognizes the outstanding public service record of Judge Robert Kurtz Rodibaugh, a loyal and dedicated friend, and the senior bankruptcy judge for the South Bend Division of the Northern District of Indiana.

It is truly a great honor for me to recognize Judge Rodibaugh, who has consistently demonstrated generosity and selfless dedication to the citizens and legal community of Northern Indiana.

Mr. Speaker, as you may recall, I introduced identical legislation which was passed by the House of Representatives during the last Congress. I was honored to sponsor this legislation and pleased that the entire Indiana Congressional delegation cosponsored my bill.

Unfortunately, the measure was not considered by the U.S. Senate before the 105th Congress adjourned. However, this legislation was reintroduced by the senior Senator of Indiana, RICHARD LUGAR, and passed by the full Senate last month. This Senate-passed bill, S. 460, now under consideration, designates the recently dedicated courthouse on the corner of Western and South Michigan Streets in South Bend, Indiana in honor of Judge Rodibaugh and his numerous contributions to the legal community.

Last year, I also had the privilege to attend the dedication ceremony for the ''Robert K. Rodibaugh United States Bankruptcy Courthouse.'' While this courthouse has already been dedicated, I believe that S. 460 is an appropriate way to express our gratitude for Judge Rodibaugh's life-long dedication to public service.

Judge Rodibaugh is recognized by his community and his peers as an honorable man worthy of such a tribute. He is highly regarded throughout the entire country and has been a pillar of the community. Moreover, he is greatly respected by other judges and the bankruptcy bar in Northern Indiana. Since his initial appointment as a referee in bankruptcy in November 1960 and throughout his legal career as a bankruptcy judge, Judge Rodibaugh has served the citizens and legal community of the Northern District of Indiana wisely, efficiently, and honorably.

A native of Elkhart County, Indiana, Judge Rodibaugh graduated from the University of Notre Dame with a Bachelor of Science degree in 1940 and attended the University of Notre Dame Law School, where he served as the Associate Editor of the Notre Dame Law Review between 1940 and 1941.

Judge Rodibaugh received his Juris Doctor degree in 1941. After gaining his admittance to practice law in 1941, Judge Rodibaugh entered active duty as a private in the United States Army. He was discharged in 1946 as a Captain after serving in the infantry and armored forces during World War II.

Following his release, Judge Rodibaugh entered private practice in 1946. He also served as the Deputy Prosecuting Attorney of the 60th Judicial Circuit, in St. Joseph County, Indiana, from 1948 to 1950, and again from 1953 to 1957. In addition, Judge Rodibaugh served as Attorney for the St. Joseph County Board of Zoning Appeals between 1958 and 1960.

Mr. Speaker, Judge Rodibaugh received the 33 Years of Distinguished Service to Bench and Bar Award from the Bankruptcy Judges of the Seventh Circuit in 1993, the 50 Year Golden Career Award from the Indiana State Bar Association in 1991, and the Notre Dame Law School's Distinguished Alumnus Award in 1991. Some of the significant cases that Judge Rodibaugh has decided include *Papelow* v. *Foley* and *In the Matter of John Kelly Jeffers*. Judge Rodibaugh has always enjoyed the challenge of bankruptcy law and has a special talent for working with corporate reorganizations.

Recently, Judge Rodibaugh said: ''I still think bankruptcy law is one of the most fascinating areas of the law. When a reorganization is successful, it is a satisfying feeling.''

Mr. Speaker, throughout his tenure, Judge Rodibaugh has presided over the growth of the bankruptcy court in Northern Indiana from one small courtroom with a part-time referee and a clerk's office of two employees in South Bend, Indiana, to four different courtrooms in the cities of South Bend, Fort Wayne, Gary, and Lafayette, Indiana, with four full-time judges and a clerk's office of over forty employees. According to his colleague, Judge Harry Dees, also a bankruptcy judge for the Northern District of Indiana: ''Judge Rodibaugh never complained about all the weekly traveling, he just did it.''

Moreover, Judge Rodibaugh has fulfilled his duties as a bankruptcy judge with patience, fairness, dedication and legal scholarship which is most worthy of recognition. His high standards have benefitted the many law clerks and judicial personnel who have served under his tutelage, the lawyers who have practiced before the bankruptcy court, as well as the citizens residing in the Northern District of Indiana.

In 1985, Judge Rodibaugh was appointed Chief Judge of the U.S. Bankruptcy Court for the Northern District of Indiana. He served in that position until he assumed full-time recall status as a senior judge one year later. Today, Judge Rodibaugh continues in this position, carrying a full case load, and he has no plans to cut back on his work with the court. Currently, Judge Rodibaugh and his wife, Eunice, live in South Bend, Indiana.

Mr. Speaker, it is important for me to indicate that the firm of Panzica Development Company with Western Avenue Properties, LLC, graciously agreed to name the new privately-owned courthouse building in Judge Rodibaugh's honor, owing to his unblemished character and numerous professional achievements in the bankruptcy field.

I am confident that the "Robert K. Rodibaugh United States Bankruptcy Courthouse" is an appropriate title for the new bankruptcy court facility. Judge Radibaugh is a shining example of the importance of public service, whose tireless contributions provide an invaluable service to our community. I am confident that Judge Rodibaugh will continue to play a constructive and important role in our community, and will continue to serve as a powerful inspiration to all of those who come into contact with him.

Mr. SHOWS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. FRANKS) that the House suspend the rules and pass the Senate bill, S. 460.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

## HURFF A. SAUNDERS FEDERAL BUILDING

Mr. FRANKS of New Jersey. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 453) to designate the Federal building located at 709 West 9th Street in Juneau, Alaska, as the ''Hurff A. Saunders Federal Building''.

The Clerk read as follows:

S. 453

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

**SECTION 1. DESIGNATION OF HURFF A. SAUNDERS FEDERAL BUILDING.**

The Federal building located at 709 West 9th Street in Juneau, Alaska, shall be known and designated as the ''Hurff A. Saunders Federal Building''.

**SEC. 2. REFERENCES.**

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the ''Hurff A. Saunders Federal Building''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. FRANKS) and the gentleman from Mississippi (Mr. Shows) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. FRANKS).

Mr. FRANKS of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 453 designates the Federal building in Juneau, Alaska as the ''Hurff A. Saunders Federal Building.''

Hurff A. Saunders was a resident of Alaska who played an instrumental role in the State's history both as a territory and as a State. Prior to World War II, he emigrated from South Dakota to Ketchikan, Alaska, where he accepted a civilian engineering position with the United States Coast Guard. During the war he played a critical role in the ability of the United States Navy and Coast Guard to navigate the North Pacific waters by correctly determining the latitude and longitude of various key aids to navigation that were misidentified on official charts at that time.

Following the war, Mr. Saunders returned to a civil engineering position with the Federal Government. In this position, he supervised several public works projects, completing the projects on schedule and within budget.

In 1966, prior to his retirement, Mr. Saunders successfully completed his final Federal construction project, the Juneau Federal Building, Post Office and United States Courthouse, which is the building we designate in his honor today.

This is a fitting tribute to a dedicated public servant. I support this act. I urge my colleagues to support it as well.

Mr. Speaker, I reserve the balance of my time.

Mr. SHOWS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Senate bill 453 is a bill to designate the Federal building in Juneau, Alaska in honor of Hurff A. Saunders. Mr. Saunders was a lifelong Alaskan who helped write chapters of Alaska's history.

He was a civil engineer for the United States Coast Guard in charge of constructing the Juneau Federal Building which was completed on budget and on schedule. Mr. Saunders later supervised many public works projects for the territory and later the State of Alaska. His work on correcting the navigational charts for the waters in southeast Alaska aided the Navy and the Coast Guard during World War II.

Mr. Saunders was widely respected and viewed as a dedicated public servant, a devoted father, and beloved husband who lived a full life and died peacefully at the age of 94.

Mr. Speaker, the City of Juneau and the Juneau Rotary Club both passed unanimous resolutions supporting this designation. Also, the American Society of Civil Engineers and the Society of Professional Engineers adopted resolutions urging this distinction be bestowed upon Mr. Saunders.

It is fitting and in recognition of his outstanding contributions to Alaskan life that the Federal building in Juneau, Alaska, be designated the Hurff A. Saunders Federal Building.

Mr. SHOWS. Mr. Speaker, I yield back the balance of my time.

Mr. FRANKS of New Jersey. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. FRANKS) that the House suspend the rules and pass the Senate bill, S. 453.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

## J.J. ''JAKE'' PICKLE FEDERAL BUILDING

Mr. FRANKS of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 118) to designate the Federal building located at 300 East 8th Street in Austin, Texas, as the ''J.J. 'Jake' Pickle Federal Building''.

The Clerk read as follows:

H.R. 118

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

**SECTION 1. DESIGNATION.**

The Federal building located at 300 East 8th Street in Austin, Texas, shall be known and designated as the ''J.J. 'Jake' Pickle Federal Building''.

**SEC. 2. REFERENCES.**

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in section 1 shall be deemed to be a reference to the ''J.J. 'Jake' Pickle Federal Building''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. FRANKS) and the gentleman from Mississippi (Mr. SHOWS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. FRANKS).

Mr. FRANKS of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 118 designates the Federal building in Austin, Texas, as the ''J.J. 'Jake' Pickle Federal Building.''

Congressman Pickle began his long career in public service by serving 3½ years with the United States Navy in the Pacific during World War II. Following the war, Congressman Pickle returned to Austin, Texas, and held positions in the private and public sectors. He served his party ably as executive director of the Texas State Democratic Party.

In 1963, he was elected to the United States House of Representatives in a special election to fill a vacant seat created by Congressman Thornberry's resignation. He was then reelected to the next 15 succeeding Congresses, until his retirement on January 3, 1995.

□ 1815

During his tenure in Congress, Congressman Pickle provided a strong voice on civil rights issues. He vigorously advocated and supported such historic legislation as the Civil Rights Act of 1964 and the Voting Rights Act. For over 30 years Congressman Pickle continuously worked on behalf of civil rights issues and equal opportunities for women and minorities.

In addition, as chair of the Committee on Ways and Means' Subcommittee on Oversight and the Subcommittee on Social Security, he worked to shape the system of Medicare to assure that it fulfilled its intended purpose of providing basic health care for those in need, and tirelessly fought for the future of Social Security.

Congressman Pickle was a dedicated public servant who remained close to his Texas constituents. Thus it is fitting legislation that honors him here today.

Mr. Speaker, I support this bill and encourage my colleagues to support it as well.

Mr. Speaker, I reserve the balance of my time.

Mr. SHOWS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 118 is a bill to designate a building located at 300 East 8th Street in Austin, Texas, as the ''J.J. 'Jake' Pickle Federal Building.'' It is a pleasure and an honor to support this bill intended to honor the significant contributions of our dear friend, Jake Pickle.

As we all know, Jake was a native Texan and very proud of his heritage. He was educated in public schools and was graduated from the University of Texas in 1938. Jake is a World War II veteran, serving his country in the Pacific arena.

Jake entered politics after a special election to fill the seat of Homer Thornberry. Officially he began his service in the House in December of 1963. Jake immediately showed his mettle and joined five other southern Members who voted in favor of President Johnson's Civil Rights Act of 1964. He further demonstrated his support for equal rights by voting for the Voting Rights Act.

Jake was a close friend of President Johnson, and his friendship and with Mrs. Johnson continues strong even today. Due to his closeness with the Johnson family and President Johnson's administration, Jake often served as a personal historian for one of the greatest American Presidents.

Jake himself is best known for his devotion and dedication to his constituents and his extensive community involvement. It is with great pleasure that I join the gentleman from Texas (Mr. DOGGETT) and others in supporting this very worthwhile bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, I thank the gentleman from Mississippi (Mr. SHOWS) for yielding this time to me, and of course I join in support of this measure that is before the House now. But we find ourselves in the curious situation this afternoon that this is one of the rare occasions, perhaps the first since I have been a Member of this body, that the House has moved faster than we have been told on the schedule instead of slower, and so we have actually this afternoon proceeded with the approval of a piece of legislation in which I am most interested that will rename our Federal Building in Austin, Texas, for Congressman J.J. ''Jake'' Pickle, my predecessor. And so I come with shortened remarks, hoping not to say anything that would cause us to reconsider this legislation which I am most appreciative to my colleague from New Jersey and our colleague from West Virginia for their prompt approval in the committee.

Mr. Speaker, basically we had two choices. We could either try to paint that Federal building pickle green, or we could simply put a plaque up dedicating it as the J.J. ''Jake'' Pickle Federal Building, and so the House chose the more practical approach of putting his name on the building. This is actually legislation that this House approved in the last session of Congress last year. Unfortunately, the Senate, which moves a little slower sometimes, they usually get an hour to speak when we get a minute, did not get this piece of legislation passed last session, and we are hoping that they will react to it as speedily as the House has considered it this afternoon.

Let me just say a few words, and there are several of my colleagues from the Texas delegation and beyond north Texas, I believe New York State, that may want to offer comments in support of this legislation.

Jake Pickle served central Texas for some 31 years. I first came to know him as a high school senior at Austin High School where I was in class with his daughter, Peggy, and he was elected the year that I was a senior at Austin High School. He has really been the only Congressman who has ever served our district during the time that I was growing up and living there in central Texas, and he along with his great wife Beryl have served our community with the greatest distinction.

This is certainly not the first and probably not the last monument to his service. The Pickle Research Campus at the University of Texas is where much of the development that produced the success that we have had in central Texas with high technology had its origin through public-private partnerships beginning right there at the University of Texas. During his tenure here in Congress that was a real priority of Congressman Pickle, and it is most appropriate that it should bear his name.

And most recently, just within the past month, I have been participating in the many dedication ceremonies at the new Austin-Bergstrom International Airport. We have managed to dedicate just about everything in that airport except for some of the luggage carousels and the storage closets, but in particular and first in our dedications, we dedicated one of the new runways to Congressman Pickle because even after his service here in the House, he continued to work on our Airport Advisory Committee to ensure that this airport was completed and that it had an all-weather runway that would meet the needs of our community not only for hauling passengers around the world, but hauling the cargo that is so very important to our technology industries there in central Texas.

□ 1845

So it is now that ''onward through the fog'' in central Texas is more than a bumper sticker at Oat Willie's. It is the center, the indication, that the Pickle runway along with the LBJ runway at that new airport are available to serve our community, whatever the conditions.

I have to say that I will feel just a little better going home, and perhaps some of my Democratic colleagues will want to join me, knowing that when one lands there in Austin they either get the LBJ runway or the J.J. Jake Pickle runway, and when they pull up to the terminal they come into the Barbara Jordan terminal. So that is a pretty good place for those of us on this side of the aisle or either side of the aisle to call home, to come in and see the capital city of the great State of Texas.

Congressman Pickle was a distinguished veteran, distinguished former Student Body President of the University of Texas at Austin. I do not know what it is in the water up at Big Spring, but he is well into his eighties now, and he and I know a number of his classmates gathered there in Austin awhile back. They seemed to have something good going on up there because he remains a very vigorous force in our community.

Here in the Congress, he is remembered as one of the few Members from the south who had the courage to vote for the Civil Rights Act of 1964, for the Voting Rights Act; and he still is proud, and justly so, of the call that he received from President Johnson at 2:00 a.m. in the morning after that vote to commend him for his courage.

There are many tall tales that he has about the work on the Great Society there in the Federal building that we are naming in his honor with President

Johnson, where the President had an apartment and an office that remains in generally the condition that it was in when he left the presidency. I am confident that at least a few of those tales are true, because there was much good accomplished by these two good friends and partners working together not only for central Texas but for our entire country.

Of course, Congressman Pickle's service on the Committee on Ways and Means, where he played a major role in addressing both Social Security and preserving and continuing it, and Medicare addressed issues that we face once again in Congress, but we are able to deal with them now because of the good work that he contributed over the years.

Jake Pickle never turned down the chance to help a neighbor, and that is perhaps his greatest legacy, not just what he accomplished in this room but his accessibility and his willingness to be available when people had problems in our community with various aspects of the Federal bureaucracy.

So naming our Federal building in Austin after Congressman Pickle is the most appropriate symbol of our admiration, our respect and our appreciation for his true public service, and I am hopeful that the Senate will move quickly on this legislation this year and speedily approve it.

Mr. SHOWS. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. HALL).

Mr. HALL of Texas. Mr. Speaker, I am honored to get to say a word or so about Jake Pickle.

The gentleman from Texas (Mr. DOGGETT) and others have talked about all of his attainments, his acquisitions and his honors. I guess I just want to talk about Jake Pickle, the good guy that I knew.

I have probably known him longer than any Member of this Congress. I have known Jake since I was about 20 years old. I am 75 years old, and Jake would say that he is much younger than I am.

People are proud of him all the way from Roscoe, Texas, where he was born out in far west Texas, Big Spring, Austin. He knows everybody. Everybody knows Jake. There was no better Member of Congress, no one more persuasive, no one that could get something done because everybody liked Jake and everybody wanted to help Jake, and Jake knew everybody in the world.

Allan Shivers, John Connally, of course, LBJ, Joe Kilgore, all the movers and shakers. Jake was a close personal friend of theirs, and they felt a brotherly feeling, and people in this Congress felt like Jake was a brother to them because he loved them and they loved him.

I just know of no public servant that has been any better than Jake. I first knew him when he was in a PR firm there in Austin, a young man, handsome, of course, and part of the Lyndon Johnson team from the word go. They have had great Members of Congress to serve Travis County and the area around: LBJ, Homer Thornberry, Jake Pickle, the gentleman from Texas (Mr. DOGGETT) doing a superb job of representing that area today.

Jake was always the same. That is what I liked about him. He was always the same. He was always cordial. He was always smiling. He always knew everyone, and he was always persuasive.

He could have a bill that he had introduced, moving something out of someone else's district that they liked into Travis County and he was so persuasive he could make them think it helped them more than it did him. That was the Jake Pickle I knew and loved. I wish him the best, I wish Beryl the best because they are the best. God bless this couple and God bless this occasion for Jake Pickle.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. GILMAN).

Mr. GILMAN. Mr. Speaker, I thank the gentleman from New Jersey (Mr. FRANKS) for yielding me this time.

Mr. Speaker, I am pleased to once again voice support for this measure honoring Jake Pickle. Jake was a friend of most of us here in the Congress, I virtually would say all of us in the Congress, when he served over 30 years in great public service to our Nation.

I knew Jake as an expert on Social Security. I knew Jake as a traveler when we went overseas together and his good wife Beryl traveled with us. Jake is someone we have long missed in the Congress. He had a good word for all of us, and I think it is highly appropriate that this building be named for a deserving public servant.

Mr. SHOWS. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, it is my own honor to rise and offer these remarks in support of the measure that would name the Federal building in Austin, Texas, after former Representative Jake Pickle.

As many that are gathered here tonight know that my father served in this Congress for 37 years and, of course, shared every one of those years, at least 31 of those years, with Jake Pickle as his esteemed colleague.

We will hear stories often expressed by Jake Pickle and my father regarding the many rides they would take back to their district on Air Force One when LBJ was the President. They will always talk about the Civil Rights Act and the great vote of 1964 and the 2:00 a.m. phone call that President Johnson made to Jake Pickle, which is an interesting story in and of itself. The real story, though, lies in the phone calls that both my father and Jake Pickle received from LBJ before the vote.

Jake Pickle is an extraordinary man, and I have had the great privilege of knowing him since I was a teenager. When I went to college in Austin and Jake Pickle was back in the district, he would come to the State capital where many of the students would work. And he would come in there and he would mentor us and he would counsel us.

He is a great man in many, many respects, not just a great representative but everything that we should aspire to as public officials. He is the kind of individual that will take the time, from the busiest of schedules, and do it the old way and that is to sit with the person, to meet with them, to listen, to understand them and then give good, sage counsel and advice.

To Jake Pickle, I think it would be the greatest honor but truly it would be something that would remind us every day of what public service is all about.

Mr. SHOWS. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, I am honored tonight to stand in support of H.R. 118 designating the J.J. Jake Pickle Federal Building in Austin, Texas. This is a fitting tribute to a unique Texan and former Member of Congress. I hope Jake and his wife are watching tonight in Austin, Texas.

Jake Pickle is a legend to me, and even by Texas standards he is a legend. He put himself through college during the Depression, worked for President Roosevelt's National Youth Administration, served in the Pacific in World War II and started a radio station in central Texas, and he represented the Tenth District from 1963 to 1995.

He had a long, distinguished career that my other colleagues have talked about, chairman of the Subcommittee on Social Security of the Committee on Ways and Means. At one time even with the famous Claude Pepper, Jake Pickle won out on the Social Security reform bill with Claude Pepper.

Mr. Speaker, Jake has a book just simply called ''Jake,'' and a couple of years ago on Father's Day my daughter was a student at the University of Texas and she went over and had Jake sign his book for me. And Jake talked to my daughter, and she has now graduated, and Jake was talking about some of his stories. His book is great on stories about Congress. I am just going to tell one of them because it is a great story.

Jake is known for his storytelling abilities, and anybody who wants to read some great stories needs to look up that book at the Library of Congress and ask for ''Jake.'' It would probably make him happy if we even bought it.

Jake served so many years, and in one of the chapters in his book, chapter

35, there is a great story that, in 1957 or 1958, Governor Price Daniel and Jake were in El Paso attending the State Democratic Executive Committee. At the time, the State of Chihuahua and Texas were instigating a program to eradicate the yellow boll weevil. So the Governor was in El Paso to officially give credence to the boll weevil eradication program as well.

Their party stayed in El Paso, but they went across the border to Juarez. In Juarez, there was a good band and a floor show. So the manager looked around and he had heard the governor of Texas was in the party but he wished no publicity. The governor did not want it known, this was in the 1950s, that he was in a bar in Mexico, particularly since most of Texas was dry then, particularly the part Governor Daniel was from in east Texas.

When their group arrived at the bar, they were seated at a long table near the band. Governor Daniel was a Baptist and a teetotaler, and he never drank, but he liked Cokes. And every once in awhile he would say well, Jake, I will take a Coke.

Jake said he would go up to the bartender and ask the bartender to go ahead and put a shot of bourbon in it. He always asked for Cokes.

Anyway, the funny part of the story is that everything went fine for a few minutes and the band having played some lively tunes from Mexico suddenly stopped and they had a drum roll. The governor looked around and looked at Jake and the band leader then announced on the mike, we are proud to have with us tonight the governor of the State of Texas, and another drum roll, the Honorable Price Daniel. Amid the fanfare, the light swept the bar and came to rest on their table, and nobody moved.

Obviously, the governor did not want to stand up and be recognized in that bar in Mexico. Again, the announcer announced, damas y caballeros, another drum roll and still no movement from Governor Daniel.

With the spotlight still on us the third time, the announcer said, please, will the governor of Texas stand and be recognized. Finally, the governor's wife, Jean, leaned over and whispered, Jake, for goodness' sakes, will you do it?

The governor said, Jake, I bet you always wanted to be governor. Now here is your chance.

So Jake Pickle stood up in that bar in Juarez and was recognized as the governor of Texas, and the band struck up ''The Eyes of Texas.''

That is just one of Jake's stories. Obviously, we miss him from Texas and all over Congress. He was a great Member.

Mr. Speaker, I rise in strong support of H.R. 118, designating the J.J. "Jake" Pickle Federal Building in Austin, Texas. This is a fitting tribute to a unique Texan and former Member of Congress.

Congressman Pickle is a legend even by Texas standards. He put himself through college during the Depression, worked for President Roosevelt's National Youth Administration, served in the Pacific during World War II, started a radio station in Central Texas, and represented Texas' Tenth Congressional District from 1963 to 1995. During his long and distinguished career in the Congress, Jake Pickle prided himself as a protector of small businesses and a specialist in the Social Security system.

Over the years, Congressman Pickle managed to involve himself in every major issue that confronted the Ways and Means Committee, from Social Security to trade to the complete revision of the Tax Code.

During the 98th Congress, Jake Pickle chaired the Ways and Means Social Security Subcommittee. As chairman of that subcommittee, he was convinced that the way to save the Social Security system from a long-term collapse was to raise the retirement age. Democratic leaders, including Thomas P. O'Neill and Claude Pepper, wanted to solve long-term financing problems with eventual increases in the payroll tax. Few expected Pickle would prevail on the floor, but he did.

Through months of argument over what to do about Social Security, Pickle and Pepper were the spokesmen for two diametrically opposite points of view. During floor consideration, the House chose Jake Pickle's approach, which later became law. This victory represents the culmination of a long personal struggle for Jake Pickle to put the Social Security system on a sound personal footing.

Most everyone knows Jake Pickle as a political protege of President Lyndon B. Johnson. Congressman Pickle was a campaign manager and a Congressional aide to Johnson before World War II and an advisor in Johnson's 1948 Senate campaign. Jake always speak reverently about President Johnson and his commitment and dedication is a testament to their friendship.

Mr. Speaker, I am proud to have served with Congressman Jake Pickle and will be forever grateful for his friendship and his leadership. This designation is only a small token of our appreciation to a dedicated public servant.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, I want to thank the gentleman from New Jersey (Mr. FRANKS) for graciously giving me this moment to speak.

Mr. Speaker, I love Jake Pickle. He is a man of courage, a man of compassion, and someone who loves life, every day of it.

He was a man of compassion as a freshman Member of this House when, in 1965, as a young southern representative he voted in favor of the Civil Rights Act, an act that made major changes in allowing equal opportunity for American citizens of all colors.

He was a man of compassion in everything he did, especially in his leadership and saving the Social Security system back in the 1980s. We could all talk about the many accomplishments of Jake Pickle but, frankly, the reason I love Jake Pickle, in addition to respecting him for his legislative accomplishments, is because he personifies the biblical passage of, this is the day the Lord hath made. Let us rejoice and be glad in it.

Jake Pickle brought light into any room, into anyplace where he came. He loves life and we love him. We miss Mr. Pickle of Texas, our dear friend.

Mr. FRANKS of New Jersey. Mr. Speaker, I am pleased to yield 2 minutes to our colleague, the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for yielding time to me. I appreciate my colleague bringing this up and naming the Federal Building after J.J. Jake Pickle, a very appropriate honor for a man serving on the Committee on Ways and Means, and I think that all of his colleagues on both sides of the aisle would agree with me when I say that there have been very few Members that have ever taken their job more diligently, more seriously, in looking at the questions from social security reform to any tax bill that has ever come before us.

He also was a man of responsibility. One thing that I noted, and we try to emulate but cannot come close to Jake, when he says he is going to be at a dinner party for the Texas delegation or any other place, he is always there. Very seldom did he ever miss. When he said he was coming, he came.

I think one appropriate remark that I have not heard, maybe it has been mentioned, but to me, this building could be better named if it were named the J.J. Jake and Beryl Pickle Building, because so many times those of us recognize our spouses do not nearly get the credit that they deserve when we get honored in ways in which we honor Jake today.

I think of the story that the gentleman from Texas (Mr. GENE GREEN) was telling, and there was no better storyteller to ever occupy a seat in this House. He was great at it.

But all of the times that Beryl listened to those stories, which were repeated not one, ten, one hundred, but for the thousandth time, and still laugh when her husband told that joke, I think Beryl ought to be somewhere in the name of this building. I know she will be in spirit by those of us who knew and loved her as well as Jake Pickle.

Jake was born in my district. Therefore, I have always had to take somewhat responsibility for the actions that Jake has taken, and I have done it proudly.

Mr. SHOWS. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Mr. FRANKS of New Jersey. Mr. Speaker, I am happy to yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

The SPEAKER pro tempore (Mr. DUNCAN). The gentlewoman from Texas

(Ms. JACKSON-LEE) is recognized for 2 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from Mississippi (Mr. SHOWS) and the gentleman from New Jersey (Mr. FRANKS) for yielding time to me, and for guiding us through a very welcomed event this evening, and that is to properly give recognition to J.J. Jake Pickle, and of course, his wife, Beryl. They are Texas heroes, both of them, and today I hope with the naming of this Federal Building that it will be forever grounded in our memories that they are American heroes as well, both.

I have great pleasure in acknowledging the leadership of Jake Pickle. I was talking to my colleague, the gentleman from Texas (Mr. CHARLIE STENHOLM), and I was trying to claim the fact that I had served with Jake Pickle, I guess because I viewed him as such an historic but as well such an institutional person with such great leadership.

I was trying to claim having been here with him, but he retired in 1994 and I came to this Congress in 1995. But we can be assured that Jake Pickle's legacy, his smile, his genuineness, his gentlemanliness was here on the premises. In fact, I think the reason why I thought I served with him is because right after he retired from this Congress, he spent a lot of time with us. I enjoyed lunching with him and, again, hearing some of the stories.

But Jake Pickle, the man, is someone that I admire, in particular because he served 31 years and he served with a commitment to this country. He was someone, as the chair of the powerful Subcommittee on Oversight of the Committee on Ways and Means, that cared about a good Medicare system, a good health care system, and worked hard to guarantee all Americans receive basic health care. As chairman of the Subcommittee on Social Security, his work is credited with extending the life of the social security system.

I remember him telling me of his friendship with the Honorable Barbara Jordan, one of the predecessors of this particular congressional district, the Eighteenth Congressional District. I guess I remember him most by looking at a picture of the signing of the 1964 Civil Rights Act, and saw a number of Texans who were Congresspersons at that time gather in the room with President Lyndon Baines Johnson to sign that historic act.

But I am most mindful of the time that that occurred and the courage that was taken. I heard my colleague from Texas make a statement about his father, Henry Gonzalez. But I am reminded about the courage of Jake Pickle to sign the Civil Rights Act of 1964, and to give opportunities to those who did not have them. He was courageous in that, he was courageous in his service. Mr. Speaker, he is truly a great Texan and truly a great American. This building will truly be a very historic building by being named after J.J. Jake Pickle, H.R. 118. I ask my colleagues for support.

Mr. Speaker, I rise in strong support of H.R. 118. This bill designates a federal building in Austin, Texas as the "J.J. Jake Pickle Federal Building." It is fitting, Mr. Speaker, that the building in which he worked for 28 of his 31 years in Congress, bear his name.

It is an appropriate memorial to a man who dedicated himself to his community and to his constituents. The residents of Austin remember Representative Pickle for his tireless dedication to the community he loved. When asked to describe his career as a Member of Congress, all sight his effective and efficient constituent service. I know that Representative Pickle gave selflessly of his time and energy. His 31-year career stands as a memorial to current and future Members, on how to conduct constituent relations.

During his 31-year tenure Congressmen Pickle took on several legislative challenges. In spite of the political risk he voted in favor of the Civil Rights Act of 1964. This vote was to be the first in the line of a career dedicated to ensuring civil rights and equal opportunity for both minorities and women.

As chair of the powerful Ways and Means Oversight Subcommittee, Congressmen Pickle recognized the value of the Medicare system. He worked to guarantee that all Americans would receive basic health care. As Chairman of the Social Security Subcommittee his work is credited with extending the life of the Social Security system.

Mr. Speaker, it is clear from his 31-year career in Congress, his selfless dedication to his country and to the State of Texas, that the federal building in Austin should bear his name. J.J. "Jake" Pickle has set a proper example for this body to emulate and as testimony to that example I urge my colleagues to support this bill.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise in support of H.R. 118, legislation that would name the federal building in Austin, Texas in honor of former Representative Jake Pickle.

The building is located at 300 East 8th Street in Austin. It houses district offices for Congressman Pickle's successor, Representative LLOYD DOGGETT, and Senator KAY BAILEY HUTCHISON, as well as local offices for the IRS, FBI and other federal agencies.

It is all together appropriate that these offices be named for Representative Pickle since they are where he worked for 28 of his 31 years in Congress.

For those of us fortunate enough to know him, former Representative Pickle is a very skilled storyteller and a man steeped in Texas and U.S. history. One can not speak with him for any amount time without departing having heard one of his "yarns" about the legislative process or his work with President Johnson.

James Jarrell "Jake" Pickle was born in 1913 in Big Spring, a small town in the northwest part of Texas represented today by Congressman CHARLIE STENHOLM. He is a product of the Big Spring public schools and the University of Texas at Austin, where he received his BA in 1938.

After working as Area Director for President Roosevelt's National Youth Administration, Jake served 3½ years in the Navy in the Pacific during World War II. Upon returning to Austin, he entered the radio and public relations business, later serving as director of the Texas State Democratic Executive Committee and as an appointee to the Texas Employment Commission. He resigned from the TEC to run for Congress in a special election called after the resignation of Homer Thornberry. He began his Congressional career in December, 1963.

Congressman Pickle wasted little time in demonstrating what sort of Member of Congress he intended to be. Despite well-founded fears that his actions might end his fledgling political career, Representative Pickle joined only five other Southern members who voted in favor of Lyndon Johnson's Civil Rights Act in 1964. Looking back on it, Representative Pickle says that is the one vote of which he is most proud and recalls with great fondness a personal phone call at 2:00 a.m. after the vote from President Johnson to thank him. Jake followed this vote a few months later with a vote in support of the Voting Rights Act and then spent the next 30 years working on behalf of civil rights and equal opportunity for minorities and women.

This was not the first or last time Representative Pickle faced the challenge of being the President's Congressman. He was a close friend and ally of both President Johnson and Lady Bird Johnson. His friendship with the former First Lady remains strong to this day.

Naming this federal building in Jake's honor is particularly appropriate because it houses his friend LBJ's apartment and office suite, preserved in all its early 1970's splendor. Jake's stories of working with Johnson on the Great Society, often in these rooms, are the stuff of Texas political legend. Jake stands as one of the few remaining personal historians of one of the greatest American Presidents.

Representative Pickle also distinguished himself as Chairman of the Ways and Means Oversight Subcommittee. From that post, Jake worked tirelessly to rid the Medicare system of waste and fraud, constantly laboring on behalf of those who rely on the Medicare system for their basic health care.

In addition, former Congressman Pickle served as Chairman of the Social Security Subcommittee in the 98th Congress and is widely credited with shepherding through Congress a legislative package that has extended the life of the Social Security system by decades. His work on behalf of the poor and the elderly complements perfectly his long-time commitment to civil rights.

Based on his long service to Texas and the nation, I believe H.R. 118 is a fitting tribute to Representative Pickle's legacy. I urge all Members to support its passage.

Mr. DUNCAN. Mr. Speaker, it was an honor to preside over the House during the consideration of a bill naming a Federal building in Austin, TX, after Congressman J.J. (Jake) Pickle.

Congressman Pickle served in the House for more than 31 years. For 30 of those years he served with either my father or me.

In their service on the Ways and Means Committee, he and my father became the closest of friends.

I remember being told that on the plane returning from my father's funeral in Louisville, Congressman Pickle led the plane's passengers in singing some old-time hymns.

In fact Congressman Pickle was famous within the Congress for the stories he used to tell about the hymns sung at the Thursday morning House prayer breakfasts. Some people wondered if the stories were totally accurate or were, at least in part, made up by Congressman Pickle as he went along.

At any rate, Congressman Jake Pickle was a great and dedicated Member of the House. His love for others and for this institution shown through in everything he did.

I join my colleagues in supporting this bill, a very fitting tribute to a very kind man and great American, Congressman Jake Pickle.

Mr. SHOWS. Mr. Speaker, I have no other speakers, and I yield back the balance of my time.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DUNCAN). The question is on the motion offered by the gentleman from New Jersey (Mr. FRANKS) that the House suspend the rules and pass the bill, H.R. 118.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## JOSÉ V. TOLEDO UNITED STATES POST OFFICE AND COURTHOUSE

Mr. FRANKS of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 560) to designate the Federal building located at 300 Recinto Sur Street in Old San Juan, Puerto Rico, as the ''José V. Toledo United States Post Office and Courthouse,'' as amended.

The Clerk read as follows:

H.R. 560

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

**SECTION 1. DESIGNATION.**

The Federal building and United States courthouse located at the intersection of Comercio and San Justo Streets, in San Juan, Puerto Rico, shall be known and designated as the ''José V. Toledo Federal Building and United States Courthouse''.

**SEC. 2. REFERENCES.**

Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building and United States courthouse referred to in section 1 shall be deemed to be a reference to the ''José V. Toledo Federal Building and United States Courthouse''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. FRANKS) and the gentleman from Mississippi (Mr. SHOWS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. FRANKS).

Mr. FRANKS of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 560, as amended, designates the Federal Building and United States Courthouse in Old San Juan, Puerto Rico, as the ''José V. Toledo Federal Building and United States Courthouse.''

José Toledo was born in Arecibo, Puerto Rico. He received a Bachelor of Arts degree from the University of Florida and a Juris Doctor in law from the University of Puerto Rico Law School. Judge Toledo served on the Federal bench in the United States District Court, District of Puerto Rico, from December 1, 1970 until February 1980, when he died in office at the age of 49. At the time of his death, Judge Toledo was the chief judge for the Puerto Rico District.

Prior to his appointment to the Federal bench, Judge Toledo served as an Assistant United States Attorney, as a lawyer in local government in Puerto Rico, as a partner in private law practice, and served in the United States Army as a member of the Judge Advocate Corps. This legislation is a fitting tribute to honor the career and judicial contributions of the late Judge José V. Toledo.

Mr. Speaker, I support this bill, and I encourage my colleagues to support it as well.

Mr. Speaker I reserve the balance of my time.

Mr. SHOWS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 560 is a bill to name the Federal facility in Old San Juan as the ''José V. Toledo United States Post Office and Courthouse.'' The gentleman from Puerto Rico (Mr. ROMERO-BARCELÓ) introduced this bill in February of 1999 and is to be commended for his diligence in ensuring its passage.

Judge Toledo served the District of Puerto Rico with great distinction from 1970 to February 1980, when he died an untimely death at the age of 49 years.

Integrity, loyalty, patience, fairness, keen intellect and perseverance are words used by Judge Toledo's friends and colleagues to describe him. Judge Toledo was born in Puerto Rico in 1931. He received his Bachelor's Degree from the University of Florida and his law degree from the University of Puerto Rico Law School.

In addition to private practice, Judge Toledo served as an Assistant United States Attorney and in the local government of Puerto Rico. Judge Toledo also served in the U.S. Army as a member of the Judge Advocate Corps.

The building in old San Juan to bear Judge Toledo's name is an imposing structure, signifying solidarity and safety, and has guarded the entrance to Old San Juan for more than 300 years. It is fitting and proper this building then bear the name of Judge José V. Toledo, and I am proud and pleased to support this legislation.

Mr. FRANKS of New Jersey. Mr. Speaker, I reserve the balance of my time.

Mr. SHOWS. Mr. Speaker, I yield such time as he may consume to the gentleman from Puerto Rico (Mr. ROMERO-BARCELÓ), the sponsor of H.R. 560.

Mr. ROMERO-BARCELÓ. Mr. Speaker, I would like to thank the gentleman from New Jersey (Mr. FRANKS), and the ranking member, the gentleman from West Virginia (Mr. WISE), as well as the gentleman from Pennsylvania (Mr. SHUSTER) and the ranking member, the gentleman from Minnesota (Mr. OBERSTAR) for pushing this bill through the committee and getting it on the floor for consideration today, and I would like to commend the clerk for his excellent Spanish accent. Very few people here pronounce those words the same.

Mr. Speaker, in recognition of the outstanding service of the late Judge José V. Toledo, today I am asking all of my colleagues to support this bill to designate the United States Post Office and the Courthouse in Old San Juan, Puerto Rico, as the ''José V. Toledo United States Post Office and Courthouse.'' Judge Toledo served on the United States District Court for the District of Puerto Rico from December of 1970 to February 1980, when he died at the early age of 49. He rose to the position of Chief Judge of the U.S. District Court, and he served with great distinction in that capacity until the moment of his untimely death.

Pepe Toledo, as he was known to his family and friends, was regarded as a man of paramount integrity and a loyal public servant. He was born on August 14, 1931, in Arecibo, Puerto Rico, and he received his Bachelor of Arts degree from the University of Florida in 1952. In 1956, he received his Juris Doctor from the University of Puerto Rico Law School, where I had the good fortune and the privilege of studying and graduating with him. During our law school years we became very close friends and studied together for our bar exams, and that close friendship lasted until his premature death.

Prior to his appointment to the Federal bench, Judge Toledo served as the Assistant United States Attorney. He was a partner in several law firms, one of which he and I and another fellow started, and an attorney within the local government of Puerto Rico. He also served in the U.S. Army as a member of the Judge Advocate General Corps. Judge Toledo was also a distinguished leader of the Exchange Clubs of Puerto Rico. He demonstrated his value to the organization through his involvement and commitment at both the local and the national levels.

As expressed by the Chief Judge of the U.S. District Court in Puerto Rico, the Honorable Carmen Consuelo Cerezo, on behalf of the judges of the

Federal Court of Puerto Rico, Judge José V. Toledo earned the respect of the public, the bar and the bench for his patience, impartiality, fairness and decorum in the adjudication of the controversies brought before him. Judge Toledo set high standards for himself, yet he had a refreshing humility and capacity to understand the problems of others. His hallmarks were learning and wisdom, tempered by a tremendous feeling for people.

The U.S. Post Office and Courthouse in Old San Juan, built in 1914, stands above the foundations of the ancient city wall that has guarded the harbor entrance to the city for more than 300 years. As a matter of fact, San Juan is the oldest city under the American flag.

Built only 15 years after Puerto Rico became a U.S. territory, it is listed in the National Register with the U.S. Department of Interior's National Park Service. The site represents the eclecticism of American architecture of the late 19th and early 20th century as it integrates American-Spanish Revival architecture, Sullivanesque and Beaux Arts Neoclassical Revival styles. It has a 6-story annex which was built in 1940. It also demonstrates influences from the Vienna School and the Avant Garde movement. The Correo, as it has been known to generations of Puerto Ricans, is an imposing and beautiful structure which has stood magnificently within the old city walls as a symbol of greatness in times past with the importance of the U.S. Postal Service in Puerto Rico.

It is fitting that this structure so dear to us should carry the name of Judge José V. Toledo. The judges of the United States District Court, District of Puerto Rico, voted unanimously to recommend the naming of the Federal Courthouse in Old San Juan, Puerto Rico, in honor of José V. Toledo, referred to the late judge as a learned jurist, outstanding citizen and an excellent human being.

Mr. Speaker, I am immensely proud to honor his memory and with this bill to designate the U.S. Post Office and Courthouse in Old San Juan, Puerto Rico, as the ''José V. Toledo United States Post Office and Courthouse.''

Mr. SHOWS. Mr. Speaker, I yield back the balance of my time.

Mr. FRANKS of New Jersey. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. FRANKS) that the House suspend the rules and pass the bill, H.R. 560, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: ''A bill to designate the Federal building and United States courthouse located at the intersection of Comercio and San Justo Streets, in San Juan, Puerto Rico, as the 'José V. Toledo Federal Building and United States Courthouse'.''.

A motion to reconsider was laid on the table.

## GARZA-VELA UNITED STATES COURTHOUSE

Mr. FRANKS of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 686) to designate a United States courthouse in Brownsville, Texas, as the ''Garza-Vela United States Courthouse''.

The Clerk read as follows:

H.R. 686

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

**SECTION 1. DESIGNATION.**

The United States courthouse located at the corner of Seventh Street and East Jackson Street in Brownsville, Texas, shall be designated and known as the ''Garza-Vela United States Courthouse''.

**SEC. 2. REFERENCES.**

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States courthouse referred to in section 1 shall be deemed to be a reference to the ''Garza-Vela United States Courthouse''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. FRANKS) and the gentleman from Mississippi (Mr. SHOWS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. FRANKS).

Mr. FRANKS of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 686 designates the United States Courthouse in Brownsville, Texas, as the Garza-Vela United States Courthouse.

Reynaldo Garza and Filemon Vela are two distinguished judges who sit on the Federal bench in Brownsville, Texas.

Judge Garza began his distinguished career in public service with the Air Force during World War II. Upon his return from the war, Judge Garza returned to private practice until 1961, when President Kennedy appointed him to the United States District Court for the Southern District of Texas.

In 1974 he became the Chief Judge for the Southern District, until he was appointed by President Carter to the United States Court of Appeals for the Fifth Circuit. In April of 1997 Chief Justice William H. Rehnquist appointed him Chief Judge of the Temporary Emergency Court of Appeals of the United States.

Judge Vela, whose career in public service is equally distinguished, served in the United States Army, was the Commissioner for the city of Brownsville, and Judge on the 107th Judicial District, Cameron-Willacy County, Texas.

Judge Vela was a member of the Judicial Conference Committee on the Administration of the Magistrate Judges System until 1991, a member of the Judges Advisory Committee to the United States Sentencing Commission, and active in a number of local and State associations associated with civic and community activities.

This is a fitting way to honor two great judges who have dedicated their lives to serving their community and their country. I encourage my colleagues to support the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. SHOWS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I join with the gentleman from Brownsville, Texas (Mr. ORTIZ) in supporting H.R. 686, a bill to name the courthouse in Brownsville, Texas, as the Garza-Vela United States Courthouse.

Mr. Speaker, this bill honors the life and works of two extraordinary Mexican-Americans. Judge Reynaldo Garza was born in Brownsville in 1915. He graduated from Brownsville Elementary School as well as Brownsville High School. After graduating from Brownsville Junior College, he attended the University of Texas, where he received a combined degree of Bachelor of Arts and Bachelor of Law.

Judge Garza served his country during World War II in the Air Force. After the war he returned to Brownsville to practice law. In 1961 President Kennedy appointed Judge Garza to the District Court for the Southern District of Texas. President Carter appointed him to the United States Court of Appeals for the Fifth Circuit in 1979.

In addition to his judicial duties, Judge Garza has long been interested in educational issues. He served former Governors John Connelly and Governor Mark White on commissions to improve the quality of education in Texas. Judge Garza recognized the importance of education in judicial proceedings and his concern for the uneducated man at the mercy of the unscrupulous people.

Judge Garza is very active in his church, and has served the Knights of Columbus in the Brownsville area for many years. Pope Pious XII twice decorated Judge Garza for his work on behalf of Catholic Charities. In 1989, Judge Garza was honored by the University of Texas with the Distinguished Alumnus Award.

His record of public service includes work with the Rotary Club, the Latin American Relations Committee of Brownsville, trustees at his law school, the Advisory Council for the Boy Scouts, and he was elected as City Commissioner of the city of Brownsville.

It is fitting and proper to honor Judge Garza's outstanding, rich life, his commitment to excellence, and his numerous public contributions.

Judge Filemon Vela is also a native of Texas and a veteran of the United States Army. He attended Texas Southmost College and the University of Texas. His law degree is from St. Mary's School of Law in San Antonio.

Judge Vela served as Commissioner of the city of Brownsville. He was an active member of the Judges' Advisory Committee to the U.S. Sentencing Commission. Judge Vela is a former law instructor and an attorney for the Cameron County Child Welfare Department.

His civic activities include being the charter president for the Esperanza Home for Boys and cosponsor of the Spanish radio program Enrich Your Life, Complete Your Studies.

Judge Vela's other civic activities include membership on the Independent School District Task Force and membership in the General Assembly of the Texas Catholic Conference. He is also an active member of the Lions Club. Judge Vela was nominated by President Carter for the Federal bench, and was confirmed by the United States Senate in 1980.

Judge Vela's career is filled with successes, commitment to his family, devotion to his religion and his church, love for his work, and respect for his colleagues. It is most fitting to honor Judge Vela with this designation. I join the gentleman from Texas (Mr. ORTIZ) in supporting H.R. 686.

Mr. ORTIZ. Mr. Speaker, Texas is known for many things—among them is an embarrassment of riches in the Southern Judicial District of Texas.

In South Texas, we have two judicial giants in the Rio Grande Valley for whom citizens throughout the area have asked that the new federal courthouse in Brownsville be named.

Judge Reynaldo Garza was appointed to the federal bench by President John F. Kennedy in 1961 and Judge Filemon Vela was appointed to the federal bench by President Jimmy Carter in 1980.

Both of these men have become legends in the South Texas area by virtue of their commitment to education and community.

Each have shown their respective dedication to the betterment of the next generation of South Texans by working actively with schools and young people.

Judge Vela has focused on the young people who have made mistakes or erred, by working with the Esperanza Home for Boys, heading activities to keep young people in school called ''Enrich Your Life, Complete Your Studies,'' being part of the Texas Business and Education Coalition, and working with the Texas Young Lawyers Association Dropout Prevention and Literacy Committee.

Judge Garza has served on the Brownsville Independent School Board, and turned his attention to the cause of higher education by serving on the Texas Education Standards Committee, the Coordinating Board of Colleges and Universities, and the Select Committee on Higher Education.

He is revered for a story he relates about his father, while dying, who told the Judge and his siblings that while he did not leave them with wealth, he left them with the gift of education, one which no one can ever take away.

Both these legends have schools named in their honor.

When construction began on the federal courthouse, all across the Valley, people wondered whose name would grace the courthouse upon completion.

I was moved at the number of letters that came to my office relating personal stories about one or the other and advocating naming the courthouse after either Judge Vela or Judge Garza.

After reading all the heart-felt expressions on behalf of both judges, and listening to people who sought me out while I was in the District, I realized how rich we were in judicial talent and thought that the only way to satisfy the concerns of all South Texans was to name this courthouse after both judges.

This name is a reflection of the will of those people whose interests will be served in the new courthouse, and of those people for whom justice will be dispensed there.

Mr. SHOWS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FRANKS of New Jersey. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. FRANKS) that the House suspend the rules and pass the bill, H.R. 686.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. FRANKS of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1121, S. 453, S. 460, H.R. 118, H.R. 560, as amended, H.R. 686 and H.R. 1162, the measure just considered by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

## COMMENDING THE REVEREND JESSE L. JACKSON, SR., ON SECURING THE RELEASE OF U.S. SERVICEMEN FROM CAPTIVITY IN BELGRADE, YUGOSLAVIA

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 156) commending the Reverend Jesse L. Jackson, Sr., on securing the release of Specialist Stephen Gonzalez of Huntsville Texas, Staff Sergeant Andrew Ramirez of Los Angeles, California, and Staff Sergeant Christopher Stone of Smiths Creek, Michigan, from captivity in Belgrade, Yugoslavia, as amended.

The Clerk read as follows:

H. RES. 156

Whereas, on March 31, 1999, Specialist Steven Gonzales, Staff Sergeant Andrew Ramirez, and Staff Sergeant Christopher Stone were captured while patrolling the Kumanovo area;

Whereas the Reverend Jesse L. Jackson, Sr., on April 29, 1999, led a delegation of religious and civic leaders from the United States in a faith-based effort to secure the release of Specialist Steven Gonzales, Staff Sergeant Andrew Ramirez, and Staff Sergeant Christopher Stone;

Whereas against great odds and in the face of grave personal risks, the Reverend Jesse L. Jackson Sr. and his party successfully secured the release of Specialist Steven Gonzales, Staff Sergeant Andrew Ramirez, and Staff Sergeant Christopher Stone;

Whereas the Reverend Jesse L. Jackson, Sr. is recognized around the world as a humanitarian, an advocate for civil and human rights, and an ambassador of freedom; and

Whereas, as a highly respected world leader, the Reverend Jesse L. Jackson, Sr. has acted many times as an international diplomat in sensitive situations and in October 1997, he was appointed by President Clinton and Secretary of State Albright as Special Envoy of the President and Secretary of State for the Promotion of Democracy in Africa: Now, therefore, be it

*Resolved*, That the House of Representatives—

(1) commends the Reverend Jesse L. Jackson, Sr. for securing the release of Specialist Steven Gonzales, Staff Sergeant Andrew Ramirez, and Staff Sergeant Christopher Stone from captivity in the Federal Republic of Yugoslavia; and

(2) joins with the people of the United States in celebrating the return to freedom of Specialist Steven Gonzales, Staff Sergeant Andrew Ramirez, and Staff Sergeant Christopher Stone.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. GILMAN) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. GILMAN).

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to support this resolution introduced by the gentlewoman from Florida (Mrs. MEEK) which accords proper credit to the recent efforts of Reverend Jesse Jackson and his accompanying delegation of clergymen in successfully securing the

release of our three POWs held in the Federal Republic of Yugoslavia.

□ 1900

The Reverend Jackson has a distinguished record of utilizing his considerable powers of persuasion in the service of humanitarian objectives. When American citizens and others find themselves held in captivity in a hostile country as a result of circumstances beyond their control, Reverend Jackson has proven on several occasions against the odds that he can secure their release.

Our Nation should be grateful to the good Reverend for his special skills in that regard. We are also grateful that our three young service people who were unjustly held by the government of the Federal Republic of Yugoslavia have finally been returned to their families, to their friends and fellow countrymen. We salute their dedicated service to our Nation.

Accordingly, I urge my colleagues in the House to support H. Res. 156 commending the Reverend Jesse L. Jackson and his fellow clergymen for acquiring release of Specialist Steven Gonzales, Staff Sergeant Andrew Ramirez, and Staff Sergeant Christopher Stone.

Mr. Speaker, I reserve the balance of my time.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of House Resolution 156 offered by the gentlewoman from Florida (Mrs. MEEK). Mr. Speaker, House Resolution 156 provides for a special commendation and tribute to Reverend Jesse Jackson, Sr., for his services and leadership, whereby he led a special delegation of religious leaders and even one of our fellow Members, the gentleman from Illinois (Mr. BLAGOJEVICH) to travel to Belgrade, Yugoslavia to meet with President Slobodan Milosevic with the hope of trying to break the stalemate and crisis in Kosovo through a negotiated peace settlement or agreement, and with the hope that the three men, soldiers who had been held captive, could also be released from prison.

Mr. Speaker, I would like to offer my commendation also to the gentleman from New York (Mr. GILMAN), the chairman of the House Committee on International Relations, for his endorsement and support of this resolution; also, the ranking Democrat of the Committee on International Relations, the gentleman from Connecticut (Mr. GEJDENSON), both gentlemen, for supporting and endorsing this resolution.

Needless to say, Mr. Speaker, Reverend Jackson has done it again. Following an intensive 3-hour-long meeting with President Milosevic with a good amount of praying and heart-to-heart discussions, President Milosevic decided to release our three soldiers. Mr. Speaker, I am certain that our Nation, the families and friends of our three soldiers, we all owe a debt of gratitude and appreciation for Reverend Jackson's commitment and devotion to the cause of peace. And, more especially, his ability to properly negotiate and persuade parties with varying views to come to the table and seek solutions to the problems certainly is most commendable.

Mr. Speaker, Reverend Jackson deserves our gratitude for his successful efforts to secure the release of our soldiers, Steve Gonzales, Andrew Ramirez and Christopher Stone. I might add, Mr. Speaker, those soldiers showed tremendous courage and loyalty to our Nation.

I need not remind my colleagues, Mr. Speaker, that the crisis in Kosovo is far from over. The debate in this Chamber last week, I submit, Mr. Speaker, is indicative of the seriousness of the issues and with so very many varying opinions and claims of facts of the truth and the crisis in the Balkans, definitely in my humble opinion, Mr. Speaker, has proven one basic fact: Our leaders and the American people simply do not know enough about the history and legacy of the Balkans. Almost like a repeat of a ritual that America went through when we were confronted with a crisis in Vietnam.

Mr. Speaker, we do not need and we do not want another Vietnam in the Balkans. We must remember that President Milosevic is continuing to wage a brutal campaign against the Kosovar Albanians. Thousands of Kosovar Albanian refugees continue to stream into the neighboring countries. Many of these refugees have terrible tales to tell of rape, of beatings, of atrocities and murder at the hands of Serbian forces. The NATO campaign is designed to deny Milosevic the ability to wage his brutal repression against the Kosovar Albanians.

Mr. Speaker, we must remain steadfast in our resolve to see our mission through. Again, I want to commend the gentleman from New York (Mr. GILMAN) for his support of this resolution.

Mr. Speaker, I rise in strong support of House Resolution 156 offered by the gentlelady from Florida, Mrs. MEEK.

Mr. Speaker, House Resolution 156 provides for a special commendation and tribute to the Reverend Jesse Jackson, Sr., for his services and leadership—whereby he led a special delegation of religious leaders and one of our fellow Members, the gentleman from Illinois, Mr. BLAGOJEVICH, to travel to Belgrade, Yugoslavia—to meet with President Slobodan Milosevic—with the hope of trying to break the stalemate in the current crisis in Kosovo through a negotiated peace settlement or agreement, and with the hope also that the three American soldiers who have been held captive could also be released from prison.

Needless to say, Mr. Speaker, Reverend Jackson has done it again. Following an intense three-hour long meeting with President Milosevic, with a good amount of praying and heart-to-heart discussion, President Milosevic decided to release our three soldiers.

Mr. Speaker, I am quite certain that our nation, the families and friends of our three soldiers, we all owe a debt of gratitude and appreciation for Reverend Jackson's commitment to peace, but more especially his ability to properly negotiate and persuade parties with varying views to come to the table and seek solutions to the problems, is most commendable.

Mr. Speaker, Reverend Jackson deserves our gratitude for his successful efforts to secure the release of our soldiers, Steve Gonzales, Andrew Ramirez, and Christopher Stone. I might add, Mr. Speaker, these soldiers showed tremendous courage and loyalty to our nation.

Mr. Speaker, I need not remind my colleagues that the crisis in Kosovo is far from over. The debates in this Chamber last week—I submit, Mr. Speaker—is indicative of the seriousness of the issues and with so many varying opinions and claims of "facts," or "the truth"—the crisis in the Balkans definitely has proven one basic fact: our leaders and the American people simply do not know enough about the history and legacy of the Balkans; almost like a repeat of the ritual that America went through when we were confronted with the crisis in Vietnam.

Mr. Speaker, we don't need and we don't want another Vietnam in the Balkans.

DAYS OF JOY, PAIN AND HOPE

(Los Angeles Times Editorials.—May 3, 1999)

Finally, in a period of missteps and accidental NATO attacks in Yugoslavia and confusion on Capitol Hill over whether the House supports or opposes the air war, there is good news: the release Sunday of the three American prisoners of war. The sight of the smiling faces of Army Staff Sgt. Andrew Ramirez, 24, of East Los Angeles, Spc. Steven Gonzales, 21 of Huntsville, Texas, and Staff Sgt. Christopher J. Stone, 25, of Smith's Creek, Mich, provided a temporary respite from the hard decisions that lie ahead and that, we hope, will set the stage for further diplomatic progress.

Full credit in securing the release of the three soldiers should go unbegrudgingly to the Rev. Jesse Jackson and a private delegation of religious leaders, including Los Angeles' Rabbi Steven Bennett Jacobs and Dr. Nazir Uddin Khaja of the American Muslim Council.

The religious leaders had been publicly urged not to go to Belgrade by the Clinton administration and had been warned that the mission was dangerous and ill-timed. No one can know the cynical reasoning that might well have motivated President Slobodan Milosevic to release the soldiers. But the point is that Jackson delivered, winning the release of the prisoners without apparent conditions.

For the families of the soldiers, seized on the Macedonian border March 31, the nightmare is over. Relatives of Ramirez, Gonzales and Stone are on their way to Germany to be reunited with their sons, husbands and brothers.

For the Kosovars, however, the future does not look so bright. ''This gesture on his [Milosevic's] part cannot overcome the stench of evil and death on the killing fields of Kosovo,'' Defense Secretary William S.

Cohen said Sunday. The White House already has rebuffed Jackson's call for direct talks between Clinton and Milosevic, and we agree that such a meeting is at best premature. The air bombing campaign in Yugoslavia is a NATO operation. Beyond that, Milosevic first would have to lay the groundwork necessary for success. In short, that means the end of Milosevic's pogrom in Kosovo, the safe return of the refugees and some form of autonomy for the Kosovars that is diplomatically secured.

Today we celebrate the release of U.S. soldiers from captivity. The diplomatic avenues toward peace appear to be opening up, through the increased interest of the Russians and others. Americans must not forget, however, that diplomacy was tried and failed for many months in the absence of a military campaign. In the presence of a military campaign, the diplomatic approach might finally have been given the incentive it needed.

___

[From the Los Angeles Times, May 3, 1999]

JACKSON TRIP IS LATEST IN SERIES OF SUCCESSFUL, RISKY ONE-MAN MISSIONS

WASHINGTON.—The White House asked him not to go and said it couldn't guarantee his safety in a city under attack by NATO bombing.

But the diplomatic coup by the Rev. Jesse Jackson, winning the release of three U.S. soldiers held captive in Belgrade, highlights the kind of risky, personal diplomacy that sometimes works where White House action cannot.

Jackson, who has acted as Clinton's special envoy in the past, went to Yugoslavia as a private citizen to negotiate with Slobodan Milosevic. It's a role he's played before in Syria, Cuba and Iraq dating to the mid-1980s.

The administration had ruled out official negotiations for the soldier's release since their capture near the Yugoslavia-Macedonia border on March 31, and vowed to press forward with the air war aimed at stopping hostilities in Kosovo.

While the White House has cautiously welcomed Jackson's success, the administration may still worry his mission may further Milosevic's efforts to soften his image, said Barnett Rubin, the director of the Center for Preventive Action at the Council on Foreign Relations.

''The danger is that a free-lancer like that, unauthorized, dilutes your message,'' Rubin said. ''They portray Milosevic as a war criminal, but this could show him he has alternatives.''

Rep. Floyd Spence (R–S.C.), chairman of the House Armed Service committee, said the Jackson maneuver gave a ''diplomatic victory'' because ''the world is going to look upon him in a different way, to some extent, by releasing the prisoners this way.''

Spence said on CNN's ''Evans, Novak, Hunt & Shields'' that a temporary bombing halt ''would be appropriate.'' He added that ''I don't think we should be there in the first place,'' noting that he was among the 213 House members voting last week against a resolution backing the bombing. Jackson has a history of private intervention in international crises.

He went to Syria in 1984 to arrange the release of a Navy pilot whose bomber was shot down by Syrian antiaircraft guns in Lebanon. Several months later, he worked out arrangements with Cuba for the release of 48 American and Cuban political prisoners. And he played a similar role helping foreign women and children in Iraq in 1990.

Sometimes this type of citizen diplomacy works, and sometimes it doesn't.

Former President Carter helped diffuse a crisis over North Korean efforts to develop nuclear weapons in 1994 by personally intervening with that country's late leader, Kim Il-Sung. When Carter said he want to go, Clinton reportedly told him to go ahead, as long as Carter understood he was acting as a private citizen and not an official emissary.

But a similar Carter visit with Bosnian Serb leader Radovan Karadzic in 1995 failed to produce a lasting cease-fire, and Carter was later criticized for meeting with an indicted war criminal.

Clinton has often favored using high-profile, one-man diplomatic missions to resolve international crises, counting on the reputation and clout of his messenger.

He employed Bill Richardson—a congressman from New Mexico and later U.S. ambassador to the United Nations—as a diplomatic firefighter, trying to extinguish problems in Iraq, central Africa and North Korea.

He asked a former rival, Republican Bob Dole, to travel to Kosovo to convince the Kosovar Albanians to sign a settlement Molosevic eventually rejected.

And he teamed Carter with former Sen. Sam Nunn and retired Gen. Colin Powell in 1994 to persuade Haiti's military rulers to back down and allow a peaceful U.S.-led military intervention that restored ousted President Jean-Bertrand Aristide.

One of Clinton's most frequent emissaries is Richard Holbrooke, the former State Department official, ambassador, and architect of the 1995 Dayton accord that ended the war in Bosnia. Holbrooke, now the nominee to succeed Richardson as ambassador to the United Nations, negotiated with Milosevic seeking a peaceful solution to Kosovo right up until the NATO bombing began.

But Rubin said Jackson's mission differs greatly from that of official envoys.

''Holbrooke was representing the United States and NATO, saying, 'If you don't agree, we're going to bomb you.' That's the same message whether you're alone in the room or if you're with 10 other people,'' Rubin said.

Mr. Speaker, I am privileged to yield 5 minutes to the distinguished gentlewoman from Florida (Mrs. MEEK), chief sponsor of this resolution

Mrs. MEEK of Florida. Mr. Speaker, I thank the gentleman from American Samoa (Mr. FALEOMAVAEGA), my colleague, for giving me this opportunity to express my feelings about the Reverend Jesse Louis Jackson.

When the history of the world is written, Mr. Speaker, the name of Jesse Louis Jackson will head the name of those who loved peace. I am pleased that the House is today considering a resolution introduced yesterday commending the Reverend Jesse L. Jackson, Jr., for his extraordinary efforts in securing the release of our three brave American soldiers from captivity in the Federal Republic of Yugoslavia. Reverend Jesse Louis Jackson gives us something for all of us to be proud of: leadership, bravery, courage.

I particularly want to thank Speaker HASTERT; the gentleman from Missouri (Mr. GEPHARDT) our minority leader; the gentleman from New York (Chairman GILMAN); the gentleman from Connecticut (Mr. GEJDENSON) ranking Member; and the gentleman from American Samoa (Mr. FALEOMAVAEGA) of the Committee on International Relations, who worked together in a bipartisan effort to bring this resolution to the floor.

Mr. Speaker, as we all know, last Thursday Reverend Jackson led a delegation of religious and civic leaders from the United States, including our colleague, the gentleman from Illinois (Mr. BLAGOJEVICH), to Yugoslavia in a faith-based effort to secure the release of Specialist Gonzales, Staff Sergeant Ramirez, and Staff Sergeant Stone. Against great odds and in the face of grave personal risk, Reverend Jackson and his party entered the war zone and on Saturday May 1, Reverend Jackson, with the help of God, secured the release of these brave American soldiers.

Mr. Speaker, I and millions of Americans and others around the world, we watched with pride, we watched with joy and amazement as Reverend Jackson and his delegation emerged with our three brave soldiers. It was at that point that I decided to introduce this resolution.

On this floor today we celebrate Reverend Jackson's achievement and our soldiers' return to freedom. We want the world to know, Mr. Speaker, that we are extremely proud of the Reverend Jesse Louis Jackson.

This is not the first time that Reverend Jackson has successfully secured the release of prisoners in other countries. In 1984 he secured the release of United States Navy Flyer, Lieutenant Robert O. Goodman, Jr., from Syria. Again in June of 1984 he secured the release of 22 Americans and 26 Cubans from Cuba; and in 1990 he secured the release of 700 women and children who were being detained in Iraq.

Jesse Louis Jackson is certainly a man of peace. Mr. Speaker, he is recognized around the world as a humanitarian, an advocate for civil and human rights, and an ambassador of freedom. Time and again he has been willing and able to enter into difficult situations and to go into harm's way that very few of us would go into. His diplomacy has been effective when conventional diplomacy has not been effective. He has achieved success due to his determination and the strength of his beliefs.

Reverend Jackson is a soldier for peace and freedom with deep roots in the nonviolence movement. For over a generation he has acted in the highest tradition of Gandhi and Martin Luther King.

Reverend Jackson has proven time and time again that he will go anywhere and to any lengths to help those in need, especially those who are unable to help themselves. It is a great honor and privilege to know him and to have him as a friend, and to know that this House does itself proud by honoring someone who has done so much to help so many.

Mr. Speaker, the Bible said: ''Blessed are the peacemakers.'' The Reverend Jesse Jackson, Sr., is indeed blessed. God has given him great gifts and he has used them fully to help his fellow men and women. He deserves our thanks and our praise. We are so proud.

Mr. Speaker, we all serve with his son, the gentleman from Illinois (Mr. JESSE L. JACKSON, Jr.), and I know that he is even more proud of his father than we are. I am very proud to offer this resolution honoring this great American, an outstanding leader, and I urge all of my colleagues to give it their enthusiastic support.

Mr. GILMAN. Mr. Speaker, I reserve the balance of our time.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield 2 minutes and 40 seconds to the distinguished gentleman from Illinois (Mr. JACKSON), my friend and colleague.

Mr. JACKSON of Illinois. Mr. Speaker, let me begin by thanking the distinguished gentleman from New York (Chairman GILMAN) and the gentleman from American Samoa (Mr. FALEOMAVAEGA) for this opportunity, and I certainly want to begin by commending and thanking the gentlewoman from Florida (Mrs. MEEK) for sponsoring today's resolution.

Mr. Speaker, I am overwhelmed that the gentlewoman would be so kind as to think of Reverend Jackson and all of the members of this delegation who sought to bring about an opportunity for peace in this crisis. I am only troubled in that the present signals that we are getting are not ones that indicate that we are going to take advantage of the opportunity that Reverend Jackson has created.

I could talk about Reverend Jackson, my father, for hours. Maybe for a lifetime. But I want to take the few minutes that I have, that has been given me, just to mention the names of those ministers who participated in this event.

The Reverend Jesse Jackson, Sr., founder and president of the Rainbow/PUSH Coalition. The Reverend Dr. Joan Brown Campbell, general secretary, National Council of Churches. Mr. Nazir U. Khaja, medical doctor, chairman of the board of the American Muslim Council, head of the Islamic Information Service.

Father Leonid Kishkovsky, Orthodox Church of America. The Reverend James Meeks, Salem Baptist Church, Chicago, Illinois. The Reverend Father Irinej Dobrijevic, Serbian Orthodox priest, International Orthodox Christian Charities. Landrum Bolling, Senior Advisor, Conflict Management Group, Director-at-Large, Mercy Corps International.

John Wyma, chief of staff to Congressman ROD BLAGOJEVICH. Father Raymond G. Helmick from Boston College in Boston, Massachusetts. Amy Toensing, photographer. Walter Rogers from CNN. Yuri Tadesse, the director of International Affairs at Rainbow/PUSH Coalition.

David Steele, Center for Strategic and International Studies of Washington, D.C. James George Couchell, His Grace Bishop Dimitrios of Xanthos, Greek Orthodox Archdiocese of America. His Grace Right Reverend Bishop Mitrophan, Serbian Orthodox Bishop of Eastern America. Bishop Marshall ''Jack'' Meadors of the United Methodist Church.

Rabbi Steven Bennett Jacobs, Temple KOL Tikva from Los Angeles, California. Mr. Zoran S. Hodjera, president of the Saint Luke Serbian Orthodox Church in Washington, D.C. Our colleague, Congressman ROD BLAGOJEVICH from the Fifth Congressional District in Illinois. Obrad Kesic, Director of Governmental Affairs, IGN Pharmaceuticals. Reverend Roy Thomas Lloyd, Broadcast News Director of the National Council of Churches.

Jonathan Alpert from HBO. Susan Sachs from the New York Times. Bryan Puchaty, CNN. Marie Nelson, the director for Africa Policy, Rainbow/PUSH Coalition.

Mr. Speaker, this interfaith delegation made it possible to bring our prisoners of war home.

Mr. GILMAN. Mr. Speaker, I want to commend the gentleman from Illinois (Mr. JACKSON) for listing all the clergymen. I had not seen that list published any place and it was certainly a wonderful delegation. And I commend him for giving them the proper attributes for their work.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from New York (Mr. GILMAN), the chairman of the Committee on International Relations, for his generosity and for his constant advocacy for peace. And I thank the gentleman from American Samoa (Mr. FALEOMAVAEGA), the ranking member, for his leadership. I also thank the gentlewoman from Florida (Mrs. MEEK) for bringing this to a point when we could acknowledge a great man of peace.

Mr. Speaker, ringing throughout the halls of many places over the weekend, and particularly in our houses of worship, were the words, ''glory, glory, hallelujah,'' for it was that which caused the efforts of Reverend Jesse Louis Jackson to be put at the pinnacle of our eyesight in terms of what he accomplished. We had always known him as a man of peace who was courageous, but as he brought forth the three young men and presented them to us this past Sunday there was a ringing of celebration, one long overdue.

I rise to support this resolution and support Reverend Jesse L. Jackson, Sr., and as noted by the gentleman from Illinois (Mr. JACKSON), all of the others, part of the delegation, the religious and civic leaders, including our colleague from Illinois (Mr. BLAGOJEVICH).

It is important to acknowledge the fact that there can be peace.

□ 1915

I am grateful that specialist Steven Gonzales, Staff Sergeant Andrew Ramirez, and Staff Sergeant Christopher Stone, who were captured on patrol along the border of Kosovo and Macedonia, are now free. I am delighted that Reverend Jackson, in prayer and with courage, left the shores of this land and went forth to deliver them.

As I traveled in Albania and Macedonia this weekend, it was clear that all eyes were on Reverend Jackson and his delegation. First, we were offering up prayers, Mr. Speaker; and then, of course, we were hoping for the very best.

We know that President Milosevic has brutally murdered many of the ethnic Albanians. We know that women and children have been displaced, along with their husbands and men. We know that the men have been murdered and taken off to war. We know the refugee camps are in terrible condition in terms of the living conditions, and we know we must prevail to stop ethnic cleansing. But Reverend Jackson rose above those issues to proceed to declare peace and to receive these individuals back.

Mr. Speaker, I would simply take my hat off, if I had one, to salute Reverend Jesse L. Jackson, Sr., for being a courageous man of peace.

Mr. Speaker, I submit for the RECORD Reverend Jackson's entire resume and bio.

REVEREND JESSE L. JACKSON, SR., PRESIDENT AND CHIEF EXECUTIVE OFFICER, RAINBOW/PUSH COALITION, INC.

The Reverend Jesse Louis Jackson, President and founder of the Rainbow/PUSH Coalition, is one of America's foremost political figures. Over the past thirty years he has played a pivotal role in virtually every movement for empowerment, peace, civil rights, gender equality, and economic and social justice.

Reverend Jackson has been called the ''conscience of the nation'' and ''the great unifier,'' challenging America to establish just and humane priorities. He is known for bringing people together in common ground across lines of race, class, gender, and belief.

Born on October 8, 1941 in Greenville, South Carolina, Jesse Jackson attended the University of Illinois on a football scholarship and later transferred to North Carolina A&T State University. He attended Chicago Theological Seminary until he joined the Civil Rights Movement full time in 1965.

Reverend Jackson began his activism as a student leader in the sit-in movement and continued as a young organizer for the Southern Christian Leadership Conference as an assistant to Dr. Martin Luther King, Jr. He went onto direct Operation Breadbasket and subsequently founded People United to Save Humanity (PUSH) in Chicago in 1971.

PUSH's goals were economic empowerment and expanding educational and employment opportunities for the disadvantaged and communities of color. In 1984, Reverend Jackson founded the National Rainbow Coalition, a national social justice organization devoted to political empowerment, education and changing public policy. In September 1996, the Rainbow Coalition and Operation PUSH merged into the Rainbow/PUSH Coalition to continue both philosophies and maximize its resources.

Long before national health care, a war on drugs, dialogue with the Soviet Union and negotiations with the Middle East were popular positions, Reverend Jackson advocated them. By virtue of Reverend Jackson's advocacy, South African apartheid and the fight for democracy in Haiti came to the forefront of the national conscience.

Reverend Jackson's two presidential campaigns broke new ground in U.S. politics. His 1984 campaign won 3.5 million votes, registered over one million new voters, and helped the Democratic Party regain control of the Senate in 1986. His 1988 candidacy won seven million votes and registered two million new voters and helped to sweep hundreds of elected officials into office. Additionally, this civil rights leader won a historic victory, coming in first or second in 46 out of 54 contests. His clear progressive agenda and his ability to build an unprecedented coalition inspired millions to join the political process.

As a highly respected world leader, Reverend Jackson has acted many times as an international diplomat in sensitive situations. In 1984, for example, Reverend Jackson secured the release of captured Navy Lieutenant Robert Goodman from Syria, as well as the release of 48 Cuban and Cuban-American prisoners in 1984. He was the first American to bring hostages out of Kuwait and Iraq in 1990.

In 1990, in an impressive victory, Reverend Jackson was elected to the post of U.S. Senator from Washington, D.C., a position also known as ''Statehood Senator.'' The office was created to advocate for statehood for the District of Columbia, which has a population higher than five states yet has no voting representation in Congress.

A hallmark of Reverend Jackson's work has been his commitment to youth. He has visited thousands of high schools, colleges, universities, and correctional facilities encouraging excellence, inspiring hope and challenging young people to award themselves with academic excellence and to stay drug-free. He has also been a major force in the American labor movement—working with unions to organize workers and mediate labor disputes. It is noted, Reverend Jackson has probably walked more picket lines and spoken at more labor rallies than any other national leader.

A renowned orator, Reverend Jackson has received numerous honors for his work in human and civil rights and for nonviolent social change. In 1991, the U.S. Post Office put his likeness on a pictorial postal cancellation, only the second living person to receive such an honor. He has been on the Gallup List of Ten Most Respected Americans for the past ten years. He has also received the prestigious NAACP Spingarn Award, in addition to honors from hundreds of grassroots and community organizations from coast to coast. Reverend Jackson has been awarded more than 40 honorary doctorate degrees, and frequently lectures at Howard, Yale, Princeton, Morehouse, Harvard, Columbia, Stanford, and Hampton Universities, among others.

Since 1992, Reverend Jackson has hosted ''Both Sides With Jesse Jackson'' on Cable News Network. He is the author of two books: Keep Hope Alive (South End Press, 1989) and Straight From the Heart (Fortress Press, 1987). In 1996, Reverend Jackson co-authored the book Legal Lynching: Racism, Injustice, and the Death Penalty (Marlowe & Company) with his son, U.S. Representative Jesse L. Jackson, Jr.

In October 1997, Reverend Jackson was appointed by President Bill Clinton and Secretary of State Madeleine Albright as ''Special Envoy of the President and Secretary of State for the Promotion of Democracy in Africa.'' In his official position as Special Envoy, Reverend Jackson traveled to Kenya and Zambia in November 1997. Reverend Jackson met with His Excellency Daniel T. Arap Moi of Kenya and President Frederick J.T. Chiluba of Zambia during his trip.

Reverend Jackson married college sweetheart Jacqueline Lavinia Brown in 1963. They have five children: Santita Jackson, Cong. Jesse Louis Jackson, Jr., Jonathan Jackson, Yusef DuBois Jackson, Esq., and Jacqueline Lavinia Jackson, Jr. The Jacksons reside in Chicago.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I join with my colleagues in support of H. Res. 156, a resolution to honor not only the work of the Honorable Reverend Jesse Jackson but also the work of the entire delegation who traveled with him against insurmountable odds and came back victorious.

Especially would I like to single out the work of our colleague, the gentleman from Illinois (Mr. ROD BLAGOJEVICH), and the Reverend James Meeks, whom I happen to know and have a tremendous amount of respect for.

I think, once again, Reverend Jackson has demonstrated his astuteness, his ability, his agility. Some of us thought maybe Reverend Jackson was getting a little bit older, and somebody else said, no, Jesse is not getting older, he is just getting better. And so he has gotten better, he is better, and we commend and congratulate him once again on a tremendous piece of humanitarian work for all of the world to see.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Mrs. NAPOLITANO).

Mrs. NAPOLITANO. Mr. Speaker, I thank my colleagues on both sides of the fence for bringing this today to this floor.

I especially want to thank my colleague, the gentlewoman from Florida (Mrs. CARRIE MEEK), for authoring House Resolution 156, which commends the Reverend Jesse Jackson for his wonderful and great work in securing the release of our brave servicemen, Staff Sergeant Andrew Ramirez, Staff Sergeant Christopher Stone, and Specialist Steven Gonzales.

I am proud to be a cosponsor of this resolution and honored to have the opportunity to address the Nation about it today.

Reverend Jesse Jackson has once again proven himself a man of great ability, of great compassion and of great faith. His mission to Yugoslavia brought relief and joy to the families of these three servicemen and to all Americans who prayed for their freedom.

Our Nation owes Jesse Jackson a great debt of gratitude. His skillful diplomacy in this case, as well as his other successful missions to free hostages and prisoners throughout the years, serves to remind us of Reverend Jackson's steadfast dedication to peace and freedom.

With regard to Staff Sergeant Steven Ramirez, I am especially thankful to Reverend Jackson for his courageous mission and am proud to join the Nation in honoring this exemplary American today.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, I rise in support of H.R. 156, to commend, thank and congratulate the Reverend Jesse Jackson and his delegation and the gentleman from Illinois (Mr. ROD BLAGOJEVICH) for securing the release of the three American soldiers.

There has been great discussion criticizing independent diplomatic efforts as dangerous, out of line and inappropriate. I stand to commend the efforts of this faith-based delegation made up of more than 20 religious leaders as the right move at the right time and in the best interests of the soldiers and this Nation.

I am the mother of a 16-year-old man-child named Mervyn Jones, the love of my life. I place myself in the shoes of the mothers of these three American soldiers, experiencing the anxiety, loneliness, regret, love, longing and desperation of not being able to remove my son from the arms of Milosevic. Thanks to the efforts of Reverend Jackson and his delegation, I stand in the shoes of these same mothers exuberant, relieved, happy, proud, grateful and blessed that God allowed the Reverend Jackson to speak for me and my son.

In the midst of apprehension, discouragement, criticism and mistrust, this faith-based delegation had the courage and most of all the faith, hope and belief that they could accomplish that which others had been unable to accomplish—the release of three young American soldiers.

There comes a time when all criticism should cease and all voices should now be heard in unison, thanking these great Americans for their efforts, thanking these great Americans for their belief, thanking them for their audacity to believe that they could, thanking them for their service.

Reverend Jackson, Representative BLAGOJEVICH and other members of the delegation, I join with the United States Congress and the American people to laud, commend, congratulate and praise your good work.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield 1 minute to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I want to thank the chairman and the ranking member for having this, and I want to thank the leadership of the gentlewoman from Florida (Mrs. MEEK) for offering this resolution.

I rise in support of H.R. 156, a resolution to commend Reverend Jesse Jackson, Sr., for securing the release from captivity of three United States soldiers: Specialist Steven Gonzales of Huntsville, Texas; Staff Sergeant Andrew Ramirez of Los Angeles; and Staff Sergeant Christopher Stone of Smiths Creek, Michigan.

For 5 weeks these soldiers reportedly were held isolated from each other and their units and held captive in a hostile land. Members of their families, people in their home communities and concerned citizens around the world prayed for their safe return. We were disappointed by the unsuccessful diplomatic efforts to secure their release.

In answer to the call of conscience, who will go to seek the release of these young men, Reverend Jesse Jackson boldly and courageously answered, I will. Despite the risk of failure, despite the risk of danger to his personal security, despite the risk of criticism from those who would say he had no business whatsoever, Reverend Jesse Jackson and his faith-based mission answered the call.

And, indeed, we want to commend our colleague, the gentleman from Illinois (Mr. BLAGOJEVICH), to go to this foreign country and to urge the country of that Nation to let our soldiers go home.

He succeeded and we are glad. Perhaps this humanitarian gesture by the Yugoslavian President, to set free our soldiers, will be followed by more substantial concessions on his part to hasten an end to the destruction of that region and the suffering he has caused in so many lives there. However, today, we should take time, on behalf of a nation that is grateful and very relieved by the safe return of our soldiers, to say thank you to Rev. Jesse Jackson for answering the call of conscience and for a job well done.

Rev. Jesse Jackson, by his bold actions, displayed the wisdom implicit in the old maxim that we should live, learn, love and leave a legacy. By his actions, Rev. Jackson displayed courage to go into a dangerous situation to accomplish his mission, to seek the release of our soldiers. He did it and we say thank you.

Mr. FALEOMAVAEGA. Mr. Speaker, may I ask how much more time do I have on this side?

The SPEAKER pro tempore (Mr. DUNCAN). The gentleman from American Samoa (Mr. FALEOMAVAEGA) has 4¾ minutes remaining.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, I thank the gentleman for yielding me this time; and though 1 minute is not enough, I will try.

I simply want to, first, thank the gentleman from New York (Mr. GILMAN), the chairman, and our ranking member, as well as the gentlewoman from Florida (Mrs. CARRIE MEEK) for stopping and focusing us and getting us together to give our thanks to Reverend Jesse Jackson.

Reverend Jesse Jackson is truly a remarkable man. He is a man who truly believes in the power of prayer and the ability to argue the moral and humane position, no matter how difficult it looks, no matter how difficult it seems.

He was criticized. They said, do not go, Jesse; do not mess up our diplomatic relations, even though we had none. But Jesse went in spite of that, with a faith-based coalition and our own Congressman, to say to Mr. Milosevic, let them go.

And despite the fact that we all believe that Mr. Milosevic is without a moral center, that this is a man who has been involved in ethnic cleansing, that this is a man who had lost his moral compass a long time ago, Jesse convinced him.

He did not stop on the first try. They told him it was not on the agenda. Jesse Jackson went to bed; and he said, it is on my agenda. And he got up the next morning, and he continued with the mission, and he made it happen.

We are pleased. The mothers of these young men are pleased. We are so glad we have a Jesse Jackson. The world should thank Jesse Jackson.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. RUSH).

Mr. RUSH. Mr. Speaker, I want to also thank the sponsor of this outstanding resolution, H.R. 156. I also want to thank the chairman of the subcommittee and also the ranking member of the subcommittee for this occasion.

Today, I would like to commend Reverend Jesse Jackson and the entire Jackson peace delegation, which included the gentleman from Illinois (Mr. ROD BLAGOJEVICH) and the Reverend James Meeks, both who reside in the City of Chicago, for their heroic efforts in bringing our soldiers back home.

It took people of monumental strength and enormous moral courage to accomplish such a noble feat. I know that all of America, including the parents of our soldiers, thanked God when on Sunday it was announced that our soldiers were released.

One word about Reverend Jackson. Reverend Jackson is, indeed, a remarkable man, a man of enormous courage and enormous talent and abilities. Reverend Jackson's moral plea to Milosevic for the release of our soldiers was not an easy task. However, once again, Reverend Jackson has demonstrated to us the power of diplomatic negotiations.

Reverend Jackson certainly deserves every word, every symbol, every indication that we have giving him thanks.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield 1 minute to the gentleman from Alabama (Mr. HILLIARD).

Mr. HILLIARD. Mr. Speaker, I commend the Reverend Jesse Jackson. For many years, the Reverend Jesse Jackson has served the cause of peace and human dignity. Once again, Reverend Jackson has traveled to the battlefields of a world at war to return captive servicemen. Once again, he has brought a message of peace and human unity to a situation many thought was beyond hope. Once again, Reverend Jackson has put his faith to the test, opened his heart in love and brought hope to the hopeless. Once again, Reverend Jackson has made himself an example of a committed American and an international peacekeeper.

Leading a delegation of Christian, Muslims and Jewish representatives, Reverend Jackson made a way where there seemed to be none. It is my hope that we may use the relationships which he has developed to find a way to end this war but, more importantly, that we find a way to end the oppression which caused it. It must always be our goal to establish a peace not based on oppression and to rebuild an arc of the covenant between all people. Reverend Jackson has done his part. Let us now do ours.

Mr. Speaker, I commend Reverend Jackson for his efforts.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield 1 minute to the gentlewoman from Michigan (Ms. KILPATRICK).

Ms. KILPATRICK. Mr. Speaker, I want to thank our ranking member and the gentleman from New York (Mr. GILMAN) and my very dear friend, the gentlewoman from Florida (Mrs. CARRIE MEEK), for bringing this resolution forward.

People can say what they want about this country. This is the greatest country in the world. Men like Reverend Jesse Jackson, as well as my colleague, the gentleman from Illinois (Mr. ROD BLAGOJEVICH), who have the courage to risk their lives, and the other delegation, and to go on foreign soil to free three heroes are to be commended.

I want to add my voice to all those who have spoken before me in thanking Reverend Jackson and our colleague and their delegation. This world will be a better place. We hope we can end this war and bring peace to our Nation.

Mr. GILMAN. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. BLAGOJEVICH), the gentleman who accompanied Reverend Jackson and made it possible for Reverend Jackson to visit in Yugoslavia.

Mr. BLAGOJEVICH. Mr. Speaker, I thank the gentleman for yielding me this time.

Sergeant Ramirez and Sergeant Stone and Specialist Gonzales are soon

to be home with their families due to the hard work and effort of Reverend Jesse Jackson. He worked very hard. He was constant in his pursuit of negotiations to achieve this mission. There were peaks, and there were valleys. I know, because I was there with him.

□ 1930

Reverend Jackson did it in Iraq and Kuwait. He did it before in Cuba with hostages. He did it before and was successful in Syria with Robert Goodman. And he did it again in Yugoslavia. Reverend Jesse Jackson is four for four, and Jesse Jackson is the man.

Mr. FALEOMAVAEGA. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. DUNCAN). The gentleman from American Samoa (Mr. FALEOMAVAEGA) has 1 minute remaining.

Mr. FALEOMAVAEGA. Mr. Speaker, I yield 35 seconds to the gentleman from Tennessee (Mr. FORD).

Mr. FORD. Mr. Speaker, I thank the gentleman for yielding me the time.

I just want to the add my voice of congratulations to Jesse Jackson, who in many ways is like a father figure to me. I have known the family for so long. I am not surprised what Jesse Jackson was able to accomplish. And I say to my dear friend who came with me in the same class in 1996, that great Congressman from Chicago, he was one heck of a wing man and the Reverend could not have done it without him.

Congratulations, Reverend Jackson. And to the Ramirez, Stone and Gonzales families, I thank them for producing three great men like they have.

God bless America.

The SPEAKER pro tempore. The gentleman from American Samoa (Mr. FALEOMAVAEGA) has 25 seconds remaining.

Mr. GILMAN. Mr. Speaker, I am pleased to yield 1 additional minute to the gentleman from American Samoa (Mr. FALEOMAVAEGA).

Mr. FALEOMAVAEGA. Mr. Speaker, I yield myself the balance of the time.

I certainly want to commend and thank my colleagues for the statements that have been presented to pay this very special tribute and this resolution to Reverend Jesse Jackson for the performance and for the contributions that he has made, especially in bringing home these three soldiers who had been imprisoned for the past 31 days.

In saying that, I certainly thank my good friend the gentlewoman from Florida for her sponsorship of this legislation.

Mr. Speaker, I yield the balance of the time to the gentlewoman from Florida (Ms. BROWN).

The SPEAKER pro tempore. The gentleman from American Samoa has 1 minute remaining. That 1 minute is yielded to the gentlewoman from Florida (Ms. BROWN).

Ms. BROWN of Florida. Mr. Speaker, I rise today in support of House Resolution 156.

I want to thank the Reverend Jesse Lewis Jackson for the wonderful job he has done getting the three American prisoners released. Our Nation and the families of the three soldiers who were held for a month are very grateful to Reverend Jackson's work.

Reverend Jackson has only recently been named as a diplomat, but he has been doing this work for a very long time. I am very hopeful that Reverend Jackson's success will encourage the two sides to find a peaceful end to the crisis.

On that note, I want to say that I joined several of my colleagues this weekend in Vienna, where we had meetings with the Russian Parliament. We tried to set a framework for peace negotiations between the two sides, and I am very pleased with our results. We cannot underestimate the power of negotiators like the Reverend Jackson, and I am very encouraged that his efforts, along with the discussions with the Russian officials, will lay the groundwork for peace and end this conflict.

God bless America. And, of course, we all love the Reverend Jesse Lewis Jackson.

I would like to congratulate the Reverend Jesse Jackson in his successful efforts in bringing home the three United States servicemen, Staff Sergeant Christopher J. Stone, Staff Sergeant Andrew A. Ramirez and Specialist Steven M. Gonzales, who were abducted in Macedonia near the Yugoslav border where they were on patrol while participating in a NATO force that was to move into Kosovo as peacekeepers in case of a settlement. Mr. Jackson's trip to Yugoslavia as a negotiator on behalf of the soldiers was indeed courageous, and his diplomatic talents are more than commendable.

Indeed, in obtaining the release of the captured soldiers, Reverend Jesse Jackson succeeded where no one else could through his immeasurable perseverance, faith, and persistent negotiating with the Serb leader. It is interesting to note that this was not the Reverend's first success as an international mediator. In 1984, he won the freedom from Syria of a U.S. Navy flyer, Lt. Robert O. Goodman, Jr., who had been shot down in a raid on anti-aircraft positions in Lebanon. I also recall that in June of that same year he persuaded Fidel Castro to release 22 Americans and 26 Cubans from Cuban prisons. Additionally, Jesse Jackson has participated in numerous domestic ''missions,'' and has mediated in several disputes on behalf of African Americans, labor and the poor. One example of his efforts was his success in prodding the aircraft maker Boeing into a $15 million settlement of two class action lawsuits that accused the firm of discriminating against its African American workers. I wholeheartedly admire the Reverend for his tactics in dispute resolution, for his siding with the underdogs, the poor, minorities, and the oppressed.

Mr. GILMAN. Mr. Speaker, I yield myself the balance of the time.

Again, I want to commend the gentlewoman from Florida (Mrs. MEEK) for bringing this resolution to the floor. I want to thank our senior member of our committee, the gentleman from American Samoa (Mr. FALEOMAVAEGA) for his participation, and thank all of those who participated in this tribute to Reverend Jesse Jackson, and to his fellow clergymen who participated with him in this admirable undertaking in releasing our prisoners.

Mr. THOMPSON of Mississippi. Mr. Speaker, the Rev. Jesse Jackson is truly one of America's unsung heroes, and today I stand before you to sing his praises.

For many years, conservatives have held Jesse Jackson up as the poster child for liberal causes.

They have chastised him and demonized him.

They have cursed him and mocked him.

And at the same time they wear their version of Christian values on their lapels, they look down on everyone that does not conform to their narrowly interpreted set of rules.

However, if ever there was a person who exemplified the morals and the values espoused by Christ, that person is the Rev. Jesse Jackson. In the Book of Matthew, Chapter 5, our Savior, Jesus Christ tells us which values will be looked upon favorably in the kingdom of Heaven. Some of the ones he mentions who will be blessed are:

''The poor in spirit, for theirs is the kingdom of heaven.''

The Rev. Jackson has dedicated his life to representing the most marginalized, disenfranchised members of American society.

''Those who hunger and thirst for righteousness, for they will be filled.''

The Rev. Jackson has made filing the souls of Americans as important as filing the bellies of the hungry.

''The merciful, for they will be shown mercy.''

The Rev. Jackson has stepped into the chasm of propaganda and demonization to meet with the leaders of our nation's ''enemies'' and bring America's sons and daughters back from captivity in foreign countries.

''The pure in heart, for they will see God.''

The Rev. Jackson's approach to solving problems clearly illustrates the innocence and humility of his altruistic intentions, his love of all people, and his dedication to making the world a better place for everyone.

''The peacemakers, for they will be called sons of God.''

The Rev. Jackson has been a strong, outspoken advocate of diplomacy and nonviolent conflict resolution.

''Those who are persecuted because of righteousness, for their is the kingdom of heaven.''

The Rev. Jackson has stood on the front lines of our nation's struggle to recognize the civil rights of all its citizens.

Rev. Jackson, we appreciate you and the work you are doing to walk the path. We commend you for your tireless efforts to bring home American soldiers who have become prisoners of war. However, your selflessness does not stop there. On a number of occasions, your intervention has freed citizens

being held as human shields by Saddam Hussein and political prisoners from Cuban jails. Hold your head up Brother Jackson. You are somebody! Keep the faith! When you are feeling a little unappreciated, just remember.

Blessed are you when people insult you, persecute you and falsely say all kinds of evil against you because of me. Rejoice and be glad, because great is your reward in heaven, for in the same way they persecuted the prophets who were before you. You are the salt of the earth. But if the salt loses its saltiness, how can it be made salty again? It is no longer good for anything, except to be thrown out and trampled by men. You are the light of the world. A city on a hill cannot be hidden. Neither do people light a lamp and put it under a bowl. Instead they put it on its stand, and it gives light to everyone in the house. In the same way, let your light shine before men, that they may see your good deeds and praise your Father in heaven.

Ms. NORTON. Mr. Speaker, I thought that I should go to Andrews Airport Air Force Base yesterday to welcome Jesse Jackson home. Reverend Jackson had helped raise the consciousness of the nation to freedom concerns in the District of Columbia when he was statehood senator and lived here a few years ago. I thought that I should be there to greet him for bringing a freedom message to President Slobodan Milosevic, who heard Jesse Jackson and freed the three American servicemen.

I listened intently to Rev. Jackson's comments at the airport. He detailed how he had managed to free the three soldiers, and it was clear that he had done it with great care and skill without undermining U.S. foreign policy concerns and military aims. Reverend Jackson carried the NATO four conditions and urged them on Milosevic at the same time that he urged our country to look for diplomatic openings. Through the efforts of the former Russian Prime Minister Viktor Chernomyrdin, who coincidently arrived at Andrews shortly after the Jackson delegation, these openings are beginning to appear now. Rev. Jackson's work has not hurt our goals, and may have helped in ways we cannot yet know. What we do know is what Jesse Jackson, through an act of will and skill, has produced the three young men before the war's end. Jesse Jackson deserves credit not only for what he did but for the way he did it. Today's special order is a well deserved tribute.

Ms. LEE. Mr. Speaker, I rise tonight to recognize my good friend and colleague, Reverend Jesse Jackson, for his diplomacy in Yugoslavia and his work to bring an end to the crisis in Kosovo. Thanks to the work of Reverend Jackson and his delegation, three servicemen who had been held in Yugoslavia have been freed and allowed to return home safely. We must continue to take every measure possible to ensure the safe and expeditious return home of all the men and women of the United States Armed Forces who have been dispatched to Yugoslavia.

In the same spirit, I hope that we can seize upon this moment to further these diplomatic efforts to bring about an immediate end to Slobodan Milosevic's campaign of terror. At this juncture, I am convinced that our best hope for peace and stability in the region is the negotiation of an immediate cease fire and the dispatch of an international peace keeping force. It is my strong belief that the United States and NATO must reach out to the United Nations, Russia, China, and others to work together toward a new internationally negotiated peace agreement and to secure Serb compliance with any and all of its terms.

As a person who strongly believes in the teachings and work of Dr. Martin Luther King, Jr., I profoundly subscribe to the principles of nonviolence and implore us to consider the teachings of Dr. King as we address the crisis in Kosovo. In speaking about the Vietnam war in his speech A Christmas Sermon on Peace found in his last book, The Trumpet of Conscience, Dr. King wrote: ''But one day we must come to see that peace is not merely a distant goal we seek, but that it is a means by which we arrive at that goal. We must pursue peaceful ends through peaceful means. All of this is saying that, in the final analysis, means and ends must cohere because the end is pre-existent in the means and ultimately destructive means cannot bring about constructive ends.''

Based upon these principles of non-violence, it is with enthusiasm and pride that I applaud Reverend Jackson and his delegation for opening important, new diplomatic channels. While I have not seen Milosevic's letter to President Clinton, I am very hopeful that our President will view the letter as a possible opportunity to renew dialog to seek a political settlement to this horrific crisis. I pray that this will set in motion a process that ends the bloodshed in Yugoslavia and leads to sustainable and long-term peace in the Balkans.

Mr. GILMAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. GILMAN) that the House suspend the rules and agree to the resolution, House Resolution 156, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution, as amended, was agreed to.

The title was amended so as to read: ''Resolution commending the Reverend Jesse L. Jackson, Sr. on securing the release of Specialist Steven Gonzales of Huntsville, Texas, Staff Sergeant Andrew Ramirez of Los Angeles, California, and Staff Sergeant Christopher Stone of Smiths Creek, Michigan, from captivity in the Federal Republic of Yugoslavia.''.

A motion to reconsider was laid on the table.

## ''WE, THE PEOPLE, CITIZEN AND CONSTITUTION PROGRAM''

(Mr. HILL of Montana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HILL of Montana. Mr. Speaker, earlier this week more than 1,200 students from across the United States were here in Washington to compete in the national finals of the ''We, the People, Citizen and Constitution Program.''

I am proud to announce that a high school class from Polson High School in Polson, Montana, represented the State of Montana in this national event. These young scholars have worked diligently to reach the national finals and, through this experience, have gained a deep respect and a greater knowledge and a greater understanding of the fundamental principles and the values of our constitutional Republic.

''We, the People'' is the most extensive education program in the country that was developed to educate young people about the Constitution and the Bill of Rights. This program has provided classroom materials at elementary and middle and high school levels for more than 26½ million students across the country.

I am proud of the students from Polson, Montana, and I commend them for their dedication to a better understanding of their Government.

Mr. Speaker, I include the following newspaper article for the RECORD:

NONTENURED TEACHERS CUT: BOARD VOTES TO SLICE 60 POSITIONS TO HELP SAVE $1M

(By Leslie McCartney)

The teaching contracts of more than 60 nontenured teachers will not be renewed, Helena School District trustees reluctantly voted Tuesday night.

The district is facing serious financial problems. The district is seeking ways to slice $1 million expenses from its 1999–2000 school year budget.

''This is an unpleasant task,'' said Bill Rasor, personnel program manager for the district.

Many of the trustees lamented the necessary move—by contract the district must give teachers notice—but it was not unexpected.

Tuesday's meeting included more proposed considerations for reductions as part of the ongoing budgeting process that has been consuming the district and the trustees for at least a month.

A new consideration presented to the board Tuesday included eliminating a $15,000 contract for high school students with the Montana Science Institute, based at Canyon Ferry Lake.

Also discussed were a few revised proposals, including that of the gifted and talented program. The program would not be completely eliminated as was suggested earlier this month.

Under a new model, the district would retain two gifted and talented staff members to coordinate services and consult with classroom teachers.

''We're regrouping . . . maybe we're not quite ready to hand it off entirely.'' Superintendent Bruce Messinger noted.

Also revised was the issue of increasing class size, which of district hoped to boost to save money. Under a new proposal, class sizes in the early primary grades (kindergarten through second grade) (kindergarten through second grade) would stay small.

However, class sizes would be raised to 26 students in third grade, 28 in fourth grade and 30 in fifth grade. The changes in staffing, coupled with savings in physical education and the music program, could save $116,000, according to district projections.

Trustees also mulled a revision in the ''significant writing'' program to cut four full-time positions at a savings of $116,000.

This year's budget crunch is not an anomaly. Messinger presented a glimpse of a budget picture for the next four years that points to a further decline in enrollment. Enrollment in Montana is directly linked to the amount of funding a district receives.

''It's not going to get any prettier,'' said trustee Brenda Nordlund.

Many trustees also had strong words for the Legislature, which they accused of not paying attention to the plight of many of the state's larger districts that are unable to legally raise additional funds.

''We're pushing hard against the ceiling and it's coming down on us,'' Messinger noted.

The district's difficulties—along with the hours spent poring over numbers and finances—brought at least one trustee to near tears at the board meeting.

''I find this a tremendously humbling experience,'' said trustee Julie Mitchell.

She added that she realizes the district must pare its expenses, but the task is unpleasant and unavoidable.

''In the end we have to decide and someone's going to be mad,'' she said.

But she admonished both the public and trustees to remember that the district delivers a quality education and will continue to do so, in spite of the financial crunch.

''There are some incredibly cool things going on . . . we give our kids a fantastic education.''

Trustees also reminded the public that none of the proposed reductions have been decided and urged continued public input.

''This is not set in concrete,'' Trustee Rich Moy said.

A public hearing on the budget is set for March 16.

## SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

## ORDER OF BUSINESS

Mr. THUNE. Mr. Speaker, I ask unanimous consent that time allocated to the gentleman from Indiana (Mr. BURTON) and the time allocated to me be reversed on the schedule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

## IDEA FUNDING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. THUNE) is recognized for 5 minutes.

Mr. THUNE. Mr. Speaker, today the House passed House Concurrent Resolution 84, which I think is important for a number of reasons. There is no higher priority, I believe, than our children's education.

I have a third grader and a fifth grader who attend Oscar Howell Elementary, the public school system in Sioux Falls, South Dakota, in the Sioux Falls School District. The school board election is coming up in June. There are no fewer than 12 people running for one position on the school board, and we will have the opportunity to choose a very qualified member of the school board. I am delighted to have that many people who are interested in seeking and holding that very important position.

The concurrent resolution that we passed today in the House was a nonbinding resolution. But, nevertheless, I think is important, for several reasons. It compels the will of this House that special education be funded before any other new education initiatives are funded. That makes basic sense. The special education mandate, IDEA funding, is a Federal mandate and, therefore, should be federally funded.

Twenty years ago the Congress committed to fund special ed at 40 percent of the total funding level. We are not even close to that today, not even close. I am pleased that the Republican Congress in the last years has begun moving in that direction. In fact, we have backed up our rhetoric with our action.

If we look at where the President's budget has been in the last several budget years, in fiscal year 1997 the Republican Congress upped the President's request for IDEA funding for special ed by 19 percent. In 1998 we increased the funding level for special ed by 17 percent over the President's request. And in 1999 the Congress increased the level of spending over the President's request by 13 percent.

There is a pattern and a history and a commitment on the part of this Congress to see that the Federal Government honors the commitment that it has made to local school district across this country. So it is very important, I think, that this resolution expresses the will of the House that we will fully fund special ed and move in that direction.

The other thing I think is important with respect to this resolution is that whenever the Federal Government imposes mandates on local school districts and school boards, we take away and deprive them of critical decisionmaking authority.

I just mentioned that we have 12 people seeking the school board position for one position in the Sioux Falls School District. Using the resources that they have to fund the special ed mandate deprives them of using resources that could be allocated for other important things like building new schools, hiring new teachers, reducing class sizes, or buying more computers.

I will use my State of South Dakota as an example. If we were fully funding the mandate on special education today, we would be looking at an additional $18 million coming into South Dakota. And if each State would look at their own statistics, I think they would find similar types of relationships between the current funding levels and where it should be if the Federal Government was living up to the mandate.

As I said earlier, there is no higher priority than providing quality education to children with disabilities and at the same time freeing up resources that local decision-makers can use to improve the quality of education for all of our students across this country.

And so I believe that the vote that we made today in the House is important, as we move down that direction and look at what we can do to further increase the funding level, to honor the commitment that the Federal Government has made to the local school boards across this country, to see that those Federal mandates that we impose upon local school boards are fully funded so that our school districts and those decision-makers at the local level have an opportunity to do what they do best, and that is try and give our children the very best education possible.

And I again would simply say that, as a matter of principle, I believe that this Republican Congress is committed to seeing that more of that decisionmaking authority is retained at the local level and that our parents, our teachers, our administrators and our school boards are those who are in the best position to make decisions about the quality and the funding of our children's education. And that frankly, in my view, is where we ought to put the point of control.

And so the resolution that we acted upon today, I think, speaks loud and clear that this Congress will continue to move in the direction of seeing that the Federal mandate special education, which we have a responsibility for 40 percent of, that we continue to move in the direction, as we have here in the past few years in this Congress, to see that we honor that commitment to all of our students across this country and particularly to those who have disabilities.

I look forward to working toward that end and as we go through the appropriations process within the confines of a balanced budget agreement to see that that gets done.

## REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 833, BANKRUPTCY REFORM ACT OF 1999

Mr. SESSIONS, from the Committee on Rules, submitted a privileged report (Rept. No. 106–126) on the resolution (H. Res. 158) providing for consideration of the bill (H.R. 833) to amend title 11 of the United States Code, and for other purposes, which was referred to the House Calendar and ordered to be printed.

## COMMENDING OAK PARK, ILLINOIS, ON 150 YEARS OF TOWNSHIP GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, 150 years ago in 1849, Oak Park, Illinois was just 10 years old, with a total population of less than 500 people.

There were no streets lined with Frank Lloyd Wright architecture. There was no elevated train system for rapid transit to the City of Chicago. There was no light bulb, no telephone or automobile. No one had heard of the computer, Internet, or e-mail.

□ 1945

In 1849, township as a local form of government was established in Illinois, and since then, voters in 85 of Illinois' 102 counties have benefited from this most intimate form of government.

Today, Oak Park is a thriving community of more than 53,000 people, known for its architectural heritage. Within its 4.5 square miles lives a diverse mix of people with different cultures, races and ethnicities, professions, lifestyles, religions, ages and incomes.

Primarily a residential community bordering the city of Chicago, Oak Park is the birthplace and childhood home of novelist Ernest Hemingway. An annual festival has traditionally been held to celebrate his July birth date.

Architect Frank Lloyd Wright lived in Oak Park from 1889 to 1909, and 25 buildings in the village were designed by him, including his first public building, Unity Temple, a Unitarian Universalist church. His restored home and studio is open for daily hours, and there are many architecturally significant homes ranging from Victorian to prairie style in the village's two historic districts.

Other famous Oak Parkers include Edgar Rice Burroughs, the creator of Tarzan; Dr. Percy B. Julian, an outstanding African American chemist whose research led to the development of cortisone; Joseph Kerwin, an astronaut on the first NASA Skylab team; Ray Kroc, the founder of McDonald's; and Marjorie Judith Vincent, the 1991 Miss America.

Oak Park is also home to former president of the Illinois Senate and recently appointed chairman of the Illinois Board of Higher Education, the honorable Phillip Rock.

The Oak Park River Forest High School is recognized as one of the best public high schools in the Nation, Fenwick is an outstanding Catholic school, and the city is currently involved in the redevelopment of downtown Oak Park with new retail anchors and an intermodal transportation facility.

In 1968, the village board approved one of the Nation's first local fair housing ordinances outlawing discrimination. In 1973, the board approved its first Oak Park diversity statement; and, in 1976, Oak Park was designated an all-American city.

One thing that has not changed in Oak Park during the past 150 years is the person-to-person service provided by township officials and township government in Illinois. When Illinois voters chose township government, they chose the oldest form of government on the North American continent. The Pilgrims brought the concept of township government with them when they landed on the eastern seaboard in 1636. More than a century before the Revolutionary War, townships were giving communities a local and independent voice in matters of government and order.

Today, as we prepare to move into the 21st century, government in Illinois still thrives. More than 8 million Illinoisans are served by the 1,433 townships in the State. This year, on April 3rd, townships held their annual meetings, which is unique to this form of government, where any citizen can step up to the plate and voice any concern that they have about the government. In this regard, townships are truly the government closest to the people they govern as they continue to provide functions and services which are vitally important.

I take this moment after 150 years to commend and congratulate the people of Oak Park, Illinois, for demonstrating that democracy can be made real and that township government can in fact and does in fact work.

## EXCHANGE OF SPECIAL ORDER

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent that I be given the time of the gentleman from Missouri (Mr. HULSHOF) and that he be given my time on the list so that I can resume my place in the chair following the 5-minute special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

## AIR FORCE BOONDOGGLES COST TAXPAYERS BILLIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, last week it was reported by the Associated Press that an Air Force communications satellite worth $800 million had ended up in the wrong orbit. This was the third failure in a row for the Air Force Titan IV program, at a total loss to the taxpayers of over $3 billion. This latest satellite not only ended up in the wrong orbit, it ended up in a lopsided orbit thousands of miles below its intended orbit.

I have taken the floor many times over the years to point out examples of wasteful or exorbitant Federal spending. John Martin has for several years had a segment called It's Your Money on the ABC national television news, pointing out almost every week some example of horrible Federal waste. He has performed a great service to this Nation in bringing this series to the attention of the American people.

The examples, unfortunately, are far too easy to find. Examples of ridiculously wasteful Federal spending are everywhere. It has made me wonder if the Federal Government can do anything in an efficient or economical way.

But this Titan IV program really takes the cake. Three failures at a cost of $3 billion; $3 billion down the drain.

What really adds insult to injury, Mr. Speaker, is that, because this is the Federal Government, no one will really be held accountable for this. In the private sector if a company had three major failures like this, heads would roll in a big way. Of course, in the private sector, no company could afford $3 billion in failures unless possibly it was a big-time Federal contractor subsidized by the taxpayer.

The Appropriation Committees of the House and Senate should demand accountability here. They should not stand for $3 billion from three failed launches.

But the easiest thing in the world, Mr. Speaker, is to spend other people's money. So what are we going to do? Thursday we are going to give big increases in pay and pensions and funding for the same Air Force that has sat around and allowed this $3 billion in failures to occur.

Federal employees are great at rationalizing or justifying even ridiculous losses. I am sure that the Air Force will have some great excuses, and everyone connected with this will be able to explain why it was not their fault. Well, somebody is at fault and probably several people, and they should lose their jobs over this.

Even though we talk about a billion dollars up here like it was very little, $3 billion is still an awful lot of money. This satellite, as I said earlier, cost $800 million. Last Friday's mission alone cost $1.23 billion. Just think how much good could have been done with the total $3 billion in losses in this Titan IV Air Force program.

Now, I favor a strong military and I believe we should have a strong Air Force, but I do not believe we should just sit back and allow any part of the military to throw away $3 billion. We should not just cavalierly accept this.

Several years ago, Edward Rendell, the Democratic Mayor of Philadelphia, said at a congressional hearing, ''Government does not work because it was

not designed to. There is no incentive for people to work hard so many do not. There is no incentive for people to save money so much of it is squandered.''

How true this statement was and is. This is why it has been proven over and over and over again all over this world that the more money that can be left in the private sector, the better off everyone is; the lower prices are, the more jobs that are created, the better the economy is.

Competitive pressures force the private sector to spend money wisely, to spend it in economical, efficient, conservative, productive ways. Private companies do not have the luxury the government has of being able to waste billions with almost no meaningful repercussions.

The Air Force should publicly apologize for dropping this $3 billion down this Titan IV rat hole. The Congress should be assured that nothing like this will ever happen again.

It is really sad, Mr. Speaker, to take $3 billion from the families and children of this country, many of whom are barely getting by, to give to highly paid bureaucrats and Air Force officers to just blow in this way. What would be even sadder would be if the Air Force and everyone associated with these failures is not deeply embarrassed and ashamed.

## CRISIS IN KOSOVO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. SOUDER) is recognized for 5 minutes.

Mr. SOUDER. Mr. Speaker, last week we had a historic symbolic vote on the war. This House voted against ground troops. We also voted against, in a tie vote, a resolution to support the air war. This week we have the real vote. Are we going to fund the war? Are we just talk or are we going to actually cut off the funds for the war?

There are three goals that have consistently been stated by NATO and by our government. One is to degradate the military forces or sufficiently degrade the military forces of the Yugoslav government so that we can move hundreds of thousands of refugees back, and then manage it with a peacekeeping force. I would put forth that anybody who has listened to any of the military briefings we have had, who have listened to the public reports, understand fundamentally that this is an unachievable goal. Milosevic understands that. When are the American people going to be told the truth, that our fundamental goals are unachievable?

First off, the military has been saying all the way along, this cannot be accomplished just by an air war. They are hopeful that they can bring him to the table, but what do they mean when they say this cannot be accomplished just by an air war?

He has dug in, he is fighting in mountainous terrain, he has supplies that are going to last him an extended period of time, and we read just last week that our military says that after 30 days of bombing, we have a net degradation of his military forces of zero. That does not mean that we have not impacted his long-term ability to wage war, we have blown up a lot of factories so he cannot reproduce, we have reduced some of the supply of gasoline into the country but he only needs 10 percent and they are saying currently that 75 percent of their oil supplies are still there, we have only degraded 25. Three weeks ago they told us we had degraded 35, 2 weeks ago 30, now it is 25. We are headed the wrong direction.

They say, well, that is because of bad weather. The Balkans, when you read history books, always has bad weather. Furthermore, mountains in this time of year always have bad weather. This was no surprise. The Apache helicopters were not designed to go in to take out tanks. They were designed to go in with American forces on the ground as support. We are going to lose a lot of pilots and not accomplish our goal if we are not careful with how we use Apache helicopters.

The American people need to understand the air war cannot solve the problem of getting the refugees back. The ground war cannot, either. A fundamental map, and you cannot see a lot of the details with this map but fundamentally you can tell one thing right away, there is lot of brown and yellow down here. This is Albania, this is Macedonia, and here is Kosovo.

Now, to force your way in there, you have to go through mountains of 8,000 feet. That is why the Ottoman Empire stopped when it came in here. That is why Hitler could not make it through this part. There is no way we can put ground troops in through Albania or Macedonia or come in through Thessaloniki because, A, they do not want us to go through there but, B, even if they wanted to and even if we rebuilt airports and even if we built more roads through the mountains, we are not going to dislodge him through the mountains. It does not work.

Our military understands. Any general who has ever looked at this understands that if you have a ground war, you are coming through the top where all this green area is. That is where invasions of the Balkans have always occurred. But now we are not just talking a few thousand troops, we are talking potentially 400,000 troops, potentially all or mostly American troops, a minimum, according to estimates, of 20,000 dead up to 50,000 dead, and having to fight our way through Belgrade and Yugoslavia.

The people need to understand this is not just a magic little war where we are going to drop a few bombs and he is going to surrender. The truth needs to be told. Those who advocate a ground war and those who advocate an air war need to explain, it is not going to deliver. The only hope is to get him to the table. We have to have the courage. Before we pass a bill this week, if we do, we should first try to take the funds out. I will have a series of amendments and other Members will, too, to take the funds out to continue this war.

I know some people are concerned that the President is then going to blame Congress for having lost the war. I tried to explain, we did not lose the war. It was an ill-conceived war. We bluffed something that we cannot deliver. We saw this in Vietnam. We saw it with the Russians in Afghanistan. We cannot win this on the ground or in the air alone without multiple years and destruction beyond imagination, and then we are still just bogged down.

The bottom line is this. If we give him $12.9 billion, this current President, then he could potentially, without a lot of protection for this bill, divert it to the ground war without ever coming to Congress. This is not just the $3.3 billion to continue the war. While our intent is to rebuild a military that he has devastated, our good intent could be used to fund a war, an expanded war where thousands of lives are lost, where the negotiated settlement in the end is just like the negotiated settlement we would have roughly had in the beginning.

If we get blamed this week because we stopped the funding and the President of the United States says the Republicans stopped the war, which would be untrue because it was an ill-conceived war in the first place, so what? If we saved American lives, that is what we are here to do, not to play politics.

At this point it is the job of this Congress to stand up and say, we know, both from the public statements and our private briefings that this cannot be accomplished. It is time to get to the table, because at most what we are arguing about is how to divide Kosovo at this point. It is not even clear in the end that we are going to have a better arrangement than we had in the beginning because now after all this bombing, after the Kosovars are legitimately upset about the slit throats, the massacres and so on, they want to be independent.

What are we going to tell the Palestinians when they want to be independent? And what are we going to tell the Kurds when they want to be independent? And what about the subsections of India? And what about the Chechnya area of Russia?

□ 2000

Are we going to intervene all over and, all of a sudden, have a new international policy because we got in a bad

war with an ill-conceived strategy? And if we continue this, and we continue to fight this and we continue to put the money in, we only dig ourselves deeper in more graves.

It is time for this Congress to stand up and say:

''Get to the table now. We're not going to fund this war. It's unwinnable. The settlement you are going to get now is probably as good a settlement as we're going to get later, only with fewer Americans' lives lost, with fewer dollars spent and with less international problems than if we settle it right now.''

## WE ARE SPREADING OUR MILITARY TOO THIN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, later this week we are going to be asked to take a very, very difficult vote, and it will involve how much should the Congress authorize to spend for this war in the Balkans, and as a previous speaker, my colleague from Indiana, just said, there are many of us, not only here in Congress but around the country, that have serious concerns about this war. What my colleague from Indiana did not mention is history, and there is an old expression, and I think it is from Montezuma, who said that those who refuse to learn from history are doomed to repeat it.

Mr. Speaker, let me give the Members a very important history lesson that the Germans learned in the 1940s, in World War II. In World War II the Germans sent 400,000 troops into the Balkans, they suffered 70,000 casualties, and at the end of the war they controlled less ground than the day that they marched in.

Mr. Speaker, this is a war that I think we need to think long and hard before we get even more deeply involved, but we had the debate last week on that, and we had our votes, we had a chance to vote. This week, though, we are going to get a chance to vote on whether or not we should fund the war; and then secondly, if the Republican leadership is successful in the Committee on Rules, whether or not we should vote for even more funding than the President requested.

I want to talk a little bit about history as well because we are continually told that we have spread our military too thin, and I agree with that. The truth of the matter is we have spread our military too thin, but I think the best analogy is an analogy of peanut butter and jelly. We have spread our peanut butter and jelly entirely too thin, but it is not because we are not giving our military enough money.

I want to talk a little bit about what is happening. We have been told, for example, in the last several weeks that we are about 14,000 sailors short in terms of our Navy, but do my colleagues know what? We are not short a single admiral, we are not short any generals. In fact, as this chart indicates, in 1945 when we had 12.1 million Americans in uniform, we had 31 generals above the rank of four star. Today we have 1.3 million Americans in uniform, and we have 33 generals. So, we may be short on Army personnel, we may be short on people in the Navy, but we are certainly not short on generals.

Let me point out another chart, and this is really for the benefit of my Republican colleagues.

As my colleagues know, just 4 years ago we passed a 7-year balanced budget plan, and in that balanced budget plan we said that in Fiscal Year 1999, the year that we are in right now, we said that we would spend $267 billion on defense. That is what we said we would spend this year. Well, according to the Congressional Budget Office, we actually will spend this year $273 billion. So, in other words, we are already spending $6 billion more on defense than we said we were going to be spending.

Now despite that we are being asked this week to fund an additional $13 billion. Now I go back to my analogy of the peanut butter and jelly. It is not that we are not giving the military enough money or enough peanut butter and jelly, the problem is that we are spreading it far too thin. We currently have troops in 135 different countries. We are prepared to fight a war in Korea, we are prepared to fight a war in the desert, and now we are apparently going to have to fight a war in Kosovo. The problem is, Mr. Speaker, we are spreading ourselves too thin, and at some point we in the Congress have to say the problem is not that we do not give enough money to the Pentagon, the problem is that the administration wants to spread that money too thinly.

I simply want to ask my colleagues and the Members of the House a couple of very simple and straightforward questions, and frankly as it relates to defense policy, as it relates to foreign policy and ultimately as it relates to budget policy. We ought to get clear and simple answers to tough questions, and I would like to propose two questions to my colleagues in the House:

First of all, should we borrow from Social Security to pay for a war in Kosovo? My answer is no.

The second question is: Should defense spending get preferential treatment in the appropriations process, or should we give them a special appropriation now? And again my answer is no, and I think the numbers speak for themselves.

Ultimately, Mr. Speaker, we are going to be asked, Republicans and Democrats alike: Is this such an important policy, is this such an important war, that we are going to take money out of the Social Security Trust Fund? I hope we will say no.

Now my proposal will be that we give the President exactly what he asked for. He is asking for $6.05 billion in emergency supplemental appropriations, but I believe we ought to offset that with spending cuts in other parts of the government, and that can be done. In fact, if we do that, it means that every other department will have to cut its appropriations in the next several months by about 1 percent.

Now that is a big cut, but we are talking about a $6 billion cut out of a $1,700 billion budget. I think we can tighten those belts, and that will mean that we will not be stealing money from Social Security.

It was only a couple of weeks ago that we here on the House floor said we are going to pass a budget for the first time in American history or for the first time in recent history that actually balances the budget, and for the first time saying that every penny of Social Security taxes will go only for Social Security. That was just a few weeks ago. Well, I meant it when I said it then, and I think most of my colleagues meant it, and I think we ought to make the tough choice when we have to vote on this emergency supplemental where we will already be spending more money than we said we were going spend just a few years ago in defense. I am willing to give defense the extra money the President has requested, but I think it ought to come out of other parts of the budget.

## CENSUS 2000

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MALONEY) is recognized for 5 minutes.

Ms. MALONEY of New York. Mr. Speaker, once again I rise to point out that the experts support the use of scientific methods to correct the census for undercounts and overcounts. Yesterday the National Academy of Sciences released the first report from the fourth panel to review the Census Bureau's plans for the 2000 census. Yet again, the experts convened by the Academy endorsed the Census Bureau's plan to use science to evaluate and correct the census counts.

At the end of 1998 the Census Bureau asked the National Academy of Sciences to convene a fourth panel to evaluate the Census Bureau's design for Census 2000. This independent panel, like the three that preceded it, has unequivocally stated that statistical methods work. The Academy panel stated yesterday that the design of the quality control survey represents, and I quote from the panel, ''good, current practice.'' In fact, the panel explained, and I quote:

''Because it is not possible to count everyone in a census, a post-enumeration survey'' using modern scientific methods ''is an important element of census planning.''

Currently the Census Bureau intends to use a post-enumeration survey entitled the Accuracy and Coverage Evaluation or A.C.E. The A.C.E. Survey was designed in light of the Supreme Court decision regarding the use of statistical methods for the purpose of apportionment. Mr. Speaker, we are beginning to hear criticism of the A.C.E. This Academy report should finally put that criticism to rest.

Yes, the A.C.E. is a different program in its design and size than the survey that had been planned for Census 2000 prior to the court case. Those who are critical of these differences are not reviewing the details of A.C.E. As the Academy reports, changes in sample size as a result of the Supreme Court decision, quote, should not affect the quality, end quote, of the results. In fact, the panel comments that since the Bureau will no longer be using statistical methods for apportionment, there is no need for the larger survey envisioned prior to the court decision. In addition, the Academy notes that it is appropriate to combine information across States.

Mr. Speaker, yesterday's report demonstrates the professional community's continued strong support for the Census Bureau's plan for the year 2000 census. In 1994 the Academy issued its first report which laid the foundation for the current plans. In 1995 a second panel reviewing Census Bureau plans at the request of Congress in a bipartisan way reported that spending more money on traditional methods would not improve the accuracy of the counts or the census. Earlier this year a third panel of experts convened by the National Academy of Sciences said that it strongly supports the use of a quality control survey to correct for errors in the census.

I support counting everyone. The National Academy of Sciences has stated for the fourth time that the best way to count the population is to use modern scientific methods. I am going to rely on the opinion of these independent, impartial scientists at the National Academy of Sciences. These experts say the plan devised by the professionals at the Census Bureau will give us the most accurate count. That is the plan that I support.

If my colleagues agree with me, that we should count everyone, then they should join me in getting out of the way of the professionals at the Census Bureau. Let us let the professionals do what they are hired to do, count people, and let us let them do it in the best way they can. We should be encouraging the use of modern scientific methods in Census 2000, not preventing them.

Mr. Speaker, I would like to put into the RECORD the report from the National Academy of Sciences, the fourth report that has come out in support of the use of modern scientific methods for the most accurate count in counting all Americans.

The report referred to as is follows:

NATIONAL RESEARCH COUNCIL, COMMISSION ON BEHAVIORAL AND SOCIAL SCIENCES AND EDUCATION,
*Washington, DC, May 3, 1999.*

Dr. KENNETH PREWITT,
*Director, U.S. Bureau of the Census, Washington, DC.*

DEAR DR. PREWITT: As part of its charge, the new Panel to Review the 2000 Census offers this letter report on the Census Bureau's plans for the design of the Accuracy and Coverage Evaluation (ACE) survey, a new post-enumeration survey. This survey is needed in light of the recent U.S. Supreme Court ruling regarding the use of the census for reapportionment.

In general, the panel concludes that the ACE design work to date is well considered. It represents good, current practice in both sample design and post-stratification design, as well as in the interrelationships between the two. In this letter the panel offers observations and suggestions for the Census Bureau's consideration as the work proceeds to complete the ACE design.

BACKGROUND

Because it is not possible to count everyone in a census, a post-enumeration survey is an important element of census planning. The survey results are combined with census data to yield an alternative set of estimated counts that are used to evaluate the basic census enumeration and that can be used for other purposes. For 2000, an Integrated Coverage Measurement (ICM) survey had been planned for evaluation and to produce adjusted counts for all uses of the census.[1] The recent U.S. Supreme Court ruling against the use of sampling for reapportionment among the states eliminates the need for a post-enumeration survey that supports direct state estimates, as was originally planned for the ICM survey. (The state allocations of the ICM sample design deviated markedly from a proportional-to-size allocation in order to support direct state estimation. Specifically, the ICM design required a minimum of 300 block clusters in each state.) Alternative approaches are now possible for both sample and post-stratification designs for the 2000 ACE survey. As a result, the planned ACE post-enumeration survey will differ in several important respects from the previously planned ICM survey.

PLANS FOR ACE SAMPLE AND POST-STRATIFICATION DESIGN

Our understanding of the current plans for the ACE survey is based on information from Census Bureau staff.[2] Building on its work for the previously planned ICM, the Census Bureau will first identify a sample of block clusters containing approximately 2 million housing units and then will independently develop a new list of addresses for those blocks.[3] In a second stage, a sample of block clusters will be drawn from the initial sample to obtain approximately 750,000 housing units, which was the number originally planned for the ICM. (Larger block clusters will not be drawn in their entirety; they will first be subsampled to obtain sampling units of 30–50 housing units. Because the costs of interviewing are so much greater than the costs of listing addresses, this subsampling approach allows the interviewed housing units to be allocated in a more effective manner.) Finally, in a third stage, a sample of block clusters will be drawn from the second-stage sample to obtain the approximately 300,000 housing units required for the ACE sample. The target of 300,000 housing units for the ACE, which may be modified somewhat, will be based on a new set of criteria that are not yet final.

The Census Bureau is considering three strategies for selection of the 300,000 ACE subsample from the 750,000 sample: (1) reducing the sample proportionately in terms of state and other block characteristics from 750,000 to 300,000; (2) reducing the sample by using varying proportions by state; or (3) differentially reducing the sample by retaining a higher proportion of blocks in areas with higher percentages of minorities (based on the 1990 census).[4] These options for selection of the 300,000 ACE housing units from the 750,000 units first selected will be carefully evaluated. The plans include three evaluation criteria for assessing the options: (a) to reduce the estimated coefficients of variation for 51 post-stratum groups (related to the 357-cell post-stratification design discussed below); (b) to reduce the differences in coefficients of variation for race/ethnicity and tenure groups; and (c) to reduce the coefficients of variation for estimated state totals. (Option (3) above is motivated by criterion (b)). Without going into detail, it is also useful to mention that the Census Bureau has instituted a number of design changes from the 1990 post-enumeration survey for the ACE that will reduce the variation in sampling weights for blocks, which will reduce the sensitivity of the final estimates to results for individual blocks. This represents a key improvement in comparison with the 1990 design.

The current plan to produce post-strata involves modification of the 357-cell post-stratification design suggested for use in 1990-based intercensal estimation. Current modification under consideration by the Census Bureau include expansion of the geographic stratification for non-Hispanic whites from four regions to nine census divisions, adding a race/ethnicity group, changing the definition of the urbanicity variable, and adding new post-stratification factors, such as mail return rate at the block level. Logistic regression, modeling inclusion in the 1990 census, is being used to help identify new variables that might be useful, as well as to provide a hierarchy of the current post-stratification factors that will be used to guide collapsing of cells if that is needed. (In comparison, the analysis that generated the 357-cell post-stratification was based on indirect measures of census undercoverage, such as the census substitution rate.)

The Census Bureau plan demonstrates awareness of the interaction of its modification of the 750,000 housing unit sample design with its modification of the 357 post-strata design. (On the most basic level, the sample size allocated to each post-stratum determines the variance of its estimate.) The plan also makes clear that even though much of the information used to support this modification process must be based on the 1990 census, it is important that the ultimate design for the ACE survey (and any associated estimation) allows for plausible departures from the 1990 findings. For example, significant differences between the 1990 and 2000 censuses could stem from the change in the surrounding block search for matches, the

[1] Footnotes at end of attachment to the letter.

planned change in the treatment of ACE movers, or changes in patterns and overall levels of household response.

OBSERVATIONS AND COMMENTS

*Sample design to select the 300,000 housing units*

Because of the need to keep the ACE on schedule by initiating resource allocations that support the independent listing of the 2 million addresses relatively soon, as well as the need to avoid development and testing of new computer software, the Census Bureau has decided to subsample the 300,000 ACE housing units from the 750,000 housing units of the previously planned ICM design. The panel agrees that operational considerations support this decision.

The cost of the constraint of selecting the 300,000 ACE housing units from the 750,000 ICM housing units, in comparison with an unconstrained selection of 300,000 housing units, is modest. While the constrained selection will likely result in estimates with somewhat higher variances, the panel believes that careful selection of the subsample can limit the increase in variance to that it will not be consequential. (By careful selection, the panel means use of the suggested approaches of the Census Bureau, or new or hybrid techniques, to identify a method that best satisfies the criteria listed above.) This judgment by the panel, although not based on a specific analysis by itself or the Census Bureau, takes into account the fact that a large fraction of the 750,000 housing units of the ICM design are selected according to criteria very similar to those proposed for the ACE design.

In addition, the panel notes that the removal of the requirement for direct state estimates permits a substantial reduction in sample size from the 750,000 ICM design in sparsely populated states, for which ACE estimates can now pool information across states. As a result the ACE design could result in estimates with comparable reliability to that of the previously planned, much larger ICM design.

Given the freedom to use estimates that borrow strength across states, the final ACE sample should reduce the amount of sampling within less populous states from that for the preliminary sample of 750,000 housing units. However, there is a statistical basis either for retaining a minimum ACE sample in each state, or what is nearly equivalent, for retaining a sample to support an ACE estimate with a minimum coefficient of variation. The estimation now planned for the ACE survey assumes that there will be no important state effects on post-stratum undercoverage factors. In evaluating the quality of ACE estimates, it will be important to validate this assumption, which can only be done for each state if the direct state estimates are of sufficient quality to support the comparison, acknowledging that for some of these analyses one might pool data for similar, neighboring states. (Identification of significant state effects would not necessarily invalidate use of the ACE estimates for various purposes but would be used as part of an overall assessment of their quality.)

This validation could take many forms, and it is, therefore, difficult to specify the precise sample size or coefficient of variation needed. We offer one approach the Census Bureau should examine for assessing the adequacy of either type of standard. Using the criteria for evaluating alternative subsample designs (i.e., the estimated coefficients of variation for 51 post-stratum groups, the differences in coefficients of variation for race/ethnicity and tenure groups, and the coefficients of variation for state totals), the Census Bureau should try out various state minima sample sizes to determine their effects on the outputs. It is possible that a moderately sized state minimum sample can be obtained without affecting the above coefficients of variation to any important extent. There are a variety of ways in which the assumption of the lack of residual state effects after accounting for post-stratum differences could be assessed, including regression methods. We encourage the Census Bureau to consider this important analytic issue early and provide plans for addressing it before the survey design is final.

The panel makes one additional point on state minima. The state minima will support direct state estimates that will be fairly reliable for many states. The Census Bureau should consider using the direct state estimates not only for validation, but also in estimation—in case of a failure of the assumption that there will be no important state effects on undercoverage factors. Specifically, the Census Bureau should examine the feasibility of combining the currently planned ACE estimates at the state level with the direct state estimates, using estimated mean-squared error to evaluate the performance of such a combined estimate in comparison with the currently planned estimates. We understand that the necessity of prespecification of census procedure requires that the Census Bureau formulate an estimation strategy prior to the census, which adds urgency to this issue.

Finally, the panel has two suggestions with respect to the criteria used for assessing the ACE sample design. First, there should be an assessment of the quality of the estimates for geographical areas at some level of aggregation below that of states, as deemed appropriate by the Census Bureau. (This criterion is also important for evaluating the ACE post-stratification design, discussed below.) Second, the importance of equalizing the coefficients of variation for different post-strata depends on how estimates for specific post-strata with higher coefficients of variation for post-strata that do not have much effect have less need to be controlled, assuming that the estimates for these post-strata do not have other uses.

*Post-stratification plans*

The 1999 census adjusted counts used 1,392 post-strata, but post-production analysis for calculating adjusted counts for intercensal purposes resulted in the use of 357 post-strata. The panel believes that the use of these 357 post-strata (and the hierachy for collapsing post-stratification cells) was a reasonable design for 1990, and that, in turn, the 1990 design is a good starting point in determining the post-strata to be used in the 2000 ACE. The Census Bureau is considering four types of modifications to the 357 post-strata design, although it has not yet set the criteria for evaluating various post-stratification designs. Logistic regression will be used to identify new variables and interactions of existing variables that might be added to the post-stratification. Finer post-strata have the advantage of greater within-cell homogeneity, potentially producing better estimates when carried down to lower levels of geographic aggregation. Some gains with respect to the important problem to lower levels of geographic aggregation. Some gains with respect to the important problem of correlation bias might also occur. However, stratifying on factors that are not related to the undercount will generally decrease the precision of undercount adjustments. The tradeoff between within-cell homogeneity and precision needs to be assessed to undermine whether certain calls should be collapsed and whether additional variables should be used.

It is also important to examine the effects of various attempts at post-stratification on the quality of substate estimates, especially since certain demographic groups are more subject to undercoverage, and so substate areas with a high percentage of these groups will have estimates with higher variances. (This argument is based on the fact that, as in the binomial situation, the mean and the variance of estimated undercounts are typically positively related.) We believe it is extremely important that analysis at substate levels of aggregation be conducted to inform both the sample design and the post-stratification scheme. Furthermore, this issue needs to be studied simultaneously with that of the effect of the design and post-stratification on the post-stratification on the post-stratum estimates. The fact that analysis of substate areas appears in both sample design and post-stratification design is an indication of the important interaction between these two design elements and justifies the need for studies of them to be carried out simultaneously. The panel encourages the Census Bureau to work on them at the same time.

The panel notes that the decision to use a modification of the 357-strata system from 1990 for the ACE post-stratification design will probably not permit many checks against estimates from demographic analysis that use direct estimates from ACE. This limitation may increase the difficulty of identifying the precise source of large discrepancies in these comparisons. However, the panel does not view this is a reason not proceed, since the precision of direct estimates at the finest level of detail of post-stratification (using 1,392 strata in this context) could make such comparisons more difficult to interpret, and the estimates from demographic analysis are not extremely useful for this purpose (except for blacks, and then only nationally).

As work on both the sample design and post-stratification design progresses, the Census Bureau should not rely entirely on information from the 1990 census: substantial differences might occur between the 1990 and the 2000 censuses that would lead to either a sample design or a post-stratification design that was optimized for 1990 but that might not perform as well in 2000. Instead, the Census Bureau should use a sample design that moves toward a more equal probability design than 1990 information would suggest. Similarly, the Census Bureau, using whatever information is available since 1990 on factors related to census undercoverage, should develop a post-stratification design that will perform well for modest departures from 1990.

Finally, when considering criteria for both sample design and post-strata, it is important to keep in mind that the goal of the census is to provide estimated counts for geographic areas as well as for demographic groups. Since the use of equal coefficients of variation for post-strata will not adequately balance these competing demands, the Census Bureau will need to give further attention to this difficult issue. The balancing of competing goals is not only a post-stratification issue, but also a sample design issue. For example, if block clusters that contain large proportions of a specific demographic group are substantially underrepresented in the ACE sample, the performance of the estimates for some areas could be affected.

*Documentation*

Given the importance of key decisions and input values for the ACE design, it is important that they be documented. In particular, the Census Bureau should produce an accessible document in print or in electronic form that (1) gives the planning values for state-level, substate level, and post-stratum level variances resulting from the decisions for the sample and post-stratification designs and (2) provides the sampling weights used in the ACE selection of block clusters.

SUMMARY

From its review of the Census Bureau's current plans for design of the ACE survey, the panel offers three general comments;

The panel concludes that the general nature of the Census Bureau's work on the ACE design represents good, current practice in sample design and post-stratification design and their interactions.

The panel recognizes that operational constraints make it necessary for the Census Bureau to subsample the ACE from the previously planned ICM sample. The subsampling, if done properly, should not affect the quality of the resulting design if compared with one that sampled 300,000 housing units that were not a subset of the 750,000 housing units previously planned for the ICM.

The panel believes that removal of the constraint to produce direct state estimates justifies the substantial reduction in the ACE sample size from the ICM sample size. The planned ACE could result in estimates with comparable reliability to that of the larger ICM design.

The panel offers three suggestions for the Census Bureau as it works to finalize the ACE design, some of which the Census Bureau is already considering: (1) a method for examining how large a state minimum sample to retain; (2) some modifications in the criteria used to evaluate the ACE sample design and post-stratification, namely, lower priority for coefficents of variation for excessively detailed post-strata and more attention to coefficents of variation for substate areas; and (3) a possible change in the ACE estimation procedure, involving use of direct state estimates in combination with the currently planned estimates. In addition, the Census Bureau should fully document key decisions for the ACE design.

The panel looks forward to continuing to review the ACE design and estimation as the Census Bureau's plans are further developed. The panel is especially interested in the evolving plans for post-stratification design, including the use of logistic regression to identify additional post-stratification factors; plans for the treatment of movers in ACE; and the treatment of nonresponse as it relates to unresolved matches in ACE estimation. In addition, after data have been collected, the panel is interested in the assessment of the effect of nonsampling error on ACE estimation and the overal evaluation criteria used to assess the quality of ACE estimates.

We conclude by commending you and your staff for the openness you have shown and your willingness to discuss the ACE survey and other aspects of the planning for the 2000 census.

Sincerely,

JANET L. NORWOOD, *Chair,*
*Panel to Review the 2000 Census.*

Attachment: Panel Roster.

PANEL TO REVIEW THE 2000 CENSUS

Janet L. Norwood (*Chair*), Urban Institute, Washington, DC

Robert M. Bell, RAND, Santa Monica, CA

Norman M. Bradburn, National Opinion Research Center, Chicago, IL

Lawrence D. Brown, Department of Statistics, University of Pennsylvania

William F. Eddy, Department of Statistics, Carnegie Mellon University

Robert M. Hauser, Department of Sociology, University of Wisconsin

Roderick J.A. Little, School of Public Health, University of Michigan

Ingram Olkin, Department of Statistics, Stanford University

D. Bruce Petrie, Statistics Canada, Ottawa, Ontario

Andrew A. White, *Study Director*

Constance F. Citro, *Senior Program Officer*

Michael L. Cohen, *Senior Program Officer*

FOOTNOTES

[1] See National Research Council (1999), *Measuring a Changing Nation: Modern Methods for the 2000 Census.* Michael L. Cohen, Andrew A. White, and Keith F. Rust, eds., Panel to Evaluate Alternative Census Methodologies, Committee on National Statistics, National Research Council. Washington, D.C.: National Academy Press.

[2] See Kostanich, Donna, Richard Griffin, and Deborah Fenstermaker (1999), Accuracy and Coverage Evaluation Survey: Plans for Census 2000. Unpublished paper prepared for the March 19, 1999, meeting of the Panel to Review the 2000 Census. U.S. Bureau of the Census, Department of Commerce, Washington, D.C.

[3] The use of the term block cluster refers to the adjoining of one or more very small blocks to an adjacent block for the purpose of the ACE sample design. Large blocks often form their own block clusters.

[4] The Census Bureau is aware that mixtures of strategies (2) and (3) are also possible, although such mixtures are not currently being considered.

## END THE HOSTILITIES BEFORE OUR MILITARY RESOURCES ARE FURTHER DEPLETED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. SHERWOOD) is recognized for 5 minutes.

Mr. SHERWOOD. Mr. Speaker, I am grateful for this special order today so that we may share with the American people and all the Members of Congress the results of our peace mission this past weekend to Vienna which was led by my friend and colleague, the gentleman from Pennsylvania (Mr. WELDON). As a member of the House Committee on Armed Services, I felt a special responsibility to our service men and women to find a way to end the hostilities before their lives are further endangered and before our military resources are further depleted.

□ 2015

As a Member of Congress, I felt that the people of my congressional district wanted me to pursue a peaceful and diplomatic end to a conflict that could escalate into wider hostilities.

I believe that the eleven Members of the House delegation significantly increased the opportunity for a diplomatic settlement to the current hostilities in Kosovo without further loss of life. We did so in a way that will help accomplish the U.S. and NATO goals of ending ethnic cleansing and providing for the return of the refugees to an autonomous Kosovo.

We met extensively with our counterparts this weekend in the Russian Duma who are also committed to bringing a peaceful resolution to this conflict. Russia is a key player in finding a diplomatic resolution, and we must keep in mind that our continued involvement in the bombing campaign threatens future relations between the United States and Russia.

The members of the Russian Duma we met with agree that the Balkan crisis poses a tremendous threat to international security, and they share our desire for a diplomatic solution rather than military escalation. Failure to find such a solution not only will undermine Russian-American relations but will further exacerbate the human suffering caused by the terrorism, the ethnic cleansing and massive refugee problems in the region.

The end product of our sessions with the Duma provides a realistic framework for the administration to negotiate an end to the Balkan crisis. We call for practical measures to achieve three equally important tasks: withdrawal of Serbian armed forces from Kosovo, an end to the NATO bombing of Yugoslavia and a cessation of the military activities of the KLA. All three of these goals must be accomplished to recognize a lasting peace.

We can accomplish these tasks by allowing a voluntary return of all refugees and the unhindered access to them by humanitarian aid organizations. NATO would be responsible for policing Yugoslavia's borders to ensure that weapons do not reenter Yugoslavia with the returning refugees. An armed international force, not composed of the major combatants, would administer the peace in Kosovo, and the Russians are very willing to participate in that armed international force.

A sense of the Congress resolution is being finalized which would put Congress on record in support of our framework for peace. It is our hope that such a resolution will be voted on later this week and that the administration will also pursue the diplomatic route to peace, including further discussions with the Russians.

I urge my colleagues to support this resolution when it comes to the House Floor for a vote. Neither our congressional delegation nor the members of the Russian Duma were negotiating on behalf of our respective governments, but we are confident that the framework we jointly developed clears the path for a solution to the crisis that will both end the ethnic cleansing and stop the bombing.

I am proud to have been a part of this bipartisan peace mission. The eleven Members of Congress who sat at the same table for 19 hours with members of the Russian Duma are committed to finding a diplomatic avenue acceptable to all parties that will bring peace to the region. I am convinced that the framework we established will pave the way for a lasting peace.

Unlike some of my colleagues, I am very confident in the ability of our Armed Forces to win this war. But I believe that we must continue to prepare for all-out war, and we must fund our Armed Forces, but we must also search for peaceful solutions.

The time is ripe. The Russians will help, and the Serbs are ready to avoid a wider war that will totally destroy their country and also sacrifice the lives of our brave young men and women of the U.S. Armed Forces.

## GIVE PEACE A CHANCE IN THE BALKANS WAR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nevada (Mr. GIBBONS) is recognized for 5 minutes.

Mr. GIBBONS. Mr. Speaker, this evening I join my colleagues down here in the well of the House on the floor to join myself with their remarks. My colleagues, the gentleman from Pennsylvania (Mr. SHERWOOD) and the gentlewoman from Florida (Ms. BROWN), I am sure are going to speak eloquently on this very subject that we are talking about this evening and that is that our hope as we stand here this evening is an opportunity to give peace a chance in the Balkans war.

No war, no conflict and certainly no humanitarian crisis has ever been resolved by bombing a country into oblivion. May I say that, as a veteran of two wars myself, that diplomacy is always preferable to war. And I am sure that we all recognize that this Balkan crisis, the war over there in Yugoslavia, the ethnic cleansing, the terrorism, the human tragedies, are an enormous crisis that this world faces; and military escalation by itself will not end, nor will it solve, this crisis. In fact, it may even precipitate an increase with the threat of proliferation of weapons of mass destruction.

Perhaps I can explain that in just a few words. Whenever a small country is opposed by an organization of 19 other nations, the propensity of that country to defend itself may reach extremes. To that end, it may reach for those arsenals that it could acquire from some other country of a weapon of mass destruction, whether it is chemical, whether it is biological or even whether it is nuclear, in order to defend itself from the onslaught of an attack.

I urge this administration and I urge my colleagues here this evening to seriously consider the efforts and the recommendations of the U.S. Congress and the Russian Duma meeting that was held in Vienna, Austria, this last weekend. I urge them to consider the recommendations in order to bring about a fair, an equitable and a peaceful settlement between the warring factions in Yugoslavia.

This meeting that was held with the leaders of the Russian factions in their Duma, which is our equivalent of the House of Representatives here in Congress, reached consensus, reached an agreement, on areas that we thought would form a framework for the resolution, the peaceful resolution, I might add, of the Yugoslavia crisis.

Those include, first, ending the ethnic crisis, the ethnic cleansing and terrorism; an end of the NATO bombing; an absolute removal of the Serbian military forces; an emplacement of an international peacekeeping force that will ensure the peaceful repatriation of the refugees back into Kosovo, and wide autonomy is the final goal for Kosovo.

I think all of us here in this room this evening can agree that these are elements that we can all consider as a solution for this crisis, elements which will allow us to resolve this.

May I say that later this week my colleagues on both sides of the aisle will have an opportunity to deal with the concurrent resolution that is the result of the recommendations of this meeting in Vienna, Austria, a historic meeting, and now this resolution will simply state a sense of Congress as to the meaning that diplomacy is always better than warfare.

I hope my colleagues on both sides of the aisle will give peace a chance as we debate this issue and vote on it later this week.

May I also say that it has been a great pleasure to work with my friends on both sides of the aisle when we have a common goal, a common goal of peace, not only in the Balkans but peace in the world.

So, Mr. Speaker, it is an honor for me to have stood down here to associate myself with my colleagues' remarks as we go forward in this process of seeking an alternative to an escalated war in Yugoslavia. I would like to thank them for the bipartisanship and the friendship and the collegiality that was demonstrated throughout this meeting. It is indeed a great honor for me to stand here, arm in arm, shoulder to shoulder, in this effort to bring peace to this world.

## VIENNA PEACE TALKS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida (Ms. BROWN) is recognized for 5 minutes.

Ms. BROWN of Florida. Mr. Speaker, as a member of the Duma-U.S. Congressional Study Group, I want to take a moment to thank the gentleman from Pennsylvania (Mr. WELDON) for his leadership in this area.

I traveled with my colleagues to Vienna, Austria, last weekend to help bring cooperation between members of the Russian parliament and the United States Congress.

The United States-Russian Duma Study Group was created 5 years ago, and I have been an active participant in the organization for the last 3 years. As a group, our members meet to discuss national security, military affairs, housing, economic development and social welfare policies.

The importance of the working group cannot be overstated, since personal relationships by members of each of the respective governments are created, thus permitting for greater openness and increasing trust between the two governing bodies of each country.

Because Russia and Serbia have close ethnic and historical ties, I believe that members of the Russian Duma can play an important role in convincing the Serbian government to put a halt to the ethnic cleansing and help stop the refugee crisis.

I believe that the humanitarian crisis cannot be solved by just a bombing campaign and that a diplomatic solution is much more desirable than military escalation. A spread of the violence will only bring about increasing division, hatred and resentment and violence, but a diplomatic solution could lead to the increase of communication and understanding between the two sides and save countless lives.

As a Member of Congress, I feel that it is my responsibility to do everything I can within my capacity to help end this war.

I would like to point out that the congressional delegation's discussions with the Duma were not meant as a slight to the administration nor an undermining of NATO's authority. Rather, members of our group traveled to Austria to increase communication between the warring sides and act as a conduit to the present talks taking place between President Clinton, foreign policy experts and members of the Russian Government.

The main point of contention which I brought to the talks with the Russian Duma was that ethnic cleansing is, in essence, the root cause of the conflict. As the only mother in the room during the talks, I felt that it was necessary to recognize the tragedies of the refugee families.

The Russian delegation originally refused to acknowledge that it was the ethnic cleansing that began this conflict and not the NATO bombing, but before they walked away from our discussion they acknowledged that it was the ethnic cleansing that began this conflict.

Our discussion resulted in a framework for peace negotiations. One of the guidelines I would like to see during the peace negotiations is a cease-fire, a time-out from the fighting, so that both parties can refrain from fighting in order to negotiate with one another in a diplomatic fashion.

In order to smooth out the road to diplomacy, the Congressional-Duma Study Group suggests a threefold approach to resolving the conflict. This

includes a temporary end to the NATO bombing, along with the withdrawal of the Serbian Armed Forces from Kosovo and the KLA military activities.

We demand a recognition of the basic principles of the territorial integrity of Yugoslavia, including greater autonomy for Kosovo and just treatment of all Yugoslavian people.

□ 2030

We also support efforts to provide international assistance to rebuild the destroyed homes of the refugees, as well as other humanitarian assistance.

This was a productive meeting, and I am hopeful that it will not be our last. We are all in agreement that we want a quick and peaceful end to the crisis, while keeping positive relationships between Russia and the United States.

## A FRAMEWORK FOR SETTLING THE KOSOVO CRISIS

The SPEAKER pro tempore (Mr. SWEENEY). Under a previous order of the House, the gentleman from Vermont (Mr. SANDERS) is recognized for 5 minutes.

Mr. SANDERS. Mr. Speaker, some of us have recognized for a long time that it was terribly important that Russia become increasingly involved in the crisis in Yugoslavia.

Russia is, I think as everybody knows, Yugoslavia's major ally and major supporter. If Russia could be brought into the process supporting the humanitarian goals of the stopping of ethnic cleansing, it would be a major step forward in solving what is increasingly becoming a very, very horrible situation in the Balkans.

Within that light, I was very delighted to learn about a trip to Vienna, Austria, that was being organized by the gentleman from Pennsylvania (Mr. CURT WELDON), who has done an excellent job in trying to improve relations between the United States Congress and the Russian Duma. He was organizing a trip which would involve 11 Members of the United States Congress to meet with the leaders of the Russian Duma.

On that trip, in addition to the gentleman from Pennsylvania (Mr. WELDON), were the gentleman from New York (Mr. MAURICE HINCHEY), the gentleman from Hawaii (Mr. NEIL ABERCROMBIE), the gentleman from Ohio (Mr. DENNIS KUCINICH), the gentlewoman from Florida (Ms. CORINNE BROWN), the gentleman from Pennsylvania (Mr. DON SHERWOOD), the gentleman from Maryland (Mr. ROSCOE BARTLETT), the gentleman from New Jersey (Mr. SAXTON), the gentleman from Nevada (Mr. JIM GIBBONS), and the gentleman from Pennsylvania (Mr. JOSEPH PITTS). There were six Republicans, four Democrats, and myself, who is an Independent.

Mr. Speaker, in arriving in Vienna and meeting with the Russians, I think we were all delighted that the Russians shared our strong concerns about bringing peace to Yugoslavia. We were able, after a lot of discussion, to come up with an agreement.

As others have said, we were not there to negotiate the fine points of a treaty. That was not our job. But we were there to see if we could come together on the broad outlines of what a peace process would mean for the Balkan area, and I think we did that.

Mr. Speaker, let me just touch on some of the important points that the Russians and our delegation agreed upon.

''We call on all of the interested parties to find practical measures for a parallel solution to three tasks, without regard to sequence;'' in other words, to do it in a simultaneous manner. That is, ''the stopping of the NATO bombing of the Federal Republic of Yugoslavia; the withdrawal of Serbian Armed Forces from Kosovo, and the cessation of the military activities of the KLA.''

What we have said is that these steps should be accomplished through a series of confidence-building measures, which include but should not be limited to the following:

A, the release of all prisoners of war. When we stated that, our three POWs were, of course, still being held by Yugoslavia, and a few hours after this agreement was reached Milosevic, as it turns out, released our three POWs.

My own view is that, consistent with this agreement, in an act of good faith on our part, we should release the two Serbian POWs that we are holding. But our agreement called for the release of all prisoners of war.

Second of all, what we said is the voluntary repatriation of all refugees in the Federal Republic of Yugoslavia and unhindered access to them by humanitarian aid organizations. In other words, what we were agreeing to is that the people who have been driven out of their homes whose villages were burned by Yugoslavia should be allowed to return to their homes and be allowed all of the humanitarian help they can receive.

Thirdly, and on a very important point, there was agreement on the composition of the armed international forces which would administer Kosovo after the Serbian withdrawal.

The composition of the group should be decided by a consensus agreement of the five permanent members of the U.N. Security Council, in consultation with Macedonia, Albania, the Federal Republic of Yugoslavia, and the recognized leadership of Kosovo.

This is a very important step forward, because what this means is the Russians are saying very clearly that there should be armed international forces, something that many of us understand is absolutely necessary if the people of Kosovo are to return safely and with protection to their homes.

I think increasingly, within our own administration and all over the world, there is an understanding that that armed international force need not strictly be NATO. That is what we are saying here, and that is what the Russians have agreed to.

Then we said that the above group would be supplemented by the monetary activities of the Organization for Security and Cooperation in Europe.

In conclusion, Mr. Speaker, I think that this trip was a significant step forward in bringing the Russians into the peace process. I was very proud and delighted to be there with my fellow representatives from the United States Congress.

## AGREEMENT REACHED IN VIENNA PROVIDES A FRAMEWORK FOR RESTORING PEACE IN YUGOSLAVIA AND KOSOVO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. KUCINICH) is recognized for 5 minutes.

Mr. KUCINICH. Mr. Speaker, I thank the gentlewomen for giving me the opportunity to go forward.

Mr. Speaker, I, too, had the opportunity to join my colleagues in the trip to Vienna to meet with leaders of the Russian Duma.

Mr. Speaker, in this audience tonight we have some young people who are visiting our Nation's Capitol, and as I was looking up there getting ready to speak, I was reminded of the time when I was in school at that age, and we had in this country a different type of relationship with Russia.

It was the height of the Cold War, and at school they used to do drills. Some people will remember the drills. They were called duck and cover drills. We would have to, anticipating there would be a nuclear attack, we would actually have to get down under our desks, cover our heads, and close our eyes so we would not see the flash that was supposed to be a nuclear attack.

Mr. Speaker, that was an era of terror. It was an era when the United States and Russia were at odds over the great global consequences of whether capitalism or communism would rule the earth.

Have we come a long way from those days? Yes. We worked throughout the seventies to build down nuclear arms, we worked throughout the eighties to reestablish a relationship with Russia, and in the nineties we have in the United States been responsible for helping Russia rebuild itself economically, and assisted in so many ways as partners in peace.

But yet, Mr. Speaker, that very peace and that partnership has been threatened by the Balkan conflict, because Russia has seen this conflict in other terms, and only a week ago the leader of the Yablako faction in Russia, Vladimir Luhkin, was quoted in

worldwide news reports as saying a blockade of the port in Montenegro would be a direct path to nuclear escalation, setting aside years and years of progress that we made and launching us right back into the Cold War.

How important it was to have Members of this Congress go to Vienna, Austria, to sit down with that very same leader and other leaders of the Duma, the leader of Mr. Chernomyrdin's party, one of the leaders of the Communist party, to sit down with those individuals face-to-face, sharing our common human interest in protecting the life of this planet and sharing our interest in relieving the suffering of the Kosovar Albanians and of the people who are being bombed throughout the Federal Republic of Yugoslavia.

So we came together as brothers and sisters in search of peace. We came together hoping to create a framework for peace which we could bring back to our Nation and give our nations an opportunity to reconstruct, in this fragile and even grim climate, an opportunity to set the world on the path of light instead of the path of might, on the path to negotiation instead of the path of annihilation; to create for the world a new opportunity towards peace.

We came in peace, and we departed as brothers and sisters in search of peace, with a framework which I am pleased to have a copy of here.

Mr. Speaker, I include this framework for the RECORD.

The material referred to is as follows:

REPORT OF THE MEETINGS OF THE U.S. CONGRESS AND RUSSIAN DUMA

VIENNA, AUSTRIA

30 April—1 May 1999

All sessions centered on the Balkan crisis. Agreement was found on the following points

I. The Balkan crisis, including ethnic cleansing and terrorism, is one of the most serious challenges to international security since World War II.

II. Both sides agree that this crisis creates serious threats to global and regional security and may undermine efforts against nonproliferation.

III. This crisis increases the threat of further human and ecological catastrophes, as evidenced by the growing refugee problem, and creates obstacles to further development of constructive Russian-American relations.

IV. The humanitarian crisis will not be solved by bombing. A diplomatic solution to the problem is preferable to the alternative of military escalation.

Taking the above into account, the sides consider it necessary to implement the following emergency measures as soon as possible, preferably within the next week. Implementation of these emergency measures will create the climate necessary to settle the political questions.

1. We call on the interested parties to find practical measures for a parallel solution to three tasks, without regard to sequence: the stopping of NATO bombing of the Federal Republic of Yugoslavia, withdrawal of Serbian armed forces from Kosovo, and the cessation of the military activities of the KLA. This should be accomplished through a series of confidence building measures, which should include but should not be limited to:

a. The release of all prisoners of war.

b. The voluntary repatriation of all refugees in the Federal Republic of Yugoslavia and unhindered access to them by humanitarian aid organizations. NATO would be responsible for policing the Federal Republic of Yugoslavia's borders with Albania and Macedonia to ensure that weapons do not reenter the Federal Republic of Yugoslavia with the returning refugees or at a later time.

c. Agreement on the composition of the armed international forces which would administer Kosovo after the Serbian withdraw. The composition of the group should be decided by a consensus agreement of the five permanent members of the U.N. Security Council in consultation with Macedonia, Albania, the Federal Republic of Yugoslavia, and the recognized leadership of Kosovo.

d. The above group would be supplemented by the monitoring activities of the Organization for Security and Cooperation in Europe (OSCE).

e. The Russian Duma and U.S. Congress will use all possibilities at their disposal in order to successfully move ahead the process of resolving the situation in Yugoslavia on the basis of stopping the violence and atrocities.

2. We recognize the basic principles of the territorial integrity of the Federal Republic of Yugoslavia, which include:

a. wide autonomy for Kosovo

b. a multi-ethnic population

c. treatment of all Yugoslavia peoples in accordance with international norms

3. We support efforts to provide international assistance to rebuild destroyed homes of refugees and other humanitarian assistance, as appropriate, to victims in Kosovo.

4. We, as members of the Duma and Congress, commit to active participation as follows:

Issue a Joint U.S. Congress-Russian Duma report of our meetings in Vienna. Concrete suggestions for future action will be issued as soon as possible.

Delegations will agree on timelines for accomplishment of above tasks.

Delegations will brief their respective legislatures and governments on outcome of the Vienna meetings and agreed upon proposals.

Delegations will prepare a joint resolution, based on their report, to be considered simultaneously in the Congress and Duma.

Delegations agree to continue a working group dialogue between Congress and the Duma in agreed upon places.

Delegations agree that Duma deputies will visit refugee camps and Members of Congress will visit the Federal Republic of Yugoslavia.

Mr. Speaker, this agreement begins with stopping the bombing, a withdrawal of the Armed Forces from Kosovo, a cessation of military activities of the KLA, releasing all prisoners, returning all refugees, providing for their safekeeping with an international peacekeeping force, rebuilding their shattered homes, and helping to rebuild their shattered lives.

This is such a great country with such a great heart, because we care about people all over this world. We want to bring peace to those who are suffering.

Our delegation, Mr. Speaker, gave us a chance, at a moment when it looked like escalation was the only recourse, with the leadership of the gentleman from Pennsylvania (Mr. CURT WELDON), with the participation of our leader, the gentleman from Hawaii (Mr. NEIL ABERCROMBIE), we finally had the opportunity to begin anew to look at each other as brothers and sisters in search of peace, to come up with a framework which we would all hope would be the start of a new opportunity to look forward to perhaps a cease-fire, to a cessation of bombing, to restoring the refugees and rebuilding the war-ravaged area.

Let us continue to pray for peace, and let us continue to act in consonance with our prayers.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair must remind all Members that it is not permissible to introduce or bring to the attention of the House any occupant of the gallery.

## BIPARTISAN DELEGATION TRAVELS TO BRUSSELS TO SEEK PEACE IN THE FORMER YUGOSLAVIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. ABERCROMBIE) is recognized for 5 minutes.

Mr. ABERCROMBIE. Mr. Speaker, I want to thank the other Members who are here this evening. I will not take the full time, but I will merely read a brief excerpt as an addendum to the remarks that have been made at this point.

We are very grateful to our colleagues who are here on another matter tonight who have graciously consented to allow this interruption because of the serious nature of the business that was conducted this past weekend.

Mr. Speaker, I would like to read just some excerpts from a letter addressed to the ranking member of the Committee on Armed Services, the gentleman from Missouri (Mr. IKE SKELTON), a letter sent to him today in conjunction with the report that the gentleman from Ohio (Mr. KUCINICH) just cited and the activities that we engaged in in Vienna this past weekend.

The letter was a cover letter also containing the resolution that we expect to bring forward to all of our colleagues here on the floor shortly that we hope will provide a path towards reconciliation and resolution of the crisis in Kosovo.

Mr. Speaker, I will just read briefly from the letter:

Dear Ike, as you are aware, I recently returned from a trip to Vienna as the senior Democrat on a congressional delegation that met with the leadership of the Russian Duma. My earlier trip to the region prompted me to lead a group comprised of Corinne

Brown, Maurice Hinchey, and Dennis Kucinich. Since you are the ranking member on the Committee on Armed Services, I wanted you to have a copy of the report of the meetings to review.

Not only did we arrive at a viable framework around which the Congress and the Duma can facilitate an end to the violence in the Balkans, we learned much from our Russian colleagues. Our Duma counterparts represented the full spectrum of ideology and Russian politics. Together we reached agreement on three important components of peace and a possible road to implementation.

More than ever, I am convinced that the road to peace is through Moscow. Without movement towards peace, I see escalating costs, increasingly convoluted options, and unacceptable casualties just over the horizon.

Undermining the Administration's objectives was certainly not our desire, and I wish to reiterate that the delegation was not on a mission to negotiate peace. Instead, we were on a mission to reach out to our Russian counterparts. Because of her unique historic and cultural ties to Serbia, Russia has the credentials to act as an intermediary in achieving a negotiated peace in the Balkans.

Mr. Speaker, I submit this letter for the RECORD.

The letter referred to is as follows:

HOUSE OF REPRESENTATIVES,
*Washington, DC, May 4, 1999.*

Hon. IKE SKELTON,
*Rayburn House Office Building,*
*Washington, DC.*

DEAR REPRESENTATIVE SKELTON: As you are aware, I recently returned from a trip to Vienna as the senior Democrat on a Congressional delegation that met with leadership of the Russian Duma. My earlier trip to the region prompted me to lead a group comprised of Corrine Brown, Maurice Hinchey, and Dennis Kucinich. Since you are the ranking Member of the Committee on Armed Services, I wanted you to have a copy of the report of the meetings to review.

Not only did we arrive at a viable framework around which the Congress and the Duma can facilitate an end to the violence in the Balkans, we learned much from our Russian colleagues. Our Duma counterparts represented the full spectrum of ideology and Russian politics. Together we reached agreement on three important components of peace and a possible road to implementation. More than ever, I am convinced that the road to peace is through Moscow. Without movement toward peace, I see escalating costs, increasingly convoluted options, and unacceptable casualties just over the horizon.

Undermining the administration's objectives was certainly not our desire, and I wish to reiterate that the delegation was not on a mission to negotiate peace. Instead, we were on a mission to reach out to our Russian counterparts. Because of her unique historic and cultural ties with Serbia, Russia has the credentials to act as an intermediary in achieving a negotiated peace in the Balkans.

The bipartisan delegation prepared a resolution expressing the sense of Congress in supporting the recommendations of the Vienna meeting to bring about a fair, equitable and peaceful settlement in Yugoslavia. That draft resolution is attached. Additionally, I have attached a letter I sent to minority Leader Gephardt. I ask that you also support a bipartisan caucus so that the delegation can brief all members of Congress. Absent a bipartisan caucus, I ask your support for the delegation to brief the Armed Services Committee.

This meeting with members of the Duma represents a singularly important step toward a negotiated solution. I seek your counsel and recommendations on how to best proceed.

Sincerely,

NEIL ABERCROMBIE,
*Member of Congress.*

Mr. Speaker, I wish to conclude my remarks by merely saying that the road to the resolution of this crisis is not in Belgrade and is not in Brussels, but is in fact in Moscow.

□ 2045

The 11 of us, the bipartisan delegation which went to Vienna, had as its sole purpose the reaching out to the Members of the Russian Duma in an attempt to bring resolution to this crisis and bring it to a resolution at the earliest possible moment.

Mr. Speaker, thank you for the time and I thank my colleagues for their generosity in providing it.

## MOTHER'S DAY: A TIME TO REFLECT ON THE IMPACT OF SOCIAL SECURITY AND MEDICARE ON AMERICAN WOMEN

The SPEAKER pro tempore (Mr. SWEENEY). Under the Speaker's announced policy of January 6, 1999, the gentlewoman from California (Ms. MILLENDER-MCDONALD) is recognized for 60 minutes as the designee of the minority leader.

Ms. MILLENDER-MCDONALD. Mr. Speaker, as we embark upon Mother's Day this coming Sunday, distinguished women of the House thought it was really fitting to come and talk again on women and Social Security and Medicare and how these two critical issues will impact women leading into the 21st century. I have gathered with me tonight a distinguished core of women of the House to speak on these critical issues.

As the Co-Vice Chair of the Women's Caucus, I think it is vitally important that we ensure retirement security for women as we work to strengthen Social Security and Medicare.

Mr. Speaker, I would be remiss if I did not acknowledge the two women who have been in the forefront on these issues, the gentlewoman from Connecticut (Ms. DELAURO) and the gentlewoman from Florida (Ms. THURMAN). Each will speak to these issues as we progress tonight.

Social Security has played a very vital role in ensuring financial security for most elderly women; however, there are still far too many elderly women living in poverty. In our work here in the House to establish a better and more secure retirement system, we must not exacerbate this situation but rather do all we can to resolve the discrepancy now and for all future generations.

Mr. Speaker, tonight is the night for women to speak to the two issues and to voice their concerns from their constituents in their respective states. So I will call on them tonight as they come to speak to this issue as we embark upon Mother's Day this coming Sunday.

I have tonight the great gentlewoman from the State of Florida (Mrs. MEEK), who will speak to this issue as she relates to it in the State of Florida.

Mrs. MEEK of Florida. Mr. Speaker, I thank very much the gentlewoman from California (Ms. MILLENDER-MCDONALD) my colleague, friend, and sister who is the Co-Vice Chairman of the Women's Caucus for yielding me this time, and acknowledge my associates in the Women's Caucus.

Mr. Speaker, I am very pleased to be a member of the Women's Caucus. It gives me a special chance to come before this body and talk about not only the contributions of women, but the issues and concerns of all women. Therefore, being a Member of Congress gives us a special platform where we can say to the Nation that as women we do have special concerns and special problems that this Congress should address.

Mr. Speaker, our government has a Social Security system. It is affecting women and it affects them in terms of their security and their retirement. But the truth is Social Security provides benefits on a gender-neutral basis. Benefits are based on an individual's earning record, employment history, and family composition.

Mr. Speaker, I am an older woman so I do know the benefits of Social Security and the benefits of retirement. I am not so sure the younger women who are in here tonight will be able to benefit from the Social Security system as I have. Hopefully, they shall. If it is up to this Women's Caucus, the women will get a chance to benefit.

Thus, while women tend to collect benefits over a longer period than men do because we live longer, our life expectancy is longer, women on an average have lower monthly Social Security benefits since they have lower earnings, more frequent breaks in employment because of our childbearing years, and we are more likely to be widowed or unmarried in retirement.

This occurs despite Social Security's inclusion of certain safety net provisions that generally narrow the gap in benefits between men and women. Some of the Social Security reform options currently being contemplated will change or eliminate the social adequacy components of the program, thus disproportionately affecting women relative to men.

It is important to note that women are generally paid less than men and women are more likely than men to leave the workforce. Our government must do everything possible to preserve Social Security. That is why the Women's Caucus is focusing on this.

And it is very fitting. It is near Mother's Day. It is our day coming up.

We know that Social Security is perhaps the most important and the most successful antipoverty program ever adopted. Without Social Security, over 50 percent of the elderly would be in poverty. Social Security is a major source of income for 65 percent of beneficiaries over age 65.

Mr. Speaker, it is sort of important that we stress the many good benefits of Social Security. We are not saying that the Social Security system is the best in the world and it is the only thing and it cannot be improved on. The Women's Caucus is not saying that. They are saying to take a look at it to be sure that it does what it purports to do and it continues to keep women out of poverty.

The problem many times in Social Security is worse for minority women because of our earnings over the years, and we are much poorer than white women, particularly white women age 65 years of age or older. As a Member of the Women's Caucus, particularly one over the years that has stressed older women, I ask my dear colleagues to consider the unique issues of women: Lower earnings, longer life spans, shorter work histories, greater dependency on spouses, divorce, and outliving their spouse. The current Social Security system contains provisions that mitigate but do not eliminate these concerns.

Mr. Speaker, I want to thank the women in the caucus and I want to thank our cochair, the gentlewoman from California (Ms. MILLENDER-MCDONALD) for putting together this special order so they we could come tonight near Mother's Day in this fitting time and say that we want to help America understand that the unique issues of women should be carefully studied because women are extremely important to this country.

Ms. MILLENDER-MCDONALD. Mr. Speaker, I thank the gentlewoman from Florida (Mrs. MEEK) for her comments. Now we will hear from the gentlewoman from New York (Mrs. MALONEY) and our cochair.

Mrs. MALONEY of New York. Mr. Speaker, I thank my dear friend and colleague, the gentlewoman from California, for organizing this special order and calling attention to the plight of older women as we approach Mother's Day this weekend. I also thank the gentlewoman from Connecticut (Ms. DELAURO) for working on putting this special order together.

Social Security is tremendously important to all Americans, but particularly to women. Many women come to rely heavily on the Social Security system when they retire for a number of reasons. First of all, women earn less than men. For every dollar men earn, women earn 74 cents, which translates into lower Social Security benefits. I remember when I began working, it was 52 cents to the dollar. We got a raise. We are now at 74 cents to the dollar, but it is still terribly unfair and our Social Security benefits in our elderly years reflect this unfairness.

In fact, women earn an average of $250,000 less per lifetime than men. Considerably less to save or invest for retirement. Therefore, they rely more on Social Security.

Women are half as likely than men to receive a pension. Twenty percent of women versus 47 percent of men over age 65 receive pensions. Further, the average pension income for older women is $2,682 annually compared to $5,731 for men.

Women do not spend as much time in the workforce as men. In 1996, 74 percent of men between the ages of 25 and 44 were fully employed full-time compared to 49 percent of women in that same age group. Women spend more time out of the paid workforce than do men in order to raise their families and to take care of their aging parents.

Women live longer than men by an average of 7 years. Social Security benefits are the only source of income for many elderly women. Twenty-five percent of unmarried women, widowed, divorced separated or never married rely on Social Security benefits as their only source of income. Not only will these women find themselves widowed, they are likely to be poor.

A recent report by the General Accounting Office showed that 80 percent of women living in poverty were not poor before their husbands died. The ''feminization'' of poverty is another reason why Social Security must be there for our senior citizens, particularly women in their elderly years.

The financial outlook for elderly women is pretty grim. The poverty rate among elderly woman would be much higher if they did not have Social Security benefits. In 1997, the poverty rate among elderly women was 13.1 percent. Without Social Security benefits, it would have been 52.3 percent. For elderly men, the poverty rate is much lower at 7 percent. If men did not have Social Security benefits, the poverty level among them would increase to 40.7 percent.

Social Security's family protection provisions help women the most. Social Security provides guaranteed inflation protected lifetime benefits for widows, divorced women, and the wives of retired workers. Sixty-three percent of female Social Security beneficiaries aged 65 and over receive benefits based on their husband's earning records, while only 1.2 percent of male beneficiaries receive benefits based on their wives' earning records. These benefits offset the wage disparity between men and women.

As we move forward with reform of our Nation's Social Security system, we must remember that women face special challenges. It is my hope that many of the contributing economic factors, particularly pay inequity, will soon be eliminated. In the meantime, Congress must take the economic well-being and security of women into account when discussing reform. Women clearly are at a disadvantage when facing retirement and poor elderly women have the most at stake in the Social Security debate. Any reform that is enacted must keep the safety net intact. Our mothers, our daughters and our granddaughters are counting on us.

Mr. Speaker, I would like to put into the RECORD a story, a story about the life of one of my constituents. Her many years of work, the many things that she did in her life, and how much she now depends on Social Security for a safety net in her own life.

Mr. Speaker, I join my colleagues in calling upon Congress on both sides of the aisle to be very cautious in the reforms in Social Security to make sure that this safety net for men and women continues.

I am glad to be here tonight to remind my colleagues that it is critical that we take the different circumstances of women into account as the 106th Congress considers proposals to reform the current Social Security system.

Lucy Thomas' story illustrates many of the key issues.

Mrs. Thomas is 83 years old. She worked for 35 years as a waitress, earning less than minimum wage. At the same time, she reared two daughters, and cared for both her father as he became increasingly disabled with rheumatoid arthritis, and for her grandmother, a farm woman who had virtually no income. She now depends solely on Social Security—$650 a month. At age 71, she moved in with her daughter, Marilyn, because she could no longer work outside the home to supplement her Social Security income.

As a waitress and a bartender, Thomas and her husband barely made enough money to pay for their daily living expenses. Mrs. Thomas does not have a pension, nor does she have income-generating savings. Her current income consists of about $8,000 a year from Social Security. She is one of the nation's elderly poor. Of that amount, $1,600 is used for secondary health coverage. Last year she paid an additional $1,000 in medical costs and another $1,400 for a hearing aid. In the fall, a bout with stomach ulcers forced her to pay over $200 for prescription drugs. Her daughter purchased most of her clothing and paid for her room and board for the past 12 years. Social Security is a real factor in her ability to survive with some dignity in her old age.

Mrs. Thomas' story is not unique. Many women come to rely heavily on the Social Security System when they retire, for a number of reasons.

Ms. MILLENDER-MCDONALD. Mr. Speaker, I would like to thank the gentlewoman from New York (Mrs. MALONEY) the distinguished cochair of the Women's Caucus, for her comments tonight.

Mr. Speaker, indeed America's older women do depend upon Social Security

and Medicare for their security and their well-being. We have now another distinguished Member of the House who we will hear from as she voices her concerns for the women of North Carolina, the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I rise to commend my colleagues, the gentlewoman from California (Ms. MILLENDER-MCDONALD) and the gentlewoman from Connecticut (Ms. DELAURO) for having this special order, and the leadership of the gentlewoman from New York (Mrs. MALONEY) as the President of the Women's Caucus. Indeed they will bring the awareness to an issue that should be given and be a major concern to all women, because it is of economic value to us.

Mr. Speaker, Social Security provides an important base for the economic security of American women. Women represent 60 percent of all Social Security recipients. Today, the Committee on the Budget in their task force hearing shared with us that women actually receive 53 percent of all the benefits because, in fact, we live longer and how the Social Security progressivity is structured so that women who earn lower wages actually get a greater benefit because it is designed to be that kind of bridge.

□ 2100

However, because women live longer on average than men, they represent 70 percent of Social Security recipients after the age of 85. Unmarried women, including widows aged 65 and older, receive just about half of their total income from Social Security. So, indeed, Social Security is very, very important, but it is also the survivor's safety net for a large number of women who are on Social Security.

Women also have a different work pattern. Many of them work part-time. Some of them, indeed, do not work at all for a period of time. Nearly three-fourths of 4 million older poor persons in this Nation are women, and older women are twice as likely as older men to be poor.

In 1996, older Caucasian women had a median personal income of $9,990, while older black women's median income was $7,110, and older Hispanic women's median income was $6,372. One-fifth of older black women received less than $5,000, and nearly three-fourths had an annual personal income under $10,000 in that same year.

Women are also more likely to work part time and take out time from the work force. Therefore, they do not build up as much investment in Social Security. In fact, women are more likely to be out of the work force an average of 11.5 years to raise their children or to attend to ailing relatives.

Social Security has been a tremendous success in reducing the number of women in poverty since 1940. Now, this is not to say Social Security does not have problems, but it is to recognize that Social Security has been a safety net for women. And as we reform Social Security, we certainly need to make sure that the structure that aids in securing women, and particularly those women who are disadvantaged by receiving less money and disadvantaged by not being in the work force, are, indeed, protected.

Again, as I referred to the hearing in the Committee on the Budget today, there are several proposals out there, some looking to the private sector, some providing some transitional costs, talking about consumer taxes, and we need to make sure that those transitional costs are taken into account both for women with disabilities as well as those who are indeed at the end of the lower economic ladder.

Again, as we have this special order we want to bring to everyone's attention the value Social Security has been to women; and as we reform Social Security we want to urge those individuals looking at the various options to certainly understand that we should not have any less protection for women who have depended on this safety net being there. And, indeed, Social Security has been the one program that has worked for all Americans but particularly for women.

I want to commend, Mr. Speaker, again the Women's Caucus for bringing this issue and allowing us to bring to the Nation's attention how important Social Security is to the economic vitality of all women in this country.

Ms. MILLENDER-MCDONALD. Mr. Speaker, I thank the gentlewoman.

A woman who has kept the focus on women as it relates to Social Security is a former co-chair herself. I would like to now yield to the gentlewoman from the District of Columbia (Ms. ELEANOR HOLMES NORTON).

Ms. NORTON. Mr. Speaker, I thank the gentlewoman from California for her leadership; and I commend her and the gentlewoman from Connecticut for their work in organizing this special order to draw attention to the various special needs of women in Social Security.

We are told that there may well be no Social Security reform this year. I would regret that, though I want to go on record to say that it is certainly not true that Social Security is going bankrupt. We really do have more than a quarter of a century before that. Nevertheless, it certainly would be better if we could get a bipartisan consensus this session.

Let me say that I would rather see nothing, however, than see a new model based on some of the ideas that have come from the majority on Social Security. We do not need a new model for Social Security. We need a revitalized model.

The reason we do not need a new model is because the present model is a feminized model. It is literally organized around the needs of women, around longer lives, around those with lesser earnings, and, if I may say so, around housewives. In particular, the notions for personal savings accounts do not take into account this feminized model.

Most of the time when we talk about Social Security reform, we have reference to the elderly. I want to talk for my few minutes not about the elderly but about women whose Social Security is most endangered, because we are talking about Social Security in 2030, not Social Security in the year 2000.

Older women have been grandfathered in. Neither the Republican majority or anybody else in his right mind would dare touch Social Security today. They would not dare recommend personal savings accounts for Social Security today, not when 53 percent of those receiving Social Security would be at the poverty line without it; not when it is a major source for two-thirds of today's beneficiaries.

I want to focus on the baby boomers and the younger women whose earnings today translate into pensions or Social Security tomorrow. Those are the women who are not secure.

The last time women Members came to the floor to talk about Social Security, I spoke from my past work as chair of the Equal Employment Opportunity Commission, because it is from that work that I learned to focus on women's earnings. It is by focusing on women's earnings today that we have any idea of their pensions or their Social Security tomorrow. Only by looking at younger women in particular can we evaluate the notion of personal savings accounts.

I want to be clear that we should all be saving, and we should be doing more in this Congress to encourage more saving: 401(k)s, IRAs, IRAs for homemakers. There is ever so much more we must do to encourage savings. And, indeed, savings in the United States is going down, and that is itself very serious. But the focus on earnings now is how we figure what workers will have tomorrow.

Let us look at women. Women today earn $24,000, the average woman, year-round worker, $24,973. For a man, it is almost $10,000 more, $33,674. What does a woman who earns less than $25,000 have to put into a personal savings account? Something, I hope, but I guarantee it is too little. Social Security, as we know it, needs to be there for that woman. She cannot afford to put all of her eggs in a personal savings account basket.

No matter how we look at earnings, we draw the same conclusion. The progressive Social Security model now in place must be there especially for women.

First, for the large number of women with no earnings, what are they supposed to do with a personal savings account? Look at who they are. There are only 7 percent of men who spend time out of the work force; 21 percent of women spend time out of the work force. Look at part time. Seventy-four percent of men work full time; only 49 percent of women work full time. What are they going to put in personal savings accounts? What will their Social Security look like, for that matter?

That is why it has to be progressive, because they will have too little earnings in even to get out enough of Social Security unless we have the present system which benefits low earners.

Look at the labor force participation: 73 percent of men in the labor force, 63 percent of women. This translates into no pensions or pensions that are too small, and it certainly leaves very little for personal savings accounts.

Personal savings accounts are not progressive. They go with the market, not with need. I am with the market. I am in the market. I want more women to be in the market. But I would not want my future, if I earned under $25,000 a year, to lie with the market.

By all means, go into mutual savings. But women cannot afford to leave Social Security as we know it today behind.

The Republican majority would attribute the difference in wages between men and women to the fact that women are out of the work force more than men, and they tell us that all the time when we complain about women's wages. That is true, but not entirely. And there is a debate between us as to what accounts for that gap.

But let us assume for the moment that they are indeed correct, for purposes of argument, that the difference is because women spend more time out of the work force; and may I ask them to please carry that thinking over to the needs of women into old age. If they spend less time in the work force, they should be subject to less risk when it comes time for old age.

What will housewives contribute to personal savings accounts? What will part-time workers contribute to personal savings accounts? What will mothers who go into the work force later, who took time out, contribute to personal savings accounts? Where are the family values when it comes to security for today's young mothers?

I am not talking about my mother. Her Social Security is intact, and I think mine will be. But what about my daughters? That is who we must concentrate on now. What about the young mothers who are staying at home? And there are more of them because of the absence of a child care system, and many more are going back home rather than go where they would like to go, to work.

Retirement becomes and is a burden in the thoughts of these women, and we must make it less of a burden by encouraging them to save but also by assuring them that Social Security will be there in the progressive way that their mothers and grandmothers have known it.

Young women are most at risk. They are most in doubt. We cannot restore confidence in the Social Security System by dismembering it. We must look far more closely at the President's plan, where 62 percent of the surplus goes to Social Security and 15 percent to Medicare. Then, of course, we have a balanced notion of means tested personal savings accounts. We encourage savings and help people to save and encourage them to save.

If my colleagues do not like the President's plan, they should draw their own plan, but plan it around women who are the Americans who will most need the security our country has guaranteed for their mothers, for their grandmothers and for their great grandmothers.

Mr. Speaker, I thank the gentlewoman from California and the gentlewoman from Connecticut for their important work in drawing these issues to our continuing attention.

Ms. MILLENDER-McDONALD. Mr. Speaker, I thank the gentlewoman from the District of Columbia.

Mr. Speaker, Medicare and Social Security, as we know, will be two very important issues here in 1999. I cannot think of a more deserving person to come before us now to talk about these issues as discussion intensifies about the ways to strengthen Social Security and Medicare for the future for women. She has been in the forefront on these issues.

Certainly we recognize now that Medicare is required to cover screenings for osteoporosis and breast cancer. She has been in the forefront to make sure that this took place. We have with us now one of the leaders of the House, the gentlewoman from Connecticut (Ms. ROSA DeLAURO), who will come and speak to us on these two very critical issues as we broach Mother's Day.

Ms. DeLAURO. Mr. Speaker, I truly am honored to stand here tonight with my colleague from California (Ms. JUANITA MILLENDER-McDONALD), who has taken a leadership role in our Women's Caucus, along with the Congresswoman from New York (Mrs. MALONEY), who spoke as well this evening, in trying to forge a unified coalition on two of the most important issues that face this Nation, and that is Medicare and Social Security.

□ 2115

Quite frankly, we cannot talk about one without the other because of their importance in terms of what they have done in lifting older Americans out of poverty in this country, what they have done to change the face of health care for older Americans. They have come to be two programs that working families rely on in retirement security. They have become, if you will, the twin pillars of retirement security.

As my other colleagues who have joined on the floor tonight, they too understand the effect that the Social Security system and Medicare have had on all Americans, and most particularly for tonight's discussion, for the stability and the financial well-being of women in their later years.

They also understand the need to protect these programs, to strengthen these programs, to view them as successful programs upon which we need to build, and to expand so that not only people today who are eligible and women today who are eligible for these programs, but those in my generation and the generation of my children and their children can utilize for their retirement security. That is what is at stake.

I might just say, with regard to Medicare, that what we need to continue in that effort is to make sure that, in fact, there are defined benefits that people know they can avail themselves of in Medicare and that primarily we can build on the Medicare system so that, in fact, we can offer some opportunity for some relief on prescription drugs.

I think all of us today who are talking with seniors with regard to Medicare and their health benefits would tell us that the single biggest difficulty that they have and where they put their health and their safety at risk is because they cannot afford prescription drugs today, and if we are going to strengthen and protect Medicare, that we must not turn it into a voucher program where people are told, ''Here is a sum of money, you go out and find it on your own, ferret out a program, you are on your own, my friend,'' when what we ought to be doing is making sure that this program allows for the benefits to be there that they need and for them to be able to purchase and get some kind of relief for the costs of prescription drugs.

Let me turn, if I can for a moment, to Social Security. Because, as I have said, it is really our country's success story. More than half of the elderly population would live in poverty today in this country were it not for Social Security.

Now, I have an 85-year-old mother and she said to me, ''Rosa, these are supposed to be the golden years, but in many instances they turn out to be the lead years.'' And what she is doing is expressing the frustration, she gives a voice to that frustration that so many elderly women feel that in their older years. They face all kinds of obstacles to stability and to security, and without Social Security these obstacles would be even greater.

My colleagues have focused tonight on talking about the plight of women

and how, in fact, Social Security does work for women today. And it is because they live longer, they are in and out of the work force, they make less money, they are often dependents, they rely on a cost-of-living increase, they rely on a month-to-month lump sum of money which they receive.

Much of that goes away if we follow a program which people are talking about today, and that is to get us to privatize the Social Security system. Those pieces of cost-of-living increases, benefits if you are a spouse, getting a month-to-month lump sum, consideration of less money earned by women, consideration of their being in and out of the work force, all of that is taken into consideration in the Social Security program today. That all goes away if we privatize Social Security.

I will speak for just a moment on my State of Connecticut. Social Security has lowered the poverty rate among elderly women from 46 percent to 8 percent. That means over 100,000 women are lifted out of poverty by Social Security in my State of Connecticut.

I want to mention one proposal that is on the table now that has been offered by the majority party, by the Republican leadership, and that is the Archer-Shaw plan which was promoted last week. I just want to say a few words about this plan, and I want to caution people to look at it very, very carefully.

This plan may be cloaked in the rhetoric of reform, but if we take a closer look at it, it is a risky scheme that will end Social Security and put millions of elderly women and men in jeopardy. We cannot let this happen. This is a delayed execution of the Social Security plan.

Let me just say that that is the goal. But even if the true goal of my colleagues or some of my colleagues on the other side of the aisle was to improve retirement security, this plan does not get it done. It is flawed from a policy perspective. It claims to use the budget surplus to create individual retirement accounts. These accounts are personal in name only.

The CATO Institute, which is a very conservative organization, has talked about this proposal, and Michael Tanner of the Institute told the Washington Post last week, and I quote, that ''The individual accounts are phoney accounts. They are made up of a tax credit equal to 2 percent of each person's Social Security taxable wages. It would flip Social Security on its head by allocating, if you will, more money and resources to the wealthiest in our society.''

It hurts women particularly. The claim is that the plan would extend Social Security further than the President's plan to protect the program. They hold up a Social Security actuary report that estimates that their plan would keep Social Security solvent for 75 years.

But, my friends, the devil is in the details. They do not talk about the specifics of the program. They hide the fact that ultimately this plan eliminates all the surpluses, it forces the Federal Government to have to increase taxes, cut spending in necessary programs, such as domestic programs that benefit women elsewhere in the budget. They evade the fact that if the rate of return on these individual accounts drops by just one percentage point, that the whole plan goes up in smoke and Social Security will fall short by about 10 percent.

The long and the short of it, one needs to look at it very carefully and very closely. What it attempts to do is deal with, as I talked about earlier, privatizing Social Security in the long run, which in fact is a detriment to the Social Security program, in my view, in general and in particular with regard to women.

One of the purposes of why we are here tonight is to talk about it, is public education. We need to let people know what is at stake and that, in fact, when we take a look at some of the schemes that are on the table, they are meant to turn Social Security on its head, to change the focus and the nature of this program that has meant so much in the lives of families today, and our specific topic, for women's lives today.

Again, we cannot afford to let it happen. I know that my colleagues are committed not only to speaking on the floor of this House but taking this message to the country to start to talk about women and Social Security, what it means, what it has meant in the past, what it means for the present, and what it means in the future, and that we are not going to allow this program, which has meant so much to the safeguard of women and the independence of women in their later lives, be jeopardized in any way.

The American public needs to know what is at stake. The American women need to know what is at stake. And I am proud to join with my colleagues tonight as we begin that program of public education.

I cannot thank my colleagues enough for letting me participate in this effort tonight.

Ms. MILLENDER-McDONALD. Mr. Speaker, I cannot thank my colleague enough for the leadership that she has provided for us in this House to ensure that we have Medicare and Social Security as the top issues for women in 1999 and leading into the millennium.

I would like to echo what she said, because public education is important. We must make sure those who are today's citizens in this country, more of them are women and the elderly, do not get hooked and locked on this privatization of Social Security and Medicare, especially Social Security. We must ensure their well-being, their safety, their security by not having privatizing and not privatizing with these private accounts that is being discussed as we move into the discussion of Social Security and Medicare.

Mr. Speaker, I would like to now yield to a person who has been on point, who is one of the senior Members of the House, and she has just done a yeoman's job in talking about the unique effects that this proposal, Social Security and Medicare, will have on women. The distinguished gentlewoman from the State of Ohio (Ms. KAPTUR) will now speak to us on Social Security and Medicare.

Ms. KAPTUR. Mr. Speaker, I want to thank the gentlewoman from California (Ms. JUANITA MILLENDER-McDONALD) for championing this effort this evening and so many of the other initiatives that she has taken as a sparkling Member of this House, certainly the cause of women in this case, in her role as co-Vice Chair of the Democratic Women's Caucus to bring us all to the floor this evening to talk about Social Security, Medicare, and women in America.

I also want to acknowledge the gentlewoman from Connecticut (Ms. ROSA DeLAURO), the assistant Vice Chair of our caucus, and so many of the other women that have joined us this evening, our good friend the gentlewoman from Florida (Mrs. CARRIE MEEK), the gentlewoman from Florida (Mrs. KAREN THURMAN), the gentlewoman from North Carolina (Mrs. EVA CLAYTON), the gentlewoman from New York (Mrs. CAROLYN MALONEY), and it literally goes from coast to coast.

Without question, Social Security is the lifeboat for a majority of seniors in our country and certainly for women. And even with Social Security, the poorest people in America today are women over the age of 80. So even the current program, as critical as it is to families and to citizens across our Nation, could be made stronger.

Certainly for women, we know that in the way that the formulas were written in past years they do not always receive as much as men because, when they did work, their pay was less. Others this evening have talked about women spending more time out of the work force raising their children, caring for their families, often caring for sick relatives. Women often work in jobs that have no pensions.

I was amazed to go into a little cookie shop in an airport in Chicago a couple years ago and I approached someone who worked there and I said, ''How much do you pay?'' And they said, ''Minimum wage.'' And I said, ''What are my health benefits?'' They said, ''You would not get any of those or retirement. Only management gets that.'' I said, ''I guess I would not want to work here.''

But often one of the young women I was talking to did not know the answers to those questions. She had to go

back and ask the manager back behind the swinging doors. So many women who are working do not ask the important question, ''What are my pension benefits?''

We know that most women who have lost their jobs as a result of ill-fated trade agreements, like NAFTA, lose their pensions as a result and, in fact, most of those who have lost their jobs under trade agreements like this, because they are minimum wage jobs and entry level jobs, are mainly minority women across this country.

We also know that most women do not begin saving for their retirement and they think it will not matter to create a savings account that would be a supplementary account to Social Security. And if they do have a little savings account or an investment account, they do not hold it long enough so that it would grow in a little bit of a larger nest egg. I want to say something about that this evening.

□ 2130

We also know that women who do manage to have a little bit of cash, if they have any at all, often do not look at other investments that they might make during their working years, for example, in buying a home.

Today, with interest rates the way they are, many, many people, if they check it out, this is not just women but people working across this country and paying rent, you would be surprised if you really looked at all the available programs, through your city, through your county, through your locality. You would find you could buy a home today cheaper probably than you could rent it. You ought to check that out. Because a home can become a very important source of equity. You own it. It does not belong to someone else.

It is very important this evening that all of us participate in this session to help educate the American people, and certainly women, about retirement planning. It is important if you are applying for a job to find out if that employer has a pension plan. Is it just Social Security? Or Social Security plus something else, like a 401(k) or an individual retirement account. If they do have a retirement account, what kind of plan is it? And are you, in fact, participating in that plan? Were you asked about it? Did you ask about it?

You really also, if you are married, need to know what your spouse's plan is. I cannot tell you how many women have come to me after the death of their husband and they say, ''He didn't check the little box.'' That means that my retirement pay from the company, putting Social Security aside for the moment, is less. And they, of course, do receive lower payments from Social Security on the death of a spouse.

So it is very important to know what your benefits are. You need to know which Social Security benefits you are entitled to. And the Social Security Administration will tell you that if you fill out the little card, they will be able to tell you how many quarters you have in, what your potential benefits might be, and you can get ready for that moment ahead of time. One of the biggest mistakes women make is not asking and not finding out soon enough.

Another issue women have to be concerned about, and the American Association of Retired Persons recommends these tips for women in addition to Social Security, think of your retirement security as a necessary expense, and no matter how small your check, take a few pennies or dollars out of that every month and put that in a pension program that is separate from Social Security, that can augment Social Security, which should be your base plan.

Think about setting up an Individual Retirement Account. Your banker, your credit union preferably, your employer can help you do this. But make sure that you control that money and that the employer does not control that money. Make sure you have a voice in that.

Also, figure out ways to try to control your spending. Create a budget with savings in mind, cut unnecessary expenses and pay credit card balances. If you can, think about resoling your shoes rather than buying new shoes or moving up or down the hem in your skirt rather than buying a new one. There are lots of ways to put a little bit of money aside for the future.

Really, it is a good idea to have a budget. Then you will come close to it or perhaps meet it, and you will begin to set up this little extra nest egg.

Whatever you do, invest with inflation in mind. When women tend to invest, they do so in very low-yielding assets. They find out that the income from those assets in later years really does not cover inflation and taxes.

So I think this evening is very important in helping women to think a little bit about planning for retirement. I know when I hold sessions in my own district on women and money, it is the most popular session that we have. Actually, more people attend that than the sessions we do on health. That is because women, though they have tremendous financial responsibilities in our schools, we do not always teach how to manage personal finances anymore. They used to have courses called home economics. Those are sort of outdated now, but we really need to have financial planning for all of our citizens, including women. I know every woman in this country has the ability to do that.

So I think my message tonight as a part of this excellent session that the gentlewoman from California (Ms. MILLENDER-MCDONALD) has organized along with the gentlewoman from Connecticut (Ms. DELAURO) is that Social Security is your base plan, and those of us here will make sure that Social Security remains sound as a promise between generations. It is an insurance program, a program of promise to the Nation.

If there are seniors listening this evening, do not get high blood pressure, do not worry about Social Security. You do not have to contribute to any of those groups that make you pay money to say they will lobby for you here in Washington. We are your best lobbyists. Use us. You pay us through your tax dollars to do your work for you. Save those dollars that you are paying all those lobbying groups. Put it in an investment account for yourself to augment your Social Security.

The most important thing you can do to preserve Social Security and Medicare is to elect the right people to Congress. You know who they are, because they are right at home where you live. You do not have to come here to Washington to meet them.

Then if you have the ability, especially if you are younger or even if you are not that young, to set a little bit of extra money aside in a special savings account that earns interest, get a little bit of advice on that. Talk to some of your friends. Have some sessions where you live, in your neighborhood, in your church, in your senior retirement building. Start little clubs where you talk about investing money and take some of those bingo chips and take some of those little earnings that you have from bridge, even if it is a few dollars, and think about putting those dollars away and seeing what they will earn. Maybe you can do it as a group working with some of your credit union advisers, let us say, in your area.

It is important for you to learn about money. As you learn more, your children will learn, your grandchildren will learn, and the best teachers in America are our mothers and grandmothers. So they can do a lot to help those who are younger than they are to plan for their own retirements.

I really believe you can start saving at a very early age and you can start thinking about your future years, whether it is saving for education or saving for your retirement.

I want to compliment the gentlewoman from California (Ms. MILLENDER-MCDONALD) for holding this special order this evening. She is doing a big favor to all the women and families of our country.

Ms. MILLENDER-MCDONALD. I thank the gentlewoman from Ohio (Ms. KAPTUR) for the outstanding contribution she has made tonight and the ongoing leadership and support that she gives to these critical issues.

GENERAL LEAVE

Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of this special order today.

The SPEAKER pro tempore (Mr. SWEENEY). Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. MILLENDER-McDONALD. Mr. Speaker, as we continue to talk about both Social Security and Medicare, we know that the faces of Medicare are really the faces of women you know. They are your mom, your grandma, your wife, your sisters. They might even be the person whom you see in the mirror.

Medicare, being an important issue, is very timely that we speak about it today and we talk about this critical issue as it relates to women age 65 and older. Women are 58 percent of the people who receive Medicare. At the age of 85, that number will rise to 71 percent. At age 85, women outnumber men in the Medicare program two to one. Women's average life expectancy is 6 years longer than men. At every age, women are at greater risk of poverty than men.

There are many gaps in the Medicare program, Mr. Speaker, and there are a number of gaps in this program, most notably the absence of coverage for prescription drugs and long-term care. Also, in Social Security, we know that, on average, women are in the workforce fewer years than men and earn less than men, yet women tend to live longer. Meanwhile, women's pension benefits are based on such factors as years in the workforce and lifetime earnings relative to those of their husband.

Mr. Speaker, we must remember that just 33 percent of women retirees 65 and older versus 53 percent of retired men at that age receive a private pension annuity fund. In fact, in 1994 those were the numbers. Women simply cannot rely on other forms of retirement savings to the extent to which men can. Women must continue to have a strong, secure Social Security and Medicare system that recognizes the need of widows and divorced women to receive their spouse's benefits.

Lastly, any effort to strengthen our retirement system must resolve this vast economic chasm that exists between women and men in America.

SECURITY, PROTECTION, SAFETY NET

Mr. Speaker, tonight Congresswoman DELAURO and I have gathered our colleagues to address two critical issues concerning women. As Co-Vice Chair of the Women's Caucus, I think it is vitally important that we ensure retirement security for women as we work to strengthen Social Security and Medicare. Social Security has played a pivotal role in ensuring financial security for most elderly women, however there are still far too many elderly women living in poverty. In our work to establish a better and more secure retirement system, we must not exacerbate this situation but rather, do all that we can to resolve the discrepanacy now and for all future generations.

Mr. Speaker, the Social Security rules provide critical income security for women. The progressive benefit formula provides proportionately higher benefits for low earners than for high earners, which is important for women who continually earn less incomes than men. In 1997, the median annual earnings yearround for full-time workers was approximately $33,000 for men and $24,000 for women, which means women are earning 74.1% of the wages men earn.

For working women in their fifties, who should be earning close to their peak salaries, the income differential is equally disturbing. These women earned just 63 percent of what men of the same age earned in 1996. The entire group of older women have less than three-fifths the personal income of older men. In 1996, older women had a median personal income of approximately $10,000.

Providing higher benefits for women through the current Social Security system helps compensate for the countless paychecks that are at most 73 percent of their male counterparts. Social Security also places the necessary emphasis on the value of raising children by helping homemakers establish retirement security. For these women, Social Security provides a retirement benefit equal to 50 percent of their spouses' benefits. For the homemaker who becomes divorced after at least 10 years of marriage, Social Security provides a retirement benefit based on her former spouse's benefits. In addition, Social Security provides widow's benefits equal to 100 percent of her husband's benefits for the older woman whose husband dies. Social Security survivor's benefits are even provided for younger widows whose children receive survivor's benefits while the widow is caring for them and not working.

For all of these reasons: the pay gap, the fact that women live longer than men, and the current Social Security benefit rules, is why a significant proportion of older unmarried women are solely dependent on Social Security. In 1994, 40 percent of unmarried women 65 and older who received Social Security depended on it for at least 90 percent of their income—and more than one-fifth had no other income. Even more alarming, half of older unmarried women of color relied on Social Security for 90 percent of their incomes, and for more than one-third of these women, Social Security was their only source of income. In real terms, this means that most elderly women are living on just $10,000 to $12,000 per year. Social Security clearly serves as a vital safety net for women who are divorced or become widows.

As strong as this system is, however, too many women fall through the cracks. Nearly three-fourths of the nation's four million who are elderly poor are women. Older women are twice as likely as older men to be poor. In addition to the consistently lower income women earn per year as compared to men, the disparity in other retirement options contributes to the feminization of poverty among our elderly women.

In the Nation's pension system, men benefit significantly more than women since most mothers do not have a consistent work history due to the time off for raising children. Just 33 percent of women retirees 65 and older versus 53 percent of retired men that age received a private pension annuity in 1994.

Women simply cannot rely on other forms of retirement savings to the extent to which men can. Women must continue to have a strong, secure Social Security system that recognizes the need for widows and divorced women to receive their spouses' benefits. Any effort to strengthen our retirement system must resolve this vast economic chasm that exists between women and men in America.

I would like to thank the women and men of the House who are joining us tonight to address women's retirement security.

Mrs. JONES of Ohio. Mr. Speaker, the subject, Social Security, is on the minds of our constituents. Citizens want to know if there will be a system when they need it, and they want to know how the system impacts them as individuals, as family members, and as tax payers. They're asking good questions that require good answers.

It is especially encouraging to see the emphasis being given to the concerns of women. Comparing women to men, statistics demonstrate that women live longer, are paid less, and are more likely to depend on Social Security for retirement benefits. All women, whether or not they have been in the workforce, need to know how the system works.

I am pleased to join in supporting you on Tuesday May 4th as you discuss ''Women and Social Security/Retirement''. I know that there will be information disseminated that I will be able to share at the 11th District Forum, ''Social Security & You'', which I will host in Cleveland on May 22nd.

Mr. CUMMINGS. Mr. Speaker, recently, leaders of the National Council of Women's Organizations came to Washington. Foremost on their agenda was the impact of Social Security reform proposals on women.

These women said ''Don't forget about us.''

Our nation's social security system has had a successful tradition of providing ''assistance'' to our seniors and disabled. However, changes in our society's economic and social conditions warrant structural revisions.

Although there is no immediate danger to the system, the threat of insolvency has moved us to take action to preserve Social Security for the ''baby boom'' generation. As such, this debate is not about whether reform is necessary, but what structural revisions would best suit our seniors.

Mr. Speaker, I submit to you today that as we evaluate these revisions, I will not forget that Social Security benefits are essential to the women of America.

I will not forget that without Social Security, more than 50% of all women over age 65 would be living in poverty today.

I will not forget that during their most employable years, women earn only about 74% of what men are paid.

And, I will not forget that women are less likely to work full-time and more likely to spend time outside the paid labor force while raising children. As a result, only 26% of women over age 65 received a pension of annuity payment in 1995.

Our current Social Security benefits structure protects workers with lower lifetime earnings—including most women and minority workers. Social Security provides an inflation-

protected benefit that lasts as long as the beneficiary lives. Since women tend to live longer than men, they are in greater danger of outliving their other sources of retirement income; but it is impossible to outlive one's Social Security benefit.

The current system also provides extra benefits to spouses with low lifetime earnings which helps many women, even if they did not work at all outside the home.

Further, Social Security provides benefits to spouses of any age who care for children under 16 if the worker (other spouse) is retired, becomes disabled, or dies. Women represent 98 percent of recipients receiving benefits as spouses with a child in their care.

In the future, Social Security will continue to be important for women. As the labor force participation rates of women rise, women will reach retirement with much more substantial earnings histories than in the past. Therefore the percentage of women receiving benefits based solely on their own earnings history is expected to rise from 37 percent today to 60 percent in 2060. However, this means that 40 percent of women will continue to receive benefits based on their husband's earnings.

These aforementioned provisions allow us to claim that our current retirement system is equitable and just. Significantly, both financial necessity and social justice demand that to maintain this claim, a new system must retain minimum, guaranteed benefits and critical protections so that women are not penalized for inequity in pay and for taking care of the rest of us.

As Franklin Roosevelt stated: ''* * * [this] law will take care of human needs.'' Let's not forget women's needs.

I urge my colleagues to remember women and support social security reform that would bring their real life needs and circumstances into account.

Mr. PAYNE. Mr. Speaker, I would like to thank Congresswoman MILLENDER-MCDONALD and Congressman DELAURO for arranging this special order tonight. We must bring attention to the exceptional circumstances of women as we examine the Social Security issue. As other Members of Congress have mentioned tonight, there are a few simple facts that show why women are effected by changes made to Social Security more than their male counterparts. First of all, most women earn a lower salary than men and therefore put a smaller amount into the Social Security Trust Fund with every paycheck. They are also more likely to spend a portion of their lives out of the workforce than men and women are half as likely as men to receive a pension which means they depend on their Social Security check as their sole source of income. Finally, women live longer than men and depend on Social Security for a longer period of time.

Therefore, changes made to the Cost of Living Adjustment and the idea of converting Social Security funds in private accounts will have a drastic effect on the way that retired women live. These factors must be taken into consideration when we decide how to resolve the issue of the potential insolvency of the Social Security Trust Fund. While limiting COLA's may cut costs, it will lower the standard of living for retired women because they rely heavily on Social Security as their only means of income and they live longer and need these adjustments to stay out of poverty. Private accounts may also have a negative effect on the retirement income of women because they may outlive their accumulated funds. Private accounts may put many women in a position where they live the later half of their retired years in poverty.

While Social Security is the economic mainstay for many women, we must also make a better effort to educate working women today about the benefits of investing in a pension plan. We must give them an opportunity to invest so they do not have to live out their golden years on an annual Social Security income that amounts to less than the minimum wage for most recipients. This coupled with making changes to the Social Security system that helps not harms women will improve the lives of all women in their retirement years.

Ms. MILLENDER-MCDONALD. Again, Mr. Speaker, I would like to thank all of the women who were here tonight. We did not cover this as extensively as I would have wanted to. We will be back, because as we embark upon Mother's Day we must remember the elderly women in this country and their need for Medicare and Social Security.

## REGARDING SUPPLEMENTAL APPROPRIATIONS BILL

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Indiana (Mr. BUYER) is recognized for 60 minutes as the designee of the majority leader.

Mr. BUYER. Mr. Speaker, I serve here in Congress as the chairman of the Subcommittee on Military, a subcommittee of the Committee on Armed Services. Before I move into remarks regarding the supplemental appropriation that will deal not only with the funding shortfalls in Kosovo and the funding shortfalls to fund our national military strategy, along with disaster assistance and humanitarian aid, I would like to comment on some remarks made by one of my own Republican colleagues here tonight during the 5 minutes. He put up a chart and on the chart he had lists that in World War II, with a 13 million force, we had 31 four-star generals and with our force of today, we have 33 generals, and that even though we have reduced our force, we still have all of these general officers.

Being responsible for the force structure decisions of the United States military, I would like to advise America that I have held the line on the increase, the demand for the increase out of the Pentagon on general officer strength. The force that fought World War II, that military force, is completely different from the military force of today. We also have encouraged jointness, greater cooperation and interoperability between all the services. When you do that, yes, you end up creating some bureaucracies and an increase in need for general officer strength. But more importantly we are going to maintain the sort of rank-heavy military for a very important reason. Kosovo really is that third scenario, ''third scenario'' meaning we have a national military strategy to fight and win two nearly simultaneous major regional conflicts. So you take a circumstance in Korea, you can take a circumstance in Iraq, and now we have the third circumstance with regard to Kosovo. If, in fact, the United States found itself on a three-front war and we had the necessity to have to build a force rapidly, we could do that when we maintain officer strength in the general officer corps along with senior noncommissioned officers. That is the reason we are going to hold the line on those strengths. So the chart that was used tonight is somewhat misleading, and I wanted to correct the record.

Over the next 1 hour, the gentleman from the 52nd District of California (Mr. HUNTER) chairman of the Subcommittee on Military Procurement and myself will discuss why all of the Members, and to inform America why we should support the emergency supplemental appropriation that we will be voting on here later this week.

Let me be very clear that there are some Members that point to this bill as though it were some form of a referendum on the President's actions in Kosovo, or that if we add additional funding to this supplemental appropriation that somehow we are forward funding the Clinton-Gore war. There is a lot of rhetoric, political rhetoric that is being used around here. So what the gentleman from California and I would like to clarify for everyone is what is the purpose of this emergency supplemental funding and why we have an increase in military funding in this bill that is over and above the President's request.

I believe that this bill is mislabeled. It should not be emergency funding with regard to Kosovo. This bill is necessary to fund the national security strategy of this country. The President has the singular responsibility to lay out the national security interest of this Nation. He then turns to the military planners and said, ''What is the national military strategy to carry that out?'' That is what makes us uncomfortable today.

Let me pose to you this question. Can anyone name this country, a country whereby 709,000 active service personnel, eight standing Army divisions, 20 Air Force and Navy air wings with 2,000 combat aircraft, 232 strategic bombers, 13 strategic missile submarines, with 232 missiles, 500 ICBMs, intercontinental ballistic missile systems, with 1,950 warheads, four aircraft carriers, 121 surface combat ships and submarines. Can anyone name this country with that type of force structure?

□ 2145

Is that country the former Soviet Union?

No.

Is that country Russia?

No.

Is that country China?

No.

Is the country the United Kingdom?

No.

You give up?

That country, the global superpower, no longer exists.

You see, the force structure that I just listed is how much the American military forces have been cut since 1990.

So why does our force structure matter so much?

First, let us look at the success.

In 1990 and 1991, the 45-day Gulf War was highly successful.

Why?

Well, in our active forces in 1990 we had 18 divisions. In the Air Force tactical wings we had 24. Navy ships and submarines, we had 546 as we were coming out of the Cold War era.

Part of the success was not only the force structure, but it was also because we had a highly-trained, well-equipped combat-ready force.

The question that is painful for those of us that serve on the Committee on Armed Services and those who appropriate funds on its behalf, was challenging for the gentleman from California (Mr. HUNTER), and myself and others, is that we have to ask that question:

Could we fight and win a Gulf War today?

You see, that makes us very uncomfortable if you were to ask us that question, because we have forces in Korea on the peninsula, we have our forces in Iraq today, and now the President has us in a third scenario in former Yugoslavia.

So when we look at that force structure in 1990 and we see where President Clinton and Vice President Gore have taken us down to today with those budgets, we today have:

Army divisions, we have 10.

Air Force tactical wings, we only have 13.

And Navy ships and submarines, we only have 315.

The number that is used so often here in Washington is, if we do not hold the line on the Navy, we could dip below a 300-ship Navy, and that is fearful, my colleagues.

What is really concerning about these 10 active divisions: If you were to say, ''All right, Congressman. Of those 10 divisions, how many are ready to go right now?'' Five, only five because the other five divisions are called the follow-on divisions, and they have been hollowed out. They are short over 300 noncommissioned officers per brigade, over 300.

So we have got some anxiety building up between myself, and the gentleman from California (Mr. HUNTER) and others about our present force structure today.

Let me put this into real numbers for my colleagues, divisions, wings, submarines, ships. Let me put it into numbers so my colleagues can relate, for those who are not familiar with the military.

The Army has been reduced. When we say taking down the size of these divisions and those who support them, we have reduced the Army strength by 250,000 personnel. The Navy has been reduced by 200,000 personnel, the Air Force has been reduced by 150,000 personnel, and the selected reserve has been reduced 250,000 personnel. And what is also very difficult today is we are not retaining the qualified personnel, nor are we recruiting the sufficient numbers to meet current service requirements. That is very challenging to many of us.

So why is force structure so important? Why are we talking about that? Force structure is important because earlier when I mentioned the purpose of the military, it is the means to the political objectives laid out by the President with regard to our national security interests.

I am going to read from the annual report to the President and Congress signed by the Secretary of Defense William Cohen here in 1999. He lays out our military strategy. The military strategy is in sum, and says on page 17:

In sum, for the foreseeable future U.S. forces must be sufficient in size, versatility and responsiveness in order to transition from a posture of global engagement to fight and win in concert with our allies two major theater of wars that occur roughly at the same time. In this context they must also be able to defeat the initial enemy advance in two distant theaters in close succession and to fight and win in situations where chemical and biological weapons and other asymmetric approaches are employed.

That is the present national military strategy.

So earlier I used this example of if we are involved in a Gulf War scenario, and North Korea decides to do something foolish, do we have the force structure to fight and win a two-front war? The open secret and the pain that we have to deal with is we do not have the force structure to do that today.

I do not get into the strategy decisions, but I am not going to be just the critic. I want to be the constructive critic. Do my colleagues know what would be different from a Republican administration and the Democrat administration with regard to this military strategy? I would take out where it says in order to transition from a posture of global engagement. I would strike those words from the military strategy. You see, that foreign policy of the President, this engagement around the world is what strains the military force. So the President has our military force stretched so thin in so many different places around the world, that is what makes it challenging, and I am going to speak to that a little bit more here later.

Let me also refer to the difference in the dollars that are used on the defense along with the utilization of the force. You see, the world is not as stable, and this is a paradox. The world is not as stable today as it was during the standoff of the Cold War. So often we hear in this town that the Russian bear has been replaced by a thousand vipers. The enemy today is difficult to define. The force structure that we have, we have to be more mobile and more fluid as we think of how to fight and win the next war. If you plan the next war how you won the last one, you have positioned yourself for failure, so we have to be very smart about our business.

But what is clear here by this chart is there is a mismatch between funding and the use of military force. Now you can look at this force here during the Bush administration, and the dollars, and the procurement, and the funding and the readiness to utilization. Some would be quick to say: Well, look, you have got too much money and you are not using the force. I heard our own Secretary of Defense say:

''Well, what's the purpose of the military if you do not use them?''

I am not sure I can follow her logic.

The purpose of the military is to fight and win the Nation's wars and to protect our interests, not to utilize the war in every corner of the world as though we are the world's policemen. You see, that is what gets us in trouble.

When I think of the paradox, it is almost those who say the B–2 bomber, and this is before the Kosovo incident, never dropped a bomb. That is a good thing, my colleagues. If the military never has to fire a shot, that is a good thing. When we are the finest, the best, the most well equipped military in the world, who wants to take us on? Our enemies are not cooperative. They take us on when we are vulnerable, and we are getting vulnerable.

Look at this one right here. From 1993 to 1999, we have reduced the budgets, and we have increased the utilization. So during the Bush administration the War Powers Act reporting to Congress, there were six. President Clinton's term, and AL GORE, 46 reports have been sent to Congress. That is the utilization. So not only has he taken our military force and stretched them to those 135 countries around the world, he has actually placed our military into harm's way in over 46 places around the world. Over utilization.

So what is happening to the force? The wear and tear on our forces, it is showing. It is showing, and the gentleman from California (Mr. HUNTER) is going to talk about that coming up.

Let me go to this chart for just a second. When I talked about the utilization all around the country, Mr. Speaker, the President has a foreign policy of engagement. Engagement. And he uses our military as though they are diplomats, and military-to-military contacts and everything all around the world. But let us talk about some of the larger ones.

North Korea, we have 40,000 troops.

Bosnia, we have the 10,000.

In Iraq we have 20,200 aircraft, 1 carrier battle group.

Kosovo, 30,000 troops, 800 aircraft, one carrier battle group.

But we have got troops all over the place from Haiti, Honduras, Cuba, Iceland, Portugal, Spain, Netherlands, Panama, El Salvador, Nicaragua, Colombia, Argentina, Egypt, India, Israel, Kenya, Tanzania, Diego Garcia, Russia, Kazakhstan, Japan, Australia, China, Singapore, Thailand. The list goes on, and on, and on. So, we have taken our military force, we have cut down the structure, and we have spread them all around the world, but you see the President in their force structure says we can transition from spreading our forces all around the world, and then all of a sudden we can bring them together and we can fight and win in two near simultaneous major regional conflicts, and, oh, by the way, if we happen to get bogged down in Kosovo, do not worry, we can win.

No, this is very uncomfortable, Mr. Speaker, very, very uncomfortable.

As chairman of the Subcommittee on Military Personnel, I have conducted numerous hearings on the growing problems facing our service men and women. Although pay and benefits is important, there are other equally important issues stressing the force, quality of life issues, health care, lack of spare parts, lack of adequate training time, the aging of equipment, the high depreciation rates on our equipment, increased operational tempo, longer working hours and the family separation, reusing and reusing the same people. Asking them to do more with less is not a strategy for success.

Do not take my word for it, Mr. Speaker. Let me read some excerpts from a letter I received from a young Navy lieutenant:

Honor, courage and commitment are words that are often used in jest. What they should say is honor the sailor, respect the job and the sacrifices that he endures. Have the courage to give those who risk their life every day in the defense of our country and democracy the proper equipment to do their job. Make the commitment to the basic human needs that every human being, even sailors, need for themselves and their families. We need to provide the fleet with all the tools to maintain our assets. Just-in-time manning and ramping up for deployment is ludicrous. People and assets need to be in position and on board to benefit the rigors of the training cycle. Sailors need to be properly trained. They need to have the proper support, equipment to test the systems, be it on a ship or on an aircraft. They need publications that are up to date. They need various hand and automated tools to adequately perform the maintenance and maintain the equipment. I do not know what the fix is, and I do not know all the answers, but I will tell you I have never seen the Navy in such a sad state of affairs. I love this business and have always believed that there is honor in my chosen profession. Every cut back has a cost. In this case I think we cut too deep.

This Navy lieutenant said it in words for which I could not replace. So what have we done? We increased those missions dramatically, we have stressed the force, and this sailor is sending a basic message to the gentleman from California (Mr. HUNTER), and myself, and the gentleman from Virginia (Mr. BATEMAN), and the gentleman from Colorado (Mr. HEFLEY) and the gentleman from Pennsylvania (Mr. WELDON) who chair subcommittees in the Committee on Armed Services that we need to take care of the force as much as we can, and that is the purpose of our supplemental. We have asked for some billions of dollars over and above the President's mark, spending mark, and what we are trying to do is to fund this national military strategy.

This is no attempt by the gentleman from California (Mr. HUNTER) and myself or others to front load some Kosovo war or anything else. We recognize that there are stresses in the force.

The gentleman from Pennsylvania (Mr. WELDON) tells a story about some F–16s in the Pennsylvania National Guard that did not have GPS, the global positioning system in the F–16s when they were deployed to Iraq in operation Provide Comfort. So what did the pilots do? They went to Radio Shack, bought it, strapped it onto their legs.

When one is flying an aircraft at high altitude over the desert, there is not much to navigate off of, and one has to have that GPS system. I feel awful, America, that we are not even doing the modernization of our force and pilots are actually going to Radio Shack to modernize their own fighter aircraft.

□ 2200

That is sad.

Let me move now to a quote from Admiral Jay Johnson. He said, we have approximately 18,000 gap billets in the fleet. What does that mean, Mr. Speaker? That means in the Navy today we are 18,000 sailors short.

Navy ships are being deployed at 10 to 20 percent under their strength. What does that mean? That means that when an aircraft carrier or a cruiser, when they leave harbor, they are leaving about 80 percent strength. So when they are deployed at sea and they end up with injuries, a workplace injury, a back or sick call, there are no replacements. They do not send replacements out to sea. Everybody has to then carry the load.

So instead of now working in the boiler room where maybe 10 people are assigned they now have seven. Two people get hurt, five now have to pick up the load. Instead of working 10 hours, they are now working 14 hours. That is what is happening to our force, and it is very, very difficult.

Let me mention Kosovo for a second. Here is something that is also very, very concerning to us. The current Kosovo mission has forced the United States to divert planes from their patrols over Iraq in order to support the ongoing campaign.

This quote here, in the New York Times, in early April, the Navy shifted its only aircraft carrier in the western Pacific and its 75 combat jets out of the region indefinitely to help wage war in the Yugoslavia campaign.

If we have taken our only carrier now out of that region of the world to support this so-called humanitarian war, how can we satisfy the national military strategy? We cannot. We cannot.

The second quote is, the Pentagon briefly suspended enforcement of the no-fly zone over northern Iraq when fighter bombers and radar-jamming planes were dispatched to the air war in Serbia.

Mr. Speaker, if we are having difficulty here at the moment maintaining the front against the forces in North Korea on the peninsula, maintaining the no-fly zone requirements in Iraq, and we have this war now in Kosovo and we cannot even mix and match, that is a very strong signal to us that we have to take corrective action, and it is immediate.

If all we do is fund what the President's request is, all we do is fund the bullet for bullet which they are firing, shame on us. We have to step forward, bite the bullet, that the gentleman from California (Mr. HUNTER) is going to talk about, and do much more than that and go beyond.

I yield to the gentleman from San Diego, California (Mr. HUNTER), a highly decorated Vietnam veteran and well respected in this House, the chairman of the Subcommittee on Military Procurement.

Mr. HUNTER. Mr. Speaker, I thank my good friend, the gentleman from Indiana (Mr. BUYER), for yielding me this time and for making such a superb presentation on the inadequacies of military funding that exist right now.

I have to protest that I did nothing special in Vietnam. I simply showed up, but I did serve with a lot of great people. I want to commend my friend for his participation in Desert Storm.

I think a good point here that the gentleman made very strongly is the fact that, while the military has shrunk by almost 50 percent, and most people do not realize that but some people realize that, they realize it is smaller, the natural tendency is to feel that since it is 50 percent of the original size it has been cut back so dramatically, over 200,000 people in the Navy and 200,000 people in the Army and so on, the team that is left has to be well paid, well armed and well trained.

One would think, boy, the residual people that we have there after we pared it down from this huge military that we had, a lot of people think we had in 1990, 1991, this military has to really be just in great shape, with lots of new equipment and ready to go.

The tragedy is, we have cut the military almost in half; and the half that we have left is not well paid, number one. The gentleman has really done wonders working as chairman of the Subcommittee on Military Personnel, and he has been pushing hard to get compensation, and we know that the average military personnel today are making about 13.5 percent less than their civilian counterparts. That means if someone is an electronics technician in the Navy, they are making about 13.5 percent less on the average than the guy who is working for a private company out in industry.

The real tragedy of that is that, at the end, the bottom line is we have today about 10,000 military personnel on food stamps.

As I watched the stock market go through the roof the other day, I thought about that. Here we are in one of our most prosperous times and people are commenting on the endurance of this prosperity that we have had, the longevity of this prosperity. We have a military that is half as big as it was a few years ago, and the men and women in that military are underpaid, and 10,000 of them are on food stamps.

So, wrong, the first instinctive reaction is this must be a well-paid military since it has been cut in half. Answer, no.

Second, people must think, well, my gosh, it is half the size it was, it must be really well trained since it is pared down to this smaller force.

I think of Colonel Rosenberg, who was one of the national trainers at the National Training Command hearing that the gentleman from Virginia (Mr. BATEMAN), chairman of the Subcommittee on Military Readiness, held at Nellis Air Force base in Nevada. Colonel Rosenberg said, and I paraphrase him, he said, it is a real tragedy that this military that we built out of the ashes of the Vietnam War, that won so overwhelmingly in Desert Storm, is being destroyed before our very eyes.

When we asked for particulars from Colonel Rosenberg and others who were testifying there, these are the trainers at the National Training Center, it is kind of like the military college where the infantry goes and the armor goes and the artillery units go to get their upper level training. Once they have graduated from high school, so to speak, they go to this military college, which really is a big training ground out in the desert in the West, and they have to perform against a mock enemy, and they are given points.

The trainers said, among other things, the troops that we get often do not know anything about maneuver with armor. They do not know anything about the basics of calling in artillery fire. They do not know how to handle many, many procedures that have to be handled on the battlefield. In other words, this is like getting people in their first year in college and one realizes that they never should have graduated from the 11th and 12th grades in high school and one feels like they have to send them back for a refresher course.

We have fine young people in the military. So why are not they getting the training that is necessary, at least to get them into the upper training level? Well, the answer is, those dozens of deployments that the gentleman just talked about, that the gentleman from Indiana (Mr. BUYER) just talked about, where the President has pulled people out of school, and a lot of these military schools are very technical, they have to sit there in a classroom and really learn to know their job, but these people are pulled out of their schools before they can finish it. They are kept from going to their schools.

It is like a kid who is in high school. He is supposed to get good grades his last year in high school. His dad has a farm, and his dad pulls him out of class 3 days out of 5 in the week, so he is only going to class about half the time he should have gone to class in his senior year, and all of a sudden he figures out he is not ready for college.

That is what this President has done with this downsized military. He has stretched it all over the world.

The average person will say, wait a minute. Those people that are in Bosnia, that is training. Well, it may train them for deployment, but it does not train them with the simulators. It does not train them with the test ranges that we have. It does not train them with the classroom work that they need.

So the second fallacy most people believe is that this smaller force is well trained, and it is not.

One last example, talking to the Marines, we talk about the V–STOL aircraft that goes straight up off the ground, the jet aircraft, that the Marines use, instead of going down a runway and lift off; very, very difficult aircraft to fly. When one asks the Marines, how many hours do these pilots really need to maintain proficiency in this very difficult aircraft, they will always say, over 20, 22, 24 hours a month. They have to have that to maintain proficiency.

What are they getting? They are getting about 12. They are getting about 12, because there is no money for training. That is just one of the many, many examples of inadequate training.

So that second fallacy that these people are well trained is, in fact, a fallacy.

Lastly, one would think, my gosh, if we have an Army that is 10 divisions today instead of 18 divisions, we have a Marine Corps that has been cut back, we have a Navy that has been cut back, and I noticed the gentleman from Indiana (Mr. BUYER) is more precise than I am, we had 546 ships when we started, when we did Desert Storm. When we made up our chart last year, we had 346. When I gave my last briefing, it was 325. Now it is down to 315. We are dropping like a rock.

One would think when this Navy has been compressed to such a small fleet those ships that are there must be bristling with armaments. Wrong. It is not well armed. The reason is, we have starved our ammunition accounts. If anything qualifies, if we are talking about this emergency supplemental, and I hope every single Member of Congress, Democrat, Republican, liberal, conservative, I hope we all vote for it tomorrow. Because if there is anything that is an emergency, it is an inadequacy of ammunition. We have a shortage of ammunition.

One of the most important ammunitions that we have a shortage of is cruise missiles, long-range missiles, like Tomahawks, like conventional air launch cruise missiles. Because what we see today is a very complex and difficult to penetrate air defense in most of the world where we have to operate. We see that in Kosovo right now, but it is not limited to Kosovo. We are seeing the Iraqis continue to strive to build an air defense that is going to be able to take down American aircraft. They have not done it yet, but they import SAM missiles. We see that with the North Koreans.

So anyplace we go, we figured that the air defense over North Vietnam was more intense than it was over Berlin in World War II because of surface-to-air missiles. So we devised a way to allow our pilots, our neighbors who are pilots, to go out there and fly their mission, release a payload and return to their carrier deck or the tarmac of their runway without being killed.

The way we were able to do that is with cruise missiles. That is stand-off missiles. That means a B–52 does not have to fly into all that flak like they did over North Vietnam in December of 1972 when, as I recall, about 10 were shot down the first day.

The gentleman from Texas (Mr. JOHNSON) recalled sitting in his prison

cell and watching a B–52 get hit in midair by a SAM missile and just explode before his eyes.

We are flying those same B–52s today, but we have missiles on them that are launched from many miles away from the target. The cruise missile takes off, it travels like an unmanned airplane itself, and it hits a target. And, meanwhile, the pilot is hundreds of miles away from that antiaircraft fire; and he returns safely to his base. We are short on those missiles.

It does not make any sense that this country, as prosperous as we are, as devoted to human life as we are, and especially the lives of our service people, should have a shortage in cruise missiles.

I want to tell my friend, the gentleman from Indiana (Mr. BUYER), who has made just an eloquent presentation tonight, we are short on cruise missiles. We are short several billions of dollars' worth of cruise missiles.

Mr. BUYER. Mr. Speaker, let me ask the gentleman from California (Mr. HUNTER) this question: I have the sense that the military planners in the Pentagon, in order to maintain readiness levels to their comfort, they have taken money that should have gone to ammunition and they are using it to maintain present operations and they are assuming a risk, are they not?

Mr. HUNTER. That is exactly right.

Mr. BUYER. Mr. Speaker, I would like for the gentleman from California (Mr. HUNTER) to discuss that assumption of risk, how serious is it, how is it measured and what we are going to do about it in the supplemental.

Mr. HUNTER. The gentleman is exactly right. Because every time we have had one of these contingencies where the President wants to send troops, whether it is an operation that we consider justified or not, every time we have one of those operations, to fund the operations initially they take money out of the ammunition accounts. They also take money out of the spare parts accounts. That is why our mission capability rates are dropping below 70 percent on average.

□ 2215

They have dropped more than 10 percent, meaning a plane, out of 100 aircraft that take off that are built to do a particular mission, only about 70 of them now can do that mission.

So the President takes that money, or the military looks around for money, Congress is not giving them any extra money to fund an operation where the President said, you steam over here and do this mission, so they take it out of ammunition. They were going to buy that ammunition, but they will buy it next year, right, when they get the money back?

All of a sudden, they do the mission, they get a little money back, maybe in a supplemental funding bill, but they never get as much as they took out, so the ammunition accounts get lower and lower.

They say, when they appear before us, and the gentleman always asks that great question, and the gentleman from South Carolina (Mr. FLOYD SPENCE) asks that question, as well, our great chairman of the Committee on Armed Services, he says, what is going on here, Admiral? What is going on here, General? Can we win these two wars?

They say, well, we can win those wars, but we now are taking on a higher risk. When we ask them to translate what risks means, it means risk of casualties, heavy casualties. Because we cannot win a war now with overwhelming force, like Norman Schwartzkopf did in Desert Storm, where you just crush the enemy, bring all your body bags empty to the United States. There are no dead Americans to put in them, and they all come home fairly quickly.

We no longer have that overwhelming force. What we have is the ability, like two fairly evenly-matched fighters, to slug it out, taking a blow for every blow that we give. That means taking dead Americans for every casualty we inflict on the enemy. And hopefully in the end, because we have a superior industrial base and because we have a democracy with a strong economy, we overwhelm the enemy at some point, maybe the allies come in and help, and we finally win. But when we win, it is like one of those boxing matches where the sportswriter said that after looking at the faces of both of the fighters, it was hard to determine who the winner was. Instead of looking at the faces of the fighters, we are looking at body bags stretched out in front of us of dead Americans who ran out of ammunition.

Right now the Marines are $193 million short of basic ammunition, and the Marines are the 911 force. The Army is $3.5 billion short of basic ammunition.

That is not a standard that I created, and that is not a standard that the gentleman from Indiana (Mr. BUYER) created or the gentleman from South Carolina (Mr. FLOYD SPENCE) or the gentleman from Florida (Mr. BILL YOUNG), who is chairman of the Committee on Appropriations, who has done such a great job, along with the gentleman from California (Mr. JERRY LEWIS), chairman of defense appropriations, of putting this supplemental together.

We did not go out and set some standard and say, we have decided that instead of 100 million M–16 rounds, we want 200 million, that is a Republican standard. We took the President's standard. We wrote in to the services and said, how many M–16 bullets do you need to be able to fight that two-war contingency that we might have to fight? How much should we have in reserve?

They answered back. In fact, they answered back across the total line of ammunition. I have a summary of that here. In total ammunition across the board, and I have two pages here, but I will show Members just a summary page, we are $13.8 billion short, according to the President's standard. That is according to President Clinton's own standard of how much ammunition we need.

So when the President says, I do not want you adding extra things to this defense bill, he means that he does not want to give the full load of ammunition to his troops that his own clerks and auditors and generals and admirals have figured out they may need in an extended battle. Somehow, ammunition is no longer a prerequisite to having a strong military.

I would say if there is anything that is an emergency it is ammunition. If I had my way, let me tell the Members, we would have a supplemental tomorrow of not $13 billion, but one that was $28.7 billion, because that is what the services told us they could use right now in ammunition and spare parts and equipment. Because we not only want to have enough ammunition for the soldiers' ammunition pouches, we also want to have planes that can take off and lift off the ground. Today, as Members know, our mission capability rates have been dropping like a rock.

Mr. BUYER. If the gentleman will yield further, Mr. Speaker, if the gentleman's concern is as great as mine that we are unwilling to assume a risk that will increase casualties in a war scenario around the world, the funding shortfall if we do not do even a piece of that in the emergency supplemental, I would say to the gentleman from California (Mr. HUNTER), would we not have to wait then until the 2000 budget cycle, which means that the ammunition and the missiles which we are requesting may not even get to the force until about 18 months from now?

Mr. HUNTER. The gentleman is exactly right. In fact, we will have to wait for next year's funding, so we will have to wait at least 4 or 5 months before we can even enact the bill and have next year's funding levels start. That means having the Pentagon ready to start making contracts.

And then most of these ammo lines, some of them are closed, so most of these ammo lines will have to be reassembled, the assembly lines. By the time the soldier actually gets the bullets in the field or the airplanes get the cruise missiles or the Navy gets its particular missiles, 18 to 24 months can go by.

Do Members know what is interesting, some of the administration people have argued, well, we cannot execute this contract in the next 12

months, so we do not think we should do it now. They are saying, it takes a long time to get ammunition, so let us not start now.

Well, when do they want to start? Do they want to start when we have a conflict and we discover that we are out, we are empty? And I think our enemies should make no mistake about it, we still have an enormous nuclear arsenal, but I do not think anybody in this Chamber wants to rely on a nuclear arsenal as a deterrent.

In 1950 we did. One of the arguments for drawing down the force, we had 9 million people under arms in World War II. We just stacked arms. We got out of the military so fast and drew those units down so fast, because Americans wanted to come home and have babies and work on their farms and get jobs and enjoy the prosperity of America. We stacked arms.

General Marshall was asked, how is the demobilization going, in 1948? He says, this isn't a demobilization, it is a rout. We are just throwing our guns away. A few years later the Koreans marched down the Korean peninsula, a third-rate military, and almost pushed us into the ocean past the Pusan perimeter.

We were pretty sure that the Chinese would not mess with us. In fact, we didn't think anybody would mess with us because we had nuclear weapons. In fact, in those days we had the only nuclear weapons.

One reason that we allowed our forces to get so small, and incidentally, the Army was 10 divisions, just like it is today, we had drawn it down that small, but we figured that nobody would mess with us because we had nuclear weapons. We had this high technology that everybody was afraid of.

All of a sudden we discovered this third-rate military pushing our people down the Korean Peninsula. They overwhelmed the 25th infantry division, captured the commanding general, William Dean, our bazookas bounced off the T–64 Soviet tanks, because they had not stood still, they had continued to make and develop their weapons systems, and we lost a lot of people.

In my cousin's home in Fort Worth, Texas, we have a picture of my second cousin, Son Stillwell. Son was a Second Lieutenant in the U.S. Marine Corps, First Lieutenant in the U.S. Marine Corps who died in Korea. Lots of us in America have pictures on our mantles of people who lost their lives in wars which we were not prepared to fight.

Probably nobody today knows or can remember what social program took priority over a strong military in 1950, when so many of us lost relatives in the Korean War. But everybody that looks at those pictures on their mantles remembers who they lost.

I would say that our number one obligation as Members of the U.S. Congress to our people, and we do lots of things for people that the Constitution never mandated, we know that, and we all participate in it. But our number one obligation is to defend our people.

We have allowed the military to be bled down so low that we can no longer look our constituents in the eye and say, we can defend you and we have a real good chance of your youngsters coming home alive.

Mr. BUYER. If the gentleman will continue to yield, Mr. Speaker, I have heard some comment by Members that some of the emergency supplemental funding will actually be coming out of the social security trust fund. In other words, if Congress had made the pledge that every dollar of the surplus is to go to the social security trust fund, are we not really spending that social security dollar on defense?

We have also recognized that there will be funding in the surplus for payments on the national debt and a tax cut for any dollar that is over and above that allotment towards social security.

I will concur with the gentleman's comment that one of the first requirements of a government is to protect its people. I think what makes me very uncomfortable, the gentleman and I and those that serve in this body, it is easy to be the critic of the President or those in the Pentagon, but we have to become very constructive, because we are responsible.

The Constitution, does it not, I would ask the gentleman from California (Mr. HUNTER), places us with the singular responsibility to build the force and make sure that it has what it needs to meet the legitimate needs of this Nation.

So when the gentleman laid out the scenario of what happened in Korea after World War II, the gentleman almost laid out the scenario that history is about to repeat itself; that those of us, myself and the comrades who served in the Gulf War, America and the world was impressed with our high-tech military force, so much so that no one would dare take on the United States military, especially in an air-land war, and that we could move anywhere in the world we want.

So in the face of such a deterrent, we drew down the force so rapidly and so quickly that now in force structure it is there, we have people. They are not as well-equipped as we would like. They are not as well-trained. And, oh, by the way, if we have to use them, I guess we will try to use what ammo we can, and we will never be in a two-war scenario, anyway. We hear that rhetoric around the town.

But I would say to the gentleman from California (Mr. HUNTER), if we do this plus-up in this emergency supplemental, would the gentleman agree that we can immediately open up these lines for the missiles and begin replacing a lot of the needs?

Mr. HUNTER. Yes. Mr. Speaker, to answer the gentleman from Indiana (Mr. BUYER), and he has made such an eloquent presentation and made a great case for increasing our national defense funding, if we do in fact come up with this money, one thing we can do is go to the vendors.

If we have an ammunition line or a spare parts line or a missile line, you may have 25 or 30 major suppliers, companies that used to make little parts for that particular unit. You have to go get them and say, hey, you have to go back into business, because we are low on ammo and we need to get this ammo turned out quickly.

We can work with them, with a partnership of business and government. We can get in there and accelerate those lines and get them up and get producing. I think we can start turning out, for example, cruise missiles and other things a lot faster than the Pentagon thinks we can. I think when the Americans really want to do something, they can do it.

With respect to the senior citizens and their concern about social security, my feeling is, I have no qualms about using this money for an emergency. Lack of ammunition is an emergency. The generation that saved Private Ryan is going to want to help save this country. I am reminded that without national security, there is no social security.

With respect to the other programs, the tax cuts and social programs, whether you are a liberal who loves social programs and thinks tax cuts are terrible, or you are a conservative like myself who thinks that tax cuts increase the economy and increase jobs, no matter where your position is on the political spectrum, we should all agree that ammunition comes first. Let us have ammunition before we have tax cuts and before we have social programs. I do not think anybody would disagree with that.

Mr. BUYER. If the gentleman will continue to yield, Mr. Speaker, I want to ask this question, but I am going to lay out a statement first.

If we do not have access to some of our high tech munitions such as laser-guided munitions, where an aircraft can stay miles up and drop a laser-guided munition through the front door of a target, I have heard comments, the hall comments, that we have all types of dumb bomb munitions that we could access.

But if we are to play into this, that we have so much dumb bomb munitions, are we not asking our pilots, who could stay miles above, to assume a risk? Because in order to drop that dumb bomb, they are going to have to come down into radar coverage, pick up the sight of their target, and immediately pull out. So those who are advocating, well, let us just drop dumb bombs, we will assume risks.

□ 2230

It is stunning for me how some people in this body are willing to let soldiers and sailors, airmen and Marines, pilots assume risks and not adequately equip them. Does the gentleman have a comment?

Mr. HUNTER. I would say there is no sight more gratifying I think to the member of a military family, to a spouse and the kids, than to have their dad get off of that airplane or get off of that ship in the good old United States and welcome them with open arms to come home.

Bringing our pilots home is very important to us. And the thing that allows them to come home alive is for them to be able to keep their plane a hundred miles from the target, launch a standoff weapon that can go in and hit the target while they stay out of range of those surface-to-air missiles. And I think one of the greatest agonies that we ever endure is when we have POWs and when we see what happens to some of them. And we have listened their stories when they come home. We have had some great ones on both sides of the aisle, Democrats and Republicans.

Smart weapons, standoff weapons, cruise missiles save lives. It is an absolute disservice to our uniformed people to not give them the very best. They deserve the very best. They are not getting adequate pay right now. We all know that. They are 13 percent below the domestic sector. We are trying to ramp that up. I know the gentleman is leading that charge and he is going to get some fruition to his efforts. That is one reason why the gentleman from California (Chairman LEWIS) and the gentleman from Florida (Chairman YOUNG) and the other members of the Subcommittee on Defense and the full Committee on Appropriations sat down and added ammunition to this supplemental, they added a lot of smart weapons.

Mr. Speaker, I am going to offer an amendment that I hope is approved by the Committee on Rules that allows us to restart the Tomahawk missile lines, because I think we have got to have a lot of Tomahawk missiles because we cannot tell how fast we are going to have to use them. And I think we should build at least as many as President Clinton's own analysis say we need for the two-war requirement.

But to answer the gentleman's question, standoff weapons mean that Air Force families get to see their daddy. And having to fly over a target and drop a gravity bomb on that target with all that anti-aircraft fire and all of those very sophisticated surface-to-air missiles shooting back means that we of going to have dead pilots and we are going to have prisoners of war.

Mr. BUYER. As the Chairman of the Subcommittee on Military Procurement, I would like for the gentleman to comment on some other questions that Members are asking and some of their comments that increasing this billions of dollars over and above the President's number, that we are putting in things that the Pentagon did not ask for and that it is pork laden. So I ask the gentleman to comment on that, because I know the numbers that I put together for the Guard and Reserve, I spoke to each of the chiefs of each of services for their go-to-war requirements. Period. Operational. I yield to the gentleman.

Mr. HUNTER. Let me answer the gentleman. I can tell the gentleman that I sent over a request to the services to tell us exactly what they need. I did not ask any contractors what they wanted to sell. And I did not ask any congressmen what they wanted to get for their district.

I think most of the congressmen that I have talked to just want to get what is right for America. They realize we have got to refill the ammunition coffers. This list, it represents a direct response from the services with respect to how much they have right now in terms of cruise missiles and all the other things that we need and how much the President's own analysis says we need and what the shortages are.

So they sent over the shortages. We did not get them from anybody else. We did not set any new standards to try to embarrass the President. We just used his standards. That is what this is.

Incidentally, the cruise missiles I am sorry to say, they used to be built in San Diego in my district. Well, about 10 years they moved out and they are now built in Arizona across the Colorado River, and so Arizonans have jobs building cruise missiles. I do not care. I do not care if they are built in the northeast, the Midwest, wherever. They save pilots' lives. I would like to have them come back to San Diego some day, but I do not think that is going to happen. But I think all Americans just want to see ammunition right now.

Mr. BUYER. Will the gentleman yield? The large request that I put in was in excess of $800 million. My district: Agricultural. A lot of corn, soybeans, wheat, a lot of pork, cattle, chickens, duck production, automobiles. I do not have the big defense contractors. So those who want to say that it is pork laden, I do not sell any of my hogs, none of my hogs out of Indiana for this bill.

Mr. HUNTER. Mr. Speaker, let me say to the gentleman who put together this Guard and Reserve package and does it for the Armed Services Committee, the gentleman has always acted with total integrity and has always met the needs of the services. Unfortunately, we have always had to cut what the services need, cut the supply of resources that we are going to give those shortages by about 50 percent. There are lots of things that the Guard and Reserve need right now on their equipment and in their training and in their ammunition and spare parts to be able to go off and serve in a foreign theater.

Mr. BUYER. One of the examples the Chief of the Army Reserve put on the list, he requested fire trucks. It would be very easy for someone who does not know anything about the military to look at the list of equipment necessities under the emergency supplemental and say why are we funding fire trucks?

The answer is very simple. The Army Reserve has the ground support mission for the Apaches that were sent over to Albania and the present fire trucks from the Army reserves are utilized in Bosnia and they need to have the fire trucks.

Mr. HUNTER. People need to know when an aircraft comes in on fire, and this is one thing I learned in San Diego watching our Federal firefighters who handle the jets out there, they have to have incredible training and great equipment to be able to put out those fires on the aircraft and save lives. So they have to carry a contingent of firefighters with them.

Mr. BUYER. Mr. Speaker, if the gentleman would yield?, he will be happy to have yielded to me because I am going to extend a great compliment to the gentleman. I have been impressed with the gentleman's chairmanship over the years. With his focus on operational requirements, getting to the services what they need to fight and win the Nation's wars.

I want to compliment the gentleman as one of the strongest advocates to make sure that our ammunition bins are filled. Because I can say that, yes, we all share the responsibility on procurement, but it is singular with the gentleman from San Diego in this body because we have to turn to him as Chairman of the Subcommittee on Military Procurement to tell us what those needs and requirements are. And, actually, we yield to the gentleman's integrity that he will make those proper decisions. That is not just us; America yields to him. America out there whose sons and daughters may be in Korea right now, part of the 37,000 that are right now on the line in Korea or in a ship or in Okinawa or maybe they are in Iraq right now or wherever they are in the world to face a threat they have to be able to sleep in comfort that the gentleman from California has made sure that their son or daughter can access just in time to get that ammunition. And that is why I compliment the gentleman.

Mr. HUNTER. Mr. Speaker, I say to my friend, I thank him for that compliment. When I see the gentleman

from Indiana up there in the Committee on Armed Services, I see a soldier who has a great integrity and devotion to his country and to his people that he serves with and to the people that are still serving. The gentleman has done a wonderful job.

What I think is a great tragedy is that I do not think we are fulfilling our obligation. I do not think we as a body are fulfilling it. And if we get to a point where we have our Marines and soldiers or sailors or airmen coming up short of ammunition, short of spare parts and more of them die on the battlefield because of that, then we will have failed them.

So I hope that every Member votes for this supplemental appropriation tomorrow and I hope they vote for the amendments. And it is going to be in two days. I hope they vote for the amendments that increase the ammunition supply. Even if we vote for those, we are still going to be about $12 billion short of basic ammunition. So we are not taking care of the problem, but we are taking care of part of the problem.

I really thank the gentleman for his hard work. And maybe the gentleman could share with us his ideas too about how we are going to finally close this pay gap over the next several months and years.

Mr. BUYER. Well, I will close this tonight and reclaim my time that on May 13 we will mark up the Subcommittee on Military Personnel's Chairman's mark and we are going to address the increase in military pay. We are going to change the pay tables to increase retention. We are concerned about the retention not only at the mid-level officer and NCO, but also the retention of general officer strength. They are leaving for other jobs and that is not healthy.

We are going to reform the retirement system. We are looking at creating a Thrift Savings Plan for the military. Part of this emergency supplemental, about $1.8 billion, is for the funding of the pay package, subject to the authorization that we come up with. So we are going to address the pay differential and we are going to take a very serious look at a lot of other things.

I did not totally concur with the Senate's package, S. 4. It became a huge Christmas tree and everybody wanted to throw their arms around the soldier. But the problems are much greater. It is the quality of life issues. It is the housing issues. It is the readiness. It is the lack of spare parts. It is a large issue. So we are going to make sure that we try to address it by the breadth and we are going to be smart about our business.

Let me close with this one story that has always moved me, and I think it will go to the heart of the spirit of why the gentleman from California and others work so very, very hard on these issues. I think of the World War II veteran. It is the World War II veteran I believe is a generation that changed the world and left freedom in their footsteps.

Mr. Speaker, I will conclude by saying that they understand the total sacrifice and they have taught a generation what freedom means. The gentleman's example on Korea here tells us let us do not relive history. Let us accept the responsibility. This is not an emergency supplemental for Kosovo; this is funding our national military strategy and it must be done.

## NATIONAL TEACHERS DAY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from New Jersey (Mr. HOLT) is recognized for 60 minutes.

Mr. HOLT. Mr. Speaker, it is a pleasure on behalf of my colleagues today to recognize National Teachers Day and National Teacher Appreciation Week. We know the old bumper sticker that reads, ''If you can read this, thank a teacher.'' Well, tonight I would like to thank teachers.

The gentleman from New Jersey (Mr. MENENDEZ) organized this special order, but was unable to be here tonight because he had to attend a funeral. But on his behalf and my colleagues', I would like to talk a bit about teachers.

According to the National PTA, the origins of National Teachers Day are somewhat unclear but it is known that Arkansas teacher, Mrs. Mattie White Woodridge began corresponding with political and educational leaders around 1944 about the need for a national day honoring teachers.

One of the people Mrs. Woodridge wrote to was Eleanor Roosevelt who persuaded the 81st Congress to proclaim a National Teacher Day in 1953.

In the late 1970s, the National Education Association as well as many of its local affiliates persuaded Congress to create a national day celebrating the contributions of teachers and such a day was established in 1980. In 1985, the NEA and the National PTA established a full week of May as National Teacher Appreciation Week, and to make the Tuesday of that week National Teacher Appreciation Day.

It is only right that we take a moment to honor the dedication, hard work, and importance of teachers in our society. As a teacher myself, I know that teaching is a hard and sometimes unrecognized job. But of all the important jobs in our society, nothing makes more of an impact on our children than a well-trained, caring and dedicated teacher. No job ultimately is more important to our society.

Each of us has had teachers who have made marks on our lives who have pushed us to achieve more and challenged us to excel. While these teachers may not command the celebrity of a sports star, they continue to work every day often under difficult circumstances to guide our children to a better future.

We here in Congress, on both sides of the aisle, continue to debate ways to improve our public schools and to boost the educational achievement of our young people. Experts have suggested all kinds of ways to strengthen our education system. But as we talk about these programs and policies, we may forget that one of the best ways to improve our education system is to show respect and support for our teachers.

Teachers across our Nation are doing an outstanding job. As I have traveled around my central New Jersey district, I have met hundreds of teachers who are working hard every day to prepare students to succeed in this economy and it is not often easy.

□ 2245

Compared with many professionals, teachers are underpaid and overworked. The Education Testing Service pointed out in a recent report that despite the importance of the work they do, teachers still earn less in median weekly wages than doctors, lawyers, accountants, public relations professionals and even many service workers.

Studies consistently show that teachers earn less than other professionals with similar educational requirements, and that is just not right. As long as this country continues to pay teachers less than it pays others, we will not get all we need. In the next decade we Americans must hire two million new teachers to fill vacancies and to keep up with student school growth, and we need the best people.

Teachers often perform miracles in the classrooms, which too many of us take for granted. We forget many times teachers are called on to undertake other tasks in addition to teaching. Teachers today often have to enforce discipline and guide troubled children to the help they need. Our Nation can improve its education system by showing respect for teachers and by letting them know how much we value their work. All of us should take time to thank our teachers.

Later this week, when I return home to New Jersey, I will visit a teacher at West Windsor Plainsboro School on Friday morning, the first morning I am back, and I will teach a class in physics. But we need to do more than simply reflect on teachers' contributions and drop in occasionally. We need to undertake policies that will make their jobs easier. We need to work together to find ways to support teachers, to help them continue to grow professionally, to help our school districts hire more qualified teachers, to help

our school districts modernize and update their classrooms with technology. That is how we thank our teachers. That is how we show respect for our teachers. That is how we show respect for our children.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. CARSON (at the request of Mr. GEPHARDT) for today on account of personal business.

Mr. LUCAS of Oklahoma (at the request of Mr. ARMEY) for today on account of inspecting tornado damage in Oklahoma.

Mr. TIAHRT (at the request of Mr. ARMEY) for today on account of inspecting tornado damage in Kansas.

Mr. WATTS of Oklahoma (at the request of Mr. ARMEY) for today and May 5 on account of inspecting tornado damage in Oklahoma.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FALEOMAVAEGA) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI, for 5 minutes, today.

Mr. BAIRD, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. BLUMENAUER, for 5 minutes, today.

Mr. SMITH of Washington, for 5 minutes, today.

Ms. HOOLEY of Oregon, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mr. ALLEN, for 5 minutes, today.

Mr. KUCINICH, for 5 minutes, today.

Mrs. MALONEY of New York, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. ABERCROMBIE, for 5 minutes, today.

Ms. BROWN of Florida, for 5 minutes, today.

Mr. SANDERS, for 5 minutes, today.

(The following Members (at the request of Mr. THUNE) to revise and extend their remarks and include extraneous material:)

Mr. MORAN of Kansas, for 5 minutes each day, today and on May 5th.

Mr. DEMINT, for 5 minutes, on May 5th.

Mr. HILL of Montana, for 5 minutes, on May 5th.

Mr. SCHAFFER, for 5 minutes, on May 5th.

Mr. BATEMAN, for 5 minutes, today.

Mr. BURTON OF Indiana, for 5 minutes, on May 11th.

Mr. GUTKNECHT, for 5 minutes, today.

Mr. JONES of North Carolina, for 5 minutes, on May 5th.

Mr. DUNCAN, for 5 minutes, today.

Mr. BRADY of Texas, for 5 minutes, on May 5th.

Mr. WELDON of Pennsylvania, for 5 minutes, today.

Mr. SHERWOOD, for 5 minutes, today.

Mr. GIBBONS, for 5 minutes, today.

Mr. SAXTON, for 5 minutes, today.

Mr. THUNE, for 5 minutes, today.

## ADJOURNMENT

Mr. HOLT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 47 minutes p.m.), the House adjourned until tomorrow, Wednesday, May 5, 1999, at 10 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1822. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Dimethomorph; Extension of Tolerance for Emergency Exemptions [OPP–300842; FRL–6075–2] (RIN: 2070–AB78) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1823. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Oxyfluorfen; Extension of Tolerance for Emergency Exemptions [OPP–300834; FRL–6073–4] (RIN: 2070–AB78) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1824. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [Docket No. FEMA–7268] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1825. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Final Flood Elevation Determinations—received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1826. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Final Flood Elevation Determinations—received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1827. A letter from the General Counsel, Federal Emergency Management Agency, transmitting the Agency's final rule—Changes in Flood Elevation Determinations [Docket No. FEMA–7277] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1828. A letter from the Assistant Secretary, Office of Postsecondary Education, Department of Education, transmitting the Department's final rule—Gaining Early Awareness and Readiness for Undergraduate Programs (RIN: 1840–AC59) received April 23, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1829. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Authorization to Implement Section 111 and 112 Standards; State of Connecticut [A–1–FRL–6325–3] received April 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1830. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; Approval of VOC RACT Determinations for Individual Sources [PA129–4083a; FRL–6323–6] received April 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1831. A letter from the General Counsel, Information Agency, transmitting the Agency's final rule—Exchange Visitor Program—received April 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

1832. A letter from the General Counsel, Information Agency, transmitting the Agency's final rule—Exchange Visitor Program—received April 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

1833. A letter from the Director, Federal Emergency Management Agency, transmitting notification that funding under title V of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, will exceed $5 million for the response to the emergency declared on January 15, 1999, as a result of the record/near record snow which severely impacted the State of Indiana from January 1, 1999, through and including January 15, 1999, pursuant to 42 U.S.C. 5193; to the Committee on Transportation and Infrastructure.

1834. A letter from the Director, Federal Emergency Management Agency, transmitting notification that funding under title V of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, will exceed $5 million for the response to the emergency declared on January 8, 1999, as a result of the record/near record snow which severely impacted the State of Illinois from January 1, 1999, through and including January 15, 1999, pursuant to 42 U.S.C. 5193; to the Committee on Transportation and Infrastructure.

1835. A letter from the Director, Federal Emergency Management Agency, transmitting notification that funding under title V of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, will exceed $5 million for the response to the emergency declared on January 27, 1999, as a result of the record/near record snow which severely impacted the State of Michigan from January 2, 1999, through and including January 15, 1999, pursuant to 42 U.S.C. 5193; to the Committee on Transportation and Infrastructure.

1836. A letter from the Program Support Specialist, Aircraft Certification Service, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bell Helicopter Textron Canada Model 407 Helicopters [Docket No. 99–SW–16–AD; Amendment 39–11111; AD 99–06–15] (RIN: 2120–AA64) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1837. A letter from the Program Support Specialist, Aircraft Certification Service,

Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747 Series Airplanes [Docket No. 98–NM–163–AD; Amendment 39–11106; AD 99–08–02] (RIN: 2120–AA64) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1838. A letter from the Program Support Specialist, Aircraft Certification Service, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747 Series Airplanes [Docket No. 97–NM–326–AD; Amendment 39–11105; AD 99–08–01] (RIN: 2120–AA64) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1839. A letter from the Program Support Specialist, Aircraft Certification Service, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bombardier Model DHC–8–100, -200, and -300 Series Airplanes [Docket No. 97–NM–04–AD; Amendment 39–11109; AD 99–08–04] (RIN: 2120–AA64) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1840. A letter from the Program Support Specialist, Aircraft Certification Service, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Eurocopter France Model SA.3160, SA.316B, SA.316C, and SA.319B Helicopters [Docket No. 98–SW–58–AD; Amendment 39–11112; AD 99–08–06] (RIN: 2120–AA64) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1841. A letter from the Program Support Specialist, Aircraft Certification Service, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC–9 and C–9 (Military) Series Airplanes [Docket No. 98–NM–110–AD; Amendment 39–11110; AD 99–08–05] (RIN: 2120–AA64) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1842. A letter from the Program Support Specialist, Aircraft Certification Service, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC–10 and MD–11 Series Airplanes, and KC–10 (Military) Series Airplanes [Docket No. 98–NM–55–AD; Amendment 39–11072; AD 99–06–08] (RIN: 2120–AA64) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1843. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Allison Engine Company, Inc. AE 3007A and AE 3007C Series Turbofan Engines [Docket No. 99–NE–01–AD; Amendment 39–11108; AD 99–02–51] (RIN: 2120–AA64) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1844. A letter from the Secretary of Health and Human Services, transmitting Initial estimate of the applicable percentage increase in hospital inpatient payment rates for fiscal year 2000, pursuant to Public Law 101–508, section 4002(g)(1)(B) (104 Stat. 1388–36); to the Committee on Ways and Means.

1845. A letter from the Chair, Christopher Columbus Fellowship Foundation, transmitting the FY 1998 Annual Report of the Christopher Columbus Fellowship Foundation, pursuant to Public Law 102–281, section 429(b) (106 Stat. 145); jointly to the Committees on Banking and Financial Services and Science.

1846. A letter from the Director, Office of Legislative Affairs, Federal Deposit Insurance Corporation, transmitting a listing of two Federal Deposit Insurance Corporation properties covered by the Act as of September 30, 1998; jointly to the Committees on Banking and Financial Services and Resources.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Florida: Committee on Appropriations. Report on the Suballocation of Budget Allocations for Fiscal Year 1999 (Rept. 106–124). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Florida: Committee on Appropriations. H.R. 1664. A bill making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes (Rept. 106–125). Referred to the Committee of the Whole House on the State of the Union.

Mr. SESSIONS: Committee on Rules. House Resolution 158. Resolution providing for the consideration of the bill (H.R. 833) to amend title 11 of the United States Code, and for other purposes (Rept. 106–126). Referred to the House Calendar.

## TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

*(The following action occurred on April 30, 1999)*

H.R. 434. Referral to the Committees on Ways and Means and Banking and Financial Services extended for a period ending not later than May 21, 1999.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. HYDE (for himself, Mr. CONYERS, Mr. BARR of Georgia, Mr. FRANK of Massachusetts, Mr. BACHUS, Ms. LOFGREN, Mr. SMITH of Texas, Mr. BROWN of Ohio, Mr. CLAY, Mr. CRANE, Mr. CUMMINGS, Mr. CUNNINGHAM, Mr. EWING, Mr. FARR of California, Mr. FOLEY, Mr. GILLMOR, Mr. HAYWORTH, Mr. HINCHEY, Mr. HOLDEN, Mrs. JONES of Ohio, Mr. MCDERMOTT, Mr. MANZULLO, Mr. MARTINEZ, Ms. NORTON, Ms. RIVERS, Mr. SCOTT, Mr. SHOWS, Mr. TAYLOR of North Carolina, Mr. WELDON of Pennsylvania, and Mr. YOUNG of Alaska):

H.R. 1658. A bill to provide a more just and uniform procedure for Federal civil forfeitures, and for other purposes; to the Committee on the Judiciary.

By Mr. SERRANO (for himself and Mr. HYDE):

H.R. 1659. A bill to reinforce police training and reestablish police and community relations, and to create a commission to study and report on the policies and practices that govern the training, recruitment, and oversight of police officers, and for other purposes; to the Committee on the Judiciary.

By Mr. RANGEL (for himself, Mr. GEPHARDT, Mr. BONIOR, Mr. STARK, Mr. MATSUI, Mr. COYNE, Mr. LEVIN, Mr. CARDIN, Mr. MCDERMOTT, Mr. LEWIS of Georgia, Mr. NEAL of Massachusetts, Mr. MCNULTY, Mr. JEFFERSON, Mr. BECERRA, Mrs. THURMAN, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. ALLEN, Mr. BALDACCI, Mr. BARRETT of Wisconsin, Ms. BERKLEY, Mr. BLAGOJEVICH, Mr. BLUMENAUER, Mr. BORSKI, Ms. BROWN of Florida, Mr. BROWN of California, Mr. CAPUANO, Ms. CARSON, Mrs. CHRISTENSEN, Mrs. CLAYTON, Mr. CONYERS, Mr. CROWLEY, Mr. DAVIS of Virginia, Ms. DEGETTE, Mr. DELAHUNT, Ms. DELAURO, Mr. DEUTSCH, Mr. DINGELL, Mr. DIXON, Mr. ETHERIDGE, Mr. FARR of California, Mr. FATTAH, Mr. FILNER, Mr. FRANK of Massachusetts, Mr. FROST, Mr. GEJDENSON, Mr. GORDON, Mr. HINCHEY, Mr. HINOJOSA, Ms. NORTON, Mr. INSLEE, Mr. KENNEDY of Rhode Island, Ms. KILPATRICK, Mr. KUCINICH, Mr. LAFALCE, Mr. LAMPSON, Mr. LATOURETTE, Mrs. LOWEY, Mrs. MALONEY of New York, Mr. MALONEY of Connecticut, Mr. MARTINEZ, Mr. MASCARA, Mr. MCGOVERN, Ms. MILLENDER-MCDONALD, Mr. MOAKLEY, Mr. OLVER, Mr. PAYNE, Ms. PELOSI, Mr. POMEROY, Mr. QUINN, Ms. RIVERS, Mr. ROTHMAN, Mr. RUSH, Ms. SANCHEZ, Mr. SANDERS, Mr. SANDLIN, Mr. SAWYER, Ms. SCHAKOWSKY, Mr. SHOWS, Ms. SLAUGHTER, Mr. STRICKLAND, Mr. TIERNEY, Mrs. JONES of Ohio, Mr. WAXMAN, Mr. WEINER, Mr. WEXLER, Mr. WEYGAND, Ms. WOOLSEY, and Mr. WYNN):

H.R. 1660. A bill to amend the Internal Revenue Code of 1986 to expand the incentives for the construction and renovation of public schools and to provide tax incentives for corporations to participate in cooperative agreements with public schools in distressed areas; to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MORELLA (for herself, Mr. BALDACCI, Mr. SAWYER, and Mr. HILLIARD):

H.R. 1661. A bill to amend title XXVII of the Public Health Service Act and part 7 of subtitle B of title I of the Employee Retirement Income Security Act of 1974 to establish standards for the health quality improvement of children in managed care plans and other health plans; to the Committee on Commerce, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. MCCARTHY of New York:

H.R. 1662. A bill to amend Elementary and Secondary Education Act of 1965 to provide for the inclusion of mentoring programs for novice teachers in the professional development activities of local educational agencies, and for other purposes; to the Committee on Education and the Workforce.

By Mr. CALVERT (for himself, Mr. STUMP, Mrs. BONO, Mr. BROWN of

California, Mr. LEWIS of California, Mr. PACKARD, Mr. DREIER, Mr. BOEHLERT, Mr. SAM JOHNSON of Texas, Mr. ROHRABACHER, Mr. EVANS, Mr. CUNNINGHAM, Mr. COX, Mr. HUNTER, Mr. BILBRAY, Mr. MCKEON, Mr. ROYCE, Mr. THOMAS, Mr. GARY MILLER of California, Mr. DIXON, Mr. MATSUI, Ms. LEE, Mr. RADANOVICH, Ms. ROYBAL-ALLARD, Mr. KUYKENDALL, Mr. GEORGE MILLER of California, Mr. HORN, Mr. POMBO, Mr. LANTOS, Mr. ROGAN, Mr. GALLEGLY, Mr. FILNER, Mrs. TAUSCHER, Mr. CONDIT, Ms. LOFGREN, Mr. WAXMAN, Ms. SANCHEZ, Mr. BERMAN, Mrs. CAPPS, Mr. BECERRA, Mr. MARTINEZ, Mr. SHERMAN, Ms. ESHOO, Ms. WATERS, Mr. FARR of California, Mr. THOMPSON of California, Mr. DOOLEY of California, Mr. STARK, Ms. WOOLSEY, Ms. PELOSI, Ms. MILLENDER-MCDONALD, Mr. OSE, Mr. CHAMBLISS, Mr. DOOLITTLE, Mr. BUYER, Mr. HERGER, Mr. DOYLE, Mr. ACKERMAN, Mr. CAMPBELL, Mr. SNYDER, Ms. MCKINNEY, Mr. GIBBONS, Mr. PETERSON of Minnesota, Mr. WATTS of Oklahoma, Mr. QUINN, Mr. BAKER, Mr. HANSEN, Mrs. NAPOLITANO, Mr. REYES, and Mr. UNDERWOOD):

H.R. 1663. A bill to designate as a national memorial the memorial being built at the Riverside National Cemetery in Riverside, California to honor recipients of the Medal of Honor; to the Committee on Veterans' Affairs.

By Mr. YOUNG of Florida:

H.R. 1664. A bill making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes.

By Mr. BATEMAN:

H.R. 1665. A bill to allow the National Park Service to acquire certain land for addition to the Wilderness Battlefield in Virginia, as previously authorized by law, by purchase or exchange as well as by donation; to the Committee on Resources.

By Mr. BOYD (for himself, Mr. FOLEY, Mr. DEUTSCH, Mr. WEXLER, Mr. DAVIS of Florida, Mr. DIAZ-BALART, Mrs. FOWLER, Mr. SCARBOROUGH, Mrs. MEEK of Florida, Mr. CANADY of Florida, Mrs. THURMAN, Ms. ROS-LEHTINEN, Mr. YOUNG of Florida, Mr. MCCOLLUM, Mr. GOSS, Mr. HASTINGS of Florida, Mr. BILIRAKIS, Mr. SHAW, Mr. STEARNS, Mr. MICA, Mr. WELDON of Florida, Ms. BROWN of Florida, and Mr. MILLER of Florida):

H.R. 1666. A bill to designate the facility of the United States Postal Service at 200 East Pinckney Street in Madison, Florida, as the ''Captain Colin P. Kelly, Jr. Post Office''; to the Committee on Government Reform.

By Mr. COOK (for himself and Mr. PETERSON of Minnesota):

H.R. 1667. A bill to amend title 23, United States Code, relating to vehicle weight limitations; to the Committee on Transportation and Infrastructure.

By Mr. GANSKE:

H.R. 1668. A bill to authorize the National Park Service to conduct a feasibility study for the preservation of the Loess Hills in western Iowa; to the Committee on Resources.

By Mr. GOSS:

H.R. 1669. A bill to provide that an annual pay adjustment for Members of Congress may not exceed the cost-of-living adjustment in benefits under title II of the Social Security Act for that year; to the Committee on Government Reform, and in addition to the Committee on House Administration, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HASTINGS of Florida:

H.R. 1670. A bill to establish a commission to study the culture and glorification of violence in America; to the Committee on the Judiciary.

By Mr. HOYER:

H.R. 1671. A bill to grant a Federal charter to Korean War Veterans Association, Incorporated; to the Committee on the Judiciary.

By Ms. LOFGREN:

H.R. 1672. A bill to amend title XIX of the Social Security Act to require States Medicaid plans to provide for payment for costs of medical services under individualized education programs under the Individuals with Disabilities Education Act after they exceed $3,500 in a school year; to the Committee on Commerce.

By Mr. MALONEY of Connecticut:

H.R. 1673. A bill to provide bonus funds to local educational agencies that adopt a policy to end social promotion; to the Committee on Education and the Workforce.

By Mr. GARY MILLER of California:

H.R. 1674. A bill to amend the Safe Drinking Water Act with respect to civil actions against public waters systems that are in compliance with national drinking water regulations promulgated by the Administrator of the Environmental Protection Agency; to the Committee on Commerce.

By Mrs. MINK of Hawaii:

H.R. 1675. A bill to provide for the full funding of the Pell Grant Program; to the Committee on Education and the Workforce.

By Mr. PALLONE:

H.R. 1676. A bill to amend part Q of title I of the Omnibus Crime Control and Safe Streets Act of 1965 to prevent motorist stops motivated by race or other bias; to the Committee on the Judiciary.

By Mr. SHERMAN (for himself, Ms. PELOSI, Mr. MATSUI, and Mr. BROWN of California):

H.R. 1677. A bill to restrict the sale of cigarettes in packages of less than 15 cigarettes; to the Committee on Commerce.

By Mr. SWEENEY:

H.R. 1678. A bill to amend title 49, United States Code, to require the Secretary of Transportation to initiate investigations of unfair methods of competition by major air carriers against new entrant air carriers; to the Committee on Transportation and Infrastructure.

H.R. 1679. A bill to amend title 49, United States Code, to provide assistance and slots with respect to air carrier service between high density airports and certain small and nonhub airports that have unreasonably high airfares, to improve jet aircraft service to markets that have unreasonably high airfares, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. THOMAS:

H.R. 1680. A bill to provide for the conveyance of Forest Service property in Kern County, California, in exchange for county lands suitable for inclusion in Sequoia National Forest; to the Committee on Resources.

By Ms. WATERS:

H.R. 1681. A bill to concentrate Federal resources aimed at the prosecution of drug offenses on those offenses that are major; to the Committee on the Judiciary, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. WILSON (for herself, Mr. SKEEN, Mr. FORD, and Mr. UDALL of New Mexico):

H.R. 1682. A bill to amend the Internal Revenue Code of 1986 to establish a permanent tax incentive for research and development, and for other purposes; to the Committee on Ways and Means.

By Mr. BRYANT (for himself and Mr. WICKER):

H.J. Res. 50. A joint resolution granting the consent of Congress to the Chickasaw Trail Economic Development Compact; to the Committee on the Judiciary.

By Mrs. CHENOWETH (for herself, Mr. ARMEY, Mr. DELAY, Mr. ADERHOLT, Mr. BURTON of Indiana, Mr. COBURN, Mr. CUNNINGHAM, Mr. DICKEY, Mr. DOOLITTLE, Mr. FOSSELLA, Mr. GRAHAM, Mr. HAYES, Mr. HAYWORTH, Mr. HILL of Montana, Mr. HILLEARY, Mr. HOSTETTLER, Mr. HUNTER, Mr. ISTOOK, Mr. SAM JOHNSON of Texas, Mr. LEWIS of Kentucky, Mr. MCINTOSH, Mr. METCALF, Mrs. MYRICK, Mr. NETHERCUTT, Mr. PICKERING, Mr. PITTS, Mr. RYUN of Kansas, Mr. SCHAFFER, Mr. STEARNS, Mr. TANCREDO, Mr. TAYLOR of North Carolina, and Mr. WALDEN of Oregon):

H. Con. Res. 94. Concurrent resolution recognizing the public need for reconciliation and healing, urging the United States to unite in seeking God, and recommending that the Nation's leaders call for days of prayer; to the Committee on Government Reform.

By Mr. SWEENEY:

H. Con. Res. 95. Concurrent resolution expressing the sense of Congress that State earnings limitations on retired law enforcement officers be lifted to enhance school safety; to the Committee on Education and the Workforce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. GRANGER (for herself, Mr. PITTS, Mr. WATTS of Oklahoma, Mr. DEMINT, Mr. TANCREDO, Mr. FLETCHER, Mr. METCALF, Mr. HAYWORTH, Mr. RAMSTAD, Mr. BARRETT of Nebraska, Mr. SESSIONS, Mr. NEAL of Massachusetts, Ms. HOOLEY of Oregon, Mr. ETHERIDGE, Mr. GALLEGLY, Mr. MOORE, Mrs. NORTHUP, Mr. FORBES, Mr. SMITH of Washington, Mrs. FOWLER, Mr. BACHUS, Mr. TRAFICANT, Mr. CHAMBLISS, Mr. MCINTOSH, Mr. GRAHAM, Mr. CUNNINGHAM, Mr. KILDEE, Mr. MCKEON, Mr. PHELPS, Mr. SCHAFFER, Mr. KLINK, Mr. LATOURETTE, Mr. TOOMEY, Mr. SMITH of Michigan, Mr. CALVERT, Mr. FOLEY, Mr. REYNOLDS, Mr. HORN, Mr. FROST, Mr. UDALL of New Mexico, Mr. BLUNT, and Mrs. CHRISTENSEN):

H. Res. 157. A resolution Expressing the sense of the House of Representatives in support of America's teachers; to the Committee on Education and the Workforce.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII,

Mr. FRANK of Massachusetts introduced a bill (H.R. 1683) for the relief of Paul Green; which was referred to the Committee on the Judiciary.

## ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mr. MICA.

H.R. 36: Mr. HOLT, Mr. DIXON, Ms. MILLENDER-MCDONALD, Mr. THOMPSON of Mississippi, Mr. PALLONE, and Mrs. CLAYTON.

H.R. 44: Mr. BISHOP and Mr. BAKER.

H.R. 49: Ms. KILPATRICK.

H.R. 65: Mr. BAKER and Mr. BERRY.

H.R. 111: Mr. CAMPBELL, Mr. PHELPS, Mr. BARTLETT of Maryland, and Mr. WEINER.

H.R. 116: Mr. THOMPSON of Mississippi and Mr. MURTHA.

H.R. 142: Mr. WELDON of Florida.

H.R. 165: Mr. EHLERS.

H.R. 215: Mr. ANDREWS.

H.R. 274: Mr. COOK, Mr. PITTS, Mrs. MORELLA, Mr. HOYER, Ms. SCHAKOWSKY, Ms. KAPTUR, Mr. MORAN of Virginia, and Mr. NEAL of Massachusetts.

H.R. 303: Mr. BAKER, Mr. BERRY, Mr. DAVIS of Florida, Ms. HOOLEY of Oregon, and Mr. GOODE.

H.R. 315: Mr. RANGEL, Mr. PAYNE, Mr. FALEOMAVAEGA, and Mr. BORSKI.

H.R. 325: Mr. ABERCROMBIE, Mr. MASCARA, Ms. RIVERS, and Ms. SANCHEZ.

H.R. 348: Mr. ROHRABACHER and Mr. CUNNINGHAM.

H.R. 357: Mr. INSLEE.

H.R. 382: Ms. MCKINNEY, Mr. BLAGOJEVICH, Mr. SANDLIN, and Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 383: Ms. CARSON, Mrs. MEEK of Florida, Mr. RODRIGUEZ, Mr. PASCRELL, and Mrs. CHRISTENSEN.

H.R. 390: Mr. SMITH of Washington, Mr. WELDON of Florida, Ms. WOOLSEY, Mr. STRICKLAND, Ms. VELAZQUEZ, and Mr. KOLBE.

H.R. 405: Mr. NADLER and Mr. ACKERMAN.

H.R. 415: Mr. UDALL of New Mexico.

H.R. 425: Mr. MINGE, Mr. UDALL of New Mexico, and Mr. PETERSON of Minnesota.

H.R. 430: Mr. BAIRD, Mr. SANDLIN, Mr. MURTHA, and Mr. BORSKI.

H.R. 455: Mr. UDALL of New Mexico.

H.R. 457: Mr. BAIRD and Mr. THOMPSON of Mississippi.

H.R. 486: Mrs. CUBIN, Mr. CRAMER, Mr. LUTHER, Mr. WEXLER, and Mr. PETERSON of Pennsylvania.

H.R. 488: Mr. BONIOR and Mr. GEORGE MILLER of California.

H.R. 492: Mr. BILIRAKIS.

H.R. 516: Mr. GOODLATTE.

H.R. 518: Mr. HALL of Texas.

H.R. 527: Mr. PALLONE.

H.R. 531: Mr. GILCHREST, Mr. PICKETT, Mr. SWEENEY, Mr. SOUDER, Mr. CALLAHAN, Mr. GARY MILLER of California, Mr. MOORE, and Mr. WHITFIELD.

H.R. 537: Mr. GARY MILLER of California.

H.R. 541: Mr. WATT of North Carolina.

H.R. 558: Mr. KOLBE.

H.R. 595: Ms. KAPTUR and Mrs. MINK of Hawaii.

H.R. 597: Mr. BURR of North Carolina, Mr. HILLIARD, Mr. SANDLIN, Mr. CAPUANO, Mr. BERMAN, Mr. SNYDER, and Mr. HORN.

H.R. 673: Mr. GOSS.

H.R. 700: Mr. BILBRAY and Mr. TERRY.

H.R. 725: Mr. INSLEE and Mr. GEORGE MILLER of California.

H.R. 731: Ms. WOOLSEY.

H.R. 750: Mr. WYNN.

H.R. 775: Mr. LEWIS of Kentucky and Mr. EWING.

H.R. 776: Mr. HILLIARD, Mr. HOLDEN, Mr. WISE, Mr. RAHALL, and Ms. MILLENDER-MCDONALD.

H.R. 783: Mr. CANADY of Florida, Mr. GILMAN, Mr. DUNCAN, Mr. STUMP, and Mr. ETHERIDGE.

H.R. 784: Mr. BOUCHER, Mr. MCGOVERN, Mr. ETHERIDGE, Mr. SHAW, and Mr. CAPUANO.

H.R. 827: Mr. FROST, Mr. HUTCHINSON, Mr. BERRY, and Ms. RIVERS.

H.R. 850: Mr. UDALL of Colorado and Mr. HOEFFEL.

H.R. 875: Mr. MATSUI, Mr. DAVIS of Illinois, and Mr. MEEKS of New York.

H.R. 894: Mr. PETERSON of Pennsylvania.

H.R. 902: Mrs. LOWEY, Mr. FRANK of Massachusetts, Mr. STARK, Mr. HOEFFEL, and Mr. PORTER.

H.R. 906: Mr. FRANK of Massachusetts.

H.R. 914: Mr. INSLEE.

H.R. 961: Mr. WU and Mr. CAPUANO.

H.R. 976: Ms. WATERS, Mr. GANSKE, Mr. BALDACCI, and Mrs. MALONEY of New York.

H.R. 987: Mr. SESSIONS, Mr. KOLBE, Mr. WELDON of Florida, Mr. TIAHRT, Mr. CHABOT, Mr. MICA, Mr. LEWIS of Kentucky, Mr. SOUDER, Mr. FOLEY, and Mr. RYUN of Kansas.

H.R. 996: Mr. ENGEL, Mr. HINOJOSA, Mrs. MINK of Hawaii, Mr. THOMPSON of Mississippi, and Mr. WYNN.

H.R. 997: Mr. BONIOR, Mr. PITTS, Mr. OBERSTAR, Mr. GEKAS, Mr. HOYER, Mr. BRADY of Pennsylvania, Mr. COOK, Ms. KAPTUR, and Mr. MORAN of Virginia.

H.R. 1003: Mr. GONZALEZ.

H.R. 1032: Mr. KINGSTON, Mr. PICKETT, Mr. CUNNINGHAM, Mr. WAMP, and Peterson of Pennsylvania.

H.R. 1044: Mr. SHOWS, Mrs. MINK of Hawaii, and Mr. LATHAM.

H.R. 1049: Mrs. LOWEY.

H.R. 1062: Mr. BERMAN, Mr. SABO, Mrs. JONES of Ohio, Mr. DAVIS of Illinois, Mr. MEEHAN, Mr. HOEFFEL, Mr. WAXMAN, Mr. NADLER, and Ms. ROYBAL-ALLARD.

H.R. 1082: Mr. BENTSEN and Mr. QUINN.

H.R. 1083: Mr. NETHERCUTT, Mr. NUSSLE, and Mr. WALDEN of Oregon.

H.R. 1084: Mr. GARY MILLER of California and Mr. GOODLING.

H.R. 1102: Mr. HAYWORTH, Mr. METCALF, Ms. DUNN, Mr. ENGLISH, and Mr. HOBSON.

H.R. 1108: Ms. LOFGREN, Mr. KOLBE, and Mr. BERMAN.

H.R. 1111: Mr. DEAL of Georgia, Mr. GILCHREST, Ms. MILLENDER-MCDONALD, Mr. THOMPSON of Mississippi, Mr. BAIRD, Mr. BERMAN, Mrs. CHRISTENSEN, and Ms. KILPATRICK.

H.R. 1130: Mr. LEWIS of Georgia, Mr. MEEKS of New York, Ms. KILPATRICK, and Ms. HOOLEY of Oregon.

H.R. 1130: Mr. CAPUANO, Ms. HOOLEY of Oregon, Mr. SAWYER, and Mr. UDALL of New Mexico.

H.R. 1168: Mr. COBLE, Mr. ACKERMAN, Ms. CARSON, Mrs. LOWEY, and Mr. DUNCAN.

H.R. 1173: Mr. FATTAH.

H.R. 1188: Ms. WOOLSEY, Mr. FORBES, Mr. THOMPSON of Mississippi, and Mr. WYNN.

H.R. 1219: Mr. HILL of Montana.

H.R. 1236: Ms. EDDIE BERNICE JOHNSON of Texas and Mr. WATT of North Carolina.

H.R. 1256: Mr. HALL of Texas and Mr. METCALF.

H.R. 1272: Mrs. EMERSON, Mr. ISTOOK, and Mr. PAUL.

H.R. 1283: Mr. STUMP, Mr. BALLERNGER, Mr. DOOLITTLE, Mr. BLUNT, and Mr. DOOLEY of California.

H.R. 1289: Mr. MATSUI, Mr. SERRANO, Mr. GEORGE MILLER of California, Mr. CARDIN, Mr. DAVIS of Illinois, Mr. THOMPSON of Mississippi, and Ms. ROYBAL-ALLARD.

H.R. 1298: Mr. GEORGE MILLER of California.

H.R. 1299: Mr. LATOURETTE and Mr. SHOWS.

H.R. 1300: Mr. BLUMENAUER, Mr. FORD, Mr. ENGLISH, and Mr. PASTOR.

H.R. 1301: Mr. LUCAS of Oklahoma, Mr. EWING, Mr. TIAHRT, Mr. ROEMER, Mr. ISTOOK, Mr. DOOLEY of California, Mr. PICKERING, Mr. SANDLIN, Mr. HILL of Montana, Mr. HUTCHINSON, Mr. THOMAS, Mr. BARRETT of Nebraska.

H.R. 1317: Mr. FOLEY, Mr. HAYWORTH, and Mr. SHOWS.

H.R. 1322: Mr. GOODLING and Mr. GARY MILLER of California.

H.R. 1326: Mr. MCCRERY, Mr. FROST, Mr. FORBES, Mr. GRAHAM, and Mr. GARY MILLER of California.

H.R. 1344: Mr. SHOWS.

H.R. 1349: Mr. GOODE, Mr. CUNNINGHAM, Mr. NEY, Mr. FORBES, and Mr. PETERSON of Pennsylvania.

H.R. 1350: Mr. SABO, Mr. BAIRD, Mr. ENGEL, Mr. DOOLEY of California, Mr. NADLER, Mr. PAYNE, Mr. WYNN, Mr. CAPUANO, Ms. BALDWIN, Mrs. JONES of Ohio, Mr. DAVIS of Illinois, and Mr. BROWN of Ohio.

H.R. 1354: Mr. POMEROY and Mr. THUNE.

H.R. 1355: Mr. LARSON and Mr. SAWYER.

H.R. 1357: Mr. SENSENBRENNER.

H.R. 1361: Mr. CUMMINGS and Mr. OLVER.

H.R. 1370: Mr. BARR of Georgia and Mr. KUCINICH.

H.R. 1371: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. RAHALL, and Mr. BERMAN.

H.R. 1405: Mr. BERMAN, Mr. COYNE, Mr. BOEHLERT, Mr. FROST, Ms. PRYCE of Ohio, and Mrs. THURMAN.

H.R. 1456: Mr. UDALL of New Mexico, Mr. DEAL of Georgia, Mr. POMEROY, Mr. LEWIS of Kentucky, Mr. SHOWS, Ms. JACKSON-LEE of Texas, and Mr. HILLIARD.

H.R. 1476: Mr. FARR of California and Ms. HOOLEY of Oregon.

H.R. 1485: Mr. WAXMAN and Mr. OLVER.

H.R. 1525: Mr. RAHALL and Mr. CROWLEY.

H.R. 1536: Ms. HOOLEY of Oregon.

H.R. 1538: Mr. WATTS of Oklahoma, Mr. DEMINT, Mr. PICKERING, and Mrs. MYRICK.

H.R. 1545: Mr. MATSUI, Mr. BERMAN, and Ms. KILPATRICK.

H.R. 1592: Mr. MCINNIS, Mr. SCHAFFER, Mr. TANNER, Mr. HERGER, Ms. DANNER, Mrs. EMERSON, and Mr. REYNOLDS.

H.R. 1606: Mr. FRANK of Massachusetts and Mrs. MINK of Hawaii.

H.R. 1622: Ms. PELOSI, Mr. BROWN of California, Mr. RAHALL, Mr. SMITH of New Jersey, Mr. STARK, Mr. GEORGE MILLER of California, Mr. FRANK of Massachusetts, Mr. NEAL of Massachusetts, Mr. DEUTSCH, and Mr. HINCHEY.

H.R. 1648: Mr. NEAL of Massachusetts, Ms. VELAZQUEZ, and Mr. FALEOMAVAEGA.

H.R. 1650: Mr. GUTIERREZ, Mr. HINCHEY, Mr. MATSUI, Mr. BROWN of Ohio, Mr. BOEHLERT, Mr. WEXLER, Mr. PETERSON of Minnesota, and Mr. GILMAN.

H.R. 1657: Mr. WEYGAND, Mr. INSLEE, and Mr. CONYERS.

H.J. Res. 1: Mr. ARMEY.

H.J. Res. 21: Mr. HALL of Texas.

H. Con. Res. 8: Mr. TANNER.

H. Con. Res. 30: Mr. GILLMOR, Mr. SENSENBRENNER, and Mr. HUTCHINSON.

H. Con. Res. 31: Mr. BONIOR.

H. Con. Res. 65: Mr. BERMAN, Mr. GONZALEZ, Mr. SERRANO, Mr. FROST, Mr. SMITH of Texas, Ms. LEE, Mr. PASTOR, Mr. CONYERS, Ms. SANCHEZ, Mr. REYES, and Mr. GREEN of Texas.

H. Con. Res. 74: Mr. ANDREWS, Mr. CONYERS, and Mrs. CAPPS.

H. Con. Res. 80: Mr. MCGOVERN, Mr. EVANS, Mr. CUNNINGHAM, Mr. CROWLEY, Mrs. KELLY, and Mr. ENGEL.

H. Con. Res. 84: Mr. FORBES and Mr. GARY MILLER of California.

H. Con. Res. 88: Mr. LATOURETTE, Mr. FORBES, and Mr. BACHUS.

H. Res. 41: Mr. ACKERMAN.

H. Res. 89: Mr. WATT of North Carolina and Mr. GARY MILLER of California.

H. Res. 146: Ms. RIVERS, Mr. SAXTON, Ms. ESHOO, Mr. DEFAZIO, Mr. PRICE of North Carolina, and Mr. ALLEN.

H. Res. 156: Mr. JACKSON of Illinois, Mr. RANGEL, Mr. PAYNE, Mrs. JONES of Ohio, Mr. THOMPSON of Mississippi, Ms. LEE, Mr. CLAY, Mr. FATTAH, Mr. FORD, Mrs. CHRISTENSEN, Ms. KILPATRICK, Ms. NORTON, Mr. BISHOP, Mr. DIXON, Mr. CONYERS, Ms. BROWN of Florida, Ms. CARSON, Mr. HASTINGS of Florida, Mr. JEFFERSON, Mr. MEEKS of New York, Mr. BLAGOJEVICH, Mr. RUSH, Mrs. CLAYTON, Mr. CUMMINGS, Ms. MILLENDER-MCDONALD, Ms. WATERS, Mr. TOWNS, Mr. WYNN, Mrs. NAPOLITANO, Mr. LAMPSON, Mr. HILLIARD, Mr. OWENS, Mr. DAVIS of Illinois, Mr. RODRIGUEZ, Mr. FALEOMAVAEGA, and Mr. SCOTT.

## DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 732: Ms. BROWN of Florida.

H.R. 1598: Mrs. EMERSON.

# EXTENSIONS OF REMARKS

## THE STEEL CRISIS

### HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. VISCLOSKY. Mr. Speaker, here we are, six weeks after we passed the Bipartisan Steel Recovery Act by an overwhelming margin, seven months after we called on the President to take all necessary action to end illegal steel imports, and nearly two years after the flood of illegal steel imports began to hit our markets, and still the crisis continues.

Last week, the U.S. Department of Commerce announced that steel imports rose from February to March of this year by 25 percent. During the same period imports from Japan rose 36 percent, imports from Brazil rose 54 percent, imports from Korea rose by 11 percent, and imports from Indonesia rose 339 percent.

The problem becomes even more evident when you compare March's figures to those of July 1997 before the crisis began. Using that time frame, imports from Japan are up 22 percent, imports from Brazil are up 25 percent, imports from Korea are up 77 percent, and imports from Indonesia are up a remarkable 889 percent. Mr. Speaker, this is unacceptable.

Last Thursday, the Department of Commerce announced its final determination that Japan has been dumping steel on American markets. By the Administration's own words, foreign nations are breaking trade laws. Yet, despite the rhetoric, the Administration continues to stand by and do nothing but claim that the situation is improving, even when the numbers show otherwise.

President Clinton declared in his State of the Union Address in January that ''We must enforce our trade laws when imports unlawfully flood our nation.'' He threatened Japan by stating, ''if the nation's sudden surge of steel imports into our country is not reversed, America will respond.'' However, it was Japan that responded with imports in January that were up 75 percent from pre-crisis levels. After a brief dip in February, during which the Administration was fooled into believing that its empty rhetoric and useless posturing was actually working to stem the tide, Japan resumed dumping by increasing its March imports 36 percent over February's numbers and 22 percent over pre-crisis levels.

Mistakenly convinced of the correctness of their own ineffectual policies, President Clinton's advisers continue to delude him that their approach will bear fruit. The Administration has focused on warnings of action that no nation believes will ever come. As evidence, just yesterday, the President said during a press conference, ''We will take action if steel imports do not return to their pre-crisis levels on a consistent basis. Playing by the rules of trade is the best way to sustain a consensus for open trade.'' After the Administration failed to act on its first admonition to the Japanese, and on every warning since, the credibility of the threat has disappeared. Given the clear fact that the President can no longer be counted on to do anything more than just talk about enforcing our trade laws, instead of taking direct action, Congress must fill the void.

The need for action may now be greater than ever. Foreign countries can now rely on the Clinton Administration's unwillingness to deter their attempts to flaunt our trade laws, dump steel on American markets and drive American steelworkers out of work. The Senate must repudiate the Administration's message and finish the job we in the House began by passing the Bipartisan Steel Recovery Act. We have seen what the White House will, and will not, do if given the chance. Congress must now do what the Clinton Administration has proven incapable of and end the surge of illegal steel imports onto our shores that is driving hardworking American families out of work and away from their dreams.

## CONGRATULATING HARRY BELAFONTE

### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. RADANOVICH. Mr. Speaker, I rise today to congratulate Harry Belafonte for receiving the 1999 Drum Major For Justice Award. The Drum Major For Justice Award banquet seeks to honor those Americans whose achievements most coincide with the dreams of Dr. Martin Luther King, Jr.

Mr. Belafonte was a confidant and advisor to Dr. Martin Luther King, Jr. Mr. Belafonte's activity in the human rights struggle is respected world wide. He has always believed that his work for human rights and his artistic pursuits gave him the basis for a most productive and balanced life.

Harry Belafonte had been called ''the consummate entertainer'' an artist in every field in which he has participated, including movies, Broadway, television, recording, concerts and producing. His first album ''Calypso,'' in 1955, was the first to sell more than one-million copies. Among other ''firsts'' were his being the first African-American to win an Emmy, and the first African-American television producer.

However, it is Mr. Belafonte's dedication to the civil rights movement that has earned him this honor. His involvement dates back to the marches in Selma, Montgomery and Washington. Mr. Belafonte has also been chairman of the MLK Memorial Fund. He was named by President Kennedy as Cultural Advisor to the Peace Corps, and received the Dag Hammarskjold Peace Medal in 1981, and the Martin Luther King, Jr. Peace Prize in 1982. In 1987 he was appointed a UNICEF Goodwill Ambassador (only the second American to hold the title), and in 1990 he was host for the U.N.'s World Summit on the Child; this was attended by heads of state from all over the world.

Mr. Speaker, I rise today to congratulate Harry Belafonte for his accomplishments and for following the ideals of Dr. Martin Luther King, Jr. I urge my colleagues to join me in wishing Mr. Belafonte many years of continued success.

## DICK LATTIMER CONTRIBUTES TO ARCHERY

### HON. JAMES A. BARCIA

OF MICHIGAN

### HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. BARCIA. Mr. Speaker, many people never find their true life's mission. My colleague, Mr. HUNTER, and I would like to pay tribute to Dick Lattimer who not only found his mission, but has used his talents and ambition to promote his passion for, and share his vast knowledge of, archery and bowhunting. His tireless efforts, endless energy, and boundless generosity have led many people to learn and later enjoy this wonderful pastime. No one in America or the world has worked harder, nor with as much determination to promote bowhunting and archery as Dick.

A 1957 graduate of Indiana University and native of South Bend, Dick shot his first bow in 1966 and archery became his way of life ever since. Shortly after his introduction to bows and arrows, Dick met and went to work for Fred Bear, the father of modern archery and bowhunting. With the support of his wife, Alice, and under the tutelage of the master, Dick set about a lifetime of advertising and promotional work for the sport he loved. Dick's passion, knowledge and love for the outdoors as well as his strong commitment to educating the public and networking with the sporting community made him the key player in the development of archery and bowhunting through the 70's and 80's.

Following the death of his mentor, Dick left Bear Archery in 1991 to become the first President and CEO of the Archery Manufacturers and Merchants Organization (AMO). From his position as the point person for the entire archery and bowhunting world, Dick developed the largest trade show ever convened dedicated to archery and bowhunting. The AMO Archery Trade Show is now entering its 4th year and has become the pivotal gathering for the world's bowhunters and archers.

Mr. Speaker, in addition to his more than full time commitment to AMO, Dick has spent countless hours volunteering for many prestigious boards. He has served as the Executive Director of the American Archery Council,

the Television Chair and Co-Chair of the Communications Committee of the International Association of Fish and Wildlife Agencies, Chair of the National Archery Museum, and a member of the Hunting and Conservation Committee, Public Affairs Committee and Bowhunting Subcommittee of the National Rifle Association. Of note for the Congress is Dick's service as a member of the board of directors of the Congressional Sportsmen's Foundation and his sponsorship of the Congressional Sportsmen's Caucus Task Force on Bowhunting. In his personal life, Dick has volunteered his time and financial resources to his community through his church and for causes such as the needs of homeless Americans.

For his lifetime of dedication to archery and bowhunting, Dick was inducted to the Archery Hall of Fame on January 9, 1999. Dick now joins the legends of archery and bowhunting as a peer and will forever rightfully share a distinguished place in the history of conservation and hunting in North America.

Mr. Speaker, if we want our citizens to be driven by the needs of the country and to be examples of selflessness, commitment and accomplishment, then we must continue to honor and praise individuals like Dick Lattimer. We ask you and all of our colleagues to join us in commending Dick Lattimer as an icon of the archery and bowhunting world but also as a great American sportsman and humanitarian.

## REPORT FROM LAPORTE COUNTY, INDIANA

### HON. DAVID M. McINTOSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. McINTOSH. Mr. Speaker, I rise today to give my ''Report from Indiana'' where I honor distinguished Hoosiers who are actively engaged in their communities helping others.

Mr. Speaker, it has always been my strong belief that individuals and communities can do a better job of caring for those who need help in our society than the federal government. The wonderfully kind and committed Hoosiers who I have met traveling around Indiana have not changed my view.

Ruthie and I have met hundreds of individuals who are committed to making our communities a better place in which to live and raise our children—we call them ''Hoosier Heroes''.

I recognized this genuine Hoosier Hero in LaPorte County, Indiana recently in front of the LaPorte County Republican Party at a Lincoln Day dinner speech. He is Keith Jones, who is a very active and successful business man here in LaPorte County. By working tirelessly on behalf of the less fortunate, Keith epitomizes a Hoosier Hero.

Keith has been awarded the ''Outstanding Citizen Award'' by the LaPorte Rotary Club as well as the LaPorte Jaycees. Last, he also received the ''Distinguished Award'' by the LaPorte YMCA. Incredibly, his charitable works even extend beyond his community and country. He is the founder of the Aruba Friends of the Handicapped and has raised over $700,000 to help people there suffering from disabilities.

Keith's work has given so many people the most precious gift possible, hope. He doesn't do it for the pay, which is zilch, he does it for the smiles and laughter. You are a true hero in my book, doing good works for others with no other motive than Christian charity.

Keith Jones deserves the gratitude of his county, state, and nation and I thank him here today on the floor of the House of Representatives.

## IN HONOR OF NOBEL PRIZE WINNER LINUS PAULING

### HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. DREIER. Mr. Speaker, on May 15, the California Institute of Technology will host an exhibit on the life and works of Linus Pauling, the only man to have received two unshared Nobel Prizes, one for science and the other for peace.

The California Institute of Technology, nestled beneath the beautiful San Gabriel Mountains in Pasadena, California, is one of the finest institutions of higher learning in the world. Its contributions to our understanding of the universe around us, from space exploration to molecular biology, are unmatched among scientific institutions throughout the world. For years, Linus Pauling served on its faculty, earning a reputation that has immortalized his contributions to science as the Father of Modern Chemistry.

The exhibit is jointly sponsored by Cal Tech, the Pauling family, Oregon State University, and the Soka Gokkai International. I would note that its President, Daisaku Ikeda, is one of the great Ambassadors for peace in the world today, and was a close personal friend of Professor Pauling. In fact, the exhibit was inspired and launched by Ikeda as a tribute to his friend and colleague in a manner befitting Pualing's life. It was this idea that led Ikeda to propose the exhibit that would inspire and educate young people for leadership in the 21st century.

The exhibit is expected to attract young people from all over southern California. It will graphically demonstrate the intimate relationship between the search for knowledge of the universe and the pursuit of peace. It will also provide young people with a role model of a man whose life epitomized courage, wisdom and determination, values that will well serve today's youth as they prepare to become tomorrow's leaders.

It is with great joy that I announce the opening of the exhibit and recognize those who are responsible for making it available to the public, especially the young people of my district and of southern California.

This exhibit will run from May 16 to June 19 on the campus of Cal Tech in the Winnett Center, and will be open to the public on Wednesdays from 4pm to 9pm, on Saturday's from 10am to 6pm. Special group and school tours can be booked by calling (323) 938–8255. The exhibit is free to the public.

## MATTHEW COPUS IS A WINNER OF THE PRUDENTIAL SPIRIT AWARD

### HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mrs. WILSON. Mr. Speaker, I wish to bring to your attention a young man in our community, Matthew Copus, who has been named one of New Mexico's top youth volunteers for 1999 in The Prudential Spirit of Community Award.

Matthew's volunteer efforts truly reflect the spirit of community. For the past two years he has volunteered at All Faiths Receiving Home, a home for abused and neglected children. Matthew has worked hard to earn the trust of the children. His efforts include art projects, games and activities to encourage the children to communicate and regain social skills that have been damaged by abuse. Beyond his own volunteer time, Matthew has recruited other young people to volunteer and has raised money to help pay for supplies needed for projects. Matthew is committed to reducing child abuse and spreads the word through speaking engagements in the community.

One of the most important factors in a child's life is a person who cares. Matthew makes a positive difference in the lives of many children and in our entire community. He is one of America's top youth volunteers. Join me in thanking Matthew Copus for the positive impact he has in Albuquerque, New Mexico.

## IN HONOR OF THE LATE GORDON McMILLAN

### HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. FORBES. Mr. Speaker, I rise today to honor a true visionary in education and champion of children, Gordon McMillan, a veteran Long Island teacher who passed away recently at the age of 64.

Ask any parent or student and I'm sure they'll agree that elementary and secondary education in this country must be reformed. But the system needs more than an infusion of money, it needs an infusion of innovative ideas as well. Innovative ideas were Gordon McMillan's specialty.

Today, and every school day, computers are being purchased, unpacked, and delivered to classrooms on Long Island and across the country in the hope that teachers will do wonderful things with those computers to assist the educational process. The tireless efforts of technology pioneers like Gordon McMillan made this possible. Like many teachers in our public schools, Gordon started teaching before the era of personal computers, but unlike other teachers, Gordon understood the power of change and the potential of computers as new educational tools.

Gordon was born in Cambria Heights, Queens, in 1935 and attended New York City's public school system. After graduating in

1952, he went to Adelphi University, where he received a bachelor of science degree in education in 1956. He later got his master's degree from Hofstra University. He started his teaching career at Plainview Elementary School on Long Island, and remained with the school district until 1974, reaching the position of assistant principal. Over the next six years, he worked as principal of Summitt Lane Elementary School in Levittown and Thomas Leahey School in Greenlawn, and assistant principal at West Islip High School. He then became principal of George Jackson Elementary School in Jericho where he remained until his retirement in 1988.

After his retirement Gordon worked as a consultant for IBM. In 1997, he once again went back to his true passion and took temporary assignments as an interim principal, working stints at Southampton Intermediate School and Medford Elementary School. He was working at River Elementary School in Patchogue Long Island at the time of his death.

Mr. Speaker, Gordon embodied the type of role model and educator that all would have liked and wanted their children to be involved with during their educational career.

To the parents he will be remembered as the innovator of bringing computers to the schools. To the children he will also be remembered as a 6-foot, 2-inch, 250 pound bear of a man, who once dressed as the Great pumpkin and donned a Superman costume, swinging onto the school's auditorium by a rope.

Colleagues, Mr. McMillan is an educator who will be sorely missed.

## TRIBUTE TO THE UNIVERSITY OF FLORIDA WOMEN'S TENNIS TEAM

### HON. KAREN L. THURMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mrs. THURMAN. Mr. Speaker, I rise today to honor the University of Florida women's tennis team. Last season, this fine team won the 1998 NCAA women's tennis championship. It was the third time the University of Florida won the NCAA title, and it was also the third time the team completed an undefeated season.

I've been told the final game turned out to be a war of wills with the Gators tennis team pitted squarely against Duke at Notre Dame's Courtney Tennis Center. On Sunday, May 24 of last year, UF's team took home a hard-earned 5–1 victory.

Just ask Number One Player Dawn Buth how hard it was to bring home the championship. UF coach Andy Brandi refers to her as a real fighter and for good reason. Her match during the championship helped seal the Gators' victory. She was tired. She had cramps. Her right wrist hurt. But she kept going, and got tougher and tougher until she clenched the 151st singles win of her UF career.

Let me tell you what happened. Buth lost the first set, won the second, was losing in the third before coming back to win three games in a row and take the match. Afterward, she told a local newspaper reporter how she was able to do it. ''I just tried to stay focused, stay confident and I was able to pull out the next three games.'' That kind of attitude and perseverance will undoubtedly take Dawn Buth and her teammates far, not only on the tennis court but throughout their lives.

This latest victory carries on a distinguished record for the University of Florida's women's tennis team. In addition to three NCAA championships over the course of Head Coach Andy Brandi's tenure, the Gators have also earned 13 Southeastern Conference titles, six national indoor titles and finished six undefeated regular seasons.

Congratulations is certainly in order for Brandi and last year's coaching team: Assistant Coach Sujay Lama, Volunteer Coach Jo-Anne Russell and Athletics trainer Kellye Mowchan.

I also want to individually congratulate last year's women's tennis team: Bonnie Bleecker, Dawn Buth, Baili Camino, Traci Green, Stephanie Hazlett, Whitney Laiho, Stephanie Nickitas and M.C. White.

Go Gators!

## IN HONORING OF THE FLYERS

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. KUCINICH. Mr. Speaker, I rise today to honor an active, strong, and vigorous group of senior citizens, the Flyers, in Lakewood, Ohio.

This group of 15 senior citizens plays in local and national softball, basketball and volleyball leagues and tournaments. The group is a frequent participant in games at Elmwood Park in Rocky River and also plays in the Lakewood League. On a national scale, the Flyers have played in tournaments sponsored by Amateur Softball Association and other Senior organizations in St. Louis, Dallas and Mississippi. The group often holds fundraising events to raise the money to travel to different games across the country.

The members of the group have paid their dues and worked hard lives, and they now are enjoying their retirement and doing exactly what they love to do. One of the group's members. Mr. Vern Carr, would even like to see the Flyers compete against teams in Europe someday.

My fellow colleagues, please join me in saluting the Flyers and wishing them continued success, and most importantly a lot of fun, in their upcoming tournaments.

## TRIBUTE TO THE BRONX COMMUNITY COLLEGE

### HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. SERRANO. Mr. Speaker, it is with joy that I rise today to once again pay tribute to Bronx Community College, which will hold its 21st Anniversary Hall of Fame 10K Run on Saturday, May 1, 1999.

The Hall of Fame 10K Run was founded in 1978 by Bronx Community College's third President, Dr. Roscoe C. Brown. Its mission is to highlight the Hall of Fame for Great Americans, a national institution dedicated to those who have helped make America great.

The tradition continues, first under the leadership of Acting President, Dr. Leo A. Corbie and now under Dr. Carolyn G. Williams, the first woman President of Bronx Community College. Both Dr. Corbie and Dr. Williams have endorsed and follow the commitment made by Dr. Brown to promote physical well-being as well as higher education.

As one who has run the Hall of Fame 10K Run, I can attest that the excitement it generates brings the entire City together. It is a celebration and an affirmation of life. It feels wonderful to enable more than 400 people to have this experience—one that will change the lives of many of them. It is an honor for me to join once again the hundreds of joyful people who will run along the Grand Concourse, University Avenue and West 181 Street and to savor the variety of their celebrations. There's no better way to see our Bronx community.

For its first 20 years, Professor Henry A. Skinner has coordinated the Bronx Community College Hall of Fame 10K race, a healthy competition which brings together runners of all ages from the five boroughs of New York City. He is also the President of Unity and Strength, the organization of minority faculty, staff and administrators of Bronx Community College. Dr. Atlaw Belilgne of the Department of Mathematics and Computer Science, as the 1999 Director of the race, continues this rich Bronx tradition. He is also Director of Self Help and Resource Exchange (S.H.A.R.E.).

Mr. Speaker, I ask my colleagues to join me in recognizing the individuals and participants who are making the Bronx Community College's 21st annual Hall of Fame 10K Run possible.

## LETTER CARRIERS ADDRESS HUNGER BY SPONSORING NATIONWIDE FOOD DRIVE

### HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. KLECZKA. Mr. Speaker, on Saturday, May 8, 1999, letter carriers from around the country will be gathering nonperishable food items set aside by their customers for people in need. Milwaukee is a compassionate community and its benevolence ranks the city, for the second straight year, as number one in the nation in the amount of food collected.

The National Association of Letter Carriers, in conjunction with the United States Postal Service and the United Way, will kick off this year's food drive in Milwaukee with a press conference on Thursday, May 6th, to educate the public about the issues of hunger and convey the importance of each citizen's involvement to stamp out hunger.

I rise today, Mr. Speaker, to ask my colleagues to lend a hand to this worthwhile

project by supporting the letter carriers' food drives across the nation. I would also like to invite the residents of Milwaukee and Waukesha Counties to consider adding a few extra canned food items or nonperishables to their grocery carts for collection on May 8th. Let's make this year's food drive better than ever.

Our food pantries are counting on drives like this to help keep their shelves filled. Let's all try to do our part to alleviate hunger.

## IN HONORING OF NATIONAL TEACHER'S DAY

### HON. JAY INSLEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. INSLEE. Mr. Speaker, today is National Teacher's Day. I do not believe educators are given nearly the amount of accolades they deserve, and I truly appreciate the chance to simply say: thank you for the important and meaningful work you do.

Mr. Speaker, I am especially proud that my father, brother, and brother-in-law are all teachers. Teachers are on the front lines everyday, preparing our children for the future. Teachers also bestow upon students the intellectual tools they need to become successful and productive members of society.

There is nothing that impacts America's social, economic and political future more than the quality of learning that happens in our schools. We should recognize the countless hours of selfless service that teachers devote to the most valuable resource in this country—our children.

Let me, again, express my appreciation and thanks to the millions of educators who impart their wisdom and knowledge to future generations.

## HONORING EMMA JANE BLOOMFIELD

### HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. ACKERMAN. Mr. Speaker, I rise to honor and congratulate Emma Jane Bloomfield, who recently won an award from the Concord Rotary Club for her paper on Mongolian Culture. This paper was brought to my attention by her proud grandmother, Blanche Bloomfield, who resides in my district in Kings Point, NY. This essay contest demonstrates how our communities can work with our schools to further the educational goals of all of our nation's children. I hope all of my colleagues will have an opportunity to review this insightful and cogent essay and I would once again like to congratulate Emma on her outstanding work.

Under the control of Genghis Khan, the Mongolian people once had a forceful army, exploding with wrath and rage. However, the mounting tension between other countries and the Mongolians, caused by so many battles, resulted in the shattering of the Mongol empire. Since the 1300s, they have struggled to rebuild their society. Now that the strength and anger have faded from their community, many Mongols today believe in a strong emphasis on politeness and hospitality. Mongols live on the seeping grasslands of Asia and they use their environment to satisfy many needs. In the rural areas of Mongolia, many men are herdsmen who supervise the wild horses and yaks that roam the Mongols' homeland. The history of the Mongolian people has influenced their present culture, and their beliefs, styles of life, and natural environment are still contributing to the formation of their society and identities.

Mongolian history is traced back to the days of power when Genghis Khan ruled the Mongol empire. Genghis Khan was a wild horseman and a strong warrior who inspired the bravery of his people. He had great accuracy and distance when shooting a bow and arrow, and he had a keen mind that conjured up strategies he used to win battles. Khan was widely known for ruthlessly attacking towns and cities for the rewards of victory. Genghis Khan conquered more territory than anyone in Mongolian history, and he imposed his reputation on the world. Despite the cruelty that Khan showed toward other countries, the Mongols praised him and viewed him as the founder of their nation, creator of their people. The Mongols called Genghis Khan the ''Supreme Ruler Over the Ocean'' and ''Emperor of Emperors.''

A large portion of Khan's success was due to his solid armies, both his soldiers and his horsemen. Genghis Khan's armies were vast, and he grouped his men into units of tens, hundreds, thousands, and ten-thousands, so they could move in to battle quickly. Khan's powerful armies were often forced to over 225 miles of land within a day. Most of the warriors were horsemen, and they each owned three to twenty horses, which they alternated daily to give each horse sufficient time to rest. Weapons carried by the warriors were strong bows, lances, and swords. The soldiers wore heavy leather called lamellar to shield them from the fierce swipe of a sword.

Many of Genghis Khan's words provoked a feeling of force and fury. ''The greatest pleasure is to vanquish your enemies and chase them before you rob them of their wealth and see those dear to them baked in tears, to ride their horses,'' he once said. Khan was fueled by experiences of the many bloody battles that his armies fought. Genghis Khan relished seeing those inferior to him suffer, and he fought only to claim power and to satisfy his dreams. Khan's dream was to establish a network of riders, used as a spy system, all over Asia. His armies did succeed in taking over parts of China, Middle Asia, and Europe. Khan's empire stretched from Europe to Russia in the north, and from Vietnam to Iraq in the south. With their equipment, strength, and intelligence, the Mongol Umpire led by Genghis Khan seemed immortal.

Unfortunately for Mongolian society, the red heat of their empire soon faded to a cowering pink. Because they fought so many battles, the rivalries and conflicts between Mongolia and other countries brought misfortune and an unexpected end to the Mongol Empire. At that time, Russia and China began to expand and they claimed most power that the Mongols had once held. The collapse of the Mongol empire in 1505 scarred its people and society. The power supplied by Genghis Khan was humiliated, and the next centuries were filled with tragedy and struggle. While the Mongols tried to rebuild their economy, Russia and China prevailed over them and took parts of Mongolia under their control. In 1990, the break-up of the Soviet Union provided a blessing to the Mongols, and it offered freedom to some. However, problems still remain in Mongolia. To survive, the people have been forced to roam the grasslands, hunting with bow and arrow, taming horses, and raising livestock. The Mongols' strength has only re-emerged through their formation of a government while they have squirmed out of the reach of Russian and Chinese power.

Having rebuilt their society, natural and spiritual things now claim a higher rank among the Mongols. Mongolians believe that heaven, a home to the gods, holds an abundance of power. The Mongols honor heaven and all of nature under it. In fact, earlier Mongol tribes blessed and proclaimed their leaders as the ''sons of heaven.''

In their households, Mongols have always strongly emphasize politeness and hospitality. In pre-modern times the Mongols' homes were spread out all over the Mongols' land. This caused many people to travel from camp to camp, who would need a home for one night. Mongols provided shelter for visitors who later would face a hike across the windswept grasslands. With the arrival of a guest at a Mongolian's home, the host would traditionally offer a hospitality bowl, which would hold chunks of pungent cheeses, sugar cubes, candies, and bordzig pastries deep fried in yak and mutton fats. Using the hospitality bowl was the style in which the Mongols welcomed their guests. Mongolians believed in treating visitors as old and beloved friends, and in turn, the guest of a household would offer kind words to the hosts, and would express respect and gratitude by accepting foods at the table with customary gestures.

The traditional religion observed by the people of Mongolia is Tibetan Buddhism. Pedestals, in a Mongol's home, hold statues of Buddha, a symbol that is prominent in Tibetan Buddhism. After freedom of religion was introduced to Mongolia in 1990, Buddhism became the most commonly practiced religion. The government of Mongolia offered money to support the restoration of a sacred Buddhist Monastery.

Religion holds importance to the Mongols, yet it only occupies one level of Mongolian life. In the rural areas of Mongolia, the people's lives revolve around hunting or herding livestock. The semi-wild horses who graze in the mountains that enclose the grasslands, are for riding and training purposes. A Mongolian horse herdsman typically makes decisions as to where to let the horses graze, and when to move them to the next camps. Herders of any animal must eventually sell or butcher the livestock. Herdsmen efficiently use parts of the animals for fuel, warmth, and shelter. The job of a herdsman may also be to breed rarer animals, and sell them.

Traditionally, hunting occupies a large portion of Mongolian life. Many Mongol hunters use ancient archery techniques to hunt birds. Keen dogs and cheetahs are also used to track down a hunter's game. Occasionally, in earlier times, large-scale hunts would be organized where beaters would drive entire herds of antelope into the lurking hunters' bows. Falcons, too, were used to lead large game to the hunters.

In the rural places of Mongolia, the rural life of a Mongol is chiefly filled by the needs of the flocks of sheep, goats, herds of horses, cattle, or camels. Springtime is the season in

which herdsmen have the most commitments to the livestock. The births of animals occupy great spans of time, and often an entire family comes to the fields and helps the herder with a difficult birth. Herdsmen scurry around tending to the needs of animals, trying to establish a health start to the herding season. Summertime is less busy, for herds of animals resort to pasture land and the livestock doesn't demand assistance from herdsmen. Yet in the summertime there is still some work to attend to: sheep are shorn for their dense wool and camels and goats are combed for their velvety under-wool. The autumn winds dry the moisture from the grasslands, and as winter approaches groups of herdsmen collect their livestock. The animals are confined to graze in small pens and barns, and hay becomes their main diet. In late autumn equipment and tools are replaced or mended for the new births of livestock in the springtime. Mongolian winters come to the land quickly and last for a long amount of time. Temperatures stay low for weeks, which make each day harder for Mongols to endure. Herdsmen stay loyal to the penned animals and help them through the months of winter, so the cycle can repeat.

On the grasslands outside of Ulan Bator, the capital of Mongolia, the Mongols live in tent-like gers (see appendix D). These homes have rounded walls that slope upward to form a point at the top. These traditional homes provide the Mongolian people with warmth and protect them from blizzards that may storm the grasslands. Gers are covered with felt, usually made by women. The process of felt-making typically takes two weeks for enough cloth to cover an entire ger. Because many Mongols are followers of animal herds, the ger satisfies the needs of their culture, for the ger is easy to dismantle and is designed to be transported from place to place. A ger is most commonly moved by a team of camels or oxen, the strongest animals that can support a heavy weight. The placement of a ger has been influenced by Mongols' traditions. Throughout Mongolian history, the door of the ger has always faced southeast. Mongols believe that because winds gust from the southeast and the sacred sun rises in the east, gers that face in this direction are blessed.

The most common animal to be seen roaming the land of Mongolia is the yak. Mongols use the abundance of these animals to benefit their culture by herding them and using the animals as a source of trade. The Mongolian people also dine on meat from yaks and use their fat to fuel stoves. The Mongolian government trades yaks to other countries for oil, manufactured goods, and machinery, which are all conveniences that Mongols cannot process themselves.

The Mongols' land is a tangle of many different environments. A portion of Mongolia includes a vast mountain range locking in bleak and rocky grasslands. The most prominent mountain range is the Altai. This cluster of mountains holds the only glaciers in Mongolia, which makes for a nipping, frigid climate. The Mongolian grasslands also border the Gobi Desert, where the climate is arid and hot. Mongol culture, therefore, has adapted to living among extreme temperatures, but it revolves mostly around the more temperate grasslands. The Mongols have proven, in the survival of their culture, that to this day they still have the spark and the strength that the great Genghis Khan possessed.

## 150TH ANNIVERSARY OF HARMONY MASONIC LODGE

### HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. GILMAN. Mr. Speaker, I wish to call to the attention of our colleagues and the American people the achievements of the Brothers of the Masonic Harmony Lodge #199 F.&A.M. of Sparkill, New York, on their 150th anniversary of fraternity and service to their community. The Harmony Lodge has continued the Masonic tradition of promoting ''morality in which all men agree, that is, to be good men and true.'' Together with the nineteen other Masonic Lodges of the Manhattan District, the Harmony Lodge has continued to support the charitable endeavors of the Masons by raising and donating millions of dollars to hospitals, homes for widows, the elderly, and orphans as well as numerous scholarship funds.

The Harmony Lodge held its first meeting with nineteen Brothers on October 12, 1849, and ever since then the language of their meetings has always been German. The Brothers of Harmony Lodge have actively participated with the other Masonic Lodges of New York to raise funds to build the German Masonic Lodge in Manhattan, purchase land for a Masonic Park and Masonic home for the elderly as well as aiding in the foundation of two other Masonic Lodges in the state of New York. The brothers of the Harmony Lodge take great pride displaying German heritage, and do so by inviting thousands of visitors each August to the German Masonic Park to enjoy German culture, food and music entertainment in their annual ''Oompah Fest and Steer Roast.''

The Masons, officially titled the Free and Accepted Masons, are one of the world's oldest and largest fraternal organizations, dating back to its foundation in England in the early 1700's. Throughout history the Masons have sought to bring men together of all race, religions and political ideology under the ideas of charity, equality, morality and service to God. Today the Masons have millions of members worldwide, including more than 2.5 million in the United States. They have earned a reputation as highly respected businessmen, ministers and politicians. Great men such as American statesman Benjamin Franklin, Composer Wolfgang Amadeus Mozart, French philosopher Voltaire and U.S. President George Washington have all been Brothers in the Masonic order.

My own association as a Brother with the Masons has been a great influence on me throughout my career and in public life. Their moral values and ethical code have been an immeasurable help to guide me in making fair and just decisions in my responsibilities as a Member of this chamber.

Mr. Speaker, it is my hope that under the leadership of Worshipful Master Arnold Geisler, Secretary Jack Williams and Treasurer Reinhard Kabitzke that the Harmony Lodge will continue its good works as a model organization and will continue to help those in need as well as continue to be an exemplary example of fraternal service to community for another 150 years.

## TRIBUTE TO THE BELLARMINE COLLEGE MOCK TRIAL TEAM

### HON. ANNE M. NORTHUP

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mrs. NORTHUP. Mr. Speaker, I am pleased to rise today to honor constituents from Louisville, Kentucky. Recently, the Bellarmine College Mock Trial Team competed in the American Mock Trial Association's National Championships in Des Moines, Iowa and brought back to Louisville the National Championship. The Knights of Bellarmine overcame the efforts of Stanford and Rhodes in their march to victory.

This was a redeeming victory for Bellarmine which had finished second in the competition the previous four years. While compiling a record of 7–0–1 during the competition all of the members of the championship team were named All-Americans. Meanwhile, the second team for Bellarmine gained valuable experience, several individual awards and finished in fifth place overall. I also am pleased to honor one of team's coaches the James Wagoner, who was honored for his outstanding service to the American Mock Trial Association and the legal profession outside of mock trial.

The Bellermine championship team is made up of: William Armstrong, Amanda Bennett, Jason Butler, Nathaniel Cadle, Ryane Conroy and Vanessa Cox. The second team included: John Balenovich, David Chamberlain, Cheryl Danner, Heather Jackson, Matt Rich, Christi Spurlock and Sarah Wimsatt. These two fine squads were led by James Wagoner, Ruth Wagoner and Jason Cooper. Again, I am so proud to honor this team, as Louisville celebrates its National Champion.

## CONGRATULATING BILL AND BEV FARNSWORTH ON THEIR SILVER WEDDING ANNIVERSARY

### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. RADANOVICH Mr. Speaker, I rise today to congratulate Bill and Bev Farnsworth as they celebrate their 25th wedding anniversary.

Bill and Bev Farnsworth were married on May 4, 1974 in Elgin, Illinois. They moved to Fresno, California in 1978 and reside there today. Bill owns Valley Drywall Systems, a construction company. Bev is a department manager at Gottschalk's department store in Fresno. Together they have raised four children, Sherrie, Bryon, Kelly and Larry.

Bill and Bev Farnsworth have exemplified true family values in their family and love for each other. They have been involved in their community with various volunteer organizations. Bev was a volunteer for the Clovis Community Hospital Guild. Both Bill and Bev were a part of the Fresno County Republican Central Committee.

Bill and Bev have a saying that they hold dear, ''More than yesterday, less than tomorrow.''

Mr. Speaker, I want to congratulate Bill and Bev Farnsworth on their Silver Wedding Anniversary. I urge my colleagues to join me in wishing them many more years of happiness.

## BAY MEDICAL CENTER AUXILIARY: A VITAL PARTNER FOR VITAL SERVICES

### HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. BARCIA. Mr. Speaker, there are many organizations that make a huge difference in our lives, and their successes are made possible by their support mechanisms. Bay Medical Center in my Congressional District provides outstanding health care to my constituents, and its ability to provide this wonderful care is a direct result of the activities of the Bay Medical Center Auxiliary.

Since 1973, the members of the Auxiliary have consistently acted as ambassadors for the hospital. Their good will and confidence has been a key factor in the many successful fund-raising campaigns over the years. In fact, the Bay Medical Center Auxiliary has provided nearly one million dollars to the Health System since 1990 through Gift Shop profits, proceeds from the annual Charity Ball, and other fundraising activities.

Proceeds provided by the Auxiliary have been used for many essential activities. Courtesy vans have been provided for patients convenience. Infant and adult ventilators, the first electric birthing bed-chair, state of the art mammography equipment, an advance life support ambulance, Life-Pac resuscitation equipment, fetal monitors, and cardiac rehabilitation equipment are only some of the medical devices provided by the Auxiliary's efforts that help maintain an outstanding quality of care. A number of facilities, including the women's resource library, waiting lounges in ICU and surgery, and the main campus lobby have all been improved by the Auxiliary. Work on behalf of open heart programs, including support of surgery and the heart-lung bypass machine, has made a life-saving difference to many patients.

There are 213 members of the Bay Medical Center Auxiliary. They come from all walks of life, and work throughout the year. Many members have had personal exposure to the services of Bay medical Center, and have joined the Auxiliary as their way of saying thanks for vital services. Each member appreciates the importance of the Center, and knows that it takes a network of caring people to provide quality health care. Each and every member wants to be a part of that network.

Mr. Speaker, as we look for champions around the nation, it is most fitting that we recognize the members of the Bay Medical Center Auxiliary as champions for their community. I urge you and all of our colleagues to join me in congratulating President Lucy Horak and Past President Linda Grube, along with all of the other most valuable members of the Bay Medical Center Auxiliary, on their success, and in wishing them many more productive years to come.

## REPORT FROM SHELBY COUNTY

### HON. DAVID M. McINTOSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. MCINTOSH. Mr. Speaker, I rise today to give my ''Report from Indiana'' where I honor distinguished Hoosiers whom are actively engaged in their communities helping others.

Mr. Speaker, it has always been my strong belief that individuals and communities can do a better job of caring for those who need help in our society than the federal government. The wonderfully kind and committed Hoosiers whom I have met traveling around Indiana have not changed my view.

Ruthie and I have met hundreds of individuals who are committed to making our communities a better place in which to live and raise our children—we call them ''Hoosier Heroes''.

I recognized this genuine Hoosier Hero in Shelby County at a Lincoln Day dinner speech. He's Assistant Police Chief Bill Dwenger. His devotion to his community has been unfailing and why Bill epitomizes a ''Hoosier Hero''.

While serving as a detective, Bill pursued primarily on his own time the Shirley Sturgill murder case that had been hanging over Shelbyville for seven years. Due to his perseverance, the murderer was caught, tried, and convicted to a life term. His hard work allowed his neighbors to breathe a little easier knowing that their community was safe.

Bill also serves on the Board of Community Corrections as well as the Shelby County Youth Shelter which provides a safe haven for abused kids. Bill doesn't help children for the pay, which is zilch, he does it for the smiles and laughter. Bill's work has given so many people the most precious gift possible, hope and peace of mind. You are a true hero in my book doing good work for others with no other motive than Christian charity.

Bill Dwenger deserves the gratitude of the county, state, and nation, and I thank him here today on the floor of the House of Representatives.

## HELP GIVE PEACE TO THE FAMILY OF ZACHARY BAUMEL—SUPPORT H.R. 1175

### HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. DREIER. Mr. Speaker, on June 11, 1982, Zachary Baumel, an American citizen serving in the Israeli army, was captured along with four other members of his tank battalion in a battle with Palestinian and Syrian forces near the Lebanese town of Sultan Yaqub. While two of the captured soldiers were later released, Baumel and two other MIAs remain unaccounted for, despite evidence that they were probably captured alive. Like any parents living through the nightmare of a missing child, Zachary's parents, Yona and Miriam Baumel, have been unrelenting in the search for their son.

The Baumels have met with officials around the world to follow up on leads provided by various individuals claiming to know of Zachary's whereabouts. Unfortunately, they have yet to reach any sort of closure. While I sincerely hope that their personal search reunites them with Zachary, I believe that the U.S. government should make every effort to determine Zachary's fate and help bring peace to the Baumel family. H.R. 1175, which would require the State Department to step up efforts in locating and securing the return of Zachary Baumel, as well as other Israeli soldiers missing in action, is a step in that direction. I have cosponsored this important legislation, and I urge my colleagues to support me in this effort.

## PAMELA CRUZ RECEIVES THE PRUDENTIAL SPIRIT AWARD

### HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mrs. WILSON. Mr. Speaker, I wish to bring to your attention a young woman in our community, Pamela Cruz, who has been named one of New Mexico's top youth volunteers for 1999 in The Prudential Spirit of Community Award.

Pamela's volunteer efforts truly reflect the spirit of community. She visits a local nursing home twice a week to arrange entertaining activities for the residents. Pamela recognizes that the residents have contributed to our community and should not be forgotten. By showing affection and being consistent with her visits, she has gained the trust of the nursing home residents. Further, Pamela has recruited other young people in Albuquerque to volunteer at the nursing home. She is a wonderful example of reaching out to others to make our entire community a better place to live.

Pamela is definitely one of America's top youth volunteers. Join me in thanking Pamela Cruz for her contributions to old and young alike in Albuquerque, New Mexico.

## IN HONORING OF THE LATE MICHAEL MCGARVEY

### HON. MICHAEL P. FORBES

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. FORBES. Mr. Speaker, I rise today to honor a humanitarian, a true leader, and my personal mentor, Michael McGarvey, Jr., a veteran Long Island scout master and postman who passed away at the age of 80.

The first time I met Michael, I was impressed and impacted by his manner. He was such a gentle and instructive person, especially for me as a young kid attending Confraternity of Christian Doctrine (CCD) lessons at the Immaculate Conception hall in Westhampton Beach.

In our community he was known as the grandfather of scouting. Michael was an adult

Scout leader for more than 47 years. He rose to the post of commissioner of the Suffolk County Council, Boy Scout of America, and regional chairman of the Catholic Committee on Scouting. He was so enthralled with scouting that he attend board meetings until a few months before his death last week after a long illness.

In his time with scouting he was recognized with numerous citations, including one for service to the Catholic youth of Long Island presented to him by Bishop John McGann of the Diocese of Rockville Centre. He also received a Pius X citation for teaching catechism to the Immaculate Conception Church Confraternity in Westhampton Beach, where I was his student.

Born in Akron, Ohio, he graduated from East Akron High School and came to New York in 1939 to attend the New York World's Fair in Flushing and visit with his sister, Margaret Kennedy. His sister introduced him to her friend, the former Lillian Langguth of Manhattan. They were married shortly thereafter and remained so for 56 years.

They moved to Westhampton, Long Island in 1955, where they expanded Bide-A-Wee Home, the animal adoption center which they managed for 18 years. They were especially known for taking in pets that were left over from the summer vacationers. After that, Michael worked in the Riverhead Post Office until he retired six years ago at age 74.

I was moved by the commitment I witnessed Michael and Lillian have for the children of our community. They also loved their church, and lived the daily example of charity and love for their neighbors. In this time of distance between our children and their parents and church, Michael was a breath of fresh air. In many ways, he has helped shape my own life and I wish I could emulate his wonderful example.

Michael will be remembered as the ultimate Scouter, where he brought to the position of commissioner a level of dignity and respect that could be used as the role model for all volunteer leaders. To the people of Long Island Michael will be remembered as a Scoutmaster, Postman, animal sanctuary provider, and a neighbor that was always willing to offer a helping hand regardless of the situation. To me he will be remembered as a person that had a profound effect on the way I conduct myself in my life.

Colleague, Michael's warmth and dedication to the youth will be surely missed.

## CONGRATULATIONS TO THE UNIVERSITY OF FLORIDA WOMEN'S SOCCER TEAM

### HON. KAREN L. THURMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mrs. THURMAN. Mr. Speaker, I rise today to honor the University of Florida Women's Soccer Team. The Gators brought home the 1998 NCAA Women's Soccer Championship in only their fourth year of existence. Women's soccer is a relatively new competitive sport. But you would never have known that looking at the way these women played on Sunday, December 6.

That's the day these well-honed athletes will remember for the rest of their lives. They won the championship game against the University of North Carolina before a record crowd of more than 10,500 fans. The pressure was really on to beat the Tar Heels—well recognized for their 70-match unbeaten streak and numerous NCAA tournament wins.

Some people may have considered the Gators the new kids on the block. But they were out to prove themselves. And in doing so, the Gators became the youngest program this decade to win a title. The program was formed only four years ago by coach Becky Burleigh. She also made history. She became the first woman head coach to win an NCAA soccer championship.

Following the winning game, the Palm Beach Post quoted Burleigh saying, ''I can't believe it.'' The coach's reaction clearly describes her excitement. But I would like to clarify the record. This talented woman knew all along her team could do it. When she started recruiting for the squad's first season, she told her young freshmen players they would go to the final Four by graduation. And that happened.

Burleigh's fine eye for recruiting talent and her ability to mold and inspire took these women to the top. In January, Burleigh was named coach of the year by the National Soccer Coaches of America Association. Before that, the same association named her the coach of the year for the Southeast region. And I'm sure there's much more recognition coming her way and the Gators' way in the future.

I want to congratulate Burleigh and her coaching team: Assistant Coaches Victor Campbell and Tiffany Thompson, Volunteer Coach Matthew Mitchell, Manager Scott Barbee, and Athletic Trainer Michael Duck.

I also want to individually congratulate the entire team: Meredith Flaherty, who was named the tournament's Defensive Most Valuable Player, Danielle Fotopoulos, who was named the tournament's Offensive Most Valuable Player, Danielle Bass, Erin Baxter, Keisha Bell, Christie Brady, Jill DiBerardino, Kerri Doran, Erin Gilhart, Karyn Hall, Michelle Harris, Jordan Kellgren, Genie Leonard, Alexis MacKenzie, Kelly Maher, Heather Mitts, Adrianne Moreira, Lisa Olinyk, Angie Olson, Lynn Pattishall, Melissa Pini, Renee Reynolds, Andrea Sellers, Whitney Singer, Jill Stevens, Katie Tullis, Abby Wambach, Tracy Ward and Sarah Yohe.

Go Gators!

## ON THE CONTINUING STEEL CRISIS

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. KUCINICH. Mr. Speaker, I rise today to call upon the other body to pass H.R. 975, the steel import limitation bill. The House passed this bill by an overwhelming margin because the policy of this Administration has failed to protect the American steel industry and its workers from unfair competition. But a bill does not become a law without votes from both Houses of Congress.

While America waits for the other side to vote on H.R. 975, steel imports have begun to climb again. This should be an important reminder that nothing the Administration is pursuing adequately limits unfairly low priced steel imports. Though the Administration is ineffective in preserving the American steel industry, the Administration is actively defending the American banana industry in a trade dispute with Europe. But does the banana industry employ 160,000 American workers? No. Does nearly every state in the Northeast and Southeast and Southwest have a banana industry? No. Are foreign bananas crowding out the American banana business in the U.S.? No. Those facts have not stopped the Administration from pulling out every stop to protect a banana industry that does not exist in America.

Bananas did not build America. Steel did. The only practical solution to the steel import crisis is to make H.R. 975 into law.

## TRIBUTE TO BETTY ADELSTEIN

### HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to Mrs. Betty Adelstein, an outstanding individual who has devoted her life to her family and to serving the community. Mrs. Adelstein will turn 90 on Wednesday and celebrated May 2, 1999 at a party given her family and friends.

She is a vibrant, dynamic, caring woman who drives to St. Vincent Hospital three days a week to volunteer in the office of the Director of Pediatrics. She has accumulated over 10,000 hours of volunteer service at the hospital and, during the past twenty years, she has given of herself and her time to various Staten Island organizations. Before moving to Staten Island, she spent nearly fifty years as a resident of the Bronx.

Mr. Speaker, Mrs. Adelstein was born in New Britain, Connecticut on May 5, 1909, a first generation American. From the age of five, she helped sell newspapers in her father's candy store. At fourteen years of age, after the shop was closed, she was taken out of school and brought to New York to help in the vegetable store her father opened there, leaving her mother, 4 brothers and a sister behind. When she was sixteen, the family moved to the Bronx from New Britain.

Mrs. Adelstein finished high school at night. Several years later, she meet her husband, David, an electrical engineer. They were married in 1932 and remained in the Bronx for forty-one years until his death in 1973. In 1975, she moved to Staten Island to be near her daughter, son-in-law and grandson. It was then last that she began her long career as a volunteer, which continues to this day. She is truly a source of inspiration to all who know her.

Mr. Speaker, I ask my colleagues to join me in wishing a happy 90th birthday to Betty Adelstein.

## TRIBUTE TO SAINTS CONSTANTINE AND HELEN GREEK ORTHODOX CHURCH

### HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. BATEMAN. Mr. Speaker, I rise today to recognize the First District of Virginia's Hellenic community as it celebrates the 50th anniversary of Saints Constantine and Helen Greek Orthodox Church in Newport News.

Greek immigrants have lived and worked on the Virginia Peninsula from as early as 1900. From its humble beginnings to today, the Greek community has played a significant role in the growth and prosperity of the Virginia Peninsula. It also has established a number of associations and organizations for its members, which add to the strength of the community as a whole. The benefits of such associations are innumerable.

In 1929, a small group of Greek-American men on the Peninsula organized the Woodrow Wilson Chapter of the American Hellenic Educational and Progressive Association (AHEPA) while a group of Greek-American women organized the Greek Women's Penelope Society, an independent organization dedicated to community service. The Greek community soon began meeting regularly at St. Paul's Episcopal Church on 34th Street in Newport News and by 1934 a constitution was drafted to govern the growing community. The Hellenic Educational Society also was formed in 1934. This organization served as a community board to oversee the education of the young.

In 1944, a committee was formed to develop plans to build a church. Within three years, ground was broken on land near the Victory Arch in Newport News and Saints Constantine and Helen was completed by 1949. Then Archbishop Athenagoras—later Patriarch—participated in the dedication of the church. At that time, the congregation numbered 50 families. There are more than 1,000 members of the church today.

Soon after the Saints Constantine and Helen was built, a Philoptochos Chapter was formed to assist the needy on the Peninsula. This chapter is still in existence and the majority of the church's contributions to charitable organizations on the local, regional, national and international levels originates from this group.

As the number of Greek families in the community began to grow, so did the need for more space. In 1958, three school rooms were added to the church to provide an area for Sunday school classes. This provided both religious and language education for the children and any interested members of the Peninsula community. These efforts enhanced the spirit of the community by encouraging cultural identification.

By 1966, land was purchased on Traverse Road in Newport News to build a community center and a new church. The Hellenic Community Center opened in 1975 and is the centerpiece of the Greek community. It also is one of the largest gathering places available for groups to meet on the Peninsula. I, myself, have used the center for several functions.

Ground was broken for a new church in July of 1981 and within a year services were being held in the new building. It was consecrated by Archbishop Iacovos in 1984.

Since 1967, Saints Constantine and Helen has held an annual festival to share the culture and traditions of the Greek community with Peninsula. Having attended the event for many years, I know first hand the enthusiasm of our community for the celebration. I also have witnessed the success of many of Saints Constantine and Helen's programs.

I take great pride in being a member of the Order of AHEPA. My wife, Laura, is equally proud of being a member of the Daughters of Penelope. It is truly an honor to represent this outstanding segment of the community in Congress.

Again, I wish to commend both Saints Constantine and Helen Greek Orthodox Church and the Hellenic community on the Virginia Peninsula. They nourish each other and make possible the success and contributions of each.

It is my hope and expectation that the Hellenic community on the Peninsula will continue to succeed, and that the next 50 years will be as, or more, notable than the last.

## A TRIBUTE TO MICHAEL T. WILTSIE

### HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. CAMP. Mr. Speaker, I rise today to pay tribute to Michael T. Wiltsie, a young man from the 4th Congressional District whose bravery I commend and whose actions I would like to call to the attention of my colleagues in the U.S. House of Representatives.

On Sept. 2, 1998, Michael was serving as a safety patrol officer near Ganiard Elementary School in Mount Pleasant, Mich. He and an adult crossing guard were stationed at the corner of Broadway and Adams streets, a busy intersection.

What happened next could have been a tragedy, but instead is the story of an heroic 12-year old whose quick thinking effectively saved the life of a 7-year-old boy.

The adult crossing guard had just walked to the center of the street to stop traffic when the 7-year old walked around Michael's outstretched arms to follow the crossing guard. At that moment, a truck making a left-hand turn failed to stop at the stop sign and passed between Michael and the crossing guard. Michael reached out and grabbed the little boy by his backpack, pulling him to safety just as the truck sped by.

Michael is one of the six young students being honored today at the AAA's School Safety Patrol Lifesaving Award Ceremony in Washington, D.C. This year marks the 50th anniversary of the Lifesaving Award, which recognizes those patrols who risked their own lives to save the lives of others. More than one-half million children serve as patrols at 50,000 schools.

It is a special privilege for me to represent Michael in the U.S. House of Representatives. Our halls here are filled with the statues and memories of American men and women who have unselfishly given to others. I am pleased today to submit this tribute to the CONGRESSIONAL RECORD, to ensure that Michael's bravery is also recorded for history.

## THE 24TH ANNIVERSARY OF THE TRAGIC FALL OF SOUTH VIETNAM TO COMMUNISM

### HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Ms. SANCHEZ. Mr. Speaker, April 30, 1975 marked the beginning of a treacherous boat journey for many Vietnamese who sought refuge in an unknown land and an uncertain future. These individuals risked everything for a chance to live freely and provide better opportunities for their children and families. I rise today to pay special tribute and recognize the valiant efforts to our Vietnam War Veterans and to the Vietnamese who fought and died for freedom and democracy in Viet Nam.

Earlier this month, I traveled to Viet Nam to meet with representatives of the U.S. and Vietnamese government to express my concern for the lack of human, religious and political rights. During my visit, I met with several prominent human rights activists including Dr. Nguyen Dan Que, Tran Huu Duyen, the Venerable Quang Do and the Archbishop of Saigon, Pham Minh Man. I learned first hand that despite the release of several prisoners of conscience under a presidential amnesty in September 1998, public criticism of the government by dissidents is still not tolerated. The few who do speak out publicly and advocate peaceful reform continue to be harassed and imprisoned.

As we recently witnessed, the protest that has taken place in Little Saigon, Orange County, California is a reminder to all Americans how sacred human rights, freedom and democracy are. For many, the display of the communist flag is a reminder of the pain and sufferings after 1975.

Mr. Speaker, as we reflect on this tragic day it is our duty as Members of Congress to honor the memory of the individuals that fought for liberty and democracy in Viet Nam.

## REPORT FROM ADAMS COUNTY

### HON. DAVID M. McINTOSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. MCINTOSH. Mr. Speaker, I rise today to give my ''Report from Indiana'' where I honor distinguished Hoosiers who are actively engaged in their communities helping others.

Mr. Speaker, it has always been my strong belief that individuals and communities can do a better job of caring for those who need help in our society than the federal government. The wonderfully kind and committed Hoosiers who I have met traveling around Indiana have not changed my view.

Ruthie and I have met hundreds of individuals who are committed to making our communities a better place in which to live and raise our children—we call them ''Hoosier Heroes''.

I recognized this genuine Hoosier Hero in Adams County, Indiana at a Lincoln Day dinner speech. He is Alan Converset, who is a sales manager at WZBD Adams County Radio. By working tirelessly on behalf of the less fortunate, Alan epitomizes a ''Hoosier Hero''.

Alan served as the president of the Decatur Rotary Club and Chairman of the United Way golf outing to raise money for those who need a helping hand from someone who cares. He also works on the March of Dimes Walk America Committee.

Alan's work has given so many people the most precious gift possible, hope. He doesn't do it for the pay which is zilch; he does it for the smiles and laughter. You are a true hero in my book, doing good work for others with no other motive than Christian charity.

Alan Coverset deserves the gratitude of the country, state, and nation, and I thank him here today on the floor of the House of Representatives.

## A.J. HERRERA SELECTED AS PLAYER OF THE YEAR FOR PARADE MAGAZINE'S 21ST ANNUAL HIGH SCHOOL BOYS SOCCER TEAM

### HON. HEATHER WILSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mrs. WILSON. Mr. Speaker, I wish to bring to your attention a young man in our community, A.J. Herrera, who has been selected Player of the Year on Parade magazine's 21st annual High School Boys Soccer Team.

A.J. Herrera has represented the United States in France, Slovakia, and Russia as a three-year member of the U.S. National Team. He has hopes of playing on the U.S. Olympic Team. In discussions regarding his soccer ability, A.J. references the support he has received from family, friends, teammates, and coaches. Although he has an athletic gift to play soccer, A.J.'s No. 1 priority is earning a college degree.

A.J. Herrera is an example of young people throughout our communities who are involved in sports and other extracurricular activities that build character and citizenship. Learning lessons about setting and achieving goals, staying physically fit and being part of a team. The community is proud of his accomplishments. Join me in recognizing A.J.'s achievements and contributions to Albuquerque, New Mexico.

## A TRIBUTE TO THEODORE BUTCHER

### HON. JOSEPH R. PITTS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. PITTS. Mr. Speaker, today I rise to honor a faithful Chester County man upon his retirement from West Chester University, where he served as a faculty member and administrator. Mr. Theodore Butcher's contributions to his family, community, and country deserve to be noted.

Over the past thirty years, Mr. Butcher has worked tirelessly to ensure fair and equitable treatment of people with regards to education, race, religion, economics and disabilities. He has given of himself both personally and financially to the causes in which he believes and for which he works. Through his community service with the West Chester Community Center, the Community Housing Resource Board, the Fair Housing Council, Mental Health/Mental Retardation, The Community Service Council of Chester Country, The Swope Foundation, the West Chester Rotary Club, the YMCA, NAACP and on the original board of the Chester County Water Authority.

Clearly, this is a man with a deep commitment to his community. I can venture to say that Mr. Butcher has added much value to West Chester University and to Chester County, Pennsylvania. I am pleased to honor him today, and would like to submit for the RECORD a letter from his daughter Joacqueline Butcher. My congratulations and best wishes go with this community servant.

## SUPPORTING THE NATIONAL LETTER CARRIERS FOOD DRIVE

### HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mrs. CAPPS. Mr. Speaker, today I rise to pay special tribute to our letter carriers in Santa Barbara, California. On Saturday May 8, our local letter carriers will be participating in the seventh annual ''Stamp Out Hunger'' food drive, sponsored by the National Association of Letter Carriers.

Our local letter carriers will be joining their fellow letter carriers in more than 10,000 cities and towns across the nation in collecting nonperishable food items and donations along their postal routes for local food banks. The Stamp Out Hunger food drive is expected to help feed nearly thirty million needy children and adults in our communities.

On behalf of the people on the Central Coast and across the nation, I owuld like to thank our letter carriers for their leadership in this very worthy cause.

## TRIBUTE TO THE GRAN PARADA DOMINICANA DE EL BRONX, INC. ON THEIR 10TH ANNIVERSARY

### HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. SERRANO. Mr. Speaker, it is an honor for me to pay tribute to a great organization, the ''Gran Parada Dominicana de El Bronx, Inc.'' which celebrates its tenth anniversary of celebrating Dominican culture in my South Bronx Congressional District today, Monday, May 3rd, 1999.

The Gran Parada Dominicana de El Bronx, Inc. was created on May 3, 1990. Each year thousands of members and friends of the Dominican community march from Mt. Eden and 172nd Street to East 161st Street and the Grand Concourse during the annual Great Dominican Parade and Carnival of the Bronx. Under its Founder and President, Felipe Febles, the parade has grown in size and splendor. It now brings together an increasing number of participants from all five New York City boroughs and beyond.

Mr. Speaker, as one who has participated in the parade in the past, I can attest that the excitement it generates brings the entire City together. It is a celebration and an affirmation of life. It feels wonderful to enable so many people to have this experience—one that will change the lives of many of them. It is always an honor for me to join the hundreds of joyful people who march each year and to savor the variety of their celebrations. There's no better way to see our Bronx community.

The event usually features a wide variety of entertainment for all age groups. Past years' festivals included the performance of Merengue and Salsa bands, crafts exhibitions, and food typical of the Dominican Republic.

In addition to the parade, President Febles and many organizers each year provide the community with nearly two weeks of activities to commemorate the contributions of the Dominican community, its culture and history.

Mr. Speaker, it is with enthusiasm that I ask my colleagues to join me in paying tribute to the Gran Parada Dominicana de El Bronx, Inc. and in wishing the Committee continued success.

## TREVOR P. SCHMIDT WINS THE VFW'S 1999 VOICE OF DEMOCRACY BROADCAST SCRIPTWRITING CONTEST

### HON. BILL BARRETT

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. BARRETT of Nebraska. Mr. Speaker, I'd like to call my colleagues' attention to the following script written by my constituent, Trevor P. Schmidt, a senior at Chadron High School in Chadron, Nebraska. Trevor won the VFW's 1999 Voice of Democracy broadcast scriptwriting contest for Nebraska.

MY SERVICE TO AMERICA

The other day my friend Shawn and I went out to lunch. I was driving so I said, ''Where

would you like to eat today, Shawn?'' He said he didn't care, so we went where I wanted to go. Once we got there, Shawn started to complain like you wouldn't believe, and I thought to myself, what right do you have to complain? I gave you a choice, and you deferred to me. In America today, the constitution and our fellow citizens are asking us, ''Where do we want to go today?'' Unfortunately, the majority of Americans are saying, ''I don't care''. However, if you read the news, the majority of people do care. They are just not motivated enough to do anything about it. Oh sure they like to complain once they see where the country has ended up, but complaining can't move a speck of dust and it isn't going to help our country. Democracy is based around participation, and it is only successful when used properly. Like a car's engine, America can run using only part of its cylinders, but in order for America to reach its highest potential, all parts must be working at the same time.

Democracy is a tool just waiting to be picked up, but like any other tool it is useless until someone puts it to work. Throughout time, it has been used by a plethora of individuals, and now it is my time and the time of my peers. It is time for us to accept the torch of America that is slowly being passed down. We cannot let the flame die, so we must hold it high and let it light the way for the world. For many of my peers, action in Democracy will begin as they cast their votes in this fall's election. While I'm not able to join others in voting at this election because of my age, I have taken my own road to ensure that the tool of Democracy does not sit idle. Since voting was not an option for me, I wanted to ensure that those who did have the right to vote were making use of it. I approached the county clerk and arranged it so that I could be their extension. Over a course of three days, I worked for them and registered over fifteen new high school voters. While this really isn't comparable with running for office, it was something I could do to help my country. This action was just another step in my maturation as a citizen of democracy.

I began my service years ago, when as a child I first began to read. At first I only read simple stores, but as the years passed, I began to read and hear a much grander tale; one of a nation that rose up around a noble theory, a nation that was to be ruled by the people. I learned of America. I thrived on this utopian story for many years, but once again as time passed the story got more complex. I learned of the mistakes America and its people had made, and I learned of the great people who struggled to rectify these mistakes. I have absorbed many people's opinions over the years, and now I have my own and I know that I can give them voice.

Langston Hughes once wrote, ''I too sing America, I too am America.'' This is where I stand now and forever, I will sing my voice along with my fellow Americans and though my voice may be lost in the chorus at times, I will keep singing, keep supporting my nation. A person singing a solo is limited to his/her options, but a choir combines each individual's choices into a complex splendor. Choral music depends on each member singing his or her own distinctive part. Sometimes the chords clash, and sometimes the parts slide into near unison; always each part must be heard. So too with democracy, I must speak my opinion, but I also must hear and accept my fellow citizen's opinion and recognize that my nation will be nothing with just my part. One thing that is of key importance though is that I must know my part; therefore, my quest for knowledge must never end. I must also encourage those around me to speak their mind. Even though I may not like what I hear, it is an essential part for the success of democracy. This is how I will serve my country. I will learn all that I can, I will take in others' opinions and learn from them, and then without reservation I will speak my mind and let my nation know how I feel. I too am America, and I am not about to let anyone forget.

## REPORT FROM FLOYD COUNTY

### HON. DAVID M. McINTOSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. MCINTOSH. Mr. Speaker, I rise today to give my ''Report from Indiana'' where I honor distinguished Hoosiers who are actively engaged in their communities helping others.

Mr. Speaker, it has always been my strong belief that individuals and communities can do a better job of caring for those who need help in our society than the federal government. The wonderfully kind and committee Hoosiers who I have met traveling around Indiana have not changed my view.

Ruthie and I have met hundreds of individuals who are committed to making our communities a better place in which to live and raise our children—we call them ''Hoosier Heroes''.

I recognized this genuine Hoosier Hero in Floyd County, Indiana at a Lincoln Day dinner speech. He's Kevin Boehnlein, who is a local director here for junior achievement and whose motto is ''Looking out for the future of the community''. By working tirelessly for his community, Kevin epitomizes a ''Hoosier Hero''.

Kevin may be young but he has a giant's heart and he cares deeply about his community. Kevin is in the Jeffersonville rotary club, and has helped build homes for the needy as a member of Habitat for Humanity. He is also very active in his church. Kevin and his wife Kristen serve as a leadership team at Oak Park Baptist Church. They serve as counselors to young couples to help them maintain a strong love and faith.

Kevin's work has given so many people, the most precious gift, hope. He doesn't do it for the pay, which is zilch; he does it for the smiles and laughter. You are a true hero in my book doing good work for others with no other motive than Christian charity.

Kevin Boehnlein deserves the gratitude of the county, state, and nation, and I thank him here today on the floor of the House of Representatives.

## HUMANITARIAN AWARDS

### HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. UNDERWOOD. Mr. Speaker, I would like to take this occasion to recognize the organizers and honorees of the 1st Annual Tan Chong Padula Humanitarian Awards. The awards night will be held on May 8, 1999, at the Garden Grove Community Center in Garden Grove, CA—an endeavor to recognize and honor individuals of Chamorro descent for volunteerism and service to the community. Proceeds from this event will fund the Tan Chong Padula Scholarship. The first such award is scheduled to be presented in the year 2000.

The idea was first proposed by Lola Sablan-Santos, the executive director of the Guam Communications Network. Contrived with the full support of the Padula/Roberto family, the annual event is a celebration of the life and accomplishments of the late Connie ''Tan Chong'' Padula. Tan Chong was born on May 8, 1917, on the island of Guam. She moved to the State of California and became a longtime resident of Orange County, maintaining a home in Santa Ana from 1968 until 1992.

Her civic-mindedness, in addition to her kindness, generosity, and compassion, earned her a very respected niche in her community. Never one to keep to herself, Tan Chong volunteered her services to a host of civic activities ranging from church fundraisers to the manning of polling stations during elections. As one of the founders of the Guamanian Society of Orange County, she spearheaded community activities which were almost always held at the Garden Grove Community Center. She was widely known for her great support to Chamorro community organizations throughout the State of California and for her willingness to be of assistance to those in need. Sadly, she passed away in Orange County on June 19, 1992.

This year's event will be held on the anniversary of her 82nd birthday. All honorees will receive a medallion especially crafted for this annual event by Chamorro artist Ron Castro on Guam and the top award will be presented to the individual chosen as ''Humanitarian of the Year.''

This year's awardees in the ''Adult'' category are George Afleje, Maria ''Kitalang'' Borja, Heidi Chargualaf, Carmen Cruz, Pacing Cruz, Perci Flores, Maria Laguana, Joaquin Naputi, Ann Pangelinan, Joe Pangelinan, Celia Perez, Suzanne Robert, Juana Sanchez, Juanita ''Nita'' Santos, Ernie Tajalle, and Maria Tajalle. In the ''Youth'' category, Michael Maguadog, Sarah Mesa, Stefanie Mesa, Bryanna ''Berry'' Quenga, Nikki Quenga, Michael Van Langeveld, and Tara Van Meter were selected. The honor of being chosen as the first recipient of the Tan Chong Padula Humanitarian of the Year Award goes to Juana Sanchez.

On behalf of the people of Guam, I congratulate the organizers, honorees, and, most of all, the Humanitarian of the Year awardee of the 1st Annual Tan Chong Padula Humanitarian Awards. Miles away from their home island of Guam, these folks managed to combine their resources in order to benefit the community in a manner that best represents our island culture. Keep up the good work! Si Yu'os Ma'ase'.

## ORGAN DONATION

### HON. ELIJAH E. CUMMINGS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. CUMMINGS. Mr. Speaker, recently, we celebrated National Organ and Tissue Donor Awareness Week and today I recognize the medical advances that have made organ transplantation a viable treatment option. Thanks to those who have given the gift of life, more than 20,000 individuals received an organ transplant in 1996.

However, each year, the number of organs donated in the United States falls tragically short of the need. Sadly, more than 55,000 people are on the national organ transplant waiting list and about 10 will die each day as the waiting lists continue to grow.

Organ donation is increasing, but not fast enough to come close to meeting the need. In recent years, progress has been made in creating awareness of the need for organ donation. Most Americans indicate they support organ donation. Nonetheless, only about 50 percent of families asked to donate a loved one's organs agree to do so. Moreover, thousands of opportunities to donate are missed each year, either because families do not know what their loved ones wanted, or because potential donors are not identified for organ procurement organizations and their families are never asked.

To address these barriers to donation, government and private sector partnerships must be focused on * * *

* * * that we from government and the private sector. But most importantly, we need volunteers willing to share the gift of life. To achieve this goal, there must be an emphasis on increasing consent to donation and referrals to organ procurement organizations.

However, we must also ensure that our social and work environments are amenable to persons serving as donors. That is why I urge support of my legislation H.R. 457, the Organ Donor Leave Act, which would provide federal employees an additional 7 days to serve as a bone-marrow donor, and 30 days to serve as an organ donor.

Passage of this measure would stand as a model for private employees to amend their personnel policies to grant additional paid leave to living donors who give bone marrow, a kidney, or other organs.

Without donors, transplant surgeons cannot save even one life. With just one donor, they can save and improve as many as 50 lives. I believe that we must all pledge to join the national community of organ and tissue sharing by closing the gap between donated organs and tissue and the people who need them.

With this commitment, we pave the way for our nation to be able to answer the hopes and needs of those who now wait too long for a second chance at life.

I urge support of H.R. 457 and challenge all Americans to say ''yes'' to organ and tissue donation.

## H.R. 1660, PUBLIC SCHOOL MODERNIZATION ACT OF 1999

### HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. RANGEL. Mr. Speaker, today, along with many of my colleagues, I am introducing legislation, entitled the Public School Modernization Act of 1999, which consists of two education tax incentives that are contained in the President's budget recommendations for fiscal year 2000. I am very pleased that 88 Members have joined me as cosponsors of this needed legislation. I cannot imagine a better way to honor our teachers on ''Teacher Appreciation Day'' than to work toward modernized schools, smaller classes, and other educational improvements in our public schools.

I will continue to work with the Administration to introduce the President's domestic initiatives that are within the jurisdiction of the Ways and Means Committee. I also will continue to urge consideration by the Congress of these important proposals.

The most important challenge facing this country today is the need to improve our educational system. Expanding educational opportunities is crucial to our country's social and economic well being.

I have a personal interest in improving the quality of education for all students. Through the GI bill, this country made an investment in my education that provided me with a needed second chance after the Korean War. I believe that we must give all public school children a second chance so that they can make a positive contribution to society by making the most of their abilities through educational opportunities.

I am very excited that the President emphasize education in his State of the Union address and that his budget recommendations contain a comprehensive program to improve our public school system. The bill that we are introducing today contains two important tax provisions that will help modernize our public schools, reduce class sizes, and expand education-based training opportunities for students most in need.

I recognize that these tax provisions alone are not the total answer to our country's need to improve our educational system. Therefore, I also am a strong supporter of the other education improvements included in the President's budget.

Many children today are attending school in trailers or in dilapidated school buildings. We cannot expect learning to occur in those environments. Other students are forced into huge classes, making it difficult for students to learn and difficult for teachers to help students on an individual basis. Using tax credits, this bill would provide approximately $24 billion in interest-free funds for school modernization projects. This bill is a meaningful first step in addressing the problem of crowded and dilapidated school facilities.

Recent events have underscored the need for increased school safety measures in many public schools. While these are by no means the only answers, reducing class size and providing safe and modern schools will help children get off to the right start and will help teachers more easily recognize and serve those students who may need special attention. In order for our children to learn, they must not be afraid to attend school. Safe schools are a necessity—and a priority. In addition to smaller classes, this legislation will provide the means for school districts to modernize other safety and educational features in the public schools.

We must also do more to provide education and training opportunities for students who do not go on to college. We have existing programs, like the empowerment zone legislation, that provide targeted incentives to encourage economic development in depressed urban and rural areas. While these incentives are important, employers in the targeted areas assert that they are unable to hire qualified individuals to work in the jobs created by the investment programs.

The bill speaks to this problem by extending and enhancing the education zone proposal that was enacted on a limited basis in the 1997 Taxpayer Relief Act. This program is designed to create working partnerships between public and private entities to improve education and training opportunities for students in high poverty rural and urban areas.

Some have argued that the Federal government should have no role in assisting the public school system at the K through 12 level. I disagree strongly. The federal government historically has provided financial resources to the public school system. It has done so in part by providing tax-exempt bond financing that enables State and local governments to fund capital needs through low-interest loans. The bill that we are introducing today, in many respects, is very similar to tax-exempt bond financing. This bill does not require any additional layers of bureaucracy at the Federal or State level. It provides special tax benefits to holders of certain State and and local education bonds. The procedures used to determine whether bonds are eligible for those special benefits are substantially the same as the procedures applicable currently in determining whether a State or local bond is eligible for tax-exempt bond financing.

I also want to be very clear that this bill supports our public school system. I believe that improving our public school system should be our highest priority. Approximately 90 percent of the students attending kindergarten through grade 12 attend public schools. If we can find the resources to provide additional tax incentives, those incentives should be focused on improving the public school system that serves such a large segment of our student population. I have and will continue to oppose legislation, such as the so-called ''Coverdell'' legislation, that diverts scarce resources away from our public school system.

The Republicans are promoting a change in the tax-exempt bond arbitrage rules which they say is a meaningful response to the problem of dilapidated and crowded school buildings. Under current law, a school district issuing construction bonds can invest the bond proceeds temporarily in higher-yielding investments and retain the arbitrage profits if

the bond proceeds are used for school construction within two years. The Republican arbitrage proposal would extend the period during which those arbitrage profits could be earned from two to four years. The Republican proposal does not benefit those districts with immediate needs to renovate and construct schools. It benefits only districts that can delay completion of school construction for more than 2 years. It is inadequate at best. At worst, it may increase costs for those districts most in need because more bonds could be issued earlier.

Today's bill includes a provision that would extend the Davis-Bacon requirements to construction funded under the new program. This provision is consistent with the policy that Federally-subsidized construction projects should pay prevailing wage rates. The bill also includes provisions designed to ensure that local workers and contractors are able to participate in the construction projects.

Amazingly, while the concept of investing in human capital goes unchallenged in debate, elected leaders are still spending more of our nation's limited budget resources on back-end, punitive programs like law enforcement and prisons, rather than front-end investments like education and training that can really pay off in increased workforce productivity.

Unfortunately, these skewed priorities are present at the local level, too. New York City spends $84,000 per year to keep a young man in Riker's Island Prison, yet only $7,000 each year to educate a child in Harlem.

In addition, improving opportunities in education is a vital link in broader U.S. economic policy, including U.S. trade policy. Ensuring that our education system is strong, and that our children's education prepares them to take advantage of the economic opportunities our society has to offer, is essential to ensuring that the benefits of trade and trade agreements extend more deeply and fully throughout our society.

We must change our priorities. Let's invest in the future of this country through our children. Let's bring the same zeal to encouraging and educating our children that we now apply to punishment and incarceration.

The following is a brief description of the provisions contained in our bill. They would cost approximately $3.3 billion over the first 5 years.

EDUCATION ZONE PROVISIONS

A. Qualified Zone Academy Bonds

Section 226 of the 1997 Taxpayer Relief Act provides a source of capital at no or nominal interest for costs incurred by certain public schools in connection with the establishment of special academic programs from kindergarten through secondary schools. To be eligible to participate in the program, the public school must be located in an empowerment zone or enterprise community or at least 35 percent of the students at the school must be eligible for free or reduced-cost lunches under the Federal school lunch program. In addition the school must enter into a partnership with one or more nongovernmental entities.

The provision provides the interest-free capital by permitting the schools to issue special bonds called ''Qualified Zone Academy Bonds.'' Interest on those bonds will in effect be paid by the Federal government through a tax credit to the holder.

The bill would increase the caps on the amount of bonds that can be issued under the program as shown in the following table. The bill would also permit the bonds to be used for new construction.

| Year | Current law | Additions under bill | Total issuance cap |
|---|---|---|---|
| 1998 | $400 million | | $400 million |
| 1999 | $400 million | | $400 million |
| 2000 | | $1 billion | $1.0 billion |
| 2001 | | $1.4 billion | $1.4 billion |

The bill would make several technical modifications to the 1997 legislation. It would repeal the provision that restricts ownership of qualified zone academy bonds to financial institutions, it would change the formula used in determining the credit rate, it would provide for quarterly allowances of the credit to coincide with estimated tax payment dates and permit credit stripping in order to improve the marketability of the bonds, it would require a maximum maturity of 15 years, rather than a maximum maturity determined under a formula, it would change the formula for allocating the national limit to make it consistent with the formula used in allocating the limit on qualified school construction bonds, and it would provide an indefinite carryover of any unused credit.

B. SPECIALIZED TRAINING CENTERS

The bill also includes a provision designed to encourage corporate contributions to specialized training centers located in empowerment zones or enterprise communities. A specialized training center is a public school (or special program within a public school) with an academic program designed in partnership with the corporation making the contribution. There is a limit of $8 million per empowerment zone and $2 million per enterprise community on the amount of contributions eligible for the new credit. The limit would be allocated among contributors by the local official responsible for the economic development program in the zone or community.

QUALIFIED SCHOOL CONSTRUCTION BONDS

The bill would also permit State and local governments to issue qualified school construction bonds to fund the construction or rehabilitation of public schools. Interest on qualified school construction bonds would in effect be paid by the Federal government through an annual tax credit. The credit would be provided in the same manner as the credit for qualified zone academy bonds.

Under the bill, a total of $11 billion of qualified school construction bonds could be issued in 2000 and in 2001. Half of the annual cap would be allocated among the States on the basis of their population of low-income children, weighted the State's expenditures per pupil for education (the Title I basic grant formula). The other half of the annual cap would be allocated among the hundred school districts with the highest number of low-income children and that allocation would be based on each district's Title I share. Before making the allocations described above, $200 million in 2000 and 2001 would be reserved for allocation by the Secretary of the Interior for schools funded by the Bureau of Indian Affairs.

The following chart shows the aggregate amount of qualified school construction bonds and qualified zone academy bonds that could be issued in each State under the bill. The total includes amounts allocated to large school districts in the State. An additional $750 million is reserved for allocations to other school districts not in the largest 100 districts.

[In thousands of dollars]

| State | Estimate Allocation |
|---|---|
| Alabama | $373,179 |
| Alaska | 45,552 |
| Arizona | 321,189 |
| Arkansas | 191,361 |
| California | 3,029,203 |
| Colorado | 203,299 |
| Connecticut | 195,615 |
| Delaware | 46,746 |
| District of Columbia | 113,625 |
| Florida | 1,337,671 |
| Georgia | 606,081 |
| Hawaii | 49,685 |
| Idaho | 55,825 |
| Illinois | 1,125,357 |
| Indiana | 326,773 |
| Iowa | 135,205 |
| Kansas | 154,208 |
| Kentucky | 344,582 |
| Louisiana | 596,956 |
| Maine | 76,808 |
| Maryland | 351,517 |
| Massachusetts | 402,027 |
| Michigan | 1,001,250 |
| Minnesota | 266,123 |
| Mississippi | 327,445 |
| Missouri | 386,832 |
| Montana | 62,924 |
| Nebraska | 82,857 |
| Nevada | 90,274 |
| New Hampshire | 44,910 |
| New Jersey | 526,789 |
| New Mexico | 185,062 |
| New York | 2,750,541 |
| North Carolina | 390,043 |
| North Dakota | 46,746 |
| Ohio | 948,239 |
| Oklahoma | 270,223 |
| Oregon | 191,113 |
| Pennsylvania | 1,007,919 |
| Puerto Rico | 636,673 |
| Rhode Island | 81,320 |
| South Carolina | 261,777 |
| South Dakota | 47,922 |
| Tennessee | 396,843 |
| Texas | 2,149,680 |
| Utah | 84,796 |
| Vermont | 43,847 |
| Virginia | 317,458 |
| Washington | 285,098 |
| West Virginia | 177,753 |
| Wisconsin | 418,781 |
| Wyoming | 43,236 |

DAVIS-BACON REQUIREMENTS

The bill includes a provision that would extend the Davis-Bacon prevailing wage requirements to construction funded under the new program. In order to ensure the marketability of the tax-subsidized financing, the Davis-Bacon requirements would be enforced by the Department of Labor and not through disallowance of tax benefits.

The bill also requires governments participating in the new program to give priority in awarding contracts to contractors with local

workforces and to require a priority for local workers for new hires. The bill contains modifications to the Workforce Investment Act to ensure the availability of skilled local workers for the construction.

## REGARDING THE STATE OF AMERICAN AGRICULTURE

### HON. DAVID D. PHELPS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. PHELPS. Mr. Speaker, let me begin by thanking my colleague Mr. BERRY for gathering us here to talk about the state of agriculture and the dire need for quick action on the Supplemental Appropriations measure. There is perhaps no more timely or pressing issue facing our nation's farmers and the legislators who represent them in Washington, and I am grateful to have the opportunity to participate in this discussion.

The importance of agriculture to the families and economy of Illinois' 19th District cannot be overstated, and I am proud to serve on the Agriculture Committee, where I look forward to helping to shape our nation's agriculture policy. Every one of the communities I represent is deeply impacted when agriculture experiences tough times, and these are some of the toughest in recent memory.

The pork industry is still reeling from a crisis, and prices are low for other commodities that are critical to my district, such as corn and soybeans. The Natural Resource Conservation Service in Illinois and many other states is facing a major budget shortfall that will likely necessitate office closures or furloughs and has already resulted in the suspension of CRP technical assistance services that countless farmers depend upon. Farmers are experiencing undue delays in receiving disaster assistance and other USDA payments, and Farm Service Agency offices throughout the country are understaffed and overworked.

I urge my colleagues to recognize the urgency of this situation and hope we can work together to find both short- and long-term solutions to the problems that plague our agriculture community. It seems clear to me, in fact, that one short-term solution has already been found, in the form of a supplemental appropriations bill that includes $152 million for USDA. This money will allow the Department to increase loan capacity by more than $1 billion at a time when conditions in the agriculture economy have increased demand for USDA's farm loan programs by 400%. The funding will also provide desperately-needed temporary staffing assistance for FSA offices.

Unfortunately, it has been two months since the President submitted his supplemental spending request, and over a month since both houses passed their bills. Farmers are already in the fields planting crops and USDA is receiving 150 applications for loan assistance every day. Meanwhile, conferees have only this week been appointed to begin crafting a final supplemental measure, and there is no indication that this risk is being undertaken with the urgency it requires. We simply must pass this legislation now. America's farmers are counting on their representatives in Congress. We cannot let them down during this time of crisis.

Again, Mr. Speaker, I want to thank Mr. BERRY for demonstrating his commitment to American agriculture and urging us to speak out on this important issue.

## THE SMART IDEA ACT OF 1999

### HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Ms. LOFGREN. Mr. Speaker, I rise to introduce legislation that makes the point that Congress doesn't need to pit the needs of disabled children against the needs of non-disabled children in meeting our commitments with IDEA—the individuals with Disabilities Education Act. There are other alternatives available. As is often the case, Mr. Speaker, this Republican-controlled House lacks imagination when confronting important issues.

It is ironic that on National Teacher's Day we are pitting disabled children against their non-disabled classmates. Instead of depriving our schools of important funds from other federal education programs, as the Republicans suggest, I propose that we use an existing federal program to meet the obligations of IDEA. I think the Medicaid program is ideal for this approach.

The concept of my legislation is simple: after any school district has spent $3,500 on a student who is eligible for IDEA funds, the school district can receive full federal funding from the Medicaid program for additional required services mandated under IDEA.

The idea behind IDEA was that children who are disabled must receive the assistance they need to achieve their academic potential. That's the right thing for those children and their families. It's also the right thing for America—so that every individual has the maximum chance to be a contributor.

But who pays has been a problem for many years. Especially problematic for cash-strapped schools are situations where extraordinary expenses are required for a severely disabled child. These expenses can ''bust the budget'' and pit the parents of disabled children against the parents of non-disabled children. Because of the high costs of providing special assistance to the disabled, it is believed that some school districts tend to overlook findings that assistance is needed. That is counter-productive to the goal of helping disabled children succeed in school. But it's hard to blame the schools. The necessary funding has never been provided by the state or federal governments for this great IDEA.

The use of Medicaid to fund IDEA solves most of these problems. Since the Federal government funds 50% of Medicaid, shifting extraordinary expenses to the Medicaid program would ensure that the Federal government does its part. Because the rest of Medicaid funding comes from the states, the use of Medicaid also would ensure that states do their fair share and don't shirk their obligations to local schools. Adoption of this proposal would remove the disincentive now in place for schools to avoid providing help to disabled children. Additionally, it would remove the animosity that can develop between the parents of disabled and non-disabled children for scarce resources.

I think this change makes a lot of sense and hope that a bipartisan majority can put solutions ahead of politics and pursue this plan. Let's not allow a lack of imagination and compassion to short-change all our kids and schools.

## A TRIBUTE TO THE CITY OF LATON

### HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. DOOLEY of California. Mr. Speaker, I rise today to pay tribute to the community of Laton on celebrating their 100 year anniversary.

In 1902, Lewelyn A. Nares and Charles A. Laton acquired land near Kingsburg known as ''The Laguna De Tache''. Nares and Laton transferred title of their holdings to ''Laguna Lands Limited'' and Charles A. Laton soon disappeared from the local scene. Years later, a man named T.J. Saunders, an Iowa native, brought a group of businessmen to the area forming the nucleus for the city of Laton.

Laton has a rich history of community service. That tradition is exemplified by the strong ongoing commitment of the Volunteer Fire Department, the Lyon's Club, and other local organizations. In addition to providing a range of public services, each year the Laton community comes together for the Building Our Neighborhoods Drug Free (BOND) festival, which brings families together to celebrate Laton's drug-free environment. Community programs, including the BOND festival have made Laton one of the Central Valley's best places to raise a family.

Mr. Speaker, I ask my colleagues to join me in congratulating the city of Laton in celebrating their 100th year as a successful and prosperous community.

## HONORING THE JACK C. HAYS HIGH SCHOOL REBEL BAND

### HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. PAUL. Mr. Speaker, the Jack C. Hays High School Rebel Band of Austin, Texas, recently earned the distinct honor of being selected for the 1999 Sudley ''Flag of Honor'' award from the John Philip Sousa Foundation. This award is the highest recognition of excellence in concert performance that a high school band can receive. During the 17 years the award has been in existence, only 39 bands from the entire United States and Canada have been selected for the Flag of Honor. Conductor Gerald Babbitt and his Rebel band deserve our praise and recognition on the occasion of receiving this prestigious award.

The John Philip Sousa Foundation designed this award to identify and recognize high school concert band programs of very special excellence at the international level. To be eligible for nomination, a band must have maintained excellence over a period of many years in several areas including concert, marching, small ensemble and soloists. The director must have been the conductor of the band for at least the previous seven consecutive years including the year of the award.

Each recipient receives a four-by-six foot "Flag of Honor" which becomes the property of the band, The flag is designed in red, white and blue and bears the logo of the John Philip Sousa Foundation. The conductor receives a personal plaque and each student in the band receives a personalized diploma.

Mr. Speaker, it is indeed an honor to have such an outstanding high school band in the 14th Congressional District. I am delighted to extend my hearty congratulations to them. Their hard work and dedication is an inspiration to us all.

## REPORT FROM WHITLEY COUNTY

### HON. DAVID M. McINTOSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. MCINTOSH. Mr. Speaker, I rise today to give my "Report from Indiana" where I honor distinguished Hoosiers who are actively engaged in their communities helping others.

Mr. Speaker, it has always been my strong belief that individuals and communities can do a better job of caring for those who need help in our society than the federal government. The wonderfully kind and committed Hoosiers who I have met traveling around Indiana have not changed my view.

Ruthie and I have met hundreds of individuals who are committed to making our communities a better place in which to live and raise our children—we call them "Hoosier Heroes".

I recognized this genuine Hoosier Hero in Whitley County, Indiana at a Lincoln Day dinner speech. She is Genny Walter-Thomson, whose devotion to her community has been unfailing. She has worked for decades to improve the lives of the mentally ill. By working tirelessly on behalf of the less fortunate, Genny epitomizes a Hoosier Hero.

Genny's special love is for children. She has worked hard to build the new YMCA so the youth of this community can direct their energies in a positive direction. She also serves on the Welfare-to-Work board to help people with the transition from dependence to dignity.

Genny's work has given many people the most precious gift possible, hope. She doesn't help people for the pay, which is zilch, she does it for the smiles and laughter. You are a true hero in my book, doing good works for others with no other motive than Christian charity.

Genny Walter-Thomson deserves the gratitude of the country, state, and nation, and I thank her here today on the floor of the House of the Representatives.

## WATER RESOURCES DEVELOPMENT ACT OF 1999

SPEECH OF

### HON. TOM BLILEY

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

The House in Committee of the Whole House of the State of the Union had under consideration the bill (H.R. 1480) to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes:

Mr. BLILEY. Mr. Chairman, I rise today in support of H.R. 1480, a bill to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes.

Section 326 of the legislation, which addresses the modification of a project on the West Bank of the Mississippi River for flood control and storm damage reduction, contains language which clarifies the application of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, commonly known as "Superfund," to the project. As you know, the Superfund statute is a matter within the jurisdiction of the Committee on Commerce, and this provision falls within that jurisdiction.

However, I have no objection to the inclusion of this provision. I recently sent Chairman SHUSTER a letter indicating that I would not seek a sequential referral of the bill, and ask unanimous consent that the letter appear in the RECORD at this point.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
*Washington, DC, April 27, 1999.*

Hon. BUD SHUSTER,
*Chairman, Committee on Transportation and Infrastructure, Rayburn House Office Building, Washington, DC.*

DEAR BUD: I am writing with regard to H.R. 1480, a bill to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes. Section 326 of the legislation, modifying the project for flood control and storm damage reduction, West Bank of the Mississippi River (East of Harvey Canal), Louisiana, contains provisions within the jurisdiction of the Committee on Commerce. Specifically paragraph (a)(1) clarifies the application of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") of 1980 (42 U.S.C. 9601 et seq.) to the project.

Because of the importance of this legislation, I recognize your desire to bring it before the House in an expeditious manner, I will not exercise the Committee's right to a sequential referral. By agreeing to waive its consideration of the bill, however, the Commerce Committee does not waive its jurisdiction over H.R. 1480. In addition, the Commerce Committee reserves its authority to seek conferees on any provisions of the bill that are within its jurisdiction during any House-Senate conference that may be convened on this legislation. I ask for your commitment to support any request by the Commerce Committee for conferees on H.R. 1480 or similar legislation.

I request that you include this letter as part of the Record during consideration of the legislation on the House floor.

Thank you for your attention to these matters. I remain,

Sincerely,

TOM BLILEY,
*Chairman.*

## A TRIBUTE TO THE HONORABLE OLIVER OCASEK

### HON. THOMAS C. SAWYER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. SAWYER. Mr. Speaker, we rise to honor Oliver Ocasek—one of Ohio's most distinguished citizens. On May 20, Oliver Ocasek will receive the YMCA of the USA's Volunteerism Award—the YMCA's highest honor. The YMCA is honoring Ocasek for his more than 50 years of service to youth organizations. We rise today, not only to recognize his deserved selection for this award, but to recognize a lifetime of service to the people of Ohio.

Sen. Ocasek's devotion to education extends well beyond his volunteerism with the YMCA. He co-founded the Ohio Hi-Y Youth in Government Model Legislature program with Governor C. William O'Neill in 1952 and supervised it throughout his service on the Ohio-West Virginia Board of the YMCA. He has served on the greater Akron area boards of Goodwill Industries, Shelter Care, and the Salvation Army. He also has been a professional educator in a wide variety of capacities: a teacher, a principal, a school superintendent, and a professor at both the University of Akron and Kent State University. He was instrumental in bringing together our regional institutions of higher learning to create the Northeastern Ohio Universities' College of Medicine. He capped his educational service with three terms on Ohio's State Board of Education.

This breadth of service to youth is impressive by itself. But alone, it does not capture Oliver Ocasek's contribution to the people of Ohio. Oliver Ocasek was one of the most influential legislators in the Statehouse, where he served in the Senate for 28 years from 1958 to 1986. In the 1970's, he became the first Senate President elected by his peers due to a change in the Ohio Constitution. Along with Republican Governor James Rhodes and Democratic House Speaker Vernal Riffe, Sen. Ocasek made many of the decisions to keep state government moving forward. He was an expert on Ohio's complex school funding system and used his knowledge, experience, and position to benefit local students. His enormous influence came from his savvy and from the hard, tedious work of studying, debating, refining, and reaching decisions on difficult and often contentious state issues.

He is astute, well-steeped in history, a gifted orator and a man of heart-felt compassion.

Oliver Ocasek's larger-than-life ambitions drove him hard in politics and in civic life in general, not in search of personal gain and glory, but in order to use his talents and positions to care for the least of his brothers and sisters. Last year in the *Akron Beacon Journal*, Sen. Ocasek expressed his philosophy: "Nothing breaks my heart more than for a child to not have parents who care or to not have a chance for a good education. That's been my commitment—my life—to provide a good education for all children." His leadership has inspired tens of thousands of young people touched by his commitment to education and to the YMCA youth programs over the last half-century.

Today, many people disparage public service and doubt that one person can make a difference. Oliver Ocasek would profoundly disagree. And more importantly, his efforts and their recognition by the YMCA are the evidence to the contrary. His service to the people—and particularly the youth—of Ohio shows that, with hard work and commitment, one person can make a difference. And we are grateful for the difference that he has made.

## TRIBUTE TO THE ALEXANDER MACOMB CHAPTER DAUGHTERS OF THE AMERICAN REVOLUTION

### HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. BONIOR. Mr. Speaker, I am honored to have the opportunity to recognize the achievements of a very special organization. I ask my colleagues to join me in saluting the Alexander Macomb Chapter of the Daughters of the American Revolution as they gather for their Centennial Celebration.

In June of 1899, 12 women congregated in the home of Mrs. Helen Smart Skinner to organize the Mount Clemens chapter of the Daughters of the American Revolution. Though their membership has grown and changed, their goals have remained the same: to dedicate their time and talents to serving God, home and country. During the early years they assisted the military by sending supplies to soldiers. Today, they continue to support the veterans at the Detroit V.A. Hospital. The chapter began marking graves of soldiers from the Revolutionary War and the war of 1812. In 1986, they assumed responsibility for the Cannon Cemetery and continue to mark graves when they are located. The chapter has erected many memorials to honor our fallen soldiers throughout the country. The Daughters of the American Revolution are dedicated to service through their membership.

During the past 100 years, members of the D.A.R. have contributed their time and resources to the betterment of society. They have generously donated flags to schools, scouts, public parks and most recently to the new Mount Clemens Court Building. The chapter has supported many schools by donating books over the years as well as supporting their National Library. I would like to thank all of the members, past and present, who have worked diligently to foster true patriotism in the Macomb County community.

The members of the Macomb Chapter of the Daughters of the American Revolution are dedicated to the preservation of patriotic principles and securing the blessings of liberty for mankind. Please join me in offering congratulations as they celebrate 100 years of service to God, home and country.

## HONORING THE BOROUGH OF NORTH YORK ON ITS 100TH ANNIVERSARY

### HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. GOODLING. Mr. Speaker, I rise today to pay tribute to the Borough of North York on the occasion of its 100th Anniversary Celebration. I am pleased and proud to bring the history of this fine borough to the attention of my colleagues.

The general outlines for the borough began in 1888 with the purchase of 63 acres of ground by Jacob Mayer, a leading cigar maker. At that time, North York was known as Mayersville. On April 17, 1889, the Borough of North York was incorporated, encompassing about 146 acres of land. The first official council meeting was held on May 12, 1899.

Today, the population of the Borough of North York is 1689. It is a thriving community and home to many outstanding businesses.

I send my sincere best wishes as the Borough of North York celebrates this milestone in its history. I am proud to represent such a fine place and look forward to watching it grow as we enter the new millennium.

## CONGRATULATING TO OUR LADY OF LOURDES ACADEMY MIAMI, FLORIDA

### HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Ms. ROS-LEHTINEN. Mr. Speaker, today I would like to recognize an outstanding group of girls from Our Lady of Lourdes Academy who won third place at this year's national We the People competition.

Sacrificing their weekends, evenings, and spending countless of hours in preparing diligently for the state and local tournaments which they won, 17 students of Our Lady of Lourdes Academy proudly represented Miami and the state of Florida this year in yesterday's national competition on the Constitution.

I ask my Congressional colleagues to join me in paying tribute to devoted teacher Rosie Heffernan and to the following 17 young girls who made evidence their pride in our country's heritage and demonstrated their vast knowledge of the United States' history and of current events: Deerack Asencio, Deanna Barkett, Melissa Camero, Carly Celmer, Catherine Cone, Jessica Fernandez, Tanya Garcia, Diana Kates, Ingrid Laos, Vivian Lasaga, Claudia MacMaster, Tanya Nelson, Sonya Nelson, Tatiana Perez, Flavia Romero, Melissa Sanchez, and Kristina Velez.

## REPORT FROM WAYNE COUNTY

### HON. DAVID M. McINTOSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. McINTOSH. Mr. Speaker, I rise today to give my "Report from Indiana" where I honor distinguished Hoosiers who are actively engaged in their communities helping others.

Mr. Speaker, it has always been my strong belief that individuals and communities can do a better job of caring for those who need help in our society than the federal government. The wonderfully kind and committed Hoosiers who I have met traveling around Indiana have not changed my view.

Ruthie and I have met hundreds of individuals who are committed to making our communities a better place in which to live and raise our children—we call them "Hoosier Heroes."

I recognized this genuine Hoosier Hero in Wayne County at a Lincoln Day dinner speech. She is Violet Backmeyer, whose commitment and service to the needy has been just as strong and successful. By working tirelessly on behalf of the less fortunate, Violet epitomizes a Hoosier Hero.

For the past 15 years, Violet has served as a Wayne Township Trustee. She has given invaluable service to the Salvation Army and various food pantries both providing aid to the desperately poor.

Violet's work has given so many people the most precious gift possible, hope. She doesn't do it for the pay, which is zilch, she does it for the smiles and laughter. You are a true hero in my book, doing good works for others with no other motive than Christian charity.

Violet Backmeyer deserves the gratitude of her country, state, and nation, and I thank her here today on the floor of the House of Representatives.

## CALIFORNIA RESOLUTION TO HONOR WORLD WAR II VETERANS

### HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. FILNER. Mr. Speaker, I rise today to place into the CONGRESSIONAL RECORD a Resolution from the California State Assembly, Assembly Joint Resolution No. 15 relative to Filipino World War II veterans:

Whereas, The Philippine Islands, as a result of the Spanish-American War, were a possession of the United States between 1898 and 1946; and

Whereas, In 1934, the Philippine Independence Act (P.L. 73–127) set a 10-year timetable for the eventual independence of the Philippines and in the interim established a government of the Commonwealth of the Philippines with certain powers over its own internal affairs; and

Whereas, The granting of full independence ultimately was delayed for two years until 1946 because of the Japanese occupation of the islands from 1942 to 1945; and

Whereas, Between 1934 and the final independence of the Philippine Islands in 1946, the United States retained certain sovereign powers over the Philippines, including the right, upon order of the President of the United States, to call into the service of the United States Armed Forces all military forces organized by the Commonwealth government; and

Whereas, President Franklin D. Roosevelt, by Executive order of July 26, 1941, brought the Philippine Commonwealth Army into the service of the United States Armed Forces of the Far East under the command of Lieutenant General Douglas MacArthur; and

Whereas, Under the Executive Order of July 26, 1941, Filipinos were entitled to full veterans benefits; and

Whereas, Approximately 200,000 Filipino soldiers, driven by a sense of honor and dignity, battled under the United States Command after 1941 to preserve our liberty; and

Whereas, There are four groups of Filipino nationals who are entitled to all or some of the benefits to which United States veterans are entitled. These are:

(1) Filipinos who served in the regular components of the United States Armed Forces.

(2) Regular Philippine Scouts, called ''Old Scouts,'' who enlisted in Filipino-manned units of the United States Army prior to October 6, 1945. Prior to World War II, these troops assisted in the maintenance of domestic order in the Philippines and served as a combat-ready force to defend the islands against foreign invasion, and during the war, they participated in the defense and retaking of the islands from Japanese occupation.

(3) Special Philippine Scouts, called ''New Scouts,'' who enlisted in the United States Armed Forces between October 6, 1945, and June 30, 1947, primarily to perform occupation duty in the Pacific following World War II.

(4) Members of the Philippine Commonwealth Army who on July 26, 1941, were called into the service of the United States Armed Forces. This group includes organized querrilla resistance units that were recognized by the United States Army; and

Whereas, The first two groups, Filipinos who served in the regular components of the Unites States Armed Forces and Old Scouts, are considered United States veterans and are generally entitled to the full range of United States veterans benefits; and

Whereas, The other two groups, New Scouts and members of the Philippine Commonwealth Army, are eligible for certain veterans benefits, some of which are lower than full veterans benefits; and

Whereas, United States veterans medical benefits for the four groups of Filipino veterans vary depending upon whether the person resides in the United States or the Philippines; and

Whereas, The eligibility of Old Scouts for benefits based on military service in the United States Armed Forces has long been established; and

Whereas, The federal Department of Veterans Affairs operates a comprehensive program of veterans benefits in the present government of the Republic of the Philippines, including the operation of a federal Department of Veterans Affairs office in Manila; and

Whereas, The federal Department of Veterans Affairs does not operate a program of this type in any other country; and

Whereas, The program in the Philippines evolved because the Philippine Islands were a United States possession during the period 1898–1946, and many Filipinos have served in the United States Armed Forces, and because the preindependence Philippine Commonwealth Army was called into the service of the United States Armed Forces During World War II (1941–1945); and

Whereas, Our nation has failed to meet the promises made to those Filipino soldiers who fought as American soldiers during World War II; and

Whereas, The Congress passed legislation in 1946 limiting and precluding Filipino veterans that fought in the service of the United States during World War II from receiving most veterans benefits that were available to them before 1946; and

Whereas, Many Filipino veterans have been unfairly treated by the classification of their service as not being service rendered in the United States Armed Forces for purposes of benefits from the federal Department of Veterans Affairs; and

Whereas, All other nationals who served in the United States Armed Forces have been recognized and granted full rights and benefits, but the Filipinos, as American nationals at the time of service, were and still are denied recognition and singled out for exclusion, and this treatment is unfair and discriminatory; and

Whereas, On October 20, 1996, President Clinton issued a proclamation honoring the nearly 100,000 Filipino veterans of World War II, soldiers of the Philippine Commonwealth Army, who fought as a component of the United States Armed Forces alongside allied forces for four long years to defend and reclaim the Philippine Islands, and thousands more who joined the United States Armed Forces after the war; Now, therefore, be it

*Resolved by the Assembly and the Senate of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States during the First Session of the 106th Congress to take action necessary to honor our country's moral obligation to provide these Filipino veterans with the military benefits that they deserve, including, but not limited to, holding related hearings, and acting favorably on legislation pertaining to granting full veterans benefits to Filipino veterans of the United States Armed Forces; and be it further

*Resolved,* That the Clerk of the Assembly transmit a copy of this resolution to the President and the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

## CONSENT OF CONGRESS TO THE CHICKASAW TRAIL ECONOMIC DEVELOPMENT COMPACT

### HON. ED BRYANT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. BRYANT. Mr. Speaker, as we move into the 21st Century, there is a need in our rural communities to find new revenue sources to keep up with the constant changes of our high-tech and booming business community.

This scenario rings true in many areas of rural Tennessee. Several of the counties within the seventh-district are doing what they can to attract businesses to their communities to provide jobs and revenue to help their counties, cities, and towns grow in the new century.

That is what we have in front of us today. The Chickasaw Trail Economic Development Compact gives Congressional consent to an interstate compact between Tennessee and Mississippi that will promote interstate cooperation and economic development in an area straddling Fayette County, Tennessee and Marshall County, Mississippi.

Under the bill, the Chickasaw Compact would conduct a study to determine the feasibility of establishing an industrial park in this area. Should that study turn out to be favorable, the states would then negotiate a new compact implementing the details needed to establish a 4,000 to 5,000 acre industrial park. This location is adjacent to metro Memphis, which is shot of available land for future industrial growth, and it is hoped that the development would attract sophisticated high technology industries to the area.

The compact has already established a board of directors representing the two states, the two counties and the private sector. Financial support from local, state and federal sources have allowed the project to proceed with an initial feasibility study.

## COMMEMORATING THE PASSING OF ROBERT LAWRENCE RUMSEY

### HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. GARY G. MILLER of California. Mr. Speaker, I rise today on this sad occasion to commemorate someone very dear to me, my father-in-law, Robert Lawrence Rumsey.

Robert passed away peacefully in his sleep at the age of 85 on January 28, 1999 at his home in Glendora, California. He is survived by his wife of 64 years, Evelyn Rumsey; his sister Dorothy Lawrence; his three daughters and two sons-in-law, Charles and Judy Nichols of Huntington Beach; Loretta Rojas of Pomona; my wife, Cathy, and me.

He will be deeply missed by his seven grandchildren, six great-grandchildren, and one great great-grandchild.

Robert was born in Chicago, Illinois in 1913 to Silas and Nellie Rumsey. When he was five years old, he moved to Los Angeles, California. In 1930, Robert graduated from Manual Arts High School and soon thereafter moved to Detroit, Michigan where he met his beautiful wife Evelyn. The two were married on August 21, 1934. Robert then attended the Ford Motor Company Trade School and graduated with honors. He proceeded to become a master Tool and Die Maker and Mold Maker.

In 1941, Robert and Evelyn moved to Southern California and in 1947 began building their home in Glendora. For many years, Robert worked for United Engravers in Los Angeles.

Services were held on Monday, February 1, 1999 at Oakdale Memorial Park in Glendora, California.

You will be greatly missed.

## COMMEMORATING THE CORNERSTONE CEREMONY FOR JOHN A. O'CONNELL TECHNICAL HIGH SCHOOL

### HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Ms. PELOSI. Mr. Speaker, I rise today in recognition of the Cornerstone Ceremony for John A. O'Connell Technical High School in San Francisco.

In 1989 the Loma Prieta earthquake virtually destroyed the facilities at John A. O'Connell Technical High School, and forced them to relocate the school temporarily for a period of ten years. In the year 2000 the John A. O'Connell Technical High School will return to its former site and a new building structure in the Mission District of San Francisco. John A. O'Connell Technical High School will be the first San Francisco public school of the Millenium. Its curriculum will be revised to reflect the role of technology for today's classrooms and workplaces as its focus moves from a traditional trade school to a school emphasizing a curriculum that will embody a "school to career" principle.

On May 10, 1999, the Cornerstone Ceremony for John A. O'Connell Technical High School will be hosted by officers of the Grand Lodge of Free and Accepted Masons of California. It is a true reflection of our diversity of interests to bring together so many organizations in support of public education. The Masons have a rich tradition of serving our communities, particularly education, and we are grateful for their support over these many years. The man whose name we honor today—John O'Connell—served the San Francisco community as its labor leader for almost half a century as a founder of the Teamsters Union and the San Francisco Labor Council. Their extraordinary vision and commitment bring us once again to the doorsteps of a new center for education and learning in the Mission District.

Mr. Speaker, on behalf of Congress, let us join in celebrating our continued support for pubic education by commending the leaders and representatives of the San Francisco Mission District community, labor community, and Masonic Lodges and organizations and other individuals who have contributed to this historic occasion.

## DALLAS COWBOYS OWNER JERRY JONES

### HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, many of us are aware of the contributions that Dallas Cowboys owner Jerry Jones has made to the sport of football. His focus on excellence in sportmanship and successful stewardship of the Dallas Cowboys will be forever cemented in the history of the game.

However, Mr. Jones has also made a significant contribution to the history of our country and the ideas of Thomas Jefferson, the third President of the United States, who drafted the Declaration of Independence.

Mr. Speaker, Mr. Jones along with his wife Gene, donated $1 million to a Library of Congress program that is currently rebuilding Thomas Jefferson's personal book collection that was lost in a fire.

This gracious gift allows the Library of Congress to obtain lost copies of books destroyed in 1851. It will be a labor and financially intensive undertaking that will be helped by Mr. Jones's assistance.

Cicero once said that "to be ignorant of the past is to remain a child." Mr. Speaker, the donation by Mr. Jones will assure that we will be able to hold onto history and be less ignorant of it, while being wiser.

Thomas Jefferson was not only the drafter of the Declaration of Independence and U.S. President, he was also an enlightened thinker whose ideas helped us build this country and guide her through dark times. His ideas and thoughts were shaped and influenced by books.

It is appropriate that the gift from Mr. and Mrs. Jones will help restore Jefferson's rare books as he helped found the Library of Congress.

As this country still wrestles with issues of equality and freedom well into the 21st century, it is incumbent upon us to refer to the high-minded ideals of our Founding Fathers. The $1 million donation to the Library of Congress will help this country locate those books and remind us of our collective vision and history.

On behalf of the residents of the 30th Congressional District and all Americans, I would like to thank Jerry and Gene Jones for their donation to the Library of Congress. For me, this also represents their service to our country, support of democratic ideas and persevering history.

## THE DAIRY COMPACT—WHY WE NEED IT

### HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. HOUGHTON. Mr. Speaker, I rise today on behalf of H.R. 1604, a bill which would allow New York State farmers to join the New England Dairy Compact. The compact is not a panacea for dairy problems, but it is a start.

There are those who argue against it—too restrictive, anti-competitive, will increase milk prices. Despite the nay-sayers, there are many reasons to support this compact, and I support it. There are cultural reasons, economic reasons, and an overriding consideration: our own farmers want it.

The current compact in New England was established about two years ago. It provides dairy farmers with a steady, predictable floor price for their milk. And that is important. Dairy farmers for the most part live so close to the line that mild gyrations in the price they receive can be lethal.

How would anyone like to run a business where the price of your product in one day can drop 40% and you have no control over it. Your product, your quality, your service is better than ever. Through non-economic sources beyond your control your whole business stands on the brink of destitution. 5,600 New York dairy farms went that route in the last ten years.

There are three groups opposed to this life-saving compact.

First, the large Midwestern producers who in effect control through government orders the floor price of liquid milk and cheese.

Second, the big city political powers who claim that a compact to stabilize prices will at the same time increase prices to the poor. This has been disproved over and over again.

Third, the middle men—those who handle, package and distribute the raw milk before it reaches retail consumers. While the farmer receives the same price for his milk on average as he did 20 years ago—this guy has jacked up the price to the consumer in this same period by 35%.

Everyone has a right to fight for his or her economic interests, but not using the government as an accomplice, and not at the expense of those who milk the cows and produce the basic product. Something is terribly wrong when downstream interests enrich only themselves and prey on the vulnerability of smaller family farms. These plus others hold in their hands the ability to drive an important part of our heritage as well as our food supply to the wall.

If government is for anything it is to protect those who can't protect themselves. This is why I, along with others, am fighting for a multi-state Dairy Compact.

The dairy business could soon be dominated by mega-farms whose only claimed advantage is an economy of scale. That's not sufficient reason to muscle out others of lesser size whose costs are similar, but whose deep pockets are not. If the federal government is going to be in the dairy business at all, it better try to serve the many, not the few.

Is a compact the answer to all the problems in our dairy industry? Of course not. But it will help preserve our family producers until a more permanent solution can evolve.

So, the way I see it, a compact benefits farmers and consumers. That's why I will fight for its passage.

## HONORING CECILE HERSHON

### HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. KILDEE. Mr. Speaker, I stand before you today to recognize and honor the accomplishments of a truly remarkable woman. On May 5, members of the Flint, Michigan, Northern High School Alumni Association will gather to honor five Distinguished Fellows, members of their alumni community who have contributed to legacy and rich history of Northern

High School, and of Flint. One Distinguished Fellow to be honored is the late Ms. Cecile Hershon.

Born in Lansing, Michigan in 1920, Cecile Hershon and her family eventually moved to Flint, where she graduated from Northern High School in 1938. In 1944, Cecile was recruited by the United States Army and began her long military career as a civilian clerk in Arlington, Virginia. From there she went on to become a part of the newly merged Army and Navy Signal Services, first known as the Armed Forces Security Agency as is currently what we know as the National Security Agency.

Cecile began to further her career with the National Security Agency, becoming adept as intelligence research, analysis, and reporting, and soon became a exceptional cryptographer. She later accepted an overseas position where she continued to perfect her skills, allowing her to function in a variety of supervisory and management positions. Throughout her career, which spanned an incomparable 42 years, Cecile received numerous honors and commendations, including one of the agency's highest honors, the National Meritorious Civilian Service Award in 1986. Cecile also became involved in WIN—Women in NSA, an organization dedicated to increasing personal growth and development among both men and women within the NSA. As a member of WIN, Cecile was honored with their President's Award on two separate occasions. She was also the first recipient of WIN's Dorothy T. Blum Award for excellence in personal and professional development.

In addition to being a model employee, Cecile was an ardent humanitarian as well. She was constantly found extending a helping hand to friends, colleagues, and sometimes mere acquaintances, sometimes at her own personal or professional expense, and with no thought of personal gain. Countless members of the NSA and the military attribute their success to Cecile's support and encouragement. There have been many accounts of people who were convinced by Cecile to remain in the NSA, complete their education, and honor familial obligations. Indeed, many of our military are better soldiers due to the influence of Cecile Hershon.

Mr. Speaker, Cecile Hershon lived her life in a truly selfless and benevolent manner, and it goes without saying that her influence extends even to this day. Her life's work, serving her country for so long as a civilian, is commanding of the highest respect.

## INTRODUCTION OF LEGISLATION TO HONOR WORLD WAR II'S FIRST HERO, CAPTAIN COLIN P. KELLY, JR.

### HON. ALLEN BOYD

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. BOYD. Mr. Speaker, today, I introduced a bill to honor World War II's first hero, and fellow Floridian, by designating the post office building in Madison, Florida the Captain Colin P. Kelly, Jr. Post Office.

Colin Kelly was born in Monticello, Florida on July 11, 1915. Raised in Madison, Florida he attended Madison High School until his graduation in 1932. In the summer of 1933, Kelly entered West Point, and after graduation in 1937 he was assigned to flight school and a B–17 group.

At the outbreak of WWII, Capt. Kelly, along with other B–17 crews, was ordered to Clark Field, the Philippines. Shortly after the bombing of Pearl Harbor, Capt. Kelly and his crew were ordered on a bombing mission to attack the Japanese fleet. After completing their bombing run, Capt. Kelly's plane was attacked by two Japanese fighters while returning to Clark Field. Kelly gave the order to abandon the aircraft but remained at the controls to maintain the plane's elevation so his crew could safely bail out. He did not have time to make his escape and was killed in the line of duty on December 10, 1941.

According to Major Kenneth Gantz in a memo for General William Hall dated November 21, 1945, ''Kelly became a hero by circumstances at the time when his country desperately needed a hero.'' Indeed, Kelly was featured in many popular publications of the day and is often considered America's first hero of WWII. In addition, President Roosevelt awarded Capt. Kelly the Distinguished Service Cross posthumously for his actions.

The designation of the post office in his hometown of Madison as the Capt. Colin P. Kelly, Jr. Post Office seems a fitting tribute to this patriot, his family, and his legacy. I am proud to honor this American hero.

## HONORING TEACHERS HALL OF FAME INDUCTEE RONALD W. POPLAU

### HON. DENNIS MOORE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. MOORE. Mr. Speaker, I rise today on behalf of my constituents to honor Ronald W. Poplau, a sociology teacher at Shawnee Mission Northwest High School in Shawnee, KS, and one of only five teachers in the nation to be inducted this year into the National Teachers Hall of Fame.

Students and administrators who have worked with Ron Poplau have known for many years that he is one of the finest the field of professional education has to offer. For over 35 years, Ron Poplau has dedicated himself to giving students the tools they need not only to find their way in civil society, but to thrive.

Like many Americans, Ron Poplau has drawn inspiration from his family. Ron's father immigrated from Germany at the turn of the century, and because of prejudice and fear, was not able to receive a proper education. When Ron became a teacher, it was the fulfillment of his father's dreams to free himself and others from illiteracy.

Throughout his career, Ron Poplau has received many honors and awards for his work in the classroom. Most recently he has received the Wooster College Excellence in Teaching Award, the U.S. Army Outstanding Citizen Award, the Greg Parker Faculty Award, and has been twice recognized as the U.S.D. 512 Employee of the Year. But Ron Poplau's legacy goes far beyond his classroom.

Most importantly, Ron Poplau has helped thousands of students foster a lifelong commitment to community service. His Cougars Community Commitment program puts hundreds of students into the community every day to assist the poor, needy, and elderly. It has become a model for other school districts and been honored by local, state, and national awards.

Perhaps the definitive statement above Ron Poplau was offered by his colleague Beth Jantsch when she said, ''What Ron has done by the creation of this program is to leave a legacy of community care and involvement for generation to come . . . I can only believe that this will be a better world because of the lives that have been touched and by those that will carry on the torch of caring and community involvement . . . he is our shining light.''

On behalf of the people of the Third District of Kansas, I want to thank Ron Poplau for caring so much for the development of our nation's children, and for helping to strengthen our community by encouraging young people to extend their hand in friendship and service.

Mr. Speaker, please join me in congratulating Ronald W. Poplau of Shawnee Mission Northwest High School on his induction into the National Teachers Hall of Fame.

## MARILYN SAVIN FOR OUTSTANDING LIFETIME CONTRIBUTIONS TO WOMEN'S RIGHTS

### HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Ms. DELAURO. Mr. Speaker, I am honored to rise today to remember and pay tribute to a Connecticut woman who, during her life, worked tirelessly to advance the rights of women. Marilyn Savin devoted nearly two decades to promoting and protecting a woman's right to choose.

Through her work with the National Abortion and Reproductive Rights Action League (NARAL), both locally and nationally, Marilyn became a leading activist in the pro-choice movement, having a particular impact in the Republican Party. As a direct result of her influence, Connecticut Republicans stand out in the nation for their support of reproductive rights—an outstanding illustration of the power of her commitment and dedication.

Indeed, Marilyn was a true leader in advancing reproductive rights, family planning, and women's health. Marilyn translated principles into action by public speaking engagements and public surveys. A women's right to choose is one that is constantly under attack. Those who fight to ensure that women maintain this right and have access to safe procedures, often put themselves in jeopardy for their beliefs. For this, Marilyn deserves our respect and gratitude.

As a longtime resident of the Town of Woodbridge, she was an active member of the Woodbridge Town Committee, Woodbridge

Town Library, Planned Parenthood of Connecticut, and the National Coalition of Republicans for Choice. From these roots, she continued her campaign with Connecticut NARAL, serving on their Board of Directors and as chair of the state political action committee. Her tremendous imvolvement with the local chapter led her to serve NARAL on the national level. As a member of the Board of Directors, Foundation, Board, and the National Political Action Committee, Marilyn helped to shape the values and ideas the group continues to promote today.

Recently, the pro-choice movement sadly lost Marilyn Savin. On May 1 Connecticut NARAL will hold its 1999 Choice Celebration and Auction in her honor. This is a fitting tribute to a woman who dedicated her life and spirit to advocating the right of choice. Though her enthusiasm, energy, and commitment will be missed, the unparalleled impact of her efforts will not be forgotten.

It gives me great pleasure to stand today in honor of Marilyn Savin and join with friends, colleagues and family members as they remember this talented woman. Her dedication to this movement has truly made a difference which will be felt by women in Connecticut and across the country for years to come.

## PEACE IS OUR PROFESSION

### HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. SKELTON. Mr. Speaker, on April 19, 1999, I had the opportunity to address the United States Air Force Academy in Colorado Springs, Colorado. I spoke about the priority of peace as the profession of the United States military. My speech to that group is set forth as follows:

Many of you, I am sure, have been to the headquarters of the Strategic Command at Offutt Air Force base in Nebraska. Some of you, I know, will soon be joining that fine organization. The motto of the strategic command, which was for many years that of its predecessor, the strategic air command, is a simple, but profound statement:

''Peace is our profession.''

That statement expresses very well the purpose of the U.S. military. The United States does not maintain military power because it seeks to expand its rule or dominate other nations—the purpose of U.S. military power—and the reason for the Army, Navy, Air Force, and Marine Corps—is to secure the peace.

''Peace is our Profession'' was especially well-chosen as a motto for the strategic air command. I know that every one of your predecessors who climbed into the cockpit of a SAC bomber had to be aware of the awesome fact that loaded on board were weapons of more destructive power than had ever been unleashed in all the wars of history that had gone before. SAC was—and the strategic command remains—the steward of the most terrible military force ever created. Because of that, it was always critically important to keep the purpose of such awful power foremost in mind—to preserve peace by remaining able to make war, for it was none other than George Washington who said, ''There is nothing so likely to produce peace as to be well prepared to meet an enemy.''

I believe the old SAC motto remains just as relevant and appropriate today as it was during the height of the cold war. But I have to say, in the wake of our experience since the cold war ended, that peace isn't quite what many people thought it would be. Sir Michael Rose, the British general who commanded UN forces in Bosnia before the Dayton agreement, put it well in the title of his recent book, which he calls ''Fighting for Peace.''

In our ambiguous, complicated, demanding global environment, it is critically important that you, who are entering into the profession of arms, consider very carefully what it means to say ''Peace is our profession.'' It is important first of all because you must understand, in your hearts as in your minds, both the great difficulty and great value of what you are doing, even when many of your fellow citizens may not always appreciate your efforts as well as they should.

Peace is difficult. It is difficult above all because it is not, as some people seem to think, the natural state of things. Peace does not just happen. Peace is not the comfortable, old rocker on the porch we would like to sink into after a hard day's work. Peace is much more like the progress of Ulysses, who sailed through storm-lashed seas only to find at each new landfall a different challenge—whether a treacherous temptation luring him from his path or an ever more devious and powerful foe.

The short history of the post-cold war era shows us one thing very clearly—that peace can only be maintained when those with the strength to do so accept their responsibility as much as possible to resist aggression, to define the rules of international order, and to enforce those rules when necessary. Peace is something that must be built anew in ever changing circumstances by the labor, the will, and sometimes the blood of each generation.

We are only beginning to see what challenges will face your generation. I hope and pray that those challenges will be, in some ways, at least, less fearsome than those your predecessors faced. God forbid we should ever again have to send our finest young people into the mechanized killing fields of the great world wars of the past century. The spread of weapons of mass destruction, therefore, makes me shudder—it is all the more important that your labor be applied to keep such awful implements from ever being used.

The great and unique challenge you face, it seems to me, is in the insidious nature of the enemy before you. In the world wars, in the cold war, in the Persian Gulf War, even in Korea and Vietnam, the enemy was apparent. Today, I think, the enemy is harder to define. Through no less dangerous, it is in some ways more difficult to grapple with because it is so difficult to see clearly. Admiral Joseph Lopez, who recently retired after serving as Commander of Allied Forces in Southern Europe, has said very wisely that ''Instability is the Enemy.''

That is a good way of defining it, above all because it serves to emphasize the importance of our military engagement, in all kinds of ways, with other nations around the world. But to understand that doesn't make it any easier to cope with. One problem, obviously, is that instability is everywhere. So in trying to cope with it as best we can, we are working you and your colleagues much too hard. I have argued long and loudly that we need to stop doing that. For their part, your leaders in the Air Force are working diligently to reorganize the force in a way that will make things better. Even so, I can't promise you that the task of maintaining this troubled peace will be much easier in the future.

An even more difficult problem arises from the fact some instability is more dangerous than other instability. The question we all struggle with is this: How do we decide when instability is sufficiently dangerous to our long-term interests to justify putting the best of our young men and women—that is, you—at risk?

Let me tell you that no one in a position of responsibility in this Nation takes that question lightly. We have a lot of frivolous and needlessly partisan debates in Washington. But when it comes to a debate over your lives—over whether to tell you to risk your lives to defend our nation—The Congress engages the issues seriously and solemnly. We, and the President, may not always make the right decision—but God knows, we all try to.

The difficulty for you is that there are legitimate, deeply held differences of view on whether and when our interests and our principles are sufficiently at stake to justify putting your lives on the line in Kosovo or Kuwait or Korea. When the enemy is as ambiguous as instability, it is, I am afraid, too likely that your leaders will sometimes sound an uncertain trumpet. And that may lead some of you very soon—and perhaps every one of you sooner or later—to question whether the demands we are making on you are justifiable. For to affirm, in this historical era, that peace is your profession, will very likely require you to face some very profound questions about your commitment to duty and to country.

I hope that all of you will elect to stay and serve as long and as well as you are able. Let me recall for you that your predecessors have also had to face difficult personal questions. After the war in Vietnam, I know that many professional service members—at all grades—felt abandoned if not betrayed by their country. Some left the service—but many stayed, and those who stayed managed, in the end, to rebuild the American military into a force that is the best we have ever had. Inevitably you are going to face demands that will challenge your commitment. I hope you will understand that the task you are engaged in—to keep the peace—is as important to your country as the duty asked of any soldier, sailor, marine or airman who has gone before.

There is one other reason why I think you need to consider carefully what it means to say ''Peace is our Profession.'' You are part of a society in which your fellow citizens are often very assertive of their rights. Veterans are not immune to that sentiment, by the way. But that is entirely appropriate—that is, in part, what America is all about.

I was taught something, however, that becomes more brilliantly clear to me with every passing year. I was taught that with rights come responsibilities. When your forebears lifted into the air in a bomber armed with weapons that could wreak a holocaust, they were accepting a grave responsibility. When you say, ''Peace is our Profession,'' you are embracing a vocation in which you are going to bear a much larger share of the responsibilities than almost all of your fellow citizens.

The need for you to act responsibly has already been impressed upon you in many ways in this great institution. You have been held to standards of personal conduct much more stringent than those required of others of your age—or, for that matter, of your

elected leaders. Let me tell you that such demands for personal responsibility, for having integrity in your personal lives, will feel as light as a single snowflake the first time you are responsible for protecting the lives of others. Responsibility is demanded in your profession because, at some time, so much will be at stake in the decisions you make.

I'm not telling you this because I am worried that you will not rise to the occasion. On the contrary, I believe that you are part of a military organization that will make you ready to do your duty well, when you are called upon. I am telling you this because I am concerned, instead, that your sense of responsibility, your sense of duty, your sense of honor will, at times, make you feel somehow cut off from the society you serve.

I want to tell you that you cannot and must not let that happen. You are a critical part of American society. You are the bulwark of this society. American society cannot carry on as a free, independent, diverse, rich society without you. But neither can you succeed without the support of the American people. You have to work at maintaining that support as vigorously as you work at any other part of your profession.

Sometimes that will not be so easy. Peace is your profession. The paradox is that the more successful you are at your profession—the more peace you bring to our country—the less you are likely to be appreciated for what you do.

The famous British poet, Rudyard Kipling, wrote a poem entitled ''Tommy'' about the treatment of soldiers in time of peace. It is written from the point of view of a British infantryman, dressed in his red coat, who was refused a pint of beer at a ''Public House,'' and he complains

''For it's Tommy this, an' Tommy that, an' ''Chuck him out, the brute!''
But its ''Saviour of 'is country,'' when the Guns begin to shoot.''

In time of war, we band together as a Nation. In time of peace—even in time of a very troubled and difficult peace—many of our fellow citizens focus on other things. It is your job to let them do that. It is your job not to let them forget you even as they focus on other things.

A great many thoughtful, well-informed people are concerned these days about what they perceive as a growing gap between military and civilian society in the United States. I, too, worry about that.

Let me be clear about this. I don't worry that the military will somehow become a renegade force, or that military leaders will defy civilian leadership. That is not a real concern to me. All of you have been imbued with the importance of civilian control of the military as part of your very souls. You have joined the military to protect our great, free society, not to try, futilely, to control it. I don't believe any group or institution can control it.

I worry, rather, that if you feel yourselves to be cut off from society, to be abandoned by it, to feel it's failings as somehow alienating—then your alienation will become a self-fulfilling reality. You will not do what is needed to ensure continued public understanding of your role and continued public support of your vital mission.

American society, for good or ill—mostly for the good—is absorbed in other things than ensuring the peace. Americans make you responsible for that great task. You have to tell them about it. You cannot afford to feel that your great responsibility makes you somehow unique or somehow deserving of support. You are deserving of support. But you have to reach out to your fellow citizens to let them know that.

How should you do that? Partly it is a matter of attitude. Don't let yourself feel cut off. Don't let yourself feel different. Don't let your ingrained sense of duty make you feel unappreciated and unhonored. If you seek public support, you will get it.

I think you should be taught that it is part of your duty as an officer in the U.S. Air Force to keep in constant touch with the community in which you grew up. When you go home, you should call up the president of the local Lions club or the Rotary club and say ''Congressman Skelton told me I ought to give you a call and let you know where I am and what I'm doing in my military service.'' You will get a great response. Your community wants to support you. Your community wants to know that you are there for them. Your community wants you to continue to be a part of it. Your community wants to understand what it is to say, ''Peace is our Profession.'' It is part of your profession to contribute to their understanding.

As you progress through your military career, it is my sincere hope that you will not only fulfill your fondest dreams, but that you will, by your service, provide the peace for our country that will allow your fellow American citizens to pursue their dreams.

Thank you for the opportunity to address you today. God bless.

## A SALUTING FATHER JAMES VERNON MATTHEWS, II IN CELEBRATION OF HIS 25 YEARS OF FAITHFUL SERVICE AND COMMITMENT TO OUR COMMUNITY

**HON. BARBARA LEE**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Ms. LEE. Mr. Speaker, it gives me great honor to rise today and bring to the attention of the United States House of Representatives a man many residents in my Congressional District affectionately know as Father Jay.

Father James Vernon Matthews, II was ordained as the first Black Catholic Priest in northern California on May 3, 1974.

Born in 1948 in Berkeley, California, to Yvonne Marie Feast and James Vernon Matthews, the Reverend Matthews graduated from Oakland's Skyline High School in 1966. He received a Bachelor of Arts Degree in Humanities and Philosophy from St. Patrick College, Mt. View, California in 1970, a Master of Divinity Degree from St. Patrick Seminary, Menlo Park, California in 1973 and attended the Continuing Education Program for Doctor of Ministry (Candidate) at the Jesuit School of Theology in Berkeley, California from 1977 to 1979.

Over, the past 25 years, Father Jay has provided our community with a tireless commitment to service. He has conducted throughout the United States retreats for youth and workshops and retreats for African American Catholic vicariates and pastoral centers, participated as a team leader in Black Cultural Weekends of the Marriage Encounter Movement and most notably in 1993, conducted the St. Jude Novena at the National Shrine in Vancouver, British Columbia, Canada.

Father Jay's pastoral service has been as: Administrator and Associate Pastor of St. Cornelius Church, Richmond; St. Cyril Church, Oakland and All Saints Church, Hayward; Associate Pastor, Saint Louis Bertrand Church, Oakland; Deacon, Saint Columba Church, Oakland: Teacher, Bishop O'Dowd High School, Oakland; and Youth Minister of the Diocese of Oakland.

Father Jay's professional affiliations include actively serving on several boards & organizations, including Catholic Charities, Catechetical Ministries of the Diocese of Oakland, Alameda Cancer Society, Bay Area, Black United Fund, Knights of St. Peter Claver, Knights of Columbus, Catholic Daughters of the Americas, Bay Area Urban League, NAACP, Martin Luther King, Jr. Birthday Observance Committee, National Association of Black Catholic Administrators, National Catholic Conference on Interracial Justice, Coordinating Committee, City of Oakland Strategic Plan, Oakland Mayor's Advisory Council on Education, Chaplain—Oakland Fire Department, Board of Directors—Comprehensive Health Improvement Project, East Oakland Youth Development Center, and is the Chairman of the Church Committee for the United Negro College Fund of the East Bay.

Father Jay has been the recipient of numerous awards including the Martin Luther King, Jr. Award for Outstanding Community Service, the Marcus Foster Educational Institute's Distinguished Alumni Award, the Rose Casanave Service Award of the Black Catholic Vicariate, as well as service awards from the Ladies Auxiliary of the Knights of St. Peter Claver and the Bay Area chapter of the Xavier University, New Orleans Alumni Association.

Currently, Father Jay serves as Chaplain of Black Catholics of the Diocese of Oakland and Pastor of St. Benedict Church, Oakland.

Throughout his life, Father Jay has epitomized the ideal of a true man of God. He is a powerful role model in his immediate community and communities throughout the country. The love and service he shows towards all people regardless of race, creed, or religious background has gained him the respect of his peers.

On June 1, 1999 Father Jay will have the distinct privilege and honor to further his religious studies at the Vatican with a one year sabbatical from his current duties in the Diocese of Oakland.

It is a great honor to salute Father Jay, not just for his 25 years of service as a Catholic priest but for the many years of warmth, compassion and love he has shared with our community. The City of Oakland and its surrounding environs are a better place to live because of his firm commitment to improving the human condition of all people.

I wish Father Jay continued success as he embarks upon the next 25 years of service to God, his country and the people of Oakland.

## TRIBUTE TO GABRIELLA CONTRERAS AND RYAN LEYBAS

### HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. KOLBE. Mr. Speaker, today I met two young people from the 5th District of Arizona who are really making a difference in their communities. Both of them are Prudential Spirit of Community State Honorees for 1999, and were hosted in Washington, DC by Prudential and the National Association of Secondary School Principals. While nearly 20,000 youth volunteers submitted applications for these awards, Gabriella Contreras and Ryan Leybas are among 104 students from across the United States who were chosen for this honor.

Gabriella Contreras, a 13-year-old 7th grader at Roskruge Middle School in Tucson, had the additional honor of being named one of America's top ten youth volunteers by Prudential. When she was nine, Gabriella organized a community service club at her school in response to a nearby high school's problems with violence, gang activity, and drug use. Now in it's fifth year, Gabriella's ''Club B.A.D.D.D.,'' which stands for ''Be Alert—Don't Do Drugs,'' helps students channel their time and energy into community service projects. These projects have included clothing and food drives, annual ''peace'' marches, recycling campaigns, schoolwide cleanups, and anti-drug art gallery, and a citywide youth volunteer summit. Club B.A.D.D.D., known as the club that does good, now draws more than 500 people to some events and is being promoted at other schools.

Ryan Leybas, the other honoree from Arizona's 5th District, is an 18 year old senior at Casa Grande Union High School. Five years ago, Ryan founded a leadership camp for junior high students to teach them skills to succeed in school and life. With the support of the Pinal County school superintendent, what started out as a requirement for a Boy Scout merit badge has expanded into 120 participants this year, with at least two students from almost every school in Pinal County attending the three-day camp. Ryan, who is developing the leadership camp into a model that can be used in other states, continues to recruit students, coordinate logistics and find motivational guest speakers for the camp.

Both of these young people have shown exceptional talent in working with their peers for the betterment of their communities and their schools. I'd like to recognize them for their achievements as Prudential Spirit of Community State Honorees, and I look forward to working with them as they become tomorrow's adult leaders of Arizona.

## THE COMMUNITY REINVESTMENT ACT—MAKING AMERICA STRONGER

### HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Ms. SCHAKOWSKY. Mr. Speaker, today, the Leadership Conference on Civil Rights sent a clear and loud message to Congress—stop the attack on the Community Reinvestment Act (CRA). Enough is enough.

I wholeheartedly agree.

The Leadership Conference on Civil Rights is an impressive coalition of more than 180 national organizations, representing people of color, women, children, labor unions, persons with disabilities, older Americans, major religious groups, gays and lesbians and civil liberties and human rights groups. In a collective voice, the Leadership Conference on Civil Rights, once more, made it known to those who stubbornly want to believe otherwise, that the Community Reinvestment Act is a success.

Since its enactment in 1977, financial institutions have made more than $1 trillion in loans in low-income communities. More than 90 percent of these loans came in the past seven years. As a result, neighborhoods have prospered, communities have flourished, small businesses have succeeded and the quality of life for many has improved.

Today's Washington Post wrote,

> ... Since 1977 federally insured banks have been subject to the Community Reinvestment Act, requiring them to seek business opportunities in poor areas as well as middle-class and wealthy neighborhoods. The law, a response originally to clear evidence of bias in lending, has worked well. It doesn't force banks to make unprofitable loans, but it encourages them to look beyond traditional customers, and it's had a beneficial effect on home ownership and small-business lending.

Many banks share this view. John B. McCoy, President and CEO of one of the largest and profitable banks in the nation, Bank One, testified before the House Banking Committee on February 10 that his bank is ''working effectively and successfully with CRA.''

However, there are those in Congress who are attempting to undermine the success of the Community Reinvestment Act, either by refusing to expand it or calling for its outright end.

I hope that my colleagues were listening today. The Community Reinvestment Act is a wise investment with a sure return. I applaud the efforts of the Leadership Conference on Civil Rights and join in their crusade to protect and expand the Community Reinvestment Act.

## PERSONAL EXPLANATION

### HON. MATT SALMON

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. SALMON Mr. Speaker, I'm recorded as having voted ''nay'' on House rollcall vote No. 107. I intended to vote ''aye.'' Isn't it ironic that on the day that I am putting the finishing touches on the revised K–12 Education Excellence Now (KEEN) Act, which now explicitly offers a federal tax credit of up to $250 annually for teachers who purchase school supplies for their students with their own money, I would make this error.

## TRIBUTE TO RABBI ABRAHAM KELMAN

### HON. ANTHONY D. WEINER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. WEINER. Mr. Speaker, I rise today to invite my colleagues to pay tribute to Rabbi Abraham Kelman on his being honored by the Rabbis and Congregations of Flatbush and Vicinity on the occasion of their Annual Breakfast on behalf of the Ezras Torah Charity Fund.

Rabbi Abraham Kelman is an eighth generation Rabbi in his family, a tradition which is continued today by his son, Rabbi Lieb Kelman. The Kelman family has traditionally been involved in Chinuch and community activities as a means of helping those who are unable to help themselves.

Before coming to New York, Rabbi Kelman was a Rabbi in Toronto for nine years. He received Smicha in Toronto, as well as a B.A. and M.A. in Oriental Languages from the University of Toronto. In addition, Rabbi Kelman was a chaplain in the Canadian army during World War II.

Rabbi Abraham Kelman is the founder and Dean of Bnos Leah Prospect park Yeshiva. Since it's founding in 1952, the school has provided thousands of youngsters with a strong secular and Jewish education. Thanks to the dedicated efforts of Rabbi Kelman, Bnos Leah Prospect Park Yeshiva has seen its enrollment rise to more than 1,300 students. He is also the Rabbi of the Yeshiva Congregation of Prospect Park.

Rabbi Abraham Kelman is the author of a number of books such as ''Prospectives on the Parsha.'' He was instrumental in organizing the Prospect Park Nursing Home, a nonprofit facility in the Flatbush section of Brooklyn dedicated to meeting the needs of our senior citizens.

Rabbi Abraham Kelman has long been known as an innovator and beacon of good will to all those with whom he has come into contact. Through his dedicated efforts, he has helped improve my constituents' quality of life. In recognition of his many accomplishments on behalf of my constituents, I offer my congratulations to Rabbi Abraham Kelman on the occasion of the Rabbis and Congregations of Flatbush and Vicinity's Annual Breakfast on behalf of the Ezras Torah Charity Fund.

## EXPOSING RACISM

### HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. THOMPSON of Mississippi. Mr. Speaker, in my continuing efforts to document and expose racism in America, I submit the following articles into the CONGRESSIONAL RECORD.

FLORIDA TO BECOME BATTLEGROUND STATE ON RACIAL, GENDER PREFERENCES

(By John Pacenti)

MIAMI—The California businessman who plans to launch a ballot initiative to abolish

state-sponsored racial and gender preferences in Florida attacked Gov. Jeb Bush on Monday as a purveyor of racial politics who is ''siccing his attack dogs on me.''

Ward Connerly, a black conservative Republican who has been successful with similar propositions in California and Washington, said a poll he commissioned found 80 percent of Floridians support his proposal.

Lawmakers, though, are a different story. ''Florida doesn't need somebody from California to come here and tell it how to write its Constitution,'' said U.S. Sen. Bob Graham, D-Fla.

Connerly said politicians, particularly Republicans, are afraid of offending black voters. He described campaigning in black churches, like Bush did, as playing the ''race card.''

''That is saying I want your vote on the basis of your skin color, on the basis of your ethnicity,'' he said.

Bush met with Connerly in January and later wrote a letter to him saying he felt a ballot initiative targeting affirmative action would be divisive. The governor refused to answer questions on the matter Monday.

''His goal is to build a consensus around issues we should be focusing on— and those are education, fighting the drug war, protecting the developmentally disabled,'' said Bush's press secretary Nicolle Devenish. ''His focus is not going to be on this political debate right now.''

Connerly said Bush is behind a concerted effort to keep the initiative off the Florida Ballot.

''I can overcome the obstacle of the sitting governor of my party who is siccing his attack dogs on me and his party against a proposition I believe in,'' Connerly said. ''I believe the establishment is wrong, is dead wrong on this issue.''

Connerly, who also made announcements in Jacksonville and Altamonte Springs, said he plans to get one or more initiatives on the November ballot next year or 2002.

''It's like an old car. It's got a lot of mileage on it and it's ready to sputter out any minute,'' Connerly said of affirmative action. ''I think we should give it a graceful retirement and find a way of getting some new wheels that solves some real needs.''

He said that economic-based affirmative action should replace the raced-based preferences that has spilled over into private businesses and caused so much resentment in the workplace.

''We are talking about getting rid of the marginalization that flows from race-based affirmative action,'' Connerly said ''. . . it is all over America.''

Connerly, a member of the University of California Board of Regents, would need to gather 435,073 signatures to put the measure on the Florida ballot.

Rev. Jesse Jackson, who was in Miami to talk about AIDS in the black community, said Connerly was ''trying to peddle fear'' and is going to have trouble without Bush's support.

''Gov. Wilson in California cooperated with Ward Connerly,'' said the Rev. Jesse Jackson. ''It seems like Gov. Bush will not. Florida must avoid the mistake made by California.''

Washington Gov. Gary Locke, though, opposed a Connerly-backed measure in 1998 and it passed with 58 percent of the vote.

ALLEGED WITNESS TO ATTACK SAYS STATEMENT COERCED

(By Tammy Webber)

CHICAGO.—The man prosecutors once described as their key witness to the 1997 racial beating of a 13-year-old black boy now claims his rights were violated during police questioning.

Richard DeSantis, 20, is charged with obstructing justice after disappearing for eight months as prosecutors tried to build a case against three men charged with beating Lenard Clark into a coma after he wandered into their predominantly white Bridgeport neighborhood.

His disappearance forced a five-month delay in the trials before prosecutors decided to proceed without him. One defendant was sentenced to eight years in prison for aggravated battery and committing a hate crime, while two others accepted plea agreements and got probation and community service.

DeSantis on Monday claimed authorities coerced him into signing a statement and would not allow him to speak to his attorney despite repeated requests.

The statement, therefore, should not be admissible in court, said attorney James Cutrone, who was not DeSantis' attorney at the time he signed the statement.

Cutrone said if the Cook County Judge Robert W. Bertucci grants the motion to suppress the statement, the county should drop its case. Testimony is scheduled to continue today.

Under questioning Monday, DeSantis said several portions of his signed statement are incorrect, including where he allegedly told police he saw three friends beat Lenard.

He described being held for questioning for more than nine hours at the police station, where he claims he was interrogated, put through a police lineup and told that he was lying when he said he did not witness the beating.

He said he signed the statement because police allegedly told him he could go home and would not be charged if he did so. He testified it was also after he heard his attorney's voice in the station but was not able to see him.

''I thought after I heard (the lawyer's voice) . . . and they didn't let him see me, I thought they could do whatever they wanted to,'' he said.

John O'Malley, his attorney at the time, also testified that he was at the police station for more than two hours before he was able to see DeSantis—and after DeSantis signed the statement.

But under questioning by Assistant State's Attorney Robert Berlin, DeSantis conceded that authorities let him read the statement and make any changes before he signed it.

Frank Caruso Jr. received an eight-year sentence after being found guilty of aggravated battery and committing a hate crime, but innocent of attempted murder. Victor Jasas, 18, and Michael Kwidzinski, 21, received probation and community service after accepting plea agreements.

Clark, now 15, cannot remember the attack. All three defendants were accused of knocking Clark from his bicycle, then kicking and pummeling him until he was unconscious.

---

RACIAL ATTACK

DARIEN, CI.—A white businessman accused of stabbing a black man in the face with a pen on board a Metro North train has been given special probation in the case.

Kevin Keady was arrested by Metro North police June 28, 1996, after he allegedly hurled racial slurs and his fists at Michael Moore on a train.

Keady allegedly used a pen as a dagger to slash Moore's face. Moore's nose was broken and he received stitches to repair a torn ear lobe, said Moore's attorney, Charles Harris, Keady was charged with intimidation by bigotry or bias and second-degree assault.

A Superior Court judge last week granted Keady accelerated rehabilitation which is available to first-time offenders who face charges that could result in prison time. If the defendant successfully completes the two-year probation, all records are erased.

Keady denies the charges. He claimed Moore and others attacked him and uttered bigoted remarks. He filed a civil lawsuit against Moore in July 1998.

Moore also has sued Keady. A Superior Court judge awarded him a $150,000 lien on Keady's home in Darien, ruling that there is probable cause that Moore could win at least that much. Moore's suit seeks $15,000 in damages for claims of assault and battery, false imprisonment and intimidation based on bias or bigotry.

Keady's next scheduled court date is March 9, 2001, after the completion of his special probation.

---

NUMBER OF BLACK APPLICANTS TO UW LAW SCHOOL PLUMMETS

SEATTLE.—The number of black applicants to the University of Washington Law School has plummeted since a voter-approved ban on public affirmative action programs.

In the first round of admissions since the initiative became law in December, the number of black applicants was down 41 percent from a year earlier. Applications from Filipinos and Hispanics also are down, by 26 percent and 21 percent, respectively, while total applications were off 6 percent through March 5.

Although too early to say what this year's entering class will look like, university officials say the new figures may confirm their fear that the law prohibiting race consideration in admissions will make the university's population less diverse.

''One possibility has to be that Initiative 200 has caused a chilling climate in which minority men and women are reluctant to apply for fear they won't be welcome at the university,'' President Richard McCormick said.

''The applications are the material with which you have to work, and if minority applications are down, it doesn't help with respect to the recruitment of a diverse class,'' McCormick said.

But the man who ran the initiative campaign took a different tact.

''I think it shows that the word is getting out on the street that the use of race-driven admissions is becoming a thing of the past,'' John Carlson said. ''Students are more apt to apply to schools that match their skills levels.''

# SENATE—*Wednesday, May 5, 1999*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, a very present Help in trouble, You do not send natural catastrophes but help us to endure them. Our minds and hearts are focused on the tragic deaths and the destruction left in the aftermath of the series of tornadoes that wracked the Oklahoma City area and sections of Kansas, leaving more than 45 people dead and homes and neighborhoods razed. Especially we pray for the families who lost loved ones and had their homes destroyed. Care for them with Your sustaining comfort and strength. Bless the police, emergency workers, doctors, and medical personnel who are seeking to help those who are suffering. Strengthen Senators DON NICKLES and JIM INHOFE of Oklahoma and SAM BROWNBACK and PAT ROBERTS of Kansas as they give leadership in this emergency.

We commit to You the work of the Senate today. Guide the Senators in all that they do and say, discuss, and decide. As crises at home and abroad mount, grant them clear minds, steady hearts and wills to seek and to know You and do Your will. Through our Lord and Saviour. Amen.

## RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

## SCHEDULE

Mr. ALLARD. Mr. President, this morning the Senate will immediately begin a rollcall vote on the Byrd resolution, S. Res. 94, commending Rev. Jesse Jackson for his role in the return of our POWs. Following the vote, the Senate will be in a period of morning business until 11 a.m., with Senators COVERDELL and DORGAN in control of that time. At 11 a.m. the Senate will resume consideration of the Sarbanes substitute amendment to S. 900, the financial modernization bill, with a vote on the Gramm motion to table occurring at approximately 12 noon. Additional amendments are expected and therefore Senators can expect votes throughout today's session of the Senate.

I thank my colleagues for their attention.

I yield the floor.

Mr. BYRD addressed the Chair.

The PRESIDENT pro tempore. The able Senator from West Virginia is recognized.

Mr. BYRD. Mr. President, I ask unanimous consent that I may proceed for 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## PRAYERS FOR THE PEOPLE OF OKLAHOMA AND KANSAS

Mr. BYRD. Mr. President, I thank the Chaplain for his prayer. This is a nation which, in the words of Benjamin Franklin, believes in the scriptures and particularly that scripture to which Franklin called the attention of the other framers of the Constitution in Philadelphia in 1787:

> Except the Lord build the house, they labour in vain that build it: except the Lord keep the city, the watchman waketh but in vain.

We, the colleagues of the Senators from Oklahoma and Kansas, share their concern about the people who have lost lives, loved ones, and property. Our hearts go out to their constituencies and to them as well as they serve their people every day.

## COMMENDING THE REVEREND JESSE JACKSON

Mr. BYRD. Mr. President, let me read the resolving clause of the resolution on which we are about to vote.

> (1) The Senate commends the Reverend Jesse Jackson for his successful efforts in securing the release of Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales and for his leadership and actions arising from his deep faith in God; and
>
> (2) The Senate joins the families of Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales in expressing relief and joy of their safe release.

Mr. President, I yield the floor.

Mr. DASCHLE. Mr. President, Two days ago, when that military transport plane touched down at Andrews Air Force Base and we saw our three American soldiers safe again at last, I said, instinctively, ''thank you.''

''Thank you, God, and thank you, Jesse Jackson, for bringing Steven Gonzales, Andrew Ramirez and Christopher Stone safely home from their captivity in Serbia.'' Millions of people all across our country, I suspect, said much the same thing. I am pleased today to repeat those words here, in the United States Senate, and to support this resolution honoring Reverend Jackson and the others in his delegation who played such a critical role in securing the release of our service men.

''When I was in prison, you visited me.'' That was one of the ways Jesus said we could recognize those who do his work. In daring to visit our soldiers in prison in Serbia, Reverend Jackson and the delegation of religious leaders who accompanied him surely were following Jesus's teachings as they understood them. Our nation owes them a debt of gratitude.

Some have questioned the wisdom of the delegation's trip. There has been speculation about what effect their going to Serbia could have on political or military tactics. Frankly, I don't want to get into that debate. This was not a political or military mission. It was a humanitarian mission.

Much praise rightly goes to Reverend Jackson, who organized the trip. I also want to acknowledge another member of the delegation: Congressman ROD BLAGOJEVICH, a second-term Congressman from Chicago's North Side, and the only Serbian-American in the House of Representatives.

There are moments in history where a person emerges who seems almost to have been born to fulfill a critical role. On this mission, ROD BLAGOJEVICH was that person. Not only is he a man of significant political and moral courage, he is also the son of Yugoslav immigrants. His father spent four years in a Nazi POW camp during World War II. He learned to speak Serbo-Croation as a child, and still speaks it.

I remember when I first was elected to the House. I sought out several of my political heroes to ask them ''How can a young Congressman make a difference—a real difference—in people's lives?'' ROD BLAGOJEVICH has found an answer to that question. Steven Gonzales, Andrew Ramirez and Christopher Stone are united today with their families, in large measure because of the courage he, and Reverend Jackson, and the other religious leaders in their delegation displayed in going to Serbia.

Today's Washington Post contains an interesting account of their mission, from the time it was first conceived by Reverend Jackson through their triumphant return home. I ask unanimous consent that a copy of that article be printed in the RECORD.

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

[From the Washington Post, May 5, 1999]

MISSION ACCOMPLISHED: THE CONGRESSMAN WHO PULLED STRINGS FOR POWS' RELEASE

(By Kevin Merida)

The interview begins with a little shake-rattle-and-roll. Rod Blagojevich doing Elvis Presley.

''I'm all shook up, unh-hunh-hunh.''

Blagojevich is a huge fan of The King (''Do you think he's still alive?''), and he's feeling loose. It's not often—let's say never—that a second-term congressman from the North Side of Chicago can thrust himself onto the international stage, help rescue three Americans held captive and claim a patch of glory. That would be the patch right behind Jesse Jackson's. Meaning he's in all the brought-back-our-boys camera shots, but not prominently placed. But he's okay with that. Blagojevich is the boyish-looking dude with the mop of brown hair combed to the left, a cross between John Travolta and Henry Winkler. He sometimes takes his meals at Ben's Chili Bowl on U Street. No one recognizes him there. Maybe someone will recognize him now.

Without Rod Blagojevich (pronounced bla-GOYA-vich), there might not have been a trip to Belgrade, no meeting with President Slobodan Milosevic, no tearful family reunions this week for U.S. soldiers Christopher Stone, Andrew Ramirez and Steven Gonzales. Blagojevich was the arranger, working his contacts in the Serbian American community when it looked like the trip was dead. Those contacts ultimately cleared a path to Milosevic himself.

Not that the whole country is applauding. Some administration officials carped—anonymous carping is the best fun of all—that the unofficial Jackson peace mission only undercut the NATO bombing campaign and could potentially fracture the allies. Not to mention that it might damage President Clinton's credibility at home on the war. Pundits spouted: PR props for the Serb-led Yugoslav government.

''If Mother Teresa had been one of those prisoners and we had gotten her out, we would have been criticized,'' Blagojevich says. ''I guess if you're not being criticized, you're not important. But it's thrilling to be in the mix. It sure beats digging a ditch for a living.''

Blagojevich, 42, a Democrat, is the only House member of Serbian descent, which is perhaps the key part of this story. He grew up speaking both English and Serbo-Croatian. Still does. His father, Rade, was an immigrant to this country. A Yugoslavian army officer, Rade Blagojevich was captured by the Nazis in World War II and spent four years in a German POW camp. He eventually made his way to the United States and married a Chicago-born woman whose parents had emigrated from Bosnia-Herzegovina.

Together they tried to raise Rod and his brother as Americans, but as Americans with a rich understanding of their ancestry. Often, their mother would pull in one direction and their father would tug in the other.

It was one thing to play the tamburitza, a ukulele-like instrument; it was another thing to sport the white-socks-and-sandals look that his dad thought was authentically Yugoslav.

''I don't want to wear that,'' he told his father. ''I'm going to get laughed out of the neighborhood if I wear that. That's a bad look.''

Blagojevich parents have passed away, but it is with their memory in mind and all that he has learned about Serb culture over the years that he injected himself into this war. He felt he had a unique perspective to offer. Ironically, some in the Serbian community here have been disappointed in him for not being more active in Serbain American affairs.

Shortly after the soldiers were captured on March 31, Blagojevich telephoned national security adviser Samuel ''Sandy'' Berger and White House chief of staff John Podesta to offer his help. Nothing grew out of those calls. He then read in the newspapers that Jackson wanted to take a delegation of American religious leaders over to visit the soldiers and try to win their release. Jackson was having trouble getting guarantees from Milosevic that the delegation could even see the GIs.

Blagojevich approached Rep. Jesse Jackson Jr. (D–Ill.) on the House floor and mentioned that he had some contacts who might be able to help. The younger Jackson put Blagojevich in contact with his father. Blagojevich got to work. Soon, he was talking directly to Yugoslavian deputy premier Vuk Draskovic. Things were working out. Draskovic had assured the group's safety and a visit with the soldiers. The soldiers would be allowed to talk to their families. He'd get it in writing. The trip was back on. Except on the eve of departure, the maverick Draskovic was axed.

Blagojevich recalls the Rev. Jackson's reaction to that development as they were hashing out last-minute details for the trip in Washington. He lapses into his Jackson impersonation. ''Blagojevich, our boy just got fired. You got any others out there?''

Actually, Blagojevich did.

Once in Belgrade, it was Jackson who set the agenda, Jackson who commanded the spotlight. Blagojevich, as he put it, ''worked the corridors'' and took advantage of his ''cultural connection'' and ability to speak the language.

As Blagojevich explained his role in a conversation in his office yesterday, he pulled out two business cards. Nebojsa Vujovic, spokesman for the Federal Ministry of Foreign Affairs, Federal Republic of Yugoslavia. They had a common friend in Chicago. Bogoljub Karic, minister without portfolio, Republic of Serbia. He had met with this guy in his congressional office two days before the bombing campaign. He later saw the same man on TV emerging from a Milosevic cabinet meeting.

While all the attention was focused on Jackson, Blagojevich says, ''it was proper and part of the strategy to be working these other guys. He and I were working different angles.''

Jackson and Blagojevich both were in the three-hour meeting with Milosevic on Saturday morning that produced the release of the American prisoners the next day. Jackson then met with Milosevic privately.

The trip produced some light moments amid all the intensity and emotion—Blogojevich, a member of the House Armed Services Committee, greeted Sgt. Stone by promising him a raise—but there were no light moments with Milosevic.

''I detected absolutely no warmth toward me,'' Blagojevich says. ''In fact, I detected a decided lack of warmth.''

A lack of warmth? Could it be that Milosevic remembered that this Chicago congressman had pronounced him guilty of ''ethnic cleansing'' and compared his tactics to those of Nazi leaders?

Once back home, Jackson, Blagojevich and others met at the White House Monday evening with Clinton. Secretary of State Madeleine Albright was there. Berger was there. Vice President Gore dropped by for a moment.

Jackson gave a detailed explanation and interpretation of what the delegation heard and saw in Belgrade. He said that Milosevic's gesture deserved to be matched. He talked of other leaders who were so far apart, but had talked to each other and had become closer over time. Sadat and Begin.

''Then I was up,'' recalled Blagojevich, who told Clinton that the Serbs weren't backing down. He pitched his proposal for a partition of Kosovo, which would give Serbs control of the northern region where most of the Orthodox cathedrals and historic sites important to them are located. An autonomous homeland would be created in the south for the ethnic Albanians driven out by Milosevic's forces.

''I like Clinton. I'm happy I voted to impeach him. I do think he needs to step up to the plate and take charge of this. With all due respect, I think Madeleine Albright and Sandy Berger are running the show.''

Blagojevich says he is ''extremely skeptical'' that the bombing campaign will be successful. The NATO allies have underestimated the Serbs' resolve, he believes. ''Despite the bombs, daily life goes on.'' The timing for a negotiated solution is right, he thinks.

The administration apparently thinks not.

''They were on a mission of peace and it was successful,'' says National Security Council spokesman David Leavy of the Jackson-led group, ''but the fundamental reality remains the same. There are a million Kosovars who are not going home to their families.''

However the war ends, the Jackson-Blagojevich bond has strengthened.

''I feel like I'm a second cousin now,'' Blagojevich says.

The younger Jackson puts the relationship in context: Blagojevich's father-in-law, Alderman Dick Mell, is a longtime Chicago machine boss. Blagojevich's district, 1 percent black, is a bastion of white ethnic pride. For many years, it was represented by Dan Rostenkowski. It is not a district in which Jesse Jackson and Jesse Jackson Jr. are exactly popular.

''Us relating to Rod and Rod relating to us is something taboo,'' Rep. Jackson explains, noting that although he and Blagojevich and their wives have grown close personally, he understands that the North Side member takes flak for the association.

''You being part of that Jackson thing is really going to cost you your career,'' says Jackson Jr., imitating his friend's critics. ''But after this trip, he is now officially an honorary South Sider. Apparently, it was a great growing experience for both him and Reverend Jackson.''

After his 15 minutes of fame at Jackson's side, Blagojevich's only question is this: ''When do I take my seat on the back bench again?''

Mr. MCCAIN. Mr. President, I will vote for this resolution because I share in the happiness and relief that the families of Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales, and all Americans feel now that these fine young men have been released from captivity. We are all thankful that they are home, safe from harm.

I do not believe, however, that private diplomacy that is at odds with our country's objectives in this war and public relations stunts by Mr. Milosevic deserve our praise. I cannot

commend the participation of any American in his propaganda.

## RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. ALLARD). Under the previous order, leadership time is reserved.

## COMMENDATION OF THE EFFORTS OF THE REVEREND JESSE JACKSON

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on adoption of S. Res. 94, which the clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 94) commending the efforts of the Reverend Jesse Jackson to secure the release of the soldiers held by the Federal Republic of Yugoslavia.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. HELMS (when his name was called). Present.

Mr. SESSIONS (when his name was called). Present.

Mr. THOMAS (when his name was called). Present.

Mr. WARNER (when his name was called). Present.

Mr. REID. I announce that the Senator from North Dakota (Mr. DORGAN) and the Senator from New York (Mr. MOYNIHAN) are necessarily absent.

I also announce that the Senator from Louisiana (Ms. LANDRIEU) is absent attending a funeral.

I further announce that, if present and voting, the Senator from Louisiana (Ms. LANDRIEU) would vote ''aye.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 92, nays 0, as follows:

[Rollcall Vote No. 99 Leg.]

YEAS—92

| | | |
|---|---|---|
| Abraham | Crapo | Jeffords |
| Akaka | Daschle | Johnson |
| Allard | DeWine | Kennedy |
| Ashcroft | Dodd | Kerrey |
| Baucus | Domenici | Kerry |
| Bayh | Durbin | Kohl |
| Bennett | Edwards | Kyl |
| Biden | Enzi | Lautenberg |
| Bingaman | Feingold | Leahy |
| Bond | Feinstein | Levin |
| Boxer | Frist | Lieberman |
| Breaux | Gorton | Lincoln |
| Brownback | Graham | Lott |
| Bryan | Gramm | Lugar |
| Bunning | Grams | Mack |
| Burns | Grassley | McCain |
| Byrd | Gregg | McConnell |
| Campbell | Hagel | Mikulski |
| Chafee | Harkin | Murkowski |
| Cleland | Hatch | Murray |
| Cochran | Hollings | Nickles |
| Collins | Hutchinson | Reed |
| Conrad | Hutchison | Reid |
| Coverdell | Inhofe | Robb |
| Craig | Inouye | Roberts |
| Rockefeller | Smith (NH) | Thurmond |
| Roth | Smith (OR) | Torricelli |
| Santorum | Snowe | Voinovich |
| Sarbanes | Specter | Wellstone |
| Schumer | Stevens | Wyden |
| Shelby | Thompson | |

ANSWERED ''PRESENT''—5

| | | |
|---|---|---|
| Fitzgerald | Sessions | Warner |
| Helms | Thomas | |

NOT VOTING—3

| | | |
|---|---|---|
| Dorgan | Landrieu | Moynihan |

The resolution (S. Res. 94) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 94

Whereas on March 31, 1999, Staff Sergeant Andrew A. Ramirez, Staff Sergeant Christopher J. Stone, and Specialist Steven M. Gonzales were taken prisoner by the armed forces of the Federal Republic of Yugoslavia while on patrol along the Macedonia-Yugoslav border;

Whereas Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales conducted themselves throughout their ordeal with dignity, patriotism, and faith;

Whereas the Reverend Jesse Jackson led a delegation of religious leaders to the Federal Republic of Yugoslavia that succeeded in negotiating the release of Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales; and

Whereas the Reverend Jesse Jackson has previously succeeded in securing the release of hostages held in Syria, Cuba, and Iraq: Now, therefore, be it

*Resolved,* That—

(1) the Senate commends the Reverend Jesse Jackson for his successful efforts in securing the release of Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales, and for his leadership and actions arising from his deep faith in God; and

(2) the Senate joins the families of Sergeant Ramirez, Sergeant Stone, and Specialist Gonzales in expressing relief and joy at their safe release.

Mr. NICKLES. Mr. President, I ask unanimous consent to proceed as if in morning business for 10 minutes.

The PRESIDING OFFICER (Mr. CRAPO). Without objection, it is so ordered.

## MIDWEST TORNADOES

Mr. NICKLES. Mr. President, yesterday, Senator INHOFE and myself, Congressmen J.C. WATTS, FRANK LUCAS and STEVE LARGENT, as well as the Governor of Oklahoma, and James Lee Witt, Director of FEMA, toured the Oklahoma tornado disaster.

I have been in the Senate, I guess, 19 years now, and I have looked at the damage of several tornadoes in the State for the last many years. But I have never seen this type of devastation nor this level and this extent before. This may be the most devastating tornado that we have had in total damages in our State history. It has certainly produced one of the largest tornadoes, probably the largest number of tornadoes. I read one press account that said there were 45 tornadoes in the State of Oklahoma on Monday. One particular tornado was much larger than the others. Many reports said it was a quarter of a mile wide, or maybe half a mile wide, and at some points it was maybe a mile wide and stayed on the ground for a long period of time—some people said maybe as much as 2 hours.

What we did see was a tremendous amount of damage—a devastating amount of damage that destroyed, it was estimated, 1,500 or 2,000 homes. We will find out. Unfortunately, it has taken 40-some lives. I say unfortunately. I think Oklahoma is very fortunate. I think the fatality toll could have been in the hundreds if not thousands, because we looked at homes that were just totally demolished as if a bomb had gone inside each one of those homes and absolutely exploded the homes. There was nothing but just some elements of rubble. To think that people survived in many of these homes is truly a blessing, truly a miracle that I think we will find recounted day after day.

Needless to say, we are moved by the tragedy, and also by the compassion that is being expressed by so many people from across the country.

We were there to say that we wanted to help, that our government would help, that we will do everything that we can. Our government steps in in times of tragedy and national disasters to help lend assistance. And we will do that.

I will also say that won't be enough. It will take a lot of support from individuals, from churches, from communities, from families and friends to try to replace these homes and these families, and to make them whole again. And they will. They will survive. They are very solid.

One of the things I will never forget was seeing this area that is totally demolished and one house which hardly had anything left standing, and there was an American flag flying very high with people very proud.

Mr. President, it makes me proud to be an Oklahoman. It makes me proud to be an American, and proud to represent the great people of Oklahoma.

With that, Mr. President, I yield the remainder of my time to my colleague from Oklahoma, Senator INHOFE.

Mr. INHOFE addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. Thank you, Mr. President. I thank my colleague, the senior Senator from Oklahoma.

Mr. President, in Oklahoma we have gone through tragedies that are indescribable. The Murrah Federal Office Building was the most significant terrorist attack on domestic soil in the history of America. It is one that you can't describe standing here on the Senate floor. I have been there. And I remember so well the thundering march, the cadence of the fire trucks

as they were going to try to extract so many people out of the building, and all types of volunteers.

We saw the same thing yesterday. It was indescribable. I note the story of a horse that was picked up and taken a quarter of a mile in the air, and dropped on top of a car, then a car on top of a house, and the twisted ''I'' beams. The power, the indescribable power that was there.

James Lee Witt—I am very complimentary of James Lee Witt, a man I have known long before he was Director of FEMA. As chairman of the committee that has jurisdiction over FEMA, I work very closely with him. And I tell you right now, he had his hands on there. He was personally involved in it. He explained to us that this is the most significant tornado that he had seen in terms of the devastating damage and power that was there.

You always remember one or two things. I recall in the helicopter ride going across a little town called Moore, OK. Everything was devastated in that town, except right across the street from the most devastating part of this tornado stood the First Baptist Church of Moore, OK. It had been untouched.

As my senior Senator from Oklahoma said, we are so appreciative of everyone coming together, for all of the comments of our colleagues since we have been back, the prayers that we had this morning from the Senate Chaplain and others, and people like the Governor of Oklahoma, the mayor of Oklahoma City throughout yesterday, the police departments and the fire departments, all of the volunteers, and certainly FEMA bringing this all together.

We are very thankful, and we in Oklahoma will be bound to that. We ask for your continued prayers for the families, for those who lost their lives, and for the families of those who lost their lives.

I thank very much all of the government coming together to help us rebuild the damage that has been done.

Mr. President, I yield the floor.

Mr. BROWNBACK addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. BROWNBACK. Mr. President, I ask unanimous consent to speak as if in morning business for a period of up to 5 minutes.

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

## KANSAS TORNADOES

Mr. BROWNBACK. Mr. President, the State of Kansas was also hit by the same system that hit Oklahoma which caused so much tragedy and damage. I would like to speak for a few minutes on that.

We had a number of families that had homes destroyed. We had five people killed in Kansas, hundreds were injured, and thousands of people lost their homes and businesses. I know they are in the hearts and minds of all Americans today, and we will stand ready to assist in that in any way we can.

The devastation that these tornadoes left in their paths is just shocking.

I want to show you a picture of the aftermath. This was actually taken of the damage that took place in Moore, OK. You can just see the devastating power that is in one of these systems that can rise up so fast and cause so much destruction. In Wichita, the trail of destruction was 15 miles long and 5 miles wide.

As I mentioned previously, five Kansans lost their lives, and more than 70 people were injured from the fatal twisters.

More than 500 homes have been damaged or destroyed, leaving many people homeless.

I have the second picture that I wanted to show people, a view of what has taken place. This is an aerial view of the Lake Shore Trailer Park in South Wichita. You can see where the path of the tornado was, where it was the most intense going through with just absolute destruction in the wake of that path of where it went through.

More than 50,000 people have been left without power.

Sedgwick County, KS, where Wichita is located, has reported that over 1,100 structures were destroyed, and more than 7,100 structures were damaged.

In the town of Haysville, right next to Wichita, 27 businesses have been wiped out, and virtually eliminating the business district of this Wichita suburb.

The father of one of my staffers—the person who is actually my scheduler—is the principal of Chisolm Life Skills Center in Wichita. His entire school was demolished by this tornado.

We are very proud of the rapid response of people who have reached out to help us through this terrible tragedy—the State and local authorities in Kansas, the rescue personnel, the Kansas National Guard, FEMA, and citizens of the Wichita area. They have really reached out in that typical Midwestern tradition of helping others when they are having difficulty.

I am also pleased to report that the President has responded quickly to the situation in both Kansas and Oklahoma by ordering Federal relief to those counties hit by these devastating tornadoes. The American Red Cross and the Salvation Army have provided 800 numbers for those wishing to help victims of these disasters.

I have pictures of a couple of victims. This apartment complex was destroyed in the wake of the path of the tornado. This is a picture of Suzie Dooley and her daughter, Sarah, who is 13, and their family dog, Wilma, trying to gather themselves after losing their mobile home near 55th Street, South, in Wichita. Their faces show the destruction they have been through, but also the hope and thanks they are alive and were not injured in the process.

The Red Cross and Salvation Army are offering shelter for people in Wichita who need help. The Red Cross has an 800 number, 800–HELP–NOW, to contact to provide help. We can provide a local phone number. They are on the Internet at www.DisasterRelief.org. Funds can be sent to the American Red Cross in Wichita. The Salvation Army has an 800 number as well.

I know the nature of Kansans and Americans is to help one another in a time of need. I will work with Federal and State authorities to provide fast and effective relief to families and communities harmed by this natural disaster.

I know I speak for my Senate colleague, my fellow Senator from Kansas, Senator PAT ROBERTS, in saying we will continue to keep the victims and their families in our actions, thoughts, and prayers as we hope much of the rest of the country will in this very difficult time.

I yield the floor.

Mr. COVERDELL. Mr. President, I am sure all of our colleagues express our deep sympathy to the Senators from Oklahoma and Kansas and the communities that were so devastated by these storms.

We have all seen these disasters happen, and then the inspiration that Senator NICKLES alluded to, with everyone coming together. Clearly, this takes a lot of effort and a long time to dig out.

Our prayers will be with these Senators and these citizens of the fine States of Oklahoma and Kansas.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I add my words to those who talked about the tragedy in Oklahoma this morning. I remember watching television last night and seeing the power and the destructive might of those storms that swept across Oklahoma and parts of Kansas as well.

I have a feeling for what the people are going through, as a result of the disasters that hit North Dakota in 1997. We had the worst flood in 500 years in Grand Forks, ND, and we had 95 percent of the town evacuated, the largest mass evacuation of a city in the United States since the Civil War. I know the trauma those people are facing, and I know the difficulty of recovery.

Our hearts go out to the people in Oklahoma and Kansas who have been so affected. I hope they know that we are prepared to respond and to help. We in North Dakota remember very well how people reached out a helping hand to our State, so many people from around the country who actually came to North Dakota to help us rebuild—

the Red Cross, the other organizations, the Salvation Army. We had a woman from California who came to town and gave $2,000 to every family that had been affected, a gift of tens of millions of dollars.

We remember very well the Federal Government's rapid response, the agencies of the Federal Government that moved to assist the people who were affected. FEMA did an absolutely superb job under the leadership of James Lee Witt. We will never forget it. The Department of Housing and Urban Development, under the leadership of Secretary Cuomo, did a superb job, and we will never forget their help. The SBA was quick to move in to help businesses. We know all of those agencies will be ready to respond in Oklahoma and Kansas as well.

I hope that we see the Congress respond. I believe the people in Oklahoma and Kansas deserve the same kind of rapid and full response that we received in North Dakota. Frankly, I hope they don't face some of the delays we faced in trying to get a congressional response, because when people are devastated, they should not have to wait for help. This Government is big enough and strong enough and this country is generous enough to move to help immediately.

Mr. President, again, our hearts go out to the people in Oklahoma and Kansas who have lived through this trauma; and to those who have lost relatives and loved ones, we share their deep sorrow.

## TEACHER APPRECIATION WEEK

Mr. COVERDELL. Mr. President, this week is Teacher Appreciation Week. Yesterday was National Teacher Day.

For a number of our colleagues, education is such a core subject—both of the 105th Congress and now in the 106th Congress—Members want to express themselves on this subject.

I am joined today by the distinguished Senator from Mississippi with some opening remarks about Teacher Appreciation Week.

I yield up to 4 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, let me congratulate my friend, the distinguished Senator from Georgia, for organizing this special order and allowing this opportunity to speak on the subject of Teacher Appreciation Week.

### TRIBUTE TO TINA SCHOLTES, MISSISSIPPI'S TEACHER OF THE YEAR

Mr. COCHRAN. Mr. President, I am proud to cosponsor the Senate Resolution proclaiming this week Teacher Appreciation Week.

This week, in every state, students and parents are taking time to thank the school teachers, and we should too. They are the true heroes in our nation's effort to enrich the lives of all our citizens through education.

I want to pay tribute today to a special Mississippi teacher. She is Mississippi Teacher of the Year, Mrs. Tina Fisher Scholtes, of Sudduth Elementary School in Starkville, Mississippi. Tina has been an elementary school teacher for sixteen years. She has spent the past fourteen years teaching first grade in Starkville.

First grade lays the foundation for formal education. Every parent hopes their child will begin school with an excellent teacher. Tina Scholtes is without a doubt an excellent teacher. Being an excellent teacher requires hard work, along with respect for children and an understanding of the learning process. Tina has those attributes and more. She also cares about outcomes. She wants all her students to succeed.

Beyond the Masters Degree she earned at Mississippi State University, Tina has completed professional development for teaching reading and mathematics; the special needs of teaching deaf students; National Board Certification; and training other teachers. Her resume is evidence of her capacity for gaining knowledge and sharing it with others. While continuing her first grade teaching, she has returned to Mississippi State University where as a clinical instructor she directs the activities of student teachers.

Tina has brought new teaching techniques into the schools where she has taught. She serves as a mentor to new teachers and has developed school wide curriculum reforms. She also has used local television programs to provide early childhood education lessons to parents.

Another indication that she is a dedicated teacher is her participation in the Parent Teacher Association where she served as President while teaching at Emerson Elementary School. Tina recognizes the importance of teachers participating in the community and is active in her church, and in other community activities.

I was very pleased that Tina Scholtes took time to visit my office when she was in Washington recently for the National Teacher of the Year recognition events.

I congratulate her on all her successes. The first graders in Starkville, Mississippi are lucky, indeed, to begin their lives as students with Tina Scholtes, and we are all grateful to her for being such a good example for other teachers to follow.

Mr. COVERDELL. Mr. President, I yield up to 4 minutes to the distinguished chairman of the Labor-Education Committee, Senator JEFFORDS.

The PRESIDING OFFICER. Senator JEFFORDS is recognized.

Mr. JEFFORDS. Mr. President, it is a pleasure to participate in honoring our teachers in National Teacher Appreciation Week.

I think we all remember those early years of our lives when we started school. I still remember the first day of first grade. I remember going to school in my father's hand and fearing what was going to happen to me. I remember Mrs. Anderson who greeted us all individually at the door and how immediately I warmed up to her. It was then I realized this really wasn't going to be as bad as I thought. I can even remember where my seat was that year.

Ms. Maughn, in second grade, was another wonderful person. The teacher I remember more was Viola Burns, my third grade teacher. That was the beginning of World War II. She realized I needed a little further work so she had me read Time magazine and come back to her to talk about it. I also had her in the sixth grade. She was an incredible individual who helped shape my life.

Then fourth grade was ''teacher unappreciation year''—I don't want to remember that. We rebelled. We ran through five teachers before we settled down. I wiped that from my memory. I feel sorry for those five teachers.

I think everyone has memories and understands what an incredible help a teacher can be in our lives.

My mother was a music and art teacher; my sister, a third grade teacher; my niece is a teacher; the man across the street was the principal of our high school.

Those schools are gone. My former elementary school is now a private school, a Christian church school; middle school is the fire station; my high school is now the middle school.

I still remember the teachers. It is not brick and mortar but the teachers that make a difference. Dindo Rivera goes around the country talking about the changes in education and how important it is. If an office worker had fallen asleep 20 years ago, woke up and walked through a modern office, they would be in incredible despair. They wouldn't know what to do. They wouldn't know how to answer the phone.

But he goes on to say that if a teacher had the same experience of falling asleep and waking up now, that teacher would walk into the classroom and find that not much had changed. But the world has changed and our teachers cannot be made the scapegoats. We should not indicate that it is their problem. We, as a nation, have to recognize the teachers need help and we have to give it to them. That means we have to develop professional training. We have to be sure our colleges are producing teachers who are well qualified. At the same time, we have to recognize that our Nation will not prosper if we do not realize it is the teachers who make the difference. We are increasing standards and doing all these things to envelop them with modern technology which is difficult to understand, especially if you don't have more than 10

minutes in a day to even think about those things.

I think it is incredibly important we all remember the teachers, especially this year, since the Elementary and Secondary Education Act is up for reauthorization. This is our moment, at a critical time in our history, when we must take a look at the problems and the demands and the difficulties that are presented to our teachers and devise the means to help them help us become the Nation we all want to be.

Let's think about our teachers today, remember what they did for us, and think about what we can do for them.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Idaho.

Mr. CRAPO. Mr. President, I want to personally thank you for arranging for us to take this time out of our busy schedules to recognize teachers during Teacher Appreciation Week.

Providing the brightest future for our nation's children is one of the most important things we will do here on the floor of the Senate. After parents and families, America's teachers play the leading role in helping our children reach their potential. Therefore, it gives me great pleasure to join in tribute to our nation's outstanding educators and recognize a few of the top teachers in my home state of Idaho.

We all know the impact of teachers. Five days a week, for 9 months of every year, nearly 3 million teachers in this country help mold our children's future. I believe in the quality education our teachers, administrators, and others provide in Idaho. That is why my children continue to reside in the great State of Idaho. My wife Susan and I made the decision nearly 7 years ago when I was first elected to Congress that she and our children would remain in Idaho. We wanted our children to continue to receive the quality education they now experience in Idaho's public school system.

That quality education takes many faces. I want to show you one of them this morning. Judy Bieze lives in Coeur d'Alene, Idaho and teaches first grade at Hayden Meadows Elementary in nearby Hayden Lake.

Mrs. Bieze was honored this year by the State of Idaho as Teacher of the Year. But she is more than that; she is also a local softball coach and a Sunday school teacher, so I guess that makes her a teacher 7 days a week.

During each school year Mrs. Bieze gives individual attention to her students by profiling each one as the ''Special and Unique'' person of the week. She also encourages parents to volunteer in the classroom and to take an active role in their child's learning.

It is the ability to give of herself that makes Mrs. Bieze special. Her superintendent says she ''exemplifies the initiative and dedication we seek in our educators.'' Mrs. Bieze characteristically deflects that praise and credits her students. She says she—in her words—is ''truly blessed'' as ''the recipient of their unrestrained love, curiosity and enthusiasm for six hours each day.'' If only we could be holding more speeches on the floor of this Senate that deal with issues like love, curiosity and enthusiasm. Mrs. Bieze, we salute you.

I would be remiss in not mentioning some of Idaho's other outstanding teachers. Just last week, Idaho's PTA honored Jeff Durner, a fifth-grade teacher at Jefferson Elementary in Boise. The PTA credits Mr. Durner for helping children ''become the best they can be.''

The Idaho Education Association credits a sixth-grade teacher from my hometown of Idaho Falls as being worthy of special recognition. Zoe Ann Jorgenson has helped develop a special program in her district that groups children based on their needs, not on their age. She says many parents have chosen to keep their children in public schools, rather than move them to private classrooms, based on this innovative and unique program.

Mrs. Jorgenson believes the system should be made to fit the children, not that children be forced to fit the system. She says that parents are looking for choices within the structure of the public school system, and she wants to offer them those choices.

Finally, Idaho Parents Unlimited says a special education teacher formerly from Blackfoot, and now from Meridian, ID deserves credit for trailblazing programs for students that are sometimes forgotten in our school systems.

Barbara Jones earned the title of Special Education Consulting Teacher. One parent in Blackfoot described her as ''a true gift to my son as well as myself.'' Ms. Jones is now helping both fellow teachers and students learn how special needs can offer special rewards.

We all have a stake in this process, because our children's success in education depends on the support they receive at home, and the future of our nation depends on the leaders we are raising today.

Some define leadership as what we do with our opportunities. I am proud to praise these fine Idaho educators who have moved the bar higher—for our children.

Mr. CRAIG. Mr. President, I rise today to recognize teachers across America for the vital work they do. I come from a family of educators, so I have seen firsthand the grueling work teachers go through every day—not for their own gain, but because they care about each and every one of our children. Teachers are not the highest paid people, they are not in the most glamorous profession—but they are, and should be, among the most respected people in our country. That is why it was so important that we declared this week as the 14th Annual Teacher Appreciation Week and that we recognized May 4, 1999, as National Teacher Day.

Mr. President, the resolution that we passed yesterday states that education is key to the very foundation of American freedom and democracy we all enjoy, that teachers have a profound impact on the development of our children, and that much of the success we enjoy here in the United States can be attributed to our teachers. The resolution also states that while ''many people spend their lives building careers, teachers spend their careers building lives.''

Mr. President, I want to take a couple of minutes to recognize a teacher from my home state of Idaho who has truly spent her career building lives. Judy Bieze teaches first grade in Coeur d'Alene, Idaho. Judy got her start with a bachelor's degree in elementary education from Illinois State University, began teaching elementary students in 1971, and hasn't stopped since. For the past 14 years, she has blessed the children of Idaho.

She is an active member of the National Council of Teachers of Mathematics, the International Reading Association, the Panhandle Reading Council, and the Association for Supervision and Curriculum Development. She is a lead teacher in her school and has received numerous grants to do everything from providing books for parents and children to check out and read to underwriting a district-wide inservice training in spelling.

Somewhere amongst all of this, Judy finds time to teach some of Idaho's children. In fact, Judy humbly reflects that her greatest accomplishments come in 6- and 7-year-old bodies.

It is no wonder. Judy practices some techniques in her classes which some may call innovative, while others call them back to the basics. For instance, during the course of the year she takes time to recognize each child in her class as the ''Special and Unique'' person and works each day to recognize each child's accomplishments. Furthermore, she believes that parents must be actively involved in their child's education. From encouraging parents to be involved in classroom activities to weekly letters home to detail what their child has been doing in school, Judy recognizes that parents are first and foremost in a child's education.

Judy has stated that each day she is ''rewarded by the large and small accomplishments of the children entrusted to my care.'' Last year, Judy's peers recognized these accomplishments and her commitment to the education of our children by choosing Judy Bieze as the Idaho State Teacher of the year for 1998–1999.

Judy believes that each child is a unique, unrepeatable miracle. On behalf of the great state of Idaho, I am glad that Judy chose to come to Idaho and work her miracles with our children. I am proud of the work she does, and am pleased that I have the opportunity to recognize her accomplishments today. It is my hope that other teachers will see what she has done, see how she cares for our children, and strive to follow her lead. With teachers like Judy leading the pack, I have great confidence in the future of our country.

The PRESIDING OFFICER (Mr. CRAPO). The Chair recognizes the Senator from Tennessee.

Mr. FRIST. Mr. President, I ask unanimous consent to speak as in morning business for 6 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. CONRAD. Reserving the right to object, and I will not object.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Dakota.

Mr. CONRAD. Mr. President, I ask unanimous consent we get 4 additional minutes on this side as well.

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

Mr. FRIST. Mr. President, it is expected the Senate will soon consider a resolution that highlights the week of May 2 to 8 as National Teacher Appreciation Week. We have had a wonderful 2 weeks in this Nation's Capital. Last week the President signed the Ed-Flex bill which returned much of the control—local accountability, local flexibility—to local schools and school districts. This week we honor our teachers.

I rise today to honor the many outstanding teachers across the Nation and especially in my home State of Tennessee. In particular, I would like to highlight the achievements of Ms. Delise Teague, the 1999 Tennessee Teacher of the Year, whom I had the honor to meet, as you can see in this photo, just several weeks ago. This is Delise in the picture.

First, I would like to cite some of the research which paints a clear picture about the quality of a teacher being so critical to the future of our children and their education. Tennessee is one of the few States with data systems in place which make it possible to link teacher performance to student achievement. Researchers have the capability of examining the impact teachers have in terms of their effectiveness, how well they are teaching, and what students actually learn. Data from these studies show the least effective teachers produce gains of approximately 14 percentile points for low-achieving students. However, the most effective teachers produce gains that average 53 percentile points.

The data also reveal that these effects are cumulative over time. In fact, students with three quality teachers in a row, scored over twice as high on math tests as those students with teachers who are less qualified. Thus, we have anecdotal evidence and scientific evidence that a quality teacher has a tremendous impact on students.

One such outstanding teacher is Delise Teague, shown here in this portrait, who teaches English at McNairy Central High School in Selmer, TN. She knows firsthand the impact a quality teacher can have on a student. Using her words, she notes, ''I cannot take personal credit for my success as a classroom teacher. Great teachers shared the light with me. I am simply passing it on.''

She adds it was her first Sunday School teacher whose influence ''served to fan the flame of learning that had been sparked at home by loving parents and an abundance of books.'' She will further tell you that she had several teachers in the public school system who played a key role in her own education and in her decision to pursue a career in teaching. The teachers who motivated Delise in her education were the ones who saw her untapped potential and challenged her. This is a lesson that Delise applies in her own classroom. She challenges her students and believes in their potential to succeed.

In fact, Courtney Carroll, a student at McNairy Central High School, wrote, ''Miss Teague is loved and respected by her students because she truly wants each person who enters her classroom to be successful.''

Delise coaches the varsity softball team and freshman basketball team. She has served on the Technology Literacy Grant Committee, the National Honor Society Selection Committee, and as a student teacher supervisor/mentor. She is active in her community and takes on projects such as distributing fruit baskets for the elderly and providing gifts through the project Angel Tree for underprivileged children and contributing to Saint Jude's Children's Hospital through fundraising efforts.

She is just one wonderful example of the many dedicated teachers in our Nation's schools. In my own past I think of June Bowen, who taught me seventh grade English, and Mary Helen Lowry, who passed away this year, who taught me English through high school. I am so pleased to be able to participate in this effort to honor our Nation's teachers by promoting National Teacher Appreciation Week.

As parents and community members, we should all take a few minutes to celebrate this great cause for our children's future. I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I thank all my colleagues honoring National Teacher Day and Teacher Appreciation Week. I appreciate very much the work Senator FRIST has done on behalf of reform in education.

Mr. President, I am pleased to join my colleagues today to recognize May 2–8, 1999, as the 14th Annual Teacher Appreciation Week, and to commend thousands of dedicated teachers across the nation for their determined efforts to shape the intellect of our children.

The foundation of American freedom and democracy is a strong, effective system of education where every child has the opportunity to learn in a safe and nurturing environment.

America's first rate education system depends on a partnership between parents, principals, teachers and children. The success of our nation for much of the 20th century—is the result of the hard work and dedication of teachers across the land.

While many people spend their lives building careers, teachers spend their careers building lives. Our nation's teachers serve our children beyond the call of duty as coaches, mentors, and advisors without regard to fame or fortune. Across the land nearly 3 million men and women experience the joys of teaching young minds the virtues of reading, writing and arithmetic.

As part of the 14th Annual Teacher Appreciation Week, I'd like to pay special tribute to Andrew Baumgartner of Augusta, Georgia—who was recently named the 1999 National Teacher of the Year.

Mr. Baumgartner, who teaches kindergarten at A. Brian Merry Elementary School in Augusta, has been a teacher for 23 years. His motivation and source of inspiration comes in part from the belief that it was his duty to give something back to society, and he has done so through his teaching.

To achieve his goal of getting kids to learn, Mr. Baumgartner creates a sense of adventure in his classroom. He has used his creativity and imagination to bring the magic of reading and learning to the minds of his kids.

The award, sponsored by the Council of Chief State School Officers and Scholastic, Inc., will send Mr. Baumgartner on a promotional tour as 1999 National Teacher of the Year, where he will share his innovative ideas with other teachers around the nation. I wish Mr. Baumgartner the best of luck during this tour and am confident that he will inspire other teachers with his creativity and willingness to do whatever it takes to get kids to learn.

In closing Mr. President, I call on all my colleagues—on both sides of the aisle—to take a moment this week to give a special thanks to the nearly 3 million important American men and women—like Andy—who have contributed to the emotional and intellectual development of children across the land.

Mr. ABRAHAM. Mr. President, I rise in recognition of Teacher Appreciation Week. During this week we have a special opportunity to thank the dedicated professionals who open our children's eyes to the world of discovery and learning, the world that will open the door to a brighter future for them and for all of Michigan.

Five days a week, for nine months out of every year, America's 2.7 million teachers help to mold our children's future, the future of Michigan, and the future of America. Across Michigan and across the United States, tomorrow's business leaders, inventors, doctors, and even teachers are building the foundation of learning and experience that will shape their lives and careers.

This week, Mr. President, Michiganites like all Americans are taking time to pay tribute to our teachers, some of the most important people in our children's lives. After parents and families, teachers pay the most important role in helping our children reach their potential. No teacher can take the place of loving and attentive families, but the school experience plays a crucial role in shaping our children's character.

After the tragic events in Colorado, I hope all of us will take the time to think about the difficult job our teachers have, in these troubled times, giving children the structure and habits as well as the knowledge they need to become good citizens and productive adults.

I have always supported calls for better computer technology in our classrooms. And it is true that our children need to learn to use tools that will expand their access to information. But a qualified, highly trained teacher remains the most important education tool in any classroom. Today's technological innovations can help teachers capture our children's attention and bring the world to their eyes and fingertips. But no machine can take the place of a dedicated teacher who genuinely cares about a child's future. With the rapid advance of education technology, we must ensure that our teachers are trained in the most effective educational use of this technology, and that none of us are distracted from the basics of a good education by glittering machines.

Unfortunately, Mr. President, there are disturbing statistics about how well our teachers are prepared to enter the classroom. More than 25 percent of new teachers nationwide enter school without adequate teaching skills or without training in their subject according to the National Commission on Teaching and America's Future. One in seven teachers has not fully met State standards.

We must do more to ensure that our teachers are fully prepared to meet the increasing challenges of their profession. We must take advantage of every opportunity to provide today's teachers with access to proven training programs while simultaneously recruiting and training qualified and dedicated young people to become tomorrow's great educators.

Most importantly, Mr. President, we must applaud and show our appreciation to the teachers who go that extra mile for our kids, capturing their attention, helping them gain the knowledge and skills they need, and providing examples of dedication and skill that should inspire us all.

Mr. DOMENICI. Mr. President, I rise today to salute one of our nation's most precious resources, our teachers and in particular New Mexico's teacher of the year, Stan Johnston of Los Alamos High School.

I would submit, teachers are the key to America's future. Christa McAuliffe, the teacher and astronaut put it in perfect perspective. She said, ''I touch the future, I teach.''

Building upon her statement I would say: it is a simple fact that the future is prejudiced in favor of those who can read, write, and do math. A good education is a ticket to the secure economic future of the middle class. As the earning gap between brains and brawn grows ever larger almost no one doubts the link between education and an individual's prospects.

And today the Senate is acknowledging those on the front lines with our students, the unsung heroes, their teachers. Somewhere in this great country of ours a teacher has a future leader of the United States in his classroom. Who knows; it could be one of the students in Stan Johnston's English and Study Skills class at Los Alamos High School in New Mexico.

My point is simple, after parents and families, teachers play an important role in helping our children reach their potential. After our children leave home each morning, it becomes the responsibility of America's almost 3 million teachers to ensure our children are prepared for the future because in our nation's classrooms resides the future.

Hopefully, the future doctors who will find the cure for cancer, mental illness, and heart disease are right now in our classrooms. But, most importantly we have the next generation of our country now attending classes throughout our schools.

In conclusion, I would like to thank you and a job well done to all of our teachers and in particular, Stan Johnston of Los Alamos High School. Again, thank you and please continue the superb work you are doing on behalf of our country.

Mr. HATCH. Mr. President, of all the occupations in America, teachers may deserve their own ''appreciation day'' the most. And, perhaps no occupation influences the future of our country more. I am delighted to join my colleagues today in paying tribute to those teachers all over America who have made a real difference.

One special teacher who made a real difference in my life was Mr. McElroy.

When I was a young boy, I played my violin in the school orchestra. On the day of one of our most important performances, the student who was supposed to play a solo on the bass got sick and was unable to perform. My music director, Mr. McElroy came to me and convinced me that, even though I had never played the bass, I could perform the solo.

I had terrible doubts about my ability to step in and do the job. But Mr. McElroy had confidence in me, even if I didn't. And he worked with me and encouraged me and coached me for most of that afternoon. That night I was able to play the solo without making a mistake.

As I think back on it, this was one experience that taught me that if I applied myself I could meet a challenge. When, in 1976, everyone believed I was a long-shot to win the nomination and, indeed, the election to become Utah's senator, I should have told them about Mr. McElroy.

I know that right now, in a classroom in Utah—maybe in the room of Diane Crim, who teaches math at Salt Lake's Clayton Intermediate School and is Utah's 1998 Teacher of the Year—another young student is learning these important lessons thanks to a dedicated and caring teacher.

Teaching is not just a job, it's a calling. It is a calling to impart knowledge, to mete out discipline, to inspire, to motivate.

Last week, our entire nation mourned the loss of a devoted teacher, Dave Sanders. The testimony of his students to his caring, whether in the classroom or on the basketball court, is a tribute better than any we here in the Senate could pay. I hope that the students he taught at Columbine High School will go on to practice the lessons he taught and be the kind of citizens in the community that he hoped they would be.

Mr. President, Mr. McElroy, Diane Crim, and Dave Sanders all represent the best of the teaching profession. There are thousands of others we could mention here today who have helped our children learn the keys for living such as reading, math, science, and history. But, more than that, they have helped reinforce essential values like hard work, perseverance, team work, and integrity. I am pleased to join in honoring these teachers today.

I yield the floor.

Mr. CONRAD. Mr. President, I also want to comment on the National Teacher Appreciation Week, because I think all of us can look back in our own backgrounds and remember what a difference teachers made in our lives.

I can remember very well the teachers who made a contribution to my life,

to my growing up: Mrs. Goplin, who taught American history and who really shared a great love for understanding the Constitution of the United States, always told us that this is one of the greatest documents in human history. I will never forget those words of Mrs. Goplin.

She was exactly right. Our Constitution is one of the greatest documents in human history, and how lucky we are to live in a country that has constitutional guarantees of freedom for the American people and says to each and every American, you have certain rights, rights that protect you from the overreach of government, because our forefathers had known in Europe that government can become oppressive and that government can make demands on its citizenry that are not fair, that are not reasonable. We are so lucky to have these protections.

I remember other teachers: My third grade teacher, Mrs. Offerdahl, who is still alive in a nursing home in North Dakota, what a great woman. She came every morning to that class with a sparkle in her eye and a love for learning and a love for teaching. She made a difference not only in my life but in the lives of hundreds and hundreds of students whom she taught over a very long career in the Bismarck, ND, school system—Mrs. Offerdahl.

And Mrs. Senzek, who was my fifth grade teacher, a highly intelligent woman, somebody who was absolutely committed to improving the educational standards of the kids in Bismarck, ND. My sixth grade teacher, Miss Barbie, who was a very sophisticated woman, somebody who loved reading and imparted that love to students.

I think back to how fortunate we were to have people of that quality and that caring who provided education to us and at great sacrifice to themselves. I can say every one of these women whom I have mentioned could have made much more money doing something else, but they were dedicated to teaching young people, and they made enormous financial sacrifices to do it.

There are so many other teachers along the way whom I remember. Mrs. Hook was my second grade teacher. She was a woman of real majesty, really almost a regal person, very tall, very erect, very dignified, somebody who commanded respect.

These are people who made an impression that has lasted a lifetime, lasted a lifetime for me, but I know lasted a lifetime for other students in the Bismarck public school system as well.

Mr. President, I add our words of praise to all the teachers across this country who make a difference in the lives of kids. Other than family members, other than parents, perhaps there is no more important relationship than what teachers do in terms of training our kids. So, today, we say thank you, thank you for everything you have done. You have made a difference.

## CRISIS IN AMERICAN AGRICULTURE

Mr. CONRAD. Mr. President, I want to talk about another crisis that is occurring in this country. It is not receiving the attention as are the storms in Oklahoma, the tornadoes, and the tremendous damage that has been wreaked in those States by this set of storms, but it is a crisis nonetheless. It is almost a stealth crisis. It is a crisis in American agriculture, and I can tell you, it is causing trauma, too.

In my State, we have just seen a series of headlines in the major newspapers that tell the story. I thought I would bring them to the attention of my colleagues today so hopefully we can reflect not only on the tragedy in Oklahoma and Kansas, but we can reflect on the tragedy that is happening in central America, and I mean the central America of North Dakota and South Dakota, Montana, Nebraska, and Kansas—States that have been hard hit by a virtual depression in agriculture.

It is causing real trauma, Mr. President. These headlines tell the story. This headline sums it up: ''The rural depression.'' There is a real depression in the heartland of America. Prices, the lowest we have seen in 50 years, are causing literally thousands of farmers to exit agriculture.

Here is another headline which recently ran in papers back home: ''Farm prices, farm numbers both fall.''

And this headline that says: ''Another farm dies; does Washington really care?'' That is the question we are going to be asking today and we are going to continue to ask as we see this crisis grow and develop affecting more and more farm families and starting to affect the small towns of our State as well. In fact, this headline says it well: ''AG Crisis Is Bigger Than N.D.'' This is an editorial from the largest paper in our State pointing out that not only is North Dakota affected but other farm States as well.

This is a headline which ran recently: ''State Loses Farmers.'' And one headline which ran, again, in the biggest paper in our State: ''Crop Prices Are the Problem.'' And indeed they are. ''Crop Prices Are the Problem.'' This article says, ''Crop prices, that's the big thing wrong with the region's farm picture this year.'' And they are exactly right.

When I mentioned the crisis has moved from the farmstead to the streets of North Dakota, this headline tells that story: ''Farm Downturn Leaves Main Street Reeling. Three family-run businesses in Michigan, North Dakota closed, with little hope of reopening.''

There is the crisis that is receiving enormous attention in Oklahoma and Kansas—and it should have enormous attention. Those people deserve for others to understand what is happening and the suffering they are experiencing.

There is another crisis as well, and that is the crisis in farm country. Those people are suffering. And they deserve attention as well.

Let me just show another chart which goes right to the heart of the problem we are facing. This shows what has happened to farm prices from 1946 to 1998 for wheat and barley. You can see from the prices—this is 1998—it has even gotten worse. We go out to 1999, and these prices continue to decline in real terms. We have the lowest prices now for these commodities in 52 years. This is a crisis by any definition.

I just want to conclude by going back to what one of the articles said in the papers back home. This says: ''Banks' Survey Shows Farm Income Dwindling.'' In this article they say, ''The vice is tightening on farm borrowers in the Upper Great Plains. The outlook for farm income is grim unless commodity prices increase.''

Mr. President, that is exactly the case. We face a tightening noose around the necks of literally thousands of farm families, and it is time for a response from the Federal Government. We need to pass the disaster supplemental. We need to make the last disaster program we passed whole, because we now know it will cost $1.5 billion more to keep the promise which was made in that disaster program. We need to once again shore up the transition payments that are promised farmers under the new farm bill at this time of price collapse.

Those are steps we can take, we need to take, we must take. In addition, we should reform crop insurance, because we know that program does not work when you have multiple years of disaster.

I just close by saying once again, I hope America is listening and understands that there are tragedies occurring across the United States. We have a tragedy in Oklahoma, a tragedy in Kansas, and we ought to respond.

There are also tragedies that are occurring below the radar screen. They are not getting the attention of the national press. They are a crisis nonetheless, and we ought to respond to them as well.

I thank the Chair and yield the floor.

Mr. President, I know my colleague from Montana is waiting to speak.

I inquire of the Parliamentarian, how much time do we have remaining on our side?

The PRESIDING OFFICER. Five minutes 15 seconds are remaining.

Mr. CONRAD. I just ask my colleague from the State of Montana if he would like that additional 5 minutes. I

would be happy to yield to him at this point.

The PRESIDING OFFICER. Would the Senator from Montana——

Mr. GRAMM. Reserving the right to object, may I hear the request again?

The PRESIDING OFFICER. The inquiry was whether the Senator from Montana desires time.

Mr. BAUCUS. Mr. President, I appreciate the inquiry of the Senator from North Dakota. I would, but I want to accommodate the manager of the bill, too. I would like, at some time in the next hour or two, to speak for 15 minutes.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. To accommodate the Senator, why don't we just take 5 minutes off each side. We are going to have the vote at noon, so we will have less time. Senator SARBANES and I had an opportunity to plow this ground in some depth, so why don't we yield to the distinguished Senator 10 minutes now, and then we will begin the debate on the financial services modernization bill.

Mr. BAUCUS. If I might try once more for 15.

Mr. SARBANES. I yield the Senator another 5 minutes.

Mr. BAUCUS. Thank you very much.

The PRESIDING OFFICER. So the RECORD is clear, the Senator from Montana will have 15 minutes—10 minutes from the Democratic side, 5 minutes from the majority side.

The Senator from Montana is recognized for 15 minutes.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak in morning business.

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

Mr. BAUCUS. Mr. President, I thank very much not only my good friend from North Dakota but my good friend from Texas, Senator GRAMM, and my good friend from Maryland, Senator SARBANES.

## CHINA'S WTO ACCESSION

Mr. BAUCUS. Mr. President, I rise this morning to offer some thoughts on the negotiations towards China's WTO accession, in the aftermath of Premier Zhu Rongji's visit to the United States.

This, I submit, is a question of fundamental importance to America's trade interests. China is now our fourth largest trading partner—after Canada, Japan, and Mexico—a major market, and the source of our most unbalanced trade relationship in the world. And it is perhaps still more important to America's strategic interests in Asia. Today, I would like to review the progress thus far and its implications for these interests.

Let me begin, however, with some context about WTO accessions and the commitments they require.

The WTO really began with the creation of the General Agreement on Tariffs and Trade, otherwise known as the GATT, in 1948. At that time, 23 nations were members. Each of them agreed to a set of tariff cuts and agreed to apply the new tariffs to all other GATT members. This is the famous, or infamous, principle of ''MFN,'' or ''Most Favored Nation.''

Since then, since 1948, 111 other economies—membership is no longer restricted to countries, as Hong Kong and the European Union are now members—have joined to make up today's 134-member WTO.

The original tariff agreements are also joined by agreements on sanitary and phytosanitary standards—that is, health standards—intellectual property, technical barriers to trade, and other issues. And 30 more economies have applied to join, the largest being China.

As these economies join, they must also lower their trade barriers, live up to WTO's intellectual property and agricultural inspection commitments, and so forth. For existing members, however, the only requirement is the one they adopted back in 1948: that we apply MFN—or today normal trade relations—tariffs to the new members. That is the only commitment that current members have to make.

So as we consider the commitments China has and will make to be a WTO member, we must also remember that these are fundamentally one-way concessions. Let me repeat, to enter the WTO, China has committed to a set of one-way concessions.

Nothing in any WTO accession will mean American concessions on market access; the use of our trade laws to address dumping, subsidies, or import surges; or controls on American technology exports. Likewise, if we should choose to tighten export controls at some point in the future, nothing in the WTO accession would prevent us from doing so.

Let me now turn to the commitments China has made and to the issues which remain.

To enter the WTO, China and the existing members must do two things: draft a ''Protocol'' covering a set of fair trade policies, and agree on a set of market access concessions.

These are the issues which the American negotiating team addressed in the months and weeks before Premier Zhu's visit. And the results are striking. China has made a significant set of concessions in both areas. The work is not done, but let me review for the Senate some of the major elements.

Under the protocol, China has made the following commitments: It will end the practice of requiring technology transfer as a condition for investment. That is very big. This includes refusing to enforce tech transfer provisions of existing contracts. The United States is guaranteed the right to continue using nonmarket economy methods for fighting dumping and unfair subsidies.

China will end investment practices intended to take jobs from other countries, for example, local content requirements which stop auto plants from importing U.S. parts; export performance clauses requiring production to be exported rather than sold on the Chinese market, and so on. And China has agreed to a product-specific safeguard which will strengthen our ability to fight sudden import surges.

It is important in the weeks and months ahead to ensure that these provisions have acceptable duration. But it is also clear both that we will be able to use the WTO to strengthen our guarantees of fair trade, and also that we will be able to use our own domestic trade laws for the same purpose. These are fundamental parts of any successful WTO accession.

The American negotiators have also won an impressive set of commitments in market access. Let me offer a few examples: In agriculture, China has already begun by lifting its infamous ban on Pacific Northwest wheat, American beef, and also on citrus products. And when it enters the WTO, it will accompany this by major tariff cuts. For example, beef tariffs will fall from 45 percent to 12 percent, and adoption of tariff-rate quotas in bulk commodities; that is, minimum guarantees of imports into China.

The wheat tariff-rate quota, for example, has the potential to lift China's imports from 2.4 million metric tons a day to 7.3 tons for the first year China is in the WTO and more afterwards. China will also give up any rights to export subsidies, a far cry from, say, Europe which has massive export subsidies; China going much, much further than Europe is today.

In industrial goods, China will grant full distribution rights, retailing, repair, warehousing, trucking and more in almost all products over 3 years. And it will allow American companies to import and export freely. These are concessions that will fundamentally transform an economy which now operates by requiring both Americans and Chinese to use Chinese Government middlemen in these areas. It will make large tariff cuts to an average of 7.1 percent, and it will give up the quota policies at the heart of several industrial policy ventures.

Another concession of special interest to my State of Montana is deep cuts in wood products, from levels reaching 18 percent today down to 5 and 7 percent after WTO membership. And in services, China has made commitments in every sector. They are especially strong, as I noted, in distribution, but also extend to telecommunications, to finance, to audiovisual, environmental services, law, franchising, direct sales and more. These are very

significant concessions which go most of the way to creating a commercially meaningful agreement.

The U.S. negotiators deserve immense credit for their tremendous achievements of the past months, absolutely amazing, perhaps even more for their willingness to refuse bad offers in the past years and remain firm in the commitment to strong accession in all areas.

Several issues, however, remain unresolved. I am especially and very strongly concerned that we are not accepting any rapid phaseout of nonmarket economy dumping rules or import surge provisions. We can also improve on the market access commitments in several of the service sectors. However, we should also understand that there is a point at which we should say yes. We should not set a goal of transforming China's trade regime into Hong Kong's by next New Year's Day. Rather, we should expect a good, commercially meaningful accession, and we are almost there now.

Finally, let me say a few words about the broader interests involved. A WTO accession is a set of unilateral trade concessions; in this case, made by China. As such, it is in our economic and our commercial interest. It will create opportunities while making trade fairer for our working people and farmers. But it is also a piece of a larger strategy designed to create a more stable, a more prosperous and more peaceful Asia-Pacific region.

China's economic integration into the Pacific region since the opening under President Nixon in 1972 has been immensely important to our long-term national interests. We can see that very clearly in the Asian financial crisis, for example.

When I came to Congress, China was a revolutionary power, which would have used this recent currency crisis to spread disorder, spread revolution throughout Southeast Asia and the Korean peninsula. But today it is a beneficiary of Thai, Singapore, Korean and Malay investment, and these countries are also China's markets. China has responded to the crisis by contributing to their recovery through currency stability and several billion dollars in contributions to IMF recovery packages.

The WTO accession will deepen and strengthen this process. At the same time, it will move China toward the rule of law, give Chinese working people, students and families more frequent, more open contact with foreigners and, thus, contribute to our work toward a China which has more respect of the law and more respect for human rights.

Mr. President, the U.S. negotiators thus far have done an excellent job. They have already offered American farmers a ray of hope during a very difficult year. We are very close to accessions that will make trade with China fundamentally more fair for our country. It will then be up to the Senate, to our colleagues, to take the final step by making the normal trade relations we now offer to China permanent.

I thank the Chair. I yield the floor, and I suggest the absence of a quorum.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. HUTCHINSON). If the Senator will withhold, morning business is closed.

## FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 900, which the clerk will report.

The legislative assistant read as follows:

A bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes.

Pending:

Sarbanes (for DASCHLE/SARBANES) amendment No. 302, in the nature of a substitute.

The PRESIDING OFFICER. The time until 12 noon shall be divided between the Senator from Texas and the Senator from Maryland, with 23 minutes for Senator GRAMM and 17 minutes for Senator SARBANES.

The Senator from Texas.

Mr. GRAMM. Mr. President, I yield 3 minutes to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. MACK. I thank the Chair.

Mr. President, I thank Senator GRAMM for yielding me the time. I have a comment or two with respect to the process that we have gone through in putting this legislation together.

I commend Senator GRAMM. I can't think of a time in my now 17 years in the Congress where I have had a chairman of a committee that has spent as much time with the other members of the committee, walking through a particular piece of legislation, each aspect of it, making sure that each of us was prepared and educated on the various issues. There are some difficult issues that face us—the whole issue of CRA, unitary thrifts, the mixing of banking and commerce, the issue of operating subsidiaries versus affiliates, all of them complicated.

I can remember not too many years ago when there was this sense in America that the model which should be followed was the Japanese banking system that people looked at and said, we ought to look at Japan, the dynamic economy they were producing in the late 1980s. I think about how much things have changed in those 10 years.

Mr. SARBANES. Will the Senator yield on that point very briefly?

Mr. MACK. I will be glad to yield for a moment.

Mr. SARBANES. I remember people would say that the Japanese had all the largest banks in the world and they were saying, look. And now look at the situation.

Mr. MACK. It is a dramatic change, and here we are. We have been talking about this legislation for all those years and we haven't made the modifications we needed to make. I hope we will be successful this time.

I rise in support of the underlying bill and in opposition to the Sarbanes substitute. We all know that legislation to overhaul the bank regulatory structure is long overdue, and I join many of my colleagues in thanking the chairman for his hard work in writing this bill and bringing it to the floor.

I will begin by quoting the words of the Senate Banking Committee report, which I believe presents a strong case for financial modernization. It states:

The argument for legislation to rationalize our financial structure is strong. Regulatory and court decisions have eliminated many of the barriers between commercial and investment banking. The barriers separating commercial banks from investment banks have been perforated in both directions. Finally, changes in the technology and practice of financial intermediation have rendered the restrictions of Glass-Steagall increasingly ineffective and obsolete.

There is nothing particularly remarkable about that language, Mr. President. In fact, those same arguments will be made by many of my colleagues here today. But what is remarkable about the statement I just read is that it comes from a committee report on banking legislation in 1991. Just as I believed those words to be significant 8 years ago, I believe them to be even more so today. Unfortunately, there was no overhaul of our banking system in 1991. And despite much hard work and a clear need for action, there has been none since. We are long overdue for this debate and I am pleased the Senate is addressing this important issue.

Freedom and free enterprise have allowed our corporate and financial institutions to respond to changing times and to adapt to a changing financial environment. But this ability has reached its limits within the confines of present law. For our financial institutions to continue to grow, to compete, and to evolve, we must give them a new legislative climate in which to operate. That is the purpose of the bill before us today.

Mr. President, our banking system is truly a model for the world. Emerging economies from Asia to Africa to Central Europe look to the United States for the blueprint and technical expertise to build an effective financial infrastructure. This is happening because we have found a remarkable balance

between community banks and global institutions, between the regulators and the regulated, between the States and the Federal Government, and between ordinary people and the money they need to finance their hopes and dreams. In recent years, we have witnessed a wave of high-profile mergers, as institutions across the sectors hope to create ''synergy'' from offering a broad range of financial products to an expanding global customer base. For their part, many smaller, community-based institutions are using the new regulatory authorities to offer their customers one-stop shopping for individual financial needs—from ordinary retail banking to insurance products and securities instruments.

All of this is very important to the continued financial well-being of our Nation and to the global competitiveness of our financial services industry. However, the expansions I speak of are not taking place with the approval of the Congress and are not occurring through any action on our part to change the law. Rather, these things are happening because—as the 1991 report mentioned—court decisions and the broadened interpretations of present law by the banking regulators have allowed them to take place in an ad hoc manner. In order to access the right to affiliate with other sectors, financial companies have to jump over increasingly complicated regulatory hurdles in order to adapt and survive. It is high time Congress weighed in on this important trend. It is high time we cleared the way for these affiliations and repealed the underlying web of Depression-era restrictions on our banking industry.

That is what we accomplish in the bill before us today, Mr. President. This legislation allows companies to diversify holdings by lifting the prohibitions on affiliations among banks, insurance companies, and securities firms, thus allowing them to compete fully in a free-market environment. If Congress fails to act, we will once again limit the potential of our financial sector and we will continue to impose needless and unnecessary regulatory burdens on individual financial institutions. The other body is moving with its own legislation. The Senate needs to act now to ensure that our financial sector is on solid footing for the new century.

The bill before us repeals the Depression-era Glass-Steagall law prohibiting affiliations between commercial and investment banks. It allows banks and insurance companies to affiliate under the same corporate umbrella. It contains provisions outlining the appropriate regulation of bank sales of insurance, and it allows banks with assets of less than $1 billion to engage in a broader range of financial services through operating subsidiaries. Of course, Mr. President, the relationships between these entities are carefully constructed to ensure institutional safety and soundness and that the taxpayer-insured deposits of retail banking institutions are protected.

The structure provided for in this legislation will end the ad hoc expansion and administration of our banking sector and provide the industry with a clear roadmap for the 21st century. In my view, it will lead to greater stability, enhanced safety and soundness, and improved choices for customers and consumers.

So I urge my colleagues to support passage of this important bill and defeat the Sarbanes substitute.

With that, I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. What is the parliamentary situation?

The PRESIDING OFFICER. The time is under the control of the Senator from Texas and the Senator from Maryland.

Mr. LOTT. I yield myself time out of my leader time.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, I will be brief because we have to get back to this Financial Services Modernization Act. I know the two managers managing this are working on it studiously, and we will be having votes later today. It looks to me as if we can make good progress.

## MARY BETH BOYER BLACK, MISSISSIPPI'S 1999 TEACHER OF THE YEAR

Mr. LOTT. Mr. President, I join my other colleagues here today in recognizing National Teacher Appreciation Week. I am the son of a schoolteacher. My mother taught school for 19 years, between first and the sixth grade. She finally had to leave teaching because in those days teachers basically could not make enough money to live on. She wound up in bookkeeping and broadcasting. I also worked for a university for 3 years, and I have a very serious appreciation for our teachers and the jobs they do.

I have stayed in touch, over the years, with my second-, third-, and fourth-grade teachers at Duck Hill, MS. I don't know why, but I particularly remember those three and have always appreciated them. I guess we remember the ones who teach us to write and do the basic reading. They were wonderful women and wonderful people, and they inspired me in many ways.

So in appreciation of this National Teacher Appreciation Week, I will quote from the Bible. It says:

> Train up the child in the way he should go, and when he's old, he will not depart from it.

Those were the words of Solomon. That is good advice from Solomon.

So today I want to pay particular attention to our Mississippi Teacher of the Year, Mary Beth Black. She teaches chemistry, physics, and advanced placement physics. I remember those courses. They are the reason I didn't go into pharmacy or med school. Biology, chemistry, physics—I took all the college preparatory courses, and I look back now and I know that I was wasting space. I was really never destined to major in the sciences. But it is so important that we have teachers who inspire students in that area. If we are going to be competitive in the future, in the next millennium, and participate in the world economy, we are going to have to have students who are good in science, physics, computer sciences, and the sciences in general.

In order for them to learn what they need to know and to be inspired in that field, you need great teachers like this teacher, the ''Teacher of the Year'' in Mississippi, who teaches at Emory, MS, a wonderful lady with a wonderful record.

She points, interestingly enough, to her second-grade teacher who, she noted, inspired her when she was 7 years old—that she knew when she was 7 she could be anything she chose to be: She could be a brain surgeon, she could drive a fire truck, or go to the Moon. But this second-grade teacher inspired her to want to be a teacher. She always wanted to be a teacher—and to be more than just a teacher, to be an inspiration to young people.

She said:

> Second grade can be challenging. My problem was cursive writing or ''real writing'' as we second graders called it. No matter how hard I tried, my loops and swoops and tilts were never as good as my peers.

''Until now,'' she said, ''school had been great.'' But in this instance it got to be a problem and a challenge. But her second-grade teacher, Mrs. Hurt, worked with her and taught her and then became an inspiration to her.

So today I give thanks and appreciation to all of our teachers across our great country, and in my State of Mississippi to the ''Mrs. Hurts'' who taught in those small, sometimes one- and two-classroom buildings as my mother did, who not only taught the course but inspired a generation of more teachers such as Mary Beth Black, Mississippi's Teacher of the Year.

An 18th-century American historian, Henry Brooks Adams, said: ''A teacher affects eternity; (she) can never tell where (her) influence stops.''

So our teachers influence our young people, and they affect the future of our country and the world. Thanks to all of them.

I yield the floor.

## FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The Senate continued with the consideration of the bill.

Mr. DASCHLE addressed the Chair.

Mr. SARBANES. Mr. President, I yield such time as the minority leader may consume.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I thank the distinguished ranking member, the Senator from Maryland. I thank him and the Democratic members of the Banking Committee for the tremendous leadership and patience that, in particular, Senator SARBANES has demonstrated in getting us to this point.

I also want to acknowledge the efforts of all my colleagues on the Senate Banking Committee, and especially the fellow Democrats of the Banking Committee, who have put so much effort and energy and diligence into bringing us to this very important debate, and ultimately this vote which we will shortly have.

I might add, as I know the distinguished Senator from Maryland has already noted, that every Democratic member of the Senate Banking Committee is a cosponsor of the substitute we will be voting on shortly. Together, my colleagues on the committee have produced a proposal to give financial service companies new freedoms and new flexibility—without risking the financial well-being of our economy or of individuals. It is a balanced, responsible proposal—one the President can sign—and, on behalf of the entire Democratic caucus, I thank them for producing it.

Let me be very clear, Mr. President. Senate Democrats support financial services modernization. We want to see a bill passed. There is no good reason that can't happen this year—in fact, this week.

This should not be a partisan issue. Historically, it has not been one.

Our substitute is based on last year's H.R. 10. The Senate Banking Committee passed H.R. 10 on a vote of 16 to 2—16 to 2. Republicans on the Senate Banking Committee supported H.R. 10 last year. So did virtually every major financial services industry group.

In the House, the House Banking Committee passed a very similar bill this year. Again, the vote was overwhelmingly bipartisan—51 to 8.

Until recently, Democrats and Republicans have agreed overwhelmingly that the path laid out in our substitute was the right path. That has all changed. Reform has suffered a major setback this year. In the Senate Banking Committee, the majority forced through a new, harshly partisan bill on a party line vote of 11 to 9. This new bill shattered the consensus that so many people worked so long and so hard to create.

In place of the broad support enjoyed by H.R. 10, the committee bill is opposed now by every Democrat on the Banking Committee. It is also opposed by every civil rights group. It is opposed by community groups, community organizations, and local governmental officials.

Instead of a clear path to enactment—which is what we would have had had we stayed with the bipartisan approach to H.R. 10—financial services reform is now on two tracks. There is the veto track. And make no mistake, S. 900 is on this track. It will be vetoed if the President receives it in its current form. Then there is the enactment track. That is the track our substitute and the bipartisan House Banking bill are on.

We are not saying, ''It is our way, or no way.'' Neither side should ever issue such an ultimatum. That is not the way of the Senate. We have discussed with the majority leader our desire to find a bipartisan way to get the financial services modernization bill back on the enactment track. We have agreed to a floor procedure which will enable us to finish this bill in an expeditious manner.

We do not want to delay this bill any longer. That has already happened. It has already been delayed. As I said, we want to pass financial services modernization this year, and perhaps even this week. So the choice for the Senate is clear. It is partisan brinkmanship, or bipartisan accomplishment.

We stand ready on this side of the aisle to deliver a bill that the President can sign. He has cited four serious flaws in S. 900 which he has said will force him to veto the bill. Our substitute corrects all four flaws.

First and foremost, our substitute does not gut CRA—the Community Reinvestment Act—as S. 900 does. The CRA has proven a huge success in expanding access to credit and investment in low- and moderate-income communities. Investment capital is the lifeblood of these communities. That capital must continue to be available to qualified borrowers in all communities. We cannot draw red lines around the American dream. Democrats will not support a bill that undermines the effectiveness of the CRA.

The second major difference between our substitute and the underlying bill is the way the two proposals deal with the separation of banking and commerce.

For nearly 70 years, since the collapse of the banking industry during the Great Depression, U.S. law has separated banking from other commercial activities. An army of experts—from Chairman Greenspan to Secretary Rubin to former Federal Reserve Chairman Paul Volcker—believe that separation must be maintained.

But you don't have to look in the history books to understand why mixing banking and other commercial activities is risky business. Look at the recent currency crisis that started in Asia and spread to some of our Latin American neighbors. If anything, the globalization of our economy makes a reasonable separation between banking and other commercial activities even more important now than it was when those laws were first enacted.

Unfortunately, as the distinguished Senator from Maryland has observed, the underlying bill weakens the separation of banking and commerce in a number of ways. Our alternative does not. It reflects the careful compromises developed last year. It preserves the separation between banks and other commercial activities without in any way limiting the flexibility financial service companies need in today's economy. It strikes the right balance between opportunity and responsibility.

Let me interject here that, should our substitute fail, my colleague from South Dakota, Senator JOHNSON, intends to offer a related amendment. It would close a loophole which commercial companies currently use to mix banking and commerce by acquiring existing unitary thrift holding companies. I will strongly support his effort.

A third difference between our substitute and S. 900 has to do with consumer protection. H.R. 10—the bill the Banking Committee passed out last year with overwhelming support—included a number of consumer protections having to do with such things as risk disclosure and licensing of personnel. Those protections were essential for its passage last year. They remain essential to the American people. They have all been stripped out of the underlying bill—every one of them. They are all included in the Democratic alternative. They must be included in any financial services bill this Congress passes, or the President will veto it.

There is a fourth way in which our bill differs from both the committee bill and from last year's bill. It involves what financial activities can take place in subsidiaries of banks, and under what conditions.

As the legislative process has progressed, the Treasury Department has agreed to significant additional safeguards regarding the financial activities of banks' operating subsidiaries. Our alternative incorporates these safeguards. At the same time, it would permit banks to structure certain new activities in these so-called ''op-subs'' as they see fit. Again, it balances opportunity and responsibility.

Mr. President, that is where we stand—the juncture of two tracks: The veto track, and the enactment track.

S. 900—as it is currently written—will put us on the veto track. We know that:

It undermines the Community Reinvestment Act.

It breaches the separation of banking and commerce.

It ignores consumer protection.

And, it fails to strike a responsible balance on the question of bank operating subsidiaries.

The failure to proceed on a bipartisan track has placed this bill at risk. Unless we negotiate with each other once again in good faith, I must say this bill will be vetoed.

If that happens, it would represent a serious failure on the part of this Senate.

More important, it would deprive American businesses, and the American people, of important tools and safeguards they need in this new global economy.

We appeal to our colleagues: Let's get this bill back on track. Let's adopt this alternative. Let's pass financial services modernization. This year. This week. We can do it. I hope we will.

Mr. GRAMM. Mr. President, I thank the distinguished Democrat leader for the effort he has made to get the Senate to this point. Obviously, when we have votes on contentious issues, ultimately Members come to the floor and vote. Somebody wins and somebody loses. I think on many of the votes we are going to have, neither of us knows what the outcome will be.

We are beginning a process that will go through conference. We have a bill in the House that is very different. I think we all want to write a bill that the White House can sign.

Yesterday, the President came out with six conditions for signing the bill, two of which your substitute does not comply with. Obviously, we are going to have to work with the White House on a continuing basis.

I want to assure you, Mr. Leader, I will also sit down, roll up my sleeves, and try to work. Maybe we can't solve these problems, but if it is possible to solve them, I want to do it.

I thank the Senator for his help.

Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Texas has 11 minutes, and the Senator from Maryland has 7 minutes 24 seconds.

Mr. GRAMM. I yield 5 minutes to the distinguished Senator from Wyoming.

Mr. ENZI. Mr. President, I thank the chairman of the Banking Committee. I thank him for the time. I also thank him for the leadership and direction and focus he has had on this issue and his willingness to talk to others about the issues.

I rise to oppose the substitute amendment offered by the ranking member of the Banking Committee. Most of the reasons for my opposition lie within the great expansion of the Community Reinvestment Act, or CRA.

For example, the amendment would allow the Federal banking agencies to take actions, including divestiture, forcing people to sell off parts of their business if an institution fails to maintain a satisfactory or better CRA rating. Currently, the enforcement action authorized for the banking agencies is the ability to deny the noncompliant banks' application to acquire another facility.

The substitute would expand the reach of CRA to noninsured institutions or wholesale financial institutions, and they don't even deal with consumers. Previously it had been argued that banks and thrifts convey an economic benefit as a result of deposit insurance, and thus the CRA is justifiably imposed on those institutions. But now, for the first time, this amendment would expand CRA to the non-FDIC-insured institutions.

It would allow a Federal banking agency to take enforcement action, such as the cease and desist order, civil monetary penalties, or even criminal sanctions, all for not complying with the CRA. That is an expansion. These penalties could even be extended to an officer or director of the holding company or bank.

In addition to extraordinary CRA expansion, I found several other problems with the substitute amendment. First, it reduces the authority of State insurance commissioners and creates the National Association of Registered Agents and Brokers, NARAB. The insurance agents in Wyoming oppose the NARAB provision because they believe it is the precursor to Federal regulation of insurance and Federal bureaucracy.

The substitute amendment also reduces the ability of the bank to engage in trust and fiduciary activities. On the other hand, S. 900 allows a bank to engage in traditional trust and fiduciary activities, just as they have done for so many years.

Additionally, it is apparent that there is not consensus in the substitute bill, and it differs from the product of last year. I voted for H.R. 10 last year. I will not vote for this substitute. It is not the same bill. The most significant difference lies in the operating subsidiary provisions. Last year, H.R. 10 only passed the House by one vote. Just last week the House Commerce Committee held a hearing on H.R. 10, which is nearly identical to the substitute amendment, and the Members on both sides of the aisle were very critical of the bill.

I strongly encourage my colleagues to oppose the substitute amendment. It does not represent a consensus, and it is certainly more burdensome and expansive on the affected industries. It is not the product of compromise.

I yield back the remainder of my time.

Mr. SARBANES. Mr. President, what is the parliamentary situation?

The PRESIDING OFFICER. The Senator from Texas controls 7 minutes 37 seconds, and the Senator from Maryland has 7 minutes 24 seconds.

Mr. SARBANES. I thank the Chair.

Mr. President, I rise in very strong support of the substitute amendment, which is the provisions contained in S. 753, introduced by Senator DASCHLE and all of the Democratic members of the Senate Banking, Housing, and Urban Affairs Committee.

We have been at this for a long time—those on the committee and other Members who have been interested in the issue of financial services modernization. We have been seeking to find a way to pass a bill to protect safety and soundness, to protect consumers, to ensure that CRA not be undercut or eroded; and that permits financial service institutions within the realm of financial services, in effect, to enter into new arrangements in terms of affiliations and the activities they can conduct.

This is something that has been urged on us. Those in the industry think it would be helpful to them. Some of this has been taking place without statute, but it is uncertain, unsure. It happens through regulation; it happens through court decision. I think most people think if we could arrive at a statutory framework in which to place these developments that that would be a desirable objective.

That is why we introduced S. 753. That is why we are offering it as a substitute amendment to the committee bill. It essentially tracks the language of the bill that was reported last year on a vote of 16–2 from the committee with one exception with respect to operating subsidiaries. This substitute permits banks to conduct some activities in an operating subsidiary—not all of the activities they can now engage in—and that reflects, in part, an effort by Secretary Rubin to try to reach an accommodation to ensure that some of the concerns that were raised are addressed.

There is a conflict, a difference of view here, a very strong difference of view here between Secretary Rubin and Chairman Greenspan, both of whom are saying to have a bill we have to have a good bill, and their definition of a good bill, each of them, is one that corresponds to their views, particularly on this important issue of the op-sub versus the affiliate, as far as carrying on activities.

In this regard, I point out as we listen to Secretary Rubin that we are also listening, of course, to the possibilities of a Presidential veto. We can't get a bill into law without the President's signature—that is obvious and clear—and the President has taken a very strong position on this legislation. In fact, he has sent a letter to the committee stating in the clearest possible terms that he would veto the committee bill if it was presented to him in its current form. That is when we began the markup in the committee. The committee has issued a

statement of administration policy in which they say:

Nevertheless, because of crucial flaws in the bill, the President has stated that if the bill were presented to him in its current form, he would veto it.

We have had extended debate on the differences between the committee bill and the substitute amendment. Senator GRAMM and I and others are participating in that. I am frank to say I thought the minority leader, Senator DASCHLE, just laid out a very clear, concise, extremely well-stated position with respect to the differences between these approaches.

We differ in banking and commerce. The substitute seeks to, in effect, reaffirm, make clearer, the division between banking and commerce. We differ, as I indicated, with respect to the operating subsidiary issue, which of course involves the sharp difference between the Secretary of the Treasury and the Chairman of the Federal Reserve. We differ very strongly on CRA. It is asserted that the substitute expands CRA. In fact, what the substitute seeks to do is to ensure that if banks move into securities and insurance, that those banks should have a satisfactory CRA rating before they can undertake such a merger or affiliation.

It requires the banks to be in compliance with CRA. It in effect says that a bank with an unsatisfactory CRA rating is not going to be able to use this additional power now being given to them to move into securities and to move into insurance. At the moment, they do a limited amount of that activity. But if they are going to actually go into it in a full-scale way, which is what this legislation offers—which both pieces of legislation offer to the banks, we do not differ on that proposition; both as a part of the financial services modernization approach are prepared to permit that—but we feel very strongly that they should be in compliance, the banks should be in compliance with CRA, if they intend to do that.

A number of very important groups in the community support the substitute. I will have printed in the RECORD letters from civil rights organizations—from Hispanic organizations, which have been very strong in perceiving that CRA has made a big, big difference in their community in terms of home ownership and in terms of investment, and that there has been very significant benefit for Native American organizations that report on what has happened on the Indian reservations, from farm and rural groups, and from over 200 mayors, all of whom prefer the substitute amendment.

I ask unanimous consent those letters be printed in the RECORD.

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

LEADERSHIP CONFERENCE
ON CIVIL RIGHTS
*Washington, DC, March 18, 1999.*

Hon. PHIL GRAMM,
*Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.*

DEAR SENATOR GRAMM: We are writing to express our deep concern over your public mischaracterizations of the Community Reinvestment Act (CRA), and over the treatment of CRA in the Financial Services Modernization Act of 1999 as reported out of the Senate Banking Committee on March 4.

The Leadership Conference on Civil Rights is the nation's oldest, largest, and most diverse coalition of organizations committed to the protection of civil rights in the United States. As leaders of the civil rights community, we take strong issue with your description of CRA as a vehicle for ''fraud and extortion''[1] and to your characterization of CRA as ''perhaps the greatest national scandal in America.''[2] To the contrary, we agree with President Clinton that the Community Reinvestment Act is ''a law that has helped to build homes, create jobs, and restore hope in communities across America.''[3]

CRA has proven to be an effective means of encouraging federally insured financial institutions to extend prudent and profitable loans in underserved urban and rural communities. CRA has been credited with the dramatic increase in homeownership rates among minority, and low- and moderate-income individuals. Since 1993, the number of home mortgage loans extended to African-Americans has increased by 58%, to Hispanics by 62%, and to low- and moderate-income borrowers by 38%.[4] CRA has similarly served as the impetus for revitalizing distressed rural and urban communities through small business and small farm lending and community development investments.

Data from federal bank regulators reveal that the CRA has not been used arbitrarily to block or delay bank applications to the regulators. Community groups and others rarely file adverse comments to bank applications based on CRA. Less than 1% of bank applications have received adverse comments.[5] Moreover, assertions that banks provide commitments to community groups and others because they are afraid that regulators will deny or substantially delay the processing of their application is not supported by the record. Bank applications that receive adverse comments are denied only 1% of the time.[6] In addition, few applications are substantially delayed due to an adverse CRA comment.

Despite the strong record of CRA success and the lack of evidence of abuse, the bill that was reported out of the Senate Banking Committee seriously weakens CRA in three ways. First, it does not require that all banks in a bank holding company have a ''satisfactory'' CRA rating to exercise the new powers provided by the legislation. This would substantially roll back CRA by permitting banks that are not meeting the credit needs of their communities to benefit from the expanded powers to affiliate with securities and insurance firms.

Second, the bill would provide a ''safe harbor'' from public comment on CRA performance for banks with a ''satisfactory'' CRA rating. Under the bill, an institution receiving at least a satisfactory CRA rating during the previous 36-month period would be deemed in compliance with CRA and immune from public comment unless individuals present ''substantial verifiable information'' to the contrary arising since the last examination. Since over 95% of banks receive a satisfactory rating, the provision would fundamentally undercut the right of community groups and others to comment on a bank's CRA performance.[7] Community group participation in the CRA process has been critical to the success of CRA. Public comment on other aspects of a bank's performance, such as management or financial resources, would not face similar limitations on the scope of information that may be introduced nor be subject to the same burden of proof.

Third, the bill exempts banks with less than $100 million in assets from CRA. This represents 63% of all banks.[8] If enacted the provision will have devastating consequences for rural communities because small banks are often the only source of credit in rural areas. Despite claims that small banks by their nature serve the credit needs of local communities, data from regulators reveal that these institutions have disproportionately poor CRA records.

We would note that the financial services bill reported out of the House Banking Committee last week on a bipartisan vote of 51–8 did not contain any of these shortcomings in regard to CRA. This is in sharp contrast to the 11–9 party line vote by which the Senate Banking Committee reported out its bill, in significant measure because of the controversial CRA provisions.

Fair access to credit, which is the purpose of CRA, is a critical civil rights issue. As the President has said, ''CRA is working, and we must preserve its vitality as we write the financial constitution for the 21st century.''[9] As reported out of the Senate Banking Committee, the Financial Services Act of 1999 would drastically weaken CRA. Unless this shortcoming is addressed, we would urge strong opposition to this legislation.

Sincerely,

Dr. Dorothy I. Height, Chairperson, Leadership Conference on Civil Rights; Barbara Arnwine, Executive Director, Lawyers' Committee for Civil Rights Under Law; Andrew H. Mott, Executive Director, Center for Community Change; Wade Henderson, Executive Director, Leadership Conference on Civil Rights; Karen Narasaki, Executive Director, National Asian Pacific American Legal Consortium; JoAnn K. Chase, Executive Director, National Congress of American Indians.

Shanna L. Smith, Executive Director, National Fair Housing Alliance; Hugh B. Price, President and Chief Executive Officer, National Urban league; Hilary Shelton, Washington Bureau Director, National Association for the Advancement of Colored People; Raul Yzaguirre, President, National Council of La Raza; Manuel Mirabal, President and Chief Executive Officer, National Puerto Rican Coalition, Inc.

FOOTNOTES

[1] Congressional Record, September 30, 1998.
[2] Congressional Record, October 5, 1998.
[3] Letter from President Clinton to Senator Phil Gramm, March 2, 1999.
[4] Home Mortgage Disclosure Act data cited in Secretary Robert Rubin's letter to Senator Phil Gramm, February 23, 1999.
[5] Comptroller of the Currency, Office of Thrift Supervision, Federal Deposit Insurance Corporation, and Federal Reserve Board.
[6] Id.
[7] Federal Financial Institutions Examination Council.
[8] Federal Deposit Insurance Corporation.
[9] See supra note 3.

Footnotes at end of letter.

APRIL 8, 1999.

Hon. PAUL S. SARBANES,
*Senate Hart Office Building, U.S. Senate, Washington, DC.*

DEAR SENATOR SARBANES: The undersigned organizations write to express strong opposition to the Financial Services Modernization Act of 1999 as reported out of the Senate Banking Committee on March 4th. The Act would restructure the financial services industry in the United States by allowing broad affiliations among banks, insurance companies, and security firms. Currently, the law strictly limits ownership among different financial entities and between financial companies and commercial corporations. The Act seeks to ease these restrictions, without commensurate expansion of the Community Reinvestment Act (CRA) to cover insurance companies, securities firms, mortgage companies, and other financial entities allowed to affiliate with banks. The Act would undermine one of the most effective revitalization vehicles for underserved low-income and minority communities, including Hispanic American communities across the country.

We have found, and research confirms, that all too often the credit and financial needs of these communities are severely underserved. Historically, many financial institutions have avoided investing in these communities due to their perceived higher level of risk. Unfortunately, ''perceived higher level of risk'' is often code for ''low-income'' or ''minority.'' But the facts show that low-income and minority communities are not inherently riskier than other communities. In fact, most financial institutions find them to be quite profitable, once they begin investing in them. Unfortunately, without the CRA, many financial institutions have not and would not be encouraged to do so.

As the data show, Hispanics are the fastest-growing population in the United States. We are a growing force in the expansion of homeownership and small business development, two leading indicators of the economic well-being of this country. For example, between 1987 and 1992, Hispanic-owned business grew by 76%, compared to 26% for U.S. businesses overall. According to a 1997 Harvard study, ''the number of Hispanic homeowners has shown the most spectacular rise'' in recent years compared to that of Whites and of other minority groups. Population projections forecast Hispanics to be the largest minority group in the U.S. by the year 2005, causing the U.S. economy to be increasingly dependent on the continued prosperity of the Hispanic American community. Without the CRA, this growth may be impeded.

As reported out of the Senate Banking Committee, the Financial Services Modernization Act of 1999 would hinder that growth by weakening the CRA in the following three ways. First, a ''satisfactory'' CRA rating is not required in order for financial institutions to enjoy the new powers afforded to them by the legislation, thereby allowing banks to exercise their privilege, even if they are not meeting the credit needs of the communities where they do business.

Second, banks receiving a ''satisfactory'' CRA rating would be given a ''safe harbor'' from public comment on CRA performance. Since over 95% of banks receive a ''satisfactory'' rating, this would undermine the effectiveness of the law by restricting a community's right to voice its experience with banks. While a ''satisfactory'' rating provides a helpful guide to a bank's overall performance, it may not provide an accurate picture at the neighborhood level.

Third, the Act proposes to exempt all small rural banks (those with less than $100 million in assets) from CRA, thereby releasing 76% of all rural banks from their CRA obligations. As with the safe harbor provision, this undermines the spirit and the effectiveness of the law by exempting most rural banks. This would have particularly adverse consequences in low-income rural communities where often the only source of credit is a small bank. Moreover, researchers have found that small banks have disproportionately poor CRA records compared to larger banks, thereby highlighting the need for CRA in rural communities and small towns.

CRA is one of the strongest incentives to encourage investment in low-income and minority communities. Over the last twenty-two years, neighborhoods across the country have benefited from CRA-encouraged investments. This has resulted in increases in homeownership and business development, leading to the rebirth of many American neighborhoods. However, many communities remain underserved by capital and investment vehicles. For this reason, reinforcement, not weakening, of CRA is critically needed. We urge you to support the continued strengthening of America's communities by vigorously opposing the Financial Services Modernization Act of 1999 as reported out of Committee, and supporting amendments that would strengthen the Bill's CRA protections. Thank you.

Sincerely,

Rick Dovalina, National President, League of United Latin American Citizens; Arturo Vargas, Executive Director, NALEO Educational Fund; Ruth Pagani, Executive Director, National Hispanic Housing Council (NHHC); Juan Figueroa, President and General Counsel, Puerto Rican Legal Defense and Education Fund (PRLDEF); Antonia Hernandez, President and General Counsel; MALDEF; Raul Uzaguirre, President and Chief Executive Officer, National Council of La Raza (NCLR); Manual Mirabal, President and Chief Executive Officer, National Puerto Rican Coalition (NPRC).

---

NATIONAL CONGRESS OF AMERICAN INDIANS,
*Washington, DC, April 14, 1999.*

Hon. PHIL GRAMM,
*Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.*

DEAR SENATOR GRAMM: On behalf of the National Congress of American Indians (''NCAI''), we are writing to express our serious concern over the treatment of the Community Reinvestment Act (''CRA'') in the Financial Services Modernization Act of 1999. NCAI is the oldest, largest and most representative national Indian organization devoted to promoting and protecting the rights of tribal governments and their citizens.

The CFA has proven to be an effective means of encouraging federally insured financial institutions to extend prudent and profitable loans in traditionally underserved areas including Indian Country. Specifically, the CRA has helped focus attention to the challenges of extending credit to reservations under current law and has acted as a catalyst to reservation based economic development. Since the implementation of the CRA, Native American groups and banks have negotiated agreements for lending more than $155 million within Indian Country.

In its current form, we believe the Financial Services Modernization Act of 1999 would seriously erode the effectiveness of the CRA, a law that has certainly helped to build homes, create jobs and restore hope in many of our communities. We are particularly concerned that the bill reported by your committee would exempt small rural banks from coverage by the CRA and would create a ''safe harbor'' under CRA for banks with satisfactory or better ratings thus making it much more difficult for the public to comment on problems with a bank's CRA performance in conjunction with an expansion application filed by a bank. We are also concerned that your bill does not require that all banks in a bank holding company have a ''satisfactory'' CRA rating to exercise the new powers provided by the legislation. This would substantially roll back the CRA by permitting banks that are not meeting the credit needs of communities to benefit from the expanded powers to affiliate with securities and insurance firms.

We strongly urge you to reconsider these provisions of the bill. As reported out of the Senate Banking Committee, the Financial Services Act of 1999 drastically weakens the CRA and unless this shortcoming is addressed, we would urge strong opposition to the legislation.

Sincerely,

W. RON ALLEN,
*President.*

(Also signed by 17 representatives of tribes and tribal organizations.)

---

THE UNITED STATES CONFERENCE OF MAYORS
*Washington, DC, April 29, 1999.*

DEAR SENATOR: The Community Reinvestment Act (CRA) has played a critical role in encouraging federally insured financial institutions to invest in the cities of our country. Legislation reported out of the Senate Banking Committee on March 4, the Financial Modernization Act of 1999, would dramatically weaken CRA. We strongly urge you to oppose this legislation unless CRA is preserved and strengthened.

The United States Conference of Mayors is the nation's largest nonpartisan organization dedicated to ensuring the economic stability of the nation's largest cities. As mayors, we recognize that CRA has been an essential tool in revitalizing cities around this nation. In fact, there is now increasing recognition that the strength and economic health of whole regions require strong and vibrant cities. Creating new economic activity—new businesses, new jobs, new homeowners—is key to the revival of urban areas and their surrounding regions, CRA has been a key component to creating this new economic activity.

Private sector investment encouraged under CRA has helped to stabilize communities suffering from economic decline. CRA has similarly helped to spur bank and thrift investment in multi-family rental housing development and rehabilitation, small business expansion, and community economic development. CRA is a crucial complement to FHA Insurance, The HOME program, Community Development Block Grants, and the low-income housing tax credit. These programs, which have built or financed the purchase of millions of units of affordable rental and ownership homes, work so effectively because they leverage tens of millions of private dollars.

In light of the success of CRA and our experiences with community revitalization efforts, we are very troubled by allegations

that have been made that CRA has ''since been corrupted into a system of legalized extortion.'' In contrast to the description of community based organizations as ''racketeers'' and ''thugs'' many of us have participated in successful partnerships with private institutions and members of the community. These relationships have resulted in a tremendous infusion of capital into underserved communities as well as increased banking services.

The bill that was reported out of the Senate Banking Committee would have dire consequences for the nation's cities if it were enacted. First, the failure to require that banks seeking to affiliate with securities and insurance firms have a ''satisfactory'' CRA rating would permit banks to ignore the credit needs of their communities and benefit from the powers provided in the legislation. This is a substantial rollback of CRA and would most certainly reduce the flow of capital in these areas—returning us to a time when banks and thrifts redlined communities with credit worthy borrowers.

In addition, the bill provides a ''safe harbor'' from public comment on CRA performance to banks with a ''satisfactory'' or better CRA rating. This provision effectively eliminates public comment on a bank's CRA performance. As you are undoubtedly aware, the opportunity to comment on a bank's performance is a right given to every member of the public. Public comment participation in the CRA process is considered a critical component of the law's success. The public often raises community investment issues which have been overlooked by regulators. This provision singles out CRA comments for unfair treatment. Unlike CRA comments, individuals seeking to comment on other aspects of a bank's performance would not face limitations on the scope of information that they may introduce or be required to carry a burden of proof. Moreover, data from regulators indicated that the comment process has not been abused.

Finally, the bill exempts small banks in rural areas (assets less than $100 million in assets) from CRA obligations. These institutions represent 76% of banks and thrifts in rural communities. This provision would seriously compromise the capital needs of rural residents who depend almost exclusively on small banks and thrifts to meet their credit needs. Residents in these communities rely on CRA to encourage banks to make mortgage, small farm, and small business loans.

Prior to the enactment of CRA, banks, and thrifts routinely redlined low- and moderate-income neighborhoods in our nation's cities. The modest requirement in CRA that financial institutions meet the credit needs of their communities has lead to the successful channeling of billions of dollars into localities.

As reported out of the Senate Banking Committee, the Financial Services Act of 1999 would severely weaken CRA and our nation's cities. Unless the onerous CRA provisions are addressed and CRA is preserved and strengthened, we would urge strong opposition to the Senate bill.

Sincerely,

Richard Arrington, Jr., Birmingham, AL
Patrick Henry Hays, North Little Rock, AR
Robert Mitchell, Casa Grande, AZ
Alex J. Harper, San Luis, AZ
Neil Giuliano, Tempe, AZ
George Miller, Tucson, AZ
Richard F. Archer, Sierra Vista, AZ
Marilyn R. Young, Yuma, AZ
Ralph Appezzato, Alameda, CA
Garry Fazzino, Palo Alto, CA
Mary Rocha, Antioch, CA
Shirley Dean, Berkeley, CA
Eunice M. Ulloa, Chino, CA
Judy Nadler, Santa Clara, CA
Chris Christiansen, Covina, CA
George Pettygrove, Fairfield, CA
Larry R. Green, Glendora, CA
Chris B. Silva, Indio, CA
Roosevelt F. Dorn, Inglewood, CA
Cathie Brown, Livermore, CA
Donald E. Lahr, Santa Maria, CA
David Smith, Newark, CA
William E. Cunningham, Redlands, CA
Willie L. Brown, Jr., San Francisco, CA
Harriett Miller, Santa Barbara, CA
Gary Podesto, Stockton, CA
Robert R. Nolan, Upland, CA
Wally Gregory, Visalia, CA
Robert Frie, Arvada, CO
Wellington E. Webb, Denver, CO
John DeStefano, Jr., New Haven, CT
Dannel P. Malloy, Stamford, CT
Anthony A. Williams, Washington, DC
Gerald Broening, Boynton Beach, FL
Alex Penelas, Miami-Dade County, FL
Mara Giulianti, Hollywood, FL
Ralph L. Fletcher, Lakeland, FL
Richard J. Kaplan, Lauderhill, FL
James F. Fielding, Port St. Lucie, FL
Alex G. Fekete, Pembroke Pines, FL
Joe Schreiber, Tamarac, FL
Bill Campbell, Atlanta, GA
Bob Young, Augusta, GA
Patsy Jo Hilliard, East Point, GA
Felix F. Ungacta, Hagatna, Guam
Stephen K. Yamashiro, Hawaii, HI
Lee R. Clancey, Cedar Rapids, IA
H. Brent Coles, Boise, ID
Gregory R. Anderson, Pocatello, ID
Neil Dillard, Carbondale, IL
Richard Daley, Chicago, IL
Jerry P. Genova, Calumet City, IL
Angelo A. Ciambrone, Chicago Heights, IL
Lydia Reid, Mansfield, IL
Stanley F. Leach, Moline, IL
Barbara Furlong, Oak Park, IL
R. David Tebben, Pekin, IL
Ross Ferraro, Carol Stream, IL
Stephen J. Luecke, South Bend, IN
Joseph R. Zickgraf, Columbia City, IN
James P. Perron, Elkhart, IN
Duane W. Dedelow, Jr., Hammond, IN
Paul W. Helmke, Fort Wayne, IN
Carol Marinovich, Kansas City, KS
David L. Armstrong, Louisville, KY
Waymond Morris, Owensboro, KY
Edward G. ''Ned'' Randolph, Jr., Alexandria, LA
Ruth Fontenot, New Iberia, LA
Walter Comeaux, Lafayette, LA
Marc Morial, New Orleans, LA
John Barrett, III, North Adams, MA
Nicholas J. Costello, Amesbury, MA
Thomas M. Menino, Boston, MA
David Ragucci, Everett, MA
Patrick J. McManus, Lynn, MA
Richard C. Howard, Malden, MA
Thomas V. Kane, Portland, ME
James L. Barker, Garden City, MI
Dennis Archer, Detroit, MI
Woodrow Stanley, Flint, MI
Aldo Vagnozzi, Farmington Hills, MI
Robert B. Jones, Kalamazoo, MI
David C. Hollister, Lansing, MI
Jack E. Kirksey, Livonia, MI
Linsey Porter, Highland Park, MI
Walter Moore, Pontiac, MI
Donald F. Fracassi, Southfield, MI
Sharon Sayles Belton, Minneapolis, MN
Chuck Canfield, Rochester, MN
Joseph L. Adams, University City, MO
Larry R. Stobbs, St. Joseph, MO
Harvey Johnson, Jr., Jackson, MS
Jack Lynch, Butte, MT
Patrick McCrory, Charlotte, NC
George W. Liles, Concord, NC
Jerry Ryan, Bellevue, NE
Ken Gnadt, Grand Island, NE
James Anzaldi, Clifton, NJ
Anthony, Russo, Hoboken, NJ
Sara B. Bost, Irvington, NJ
Margie Semler, Passaic, NJ
Albert McWilliams, Plainfield, NJ
Thalia C. Kay, Pemberton Township, NJ
Douglas Palmer, Trenton, NJ
Lavonne Bekler Johnson, Willingboro Township, NJ
Jan Laverty Jones, Las Vegas, NV
Sandra L. Frankel, Brighton, NY
Anthony M. Masiello, Buffalo, NY
James C. Galie, Niagara Falls, NY
William F. Glacken, Freeport, NY
James A. Garner, Hempstead, NY
Roy A. Bernardi, Syracuse, NY
Edward A. Hanna, Utica, NY
Ernest D. Davis, Mount Vernon, NY
Donald L. Plusquellic, Akron, OH
Richard D. Watkins, Canton, OH
Michael B. Keys, Elyria, OH
Paul Oyaski, Euclid, OH
Beryl E. Rothschild, University Heights, OH
William L. Pegues, Warrensville Heights, OH
Thomas J. Longo, Garfield Heights, OH
Debora A. Mallin, Bedford Heights, OH
Marilou W. Smith, Kettering, OH
David Berger, Lima, OH
Joseph F. Koziura, Lorain, OH
Cicil E. Powell, Lawton, OK
M. Susan Savage, Tulsa, OK
Bill Klammer, Lake Oswego, OR
Vera Katz, Portland, OR
Donald T. Cunnigham, Jr., Bethlehem, PA
Timothy M. Fulkerson, New Castle, PA
Joyce A. Savocchio, Erie, PA
Stephen R. Reed, Harrisburg, PA
Ted LeBlanc, Norristown, PA
Edward Rendell, Philadelphia, PA
Charles H. Robertson, York, PA
William Miranda Marin, Caguas, PR
James E. Doyle, Pawtucket, RI
Vincent A. Cianci, Jr., Providence, RI
James E. Talley, Spartanburg, SC
Jon Kinsey, Chattanooga, TN
Kirk Watson, Austin, TX
David W. Moore, Beaumont, TX
Ronald Kirk, Dallas, TX
Jack Miller, Denton, TX
Mary Lib Saleh, Euless, TX
Charles Scoma, North Richland Hills, TX
Lee P. Brown, Houston, TX
Michael D. Morrison, Waco, TX
Kenneth Barr, Fort Worth, TX
Deedee Corradini, Salt Lake City, UT
William E. Ward, Chesapeake, VA
Paul D. Fraim, Norfolk, VA
Peter Clavelle, Burlington, VT
Mark Asmundson, Bellingham, WA
Lynn Horton, Bremerton, WA
Paul Schell, Seattle, WA
Paul F. Jadin, Green Bay, WI
John D. Medinger, La Crosse, WI
Susan J. Bauman, Madison, WI
Maricolette Walsh, Wauwatosa, WI
John Lipphardt, Wheeling, WV

---

APRIL 29, 1999.

FAMILY FARM AND RURAL ORGANIZATIONS SUPPORT COMMUNITY REINVESTMENT ACT: OPPOSE THE FINANCIAL SERVICES MODERNIZATION ACT OF 1999

DEAR SENATOR: As organizations working with and representing rural residents, we write to register our strong opposition to the Financial Services Modernization Act of 1999 as reported out of the Senate Banking Committee in late March. We are very concerned

that the bill substantially undercuts the existing Community Reinvestment Act (CRA) and totally ignores the need to modernize CRA to meet the dramatic changes in financial services across the country.

Rural America remains in desperate need of affordable credit. CRA has been a law that has significantly expanded access to credit in rural areas of our country. Despite this increased access, there remain widening gaps and unmet needs in ensuring credit access to all rural residents. A recent Small Business Administration (SBA) report analyzing the June 1998 Federal Reserve Data shows a 4.6% decline in the number of small farm loans. The value of total farm loans was $74.5 billion. Of great concern is the statistic that reveals a troubling trend; the value of very large farm loans (over $1 million) increased by 25% while ''small'' farm loans (under $250,000) increased a mere 3.9%. Larger loans are going to fewer operations.

Rural areas continue to suffer from a serious shortage of affordable housing. Farmers are facing the worst financial conditions in more than a decade due to declining commodity prices. Rural Americans continue to need the tools of the CRA to ensure accountability of their local lending institutions. CRA helps to meet the credit demand of millions of family farmers, rural residents, and local businesses.

We strongly oppose three provisions in the Senate Banking Committee reported bill which would have particularly negative consequences for our communities.

First, the bill contains a ''safe harbor'' for banks that have achieved a ''satisfactory'' CRA rating in each of its examinations in the prior 36-month period. This provision would make banks and thrifts immune to public comment during pending expansion applications unless individuals or groups are able to provide ''substantial verifiable information'' that the bank is not in compliance with CRA. This provision would essentially eliminate the public's opportunity to comment on a bank's performance in meeting the credit needs of its communities. More than 95% of banks consistently receive 'satisfactory' or higher ratings. Rural residents play an important role in bringing CRA performance issues to the attention of regulators and making banks responsive to community needs. This provision would deny citizens and community based organizations the opportunity to comment on the credit needs of their community.

Two, the bill exempts from CRA banks and thrifts with less than $100 million in assets located in non-metropolitan areas. These institutions represent 76% of banks and thrifts in rural communities. This provision would seriously compromise the capital needs of rural residents who depend almost exclusively on small banks and thrifts to meet their credit needs. Banks and thrifts in rural areas face little competition from other financial services institutions.

In addition, despite assertions from the industry, many small banks do not by their nature serve the credit needs of their communities. In fact, data from the regulators show that small banks do not invest more in their communities, on average than larger banks. In addition, small banks have a disproportionately high share of less than satisfactory CRA ratings. A Congressional Research Service study of data from 1997 to mid-1998, found that banks with less than $100 million in assets received 70% of the below ''satisfactory'' CRA ratings.

In addition, arguments that CRA subjects small banks to intrusive and time consuming compliance requirements are unfounded. The CRA regulations were revised in 1995 in part to reduce compliance burdens on small banks. The new rules provide for a streamlined examination for banks with less than $250 million in assets including an exemption from data collection and reporting requirements. Small bank ratings now focus exclusively on lending and lending related activities. The need to reduce an already minimal regulatory burden on small banks should not outweigh the credit needs of residents of rural communities.

Third, unlike last year's H.R. 10 voted out of the Senate Banking Committee and this year's House Banking Committee version of financial modernization, the Senate Banking Committee reported bill fails to require that banks have a ''satisfactory'' CRA rating in order to affiliate with securities and insurance firms. In the absence of this requirement, a bank could ignore the credit needs of its communities and still benefit from the new affiliations and powers provided under this legislation.

The Small Business Administration (SBA) report on bank holding company lending in rural communities reaffirms this concern. While the 57 largest bank holding companies held 68.6 percent of all domestic bank assets in June 1998, they made just 10.7% or 160,000 of all the outstanding farm loans. These loans totaled just .18 percent of total assets in these bank holding companies. This increasing concentration and consolidation in financial services comes at a time when the community role in determining whether this expansion is appropriate is being reduced.

In closing, CRA has been a valuable tool for over twenty years to encourage financial institutions to help meet the credit needs of rural communities across this nation. Access to affordable capital is important to restoring economic prosperity in our nation's rural areas. In its current form, the Financial Services Modernization Act of 1999 permits banks to ignore the needs of our communities and remove one of the few tools that has resulted in a level of accountability. We urge you to vote against the Financial Services Modernization Act of 1999 unless these objections are addressed. Please contact (202) 543–5675 with any questions.

Sincerely,

American Corn Growers Association
Center for Rural Affairs
Federation of Southern Cooperatives
Intertribal Agriculture Council
Iowa Citizens for Community Improvement
Land Loss Prevention Project (NC)
Missouri Rural Crisis Center
National Black Caucus of State Legislators
National Catholic Rural Life Conference
National Family Farm Coalition
National Farmers Union
National Neighborhood Housing Network
National Rural Housing Coalition
North American Farm Alliance
Presbyterian Church (USA), Washington office
Rural Coalition
Sin Fronteras Organizing Project
United Methodist Church, General Board of Church and Society
Wisconsin Rural Development Center

Mr. SARBANES. Finally, let me simply say, as the Democratic leader indicated, unless we can get the substitute in place, we are on a veto track with S. 900. The substitute will eliminate the veto problem. So, for those who want legislation, who want to see financial services modernization enacted into law, I urge them to vote for the substitute.

I assume the chairman will probably make a motion to table.

Mr. GRAMM. I will.

Mr. SARBANES. Therefore, I urge Members to vote against the motion to table the substitute, thereby giving us the opportunity to then go forward and adopt the substitute.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, let me begin by noting that not one single organization which represents anyone who makes a living in any industry directly affected by this bill supports the Sarbanes substitute. The Sarbanes substitute is opposed by insurance companies, by those who represent the companies; it is opposed by the American Bankers Association, by the Bankers Roundtable, and by the Independent Bankers of America. It is opposed by every organization that represents any facet of the securities industry. This substitute is literally a substitute which has no support by anyone who is going to be directly affected by these laws.

What are the major problems with it? There are more problems than I can possibly outline in 6 minutes, so let me just take a couple of them. We all know Alan Greenspan. We know he is the most respected person in America on economic matters. We all know if there is anybody on this planet who can lay any legitimate claim to the current level of prosperity in America, it is Alan Greenspan, because of his banking and monetary policies.

We also know that Alan Greenspan is not someone who goes out looking for a fight. If he has to say something that anybody does not want to hear, he tends to go all around the barn before he says it. You need to know those things to understand how strongly Chairman Greenspan feels in his opposition to the Sarbanes substitute. In fact, he has said, ''I and my colleagues''—and by ''colleagues'' he means every member of the Board of Governors of the Federal Reserve, most of whom were appointed by Bill Clinton—''are firmly of the view that the long-term stability of the U.S. financial markets and the interests of the American taxpayer would be better served by no financial modernization bill rather than one that allows the proposed new activities to be conducted by the bank. . ..''

Alan Greenspan says in the strongest way possible, in the most passionate terms that he has ever spoken on any issue in his public life: You would be better not to pass a bill than to pass the Sarbanes substitute.

Why? Because the Sarbanes substitute lets banks engage in these expanded financial services within the bank, thereby putting at risk the taxpayer through FDIC insurance. By performing these services in banks, they

get an implicit subsidy from FDIC insurance, from the discount window, from the Federal wire, that will make banks able—not because they are more efficient, but because of this subsidy—ultimately able to dominate the securities industry and all other industries which would be affected. We would end up with a banking system that looks very much like the Japanese banking system, totally dominating our financial markets. Alan Greenspan is opposed to that. It is very dangerous for the American economy. It is dangerous for the taxpayer. I urge my colleagues to reject this substitute.

A second issue I want to talk about is CRA. The current bill preserves CRA. The current bill makes two modest changes. One, it says that if a bank has a long-term history of compliance—has been in compliance three years in a row and is currently in compliance—that if a protest group or individual wants to inject themselves into the process, they can do it. They can say whatever they want to say. But the regulator can't hold up the bank's action in the name of CRA, given their long history of compliance and given that they are currently in compliance, unless the protester has more than a scintilla of evidence; unless the protester can present such relevant evidence as a reasonable mind might accept as adequate to support the claim; unless the protester has real, material—not seeming or imaginary—evidence. In other words, if you are going to stop a bank from doing something that it has been found qualified to do, you have to present some evidence—hardly, a demanding constraint.

Second, we exempt very small rural banks from CRA. Why? We exempt very small rural banks from CRA for a very simple reason:

Ms. MIKULSKI. Mr. President, I rise in support of the Sarbanes substitute amendment to the Financial Services Modernization Act. I salute him for his leadership in seeking financial services reform that prepares us for the new century.

I agree that we should reform our financial services. There is no doubt that changes in law have lagged behind changes in our banking and financial services industries.

This amendment is a great improvement over the underlying bill. It would provide greater protections for consumers. It would also maintain the Community Reinvestment Act—which is so important in enabling low income communities to help themselves.

However, I would like to raise a number of what I call ''flashing yellow lights'' or warning signals that we should be aware of before enacting financial services modernization. We should proceed with caution to avoid irrevocable changes when the savings of hard working families and the viability of our communities could be put in jeopardy.

For example, financial services reform would make it easier for banks, securities firms and insurance companies to merge into oligopolies. The savings of many would be controlled by a few. Americans will know less about where their deposits are kept and how they are used.

What would be the effect of these mergers on consumers? I am concerned that these mega institutions could lead to higher fees and fewer choices for consumers.

Marylanders used to have savings accounts with local banks where the teller knew their name and their family. We have already seen the trend toward mega-mergers, accompanied by higher fees, a decline in service, and the loss of neighborhood financial institutions. This legislation accelerates that trend.

In addition, what would be the affect of this legislation on the alarming increase in foreign takeovers of US banks? I support increased globalization, but what will happen when home town banks are taken over by companies that have no roots or commitments to the community?

With a globalization of financial resources, the local bank could be bought by a holding company based outside the United States. Instead of the friendly neighborhood teller, consumers would be contacting a computer operator in a country half-way around the globe through an 800 number. Their account could be subject to risks that have nothing to do with their job, their community or even the economy of the United States. I know that impersonalized globalization is not what banking customers want when they talk about modernization of financial services.

So I will support the Sarbanes amendment. It goes further in answering my concerns. But I hope we will be able to address these concerns more fully as we move forward with this legislation. they generally do not have a city to serve, much less an inner city.

Third, in the last 9 years, Federal regulators have performed 16,380 CRA evaluations of these banks—evaluating them annually. These banks report that it costs them between $60,000 and $80,000 a year to comply with CRA. Yet, at the end of 9 years and 16,380 evaluations, just three small rural banks have been found to be substantially out of compliance. One million—excuse me, one trillion. Excuse me, let me be sure I have my figure here. At the end of this process, with small banks having spent perhaps $1,310,400,000,000 complying with paperwork in the name of evaluating community lending, we have found just three banks out of compliance. Not only does the substitute eliminate this provision that ends this senseless wasting of small bank resources that cost local communities and deny them access to credit, but it imposes confiscatory penalties that would make a bank, if it fell out of compliance with CRA, potentially subject to a $1 million fine, not just on the bank but on the bank officer or on the bank director.

We have two letters here, one from the Independent Bankers and one from the ABA, raising the point that one of the toughest things to do now in this period of massive lawsuit liability is to get good people to serve on a bank board. Both the Independent Bankers of America and the ABA have written urging us not to adopt a provision that would make it virtually impossible for small banks, especially, to get qualified officers and board members because of the liability costs. I urge my colleagues to reject this substitute.

The PRESIDING OFFICER. Under the previous order, the hour of 12 noon having arrived, the Senator from Texas is recognized to make a motion to table.

Mr. SARBANES. Mr. President, I ask for 1 minute so I can pose a question to the Senator from Texas.

The PRESIDING OFFICER. Is there objection?

Mr. GRAMM. Mr. President, I want 1 minute to respond.

Mr. SARBANES. How does the Senator get this $1 trillion figure?

Mr. GRAMM. We have had 16,380 examinations of small, rural institutions since 1990. Those small, rural institutions report to us that it costs them about $80,000 a year to keep the records to comply with these examinations, and that is where the number came from.

Mr. SARBANES. My arithmetic—first of all, I do not concede the figures. In any event, even if I accept them, it is 1 billion, not 1 trillion.

Mr. GRAMM. If it is a billion or a trillion, it is a lot of money.

Mr. SARBANES. A lot of money, but there is a big difference between a billion and a trillion. That is one of the problems with this debate, I underscore.

Mr. GRAMM. I have my trusty calculator, and I will make the calculation again. But lest my colleague be correct, let me just restate it in his terms. The term is, does it make sense to make little banks spend $1.3 billion to comply with keeping paperwork when in 9 years, only three banks out of 16,000 audits have been substantially out of compliance? Is that not overkill? Is that not bankrupting every small bank in America? The answer is yes.

Mr. GRAMM. I move to table the pending substitute, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. The yeas and

nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. REID. I announce that the Senator from North Dakota (Mr. DORGAN), is necessarily absent.

I also announce that the Senator from Louisiana (Ms. LANDRIEU), is absent attending a funeral.

I further announce that, if present and voting, the Senator from Louisiana (Ms. LANDRIEU), would vote ''no.''

The PRESIDING OFFICER (Mr. BURNS). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 43, as follows:

[Rollcall Vote No. 100 Leg.]

YEAS—54

| | | |
|---|---|---|
| Abraham | Frist | McConnell |
| Allard | Gorton | Murkowski |
| Ashcroft | Gramm | Nickles |
| Bennett | Grams | Roberts |
| Bond | Grassley | Roth |
| Brownback | Gregg | Santorum |
| Bunning | Hagel | Sessions |
| Burns | Hatch | Shelby |
| Campbell | Helms | Smith (NH) |
| Chafee | Hutchinson | Smith (OR) |
| Cochran | Hutchison | Snowe |
| Collins | Inhofe | Specter |
| Coverdell | Jeffords | Stevens |
| Craig | Kyl | Thomas |
| Crapo | Lott | Thompson |
| DeWine | Lugar | Thurmond |
| Domenici | Mack | Voinovich |
| Enzi | McCain | Warner |

NAYS—43

| | | |
|---|---|---|
| Akaka | Feingold | Lincoln |
| Baucus | Feinstein | Mikulski |
| Bayh | Graham | Moynihan |
| Biden | Harkin | Murray |
| Bingaman | Hollings | Reed |
| Boxer | Inouye | Reid |
| Breaux | Johnson | Robb |
| Bryan | Kennedy | Rockefeller |
| Byrd | Kerrey | Sarbanes |
| Cleland | Kerry | Schumer |
| Conrad | Kohl | Torricelli |
| Daschle | Lautenberg | Wellstone |
| Dodd | Leahy | Wyden |
| Durbin | Levin | |
| Edwards | Lieberman | |

ANSWERED ''PRESENT''—1

Fitzgerald

NOT VOTING—2

| | |
|---|---|
| Dorgan | Landrieu |

The motion was agreed to.

Mr. LOTT. Mr. President, I ask unanimous consent that notwithstanding the agreement of May 4, Senator SARBANES now be recognized to offer a CRA amendment with all other provisions of the previous consent agreement still intact.

I further ask that a vote occur in relation to the CRA amendment at 7 p.m. tonight, and if debate has been completed prior to that time, the amendment may be laid aside in order for Senator GRAMM, or his designee, to offer an additional amendment.

Mr. SARBANES. Mr. President, reserving the right to object, I think the agreement should be ''or a designee,'' and Senator BRYAN is going to offer the amendment.

Mr. LOTT. I modify it to say Senator SARBANES or his designee.

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

Mr. LOTT. Mr. President, for the information of all Senators, Members should be aware that votes will occur today on the CRA issue and possibly other banking issues. If debate is completed before the 7 o'clock hour, there are other amendments that could be considered. There will certainly be one at 7 o'clock on this CRA issue.

If the Senate is able to complete this banking bill by the close of business on Thursday, then I would be prepared to announce at that time that there would be no votes on Friday. So if we can get this work completed—and it looks as if we may be able to; the managers are working together. And we have a couple of issues that will have to be debated and considered carefully, plus there are other amendments that won't take as long to be debated. This could be completed by Thursday night. If that is the case, we will not have any votes on Friday. If we are not able to finish it Thursday night, we may have to go over until Friday and complete it. I wanted Members to be aware of that possibility.

I yield the floor.

Mr. SARBANES. Mr. President, I yield to the distinguished Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

AMENDMENT NO. 303

(Purpose: To make amendments relating to the Community Reinvestment Act of 1977, and for other purposes)

Mr. BRYAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Nevada [Mr. BRYAN], for himself, Mr. DODD, and Mr. KERRY, proposes an amendment numbered 303.

Mr. BRYAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 14, strike lines 8 and 9 and insert the following: ''are well managed;

''(C) all of the insured depository institution subsidiaries of the bank holding company have achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of each such institution under the Community Reinvestment Act of 1977; and

''(D) the bank holding company has filed''.

On page 14, line 20, strike ''and (B)'' and insert '', (B), and (C)''.

On page 18, between lines 4 and 5, insert the following:

''(5) LIMITATION.—A bank holding company shall not be required to divest any company held, or terminate any activity conducted pursuant to, subsection (k) solely because of a failure to comply with subsection (*l*)(1)(C).

On page 66, strike lines 7 and 8 and insert the following: ''bank is well capitalized and well managed;

''(E) each insured depository institution affiliate of the national bank has achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of each such institution under the Community Reinvestment Act of 1977; and

''(F) the national bank has received the''.

On page 66, line 12, strike ''subparagraph (D)'' and insert ''subparagraphs (D) and (E)''.

On page 66, line 16, insert before the period '', except that the Comptroller may not require a national bank to divest control of or otherwise terminate affiliation with a financial subsidiary based on noncompliance with paragraph (1)(E)''.

On page 96, strike line 23 and all that follows through page 98, line 4.

On page 104, strike line 20 and all that follows through page 105, line 14.

Redesignate sections 304 through 307 and sections 309 through 311 as sections 303 through 309, respectively.

Amend the table of contents accordingly.

Mr. BRYAN. Mr. President, we are about ready to debate an important issue dealing with the Community Reinvestment Act. Let me say that I think there has been considerably more heat than light generated in the debate surrounding this issue. I thought it might be helpful to my colleagues to explain how the provisions of this act work, what is involved, what is not involved, the provisions that currently exist in the bill we are debating, and the contents of the amendment.

The Community Reinvestment Act has been in operation now for 21 years. The act itself is triggered in either of two circumstances—one, as part of a periodic review, and that depends upon the size of the institution. It applies only to insured depository institutions, so we are talking about banks and thrifts. It also is triggered when a depository institution files an application for a charter conversion, for merger, acquisition, or requesting authority for additional branches.

Those applications, then, are reviewed by the appropriate bank regulator, or the thrift regulator, whether that be the OCC, the Federal Reserve, or the OTC. Notice is then given, and the community groups have an opportunity to comment on the application. So you have a periodic review, which may be annually or a longer period of time, or you have the circumstances in which an insured depository institution seeks either a charter conversion, a merger, an acquisition, or additional branches.

Notice is given. Now, 97 percent of all depository institutions—banks or thrifts—get a satisfactory CRA rating. The penalties that can be provided are that, No. 1, an application could be denied, an application could be accepted subject to certain conditions, or the application can be approved without conditions. I think it is important to understand who is making the decision here. It is not the community groups that have a veto power. These are decisions that are essentially made by bank regulators—regulators that have

traditionally evinced no hostility to the banking industry. And even an institution which gets the lowest rating—substantial noncompliance is the lowest rating you can get—may still have its application approved. So nothing in the language of CRA compels a regulator to disapprove an application, even if the financial institution that is applying for the relief sought gets the lowest evaluation possible.

What is the history in the last 21 years of the act? There have been some 86,000 applications filed over the last 21 years and, of those, only 660 have received adverse comments. So less than 1 percent of all of the applications relating to CRA that have been received have been subject to objections or adverse comments by any of the regulating groups over a period of 21 years.

What has CRA accomplished? Well, it has accomplished a great deal. In point of fact, the CRA, over the years, has resulted in a substantial increase in lending and other financial activity within the inner-city and minority groups in America. CRA encourages banks to meet the credit needs of the entire community, including low- and moderate-income areas.

Over the last 21 years, the CRA has been one of the strongest incentives to encourage investment in low-income and minority communities.

Under the law, federally insured financial institutions have made billions of dollars in profitable market rate loans and investments in underserved urban and rural areas. And it has done so without creating a large Federal bureaucracy, or jeopardizing the safety and soundness of any financial institution.

CRA has been an important tool in improving access to credit for minority and low- to moderate-income Americans.

The dramatic increase in home ownership rates for minorities is attributable in large part to increased focus on banks' CRA performance. Between 1993 and 1997, the number of conventional home mortgage loans extended increased for African Americans by 72 percent; for Hispanics, 45 percent; for Asian Americans, 31 percent; for Native Americans, 30 percent; for low- and moderate-income census tracks by 45 percent.

Small business owners in low- and moderate-income communities have seen a substantial increase in their access to credit under the law.

Under the emphasis of CRA, banks have made loans to African Americans, Native Americans, Hispanic and Asian Americans, and, according to the Small Business Administration, loans to African-American-owned firms increased by 145 percent between 1992 and 1997. In 1997 alone, banks made more than $34 billion in loans to entrepreneurs located in low- and moderate-income areas.

These loans have financed businesses which have been critical to revitalizing the distressed communities.

Mr. President, it seems to me that has a desirable result for every mayor of every major community in America struggling to revitalize the inner core of his or her State. That is the experience in my own State. That is the experience, I suggest, of every State.

As a result of CRA, we are seeing more money being invested and loaned in inner cities with minority businesses.

That, it seems to me, makes sense, and good public policy.

Who, then, objects to CRA?

We are dealing with a piece of legislation that will substantially transform the way in which modern financial institutions will be regulated—banking, securities and insurance.

Mr. President, those groups are in support of CRA, and they are in support of the amendment which I have offered.

Indeed, in the last session of the Congress, H.R. 10, which contains CRA provisions virtually identical to the ones that are contained in the Bryan amendment, were passed by the House of Representatives, and emerged from a Senate Banking Committee by a vote of 16 to 2—broad bipartisan support.

In this Congress, the financial institution restructuring bill that is making its way through the other body was approved by a vote of 51 to 8—51 to 8—and the CRA provisions contained in that piece of legislation are essentially identical to the provisions that the Bryan amendment addresses.

Banks are supportive, the insurance industry is supportive, and the securities industry—the major players are supportive. Moreover, banks have found not only that it is good public policy, but it makes sense financially.

The National Association of Home Builders, which has participated in an enormous growth in the rate of new housing starts, and has seen a remarkable increase in the percentage of home ownership in America, has this to say about CRA.

The National Association of Home Builders:

Therefore, the NAHB, the National Association of Home Builders, supports any amendments offered to remove or replace the provisions in S. 900—

That is the bill that we are debating—

that deals with a much more restrictive and a roll-back provision of CRA.

The Home Builders go on to say:

While the CRA may not be the perfect solution to ensuring housing credit is available to all communities, financial institutions of all sizes, through their compliance with CRA, have provided crucial community development loans and affordable housing production loans that have benefited millions of people across the United States. We see no public good served by a weakening or a reduction in the CRA requirements.

I will explain shortly how S. 900, the bill before us, would substantially weaken the CRA provisions, and the position taken by the Home Builders, and others, is to support the amendment which is presently before the body.

Mr. President, the distinguished chairman of the committee and I have a difference of opinion. And he will have an opportunity, I am sure, to articulate his point of view. The chairman—it is entirely appropriate for him to do so—sent out letters to various groups to get their comments.

A letter from a small banker dated March 26 of this year responds to that—a copy of which was made available to those of us who serve on the committee—a letter addressed to:

Dear Senator Gramm: I received a copy of your letter to Scott Jones—

Mr. Jones is the President of the American Banking Association—

regarding the proposed exemption from CRA requirements for small banks. While I appreciate your efforts on our behalf, I have to say that this exemption ''Don't mean jack to me.''

That is a quote. That is his language.

We have two bank charters, and have always received an outstanding rating. The burden is not onerous, especially under the revised requirements now in effect for the past two or three years. The information I gather to determine in-area versus out-of-area loans is useful to me outside of the CRA requirements. I probably spend less than 5 hours a year on the issue. I don't think it is worth squandering any political capital you have to eliminate the CRA.

That is the essential text of the letter that our distinguished chairman received. That small banker made reference to some provisions in CRA that were changed in 1996.

Mr. President, recognizing that a small bank has a much smaller staff to deal with compliance issues, substantial changes were made in the CRA requirements for small banks. Essentially, we are talking about institutions under $250 million.

No. 1, with respect to CRA, those small banks have no CRA reporting requirements.

Let me reemphasize that. They have no CRA reporting requirements.

And the standards which are applied to larger banks that are involved in a lending, a service, and an investment criteria are not applicable to small banks. Indeed, small banks do not have to compile any data. They don't have to submit any reports.

They have to have records available so that when the bank examiner comes in pursuant to this periodic request, or if a small bank requests some activity which triggers the application of CRA, they simply say to the bank examiner, ''Our records are contained in the file cabinet over there.'' There is no reporting requirement and no affirmative burden on their part other than to have the records which, as the small banker

who wrote the letter to our distinguished chairman pointed out, a bank would want to have for itself independent and separate and apart from the CRA requirements.

So, indeed, there has been an acknowledgment and an attempt to streamline the requirements that small bankers are subject to. And that has been acknowledged by the correspondent who wrote to our distinguished chairman.

What do we have in the current bill? The current bill does a couple of things which, in my view, roll back the provisions of CRA.

It says, in effect, that if a financial institution has a CRA rating of satisfactory or above for a period of 36 months, 3 years, it would be deemed in compliance for purposes of CRA, and for any one of the applications for either a merger, an acquisition, or grant of extension, there would be no opportunity for community groups to comment.

That would roll back the provisions.

Mr. GRAMM. Will the Senator yield?

Mr. BRYAN. I am happy to yield to the Senator.

Mr. GRAMM. I know the Senator, and I know he would not want to state something that is incorrect. I will be brief.

The amendment says if a bank has a long history of compliance, they have been in compliance for 3 years in a row, they are currently in compliance, in order for the regulator to prevent them from taking the action that they are allowed to take by being in compliance, that a person who protests has to present some substantial evidence.

''Substantial evidence'' is defined in the law as more than a scintilla. It does not in any way say they are deemed to be in compliance, other than that they are innocent until proven guilty if they have a good record. Anybody can protest, anybody can file a complaint, but the regulator can't stop the process or delay it unless the challenging party presents some ''substantial evidence.''

This isn't for everybody. It is only for the banks that have a long history of compliance.

I didn't want to have any confusion. That is exactly what it says.

I thank the Senator.

Mr. BRYAN. I thank the chairman.

The chairman states correctly the contents of the bill. However, let me say in response to the Senator's position, we have in effect a 97-percent compliance rate. Mr. President, 97 percent of the financial institutions in the country receive satisfactory or better. In the entire history of the Community Reinvestment Act, with some 86,000 applications, we have had fewer than 1 percent of those protested in any way.

In terms of balance, to give community groups an opportunity not only to comment but to register concerns, it strikes me that the Senator's provisions impose limitations that do not currently exist in the law. I know the able chairman well understands, even if there were a finding under current law that the particular financial institution has the lowest possible rating—substantial noncompliance—that does not preclude the bank regulator from approving the application.

CRA is not an onerous burden. Under the current law, which would remain in place with the Bryan amendment, a bank that seeks a merger approval or charter provision change or a new branch, even if that bank had a substantial noncompliance, the lowest rating possible in the CRA, under the law, nothing precludes the bank regulator from approving that application.

I understand the concern of the Senator from Texas in terms of balancing the equities here. It strikes me that we ought not to put that additional burden of proof on community groups who may want to file some legitimate concerns they have about a proposed merger, acquisition, or a branch extension.

I think the record reflects, of 86,000 applications, we have had fewer than 1 percent, 660, that have availed themselves of this. I respectfully submit, in response to the comments of my friend from Texas, that is not, in my judgment, unduly burdensome.

The Senator also provides in his version of S. 900 a small bank exemption. The effect of that would be to eliminate about 37 percent of all of the banks in the country from the current provisions of CRA. Again, I think it is a balance. It is not the purpose of the Senator from Nevada nor of those who support the Bryan amendment to want to impose an onerous, unreasonable, unfair burden upon a financial institution. However, I must say, I think the track record would indicate that is not the case.

Responding to a legitimate concern of small banks, as I pointed out, in 1996 the rules were changed so that small banks do not have a reporting requirement. All they must do is maintain records so that the bank examiner who comes in periodically to review, or whenever the application is filed that triggers the CRA review to look at the records, can make sure in effect that the bank is lending in the community. It strikes me that is good public policy. Indeed, banks have profited from that activity.

Those are the two provisions that the Senator's version of S. 900 would contain. Also, it would eliminate CRA from the new activities which would be permitted under the provisions of this law.

The thrust of this legislation is to provide a regulatory framework that deals with the reality of the marketplace. Many of those who do not serve on the Banking Committee have heard Glass-Steagall mentioned frequently in the course of financial modernization discussions. This is a Depression-era piece of legislation. I like it. It neatly compartmentalizes banking regulation, insurance regulation, and security regulation. It makes a lot of sense. In the aftermath of the financial collapse of the 1920s and the Great Depression that followed, a number of abuses were pointed out. This legislation was in response to those abuses. It served the Nation effectively for many decades.

As a result of court decisions and actions taken by bank regulators, today much of Glass-Steagall has been effectively emasculated and the marketplace is dictating new products that involve combinations of insurance, securities, and banking functions. I agree with the distinguished chairman that we need a piece of legislation which effectively deals with that. In effect, what we are doing is establishing that modern framework. We have established essentially a system of functional regulation.

It appears from the testimony we have received from the Banking Committee and others who have offered comment that the new financial world will deal not so much in terms of mergers and acquisitions but will seek to avail itself of the new financial services that banks will be able to participate in under the provisions of S. 900, the financial restructuring bill we are debating. Those services involve, essentially, securities and insurance functions.

This is testimony offered before the House Banking Committee by Treasury Secretary Rubin. I think he makes a point far more effectively than I.

> Banking industry experts agree that most of the consolidations within the banking community have occurred and that the new frontier will involve mergers among banks, securities and insurance firms.

As a side point, that is the kind of activity which the S. 900 restructuring bill will authorize.

According to Treasury Secretary Rubin, if we wish to preserve the relevance of CRA at a time when the relative importance of bank mergers may decline and the establishment of nonbank financial services will become increasingly important, the authority to engage in newly authorized activities should be connected to a satisfactory CRA rating.

That is the philosophical underpinning. We will be dealing with a new world, a new financial structure, and that, we believe, is appropriate in light of the changes in market conditions.

What are the requirements that would be imposed upon a depository institution under the provisions of this amendment which would seek to avail itself of these new activities—insurance and securities? No. 1, as a condition precedent, a depository institution would have to have a satisfactory rating. That is not, it seems to me, an unreasonable provision.

What kind of action must the regulator consider? If the institution has a satisfactory CRA rating and all other regulatory issues nonrelated to CRA are in place, that application could be approved, it could be subjected to certain conditions, or it could be denied. An agreement could be entered into between the financial institution and the regulator if, indeed, there were some concerns about maintaining the CRA, and the regulator would have the ability to do several things if there were a noncompliance with the agreement entered into.

On balance, what we are talking about is preserving the relevance of CRA in this new financial world we are talking about that will deal with mergers and acquisitions involving brokerage and insurance type of services which are not currently authorized under the regulatory framework.

So I think, just by way of concluding, what we are talking about is not a bold or reckless expansion of CRA. We are really talking about, No. 1, maintaining the status quo with respect to CRA and its traditional functions as it deals with the mergers and the acquisition and charter changes and the new branch request, which is the current part of the law. And we are simply saying, with respect to these new services, these new opportunities which financial institutions will be allowed to participate in, which as Secretary Rubin points out is where the action is going to be, that is where the field of play is. To say that with respect to those new activities no CRA would be applicable, no requirement would be in place, is, in effect, to roll back the application of CRA to the range of financial services that banks are currently allowed to participate in.

In my judgment, this is a reasonable and fair amendment. Bankers support it. Securities firms support it. Insurance companies support it. It enjoys a broad range of support.

Let me emphasize to my colleagues that, unlike some issues which have tended to divide us in terms of partisan differences, the House of Representatives, in considering banking legislation and financial restructuring—the same type of legislation we are debating here today—in a vote of 51 to 8 approved CRA provisions which essentially track the Bryan amendment. In the last Congress, when we came within a gnat's eyelash of getting financial restructuring legislation enacted, it was approved by a bipartisan majority in the House and it cleared the Senate Banking Committee on a vote of 16 to 2.

So this should not be, and I hope it will not be, a partisan vote.

In the 21 years that CRA has been around, 86,000 applications have been received that were triggered by the provisions of the existing law. And in fewer than 1 percent—fewer than 1 percent—have objections or adverse comments been made.

I think the amendment is fair. It strikes a middle ground. It acknowledges the concerns of small banks with the changes that were made in 1996. I hope my colleagues on both sides of the aisle will support this legislation.

I see the Senator from Maryland——

Mr. SARBANES. Will the Senator yield for a question?

Mr. BRYAN. I am happy to yield to the Senator from Maryland.

The PRESIDING OFFICER (Mr. BUNNING). The Senator from Maryland.

Mr. SARBANES. First of all, I commend the able Senator from Nevada for an extremely fine statement in support of this amendment which I very strongly back.

The Senator made reference—I think it is an extremely important point—to the fact that the decisions with respect to complying with CRA are made by the regulators. As I understand it, community groups or anyone else can come in and make comments when some of these steps are to be taken for which an institution would have to meet CRA muster, and some of those comments, I assume, can be right on point, others may wander about. But whatever the case, it is not the people who comment who make the judgment; it is the regulators who make the judgment. So they can take it into account, give it some weight, give it no weight—isn't that correct?

Mr. BRYAN. The Senator from Maryland is absolutely correct. It is the regulators, whether it is the OTS, or Federal Reserve, or the OCC.

As the Senator from Maryland knows, because of his longstanding membership on the committee, much can be said about bank regulators. I do not believe anybody would indicate or suggest the record would indicate that there is a hostility by the regulators to the institutions they regulate. In effect, the regulators have the opportunity to consider the CRA issues presented among a range of other issues—capital adequacy, a whole host of things that may be unrelated.

As the Senator from Maryland knows—and I think this is something that needs to be pointed out—even if the institution which has the application has the lowest possible rating—substantial noncompliance, which, in effect, means they have done virtually nothing—the regulator can still approve the application. They can still approve it. So there is no requirement under the existing law with respect to the kinds of mergers, acquisitions, charter changes, and branch expansions that requires a financial institution to even have a satisfactory rate.

So this is hardly an onerous provision, I say to my friend from Maryland.

Mr. SARBANES. The Senator from Texas interrupted the Senator to make the point on this ''comments'' question, the safe harbor issue, that if we previously had a satisfactory rating or better, they could not take into account people's comments, unless they had substantial, verifying information, and then we are being told that a lot of cases were read that indicated that ''substantial'' means a scintilla of evidence.

The Senator was a distinguished attorney general for the State of Nevada for a number of years before he became the Governor. Wouldn't he read the phrase ''substantial, verifiable information'' as a more exacting standard than ''scintilla'' of evidence?

Mr. BRYAN. The Senator from Maryland makes a good point. I think any fair reading, in terms of the standards of proof, is that a ''substantial'' standard is much higher than a scintilla.

In effect, what this provision would do is raise the bar substantially, I say to my friend from Maryland, for community investment groups being able to, in effect, make their case for the consideration—the consideration of the regulator.

I come back to the point. Even if they make their case that, indeed, the bank has not been responsible, has not done what it ought to do under CRA, the regulator may disregard that and still grant that approval. So it strikes me that by posing a standard before they even get into the ball game of ''substantial,'' you indeed cut off access to much of the input the community groups ought to have before a regulator makes a decision.

Mr. SARBANES. It is interesting. The current system I think is seen by most people as working fairly well. In fact, many fine financial institutions do not complain about it. They are prepared to continue to work under the current system, and many of them have even said they see strong positive value in it. So it seems to me this is an effort to institute an important change that would really cut off open comment.

You see, none of this is done, as I understand it, in the committee bill with respect to management or capital or any of the other issues the regulators look at when they undertake to consider one of these mergers or affiliations. It is being applied only to CRA. I mean CRA is being singled out for the application of this kind of prescreening, as it were, of people's ability to come in and make their comments.

Mr. BRYAN. The Senator makes a good point. That is absolutely correct. As the Senator knows, as a practical matter, although CRA is triggered generically in two circumstances—one, part of a periodic review; the other, when applications are made for charter changes or new branches or mergers or acquisitions—as a practical matter, the only opportunity community groups have is in this application process which the Senator has described.

That is the only opportunity. So if you foreclose them by a standard that is unreasonable and difficult to meet, you have, for all intents and purposes, foreclosed community groups from registering any effective concerns that they have.

Mr. SARBANES. I think that is an extremely important point. The chairman has said they have court opinions. I have not seen these cases that interpret ''substantial'' to mean ''a scintilla of evidence.''

Mr. GRAMM. More than a scintilla.

Mr. SARBANES. The chairman corrects me and says ''more than a scintilla.'' I don't know how much more, but more than a scintilla.

In any event, isn't it the case that no full hearings have been held on CRA? We come to the floor, and we get all of these assertions about abuses of one sort or another, sort of radical changes in a program that is seen as having been the lifeblood, enabling communities to renew themselves. To my knowledge, we have not had within the committee any sort of comprehensive hearings to examine those questions; is that the Senator's understanding?

Mr. BRYAN. That is the understanding of the Senator from Nevada, we have had no hearings at all.

I must tell the Senator from Maryland that the financial institutions in my State are supportive of CRA. If we want to take anecdotal evidence, I have to say financial institutions in my State have indicated, one, it is good public policy, and, two, they have financially benefited. But there is no record before us, based upon any hearings or testimony—and I must say I think that there is opportunity for hearings to be held. When we are dealing with some other regulatory relief issues in the Banking Committee, that might be an appropriate time to bring people in so we can build a record.

My understanding is that we have had nothing to that effect and, indeed, this Senator has been on the committee now for 11 years. Financial institutions in my own State are very supportive of the provisions.

Mr. SARBANES. Isn't it also the case, I ask the Senator, that in the mid-1990s, when a number of banks were complaining about the regulatory burden associated with CRA, Secretary Rubin undertook a major effort to address the question of regulatory burden and made very substantial changes in the requirements, which were greeted by the various banking associations at the time as being very forthcoming in dealing with this question of overregulation?

Mr. BRYAN. The Senator from Maryland is correct. Recognizing that small banks are in a different situation than larger banks in terms of staff capability, the Secretary did precisely that. In January 1996, these new provisions went into effect, and they are appropriate, in my judgment, and they are dramatic.

No small bank under the size of $250 million has to report CRA. There is no reporting requirement for CRA that is incumbent upon a small bank, as defined in the provisions.

The responsibility of the small bank is simply to make available to the bank examiner, when he or she comes in periodically or when the examiner is reviewing the records for an application, the fact that the bank is serving the community.

Moreover, the standards which are required for a larger bank dealing with a lending standard, a service standard and investment standard are inapplicable to small banks.

In trying to balance the inequities here, as I know the distinguished Senator from Maryland is interested in doing and all of us share in a very bipartisan way, dealing with the very special concerns of small banks has been addressed, we have eliminated the reporting requirement and have simply said, if I might respond to my friend from Maryland, that when the bank examiner comes in, the only obligation on the part of the financial institution is to direct the bank examiner to the file drawer and say, ''Those are our records.'' The bank examiner examines those records, and that is the burden that is imposed.

I must say, in terms of the balance, as the Senator from Maryland knows, coming from a State which has major metropolitan areas that fight urban decay, as does every major community in America, CRA is one of the most effective redevelopment tools for the inner cities in America that we have. It has poured hundreds of millions of dollars of new investments into the inner cities. That benefits not just the inner cities, but that benefits all of us.

The tragedy that occurred in Littleton, CO, 2 weeks ago occurred in a suburban area, but I think it is increasingly apparent to America, whether you live in the inner city or live in the suburbs, the problems that our inner cities have in America spread like a contagion. So it is in the best interest of every American, wherever he or she lives, that those inner cities which face all the problems of urban decay, crime, and drugs, that what we can do to help to build those inner cities and strengthen the hands of mayors, Democrats, Republicans, nonpartisan, is important public policy, and CRA has done the job. That is why the U.S. Conference of Mayors, as the distinguished ranking member knows, has been so strongly supportive of the provisions in the BRYAN amendment that we offer today.

Mr. SARBANES. The Senator has been very patient. Will he indulge me for one further question?

Mr. BRYAN. The Senator from Nevada is happy to do so.

Mr. SARBANES. The Senator's amendment, I think, has an extremely important provision which says that if a banking institution wishes to go into securities or into insurance, which would be permitted in a comprehensive way for the first time by this legislation, that banking institution must pass the CRA test in order to do that. It is asserted that this is a, I think the language was used by my colleague, the chairman, a massive expansion of CRA.

I take a very different view of that. It seems to me it is only keeping CRA abreast of the developments that are taking place with respect to financial modernization, because heretofore banks could not reach out and do—they did some of those activities within the bank of a very limited nature that had been permitted either by regulation or by court opinion but which were highly controversial and contested, and one of the things this bill is intended to do is to resolve those questions in terms of the structure of the financial services industry. Both the Senator and I are supportive of trying to do that.

It seems to me that if the bank is now going to be permitted to move out to do these other activities, it is not some massive expansion of CRA. That CRA requirement would be placed upon the bank before they could move to do those other activities. Otherwise, it seems to me, over time, you will erode CRA, as institutions begin to shift their assets out from under the banking activity into the securities and the insurance activities.

This amendment, the proposal the Senator has, does not extend CRA to the securities and insurance affiliates; am I correct on that point?

Mr. BRYAN. The Senator is correct.

Mr. SARBANES. Which in fact has been strongly urged by a number of the community groups that are supportive of CRA. They in effect want to extend it out. If that were to be done, I would recognize that as an expansion, and we could fight that issue, as it were. But that is not what is in this amendment.

This amendment puts the requirement only on the bank, if it seeks to go out and do those activities. That seems to me to be perfectly reasonable. In fact, it seems to me failure to do that is really a setback or an erosion of CRA.

I ask the Senator his view on that question.

Mr. BRYAN. I share the observation and the conclusion reached by the distinguished ranking member. That is precisely the case. As the Senator from Maryland knows, we are dealing with a changing dynamic in the financial marketplace. That really is the catalyst that brings us into this financial restructuring debate.

The Senator may have been off the floor when I shared the observation that the Treasury Secretary made,

which reflects the view that the Senator has expounded upon. He says, in effect:

[I]f we wish to preserve the relevance of CRA at a time when the relative importance of bank mergers may decline and the establishment of non-bank financial [services] will become increasingly important, the authority to engage in newly authorized activities should be connected to. . .CRA.

He is saying that much better than I. He is saying, in effect: Look, this marketplace is shifting, it is moving. From what we have seen historically, since CRA has been in effect, with the traditional consolidation and mergers of one bank with another, that is not likely to be where the dynamic is in the marketplace in the future. We have already seen it.

What we are going to see are consolidations and mergers with other aspects of the financial services community—insurance and securities. And if you say that CRA has no reference or application to those applications, in effect you are relegating CRA to the dustbin of history; by and large, it is no longer as relevant as it is currently.

So, in effect, what we are trying to do is simply keep CRA as relevant in the new financial world as we have in the old financial world. I do not view this as an extension of CRA. It simply reflects a change in the marketplace that we are likely to see with respect to the way the financial services are provided to Americans.

Mr. SARBANES. In fact, unless we do this, you could have a bank in substantial noncompliance with respect to the CRA test which would then be able to reach out and exercise these additional powers?

Mr. BRYAN. That is precisely the case.

Mr. SARBANES. I thank the Senator. I thank him very much for his strong opening statement on this important amendment.

Mr. BRYAN. I thank the Senator for his comments, which I think helped elucidate a number of comments which are going to be important in this debate.

I yield the floor. I note that the Senator from Minnesota may wish to speak.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. I thank the Chair.

Mr. President, I want to take time today to first outline my support for the bill overall, and then also to talk a little bit about the current pending business, and that is the question concerning CRA.

As a member of the Senate Banking Committee, I rise in strong support of S. 900, the Financial Services Modernization Act of 1999, and urge my colleagues to take the committee's recommendation to pass this very important piece of legislation.

The Glass-Steagall Act—which prohibits commercial banks from affiliating with companies predominantly engaged in the securities busines—was passed at a different point in time and in a dramatically different economy. In response to the numerous commercial bank failures during the depression, the Glass-Steagall Act was enacted as part of President Roosevelt's economic recovery package. One premise leading to the law which has since been proven incorrect, by the way—was that commercial banks which were involved in securities underwriting failed at a higher rate than other banks due to losses in their securities business when Wall Street collapsed. Subsequent studies have proven that these very same banks actually fared better than other banks which had not diversified by offering broad securities products. Unfortunately, as with most of the flawed legislation on our books, the law was not sunset and has hindered America's financial institutions—banks and securities firms alike—since its enactment in the 1930s.

Although commercial banks in recent years have been able to conduct limited securities underwriting activities through Section 20 affiliates, S. 900 appropriately repeals the Glass-Steagall prohibitions on common ownership of commercial banks and securities firms and will allow these activities to be conducted without the arbitrary restrictions which govern these activities currently.

The Bank Holding Company Act also includes similar restrictions in Section 4(c)(8) which have prevented safe, sound, and well managed commercial banks from affiliating with insurance companies. Although insurance is unquestionably a financial product, banks have been prohibited from underwriting insurance, and insurance companies have been restricted from fully entering the business of banking. This bill removes the Bank Holding Company Act restrictions and it preempts State laws which prohibit these affiliations.

Although there always seems to be broad agreement that the time for reform is now, every recent effort has failed because the devil has been in the details of how to regulate the new entities. S. 900 successfully incorporates a wide array of negotiated agreements between the interested industries to provide functional regulation—meaning regulation by product and not by the entity offering it. Under the bill's regulatory structure, banking products will be regulated by bank regulators, securities activities will be regulated by the Securities and Exchange Commission, and insurance will continue to be regulated by State insurance commissioners. This system will ensure that the experts in each area will oversee the activities to protect the consumer and to ensure that all parties are playing on a level playing field.

As part of this system of functional regulation, the bill retains the current system of State regulation of insurance. While I strongly support State regulation of insurance, I believe there is a role for some Federal oversight. I believe that because Congress delegates the authority to regulate the insurance activities of national banks, it also has the responsibility to ensure that State regulation does not result in bloated, burdensome, and unresponsive regulation. Also, I will be holding hearings this year in the Securities Subcommittee to explore where any flaws exist and will work hard to address them with all of the interested parties.

Another major area of functional regulation contained in S. 900 is the regulation of securities activities. The bill provides a workable compromise which eliminates the bank's existing broker-dealer exemption and substitutes a system of targeted exemptions which protect traditional banking products while requiring other securities activities to be offered by a broker-dealer. Also, the bill requires the SEC and the Federal Reserve Board to work together to determine how future products will be regulated.

There has been some talk around Washington that an amendment may be offered to delete these bank exemptions and give the SEC complete authority to determine how future products will be regulated.

Let me be clear that if this amendment is offered, it is done so for only one reason—and that would be to kill the bill. If the bank exemptions are eliminated and traditional activities, such as trust activities, are not statutorily protected, the entire banking industry will unite against this bill. Again, I urge my colleagues to oppose any amendments which significantly alter the bill's securities provisions.

When repealing current law affiliation restrictions, the question is also raised about what activities the new broader bank holding companies will be able to conduct. The bill contains a standard—financial in nature—by which all activities of a bank holding company must comply. This provision maintains the current separation of banking and commercial activities, while providing appropriate flexibility, again, subject to Federal Reserve Board oversight. Some have criticized even the narrow flexibility which is provided in this bill. However, without this flexibility many financial companies will not be able to take advantage of the new structure contained in the bill and will continue to expand their activities outside of the bank holding company model and, thus, outside the oversight that the structure would ensure. Also, while on the topic of banking and commerce, I want to briefly touch on the unitary thrift holding

company. There are three thrift related provisions either in S. 900 or which are expected to be considered as floor amendments. First, as reported by the Committee, the bill prevents the formation of any new unitary thrift holding companies after February 28, 1999. This provision will protect any applications which were ''in the pipeline'' at that time, on the date the bill was unveiled but will prevent any new unitary charters, thus providing a finite universe of unitary charters.

Mr. President, another provision which is included in the base text of the bill extends the assessment differential between banks and thrifts on the payment of interest on bonds that were issued by the Financing Corporation as part of the savings and loan crisis. In 1996, Congress enacted legislation requiring thrifts to make a one-time assessment into the Saving Association Insurance Fund or better known as SAIF, to fully capitalize the then-undercapitalized fund. This assessment was included predominantly because it was scored as a revenue gain under budget rules, and it could be used as the offset that Congress needed to grant the President added spending that he was demanding in return for his support of the balanced budget plan.

In order to lighten the blow to thrifts and to ensure that the FICO bond interests payments were made in a timely and also in a dependable manner, Congress for the first time spread the assessment for FICO interest to the commercial banks. Under that legislation, banks were to be assessed at a rate one-fifth of that which thrifts are assessed until January 1, 2000, at which time all institutions would be assessed at the same rate.

The bill before us today extends for 3 years the period during which there will be an assessment differential. Not surprisingly, the thrift industry adamantly opposed this provision. It is expected that Senator JOHNSON will be offering an amendment, which I intend to support, which strikes the FICO assessment extension and eliminates the thrifts' ability to affiliate with nonfinancial firms.

Although this amendment presents an unpopular choice for thrifts, I believe that it is in the best interest of the thrifts in my State because it will positively impact their bottom line while only slightly impacting their ability to affiliate.

I should note that if the Johnson amendment were approved outside of the underlying modernization bill, it would be much more burdensome, because thrifts would then be limited to selling only to banks or to other thrifts. However, the bill's expansion of the ability of bank holding companies to affiliate with insurance companies and securities firms passes through to thrifts and will now permit nonunitary thrifts to also sell to banks, sell to securities firms, or insurance companies.

Now I want to take a moment to discuss the issue which will likely be the most contentious during the debate on this bill. That is the Community Reinvestment Act or CRA. During consideration of this bill, the Banking Committee approved two balanced amendments designed to bring rationality to a law which has ventured far from what I believe was its original purpose. CRA was enacted in 1977 to encourage financial institutions to help meet the credit needs of the local communities in which they were chartered. Although noble sounding, CRA has drifted far afield from that original purpose. S. 900 includes a small bank exemption, approved on a bipartisan vote of the committee, which exempts banks with assets of under $100 million and which are outside of a metropolitan statistical area for the CRA.

Although I have received a number of calls of opposition from constituents in urban areas in my State, which will not be affected by this exemption, I do think it is important to listen to what some of the bankers in rural Minnesota are also saying. I am sure this is true not only in Minnesota but in rural banks across the country.

Although these bankers are often vilified, I believe that they play a very crucial role in ensuring that affordable financial services are widely available in the rural America.

Just take, for example, the comments of John Schmid of the Security State Bank in Sebeka, MN. John writes:

> We are a small rural Minnesota bank with assets of $21 million—$21 million, this is not a large money center bank—and our town population is 680 souls. We could not exist if we did not support and reinvest as much as we could in our town and surrounding area.

Gregory Morgan of First National Bank of Montgomery, MN, also tells a similar story. He writes:

> Our bank is 36 years old, founded on the idea of serving the entire community of Montgomery and as such, we have been successful. Our efforts of living and breathing community reinvestment are not driven by having to be in compliance with some law written in Washington but rather by listening and serving our friends and neighbors throughout the Montgomery area.

Yet another constituent committed to his hometown is Romane Dold, of Currie State Bank. Romane writes:

> We are a small community bank located in a town of 300 people. Our assets are $17 million. Our bank has always adhered to the regulations of CRA and, in fact, received an ''Outstanding'' rating in our most recent exam. The problem that we have with the regulations is that it just is not necessary. Our bank has been in this town since 1931 and quite honestly, if we hadn't been reinvesting in this community for over 60 years we wouldn't be here. CRA has just been another ''little burden'' that we have to contend with to appease some regulator.

Finally, the message Kieth Eitreim of Jasper State Bank in Jasper, MN, shared also proved that CRA is a bottom-line issue, costing small rural communities precious dollars, a lot of money. His bank is

> . . .an $18 million bank located in a town of 600 people in southwestern Minnesota. CRA is a requirement that does absolutely nothing to protect the people of my community except to cost them money. The last exam we had lasted 3 days and proved what we already knew. We service our community. If we did not, we would not be in business.

Mr. SARBANES. Will the Senator yield on that point?

Mr. GRAMS. I will yield to the Senator.

Mr. SARBANES. I am quite prepared to concede that there are a lot of small banks that do, in fact, service their community, as the Senator has indicated by the quotes. We have never held extended hearings on this issue, but the material from the Federal Deposit Insurance Corporation says that 57 percent of small banks and thrifts have a loan-to-deposit ratio below 70 percent and that 17 percent of those have levels less than 50 percent. Conceding that there are small banks who really pay attention to their community, it is obvious that there are also small banks which are not doing that.

In fact, the Madison Wisconsin Capital Times, in an editorial a couple of years ago, said:

> Many rural banks establish a very different pattern than reinvesting in their communities where local lending takes a lower priority than making more assured investment like Federal Government securities. Thus, such banks drain local resources of the very localities that support them, making it much harder for local citizens to get credit.

I do not gainsay the examples that the Senator cited. But clearly, there are examples on the other side. And CRA, of course, is directed to get not at the good or the best actors, but the ones that are not addressing needs. The statistics from the regulators seem to indicate, and this editorial that we have—and we have other comments to the same effect—seems to indicate that there is a problem.

Mr. GRAMS. I understand the concern, and I know those numbers have been raised in the questions.

I also know, if you look at the other side of the story, I have talked to some of these small bankers who say they live in a town or work in a town of 300 people. And if you look out in the rural parts of the country today, most of the population in these small towns is growing in age. So his concern was, although we make all these loans available, there are not many home mortgages being sought. There are not many automobiles being bought. There are not many washers and dryers for which loans are being asked. There isn't the demand for the loan.

You have to expect that these bankers are going to have to put the money to some use, if there is nobody out there asking for the loan. The question

I have for the Senator is, how many of those loans have been asked for and then denied?

The story I have—and I don't have this information in front of me—is that he said it is awfully hard to loan money to my community when there is no request for loans. What do I do, let the money sit in the safe overnight? No, he has to invest it, maybe in some of these other government or other financial institutions or financial mechanisms.

I think there are two sides of that story. It is not that these banks are turning down loans. In many cases, in these small communities in rural parts of the country, there is no demand for these loans. The bank is a good, safe place to keep it, but not always to be able to use the bank's facilities.

Mr. SARBANES. That is a reasonable point. It ought to be examined in a set of careful hearings, because, in fact, the particular institution may confront that problem, although it may be overlooking loan possibilities, which has frequently been the case and is certainly the case in many instances in which areas people were neglected in terms of the availability of credit. We have never done those kinds of hearings. We have never really looked at this problem in some sort of objective, comprehensive way.

And we hear all these kinds of ad hoc stories, as it were. But, you know, there are counter-ad hoc stories. I am frank to say I don't think we ought to be making the kind of significant changes in the CRA that are in the committee bill without having gone through the sort of process I am talking about.

I thank the Senator for yielding.

Mr. GRAMS. Mr. President, by putting a face on the businesspeople working day in and day out trying to help America's rural communities strive and survive, I hope we can eliminate the vilification which is cast upon them. We are talking about banks under $100 million. As the gentleman from Sebeka said: 680 people is not a major financial center, and we have done the best we can to meet the requirements. We would not be in existence and would not be able to survive in our community if we didn't reinvest and if we had turned down these loans.

There is a commonsense way to look at it. According to the stories we have heard and the bankers we have talked to, a lot of times these are banks with three or four employees. Many times they are asked to have a full-time employee just to work on government regulations, which takes a lot of money that could be used for loans, et cetera, out of the bank, and, as one banker said, it does absolutely nothing for his community. That is where we have to look at some of this. This is common sense.

By using their words to show that they are meeting their communities' needs, not because Washington tells them to do so or says they have to, but, again, because it is in their best interest and it is in the best interest of their community and their town, it proves the need for the small bank exemption.

The Committee also included a provision which has mistakenly been deemed a ''safe harbor.'' Unlike a safe harbor, which gives an institution a free ride, the rebuttable presumption included in S. 900 simply gives meaning to the work of the regulators during CRA exams. CRA's stated purpose is to require each appropriate federal banking regulator to use its authority when examining financial institutions to encourage such institutions to help meet the credit needs of the local communities. By providing a rebuttable presumption, the bill gives the regulator the benefit of the doubt that they are meeting the requirements of CRA by encouraging action by the institution during the exam. However, the bill provides a safety that if someone feels that the regulator has not properly assessed the institution, provided the individual can prove the regulators failure, it can still protest an action. Thus, this amendment simply protects federal banking regulators against harassment by individuals who simply want to criticize their work.

Finally, Mr. President, I regret to have to include a negative comment in this statement about an otherwise outstanding bill. However, I believe that the operating subsidiary provisions included in S. 900 are inadequate and should be amended. As the Senator who worked on a bipartisan basis last year with Senator REED of Rhode Island to draft a compromise operating subsidiary amendment, I have vested a great deal of time studying the pluses and minuses of this option. I have come to the conclusion that it is appropriate for national banks to conduct full financial activities, with the exception of insurance underwriting and real estate development. I enthusiastically support the op sub amendment of Senator SHELBY which will be offered to this bill. It is identical to the amendment I authored last year and again this year in Committee. The amendment provides adequate safeguards to ensure that the sub poses no greater risk to the bank than a holding company affiliate. Another benefit of this amendment is to provide competition among regulators. A recent conversation I had with a banking lawyer convinced me that this amendment is prudent public policy. The attorney shared with me that in his dealings with the Federal Reserve Board and the Office of the Comptroller of the Currency, one of the agencies have been cooperative in helping his client work through issues and find creative ways to deal with their problems while the other has done nothing to help. If we were to eliminate the competition, regulators would have no incentive to be responsive to the institutions they regulate and American banks would have no where to turn if they are unhappy with their treatment.

Mr. President, in closing I again urge my colleagues to support this important legislation so that we can move the bill through conference and to the President for his signature.

I yield the floor.

The PRESIDING OFFICER (Mr. VOINOVICH). The Senator from Illinois.

Mr. DURBIN. I thank the Chair.

Mr. President, the bill which is before the Senate, S. 900, is known in the shorthand form as the Financial Modernization Act. It is a 150-page bill which has been the subject of debate and deliberation on Capitol Hill for almost 10 years—a 10-year effort by the House and the Senate to try to modernize the laws and regulations in Washington relative to banks and financial services. Of course, anyone who has paid any attention understands that while we have been debating, there has been a revolution taking place.

I am reminded that just a few years ago we passed major reform in the area of telecommunications—years of hearings, extraordinary testimony from expert witnesses, the best staff work, the best lawyers, the best efforts by the Members of the House and Senate—and we delivered the Telecommunications Act modernizing regulation when it came to this industry.

Now, a few years later, we take a look at that work product. I was amused to find someone who came to my office and reported to me that they had found in that 1,000-page bill only two references to the Internet. Think of that. We modernized our telecommunications law and almost overlooked the most amazing phenomena that is taking place in telecommunications.

I hope we don't make the same mistake here. I hope in our effort to modernize financial institutions that we are thoughtful, that we modernize them in a way that is good for everyone—consumers and families in America as well as the owners of those institutions.

Twenty-two years ago we took a look at banking in America. We decided that we had some interest as a nation in making certain that the banks served the communities where they were located. That is not a radical notion, is it—to say if you have a bank in a town that is holding the savings and checking accounts of individuals and families and businesses, that when that bank does business it should do business in that same community where the people live, where the businesses are located, where the farmers have their farms, and where the ranchers have their ranches.

We found that some banks were, in effect, in a parasitic capacity. They were drawing out the resources of communities and regions and not putting the money back in. In its worse situation, you would find in some of the urban areas redlining, where banks would take the money out of a community and refuse to write mortgages for the people who wanted to build homes, or to modernize their homes. They wouldn't put money into the small businesses in the same communities where they were drawing the money.

In 1977, we decided there was a need for legislation called the Community Reinvestment Act. It speaks for itself—that the banks reinvest in the communities where they are located. It is not a radical concept. In fact, I think it is a rational concept. It is one that, frankly, has served us very well for 22 years. Now, as part of Senate bill 900, there is an effort to radically change community reinvestment.

I don't know what the experience of other Senators might be. But I can tell you what my experience has been in my hometown of Springfield, IL. I have lived in that town for about 30 years, practiced law there, and raised a family. There was a time when I not only knew the name of every bank downtown, but I knew the bank presidents. I might not have socialized with them, but I sure knew where they were. I knew where they lived, and I knew who their families were. I had a feeling that those banks were going to be around for a long time. You could just tick them off: The First National Bank, the Illinois National Bank, The Springfield Marine Bank.

But over a span of 10 or 15 years a dramatic change has taken place. I think a lot of Americans find themselves in the same situation that I am in. I struggle to remember the latest names of these latest banks. Which one is the First National Bank? Which one is the Planters and Growers Bank? I can't keep up with it. It seems every 6 or 12 months there is a change, and not just a change in name, there is a change in ownership. The bank that used to be run downtown in Springfield may be run out of someplace in Ohio, New York, or Europe.

If Members ask whether or not we need this law of 1977, this Community Reinvestment Act, to make certain that as these changes are taking place in the banking industry—whoever owns them, wherever their home might be—that they still serve the communities where they draw their money from, I think is still a very sound concept.

Yet this bill, S. 900, suggests it is a concept that should be largely abandoned, because in three specific areas there are changes in the law.

First, it eliminates the requirement that all banks within a holding company have and maintain satisfactory Community Reinvestment Act ratings as a condition for exercising new financial powers. To put it in common English, if you want to take your bank and holding company and expand it in some direction, we are going to take a look to see if you have been good citizens in the communities where you are located.

I think that is a reasonable suggestion. That is the law. But this bill changes it. This bill removes that requirement and says you can't take a look at their records and see if they have been helping local farmers and businesspeople, families, with mortgages.

Does that make sense, at a time when bank ownership is becoming further and further removed from the people who bank, that we are going to somehow absolve them of responsibility to the neighborhoods, the communities, the towns, the counties around them? I don't think that makes any sense at all.

The second thing, the so-called safe harbor provision. If an institution had a good conduct ribbon for 36 months under the Community Reinvestment Act, this bill basically says leave those banks alone, don't ask any more questions.

I don't think that makes sense either.

The Community Reinvestment Act examinations take place about once every 18 to 24 months. In fact, for the smaller institutions, they have been streamlined more dramatically. I don't think we ought to say that after some 3 years of good conduct we are no longer going to ask basic questions as to whether or not you are making an investment in your community.

The final provision, which the previous speaker, the Senator from Minnesota, addressed from his point of view, was whether or not a bank—rural bank in this instance—with less than $100 million in assets should be required to meet the requirements of the Community Reinvestment Act. An argument can be made, and has been made by some, that these are smaller institutions and, as such, should not be burdened by regulators and paperwork, let them do their business, they are good neighbors, and things will work out.

Yet in the report filed with this bill, we find the statistics do not bear out that point of view. Let me read:

> Over 76 percent of rural U.S. banks and thrifts have assets less than $100 million.

We are talking about more than three-fourths of the bank and thrift institutions in the smalltown areas.

> It is asserted these small rural banks by their nature serve the credit needs of their local neighbors. However, small banks have historically received the lowest Community Reinvestment Act ratings. Institutions with less than $100 million in assets accounted for 92 percent of institutions receiving noncompliance ratings under the CRA.

What many do is take the money from the community and then do not lend it back into the communities. They turn around and buy government securities instead of lending it to the businesses and families that need those assets to make investments in the communities.

I don't think the small bank exemption is the way to go. I think the provision in the CRA change relating to that overlooks the fact that just a few years ago we put in new regulations to streamline CRA investigations in smaller banks, banks of less than $250 million in assets. We exempted many small banks from reporting requirements and eliminated a lot of documentation and paperwork. We need to continue to focus on banks of all sizes to make sure they are doing the right thing.

After 22 years of the Community Reinvestment Act, what do we have to show for it? Has it worked? I think, quite honestly, it has worked very well. My State of Illinois is very diverse, with a large city like Chicago and many small towns. In the Chicago area, thanks to a strong economy and CRA, the number of home loans to low-income borrowers almost doubled between 1990 and 1996, enabling 30,000 families to become homeowners. Is it of value to those families that those banks put the money back into the community? I think it obviously is.

I want to take a look at some of the other areas of my State. Voice of the People, in the Chicago Uptown area, has provided quality, affordable housing for low-income families. The racially and economically diverse community of Uptown Chicago, on the far north side of town, partnered with the Uptown National Bank of Chicago and completed the International Homes project, a development of 28 town homes constructed on five vacant lots within a four-square-block area in Uptown. This made homeownership possible for 28 lower-income minority and immigrant families. Half of these first-time homeowners are families earning under 50 percent of median income.

At the same time, down in my old hometown of East St. Louis is Winstanley/Industry Park Neighborhood Organization, a new nonprofit corporation representing 8,000 people. For those not familiar with it, my old hometown has had a tough time for the last 20 or 25 years. They struggled to keep the community together and to survive. The Winstanley/Industry Park Neighborhood Organization has been a plus. It is a mixed-use area comprised of residential, commercial, and abandoned industrial sites. What they have tried to do is to work with Magna Bank of Illinois to change the area. They have created a farmers market, community owned and operated, which was developed by this organization. What makes the market particularly unique is 14 of the 16 vendors are local residents.

If your bank were located somewhere in Europe and you came into the branch in your hometown and said, ''We have some people here who are struggling to make a living; they are low income and they want a chance to start a farmers market,'' is it more likely that you are going to get a sympathetic response from someone who knows the community, has a responsibility to the community, rather than someone who is just hammering away at the bottom line? I think the answer is obvious.

A residential loan counseling program of the same organization has launched a response to the victimization of over 1,400 lower-income families who were being misled by unscrupulous realtors into home purchase agreements known as bond-for-deed. The realtors who engaged in this often held the title to the properties throughout the length of the contract without recording the transaction and without hazard insurance for the purchaser. Most of these agreements contain no terms and have open-end type mortgage balances. This organization counseling program helped these same residents, lower-income families, refinance with conventional mortgages on their own homes.

Finally, West Humboldt Park is a low-income, predominantly minority neighborhood on Chicago's west side. It is plagued by poverty, illiteracy, welfare dependence, street and domestic violence, alcohol and substance abuse, and a lack of job opportunity. In 1989, Orr High School and the 12 neighborhood elementary schools formed a partnership with Bank of America—then Continental Bank—establishing a community network of schools in West Humboldt. The partnership has grown to include over 25 programs providing education and social services. They include Boys and Girls Clubs, the creation of the BUILD project, which is a group of parents who are really trying to keep the streets safe for their kids.

It amazes me that in our efforts to modernize the laws involving banks and thrift institutions, one of the first casualties proposed in the Republican majority bill before the Senate is to eliminate the Community Reinvestment Act. A party which dedicates itself to the premise that local control is best is virtually ready to give it away. To say that when it comes to local control of banking assets so critical for building and rebuilding a community, it will no longer hold them responsible, I think that is shortsighted.

For 22 years, the Community Reinvestment Act has worked. I hope we defeat this provision if we can muster a direct vote on it. If not, defeat the bill if it continues to push the things which are not in the best interests of consumers and families across America.

I yield the floor.

The PRESIDING OFFICER (Mr. ROBERTS). The distinguished Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I want to respond to the amendment that has been offered. I apologize if anybody has the idea, listening to this debate, that there is not another side to the argument. We had several people who had time constraints and wanted to speak. Senator SARBANES and I are being held hostage here, in managing the bill. So as a courtesy to others, we have let them speak first. But I now want to give a comprehensive response to this issue. Let me begin.

Mr. SARBANES. Will the Senator yield for a minute?

Mr. GRAMM. I am happy to yield.

Mr. SARBANES. How long would the Senator expect to go?

Mr. GRAMM. I think it is going to take me probably a minimum of about 30 minutes to go through the entire group of issues.

Mr. SARBANES. Could we then put Senator BAYH and Senator EDWARDS in line to speak after you finish?

Mr. GRAMM. I do not know that any Republican has spoken on this issue. Did Senator ENZI speak?

To this point, if I might say, the distinguished Senator from Nevada spoke at length. You engaged in a lengthy colloquy with him. We then had a nonrelevant speaker.

Mr. SARBANES. Senator GRAMS spoke for you.

Mr. GRAMM. By nonrelevant I do not mean the Senator was irrelevant on the issue. It had no relevance to this issue. It was about another issue completely. Senator GRAMS really talked about the bill itself.

So it is my turn to speak. I intend to speak and answer the points that have been raised. Then I would like to continue going side to side. We only have one other person here. I do not know if he is going to speak at any great length.

Mr. SARBANES. Then I guess our colleagues know in about 30 minutes they could hope to get recognition to speak.

I thank the Senator.

Mr. GRAMM. Mr. President, I think it is important for people to step back and look at what is being proposed. I have to break the discussion down into two parts. No. 1, what it is that Senator SARBANES would do with his amendment, and, second, what it is he would undo with his amendment.

Mr. SARBANES. Senator BRYAN.

Mr. GRAMM. So let me explain what he would do with his amendment, then explain what he would undo, and then explain why both what he would do and what he would undo is bad.

First of all, let me begin with current law in CRA, then what I am going to do is go through what the Senator's amendment would do. I am then going to talk about the history of CRA and within that history I am going to try to explain the problems that we are trying to fix in the underlying bill. Then I want to talk at some length about those problems and about the underlying bill. I think I will have covered the whole waterfront.

Let me remind our colleagues the current Community Reinvestment Act basically has two provisions. The first provision is that bank regulators have to consider how a bank has been meeting local credit needs only when a bank applies to open a new bank, branch or to merge. Second, bank regulators may deny application based on a CRA record. So basically, in terms of the existing CRA law, the way it was written, there is no violation for simply failing to comply. The enforcement mechanism is that if you apply to open a new branch or open a bank or to merge, then the bank regulator—whichever one you are subject to, based on your charter—looks to see if you are meeting the needs of your community. And community reinvestment, I would like to remind our colleagues, is focused on lending. The primary focus of community reinvestment is lending in the communities where you take deposits.

A bank regulator can deny an application based on your CRA record. There is no penalty involved other than the denial of the application. That is current law in CRA. What the substitute that has been offered by Senator BRYAN would do—I have ''The Sarbanes Substitute,'' because Senator SARBANES offered this in committee and we assumed he would offer it today, but it is the same provision—is this:

The Bryan substitute would add eight more requirements to CRA than the are required under current law. In fact, this would be a good opportunity to ask unanimous consent to have printed in the RECORD a letter from Chairman Greenspan that outlines what the CRA provisions of this substitute are, what the CRA provisions of the bill are, and exactly what they would do. Because, as I am sure all of our colleagues are aware, what tends to happen in these debates is people set up straw men. In this case the straw man is that somehow the underlying bill undoes CRA —that is straw man 1. Straw man 2 is that the substitute virtually leaves CRA as it is.

The reality, as I will paint in some detail, is that the underlying bill tries to deal with two clear abuses in CRA: One, an integrity provision; and, two, a relevancy provision. It in no way does violence to the basic idea of CRA. And the second reality as compared to the straw man is that this substitute is the most massive expansion of CRA in its history and would literally impose a penalty structure that goes far beyond anything ever contemplated in CRA when it was adopted in 1977, or that has ever been discussed since. In fact, our

colleague keeps wondering where the hearings are concerning the two modest changes that we have made in the underlying bill, without ever raising the question: Where are the hearings on which these massive punitive penalties would be based? Where is the abuse that they seek to address? The point is, the rhetoric of Senator SARBANES applies more to his substitute than it does the underlying bill.

So let me ask unanimous consent that the letter from Alan Greenspan with regard to the CRA provisions of the substitute and the CRA provisions of the underlying bill be printed in the RECORD.

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

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
*Washington, DC, April 7, 1999.*

Hon. PHIL GRAMM,
*Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: You have asked for an analysis of how the financial modernization bills recently passed by the House Committee on Banking and Financial Services (H.R. 10) and the Senate Committee on Banking, Housing, and Urban Affairs affect the Community Reinvestment Act of 1977 (CRA). Enclosed is a memorandum from the Board's General Counsel discussing the impact of these bills on the CRA.

That memo indicates that H.R. 10 would affect the CRA in three principal ways. It would require at least a ''satisfactory'' CRA performance rating as a precondition for engaging in the new financial activities, provide for the enforcement of this requirement, including through penalties and divestiture, and apply the CRA to uninsured wholesale financial institutions. Currently, the CRA does not require that an institution's CRA record be considered in connection with proposals to engage in nonbanking activities, authorize enforcement of the Act outside the applications process, or apply to uninsured depository institutions.

The bill recently passed by the Senate Committee on Banking, Housing, and Urban Affairs does not contain similar provisions. The Senate bill, however, does contain two CRA-related provisions not contained in H.R. 10: an exemption from the CRA for small insured depository institutions that are located outside metropolitan areas and a rebuttable presumption regarding an institution's compliance with the CRA.

I hope this information is helpful.

Sincerely,

ALAN GREENSPAN,
*Chairman.*

Enclosure.

MEMORANDUM REGARDING THE EFFECT OF RECENT LEGISLATIVE PROPOSALS ON THE COMMUNITY REINVESTMENT ACT

Chairman Phil Gramm has asked for an analysis of how H.R. 10, as passed by the House Committee on Banking and Financial Services last month, and the bill passed by the Senate Committee on Banking, Housing, and Urban Affairs on March 4, 1999, would affect the Community Reinvestment Act of 1977 (''CRA'').

H.R. 10 would primarily impact the CRA in the following three ways.

1. The CRA currently applies only to federally insured depository institutions. H.R. 10 would subject the newly established uninsured wholesale financial institutions to the CRA.

2. The CRA currently requires that the Federal banking agencies consider the CRA performance of an insured depository institution in connection with proposals by the institution, or the institution's holding company, to acquire or establish a deposit-taking facility (e.g., open a branch or acquire or merge with another insured depository institution). It does not require that an institution's CRA record of performance be considered in connection with proposals to engage in, or acquire a company engaged in, nonbanking activities. H.R. 10 would allow a financial holding company to engage in new financial activities only if all of the company's subsidiary depository institutions have and maintain at least a ''satisfactory'' CRA rating. Thus, H.R. 10 would link CRA performance to the ability of a banking organization to engage in, or acquire a company engaged in, a nonbanking activity. More than 95 percent of the depository institutions examined for CRA compliance in 1997 received a ''satisfactory'' or better CRA rating.

3. Current law does not authorize a Federal banking agency to take any type of enforcement action against an insured depository institution that has a less than satisfactory CRA rating, other than denying proposals by the institution (or the institution's holding company) to establish or acquire a deposit-taking facility. Thus, current law does not permit the Federal banking agencies to take actions, including enforcement actions or divestiture proceedings, outside the applications process if an institution fails to maintain a ''satisfactory'' CRA rating on an ongoing basis. *See* Memorandum from Walter Dellinger, Assistant Attorney General, U.S. Department of Justice, to Eugene A. Ludwig, Comptroller of the Currency, 18 U.S. Op. Office of Legal Counsel No. 39 (Dec. 15, 1994).

H.R. 10 would require that the subsidiary depository institutions of a financial holding company maintain at least a ''satisfactory'' CRA rating for the holding company to continue to engage in the new financial activities. If a subsidiary depository institution fails to maintain such a rating, the financial holding company and subsidiary depository institution must execute an agreement with the appropriate Federal banking agencies to correct the deficiency and such agencies could impose limitations on the activities of the financial holding company or subsidiary depository institution until the subsidiary's rating is restored. The failure by a financial holding company or subsidiary depository institution to comply with these requirements would constitute a violation of the Bank Holding Company Act. In such circumstances, the appropriate Federal banking agency could take enforcement action (e.g., issue a cease and desist order, assess civil monetary penalties or, in the case of the Board, seek criminal sanctions) against the financial holding company, the subsidiary depository institution, or an individual participating in the violation (such as an officer or director of the holding company or depository institution). Finally, if the subsidiary depository institution's CRA rating is not restored to at least the ''satisfactory'' level by its next examination (or such longer period as the Board determines to be appropriate), H.R. 10 would authorize the Board to require that the financial holding company divest the subsidiary depository institution or, alternatively, cease engaging in new financial activities.

Section 121 of H.R. 10 also would permit a national bank to control an operating subsidiary engaged in financial activities permissible for a financial holding company, but only if the national bank and its depository institution affiliates have and maintain at least a ''satisfactory'' CRA rating.[1] National banks and affiliated depository institutions that did not maintain such a rating could be subject to the same type of corrective measures as discussed above for financial holding companies.

The bill passed by the Senate Banking Committee does not contain provisions similar to those discussed above. The Senate bill, however, would exempt from the CRA any insured depository institution that has $100 million or less in total assets and that is located outside a Metropolitan Statistical Area. Data indicate that approximately 3,871 insured banks and thrifts, representing approximately 37 percent of all insured banks and thrifts and 2.7 percent of the assets of all such institutions, would meet these criteria, as of December 31, 1998. In addition, under the Senate bill, an insured depository institution would be presumed to be in compliance with the CRA until its next examination if the institution received at least a ''satisfactory'' rating at its most recent CRA performance examination and at each CRA examination in the preceding three years. This presumption would not attach if the appropriate Federal banking agency receives substantial verifiable information, arising since the date of the institution's most recent CRA examination, that demonstrates the institution is not in compliance with the CRA.

Mr. SARBANES. Will the Senator yield? I understood the Greenspan letter compared the provisions in the House bill with the committee bill, not the provisions of the substitute.

Mr. GRAMM. They are virtually identical, but I stand corrected. In fact, let me yield to you to tell us the difference.

Mr. SARBANES. They are not identical. There are some significant differences between the two, and I will develop them after the Senator finishes his presentation.

But as I understand it, your request to the Fed and their response was to compare the House bill with the committee bill. Am I correct in that?

Mr. GRAMM. I think that is correct. I stand corrected. I would like it printed in the RECORD, but I would be happy to hear the distinguished Democratic ranking member of the committee explain to us the differences. I assert that there are no significant differences, but I would like to hear them.

Let me go over basically what we have in terms of additions to CRA in the pending amendment, if the Senate decided to adopt it.

No. 1, by making noncompliance with CRA or falling out of compliance with

[1] Part 5 of the OCC's regulations, which purports to allow subsidiaries of national banks to engage in activities that national banks are not permitted to conduct directly, currently requires that a national bank have and maintain at least a ''satisfactory'' CRA rating to control an operating subsidiary engaged in principal activities that the bank cannot conduct directly. See 12 C.F.R. §§5.34(f)(3)(iii), 5.3(g)).

CRA a violation of banking law, officers and directors of banks for the first time could be fined up to $1 million a day for CRA noncompliance. I will come back to this in a moment.

Under this substitute, banks can be fined up to $1 million a day for falling out of compliance.

Under this substitute, cease and desist authority for CRA noncompliance are brought into the system.

Bank regulators may place any restrictions on any banking activities for CRA noncompliance.

Bank regulators may place any restrictions on any insurance activities for CRA noncompliance.

Bank regulators may place any restrictions on any securities activities for CRA noncompliance.

Bank regulators may place any restrictions on any other activities of the holding company for CRA noncompliance.

Any violation by any one bank in the holding company can trigger penalties against any and all activities of the entire banking company.

Insurance sales of bank subsidiaries can be restricted for CRA noncompliance.

Finally, the provision adds new expansions of CRA far beyond the existing law. Under current law, banks sell insurance—small banks in cities of less than 5,000, other banks depending on their State regulation—and they do it without CRA approval.

The substitute would expand the decision of banks or ability of banks to sell insurance to require CRA approval. Some 20 banks now provide some security services. They do it without being required to get CRA approval. The pending substitute would expand CRA approval to that activity.

The first point I want to make is, contrary to the rhetoric being used, we are talking about the largest, most significant expansion of CRA in history—none of which is based on any assertion of any abuse—and we are talking about imposing confiscatory penalties that are devastating to our banking industry.

I want to read pieces of two letters on this issue of the potential for a million-dollar-a-day fine. One letter is from the Independent Community Bankers of America. This is a letter from an organization of very, very small, generally community banks, often in rural areas that would be affected by this. Let me read the paragraph:

> We also have grave concerns about expanding CRA enforcement authority to include the levying of heavy fines and penalties against banks or their officers and directors. An ongoing challenge for many community banks in small communities is finding willing and qualified bank directors. Legislation following the savings and loan crisis of the 1980s and 1990s greatly increased the amount of civil money penalties to which bank officers and directors may be subject. Any increase in the potential for fines and penalties could provide further disincentive for service on a bank board.

Here is the point. If a small bank is going to hire somebody to be president or be an officer or recruit somebody to be on a bank board, they are going to have to buy liability insurance to protect that person from this potential fine, which would literally put thousands of rural banks in America out of compliance.

If there is a problem here that needs to be fixed, if there is an abuse that should be dealt with, then one might say that perhaps this is justified. But here is the record: There have been some 16,380 examinations of small, rural banks in America since 1990, and of those 16,380 examinations, three banks and S&Ls have been found to be out of compliance to a substantial degree.

Our ranking member of the committee would bring in the potential for a million-dollar-a-day fine based on the fact that in 16,380 audits on CRA since 1990—9 years—there have been three banks substantially out of compliance. What is the justification for these massive punitive fines? There is no justification.

The justification basically is that this is seen as an opportunity to massively expand CRA. That is what the justification is.

The second letter, on exactly the same subject, is from the American Bankers Association. Here is what they say:

> We would oppose amendments we understand may be offered that would contain provisions not only eliminating the two CRA provisions currently in the bill, but also adding additional new CRA requirements. One strong concern the ABA has is that the potential for such penalties could discourage directors from serving on community bank boards and increase the cost of officer and director liability insurance coverage for banks. There has been no justification given for inserting these new penalties into CRA, particularly given the outstanding record the banking industry has in serving communities across the country.

I remind my colleagues, this substitute seeks to impose these massive punitive penalties against small banks in America when in 16,380 exams, which cost those banks cumulatively $1,310,400,000 to keep the records and comply with the exam—$1,310,400,000; I have the decimal points right this time—after all that money, after all those exams, three small, rural banks or S&Ls were found substantially out of compliance.

If this is not regulatory overkill that drives working men and women in America crazy and that threatens little banks all over the State of Kansas, the State of the Presiding Officer, and all over Indiana and all over Texas and all over America, that threatens their very existence, I don't know what it is.

First of all, this is totally unjustified, makes absolutely no sense and, to quote my colleague from Maryland, never has a hearing been held on this subject. Never has any justification been given whatsoever for imposing a million-dollar fine on bank board members and bank officers in the name of CRA. It is the most gross overkill and regulatory burden that this Senator has seen in the entire time that I have been debating banking legislation.

I remind my colleagues that I spent 12 years of my life teaching money and banking in college. I have spent too long of my life, 21 years, in the House and Senate, and I have been serving on the Banking Committee every day I have been in the Senate, and I have had the privilege this year of serving as chairman. I have never seen such a massive regulatory overkill as these proposed provisions, and I am confident that they will be rejected.

(Mr. SANTORUM assumed the Chair.)

Mr. SARBANES. Will the chairman yield on this point?

Mr. GRAMM. I will be happy to yield.

Mr. SARBANES. I am looking at a table from the Federal Deposit Insurance Corporation, from 1990 through 1998, that those 320 institutions were given a ''needs to improve'' rating which, of course, is below compliance, and 18 institutions were given ''substantial noncompliance.''

The Senator is using this ''three'' figure, and I don't know where that comes from.

Mr. GRAMM. I can tell you where it comes from. It comes from looking at the banks and S&Ls that meet two tests: One, they have less than $100 million of assets; and, two, they operate solely outside standard metropolitan areas.

And my figure is, that those banks have been subjected, since 1990, to 16,380 examinations. And in those 16,380 examinations, the average of which has cost that little bank about $80,000, according to some 488 banks which have written us on this subject, that these 16,380 examinations—this is from the Federal Financial Institutions Examination Council—that in these 16,380 examinations, costing, on average, $80,000 apiece—so this is $1.3 billion that has been taken out of these little bitty communities and out of their banks, where people are paid higher interest rates and have gotten less credit—the result of that has been that three of these banks, over a 9-year period, have been found to be in substantial noncompliance.

You do not have to have a Ph.D. in mathematics to figure out, if you have done 16,380 exams on these small, rural banks, and only three of them have been in substantial noncompliance, you are spending a tremendous amount of their money to find a very, very small number of bad actors—in fact, three one-hundredths of 1 percent.

What is even more astounding is that all of these little banks combined

make up only 2.8 percent of the capital of the banking system. They are getting 44 percent of the examinations. They make up only 2.7 percent of the assets of the banking system, and out of 16,380 exams, only three of them were out of compliance.

Mr. SARBANES. If the Senator——

Mr. GRAMM. What is wrong here? What does not make sense here?

Mr. SARBANES. If the Senator will yield, he simply stated the point all over again, but it hasn't squared the factual discrepancy.

According to our data from bank regulatory agencies, more than 70 small, rural banks and thrifts are currently deemed not in compliance; that is, below a satisfactory rating with CRA this year alone.

Since 1990, 338 small, rural banks and thrifts received CRA ratings below satisfactory.

Sure, the Senator can make the same speech about those numbers, but I just want to get those on the RECORD, because those numbers are very significantly different from the numbers which the Senator is putting forward.

Mr. GRAMM. If I might reclaim my time—and I think probably we would be better off to let me go through and make my presentation and let the Senator do the same—let me go back and restate the facts.

What the Senator has done is basically taken a totally different classification than I am talking about. I have been very clear in what I am saying. Here is what I am saying. And it is devastating, there is no question about that. I am glad I am not on the other side of this argument. I would be trying to change the subject, if I were. But here are the devastating facts.

The devastating facts are, that of the little banks in America—less than $100 million in deposits; probably have 6 to 10 employees—that are outside standard metropolitan areas—so these are banks that do not have a city to serve, much less an inner city.

Mr. SARBANES. Those are the banks we are talking about. Those are the figures I am giving you.

Mr. GRAMM. Look, let me go ahead. I will explain the difference in what you are saying and what I am saying. OK. So let me start at the top. I will go all the way down, make my point, and then I want to go on and give my presentation. You all have had many opportunities to give yours today. And I listened to them faithfully.

But here is the point, if you take every bank in America that has less than $100 million of deposits, and that is also outside a standard metropolitan area, they make up 38 percent of the financial institutions in the country. They have 44 percent of the audits. In fact, they were audited for CRA 16,380 times from 1990 through 1998.

In those 16,380 audits, that cost, on average—cost the bank; I am not talking about the Government regulator; but cost the bank to comply with gathering all the information, spending the week in the audit, keeping all the records, designating a CRA officer—and I will later in my presentation read actual letters from the banks—these little banks and these little communities spent $1.3 billion of their money complying with this law.

Of these 16,380 examinations, only three banks, over a period of 9 years, only three banks were found to be substantially out of compliance.

Our colleague has taken a different definition, ''marginally out of compliance,'' and the number was bigger, maybe 70 out of 16,380. The point being, my statement is true, that only three banks, out of all of these that are audited, have turned out to be substantially out of compliance.

On the basis of that, our colleague would impose a $1 million-a-day fine on officers and board members. And I stand by my point that that is the biggest overkill I have seen.

I think I have dealt with the proposals made which would be added by the amendment that is pending.

These proposals really boil down to punitive, crushing, regulatory burden and fines, imposing a $1 million-a-day fine on bank officers and bank board members, massively expanding CRA.

The justification in 1977 for CRA was, ''Well, you've got deposit insurance. That's a good subsidy. We ought to be able to force these institutions to allocate capital for a public purpose.'' But for the first time, this substitute would expand CRA to a noninsured institution where there is no logic for its expansion. For the first time, CRA approval would be necessary for selling insurance and selling securities within a bank or at an affiliate of a bank holding company.

These are massive expansions of regulatory burden. They are totally unjustified based on any facts, no matter how you read them. I cannot believe that a majority of the Senators would vote to do those things.

Let me talk about what we undo if we adopt the Senator's amendment. And I want to take some time to go through this. I have not done this at great length.

I want people to understand what is the problem with CRA that we are trying to deal with in these two very modest amendments which the Banking Committee has written.

First of all, let me talk about what you can view as good news. In 1977, there was a rider to a bill that was written by Senator Proxmire that created what we today call CRA. It said that banks should lend in the communities where they collect deposits. There was no enforcement mechanism. It was simply to be used when evaluating approval for bank mergers and branches.

A Democrat Senator raised an objection to the provision, worrying about redtape and paperwork. Interestingly enough, the distinguished chairman at that time said, ''No problem. The redtape and paperwork will be nominal. No big deal.'' We have all heard it millions of times when thousands of programs have become law. There was a vote in the Banking Committee to strip out this provision. And that vote failed on a 7–7 tie.

We then had the bill come to the floor of the Senate. There was another vote. And I do not have the total here, but I think it was 41–30. We had some huge number of Members of the Senate who were absent. So the bill became law.

So here is the point I want to make. In 1977, we started out with a CRA requirement. And in that year—and these figures are all from the National Community Reinvestment Coalition—in that year there were about $50 million of CRA loans or cash payments or commitments to lend. And that number was relatively small, until 1992.

Now, what happened in 1992? Well, two things happened. One, we started having a rash of mergers, so that these very large banks and also some small banks had to get CRA approval to merge. What happened is this number started to grow very rapidly. Last year, in loans, commitments to lend, cash payments, the total was $694 billion.

Now, to put that in perspective, the loans, commitments to lend, and cash payments, and commitments to pay cash—and I am going to talk about cash payments at some great length here in a moment—totaled $694 billion last year. That is bigger than the Canadian economy. That is bigger than the combined assets of Ford, General Motors, and Chrysler. That is bigger than the discretionary budget of the Federal Government. Yet our colleagues, who will oppose these two very simple amendments, say there is no need to look at a potential reform in CRA.

CRA is now bigger than General Motors. It has grown from virtually nothing to become larger than the discretionary budget of the Federal Government, and yet our Democrat colleagues refuse to admit the possibility—or many of them do—that we might need some degree of effort to deal with abuses which would naturally occur in a program that grew in a very short time from $50 million to $694 billion.

Why do I think this is a relevant point? Well, let me give you one fact. According to the community groups, $9 billion has been paid or committed in cash. Had you gone to that committee hearing in 1977 and said to the then chairman of the Banking Committee, Senator Proxmire, ''Well, what about cash payments, what about people literally giving community groups and individuals money not to testify

against their merger or not to oppose it or actually paying them to support it,'' what he would think about that? I can tell you: he would have said, ''It is not possible.''

This bill in no way contemplates that cash payments would be made, but the fact remains that as this program has exploded, $9 billion of cash payments and cash commitments have been made. This basically represents an abuse that needs to be dealt with. In fact, in the one hearing we had on this subject, the spokesman for these reinvestment coalitions admitted there were abuses. He called it ''green mail,'' and he said that it hurt the program. Most people would call it blackmail. The point is, if these abuses exist—and no one disputes they do—why shouldn't we begin to try to do something about them?

Now, let me turn to a quote, and then I will get into some of these abuses.

This is a quote from a Cornell University law professor, Jonathan Macey, who specializes in banking law and is one of the most respected lawyers in banking law in the country. Here is what he said about CRA, as it exists in 1999:

> You see really weird things when you look at the Code of Federal Regulations . . . like Federal regulators are encouraged to leave the room and allowing community groups to negotiate ex parte with bankers in a community reinvestment context . . . Giving jobs to the top five officials of these communities or shake-down groups is generally high up on the list (of demands).
>
> So what we really have is a bit of old world Sicily brought into the United States, but legitimized and given the patina of government support.

It has never been stated more clearly than that.

Now, let me give you an example, if you would give me those agreements.

Part of our problem—and this will be discussed later, and I hope people will listen to this point—part of our problem is that community groups, in negotiating with banks, in virtually every case negotiate for and insist on the confidentiality of these agreements. So one of the problems in evaluating this $9 billion is, we do not have any of the facts as to where this money goes, who it goes to, and what they do with it when they get it.

One of the amendments that Senator BENNETT or someone else will be offering later in the Senate's consideration of financial services modernization is a sunshine amendment, which says that in the future these agreements have to be made public, that they have to go to the regulator, that the regulator has to require that the information be provided, and that they be made public. The logic of that is, nothing disinfects like sunshine.

Now, it so happens that we have three of these agreements that we have obtained on the condition that we not disclose the names of the bank or community group involved. We have redacted those names. I just want to give you a flavor of what these agreements looks like, and I have pieces of three of them here.

This is Bank A: Provide blank—and this is a community group—with a grant of up to $20,000. Provide blank—another community group—with a grant of up to $50,000. Provide blank with a grant of up to $25,000 to pay reasonable and necessary ''soft costs'' to be incurred by blank. Provide blank with a grant of a reasonable amount. . . .

That is the quid; now the quo:

Blank agrees to withdraw on the date hereof the comment letter, dated blank 28, 19 blank, and any related materials collectively, the comment letter filed with the Office of the Comptroller of the Currency, the Federal Reserve Bank, and the board. I don't have the second sheet.

The point is, the community groups gets all of these cash grants and then agrees to withdraw the complaints they have filed, a classic quid pro quo.

Now, what happened to these complaints? Were they not meritorious or did the community groups suddenly no longer care about the people they were protesting against? What did all of those cash grants do that induced them to withdraw their comment?

Bank A, one more thing, blank and blank agree—this is the community group and the bank—agree not to disseminate or otherwise make available to the public copies of this agreement.

So the community group gets these cash payments and in return agrees to withdraw their protests, and then the bank and group agree that they will keep the agreement secret.

Now, let's look at Bank B: Blank will receive a fee of 2 and three-quarters percent of the face amount of each program loan made by blank. This is an agreement whereby a community activist and their community group receive a rake-off of 2.75 percent of the face value of every loan made under this agreement.

Do you think people receiving that loan know that this individual and this group will get 2.75 percent? In fact, they don't. And, as you will see later, unless we open up this process, they never will. No one will ever know what is happening. Continuing with the Bank B's agreement:

Blank will receive a fee of $200,000 as reimbursement; according to blank, $100,000 is payable upon execution and delivery and $100,000 six months later.

We have the quid, now the quo.

The community group or the individual agrees to withdraw all pending protests of blank regulatory applications and related materials and not to sponsor, either directly or indirectly, the protest or to supply information in connection with any protest relating to pending or future blank applications with regulators.

In other words, the community group is agreeing that in return for this 2.75 percent of the face value of all loans that are made, not only will they withdraw the complaint they have already filed, but they will never make another one. They will never make another one, no matter what.

At blank's request—listen to this one. Many of you wonder why you have gotten letters from banks, and I got a letter from a big North Carolina bank, might I say, and I was shocked. Then I read the letter and it, in essence, said that they are required by a CRA agreement to send me this letter saying they support CRA. I said, how is it possible that somebody could be required to send me a letter? And this is a different bank altogether and a different agreement. Here is how it happens:

In addition, the bank agrees to send letters to customers of blank previously contacted by blank—well, I will get to the point on the next sheet. And then the community group agrees to purge their files and database of all information related to this bank's customers. In other words, they get this breakoff; they get these cash payments. They agree to withdraw their objection. They will never do another objection. They are even going to destroy the computer database they used to do it.

Now I think we are getting to the thing I mentioned. The community group agrees to: immediately cease and desist all activities directed against blank; to maintain the confidentiality of this agreement, to maintain the confidentiality of this agreement and any other agreements; to cooperate with them in getting agreements with other banks. And then is the thing about sending letters. This is called ''public policy partnership.''

In this public policy partnership: blank will work with the blank to establish a clear written declaratory statement indicating support for the Community Reinvestment Act and the Home Mortgage Disclosure Act, and the party's opposition to any attempts to weaken the law. Blank will send the final copy of this statement to the blank, the American Bankers Association, the Federal Reserve Board, the Office of the Comptroller of the Currency, the blank Congressional delegation, and all Members of the House and Senate banking committees.

So when you have letters from banks telling you what great things CRA is doing, many of those were dictated by commitments they made as part of contracts, secret agreements they signed with protesters in order to get them out of the way to do their work.

Now, I could go into a hundred other examples—someone who graduates from college, goes to graduate school, and goes to work for the Federal Reserve in acquisitions and mergers, quits and goes into business, spends 4

years harassing a bank and bank presidents, and finally the bank craters and gives them $1.4 million, gives them $200,000 to set up their organization; they now have 20 offices, lending $3.5 billion, getting 2.75 percent of every penny they lend right off the top, that nobody knows about, forcing people to participate in their program and pay $50 a month for 5 years in order to get the loan, and the bank actually collects the money for them as if somehow it were part of the loan. I could go on and on. But we are not here to debate dramatic reforms in CRA. We are only trying to do two things, and here they are; here is the concern. You have heard the number.

Only in 1 percent of the cases is a protest filed. Well, remember that in 90-some-odd percent of the cases, where somebody wants to open or close a branch, regulators generally get no comments. Where the protests come are in the big mergers, and in some of the smaller ones that get contentious. But what happens more often than not is that rather than filing a protest, the protest group simply goes to the bank and says: I am going to file a protest and I am going to say—to quote one of the protesters in what they said about a bank in New England—I am going to say, A, you are a racist; and, B, you are a loan shark. That is my charge. I am going to make that charge, and you can either reach an agreement with me, or I am going to do that.

Now, here is the problem, and I don't think it is that hard to visualize. You have a bank and it has agreed to merge with another bank. And people don't know whether the merger is going to be approved or whether it is good or bad for the bank. So during that period, the stocks of these two banks are just fluttering. The bank literally has hundreds of millions—and sometimes billions with these big bank mergers—at risk. So it doesn't take a lot of imagination to see that when a protester shows up and says, ''Look, I am going to go to the Comptroller of the Currency and tell him you are a racist and that you are a loan shark; I am going to file a complaint and I am going to hold up this merger,'' the bank is under immense pressure to act as quickly as possible. What is happening in America today is that banks that are risking hundreds of millions, or billions, of dollars are settling these threats with secret agreements that the public knows nothing about, and they are often paying thousands, or hundreds of thousands, of dollars in cash payments.

Now, who ever said CRA had anything to do with cash? Yet, according to the CRA groups, $9 billion of cash payments have been made under CRA. I would like to ban cash payments, quite frankly. I don't think they are what CRA is about. I don't think some protester getting a rake-off of interest or getting a cash payment is what community lending is about. I think it is wrong, but I don't have the votes to do it and I didn't try to do it.

So, here are the two modest changes in our bill. Number 1, consider a bank that has been consistently in compliance with CRA. In fact, in its last 3 evaluations it has consistently been in compliance and is in compliance now. What do we require that Senator SARBANES and others so strenuously object to? We require that if a bank has historically been in compliance, if it has been evaluated for meeting its community lending requirements by its Federal regulator three times in a row and was found to be in compliance, and if it is currently in compliance, then somebody can still protest. They can call the bank all the nasty names they want to call them. In fact, the regulator is required to hold a hearing if they provide any complaint just saying ''I oppose it.'' There is a hearing.

None of that has changed. Anybody can say whatever they want to say. All our amendment says, however, is that before you can stop the action from going forward in the normal timeframe, the objector has to present substantial evidence. In other words, a bank that is historically in compliance, and is in compliance now, is deemed to still be innocent until proven guilty. And a protester can protest all they want to. But the regulator can't stop or delay the process unless some substantial evidence is presented.

Now, I know we have some distinguished attorneys here, and I am not going to get into any kind of legal debate with distinguished attorneys. Number 1, I object to duels between armed and unarmed men, especially when I am the unarmed man. Every once in a while, I have mercy on other types of issues where I am armed and others are not. I don't shoot down unarmed men.

But I want to remind those who aren't legal experts that ''substantial evidence'' is not a trivial phrase. It was chosen because it is not trivial. It is referred to 900 times in the United States Code. There have been over 400 instances in case law where the term ''substantial evidence'' has been defined. Let me give you some definitions that came from the Supreme Court, and they are important because they give examples of the evidence that is required to be submitted by a protester in order to stop a bank from doing something that they are qualified to do based on their record.

In other words, what do you have to have in order to say, ''This person is not meeting the requirement of law and I want him stopped''? Knowing that it may cost them hundreds of millions of dollars, even billions of dollars, what is the standard you have to meet? What does ''substantial evidence'' mean?

Here is what it means. Here are four definitions from Supreme Court rulings. ''Substantial evidence'' is understood to mean:

No. 1, ''more than a mere scintilla.'' More than a mere scintilla.

No. 2, ''such relevant evidence as a reasonable mind might accept as adequate to support a claim.''

Not that they have to accept it. Notice that the Court said that substantial evidence is ''such relevant evidence as a reasonable mind might accept.'' They might not accept it. But they might accept it as adequate to support a claim.

No. 3, ''real, material, not seeming imaginary.''

And, finally, ''considerable in amount, value and worth.''

I fail to understand why there is an objection when a protester wants to come into a bank which has been in compliance with the lending laws of this country for three evaluations in a row and is currently in compliance, why anyone would object to saying that in order to stop the bank from exercising the right they have earned, the protester has to provide some evidence. I cannot understand why anybody would object to that. Why is it important?

I have spent a lot of time talking about why it is reasonable. But why is it important?

It is important because it eliminates the worst abuses where someone comes in, they have no evidence, they have no facts, there is no abuse. They simply say, ''I will go away if you can give me some money.'' In this case, if they can't provide substantial evidence, they can't stop the process. But it doesn't prevent the regulator from saying, ''You have to do a new CRA review.''

Our colleague talked about what regulators could do. Nothing in our amendment would prevent the regulator from saying, ''Every time you want to merge, we have to have a new CRA evaluation.'' We don't stop that. All we are trying to do is to require some substance—and require someone to have the evidence—before they can stop the application process and cost taxpayers and investors hundreds of millions of dollars.

It is a strange thing to say in America. But I am going to say it, because I believe it. I will never forget when the American Airline pilots were getting ready to go on strike. I met with some Members of Congress to talk about what Congress could do because of the disruption that might be caused by the strike. I finally said, ''Look. You know, it is no secret that most unions do not love me, but I believe in freedom. And people have a right to strike, if they want to strike. And I am not voting for a bill that prevents them from striking.'' One Member of Congress, who will go unnamed, said,

''Well, wait a minute. These pilots make $150,000 a year. I am not worried about their rights.''

Let me tell you why that is relevant. One of the reasons this is so hard to discuss is that everybody has the idea that these bankers are rich. So we are not worried about their rights.

When do our rights end based on how much money we have? I can understand and I accept that you ought not have more rights because you have more money, but you ought not have less.

The idea that we would let someone or some group impose hundreds of millions of dollars of costs on other citizens, many of whom are stockholders—my teacher retirement fund, I am sure, is invested in some financial institution, or in a thrift. I don't know, because I don't keep up with what they are invested in. But every teacher in America is invested in stocks of some of these companies.

How is it right to let somebody literally deprive them of millions of dollars without providing any evidence?

So that is the substance of the first committee provision. I don't know why it requires so much discussion, but it does. I don't mind discussing it, though, because it is something that I feel strongly about.

This is about abuse. This is about a wrong that is going on in America today, right now. The fact that there are many success stories in CRA, the fact that there are probably wonderful people in almost every circumstance, does not justify looking the other way at the kind of abuses that are occurring. We are not trying to fix them here.

We are going to have a lot of hearings this summer. We are going to bring a lot of people in and put them under oath. We are going to have a major GAO study. We are going to look at this thing in great detail.

We are just trying to deal with two little commonsense things that ought to be done in the bill. I talked about the first. What is the second?

The second committee provision exempts little banks in rural areas from CRA. Why? Because the regulatory burden on these very small banks in very rural areas is oppressive.

First of all, these are banks that are not in standard metropolitan areas. They are by and large serving areas that do not have a city, much less an inner city to serve. So making them comply with these laws that are really aimed at inner-city lending makes absolutely no sense.

Why is this provision important? Because these banks—as documented in the letters they have written to us—are spending $60,000 to $80,000 a year complying with CRA.

I have used the figure before, but it fits here, and I want to use it again. Since 1990, there have been 16,380 CRA examinations of these little banks in rural areas, and only three of them have been found to be substantially noncompliant. But even though three bad actors have been found, $1.3 billion in compliance costs has been imposed on these little banks that have only between 6 and 10 employees. It is a very heavy regulatory burden.

Let me read just a couple of letters from the banks that are affected. Our colleague from Illinois was here. I am sorry he left. We probably have more letters from Illinois than any other State. But he won't get to hear it. But I am going read three of his letters, and then the others.

This is a letter from Franklin Bank in Franklin, IL. I don't know how big the bank is, but it is small. Their building looks like a house. Here is what he says:

> Were it not for the time-consuming paperwork involved, we in small banks in rural America would find CRA laughable. Our community is our business. We wrote this book long before the government did. Offering us exemption from the requirements of the Community Reinvestment Act would not change the way we do business, but it would relieve us of the mounting paperwork from this examination for one day every other year.

In other words, relief by exempting them—they don't change their business. They are just not going to have the examination to do and the paperwork and cost of about $80,000 involved in it.

This is from Security Bank of Hamilton, IL:

> Our experience is that regulators struggle to fill out their questionnaires when we are being examined as most sections do not apply. Then we really have to stretch to imagine our community of 3,000 having the same problem as Chicago or Los Angeles as none of the demographic stratifications fit.

This is the First National Bank of Nokomis, IL. It doesn't say how big they are:

> I truly believe we could free up one-half to one employee in our banking operation to put in positive service thereby expanding our service to the community we serve.

That is what they believe they could do if we could reduce the regulatory burden on them.

They don't say in their letter, but my guess is they don't have even 10 employees. So when they are talking about freeing up one half of one employee, they are talking about a tremendous reduction in their cost and their regulatory burden.

Let me read a couple of other letters. This is from the Cattle National Bank in Seward, NE:

> Since the origination of public disclosure of CRA examinations, we have not had one person from our community ever request the information.

I remind Members that CRA went into effect in 1977 and public disclosure went into effect about a decade after that.

So for about 12 years nobody in this little community has ever raised a CRA question. The only people who have raised those questions are bank consultants.

The next bank is Copiah Bank from Crystal Springs, MS:

> Our compliance officer, Gerry Broome, and his assistant have spent many research hours and reams of paper in their efforts to comply with mandated requirement's paper work. We have even had to outsource some of its checkpoints to a compliance consultant from time to time.
>
> * * * * *
>
> As an $83 million community bank, we feel an obligation to help you in your efforts toward easing our paper work burden.

Lakeside State Bank, New Town, ND:

> As a former bank examiner for the Federal Deposit Insurance Corporation, which included consumer compliance experience, and as a banker for over 15 years I believe I have a good understanding of the intent and the workings of the CRA.
>
> * * * * *
>
> Over the 47 years of our existence we have provided financing to virtually every main street business in our town, our customer base includes approximately 80 percent of the area farmers and for the last several years over 50 percent of our loans have been to American Indians.
>
> The law [he means the CRA law] is a heavy burden because of the expansiveness of the regulations and the paper requirements of compliance. We spend hours documenting what we have already done, rather than spending that time more efficiently by doing more for our community.

The Farmers and Merchant Bank of Arnett, OK:

> I am the CEO as well as the chief loan officer, compliance officer and CRA officer. I have to wear so many hats because we are small and have a staff of only 7 including myself. CRA compliance, done correctly, takes a lot of time, which takes me away from my primary responsibility of loaning money to my community. It has almost gotten to the point that lending is a secondary function. It seems like we have the choice of lending to our community or writing up CRA plans showing how we would loan to the community if we had time to make loans.
>
> * * * * *
>
> Large banks can hire full time CRA officers and other compliance personnel to administer CRA programs but, small banks cannot. . . .

Redlands Centennial Bank:

> We spent approximately $80 thousand of our shareholders' money last year supporting this ill-defined regulation. Even the regulators who examined us were hard pressed to give us specific definition on how we might better implement this regulation.
>
> * * * * *
>
> I am urging you to get rid of the nonsensical CRA yoke. Keep up the fight because there are a lot of us out here who are too busy balancing, making a living with government regulation in this crazy business.

Chemical Bank North is a bank of $74 million in Grayling, MI:

> As it is, we must devote disproportionate resources to creating and maintaining the ''paper trail'' that the current CRA regulations require. Our board members must attend time consuming CRA Committee meetings and our officers and staff members

spend significant valuable time preparing reports and keeping records that serve no purpose other than to keep us in compliance with a regulation that attempts to enforce from a regulatory standpoint what we do everyday in the normal course of our business. . . . I would estimate that we devote the equivalent of a full time employee to all aspects of CRA compliance.

The First National Bank of Wamego, KS—I mispronounced Wamego yesterday; the Presiding Officer was from Kansas and I appreciate him correcting me. This is a $65 million bank, which means this bank probably has five or six employees.

Our bank was listed two years in a row as the ''best'' bank in Kansas to obtain loans for small businesses. . . . [This bank also was rated outstanding on CRA.]

* * * * *

[O]ur outstanding grade did not make us a better bank. The CRA did not make us make loans we wouldn't have made. The CRA did take a lot of employees' time to document that we were an outstanding bank.

This is from Nebraska National in Kearney, NE. This is a very small bank. In fact, I think this might be one of the smallest banks in America that was not a recent start. This bank has $34 million in assets, so we are talking about probably four or five employees working in this bank:

We do not make foreign loans, we don't speculate in derivatives, and we don't siphon deposits from this area to fund loans elsewhere. Instead, like virtually all the banks under $250 million in assets we provide home loans, business loans, farm loans, and construction loans. We don't do this because of the Community Reinvestment Act but because it makes good business sense. . . . I bitterly resent every minute of my time and that of my staff spent to comply with this regulation because it takes time away from productive duties.

I feel the regulation is now being used by consumer activist groups to ''shakedown'' banks seeking regulatory approval for expansion or merger.

Finally, from American State Bank, an independent bank, from Portland, OR:

As one of the oldest and most strongly capitalized African American-owned banks west of the Mississippi River, Portland-based American State Bank supports your position on CRA exemption for non-metropolitan banks.

We also urge you to explore exempting from CRA requirements minority-owned commercial banks. . . . Today, minority-owned banks still maintain their focus on serving our nation's minority communities and their citizens. It is redundant, at best, to impose CRA requirements on banks whose sole purpose is to serve minority citizens. At worst, it compels minority banks to sustain burdensome expenses and administrative costs and subjects banks to a bureaucracy largely unaware of the realities of the inner-city marketplace.

I have covered a lot of territory. Let me sum up with the following points. The Bryan amendment before us has two parts. It does a whole bunch of bad things, and it undoes two little good things. What are the whole bunch of bad things it does? It is the largest expansion in the regulatory burden of CRA in American history; it would expand CRA to noninsured institutions, violating the very logic of CRA, which is, banks get deposit insurance that is partly subsidized by the Government, so it is reasonable for the Government to force them to do things that have a community benefit.

The proposed substitute would expand CRA to institutions that are not insured. It would expand CRA approval as being necessary to sell insurance and securities in a bank, something that is not required today and it is occurring every day today without CRA approval.

The proposed amendment would impose a potential fine of $1-million-a-day on bank officers and bank board members without any evidence whatsoever that abuses occur. In fact, as I pointed out over and over again, with small banks in rural areas having 16,380 examinations at a cost of about $80,000 in annual compliance, where the banks had to pay $1.3 billion to comply with all this regulation, all this paperwork—all of these evaluations, 16,380 of them, found only three banks that were substantially out of compliance. So, the regulatory overkill already exists. Why you would want to come in and subject small banks and large banks, and their officers and board members, to a million-dollar-a-day for if their institution fell out of compliance with CRA, I cannot understand. In fact, I have never heard an explanation for this draconian change in law.

I read earlier, and I will not read again, letters from the American Bankers Association and the Independent Bankers Association saying how the pending amendment will make it virtually impossible for them to get quality people who will serve on bank boards. They also talk about the cost of liability insurance, which will explode if you are going to impose these new potential penalties on banks, their officers and directors, all in the name of abuses that apparently exist at the extreme level in .03 percent of all CRA examinations.

Those are all the bad things the substitute does. What are the good things that it undoes? Is that a word, ''undoes''? I guess so. To try to curb some of the abuses—and the abuses are very similar to the strike lawsuit that we dealt with 2 years ago, and again last year.

The abuse basically occurs during the critical moment when a bank is trying to merge with another bank or sell or engage in some new activity: it's at that moment the bank has a lot at stake and is most vulnerable. Under current law, any protester can come in and threaten to hold the whole thing up. This creates immense pressure on the bank to settle with that protester and either commit some bank action or pay the protester cash in return for not filing a protest.

A lot of rhetoric has been used on this, and I am being redundant because when other people say something wrong, you have to say it right twice to get people to get it straight. Our amendment does not prevent people from protesting. They can protest. Our amendment does not prevent people from filing complaints. They can file complaints whether they have any facts or whether not. Our amendment does not prevent the regulator from holding a hearing. Under current law, the regulator has to hold a hearing if somebody complains. We do not change that. Our amendment does not prevent the regulator from forcing an entirely new CRA evaluation.

All our amendment says is: If you have a bank that has been in compliance with CRA over a 3-year period, and if they are currently in compliance, a protester can still file a protest, but in order to stop the bank's application from going forward, the protester has to provide substantial evidence.

Then I went through and read from Supreme Court cases, how you define ''substantial evidence''—more than a scintilla; enough that a reasonable person might believe that what you are saying is true. Those are not high standards.

Why anybody would want to let protesters potentially impose hundreds of thousands of dollars or millions of dollars in losses on a bank and their stockholders, many of whom are members of teacher retirement programs and other broad investment groups, without providing any evidence whatsoever to back up their claim, I don't know. But that is the debate we are having.

So, that is what the amendment does and does not do. It is not a safe harbor. It is not a safe harbor. It is not a safe harbor. The Secretary of the Treasury came up with the use of that term and now all critics use it, even though it is verifiably false. This is a rebuttable presumption. Stated another way, if a bank has a good record of compliance and it is deemed by the regulator to be in compliance, it is innocent until proven guilty. You have to present some facts to substantiate your claim if you are going to stop it from going forward. You don't have to have any facts to state your opinion. You don't have to have any facts to declare that there ought to be a hearing. You don't have to have any facts to protest. But before the regulator can stop it, you have to present some facts.

The final provision that would be undone here is the eminently reasonable exemption of very, very small, very, very rural banks that on average have a regulatory burden of about $80,000 a year in complying with CRA, even though in the last 9 years, with 16,380

examinations of these small, rural banks, only three have been deemed to be substantially out of compliance with CRA.

If you were from a small town like I am, or you represented a State that had a lot of little bitty towns and a few little bitty banks left and you went to those banks, you would discover why only .03 percent have been found out of compliance in 9 years. If you are from a small town and you have a bank with four or five employees, your bank ends up lending to everybody in town because they have nobody else to lend to. That is basically what the debate is about.

I wish every person could, in some simple form, get all these facts. But it takes time to debate them, and I am grateful to have the opportunity. I am sure we will get some more opportunity today. But I thank my colleagues for their patience, and I yield the floor.

The PRESIDING OFFICER (Mr. CRAPO). The Senator from Indiana.

Mr. BAYH. Mr. President, I rise in strong support of the Bryan amendment, which contains, in my opinion, a balanced approach to the Community Reinvestment Act as well as a bipartisan spirit enjoyed in the last session of Congress.

I also want to say, to my colleague from the State of Texas, how much I respect his expertise in this area as well as his dedication to this cause. But I must also respectfully disagree and say to all those who are concerned about this issue that if there are problems with this amendment, in terms of the fines that can be imposed or other details, let's correct them. If, in the past, overly zealous advocates have used CRA as an excuse for extortion, then let's prosecute them. If there are other problems, let's correct them.

Let's throw out the bathwater, not the baby. At the dawn of the 21st century, let us not turn back the clock and deny to thousands of Americans, because of the color of their skin, because of their race, because of their income, the right to access one of the basic tools for empowerment and progress, and that is credit and the ability to start a business or build a home. We cannot return to those days.

I should also say I am somewhat disappointed that we have arrived at this impasse, because this is important legislation. It is my great hope we will ultimately get it enacted, because it is important to the financial services industry, insurance, banking, as well as other industries that need access to credit and to consumers across our country. This should not be a partisan debate. In fact, in the very recent past, it has been nonpartisan or even bipartisan. Unfortunately, it has become an issue that has broken down more and more along party lines.

I especially regret this has happened in large part because of efforts to curtail and restrict the Community Reinvestment Act, which the vast majority of evidence has suggested works well, has served the American people well in the past, and I believe is critical to equal opportunity for all Americans as we advance to a new century and a new millennium.

We are increasingly relying upon the use of market forces to create opportunity. We are asking the American people to be self-sufficient, to save, to work hard, to be personally responsible, and I support those trends. At the same time, we need to ensure that the market system works for all Americans and that every American, regardless of whether that person happens to come from the right side of the tracks or the wrong side of the tracks, be he or she Hispanic, African American, Native American or any other race, creed or religion in this society, that they have access to those tools in the marketplace that will allow them to be self-sufficient, to build a better way of life for themselves and their families.

It is important that we pass this law, as I mentioned. It is one of the areas in which we are internationally competitive. It is important that we pass legislation that will allow our financial services industry to provide comprehensive services to their customers and to compete with our foreign competitors.

It is important that consumers be allowed to have access to these services on a coordinated basis, on a one-stop shopping basis. It is better for consumers as well. It means jobs for your State and my State and the rest of the 48 States across the United States of America, not just in insurance, which is important to the State of Indiana, or investment banking or in securities or on the part of insurance company employees, agents, and brokers across this country. It means jobs for small businesses and industries in the State of Indiana and elsewhere that need access to low-cost credit, so that they can invest, be more competitive, more productive and create good-paying jobs across our country. This is an issue not just for Wall Street, but for Main Street and for all of our streets across this country.

Unfortunately, there has been increasing partisanship. I think that is very, very important. Just last year this measure passed out of the Senate Banking Committee on a 16-to-2 vote. This year, unfortunately, it broke down exactly along party lines, 11 to 9.

Earlier this year, this provision, very similar to the amendment I am supporting today, passed out of the House of Representatives Banking Committee 52 to 8, with the vast majority of Republicans and Democrats supporting a continuation of a vital CRA and equal financial opportunity for all Americans.

The administration strongly supports this point of view. It is important to note that there is virtually no significant opposition from industry groups. I find it to be somewhat ironic that in the past, members of my own party have been accused of favoring legislation that would unduly hamstring business for ideological reasons. Today, the shoe seems to be on the other foot.

Let me be very clear what this dispute that has brought us to this impasse is not about. It is not about the organization under which future banking, insurance and security services will be offered. This is not really a dispute about operating subsidiaries versus the affiliates and holding companies, although there is a very serious dispute between the Secretary of the Treasury and the Chairman of the Federal Reserve on this issue. I am convinced that this can be resolved if we are given a chance.

Our dispute in this impasse is really not about the unitary thrift and whether commercial entities should be allowed to get involved in the financial services sector. That is a legitimate issue and a concern that I am convinced that, too, can be resolved if we can only deal with the issue currently before us. No, Mr. President, the dispute that has brought us to this point involves the Community Reinvestment Act.

I say to my colleagues and those listening and watching us at home that the Community Reinvestment Act has been good for America and good for Americans. It is working. Between 1993 and 1997—4 years—loans in low- and middle-income areas across our country for mortgages and building homes increased 45 percent, 45 percent in just 4 years; up 72 percent for African Americans; up 45 percent for Hispanic Americans; up 30 percent for Native Americans.

In the same period of time, actually just last year alone, there were 525,000 loans to small business men and women in low- and moderate-income areas, with total capital investments of $34 billion.

The Community Reinvestment Act has proven to be a boom for the American dream: families wishing to invest in home ownership, entrepreneurs wishing to start small businesses, Americans of every race, creed and religion wanting to participate in the American dream of a better way of life for themselves and for their loved ones.

The Community Reinvestment Act has worked in my own home State of Indiana. I won't go through all the cases here. From Gary, East Chicago, Indianapolis, South Bend, Lafayette, Bloomington, from the north to the south, from the east to the west, in communities large and small across my State, more Hoosiers have opportunities to make investments, make a decent income through a good job, buy a home, or start a small business. It has been good for our country. It has been good for my State.

Mr. President, I have a letter with me today that I think my colleagues will find to be of some interest. It was sent to me 2 days ago. It happens to be from the mayor of the city of Fort Wayne. The reason this may be of interest is that Fort Wayne is the second largest city in the State of Indiana. More than that, Paul Helmke, the mayor of Fort Wayne, happened to be my opponent in the race for the Senate last year.

Paul Helmke is a card-carrying member of the Republican Party. He also believes in opportunities for the citizens of Fort Wayne, business investment expansion, and home ownership. The mayor of Fort Wayne, my opponent in the election last year, has written me asking me to support a vigorous and vital Community Reinvestment Act.

I read from his correspondence:

. . . In Fort Wayne, banks have fulfilled their CRA requirements in creative and meaningful ways that have allowed us to leverage their resources with public and other private influences to help in our urban revitalization efforts.

. . . Perhaps the banking community would continue to see their investment in urban renewal as beneficial without the CRA requirements. But I do not think that it is wise to tempt fate.

Mr. President, neither do I. Involved mayors, like Mayor Helmke, who was the head of the mayors association last year, and I believe concerned Senators should rise to vote in favor of a vital and continually vigorous Community Reinvestment Act. On April 22 of this year, the Los Angeles Times wrote:

Before Congress voted to establish the CRA in 1977, many banks wrote off entire areas, refusing to lend to anyone who lived behind the red line.

The unfortunate truth is that while the vast majority of bankers across our country are involved and caring and doing a good job, both before and afterwards, too often there were bankers who were willing to accept deposits from some parts of our communities and not make loans to those very same parts of our communities. That is what CRA has established. It is a very strong track record of change.

Unfortunately, the bill, as unamended, before us poses a serious threat to the continuation of this progress we have seen across this country and in my State. My understanding is it would make 97 percent of all banks presumptively exempt from the requirements of CRA, 38 percent entirely exempt from the provisions of CRA, and would exclude the whole new areas banks hope to get into, entirely exempt, new users entirely exempt from the provisions of CRA. Mr. President, now is not the time to turn back the clock.

I will summarize before yielding the floor. Access to credit today is as important an opportunity for Americans of every walk of life as rural electrification was in the 1930s. Access to credit today is as important to the future well-being of all of our citizens as universal service to telephones was in the fifties and the sixties.

That is why I believe very strongly, as we ask Americans to be more responsible, to take charge of their own lives, as we encourage them to start homes and build businesses and to build for the future, we must give them the tools within the market economy to get the job done. That means equal access to credit as we approach the new millennium, not just to the few, not just to the powerful, but to Americans of every race, ethnicity, and those of even modest means. That, Mr. President, is why I rise in support of the Bryan amendment and urge my colleagues to vote in the affirmative for it.

Thank you. I yield the floor.

Mr. EDWARDS. Would the Senator from Indiana yield for a question?

Mr. BAYH. I would be glad to yield to my colleague from North Carolina.

Mr. EDWARDS. Thank you.

I am wondering, Senator BAYH, if you have had the same experience I have had. That is, I come from a State with many banks, including some of the largest banks in America, Bank of America being one. And having had many conversations with representatives of banks that are headquartered in my State, what I hear from them is, in fact, they enjoy participating in the Community Reinvestment Act. They take great pride in the work they do in the communities where they are located. They have absolutely no opposition to the Community Reinvestment Act and, in fact, do not oppose the Community Reinvestment Act provisions of the Democratic substitute offered by Senator SARBANES.

I am just curious whether the banks in your State of Indiana have had the same kind of reaction.

Mr. BAYH. I say to the Senator, I appreciate your question. As a matter of fact, one of the things that has been most impressive about this issue has been the uniformity of opinion among our banks in my State, large and small. They find that CRA has not been a significant impediment to their doing business, and really the industry groups are not in opposition at all. As a matter of fact, they support the intent behind this very, very important provision.

So we have a situation here where many of our community groups, including our mayors—as a matter of fact, I should mention for the RECORD I spoke to the mayor or Gary last night, as well, who believes very strongly that a city like Gary, which has been struggling to get back on its feet, needs this provision.

The banks are not opposed and, in fact, find it to be a very positive element.

Mr. EDWARDS. That is exactly the response I have had. I thank the Senator.

Mr. President, I seek recognition at this time.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. DODD. Will the Senator from North Carolina yield?

Mr. EDWARDS. Absolutely.

Mr. DODD. I want to say to my colleague from Indiana, before he leaves the floor, that was an excellent set of remarks. I think it points out the importance of this issue. I was particularly taken by the comments of your mayor of—which city was that, I ask?

Mr. BAYH. Fort Wayne.

Mr. DODD. Fort Wayne. This was your former opponent, I think, that my colleague pointed out. And I just say to my colleague, again, I have had a similar reaction from my mayors across my State. I know others have.

We have a tendency to think of these issues in terms of just what the banking community wants. And that is an important consideration for us, as we certainly deal with financial institutions. But I think—and I would ask my colleague from Indiana whether or not he would agree with this—that, in addition to the banking community, we bear a special responsibility, as Members of the Senate, to also consider what occurs to the customers' financial services.

I think sometimes that constituency is given a back seat when it comes to considering the implications of decisions we make. It is the farmer in Wyoming; it is the small businessperson in Connecticut; it is the consumer in Indiana; it is the minority business in North Carolina—all of us have consumers out here who use these financial institutions.

I commend my colleague from Indiana for a very thoughtful set of remarks, pointing out that side of the equation, the consumer side, the user side, the business side of our financial services, and I commend him again for his remarks.

Mrs. BOXER. Before the Senator yields, I wonder if I could pose a question for 20 seconds.

Mr. EDWARDS. Of course.

Mrs. BOXER. Thank you. I also want to thank my colleague for his remarks. I wonder if he was aware of the comments made —and this gets to the Senator from North Carolina—by the President of Bank of America about this program. If not, I would like to put them in the RECORD. If he answered that question——

Mr. ENZI addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I believe the Senator from North Carolina has the floor. The question was being directed to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from North Carolina does have the floor and may only yield for a question.

Mrs. BOXER. I would be happy to direct this to the Senator from North Carolina.

Mr. EDWARDS. Yes, absolutely. I am aware, I say to Senator BOXER, of the comment by Hugh McColl, who is head of Bank of America. I think I can quote him exactly.

Mrs. BOXER. I would like you to do that right now in the RECORD, because it is a very telling comment.

Mr. EDWARDS. I think it is, too. He says, ''My company supports the Community Reinvestment Act both in spirit and in fact. We have gone way beyond its requirements. We have had fun doing it. And we have made a business out of it.''

Now, here is the head of the largest, or one of the largest, banks in the country, headquartered in my home State. I happen to know that Mr. McColl has, in fact, strongly supported the Community Reinvestment Act. His bank has gone above and beyond the call of duty in that respect.

Mrs. BOXER. One more question before I yield to my friend.

I find it very interesting that Senators would get up and attack this program as if it were some kind of a giveaway program. These bank presidents have told us that these loans are very profitable. As a matter of fact, I wonder if the Senator is aware, at least in California—and now we do have a tie in because, as you know, Mr. McColl, although headquartered in your fair State, does a lot of business in my fair State—they have told us that they are doing very well with their CRA ratings. As a matter of fact, they are telling us—and I want to know if the Senator was aware of this—that their portfolio of CRA loans—these are loans that never used to be made in the old days—are just as profitable, that portfolio, as their other loans. Is my friend aware of that?

Mr. EDWARDS. Yes, I say to Senator BOXER, I am aware of that, and that is what I have been told consistently by the banks located in North Carolina.

Mrs. BOXER. I thank my friend, and also my friend from Indiana, because I think the notion that somehow, if you are for CRA, you are for doing something with social value and yet interfering with business is simply not true. These loans are profitable loans. They are good for the community. It goes back to the old adage: ''If you do good, you do good things, you will do well.''

I hope we will stand together in favor of this program that does good things for people and does well for the banks.

I yield back to my friend.

Mr. EDWARDS. Thank you, I say to Senator BOXER.

I will add to what she just said: When you do good things and have the impact that the Community Reinvestment Act has had, it does not just inure to the benefit of the people who are directly affected, it inures to the benefit of all of us.

Mrs. BOXER. Absolutely.

Mr. EDWARDS. I want to address that in just a moment. I want to say, first, in relation to the remarks of my friend, the Senator from Indiana, who has become a very close friend and colleague of mine during our tenure—we came to the Senate together—that I am proud of what he had to say. I completely agree with everything he had to say, and his remarks particularly about turning back the clock on this very, very important piece of legislation ring true with me and I think ring true with most Americans.

Mr. President, if I may, there is a really critical thing I want Americans, who are listening to this debate, to understand. This is not some obscure piece of banking legislation that has nothing to do with their lives.

It is really important for Americans to understand that this bill—I refer now to Senator GRAMM's bill—that this bill will have, or has the potential to have, a dramatic effect on the lives of every American, not just the poor, not just minorities, not just the elderly, not just those who run a small business or want to get into the family farming business, and not just those people who are directly impacted by the Community Reinvestment Act.

This bill has the potential to affect every single one of us, every single American. And here is why. Because it weakens the Community Reinvestment Act. Because of CRA, we provide low-income housing, we provide single-family housing, we give families a place to live, we give small businessmen and women, minority and otherwise, a chance to engage in entrepreneurship, to open their own business. We give the people the opportunity, in my home State of North Carolina, to start a small farm, and expand that farm.

Every time we provide these kinds of economic opportunities to people, every time we give families, core families, a chance to live together, to stay together, and not be spread out, we do a number of things: No. 1, we reduce crime; No. 2, we create pride, an extraordinary amount of self-esteem that may not have existed before; and we give people an opportunity to do something they otherwise might not be able to do—own their own home or open their own business.

I speak to every American when I say, crime, core family values, the fact that the folks who benefit directly from the Community Reinvestment Act are folks that we may otherwise, as a Government, have to support, these are things that affect every American. This bill is not some obscure banking bill that has nothing to do with people's lives. The Community Reivestment Act has a dramatic effect and has had a dramatic effect on every single American. I think it is critically important for people to understand that.

I think it is also important for them to understand what exactly Senator GRAMM's bill does to the existence of the Community Reinvestment Act. I have heard the bill described by him and others as being ''Community Reinvestment Act neutral,'' as to the overall purposes of this legislation.

I might add parenthetically that I strongly support the idea that banks ought to be able to expand services and affiliate with other financial institutions. They ought to be able to sell insurance. They ought to be able to sell securities. It is good for banks. We have a lot of banks in my State that need to do this and want to do it and, I think, ought to be able to do it. It is also good for consumers because it creates competition, and it is a good thing for consumers to have access to these services when they go to their banks. I strongly support those opportunities.

Here is the problem. Under existing law, when a bank seeks to expand, either by merger or by opening a branch, then its CRA rating is one of the things that is taken into consideration. Under the provision that is proposed by Senator GRAMM, when a bank seeks to expand services by affiliating with a company that sells insurance, by affiliating with a company that sells securities, CRA, or the Community Reinvestment Act, plays no role whatsoever.

Let me say this in the simplest terms. A bank with a completely unsatisfactory Community Reinvestment Act rating that has been determined by regulators to not be complying with the law, to not be doing what it should be doing with respect to investing in its community, I am talking about a totally noncompliant bank, that factor cannot even be taken into consideration in determining whether that bank should be allowed to sell insurance and whether it should be allowed to sell securities.

This bill, Senator GRAMM's bill, is not CRA neutral for one simple reason. We are, by virtue of this law, expanding what banks can do, allowing them to sell insurance, allowing them to sell securities. If we don't take CRA, which presently applies to applications for branching and mergers, and apply it as a precondition for these new services they are going to engage in, then we have withdrawn from CRA. We will have cut the underpinnings from CRA. It is something we shouldn't do—it is fundamental—we shouldn't do. CRA compliance ought to be a consideration when banks seek to engage in the expanded services permitted under this bill in exactly the same way, in exactly the same fashion that it presently applies to their attempts to merge with other banks or to their attempts to open other branches.

Now, I want to show a couple of examples with the indulgence of my colleagues.

I want to show a couple examples of what the Community Reinvestment

Act has done in North Carolina. I show now a photograph of a neighborhood, an economically disadvantaged neighborhood, a minority neighborhood in Durham, NC. This is a house that existed in that neighborhood.

As a result of the Community Reinvestment Act, and as a result of a bank partnering with local community groups, this house that we have just taken a look at was turned into this house.

If I could hold up the first photo just a minute, this was a crime-ridden, drug-infested community. As a result of the Community Reinvestment Act, we went from this to this—a place that the people who occupy this home are proud of; a low-income family was able to reside there. They take pride in their community. And as Reverend Brooks, who was part of this effort, said:

Before, there were drug dealers sitting on this corner. Now, we have homeowners hoping to be in these houses.

The Community Reinvestment Act. It changes communities. It changes families. It changes people's lives. It also changes the financial obligations that the rest of us, as Americans, have to support opportunities for people who want to support themselves. They just need a chance. What the Community Reinvestment Act does is, it gives those folks a chance.

I want to show one last photo. We have seen one house. This is a neighborhood. This is located in Durham, NC. This is a neighborhood that, again, has gone from a high-crime, drug-dealers-on-the-street-corner neighborhood to a model community. Can you imagine the difference between the way a family feels when they live in a community where right outside their doorstep people are selling drugs and all the houses are in terrible shape versus how they feel when they find themselves in a community that looks like this? Now they take pride in their community. The children growing up in this community take pride in where they live. It gives them a sense of self-esteem. It allows them an opportunity to have pride in themselves and their family that they otherwise might not have.

Now, there are some simple facts that I will speak to briefly that have emerged from the progress of the Community Reinvestment Act during the time it has been in place. If I could have the appropriate chart, please.

First of all, just since 1993, the private sector lending in low- and moderate-income areas, which is what we have been concerned with, has risen. From 1993, I guess this is the number of loans, 185,014 to 268,463 in 1997. Over a period of 4 years, there is an increase of 45 percent, almost a 50-percent increase in just 4 years, as a result of the Community Reinvestment Act.

The argument is made that—and we have heard a lot of it from Senator GRAMM over the course of the last 45 minutes to an hour—that the Community Reinvestment Act places an enormous regulatory burden on banks, unfairly so.

Well, I think, unfortunately, with all due respect to Senator GRAMM, the facts do not bear that argument out. What we find is that among CRA-covered institutions, when they make an application, for example, when a bank decides they are going to merge with another bank, when a bank decides they are going to expand and open a branch, and therefore they file a CRA application, 99 percent of those applications are never even challenged by community groups. So we start with a base of 99 percent where there is no challenge whatsoever. I would love the comments of Senator SARBANES on this in a moment, if he will. It is my understanding that the banks are not required to keep additional information as a result of this expansion of services. In fact, I think they use exactly the same base data that they kept previously. Is that correct, Senator SARBANES?

Mr. SARBANES. I say to the Senator, that is correct. Senator BRYAN spoke to that earlier, about the effort that was made in the mid-1990s to ease the regulatory burden on the banks.

Mr. EDWARDS. That is my understanding.

So we start with this basic idea that 99 percent of all the CRA-covered applications are not challenged at all. Then of the ones that are challenged, in only 1 percent of those cases are the applications denied. So 1 percent are challenged versus 99 percent that are not, and of that 1 percent, only 1 percent of those are denied.

I think the facts prove that CRA has not been an enormous regulatory burden and that banks, as has been the experience of Senator BAYH, as has been the experience of Senator DODD in Connecticut, and as has been my experience in talking to my bankers in North Carolina, the reality is they do not oppose the Community Reinvestment Act. They simply do not.

As the quote from Hugh McColl indicated earlier, banks take great pride in their opportunities to invest in their community. Our banks are good corporate citizens who do what they do because they take pride in it. They believe in the Community Reinvestment Act. They support it. They are not opposed to it.

Finally, this chart depicts what CRA has done in loans to low- and moderate-income communities. This is as of 1997, $34 billion in small business loans. I think it is really important that we understand we are not just talking about housing. We are talking about small businesses, entrepreneurs who want to get started and just need a leg up, giving them a chance to develop their own business, $34 billion as a result of the Community Reinvestment Act; $18.6 billion in community development, the kind of community development that we saw photographs of just a few moments ago; and critically important to my State of North Carolina—and I suspect Senator BAYH's State of Indiana—$11 billion in small farm loans. That is $11 billion going to small farmers as a result of the Community Reinvestment Act.

Here is what we have. We have a bill that makes a great deal of sense on the whole. We want to expand the services of banks. We believe—at least I believe—that banks ought to be able to engage in those services. But it is critically important that we maintain the viability and the vitality of the Community Reinvestment Act. It is important that we maintain it for a lot of reasons: because we need to support minorities; we need to support the elderly; we need to support low-income families; we need to support people who need or want to start their own small business or their own family farm. It makes good business economic sense for the country.

But what I want the American people to hear from me today, if they hear nothing else, is that this is not some obscure piece of banking legislation that is technical or difficult to understand. This legislation can affect their lives and, in fact, will affect the lives of every American every day because to the extent that we keep poor families together, to the extent that we reduce crime in this country, to the extent that we give people an opportunity to seek out good employment, to get jobs to support their own families—all those things that we as Americans believe in—when we do those things in conjunction, we as a country benefit. And to the extent that we look at it selfishly, we as individuals benefit because those people will not be supported by the Government. They won't be supported by taxpayers. They will support themselves. And the reality is that is exactly what they want. They want the opportunity to support themselves and to know the pride of homeownership. That is what community reinvestment is all about. That is the reason Senators SARBANES, KERRY, BAYH, DODD, and myself believe in it so deeply.

Mr. SARBANES. Will the Senator yield for a question?

Mr. EDWARDS. Yes.

Mr. SARBANES. Let me compliment the Senator from Indiana and the Senator from North Carolina for their very strong presentations and their tremendous contributions to the Banking Committee. They both came on the committee this year, and we are barely a few months into their first session and they have both made extraordinary contributions to the work of the committee and to the work of the Senate. I simply want to say, as one Senator

who has been here for a while, we are very honored to have them as part of the Senate and thankful and grateful to them for the contributions they make.

I wanted to ask the Senator this: In a letter we received from the U.S. Conference of Mayors, which in effect fits in with the point that both Senators were making about the importance of the Community Reinvestment Act—it is signed by close to 170 mayors from all over the country, besides the ones that are trustees and on the advisory board of the U.S. Conference of Mayors—it says:

. . .As mayors, we recognize that CRA has been an essential tool in revitalizing cities around this nation. In fact, there is now increasing recognition that the strength and economic health of whole regions require strong and vibrant cities. Creating new economic activity—new businesses, new jobs, new homeowners—is key to the revival of urban areas and their surrounding regions, CRA has been a key component to creating this new economic activity.

They go on later to say:

Prior to the enactment of CRA, banks and thrifts routinely redlined low and moderate-income neighborhoods in our nation's cities. The modest requirement in CRA that financial institutions meet the credit needs of their communities has led to the successful channeling of billions of dollars into localities.

Then they note that the bill brought out by the committee would severely weaken CRA. They say:

Unless the onerous CRA provisions are addressed and CRA is preserved and strengthened, we would urge strong opposition to the Senate bill.

I raise that with the Senator because it seems to me that it goes to this very point, including the pictures he was showing. We are talking about the elected officials who are right on the front line, so to speak, trying to deal with the problems of their communities, trying to bring them back and achieve revitalization and renewal. They, obviously, have come in feeling very strongly.

Mr. President, does the Senator feel that this is another perspective on the very point he was trying to make of the importance of CRA—not just for the people who directly benefit from it but for the broader community, for all of us, it seems to me, here is, in a sense, an endorsement of the very position the Senator has been enunciating.

Mr. EDWARDS. I think that is a wonderful indication, as the Senator put it, of the people on the ground, on the spot, seeing what is happening on a day-to-day basis, recognizing how critically important CRA is to this country. They see what is happening. I think it goes hand in hand with the fact that the banks—and I might add, I take great pride in the fact that every bank in North Carolina has a satisfactory CRA rating, every single one of them—are helping make a difference.

I think the fact that the mayors are behind it, the fact that the community groups are behind it, the fact that the banks themselves, the financial institutions, are behind it, I think all these things in combination go to prove a very simple point: The Community Reinvestment Act has been good for America. It is good for the specific groups it directly benefits, and it is good for all of us as Americans because it allows these folks to support themselves, which is what they want to do.

Mr. BAYH. Will the Senator yield for a question?

Mr. EDWARDS. Yes.

Mr. BAYH. Mr. President, I echo the words of the Senator from Maryland in complimenting my friend from North Carolina for his eloquence and his insightful presentation on a continued, strong CRA. I observe and I can tell that he has taken his advocacy skills from the courtroom to the floor of the Senate, and the American people are better for it.

I compliment the Senator on his statement, which is built upon what the ranking member said in the statement he read from the Conference of Mayors. The Senator from North Carolina has become a dear friend and someone I have admiration and great respect for. I have heard the Senator mention on many occasions his dedication to ensuring that not just big cities or large institutions have opportunities, but that the farmers and small rural areas across North Carolina are afforded the same opportunities as those in the large cities and in the large financial institutions.

My question is this: Very often, this financial modernization bill is portrayed as something that just Wall Street and big institutions are interested in. The Senator touched on this briefly, and there is one thing I was hoping he can expand on. I wonder if his experience in North Carolina is the same as ours in Indiana, which is that CRA can be an engine for making sure that farmers and small businesses in rural areas are afforded the same kinds of opportunities as the mayors indicated the cities enjoy.

Mr. EDWARDS. I thank the Senator for his kind comments. He and I share the same feelings about each other. We share a lot of the same beliefs and values. There is no question that in the State of North Carolina we have had the same experience they have had in Indiana, which is that the Community Reinvestment Act, in fact, reaches out into rural, underserved communities, to small farmers, small businesses and communities that are chronically and economically disadvantaged and so desperately need its help. I think it is another example of how well the CRA has worked.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Wyoming is recognized.

Mr. KERRY. Will my colleague yield for a question?

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

Mr. KERRY. I would like to ask a question.

Mr. ENZI. The Senator doesn't even know what my statement would be. It would be difficult to yield for a question based on what I haven't said yet. There is a little bit of smoke that needs to be cleared out of the Chamber before we proceed.

Mr. SARBANES. Mr. President, I think the Senator was just asking you to yield in order to determine the procedure.

Mr. KERRY. I was just going to ask the Senator how long he was going to speak.

Mr. ENZI. I apologize. I have been listening to a lot of statements made, and I probably reacted in a way that I should not have.

Mr. GRAMM. Will the Senator yield?

Mr. ENZI. I will yield for a question, yes.

Mr. GRAMM. Mr. President, I will make the following point. We go back and forth to try to keep some balance in the debate.

I think when people have a real question that it is a logical thing to do. But when questions used really disrupt the flow of the debate so that you have long periods of time on one side of the aisle, I don't think it is quite fair. Obviously under the rules we can do it, but it can be done on both sides.

I would like to just suggest—we are going to vote on this at about 7 o'clock. We have plenty of time. Everybody can be heard. I would just like to suggest that we go back and forth. Everybody will get a chance to speak.

I urge our colleagues, if you have a real question on something you don't know—other than, ''Do you realize that our proposal is a great proposal and their proposal is a rotten proposal?''—yes, I realize that—if you have a real question, I think it makes sense. But in fairness to what we try to do in going back and forth, I urge people to wait for their time to speak so we have debate on both sides of the aisle. That is my point.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming has the floor.

Mr. ENZI. The answer to the question of the Senator from Massachusetts is, I think about 10 minutes.

Mr. KERRY. I thank the Senator.

Mr. SARBANES. I ask unanimous consent that when the Senator from Wyoming concludes that the Senator from Massachusetts be recognized.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Wyoming.

Mr. ENZI. Mr. President, I thank you for the recognition. I appreciate this opportunity to speak.

There is a certain amount of tension that builds up as you listen to some of the comments. The comments have been very good about CRA, the Community Reinvestment Act, in general, and in general nothing is going to happen to that CRA. The Community Reinvestment Act will still be in place. There will still be community reinvestment.

There are two changes in this bill that have been suggested. They make some changes. They make some important changes that may make CRA more viable, more valuable, more productive, and more useful.

There has been a tremendous escalation in the number of dollars being given in CRA commitments. We note that in 1995 the annual dollars were 26 million, almost $27 million. In 1998, the annual dollars were 694 million.

What do you suppose caused the increase? Are banks just discovering this? I don't think so.

A while ago you had the opportunity to listen to some of the contents of an agreement that was necessary in order to move on in a banking arrangement. There are a lot of clauses in that which are pretty disturbing to me.

It has been said that you are not hearing from the banks. If that letter has been used by many groups—you can see by the numbers that it is rapidly escalating—how many groups are being brought into this? There is a clause in that which says they cannot complain about CRA. That is freedom of speech? You cannot complain about somebody extorting money from you?

When banks are merging, there are a lot of stockholders who are nervous. There are customers who are nervous. They do not know whether they want to stay with the bank or not just because of the media turmoil that is caused by the merger.

Then you have a group coming in to take advantage of that crisis moment, that interest moment. They raise an issue. The bank isn't found to be out of compliance; the bank is in compliance. Under this bill, they have to have been in compliance for 3 years. For 3 years they have been following this.

We had some discussion earlier that there are audits done on this. They are checked on. It has always been shown that the ones that are most likely to be involved in this, the bigger banks, are also the best respondents. But there is a clause they have that says, first of all, they are not going to complain about CRA; second, they are going to write this Congress and say what a good deal CRA is.

Does that sound like a normal business transaction? Does that sound like something that businesses ought to be involved in?

If these things are really invalid actions by those banks, they ought to be taken to the highest level and the highest opportunity to punish. But that destroys the value of the company. So they enter into agreements like this and send letters that say that the CRA is OK.

This bill does not gut CRA. It keeps the same program in place. If a bank, which is audited regularly, has met the criteria for 3 years, and meets it at the moment, then actual objections have to be lodged. It seems like common sense to me. It doesn't sound like doing away with the program. It is just common sense.

Small banks were mentioned. There is a change for small banks in here, too, if they have under $100 million in assets. I think if any of you look into banks, you will find that it is a very small bank that has five or six employees. You will probably find that one of those employees is dedicated to just doing CRA—doing CRA so they can prove that they don't have a problem. It is only rural banks.

We have had these letters from Fort Wayne and some other cities. Those aren't rural banks. I don't care what their asset base is. They don't get this advantage.

We are talking about the very small communities. I have those in Wyoming. Those very small communities, even if they only have one or two employees, have to have somebody dedicated to doing the CRA. It is a paperwork experience. They are having to fill out paperwork to prove that they are not in violation in a community where there may not even be minorities. So they cannot rest as well, because they don't have a classification they can meet in their customer base in their community.

Three-fourths of the banks are rural banks. It was said that we had an amendment that put that at $2 million. I also want to point out a comment that was made about these small banks. There were over 16,000 of them audited for CRA. There were three out of compliance. According to my record, there were three out of compliance. There are some that get lower ratings, and I have explained why they are lower ratings. But even if they were considerably more out of compliance, it is not good auditing to do it under that basis.

I am an accountant. I am the only accountant in the Senate. When you have criteria for auditing businesses, you come up with higher statistics than that kind of a base, or even a higher base than that. You have to. Otherwise, you are wasting resources.

What I am saying is that some of these benefits that are talked about may not have been worth it even on the basis of the auditing costs. We are talking about the basis of the business cost as well complying with this law.

These banks are community banks—rural banks. In Wyoming, the bank may be 100 miles from another bank. Who do you think they serve? People from other States in the Nation don't mail their money there. It is the people who live in that community, and they expect and they get service, or the bank goes out of business.

We have heard some statistics about how business has increased because of the CRA. We have heard statistics about how loans have increased because of the CRA. Take a look at the timeframe. It wasn't the CRA that drove up the number of people buying houses or drove up the opportunity for more people to go into business. It was the interest rate. The interest rate plummeted. More people could make house payments. More people bought houses. It wasn't that the banks were being forced into this; the banks are already precluded from having to do bad loans. They are not loaning to just anybody who comes in the door. They are just doing a lot of paperwork to show that the loans they are granting are valid loans and the ones they are not are not valid loans.

The economy makes the difference in whether new businesses start and whether people buy more houses. The exemption for small banks will solve some problems for small banks, and it probably ought to be a higher amount than that.

Again, if you are looking at auditing statistics, you could double or triple that number without affecting the numbers that are out of compliance; hardly at all.

I want to reiterate again that that amount of extortion to the big banks has gone from $27 billion up to $694 billion. That is going to be something on an ever-increasing basis. As more people get into the business of taking on CRA, taking a base and a commission off of that, none of this goes to the sector of the community we are talking about.

CRA is important. CRA is included in the bill. CRA only makes two changes. It does not gut the bill. There are two changes: One for small, rural banks so we don't have to spend so much annually complying with CRA and they instead can put it into their community, which is where they put their money; the other one is for the big banks so they don't have to write these required letters we heard to their Congressman saying they don't have any problem with CRA.

This is not an attempt to gut CRA. This is an attempt to make it more valuable, more useful and more applicable in the banks.

I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, I thank particularly the Senator from Maryland, the ranking member, for his leadership on this issue. I regret that the

Senate is in the position it is in on this particular bill.

I have previously supported financial modernization. We have voted on it in several incarnations. Last year I was among those who happily sent this bill, what was then H.R. 10, to the Senate with a very significant vote of support in the Banking Committee, because we believed overwhelmingly that we had the right balance between the interests of the financial services community, whom we are all concerned about and we all understand need the needs of that community; at the same time we had what most people thought was a very fair and sensible recognition of the virtues of the CRA.

In the waning hours of the last Congress, all Members remember there was a single, very adamant voice of opposition, the now chairman of the committee, who in fairness has deep-rooted beliefs about it, but who frankly stood in a very, very small number last year who ultimately, because of the timing of the bill, was able to prevent an entire bill from passing the Senate.

Now we are back here once again revisiting the important imperatives of financial modernization. This year many of us who want to vote for that financial modernization are put in the very difficult position of having to take a position of fundamental principle that because we believe so deeply that the CRA provision is so disturbed by this bill that a strong relationship that has existed and worked with a profound, positive impact for people in this country, is being sufficiently undone, even attacked, and requires that we oppose the bill in its current form.

I am used to going through Pyrrhic exercises in the Senate, regrettably with increased frequency. It is a sad commentary on the nature of the legislative process today that sometimes measures move through here in a very partisan way and then we ultimately wind up in the conference committee with the administration negotiating and things are changed.

That may or may not happen here. It certainly didn't have to be this way. We could have arrived at some kind of fairminded compromise that reflected the views of the vast majority of Senators. Instead, we find ourselves with a bill that is not just about financial modernization. It is also about a significant reduction in the capacity of the Community Reinvestment Act to work. Many Members believe very, very deeply we can do better than that.

I think we obviously need to recognize that U.S. financial institutions as a whole are the most efficient providers of financial services in the world today. There have been remarkable changes in the marketplace in the last years. All Members ought to pay proper tribute to the virtues of the entrepreneurs who have themselves undertaken to put those changes in place.

I don't think Congress can stand here with a straight face and take entire credit for the virtues of the economy that we are living in today. I do think we take partial credit because I think it was a courageous effort in 1993 to face up to the realities of the deficit and to come up with a solid deficit reduction act. In addition to the congressional efforts, Alan Greenspan, the chairman of the Fed, deserves enormous credit for his courage during the banking crisis of the last years of the 1980s and the beginning of the 1990s when he took bold action to help refinance the banks, as well as his remarkable stewardship of monetary policy itself.

Finally, it seems to me a very significant amount of the credit goes to the companies themselves and the CEOs who saw a change coming down the road, who responded to the demands of the 1980s when people were writing books about Japan, Inc. and writing off American enterprise and suggesting we needed a wholesale adoption of another model. Indeed, our model has proven perhaps at times to be excessive and at times even to be insensitive, but nevertheless to be way ahead of any other capacity or structure in the world in the marketplace.

Increasingly, one of the reasons for that success has been the blurring of the lines between banking, insurance, and securities. We need to do our part. We are way behind the curve, years behind the curve. Were it not for the thoughtful and judicious steps taken by the regulators themselves without congressional impetus we perhaps wouldn't have been able to accomplish some of what we have.

Now is the time to respond by breaking down the artificial legal barriers of an outdated era, the barriers that prevented banks, security firms and insurance companies from affiliating. It is time we take the step to ratify the liberation of financial service companies so they can provide a broader array of services to consumers and corporate customers. I don't think we should hesitate to do it. This is several years overdue.

It is regrettable that we find ourselves in this position, after the Senate Banking Committee overwhelmingly by a 16–2 vote passed legislation. That is a fairly profound statement of the Senate Banking committee's willingness to move forward.

Here we are again, notwithstanding the challenge of financial modernization, with too many Members having to say no to moving forward because of the extreme measures being applied to the CRA itself.

That judgment is not ours alone. The Treasury Secretary, whose expertise and judgment over the last years, I think, has been without parallel, and the President of the United States, clearly on Secretary Rubin's recommendation, have stated that if the CRA measure stays as it is, this measure will be vetoed. Very simple: It is going to be vetoed.

We have a choice. We can either take a look at the CRA and make a judgment about what it accomplishes or we can go through another Senate exercise, send the bill out for veto and accept failure in the end for our capacity to be able to recognize the importance of the vast changes that I referred to a moment ago.

Let me say a few words about the CRA, if I may. The CRA is now more than 20 years old. It is very straightforward in concept. It is imminently reasonable. It says simply that banks have to provide credit to all the communities in which they take deposits. In other words, if a bank accepts deposits from a neighbor, that bank has some kind of responsibility to make loans available to creditworthy borrowers in those neighborhoods. That is common sense and it is fundamentally fair. This statement of reciprocity, of mutual responsibility, says an awful lot about the kind of country we want to be and the kind of country we are as a consequence of that kind of effort.

Let me speak for a moment to what the CRA has accomplished. It has helped to make more than $1 trillion in good, profitable loans to low-income areas, loans that bankers in my State and in States all across the country have said would not have been made without the law. It has given low-income communities of working families access to capital that is absolutely crucial to start a small business or to buy a home. And it has created new business opportunities for the banks themselves.

I would say that CRA is a fundamentally conservative, procapitalist law because it is not a handout; it is not something for nothing. It requires responsibility. It broadens the tax base. It broadens the capitalization capacity of a community. It brings people into the economic mainstream. It is a law that provides that all Americans, low- and moderate-income Americans, very often African Americans or Hispanic Americans, with the opportunity to buy a home or build a business if they are creditworthy.

The law is very clear on the last point, about creditworthiness. Loans have to be made with all of the normal concerns for safety and for soundness. The act itself could not have been more clear on that. It says that it has to help meet the credit needs of the local communities from which it is chartered, ''consistent with the safe and sound operation of such institutions.''

So, when the chairman of the committee says it is just an extortion program, I think there is such a level of extreme exaggeration and rhetoric in that, measured against what happens —and I will speak for a moment later

to the question of extortion—because any bank has the ability to prove that any particular request was not able to meet the requirement of safe and sound operation of that institution. It is clear there are plenty of ways of doing that. And the balance of the weight is on the bank; it is really against the person requesting the credit, based upon the normal standards by which banks do business.

If you talk to most bankers, they will tell you the CRA loans perform as well as the rest of their portfolios. We are not looking at some enormous drag on banking institutions. In fact, some banks have begun to sell CRA loans on Wall Street in order to acquire more capital to make more CRA loans. Those are market forces that are being harnessed to expand opportunity and to grow our economy.

Here in the Senate, lately, we have heard a lot of talk about the ''opportunity society.'' The fact is, the Community Reinvestment Act exemplifies that notion. Credit is the economic lifeblood of every community, whether it is rich or poor. In our society, I think it is fair to say that historically we know that credit denied is also opportunity denied. When you deny hardworking Americans the chance to buy their own homes or start their own businesses, you are denying them the opportunity to share in the American promise.

This is a country where we have demanded a lot of our citizens. We expect them to make the most of their own lives, to take responsibility for themselves and for their families—largely because of the kinds of public policy decisions we have had the privilege of supporting here in the Senate with respect to this kind of economic sharing, if you will. We say to Americans: If you take the effort to live by the rules, to show your creditworthiness, to stand up within the economic structure, then we have the ability to help provide some of the tools to build that decent life for yourself. CRA was built on that.

But what we are considering today—and I heard the Senator from Wyoming and I have heard other Senators try to suggest this is really just a fixing of the CRA, that it doesn't really take it apart, it is going to leave it in place; we are just going to take, whatever, about 38 percent of the banks out from under it—those are the banks under the $100 million mark—and then we are going to make it a lot more difficult to apply any real measurement because we are going to change the standard by which we measure a violation; and, we are also going to change—according to the chairman—we are going to exempt banks from protest based on a 3-year satisfactory CRA record no matter what. And of course for the new activities we are empowering in this bill, it doesn't apply at all.

If ever there was a reason to make judgments about whether or not people are in compliance, it is when they are going to go out and engage in new activities that involve a whole series of new, larger roles within the economic community.

It seems to me it is inconceivable that, when they are going to take on those new kinds of responsibilities, you are suddenly going to say: We are not going to apply it; we are going to hold it where it is based on the theory of what CRA is supposed to be.

There is a reason that there is this kind of semi-subtle approach—I would not call it that subtle in the end. It is sort of a sledgehammer, but it is hidden enough in a way that people who are not completely familiar with it or with the process might say there are some redeeming factors here. But the fact is, the reason it is done in this sort of backdoor approach is that they learned they cannot do a frontal assault. They are not going to strike it altogether. It does not give people enough cover. So then you are left sort of analyzing: What is it that it is really going to do? What is going to happen here, in terms of this effort?

I believe the Bryan amendment will preserve the appropriate relationships by simply requiring that banks have and maintain a satisfactory CRA rating as a condition of exercising the new affiliations allowed in this bill. The Bryan amendment also strikes the safe harbor language and the exemption from CRA regulations for banks with less than $100 million of assets.

I listened to the chairman in the committee and I addressed this directly—raised this issue of extortion. I acknowledged at the time, and I will acknowledge on the floor, that I know of instances where people have come into a bank at the last minute, or at the moment of a merger, feeling the iron is hot, and of course when the bank wants the merger to move—carefully and without ruffled feathers. When the banks don't want the regulators suddenly getting their dander up at this critical moment of merger. So people take advantage of this opportunity.

Let me say, I know of some instances where there have been some marginally meritorious requests. But the record of the numbers of challenges—and I will address that in a moment—is very clear. It is so de minimis that no one can come to the floor with anything except pure anecdote, sort of a story here or there, that suggests that somehow there is some massive problem. What bank does not deal with community groups, all the time—this is not some sort of a last minute thing where there are a bunch of unknown people sitting at a table who can walk into the bank and the newspapers and the local television are all going to take them seriously. We are dealing, after all, with communities in which there are sets of relationships which everybody understands.

Most of the people within that community—the political leaders, the elected political leaders, the opinion leaders, the bankers, the businesspeople, the news people—understand the difference between legitimacy and extortion. They understand the difference between a community that is getting its fair share of community investment from a bank and a community that has been starved.

The fact is, if somebody is walking in, in some sort of bald-faced ''extortion effort,'' the bank can tell them no way and probably stand there with impunity and justification in doing so. If some banker is complaining about some illegitimate group coming in and holding them up, then that banker, frankly, ought to be fired for not having the courage and the guts to say: Look, we are meeting our standards. We have covered all the people who have made legitimate requests. Your request is not legitimate. It will not withstand the scrutiny in the light of day, and I am not going to be blackmailed, period.

Moreover, there are laws in this country already on the books, Federal laws, State laws and local—within counties—which district attorneys can prosecute with respect to those kinds of extortion efforts.

To suggest we are going to hold up the financial modernization efforts of the United States of America in a global marketplace over these anecdotal stories and not be able to find a common ground where we could fix or address the question of legitimacy—there are any number of language changes you could make in the standards or in the review process or in the process, all of which would be adequate to deal with the questions that the Senator from Texas has raised. But none of those is on the table, none of them. What is on the table is an entire exemption for a whole set of banks for whom this has worked very effectively. Moreover, what is on the table is an exemption of any consideration at all for these remarkable new powers that are going to be given to the banks which demand that you make some kind of judgment about what their commitment really is in their community.

You can talk to most of the bankers in the country right now.

The Wall Street Journal summed it up this way:

> Few Republicans share (the Chairman's) passion for the (CRA) issue. Bankers don't love the CRA but have largely made their peace with it. . . . ''CRA is part of the way we do business—we don't have any problems with it,'' says Pamela Flaherty, a vice president at Citigroup, Inc.

It is not industry leaders or community leaders who are driving this effort to undermine the CRA; it is the tendency in this Chamber and in our politics for ideology sometimes to work

against the needs of communities and the interests of good public policy. When you measure what we are doing against the broad-based effort of the House of Representatives and the House Banking Committee to develop a more broad-based effort, you have a real confrontation with that approach.

If you look at some of the language we have heard about the CRA—comparing it to slavery—that is the kind of statement that just ignores the reality of what the CRA has accomplished.

The CRA, accepted by most bankers in this country, supported by people like Alan Greenspan, supported by major bankers in the country, has brought billions of dollars of credit into African communities, Hispanic communities, and Asian-American communities where thousands of banks have become active partners in creating opportunities for working families so they can become new homeowners and by providing the capital to budding entrepreneurs.

Slavery? That is an extraordinary comment. Too many of our colleagues are willing to forget the redlining and the racism that plagued lending in too many low-income communities in previous years. Before 1977, when the Community Reinvestment Act became law, many financial institutions believed they had absolutely no responsibility to the communities they served. Some financial institutions accepted racial and economic discrimination as part of their mortgage credit and business lending policy. It is because we found that too many banking institutions saw an ease to the profit line by moving into certain areas and an unwillingness to do business and reach out to Main Street with access to credit that we put the CRA in place.

Studies from that time period show that some financial institutions routinely invested more than 90 percent of their deposits that they received from low-income and minority neighborhoods into other areas. Ninety percent of the deposits that came from certain low-income communities went out to other areas. We have a fundamental responsibility not to start segmenting and dividing up the financial marketplace in a way that is going to allow people to turn away from that responsibility of inclusion that has benefited everybody in this country and has made this country a better place.

In Roxbury, MA, a low-income minority neighborhood within the city of Boston, only 20 percent of home sales were financed by financial institutions between 1975 and 1976. But in the prosperous suburbs of Boston, 83 percent of home sales were financed by financial institutions in the same time period.

The residents of Roxbury who were able to obtain financing were forced to use private mortgage companies, often at substantially greater expense than at financial institutions. The cost of denying private mortgage credit and business lending was literally devastating to the social and economic growth of Roxbury and other low-income neighborhoods in the inner city and in rural areas. Over time, property values and small business activity plummeted, and then crime and poverty escalated.

We can recreate that cycle if we want to go backward in time, Mr. President. Activities like that are exactly what brought the Congress to pass the Community Reinvestment Act in 1977, to encourage bank and thrift regulatory agencies to help meet the credit needs in all areas of the communities that they serve.

I don't think we can afford as a nation to roll ourselves back to those days when it was more power to the powerful, more money to those who already had the money, and less concern and less effort to try to be the country that all the speeches are about and all our days of celebration are about.

CRA has worked in Massachusetts where there has been more than $1.6 billion in commitments made by financial assistance institutions to assist low-income neighborhoods. These funds have been invested in home ownership, affordable housing development, minority small business development, new banking facilities and services, and it has made a difference in our inner-city neighborhoods from Roxbury to Jamaica Plain to the South End. Let me give a direct example.

Stacy Andrus, from Jamaica Plain, Massachusetts, was a restaurateur struggling to make ends meet and retain her clientele in a competitive environment. She knew she had to be creative just to keep pace. She began toasting chips out of pita bread to serve as finger food before meals. As one might expect, those chips soon became the most popular item on the menu.

Like so many businessowners who know they have latched on to a great idea, she wanted to expand the operation. She tried to bring the concept to scale, but capital and credit were not available to her; they were not available in Jamaica Plain. Even though their deposits went into the bank, they did not come back into the community.

She could not find the help she needed until finally she started working with the Jamaica Plain Neighborhood Development Corporation. This corporation works within a network of small business providers that use CRA programs at local banks to secure funding for small businesses. With their help, Stacy obtained a $60,000 loan from BankBoston. As a result, her business expanded rapidly: She has leased a production plant in Jamaica Plain; she has residents of the low-income community working for her; she has put former welfare recipients on the payroll; she has 900 bags of chips rolling off the assembly line every single day. Thanks to CRA she has now made them one of the top selling gourmet snack foods in all of Boston, and she has major airlines interested in serving her chips to first-class customers. Without the CRA, Mr. President, the community of Jamaica Plain would not have received those kinds of benefits from economic development that has been generated. In addition, it is also giving low-income communities a shot at home ownership.

Julie Orlando is a single working mother of three. She wanted to buy a home for her family in Leominster, MA, which is Northwest of Boston. In the days before CRA, she would not have possibly been considered a likely candidate to own a home, but because the Fidelity Cooperative Bank was involved in the CRA coalition, she was able to obtain a $72,000 mortgage with no points. The city of Leominster provided additional assistance to Julie and her family. Because the Fidelity Cooperative Bank participated in the CRA coalition, she and her children can live with their first home, which is, after all, Mr. President, not just the American dream, but it is good for the community.

How many times have we heard of the problem of crime that comes from transient members of the community, people who do not have a stake in the community. That is exactly the type of assistance that CRA was designed to provide.

It is my hope we are not going to take measures here that deny a whole generation of CRA success stories in the future. The CRA and the Home Mortgage Disclosure Act data continue to show that blacks and Hispanics face significantly higher mortgage rejection rates.

The Boston Federal Reserve showed conclusively that African Americans get turned down for a mortgage 1.6 times more often than whites, even after you control for many of the economic income and creditworthiness differences.

A New York Newsday study, looking at 100,000 mortgage applications on Long Island, showed that blacks' applications were rejected three times as often as whites', even when they had the same income.

In a study right here in the Washington, DC, area, completed last year, we found that significant lending discrimination exists against blacks and Hispanics.

Mr. President, the need for the CRA remains very much alive in the United States. Let's put the rhetoric aside. Let's put the ideology aside. Let's find the common ground within the Senate whereby we can guarantee that we can build a coalition that will support the best of financial modernization and the best of our effort to broaden the economic base of this country.

I might add, some have suggested there is sort of a legalized concept to what has been called the ''legalized extortion.'' In fact, some people have suggested that the regulators have assisted that process.

Let me say, Mr. President, I find it very hard to believe that people would suggest that Alan Greenspan, the Chairman of the Federal Reserve, for whom we have—all of us—such respect for, is complicitous in that process. This is what he said about the CRA:

> . . . the CRA process is something that we clearly have been supportive of and think is crucial and necessary to the development of communities. We think that it's in the interest of the banks. We think that it's in the interest of communities.

Mr. President, the data from the regulators—let me just close on this—the data from the regulators is clear. The chairman of the Banking Committee wants the Senate to fundamentally weaken CRA. He will stand up and argue, this is not taking it away. He is going to try to point to the exemption for the small banks. And he will come back to the notion that it somehow is still in effect, even though it does not apply to the new services that will be provided, and even though the 3-year safe harbor provision is included.

But the fact is, that fewer than 1 percent of bank applications have been receiving an adverse CRA comment. Fewer than 1 percent of the 660 applications that received the adverse comment were denied on CRA grounds—1 percent of the 1 percent. Not a single application receiving adverse comments has been denied since 1994.

So here we are with the entire regulatory structure of our modernization effort of the financial services of our country held hostage to a few people's perceptions, based on ideology, of 1 percent of 1 percent, notwithstanding that all of the banks in the country have learned that this is, in fact, good economic policy, good banking policy, and they have accepted the CRA.

It is my hope that our colleagues will recognize that, even as this country has grown strong and the economy and the marketplace has grown, even as the stock market is reaching the extraordinary 11,000 level, the fact is that there are more Americans who are poor, there are more Americans who are living on 1989 wages, there are more children in poverty today than there were 3 years ago or 4 years ago in this country, by a figure of about 400,000, and the fact that too many families are working too hard at the bottom level just to make ends meet.

For us to backtrack on a fundamental commitment about the relationship of financial institutions within the communities in which they do business, would be to turn our backs on what has made America stronger and better. And I hope my colleagues will not do that. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Texas.

Mr. GRAMM. Mr. President, you will hardly know where to begin when you have listened to these speeches for a couple hours, and most of them have nothing whatsoever to do with what we are talking about on the floor.

It reminds me of the old Lincoln adage, where Lincoln was engaged in a debate, and the guy debating Lincoln got up and gave a wonderful speech that had nothing to do with the subject being debated; and Lincoln got up and said that his colleague had given a wonderful speech that would be appropriate for another day and another occasion.

I want to go through, roughly, 10 points that have been raised in all these speeches, and then go back to what we are debating.

No. 1, we have had a lot of speeches for CRA. And one would get the idea in listening to these speeches that someone is proposing to repeal CRA. In fact, as far as I am aware, no one has ever offered an amendment or bill since 1977 proposing repeal of CRA.

Whether the record for CRA is as wonderful as our colleagues have claimed, have we built more houses because the economy is better or because of CRA? Who wants to get into that debate? Because it is not relevant to what we are talking about, nobody is talking about repealing CRA.

No. 2, nobody is talking about ''turning back the clock.'' What we are talking about is dealing with abuses that exist in the current system, and that can and should be fixed. One of those abuses basically has to do with extraordinary power that protesters and protest groups have at critical moments when banks are trying to make decisions. The second has to do with the relevancy of CRA, and which banks under what circumstances have relevant requirements, and what are the regulatory burdens and costs involved.

In terms of a point that was made way back so many speeches ago—I forget which one it was—that in 99 percent of the cases where banks apply to do something that requires CRA evaluation, nobody challenges that action, that is a very misleading number, really, for a number of reasons.

First, most of these applications concern the opening or closing branches. They are not very relevant. It is basically the mergers and acquisitions that are relevant to CRS protests.

Second, as I have pointed out on many occasions, most of the CRA action takes place not in the formal complaint, but basically when the protester goes to the bank threatening that unless the bank takes certain action, often giving that person money, that they are going to file a complaint. So it never shows up in the statistics. So that is all interesting but largely irrelevant.

One of our colleagues said that I said, or someone had said, that CRA is just an extortion program. No one ever made that statement. What I have said is that CRA has become a vehicle where a tremendous number of actions occur that certainly look like extortion. When you look at contracts that are being signed, these individuals and groups are given large sums of money, and then they sign a commitment that they will withdraw their objection. That is a classic quid pro quo, that is the essence of extortion or bribery or kickbacks. There are a lot of names you can use. But no one has suggested any of them in this debate. Many, most, almost all of the people involved in CRA are conscientious and honest.

We are talking about people here who are abusing the system. And even spokesmen for CRA, even spokesmen for community groups, say there are abuses, that the abuses undercut the system. As everybody who is on the Banking Committee knows, when the CRA advocates testified before the Banking Committee, a clear point was made that abuses do occur. They called the abuses ''greenmail.'' I think the standard term is ''blackmail,'' but nobody disputes that they occur. What we are trying to do is to deal with them.

In terms of half the banks being out of compliance, half the banks being affected, there isn't any proposal that would let half the banks out of CRA. Basically, the proposal in the underlying bill is that banks with less than $100 million in assets and which are also in nonmetropolitan areas, in rural areas, that these banks be exempt from CRA. Now, why?

First of all, since 1990, over a 9-year period, there have been 16,380 examinations of these small rural banks; 16,380 times Federal regulators have gone to these rural banks. They have sat down for days and weeks, looking through their records. They have done reports to determine whether these rural banks are lending in their community and meeting their community reinvestment requirements.

After 16,380 examinations, only 3 banks have been found to be substantially out of compliance. The cost of complying with CRA for these examinations to the small banks has been roughly $80,000 a year, according to the 488 letters we have received from small banks on this subject.

That is $1.3 billion of cost imposed on small banks. I have read at great length letters about how small banks can't serve their customers because they have to do all this paperwork and how it is interfering with community lending. I have read some passionate letters on this subject on the floor of the Senate in this debate. I am not going to reread them now.

The point is, $1.3 billion later, 16,380 examinations later, crushing paperwork, cost burden on very small banks, many of them between 6 and 10 employees, $1.3 billion of costs banks have paid, and only 3 small rural banks have been found to be substantially out of compliance.

What does our bill do? It exempts from CRA very small, very rural banks. In total, in terms of the number of banks, that is about 38 percent of the banks in America. In terms of available capital, as you can see from this chart, that is 2.7 percent of all the assets in all the banks and S&Ls in America.

Now, the logical question is this: 44 percent of our auditing effort is going into banks that have only 2.7 percent of the assets, and they have been found to be substantially out of compliance only 3/100 of 1 percent of the time. Is this not massive regulatory overkill? What does this have to do with meeting community needs for loans? If there has ever been an overreach in regulatory terms, imposing $1.3 billion of cost on little banks and little communities to turn up three banks in 9 years that have been substantially out of compliance, this is regulatory overkill. We are trying to fix it.

In terms of exemption based on a 3-year record, one of my frustrations in debating on the Senate floor—and I guess all of us can be accused of doing it; I try to, at least within my own mind, be careful about things I say. I try to put my argument in the best light I can. Everybody else does. I try not to say things I don't believe to be true. But we continue to hear these things like, if a bank has been in compliance three times, they are exempt from CRA. That is not what our bill does.

Here is what our bill does. Let me explain the problem. In fact, let me have that quote from the law professor at Cornell. This quote is from Cornell law professor Jonathan Macey. Jonathan Macey is one of our Nation's premier experts in banking law and is very knowledgeable in this whole area of application of CRA. In evaluating what is happening, this is basically what he says:

> You see really weird things when you look at the code of Federal regulations . . . like Federal regulators are encouraged to leave the room and allowing community groups to negotiate ex parte with bankers in a community reinvestment context. . . . Giving jobs to the top five officials of these communities or shake-down groups is generally high up on the list (of demands). So, what we really have is a bit of old world Sicily brought into the U.S., but legitimized and given the patina of government support.

Let me see those CRA agreements, if you will stack all those back up there one more time. I am going to zip through them real quickly.

One of our problems in evaluating what happened to the $9 billion of cash payments that were made under CRA—something never contemplated; nobody on the Banking Committee in 1977, I don't believe, thought CRA would ultimately produce cash payments being made to individuals and to groups; they thought, as we have heard arguments all day, that CRA is about lending—we don't know where all this money goes. We don't know what percentage of rake-offs, for example, these groups get on loans banks make, because we don't have the records. These CRA agreements are confidential; they are not made public. That is something later that we hope to change.

But let me just say, I have three pieces of CRA agreements. These are all private agreements where the parties have agreed not to make them public. We have redacted the names to protect the people who committed not to make them public.

The point I am trying to make here is how far away from lending, as we conventionally know it, this is.

This is from Bank A: Provide blank—this is the CRA group—with a grant of up to $20,000. Provide blank with a grant of up to $50,000. Provide blank with a grant of up to $25,000. And on this one they say why: to pay reasonable and necessary soft costs incurred. Provide blank with a grant of a reasonable amount.

And then after they agree to pay that money, look at this provision: Blank agrees to withdraw on the date hereof the comment letter, dated blank 28, 19 blank, and any related materials filed by blank with the Office of the Comptroller of the Currency, the Federal Reserve Bank, and the board—and it goes on.

The point is, on one page they give all these grants to groups, and then on the second page the groups agree to withdraw the complaints they filed against the action the banks want to make.

Here is the point: Did the groups file the complaints to get the money? What about the legitimacy of the complaint? Did it go away when they got the money?

It goes on. We are getting more and more of these every day. Then, in every one of these agreements we have seen, there is an agreement by the community group or the individual and the bank not to disseminate or otherwise make available to the public copies of this agreement.

Here is a second bank agreement, Bank B: Blank will receive a fee of 2 and three quarters percent of the face amount of each program loan made by blank.

Now, I wonder if people in that community realize that this undisclosed individual, or group, is getting a rake-off of 2.75 percent of the face value of every loan that is being made by this bank. Blank will receive a $200,000 fee as reimbursement, $100,000 payable fund, execution and delivery, $100,000 6 months from now. That is the quid. Here is the quo: The group commits to withdraw all pending protests of regulatory applications and related matters, but not to sponsor, either directly or indirectly, to protest or supply information in connection with any protest relating to the pending or future blank applications with bank regulators.

In other words, it doesn't matter what abuses the bank might do in the future. They are never going to protest again because of this. At the request to send letters to the customers of the bank—well, let me go on. Not only do they agree never to protest again on any issue, but they agree to purge the files and data bases of all information relating to the bank's customers.

Now, it goes on: to immediately cease all activities directed against the bank; to maintain the confidentiality of this agreement—they have confidentiality again here—and then: to cooperate with the community group, to help them use this agreement to leverage other financial institutions to get money from them. In other words, not only are they paying this money, they are going to help them get other banks to pay it.

It is funny how little things grab you. Maybe it is just me, but this one hits me the hardest. I was wondering why we were getting these letters from banks in favor of CRA when the bank officers were telling me—and in some cases saying publicly—that CRA was blackmail. Yet, I was getting letters from these banks saying CRA is great. Well, here is the reason:

Blank will work with the blank to establish a clear, written declaratory statement indicating support for the Community Reinvestment Act and the Home Mortgage Disclosure Act, and the party's opposition to any attempts to weaken the law. Blank will send the final copy of this statement to the blank.

In other words, they will let them go over and rewrite the letter they are going to send. And they are going to send the letter to the American Bankers Association, Federal Reserve Board, Office of the Comptroller of the Currency, the whole congressional delegation of their State, and to all members of the House and Senate Banking Committees.

So, Senator BENNETT, when you got a letter from this bank telling you that CRA is the greatest thing that has ever been, you probably did not know that was the result of a CRA agreement so that a bank could do business in America. And we are not talking about Honduras; we are not talking about Thailand. We are talking about the United States of America, and we have banks—some of the richest and most powerful institutions in America—that are having dictated to them at this

very moment that they have to write us letters telling us things they do not believe. How is that happening? How can that be happening in America? I ask you, how can it happen?

Not only is it happening, it is being condoned because, as the law professor from Cornell said, we have given the patina of Government support to something that if it happened to an American bank in Thailand, we would file an unfair trade practice against them.

So when you are getting all these letters telling you how wonderful CRA is from banks, remember this agreement. In fact, I received such a letter from a particular bank. Fortunately, to show you this is a very good and honorable bank, they say in their letter they have been forced to send this letter as a result of a CRA agreement.

I discovered this letter because there was an editorial written attacking the bill quoting this bank, or this letter, interestingly enough. There was an editorial written quoting a letter from First Union Corporation, a wonderful, great bank. They were quoted in the editorial as saying how great CRA was and why we should not be making any changes to the bill. Well, I said I want to see this letter. So we got the letter. Let me read the first paragraph:

> As part of a CRA pledge we made during our merger with CoreStates, First Union National Bank committed to send a written statement to certain individuals or organizations clearly expressing our position on CRA and HMDA regulations. We, as an organization, are very committed to serving all of our communities, including underserved areas. We are happy to provide this statement.

Then they go on to say that nothing in the letter is meant to be an endorsement or opposition to any particular bill. I know we have one of the most distinguished former prosecutors in America sitting in the Chair. I have to say—not to speak for him, because in his role as Presiding Officer, he can't speak until he comes down here—what is the difference between this and the old protection racket that existed when I was a child? I am proud to say that my uncles, as sheriffs and police officers, broke up some of those protection rackets. But the only difference is that this is Government; this is the Federal Government that is basically allowing this to happen.

Now, we are not talking about repealing CRA. We are not talking about ending a program that obviously has had many successes. We are talking about trying to deal with abuse. So what are the two things we do? No. 1, we say that if a bank has a history of being in compliance with the law, if they have been evaluated 3 years in a row and been found to be in compliance with CRA, and if they are presently in compliance with CRA, then any individual or group can protest, file a complaint; and under the existing regulations of the Comptroller of the Currency, there has to be a hearing for any complaint that is lodged.

But what our amendment adds is the requirement that if this bank has a long history of being in compliance, before the regulator can stop the action that they have earned the right to undertake, the protester must present some substantial evidence. In other words, if you are a good actor and you have been evaluated 3 years in a row and were found to be in compliance, you are innocent until proven guilty. Somebody can't just walk in and say a banker is a racist and a loan shark.

Some protesters have done exactly that. There is a CRA protester who calls himself an ''urban terrorist,'' who used those charges against a bank, harassed them for 4 years, went to a speech of the president of the bank at Harvard University, disrupted the speech, made this man's life miserable for 4 long years, until the bank gave him $1.4 million and a $200,000 grant and set up an organization that now lends $3.5 billion, totally unregulated by the Federal Government. He gets a 2.75-percent rake-off of each one of those loans, and nobody knows what he does with the money. He is not accountable to anybody.

Now, all we want to do is say if a bank has consistently been in compliance and you want to stop them from merging with another bank, or opening a branch, you have to present some evidence. Now, what is the standard we have used? The Presiding Officer, as a distinguished attorney and former prosecutor, knows that substantial evidence is the most defined term in American law. It is referred to over 900 times in the United States Code.

There have been 400 court decisions that have defined ''substantial evidence.''

So what standard do we require a protester to meet if he tries to impose potentially hundreds of millions of dollars in costs on a bank, and to stop a bank from doing what it appears to be qualified to do? They have to present evidence.

Here are four standards set by the Supreme Court as to what ''substantial evidence'' means:

They have to present evidence that is understood to mean ''more than a mere scintilla.''

That is a standard we are setting. You can't come in and stop a bank with a consistent record of CRA compliance. You can't automatically stop, shut down, and delay the process unless you present evidence that is ''more than a mere scintilla.''

Unless you present such relevant evidence as a ''reasonable mind might''—notice it didn't say ''would,'' but ''might''— ''accept as adequate to support a claim.''

You have to present evidence that is real, material, not ''seeming or imaginary,'' and considerable in amount, value, and worth.

Why in the world would we stand by and allow a bank that has complied with the law of the land and been evaluated three times in a row as being in compliance to be prevented from exercising a right they have earned unless somebody presents credible evidence, substantial evidence, to the contrary? I don't understand. Why would anybody be against this change?

I continue to be stunned that our colleagues talk about CRA and how wonderful it is. That is not what we are talking about.

Should you have to present some evidence if you are going to try to deny people the rights they earned under the law? How can that be unfair? How can that be reaching? How can that be burdensome? Who could be against that?

The second provision of the bill provides relief to small banks in rural areas. I have gone through the figures: $1.3 billion later, in this decade of audits and costs imposed on the banks, three small rural banks—three one-hundredths of 1 percent—are bad actors. Is that not regulatory overkill?

We have forced little banks, many with just 6 to 10 employees, to pay $1.3 billion in compliance costs, and in 16,380 examinations, only 3 of them have been deemed to be substantially out of compliance. Does that make sense? Is that crazy? Did I miss something?

I could read to you letter after letter. We have had 488 letters from banks urging the committee to take this action. I have read them before; I will not do so again.

Finally, let me remind my colleagues that the amendment that is pending doesn't just strike these two provisions—the ''integrity and relevance'' provisions—it does far more than that. It would create a situation where individual officers and directors of a bank could potentially be fined up to $1 million a day for noncompliance.

Remember, in these little banks you have 16,380 examinations over the decade, and just 3 banks have been found to be substantially out of compliance. What is the justification for this $1-million-a-day fine?

I have letters from the American Bankers Association, and from the Independent Bankers Association, pointing out the obvious.

This provision that has been offered by our colleague from Nevada, and was offered in committee by Senator SARBANES, will make it virtually impossible for small banks to get quality directors, because who can afford that potential liability? It will make it virtually impossible for small banks, who can't buy the insurance to protect people from liability, to hire quality bank officials.

The bill goes on and on and on in the most massive overkill of expanding CRA to nonbanking activities. Currently, a bank can sell insurance without CRA approval. This substitute that

is now pending would require CRA approval for that. Banks can sell securities without CRA approval. This takes CRA out of banking and into other areas.

What is the justification for that? The justification for requiring CRA was that banks have a federal subsidy through deposit insurance. So that is public insurance, and making banks do things in the public interest could be justified. But how does expanding that requirement outside banking make any sense? Are we simply going to keep writing laws telling people what to do with this money?

Basically we have a choice. The choice is the following:

Both of these provisions concern CRA. The bill that was adopted by the Banking Committee has two reforms—one an integrity provision, and one a relevancy provision. The amendment that has been offered strikes both of those reforms and imposes all of these new regulations.

So I think it is as clear a choice as you can make.

Just a couple of other points, and I will stop, because I know that others want to speak. One of our colleagues quoted the Wall Street Journal. The Wall Street Journal has editorialized not once but twice in favor of the position the committee has taken here.

I urge my colleagues again to look at the debate—not get carried away or be confused by people who say the committee has gutted CRA, is killing CRA, or is repealing CRA. We are not doing any of those things. But we are dealing with abuses of CRA. They need to be dealt with. They scream out to be dealt with.

If I could make a plea to the other side, it would be a simple and short plea: If we don't fix the abuses of CRA, by the time we are through letting people know what is happening in terms of these $9 billion of cash payments, and by the time we finally do run down and know where all of this money is going, and we find that much of it—or some of it—is not being used to benefit people who are supposed to be benefiting from community loans, I think it is going to undercut CRA.

If I were a strong proponent of CRA, I would be for these reforms, because they clean up a program that clearly has had an impact. But our colleagues—as they did on welfare—it was abused and abused and abused and abused and abused. But they would never ever, ever, ever say that it should be fixed. Finally, the American people rose up and elected a new Congress. We are probably in the majority because of their intransigence. So God does provide His services from time to time. And then it was fixed. They probably could have had it closer to what they wanted had they been willing to fix it.

But the position we have heard today over and over is, never ever, ever, ever will we allow any change whatsoever, no matter how bad the abuse is in CRA.

I don't understand it. I think it is an extreme view. I hope that even yet, by the time we get through conference, by the time we have had a chance to discuss this over many more times, perhaps there can be a compromise.

I yield the floor.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

PRIVILEGE OF THE FLOOR

Mr. DODD. Mr. President, I ask unanimous consent that Karen Brown of my office, a fellow, be granted floor privileges during the consideration of S. 900.

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

Mr. SARBANES. Mr. President, will the Senator yield to me for 2 minutes without losing his right to the floor?

Mr. DODD. Fine.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I have refrained from taking a lot of debate time this afternoon, because a lot of our colleagues want to speak. I recognize that. Of course, the temptation is very great to sort of rise every time the chairman of the committee speaks. He has done that at some length here this afternoon. So I am not going to do it now, because I have colleagues here. I hope before we get to 7 o'clock I will get a chance to have a few minutes to make a statement.

But I want to say that there is kind of an Alice-in-Wonderland quality to this debate. The chairman pulls these figures out of the air. I don't really know where they come from. I asked him where they come from. He says there have been 16,000 something examinations of banks under $100 million in nonmetropolitan areas.

I don't know where he gets that figure. The figure from the Federal Deposit Insurance Corporation is 11,445. He says only 3 have been found in substantial noncompliance; the figure is 18, and another 320 have been found a need to improve. This chart is from the FDIC.

The Chairman says only three—it is not only three. I want to make that point.

Mr. GRAMM. Will the Senator yield?

Mr. SARBANES. I yield.

Mr. GRAMM. These are figures from the interagency CRA rating.

Mr. SARBANES. The Senator said earlier today that the cost this is imposing on small banks is $1.3 trillion.

I am thinking to myself, $1.3 trillion from these examinations? So I asked him, How did you get that figure? He took the number of examinations—about which we have just disagreed—and he multiplied it by 80,000. I am not sure where he got the 80,000 figure. Someone must have written in and said: That is what it costs our bank.

Mr. GRAMM. That is right, a small bank said that.

Mr. SARBANES. I don't know any study that validates that figure as the right figure.

Even assuming for the purpose of this Alice-in-Wonderland discussion that both the number of exams and the costs which we were then told came to a $1.3 trillion burden, the fact is, it is $1.3 billion. That is still a lot of money. I don't pretend to the contrary, but it is a lot different from $1.3 trillion. It was escalated 1,000 times.

Let me give one other example. We were told the CRA is allocating more money each year than the gross domestic product of Canada. The CRA commitments are over a 10-year period. Those commitments, factored out over a 10-year period, do not begin to approach the gross domestic product of Canada.

These are only a few examples. We could give a lot more. I want to underscore these figures that come floating in out of the air, and we hear this long disquisition. When we start probing these figures, we discover it is not there; it is Alice in Wonderland.

I thank the distinguished Senator.

Mr. DODD. Mr. President, I rise in support of the Bryan amendment. My fervent hope is that we can adopt this amendment and move on with passage of this bill. There are other outstanding issues that need to be resolved. No issue is as galvanizing or as important as this issue of the Community Reinvestment Act and how it is to be handled.

My friend from Texas, the chairman of the committee, and I have worked very closely together over many years. We have been each other's chairman and ranking minority member, depending on who was in control of this August body. We have dealt with securities matters, we have written legislation together, passed it together here on the floor, carried it through conference, overrode the President's veto—the only time a veto by this President has been overridden.

It is not easy for me to disagree with a man with whom I have agreed on many occasions in dealing with financial issues. However, on this we have a fundamental disagreement. I listened for a good part of the chairman's presentation, especially the last part of the presentation dealing with the alleged abuses that have occurred. I know of nothing in the bill violating existing federal laws on extortion. We may do some things in this bill Members do not want, but to the best of my knowledge the criminal code is left intact. Nowhere in this bill do we touch on the issue of whether or not people are going to be excused from engaging in extortion, blackmail, green mail—call it what you will.

The suggestion that there are serious violations of law—State and Federal that I know of—ought to be brought to the proper authorities. If someone believes they have been extorted, then we

have Federal prosecutors and State prosecutors to bring those matters to the light of day and those accused can be brought to the bar of justice.

Second, I have never known the banking community to be terribly shy about things that they want. They are usually pretty vociferous. They are never reluctant to tell us how they want us to vote on matters that affect their institutions. They lobby quite effectively. They do a good job. The idea that the banking constituency, the thousands of banks all across this country, are somehow afraid of some community-based groups, and would not bring to light their concerns because of fear of some retribution, just doesn't hold up when it comes to how the banking community generally makes its concerns known.

The fact of the matter is, here on this issue there really is not a constituency for the provisions in this bill dealing with CRA. Usually we have a litany of organizations that are in favor of or against a provision, organizations and groups which have felt outraged or discriminated against in some way and will stand up and defend in a very loud and clear voice their rights or how their rights are being infringed upon.

In the last almost 6 hours of debate, I defy anyone to show me a list of organizations here across the country that feel as though the Community Reinvestment Act is somehow a great infringement on their ability to conduct their business. It is nonexistent. In fact, the only time we have ever actually voted on these matters prior to today is when the House Banking Committee recently voted—51–8, Democrats and Republicans, voted for provisions we are seeking here contained within the Bryan amendment. The Banking Committee last year voted 16–2, Democrats and Republicans, in favor of the provisions that we are trying to reinsert into this legislation. There is overwhelming evidence from the Federal Reserve Board, the banking regulators, banks all across the country, that the Community Reinvestment Act is working, and working well.

Let me quickly add I have never met any institution which was overly enthusiastic about any regulation—State, local or Federal. They usually do not welcome these and I understand why. There is a cost associated with it. I appreciate that they try to keep their costs down.

Most banks, certainly in my State, have been active in our community and do a great deal of good. However, as the Presiding Officer who has been identified as a distinguished scholar of the legal codes of our country knows, we do not write laws for the overwhelming majority of Americans who obey the law, who try to do the right thing. Laws are written for those who try to abuse what we believe is proper behavior. Only a small percentage of Americans violate the law. But that is not an excuse for not writing laws, because, unfortunately, some do in fact break the law.

So when it comes to the Community Reinvestment Act, we seek here not to lay a burden on the overwhelming majority of banks who do a good job. We must recognize that there are institutions which have discriminated against various groups in this country based on race, religion, ethnicity. So several years ago, we decided to enact the Community Reinvestment Act to require that lending institutions, depository institutions, pay attention to our nation's underserved, pay attention to our small farmers, and pay attention to our small businesses. If you are going to do business in Alabama or business in Connecticut as a depository institution, we do not want you to neglect the people in your communities, in your States, on any basis.

So we passed CRA and it has worked well. My colleague from Texas has said that there are extortionate practices ongoing. Let me quote him, from a statement made last October. The chairman of the committee said:

> It has now become common practice in CRA for professional protest groups to protest a bank's community service record and in turn to use the leverage of those protests to extract bribes, kickbacks, set-asides in purchases, quotas, hiring and promotion, none of which has anything to do with CRA and the lending practices of banks in the communities that they serve.''

It is a pretty broad statement. Now, let me give you the facts. Mr. President, four-tenths of 1 percent—let me repeat that, four-tenths of 1 percent of applications have resulted in agreements with community groups; four-tenths of 1 percent have resulted in these agreements. We have had them up here on placards and the easel here today. A great amount of time has been spent talking about these outrageous provisions in these agreements. If one sort of casually tuned into the debate the assumption would be, as the Senator from Texas has said: It is common practice. Common practice? Four-tenths of 1 percent of all the applications? Under any estimation that is not a common practice, less than 1 percent of all the applications.

During the past 21 years, there have been approximately 360 agreements reached. How many applications do you think there have been in the past 21 years? Mr. President, 86,000; 86,000 applications and 360 agreements. When you stand up here for an hour and a half or so and list these agreements that have been reached, you leave our colleagues and others with the impression that this has, to quote my friend from Texas, ''become common practice in CRA.'' That is an exaggeration. That is an extreme exaggeration.

I do not like what I heard in these agreements. It bothers me a bit. I would like to know more about it. A great deal of information was redacted. We do not have the whole agreement. But I tell my friend from Texas, I am concerned about it, too, and we ought to take a good look at this. Let us remember, however, that we ought to take a look at the 360 agreements, and many of those probably are proper and worthwhile agreements. In fact, many lenders also require counseling for certain loan practices because they improve the quality of loans. To meet commitments, banks sometimes provide payments to community groups for services provided. It is not some outrageous behavior. It goes on all the time. But, nonetheless, if problems exist, let's look at them.

But with all due respect to my good friend from Texas, it appears as though we were sort of squirrel hunting with a machine gun here. That is not what his amendment or the language of the bill does. All we are saying here is we want to preserve the Community Reinvestment Act in a new financial framework. This modernization bill allows for the consolidation of financial services. If we are going to do that—and I think we should, I am a strong supporter of it—then it seems to me we should be preserving the Community Reinvestment Act to ensure that we do not have discrimination in lending. We must ensure that Hispanics, African Americans, Asian Americans, and Native Americans, as well as small businesses and small farmers, are not going to get short shrift. We are going to have a lot of large institutions, a lot of large banks. We want to make sure the average citizen is not going to find himself or herself denied fair access to credit. That is what the Community Reinvestment Act has been able to do for millions of Americans.

I listened to my colleague from Massachusetts and others here today go over the statistics of how vastly the availability of credit has increased to groups who in the past were denied those opportunities. We in this country cherish the notion of equal opportunity. We have never achieved the perfection that our Constitution and our Founding Fathers sought in creating equal opportunity for every citizen in this country, regardless of where they come from or the color of their skin. We all know, painfully, the discrimination that existed for a long time in all parts of our country.

Let me reiterate—all parts of our country. I could take you to the Northeast. You do not have to go to the home of my friends from the South in this country to find discrimination in lending. In Connecticut, a year or two ago, you could see the redlining that went on. People talked about this being a southern issue. That is untrue. I could take you to places all across this land where redlining occurred, where neighborhoods and communities

were denied equal opportunity. If they are creditworthy people, they ought to get the credit and financing to buy a home, start a business, and get on their feet. Because of these discriminatory practices, we passed the Community Reinvestment Act. It has made quite a difference in our country. It is not a perfect condition yet, but we have reached into the communities of people who never had a chance before and they have a chance today.

Now we are going to allow these institutions to affiliate, and engage in new financial activities. With this legislation, are we now going to deny them the very benefit that the Community Reinvestment Act has afforded during the past 22 years? I do not think we ought to deprive them of that.

That is what the Bryan amendment attempts to address in part. It says we ought not to exclude certain creditworthy consumers in the process of allowing banks to expand in these new financial areas. To suggest that the extortion of banks by community groups is somehow a common practice—again, four-tenths of 1 percent, 360 applications out of 86,000, is not legitimate. Under anyone's estimation, that is not justification for weakening the Community Reinvestment Act in the 21st century.

Again, there is no constituency here. Most people, I think most of my colleagues from all across this country, believe the Community Reinvestment Act is doing a good job. Nobody here wants to be on the side of an equation that says: Having made these gains now we are going to turn back the clock. We should not do that. I do not believe the people who have communicated with us, who write us—bankers, consumers—said that.

One of the things we need to keep in mind as we talk about banking legislation and financial institutions in general, is that one of our major responsibilities is to ensure that our nation's financial institutions are going to work well. So we pay a lot of attention to their needs, as we should. But we also need to pay attention to the people who do business with our financial institutions. They are an important part of the equation here as well. Let us not forget the people who show up at that bank window, who go in nervous about whether or not they can get a home loan. Let us not forget the person with a good idea to start a business who needs to know if that local banker will take a chance on him, back him, give him a chance to get on his feet. Those are our constituents, too. They are a fundamental part of this equation.

It is not just the person behind the grate; it is the person in front of the grate, too, who we have an obligation to watch out for when we pass financial services modernization legislation. It is those people out there tonight who would like to start a new business, buy a new home, get a chance to share in the American dream. And the Community Reinvestment Act has been the engine for many achieving those desired results.

Again, in the past, we have seen votes of support on CRA by our colleagues, Democrats and Republicans. It would be a great pity, indeed, for this bill to fail over this issue.

It would be a great pity, indeed. This issue ought not to be the one that causes this bill either to be defeated or to be vetoed by a President and sent back after all the years we tried to get this done.

We are 240 days away from the next millennium, the year 2000. The world and its financial markets are getting more complicated. The United States of America has always been a leader in financial services. I do not want to see us lag behind because we couldn't come to terms with what is essentially a fundamental civil rights issue. I do not want to see us lose our leadership role in the global marketplace because we decided we were not going to expand the equal opportunities that are so much a part of this country's heritage. I am concerned that we are willing to give up all the other things we are trying to achieve in financial modernization over CRA provisions that are not supported by the banks they purport to help.

In fact, Mr. President, I will include in the RECORD, and others have already, countless statements from many others— the Federal Reserve Chairman, the Treasury, and major banks in all parts of this country who have said the Community Reinvestment Act is working. Sometimes conflicts occur; it is difficult. Sometimes we have two groups we admire and support, that are fighting hard for their points of view, and we are asked to make a choice between them. That can be a hard decision.

This is not a hard decision. There is no one on the other side of this equation. Yet we are dangerously close to killing an otherwise great bill that does a lot of good things.

As I said a moment ago, we have an obligation to make sure our financial institutions are strong. We have an obligation as well to see to it that the users of these financial institutions are not going to be adversely affected by legislation we pass.

Let me focus for a second on the small, rural bank exemption that is included in this bill. The bill exempts rural banks with less than $100 million in assets from the requirement of CRA. This exemption addresses that there is some undue burden imposed on small banks complying with CRA, and there may be some merit in that. But the provision in this bill which the Bryan amendment would take out exempts 76 percent of rural banks from CRA, 38 percent of all the banks and thrifts in the United States.

Again, I can understand if you just hate CRA, you just think it is a bad idea and we ought to get rid of it. Then I accept that—I disagree with it, but I accept your position. But if you believe CRA makes a difference and it actually helps rural people have greater access to fair credit, then you must acknowledge that this bill exempts 76 percent of rural banks in this country. Virtually one out of every three banks in the country will be exempt from CRA. That seems to me to go too far.

CRA loans in rural areas assist small farmers in obtaining credit. Small bankers have historically received lower CRA ratings, quite candidly, than larger banks and have invested less in their communities. On average, 50 percent of large banks have a loan-to-deposit ratio below 70 percent. 25 percent of small banks have a loan-to-deposit ratio of less than 58 percent.

The supporters of the small bank exemption contend the CRA creates an onerous regulatory burden. However, the federal banking regulators specifically reduced the regulatory burden on banks when the new CRA enforcement rules went into effect 3 years ago. These efforts streamlined CRA, facilitated easier compliance by lenders, and reduced paperwork requirements.

Addressing the specific point the Senator from Texas made that sometimes these banks have a few employees—and, again, I do not want to overload that small bank—in 1996 we streamlined that process considerably for them.

If there are some other ideas that will help achieve that, I think we ought to listen to them. Again, think not only about the 8 or 10 employees of that small bank, but think about those small farmers who do not have any other choice but to do business at that bank. Small communities do not give you much of a choice. Your local farmers in Alabama or Connecticut have one bank to go to. It is not like living in New York City or Washington, DC, where you can walk down the street and compare which bank will give you the better deal.

Under this bill, if you have only one bank window to go to, and you are living in rural America, you will be told that your bank is exempt from having to see to it that you are going to be dealt with fairly. There is something seriously wrong here.

Streamlining the process for rural small banks is something I applaud; it is something we ought to move ahead on to make it easier. I do not want people to be denied options, denied choices, and to be discriminated against when it comes to getting the credit they need.

According to Christopher Williston, the president of the Independent Bankers Association of Texas:

Most small banks are really very accustomed to complying with CRA. . .. Now they know exactly what the regulators are looking for, many of my members would say CRA is here and I can live with it.

Mr. President, again, if there are specific problems with the implementation of CRA, if there are certain activities that should be considered that are not considered, then the appropriate way to address those specific concerns is to work with the regulators or come up with a specific legislative approach.

The Senator from Texas, our distinguished chairman, should remember our conversations to address this and have some hearings to look into the issues he raised.

Again, don't exaggerate and turn four-tenths of 1 percent of the applications into a common practice, and then miss the opportunity to include reasonable CRA provisions in this consolidation of financial services.

I hope there will be enough votes on the other side to support the Bryan amendment. I am fearful if we do not do so, this bill is doomed. I mentioned at the outset of my remarks the other day that my colleague from Maryland and I have been at this together for the full 18 years I have served in the Senate. He has been at it longer than that, having served a bit longer than I have in the Senate. Nothing—nothing—would make me happier than to pass this bill and expand and consolidate financial services to serve consumers' needs and keep America in a leadership position on these issues.

However, I cannot support a bill that turns its back on my constituents at home. I want to help my financial institutions in Connecticut. I want to help banks across the country. But I cannot, in doing so, turn the clock back on the gains, on the strengthening of America that we have made with the Community Reinvestment Act.

Whatever shortcomings it has—and I am certain they are there, CRA is not perfect—let's fix the shortcomings. Let's deal with those, but do not deprive people in this country of the increased opportunities. We have a CRA bill on the books that has worked well, even by those who must bear the burden of implementing these regulations. We must no place in jeopardy an otherwise fine bill that, in my opinion, deserves broad-based support in this Chamber and the other body.

I hope that we will stand at 7 p.m. tonight when the votes are cast, in what may be the only civil rights vote of this Congress, and the Bryan amendment will be adopted. Maybe other civil rights votes will come along, but as of right now, this will be the only test as to where people stand when it comes to seeing that equal opportunity in America is going to be at least preserved in this Congress and not set back.

I hope at 7 o'clock, when the vote begins and as Members come to the Chamber to cast their ballots, they will keep in mind the importance of this bill. And to a far greater extent, keep in mind those who depend upon us to see to it that they are going to have equal opportunity in America, a chance to participate in the American dream in the 21st century, and will not be denied because of an action we take tonight by denying the preservation of CRA in a new financial services framework.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The Senator from Utah.

Mr. BENNETT. Mr. President, I have listened to this debate with some interest. I have enormous respect for members of the Banking Committee on which I have served since I came to the Senate. I know there is good intention on both sides of the issue, on both sides of the aisle.

I echo the comments of the chairman of the committee in that much of the debate that I have heard has been focused on the wrong issue; that is, you would think that this was an attempt on the part of the majority in the committee to repeal CRA. I do not condone redlining. I recognize that the decision which was made by the Congress in 1977 to create CRA was motivated by a genuine abuse that required a genuine Federal fix.

At the same time, I recognize also that under Secretary Rubin's leadership, attempts have been made to alleviate the regulatory burden of CRA, that there has been a recognition on the part of this administration—I think belatedly, but nonetheless I will accept it whenever I can get it—a recognition that CRA has gotten out of hand and has become, in some instances, a paperwork burden that is nonproductive and anticompetitive and puts an undue burden on places where it should not be.

The question is not, Should we abolish CRA? The answer to that is clearly no. The question is not, Should we turn our backs on those people who have been benefited by CRA? The answer to that is no.

The question is, Can we streamline CRA, as we are going through the process of modernizing our financial institutions, in a way that recognizes the reality of the marketplace? And there the answer is yes.

One of the criticisms which has been made, and I think with some justification, is that a good part of the debate has been anecdotal; that is, one situation has been described, and we extrapolate from that, and then another has been described, and we extrapolate from that.

I agree with those members of the committee who have suggested at some point it would be well for the committee to have hearings on the whole CRA matter and examine it at great detail. I think that is a salutary thing to do.

But we have an opportunity here in this bill to take some steps which I consider to be relatively modest and relatively straightforward. The one I want to focus on is the exemption of CRA, the CRA requirement for institutions that have $100 million or less in aggregate assets.

I want to share with the Senate the reaction of banks from my home State that have been contacted about this. And this is their information. This is not some professor at some university. This is the everyday banker doing business in the everyday community. And I will go beyond simply quoting the letters because I want to put it in context so you can understand the market.

I have said around here before—and undoubtedly in the spirit of the Senate where there is no such thing as repetition—I will say, again, that if I could control what we engrave in the marble around here to remind us of our duty—not to denigrate the marvelous phrases that are here—I would have engraved in stone, at least in our committee rooms, the phrase: ''You cannot repeal the law of supply and demand.''

We try to do that continually in Congress. We try to think that markets do not matter, that governments are smarter than markets, that governments can make decisions that interfere with the law of supply and demand and produce beneficial results with no side effects. People have been trying to do that in government not only for centuries but for millennia. And they always fail.

Here are the market realities with respect to CRA.

I first quote from a letter of the Cache Valley Bank. No one in this Chamber knows where Cache Valley is; but I know where Cache Valley is. I have spent a lot of time there. My family has done business there. We have owned a business there. The president of the Cache Valley Bank says in his letter:

Our community is a middle class farming community with a university. Most all of our customers are of modest income, small businesses and small farms. The rich professionals have gravitated to the local credit unions where they know they can get something for nothing.

That last sentence indicates how he feels about the competitive impact of credit unions in Cache Valley.

He says:

We are chartered to serve our community. We have no business going outside our community. We live off the ability to say we are a hometown institution.

Let me underscore that last sentence again. ''We live off the ability to say we are a hometown institution.''

In Cache Valley, there are branches of large banks, large banks that are located someplace else. There are, as an

earlier somewhat sarcastic comment indicated, credit unions. They happen to be very large credit unions. We have some of the largest credit unions in the United States in Utah because of Utah's law. There is competition in Cache Valley for the banking customer.

How does he deal with that competition? He says:

My bank is . . . a $90 million institution operating from one office . . .

One office—so he does not have branches around the city. The credit union does. He does not have the reach of advertising that the large banks which are there as his competition do. He has one office. And he makes his living advertising himself as a hometown institution.

This, in marketing, is what is known as a marketing niche. He recognizes that he cannot compete with the big banks throughout the entire city. He recognizes that he has a particular niche in the market that he can fill, and he goes after it and he fills it.

He says:

We do what the CRA regulation intended us to do because it makes good sense. The documentation and time spent telling the regulators that that is what we do is just wasted by both us and the regulators. I have never had a customer come in and ask to see our CRA file.

Then, with the optimism that comes from every small businessman, he says:

As I will probably [pass] the $100 million proposed limit some day, I can see that not having to comply would give smaller institutions a slight advantage from costs they would save. The real issue is if the whole rule for community oriented institutions makes any sense. It doesn't and no one has provided any evidence that it does.

He is not operating in a vacuum. He is not operating in a situation where there is no credit available to anybody else if he does not serve his niche. He is operating in a highly competitive situation, and yet he is examined as if he is the only institution, and he is looked at in terms of his lending to his market niche.

All right. Let me go down the highway a little from Cache Valley to the First National Bank of Morgan. This is a smaller bank. This is a smaller community. The president of this bank says that they have $37 million in current assets. They serve a county, the population of which is approximately 7,000. In Utah, given our family size, a total population of 7,000 means that there are probably about 2,000 families there. I do not know how many of those are borrowers. This is a relatively small base for him to serve.

Once again, while it is an isolated farming community, in today's modern world there is competition there. The big banks can go after his customers on the Internet if they want. They can open ATM stations or put branches there, if they want. There is a big bank just down the highway, within 20 miles of this small institution. How does he survive under these competitive conditions? He survives by serving the community. This is what he has to say:

Exempting our institution from CRA requirements would allow bank personnel to spend more time with our customers in developing new products rather than gathering information to satisfy CRA documentation requirements. Competition is the greatest enforcer of CRA. The delivery of financial services is a highly competitive business. If my institution is not offering free checking or mortgage loans, then my competitor down the road will be taking advantage of my financial institution's shortcomings.

I think he is absolutely right. In today's competitive world, you do not operate in a vacuum. If he wasn't doing his job, even though he is in a small, rural community, with Internet banking and advertising over television, the large institutions would come in.

It is interesting, again, referring to Utah's somewhat unique situation, in many communities where the local bank was perceived as having something of a monopoly or a free ride in the community because of the physical isolation, it was not another bank that came in to offer competition; it was a credit union, operating under Utah's credit union laws. The competition produced the kinds of challenges that competition always produces. Once again, you cannot repeal the law of supply and demand. If there was demand in that community that was not being met by the local institution, competition came in and met it.

Now, a little further down the highway, I want to refer to the Frontier Bank of Park City. Here the president of the bank says:

As president of a nonmetropolitan community bank, I am of the opinion that existing CRA regulations are largely superfluous for both my institution and its direct competitors. The fact remains that we have and will continue to lend to all segments of our community because it is good business, not because it has been defined by regulation. Additionally, the time spent documenting our community lending efforts for regulatory purposes is in itself counterproductive as we could instead redirect our energies towards additional lending and community development activities.

An interesting quote, Mr. President. He feels that CRA gets in the way of community developing activities that he would otherwise engage in.

When I first went on the Banking Committee, some 6 years ago, I had never heard of the CRA. I heard at that time institutions coming in and complaining that the CRA documentation burden was overwhelming and that CRA had become more of a documentation issue than it had been a lending issue, that if they could fill out the documents in such a way as to satisfy the regulators, it didn't matter what their lending practices were.

We had some testimony—I can't go back and put my hand on it now—that made it clear that CRA was failing in its purpose to produce a meaningful impact for those in need in communities where they were not getting served.

I am hoping that the reforms established by Secretary Rubin have begun to lift that burden and change that situation, but I am satisfied now that we have enough evidence that indicates that the vast majority of small banks with capitalization under $100 million are spending their time on CRA, filling out documents and meeting with regulators, spending their time performing the bureaucratic chores necessary to file a report, where they could be spending their time better serving their communities.

Therefore, I will vote to see to it that the language that was adopted in the committee report remains there. I will oppose the Bryan amendment.

Mr. LEVIN. Mr. President, I rise to speak about the Community Reinvestment Act. The CRA was enacted in 1977 to encourage banks to serve the credit needs of the entire community including low and middle income areas. The obligations that banks owe to the entire community stem from their charters and the public benefits they receive through the Federal Reserve. The CRA is a way to encourage banks to live up to their public obligation.

Nationwide the CRA has been recognized as an effective way to increase credit availability in underserved areas. In his testimony before the House Banking Committee in February, Federal Reserve Chairman Greenspan remarked, that the CRA has ''very significantly increased the amount of credit in communities'' and the changes have been ''quite profound.'' In 1997 alone, almost 2,000 banks and thrifts reported $64 billion in CRA loans, including 525,000 small business loans worth $34 billion; 213,000 small farm loans totaling $11 billion; and 25,000 community development loans totaling $19 billion. Those loans went to affordable housing projects, economic development through financing small businesses or farms, and activities that revitalize or stabilize low or moderate income areas. CRA has also encouraged a dramatic increase in home ownership by low and moderate income individuals. Between 1993 and 1997, private sector conventional home mortgage lending in low and moderate income census tracts increased by 45%.

And the CRA has done so without forcing a large paperwork burden onto banks and without forcing banks to make bad loans. During the same House hearing, Chairman Greenspan alluded to the mutual benefit of the CRA to consumers and banks when he said, ''CRA has helped financial institutions to discover new markets that may have been underserved before.''

While there are countless examples of the Act's effectiveness in encouraging lending in underserved areas all

over the country. Here's some examples from Michigan. Lake Osceola State Bank in Baldwin just completed their CRA exam under the reformed 1996 regulations. They said it was not a burden, and they received a rating of outstanding. Under the terms of S. 900, the bill before us today, Lake Osceola State Bank would qualify for an exemption from the CRA because of their size and location, but the bank has told my office that they are not seeking a CRA exemption. To the contrary, they are justifiably proud of the contributions they are making to community development in the Baldwin area.

We Care, Inc. is a small non-profit that rehabilitates a few houses a year in Detroit's Van Dyke and 7 Mile area. They say the CRA and National City Bank have been their life-line for credit.

Northwest Detroit Neighborhood Development, Inc. is yet another nonprofit organization that has contacted me in support of the CRA. They praised the National Bank of Detroit and Comerica for extending credit to them and supporting their mission of homebuilding in the Brightmore area of Detroit.

The Local Initiatives Support Corporation (LISC), a nationally prominent community development group that operates in five Michigan cities, considers the CRA critical to their efforts. In an effort to boost their CRA scores, lenders have sought out groups like LISC and the Neighborhood Reinvestment Corporation to develop ''shared risk'' loan pools that offer financing to first time home buyers. Over the past 5 years, more than 400 mortgages were written in six Michigan cities. This has generated over $16 million in direct public and private investment in central city neighborhoods. According to LISC, without the CRA ''these types of programs would not have been established.'' Other Michigan community development groups like U-SNAP-BAC, SWAN and New Hope also rely on loans encouraged by the CRA.

Many Michigan mayors have expressed their support for the CRA. They praise the CRA for encouraging private business investment and creating new jobs and businesses in their communities. In addition, money from federal grants is leveraged to obtain millions of dollars in private investment. There are twelve mayors from all over Michigan on this letter from the U.S. Conference of Mayors supporting the CRA. I oppose the provisions weakening the CRA included in S. 900, a bill intended to modernize the financial sector of our economy. Both small and large banks in Michigan have received outstanding CRA ratings. The community groups and nonprofits make great use of the resources which are made available through the CRA. The federal independent agency that oversees the nation's banking system says its not onerous and has been very successful. Therefore, I will not support a bill that weakens a program that has been so important to community development efforts in Michigan and nationally.

Mr. KOHL. Mr. President, I rise in strong support of the Bryan amendment. While my comments today will be brief, my conviction on the issue of the Community Reinvestment Act (CRA) is strong.

CRA came into being in 1977 thanks to my Wisconsin colleague, Senator Bill Proxmire. While there's been talk of CRA as merely an urban concern, in fact, it has enriched and addressed inequities in both urban and rural areas in Wisconsin and across the country. We are all familiar with the numbers—more than $1 trillion in community development, small business and home mortgage loans—to communities that were once deemed unworthy.

CRA has been, and remains, vital to our common efforts of ensuring that credit is extended to all Americans without prejudice. But CRA lending has also proven that the ability and willpower of a borrower is often just as important, if not more important, than a loan determination based solely on income or economic history. In other words, new and innovative lending inspired by CRA has promoted fairness, but also made good business sense and delivered profits to lending institutions. And, fortunately, we've made substantial progress at making CRA compliance less burdensome.

While impressive, this progress has not reduced the need for an effective CRA. In 1977, Senator Proxmire's legislation was timely and appropriate, but in 1999, it has proven timeless and visionary. We are contemplating an era of more diversified, and potentially bigger, actors in the financial marketplace—one in which vigilance to ensure fair lending is all the more important. Overall, with adequate safety and soundness protections and an effective CRA, this new financial marketplace will yield benefits for consumers—more financial products delivered more conveniently and rapidly and at a better price.

I strongly support financial modernization and want to help send a signable, bipartisan and well-balanced piece of legislation to the President's desk. Last year, we secured a compromise bill that passed out of Committee by a vote of 16 to 2 that would have had my support. It is regrettable that this year we find this legislation and the financial industry held hostage to a counterproductive agenda to scale back CRA.

Financial modernization is about moving forward, paving the way for marketplace innovation and consumer benefits. But Senator GRAMM's bill and his proposed CRA restrictions move us backward. I urge my colleagues to support the Bryan amendment and ensure that CRA will remain strong and viable for all American communities, whether urban or rural, in the new financial era that we hope to create.

Mr. HARKIN. Mr. President, I rise today in strong support for preserving current law with regard to the Community Reinvestment Act (CRA) and striking the provisions of S. 900 which will harm this important and worthwhile program. CRA was enacted in 1977 to help prevent ''redlining'' of poor neighborhoods by banks, which denied loans to residents and businesses in those areas.

For more than twenty years, CRA has been a key means of increasing capital and credit to underdeveloped areas through market based loans. CRA has created jobs and contributed to the economic revitalization of many depressed urban and rural areas. It has been a force for the capital needed to increase home ownership and business development. CRA has contributed greatly toward the revitalization of many areas, helping to generate an estimated one trillion dollars in lending over 22 years. Put simply, CRA is good public policy.

Mr. President, community groups, housing groups, farm groups, minority groups, civil rights groups, mayors and rural organizations all support a vibrant CRA and are opposed to S. 900's CRA provisions.

In my State of Iowa, many rural residents remain in desperate need of affordable capital, especially during the farm crisis gripping the mid-West. Under S. 900, as it is now written, 276 of the 325 banks and thrifts in rural Iowa counties would be exempt from CRA requirements. That's 85 percent of all the rural banks in Iowa. If the provision exempting banks under 100 million dollars in assets remains, the benefits of CRA would not be available to a large share of the rural communities in Iowa.

I have here a letter from the Iowa Coalition for Housing and the Homeless, which describes the importance CRA has for our communities. It reads, in part, ''Through increasing the access to capital and credit, CRA provides a market-based solution for economic revitalization and even job creation. A strong and vibrant CRA has meant that hundreds of billions worth of new home mortgage loans and small business loans have been made in low and moderate income, urban and rural communities throughout the country in the past several years.''

I ask unanimous consent that the text of this letter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, so ordered.

(See Exhibit 1.)

Mr. HARKIN. Mr. President, I would just like to mention briefly the CRA

reforms already in place to protect small and rural banks. In 1995, new regulations dramatically simplified the CRA exam process for small banks under 250 million dollars in assets. Under the new rules, small banks are not subject to the lending, investment and service tests applied to large institutions. Additionally, for small banks, examiners look at only five factors: loan to deposit ratio; percentage of loans inside bank's CRA assessment area; record of lending to borrowers of different income levels and businesses of different sizes; geographic distribution of loans; and a bank's record of taking action in response to written complaints about its CRA performance. Finally, small banks are not subject to any data collection requirements for CRA. So, we have already addressed these issues. This Senator would certainly welcome hearings on the current state of those reforms and their effectiveness. In fact, I would ask the Banking Chairman to consider holding such hearings on CRA before we make changes to an important and effective program.

Mr. President, CRA has provided jobs, helped our economy to grow, and ensured all of our citizens are considered for loans based on their financial history, not their address. I urge all my colleagues to support removal of these provisions.

EXHIBIT 1

IOWA COALITION FOR HOUSING AND THE HOMELESS,
*Des Moines, IA, May 3, 1999.*

Rep. TOM LATHAM,
*Cannon House Office Building,*
*Washington, D.C.*

DEAR CONGRESSMAN LATHAM: As organizations that work with and on behalf of low-income and homeless individuals, we join today to share our concerns regarding the proposed financial modernization legislation currently being considered in Congress. By combating discrimination and promoting bank-community partnerships, the Community Reinvestment Act (CRA) extends the American dream of home and small business ownership to millions of Americans. Without this sustained access to capital and credit, our neighborhoods die. We ask that you support a strong CRA and the benefits it has brought our communities.

Through increasing the access to capital and credit, CRA provides a market-based solution for economic revitalization and even job creation. A strong and vibrant CRA has meant that hundreds of billions worth of new home mortgage loans and small business loans have been made in the low- and moderate-income urban and rural communities throughout the country in the past several years. Any bill that threatens to eviscerate the effectiveness and application of CRA will only destroy this promotion of wealth creation and entrepreneurial development in minority and working-class neighborhoods. While the various versions of financial modernization that have been introduced and contemplated may not directly attack CRA, they will eventually undermine the law by preventing its evolution with the rapid changes in the financial industry.

The current versions of financial modernization only demonstrate its fundamental problem: the ability of financial conglomerates to offer loans through their holding company affiliates, without having to conform to CRA requirements. Stated simply, holding companies will be able to shift assets from CRA-covered banks to mortgage and insurance companies, securities firms, and other institutions exempt from CRA-like requirements. Banks, therefore, will be left with fewer resources with which to make affordable housing economic development, and small business loans. If any financial modernization bill fails to extend CRA to the lending and bank services activities of mortgage companies and other non-depository affiliates, CRA will cover an ever-shrinking amount of traditional banking products and services.

In addition to the expansion of CRA, financial modernization could further serve low-income consumers if it improved upon data disclosure requirements. Such data disclosure requirements help communities identify missed market opportunities and eliminate discriminatory practices. These requirements help leverage reinvestment by making financial institutions publicly accountable to serve all borrowers in a fair and equitable manner. Insurance companies and others affiliating with banks should be required to report data on policies and services issued by income and race and small business data should include the race and gender of the borrower as well as the neighborhood in which the business is located.

We would also urge you to fight attempts to directly attack or weaken CRA; specifically, proposals such as safe harbors, small bank exemptions, and ''anti-greenmail'' bills or amendments. Mergers and acquisitions can disrupt the lives of thousands of citizens in a community through job losses, closing of offices, decreases in lending, and higher fees. CRA reviews are critical to ensure that lenders involved in mergers can preserve their CRA performance after such enormous institutional changes. Moreover, affected citizens ought to have the right to speak up and have their concerns addressed before a merger application is approved, regardless of the pre-merger CRA ratings.

Small bank exemptions would also be extremely harmful to communities because they eliminate community reinvestment requirements for most of the banks in the country. Small towns and rural areas that depend on these banks for home and small business lending would only suffer a new round of credit and capital flight. as proposed, the current legislation would exempt small rural banks under $100 million in assets from CRA altogether. Almost 40% of all lenders in the country will then have no obligation to serve minority and working-class neighborhoods. Seventy-two percent of all rural banks would be exempt from CRA. In Iowa, this exemption would include 85% of the lenders in non-metropolitan areas, many of whom enjoy a near monopoly in their service areas.

It would be detrimental to the wealth-building efforts in this country to pass a financial modernization bill that would halt community reinvestment progress by failing to keep CRA on pace with the evolution in the financial industry. Congress has required that banks serve ''the convenience and needs'' of the communities in which they are chartered because of the vital role they play in our lives. We believe that this same standard should be applied to the entire financial industry. A financial modernization bill that carefully modernizes the Community Reinvestment Act to the entire financial industry could have a profound effect in democratizing access to credit and capital accumulation tools in our society. Clearly, that would be good for America.

Sincerely,

SANDI MURPHY,
*Policy Director.*

The organizations listed below support the position of the Iowa Coalition for Housing and the Homeless and strongly encourage you to oppose the current financial modernization legislation and demand a strong, and protected, CRA.

John Boyne, United Action for Youth, Street Outreach, Iowa City.

Crissy Canganelli, Emergency Housing Project of Iowa City.

Jan Capaccioli, Domestic Violence Intervention Program.

Amy Covreia, Iowa City, Iowa.

Mike Coverdale, Iowa Community Action Network.

Bill Holvoet, Southeast Iowa Community Action.

Greg Jaudon, Iowa Homeless Youth Centers.

Gene Jones, Des Moines Coalition for the Homeless.

Mike Kratz, Veteran Affairs Medical Center.

Lora J. Morgan, Goodwill Industries of S.E. Iowa.

Mark Patton, Muscatine Center for Strategic Action.

Linda Severson, Johnson County LHCB.

Lisa Wageman, Operation Threshold, Waterloo.

---

Mr. REED. Mr. President, I rise in strong support of the Bryan CRA amendment. This amendment would strike the small bank exemption and the CRA safe harbor provisions included in S. 900 and require banks to have a ''satisfactory'' CRA rating as a condition for engaging in the expanded powers allowed under this bill.

The language of this amendment is similar to language that was included in the financial modernization bill which passed the House and Senate Banking Committee by a vote of 16 to 2 last year and which enjoyed broad industry support. Similar language has also been incorporated in the H.R. 10 bill that recently passed the House Banking Committee and is pending in the House Commerce Committee.

In short, the Community Reinvestment Act requires financial institutions to meet the credit needs of the local communities in which they are chartered, including low- and moderate-income communities, consistent with safe and sound practices. Let me reiterate, CRA requires banks to make credit-worthy loans. It does not require banks to make bad loans.

Despite this fact, some have argued that CRA is tantamount to government-mandated credit allocation. Nothing could be further from the truth. Neither the Act nor its regulations specify the number of loans, the type of loans, or the parties to CRA loans. To the contrary, CRA relies on market forces and private sector ingenuity to promote community lending. This is evidenced by the tremendous

flexibility that financial institutions have in satisfying CRA. For example, loans to low-income individuals; loans to nonprofits serving primarily low- and moderate-income housing needs; loans to financial intermediaries such as Community Development Financial Institutions; and loans to local, state, and tribal governments may qualify for CRA coverage. Moreover, loans to finance environmental clean-up or redevelop industrial sites in low- and moderate-income areas also qualify as CRA loans.

In addition to lending, CRA is satisfied through investments by financial institutions in organizations engaged in affordable housing rehabilitation, and facilities that promote community development such as child care centers, homeless centers, and soup kitchens.

Even Federal Reserve Chairman Alan Greenspan has weighed in on this issue, arguing, ''The essential purpose of the CRA is to try to encourage institutions who are not involved in areas where their own self-interest is involved, in doing so. If you are indicating to an institution that there is a foregone business opportunity in an area X or loan product Y, that is not credit allocation. That, indeed, is enhancing the market.''

As illustrated by these examples and Chairman Greenspan's comments, it is clear that CRA is a far cry from government-mandated credit allocation. To be sure, CRA is predicated on two simple assumptions that were well-articulated by the legislative architect of CRA, former Senate Banking Committee Chairman Proxmire, who stated, ''(1) Government through tax revenues and public debt cannot and should not provide more than a limited part of the capital required for local housing and economic development needs. Financial institutions in our free economic system must play the leading role, and (2) A public charter for a bank or savings institution conveys numerous benefits and it is fair for the public to ask something in return.''

In the words of former Comptroller of the Currency Eugene Ludwig, ''CRA is in many respects a model statute. It requires no public subsidy, no private subsidy, and no massive Washington bureaucracy.''

It is this simple concept that has resulted in more than $1 trillion in loan commitments for low- and moderate-income borrowers since CRA's enactment in 1977. Indeed, the record home ownership rate that the U.S. is now enjoying—66.3 percent of Americans own their homes—is in large measure due to CRA lending to minorities and low-income individuals. Minorities have accounted for a disproportionately large share of home ownership growth since 1994—roughly 42 percent.

Also, since 1993, home mortgage loans to low- and moderate-income census tracts have risen by 22 percent, which is more than twice as fast as the rate of growth in all home mortgage loans. In view of these statistics, it is clear that CRA has played a tremendous role in the home ownership boom.

In addition to increases in home mortgage lending, CRA has also been responsible for an increase in community development lending. In the past four years, banks have invested four times as much in community development projects, as they did in the previous thirty years.

This increased investment in community development by banks has also furthered the evolution of a secondary market for community development loans, which ultimately provides additional capital for community development. For many years, the development of a secondary market for community development loans had been limited. This development was limited for a number of reasons including the lack of conformity in the underlying loans, as well as the fact that community development securities typically do not receive a rating from a nationally-recognized rating agency. Also, the underlying loans lacked long-term performance data, making them difficult to rate.

However, because of CRA, a secondary market for community development securities is beginning to emerge. This is happening for two specific reasons: (1) The federal banking regulators have interpreted CRA to allow banks to get CRA credit for purchasing community development securities, even if they lack ratings or performance data, if the purchases are consistent with safe and sound banking practices, (2) Also, as banks have increased their community development lending, they have been able to draw on this experience to improve underwriting standards and create greater conformity in underwriting, which is important for investors in the secondary market. Also, this experience has provided banks with greater empirical data on loan performance, which is another important consideration for secondary market investors. These are trends that we should clearly be excited about and should seek to further.

Instead, S. 900 would undermine this progress. Specifically, one provision of S. 900 would exempt rural banks with assets under $100 million from CRA. Although this exemption is limited to the smallest institutions, over 76 percent of rural banks would be covered. This is of great concern since small banks have historically received the lowest CRA ratings. In fact, institutions with less than $100 million in assets accounted for 92 percent of institutions receiving ''non-compliance'' CRA ratings in 1997–1998.

I am also concerned about this exemption because smaller banks are typically the primary sources of credit in rural communities. Hence, absent CRA, it is likely that many rural communities could become credit-starved.

The bill also includes a provision that would provide a safe harbor for banks with a ''satisfactory'' or better CRA rating. Specifically, institutions receiving a satisfactory CRA rating at their most recent examination would be presumptively in compliance with CRA, unless ''substantial verifiable information'' to the contrary was presented. I am concerned about this provision because it establishes a very difficult-to-satisfy burden of proof for individuals or groups wishing to protest a bank merger on CRA grounds. Indeed, I fear this provision will greatly inhibit the ability of groups to get the necessary information from banks to protest a merger. Also, when considering the fact that 97 percent of institutions receive a satisfactory or better CRA rating, it is clear that this provision will effectively eliminate CRA comment on a bank merger.

If these provisions of S. 900 are not eliminated, I fear a return to the days prior to CRA's enactment when access to credit was limited for many minorities and those living in low-income neighborhoods. In fact, testimony before the Senate Banking Committee during the consideration of CRA in 1977 revealed how bad things were. Witnesses recounted stories of financial institutions that had previously been active in urban lending, that disinvested in those same urban neighborhoods as minorities increasingly moved in. Testimony before the Senate Banking Committee also brought to light a 1974 study of six Chicago banks. In the study, it was found that these banks, which held $144 million in deposits from low-income and minority communities, returned one-half cent on the dollar in home loans. Such was the deplorable state of lending in low-income and minority communities before CRA.

While certainly we have come a long way since CRA's passage in 1977, lending discrimination, unfortunately, persists. In a study published earlier this year by the Fair Housing Council of Greater Washington, it was revealed that Washington area lenders discriminate against two out of five African American and Hispanic mortgage applicants. In one incident cited in the study, a Rockville lender advised a black tester that the lender did not make loans to first-time home buyers. The same lender later met with a white tester, also posing as a first-time home buyer, giving the tester an appointment and encouraging him to apply for a mortgage loan. Lending studies by other organizations reveal similar findings. These studies have shown that minority borrowers receive fewer bank loans even when their financial status is the same as or better than white borrowers.

By encouraging lenders to extend credit to all communities, CRA has

been an important weapon in fighting lending discrimination. The Bryan amendment will ensure the potency of CRA in fighting lending discrimination and providing fair access to credit to low-income and minority communities.

In closing, Mr. President, let me reiterate how important it is to include CRA in any modernization legislation that passes. It is very likely that if S. 900 is enacted, we will see increased consolidation in the financial services industry. As we know from recent experience, this consolidation will likely lead to layoffs and bank branch closings. Absent the CRA language included in the Bryan amendment, I fear that this consolidation could have a significant and adverse impact on access to banking services and credit in low-income and minority communities. By adopting the Bryan amendment, we will at least ensure that industry consolidation will not decrease access to credit in these communities.

In fact, I feel so strongly about these provisions that I plan on opposing the bill if this amendment is not adopted. I would hope my colleagues can support this amendment.

Mrs. BOXER. I have been a longstanding supporter of financial services modernization and affirmed such support in a letter to Secretary Rubin about two years ago, and last year, as a member of the Banking Committee, I voted in support of H.R. 10—the Financial Services Modernization bill reported out of the Banking Committee with strong bi-partisan support.

I believe it is important that our financial services sector adapt to contemporary market conditions, marketplace innovations and to growing financial competition from abroad. Moreover, I understand and appreciate the desire of our financial services industries—banks, securities firms, and insurance firms—to further expand their traditional lines of business.

I joined the Banking Committee in 1993 when I was first elected to the Senate, and I proudly served on that Committee until this year. So I realize the process of financial services reform has been long, tedious, and often quite contentious. I also realize that many financial services firms are looking forward to the Senate putting an end to that long process by passing a financial services modernization bill. And I would like to see us pass a good bill—a fair and balanced bill.

Nonetheless, it is important to remember that the U.S. already has the best banking system in the world. It is the best capitalized, the most transparent, has the highest accounting standards, is very innovative and its safety and soundness is unsurpassed.

Therefore, it is appropriate to ask, ''why is financial services modernization necessary?'' It is necessary because the financial marketplace has changed, brought on by, among other things, a combination of new and innovative products and services, as well as technological advances.

Regulators must keep pace with these innovations, and we, as legislators must set the appropriate parameters for this changed financial services marketplace. We cannot leave it up to piecemeal regulation and legislation as, all to often, has been the case.

Our goal should be to create a regulatory framework which provides measurable benefits to consumers and businesses, enhances competitiveness of the financial services sector on a global basis, and ensures the continued safety and soundness of our financial institutions. While the bill before us goes a long way toward achieving that goal, unfortunately I believe, it falls short.

It falls short, principally in my opinion, because it fails to ensure the continued strength of the Community Reinvestment Act. CRA has been invaluable in helping to assure low and moderate income consumers, communities and small businesses have sufficient access to credit.

The Community Reinvestment Act has been important to both urban and rural communities. Every CRA dollar is a loan—it is the leveraging of capital. Over the past seven years or so, approximately $400 billion of community development has been leveraged. It has proven to be an effective tool in my home state of California and in states throughout the country.

CRA encourages federally insured financial institutions to help meet the credit needs of the communities in which they do business. As Senator Proxmire said in 1974, ''CRA is intended to establish a system of regulatory incentives to encourage banks and savings institutions to more effectively meet the credit needs of the localities they are chartered to serve, consistent with sound lending practices.''

CRA does not, despite many implications to the contrary, impose any requirement upon banks to make unsound or unsafe loans. CRA does not require banks to engage in risky lending or investments. It does not require banks to make loans outside of the lending criteria they have established. I would suggest, in fact, that given how well banks are doing these days, one would be hard pressed to make a reasonable case that CRA has been detrimental to the bottom line of banks or to their safety and soundness.

I think it is wonderful banks are doing so well, I appreciate the contributions they are making to our economy. I remember all too well when banks were not doing so well. Thus, I would not support CRA, or any other requirement, which encouraged banks to engage in unsafe lending practices.

My specific concerns as relate to the CRA provisions in this bill are as follows. First, as I understand it, there are no enforcement mechanisms or penalties for failing to maintain a ''satisfactory'' CRA rating. By contrast, the bill passed last year by the Senate Banking Committee required all banks in a holding company structure to have a satisfactory CRA rating as a condition of affiliation, and maintain a satisfactory CRA rating in order to continue to engage in new financial activities.

Second, this bill provides for a CRA ''safe harbor.'' Under this provision, all institutions which received at least a satisfactory CRA rating on their most recent examination, and received a satisfactory rating in each of the past 3 years, would be deemed to be in compliance with CRA. Such a safe harbor, I believe, would often effectively eliminate the opportunity for public comment. Banks and thrifts are usually examined every two to three years. CRA performance can change in the interim.

Third, S. 900 exempts those banks with less assets of less than $100 million, and those that are not located in metropolitan areas, from CRA. While I think we can all agree that institutions with assets of less than $100 million are small, the amendment would exempt more than 75 percent of rural institutions from CRA requirements—that is almost 40 percent of all U.S. banks and thrifts. Ironically, I would note, it has traditionally been these smaller institutions that have had the worst CRA records. Moreover, the new CRA rules, which went into effect in January 1996, provide a streamlined examination for banks and thrifts with assets less than $250 million. In fact, pursuant to the changes which took effect in 1996, small banks do not have any data collection or reporting requirements.

I do not believe the CRA changes envisioned in S. 900 are appropriate, or needed at this time. If there are abuses or specific problems, let's deal with them—let regulators, and, if appropriate, law enforcement deal with them. Such abuses are hurtful to CRA and to those who can potentially benefit from CRA. These abuses, I would suggest however, are extraordinarily rare. On the whole, bankers have found CRA to be an extremely minimal intrusion at most.

CRA has not been a problem to most bankers in my home state of California. BankAmerica, Wells Fargo and others have made important CRA commitments in my state.

Between 1992 and 1997, BankAmerica made $3 billion in conventional small business loans and lines of credit for less than $50,000. In 1997, it made more than $1 billion in loans and lines of credit for $100,000 or less. And BankAmerica has often noted their CRA loans have performed as well as other more traditional loans made by the bank. These loans have also been

profitable for the bank. In fact, Hugh McColl, the Chairman and CEO of BankAmerica Corp. has said, ''My company supports the Community Reinvestment Act both in spirit and in fact. We have had fun doing it. We've made a business out of it.''

Moreover, in Los Angeles, as a result of CRA, loans to African American owned businesses increased a whopping 171 percent between 1992 and 1997. However, it is important to note that small business owners of every race have obtained credit as a result of CRA-related programs. For example, in San Diego, at least 25 percent of the loans made by local community development organizations were to white business owners.

So Mr. President, although I am a enthusiastic supporter of financial services modernization, I cannot support S. 900 if the CRA provisions contained in the bill are maintained. Access to capital and economic development, I believe, will potentially be some of the most important tools available to low and moderate income Americans in the coming century. Without such access to capital, far too many Americans, particularly those in urban and rural areas, will not be able to share in the economic wealth of our remarkably exuberant economy.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, I have refrained from speaking all day. I do need to speak for a brief period of time, but I want to try to accommodate colleagues as well. If I can inquire of Senator SCHUMER, how much time would he need to speak, 5 minutes or thereabouts?

Mr. SCHUMER. Yes, that would be fine.

Mr. SARBANES. And Senator SHELBY?

Mr. SHELBY. About 10.

Mr. SARBANES. I would like to propound a request that Senator SCHUMER be allowed to speak and then Senator SHELBY and then after Senator SHELBY that I would be recognized.

Mr. GRAMM. Could we add to it that, after the Senator from Maryland, I be recognized?

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

The Senator from New York.

Mr. SCHUMER. Mr. President, I thank my friend, the Senator from Maryland, as well as the Senators from Alabama and Texas for their courtesy here this evening.

I also thank Senator SARBANES for his indefatigable efforts to defend the Community Reinvestment Act.

And I'd like to thank my Democratic colleagues as well as Secretary Rubin for their strong commitment to CRA.

In 1977 when CRA was enacted, the thinking was that banks—though privately owned—receive public benefits in the form of deposit insurance and access to the Federal Reserve's discount window and payments system.

And in return, they would have an obligation to ''serve the convenience and needs'' of their communities.

Over 20 years later, banks still CRA as an obligation—but as an obligation that a minimum they can live with—and in many cases, that they endorse.

Does CRA work?

The answer has been a resounding yes.

Since its enactment, CRA has resulted in $1 trillion of investments in underserved communities. It's been a driving force for community economic development; one of the best ways to bring people together, to bring poor people and people of color upward, which we all want to do.

It's also driven a 30 percent increase in home ownership among low-income families since 1990, making the American Dream of home ownership a more commonplace reality for our minority communities.

And in 1997, large banks and thrifts made approximately 525,000 small business loans totaling $34 billion to entrepreneurs located in low and moderate communities.

CRA works.

And we know it works because banks who have never been shy in fighting what they view as burdensome or intrusive Federal regulation are not pushing to repeal CRA or even to roll it back.

In fact, they're supporting it. Every major bank in my State has contacted me in favor of CRA.

Some have been honest enough to admit that because of CRA they are reaching out to communities that they would not otherwise have served.

And they're serving them profitably.

Hugh McColl, Jr., Chairman and CEO of BankAmerica Corp., stated earlier this year; ''My company supports the Community Reinvestment Act in spirit and in fact. To be candid, we have gone way beyond its requirements * * *. We're quite happy living with the existing rules.''

A Federal Reserve study showed that banks with higher volumes of loans to low-income communities were on average more profitable than those with a lower volume.

And we know that banks have had some of their most profitable years even as CRA loans have reached record heights.

Finally, our regulators, who are committed to ensuring the safety and soundness of our financial institutions, have been very vocal in their support of CRA.

So there's more evidence that CRA has been effective in communities' edification than in any invidious exploitation of banks, as some of its critics have been charging.

The question is, then, with everyone in support of CRA, why do we want to throw away our best chance to pass financial modernization solely to end a law that we know is working?

The President has stated very clearly that with these CRA provisions, this bill will end in veto. His veto letter states:

> We cannot support the ''Financial Services Modernization Act of 1999'' * * *. In its current form, the bill would undermine the effectiveness of the Community Reinvestment Act (CRA), a law that has helped to build homes, create jobs, and restore hope in communities across America. The CRA is working, and we must preserve its vitality as we write the financial constitution for the 21st Century.

Contrary to what many think, this amendment does not expand CRA. It simply maintains the status quo.

First, it requires that banks have at least a ''satisfactory'' CRA rating as a precondition for affiliation with securities and insurance firms. Today our insured depository institutions have this obligation. And 97 percent of them meet it. They meet it precisely because it is not a tremendous burden.

Second, this amendment would remove the small bank exemption that narrowly passed the Banking Committee. Small banks account for 70 percent of the ''needs improvement'' ratings handed out to banks by the regulators last year. So the idea that we should exempt the institutions that are most likely to be in noncompliance seems ill-advised.

Finally, the amendment eliminates the safe harbor provisions in the Committee print. The safe harbor sets up an unnecessary burden of proof that is simply unnecessary.

In sum, these provisions would restore CRA to today's potency.

As I said yesterday, I say, it is my hope that we can set aside our partisanship for the sake of pragmatism.

And set aside confrontation for the sake of compromise.

Mr. President, I strongly support this amendment, and I urge my colleagues to support it.

A vote for this amendment is a vote for modernization.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SHELBY. Mr. President, I rise in opposition to the Bryan CRA amendment. This amendment not only strikes the small rural bank exemption that we have in the Banking Committee bill and that we adopted on a bipartisan vote, but it also replaces that language with a significant expansion in CRA—the same language Chairman GRAMM and I vehemently opposed on the Senate floor this past year.

Community banks, as the Presiding Officer knows, by their very nature, serve the needs of their communities and do not need a burdensome Government mandate to force them to allocate credit or to originate profitable loans. And, contrary to the assertions of critics, there is no evidence whatsoever that the small bank exemption

would have ''devastating consequences'' for low- and moderate-income rural communities. There remains no documented evidence to prove such an assertion, just as there is no tangible evidence that CRA has ever helped rural communities in America.

What is documented, though—and Chairman GRAMM has worked tirelessly to do so—is the kinds of blackmail agreements and extortion practices that the Community Reinvestment Act enables community groups to engage in. The truth of the matter is that the small bank exemption would exempt less than 3 percent of bank assets nationwide. Thus, 97 percent of all bank assets would still be subject to the Community Reinvestment Act.

Just bear with me a minute on this chart. We have bank assets of $5.711 trillion. But banks above $100 million, rural and nonrural, control 97 percent of the bank assets in America. The small banks in America that we are talking about, those under $100 million in assets—there are 3,667 of them—control only $165 billion, or 2.9 percent of all the banking assets. Can you imagine? BankAmerica, for example, has $614 billion in assets. And I commend them for that. They are a well-run bank. But that is more than all 3,667 small rural banks in America put together; it is about 4 times more. So let's look at this in a realistic situation, as this chart here depicts.

Mr. President, critics will point out that the small rural bank exemption which I and Senator GRAMM have in the bill would exempt 3,700 banks. That is true. But to put that into context again, and to reiterate, one needs to understand that BankAmerica, as I have just shown, is four times the size of all small rural banks in America.

Indeed, BankAmerica possesses $614 billion in assets, or 10.7 percent of all bank assets in this country. If one looks at the list of large banks, one will soon realize that the vast majority of bank assets are concentrated in the large, multibillion-dollar banks that can most easily shoulder the burden of CRA.

The assertions of those who oppose the small bank exemption that we have in the banking legislation also do not comport with the comments I have received from small banks across the country. In fact, I have many letters from small bankers who complain about the burden of CRA, as well as the regulators' subjective reporting requirements dealing with CRA.

I would like to take a moment to read some letters from some small bankers in Alabama. I believe they have a right to be heard. I will quote from some of these. The first one says:

> I don't think, in these small community banks, that we have to be examined by people who usually don't understand our purpose, to enforce us to service our community * * *. Small community banks are a Service Institution. I know because I have just completed 39 years this month. All this time in small home-owned banks that deliver services that are essential to rural life. Where services have been rendered over the years even before we knew anything about CRA.

That was from Charles Willmon, chairman of the First Bank of the South in the small town of Rainsville, AL.

I have another letter, from John Mullins, president and CEO of First Commercial Bank of Cullman, AL, which says:

> Exempting small banks would be a wonderful opportunity for me to spend less time on unnecessary and nonproductive paperwork and more time helping the citizens of my market area improve their financial well-being . . . CRA examiners spend many unnecessary hours examining our loan track record. Banks our size are an integral part of the local community and we are always sensitive to the needs of our citizens. They are not faceless names, but people whom we know. We don't need a law to require us to help them with credit, we do it anyway.

I have another letter from a small banker in Clanton, AL. He is Leland Howard, Jr., of Peoples Southern Bank. He says:

> We in the community banks feel that the CRA exception for banks with aggregate assets of $100 million or less is a very good start on the road to easing the regulatory burden.

I have a letter from John Hughes, CEO of First National Bank of Hartford, AL, a small town in south Alabama. He says:

> Extra work created by the CRA is tremendous. Most rural banks know at least 95 percent of all their customers, their family, and their situation. The rating system that most examiners used is highly subjective and the rural banks have a hard time to achieve a grade higher than satisfactory. Again, it would be a great day in Alabama if you . . . could get this amendment passed.

Those are just a few letters, and they come from all over the Nation.

Mr. President, the Federal Reserve Bank of Richmond published its 1994 annual report on ''Neighborhoods and Banking,'' where it reported its findings on the costs of CRA. The report found:

> The regulatory burden [of CRA] would fall on bank-dependent borrowers in the form of higher loan rates and on bank-dependent savers in the form of lower deposit rates. And to the extent that lending induced by the CRA regulations increases the risk exposure of the deposit insurance funds, taxpayers who ultimately back those funds bear some of the burden as well.

The report goes on to say that, basically, the CRA imposes a tax on banks. CRA, then, is a tax on community banks and raises the costs of inputs to banks by increasing their regulatory burden and compliance costs. Mr. President, in addition, CRA forces banks to make loans according to a Federal quota, increasing the risks, and therefore the costs, of borrowing to consumers. Make no mistake about it, the Community Reinvestment Act raises the cost of borrowing through higher loan rates and punishes savers in the form of lower savings rates.

Critics of the small bank exemption claim that small banks get the worst CRA ratings. The truth of the matter is that one size does not fit all in any business. These critics point to lower than average loan-to-deposit ratios of small banks as evidence that they are not serving their communities. That is nonsense. That is like saying the average male wears a size 42 regular suit and that every male in America who does not fit in that size suit should be reprimanded by the Federal Government.

Every community in this great country is different. Most of us take pride in such diversity. That is the foundation on which this country was built.

However, the Community Reinvestment Act punishes banks who do not comport with national averages. Indeed, the loan demand in Prattville, AL, is not the same as in Lafayette, LA. Nor is it the same as in Shelbyville, TN. Nonetheless, CRA judges banks based largely on their loan-to-deposit ratios that the regulators deem to be appropriate. That, my friends, is nothing but a quota. When everything is said and done, CRA promotes quotas and creates a regulatory burden.

As if that is not bad enough, Mr. President, the Bryan amendment would also expand the reach and the scope of the Community Reinvestment Act.

Specifically his amendment would:

One, increase administrative enforcement authority of the regulators to fine directors and officers up to $1 million a day for CRA noncompliance. Just think about that.

Two, it would make expanded activities subject to CRA compliance on all depository institution affiliates on an ongoing basis.

And it would give the regulators the authority to shut down any affiliate within the holding company if just one subsidiary depository institution falls out of CRA compliance.

The Bryan amendment dramatically expands, Mr. President, CRA enforcement authority to allow civil money penalties for bank directors and officers, as I have pointed out.

The amendment would require bank holding companies who seek to become financial holding companies to be compliant with the Community Reinvestment Act of 1977 just in order to be eligible. If even one subsidiary depository institution ever falls out of compliance, the holding company, including the nonbank affiliate, would then be subject to section 8 of the Federal Deposit Insurance Act, which is 12 U.S.C. 1818, which authorizes bank regulators to invoke cease and desist orders, civil penalties, and fines.

Regulators would be authorized to fine bank directors and officers up to $1

million a day. This, Mr. President, is a dramatic expansion in the enforcement authority and reach of bank regulators.

Such authority does not exist today. The Clinton Justice Department even agrees.

In late 1994, Comptroller of the Currency, Eugene Ludwig, tried to invoke the administrative enforcement powers under Section 8 of FDIA (12 U.S.C. 1818) to enforce CRA. The Justice Department issued a memorandum stating:

[T]o move from an enforcement scheme that relies upon a system of regulatory incentives to a scheme that entails cease-and-desist orders and potentially substantial monetary penalties is a leap that we do not believe can be justified on the basis of the text, purpose, and legislative history of CRA. We therefore conclude that enforcement under 12 U.S.C. 1818 is not authorized by CRA.

Bank trade associations were very pleased with the Justice Department decision. The Bankers Roundtable, the American Bankers Association, the Consumer Bankers Association, and the Savings and Community Bankers of America, filed joint letters focusing in substantial part on the regulators claims of enforcement authority.

The Bryan amendment also permits regulators to force divestiture since banks cannot ''retain shares of any company'' if ever out of CRA compliance. This provision also explicitly states that a bank holding company may not ''engage in any activity'' unless the institution is CRA compliant always and forever.

Think about it.

If just one subsidiary depository institution of a financial holding company falls out of compliance with CRA, the substitute authorizes the Federal Reserve Board to ''impose such limitations on the conduct or activities of the company or any affiliate of the company as the Board determines to be appropriate * * *'' This, too, is a dramatic expansion of enforcement authority under CRA. For the first time, regulators will be able to impose restrictions on activities throughout the entire holding company. This means a bank regulator could prohibit a securities affiliate from underwriting securities or an insurance affiliate from underwriting insurance.

Regulators do not have such authority today. Currently, CRA only allows regulators to prohibit the merger, acquisition or branch expansion of an institution that is not compliant with CRA.

Current law does not give bank regulators the authority to prohibit eligible activities of a given charter due to CRA non-compliance. The Bryan amendment requires an operating subsidiary who wants to engage in agency activities to maintain CRA compliance on all depository institution affiliates.

Thus, non-banking financial agency activities would be held hostage to CRA, with the bank regulators given the authority to enforce such law. This is the first time CRA has ever been expanded to cover the approval of non-depository activities.

I urge my colleagues to vote against the Bryan amendment and support what is in the bill.

I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, shortly we will be voting with respect to the Bryan amendment.

I, again, want to underscore the very strong and powerful statement which I think Senator BRYAN made shortly after noon at the outset of this debate, and I am deeply appreciative to him for the strong leadership he has shown with respect to this amendment.

We have tried to give all Members a chance to speak. I, in fact, have refrained from doing so in the course of the day in order to make sure that our colleagues had a chance to speak. I would like to take just a few minutes now.

I want to speak in support of the amendment. But I really do not want to repeat a lot of the extensive discussion of the issues which have taken place, both during opening statements on the bill, and on the alternative amendment, and now on this amendment itself, although they may well bear repeating.

I want to make sure my colleagues appreciate the intense feeling and the critical importance which civil rights groups, mayors, rural groups, Hispanic groups, and Native American groups attach to this issue of CRA. They have all sent letters to the committee.

I ask unanimous consent those letters be printed in the RECORD at the conclusion of my remarks.

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

(See Exhibit 1.)

Mr. SARBANES. Mr. President, these letters reflect how CRA has benefited communities all over this country—small, urban, and rural. They demonstrate how CRA has expanded economic opportunities for people of all races, colors, and ethnic affiliations.

Yesterday morning, the Leadership Conference on Civil Rights, our preeminent civil rights group, held a press conference in support of CRA. I would like briefly just to quote some of the comments made by civil rights leaders at the press conference, as well as comments made by individuals who benefited from CRA.

Dr. Dorothy Height, chairman of the Leadership Conference on Civil Rights, president emeritus of the National Council of Negro Women, spoke, and said:

Since its enactment in 1977, the Community Reinvestment Act has served as one of the crowning achievements in the civil rights movement.

The premise of the legislation is simple—to make sure that economic opportunity for families and communities is available to every American.

Opportunities for home ownership, small business development, and sustaining rural communities are critical to the strength of this Nation.

With CRA our neighborhoods have a chance. Without it, they are discriminated against.

Just as civil rights legislation enacted a decade ago sought to break down the walls of discrimination that separated us in schools, restaurants, and places of work by the color of our skin, the CRA has meant opportunity for everyone, whatever race or color. As a result of CRA, millions of minorities across this Nation now have access to the capital that will allow them to build new homes, to create new businesses, and to improve education.

She concluded her introductory remarks at the press conference by saying:

Leaders you see before you represent dozens of organizations galvanized by an assault on the Community Reinvestment Act. Those organizations represent millions of Americans who have been touched by CRA and millions more who deserve the same opportunity.

Make no mistake about it, this issue is seen by the civil rights community as a critical civil rights issue. Fair access to credit is fundamental to hopes for economic progress in our minority communities.

Another speaker at the press conference was Hugh Price, president of the National Urban League, who said:

We of the National Urban League strongly support financial services modernization because we believe it is in tune with the times. But we staunchly oppose any effort to gut the CRA. We at the Urban League work with the leaders of many financial institutions. Just last week I talked with Kenny Lewis, president of Bank America, who said that his bank stands strongly behind the renewal of CRA.

I know that belief is echoed by many leaders in the financial services and banking community who see it as good business for their corporations.

Charles Kamasaki, senior vice president of the National Council of La Raza, stated:

The National Council of La Raza is the Nation's largest Hispanic civil rights organization. We represent more than 200 local community-based organizations who provide a range of services, many of them supported by CRA-related funds in over 32 States.

Mr. Kamasaki, the head of the National Council of La Raza, introduced Richard Farias as president of the Tejano Center for Community Concerns in Houston, a member organization of La Raza. Mr. Farias stated, in speaking of the importance of CRA:

Now because of CRA, a number of banks in Houston created a consortium to help us purchase a $2.1 million school building. The building has 7.5 acres and 80,000 square feet of space, including a gymnasium, a cafeteria, an auditorium and 25 classrooms. They now have a charter school for success that houses 400 students and is expected to grow to 650 students.

He goes on to say that it is very important to understand that CRA is not just about community development; it is about empowerment of the people; it is about being able to give low-income children and families the right that they have to not only good housing but to good education and to good health services.

Daphne Kwok, executive director of the Organization of Chinese Americans, also took part in the press conference. She stated that the Organization of Chinese Americans supports the Community Reinvestment Act because it has enabled home ownership among minority and low- and moderate-income individuals:

Asian Pacific-Americans, especially Chinese-Americans, Korean-Americans, Vietnamese-Americans, Asian Indian-Americans are small business owners, and many of them are seeking to open up businesses in low and moderate income areas.

JoAnn Chase, executive director of the National Congress of American Indians, then spoke and stated:

Founded in 1944, the National Congress of American Indians is the oldest, largest and most representative national organization devoted to promoting and protecting the rights of American Indian tribal governments and their citizens. One of our key missions has been to continuously advocate for Indian self determination and self sufficiency, and toward that end from its very inception, our communities, our governments, our people have supported the Community Reinvestment Act, which has proven to be an effective means of encouraging federally insured financial institutions to extend prudent and profitable loans in traditionally underserved areas, particularly in Indian country.

Specifically, the CRA has helped focus attention to the challenges of extending credit to reservations and has acted as a catalyst to reservation-based economic development. Since the implementation of the CRA, Native American governments and citizens and our own banks have negotiated agreements for lending more than $155 million within the Indian country which has substantially advanced efforts toward economic self-sufficiency. It is a law that has helped build homes for our people, has inspired hope and has created jobs in many native communities.

The final speaker at the press conference was Hillary Shelton, Washington bureau director of the NAACP, who stated:

* * * on behalf of the NAACP * * * we are honored to strongly support and continue to endorse the Community Reinvestment Act and consequently oppose any attempts to weaken it.

The CRA has been instrumental in the revitalization of literally tens of thousands of communities nationwide, and continues to be an important tool in the NAACP's ongoing efforts to help people and communities achieve the goals of community resurrection, development, and growth, at no cost to American taxpayers.

Mr. President, there has been printed in the RECORD a letter from the U.S. Conference of Mayors which was quoted from earlier, a letter from a coalition of 19 family farm and rural groups, which states:

Rural areas continue to suffer from a serious shortage of affordable housing. Farmers are facing the worst financial conditions in more than a decade due to declining commodity prices. Rural Americans continue to need the tools of the CRA to ensure accountability of their local lending institutions. CRA helps to meet the credit demands of millions of family farmers, rural residents and local businesses.

Mr. President, I ask unanimous consent to have printed in the RECORD other letters from a number of organizations which have written to us in very strong support of the CRA, as well as editorials.

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

MISCHIEF FROM MR. GRAMM

Cities that were in drastic decline 20 years ago are experiencing rebirth, thanks to new homeowners who are transforming neighborhoods of transients into places where families have a stake in what happens. The renaissance is due in part to the Federal Community Reinvestment Act, which requires banks to reinvest actively in depressed and minority areas that were historically written off. Senator Phil Gramm of Texas now wants to weaken the Reinvestment Act, encouraging a return to the bad old days, when banks took everyone's deposits but lent them only to the affluent. Sensible members of Congress need to keep the measure intact.

The act was passed in 1977. Until then, prospective home or business owners in many communities had little chance of landing loans even from banks where they kept money on deposit. But according to the National Community Reinvestment Coalition, banks have committed more than $1 trillion to once-neglected neighborhoods since the act was passed, the vast majority of it in the last six years.

In New York City's South Bronx neighborhood, the money has turned burned-out areas into havens for affordable homes and a new middle class. The banks earn less on community-based loans than on corporate business. But the most civic-minded banks have accepted this reduced revenue as a cost of doing business—and as a reasonable sacrifice for keeping the surrounding communities strong.

Federal bank examiners can block mergers or expansions for banks that fail to achieve a satisfactory Community Reinvestment Act rating. The Senate proposal that Mr. Gramm supports would exempt banks with assets of less than $100 million from their obligations under the act. That would include 65 percent of all banks. The Senate bill would also dramatically curtail the community's right to expose what it consider unfair practices. Without Federal pressure, however, the amount of money flowing to poorer neighborhoods would drop substantially, undermining the urban recovery.

Mr. Gramm argues that community groups are ''extorting'' money from banks in return for approval, and describes the required paperwork as odious. But community organizations that build affordable housing in Mr. Gramm's home state heartily disagree. Mayor Ron Kirk of Dallas disagrees as well, and told the Dallas Morning News that he welcomed the opportunity to explain to Mr. Gramm that ''there is no downside to investing in all parts of our community.''

In a perfect world, lending practices would be fair and the Reinvestment Act would be unnecessary. But without Federal pressure the country would return to the era of redlining, when communities cut off from capital withered and died.

---

[From the Washington Post, May 4, 1999]

BANKING ON REFORM

The Senate today is scheduled to begin considering a bill that would remake the financial services industry, allowing banks and insurance companies and investment firms to merge and compete. Similar legislation is making its way through the House. The thrust of both bills is sound. But while the industries have lobbied hard to shape a law satisfactory to them, the current legislation doesn't adequately protect low-income communities or consumers' privacy. Financial modernization should apply to them, too.

Since the Depression, federal law has sought to keep the banking, insurance and securities industries separate. The idea, in part, was to make sure that federally insured bank deposits didn't wind up somewhere risky and unregulated. But in recent years, even without a change in the law, that separation has eroded. Banks have found ways to offer mutual funds to their customers; investment firms function like deposit institutions; etc. It makes sense now to bring legislation—and regulation—in line with reality.

Congress has been trying to do so, and failing, for more than a decade, and may again. But on the major issues, the administration, the Federal Reserve and Congress have pretty well agreed. They would let the financial services industries meld while for the most part keeping them out of other businesses, a wise decision. They've come up with fire walls and regulatory schemes that, while still not entirely agreed upon, have satisfied most concerns about protecting federally insured deposits.

But there is no consensus yet on safeguarding the interests of underserved communities. Since 1977 federally insured banks have been subject to the Community Reinvestment Act, requiring them to seek business opportunities in poor areas as well as middle-class and wealthy neighborhoods. The law, a response originally to clear evidence of bias in lending, has worked well. It doesn't force banks to make unprofitable loans, but it encourages them to look beyond traditional customers, and it's had a beneficial effect on home ownership and small-business lending.

Sen. Phil Gramm, chairman of the Banking Committee, now wants to scale the law way back. He argues that community groups use it to extort money from banks; there's scant evidence for that. The real danger is that, with financial modernization, banks will gradually escape their community obligations by transferring capital to affiliates that aren't covered by the law. The law should be extended and modernized to keep pace with a changing industry.

Consumer privacy also could be in danger as barriers among industries break down. An example: Should your life insurance medical records be shipped over, without your knowledge, to the loan officer considering your mortgage application? Sen. Paul Sarbanes of Maryland and Rep. Ed Markey of Massachusetts, among others, would give consumers more control over the sale and sharing of personal data. As the financial industry moves into a new era, privacy laws should also keep pace.

JESUIT CONFERENCE, THE SOCIETY OF JESUS IN THE UNITED STATES.
*Washington, DC, March 3, 1999.*

Hon. PAUL SARBANES,
*Seante Committee on Banking, Housing, and Urban Affairs, Washington, DC.*

DEAR SENATOR SARBANES: We are writing you on behalf of the Jesuit Conference Board of the Society of Jesus in the United States. With the House and Senate Banking Committees scheduled to mark-up financial modernization legislation this week and vigorous discussions already underway we call your urgent attention to the status of the Community Reinvestment Act (CRA) in this debate. We urge your vocal and unconditional support for safeguarding and effectively applying CRA to any proposed financial modernization legislation. By maximizing the capital available to undeserved urban and rural areas, CRA has proven to be an exceptional means of promoting vital and sustainable communities. CRA should be allowed to continue its invaluable work.

There are approximately 4,000 U.S. Jesuit priests and brothers working abroad and in our domestic projects which include: 28 Jesuit-affiliated universities and colleges, more than 50 Jesuit high schools and middle schools, nearly 100 Jesuit parishes, and various other apostolic programs throughout the country. We have an overriding commitment to empower individuals, families and communities who are most at-risk in our society. In essential ways, CRA enables these marginalized groups to fully integrate into society.

Propelled by a mission of justice and social progress, Jesuit institutions have CRA-type goals of investing in the communities where they are located. For example, Fordham University is situated in one of the poorest urban counties in the nation. In 1983, Fordham formalized a long-standing partnership with the Northwest Bronx Community and Clergy Coalition to form the University Neighborhood Housing Corporation (UNHP). UNHP believes in working aggressively to develop and preserve innovative, community-controlled, affordable housing. With the strength and leverage of CRA, UNHP, has built a positive, working relationship with Chase Manhattan Bank. From the late 1980s, this relationship has resulted in millions of dollars of capital for affordable housing and economic development in the northwest Bronx. Recently, this successful partnership yielded $25 million in housing rehabilitation funding from Fannie Mae. The force of community leaders working with university, banking and Fannie Mae representatives is not merely a lifeline for the northwest Bronx; it has added self-sustaining stability and growth to an historically distressed, densely populated neighborhood. This is one example of an estimated $1 trillion in CRA-leveraged financial commitments since 1977.

We ask for your continued support for national economic development policies which equip people with the means to lead respectful and dignified lives. CRA is in the interest of underserved communities; it is in the interest of our Jesuit institutions; and it is in our collective, national interest.

Thank you for your consideration and efforts.

Sincerely,

REV. RICHARD RYSCAVAGE, S.J.,
*Secretary, Jesuit Social & International Ministries.*

MS. BRITISH ROBINSON,
*National Director, Jesuit Social & International Ministries.*

DEPARTMENT OF SOCIAL DEVELOPMENT AND WORLD PEACE
*Washington DC, March 4, 1999.*

Hon. PAUL SARBANES,
*Banking, Housing, and Urban Affairs Committee, U.S. Senate, Washington, DC.*

DEAR SENATOR SARBANES: I write to ask that you oppose any provisions in the Financial Services Act of 1999 that may eliminate consumer protections and/or dilute the fair lending laws.

The United States Catholic Conference has vigorously supported the disclosure of lending patterns since 1975 and was one of the original supporters of the Home Mortgage Disclosure Act. We believe people must have access to information about the lending practices and patterns of the financial institutions in their communities that are seeking their business. In the past banks, mortgage companies, insurance brokers and other financial institutions have discriminated against minority populations, low-income individuals and the communities in which they live with virtual impunity. The Community Reinvestment Act (CRA) and the effective enforcement of its regulations have proved significant tools in ensuring that financial institutions meet the credit needs of the local communities in which they are located, particularly by increasing the flow of credit to low-income and minority communities.

Since 1977, CRA has channeled tens of billions of dollars *profitably* back into rural and urban communities. This success of local communities gaining access to private capital should not be jeopardized. Communities and neighborhoods need the investment of private capital particularly as government curtails its spending on housing and social services programs and local communities are being asked to assume more responsibility for their own development. Low and moderate income families of all races and ethnicities have benefited from CRA with increased opportunities to purchase homes, open small businesses or operate farms.

As Congress seeks to modernize the banking and financial industry, fair lending laws must not be undermined. Once more, we urge you to oppose any efforts to diminish consumer protections and to weaken fair lending laws.

Sincerely,

CARDINAL ROSER MAHONY,
*Archbishop of Los Angeles, Chairman, Domestic Policy Committee.*

---

NATIONAL LOW INCOME HOUSING COALITION/LIHIS
*Washington, DC, April 6, 1999.*

Hon. PAUL S. SARBANES,
*United States Senate, Washington, DC.*

DEAR SENATOR SARBANES: On behalf of the National Low Income Housing Coalition, I must express in the strongest terms possible our objection to the evisceration of the Community Reinvestment Act in the Financial Services Modernization Act of 1999 recently reported out of the Senate Banking Committee.

The National Low Income Housing Coalition represents thousands of local housing organizations that are doing the hard work at the local level to rebuild neighborhoods that have been depleted by disinvestment, and to produce safe, decent, and affordable housing for people at the low end of the economic spectrum. These are organizations that are masterful at the management of multiple funding streams, bringing together the public and private resources required to stimulate and produce new housing and economic development initiatives at the local level. Each of our members can attest to the necessity of the Community Reinvestment Act in putting together the resources required to do the job we all expect of them. At a time when responsibility for solving serious community problems is being devolved to local organizations, it is mystifying as to why one of their most critical resource development tools would be pulled out from underneath them.

Especially serious is the provision in the Senate bill which allows banks not in compliance with CRA to expand their affiliations and engage in new powers. This would essentially render the CRA useless in the new world of financial modernization.

We also object to the creation of so-called ''safe harbors'' for institutions with at least a satisfactory CRA rating, which in effect eliminates opportunity for public comment on the community reinvestment activities of the banks, while maintaining opportunity for public comment on all other aspects of the institutions' functioning.

Finally, the small bank exemption would mean that rural communities have no options for acquiring credit, as small banks are often the only source of credit in many rural parts of the country.

The Community Reinvestment Act is a model of the Federal government at its best, stimulating investment in poor neighborhoods and creating a true partnership among the private, for profit sector; the private, not for profit sector, and the public sector. As we move into an era of a bigger and more comprehensive banking system, building on, not tearing down, this core element of community reinvestment should be an essential principle.

We urge that the Senate not take this action, and prevent the dire consequences that would result in its wake of its passage.

Sincerely,

SHEILA CROWLEY,
*President.*

Mr. SARBANES. Mr. President, as I draw to a close, let me again say to the distinguished Senator from Nevada we very much appreciate his very strong and powerful statement.

EXHIBIT 1

APRIL 8, 1999

Hon. PAUL S. SARBANES,
*Senate Hart Office Building,*
*U.S. Senate, Washington, DC.*

DEAR SENATOR SARBANES: The undersigned organizations write to express strong opposition to the Financial Services Modernization Act of 1999 as reported out of the Senate Banking Committee on March 4th. The Act would restructure the financial services industry in the United States by allowing broad affiliations among banks, insurance companies, and security firms. Currently, the law strictly limits ownership among different financial entities and between financial companies and commercial corporations. The Act seeks to ease these restrictions, without commensurate expansion of the Community Reinvestment Act (CRA) to cover insurance companies, securities firms, mortgage companies, and other financial entities allowed to affiliate with banks. The Act would undermine one of the most effective revitalization vehicles for underserved low-income and minority communities, including Hispanic American communities across the country.

We have found, and research confirms, that all too often the credit and financial needs of these communities are severely underserved. Historically, many financial institutions have avoided investing in these communities due to their perceived higher level of risk. Unfortunately, ''perceived higher level of risk'' is often code for ''low-income'' or ''minority.'' But the facts show that low-income and minority communities are not inherently riskier than other communities. In fact, most financial institutions find them to be quite profitable, once they begin investing in them. Unfortunately, without the CRA, many financial institutions have not and would not be encouraged to do so.

As the data show, Hispanics are the fastest-growing population in the United States. We are a growing force in the expansion of homeownership and small business development, two leading indicators of the economic well-being of this country. For example, between 1987 and 1992, Hispanic-owned business grew by over 76%, compared to 26% for U.S. businesses overall. According to a 1997 Harvard study, ''the number of Hispanic homeowners has shown the most spectacular rise'' in recent years compared to that of Whites and of other minority groups. Population projections forecast Hispanics to be the largest minority group in the U.S. by the year 2005, causing the U.S. economy to be increasingly dependent on the continued prosperity of the Hispanic American community. Without the CRA, this growth may be impeded.

As reported out of the Senate Banking Committee, the Financial Services Modernization Act of 1999 would hinder that growth by weakening the CRA in the following three ways. First, ''satisfactory'' CRA rating is not required in order for financial institutions to enjoy the new powers afforded to them by the legislation, thereby allowing banks to exercise their privilege, even if they are not meeting the credit needs of the communities where they do business.

Second, banks receiving a ''satisfactory'' CRA rating would be given a ''safe harbor'' from public comment on CRA performance. Since over 95% of banks receive a ''satisfactory'' rating, this would undermine the effectiveness of the law by restricting a community's right to voice its experience with banks. While a ''satisfactory'' rating provides a helpful guide to a bank's overall performance, it may not provide an accurate picture at the neighborhood level.

Third, the Act proposes to exempt all small rural banks (those with less than $100 million in assets) from CRA, thereby releasing 76% of all rural banks from their CRA obligations. As with the safe harbor provision, this undermines the spirit and the effectiveness of the law by exempting most rural banks. This would have particularly adverse consequences in low-income rural communities where often the only source of credit is a small bank. Moreover, researchers have found that small banks have disproportionately poor CRA records compared to larger banks, thereby highlighting the need for CRA in rural communities and small towns.

CRA is one of the strongest incentives to encourage investment in low-income and minority communities. Over the last twenty-two years, neighborhoods across the country have benefited from CRA-encouraged investments. This has resulted in increases in homeownership and business development, leading to the rebirth of many American neighborhoods. However, many communities remain underserved by capital and investment vehicles. For this reason, reinforcement, not weakening, of CRA is critically needed. We urge you to support the continued strengthening of America's communities by vigorously opposing the Financial Services Modernization Act of 1999 as reported out of Committee, and supporting amendments that would strengthen the Bill's CRA protections. Thank you.

Sincerely,

Rick Dovalina, National President, League of United Latin American Citizens; Arturo Vargas, Executive Director, NALEO Educational Fund; Ruth Pagani, Executive Director, National Hispanic Housing Council (NHHC); Juan Figueroa, President and General Counsel, Puerto Rican Legal Defense and Education Fund (PRLDEF); Antonia Hernandez, President and General Counsel, MALDEF; Raul Yzaguirre, President and Chief Executive Officer, National Council of La Raza (NCLR); Manuel Mirabal, President and Chief Executive Officer, National Puerto Rican Coalition (NPRC).

---

NATIONAL FARMERS UNION,
*Washington, DC, March 24, 1999.*

DEAR SENATOR: On behalf of the 300,000 farm and ranch families of the National Farmers Union, I write to express our strong opposition to the Financial Services Modernization Act of 1999, as reported out of the Senate Banking Committee earlier this month. Specifically, we are concerned that the bill would undercut the Community Reinvestment Act (CRA)—a law that has significantly expanded access to credit in rural communities across the nation.

The Community Reinvestment Act prohibits redlining, and encourages banks to make affordable mortgage, small farm and small business loans. Under the impetus of CRA, banks and thrifts made $11 billion in farm loans in 1997. CRA loans assisted small farmers in obtaining credit for operating expenses, livestock and real estate purchases. Low- and moderate-income residents in rural communities also benefited from $2.8 billion in small business loans in 1997.

In 1999, access to credit is tighter than usual, making it critical to maintain the CRA. There are three provisions in the pending legislation that jeopardize the CRA.

First, the bill exempts banks and thrifts that are located in rural areas and have less than $100 million in assets, from CRA requirements. This provision would exempt 76 percent of all banks and thrifts in rural communities. A Congressional Research Service study of data from 1997 to mid-1998 found that banks with less than $100 million in assets receive 70 percent of the ''below satisfactory'' CRA ratings.

Second, the banking bill fails to require that banks have a satisfactory CRA rating in order to affiliate with securities and insurance firms. In the absence of this requirement, banks could ignore local credit needs in favor of expanding to other areas.

Third, the bill has the effect of eliminating the public's opportunity to comment on a bank's performance pending expansion, if that bank has had a satisfactory CRA rating during the previous 36 months.

There is no compelling reason to weaken the CRA. In fact, CRA regulations were revised in 1995 to reduce compliance burdens on small banks and allow for streamlined examination.

The CRA has been extremely successful in encouraging financial institutions to help meet the credit needs of rural communities across the nation. Therefore, we urge you to oppose the Financial Services Modernization Act of 1999 until the provisions against the CRA are removed.

Sincerely,

LELAND SWENSON,
*President.*

---

SMALL BUSINESS ADMINISTRATION,
*Washington, DC, May 3, 1999.*

Hon. PAUL S. SARBANES,
*Ranking Member, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.*

DEAR SENATOR SARBANES: I am writing to express my concern with provisions of the Financial Services Modernization legislation that would weaken the Community Reinvestment Act (CRA). The President has made clear that he would veto legislation that weakens CRA, and it is my hope that the U.S. Senate will not move to undermine this important statute.

The CRA is a vital tool in providing access to capital in communities traditionally underserved and once perceived as high-risk lending areas. Financial institutions have found, through CRA, that creditworthy borrowers and sound investments do exist in these areas. The CRA has resulted in viable small businesses creating jobs and stimulating local economies. Without CRA, lending institutions might never realize the maximum potential of these marketplaces, and many communities could lose access to bank credit, which is so important to small businesses.

The CRA focus for banks strikes at the heart of fulfilling the U.S. Small Business Administration's (SBA) mission. SBA is in the business of providing credit to those who cannot obtain it elsewhere, and we do this largely through our partners—local financial institutions. Everyday, SBA and banks across the country help entire communities grow through SBA-backed equity investments and guaranteed loans, many of which fall under CRA goals. Additionally, studies analyzing CRA data identify and quantify what would have been only hunches just 4 years ago, and the result is a more accurate depiction of the patterns and gaps of small business lending across the Nation. The CRA is essential in meeting the credit and investment needs of our America's small businesses.

Weakening CRA could reverse the progress we have made in small business lending in this country. As you seek to modernize the financial industry, I urge you to oppose any provision that actually moves us back in time.

Sincerely,

AIDA ALVAREZ
*Administrator.*

---

CHAIRMAN GREENSPAN COMMENTS ON CRA

''Anecdotal information seems to suggest that loans to low- and moderate-income people perform, with respect to repayment, as well as loans to others, though some studies have suggested that delinquency rates on some types of affordable mortgage loans are higher. . . . there is little or no evidence that banks' safety and soundness have been compromised by such lending, and bankers often report sound business opportunities.''—January 12, 1998.

''When conducted properly by banks who are knowledgeable about their local markets, who use this knowledge to develop suitable products, and have adequately promoted those products to the low- and moderate-income segments of the community, CRA can be a safe, sound and profitable business.''—May 17, 1995.

Chairman Greenspan noted during testimony before the House Banking Committee on February 11, 1999 that CRA has ''very significantly increased the amount of credit in communities'' that the changes have been ''quite profound.''

''CRA has helped financial institutions to discover new markets that may have been underserved before.''—May 17, 1995 repeated January 12, 1998.

---

CRA ADMINISTRATION AND DEMOCRATIC SUPPORTERS

''We must pass a stronger Community Reinvestment Act that challenges to lend to entrepreneurs and promotes development projects that reinforce community and neighborhood goals.''—Governor Bill Clinton and Senator Al Gore, ''Putting People First,'' 1992.

''[T]he town banker is doing pretty well where you live—in a big city or a small town. And yet, unbelievably enough, when we are proving it is working, the Community Reinvestment Act is under fire again.''—President Clinton to the U.S. Conference of Mayors, January 29, 1999.

The CRA has ''helped to build homes, create jobs, and restore hope in communities across America.''—President Clinton, Letter to Senator Paul Sarbanes and Senator Phil Gramm, March 2, 1999.

''We must protect the Community Reinvestment Act, which expands access to capital from mainstream financial institutions. We have greatly improved CRA by streamlining its regulations so that they focus on performance, not paperwork. CRA has been an enormous success.''—Treasury Secretary Robert Rubin, Letter to Senator Phil Gramm, February 1, 1999.

''It's very significantly increased the amount of credit that's available in the communities, and if one looks at the detailed statistics, some of the changes have been quite profound.''—Federal Reserve Chairman Alan Greenspan, Testimony before the House Banking and Financial Services Committee, February 11, 1999.

''[C]redit is the key to the American dream. Without it, people cannot share the tremendous wealth of our free market system—cannot buy a home, own a car, or send a child to college.''—Former Rep. Joseph Kennedy (D–MA), House Floor Statement during the Debate on the Financial Institutions Safety and Consumer Choice Act, November 1, 1991.

WHAT SENATOR GRAMM HAS SAID ABOUT CRA

''I believe that perhaps the greatest national scandal in America . . . is a scandal where a law is being used in such a way as to extract bribes and kickbacks and in such a way as to mandate the transfer of literally hundreds of millions of dollars and to misallocate billions and tens of billions of dollars of credit.''—Senate Floor Statement, October 5, 1998.

''[A]ll over the country banks that have exemplary records in community lending and that have received the highest ratings on CRA are routinely shaken down every time they want to open a branch, every time they want to start a new bank, every time they want to engage in a merger.''—Senate Floor Statement, October 5, 1998.

''[CRA] conjures up in my mind the ''protection'' racket of an earlier era, where the little merchant had the gangster come into his place of business and say, 'You know, somebody could come in here and do you some real harm, and I am willing to protect you.' ''—Senate Floor Statement, September 30, 1998.

''Let this evil, like slavery in the pre-Civil War period, let it exist, but do not expand it.''—Senate Banking Committee Markup Hearing, September 11, 1998.

''CRA has since been corrupted into a system of legalized extortion, often with the assistance of regulators. Moreover, it has increasingly replaced market-directed financial activity with politically directed and motivated channeling of private sector financial resources. . . . This cronyizing (sic) of the American economy is more typical of a third world economy and will undoubtedly be damaging to our national economic growth.''—Letter to Senate Committee on the Budget, March 5, 1999.

---

THE WHITE HOUSE,
*Washington, March 2, 1999.*

Hon. PAUL S. SARBANES,
*U.S. Senate, Washington, DC.*

DEAR PAUL: This Administration has been a strong proponent of financial legislation that would reduce costs and increase access to financial services for consumers, businesses and communities. Nevertheless, we cannot support the ''Financial Services Modernization Act of 1999,'' as currently proposed by Chairman Gramm, now pending before the Senate Banking Committee.

In its current form, the bill would undermine the effectiveness of the Community Reinvestment Act (CRA), a law that has helped to build homes, create jobs, and restore hope in communities across America. The CRA is working, and we must preserve its vitality as we write the financial constitution for the 21st Century. The bill would deny financial services firms the freedom to organize themselves in the way that best serves their customers, and prohibit a structure with proven advantages for safety and soundness. The bill would also provide inadequate consumer protections. Finally, the bill could expand the ability of depository institutions and nonfinancial firms to affiliate, at a time when experience around the world suggests the need for caution in this area.

I agree that reform of the laws governing our nation's financial services industry would promote the public interest. However, I will veto the Financial Services Modernization Act if it is presented to me in its current form.

Sincerely,

BILL CLINTON.

---

NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE,
*Washington, DC, March 2, 1999.*

Re the Financial Services Modernization Act and the Community Reinvestment Act.

Hon. PAUL S. SARBANES,
*U.S. Senate, Washington, DC.*

DEAR SENATOR SARBANES: The National Association for the Advancement of Colored People (NAACP), the nation's oldest and largest grassroots civil rights organization, strongly supports the Community Reinvestment Act (CRA) and opposes any attempts to weaken it. The CRA has been instrumental in the revitalization of literally tens of thousands of communities nationwide, and is an important tool in the NAACP's efforts to help people and communities achieve their goals at no cost to the taxpayer.

Through CRA, financial institutions are discovering that there are benefits to working in and with low to moderate income and minority communities. Since its enactment in 1977, CRA has helped lenders tap into previously unchartered areas and consequently they are learning what a viable, profitable market the low-moderate and minority communities are.

One example of a CRA success story would be the NAACP's Community Development and Resource Centers (CDRCs). The NAACP, working together with NationsBank, opened our first CDRC in 1992 in part to help NationsBank comply with CRA. Since that time, NAACP–CDRCs have made mortgage, consumer and small business loan referrals amounting to over $100 million, and more than 10,000 individuals and businesses have received counseling or technical assistance through CRDCs.

Due to the vital role the banking industry plays in the success or failure of every American neighborhood, CRA is a necessary tool for the sustained economic development of our nation. Thus the NAACP urges you, in the strongest terms possible, to oppose any amendments or bills that would in any way weaken the effectiveness of CRA. The NAACP also urges you, again in the strongest terms possible, to support any move to expand or modernize CRA as the financial services industry is allowed to change and grow. By not including CRA in any restructuring of the financial services industry, you would effectively be denying whole communities access to much-needed mortgages, consumer or small business loans, or basic financial assistance.

I hope that you will feel free to contact me if you have any questions regarding the NAACP position on CRA, or if there is any way that I can work with you to ensure that CRA is allowed to continue to prosper and provide assistance to people and communities across the nation.

Sincerely,

HILARY O. SHELTON,
*Director.*

Mr. BRYAN. I note that the distinguished chairman wants to speak. The Senator from Nevada would like to get 5 to 6 minutes at some point, if that can be accommodated.

Mr. GRAMM. Mr. President, under the unanimous consent request, I was to be recognized next.

I suggest we let Senator MACK speak for 4 minutes, have the distinguished Senator from Nevada speak for 4 minutes, and then I will speak for 4 minutes and we will be through. Would that work?

Mr. BRYAN. That is fine.

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

The Senator from Florida.

Mr. MACK. Mr. President, I thank Senator GRAMM and the other Members on the floor for this time. I will be brief.

I have spoken on this issue throughout my time in the Senate serving on the Banking Committee which now is into its 11th year. I also make these comments from the perspective of an individual who was president of a small bank in southwest Florida for 5 years out of a 16-year banking career.

One would think, listening to the comments that have been made by the distinguished Senator from Maryland, that we were proposing to repeal CRA. We are not proposing that at all. There may be Members who want to do that, but that is not what the issue is about. The issue is about regulatory overkill.

This little bank that I was president of had about $60 million in assets—very

small bank—in a community that was developed, one of these Florida developments, that began in the late 1950s. To suggest that this small community bank in a very well-defined and confined market was not providing resources to that market is just absurd. If we did not lend money into that market, we would, in fact, have gone broke. So all I am suggesting is the amendment being proposed here is being sold as if we were trying to repeal CRA. The information I have is with the committee position: Only 2.8 percent of the total assets of the banking industry in America are affected by this carve-out, 2.8 percent. There were 16,000 banks audited over a 9-year period and only three of those banks—I am talking about small banks now—only three of those banks were found to be significantly out of compliance.

Small banks in America need some regulatory relief. That is all we are suggesting here. Again, my experience was this little bank of $60 million in assets had to assign one individual whose job it was to put pins into a map in our market showing where we had made real estate loans. That is all we had to do. But I had to assign one person to do that. She had to put programs into effect in the bank to make sure we were complying with lending to our community. It was the only place we could have loaned.

So the idea that we needed to have the Community Reinvestment Act for my bank and for small community banks is absurd. I ask my colleagues to reject the amendment and to support the committee position.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. I thank the chairman for accommodating me and allowing me to speak for 4 minutes.

Let me say we had much debate and much discussion. There are amendments on bills that come and go. They really do not impact the overall outcome. This amendment is the most important amendment that will be considered in this debate. If the Bryan amendment loses, we convert what can be a bipartisan effort to get this legislation, which I strongly support and supported in the last Congress—and it becomes immediately a partisan vote, and that legislation has no chance in that form of becoming law. Whatever one's view is on CRA, and I understand we have widely different views, I respectfully submit this is not the vehicle to make this the issue. If, as the distinguished chairman and others have said, CRA needs to be revisited, let's do so in the context of some type of other legislation that is presently before the Banking Committee. We have had no hearings at all on this.

The Bryan amendment does two very simple things. One, it retains the current CRA provisions, including those provisions which relate to small banks that eliminate their need to even file a report. All they have to do is to point for the bank examiner and say the records are in the file cabinet. They need do no more. So this is not, in my judgment, an onerous burden.

And with respect to the new services that we permit banks to participate in, if Secretary Rubin and other experts who are looking at the banking field are correct, that is the wave of the future. If we do not require CRA as the condition of availing oneself of these new financial services, securities and insurance, in effect we marginalize and relegate CRA to a much lesser role.

What is accomplished? Hundreds of millions of dollars have been invested in the inner cities in our country. Thousands of minority businesses have had an opportunity to participate, which they would not otherwise have gotten, and home ownership opportunities have expanded for literally millions of Americans. It would seem to me those are the kind of issues we can agree on—Democrats, Republicans, conservatives and liberals. CRA has accomplished much.

We have gone through this before. A year ago, we nearly got a bill. It passed by a bipartisan majority in the House, with virtually the identical provisions that relate to CRA as contained in the Bryan amendment. It passed 16 to 2 out of the Banking Committee in this session of Congress; in the House Banking Committee by a vote of 51 to 8. This legislation has progressed with, again, virtually the identical provisions as it relates to CRA that the Bryan amendment contains.

So why are we going through this? The protagonists, the bankers, the insurance companies and the securities industry, do not oppose this legislation. We are going through this because our able chairman, whom we all greatly respect, says he needs leverage in dealing with the House. The last time I looked at the record of the composition of the House, the Republican Party was in the majority. Among its leaders were people such as TOM DELAY and DICK ARMEY, not exactly what you would call liberal exponents, bleeding-heart types.

It seems to me the argument that we need leverage makes no sense at all.

Finally, let me say this may be the only opportunity in this Congress to vote on a civil rights amendment, a process that has worked well and has served the nation well. It is not objected to by those who are struggling to reach the compromises on this piece of legislation. We should enact the Bryan amendment and move forward and get this bill over to the House, get it to conference and signed into law by the President. We have that opportunity only if the Bryan amendment prevails.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Texas.

Mr. GRAMM. Mr. President, this has been a long debate and I think a good debate. Rather than trying to go back and answer specific points that have been made, and correct statements, let me just try to cut to the heart of this. This is not about banks, even though the Independent Bankers, the American Bankers Association, the Bankers Roundtable oppose this amendment and support the underlying bill.

This is not about insurance companies. This is not about securities companies. This is about right and wrong. I have presented today, from redacted agreements, secret agreements that have been entered into by community groups and banks, three examples, the only three we have, where over and over again community groups are paid cash payments in return for them withdrawing objections which they have made to banks taking specific action, or where they have agreed not to raise an objection.

So the first thing we are trying to do is bring integrity to the process by preventing people, in essence, from paying witnesses. How do we try to do that? We try to do it in the following way: If you are a bank and you have an excellent CRA record, you have been in compliance for three audits in a row and you are in compliance now—we do not in any way limit the ability of anybody to object to that bank doing what it has a right to do under law—all we are saying is you are innocent until proven guilty if you have a long record of compliance. If you are going to come in and prevent a bank from taking an action they have earned the right to do based on audits on community lending, and you come in and say they are racists, or they are loan sharks, that is not enough. What we require is you present substantial evidence.

How is that defined? The Supreme Court defines substantial evidence as ''more than a mere scintilla . . . such relevant evidence as a reasonable mind might accept as adequate to support a claim.''

That is not a high standard. That is simply a credibility standard. And all over America—we have professional protesters in Boston who are protesting bank mergers in Illinois. What do they have to do with community lending in Illinois? Nothing. But they file a protest. The bank is deathly afraid of being held up in its merger, for example. Obviously, they do not want to be called bad names by people who are professionals at calling people bad names. So they end up paying these groups cash. That is not right.

This is an issue of right and wrong. The second issue is the issue relating to small banks. Little banks in rural communities in total hold only 2 percent of the assets of banks, but in 16,300

audits of these banks, each one of them on average cost the bank $80,000 to comply with. They found three banks in 9 years that are substantially out of compliance. They made these little banks pay $1.3 billion to find three bad actors. And little banks all over America are threatened by this regulatory burden. So we exempt them from it.

Mr. President, 44 percent of the enforcement effort is going to banks with 2.8 percent of the capital. Take that enforcement effort and put it where the money is and you will get more community lending, not less.

Finally, it is not as if the Sarbanes amendment simply strikes our provisions. But the Sarbanes amendment is the largest expansion of CRA in American history.

It would impose a million-dollar-a-day fine on bank officers and board members if they fell out of compliance. The American Bankers Association and the Independent Bankers Association have urged us not to do this, because they will not be able to get board members to serve and they will not be able to hire officers if they have to buy insurance to potentially pay a million-dollar-a-day fine if they fall out of compliance with this regulation.

What is the justification for this regulatory overkill when you have had three cases of substantial noncompliance out of 16,300 audits over 9 years? What is wrong with this picture?

What is wrong with the picture is, sadly, that many of our Democrat colleagues have decided, even though the spokesman for CRA testifying before our committee said, yes, there are abuses and, yes, they hurt the process and, yes, there is what they call green mail. Most people call it blackmail. But our colleagues have taken the extreme position that not only will they not address these abuses, they are going to vastly expand this to insurance, to securities and, with these million-dollar-a-day fines, producing a situation where every abuse we are concerned about today is going to be greatly expanded.

I urge our Democrat colleagues, if you support CRA, to help us bring an end to these abuses. If you support CRA, end the regulatory paperwork burden overkill so we can focus in this law on the real problem. While groups claim we are endangering CRA, it is those who will not fix clear wrongs that scream out that endanger it.

Mr. President, I move to table the pending amendment and ask for the yeas and the nays.

The PRESIDING OFFICER (Mr. BROWNBACK). Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 303. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. REID. I announce that the Senator from New Jersey (Mr. LAUTENBERG) is necessarily absent.

I also announce that the Senator from Louisiana (Ms. LANDRIEU) is absent attending a funeral.

I further announce that, if present and voting, the Senator from New Jersey (Mr. LAUTENBERG) and the Senator from Louisiana (Ms. LANDRIEU) would each vote ''no.''

The result was announced—yeas 52, nays 45, as follows:

[Rollcall Vote No. 101 Leg.]

YEAS—52

| | | |
|---|---|---|
| Abraham | Frist | Murkowski |
| Allard | Gorton | Nickles |
| Ashcroft | Gramm | Roberts |
| Bennett | Grams | Roth |
| Bond | Grassley | Santorum |
| Brownback | Gregg | Sessions |
| Bunning | Hagel | Shelby |
| Burns | Hatch | Smith (NH) |
| Campbell | Helms | Smith (OR) |
| Chafee | Hutchinson | Snowe |
| Cochran | Hutchison | Stevens |
| Collins | Inhofe | Thomas |
| Coverdell | Kyl | Thompson |
| Craig | Lott | Thurmond |
| Crapo | Lugar | Voinovich |
| DeWine | Mack | Warner |
| Domenici | McCain | |
| Enzi | McConnell | |

NAYS—45

| | | |
|---|---|---|
| Akaka | Edwards | Lieberman |
| Baucus | Feingold | Lincoln |
| Bayh | Feinstein | Mikulski |
| Biden | Graham | Moynihan |
| Bingaman | Harkin | Murray |
| Boxer | Hollings | Reed |
| Breaux | Inouye | Reid |
| Bryan | Jeffords | Robb |
| Byrd | Johnson | Rockefeller |
| Cleland | Kennedy | Sarbanes |
| Conrad | Kerrey | Schumer |
| Daschle | Kerry | Specter |
| Dodd | Kohl | Torricelli |
| Dorgan | Leahy | Wellstone |
| Durbin | Levin | Wyden |

ANSWERED ''PRESENT''—1

Fitzgerald

NOT VOTING—2

| | |
|---|---|
| Landrieu | Lautenberg |

The motion was agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote.

Mr. SARBANES. I move to lay that motion on the table.

The motion to table was agreed to.

Mr. BUNNING. Mr. President, I rise today in support of S. 900, which will modernize our financial services laws.

If our financial industries are going to be able to compete in the world market in the next century, we must modernize our depression-era banking laws.

The next century is almost here. We all talk about a Y2K problem. What about the antique banking law problem? Entering the new century with antiquated banking laws would be foolhardy. We have to reform our financial service system.

Most of the financial services and bank laws that are on the books today are based on the Glass-Steagall Act, legislation passed in 1935, over 60 years ago!

The world has changed a great deal since then, and it is going to change further and faster as we move into the 21st century. We need to update our outdated laws to account for this change and to give flexibility to American companies.

At the same time, we must make sure that any bill we pass treats all the segments of the financial industry fairly, and that there is a level playing field for all of the groups involved.

If history is any indication, any new law we pass will be with us for a long time, so we had better get it right.

We've been working to get it right for a long time. Eleven years ago, when I was a member of the House Banking Committee, we were able to report a financial services modernization bill to the floor.

Last year the House passed a bill and the Senate was able to pass a bill out of committee.

As a Member of the House last year, I supported the bill that passed by one vote in the House. It wasn't perfect. There were things I would have liked to change.

But I believed at the time that we couldn't allow the search for perfection to block real progress.

That's even more true this year.

We can talk about banking reform—and negotiate issues—for another twelve years—and we won't ever be able to make everyone totally happy.

There are too many competing interests and too much complexity is involved in the rapidly changing financial services industry for us ever to find a regulatory framework that will completely satisfy all of the players involved.

It's not going to happen.

At some point, we just have to do the best we can and move ahead. I'm convinced we have reached that point now—we should pass this bill.

Fortunately, the bill our committee approved this year is even better than the bills we considered last year. Chairman GRAMM and his staff did a good job—the committee did a good job.

It is time to move ahead.

We should pass a clean bill quickly and send a message to the other body that we are serious about financial services reform.

This bill has many important provisions. And I'm not going to talk about them all, but I would like to mention one issue in particular.

The one issue my bankers bring up every time they come to visit is Community Reinvestment Act or CRA reform.

I am very pleased the chairman has agreed to put CRA provisions in the bill and that we were able to pass Senator SHELBY's amendment in committee that will provide CRA relief, especially to small banks in my State and across the Nation.

Senator SHELBY's amendment will exempt 154 small banks in Kentucky from Federal CRA burdens.

These banks have always invested in the community. That is where their business is. A bank in Clinton, Kentucky does not lend in Louisville or Lexington, it lends in Clinton.

I have a letter from Robert Black, president and CEO of the Clinton Bank. Mr. Black says: ''We were using good CRA practices long before the burdensome regulation was passed. This regulation is now requiring much of our time preparing documentation and placing pins in a map just to prove that we made loans in every community.''

I should mention that Clinton, Kentucky was not named after Bill Clinton.

I would also like to read a passage from a letter from E.L. Williams, president of the Citizens Deposit Bank of Arlington, in Arlington Kentucky.

Mr. Williams states: ''In our opinion, the time and money afforded to CRA compliance in small banks could be used to a much greater advantage, such as lending and assisting the low to moderate income population for which the CRA was originally implemented.''

These small banks will lend in their own communities with or without CRA. They don't need Federal regulators breathing down their necks to make sure they are doing what they would be doing anyway.

I would personally like to see even greater reform of CRA—across the board—but our small banks really need and deserve relief and this bill provides it.

In closing, Mr. President, I repeat that this bill is not perfect. But it is a dramatic improvement over the antique financial laws we are operating under now and it is a dramatic improvement over the Sarbanes substitute.

We must enter the 21st century ready to compete and this bill will make that possible.

It is a good bill—I urge my colleagues to support it.

## THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, May 4, 1999, the federal debt stood at $5,563,049,386,516.94 (Five trillion, five hundred sixty-three billion, forty-nine million, three hundred eighty-six thousand, five hundred sixteen dollars and ninety-four cents).

One year ago, May 4, 1998, the federal debt stood at $5,477,263,000,000 (Five trillion, four hundred seventy-seven billion, two hundred sixty-three million).

Five years ago, May 4, 1994, the federal debt stood at $4,572,995,000,000 (Four trillion, five hundred seventy-two billion, nine hundred ninety-five million).

Ten years ago, May 4, 1989, the federal debt stood at $2,770,422,000,000 (Two trillion, seven hundred seventy billion, four hundred twenty-two million).

Fifteen years ago, May 4, 1984, the federal debt stood at $1,489,259,000,000 (One trillion, four hundred eighty-nine billion, two hundred fifty-nine million) which reflects a debt increase of more than $4 trillion—$4,073,790,386,516.94 (Four trillion, seventy-three billion, seven hundred ninety million, three hundred eighty-six thousand, five hundred sixteen dollars and ninety-four cents) during the past 15 years.

## CINCO DE MAYO

Mr. DOMENICI. Mr. President, today, May 5, or ''Cinco de Mayo,'' marks an important holiday for Mexicans and Mexican-Americans alike, and it will be observed with celebrations and festivities across the United States. Contrary to a popular misconception, Cinco de Mayo does not commemorate Mexico's independence from Spain. That holiday is celebrated on September 16. Instead, Cinco de Mayo marks the victory in 1862 of the Mexican army over a larger, better armed and better trained invading French army at La Batalla de Puebla.

After gaining independence in 1821, Mexico endured a series of set backs while trying to establish a republic. By the late 1850s, Mexico was in the grips of a severe economic crisis, and the treasury was bankrupt. In 1861, President Benito Juarez placed a moratorium halting payments on foreign debt. Since much of Mexico's debt was owed to France, Napoleon III responded by invading Mexico. After landing in the port of Veracruz, the French army, which was considered the finest military force of the period, expected to march through the country and easily capture the capital, Mexico City. However, a small Mexican army, under the command of General Ignacio Zaragosa, mounted a strong defense at the town of Pueblo and routed the invading force.

The stunning victory was short-lived, though. The French returned with reinforcements and were able to defeat Mexican forces the following year. But they were only able to control Mexico for four years, and President Juarez regained power in 1867.

Although, in the end, La Batalla de Puebla had little lasting military significance, it was, culturally, a watershed event for the fledging nation, and for Latin America as a whole. After seeing Europe's best army routed by a hastily gathered and largely untrained Mexican defense, European leaders became more wary of exerting military force in the Americans. Europe never sent another invading force to the Americas after this episode.

The victory at Puebla also instilled a great sense of pride and patriotism in the people of Mexico. They proved their military mettle to themselves and the world, and their government, led by President Juarez, secured legitimacy in the eyes of other nations.

Finally, La Batalla de Puebla asserted the right of people living in former European colonies to self determination and national sovereignty, and it unified all the citizens of Mexico, from landowners to laborers, in a common cause. It marks the point when people stopped seeing themselves as subjects of monarchy in a distant land or restricted their loyalty to a particular state or region, but instead viewed themselves as citizens of a new nation, a nation united under the green, white and red colors of the Mexican flag.

Much has been said in recent years about the ''commercialization'' of Cino de Mayo, and it is true that importance of this holiday often has been overlooked. However, to most Mexican-Americans, or Chicanos, Cinco de Mayo has a special meaning. Many scholars believe La Batalla de Puebla produced the first military hero from the American Southwestern region in General Ignacio Zaragosa, who was born in Texas. The holiday has long been a lesson in overcoming great odds through determination and unity. Today, Cinco de Mayo is an occasion for people of Mexican descent to come together to express pride in their history, and I encourage all Americans to enjoy this opportunity to celebrate and appreciate the contributions of Mexican culture.

## RUMORS OF NURSING HOME BANKRUPTCY

Mr. GRASSLEY. Mr. President, I serve as chairman of the Senate Aging Subcommittee and I feel a necessity to inform my colleagues about the issue of rumors about the pending bankruptcy of some nursing home chains in the United States.

There are reports in the press, and in discussions with my colleagues I have received information, indicating that one and possibly two large nursing home chains may be facing bankruptcy in the near future. That has an economic side and it has a human side. I will speak first about the human side.

Should one or both of these nursing home chains go bankrupt, we would have an immediate challenge to ensure the continued care of somewhere between 35,000 residents, on the one hand, and 70,000, on the other, in these respective homes where they are currently under care. This would be a significant task. Nursing home residents are frail and are not easily moved. Moving them runs the risk of causing ''transfer trauma,'' a condition that can result in death. Therefore, it is critical that we keep focused on preventing avoidable harm and take precautions to prevent this from happening.

I have introduced legislation to ensure that the quality of patient care is monitored if there would be bankruptcy. My legislation requires the appointment of an ombudsman to act as an advocate for the patient. This change will ensure that bankruptcy judges are fully aware of all the facts when they guide a health care provider through the process of bankruptcy. Prior to a chapter 11 filing, or immediately thereafter, the debtor employs a health care crisis consultant to help it in its reorganization effort. The first step is usually cutting costs. Sometimes this step may result in a lower quality of care for the patients who live there. The appointment, then, of an ombudsman, should balance the interests between the creditor and the patient. These interests need balancing because the court-appointed officials owe fiduciary duties to creditors and the estate but not necessarily to the patients.

There will be occasions which illustrate that what may be in the best interest of creditors may not always be consistent with the patients' best interest. The trustee's interest, for example, is to maximize the amount of the estate to pay off the creditors. The more assets the trustee disburses, the more his payment will be. On the other hand, the ombudsman for the patient is designed to ensure continued quality of care at least above some minimum standards. Such quality of care standards currently exist throughout the health care environment, from the health care facility itself to State standards and even Federal standards that were adopted in 1987.

I would like to have my colleagues consider the following excerpt from the Los Angeles Times on September 28, 1997, which describes the unconscionable, pathetic, and traumatizing consequences of a sudden nursing home closing because of bankruptcy:

> It could not be determined Saturday how many more elderly or chronically ill patients may be affected by the health care company's financial problems. Those at the Reseda Care Center in the San Fernando Valley, including a 106-year-old woman, were rolled into the streets late Friday in wheelchairs and on hospital beds, bundled in blankets as relatives scurried to gather up clothes and other personal belongings.

The presence of an ombudsman should help prevent a recurrence of instances similar to what I just described, where trustees quickly close health care facilities without notifying appropriate state and federal agencies and without notifying the bankruptcy court.

I began discussions with the Health Care Financing Administration at the beginning of April to urge them to take seriously the rumors we were hearing about possible nursing home bankruptcies and to encourage them to make preparations. I called for contingency plans that would prepare, well in advance, for the daunting challenges bankruptcies would pose to various federal and state agencies. HCFA briefed the staff of the Aging Committee, as well as staff from the Finance Committee and Budget Committee. While the HCFA staff appreciated the severity and size of the problem of ensuring resident safety in the event of a bankruptcy, they did not have a plan—or even a plan for a plan.

I wrote to the HCFA Administrator urging her to take the effort very seriously, to keep at the planning and to stay in touch with my office. Only on April 28th did I hear from her office that we could expect to see the plan in the next two weeks. That is why I wrote to her again on April 29, to tell her to get on with the effort and to let me and interested Members know of the plan to ensure that the people in the affected nursing homes will be protected.

Once we are assured that residents will be safe we can turn to the financial part of the bankruptcies. Now I will address these financial issues.

Before we take any action involving the taxpayers' hard-earned dollars, we should ask, and get solid answers to, some critical questions.

The first is this: if the rumors of financial distress are true, how is it that some providers are in such distress while others seem not to be? What factors have put certain companies at particular risk? The answer to that question will go a long way to help us know what kind of response their situation demands.

At this point, I'd like to make an observation about the Medicare element of this situation.

This is in response to the one excuse you are going to find from some of these changes why something ought to be done in the balanced budget amendment of 1997.

A Prospective Payment System (PPS) for Skilled Nursing Facilities was mandated by the Balanced Budget Act of 1997 (BBA). Some argue that, comparing CBO's 1997 baseline with its 1999 baseline, Medicare has saved $7 billion more than originally anticipated, and that this pushed these companies over the edge.

But we need to ask whether or not it did.

CBO has recently clarified its baselines, explaining that the alleged difference between the two baselines comes from an apples-to-oranges comparison: the 1997 baseline included Part B spending on patients in these facilities, while the 1999 baseline does not. When apples are compared to apples, CBO tells us, the Medicare Part A baseline for Skilled Nursing Facilities has decreased by only $200 million over 5 years—not by the $7 billion that we are hearing. Of course this doesn't tell us what is going on in the real world—it only tells us that the discussion should not be about CBO's baselines, it should be about what is really going on out there.

And that is what we need to find out.

Next, questions have been raised by shareholders, in class action suits against the management of these companies, about the competence and effectiveness of the management of these two companies. Did these companies try to grow too large, too fast? Did they take on more debt than they could manage? Was their business strategy flawed? A host of questions need to be answered about the internal operation of these companies—to see if they were being well run—before we assume that more taxpayer dollars will fix the problem. Otherwise we could wind up subsidizing the mistakes of well compensated executives.

These are serious questions that should be answered by the committees of this body. We should make full use of the evaluators who work for Congress. And the Administration should devote some effort to the inquiry as well. We need to understand the problem before we propose a solution.

Yet, some solutions are being presumed, and they are being presumed based on that apples-to-oranges comparison which says there has been $7 billion more saved from Medicare than was anticipated in the 1997 balanced budget amendment. We should make haste to get these answers, and not rush blindly into what could otherwise be a thoughtless bailout.

## COMMENDING THE EFFORTS OF THE REVEREND JESSE JACKSON

Mr. DORGAN. Mr. President, I would like to take this opportunity to join all Americans in expressing my profound relief at the safe return of Sergeant Andrew Ramirez, Sergeant Christopher Stone, and Specialist Steven Gonzales from captivity in the Federal Republic of Yugoslavia.

I was necessarily absent from the Senate this morning in order to attend a technology conference in my home State of North Dakota. Had I been present, I would have gladly joined 92 of my colleagues in commending the Reverend Jesse Jackson, and the delegation of religious and political leaders he led, for their instrumental efforts in securing the release of these three Americans. A grateful nation owes them its gratitude.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

### EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United

States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

## MESSAGES FROM THE HOUSE

At 12:35 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 118. An act to designate the Federal building located at 300 East 8th Street in Austin, Texas, as the ''J.J. 'Jake' Pickle Federal Building.''

H.R. 459. An act to extend the deadline under the Federal Power Act for FERC Project No. 9401, the Mt. Hope Waterpower Project.

H.R. 509. An act to direct the Secretary of the Interior to transfer to the personal representative of the estate of Fred Steffens of Big Horn County, Wyoming, certain land comprising the Steffens family property.

H.R. 510. An act to direct the Secretary of the Interior to transfer to John R. and Margaret J. Lowe of Big Horn County, Wyoming, certain land so as to correct an error in the patent issued to their predecessors in interest.

H.R. 560. An act to designate the Federal building and United States courthouse located at the intersection of Comercio and San Justo Streets, in San Juan, Puerto Rico, as the ''Jose V. Toledo Federal Building and United States Courthouse.''

H.R. 686. An act to designate a United States courthouse in Brownsville, Texas, as the ''Garza-Vela United States Courthouse.''

H.R. 1121. An act to designate the Federal building and United States courthouse located at 18 Greenville Street in Newnan, Georgia, as the ''Lewis R. Morgan Federal Building and United States Courthouse.''

H.R. 1162. An act to designate the bridge on United States Route 231 that crosses the Ohio River between Maceo, Kentucky, and Rockport, Indiana, as the ''William H. Natcher Bridge.''

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 84. Concurrent resolution urging the Congress and the President to fully fund the Federal Government's obligation under the Individuals with Disabilities Education Act.

H. Con. Res. 88. Concurrent resolution urging the Congress and the President to increase funding for the Pell Grant Program and existing Campus-Based Aid Programs.

The message further announced that pursuant to the provisions of section 503(b)(3) of the National Skill Standards Act of 1994 (20 U.S.C. 5933) and upon the recommendation of the Minority Leader, the Speaker reappoints the following members to the National Skill Standards Board on the part of the House for a four-year term: Ms. Carolyn Warner of Phoenix, Arizona and Mr. George Bliss of Washington, D.C.

The message also announced that pursuant to section 2(b) of Public Law 98–183 and upon the recommendation of the Minority Leader, the Speaker appoints the following member to the Commission on Civil Rights on the part of the House, effective May 4, 1999, to fill the existing vacancy thereon: Mr. Christopher F. Edley, Jr. of Cambridge, Massachusetts.

The message further announced that the House has passed the following bills, without amendment:

S. 453. An act to designate the Federal building located at 709 West 9th Street in Juneau, Alaska, as the ''Hurff A. Saunders Federal Building.''

S. 460. An act to designate the United States courthouse located at 401 Michigan Street in South Bend, Indiana, as the ''Rock K. Rodibaugh United States Bankruptcy Courthouse.''

## MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 118. An act to designate the Federal building located at 300 East 8th Street in Austin, Texas, as the ''J.J. 'Jake' Pickle Federal Building''; to the Committee on Environmental and Public Works.

H.R. 459. An act to extend the deadline under the Federal Power Act for FERC Project No. 9401, the Mt. Hope Waterpower Project; to the Committee on Energy and Natural Resources.

H.R. 560. An act the Federal building and United States courthouse located at the intersection of Comercio and San Justo Streets, in San Juan, Puerto Rico, as the ''Jose V. Toledo Federal Building and United States Courthouse''; to the Committee on Environment and Public Works.

H.R. 686. An act to designate a United States courthouse in Brownsville, Texas, as the ''Garza-Vela United States Courthouse''; to the Committee on Environment and Public Works.

H.R. 1121. An act to designate the Federal Building and United States courthouse located at 18 Greenville Street in Newnan, Georgia, as the ''Lewis R. Morgan Federal Building and United States Courthouse''; to the Committee on Environment and Public Works.

H.R. 1162. An act to designate the bridge on United States Route 231 that crosses the Ohio River between Maceo, Kentucky, and Rockport, Indiana as the ''William H. Hatcher Bridge''; to the Committee on Environment and Public Works.

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 84. Concurrent resolution urging the Congress and the President to fully fund the Federal Government's obligation under the Individuals with Disabilities Education Act; to the Committee on Health, Education, Labor, and Pensions.

## MEASURES PLACED ON THE CALENDAR

The following bills were read the first and second times and placed on the calendar:

H.R. 509. An act to direct the Secretary of the Interior to transfer to the personal representative of the estate of Fred Steffens of Big Horn County, Wyoming, certain land comprising the Steffens family property.

H.R. 510. An act to direct the Secretary of the Interior to transfer to John R. and Margaret J. Lowe of Big Horn County, Wyoming, certain land so as to correct an error in the patent issued to their predecessors in interest.

H.R. 1480. An act to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United Sates, and for other purposes.

## EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–2850. A communication from the Architect of the Capitol, transmitting, pursuant to law, a report of expenditures for the period April 1, 1998 through September 30, 1998; to the Committee on Appropriations.

EC–2851. A communication from the Chief Financial Officer and Plan Administrator, Production Credit Association Retirement Committee, First South Production Credit Association, transmitting, pursuant to law, the annual pension plan report for calendar year 1998; to the Committee on Governmental Affairs.

EC–2852. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled ''Prevailing Rate Systems; Change in Survey Cycle for the Southwestern Michigan Appropriated Fund Wage Area'' (RIN3206–A168), received on April 30, 1999; to the Committee on Governmental Affairs.

EC–2853. A communication from the Director, Office of Insurance Programs, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled ''Federal Employees' Group Life Insurance Program; New Premiums'' (RIN3206–A154), received on April 30, 1999; to the Committee on Governmental Affairs.

EC–2854. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, a draft of proposed legislation relative to the Wilderness Battlefield; to the Committee on Energy and Natural Resources.

EC–2855. A communication from the Director, Office of Regulations Management, Veterans Benefits Administration, Department of Veterans Affairs, transmitting, pursuant to law, the report of a rule entitled ''Claims and Effective Dates for the Award of Educational Assistance'' (RIN2900–AH76), received on May 3, 1999; to the Committee on Veterans Affairs.

EC–2856. A communication from the Director, Policy Directives and Instructions Branch, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Additional Authorization to Issue Certification for Foreign Health Care Workers'' (RIN115–AF43), received on May 2, 1999; to the Committee on the Judiciary.

EC–2857. A Communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to workforce reductions for fiscal year 1999; to the Committee on Armed Services.

EC–2858. A Communication from the Secretary of Defense, transmitting, pursuant to

law, a report relative to a retirement; to the Committee on Armed Services.

EC–2859. A communication from the General Counsel, Department of Defense, transmitting, a draft of proposed legislation relative to various management concerns; to the Committee on Armed Services.

EC–2860. A communication from the General Counsel, Department of Defense, transmitting, a draft of proposed legislation relative to various management concerns; to the Committee on Armed Services.

EC–2861. A communication from the Assistant Secretary of Defense, transmitting, pursuant to law, a report relative to the fiscal year 1999 National Defense Authorization Act; to the Committee on Armed Services.

EC–2862. A communication from the Under Secretary of Defense, transmitting, pursuant to law, a report relative to the Patriot PAC–3 major defense acquisition program; to the Committee on Armed Services.

EC–2863. A communication from the Under Secretary of the Navy, transmitting, pursuant to law, a report relative to a decision to study certain functions for possible performance by private contractors; to the Committee on Armed Services.

EC–2864. A communication from the Alternate Office of the Secretary of Defense Federal Register Liaison Officer, Department of Defense, transmitting, pursuant to law, the report of a rule entitled ''OSD Privacy Program'', received April 27, 1999; to the Committee on Armed Services.

EC–2865. A communication from the Deputy Secretary, Division of Market Regulation, Securities and Exchange Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendments to Form BDW and related rules 15b1–1, 15b3–1, 15b6–1, 15Ba2–2, 15Bc3–1, 15Ca1–1 and 15Cc1–1 under the Securities and Exchange Act of 1934'' (RIN3235–AG69), received May 3, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2866. A communication from the Secretary of the Interior, transmitting, a draft of proposed legislation relative to a nonprofit education foundation; to the Committee on Indian Affairs.

EC–2867. A communication from the Secretary of Agriculture, transmitting, a draft of proposed legislation relative to amending the Packers and Stockyards Act of 1921; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2868. A communication from the Administrator, Agricultural Marketing Service, Marketing and Regulatory Programs, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Peanut Production, Research and Information Order; Referendum Procedures'' (Docket No. FV–98–703–FR), received on April 30, 1999; to the Committee on Agriculture, Nutrition, and Forestry.

EC–2869. A communication from the Deputy Executive Secretariat, Administration for Children and Families, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Temporary Assistance for Needy Families'' (RIN0970–AB77), received on April 22, 1999; to the Committee on Finance.

EC–2870. A communication from the Board of Trustees, Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, transmitting, pursuant to law, the 1999 annual report; to the Committee on Finance.

EC–2871. A communication from the Board of Trustees, Federal Hospital Insurance Trust Fund, transmitting, pursuant to law, the 1999 annual report; to the Committee on Finance.

EC–2872. A communication from the Board of Trustees, Federal Supplementary Medical Insurance Trust Fund, transmitting, pursuant to law, the 1999 annual report; to the Committee on Finance.

EC–2873. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to the Medicare program; to the Committee on Finance.

EC–2874. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to the Medicare prospective payment system; to the Committee on Finance.

EC–2875. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled ''Chiropractic Services in Medicare HMOs and Medicare+Choice (M+C) Organizations''; to the Committee on Finance.

EC–2876. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled ''Medicare Alzheimer's Disease Demonstration Evaluation''; to the Committee on Finance.

EC–2877. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled ''Early Implementation of the Welfare-to-Work Grants Program''; to the Committee on Finance.

EC–2878. A communication from the Assistant Secretary for Children and Families, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Child Support Enforcement Program; Grants to States for Access and Visitation Programs: Monitoring, Evaluation, and Reporting'' (RIN0970–AB72); to the Committee on Finance.

EC–2879. A communication from the Chief, Regulations Unit, Office of Chief Counsel, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Notice of Significant Reduction in the Rate of Future Benefit Accrual'' (RIN1545–AT78), received on April 22, 1999; to the Committee on Finance.

EC–2880. A communication from the Chief, Regulations Unit, Office of Chief Counsel, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Announcement 99–40'', received on April 6, 1999; to the Committee on Finance.

EC–2881. A communication from the Chief, Regulations Unit, Office of Chief Counsel, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Revenue Ruling 99–18'', received on April 9, 1999; to the Committee on Finance.

EC–2882. A communication from the Chief, Regulations Unit, Office of Chief Counsel, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Revenue Ruling 99–18'', received on April 6, 1999; to the Committee on Finance.

EC–2883. A communication from the Chief, Regulations Unit, Office of Chief Counsel, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Revenue Procedure 99–23'', received on April 6, 1999; to the Committee on Finance.

## EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committee were submitted:

By Mr. MCCAIN, for the Committee on Commerce, Science, and Transportation:

The following named officer for appointment as Commander, Atlantic Area, United States Coast Guard, and to the grade indicated under title 14, U.S.C., section 50:

*To be vice admiral*

Rear Adm. John E. Shkor

Captain Evelyn J. Fields, NOAA for appointment to the grade of Rear Admiral (O–8), while serving in a position of importance and responsibility as Director, Office of NOAA Corp Operations, National Oceanic and Atmospheric Administration, under the provisions of Title 33, United States Code, Section 853u.

Captain Nicholas A. Prahl, NOAA for appointment to the grade of Rear Admiral (O–7), while serving in a position of importance and responsibility as Director, Atlantic and Pacific Marine Centers, National Oceanic and Atmospheric Administration, under the provisions of Title 33, United States Code, Section 853u.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. MCCAIN. Mr. President, for the Committee on Commerce, Science, and Transportation, I report favorably the following nomination lists which were printed in the RECORDS of March 8, 1999 and April 15, 1999, at the end of the Senate proceedings, and ask unanimous consent, to save the expense of reprinting on the Executive Calendar, that these nominations lie at the Secretary's desk for the information of Senators.

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

Coast Guard nomination of James W. Bartlett, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of March 8, 1999.

Coast Guard nomination beginning William L. Chaney, and ending William E. Shea, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of March 8, 1999.

Coast Guard nomination beginning Ashley B. Aclin, and ending Michael J. Zeruto, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 15, 1999.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. HOLLINGS (for himself, Mr. STEVENS, Mr. KERRY, Mr. INOUYE, Mr. BREAUX, Mr. KENNEDY, Mrs. BOXER, Mr. BIDEN, Mr. LAUTENBERG, Mr. AKAKA, Mr. MURKOWSKI, Mr. THURMOND, Mrs. MURRAY, Mr. CLELAND, and Mr. WYDEN):

S. 959. A bill to establish a National Ocean Council, a Commission on Ocean Policy, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GRASSLEY (for himself and Mr. BREAUX):

S. 960. A bill to amend the Older Americans Act of 1965 to establish pension counseling

programs, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. BURNS (for himself, Mr. CRAIG, Mr. BAUCUS, Mr. DASCHLE, Mr. KERREY, and Mr. JOHNSON):

S. 961. A bill to amend the Consolidated Farm And Rural Development Act to improve shared appreciation arrangements; to the Committee on Agriculture, Nutrition, and Forestry.

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

S. 962. A bill to allow a deduction from gross income for year 2000 computer conversion costs of small businesses; to the Committee on Finance.

By Mr. GREGG:

S. 963. A bill to amend the Internal Revenue Code of 1986 to preserve family-held forest lands, and for other purposes; to the Committee on Finance.

By Mr. DASCHLE:

S. 964. A bill to provide for equitable compensation for the Cheyenne River Sioux Tribe, and for other purposes; to the Committee on Indian Affairs.

By Mr. JEFFORDS (for himself, Ms. SNOWE, Mr. LEAHY, Mrs. MURRAY, and Mr. DURBIN):

S. 965. A bill to restore a United States voluntary contribution to the United Nations Population Fund; to the Committee on Foreign Relations.

By Mr. REID:

S. 966. A bill to require medicare providers to disclose publicly staffing and performance in order to promote improved consumer information and choice, to protect employees of medicare providers who report concerns about the safety and quality of services provided by medicare providers or who report violations of Federal or State law by those providers, and to require review of the impact on public health and safety of proposed mergers and acquisitions of medicare providers; to the Committee on Finance.

By Mr. LAUTENBERG:

S. 967. A bill to provide a uniform national standard to ensure that consealed firearms are available only to authorized persons for lawful purposes; to the Committee on the Judiciary.

By Mr. GRAHAM (for himself, Mr. MACK, Mr. CLELAND, Mrs. LINCOLN, and Mr. ROBB):

S. 968. A bill to authorize the Administrator of the Environmental Protection Agency to make grants to State agencies with responsibility for water source development, for the purposes of maximizing the available water supply and protecting the environment through the development of alternative water sources, and for other purposes; to the Committee on Environment and Public Works.

By Mr. ASHCROFT:

S. 969. A bill to amend the Individuals with Disabilities Education Act and the Gun-Free Schools Act of 1994 to authorize schools to apply appropriate discipline measures in cases where students have weapons or threaten to harm others, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. LEAHY (for himself, Mr. FEINGOLD, Mr. REED, Mr. HARKIN, Mr. MCCONNELL, Mr. MOYNIHAN, and Mr. KOHL):

S. Res. 96. A resolution expressing the sense of the Senate regarding a peaceful process of self-determination in East Timor, and for other purposes; to the Committee on Foreign Relations.

By Mr. COVERDELL (for himself, Mr. FRIST, Mr. GORTON, Mr. LOTT, Mr. JEFFORDS, Mr. ABRAHAM, Mr. CRAIG, Mr. DOMENICI, Mr. COCHRAN, Mr. MACK, Mr. SMITH of Oregon, Ms. COLLINS, Mr. HATCH, Mr. LUGAR, Ms. SNOWE, Mr. GRAMS, Mr. CRAPO, Mr. KENNEDY, and Mr. WELLSTONE):

S. Res. 97. A resolution designating the week of May 2 through 8, 1999, as the 14th Annual Teacher Appreciation Week, and designating Tuesday, May 4, 1999, as National Teacher Day; considered and agreed to.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HOLLINGS (for himself, Mr. STEVENS, Mr. KERRY, Mr. INOUYE, Mr. BREAUX, Mr. KENNEDY, Mrs. BOXER, Mr. BIDEN, Mr. LAUTENBERG, Mr. AKAKA, Mr. MURKOWSKI, Mr. THURMOND, Mrs. MURRAY, Mr. CLELAND, and Mr. WYDEN):

S. 959. A bill to establish a National Ocean Council, a Commission on Ocean Policy, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE OCEANS ACT OF 1999

Mr. HOLLINGS. Mr. President, I rise today to introduce the Oceans Act of 1999, legislation that the Senate unanimously passed in November 1997. I am pleased to be joined in this endeavor by Senators STEVENS, KERRY, BREAUX, INOUYE, KENNEDY, BOXER, BIDEN, LAUTENBERG, AKAKA, MURKOWSKI, THURMOND, MURRAY, CLELAND, and WYDEN. Mr. President, plainly and simply, this bill calls for a plan of action for the twenty-first century to explore, protect, and use our oceans and coasts through the coming millennium.

This is not the first time we have faced the need for a national ocean policy. Three decades ago, our Nation roared into space, investing tens of billions of dollars to investigate the moon and the Sea of Tranquility. During that golden era of science, some of us also recognized the importance of exploring the seas on our own planet. In 1966, Congress enacted the Marine Resources and Engineering Development Act in order to define national objectives and programs with respect to the oceans. That legislation laid the foundation for U.S. ocean and coastal policy and programs and has guided their development for three decades. I was elected to the Senate just three months after the 1966 Act was enacted into law, but I am pleased that both Senators INOUYE and KENNEDY, the two cosponsors of the 1966 Act still serving in the Senate, have agreed to join me today in introducing the Oceans Act.

One of the central elements of the 1966 Act was establishment of a presidential commission to develop a plan for national action in the oceans and atmosphere. Dr. Julius A. Stratton, a former president of the Massachusetts Institute of Technology and then-chairman of the Ford Foundation, led the Commission on an unprecedented, and since unrepeated, investigation of this nation's relationship with the oceans and the atmosphere. The Stratton Commission and its congressional advisors (including Senators Warren G. Magnuson and Norris Cotton) worked together in a bipartisan fashion. In fact, the Commission was established and carried out its mandate in the Democratic Administration of Lyndon Johnson and saw its findings implemented by the Republicans under President Richard Nixon. With a staff of 35 people, the commissioners hear and consulted over 1,000 people, visited every coastal area of this country, and submitted some 126 recommendations in a 1969 report to Congress entitled Our Nation and the Sea. Those recommendations led directly to the creation of the National Oceanic and Atmospheric Administration in 1970, laid the groundwork for enactment of the Coastal Zone Management Act (CZMA) in 1972, and established priorities for federal ocean activities that have guided this Nation for almost thirty years.

While the Stratton Commission performed its job with vision and integrity, the world has changed since 1966. Today, half of the U.S. population lives within 50 miles of our shores and more than 30 percent of the Gross Domestic Product is generated in the coastal zone. Ocean and coastal resources once considered inexhaustible are severely depleted, and wetlands and other marine habitats are threatened by pollution and human activities. In addition, the U.S. regulatory and legal framework has developed over the years with the passage of a number of statutes in addition to CZMA. These include the Endangered Species Act, the Marine Mammal Protection Act, the Marine Protection, Research, and Sanctuaries Act, the Magnuson-Stevens Fishery Conservation and Management Act, the Coastal Barrier Resources Act, and the Oil Pollution Act. It is time to conduct a review that looks at coordination and duplication of programs and policies developed under these laws.

Today people who work and live on the water face a patchwork of confusing and sometimes contradictory federal and state regulations. This bill would allow us to reduce conflicts while maintaining environmental and health safeguards. One illustration of the type of situation that must be corrected is the southeast shrimp trawl fishery. Shrimpers are required under the Endangered Species Act to use panels or grates (known as turtle excluder devices or TEDs) in their nets to protect endangered sea turtles. The panels

also reduce catches of small fish (bycatch), a new requirement of the Magnuson-Stevens Act. Unfortunately, however, the government has approved one TED for turtle protection and another for bycatch reduction—forcing the fishermen to use two separate devices, cut two holes in their nets, and double their shrimp loss. Anyone who wonders about public interest in regulatory reform has only to talk to a McClellanville, SC shrimper.

The Oceans Act is vital to the continued health of the oceans and prosperity of our coasts. It is patterned after and would replace the 1966 Act. Like that Act, it is comprised of three major elements:

First, the bill calls for development and implementation of a coherent national ocean and coastal policy to conserve and sustainably use fisheries and other ocean and coastal resources, protect the marine environment and human safety, explore ocean frontiers, create marine technologies and economic opportunities, and preserve U.S. leadership on ocean and coastal issues.

Second, the bill would establish a 16-member Commission, similar to the Stratton Commission, to examine ocean and coastal activities and report within 18 months on recommendations for a national policy. Commission members would be drawn from State and local governments, industry, academic and technical institutions, and public interest organizations involved in ocean and coastal activities. In developing its recommendations, the Commission would assess federal programs and funding priorities, ocean-related infrastructure requirements, conflicts among marine users, and technological opportunities. The bill authorizes appropriations of $6 million over two years to support Commission activities; last year's Omnibus Appropriations bill included $3.5 million to fund such a Commission.

Third, the bill would create a high-level federal interagency Council that would include the heads of the Departments of Commerce, Navy, State, Transportation, and the Interior, the Environmental Protection Agency, the National Science Foundation, the Office of Science and Technology Policy, the Office of Management and Budget, the Council on Environmental Quality, and the National Economic Council. This Council would advise the President and serve as a forum for developing and implementing an ocean and coastal policy, provide for coordination of federal budgets and programs, and work with non-federal and international organizations.

By establishing an action plan for ocean and coastal activities, the Oceans Act should also contribute substantially to national goals and objectives in the areas of education and research, economic development, and public safety. With respect to education and research, our view of the oceans thirty years ago was based on a remarkably small amount of information. When Jack Kennedy was in the White House, we were just beginning to develop the capability for exploring the oceans, and the driving factor was the military need to hide our submarines from the Soviets during the Cold War. What we knew of the oceans at that time was based as much on what fishermen brought up in their nets as it was on reliable scientific investigation.

Nowhere is the need for U.S. leadership more evident than in the area of ocean exploration. Today, we still have explored only a tiny fraction of the sea, but with the use of new technologies what we have found is truly incredible. For example, hydrothermal vents, hot water geysers on the deep ocean floor, were discovered just 20 years ago by oceanographers trying to understand the formation of the earth's crust. Now this discovery had led to the identification of nearly 300 new types of marine animals with untold pharmaceutical and biomedical potential. In recent years, scientists from 19 nations have joined in an international partnership, headed by Admiral Watkins, to explore the history and structure of the Earth beneath the oceans basins. Their ship, the Resolution, is the world's largest scientific research vessel and can drill in water depths of up 8,200 meters. Over the past 12 years, it has recovered more than 115 miles of core samples through the world oceans. Recently ship scientists worked off the coast of South Carolina collecting new evidence of a large meteor that struck the Earth 65 million years ago, and is thought to have triggered climate change that may be linked to the disappearance of the dinosaurs.

Many of our marine research efforts could have profound impacts on our economic well-being. For example, research on coastal ocean currents and other processes that affect shoreline erosion is critical to effective management of the shoreline. Oceanographers are working with federal, state, and local managers to use this new understanding in protecting beachfront property and the lives of those who reside and work in coastal communities. Development of underwater cameras and sonar, begun in the 1940s for the U.S. Navy, has led to major strides not only for military uses, but for marine archaeologists and scientists exploring unknown stretches of sea floor. Consumers have benefited from the technology now used in video cameras. Sonar has broad applications in both the military and commercial sector.

Finally, marine biotechnology research is thought to be one of the greatest remaining technological and industrial frontiers. Among the opportunities which it may offer are to: restore and protect marine ecosystems; monitor human health and treat disease; increase food supplies through aquaculture; enhance seafood safety and quality; provide new types and sources of industrial materials and processes; and understand biological and geochemical processes in the world ocean.

In addition to the economic opportunities offered by our marine research investment, traditional marine activities play an important role in our national economic outlook. Ninety-five percent of our international trade is shipped on the ocean. In 1996, commercial fishermen in the United States landed almost 10 billion pounds of fish with a value of $3.5 billion. Their fishing-related activities contributed over $42 billion to the U.S. economy. During the same period, marine anglers contributed another $20 billion. Travel and tourism also contribute over $700 billion to our economy, much of which is generated in coastal areas. With a sound national ocean and coastal policy and effective marine resource management, these numbers have nowhere to go but up.

With respect to public safety, it is particularly important to develop ocean and coastal priorities that reflect the changes we have seen in recent years. Before World War II, most of the U.S. shoreline was sparsely populated. There were long, wild stretches of coast, dotted with an occasional port city, fishing village, or sleepy resort. Most barrier islands had few residents or were uninhabited. After the war, people began pouring in, and coastal development began a period of explosive growth. In my state of South Carolina, our beaches attract millions of visitors every year, and more and more people are choosing to move to the coast—making the coastal counties the fastest growing ones in the state. Seventeen of the twenty fastest growing states in the nation are coastal states—which compounds the situation that the most densely populated regions already border the ocean. With population growth comes the demand for highways, shopping centers, schools, and sewers that permanently alter the landscape. If people are to continue to live and work on the coast, we must do a better job of planning how we impact the very regions in which we all want to live.

There is no better example of how our ocean and coastal policies affect public safety, than to look at the effects of hurricanes. Throughout the 1920s, hurricanes killed 2,122 Americans while causing about $1.8 billion in property damages. By contrast, in the first five years of the 1990s, hurricanes killed 111 Americans, and resulted in damages of about $35 billion. While we have made notable advances in early warning and evacuation systems to protect human lives, the risk of property loss continues to escalate and coastal inhabitants are more vulnerable to major storms than they ever

have been. In 1989, Hurricane Hugo came ashore in South Carolina, leaving more than $6 billion in damages. Of that total from Hugo, the federal government paid out more than $2.8 billion in disaster assistance and more than $400 million from the National Flood Insurance Program. The payments from private insurance companies were equally staggering. In 1992, Hurricane Andrew struck southern Florida and slammed into low lying areas of Louisiana, forever changing the lives of more than a quarter of a million people and causing an estimated $25 to $30 billion dollars in damage. Hurricanes demonstrate that the human desire to live near the ocean and along the coast comes with both a responsibility and a cost.

The oceans are part of our culture, part of our heritage, part of our economy, and part of our future. Those who doubt the need for this legislation need only pick up a newspaper and they will be face to face with pressing ocean and coastal issues. And while our coastal waters are governed by the United States or all of us, beyond our waters progress relies primarily on international cooperation. There are no boundaries at sea, no national borders with fences and checkpoints. Deciding how to manage all these problems and use the seas is one of the most complicated tasks we can tackle.

Therefore, we need to be smart about ocean policy—we need the best minds to come together and take a look at what the real challenges are. It is not enough to sit back and assume the role of caretakers. We must be proactive and develop a plan for the future.

The United Nations declared 1998 to the be the Year of the Ocean in part to encourage governments and the pubic to pay adequate attention to the need to protect the marine environment and to ensure a healthy ocean. This is an unprecedented opportunity to follow up the Year of the Ocean activities by celebrating and enhancing what has been accomplished in understanding and managing our oceans.

The Stratton Commission stated in 1969: ''How fully and wisely the United States uses the sea in the decades ahead will affect profoundly its security, its economy, its ability to meet increasing demands for food and raw materials, its position and influence in the world community, and the quality of the environment in which its people live.'' Those words are as true today as they were 30 years ago.

Mr. President, it is time to look towards the next 30 years. This bill offers us the vision and understanding needed to establish sound ocean and coastal policies for the 21st century, and I thank the cosponsors of the legislation for joining with me in recognizing it significance. We look forward to working together in the bipartisan spirit of the Stratton Commission to enact legislation that ensures the development of an integrated national ocean and coastal policy well into the next millennium. I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 959

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Oceans Act of 1999''.

**SEC. 2. CONGRESSIONAL FINDINGS; PURPOSE AND OBJECTIVES.**

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

(1) Covering more than two-thirds of the Earth's surface, the oceans and Great Lakes play a critical role in the global water cycle and in regulating climate, sustain a large part of Earth's biodiversity, provide an important source of food and a wealth of other natural products, act as a frontier to scientific exploration, are critical to national security, and provide a vital means of transportation. The coasts, transition between land and open ocean, are regions of remarkable high biological productivity, contribute more than 30 percent of the Gross Domestic Product, and are of considerable importance for recreation, waste disposal, and mineral exploration.

(2) Ocean and coastal resources are susceptible to change as a direct and indirect result of human activities, and such changes can significantly impact the ability of the oceans and Great Lakes to provide the benefits upon which the Nation depends. Changes in ocean and coastal processes could affect global patterns, marine productivity and biodiversity, environmental quality, national security, economic competitiveness, availability of energy, vulnerability to natural hazards, and transportation safety and efficiency.

(3) Ocean and coastal resources are not infinite, and human pressure on them is increasing. One half of the Nation's population lives within 50 miles of the coast, ocean and coastal resources once considered inexhaustible are not threatened with depletion, and if population trends continue as expected, pressure on and conflicting demands for ocean and coastal resources will increase further as will vulnerability to coastal hazards.

(4) Marine transportation is key to United States participation in the global economy and to the wide range of activities carried out in ocean and coastal regions. Inland waterway and ports are the link between marine activities in ocean and coastal regions and the supporting transportation infrastructure ashore. International trade is expected to triple by 2020. The increase has the potential to outgrow—

(A) the capabilities of the marine transportation system to ensure safety; and

(B) the existing capacity of ports and waterways.

(5) Marine technologies hold tremendous promise for expanding the range and increasing the utility of products from the oceans and Great Lakes, improving the stewardship of ocean and coastal resources, and contributing to business and manufacturing innovations and the creation of new jobs.

(6) Research has uncovered the link between oceanic and atmospheric processes and improved understanding of world climate patterns and forecasts. Important new advances, including availability of military technology have made feasible the exploration of large areas of the ocean which were inaccessible several years ago. In designating 1998 as ''The Year of the Ocean'', the United Nations high-lighted the value of increasing our knowledge of the oceans.

(7) It has been more than 30 years since the Commission on Marine Science, Engineering, and Resources (known as the Stratton Commission) conducted a comprehensive examination of ocean and coastal activities that led to enactment of major legislation and the establishment of key oceanic and atmospheric institutions.

(8) A review of existing activities is essential to respond to the changes that have occurred over the past three decades and to develop an effective new policy for the twenty-first century to conserve and use, in a sustainable manner, ocean and coastal resources, protect the marine environment, explore ocean frontiers, protect human safety, and create marine technologies and economic opportunities.

(9) Changes in United States laws and policies since the Stratton Commission, such as the enactment of the Coastal Zone Management Act, have increased the role of the States in the management of ocean and coastal resources.

(10) While significant Federal and State ocean and coastal programs are underway, those Federal programs would benefit from a coherent national ocean and coastal policy that reflects the need for cost-effective allocation of fiscal resources, improved interagency coordination, and strengthened partnerships with State, private, and international entities engaged in ocean and coastal activities.

(b) PURPOSE AND OBJECTIVES.—The purpose of this Act is to develop and maintain, consistent with the obligations of the United States under international law, a coordinated, comprehensive, and long-range national policy with respect to ocean and coastal activities that will assist the Nation in meeting the following objectives:

(1) The protection of life and property against natural and manmade hazards.

(2) Responsible stewardship, including use, of fishery resources and other ocean and coastal resources.

(3) The protection of the marine environment and prevention of marine pollution.

(4) The enhancement of marine-related commerce and transportation, the resolution of conflicts among users of the marine environment, and the engagement of the private sector in innovative approaches for sustainable use of living marine resources.

(5) The expansion of human knowledge of the marine environment including the role of the oceans in climate and global environmental change and the advance of education and training in fields related to ocean and coastal activities.

(6) The continued investment in and development and improvement of the capabilities, performance, use, and efficiency of technologies for use in ocean and coastal activities.

(7) Close cooperation among all government agencies and departments to ensure—

(A) coherent regulation of ocean and coastal activities;

(B) availability and appropriate allocation of Federal funding, personnel, facilities, and equipment for such activities; and

(C) cost-effective and efficient operation of Federal departments, agencies, and programs involved in ocean and coastal activities.

(8) The enhancement of partnerships with State and local governments with respect to oceans and coastal activities, including the management of ocean and coastal resources and identification of appropriate opportunities for policy-making and decision-making at the State and local level.

(9) The preservation of the role of the United States as a leader in ocean and coastal activities, and, when it is in the national interest, the cooperation by the United States with other nations and international organizations in ocean and coastal activities.

**SEC. 3. DEFINITIONS.**

As used in this Act—

(1) The term ''Commission'' means the Commission on Ocean Policy.

(2) The term ''Council'' means the National Ocean Council.

(3) The term ''marine environment'' includes—

(A) the oceans, including coastal and offshore waters and the adjacent shore lands;

(B) the continental shelf;

(C) the Great Lakes; and

(D) the ocean and coastal resources thereof.

(4) The term ''ocean and coastal activities'' includes activities related to oceanography, fisheries and other ocean and coastal resource stewardship and use, marine aquaculture, energy and mineral resource extraction, marine transportation, recreation and tourism, waste management, pollution mitigation and prevention, and natural hazard reduction.

(5) The term ''ocean and coastal resource'' means, with respect to the oceans, coasts, and Great Lakes, any living or non-living natural resource (including all forms of animal and plant life found in the marine environment, habitat, biodiversity, water quality, minerals, oil, and gas) and any significant historic, cultural or aesthetic resource.

(6) The term ''oceanography'' means scientific exploration, including marine scientific research, engineering, mapping, surveying, monitoring, assessment, and information management, of the oceans, coasts, and Great Lakes—

(A) to describe and advance understanding of—

(i) the role of the oceans, coasts and Great Lakes in weather and climate, natural hazards, and the processes that regulate the marine environment; and

(ii) the manner in which such role, processes, and environment are affected by human actions;

(B) for the conservation, management and stewardship of living and nonliving resources; and

(C) to develop and implement new technologies related to the environmentally sensitive use of the marine environment.

**SEC. 4. NATIONAL OCEAN AND COASTAL POLICY.**

(a) EXECUTIVE RESPONSIBILITIES.—The President, with the assistance of the Council and the advice of the Commission, shall—

(1) develop and maintain a coordinated, comprehensive, and long-range national policy with respect to ocean and coastal activities consistent with obligations of the United States under international law; and

(2) with regard to Federal agencies and departments—

(A) review significant ocean and coastal activities, including plans, priorities, accomplishments, and infrastructure requirements;

(B) plan and implement an integrated and cost-effective program of ocean and coastal activities including, but not limited to, oceanography, stewardship of ocean and coastal resources, protection of the marine environment, maritime transportation safety and efficiency, marine recreation and tourism, and marine aspects of weather, climate, and natural hazards;

(C) designate responsibility for funding and conducting ocean and coastal activities; and

(D) ensure cooperation and resolve differences arising from laws and regulations applicable to ocean and coastal activities which result in conflicts among participants in such activities.

(b) COOPERATION AND CONSULTATION.—In carrying out responsibilities under this Act, the President may use such staff, interagency, and advisory arrangements as the President finds necessary and appropriate and shall consult with non-Federal organizations and individuals involved in ocean and coastal activities.

**SEC. 5. NATIONAL OCEAN COUNCIL.**

(a) ESTABLISHMENT.—The President shall establish a National Ocean Council and appoint a Chairman from among it members. The Council shall consist of—

(1) the Secretary of Commerce;

(2) the Secretary of Defense;

(3) the Secretary of State;

(4) the Secretary of Transportation;

(5) the Secretary of the Interior;

(6) the Attorney General;

(7) the Administrator of the Environmental Protection Agency;

(8) the Director of the National Science Foundation;

(9) the Director of the Office of Science and Technology Policy;

(10) the Chairman of the Council on Environmental Quality;

(11) the Chairman of the National Economic Council;

(12) the Director of the Office of Management and Budget; and

(13) such other Federal officers and officials as the President considers appropriate.

(b) ADMINISTRATION.—

(1) The President or the Chairman of the Council may from time to time designate one of the members of the Council to preside over meetings of the Council during the absence or unavailability of such Chairman.

(2) Each member of the Council may designate an officer of his or her agency or department appointed with the advice and consent of the Senate to serve on the Council as an alternate in the event of the unavoidable absence of such member.

(3) An executive secretary shall be appointed by the Chairman of the Council, with the approval of the Council. The executive secretary shall be a permanent employee of one of the agencies or departments represented on the Council and shall remain in the employ of such agency or department.

(4) For the purpose of carrying out the functions of the Council, each Federal agency or department represented on the Council shall furnish necessary assistance to the Council. Such assistance may include—

(A) detailing employees to the Council to perform such functions, consistent with the purposes of this section, as the Chairman of the Council may assign to them; and

(B) undertaking, upon request of the Chairman of the Council, such special studies for the Council as are necessary to carry out its functions.

(5) The Chairman of the Council shall have the authority to make personnel decisions regarding any employees detailed to the Council.

(c) FUNCTIONS.—The Council shall—

(1) assist the Commission in completing its report under section 6;

(2) serve as the forum for developing an implementation plan for a national ocean and coastal policy and program, taking into consideration the Commission report;

(3) improve coordination and cooperation, and eliminate duplication, among Federal agencies and departments with respect to ocean and coastal activities; and

(4) assist the Presdient in the preparation of the first report required by section 7(a).

(d) SUNSET.—The Council shall cease to exist one year after the Commission has submitted its final report under section 6(h).

(e) SAVINGS PROVISION.—

(1) Council activities are not intended to supersede or interfere with other Executive Branch mechanisms and responsibilities.

(2) Nothing in this Act has any effect on the authority or responsbility of any Federal officer or agency under any other Federal law.

**SEC. 6. COMMISSION ON OCEAN POLICY.**

(A) ESTABLISHMENT.—

(1) IN GENERAL.—The President shall, within 90 days after the enactment of this Act, establish a Commission on Ocean Policy. The Commission shall be composed of 16 members including individuals drawn from State and local governments, industry, academic and technical institutions, and public interest organizations involved with ocean and coastal activities. Members shall be appointed for the life of the Commission as follows:

(A) 4 shall be appointed by the President of the United States.

(B) 4 shall be appointed by the President chosen from a list of 8 proposed members submitted by the Majority Leader of the Senate in consultation with the Chairman of the Senate Committee on Commerce, Science, and Transportation.

(C) 4 shall be appointed by the President chosen from a list of 8 proposed members submitted by the Speaker of the House of Representatives in consultation with the Chairman of the House Committee on Resources.

(D) 2 shall be appointed by the President chosen from a list of 4 proposed members submitted by the Minority Leader of the Senate in consultation with the Ranking Member of the Senate Committee on Commerce, Science, and Transportation.

(E) 2 shall be appointed by the President chosen from a list of 4 proposed members submitted by the Minority Leader of the House in consultation with the Ranking Member of the House Committee on Resources.

(2) FIRST MEETING.—The Commission shall hold its first meeting within 30 days after it is established.

(3) CHAIRMAN.—The President shall select a Chairman from among such 16 members. Before selecting the Chairman, the President is requested to consult with the Majority and Minority Leaders of the Senate, the Speaker of the House of Representatives, and the Minority Leader of the House of Representatives.

(4) ADVISORY MEMBERS.—In addition, the Commission shall have 4 Members of Congress, who shall serve as advisory members. One of the advisory members shall be appointed by the Speaker of the House of Representatives. One of the advisory members shall be appointed by the minority leader of the House of Representatives. One of the advisory members shall be appointed by the majority leader of the Senate. One of the advisory members shall be appointed by the minority leader of the Senate. The advisory members shall not participate, except in an advisory capacity, in the formulation of the findings and recommendations of the Commission.

(b) FINDINGS AND RECOMMENDATIONS.—The Commission shall report to the President and the Congress on a comprehensive national ocean and coastal policy to carry out the purpose and objectives of this Act. In developing the findings and recommendations of the report, the Commission shall—

(1) review and suggest any necessary modifications to United States laws, regulations, and practices necessary to define and implement such policy, consistent with the obligations of the United States under international law;

(2) assess the condition and adequacy of investment in existing and planned facilities and equipment associated with ocean and coastal activities including human resources, vessels, computers, satellites, and other appropriate technologies and platforms;

(3) review existing and planned ocean and coastal activities of Federal agencies and departments, assess the contribution of such activities to development of an integrated long-range program for oceanography, ocean and coastal resource management, and protection of the marine environment, and identify any such activities in need of reform to improve efficiency and effectiveness;

(4) examine and suggest mechanisms to address the interrelationships among ocean and coastal activities, the legal and regulatory framework in which they occur, and their inter-connected and cumulative effects on the marine environment, ocean and coastal resources, and marine productivity and biodiversity;

(5) review the known and anticipated demands for ocean and coastal resources, including an examination of opportunities and limitations with respect to the use of ocean and coastal resources within the exclusive economic zone, projected impacts in coastal areas, and the adequacy of existing efforts to manage such use and minimize user conflicts;

(6) evaluate relationships among Federal, State, and local governments and the private sector for planning and carrying out ocean and coastal activities and address the most appropriate division of responsibility for such activities;

(7) identify opportunities for the development of or investment in new products, technologies, or markets that could contribute to the objectives of this Act;

(8) consider the relationship of the ocean and coastal policy of the United States to the United Nations Convention on the Law of the Sea and other international agreements, and actions available to the United States to effect collaborations between the United States and other nations, including the development of cooperative international programs for oceanography, protection of the marine environment, and ocean and coastal resource management; and

(9) engage in any other preparatory work deemed necessary to carry out the duties of the Commission pursuant to this Act.

(c) DUTIES OF CHAIRMAN.—In carrying out the provisions of this subsection, the Chairman of the Commission shall be responsible for—

(1) the assignment of duties and responsibilities among staff personnel and their continuing supervision; and

(2) the use and expenditures of funds available to the Commission.

(d) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government, or whose compensation is not precluded by a State, local, or Native American tribal government position, shall be compensated at a rate equal to the daily equivalent of the annual rate payable for Level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(e) STAFF.—

(1) The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director who is knowledgeable in administrative management and ocean and coastal policy and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment and termination of an executive director shall be subject to confirmation by a majority of the members of the Commission.

(2) The executive director shall be compensated at a rate not to exceed the rate payable for Level V of the Executive Schedule under section 5316 of title 5, United States Code. The Chairman may fix the compensation of other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for such personnel may not exceed the rate payable for GS–15, step 7, of the General Schedule under section 5332 of such title.

(3) Upon request of the Chairman of the Commission, after consulting with the head of the Federal agency concerned, the head of any Federal Agency shall detail appropriate personnel of the agency to the Commission to assist the Commission in carrying out its functions under this Act. Federal Government employees detailed to the Commission shall serve without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of his or her regular employment without interruption.

(4) The Commission may accept and use the services of volunteers serving without compensation, and to reimburse volunteers for travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code. Except for the purposes of chapter 81 of title 5, United States Code, relating to compensation for work injuries, and chapter 171 of title 28, United States Code, relating to tort claims, a volunteer under this section may not be considered to be an employee of the United States for any purpose.

(5) To the extent that funds are available, and subject to such rules as may be prescribed by the Commission, the executive director of the Commission may procure the temporary and intermittent services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the daily rate payable for GS–15, step 7, of the General Schedule under section 5332 of title 5, United States Code.

(f) ADMINISTRATION.—

(1) All meetings of the Commission shall be open to the public, except that a meeting or any portion of it may be closed to the public if it concerns matters or information described in section 552b(c) of title 5, United States Code. Interested persons shall be permitted to appear at open meetings and present oral or written statement on the subject matter of the meeting. The Commission may administer oaths or affirmations to any person appearing before it.

(2) All open meetings of the Commission shall be preceded by timely public notice in the Federal Register of the time, place, and subject of the meeting.

(3) Minutes of each meeting shall be kept and shall contain a record of the people present, a description of the discussion that occurred, and copies of all statements filed. Subject to section 552 of title 5, United States Code, the minutes and records of all meetings and other documents that were made available to or prepared for the Commission shall be available for public inspection and copying at a single location in the offices of the Commission.

(4) The Federal Advisory Committee Act (5 U.S.C. App.) does not apply to the Commission.

(g) COOPERATION WITH OTHER FEDERAL ENTITIES.—

(1) The Commission is authorized to secure directly from any Federal agency or department any information it deems necessary to carry out its functions under this Act. Each such agency or department is authorized to cooperate with the Commission and, to the extent permitted by law, to furnish such information to the Commission, upon the request of the Chairman of the Commission.

(2) The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(3) The General Services Administration shall provide to the Commission on a reimbursable basis the administrative support services that the Commission may request.

(4) The Commission may enter into contracts with Federal and State agencies, private firms, institutions, and individuals to assist the Commission in carrying out its duties. The Commission may purchase and contract without regard to sections 303 of the Federal Property and Administration Services Act of 1949 (41 U.S.C. 253), section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416), and section 8 of the Small Business Act (15 U.S.C. 637), pertaining to competition and publication requirements, and may arrange for printing without regard to the provisions of title 44, United States Code. The contracting authority of the Commission under this Act is effective only to the extent that appropriations are available for contracting purposes.

(h) REPORT.—The Commission shall submit to the President, via the Council, and to the Congress not later than 18 months after the establishment of the Commission, a final report of its findings and recommendations. The Commission shall cease to exist 30 days after it has submitted its final report.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to support the activities of the Commission a total of up to $6,000,000 for fiscal years 2001 and 2002. Any sums appropriated shall remain available without fiscal year limitation until the Commission ceases to exist.

**SEC. 7. REPORT AND BUDGET COORDINATION.**

(a) BIENNIAL REPORT.—Beginning in January, 2000, the President shall transmit to the Congress biennially a report, which shall include—

(1) a comprehensive description of the ocean and coastal activities (and budgets) and related accomplishments of all agencies and departments of the United States during the preceding 2 fiscal years; and

(2) an evaluation of such activities (and budgets) and accomplishments in terms of

the purpose and objectives of this Act. Reports made under this section shall contain such recommendations for legislation as the President may consider necessary or desirable.

(b) BUDGET COORDINATION.—

(1) Each year the President shall provide general guidance to each Federal agency or department involved in ocean or coastal activities with respect to the preparation of requests for appropriations.

(2) Each agency or department involved in such activities shall include with its annual request for appropriations a report which—

(A) identifies significant elements of the proposed agency or department budget relating to ocean and coastal activities; and

(B) specifies how each such element contributes to the implementation of a national ocean and coastal policy.

**SEC. 8. REPEAL OF 1966 STATUTE.**

The Marine Resources and Engineering Development Act of 1966 (33 U.S.C. 1101 et seq.) is repealed.

---

By Mr. GRASSLEY (for himself and Mr. BREAUX):

S. 960. A bill to amend the Older Americans Act of 1965 to establish pension counseling programs, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

PENSION ASSISTANCE AND COUNSELING ACT OF 1999

● Mr. GRASSLEY. Mr. President, today I rise to introduce legislation to achieve one of my primary objectives as chairman of the Special Committee on Aging: to help workers and retirees achieve a secure retirement.

As with any discussion about retirement planning, it is the norm to point to the ''three-legged stool'' of retirement—Social Security, personal savings, and a pension. Unfortunately, the legs of the stool may be getting warped.

This legislation is the result of a hearing held by the Aging Committee in the 105th Congress. The Aging Committee confronted an issue that is affecting hundreds of thousands of workers and retirees—miscalculation of their hard-earned pensions. This hearing was intended to raise consumer awareness about the need to be pro-active about policing your pension. As one of our witnesses said, ''never assume your pension is error-free.''

While it is impossible to know how many pension payments and lump sum distributions may be miscalculated, we know the number is on the rise. An audit conducted last Congress by the Pension Benefit Guaranty Corporation—focused on plans that were voluntarily terminated—showed that the number of people underpaid has increased from 2.8 to 8.2 percent. Anecdotal evidence suggests that the number of people receiving lump sum distributions who end up getting shortchanged could be 15 to 20 percent. Those numbers are very disturbing. The practical impact is that retirees, and young and old workers alike, are losing dollars that they have earned.

Workers and retirees need to be aware that they are at risk. They can help themselves by knowing how their benefits are calculated, that they should keep all the documents their employer gives them, and to start asking questions at a young age—don't wait until the eve of retirement.

Unfortunately, policing your pension is not easy. Employers are trying to do a good job but they are confronted with one of the most complex regulatory schemes in the Federal Government. Pensions operate in a complex universe of laws, rules, and regulations. Over the last 20 years, 16 laws have been enacted that require employers to amend their pension plans and then notify their workers of changes. It is not a simple task. If employers have problems trying to comply with Federal requirements, it is understandable that workers and retirees are having trouble getting a grasp on how their pension works.

Trying to educate yourself about pensions implies that someone is out there providing information to those who need it. That is where the legislation that I am introducing today comes in. People who are concerned about their pensions—whether it's an unintentional mistake or outright fraud—often don't have anywhere to go for expert advice.

Fortunately, there is an answer. Already authorized by the Older Americans Act, seven pension counseling projects have assisted thousands of people around this country with their pension problems. These projects provide information and counseling to retirees, and young and old workers in a very cost-effective manner.

Each project received $75,000 of Federal assistance over a 17-month period. As is normal for other programs under the Older Americans Act, these dollars were supplemented by money raised from private sources. During their operation, the projects recovered nearly $2 million in pension benefits and payments. That is a return of $4 for every $1 spent.

My legislation contains three key provisions: first, it updates the Older Americans Act to encourage the creation of more pension counseling projects. While 10 projects in 15 states currently exist, they are not enough to reach the 80 million people who are covered by pensions in this country. Hopefully, more counseling projects can be established to provide more regionally comprehensive assistance.

Second, the legislation would create an 800 number that people could call for one-stop advice on where to get assistance. Jurisdiction over pension issues is spread across three government agencies—none of which are focused on helping individuals with individual problems—especially if the problem does not seem to be a clear fiduciary breach or indicate that there may be criminal wrongdoing. An 800 number linking people to assistance will help close that gap.

Finally, the legislation would transfer authority for the demonstration projects to Title VII of the Older Americans Act in order to make them permanent in nature. They provide a much needed service to workers and retirees. These demonstration projects have existed since 1992 and have proven to be very successful. However, they have outgrown their pilot-project beginnings and should become a permanent fixture.

I want to thank Senator BREAUX for his support of this legislation. Furthermore, I encourage all of my colleagues to support these projects and show their support by co-sponsoring this legislation.●

---

By Mr. BURNS (for himself, Mr. CRAIG, Mr. BAUCUS, Mr. DASCHLE, Mr. KERREY, and Mr. JOHNSON):

S. 961. A bill to amend the Consolidated Farm and Rural Development Act to improve shared appreciation arrangements; to the Committee on Agriculture, Nutrition, and Forestry.

CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT AMENDMENTS

Mr. BURNS. Mr. President, shared appreciation agreements have the potential to cause hundreds of farm foreclosures across the nation, and especially in my home state of Montana. Ten years ago, a large number of farmers signed these agreements. At that time they were under the impression that they would be required to pay these back at the end of ten years, at a reasonable rate of redemption.

However, that has not proved to be the case. The appraisals being conducted by the Farm Service Agency are showing increased values of ridiculous proportions. By all standards, one would expect the value to have decreased. Farm prices are the lowest they have been in years, and there does not seem to be a quick recovery forthcoming. Farmers cannot possibly be expected to pay back a value twice the amount they originally wrote down. Especially in light of the current market situation, I believe something must be done about the way these appraisals are conducted.

I am aware of one case in which the amount of the shared appreciation agreement was estimated at $167,500. The increased value was estimated at $335,000! When agricultural prices are at nearly an all-time low, farmers can barely keep up with their current payment schedules. They certainly cannot pay twice what they already owe.

USDA is attempting to fix the problem with proposed rules and regulations but farmers need help with these agreements now. I cannot stand idly by and wait for bureaucratic regulations to go through the ''process'' while

farmers and ranchers are forced out of business.

The USDA has issued an emergency rule which will allow people who are unable to pay their shared appreciation agreement on time, to extend their current loan for up to three years. The interest rate on this extension will be at the government's cost of borrowing. Also, the USDA is allowing farmers to take out an additional loan at an interest rate of 9.25% to pay off the amount owed on the shared appreciation agreement.

There is also consideration being given to decreasing the number of years on shared appreciation agreements from ten to five. I appreciate the efforts by the USDA to alleviate the financial burden these shared appreciation agreements impose upon farmers, and hope that farmers are able to take advantage of them.

However, as I have stated, time is of the essence. Another proposed regulation, which will require a public comment period of 60 days, will exclude capital investments from the increase in appreciation. However, this proposal has not yet been published and is not expected to be for at least another month. After that, the comment period will further drag out the process and in the meantime more farmers will be forced into foreclosure.

To ensure this regulation on excluding capital investments from the increase in value is carried out, I intend to make it mandatory by legislation. Farmers should not be penalized for attempting to better their operations. Nor can they be expected to delay capital improvements so that they will not be penalized.

Additionally, my legislation will require the appraisal to be conducted by a certified appraiser from the state where the land is located. This will prevent out-of-state appraisal businesses from conducting appraisals in land areas they know nothing about. How can an appraisal company in Arizona be expected to do an accurate appraisal on land in Montana? It is not fair to the producers on that land to have their appraisal conducted by outside interests.

I look forward to working with members in other states to alleviate the financial burdens imposed by shared appreciation agreements. I hope that we may move this through the legislative process quickly to provide help as soon as possible to our farmers.

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

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

S. 961

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

**SECTION 1. SHARED APPRECIATION ARRANGEMENTS.**

(a) IN GENERAL.—Section 353(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)) is amended by striking paragraph (2) and inserting the following:

''(2) TERMS.—A shared appreciation agreement entered into by a borrower under this subsection shall—

''(A) have a term not to exceed 10 years;

''(B) provide for recapture based on the difference between—

''(i) the appraised value of the real security property at the time of restructuring; and

''(ii) that value at the time of recapture, except that that value shall not include the value of any capital improvements made to the real security property by the borrower; and

''(C) be based on appraisals that are conducted by persons with a principal place of business that is located in the State containing the real property.''.

(b) APPLICATION.—The amendment made by subsection (a) shall apply to a shared appreciation arrangement entered into under section 353(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)) that is in effect on or after the date of enactment of this Act.

---

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

S. 962. A bill to allow a deduction from gross income for year 2000 computer conversion costs of small businesses; to the Committee on Finance.

THE SMALL BUSINESS Y2K COMPLIANCE ACT OF 1999

Mr. LEAHY. Mr. President, I rise today to introduce the Small Business Y2K Compliance Act of 1999. I am pleased to be joined by Senator DODD, the ranking member of the Senate Special Committee on the Year 2000 Technology Problem, as an original cosponsor of this measure.

Our legislation would offer small businesses a tax deduction of up to $40,000 towards the expenses of purchasing and installing Year 2000 compliant computer hardware and software in 1999. In addition, our bill would reward those small businesses that have acted responsibly by allowing an accelerated depreciation of up to $40,000 for the purchase and installation of Year 2000 compliant computer hardware and software made in 1997 and 1998. These tax incentives have been endorsed by thousands of small business owners at last year's White House Conference on Small Business, the American Small Business Alliance and the Small Business Administration.

Unfortunately, not all small businesses are doing enough to address the year 2000 issue because of a lack of resources in many cases. They face Y2K problems both directly and indirectly through their suppliers, customers and financial institutions. As recently as last October a representative of the National Federation of Independent Businesses testified: ''A fifth of them do not understand that there is a Y2K problem. . . . They are not aware of it. A fifth of them are currently taking action. A fifth have not taken action but plan to take action, and two-fifths are aware of the problem but do not plan to take any action prior to the year 2000.''

Indeed, the Small Business Administration recently warned that 330,000 small businesses are at risk of closing down as a result of Y2K problems, and another 370,000 could be temporarily or permanently hobbled.

Federal and State government agencies have entire departments working on this problem. Utilities, financial institutions, telecommunications companies, and other large companies have information technology divisions working to make corrections to keep their systems running. They have armies of workers—but small businesses do not.

Small businesses are the backbone of our economy, from the city corner market to the family farm to the small-town doctor. In my home State of Vermont, 98 percent of the businesses are small businesses with limited resources. That is why it is so important to provide small businesses with the resources to correct their Y2K problems now.

A few months ago, I hosted a Y2K conference in Vermont to help small businesses prepare for 2000. Hundreds of small business owners from across Vermont attended the conference to learn how to minimize or eliminate their Y2K computer problems. Vermonters are working hard to identify their Y2K vulnerabilities and prepare action plans to resolve them. They should be encouraged and assisted in these important efforts.

This is the right approach. We have to fix as many of these problems ahead of time as we can. Ultimately, the best business policy and the best defense against any Y2K-based lawsuits is to be Y2K compliant.

That is why it is so important to provide small businesses with the resources to correct their Y2K problems now. Our legislation would provide targeted tax incentives to encourage small businesses round the country in their Y2K remediation efforts. Our bill encourages Y2K compliance now to avoid computer problems next year.

Moreover, the tax incentives in our legislation would have a negligible revenue cost. Indeed, the Joint Committee on Taxation has estimated that companion legislation introduced in the House of Representatives by Representative KAREN THURMAN, H.R. 179, would reduce revenue by $171 million from 1990–2003, but would increase revenues by the same $171 million from 2004–2008. Thus, this bill is fiscally prudent as well.

I urge my colleagues to cosponsor and support the ''Small Business Y2K Compliance Act of 1999.''

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

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

S. 962

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Small Business Y2K Compliance Act of 1999''.

**SEC. 2. DEDUCTION FOR COSTS OF MAKING COMPUTERS AND COMPUTER SOFTWARE YEAR 2000 COMPLIANT.**

(a) IN GENERAL.—

(1) PROPERTY PLACED IN SERVICE IN 1999.—A taxpayer may elect to treat the cost of a business Y2K asset placed in service during the taxpayer's first taxable year beginning in 1999 as an expense which is not chargeable to capital account. The cost so treated shall be allowed as a deduction from gross income for purposes of the Internal Revenue Code of 1986.

(2) PROPERTY PLACED IN SERVICE IN 1997 OR 1998.—A taxpayer may elect to deduct from gross income an amount equal to the unrecovered basis of a business Y2K asset placed in service during the 2 taxable years preceding the first taxable year beginning in 1999 and which is otherwise subject to depreciation under such Code.

(b) LIMITATIONS.—

(1) IN GENERAL.—The aggregate amount allowed as a deduction under subsection (a) shall not exceed $40,000.

(2) APPLICATION OF BUSINESS LIMITATIONS OF SECTION 179.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 179(b) of such Code shall apply for purposes of this section. For purposes of the preceding sentence, the cost of property to which the limitation in paragraph (2) of such section 179(b) applies shall be the sum of—

(A) the amounts elected under subsection (a)(1) with respect to property placed in service during the taxpayer's first taxable year beginning in 1999, and

(B) the amounts elected under subsection (a)(2) with respect to the unrecovered basis of business Y2K assets placed in service during the 2 taxable years preceding the first taxable year beginning in 1999.

(c) DEFINITIONS.—For purposes of this section—

(1) BUSINESS Y2K ASSET.—The term ''business Y2K asset'' means an asset acquired by purchase for use in the active conduct of a trade or business which is—

(A) any computer acquired to replace a computer where such replacement is necessary because of the year 2000 computer conversion problem, and

(B) any of the following items which are of a character subject to the allowance for depreciation under such Code:

(i) the modification of computer software to address the year 2000 computer conversion problem, and

(ii) computer software which is year 2000 compliant acquired to replace computer software which is not so compliant.

(2) COMPUTER.—The term ''computer'' means a computer or peripheral equipment (as defined by section 168(i)(2)(B)) of such Code.

(3) COMPUTER SOFTWARE.—The term ''computer software'' has the meaning given to such term by section 167(f) of such Code.

(4) UNRECOVERED BASIS.—The term ''unrecovered basis'' means the adjusted basis of the business Y2K asset determined as of the close of the last taxable year beginning before January 1, 1999.

(d) SPECIAL RULES.—

(1) IN GENERAL.—Rules similar to the rules of subsections (c) and (d) (other than paragraph (1) thereof) of section 179 of such Code shall apply for purposes of this section.

(2) TREATMENT AS DEDUCTION UNDER SECTION 179.—For purposes of the Internal Revenue Code of 1986, the deduction allowed under this section shall be treated in the same manner as a deduction allowed under section 179 of such Code.

(3) ORDERING RULE.—For purposes of section 179 of such Code, subsection (b)(3)(C) of such section shall be applied without regard to the deduction allowed under this section.

---

By Mr. GREGG:

S. 963, A bill to amend the Internal Revenue Code of 1986 to preserve family-held forest lands, and for other purposes; to the Committee on Finance.

FAMILY FOREST LAND PRESERVATION TAX ACT OF 1999

Mr. GREGG. Mr. President, I rise today to introduce the Family Forestland Preservation Tax Act of 1999. This bill amends several key tax provisions to help landowners keep their lands in long-term private forest ownership and management. Without these changes, many landowners will continue to be forced to sell or change the use of their land.

This bill derives from four years of work by the Northern Forest Lands Council (NFLC). The NFLC was created in 1990 to seek ways for Maine, New Hampshire, Vermont, and New York to maintain the ''traditional patterns of land ownership and use'' in the forest that covers this nation's Northeast. The Northern Forest is a 26-million-acre stretch of land, home to one million residents and within a two-hour drive of 70 million people. Nearly 85% of the Forest is privately owned. Times have changed, however, and social and economic forces have begun to affect the traditional patterns of land use with more and more land being marketed for development.

This bill will help maintain traditional patterns and, thus, preserve the forest by adjusting several estate tax provisions. This bill would allow heirs to make postmortem donations of conservation easements on undeveloped estate land and allow the valuation of undeveloped land at current use value for estate tax purposes if the owner or heir agrees to maintain the land in its current use for a period of twenty-five years. This bill also would establish a partial inflation adjustment for timber sales by allowing a tax credit not to exceed 50%. This will encourage landowners to maintain their timberland for long-term stewardship, which is both economically and environmentally desirable. Also, the bill would eliminate the requirement that landowners generally must work 100-hours-per-year in forest management on their forest properties to be allowed to deduct normal management expenses from timber activities against nonpassive income. Currently, landowners are required to capitalize these losses until timber is harvested. This legislation, though prompted by the NFLC's work, will benefit not only the four states that make up the Northern Forest, but also all states with forestland and all who enjoy the multiple uses of forestland. I urge my colleagues to support this bill, which will not only protect the historic current use patterns, but also allow the rustic beauty of our forests to be enjoyed by all.

I ask unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 963

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

**SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.**

(a) SHORT TITLE.—This Act may be cited as the ''Family Forest Land Preservation Tax Act of 1999''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

**TITLE I—ESTATE TAX PROVISIONS**

**SEC. 101. EXCLUSION FOR LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.**

(a) IN GENERAL.—Section 2031(c) (relating to estate tax with respect to land subject to a qualified conservation easement) is amended to read as follows:

''(c) ESTATE TAX WITH RESPECT TO LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—

''(1) IN GENERAL.—If the executor makes the election described in paragraph (4), then, except as otherwise provided in this subsection, there shall be excluded from the gross estate the value of land subject to a qualified conservation easement, reduced by the amount of any deduction under section 2055(f) with respect to such land.

''(2) TREATMENT OF CERTAIN INDEBTEDNESS.—

''(A) IN GENERAL.—The exclusion provided under paragraph (1) shall not apply to the extent that the land is debt-financed property.

''(B) DEFINITIONS.—For purposes of this paragraph—

''(i) DEBT-FINANCED PROPERTY.—The term 'debt-financed property' means any property with respect to which there is acquisition indebtedness (as defined in clause (ii)) on the date of the decedent's death.

''(ii) ACQUISITION INDEBTEDNESS.—The term 'acquisition indebtedness' means, with respect to any property, the unpaid amount of—

''(I) any indebtedness incurred by the donor in acquiring such property,

''(II) any indebtedness incurred before the acquisition of such property if such indebtedness would not have been incurred but for such acquisition,

''(III) any indebtedness incurred after the acquisition of such property if such indebtedness would not have been incurred but for such acquisition and the incurrence of such indebtedness was reasonably foreseeable at the time of such acquisition, and

''(IV) any indebtedness which constitutes an extension, renewal, or refinancing of other indebtedness described in this clause.

''(3) TREATMENT OF RETAINED DEVELOPMENT RIGHT.—

''(A) IN GENERAL.—Paragraph (1) shall not apply to the value of any development right retained by the donor in the conveyance of a qualified conservation easement.

''(B) TERMINATION OF RETAINED DEVELOPMENT RIGHT.—If every person in being who has an interest (whether or not in possession) in the land executes an agreement to extinguish permanently some or all of any development rights retained by the donor on or before the date for filing the return of the tax imposed by section 2001, then any tax imposed by section 2001 shall be reduced accordingly. Such agreement shall be filed with the return of the tax imposed by section 2001. The agreement shall be in such form as the Secretary shall prescribe.

''(C) ADDITIONAL TAX.—Any failure to implement the agreement described in subparagraph (B) not later than the earlier of—

''(i) the date which is 2 years after the date of the decedent's death, or

''(ii) the date of the sale of such land subject to the qualified conservation easement,

shall result in the imposition of an additional tax in the amount of the tax which would have been due on the retained development rights subject to such agreement. Such additional tax shall be due and payable on the last day of the 6th month following such earlier date.

''(D) DEVELOPMENT RIGHT DEFINED.—For purposes of this paragraph, the term 'development right' means any right to use the land subject to the qualified conservation easement in which such right is retained for any commercial purpose which is not subordinate to and directly supportive of the use of such land as a farm for farming purposes (within the meaning of section 2032A(e)(5)).

''(4) ELECTION.—The election under this subsection shall be made on or before the due date (including extensions) for filing the return of tax imposed by section 2001 and shall be made on such return.

''(5) CALCULATION OF ESTATE TAX DUE.—An executor making the election described in paragraph (4) shall, for purposes of calculating the amount of tax imposed by section 2001, include the value of any development right (as defined in paragraph (3)) retained by the donor in the conveyance of such qualified conservation easement. The computation of tax on any retained development right prescribed in this paragraph shall be done in such manner and on such forms as the Secretary shall prescribe.

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) LAND SUBJECT TO A QUALIFIED CONSERVATION EASEMENT.—The term 'land subject to a qualified conservation easement' means land—

''(i) which was owned by the decedent or a member of the decedent's family at all times during the 3-year period ending on the date of the decedent's death, and

''(ii) with respect to which a qualified conservation easement has been made by an individual described in subparagraph (C) as of the date of the election described in paragraph (4).

''(B) QUALIFIED CONSERVATION EASEMENT.—The term 'qualified conservation easement' means a qualified conservation contribution (as defined in section 170(h)(1)) of a qualified real property interest (as defined in section 170(h)(2)(C)), except that clause (iv) of section 170(h)(4)(A) shall not apply.

''(C) INDIVIDUAL DESCRIBED.—An individual is described in this subparagraph if such individual is—

''(i) the decedent,

''(ii) a member of the decedent's family,

''(iii) the executor of the decedent's estate, or

''(iv) the trustee of a trust the corpus of which includes the land to be subject to the qualified conservation easement.

''(D) MEMBER OF THE DECEDENT'S FAMILY.—The term 'member of the decedent's family' means any member of the family (as defined in section 2032A(e)(2)) of the decedent.

''(7) TREATMENT OF EASEMENTS GRANTED AFTER DEATH.—In any case in which the qualified conservation easement is granted after the date of the decedent's death and on or before the due date (including extensions) for filing the return of tax imposed by section 2001, the deduction under section 2055(f) with respect to such easement shall be allowed to the estate but only if no charitable deduction is allowed under chapter 1 to any person with respect to the grant of such easement.

''(8) APPLICATION OF THIS SECTION TO INTERESTS IN PARTNERSHIPS, CORPORATIONS, AND TRUSTS.—This subsection shall apply to an interest in a partnership, corporation, or trust if at least 30 percent of the entity is owned (directly or indirectly) by the decedent, as determined under the rules described in section 2057(e)(3).''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 1999.

**SEC. 102. INCREASE IN SPECIAL ESTATE TAX VALUATION; SPECIAL RULES FOR FOREST LANDS.**

(a) INCREASE IN LIMIT.—

(1) IN GENERAL.—Paragraphs (2) and (3) of section 2032A(a) (relating to value based on use under which property qualifies) are each amended by striking ''$750,000'' each place it appears and inserting ''$1,000,000''.

(2) INFLATION ADJUSTMENT.—Section 2032A(a)(3) is amended—

(A) by striking ''1998'' and inserting ''2000'', and

(B) by striking ''calendar year 1997'' and inserting ''calendar year 1999''.

(b) FOREST LAND TREATED AS QUALIFIED REAL PROPERTY.—Section 2032A(b) (defining qualified real property) is amended by adding at the end the following new paragraph:

''(6) SPECIAL RULE FOR QUALIFIED WOODLANDS.—In the case of qualified woodland, paragraph (1) shall be applied without regard to subparagraph (A) or (C)(ii) thereof.''

(c) DEFINITIONS AND FAILURES TO USE FOR QUALIFIED USE.—Section 2032A(c) (relating to tax treatment of definitions and failures to use for qualified use) is amended by adding at the end the following new paragraph:

''(9) SPECIAL RULES FOR QUALIFIED WOODLAND.—In the case of qualified woodland—

''(A) this subsection shall be applied by substituting '25 years' for '10 years' in paragraph (1) and by substituting '25-year period' for '10-year period' in paragraph (7)(A)(ii) and subsection (h)(2)(A),

''(B) the qualified heir shall not be treated as disposing of the property or ceasing to use the property for a qualified use if—

''(i) the qualified heir transfers the property to another person, and

''(ii) such other person (or their qualified heir) agrees to continue to use the property for a qualified use and files an agreement described in subsection (d)(2) with respect to the property,

''(C) the qualified heir shall be treated as ceasing to use the property for a qualified use if any depreciable improvements are made to the property (other than improvements required for the qualified use), and

''(D) a qualified heir or transferee described in subparagraph (B) shall not be treated as disposing of timber if the disposal is done in accordance with any program described in subsection (e)(13)(E).''

(d) QUALIFIED WOODLAND.—Section 2032A(e)(13) is amended by adding at the end the following new subparagraph:

''(E) OTHER REQUIREMENTS.—Real property shall not be treated as qualified woodland unless such property—

''(i) qualifies for a differential use value assessment program for forest land in the State in which the property is located, or

''(ii) if a State has no differential use value assessment program—

''(I) is forest land,

''(II) is a minimum of 10 acres, exclusive of a dwelling unit or other non-forest related structure and its curtilage, and

''(III) is subject to a forest management plan.''

(e) VALUATION.—

(1) IN GENERAL.—Section 2032A(e) is amended by adding at the end the following new paragraph:

''(15) SPECIAL RULES FOR VALUING FOREST LAND.—The value of forest land shall be determined according to whichever of the following methods results in the least value:

''(A) Assessed land values in a State which provides a differential or use value assessment for forest land.

''(B) Comparable sales of other forest land which is in the same geographical area and which is far enough removed from a metropolitan or resort area so that nonforest use is not a significant factor in the sales price.

''(C) The capitalization of income which the property can be expected to yield for timber operations over a reasonable period of time under prudent management, determined by using traditional forest management for the area, and taking into account soil capacity, terrain configuration, and similar factors.

''(D) Any other factor which fairly values the timber value of the property.''

(2) CONFORMING AMENDMENT.—Section 2032A(e)(8) is amended by striking ''paragraph (7)(A)'' and inserting ''paragraph (7)(A) or (15)''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 1999.

## TITLE II—INCOME TAX TREATMENT

**SEC. 201. PARTIAL INFLATION ADJUSTMENT FOR TIMBER.**

(a) IN GENERAL.—Part I of subchapter P of chapter 1 (relating to treatment of capital gains) is amended by adding at the end the following new section:

**''SEC. 1203. PARTIAL INFLATION ADJUSTMENT FOR TIMBER.**

''(a) IN GENERAL.—At the election of any taxpayer who has qualified timber gain for any taxable year, there shall be allowed as a deduction from gross income an amount equal to the applicable percentage of such gain.

''(b) QUALIFIED TIMBER GAIN.—For purposes of this section, the term 'qualified timber gain' means the lesser of—

''(1) the net capital gain for the taxable year, or

''(2) the net capital gain for the taxable year determined by taking into account only gains and losses from the sale or exchange of—

''(A) any standing timber (or the right to sever any standing timber), or

''(B) any qualified woodland (as defined in section 2032A(e)(13)(B)) or any interest therein.

Such term shall not include any gain excludable from gross income under section 139.

''(c) APPLICABLE PERCENTAGE.—For purposes of this section, the term 'applicable percentage' means the percentage (not exceeding 50 percent) determined by multiplying—

''(1) 3 percent, by

''(2) the number of years in the holding period of the taxpayer with respect to the timber.

''(d) ESTATES AND TRUSTS.—In the case of an estate or trust, the deduction under subsection (a) shall be computed by excluding the portion (if any) of the gains for the taxable year from sales or exchanges of capital assets which, under sections 652 and 662 (relating to inclusions of amounts in gross income of beneficiaries of trusts), is includible by the income beneficiaries as gain derived from the sale or exchange of capital assets.''

(b) COORDINATION WITH EXISTING LIMITATIONS.—

(1) Subsection (h) of section 1 (relating to maximum capital gains rate) is amended by adding at the end the following new paragraph:

''(14) QUALIFIED TIMBER GAIN.—For purposes of this subsection, net capital gain shall be determined without regard to qualified timber gain with respect to which an election is made under section 1203.''

(2) Subsection (a) of section 1201 (relating to alternative tax for corporations) is amended by adding at the end the following flush sentence:

''For purposes of this section, net capital gain shall be determined without regard to qualified timber gain with respect to which an election is made under section 1203.''

(c) ALLOWANCE OF DEDUCTION IN COMPUTING ADJUSTED GROSS INCOME.—Subsection (a) of section 62 (relating to definition of adjusted gross income) is amended by inserting after paragraph (17) the following new paragraph:

''(18) PARTIAL INFLATION ADJUSTMENT FOR TIMBER.—The deduction allowed by section 1203.''

(d) CLERICAL AMENDMENT.—The table of sections for part I of subchapter P of chapter 1 is amended by adding at the end the following new item:

''Sec. 1203. Partial inflation adjustment for timber.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or exchanges after December 31, 1999.

**SEC. 202. EXCLUSION OF GAIN FROM SALES OF INTERESTS IN FOREST LAND FOR CONSERVATION PURPOSES.**

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 139 as section 140 and by inserting after section 138 the following new section:

**''SEC. 139. SALES OF INTERESTS IN CERTAIN FOREST LAND FOR CONSERVATION PURPOSES.**

''(a) EXCLUSION.—

''(1) IN GENERAL.—Gross income shall not include the applicable percentage of any gain from a qualified timber sale.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means—

''(A) 35 percent, or

''(B) in the case of a qualified timber sale of a qualified real property interest described in section 170(h)(2)(C), 100 percent.

''(b) LIMITATION.—

''(1) IN GENERAL.—The total amount of gain which may be excluded from gross income under subsection (a) for any taxable year shall not exceed the sum of—

''(A) the amount of gain from a qualified timber sale described in subsection (a)(2)(B), plus

''(B) $800,000 ($400,000 in the case of a married individual filing a separate return).

''(2) AGGREGATION RULE.—For purposes of paragraph (1)(B), all persons treated as a single employer under subsection (a) or (b) of section 52 shall be treated as one taxpayer.

''(c) QUALIFIED TIMBER SALE.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified timber sale' means the sale or exchange of a qualified real property interest in real property which is used in timber operations to a governmental unit described in section 170(c)(1) for conservation purposes.

''(2) SPECIAL RULE FOR SALES TO NONGOVERNMENTAL ENTITIES.—

''(A) IN GENERAL.—The term 'qualified timber sale' shall include a sale or exchange to a qualified organization described in section 170(h)(3) if such interest is transferred to a governmental unit described in section 170(c)(1) during the 2-year period beginning on the date of the sale or exchange.

''(B) TIME FOR EXCLUSION.—If the transfer to which paragraph (1) applies occurs in a taxable year after the taxable year in which the sale or exchange occurred—

''(i) no exclusion shall be allowed under subsection (a) for the taxable year of the sale or exchange, but

''(ii) the taxpayer's tax for the taxable year of the transfer shall be reduced by the amount of the reduction in the taxpayer's tax for the taxable year of the sale or exchange which would have occurred if subparagraph (A) had not applied.

''(d) OTHER DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED REAL PROPERTY INTEREST.—The term 'qualified real property interest' has the meaning given such term by section 170(h)(2).

''(2) TIMBER OPERATIONS.—The term 'timber operations' has the meaning given such term by section 2032A(e)(13)(C).

''(3) CONSERVATION PURPOSES.—The term 'conservation purposes' has the meaning given such term by section 170(h)(4)(A) (without regard to clause (iv) thereof).''

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 139 and inserting the following new items:

''Sec. 139. Sales of interests in certain forest land for conservation purposes.

''Sec. 140. Cross references to other Acts.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

**SEC. 203. APPLICATION OF PASSIVE LOSS LIMITATIONS TO TIMBER ACTIVITIES.**

(a) IN GENERAL.—Treasury regulations sections 1.469–5T(b)(2) (ii) and (iii) shall not apply to any closely held timber activity if the nature of such activity is such that the aggregate hours devoted to management of the activity for any year is generally less than 100 hours.

(b) DEFINITIONS.—For purposes of subsection (a)—

(1) CLOSELY HELD ACTIVITY.—An activity shall be treated as closely held if at least 80 percent of the ownership interests in the activity is held—

(A) by 5 or fewer individuals, or

(B) by individuals who are members of the same family (within the meaning of section 2032A(e)(2) of the Internal Revenue Code of 1986).

An interest in a limited partnership shall in no event be treated as a closely held activity for purposes of this section.

(2) TIMBER ACTIVITY.—The term ''timber activity'' means the planting, cultivating, caring, cutting, or preparation (other than milling) for market, of trees.

(c) EFFECTIVE DATE.—This section shall apply to taxable years beginning after December 31, 1999.

---

By Mr. DASCHLE:

S. 964. A bill to provide for equitable compensation for the Cheyenne River Sioux Tribe, and for other purposes; to the Committee on Indian Affairs.

CHEYENNE RIVER SIOUX TRIBE INFRASTRUCTURE DEVELOPMENT TRUST FUND ACT

Mr. DASCHLE. Mr. President, today I am introducing legislation to compensate the Cheyenne River Sioux Tribe for losses the tribe suffered when the Oahe dam was constructed in central South Dakota and over 100,000 acres of tribal land was flooded. Its passage will help the tribe rebuild their infrastructure and their economy, which was seriously crippled by the Oahe project during the 1950s. It is extraordinary that it has taken four decades to reach this point. The importance of passing this long-overdue legislation as soon as possible cannot be stated too strongly.

This legislation was developed with the assistance of Chairman Gregg Bourland and Council Member Louis Dubray of the Cheyenne River Sioux Tribe. Both men have worked tirelessly to bring us to this point and I am grateful for their assistance. This legislation represents one element of their progressive vision for providing the members of the Cheyenne River Sioux Tribe with greater opportunities for economic development and to fulfill the debts owned to the tribe by the federal government.

The Cheyenne River Sioux Tribe Equitable Compensation Act is the companion bill to the Lower Brule Sioux Tribe Infrastructure Development Trust Fund Act, which passed by unanimous consent in November of 1997, and the Crow Creek Sioux Tribe Infrastructure Development Trust Fund Act of 1996, which passed the Congress unanimously in 1996.

The bill is based on an extensive analysis of the imp[act of the Pick-Sloan Dam Projects on the Cheyenne River Sioux Tribe which was performed by the Robert McLaughlin Company. The McLaughlin report was reviewed by the General Accounting Office, which found that the losses suffered by the tribe justify the establishment of a $290 million trust fund, which is the amount called for in this legislation.

It represents an important step in our continuing effort to fairly compensate the tribes of South Dakota for the sacrifices they made decades ago for the construction of the dams along the Missouri River and will further the goal of improving the lives of Native

Americans living on those reservations.

To fully appreciate the need for this legislation, it is important for the committee to understand the historic events that are prologue to its development. The Oahe dam was constructed in South Dakota pursuant to the Flood Control Act (58 Stat. 887) of 1944. That legislation authorized implementation of the Missouri River Basin Pick-Sloan Plan for water development and flood control for downstream states.

The Oahe dam flooded 104,000 acres of tribal land, forcing the relocation of roughly 30 percent of the tribe's population, including four entire communities. Equally as important, the tribe lost 80 percent of its fertile river bottom lands—lands that represented the basis for the tribal economy. Prior to the flooding, the tribe relied on these lands for firewood and building material, game wild fruits and berries, as well as cover from the severe storms that characterize winters in South Dakota and shelter from the heat of the prairie summer. Indian ranchers no longer had places to shelter their cattle in the wintertime, causing a significant loss in the value of their operations.

The loss of these important river bottom lands can be felt today. During the extreme winter of 1996–1997, the tribe lost roughly 30,000 head of livestock, including 25,000 head of cattle. Without adequate natural shelter, the remaining Indian ranchers along this stretch of river can expect to continue to have difficulty scratching out a living in future years when the winter turns particularly hard.

Mr. President, the damage caused by the Pick-Sloan projects touched every aspect of life on the Cheyenne River reservation. Ninety percent of the timber on the reservation was wiped out, causing shortages of building material and firewood. Wildlife, once abundant in the river bottom, became more scarce. The entire lifestyle of the tribe changed as it was forced to relocate much of its people from the lush river bottom lands to the windswept prairie.

Most Americans, if not all, are familiar with the many broken promises of the United States Government to Native Americans during the 1800's. For Indian tribes located along the Missouri River in the state of South Dakota, the United States Government still has not met its responsibilities for compensation for losses suffered as a result of the construction of the Pick-Sloan dams. This proposed legislation is intended to correct that situation as it applies to the Cheyenne River Sioux Tribe.

We cannot, of course, remake the lost lands and return the tribe to its former existence. We can, however, help provide the resources necessary to the tribe to improve the infrastructure on the Cheyenne River reservation. This, in turn, will enhance opportunities for economic development which will benefit all members of the tribe. Perhaps most importantly, it will fulfill part of our commitment to improve the lives of Native Americans—in this case the Cheyenne River Sioux.

I strongly urge my colleagues to approve this legislation this year. Providing compensation to the Cheyenne River Sioux Tribe for past harm inflicted by the federal government is long-overdue and any further delay only compounds that harm. I ask unanimous consent that the bill be printed in the RECORD.

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

S. 964

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Cheyenne River Sioux Tribe Equitable Compensation Act''.

**SEC. 2. FINDINGS AND PURPOSES.**

(a) FINDINGS.—Congress finds that—

(1) by enacting the Act of December 22, 1944, (58 Stat. 887, chapter 665; 33 U.S.C. 701–1 et seq.), commonly known as the ''Flood Control Act of 1944'', Congress approved the Pick-Sloan Missouri River Basin program (referred to in this section as the ''Pick-Sloan program'')—

(A) to promote the general economic development of the United States;

(B) to provide for irrigation above Sioux City, Iowa;

(C) to protect urban and rural areas from devastating floods of the Missouri River; and

(D) for other purposes;

(2) the Oahe Dam and Reservoir project—

(A) is a major component of the Pick-Sloan program, and contributes to the economy of the United States by generating a substantial amount of hydropower and impounding a substantial quantity of water;

(B) overlies the eastern boundary of the Cheyenne River Sioux Indian Reservation; and

(C) has not only contributed little to the economy of the Tribe, but has severely damaged the economy of the Tribe and members of the Tribe by inundating the fertile, wooded bottom lands of the Tribe along the Missouri River that constituted the most productive agricultural and pastoral lands of the Tribe and the homeland of the members of the Tribe;

(3) the Secretary of the Interior appointed a Joint Tribal Advisory Committee that examined the Oahe Dam and Reservoir project and correctly concluded that—

(A) the Federal Government did not justify, or fairly compensate the Tribe for, the Oahe Dam and Reservoir project when the Federal Government acquired 104,492 acres of land of the Tribe for that project; and

(B) the Tribe should be adequately compensated for the land acquisition described in subparagraph (A);

(4) after applying the same method of analysis as is used for the compensation of similarly situated Indian tribes, the Comptroller General of the United States (referred to in this Act as the ''Comptroller General'') determined that the appropriate amount of compensation to pay the Tribe for the land acquisition described in paragraph (3)(A) would be $290,722,958;

(5) the Tribe is entitled to receive additional financial compensation for the land acquisition described in paragraph (3)(A) in a manner consistent with the determination of the Comptroller General described in paragraph (4); and

(6) the establishment of a trust fund to make amounts available to the Tribe under this Act is consistent with the principles of self-governance and self-determination.

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

(1) To provide for additional financial compensation to the Tribe for the acquisition by the Federal Government of 104,492 acres of land of the Tribe for the Oahe Dam and Reservoir project in a manner consistent with the determinations of the Comptroller General described in subsection (a)(4).

(2) To provide for the establishment of the Cheyenne River Sioux Tribal Recovery Fund, to be managed by the Secretary of the Treasury in order to make payments to the Tribe to carry out projects under a plan prepared by the Tribe.

**SEC. 3. DEFINITIONS.**

In this Act:

(1) TRIBE.—The term ''Tribe'' means the Cheyenne River Sioux Tribe, which is comprised of the Itazipco, Siha Sapa, Minniconjou, and Oohenumpa bands of the Great Sioux Nation that reside on the Cheyenne Reservation, located in central South Dakota.

(2) TRIBAL COUNCIL.—The term ''Tribal Council'' means the governing body of the Tribe.

**SEC. 4. CHEYENNE RIVER SIOUX TRIBAL RECOVERY TRUST FUND.**

(a) CHEYENNE RIVER SIOUX TRIBAL RECOVERY TRUST FUND.—There is established in the Treasury of the United States a fund to be known as the ''Cheyenne River Sioux Tribal Recovery Trust Fund'' (referred to in this Act as the ''Fund''). The Fund shall consist of any amounts deposited into the Fund under this Act.

(b) FUNDING.—Out of any money in the Treasury not otherwise appropriated, the Secretary of the Treasury shall deposit $290,722,958 into the Fund not later than 60 days after the date of enactment of this Act.

(c) INVESTMENT OF TRUST FUND.—It shall be the duty of the Secretary of the Treasury to invest such portion of the Fund as is not, in the Secretary of Treasury's judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. The Secretary of the Treasury shall deposit interest resulting from such investments into the Fund.

(d) PAYMENT OF INTEREST TO TRIBE.—

(1) IN GENERAL.—

(A) WITHDRAWAL OF INTEREST.—Beginning at the end of the first fiscal year in which interest is deposited into the Fund, the Secretary of the Treasury shall withdraw the applicable percentage amount of the aggregate amount of interest deposited into the Fund for that fiscal year (as determined under subparagraph (B)) and transfer that amount to the Secretary of the Interior for use in accordance with paragraph (2). Each amount so transferred shall be available without fiscal year limitation.

(B) APPLICABLE PERCENTAGE AMOUNTS.—The applicable percentage amount referred to in subparagraph (A) shall be as follows:

(i) 10 percent for the first fiscal year for which interest is deposited into the Fund.

(ii) 20 percent for the 2d such fiscal year.

(iii) 30 percent for the 3rd such fiscal year.
(iv) 40 percent for the 4th such fiscal year.
(v) 50 percent for the 5th such fiscal year.
(vi) 60 percent for the 6th such fiscal year.
(vii) 70 percent for the 7th such fiscal year.
(viii) 80 percent for the 8th such fiscal year.
(ix) 90 percent for the 9th such fiscal year.
(x) 100 percent for the 10th such fiscal year, and for each such fiscal year thereafter.

(2) PAYMENTS TO TRIBE.—

(A) IN GENERAL.—The Secretary of the Interior shall use the amounts transferred under paragraph (1) only for the purpose of making payments to the Tribe, as such payments are requested by the Tribe pursuant to tribal resolution.

(B) LIMITATION.—Payments may be made by the Secretary of the Interior under subparagraph (A) only after the Tribe has adopted a plan under subsection (f).

(C) USE OF PAYMENTS BY TRIBE.—The Tribe shall use the payments made under subparagraph (B) only for carrying out projects and programs under the plan prepared under subsection (f).

(D) PLEDGE OF FUTURE PAYMENTS.—

(i) IN GENERAL.—Subject to clause (ii), the Tribe may enter into an agreement under which the Tribe pledges future payments under this paragraph as security for a loan or other financial transaction.

(ii) LIMITATIONS.—The Tribe—

(I) may enter into an agreement under clause (i) only in connection with the purchase of land or other capital assets; and

(II) may not pledge, for any year under an agreement referred to in clause (i), an amount greater than 40 percent of any payment under this paragraph for that year.

(e) TRANSFERS AND WITHDRAWALS.—Except as provided in subsections (c) and (d)(1), the Secretary of the Treasury may not transfer or withdraw any amount deposited under subsection (b).

(f) PLAN.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the governing body of the Tribe shall prepare a plan for the use of the payments to the Tribe under subsection (d) (referred to in this subsection as the ''plan'').

(2) CONTENTS OF PLAN.—The plan shall provide for the manner in which the Tribe shall expend payments to the Tribe under subsection (d) to promote—

(A) economic development;

(B) infrastructure development;

(C) the educational, health, recreational, and social welfare objectives of the Tribe and its members; or

(D) any combination of the activities described in subparagraphs (A) through (C).

(3) PLAN REVIEW AND REVISION.—

(A) IN GENERAL.—The Tribal Council shall make available for review and comment by the members of the Tribe a copy of the plan before the plan becomes final, in accordance with procedures established by the Tribal Council.

(B) UPDATING OF PLAN.—The Tribal Council may, on an annual basis, revise the plan to update the plan. In revising the plan under this subparagraph, the Tribal Council shall provide the members of the Tribe opportunity to review and comment on any proposed revision to the plan.

(C) CONSULTATION.—In preparing the plan and any revisions to update the plan, the Tribal Council shall consult with the Secretary of the Interior and the Secretary of Health and Human Services.

(4) AUDIT.—

(A) IN GENERAL.—The activities of the Tribe in carrying out the plan shall be audited as part of the annual single-agency audit that the Tribe is required to prepare pursuant to the Office of Management and Budget circular numbered A–133.

(B) DETERMINATION BY AUDITORS.—The auditors that conduct the audit described in subparagraph (A) shall—

(i) determine whether funds received by the Tribe under this section for the period covered by the audit were expended to carry out the plan in a manner consistent with this section; and

(ii) include in the written findings of the audit the determination made under clause (i).

(C) INCLUSION OF FINDINGS WITH PUBLICATION OF PROCEEDINGS OF TRIBAL COUNCIL.—A copy of the written findings of the audit described in subparagraph (A) shall be inserted in the published minutes of the Tribal Council proceedings for the session at which the audit is presented to the Tribal Council.

(g) PROHIBITION ON PER CAPITA PAYMENTS.—No portion of any payment made under this Act may be distributed to any member of the Tribe on a per capita basis.

**SEC. 5. ELIGIBILITY OF TRIBE FOR CERTAIN PROGRAMS AND SERVICES.**

No payment made to the Tribe under this Act shall result in the reduction or denial of any service or program with respect to which, under Federal law—

(1) the Tribe is otherwise entitled because of the status of the Tribe as a federally recognized Indian tribe; or

(2) any individual who is a member of the Tribe is entitled because of the status of the individual as a member of the Tribe.

**SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated such funds as may be necessary to carry out this Act, including such funds as may be necessary to cover the administrative expenses of the Fund.

---

By Mr. JEFFORDS (for himself, Ms. SNOWE, Mr. LEAHY, Mrs. MURRAY, and Mr. DURBIN):

S. 965. A bill to restore a United States voluntary contribution to the United Nations Population Fund; to the Committee on Foreign Relations.

UNITED NATIONS POPULATION FUND (UNFPA) FUNDING ACT OF 1999

Mr. JEFFORDS. Mr. President, today I am introducing the ''United Nations Population Fund Funding Act of 1999.'' Senators CHAFEE, SNOWE, LEAHY, MURRAY, and DURBIN join me as original cosponsors.

I will celebrate the memory of my mother this Sunday on Mother's Day. Very sadly, I know that there are millions of children in the developing world who have very few, or even no memories of their mothers. Nearly all maternal deaths are in developing countries. More than 585,000 women, many of them already mothers, die each year from causes related to pregnancy, including obstructed labor, hemorrhage and postpartum infection, and ectopic pregnancies caused by a sexually transmitted disease. Mothers also die from HIV, malnutrition and anemina, or complications of an unsafe abortion.

These are only a few examples of how poverty, lack of knowledge, and lack of basic maternal health care claim the lives of millions of mothers all over the world every year. But the importance of maternal health care to the well-being of women and their families is clear. We can support mothers in poorer countries around the world by removing the ban on U.S. funding for UNFPA. UNFPA is currently the leading maternal health care provider around the world.

During the heated debate surrounding international family planning and U.S. funding for UNFPA, ''the baby often gets thrown out with the bath water.'' The ''baby'' in this debate is the vast array of work UNFPA does around the world to improve pre- and post-natal mother's health, access to voluntary family planning programs, STD and HIV education and prevention, and programs to end the practice of female genital mutilation. UNFPA provides couples all over the world access to contraception. It seeks to reduce abortions and related deaths by improving access to family planning and to treatment for complications of unsafe abortion. UNFPA's priorities include preventing teen pregnancy. Too frequently, the bulk of UNFPA's work is overlooked in the international family planning controversy.

Many people do not even realize that UNFPA also assists women in crisis situations. UNFPA recently announced it is sending emergency reproductive health hits, including equipment for safe delivery of babies and emergency contraceptives for rape victims, to Albania for thousands of Kosovar Albanian refugee women.

The lives of pregnant women and newborns are at particular risk among refugees fleeing Kosovo. These kits include supplies for women who give birth in areas without medical facilities, including materials like soap, plastic sheeting, pictorial instructions for delivering a baby, and razor blades for cutting the umbilical cord of a newborn. These are the most basic of items. But they can mean the difference between life and death for mothers and their newborn babies. The U.S. should contribute to this humanitarian work.

The whole world has been horrified by reports released by human rights organizations stating that the Serbs are using rape as a weapon of war. UNFPA has responded and is leading international efforts to help Kosovar Albanian women who have been raped by Serb forces. UNFPA provides trauma treatment and counseling for other mental health consequences of this form of human rights abuse.

As the legislative year progresses, the controversy over international family planning programs will intensify. My legislation calling for renewal of the U.S. contribution to UNFPA will get caught up in the controversy as well. But I will not let one of the most important issues get lost—the health

of mothers in poor countries. In the coming months I will work with the cosponsors to this bill and many health care organizations to keep the issue of maternal health visible in the international family planning debate.

By Mr. REID:

S. 966. A bill to require Medicare providers to disclose publicly staffing and performance in order to promote improved consumer information and choice, to protect employees of Medicare providers who report concerns about the safety and quality of services provided by the Medicare providers or who report violations of Federal or State law by those providers, and to require review of the impact on public health and safety of proposed mergers and acquisitions of Medicare providers; to the Committee on Finance.

PATIENT SAFETY AT OF 1999

Mr. REID. Mr. President, I rise today to introduce the Patient Safety Act of 1999. This legislation focuses on the major safety, quality, and workforce issues for nurses employed by health care institutions and the patients who receive care in these facilities.

Health care consumers need access to information about health care institutions in order to make informed decisions about where they or their loved ones will receive care. My bill would require health care facilties to make information publicly available about staffing levels, patient care outcomes, and specific kinds of errors and avoidable patient care problems—such as bedsores. The Patient Safety Act would not require action to correct these problems. This is not a bill to regulate health care, but one that would provide individuals with the information they want and need when it comes time to make important health care choices.

As our front-line health care workers, nurses are usually the first to recognize dangerous patient care conditions. The Patient Safety Act would provide nurses and other hospital employees with ''whistleblower'' protections it they report problems that threaten patient safety to their employers, government agencies, or others.

Finally, the Patient Safety Act would dirct the Department of Health and Human Services to review mergers and acqusitions of hospitals to determine their long-term effects on the well-being of patients, the community and employees. While these types of transactions are regularly evaluated from a financial standpoint, little information is made available to the public about hwo such a change would affect the health care services available to them.

The Patient Safety Act is a valuable information resource for consumers. I urge you to join my efforts to provide consumers with the data necessary to make informed decisions about their health care providers.

By Mr. LAUTENBERG:

S. 967. A bill to provide a uniform national standard to ensure that consealed firearms are available only to authorized persons for lawful purposes; to the Committee on the Judiciary.

CONCEALED FIREARMS PROHIBITION ACT

Mr. LAUTENBERG. Mr. President, today I am introducing legislation, the Concealed Firearms Prohibition Act, that would help make our communities safer.

Across the country, citizens are looking for ways to stop gun violence. They see their families torn apart, their friends lost forever, and their communities shattered. And they wonder what has gone wrong in a nation where more than 30,000 people are killed by gunfire each year.

One area of growing concern is concealed weapons. Recently, the NRA tried to push a measure that would have allowed more concealed weapons in Missouri. They spent about $4 million trying to pass their referendum. But the voters responded with a resounding ''no.'' They do not want more people secretly carrying weapons in their schoolyards, malls, stadiums and other public places.

Regrettably, there are still too many politicians who will not listen to the people. They insist on marching in lockstep with the NRA. They actually want to escalate the arms race on our streets. They try to suggest that if more people are carrying guns, our neighborhoods will be safer. That position simply defies common sense. The answer to gun violence is not a new version of the Wild West, with everyone carrying a gun on his or her hip, taking the law into their own hands.

Every day people get into arguments over everything from traffic accidents to domestic disputes. Maybe these arguments lead to yelling, or even fisticuffs. But if people are carrying guns, those conflicts are much more likely to end in a shooting, and death. And since some States allow individuals to carry concealed weapons with little or no training in the operation of firearms, there is a greater chance that incompetent or careless handgun users will accidentally injure or kill innocent bystanders.

More concealed weapons on our streets will also make the jobs of law enforcement officers more dangerous and difficult. But you do not need to take my word for this, Mr. President. Just ask the men and women in law enforcement. In fact, the Police Executive Research Forum did just that. In their 1996 survey, they found that 92 percent of their membership opposed legislation allowing private citizens to carry concealed weapons.

Mr. President, although the regulation of concealed weapons has been left to States, it is time for Congress to step in to protect the public. All Americans have a right to be free from the dangers posed by the carrying of concealed handguns, regardless of their State of residence. And Americans should be able to travel across State lines for business, to visit their families, or for any other purpose, without having to worry about concealed weapons.

Besides the strong Federal interest in ensuring the safety of our citizens, there are other reasons why this area requires Congressional intervention. Beyond the lives lost and ruined, crimes committed with handguns impose a substantial burden on interstate commerce and lead to a reduction in productivity and profitability for businesses around the Nation. Moreover, to ensure its coverage under the Constitution's commerce clause, my bill applies only to handguns that have been transported in interstate or foreign commerce, or that have parts or components that have been transported in interstate or foreign commerce. This clearly distinguishes the legislation from the gun-free school zone statute that was struck down in the Supreme Court's Lopez case.

Mr. President, the bottom line is that more guns equal more death. This legislation will help in our struggle to reduce the number of guns on our streets, and help prevent our society from becoming even more violent and dangerous.

I hope my colleagues will support the bill, and I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 967

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Concealed Firearms Prohibition Act''.

**SEC. 2. FINDINGS.**

Congress finds that—

(1) crimes committed with firearms threaten the peace and domestic tranquility of the United States and reduce the security and general welfare of the people of the United States;

(2) crimes committed with firearms impose a substantial burden on interstate commerce and lead to a reduction in productivity and profitability for businesses around the country whose workers, suppliers, and customers are adversely affected by gun violence;

(3) the public carrying of firearms increases the level of gun violence by enabling the rapid escalation of otherwise minor conflicts into deadly shootings;

(4) the public carrying of firearms increases the likelihood that incompetent or careless firearm users will accidently injure or kill innocent bystanders;

(5) the public carrying of firearms poses a danger to citizens of the United States who travel across State lines for business or other purposes; and

(6) all Americans have a right to be protected from the dangers posed by the carrying of concealed firearms, regardless of their State of residence.

**SEC. 3. UNLAWFUL ACT.**

Section 922 of title 18, United States Code, is amended by inserting after subsection (y) the following:

''(z) FIREARMS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), it shall be unlawful for a person to carry a firearm, any part of which has been transported in interstate or foreign commerce, on his or her person in public.

''(2) EXCEPTIONS.—Paragraph (1) does not apply to—

''(A) a person authorized to carry a firearm under State law who is—

''(i) a law enforcement official;

''(ii) a retired law enforcement official;

''(iii) a duly authorized private security officer;

''(iv) a person whose employment involves the transport of substantial amounts of cash or other valuable items; or

''(v) any other person that the Attorney General determines should be allowed to carry a firearm because of compelling circumstances, under regulations that the Attorney General may promulgate;

''(B) a person authorized to carry a firearm under a State law that permits a person to carry a firearm based on an individualized determination, based on a review of credible evidence, that the person should be allowed to carry a firearm because of compelling circumstances (not including a claim of concern about generalized or unspecified risks); or

''(C) a person authorized to carry a firearm on his or her person under Federal law.

''(3) EFFECT ON OTHER LAWS.—

''(A) FEDERAL LAWS.—Nothing in this subsection supersedes or limits any other Federal law (including a regulation) that prohibits or restricts the possession or transportation of a firearm.

''(B) STATE AND LOCAL LAWS.—Nothing in this subsection supersedes or limits any law (including a regulation) of a State or political subdivision of a State that—

''(i) grants a right to carry a concealed firearm that is more restrictive than a right granted under this subsection;

''(ii) permits a private person or entity to prohibit or restrict the possession of a concealed firearm on property belonging to the person;

''(iii) prohibits or restricts the possession of a firearm on any property, installation, building, facility, or park belonging to a State or political subdivision of a State; or

''(iv) permits a person to—

''(I) transport a lawfully-owned and lawfully-secured firearm in a vehicle for hunting or sporting purposes; or

''(II) use a lawfully-owned firearm for hunting or sporting purposes.''.

---

By Mr. GRAHAM (for himself, Mr. MACK, Mr. CLELAND, Mrs. LINCOLN, and Mr. ROBB):

S. 968. A bill to authorize the Administrator of the Environmental Protection Agency to make grants to State agencies with responsibility for water source development, for the purposes of maximizing the available water supply and protecting the environment through the development of alternative water sources, and for other purposes; to the Committee on Environment and Public Works.

ALTERNATIVE WATER SOURCES ACT OF 1999

● Mr. GRAHAM. Mr. President, I rise today with my colleagues, Senators MACK, CLELAND, LINCOLN, and ROBB, to discuss an issue of great importance to the people of Florida and the nation: the availability of adequate water supplies. During the last decade, many states have experienced unprecedented population growth. For example, Florida's population increased by 15 percent, or almost 2 million people, over the last 8 years. We have directed resources towards improvements in our highway infrastructure to accommodate increased use. However, an area that has not received adequate attention but has the potential to negatively impact human health and the environment as well as limit economic growth is the conservation and development of adequate water supplies.

A number of eastern states, including Florida, are now experiencing water supply problems similar to those in the arid West. We must act now to prevent salt water intrusion into our aquifers, additional loss of wetlands, and curbs on economic development due to inadequate water supplies. As we prepare for the 21st century, demand for water for domestic, industrial, and agricultural uses will continue to increase.

In just one of Florida's regional water management districts, the Governing Board has committed $10 million per year since 1994 to providing financial assistance for local alternative water source projects such as conservation, wastewater reclamation, stormwater reuse, and desalination. When fully implemented, the 23 currently active or completed projects will provide more than 150 million gallons of water per day to supply existing and future needs. These projects will also reduce groundwater withdrawals, rehydrate stressed lakes and wetlands, increase ground water recharge, enhanced wildlife habitat, and improve flood control.

We are today introducing legislation to address this critical public health, environmental, and economic issue. The ''Alternative Water Sources Act of 1999'' establishes a federal grant program for eastern states that is similar to a program already operated by the Bureau of Reclamation for western states. The program will provide federal matching funds for the design and construction of water reclamation, reuse, and conservation projects. The bill authorizes the Environmental Protection Agency (EPA) to make grants to agencies with responsibility for water resource development, for the purpose of maximizing available water supplies while protecting the environment. Under this program, water supply agencies will submit grant proposals to EPA. The proposed projects must be part of a long range water resource management plan. If approved, the federal government would provide half the cost of the project. This legislation authorizes $75 million per year over the next five years to fund alternative water source projects.●

---

By Mr. ASHCROFT:

S. 969. A bill to amend the Individuals with Disabilities Education Act and the Gun-Free Schools Act of 1994 to authorize schools to apply appropriate discipline measures in cases where students have weapons or threaten to harm others, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

SCHOOL SAFETY ACT OF 1999

Mr. ASHCROFT. Mr. President, in the past two weeks since the tragedy occurred at Columbine High School in Littleton, Colorado, we have all had time to reflect on a number of issues. Our thoughts and prayers go to the families, friends, and other loved ones affected by this incident. We have asked ourselves why this happened. How it happened.

The Littleton tragedy requires reflection, thought and corrective action within our spheres of influence and responsibility. Children must learn respect and responsibility. Parents must be responsible for their children, including what they watch and what they do. Schools must have firm, fair and consistent discipline policies. Schools must be free to expel violence-prone students. State legislators must review state laws. Congress must review federal laws.

As a member of the United States Senate, I have been prompted to stop and examine our current federal education laws involving school safety, and see if our policies are promoting and encouraging school safety—or are in some way hindering our teachers, parents, principals, superintendents, and school boards from maintaining a safe place for our children to learn and our teachers to teach.

For much of the past year and before the Littleton tragedy, I traveled through Missouri talking to teachers, principals, school superintendents and school officials about the issue of school safety and school discipline. What I heard and learned was disturbing. After listening to school officials, I have concluded that there is, in fact, at least one federal law that actually jeopardizes our schools' efforts to provide a safe learning environment. Today I am introducing legislation, the School Safety Act, to amend this law and give schools the ability to remove from the classroom students who possess weapons or threaten to use weapons in the classroom, so that we can keep our children and teachers safe.

Once enacted, this legislation will help foster a safer environment in schools. If this legislation had been enacted years ago, would it have prevented the Littleton tragedy? It would be wrong to claim for certain that it

would. The truth of the Littleton tragedy is that those involved in the massacre violated at least 13 federal laws. The existence of those 13 laws did not stop the Littleton massacre. Still, we must examine our current federal education laws involving school safety and make necessary changes.

Across America, parents, teachers, and communities have made it clear that we want our schools to offer our students a world-class education that boosts student achievement and elevates them to excellence. If children are to attain high levels of academic performance, our schools must be able to provide safe and secure learning environments free of undue disruption or violence.

When we think of school safety, we obviously turn to one element that poses a threat to a secure environment: weapons in schools.

Our general federal policy is commendable: to have zero tolerance for weapons at schools. The federal Gun-Free Schools Act requires states receiving federal education funds to have a law requiring a one year expulsion of a student who has a weapon at school. I know that my state of Missouri has such a law on the books.

We would think that the Gun-Free Schools Act settles the issue of weapons in schools. But it doesn't. This law contains an exception for nearly one in seven students in my state, and one in eight nationally. This exception is for students covered by the federal Individuals with Disabilities Education Act.

Hidden among the provisions of the Gun-Free Schools Act is section (c), entitled ''Special Rule,'' which says: ''The provisions of this section shall be construed in a manner consistent with the Individuals with Disabilities Education Act.'' When you turn to the IDEA law, you see a complex and elaborate set of roadblocks and barriers that hamstring schools in applying discipline to any IDEA student for situations involving weapons possessions.

When we talk about students who are subject to the IDEA law, we are not talking about any small number of children: In Missouri, over 129,000—or nearly 14% of our 893,000 students—are classified as ''disabled.'' That's one in seven students. Nationally, there are about 12–13% of all students who are under the IDEA law. We have to keep this in mind as we talk about this issue of school discipline and safety.

We must also consider which individuals qualify as ''disabled'' under IDEA. We are not just talking about blindness, deafness, orthopedic impairments, or MS. The federal IDEA definition of disability also includes individuals with serious emotional disturbances or specific learning disabilities.

Unlike the Gun-Free Schools Act, the Individuals with Disabilities Education Act does not have a zero tolerance for students with weapons. In fact, the IDEA law makes it very difficult for schools to act effectively when a student subject to this law has a weapon at school.

While the Gun-Free Schools Act would require that any other student be expelled for a year, the ''special rule'' for an IDEA student who brings a gun or knife to school provides that he could be back in the regular classroom within 45 days.

Here is a federal law that creates dangerous situations by not allowing school officials to keep those students who have possessed weapons in school out of the classroom.

IDEA also hinders schools from taking effective action to protect their students and teachers from students who make threats to use weapons. School districts have developed policies to address student weapons threats. For example, a superintendent in my state told my office that under his school district's policy, he could suspend a student for up to 180 days for threatening to bring a weapon to school and shoot another student.

However, if that superintendent is dealing with a student under IDEA, the law makes it very difficult for him to remove the student even if he considers the student a serious threat to the safety of others. In fact, the school may be unable to remove this child from the classroom if he has already been suspended for a certain number of days during the school year.

Here is a federal law that creates dangerous situations by not allowing school officials to act on early warning signs to remove potentially violent students from school.

The costs involved with trying to keep a dangerous child out of the classroom are astronomical under IDEA. Schools have told me that the ''due process'' proceedings a parent can invoke in response to any disciplinary action taken toward a child is so expensive and time-consuming that schools do all they can to avoid these proceedings. The easiest, simplest due process hearing costs a school about $7500 in Missouri!

Not only must schools pay their own legal fees for a due process hearing under IDEA, but they also face the prospect of being responsible for the parents' attorneys fees in some cases.

Here is a federal law that discourages safe classrooms because schools cannot afford to take steps they deem essential to maintaining safety without risking serious financial jeopardy.

The problems created by IDEA are not simply theoretical. Just three weeks ago—before the Littleton incident—I traveled around Missouri to talk to parents, teachers, principals, and administrators about ways to offer each child a world class education. Again and again, I was told that schools are handcuffed by federal law in dealing with violent and dangerous behavior—often connected with weapons. Let me give you a few examples:

In one rural Missouri school, a 15-year-old IDEA student had been making numerous threats against both students and staff. He said such things as, ''I'm going to shoot you. I'm going to get a gun and blow you away.'' School officials were aware of the threats, but the federal law hindered them from taking steps they thought most appropriate to deal with the student. Unfortunately this student ended up shooting another student off school grounds. Fortunately, because he remained in the custody of law enforcement authorities, the student was not returned to the classroom. School officials in this district told me that had this student not been subject to the IDEA laws, they could have—and would have—removed him from the classroom when he made the threats of killing other students and personnel.

In an eastern Missouri school district, an IDEA student who was under school suspension was asked to leave a Friday night school dance that he tried to attend in violation of school policy. The student tried continually to regain entry into the school and said to the principal, a teacher, and a parent who was helping supervise the dance: ''I'm going to go home, get my shotgun, come back, and blow your [expletives deleted] heads off.'' The superintendent says that the federal IDEA law constrained him to return this potentially dangerous student to the classroom early the next week. If the student had not had been under IDEA, the superintendent could have imposed a far longer suspension for threatening school personnel.

I learned of a Missouri grade schooler, subject to IDEA law, who announced at school, ''I'm going to bring a knife and cut the bus driver's throat.'' Was this an idle threat? This child had transferred from another school where he had been found with a knife and was suspended for 10 days. The federal IDEA law prevents this new school from imposing any more suspensions upon this child for the rest of the school year unless he actually shows up with a weapon again!

Let me emphasize that the vast majority of disabled students under the IDEA law—just like the vast majority of nondisabled students—are good kids who don't pose discipline problems in school. However, when it comes to something as serious as a student bringing a weapon to school or threatening to kill or harm someone with a weapon, school officials must have the ability to respond in the way they believe most appropriate to maintain a safe and stable school for all children.

When I hear these incidents from Missouri schools, I cannot help but think that there is something drastically wrong with our federal education laws. We have a mass tragedy

waiting to happen if federal law keeps teachers from getting teenagers with weapons out of schools. We cannot afford to keep laws on the books that preclude schools from dealing with early warning signs of danger and handcuff them from taking swift action to prevent violence. We must give schools the power to keep our children safe by allowing them to remove all students who have weapons or threaten to use them.

Schools all over my state have told me that they need the authority to discipline all students in a fair and consistent manner—for the safety of their schools and for the benefit of disabled children. Here are some examples of what schools have told me:

Maynard Wallace, Superintendent of the Ava R-I School District, has written: ''The discipline code must be the same for all if public education is to survive.'' He says that treating children with handicaps differently than other children in the area of discipline ''not only undermines the entire discipline of the school but is a definite disservice to the handicapped child as well.''

Betty Chong, Assistant Superintendent for Special Services in the Cape Girardeau school district, writes: ''The educators are themselves advocates for children with disabilities. . . . Special educators directors and many principals were first teachers who were dedicated (and still are) to the education of students with disabilities.'' She goes on to say: ''Students with disabilities are held to the same standards as students without disabilities when they are adults. When do they learn how to be law abiding citizens?''

Lyle Laughman, the superintendent of the Lincoln County R-IV school district has written: ''It is in the total best interest of the child and society for that [discipline] determination to be made on the local, individual case level rather than the Federal law which greatly restricts what a school can do in an individual set of circumstances.''

Dale Walkup, Board of Education President of the Blue Springs School District gave me a copy of a letter he sent to President Clinton which says, ''The reauthorization of IDEA has not supported impartial and appropriate consequences for those students who choose drugs and are violent or dangerous to others. We hope the IDEA regulations become more reasonable, appropriate, and considerate of the needs of our total student population.''

In response to both the incidents and recommendations that I have heard from schools, I am introducing the School Safety Act, which will allow schools to remove from the classroom any student who has a weapon or threatens to use a weapon at school. This legislation, which has been endorsed by the Missouri School Boards Association, will repeal the federal law that handcuffs schools from taking measures they believe appropriate to maintain a safe and secure learning environment for students and teachers.

A safe and secure setting is vital to success in the classroom. Any student who has a weapon at school, or who threatens to kill or harm someone with a weapon, should be removed from the classroom immediately. Whether a student is ''disabled'' under federal law should not prevent school administrators from dealing appropriately with weapons in school. We can no longer afford to keep a federal law that threatens the safety of the classroom. We can no longer afford to tolerate federal policy that invites a mass tragedy. Under the School Safety Act, schools will be empowered with the flexibility and authority they need to remove any dangerous and violent student from the classroom when weapons are involved.

This is not the first time I have introduced school safety legislation since I have been in the Senate. I have already worked to make improvements in the federal law to create a safer learning environment for students and teachers.

I began working on this issue in 1995, after a young woman was found dead in the restroom of a North St. Louis County high school. The male special education student convicted of murdering the woman had a history of dangerous behavior, but his discipline record hadn't been disclosed to his new school. In response to this situation, I sought for ways to give schools the crucial information they need to maintain a secure school environment. I authored legislation signed into law in June 1997 providing for the transfer of discipline records when students with dangerous behavior change schools.

In the recent ''ed-flex'' bill signed into law on April 29, 1999, I secured a provision that closes a loophole in federal law concerning weapons possession in school. Missouri school board officials had alerted me to a federal provision that allows a school to discipline a student only for carrying a weapon onto school grounds, but not for possessing a weapon at school. In response to this concern, I had the law amended to ensure that school officials can remove a student from the classroom whether he possesses—or carries—a weapon at school.

The legislation I am offering today builds upon this previous safe schools legislation by giving schools authority to remove any student from the classroom if he or she brings a weapon to school or threatens to kill or harm someone with a weapon.

Mr. President, a little over a year ago, the Senator from Washington, Senator GORTON, read from an editorial in the Seattle Post Intelligencer that recounted the story of a disabled student who attacked other students with a knife on a school bus. The editorial pointed out the disparities caused by the federal IDEA laws. It said: ''If the school district really is required by law to allow students back into class who carry weapons or otherwise have demonstrated intent to harm others, that law is in error and must be changed.''

I could not agree more with this editorial. It is time to change this erroneous law, which jeopardizes students and teachers by forcing school officials to ignore early warning signs of disaster. Maintaining a safe learning environment requires that local school officials have the authority and flexibility to discipline all students in an equitable and effective manner, especially when it comes to weapons. Let's unshackle our teachers, principals, superintendents, and school boards from a law that prevents them from keeping our children safe and secure. Let's give them the power to stop a tragedy before it happens.

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

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

S. 969

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''School Safety Act of 1999''.

**SEC. 2. AMENDMENTS TO THE INDIVIDUALS WITH DISABILITIES EDUCATION ACT.**

(a) PLACEMENT IN ALTERNATIVE EDUCATIONAL SETTING.—Section 615(k) of the Individual with Disabilities Education Act (20 U.S.C. 1415(k)) is amended—

(1) in paragraph (1)(A)(ii), by striking ''45 days if—'' and all that follows through ''(II) the child'' and inserting ''45 days if the child'';

(2) in paragraph (2), by striking ''A hearing'' and inserting ''Except as provided in paragraph (10), a hearing'';

(3) by redesignating paragraph (10) as paragraph (11);

(4) by inserting after paragraph (9) the following new section:

''(10) EXPULSION OR SUSPENSION WITH RESPECT TO WEAPONS.—

''(A) AUTHORITY OF SCHOOL PERSONNEL WITH RESPECT TO WEAPONS.—Notwithstanding any other provision of this Act, school personnel may suspend or expel a child with a disability who—

''(i) carries or possesses a weapon to or at a school, on school premises, or to or at a school function under the jurisdiction of a State or a local educational agency; or

''(ii) threatens to carry, possess, or use a weapon to or at a school, on school premises, or to or at a school function under the jurisdiction of a State or a local educational agency;

in the same manner in which such personnel would suspend or expel a child without a disability.

''(B) DEFINITIONS.—For the purposes of this paragraph:

''(i) WEAPON.—The term 'weapon' has the meaning given the term under applicable State law.

''(ii) THREATENS TO CARRY, POSSESS, OR USE A WEAPON.—The term 'threatens to carry, possess, or use a weapon' includes behavior in which a child verbally threatens to kill another person.

''(C) FREE APPROPRIATE PUBLIC EDUCATION.—

''(i) CEASING TO PROVIDE EDUCATION.—A child expelled or suspended under subparagraph (A) shall not be entitled to continued educational services, including, but not limited to a free appropriate public education, under this Act, during the term of such expulsion or suspension, if the State in which the local educational agency responsible for providing educational services to such child does not require a child without a disability to receive educational services after being suspended or expelled.

''(ii) PROVIDING EDUCATION.—Notwithstanding clause (i), the local educational agency responsible for providing educational services to a child with a disability who is expelled or suspended under subparagraph (A) may choose to continue to provide educational services to such child. If the local educational agency so chooses, then—

(I) nothing in this Act shall require the local educational agency to provide such child with a free appropriate public education, or any particular level of service; and

(II) the site where the local educational agency provides the services shall be left to the discretion of the local educational agency.

(5) in paragraph (11) (as redesignated in paragraph (3)), by striking subparagraph (D).

(b) CONFORMING AMENDMENTS.—

(1) Section 612(a)(1)(A) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(1)(A)) is amended by inserting before the period ''(except as provided in section 615(k)(10))''.

(2) Section 615(f)(1) of the Individuals with Disabilities Education Act (20 U.S.C. 1415(f)(1)) is amended by inserting at the beginning of the first sentence ''Except as provided in section 615(k)(10),''.

**SEC. 3. AMENDMENT TO THE GUN-FREE SCHOOLS ACT OF 1994.**

Subsection (c) of section 14601 of the Gun-Free Schools Act of 1994 (20 U.S.C. 8921) is amended to read as follows:

''(c) SPECIAL RULE.—Notwithstanding any other provision of this section, this section shall be subject to section 615(k)(10) of the Individual with Disabilities Education Act (20 U.S.C. 1415(k)(10)).''.

## ADDITIONAL COSPONSORS

S. 42

At the request of Mr. HELMS, the name of the Senator from Ohio (Mr. DEWINE) was added as a cosponsor of S. 42, a bill to amend title X of the Public Health Service Act to permit family planning projects to offer adoption services.

S. 196

At the request of Mrs. BOXER, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 196, a bill to amend the Internal Revenue Code of 1986 to waive in the case of multiemployer plans the section 415 limit on benefits to the participant's average compensation for his high 3 years.

S. 206

At the request of Mr. MOYNIHAN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 206, a bill to amend title XXI of the Social Security Act to provide for improved data collection and evaluations of State Children's Health Insurance Programs, and for other purposes.

S. 285

At the request of Mr. MCCAIN, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 285, a bill to amend title II of the Social Security Act to restore the link between the maximum amount of earnings by blind individuals permitted without demonstrating ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test.

S. 343

At the request of Mr. BOND, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 343, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for 100 percent of the health insurance costs of self-employed individuals.

S. 345

At the request of Mr. ALLARD, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 345, a bill to amend the Animal Welfare Act to remove the limitation that permits interstate movement of live birds, for the purpose of fighting, to States in which animal fighting is lawful.

S. 398

At the request of Mr. CAMPBELL, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 398, a bill to require the Secretary of the Treasury to mint coins in commemoration of Native American history and culture.

S. 487

At the request of Mr. GRAMS, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 487, a bill to amend the Internal Revenue Code of 1986 to provide additional retirement savings opportunities for small employers, including self-employed individuals.

S. 512

At the request of Mr. GORTON, the names of the Senator from Mississippi (Mr. LOTT), the Senator from Mississippi (Mr. T4Cochran), the Senator from Delaware (Mr. BIDEN), the Senator from Maine (Ms. SNOWE), and the Senator from Oregon (Mr. SMITH) were added as cosponsors of S. 512, a bill to amend the Public Health Service Act to provide for the expansion, intensification, and coordination of the activities of the Department of Health and Human Services with respect to research on autism.

S. 514

At the request of Mr. COCHRAN, the names of the Senator from Utah (Mr. BENNETT), the Senator from Nevada (Mr. BRYAN), and the Senator from Arkansas (Mrs. LINCOLN) were added as cosponsors of S. 514, a bill to improve the National Writing Project.

S. 542

At the request of Mr. ABRAHAM, the name of the Senator from Utah (Mr. BENNETT) was added as a cosponsor of S. 542, a bill to amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and allow a tax credit for donated computers.

S. 566

At the request of Mr. LUGAR, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 566, a bill to amend the Agricultural Trade Act of 1978 to exempt agricultural commodities, livestock, and value-added products from unilateral economic sanctions, to prepare for future bilateral and multilateral trade negotiations affecting United States agriculture, and for other purposes.

S. 600

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 600, a bill to combat the crime of international trafficking and to protect the rights of victims.

S. 631

At the request of Mr. DEWINE, the name of the Senator from New York (Mr. SCHUMER) was added as a cosponsor of S. 631, a bill to amend the Social Security Act to eliminate the time limitation on benefits for immunosuppressive drugs under the medicare program, to provide continued entitlement for such drugs for certain individuals after medicare benefits end, and to extend certain medicare secondary payer requirements.

S. 659

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 659, a bill to amend the Internal Revenue Code of 1986 to require pension plans to provide adequate notice to individuals whose future benefit accruals are being significantly reduced, and for other purposes.

S. 660

At the request of Mr. BINGAMAN, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 660, a bill to amend title XVIII of the Social Security Act to provide for coverage under part B of the medicare program of medical nutrition therapy services furnished by registered dietitians and nutrition professionals.

S. 697

At the request of Mrs. BOXER, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 697, a bill to ensure that a woman can designate an obstetrician or gynecologist as her primary care provider.

S. 752

At the request of Mr. MOYNIHAN, the name of the Senator from California

(Mrs. BOXER) was added as a cosponsor of S. 752, a bill to facilitate the recruitment of temporary employees to assist in the conduct of the 2000 decennial census of population, and for other purposes.

S. 757

At the request of Mr. LUGAR, the name of the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 757, a bill to provide a framework for consideration by the legislative and executive branches of unilateral economic sanctions in order to ensure coordination of United States policy with respect to trade, security, and human rights.

S. 805

At the request of Mr. DURBIN, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 805, a bill to amend title V of the Social Security Act to provide for the establishment and operation of asthma treatment services for children, and for other purposes.

S. 864

At the request of Mr. BINGAMAN, the names of the Senator from Illinois (Mr. FITZGERALD), the Senator from New York (Mr. MOYNIHAN), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from New Jersey (Mr. TORRICELLI), the Senator from California (Mrs. BOXER), and the Senator from North Dakota (Mr. CONRAD) were added as cosponsors of S. 864, a bill to designate April 22 as Earth Day.

S. 890

At the request of Mr. WELLSTONE, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 890, a bill to facilitate the naturalization of aliens who served with special guerrilla units or irregular forces in Laos.

S. 897

At the request of Mr. HAGEL, the name of the Senator from Montana (Mr. BURNS) was added as a cosponsor of S. 897, a bill to provide matching grants for the construction, renovation and repair of school facilities in areas affected by Federal activities, and for other purposes.

S. 901

At the request of Mr. BINGAMAN, the name of the Senator from West Virginia (Mr. ROCKEFELLER) was added as a cosponsor of S. 901, a bill to provide disadvantaged children with access to dental services.

S. 931

At the request of Mr. MCCONNELL, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 931, a bill to provide for the protection of the flag of the United States, and for other purposes.

S. 956

At the request of Ms. SNOWE, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 956, a bill to establish programs regarding early detection, diagnosis, and interventions for newborns and infants with hearing loss.

SENATE JOINT RESOLUTION 21

At the request of Ms. SNOWE, the names of the Senator from North Dakota (Mr. DORGAN), the Senator from Idaho (Mr. CRAIG), the Senator from California (Mrs. FEINSTEIN), and the Senator from Oklahoma (Mr. INHOFE) were added as cosponsors of Senate Joint Resolution 21, a joint resolution to designate September 29, 1999, as ''Veterans of Foreign Wars of the United States Day.''

SENATE CONCURRENT RESOLUTION 9

At the request of Ms. SNOWE, the names of the Senator from Maryland (Mr. SARBANES), and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of Senate Concurrent Resolution 9, a concurrent resolution calling for a United States effort to end restrictions on the freedoms and human rights of the enclaved people in the occupied area of Cyprus.

SENATE CONCURRENT RESOLUTION 11

At the request of Mr. CAMPBELL, the name of the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of Senate Concurrent Resolution 11, a concurrent resolution expressing the sense of Congress with respect to the fair and equitable implementation of the amendments made by the Food Quality Protection Act of 1996.

SENATE RESOLUTION 59

At the request of Mr. LAUTENBERG, the name of the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of Senate Resolution 59, a bill designating both July 2, 1999, and July 2, 2000, as ''National Literacy Day.''

## SENATE RESOLUTION 96—TO EXPRESS THE SENSE OF THE SENATE REGARDING A PEACEFUL PROCESS OF SELF-DETERMINATION IN EAST TIMOR, AND FOR OTHER PURPOSES

Mr. LEAHY (for himself, Mr. FEINGOLD, Mr. REED, Mr. HARKIN, Mr. MCCONNELL, Mr. MOYNIHAN, and Mr. KOHL) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 96

Whereas United Nations-sponsored negotiations between the Governments of Indonesia and Portugal have resulted in significant and encouraging progress toward a resolution of East Timor's political status;

Whereas on January 27, 1999, President Habibie expressed a willingness to consider independence for East Timor if a majority of the East Timorese reject autonomy in a planned August 8, 1999 ballot organized by the United Nations;

Whereas despite President Habibie's efforts to bring about a peaceful resolution of the political status of East Timor, the arming of anti-independence militias by some members of the Indonesian military has contributed to increased political tension and violence;

Whereas since January 1999, violence and human rights abuses by anti-independence militias has increased dramatically resulting in the displacement of thousands of East Timorese villagers and scores of deaths;

Whereas since March 1999, hundreds of civilians may have been killed, injured or disappeared in separate attacks by anti-independence militias;

Whereas there are also reports of killings of anti-independence militia members;

Whereas the killings in East Timor should be fully investigated and the individuals responsible brought to justice;

Whereas access to East Timor by international human rights monitors, humanitarian organizations is severely limited, and members of the press have been threatened;

Whereas a stable and secure environment in East Timor is necessary for a free and fair ballot on East Timor's political status;

*Resolved,* That it is the sense of the Senate that—

(1) the United States should promptly contribute to the United Nations Trust Fund which will provide support for the East Timor ballot process;

(2) the President, Secretary of State and Secretary of Defense should intensify their efforts to urge the Indonesian Government and military to—

(a) disarm and disband anti-independence militias; and

(b) grant full access to East Timor by international human rights monitors, humanitarian organizations, and the press;

(3) the President, after consultation with the United Nations Secretary General, should report to the Congress not later than 15 days after passage of this Resolution, on steps taken by the Indonesian government and military to ensure a stable and secure environment in East Timor, including those steps described in subparagraphs (2) (a and b); and

(4) any agreement for the sale, transfer, or licensing of any military equipment for Indonesia entered into by the United States should state that the equipment will not be used in East Timor.

Mr. LEAHY. Mr. President, today I am submitting a resolution expressing the sense of the Senate regarding a peaceful process of self-determination in East Timor. I am joined by Senators FEINGOLD, REED, HARKIN, MCCONNELL, MOYNIHAN, and KOHL.

A year ago I doubt anyone would have predicted that a settlement of East Timor's political status would be in sight.

While there are many obstacles and dangers ahead, we should take note of what has been accomplished. In the past year:

President Suharto relinqushed power.

The Indonesian Government endorsed a ballot on autonomy, which is planned for August 8th.

The United Nations, Indonesia, and Portugal are to sign an agreement today on the procedures for that vote.

If the East Timorese people reject autonomy, there is every expectation that East Timor will be on the road to independence.

The resolution that I am submitting today recognizes the positive steps that have been taken.

But it also expresses our deep concern that since January, when Indonesian President Habibie expressed the

willingness to consider independence for East Timor, violence and intimidation by anti-independence militias backed by members of the Indonesian military has increased dramatically.

The perpetrators of the violence want to sabotage the vote on East Timor's future.

I spoke with one East Timorese man today, Mr. Franciso Da Costa, who witnessed the April 6th massacre of scores of people in the village of Liquica.

An Op Ed article in today's New York Times by East Timorese lawyer Aniceto guterres Lopez says it all. He wrote: ''With arms, money and a license for reckless rampages, the militia leaders have openly threatened death to anyone opposed to continued Indonesian occupation.''

I received a report earlier today that Mr. Lopez' house is surrounded and he has been threatened with death. Bishop Belo, winner of the Nobel Peace Prize and one of the most courageous people I have ever had the privilege to meet, has also been threatened.

Hundreds of East Timorese civilians have been killed, injured or disappeared. Thousands have fled their homes to escape the violence, and are struggling to survive. Food and medicines are in short supply because the Indonesian Government has severely restricted access.

This resolution sounds an alarm. The situation is extremely fragile. The militias are sowing chaos and terror. Far stronger steps are needed by the Indonesian Government and military to rein in the paramilitary groups.

The resolution calls on the President and Secretary of State to intensify their efforts to urge the Indonesian Government and military to disarm the paramilitary groups. This must be done.

Another recommendation we make is that the United States contribute to the U.N. Trust Fund which will set up polling booths and put people on the ground to monitor the vote. I plan to work with Senator MCCONNELL, who is a cosponsor of this resolution and Chairman of the Foreign Operations Subcommittee, to obtain the funding as soon as possible.

The resolution says that any agreement to sell or transfer military equipment to Indonesia should state that the equipment will not be used in East Timor. We would prefer that there be no military equipment. But at the very least, we do not want our equipment ending up in the hands of thugs who are trying to derail the vote.

We know from history how much blood can be shed in East Timor. Nobody—not the Indonesian Government, not the Indonesian military, and certainly not the East Timorese people, benefits from a return to those days.

Mr. President, this resolution should receive overwhelming bipartisan support. I ask unanimous consent that the New York Times Op Ed article by Mr. Lopez be printed in the RECORD.

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

[From the New York Times, May 5, 1999]

EAST TIMOR'S BLOODIEST TRADITION

(By Aniceto Guterres Lopes)

Dili, East Timor—April 6, 1999. Another massacre. April 17. Another. Two more to add to an already lengthy list in East Timor. Since Indonesia invaded my homeland in 1975 and officially annexed it the following year, our history has seemed little more than a succession of massacres, one following the other in a depressingly predictable pattern.

Although the recent attacks have many precedents, they were committed when we were filled with unprecedented hope. Only four months ago, the Government of President B.J. Habibie offered us the chance to vote on whether to remain in Indonesia or become independent. Indonesia began working out the logistics of the vote with the United Nations and Portugal (the former colonial power still acknowledged under international law as the administering authority over East Timor). Today the Foreign Minister, Ali Alatas, is due to sign the final agreement on the vote at the United Nations.

The recent wave of violence here reveals that the Habibie Government is reneging on the promise of a peaceful resolution to East Timor's disputed political status. Although the Habibie Government denies it, the military, since last December, has organized its hardened East Timorese camp followers into militias. With arms, money and a license for reckless rampages, the dozen or so militia leaders have openly threatened death to anyone opposed to continued Indonesian occupation. Their spokesman, Basilio Araujo, told an Australian television crew, ''We will kill as many people as we want.''

The militia bosses boast that they are countering pro-independence guerrillas, but they have not fought a single battle with the guerrillas. They have only attacked unarmed civilians and created a refugee crisis. In sweeps through the countryside, the militias have threatened to kill the families of any male, young or old, who refuses to join their ranks. Many ''members'' of the militias are ordinary villagers, some of whom I know personally. They are forced recruits sullenly going through the motions and hoping to avoid being hurt and hurting others.

The human rights organization I direct has been trying to care for those who fled the villages to escape the militia threats. According to our figures, about 18,000 refugees are now sheltered in the towns. With little food, money and medicine, they are slowly succumbing to disease.

By unleashing the militias, the Indonesian Government's apparent strategy is to create the appearance of a civil war. Indonesia falsely claims to be an enlightened and neutral arbiter between a factious and primitive people not yet ready for independence.

As is clear to all observers, the militias have not been engaged in any pitched battles with pro-independence forces. They attacked, with axes and machetes, hundreds of helpless refugees sheltered in a church in Liquica on April 6. My staff has recorded the names of 57 dead, many of them women and children. Here in East Timor's capital, they attacked another group of about 150 refugees on April 17. Meanwhile, the pro-independence guerrillas, observing a cease-fire since December, refrained from responding to the militias' attacks on civilians until mid-April, as the Indonesian military spokesman in East Timor has admitted.

The militias have no other aim than to sow chaos and terror. Instead of allowing us to vote on whether to remain within Indonesia, the militia bosses are killing those who oppose them and vowing to wreck the United Nations-supervised vote scheduled for August. Bishop Carlos Ximenes Belo, who won the Novel Peace Prize in 1996, is on their hit list, as are Australian journalists, East Timorese students and human rights workers (myself included). The militia bosses are even threatening to attack United Nations officials who will come to administer the vote.

Sadly, President Habibie and his top military commander, Gen. Wiranto, have done nothing to stop the militias. Over the past five months, the gang leaders have, in public view, committed atrocities and issued death threats. Yet they move around with impunity. The much-publicized ''peace pact'' Gen. Wiranto arranged in Dili on April 21 was nothing more than a public relations stunt. The militias continue to attack unarmed civilians unilaterally.

For a free and fair vote to be held, Portugal and the United States will have to insist on a disarming of the militias and a substantial withdrawal of Indonesia's all-pervasive troops. The United States, holding considerable leverage over bankrupt Indonesia, should take strong action, like cutting off all military aid and training until a valid vote on independence is held in East Timor.

Every day my staff records more cases of torture, disappearances and killings. All East Timorese, except for a few deranged militia leaders, have experienced enough violence in their lives. We are desperate for a peaceful resolution. Yet the Indonesian military, by allowing these militias to be deployed, is drowning our hopes in blood.

Mr. FEINGOLD. Mr President, I rise today to join my distinguished colleague from Vermont [Senator LEAHY] to offer this resolution to encourage a peaceful process of self-determination in East Timor. We are introducing this resolution because of serious obstacles that have appeared en route to a ballot to determine the future status of East Timor.

Earlier this year it appeared that there was finally some progress in East Timor. President Habibie announced on January 27 that the government of Indonesia was finally willing to seek to learn and respect the wishes of the people in that territory. There appears to be an agreement between the governments of Indonesia and Portugal to hold a vote, currently scheduled for August 8, to determine East Timor's future political status. This latter accord is expected to be finalized today at the United Nations.

Despite this positive development, excitement and tension over the possibility of gaining independence have in recent months led to an incredible level of violence and intimidation. The situation on the ground continues to worsen as East Timor has been wracked by violence throughout the last several weeks. Militias, comprised of individuals determined to intimidate the East Timorese people into support

for continued integration with Indonesia and widely believed to be supported by the Indonesian military, are responsible for a sharp increase in violence.

Let me recount some of the horror stories I have heard coming out of East Timor in the last few weeks. To cite just a few examples, pro-government militias, backed by Indonesian troops, reportedly shot and killed 17 supporters of independence on April 5. Shortly thereafter, pro-independence groups reported clashes, arrests and deaths, as well as civilians fleeing violence in six cities. One of those cities was Liquica where at least 25 people were brutally murdered by pro-government militias when up to 2000 civilians sought shelter in the local Catholic church. Later, on April 17, hundreds of East Timorese fled the capital of Dili as knife-wielding militias attacked anyone suspected of supporting independence. At least 30 were killed in this incident as Indonesian troops made little effort to stop the violence. The perpetrators have not all been on the government side. Over the years there have been atrocities on the pro-independence side as well. In recent months, however, the overwhelming majority of the violence has come from army elements and militias under their effective control. Overall, hundreds of civilians have been killed, wounded or disappeared in separate militia attacks.

Unfortunately, Mr. President, there is no sign that the tension will ease between now and the August ballot. Pro-integration militia leaders announced on April 29 that they reject the concept of the upcoming ballot, or anything that could be considered a referendum. They have further stated that if a ballot leads to independence, they are prepared to fight a guerrilla war for decades if necessary to defend Indonesian rule of the territory. Independent observers fear that neither side will accept a loss in the August 8 ballot, thus setting the stage for a prolonged conflict in East Timor. This type of rhetoric does not reassure us about the prospects for a successful transition for the people of East Timor, regardless of which form of government they choose. The climate in East Timor today, sadly, may have become too violent for a legitimate poll to take place. Worse yet, the agreement on the ballot process that we hope will be announced today in New York will be rendered meaningless if people will fear for their lives if they dare to participate in the process.

The government of Indonesia must shoulder particular responsibility. Whether Indonesian troops have actually participated in these types of incidents or not, the authorities certainly must accept the blame for allowing, and in some cases, encouraging the bloody tactics of the pro-integration militias. As a long time observer of the situation there, I see the continuation of this violence as a threat to the very sanctity and legitimacy of the process that is underway. It is for this reason that Senator LEAHY and I have submitted our resolution to encourage the government in Jakarta to do all it can to seek a peaceful process and a fair resolution to the situation in East Timor.

Mr President, I believe the United States has a responsibility, an obligation, to put as much pressure as possible on the Indonesian government to help encourage an environment conducive to a free, fair, peaceful ballot process for the people of East Timor. Administration officials are saying the right things, but perhaps have not fully used the leverage we have at our disposal to make things happen. If we are ever going to resolve this issue, now is the time for us, the whole U.S. government, to act decisively.

In order to further bring pressure on the government of Indonesia to ensure the conditions necessary for the ballot on a settlement for East Timor, the Leahy/Feingold resolution would link the transfer of defense articles and services to effective measures by the Indonesian government and military to ensure a stable environment in East Timor.

Though non-binding, it is strongly worded. Specifically, our resolution recognizes progress in negotiations on a settlement proposal for East Timor, and the Indonesian government's apparent willingness to seek a peaceful resolution to the status of East Timor, but highlights the resultant increase in violence and human rights abuses by anti-independence militias and urges the Habibie government to curtail Indonesian military support to the militias. Nevertheless, despite that progress and the prospect of today's finalization of ballot procedures, access to East Timor by international monitors remains restricted, threatening the very environment needed to conduct a free and fair ballot

Most importantly, our resolution makes positive recommendations about what the United States can do to create an environment conducive to a free election. It states that it is the Sense of the Senate that we should urge the U.S. government to contribute to the United Nations Trust Fund to provide support for the East Timor ballot process. It also encourages the Administration to urge the Indonesian government to disarm the militias and grant full access to East Timor by international monitors.

Mr. President, it is not in our power to guarantee the free, fair exercise of the rights of the people of East Timor to determine their future. It is, however, in our interest to do all that we can to work with the United Nations, other concerned countries, the government of Indonesia and the people of East Timor to create an opportunity for a successful ballot process. We cannot forget that the Timorese have been living with violence and oppression for more than 23 years. These many years have not dulled the desire of the East Timorese for freedom, or quieted their demands to have a role in the determination of East Timor's status. We have to do all we can to support an environment that can produce a fair ballot in East Timor. Now. And throughout the rest of this process.

Mr. President, I ask unanimous consent that the text of a May 3, 1999, editorial from the Wall Street Journal be printed in the RECORD at this point.

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

[From the Wall Street Journal, May 3, 1999]

EAST TIMOR'S POISONED CHOICE

For more than two decades, the world has recoiled in horror at periodic reports of atrocities by Indonesian troops in East Timor, the former Portuguese colony that Jakarta invaded in 1975 and then annexed amid great protest in 1976. Despite the outrage, sympathy with the plight of East Timorese and the repressed desire of many for independence didn't stop foreigners from doing business with Jakarta over the years. In fact, East Timor largely appeared on the world's radar screen only during peaks of suffering there—as in 1991 after Indonesian troops fired on a funeral procession and killed an estimated 180 people in the capital of Dili.

Even so, when President B.J. Habibie announced in January that East Timor could choose between autonomy or independence, a great cheer of moral satisfaction went up around the globe. After all these years and all that struggle, liberation was at hand! Even in recent weeks, as local antiseparation militiamen with ties to the Indonesian army went on killing sprees in East Timor, the independence juggernaut churned on. Representatives from Portugal and Indonesia recently agreed to sign a U.N.-sponsored proposal that could bring a vote to East Timor by this summer and an end to Indonesian rule by 2000.

The fact that President Habibie didn't actually sign, but requested a delay until early next month, has led to speculation that he may be getting cold feet about a proposal that Indonesia's powerful military does not support. As ominous as that sounds for all who thought the end was in sight, what strikes independence enthusiasts as sad may not be entirely bad. Even before the emergence of East Timorese anti-independence militas added to an already volatile mixture featuring armed separatists, there was evidence that the ordinary people of East Timor might be getting a raw deal on a silver platter. Though the entire exercise, vote and all, is supposed to be about self-determination, in some ways it appears that they are being thrown to the wolves—and not only by Indonesia.

Consider the reckless manner in which Mr. Habibie acknowledged that the cost of maintaining a grip on the turbulent province was too high for Indonesia. Former colonial power Portugal departed from many of its possessions in a fit of spiteful destruction, smashing infrastructure and leaving arms in the hands of the baddest locals it could find.

Similarly, Mr. Habibie offered East Timor what was in effect a poisoned choice of immediate autonomy or immediate independence. That frightened even separatists among the Timorese, some of whom have been pleading for a more gradual process that would enable the province to better prepare for an orderly transition and successful independence.

But such is the rush to complete the voting process that East Timorese expressions of concern about timing have been largely brushed aside by outsiders who claim to be on their side. Such concerns have been unheard, or dismissed as impossible to address given Mr. Habibie's all-or-nothing adamancy. Better to take what you can get, and take it now, the rest of the world has been telling the Timorese. It's a shame it has to be so hurried, and now so bloody, but these things do happen.

If outsiders are not willing to protect East Timorese from the violent consequences of the process now under way, they should stop cheering so hard for the process. Having come so far, nobody likes to think of delay, not least because that would be seen as a victory for the dark forces within the Indonesian military and elsewhere. But standing idly by while the people of East Timor are propelled into a situation that is not simply risky but more or less expected to bring death and destruction will be a crime in itself.

Mr. McCONNELL. Mr. President, having just returned from Cambodia, Indonesia, Australia and New Zealand, I was impressed by how deeply concerned regional leaders were over the status and conditions in East Timor.

Although the first really democratic elections to be held in Indonesia are coming up in June, the U.N. autonomy agreement, which should be announced today, was the focus of most of my discussions. While I was in the region, there was yet another explosive round of violence which left 17 dead. There is absolutely no question that most of these attacks are being carried out by militias which enjoy military support from the Indonesian armed forces.

I do not believe these militias are directly commanded by Indonesian officers. However, I do think these militias are both encouraged and equipped by individuals in the military who oppose autonomy or independence for East Timor. There clearly are officers with a vested interest in controlling the ports and trade through Timor. These individuals have put self interest above their nation's interest.

While in Jakarta I raised these specific concerns directly with General Wiranto. I believe he recognizes that these events damage Indonesia's stability and stature. I hope he will pursue a more aggressive course in the days to come to assure this spiral of violence ends.

In the meantime, I think we should make clear we will not allow US equipment to be used to further the violence in East Timor. I also believe it is essential to deploy civilian poll watchers and police to restore calm and credibility to the election process. To accomplish this goal in a timely and effective manner, I have initiated discussions with key congressional members to add funds to the supplemental bill to support a peacekeeping presence in East Timor. I understand that the UN estimates an election team supported by civilian police observers may cost as much as $50 million. I fully expect our regional partners and Portugal to assume a leadership role in meeting these needs, but we have key interests in promoting Indonesian stability and security. I would hope we can commit roughly $10 million to this endeavor. I am convinced that our support for an international monitoring initiative administered through the United Nations Trust Fund will help ease this crisis and offer the citizens of East Timor a real opportunity for reconciliation, peace and democracy.

## SENATE RESOLUTION 97—DESIGNATING THE WEEK OF MAY 2 THROUGH 8, 1999, AS THE 14TH ANNUAL TEACHER APPRECIATION WEEK, AND DESIGNATING TUESDAY, MAY 4, 1999, AS NATIONAL TEACHER DAY

Mr. COVERDELL (for himself, Mr. FRIST, Mr. GORTON, Mr. LOTT, Mr. JEFFORDS, Mr. ABRAHAM, Mr. CRAIG, Mr. DOMENICI, Mr. COCHRAN, Mr. MACK, Mr. SMITH of Oregon, Ms. COLLINS, Mr. HATCH, Mr. LUGAR, Ms. SNOWE, Mr. GRAMS, Mr. CRAPO, Mr. KENNEDY, and Mr. WELLSTONE) submitted the following resolution; which was considered and agreed to:

S. RES. 97

Whereas the foundation of American freedom and democracy is a strong, effective system of education where every child has the opportunity to learn in a safe and nurturing environment;

Whereas a first rate education system depends on a partnership between parents, principals, teachers, and children;

Whereas much of the success of our Nation during the 20th Century (the American Century) is the result of the hard work and dedication of teachers across the Nation;

Whereas in addition to a child's family, knowledgeable and skillful teachers can have a profound impact on the child's early development and future success;

Whereas many people spend their lives building careers, teachers spend their careers building lives;

Whereas our Nation's teachers serve our Nation's children beyond the call of duty as coaches, mentors, and advisers without regard to fame or fortune; and

Whereas across our Nation nearly 3,000,000 men and women experience the joys of teaching young minds the virtues of reading, writing, and arithmetic: Now, therefore, be it

*Resolved,* That the Senate—

(1) designates the week of May 2 through 8, 1999, as the ''14th Annual Teacher Appreciation Week'';

(2) designates Tuesday, May 4, 1999, as ''National Teacher Day''; and

(3) calls upon the people of the United States to take a moment out of their busy lives to say thanks and pay tribute to our Nation's teachers.

## AMENDMENTS SUBMITTED

### FINANCIAL SERVICES MODERNIZATION ACT OF 1999

### BRYAN (AND OTHERS) AMENDMENT NO. 303

Mr. BRYAN (for himself, Mr. DODD, and Mr. KERRY ) proposed an amendment to the bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes; as follows:

On page 14, strike lines 8 and 9 and insert the following: ''are well managed;

''(C) all of the insured depository institution subsidiaries of the bank holding company have achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of each such institution under the Community Reinvestment Act of 1977; and

''(D) the bank holding company has filed).

On page 14, line 20, strike ''and (B)'' and insert '', (B), and (C)''.

On page 18, between lines 4 and 5, insert the following:

''(5) LIMITATION.—A bank holding company shall not be required to divest any company held, or terminate any activity conducted pursuant to, subsection (k) solely because of a failure to comply with subsection (*l*)(1)(C).

On page 66, strike lines 7 and 8 and insert the following: ''bank is well capitalized and well managed;

''(E) each insured depository institution affiliate of the national bank has achieved a rating of 'satisfactory record of meeting community credit needs', or better, at the most recent examination of each such institution under the Community Reinvestment Act of 1977; and

''(F) the national bank has received the''.

On page 66, line 12, strike ''subparagraph (D)'' and insert ''subparagraphs (D) and (E)''.

On page 66, line 16, insert before the period '', except that the Comptroller may not require a national bank to divest control of or otherwise terminate affiliation with a financial subsidiary based on noncompliance with paragraph (1)(E)''.

On page 96, strike line 23 and all that follows through page 98, line 4.

On page 104, strike line 20 and all that follows through page 105, line 14.

Redesignate sections 304 through 307 and sections 309 through 311 as sections 303 through 309, respectively.

Amend the table of contents accordingly.

### REID AMENDMENT NO. 304

(Ordered to lie on the table.)

Mr. REID submitted an amendment intended to be proposed by him to the bill (S. 900), supra; as follows:

At the appropriate place, insert the following:

**SEC. . FEDERAL RESERVE AUDITS.**

(a) IN GENERAL.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 11A the following:

**''SEC. 11B. ANNUAL INDEPENDENT AUDITS OF FEDERAL RESERVE BANKS.**

''(a) AUDIT REQUIRED.—Each Federal reserve bank shall annually obtain an audit of

the financial statements of each Federal reserve bank (which shall have been prepared in accordance with generally accepted accounting principles) using generally accepted auditing standards from an independent auditor that meets the requirements of subsection (b).

''(b) AUDITOR'S QUALIFICATIONS.—The independent auditor referred to in subsection (a) shall—

''(1) be a certified public accountant who is independent of the Federal Reserve System; and

''(2) meet any other qualifications that the Board may establish.

''(c) CERTIFICATION REQUIRED.—In each audit required under subsection (a), the auditor shall certify to the Federal reserve bank and to the Board that the auditor—

''(1) is a certified public accountant and is independent of the Federal Reserve System; and

''(2) conducted the audit using generally accepted auditing standards.

''(d) CERTIFICATION BY FEDERAL RESERVE BANK.—Not later than 30 days after the completion of each audit required under subsection (a), the Federal reserve bank shall provide to the Comptroller General of the United States—

''(1) a certification that—

''(A) the Federal reserve bank has obtained the audit required under subsection (a);

''(B) the Federal reserve bank has received the certifications of the auditor required under subsection (c); and

''(C) the audit fully complies with subsection (a).

''(e) DETECTION OF ILLEGAL ACTS.—

''(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on the determination of financial statement amounts.

''(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

''(A) shall determine whether it is likely that the illegal act has occurred; and

''(B) shall, if the auditor determines that the illegal act is likely to have occurred—

''(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal reserve bank; and

''(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

''(3) REPORT TO CONGRESS.—The independent auditor under this section shall, as soon as practicable, directly report its conclusions to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of the audit required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

''(A) the possible illegal act has a direct and material effect on the financial statements of the Federal reserve bank;

''(B) The Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

''(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when made, or warrant resignation from the audit engagement.

''(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit a Federal reserve bank under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

''(f) RECORDKEEPING.—To facilitate compliance with this section, each Federal reserve bank shall—

''(1) ensure that the books, records, and accounts of the Federal reserve bank are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of the assets of the bank;

''(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

''(3) ensure that access to assets of the Federal reserve bank is permitted only in accordance with the general or specific authorization of the Board; and

''(4) ensure that—

''(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

''(B) appropriate action is taken with respect to any differences.

''(g) REPORTS TO BOARD, CONGRESS.—Not later than April 30 of each year, each Federal reserve bank shall submit a copy of each audit conducted under this section to the Board, and to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

**''SEC. 11C. INDEPENDENT AUDITS OF FEDERAL RESERVE SYSTEM AND FEDERAL RESERVE BOARD.**

''(a) AUDIT OF RESERVE SYSTEM.—The Board shall annually obtain an audit of the consolidated financial statements of the Federal Reserve System (which shall have been prepared in accordance with generally accepted accounting principles) from an independent auditor, using generally accepted auditing standards, based on reports of audits of Federal reserve banks submitted to the Board under section 11B(g) and the audit of the Board under subsection (b) of this section.

''(b) AUDIT OF BOARD.—

''(1) IN GENERAL.—The Board shall annually obtain an audit of the financial statements of the Board (which shall have been prepared in accordance with generally accepted accounting principles) from an independent auditor, using generally accepted auditing standards.

''(2) PRICED SERVICES AUDIT.—

''(A) IN GENERAL.—As part of each audit of the Board required by this subsection, the auditor shall—

''(i) audit the calculation of the private sector adjustment factor established by the Board by regulation pursuant to section 11A(c)(3) for the year that is the subject of the audit; and

''(ii) audit the pro forma balance sheet and income statement for the services described in section 11A(b), including the determination of revenue, expenses, and income before income taxes for each service listed in that section (in accordance with the criteria specified in section 11A(c)(3)).

''(B) REPORT TO THE BOARD.—The auditor shall report the results of the audit under subparagraph (A)(ii) to the Board in written form.

''(3) LIMITATION.—The evaluations and audits required by this subsection shall not include deliberations, decisions, or actions on monetary policy matters, including discount authority under section 13, reserves of national banks, securities credit, interest on deposits, and open market operations.

''(c) AUDITOR'S QUALIFICATIONS.—An independent auditor referred to in this section shall—

''(1) be a certified public accountant and be independent of the Federal Reserve System; and

''(2) meet any other qualifications that the Board may establish.

''(d) CERTIFICAITON REQUIRED.—In each audit required under this section, the auditor shall certify to the Board that the auditor—

''(1) is a certified public accountant and is independent of the Federal Reserve System; and

''(2) conducted the audit using generally accepted auditing standards.

''(e) DETECTION OF ILLEGAL ACTS.—

''(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material affect on the determination of financial statement amounts.

''(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit of the Federal Reserve System or the Board as required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

''(A) shall determine whether it is likely that the illegal act has occurred; and

''(B) shall, if the auditor determines that the illegal act is likely to have occurred—

''(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal Reserve System or the Board, as applicable; and

''(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

''(3) REPORT TO CONGRESS.—An independent auditor under this section shall directly report, as soon as practicable, its conclusions to the Committee on Government Affairs of the Senate and the Committee on Government Reform of the House of Representatives, with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of an audit of the Federal Reserve System or the Board required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

''(A) the possible illegal act has a direct and material effect on the financial statements of the Federal Reserve System or the Board, as applicable;

''(B) the Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

''(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when

made, or warrant resignation from the audits engagement.

''(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit the Federal Reserve System or the Board under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

''(f) RECORDKEEPING.—To facilitate compliance with this section, the Board shall—

''(1) ensure that the books, records, and accounts of the Board are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of assets;

''(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

''(3) ensure that access to assets of the Board is permitted only in accordance with general or specific authorization of the Board; and

''(4) ensure that—

''(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

''(B) appropriate action is taken with respect of any differences.

''(g) REPORTS TO CONGRESS.—Not later than May 31 of each year, the Board shall make available all audits and reports required by this section to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.''.

''(b) FEDERAL RESERVE REQUIREMENTS.—

''(1) CLARIFICATION OF FEE SCHEDULE REQUIREMENTS.—

''(A) IN GENERAL.—Section 11A(b) of the Federal Reserve Act (12 U.S.C. 248a(b)) is amended—

''(i) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

''(ii) by inserting after paragraph (6) the following:

''(7) transportation of paper checks in the clearing process;''.

(B) PUBLICATION OF REVISED SCHEDULE.—Not later than 60 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish a revision of the schedule of fees required under section 11A of the Federal Reserve Act that reflects the changes made in the schedule in accordance with the amendments made by subparagraph (A) of this paragraph.

(2) CLARIFICATION OF APPLICABLE PRICING CRITERIA.—Section 11A(c) of the Federal Reserve Act (12 U.S.C. 248a(c)) is amended by striking paragraph (3) and inserting the following:

''(3)(A) In each fiscal year, fees shall be established for each service provided by the Federal reserve banks on the basis of all direct and indirect costs actually incurred (excluding the effect of any pension cost credit) in providing each of the services, including interest on items credited prior to actual collection, overhead, and an allocation of imputed costs, which takes into account the taxes that would have been paid and the return on capital that would have been provided had the services been provided by a private business firm.

''(B) The pricing principles referred to in subparagraph (A) shall be carried out with due regard to competitive factors and the provision of an adequate level of such services nationwide.

''(C)(i) Not later than 1 year after the date of enactment of the Financial Services Modernization Act of 1999, and not less frequently than once every 3 years thereafter, the Board shall conduct a comprehensive review of the methodology used to calculate the private sector adjustment factor pursuant to section 11A(c)(3), including a public notice and comment period.

''(ii) In conducting the review under clause (i), the Board shall publish in the Federal Register all elements of the methodology in use by the Board in the calculation of the private sector adjustment factor pursuant to section 11A(c)(3) provide notice and solicit public comment on the methodology, requesting commentators to identify areas of the methodology that are outdated, inappropriate, unnecessary, or that contribute to an inaccurate result in the calculation of the private sector adjustment factor.

''(iii) The Board shall—

''(I) publish in the Federal Register a summary of the comments received under this subparagraph, identifying significant issues raised; and

''(II) provide comment on such issues and make changes to the methodology to the extent that the Board considers to be appropriate.

''(iv) Not later than 30 days after the completion of each review under clause (i), the Board shall submit to Congress a report which shall include—

''(I) a summary of any significant issues raised by public comments relieved by the Board under this subparagraph and the relative merits of such issues; and

''(II) an analysis of whether the Board is able to address the concerns raised, or whether such concerns should be addressed by legislation.''.

## EXPRESSING THE SENSE OF THE SENATE REGARDING THE TREATMENT OF WOMEN AND GIRLS BY THE TALIBAN IN AFGHANISTAN

### BOXER AMENDMENT NO. 305

Mr. GRAMM (for Mrs. BOXER) proposed an amendment to the resolution (S. Res. 68) expressing the sense of the Senate regarding the treatment of women and girls by the Taliban in Afghanistan; as follows:

On page 3, line 4, strike ''the'' and insert ''any''.

### BOXER AMENDMENT NO. 306

Mr. GRAMM (for Mrs. BOXER) proposed an amendment to the preamble to the resolution, S. Res. 68, supra; as follows:

Amend the preamble to read as follows:

Whereas millions of women and girls living under Taliban rule Afghanistan are denied their basic human rights;

Whereas according to the Department of State and international human rights organizations, the Taliban continues to commit widespread and well-documented human rights abuses, in gross violation of internationally accepted norms;

Whereas, according to the United States Department of State Country Report on Human Rights Practices (hereafter ''1998 State Department Human Rights Report''), violence against women in Afghanistan occurs frequently, including beatings, rapes, forced marriages, disappearances, kidnapings, and killings;

Whereas women and girls under Taliban rule are generally barred from working, going to school, leaving their homes without an immediate male family member as chaperone, and visiting doctors, hospitals or clinics;

Whereas according to the 1998 State Department Human Rights Report, gender restrictions by the Taliban continue to interfere with the delivery of humanitarian assistance to women and girls in Afghanistan;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women are forced to don a head-to-toe garment known as a burqa, which has only a mesh screen for vision, and many women found in public not wearing a burqa, or wearing a burqa that does not properly cover the ankles, are beaten by Taliban militiamen;

Whereas according to the 1998 State Department Human Rights Report, some poor women under Taliban rule cannot afford the cost of a burqa and thus are forced to remain at home or risk beatings if they go outside the home without one;

Whereas according to the 1998 State Department Human Rights Report, the lack of a burqa has resulted in the inability of some women under Taliban rule to get necessary medical care because they cannot leave home;

Whereas according to the 1998 State Department Human Rights Report, women under Taliban rule reportedly have been beaten if their shoe heels click when they walk;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women in homes must not be visible from the street, and houses with female occupants must have their windows painted over;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women are not allowed to drive, and taxi drivers reportedly have been beaten if they take unescorted women as passengers;

Whereas according to the 1998 State Department Human Rights Report, women under Taliban rule are forbidden to enter mosques or other places of worship; and

Whereas women and girls of all ages under Taliban rule have suffered needlessly and even died from curable illness because they have been turned away from health care facilities because of their gender: Now, therefore, be it

## AUTHORITY FOR COMMITTEES TO MEET

### COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry, be allowed to meet during the session of the Senate on Wednesday May 5, 1999. The purpose of this meeting will be: (1) To consider the nomination of Thomas J. Erickson to be a Commissioner of the Commodity Futures Trading Commission; and (2) to discuss agricultural trade options.

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

COMMITTEE ON ARMED SERVICES

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, May 4, 1999, at 10:00 a.m. in open session, to consider the nomination of Ms. Carolyn L. Huntoon to be Assistant Secretary of Energy for Environmental Management.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet on Wednesday, May 5, 1999, at 9:30 a.m. on pending committee business.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, May 5, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this oversight hearing is to receive testimony on damage to the national security from Chinese espionage at DOE nuclear weapons laboratories.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. LOTT. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to conduct a hearing to receive testimony from Timothy Fields, Jr., nominated by the President to be Assistant Administrator, Office of Solid Waste and Emergency Response of the Environmental Protection Agency Wednesday, May 5, 9:00 a.m., Hearing Room (SD–406).

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

COMMITTEE ON FINANCE

Mr. LOTT. Mr. President, The finance Committee requests unanimous consent to conduct a hearing on Wednesday, May 5, 1999 beginning at 10: 00 a.m. in room 215 Dirksen.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 5, 1999 at 10:00 a.m. to hold a hearing.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. LOTT., Mr. President, I ask unanimous consent that the Governmental Affairs Committee be permitted to meet on Wednesday, May 5, 1999 at 9:00 a.m. for a hearing on the State of Federalism.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate Committee on Indian Affairs be authorized to meet during the session of the Senate Wednesday May 5, 1999 at 9:30 a.m. to conduct an Oversight Hearing on Tribal Priority Allocations. The Hearing will be held in room 485 of the Russell Senate Office Building.

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

COMMITTEE ON THE JUDICIARY

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, May 5, 1999, at 9:30 a.m. in room 226 of the Senate Dirksen Office Building to hold a hearing on: ''Department of Justice Oversight.''

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. LOTT. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, May 5, 1999, at 3:00 p.m. to hold a closed markup.

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

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on Financial Institutions of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, May 5, 1999, to conduct a hearing on ''The Financial Institutions Insolvency Improvement Act of 1999.''

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

SUBCOMMITTEE ON SEAPOWER

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on Seapower be authorized to meet on Wednesday, May 5, 1999, at 3:00 p.m., in closed session, to receive testimony on Submarine Warfare in the 21st century.

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

## ADDITIONAL STATEMENTS

### MARITIME ADMINISTRATION AUTHORIZATION ACT

• Mr. HOLLINGS. Mr. President, it is with pleasure that I join Chairman MCCAIN and Senators HUTCHISON and INOUYE to introduce the Maritime Administration Authorization Act for Fiscal Year 2000. This legislation is critical for the continuation of a modern commercial fleet owned and operated by U.S. citizens and crewed by American seafarers. It also ensures America's economic competitiveness and national security.

The Maritime Administration (MARAD) reauthorization continues very important programs, and is a much broader piece of legislation than in past years. For example, it provides the funding for the Title XI Loan Guarantee Program, a truly national and international program. Title XI shipowners, their operation and their supplier base, cover almost every state in this country. Title XI has been vital in assisting our shipyards in competing internationally. U.S. shipyards are attracting foreign interests and winning orders for many vessel types. The bill also contains technical amendments to the Title XI program which will save time and money for both the Government and those applying for a loan guarantee. It also provides the funds for the operation of the U.S. Merchant Marine Academy at Kings Point, New York and continuing assistance to six State maritime academies. These students are the future of country and our merchant marine.

This bill also recognizes the importance of the merchant marine to our national security by its support for the recently-enacted Maritime Security Program (MSP), a modern commercial fleet available to provide critical support to the Department of Defense during war or national emergency. This year's reauthorization also contains provisions which aim to strengthen our U.S.-flag fleet through a much needed infusion of new tonnage by eliminating the three-year wait that a newly-registered bulk or breakbulk vessel must currently wait to carry preference cargo. This opportunity, which would end in one year or upon enactment of the OECD Shipbuilding Agreement, would not just improve the vessel profile of this fleet, but also add U.S. jobs> Vessels allowed to enter the preference trade would be required to perform shipyard repairs and other work necessary to bring them up to U.S.-flag standards in our own U.S. shipyards.

Funding is also provided for two new programs, enacted by the last Congress. Under the American Fisheries Act, MARAD will determine compliance with citizenship standards for certain fishing vessels, assisting in proper management and conservation of an important natural resource of our country. The agency is also developing a uniform process for the administrative waiver of the U.S.-built requirement for participation in the Jones Act trade for certain small passenger vessels, so that specific legislation need not be sought each time such a waiver is needed.

Mr. President, MARAD's FY 2000 budget recognizes the importance of sealift readiness and a strong U.S.-flag fleet. It acknowledges the need for a

healthy shipbuilding industry and also provides for the education of our youth. I urge my colleagues to support this legislation.●

## 1999 NEW MEXICO HIGH SCHOOL SUPERCOMPUTING CHALLENGE

● Mr. DOMENICI. Mr. President, it is with great pride that I rise today to recognize the contestants of the 1999 New Mexico High School Supercomputing Challenge, an impressive group of young people from my home state of New Mexico. I want to extend a special congratulations to the five Albuquerque Academy students who won this intellectually demanding contest. In addition to their normal school work and other extra curricular activities, these students—Tom Widland, Kevin Oishi, Alex Feuchter, Ryan Davies and Ryan Duryea—diligently worked on their project for nearly a year to compete in this competition.

For the past 9 years, High school students from around the state have competed against each other in the Supercomputing Challenge. The student's projects are done on high-speed supercomputers at the Los Alamos National Laboratory with the winners of the competition receiving an award, a $1,000 savings bond, a plaque, several boxes of software, and a computer for their schools.

In light of recent events in the news, it has been easy for us to focus our attention on the problems seriously troubling our Nation's youth. That is why, now, more than ever, I believe it is essential that we encourage our kids by recognizing and praising their outstanding accomplishments. These young Americans exemplify, the character our Nation was founded on and set a positive example for their peers to follow.

The participants of the 1999 New Mexico High School Supercomputing Challenge, deserve to be recognized, and I am proud to salute them on this worthy accomplishment.●

## STADIUM FINANCING AND FRANCHISE RELOCATION ACT

● Mr. BIDEN. Mr. President, I am pleased to join Senator SPECTER today in introducing legislation that will create a fund to finance the building and renovation of stadiums and ballparks for major league baseball and professional football sports leagues across America. For too long, baseball and football teams have threatened to move if state and local governments do not ante up the money to renovate or build new, publicly financed stadiums for the home teams. The scene is, by now, a familiar one: multi-millionaire team owners demand new, taxpayer-funded state-of-the-art stadiums, so that they and their players can make even more money for themselves—at taxpayer expense, of course. The taxpayers are impaled on the horns of a dilemma: either pony up or risk losing the team.

This bill will strike an equitable arrangement between teams and local governments to share the costs of stadium renovation and construction—ensuring that professional sports teams put up their fair share. The way the bill would accomplish this is straightforward. Team owners owe much of their wealth to revenue from network telecasts of their games, a boon they receive courtesy of the antitrust exemption granted by us—the Congress. The antitrust exemption contained in the Sports Broadcasting Act permits teams to pool their television rights, yielding annual revenues of $2.2 billion to the National Football League and $425 million to Major League Baseball.

This legislation would require, as a condition for retaining this lucrative antitrust exemption, that Major League Baseball and the National Football League place into a trust fund 10 percent of the revenues the Leagues receive from network telecasts. Each sport's trust fund, in turn, would be used to finance up to one half the cost of constructing a new stadium or park, or renovating an older one, for any of the teams seeking such financing—so long as the local government has agreed to provide one dollar for every two furnished by the trust fund. In other words, if a pro team in Wilmington wanted to build a $200 million stadium, it could obtain $100 million from the trust fund, a government entity in Delaware would have to kick in $50 million, and the remaining money would have to come from the team owner or some other source. In addition to allowing the Leagues to retain their current antitrust exemption, the bill would expand the exemption to give the Leagues the authority to prevent member clubs from moving their franchises.

To my mind, this bill strikes just the right balance. Let us not saddle cities and taxpayers with the exorbitant—sometimes mind-boggling—costs of building new stadiums while the teams and their owners sit back and wait for the highest bidder. If the Leagues want to keep their antitrust exemption, the major source of their millions, they should be willing to do their fair share. This legislation's condition that in exchange for the exemption, the teams set aside 10 percent of their broadcast revenues, is a reasonable and much needed measure to restore some balance to a negotiating process that is out-of-whack.●

## NATIONAL ASSOCIATION OF LETTER CARRIERS' ANNUAL FOOD DRIVE

● Mrs. BOXER. Mr. President, I would like to recognize the National Association of Letter Carriers for its efforts to combat hunger in America through its annual national food drive.

Each year, on the second Saturday in May, letter carriers in more than 10,000 cities collect canned food along their postal routes to supply local food banks. Last year, over 50 million pounds of food were donated to feed the hungry, and I am confident that 1999's drive will be an even greater success. In just seven years of operation, the National Association of Letter Carrier's national food drive has grown into America's largest one-day food collection effort.

To participate, residents in participating communities need only place a can of non-perishable food near their mailbox—their letter carrier does the rest. In addition to making regular pick-ups and deliveries, their letter carrier collects donations and transports them to a nearby postal station. Food is then sorted and distributed to local charities.

Mr. President, an estimated 30 million people go hungry every day in America. Food shortages hit children especially hard in the summer months, when school lunches are not available and many charity pantries run out of supplies donated during the Winter holiday season. The Letter Carriers' food drive makes a critical contribution at a time when help is urgently needed.

I commend the National Association of Letter Carriers for its leadership in organizing this annual event. The NALC's organizing partners—the United States Postal Service, the AFL-CIO, and the United Way—also deserve our thanks.

Finally, Mr. President, I urge each American to leave a can of food by the mailbox on Saturday. Together, we can fight hunger and make a difference in the lives of millions of Americans.●

## ARSON AWARENESS WEEK

● Mr. BIDEN. Mr. President, I rise today to remind the Senate and the American Public that this is Arson Awareness Week. It is that time once a year that we stop to assess how arson affects our lives. Each year hundreds of Americans die because of the arsonist's match. Mr. President, I am outraged at this and the countless firefighters who are killed every year attempting to extinguish intentionally set fires. Arsonists should be swiftly brought to justice, especially when firefighters lives are put on the line.

When a fire is intentionally set in the center of a retail city district the damaged property becomes blight on the entire community. Like cancer, arson degrades the whole area. Jobs are lost, tax bases are depleted and, most importantly, people are often killed.

As a member of the Congressional Fire Services Caucus, I have long been associated with the war against arson.

I have consistently supported stricter penalties for convicted arsonists. I have supported the efforts of the Bureau of Alcohol, Tobacco, and Firearms that assist our fine state and local fire investigators. I have also supported the United States Fire Administration which provides valuable research grants and public education efforts geared toward controlling arson.

Mr. President I remind all Americans that arson is still a serious problem, one we must continually work together to solve.●

## TRIBUTE TO KEVIN L. REICHERT

●Mr. FEINGOLD. Mr. President, I come to the floor today with a heavy heart. If it hadn't happened already, the Yugoslav conflict just hit home.

Early yesterday morning, NATO experienced its first fatalities in its campaign against Yugoslavia. And Chetek, Wisconsin found its way into the news.

Army Chief Warrant Officer Kevin L. Reichert, of Chetek, Wisconsin, was killed aboard an Apache helicopter during a nighttime training mission in Albania. My thoughts, prayers, and sympathies go out to the friends and family of Kevin Reichert. We can all be proud of Kevin's service to his country.

The 28-year old from Wisconsin's Chippewa Valley leaves behind his wife of eight years, Ridgeley, and 3 kids. I thank the proud residents of Chetek and of Barron County, Wisconsin, for helping to raise such a brave and dedicated American. I hope the Reichert family and the 1,700 people of Chetek will take solace in the gratitude of our Nation.

The NATO effort in Yugoslavia has its costs. Kevin's death, and that of his co-pilot, David Gibbs, of Ohio, are sad reminders that conflicts like the one in Yugoslavia, while they seem far away, have a very real impact at home.

Mr. President, I am sure my colleagues join me in paying tribute to Kevin Reichert for his dedicated service to the United States.●

## HONORING ELMA F. BRITTINGHAM

●Mr. BIDEN. Mr. President, it is with utmost respect and admiration that I rise today to acknowledge the contributions of a woman who, at the age of 99, has never tired of giving her all to her country and to the men and women of the Mill Creek Fire Company—Elma F. Brittingham of Marshallton, Delaware, affectionately known to everyone as ''Mom.'' On May 8, 1999, Mill Creek will honor her at its 72nd Annual Dinner for 72 years of unmatched volunteer service to the Mill Creek Fire Company. Yes, Elma is a charter member of the Mill Creek Fire Company and she remains an institution in the Fire Hall.

This well-deserved recognition is much less than I or anyone in Delaware could ever do to capture just how significant Elma's life has been to everyone with whom she has come in contact. Her legacy is etched in the memory of every fire service professional and volunteer in our State and her life continues to be an inspiration to all of us.

While many remember Elma for her 50 years of preparing turkey dinners for the Annual Volunteer Fire Conference, or her playing Yen Man in the company minstrel show, she is most remembered for her work on the frontline, fighting fires under the most dangerous circumstances. The one she most vividly remembers was during World War II when she helped put out a fire at an old prison farm on Duncan Road in Wilmington during a thunder and lightning storm. With this same energy and vigor, Elma is as spirited today, five decades later, as she was more than a half-century ago.

I know that there may be someone like Elma Brittingham in other States, but none can be more important to a community than this totally committed, selfless woman that I honor today. She is what we, as Americans, should aspire to be—a loyal public servant, an example of excellence and achievement in everything she has committed to accomplishing, and a credit to her community and to her country. I am deeply privileged to know this woman and proud to call her a heroic Delawarean and an outstanding American.●

## TRIBUTE TO BETTY FRANKLIN-HAMMONDS

●Mr. FEINGOLD. On April 28th, Madison lost a dedicated advocate and a dear friend: Betty Franklin-Hammonds.

Betty's life story is a catalogue of remarkable achievements. From her tenure as the executive director of the Madison Urban League, where she spearheaded a study on the gap in achievement between black and white students in the Madison school system, to her leadership at the Madison Times and the numerous awards she received for her work, there are countless examples of Betty's effectiveness as an advocate in the community.

But it was her character, more than any title or award, that defined Betty and made her such a powerful presence in our community. She was a truth teller who never backed down from a fight, a woman who led by example and wasn't shy about asking others to make the commitment to change she demanded from herself.

Betty was a unique combination of a quiet dignity and a fierce passion for justice that could only be quenched by constant motion. She worked tirelessly, as a social worker, at the Madison chapter of the NAACP, at the Urban League, and at the Madison Times, to make our city a better place.

Her own words tell us more about Betty than any tribute ever could. After receiving an award for her humanitarian work, she once told a crowd that ''everybody can be great because everybody can serve.'' By that measure, Betty Franklin-Hammonds was great indeed.●

## MORNING BUSINESS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

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

Mr. BURNS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRAMM. Mr. President, I have several unanimous consent requests. All of them are agreed to on both sides of the aisle. Let me just go through them.

## DESIGNATING THE WEEK OF MAY 2 THROUGH 8, 1999, AS THE 14TH ANNUAL TEACHER APPRECIATION WEEK, AND DESIGNATING TUESDAY, MAY 4, 1999, AS NATIONAL TEACHER DAY

Mr. GRAMM. Mr. President, I ask unanimous consent that the Senate now proceed immediately to the consideration of S. Res. 97, submitted earlier today by Senator COVERDELL for himself and others.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

A resolution (S. Res. 97) designating the week of May 2 through 8, 1999, as the 14th annual Teacher Appreciation Week, and designating Tuesday, May 4, 1999, as National Teacher Day.

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRAMM. Mr. President, I ask unanimous consent the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

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

The resolution (S. Res. 97) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 97

Whereas the foundation of American freedom and democracy is a strong, effective system of education where every child has the

opportunity to learn in a safe and nurturing environment;

Whereas a first rate education system depends on a partnership between parents, principals, teachers, and children;

Whereas much of the success of our Nation during the 20th Century (the American Century) is the result of the hard work and dedication of teachers across the Nation;

Whereas in addition to a child's family, knowledgeable and skillful teachers can have a profound impact on the child's early development and future success;

Whereas many people spend their lives building careers, teachers spend their careers building lives;

Whereas our Nation's teachers serve our Nation's children beyond the call of duty as coaches, mentors, and advisers without regard to fame or fortune; and

Whereas across our Nation nearly 3,000,000 men and women experience the joys of teaching young minds the virtues of reading, writing, and arithmetic: Now, therefore, be it

*Resolved*, That the Senate—

(1) designates the week of May 2 through 8, 1999, as the ''14th Annual Teacher Appreciation Week'';

(2) designates Tuesday, May 4, 1999, as ''National Teacher Day''; and

(3) calls upon the people of the United States to take a moment out of their busy lives to say thanks and pay tribute to our Nation's teachers.

## THE CALENDAR

### DANTE B. FASCELL NORTH-SOUTH CENTER ACT OF 1999

Mr. GRAMM. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 73, H.R. 432.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

A bill (H.R. 432) to designate the North/South Center as the Dante B. Fascell North-South Center.

There being no objection, the Senate proceeded to consider the bill.

Mr. GRAMM. Mr. President, I ask unanimous consent that the bill be considered read a third time and passed, the motion to reconsider be laid upon the table, and that the statements relating to the bill appear in the RECORD.

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

The bill (H.R. 432) was considered read a third time and passed.

### CONDEMNING THE ESCALATING VIOLENCE, THE GROSS VIOLATION OF HUMAN RIGHTS AND ATTACKS AGAINST CIVILIANS, AND THE ATTEMPT TO OVERTHROW A DEMOCRATICALLY ELECTED GOVERNMENT IN SIERRA LEONE

Mr. GRAMM. Mr. President, I ask unanimous consent that the Senate proceed immediately to the consideration of Calendar No. 74, S. Res. 54.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

A resolution (S. Res. 54) condemning the escalating violence, the gross violation of human rights and attacks against civilians, and the attempt to overthrow a democratically elected government in Sierra Leone.

There being no objection, the Senate proceeded to consider the resolution.

Mr. GRAMM. Mr. President, I ask unanimous consent that the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table, and that any statements relating thereto be placed in the RECORD at the appropriate place as if read.

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

The resolution (S. Res. 54) was agreed to.

The preamble was agreed to.

The resolution (S. Res. 54), with its preamble, reads as follows:

S. RES. 54

Whereas the Armed Forces Revolutionary Council (AFRC) military junta and the rebel fighters of the Revolutionary United Front (RUF) in Sierra Leone mounted a campaign of ''Operation No Living Thing'' in 1997 and have recently renewed the terror;

Whereas the atrocities and violence against the citizens of Sierra Leone, which include forced amputations, raping of women and children, pillaging farms, and the killing of the civilian population, has continued for more than 8 years;

Whereas the AFRC and RUF continue to kidnap children, forcibly train them, and send them as combatants in the conflict in Sierra Leone;

Whereas the Nigerian-led intervention force, Economic Community Monitoring Group (ECOMOG), which has deployed nearly 15,000 troops to Sierra Leone, has made a considerable contribution towards ending the cycle of violence there, despite the fact that some of its members have engaged in violations of humanitarian law;

Whereas the United Nations High Commissioner for Refugees (UNHCR) estimates that in 1998 more than 210,000 refugees fled Sierra Leone to Guinea, bringing the total number of Sierra Leonean refugees in Guinea to 350,000, in addition to some 90,000 Sierra Leonean refugees who sought safe haven in Liberia;

Whereas the refugee camps in Guinea and Liberia are at risk of being used as safe havens for rebels and staging areas for attacks into Sierra Leone;

Whereas the humanitarian crisis in Sierra Leone has reached epic proportions with people dying from lack of food and medicine; and

Whereas the escalating violence in Sierra Leone threatens stability in West Africa and has the immediate potential of spreading to neighboring Guinea: Now, therefore, be it

*Resolved*, That the Senate—

(1) urges the President and the Secretary of State to give high priority to aiding in the resolution of the conflict in Sierra Leone and to bringing stability to West Africa, including active participation and leadership in the Sierra Leone Contact Group;

(2) condemns—

(A) the violent atrocities committed by the Armed Forces Revolutionary Council (AFRC) and the Revolutionary United Front (RUF) throughout the conflict, and in particular its attacks against civilians and its use of children as combatants; and

(B) those external actors, including Liberia, Burkina Faso, and Libya, for contributing to the continuing cycle of violence in Sierra Leone by providing financial, political, and other types of assistance to the AFRC or the RUF, often in direct violation of the United Nations arms embargo;

(3) supports continued efforts by the regional peacekeeping force, ECOMOG, to restore peace and security and to defend the democratically elected government of Sierra Leone;

(4) recognizes that basic improvements in ECOMOG's performance with respect to human rights and the management of its own personnel would markedly improve its effectiveness in achieving its goals and improve the level of international support needed to meet those goals;

(5) supports appropriate United States logistical, medical and political support for ECOMOG and notes the contribution that such support has made thus far toward achieving the goals of peace and stability in Sierra Leone;

(6) calls for an immediate cessation of hostilities and respect for human rights, and urges all members of the armed conflict in Sierra Leone to engage in dialogue to bring about a long-term solution to such conflict; and

(7) expresses support for the people of Sierra Leone in their quest for a democratic, prosperous, and reconciled society.

### EXPRESSING THE SENSE OF THE SENATE REGARDING THE TREATMENT OF WOMEN AND GIRLS BY THE TALIBAN IN AFGHANISTAN

Mr. GRAMM. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 75, S. Res. 68.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

A bill (S. Res. 68) expressing the sense of the Senate regarding the treatment of women and girls by the Taliban in Afghanistan.

There being no objection, the Senate proceeded to consider the resolution.

Mrs. BOXER. Mr. President, I am so pleased that the Senate will stand up for the rights of women and pass S. Res. 68, a resolution condemning the Taliban's treatment of women and girls in Afghanistan. I especially thank Senator BROWNBACK in joining me as the main cosponsor of this resolution.

The Taliban is a militia group that now controls between 85–90 percent of Afghanistan. People living under its rule are subjected to an extreme interpretation of Islam practiced nowhere else in the world. It is especially repressive on women living in Afghanistan.

Under Taliban rule, women and girls in Afghanistan are denied even the most basic human rights. They cannot work outside the home, attend school, or even wear shoes that make noise

when they walk. Women who are in their homes are not allowed to be seen from the street, and houses with female occupants must have their windows painted over. Parents cannot teach their daughters to read, or take their little girls to be treated by male doctors.

Women are also forced to wear a full head-to-toe garment called a burqa. This restrictive covering allows only a tiny opening to see and breathe through. I understand that some women may choose to wear a burqa for religious reasons—that should be their right. However, the requirement that women wear a burqa is a clear violation of human rights. And further, the rules surrounding this requirement are frightening.

Women found in public who are not wearing a burqa are beaten by Taliban militiamen. If they wear a burqa and their ankles are showing, they are beaten as well. Poor women who cannot afford a burqa are forced to stay at home, preventing them from receiving medical care.

The Physicians for Human Rights recently conducted a study of 160 women in Afghanistan and their findings are horrific.

The study found that 77 percent of women had poor access to health care in Kabul, while another 20 percent reported no access at all. Of the participants, 81 percent reported a decline in their mental condition; 97 percent met the diagnostic criteria for depression; 42 percent met the diagnostic criteria for post-traumatic stress disorder; and 21 percent reported having suicidal thoughts ''extremely often'' or ''quite often.'' In addition, 53 percent of women described occasions in which they were seriously ill and unable to seek medical care.

The resolution passed today calls on the President of the United States to prevent a Taliban-led government of Afghanistan from taking a seat in the United Nations General Assembly, as long as these gross violations of human rights persist.

My resolution also urges the Administration not to recognize any government in Afghanistan which does not take actions to achieve the following goals: effective participation of women in all civil, economic, and social life; the right of women to work; the right of women and girls to an education without discrimination and the reopening of schools to women and girls at all levels of education; the freedom of movement of women and girls; equal access of women and girls to health care; equal access of women and girls to humanitarian aid.

It is shocking that women and girls in Afghanistan are suffering under these conditions as we approach the 21st century. The United States has an obligation to take the lead in condemning these abuses.

I want to thank the majority and minority leaders for allowing this legislation to come to the floor, and I appreciate the support from the many cosponsors of this resolution who are working to end human rights abuses against women in Afghanistan.

Mr. GRAMM. Mr. President, I understand that Senator BOXER has amendments to the resolution and the preamble at the desk.

I ask unanimous consent that the amendments to the resolution be agreed to, that the resolution, as amended, be agreed to, and the motion to reconsider be laid upon the table, that the amendment to the preamble be agreed to, and the preamble, as amended, be agreed to with no intervening action.

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

The amendments (Nos. 305 and 306) were agreed to as follows:

AMENDMENT NO. 305

(Purpose: To improve the resolution)

On page 3, line 4, strike ''the'' and insert ''any''.

AMENDMENT NO. 306

(Purpose: To improve the preamble)

Amend the preamble to read as follows:

Whereas millions of women and girls living under Taliban rule Afghanistan are denied their basic human rights;

Whereas according to the Department of State and international human rights organizations, the Taliban continues to commit widespread and well-documented human rights abuses, in gross violation of internationally accepted norms;

Whereas, according to the United States Department of State Country Report on Human Rights Practices (hereafter ''1998 State Department Human Rights Report''), violence against women in Afghanistan occurs frequently, including beatings, rapes, forced marriages, disappearances, kidnapings, and killings;

Whereas women and girls under Taliban rule are generally barred from working, going to school, leaving their homes without an immediate male family member as chaperone, and visiting doctors, hospitals or clinics;

Whereas according to the 1998 State Department Human Rights Report, gender restrictions by the Taliban continue to interfere with the delivery of humanitarian assistance to women and girls in Afghanistan;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women are forced to don a head-to-toe garment known as a burqa, which has only a mesh screen for vision, and many women found in public not wearing a burqa, or wearing a burqa that does not properly cover the ankles, are beaten by Taliban militiamen;

Whereas according to the 1998 State Department Human Rights Report, some poor women under Taliban rule cannot afford the cost of a burqa and thus are forced to remain at home or risk beatings if they go outside the home without one;

Whereas according to the 1998 State Department Human Rights Report, the lack of a burqa has resulted in the inability of some women under Taliban rule to get necessary medical care because they cannot leave home;

Whereas according to the 1998 State Department Human Rights Report, women under Taliban rule reportedly have been beaten if their shoe heels click when they walk;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women in homes must not be visible from the street, and houses with female occupants must have their windows painted over;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women are not allowed to drive, and taxi drivers reportedly have been beaten if they take unescorted women as passengers;

Whereas according to the 1998 State Department Human Rights Report, women under Taliban rule are forbidden to enter mosques or other places of worship; and

Whereas women and girls of all ages under Taliban rule have suffered needlessly and even died from curable illness because they have been turned away from health care facilities because of their gender: Now, therefore, be it

The resolution (S. Res. 68), as amended, was agreed to.

The preamble, as amended, was agreed to.

The resolution, as amended, with its preamble, as amended, reads as follows:

[The resolution was not available for printing. It will appear in a future edition of the RECORD.]

## ORDERS FOR THURSDAY, MAY 6, 1999

Mr. GRAMM. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Thursday, May 6. I further ask consent that on Thursday immediately following the prayer the routine requests through the morning hour be granted, the time for the two leaders be reserved for their use later in the day, that the Senate then resume consideration of S. 900, and Senator GRAMM be recognized in order to offer an amendment as under the original consent agreement.

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

## PROGRAM

Mr. GRAMM. For the information of all Senators, tomorrow the Senate will resume consideration of the Financial Services Modernization Act, with Senator GRAMM immediately recognized to offer his amendment.

It is hoped that the bill will be completed during Thursday's session of the Senate. Therefore, rollcall votes will occur throughout tomorrow's session of the Senate.

## ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. GRAMM. Mr. President, if there is no further business to come before

the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 7:45 p.m., adjourned until Thursday, May 6, 1999, at 9:30 a.m.

## NOMINATIONS

Executive nominations received by the Senate May 5, 1999:

DEPARTMENT OF LABOR

EDWARD B. MONTGOMERY, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF LABOR, VICE RICHARD M. MCGAHEY.

DEPARTMENT OF STATE

DAVID B. DUNN, OF CALIFORNIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF ZAMBIA.

# HOUSE OF REPRESENTATIVES—*Wednesday, May 5, 1999*

The House met at 10 a.m.

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

We recognize, O God, that we are buffeted by the sound of so many words that come our way, words of advice and counsel, words that express joy or sadness and words that recommend actions or promote ideas. We pause this moment to hear Your still small voice that beckons us to do what is good, to be what is good, that encourages us in the way of truth and points us to a healthy and whole understanding of our lives. May we take Your words of justice and peace, of righteousness and integrity and transpose those good words into deeds of caring and concern for others. This is our earnest prayer. Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. SCHAFFER. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SCHAFFER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 8 rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

## PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Colorado (Mr. SCHAFFER) come forward and lead the House in the Pledge of Allegiance.

Mr. SCHAFFER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## NEVADANS STAND READY TO ASSIST THEIR NEIGHBORS VICTIMIZED BY POWERFUL TORNADOES IN OKLAHOMA, KANSAS, AND TEXAS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, today I would like to pay my condolences to the people and the families that suffered from the powerful tornadoes in Oklahoma, Kansas and Texas in the last few days. The thoughts and prayers of all Nevadans are with the victims of this tragedy. Fire, police and emergency services and the National Guard's personnel worked alongside of heroic neighbors in working through the night to help people affected by this tragic act of Mother Nature.

Mr. Speaker, it will take some time to rebuild the damage to the houses, and homes, and buildings and the families. The Federal Government will now do its part in assisting with this effort, helping to rebuild the communities and the lives of those who were affected by these devastating tornadoes.

Mr. Speaker, I applaud the President's announcement to declare these States national disaster areas, allowing the Federal Government to offer speedy financial aid and support.

Mr. Speaker, I and the State of Nevada also stand ready to assist our friends and families as a Nation, and we must join together and persevere in this tragedy.

## THE NEED FOR BANKRUPTCY REFORM

(Mr. SMITH of Washington asked and was given permission to address the House for 1 minute.)

Mr. SMITH of Washington. Mr. Speaker, today the House will vote on bankruptcy reform, and I rise today to urge all Members to support this bill. The bill ultimately is about personal responsibility. It is about holding people accountable for their own actions.

Worse, the current bankruptcy situation puts us in a position where others are held accountable for those actions. They are the ones that have to bear the price of other people's choices. Worst, it basically spreads out from the middle class to the poorest of the poor. Those are the ones that have to pay more for retail items and for a variety of items because some people run up obligations that they either have no intention of meeting or do not meet.

Also, small businesses are particularly devastated by bankruptcies. In many small businesses, one or two clients not paying can be the difference between being in business and out of business, and when they go bankrupt and do not pay, those small businesses suffer.

This bill does not eliminate bankruptcy, it is out there as an option, but it makes changes to hold people accountable and responsible for their own financial decisions to make sure that, if they can pay, they do pay. We should not have a situation where people can declare bankruptcy, run out on their obligations to others, drive up costs for everybody else and still live a life better than 95 percent of the rest of the world.

We need this bankruptcy reform bill.

## SO LONG, JOHN

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. First it was Jordan, then it was Gretzky, now it is Elway.

On Sunday afternoon, the whole State of Colorado turned on their television sets to watch a press conference. The man whose name has become synonymous with the Denver Broncos, John Elway, announced his retirement from football.

The statistics books will show that John Elway had 16 great seasons as a Denver Bronco. He had 148 victories and 47 come-from-behind wins, both National Football League records. He passed for over 50,000 yards, rushed for another 3,000 and played in 234 games, and through it all he only missed 15 career starts. Not the least of his achievements, he led the Broncos to five Superbowls and two Superbowl wins.

What the stat books will not show us is what John Elway has meant to the State of Colorado. He gave us joy and excitement every week. His career became a true profile in courage of perseverance and was a testimony to all that dreams can really come true.

Most importantly, in a time when Colorado and this Nation is in such desperate need of role models, John Elway was that, too.

John, from the State of Colorado and from a grateful Nation and from this Bronco fan:

''Thank you.''

## REASONS TO CELEBRATE WIC'S 25TH ANNIVERSARY

(Mr. STUPAK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STUPAK. Mr. Speaker, I would like to say a few words today about the WIC program, a program dedicated to improving the nutrition and health care needs of low-income women, infants and children.

WIC is celebrating 25 years of service, Mr. Speaker. The value of these 25 years is illustrated by a few key facts expressed in terms of dollars.

Every dollar spent on pregnant women in WIC produces between $1.92 and $4.21 in Medicaid savings for newborns and their mothers. Medicaid costs were reduced on average by $12,000 to $15,000 per infant for every low-birth-weight birth prevented because the mother was involved in the WIC program during her pregnancy.

There is a lot more, Mr. Speaker, in terms of dollars saved and common sense, but there is a more important savings, a human savings. WIC children get a better start in life, they do better in school, and they lead healthier lives. All this translates into an overall better quality of life, and that is the real reason for celebrating WIC's 25th anniversary.

## INFORMATION, PLEASE

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EWING. Mr. Speaker, this week we will be voting on the supplemental appropriation to provide funds for the Kosovo operation. Unfortunately, the administration has done little to inform Members of Congress. It is strange that people like former Senator Bob Dole, former Ambassador Jean Kirkpatrick have been more vocal, more available to Members of Congress to explain their position on the need for U.S. involvement than we have received from this administration.

I am yet not convinced of the wisdom of this operation or what the national interest is for Americans. I question, too, whether we need to be paying 90 percent or 85 percent or even 70 percent of the cost. Remember, in other operations such as this our allies have indeed contributed.

Why have we not sought their contributions? Why have we not had more information? Why do we not know the true need for our involvement in Kosovo?

## RUSSIA OPPOSES NATO, SUPPORTS MILOSEVIC, DUMPS STEEL ILLEGALLY INTO THE UNITED STATES AND STILL EXPECTS US TO LOAN THEM ANOTHER $23 BILLION

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, Uncle Sam and the International Monetary Fund have loaned Russia billions and billions of dollars, and with each loan Russia promised to repay. Guess what? Russia says, and I quote, they cannot repay their loans this year, next year, not even in 10 years.

How is that to fund the KGB, Congress?

Russia says though, and I quote, Russia still expects America to loan them another $23 billion to carry on with their reforms.

Beam me up here. I say, ''Expect this.''

Mr. Speaker, I yield back the facts that Russia opposes NATO, supports Milosevic and dumps steel illegally in the United States of America.

## WE MUST NOT FUND THIS SENSELESS BOMBING

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, how many innocent civilians must die before we stop bombing Serbia? We rightfully cherish the lives of our three servicemen and rejoice in their return, but how many Serbs will never rejoice because of all the death and destruction we have rained down upon them by casually dismissing as necessary mistakes of war a war that is not real to us yet only too real to those who are needlessly killed.

Serb victims are people, too, who love their families and hate the war, yet become the victims of this ill-conceived policy of NATO aggression. It is a strange argument, indeed, that the capture of our three soldiers was illegal and yet our bombing of civilians is not. Violence, when not in one's own self-defense, can never be justified, no matter how noble the explanation. It only makes things worse.

The goal of peace and harmony can never be achieved by bombs and intimidation. That goal can only be achieved by honest friendship and trade when permissible and neutrality when armed conflict prevents it. We must not fund this senseless bombing.

## TEACHERS LIKE DAVE SANDERS, SHANNON WRIGHT AND CHRISTA MACAULIFFE ARE AMERICAN HEROES

(Ms. SANCHEZ asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SANCHEZ. Mr. Speaker, I am proud to salute America's educators during Teacher Appreciation Week. It is essential in these trying times at our schools that we pay tribute to the professionals who give so much to their work with our communities' children.

Every day 3 million American teachers go to work. They arrive early in the morning and often stay late at night. Their dedication under supremely difficult circumstances cannot be adequately described, but through all this hard work they open a world of opportunity for our children and bring endless possibilities to our communities and to the future of our country. Every day they work their miracles in the classrooms. We entrust them with our most precious resource, our young people.

Tragically, Mr. Speaker, some pay the ultimate sacrifice. Teachers like Dave Sanders of Littleton, Colorado, or Shannon Wright of Jonesboro, Arkansas, and astronaut Christa MacAuliffe are American heroes. We salute their memory and their colleagues this week.

## THIS IS TEACHER APPRECIATION WEEK

(Mr. SCHAFFER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHAFFER. Mr. Speaker, this is Teacher Appreciation Week. Almost every Member of this body can think of a special teacher who has touched his life in ways that have never been forgotten, can never be repaid and can only be appreciated by those who have benefited from such good fortune.

There are special teachers with extraordinary talents in every kind of school in America, in rich and poor, urban and rural, public and private. Great teachers give something of themselves that we take with us for the rest of our lives. It is one of the most rewarding aspects of being a teacher.

But great teachers do not get the recognition they deserve. Their contributions are so great, they ought to have an entire week devoted to their achievement, and so they have. This is their week, and I join with my colleagues in paying tribute to the wonderful gifts teachers have brought to all of us during their teaching careers.

Teaching is a noble profession, and it is an honor for me to salute all those great teachers who are proud to have made teaching their passion and their life's work.

## WIC—MORE THAN JUST FOR WOMEN AND CHILDREN, IT IS GOOD FOR AMERICA

(Mr. FILNER asked and was given permission to address the House for 1 minute.)

Mr. FILNER. Mr. Speaker, I rise today to commemorate 25 years of the Special Supplemental Nutrition Program for Women, Infants and Children, what is widely known as WIC. WIC is not just a program that makes a lot of sense, it saves millions of dollars, too.

Every WIC dollar spent for pregnant women results in the savings to the Medicaid program of anywhere between $2 and $4. Well-fed mothers and children are healthier people. Children who eat a nutritious diet grow up to be stronger, better-adjusted adults. WIC allows high-risk young families to properly feed their children during their critical months of growth and development. WIC helps to assure normal childhood growth, reduces early childhood anemia, increases immunization rates, improves access to pediatric health care and prepares children for learning.

□ 1015

What more can we ask for? It truly proves the maxim that an ounce of prevention is worth a pound of cure. WIC, it is a good program for America.

## HOLBROOKE'S HONORARIA

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, I rise today to draw my colleagues' attention to what President Clinton promised would be the most ethical administration in the history of our Nation.

The Washington Times lead story today details how special envoy to the President, Richard Holbrooke, in the middle of critical negotiations with Yugoslav President Milosevic in 1998, broke off those talks to deliver two speeches in which he was paid $40,000.

Now, there is a pesky Federal ethics rule that says for government employees, including unpaid presidential appointees, they are barred from accepting side compensation that relates to the employee's official duties.

Quote, just as his talks reached what Mr. Holbrooke said was a dangerous moment, he flew to Athens to give a speech about Kosovo, picking up $16,000 in payment. A few months later, Mr. Holbrooke did the same thing, abandoning diplomatic efforts in the middle of an air-strike deadline to deliver a speech in New York for $24,000.

Mr. President, honestly, based upon past comments, he would be the perfect candidate to be Ambassador to the United Nations.

## CONGRATULATIONS TO WIC ON 25 YEARS

(Ms. WOOLSEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. WOOLSEY. Mr. Speaker, children are 25 percent of this country's population but they are 10,000 percent of our future. There is no better way to invest in our future than to make sure that every child gets good nutrition and health care, right from the very start. That is what the WIC program does, and that is what they have been doing for 25 years.

At WIC clinics, low income, at-risk pregnant women get healthy foods, nutrition, education and access to health services. The outcome is strong, healthy babies. WIC stays with the new mother after her baby is born, helping to form good eating habits, health habits and a lifetime of good habits. For every $1.00 we spend on WIC, we save $3.50 in future costs for medical care, income support and special education.

Talk about a good investment in our future, talk about WIC. Congratulations, WIC, on this anniversary of 25 years, and thanks for strengthening America's future.

## THE POLICY OF NOT USING FOOD AS A WEAPON IS GOOD POLICY

(Mr. NETHERCUTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NETHERCUTT. Mr. Speaker, there is no more fundamental need of human beings than the need for food and medicine. For years, our country has had a policy of imposing unilateral economic sanctions on nations of the world with which we disagree, nations like Iran and Libya and North Korea and many others.

If one is a farmer in America, this policy has hurt American agricultural exports, especially if other nations of the world do not impose such sanctions and are free to trade with such enemy nations.

Earlier this year, I introduced H.R. 212, a bill which lifts sanctions on food and medicine so that we can sell our commodities to these nations, subject to the President reinstating those sanctions if doing so is in the national security interest.

Last week, the President, by administrative order, lifted sanctions on food and medicine to Iran, Libya and Sudan. This can result in the likely sale of $500 million in wheat sales to American agriculture. The policy of not using food as a weapon is good policy, and I urge my colleagues to support H.R. 212.

## BRAIN TUMOR AWARENESS WEEK

(Mr. ROTHMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTHMAN. Mr. Speaker, this is Brain Tumor Awareness Week. Each year 100,000 people in the United States will be diagnosed with a primary or metastatic brain tumor. Brain tumors are the second leading cause of cancer death for children under 19, and the third leading cause of cancer death for young adults ages 20 to 39.

Brain tumors attack the essence of the individual. They attack the control center for thought, emotion and movement. There are over 100 different types of brain tumors, making effective treatment very complicated. Currently, there is no cure for most malignant brain tumors. Only 37 percent of men and 52 percent of women survive 5 years following the diagnosis of a primary benign or malignant brain tumor.

Congress needs to appropriate increased funding for the National Institutes of Health and advocate for a strong investment in brain tumor research. We also need Federal legislation that gives patients access to clinical trials and other therapies that are not approved yet by the Food and Drug Administration. I urge more research for brain tumors and more funding for the NIH.

## SUPPORT BANKRUPTCY REFORM ACT AND ITS EMPHASIS ON PERSONAL RESPONSIBILITY

(Mr. DOOLEY of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOOLEY of California. Mr. Speaker, today we are going to be considering bankruptcy reform legislation, and I rise in strong support of it. In 1998 we had studies that showed that at least $3 billion was written off in bankruptcy by wealthy debtors who could have afforded to pay it back.

More and more wealthy Americans are using the bankruptcy system to buy a throwaway lifestyle that they cannot afford, then expecting hard-working Americans who pay their bills each month to pick up the tab. That is not right, and Congress needs to do something about it.

I also want to address some information that I think is not true by some of the opponents of this legislation, dealing with child support payments. Under the current system, child support and alimony payments rank seventh on the list of priority payments in a bankruptcy proceeding, behind such things as attorney fees; seventh.

This legislation moves those critical family obligations up to the top of the list. Women and children come first under H.R. 833, the bankruptcy protection reform bill that we are going to be considering today. It is time to require personal responsibility. Support H.R. 833.

## RIVERSIDE NATIONAL CEMETERY, THE IDEAL LOCATION FOR THE NATIONAL MEDAL OF HONOR MEMORIAL

(Mr. CALVERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CALVERT. Mr. Speaker, I rise today to praise the 3,417 men and women who have placed their lives on the line for their country, have taken risks above and beyond the call of duty and, because of their extraordinary bravery and action during crisis, have been awarded the Medal of Honor.

Yesterday I introduced the National Medal of Honor Memorial Act. This bill designates the memorial being built at the Riverside National Cemetery as a national memorial. Since this will be the only publicly accessible memorial honoring all 3,417 recipients of the Medal of Honor at a single location, I think it is only fitting to identify it as a national memorial.

Riverside National Cemetery is the ideal location for this memorial. There are two Medal of Honor recipients buried there; 102 recipients are originally from the State of California. At its capacity, the cemetery will inter approximately 1,400,000 persons, making it the largest national cemetery in the United States.

Mr. Speaker, I am proud of the strong support from my colleagues. Seventy of my colleagues have decided to be original cosponsors of this; 100 percent of the California delegation, and the chairman and the ranking member of the Committee on Veterans' Affairs. I look forward to its passage.

## PAYDAY BORROWER PROTECTION ACT OF 1999

(Mr. RUSH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSH. Mr. Speaker, today I am here to introduce the Payday Borrower Protection Act of 1999.

Payday loan companies are springing up all over the country. Payday loan companies are cannibalistic. They are akin to loansharking. These companies provide short-term loans with minimum credit checks to consumers who are in desperate need of cash.

The interest on these loans are unconscionably high, usually running from 261 percent to 913 percent annually. It is not uncommon for a consumer to have borrowed, say, $100 and within a year to be forced to repay $900 to a payday loan company.

My bill regulates and imposes some rational criteria on these loans. My bill caps annual interest fees at 36 percent and prohibits any payday lender from refinancing or rolling over any loans. My bill also sets a minimum national standard for State payday loan laws.

I encourage my colleagues on both sides of the aisle to support the Payday Borrower Protection Act of 1999.

## WITH THE PROSPECT OF MULTITRILLION DOLLAR BUDGET SURPLUSES, WE SHOULD PASS A TAX CUT AS SOON AS POSSIBLE

(Mr. CHABOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHABOT. Mr. Speaker, Congress faces the prospect of multitrillion dollar surpluses, budget surpluses, over the next 15 years. That is good news. As one might expect, the response to this good news has been sharply divided.

Liberals, and President Clinton, have come forward with new Washington spending programs. Republicans, on the other hand, have called for saving Social Security, cutting taxes and paying down the national debt.

It is almost the law of nature that money left in Washington will be spent. Therefore, I think we should pass a tax cut as soon as possible, before the big spenders here in Washington get their hands on it.

Let us hope that Congress and the President get it right. Work together and save Social Security, cut taxes and pay down the national debt. It is very, very important for America's future to do that.

## SALUTE TO WIC ON 25TH ANNIVERSARY

(Ms. BROWN of Florida asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. BROWN of Florida. Mr. Speaker, I rise in support of one of our Nation's most valuable programs, Women, Infants and Children, more popularly known as WIC.

The WIC program has been serving women and children across America for 25 years. The valuable service provided by WIC includes nutritional counseling, the supply of supplemental nutritional foods to children and an excellent health referral system.

WIC continues to be effective in improving the health of pregnant women, new mothers and infants. Studies show that WIC participants are more likely to have full term pregnancy, lower medical costs, higher birth weight babies and lower infant mortality rates.

On this anniversary of 25 years, I salute WIC for providing such outstanding service. We must all remember a healthy start is a great start.

## ANTIPOVERTY PROGRAMS FOR SENIORS RESULT IN POVERTY FOR FUTURE AMERICAN WORKERS

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, I see a lot of students in our gallery today. Mr. Speaker, I would like to report that our Social Security task force meeting yesterday that examined the consequences of doing nothing with Social Security resulted in the headline that antipoverty programs for seniors result in poverty for future American workers. We need to stop spending the Social Security Trust Fund for other government programs.

Our taxes today are higher than they have ever been in most of our history, even through World War II. We have heard a lot of good government spending programs from the speakers this morning that would mean raiding the Social Security Trust Fund or increasing taxes.

I just plead with my colleagues that if there are other good programs, they need to be justified on the basis of increasing taxes to pay for those programs or cutting other government spending to pay for those programs, but stop raiding the Social Security trust fund. We are already facing a $7½ trillion unfunded liability to maintain Social Security. We can't afford to continue to make the situation worse.

## CONSTRUCTIVE OWNERSHIP TRANSACTIONS

(Mr. NEAL of Massachusetts asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, today I am introducing legislation to shut down a tax avoidance scheme available only to a few wealthy and sophisticated investors. Under current law, if one invests in a hedge fund they pay tax every year and those profits are taxed at a higher short-term capital gains rate, but if one places that same money in a derivative wrapped around a hedge fund, they pay tax only at the end of the contract and are taxed at a lower long-term capital gains rate.

My bill states that if an investor indirectly owns a financial asset like a hedge fund through a derivative, he cannot get more long-term capital gain than if he owned the investment directly. In addition, there is an interest charge to offset the additional benefit of deferral.

□ 1030

This tax shelter is not available to average workers or even to average investors. It is available only to the very wealthy, so that they can avoid paying taxes.

It is important to shut down these tax shelters as we uncover them. Otherwise, we undermine the faith people have in our voluntary tax system. The Committee on Ways and Means is looking at tax shelters this year. This

should be the number one issue on our list.

## A FOCUS ON CHILDREN

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, it is important that we focus on our children. I am delighted to congratulate the WIC program on its 25th anniversary, a program that has provided nourishment for women and children and infants, a program that has helped so many to be able to have the basic nourishment that allows them to go to schools and then be educated. Our children are our greatest asset.

Then I would like to note that this is Asthma Awareness Day and Month. I hope that we realize the importance of more research to help cure asthma. So many of our children and, yes, so many of our citizens are impacted by that.

Likewise, Mr. Speaker, I would like to invite and acknowledge that the Congressional Children's Caucus will be holding a hearing this afternoon at 2154 Rayburn on the crisis of school violence, how do we help our children. We want solutions and not accusations.

We hope to develop a mental health system for children, where children can be referred and helped and rehabilitated, because in fact they are our precious resource. We will be listening to children today, we will be listening to mental health experts on the crisis of school violence and how do we help our children. We hope the children will come and let us hear them today.

Mr. Speaker, today is a special day for several reasons. Today is the 25th Anniversary of the WIC Program and it is also Asthma Awareness Day. Also today, the Congressional Children's Caucus, which I am the chair, will have a hearing today on the psychology of school violence. I hope My Colleagues will join me for the hearing.

The WIC Program, or the Women, Infant and Children's Supplemental Nutrition Program, has been providing nutrition education and diet counseling since 1972. It is a federally funded program designed for low-income pregnant women, mothers and their children who face nutritional risk.

WIC helps mothers make infant feeding choices and provides breastfeeding support, children's growth checkups and referrals for other health services. WIC also gives mothers one-on-one instructions for making healthy meals for their families.

Families on WIC receive monthly supplies for food like milk, eggs, cereal and juice. This is an important program for mothers and children in need, and I am happy to salute them today on their 25th Anniversary.

Today is also Asthma Awareness Day. Asthma is a serious condition that causes difficulty in breathing and it affects children and adults. An estimated 4.8 million children under 18 have asthma and many more have undiagnosed asthma.

Asthma is the leading chronic illness in children and it is the leading cause of school absenteeism. Hospitalizations due to asthma are disproportionately high for inner-city children, particularly for children of color. Each year, 600 children die from asthma and 150,000 are hospitalized.

Today, there will be screenings for asthma and allergies and I urge everyone to get tested. As it is now allergy season, this is the time to find out how serious your allergies may be and also how to relieve your symptoms.

Finally, today there will be a hearing sponsored by the Congressional Children's Caucus on the issue of school violence. We have a panel of mental health experts who will discuss the need for mental health services in schools. We will also have a panel of students who will discuss their fears about violence in school. I look foward to seeing many of you there.

## THE JOURNAL

The SPEAKER pro tempore (Mr. MILLER of Florida). Pursuant to clause 8 of rule XX, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SCHAFFER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 359, nays 41, not voting 33, as follows:

[Roll No. 108]

YEAS—359

Abercrombie
Ackerman
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Capuano
Cardin
Castle
Chabot
Chambliss
Chenoweth
Clayton
Clement
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Cox
Coyne
Cramer
Crane
Crowley
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Eshoo
Etheridge
Evans
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Hall (OH)
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Herger
Hill (IN)
Hill (MT)
Hilleary
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Inslee
Isakson
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Linder
Lipinski
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Paul
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanchez
Sandlin
Sanford
Sawyer
Saxton
Schakowsky
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Sununu
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Thurman
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Vento
Walden
Walsh
Wamp
Watt (NC)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey

NAYS—41

Aderholt
Borski
Clay
Clyburn
Costello
DeFazio
English
Filner
Ford
Gephardt
Gibbons
Gutknecht

| | | |
|---|---|---|
| Hastings (FL) | McDermott | Stupak |
| Hefley | McGovern | Sweeney |
| Hilliard | Miller, George | Taylor (MS) |
| Holt | Moran (KS) | Thompson (CA) |
| Johnson, E. B. | Oberstar | Thompson (MS) |
| Klink | Pickett | Visclosky |
| Kucinich | Ramstad | Waters |
| Lee | Rush | Weller |
| Lewis (GA) | Sabo | Wu |
| LoBiondo | Schaffer | |

NOT VOTING—33

| | | |
|---|---|---|
| Barton | Granger | Scott |
| Becerra | Green (WI) | Simpson |
| Berman | Greenwood | Slaughter |
| Bishop | Gutierrez | Smith (NJ) |
| Brown (CA) | Hutchinson | Tiahrt |
| Carson | Hyde | Tierney |
| Cubin | Istook | Watkins |
| Dickey | Lewis (KY) | Watts (OK) |
| Engel | Rangel | Wynn |
| Farr | Sanders | Young (AK) |
| Fattah | Scarborough | Young (FL) |

□ 1052

So the Journal was approved.

The result of the vote was announced as above recorded.

## PROVIDING FOR CONSIDERATION OF H.R. 833, BANKRUPTCY REFORM ACT OF 1999

Mr. SESSIONS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 158 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 158

*Resolved,* That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 833) to amend title 11 of the United States Code, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with section 302 or section 311 of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived. No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution. Each amendment may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. MILLER of Florida). The gentleman from Texas (Mr. SESSIONS) is recognized for 1 hour.

Mr. SESSIONS. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

H. Res. 158 is a fair, structured rule providing 1 hour of general debate divided equally between the chairman and ranking member of the Committee on the Judiciary.

The rule waives points of order against consideration of the bill for failure to comply with section 302 of the Congressional Budget Act which prohibits consideration of legislation which exceeds a committee's allocation of new spending authority, or section 311 of the Congressional Budget Act which prohibits consideration of legislation that would cause the total level of new budget authority or outlays in the most recent budget resolution to be exceeded or cause revenues to be less.

□ 1100

The rule provides that it shall be in order to consider as an original bill for the purpose of amendment under the 5-minute rule the amendment in the nature of a substitute recommended by the Committee on the Judiciary now printed in the bill. The rule waives all points of order against the committee amendment in the nature of a substitute and amendments thereto.

The rule makes in order only those amendments printed in the Committee on Rules report accompanying the resolution. The rule provides that amendments made in order may be offered only in the order printed in the report and may be offered only by a Member designated in the report. These amendments shall be considered as read and be debatable for the time specified in the report equally divided and controlled by the proponent and opponent. They shall not be subject to amendment and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

The rule allows for the Chairman of the Committee of the Whole to postpone votes during consideration of the bill and to reduce voting time to 5 minutes on a proposed question if the vote follows a 15-minute vote.

Finally, the rule provides one motion to recommit with or without instructions.

Mr. Speaker, H.R. 833, the Bankruptcy Reform Act of 1999, will fundamentally reform the existing bankruptcy system into a needs-based system. I am proud of the tireless efforts of the House Committee on the Judiciary to address this issue and ensure that our bankruptcy laws operate fairly, efficiently, and free of abuse.

This should not be a controversial issue because Congress has spoken on this issue before. Both the House and the Senate overwhelmingly approved bankruptcy reform legislation last year on a bipartisan basis. Although the measure fell short in the waning days of the 105th Congress because the Senate failed to act on the conference report, the House voted by a veto-proof majority of 300 to 125 to pass very similar legislation last year.

There is great need for this bill now. A record 1.42 million personal bankruptcy filings were recorded in 1998. This is a stunning increase of 500 percent since 1980. Despite an unprecedented time of economic prosperity, unemployment, and rising disposable income, personal bankruptcies are rising, costing over $40 billion in the past year.

Without serious reform of our bankruptcy laws, these trends promise to grow each year, costing businesses and consumers even more in the form of losses and higher costs of credit.

As we debate and vote today, we should keep in mind two important tenets of bankruptcy reform.

First, the bankruptcy system should provide the amount of debt relief needed that an individual needs, no more and no less. Second, bankruptcy should be a last resort and not a first response to a financial crisis.

As a businessman with over 16 years' experience in the private sector and because of many conversations that I have had with leaders, consumers and others who are associated with loan defaults, I am well aware of the problems that are associated with the abuse of our bankruptcy laws.

A record 1.4 million personal bankruptcies were filed last year. That is one out of every 75 households in America. The debts that remained unpaid as a result of those bankruptcies each year cost American families that do pay their bills on time $550 a year in the form of higher cost for credit, goods and services.

Unfortunately, much of the debt that was eventually passed on to the consumers last year was debt that bankruptcy filers could have avoided by simply repaying those bills because they had the ability. That is why it is so important to pass real bankruptcy reform.

Opponents of this bill have tried to divert the discussion away from the merits of the bill and claim that it would make it more difficult for divorced women to obtain child support and alimony payments. However, nothing could be further from the truth. This bankruptcy reform protects the financial security of women and children by giving them a higher priority than under current law.

The legislation closes loopholes that allow some debtors to use the current system to delay or even evade child support and alimony payments. The bill recognizes that no obligation is more important than that of a parent to his or her children.

Currently, child support payments are the seventh priority, behind such things as attorney's fees. Make no mistake about this, H.R. 833 puts women and children first, at the head of the list. We should provide greater protection to families who are owed child support, and this bill will do just that.

The bill also address other problems, including needs-based bankruptcy. The heart of this legislation is a needs-based formula that separates filers into Chapter 7 or Chapter 13 based upon their ability to pay. While many families may face job loss, divorce or medical bills, and therefore legitimately need the protection provided by the Bankruptcy Code, research has shown that some Chapter 7 filers actually have the capacity to repay some of what they owe.

The formula directs into Chapter 13 those filers who earn more than the national median income which is roughly $51,000 for a family of four, if they can pay all secured debt and at least 20 percent of unsecured non-priority debt.

This bill recognizes the need for consumer education and protection. It includes education provisions that will ensure that debtors are made aware of their options before they file for bankruptcy, including alternatives to bankruptcy such as credit counseling. And the bill cracks down on ''bankruptcy mills,'' law firms and other entities that push debtors into bankruptcy without fully explaining the consequences.

I urge my colleagues to support this rule and the underlying legislation.

Madam Speaker, I reserve the balance of my time.

Mr. FROST. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, as an original cosponsor of H.R. 833, I am pleased that this legislation has come to the floor in a timely manner. However, given the fact that this bill as well as the Defense Supplemental are the only major pieces of business this week, I do think that the Republican leadership should have afforded more Members the opportunity to offer amendments to this important and far-reaching legislation.

Madam Speaker, reform of the bankruptcy system in this country is indeed a major initiative. In this decade, the number of personal bankruptcy filings has skyrocketed, more than doubling in the past 8 years and increasing by an astonishing 400 percent since 1980.

Last year, more than 1.43 million Americans filed for personal bankruptcy. This is indeed an alarming trend, and it is especially alarming in light of the fact that the U.S. economy is booming and personal incomes are rising.

While there are certainly more individuals among these numbers who are seeking Chapter 7 bankruptcy relief as a last resort, there are also many in this number who are using the bankruptcy system to escape debts they are capable of paying.

As the gentleman from Illinois (Mr. HYDE) said yesterday in the Committee on Rules, this bill is an attempt to achieve an appropriate balance between debtor and creditor rights. By establishing needs-based bankruptcy standards, this legislation seeks to ensure that those who need a fresh start will be given one but that those consumers who can afford to repay their debts from future income must do so.

While similar legislation was passed overwhelmingly by the House last year, there is still controversy surrounding this bill. The Committee on the Judiciary held 5 days of hearings and markup on this bill and took 28 recorded votes on amendments. In addition, 37 amendments were filed with the Committee on Rules.

Yet, this rule only makes in order 11 amendments, including a manager's amendment and an amendment in the nature of a substitute to be offered by the ranking member of the Subcommittee on Commercial and Administrative Law, the gentleman from New York (Mr. NADLER).

The Nadler substitute retains much of the work of the committee but differs significantly from H.R. 833 by granting local judicial discretion in the determination about whether a debtor appropriately belongs in Chapter 7 or Chapter 13 bankruptcy. The Nadler substitute eliminates the provisions in the committee bill which establish new grounds for making credit card debt non-dischargeable and offers significantly different child support and alimony payment provisions.

Now, before my Republican colleagues jump in and say that this rule provide for 4½ hours of debate on amendments, including 1 hour on the Nadler substitute, as well as 1 hour of general debate in addition to this hour on the rule, let me note for the record two of the amendments which the Republican majority voted to exclude from consideration: first, an amendment offered by the subcommittee ranking member which would have significantly altered the bill's treatment of child support payments; and, second, an amendment by the gentleman from Massachusetts (Mr. DELAHUNT), a member of the Committee on the Judiciary, relating to claims on credit card debt in those cases where the debtor had not been informed of the terms of the account agreement.

These are not insignificant amendments, Madam Speaker, and I believe the House should have the opportunity to discuss these issues. As such, I would urge Members to vote no on the previous question so that these two amendments might be added to the list of amendments that the House will consider today. I cannot buy the argument that just because the House will have 6 hours and some odd minutes of debate on this bill, we do not have time to consider additional amendments.

Madam Speaker, my colleague from Texas (Mr. SESSIONS) has noted that the bill does contain a provision which would allow States to opt out of the homestead exemption cap imposed by the bill. I realize this is a matter of some controversy; but, for the State of Texas, this is an issue of major and fundamental importance. This matter is far from resolved, but I am pleased that two amendments relating to the effective date of the cap, which were imposed by my colleague from Texas (Mr. BENTSEN), were included in the manager's amendment.

Madam Speaker, while it is important that the House proceed to the consideration of this important legislative proposal early in the session, it is still early enough for the House to have a complete debate on this matter. I am a strong supporter of this bill, as are many of my colleagues here in this body. Consideration of a few additional amendments would have only added time to this debate, time which would have given the House the opportunity to fully air the issues that affect consumers across the country.

Madam Speaker, I reserve the balance of my time.

Mr. SESSIONS. Madam Speaker, I yield such time as she may consume to the gentlewoman from Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Madam Speaker, I thank my friend from Texas for yielding me this time.

I rise in support of this fair and balanced rule, which governs consideration of the Bankruptcy Reform Act of 1999.

This rule is very generous to the minority. Madam Speaker, out of 11 amendments the House will have the opportunity to debate and vote upon today, seven are offered by Democrats,

one is bipartisan, and only three are offered by Republicans. All told, the House will have 6½ hours to debate their bill, which is very similar to legislation that passed the House last year by an overwhelming margin of 300 to 125.

Madam Speaker, bankruptcy law is nothing if not complex, but the goals of bankruptcy reform are fairly simple and straightforward. Today, we are seeking to restore the values of personal responsibility and integrity to an abused bankruptcy system.

The unfortunate fact is that bankruptcy is no longer a rare occurrence among many American consumers who today are becoming dangerously comfortable with the concept of credit and debt.

Last year, more than 1.4 million bankruptcy cases were filed. That is a 500 percent increase since 1980. And the case load is growing, even as our country enjoys economic prosperity and low unemployment.

Madam Speaker, we all understand that sometimes unforeseen circumstances, often out of our control, can lead to the financial ruin of an individual, a family or a business. Our bankruptcy laws are designed to help the truly needy, honest citizen when he finds himself in an impossible situation. We all see a societal good in that. That is one of the things that makes this Nation great.

However, when intelligent citizens ignore basic common sense by spending outside of their means, we need to establish a reasonable level of accountability and demand some personal responsibility to protect those who have extended credit to them in good faith.

That is not to say that creditors do not have some lessons to make about poor decision-making and high-risk lending; and there are some steps we take to urge responsible behavior among creditors.

□ 1115

Madam Speaker, through this legislation we are asking individuals who apply for bankruptcy if at all possible to repay their debts to the extent that they are able. The bill sets up a needs-based mechanism to determine how much debtors can reasonably be expected to pay.

This needs-based approach, based on current IRS standards, strengthens existing law to weed out abusers of the system who want all their debts dismissed but actually have the means to pay some of them. These individuals will be directed to a repayment plan so their creditors can collect at least some of what they are owed.

This is a fair approach that will not excuse reckless spending but offers needed relief for those who are in a hopeless situation and need a fresh start to get back on their feet. And I am happy to say that the bill puts alimony and child support at the very top of the list. This bill recognizes that a parent's financial responsibility to his or her child takes priority above all other obligations, and I am pleased to report that Ohio's Attorney General supports the child support provisions of the bill, as do many other attorneys general throughout this Nation who are on the front lines, in the trenches, of child support enforcement and collection.

Decreasing the number of bankruptcies in America requires more than new standards to guide repayments. We also must address the factors that lead to bad spending decisions in the first place. This act helps to educate consumers by requiring credit card companies to disclose the long-term costs of paying only the minimum balance each month.

The bill also directs the Federal Reserve Board to study whether consumers indeed have adequate information about the consequences of borrowing beyond their means. Further, the bill will direct the General Accounting Office to examine whether extending credit to college students is contributing to a large extent to the bankruptcy rate.

By combining these consumer protections with requirements that demand personal responsibility, the Bankruptcy Reform Act strikes a balance between the rights of debtors and creditors. At the same time this bill keeps the safety net in place for honest individuals who are in a hole of debt that they cannot climb out of without a helping hand.

Madam Speaker, I urge my colleagues to support this fair rule and the underlying legislation which will restore some integrity to our bankruptcy laws.

Mr. FROST. Madam Speaker, I yield 5 minutes to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Madam Speaker, I rise in opposition to the rule. Those who support the so-called means test principle and other provisions of this bill say they wish to end the use of the Bankruptcy Code as a financial planning tool for those who would scam the system. Yet they have denied the House the opportunity to end once and for all the most flagrant and notorious abuse of the Bankruptcy Code.

The bill would subject middle-income debtors to elaborate new restrictions. Yet it leaves in place a loophole that allows wealthy debtors to buy expensive homes in one of the handful of States such as Texas or Florida with an unlimited homestead exemption, declare bankruptcy and continue to enjoy a life of luxury while their creditors get little or nothing. If we are truly serious about curtailing abuse of the bankruptcy system, this is the place to start:

With the owner of the failed Ohio S&L who paid off only a fraction of $300 million in bankruptcy claims while keeping his multimillion dollar ranch in Florida. Or with the convicted Wall Street financier who filed bankruptcy while owing billions of dollars in debts and fines but still kept his $3 million beach front mansion. Or the movie actor, Burt Reynolds, who was more than $10 million in debt but kept his $2.5 million home while his creditors received 20 cents on the dollar.

Now, I do not suggest that these abuses happen every day. But every time they occur, they bring the fairness and rationality of the bankruptcy system into disrepute. That is why the National Bankruptcy Review Commission urged Congress to place a uniform national cap on the amount of equity that could be claimed under the homestead exemption.

At subcommittee I offered an amendment to cap the exemption at $250,000. My amendment was adopted by an overwhelming vote but it was not allowed to stand. When the full committee took up the bill, the provision was amended to permit individual States to opt out, in effect returning us to the current law.

Supporters of the opt-out provision argued that a Federal cap on the homestead exemption would violate States rights. This is certainly ironic, Madam Speaker, because by setting the cap at $250,000, we had expressly left in place the lower thresholds in effect in every one of the 45 States that have established a cap of their own. In other words, those 45 States, in effect, will be subsidizing deadbeats in the remaining five States if this bill passes.

To say the Congress should set no cap at all is to say we must stand by while a handful of States undermine the uniform enforcement of a Federal statutory scheme. That is like legislating a Federal income tax and leaving it to the State legislatures to determine what will count as a business deduction.

By refusing to fix this problem, the authors of this bill have revealed the double standards by which they have gone about these so-called reforms. They ask us to perpetuate the current inequities in the treatment of debtors who live in different States, and they ask us to create new inequities in the treatment of debtors of different financial means.

This is unfair, Madam Speaker, and it is poor public policy. I urge my colleagues to oppose this rule.

Mr. SESSIONS. Madam Speaker, I yield such time as he may consume to the gentleman from Ohio (Mr. CHABOT), a member of the Committee on the Judiciary.

Mr. CHABOT. I thank the gentleman for yielding me this time.

Madam Speaker, despite some of the rhetoric on the other side of the aisle, H.R. 833 is a pro-consumer piece of legislation. That is, pro-responsible consumer. H.R. 833 protects individuals

and businesses from having to pick up the tab for irresponsible debtors, some of whom are capable of paying off a significant portion of their debts.

This legislation establishes a clear causal link between a debtor's ability to pay and the availability of Chapter 7 bankruptcy remedies. In other words, it makes those who can afford to pay their debts pay.

There are, of course, some people who truly have a legitimate need to declare bankruptcy. At times, hardworking people come up against extraordinary circumstances. Family illness, disability, or the loss of spouse may necessitate the need to seek relief. H.R. 833 protects these individuals.

Too frequently, however, people who have the financial ability or earnings potential to repay their debts are seeking an easy way out. While this may prove convenient for the debtor, it is not fair to their friends and neighbors who are stuck with their bills. The average American family pays $550 per year in a bad debt tax in the form of higher prices and increased interest rates to cover the economic cost associated with excessive bankruptcy filings.

I am so concerned about the shifting of financial obligations from neighbor to neighbor that I introduced language at the subcommittee level that will relieve at least some of the burden for the 42 million Americans who live in our Nation's cooperatives and condominiums and homeowner associations. With all too much regularity, bankrupt individuals have been abandoning their homes to avoid paying their share of community assessments. Vacant or occupied, the unit continues to receive a wide spectrum of benefits that enhance the inherent value of the property while neighbors are left to pick up the tab through an increase in association fees.

Nationally, consumer bankruptcies reached a record 1.4 million filings in 1997 and are projected to be even higher this year. What makes these numbers significant and particularly alarming is the fact that this trend began in 1994, during a time of solid economic growth, low inflation and low unemployment.

The primary culprit for this dramatic increase is a system that allows consumers to evade personal responsibility for their debts too easily. People who make above the national median income and can afford to pay off a significant portion of their debt should not be allowed to file under Chapter 7 bankruptcy. This bill puts those individuals where they belong, in Chapter 13, where they will be given a generous 5 years to establish a fair repayment plan and get their financial house in order.

Opponents of H.R. 833 are offering a substitute today that will do little or nothing to curb the abuses prevalent in our current system. For instance, the substitute would strike from the bill key provisions that prevent debtors from loading up on credit card debt just before declaring bankruptcy and obtaining a complete discharge of that debt upon filing. These opponents actually think that individuals should not be held responsible for taking huge cash advances and purchasing luxury goods just prior to filing bankruptcy. Unfortunately, this practice has become far too common as more and more individuals have begun using bankruptcy as a financial planning tool.

Madam Speaker, I fully support H.R. 833 and urge my colleagues to do the same and vote ''yes'' for fair and balanced bankruptcy reform.

Mr. FROST. Madam Speaker, I yield 6 minutes to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Madam Speaker, I rise in opposition to this closed rule. Although for the second Congress in a row, the gentleman from Illinois (Mr. HYDE), the chairman of the Committee on the Judiciary, has promised to seek the most open rule possible, this certainly is not it. Of the 37 amendments filed, only 11 were made in order. Of those only four, including the Hyde-Conyers bipartisan amendment, can be said to come from Members who have expressed problems with the bill. Four out of 37.

We will not have a real debate on consumer protection or on requiring creditor as well as debtor responsibility because the Delahunt-LaFalce amendment was not made in order. We will not have a real debate on child and family support—which this bill murders—because my amendment, which was written with the help of the National Women's Law Center and which would have placed debts to the family higher than debts to the government, and would have prevented the government from blocking a Chapter 13 reorganization plan if it provided for payments to family and other creditors but not payment in full in arrears to the government, was not made in order.

We cannot debate those issues. We will not be allowed to vote on whether people who terrorize and murder women and their doctors should be allowed to discharge their civil debts as a result of such terrorist actions. Their civil penalties, should they be able to discharge their penalties in bankruptcy? We had such an amendment, but evidently clinic bombers and people who harass women seeking health care services and who violate the law to push their political agenda have more influence at the Committee on Rules than the bipartisan supporters of this amendment. The gentlewoman from Maryland (Mrs. MORELLA) and I had asked that in a bill which makes drunk boating debts nondischargeable, we could at least have a vote on making debts of clinic bombers nondischargeable.

Madam Speaker, the gentleman from Massachusetts (Mr. DELAHUNT) spoke of the fact that this bill allows the homestead exemption in essence to continue, in some States unlimited. I think it is unfair but that is what the bill does.

But we will not have a vote on my amendment that would have said, well, if you are going to allow States to have an unlimited homestead exemption for the rich, how about requiring that you have at least a limited homestead exemption for the poor? In my own State of New York, the homestead exemption is $9,500. Try to buy a house for $9,500.

□ 1130

The Federal homestead exemption is 16,150, not exactly princely, but we are not going to have a debate or a vote on the amendment that would have said, ''If you're going to allow millionaires to have unlimited homestead exemptions in some States, at least require that all States allow the use of the Federal minimum homestead exemption of $16,000.''

We have to be fair to the rich, but we cannot be fair to the middle income and the poor.

Madam Speaker, this bill hurts families, it hurts businesses, it will increase costs to the system, and it is opposed by most of the Nation's bankruptcy experts.

We will not have a vote on the amendment to stop the provisions of this bill from killing small businesses. That amendment was not made in order.

Many small businesses today, Madam Speaker, go bankrupt, they go into a Chapter 11 reorganization, they are entitled to try to be protected from their debts for a while while they work things out, and then they are saved, and they get on with it, they pay their debts, and a business and jobs are saved.

Some businesses do not make it. They are liquidated.

This bill puts so many new restrictions and burdens on small businesses, not big businesses, small businesses in bankruptcy proceedings, that we are told by the Small Business Administration and by others that it will result in a lot of small businesses that could have been saved going bankrupt.

We had an amendment in committee defeated on a party line vote, an amendment in the committee that said that if the judge makes a finding of fact that imposing those restrictions would cost five or more jobs, the judge would have the discretion not to have these new restrictions on the small business so that the jobs could be saved and the business could be saved. That was voted down. The Committee on Rules thinks we should not have a

chance to debate and vote on that provision on the floor.

Should tractors and other farm implements in a family farm going bankrupt, should those tractors and farm implements be saved to help keep the farm in running order, or must they be surrendered to the government for payment of back taxes?

Madam Speaker, we are not going to have a vote or a discussion of that either because, apparently, the Committee on Rules does not think saving family farms is important, or allowing the farmer in bankruptcy to keep his tractor, or his hoe, or whatever else it may be.

The government's claim comes first, and to heck with the farmers.

This bill, as I said, hurts families, it hurts small businesses, it hurts farmers, it hurts child support collectors, it hurts children, it will increase costs to the system, and it is opposed by most of the Nation's bankruptcy experts. The administration will veto the bill unless it is moderated, and we should support the administration's efforts to negotiate a good bill. That can only happen if we deny the sponsors of this bill the supermajority they need to roll the special interest legislation through unmodified. They have crafted this rule to avoid the really tough issues, so we must insist that those issues be considered today by rejecting the previous question.

If the previous question is rejected, the minority will ask the two amendments be made in order, one which will protect child and spousal support, which the gentlewoman from Texas (Ms. JACKSON-LEE) and I had hoped to offer, and one which would hold credit card lenders accountable and put an end to some of the most abusive practices which would have been offered by the gentleman from Massachusetts (Mr. DELAHUNT) and the gentleman from New York (Mr. LAFALCE). We must defeat the previous question or we will not have an opportunity to consider placing some balance in this bill.

So, Madam Speaker, I urge a no vote on the previous question, on the rule and on the bill.

Madam Speaker, this rule is part of a pattern of silencing debate, of rushing through a bad bill with no serious consideration, a bill which will have implications for many, many years, and this rule deserves to be defeated.

Mr. SESSIONS. Madam Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. LINDER), who is subcommittee chairman of the Subcommittee on Rules and Organization of the House.

Mr. LINDER. Madam Speaker, I thank the gentleman for yielding this time to me.

Madam Speaker, I rise in strong support of H. Res. 158, a fair, structured rule for consideration of the Bankruptcy Reform Act of 1999.

The Committee on Rules has done its best to accommodate Members who filed amendments with the committee. As has been stated, we have been more than fair in permitting seven Democrat amendments, three Republican amendments and one bipartisan amendment. We faced numerous amendments in the Committee on Rules, and we did our best to allow an open debate on most key issues in dispute.

On the substance of the bill, the statistics on U.S. bankruptcy filings are frightening. Bankruptcies have increased more than 400 percent since 1980. In the past, it was possible to blame many bankruptcies on recessions or poor economic situation. Today, however, we face record numbers of bankruptcy filings at a time of economic growth and low unemployment.

If we take these factors into account, we can realistically come to only one conclusion: bankruptcies of convenience have provided a loophole for those who are financially able to pay their debts but simply have found a way to avoid personal responsibility and escape their financial responsibilities.

This bill is a continuation of our efforts to advance the values of personal responsibility. In the welfare bill, we thought that helping the poor escape the welfare trap, restoring the dignity of work and reviving individual responsibility would help people rise from generation after generation of despair. This bankruptcy bill is the Congress' next step in cultivating personal responsibility and accountability.

I expect that we will hear more hollow charges that we are being heartless and cruel. Nonetheless, the abusers of the bankruptcy laws need to receive a message that Federal bankruptcy laws are not a haven for personal fiscal irresponsibility. If a debtor has the ability to pay the debts that have been accumulated, then they must be held accountable.

Under this bill, effective and compassionate bankruptcy relief will continue to be available for Americans who need it. But we cannot condone, however, those who file for bankruptcy relief under Chapter 7 and have the capacity to pay at least some of their debts. In order to ensure that those who can pay actually do pay, this legislation set in motion a needs-based mechanism.

The gentleman from Pennsylvania (Mr. GEKAS) and the Committee on the Judiciary have done their legislative duty in crafting a bill that ensures the debtor's rights to a fresh start and protects the system from flagrant abuses from those who can pay their bills. This is a great opportunity to equalize the needs of the debtor and the rights of the creditor.

Madam Speaker, I urge my colleagues to support this rule so that we may pass this important legislation.

Mr. FROST. Madam Speaker, I yield 3 minutes to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Madam Speaker, I thank the gentleman for yielding time.

I rise in opposition to the rule. I have concerns about the bill, but I will reserve a discussion of those concerns for the debate on the bill. But my concerns are about the rule itself and the terms under which we will conduct this debate.

Here is the copy of the bill that we are considering today. It is 314 pages long.

Here is a list of the amendments that have been offered to this bill that Members of this House would like to offer as amendments to this major important piece of legislation. There are 37 amendments, proposed amendments, on this list. The Committee on Rules decided that it would make in order only 11 of those amendments.

Now one of those 11 is an amendment by the manager who has had this bill under his control from the very day it was filed. So for all practical purposes the Committee on Rules has seen fit to allow only 10 other Members to offer amendments on this important bill, and so we cannot have a full and fair and democratic debate and allow our constituents to bring their concerns about the content of this bill to the floor of the House.

Madam Speaker, that is really what this rules debate is about. Some of the amendments that were not made in order by the Committee on Rules were amendments that were voted on in the Committee on the Judiciary, on which I sit, and the Committee on the Judiciary divided half and half. There are three of those amendments on the list, and we did not even have an affirmative opinion of the Committee on the Judiciary members about whether those were good or bad amendments, and now we cannot bring those amendments to the floor of the House and have a full and fair debate among our colleagues to allow all of the members to work their will on those amendments.

So in a sense this debate on the rule is about what rights we have as Members of this House to have our voices heard and have the voices of our constituents heard on important legislation.

Three hundred and some pages long; only 10 amendments.

Mr. SESSIONS. Madam Speaker, I yield 3 minutes to the gentleman from Pennsylvania (Mr. GEKAS), the subcommittee chairman of the Subcommittee on Commercial and Administrative Law.

Mr. GEKAS. Madam Speaker, we say that we are happy with the crafting by the Committee on Rules of the procedure by which this debate will go forward. We should all be happy with it

because it reflects in a grand way the bipartisan manner in which this entire issue was promulgated from the start.

In the last term the cosponsorship alone of a vehicle in that stage of these proceedings was substantially bipartisan. The votes that were undertaken, both in the House and in the general debate and then later in the conference report, reflected a gigantic bipartisan vote, 300 votes plus. By any measure, that turns out to be bipartisan.

Now when we reintroduced the bill this year, it has, still does have, substantial numbers of the minority as part of the cosponsorship. It is, indeed, a bipartisan vehicle in this term that we are visiting.

On top of that, in the hearings that were held, some eight of them by the subcommittee and with over 70 witnesses to supplement the some 50 or 60 witnesses that we had last term, all of them gave testimony from which was drawn here and there special features which we put into the bill showing not just bipartisanship thus far but nonpartisanship; that is, drawing from the witnesses' actual phraseology and suggestions that became part of this bill. That makes it a balanced, well-apportioned bill from a policy standpoint and from a partisan standpoint, if we want to allow it to be described as that.

On top of that, in the subcommittee we adopted proposals made by the minority. We did so in the full committee on the basis of assertions and offerings made by the minority.

So some of the provisions that are in this bill already are born of the opposite view side that expressed itself during the subcommittee and the full committee markups.

This is a balanced bill in many, many respects, in most all respects. What the Committee on Rules did in crafting this particular rule was to patiently reflect that bipartisanship, that balanced approach. Our colleagues' voices have been heard already in subcommittee and full committee in many different ways. They have been heard through their cohorts who have cosponsored this bill, and the final outcome will be a bipartisan one.

Mr. FROST. Madam Speaker, I yield 3 minutes to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Madam Speaker, I rise today in support of H. Res. 158, the rule providing for consideration of H.R. 833, the bankruptcy reform legislation.

While I am supportive of the rule, I want to compliment my colleague from Texas (Mr. FROST) and my colleague from Texas (Mr. SESSIONS) for their assistance in allowing the manager's amendment to include two amendments which I had brought before the Committee on Rules yesterday.

□ 1145

I am concerned that this bill in particular, the underlying bill that we are going to consider later today if the rule is adopted, the bill includes section 147, which would establish a new Federal standard for homestead exemptions, which I believe is both unnecessary and unfair.

It includes two provisions, one which would require a resident to reside in their homestead for 2 years before they can enjoy protections afforded by State law, and it would prohibit them from transferring assets into their homestead during that period.

Additionally, the bill, during consideration of the bill in the full committee two more amendments were added, one which would supersede State homestead laws and overturn more than 200 years of precedent of allowing States the right to make determinations about what property can be exempted under bankruptcy filings.

The first amendment added a new provision that would cap the amount of equity that a consumer can protect during a bankruptcy at $250,000. This would affect the States of Texas, Florida, Kansas, Minnesota, Oklahoma and South Dakota.

Now, the second amendment, which was a compromise, would allow States to opt out of this new Federal standard. While I appreciate that this provision will provide States with an opportunity to preserve their State homestead laws, I am concerned that the opt-out provision raises new problems.

In particular, those States where the legislatures meet only periodically, homeowners would be subject to this new cap until the next legislative session. For instance, in the State of Texas our session ends on May 30 this year and does not meet again until January of 2001.

The Committee on Rules yesterday agreed to accept the second Bentsen amendment which would make the date of enactment of the cap at the end of the next legislative session of the State, and for that I am appreciative.

The third amendment that I offered, which the committee accepted and put in the manager's amendment, would allow States to prospectively opt out of the homestead cap prior to the bill being enacted in law.

I want to commend the Members of the committee for accepting these amendments. I think it is appropriate. Again, there is no empirical evidence of abuse or any problem, substantial problems, with the homestead laws as the States have designed them. This is something that has been left up to the States. It is their prerogative and we ought to continue it that way.

I would just say in the State of Texas our homestead laws go back prior to Texas becoming part of the Union, when we were a Republic. It has been in the State constitution since we have been a State. It is something that ought to be left up to the State of Texas. This is supported by Governor Bush, our current Lieutenant Governor Perry and the Speaker of the House Pete Laney.

I encourage my colleagues to vote to adopt the rule and the manager's amendment.

Mr. SESSIONS. Madam Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. BRYANT), who is the vice chairman of the Subcommittee on Commercial and Administrative Law.

Mr. BRYANT. Madam Speaker, I want to just add an echo to what our chairman, the gentleman from Pennsylvania (Mr. GEKAS), said about the rule. I think it is a very good rule in this case. This bill itself, H.R. 833, is a product of a number of years of work, including last session up to the point of actually getting a conference report, an agreement on a bankruptcy bill, together with the renewed debate this year in this Congress in the full committee, something like 5 or 6 days of debate, healthy debate on the merits and some would say lack of merits of this bankruptcy reform bill.

H.R. 833 is a necessary bill, and this is a good rule to support to move that bill forward. H.R. 833 restores fairness and common sense and personal responsibility to a bankruptcy code that, in many ways, is out of control. Current bankruptcy filings are about triple the level of the early 1980s, when the rates of interest and unemployment were significantly higher than today.

In other words, even in the robust economy that we are living in today, bankruptcies are more than triple what they were in past times. To make the situation worse, many of the petitioners who file under Chapter 7, which is the straight bankruptcy, doing away with all the debts provision, many of these are simply walking away without any responsibility for any of their debts. This, despite the fact that many have the ability to repay at least a portion of the debts they owe.

It is because of these figures and trends that this reform is needed to handle the increasing number of petitions.

This bill also creates a way to determine the amount of relief a debtor needs, and requires individuals to repay what they can. There is a formula it establishes there.

Under the compromise between the House and Senate versions of this bill last year, this legislation combines the best aspects of both the approaches of this means testing, a bright line standard for measuring the repayment capacity and preserving the right of a debtor in bankruptcy to have a judge review its case if there are unique circumstances that can be taken into account.

The bill also establishes child support and alimony priorities. The bill significantly improves current law by

raising child support and alimony payments to the first priority in a bankruptcy proceeding, thus putting the needs of the family and children where they belong, ahead of others.

In addition, after bankruptcy, the bill requires all child support and alimony obligations to be paid before unsecured debt. There is also a debtor's bill of rights. This protects consumers from law firms and other entities that might inappropriately steer consumers into filing bankruptcy petitions without adequately informing them of the other options that may be available to them.

This is sound legislation. It offers protection to both the debtors and creditors. I very much appreciate the efforts of our chairman, the gentleman from Pennsylvania (Mr. GEKAS), and other colleagues who are helping move this bill along. Again, I would urge my colleagues to vote for this rule and later on for the bill as it moves forward.

Mr. FROST. Madam Speaker, I yield 2 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Madam Speaker, this legislation and the underlying rule, the rule that we are addressing right now, have the capacity of being a bipartisan piece of legislation.

I remind my colleagues that when we reformed the Bankruptcy Code in the 1970s we took 5 years, and I think we had a legislative initiative that lasted until this time, 1999. I am concerned about this rule because I think we would have been better off if we had maintained or had an open rule to answer some of the concerns that many of us have expressed.

I am delighted to see the Hyde-Conyers amendment that alters the very mean-spirited means test, which the Bankruptcy Review Commission did not support itself, because the means test provides a difficult hurdle for debtors who are truly suffering from catastrophic illnesses and other unfortunate times that would result in them filing for bankruptcy. It is an enormous hurdle for them to overcome.

In addition, the Committee on Rules did not allow an amendment that I proposed that would take out Social Security income in the accounting for current monthly income. So that means, for example, Madam Speaker, that in fact one would have the Social Security as a part of determining whether or not they would move from Chapter 13 to Chapter 7. At the same time, they did not protect those individuals who would sue HMOs for fraudulent activities, to protect against the HMOs filing for bankruptcy.

The other portion, Madam Speaker, that I think is extremely important, I am grateful for the amendment we had in committee that dealt with the homestead issue in the State of Texas, where at least we have the ability to opt out. I certainly join in the fact that that has helped the State of Texas by the Bentsen amendments, in that now they can opt out as opposed to waiting until the bill's enactment.

But we would have done better if we had allowed this bill to be an open rule, because even with some of the amendments we have not yet answered the full question dealing with the child support, which really still raises its ugly head inasmuch as we still have the custodial parent, male or female, fighting the government in order to get child support payments.

I think this rule could have been improved. I think we should vote ''no'' on this rule, and I wish we had committed ourselves to an open discussion by having an open rule.

Madam Speaker, I rise today to speak against this rule, which frames the debate on H.R. 833, the Bankruptcy Reform Act of 1999. In my estimation, the modified closed rule that has been recommended by the Committee merely gives us another instance in which House leadership has steam-rolled a bill, filled with perks for corporate America, through the House in the name of ''reform''. I would like to tell you, this bill in no way reforms bankruptcy, rather, it merely changes the rules of the game so that consumers will be even more helpless to defend themselves from multi-million dollar creditors practicing unhealthy and reckless lending practices.

As a Member of the Judiciary Committee, I have been privileged enough to watch the development of this bill from its inception. I have seen the bill undergo no substantial changes after a week and a half of markups. I have seen meaningful amendments promoted by the Chairman of the Committee rebuffed by the Members of his own party. I have seen the good work of many of my Democratic colleagues be summarily dismissed.

Having just come out of Committee just this Tuesday, I remember the votes well. I remember the Republicans saying no to an amendment I offered to protect the recipients of federal disaster assistance. A vote saying no to the recipients of Social Security. A vote saying no to children who receive child support. A vote saying no to veterans. And all the while, the Republicans were quick to cast their votes to protect tobacco companies that are poisoning our children. They voted to protect credit card companies from reasonable reporting requirements that would have been required under an amendment offered by Congressman DELAHUNT. They moved the bill along despite an amendment I would have offered that would have held HMOs and other managed care entities responsible in cases where they have committed fraud.

Even worse, this bill has been moved along without its inspection by the Banking and Financial Services Committee. This is true even though this bill touches and concerns issues that directly relate to the practices employed by lenders and creditors of all sorts.

And now here we are today debating the rule of debate for this bill. It is a bill that limits amendments, which is unacceptable for a bill this far-reaching. Furthermore, it is a rule that omitted a great number of important amendments that were presented to the Rules Committee yesterday. Those include amendments that would have allowed the exclusion of social security from ''current monthly income'', thereby making bankruptcy less onerous to our seniors, and one which would have kept tobacco companies from manipulating the bankruptcy system.

Other very good and important amendments were also left at the table, such as the Nadler-Morella Amendment that would have gone after those terrorists that intentionally utilize the bankruptcy system to protect them from liability when they bomb women's health clinics. We will also not get to discuss any of the amendments that would have removed the new protections available to credit card companies under this bill when they engaged in reckless lending. This is not the way that we should proceed on this bill, and therefore, I urge my colleagues to vote against this rule.

Debate on this bill should be focused squarely on the issues that hurt it the most, so that it can be improved to a level where we can all vote for it. As reported by the Congressional Research Service, this bill is opposed by Public Citizen, the Consumer's Union, the AFL–CIO, the Consumer Federation of America, UAW, UNITE, the National Partnership, the American Association of Retired Persons (AARP), and the National Women's Law Center. How can we move forward without addressing any of the issues that these groups are clamoring about? How can we ignore amendments aimed squarely at improving the way this bill handles domestic support, or social security, or credit counseling?

Thankfully, the rule does provide for a Democratic Substitute to this bill being offered by Congressmen CONYERS, NADLER, and MEEHAN. This will give many of us the opportunity to vote for a bill that truly reforms bankruptcy without destroying its very principles. That substitute provides a realistic means test that takes into account the debtor's actual income and expenses; modifies the child support provisions in this bill to take away the new special rights given to credit-card companies; requires credit card lenders to provide the necessary information to its customers that they need to make informed decisions about their finances; and eliminates the new grounds for making credit card debts nondischargeable. We ought to pass this substitute if we are going to have a real bankruptcy reform, and I ask each of you to support it when it comes to a vote later this afternoon.

Even then, I hope that every Member will vote against this rule, and send it back to the Rules Committee so that we can have a meaningful debate on the issues that will make this a bill worthy of being signed into law.

Mr. SESSIONS. Madam Speaker, I yield 2 minutes to the gentleman from Orlando, Florida (Mr. MCCOLLUM), the chairman of the Subcommittee on Crime.

Mr. MCCOLLUM. Madam Speaker, I thank the gentleman from Texas (Mr. SESSIONS) for yielding me this time.

Madam Speaker, I rise today to support the rule and the underlying bill. I

think what is important for us to understand as we consider this bankruptcy bill today is that the heart of this bill is needs-based reform. It needs to be kept as strong as possible.

What is needs-based reform? It is simple. If someone can reasonably repay some of their debts, they should. Does this mean the debtor cannot declare bankruptcy? Not at all. It only means that the debtor has to use Chapter 13 to repay some debt if he can afford to do it, rather than Chapter 7.

Let me make it clear. If someone is in Chapter 13, they are in bankruptcy. The needs-based test does not affect their ability to declare bankruptcy. The needs-based test asks can a person reasonably repay some of their debts while they are in bankruptcy.

How does the test determine what is reasonable? We do the obvious and compare the debtor's income with other debts and living expenses, and if the debtor has a little income and a lot of debt the needs-based test will not affect them.

For those who suffer catastrophic illness or lose their jobs or experience other catastrophic events, this reform will not affect them, but those who can afford to pay back their debt, it will affect them.

Many, unfortunately, are using the Bankruptcy Code for financial planning or mere convenience. It will affect upper-income individuals who declare bankruptcy not because they have to but because they want to. Even for these folks, they will still be able to declare bankruptcy but they will have to repay some of their debt, what they can.

This is such common sense that many Americans think this is already the way the bankruptcy system works, but it does not work that way and that is why we are here today, to restore integrity and responsibility and common sense to the system.

Why should Americans care? Because bankruptcy will cost our Nation more than $50 billion in 1998 alone. That translates into over $550 for every household in higher costs for goods and services and credit. It hurts responsible consumers who pay the price in the form of higher costs for goods, services and credit.

Bankruptcies have increased about 400 percent since 1980. Last year there were more than 1.4 million filings. That is more than one bankruptcy in every 100 American households. This rate of increase is occurring not in the midst of a recession but during what are by all accounts great economic times. From 1986 to the present time, real per capita annual disposable income grew by over 13 percent but personal bankruptcies more than doubled.

We need to have this bankruptcy reform. We need the needs-based reform. We need to adopt this rule and get on with the bill today.

Mr. FROST. Madam Speaker, I yield 2½ minutes to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Madam Speaker, I have supported this bankruptcy legislation in the past. I believe that it is important to exercise personal responsibility. There have been some abuses of the system. While the bill was not perfect and needed further perfection, I thought it was generally in the right direction.

I am troubled about the bill, however, in its form today, because while most of the focus has been on individuals who did not engage in personal responsibility, there have also been instances in this country of corporate citizens who did not demonstrate any sense of responsibility. Indeed, since the consideration of this bill in the last session, I was particularly troubled by the problem of Dorothy Doyle.

I do not know Dorothy but I have read some of her plight. I know that she is not the only one who suffered from this situation. Dorothy is an 87-year-old widow, a retired Pentagon secretary, who required about $240 a day in nursing care because of her physical condition. Fortunately for her, her younger sister decided that there was a solution to her problems and that together they would purchase a continuing care living arrangement, and they did that.

They moved into the Park Regency Retirement Center out in Scottsdale, Arizona, and they invested a substantial amount of their life savings and received, in turn, a lifetime guarantee. Within 9 months of paying their entrance fees, they were faced with a meeting in the dining room at the Park Regency where the owner declared that he had lost a lot of money in his offshore investments and that he was filing for bankruptcy.

Well, Dorothy and her sister Creta, like a number of other seniors who have invested their lifetime savings in these facilities, of which there are some 2,700 across the country, found themselves in a situation where they had no good remedy.

□ 1200

They had advanced this money as an interest-free loan to get into the facility, their life's savings, and they were unsecured creditors.

So to address the plight of Dorothy and Creta and other seniors across the country, I advanced an amendment that simply says, let us treat them as priority creditors. Let us recognize that if someone has invested their life's savings in an effort to try to get the health care and the nursing care that they need in our society, that they deserve some protection also.

Unfortunately, the Committee on Rules decided to not make that amendment in order. Apparently responsibility does not apply to everyone, does not apply to such irresponsible corporate citizens. I would urge a vote against the rule.

Mr. FROST. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I urge Members to vote no on the previous question. If the previous question is defeated, I will offer an amendment to the rule that will make in order two amendments.

The first amendment would be the Nadler/Jackson-Lee amendment, that addresses treatment of child support payments in bankruptcy.

The second amendment would be the Delahunt/LaFalce/Watt/Roybal-Allard amendment, which would disallow bankruptcy claims for consumer credit card debt if, at the time of solicitation to open an account, the debtor was not informed in writing of certain disclosure factors.

These amendments were offered in the Committee on Rules last night and, unfortunately, were defeated on a party-line vote. Madam Speaker, these are important amendments and deserve to be considered by the entire House.

Madam Speaker, this vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's Precedents of the House of Representatives, (VI, 308–311) describes the vote on the previous question on the rule as "a motion to direct or control the consideration of the subject before the House being made by the Member in charge." To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that "the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition" in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: "The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition."

Because the vote today may look bad for the Republican majority they will say "the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever." But that is not what they have always said. Listen to the Republican Leadership Manual on the Legislative Process in the United States House of Representatives, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual:

Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for

the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment.''

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues:

Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

The vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda to offer an alternative plan.

Madam Speaker, I include for the RECORD the text of the amendment and extraneous materials.

The material referred to is as follows:

PREVIOUS QUESTION ON H. RES. 158—H.R. 833—BANKRUPTCY REFORM ACT

At the end of the resolution add the following new sections:

''Sec. 2. Notwithstanding any other provision of this resolution, it shall be in order to consider the amendments specified in section 3 of this resolution as though they were after the amendment numbered 11 in House Report 106–126. The amendment numbered 12 may be offered only by Representative Nadler or Representative Jackson-Lee or a designee and shall be debatable for 30 minutes. The amendment numbered 13 may be offered only be Representative Delahunt or Representative LaFalce or Representative Watt or Representative Roybal-Allard or a designee and shall be debatable for 40 minutes.

''Sec. 3. The amendments described in section 2 are as follows:

AMENDMENT TO H.R. 833, AS REPORTED; OFFERED BY MR. NADLER OF NEW YORK

Page 15, strike lines 18 and 19, and insert the following (and make such technical and conforming changes as may be appropriate):

not otherwise a dependent, but excludes—

''(A) payments to victims of war crimes or crimes against humanity; and

''(B) payments received in satisfaction of a domestic support obligation;'';

Beginning on page 81, strike line 15 and all that follows through line 10 on page 82 (and make such technical and conforming changes as may be appropriate).

Beginning on page 83, strike line 1 and all that follows through line 7 on page 84 (and make such technical and conforming changes as may be appropriate).

Beginning on page 86, strike line 1 and all that follows through line 7 on page 90, and insert the following (and make such technical and conforming changes as may be appropriate):

**SEC. 140. DEFINITION OF DOMESTIC SUPPORT OBLIGATION.**

Section 101 of title 11, United States Code, is amended—

(1) by striking paragraph (12A); and

(2) by inserting after paragraph (14) the following:

(14A) 'domestic support obligation' means a debt that accrues before or after the entry of an order for relief under this title that is—

''(A) owed to or recoverable by—

''(i) a spouse, former spouse, or child of the debtor or that child's legal guardian; or

''(ii) a governmental unit;

''(B) in the nature of alimony, maintenance, or support (including assistance provided by a governmental unit) of such spouse, former spouse, or child, without regard to whether such debt is expressly so designated;

''(C) established or subject to establishment before or after entry of an order for relief under this title, by reason of applicable provisions of—

''(i) a separation agreement, divorce decree, or property settlement agreement;

''(ii) an order of a court of record; or

''(iii) a determination made in accordance with applicable nonbankruptcy law by a governmental unit; and

''(D) not assigned to a nongovernmental entity, unless that obligation is assigned voluntarily by the spouse, former spouse, child, or parent solely for the purpose of collecting the debt.''.

**SEC. 141. REQUIREMENTS TO OBTAIN CONFIRMATION AND DISCHARGE IN CASES INVOLVING DOMESTIC SUPPORT OBLIGATIONS.**

Title 11, United States Code, is amended—

(1) in section 1129(a), by adding at the end the following:

''(14) If the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order or statute for such obligation that first become payable after the date on which the petition is filed.'';

(2) in section 1325(a)—

(A) in paragraph (5), by striking ''and'' at the end;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order for such obligation that become payable after the date on which the petition is filed.''; and

(3) in section 1328(a) in the matter preceding paragraph (1), by inserting '', after a debtor who is required by a judicial or administrative order to pay a domestic support obligation certifies that all amounts payable under such order that are due on or after the date the petition was filed have been paid, and after a debtor who is required by a judicial or administrative order to pay a domestic support obligation, certifies that all amounts payable under such order that are due before the date on which the petition was filed if such amounts are due solely to a spouse, former spouse or child of the debtor or the parent of such child pursuant to a judicial or administrative order, unless the holder of such claim agrees to a different treatment of such claim'' after ''completion by the debtor of all payments under the plan''.

**SEC. 142. EXCEPTIONS TO AUTOMATIC STAY IN DOMESTIC SUPPORT OBLIGATION PROCEEDINGS.**

Section 362(b) of title 11, United States Code, as amended by sections 104 and 606, is amended—

(1) amending paragraph (2) to read as follows:

''(2) under subsection (a)—

''(A) of the commencement or continuation of an action or proceeding for—

''(i) the establishment of paternity as a part of an effort to collect domestic support obligations; or

''(ii) the establishment or modification of an order for domestic support obligations; or

''(B) the collection of a domestic support obligation from property that is not property of the estate; or

''(C) under subsection (a) of—

''(i) the withholding of income for payment of a domestic support obligation pursuant to a judicial or administrative order or statute for such obligation that first becomes payable after the date on which the petition is filed; or

''(ii) the withholding of income for payment of a domestic support obligation owed directly to the spouse, former spouse or child of the debtor or the parent of such child, pursuant to a judicial or administrative order or statute for such obligation that becomes payable before the date on which the petition is filed unless the court finds, after notice and hearing, that such withholding would render the plan infeasible;'';

(2) in paragraph (19), by striking ''or'' at the end;

(3) in paragraph (20), by striking the period at the end and inserting a semicolon; and

(4) by inserting after paragraph (20) the following:

''(21) under subsection (a) with respect to—

''(A) the withholding, suspension, or restriction of drivers' licenses, professional and occupational licenses, and recreational licenses pursuant to State law, as specified in section 466(a)(16) of the Social Security Act (42 U.S.C. 666(a)(16)) or with respect to the reporting of overdue support owed by an absent parent to any consumer reporting agency as specified in section 466(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7)) if such debt is payable solely to a spouse, former spouse or child of the debtor or the parent of such child pursuant to a judicial or administrative order or statute, unless the holder of such claim agrees to waive such withholding, suspension or restriction;

''(B) the interception of tax refunds, as specified in sections 464 and 466(a)(3) of the Social Security Act (42 U.S.C. 664 and 666(a)(3)) if such tax refund is payable solely to a spouse, former spouse or child of the debtor or the parent of such child pursuant to a judicial or administrative order or statute; or

''(C) the enforcement of medical obligations as specified under title IV of the Social Security Act (42 U.S.C. 601 et seq.).''.

**SEC. 143. EXEMPTION FOR RIGHT TO RECEIVE CERTAIN ALIMONY, MAINTENANCE, OR SUPPORT.**

Section 522(b)(3) of title 11, United States Code, as so redesignated and amended by sections 115 and 203, is amended—

(1) in subparagraph (C) by striking ''and'' at the end,

(2) in subparagraph (D) by striking the period at the end and inserting ''; and'', and

(3) by inserting after subparagraph (D) the following:

''(E) the right to receive—

''(i) alimony, maintenance , support, or property traceable to alimony, maintenance , support; or

''(ii) amounts payable as a result of a property settlement agreement with the debtor's spouse or former spouse; or of an interlocutory or final divorce decree;

to the extent reasonably necessary for the support of the debtor or a dependent of the debtor.''.

**SEC. 144. AUTOMATIC STAY INAPPLICABLE TO CERTAIN PROCEEDINGS AGAINST THE DEBTOR.**

Section 362(b)(2) of title 11, United States Code, as amended by section 144, is amended—

(1) in subparagraph (A) by striking ''or'' at the end;

(2) by inserting after subparagraph (B) the following:

''(C) the commencement or continuation of a proceeding concerning a child custody or visitation;

''(D) the commencement or continuation of a proceeding alleging domestic violence; or

''(E) the commencement or continuation of a proceeding seeking a dissolution of marriage, except to the extent the proceeding concerns property of the estate;''.

**SEC. 145. CERTAIN POSTDISCHARGE PAYMENTS HELD IN TRUST.**

Section 523 of title 11, United States Code, is amended by adding at the end the following:

''(f) A creditor that receives a payment, or collects money or property, in satisfaction of all or part of any debt excepted from discharge under paragraphs (2) and (14A) of section 523(a) of this title shall hold such payment, such money, or such property in trust and, not later than 20 days after receiving such payment or collecting such money or property, shall distribute such payment, such money, or such property ratably to individuals who then hold debts in the nature of a domestic support obligation. Not later than 5 years after receiving such payment or collecting such money or property, such creditor shall make the distribution required by this section to all individuals whose identity is known to such creditor, or is reasonably ascertainable by such creditor, at the time of distribution.''.

---

AMENDMENT TO H.R. 833, AS REPORTED; OFFERED BY MR. DELAHUNT OF MASSACHUSETTS, MR. LAFALCE OF NEW YORK, MR. WATT OF NORTH CAROLINA, AND MS. ROYBAL-ALLARD OF CALIFORNIA

Page 101, after line 9, insert the following (and make such technical and conforming changes as may be appropriate):

**SEC. 154. DISCOURAGING RECKLESS LENDING PRACTICES.**

(a) LIMITING CLAIMS ARISING FROM IRRESPONSIBLE LENDING PRACTICES.—Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8) by striking ''or'' at the end,

(2) in paragraph (9) by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(10) the claim is for a consumer debt under an open end credit plan (as defined in section 103 of the Truth in Lending Act) and before incurring such debt under such plan the debtor was not informed in writing in a clear and conspicuous manner (or in the case of a worldwide web-based solicitation to open a credit card account under such plan, at the time of solicitation by the person making the solicitation to open such account)—

''(A) of the method of determining the required minimum payment amount, if a minimum payment is required that is different from the amount of any finance charge, and the charges or penalties, if any, which may be imposed for failure by the obligor to pay the required finance charge or minimum payment amount;

''(B) of repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

''(i) the required minimum monthly payment on that balance, represented as both a dollar figure and a percentage of that balance;

''(ii) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that current balance if the consumer pays only the required minimum monthly payments and if no further advances are made;

''(iii) the total cost to the consumer, including interest and principal payments, of paying that balance in full if the consumer pays only the required minimum monthly payments and if no further advances are made; and

(iv) the following statement: 'If your current rate is a temporary introductory rate, your total costs may be higher.';

''(C) of the method for determining the required minimum payment amount to be paid for each billing cycle, and the charge or penalty, if any, to be imposed for any failure by the obligor to pay the required minimum payment amount;

''(D) of any charge that may be imposed due to the failure of the obligor to make payment on or before a required payment due date, the date that payment is due or, if different, the date on which a late payment fee will be charged, and that the terms and conditions of such charge will be stated prominently in a conspicuous location on each billing statement, together with the amount of the charge to be imposed if payment is made after such date;

''(E) in any application or solicitation for a credit card issued under such plan that offers, during an introductory period of less than 1 year, an annual percentage rate of interest that—

''(i) is less than the annual percentage rate of interest which will apply after the end of such introductory period, of such rate in a statement that includes the following: 'The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate which will apply after the end of the introductory period. The permanent annual percentage rate will apply after [insert applicable date] and will be [insert applicable percentage rate].' ; or

''(ii) varies in accordance with an index, which is less than the current annual percentage rate under the index which will apply after the end of such period, of such rate in a statement that includes the following: 'The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate which will apply after the end of the introductory period. The permanent annual percentage rate will be determined by an index and will apply after [insert date]. If the index which will apply after such date were applied to your account today, the annual percentage rate would be [insert applicable percentage rate].' ;

''(F) in the case of any credit card account issued under such plan, that a creditor may not impose a fee based on inactivity for the account during any period in which no advances are made if the obligor maintains any outstanding balance and is charged a finance charge applicable to such balance;

''(G) that a credit card may not be issued to or on behalf of, any individual who has not attained 21 years of age except in response to a written request or application to the card issuer to open a credit card account containing—

''(i) the signature of the parent or guardian of such individual indicating joint liability for debts incurred by such individual in connection with the account before such individual reaches the age of 21; or

''(ii) a submission by such individual of financial information indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account;

''(H) that no creditor may cancel an account, impose a minimum finance charge for any period (including any annual period), impose any fee in lieu of a minimum finance charge, or impose any other charge or penalty with regard to such account or credit extended under such account solely on the basis that any credit extended has been repaid in full before the end of any grace period applicable with respect to the extension of credit, but may impose a flat annual fee which may be imposed on the consumer in advance of any annual period to cover the cost of maintaining a credit card account during such annual period without regard to whether any credit is actually extended under such account during such period, or the actual finance charge applicable with respect to any credit extended under such account during such annual period at the annual percentage rate disclosed to the consumer in accordance with this title for the period of time any such credit is outstanding;

''(I) that no increase in any annual percentage rate of interest (other than an increase due to the expiration of any introductory percentage rate of interest or due solely to a change in another rate of interest to which such rate is indexed) applicable to any outstanding balance of credit under such plan may take effect before the beginning of the billing cycle which begins not less than 15 days after the obligor receives notice of such increase;

''(J) that if an obligor referred to in subparagraph (I) cancels the credit card account before the beginning of the billing cycle referred to in such paragraph—

''(i) an annual percentage rate of interest applicable after the cancellation with respect to such outstanding balance on such account as of the date of cancellation may not exceed any annual percentage rate of interest applicable with respect to such balance under the terms and conditions in effect before the increase referred to in subparagraph (I); and

''(ii) the repayment of such outstanding balance after the cancellation shall be subject to all other terms and conditions applicable with respect to such account before the increase referred to in such paragraph;

''(K) that obligor has the right—

''(i) to cancel the account before the effective date of the increase; and

''(ii) after such cancellation, to pay any balance outstanding on such account at the time of cancellation in accordance with the terms and conditions in effect before the cancellation;

''(L) that a creditor may not provide the obligor with any negotiable or transferable instrument for use in making an extension of credit to the obligor for the purpose of making a transfer to a third party, unless the creditor has with respect to such instrument provided to an obligor, at the same time any such instrument is provided, a notice which prominently and specifically describes—

''(i) the amount of any transaction fee which may be imposed for making an extension of credit through the use of such instrument, including the exact percentage rate to

be used in determining such amount if the amount of the transaction fee is expressed as a percentage of the amount of the credit extended; and

''(ii) any annual percentage rate of interest applicable in determining the finance charge for any such extension of credit, if different from the finance charge applicable to other extensions of credit under such account; and

''(M) that a creditor may not impose any fees on the obligor for any extension of credit in excess of the amount of credit authorized to be extended with respect to such account if the extension of credit is made in connection with a credit transaction which the creditor approves in advance or at the time of the transaction.''.

(b) DEFINITION.—Section 101 of title 11, United States Code, is amended by inserting after paragraph (9) the following:

''(9A) 'credit card' includes any dual purpose or multifunction card, including a stored-value card, debit card, check card, check guarantee card, or purchase-price discount card, that is connected with an open end credit plan (as defined in section 103 of the Truth in Lending Act) and can be used, either on issuance or upon later activation, to obtain credit directly or indirectly;''.

Madam Speaker, I urge Members to vote no on the previous question so we may add these amendments, and I yield back the balance of my time.

Mr. SESSIONS. Madam Speaker, I yield the balance of my time to the gentleman from California (Mr. DREIER), the chairman of the Committee on Rules, to close debate.

The SPEAKER pro tempore (Mrs. EMERSON). The gentleman from California (Mr. DREIER) is recognized for 1½ minutes.

Mr. DREIER. Madam Speaker, I thank my friend, the gentleman from Texas, for yielding time to me. I want to congratulate him on the fine job that he has done in working out this rule, which, as he said and as others have said, is a very fair and balanced rule dealing with the minority's concerns.

I look at my friend, the gentleman from Michigan (Mr. CONYERS) here, and I was pleased we were able to make one of his amendments in order. It is among the seven Democratic amendments, including an amendment in the nature of a substitute to be offered by the gentleman from New York (Mr. NADLER), and it is basically a 7-to-3 ratio.

And then there is a bipartisan amendment that will be offered by the chairman and ranking minority member of the Committee on the Judiciary, and two additional Democratic amendments submitted were accommodated in the manager's amendment. So that stresses the fairness of it.

What we tried to do, and I believe have done successfully in crafting this rule, is we have not made in order amendments that are singling out one or two industries or interest groups simply to score political points. Basically, the bill provides comprehensive bankruptcy reform, and allows individuals and businesses very broad protection to reorganize so that their creditors are protected.

Enactment of the bill will greatly reduce abuses of the bankruptcy system. By providing predictable standards to be used in bankruptcy proceedings, it will be reducing frivolous litigation in which debtors gamble on the uncertainty in the current system. This will dramatically reduce the cost of credit for all Americans.

It is a very good rule, fair to everyone concerned, and I believe the measure itself is worthy of a very strong bipartisan vote of support. I look forward to consideration of that.

Mr. SESSIONS. Madam Speaker, I move the previous question on the resolution.

The SPEAKER pro tempore (Mrs. EMERSON). The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. SESSIONS. Madam Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The SPEAKER pro tempore. Pursuant to clause 9 of rule XX, the Chair will reduce to five minutes the time for electronic voting, if ordered, on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 227, nays 190, not voting 16, as follows:

[Roll No. 109]

YEAS—227

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Blunt
Boehlert
Boehner
Bonilla
Bono
Boucher
Boyd
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Cramer
Crane
Cubin
Cunningham
Davis (VA)
Deal
DeLay
DeMint
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Eshoo
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Manzullo
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Paul
Pease
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanford
Saxton
Scarborough
Schaffer
Schakowsky
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Souder
Spence
Stearns
Stump
Sununu
Sweeney
Talent
Tancredo
Tauzin
Taylor (NC)
Terry
Thomas
Thornberry
Thune
Toomey
Traficant
Upton
Velázquez
Walden
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson
Wolf
Young (AK)

NAYS—190

Abercrombie
Ackerman
Allen
Andrews
Baird
Baldacci
Baldwin
Barrett (WI)
Bentsen
Berkley
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Brady (PA)
Brown (FL)
Brown (OH)
Capps
Capuano
Cardin
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Danner
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kennedy
Kildee
Kilpatrick
Kind (WI)
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Phelps
Pickett
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Scott
Serrano
Sherman
Shows
Sisisky
Skelton
Smith (WA)
Snyder

| | | |
|---|---|---|
| Spratt | Thompson (CA) | Visclosky |
| Stabenow | Thompson (MS) | Waters |
| Stark | Thurman | Watt (NC) |
| Stenholm | Tierney | Weiner |
| Strickland | Towns | Wexler |
| Stupak | Turner | Weygand |
| Tanner | Udall (CO) | Wise |
| Tauscher | Udall (NM) | Woolsey |
| Taylor (MS) | Vento | Wu |

NOT VOTING—16

| | | |
|---|---|---|
| Becerra | Istook | Watts (OK) |
| Berman | Mollohan | Waxman |
| Bliley | Simpson | Wynn |
| Brown (CA) | Slaughter | Young (FL) |
| Carson | Tiahrt | |
| Davis (FL) | Watkins | |

□ 1222

Messrs. HALL of Ohio, HOLDEN and BALDACCI changed their vote from ''yea'' to ''nay.''

Mr. ROTHMAN changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mrs. EMERSON). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

## PERMISSION FOR COMMITTEE ON THE JUDICIARY TO HAVE UNTIL MIDNIGHT FRIDAY, MAY 7, 1999, TO FILE REPORT ON H.R. 775, YEAR 2000 READINESS AND RESPONSIBILITY ACT

Mr. GEKAS. Madam Speaker, I ask unanimous consent that the Committee on the Judiciary have until midnight Friday, May 7, 1999, to file the report on the bill, H.R. 775, to establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the year 1999 to the year 2000, and for other purposes.

The minority has agreed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## GENERAL LEAVE

Mr. GEKAS. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and that I may be permitted to include extraneous material on the bill, H.R. 833.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## NORTHWEST OHIO WATERSHEDS GIVEN HELP THROUGH ASSISTANCE OF CONGRESSMAN ROBERT BORSKI

(Ms. KAPTUR asked and was given permission to address the House for 1 minute.)

Ms. KAPTUR. Madam Speaker, I wish to state for the RECORD my sincere appreciation to the gentleman from Pennsylvania (Mr. BORSKI) for the enormous assistance he provided our community during the consideration of the water resources bill last week.

When we were on the floor, I did not have an opportunity to place it formally in the RECORD, but I would say that without his help, Northwestern Ohio would not have received the consideration that was placed in that bill, and I wish to acknowledge and deeply thank him for the help that he gave us. Without his assistance, our watersheds would have been given no attention, and I thank him very much.

□ 1230

## BANKRUPTCY REFORM ACT OF 1999

The SPEAKER pro tempore (Mrs. EMERSON). Pursuant to House Resolution 158 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 833.

□ 1230

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 833) to amend title 11 of the United States Code, and for further purposes, with Mr. NETHERCUTT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Pennsylvania (Mr. GEKAS) and the gentleman from Michigan (Mr. CONYERS) each will control 30 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GEKAS).

Mr. GEKAS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Constitution of the United States guarantees that bankruptcy shall be available to the citizens of our Nation. Accordingly, Congresses, ever since the first moment of our new land, have incorporated into their work special provisions to accommodate those individuals who find themselves totally engulfed by debt rather than to submit them to the prison dungeons that were the plight of people previously prior to the United States.

We, our enlightened forefathers, saw fit to allow the Congress to evolve in a situation in which a fresh start would be accorded to an ordinary citizen who cannot meet his obligations; and that is where we are here today.

We, in a long line of congressional action, re-guarantee the fresh start to individuals who become so engulfed in debt that there is no other way except for the Government to discharge their obligations and to allow them to start all over again. We guarantee that in this bill.

But to balance that situation, we also provide in this bill a mechanism whereby if those individuals who file for bankruptcy can, after a careful screening, be placed in a situation where they could repay some of the debt over a period of years, then this bill accommodates that and allows people to be moved from Chapter 7, where they would have gotten that fresh start automatically, to Chapter 13, where they must work through a plan for repayment of some of the debt over a period of time.

Now, here is the thing that we must make clear to the opponents of bankruptcy reform and to the people of our country. We are talking about a dividing line caused by the median income. We provide that the median income shall be the dividing line.

In other words, people under the median income in our country who apply for bankruptcy almost certainly will be accorded almost automatically the fresh start which their financial circumstances dictate. But we also said that if the income is over the median income, then that set of financial circumstances should be more closely scrutinized to determine if any money can be repaid to this debt that has been accumulated. That is a very balanced and a fair way to approach the economic system of our Nation.

And what is that median income? We are talking about a median income of $51,000 for a family of four is the starting point. So if an individual with four people in the family is earning $30,000 or $40,000 or $50,000, that fresh start is guaranteed. But if they are earning $55,000, $60,000, $80,000, $100,000 or beyond, then that set of finances has to be looked at more closely under the provisions of our bill to see if anything should be used for repayment of some of the debt. That is fair. That is proper.

The more we do that, the less burden the rest of the taxpayers have to bear. Because the taxpayers have to pick up the slack. Consumers at the retail outlets, at the supermarkets, have to pay more. Interest rates go up, etc. The more we are able to recoup some of the debt from the high-income people, the less the burden will be on the rest of the public.

That is what the clear message is of the bankruptcy reform legislation which we have before the House today. I ask for an overwhelming vote in support of the underlying bill.

Mr. Chairman, I include for the RECORD the following letters:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
*Washington, DC, May 3, 1999.*

Hon. HENRY HYDE,
*Chairman, Committee on the Judiciary, Rayburn House Office Building, Washington, DC.*

DEAR HENRY: I am writing with regard to H.R. 833, the Bankruptcy Reform Act of 1999. As you know, the regulation of securities and exchanges is a matter committed to the jurisdiction of the Committee on Commerce pursuant to Rule X of the Rules of the House of Representatives.

Section 1011 of H.R. 833, as ordered reported (''SIPC Stay''), amends the Securities Investor Protection Act of 1970 (P.L. 91–598), a statute within the jurisdiction of the Committee on Commerce. As you will recall, this provision was originally contained in the Financial Contract Netting Improvement Act of 1998, introduced in the 105th Congress as H.R. 4393 and on which the Committee on Commerce received an additional referral of the bill upon its introduction, as did the Committee on the Judiciary.

Because of the importance of this legislation, I recognize your desire to bring it before the House in an expeditious manner, and I will not exercise the Committee's right to a sequential referral. By agreeing to waive its consideration of the bill, however, the Commerce Committee does not waive its jurisdiction over H.R. 833. In addition, the Commerce Committee reserves its authority to seek conferees on any provisions of the bill that are within its jurisdiction during any House-Senate conference that may be convened on this legislation. I ask for your commitment to support any request by the Commerce Committee for conferees on H.R. 833 or similar legislation.

I request that you include this letter and your response as part of the RECORD during consideration of the legislation on the House floor.

Thank you for your attention to these matters. I remain,

Sincerely,

TOM BLILEY,
*Chairman.*

---

HOUSE OF REPRESENTATIVES,
COMMITTEE ON THE JUDICIARY,
*Washington, DC, May 3, 1999.*

Hon. TOM BLILEY,
*Chairman, Committee on Commerce, House of Representatives, Rayburn House Office Building, Washington, DC.*

DEAR TOM: Thank you for your letter regarding your Committee's jurisdictional interest in H.R. 833, the Bankruptcy Reform Act of 1999.

I acknowledge your committee's jurisdiction over section 1011 (''SIPC Stay'') of this legislation and appreciate your cooperation in moving the bill to the House floor expeditiously. I agree that your decision to forgo further action on the bill will not prejudice the Commerce Committee with respect to its jurisdictional prerogatives on this or similar provisions, and will support your request for conferees on those provisions within the Committee on the Commerce's jurisdiction should they be the subject of a House-Senate conference. I will also include a copy of your letter and this response in the CONGRESSIONAL RECORD when the legislation is considered by the House.

Thank you again for your cooperation.

Sincerely,

HENRY J. HYDE,
*Chairman.*

---

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
*Washington, DC, May 5, 1999.*

Hon. HENRY J. HYDE,
*Chairman, Committee on the Judiciary, House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 833, the Bankruptcy Reform Act of 1999.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Susanne S. Mehlman (for federal costs), who can be reached at 226–2860, Lisa Cash Driskill (for the state and local impact), who can be reached at 225–3220, and John Harris (for the private-sector impact), who can be reached at 226–6910.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE, MAY 5, 1999

### H.R. 833: BANKRUPTCY REFORM ACT OF 1999

(As reported by the House Committee on the Judiciary on April 28, 1999)

#### SUMMARY

H.R. 833 would make many changes and additions to the laws relating to bankruptcy, including establishing a system of means-testing for determining eligibility for relief under chapter 7 of the U.S. bankruptcy code. CBO estimates that implementing H.R. 833 would cost $333 million over the 2000–2004 period—$322 million in discretionary spending, subject to appropriation of the necessary funds, and $11 million in mandatory spending. CBO also estimates that enacting this bill would decrease receipts by about $4 million over the next five years. Because the bill would affect direct spending and governmental receipts, pay-as-you-go procedures would apply. Provisions in title VIII also would affect receipts, but the Joint Committee on Taxation (JCT) has not completed an estimate of such changes at this time.

H.R. 833 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but its costs would be insignificant and would not exceed the threshold established in that act ($50 million in 1996, adjusted annually for inflation). Overall, CBO expects that enacting this bill would benefit state and local governments by enhancing their ability to collect outstanding obligations in bankruptcy cases.

H.R. 833 would impose new private-sector mandates, as defined in UMRA, on bankruptcy attorneys, creditors, and credit and charge-card companies. CBO estimates that the costs of these mandates would exceed the $100 million (in 1996 dollars) threshold established in UMRA.

#### DESCRIPTION OF THE BILL'S MAJOR PROVISIONS

In addition to establishing means-testing for determining eligibility for chapter 7 bankruptcy relief, H.R. 833 would: Require the Executive Office for the United States Trustees (U.S. Trustees) to establish a test program to educate debtors on financial management; authorize 18 new temporary judgeships and extend five existing judgeships in 19 federal districts; permit courts to waive chapter 7 filing fees and other fees for debtors who could not pay such fees in installments; require that at least one out of every 250 bankruptcy cases under chapter 13 or chapter 7 be audited by an independent certified public accountant; exempt chapter 11 debtors from having to pay certain fees in connection with their bankruptcy cases; require the Administrative Office of the United States Courts (AOUSC) to receive and maintain tax returns for all chapter 7 and chapter 13 debtors; and require the AOUSC and the U.S. Trustees to collect and publish certain statistics on bankruptcy cases.

Other provisions would make various changes affecting the bankruptcy provisions for municipalities and the treatment of tax liabilities in bankruptcy cases.

#### ESTIMATED COST TO THE FEDERAL GOVERNMENT

As shown in the following table, CBO estimates that implementing H.R. 833 would cost the courts, the AOUSC, and the U.S. Trustees $24 million in fiscal year 2000 and $322 million over the 2000–2004 period, subject to appropriation of the necessary funds. In addition, we estimate that mandatory spending for the salaries and benefits of bankruptcy judges would increase by less than $500,000 in 2000 and $11 million over the 2000–2004 period. Enacting the means-testing and fee waiver provisions in title I would result in a net loss in revenues of about $4 million over the next five years. The costs of this legislation fall within budget function 750 (administration of justice).

| | By fiscal year, in millions of dollars— | | | | |
|---|---|---|---|---|---|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| CHANGES IN SPENDING SUBJECT TO APPROPRIATION | | | | | |
| Means-Testing (Section 102): | | | | | |
| Estimated Authorization Level | 4 | 8 | 8 | 8 | 7 |
| Estimated Outlays | 4 | 8 | 8 | 8 | 7 |
| Debtor Financial Management Training (Section 104): | | | | | |
| Estimated Authorization Level | 4 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 1 | 3 | 0 | 0 | 0 |
| Additional Judgeships—Support Costs (Section 128): | | | | | |
| Estimated Authorization Level | (1) | 6 | 11 | 11 | 12 |
| Estimated Outlays | (1) | 6 | 11 | 11 | 12 |
| Chapter 7 Filing Fee Waivers (Section 148): | | | | | |
| Estimated Authorization Level | 2 | 5 | 8 | 13 | 13 |
| Estimated Outlays | 2 | 5 | 8 | 13 | 13 |
| Credit Counseling Certification (Section 302): | | | | | |
| Estimated Authorization Level | 4 | 3 | 3 | 4 | 4 |
| Estimated Outlays | 2 | 4 | 3 | 4 | 4 |
| U.S. Trustee Site Visits (Section 410): | | | | | |
| Estimated Authorization Level | 3 | 2 | 2 | 2 | 3 |
| Estimated Outlays | 1 | 4 | 2 | 2 | 3 |

| | By fiscal year, in millions of dollars— | | | | |
|---|---|---|---|---|---|
| | 2000 | 2001 | 2002 | 2003 | 2004 |
| Audit Procedures (Section 602): | | | | | |
| Estimated Authorization Level | 0 | 6 | 15 | 18 | 19 |
| Estimated Outlays | 0 | 6 | 15 | 18 | 19 |
| Maintenance of Tax Returns (Section 603): | | | | | |
| Estimated Authorization Level | 3 | 6 | 7 | 9 | 9 |
| Estimated Outlays | 3 | 6 | 7 | 9 | 9 |
| Elimination of Quarterly Filing Fees (Section 608): | | | | | |
| Estimated Authorization Level | 10 | 10 | 10 | 10 | 10 |
| Estimated Outlays | 10 | 10 | 10 | 10 | 10 |
| GAO and SBA Studies (Sections 609, 613, 414): | | | | | |
| Estimated Authorization Level | 1 | (1) | 0 | 0 | 0 |
| Estimated Outlays | 1 | (1) | 0 | 0 | 0 |
| Compiling and Publishing Data (Sections 701–702): | | | | | |
| Estimated Authorization Level | 0 | 5 | 9 | 8 | 8 |
| Estimated Outlays | 0 | 5 | 9 | 8 | 8 |
| Total Discretionary Changes: | | | | | |
| Estimated Authorization Level | 31 | 51 | 73 | 83 | 85 |
| Estimated Outlays | 24 | 57 | 73 | 83 | 85 |
| CHANGES IN DIRECT SPENDING | | | | | |
| Additional Judgeships (Section 128): | | | | | |
| Estimated Budget Authority | (1) | 2 | 3 | 3 | 3 |
| Estimated Outlays | (1) | 2 | 3 | 3 | 3 |
| CHANGES IN REVENUES[2] | | | | | |
| Changes in Filing Fees (Section 102): Estimated Revenues | 0 | 0 | (1) | 1 | 1 |
| Chapter 7 Filing Fee Waivers (Section 148): Estimated Revenues | (1) | −1 | −1 | −2 | −2 |
| Total Revenue Changes: Estimated Revenues | (1) | −1 | −1 | −1 | −1 |

[1] Less than $500,000.
[2] The Joint Committee on Taxation has not yet completed its review of tax provisions in title VIII.

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that H.R. 833 will be enacted by October 1, 1999, and that all estimated authorization amounts will be appropriated for each fiscal year.

*Spending Subject to Appropriation*. Most of the estimated increases in discretionary spending would be required to fund the additional workload that would be imposed on the U.S. Trustees. Currently, the U.S. Trustees are funded through the bankruptcy-related fees collected by the courts. Without additional statutory authority, these fees cannot be increased to cover any expenditures or loss of offsetting collections that would occur under the bill. Because the legislation does not provide for such increases in fees, any additional costs would be subject to the availability of appropriated funds.

*Means-Testing (Section 102)*. This section would establish a system of means-testing for determining a debtor's eligibility for relief under chapter 7. Only those debtors whose income exceeds the regional median household income with certain adjustments would be subject to the means test. Under the means test, if the debtor is expected to have at least $6,000 over five years (after the deduction of certain allowable expenses) available to pay nonpriority unsecured claims, then the debtor would be presumed ineligible for chapter 7 relief. A debtor who could not demonstrate ''extraordinary circumstances,'' which would cause the expected disposable income to fall below the threshold, could file under other chapters of the bankruptcy code.

Although the private trustees would be responsible for conducting the initial review of a debtor's income and expenses and filing the majority of motions for dismissal or conversion, CBO expects that the workload of the U.S. Trustees would increase under the means-testing provisions. The U.S. Trustees would provide increased oversight of the work performed by the private trustees, file additional motions for dismissal or conversions, and take part in additional litigation that is expected to occur as the courts and debtors debate allowable expenses and other related issues. Although CBO cannot predict the amount of such litigation, we expect that, during the first few years following enactment of the bill, the amount of litigation could be significant, as parties test the new law's standards. In subsequent years, litigation could begin to subside as precedents are established. Based on information from the U.S. Trustees, CBO estimates that the U.S. Trustees would require about 60 additional attorneys and analysts to address the increased workload. As a result, CBO estimates that appropriations of $35 million would be required over the next five years.

*Debtor Financial Management Test Training Program (Section 104)*. This section would require the U.S. Trustees to establish a test training program to educate debtors on financial management. Based on information from the U.S. Trustees, CBO estimates that about 90,000 debtors would participate if such a program were administered by the U.S. Trustees in fiscal year 2001. At a projected cost of about $40 per debtor, CBO estimates that the U.S. Trustees would require an appropriation of about $4 million in 2000 to administer the program.

*Addtional Judgeships—Support Costs (Section 128)*. This provision would extend five temporary bankruptcy judgeships and authorize 18 new temporary bankruptcy judgeships for 19 federal judicial districts. Based on information from the AOUSC, CBO assumes that one-half of the 18 new positions would be filled by the beginning of fiscal year 2001 and the other half would be filled by the start of fiscal year 2002. Also, we anticipate that all five temporary judgeships would be filled by fiscal year 2002. We expect that discretionary expenditures associated with each judgeship would average about $450,000 (in 2000 dollars), after initial costs of about $50,000. Therefore, CBO estimates that the administrative support of additional bankruptcy judges would require an appropriation of less than $500,000 in fiscal year 2000 and about $40 million over the 2000-2004 period. (Salaries and benefits for the judges are classified as mandatory spending, and those costs are described below.)

*Chapter 7 Filing Fee Waivers (Section 148)*. This section would permit a bankruptcy court or district court to waive the chapter 7 filing fee and other fees for a debtor who is unable to pay such fees in installments. Based on information from the AOUSC, CBO expects that in fiscal year 2000 chapter 7 filing fees would be waived for about 3.5 percent of all chapter 7 filers and that the percentage waived would gradually increase to about 10 percent by fiscal year 2003. The filing fee for a chapter 7 case is $130, and income from this fee appears in two different places in the budget. Of the $130, $70 is recorded as part of the offsetting collections to the U.S. Trustee System Fund and to the AOUSC, and $15 is recorded as governmental receipts (i.e., revenues). the remaining $45 is paid to the private trustee assigned to the case and does not affect the federal budget. The AOUSC also collects an additional $30 million in miscellaneous fees with each chapter 7 filing. Taking into account how means-testing would reduce filing rates under chapter 7, CBO estimates that implementing this section would result in a loss in offsetting collections totaling $41 million over the 2000-2004 period. The loss of offsetting collections would reduce the amount available for spending by the U.S. Trustees and the AOUSC. Because this loss of fees would not be matched by a reduction in workload, additional appropriations would be required to replaced this projected loss.

*Credit Counseling Certification (Section 302)*. This section would require the U.S. Trustees to certify, on an annual basis, that certain credit counseling services could provide adequate services to potential debtors. Based on information from the U.S. Trustees, CBO estimates that the U.S. Trustees would require additional attorneys and analysts to handle the additional workload associated with certification. CBO estimates that enacting this provision would require appropriations of $18 million over the next five years.

*U.S. Trustee Site Visits in Chapter 11 Cases (Section 410)*. This section would expand the responsibilities of the U.S. Trustees in small business bankruptcy cases to include site visits to inspect the debtor's premises, review records, and verify that the debtor has filed tax returns. Based on information from the U.S. Trustees, CBO estimates that implementing section 410 would require about 20 additional analysts to conduct over 2,300 site visits each year. CBO estimates that the U.S. Trustees would require appropriations of about $12 million over the next five years for the salaries, benefits, and travel expenses associated with these additional personnel.

*Audit Procedures (Section 602)*. Beginning 18 months after enactment, H.R. 833 would require that at least one out of every 250 bankruptcy cases under chapter 7 and chapter 13,

plus other selected cases under those chapters, be audited by an independent certified public accountant. Based on information from the U.S. Trustees, CBO estimates that about 1.3 million cases would be subject to audits in fiscal year 2001, increasing to about 1.8 million in fiscal year 2004. CBO assumes that about 0.8 percent of all cases would be audited and that each audit would cost about $1,000 (in 2000 dollars.) CBO also expects that the U.S. Trustees would need about 10 additional analysts and attorneys to support the follow-up work associated with the audits. Thus, we estimate that implementing this provision would require appropriations of $6 million in fiscal year 2001 and $58 million over the 2000–2004 period.

*Maintenance of Tax Returns (Section 603).* This section would require the AOUSC to receive and retain tax returns for the three most recent years preceding the commencement of the bankruptcy case for all chapter 7 and chapter 13 debtors (about 8 million debtors over the 2004–2004 period). CBO estimates that appropriations of $34 million over the next five years would be required to store and provide access to over 20 million tax returns.

*Elimination of Quarterly Filing Fees (Section 608).* This section would require chapter 11 debtors whose disbursements are less than $300,000 to pay quarterly fees only until their case is converted or their plan is confirmed (whichever occurs first), beginning on October 1, 1999. Currently, these debtors pay quarterly fees even after their plan has been confirmed. These fees are recorded as offsetting collections to the U.S. Trustee System Fund and are available for spending from that account. According to the U.S. Trustees, about 4,000 cases would be affected by this provision each year and, on average, the government collects about $650 per quarter per case each year. Thus, by shortening the period during which fees are paid, the bill would reduce annual fee collections by about $10 million annually. Because this loss of offsetting collections would reduce the amount available for spending by the U.S. Trustees (for overall supervision and administration of bankruptcy cases), CBO estimates that the U.S. Trustees would require an appropriation of $10 million in fiscal year 2000 and $50 million over the next five years to compensate for the loss of quarterly filing fees.

*General Accounting Office (GAO) and Small Business Administration (SBA) Studies (Sections 609, 613, and 414).* Section 609 would require GAO to conduct a study regarding the impact that the extension of credit to dependents who are enrolled in postsecondary educational institutions has on bankruptcy filing rates. Section 613 would require GAO to conduct a study regarding the feasibility of requiring trustees to provide the Office of Child Support Enforcement information about outstanding child support obligations of debtors. Section 414 would require the Administrator of SBA, in consultation with the Attorney General, the U.S. Trustees, and the AOUSC, to conduct a study on small business bankruptcy issues. Based on information from GAO and SBA, CBO estimates that completing the necessary studies would cost between $500,000 and $1 million in 2000, and less than $500,000 in 2001.

*Compilation and Publication of Bankruptcy Data and Statistics (Sections 701–702).* H.R. 833 would require the AOUSC to collect data on chapter 7, chapter 11, and chapter 13 cases and the U.S. Trustees to make such information available to the public. CBO estimates that appropriations of about $30 million would be required over the 2000–2004 period to meet these requirements. Of the total estimated cost, about $24 million would be required for additional legal clerks, analysts, and data base support. The remainder would be incurred by the U.S. Trustees for compiling data and providing Internet access to records pertaining to bankruptcy cases.

**Direct Spending and Revenues**

*Additional Judgeships (Section 128).* CBO estimates that enacting the means-testing provision (section 102) would impose some additional workload on the courts. Section 128 would authorize 18 new temporary bankruptcy judgeships and extend five existing temporary judgeships. Based on information from the AOUSC and other bankruptcy experts, CBO expects that the increase in the number of bankruptcy judges would be sufficient to meet the increased workload. Assuming that the salary and benefits of a bankruptcy judge would average about $150,000 a year, CBO estimates that the mandatory costs associated with the salaries and benefits of these additional judgeships would be less than $500,000 in fiscal year 2000 and about $11 million over the 2000–2004 period.

*Changes in Filing Fees (Section 102).* The means-testing provision also could affect the government's income from bankruptcy filing fees because it would cause changes in the number and type of bankruptcy filings. CBO projects that about 5 to 10 percent of all chapter 7 debtors (about 50,000 to 100,000 cases each year) could be subject to the means test proposed under this bill. CBO expects that those debtors who are not successful in proving ''extraordinary circumstance'' will either convert their cases to chapter 13 cases or withdraw their petitions for bankruptcy relief. Under either of these options, CBO estimates that there would be no significant effect on the federal budget because there is no fee for converting a case from chapter 7 to chapter 13, and filing fees are not refunded to debtors who withdraw their petitions for bankruptcy relief. Over the long term, CBO estimates that the federal government could collect additional revenues as more debtors file directly under chapter 13. (The government collects an additional $45 for each case filed under chapter 13 instead of chapter 7.) This increase could be partly offset by those debtors who might refrain from filing for any type of bankruptcy relief. On balance, CBO estimates that the means-testing provision would increase revenues by about $1 million beginning in 2003. This provision would have no effect on offsetting collections because there is no difference in the amount of offsetting collections collected under either chapter 7 or chapter 13, and any loss in collections would be matched by a reduction in workload.

*Chapter 7 Filing Fee Waivers (Section 148).* As mentioned above, this section would permit a bankruptcy court or the district court to waiver the chapter 7 filing fee and other fees for a debtor who is unable to pay such fees in installments. For each chapter 7 case filed, the federal government collects $15. Taking into account the means-testing provision and the amount of expected waivers, CBO estimates that implementing this section would result in a loss in revenues of $1 million to $2 million a year beginning in fiscal year 2001.

CBO estimates that the net effect on revenues of implementing the meanstesting and fee waiver provisions would be a loss of about $1 million annually beginning in fiscal year 2001.

*Tax Provisions (Title VIII).* The provisions in title VIII of the bill are currently under review by the Joint Committee on Taxation, and estimates of their effects on revenues will be provided when they are completed.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Both the means-testing and waiver of fees would affect receipts; hence, pay-as-you-go procedures would apply. The net changes in outlays and governmental receipts are show in the following table. (JCT is reviewing title VIII and has not yet completed an estimate of its effects on receipts.) For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

| | By fiscal year, in million of dollars— | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
| Changes in outlays | 0 | 0 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 |
| Changes in receipts[1] | 0 | 0 | −1 | −1 | −1 | −1 | −1 | −1 | −1 | −1 | −1 |

[1] Estimated impact of means-testing and waiver of fees. JCT has not completed an estimate of changes in receipts for title VIII.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 833 contains an intergovernmental mandate as defined in UMRA. Overall, CBO expects that enacting this bill would benefit state and local governments by enhancing their ability to collect outstanding obligations in bankruptcy cases.

Mandates. Section 106 of the bill would preempt state laws governing contracts between a debt relief agency and a debtor, to the extent that they are inconsistent with the federal requirements set forth in this bill. Such preemptions are mandates as defined in UMRA. Because the preemption would not require states to change their laws, CBO estimates the costs to states of complying with that mandate would not be significant and would not exceed the threshold established in UMRA.

Other Impacts. The changes to bankruptcy law in the bill would affect state and local governments primarily as creditors and holders of claims for taxes or child support. In addition, it would change some of the state statutes that govern which of a debtor's assets are protected from creditors in a bankruptcy proceeding.

In 1996, a survey of the 50 states conducted by the Federation of Tax Administrators and the States' Association of Bankruptcy Attorneys indicated that more than 360,000 taxpayers in bankruptcy owed claims to states totaling about $4 billion. Of these claims, states reported collecting only about $234 million. While CBO cannot predict how much more money might be collected, it is likely that states and local governments would collect a greater share of future claims than they would have under current law.

Exemptions. Although bankruptcy is regulated according to federal statute, states are allowed to provide debtors with certain exemptions for property, insurance, and other items that are different from those allowed under the federal bankruptcy code. (Exempt property remains in possession of the debtor and is not available to pay off creditors.) In some states debtors can choose the federal or state exemption; other states require a debtor to use only the state exemptions. This bill would place a ceiling of $250,000 on the exemptions for homesteads and create a new exemption for certain retirement funds and education savings plans. These exemption standards would apply regardless of the state policy on exemptions. The new homestead exemption would make more money available to creditors in some cases, while the exemptions on retirement and education savings generally would make less money available. States would be allowed to set the homestead exemption above the federal ceiling if they specifically enacted legislation doing so.

*Domestic Support Obligations*. The bill would significantly enhance a state's ability to collect domestic support obligations, including child support. Domestic support obligations owed to state or local governments would be given priority over all other claims, except those same obligations owned to individuals. The bill also would require that filers under chapters 11 and 13 pay in full all domestic support obligations owed to government agencies or individuals in order to receive a discharge of outstanding debts. In addition, the automatic stay that is triggered by filing bankruptcy would not apply to domestic support obligations. Last, the bill would require bankruptcy trustees to notify individuals with domestic support claims of their right to use the services of a state child support enforcement agency and notify the agency that they have done so. The last known address of the debtors would be a part of the notification.

*Tax Payment Plans*. The bill would require that payment plans for tax liabilities be limited to six years and that payment amounts be regular and proportionate to payments for other obligations. Under current law, taxing authorities sometimes face payment plans that include a series of small payments followed by a large balloon payment near the end of the planned payment stream. At that point, the debtors often fail to complete their payments. This provision would require that taxes be paid at a rate proportionate to those of other debts. It also would establish interest rates to be applied to outstanding tax liabilities. Under current law, any interest charges on outstanding tax liabilities are determined at the discretion of the bankruptcy judge.

*Time Limits on Tax Collection*. Under some circumstances, a tax claim can qualify for priority status, and thus a state and local government would be more likely to collect the debt. However, this status is granted only if tax is assessed within a specific period of time from the date of the filing for bankruptcy. If that filing is subsequently dismissed and a new filing is made, the tax claim may lose its priority status. The bill would allow more time to pass in some circumstances, thus increasing the likelihood that state or local tax claims would maintain their priority status.

*Taxes and Administrative Expenses*. Under current law, certain expenses can be paid out of funds that would otherwise be available to pay tax liens on property. The bill would restrict the use of funds for administrative expenses to a limited number of circumstances, thereby making it more likely that funds would remain available to cover tax obligations.

*Tax Return Filing and Government Notification*. A number of provisions in the bill would require debtors to have filed tax returns, and in some cases to be current in their tax payments, before a bankruptcy case may continue. Also, debtors would be required to provide notice to state authorities in a specific manner when they pursue relief under bankruptcy law. These provisions would help states identify potential claims in bankruptcy cases where they may be owed delinquent taxes.

*Priority of Payments*. In some circumstances, debtors have borrowed money or incurred some new obligation that is dischargeable (able to be written-off at the end of bankruptcy) to pay for an obligation would not be dischargeable. This bill would give the new debt the same priority as the underlying debt. If the underlying debt had a priority higher than that of state or local tax liabilities, state and local governments could lose access to some funds. However, it is possible that the underlying debt could be for a tax claim, in which case the taxing authority would face no loss. Because it is unclear what types of nondischargeable are covered by new debt and the degree to which this new provision would discourage such activity, CBO can estimate neither the direction nor the magnitude of the provision's impact on states and localities.

*Single Asset Cases*. One provision of the bill would allow expedited bankruptcy proceeding in certain single asset cases (usually involving a large office building). State and local governments could benefit to the extent that real property is returned to the tax rolls earlier as a result of this provision.

*Municipal Bankruptcy*. The bill would clarify regulations governing municipal bankruptcy actions and allow municipalities that have filed for bankruptcy to liquidate certain financial contracts.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 833 would impose new private-sector mandates on bankruptcy attorneys, creditors, and credit and charge-card companies. Bankruptcy attorneys would be required to make reasonable inquiries to confirm that the information in documents they submit to the court or the bankruptcy trustee is wellgrounded in fact. Creditors would be required to make disclosures in their agreements with debtors and provide certain notices to courts and to debtors. Credit and charge-card companies would be required to disclose minimum-payment plans in new account materials and monthly statements. CBO estimates that the costs of these mandates would exceed the $100 million (in 1996 dollars) threshold established in the UMRA.

Sections 102 and 607 would make bankruptcy attorneys liable for misleading statements and inaccuracies in schedules and documents submitted to the court or to the trustee. To avoid sanctions and potential civil penalties, attorneys would need to verify the information given to them by their clients regarding the list of creditors, assets and liabilities, and income and expenditures. Based on 1,286,000 projected filings under chapter 7 and chapter 13 and an estimated increase in attorneys' costs of $150 to $500 per case, CBO estimates that the costs to attorneys of complying with this requirement would be between $190 million and $640 million in fiscal year 2000. With the rise in projected filings over the next five years, annual costs would be $280 million to $940 million for fiscal year 2004. CBO expects bankruptcy attorneys to pass increased costs on to debtors, reducing the pool of funds available to creditors.

H.R. 833 would require a creditor with an unsecured consumer debt seeking a reaffirmation agreement with a debtor to notify the debtor of his right to a hearing to determine whether the agreement is an undue hardship, is in the debtor's best interest, or is the result of an illegal threat by the creditor. The bill also would require creditors to specify to the court and to the debtor the person designated to receive notices. Because the required disclosure could be incorporated into existing standard reaffirmation agreements, and the notice to the court and the debtor would require only minimal effort, the costs of this requirement would be relatively small.

The costs of the mandate for credit and charge-card companies are also expected to be small. H.R. 833 would require credit and charge-card companies to add a brief statement regarding the function of the minimum payment option and disadvantages of making only the minimum payment each month to the materials provided to consumers opening new accounts and to all customers' monthly statements. Credit and charge-card companies also would have to provide customers with an illustration of the length of time required to pay off a $500 balance if they make only the minimum required payment. Firms would be able to add this information to the materials they currently give to customers.

Estimate prepared by: Federal Costs: Susanne S. Mehlman (226–2860); Impact on State, Local, and Tribal Governments: Lisa Cash Driskill (225–3220); Impact on the Private Sector: John Harris (226–6910).

Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am delighted to begin immediately by talking about the means test and other consumer provisions that will harm middle-income and low-income people.

Because contrary to the assertion of my friend, the gentleman from Pennsylvania (Mr. GEKAS), that this is going to make it better, the means test is going to make it worse. It is incorrect to assume that the effect of this bill's harmful provisions would be limited to individuals seeking bankruptcy relief who earned more than the regional median income.

First, there are numerous significant flaws in the manner in which the median income is calculated. For example, the median income figure required under this bill will be outdated and understated. This is because the bill states that the household income is to be based on the most recent census figures available as of January 1. But as of January 1, the census has information available for only the second year prior to the date.

Accordingly, during this year, 1999, census figures will be available only for 1997. At times of inflation, this 2-year lag could result, obviously, in a significant increase in the number of individuals who are subject to the motions to

dismiss or convert and who may earn more than the outdated median-income figure.

Another flaw in the median-income formula is that the test measures a debtor's income based on how much the debtor earned 6 months prior to bankruptcy. If the debtor lost a good job in month three and has been working at a low-wage job ever since, the income from that good job and the help from family members would be counted as if that is what his future income would be.

In addition, this bill, unlike current law, will permit creditors and other parties and interests to bring motions to dismiss more aggressively; and well-funded creditors will have extremely wide latitude to use such motions as a tool for making bankruptcy an expensive, protracted, contentious process for honest debtors, their families and other creditors.

Now, the bill is opposed by a growing number of Members of the House of Representatives for the simple reason this bill is worse than the bill we voted on in the last Congress; and it is bad for women, children, working Americans. But the good news, if this is good news for them in the credit card industry, it is good for the credit card industry.

This means test is fatally flawed. The legislation attempts to impose a one-size-fits-all income and expense test based on IRS standards to determine who is eligible for bankruptcy relief and how much they may be required to pay their creditors.

The problem is that the formula fails to take into account such important items as child care payments, health care costs, and the costs of taking care of ill parents, to name but a few of the glaring loopholes. The IRS standards are so extreme that they have been rejected by the Congress and abandoned by the IRS; and, yet, the credit card companies would have them apply them in bankruptcy.

Now, the denials have been pouring in pretty fast here so far; and there is going to be a lot of discussion about how the bill is devastating to children and women reliant on child care and alimony payments. Repeat: The bill is devastating to children and women reliant on child care and alimony payments.

On the debtor's side, the legislation makes it far more difficult for single mothers to access the bankruptcy similar. On the creditor's side, the bill pits sophisticated credit card creditors in direct competition with alimony and child support. The attempts to fix this incorporated into the legislation are not effective and are largely redundant.

And, third, but not finally, but I am going to stop here, the bill will also lead to a loss of jobs and collective bargaining rights. The business provisions of the bill will impose harsh new time deadlines and massive new legal and paperwork requirements on small businesses and real estate concerns and, by design, will lead to premature liquidation of job loss.

This is why the largest collective bargaining organization in America has asserted that the legislation will restrict the workings of bankruptcy cases for small businesses and place numerous jobs at risk.

Now, the bill conveniently ignores the real problem of what has caused more bankruptcies, namely, the problem of credit card abuse. And is there any colleague here that does not get credit card applications monthly, weekly, occasionally daily? And, at the same time, the legislation responds to every conceivable debtor excess, real or imagined. It gives a complete pass to the transgressions of the credit card industry.

My colleagues should be on the alert. This Bankruptcy Reform Act legislation of the 106th Congress will worsen the conditions of those few people in their district, working people, honest people, who may need to access this important court. Please remember, this bill is worse than the bill we had last year.

Mr. Chairman, I reserve the balance of my time.

Mr. GEKAS. Mr. Chairman, I yield 4 minutes to the gentleman from Virginia (Mr. BOUCHER).

Mr. BOUCHER. Mr. Chairman, I want to express thanks to the gentleman from Pennsylvania for yielding me this time.

I am pleased to rise in strong support of the adoption of this much-needed reform to our Nation's bankruptcy laws.

In an era in which disposable incomes are growing, unemployment rates are low, and the economy is strong, consumer bankruptcy filings should be rare. Contrary, however, to this expectation, in 1998, there were 1.4 million personal bankruptcy files, a 40 percent increase from the 1996 figure. In 1996, that figure reached one million for the first time. And, in 1998, there was a full 95 percent increase in the number of personal bankruptcy files from 1990.

Bankruptcies of mere convenience are often driving this increase. Bankruptcy was never meant to be used as a financial planning tool, but it is increasingly becoming a first stop rather than a last resort, as many filers who could repay a substantial part of what they owe elect to use the complete liquidation provisions of Chapter 7 of the bankruptcy law, wipe out all of their debt, even that portion they could repay, and seek an entire fresh start.

□ 1245

Our legislation will direct more filers into Chapter 13 plans and make sure that those who can afford to repay a substantial part of their debt are required to do so.

Mr. Chairman, this is a consumer protection measure. The typical American family pays a hidden tax of $550 every year arising from the increased costs of credit and the increases in prices for goods and services occasioned by the discharge in bankruptcy of $50 billion in consumer debt on an annual basis. By requiring that people who can repay a substantial part of the debt they owe do so in Chapter 13 plans, we can greatly lessen that hidden tax, and this bill will accomplish that result.

Another key point needs to be made about the legislation. The alimony or child support recipient is clearly better off under the terms of this bill than she is under present law. At the present time she stands seventh in the rank of priority for the payment of claims in bankruptcy. She is behind farmers making claims against warehouses and grain elevators. She is behind fishermen who make claims against their warehouses.

Under this bill, the child support or alimony recipient will be elevated to the first priority. She will now stand number one in line for the payment of bankruptcy claims. And other provisions of the bill also make it easier for the bankrupt's assets to be paid to her.

The gentleman from Virginia (Mr. MORAN) will be offering amendments today that I will support and I encourage other Members to support, that will require greater disclosures on credit card statements of the costs of making the minimum monthly payment. Credit card statements would have to indicate that the ordinary finance charge on the outstanding balance would continue to accrue.

The Moran amendment supplements other new consumer protection measures that are already a part of this bill. For example, credit card companies will be prohibited from terminating a customer's account simply because that customer pays his bills on time and therefore does not accrue finance charges. That is a very appropriate change to make and is one of many consumer protection measures contained in the bill.

This is a balanced, bipartisan measure which contains new consumer protections and requires greater debt repayment by those who can afford to make that repayment. This measure, when considered on the floor of the House as a conference report last year, obtained the votes of 300 of the Members, clearly demonstrating the broad bipartisan base for enacting this reform.

I am pleased to be coauthoring this measure with the gentleman from Pennsylvania, and I want to commend him for his leadership in bringing this balanced and bipartisan bill to the floor. I am pleased to join with him in urging its passage by the House.

Mr. CONYERS. Mr. Chairman, I yield myself 1¼ minutes.

I think it is very important that we begin to deal with the alimony and child support measure head-on. It has been suggested that this is not a problem or that it has been improved upon. But actually for women whose average income was at the median during the last 100 days before the support checks stopped or women whose child care expenses exceeded IRS standards, they may be denied access to Chapter 7 and forced into a restrictive Chapter 13 repayment plan.

Secondly, the bill does not exempt child support or foster care payments from the means test definition of disposable income, and does not exclude alimony and child support payments received within 6 months after filing for bankruptcy from the property of the estate.

How can we talk about women and children are okay? This bill is presently a disaster for single mothers and their children, which number in the alimony and child support area an estimated 243,000 to 325,000 bankruptcy cases each year. The National Partnership for Women and Families have told us that the child support enforcement provision in the bill would not adequately protect parents and children.

Mr. Chairman, I yield 2½ minutes to the gentleman from Virginia (Mr. SCOTT) a distinguished member of the Committee on the Judiciary.

Mr. SCOTT. I thank the gentleman for yielding me this time.

Mr. Chairman, this bill overturns centuries of well-established laws involving bankruptcy and the principle that those who are in financial ruin can get a fresh start if they pay all they have, with certain exceptions, to their creditors. Instead, they will be required for those affected to essentially be in debtor's prison for 5 years. Those who find themselves financially overwhelmed because of a loss of a job, illness, business failure, will not get a fresh start. They will have to pay every dime they have, after food and rent and a few other expenses, to their creditors.

Now, that is not a fresh start. That is a guarantee that at the end of 5 years they will be worse off than they started. So if someone is stuck with bills, maybe a spouse had a business reversal, got sick, a spouse had joint debts and their other spouse leaves or dies, they will not get a fresh start. They will get no relief for 5 years.

Now, let us not get misled by this means test where only certain people are affected by this legislation. All that means is that it is not a bad bill for everybody, it is just a bad bill for some people. That does not make it a good bill.

Now, there are some technical problems with the legislation. First of all, the salary calculation in what you have to pay is based on the last 6 months. Part of the bankruptcy problem may be caused by the fact that you lost your job, and that calculation is obviously not effective. You may be forced to pay more than in fact you have as income. It includes as income disability benefits or veterans benefits which if you have another job you will essentially lose in the future, and it forces spouses to compete with sophisticated creditors for their child support.

But fundamentally it violates centuries of laws that provide for a fresh start. I ask that this not happen in a haphazardly drawn bill that has technical problems and which is opposed by virtually every group of experts in bankruptcy law. Mr. Chairman, I would ask that we defeat this bill.

Mr. GEKAS. Mr. Chairman, I am pleased to yield 2½ minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. I thank the gentleman for yielding me this time.

Mr. Chairman, I want to offer my strong support for this legislation. It goes a long way to correct the problems of bankruptcy. But right now I want to focus on the issue of child support. I have been a pioneer in the efforts at reforming child support, and I served on the U.S. Commission for Interstate Child Support Enforcement.

Over the last 10 years we have done a great deal to enforce child support and require the legal obligations, to close that enforcement gap. But in recent years we have learned that bankruptcy is one of the loopholes that has been used. Contrary to what we have heard before, as I view this legislation, it is strong and goes a long way toward closing the enforcement gap as it relates to the child support component.

This bill really deals with the issue in a substantive way. It includes child support payments that are moved up to number one when determining which debts are paid first in a bankruptcy case. It gives confirmation and discharge of Chapter 13 plans and makes them conditional upon the debtor's complete payment of child support. And there are other issues in here that deal directly with child support.

But I want to particularly distinguish the reform measure that was led by the gentleman from Florida (Mr. SHAW) and also joined by the gentlewoman from Texas (Ms. JACKSON-LEE), so that there was bipartisan support for this reform that will require the trustee to notify a claimant parent of the bankruptcy proceedings.

I will not go into a lot more detail, but it is a strong bill as far as closing those enforcement gaps. But I do want to commend the gentleman from Pennsylvania (Mr. GEKAS) and thank him for including my amendment on child support during the markup. That amendment requires the GAO to study the feasibility of having bankruptcy court trustees report the names of individuals filing bankruptcy to the Office of Child Support Enforcement.

This study by the GAO that we are requiring in this legislation, we in the Congress will use this study to close any remaining loopholes that may remain that are permitting people to avoid their legal child support. It will make it criminal, but at the same time we must remember that it is the children who are being abused and deprived. I lend my strong support to this and look forward to continuing to work on the basis of the GAO study.

Mr. Chairman, I rise in strong support of H.R. 833—the Bankruptcy Reform Act of 1999.

INTRODUCTION

Consumer bankruptcy reform is an important issue that needs to be addressed now. In 1997 Americans filed a record of 1.33 million consumer bankruptcy petitions representing an over 650 percent increase since 1978. Those who entered into bankruptcy erased an estimated $40 billion in consumer debt. This resulted in a hidden tax of almost $400 per household for families who have to pay monthly bills including mortgages, student loans, and insurance. It is important to note that this surge in bankruptcies in the last few years occurred at a time when the national economy has grown at a strong rate. In fact, between 1986 and 1996, real per capita annual disposable income grew by over 13 percent while personal bankruptcies more than doubled.

Bankruptcy is fast becoming the first stop financial planning tool rather than a last resort. The purpose of reform is to improve bankruptcy law and practice by restoring personal responsibility and integrity in the bankruptcy system but also ensuring that the safety net of the bankruptcy code is intact for those who need it most. I am a strong supporter of the consumer bankruptcy reforms contained in the bill.

CHILD SUPPORT

What I really want to focus on in today's debate is child support. I have a long history of standing up for child support enforcement, having been a pioneer on child support reforms and having served on the U.S. Commission for Inter-State Child Support Enforcement. It's a national disgrace that our child support enforcement system continues to allow so many parents who can afford to pay for their children's support to shirk these obligations. And despite the reforms the so-called 'enforcement gap'—the difference between how much child support could be collected and how much child support is collected—has been estimated at $34 billion!

This legal abuse is a criminal violation as well as neglect of our children's most basic needs. In addition, the taxpayers are abused because billions of tax dollars are paid out because these families are falling onto the welfare roles at alarming rates.

I want to commend the Committee for their attention to child support components of this problem. I am very pleased that H.R. 833—the Bankruptcy Reform Act of 1999 strengthens child support enforcement. I thank Chairman GEKAS and the Committee for all their hard work and their reaching out to diverse groups to form a consensus that the payment of child support should be protected.

H.R. 833 stregthens Child Support Enforcement by:

Child support payments are moved to NUMBER ONE when determining which debts are paid first in a bankruptcy case. Currently, child support payments rank seventh behind such ''priorities'' as attorney's fees.

Confirmation and discharge of Chapter 13 plans are made conditional upon the debtor's complete payment of child support. This will help further ensure that child support receives the priority it deserves.

Providing that the automatic stay DOES NOT apply to a state child support collection agency that is trying to recover child support payments. I know from speaking with child support advocates in New Jersey, that this change is a top priority for them to ensure continued payment of important child support.

I also want to associate myself with an additional provision, that was added in full Committee, that will require the trustee to notify a claimant parent of the bankruptcy proceeding. This reform measure was led by Rep. Clay Shaw and me. This will ensure that claimant parents are not left out when a debtor parent enters into bankruptcy. It is important to note that this was dropped from the Conference report last year. Fortunately with Representative SHAW's leadership and with Representative JACKSON-LEE—Republicans and Democrats providing bi partisan support.

There are important reforms for any state of New Jersey and for states across the nation. In fact these provisions are welcomed improvements that will help make real and positive change.

The current child support obligation for this year in New Jersey is $767 million. The total child support payments in arrears is $1.3 Billion. Yes, I said $1.3 Billion, of which about $800 million is still collectible. Bergen county in my district, along with six other New Jersey counties, make up 53 percent of the total collections.

MY AMENDMENT

In addition, I am grateful to Chairman GEKAS and the Committee for including my amendment on child support during mark-up. My amendment requires the GAO to study the feasibility of having Bankruptcy Court trustees report the names of individuals filing bankruptcy to the Office of Child Support Enforcement. The names could then be checked against a national list of court orders for child support. Those found to have support obligations would have the support obligation listed among the debts before the Bankruptcy Court and be used to better facilitate communication between claimant parents, state agencies and the trustee.

The GAO would have 10 months from the enactment of the legislation to conduct the study and report to Congress. The study is intended to lead to effective legislation ensuring that debtor parents cannot use bankruptcy to escape their child support obligations. In other words, we want to use this study to close any remaining loopholes that avoid child support legal obligations.

CONCLUSION

These are important and significant improvements that ensure that child support enforcement is strengthened. I supported these provisions last year and plan to support them this year.

It is important to remember that failure to pay child support is not a victimless crime. The children are the first and most important victims. We must ensure that these children are taken care of and I applaud the work of the Committee to this end and will continue my work on this issue. I urge support for this important legislation.

Mr. CONYERS. Mr. Chairman, I yield myself 45 seconds.

I want to address the gentlewoman from New Jersey, whose concern about bankruptcy is well-known and remembered from the last Congress. I read to her the first paragraph of the National Women's Law Center letter sent to me only 2 weeks ago which says that ''The bankruptcy bill, H.R. 833, puts economically vulnerable women and children at greater risk. By increasing the rights of certain debtors, including credit card companies and secured creditors, the bill would set up a competition for scarce resources between parents and children owed child support and commercial creditors both during and after bankruptcy. And single parents facing financial crises—often caused by divorce, nonpayment of support, loss of job, uninsured medical expenses or domestic violence—would find it harder to access the bankruptcy process and harder, if they got there, to save their homes, cars and essential household items.''

This is a nonpartisan organization. I urge the Members to carefully consider what we are doing to our women and children.

Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. I thank the gentleman for yielding me this time.

Mr. Chairman, we have heard much about personal responsibility during the course of this debate. We have heard over and over again from members of the credit card industry that individuals must be held accountable for their behavior and that no longer is there any stigma attached to bankruptcy.

No one disagrees with the principles of personal accountability and personal responsibility. The problem is that the rhetoric does not withstand scrutiny in terms of the evidence supporting a linkage, to establish a link between the increase in personal bankruptcy filings and the change we are told has taken place in people's attitudes about bankruptcy simply does not exist.

□ 1300

On the eve of the committee markup I finally received from the Congressional Budget Office a draft of a report which I and other minority members of the committee requested more than a year ago. It concludes, and I quote:

At this point, we do not have a clear idea of the benefit of a needs-based bankruptcy requirement.

It further concludes, and again I am quoting:

Available research on the behavior of personal filings over time does not paint a clear picture of whether filings respond to incentives in the bankruptcy law.

In other words, we know very little about the likely consequences of what we are doing here today. Yet we are proceeding as if the evidence was clear and compelling.

But do not be misled. This bill will not reduce the number of bankruptcy filings. Colleagues will not see a substantial difference in terms of the 1.4 million annual filings.

But there is an issue of responsibility, corporate responsibility, and I submit that if we insist on responsible lending by the credit card industry, we will reduce the number of bankruptcy filings. Because while we do not know the cause of the increase in bankruptcy filings, no one, no one can legitimately dispute that irresponsible lending practices are at the very least a contributing factor.

Instead of encouraging responsible use of credit cards and reduction of credit card debt, many credit card lenders have encouraged card holders to take on an increasing amount of debts when they can ill afford it. They have increased interest rates, they have increased fees on current accounts, they have imposed penalties on consumers who pay off credit card balances without incurring any interest charges, and we have all experienced, everyone has experienced, the aggressive marketing tactics of the credit card industry. Last year alone they sent out more than 4 billion, that is 4 billion, solicitations, many of them to students with no credit history whatsoever and consumers already in debt.

The first exhibit to my right shows one of those solicitations which went to my own college-aged daughter. It is what is known as a live loan. I do not know why it is a live loan, but it is called a live loan, which invited her to cash a negotiable check for $2,875 at 18.9 percent interest. The offer said:

Use the money for whatever you like. No limits, no restrictions, no questions asked—

and I am quoting from the solicitation.

If my colleagues question the link between these kinds of aggressive marketing practices and the rising bankruptcy rate, I invite them to examine the second exhibit to my right. The first panel displays a credit card offer by First Consumers National Bank, a nationally chartered credit card bank owned by Spiegel and Eddie Bauer. It says, and I am quoting:

If you filed a bankruptcy, you can get a fresh start with this First Consumers National Bank Visa Card today. Your filed bankruptcy, your filed bankruptcy, qualifies you. No need to wait for bankruptcy discharge.

That is a quotation.

The second panel also shows a letter sent to bankruptcy attorneys, and I

think it is the third panel, it is the third panel. The third panel shows a letter to bankruptcy attorneys by a Minnesota company that calls itself American Bankruptcy Service. The letter seeks to enlist these attorneys as distributors. Must be like an Amway, an Amway of bankruptcy services who will market the fresh start card to their clients. It actually goes so far as to offer them a commission. For each credit card issued, it promises they will receive $10, 10 bucks if they can get out there and peddle that card.

Now a balanced bankruptcy bill would address this kind of egregious conduct. It would demand responsible behavior not only of debtors but of credit card lenders themselves and particularly those creditors whose own reckless lending practices have done so much to drive people into bankruptcy.

But this is not a balanced bill. H.R. 833 does nothing, nothing to encourage corporate responsibility. In fact, it would reward irresponsible lending by enhancing the position of credit card companies relative to other creditors. It would create a vast new system of means testing that would be implemented at taxpayer expense. In effect, the bill would turn the bankruptcy system into a public funded with our tax dollars collection agency to increase the profitability of the credit card industry.

And what would this all cost the taxpayer? According to the CBO, last year's bill would have cost $214 million over a 5-year period, but that does not include some $225 million in administrative costs required to cover the additional duties assigned to the U.S. trustees under H.R. 833. In other words, almost a half a billion dollars so that the credit card industry can enhance their bottom line.

This bill is nothing more than a public subsidy for the credit card industry, Mr. Chairman, and it deserves to be defeated.

Mr. GEKAS. Mr. Chairman, I yield 30 seconds to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Chairman, I thank the gentleman for yielding this time to me, and thank him for his leadership and those on his committee for bringing a bill before Congress that is going to have the effect of lowering interest rates and making credit more available. This bill encourages competition by reducing uncertainty.

Right now, all those credit card companies jack up their interest rates because their competition is forced to impose high interest rates to cover the ease of declaring bankruptcy.

Also let me just say that the farm provisions in this bill that extend indefinitely the provisions of chapter 12 in title 11 for farmers is very good for the agricultural community.

Mr. GEKAS. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York (Mrs. KELLY).

Mrs. KELLY. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. GEKAS) for yielding me the time to clarify some very important provisions in this legislation.

Mr. Chairman, I rise today in strong support for H.R. 833, the Bankruptcy Reform Act, because it boils down to two words: personal responsibility. If one assumes a debt, they should do everything in their power to pay it off. However, a safety net has to remain for those who legitimately cannot pay their debts. Creditors should be made whole, if possible.

Some of my colleagues here today are trying to paint the word creditors to mean faceless financial institutions who are tricking consumers into assuming debt. They specifically speak of credit card debt. They unfortunately failed to note that credit card debt in the United States amounts to only 3.7 percent of all consumer debt. Furthermore, only 1 percent of credit card accounts end up in bankruptcy. Of that 1 percent it is estimated that 15 percent of those accounts can afford to repay some or all of their debt.

The people who are truly being hurt by our current bankruptcy system are Americans who play by the rules and pay their debts. Bankruptcy costs the average American family an average per year of $400.

Needs-based bankruptcy reform is well overdue, and that is what H.R. 833 delivers. It is the people who game the system that we have to stop.

I have heard from my colleague from Virginia (Mr. MORAN). He stated last year more people filed for bankruptcy than graduated from college. That is a staggering fact.

I am pleased to support H.R. 833's provisions which strengthen the Bankruptcy Code protections for ex-spouses and children. They have to be supported.

In the current bankruptcy law, child support and alimony are placed seventh behind attorney fees as debt obligations. If enacted, this bill would move child support and alimony payments to first on the list of debt obligations.

Also under current law, some debtors use the automatic stay to avoid paying child support payments after they file for bankruptcy. H.R. 833 exempts State child support authorities from the automatic stay, thus insuring less delay in the proper payment of child support.

I vehemently oppose any legislation that would reduce the ability of women and children to receive support payments.

H.R. 833 is a good bill that moves us in the right direction, and I ask my colleagues from both sides of the aisle to join me in support of this reasonable reform.

Mr. CONYERS. Mr. Chairman, I yield 30 seconds to the gentleman from Massachusetts (Mr. DELAHUNT).

Mr. DELAHUNT. Mr. Chairman, I thank my friend and colleague for yielding me 30 seconds.

Let us be very, very clear, and I know that most members of the committee were aware of this, but for the rest of our colleagues:

During one of our hearings there was a panel of nine witnesses, including representatives of the credit card industry and minority witnesses. I asked a question and polled each of them, and all nine unanimously stated that this bill would not lower interest rates.

So that is a red herring, I suggest. The bill should be defeated.

Mr. CONYERS. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Chairman, I wanted to discuss a few things about this bill: first, the alleged need for it. And I want to stress that even though I am going to say there is no necessity for this bill, the Democratic substitute answers the nonexisting problem which they posit.

We are told the need for this bill is that the American people, especially the American middle class, are a bunch of deadbeats, that there is a huge increase in bankruptcy filings, which there is, and that the reason for this huge increase in bankruptcy filings is that we have changed social mores. There is no more stigma associated with bankruptcy. People used to be very reluctant to declare bankruptcy. Now they do it as a financial planning instrument, and they are deadbeats, and, therefore, we have got to crack down on it because the credit card companies are not making enough money.

What is the truth of the matter? The truth is that is nonsense. Sure there are a lot more bankruptcy filings, but why? The figures tell a very different story.

First of all, if it were true that the reason for the increase in bankruptcy filings were a change in social mores where people are more easily going to bankruptcies, then people would be going bankrupt when they are less in debt, when they are less in trouble. The figures say differently.

In 1983, before the surge in bankruptcy filings started, the average person who filed for bankruptcy had debts equal to 74 percent of his income. If one has that much debt compared to income, they file for bankruptcy.

Today, the average bankruptcy filer has debts equal to 125 percent of his income; so people are 50 percent more desperate before they go into bankruptcy. They are less eager to file, they are more reluctant to file, they are further in the hole before they file.

So why then do we have such an increase in bankruptcy filings? Here is the answer:

If we look at society at large, not at just bankruptcy filings but at society at large, we can find two things. We find the bankruptcy filings rising, but we also find the household debt burden as a percentage of income rising right along with it. Look how those two lines match.

Mr. Chairman, credit card companies, used to be when I was in college it was hard to get credit. Today they shove it at high school kids. Today they shove credit cards at people who are already 80 percent of their income in debt, of their annual income.

□ 1315

That is the real problem, irresponsible lending by the credit card companies. More and more credit is being given to people. People are getting more and more in debt. Just as the debt-to-income ratio rises, the bankruptcy filing rate rises right in tandem.

By the way, we are told that in 1978 Congress made the bankruptcy laws easier, and in the early eighties we started seeing an increase in bankruptcy because the laws are too easy; now we have to crack down.

Look at Canada. Canada has very harsh bankruptcy laws, harsher even than they want to make our laws in this bill. It has always been very harsh, and yet they have had the same increase in bankruptcies. We can date it.

When did it start in Canada, the increase in bankruptcies? In 1968. Why 1968? That is the year when the Visa card went into Canada, and they have had the same problems we have had with very harsh bankruptcy laws.

So this is a myth. The myth that the American middle class are deadbeats and that we have to crack down and squeeze a little bit more money out of them when they go bankrupt, it is a myth.

The Democratic substitute does squeeze it, but it squeezes it in a more rational way.

Let us talk about four things that this bill does. We are told that we ought to have a means test, needs-based bankruptcy. People should not simply get a discharge of their debts; they should have to repay if they can.

I will agree to that. We all agree to that. If people can repay, they should do so, and there should be a means test to see if they can repay, but a means test should mean a means test. What is your income? What are your unavoidable expenses? The difference is how much can afford to be repaid.

What does this bill do? Does it look at current income, at anticipated income? No. It looks back at income for 6 months before one files bankruptcy and assumes that is going to be the income.

It is pretty common in this country today for someone to be making $50,000, $75,000, $80,000 a year as middle management at IBM or some other big company, laid off. Now he is making $25,000 at McDonald's or as a consultant. That is the new underemployment for the middle class, a consultant.

Well, he is making $25,000. He contracted debts based on an income of $75,000. Now he goes bankrupt. This bill does not look at his new income, which is $25,000, or his prospective income which is $25,000. They look at what his income used to be, $75,000.

Is that fair or rational? Does it make sense? No.

The other half of the means test, what are your expenses? Well, what is your rent? What is your mortgage payment? Does this means test look at this? No. It looks at what the IRS thinks in its guidelines the average mortgage or rent ought to be in the Northeast or the southwestern United States, in guidelines so harsh the Congress told IRS to junk them last year, but for bankrupts we are going to do the same.

So we have to really crack down on the debtors. What about the dishonest creditor? Sears Roebuck was adjudged to have defrauded bankrupt people, debtors, $168 million in a class action suit last year. We cannot let that happen again. Big business crooks have to be protected, so this bill says no more class action suits. Someone wants to sue the big malefactor, the big guy who is cheating people of millions of dollars, they better have a few hundred thousand dollars in legal fees. One person cannot bring that lawsuit and it cannot be done for a class. No class action lawsuits; only in bankruptcy and only against creditors.

Small businesses, this bill murders small businesses. Many small businesses reorganize in bankruptcy. They get protections from their creditors. They manage to reorganize, get out of debt, and go on. This bill imposes such rigid requirements and such time lines on them that they will liquidate and kill jobs in businesses that could have survived.

Finally, child support, they claim that this bill saves child support. No, it does not. It kills child support enforcement. How? Two ways. Chapter 7, it says that not only are child support payments nondischargeable, so is credit card debt nondischargeable, so there is more to compete with mom.

Who is going to collect the debt, mom or the credit card attorney? They say we will give priority to mom; we will give priority to child support. Priorities are irrelevant after the discharge.

When someone is not in bankruptcy court anymore, priorities do not apply, and in Chapter 13 they say a person cannot have a Chapter 13 repayment plan accepted by the court unless all the child support is paid, there is a plan to pay all the child support. They count as child support debts owed the government, so if the means test in Chapter 13 says he can pay enough money to pay the child support to the custodial parent but not enough to pay the debt he owes to the government, not enough, cannot do it, cannot confirm a plan, too rich to go bankrupt in Chapter 7, too poor to go bankrupt in Chapter 13, cannot go bankrupt at all, and she is out there competing with every other debt collector in the world. What chance does she have?

This bill also hurts farmers. There is no reason for such a harsh, one-sided bill. The Democratic substitute is a very harsh bill. I personally would not vote for it if it were a freestanding bill. I think it is too harsh, but it does everything reasonably that should be done and does not do some of these terrible things of prohibiting class actions, murdering child support, having an unfair means test, hurting small businesses.

That is why the administration will veto the bill. That is why every union is opposed to it, every consumer group, every professional bankruptcy group. Anybody who knows anything about bankruptcy in the profession is opposed to this bill, except for the credit card issuers and the banks.

So I urge a ''yes'' vote on the Democratic substitute and a ''no'' vote on the bill.

Mr. GEKAS. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Chairman, I rise in support of the Bankruptcy Reform Act because it is based upon a simple principle of personal responsibility. Those who buy on credit should be required to pay their bills.

Our current bankruptcy system does not hold people to that standard. In 1998, a record 1.4 million Americans went to court to have their debts erased. Some were hard-working Americans who could not afford to pay their bills and needed bankruptcy protection, but many others took advantage of a failed bankruptcy system that encourages people to avoid paying their debts.

When people who cannot pay their debts do not, middle class Americans pick up the tab because companies charge higher prices to make up for the losses. Working families in America have a hard enough time paying their own bills. They should not have to needlessly pay someone else's.

The Bankruptcy Reform Act makes the right changes to the law by requiring those who can reasonably pay at least 25 percent of their debt to do so. Lower income Americans who truly cannot get out from mountains of debt will continue to have an escape hatch.

Mr. Chairman, I urge my colleagues to again stand for the reasonable principle of personal responsibility and pass this important legislation.

Mr. GEKAS. Mr. Chairman, I yield 2½ minutes to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. GEKAS) for yielding me this time and for his work on this bill, along with the gentleman from Virginia (Mr. BOUCHER) and others.

Mr. Chairman, our bankruptcy system should be a safety net for those in need, not a financial planning tool for the well-to-do. It is not fair for the large majority of working men and women who pay their bills and play by the rules to continue footing the bill and paying the price for those who abuse the bankruptcy system. It is just not right.

This bill makes sure that those who truly need the safety net of bankruptcy get it, like those who lose their job or have a medical emergency or a sick child. This bill protects those people, but it also makes sure that those higher income people, who can still repay some of their bills, do so. In my view, that is just basic personal responsibility.

Under the bill, if the debtor earns less than the median household monthly income, they can file Chapter 7, have almost all of their debts erased and be totally unaffected by the needs-based formula. If they make above the median and their monthly income is great enough to pay at least $6,000 of the unsecured debt after subtracting actual priority debts, after subtracting secured debts like their mortgage, after subtracting actual school tuition for their kids, after subtracting allowable living expenses based on IRS guidelines, then, yes, they have a Chapter 13 repayment plan.

Now, that is allowing for a lot of leeway and a lot of protection before we ask someone to pay back the people they owe.

Our colleagues, the gentleman from Illinois (Mr. HYDE) and the gentleman from Michigan (Mr. CONYERS), who I have a great deal of respect for, have an amendment to take the IRS living standards out of the bill and give more discretion to the judges. In my mind, that is a mistake because it is the unfettered discretion that has made the bankruptcy laws so unfair.

Under our current rules, a wealthy person can be subject to one standard for living expenses while the working man or woman is subjected to another one. I believe our Bankruptcy Code should treat everyone equally. That is what the formula does.

Worst of all, under our current system children are often the ones who get shortchanged because their support payments can be stayed during bankruptcy proceedings, all while their noncustodial parents continue to enjoy their current standard of living. So this bill ends that practice and puts child support at the very top priority during bankruptcy, where it should have been all along.

I urge my colleagues to vote for this bill. Let us bring some fairness, some justice, some standards, some protection for our children and some sense to our Bankruptcy Code.

Mr. GEKAS. Mr. Chairman, I yield 1 minute to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. GEKAS) for his work and for yielding me this time.

Mr. Chairman, I am an original cosponsor of H.R. 833, a bill that provides common sense bankruptcy reform. It has been said that over the last 7 years we have had unparalleled economic prosperity and yet the bankruptcy filings have hit an all-time high. The thing that has happened is we have had a lot of studies that have also said some of those people that are filing bankruptcies can afford to pay back some of that debt.

I am supporting this bill because it ensures those with the ability to pay that they pay, and those who legitimately need protection from creditors get it.

I hope Members will keep in mind, and we have heard this number of $51,000 for a family of four, which is the median income, they are not even affected by this legislation. If they are making $51,000, they are not affected by this legislation. For those above that threshold, there is a sensible means testing that determines whether a debtor should be able to walk away and not pay anything or at least pay part of their debt.

Mr. Chairman, this bill encourages personal responsibility, meets its obligation for children and families and saves American consumers money. I urge support for this bill.

Mr. GEKAS. Mr. Chairman, I yield 3½ minutes to the gentleman from New Jersey (Mr. ROTHMAN), a member of the committee.

Mr. ROTHMAN. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. GEKAS) for yielding me the time.

Mr. Chairman, I rise today in favor of H.R. 833. I believe that this legislation is important in order to restore integrity to our Nation's bankruptcy system.

While I believe in the fresh start that bankruptcy provides, and agree that there are people who legitimately need and deserve its protections, I am concerned that this last resort is currently being abused by many people. That is unfair to consumers, to creditors and to the people who truly need the system.

Also, while I support the bill, I believe that it could have been made better had we been allowed a floor vote to eliminate the provision which allows States to opt out of the homestead exemption contained in the bill, and I hope that the various State legislatures who have been given this discretion will do so wisely.

Nevertheless, I support H.R. 833 and wish to make four points today. First, I believe that there is an urgent need for meaningful reform. It is just common sense, if someone borrows money from somebody else or they encourage them to perform some services and they consume the money or get the benefit of the services, they should pay it back if they can, because if they do not, everyone else in America pays for being a deadbeat.

Now, this bill says we do not want the rest of American families to pick up the tab for those who have avoided paying their just obligations, even though they could afford to repay all or a portion of it.

Next, there is a need to create Federal standards. More than 70 percent of the all-time 1.4 million bankruptcies were filed in Chapter 7, which means all their debts are forgiven, even without regards to income. This says, let us take a look at the regional median income. So in New Jersey, the State that I come from and represent, if someone makes $67,000, less than $67,000 for a family of four, they can discharge all their debts.

□ 1330

It is only if you make more than $67,000 that the questions start to be asked: Can you afford to repay a portion of your debt?

There is discretion involved. There are presumptions that you can afford to repay, but after child support and other legitimate, important deductions are made, the bankruptcy trustee can still use his or her judgment to take into account extraordinary circumstances, such as a decline in income or unexpected medical expenses.

The bill still truly allows those who need a fresh start to get one, but says in New Jersey if you make over $67,000 a year and can afford to repay a portion of your debt, you should.

This bill improves the current law also in several ways. It strengthens protections for vital family support obligations. It completely protects retirement plan assets from the claims of creditors, and completely protects savings accounts for post-secondary college savings accounts, up to $50,000 per child. It adds a whole host of other new consumer protections.

Therefore, as an original cosponsor of this bill, I urge my colleagues to vote in favor of this important bankruptcy reform legislation.

Mr. GEKAS. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. MORAN), a Member who has been a bulwark in this effort and a cosponsor right from the beginning.

Mr. MORAN of Virginia. Mr. Chairman, I rise in support of the Bankruptcy Reform Act. I am a lead sponsor of the measure because the current system is broken. What was once the option of last resort has too often become

the preferred option of choice. A legislative fix is necessary to distinguish between those who truly need a fresh start and those capable of assuming greater responsibility and making good on at least some of what they owe. It's the fair thing to do.

Mr. Chairman, unless we take the steps now to reform the bankruptcy system while the economic times are good, we will not have the political resolve to fix it when the economy is not so strong.

Despite this country's remarkably strong economy, wages are up, unemployment is down, interest rates and inflation are low—despite the unparalleled times that we are currently experiencing, the rate of personal bankruptcy filings has increased dramatically. That does not make sense, unless the explanation is that the system is broken.

Mr. Chairman, last year bankruptcy filings reached a record high of more than 1.4 million. That is more than the number of people who graduated from college last year.

Now we can vilify creditors and lenders, banks and mortgage companies and credit card companies, particularly credit card companies, and some of that vilification is deserved. All that unsolicited marketing, particularly of college students, is too aggressive, it is inappropriately deceptive, and it is imprudent, and we should not be condoning it.

But while many would like to blame the credit card industry for the sharp increase in bankruptcy filings, it is very important to understand that the statistics indicate that the credit card industry is not the impetus for the current bankruptcy crisis.

The vast majority of Americans recognize the personal responsibility they take in using a credit card. More than 96 percent of credit card holders pay their bills as agreed to, and only 1 percent ever end up in bankruptcy. Bank credit cards represent less than 16 percent of total debt on average bankruptcy petitions.

Mr. Chairman, according to a recent Federal Reserve Board survey, credit cards account for a mere 3.7 percent of consumer debt, hardly large enough to cause a bankruptcy crisis.

Regardless of how one feels about creditors, the key issue before us now is that many borrowers capable of repaying some or all of their obligations are not acting responsibly. Somewhere over the past decade, since 1990, the integrity of the bankruptcy process has been corrupted and an important moral principle has been eviscerated. The time-honored principle of moral responsibility and personal obligation to pay one's debts has been eroded by the convenience and ease with which one can discharge his or her obligations. It is unacceptable and unfair to those who do pay their bills to have to foot the bill for those who do not.

Mr. Chairman, it is estimated that the majority who do make good on their debts are having to pay about an average of $400 a year to make up for the bad debt of those who do not make good on their debts. That is why this legislation addresses the process. It enables those who truly need relief to get the relief. It is fair, it is a bipartisan bill, and it should be passed.

Mr. GEKAS. Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. ADAM SMITH), because if there is anyone who knows about the economic impact of the bill before us, it is he.

Mr. SMITH of Washington. Mr. Chairman, this issue is all about personal responsibility, taking responsibility for one's own actions. In this case, when people do not take responsibility for their own actions, others have to pay.

We all pay more for everything that we buy because of the costs companies have to incur to cover those who do not pay their bills, and in particular, small businesses can be killed by this. If just a couple of critical creditors do not meet their obligations, small businesses can go out of business.

We have a responsibility to honor our commitments. I think the worst message that I have heard in this whole debate is that what is really to blame is the marketing, that we should blame people for advertising credit, and it is their fault, it is not the fault of the person who fell for the marketing campaign, who accepted the obligation, accepted the money. It is somebody else's fault.

When someone gets a credit card and charges it, they are responsible for paying it. Who does not know that? Everybody knows that. To say that it is not the individual's fault who has incurred the debt, but the person who gave them the credit, sends a terrible message to our country, that you do not have to be responsible for your own actions.

Second, it hurts those who can responsibly use credit. I got one of those credit card applications, 10 or 15 of them, when I was in college. I used one of them and got a credit card and I paid it off every month. Because of that, it helped me with some financial spending ability, and helped me establish credit. I would hate to think that people who can use credit responsibly would be denied it because of those who cannot.

One final point on the means testing issue. It is criticized that the means testing is based on your income from the past. First of all, what else can you base it on, really, except the existing record? But secondly, that is exactly the way we calculate child support payments, by your past income.

Just like with child support, in this bill if there is an extenuating circumstance, if you go from being a $100,000 a year marketer to somebody working for $5 an hour at McDonald's, you can go to the judge and have that taken into consideration.

It is just a misstatement of the facts to say that somehow those special circumstances are not considered in this bill. They are, just like they are in calculating child support. I do not think anybody on the other side of this debate would say that we should only base child support payments on projected future incomes, as offered by the person who has to meet the obligation.

The means testing system works, and so does the bill.

Mr. GEKAS. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. PETERSON).

Mr. PETERSON of Pennsylvania. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I would also like to congratulate him and all those who have worked on this legislation. This is one of the most needed pieces of legislation in the economics of this country.

At a time when we are at an all-time high economically, when our economy is growing faster than it has ever grown, we end up with the highest number of bankruptcies, 1.42 million, costing consumers over $40 billion in the past year. In 1998, more people declared bankruptcy than graduated from college. That is inconceivable in a country like this.

Why is that the case? It is because it is so easy. It is because we have current laws that allow people to choose, well, I guess it would be easier to go bankrupt, so I will do that. That is not what made this country strong. When we owe money, when we have debts, it is the responsibility of each and every one of us to pay those debts, however long we have to work, how many hours per day, how many days per week, how much effort is needed to pay our debts.

I was a businessman, a supermarket operator for 26 years. When I am out in my district, I always say to businessmen, and business is what makes this country go, that is what makes our employment base; to independent businessmen I will say, how is business? And they will say, it is good. But I so often hear the complaint, if it was not for bankruptcies, I would have had a good year. I had seven bankruptcies this year and wiped out my total profit picture.

That is happening to small businesses all over the country because people choose to go bankrupt rather than stay and fight and pay their bills, as they should have. The American economy is built on financial responsibility. That is what is different about this country. When we owe something, we pay it.

Currently, child support and alimony are only accorded seventh priority. They are going to go to the top of the

list in this bill. That is why H.R. 833 is so well-designed. It put responsibility back, that when you owe money, you have to pay it. You have to make your very best effort. Bankruptcy should only be the very last extreme, where you just cannot physically do it. It is not something that you choose, it is not a choice you make. Bankruptcy should not be easy, and this bill changes that.

Mr. CONYERS. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the distinguished minority leader, the gentleman from Missouri (Mr. RICHARD GEPHARDT) has said that, ''While I support a balanced approach to bankruptcy reform that places equal responsibility on both debtors and creditors, I must oppose H.R. 833 because it fails to strike such a balance.''

In addition, the administration has said repeatedly that they will veto this bill in its current form. The legislation is opposed by the National Bankruptcy Conference, the Commercial Law League, the National Association of Consumer Bankruptcy Attorneys, the National Association of Bankruptcy Trustees, and the National Association of Chapter 13 Trustees, the AFL, the UAW, AFCSME, UNITE, the Leadership Conference on Civil Rights, the National Partnership for Women and Families.

Please, let us make certain that we do not move bankruptcy into the dark ages. Let us reject this bill, send it back to the committee, and I hope that Members will consider favorably some amendments that could hopefully improve the bill.

Mr. GEKAS. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the lines of debate are fairly clear now. We have insisted all along that our bill is a balanced approach, contrary to what the gentleman from Michigan (Mr. CONYERS) has implied, or is the implication or the inference gained by the minority leader.

When we consider the fact that we have a safe harbor for low-income and moderate-income and no-income individuals seeking the benefits of bankruptcy, on the one side, and on the other side we have the approach that those individuals in the higher-income brackets, from $50,000 and up who might have an ability to repay are accorded a mechanism for recoupment of some of that debt, then we can see that the balance is what we begin the debate with here in this Chamber.

So when it comes down to the final vote, what the individuals who are supporting this bill will be finding is a bill that fixes the loose machinery that now exists in bankruptcy.

Mr. HYDE. Mr. Chairman, I am pleased that the Committee on the Judiciary, after thorough hearings and markups, completed its consideration last week of H.R. 833 (the ''Bankruptcy Reform Act of 1999''), and reported the legislation favorably.

We are on the Floor today—relatively early in the 106th Congress—debating this omnibus bill, because bankruptcy is an important issue on the national agenda. With this auspicious beginning, I am hopeful the effort to enact major improvements in our bankruptcy law will reach fruition this session. Consumer bankruptcy reform is the centerpiece of H.R. 833, but the bill also addresses business bankruptcy, tax-related issues in bankruptcy, transnational bankruptcy, and the treatment of financial contracts.

Bankruptcy reform was a major activity of the Committee on the Judiciary in the last Congress. In September 1997, our colleague, the gentleman from Florida [Mr. MCCOLLUM], introduced H.R. 2500, the ''Responsible Borrower Protection Bankruptcy Act,'' a bill designed in part to implement the concept of needs based bankruptcy. In February 1998, the chairman of the Subcommittee on Commercial and Administrative Law—the gentleman from Pennsylvania [Mr. GEKAS]—built on this approach by introducing H.R. 3150, the ''Bankruptcy Reform Act of 1998.'' H.R. 3150 incorporated—with modifications and additions—most of H.R. 2500's consumer bankruptcy provisions while also addressing other bankruptcy related subjects. Although the House passed an amended version of H.R. 3150 and later acted favorably on the work product of a Committee of Conference, the other body did not have time before adjournment to take action on the Conference Report.

This year my Committee again devoted much attention to bankruptcy reform. The gentleman from Pennsylvania [Mr. GEKAS], who conducted important hearings on bankruptcy reform in his Subcommittee last year, deserves commendation for the scope of the testimony his Subcommittee elicited during four days of hearings this March. Witnesses represented a wide range of viewpoints.

These hearings were followed by two days of markup in the Subcommittee on Commercial and Administrative Law and five days of markup in the Full Committee on the Judiciary. The positive aspect of returning to a familiar subject was the opportunity to fashion some improvements as a result of benefitting from the thoughtful insights of knowledgeable individuals who analyzed earlier versions of the legislation.

The major objective consumer bankruptcy reform is to achieve an appropriate balance between debtor and creditor rights that will increase creditor recoveries while offering relief to deserving debtors. Those who need an immediate fresh start should get it—but those who can afford to make significant payments out of future income should be required to do so.

Under H.R. 833 as reported, individuals or couples with income levels exceeding adjusted regional median figures that take into account household size generally will not be able to remain in Chapter 7 if they can make payments of at least $100.00 per month out of future income to general unsecured creditors. Chapter 7 offers a financial fresh start—without encumbering future income—to debtors who are prepared to give up all of their nonexempt assets. Those who penses of debtors who will be channeled into five-year repayment plans.

I am optimistics that the results of my Committee's work and our actions on the Floor today will be to provide for bankruptcy processes that increase creditor recoveries and operate fairly. If so, we will be able to point to an important legislative achievement on a subject of great economic significance to the American people.

I urge my colleagues, after giving careful consideration to the amendments we will be debating today, to support passage of H.R. 833.

SHIPPING ANTITRUST HEARING WEDNESDAY; JUDICIARY TO STUDY COMPETITION IN DEREGULATED INDUSTRY

What: Oversight Hearing on ''Antitrust Aspects of the Ocean Shipping Reform Act of 1998.'' Committee on the Judiciary.

When: Wednesday, May 5, 1999, at 10:00 a.m.

Where: 2141 Rayburn House Office Building.

On May 1, legislation deregulating the ocean shipping industry went into effect, even as new issues regarding competitive practices in the industry have arisen. The justification for the industry's antitrust exemption has been called into question as it primarily benefits foreign carriers at the expense of American shippers, while a new investigation has unearthed alleged anti-competitive activity of some carriers.

*Shipping's continued antitrust exemption poses the questions . . .*

Did the 1998 Ocean Shipping Reform Act strike the right balance between carriers and non-vessel owning common carriers (NVOs) in allowing ocean carriers to use confidential service contracts, but not the NVOs?

Is antitrust immunity still justified in light of the new environment and the startling findings of anti-competitive activity made in a recent investigative report on the industry?

Does it make sense to continue antitrust immunity when it largely benefits foreign carriers at the expense of American shippers?

Does the Federal Maritime Commission have adequate authority to deal with the kinds of practices detailed in the new report, and what, if any, role can the Justice Department play?

*These hearings will . . .*

Allow a complete airing of the issues raised in the investigation by its author, FMC Commissioner Delmond Won.

Further discuss the competitive issues surrounding the newly deregulated shipping industry.

Mr. CROWLEY. Mr. Chairman, I rise today in support of H.R. 833, the ''Bankruptcy Reform Act of 1999.''

Mr. Chairman, a record 1.42 million personal bankruptcy filings were recorded in 1998, rising a staggering 500 percent since 1980. Despite strong economic growth, low unemployment and rising disposable income, personal bankruptcies are soaring, costing over $40 billion in the past year alone. Without serious reform, these trends promise to continue growing every year, costing consumers and businesses even more money.

The Bankruptcy Reform Act of 1999 is an important piece of legislation that will start to end the abuse and restore responsibility to the bankruptcy system. H.R. 833 closes loopholes in current law that encourages debtors to take advantage of the system and avoid paying their debts. Too many times debts are wiped out, instead of worked out.

This legislation provides a fair needs based system that takes debtors' special circumstances into account while assuring that those who can afford to pay are required to do so.

Additionally, this bill puts the needs of women and children first. Under current law, child support and alimony payments rank seventh on the priority lists of payments. Under H.R. 833, child support payments are raised from seventh to first giving them the long overdue priority that they need and deserve. In addition, this bill closes various loopholes in bankruptcy so that filers seeking to delay or evade their important family obligations, will not be able to do so.

Mr. Chairman, I strongly urge my colleagues support for this legislation which strikes the appropriate balance between the interests of consumers, debtors and creditors and will help restore personal responsibility and fairness to our bankruptcy system.

Mr. PACKARD. Mr. Chairman, I rise in support in H.R. 833, the Bankruptcy Reform Act of 1999. It is time we revitalize our weak bankruptcy system, which is supposed to benefit those who need it most. As the sponsor of bankruptcy reform legislation during the 105th Congress which protected churches and charities, I strongly endorse the efforts of my colleagues in crafting the bill we are debating today.

The truth is, our bankruptcy system is seriously flawed. This system allows individuals who have the ability to pay back a portion of their debts to declare bankruptcy so American taxpayers can foot the bill for them. This costs Americans an average of $550 a year in the form of higher interest rates and increased product prices.

The original reason for people to file bankruptcy was as a last resort, for those in a dire situation. Unfortunately, bankruptcy has become a way for some reckless spenders to escape their debts. There are more people declaring bankruptcy in America each year than what are graduating from college. This is absurd! H.R. 833 will give this country a need-based bankruptcy system, not an easy way out for those who choose to not repay their debts. I firmly believe this legislation will restore a sense of fairness and personal obligation to our bankruptcy system.

Finally, I would like to thank Chairman GEKAS for his hard work on this legislation and for working with me to ensure the enforcement of my legislation, H.R. 2604 from the 105th Congress. The Religious Liberty and Charitable Donation Protection Act restored the right of debtors to tithe and give charitably after declaring bankruptcy.

Mr. Chairman, what kind of system are we encouraging if we do not require people who can pay back even a portion of their debts to do so? I urge my colleagues to support H.R. 833, and restore a sense of responsibility to our bankruptcy laws.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise in opposition to the passage of H.R. 833, which restructures, I believe in a negative way, the way bankruptcy is handled in the United States today.

At the outset let me say, bankruptcy is an important mechanism for many families and business-owners around the country. For many people who have filed for Chapter 7 Bankruptcy successfully, Chapter 7 has provided a ''fresh start'' and eventually helped them get them and their families on the road to recovery. But it is not a free ride. Chapter 7 involves liquidation of assets—surely a traumatizing and unpleasant situation in any person's life.

Chapter 13 is a less dramatic form of bankruptcy that allows structured repayment. It is an important option for those who have an income sufficient to eventually pay back debt over an extended period of time and maintain their current assets.

Chapter 11 bankruptcy is also important. It is the form of bankruptcy that allows commercial entities to reorganize so that they can satisfy their creditors.

The increase in the number of bankruptcies over the past few years tells Congress that we are in desperate need of bankruptcy reform. Or does it? Perhaps—as many of us Democrats have argued, we ought to be taking a closer look at banking and lending practices. Perhaps the problems, on the consumer side, is not that people have found bankruptcy laws, but rather that credit card companies and other creditors have flooded our constituency with undeserved credit lines. Will we ever find out if this is the case? No, because the Committee on Banking and Financial Services did not look at this bill.

So already, we are working under the assumption that bankruptcy reform is needed because consumers are abusing the system. This premise is a dangerous one, and it shows, because this bill is pockmarked with provisions that give power to credit card companies and collection agencies—and it does nothing to make creditors responsible for their own actions. It gives them carte blanche to lend without fear of reprisal, and creates an atmosphere strikingly similar to the one surrounding the savings and loan industry in the mid-1980s (following deregulation).

The Chairman said it himself during our markup of this bill in the Judiciary Committee when defending an amendment that he had passed. He said

> I have been told with great sincerity that [my amendment] is a deal breaker. That it is a killer. That some of the credit card folks will walk away from the bill if it is passed. I found that a bit much. I asked my staff to give me a list of what the creditors are getting out of this bill. I have pages and pages and pages of advantages the creditor community is getting out of this bill. . . . I was going to read a list of what the creditors are getting out of this bill. I won't do it. I assume you know. But there are, I don't know, 12 or 13 pages of single-spaced print of changes that benefit the creditors. . . . There ought to be a little give on the part of the creditor community[,] there doesn't seem to be.

Even the Chair's cry for a ''little flexibility'' could not be heeded by the Members of his own party on the Committee. Does that tell us anything about what is pushing this bill through Congress? Are these reforms guided by reason, or by solidarity with big lenders?

Who does this bill hurt? Small business-owners, bankruptcy trustees, women and children. Why women and children? Because it contains provisions which allow credit card companies to transform their ''investments'' into non-dischargeable debt. This puts women and children expecting domestic support on the same footing as credit card companies—and when both must fight to get the monies that they deserve, who do you think can afford to pay the better lawyers? Who do you think will get to those funds first? The credit card companies, of course. That is why this bill is strongly opposed by the National Women's Law Center.

But families and children are not the only ones hurt by this bill. It muddies the structure of the bankruptcy system. It replaces our current mechanism used to determine whether a debtor may file for Chapter 7 or Chapter 13 with an IRS ''means test'' that was developed for an entirely different purpose—collecting taxes. It is this section that has drawn the ire of consumer groups, women's and children's organizations, and the Democratic Members of our Committee—and rightfully so. It is a provision that was never recommended by the National Bankruptcy Commission, who has been the primary group studying the bankruptcy system and the need for bankruptcy reform.

Sure, the IRS-developed ''means test'' is easy to use, but does that make it right? Is it a bright line or a rubber stamp? Is it not our responsibility to look at where the bright line lies, rather than on the fact that it is a bright line? Are we allowing form to rule over substance?

At committee and at rules I offered several amendments that would have made this a better bill, a bill that would be more responsive to the needs of all Americans, and not just those that work in glass towers. I offered amendments that would have protected victims of managed care disasters and tobacco companies. I offered amendments that would have protected our seniors that rely on social security as their primary source of income. I offered amendments that would have allowed recipients of federal disaster assistance to not be penalized by the bankruptcy system. How these reasonable amendments were not accepted I cannot say—but I can say that this bill does not do right by the American people.

The bill raises more questions than it answers, especially for America's families. I urge each of you to vote against it, and work with us to provide meaningful bankruptcy reform that eschews personal and financial responsibility from both debtors and creditors.

Mr. CRAMER. Mr. Chairman, I rise in support of H.R. 833, the Bankruptcy Reform Act.

H.R. 833, is a common sense piece of legislation that reforms our deeply flawed bankruptcy system. Under our current bankruptcy system, we have seen an increase in bankruptcy filings by more than 400 percent since 1980. Last year alone, during booming economic times with historic lows in unemployment, more than 1.4 million Americans filed for bankruptcy. This is a 3.6 percent increase over the number of individuals filing for personal bankruptcy in 1997 and an increase of 94.7 percent over 1990 levels. Moreover, 70 percent of these 1.4 million bankruptcies were filed under Chapter 7, the most permissive and lenient form of bankruptcy. Under Chapter 7, individuals can simply erase most of their accumulated debt. In effect, the permissiveness of the current system, while allowing

some consumers to escape their debts, ultimately harms all consumers by forcing industry to charge higher prices and impose tighter credit.

Clearly, Mr. Chairman, something is wrong with our current bankruptcy system. Our current system makes it too easy for individuals to compile huge amounts of debt and then escape responsibility for repaying those debts. For far too many individuals, bankruptcy has become an easy and convenient way to skirt their financial obligations rather than an instrument of last resort.

H.R. 833 reforms this flawed system. H.R. 833 simply says that those consumers who can afford to pay back their debt should be required to do so. This bill does this by instituting a means test that requires those individuals making more than the regional median income, and who can pay more than $6,000 in debts over five years to file for Chapter 13 bankruptcy, as opposed to Chapter 7. By doing this, the bill prevents individuals with high incomes from walking away from their debts. At the same time, the bill continues to provide those individuals in need of bankruptcy protection with the opportunity to file for the more lenient Chapter 7 bankruptcy. The bill also attempts to discourage individuals from repeatedly filing for bankruptcy protection by terminating the automatic stay against collection of debts for an individual who files for bankruptcy within one year of clearing up an earlier bankruptcy.

Mr. Chairman, H.R. 833 is a good bill that cuts down on the blatant abuse of the current system by instituting several much needed reforms. This bill restores balance, accountability, and common sense to our deeply flawed system. Some, I know will argue that the bill is extreme and will end up harming families who are in desperate need of bankruptcy relief. But, Mr. Chairman, I believe this bill strikes the right balance between seeking to protect those in most dire need, while restoring personal responsibility to our bankruptcy system.

Therefore, Mr. Chairman, I urge my colleagues to support H.R. 833.

Mr. BEREUTER. Mr. Chairman, this Member rises today to express his support for H.R. 833, the Bankruptcy Reform Act, of which he is an original cosponsor.

First, this Member would thank the distinguished gentleman from Pennsylvania [Mr. GEKAS], Chairman of the Judiciary Subcommittee on Commercial and Administrative Law, for introducing this bill. This Member would also like to express his appreciation to the distinguished gentleman from Illinois [Mr. HYDE], the Chairman of the Judiciary Committee, for his efforts in getting this measure to the House Floor for consideration.

This Member supports the Bankruptcy Reform Act for numerous reasons; however, the most important reasons include the following:

First, and of preeminent importance to the nation's agriculture sector, this Member supports the provision in H.R. 833 which permanently extends Chapter 12 of the Bankruptcy Code for family farmers. Chapter 12 bankruptcy allows family farmers to reorganize their debts as compared to liquidating their assets. Chapter 12 bankruptcy has been a viable option for family farmers nationwide. It has allowed family farmers to reorganize their assets in a manner which balances the interests of creditors and the future success of the involved farmer.

If Chapter 12 bankruptcy provisions are not permanently extended for family farmers, this will have a drastic impact on an agricultural sector already reeling from low commodity prices. Not only will many family farmers have to end their operations, but also land values will likely plunge downward. Such a decrease in land values will affect both the ability of family farmers to earn a living and the manner in which banks, making agricultural loans, conduct their lending activities. This Member has received many contacts from his constituents regarding the extension of Chapter 12 bankruptcy because of the situation now being faced by our nation's farm families—although the U.S. economy is generally healthy, it is clear that agricultural sector is hurting.

Second, this Member supports the provision in H.R. 833 which provides for a means testing (needs-based) formula when determining whether an individual should file for Chapter 7 or Chapter 13 bankruptcy. The vast majority of bankruptcy filers—approximately 70%—choose Chapter 7 of the Bankruptcy Code, which erases all debts. Some Chapter 7 filers actually have the capacity to repay some of what they owe, but they choose Chapter 7 bankruptcy and are able to walk away from these debts. For example, the stories in which an individual filed for Chapter 7 bankruptcy and then goes out takes a nice vacation and/or buys a new car are too common. Moreover, the status quo is costing the average American individual and family in increased costs for consumer goods and credit because of the amount of debt which is never repaid to creditors.

As a response to these concerns, the means test of H.R. 833 will help ensure that high income filers, who could repay some of what they owe, are required to file Chapter 13 bankruptcy as compared to Chapter 7. This needs-based system takes a debtor's income, expenses, obligations and any special circumstances into account when determining whether he or she has the capacity to repay a portion of their debts. However, this bill still preserves the right to file bankruptcy, for an individual or family who legitimately need a ''fresh start'', which was the original intent behind bankruptcy legislation.

Third, this Member also supports the positive steps that H.R. 833 takes in ensuring that those who owe child support and alimony payments are not allowed to evade this vital, familial responsibility by filing bankruptcy. The bill moves child support payments and alimony into the highest payment priority.

In closing, this Member would encourage his colleagues to support H.R. 833, the Bankruptcy Reform Act.

Ms. ROYBAL-ALLARD. Mr. Chairman, I rise in opposition to this bill.

I would gladly vote for H.R. 833 if it were a ''balanced and sensible'' bankruptcy reform bill. Unfortunately, H.R. 833 fails to include reasonable consumer protections.

Because the closed rule prevented Mr. DELAHUNT, Mr. WATT, Mr. LAFALCE and I from offering an amendment to ensure that the credit industry assumes its responsibility for the dramatic rise in consumer debt this bill allows misleading and coercive practices to continue.

My staff collected credit card solicitations they receive in the mail. In a matter of weeks, we amassed dozens of solicitations, offering free cookbooks, calling cards, sweatshirts, and frequent flyer miles. All promoted low teaser rates in giant print. But you need a magnifying glass to see the permanent rate, which can jump to 25%.

With these aggressive marketing techniques, fundamental bankruptcy reform must include reasonable consumer protections. Without them, H.R. 833 is a lost opportunity for this House.

I urge my colleagues to oppose the bill.

The CHAIRMAN pro tempore (Mr. LAHOOD). All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill is considered as an original bill for the purpose of amendment under the 5-minute rule and is considered as read.

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 833

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

***SECTION 1. SHORT TITLE; TABLE OF CONTENTS.***

*(a) SHORT TITLE.—This Act may be cited as the ''Bankruptcy Reform Act of 1999''.*

*(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:*

## TITLE I—CONSUMER BANKRUPTCY PROVISIONS

### Subtitle A—Needs based bankruptcy

**SEC. 101. CONVERSION.**

Section 706(c) of title 11, United States Code, is amended by inserting ''or consents to'' after ''requests''.

**SEC. 102. DISMISSAL OR CONVERSION.**

(a) IN GENERAL.—Section 707 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

**''§ 707. Dismissal of a case or conversion to a case under chapter 13''**;

and

(2) in subsection (b)—

(A) by inserting ''(1)'' after ''(b)''; and

(B) in paragraph (1), as redesignated by subparagraph (A) of this paragraph—

(i) in the first sentence—

(I) by striking ''but not at the request or suggestion of'' and inserting ''the trustee, or'';

(II) by inserting '', or, with the debtor's consent, convert such a case to a case under chapter 13 of this title,'' after ''consumer debts''; and

(III) by striking ''substantial abuse'' and inserting ''abuse''; and

(ii) by striking the second and third sentences and inserting the following:

''(2)(A)(i) In considering under paragraph (1) whether the granting of relief would be an abuse of the provisions of this chapter, the court shall presume abuse exists if the debtor's current monthly income less estimated administrative expenses and reasonable attorneys' fees, and amounts set forth in clauses (ii) for monthly expenses (which shall include, if applicable, the continuation of actual expenses of a dependent child under the age of 18 for tuition, books, and required fees at a private elementary or secondary school, not exceeding $10,000 per year, which amount shall be adjusted pursuant to section 104(b)), (iii) for monthly payments on account of secured debts, and (iv) for monthly unsecured priority debt payments, and multiplied by 60 months is not less than $6,000.

''(ii) The debtor's monthly expenses shall be the debtor's applicable monthly expense amounts specified under the National Standards and Local Standards, and the debtor's applicable monthly expenses for the categories specifically listed as Other Necessary Expenses issued by the Internal Revenue Service for the area in which the debtor resides, as in effect on the date of the entry of the order for relief, for the debtor, the dependents of the debtor, and the spouse of the debtor in a joint case, if the spouse is not otherwise a dependent. In addition, if it is demonstrated that it is reasonable and necessary, the debtor may also subtract an allowance of up to 5% of the food and clothing categories as specified by the National Standards issued by the Internal Revenue Service. Notwithstanding any other provision of this clause, the debtor's monthly expenses shall not include any payments for debts.

''(iii) The debtor's average monthly payments on account of secured debts shall be calculated as the total of all amounts scheduled as contractually due to secured creditors in each month of the 60 months following the date of the petition, and dividing that total by 60 months.

''(iv) The debtor's monthly unsecured priority debt payments (including payments for priority child support and alimony claims) shall be calculated as the total amount of unsecured debts entitled to priority, and dividing the total by 60 months.

''(v) For the purposes of this subsection, a family or household shall consist of the debtor, the debtor's spouse, and the debtor's dependents, but not a legally separated spouse unless the spouse files a joint case with the debtor.

''(B) In any proceeding brought under this subsection, the presumption of abuse may be rebutted only by demonstrating extraordinary circumstances that require additional expenses or adjustment of current monthly income. In order to establish extraordinary circumstances, the debtor must itemize each additional expense or adjustment of income and provide documentation for such expenses or adjustment of income and a detailed explanation of the extraordinary circumstances which make such expenses or adjustment of income necessary and reasonable. The debtor shall attest under oath to the accuracy of any information provided to demonstrate that additional expenses or adjustment to income are required. The presumption of abuse may be rebutted only if such additional expenses or adjustments to income cause the debtor's current monthly income less estimated administrative expenses and reasonable attorneys' fees, and the amounts set forth in clauses (ii), (iii), and (iv) of subparagraph (A) when multiplied by 60 to be less than $6,000.

''(C) As part of the schedule of current income and expenditures required under section 521 of this title, the debtor shall include a statement of the debtor's current monthly income, and the calculations which determine whether a presumption arises under subparagraph (A)(i), showing how each amount is calculated. The bankruptcy rules promulgated under section 2075 of title 28, United States Code, shall prescribe a form for such statement and may provide general rules on its content.

''(D) No judge, United States trustee, panel trustee, bankruptcy administrator or other party in interest shall bring a motion under this paragraph if the debtor and the debtor's spouse combined, as of the date of the order for relief, have current monthly total income equal to or less than the regional median household monthly income calculated on a semiannual basis for a household of equal size. However, for a household of more than 4 individuals, the median income shall be that of a household of 4 individuals plus $583 for each additional member of that household.

''(3) In considering under paragraph (1) whether the granting of relief would be an abuse of the provisions of this chapter in a case in which the presumption in paragraph (2)(A)(i) does not apply or has been rebutted, the court shall consider—

''(A) whether the debtor filed the petition in bad faith; or

''(B) the totality of the circumstances (including whether the debtor seeks to reject a personal services contract and the financial need for such rejection as sought by the debtor) of the debtor's financial situation demonstrates abuse.

''(4)(A) If a panel trustee appointed under section 586(a)(1) of title 28 or bankruptcy administrator brings a motion for dismissal or conversion under this subsection and the court grants that motion and finds that the action of the counsel for the debtor in filing under this chapter violated Rule 9011, the court shall assess damages which may include ordering:

''(i) the counsel for the debtor to reimburse the trustee for all reasonable costs in prosecuting the motion, including reasonable attorneys' fees.

''(ii) the assessment of an appropriate civil penalty against the counsel for the debtor; and

''(iii) the payment of the civil penalty to the panel trustee, bankruptcy administrator or the United States trustee.

''(B) In the case of a petition filed under sections 301, 302, or 303 of this title and supporting lists, schedules and documents filed under section 521(a)(1) of this title, the signature of an attorney on the petition shall constitute a certificate that the attorney has—

''(i) performed a reasonable investigation into the circumstances that gave rise to the petition; and

''(ii) determined that the petition, lists, schedules, and documents—

''(I) are well grounded in fact; and

''(II) are warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law and do not constitute an abuse under paragraph (1) of this subsection.

''(5) The court may award a debtor all reasonable costs in contesting a motion filed by a party in interest (not including a trustee or the United States trustee) under this subsection (including reasonable attorneys' fees) if—

''(A) the court does not grant the motion; and

''(B) the court finds that—

''(i) the position of the party that brought the motion was not substantially justified; or

''(ii) the party brought the motion solely for the purpose of coercing a debtor into waiving a right guaranteed to the debtor under this title.

''(6) However, only the court, the United States trustee, or the trustee may file a motion to dismiss or convert a case under this subsection if the current monthly income of the debtor and the debtor's spouse combined, as of the date of the order for relief, when multiplied by 12, is less than the highest national median family income last reported by the Bureau of the Census for a family of equal or lesser size, or in the case of a household of 1 person, the national median household income for 1 earner. Notwithstanding the foregoing, the national median family income for a family of more than 4 individuals shall be the national median family income last reported by the Bureau of the Census for a family of 4 individuals plus $583 for each additional member of the family.

''(7) In making a determination whether to dismiss a case under this section, the court may not take into consideration whether a debtor has made, or continues to make, charitable contributions (that meet the definition of 'charitable contribution' under section 548(d)(3)) to any qualified religious or charitable entity or organization (as that term is defined in section 548(d)(4)).

''(8) Not later than 3 years after the date of enactment of the Bankruptcy Reform Act of 1999, the Director of the Executive Office for United States Trustees shall submit a report, to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate, containing its findings regarding the utilization of the Internal Revenue Service standards for determining the current monthly expenses under section 707(b)(1)(A)(ii) of title 11, United States Code, of debtors and the impact that the application of such standards has had on debtors and on the bankruptcy courts. Such report may include recommendations for amendments to such title, consistent with the Director's findings.''.

(b) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

*(1) by inserting after paragraph (10) the following:*

*''(10A) 'current monthly income' means the average monthly income from all sources derived which the debtor, or in a joint case, the debtor and the debtor's spouse, receive without regard to whether it is taxable income, in the 180 days preceding the date of determination, and includes any amount paid by anyone other than the debtor or, in a joint case, the debtor and the debtor's spouse, on a regular basis to the household expenses of the debtor or the debtor's dependents and, in a joint case, the debtor's spouse if not otherwise a dependent, but excludes payments to victims of war crimes or crimes against humanity;''; and*

*(2) by inserting after paragraph (17) the following:*

*''(17A) 'estimated administrative expenses and reasonable attorneys' fees' means 10 percent of projected payments under a chapter 13 plan;''.*

*(c) ADMINISTRATIVE PROVISIONS.—Section 704 of title 11, United States Code, is amended—*

*(1) in paragraph (8) by striking ''and'' at the end;*

*(2) in paragraph (9) by striking the period at the end and inserting ''; and''; and*

*(3) by adding at the end the following:*

*''(10)(A) With respect to an individual debtor, the trustee shall review all materials filed by the debtor, consider all information presented at the first meeting of creditors, and within 10 days after the first meeting of creditors file with the court a statement as to whether the debtor's case should be presumed to be an abuse under section 707(b) of this title. The court shall provide a copy of such statement to all creditors within 5 days after such statement is filed. If, based on the filing of such statement with the court, the trustee determines that the debtor's case should be presumed to be an abuse under section 707(b) of this title and if the current monthly income of the debtor and the debtor's spouse combined, as of the date of the order for relief, when multiplied by 12, is not less than the highest national median family income reported for a family of equal or lesser size, or in the case of a household of 1 person, the national median household income for 1 earner, then the trustee shall within 30 days of the filing of such statement, either—*

*''(i) file a motion to dismiss or convert under section 707(b) of this title; or*

*''(ii) file a statement setting forth the reasons the trustee or bankruptcy administrator does not believe that such a motion would be appropriate.*

*''(B) Notwithstanding subparagraph (A), for purposes of this paragraph the national family income for a family of more than 4 individuals shall be the national median family income last reported by the Bureau of the Census for a family of 4 individuals plus $583 for each additional member of the family.''.*

*(d) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 7 of title 11, United States Code, is amended by striking the item relating to section 707 and inserting the following:*

*''707. Dismissal of a case or conversion to a case under chapter 13.''.*

***SEC. 103. NOTICE OF ALTERNATIVES.***

*Section 342(b) of title 11, United States Code, is amended to read as follows:*

*''(b) Before the commencement of a case under this title by an individual whose debts are primarily consumer debts, the clerk shall give to such individual written notice containing—*

*''(1) a brief description of—*

*''(A) chapters 7, 11, 12, and 13 and the general purpose, benefits, and costs of proceeding under each of those chapters; and*

*''(B) the types of services available from credit counseling agencies; and*

*''(2) statements specifying that—*

*''(A) a person who knowingly and fraudulently conceals assets or makes a false oath or statement under penalty of perjury in connection with a bankruptcy case shall be subject to fine, imprisonment, or both; and*

*''(B) all information supplied by a debtor in connection with a bankruptcy case is subject to examination by the Attorney General.''.*

***SEC. 104. DEBTOR FINANCIAL MANAGEMENT TRAINING TEST PROGRAM.***

*(a) DEVELOPMENT OF FINANCIAL MANAGEMENT AND TRAINING CURRICULUM AND MATERIALS.—The Director of the Executive Office for United States Trustees (in this section referred to as the ''Director'') shall consult with a wide range of individuals who are experts in the field of debtor education, including trustees who are appointed under chapter 13 of title 11 of the United States Code and who operate financial management education programs for debtors, and shall develop a financial management training curriculum and materials that can be used to educate individual debtors on how to better manage their finances.*

*(b) TEST—(1) The Director shall select 6 judicial districts of the United States in which to test the effectiveness of the financial management training curriculum and materials developed under subsection (a).*

*(2) For a 18-month period beginning not later than 270 days after the date of the enactment of this Act, such curriculum and materials shall be, for the 6 judicial districts selected under paragraph (1), used as the instructional course concerning personal financial management for purposes of section 111 of this title.*

*(c) EVALUATION.—(1) During the 1-year period referred to in subsection (b), the Director shall evaluate the effectiveness of—*

*(A) the financial management training curriculum and materials developed under subsection (a); and*

*(B) a sample of existing consumer education programs such as those described in the Report of the National Bankruptcy Review Commission (October 20, 1997) that are representative of consumer education programs carried out by the credit industry, by trustees serving under chapter 13 of title 11 of the United States Code, and by consumer counselling groups.*

*(2) Not later than 3 months after concluding such evaluation, the Director shall submit a report to the Speaker of the House of Representatives and the President pro tempore of the Senate, for referral to the appropriate committees of the Congress, containing the findings of the Director regarding the effectiveness of such curriculum, such materials, and such programs and their costs.*

***Subtitle B—Consumer Bankruptcy Protections***

***SEC. 105. DEFINITIONS.***

*(a) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—*

*(1) by inserting after paragraph (2) the following:*

*''(3) 'assisted person' means any person whose debts consist primarily of consumer debts and whose non-exempt assets are less than $150,000;'';*

*(2) by inserting after paragraph (4) the following:*

*''(4A) 'bankruptcy assistance' means any goods or services sold or otherwise provided to an assisted person with the express or implied purpose of providing information, advice, counsel, document preparation or filing, or attendance at a creditors' meeting or appearing in a proceeding on behalf of another or providing legal representation with respect to a proceeding under this title;''; and*

*(3) by inserting after paragraph (12A) the following:*

*''(12B) 'debt relief agency' means any person who provides any bankruptcy assistance to an assisted person in return for the payment of money or other valuable consideration, or who is a bankruptcy petition preparer pursuant to section 110 of this title, but does not include any person that is any of the following or an officer, director, employee or agent thereof—*

*''(A) any nonprofit organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986;*

*''(B) any creditor of the person to the extent the creditor is assisting the person to restructure any debt owed by the person to the creditor; or*

*''(C) any depository institution (as defined in section 3 of the Federal Deposit Insurance Act) or any Federal credit union or State credit union (as those terms are defined in section 101 of the Federal Credit Union Act), or any affiliate or subsidiary of such a depository institution or credit union;''.*

*(b) CONFORMING AMENDMENT.—In section 104(b)(1) by inserting ''101(3),'' after ''sections''.*

***SEC. 106. ENFORCEMENT.***

*(a) ENFORCEMENT.—Subchapter II of chapter 5 of title 11, United States Code, is amended by adding at the end the following:*

***''§ 526. Debt relief agency enforcement***

*''(a) A debt relief agency shall not—*

*''(1) fail to perform any service which the debt relief agency has told the assisted person or prospective assisted person the agency would provide that person in connection with the preparation for or activities during a proceeding under this title;*

*''(2) make any statement, or counsel or advise any assisted person to make any statement in any document filed in a proceeding under this title, which is untrue and misleading or which upon the exercise of reasonable care, should be known by the debt relief agency to be untrue or misleading;*

*''(3) misrepresent to any assisted person or prospective assisted person, directly or indirectly, affirmatively or by material omission, what services the debt relief agency can reasonably expect to provide that person, or the benefits an assisted person may obtain or the difficulties the person may experience if the person seeks relief in a proceeding pursuant to this title; or*

*''(4) advise an assisted person or prospective assisted person to incur more debt in contemplation of that person filing a proceeding under this title or in order to pay an attorney or bankruptcy petition preparer fee or charge for services performed as part of preparing for or representing a debtor in a proceeding under this title.''.*

*''(b) ASSISTED PERSON WAIVERS INVALID.—Any waiver by any assisted person of any protection or right provided by or under this section shall not be enforceable against the debtor by any Federal or State court or any other person, but may be enforced against a debt relief agency.*

*''(c) NONCOMPLIANCE.—*

*''(1) Any contract between a debt relief agency and an assisted person for bankruptcy assistance which does not comply with the material requirements of this section shall be treated as void and may not be enforced by any Federal or State court or by any other person.*

*''(2) Any debt relief agency shall be liable to an assisted person in the amount of any fees or charges in connection with providing bankruptcy assistance to such person which the debt relief agency has received, for actual damages, and for reasonable attorneys' fees and costs if the debt relief agency is found, after notice and hearing, to have—*

*''(A) intentionally or negligently failed to comply with any provision of this section with respect to a bankruptcy case or related proceeding of the assisted person;*

*''(B) provided bankruptcy assistance to an assisted person in a case or related proceeding*

which is dismissed or converted because of the debt relief agency's intentional or negligent failure to file bankruptcy papers, including papers specified in section 521 of this title; or

''(C) intentionally or negligently disregarded the material requirements of this title or the Federal Rules of Bankruptcy Procedure applicable to such debt relief agency.

''(3) In addition to such other remedies as are provided under State law, whenever the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this section, the State—

''(A) may bring an action to enjoin such violation;

''(B) may bring an action on behalf of its residents to recover the actual damages of assisted persons arising from such violation, including any liability under paragraph (2); and

''(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

''(4) The United States District Court for any district located in the State shall have concurrent jurisdiction of any action under subparagraph (A) or (B) of paragraph (3).

''(5) Notwithstanding any other provision of Federal law and in addition to any other remedy provided under Federal or State law, if the court, on its own motion or on the motion of the United States trustee or the debtor, finds that a person intentionally violated this section, or engaged in a clear and consistent pattern or practice of violating this section, the court may—

''(A) enjoin the violation of such section; or

''(B) impose an appropriate civil penalty against such person.

''(c) RELATION TO STATE LAW.—This section shall not annul, alter, affect or exempt any person subject to those sections from complying with any law of any State except to the extent that such law is inconsistent with those sections, and then only to the extent of the inconsistency.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 527, the following:

''526. Debt relief agency enforcement.''.

**SEC. 107. SENSE OF THE CONGRESS.**

It is the sense of the Congress that States should develop curricula relating to the subject of personal finance, designed for use in elementary and secondary schools.

**SEC. 108. DISCOURAGING ABUSIVE REAFFIRMATION PRACTICES.**

Section 524 of title 11, United States Code, is amended—

(1) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A) by striking ''and'' at the end;

(ii) in subparagraph (B) by adding ''and'' at the end; and

(iii) by adding at the end the following:

''(C) if the consideration for such agreement is based on a wholly unsecured consumer debt (except for debts owed to creditors defined in section 461(b)(1)(A)(iv) of title 12, United States Code), such agreement contains a clear and conspicuous statement which advises the debtor—

''(i) that the debtor is entitled to a hearing before the court at which the debtor shall appear in person and at which the court will decide whether the agreement is an undue hardship, not in the debtor's best interest, and not the result of a threat by the creditor to take any action that cannot be legally taken or that is not intended to be taken; and

''(ii) that if the debtor is represented by counsel, the debtor may waive the debtor's right to such a hearing by signing a statement waiving the hearing, stating that the debtor is represented by counsel, and identifying such counsel;''; and

(B) in paragraph (6)(A)—

(i) by striking ''and'' at the end of clause (i);

(ii) by striking the period at the end of clause (ii) and inserting ''; and''; and

(iii) by adding at the end thereof the following:

''(iii) not entered into by the debtor as the result of a threat by the creditor to take any action that cannot be legally taken or that is not intended to be taken.''; and

(2) in the 3d sentence of subsection (d)—

(A) by striking ''of this section'' and inserting a comma; and

(B) by inserting after ''such agreement'' the following:

''or if the consideration for such agreement is based on a wholly unsecured consumer debt (except for debts owed to creditors defined in section 461(b)(1)(A)(iv) of title 12, United States Code) and the debtor has not waived the debtor's right to a hearing on the agreement in accordance with subsection (c)(2)(C) of this section''.

**SEC. 109. PROMOTION OF ALTERNATIVE DISPUTE RESOLUTION.**

(a) REDUCTION OF CLAIM.—Section 502 of title 11, United States Code, is amended by adding at the end the following:

''(k)(1) The court, on the motion of the debtor and after a hearing, may reduce a claim filed under this section based wholly on unsecured consumer debts by not more than 20 percent, if the debtor can prove by clear and convincing evidence that the claim was filed by a creditor who unreasonably refused to negotiate a reasonable alternative repayment schedule proposed by an approved credit counseling agency acting on behalf of the debtor, and if—

''(A) such offer was made within the period beginning 60 days before the filing of the petition;

''(B) such offer provided for payment of at least 60 percent of the amount of the debt over a period not to exceed the repayment period of the loan, or a reasonable extension thereof; and

''(C) no part of the debt under the alternative repayment schedule is nondischargeable, is entitled to priority under section 507 of this title, or would be paid a greater percentage in a chapter 13 proceeding than offered by the debtor.

''(2) The debtor shall have the burden of proving that the proposed alternative repayment schedule was made in the 60-day period specified in subparagraph (A) and that the creditor unreasonably refused to consider the debtor's proposal.''.

(b) LIMITATION ON AVOIDABILITY.—Section 547 of title 11, United States Code, is amended by adding at the end the following:

''(h) The trustee may not avoid a transfer if such transfer was made as a part of an alternative repayment plan between the debtor and any creditor of the debtor created by an approved credit counseling agency.''.

**SEC. 110. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY A DWELLING.**

(a) STUDY REQUIRED.—During the period beginning 180 days after the date of enactment of this Act and ending 18 months after the date of the enactment, the Board of Governors of the Federal Reserve System (in this section referred to as the ''Board'') shall conduct a study and submit to Congress a report (including recommendations for any appropriate legislation) regarding—

(1) whether a consumer engaging in an open-end credit transaction (as defined pursuant to section 103 of the Truth in lending Act) secured by the consumer's principal dwelling is provided adequate information under Federal law, including under section 127A of the Truth in Lending Act, regarding the tax deductibility of interest paid on such transaction; and

(2) whether a consumer engaging in a closed-end credit transaction (as defined pursuant to section 103 of the Truth in Lending Act) secured by the consumer's principal dwelling is provided adequate information regarding the tax deductibility of interest paid on such transaction.

In conducting such study, the Board shall specifically consider whether additional disclosures are necessary with respect to such open-end or closed-end credit transactions in which the amount of the credit extended exceeds the fair market value of the dwelling.

(b) REGULATIONS.—If the Board determines that additional disclosures are necessary in connection with transactions described in subsection (a), the Board, pursuant to its authority under the Truth in Lending Act, may promulgate regulations that would require such additional disclosures. Any such regulations promulgated by the Board under this section shall not take effect before the end of the 36-month period after the date of the enactment of this Act.

**SEC. 111. DUAL USE DEBIT CARD.**

(a) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (in this section referred to as the ''Board'') shall conduct a study of existing protections provided to consumers to limit their liability for unauthorized use of a debit card or similar access device.

(b) SPECIFIC CONSIDERATIONS.—In conducting the study required by subsection (a), the Board shall specifically consider the following—

(1) the extent to which existing provisions of section 909 of the Electronic Fund Transfer Act and the Board's implementing regulations provide adequate unauthorized use liability protection for consumers;

(2) the extent to which any voluntary industry rules have enhanced the level of protection afforded consumers in connection with such unauthorized use liability; and

(3) whether amendments to the Electronic Funds Transfer Act or the Board's implementing regulations thereto are necessary to provide adequate protection for consumers in this area.

(c) REPORT AND REGULATIONS.—Not later than 2 years after the date of the enactment of this Act, the Board shall make public a report on its findings with respect to the adequacy of existing protections afforded consumers with respect to unauthorized-use liability for debit cards and similar access devices. If the Board determines that such protections are inadequate, the Board, pursuant to its authority under the Electronic Funds Transfer Act, may issue regulations to address such inadequacy. Any regulations issued by the Board shall not be effective before 36 months after the date of the enactment of this Act.

**SEC. 112. ENHANCED DISCLOSURES UNDER AN OPEN-END CREDIT PLAN.**

(a) INITIAL AND ANNUAL MINIMUM PAYMENT DISCLOSURE.—Section 127(a) of the Truth in Lending Act (15 U.S.C. 1637(a)) is amended by adding at the end the following:

''(9) In the case of any credit or charge card account under an open-end consumer credit plan on which a minimum monthly or periodic payment will be required, other than an account described in paragraph (8)—

''(A) the following statement: 'The minimum payment amount shown on your billing statement is the smallest payment which you can make in order to keep the account in good standing. This payment option is offered as a convenience and you may make larger payments at any time. Making only the minimum payment each month will increase the amount of interest you pay and the length of time it takes to repay your outstanding balance.';

''(B) if the plan provides that the consumer will be permitted to forgo making a minimum

*payment during a specified billing cycle, a statement, if applicable, that if the consumer chooses to forgo making the minimum payment, finance charges will continue to accrue; and*

*''(C) an example, based on an annual percentage rate and method for determining minimum periodic payments recently in effect for that creditor, and a $500 outstanding balance, showing the estimated minimum periodic payment, and the estimated period of time it would take to repay the $500 outstanding balance if the consumer paid only the minimum periodic payment on each monthly or periodic statement and obtained no additional extensions of credit.*

*''(10) With respect to one billing cycle per calendar year, the creditor shall transmit the information required under paragraph (9) to each consumer to whom the creditor is required to transit a statement pursuant to subsection (b) for such billing cycle. The creditor shall also transmit to such consumer for such cycle a worksheet prescribed by the Board to assist the consumer in determining the consumer's household income and debt obligations.''.*

*(b) PERIODIC MINIMUM PAYMENT DISCLOSURES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:*

*''(11) The following statement: 'The minimum payment amount shown on your billing statement is the smallest payment which you can make in order to keep the account in good standing. This payment option is offered as a convenience and you may make larger payments at any time. Making only the minimum payment each month will increase the amount of interest you pay and the length of time it takes to repay your outstanding balance.' ''.*

*(c) ENFORCEMENT.—Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:*

*''(h) In promulgating regulations to implement the disclosure of an example required under subsection (a)(9)(C) and (a)(10), the Board shall set forth a model disclosure to accompany the example stating that the credit features shown are only an example which does not obligate the creditor, but is intended to illustrate the approximate length of time it could take to repay using the assumptions set forth in subsection (a)(9)(C) without regard to any other factors that could impact an approximate repayment period, including other credit features or the consumer's payment or other behavior with respect to the account. Compliance with the disclosures required under subsection (a)(9)(C) and (a)(10) shall be enforced exclusively by the Federal agencies set forth in section 108.''.*

*(d) REGULATORY IMPLEMENTATION.—The Board of Governors of the Federal Reserve System (in this section referred to as the ''Board'') shall promulgate regulations implementing the amendments made by subsections (a) and (b). Such regulations shall take effect no earlier than the end of the 36-month period beginning on the date of the enactment of this Act.*

*(e) STUDY REQUIRED.—The Board shall conduct a study to determine whether consumers have adequate information about borrowing activities which may result in financial problems. In studying this issue, the Board shall consider the extent to which—*

*(1) consumers, in establishing new credit arrangements, are aware of their existing payment obligations, the need to consider those obligations in deciding to take on new credit, and how taking on excessive credit can result in financial difficulty;*

*(2) minimum periodic payment features offered in connection with open-end credit plans impact consumer default rates;*

*(3) consumers always make only the minimum payment throughout the life of the plan;*

*(4) consumers are aware that making only minimum payments will increase the cost and repayment period of an open-end loan; and*

*(5) the availability of low minimum payment options is a cause of consumers experiencing financial difficulty.*

*(f) REPORT TO CONGRESS.—Before the end of the 2-year period beginning on the date of the enactment of this Act, the Board shall submit to Congress a report containing the findings of the Board in connection with the study required under subsection (e).*

*(g) REGULATIONS.—The Board shall, by regulation promulgated pursuant to its authority under the Truth in Lending Act, require additional disclosures to consumers regarding minimum payment features, including periodic statement disclosures, if the Board determines that such disclosures are necessary based on its findings. Any such regulations promulgated by the Board shall not take effect earlier than January 1, 2002.*

***SEC. 113. PROTECTION OF SAVINGS EARMARKED FOR THE POSTSECONDARY EDUCATION OF CHILDREN.***

*Section 522 of title 11, United States Code, is amended—*

*(1) in subsection (b)(2)—*

*(A) in subparagraph (A) by striking ''and'' at the end;*

*(B) in subparagraph (B) by striking the period at the end and inserting ''; and''; and*

*(C) by adding at the end the following:*

*''(C) except as provided in paragraph (n), funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) not less than 365 days before the date of entry of the order of relief but only to the extent such funds—*

*''(i) are not pledged or promised to any entity in connection with any extension of credit; and*

*''(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986).''; and*

*(2) by adding at the end the following:*

*''(n) For purposes of subsection (b)(3)(C), funds placed in an education individual retirement account shall not be exempt under this subsection—*

*''(1) unless the designated beneficiary of such account was a dependent child of the debtor for the taxable year for which the funds were placed in such account; and*

*''(2) to the extent such funds exceed—*

*''(A) $50,000 in the aggregate in all such accounts having the same designated beneficiary; or*

*''(B) $100,000 in the aggregate in all such accounts attributable to all such dependent children of the debtor.''.*

***SEC. 114. EFFECT OF DISCHARGE.***

*Section 524 of title 11, United States Code, is amended by adding at the end the following:*

*''(i) The willful failure of a creditor to credit payments received under a plan confirmed under this title (including a plan of reorganization confirmed under chapter 11 of this title) in the manner required by the plan (including crediting the amounts required under the plan) shall constitute a violation of any injunction under subsection (a)(2) which has arisen at the time of the failure.*

*''(j)(1) An individual who is injured by the willful failure of a creditor to comply with the requirements for a reaffirmation agreement under subsections (c) and (d), or by any willful violation of the injunction under subsection (a)(2), shall be entitled to recover—*

*''(A) the greater of—*

*''(i) the amount of actual damages; or*

*''(ii) $1,000; and*

*''(B) costs and attorneys' fees.*

*''(2) An action to recover for a violation specified in paragraph (1) may not be brought as a class action.''.*

***SEC. 115. LIMITING TRUSTEE LIABILITY.***

*(a) QUALIFICATION OF TRUSTEE.—Section 322 of title 11, United States Code, is amended—*

*(1) in subsection (a) by adding at the end the following:*

*''The trustee in a case under this title is not liable personally or on such trustee's bond for acts taken within the scope of the trustee's duties or authority as delineated by other sections of this title or by order of the court, except to the extent that the trustee acted with gross negligence. Gross negligence shall be defined as reckless indifference or deliberate disregard of the trustee's fiduciary duty.''; and*

*(2) in subsection (c) by inserting ''for any acts within the scope of the trustee's authority defined in subsection (a)'' before the period at the end.*

*(b) ROLE AND CAPACITY OF TRUSTEE.—Section 323 of title 11, United States Code, is amended—*

*(1) in subsection (b) by inserting at the end the following: ''in the trustee's official capacity as representative of the estate'' before the period at the end; and*

*(2) by adding at the end the following:*

*''(c) The trustee in a case under this title may not be sued, either personally, in a representative capacity, or against the trustee's bond in favor of the United States—*

*''(1) for acts taken in furtherance of the trustee's duties or authority in a case in which the debtor is subsequently determined to be ineligible for relief under the chapter in which the trustee was appointed; or*

*''(2) for the dissemination of statistics and other information regarding a case or cases, unless the trustee has actual knowledge that the information is false.*

*''(d) The trustee in a case under this title may not be sued in a personal capacity without leave of the bankruptcy court in which the case is pending.''.*

***SEC. 116. REINFORCE THE FRESH START.***

*(a) RESTORATION OF AN EFFECTIVE DISCHARGE.—Section 523(a)(17) of title 11, United States Code, is amended—*

*(1) by striking ''by a court'' and inserting ''by any court'',*

*(2) by striking ''section 1915(b) or (f)'' and inserting ''subsection (b) or (f)(2) of section 1915'', and*

*(3) by inserting ''(or a similar non-Federal law)'' after ''title 28'' each place it appears.*

***SEC. 117. DISCOURAGING BAD FAITH REPEAT FILINGS.***

*Section 362(c) of title 11, United States Code, is amended—*

*(1) in paragraph (1) by striking ''and'' at the end;*

*(2) in paragraph (2) by striking the period at the end and inserting a semicolon; and*

*(3) by adding at the end the following new paragraphs:*

*''(3) If a single or joint case is filed by or against an individual debtor under chapter 7, 11, or 13 (other than a case refiled under a chapter other than chapter 7 after dismisssal under section 707(b) of this title), and if a single or joint case of the debtor was pending within the previous 1-year period but was dismissed, the stay under subsection (a) with respect to any action taken with respect to a debt or property securing such debt or with respect to any lease will terminate with respect to the debtor on the 30th day after the filing of the later case. Upon motion by a party in interest for continuation of the automatic stay and upon notice and a hearing, the court may extend the stay in particular cases as to any or all creditors (subject to such conditions or limitations as the court may then impose) after notice and a hearing completed before the expiration of the 30-day period only if the party in interest demonstrates that the filing of the later case is in good faith as to the creditors to be stayed. A case is presumptively filed not in good faith (but such presumption may be rebutted by clear and convincing evidence to the contrary)—*

''(A) as to all creditors if—

''(i) more than 1 previous case under any of chapter 7, 11, or 13 in which the individual was a debtor was pending within such 1-year period;

''(ii) a previous case under any of chapters 7, 11, or 13 in which the individual was a debtor was dismissed within such 1-year period, after the debtor failed to file or amend the petition or other documents as required by this title or the court without substantial excuse (but mere inadvertence or negligence shall not be substantial excuse unless the dismissal was caused by the negligence of the debtor's attorney), failed to provide adequate protection as ordered by the court, or failed to perform the terms of a plan confirmed by the court; or

''(iii) there has not been a substantial change in the financial or personal affairs of the debtor since the dismissal of the next most previous case under any of chapters 7, 11, or 13 of this title, or there is not any other reason to conclude that the later case will be concluded, if a case under chapter 7 of this title, with a discharge, and if a chapter 11 or 13 case, a confirmed plan which will be fully performed;

''(B) as to any creditor that commenced an action under subsection (d) in a previous case in which the individual was a debtor if, as of the date of dismissal of such case, that action was still pending or had been resolved by terminating, conditioning, or limiting the stay as to actions of such creditor.

''(4) If a single or joint case is filed by or against an individual debtor under this title (other than a case refiled under a chapter other than chapter 7 after a dismissal under section 707(b) of this title), and if 2 or more single or joint cases of the debtor were pending within the previous year but were dismissed, the stay under subsection (a) will not go into effect upon the filing of the later case. On request of a party in interest, the court shall promptly enter an order confirming that no stay is in effect. If a party in interest requests within 30 days of the filing of the later case, the court may order the stay to take effect in the case as to any or all creditors (subject to such conditions or limitations as the court may impose), after notice and hearing, only if the party in interest demonstrates that the filing of the later case is in good faith as to the creditors to be stayed. A stay imposed pursuant to the preceding sentence will be effective on the date of entry of the order allowing the stay to go into effect. A case is presumptively not filed in good faith (but such presumption may be rebutted by clear and convincing evidence to the contrary)—

''(A) as to all creditors if—

''(i) 2 or more previous cases under this title in which the individual was a debtor were pending within the 1-year period;

''(ii) a previous case under this title in which the individual was a debtor was dismissed within the time period stated in this paragraph after the debtor failed to file or amend the petition or other documents as required by this title or the court without substantial excuse (but mere inadvertence or negligence shall not be substantial excuse unless the dismissal was caused by the negligence of the debtor's attorney), failed to provide adequate protection as ordered by the court, or failed to perform the terms of a plan confirmed by the court; or

''(iii) there has not been a substantial change in the financial or personal affairs of the debtor since the dismissal of the next most previous case under this title, or there is not any other reason to conclude that the later case will be concluded, if a case under chapter 7, with a discharge, and if a case under chapter 11 or 13, with a confirmed plan that will be fully performed; or

''(B) as to any creditor that commenced an action under subsection (d) in a previous case in which the individual was a debtor if, as of the date of dismissal of such case, such action was still pending or had been resolved by terminating, conditioning, or limiting the stay as to action of such creditor.''.

***SEC. 118. CURBING ABUSIVE FILINGS.***

(a) IN GENERAL.—Section 362(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking ''or'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(4) with respect to a stay of an act against real property under subsection (a), by a creditor whose claim is secured by an interest in such real estate, if the court finds that the filing of the bankruptcy petition was part of a scheme to delay, hinder, and defraud creditors that involved either—

''(A) transfer of all or part ownership of, or other interest in, the real property without the consent of the secured creditor or court approval; or

''(B) multiple bankruptcy filings affecting the real property.

If recorded in compliance with applicable State laws governing notices of interests or liens in real property, an order entered pursuant to this subsection shall be binding in any other case under this title purporting to affect the real property filed not later than 2 years after that recording, except that a debtor in a subsequent case may move for relief from such order based upon changed circumstances or for good cause shown, after notice and a hearing. Any Federal, State, or local governmental unit which accepts notices of interests or liens in real property shall accept any certified copy of an order described in this subsection for indexing and recording.''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, is amended—

(1) in paragraph (17), by striking ''or'' at the end;

(2) in paragraph (18) by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (18) the following:

''(19) under subsection (a), of any act to enforce any lien against or security interest in real property following the entry of an order under section 362(d)(4) of this title as to that property in any prior bankruptcy case for a period of 2 years after entry of such an order. The debtor in a subsequent case, however, may move the court for relief from such order based upon changed circumstances or for other good cause shown (consistent with the standards for good faith in subsection (c)), after notice and a hearing; or

''(20) under subsection (a), of any act to enforce any lien against or security interest in real property—

''(A) if the debtor is ineligible under section 109(g) of this title to be a debtor in a bankruptcy case; or

''(B) if the bankruptcy case was filed in violation of a bankruptcy court order in a prior bankruptcy case prohibiting the debtor from being a debtor in another bankruptcy case.''.

***SEC. 119. DEBTOR RETENTION OF PERSONAL PROPERTY SECURITY.***

Title 11, United States Code, is amended—

(1) in section 521—

(A) in paragraph (4) by striking '', and'' at the end and inserting a semicolon;

(B) in paragraph (5) by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(6) in an individual case under chapter 7 of this title, not retain possession of personal property as to which a creditor has an allowed claim for the purchase price secured in whole or in part by an interest in that personal property unless, in the case of an individual debtor, the debtor takes 1 of the following actions within 45 days after the first meeting of creditors under section 341(a)—

''(A) enters into an agreement with the creditor pursuant to section 524(c) of this title with respect to the claim secured by such property; or

''(B) redeems such property from the security interest pursuant to section 722 of this title.

''If the debtor fails to so act within the 45-day period, the stay under section 362(a) of this title is terminated with respect to the personal property of the estate or of the debtor which is affected, such property shall no longer be property of the estate, and the creditor may take whatever action as to such property as is permitted by applicable nonbankruptcy law, unless the court determines on the motion of the trustee brought before the expiration of such 45-day period, and after notice and a hearing, that such property is of consequential value or benefit to the estate, orders appropriate adequate protection of the creditor's interest, and orders the debtor to deliver any collateral in the debtor's possession to the trustee.''; and

(2) in section 722 by inserting ''in full at the time of redemption'' before the period at the end.

***SEC. 120. RELIEF FROM THE AUTOMATIC STAY WHEN THE DEBTOR DOES NOT COMPLETE INTENDED SURRENDER OF CONSUMER DEBT COLLATERAL.***

Title 11, United States Code, is amended as follows—

(1) in section 362—

(A) by striking ''(e), and (f)'' in subsection (c) and inserting in lieu thereof ''(e), (f), and (h)''; and

(B) by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following:

''(h) In an individual case pursuant to chapter 7, 11, or 13 the stay provided by subsection (a) is terminated with respect to personal property of the estate or of the debtor securing in whole or in part a claim, or subject to an unexpired lease, and such personal property shall no longer be property of the estate if the debtor fails within the applicable time set by section 521(a)(2) of this title—

''(1) to file timely any statement of intention required under section 521(a)(2) of this title with respect to that property or to indicate therein that the debtor will either surrender the property or retain it and, if retaining it, either redeem the property pursuant to section 722 of this title, reaffirm the debt it secures pursuant to section 524(c) of this title, or assume the unexpired lease pursuant to section 365(p) of this title if the trustee does not do so, as applicable; or

''(2) to take timely the action specified in that statement of intention, as it may be amended before expiration of the period for taking action, unless the statement of intention specifies reaffirmation and the creditor refuses to reaffirm on the original contract terms;

unless the court determines on the motion of the trustee filed before the expiration of the applicable time set by section 521(a)(2), and after notice and a hearing, that such property is of consequential value or benefit to the estate, orders appropriate adequate protection of the creditor's interest, and orders the debtor to deliver any collateral in the debtor's possession to the trustee. If the court does not so determine an order, the stay shall terminate upon the conclusion of the proceeding on the motion.''; and

(2) in section 521, as amended by sections 603 and 604—

(A) in paragraph (2) by striking ''consumer'';

(B) in paragraph (2)(B)—

(i) by striking ''forty-five days after the filing of a notice of intent under this section'' and inserting ''30 days after the first date set for the

*meeting of creditors under section 341(a) of this title''; and*

*(ii) by striking ''forty-five day'' the second place it appears and inserting ''30-day'';*

*(C) in paragraph (2)(C) by inserting ''except as provided in section 362(h) of this title'' before the semicolon; and*

*(D) by inserting after subsection (b) the following:*

*''(c) If the debtor fails timely to take the action specified in subsection (a)(6) of this section, or in paragraphs (1) and (2) of section 362(h) of this title, with respect to property which a lessor or bailor owns and has leased, rented, or bailed to the debtor or as to which a creditor holds a security interest not otherwise voidable under section 522(f), 544, 545, 547, 548, or 549 of this title, nothing in this title shall prevent or limit the operation of a provision in the underlying lease or agreement which has the effect of placing the debtor in default under such lease or agreement by reason of the occurrence, pendency, or existence of a proceeding under this title or the insolvency of the debtor. Nothing in this subsection shall be deemed to justify limiting such a provision in any other circumstance.''.*

***SEC. 121. GIVING SECURED CREDITORS FAIR TREATMENT IN CHAPTER 13.***

*Section 1325(a)(5)(B)(i) of title 11, United States Code, is amended to read as follows:*

*''(i) the plan provides that the holder of such claim retain the lien securing such claim until the earlier of payment of the underlying debt determined under nonbankruptcy law or discharge under section 1328 of this title, and that if the case under this chapter is dismissed or converted without completion of the plan, such lien shall also be retained by such holder to the extent recognized by applicable nonbankruptcy law; and''.*

***SEC. 122. RESTRAINING ABUSIVE PURCHASES ON SECURED CREDIT.***

*Section 506 of title 11, United States Code, is amended by adding at the end the following:*

*''(e) In an individual case under chapter 7, 11, 12, or 13—*

*''(1) subsection (a) shall not apply to an allowed claim to the extent attributable in whole or in part to the purchase price of personal property acquired by the debtor within 5 years of the filing of the petition, except for the purpose of applying paragraph (3) of this subsection;*

*''(2) if such allowed claim attributable to the purchase price is secured only by the personal property so acquired, the value of the personal property and the amount of the allowed secured claim shall be the sum of the unpaid principal balance of the purchase price and accrued and unpaid interest and charges at the contract rate;*

*''(3) if such allowed claim attributable to the purchase price is secured by the personal property so acquired and other property, the value of the security may be determined under subsection (a), but the value of the security and the amount of the allowed secured claim shall be not less than the unpaid principal balance of the purchase price of the personal property acquired and unpaid interest and charges at the contract rate; and*

*''(4) in any subsequent case under this title that is filed by or against the debtor in the 2-year period beginning on the date the petition is filed in the original case, the value of the personal property and the amount of the allowed secured claim shall be deemed to be not less than the amount provided under paragraphs (2) and (3) less any payments actually received.''.*

***SEC. 123. FAIR VALUATION OF COLLATERAL.***

*Section 506(a) of title 11, United States Code, is amended by adding at the end the following: ''In the case of an individual debtor under chapters 7 and 13, such value with respect to personal property securing an allowed claim shall be determined based on the replacement value of such property as of the date of filing the petition without deduction for costs of sale or marketing. With respect to property acquired for personal, family, or household purpose, replacement value shall mean the price a retail merchant would charge for property of that kind considering the age and condition of the property at the time value is determined.''.*

***SEC. 124. DOMICILIARY REQUIREMENTS FOR EXEMPTIONS.***

*Section 522(b)(2)(A) of title 11, United States Code, is amended—*

*(1) by striking ''180'' and inserting ''730''; and*

*(2) by striking '', or for a longer portion of such 180-day period than in any other place'' and inserting ''or if the debtor's domicile has not been located at a single State for such 730-day period, the place in which the debtor's domicile was located for 180 days immediately preceding the 730-day period or for a longer portion of such 180-day period than in any other place''.*

***SEC. 125. RESTRICTIONS ON CERTAIN EXEMPT PROPERTY OBTAINED THROUGH FRAUD.***

*Section 522 of title 11, United States Code, as amended by section 113, is amended—*

*(1) in subsection (b)(2)(A) by inserting ''subject to subsection (o),'' before ''any property''; and*

*(2) by adding at the end the following:*

*''(o) For purposes of subsection (b)(3)(A) and notwithstanding subsection (a), the value of an interest in—*

*''(1) real or personal property that the debtor or a dependent of the debtor uses as a residence;*

*''(2) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or*

*''(3) a burial plot for the debtor or a dependent of the debtor;*

*shall be reduced to the extent such value is attributable to any portion of any property that the debtor disposed of in the 730-day period ending of the date of the filing of the petition, with the intent to hinder, delay, or defraud a creditor and that the debtor could not exempt, or that portion that the debtor could not exempt, under subsection (b) if on such date the debtor had held the property so disposed of.''.*

***SEC. 126. ROLLING STOCK EQUIPMENT.***

*(a) IN GENERAL.—Section 1168 of title 11, United States Code, is amended to read as follows:*

***''§ 1168. Rolling stock equipment***

*''(a)(1) The right of a secured party with a security interest in or of a lessor or conditional vendor of equipment described in paragraph (2) to take possession of such equipment in compliance with an equipment security agreement, lease, or conditional sale contract, and to enforce any of its other rights or remedies under such security agreement, lease, or conditional sale contract, to sell, lease, or otherwise retain or dispose of such equipment, is not limited or otherwise affected by any other provision of this title or by any power of the court, except that the right to take possession and enforce those other rights and remedies shall be subject to section 362 of this title, if—*

*''(A) before the date that is 60 days after the date of commencement of a case under this chapter, the trustee, subject to the court's approval, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract; and*

*''(B) any default, other than a default of a kind described in section 365(b)(2) of this title, under such security agreement, lease, or conditional sale contract—*

*''(i) that occurs before the date of commencement of the case and is an event of default therewith is cured before the expiration of such 60-day period;*

*''(ii) that occurs or becomes an event of default after the date of commencement of the case and before the expiration of such 60-day period is cured before the later of—*

*''(I) the date that is 30 days after the date of the default or event of the default; or*

*''(II) the expiration of such 60-day period; and*

*''(iii) that occurs on or after the expiration of such 60-day period is cured in accordance with the terms of such security agreement, lease, or conditional sale contract, if cure is permitted under that agreement, lease, or conditional sale contract.*

*''(2) The equipment described in this paragraph—*

*''(A) is rolling stock equipment or accessories used on rolling stock equipment, including superstructures or racks, that is subject to a security interest granted by, leased to, or conditionally sold to a debtor; and*

*''(B) includes all records and documents relating to such equipment that are required, under the terms of the security agreement, lease, or conditional sale contract, that is to be surrendered or returned by the debtor in connection with the surrender or return of such equipment.*

*''(3) Paragraph (1) applies to a secured party, lessor, or conditional vendor acting in its own behalf or acting as trustee or otherwise in behalf of another party.*

*''(b) The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the court's approval, to extend the 60-day period specified in subsection (a)(1).*

*''(c)(1) In any case under this chapter, the trustee shall immediately surrender and return to a secured party, lessor, or conditional vendor, described in subsection (a)(1), equipment described in subsection (a)(2), if at any time after the date of commencement of the case under this chapter such secured party, lessor, or conditional vendor is entitled pursuant to subsection (a)(1) to take possession of such equipment and makes a written demand for such possession of the trustee.*

*''(2) At such time as the trustee is required under paragraph (1) to surrender and return equipment described in subsection (a)(2), any lease of such equipment, and any security agreement or conditional sale contract relating to such equipment, if such security agreement or conditional sale contract is an executory contract, shall be deemed rejected.*

*''(d) With respect to equipment first placed in service on or prior to October 22, 1994, for purposes of this section—*

*''(1) the term 'lease' includes any written agreement with respect to which the lessor and the debtor, as lessee, have expressed in the agreement or in a substantially contemporaneous writing that the agreement is to be treated as a lease for Federal income tax purposes; and*

*''(2) the term 'security interest' means a purchase-money equipment security interest.*

*''(e) With respect to equipment first placed in service after October 22, 1994, for purposes of this section, the term 'rolling stock equipment' includes rolling stock equipment that is substantially rebuilt and accessories used on such equipment.''.*

*(b) AIRCRAFT EQUIPMENT AND VESSELS.—Section 1110 of title 11, United States Code, is amended to read as follows:*

***''§ 1110. Aircraft equipment and vessels***

*''(a)(1) Except as provided in paragraph (2) and subject to subsection (b), the right of a secured party with a security interest in equipment described in paragraph (3), or of a lessor or conditional vendor of such equipment, to take possession of such equipment in compliance with*

*a security agreement, lease, or conditional sale contract, and to enforce any of its other rights or remedies, under such security agreement, lease, or conditional sale contract, to sell, lease, or otherwise retain or dispose of such equipment, is not limited or otherwise affected by any other provision of this title or by any power of the court.*

*''(2) The right to take possession and to enforce the other rights and remedies described in paragraph (1) shall be subject to section 362 of this title if—*

*''(A) before the date that is 60 days after the date of the order for relief under this chapter, the trustee, subject to the approval of the court, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract; and*

*''(B) any default, other than a default of a kind specified in section 365(b)(2) of this title, under such security agreement, lease, or conditional sale contract—*

*''(i) that occurs before the date of the order is cured before the expiration of such 60-day period;*

*''(ii) that occurs after the date of the order and before the expiration of such 60-day period is cured before the later of—*

*''(I) the date that is 30 days after the date of the default; or*

*''(II) the expiration of such 60-day period; and*

*''(iii) that occurs on or after the expiration of such 60-day period is cured in compliance with the terms of such security agreement, lease, or conditional sale contract, if a cure is permitted under that agreement, lease, or contract.*

*''(3) The equipment described in this paragraph—*

*''(A) is—*

*''(i) an aircraft, aircraft engine, propeller, appliance, or spare part (as defined in section 40102 of title 49) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that, at the time such transaction is entered into, holds an air carrier operating certificate issued pursuant to chapter 447 of title 49 for aircraft capable of carrying 10 or more individuals or 6,000 pounds or more of cargo; or*

*''(ii) a documented vessel (as defined in section 30101(1) of title 46) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that is a water carrier that, at the time such transaction is entered into, holds a certificate of public convenience and necessity or permit issued by the Department of Transportation; and*

*''(B) includes all records and documents relating to such equipment that are required, under the terms of the security agreement, lease, or conditional sale contract, to be surrendered or returned by the debtor in connection with the surrender or return of such equipment.*

*''(4) Paragraph (1) applies to a secured party, lessor, or conditional vendor acting in its own behalf or acting as trustee or otherwise in behalf of another party.*

*''(b) The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the approval of the court, to extend the 60-day period specified in subsection (a)(1).*

*''(c)(1) In any case under this chapter, the trustee shall immediately surrender and return to a secured party, lessor, or conditional vendor, described in subsection (a)(1), equipment described in subsection (a)(3), if at any time after the date of the order for relief under this chapter such secured party, lessor, or conditional vendor is entitled pursuant to subsection (a)(1) to take possession of such equipment and makes a written demand for such possession to the trustee.*

*''(2) At such time as the trustee is required under paragraph (1) to surrender and return equipment described in subsection (a)(3), any lease of such equipment, and any security agreement or conditional sale contract relating to such equipment, if such security agreement or conditional sale contract is an executory contract, shall be deemed rejected.*

*''(d) With respect to equipment first placed in service on or before October 22, 1994, for purposes of this section—*

*''(1) the term 'lease' includes any written agreement with respect to which the lessor and the debtor, as lessee, have expressed in the agreement or in a substantially contemporaneous writing that the agreement is to be treated as a lease for Federal income tax purposes; and*

*''(2) the term 'security interest' means a purchase-money equipment security interest.''.*

***SEC. 127. DISCHARGE UNDER CHAPTER 13.***

*Section 1328(a) of title 11, United States Code, is amended by striking paragraphs (1) through (3) and inserting the following:*

*''(1) provided for under section 1322(b)(5) of this title;*

*''(2) of the kind specified in paragraph (2), (4), (3)(B), (5), (8), or (9) of section 523(a) of this title;*

*''(3) for restitution, or a criminal fine, included in a sentence on the debtor's conviction of a crime; or*

*''(4) for restitution, or damages, awarded in a civil action against the debtor as a result of willful or malicious injury by the debtor that caused personal injury to an individual or the death of an individual.''.*

***SEC. 128. BANKRUPTCY JUDGESHIPS.***

*(a) SHORT TITLE.—This section may be cited as the ''Bankruptcy Judgeship Act of 1999''.*

*(b) TEMPORARY JUDGESHIPS.—*

*(1) APPOINTMENTS.—The following judgeship positions shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:*

*(A) One additional bankruptcy judgeship for the eastern district of California.*

*(B) Four additional bankruptcy judgeships for the central district of California.*

*(C) One additional bankruptcy judgeship for the southern district of Florida.*

*(D) Two additional bankruptcy judgeships for the district of Maryland.*

*(E) One additional bankruptcy judgeship for the eastern district of Michigan.*

*(F) One additional bankruptcy judgeship for the southern district of Mississippi.*

*(G) One additional bankruptcy judgeship for the district of New Jersey.*

*(H) One additional bankruptcy judgeship for the eastern district of New York.*

*(I) One additional bankruptcy judgeship for the northern district of New York.*

*(J) One additional bankruptcy judgeship for the southern district of New York.*

*(K) One additional bankruptcy judgeship for the eastern district of Pennsylvania.*

*(L) One additional bankruptcy judgeship for the middle district of Pennsylvania.*

*(M) One additional bankruptcy judgeship for the western district of Tennessee.*

*(N) One additional bankruptcy judgeship for the eastern district of Virginia.*

*(2) VACANCIES.—The first vacancy occurring in the office of a bankruptcy judge in each of the judicial districts set forth in paragraph (1) that—*

*(A) results from the death, retirement, resignation, or removal of a bankruptcy judge; and*

*(B) occurs 5 years or more after the appointment date of a bankruptcy judge appointed under paragraph (1);*

*shall not be filled.*

*(c) EXTENSIONS.—*

*(1) IN GENERAL.—The temporary bankruptcy judgeship positions authorized for the northern district of Alabama, the district of Delaware, the district of Puerto Rico, the district of South Carolina, and the eastern district of Tennessee under section 3(a) (1), (3), (7), (8), and (9) of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) are extended until the first vacancy occurring in the office of a bankruptcy judge in the applicable district resulting from the death, retirement, resignation, or removal of a bankruptcy judge and occurring—*

*(A) 8 years or more after November 8, 1993, with respect to the northern district of Alabama;*

*(B) 10 years or more after October 28, 1993, with respect to the district of Delaware;*

*(C) 8 years or more after August 29, 1994, with respect to the district of Puerto Rico;*

*(D) 8 years or more after June 27, 1994, with respect to the district of South Carolina; and*

*(E) 8 years or more after November 23, 1993, with respect to the eastern district of Tennessee.*

*(2) APPLICABILITY OF OTHER PROVISIONS.—All other provisions of section 3 of the Bankruptcy Judgeship Act of 1992 remain applicable to such temporary judgeship position.*

*(d) TECHNICAL AMENDMENT.—The first sentence of section 152(a)(1) of title 28, United States Code, is amended to read as follows: ''Each bankruptcy judge to be appointed for a judicial district as provided in paragraph (2) shall be appointed by the United States court of appeals for the circuit in which such district is located.''.*

*(e) TRAVEL EXPENSES OF BANKRUPTCY JUDGES.—Section 156 of title 28, United States Code, is amended by adding at the end the following new subsection:*

*''(g)(1) In this subsection, the term 'travel expenses'—*

*''(A) means the expenses incurred by a bankruptcy judge for travel that is not directly related to any case assigned to such bankruptcy judge; and*

*''(B) shall not include the travel expenses of a bankruptcy judge if—*

*''(i) the payment for the travel expenses is paid by such bankruptcy judge from the personal funds of such bankruptcy judge; and*

*''(ii) such bankruptcy judge does not receive funds (including reimbursement) from the United States or any other person or entity for the payment of such travel expenses.*

*''(2) Each bankruptcy judge shall annually submit the information required under paragraph (3) to the chief bankruptcy judge for the district in which the bankruptcy judge is assigned.*

*''(3)(A) Each chief bankruptcy judge shall submit an annual report to the Director of the Administrative Office of the United States Courts on the travel expenses of each bankruptcy judge assigned to the applicable district (including the travel expenses of the chief bankruptcy judge of such district).*

*''(B) The annual report under this paragraph shall include—*

*''(i) the travel expenses of each bankruptcy judge, with the name of the bankruptcy judge to whom the travel expenses apply;*

*''(ii) a description of the subject matter and purpose of the travel relating to each travel expense identified under clause (i), with the name of the bankruptcy judge to whom the travel applies; and*

*''(iii) the number of days of each travel described under clause (ii), with the name of the bankruptcy judge to whom the travel applies.*

*''(4)(A) The Director of the Administrative Office of the United States Courts shall—*

*''(i) consolidate the reports submitted under paragraph (3) into a single report; and*

*''(ii) annually submit such consolidated report to Congress.*

''(B) The consolidated report submitted under this paragraph shall include the specific information required under paragraph (3)(B), including the name of each bankruptcy judge with respect to clauses (i), (ii), and (iii) of paragraph (3)(B).''.

**SEC. 129. ADDITIONAL AMENDMENTS TO TITLE 11, UNITED STATES CODE.**

Section 507(a) of title 11, United States Code, is amended by inserting after paragraph (9) the following:

''(10) Tenth, allowed claims for death or personal injuries resulting from the operation of a motor vehicle or vessel if such operation was unlawful because the debtor was intoxicated from using alcohol, a drug or another substance.''.

**SEC. 130. AMENDMENT TO SECTION 1325 OF TITLE 11, UNITED STATES CODE.**

Section 1325(b) of title 11, United States Code, is amended—

(1) in paragraph (1), by inserting ''to unsecured creditors'' after ''to make payments'';

(2) in paragraph (2)—

(A) by inserting ''current monthly'' before ''income'';

(B) by striking ''and which is not'' and inserting ''less amounts'';

(C) by inserting after ''received by the debtor'', ''(other than child support payments, foster care payments, or disability payments for a dependent child made in accordance with applicable nonbankruptcy law and which is reasonably necessary to be expended)''; and

(D) in subparagraph (A) by inserting after ''dependent of the debtor'' the following: '', as determined in accordance with section 707(b)(2)(A) and if applicable 707(b)(2)(B)''.

**SEC. 131. APPLICATION OF THE CODEBTOR STAY ONLY WHEN THE STAY PROTECTS THE DEBTOR.**

Section 1301(b) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following:

''(2)(A) Notwithstanding subsection (c) and except as provided in subparagraph (B), in any case in which the debtor did not receive the consideration for the claim held by a creditor, the stay provided by subsection (a) shall apply to that creditor for a period not to exceed 30 days beginning on the date of the order for relief, to the extent the creditor proceeds against—

''(i) the individual that received that consideration; or

''(ii) property not in the possession of the debtor that secures that claim.

''(B) Notwithstanding subparagraph (A), the stay provided by subsection (a) shall apply in any case in which the debtor is primarily obligated to pay the creditor in whole or in part with respect to a claim described in subparagraph (A) under a legally binding separation or property settlement agreement or divorce or dissolution decree with respect to—

''(i) an individual described in subparagraph (A)(i); or

''(ii) property described in subparagraph (A)(ii).

''(3) Notwithstanding subsection (c), the stay provided by subsection (a) shall terminate as of the date of confirmation of the plan, in any case in which the plan of the debtor provides that the debtor's interest in personal property subject to a lease with respect to which the debtor is the lessee will be surrendered or abandoned or no payments will be made under the plan on account of the debtor's obligations under the lease.''.

**SEC. 132. ADEQUATE PROTECTION FOR INVESTORS.**

(a) DEFINITION.—Section 101 of title 11, United States Code, is amended by inserting after paragraph (48) the following:

''(48A) 'securities self regulatory organization' means either a securities association registered with the Securities and Exchange Commission pursuant to section 15A of the Securities Exchange Act of 1934 or a national securities exchange registered with the Securities and Exchange Commission pursuant to section 6 of the Securities Exchange Act of 1934;''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, as amended by section 118, is amended—

(1) in paragraph (19) by striking ''or'' at the end;

(2) in paragraph (20) by striking the period at the end and a inserting ''; or''; and

(3) by inserting after paragraph (20) the following:

''(21) under subsection (a), of the commencement or continuation of an investigation or action by a securities self regulatory organization to enforce such organization's regulatory power; of the enforcement of an order or decision, other than for monetary sanctions, obtained in an action by the securities self regulatory organization to enforce such organization's regulatory power; or of any act taken by the securities self regulatory organization to delist, delete, or refuse to permit quotation of any stock that does not meet applicable regulatory requirements.''.

**SEC. 133. LIMITATION ON LUXURY GOODS.**

Section 523(a)(2)(C) of title 11, United States Code, is amended to read as follows:

''(C)(i) for purposes of subparagraph (A), consumer debts owed to a single creditor and aggregating more than $250 for 'luxury goods or services' incurred by an individual debtor on or within 90 days before the order for relief under this title, or cash advances aggregating more than $250 that are extensions of consumer credit under an open end credit plan obtained by an individual debtor on or within 90 days before the order for relief under this title, are presumed to be nondischargeable; and

''(ii) for purposes of this subparagraph—

''(I) the term 'luxury goods or services' does not include goods or services reasonably necessary for the support or maintenance of the debtor or a dependent of the debtor; and

''(II) the term 'an extension of consumer credit under an open end credit plan' has the same meaning such term has for purposes of the Consumer Credit Protection Act;''.

**SEC. 134. GIVING DEBTORS THE ABILITY TO KEEP LEASED PERSONAL PROPERTY BY ASSUMPTION.**

Section 365 of title 11, United States Code, is amended by adding at the end the following:

''(p)(1) If a lease of personal property is rejected or not timely assumed by the trustee under subsection (d), the leased property is no longer property of the estate and the stay under section 362(a) of this title is automatically terminated.

''(2) In the case of an individual under chapter 7, the debtor may notify the creditor in writing that the debtor desires to assume the lease. Upon being so notified, the creditor may, at its option, notify the debtor that it is willing to have the lease assumed by the debtor and may, at its option, condition such assumption on cure of any outstanding default on terms set by the contract. If within 30 days of the notice from the creditor the debtor notifies the lessor in writing that the lease is assumed, the liability under the lease will be assumed by the debtor and not by the estate. The stay under section 362 of this title and the injunction under section 524(a) of this title shall not be violated by notification of the debtor and negotiation of cure under this subsection. Nothing in this paragraph shall require a debtor to assume a lease, or a creditor to permit assumption.

''(3) In a case under chapter 11 of this title in which the debtor is an individual and in a case under chapter 13 of this title, if the debtor is the lessee with respect to personal property and the lease is not assumed in the plan confirmed by the court, the lease is deemed rejected as of the conclusion of the hearing on confirmation. If the lease is rejected, the stay under section 362 of this title and any stay under section 1301 is automatically terminated with respect to the property subject to the lease.''.

**SEC. 135. ADEQUATE PROTECTION OF LESSORS AND PURCHASE MONEY SECURED CREDITORS.**

(a) IN GENERAL.—Chapter 13 of title 11, United States Code, is amended by adding after section 1307 the following:

***''§ 1307A. Adequate protection in chapter 13 cases***

''(a)(1)(A) On or before the date that is 30 days after the filing of a case under this chapter, the debtor shall make cash payments in an amount determined under paragraph (2), to—

''(i) any lessor of personal property; and

''(ii) any creditor holding a claim secured by personal property to the extent that the claim is attributable to the purchase of that property by the debtor.

''(B) The debtor or the plan shall continue making the adequate protection payments required under subparagraph (A) until the earlier of the date on which—

''(i) the creditor begins to receive actual payments under the plan; or

''(ii) the debtor relinquishes possession of the property referred to in subparagraph (A) to—

''(I) the lessor or creditor; or

''(II) any third party acting under claim of right, as applicable.

''(2) The payments referred to in paragraph (1)(A) shall be the contract amount and shall reduce any amount payable under section 1326(a) of the title.

''(b)(1) Subject to the limitations under paragraph (2), the court may, after notice and hearing, change the amount and timing of the dates of payment of payments made under subsection (a).

''(2)(A) The payments referred to in paragraph (1) shall be payable not less frequently than monthly.

''(B) The amount of payments referred to in paragraph (1) shall not be less than the amount of any weekly, biweekly, monthly, or other periodic payment scheduled as payable under the contract between the debtor and creditor.

''(c) Notwithstanding section 1326(b), the payments referred to in subsection (a)(1)(A) shall be continued in addition to plan payments under a confirmed plan until actual payments to the creditor begin under that plan, if the confirmed plan provides—

''(1) for payments to a creditor or lessor described in subsection (a)(1); and

''(2) for the deferral of payments to such creditor or lessor under the plan until the payment of amounts described in section 1326(b).

''(d) Notwithstanding sections 362, 542, and 543, a lessor or creditor described in subsection (a) may retain possession of property described in that subsection that was obtained in accordance with applicable law before the date of filing of the petition until the first payment under subsection (a)(1)(A) is received by the lessor or creditor.

''(e) On or before 60 days after the filing of a case under this chapter, a debtor retaining possession of personal property subject to a lease or securing a claim attributable in whole or in part to the purchase price of such property shall provide each creditor or lessor reasonable evidence of the maintenance of any required insurance coverage with respect to the use or ownership of such property and continue to do so for so long as the debtor retains possession of such property.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 13 of title 11,

United States Code, is amended by inserting after the item relating to section 1307 the following:

''1307A. Adequate protection in chapter 13 cases.''.

**SEC. 136. AUTOMATIC STAY.**

Section 362(b) of title 11, United States Code, as amended by sections 118 and 132, is amended—

(1) in paragraph (20), by striking ''or'' at the end;

(2) in paragraph (21), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (21) the following:

''(22) under subsection (a) of any transfer that is not avoidable under section 544 of this title and that is not avoidable under section 549 of this title;

''(23) under subsection (a)(3), of the continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement and the debtor has not paid rent to the lessor pursuant to the terms of the lease agreement or applicable State law after the commencement and during the course of the case;

''(24) under subsection (a)(3), of the commencement or continuation of any eviction, unlawful detainer action, or similar proceeding by a lessor against a debtor involving residential real property in which the debtor resides as a tenant under a rental agreement that has terminated pursuant to the lease agreement or applicable State law;

''(25) under subsection (a)(3), of any eviction, unlawful detainer action, or similar proceeding, if the debtor has previously filed within the last year and failed to pay post-petition rent during the course of that case; or

''(26) under subsection (a)(3), of eviction actions based on endangerment to property or person or the use of illegal drugs.''.

**SEC. 137. EXTEND PERIOD BETWEEN BANKRUPTCY DISCHARGES.**

Title 11, United States Code, is amended—

(1) in section 727(a)(8) by striking ''six'' and inserting ''8''; and

(2) in section 1328 by adding at the end the following:

''(f) Notwithstanding subsections (a) and (b), the court shall not grant a discharge of all debts provided for by the plan or disallowed under section 502 of this title if the debtor has received a discharge in any case filed under this title within 5 years of the order for relief under this chapter.''.

**SEC. 138. DEFINITION OF DOMESTIC SUPPORT OBLIGATION.**

Section 101 of title 11, United States Code, is amended—

(1) by striking paragraph (12A); and

(2) by inserting after paragraph (14) the following:

''(14A) 'domestic support obligation' means a debt that accrues before or after the entry of an order for relief under this title that is—

''(A) owed to or recoverable by—

''(i) a spouse, former spouse, or child of the debtor or that child's legal guardian; or

''(ii) a governmental unit;

''(B) in the nature of alimony, maintenance, or support (including assistance provided by a governmental unit) of such spouse, former spouse, or child, without regard to whether such debt is expressly so designated;

''(C) established or subject to establishment before or after entry of an order for relief under this title, by reason of applicable provisions of—

''(i) a separation agreement, divorce decree, or property settlement agreement;

''(ii) an order of a court of record; or

''(iii) a determination made in accordance with applicable nonbankruptcy law by a governmental unit; and

''(D) not assigned to a nongovernmental entity, unless that obligation is assigned voluntarily by the spouse, former spouse, child, or parent solely for the purpose of collecting the debt.''.

**SEC. 139. PRIORITIES FOR CLAIMS FOR DOMESTIC SUPPORT OBLIGATIONS.**

Section 507(a) of title 11, United States Code, is amended—

(1) by striking paragraph (7);

(2) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively;

(3) in paragraph (2), as redesignated, by striking ''First'' and inserting ''Second'';

(4) in paragraph (3), as redesignated, by striking ''Second'' and inserting ''Third'';

(5) in paragraph (4), as redesignated, by striking ''Third'' and inserting ''Fourth'';

(6) in paragraph (5), as redesignated, by striking ''Fourth'' and inserting ''Fifth'';

(7) in paragraph (6), as redesignated, by striking ''Fifth'' and inserting ''Sixth'';

(8) in paragraph (7), as redesignated, by striking ''Sixth'' and inserting ''Seventh''; and

(9) by inserting before paragraph (2), as redesignated, the following:

''(1) First, allowed claims for domestic support obligations to be paid in the following order on the condition that funds received under this paragraph by a governmental unit in a case under this title be applied:

''(A) Claims that, as of the date of entry of the order for relief, are owed directly to a spouse, former spouse, or child of the debtor, or the parent of such child, without regard to whether the claim is filed by the spouse, former spouse, child, or parent, or is filed by a governmental unit on behalf of that person.

''(B) Claims that, as of the date of entry of the order for relief, are assigned by a spouse, former spouse, child of the debtor, or the parent of that child to a governmental unit or are owed directly to a governmental unit under applicable nonbankruptcy law.''.

**SEC. 140. REQUIREMENTS TO OBTAIN CONFIRMATION AND DISCHARGE IN CASES INVOLVING DOMESTIC SUPPORT OBLIGATIONS.**

Title 11, United States Code, is amended—

(1) in section 1129(a), by adding at the end the following:

''(14) If the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order or statute for such obligation that become payable after the date on which the petition is filed.'';

(2) in section 1325(a)—

(A) in paragraph (5), by striking ''and'' at the end;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order for such obligation that become payable after the date on which the petition is filed.''; and

(3) in section 1328(a), as amended by section 127, in the matter preceding paragraph (1), by inserting '', and with respect to a debtor who is required by a judicial or administrative order to pay a domestic support obligation, certifies that all amounts payable under such order or statute that are due on or before the date of the certification (including amounts due before or after the petition was filed) have been paid'' after ''completion by the debtor of all payments under the plan''.

**SEC. 141. EXCEPTIONS TO AUTOMATIC STAY IN DOMESTIC SUPPORT OBLIGATION PROCEEDINGS.**

Section 362(b) of title 11, United States Code, as amended by sections 118, 132, and 136, is amended—

(1) by striking paragraph (2) and inserting the following:

''(2) under subsection (a)—

''(A) of the commencement or continuation of an action or proceeding for—

''(i) the establishment of paternity; or

''(ii) the establishment or modification of an order for domestic support obligations; or

''(B) the collection of a domestic support obligation from property that is not property of the estate;'';

(2) in paragraph (25), by striking ''or'' at the end;

(3) in paragraph (26), by striking the period at the end and inserting a semicolon; and

(4) by inserting after paragraph (26) the following:

''(27) under subsection (a) with respect to the withholding of income pursuant to an order as specified in section 466(b) of the Social Security Act (42 U.S.C. 666(b)); or

''(28) under subsection (a) with respect to—

''(A) the withholding, suspension, or restriction of drivers' licenses, professional and occupational licenses, and recreational licenses pursuant to State law, as specified in section 466(a)(16) of the Social Security Act (42 U.S.C. 666(a)(16)) or with respect to the reporting of overdue support owed by an absent parent to any consumer reporting agency as specified in section 466(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7));

''(B) the interception of tax refunds, as specified in sections 464 and 466(a)(3) of the Social Security Act (42 U.S.C. 664 and 666(a)(3)); or

''(C) the enforcement of medical obligations as specified under title IV of the Social Security Act (42 U.S.C. 601 et seq.).''.

**SEC. 142. NONDISCHARGEABILITY OF CERTAIN DEBTS FOR ALIMONY, MAINTENANCE, AND SUPPORT.**

Section 523 of title 11, United States Code, is amended—

(1) in subsection (a), by striking paragraph (5) and inserting the following:

''(5) for a domestic support obligation;'';

(2) in subsection (a)(15)—

(A) by inserting ''or'' after ''court of record,'';

(B) by striking ''unless—'' and all that follows through ''debtor'' the last place it appears; and

(3) in subsection (c), by striking ''(6), or (15)'' each place it appears and inserting ''or (6)''.

**SEC. 143. CONTINUED LIABILITY OF PROPERTY.**

Section 522 of title 11, United States Code, is amended—

(1) in subsection (c), by striking paragraph (1) and inserting the following:

''(1) a debt of a kind specified in paragraph (1) or (5) of section 523(a) (in which case, notwithstanding any provision of applicable nonbankruptcy law to the contrary, such property shall be liable for a debt of a kind specified in section 523(a)(5);''; and

(2) in subsection (f)(1)(A), by striking the dash and all that follows through the end of the subparagraph and inserting ''of a kind that is specified in section 523(a)(5); or''.

**SEC. 144. PROTECTION OF DOMESTIC SUPPORT CLAIMS AGAINST PREFERENTIAL TRANSFER MOTIONS.**

Section 547(c)(7) of title 11, United States Code, is amended to read as follows:

''(7) to the extent such transfer was a bona fide payment of a debt for a domestic support obligation; or''.

**SEC. 145. CLARIFICATION OF MEANING OF HOUSEHOLD GOODS.**

Section 101 of title 11, United States Code, is amended by inserting after paragraph (27) the following:

''(27A) 'household goods' includes tangible personal property normally found in or around a residence, but does not include motorized vehicles used for transportation purposes;''.

***SEC. 146. NONDISCHARGEABLE DEBTS.***

*Section 523(a) of title 11, United States Code, is amended by inserting after paragraph (14) the following:*

*''(14A) incurred to pay a debt that is nondischargeable by reason of section 727, 1141, 1228(a), 1228(b), or 1328(c), or any other provision of this subsection, if the debtor incurred the debt to pay such a nondischargeable debt with the intent to discharge in bankruptcy the newly-created debt, except that all debts incurred to pay nondischargeable debts, without regard to intent, are nondischargeable if incurred within 90 days of the filing of the petition;''.*

***SEC. 147. MONETARY LIMITATION ON CERTAIN EXEMPT PROPERTY.***

*Section 522 of title 11, United States Code, as amended by section 125, is amended—*

*(1) in subsection (b)(2)(A) by striking ''subsection (o)'' and inserting ''subsections (o) and (p)'' before ''any property''; and*

*(2) by adding at the end the following:*

*''(p)(1) Except as provided in paragraphs (2) and (3), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any interest that exceeds $250,000 in value, in the aggregate, in—*

*''(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;*

*''(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or*

*''(C) a burial plot for the debtor or a dependent of the debtor.*

*''(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(3)(A) by a family farmer for the principal residence of that farmer.*

*''(3) Paragraph (1) shall not apply to debtors if applicable State law expressly provides by a statute enacted after the effective date of this paragraph that such paragraph shall not apply to debtors.''.*

***SEC. 148. BANKRUPTCY FEES.***

*Section 1930 of title 28, United States Code, is amended—*

*(1) in subsection (a) by striking ''Notwithstanding section 1915 of this title, the'' and inserting ''The''; and*

*(2) by adding at the end the following:*

*''(f)(1) Pursuant to procedures prescribed by the Judicial Conference of the United States, the district court or the bankruptcy court may waive the filing fee in a case under chapter 7 of title 11 for an individual debtor who is unable to pay such fee in installments. For purposes of this paragraph, the term 'filing fee' means the filing fee required by subsection (a), or any other fee prescribed by the Judicial Conference under subsections (b) and (c) that is payable to the clerk upon the commencement of a case under chapter 7 of title 11.*

*''(2) The district court or the bankruptcy court may also waive for such debtors other fees prescribed pursuant to subsections (b) and (c).*

*''(3) This subsection does not restrict the district court or the bankruptcy court from waiving, in accordance with Judicial Conference policy, fees prescribed pursuant to such subsections for other debtors and creditors.''.*

***SEC. 149. COLLECTION OF CHILD SUPPORT.***

*(a) DUTIES OF TRUSTEE UNDER CHAPTER 7.—Section 704 of title 11, United States Code, as amended by section 102, is amended—*

*(1) by inserting ''(a)'' before ''The trustee'',*

*(2) in paragraph (9) by striking ''and'' at the end,*

*(3) in paragraph (10) by striking the period and inserting ''; and'', and*

*(4) by adding at the end the following:*

*''(11) if, with respect to an individual debtor, there is a claim for support of a child of the debtor or a custodial parent of such child entitled to receive priority under section 507(a)(1) of this title, provide the applicable notification specified in subsection (b).*

*''(b)(1) In any case described in subsection (a)(11), the trustee shall—*

*''(A)(i) notify in writing the holder of the claim of the right of such holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act for the State in which the holder resides; and*

*''(ii) include in the notice under this paragraph the address and telephone number of the child support enforcement agency; and*

*''(B)(i) notify in writing the State child support agency of the State in which the holder of the claim resides of the claim;*

*''(ii) include in the notice under this paragraph the name, address, and telephone number of the holder of the claim; and*

*''(iii) at such time as the debtor is granted a discharge under section 727 of this title, notify the holder of such claim and the State child support agency of the State in which such holder resides of—*

*''(I) the granting of the discharge;*

*''(II) the last recent known address of the debtor; and*

*''(III) with respect to the debtor's case, the name of each creditor that holds a claim that is not discharged under paragraph (2), (4), or (14A) of section 523(a) of this title or that was reaffirmed by the debtor under section 524(c) of this title.*

*''(2)(A) If, after receiving a notice under paragraph (1)(B)(iii), a holder of a claim or a State child support agency is unable to locate the debtor that is the subject of the notice, such holder or such agency may request from a creditor described in paragraph (1)(B)(iii)(III) the last known address of the debtor.*

*''(B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making such disclosure.''.*

*(b) DUTIES OF TRUSTEE UNDER CHAPTER 13.—Section 1302 of title 11, United States Code, is amended—*

*(1) in subsection (b)—*

*(A) in paragraph (4) by striking ''and'' at the end,*

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

*(C) by adding at the end the following:*

*''(6) if, with respect to an individual debtor, there is a claim for support of a child of the debtor or a custodial parent of such child entitled to receive priority under section 507(a)(1) of this title, provide the applicable notification specified in subsection (d).'', and*

*(2) by adding at the end the following:*

*''(d)(1) In any case described in subsection (b)(6), the trustee shall—*

*''(A)(i) notify in writing the holder of the claim of the right of such holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act for the State in which the holder resides; and*

*''(ii) include in the notice under this paragraph the address and telephone number of the child support enforcement agency; and*

*''(B)(i) notify in writing the State child support agency of the State in which the holder of the claim resides of the claim; and*

*''(ii) include in the notice under this paragraph the name, address, and telephone number of the holder of the claim;*

*''(iii) at such time as the debtor is granted a discharge under section 1328 of this title, notify the holder of the claim and the State child support agency of the State in which such holder resides of—*

*''(I) the granting of the discharge;*

*''(II) the last recent known address of the debtor; and*

*''(III) with respect to the debtor's case, the name of each creditor that holds a claim that is not discharged under paragraph (2), (4), or (14A) of section 523(a) of this title or that was reaffirmed by the debtor under section 524(c) of this title.*

*''(2)(A) If, after receiving a notice under paragraph (1)(B)(iii), a holder of a claim or a State child support agency is unable to locate the debtor that is the subject of the notice, such holder or such agency may request from a creditor described in paragraph (1)(B)(iii) the last known address of the debtor.*

*''(B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making such disclosure.''.*

***SEC. 150. EXCLUDING EMPLOYEE BENEFIT PLAN PARTICIPANT CONTRIBUTIONS AND OTHER PROPERTY FROM THE ESTATE.***

*(a) IN GENERAL.—Section 541(b) of title 11 of the United States Code is amended—*

*(1) by striking ''or'' at the end of paragraph (4)(B)(ii);*

*(2) by striking the period at the end of paragraph (5) and inserting ''; or''; and*

*(3) by inserting after paragraph (5) the following:*

*''(7) any amount or interest in property to the extent that an employer has withheld amounts from the wages of employees for contribution to an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974, or to the extent that the employer has received amounts as a result of payments by participants or beneficiaries to an employer for contribution to an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974.''.*

*(b) APPLICATION OF AMENDMENT.—The amendment made by this section shall not apply to cases commenced under title 11 of the United States Code before the expiration of the 180-day period beginning on the date of the enactment of this Act.*

***SEC. 151. CLARIFICATION OF POSTPETITION WAGES AND BENEFITS.***

*Section 503(b)(1)(A) of title 11, United States Code, is amended to read as follows:*

*''(A) the actual, necessary costs and expenses of preserving the estate, including wages, salaries, or commissions for services rendered after the commencement of the case, and wages and benefits attributable to any period of time after commencement of the case as a result of the debtor's violation of Federal law, without regard to when the original unlawful act occurred or to whether any services were rendered;''.*

***SEC. 152. EXCEPTIONS TO AUTOMATIC STAY IN DOMESTIC SUPPORT OBLIGATION PROCEEDINGS.***

*Section 362(b)(2) of title 11, United States Code, is amended—*

*(1) in subparagraph (A) by striking ''or'' at the end;*

*(2) in subparagraph (B) by adding ''or'' at the end; and*

*(3) by adding at the end the following:*

*''(C) under subsection (a) of—*

*''(i) the withholding of income for payment of a domestic support obligation pursuant to a judicial or administrative order or statute for such obligation that first becomes payable after the date on which the petition is filed; or*

*''(ii) the withholding of income for payment of a domestic support obligation owed directly to the spouse, former spouse or child of the debtor or the parent of such child, pursuant to a judicial or administrative order or statute for such*

obligation that becomes payable before the date on which the petition is filed unless the court finds, after notice and hearing, that such withholding would render the plan infeasible;''.

**SEC. 153. AUTOMATIC STAY INAPPLICABLE TO CERTAIN PROCEEDINGS AGAINST THE DEBTOR.**

Section 362(b)(2) of title 11, United States Code, as amended by section 153, is amended—

(1) in subparagraph (B) by striking ''or'' at the end;

(2) by inserting after subparagraph (C) the following:

''(D) the commencement or continuation of a proceeding concerning a child custody or visitation;

''(E) the commencement or continuation of a proceeding alleging domestic violence; or

''(F) the commencement or continuation of a proceeding seeking a dissolution of marriage, except to the extent the proceeding concerns property of the estate;''.

## TITLE II—DISCOURAGING BANKRUPTCY ABUSE

**SEC. 201. REENACTMENT OF CHAPTER 12.**

(a) REENACTMENT.—Chapter 12 of title 11 of the United States Code, as in effect on March 31, 1999, is hereby reenacted.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on March 31, 1999.

**SEC. 202. MEETINGS OF CREDITORS AND EQUITY SECURITY HOLDERS.**

Section 341 of title 11, United States Code, is amended by adding at the end the following:

''(e) Notwithstanding subsections (a) and (b), the court, on the request of a party in interest and after notice and a hearing, for cause may order that the United States trustee not convene a meeting of creditors or equity security holders if the debtor has filed a plan as to which the debtor solicited acceptances prior to the commencement of the case.''.

**SEC. 203. PROTECTION OF RETIREMENT SAVINGS IN BANKRUPTCY.**

(a) IN GENERAL.—Section 522 of title 11, United States Code, as amended by sections 113, 125, and 147 is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) by striking ''(2)(A)'' and inserting:

''(3) Property listed in this paragraph is—

''(A) subject to subsections (o) and (p),'';

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

(iii) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(D) retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986.'';

(B) by striking paragraph (1) and inserting:

''(2) Property listed in this paragraph is property that is specified under subsection (d), unless the State law that is applicable to the debtor under paragraph (3)(A) specifically does not so authorize.'';

(C) in the matter preceding paragraph (2)—

(i) by striking ''(b)'' and inserting ''(b)(1)'';

(ii) by striking ''paragraph (2)'' both places it appears and inserting ''paragraph (3)'';

(iii) by striking ''paragraph (1)'' each place it appears and inserting ''paragraph (2)''; and

(iv) by striking ''Such property is—''; and

(D) by adding at the end of the subsection the following:

''(4) For purposes of paragraph (3)(D) and subsection (d)(12), the following shall apply:

''(A) If the retirement funds are in a retirement fund that has received a favorable determination pursuant to section 7805 of the Internal Revenue Code of 1986, and that determination is in effect as of the date of the commencement of the case under section 301, 302, or 303 of this title, those funds shall be presumed to be exempt from the estate.

''(B) If the retirement funds are in a retirement fund that has not received a favorable determination pursuant to such section 7805, those funds are exempt from the estate if the debtor demonstrates that—

''(i) no prior determination to the contrary has been made by a court or the Internal Revenue Service; and

''(ii) the retirement fund is in substantial compliance with the applicable requirements of the Internal Revenue Code of 1986.

''(C) A direct transfer of retirement funds from 1 fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986, pursuant to section 401(a)(31) of the Internal Revenue Code of 1986, or otherwise, shall not cease to qualify for exemption under paragraph (3)(D) or subsection (d)(12) by reason of that direct transfer.

''(D)(i) Any distribution that qualifies as an eligible rollover distribution within the meaning of section 402(c) of the Internal Revenue Code of 1986 or that is described in clause (ii) shall not cease to qualify for exemption under paragraph (3)(D) or subsection (d)(12) by reason of that distribution.

''(ii) A distribution described in this clause is an amount that—

''(I) has been distributed from a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986; and

''(II) to the extent allowed by law, is deposited in such a fund or account not later than 60 days after the distribution of that amount.''; and

(2) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking ''subsection (b)(1)'' and inserting ''subsection (b)(2)''; and

(B) by adding at the end the following:

''(12) Retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986.''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, as amended by sections 118, 132, 136, and 141 is amended—

(1) in paragraph (27), by striking ''or'' at the end;

(2) in paragraph (28), by striking the period and inserting ''; or'';

(3) by inserting after paragraph (28) the following:

''(29) under subsection (a), of withholding of income from a debtor's wages and collection of amounts withheld, pursuant to the debtor's agreement authorizing that withholding and collection for the benefit of a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986 that is sponsored by the employer of the debtor, or an affiliate, successor, or predecessor of such employer—

''(A) to the extent that the amounts withheld and collected are used solely for payments relating to a loan from a plan that satisfies the requirements of section 408(b)(1) of the Employee Retirement Income Security Act of 1974 or is subject to section 72(p) of the Internal Revenue Code of 1986; or

''(B) in the case of a loan from a thrift savings plan described in subchapter III of title 5, that satisfies the requirements of section 8433(g) of such title.''; and

(4) by adding at the end of the flush material following paragraph (29) the following: ''Paragraph (29) does not apply to any amount owed to a plan referred to in that paragraph that is incurred under a loan made during the 1-year period preceding the filing of a petition. Nothing in paragraph (29) may be construed to provide that any loan made under a governmental plan under section 414(d), or a contract or account under section 403(b), of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.''.

(c) EXCEPTIONS TO DISCHARGE.—Section 523(a) of title 11, United States Code, is amended—

(1) by striking ''or'' at the end of paragraph (17);

(2) by striking the period at the end of paragraph (18) and inserting ''; or''; and

(3) by adding at the end the following:

''(19) owed to a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(c) of the Internal Revenue Code of 1986, pursuant to—

''(A) a loan permitted under section 408(b)(1) of the Employee Retirement Income Security Act of 1974) or subject to section 72(p) of the Internal Revenue Code of 1986; or

''(B) a loan from the thrift savings plan described in subchapter III of title 5, that satisfies the requirements of section 8433(g) of such title.

Paragraph (19) does not apply to any amount owed to a plan referred to in that paragraph that is incurred under a loan made during the 1-year period preceding the filing of a petition. Nothing in paragraph (19) may be construed to provide that any loan made under a governmental plan under section 414(d), or a contract or account under section 403(b), of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.''.

(d) PLAN CONTENTS.—Section 1322 of title 11, United States Code, is amended by adding at the end the following:

''(f) A plan may not materially alter the terms of a loan described in section 362(b)(29) of this title.''.

**SEC. 204. PROTECTION OF REFINANCE OF SECURITY INTEREST.**

Subparagraphs (A), (B), and (C) of section 547(e)(2) of title 11, United States Code, are amended by striking ''10'' each place it appears and inserting ''30''.

**SEC. 205. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.**

Section 365(d)(4) of title 11, United States Code, is amended to read as follows:

''(4)(A) Subject to subparagraph (B), in any case under any chapter in this title, an unexpired lease of nonresidential real property under which the debtor is the lessee shall be deemed rejected, and the trustee shall immediately surrender such property to the lessor, if the trustee does not assume or reject the unexpired lease by the earlier of—

''(i) the date that is 120 days after the date of the order for relief; or

''(ii) the date of the entry of an order confirming a plan.

''(B)(i) The court may extend the period determined under subparagraph (A) for 120 days upon motion of the trustee or the lessor for cause.

''(ii) If the court grants an extension under clause (i), the court may grant a subsequent extension only upon prior written consent of the lessor.''.

**SEC. 206. CREDITORS AND EQUITY SECURITY HOLDERS COMMITTEES.**

Section 1102(a)(2) of title 11, United States Code, is amended by inserting before the first sentence the following: ''On its own motion or on request of a party in interest, and after notice and hearing, the court may order a change in the membership of a committee appointed under this subsection, if the court determines that the change is necessary to ensure adequate representation of creditors or equity security holders.''.

***SEC. 207. AMENDMENT TO SECTION 546 OF TITLE 11, UNITED STATES CODE.***

*Section 546 of title 11, United States Code, is amended by inserting at the end thereof:*

*''(i) Notwithstanding section 545 (2) and (3) of this title, the trustee may not avoid a warehouseman's lien for storage, transportation or other costs incidental to the storage and handling of goods, as provided by section 7–209 of the Uniform Commercial Code.''.*

***SEC. 208. LIMITATION.***

*Section 546(c)(1)(B) of title 11, United States Code, is amended by striking ''20'' and inserting ''45''.*

***SEC. 209. AMENDMENT TO SECTION 330(a) OF TITLE 11, UNITED STATES CODE.***

*Section 330(a) of title 11, United States Code, is amended—*

*(1) in paragraph (3)—*

*(A) in subparagraph (A) after ''awarded'', by inserting ''to an examiner, chapter 11 trustee, or professional person''; and*

*(B) by redesignating subdivisions (A) through (E) as clauses (i) through (iv), respectively; and*

*(2) by adding at the the following:*

*''(B) In determining the amount of reasonable compensation to be awarded a trustee, the court shall treat such compensation as a commission based on the results achieved.''.*

***SEC. 210. POSTPETITION DISCLOSURE AND SOLICITATION.***

*Section 1125 of title 11, United States Code, is amended by adding at the end the following:*

*''(g) Notwithstanding subsection (b), an acceptance or rejection of the plan may be solicited from a holder of a claim or interest if such solicitation complies with applicable nonbankruptcy law and if such holder was solicited before the commencement of the case in a manner complying with applicable nonbankruptcy law.''.*

***SEC. 211. PREFERENCES.***

*Section 547(c) of title 11, United States Code, is amended—*

*(1) by amending paragraph (2) to read as follows:*

*''(2) to the extent that such transfer was in payment of a debt incurred by the debtor in the ordinary course of business or financial affairs of the debtor and the transferee, and such transfer was—*

*''(A) made in the ordinary course of business or financial affairs of the debtor and the transferee; or*

*''(B) made according to ordinary business terms;'';*

*(2) in paragraph (7) by striking ''or'' at the end;*

*(3) in paragraph (8) by striking the period at the end and inserting ''; or''; and*

*(4) by adding at the end the following:*

*''(9) if, in a case filed by a debtor whose debts are not primarily consumer debts, the aggregate value of all property that constitutes or is affected by such transfer is less than $5,000.''.*

***SEC. 212. VENUE OF CERTAIN PROCEEDINGS.***

*Section 1409(b) of title 28, United States Code, is amended by inserting '', or a nonconsumer debt against a noninsider of less than $10,000,'' after ''$5,000''.*

***SEC. 213. PERIOD FOR FILING PLAN UNDER CHAPTER 11.***

*Section 1121(d) of title 11, United States Code, is amended—*

*(1) by striking ''On'' and inserting ''(1) Subject to paragraph (1), on''; and*

*(2) by adding at the end the following:*

*''(2)(A) Such 120-day period may not be extended beyond a date that is 18 months after the date of the order for relief under this chapter.*

*''(B) Such 180-day period may not be extended beyond a date that is 20 months after the date of the order for relief under this chapter.''.*

***SEC. 214. FEES ARISING FROM CERTAIN OWNERSHIP INTERESTS.***

*Section 523(a)(16) of title 11, United States Code, is amended—*

*(1) by striking ''dwelling'' the first place it appears;*

*(2) by striking ''ownership or'' and inserting ''ownership,'';*

*(3) by striking ''housing'' the first place it appears; and*

*(4) by striking ''but only'' and all that follows through ''such period,'', and inserting ''or a lot in a homeowners association, for as long as the debtor or the trustee has a legal, equitable, or possessory ownership interest in such unit, such corporation, or such lot,''.*

***SEC. 215. CLAIMS RELATING TO INSURANCE DEPOSITS IN CASES ANCILLARY TO FOREIGN PROCEEDINGS.***

*Section 304 of title 11, United States Code, is amended to read as follows:*

***''§ 304. Cases ancillary to foreign proceedings***

*''(a) For purposes of this section—*

*''(1) the term 'domestic insurance company' means a domestic insurance company, as such term is used in section 109(b)(2);*

*''(2) the term 'foreign insurance company' means a foreign insurance company, as such term is used in section 109(b)(3);*

*''(3) the term 'United States claimant' means a beneficiary of any deposit referred to in subsection (b) or any multibeneficiary trust referred to in subsection (b);*

*''(4) the term 'United States creditor' means, with respect to a foreign insurance company—*

*''(A) a United States claimant; or*

*''(B) any business entity that operates in the United States and that is a creditor; and*

*''(5) the term 'United States policyholder' means a holder of an insurance policy issued in the United States.*

*''(b) The court may not grant relief under chapter 15 of this title with respect to any deposit, escrow, trust fund, or other security required or permitted under any applicable State insurance law or regulation for the benefit of claim holders in the United States.''.*

***SEC. 216. DEFAULTS BASED ON NONMONETARY OBLIGATIONS.***

*(a) EXECUTORY CONTRACTS AND UNEXPIRED LEASES.—Section 365 of title 11, United States Code, is amended—*

*(1) in subsection (b)—*

*(A) in paragraph (1)(A) by striking the semicolon at the end and inserting the following: ''other than a default that is a breach of a provision relating to—*

*''(i) the satisfaction of any provision (other than a penalty rate or penalty provision) relating to a default arising from any failure to perform nonmonetary obligations under an unexpired lease of real property (excluding executory contracts that transfer a right or interest under a filed or issued patent, copyright, trademark, trade dress, or trade secret), if it is impossible for the trustee to cure such default by performing nonmonetary acts at and after the time of assumption; or*

*''(ii) the satisfaction of any provision (other than a penalty rate or penalty provision) relating to a default arising from any failure to perform nonmonetary obligations under an executory contract, if it is impossible for the trustee to cure such default by performing nonmonetary acts at and after the time of assumption and if the court determines, based on the equities of the case, that this subparagraph should not apply with respect to such default;''; and*

*(B) by amending paragraph (2)(D) to read as follows:*

*''(D) the satisfaction of any penalty rate or penalty provision relating to a default arising from a failure to perform nonmonetary obligations under an executory contract (excluding executory contracts that transfer a right or interest under a filed or issued patent, copyright, trademark, trade dress, or trade secret) or under an unexpired lease of real or personal property.'';*

*(2) in subsection (c)—*

*(A) in paragraph (2) by adding ''or'' at the end;*

*(B) in paragraph (3) by striking ''; or'' at the end and inserting a period; and*

*(C) by striking paragraph (4);*

*(3) in subsection (d)—*

*(A) by striking paragraphs (5) through (9); and*

*(B) by redesignating paragraph (10) as paragraph (5); and*

*(4) in subsection (f)(1) by striking ''; except that'' and all that follows through the end of the paragraph and inserting a period.*

*(b) IMPAIRMENT OF CLAIMS OR INTERESTS.—Section 1124(2) of title 11, United States Code, is amended—*

*(1) in subparagraph (A) by inserting ''or of a kind that section 365(b)(1)(A) of this title expressly does not require to be cured'' before the semicolon at the end;*

*(2) in subparagraph (C) by striking ''and'' at the end;*

*(3) by redesignating subparagraph (D) as subparagraph (E); and*

*(4) by inserting after subparagraph (C) the following:*

*''(D) if such claim or such interest arises from any failure to perform a nonmonetary obligation, compensates the holder of such claim or such interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such holder as a result of such failure; and''.*

***SEC. 217. SHARING OF COMPENSATION.***

*Section 504 of title 11, United States Code, is amended by adding at the end the following:*

*''(c) This section shall not apply with respect to sharing, or agreeing to share, compensation with a bona fide public service attorney referral program that operates in accordance with non-Federal law regulating attorney referral services and with rules of professional responsibility applicable to attorney acceptance of referrals.''.*

***SEC. 218. PRIORITY FOR ADMINISTRATIVE EXPENSES.***

*Section 503(b) of title 11, United States Code, is amended—*

*(1) by deleting ''and'' at the end of paragraph (5);*

*(2) by striking the period at the end of paragraph (6) and inserting ''; and'';*

*(3) by inserting the following after paragraph (6):*

*''(7) with respect to a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due, excluding those arising from or relating to a failure to operate or penalty provisions, for the period of one year following the later of the rejection date or date of actual turnover of the premises, without reduction or setoff for any reason whatsoever except for sums actually received or to be received from a nondebtor; and the claim for remaining sums due for the balance of the term of the lease shall be a claim under section 502(b)(6).''.*

## *TITLE III—GENERAL BUSINESS BANKRUPTCY PROVISIONS*

***SEC. 301. DEFINITION OF DISINTERESTED PERSON.***

*Section 101(14) of title 11, United States Code, is amended to read as follows:*

*''(14) 'disinterested person' means a person that—*

*''(A) is not a creditor, an equity security holder, or an insider;*

*''(B) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of the debtor; and*

''(C) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason;''.

***SEC. 302. MISCELLANEOUS IMPROVEMENTS.***

(a) WHO MAY BE A DEBTOR.—Section 109 of title 11, United States Code, is amended by adding at the end the following:

''(h)(1) Subject to paragraphs (2) and (3) and notwithstanding any other provision of this section, an individual may not be a debtor under this title unless that individual has, during the 90-day period preceding the date of filing of the petition of that individual, received credit counseling, including, at a minimum, participation in an individual or group briefing that outlined the opportunities for available credit counseling and assisted that individual in performing an initial budget analysis, through a credit counseling program (offered through an approved credit counseling service described in section 111(a)).

''(2)(A) Paragraph (1) shall not apply with respect to a debtor who resides in a district for which the United States trustee or bankruptcy administrator of the bankruptcy court of that district determines that the approved credit counseling services for that district are not reasonably able to provide adequate services to the additional individuals who would otherwise seek credit counseling from those programs by reason of the requirements of paragraph (1).

''(B) Each United States trustee or bankruptcy administrator that makes a determination described in subparagraph (A) shall review that determination not later than one year after the date of that determination, and not less frequently than every year thereafter.

''(3)(A) Subject to subparagraph (B), the requirements of paragraph (1) shall not apply with respect to a debtor who submits to the court a certification that—

''(i) describes exigent circumstances that merit a waiver of the requirements of paragraph (1);

''(ii) states that the debtor requested credit counseling services from an approved credit counseling service, but was unable to obtain the services referred to in paragraph (1) during the 5-day period beginning on the date on which the debtor made that request or that the exigent circumstances require filing before such 5-day period expires; and

''(iii) is satisfactory to the court.

''(B) With respect to a debtor, an exemption under subparagraph (A) shall cease to apply to that debtor on the date on which the debtor meets the requirements of paragraph (1), but in no case may the exemption apply to that debtor after the date that is 30 days after the debtor files a petition.''.

(b) CHAPTER 7 DISCHARGE.—Section 727(a) of title 11, United States Code, is amended—

(1) in paragraph (9), by striking ''or'' at the end;

(2) in paragraph (10), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(11) after the filing of the petition, the debtor failed to complete an instructional course concerning personal financial management described in section 111 unless the debtor resides in a district for which the United States trustee or bankruptcy administrator of the bankruptcy court of that district determines that the approved instructional courses are not adequate to provide service to the additional individuals who would be required to compete the instructional course by reason of the requirements of this section. Each United States trustee or bankruptcy administrator that makes such a determination shall review that determination not later than 1 year after the date of that determination, and not less frequently than every year thereafter.''.

(c) CHAPTER 13 DISCHARGE.—Section 1328 of title 11, United States Code, as amended by section 137, is amended by adding at the end the following:

''(g) The court shall not grant a discharge under this section to a debtor, unless after filing a petition the debtor has completed an instructional course concerning personal financial management described in section 111.

''(h) Subsection (g) shall not apply with respect to a debtor who resides in a district for which the United States trustee or bankruptcy administrator of the bankruptcy court of that district determines that the approved instructional courses are not adequate to provide service to the additional individuals who would be required to complete the instructional course by reason of the requirements of this section.

''(i) Each United States trustee or bankruptcy administrator that makes a determination described in subsection (h) shall review that determination not later than 1 year after the date of that determination, and not less frequently than every year thereafter.''.

(d) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by sections 604 and 120, is amended by adding at the end the following:

''(d) In addition to the requirements under subsection (a), an individual debtor shall file with the court—

''(1) a certificate from the credit counseling service that provided the debtor services under section 109(h); and

''(2) a copy of the debt repayment plan, if any, developed under section 109(h) through the credit counseling service referred to in paragraph (1).''.

(e) GENERAL PROVISIONS.—

(1) IN GENERAL.—Chapter 1 of title 11, United States Code, is amended by adding at the end the following:

***''§ 111. Credit counseling services; financial management instructional courses***

''The clerk of each district shall maintain a list of credit counseling services that provide 1 or more programs described in section 109(h) and a list of instructional courses concerning personal financial management that have been approved by—

''(1) the United States trustee; or

''(2) the bankruptcy administrator for the district.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1 of title 11, United States Code, is amended by adding at the end the following:

''111. Credit counseling services; financial management instructional courses.''.

(e) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (13) the following:

''(13A) 'debtor's principal residence' means a residential structure including incidental property when the structure contains 1 to 4 units, whether or not that structure is attached to real property, and includes, without limitation, an individual condominium or cooperative unit or mobile or manufactured home or trailer;'';

(2) by inserting after paragraph (27A), as added by section 318 of this Act, the following:

''(27B) 'incidental property' means property incidental to such residence including, without limitation, property commonly conveyed with a principal residence where the real estate is located, window treatments, carpets, appliances and equipment located in the residence, and easements, appurtenances, fixtures, rents, royalties, mineral rights, oil and gas rights, escrow funds and insurance proceeds;'';

(3) in section 362(b), as amended by sections 117, 118, 132, 136, 141 203, 818, and 1007,—

(A) in paragraph (28) by striking ''or'' at the end thereof;

(B) in paragraph (29) by striking the period at the end and inserting ''; or''; and

(C) by inserting after paragraph (29) the following:

''(30) under subsection (a), until a prepetition default is cured fully in a case under chapter 13 of this title by actual payment of all arrears as required by the plan, of the postponement, continuation or other similar delay of a prepetition foreclosure proceeding or sale in accordance with applicable nonbankruptcy law, but nothing herein shall imply that such postponement, continuation or other similar delay is a violation of the stay under subsection (a).''; and

(4) by amending section 1322(b)(2) to read as follows:

''(2) modify the rights of holders of secured claims, other than a claim secured primarily by a security interest in property used as the debtor's principal residence at any time during 180 days prior to the filing of the petition, or of holders of unsecured claims, or leave unaffected the rights of holders of any class of claims;''.

(f) LIMITATION.—Section 362 of title 11, United States Code, is amended by adding at the end the following:

''(j) If one case commenced under chapter 7, 11, or 13 of this title is dismissed due to the creation of a debt repayment plan administered by a credit counseling agency approved pursuant to section 111 of this title, then for purposes of section 362(c)(3) of this title the subsequent case commenced under any such chapter shall not be presumed to be filed not in good faith.''.

(g) RETURN OF GOODS SHIPPED.—Section 546(g) of title 11, United States Code, as added by section 222(a) of Public Law 103–394, is amended to read as follows:

''(h) Notwithstanding the rights and powers of a trustee under sections 544(a), 545, 547, 549, and 553 of this title, if the court determines on a motion by the trustee made not later than 120 days after the date of the order for relief in a case under chapter 11 of this title and after notice and hearing, that a return is in the best interests of the estate, the debtor, with the consent of the creditor, and subject to the prior rights, if any, of third parties in such goods, may return goods shipped to the debtor by the creditor before the commencement of the case, and the creditor may offset the purchase price of such goods against any claim of the creditor against the debtor that arose before the commencement of the case.''.

***SEC. 303. EXTENSIONS.***

Section 302(d)(3) of the Bankruptcy, Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended—

(1) in subparagraph (A), in the matter following clause (ii), by striking ''or October 1, 2002, whichever occurs first''; and

(2) in subparagraph (F)—

(A) in clause (i)—

(i) in subclause (II), by striking ''or October 1, 2002, whichever occurs first''; and

(ii) in the matter following subclause (II), by striking ''October 1, 2003, or''; and

(B) in clause (ii), in the matter following subclause (II)—

(i) by striking ''before October 1, 2003, or''; and

(ii) by striking '', whichever occurs first''.

***SEC. 304. LOCAL FILING OF BANKRUPTCY CASES.***

Section 1408 of title 28, United States Code, is amended—

(1) by striking ''Except'' and inserting ''(a) Except''; and

(2) by adding at the end the following:

''(b) For the purposes of subsection (a), if the debtor is a corporation, the domicile and residence of the debtor are conclusively presumed to

*be where the debtor's principal place of business in the United States is located.''.*

***SEC. 305. PERMITTING ASSUMPTION OF CONTRACTS.***

*(a) Section 365(c) of title 11, United States Code, is amended to read as follows:*

*''(c)(1) The trustee may not assume or assign an executory contract or unexpired lease of the debtor, whether or not the contract or lease prohibits or restricts assignment of rights or delegation of duties, if—*

*''(A)(i) applicable law excuses a party to the contract or lease from accepting performance from or rendering performance to an assignee of the contract or lease, whether or not the contract or lease prohibits or restricts assignment of rights or delegation of duties; and*

*''(ii) the party does not consent to the assumption or assignment; or*

*''(B) the contract is a contract to make a loan, or extend other debt financing or financial accommodations, to or for the benefit of the debtor, or to issue a security of the debtor.*

*''(2) Notwithstanding paragraph (1)(A) and applicable nonbankruptcy law, in a case under chapter 11 of this title, a trustee in a case in which a debtor is a corporation, or a debtor in possession, may assume an executory contract or unexpired lease of the debtor, whether or not the contract or lease prohibits or restricts assignment of rights or delegation of duties.*

*''(3) The trustee may not assume or assign an unexpired lease of the debtor of nonresidential real property, whether or not the contract or lease prohibits or restricts assignment of rights or delegation of duties, if the lease has been terminated under applicable nonbankruptcy law before the order for relief.''.*

*(b) Section 365(d) of title 11, United States Code, is amended by striking paragraphs (5), (6), (7), (8), and (9), and redesignating paragraph (10) as paragraph (5).*

*(c) Section 365(e) of title 11, United States Code, is amended to read as follows:*

*''(e)(1) Notwithstanding a provision in an executory contract or unexpired lease, or in applicable law, an executory contract or unexpired lease of the debtor may not be terminated or modified, and any right or obligation under such contract or lease may not be terminated or modified, at any time after the commencement of the case solely because of a provision in such contract or lease that is conditioned on—*

*''(A) the insolvency or financial condition of the debtor at any time before the closing of the case;*

*''(B) the commencement of a case under this title; or*

*''(C) the appointment of or taking possession by a trustee in a case under this title or a custodian before such commencement.*

*''(2) Paragraph (1) does not apply to an executory contract or unexpired lease of the debtor if the trustee may not assume or assign, and the debtor in possession may not assume, the contract or lease by reason of the provisions of subsection (c) of this section.''.*

*(d) Section 365(f)(1) of title 11, United States Code, is amended by striking the semicolon and all that follows through ''event''.*

## *TITLE IV SMALL BUSINESS BANKRUPTCY PROVISIONS*

***SEC. 401. FLEXIBLE RULES FOR DISCLOSURE STATEMENT AND PLAN.***

*(a) Section 1125(a)(1) of title 11, United States Code, is amended by inserting before the semicolon following:*

*''and in determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information''.*

*(b) Section 1125(f) of title 11, United States Code, is amended to read as follows:*

*''(f) Notwithstanding subsection (b)—*

*''(1) the court may determine that the plan itself provides adequate information and that a separate disclosure statement is not necessary;*

*''(2) the court may approve a disclosure statement submitted on standard forms approved by the court or adopted pursuant to section 2075 of title 28; and*

*''(3)(A) the court may conditionally approve a disclosure statement subject to final approval after notice and a hearing;*

*''(B) acceptances and rejections of a plan may be solicited based on a conditionally approved disclosure statement if the debtor provides adequate information to each holder of a claim or interest that is solicited, but a conditionally approved disclosure statement shall be mailed not less than 20 days before the date of the hearing on confirmation of the plan; and*

*''(C) the hearing on the disclosure statement may be combined with the hearing on confirmation of a plan.''.*

***SEC. 402. DEFINITIONS.***

*(a) DEFINITIONS. Section 101 of title 11, United States Code, is amended by striking paragraph (51C) and inserting the following:*

*''(51C) 'small business case' means a case filed under chapter 11 of this title in which the debtor is a small business debtor; and*

*''(51D) 'small business debtor' means (A) a person (including affiliates of such person that are also debtors under this title) that has aggregate noncontingent, liquidated secured and unsecured debts as of the date of the petition or the order for relief in an amount not more than $4,000,000 (excluding debts owed to 1 or more affiliates or insiders), except that if a group of affiliated debtors has aggregate noncontingent liquidated secured and unsecured debts greater than $4,000,000 (excluding debt owed to 1 or more affiliates or insiders), then no member of such group is a small business debtor;''.*

*(b) CONFORMING AMENDMENT.—Section 1102(a)(3) of title 11, United States Code, is amended by inserting ''debtor'' after ''small business'' .*

***SEC. 403. STANDARD FORM DISCLOSURE STATEMENT AND PLAN.***

*The Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States shall, within a reasonable period of time after the date of the enactment of this Act, propose for adoption standard form disclosure statements and plans of reorganization for small business debtors (as defined in section 101 of title 11, United States Code, as amended by this Act), designed to achieve a practical balance between—*

*(1) the reasonable needs of the courts, the United States trustee, creditors, and other parties in interest for reasonably complete information; and*

*(2) economy and simplicity for debtors.*

***SEC. 404. UNIFORM NATIONAL REPORTING REQUIREMENTS.***

*(a) REPORTING REQUIRED.—*

*(1) Title 11 of the United States Code is amended by inserting after section 307 the following:*

***''§ 308. Debtor reporting requirements***

*''A small business debtor shall file periodic financial and other reports containing information including—*

*''(1) the debtor's profitability, that is, approximately how much money the debtor has been earning or losing during current and recent fiscal periods;*

*''(2) reasonable approximations of the debtor's projected cash receipts and cash disbursements over a reasonable period;*

*''(3) comparisons of actual cash receipts and disbursements with projections in prior reports; and*

*''(4) whether the debtor is—*

*''(A) in compliance in all material respects with postpetition requirements imposed by this title and the Federal Rules of Bankruptcy Procedure; and*

*''(B) timely filing tax returns and paying taxes and other administrative claims when due, and, if not, what the failures are and how, at what cost, and when the debtor intends to remedy such failures; and*

*''(5) such other matters as are in the best interests of the debtor and creditors, and in the public interest in fair and efficient procedures under chapter 11 of this title.''.*

*(2) The table of sections of chapter 3 of title 11, United States Code, is amended by inserting after the item relating to section 307 the following:*

*''308. Debtor reporting requirements.''.*

*(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect 60 days after the date on which rules are prescribed pursuant to section 2075, title 28, United States Code to establish forms to be used to comply with section 308 of title 11, United States Code, as added by subsection (a).*

***SEC. 405. UNIFORM REPORTING RULES AND FORMS FOR SMALL BUSINESS CASES.***

*(a) PROPOSAL OF RULES AND FORMS.—The Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States shall propose for adoption amended Federal Rules of Bankruptcy Procedure and Official Bankruptcy Forms to be used by small business debtors to file periodic financial and other reports containing information, including information relating to—*

*(1) the debtor's profitability;*

*(2) the debtor's cash receipts and disbursements; and*

*(3) whether the debtor is timely filing tax returns and paying taxes and other administrative claims when due.*

*(b) PURPOSE.—The rules and forms proposed under subsection (a) shall be designed to achieve a practical balance between—*

*(1) the reasonable needs of the bankruptcy court, the United States trustee, creditors, and other parties in interest for reasonably complete information;*

*(2) the small business debtor's interest that required reports be easy and inexpensive to complete; and*

*(3) the interest of all parties that the required reports help the small business debtor to understand its financial condition and plan its future.*

***SEC. 406. DUTIES IN SMALL BUSINESS CASES.***

*(a) DUTIES IN CHAPTER 11 CASES.—Title 11 of the United States Code is amended by inserting after section 1114 the following:*

***''§ 1115. Duties of trustee or debtor in possession in small business cases***

*''(a) In a small business case, a trustee or the debtor in possession, in addition to the duties provided in this title and as otherwise required by law, shall—*

*''(1) append to the voluntary petition or, in an involuntary case, file within 3 days after the date of the order for relief—*

*''(A) its most recent balance sheet, statement of operations, cash-flow statement, Federal income tax return; or*

*''(B) a statement made under penalty of perjury that no balance sheet, statement of operations, or cash-flow statement has been prepared and no Federal tax return has been filed;*

*''(2) attend, through its responsible individual, meetings scheduled by the court or the United States trustee, including initial debtor interviews and meetings of creditors convened under section 341 of this title;*

*''(3) timely file all schedules and statements of financial affairs, unless the court, after notice*

*and a hearing, grants an extension, which shall not extend such time period to a date later than 30 days after the date of the order for relief, absent extraordinary and compelling circumstances;*

*''(4) file all postpetition financial and other reports required by the Federal Rules of Bankruptcy Procedure or by local rule of the district court;*

*''(5) subject to section 363(c)(2) of this title, maintain insurance customary and appropriate to the industry;*

*''(6)(A) timely file tax returns;*

*''(B) subject to section 363(c)(2) of this title, timely pay all administrative expense tax claims, except those being contested by appropriate proceedings being diligently prosecuted; and*

*''(C) subject to section 363(c)(2) of this title, establish 1 or more separate deposit accounts not later than 10 business days after the date of order for relief (or as soon thereafter as possible if all banks contacted decline the business) and deposit therein, not later than 1 business day after receipt thereof or a responsible time set by the court, all taxes payable for periods beginning after the date the case is commenced that are collected or withheld by the debtor for governmental units unless the court waives this requirement after notice and hearing; and*

*''(7) allow the United States trustee, or its designated representative, to inspect the debtor's business premises, books, and records at reasonable times, after reasonable prior written notice, unless notice is waived by the debtor.''.*

*(b) TECHNICAL AMENDMENT.—The table of sections of chapter 11, United States Code, is amended by inserting after the item relating to section 1114 the following:*

*''1115. Duties of trustee or debtor in possession in small business cases.''.*

***SEC. 407. PLAN FILING AND CONFIRMATION DEADLINES.***

*Section 1121(e) of title 11, United States Code, is amended to read as follows:*

*''(e) In a small business case—*

*''(1) only the debtor may file a plan until after 90 days after the date of the order for relief, unless a trustee has been appointed under this chapter, or unless the court, on request of a party in interest and after notice and hearing, shortens such time;*

*''(2) the debtor shall file a plan, and any necessary disclosure statement, not later than 90 days after the date of the order for relief, unless the United States Trustee has appointed under section 1102(a)(1) of this title a committee of unsecured creditors that the court has determined, before the 90 days has expired, is sufficiently active and representative to provide effective oversight of the debtor; and*

*''(3) the time periods specified in paragraphs (1) and (2) of this subsection and the time fixed in section 1129(e) of this title for confirmation of a plan, may be extended only as follows:*

*''(A) On request of a party in interest made within the respective periods, and after notice and hearing, the court may for cause grant one or more extensions, cumulatively not to exceed 60 days, if the movant establishes—*

*''(i) that no cause exists to dismiss or convert the case or appoint a trustee or examiner under subparagraphs (A) (I) of section 1112(b) of this title; and*

*''(ii) that there is a reasonable possibility the court will confirm a plan within a reasonable time;*

*''(B) On request of a party in interest made within the respective periods, and after notice and hearing, the court may for cause grant one or more extensions in excess of those authorized under subparagraph (A) of this paragraph, if the movant establishes:*

*''(i) that no cause exists to dismiss or convert the case or appoint a trustee or examiner under subparagraphs (A) (I) of section 1112(b)(3) of this title; and*

*''(ii) that it is more likely than not that the court will confirm a plan within a reasonable time; and*

*''(C) a new deadline shall be imposed whenever an extension is granted.''.*

***SEC. 408. PLAN CONFIRMATION DEADLINE.***

*Section 1129 of title 11, United States Code, is amended by adding at the end the following:*

*''(e) In a small business case, the debtor shall confirm a plan not later than 150 days after the date of the order for relief unless—*

*''(1) the United States Trustee has appointed, under section 1102(a)(1) of this title, a committee of unsecured creditors that the court has determined, before the 150 days has expired, is sufficiently active and representative to provide effective oversight of the debtor; or*

*''(2) such 150-day period is extended as provided in section 1121(e)(3) of this title.''.*

***SEC. 409. PROHIBITION AGAINST EXTENSION OF TIME.***

*Section 105(d) of title 11, United States Code, is amended—*

*(1) in paragraph (2)(B)(vi) by striking the period at the end and inserting ''; and''; and*

*(2) by adding at the end the following:*

*''(3) in a small business case, not extend the time periods specified in sections 1121(e) and 1129(e) of this title except as provided in section 1121(e)(3) of this title.''.*

***SEC. 410. DUTIES OF THE UNITED STATES TRUSTEE.***

*(a) DUTIES OF THE UNITED STATES TRUSTEE.—Section 586(a) of title 28, United States Code, is amended—*

*(1) in paragraph (3)—*

*(A) in subparagraph (G) by striking ''and at the end'';*

*(B) by redesignating subparagraph (H) as subparagraph (I); and*

*(C) by inserting after subparagraph (G) the following:*

*''(H) in small business cases (as defined in section 101 of title 11), performing the additional duties specified in title 11 pertaining to such cases'';*

*(2) in paragraph (5) by striking ''and at the end'';*

*(3) in paragraph (6) by striking the period at the end and inserting ''; and''; and*

*(4) by inserting after paragraph (7) the following:*

*''(7) in each of such small business cases—*

*''(A) conduct an initial debtor interview as soon as practicable after the entry of order for relief but before the first meeting scheduled under section 341(a) of title 11 at which time the United States trustee shall begin to investigate the debtor's viability, inquire about the debtor's business plan, explain the debtor's obligations to file monthly operating reports and other required reports, attempt to develop an agreed scheduling order, and inform the debtor of other obligations;*

*''(B) when determined to be appropriate and advisable, visit the appropriate business premises of the debtor and ascertain the state of the debtor's books and records and verify that the debtor has filed its tax returns; and*

*''(C) review and monitor diligently the debtor's activities, to identify as promptly as possible whether the debtor will be unable to confirm a plan; and*

*''(8) in cases in which the United States trustee finds material grounds for any relief under section 1112 of title 11, the United States trustee shall apply promptly to the court for relief.''.*

***SEC. 411. SCHEDULING CONFERENCES.***

*Section 105(d) of title 11, United States Code, is amended—*

*(1) in the matter preceding paragraph (1) by striking '', may'';*

*(2) by amending paragraph (1) to read as follows:*

*''(1) shall hold such status conferences as are necessary to further the expeditious and economical resolution of the case; and''; and*

*(3) in paragraph (2) by striking ''unless inconsistent with another provision of this title or with applicable Federal Rules of Bankruptcy Procedure'', and inserting ''may''.*

***SEC. 412. SERIAL FILER PROVISIONS.***

*Section 362 of title 11, United States Code, as amended by section 302, is amended—*

*(1) in subsection (i) as so redesignated by section 122—*

*(A) by striking ''An'' and inserting ''(1) Except as provided in paragraph (2), an''; and*

*(B) by adding at the end the following:*

*''(2) If such violation is based on an action taken by an entity in the good-faith belief that subsection (h) applies to the debtor, then recovery under paragraph (1) against such entity shall be limited to actual damages.''; and*

*(2) by inserting after subsection (j), as added by section 302, the following:*

*''(k)(1) Except as provided in paragraph (2) of this subsection, the provisions of subsection (a) of thissection shall not apply in a case in which the debtor—*

*''(A) is a debtor in a case under this title pending at the time the petition is filed;*

*''(B) was a debtor in a case under this title which was dismissed for any reason by an order that became final in the 2-year period ending on the date of the order for relief entered with respect to the petition;*

*''(C) was a debtor in a case under this title in which a chapter 11, 12, or 13 plan was confirmed in the 2-year period ending on the date of the order for relief entered with respect to the petition; or*

*''(D) is an entity that has succeeded to substantially all of the assets or business of a debtor described in subparagraph (A), (B), or (C).*

*''(2) This subsection shall not apply—*

*''(A) to a case initiated by an involuntary petition filed by a creditor that is not an insider or affiliate of the debtor; or*

*''(B) after such time as the debtor, after notice and a hearing, demonstrates by a preponderance of the evidence, that the filing of such petition resulted from circumstances beyond the control of the debtor and not foreseeable at the time the earlier case was filed; and that it is more likely than not that the court will confirm a plan, other than a liquidating plan, within a reasonable time.''.*

***SEC. 413. EXPANDED GROUNDS FOR DISMISSAL OR CONVERSION AND APPOINTMENT OF TRUSTEE OR EXAMINER.***

*(a) EXPANDED GROUNDS FOR DISMISSAL OR CONVERSION.—Section 1112(b) of title 11, United States Code, is amended to read as follows:*

*''(b)(1) Except as provided in paragraphs (2) and (4) of this subsection, and in subsection (c) of this section, on request of a party in interest, and after notice and a hearing, the court shall convert a case under this chapter to a case under chapter 7 of this title or dismiss a case under this chapter, or appoint a trustee or examiner under section 1104(e) of this title, whichever is in the best interest of creditors and the estate, if the movant establishes cause.*

*''(2) The court may decline to grant the relief specified in paragraph (1) of this subsection if the debtor or another party in interest objects and establishes by a preponderance of the evidence that—*

*''(A) it is more likely than not that a plan will be confirmed within a time as fixed by this title or by order of the court entered pursuant to section 1121(e)(3), or within a reasonable time if no time has been fixed; and*

*''(B) if the cause is an act or omission of the debtor that—*

''(i) there exists a reasonable justification for the act or omission; and

''(ii) the act or omission will be cured within a reasonable time fixed by the court not to exceed 30 days after the court decides the motion, unless the movant expressly consents to a continuance for a specific period of time, or compelling circumstances beyond the control of the debtor justify an extension.

''(3) For purposes of this subsection, cause includes—

''(A) substantial or continuing loss to or diminution of the estate;

''(B) gross mismanagement of the estate;

''(C) failure to maintain insurance that poses a material risk to the estate or the public;

''(D) unauthorized use of cash collateral harmful to 1 or more creditors;

''(E) failure to comply with an order of the court;

''(F) failure timely to satisfy any filing or reporting requirement established by this title or by any rule applicable to a case under this chapter;

''(G) failure to attend the meeting of creditors convened under section 341(a) of this title;

''(H) failure timely to provide information or attend meetings reasonably requested by the United States trustee or bankruptcy administrator;

''(I) failure timely to pay taxes due after the date of the order for relief or to file tax returns due after the order for relief;

''(J) failure to file a disclosure statement, or to file or confirm a plan, within the time fixed by this title or by order of the court;

''(K) failure to pay any fees or charges required under chapter 123 of title 28;

''(L) revocation of an order of confirmation under section 1144 of this title;

''(M) inability to effectuate substantial consummation of a confirmed plan;

''(N) material default by the debtor with respect to a confirmed plan; and

''(O) termination of a plan by reason of the occurrence of a condition specified in the plan.

''(4) The court may grant relief under this subsection for cause as defined in subparagraphs C, F, G, H, or K of paragraph 3 of this subsection only upon motion of the United States trustee or bankruptcy administrator or upon the court s own motion.

''(5) The court shall commence the hearing on any motion under this subsection not later than 30 days after filing of the motion, and shall decide the motion within 15 days after commencement of the hearing, unless the movant expressly consents to a continuance for a specific period of time or compelling circumstances prevent the court from meeting the time limits established by this paragraph.''.

(b) ADDITIONAL GROUNDS FOR APPOINTMENT OF TRUSTEE OR EXAMINER.—Section 1104 of title 11, United States Code, is amended by adding at the end the following:

''(e) If grounds exist to convert or dismiss the case under section 1112 of this title, the court may instead appoint a trustee or examiner, if it determines that such appointment is in the best interests of creditors and the estate.''.

**SEC. 414. STUDY OF OPERATION OF TITLE 11 OF THE UNITED STATES CODE WITH RESPECT TO SMALL BUSINESSES.**

Not later than 2 years after the date of the enactment of this Act, the Administrator of the Small Business Administration, in consultation with the Attorney General, the Director of the Administrative Office of United States Trustees, and the Director of the Administrative Office of the United States Courts, shall—

(1) conduct a study to determine—

(A) the internal and external factors that cause small businesses, especially sole proprietorships, to become debtors in cases under title 11 of the United States Code and that cause certain small businesses to successfully complete cases under chapter 11 of such title; and

(B) how Federal laws relating to bankruptcy may be made more effective and efficient in assisting small businesses to remain viable; and

(2) submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report summarizing that study.

**SEC. 415. PAYMENT OF INTEREST.**

Section 362(d)(3) of title 11, United States Code, is amended—

(1) by inserting ''or 30 days after the court determines that the debtor is subject to this paragraph, whichever is later'' after ''90-day period)''; and

(2) by amending subparagraph (B) to read as follows:

''(B) the debtor has commenced monthly payments (which payments may, in the debtor's sole discretion, notwithstanding section 363(c)(2) of this title, be made from rents or other income generated before or after the commencement of the case by or from the property) to each creditor whose claim is secured by such real estate (other than a claim secured by a judgment lien or by an unmatured statutory lien), which payments are in an amount equal to interest at the then-applicable nondefault contract rate of interest on the value of the creditor's interest in the real estate; or''.

## TITLE V—MUNICIPAL BANKRUPTCY PROVISIONS

**SEC. 501. PETITION AND PROCEEDINGS RELATED TO PETITION.**

(a) TECHNICAL AMENDMENT RELATING TO MUNICIPALITIES.—Section 921(d) of title 11, United States Code, is amended by inserting ''notwithstanding section 301(b)'' before the period at the end.

(b) CONFORMING AMENDMENT.—Section 301 of title 11, United States Code, is amended—

(1) by inserting ''(a)'' before ''A voluntary''; and

(2) by amending the last sentence to read as follows:

''(b) The commencement of a voluntary case under a chapter of this title constitutes an order for relief under such chapter.''.

**SEC. 502. APPLICABILITY OF OTHER SECTIONS TO CHAPTER 9.**

Section 901(a) of title 11, United States Code, is amended—

(1) by inserting ''555, 556,'' after ''553,''; and

(2) by inserting ''559, 560, 561, 562'' after ''557,''.

## TITLE VI—STREAMLINING THE BANKRUPTCY SYSTEM

**SEC. 601. CREDITOR REPRESENTATION AT FIRST MEETING OF CREDITORS.**

Section 341(c) of title 11, United States Code, is amended by inserting after the first sentence the following: ''Notwithstanding any local court rule, provision of a State constitution, any other Federal or State law that is not a bankruptcy law, or other requirement that representation at the meeting of creditors under subsection (a) be by an attorney, a creditor holding a consumer debt or any representative of the creditor (which may include an entity or an employee of an entity and may be a representative for more than one creditor) shall be permitted to appear at and participate in the meeting of creditors and activities related thereto in a case under chapter 7 or 13, either alone or in conjunction with an attorney for the creditor. Nothing in this subsection shall be construed to require any creditor to be represented by an attorney at any meeting of creditors.''.

**SEC. 602. AUDIT PROCEDURES.**

(a) AMENDMENTS.—Section 586 of title 28, United States Code, is amended—

(1) in subsection (a) by amending striking paragraph (6) to read as follows:

''(6) make such reports as the Attorney General directs, including the results of audits performed under subsection (f); and''; and

(2) by adding at the end the following:

''(f)(1)(A) The Attorney General shall establish procedures to determine the accuracy, veracity, and completeness of petitions, schedules, and other information which the debtor is required to provide under sections 521 and 1322 of title 11, and, if applicable, section 111 of title 11, in individual cases filed under chapter 7 or 13 of such title. Such audits shall be in accordance with generally accepted auditing standards and performed by independent certified public accountants or independent licensed public accountants.

''(B) Those procedures shall—

''(i) establish a method of selecting appropriate qualified persons to contract to perform those audits;

''(ii) establish a method of randomly selecting cases to be audited, except that not less than 1 out of every 250 cases in each Federal judicial district shall be selected for audit;

''(iii) require audits for schedules of income and expenses which reflect greater than average variances from the statistical norm of the district in which the schedules were filed; and

''(iv) establish procedures for providing, not less frequently than annually, public information concerning the aggregate results of such audits including the percentage of cases, by district, in which a material misstatement of income or expenditures is reported.

''(2) The United States trustee for each district is authorized to contract with auditors to perform audits in cases designated by the United States trustee according to the procedures established under paragraph (1).

''(3)(A) The report of each audit conducted under this subsection shall be filed with the court and transmitted to the United States trustee. Each report shall clearly and conspicuously specify any material misstatement of income or expenditures or of assets identified by the person performing the audit. In any case where a material misstatement of income or expenditures or of assets has been reported, the clerk of the bankruptcy court shall give notice of the misstatement to the creditors in the case.

''(B) If a material misstatement of income or expenditures or of assets is reported, the United States trustee shall—

''(i) report the material misstatement, if appropriate, to the United States Attorney pursuant to section 3057 of title 18, United States Code; and

''(ii) if advisable, take appropriate action, including but not limited to commencing an adversary proceeding to revoke the debtor's discharge pursuant to section 727(d) of title 11, United States Code.''.

(b) AMENDMENTS TO SECTION 521 OF TITLE 11, U.S.C.—Section 521(a) of title 11, United States Code, as amended by section 603, is amended in paragraphs (3) and (4) by adding ''or an auditor appointed pursuant to section 586 of title 28, United States Code'' after ''serving in the case''.

(c) AMENDMENTS TO SECTION 727 OF TITLE 11, U.S.C.—Section 727(d) of title 11, United States Code, is amended—

(1) by deleting ''or'' at the end of paragraph (2);

(2) by substituting ''; or'' for the period at the end of paragraph (3); and

(3) by adding the following at the end the following:

''(4) the debtor has failed to explain satisfactorily—

''(A) a material misstatement in an audit performed pursuant to section 586(f) of title 28, United States Code; or

''(B) a failure to make available for inspection all necessary accounts, papers, documents, financial records, files, and all other papers,

*things, or property belonging to the debtor that are requested for an audit conducted pursuant to section 586(f) of title 28, United States Code.''.*

*(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.*

***SEC. 603. GIVING CREDITORS FAIR NOTICE IN CHAPTER 7 AND 13 CASES.***

*(a) NOTICE.—Section 342 of title 11, United States Code, is amended—*

*(1) in subsection (c)—*

*(A) by striking '', but the failure of such notice to contain such information shall not invalidate the legal effect of such notice''; and*

*(B) by adding the following at the end:*

*''If the credit agreement between the debtor and the creditor or the last communication before the filing of the petition in a voluntary case from the creditor to a debtor who is an individual states an account number of the debtor which is the current account number of the debtor with respect to any debt held by the creditor against the debtor, the debtor shall include such account number in any notice to the creditor required to be given under this title. If the creditor has specified to the debtor an address at which the creditor wishes to receive correspondence regarding the debtor's account, any notice to the creditor required to be given by the debtor under this title shall be given at such address. For the purposes of this section, 'notice' shall include, but shall not be limited to, any correspondence from the debtor to the creditor after the commencement of the case, any statement of the debtor's intention under section 521(a)(2) of this title, notice of the commencement of any proceeding in the case to which the creditor is a party, and any notice of the hearing under section 1324 of this title.'';*

*(2) by adding at the end the following:*

*''(d) At any time, a creditor in a case of an individual debtor under chapter 7 or 13 may file with the court and serve on the debtor a notice of the address to be used to notify the creditor in that case. After 5 days following receipt of such notice, any notice the court or the debtor is required to give the creditor shall be given at that address.*

*''(e) An entity may file with the court a notice stating its address for notice in cases under chapters 7 and 13. After 30 days following the filing of such notice, any notice in any case filed under chapter 7 or 13 given by the court shall be to that address unless specific notice is given under subsection (d) with respect to a particular case.*

*''(f) Notice given to a creditor other than as provided in this section shall not be effective notice until it has been brought to the attention of the creditor. If the creditor has designated a person or department to be responsible for receiving notices concerning bankruptcy cases and has established reasonable procedures so that bankruptcy notices received by the creditor will be delivered to such department or person, notice will not be brought to the attention of the creditor until received by such person or department. No sanction under section 362(h) of this title or any other sanction which a court may impose on account of violations of the stay under section 362(a) of this title or failure to comply with section 542 or 543 of this title may be imposed on any action of the creditor unless the action takes place after the creditor has received notice of the commencement of the case effective under this section.''.*

*(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by sections 604, 120, and 302, is amended—*

*(1) by inserting ''(a)'' before ''The debtor shall—'';*

*(2) by striking paragraph (1) and inserting the following:*

*''(1) file—*

*''(A) a list of creditors; and*

*''(B) unless the court orders otherwise—*

*''(i) a schedule of assets and liabilities;*

*''(ii) a schedule of current monthly income and current expenditures prepared in accordance with section 707(b)(2);*

*''(iii) a statement of the debtor's financial affairs and, if applicable, a certificate—*

*''(I) of an attorney whose name is on the petition as the attorney for the debtor or any bankruptcy petition preparer signing the petition pursuant to section 110(b)(1) of this title indicating that such attorney or bankruptcy petition preparer delivered to the debtor any notice required by section 342(b) of this title; or*

*''(II) if no attorney for the debtor is indicated and no bankruptcy petition preparer signed the petition, of the debtor that such notice was obtained and read by the debtor;*

*''(iv) copies of any Federal tax returns, including any schedules or attachments, filed by the debtor for the 3-year period preceding the order for relief;*

*''(v) copies of all payment advices or other evidence of payment, if any, received by the debtor from any employer of the debtor in the period 60 days prior to the filing of the petition; and*

*''(vi) a statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of filing;'';*

*(3) by adding at the end the following:*

*''(e)(1) At any time, a creditor, in the case of an individual under chapter 7 or 13, may file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case and the court shall make those documents available to the creditor who requests those documents at a reasonable cost within 5 business days after such request.*

*''(2) At any time, a creditor in a case under chapter 13 may file with the court notice that the creditor requests the plan filed by the debtor in the case, and the court shall make such plan available to the creditor who requests such plan at a reasonable cost and not later than 5 days after such request.*

*''(f) An individual debtor in a case under chapter 7 or 13 shall file with the court—*

*''(1) at the time filed with the taxing authority, all tax returns, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed;*

*''(2) at the time filed with the taxing authority, all tax returns, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a)(1) were filed with respect to the period that is 3 years before the order for relief;*

*''(3) any amendments to any of the tax returns, including schedules or attachments, described in paragraph (1) or (2); and*

*''(4) in a case under chapter 13, a statement subject to the penalties of perjury by the debtor of the debtor's current monthly income and expenditures in the preceding tax year and current monthly income less expenditures for the month preceding the statement prepared in accordance with section 707(b)(2) that shows how the amounts are calculated—*

*''(A) beginning on the date that is the later of 90 days after the close of the debtor's tax year or 1 year after the order for relief, unless a plan has been confirmed; and*

*''(B) thereafter, on or before the date that is 45 days before each anniversary of the confirmation of the plan until the case is closed.*

*''(g)(1) A statement referred to in subsection (f)(4) shall disclose—*

*''(A) the amount and sources of income of the debtor;*

*''(B) the identity of any persons responsible with the debtor for the support of any dependents of the debtor; and*

*''(C) the identity of any persons who contributed, and the amount contributed, to the household in which the debtor resides.*

*''(2) The tax returns, amendments, and statement of income and expenditures described in paragraph (1) shall be available to the United States trustee, any bankruptcy administrator, any trustee, and any party in interest for inspection and copying, subject to the requirements of subsection (h).*

*''(h)(1) Not later than 30 days after the date of enactment of the Consumer Bankruptcy Reform Act of 1999, the Director of the Administrative Office of the United States Courts shall establish procedures for safeguarding the confidentiality of any tax information required to be provided under this section.*

*''(2) The procedures under paragraph (1) shall include reasonable restrictions on creditor access to tax information that is required to be provided under this section to verify creditor identity and to restrict use of the information except with respect to the case.*

*''(3) Not later than 1 year after the date of enactment of the Consumer Bankruptcy Reform Act of 1999, the Director of the Administrative Office of the United States Courts shall prepare, and submit to Congress a report that—*

*''(A) assesses the effectiveness of the procedures under paragraph (1) to provide timely and sufficient information to creditors concerning the case; and*

*''(B) if appropriate, includes proposed legislation—*

*''(i) to further protect the confidentiality of tax information or to make it better available to creditors; and*

*''(ii) to provide penalties for the improper use by any person of the tax information required to be provided under this section.*

*''(i) If requested by the United States trustee or a trustee serving in the case, the debtor provide a document that establishes the identity of the debtor, including a driver's license, passport, or other document that contains a photograph of the debtor and such other personal identifying information relating to the debtor that establishes the identity of the debtor.''.*

*(c) Section 1324 of title 11, United States Code, is amended—*

*(1) by inserting ''(a)'' before ''After''; and*

*(2) by inserting at the end thereof—*

*''(c) Whenever a party in interest is given notice of a hearing on the confirmation or modification of a plan under this chapter, such notice shall include the information provided by the debtor on the most recent statement filed with the court pursuant to section 521(a)(1)(B)(ii) or (f)(4) of this title.''.*

***SEC. 604. DISMISSAL FOR FAILURE TO TIMELY FILE SCHEDULES OR PROVIDE REQUIRED INFORMATION.***

*Section 521 of title 11, United States Code, as amended by section 603 is amended by inserting after subsection (a) the following:*

*''(b)(1) Notwithstanding section 707(a) of this title, and subject to paragraph (2), if an individual debtor in a voluntary case under chapter 7 or 13 fails to file all of the information required under subsection (a)(1) within 45 days after the filing of the petition commencing the case, the case shall be automatically dismissed effective on the 46th day after the filing of the petition.*

*''(2) With respect to a case described in paragraph (1), any party in interest may request the court to enter an order dismissing the case. The court shall, if so requested, enter an order of dismissal not later than 5 days after such request.*

*''(3) Upon request of the debtor made within 45 days after the filing of the petition commencing a case described in paragraph (1), the*

court may allow the debtor an additional period not to exceed 45 days to file the information required under subsection (a)(1) if the court finds justification for extending the period for the filing.''.

**SEC. 605. ADEQUATE TIME TO PREPARE FOR HEARING ON CONFIRMATION OF THE PLAN.**

(a) HEARING.—Section 1324 of title 11, United States Code, is amended—

(1) by striking ''After'' and inserting the following:

''(a) Except as provided in subsection (b) and after''; and

(2) by adding at the end the following:

''(b) The hearing on confirmation of the plan may be held not earlier than 20 days, and not later than 45 days, after the meeting of creditors under section 341(a) of this title.''.

**SEC. 606. CHAPTER 13 PLANS TO HAVE A 5-YEAR DURATION IN CERTAIN CASES.**

Title 11, United States Code, is amended—

(1) by amending section 1322(d) to read as follows:

''(d) If the current monthly income of the debtor and the debtor's spouse combined, when multiplied by 12, is not less than the highest national median family income last reported by the Bureau of the Census for a family of equal or lesser size or, in the case of a household of 1 person, not less than the national median household income for 1 earner, the plan may not provide for payments over a period that is longer than 5 years. If the current monthly income of the debtor and the debtor's spouse combined, when multiplied by 12, is less than the highest national median family income for a family of equal or lesser size, or in the case of a household of 1 person, the national median household income for 1 earner, the plan may not provide for payments over a period that is longer than 3 years, unless the court, for cause, approves a longer period, but the court may not approve a period that is longer than 5 years. Notwithstanding the foregoing, the national median family income for a family of more than 4 individuals shall be the national median family income last reported by the Bureau of the Census for a family of 4 individuals plus $583 for each additional member of the family.'';

(2) in section 1325(b)(1)(B) as amended by section 130—

(A) by striking ''three year period'' and inserting ''applicable commitment period''; and

(B) by inserting at the end of subparagraph (B) the following: ''The 'applicable commitment period' shall be not less than 5 years if the current monthly income of the debtor and the debtor's spouse combined, when multiplied by 12, is not less than the highest national median family income last reported by the Bureau of the Census for a family of equal or lesser size, or in the case of a household of 1 person, the national median household income for 1 earner. Notwithstanding the foregoing, the national median family income for a family of more than 4 individuals shall be the national median family income last reported by the Bureau of the Census for a family of 4 individuals plus $583 for each additional member of the family.''; and

(3) in section 1329—

(A) by striking in subsection (c) ''three years'' and inserting ''the applicable commitment period under section 1325(b)(1)(B)''; and

(B) by inserting at the end of subsection (c) the following:

''The duration period shall be 5 years if the current monthly income of the debtor and the debtor's spouse combined, when multiplied by 12, is not less than the highest national median family income last reported by the Bureau of the Census for a family of equal or lesser size or, in the case of a household of 1 person, the national median household income for 1 earner, as of the date of the modification and shall be 3 years if the current monthly total income of the debtor and the debtor's spouse combined, when multiplied by 12, is less than the highest national median family income last reported by the Bureau of the Census for a family of equal or lesser size or, in the case of a household of 1 person, less than the national median household income for 1 earner as of the date of the modification. Notwithstanding the foregoing, the national median family income for a family of more than 4 individuals shall be the national median family income last reported by the Bureau of the Census for a family of 4 individuals plus $583 for each additional member of the family.''.

**SEC. 607. SENSE OF THE CONGRESS REGARDING EXPANSION OF RULE 9011 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE.**

It is the sense of the Congress that rule 9011 of the Federal Rules of Bankruptcy Procedure (11 U.S.C. App) should be modified to include a requirement that all documents (including schedules), signed and unsigned, submitted to the court or to a trustee by debtors who represent themselves and debtors who are represented by an attorney be submitted only after the debtor or the debtor's attorney has made reasonable inquiry to verify that the information contained in such documents is well grounded in fact, and is warranted by existing law or a good-faith argument for the extension, modification, or reversal of existing law.

**SEC. 608. ELIMINATION OF CERTAIN FEES PAYABLE IN CHAPTER 11 BANKRUPTCY CASES.**

(a) AMENDMENTS.—Section 1930(a)(6) of title 28, United States Code, is amended—

(1) in the 1st sentence by striking ''until the case is converted or dismissed, whichever occurs first''; and

(2) in the 2d sentence—

(A) by striking ''The'' and inserting ''Until the plan is confirmed or the case is converted (whichever occurs first) the''; and

(B) by striking ''less than $300,000;'' and inserting ''less than $300,000. Until the case is converted, dismissed, or closed (whichever occurs first and without regard to confirmation of the plan) the fee shall be''.

(b) DELAYED EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1999.

**SEC. 609. STUDY OF BANKRUPTCY IMPACT OF CREDIT EXTENDED TO DEPENDENT STUDENTS.**

Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall—

(1) conduct a study regarding the impact that the extension of credit to individuals who are—

(A) claimed as dependents for purposes of the Internal Revenue Code of 1986; and

(B) enrolled in post-secondary educational institutions,

has on the rate of cases filed under title 11 of the United States Code; and

(2) submit to the Speaker of the House of Representatives and the President pro tempore of the Senate a report summarizing such study.

**SEC. 610. PROMPT RELIEF FROM STAY IN INDIVIDUAL CASES.**

Section 362(e) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(e)''; and

(2) by adding at the end the following:

''(2) Notwithstanding paragraph (1), in the case of an individual filing under chapter 7, 11, or 13, the stay under subsection (a) shall terminate on the date that is 60 days after a request is made by a party in interest under subsection (d), unless—

''(A) a final decision is rendered by the court during the 60-day period beginning on the date of the request; or

''(B) that 60-day period is extended—

''(i) by agreement of all parties in interest; or

''(ii) by the court for such specific period of time as the court finds is required by for good cause as described in findings made by the court.''.

**SEC. 611. STOPPING ABUSIVE CONVERSIONS FROM CHAPTER 13.**

Section 348(f)(1) of title 11, United States Code, is amended—

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

(2) in subparagraph (B)—

(A) by striking ''in the converted case, with allowed secured claims'' and inserting ''only in a case converted to chapter 11 or 12 but not in a case converted to chapter 7, with allowed secured claims in cases under chapters 11 and 12''; and

(B) by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(C) with respect to cases converted from chapter 13—

''(i) the claim of any creditor holding security as of the date of the petition shall continue to be secured by that security unless the full amount of such claim determined under applicable nonbankruptcy law has been paid in full as of the date of conversion, notwithstanding any valuation or determination of the amount of an allowed secured claim made for the purposes of the chapter 13 proceeding; and

''(ii) unless a prebankruptcy default has been fully cured pursuant to the plan at the time of conversion, in any proceeding under this title or otherwise, the default shall have the effect given under applicable nonbankruptcy law.''.

**SEC. 612. BANKRUPTCY APPEALS.**

Title 28 of the United States Code is amended by inserting after section 1292 the following:

***''§ 1293. Bankruptcy appeals***

''(a) The courts of appeals (other than the United States Court of Appeals for the Federal Circuit) shall have jurisdiction of appeals from the following:

''(1) Final orders and judgments entered by bankruptcy courts and district courts in cases under title 11, in proceedings arising under title 11, and in proceedings arising in or related to a case under title 11, including final orders in proceedings regarding the automatic stay of section 362 of title 11.

''(2) Interlocutory orders entered by bankruptcy courts and district courts granting, continuing, modifying, refusing or dissolving injunctions, or refusing to dissolve or modify injunctions in cases under title 11, in proceedings arising under title 11, and in proceedings arising in or related to a case under title 11, other than interlocutory orders in proceedings regarding the automatic stay of section 362 of title 11.

''(3) Interlocutory orders of bankruptcy courts and district courts entered under section 1104(a) or 1121(d) of title 11, or the refusal to enter an order under such section.

''(4) An interlocutory order of a bankruptcy court or district court entered in a case under title 11, in a proceeding arising under title 11, or in a proceeding arising in or related to a case under title 11, if the court of appeals that would have jurisdiction of an appeal of a final order entered in such case or such proceeding permits, in its discretion, appeal to be taken from such interlocutory order.

''(b) Final decisions, judgments, orders, and decrees entered by a bankruptcy appellate panel under subsection (b) of this section.

''(c)(1) The judicial council of a circuit may establish a bankruptcy appellate panel composed of bankruptcy judges in the circuit who are appointed by the judicial council, which panel shall exercise the jurisdiction to review orders and judgments of bankruptcy courts described in paragraphs (1)–(4) of subsection (a) of this section unless—

''(A) the appellant elects at the time of filing the appeal; or

''(B) any other party elects, not later than 10 days after service of the notice of the appeal;

to have such jurisdiction exercised by the court of appeals.

''(2) An appeal to be heard by a bankruptcy appellate panel under this subsection (b) shall be heard by 3 members of the bankruptcy appellate panel, provided that a member of such panel may not hear an appeal originating in the district for which such member is appointed or designated under section 152 of this title.

''(3) If authorized by the Judicial Conference of the United States, the judicial councils of 2 or more circuits may establish a joint bankruptcy appellate panel.''.

**SEC. 613. GAO STUDY.**

(a) STUDY.—Not later than 270 days after the date of the enactment of this Act, the Comptroller General of the United States shall conduct a study of the feasibility, effectiveness, and cost of requiring trustees appointed under title 11 of the United States Code, or the bankruptcy courts, to provide to the Office of Child Support Enforcement promptly after the commencement of cases by individual debtors under such title, the names and social security numbers of such debtors for the purposes of allowing such Office to determine whether such debtors have outstanding obligations for child support (as determined on the basis of information in the Federal Case Registry or other national database).

(b) REPORT.—Not later than 300 days after the date of the enactment of this Act, the Comptroller General shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate, a report containing the results of the study required by subsection (a).

## TITLE VII—BANKRUPTCY DATA

**SEC. 701. IMPROVED BANKRUPTCY STATISTICS.**

(a) AMENDMENT.—Chapter 6 of part I of title 28, United States Code, is amended by adding at the end the following:

**''§ 159. Bankruptcy statistics**

''(a) The clerk of each district shall compile statistics regarding individual debtors with primarily consumer debts seeking relief under chapters 7, 11, and 13 of title 11. Those statistics shall be in a form prescribed by the Director of the Administrative Office of the United States Courts (referred to in this section as the 'Office').

''(b) The Director shall—

''(1) compile the statistics referred to in subsection (a);

''(2) make the statistics available to the public; and

''(3) not later than October 31, 2000, and annually thereafter, prepare, and submit to Congress a report concerning the information collected under subsection (a) that contains an analysis of the information.

''(c) The compilation required under subsection (b) shall—

''(1) be itemized, by chapter, with respect to title 11;

''(2) be presented in the aggregate and for each district; and

''(3) include information concerning—

''(A) the total assets and total liabilities of the debtors described in subsection (a), and in each category of assets and liabilities, as reported in the schedules prescribed pursuant to section 2075 of this title and filed by those debtors;

''(B) the current monthly income, and average income and average expenses of those debtors as reported on the schedules and statements that each such debtor files under sections 521 and 1322 of title 11;

''(C) the aggregate amount of debt discharged in the reporting period, determined as the difference between the total amount of debt and obligations of a debtor reported on the schedules and the amount of such debt reported in categories which are predominantly nondischargeable;

''(D) the average period of time between the filing of the petition and the closing of the case;

''(E) for the reporting period—

''(i) the number of cases in which a reaffirmation was filed; and

''(ii)(I) the total number of reaffirmations filed;

''(II) of those cases in which a reaffirmation was filed, the number in which the debtor was not represented by an attorney; and

''(III) of those cases, the number of cases in which the reaffirmation was approved by the court;

''(F) with respect to cases filed under chapter 13 of title 11, for the reporting period—

''(i)(I) the number of cases in which a final order was entered determining the value of property securing a claim in an amount less than the amount of the claim; and

''(II) the number of final orders determining the value of property securing a claim issued;

''(ii) the number of cases dismissed, the number of cases dismissed for failure to make payments under the plan, the number of cases refiled after dismissal, and the number of cases in which the plan was completed, separately itemized with respect to the number of modifications made before completion of the plan, if any; and

''(iii) the number of cases in which the debtor filed another case within the 6 years previous to the filing;

''(G) the number of cases in which creditors were fined for misconduct and any amount of punitive damages awarded by the court for creditor misconduct; and

''(H) the number of cases in which sanctions under rule 9011 of the Federal Rules of Bankruptcy Procedure were imposed against debtor's counsel and damages awarded under such Rule.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 6 of title 28, United States Code, is amended by adding at the end the following:

''159. Bankruptcy statistics.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

**SEC. 702. UNIFORM RULES FOR THE COLLECTION OF BANKRUPTCY DATA.**

(a) AMENDMENT.—Title 28 of the United States Code is amended by inserting after section 589a the following:

**''§ 589b. Bankruptcy data**

''(a) RULES.—The Attorney General shall, within a reasonable time after the effective date of this section, issue rules requiring uniform forms for (and from time to time thereafter to appropriately modify and approve)—

''(1) final reports by trustees in cases under chapters 7, 12, and 13 of title 11; and

''(2) periodic reports by debtors in possession or trustees, as the case may be, in cases under chapter 11 of title 11.

''(b) REPORTS.—All reports referred to in subsection (a) shall be designed (and the requirements as to place and manner of filing shall be established) so as to facilitate compilation of data and maximum possible access of the public, both by physical inspection at 1 or more central filing locations, and by electronic access through the Internet or other appropriate media.

''(c) REQUIRED INFORMATION.—The information required to be filed in the reports referred to in subsection (b) shall be that which is in the best interests of debtors and creditors, and in the public interest in reasonable and adequate information to evaluate the efficiency and practicality of the Federal bankruptcy system. In issuing rules proposing the forms referred to in subsection (a), the Attorney General shall strike the best achievable practical balance between—

''(1) the reasonable needs of the public for information about the operational results of the Federal bankruptcy system; and

''(2) economy, simplicity, and lack of undue burden on persons with a duty to file reports.

''(d) FINAL REPORTS.—Final reports proposed for adoption by trustees under chapters 7, 12, and 13 of title 11 shall, in addition to such other matters as are required by law or as the Attorney General in the discretion of the Attorney General, shall propose, include with respect to a case under such title—

''(1) information about the length of time the case was pending;

''(2) assets abandoned;

''(3) assets exempted;

''(4) receipts and disbursements of the estate;

''(5) expenses of administration;

''(6) claims asserted;

''(7) claims allowed; and

''(8) distributions to claimants and claims discharged without payment,

in each case by appropriate category and, in cases under chapters 12 and 13 of title 11, date of confirmation of the plan, each modification thereto, and defaults by the debtor in performance under the plan.

''(e) PERIODIC REPORTS.—Periodic reports proposed for adoption by trustees or debtors in possession under chapter 11 of title 11 shall, in addition to such other matters as are required by law or as the Attorney General, in the discretion of the Attorney General, shall propose, include—

''(1) information about the standard industry classification, published by the Department of Commerce, for the businesses conducted by the debtor;

''(2) length of time the case has been pending;

''(3) number of full-time employees as at the date of the order for relief and at end of each reporting period since the case was filed;

''(4) cash receipts, cash disbursements and profitability of the debtor for the most recent period and cumulatively since the date of the order for relief;

''(5) compliance with title 11, whether or not tax returns and tax payments since the date of the order for relief have been timely filed and made;

''(6) all professional fees approved by the court in the case for the most recent period and cumulatively since the date of the order for relief (separately reported, in for the professional fees incurred by or on behalf of the debtor, between those that would have been incurred absent a bankruptcy case and those not); and

''(7) plans of reorganization filed and confirmed and, with respect thereto, by class, the recoveries of the holders, expressed in aggregate dollar values and, in the case of claims, as a percentage of total claims of the class allowed.''.

(b) TECHNICAL AMENDMENT.—The table of sections of chapter 39 of title 28, United States Code, is amended by adding at the end the following:

''589b. Bankruptcy data.''.

**SEC. 703. SENSE OF THE CONGRESS REGARDING AVAILABILITY OF BANKRUPTCY DATA.**

It is the sense of the Congress that—

(1) the national policy of the United States should be that all data held by bankruptcy clerks in electronic form, to the extent such data reflects only public records (as defined in section 107 of title 11 of the United States Code), should be released in a usable electronic form in bulk to the public subject to such appropriate privacy concerns and safeguards as the Judicial

*Conference of the United States may determine; and*

*(2) there should be established a bankruptcy data system in which—*

*(A) a single set of data definitions and forms are used to collect data nationwide; and*

*(B) data for any particular bankruptcy case are aggregated in the same electronic record.*

## *TITLE VIII—BANKRUPTCY TAX PROVISIONS*

### *SEC. 801. TREATMENT OF CERTAIN LIENS.*

*(a) TREATMENT OF CERTAIN LIENS.—Section 724 of title 11, United States Code, is amended—*

*(1) in subsection (b), in the matter preceding paragraph (1), by inserting ''(other than to the extent that there is a properly perfected unavoidable tax lien arising in connection with an ad valorem tax on real or personal property of the estate)'' after ''under this title'';*

*(2) in subsection (b)(2), after ''507(a)(1)'', insert ''(except that such expenses, other than claims for wages, salaries, or commissions which arise after the filing of a petition, shall be limited to expenses incurred under chapter 7 of this title and shall not include expenses incurred under chapter 11 of this title)''; and*

*(3) by adding at the end the following:*

*''(e) Before subordinating a tax lien on real or personal property of the estate, the trustee shall—*

*''(1) exhaust the unencumbered assets of the estate; and*

*''(2) in a manner consistent with section 506(c) of this title, recover from property securing an allowed secured claim the reasonable, necessary costs and expenses of preserving or disposing of that property.*

*''(f) Notwithstanding the exclusion of ad valorem tax liens set forth in this section and subject to the requirements of subsection (e)—*

*''(1) claims for wages, salaries, and commissions that are entitled to priority under section 507(a)(3) of this title; or*

*''(2) claims for contributions to an employee benefit plan entitled to priority under section 507(a)(4) of this title,*

*may be paid from property of the estate which secures a tax lien, or the proceeds of such property.''.*

*(b) DETERMINATION OF TAX LIABILITY.—Section 505(a)(2) of title 11, United States Code, is amended—*

*(1) in subparagraph (A), by striking ''or'' at the end;*

*(2) in subparagraph (B), by striking the period at the end and inserting ''; or''; and*

*(3) by adding at the end the following:*

*''(C) the amount or legality of any amount arising in connection with an ad valorem tax on real or personal property of the estate, if the applicable period for contesting or redetermining that amount under any law (other than a bankruptcy law) has expired.''.*

### *SEC. 802. EFFECTIVE NOTICE TO GOVERNMENT.*

*(a) EFFECTIVE NOTICE TO GOVERNMENTAL UNITS.—Section 342 of title 11, United States Code, as amended by section 603, is amended by adding at the end the following:*

*''(g) If a debtor lists a governmental unit as a creditor in a list or schedule, any notice required to be given by the debtor under this title, any rule, any applicable law, or any order of the court, shall identify the department, agency, or instrumentality through which the debtor is indebted. The debtor shall identify (with information such as a taxpayer identification number, loan, account or contract number, or real estate parcel number, where applicable), and describe the underlying basis for the governmental unit's claim. If the debtor's liability to a governmental unit arises from a debt or obligation owed or incurred by another individual, entity, or organization, or under a different name, the debtor shall identify such individual, entity, organization, or name.*

*''(h) The clerk shall keep and update quarterly, in the form and manner as the Director of the Administrative Office of the United States Courts prescribes, and make available to debtors, a register in which a governmental unit may designate a safe harbor mailing address for service of notice in cases pending in the district. A governmental unit may file a statement with the clerk designating a safe harbor address to which notices are to be sent, unless such governmental unit files a notice of change of address.''.*

*(b) ADOPTION OF RULES PROVIDING NOTICE.—The Advisory Committee on Bankruptcy Rules of the Judicial Conference shall, within a reasonable period of time after the date of the enactment of this Act, propose for adoption enhanced rules for providing notice to State, Federal, and local government units that have regulatory authority over the debtor or which may be creditors in the debtor's case. Such rules shall be reasonably calculated to ensure that notice will reach the representatives of the governmental unit, or subdivision thereof, who will be the proper persons authorized to act upon the notice. At a minimum, the rules should require that the debtor—*

*(1) identify in the schedules and the notice, the subdivision, agency, or entity in respect of which such notice should be received;*

*(2) provide sufficient information (such as case captions, permit numbers, taxpayer identification numbers, or similar identifying information) to permit the governmental unit or subdivision thereof, entitled to receive such notice, to identify the debtor or the person or entity on behalf of which the debtor is providing notice where the debtor may be a successor in interest or may not be the same as the person or entity which incurred the debt or obligation; and*

*(3) identify, in appropriate schedules, served together with the notice, the property in respect of which the claim or regulatory obligation may have arisen, if any, the nature of such claim or regulatory obligation and the purpose for which notice is being given.*

*(c) EFFECT OF FAILURE OF NOTICE.—Section 342 of title 11, United States Code, as amended by section 603 and subsection (a), is amended by adding at the end the following:*

*''(i) A notice that does not comply with subsections (d) and (e) shall not be effective unless the debtor demonstrates, by clear and convincing evidence, that timely notice was given in a manner reasonably calculated to satisfy the requirements of this section was given, and that—*

*''(1) either the notice was timely sent to the safe harbor address provided in the register maintained by the clerk of the district in which the case was pending for such purposes; or*

*''(2) no safe harbor address was provided in such list for the governmental unit and that an officer of the governmental unit who is responsible for the matter or claim had actual knowledge of the case in sufficient time to act.''.*

### *SEC. 803. NOTICE OF REQUEST FOR A DETERMINATION OF TAXES.*

*Section 505(b) of title 11, United States Code, is amended by striking ''Unless'' at the beginning of the second sentence thereof and inserting ''If the request is made substantially in the manner designated by the governmental unit and unless''.*

### *SEC. 804. RATE OF INTEREST ON TAX CLAIMS.*

*(a) AMENDMENT.—Chapter 5 of title 11, United States Code, is amended by adding at the end the following:*

#### *''§ 511. Rate of interest on tax claims*

*''If any provision of this title requires the payment of interest on a tax claim or requires the payment of interest to enable a creditor to receive the present value of the allowed amount of a tax claim, the rate of interest shall be as follows:*

*''(1) In the case of ad valorem tax claims, whether secured or unsecured, other unsecured tax claims where interest is required to be paid under section 726(a)(5) of this title, secured tax claims, and administrative tax claims paid under section 503(b)(1) of this title, the rate shall be determined under applicable nonbankruptcy law.*

*''(2) In the case of all other tax claims, the minimum rate of interest shall be the Federal short-term rate rounded to the nearest full percent, determined under section 1274(d) of the Internal Revenue Code of 1986, plus 3 percentage points.*

*''(A) In the case of claims for Federal income taxes, such rate shall be subject to any adjustment that may be required under section 6621(d) of the Internal Revenue Code of 1986.*

*''(B) In the case of taxes paid under a confirmed plan or reorganization, such rate shall be determined as of the calendar month in which the plan is confirmed.''.*

*(b) CONFORMING AMENDMENT.—The table of sections of chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 510 the following:*

*''511. Rate of interest on tax claims.''.*

### *SEC. 805. TOLLING OF PRIORITY OF TAX CLAIM TIME PERIODS.*

*Section 507(a)(8)(A) of title 11, United States Code, as so redesignated, is amended—*

*(1) in clause (i) by inserting after ''petition'' and before the semicolon '', plus any time, plus 6 months, during which the stay of proceedings was in effect in a prior case under this title''; and*

*(2) amend clause (ii) to read as follows:*

*''(ii) assessed within 240 days before the date of the filing of the petition, exclusive of—*

*''(I) any time plus 30 days during which an offer in compromise with respect of such tax, was pending or in effect during such 240-day period;*

*''(II) any time plus 30 days during which an installment agreement with respect of such tax was pending or in effect during such 240-day period, up to 1 year; and*

*''(III) any time plus 6 months during which a stay of proceedings against collections was in effect in a prior case under this title during such 240-day period.''.*

### *SEC. 806. PRIORITY PROPERTY TAXES INCURRED.*

*Section 507(a)(8)(B) of title 11, United States Code, is amended by striking ''assessed'' and inserting ''incurred''.*

### *SEC. 807. CHAPTER 13 DISCHARGE OF FRAUDULENT AND OTHER TAXES.*

*Section 1328(a)(2) of title 11, United States Code, is amended by inserting ''(1),'' after ''paragraph''.*

### *SEC. 808. CHAPTER 11 DISCHARGE OF FRAUDULENT TAXES.*

*Section 1141(d) of title 11, United States Code, is amended by adding at the end the following:*

*''(6) Notwithstanding the provisions of paragraph (1), the confirmation of a plan does not discharge a debtor which is a corporation from any debt for a tax or customs duty with respect to which the debtor made a fraudulent return or willfully attempted in any manner to evade or defeat such tax.''.*

### *SEC. 809. STAY OF TAX PROCEEDINGS.*

*(a) SECTION 362 STAY LIMITED TO PREPETITION TAXES.—Section 362(a)(8) of title 11, United States Code, is amended by striking the period at the end and inserting '', in respect of a tax liability for a taxable period ending before the order for relief.''.*

*(b) APPEAL OF TAX COURT DECISIONS PERMITTED.—Section 362(b)(9) of title 11, United States Code, is amended—*

*(1) in subparagraph (C) by striking ''or'' at the end;*

*(2) in subparagraph (D) by striking the period at the end and inserting ''; or''; and*

*(3) by adding at the end the following:*

*''(E) the appeal of a decision by a court or administrative tribunal which determines a tax liability of the debtor without regard to whether such determination was made prepetition or postpetition.''.*

***SEC. 810. PERIODIC PAYMENT OF TAXES IN CHAPTER 11 CASES.***

*Section 1129(a)(9) of title 11, United States Code, is amended—*

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

*(2) in subparagraph (C)—*

*(A) by striking ''deferred cash payments, over a period not exceeding six years after the date of assessment of such claim,'' and inserting ''regular installment payments in cash, but in no case with a balloon provision, and no more than three months apart, beginning no later than the effective date of the plan and ending on the earlier of five years after the petition date or the last date payments are to be made under the plan to unsecured creditors,'';*

*(B) by striking the period at the end and inserting ''; and''; and*

*(3) by adding at the end the following:*

*''(D) with respect to a secured claim which would be described in section 507(a)(8) of this title but for its secured status, the holder of such claim will receive on account of such claim cash payments of not less than is required in subparagraph (C) and over a period no greater than is required in such subparagraph.''.*

***SEC. 811. AVOIDANCE OF STATUTORY TAX LIENS PROHIBITED.***

*Section 545(2) of title 11, United States Code, is amended by striking the semicolon at the end and inserting '', except where such purchaser is a purchaser described in section 6323 of the Internal Revenue Code of 1986 or similar provision of State or local law;''.*

***SEC. 812. PAYMENT OF TAXES IN THE CONDUCT OF BUSINESS.***

*(a) PAYMENT OF TAXES REQUIRED.—Section 960 of title 28, United States Code, is amended—*

*(1) by inserting ''(a)'' before ''Any''; and*

*(2) by adding at the end the following:*

*''(b) Such taxes shall be paid when due in the conduct of such business unless—*

*''(1) the tax is a property tax secured by a lien against property that is abandoned within a reasonable time after the lien attaches, by the trustee of a bankruptcy estate, pursuant to section 554 of title 11; or*

*''(2) payment of the tax is excused under a specific provision of title 11.*

*''(c) In a case pending under chapter 7 of title 11, payment of a tax may be deferred until final distribution is made under section 726 of title 11 if—*

*''(1) the tax was not incurred by a trustee duly appointed under chapter 7 of title 11; or*

*''(2) before the due date of the tax, the court has made a finding of probable insufficiency of funds of the estate to pay in full the administrative expenses allowed under section 503(b) of title 11 that have the same priority in distribution under section 726(b) of title 11 as such tax.''.*

*(b) PAYMENT OF AD VALOREM TAXES REQUIRED.—Section 503(b)(1)(B) of title 11, United States Code, is amended in clause (i) by inserting after ''estate,'' and before ''except'' the following: ''whether secured or unsecured, including property taxes for which liability is in rem only, in personam or both,''.*

*(c) REQUEST FOR PAYMENT OF ADMINISTRATIVE EXPENSE TAXES ELIMINATED.—Section 503(b)(1) of title 11, United States Code, is amended by adding at the end the following:*

*''(D) notwithstanding the requirements of subsection (a) of this section, a governmental unit shall not be required to file a request for the payment of a claim described in subparagraph (B) or (C);''.*

*(d) PAYMENT OF TAXES AND FEES AS SECURED CLAIMS.—Section 506 of title 11, United States Code, is amended—*

*(1) in subsection (b) by inserting ''or State statute'' after ''agreement''; and*

*(2) in subsection (c) by inserting '', including the payment of all ad valorem property taxes in respect of the property'' before the period at the end.*

***SEC. 813. TARDILY FILED PRIORITY TAX CLAIMS.***

*Section 726(a)(1) of title 11, United States Code, is amended by striking ''before the date on which the trustee commences distribution under this section'' and inserting ''on or before the earlier of 10 days after the mailing to creditors of the summary of the trustee's final report or the date on which the trustee commences final distribution under this section''.*

***SEC. 814. INCOME TAX RETURNS PREPARED BY TAX AUTHORITIES.***

*Section 523(a)(1)(B) of title 11, United States Code, is amended—*

*(1) by inserting ''or equivalent report or notice,'' after ''a return,'';*

*(2) in clause (i)—*

*(A) by inserting ''or given'' after ''filed''; and*

*(B) by striking ''or'' at the end;*

*(3) in clause (ii)—*

*(A) by inserting ''or given'' after ''filed''; and*

*(B) by inserting '', report, or notice'' after ''return''; and*

*(4) by adding at the end the following:*

*''(iii) for purposes of this subsection, a return—*

*''(I) must satisfy the requirements of applicable nonbankruptcy law, and includes a return prepared pursuant to section 6020(a) of the Internal Revenue Code of 1986, or similar State or local law, or a written stipulation to a judgment entered by a nonbankruptcy tribunal, but does not include a return made pursuant to section 6020(b) of the Internal Revenue Code of 1986, or similar State or local law; and*

*''(II) must have been filed in a manner permitted by applicable nonbankruptcy law; or''.*

***SEC. 815. DISCHARGE OF THE ESTATE'S LIABILITY FOR UNPAID TAXES.***

*Section 505(b) of title 11, United States Code, is amended in the second sentence by inserting ''the estate,'' after ''misrepresentation,''.*

***SEC. 816. REQUIREMENT TO FILE TAX RETURNS TO CONFIRM CHAPTER 13 PLANS.***

*(a) FILING OF PREPETITION TAX RETURNS REQUIRED FOR PLAN CONFIRMATION.—Section 1325(a) of title 11, United States Code, as amended by section 140, is amended—*

*(1) in paragraph (6) by striking ''and'' at the end;*

*(2) in paragraph (7) by striking the period at the end and inserting ''; and''; and*

*(3) by adding at the end the following:*

*''(8) if the debtor has filed all Federal, State, and local tax returns as required by section 1308 of this title.''.*

*(b) ADDITIONAL TIME PERMITTED FOR FILING TAX RETURNS.—(1) Chapter 13 of title 11, United States Code, as amended by section 135, is amended by adding at the end the following:*

***''§ 1308. Filing of prepetition tax returns***

*''(a) On or before the day prior to the day on which the first meeting of the creditors is convened under section 341(a) of this title, the debtor shall have filed with appropriate tax authorities all tax returns for all taxable periods ending in the 3-year period ending on the date of filing of the petition.*

*''(b) If the tax returns required by subsection (a) have not been filed by the date on which the first meeting of creditors is convened under section 341(a) of this title, the trustee may continue such meeting for a reasonable period of time, to allow the debtor additional time to file any unfiled returns, but such additional time shall be no more than—*

*''(1) for returns that are past due as of the date of the filing of the petition, 120 days from such date;*

*''(2) for returns which are not past due as of the date of the filing of the petition, the later of 120 days from such date or the due date for such returns under the last automatic extension of time for filing such returns to which the debtor is entitled, and for which request has been timely made, according to applicable nonbankruptcy law; and*

*''(3) upon notice and hearing, and order entered before the lapse of any deadline fixed according to this subsection, where the debtor demonstrates, by clear and convincing evidence, that the failure to file the returns as required is because of circumstances beyond the control of the debtor, the court may extend the deadlines set by the trustee as provided in this subsection for—*

*''(A) a period of no more than 30 days for returns described in paragraph (1) of this subsection; and*

*''(B) for no more than the period of time ending on the applicable extended due date for the returns described in paragraph (2).*

*''(c) For purposes of this section only, a return includes a return prepared pursuant to section 6020 (a) or (b) of the Internal Revenue Code of 1986 or similar State or local law, or a written stipulation to a judgment entered by a nonbankruptcy tribunal.''.*

*(2) The table of sections of chapter 13 of title 11, United States Code, is amended by inserting after the item relating to section 1307 the following:*

*''1308. Filing of prepetition tax returns.''.*

*(c) DISMISSAL OR CONVERSION ON FAILURE TO COMPLY.—Section 1307 of title 11, United States Code, is amended—*

*(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and*

*(2) by inserting after subsection (d) the following:*

*''(e) Upon the failure of the debtor to file tax returns under section 1308 of this title, on request of a party in interest or the United States trustee and after notice and a hearing, the court shall dismiss a case or convert a case under this chapter to a case under chapter 7 of this title, whichever is in the best interests of creditors and the estate.''.*

*(d) TIMELY FILED CLAIMS.—Section 502(b)(9) of title 11, United States Code, is amended by striking the period at the end and inserting '', and except that in a case under chapter 13 of this title, a claim of a governmental unit for a tax in respect of a return filed under section 1308 of this title shall be timely if it is filed on or before 60 days after such return or returns were filed as required.''.*

*(e) RULES FOR OBJECTIONS TO CLAIMS AND TO CONFIRMATION.—It is the sense of the Congress that the Advisory Committee on Bankruptcy Rules of the Judicial Conference should, within a reasonable period of time after the date of the enactment of this Act, propose for adoption amended Federal Rules of Bankruptcy Procedure which provide that—*

*(1) notwithstanding the provisions of Rule 3015(f), in cases under chapter 13 of title 11, United States Code, a governmental unit may object to the confirmation of a plan on or before 60 days after the debtor files all tax returns required under sections 1308 and 1325(a)(7) of title 11, United States Code; and*

*(2) in addition to the provisions of Rule 3007, in a case under chapter 13 of title 11, United*

States Code, no objection to a tax in respect of a return required to be filed under such section 1308 shall be filed until such return has been filed as required.

**SEC. 817. STANDARDS FOR TAX DISCLOSURE.**

Section 1125(a) of title 11, United States Code, is amended in paragraph (1)—

(1) by inserting after ''records,'' the following: ''including a full discussion of the potential material Federal, State, and local tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor domiciled in the State in which the debtor resides or has its principal place of business typical of the holders of claims or interests in the case,'';

(2) by inserting ''such'' after ''enable''; and

(3) by striking ''reasonable'' where it appears after ''hypothetical'' and by striking ''typical of holders of claims or interests'' after ''investor''.

**SEC. 818. SETOFF OF TAX REFUNDS.**

Section 362(b) of title 11, United States Code, as amended by sections 118, 132, 136, and 203, is amended—

(1) in paragraph (29) by striking ''or'';

(2) in paragraph (30) by striking the period at the end and inserting ''; or''; and

(3) by inserting after paragraph (30) the following:

''(31) under subsection (a) of the setoff of an income tax refund, by a governmental unit, in respect of a taxable period which ended before the order for relief against an income tax liability for a taxable period which also ended before the order for relief, unless—

''(A) prior to such setoff, an action to determine the amount or legality of such tax liability under section 505(a) was commenced; or

''(B) where the setoff of an income tax refund is not permitted because of a pending action to determine the amount or legality of a tax liability, the governmental unit may hold the refund pending the resolution of the action.''.

## TITLE IX—ANCILLARY AND OTHER CROSS-BORDER CASES

**SEC. 901. AMENDMENT TO ADD CHAPTER 15 TO TITLE 11, UNITED STATES CODE.**

(a) IN GENERAL.—Title 11, United States Code, is amended by inserting after chapter 13 the following:

### ''CHAPTER 15—ANCILLARY AND OTHER CROSS-BORDER CASES



**''§ 1501. Purpose and scope of application**

''(a) The purpose of this chapter is to incorporate the Model Law on Cross-Border Insolvency so as to provide effective mechanisms for dealing with cases of cross-border insolvency with the objectives of—

''(1) cooperation between—

''(A) United States courts, United States trustees, trustees, examiners, debtors, and debtors in possession; and

''(B) the courts and other competent authorities of foreign countries involved in cross-border insolvency cases;

''(2) greater legal certainty for trade and investment;

''(3) fair and efficient administration of cross-border insolvencies that protects the interests of all creditors, and other interested entities, including the debtor;

''(4) protection and maximization of the value of the debtor's assets; and

''(5) facilitation of the rescue of financially troubled businesses, thereby protecting investment and preserving employment.

''(b) This chapter applies where—

''(1) assistance is sought in the United States by a foreign court or a foreign representative in connection with a foreign proceeding;

''(2) assistance is sought in a foreign country in connection with a case under this title;

''(3) a foreign proceeding and a case under this title with respect to the same debtor are taking place concurrently; or

''(4) creditors or other interested persons in a foreign country have an interest in requesting the commencement of, or participating in, a case or proceeding under this title.

''(c) This chapter does not apply to—

''(1) a proceeding concerning an entity identified by exclusion in subsection 109(b);

''(2) an individual, or to an individual and such individual's spouse, who have debts within the limits specified in section 109(e) and who are citizens of the United States or aliens lawfully admitted for permanent residence in the United States; or

''(3) an entity subject to a proceeding under the Securities Investor Protection Act, a stockbroker subject to subchapter III of chapter 7 of this title, or a commodity broker subject to subchapter IV of chapter 7 of this title.

''SUBCHAPTER I—GENERAL PROVISIONS

**''§ 1502. Definitions**

''For the purposes of this chapter, the term—

''(1) 'debtor' means an entity that is the subject of a foreign proceeding;

''(2) 'establishment' means any place of operations where the debtor carries out a nontransitory economic activity;

''(3) 'foreign court' means a judicial or other authority competent to control or supervise a foreign proceeding;

''(4) 'foreign main proceeding' means a foreign proceeding taking place in the country where the debtor has the center of its main interests;

''(5) 'foreign nonmain proceeding' means a foreign proceeding, other than a foreign main proceeding, taking place in a country where the debtor has an establishment;

''(6) 'trustee' includes a trustee, a debtor in possession in a case under any chapter of this title, or a debtor under chapter 9 of this title; and

''(7) 'within the territorial jurisdiction of the United States' when used with reference to property of a debtor refers to tangible property located within the territory of the United States and intangible property deemed under applicable nonbankruptcy law to be located within that territory, including any property subject to attachment or garnishment that may properly be seized or garnished by an action in a Federal or State court in the United States.

**''§ 1503. International obligations of the United States**

''To the extent that this chapter conflicts with an obligation of the United States arising out of any treaty or other form of agreement to which it is a party with 1 or more other countries, the requirements of the treaty or agreement prevail.

**''§ 1504. Commencement of ancillary case**

''A case under this chapter is commenced by the filing of a petition for recognition of a foreign proceeding under section 1515.

**''§ 1505. Authorization to act in a foreign country**

''A trustee or another entity (including an examiner) may be authorized by the court to act in a foreign country on behalf of an estate created under section 541. An entity authorized to act under this section may act in any way permitted by the applicable foreign law.

**''§ 1506. Public policy exception**

''Nothing in this chapter prevents the court from refusing to take an action governed by this chapter if the action would be manifestly contrary to the public policy of the United States.

**''§ 1507. Additional assistance**

''(a) Subject to the specific limitations stated elsewhere in this chapter the court, upon recognition of a foreign proceeding, the court may provide additional assistance to a foreign representative under this title or under other laws of the United States.

''(b) In determining whether to provide additional assistance under this title or under other laws of the United States, the court shall consider whether such additional assistance, consistent with the principles of comity, will reasonably assure—

''(1) just treatment of all holders of claims against or interests in the debtor's property;

''(2) protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in such foreign proceeding;

''(3) prevention of preferential or fraudulent dispositions of property of the debtor;

''(4) distribution of proceeds of the debtor's property substantially in accordance with the order prescribed by this title; and

''(5) if appropriate, the provision of an opportunity for a fresh start for the individual that such foreign proceeding concerns.

**''§ 1508. Interpretation**

''In interpreting this chapter, the court shall consider its international origin, and the need to promote an application of this chapter that is consistent with the application of similar statutes adopted by foreign jurisdictions.

''SUBCHAPTER II—ACCESS OF FOREIGN REPRESENTATIVES AND CREDITORS TO THE COURT

**''§ 1509. Right of direct access**

''(a) A foreign representative may commence a case under section 1504 of this title by filing with the court a petition for recognition of a foreign proceeding under section 1515 of this title.

''(b) If the court grants recognition under section 1515 of this title, and subject to any limitations that the court may impose consistent with the policy of this chapter—

''(1) the foreign representative has the capacity to sue and be sued in a court in the United States;

''(2) the foreign representative may apply directly to a court in the United States for appropriate relief in that court; and

''(3) a court in the United States shall grant comity or cooperation to the foreign representative.

''(c) A request for comity or cooperation by a foreign representative in a court in the United States shall be accompanied by a certified copy of an order granting recognition under section 1517 of this title.

''(d) If the court denies recognition under this chapter, the court may issue any appropriate order necessary to prevent the foreign representative from obtaining comity or cooperation from courts in the United States.

''(e) Whether or not the court grants recognition, and subject to sections 306 and 1510 of this title, a foreign representative is subject to applicable nonbankruptcy law.

''(f) Notwithstanding any other provision of this section, the failure of a foreign representative to commence a case or to obtain recognition under this chapter does not affect any right the foreign representative may have to sue in a court in the United State to collect or recover a claim which is the property of the debtor.''.

**''§ 1510. Limited jurisdiction**

''The sole fact that a foreign representative files a petition under section 1515 does not subject the foreign representative to the jurisdiction of any court in the United States for any other purpose.

**''§ 1511. Commencement of case under section 301 or 303**

''(a) Upon recognition, a foreign representative may commence—

''(1) an involuntary case under section 303; or

''(2) a voluntary case under section 301 or 302, if the foreign proceeding is a foreign main proceeding.

''(b) The petition commencing a case under subsection (a) must be accompanied by certified copy of an order granting recognition. The court where the petition for recognition has been filed must be advised of the foreign representative's intent to commence a case under subsection (a) prior to such commencement.

**''§ 1512. Participation of a foreign representative in a case under this title**

''Upon recognition of a foreign proceeding, the foreign representative in that proceeding is entitled to participate as a party in interest in a case regarding the debtor under this title.

**''§ 1513. Access of foreign creditors to a case under this title**

''(a) Foreign creditors have the same rights regarding the commencement of, and participation in, a case under this title as domestic creditors.

''(b)(1) Subsection (a) does not change or codify present law as to the priority of claims under section 507 or 726 of this title, except that the claim of a foreign creditor under those sections shall not be given a lower priority than that of general unsecured claims without priority solely because the holder of such claim is a foreign creditor.

''(2)(A) Subsection (a) and paragraph (1) do not change or codify present law as to the allowability of foreign revenue claims or other foreign public law claims in a proceeding under this title.

''(B) Allowance and priority as to a foreign tax claim or other foreign public law claim shall be governed by any applicable tax treaty of the United States, under the conditions and circumstances specified therein.

**''§ 1514. Notification to foreign creditors concerning a case under this title**

''(a) Whenever in a case under this title notice is to be given to creditors generally or to any class or category of creditors, such notice shall also be given to the known creditors generally, or to creditors in the notified class or category, that do not have addresses in the United States. The court may order that appropriate steps be taken with a view to notifying any creditor whose address is not yet known.

''(b) Such notification to creditors with foreign addresses described in subsection (a) shall be given individually, unless the court considers that, under the circumstances, some other form of notification would be more appropriate. No letters rogatory or other similar formality is required.

''(c) When a notification of commencement of a case is to be given to foreign creditors, the notification shall—

''(1) indicate the time period for filing proofs of claim and specify the place for their filing;

''(2) indicate whether secured creditors need to file their proofs of claim; and

''(3) contain any other information required to be included in such a notification to creditors under this title and the orders of the court.

''(d) Any rule of procedure or order of the court as to notice or the filing of a claim shall provide such additional time to creditors with foreign addresses as is reasonable under the circumstances.

''SUBCHAPTER III—RECOGNITION OF A FOREIGN PROCEEDING AND RELIEF

**''§ 1515. Application for recognition of a foreign proceeding**

''(a) A foreign representative applies to the court for recognition of the foreign proceeding in which the foreign representative has been appointed by filing a petition for recognition.

''(b) A petition for recognition shall be accompanied by—

''(1) a certified copy of the decision commencing the foreign proceeding and appointing the foreign representative;

''(2) a certificate from the foreign court affirming the existence of the foreign proceeding and of the appointment of the foreign representative; or

''(3) in the absence of evidence referred to in paragraphs (1) and (2), any other evidence acceptable to the court of the existence of the foreign proceeding and of the appointment of the foreign representative.

''(c) A petition for recognition shall also be accompanied by a statement identifying all foreign proceedings with respect to the debtor that are known to the foreign representative.

''(d) The documents referred to in paragraphs (1) and (2) of subsection (b) must be translated into English. The court may require a translation into English of additional documents.

**''§ 1516. Presumptions concerning recognition**

''(a) If the decision or certificate referred to in section 1515(b) indicates that the foreign proceeding is a foreign proceeding as defined in section 101 and that the person or body is a foreign representative as defined in section 101, the court is entitled to so presume.

''(b) The court is entitled to presume that documents submitted in support of the petition for recognition are authentic, whether or not they have been legalized.

''(c) In the absence of evidence to the contrary, the debtor's registered office, or habitual residence in the case of an individual, is presumed to be the center of the debtor's main interests.

**''§ 1517. Order recognizing a foreign proceeding**

''(a) Subject to section 1506, after notice and a hearing an order recognizing a foreign proceeding shall be entered if—

''(1) the foreign proceeding is a foreign main proceeding or foreign nonmain proceeding within the meaning of section 1502;

''(2) the foreign representative applying for recognition is a person or body as defined in section 101; and

''(3) the petition meets the requirements of section 1515.

''(b) The foreign proceeding shall be recognized—

''(1) as a foreign main proceeding if it is taking place in the country where the debtor has the center of its main interests; or

''(2) as a foreign nonmain proceeding if the debtor has an establishment within the meaning of section 1502 in the foreign country where the proceeding is pending.

''(c) A petition for recognition of a foreign proceeding shall be decided upon at the earliest possible time. Entry of an order recognizing a foreign proceeding constitutes recognition under this chapter.

''(d) The provisions of this subchapter do not prevent modification or termination of recognition if it is shown that the grounds for granting it were fully or partially lacking or have ceased to exist, but in considering such action the court shall give due weight to possible prejudice to parties that have relied upon the granting of recognition. The case under this chapter may be closed in the manner prescribed under section 350.

**''§ 1518. Subsequent information**

''From the time of filing the petition for recognition of the foreign proceeding, the foreign representative shall file with the court promptly a notice of change of status concerning—

''(1) any substantial change in the status of the foreign proceeding or the status of the foreign representative's appointment; and

''(2) any other foreign proceeding regarding the debtor that becomes known to the foreign representative.

**''§ 1519. Relief that may be granted upon petition for recognition of a foreign proceeding**

''(a) From the time of filing a petition for recognition until the court rules on the petition, the court may, at the request of the foreign representative, where relief is urgently needed to protect the assets of the debtor or the interests of the creditors, grant relief of a provisional nature, including—

''(1) staying execution against the debtor's assets;

''(2) entrusting the administration or realization of all or part of the debtor's assets located in the United States to the foreign representative or another person authorized by the court, including an examiner, in order to protect and

*preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy; and*

*''(3) any relief referred to in paragraph (3), (4), or (7) of section 1521(a).*

*''(b) Unless extended under section 1521(a)(6), the relief granted under this section terminates when the petition for recognition is decided upon.*

*''(c) It is a ground for denial of relief under this section that such relief would interfere with the administration of a foreign main proceeding.*

*''(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.*

*''(e) The standards, procedures, and limitations applicable to an injunction shall apply to relief under this section.*

***''§ 1520. Effects of recognition of a foreign main proceeding***

*''(a) Upon recognition of a foreign proceeding that is a foreign main proceeding—*

*''(1) sections 361 and 362 with respect to the debtor and that property of the debtor that is within the territorial jurisdiction of the United States;*

*''(2) sections 363, 549, and 552 of this title apply to a transfer of an interest of the debtor in property that is within the territorial jurisdiction of the United States to the same extent that the sections would apply to property of an estate;*

*''(3) unless the court orders otherwise, the foreign representative may operate the debtor's business and may exercise the rights and powers of a trustee under and to the extent provided by sections 363 and 552; and*

*''(4) section 552 applies to property of the debtor that is within the territorial jurisdiction of the United States.''.*

*''(b) Subsection (a) does not affect the right to commence an individual action or proceeding in a foreign country to the extent necessary to preserve a claim against the debtor.*

*''(c) Subsection (a) does not affect the right of a foreign representative or an entity to file a petition commencing a case under this title or the right of any party to file claims or take other proper actions in such a case.*

***''§ 1521. Relief that may be granted upon recognition of a foreign proceeding***

*''(a) Upon recognition of a foreign proceeding, whether main or nonmain, where necessary to effectuate the purpose of this chapter and to protect the assets of the debtor or the interests of the creditors, the court may, at the request of the foreign representative, grant any appropriate relief, including—*

*''(1) staying the commencement or continuation of an individual action or proceeding concerning the debtor's assets, rights, obligations or liabilities to the extent they have not been stayed under section 1520(a);*

*''(2) staying execution against the debtor's assets to the extent it has not been stayed under section 1520(a);*

*''(3) suspending the right to transfer, encumber or otherwise dispose of any assets of the debtor to the extent this right has not been suspended under section 1520(a);*

*''(4) providing for the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor's assets, affairs, rights, obligations or liabilities;*

*''(5) entrusting the administration or realization of all or part of the debtor's assets within the territorial jurisdiction of the United States to the foreign representative or another person, including an examiner, authorized by the court;*

*''(6) extending relief granted under section 1519(a); and*

*''(7) granting any additional relief that may be available to a trustee, except for relief available under sections 522, 544, 545, 547, 548, 550, and 724(a).*

*''(b) Upon recognition of a foreign proceeding, whether main or nonmain, the court may, at the request of the foreign representative, entrust the distribution of all or part of the debtor's assets located in the United States to the foreign representative or another person, including an examiner, authorized by the court, provided that the court is satisfied that the interests of creditors in the United States are sufficiently protected.*

*''(c) In granting relief under this section to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.*

*''(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.*

*''(e) The standards, procedures, and limitations applicable to an injunction shall apply to relief under paragraphs (1), (2), (3), and (6) of subsection (a).*

***''§ 1522. Protection of creditors and other interested persons***

*''(a) The court may grant relief under section 1519 or 1521, or may modify or terminate relief under subsection (c), only if the interests of the creditors and other interested entities, including the debtor, are sufficiently protected.*

*''(b) The court may subject relief granted under section 1519 or 1521, or the operation of the debtor's business under section 1520(a)(3) of this title, to conditions it considers appropriate, including the giving of security or the filing of a bond.*

*''(c) The court may, at the request of the foreign representative or an entity affected by relief granted under section 1519 or 1521, or at its own motion, modify or terminate such relief.*

*''(d) Section 1104(d) shall apply to the appointment of an examiner under this chapter. Any examiner shall comply with the qualification requirements imposed on a trustee by section 322.*

***''§ 1523. Actions to avoid acts detrimental to creditors***

*''(a) Upon recognition of a foreign proceeding, the foreign representative has standing in a case concerning the debtor pending under another chapter of this title to initiate actions under sections 522, 544, 545, 547, 548, 550, and 724(a).*

*''(b) When the foreign proceeding is a foreign nonmain proceeding, the court must be satisfied that an action under subsection (a) relates to assets that, under United States law, should be administered in the foreign nonmain proceeding.*

***''§ 1524. Intervention by a foreign representative***

*''Upon recognition of a foreign proceeding, the foreign representative may intervene in any proceedings in a State or Federal court in the United States in which the debtor is a party.*

*''SUBCHAPTER IV—COOPERATION WITH FOREIGN COURTS AND FOREIGN REPRESENTATIVES*

***''§ 1525. Cooperation and direct communication between the court and foreign courts or foreign representatives***

*''(a) Consistent with section 1501, the court shall cooperate to the maximum extent possible with foreign courts or foreign representatives, either directly or through the trustee.*

*''(b) The court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representatives, subject to the rights of parties in interest to notice and participation.*

***''§ 1526. Cooperation and direct communication between the trustee and foreign courts or foreign representatives***

*''(a) Consistent with section 1501, the trustee or other person, including an examiner, authorized by the court, shall, subject to the supervision of the court, cooperate to the maximum extent possible with foreign courts or foreign representatives.*

*''(b) The trustee or other person, including an examiner, authorized by the court is entitled, subject to the supervision of the court, to communicate directly with foreign courts or foreign representatives.*

***''§ 1527. Forms of cooperation***

*''Cooperation referred to in sections 1525 and 1526 may be implemented by any appropriate means, including—*

*''(1) appointment of a person or body, including an examiner, to act at the direction of the court;*

*''(2) communication of information by any means considered appropriate by the court;*

*''(3) coordination of the administration and supervision of the debtor's assets and affairs;*

*''(4) approval or implementation of agreements concerning the coordination of proceedings; and*

*''(5) coordination of concurrent proceedings regarding the same debtor.*

*''SUBCHAPTER V—CONCURRENT PROCEEDINGS*

***''§ 1528. Commencement of a case under this title after recognition of a foreign main proceeding***

*''After recognition of a foreign main proceeding, a case under another chapter of this title may be commenced only if the debtor has assets in the United States. The effects of such case shall be restricted to the assets of the debtor that are within the territorial jurisdiction of the United States and, to the extent necessary to implement cooperation and coordination under sections 1525, 1526, and 1527, to other assets of the debtor that are within the jurisdiction of the court under sections 541(a) of this title, and 1334(e) of title 28, to the extent that such other assets are not subject to the jurisdiction and control of a foreign proceeding that has been recognized under this chapter.*

***''§ 1529. Coordination of a case under this title and a foreign proceeding***

*''Where a foreign proceeding and a case under another chapter of this title are taking place concurrently regarding the same debtor, the court shall seek cooperation and coordination under sections 1525, 1526, and 1527, and the following shall apply:*

*''(1) When the case in the United States is taking place at the time the petition for recognition of the foreign proceeding is filed—*

*''(A) any relief granted under sections 1519 or 1521 must be consistent with the relief granted in the case in the United States; and*

*''(B) even if the foreign proceeding is recognized as a foreign main proceeding, section 1520 does not apply.*

*''(2) When a case in the United States under this title commences after recognition, or after the filing of the petition for recognition, of the foreign proceeding—*

*''(A) any relief in effect under sections 1519 or 1521 shall be reviewed by the court and shall be modified or terminated if inconsistent with the case in the United States; and*

*''(B) if the foreign proceeding is a foreign main proceeding, the stay and suspension referred to in section 1520(a) shall be modified or terminated if inconsistent with the relief granted in the case in the United States.*

*''(3) In granting, extending, or modifying relief granted to a representative of a foreign*

*nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.*

*''(4) In achieving cooperation and coordination under sections 1528 and 1529, the court may grant any of the relief authorized under section 305.*

***''§ 1530. Coordination of more than 1 foreign proceeding***

*''In matters referred to in section 1501, with respect to more than 1 foreign proceeding regarding the debtor, the court shall seek cooperation and coordination under sections 1525, 1526, and 1527, and the following shall apply:*

*''(1) Any relief granted under section 1519 or 1521 to a representative of a foreign nonmain proceeding after recognition of a foreign main proceeding must be consistent with the foreign main proceeding.*

*''(2) If a foreign main proceeding is recognized after recognition, or after the filing of a petition for recognition, of a foreign nonmain proceeding, any relief in effect under section 1519 or 1521 shall be reviewed by the court and shall be modified or terminated if inconsistent with the foreign main proceeding.*

*''(3) If, after recognition of a foreign nonmain proceeding, another foreign nonmain proceeding is recognized, the court shall grant, modify, or terminate relief for the purpose of facilitating coordination of the proceedings.*

***''§ 1531. Presumption of insolvency based on recognition of a foreign main proceeding***

*''In the absence of evidence to the contrary, recognition of a foreign main proceeding is for the purpose of commencing a proceeding under section 303, proof that the debtor is generally not paying its debts as such debts become due.*

***''§ 1532. Rule of payment in concurrent proceedings***

*''Without prejudice to secured claims or rights in rem, a creditor who has received payment with respect to its claim in a foreign proceeding pursuant to a law relating to insolvency may not receive a payment for the same claim in a case under any other chapter of this title regarding the debtor, so long as the payment to other creditors of the same class is proportionately less than the payment the creditor has already received.''.*

*(b) CLERICAL AMENDMENT.—The table of chapters for title 11, United States Code, is amended by inserting after the item relating to chapter 13 the following:*

***''15. Ancillary and Other Cross-Border Cases ..... 1501''.***

***SEC. 902. AMENDMENTS TO OTHER CHAPTERS IN TITLE 11, UNITED STATES CODE.***

*(a) APPLICABILITY OF CHAPTERS.—Section 103 of title 11, United States Code, is amended—*

*(1) in subsection (a), by inserting before the period the following: '', and this chapter, sections 307, 304, 555 through 557, 559, and 560 apply in a case under chapter 15''; and*

*(2) by adding at the end the following:*

*''(j) Chapter 15 applies only in a case under such chapter, except that—*

*''(1) sections 1505, 1513, and 1514 apply in all cases under this title; and*

*''(2) section 1509 applies whether or not a case under this title is pending.''.*

*(b) DEFINITIONS.—Paragraphs (23) and (24) of title 11, United States Code, are amended to read as follows:*

*''(23) 'foreign proceeding' means a collective judicial or administrative proceeding in a foreign country, including an interim proceeding, under a law relating to insolvency or adjustment of debt in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization or liquidation;*

*''(24) 'foreign representative' means a person or body, including a person or body appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor's assets or affairs or to act as a representative of the foreign proceeding;''.*

*(c) AMENDMENTS TO TITLE 28, UNITED STATES CODE.—*

*(1) PROCEDURES.—Section 157(b)(2) of title 28, United States Code, is amended—*

*(A) in subparagraph (N), by striking ''and'' at the end;*

*(B) in subparagraph (O), by striking the period at the end and inserting ''; and''; and*

*(C) by adding at the end the following:*

*''(P) recognition of foreign proceedings and other matters under chapter 15 of title 11.''.*

*(2) BANKRUPTCY CASES AND PROCEEDINGS.—Section 1334(c) of title 28, United States Code, is amended by striking ''Nothing in'' and inserting ''Except with respect to a case under chapter 15 of title 11, nothing in''.*

*(3) DUTIES OF TRUSTEES.—Section 586(a)(3) of title 28, United States Code, is amended by striking ''or 13'' and inserting ''13, or 15,'' after ''chapter''.*

*(4) Section 305(a)(2) of title 11, United States Code, is amended to read:*

*''(2)(A) a petition under section 1515 of this title for recognition of a foreign proceeding has been granted; and*

*''(B) the purposes of chapter 15 of this title would be best served by such dismissal or suspension.''.*

*(5) Section 508 of title 11, United States Code, is amended by striking subsection (a) and by striking out the letter ''(b)'' at the beginning of the second paragraph.*

***TITLE X—FINANCIAL CONTRACT PROVISIONS***

***SEC. 1001. TREATMENT OF CERTAIN AGREEMENTS BY CONSERVATORS OR —RECEIVERS OF INSURED DEPOSITORY INSTITUTIONS.***

*(a) DEFINITION OF QUALIFIED FINANCIAL CONTRACT.—Section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(i)) is amended by inserting '', resolution or order'' after ''any similar agreement that the Corporation determines by regulation''.*

*(b) DEFINITION OF SECURITIES CONTRACT.—Section 11(e)(8)(D)(ii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(ii)) is amended to read as follows:*

*''(ii) SECURITIES CONTRACT.—The term 'securities contract'—*

*''(I) means a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, or any interest in a mortgage loan, a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or any option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index, or option;*

*''(II) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such agreement within the meaning of such term;*

*''(III) means any option entered into on a national securities exchange relating to foreign currencies;*

*''(IV) means the guarantee by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index or option;*

*''(V) means any margin loan;*

*''(VI) means any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;*

*''(VII) means any combination of the agreements or transactions referred to in this clause;*

*''(VIII) means any option to enter into any agreement or transaction referred to in this clause;*

*''(IX) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this clause, except that the master agreement shall be considered to be a securities contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII); and*

*''(X) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause.''.*

*(c) DEFINITION OF COMMODITY CONTRACT.—Section 11(e)(8)(D)(iii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iii)) is amended to read as follows:*

*''(iii) COMMODITY CONTRACT.—The term 'commodity contract' means—*

*''(I) with respect to a futures commission merchant, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade;*

*''(II) with respect to a foreign futures commission merchant, a foreign future;*

*''(III) with respect to a leverage transaction merchant, a leverage transaction;*

*''(IV) with respect to a clearing organization, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization, or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization;*

*''(V) with respect to a commodity options dealer, a commodity option;*

*''(VI) any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;*

*''(VII) any combination of the agreements or transactions referred to in this clause;*

*''(VIII) any option to enter into any agreement or transaction referred to in this clause;*

*''(IX) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity contract under this clause, except that the master agreement shall be considered to be a commodity contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII); or*

*''(X) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause.''.*

*(d) DEFINITION OF FORWARD CONTRACT.—Section 11(e)(8)(D)(iv) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iv)) is amended to read as follows:*

*''(iv) FORWARD CONTRACT.—The term 'forward contract' means—*

*''(I) a contract (other than a commodity contract) for the purchase, sale, or transfer of a*

*commodity or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade, or product or byproduct thereof, with a maturity date more than 2 days after the date the contract is entered into, including, but not limited to, a repurchase agreement, reverse repurchase agreement, consignment, lease, swap, hedge transaction, deposit, loan, option, allocated transaction, unallocated transaction, or any other similar agreement;*

*''(II) any combination of agreements or transactions referred to in subclauses (I) and (III);*

*''(III) any option to enter into any agreement or transaction referred to in subclause (I) or (II);*

*''(IV) a master agreement that provides for an agreement or transaction referred to in subclauses (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this clause, except that the master agreement shall be considered to be a forward contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); or*

*''(V) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (II), (III), or (IV).''.*

*(e) DEFINITION OF REPURCHASE AGREEMENT.—Section 11(e)(8)(D)(v) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(v)) is amended to read as follows:*

*''(v) REPURCHASE AGREEMENT.—The term 'repurchase agreement' (which definition also applies to a reverse repurchase agreement)—*

*''(I) mean an agreement, including related terms, which provides for the transfer of 1 or more certificates of deposit, mortgage-related securities (as such term is defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, loans, or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, loans, or interests as described above, at a date certain not later than 1 year after such transfers or on demand, against the transfer of funds, or any other similar agreement;*

*''(II) does not include any repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such participation within the meaning of such term;*

*''(III) means any combination of agreements or transactions referred to in subclauses (I) and (IV);*

*''(IV) means any option to enter into any agreement or transaction referred to in subclause (I) or (III);*

*''(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this clause, except that the master agreement shall be considered to be a repurchase agreement under this subclause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), or (IV); and*

*''(VI) means a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (III), (IV), or (V).*

*For purposes of this clause, the term 'qualified foreign government security' means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development (as determined by regulation or order adopted by the appropriate Federal banking authority).''.*

*(f) DEFINITION OF SWAP AGREEMENT.—Section 11(e)(8)(D)(iv) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vi)) is amended to read as follows:*

*''(vi) SWAP AGREEMENT.—The term 'swap agreement' means—*

*''(I) any agreement, including the terms and conditions incorporated by reference in any such agreement, which is an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap; a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement; a currency swap, option, future, or forward agreement; an equity index or equity swap, option, future, or forward agreement; a debt index or debt swap, option, future, or forward agreement; a credit spread or credit swap, option, future, or forward agreement; a commodity index or commodity swap, option, future, or forward agreement;*

*''(II) any agreement or transaction similar to any other agreement or transaction referred to in this clause that is presently, or in the future becomes, regularly entered into in the swap market (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, or option on 1 or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value;*

*''(III) any combination of agreements or transactions referred to in this clause;*

*''(IV) any option to enter into any agreement or transaction referred to in this clause;*

*''(V) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV); and*

*''(VI) any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in subparagraph (I), (II), (III), or (IV).*

*Such term is applicable for purposes of this title only and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations promulgated by the Securities and Exchange Commission or the Commodity Futures Trading Commission.''.*

*(g) DEFINITION OF TRANSFER.—Section 11(e)(8)(D)(viii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(viii)) is amended to read as follows:*

*''(viii) TRANSFER.—The term 'transfer' means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the depository institutions's equity of redemption.''.*

*(h) TREATMENT OF QUALIFIED FINANCIAL CONTRACTS.—Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended—*

*(1) in subparagraph (A), by striking ''paragraph (10)'' and inserting ''paragraphs (9) and (10)'';*

*(2) in subparagraph (A)(i), by striking ''to cause the termination or liquidation'' and inserting ''such person has to cause the termination, liquidation, or acceleration'';*

*(3) by amending subparagraph (A)(ii) to read as follows:*

*''(ii) any right under any security agreement or arrangement or other credit enhancement related to 1 or more qualified financial contracts described in clause (i);''; and*

*(4) by amending subparagraph (E)(ii) to read as follows:*

*''(ii) any right under any security agreement or arrangement or other credit enhancement related to 1 or more qualified financial contracts described in clause (i);''.*

*(i) AVOIDANCE OF TRANSFERS.—Section 11(e)(8)(C)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(C)(i)) is amended by inserting ''section 5242 of the Revised Statutes of the United States (12 U.S.C. 91) or any other Federal or State law relating to the avoidance of preferential or fraudulent transfers,'' before ''the Corporation''.*

***SEC. 1002. AUTHORITY OF THE CORPORATION WITH RESPECT TO FAILED AND FAILING INSTITUTIONS.***

*(a) IN GENERAL.—Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended—*

*(1) in subparagraph (E), by striking ''other than paragraph (12) of this subsection, subsection (d)(9)'' and inserting ''other than subsections (d)(9) and (e)(10)''; and*

*(2) by adding at the end the following new subparagraphs:*

*''(F) CLARIFICATION.—No provision of law shall be construed as limiting the right or power of the Corporation, or authorizing any court or agency to limit or delay, in any manner, the right or power of the Corporation to transfer any qualified financial contract in accordance with paragraphs (9) and (10) of this subsection or to disaffirm or repudiate any such contract in accordance with subsection (e)(1) of this section.*

*''(G) WALKAWAY CLAUSES NOT EFFECTIVE.—*

*''(i) IN GENERAL.—Notwithstanding the provisions of subparagraphs (A) and (E), and sections 403 and 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, no walkaway clause shall be enforceable in a qualified financial contract of an insured depository institution in default.*

*''(ii) WALKAWAY CLAUSE DEFINED.—For purposes of this subparagraph, the term 'walkaway clause' means a provision in a qualified financial contract that, after calculation of a value of a party's position or an amount due to or from 1 of the parties in accordance with its terms upon termination, liquidation, or acceleration of the qualified financial contract, either does not create a payment obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of such party's status as a nondefaulting party.''.*

*(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 11(e)(12)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(12)(A)) is amended by inserting ''or the exercise of rights or powers'' after ''the appointment''.*

***SEC. 1003. AMENDMENTS RELATING TO TRANSFERS OF QUALIFIED FINANCIAL CONTRACTS.***

*(a) TRANSFERS OF QUALIFIED FINANCIAL CONTRACTS TO FINANCIAL INSTITUTIONS.—Section 11(e)(9) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(9)) is amended to read as follows:*

*''(9) TRANSFER OF QUALIFIED FINANCIAL CONTRACTS.—*

*''(A) IN GENERAL.—In making any transfer of assets or liabilities of a depository institution in default which includes any qualified financial contract, the conservator or receiver for such depository institution shall either—*

*''(i) transfer to 1 financial institution, other than a financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or which is otherwise the subject of a bankruptcy or insolvency proceeding—*

*''(I) all qualified financial contracts between any person or any affiliate of such person and the depository institution in default;*

*''(II) all claims of such person or any affiliate of such person against such depository institution under any such contract (other than any claim which, under the terms of any such contract, is subordinated to the claims of general unsecured creditors of such institution);*

*''(III) all claims of such depository institution against such person or any affiliate of such person under any such contract; and*

*''(IV) all property securing or any other credit enhancement for any contract described in subclause (I) or any claim described in subclause (II) or (III) under any such contract; or*

*''(ii) transfer none of the qualified financial contracts, claims, property or other credit enhancement referred to in clause (i) (with respect to such person and any affiliate of such person).*

*''(B) TRANSFER TO FOREIGN BANK, FOREIGN FINANCIAL INSTITUTION, OR BRANCH OR AGENCY OF A FOREIGN BANK OR FINANCIAL INSTITUTION.—In transferring any qualified financial contracts and related claims and property pursuant to subparagraph (A)(i), the conservator or receiver for such depository institution shall not make such transfer to a foreign bank, financial institution organized under the laws of a foreign country, or a branch or agency of a foreign bank or financial institution unless, under the law applicable to such bank, financial institution, branch or agency, to the qualified financial contracts, and to any netting contract, any security agreement or arrangement or other credit enhancement related to 1 or more qualified financial contracts, the contractual rights of the parties to such qualified financial contracts, netting contracts, security agreements or arrangements, or other credit enhancements are enforceable substantially to the same extent as permitted under this section.*

*''(C) TRANSFER OF CONTRACTS SUBJECT TO THE RULES OF A CLEARING ORGANIZATION.—In the event that a conservator or receiver transfers any qualified financial contract and related claims, property and credit enhancements pursuant to subparagraph (A)(i) and such contract is subject to the rules of a clearing organization, the clearing organization shall not be required to accept the transferee as a member by virtue of the transfer.*

*''(D) DEFINITION.—For purposes of this section, the term 'financial institution' means a broker or dealer, a depository institution, a futures commission merchant, or any other institution as determined by the Corporation by regulation to be a financial institution.''.*

*(b) NOTICE TO QUALIFIED FINANCIAL CONTRACT COUNTERPARTIES.—Section 11(e)(10)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(10)(A)) is amended by amending the flush material following clause (ii) to read as follows: ''the conservator or receiver shall notify any person who is a party to any such contract of such transfer by 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver, in the case of a receivership, or the business day following such transfer, in the case of a conservatorship.''.*

*(c) RIGHTS AGAINST RECEIVER AND TREATMENT OF BRIDGE BANKS.—Section 11(e)(10) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(10)) is further amended—*

*(1) by redesignating subparagraph (B) as subparagraph (D); and*

*(2) by inserting after subparagraph (A) the following new subparagraphs:*

*''(B) CERTAIN RIGHTS NOT ENFORCEABLE.—*

*''(i) RECEIVERSHIP.—A person who is a party to a qualified financial contract with an insured depository institution may not exercise any right such person has to terminate, liquidate, or net such contract under paragraph (8)(A) or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991 solely by reason of or incidental to the appointment of a receiver for the depository institution (or the insolvency or financial condition of the depository institution for which the receiver has been appointed)—*

*''(I) until 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver; or*

*''(II) after the person has received notice that the contract has been transferred pursuant to paragraph (9)(A).*

*''(ii) CONSERVATORSHIP.—A person who is a party to a qualified financial contract with an insured depository institution may not exercise any right such person has to terminate, liquidate, or net such contract under paragraph (8)(E) or sections 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a conservator for the depository institution (or the insolvency or financial condition of the depository institution for which the conservator has been appointed).*

*''(iii) NOTICE.—For purposes of this subsection, the Corporation as receiver or conservator of an insured depository institution shall be deemed to have notified a person who is a party to a qualified financial contract with such depository institution if the Corporation has taken steps reasonably calculated to provide notice to such person by the time specified in subparagraph (A) of this subsection.*

*''(C) TREATMENT OF BRIDGE BANKS.—The following institutions shall not be considered a financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or which is otherwise the subject of a bankruptcy or insolvency proceeding for purposes of subsection (e)(9)—*

*''(i) a bridge bank; or*

*''(ii) a depository institution organized by the Corporation, for which a conservator is appointed either—*

*''(I) immediately upon the organization of the institution; or*

*''(II) at the time of a purchase and assumption transaction between such institution and the Corporation as receiver for a depository institution in default.''.*

***SEC. 1004. AMENDMENTS RELATING TO DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.***

*Section 11(e) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)) is further amended—*

*(1) by redesignating paragraphs (11) through (15) as paragraphs (12) through (16), respectively; and*

*(2) by inserting after paragraph (10) the following new paragraph:*

*''(11) DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.—In exercising the rights of disaffirmance or repudiation of a conservator or receiver with respect to any qualified financial contract to which an insured depository institution is a party, the conservator or receiver for such institution shall either—*

*''(A) disaffirm or repudiate all qualified financial contracts between—*

*''(i) any person or any affiliate of such person; and*

*''(ii) the depository institution in default; or*

*''(B) disaffirm or repudiate none of the qualified financial contracts referred to in subparagraph (A) (with respect to such person or any affiliate of such person).''.*

***SEC. 1005. CLARIFYING AMENDMENT RELATING TO MASTER AGREEMENTS.***

*Section 11(e)(8)(D)(vii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vii)) is amended to read as follows:*

*''(vii) TREATMENT OF MASTER AGREEMENT AS 1 AGREEMENT.—Any master agreement for any contract or agreement described in any preceding clause of this subparagraph (or any master agreement for such master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.''.*

***SEC. 1006. FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991.***

*(a) DEFINITIONS.—Section 402 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4402) is amended—*

*(1) in paragraph (6)—*

*(A) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E), respectively;*

*(B) by inserting after subparagraph (A) the following new subparagraph:*

*''(B) an uninsured national bank or an uninsured State bank that is a member of the Federal Reserve System if the national bank or State member bank is not eligible to make application to become an insured bank under section 5 of the Federal Deposit Insurance Act;''; and*

*(C) by amending subparagraph (C) (as redesignated) to read as follows:*

*''(C) a branch or agency of a foreign bank, a foreign bank and any branch or agency of the foreign bank, or the foreign bank that established the branch or agency, as those terms are defined in section 1(b) of the International Banking Act of 1978;'';*

*(2) in paragraph (11), by adding before the period ''and any other clearing organization with which such clearing organization has a netting contract'';*

*(3) by amending paragraph (14)(A)(i) to read as follows:*

*''(i) means a contract or agreement between 2 or more financial institutions, clearing organizations, or members that provides for netting present or future payment obligations or payment entitlements (including liquidation or closeout values relating to such obligations or entitlements) among the parties to the agreement; and''; and*

*(4) by adding at the end the following new paragraph:*

*''(15) PAYMENT.—The term 'payment' means a payment of United States dollars, another currency, or a composite currency, and a noncash delivery, including a payment or delivery to liquidate an unmatured obligation.''.*

*(b) ENFORCEABILITY OF BILATERAL NETTING CONTRACTS.—Section 403 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4403) is amended—*

*(1) by amending subsection (a) to read as follows:*

*''(a) GENERAL RULE.—Notwithstanding any other provision of State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act or any order authorized under section 5(b)(2) of the Securities Investor Protection Act of 1970, the covered contractual payment obligations and the covered contractual payment entitlements between any 2 financial institutions shall be netted in accordance with, and subject to the conditions of, the terms of any applicable netting contract (except as provided in section 561(b)(2) of title 11).''; and*

*(2) by adding at the end the following new subsection:*

*''(f) ENFORCEABILITY OF SECURITY AGREEMENTS.—The provisions of any security agreement or arrangement or other credit enhancement related to 1 or more netting contracts between any 2 financial institutions shall be enforceable in accordance with their terms (except as provided in section 561(b)(2) of title 11) and shall not be stayed, avoided, or otherwise limited by any State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and section 5(b)(2) of the Securities Investor Protection Act of 1970).''.*

*(c) ENFORCEABILITY OF CLEARING ORGANIZATION NETTING CONTRACTS.—Section 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4404) is amended—*

*(1) by amending subsection (a) to read as follows:*

*''(a) GENERAL RULE.—Notwithstanding any other provision of State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and any order authorized under section 5(b)(2) of the Securities Investor Protection Act of 1970, the covered contractual payment obligations and the covered contractual payment entitlements of a member of a clearing organization to and from all other members of a clearing organization shall be netted in accordance with and subject to the conditions of any applicable netting contract (except as provided in section 561(b)(2) of title 11, United States Code).''; and*

*(2) by adding at the end the following new subsection:*

*''(h) ENFORCEABILITY OF SECURITY AGREEMENTS.—The provisions of any security agreement or arrangement or other credit enhancement related to 1 or more netting contracts between any 2 members of a clearing organization shall be enforceable in accordance with their terms (except as provided in section 561(b)(2) of title 11, United States Code) and shall not be stayed, avoided, or otherwise limited by any State or Federal law other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and section 5(b)(2) of the Securities Investor Protection Act of 1970.''.*

*(d) ENFORCEABILITY OF CONTRACTS WITH UNINSURED NATIONAL BANKS AND UNINSURED FEDERAL BRANCHES AND AGENCIES.—The Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4401 et seq.) is amended—*

*(1) by redesignating section 407 as section 408; and*

*(2) by adding after section 406 the following new section:*

***''SEC. 407. TREATMENT OF CONTRACTS WITH UNINSURED NATIONAL BANKS AND UNINSURED FEDERAL BRANCHES AND AGENCIES.***

*''(a) IN GENERAL.—Notwithstanding any other provision of law, paragraphs (8), (9), (10), and (11) of section 11(e) of the Federal Deposit Insurance Act shall apply to an uninsured national bank or uninsured Federal branch or Federal agency except—*

*''(1) any reference to the 'Corporation as receiver' or 'the receiver or the Corporation' shall refer to the receiver of an uninsured national bank or uninsured Federal branch or Federal agency appointed by the Comptroller of the Currency;*

*''(2) any reference to the 'Corporation' (other than in section 11(e)(8)(D) of such Act), the 'Corporation, whether acting as such or as conservator or receiver', a 'receiver', or a 'conservator' shall refer to the receiver or conservator of an uninsured national bank or uninsured Federal branch or Federal agency appointed by the Comptroller of the Currency; and*

*''(3) any reference to an 'insured depository institution' or 'depository institution' shall refer to an uninsured national bank or an uninsured Federal branch or Federal agency.*

*''(b) LIABILITY.—The liability of a receiver or conservator of an uninsured national bank or uninsured Federal branch or agency shall be determined in the same manner and subject to the same limitations that apply to receivers and conservators of insured depository institutions under section 11(e) of the Federal Deposit Insurance Act.*

*''(c) REGULATORY AUTHORITY.—*

*''(1) IN GENERAL.—The Comptroller of the Currency, in consultation with the Federal Deposit Insurance Corporation, may promulgate regulations to implement this section.*

*''(2) SPECIFIC REQUIREMENT.—In promulgating regulations to implement this section, the Comptroller of the Currency shall ensure that the regulations generally are consistent with the regulations and policies of the Federal Deposit Insurance Corporation adopted pursuant to the Federal Deposit Insurance Act.*

*''(d) DEFINITIONS.—For purposes of this section, the terms 'Federal branch', 'Federal agency', and 'foreign bank' have the same meaning as in section 1(b) of the International Banking Act.''.*

***SEC. 1007. BANKRUPTCY CODE AMENDMENTS.***

*(a) DEFINITIONS OF FORWARD CONTRACT, REPURCHASE AGREEMENT, SECURITIES CLEARING AGENCY, SWAP AGREEMENT, COMMODITY CONTRACT, AND SECURITIES CONTRACT.—Title 11, United States Code, is amended—*

*(1) in section 101—*

*(A) in paragraph (25)—*

*(i) by striking ''means a contract'' and inserting ''means—*

*''(A) a contract'';*

*(ii) by striking '', or any combination thereof or option thereon;'' and inserting '', or any other similar agreement;''; and*

*(iii) by adding at the end the following:*

*''(B) any combination of agreements or transactions referred to in subparagraphs (A) and (C);*

*''(C) any option to enter into an agreement or transaction referred to in subparagraph (A) or (B);*

*''(D) a master agreement that provides for an agreement or transaction referred to in subparagraph (A), (B), or (C), together with all supplements to any such master agreement, without regard to whether such master agreement provides for an agreement or transaction that is not a forward contract under this paragraph, except that such master agreement shall be considered to be a forward contract under this paragraph only with respect to each agreement or transaction under such master agreement that is referred to in subparagraph (A), (B) or (C); or*

*''(E) a security agreement or arrangement, or other credit enhancement related to any agreement or transaction referred to in subparagraph (A), (B), (C), or (D), but not to exceed the actual value of such contract, option, agreement, or transaction on the date of the filing of the petition;'';*

*(B) in paragraph (46), by striking ''on any day during the period beginning 90 days before the date of'' and replacing it with ''at any time before'';*

*(C) by amending paragraph (47) to read as follows:*

*''(47) 'repurchase agreement' (which definition also applies to a reverse repurchase agreement) means—*

*''(i) an agreement, including related terms, which provides for the transfer of 1 or more certificates of deposit, mortgage-related securities (as defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities; or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, loans, or interests; with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptance, securities, loans, or interests of the kind described above, at a date certain not later than 1 year after such transfer or on demand, against the transfer of funds;*

*''(ii) any combination of agreements or transactions referred to in clauses (i) and (iii);*

*''(iii) an option to enter into an agreement or transaction referred to in clause (i) or (ii);*

*''(iv) a master agreement that provides for an agreement or transaction referred to in clause (i), (ii), or (iii), together with all supplements to any such master agreement, without regard to whether such master agreement provides for an agreement or transaction that is not a repurchase agreement under this paragraph, except that such master agreement shall be considered to be a repurchase agreement under this paragraph only with respect to each agreement or transaction under the master agreement that is referred to in clause (i), (ii), or (iii); or*

*''(v) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in clause (i), (ii), (iii), or (iv), but not to exceed the actual value of such contract on the date of the filing of the petition; and*

*''(B) does not include a repurchase obligation under a participation in a commercial mortgage loan;*

*and, for purposes of this paragraph, the term 'qualified foreign government security' means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development;'';*

*(D) in paragraph (48) by inserting ''or exempt from such registration under such section pursuant to an order of the Securities and Exchange Commission'' after ''1934''; and*

*(E) by amending paragraph (53B) to read as follows:*

*''(53B) 'swap agreement'*

*''(A) means—*

*''(i) any agreement, including the terms and conditions incorporated by reference in such agreement, which is an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap; a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement; a currency swap, option, future, or forward agreement; an equity index or an equity swap, option, future, or forward agreement; a debt index or a debt swap, option, future, or forward agreement; a credit spread or a credit swap, option, future, or forward agreement; or a commodity index or a commodity swap, option, future, or forward agreement;*

*''(ii) any agreement or transaction similar to any other agreement or transaction referred to in this paragraph that—*

''(I) is presently, or in the future becomes, regularly entered into in the swap market (including terms and conditions incorporated by reference therein); and

''(II) is a forward, swap, future, or option on 1 or more rates, currencies commodities, equity securities, or other equity instruments, debt securities or other debt instruments, or on an economic index or measure of economic risk or value;

''(iii) any combination of agreements or transactions referred to in this paragraph;

''(iv) any option to enter into an agreement or transaction referred to in this paragraph;

''(v) a master agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), or (iv), together with all supplements to any such master agreement, and without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this paragraph, except that the master agreement shall be considered to be a swap agreement under this paragraph only with respect to each agreement or transaction under the master agreement that is referred to in clause (i), (ii), (iii), or (iv); or

''(B) any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in subparagraph (A); and

''(C) is applicable for purposes of this title only and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations prescribed by the Securities and Exchange Commission or the Commodity Futures Trading Commission.'';

(2) by amending section 741(7) to read as follows:

''(7) 'securities contract'—

''(A) means—

''(i) a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan or any interest in a mortgage loan, a group or index of securities, certificates of deposit or mortgage loans or interests therein (including an interest therein or based on the value thereof), or option on any of the foregoing, including an option to purchase or sell any such security certificate of deposit, loan, interest, group or index or option;

''(ii) any option entered into on a national securities exchange relating to foreign currencies;

''(iii) the guarantee by or to any securities clearing agency of a settlement of cash, securities, certificates of deposit mortgage loans or interests therein, group or index of securities, or mortgage loans or interests therein (including any interest therein or based on the value thereof), or option on any of the foregoing, including an option to purchase or sell any such security certificate of deposit, loan, interest, group or index or option;

''(iv) any margin loan;

''(v) any other agreement or transaction that is similar to an agreement or transaction referred to in this paragraph;

''(vi) any combination of the agreements or transactions referred to in this paragraph;

''(vii) any option to enter into any agreement or transaction referred to in this paragraph;

''(viii) a master agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this paragraph, except that such master agreement shall be considered to be a securities contract under this paragraph only with respect to each agreement or transaction under such master agreement that is referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii); or

''(ix) any security agreement or arrangement, or other credit enhancement, related to any agreement or transaction referred to in this paragraph, but not to exceed the actual value of such contract on the date of the filing of the petition; and

''(B) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan.''; and

(3) in section 761(4)—

(A) by striking ''or'' at the end of subparagraph (D); and

(B) by adding at the end the following:

''(F) any other agreement or transaction that is similar to an agreement or transaction referred to in this paragraph;

''(G) any combination of the agreements or transactions referred to in this paragraph;

''(H) any option to enter into an agreement or transaction referred to in this paragraph;

''(I) a master agreement that provides for an agreement or transaction referred to in subparagraph (A), (B), (C), (D), (E), (F), (G), or (H), together with all supplements to such master netting agreement, without regard to whether the master netting agreement provides for an agreement or transaction that is not a commodity contract under this paragraph, except that the master agreement shall be considered to be a commodity contract under this paragraph only with respect to each agreement or transaction under the master agreement that is referred to in subparagraph (A), (B), (C), (D), (E), (F), (G), or (H); or

''(J) a security agreement or arrangement, or other credit enhancement related to any agreement or transaction referred to in this paragraph, but not to exceed the actual value of such contract on the date of the filing of the petition;''.

(b) DEFINITIONS OF FINANCIAL INSTITUTION, FINANCIAL PARTICIPANT, AND FORWARD CONTRACT MERCHANT.—Section 101 of title 11, United States Code, is amended—

(1) by amending paragraph (22) to read as follows:

''(22) 'financial institution' means—

''(A) a Federal reserve bank, or an entity (domestic or foreign) that is a commercial or savings bank, industrial savings bank, savings and loan association, trust company, or receiver or conservator for such entity and, when any such Federal reserve bank, receiver, conservator or entity is acting as agent or custodian for a customer in connection with a securities contract, as defined in section 741 of this title, such customer; or

''(B) in connection with a securities contract, as defined in section 741 of this title, an investment company registered under the Investment Company Act of 1940;'';

(2) by inserting after paragraph (22) the following:

''(22A) 'financial participant' means an entity that, at the time it enters into a securities contract, commodity contract or forward contract, or at the time of the filing of the petition, has 1 or more agreements or transactions that is described in section 561(a)(2) with the debtor or any other entity (other than an affiliate) of a total gross dollar value of at least $1,000,000,000 in notional or actual principal amount outstanding on any day during the previous 15-month period, or has gross mark-to-market positions of at least $100,000,000 (aggregated across counterparties) in 1 or more such agreement or transaction with the debtor or any other entity (other than an affiliate) on any day during the previous 15-month period;''; and

(3) by amending paragraph (26) to read as follows:

''(26) 'forward contract merchant' means a Federal reserve bank, or an entity whose business consists in whole or in part of entering into forward contracts as or with merchants or in a commodity, as defined or in section 761 of this title, or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing or in the forward contract trade;''.

(c) DEFINITION OF MASTER NETTING AGREEMENT AND MASTER NETTING AGREEMENT PARTICIPANT.—Section 101 of title 11, United States Code, is amended by inserting after paragraph (38) the following new paragraphs:

''(38A) 'master netting agreement' means an agreement providing for the exercise of rights, including rights of netting, setoff, liquidation, termination, acceleration, or closeout, under or in connection with 1 or more contracts that are described in any 1 or more of paragraphs (1) through (5) of section 561(a), or any security agreement or arrangement or other credit enhancement related to 1 or more of the foregoing. If a master netting agreement contains provisions relating to agreements or transactions that are not contracts described in paragraphs (1) through (5) of section 561(a), the master netting agreement shall be deemed to be a master netting agreement only with respect to those agreements or transactions that are described in any 1 or more of the paragraphs (1) through (5) of section 561(a);

''(38B) 'master netting agreement participant' means an entity that, at any time before the filing of the petition, is a party to an outstanding master netting agreement with the debtor;''.

(d) SWAP AGREEMENTS, SECURITIES CONTRACTS, COMMODITY CONTRACTS, FORWARD CONTRACTS, REPURCHASE AGREEMENTS, AND MASTER NETTING AGREEMENTS UNDER THE AUTOMATIC-STAY.—

(1) IN GENERAL.—Section 362(b) of title 11, United States Code, as amended by sections 118, 132, 136, 142, 203 and 818, is amended—

(A) in paragraph (6), by inserting '', pledged to, and under the control of,'' after ''held by'';

(B) in paragraph (7), by inserting '', pledged to, and under the control of,'' after ''held by'';

(C) by amending paragraph (17) to read as follows:

''(17) under subsection (a), of the setoff by a swap participant of a mutual debt and claim under or in connection with 1 or more swap agreements that constitutes the setoff of a claim against the debtor for any payment or other transfer of property due from the debtor under or in connection with any swap agreement against any payment due to the debtor from the swap participant under or in connection with any swap agreement or against cash, securities, or other property held by, pledged to, and under the control of, or due from such swap participant to margin guarantee, secure, or settle a swap agreement;'';

(D) in paragraph (30) by striking ''or'' at the end;

(E) in paragraph (31) by striking the period at the end and inserting ''; or''; and

(F) by inserting after paragraph (31) the following new paragraph:

''(32) under subsection (a), of the setoff by a master netting agreement participant of a mutual debt and claim under or in connection with 1 or more master netting agreements or any contract or agreement subject to such agreements that constitutes the setoff of a claim against the debtor for any payment or other transfer of property due from the debtor under or in connection with such agreements or any contract or

*agreement subject to such agreements against any payment due to the debtor from such master netting agreement participant under or in connection with such agreements or any contract or agreement subject to such agreements or against cash, securities, or other property held by, pledged or and under the control of, or due from such master netting agreement participant to margin, guarantee, secure, or settle such agreements or any contract or agreement subject to such agreements, to the extent such participant is eligible to exercise such offset rights under paragraph (6), (7), or (17) for each individual contract covered by the master netting agreement in issue.''.*

*(2) LIMITATION.—Section 362 of title 11, United States Code, as amended by sections 120, 302, and 412, is amended by adding at the end the following:*

*''(l) LIMITATION.—The exercise of rights not subject to the stay arising under subsection (a) pursuant to paragraph (6), (7), or (17), or (31) of subsection (b) shall not be stayed by any order of a court or administrative agency in any proceeding under this title.''.*

*(e) LIMITATION OF AVOIDANCE POWERS UNDER MASTER NETTING AGREEMENT.—Section 546 of title 11, United States Code, as amended by sections 207 and 302, is amended—*

*(1) in subsection (g) (as added by section 103 of Public Law 101–311)—*

*(A) by striking ''under a swap agreement'';*

*(B) by striking ''in connection with a swap agreement'' and inserting ''under or in connection with any swap agreement''; and*

*(2) by adding at the end the following:*

*''(j) Notwithstanding sections 544, 545, 547, 548(a)(2)(B), and 548(b) of this title, the trustee may not avoid a transfer made by or to a master netting agreement participant under or in connection with any master netting agreement or any individual contract covered thereby that is made before the commencement of the case, except under section 548(a)(1)(A) of this title, and except to the extent the trustee could otherwise avoid such a transfer made under an individual contract covered by such master netting agreement.''.*

*(f) FRAUDULENT TRANSFERS OF MASTER NETTING AGREEMENTS.—Section 548(d)(2) of title 11, United States Code, is amended—*

*(1) in subparagraph (C), by striking ''and'';*

*(2) in subparagraph (D), by striking the period and inserting ''; and''; and*

*(3) by adding at the end the following new subparagraph:*

*''(E) a master netting agreement participant that receives a transfer in connection with a master netting agreement or any individual contract covered thereby takes for value to the extent of such transfer, except, with respect to a transfer under any individual contract covered thereby, to the extent such master netting agreement participant otherwise did not take (or is otherwise not deemed to have taken) such transfer for value.''.*

*(g) TERMINATION OR ACCELERATION OF SECURITIES CONTRACTS.—Section 555 of title 11, United States Code, is amended—*

*(1) by amending the section heading to read as follows:*

***''§ 555. Contractual right to liquidate, terminate, or accelerate a securities contract'';***
***and***

*(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.*

*(h) TERMINATION OR ACCELERATION OF COMMODITIES OR FORWARD CONTRACTS.—Section 556 of title 11, United States Code, is amended—*

*(1) by amending the section heading to read as follows:*

***''§ 556. Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract''; and***

*(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.*

*(i) TERMINATION OR ACCELERATION OF REPURCHASE AGREEMENTS.—Section 559 of title 11, United States Code, is amended—*

*(1) by amending the section heading to read as follows:*

***''§ 559. Contractual right to liquidate, terminate, or accelerate a repurchase agreement''; and***

*(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.*

*(j) LIQUIDATION, TERMINATION, OR ACCELERATION OF SWAP AGREEMENTS.—Section 560 of title 11, United States Code, is amended—*

*(1) by amending the section heading to read as follows:*

***''§ 560. Contractual right to liquidate, terminate, or accelerate a swap agreement''; and***

*(2) in the first sentence, by striking ''termination of a swap agreement'' and inserting ''liquidation, termination, or acceleration of 1 or more swap agreements''; and*

*(3) by striking ''in connection with any swap agreement'' and inserting ''in connection with the termination, liquidation, or acceleration of 1 or more swap agreements''.*

*(k) LIQUIDATION, TERMINATION, ACCELERATION, OR OFFSET UNDER A MASTER NETTING AGREEMENT AND ACROSS CONTRACTS.—(1) Title 11, United States Code, is amended by inserting after section 560 the following:*

***''§ 561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts***

*''(a) IN GENERAL.—Subject to subsection (b), the exercise of any contractual right, because of a condition of the kind specified in section 365(e)(1), to cause the termination, liquidation, or acceleration of or to offset or net termination values, payment amounts or other transfer obligations arising under or in connection with 1 or more (or the termination, liquidation, or acceleration of 1 or more)—*

*''(1) securities contracts, as defined in section 741(7);*

*''(2) commodity contracts, as defined in section 761(4);*

*''(3) forward contracts;*

*''(4) repurchase agreements;*

*''(5) swap agreements; or*

*''(6) master netting agreements,*

*shall not be stayed, avoided, or otherwise limited by operation of any provision of this title or by any order of a court or administrative agency in any proceeding under this title.*

*''(b) EXCEPTION.—*

*''(1) A party may exercise a contractual right described in subsection (a) to terminate, liquidate, or accelerate only to the extent that such party could exercise such a right under section 555, 556, 559, or 560 for each individual contract covered by the master netting agreement in issue.*

*''(2) If a debtor is a commodity broker subject to subchapter IV of chapter 7 of this title—*

*''(A) a party may not net or offset an obligation to the debtor arising under, or in connection with, a commodity contract against any claim arising under, or in connection with, other instruments, contracts, or agreements listed in subsection (a) except to the extent the party has positive net equity in the commodity accounts at the debtor, as calculated under subchapter IV; and*

*''(B) another commodity broker may not net or offset an obligation to the debtor arising under, or in connection with, a commodity contract entered into or held on behalf of a customer of the debtor against any claim arising under, or in connection with, other instruments, contracts, or agreements listed in subsection (a).*

*''(c) DEFINITION.—As used in this section, the term 'contractual right' includes a right set forth in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency, a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not evidenced in writing, arising under common law, under law merchant, or by reason of normal business practice.''.*

*(2) CONFORMING AMENDMENT.—The table of sections of chapter 9 of title 11, United States Code, is amended by inserting after the item relating to section 560 the following:*

*''561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts.*

*(l) ANCILLARY PROCEEDINGS.—Section 304 of title 11, United States Code, as amended by section 215, is amended by adding at the end the following:*

*''(c) Any provisions of this title relating to securities contracts, commodity contracts, forward contracts, repurchase agreements, swap agreements, or master netting agreements shall apply in a case ancillary to a foreign proceeding under this section or any other section of this title, so that enforcement of contractual provisions of such contracts and agreements in accordance with their terms will not be stayed or otherwise limited by operation of any provision of this title or by order of a court in any case under this title, and to limit avoidance powers to the same extent as in a proceeding under chapter 7 or 11 of this title (such enforcement not to be limited based on the presence or absence of assets of the debtor in the United States).''.*

*(m) COMMODITY BROKER LIQUIDATIONS.—Title 11, United States Code, is amended by inserting after section 766 the following:*

***''§ 767. Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants***

*''Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights.''.*

*(n) STOCKBROKER LIQUIDATIONS.—Title 11, United States Code, is amended by inserting after section 752 the following:*

***''§ 753. Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants***

*''Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, financial participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights.''.*

*(o) SETOFF.—Section 553 of title 11, United States Code, is amended—*

*(1) in subsection (a)(3)(C), by inserting ''(except for a setoff of a kind described in section*

*362(b)(6), 362(b)(7), 362(b)(17), 362(b)(19), 555, 556, 559, 560 or 561 of this title)'' before the period; and*

*(2) in subsection (b)(1), by striking ''362(b)(14),'' and inserting ''362(b)(17), 362(b)(19), 555, 556, 559, 560, 561''.*

*(p) SECURITIES CONTRACTS, COMMODITY CONTRACTS, AND FORWARD CONTRACTS.—Title 11, United States Code, is amended—*

*(1) in section 362(b)(6), by striking ''financial institutions,'' each place such term appears and inserting ''financial institution, financial participant'';*

*(2) in section 546(e), by inserting ''financial participant,'' after ''financial institution,'';*

*(3) in section 548(d)(2)(B), by inserting ''financial participant,'' after ''financial institution,'';*

*(4) in section 555—*

*(A) by inserting ''financial participant,'' after ''financial institution,''; and*

*(B) by inserting before the period at the end '', a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not in writing, arising under common law, under law merchant, or by reason of normal business practice''; and*

*(5) in section 556, by inserting '', financial participant'' after ''commodity broker''.*

*(q) CONFORMING AMENDMENTS.—Title 11 of the United States Code is amended—*

*(1) in the table of sections of chapter 5—*

*(A) by amending the items relating to sections 555 and 556 to read as follows:*

*''555. Contractual right to liquidate, terminate, or accelerate a securities contract.*

*''556. Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract.''; and*

*(B) by amending the items relating to sections 559 and 560 to read as follows:*

*''559. Contractual right to liquidate, terminate, or accelerate a repurchase agreement.*

*''560. Contractual right to liquidate, terminate, or accelerate a swap agreement.''; and*

*(2) in the table of sections of chapter 7—*

*(A) by inserting after the item relating to section 766 the following:*

*''767. Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants.''; and*

*(B) by inserting after the item relating to section 752 the following:*

*''753. Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants.''.*

***SEC. 1008. RECORDKEEPING REQUIREMENTS.***

*Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended by adding at the end the following new subparagraph:*

*''(H) RECORDKEEPING REQUIREMENTS.—The Corporation, in consultation with the appropriate Federal banking agencies, may prescribe regulations requiring more detailed recordkeeping with respect to qualified financial contracts (including market valuations) by insured depository institutions.''.*

***SEC. 1009. EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION —REQUIREMENT.***

*Section 13(e)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1823(e)(2)) is amended to read as follows:*

*''(2) EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION REQUIREMENT.—An agreement to provide for the lawful collateralization of—*

*''(A) deposits of, or other credit extension by, a Federal, State, or local governmental entity, or of any depositor referred to in section 11(a)(2), including an agreement to provide collateral in lieu of a surety bond;*

*''(B) bankruptcy estate funds pursuant to section 345(b)(2) of title 11, United States Code;*

*''(C) extensions of credit, including any overdraft, from a Federal reserve bank or Federal home loan bank; or*

*''(D) 1 or more qualified financial contracts, as defined in section 11(e)(8)(D),*

*shall not be deemed invalid pursuant to paragraph (1)(B) solely because such agreement was not executed contemporaneously with the acquisition of the collateral or because of pledges, delivery, or substitution of the collateral made in accordance with such agreement.''.*

***SEC. 1010. DAMAGE MEASURE.***

*(a) Title 11, United States Code, as amended by section 1007, is amended—*

*(1) by inserting after section 561 the following:*

***''§ 562. Damage measure in connection with swap agreements, securities contracts, forward contracts, commodity contracts, repurchase agreements, or master netting agreements***

*''If the trustee rejects a swap agreement, securities contract as defined in section 741 of this title, forward contract, commodity contract (as defined in section 761 of this title) repurchase agreement, or master netting agreement pursuant to section 365(a) of this title, or if a forward contract merchant, stockbroker, financial institution, securities clearing agency, repo participant, financial participant, master netting agreement participant, or swap participant liquidates, terminates, or accelerates such contract or agreement, damages shall be measured as of the earlier of—*

*''(1) the date of such rejection; or*

*''(2) the date of such liquidation, termination, or acceleration.''; and*

*(2) in the table of sections of chapter 5 by inserting after the item relating to section 561 the following:*

*''562. Damage measure in connection with swap agreements, securities contracts, forward contracts, commodity contracts, repurchase agreements, or master netting agreements.''.*

*(b) CLAIMS ARISING FROM REJECTION.—Section 502(g) of title 11, United States Code, is amended—*

*(1) by designating the existing text as paragraph (1); and*

*(2) by adding at the end the following:*

*''(2) A claim for damages calculated in accordance with section 561 of this title shall be allowed under subsection (a), (b), or (c), or disallowed under subsection (d) or (e), as if such claim had arisen before the date of the filing of the petition.''.*

***SEC. 1011. SIPC STAY.***

*Section 5(b)(2) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78eee(b)(2)) is amended by adding after subparagraph (B) the following new subparagraph:*

*''(C) EXCEPTION FROM STAY.—*

*''(i) Notwithstanding section 362 of title 11, United States Code, neither the filing of an application under subsection (a)(3) nor any order or decree obtained by Securities Investor Protection Corporation from the court shall operate as a stay of any contractual rights of a creditor to liquidate, terminate, or accelerate a securities contract, commodity contract, forward contract, repurchase agreement, swap agreement, or master netting agreement, each as defined in title 11, to offset or net termination values, payment amounts, or other transfer obligations arising under or in connection with 1 or more of such contracts or agreements, or to foreclose on any cash collateral pledged by the debtor whether or not with respect to 1 or more of such contracts or agreements.*

*''(ii) Notwithstanding clause (i), such application, order, or decree may operate as a stay of the foreclosure on securities collateral pledged by the debtor, whether or not with respect to 1 or more of such contracts or agreements, securities sold by the debtor under a repurchase agreement or securities lent under a securities lending agreement.*

*''(iii) As used in this section, the term 'contractual right' includes a right set forth in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency, a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not in writing, arising under common law, under law merchant, or by reason of normal business practice.''.*

***SEC. 1012. ASSET-BACKED SECURITIZATIONS.***

*Section 541 of title 11, United States Code, as amended by section 150, is amended—*

*(1) by redesignating paragraph (5) of subsection (b) as paragraph (6);*

*(2) by inserting after paragraph (4) of subsection (b) the following new paragraph:*

*''(5) any eligible asset (or proceeds thereof), to the extent that such eligible asset was transferred by the debtor, before the date of commencement of the case, to an eligible entity in connection with an asset-backed securitization, except to the extent such asset (or proceeds or value thereof) may be recovered by the trustee under section 550 by virtue of avoidance under section 548(a);''; and*

*(3) by adding at the end the following new subsection:*

*''(e) For purposes of this section, the following definitions shall apply:*

*''(1) the term 'asset-backed securitization' means a transaction in which eligible assets transferred to an eligible entity are used as the source of payment on securities, the most senior of which are rated investment grade by 1 or more nationally recognized securities rating organizations, issued by an issuer;*

*''(2) the term 'eligible asset' means—*

*''(A) financial assets (including interests therein and proceeds thereof), either fixed or revolving, including residential and commercial mortgage loans, consumer receivables, trade receivables, and lease receivables, that, by their terms, convert into cash within a finite time period, plus any residual interest in property subject to receivables included in such financial assets plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders;*

*''(B) cash; and*

*''(C) securities.*

*''(3) the term 'eligible entity' means—*

*''(A) an issuer; or*

*''(B) a trust, corporation, partnership, or other entity engaged exclusively in the business of acquiring and transferring eligible assets directly or indirectly to an issuer and taking actions ancillary thereto;*

*''(4) the term 'issuer' means a trust, corporation, partnership, or other entity engaged exclusively in the business of acquiring and holding eligible assets, issuing securities backed by eligible assets, and taking actions ancillary thereto; and*

*''(5) the term 'transferred' means the debtor, pursuant to a written agreement, represented and warranted that eligible assets were sold, contributed, or otherwise conveyed with the intention of removing them from the estate of the debtor pursuant to subsection (b)(5), irrespective, without limitation of—*

''(A) whether the debtor directly or indirectly obtained or held an interest in the issuer or in any securities issued by the issuer;

''(B) whether the debtor had an obligation to repurchase or to service or supervise the servicing of all or any portion of such eligible assets; or

''(C) the characterization of such sale, contribution, or other conveyance for tax, accounting, regulatory reporting, or other purposes.''.

**SEC. 1013. FEDERAL RESERVE COLLATERAL REQUIREMENTS.**

The 3d sentence of the 3d undesignated paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 412) is amended by striking ''acceptances acquired under the provisions of section 13 of this Act'' and inserting ''acceptances acquired under section 10A, 10B, 13, or 13A of this Act''.

**SEC. 1014. EFFECTIVE DATE; APPLICATION OF —— AMENDMENTS.**

(a) EFFECTIVE DATE.—This title shall take effect on the date of the enactment of this Act.

(b) APPLICATION OF AMENDMENTS.—The amendments made by this title shall apply with respect to cases commenced or appointments made under any Federal or State law after the date of enactment of this Act, but shall not apply with respect to cases commenced or appointments made under any Federal or State law before the date of enactment of this Act.

## TITLE XI—TECHNICAL CORRECTIONS

**SEC. 1101. DEFINITIONS.**

Section 101 of title 11, United States Code, as amended by sections 102, 105, 132, 138, 301, 302, 402, 902, and 1007, is amended—

(1) by striking ''In this title—'' and inserting ''In this title:'';

(2) in each paragraph, by inserting ''The term'' after the paragraph designation;

(3) in paragraph (35)(B), by striking ''paragraphs (21B) and (33)(A)'' and inserting ''paragraphs (23) and (35)'';

(4) in each of paragraphs (35A) and (38), by striking ''; and'' at the end and inserting a period;

(5) in paragraph (51B)—

(A) by inserting ''who is not a family farmer'' after ''debtor'' the first place it appears; and

(B) by striking ''thereto having aggregate'' and all that follows through the end of the paragraph;

(6) by amending paragraph (54) to read as follows:

''(54) The term 'transfer' means—

''(A) the creation of a lien;

''(B) the retention of title as a security interest;

''(C) the foreclosure of a debtor's equity of redemption; or

''(D) each mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with—

''(i) property; or

''(ii) an interest in property;'';

(7) in each of paragraphs (1) through (35), in each of paragraphs (36) and (37), and in each of paragraphs (40) through (55) (including paragraph (54), as amended by paragraph (6) of this section), by striking the semicolon at the end and inserting a period; and

(8) by redesignating paragraphs (4) through (55), including paragraph (54), as amended by paragraph (6) of this section, in entirely numerical sequence.

**SEC. 1102. ADJUSTMENT OF DOLLAR AMOUNTS.**

Section 104 of title 11, United States Code, is amended by inserting ''522(f)(3), 707(b)(5),'' after ''522(d),'' each place it appears.

**SEC. 1103. EXTENSION OF TIME.**

Section 108(c)(2) of title 11, United States Code, is amended by striking ''922'' and all that follows through ''or'', and inserting ''922, 1201, or''.

**SEC. 1104. TECHNICAL AMENDMENTS.**

Title 11 of the United States Code is amended—

(1) in section 109(b)(2) by striking ''subsection (c) or (d) of''; and

(2) in section 552(b)(1) by striking ''product'' each place it appears and inserting ''products''.

**SEC. 1105. PENALTY FOR PERSONS WHO NEGLIGENTLY OR FRAUDULENTLY PREPARE BANKRUPTCY PETITIONS.**

Section 110(j)(3) of title 11, United States Code, is amended by striking ''attorney's'' and inserting ''attorneys' ''.

**SEC. 1106. LIMITATION ON COMPENSATION OF PROFESSIONAL PERSONS.**

Section 328(a) of title 11, United States Code, is amended by inserting ''on a fixed or percentage fee basis,'' after ''hourly basis,''.

**SEC. 1107. SPECIAL TAX PROVISIONS.**

Section 346(g)(1)(C) of title 11, United States Code, is amended by striking '', except'' and all that follows through ''1986''.

**SEC. 1108. EFFECT OF CONVERSION.**

Section 348(f)(2) of title 11, United States Code, is amended by inserting ''of the estate'' after ''property'' the first place it appears.

**SEC. 1109. ALLOWANCE OF ADMINISTRATIVE EXPENSES.**

Section 503(b)(4) of title 11, United States Code, is amended by inserting ''subparagraph (A), (B), (C), (D), or (E) of'' before ''paragraph (3)''.

**SEC. 1110. PRIORITIES.**

Section 507(a) of title 11, United States Code, as amended by section 323, is amended in paragraph (4), as so redesignated by section 142, by striking the semicolon at the end and inserting a period.

**SEC. 1111. EXEMPTIONS.**

Section 522(g)(2) of title 11, United States Code, is amended by striking ''subsection (f)(2)'' and inserting ''subsection (f)(1)(B)''.

**SEC. 1112. EXCEPTIONS TO DISCHARGE.**

Section 523 of title 11, United States Code, as amended by section 146, is amended—

(1) in subsection (a)(3), by striking ''or (6)'' each place it appears and inserting ''(6), or (15)'';

(2) as amended by section 304(e) of Public Law 103–394 (108 Stat. 4133), in paragraph (15), by transferring such paragraph so as to insert it after paragraph (14A) of subsection (a);

(3) in subsection (a)(9), by inserting '', watercraft, or aircraft'' after ''motor vehicle'';

(4) in subsection (a)(15), as so redesignated by paragraph (2) of this subsection, by inserting ''to a spouse, former spouse, or child of the debtor and'' after ''(15)''; and

(5) in subsection (e), by striking ''a insured'' and inserting ''an insured''.

**SEC. 1113. EFFECT OF DISCHARGE.**

Section 524(a)(3) of title 11, United States Code, is amended by striking ''section 523'' and all that follows through ''or that'' and inserting ''section 523, 1228(a)(1), or 1328(a)(1) of this title, or that''.

**SEC. 1114. PROTECTION AGAINST DISCRIMINATORY TREATMENT.**

Section 525(c) of title 11, United States Code, is amended—

(1) in paragraph (1), by inserting ''student'' before ''grant'' the second place it appears; and

(2) in paragraph (2), by striking ''the program operated under part B, D, or E of'' and inserting ''any program operated under''.

**SEC. 1115. PROPERTY OF THE ESTATE.**

Section 541(b)(4)(B)(ii) of title 11, United States Code, is amended by inserting ''365 or'' before ''542''.

**SEC. 1116. PREFERENCES.**

(a) IN GENERAL.—Section 547 of title 11, United States Code, is amended—

(1) in subsection (b), by striking ''subsection (c)'' and inserting ''subsections (c) and (i)''; and

(2) by adding at the end the following:

''(i) If the trustee avoids under subsection (b) a transfer made between 90 days and 1 year before the date of the filing of the petition, by the debtor to an entity that is not an insider for the benefit of a creditor that is an insider, such transfer may be avoided under this section only with respect to the creditor that is an insider.''.

(b) APPLICABILITY.—The amendments made by this section shall apply to any case that is pending or commenced on or after the date of enactment of this Act.

**SEC. 1117. POSTPETITION TRANSACTIONS.**

Section 549(c) of title 11, United States Code, is amended—

(1) by inserting ''an interest in'' after ''transfer of'';

(2) by striking ''such property'' and inserting ''such real property''; and

(3) by striking ''the interest'' and inserting ''such interest''.

**SEC. 1118. DISPOSITION OF PROPERTY OF THE ESTATE.**

Section 726(b) of title 11, United States Code, is amended by striking ''1009,''.

**SEC. 1119. GENERAL PROVISIONS.**

Section 901(a) of title 11, United States Code, is amended by inserting ''1123(d),'' after ''1123(b),''.

**SEC. 1120. APPOINTMENT OF ELECTED TRUSTEE.**

Section 1104(b) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following:

''(2)(A) If an eligible, disinterested trustee is elected at a meeting of creditors under paragraph (1), the United States trustee shall file a report certifying that election. Upon the filing of a report under the preceding sentence—

''(i) the trustee elected under paragraph (1) shall be considered to have been selected and appointed for purposes of this section; and

''(ii) the service of any trustee appointed under subsection (d) shall terminate.

''(B) In the case of any dispute arising out of an election under subparagraph (A), the court shall resolve the dispute.''.

**SEC. 1121. ABANDONMENT OF RAILROAD LINE.**

Section 1170(e)(1) of title 11, United States Code, is amended by striking ''section 11347'' and inserting ''section 11326(a)''.

**SEC. 1122. CONTENTS OF PLAN.**

Section 1172(c)(1) of title 11, United States Code, is amended by striking ''section 11347'' and inserting ''section 11326(a)''.

**SEC. 1123. DISCHARGE UNDER CHAPTER 12.**

Subsections (a) and (c) of section 1228 of title 11, United States Code, are amended by striking ''1222(b)(10)'' each place it appears and inserting ''1222(b)(9)''.

**SEC. 1124. BANKRUPTCY CASES AND PROCEEDINGS.**

Section 1334(d) of title 28, United States Code, is amended—

(1) by striking ''made under this subsection'' and inserting ''made under subsection (c)''; and

(2) by striking ''This subsection'' and inserting ''Subsection (c) and this subsection''.

**SEC. 1125. KNOWING DISREGARD OF BANKRUPTCY LAW OR RULE.**

Section 156(a) of title 18, United States Code, is amended—

(1) in the first undesignated paragraph—

(A) by inserting ''(1) the term'' before '' 'bankruptcy''; and

(B) by striking the period at the end and inserting ''; and''; and

(2) in the second undesignated paragraph—

(A) by inserting ''(2) the term'' before '' 'document''; and

(B) by striking ''this title'' and inserting ''title 11''.

***SEC. 1126. TRANSFERS MADE BY NONPROFIT CHARITABLE CORPORATIONS.***

*(a) SALE OF PROPERTY OF ESTATE.—Section 363(d) of title 11, United States Code, is amended—*

*(1) by striking ''only'' and all that follows through the end of the subsection and inserting ''only—*

*''(1) in accordance with applicable nonbankruptcy law that governs the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust; and*

*''(2) to the extent not inconsistent with any relief granted under subsection (c), (d), (e), or (f) of section 362 of this title.''.*

*(b) CONFIRMATION OF PLAN FOR REORGANIZATION.—Section 1129(a) of title 11, United States Code, as amended by section 140, is amended by adding at the end the following:*

*''(15) All transfers of property of the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust.''.*

*(c) TRANSFER OF PROPERTY.—Section 541 of title 11, United States Code, as amended by section 1102, is amended by adding at the end the following:*

*''(f) Notwithstanding any other provision of this title, property that is held by a debtor that is a corporation described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code may be transferred to an entity that is not such a corporation, but only under the same conditions as would apply if the debtor had not filed a case under this title.''.*

*(d) APPLICABILITY.—The amendments made by this section shall apply to a case pending under title 11, United States Code, on the date of enactment of this Act, except that the court shall not confirm a plan under chapter 11 of this title without considering whether this section would substantially affect the rights of a party in interest who first acquired rights with respect to the debtor after the date of the petition. The parties who may appear and be heard in a proceeding under this section include the attorney general of the State in which the debtor is incorporated, was formed, or does business.*

*(e) RULE OF CONSTRUCTION.—Nothing in this section shall be deemed to require the court in which a case under chapter 11 is pending to remand or refer any proceeding, issue, or controversy to any other court or to require the approval of any other court for the transfer of property.*

***SEC. 1127. PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.***

*Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:*

*''(i) PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.—A creditor of an account under an open end consumer credit plan may not terminate an account prior to its expiration date solely because the consumer has not incurred finance charges on the account. Nothing in this subsection shall prohibit a creditor from terminating an account for inactivity in 3 or more consecutive months.''.*

***SEC. 1128. PROTECTION OF VALID PURCHASE MONEY SECURITY INTERESTS.***

*Section 547(c)(3)(B) of title 11, United States Code, is amended by striking ''20'' and inserting ''30''.*

***SEC. 1129. TRUSTEES.***

*(a) SUSPENSION AND TERMINATION OF PANEL TRUSTEES AND STANDING TRUSTEES.—Section 586(d) of title 28, United States Code, is amended—*

*(1) by inserting ''(1)'' after ''(d)''; and*

*(2) by adding at the end the following:*

*''(2) A trustee whose appointment under subsection (a)(1) or under subsection (b) is terminated or who ceases to be assigned to cases filed under title 11 of the United States Code may obtain judicial review of the final agency decision by commencing an action in the United States district court for the district for which the panel to which the trustee is appointed under subsection (a)(1), or in the United States district court for the district in which the trustee is appointed under subsection (b) resides, after first exhausting all available administrative remedies, which if the trustee so elects, shall also include an administrative hearing on the record. Unless the trustee elects to have an administrative hearing on the record, the trustee shall be deemed to have exhausted all administrative remedies for purposes of this paragraph if the agency fails to make a final agency decision within 90 days after the trustee requests administrative remedies. The Attorney General shall prescribe procedures to implement this paragraph. The decision of the agency shall be affirmed by the district court unless it is unreasonable and without cause based on the administrative record before the agency.''.*

*(b) EXPENSES OF STANDING TRUSTEES.—Section 586(e) of title 28, United States Code, is amended by adding at the end the following:*

*''(3) After first exhausting all available administrative remedies, an individual appointed under subsection (b) may obtain judicial review of final agency action to deny a claim of actual, necessary expenses under this subsection by commencing an action in the United States district court in the district where the individual resides. The decision of the agency shall be affirmed by the district court unless it is unreasonable and without cause based upon the administrative record before the agency.*

*''(4) The Attorney General shall prescribe procedures to implement this subsection.''.*

***TITLE XII—GENERAL EFFECTIVE DATE; APPLICATION OF AMENDMENTS***

***SEC. 1201. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.***

*(a) EFFECTIVE DATE.—Except as provided otherwise in this Act, this Act and the amendments made by this Act shall take effect 180 days after the date of the enactment of this Act.*

*(b) APPLICATION OF AMENDMENTS.—Except as otherwise provided in this Act, the amendments made by this Act shall not apply with respect to cases commenced under title 11 of the United States Code before the effective date of this Act.*

The CHAIRMAN pro tempore. No amendment shall be in order except those printed in House Report 106–126. Each amendment may be. Each amendment may be offered only in the order specified, may be offered only by a Member designated in the report, shall be considered as read, debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for a division of the question.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

It is now in order to consider Amendment No. 1 printed in House Report 106–126.

AMENDMENT NO. 1 OFFERED BY MR. GEKAS

Mr. GEKAS. Mr. Chairman, I offer amendment No. 1.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 offered by Mr. GEKAS:

In the table of contents of the bill—

(1) in the item relating to section 107, strike ''congress'' and insert ''Congress'', and

(2) in the item relating to section 134, strike ''Giving debtors the ability to keep'' and insert ''Allowing a debtor to retain''.

Page 9, line 1, strike ''applicable'' and insert ''actual''.

Page 9, beginning on line 1, strike ''specifically listed'' and insert ''specified''.

Page 10, line 3, strike ''proceeding brought'' and insert ''motion filed''.

Beginning on page 10, strike line 22 and all that follows through line 5 on page 11.

Page 11, line 6, strike ''(D)'' and insert ''(C)''.

Page 12, beginning on line 11, strike ''in prosecuting the motion''.

Page 16, line 13, insert ''or not'' after ''whether''.

Page 17, after line 16, insert the following (and make such technical and conforming changes as may be appropriate):

(d) DEBTOR'S DUTIES.—Section 521(a)(1)(B) of title 11, United States Code, as amended by section 603, is amended—

(1) in clause (v) by striking ''and'' at the end;

(2) in clause (vi) by adding ''and'' at the end;

(3) by inserting the following after clause (vi):

''(vii) a statement of the debtor's current monthly income, and the calculations which determine whether a presumption arises under section 707(b)(2)(A)(i), showing how each amount is calculated.''.

(e) BANKRUPTCY FORMS.—Section 2075 of title 28, United States Code, is amended by adding the following at the end of the 1st paragraph:

''The bankruptcy rules promulgated under this section shall prescribe a form for the statement referred to in section 521(a)(1)(B)(vii) of title 11, United States Code, and may provide general rules on the content of such statement.''.

(f) CHAPTER 13.—Section 1325(a) of title 11, United States Code, is amended—

(1) in paragraph (5) by striking ''and'' at the end;

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

(3) by inserting the following after paragraph (6):

''(7) the action of the debtor in filing the petition under this chapter was in good faith.''.

Page 19, line 15, strike ''this title'' and insert ''title 11, United States Code''.

Page 22, lines 17 and 20, insert ''case or'' after ''a''.

Page 23, lines 9 and 12, strike ''proceeding'' and insert ''case''.

Page 77, strike line 1, and insert the following:

**SEC. 134. ALLOWING THE DEBTOR TO RETAIN LEASED**

Beginning on page 114, strike line 1 and all that follows through line 5 on page 115 (and make such technical and conforming changes as may be appropriate).

Page 91, line 15, insert ''(a) AMENDMENT.—'' before ''Section''.

Page 92, beginning on line 13, strike ''expressly'' and all that follows through ''this paragraph'', and insert ''provides by statute''.

Page 92, after line 15, insert the following:

(b) APPLICATION OF AMENDMENT TO INDIVIDUAL STATES.—(1) Section 522(p) of title 11, United States Code, as added by subsection (a), shall not apply with respect to a State before the end of the first regular session of the State legislature following the date of the enactment of this Act.

(2) For purposes of paragraph (1), the term ''State'' has the meaning given such term in section 101 of title 11, United States Code.

Page 115, beginning on line 20, strike ''(excluding'' and all that follows through ''secret)''.

Page 116, line 7, insert ''(excluding executory contracts that transfer a right or interest under a filed or issued patent, copyright, trademark, trade dress, or trade secret)'' after ''contract''.

Page 117, line 15, strike ''365(b)(1)(A)'' and insert ''365(b)(2)''.

Page 174, line 2, insert ''(a) APPEALS.—'' before ''Title''.

Page 175, line 9, strike ''(b)'' and insert ''(5)''.

Page 175, indent lines 9 through 11 2 ems to the right.

Page 175, line 12, strike ''(c)(1)'' and insert ''(b)(1)''.

Page 175, line 17, strike ''(1)-(4)'' and insert ''(1) through (5)''.

Page 175, line 24, strike ''subsection (b)'' and insert ''paragraph (1)''

Page 176, after line 6, insert the following:

(b) PROCEDURAL RULES.—Until rules of practice and procedure are promulgated or amended pursuant to the Rules Enabling Act (28 U.S.C. sections 2071–77) to govern appeals to a bankruptcy appellate panel or to a court of appeals exercising jurisdiction pursuant to section 1293 of title 28, as added by this Act, the following shall apply:

(1) A notice of appeal with respect to an appeal from an order or judgment of a bankruptcy court to a court of appeals or a bankruptcy appellate panel must be filed within the time provided in Rule 8002 of the Federal Rules of Bankruptcy Procedure.

(2) An appeal to a bankruptcy appellate panel shall be taken in the manner provided in Part VIII of the Federal Rules of Bankruptcy Procedure and local court rules.

(3) An appeal from an order or judgment of a bankruptcy court directly to a court of appeals shall be governed by the rules of practice and procedure that apply to a civil appeal from a judgment of a district court exercising original jurisdiction, as if the bankruptcy court were a district court, except as provided in paragraph (1) regarding the time to appeal or by local court rules.

(4) An appeal to a court of appeals from a decision, judgment, order, or decree entered by a bankruptcy appellate panel exercising appellate jurisdiction shall be taken in the manner provided by Rule 6(b) of the Federal Rules of Appellate Procedure.

(c) REPEALER.—(1) Section 158 of title 28, United States Code, is repealed.

(2) The table of sections of chapter 6 of title 28, United States Code, is amended by striking the item relating to section 158.

Page 208, line 9, insert '', other than a foreign insurance company,'' after ''entity''.

Page 208, after line 20, insert the following:

''(d) The court may not grant relief under this chapter with respect to any deposit, escrow, trust fund, or other security required or permitted under any applicable State insurance law or regulation for the benefit of claim holders in the United States.

Page 231, strike line 13, and insert the following:

**''SEC. 902. OTHER AMENDMENTS TO TITLES 11 AND 28 OF THE UNITED STATES CODE.**

Page 233, after line 11, insert the following (and make such technical and conforming changes as may be appropriate):

(d) OTHER SECTIONS OF TITLE 11.—(1) Section 109(b)(3) of title 11, United States Code, is amended to read as follows:

''(3)(A) a foreign insurance company, engaged in such business in the United States; or

''(B) a foreign bank, savings bank, cooperative bank, savings and loan association, building and loan association, or credit union, which has a branch or agency (as defined in section 3101 of title 12, United States Code) in the United States.''.

(2) Section 303(k) of title 11, United States Code, is repealed.

(3)(A) Section 304 of title 11, United States Code, is repealed.

(B) The table of sections of chapter 3 of title 11, United States Code, is amended by striking the item relating to section 304.

(C) Section 306 of title 11, United States Code, is amended by striking '', 304,'' each place it appears.

Page 279, beginning on line 1, strike ''that is described in section 561(a)(2)'' and insert ''described in paragraph (1), (2), (3), (4), or (5) of section 561(a)''.

The CHAIRMAN pro tempore. Pursuant to House Resolution 158, the gentleman from Pennsylvania (Mr. GEKAS) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Pennsylvania (Mr. GEKAS).

Mr. GEKAS. Mr. Chairman, I yield myself such time as I may consume.

□ 1345

In this amendment, which is the manager's amendment, of course, the bulk of it is with technical corrections that have to be made, that almost always appear in a bill that is so mammoth as is ours. But besides that, there are some other revisions in it of which the minority is well aware.

For instance, in the homestead exemption portion, we allow the States who want to opt out to do so, even in advance of the adoption of the bill, because of the legislative schedules in some of those States.

So the technical corrections bill corrects some of the technical misgivings that we have had about the original text.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the amendment. This is a technical amendment, the manager's amendment. It contains 11 changes. We have examined them carefully and have absolutely no objection to them.

Mr. BENTSEN. Mr. Chairman, I rise today in strong support of the manager's amendment to H.R. 833, bankruptcy reform legislation.

I believe that adoption of this amendment is necessary to preserve state homestead laws. I am pleased that the manager's amendment includes two critically important amendments that I offered yesterday in the House Rules Committee. The adoption of the manager's amendment would ensure that states can decide how much property should be exempted when a consumer files for bankruptcy. This will grant the states latitude to opt out of this intrusive law protecting their prerogative in determining what homestead exemptions are allowed. State's citizens will not be forced to live under this new federal mandate until such time as a state legislature reconvened.

The first Bentsen amendment would change the effective date of the new federal homestead cap of $250,000 until the last day of the next legislative session of any state. The second Bentsen amendment would preserve the right of states to opt out of the cap and allow states to prospectively opt out of the new homestead cap prior to this bill being enacted into law. This would allow the legislatures ample time to pass legislation opting out of this new federal standard.

The bill as reported by the House Judiciary Committee, includes many provisions related to the homestead exemption. First, it would place a monetary cap of $250,000 on the amount of homestead equity individuals can protect from bankruptcy foreclosure proceedings. If a consumer holds more than $250,000 in equity, the consumer would be required to foreclose on the property to repay their non-mortgage debts. Second, it includes a two-year residency requirement before one can qualify. Third, this legislation includes a provision that would prohibit them from transferring assets in their home during this two-year period. This provision could penalize any homeowner or farmer who tried to pay more than what's required on their mortgage payments. Finally, this legislation also would permit states to ''opt out'' of this new federal standard.

My amendment would address the ''opt out'' provision by ensuring that states are not required to choose between convening a special legislative session or forcing their citizens to live under this intrusive federal mandate.

There is no substantive reason to address state homestead laws in this or any other legislation. No evidence of abusive practices has been provided during the debate. When the 105th Congress considered this legislation we successfully prevailed against such a cap. And, while I support much of the underlying bill, I will be unable to support any conference report which includes any restriction on the states' ability to determine exempt property with respect to one's homestead including eliminating and limiting the states' ability to opt out of the new federal standard.

While this legislation is not perfect, I believe that the manager's amendment makes important improvements to this legislation. With these additions, I believe we should support the manager's amendment and would urge colleagues to also support this amendment.

The CHAIRMAN pro tempore (Mr. LAHOOD). The question is on the amendment offered by the gentleman from Pennsylvania (Mr. GEKAS).

The amendment was agreed to.

The CHAIRMAN pro tempore. It is now in order to consider amendment number 2 printed in House Report 106–126.

AMENDMENT NO. 2 OFFERED BY MR. MORAN OF VIRGINIA

Mr. MORAN of Virginia. Mr. Chairman, I offer an amendment made in order by the rule.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. MORAN of Virginia:

Page 34, strike lines 7 through 25 and insert the following:

''(C) the following examples:

''(i) if the average account balance under a creditor's open-end consumer credit plan, taken as an average of the account balances for all consumer accounts under that open-end consumer credit plan, is $1,000 or less, two examples, based on an annual percentage rate and method for determining minimum periodic payments recently in effect for that creditor, and based on outstanding balances of $250 and $500, showing the estimated minimum periodic payments, and the estimated period of time it would take to repay those outstanding balances of $250 and $500, if the consumer paid only the minimum periodic payment on each monthly or periodic statement and obtained no additional extensions of credit; or

''(ii) if the average account balance under a creditor's open-end consumer credit plan, taken as an average of the account balances for all consumer accounts under that open-end consumer credit plan, is more than $1,000, three examples, based on an annual percentage rate and method for determining minimum periodic payments recently in effect for that creditor, and outstanding balances of $1,000, $1,500 and $2,000, showing the estimated minimum periodic payments, and the estimated period of time it would take to repay those outstanding balances of $1,000, $1,500 and $2,000 if the consumer paid only the minimum periodic payment on each monthly or periodic statement and obtained no additional extensions of credit.

''(10) With respect to one billing cycle per calendar year, the creditor shall transmit to each consumer to whom the creditor is required to transmit a statement pursuant to subsection (b) for such billing cycle the following information:

''(A) the following statement: 'The minimum payment amount shown on your billing statement is the smallest payment which you can make in order to keep the account in good standing. This payment option is offered as a convenience and you may make larger payments at any time. Making only the minimum payment each month will increase the amount of interest you pay and the length of time it takes to repay your outstanding balance.';

''(B) if the plan provides that the consumer will be permitted to forgo making a minimum payment during a specified billing cycle, a statement, if applicable, that if the consumer chooses to forgo making the minimum payment, finance charges will continue to accrue;

''(C) an example, based on an annual percentage rate and method for determining minimum periodic payments recently in effect for that creditor, and a $500 outstanding balance, showing the estimated minimum periodic payment, and the estimated period of time it would take to repay the $500 outstanding balance if the consumer paid only the minimum periodic payment on each monthly or periodic statement and obtained no additional extensions of credit; and

''(D) a worksheet prescribed by the Board to assist the consumer in determining the consumer's household income and debt obligations.''.

Page 35, line 12, strike the close quotation marks and the period at the end.

Page 35, after line 12 insert the following:

''(12) the required minimum payment amount represented as a dollar figure.

''(13) the date by which or the period within which the required minimum payment must be made.''.

(c) DISCLOSURES RELATED TO INTRODUCTORY RATES.—Section 127(c)(1)(A)(i) of the Truth in Lending Act (15 U.S.C. 1637(c)(1)(A)(i)) is amended by inserting the following at the end of subclause (III):

''(IV) Where the initial rate is temporary and will expire within a period of less than 1 year, and is lower than the rate that will apply after the temporary rate expires—

''(A) the time period during which the initial rate will remain in effect; and

''(B) the annual percentage rate that will apply to the account after the temporary rate expires, or if that rate is a variable rate, the fact that the rate is variable, the rate at the time of mailing, and how the rate is determined.

''(V)(A) Subject to subclauses (C) and (D), where the initial rate may increase upon the occurrence of one or more specific events, the following information:

''(i) the initial rate and the increased rate that may apply;

''(ii) if the increased rate is a variable rate, the fact that the increased rate is variable, the rate at the time of mailing, and how the rate is determined; and

''(iii) the specific event or events that may result in imposing the increased rate.

''(B) At the creditor's option, the creditor may disclose the period for which the increased rate will remain in effect.

''(C) If the increased rate cannot be determined at the time disclosures are given, an explanation of the specific event or events that may result in an increased rate must be disclosed.

''(D) A creditor is not required to disclose an increased rate that is imposed when credit privileges are permanently terminated.''.

(d) INTERNET-BASED CREDIT CARD SOLICITATIONS.—(1)—Section 127(c) of the Truth in Lending Act (15 U.S.C. 1637(c)) is amended by inserting after paragraph (5) the following:

''(6)(A) Any application to open a credit card account for any person under an open-end consumer credit plan, and any solicitation to open such an account without requiring an application, that is made available through the Internet or an interactive computer service, shall disclose the following:

''(i) the information.—

''(I) described in paragraph (1)(A) in the form required under section 122(c) of this chapter, subject to subsection (e), and

''(II) described in paragraph (1)(B) in a clear and conspicuous form, subject to subsections (e) and (f);

''(ii) a statement, in a conspicuous and prominent location on or with the application or solicitation, that—

''(I) the information is accurate as of the date the application or solicitation was posted;

''(II) the information contained in the application or solicitation is subject to change after such date;

''(III) the applicant should contact the creditor for information on any change in the information presented on or with the application or solicitation since it was posted;

''(iii) a clear and conspicuous disclosure of the date the application or solicitation was posted and how frequently the information described in subclause (i) is updated; and

''(iv) a disclosure, in a conspicuous and prominent location on or with the application or solicitation, of a toll-free telephone number or e-mail address at which the applicant may contact the creditor to obtain any change in the information provided on or with the application or solicitation since it was posted.

''(B) The disclosures required under subparagraph (A) may be contained either:

''(i) on the webpage which contains the application or solicitation; or

''(ii) on a separate webpage which can be directly accessed using a hypertext link which is contained on the webpage which contains the application or solicitation.

''(C) Upon receipt of a request for any of the information referred to in subparagraph (A), the creditor or its agent shall promptly disclose any change in the information required to be disclosed under subparagraph (A).

''(D) For purposes of this paragraph (6)—

''(i) the term 'Internet' means the international computer network of both Federal and non-Federal interoperable packets switched data networks; and

''(ii) the term 'interactive computer service' means any information service system, or access software provider that provides or enables computer access by multiple users to a computer server, including specifically a service or system that provides access to the Internet and such systems operated or services offered by libraries or educational institutions.''.

(2) Section 122(c)(1) of the Truth in Lending Act (15 U.S.C. 1632(c)(1)) is amended by striking ''and (4)(C)(i)(I)'' and inserting '', (4)(C)(i)(I) and (6)(A)(i)(I)''.

The CHAIRMAN pro tempore. Pursuant to House Resolution 158, the gentleman from Virginia (Mr. MORAN) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this bill, as reported by the Committee on the Judiciary, already does require credit card issuers to tell consumers on every monthly billing statement that making only the minimum payment each month will increase the amount of interest paid and the length of time it takes to repay the balance on the account.

Our amendment, which is cosponsored by the gentleman from California (Mr. DOOLEY) and the gentleman from New York (Mr. ACKERMAN), adds four components to the existing consumer protection provisions of H.R. 833. These components have been crafted to respond to specific concerns that have been expressed about whether consumers have adequate information about certain features of their credit card accounts.

First of all, in terms of minimum payments, it enhances the minimum

payment disclosure requirements already contained in this bill. Under our amendment credit card issuers would be required to disclose, when the consumer first opens an account, several examples of how long it would take to repay a balance if the consumer makes only minimum payments. The number and type of examples would be tailored to the size of the card issuer's typical account balance.

Secondly, disclosure of late payment penalties and deadlines: Our amendment responds to concerns that have been raised about whether consumers have the information they need in order to avoid the imposition of late fees and penalties. Credit card issuers would have to disclose on each monthly statement the amount of the minimum payment expressed as a dollar amount and the date by which it must be paid. Believe it or not, these requirements are not currently in the Federal code.

The amendment would require applications or solicitations for a credit card to include a clear and conspicuous disclosure of any so-called penalty rate that may apply if the consumer does not pay as agreed. Such penalty rates are higher than the regular interest rate, and this amendment would ensure that consumers were adequately informed in advance about the circumstances under which they would apply.

Thirdly, worldwide web-based credit card solicitations: We modify the Truth in Lending Act to establish for the first time disclosure requirements that specifically apply to credit card applications or solicitations that are posted on the worldwide web. The amendment would require these solicitations to post the same disclosures, usually presented in a table, that currently apply to every other credit card offer made through the traditional mail system.

The amendment would require that the web site include the date the disclosures were posted and a statement that they were accurate as of that date. It would also require a statement that the information disclosed on the web site may change, and a toll free telephone number or e-mail address would have to be provided so the consumer could obtain the most current information.

Lastly, related to teaser rates, our amendment would ensure that consumers receive the information they need in order to make informed decisions regarding credit card introductory rates, sometimes called teaser rates. Specifically, the amendment would amend the Truth in Lending Act to require that an application or solicitation for a credit card that has an introductory rate must include a clear and conspicuous disclosure of when the introductory rate will expire, as well as the rate that will apply after the introductory rate will expire, after the introductory period.

This is the kind of information that consumers desperately need. The fact that those disclosures are not required by statute points up a glaring error, and we think that this significantly improves the bill. It gives balance to this bill by adding these consumer protections, but does not inappropriately load up the lending industry with onerous and expensive new requirements that have nothing to do with the underlying purpose of the bill, which is to provide long overdue reform to the bankruptcy bill.

So I think these are appropriate, if I do say so myself, Mr. Chairman, and we would hope that this body would approve them unanimously.

Mr. GEKAS. Mr. Chairman, will the gentleman yield?

Mr. MORAN of Virginia. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Chairman, I want to commend the gentleman for offering the amendment, and to indicate to all parties that we on this side agree to the amendment.

Mr. MORAN of Virginia. Mr. Chairman, I yield back the balance of my time, and thank the gentleman for his comments.

The CHAIRMAN pro tempore. Is there any Member in opposition to the amendment?

Mr. CONYERS. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN pro tempore. The gentleman from Michigan (Mr. CONYERS) is recognized for 10 minutes.

Mr. CONYERS. Mr. Chairman, I yield 2½ minutes to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Chairman, I am not rising in opposition to the amendment, I am rising to express my disappointment that the Committee on Rules failed to make an even better amendment in order.

This amendment certainly improves the bill from its current position, and I intend to vote for it, but it still is nowhere as good as the amendment should have been. Because instead of providing borrowers the kind of information they need to really evaluate how much money they will make in payments on their credit cards, we continue to provide hypothetical information to them under this amendment.

It would not have been any more costly or any more burdensome to lenders to provide actual information about the amount of time it takes to pay off a loan if one pays the minimum amount. And, unfortunately, we had an amendment that would have done that, but the Committee on Rules did not see fit to make it in order.

So I will support this amendment because it is better than what is in the bill, but it is still not anywhere close to being as good as it could be and should be for the consumers of America.

Mr. CONYERS. Mr. Chairman, I yield 30 seconds to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Chairman, I thank the gentleman for yielding me this time, and I just wanted to spend a second to speak on the amendment that was just adopted, the manager's amendment, to say that I strongly support it; that it includes two important provisions which would correct the opt-out language related to the equity cap for State homestead laws.

Without these opt-outs, I think citizens in my State of Texas and several other States would be unfairly affected by the homestead provisions in this bill, which I believe are unfair and unnecessary.

Mr. CONYERS. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. ACKERMAN).

Mr. ACKERMAN. Mr. Chairman, I rise in support of this amendment, of which I am a cosponsor, and ask for its approval.

Mr. CONYERS. Mr. Chairman, I yield the balance of my time to the gentleman from New York (Mr. NADLER), the ranking member of the subcommittee.

Mr. NADLER. Mr. Chairman, this amendment is harmless enough, and may do a little bit of good. I really do not think it is very important one way or the other.

It is somewhat deceptive, however. It is somewhat deceptive. I am not going to urge a vote against it, but I do think we should have a word of caution here. It will lead to some misleading information because it demands that the credit card information tell us, the credit card information, not about our credit card, not about what we are doing, but about what some typical borrower might do if he were borrowing $500 or $300 or $1,000.

Unfortunately, this amendment was made in order by the Committee on Rules in order to avoid making in order the amendment of the gentleman from Massachusetts (Mr. DELAHUNT) which had real consumer protections in it. The amendment of the gentleman from Massachusetts, which was voted down on a party line vote in the committee, requires actual disclosure of minimum payments and interest based on the actual debt on our own credit card, rather than have the information just give samples which may bear no relationship to our own situation.

The amendment of the gentleman from Massachusetts (Mr. DELAHUNT) has disclosure on teaser rates and penalties. They have to tell us that, the disclosure on penalties for having no interest, for paying in full, disclosures regarding prohibiting soliciting kids, and makes other real consumer protections and disclosures.

Unfortunately, the Committee on Rules chose to make this basically irrelevant amendment and somewhat

misleading amendment in order, and did not put in order the real amendment by the gentleman from Massachusetts (Mr. DELAHUNT), which parallels the provisions the Senate put in, sponsored by Senator DURBIN in last year's bill, but which the conference committee took out.

Now, I understand the authors of this bill do not want real consumer protections in this bill. It is supposed to be a one-sided bill. But it is too bad we have these illusory protections and somewhat misleading instead of real protections. Just another ground for voting against the bill.

Mr. MORAN of Virginia. Mr. Chairman, I ask unanimous consent to reclaim the time I yielded back. I did not expect there would be these comments that I understand, while they are supportive, are not necessarily wholehearted endorsements.

I do have speakers that would use what time is remaining, if the Speaker would tell me how much time is remaining, and I would ask unanimous consent if I could reclaim it and use it for speakers on behalf of the amendment.

The CHAIRMAN pro tempore. The gentleman from Virginia (Mr. MORAN) has 6 minutes remaining.

Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MORAN of Virginia. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Chairman, I am proud to be a cosponsor of the amendment offered by the gentleman from Virginia (Mr. MORAN).

I would say that we are dedicated to providing for true consumer protection. This amendment does, I think, take a balanced and responsible approach to ensuring that consumers and those who are incurring debt will have the information they need in order to make informed decisions about their purchases and about the debt that they incur.

The amendment goes a long ways to ensuring that consumers who are faced with credit card applications coming to them in their homes are fully aware of the real rates that they will be facing and ensuring that the teaser rates will be clearly distinguished.

It also ensures that our consumers that unfortunately use credit cards in a manner which is not consistent with their ability to repay will have the information that will be disclosed to them, if they did make that payment of the monthly minimum payment, how long, in fact, it would take them to repay the obligation that they have incurred.

I would say this: That all consumers are going to have to accept the personal responsibility to show their due diligence; to understand when they get a credit card application that nothing comes for nothing; that they have to read the print, they have to understand the obligations that they are incurring when they do make a purchase and they do use this tool, which ensures that many Americans have more affordable and accessible credit.

I think this is a great amendment and I think it will go a long ways towards ensuring consumers have the information to make responsible purchasing decisions.

Mr. MORAN of Virginia. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. ACKERMAN), also a cosponsor of this amendment.

□ 1400

Mr. ACKERMAN. Mr. Chairman, we all have been told in so many words that bankruptcies are on the rise, and indeed they are, and that because of that everybody suffers because of increased interest rates and other charges. And we are also told, and rightfully so, that consumers need to take personal responsibility for their obligations. That is true, as well.

As we address bankruptcy reform today, we have a unique opportunity to at least modestly combat part of this rising trend in bankruptcies, and one of the best ways that we can begin to tackle that is to have more information for consumers so that they are better informed and can make smarter decisions about their credit needs.

How do we do this? First, with better and clearer disclosure rules for solicitations and credit applications. Every one of my colleagues here are familiar were the deluge of solicitations that we get in the mail almost on a daily basis advertising a particularly low introductory rate, and the rate is on the envelope and it does not tell us how long that rate is for and the consumer cannot make an objective kind of a decision; and then he borrows at a rate that he thinks he is going to have for a longer period of time and that ends and the interest rates goes up and he is paying more than he did under a previous credit card that he might have had that he switched over from.

This is an opportunity for us to fix part of that problem, and that is why the gentleman from Virginia (Mr. MORAN) and the gentleman from California (Mr. DOOLEY) and myself have introduced this amendment. The amendment requires lenders to provide consumers with the information they need to make informed decisions.

Specifically, they would have to do several things. They would have to indicate the minimum payment and day that the payment is due on every periodic statement that they send. They would have to indicate what the late penalty deadlines are so that consumers have all the information they need in order to make that appropriate decision and meet their responsibilities and in order to avoid the imposition of late fees. And whenever a solicitation includes an introductory rate, it must be clear when that rate expires.

I think these and some of the other small steps make it much better to avoid bankruptcy on the part of many consumers and users of credit.

Mr. MORAN of Virginia. Mr. Chairman, I yield the remaining 2 minutes to the distinguished gentleman from Indiana (Mr. ROEMER), co-chairman of the new Democrat Coalition.

Mr. ROEMER. Mr. Chairman, I thank my good friend from Virginia (Mr. MORAN) and my good friend from California (Mr. DOOLEY), co-chairs of the new Democrat Coalition, for sponsoring the amendment, along with the gentleman from New York (Mr. ACKERMAN).

I am a proud cosponsor of this legislation and a strong supporter of this amendment offered by my friends. I think there are two key issues as we debate this bankruptcy reform bill. One is personal responsibilities.

We have seen a 94-percent increase in the filings of bankruptcy since 1990. We need to address this, and I believe this bill does it in a coherent and fair fashion.

The second issue that this amendment gets to is not so much credit card availability but consumer protections. There are two provisions in this amendment that I encourage my colleagues to take a look at and support. One is the minimum payment that we have, that we have better disclosures on how long it would simply take to repay a balance if they pay the minimum amount each month. That is the minimum payments requirement.

Secondly, the so-called teaser rates is that companies need to disclose what that introductory rate is, if it is 9 or 10 percent, and then what it is going to go up to after it teases them with that first 9 or 10 percent, if it is then going to be 11 or 12 or 18 or 19 percent later on. We need consumer disclosure and consumer protections.

So this is a good amendment offered by the gentleman from Virginia (Mr. MORAN) and the gentleman from California (Mr. DOOLEY) and the gentleman from New York (Mr. ACKERMAN). I strongly encourage my colleagues to support it. And, hopefully, that will continue to improve this bill and we will have a sound bill both on personal responsibility and the consumer protections aspects.

The CHAIRMAN (Mr. NETHERCUTT). The question is on the amendment offered by the gentleman from Virginia (Mr. MORAN).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 106–126.

AMENDMENT NO. 3 OFFERED BY MR. MORAN OF VIRGINIA

Mr. MORAN of Virginia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. MORAN of Virginia:

Page 101, after line 9, insert the following (and make such technical and conforming changes as may be appropriate):

**SEC. 154. DISCLOSURES.**

(a) DISCLOSURES.—Subchapter II of chapter 5 of title 11, United States Code, as amended by section 106, is amended by adding at the end the following:

**''§ 527. Disclosures**

''(a) A debt relief agency providing bankruptcy assistance to an assisted person shall provide the following notices to the assisted person:

''(1) the written notice required under section 342(b)(1) of this title; and

''(2) to the extent not covered in the written notice described in paragraph (1) of this section and no later than three business days after the first date on which a debt relief agency first offers to provide any bankruptcy assistance services to an assisted person, a clear and conspicuous written notice advising assisted persons of the following—

''(A) all information the assisted person is required to provide with a petition and thereafter during a case under this title must be complete, accurate and truthful;

''(B) all assets and all liabilities must be completely and accurately disclosed in the documents filed to commence the case, and the replacement value of each asset as defined in section 506 of this title must be stated in those documents where requested after reasonable inquiry to establish such value;

''(C) current monthly income, the amounts specified in section 707(b)(2) and, in a chapter 13 case, disposable income (determined in accordance with section 707(b)(2)) must be stated after reasonable inquiry; and

''(D) that information an assisted person provides during their case may be audited pursuant to this title and that failure to provide such information may result in dismissal of the proceeding under this title or other sanction including, in some instances, criminal sanctions.

''(b) A debt relief agency providing bankruptcy assistance to an assisted person shall provide each assisted person at the same time as the notices required under subsection (a)(1) with the following statement, to the extent applicable, or one substantially similar. The statement shall be clear and conspicuous and shall be in a single document separate from other documents or notices provided to the assisted person:

'''IMPORTANT INFORMATION ABOUT BANKRUPTCY ASSISTANCE SERVICES FROM AN ATTORNEY OR BANKRUPTCY PETITION PREPARER

'''If you decide to seek bankruptcy relief, you can represent yourself, you can hire an attorney to represent you, or you can get help in some localities from a bankruptcy petition preparer who is not an attorney. THE LAW REQUIRES AN ATTORNEY OR BANKRUPTCY PETITION PREPARER TO GIVE YOU A WRITTEN CONTRACT SPECIFYING WHAT THE ATTORNEY OR BANKRUPTCY PETITION PREPARER WILL DO FOR YOU AND HOW MUCH IT WILL COST. Ask to see the contract before you hire anyone.

'''The following information helps you understand what must be done in a routine bankruptcy case to help you evaluate how much service you need. Although bankruptcy can be complex, many cases are routine.

'''Before filing a bankruptcy case, either you or your attorney should analyze your eligibility for different forms of debt relief made available by the Bankruptcy Code and which form of relief is most likely to be beneficial for you. Be sure you understand the relief you can obtain and its limitations. To file a bankruptcy case, documents called a Petition, Schedules and Statement of Financial Affairs, as well as in some cases a Statement of Intention need to be prepared correctly and filed with the bankruptcy court. You will have to pay a filing fee to the bankruptcy court. Once your case starts, you will have to attend the required first meeting of creditors where you may be questioned by a court official called a ''trustee'' and by creditors.

'''If you choose to file a chapter 7 case, you may be asked by a creditor to reaffirm a debt. You may want help deciding whether to do so and a creditor is not permitted to coerce you into reaffirming your debts.

'''If you choose to file a chapter 13 case in which you repay your creditors what you can afford over three to five years, you may also want help with preparing your chapter 13 plan and with the confirmation hearing on your plan which will be before a bankruptcy judge.

'''If you select another type of relief under the Bankruptcy Code other than chapter 7 or chapter 13, you will want to find out what needs to be done from someone familiar with that type of relief.

'''Your bankruptcy case may also involve litigation. You are generally permitted to represent yourself in litigation in bankruptcy court, but only attorneys, not bankruptcy petition preparers, can give you legal advice.'.

''(c) Except to the extent the debt relief agency provides the required information itself after reasonably diligent inquiry of the assisted person or others so as to obtain such information reasonably accurately for inclusion on the petition, schedules or statement of financial affairs, a debt relief agency providing bankruptcy assistance to an assisted person, to the extent permitted by nonbankruptcy law, shall provide each assisted person at the time required for the notice required under subsection (a)(1) reasonably sufficient information (which shall be provided in a clear and conspicuous writing) to the assisted person on how to provide all the information the assisted person is required to provide under this title pursuant to section 521, including—

''(1) how to value assets at replacement value, determine current monthly income, the amounts specified in section 707(b)(2)) and, in a chapter 13 case, how to determine disposable income in accordance with section 707(b)(2) and related calculations;

''(2) how to complete the list of creditors, including how to determine what amount is owed and what address for the creditor should be shown; and

''(3) how to determine what property is exempt and how to value exempt property at replacement value as defined in section 506 of this title.

''(d) A debt relief agency shall maintain a copy of the notices required under subsection (a) of this section for two years after the date on which the notice is given the assisted person.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, as amended by section 106, is amended by inserting after the item relating to section 526 the following:

''527. Disclosures.''.

**SEC. 155. DEBTOR'S BILL OF RIGHTS.**

Subchapter II of chapter 5 of title 11, United States Code, as amended by sections 106 and 154, is amended by adding at the end the following:

**''§ 528. Debtor's bill of rights**

''(a) A debt relief agency shall—

''(1) no later than five business days after the first date on which a debt relief agency provides any bankruptcy assistance services to an assisted person, but prior to such assisted person's petition under this title being filed, execute a written contract with the assisted person specifying clearly and conspicuously the services the agency will provide the assisted person and the basis on which fees or charges will be made for such services and the terms of payment, and give the assisted person a copy of the fully executed and completed contract in a form the person can keep;

''(2) disclose in any advertisement of bankruptcy assistance services or of the benefits of bankruptcy directed to the general public (whether in general media, seminars or specific mailings, telephonic or electronic messages or otherwise) that the services or benefits are with respect to proceedings under this title, clearly and conspicuously using the following statement: 'We are a debt relief agency. We help people file Bankruptcy petitions to obtain relief under the Bankruptcy Code.' or a substantially similar statement. An advertisement shall be of bankruptcy assistance services if it describes or offers bankruptcy assistance with a chapter 13 plan, regardless of whether chapter 13 is specifically mentioned, including such statements as 'federally supervised repayment plan' or 'Federal debt restructuring help' or other similar statements which would lead a reasonable consumer to believe that help with debts was being offered when in fact in most cases the help available is bankruptcy assistance with a chapter 13 plan; and

''(3) if an advertisement directed to the general public indicates that the debt relief agency provides assistance with respect to credit defaults, mortgage foreclosures, lease eviction proceedings, excessive debt, debt collection pressure, or inability to pay any consumer debt, disclose conspicuously in that advertisement that the assistance is with respect to or may involve proceedings under this title, using the following statement: 'We are a debt relief agency. We help people file Bankruptcy petitions to obtain relief under the Bankruptcy Code.' or a substantially similar statement.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, as amended by sections 106 and 154, is amended by inserting after the item relating to section 527, the following:

''528. Debtor's bill of rights.''.

The CHAIRMAN. Pursuant to House Resolution 158, the gentleman from Virginia (Mr. MORAN) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today to offer this amendment for the purpose of adding to the consumer protections that are already contained in H.R. 833. We have all seen the advertisements.

''Consolidate your bills into one monthly payment without borrowing'' goes one. ''Stop credit harassment, foreclosures, repossessions, tax levies and garnishments'' is another advertisement. ''Wipe out your debts. Consolidate your bills. How? By using the protection that the Federal Government offers provided by Federal law.''

We have seen these advertisements. They are all opportunities to exploit the consumer, exploit the consumer's ignorance. And they would be addressed by this bill. Because only later does the consumer find out that very often these phrases involve bankruptcy proceedings which can hurt their credit and cost them substantial attorney's fees. They often do not realize that very often these are bankruptcy mills that do not advise consumers on other options that they have, including consumer credit counseling, working out a repayment plan with their creditors, or getting a second mortgage.

This amendment adds to the bill provisions requiring so-called ''debt relief organizations,'' but more appropriately sometimes ''bankruptcy mills,'' to make certain minimal disclosures to consumer debtors and to prevent deceptive and fraudulent advertising practices that were identified by the Federal Trade Commission in their Consumer Alert.

The disclosures are designed to ensure that debtors who retain the services of these organizations understand the nature of the services that are being provided, the cost of the services and, if the service includes placing the debtor into bankruptcy, the consequences of that action.

This requirement was included in the conference report of last year's bankruptcy reform bill, which was overwhelmingly approved by the House of Representatives. The requirement is modeled on legislation enacted by Congress several years ago to address abuses by so-called credit repair organizations.

Mr. GEKAS. Mr. Chairman, will the gentleman yield?

Mr. MORAN of Virginia. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Chairman, I rise to support the amendment of the gentleman. I must tell my colleagues, I was set back a bit when in the full committee this group of debtors' rights, ''debtors' rights'' I repeat, were removed from the bill. Just as the gentleman says, last year's effort resulted in a conference report that had this debtors' bill of rights as part and parcel.

Now we are faced with the prospect of attempting to do, and I will help the gentleman do so, restore this same set of debtors' rights, and I will do everything I can to help the gentleman succeed.

Mr. MORAN of Virginia. Mr. Chairman, I greatly appreciate the comments of the chair of the subcommittee.

Mr. Chairman, I reserve the balance of my time.

Mr. WATT of North Carolina. Mr. Chairman, I rise in opposition to the amendment, and I yield myself such time as I may consume.

Mr. Chairman, I am saddened to have to rise in opposition to this amendment. This exact language that is proposed in this amendment was in the bill originally and was considered by the Committee on the Judiciary, and an amendment passed in the Committee on the Judiciary to remove this language from the bill.

Now, the chairman of the subcommittee, who has risen to express his support for this amendment to put it back in, voted against that amendment in the committee. So it is not surprising that he would be here saying he likes the Moran amendment. But the majority of the Committee on the Judiciary, including a bipartisan group of individuals, not just Democrats or Republicans, both Democrats and Republicans, voted to remove this language from the bill.

Now, why did they vote to do it? First of all, understand that there continues to be language in the bill which prohibits misrepresentation and misleading of the public by these persons who are assisting folks with bankruptcies. But remember that every attorney who does bankruptcy practice would be covered by this provision; every credit counseling service, consumer credit organization, many of which are governed by or under the city and county governments in our local communities, would be governed by these provisions; and these agencies would be put to the task of giving page after page after page of disclosures in an effort to get at a few bad people who are in this business.

Now, I am not saying that there are not people who are providing credit counseling advice who are bad. There are people in the business who are bad. But 99 percent of the people who are providing advice to bankruptcy applicants or potential bankruptcy applicants are reputable people, attorneys who provide information and services, credit counseling services and the like, that we are simply imposing substantial burdens on if we put this language back in the bill, which the Committee on the Judiciary, I remind my colleagues, has taken out of the bill.

If we start on page 3 of this proposed amendment and we go all the way over to page 5 of this proposed amendment, there are disclosures that would have to be made by anybody who even sat down and talked to somebody about the possibility of filing a bankruptcy. This is not for people who file bankruptcies, because these disclosures have to be given at the first encounter before there is even a decision to file bankruptcy.

Most of the disclosures are, essentially, worthless because what most people will do is print up these disclosures verbatim from the bill and hand them to people when they come into their offices and nobody is going to read this stuff. And Republicans and Democrats alike acknowledge that these kinds of disclosures are simply worthless.

Additionally, for those of us, including the gentleman from Virginia (Mr. MORAN), who is the sponsor of this bill who say that they want to stop attorneys from soliciting folks to file bankruptcy, there are additional advertisements that must be given which require folks who advertise to say to the public, look, I am in the business of providing bankruptcy advice.

That is exactly the kind of advertising we have been trying to discourage. That is not something that is furthering the public policy that underlies this bill.

So, for those reasons, I want to state strongly that we do not want to impose additional burdens on good reliable business people. We want to, as the bill still does, prohibit false information from being given to potential filers of bankruptcy. But we do not need to burden the people who are the attorneys and credit counseling people who are reputable by forcing them to give page after page after page of useless disclosures.

Mr. Chairman, I reserve the balance of my time.

□ 1415

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume. I refer for the record to the Consumer Alert issued by the Federal Trade Commission warning consumers of exactly the situation that this amendment addresses, the fraudulent advertising, the kind of advertising that sucks consumers into a situation where they wind up declaring bankruptcy, which was not their original intent, because they were misled by the people that would be covered by this amendment.

This amendment addresses abuses by ''bankruptcy mills'' which advertise themselves as debt counseling organizations or government sanctioned sources of assistance for consumers having difficulty meeting debt repayments. According to the Federal Trade Commission, consumers are frequently using these organizations without understanding that the only relief that these groups offer is to put the debtor into bankruptcy, sometimes when the debtor could have avoided such a drastic step through voluntary repayment arrangements.

The amendment requires debt relief organizations to disclose the nature of

the services they offer, explain to consumers the alternatives to filing bankruptcy, disclose the rights and obligations of a debtor who files for bankruptcy and the consequences of a bankruptcy filing. The purpose of the amendment is to educate the consumer about bankruptcy and bankruptcy mills before it is too late; in other words, before the debtor has made an uninformed decision.

Those who feel that the answer to the growth in bankruptcies is increased disclosure about the consequences of incurring credit card or other debt should support the up-front disclosure approach of this amendment and not try to protect these lawyers who are exploiting the ignorance of their clients.

This is an amendment that is entirely appropriate. It is appropriate that it be called the Debtor's Bill of Rights. It is directly addressing a warning that the Federal Trade Commission has made available to consumers. I would hope that the House would pass this unanimously.

FEDERAL TRADE COMMISSION, FOR YOUR INFORMATION, MARCH 26, 1997

Debt-burdened consumers who answer ads that offer to ''consolidate bills'' or ''stop credit harassment'' may be the targets of bankruptcy mills, according to a new publication from the Federal Trade Commission. ''Advertisements Promising Debt Relief May Be Offering Bankruptcy,'' the FTC Consumer Alert warns.

A record one million consumers file for bankruptcy in 1996, according to the Alert. But bankruptcy can have a long-term negative impact on creditworthiness; stays on you credit report for 10 years, and can hinder a consumer's ability to get credit, a job, insurance or even a place to live. ''Although bankruptcy is one option to deal with financial problems, it's generally considered the option of last resort,'' the publication says.

The Alert says that some newspaper, magazine and telephone directory ads give tipoffs that their ''debt consolidation'' ads are really toting bankruptcy mills. Ads that make claims such as:

''Consolidate your bills into one monthly payment without borrowing;''

''Wipe out your debts! Consolidate your bills! How? By using the protection and assistance provided by federal law;'' and

''Stop credit harassment, foreclosures, repossessions'' . . . ''Keep your Property,'' may be touting bankruptcy services which can hurt consumers' credit and cost attorneys; fees, the Alert says.

The FTC advises that before considering bankruptcy, consumers having trouble paying their bills should:

Talk with their creditors who may be willing to work out a modified payment plan;

Contact a credit counseling service. Some nonprofit organizations charge little or nothing for these services;

Consider a second mortgage or home equity line of credit.

---

ADVERTISEMENTS PROMISING DEBT RELIEF MAY BE OFFERING BANKRUPTCY

WASHINGTON, DC—Debt got you down? You're not alone. Consumer debt is at an all-time high. What's more, record numbers of consumers—more than 1 million in 1996—are filing for bankruptcy. Whether your debt dilemma is the result of an illness, unemployment, or simply overspending, it can seem overwhelming. In your effort to get solvent, be on the alert for advertisements that offer seemingly quick fixes. While the ads pitch the promise of debt relief, they rarely say relief may be spelled b-a-n-k-r-u-p-t-c-y. And although bankruptcy is one option to deal with financial problems, it's generally considered the option of last resort. The reason: its long-term negative impact on your creditworthiness. A bankruptcy stays on your credit report for 10 years, and can hinder your ability to get credit, a job, insurance, or even a place to live.

The Federal Trade Commission cautions consumers to read between the lines when faced with ads in newspapers, magazines or even telephone directories that say: ''Consolidate your bills into one monthly payment without borrowing.'' ''STOP credit harassment, foreclosures, repossessions, tax levies and garnishments,'' ''Keep Your Property.'' ''Wipe out your debts! Consolidate your bills! How? By using the protection and assistance provided by Federal law. For once, let the law work for you!''

You'll find out later that such phrases often involve bankruptcy proceedings, which can hurt your credit and cost you attorneys' fees.

If you're having trouble paying your bills, consider these possibilities before considering filing for bankruptcy:

Talk with your creditors. They may be willing to work out a modified payment plan.

Contact a credit counseling service. These organizations work with you and your creditors to develop debt repayment plans. Such plans require you to deposit money each month with the counseling service. The service then pays your creditors. Some nonprofit organizations charge little or nothing for their services.

Carefully consider a second mortgage or home equity line of credit. While these loans may allow you to consolidate your debt, they also require your home as collateral.

If none of these options is possible, bankruptcy may be the likely alternative. There are two kinds of personal bankruptcy: Chapter 13 and Chapter 7. Each must be filed in federal court. The current filing fee is $160. Attorney fees are additional and can vary widely. The consequences of bankruptcy are significant and require careful consideration.

Chapter 13, also known as a reorganization, allows you to keep property, such as a mortgaged home or car, that you otherwise might lose. Reorganization may allow you to pay off a default during a period of three to five years, rather than surrender any property.

Chapter 7, known as a straight bankruptcy, involves liquidating all assets that are not exempt in your state. Exempt property may include work-related tools and basic household furnishings. Some property may be sold by a court-appointed official or turned over to creditors. You can file for Chapter 7 only once every six years. Both types of bankruptcy may get rid of unsecured debts and stop foreclosures, repossessions, garnishments, utility shut-offs, and debt collection activities. Both also provide exemptions that allow you to keep certain assets, although exemption amounts vary among states. Personal bankruptcy usually does not erase child support, alimony, fines, taxes, and some student loan obligations. Also, unless you have an acceptable plan to catch up on your debt under Chapter 13, bankruptcy usually does not allow you to keep property when your creditor has an unpaid mortgage or lien on it.

Visit the FTC web site at www.ftc.gov, or contact the AFSA's Education Foundation at 1-888-400-2233 for more credit/money management information.

Mr. Chairman, I reserve the balance of my time.

Mr. WATT of North Carolina. Mr. Chairman, I reserve the balance of my time. I believe it is my right to close as a member of the committee and in defense of the bill.

The CHAIRMAN. The gentleman from North Carolina is correct.

Mr. MORAN of Virginia. Mr. Chairman, I guess I must not fully understand parliamentary procedure. I thought that the person introducing the amendment has the right to close on the amendment.

How much time do I have remaining, Mr. Chairman?

The CHAIRMAN. The gentleman from Virginia (Mr. MORAN) has 4 minutes remaining, and the gentleman from North Carolina (Mr. WATT) has 4 minutes remaining.

Mr. MORAN of Virginia. Mr. Chairman, I yield myself such time as I may consume.

Since this is going to be challenged, let me again say for the Members who may be listening that this is a Debtor's Bill of Rights. It strengthens this bill. It responds to a very serious concern that the Federal Trade Commission has stipulated in its Consumer Alert. It informs debtors who retain the services of bankruptcy mills to disclose the services, the costs and the consequences, and particularly the consequences of filing for bankruptcy. We do not want people to have to file for bankruptcy, particularly people who never intended to file for bankruptcy.

Mr. GEKAS. Mr. Chairman, will the gentleman yield?

Mr. MORAN of Virginia. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. I wanted to add to the gentleman's sentiments, that who can be opposed to the idea that an individual who is contemplating bankruptcy should be given full disclosure on what entities or others out there who are ready to assist him or prod him into bankruptcy? What we are talking about is if we could do it, to prevent people from jumping headlong into bankruptcy, we ought to take every step in order to do that.

The gentleman from North Carolina (Mr. WATT) is correct that I voted against his amendment in committee. I will remind him at the proper time of how many other votes then were taken on a bipartisan basis that he opposes still. So that is not a criterion, that when a bill is passed on a bipartisan basis, he believes it is worthy of something. So do I. But I will remind him when the time comes of bipartisan support for X or Y and see if he has the same rationale applicable to that amendment.

But in the meantime, it is not a bad thing to let a prospective bankrupt individual look at all the possible traps into which he can fall. I commend the gentleman's return to sanity through the debtor's rights amendment.

Mr. MORAN of Virginia. I thank the gentleman for his comments.

Mr. Chairman, if I may briefly sum up my argument, which is simply that so-called debt relief agencies that are coming out with this kind of deliberately misleading advertising suggesting even that they are government sanctioned organizations, which they are not, they should be required to give written notice within 3 business days after the first date of services to advise the people they are allegedly assisting of their rights and responsibilities of disclosure.

It would require attorneys or bankruptcy petition preparers to give the person they are assisting a written contract specifying what the attorney or bankruptcy petition preparer will do, what it will cost and the terms of payment. That is what we would want for our mother or our spouse or our children or our neighbor or any other consumer in the United States, to be able to have the value of that kind of information.

This is a consumer amendment, to educate consumers so they do not get taken in by people who are designing to exploit them and exploit the bankruptcy system. Mr. Chairman, I strongly urge an ''aye'' vote on this amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. WATT of North Carolina. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me just advise my colleagues that these bankruptcy mills that the gentleman from Virginia (Mr. MORAN) is talking about are attorneys who provide bankruptcy services, consumer credit counseling services, many of whom are sanctioned by local governments because they provide a very valuable service in local communities. I have one in my own community of Charlotte. I was on the board of directors of this nonprofit agency which receives substantial government funds and provides a major service when people get into debt.

We can characterize every single one of these people as bankruptcy mills if we want, but they are not. To try to inflame the opinions of the colleagues in this body by referring to every lawyer who practices bankruptcy law or every consumer credit counselor as a bankruptcy mill is just inaccurate and unfair and it should not be done. There are some bad apples in the barrel.

For those we need to understand, Mr. Chairman, that there is a specific provision which remains in this bill, this section 526, which says that a debt relief agency shall not do a whole list of things that are listed in this bill. One of those things it shall not do is misrepresent to any assisted person or prospective assisted person, directly or indirectly, affirmatively or by material omission, what services the debt relief agency can reasonably expect to provide that person or the benefits, and it goes on and on and on.

There is a prohibition in this bill against the kind of activity that the gentleman from Virginia (Mr. MORAN) is trying to outlaw. I think it ought to be outlawed, but we ought not impose the burdens of all of these disclosures on the reputable people who are in the business.

He says that we have got to stop this faulty advertising, but what does his amendment do? I am reading directly from page 8 of his amendment. If you do an advertisement, under the Moran amendment, this is what you have got to say, in quotes:

''We are a debt relief agency. We help people file bankruptcy petitions to obtain relief under the Bankruptcy Code.''

I do not want people to be disclosing that or saying that to the public. I want to stop people from advertising. And yet the same people he is saying we want to stop from faulty advertising, he is telling them how to go out and advertise in a misleading way. That is not what we need to be doing, is undermining the policy of the bill.

Mr. Chairman, I understand his motivations for this amendment. I understand that there may be some lawyers he does not like, there may be some consumer credit counselors that he does not like. There are some that I do not like. That is why we have prohibited them in the bill from engaging in any kind of sinister activities. But that is different than requiring every reputable lawyer and every reputable consumer credit counseling service to give page after page after page of worthless disclosures. I encourage my colleagues to vote against this amendment. It just adds paperwork and adds burdens to small businesses. That is what it does.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia (Mr. MORAN).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. WATT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 158, further proceedings on the amendment offered by the gentleman from Virginia (Mr. MORAN) will be postponed.

It is now in order to consider amendment No. 4 printed in House Report 106–126.

AMENDMENT NO. 4 OFFERED BY MS. VELÁZQUEZ

Ms. VELÁZQUEZ. Mr. Chairman, I offer an amendment made in order by the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Ms. VELÁZQUEZ:

Page 109, line 23, insert ''(a) APPOINTMENT.—''.

Page 110, line 4, insert the following before the close quotation marks:

The court may expand the membership of a committee to include a creditor that is small business if the court determines that such creditor holds claims of the kind represented by such committee that are, in the aggregate, disproportionately large when compared to the annual gross revenue of such creditor.

Page 110, after line 4, insert the following:

(b) INFORMATION.—Section 1102(b) of title 11, United States Code, is amended by adding at the end the following:

''(3) A committee appointed under subsection (a) shall provide access to information for creditors who hold claims of the kind represented by such committee and who are not appointed such committee, shall to be open for comment from such creditors, and shall be subject to a court order compelling additional reports or disclosure to be made to such creditors.''.

The CHAIRMAN. Pursuant to House Resolution 158, the gentlewoman from New York (Ms. VELÁZQUEZ) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentlewoman from New York (Ms. VELÁZQUEZ).

Ms. VELÁZQUEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, while H.R. 833 provides a plan for overhauling our Nation's bankruptcy law, there is one issue that, while seemingly small, will have a great impact on this Nation's small businesses. That is the way that the bankruptcy process leaves small businesses who are creditors on the outside looking in.

To solve this problem, I am offering an amendment that will quickly and fairly address the issue by ensuring more small business involvement and greater communication in the bankruptcy process. My amendment will make two simple changes.

First, it would allow a small business involved as a creditor in a Chapter 11 bankruptcy case to be added to the creditor committee by the court. The court could make such an appointment by comparing the amount of the claim as a proportion of the business' gross annual revenue, thus showing that a business is disproportionately affected.

Second, my amendment will ensure that those small businesses not included on the creditor committee will have access to critical information regarding the credit committee's actions. This could be achieved by simply making the committee open to comments from and required to provide additional information to those small businesses not included on the committee but who will nonetheless be affected by the outcome.

I urge the adoption of these measures which will help small businesses. The need to take them can be underscored by looking at just one example of a company that was nearly devastated when one of its customers filed for bankruptcy.

Unicare Corporation, a small business located in Ohio, was caught off guard when one of its largest customers filed for bankruptcy. The debt to Unicare represented almost 10 percent of the company's annual revenue. The bankruptcy court created an unsecured creditors committee based on total outstanding debts owed.

□ 1430

Not only did Unicare not qualify as a member of the credit committee, but it was left on the outside looking in with no involvement in the process. This made Unicare's future uncertain, forcing it to reduce staff and revise plans for expansion. Fortunately, because of hard work and strong strategic planning, Unicare was able to recover, and today it continues as a very strong business.

But, Mr. Chairman, if each of us were to look around our districts, we will find that we will have many small businesses that could face the same unfair challenge, which is why we need to adopt this uniform and practical solution. Because, unlike Unicare, many businesses in our communities might not be so fortunate. If small businesses had the ability to appeal to the court based on their claim compared to the overall effect on the company, devastating problems might be averted.

Finally, Mr. Chairman, when we reconvene in the full House, I will submit for the record a letter of support from Small Business United, this Nation's oldest small business trade association. Their support reflects the same concern that I have heard from small business owners. They need access to the bankruptcy process.

We must insure that small businesses are not financially crippled through no fault of their own and that their hard work is not undone by the failures of others. I urge the adoption of this amendment.

Mr. TALENT. Mr. Chairman, will the gentlewoman yield?

Ms. VELÁZQUEZ. I yield to the gentleman from Missouri.

Mr. TALENT. Mr. Chairman, I rise in support of the gentlewoman from New York's very timely and important amendment and congratulate her on this important amendment for small business; and, Mr. Chairman, all of us who have dealt with small businesses in this kind of a context understand the problem the gentlewoman's amendment is intended to adopt.

I mean, let us suppose that a firm goes bankrupt and that it owes Microsoft $100,000 for software and it owes a small consulting firm, computer consulting firm, 30 or $35,000 for the work that has been done and that both of them are unsecured creditors. Well, Microsoft is going to get on the creditors committee because it has the larger debt, but $100,000 to Microsoft may be nothing, in terms of that firm is nothing in terms of that firm's total revenue. But that 30 or $35,000 could be a crucial account for that small business consulting firm, and they need to be represented on the creditors committee. That is really the only way that their interests can be protected.

The gentlewoman's amendment allows the court to appoint that small business to the creditors committee. It does not require it, but it at least allows that small business to make its case to the court. I think it is a timely and important amendment, Mr. Chairman.

There is nothing worse really than a small business caught up in this, an unforeseen bankruptcy on the part of one of its important clients. It cannot protect its interests, it does not know what is going on, does not have the money to hire legions of lawyers the way the bigger, unsecured creditors do.

Again, I congratulate the gentlewoman for fixing what I think is, if not a problem in the bill, at least an absence in the bill of an important protection for small business. I am pleased to support the amendment, and I thank the gentlewoman from New York for having yielded.

Mr. CONYERS. Mr. Chairman I yield myself such time as I may consume.

Mr. Chairman, I want to thank the gentlewoman from New York (Ms. VELÁZQUEZ) for bringing forward the provision before us now that would allow the expansion of the credit committee membership and also ensure better access to information for the small businesses not included on the committee by allowing them to be open for comment and subject to additional reports or disclosures. And so we have no problem with this amendment.

I would also point out to the gentlewoman from New York that there is another amendment of mine coming up shortly dealing with small business, she serves with great distinction on the Committee on Small Business, in which we would allow small business debtors in cases where application of these provisions could result in the loss of five or more jobs to waive the provisions of chapter 11 that relate to other business debtors, and I hope that that will gain her attention and other members that serve on that committee.

So we have no objection to this amendment whatsoever, Mr. Chairman.

Ms. VELÁZQUEZ. Mr. Chairman, I yield myself such time as I may consume, and I would like to close.

Mr. Chairman, for too long small businesses who are creditors have been hurt when customers and clients have been unable to pay their bills. For small businesses, the bankruptcy of other companies can mean an uncertain future. The adoption of my amendment provides small businesses with some peace of mind.

I urge my colleagues to support this amendment and to support small businesses.

Mr. Chairman, I include the following letter for the RECORD:

NATIONAL SMALL BUSINESS UNITED,
*Washington, DC, May 3, 1999.*

Hon. NYDIA VALÁZQUEZ,
*House of Representatives,*
*Washington, DC.*

DEAR REPRESENTATIVE VELÁZQUEZ: As the House Rules Committee, and subsequently the entire House of Representatives, considers H.R. 833—the Bankruptcy Reform Act of 1999—NSBU fully supports your amendment protecting small businesses. National Small Business United, the nation's oldest small business advocacy organization, is a member of the Coalition for Financial Responsibility and has been a leading participant in this important debate for many years. We see your amendment as an important addition to the bill that has already cleared the Judiciary Committee.

Your amendment provides vital language that would allow for greater small business representation on the unsecured creditors committees, the key working group that structures and partitions the payments a bankrupt company owes its creditors. Traditionally, those companies that are owed the greatest lump sum of money have been placed on these committees, with little to no requirement to keep other interested companies informed of the situation. Your amendment would allow for greater communication and a more vital small business involvement in this process.

For too long, small businesses have been hurt when customers and clients have been unable to pay their bills without representation. This practice would be limited by this important legislation and has the full support of our 65,000 members nationwide. If there is anything else we can do to assist you in your efforts on before of the nation's 23.3 million small businesses, please let us know.

Sincerely,

TODD MCCRACKEN,
*President.*

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentlewoman from New York (Ms. VELÁZQUEZ).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider Amendment No. 5 printed in House Report 106–126.

AMENDMENT NO. 5 OFFERED BY MR. GRAHAM

Mr. GRAHAM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. GRAHAM:

Page 119, after line 9, insert the following (and make such technical and conforming changes as may be appropriate):

**SEC. 219. NONDISCHARGEABILITY OF CERTAIN EDUCATIONAL BENEFITS AND LOANS.**

Section 523(a)(8) of title 11, United States Code, is amended to read as follows:

''(8) for—

''(A) an educational benefit overpayment or loan made, insured or guaranteed by a governmental unit, or made under any program funded in whole or in part by a governmental unit or nonprofit institution, or for an obligation to repay funds received as an educational benefit, scholarship or stipend; or

''(B) any other education loan incurred by an individual debtor that meets the definition of 'Qualified Education Loan' under section 221(e)(1) of the Internal Revenue Code; unless excepting such debt from discharge under this paragraph will impose an undue hardship on the debtor and a debtor's dependents;''.

MODIFICATION TO AMENDMENT NO. 5 OFFERED BY MR. GRAHAM

Mr. GRAHAM. Mr. Chairman, I ask unanimous consent to modify my amendment, that modification is at the desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification offered by Mr. GRAHAM to Amendment No. 5:

Page 119, after line 9, insert the following (and make such technical and conforming changes as may be appropriate):

**SEC. 219. NONDISCHARGEABILITY OF CERTAIN EDUCATIONAL BENEFITS AND LOANS.**

Section 523(a)(8) of title 11, United States Code, is amended to read as follows:

''(8) for—

''(A) an educational benefit overpayment or loan made, insured or guaranteed by a governmental unit, or made under any program funded in whole or in part by a governmental unit or nonprofit institution, or for an obligation to repay funds received as an educational benefit, scholarship or stipend; or

''(B) any other education loan incurred by an individual debtor that meets the definition of 'Qualified Education Loan' under section 221(e)(1) of the Internal Revenue Code; unless excepting such debt from discharge under this paragraph will impose an undue hardship on the debtor and a debtor's dependents;''.

Mr. GRAHAM (during the reading). Mr. Chairman, I ask unanimous consent that the modification to Amendment No. 5 be considered read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina that Amendment No. 5 be modified?

There was no objection.

The CHAIRMAN. Pursuant to House Resolution 158, the gentleman from South Carolina (Mr. GRAHAM) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from South Carolina (Mr. GRAHAM).

Mr. GRAHAM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, very briefly, this amendment is designed to correct a, I think, flaw in the Bankruptcy Code regarding student loans.

Under our current Bankruptcy Code, a Federal- guaranteed student loan is a nondischargeable loan. As many students graduate from college with a student debt, they are starting their lives, and we have protected the Federal-guaranteed student loans from discharge from bankruptcy because I think that is just a common-sense approach to a problem that existed in the past.

In addition, nonprofit lending organizations are also protected under the Bankruptcy Code, that their student loans are nondischargeable.

There is a growing industry in the private sector. There is a $1.25 billion loan volume for where private lenders who will loan money to students for their college expenses as the federally guaranteed program does not in every occasion meet the needs of the student, and we are trying to give the private lender the same protection under bankruptcy that the federally guaranteed loan program has and nonprofit organizations have. We are trying to make sure they are available loans, loans are available to students to meet their financial needs, and this would have a beneficial effect, make sure that the loan volume necessary to take care of college expenses are available for students, and I would appreciate the cooperation from the gentleman from New York (Mr. NADLER) and the gentleman from Pennsylvania (Mr. GEKAS) on this amendment.

Mr. GEKAS. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Chairman, I want to indicate to the gentleman that the amendment is well thought out and is a necessary change to our original bill. It draws attention to our intent to treat everybody fairly, and the student loan quotient is one of the most important features in all of bankruptcy.

We thank the gentleman for that, and I will agree to the amendment.

Mr. GRAHAM. Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield myself such time as I may consume.

The CHAIRMAN. Does the gentleman from Michigan claim the time in opposition to the amendment offered by the gentleman from South Carolina?

Mr. CONYERS. Absolutely. Mr. Chairman, I claim time in opposition to the amendment.

The CHAIRMAN. The gentleman from Michigan (Mr. CONYERS) is recognized for 10 minutes.

Mr. CONYERS. Mr. Chairman, I will not oppose the amendment. As a matter of fact, I think particularly with an inclusion for exceptions for undue hardships this amendment is an important one.

The Bankruptcy Code prohibits the discharge of federally made guaranteed or insured education loans or education loans made by nonprofit institutions. What the gentleman from South Carolina would do now is extend the prohibition from discharge to all qualified education loans and include exceptions for undue hardships.

That is the thrust of the amendment, and we have no objection to that whatsoever.

Mr. Chairman, I yield back the balance of my time.

Mr. GRAHAM. Mr. Chairman, I thank the gentleman from Michigan (Mr. CONYERS), and I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment, as modified, offered by the gentleman from South Carolina (Mr. GRAHAM).

The amendment, as modified, was agreed to.

The CHAIRMAN. It is now in order to consider Amendment No. 6 printed in House Report 106–126.

AMENDMENT NO. 6 OFFERED BY MR. DOOLEY OF CALIFORNIA

Mr. DOOLEY of California. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 6 offered by Mr. DOOLEY of California:

Page 124, strike lines 13 through 20, and insert the following:

''(a) The clerk of each district shall maintain a publicly available list of credit counseling agencies and of programs described in section 109(h) and instructional courses offered by such agencies currently approved by—

''(1) the United States Trustee; or

''(2) the bankruptcy administrator for the district.

''(b) The United States Trustee or bankruptcy administrator shall only approve credit counseling agencies which satisfy standards set in regulations promulgated by the Federal Trade Commission and which are accredited by the Council on Accreditation or an equivalent third party nonprofit accrediting organization.

''(c) The United States Trustee or bankruptcy administrator shall only approve programs or courses under subsection (a) if they satisfy standards set in regulations promulgated by the Executive Office of the United States Trustees. The Executive Office of the United States Trustee is authorized to promulgate regulations setting such standards.

''(d) The Federal Trade Commission shall have authority to promulgate regulations setting standards for credit counseling agencies for the purposes of subsection (b). Such standards shall establish minimum requirements for such agencies with respect to providing qualified counselors, safekeeping and payment of client funds, disclosure to clients, adequate counseling with respect to client credit problems, and such other matters as relate to the quality and financial security of such programs. Nothing in this provision shall limit the authority of the Federal Trade Commission pursuant to the Federal Trade Commission Act (15 U.S.C. 45 et seq.).

''(e) The United States Trustee or bankruptcy administrator may notify the clerk

that a credit counseling agency, or a program or course, is no longer approved, in which case the clerk shall remove it from the list maintained under subsection (a).

''(2) REGULATIONS.—The Federal Trade Commission and the Executive Office of United States Trustees shall promulgate regulations pursuant to the power delegated in this section within 180 days of the date of the enactment of this Act.''.

Page 124, line 21, strike ''(2)'' and insert ''(3)''.

The CHAIRMAN. Pursuant to House Resolution 158, the gentleman from California (Mr. DOOLEY) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from California (Mr. DOOLEY).

Mr. DOOLEY of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, my amendment is very simple and straightforward. Simply put, it would require consumer credit counselors to meet basic professional standards established by the Federal Trade Commission.

One of the most progressive and debtor-friendly reforms made in H.R. 833 is the requirement that debtors seek credit counseling prior to filing bankruptcy. Many consumers want assistance in dealing with their bills, not bankruptcy. Legitimate consumer credit counseling helped approximately 1 million debtors this past year. This bill provides the opportunity for many more to receive help.

Done properly by a qualified professional, consumer credit counseling has proven highly successful in helping debtors regain control over their financial lives, a goal we all share. Many of my colleagues are familiar with the Federal Trade Commission's struggle to clean up abusive and fraudulent credit repair clinics that dupe debtors facing financial problems with promises to clean up their credit records.

The FTC has worked to protect consumers through the provisions approved by Congress several years ago as a part of the Fair Credit Reporting Act. However, as the opportunities for credit counseling would be significantly increased under this bill, we need to ensure from the outset that fraudulent and abusive credit counseling operations do not spring up and meet this new demand for services.

My amendment is designed to ensure that consumers have access to qualified, professional consumer credit counselors and to prevent the proliferation of substandard counseling practices. The amendment will provide that the U.S. trustee or bankruptcy administrator can only approve credit counseling agencies which satisfy standards set in regulations promulgated by the FTC and are credited by the Council of Accreditation or equivalent third-party nonprofit accrediting organization. The FTC is able and experienced in addressing issues of this nature.

With this amendment we have an opportunity to ensure that the credit counseling provisions of this legislation will function as intended from the outset and that consumers will have access to qualified credit counseling.

I urge my colleagues to support this common-sense amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member claim time in opposition to the amendment offered by the gentleman from California (Mr. DOOLEY)?

Mr. CONYERS. For purposes of getting the floor I oppose the amendment, and I ask to be recognized.

The CHAIRMAN. Without objection, the gentleman from Michigan may have the time otherwise reserved for those in opposition.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. CONYERS) for 10 minutes.

Mr. CONYERS. Mr. Chairman, this is an amendment that we find absolutely acceptable, and I plan to support it, and we urge the Members to join in support of it.

Mr. Chairman, I yield back the balance of my time.

Mr. DOOLEY of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I urge the passage of this amendment.

Mr. Chairman, I yield back the balance of my time.

□ 1445

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DOOLEY).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 7 printed in House Report 106–126.

AMENDMENT NO. 7 OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. CONYERS:

Page 151, after line 24, insert the following (and make such technical and conforming changes as may be appropriate):

**SEC. 416. APPLICABILITY OF CERTAIN PROVISIONS.**

The provisions of title 11 of the United States Code relating to small business debtors or to single asset real estate shall not apply in a case under such title if the application of any of such provisions in such case could result in the loss of 5 or more jobs.

The CHAIRMAN. Pursuant to House Resolution 158, the gentleman from Michigan (Mr. CONYERS), and the gentleman from Pennsylvania (Mr. GEKAS) each will control 10 minutes.

The Chair recognizes the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as usual, there is a good deal of talk about preserving jobs and creating jobs in the House of Representatives. Accordingly, if we really want to protect jobs, there should be little problem in supporting my amendment which waives the harsh new small business and single asset real estate provisions of the bill where they could result in the loss of five jobs or more. We are now talking about small business and protecting the jobs therein under the bankruptcy bill.

Now, the measure before us would completely alter the manner in which small business and real estate concerns may reorganize under the bankruptcy laws. For small businesses, H.R. 833 would mandate the operation of a whole host of burdensome new requirements, requiring them to provide balance sheets, for example, statements of operation, cash flow statements, income tax returns, within 3 days after filing a bankruptcy petition.

The bill also shortens the time period the debtor has to file a plan of reorganization to a mere 90 days, making liquidations far more likely than they might have otherwise been.

Now I have no problem with these new requirements, as long as the principal parties involved are the business owner and his creditor, but where the new deadlines will result in a loss of jobs, there I have a major concern.

These provisions have drawn the strong opposition of organized labor and the Small Business Administration's Office of Advocacy. I think my amendment is a way out of this dilemma.

The American Federation of Labor has warned that the small business provisions will threaten jobs by placing substantial procedural and substantive barriers in the way of small businesses and their ability to access the provisions of Chapter 11, threatening their overall ability to successfully reorganize and go on to succeed.

Similarly, the Small Business Administration has written that under the bill H.R. 833, small business owners who are legitimately using Chapter 11 proceedings to reorganize their businesses may be forced into a premature dismissal or conversion or may have to expend vital resources to fend off challenges by any creditor for relatively minor procedural infractions.

So we urge that this amendment be accepted and crafted into this bill. It would help at least in a small way those small businesses who might be in a position to lose five or more jobs as a result of bankruptcy proceedings.

Mr. Chairman, I reserve the balance of my time.

Mr. GEKAS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the record should indicate right at the outset that the provisions that we have built into the current legislation having to do with small business have reached the highest possible approval by the advocate

of the Small Business Administration, the Justice Department itself, and most importantly for this debate, of the Bankruptcy Commission on whom we relied for this extensive comprehensive review that they finished a few years back.

So we start off with a creditable small business set of provisions which now the gentleman, if this amendment should be adopted, would absolutely wreck. Beyond that, one can imagine that every case that came under Title 11, as the gentleman proposes in his amendment, would first have to be scrutinized to see if five or more jobs would or could be lost, and we would never get to the first event in a bankruptcy situation before we had had time to litigate the number of jobs.

What if someone contends there are only four affected or others say none would be affected? That entire set of circumstances would have to be litigated. It is a monstrous scenario of additional litigation proposed in a situation where we have already structured the provisions in such a way to have met the approval of everybody who looks at the small business provisions of our bill.

Beyond that, the wording of the bill seems to indicate that not just the small business provisions of Chapter 11 would be affected but any and all provisions of the title known as 11 would be affected, and we would have to take this test of five jobs, which in itself is very murky, very cloudy. How many jobs would be included, part-time, full-time? How many individuals? If somebody is carrying on two occupations in the same firm, would that apply? It is so nondescriptive of any real problem that we must reject it out of hand.

I ask all the Members to vote ''no'' on this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I would like to remind the esteemed chairman of the subcommittee that the Bankruptcy Commission was the one that turned down means testing, which has now been put into the bill. So I am glad that he picks and chooses those that he likes.

There are some people involved in labor that have a strong opposition to the bill without this amendment. They are called the AFL-CIO. That is the largest collective bargaining organization in the United States of America. They have examined it pretty carefully.

Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. Nadler), the ranking member of the subcommittee.

Mr. NADLER. Mr. Chairman, this amendment is really in the nature of the truth. We say that this bill imposes very onerous restrictions on small businesses. It imposes very sharp and restrictive time deadlines and terrible restrictions only on small businesses.

We think this is going to result in a lot of businesses that otherwise would have the opportunity to reorganize in Chapter 11 to get protection from their debtors, reorganize, get back on their feet and survive and not lay off all their employees, it will require instead that a lot of these companies liquidate and go out of business and lay off their employees because they will not be able to meet these new restrictions.

Now, the gentleman from Pennsylvania (Mr. GEKAS) and the people on the other side say, no, that will not happen. Well, all this amendment says is, well, maybe they are right, maybe they are wrong.

In a given case, the judge is looking over the situation in this case, and if the judge finds that there is a likelihood that this company, which is now seeking Chapter 11 protection from its creditors, could reorganize, could get back on its feet, could avoid liquidating, could avoid laying off its employees, but he further finds that if these new onerous restrictions are imposed and timetables that that would probably force the company out of business and would cost at least five jobs, it lets the judge say, ''It really looks like this is going to cost five jobs, so I will not impose these new restrictions on this small business.'' If the judge makes the finding that these new restrictions will kill this business, force this job loss and force this business out of business, the judge would be given the discretion to say, use the old law, not these new restrictions.

What could be fairer than to look at the individual case?

Now, the gentleman from Pennsylvania (Mr. GEKAS) will say this is extensive litigation. No, it is not. It is simply a company asking for Chapter 11 protection and saying, ''Judge, we think we need X time but this gives us less time, and here is why we think we need so much additional time as we could have gotten under the old law,'' and the judge says either yes or no. Why not let the judge have that discretion?

I know that the gentleman from Pennsylvania (Mr. GEKAS) and other proponents of this bill do not trust human beings; they do not trust judges at all. They say throughout this bill judges have no discretion; they are always wrong. Maybe they are always wrong, but give them a chance to save some jobs and save some small businesses. That is all this amendment does.

I do not see how anybody who cares about small businesses or jobs could oppose this amendment. It just boggles the mind.

Mr. GEKAS. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan (Mr. KNOLLENBERG).

Mr. KNOLLENBERG. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. GEKAS) for yielding me this time.

Mr. Chairman, I rise in opposition to this amendment, in opposition to my good friend the gentleman from Michigan (Mr. CONYERS).

This bill, the Bankruptcy Reform Act of 1999, includes a provision that addresses an injustice that exists within Title 11 of the United States Code regarding single asset bankruptcies. That is a big long statement.

This provision mirrors legislation that I introduced in H.R. 624, and I want to thank the gentleman from Pennsylvania (Chairman GEKAS) for his instructive help on that matter. This was done in the previous Congress and I thank him for including this in H.R. 833.

Let me say what, in addition to what we have heard, is wrong with this amendment. The injustice within Title 11 stems from a last-minute decision that was made in the 103rd Congress, which placed an arbitrary $4 million ceiling on the single asset provisions of the bankruptcy reform bill. The effect has been to render investors helpless in foreclosure on single assets valued at over $4 million.

H.R. 833 provides relief to victims by eliminating this arbitrary ceiling. Under this law, Chapter 11 of the Bankruptcy Code serves as a legal shield for the debtor. Upon the investors filing to foreclose, the debtor preemptively files for Chapter 11 protection, which postpones indefinitely foreclosure, while in Chapter 11 the debtor will continue to collect the rents on the commercial asset.

Now listen to this. However, the commercial property will typically be left to deteriorate and the property taxes go unpaid. When the investor finally recovers the property through the delayed foreclosure, they owe an enormous amount in back taxes; they receive a commercial property left in deterioration which has a lower rent value and resale value, and meanwhile the rent for all the months or years they were trying to retain the property went to an uncollectable debtor.

H.R. 833 does not leave the debtor without protection, however. First, the investor brings a foreclosure against a debtor only as a last result. This usually comes after all other efforts to reconcile delinquent mortgage payments have failed.

Second, the debtor has up to 90 days to reorganize under a Chapter 11. It should be noted, however, that single asset reorganizations are typically a false hope, since the owner of a single asset does not normally have other properties from which he can recapitalize his business.

Mr. Chairman, I urge my colleagues to defeat the amendment offered by the gentleman from Michigan (Mr. CONYERS), which could prohibit the single asset real estate definition from being

applied in such case, which could result in the loss of five or more jobs. This amendment, if adopted, would effectively nullify the single asset protection currently in the code and allow Chapter 11 debtors to continue gaming the system by hiring new employees just before the filing.

Make no mistake about it, this amendment, if approved, would allow unscrupulous debtors to drag out single asset cases for years to avoid meeting their financial obligations.

Mr. Chairman, H.R. 833 restores personal responsibility to our bankruptcy laws; closes the loopholes, in addition, that allow individuals to game the system. I urge my colleagues on both sides of the aisle to oppose the Conyers amendment and vote ''yes'' on final passage.

□ 1500

Mr. GEKAS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio (Ms. PRYCE).

Ms. PRYCE of Ohio. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan (Mr. CONYERS). By way of background, the great majority of commercial properties within the United States are owned by corporations, partnerships, and limited liability companies that only own one property. These are known as single-asset real estate entities.

The typical single-asset real estate entity has only one major creditor, the mortgage lender that provided the financing for the acquisition of the property. In most cases, the mortgage lender's only remedy in the case of default is to take possession of the property through foreclosure.

The recession of the late eighties and early 1990s caused a flood of Chapter 11 filings by single-asset real estate entities. In the typical case, the single-asset entity merely sought to stave off foreclosure and to use the bankruptcy process to force concessions from its mortgage lender. As a result, properties deteriorated and lenders suffered large losses as cases dragged on and on, sometimes for months and years.

In the Bankruptcy Reform Act of 1994, Congress recognized that single-asset entities should receive expedited treatment in bankruptcy proceedings in order to protect properties from otherwise deteriorating during these lengthy bankruptcy proceedings.

At that time, Congress amended the automatic stay provision of the Bankruptcy Code to provide that mortgage lenders may have the stay lifted and proceed with foreclosure, unless the single-asset debtor files a feasible reorganization plan within 90 days, or commences monthly interest payments to the lender. However, these provisions currently apply only to single-asset debtors whose property are valued at $4 million or less.

Typically, when the owner of a building is bankrupt and the lender is allowed to foreclose, there is usually a net economic benefit to the property, because it is the goal of the lender to maximize the value of the property. A weak owner is replaced by a strong owner who has resources to make the repairs, attract new tenants, and effect capital improvements. This benefits our communities as well, including the generation of tax revenues.

Moreover, by helping to keep the property commercially viable, we help ensure that the workers who maintain the building, from the janitors to the engineers, will remain employed. Clearly, everybody benefits from keeping the property from deteriorating.

Significantly, H.R. 833 would eliminate the arbitrary $4 million cap with respect to expedited foreclosures on these entities, so that all commercial properties, regardless of value, can be protected from deterioration during bankruptcy proceedings.

However, the Conyers amendment would prohibit expedited foreclosure in any case where five employees of the property could be lost. As such, the Conyers amendment would not only gut the provision in H.R. 833 which lifts the $4 million cap, but it would also, in effect, nullify existing expedited foreclosure provisions in the Bankruptcy Code.

The Conyers amendment would recreate the uncertainty that the current law seeks to remedy. Bankruptcy courts could hold endless hearings on the application of this amendment and whether certain employees may or may not lose their jobs. Chapter 11 debtors could continue to game the system, as they have sometimes in the past, by hiring employees before filing, or delaying the bankruptcy action unfairly.

Moreover, the very employees that the gentleman from Michigan (Mr. CONYERS) seeks to protect would be worse off because new entities would be hampered in their efforts to take over the troubled property and return it to a going concern, and keep them employed.

Mr. Chairman, I urge my colleagues to defeat the Conyers amendment, in the very interest of those he purports to protect.

Mr. CONYERS. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, this is puzzling. It is one thing to tighten the bankruptcy rules on only the parties that are involved that are borrowing from the lender, but where the changes will harm innocent third parties, the employees and their families, I believe we have an obligation to give the business a reasonable chance to reorganize.

The single-asset real estate provision, connected with the five-job requirement that the judge would look at, suppose it was the gentleman's job, I say to the gentleman from Pennsylvania (Mr. GEKAS), one of the five. It would not be hard for a referee in bankruptcy or a judge in bankruptcy to make the decision.

But what we are doing is saying that every single real estate concern, no matter how large its operation or how many jobs are at stake, be subject to expedited liquidation and bankruptcy. That is, within 90 days after filing, they can be subject to foreclosure by their creditors. Give us a break. All we are doing is giving additional discretion to the judge.

I urge the Members on both sides of the aisle to support this modest amendment.

Mr. Chairman I yield the balance of my time to the gentleman from New York (Mr. NADLER).

The CHAIRMAN. The gentleman from New York (Mr. NADLER) is recognized for 1 minute.

Mr. NADLER. Mr. Chairman, this amendment does two things. The gentleman from Michigan (Mr. CONYERS) described the impact on the single-asset realty. But it does something else, and we did not hear from the other side why it is so terrible, what it does, or why they rejected it in committee and reject it now, having nothing to do with single-asset real estate.

What this does is say to the judge, is to give the judge discretion. When looking at a small business bankruptcy, the judge would have discretion to say, if he finds that imposition of these new onerous filing requirements and deadlines was likely to push that business into liquidation and cost more than five jobs, instead of enabling the business to reorganize, he is given the discretion to say, never mind these new restrictions, these new onerous requirements, better the business shall survive and not lay off the workers.

Why not let judges have that discretion? Why insist that small businesses have to go out of existence and lay off these people? Let the judge have discretion, if he makes a finding that imposition of these new restrictions would likely cause the business to go out of existence instead of reorganizing, getting on its feet and saving the jobs.

This is an anti-jobs bill. This is a pro-jobs amendment. I do not understand the opposition to it.

Mr. GEKAS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I ask the Members to vote no on this amendment. I repeat, we have taken great pains to solidify in our bill, the bill that is before us, those provisions having to do with small business that have found broad favor across the commercial world, to include the Justice Department, to include the advocate for the SBA and other organizations. I ask for a no vote.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Michigan (Mr. CONYERS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. CONYERS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 158, further proceedings on the amendment offered by the gentleman from Michigan (Mr. CONYERS) will be postponed.

It is now in order to consider amendment No. 8 printed in House report 106–126.

AMENDMENT NO. 8 OFFERED BY MR. WATT OF NORTH CAROLINA

Mr. WATT of North Carolina. Mr. Chairman, I offer amendment No. 8, which is made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. WATT of North Carolina:

Beginning on page 160, strike line 23 and all that follows through line 2 on page 161.

Page 162, strike lines 1 through 15, and insert the following (and make such technical and conforming changes as may be appropriate):

''(f) An individual debtor in a case under chapter 7 or 13 of this title shall file with the court at the request of any party in interest—

''(1) all tax returns, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed;

''(2) at the time filed with the taxing authority, all tax returns, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a)(1) were filed with respect to the period that is 3 years before the order of relief;

''(3) any amendments to any of the tax returns, including schedules or attachments, described in paragraph (1) or (2); and

The CHAIRMAN. Pursuant to House Resolution 158, the gentleman from North Carolina (Mr. WATT) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a simple amendment, and hopefully it will not take the entire allotted time. This is an amendment that was offered in the Committee on the Judiciary, and the Committee on the Judiciary split evenly, so I am sure the chairman of the subcommittee has a position on it, but the Committee on the Judiciary itself has failed to express an opinion one way or another because it failed on a split vote. I believe the vote was 13 to 13.

Mr. Chairman, this bill currently requires that every bankruptcy filer, no matter whether his filing is or is not contested, file at least 3 years' worth of tax returns with the court. In our subcommittee we had hearings, and the bankruptcy judges, bankruptcy trustees, every single witness who came agreed that requiring all of these tax returns to be filed simply creates a massive paperwork burden and expense to the bankruptcy system, and that this was not a good idea. These burdens are unnecessary.

Credit industry finance studies, consumer advocacy group finance studies, all indicate that the number of abusive Chapter 7 bankruptcy filings are approximately 10 percent, at most, of the bankruptcy filings. They also indicate that the vast majority of bankruptcy filings are what they categorize as uncontested filings.

So why are we requiring tax returns for 3 years to be filed with the bankruptcy court, when in the great majority of these cases there will not be any contest about it, there will not be any need for the tax returns? They will simply sit there in a corner in the bankruptcy court, clutter up space, take up needed time and energy to move around from place to place. They are simply unneeded.

So my amendment simply says, look, you do not have to file these returns unless some party in interest says, I want you to file the returns. If some party in interest, any party in interest in the bankruptcy wants the tax returns, all they have to do is file one sentence which says, I want the tax returns filed. They do not have to give a reason, there has to be no hearing, there does not have to be anything but one sentence saying, I want the tax returns of this filer filed, and that person would have to file them. And for some reason the author of this bill thinks that is terrible.

Mr. Chairman, I think he is overreacting. What he has decided is that every person who files a bankruptcy petition is a bad person, and we are going to impose all these burdens on him.

But Mr. Chairman, listen to what the Congressional Budget Office says about this provision. I quote: ''This section would require the Administrative Office of the U.S. courts to receive and retain the tax returns for the three most recent years preceding the commencement of the bankruptcy case for all Chapter 7 and Chapter 13 debtors, about 8 million debtors over the 2000 to 2004 period. CBO estimates that appropriations of $34 million over the next 5 years would be required to store and provide access to over 20 million tax returns.''

That is the Congressional Budget Office, who is telling the sponsor of this bill that because he thinks every filer in America of a bankruptcy petition is a bad person and ought to be subjected to this, even though nobody is ever going to look at most of these tax returns, he is willing to cost the taxpayers of America $34 million because he has this personal agenda that, I do not know, even Republican Members on the committee said, this is a bad idea. Even members of the Committee on Rules said, this is a bad idea. We support your amendment. That is how this amendment got made in order.

Yet, we are taking up valuable legislative time arguing about something that is completely inconsistent with what the professed philosophy is, to save taxpayers' money and to do something that is valuable to the system of bankruptcy. This is a provision in the bill which is not needed.

Mr. Chairman, I reserve the balance of my time.

□ 1515

Mr. GEKAS. Mr. Chairman, I yield myself such time as I may consume.

It is amazing to me that we can be criticized for trying to bring into the bankruptcy world a sense of accountability, of discipline. What is wrong with asking an individual who approaches the bankruptcy court and says, I am in terrible shape; I need to have bankruptcy relief, what is wrong with asking that individual to prove at the outset or to demonstrate at least prima facie what those financial circumstances are? That is a common sense requirement in most of the proceedings and most of the cases that we have of every conceivable kind in the court system of our country.

So here we have an individual who says, my income cannot match, cannot meet the debts that have fallen upon me. So we tell that individual to come to the bankruptcy court, to file for discharge of their obligations, to bring their income tax returns so they can show right away, to the lawyer who is helping them or to the bankruptcy court which will ultimately receive them, what their stream of income has been and what can be perceived as forecasting what income they will have in the next year or so beyond the aegis of the bankruptcy court.

That allows a couple of things to happen. Number one, it will allow many times, in our judgment, right at the outset, that the debtor and his counselor or bankruptcy adviser will come to the conclusion that he may not fare well in the bankruptcy court. The income stream that the individual has, together with the expenses that are matched against it, they might find that they would be rejected in bankruptcy. So maybe it would be better to wait a while, try to work out some of these debts and then decide later whether or not bankruptcy should be approached. That is a commonsense, valuable, preliminary finding for the debtor to make with his counselor.

We believe that that is helpful. That brings accountability, personal responsibility, and a sense of stability to the

system, and may prevent countless individuals from filing bankruptcy where before all they had to say was, as is the system now, I am bankrupt, I do not have any income, and so forth. And when asked how much they make; well, they do not want to be asked those questions. They may say, I think I am making $85 a week, or whatever calculation that the debtor asserts then becomes the basis of his asking for bankruptcy relief. Well, that is wrong.

And furthermore, if we should rely on what the gentleman from North Carolina says, to ask someone or embed in the law the requirement that a tax return be requested and that that should be granted automatically, first of all, it would allow that system itself to be gamed by some.

For instance, if I am a debtor, ready to approach the filing of bankruptcy, and my counselor tells me that I may or may not be asked for an income tax return once I file, if the amendment were carried, the debtor might say, well, I will take that chance. And if the request is not made for the tax return, he glides on his merry way towards a discharge in bankruptcy. If the trustee or the bankruptcy court asks for the tax return, he still has the option to drop out of the bankruptcy filing. So, in a way, we have an uncertain system at hand under the Watt amendment.

I am not ready to vouch for the inevitability that mountains of paper will be piled on top of the paper that has already been filed. I believe that with the electronic systems that are at hand, that it may be after the first filing of the 3 years of income tax returns, that almost forthwith they would be returned to the bankrupt filer while the system goes on with an electronic recordation of the data in that income tax return. So I see some relief even in the paperwork that might not otherwise be seen. We all agree that the increased technology is helping these kinds of systems all along.

The other important feature here is that I take it from the offering by the gentleman from North Carolina that the gentleman intends to vote against the Nadler substitute which is coming, because as one of the debtor's duties that even the gentleman from New York recognizes and applauds and includes in his version of bankruptcy reform is the filing of tax returns from the previous 3 years for anyone who dares to enter the bankruptcy courts asking for relief.

The commonsense requirement that a person seeking the help of the court provide all the information necessary for the court to determine the real status of that individual is a commonsense precept of our law, and we should not have any court rely only on the word or the assertions of the person who wants relief without the evidence that will make it a more stable set of provisions.

Mr. Chairman, I reserve the balance of my time.

Mr. WATT of North Carolina. Mr. Chairman, how much time remains?

The CHAIRMAN. Both Members have 3½ minutes remaining.

Mr. WATT of North Carolina. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. CONYERS).

Mr. CONYERS. Mr. Chairman, I thank the gentleman for yielding me this time.

I wish to say to the gentleman from Pennsylvania, Mr. Chairman, that apparently the Congressional Budget Office did not see the savings that the gentleman envisions in this, and the gentleman has been here long enough to remember the Paperwork Reduction Act. Whatever happened to that?

Here, if the gentleman were to examine the proceedings in any bankruptcy court, he would quickly know that the court can demand an income tax return, and certainly any party in interest is not about to forget to bring that in to the proceeding if there is any slight notice that he needs it. So what the gentleman from North Carolina is doing is merely making this optional to anybody that wants it, and here the gentleman from Pennsylvania is resisting it.

If a Federal agency tried to promulgate this rule, the gentleman from Pennsylvania would be leading the Congress in demanding to know why they want such unnecessary authority. So, please, let us improve the bill to at least this minor amount.

Mr. GEKAS. Mr. Chairman, I yield the balance of my time to the gentleman from Florida (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, I want to thank the gentleman from Pennsylvania (Mr. GEKAS) for his hard work on this vitally important bill and on the series of amendments we have been debating today. Clearly, we want to make certain that people pay their debts. Having been a commercial realtor and involved in the business of real estate and restaurants and different things, certainly I understand when people have trouble in society.

The one provision sponsored by the gentleman from North Carolina that would make a tax return subject to the presentation of one of the parties interested in asking for it I think strikes at what we should be trying to accomplish in the bill. Having a tax form as a requirement of a bankruptcy petition will, in fact, give the courts and all interested parties a chance to review the assets of the individual, at least the income of the individual, and whether in fact they can make due their debts to society. I think it is an important and fundamental thing that occur at the very, very beginning of a bankruptcy hearing. I think the court should be able to review in fact that they have income to satisfy their debts.

It seems time and time again I am reading about somebody who struck it rich and won the lottery, but somehow, because of the foolish management of their own money, they leave a lot of creditors out in the lurch. I would like to see some of those tax returns, and I would like to see the income from those lottery proceeds, and I think the court is entitled to them.

I think then to go and require one of the aggrieved parties to step forward and say, judge, I would like to petition to have a tax return submitted for the record so we can at least look to see if the income is there to satisfy the debts, is only going to encumber the process. It will drag it out. The debtor may say, well, I do not know where my copies are; well, let me see if I can get them; well, I may have to acquire them through the IRS to get copies back to make a presentation to the court, simply looking to delay and obfuscate the problem.

I want to speak for a moment on the amendment offered by the gentleman from Michigan (Mr. CONYERS) on the job requirements.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, the gentleman is aware, of course, that that possibility that he just mentioned exists under the underlying bill. If somebody does not have the tax returns, they can still come in, in an emergency situation, and have the same kind of argument.

And there is no hearing required under my amendment. I do not know which amendment the gentleman is debating. All someone has to do is file one sentence saying, I would like to have the tax returns. This is not about not filing the tax returns.

I agree with the gentleman. There are a lot of cases where the tax returns are needed, and I am not trying to impede that. I am just trying to keep mountains and mountains of paper from stacking up in the bankruptcy court.

Mr. FOLEY. Reclaiming my time, Mr. Chairman, I think that is a mountain of paperwork we desperately need to see. We need to see the facts. We need to see the proof in the pudding of what the income of the gentleman or gentlewoman was as they are making their claims to the courts. I think absent that information the courts have very little to base whether in fact this is a viable bankruptcy petition filed.

These are the types of things that will strengthen the law; so that all things that are material are filed accurately in the court and we are not waiting until we have delay after delay after delay.

So I again strongly urge the Congress to reject the amendment and proceed to support the underlying bill to bring some semblance of reasonableness to the Bankruptcy Reform Act of 1999.

Mr. GEKAS. Mr. Chairman, I yield back the balance of my time.

Mr. WATT of North Carolina. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Chairman, this is a simply silly provision and does not, frankly, deserve the attention it is being paid on the floor today.

Why should we not waste $34 million of the taxpayers' money for no purpose at all, the gentleman from Pennsylvania asks? My answer is because it is $34 million of the taxpayers' money.

There are no hearings here. Anyone who practices bankruptcy knows that in a vast number of cases it is open and shut. Everybody knows what is going on. There are no assets, very little income, no one has any desire to see the tax forms. Anyone, any creditor, the judge, anybody who wants to see the tax form, a one-sentence request suffices.

All that not passing the amendment of the gentleman from North Carolina will do will be to waste $34 million of the taxpayers' money in order to pile up tax forms in court that no one will read.

Sure, there are many cases where we may want to see what the assets are, what the income is, whether the bankruptcy makes sense or not, whether it meets the requirements of the law. All anyone has to do is ask, and someone will ask, and those are the complicated ones. But for those where there is no question, why require the court, as is not now required, to bury itself under a mountain of paper for no other purpose than to waste the taxpayers' money?

Mr. WATT of North Carolina. Mr. Chairman, how much time remains?

The CHAIRMAN. The gentleman from North Carolina (Mr. WATT) has 1½ minutes remaining.

Mr. WATT of North Carolina. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me just very quietly and calmly explain to the gentleman from Pennsylvania (Mr. GEKAS) and the gentleman from Florida (Mr. FOLEY) that I agree with them. There are a number of cases where tax returns are necessary in the bankruptcy court. But there are just as many cases where tax returns are unnecessary in the bankruptcy court; where no issue exists in the case, no argument about whether the person is bankrupt, nothing to be gained by having somebody bring in a stack of papers of 3 years' worth of tax returns other than that they will stack up in the corner and sit there and the taxpayers of America will have to pay the storage cost on that.

This whole notion that the gentleman has put together, that every single person ought to come in with a tax return, is just the gentleman boxing with a shadow. This is not evidence unless somebody wants it to be evidence; unless it is relevant to a determination of the outcome of the case. And all that is required under my amendment to get that tax return is a one-sentence statement saying I need the tax return. No reasons, nothing.

□ 1530

Please save the taxpayers $34 million and vote for this amendment.

The CHAIRMAN (Mr. NETHERCUTT). All time has expired.

The question is on the amendment offered by the gentleman from North Carolina (Mr. WATT).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. WATT of North Carolina. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 158, further proceedings on the amendment offered by the gentleman from North Carolina (Mr. WATT) will be postponed.

It is now in order to consider amendment No. 9 printed in House Report 106–126.

AMENDMENT NO. 9 OFFERED BY MR. WHITFIELD

Mr. WHITFIELD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. WHITFIELD:

Page 176, after line 24, insert the following:

**SEC. 614. COMPENSATING TRUSTEES.**

Title 11, United States Code, is amended—

(1) in section 104(b)(1) in the material preceding subparagraph (A)—

(A) by striking ''and''; and

(B) by inserting '', 1326(b)(3)'' before ''immediately'';

(2) in section 326, by inserting at the end the following:

''(e) Notwithstanding any other provision of this section, the court shall allow reasonable compensation under section 330(a) of this title for the services and expenses of the trustee in taking the actions described in paragraphs (1) and (2) if—

''(1) a trustee in a chapter 7 case commences a motion to dismiss or convert under section 707(b) and such motion is granted; or

''(2) the trustee demonstrates by a preponderance of the evidence that the case was converted or dismissed because of the trustee's actions.''; and

(3) in section 1326(b)—

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

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

(C) by adding at the end the following:

''(3)(A) the amount of the compensation described in subclauses (I) and (II) which is unpaid at the time of each such payment, prorated over the remaining duration of the plan—

''(i) and which has been allowed in a case—

''(I) converted to this chapter; or

''(II) dismissed from chapter 7 in which the debtor in this case was a debtor, whether dismissed voluntarily by the debtor or on motion of the trustee under section 707(b);

''(ii) but only to the extent such compensation has been allowed to a chapter 7 trustee under section 326(e);

''(B) the compensation payable to the chapter 7 trustee in the case under this chapter shall not exceed the greater of the trustee fee allowed pursuant to section 330 of this title plus—

''(i) $25 per month; or

''(ii) the amount payable to unsecured nonpriority creditors as provided by the plan multiplied by 5 percent, and the result divided by the number of months in the plan; and

''(C) notwithstanding any other provision of this title, any such compensation awarded to a chapter 7 trustee in a converted or dismissed case shall be payable and may be collected in a case under this chapter—

''(i) even if such amount has been discharged in a prior proceeding under this title; and

''(ii) only to the extent permitted by this section.''.

The CHAIRMAN. Pursuant to House Resolution 158, the gentleman from Kentucky (Mr. WHITFIELD) and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. WHITFIELD).

Mr. WHITFIELD. Mr. Chairman, I yield myself such time as I may consume.

First of all, I would like to certainly thank and congratulate the leadership of the gentleman from Pennsylvania (Mr. GEKAS) on this important legislation, as well as that of the gentlemen from Michigan and New York, for the hard work that they have put in on this legislation, as well as that of their staffs. It is very important legislation to reform the bankruptcy laws and to bring it up to date.

This amendment that I have, Mr. Chairman, is an amendment really about basic fairness; and that is, this legislation requires trustees to do some additional tasks, some additional work, and to simply provide them an opportunity to be compensated for that work.

Specifically, it provides the opportunity for the trustees to be compensated for the additional responsibilities they must perform pursuant to the terms of H.R. 833.

Under this bill, trustees must comply with new duties, clarifying which debtors truly need the relief provided by Chapter 7 and whether those debtors should be converted to the Chapter 13 payment plan. However, despite those additional duties, there are no provisions compensating the trustees or even giving them the opportunity to be compensated for the additional functions.

This amendment will allow the court or the bankruptcy judge to award a reasonable fee for trustees' actions resulting in a case being converted from Chapter 7 to Chapter 13.

In addition, in order to avoid overburdening debtors and reducing the effect this fee would have on the distribution to any creditors, this fee will be paid monthly over the life of the Chapter 13 plan.

It is only fair that individuals have the opportunity to be compensated for

additional work performed. Therefore, Mr. Chairman, I would request that this amendment be accepted.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I rise in opposition to the amendment, and I yield myself such time as I may consume.

Mr. Chairman, I think that we can accept this amendment. This is a provision that we think will be helpful. We want to make sure that, whatever fees, that that would come out of the debtor's assets so that that would not be something else he would have to confront.

Mr. Chairman, I yield to the gentleman from Kentucky (Mr. WHITFIELD).

Mr. WHITFIELD. Mr. Chairman, that is my understanding; that is the intent.

Mr. CONYERS. Mr. Chairman, under those circumstances, we approve of the amendment; and I yield back the balance of my time.

Mr. WHITFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I thank the gentleman from Michigan (Mr. CONYERS) for his support on this amendment.

Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania (Mr. GEKAS).

Mr. GEKAS. Mr. Chairman, I thank the gentleman for yielding me the time.

I want to indicate, for the record, and to urge the Members that we support this amendment and that it goes to some of the dependability and predictability that we are trying to build into the revised Bankruptcy Code. So the gentleman comes to the Chamber with an amendment that is worthy of the support of all the Members.

Mr. WHITFIELD. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Kentucky (Mr. WHITFIELD).

The amendment was agreed to.

Mr. MANZULLO. Mr. Chairman, I ask unanimous consent to speak for 1 minute on the Watt amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MANZULLO. Mr. Chairman, I was listening to the debate in my office on the Watt amendment, which would simply say that whenever the trustee or any party or any attorney requests a copy of the tax returns that that would be turned over, as opposed to having a mandatory provision requiring the filing of tax returns with a bankruptcy petition.

When I practiced law, I probably had somewhere between 300 and 500 bankruptcy petitions representing petitioners, debtors and also creditors. And if we are going to require, under the present main text of this bill, the filing of tax returns, we are going to have to pass an appropriation to increase the size of the Federal courthouses in order to hold all the paperwork.

So I speak in favor of the Watt amendment, if the tax return is requested by any party, that it could be turned over, as opposed to putting additional paperwork into every single bankruptcy petition that is filed.

The CHAIRMAN. It is now in order to consider amendment No. 10 printed in House Report 106–126.

AMENDMENT NO. 10 OFFERED BY MR. HYDE

Mr. HYDE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. Hyde:

Page 8, beginning on line 14, strike ''(which'' and all that follows through ''104(b))'' on line 19.

Beginning on page 8, strike line 23, and all that follows through line 13 on page 9, and insert the following (and make such technical and conforming changes as may be appropriate):

''(ii) The debtor's monthly expenses shall be the debtor's monthly expenses reasonably necessary to be expended—

''(I) for the maintenance or support of the debtor, the dependents of the debtor, and, in a joint case, the spouse of the debtor if the spouse is not otherwise a dependent; and

''(II) if the debtor is engaged in business, for the payment of expenditures necessary for the continuation, preservation, and operation of such business.

Notwithstanding any other provision of this clause, the debtor's monthly expenses shall not include any payments for debts described in clauses (iii) and (iv).

Page 14, line 15, add close quotation marks and a period at the end.

Beginning on page 14, strike line 16 and all that follows through line 3 on page 15.

Page 101, after line 9, insert the following (and make such technical and conforming changes as may be appropriate):

**SEC. 154. GUIDELINES FOR ASSESSING INCOME.**

Section 586 of title 28, United States Code, is amended by adding at the end the following:

''(f) Not later than 1 year after the effective date of this subsection, the Director of the Executive Office for United States Trustees shall issue guidelines to assist in making assessments of whether income is not reasonably necessary to be expended by a debtor for the maintenance or support of the debtor, the dependents of the debtor, and, in a joint case, the spouse of the debtor if the spouse is not otherwise a dependent.''.

Page 153, line 23, insert ''as amended by section 154,'' after ''Code,''.

Page 154, line 3, strike ''(f)'' and insert ''(g)''.

Page 154, line 5, strike ''(f)(1)(A)'' and insert ''(g)(1)(A)''.

Page 156, line 22, strike ''586(f)'' and insert ''586(g)''.

Page 157, line 4, strike ''586(f)'' and insert ''586(g)''.

The CHAIRMAN. Pursuant to House Resolution 158, the gentleman from Illinois (Mr. HYDE) and the gentleman from Pennsylvania (Mr. GEKAS) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. Mr. Chairman, I yield half my time to the gentleman from Michigan (Mr. CONYERS), and I ask unanimous consent that he may control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HYDE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to speak in support of an amendment that I am offering, together with the gentleman from Michigan (Mr. CONYERS), that relates to permissible living expenses of debtors and their families. It replaces the bill's reliance on Internal Revenue Service expense allowances and instead incorporates a test based on the disposable income standard of current law, namely, whether income is reasonably necessary for maintenance or support.

To enhance predictability, the amendment requires the Director of the Executive Office for United States Trustees to issue guidelines that will be considered in the application of the ''reasonably necessary'' standard.

Before discussing our proposed amendment relating to living expenses, I want to emphasize, and I mean ''emphasize,'' that various pro-creditor enhancements in Section 102, the relevant section of the bill, are unaffected by this amendment. These enhancements greatly expand the potential for utilizing Bankruptcy Code Section 707(b) to remove cases from Chapter 7 of the Bankruptcy Code, where a debtor can receive a limited discharge of obligations in return for giving up nonexempt assets.

By recent count, there are a dozen pro-creditor enhancements in Section 102 that my amendment leaves in place and 63 creditor-friendly reforms in other sections of the bill. Believe me, we can enact legislation that is highly favorable to creditors without depriving debtors and their families of ''reasonably necessary'' living expenses.

This bill effectuates a major shift in bankruptcy policy, a change in direction that necessitates focusing on what portion of a debtor's future income will be available to meet the requirements of daily living. For the last century, individual debtors generally have been able to receive an immediate financial fresh start without having to encumber their future incomes. By greatly increasing the potential for dismissing Chapter 7 liquidation cases, this bill channels many debtors into 5-year Chapter 13 repayment plans.

What will debtors, their spouses, and children be able to live on during long repayment periods? This bill says, in effect, that debtors and their families

must adhere to a somewhat modified version of expense allowances formulated within the Internal Revenue Service to facilitate compromises with delinquent taxpayers. This model is inappropriate for imposition in bankruptcy because, firstly, the successful collection of taxes is a matter of national self-preservation; and, secondly, the creditors can minimize the risk of losses by adhering to prudent creditor practices.

I do not think it is a particularly Republican idea to advance the IRS living standards. Recently, Congress gave legislative expression to the need for flexibility in the application of IRS expense allowances with the IRS to determine the appropriateness of applying the schedules to individual taxpayers. It would be particularly anomalous for this body to disregard the IRS Restructuring Act of 1998 and mandate an application of IRS expense allowances in bankruptcy cases that is more rigid and inflexible than what IRS itself does in the context of accepting compromises of tax obligations.

Professor Jack Williams of Georgia State University School of Law, who chaired the National Bankruptcy Review Commission's Tax Advisory Committee, pointed out to us that tying debtor eligibility to a formula that the IRS deviates from on a regular basis makes no sense. He described the IRS collections standards as too parsimonious and said the standards are unrealistic.

The limited effort to modify the IRS expense allowances during our markup by including a potential add-on for food and clothing only of up to 5 percent and providing for continuation of private school expenses failed to solve major problems with the incorporation of IRS schedules into our bankruptcy law.

Allowances for food are included in the IRS National Standards which apply throughout the contiguous 48 States and do not reflect differing costs from one region to another. In addition, allowable expenses for food under IRS schedules increase dramatically with increases in income.

The broader problem, of course, is the bill does not even make an attempt to address problems with IRS allowances unrelated to food, clothing, and education.

Leading national organizations with bankruptcy related expertise and credibility recognize the need to replace the IRS expense allowances in this bill. I am speaking of the Commercial Law League of America. They have written us favorably.

Judge Randal Newsome, President of the National Conference of Bankruptcy Judges, has said that, ''On behalf of the 319 members of the National Conference of Bankruptcy Judges, I firmly believe your amendment would lead to a far less complex and far more workable needs-based bankruptcy system than one which attempts to incorporate IRS expense standards.''

An unfortunate consequence of applying IRS living allowances in bankruptcy cases is to penalize some family members because they live with the debtor and cannot benefit from a support order.

The bill includes protections for the beneficiaries of support orders issued by family courts, courts that are not constrained by the living allowances the IRS seeks to impose on delinquent taxpayers.

Mr. Chairman, this is simple. What are they going to live on while they are playing out the 5 years that they have to play out paying their bills, paying their debts under Chapter 13?

The bill wants to use the IRS living standards. I want to replace them with the reasonably necessary standard, which is the current law. This bill has over 75 creditor enhancements. And to say if my amendment passes this is a deal breaker, that kills the bill, is ludicrous. There is so much in here for the creditors they ought to grab it and run.

□ 1545

It just seems to me a little humanity, a little flexibility, a little reasonableness in working out the living standards, the rules by which you are going to live on while you are working out your Chapter 13 obligations, is appropriate.

Mr. Chairman, I reserve the balance of my time.

Mr. GEKAS. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas (Mr. ARMEY), the majority leader.

Mr. ARMEY. I thank the gentleman for yielding me this time. I will be brief.

Mr. Chairman, let me say, first of all, I do not think it is any secret around here the high esteem with which I hold the gentleman from Illinois (Mr. HYDE). The gentleman from Illinois is one of my heroes and a close personal friend. It pains me to find myself ever in disagreement with a gentleman I admire so much, but I could not be more in disagreement with the gentleman from Illinois on this point than I am.

Mr. Chairman, for years we have labored here, watching bills come and bills go, markups come and markups go, legislation pass through the floor. For all those years what I have looked to is for the Congress to act in such a way as to exercise the legislative discipline in the way the law is written, to write in an acceptable objective standard so that anybody that comes under the jurisdiction of the law will know in fact the rules of the game when they enter the courtroom.

For too many years, what we have done is we have written law in this body to leave things at a subjective level and to the discretion of the court, that for too many times and too many pieces of legislation have resulted in excessively drawn out cases under the law where in fact the law was written on an ad hoc basis, in the courtroom, by the court. Many of us who believe so much in judicial constructionism have bemoaned that liberalism in the courts.

This legislation as it comes to the floor has a good, acceptable, reasonable and I believe necessary objective standard. The Hyde-Conyers amendment would remove that and would leave us again to the vagaries of judgments in the courts and all that go with it.

No, I think at this point we must practice legislative discipline. We must write the law as Congress intends the law. And we must give everybody who would enter the courtroom under the jurisdiction of the law a clear understanding of what the law is and what are the rules of the game and what are the compliances required going into it.

I implore all of us to vote against this amendment, uphold clear, defined standards under the law. Let this legislation go forward as it does, as it is brought to the floor, as legislation that once again will connect freedom and responsibility in financial dealings as a message before all our families.

We all teach these lessons to our children about accepting your responsibilities and fulfilling your responsibilities. Let the bankruptcy laws of this great land be a complement to the teachings we give our children and an encouragement to that, and let our children know the standards of compliance that are expected of them under the law. Let us not leave that to the whim of a judicial proceeding.

Mr. CONYERS. Mr. Chairman, I yield myself 5 minutes.

May I make it clear to my colleagues that there is no other amendment that I support stronger than this one with the gentleman from Illinois (Mr. HYDE), deleting provisions in the bill that would impose the sort of one-size-fits-all standard for the income and expense test based on IRS standards to determine who is eligible for bankruptcy relief and how much they are required to pay their creditors. I am appalled with the thought of using IRS expense standards.

First, the IRS standards do not protect a debtor's ability to pay for health care, for elderly, care for the elderly, taxes, accounting or legal fees. Now, an IRS standard like this has the effect of requiring the payment of unsecured credit card debt before allowing for payment of these important family-friendly items.

In the second place, where the IRS does allow specific expense items, the permitted amounts are often inhumanely inadequate. For example, the permitted automobile expense in the San Francisco Bay area for two cars is $373 per month, even though

most families could barely cover the cost of automobile insurance, let alone car payments, gasoline, tolls and other items of expense.

Question: How can we expect people to keep their jobs if we do not provide them with enough money for transportation to get to work?

Number three, the IRS standards have a severe bias against renters and other debtors without secured debts. This is because the bill allows all secured debt payments to be deducted from monthly income but limits rental and lease payments to the amount permitted by the IRS standards. This means that the person renting apartments or leasing cars may not be able to deduct the full amount of their housing and transportation cost in bankruptcy, while persons with mortgages and automobile debt would be able to do so. There is no legitimate policy rationale for this discrepancy which punishes persons who try to live within their means.

I have just a few letters that I will shortly put in the RECORD. From the American Federation of State, County and Municipal Employees we have a strong letter arguing against the means test. From the American Federation of Labor, we have a legislative alert that says imposing an unworkable and unfair means test on families seeking to obtain a fresh start under Chapter 7 is to be avoided. We also have a letter from the United Automobile Workers of America, who are particularly disturbed by the up-front arbitrary means test that would unfairly bar many working families from being able to obtain a fresh start under Chapter 7.

Mr. Chairman, this is probably the touchstone of this whole bill. If we could move to this agreement to accept this joint amendment, we may be able to save this bill from being turned down in the administration. I am urging the Members to give this their consideration and ultimately their support.

Mr. Chairman, I include the following material for the RECORD:

AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES, AFL–CIO,

*Washington, DC, April 19, 1999.*

DEAR REPRESENTATIVE: On behalf of 1.3 million members of the American Federation of State, County and Municipal Employees (AFSCME), I am writing concerning the scheduled mark up of the Bankruptcy Reform Act of 1999 (H.R. 833). We urge you to oppose H.R. 833 because it represents one-sided legislation that elevates the interests of banks and credit card companies above the interests of working men and women.

Many hard-working American families find themselves in unfortunate financial positions due to circumstances beyond their control. These families typically struggle with their debts for substantial periods of time. They work extra hours at multiple jobs, or borrow money from their relatives and friends. They try to avoid bankruptcy to protect their homes and save their credit ratings. But these efforts often fail, especially when the creditors refuse to give them a second chance that they desperately need.

H.R. 833 contains numerous provisions that will allow creditors, particularly the credit card industry, to unfairly burden or harass working families. Of particular concern is the ''means test'' that would unfairly bar many working families from being able to obtain a fresh start under Chapter 7.

There is no economic evidence to suggest that the profiles of families in Chapter 7 have improved since last year's Conference Report was published. During the debate over the bankruptcy legislation last year, much evidence was presented to the contrary; families in Chapter 7, on average, are worse off today than in the past. There is also no evidence that these families are abusing the system.

AFSCME supports balanced bankruptcy reform, but this bill departs from the bipartisan version of reform which cleared the Senate floor last fall. We again urge you to vote against H.R. 833.

Sincerely,

CHARLES M. LOVELESS,
*Director of Legislation.*

---

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,

*Washington, DC, April 20, 1999.*

Hon. HENRY J. HYDE,
*Chairman, House Committee on the Judiciary, Washington, DC.*

DEAR MR. CHAIRMAN: This week the House is scheduled to take up H.R. 833, the Bankruptcy Reform Act of 1999. The AFL–CIO is opposed to this radical legislation. It will harm working families and weaken a vital safety net protecting small businesses and jobs in times of economic downturn.

Specifically, the AFL–CIO opposes provisions in the bill that:

Threaten jobs by placing substantial procedural and substantive barriers in the way of small businesses' access to the protections of Chapter 11;

Threaten jobs by broadening the scope of signal asset real estate debtors subject to rules which increase the threat of disruptive summary foreclosures of commercial property;

Threaten jobs by requiring commercial debtors to assume or reject commercial leases within a rigid timetable, which would force debtors to favor one class of creditors over others, and threaten their overall ability to successfully reorganize.

Impose an unworkable and unfair ''means'' test on families seeking to obtain a fresh start under Chapter 7;

Impose burdensome, bureaucratic requirements on consumer debtors that could result in the arbitrary dismissal of many bankruptcy petitions, even when there is no abuse and working families genuinely need relief; and

Place severe, punitive restrictions on repeat consumer filings.

The current bankruptcy system is the result of decades of thoughtful, careful bi-partisan legislative efforts, designed to balance the interests of creditors, debots and the nation as a whole. Working families and their unions participate in this system as debtors, creditors and employees of both debtors and creditors. We have much to lose if this system becomes unbalanced or damaged by hasty and poorly thought-out changes.

But the real danger posed by H.R. 833 is the threat it poses to our economy's ability to weather downturns. The bill aims to make access to the bankruptcy process more difficult for our economy's most vulnerable links—small businesses and consumers. This will likely result in increased business closures, job loss and home foreclosure, increasing the severity and length of any future economic downturn. It does so in the face of academic data showing that consumers filing bankruptcy are overwhelmingly working families who have experienced a catastrophic event—families whose median income is less than $18,000.

H.R. 833 threatens jobs and tilts the playing field against working families and small businesses. We urge the Senate to reject the harsh and ill-considered proposals embodied in the current text of H.R. 833.

Sincerely,

PEGGY TAYLOR,
*Director, Department of Legislation.*

---

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA—UAW

*Washington, DC, April 28, 1999.*

DEAR REPRESENTATIVE: This week the House is scheduled to vote on H.R. 833, the Bankruptcy Reform Act of 1999. This bill incorporates the Conference Report on the bankruptcy legislation in the last Congress. The UAW opposed that Conference Report, and we urge you to oppose H.R. 833, because they represent one sided legislation that elevates the interests of banks and credit card companies above the interests of working men and women.

Many hard-working American families find themselves in unfortunate financial positions due to circumstances beyond their control. Layoffs, divorce and medical crisis can quickly introduce financial instability into the lives of workers and their families. These families typically struggle with their debts for substantial periods of time. They work extra hours and multiple jobs, or borrow money from their relatives and friends. They try to avoid bankruptcy to protect their homes and save their credit rating. But these efforts often fail, especially when creditors refuse to give them a second chance that they desperately need.

Like last year's Conference Report, H.R. 833 contains numerous provisions that will allow creditors, particularly the credit card industry, to unfairly burden or harass working families. We are particularly disturbed with its up-front, arbitrary ''means test'' that would unfairly bar many working families from being able to obtain a fresh start under Chapter 7. This concern is shared by Judiciary Chairman Hyde, as demonstrated by the series of amendments he offered to overcome the arbitrary and unfair effects of using IRS standards in the means test and to allow bankruptcy judges more discretion over the outcome. Unfortunately, these amendments were rejected by the Committee.

There is no economic evidence to suggest that the profiles of families in Chapter 7 have improved since the Conference Report was published. Indeed, during the course of the debate over the bankruptcy legislation last year, much evidence was presented to the contrary; families in Chapter 7, on average, are worse off today than the past. There is also no objective evidence that these families are abusing the system. Despite credit industry claims to the contrary, a recent study commissioned by the American Bankruptcy Institute found that only 3 percent of Chapter 7 filers could afford to repay some portion of their debt—a finding that was also confirmed by the U.S. Trustee's office.

The UAW is also deeply concerned that H.R. 833 contains only watered-down consumer ''protections''. For example, it would not provide for meaningful disclosure about the consequences of making low credit card payments. It also fails to adequately protect debtors against strong-arm tactics used by creditors to re-affirm debt, abuses that have been recently well-documented in the Sears case and others.

The UAW also is troubled that H.R. 833 places substantial procedural and substantive barriers in the way of small business seeking to re-organize under Chapter 11. This could result in the loss of thousands of jobs for American workers.

The UAW supports balanced bankruptcy reform. But that is not what H.R. 833 is about. Instead, it would favor the interests of credit card companies and banks over the interests of hard working families that are experiencing financial difficulties. We therefore urge you to oppose H.R. 833.

Sincerely,

ALAN REUTHER,
*Legislative Director*.

Mr. Chairman, I reserve the balance of my time.

Mr. GEKAS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we share, all of us, the reverence for the gentleman from Illinois (Mr. HYDE) and the gentleman from Michigan (Mr. CONYERS), two of the statesmen of our organization and to whom we look for decision-making on a broad spate of subject matters. But here I think they themselves may not realize what they are espousing.

I say that with all kindness, because there are many times when I do not realize what I am doing, but this may be an example of good intentions that result in unintended consequences. We have heard that phraseology many times.

What the gentlemen do, these two stalwarts of our Chamber, is shower additional benefits upon the higher income people in our society. How do they do that? All of us will agree that this whole process begins with the median income. Those people at the median income or less are protected by legislation that the gentleman from Illinois himself has put into this bill, the safe harbor. Those people are beyond the accountability that we seek from others because they are in such bad shape that they must be given almost automatically a fresh start.

But now we are going to the higher income, over $50,000, 60, 70, 80, 90. Now, those people under our bill, we have a set of standards to make sure that when we scrutinize their financial circumstances, we can find, if at all, the possibility that they could repay some of the debt. By putting these objective standards in it that we have, the IRS standards, we are putting a standard into play which allows a reasonable, objective scrutiny of these financial circumstances.

Look what the gentleman from Illinois and what the gentleman from Michigan do. They say that for the $90,000 or $100,000 earner, we do not have to use these objective standards, let us use subjective standards, reasonable and necessary expenses. That means that before some fact finder a debtor can plead a Rolls Royce and really make a case or try to make a case that that is reasonable and necessary—I am exaggerating, of course, to make a point—for the conduct of that person's enterprise.

For a variety of things from Oregon to Georgia, there would be 20 different types of decisions made by 25 different courts on 25 different items in a bankruptcy proceeding. Disparity will return. We are trying to get rid of disparity. Flexibility of outcome will return where we are trying to contract that, to bring predictability and stability into the system.

I do not believe that, in looking at it very closely, that the gentleman from Michigan and the gentleman from Illinois would want to shower additional benefits on the higher income people, because that is what the result is. They are loosening those standards, returning them to the status quo now where so many of the high earners are escaping scrutiny in the bankruptcy system. That is what their unintended consequences might be.

Furthermore, all the worry that the gentleman from Illinois articulates about the lack of discretion and flexibility is taken care of by one flat phraseology that we employ in our bill, and that is extraordinary circumstances. When we have a situation, even when we apply the objective standards which we think are absolutely necessary for stability of the system, but we also allow a variance from that when extraordinary circumstances can be demonstrated, then we have covered all the concerns that the gentleman from Illinois and the gentleman from Michigan express and still retain that stalwart set of objective standards that brings predictability and stability to the system.

We must reject it, while applauding the gentlemen for their intentions, but the intentions of the proponents and sponsors of this bill is to make sanity out of a system that has gone awry. What they do is retain the status quo. We resist that temptation by saying to the Members, vote ''no'' on the Hyde-Conyers amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Chairman, the picture painted by the gentleman from Pennsylvania (Mr. GEKAS) would be funny if it were not serious. The gentleman from Illinois (Mr. HYDE), that paragon, supporter and champion of the raging liberal judiciary. Who believes that?

The fact of the matter is that I must commend the gentleman from Illinois and the gentleman from Michigan for this amendment, for trying to retain some humanity in the bankruptcy courts.

□ 1600

The objective standards of which the gentleman from Pennsylvania (Mr. GEKAS) speaks are rigid and inhumane standards, inhumane standards that this Congress told the IRS to junk last year because we found they were inhumane. They are also standards that ignore the facts.

In addition to what the gentleman from Michigan said before about the things they ignore, the fact is these standards are rigid and are averages. If you are a bankrupt and you are going to bankruptcy and they want to figure out how much you can afford to pay, the proper question is, what is your rent? What is your mortgage? Not what is the average mortgage payment in the northeast United States. If the IRS says the average mortgage payment in the United States is $400 a month, but your mortgage payment is $500, try to tell the bank that you can only pay $400. See how far you get.

The fact is, a means test ought to be based on the reality, on the facts. What is your real income? That is a problem with this test that this amendment does not deal with, but what is your real income? What are your real expenses? Not what the IRS thinks the expenses of the average person in New York or California might be.

The gentleman from Pennsylvania (Mr. GEKAS) says that you have the safe harbor, that people under the median income are excluded from this means test. He forgets his own bill, because this means test is used in Chapter 13 without the safe harbor. In Chapter 13 this means test says how much you can afford to repay in a repayment plan, even if you are making $10,000 or $20,000 and you are under the median. But, again, how much can you afford to repay? Who cares what your real expenses are? All we care about is what the IRS says. That is simply unjust. It simply will produce injustice.

This amendment would have the executive office of the United States trustee set up standards and the judge could look at the real facts. That is what a just system is. The gentleman from Pennsylvania (Mr. GEKAS) says, well, you can go in and plead extraordinary circumstances. Sure you can, if you can spend $7,000 or $8,000 to do that with a lawyer. And you are bankrupt. Good luck.

The gentleman from Pennsylvania (Mr. GEKAS) says the gentleman from Illinois (Mr. HYDE) and the gentleman from Michigan (Mr. CONYERS) do not understand what they are doing. They certainly do understand what they are doing, and because they understand what they are doing, that is why the National Bankruptcy Conference approves of this amendment, and why the

Commercial Law League and the National Association of Consumer Bankruptcy Attorneys, the National Association of Bankruptcy Trustees, the National Association of Chapter 13 Trustees, the Consumer Federation of America, the Consumers Union, Public Citizen, and everybody who knows anything about bankruptcy, except the creditors who are buying and paying for this bill, support this amendment.

Mr. GEKAS. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee (Mr. BRYANT), a member of the committee.

Mr. BRYANT. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I too stand in opposition to this amendment. In order to have effective bankruptcy reform, we need to have in this bill a set of uniform standards as to whether or not someone should be allowed to file in Chapter 7 or in Chapter 13 bankruptcy. The reason I oppose this amendment is that it would effectively damage the means test, using an open-ended subjective standards test. We have talked about that a little bit. You have heard about that already.

In effect what that does in the real courtroom, it allows the debtor's expenses, rather than being determined in a uniform fashion, to be determined on a case-by-case, jurisdiction-by-jurisdiction, court-by-court basis, bound only by the limits of the debtor's imagination or the discretion of the judge.

The debtor may deduct any expense, if they can show that it is reasonably necessary. If there is ever a word that is litigated to the ''Nth'' degree, it is the word ''reasonable.'' That is what you are inviting in this situation. It invites an open door for litigation every time there is a dispute over what is meant by ''reasonably necessary.'' By having more litigation, you increase the administrative burdens on the bankruptcy system and already add to a costly situation.

The ability to consider in this case that our chairman has spoken about the extraordinary circumstances I think does give the requisite flexibility that is needed, while at the same time maintaining some uniformity to this situation. Allowing bankruptcy judges to create their own test is an invitation, as has been said before, to disparate treatment of claims and confusion among creditors and all those who work within the bankruptcy system.

Mr. Chairman, in conclusion, I would say that my understanding of H.R. 833 is that it does not actually incorporate the repayment test by the IRS. Instead, it merely incorporates the categories identified by the IRS as necessary expenses. So I urge my colleagues to oppose this amendment and vote no.

Mr. GEKAS. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Chairman, I rise in strong opposition to the Hyde-Conyers amendment.

Mr. Chairman, this legislation, H.R. 833, is about personal responsibility. It is about clear standards. It is about correcting a system that was designed to help those who have fallen on hard times, but which is now used to protect those who can afford to pay to repay some of their debt, but they choose not to.

H.R. 833 imposes clear objective standards to give debtors, creditors, judges and trustees guidance in applying a means test used to determine who has the ability to repay some of their debt. How is this test based? On the median expenditure levels as determined by the Bureau of Labor Standards and Statistics. This represents what the average American family spends each month and what someone in bankruptcy can afford to repay.

This amendment that we are discussing removes this standard and replaces it with an entirely undefined standard of reasonably necessary expenses. Essentially this amendment would put us right back where we started.

Yesterday's Washington Post included an article which, in my view, exemplifies what is wrong with the current bankruptcy code. This article reports on a family with an annual income of $180,000. The family apparently fell on hard times and filed for bankruptcy seeking to discharge $140,000 in unsecured debt, but, upon filing, they listed as among their monthly expenses projected $600 for entertainment, $270 for cell phone expenses and so forth.

Under H.R. 833, this family would receive the same allowances for mortgage, food, clothing and utilities as they do under current law. However, they would be denied the cell phone and the entertainment allowances that most Americans who pay their bills on time do not enjoy.

Under the Conyers-Hyde amendment there would be no clear standard giving the judges the same discretion they have now, and this family and thousands in a similar situation could very well continue with the $600 entertainment and the $270 cell phone calls per month, all at the expense of the consumers who will ultimately pick up the tab.

Again, H.R. 833 imposes the clear, consistent national standards that will ensure that those that have the ability to repay their debts are in fact required to do so. This amendment eviscerates those standards, and I urge my colleagues to oppose it.

Mr. CONYERS. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, first I would point out to the gentleman that the court would merely disallow those claims that the gentleman rattled off from the newspaper. Just because someone files them does not mean they are going to get them. I cannot think of a Federal bankruptcy court that would allow that sort of thing.

Mr. Chairman, it is no answer to assert that ''glitches'', so-called, can be resolved through the bill's allowance for extraordinary circumstances, that has been raised more than once here, because establishing that a particular expense is extraordinary is neither simple nor cost free. These circumstances can only be established on a motion to the court prepared by legal counsel.

We are talking about bankrupts. The motion must be detailed, documented and subject to creditor challenge. Moreover, the burden of proof lies with the debtor in establishing extraordinary circumstances. So if the debtor's motion fails, he is then subject to paying the creditor's fees and costs. Collectively, these risks provide a tremendous disincentive for debtors to claim extraordinary circumstances. To add insult to injury, the bill does not even provide for the deduction of the legal expenses needed to establish extraordinary circumstances.

The IRS standards should offend us all, every Member of this body. They have been rejected by us, abandoned by the IRS, and, yet, the credit card companies would have us apply them in bankruptcy. We, who are so strongly opposed to abusive IRS collection tactics in the income tax context, cannot be supportive of incorporating these same standards into bankruptcy law.

Mr. Chairman, this amendment goes to the heart of my concerns about the bill. If it is adopted, we may have a chance. I urge Members to give it their unfettered support.

Mr. GEKAS. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. BOUCHER).

Mr. BOUCHER. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding me time.

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Illinois and the gentleman from Michigan. If adopted, the amendment would seriously undermine the needs-based test for the entry into Chapter 7 that is at the very core of this bankruptcy reform.

Our major goal in proposing bankruptcy reform is to assure that people who need bankruptcy protection, but who can afford to repay a substantial part of what they owe, receive their protection in Chapter 13 plans in which the court will supervise the repayment.

In the process of determining who can afford to repay a substantial part of their debt, the bill subtracts from the debtor's monthly income a number of items: All secured debt is subtracted; all priority debts, including child support and back taxes are subtracted; certain school tuition costs are subtracted; and living expenses

based upon standards determined by the Internal Revenue Service are also subtracted.

The amendment that is now being considered would replace the certainty of the IRS standard with a discretionary standard for bankruptcy judges to determine what expenses are reasonably necessary. The certainty of the IRS standard should be retained, and, in support of that position, I would cite these arguments.

First, the Internal Revenue Service standards are generous. In a review of 2,100 bankruptcy filings in 1997 conducted by a major accounting firm, it was found that the living expenses under the IRS standard are, on average, 8 percent higher than the actual expenses reported by Chapter 7 filers. The expenses allowed under the standard are clearly more than adequate.

Secondly, discretion already exists for bankruptcy judges and trustees to move filers from Chapter 7 to Chapter 13 by the filing of a motion alleging that petitioners are substantially abusing Chapter 7 because they can repay a large part of the debt and really belong in Chapter 13. But, as a practical matter, these motions are rarely filed today by trustees or by bankruptcy judges.

□ 1615

The amendment now under consideration would simply move this complete discretion over whether to bring a substantial abuse motion to the living expense portion of the process.

Since judges and trustees have been reluctant to use their existing discretion to require a greater use of Chapter 13 and the lesser use of Chapter 7, there is little reason to have confidence that essentially the same discretion will be any better used under the Hyde-Conyers amendment than it is under the current process. If it is not, the core reform that we are seeking to achieve will not be achieved.

The better course is to reject this amendment and to retain the certainty of the IRS standard in determining reasonable living expenses.

Mr. GEKAS. Mr. Chairman, I yield 1 minute to the gentleman from Michigan (Mr. SMITH).

Mr. SMITH of Michigan. Mr. Chairman, the reason I am supporting this bill is because it has the tendency of making loans more available and it has the tendency of bringing interest rates down.

This amendment throws open the door for litigation every time there is a dispute as to whether a debtor's particular expenses are reasonably necessary. This will dramatically increase administrative burdens on the bankruptcy system.

It also leaves the door open to indecision based on individual judge interpretation. Passing this amendment and doing away with the bill's more definite guidelines means those interest rates will not come down; it means that the increased availability of those loans will not be forthcoming until the lenders have decided what judges are going to do with the discretion that is added by the Hyde amendment.

H.R. 833 does not incorporate the actual repayment test used by the IRS. Instead, it incorporates the categories identified by the IRS as necessary expenses. This is an important distinction because the means test of H.R. 833 is more flexible than anything used by the IRS.

The ability to consider ''extraordinary circumstances'' provided for under the bill is a better mechanism to establish fair and equitable reform than the amendment giving bankruptcy judges discretion to create their own tests of ''reasonableness''.

Allowing bankruptcy judges to create their own test is an invitation not only to the different treatment of debtors but also to confusion among creditors and those who work within the bankruptcy system.

I urge defeat of the Hyde amendment.

Mr. GEKAS. Mr. Chairman, I yield 1 minute to the gentlewoman from California (Mrs. TAUSCHER).

Mrs. TAUSCHER. Mr. Chairman, I rise in opposition to this amendment. The Bankruptcy Reform Act would ensure that Americans who can reasonably repay some of their debt will do so. It is based on the principle of personal responsibility and intended to stem the tide of American bankruptcy filings.

The Hyde-Conyers amendment flies in the face of that fundamental principle. Instead of establishing a reasonable standard of living expenses, as the bill does, this amendment would give judges broad authority to determine, quote/unquote, reasonably necessary expenses.

This definition is ambiguous. It provides a loophole for bankruptcy filers to avoid repayment and maintains one of the deficiencies of the current system.

This legislation recognizes not everyone who files for bankruptcy is able to repay their debts but it employs a reasonable standard to make that determination. The Hyde-Conyers amendment would remove that reasonableness from the bill. I urge my colleagues to oppose the Hyde-Conyers amendment and support the Bankruptcy Reform Act.

Mr. HYDE. Mr. Chairman, I yield myself the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois.

The CHAIRMAN. The gentleman from Illinois (Mr. HYDE) is recognized for 3 minutes.

Mr. HYDE. Mr. Chairman, my colleagues are making a virtue out of what is a vice, and that is the inflexibility of the IRS standards. The cost of food in Omaha, Nebraska or Boise, Idaho, is different than in downtown Manhattan. So what is realistic about an inflexible standard? Why not give some wiggle room so that humanity can play out?

This could be a good bill. It is a great bill for the creditors, I can say. I have 75 enhancements here for the creditors. Why not throw a little small bone to the debtor?

Do not talk about ''reasonably necessary'' as too vague. Are my colleagues aware, those who have said that, that there is 15 years of litigation and decisional authority interpreting that? Of course. ''Reasonable'' is a word used in negligence law, in the exercise of reasonable care and caution. To hear some of my colleagues talk, I would think this was from outer space. That is nonsense.

We have to allow for regional differences, for family differences. A reasonably necessary standard is ascertainable.

I am as capitalist as anybody, I am as conservative as anybody, but it does not seem to me when there is a bill that is truly tilted towards the creditors, that giving a little flexibility for living standards for people who are bankrupt is a violation of one's credentials as a conservative.

The median income that the gentleman from Pennsylvania (Mr. GEKAS) mentioned of $51,000 sounds like a lot of money, but that is for a family of four, a family of four. That may be a lot of money in Boise, Idaho. It may be very little in New York.

Give some flexibility. The current law is what ought to obtain. My colleagues are trying to change it by putting the IRS standards in. It is the first time, and I dare say the last time, so much kind approbation will be showered on the IRS by this side of the aisle. I certainly do not join in that showering.

So this litigation, there will be litigation on the IRS standards, there will be as much litigation as anyone wants.

This could be a good bill. I support this bill, but for goodness sake give some humanity in the establishment of living standards while paying out Chapter 13.

Lastly, let me pay my respects to the creditor lobby. They are awesome.

Mr. GEKAS. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, we return to the recurring issue. The current state of bankruptcy is in a chaotic mess. One of the reasons is that an individual who wishes to file bankruptcy finds it very easy to do so. Very few standards are applied.

The system needed tightening up. Everybody in the world knows that. Creditors, and the credit lobby, really understand that; there is no question about it. We understand how they understand it. On the other hand, an objective onlooker, the lawmakers that we are, who are eager to tighten up the

bankruptcy laws because it is good for our society, it is good for our economy, it saves money for consumers to prevent bankruptcies, it saves money for taxpayers to prevent bankruptcies, it helps the tax collecting authorities like State governments, school boards, municipal governments to be able to regain some of their lost taxes by reason of unwarranted bankruptcies, all of these societal needs are met in our bill.

What really is something that must be made clear to first the Members of Congress and then to the public is that the current system, that chaotic system, has too much flexibility. What the Hyde-Conyers amendment does is return too much flexibility to a system where we are trying to create standards and to tighten up on every corner of the bankruptcy field.

How ironic it is that on the one hand they remove the IRS standards because they are odious to many and then they reinsert standards to be set by a trustee panel. So all of a sudden we are back to establishing standards anyway.

What we have found throughout the test of the time that has been engulfed in bankruptcy reform, that the IRS standards provide the starting point and from there we have a better system at hand.

Mr. DELAY. Mr. Chairman, I rise today to urge my colleagues to vote no on this amendment. Bankruptcy reform must be allowed a chance to work.

The bankruptcy reform bill that is before us today is simply trying to jump-start a sense of personal responsibility in the area of consumer financial transactions.

Today's bankruptcy system has made it too easy for irresponsible people to pass on the burden of their financial debt to responsible people.

The greatness of this country is based on freedom. But with this freedom comes responsibility for your actions.

Because the stigma that was once associated with bankruptcy has disappeared, we see too many people using bankruptcy as a financial planning tool.

And, too many lawyers are getting rich selling that tool.

Gone is the notion that bankruptcy is to be a last-resort solution to a personal financial crisis.

Gone is the chance of receiving a fresh start only after agreeing to a repayment plan.

Instead, we see debtors routinely expecting others to pick up their tab.

That in fact is what happens when the creditor passes on his or her losses to other borrowers—everyone pays a portion of that debtor's bill.

Mr. Chairman, the bankruptcy bill under consideration today is based on the premise that those debtors who can afford to repay their debt should do so, rather that have it forgiven.

To accomplish this seemingly simple goal, an income-based means test is employed to determine if a debtor could do one of three things: have debt forgiven; reorganize and enter into a repayment plan; or refrain from filing for bankruptcy at all.

In order to differentiate amongst debtors and to end the abuses of the bankruptcy system, objective standards are needed to replace today's vague and ambiguous subjective guidelines in use by the bankruptcy courts.

Mr. Chairman, the amendment before us will undercut the basic objective of reforming the bankruptcy system by allowing judges to continue to make the same subjective decisions about repayment—the very same decisions that have not prevented recent abuse of the system.

The decision before us is clear: Vote "yes" only if you feel that the majority of your constituents should continue to pay the costs of these abuses.

But better yet, vote "no" to give bankruptcy reform a chance to instill a sense of personal responsibility in consumer financial transactions.

I urge my colleagues to vote "no" on this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. HYDE).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GEKAS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Pursuant to House Resolution 158, after this 15-minute vote on the Hyde amendment the Chair will resume proceedings on the three questions postponed earlier on which demands for recorded votes are pending. Any electronic vote after the first vote in this series will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 184, noes 238, not voting 11, as follows:

[Roll No. 110]

AYES—184

Abercrombie
Ackerman
Allen
Bachus
Baird
Baldacci
Baldwin
Barrett (NE)
Barrett (WI)
Bentsen
Berkley
Bishop
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Brady (PA)
Brown (FL)
Brown (OH)
Camp
Capps
Capuano
Cardin
Carson
Chambliss
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cummings
Danner
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Doyle
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Filner
Forbes
Ford
Fossella
Frank (MA)
Ganske
Gejdenson
Gilchrest
Gilman
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holt
Houghton
Hoyer
Hyde
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kleczka
Klink
Kucinich
LaFalce
LaHood
Lampson
Lantos
Larson
LaTourette
Leach
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHugh
McIntosh
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Miller, George
Minge
Mink
Moakley
Morella
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Payne
Pelosi
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rodriguez
Ros-Lehtinen
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sawyer
Schakowsky
Scott
Serrano
Sherman
Shows
Snyder
Spratt
Stabenow
Stark
Strickland
Stupak
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Udall (CO)
Udall (NM)
Vento
Visclosky
Wamp
Waters
Watt (NC)
Waxman
Weiner
Weldon (PA)
Wexler
Wilson
Wise
Woolsey
Wu

NOES—238

Aderholt
Andrews
Archer
Armey
Baker
Ballenger
Barcia
Barr
Bartlett
Barton
Bass
Bateman
Bereuter
Berry
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Campbell
Canady
Cannon
Castle
Chabot
Chenoweth
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crowley
Cubin
Cunningham
Davis (FL)
Davis (VA)
Deal
DeLay
DeMint
Dooley
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Etheridge
Everett
Ewing
Fletcher
Foley
Fowler
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Gekas
Gibbons
Gillmor
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Isakson
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
Kennedy
Kingston
Knollenberg
Kolbe
Kuykendall
Largent
Latham
Lazio
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
McCollum
McCrery
McInnis
McIntyre
McKeon
Menendez
Metcalf
Mica
Miller (FL)
Miller, Gary
Mollohan
Moore
Moran (KS)
Moran (VA)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Pascrell
Pastor
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Rivers
Roemer
Rogan
Rogers
Rohrabacher
Rothman
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sandlin
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherwood
Shimkus
Shuster
Sisisky

Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Toomey
Turner
Upton
Velázquez
Walden
Walsh
Watkins
Weldon (FL)
Weller
Weygand
Whitfield
Wicker
Wolf
Young (AK)

NOT VOTING—11

Becerra
Berman
Brown (CA)
Gephardt
Luther
Millender-McDonald
Simpson
Slaughter
Watts (OK)
Wynn
Young (FL)

□ 1645

Messrs. PAUL, QUINN, LEWIS of California, BASS, PETERSON of Pennsylvania, and MOLLOHAN changed their vote from ''aye'' to ''no.''

Ms. McCARTHY of Missouri and Mr. EVANS changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. BERMAN. Mr. Chairman, I was unable to cast a vote on the Hyde-Conyers amendment due to a family emergency. However, had I been present, I would have voted ''aye.''

Stated against:

Mr. DICKEY. Mr. Chairman, I inadvertently voted incorrectly on the Hyde-Conyers amendment. I would like the RECORD to reflect that my vote of ''yes'' should have been a vote of ''no.'' That was my intention.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 158, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 3 offered by the gentleman from Virginia (Mr. MORAN); amendment No. 7 offered by the gentleman from Michigan (Mr. CONYERS); and amendment No. 8 offered by the gentleman from North Carolina (Mr. WATT).

The Chair will reduce to 5 minutes the time for any electronic vote in this series.

AMENDMENT NO. 3 OFFERED BY MR. MORAN OF VIRGINIA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Virginia (Mr. MORAN) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 373, noes 47, not voting 13, as follows:

[Roll No. 111]

AYES—373

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Boswell
Boucher
Boyd
Brady (TX)
Brown (FL)
Brown (OH)
Bryant
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Capps
Capuano
Cardin
Carson
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Coyne
Cramer
Crane
Crowley
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeGette
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Ewing
Farr
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Fowler
Frank (MA)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Green (TX)
Green (WI)
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Herger
Hill (IN)
Hill (MT)
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Lantos
Largent
Larson
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McGovern
McHugh
McIntosh
McIntyre
McKeon
McKinney
McNulty
Meek (FL)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Oxley
Packard
Pallone
Pascrell
Pastor
Pease
Pelosi
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun (KS)
Sabo
Salmon
Sanchez
Sanders
Sanford
Sawyer
Scarborough
Schakowsky
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Spence
Stabenow
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Vento
Walden
Walsh
Wamp
Watkins
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wise
Wolf
Woolsey
Wu
Young (AK)

NOES—47

Baldwin
Bonior
Bono
Borski
Brady (PA)
Burr
Canady
Cannon
Chenoweth
Conyers
DeFazio
Delahunt
DeLauro
Ehlers
Evans
Everett
Fattah
Goodling
Hefley
Hinchey
Jackson-Lee (TX)
Kilpatrick
Lee
Lipinski
Lofgren
Lowey
Martinez
McDermott
McInnis
Meehan
Meeks (NY)
Nadler
Owens
Paul
Payne
Peterson (MN)
Pombo
Ryan (WI)
Sandlin
Schaffer
Souder
Spratt
Taylor (NC)
Visclosky
Waters
Watt (NC)
Wilson

NOT VOTING—13

Becerra
Berman
Brown (CA)
Cox
Franks (NJ)
Gephardt
Luther
Saxton
Simpson
Slaughter
Watts (OK)
Wynn
Young (FL)

□ 1654

Ms. JACKSON-LEE of Texas, Mr. MEEKS of New York, and Mr. PAYNE changed their vote from ''aye'' to ''no.''

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 7 OFFERED BY MR. CONYERS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Michigan (Mr. CONYERS) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 143, noes 278, not voting 12, as follows:

[Roll No. 112]

AYES—143

Abercrombie
Ackerman
Allen
Baird
Baldacci
Baldwin
Barcia
Barrett (WI)
Berkley
Bishop
Blagojevich
Bonior
Borski
Brady (PA)
Brown (FL)
Brown (OH)
Capuano
Carson
Clay
Clayton
Clyburn
Conyers
Coyne
Crowley
Cummings
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dingell
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gonzalez
Green (TX)
Gutierrez
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holden
Holt
Houghton
Jackson (IL)
Jackson-Lee (TX)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kildee
Kilpatrick
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
Lee
Lewis (GA)
Linder
Lowey
Maloney (NY)
Markey
Martinez
Mascara
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Moakley
Murtha
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Payne
Pelosi
Phelps
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Saxton
Schakowsky
Scott
Serrano
Shows
Stark
Strickland
Stupak
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Udall (CO)
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Woolsey
Wu

NOES—278

Aderholt
Andrews
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berry
Biggert
Bilbray
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Chenoweth
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Cramer
Crane
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hobson
Hoekstra
Hooley
Horn
Hostettler
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inslee
Isakson
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
Kennedy
Kind (WI)
King (NY)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lucas (KY)
Lucas (OK)
Maloney (CT)
Manzullo
Matsui
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Miller, Gary
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Pastor
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Reynolds
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sanchez
Sandlin
Sanford
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Sisisky
Skeen
Skelton
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stump
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Toomey
Turner
Udall (NM)
Upton
Walden
Walsh
Wamp
Watkins
Weldon (FL)
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)

NOT VOTING—12

Becerra
Berman
Bilirakis
Brown (CA)
Gephardt
Luther
Simpson
Slaughter
Smith (MI)
Watts (OK)
Wynn
Young (FL)

□ 1704

Mr. DIXON changed his vote from ''aye'' to ''no.''

Mr. MINGE changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. BERMAN. Mr. Chairman, I was unable to cast a vote on the Conyers amendment due to a family emergency. However, had I been present, I would have voted ''aye.''

Stated against:

Mr. BILIRAKIS. Mr. Chairman, I missed rollcall Vote 112 because I was unfortunately detained and unable to make it to the floor. Had I been present, I would have voted ''no.''

AMENDMENT OFFERED BY MR. WATT OF NORTH CAROLINA

The CHAIRMAN (Mr. NETHERCUTT). The pending business is the demand for a recorded vote on the amendment offered by the gentleman from North Carolina (Mr. WATT) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 192, noes 230, not voting 11, as follows:

[Roll No. 113]

AYES—192

Abercrombie
Ackerman
Allen
Bachus
Baird
Baldwin
Barcia
Barrett (WI)
Bentsen
Bereuter
Berkley
Bishop
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boyd
Brady (PA)
Brown (FL)
Brown (OH)
Bryant
Burr
Campbell
Canady
Capps
Capuano
Cardin
Carson
Chenoweth
Clay
Clayton
Clyburn
Coble
Conyers
Costello
Coyne
Crowley
Cummings
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Fossella
Gejdenson
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hoeffel
Holt
Hooley
Hyde
Inslee
Jackson (IL)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kildee
Kilpatrick
King (NY)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Larson
LaTourette
Lee
Levin
Lewis (GA)
Linder
Lipinski
Lofgren
Lowey
Maloney (NY)
Manzullo
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCrery
McDermott
McGovern
McHugh
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (FL)
Miller, George
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Myrick
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne
Pease
Pelosi
Petri
Phelps
Price (NC)
Rahall
Rangel
Reyes
Reynolds
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Schakowsky
Scott
Serrano
Sherwood
Smith (NJ)
Snyder
Spratt
Stabenow
Stark
Strickland
Stupak
Tancredo
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Whitfield
Wise
Wolf
Woolsey
Wu

NOES—230

Aderholt
Andrews
Archer
Armey
Baker
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Berry
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Bono
Boswell
Boucher
Brady (TX)
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Castle
Chabot

Chambliss
Clement
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeLay
DeMint
Deutsch
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Everett
Ewing
Fletcher
Foley
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (MT)
Hilleary
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kasich
Kelly
Kennedy
Kind (WI)
Kingston
Knollenberg
Kolbe
Kuykendall
LaHood
Largent
Latham
Lazio
Leach
Lewis (CA)
Lewis (KY)
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
McCollum
McInnis
McIntosh
McIntyre
McKeon
Metcalf
Mica
Miller, Gary
Moore
Moran (KS)
Morella
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Pascrell
Paul
Peterson (MN)
Peterson (PA)
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryan (WI)
Ryun (KS)
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shows
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (TX)
Smith (WA)
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Sweeney
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Toomey
Udall (NM)
Upton
Walden
Walsh
Wamp
Watkins
Weldon (FL)
Weldon (PA)
Weller
Weygand
Wicker
Wilson
Young (AK)

NOT VOTING—11

Becerra
Berman
Brown (CA)
Gephardt
Jackson-Lee (TX)
Luther
Simpson
Slaughter
Watts (OK)
Wynn
Young (FL)

□ 1715

Mr. PALLONE changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. BERMAN. Mr. Chairman, I was unable to cast a vote on the Watt amendment due to a family emergency. However, had I been present, I would have voted "aye."

Ms. JACKSON-LEE of Texas. Mr. Chairman, during Rollcall Vote No. 113, the Watt amendment under bill H.R. 833 on May 5, 1999, I was unavoidably detained. Had I been present, I would have voted ''aye.''

The CHAIRMAN. It is now in order to consider amendment No. 11 printed in House Report 106–126.

AMENDMENT IN THE NATURE OF A SUBSTITUTE NO. 11 OFFERED BY MR. NADLER

Mr. NADLER. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute No. 11 offered by Mr. NADLER:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Bankruptcy Reform Act of 1999''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

## TITLE I—CONSUMER BANKRUPTCY PROVISIONS

### Subtitle A—Needs based bankruptcy

**SEC. 101. CONVERSION.**

Section 706(c) of title 11, United States Code, is amended by inserting ''or consents to'' after ''requests''.

**SEC. 102. DISMISSAL OR CONVERSION.**

(a) IN GENERAL.—Section 707 of title 11, United States Code, is amended—

(1) by striking the section heading and inserting the following:

**''§ 707. Dismissal of a case or conversion to a case under chapter 13''; and**

(2) by amending subsection (b) to read as follows:

''(b)(1) After notice and a hearing, a court, on its own motion or on a motion by the United States trustee, the trustee, or any part in interest who is eligible to bring a motion, may dismiss a case filed by an individual debtor under this chapter, or with the debtor's consent, convert such a case to a case under chapter 11 or 13 of this title if it finds that the granting of relief would be an abuse of the provisions of this chapter, the court shall consider whether—

''(A) the debtor has the ability to repay some portion of the debtor's unsecured nonpriority debt as determined under paragraphs (2) and (3);

''(B) the debtor has filed the petition in bad faith; or

''(C) the totality of the circumstances (including whether the debtor seeks to reject a personal services contract and the financial need for such rejection as sought by the debtor) of the debtor's financial situation demonstrates abuse.

''(2) In considering under paragraph (1)(A) whether the granting of relief would be an abuse of the provisions of this chapter, the court shall conclusively presume abuse does not exist if the debtor's current monthly income, when multiplied by 12, is less than or equal to 100 percent of the highest national or applicable State or Statistical Area median family income reported for a family of equal size, whichever is greater, or in the case of a household of 1 person, less than or equal to 100 percent of the highest national or State or Metropolitan Statistical Area median household income for 1 earner, whichever is greater, as adjusted, if applicable, as provided in paragraph (6).

''(3) In considering under paragraph (1)(A) whether the granting of relief would be an abuse of the provision of this chapter, the court shall presume abuse exists if—

''(A) the debtor's current monthly income, when multiplied by 12, is less than or equal to 100 percent of the highest national or applicable State or Metropolitan Statistical

Area median family income reported for a family of equal size, whichever is greater, or in the case of a household of 1 person, less than or equal to 100 percent of the highest national or State or Metropolitan Statistical Area median household income for 1 yearner, whichever is greater, as adjusted, if applicable, as provided in paragraph (6); and

''(B) the product of—

''(i) the debtor's current monthly income, reduced by allowable monthly expenses specified in paragraph (4) (which shall include, if applicable the continuation of actual expenses of a dependent child under the age of 18 for tuition, books, and required fees at a private elementary or secondary school, or comparable expenses stemming from the home education of such child, or the attendance of such child at a public elementary or secondary school, not exceeding $10,000) and monthly debt payments specified in paragraph (5), and

''(ii) multiplied by 36,

less estimated administrative expenses and reasonable attorneys' fees, is not less than $6,000 of the debtor's nonpriority unsecured claims in the case.

''(4) For the purposes of this subsection, the debtor's allowable monthly expenses shall be the expenses reasonably necessary—

''(A) for the maintenance or support of the debtor, the dependents of the debtor, and in a joint case, the spouse of the debtor if the spouse is not otherwise a dependent; and

''(B) if the debtor is engaged in business, for the payment of expenditures necessary for the continuation, preservation, and operation of such business.

Notwithstanding any other provision of this clause, the debtor's monthly expenses shall not include payments for debts described in paragraph (5).

''(5) For purposes of this subsection, the debtor's monthly debt payments shall include—

''(A) the total amount scheduled as contractually due on all secured debts in each month of the 36 months following the date of the petition and divided by 36; and

''(B) the debtor's expenses for payment of all priority claims, including priority domestic support obligations, calculated as the total amount of debts entitled to priority in each month of the 36 months following the date of the petition and divided by 36.

''(6) For the purposes of this subsection—

''(A) national or applicable State or Metropolitan Statistical Area median family income reported for a household of more than 4 individuals shall be that of a household of 4 individuals plus $583 per month for each additional member of that household;

''(B) a family or household shall consist of the debtor, the debtor's spouse, and the debtor's dependents, but not a legally separated spouse unless the spouse files a joint case with the debtor.

''(7) In any proceeding brought under this subsection, the presumption of abuse may be rebutted by demonstrating special circumstances that justify additional reasonable expenses or adjustments of current monthly total income. In order to establish such circumstances, the debtor shall be required to—

''(A) itemize each additional expense or adjustment of income; and

''(B) provide documentation of such expenses and a detailed explanation of the circumstances that warrant such expenses.

''(8)(A) As part of the schedule of current income and expenditures required under section 521, the debtor shall include—

''(i) a statement of the debtor's current monthly income and calculations that show whether a presumption arises under paragraph (1)(A) of this subsection; or

''(ii) a statement of the debtor's current monthly income showing that the debtor is a debtor described in paragraph (14) of this subsection.

''(B) The Supreme Court shall promulgate rules under section 2075 of title 28, United States Code, that prescribe a form for a statement under subparagraph (A) and may provide general rules on the content of such statement.

''(9) If a trustee brings a motion for dismissal or conversion under this subsection, and the court grants that motion and finds that the action of the counsel for the debtor in filing under this chapter violated Rule 9011, the courts hall assess damages, which may include ordering—

''(A) the counsel for the debtor to reimburse the trustee for all reasonable costs in prosecuting a motion brought under section 707(b), including reasonable attorneys' fees;

''(B) the assessment of an appropriate civil penalty against the counsel for the debtor; and

''(C) the payment of the civil penalty to the trustee or the United States trustee.

''(10) The court may award a debtor all reasonable costs and other appropriate damages in contesting a motion brought by a party in interest (other than a trustee, bankruptcy administrator, or United States trustee) under this subsection (including reasonable attorneys' fees) if the court does not grant the motion and the court finds that—

''(A) the position of the party that brought the motion was not substantially justified; or

''(B) the party brought the motion solely for the purpose of coercing the debtor into waiving a right guaranteed to the debtor under this title.

''(11) A party in interest may not bring a motion under this section until the United States trustee has either filed a statement under section 704(b)(2)(A) or filed a motion under section 704(b)(2)(B).

''(12) If an attorney for a party in interest (other than a trustee, bankruptcy administrator, or United States trustee) brings a motion for dismissal or conversion under this subsection, and the court does not grant that motion and finds that the action of the counsel for the moving party in filing such motion under this chapter violated Rule 9011, the court shall assess damages, which may include ordering—

''(A) the counsel for the moving party to reimburse the debtor for all reasonable costs in defending a motion brought under section 707(b), including reasonable attorneys' fees;

''(B) the assessment of an appropriate civil penalty against the counsel for the moving party.

''(13) In making a determination whether to dismiss a case under this section, the court may not take into consideration whether a debtor has made, or continues to make, charitable contributions (that meet the definition of 'charitable contribution' under section 548(d)(3) and as described by section 548(a)(2)of this title to any qualified religious or charitable entity or organization (as that term is defined in section 548(d)(4)) of this title.

''(14) No court, United States trustee, bankruptcy administrator, or other party in interest shall bring a motion under subsection (b)(1)(A) if, as of the date of the order for relief, the debtor's current monthly income, when multiplied by 12, is less than or equal to 100 percent of the highest national or applicable State or Metropolitan Statistical Area median family income reported for a family of equal size, whichever is greater, or in the case of a household of 1 person, less than or equal to 100 percent of the highest national or State or Metropolitan Statistical Area median household income for 1 earner, whichever is greater, as adjusted, if applicable, as provided in paragraph(6);''.

(b) DEFINITION.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (10)the following:

''(10A) 'current monthly income'—

''(A) means the average monthly income from all sources which the debtor, or in a joint case, the debtor and the debtor's spouse, receive without regard to whether the income is taxable income, derived during the 180-day period preceding the date of determination;

''(B) includes any amount paid by any entity other than the debtor (or, in a joint case, the debtor and the debtor's spouse), on a regular basis to the household expenses of the debtor or the debtor's dependents (and, in a joint case, the debtor's spouse if not otherwise a dependent), but excludes—

''(i) payments to victims of war crimes or crimes against humanity;

''(ii) benefits received from the Department of Veterans Affairs in connection with service in the armed forces of the United States;

''(iii) income received on account of disability;and

''(iv) benefits received under the Social Security Act.'';

(2) by inserting after paragraph (17) the following:

''(17A) 'estimated administrative expenses' means 10 percent of projected payments under a chapter 13 plan;''.

(c) DUTIES OF CHAPTER 7 TRUSTEE.—Section 704 of title 11, United States Code, is amended—

(1) by inserting ''(a)'' before ''The trustee shall—''; and

(2) by adding at the end the following:

''(b)(1) With respect to an individual debtor under this chapter, the trustee shall review all materials filed by the debtor and, not later than 10 days after the first meeting of creditors, file with the court and the United States trustee a statement as to whether the debtor's case could be presumed to be an abuse under section 707(b).

''(2) Not later than 60 days after receiving a statement filed under paragraph (1), the United States trustee or bankruptcy administrator shall—

''(A) file a statement setting forth the reasons why the bankruptcy administrator does not believe that such a motion would be appropriate or would be prohibited because the debtor is a debtor of the kind described in section 707(b)(14) of this title; or

''(B) file a motion to dismiss or convert under section 707(b) if, based on the filing of such statement with the court, the United States trustee or bankruptcy administrator determines that the case should be presumed to be an abuse under section 707(b) and the debtor's current monthly income, when multiplied by 12, is less than or equal to 100 percent of the highest national or applicable State or State Metropolitan Statistical Area median family income reported for a family of equal size, whichever is greater, or in the case of a household of 1 person, less than or equal to 100 percent of the highest national or State or Metropolitan Statistical Area median household income for 1 earner, whichever is greater. For the purposes of determining whether a motion would be appropriate to be filed, the United States trustee

shall consider adjustments to current monthly income for income items received over the most recent 180 days that are not reasonably expected to be reflected in future income, or expenses likely to be due under a chapter 13 plan which are not included in the required statement of the debtor's expense. The debtor shall, at the request of the United States trustee, provide documentation for any current income items that are not reasonably expected to be reelected in future income, and a detailed explanation of the circumstances that warrant making such adjustments. If the United States trustee determines that, after accounting for these adjustments, the debtor's current monthly income, which multiplied by 12, is less than or equal to 100 percent of the higher of the national, State, or Metropolitan Statistical Area median family income reported for a family of equal or lesser size, or in the case of a household of 1 person, the national median household income for 1 earner, then the case shall be presumed not be an abuse of the previous of this chapter.

For the purpose of this subsection, the national or applicable State or Metropolitan Statistical Area median family income reported for a household of more than 4 individuals shall be that of a household of 4 individuals plus $583 per month for each additional member of that household.

''(3) Paragraph (2) shall not be construed to preclude the court or any other party who is eligible to file a motion under section 707(b) from bringing such a motion.''.

(d) MEETING OF CREDITORS AND EQUITY SECURITY HOLDERS.—Section 341 of title 11, United States Code, is amended by adding the following new subsection:

''(e) The initial notice of the meeting of creditors shall indicate whether the debtor's current monthly income is reported to be equal or greater than the applicable median income for purposes of subsection 707(b) of this title.''.

(e) GUIDELINES FOR ASSESSING INCOME.—Section 586 of title 28, United States Code, is amended by adding the following new subsection:

''(f) Not later than 1 year after the effective date of this subsection, the Director of the Executive Office for the United States Trustees shall issue guidelines to assist in making assessment of whether income is not reasonably necessary to be expended by a debtor for the maintenance or support of the debtor, the dependents of the debtor, and in a joint case, the spouse of the debtor if the spouse is not otherwise a dependent. The director shall consult with the Department of the Treasury, and others as needed in developing the guidelines.''.

(f) Section 104, title 11, United States Code, as amended by subsection ___ of this Act, is amended by striking out ''523(a)(2)(C), and 707(b)(3)'' each place it appears and inserting ''523(a)(2)(C), and 707(b)'' in lieu thereof.

(g) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 7 of title 11, United States Code, is amended by striking the item relating to section 707 and inserting the following:

''707. Dismissal of a case or conversion to a case under chapter 13.''.

**SEC. 103. NOTICE OF ALTERNATIVES.**

Section 342(b) of title 11, United States Code, is amended to read as follows:

''(b) Before the commencement of a case under this title by an individual whose debts are primarily consumer debts, the clerk shall give to such individual written notice containing—

''(1) a brief description of—

''(A) chapters 7, 11, 12, and 13 and the general purpose, benefits, and costs of proceeding under each of those chapters; and

''(B) the types of services available from credit counseling agencies; and

''(2) statements specifying that—

''(A) a person who knowingly and fraudulently conceals assets or makes a false oath or statement under penalty of perjury in connection with a bankruptcy case shall be subject to fine, imprisonment, or both; and

''(B) all information supplied by a debtor in connection with a bankruptcy case is subject to examination by the Attorney General.''.

**SEC. 104. DEBTOR FINANCIAL MANAGEMENT TRAINING TEST PROGRAM.**

(a) DEVELOPMENT OF FINANCIAL MANAGEMENT AND TRAINING CURRICULUM AND MATERIALS.—The Director of the Executive Office for United States Trustees (in this section referred to as the ''Director'') shall consult with a wide range of individuals who are experts in the field of debtor education, including trustees who are appointed under chapter 13 of title 11 of the United States Code and who operate financial management education programs for debtors, and shall develop a financial management training curriculum and materials that can be used to educate individual debtors on how to better manage their finances.

(b) TEST—(1) The Director shall select 6 judicial districts of the United States in which to test the effectiveness of the financial management training curriculum and materials developed under subsection (a).

(2) For a 18-month period beginning not later than 270 days after the date of the enactment of this Act, such curriculum and materials shall be, for the 6 judicial districts selected under paragraph (1), used as the instructional course concerning personal financial management for purposes of section 111 of this title.

(c) EVALUATION.—(1) During the 1-year period referred to in subsection (b), the Director shall evaluate the effectiveness of—

(A) the financial management training curriculum and materials developed under subsection (a); and

(B) a sample of existing consumer education programs such as those described in the Report of the National Bankruptcy Review Commission (October 20, 1997) that are representative of consumer education programs carried out by the credit industry, by trustees serving under chapter 13 of title 11 of the United States Code, and by consumer counselling groups.

(2) Not later than 3 months after concluding such evaluation, the Director shall submit a report to the Speaker of the House of Representatives and the President pro tempore of the Senate, for referral to the appropriate committees of the Congress, containing the findings of the Director regarding the effectiveness of such curriculum, such materials, and such programs and their costs.

**Subtitle B—Consumer Bankruptcy Protections**

**SEC. 105. DEFINITIONS.**

(a) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

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

''(3) 'assisted person' means any person whose debts consist primarily of consumer debts and whose non-exempt assets are less than $150,000;'';

(2) by inserting after paragraph (4) the following:

''(4A) 'bankruptcy assistance' means any goods or services sold or otherwise provided to an assisted person with the express or implied purpose of providing information, advice, counsel, document preparation or filing, or attendance at a creditors' meeting or appearing in a proceeding on behalf of another or providing legal representation with respect to a proceeding under this title;''; and

(3) by inserting after paragraph (12A) the following:

''(12B) 'debt relief agency' means any person who provides any bankruptcy assistance to an assisted person in return for the payment of money or other valuable consideration, or who is a bankruptcy petition preparer pursuant to section 110 of this title, but does not include any person that is any of the following or an officer, director, employee or agent thereof—

''(A) any nonprofit organization which is exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986;

''(B) any creditor of the person to the extent the creditor is assisting the person to restructure any debt owed by the person to the creditor; or

''(C) any depository institution (as defined in section 3 of the Federal Deposit Insurance Act) or any Federal credit union or State credit union (as those terms are defined in section 101 of the Federal Credit Union Act), or any affiliate or subsidiary of such a depository institution or credit union;''.

(b) CONFORMING AMENDMENT.—In section 104(b)(1) by inserting ''101(3),'' after ''sections''.

**SEC. 106. ENFORCEMENT.**

(a) ENFORCEMENT.—Subchapter II of chapter 5 of title 11, United States Code, is amended by adding at the end the following:

**''§ 526. Debt relief agency enforcement**

''(a) A debt relief agency shall not—

''(1) fail to perform any service which the debt relief agency has told the assisted person or prospective assisted person the agency would provide that person in connection with the preparation for or activities during a proceeding under this title;

''(2) make any statement, or counsel or advise any assisted person to make any statement in any document filed in a proceeding under this title, which is untrue and misleading or which upon the exercise of reasonable care, should be known by the debt relief agency to be untrue or misleading;

''(3) misrepresent to any assisted person or prospective assisted person, directly or indirectly, affirmatively or by material omission, what services the debt relief agency can reasonably expect to provide that person, or the benefits an assisted person may obtain or the difficulties the person may experience if the person seeks relief in a proceeding pursuant to this title; or

''(4) advise an assisted person or prospective assisted person to incur more debt in contemplation of that person filing a proceeding under this title or in order to pay an attorney or bankruptcy petition preparer fee or charge for services performed as part of preparing for or representing a debtor in a proceeding under this title.''.

''(b) ASSISTED PERSON WAIVERS INVALID.—Any waiver by any assisted person of any protection or right provided by or under this section shall not be enforceable against the debtor by any Federal or State court or any other person, but may be enforced against a debt relief agency.

''(c) NONCOMPLIANCE.—

''(1) Any contract between a debt relief agency and an assisted person for bankruptcy assistance which does not comply with the material requirements of this section shall be treated as void and may not be

enforced by any Federal or State court or by any other person.

''(2) Any debt relief agency shall be liable to an assisted person in the amount of any fees or charges in connection with providing bankruptcy assistance to such person which the debt relief agency has received, for actual damages, and for reasonable attorneys' fees and costs if the debt relief agency is found, after notice and hearing, to have—

''(A) intentionally or negligently failed to comply with any provision of this section with respect to a bankruptcy case or related proceeding of the assisted person;

''(B) provided bankruptcy assistance to an assisted person in a case or related proceeding which is dismissed or converted because of the debt relief agency's intentional or negligent failure to file bankruptcy papers, including papers specified in section 521 of this title; or

''(C) intentionally or negligently disregarded the material requirements of this title or the Federal Rules of Bankruptcy Procedure applicable to such debt relief agency.

''(3) In addition to such other remedies as are provided under State law, whenever the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this section, the State—

''(A) may bring an action to enjoin such violation;

''(B) may bring an action on behalf of its residents to recover the actual damages of assisted persons arising from such violation, including any liability under paragraph (2); and

''(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

''(4) The United States District Court for any district located in the State shall have concurrent jurisdiction of any action under subparagraph (A) or (B) of paragraph (3).

''(5) Notwithstanding any other provision of Federal law and in addition to any other remedy provided under Federal or State law, if the court, on its own motion or on the motion of the United States trustee or the debtor, finds that a person intentionally violated this section, or engaged in a clear and consistent pattern or practice of violating this section, the court may—

''(A) enjoin the violation of such section; or

''(B) impose an appropriate civil penalty against such person.

''(c) RELATION TO STATE LAW.—This section shall not annul, alter, affect or exempt any person subject to those sections from complying with any law of any State except to the extent that such law is inconsistent with those sections, and then only to the extent of the inconsistency.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 527, the following:

''526. Debt relief agency enforcement.''.

**SEC. 107. SENSE OF THE CONGRESS.**

It is the sense of the Congress that States should develop curricula relating to the subject of personal finance, designed for use in elementary and secondary schools.

**SEC. 108. DISCOURAGING ABUSIVE REAFFIRMATION PRACTICES.**

(a) Section 524 of title 11, United States Code, is amended—

(1) in subsection (c)(2)(B) by adding at the end the following:

''(C)(i) such agreement contains a clear and conspicuous statement advising the debtor of the amount of the monthly payments, the total amount payable and number of payments if the payments are made according to schedule, the amount of the total payment attributable to principal, interest, late fees, and creditor's attorneys fees, the interest rate, and the ways in which terms differ from the original agreement; and

''(ii) if the debt is secured, the agreement is accompanied by a copy of the instrument creating the debt and any security interest or lien and the documents necessary to show perfection of the interest, and the agreement contains a clear and conspicuous statement that advises the debtor of the value of the collateral and the date on which the lien will be released if payments are made according to schedule;'';

(2) in subsection (c)(6)(B), by inserting after ''real property'' the following: ''or is a debt described in subsection (c)(7)''; and

(3) by adding at the end of subsection (c) the following:

''(7) in a case concerning an individual, if the consideration for such agreement is based on whole or in part on an unsecured consumer debt, or is based on whole or in part upon a debt for an item of personalty, the value of which at point of purchase was $500 or less, and in which the creditor asserts a security interest, the court approves such agreement as—

''(A) in the best interest of the debtor in light of the debtor's income and expenses;

''(B) not imposing an undue hardship on the debtor's future ability of the debtor to pay for the needs of children and other dependents (including court ordered support);

''(C) not requiring the debtor to pay the creditor's attorney's fees, expenses, or other costs relating to the collection of the debt;

''(D) not agreed upon by the debtor to protect property necessary for the care and maintenance of children or other dependents that would have nominal value on repossession;

''(E) not the product of coercive threats or actions by the creditor in the creditor's course of dealings with the debtor; and

''(F) not unfair because excessive in amount as compared to the value of the collateral;

(4) in subsection (d)(2) by striking ''subsections (c)(6)'' and inserting ''subsections (c)(6) and (c)(7)'', and after ''of this section,'' by striking ''if the consideration for such agreement is based in whole or in part on a consumer debt that is not secured by real property of the debtor'' and adding at the end ''as applicable''.

(b) Section 104 of title 11, United States Code, as amended by subsection ___ of this Act, is amended by striking out ''523(a)(2)(C), and 707(b)(3)'' each place it appears and inserting ''523(a)(2)(C), 524(c)(7), and 707(b)(3)'' in lieu thereof.

**SEC. 109. PROMOTION OF ALTERNATIVE DISPUTE RESOLUTION.**

(a) REDUCTION OF CLAIM.—Section 502 of title 11, United States Code, is amended by adding at the end the following:

''(k)(1) The court, on the motion of the debtor and after a hearing, may reduce a claim filed under this section based wholly on unsecured consumer debts by not more than 20 percent, if the debtor can prove by clear and convincing evidence that the claim was filed by a creditor who unreasonably refused to negotiate a reasonable alternative repayment schedule proposed by an approved credit counseling agency acting on behalf of the debtor, and if—

''(A) such offer was made within the period beginning 60 days before the filing of the petition;

''(B) such offer provided for payment of at least 60 percent of the amount of the debt over a period not to exceed the repayment period of the loan, or a reasonable extension thereof; and

''(C) no part of the debt under the alternative repayment schedule is nondischargeable, is entitled to priority under section 507 of this title, or would be paid a greater percentage in a chapter 13 proceeding than offered by the debtor.

''(2) The debtor shall have the burden of proving that the proposed alternative repayment schedule was made in the 60-day period specified in subparagraph (A) and that the creditor unreasonably refused to consider the debtor's proposal.''.

(b) LIMITATION ON AVOIDABILITY.—Section 547 of title 11, United States Code, is amended by adding at the end the following:

''(h) The trustee may not avoid a transfer if such transfer was made as a part of an alternative repayment plan between the debtor and any creditor of the debtor created by an approved credit counseling agency.''.

**SEC. 110. ENHANCED DISCLOSURE FOR CREDIT EXTENSIONS SECURED BY A DWELLING.**

(a) STUDY REQUIRED.—During the period beginning 180 days after the date of enactment of this Act and ending 18 months after the date of the enactment, the Board of Governors of the Federal Reserve System (in this section referred to as the ''Board'') shall conduct a study and submit to Congress a report (including recommendations for any appropriate legislation) regarding—

(1) whether a consumer engaging in an open-end credit transaction (as defined pursuant to section 103 of the Truth in lending Act) secured by the consumer's principal dwelling is provided adequate information under Federal law, including under section 127A of the Truth in Lending Act, regarding the tax deductibility of interest paid on such transaction; and

(2) whether a consumer engaging in a closed-end credit transaction (as defined pursuant to section 103 of the Truth in Lending Act) secured by the consumer's principal dwelling is provided adequate information regarding the tax deductibility of interest paid on such transaction.

In conducting such study, the Board shall specifically consider whether additional disclosures are necessary with respect to such open-end or closed-end credit transactions in which the amount of the credit extended exceeds the fair market value of the dwelling.

(b) REGULATIONS.—If the Board determines that additional disclosures are necessary in connection with transactions described in subsection (a), the Board, pursuant to its authority under the Truth in Lending Act, may promulgate regulations that would require such additional disclosures. Any such regulations promulgated by the Board under this section shall not take effect before the end of the 36-month period after the date of the enactment of this Act.

**SEC. 111. DUAL USE DEBIT CARD.**

(a) STUDY REQUIRED.—The Board of Governors of the Federal Reserve System (in this section referred to as the ''Board'') shall conduct a study of existing protections provided to consumers to limit their liability for unauthorized use of a debit card or similar access device.

(b) SPECIFIC CONSIDERATIONS.—In conducting the study required by subsection (a),

the Board shall specifically consider the following—

(1) the extent to which existing provisions of section 909 of the Electronic Fund Transfer Act and the Board's implementing regulations provide adequate unauthorized use liability protection for consumers;

(2) the extent to which any voluntary industry rules have enhanced the level of protection afforded consumers in connection with such unauthorized use liability; and

(3) whether amendments to the Electronic Funds Transfer Act or the Board's implementing regulations thereto are necessary to provide adequate protection for consumers in this area.

(c) REPORT AND REGULATIONS.—Not later than 2 years after the date of the enactment of this Act, the Board shall make public a report on its findings with respect to the adequacy of existing protections afforded consumers with respect to unauthorized-use liability for debit cards and similar access devices. If the Board determines that such protections are inadequate, the Board, pursuant to its authority under the Electronic Funds Transfer Act, may issue regulations to address such inadequacy. Any regulations issued by the Board shall not be effective before 36 months after the date of the enactment of this Act.

**SEC. 112. DISCOURAGING RECKLESS LENDING PRACTICES.**

(a) LIMITING CLAIMS ARISING FROM IRRESPONSIBLE LENDING PRACTICES.—Section 502(b) of title 11, United States Code, is amended—

(1) in paragraph (8) by striking ''or'' at the end,

(2) in paragraph (9) by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(10) the claim is for a consumer debt under an open end credit plan (as defined in section 103 of the Truth in Lending Act) and before incurring such debt under such plan the debtor was not informed in writing in a clear and conspicuous manner (or in the case of a worldwide web-based solicitation to open a credit card account under such plan, at the time of solicitation by the person making the solicitation to open such account)—

''(A) of the method of determining the required minimum payment amount, if a minimum payment is required that is different from the amount of any finance charge, and the charges or penalties, if any, which may be imposed for failure by the obligor to pay the required finance charge or minimum payment amount;

''(B) of repayment information that would apply to the outstanding balance of the consumer under the credit plan, including—

''(i) the required minimum monthly payment on that balance, represented as both a dollar figure and a percentage of that balance;

''(ii) the number of months (rounded to the nearest month) that it would take to pay the entire amount of that current balance if the consumer pays only the required minimum monthly payments and if no further advances are made;

''(iii) the total cost to the consumer, including interest and principal payments, of paying that balance in full if the consumer pays only the required minimum monthly payments and if no further advances are made; and

(iv) the following statement: 'If your current rate is a temporary introductory rate, your total costs may be higher.';

''(C) of the method for determining the required minimum payment amount to be paid for each billing cycle, and the charge or penalty, if any, to be imposed for any failure by the obligor to pay the required minimum payment amount;

''(D) of any charge that may be imposed due to the failure of the obligor to make payment on or before a required payment due date, the date that payment is due or, if different, the date on which a late payment fee will be charged, and that the terms and conditions of such charge will be stated prominently in a conspicuous location on each billing statement, together with the amount of the charge to be imposed if payment is made after such date; and

''(E) in any application or solicitation for a credit card issued under such plan that offers, during an introductory period of less than 1 year, an annual percentage rate of interest that—

''(i) is less than the annual percentage rate of interest which will apply after the end of such introductory period, of such rate in a statement that includes the following: 'The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate which will apply after the end of the introductory period. The permanent annual percentage rate will apply after [insert applicable date] and will be [insert applicable percentage rate].' ; or

''(ii) varies in accordance with an index, which is less than the current annual percentage rate under the index which will apply after the end of such period, of such rate in a statement that includes the following: 'The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate which will apply after the end of the introductory period. The permanent annual percentage rate will be determined by an index and will apply after [insert date]. If the index which will apply after such date were applied to your account today, the annual percentage rate would be [insert applicable percentage rate].' ;

''(11) such claim is for a debt that arose from a credit card account under an open end credit plan (as defined in section 103 of the Truth in Lending Act, for which account a creditor imposed a fee based on inactivity for the account during any period in which no advances were made if the obligor maintains any outstanding balance and is charged a finance charge applicable to such balance;

''(12) such claim is for a debt that arose from a credit card account for which a credit card that was issued to or on behalf of, any individual who has not attained 21 years of age except in response to a written request or application to the card issuer to open a credit card account containing—

''(A) the signature of the parent or guardian of such individual indicating joint liability for debts incurred by such individual in connection with the account before such individual reaches the age of 21; or

''(B) a submission by such individual of financial information indicating an independent means of repaying any obligation arising from the proposed extension of credit in connection with the account;

''(13) such claim is for a debt that arose on an account that a creditor cancelled, imposed a minimum finance charge for any period (including any annual period), imposed any fee in lieu of a minimum finance charge, or imposed any other charge or penalty with regard to such account or credit extended under such account solely on the basis that any credit extended has been repaid in full before the end of any grace period applicable with respect to the extension of credit, excluding a flat annual fee imposed on the consumer in advance of any annual period to cover the cost of maintaining a credit card account during such annual period without regard to whether any credit is actually extended under such account during such period, or the actual finance charge applicable with respect to any credit extended under such account during such annual period at the annual percentage rate disclosed to the consumer in accordance with this title for the period of time any such credit is outstanding;

''(14) such claim is for a debt that arose from an increase in any annual percentage rate of interest (other than an increase due to the expiration of any introductory percentage rate of interest or due solely to a change in another rate of interest to which such rate is indexed) applicable to any outstanding balance of credit under such plan may take effect before the beginning of the billing cycle which begins not less than 15 days after the obligor receives notice of such increase; and

''(15) that if an obligor referred to in paragraph (14) cancels the credit card account before the beginning of the billing cycle referred to in such paragraph—

''(A) if the an annual percentage rate of interest applicable after the cancellation with respect to such outstanding balance on such account as of the date of cancellation exceeds any annual percentage rate of interest applicable with respect to such balance under the terms and conditions in effect before the increase referred to in paragraph (14); and

''(B) the repayment of such outstanding balance after the cancellation is not subject to all other terms and conditions applicable with respect to such account before the increase referred to in such paragraph;

(b) DEFINITION.—Section 101 of title 11, United States Code, is amended by inserting after paragraph (9) the following:

''(9A) 'credit card' includes any dual purpose or multifunction card, including a stored-value card, debit card, check card, check guarantee card, or purchase-price discount card, that is connected with an open end credit plan (as defined in section 103 of the Truth in Lending Act) and can be used, either on issuance or upon later activation, to obtain credit directly or indirectly.''.

**SEC. 113. PROTECTION OF SAVINGS EARMARKED FOR THE POSTSECONDARY EDUCATION OF CHILDREN.**

Section 522 of title 11, United States Code, is amended—

(1) in subsection (b)(2)—

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

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

(C) by adding at the end the following:

''(C) except as provided in paragraph (n), funds placed in an education individual retirement account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986) not less than 365 days before the date of entry of the order of relief but only to the extent such funds—

''(i) are not pledged or promised to any entity in connection with any extension of credit; and

''(ii) are not excess contributions (as described in section 4973(e) of the Internal Revenue Code of 1986).''; and

(2) by adding at the end the following:

''(n) For purposes of subsection (b)(3)(C), funds placed in an education individual retirement account shall not be exempt under this subsection—

''(1) unless the designated beneficiary of such account was a dependent child of the debtor for the taxable year for which the funds were placed in such account; and

''(2) to the extent such funds exceed—

''(A) $50,000 in the aggregate in all such accounts having the same designated beneficiary; or

''(B) $100,000 in the aggregate in all such accounts attributable to all such dependent children of the debtor.''.

**SEC. 114. EFFECT OF DISCHARGE.**

Section 524 of title 11, United States Code, is amended by adding at the end the following:

''(i) The willful failure of a creditor to credit payments received under a plan confirmed under this title (including a plan of reorganization confirmed under chapter 11 of this title) in the manner required by the plan (including crediting the amounts required under the plan) shall constitute a violation of any injunction under subsection (a)(2) which has arisen at the time of the failure.

''(j) An individual who is injured by the willful failure of a creditor to comply with the requirements for a reaffirmation agreement under subsections (c) and (d), or by any willful violation of the injunction under subsection (a)(2), shall be entitled to recover—

''(1) the greater of—

''(A) the amount of actual damages; or

''(B) $1,000; and

''(2) costs and attorneys' fees.''.

**SEC. 115. LIMITING TRUSTEE LIABILITY.**

(a) QUALIFICATION OF TRUSTEE.—Section 322 of title 11, United States Code, is amended—

(1) in subsection (a) by adding at the end the following:

''The trustee in a case under this title is not liable personally or on such trustee's bond for acts taken within the scope of the trustee's duties or authority as delineated by other sections of this title or by order of the court, except to the extent that the trustee acted with gross negligence. Gross negligence shall be defined as reckless indifference or deliberate disregard of the trustee's fiduciary duty.''; and

(2) in subsection (c) by inserting ''for any acts within the scope of the trustee's authority defined in subsection (a)'' before the period at the end.

(b) ROLE AND CAPACITY OF TRUSTEE.—Section 323 of title 11, United States Code, is amended—

(1) in subsection (b) by inserting at the end the following: ''in the trustee's official capacity as representative of the estate'' before the period at the end; and

(2) by adding at the end the following:

''(c) The trustee in a case under this title may not be sued, either personally, in a representative capacity, or against the trustee's bond in favor of the United States—

''(1) for acts taken in furtherance of the trustee's duties or authority in a case in which the debtor is subsequently determined to be ineligible for relief under the chapter in which the trustee was appointed; or

''(2) for the dissemination of statistics and other information regarding a case or cases, unless the trustee has actual knowledge that the information is false.

''(d) The trustee in a case under this title may not be sued in a personal capacity without leave of the bankruptcy court in which the case is pending.''.

**SEC. 116. REINFORCE THE FRESH START.**

(a) RESTORATION OF AN EFFECTIVE DISCHARGE.—Section 523(a)(17) of title 11, United States Code, is amended—

(1) by striking ''by a court'' and inserting ''by any court'',

(2) by striking ''section 1915(b) or (f)'' and inserting ''subsection (b) or (f)(2) of section 1915'', and

(3) by inserting ''(or a similar non-Federal law)'' after ''title 28'' each place it appears.

**SEC. 117. DISCOURAGING BAD FAITH REPEAT FILINGS.**

Section 362(c) of title 11, United States Code, is amended—

(1) in paragraph (1) by striking ''and'' at the end;

(2) in paragraph (2) by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

''(3) If a single or joint case is filed by or against an individual debtor under chapter 7, 11, or 13 (other than a case refiled under a chapter other than chapter 7 after dismissal under section 707(b) of this title), and if a single or joint case of the debtor was pending within the previous 1-year period but was dismissed, the stay under subsection (a) with respect to any action taken with respect to a debt or property securing such debt or with respect to any lease will terminate with respect to the debtor on the 30th day after the filing of the later case. Upon motion by a party in interest for continuation of the automatic stay and upon notice and a hearing, the court may extend the stay in particular cases as to any or all creditors (subject to such conditions or limitations as the court may then impose) after notice and a hearing completed before the expiration of the 30-day period only if the party in interest demonstrates that the filing of the later case is in good faith as to the creditors to be stayed. A case is presumptively filed not in good faith (but such presumption may be rebutted by clear and convincing evidence to the contrary)—

''(A) as to all creditors if—

''(i) more than 1 previous case under any of chapter 7, 11, or 13 in which the individual was a debtor was pending within such 1-year period;

''(ii) a previous case under any of chapters 7, 11, or 13 in which the individual was a debtor was dismissed within such 1-year period, after the debtor failed to file or amend the petition or other documents as required by this title or the court without substantial excuse (but mere inadvertence or negligence shall not be substantial excuse unless the dismissal was caused by the negligence of the debtor's attorney), failed to provide adequate protection as ordered by the court, or failed to perform the terms of a plan confirmed by the court; or

''(iii) there has not been a substantial change in the financial or personal affairs of the debtor since the dismissal of the next most previous case under any of chapters 7, 11, or 13 of this title, or there is not any other reason to conclude that the later case will be concluded, if a case under chapter 7 of this title, with a discharge, and if a chapter 11 or 13 case, a confirmed plan which will be fully performed;

''(B) as to any creditor that commenced an action under subsection (d) in a previous case in which the individual was a debtor if, as of the date of dismissal of such case, that action was still pending or had been resolved by terminating, conditioning, or limiting the stay as to actions of such creditor.

''(4) If a single or joint case is filed by or against an individual debtor under this title (other than a case refiled under a chapter other than chapter 7 after a dismissal under section 707(b) of this title), and if 2 or more single or joint cases of the debtor were pending within the previous year but were dismissed, the stay under subsection (a) will not go into effect upon the filing of the later case. On request of a party in interest, the court shall promptly enter an order confirming that no stay is in effect. If a party in interest requests within 30 days of the filing of the later case, the court may order the stay to take effect in the case as to any or all creditors (subject to such conditions or limitations as the court may impose), after notice and hearing, only if the party in interest demonstrates that the filing of the later case is in good faith as to the creditors to be stayed. A stay imposed pursuant to the preceding sentence will be effective on the date of entry of the order allowing the stay to go into effect. A case is presumptively not filed in good faith (but such presumption may be rebutted by clear and convincing evidence to the contrary)—

''(A) as to all creditors if—

''(i) 2 or more previous cases under this title in which the individual was a debtor were pending within the 1-year period;

''(ii) a previous case under this title in which the individual was a debtor was dismissed within the time period stated in this paragraph after the debtor failed to file or amend the petition or other documents as required by this title or the court without substantial excuse (but mere inadvertence or negligence shall not be substantial excuse unless the dismissal was caused by the negligence of the debtor's attorney), failed to provide adequate protection as ordered by the court, or failed to perform the terms of a plan confirmed by the court; or

''(iii) there has not been a substantial change in the financial or personal affairs of the debtor since the dismissal of the next most previous case under this title, or there is not any other reason to conclude that the later case will be concluded, if a case under chapter 7, with a discharge, and if a case under chapter 11 or 13, with a confirmed plan that will be fully performed; or

''(B) as to any creditor that commenced an action under subsection (d) in a previous case in which the individual was a debtor if, as of the date of dismissal of such case, such action was still pending or had been resolved by terminating, conditioning, or limiting the stay as to action of such creditor.''.

**SEC. 118. CURBING ABUSIVE FILINGS.**

(a) IN GENERAL.—Section 362(d) of title 11, United States Code, is amended—

(1) in paragraph (2), by striking ''or'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(4) with respect to a stay of an act against real property under subsection (a), by a creditor whose claim is secured by an interest in such real estate, if the court finds that the filing of the bankruptcy petition was part of a scheme to delay, hinder, and defraud creditors that involved either—

''(A) transfer of all or part ownership of, or other interest in, the real property without the consent of the secured creditor or court approval; or

''(B) multiple bankruptcy filings affecting the real property.

If recorded in compliance with applicable State laws governing notices of interests or liens in real property, an order entered pursuant to this subsection shall be binding in any other case under this title purporting to affect the real property filed not later than 2 years after that recording, except that a

debtor in a subsequent case may move for relief from such order based upon changed circumstances or for good cause shown, after notice and a hearing. Any Federal, State, or local governmental unit which accepts notices of interests or liens in real property shall accept any certified copy of an order described in this subsection for indexing and recording.''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, is amended—

(1) in paragraph (17), by striking ''or'' at the end;

(2) in paragraph (18) by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (18) the following:

''(19) under subsection (a), of any act to enforce any lien against or security interest in real property following the entry of an order under section 362(d)(4) of this title as to that property in any prior bankruptcy case for a period of 2 years after entry of such an order. The debtor in a subsequent case, however, may move the court for relief from such order based upon changed circumstances or for other good cause shown (consistent with the standards for good faith in subsection (c)), after notice and a hearing; or

''(20) under subsection (a), of any act to enforce any lien against or security interest in real property—

''(A) if the debtor is ineligible under section 109(g) of this title to be a debtor in a bankruptcy case; or

''(B) if the bankruptcy case was filed in violation of a bankruptcy court order in a prior bankruptcy case prohibiting the debtor from being a debtor in another bankruptcy case.''.

**SEC. 119. DEBTOR RETENTION OF PERSONAL PROPERTY SECURITY.**

Title 11, United States Code, is amended—

(1) in section 521—

(A) in paragraph (4) by striking '', and'' at the end and inserting a semicolon;

(B) in paragraph (5) by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(6) in an individual case under chapter 7 of this title, not retain possession of personal property as to which a creditor has an allowed claim for the purchase price secured in whole or in part by an interest in that personal property unless, in the case of an individual debtor, the debtor takes 1 of the following actions within 45 days after the first meeting of creditors under section 341(a)—

''(A) enters into an agreement with the creditor pursuant to section 524(c) of this title with respect to the claim secured by such property; or

''(B) redeems such property from the security interest pursuant to section 722 of this title.

''If the debtor fails to so act within the 45-day period, the stay under section 362(a) of this title is terminated with respect to the personal property of the estate or of the debtor which is affected, such property shall no longer be property of the estate, and the creditor may take whatever action as to such property as is permitted by applicable nonbankruptcy law, unless the court determines on the motion of the trustee brought before the expiration of such 45-day period, and after notice and a hearing, that such property is of consequential value or benefit to the estate, orders appropriate adequate protection of the creditor's interest, and orders the debtor to deliver any collateral in the debtor's possession to the trustee.''; and

(2) in section 722 by inserting ''in full at the time of redemption'' before the period at the end.

**SEC. 120. RELIEF FROM THE AUTOMATIC STAY WHEN THE DEBTOR DOES NOT COMPLETE INTENDED SURRENDER OF CONSUMER DEBT COLLATERAL.**

Title 11, United States Code, is amended as follows—

(1) in section 362—

(A) by striking ''(e), and (f)'' in subsection (c) and inserting in lieu thereof ''(e), (f), and (h)''; and

(B) by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following:

''(h) In an individual case pursuant to chapter 7, 11, or 13 the stay provided by subsection (a) is terminated with respect to personal property of the estate or of the debtor securing in whole or in part a claim, or subject to an unexpired lease, and such personal property shall no longer be property of the estate if the debtor fails within the applicable time set by section 521(a)(2) of this title—

''(1) to file timely any statement of intention required under section 521(a)(2) of this title with respect to that property or to indicate therein that the debtor will either surrender the property or retain it and, if retaining it, either redeem the property pursuant to section 722 of this title, reaffirm the debt it secures pursuant to section 524(c) of this title, or assume the unexpired lease pursuant to section 365(p) of this title if the trustee does not do so, as applicable; or

''(2) to take timely the action specified in that statement of intention, as it may be amended before expiration of the period for taking action, unless the statement of intention specifies reaffirmation and the creditor refuses to reaffirm on the original contract terms;

unless the court determines on the motion of the trustee filed before the expiration of the applicable time set by section 521(a)(2), and after notice and a hearing, that such property is of consequential value or benefit to the estate, orders appropriate adequate protection of the creditor's interest, and orders the debtor to deliver any collateral in the debtor's possession to the trustee. If the court does not so determine an order, the stay shall terminate upon the conclusion of the proceeding on the motion.''; and

(2) in section 521, as amended by sections 603 and 604—

(A) in paragraph (2) by striking ''consumer'';

(B) in paragraph (2)(B)—

(i) by striking ''forty-five days after the filing of a notice of intent under this section'' and inserting ''30 days after the first date set for the meeting of creditors under section 341(a) of this title''; and

(ii) by striking ''forty-five day'' the second place it appears and inserting ''30-day'';

(C) in paragraph (2)(C) by inserting ''except as provided in section 362(h) of this title'' before the semicolon; and

(D) by inserting after subsection (b) the following:

''(c) If the debtor fails timely to take the action specified in subsection (a)(6) of this section, or in paragraphs (1) and (2) of section 362(h) of this title, with respect to property which a lessor or bailor owns and has leased, rented, or bailed to the debtor or as to which a creditor holds a security interest not otherwise voidable under section 522(f), 544, 545, 547, 548, or 549 of this title, nothing in this title shall prevent or limit the operation of a provision in the underlying lease or agreement which has the effect of placing the debtor in default under such lease or agreement by reason of the occurrence, pendency, or existence of a proceeding under this title or the insolvency of the debtor. Nothing in this subsection shall be deemed to justify limiting such a provision in any other circumstance.''.

**SEC. 121. GIVING SECURED CREDITORS FAIR TREATMENT IN CHAPTER 13.**

Section 1325(a)(5)(B)(i) of title 11, United States Code, is amended to read as follows:

''(i) the plan provides that the holder of such claim retain the lien securing such claim until the earlier of payment of the underlying debt determined under nonbankruptcy law or discharge under section 1328 of this title, and that if the case under this chapter is dismissed or converted without completion of the plan, such lien shall also be retained by such holder to the extent recognized by applicable nonbankruptcy law; and''.

**SEC. 123. FAIR VALUATION OF COLLATERAL.**

Section 506(a) of title 11, United States Code, is amended by adding at the end the following:

''In the case of an individual debtor under chapters 7 and 13, such value with respect to personal property securing an allowed claim shall be determined based on the replacement value of such property as of the date of filing the petition without deduction for costs of sale or marketing. With respect to property acquired for personal, family, or household purpose, replacement value shall mean the price a retail merchant would charge for property of that kind considering the age and condition of the property at the time value is determined.''.

**SEC. 124. DOMICILIARY REQUIREMENTS FOR EXEMPTIONS.**

Section 522(b)(2)(A) of title 11, United States Code, is amended—

(1) by striking ''180'' and inserting ''730''; and

(2) by striking '', or for a longer portion of such 180-day period than in any other place'' and inserting ''or if the debtor's domicile has not been located at a single State for such 730-day period, the place in which the debtor's domicile was located for 180 days immediately preceding the 730-day period or for a longer portion of such 180-day period than in any other place''.

**SEC. 125. RESTRICTIONS ON CERTAIN EXEMPT PROPERTY OBTAINED THROUGH FRAUD.**

Section 522 of title 11, United States Code, as amended by section 113, is amended—

(1) in subsection (b)(2)(A) by inserting ''subject to subsection (o),'' before ''any property''; and

(2) by adding at the end the following:

''(o) For purposes of subsection (b)(3)(A) and notwithstanding subsection (a), the value of an interest in—

''(1) real or personal property that the debtor or a dependent of the debtor uses as a residence;

''(2) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

''(3) a burial plot for the debtor or a dependent of the debtor;

shall be reduced to the extent such value is attributable to any portion of any property that the debtor disposed of in the 730-day period ending of the date of the filing of the petition, with the intent to hinder, delay, or defraud a creditor and that the debtor could not exempt, or that portion that the debtor could not exempt, under subsection (b) if on such date the debtor had held the property so disposed of.''.

**SEC. 126. ROLLING STOCK EQUIPMENT.**

(a) IN GENERAL.—Section 1168 of title 11, United States Code, is amended to read as follows:

**"§ 1168. Rolling stock equipment**

''(a)(1) The right of a secured party with a security interest in or of a lessor or conditional vendor of equipment described in paragraph (2) to take possession of such equipment in compliance with an equipment security agreement, lease, or conditional sale contract, and to enforce any of its other rights or remedies under such security agreement, lease, or conditional sale contract, to sell, lease, or otherwise retain or dispose of such equipment, is not limited or otherwise affected by any other provision of this title or by any power of the court, except that the right to take possession and enforce those other rights and remedies shall be subject to section 362 of this title, if—

''(A) before the date that is 60 days after the date of commencement of a case under this chapter, the trustee, subject to the court's approval, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract; and

''(B) any default, other than a default of a kind described in section 365(b)(2) of this title, under such security agreement, lease, or conditional sale contract—

''(i) that occurs before the date of commencement of the case and is an event of default therewith is cured before the expiration of such 60-day period;

''(ii) that occurs or becomes an event of default after the date of commencement of the case and before the expiration of such 60-day period is cured before the later of—

''(I) the date that is 30 days after the date of the default or event of the default; or

''(II) the expiration of such 60-day period; and

''(iii) that occurs on or after the expiration of such 60-day period is cured in accordance with the terms of such security agreement, lease, or conditional sale contract, if cure is permitted under that agreement, lease, or conditional sale contract.

''(2) The equipment described in this paragraph—

''(A) is rolling stock equipment or accessories used on rolling stock equipment, including superstructures or racks, that is subject to a security interest granted by, leased to, or conditionally sold to a debtor; and

''(B) includes all records and documents relating to such equipment that are required, under the terms of the security agreement, lease, or conditional sale contract, that is to be surrendered or returned by the debtor in connection with the surrender or return of such equipment.

''(3) Paragraph (1) applies to a secured party, lessor, or conditional vendor acting in its own behalf or acting as trustee or otherwise in behalf of another party.

''(b) The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the court's approval, to extend the 60-day period specified in subsection (a)(1).

''(c)(1) In any case under this chapter, the trustee shall immediately surrender and return to a secured party, lessor, or conditional vendor, described in subsection (a)(1), equipment described in subsection (a)(2), if at any time after the date of commencement of the case under this chapter such secured party, lessor, or conditional vendor is entitled pursuant to subsection (a)(1) to take possession of such equipment and makes a written demand for such possession of the trustee.

''(2) At such time as the trustee is required under paragraph (1) to surrender and return equipment described in subsection (a)(2), any lease of such equipment, and any security agreement or conditional sale contract relating to such equipment, if such security agreement or conditional sale contract is an executory contract, shall be deemed rejected.

''(d) With respect to equipment first placed in service on or prior to October 22, 1994, for purposes of this section—

''(1) the term 'lease' includes any written agreement with respect to which the lessor and the debtor, as lessee, have expressed in the agreement or in a substantially contemporaneous writing that the agreement is to be treated as a lease for Federal income tax purposes; and

''(2) the term 'security interest' means a purchase-money equipment security interest.

''(e) With respect to equipment first placed in service after October 22, 1994, for purposes of this section, the term 'rolling stock equipment' includes rolling stock equipment that is substantially rebuilt and accessories used on such equipment.''.

(b) AIRCRAFT EQUIPMENT AND VESSELS.—Section 1110 of title 11, United States Code, is amended to read as follows:

**"§ 1110. Aircraft equipment and vessels**

''(a)(1) Except as provided in paragraph (2) and subject to subsection (b), the right of a secured party with a security interest in equipment described in paragraph (3), or of a lessor or conditional vendor of such equipment, to take possession of such equipment in compliance with a security agreement, lease, or conditional sale contract, and to enforce any of its other rights or remedies, under such security agreement, lease, or conditional sale contract, to sell, lease, or otherwise retain or dispose of such equipment, is not limited or otherwise affected by any other provision of this title or by any power of the court.

''(2) The right to take possession and to enforce the other rights and remedies described in paragraph (1) shall be subject to section 362 of this title if—

''(A) before the date that is 60 days after the date of the order for relief under this chapter, the trustee, subject to the approval of the court, agrees to perform all obligations of the debtor under such security agreement, lease, or conditional sale contract; and

''(B) any default, other than a default of a kind specified in section 365(b)(2) of this title, under such security agreement, lease, or conditional sale contract—

''(i) that occurs before the date of the order is cured before the expiration of such 60-day period;

''(ii) that occurs after the date of the order and before the expiration of such 60-day period is cured before the later of—

''(I) the date that is 30 days after the date of the default; or

''(II) the expiration of such 60-day period; and

''(iii) that occurs on or after the expiration of such 60-day period is cured in compliance with the terms of such security agreement, lease, or conditional sale contract, if a cure is permitted under that agreement, lease, or contract.

''(3) The equipment described in this paragraph—

''(A) is—

''(i) an aircraft, aircraft engine, propeller, appliance, or spare part (as defined in section 40102 of title 49) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that, at the time such transaction is entered into, holds an air carrier operating certificate issued pursuant to chapter 447 of title 49 for aircraft capable of carrying 10 or more individuals or 6,000 pounds or more of cargo; or

''(ii) a documented vessel (as defined in section 30101(1) of title 46) that is subject to a security interest granted by, leased to, or conditionally sold to a debtor that is a water carrier that, at the time such transaction is entered into, holds a certificate of public convenience and necessity or permit issued by the Department of Transportation; and

''(B) includes all records and documents relating to such equipment that are required, under the terms of the security agreement, lease, or conditional sale contract, to be surrendered or returned by the debtor in connection with the surrender or return of such equipment.

''(4) Paragraph (1) applies to a secured party, lessor, or conditional vendor acting in its own behalf or acting as trustee or otherwise in behalf of another party.

''(b) The trustee and the secured party, lessor, or conditional vendor whose right to take possession is protected under subsection (a) may agree, subject to the approval of the court, to extend the 60-day period specified in subsection (a)(1).

''(c)(1) In any case under this chapter, the trustee shall immediately surrender and return to a secured party, lessor, or conditional vendor, described in subsection (a)(1), equipment described in subsection (a)(3), if at any time after the date of the order for relief under this chapter such secured party, lessor, or conditional vendor is entitled pursuant to subsection (a)(1) to take possession of such equipment and makes a written demand for such possession to the trustee.

''(2) At such time as the trustee is required under paragraph (1) to surrender and return equipment described in subsection (a)(3), any lease of such equipment, and any security agreement or conditional sale contract relating to such equipment, if such security agreement or conditional sale contract is an executory contract, shall be deemed rejected.

''(d) With respect to equipment first placed in service on or before October 22, 1994, for purposes of this section—

''(1) the term 'lease' includes any written agreement with respect to which the lessor and the debtor, as lessee, have expressed in the agreement or in a substantially contemporaneous writing that the agreement is to be treated as a lease for Federal income tax purposes; and

''(2) the term 'security interest' means a purchase-money equipment security interest.''.

**SEC. 127. DISCHARGE UNDER CHAPTER 13.**

Section 1328(a) of title 11, United States Code, is amended by striking paragraphs (1) through (3) and inserting the following:

''(1) provided for under section 1322(b)(5) of this title;

''(2) of the kind specified in paragraph (2), (4), (3)(B), (5), (8), or (9) of section 523(a) of this title;

''(3) for restitution, or a criminal fine, included in a sentence on the debtor's conviction of a crime; or

''(4) for restitution, or damages, awarded in a civil action against the debtor as a result of willful or malicious injury by the debtor that caused personal injury to an individual or the death of an individual.''.

**SEC. 128. BANKRUPTCY JUDGESHIPS.**

(a) SHORT TITLE.—This section may be cited as the ''Bankruptcy Judgeship Act of 1999''.

(b) TEMPORARY JUDGESHIPS.—

(1) APPOINTMENTS.—The following judgeship positions shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:

(A) One additional bankruptcy judgeship for the eastern district of California.

(B) Four additional bankruptcy judgeships for the central district of California.

(C) One additional bankruptcy judgeship for the southern district of Florida.

(D) Two additional bankruptcy judgeships for the district of Maryland.

(E) One additional bankruptcy judgeship for the eastern district of Michigan.

(F) One additional bankruptcy judgeship for the southern district of Mississippi.

(G) One additional bankruptcy judgeship for the district of New Jersey.

(H) One additional bankruptcy judgeship for the eastern district of New York.

(I) One additional bankruptcy judgeship for the northern district of New York.

(J) One additional bankruptcy judgeship for the southern district of New York.

(K) One additional bankruptcy judgeship for the eastern district of Pennsylvania.

(L) One additional bankruptcy judgeship for the middle district of Pennsylvania.

(M) One additional bankruptcy judgeship for the western district of Tennessee.

(N) One additional bankruptcy judgeship for the eastern district of Virginia.

(2) VACANCIES.—The first vacancy occurring in the office of a bankruptcy judge in each of the judicial districts set forth in paragraph (1) that—

(A) results from the death, retirement, resignation, or removal of a bankruptcy judge; and

(B) occurs 5 years or more after the appointment date of a bankruptcy judge appointed under paragraph (1);

shall not be filled.

(c) EXTENSIONS.—

(1) IN GENERAL.—The temporary bankruptcy judgeship positions authorized for the northern district of Alabama, the district of Delaware, the district of Puerto Rico, the district of South Carolina, and the eastern district of Tennessee under section 3(a) (1), (3), (7), (8), and (9) of the Bankruptcy Judgeship Act of 1992 (28 U.S.C. 152 note) are extended until the first vacancy occurring in the office of a bankruptcy judge in the applicable district resulting from the death, retirement, resignation, or removal of a bankruptcy judge and occurring—

(A) 8 years or more after November 8, 1993, with respect to the northern district of Alabama;

(B) 10 years or more after October 28, 1993, with respect to the district of Delaware;

(C) 8 years or more after August 29, 1994, with respect to the district of Puerto Rico;

(D) 8 years or more after June 27, 1994, with respect to the district of South Carolina; and

(E) 8 years or more after November 23, 1993, with respect to the eastern district of Tennessee.

(2) APPLICABILITY OF OTHER PROVISIONS.—All other provisions of section 3 of the Bankruptcy Judgeship Act of 1992 remain applicable to such temporary judgeship position.

(d) TECHNICAL AMENDMENT.—The first sentence of section 152(a)(1) of title 28, United States Code, is amended to read as follows: ''Each bankruptcy judge to be appointed for a judicial district as provided in paragraph (2) shall be appointed by the United States court of appeals for the circuit in which such district is located.''.

(e) TRAVEL EXPENSES OF BANKRUPTCY JUDGES.—Section 156 of title 28, United States Code, is amended by adding at the end the following new subsection:

''(g)(1) In this subsection, the term 'travel expenses'—

''(A) means the expenses incurred by a bankruptcy judge for travel that is not directly related to any case assigned to such bankruptcy judge; and

''(B) shall not include the travel expenses of a bankruptcy judge if—

''(i) the payment for the travel expenses is paid by such bankruptcy judge from the personal funds of such bankruptcy judge; and

''(ii) such bankruptcy judge does not receive funds (including reimbursement) from the United States or any other person or entity for the payment of such travel expenses.

''(2) Each bankruptcy judge shall annually submit the information required under paragraph (3) to the chief bankruptcy judge for the district in which the bankruptcy judge is assigned.

''(3)(A) Each chief bankruptcy judge shall submit an annual report to the Director of the Administrative Office of the United States Courts on the travel expenses of each bankruptcy judge assigned to the applicable district (including the travel expenses of the chief bankruptcy judge of such district).

''(B) The annual report under this paragraph shall include—

''(i) the travel expenses of each bankruptcy judge, with the name of the bankruptcy judge to whom the travel expenses apply;

''(ii) a description of the subject matter and purpose of the travel relating to each travel expense identified under clause (i), with the name of the bankruptcy judge to whom the travel applies; and

''(iii) the number of days of each travel described under clause (ii), with the name of the bankruptcy judge to whom the travel applies.

''(4)(A) The Director of the Administrative Office of the United States Courts shall—

''(i) consolidate the reports submitted under paragraph (3) into a single report; and

''(ii) annually submit such consolidated report to Congress.

''(B) The consolidated report submitted under this paragraph shall include the specific information required under paragraph (3)(B), including the name of each bankruptcy judge with respect to clauses (i), (ii), and (iii) of paragraph (3)(B).''.

**SEC. 129. ADDITIONAL AMENDMENTS TO TITLE 11, UNITED STATES CODE.**

Section 507(a) of title 11, United States Code, is amended by inserting after paragraph (9) the following:

''(10) Tenth, allowed claims for death or personal injuries resulting from the operation of a motor vehicle or vessel if such operation was unlawful because the debtor was intoxicated from using alcohol, a drug or another substance.''.

**SEC. 131. APPLICATION OF THE CODEBTOR STAY ONLY WHEN THE STAY PROTECTS THE DEBTOR.**

Section 1301(b) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following:

''(2)(A) Notwithstanding subsection (c) and except as provided in subparagraph (B), in any case in which the debtor did not receive the consideration for the claim held by a creditor, the stay provided by subsection (a) shall apply to that creditor for a period not to exceed 30 days beginning on the date of the order for relief, to the extent the creditor proceeds against—

''(i) the individual that received that consideration; or

''(ii) property not in the possession of the debtor that secures that claim.

''(B) Notwithstanding subparagraph (A), the stay provided by subsection (a) shall apply in any case in which the debtor is primarily obligated to pay the creditor in whole or in part with respect to a claim described in subparagraph (A) under a legally binding separation or property settlement agreement or divorce or dissolution decree with respect to—

''(i) an individual described in subparagraph (A)(i); or

''(ii) property described in subparagraph (A)(ii).

''(3) Notwithstanding subsection (c), the stay provided by subsection (a) shall terminate as of the date of confirmation of the plan, in any case in which the plan of the debtor provides that the debtor's interest in personal property subject to a lease with respect to which the debtor is the lessee will be surrendered or abandoned or no payments will be made under the plan on account of the debtor's obligations under the lease.''.

**SEC. 132. ADEQUATE PROTECTION FOR INVESTORS.**

(a) DEFINITION.—Section 101 of title 11, United States Code, is amended by inserting after paragraph (48) the following:

''(48A) 'securities self regulatory organization' means either a securities association registered with the Securities and Exchange Commission pursuant to section 15A of the Securities Exchange Act of 1934 or a national securities exchange registered with the Securities and Exchange Commission pursuant to section 6 of the Securities Exchange Act of 1934;''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, as amended by section 118, is amended—

(1) in paragraph (19) by striking ''or'' at the end;

(2) in paragraph (20) by striking the period at the end and a inserting ''; or''; and

(3) by inserting after paragraph (20) the following:

''(21) under subsection (a), of the commencement or continuation of an investigation or action by a securities self regulatory organization to enforce such organization's regulatory power; of the enforcement of an order or decision, other than for monetary sanctions, obtained in an action by the securities self regulatory organization to enforce such organization's regulatory power; or of any act taken by the securities self regulatory organization to delist, delete, or refuse to permit quotation of any stock that does not meet applicable regulatory requirements.''.

**SEC. 134. GIVING DEBTORS THE ABILITY TO KEEP LEASED PERSONAL PROPERTY BY ASSUMPTION.**

Section 365 of title 11, United States Code, is amended by adding at the end the following:

''(p)(1) If a lease of personal property is rejected or not timely assumed by the trustee under subsection (d), the leased property is no longer property of the estate and the stay under section 362(a) of this title is automatically terminated.

''(2) In the case of an individual under chapter 7, the debtor may notify the creditor in writing that the debtor desires to assume the lease. Upon being so notified, the creditor may, at its option, notify the debtor that it is willing to have the lease assumed by the debtor and may, at its option, condition such assumption on cure of any outstanding default on terms set by the contract. If within 30 days of the notice from the

creditor the debtor notifies the lessor in writing that the lease is assumed, the liability under the lease will be assumed by the debtor and not by the estate. The stay under section 362 of this title and the injunction under section 524(a) of this title shall not be violated by notification of the debtor and negotiation of cure under this subsection. Nothing in this paragraph shall require a debtor to assume a lease, or a creditor to permit assumption.

''(3) In a case under chapter 11 of this title in which the debtor is an individual and in a case under chapter 13 of this title, if the debtor is the lessee with respect to personal property and the lease is not assumed in the plan confirmed by the court, the lease is deemed rejected as of the conclusion of the hearing on confirmation. If the lease is rejected, the stay under section 362 of this title and any stay under section 1301 is automatically terminated with respect to the property subject to the lease.''.

**SEC. 135. ADEQUATE PROTECTION OF LESSORS AND PURCHASE MONEY SECURED CREDITORS.**

(a) IN GENERAL.—Chapter 13 of title 11, United States Code, is amended by adding after section 1307 the following:

**''§ 1307A. Adequate protection in chapter 13 cases**

''(a)(1)(A) On or before the date that is 30 days after the filing of a case under this chapter, the debtor shall make cash payments in an amount determined under paragraph (2), to—

''(i) any lessor of personal property; and

''(ii) any creditor holding a claim secured by personal property to the extent that the claim is attributable to the purchase of that property by the debtor.

''(B) The debtor or the plan shall continue making the adequate protection payments required under subparagraph (A) until the earlier of the date on which—

''(i) the creditor begins to receive actual payments under the plan; or

''(ii) the debtor relinquishes possession of the property referred to in subparagraph (A) to—

''(I) the lessor or creditor; or

''(II) any third party acting under claim of right, as applicable.

''(2) The payments referred to in paragraph (1)(A) shall be the contract amount and shall reduce any amount payable under section 1326(a) of the title.

''(b)(1) Subject to the limitations under paragraph (2), the court may, after notice and hearing, change the amount and timing of the dates of payment of payments made under subsection (a).

''(2)(A) The payments referred to in paragraph (1) shall be payable not less frequently than monthly.

''(B) The amount of payments referred to in paragraph (1) shall not be less than the amount of any weekly, biweekly, monthly, or other periodic payment scheduled as payable under the contract between the debtor and creditor.

''(c) Notwithstanding section 1326(b), the payments referred to in subsection (a)(1)(A) shall be continued in addition to plan payments under a confirmed plan until actual payments to the creditor begin under that plan, if the confirmed plan provides—

''(1) for payments to a creditor or lessor described in subsection (a)(1); and

''(2) for the deferral of payments to such creditor or lessor under the plan until the payment of amounts described in section 1326(b).

''(d) Notwithstanding sections 362, 542, and 543, a lessor or creditor described in subsection (a) may retain possession of property described in that subsection that was obtained in accordance with applicable law before the date of filing of the petition until the first payment under subsection (a)(1)(A) is received by the lessor or creditor.

''(e) On or before 60 days after the filing of a case under this chapter, a debtor retaining possession of personal property subject to a lease or securing a claim attributable in whole or in part to the purchase price of such property shall provide each creditor or lessor reasonable evidence of the maintenance of any required insurance coverage with respect to the use or ownership of such property and continue to do so for so long as the debtor retains possession of such property.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 13 of title 11, United States Code, is amended by inserting after the item relating to section 1307 the following:

''1307A. Adequate protection in chapter 13 cases.''.

**SEC. 136. AUTOMATIC STAY.**

Section 362(b) of title 11, United States Code, as amended by sections 118 and 132, is amended—

(1) in paragraph (20), by striking ''or'' at the end;

(2) in paragraph (21), by striking the period at the end and inserting a semicolon; and

(3) by inserting after paragraph (21) the following:

''(22) under subsection (a) of any transfer that is not avoidable under section 544 of this title and that is not avoidable under section 549 of this title; or

''(23) under subsection (a)(3), of eviction actions based on endangerment to property or person or the use of illegal drugs.''.

**SEC. 137. EXTEND PERIOD BETWEEN BANKRUPTCY DISCHARGES.**

Title 11, United States Code, is amended—

(1) in section 727(a)(8) by striking ''six'' and inserting ''7''; and

(2) in section 1328 by adding at the end the following:

''(f) Notwithstanding subsections (a) and (b), the court shall not grant a discharge of all debts provided for by the plan or disallowed under section 502 of this title if the debtor has received a discharge in any case filed under this title within 5 years of the order for relief under this chapter.''.

**SEC. 139. PRIORITIES FOR CLAIMS FOR DOMESTIC SUPPORT OBLIGATIONS.**

Section 507(a) of title 11, United States Code, is amended—

(1) by striking paragraph (7);

(2) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively;

(3) in paragraph (2), as redesignated, by striking ''First'' and inserting ''Second'';

(4) in paragraph (3), as redesignated, by striking ''Second'' and inserting ''Third'';

(5) in paragraph (4), as redesignated, by striking ''Third'' and inserting ''Fourth'';

(6) in paragraph (5), as redesignated, by striking ''Fourth'' and inserting ''Fifth'';

(7) in paragraph (6), as redesignated, by striking ''Fifth'' and inserting ''Sixth'';

(8) in paragraph (7), as redesignated, by striking ''Sixth'' and inserting ''Seventh''; and

(9) by inserting before paragraph (2), as redesignated, the following:

''(1) First, allowed claims for domestic support obligations to be paid in the following order on the condition that funds received under this paragraph by a governmental unit in a case under this title be applied:

''(A) Claims that, as of the date of entry of the order for relief, are owed directly to a spouse, former spouse, or child of the debtor, or the parent of such child, without regard to whether the claim is filed by the spouse, former spouse, child, or parent, or is filed by a governmental unit on behalf of that person.

''(B) Claims that, as of the date of entry of the order for relief, are assigned by a spouse, former spouse, child of the debtor, or the parent of that child to a governmental unit or are owed directly to a governmental unit under applicable nonbankruptcy law.''.

**SEC. 142. NONDISCHARGEABILITY OF CERTAIN DEBTS FOR ALIMONY, MAINTENANCE, AND SUPPORT.**

Section 523 of title 11, United States Code, is amended—

(1) in subsection (a), by striking paragraph (5) and inserting the following:

''(5) for a domestic support obligation;'';

(2) in subsection (a)(15)—

(A) by inserting ''or'' after ''court of record,'';

(B) by striking ''unless—'' and all that follows through ''debtor'' the last place it appears; and

(3) in subsection (c), by striking ''(6), or (15)'' each place it appears and inserting ''or (6)''.

**SEC. 143. CONTINUED LIABILITY OF PROPERTY.**

Section 522 of title 11, United States Code, is amended—

(1) in subsection (c), by striking paragraph (1) and inserting the following:

''(1) a debt of a kind specified in paragraph (1) or (5) of section 523(a) (in which case, notwithstanding any provision of applicable nonbankruptcy law to the contrary, such property shall be liable for a debt of a kind specified in section 523(a)(5);''; and

(2) in subsection (f)(1)(A), by striking the dash and all that follows through the end of the subparagraph and inserting ''of a kind that is specified in section 523(a)(5); or''.

**SEC. 144. PROTECTION OF DOMESTIC SUPPORT CLAIMS AGAINST PREFERENTIAL TRANSFER MOTIONS.**

Section 547(c)(7) of title 11, United States Code, is amended to read as follows:

''(7) to the extent such transfer was a bona fide payment of a debt for a domestic support obligation; or''.

**SEC. 145. CLARIFICATION OF MEANING OF HOUSEHOLD GOODS.**

Section 101 of title 11, United States Code, is amended by inserting after paragraph (27) the following:

''(27A) 'household goods' includes tangible personal property normally found in or around a residence, but does not include motorized vehicles used for transportation purposes;''.

**SEC. 147. MONETARY LIMITATION ON CERTAIN EXEMPT PROPERTY.**

Section 522 of title 11, United States Code, as amended by section 125, is amended—

(1) in subsection (b)(2)(A) by striking ''subsection (o)'' and inserting ''subsections (o) and (p)'' before ''any property''; and

(2) by adding at the end the following:

''(p)(1) Except as provided in paragraphs (2) and (3), as a result of electing under subsection (b)(3)(A) to exempt property under State or local law, a debtor may not exempt any interest that exceeds $250,000 in value, in the aggregate, in—

''(A) real or personal property that the debtor or a dependent of the debtor uses as a residence;

''(B) a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence; or

''(C) a burial plot for the debtor or a dependent of the debtor.

''(2) The limitation under paragraph (1) shall not apply to an exemption claimed under subsection (b)(3)(A) by a family farmer for the principal residence of that farmer.

''(3) Paragraph (1) shall not apply to debtors if applicable State law expressly provides by a statute enacted after the effective date of this paragraph that such paragraph shall not apply to debtors.''.

**SEC. 148. BANKRUPTCY FEES.**

Section 1930 of title 28, United States Code, is amended—

(1) in subsection (a) by striking ''Notwithstanding section 1915 of this title, the'' and inserting ''The''; and

(2) by adding at the end the following:

''(f)(1) Pursuant to procedures prescribed by the Judicial Conference of the United States, the district court or the bankruptcy court may waive the filing fee in a case under chapter 7 of title 11 for an individual debtor who is unable to pay such fee in installments. For purposes of this paragraph, the term 'filing fee' means the filing fee required by subsection (a), or any other fee prescribed by the Judicial Conference under subsections (b) and (c) that is payable to the clerk upon the commencement of a case under chapter 7 of title 11.

''(2) The district court or the bankruptcy court may also waive for such debtors other fees prescribed pursuant to subsections (b) and (c).

''(3) This subsection does not restrict the district court or the bankruptcy court from waiving, in accordance with Judicial Conference policy, fees prescribed pursuant to such subsections for other debtors and creditors.''.

**SEC. 149. COLLECTION OF CHILD SUPPORT.**

(a) DUTIES OF TRUSTEE UNDER CHAPTER 7.—Section 704 of title 11, United States Code, as amended by section 102, is amended—

(1) by inserting ''(a)'' before ''The trustee'',

(2) in paragraph (9) by striking ''and'' at the end,

(3) in paragraph (10) by striking the period and inserting ''; and'', and

(4) by adding at the end the following:

''(11) if, with respect to an individual debtor, there is a claim for support of a child of the debtor or a custodial parent of such child entitled to receive priority under section 507(a)(1) of this title, provide the applicable notification specified in subsection (b).

''(b)(1) In any case described in subsection (a)(11), the trustee shall—

''(A)(i) notify in writing the holder of the claim of the right of such holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act for the State in which the holder resides; and

''(ii) include in the notice under this paragraph the address and telephone number of the child support enforcement agency; and

''(B)(i) notify in writing the State child support agency of the State in which the holder of the claim resides of the claim;

''(ii) include in the notice under this paragraph the name, address, and telephone number of the holder of the claim; and

''(iii) at such time as the debtor is granted a discharge under section 727 of this title, notify the holder of such claim and the State child support agency of the State in which such holder resides of—

''(I) the granting of the discharge;

''(II) the last recent known address of the debtor; and

''(III) with respect to the debtor's case, the name of each creditor that holds a claim that is not discharged under paragraph (2), (4), or (14A) of section 523(a) of this title or that was reaffirmed by the debtor under section 524(c) of this title.

''(2)(A) If, after receiving a notice under paragraph (1)(B)(iii), a holder of a claim or a State child support agency is unable to locate the debtor that is the subject of the notice, such holder or such agency may request from a creditor described in paragraph (1)(B)(iii)(III) the last known address of the debtor.

''(B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making such disclosure.''.

(b) DUTIES OF TRUSTEE UNDER CHAPTER 13.—Section 1302 of title 11, United States Code, is amended—

(1) in subsection (b)—

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

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

(C) by adding at the end the following:

''(6) if, with respect to an individual debtor, there is a claim for support of a child of the debtor or a custodial parent of such child entitled to receive priority under section 507(a)(1) of this title, provide the applicable notification specified in subsection (d).'', and

(2) by adding at the end the following:

''(d)(1) In any case described in subsection (b)(6), the trustee shall—

''(A)(i) notify in writing the holder of the claim of the right of such holder to use the services of a State child support enforcement agency established under sections 464 and 466 of the Social Security Act for the State in which the holder resides; and

''(ii) include in the notice under this paragraph the address and telephone number of the child support enforcement agency; and

''(B)(i) notify in writing the State child support agency of the State in which the holder of the claim resides of the claim; and

''(ii) include in the notice under this paragraph the name, address, and telephone number of the holder of the claim;

''(iii) at such time as the debtor is granted a discharge under section 1328 of this title, notify the holder of the claim and the State child support agency of the State in which such holder resides of—

''(I) the granting of the discharge;

''(II) the last recent known address of the debtor; and

''(III) with respect to the debtor's case, the name of each creditor that holds a claim that is not discharged under paragraph (2), (4), or (14A) of section 523(a) of this title or that was reaffirmed by the debtor under section 524(c) of this title.

''(2)(A) If, after receiving a notice under paragraph (1)(B)(iii), a holder of a claim or a State child support agency is unable to locate the debtor that is the subject of the notice, such holder or such agency may request from a creditor described in paragraph (1)(B)(iii) the last known address of the debtor.

''(B) Notwithstanding any other provision of law, a creditor that makes a disclosure of a last known address of a debtor in connection with a request made under subparagraph (A) shall not be liable to the debtor or any other person by reason of making such disclosure.''.

**SEC. 150. EXCLUDING EMPLOYEE BENEFIT PLAN PARTICIPANT CONTRIBUTIONS AND OTHER PROPERTY FROM THE ESTATE.**

(a) IN GENERAL.—Section 541(b) of title 11 of the United States Code is amended—

(1) by striking ''or'' at the end of paragraph (4)(B)(ii);

(2) by striking the period at the end of paragraph (5) and inserting ''; or''; and

(3) by inserting after paragraph (5) the following:

''(7) any amount or interest in property to the extent that an employer has withheld amounts from the wages of employees for contribution to an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974, or to the extent that the employer has received amounts as a result of payments by participants or beneficiaries to an employer for contribution to an employee benefit plan subject to title I of the Employee Retirement Income Security Act of 1974.''.

(b) APPLICATION OF AMENDMENT.—The amendment made by this section shall not apply to cases commenced under title 11 of the United States Code before the expiration of the 180-day period beginning on the date of the enactment of this Act.

**SEC. 151. CLARIFICATION OF POSTPETITION WAGES AND BENEFITS.**

Section 503(b)(1)(A) of title 11, United States Code, is amended to read as follows:

''(A) the actual, necessary costs and expenses of preserving the estate, including wages, salaries, or commissions for services rendered after the commencement of the case, and wages and benefits attributable to any period of time after commencement of the case as a result of the debtor's violation of Federal law, without regard to when the original unlawful act occurred or to whether any services were rendered;''.

**SEC. 152. EXCEPTIONS TO AUTOMATIC STAY IN DOMESTIC SUPPORT OBLIGATION PROCEEDINGS.**

Section 362(b)(2) of title 11, United States Code, is amended—

(1) in subparagraph (A) by striking ''or'' at the end;

(2) in subparagraph (B) by adding ''or'' at the end; and

(3) by adding at the end the following:

''(C) under subsection (a) of—

''(i) the withholding of income for payment of a domestic support obligation pursuant to a judicial or administrative order or statute for such obligation that first becomes payable after the date on which the petition is filed; or

''(ii) the withholding of income for payment of a domestic support obligation owed directly to the spouse, former spouse or child of the debtor or the parent of such child, pursuant to a judicial or administrative order or statute for such obligation that becomes payable before the date on which the petition is filed unless the court finds, after notice and hearing, that such withholding would render the plan infeasible;''.

**SEC. 153. AUTOMATIC STAY INAPPLICABLE TO CERTAIN PROCEEDINGS AGAINST THE DEBTOR.**

Section 362(b)(2) of title 11, United States Code, as amended by section 153, is amended—

(1) in subparagraph (B) by striking ''or'' at the end;

(2) by inserting after subparagraph (C) the following:

''(D) the commencement or continuation of a proceeding concerning a child custody or visitation;

''(E) the commencement or continuation of a proceeding alleging domestic violence; or

''(F) the commencement or continuation of a proceeding seeking a dissolution of marriage, except to the extent the proceeding concerns property of the estate;''.

**SEC. 154. DEFINITION OF DOMESTIC SUPPORT OBLIGATION.**

Section 101 of title 11, United States Code, is amended—

(1) by striking paragraph (12A); and

(2) by inserting after paragraph (14) the following:

(14A) 'domestic support obligation' means a debt that accrues before or after the entry of an order for relief under this title that is—

''(A) owed to or recoverable by—

''(i) a spouse, former spouse, or child of the debtor or that child's legal guardian; or

''(ii) a governmental unit;

''(B) in the nature of alimony, maintenance, or support (including assistance provided by a governmental unit) of such spouse, former spouse, or child, without regard to whether such debt is expressly so designated;

''(C) established or subject to establishment before or after entry of an order for relief under this title, by reason of applicable provisions of—

''(i) a separation agreement, divorce decree, or property settlement agreement;

''(ii) an order of a court of record; or

''(iii) a determination made in accordance with applicable nonbankruptcy law by a governmental unit; and

''(D) not assigned to a nongovernmental entity, unless that obligation is assigned voluntarily by the spouse, former spouse, child, or parent solely for the purpose of collecting the debt.''.

**SEC. 155. REQUIREMENTS TO OBTAIN CONFIRMATION AND DISCHARGE IN CASES INVOLVING DOMESTIC SUPPORT OBLIGATIONS.**

Title 11, United States Code, is amended—

(1) in section 1129(a), by adding at the end the following:

''(14) If the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order or statute for such obligation that first become payable after the date on which the petition is filed.'';

(2) in section 1325(a)—

(A) in paragraph (5), by striking ''and'' at the end;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(7) if the debtor is required by a judicial or administrative order or statute to pay a domestic support obligation, the debtor has paid all amounts payable under such order for such obligation that become payable after the date on which the petition is filed.''; and

(3) in section 1328(a) in the matter preceding paragraph (1), by inserting '', after a debtor who is required by a judicial or administrative order to pay a domestic support obligation certifies that all amounts payable under such order that are due on or after the date the petition was filed have been paid, and after a debtor who is required by a judicial or administrative order to pay a domestic support obligation, certifies that all amounts payable under such order that are due before the date on which the petition was filed if such amounts are due solely to a spouse, former spouse or child of the debtor or the parent of such child pursuant to a judicial or administrative order, unless the holder of such claim agrees to a different treatment of such claim'' after ''completion by the debtor of all payments under the plan''.

**SEC. 156. EXCEPTIONS TO AUTOMATIC STAY IN DOMESTIC SUPPORT OBLIGATION PROCEEDINGS.**

Section 362(b) of title 11, United States Code, as amended by sections 104 and 606, is amended—

(1) amending paragraph (2) to read as follows:

''(2) under subsection (a)—

''(A) of the commencement or continuation of an action or proceeding for—

''(i) the establishment of paternity as a part of an effort to collect domestic support obligations; or

''(ii) the establishment or modification of an order for domestic support obligations; or

''(B) the collection of a domestic support obligation from property that is not property of the estate; or

''(C) under subsection (a) of—

''(i) the withholding of income for payment of a domestic support obligation pursuant to a judicial or administrative order or statute for such obligation that first becomes payable after the date on which the petition is filed; or

''(ii) the withholding of income for payment of a domestic support obligation owed directly to the spouse, former spouse or child of the debtor or the parent of such child, pursuant to a judicial or administrative order or statute for such obligation that becomes payable before the date on which the petition is filed unless the court finds, after notice and hearing, that such withholding would render the plan infeasible;'';

(2) in paragraph (19), by striking ''or'' at the end;

(3) in paragraph (20), by striking the period at the end and inserting a semicolon; and

(4) by inserting after paragraph (20) the following:

''(21) under subsection (a) with respect to—

''(A) the withholding, suspension, or restriction of drivers' licenses, professional and occupational licenses, and recreational licenses pursuant to State law, as specified in section 466(a)(16) of the Social Security Act (42 U.S.C. 666(a)(16)) or with respect to the reporting of overdue support owed by an absent parent to any consumer reporting agency as specified in section 466(a)(7) of the Social Security Act (42 U.S.C. 666(a)(7)) if such debt is payable solely to a spouse, former spouse or child of the debtor or the parent of such child pursuant to a judicial or administrative order or statute, unless the holder of such claim agrees to waive such withholding, suspension or restriction;

''(B) the interception of tax refunds, as specified in sections 464 and 466(a)(3) of the Social Security Act (42 U.S.C. 664 and 666(a)(3)) if such tax refund is payable solely to a spouse, former spouse or child of the debtor or the parent of such child pursuant to a judicial or administrative order or statute; or

''(C) the enforcement of medical obligations as specified under title IV of the Social Security Act (42 U.S.C. 601 et seq.).''.

**SEC. 157. EXEMPTION FOR RIGHT TO RECEIVE CERTAIN ALIMONY, MAINTENANCE, OR SUPPORT.**

Section 522(b)(3) of title 11, United States Code, as so redesignated and amended by sections 115 and 203, is amended—

(1) in subparagraph (C) by striking ''and'' at the end,

(2) in subparagraph (D) by striking the period at the end and inserting ''; and'', and

(3) by inserting after subparagraph (D) the following:

''(E) the right to receive—

''(i) alimony, maintenance , support, or property traceable to alimony, maintenance , support; or

''(ii) amounts payable as a result of a property settlement agreement with the debtor's spouse or former spouse; or of an interlocutory or final divorce decree;

to the extent reasonably necessary for the support of the debtor or a dependent of the debtor.''.

**SEC. 158. AUTOMATIC STAY INAPPLICABLE TO CERTAIN PROCEEDINGS AGAINST THE DEBTOR.**

Section 362(b)(2) of title 11, United States Code, as amended by section 156, is amended—

(1) in subparagraph (A) by striking ''or'' at the end;

(2) by inserting after subparagraph (B) the following:

''(C) the commencement or continuation of a proceeding concerning a child custody or visitation;

''(D) the commencement or continuation of a proceeding alleging domestic violence; or

''(E) the commencement or continuation of a proceeding seeking a dissolution of marriage, except to the extent the proceeding concerns property of the estate;''.

## TITLE II—DISCOURAGING BANKRUPTCY ABUSE

**SEC. 201. REENACTMENT OF CHAPTER 12.**

(a) REENACTMENT.—(1) Chapter 12 of title 11 of the United States Code, as in effect on September 30, 1999, is hereby reenacted.

(2) Paragraph (1) shall take effect on September 30, 1999.

(b) CONTENTS OF CHAPTER 12 PLAN.—Section 1222(a)(2) of title 11, United States Code, is amended to read as follows:

''(2) provide for the full payment, in deferred cash payments, of all claims entitled to priority under section 507, unless—

''(A) the claim is a claim owed to a governmental unit that arises as a result of the sale, transfer, exchange, or other disposition of any farm asset used in the debtor's farming operation, in which case the claim shall be treated as an unsecured claim that is not entitled to priority under section 507, but the debt shall be treated in such manner only if the debtor receives a discharge; or

''(B) the holder of a particular claim agrees to a different treatment of that claim; and''.

(c) SPECIAL NOTICE PROVISIONS.—Section 1231(d) of title 11, United States Code, is amended by striking ''a State or local governmental unit'' and inserting ''any governmental unit''.

(d) EXPANDED DEFINITION OF FAMILY FARMER.—Section 101(18) of title 11, United States Code, is amended—

(1) in subparagraph (A)—

(A) by striking ''$1,500,000'' and inserting ''$3,000,000'';

(B) by striking ''80'' and inserting ''50''; and

(C) by striking ''the taxable year preceding the taxable year'' and inserting ''at least 1 of the 3 taxable years preceding the taxable year''; and

(2) in subparagraph (B)—

(A) in clause (i), by striking ''80'' and inserting ''50''; and

(B) in clause (ii), by striking ''$1,500,000'' and inserting ''$3,000,000''.

(e) MEETINGS OF CREDITORS AND EQUITY SECURITY HOLDERS.—Section 341 of title 11, United States Code, is amended by adding at the end the following:

''(e) Notwithstanding subsections (a) and (b), the court, on the request of a party in interest and after notice and a hearing, for

cause may order that the United States trustee not convene a meeting of creditors or equity security holders if the debtor has filed a plan as to which the debtor solicited acceptances prior to the commencement of the case.''.

**SEC. 202. MEETINGS OF CREDITORS AND EQUITY SECURITY HOLDERS.**

Section 341 of title 11, United States Code, is amended by adding at the end the following:

''(e) Notwithstanding subsections (a) and (b), the court, on the request of a party in interest and after notice and a hearing, for cause may order that the United States trustee not convene a meeting of creditors or equity security holders if the debtor has filed a plan as to which the debtor solicited acceptances prior to the commencement of the case.''.

**SEC. 203. PROTECTION OF RETIREMENT SAVINGS IN BANKRUPTCY.**

(a) IN GENERAL.—Section 522 of title 11, United States Code, as amended by sections 113, 125, and 147 is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) by striking ''(2)(A)'' and inserting:

''(3) Property listed in this paragraph is—

''(A) subject to subsections (o) and (p),'';

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

(iii) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(D) retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986.'';

(B) by striking paragraph (1) and inserting:

''(2) Property listed in this paragraph is property that is specified under subsection (d), unless the State law that is applicable to the debtor under paragraph (3)(A) specifically does not so authorize.'';

(C) in the matter preceding paragraph (2)—

(i) by striking ''(b)'' and inserting ''(b)(1)'';

(ii) by striking ''paragraph (2)'' both places it appears and inserting ''paragraph (3)'';

(iii) by striking ''paragraph (1)'' each place it appears and inserting ''paragraph (2)''; and

(iv) by striking ''Such property is—''; and

(D) by adding at the end of the subsection the following:

''(4) For purposes of paragraph (3)(D) and subsection (d)(12), the following shall apply:

''(A) If the retirement funds are in a retirement fund that has received a favorable determination pursuant to section 7805 of the Internal Revenue Code of 1986, and that determination is in effect as of the date of the commencement of the case under section 301, 302, or 303 of this title, those funds shall be presumed to be exempt from the estate.

''(B) If the retirement funds are in a retirement fund that has not received a favorable determination pursuant to such section 7805, those funds are exempt from the estate if the debtor demonstrates that—

''(i) no prior determination to the contrary has been made by a court or the Internal Revenue Service; and

''(ii) the retirement fund is in substantial compliance with the applicable requirements of the Internal Revenue Code of 1986.

''(C) A direct transfer of retirement funds from 1 fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986, pursuant to section 401(a)(31) of the Internal Revenue Code of 1986, or otherwise, shall not cease to qualify for exemption under paragraph (3)(D) or subsection (d)(12) by reason of that direct transfer.

''(D)(i) Any distribution that qualifies as an eligible rollover distribution within the meaning of section 402(c) of the Internal Revenue Code of 1986 or that is described in clause (ii) shall not cease to qualify for exemption under paragraph (3)(D) or subsection (d)(12) by reason of that distribution.

''(ii) A distribution described in this clause is an amount that—

''(I) has been distributed from a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986; and

''(II) to the extent allowed by law, is deposited in such a fund or account not later than 60 days after the distribution of that amount.''; and

(2) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking ''subsection (b)(1)'' and inserting ''subsection (b)(2)''; and

(B) by adding at the end the following:

''(12) Retirement funds to the extent that those funds are in a fund or account that is exempt from taxation under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986.''.

(b) AUTOMATIC STAY.—Section 362(b) of title 11, United States Code, as amended by sections 118, 132, 136, and 141 is amended—

(1) in paragraph (27), by striking ''or'' at the end;

(2) in paragraph (28), by striking the period and inserting ''; or'';

(3) by inserting after paragraph (28) the following:

''(29) under subsection (a), of withholding of income from a debtor's wages and collection of amounts withheld, pursuant to the debtor's agreement authorizing that withholding and collection for the benefit of a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(a) of the Internal Revenue Code of 1986 that is sponsored by the employer of the debtor, or an affiliate, successor, or predecessor of such employer—

''(A) to the extent that the amounts withheld and collected are used solely for payments relating to a loan from a plan that satisfies the requirements of section 408(b)(1) of the Employee Retirement Income Security Act of 1974 or is subject to section 72(p) of the Internal Revenue Code of 1986; or

''(B) in the case of a loan from a thrift savings plan described in subchapter III of title 5, that satisfies the requirements of section 8433(g) of such title.''; and

(4) by adding at the end of the flush material following paragraph (29) the following: ''Paragraph (29) does not apply to any amount owed to a plan referred to in that paragraph that is incurred under a loan made during the 1-year period preceding the filing of a petition. Nothing in paragraph (29) may be construed to provide that any loan made under a governmental plan under section 414(d), or a contract or account under section 403(b), of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.''.

(c) EXCEPTIONS TO DISCHARGE.—Section 523(a) of title 11, United States Code, is amended—

(1) by striking ''or'' at the end of paragraph (17);

(2) by striking the period at the end of paragraph (18) and inserting ''; or''; and

(3) by adding at the end the following:

''(19) owed to a pension, profit-sharing, stock bonus, or other plan established under section 401, 403, 408, 408A, 414, 457, or 501(c) of the Internal Revenue Code of 1986, pursuant to—

''(A) a loan permitted under section 408(b)(1) of the Employee Retirement Income Security Act of 1974) or subject to section 72(p) of the Internal Revenue Code of 1986; or

''(B) a loan from the thrift savings plan described in subchapter III of title 5, that satisfies the requirements of section 8433(g) of such title.

Paragraph (19) does not apply to any amount owed to a plan referred to in that paragraph that is incurred under a loan made during the 1-year period preceding the filing of a petition. Nothing in paragraph (19) may be construed to provide that any loan made under a governmental plan under section 414(d), or a contract or account under section 403(b), of the Internal Revenue Code of 1986 constitutes a claim or a debt under this title.''.

(d) PLAN CONTENTS.—Section 1322 of title 11, United States Code, is amended by adding at the end the following:

''(f) A plan may not materially alter the terms of a loan described in section 362(b)(29) of this title.''.

**SEC. 204. PROTECTION OF REFINANCE OF SECURITY INTEREST.**

Subparagraphs (A), (B), and (C) of section 547(e)(2) of title 11, United States Code, are amended by striking ''10'' each place it appears and inserting ''30''.

**SEC. 205. EXECUTORY CONTRACTS AND UNEXPIRED LEASES.**

Section 365(d)(4) of title 11, United States Code, is amended to read as follows:

''(4)(A) Subject to subparagraph (B), in any case under any chapter in this title, an unexpired lease of nonresidential real property under which the debtor is the lessee shall be deemed rejected, and the trustee shall immediately surrender such property to the lessor, if the trustee does not assume or reject the unexpired lease by the earlier of—

''(i) the date that is 120 days after the date of the order for relief; or

''(ii) the date of the entry of an order confirming a plan.

''(B)(i) The court may extend the period determined under subparagraph (A) for 120 days upon motion of the trustee or the lessor for cause.

''(ii) If the court grants an extension under clause (i), the court may grant a subsequent extension only upon prior written consent of the lessor.''.

**SEC. 206. CREDITORS AND EQUITY SECURITY HOLDERS COMMITTEES.**

Section 1102(a)(2) of title 11, United States Code, is amended by inserting before the first sentence the following: ''On its own motion or on request of a party in interest, and after notice and hearing, the court may order a change in the membership of a committee appointed under this subsection, if the court determines that the change is necessary to ensure adequate representation of creditors or equity security holders.''.

**SEC. 207. AMENDMENT TO SECTION 546 OF TITLE 11, UNITED STATES CODE.**

Section 546 of title 11, United States Code, is amended by inserting at the end thereof:

''(i) Notwithstanding section 545 (2) and (3) of this title, the trustee may not avoid a warehouseman's lien for storage, transportation or other costs incidental to the storage and handling of goods, as provided by section 7–209 of the Uniform Commercial Code.''.

**SEC. 208. LIMITATION.**

Section 546(c)(1)(B) of title 11, United States Code, is amended by striking ''20'' and inserting ''45''.

**SEC. 209. AMENDMENT TO SECTION 330(a) OF TITLE 11, UNITED STATES CODE.**

Section 330(a) of title 11, United States Code, is amended—

(1) in paragraph (3)—

(A) in subparagraph (A) after ''awarded'', by inserting ''to an examiner, chapter 11 trustee, or professional person''; and

(B) by redesignating subdivisions (A) through (E) as clauses (i) through (iv), respectively; and

(2) by adding at the end the following:

''(B) In determining the amount of reasonable compensation to be awarded a trustee, the court shall treat such compensation as a commission based on the results achieved.''.

**SEC. 210. POSTPETITION DISCLOSURE AND SOLICITATION.**

Section 1125 of title 11, United States Code, is amended by adding at the end the following:

''(g) Notwithstanding subsection (b), an acceptance or rejection of the plan may be solicited from a holder of a claim or interest if such solicitation complies with applicable nonbankruptcy law and if such holder was solicited before the commencement of the case in a manner complying with applicable nonbankruptcy law.''.

**SEC. 211. PREFERENCES.**

Section 547(c) of title 11, United States Code, is amended—

(1) by amending paragraph (2) to read as follows:

''(2) to the extent that such transfer was in payment of a debt incurred by the debtor in the ordinary course of business or financial affairs of the debtor and the transferee, and such transfer was—

''(A) made in the ordinary course of business or financial affairs of the debtor and the transferee; or

''(B) made according to ordinary business terms;'';

(2) in paragraph (7) by striking ''or'' at the end;

(3) in paragraph (8) by striking the period at the end and inserting ''; or''; and

(4) by adding at the end the following:

''(9) if, in a case filed by a debtor whose debts are not primarily consumer debts, the aggregate value of all property that constitutes or is affected by such transfer is less than $5,000.''.

**SEC. 212. VENUE OF CERTAIN PROCEEDINGS.**

Section 1409(b) of title 28, United States Code, is amended by inserting '', or a nonconsumer debt against a noninsider of less than $10,000,'' after ''$5,000''.

**SEC. 213. PERIOD FOR FILING PLAN UNDER CHAPTER 11.**

Section 1121(d) of title 11, United States Code, is amended—

(1) by striking ''On'' and inserting ''(1) Subject to paragraph (1), on''; and

(2) by adding at the end the following:

''(2)(A) Such 120-day period may not be extended beyond a date that is 18 months after the date of the order for relief under this chapter.

''(B) Such 180-day period may not be extended beyond a date that is 20 months after the date of the order for relief under this chapter.''.

**SEC. 214. FEES ARISING FROM CERTAIN OWNERSHIP INTERESTS.**

Section 523(a)(16) of title 11, United States Code, is amended—

(1) by striking ''dwelling'' the first place it appears;

(2) by striking ''ownership or'' and inserting ''ownership,'';

(3) by striking ''housing'' the first place it appears; and

(4) by striking ''but only'' and all that follows through ''such period,'', and inserting ''or a lot in a homeowners association, for as long as the debtor or the trustee has a legal, equitable, or possessory ownership interest in such unit, such corporation, or such lot,''.

**SEC. 215. CLAIMS RELATING TO INSURANCE DEPOSITS IN CASES ANCILLARY TO FOREIGN PROCEEDINGS.**

Section 304 of title 11, United States Code, is amended to read as follows:

**''§ 304. Cases ancillary to foreign proceedings**

''(a) For purposes of this section—

''(1) the term 'domestic insurance company' means a domestic insurance company, as such term is used in section 109(b)(2);

''(2) the term 'foreign insurance company' means a foreign insurance company, as such term is used in section 109(b)(3);

''(3) the term 'United States claimant' means a beneficiary of any deposit referred to in subsection (b) or any multibeneficiary trust referred to in subsection (b);

''(4) the term 'United States creditor' means, with respect to a foreign insurance company—

''(A) a United States claimant; or

''(B) any business entity that operates in the United States and that is a creditor; and

''(5) the term 'United States policyholder' means a holder of an insurance policy issued in the United States.

''(b) The court may not grant relief under chapter 15 of this title with respect to any deposit, escrow, trust fund, or other security required or permitted under any applicable State insurance law or regulation for the benefit of claim holders in the United States.''.

**SEC. 216. DEFAULTS BASED ON NONMONETARY OBLIGATIONS.**

(a) EXECUTORY CONTRACTS AND UNEXPIRED LEASES.—Section 365 of title 11, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (1)(A) by striking the semicolon at the end and inserting the following:

''other than a default that is a breach of a provision relating to—

''(i) the satisfaction of any provision (other than a penalty rate or penalty provision) relating to a default arising from any failure to perform nonmonetary obligations under an unexpired lease of real property (excluding executory contracts that transfer a right or interest under a filed or issued patent, copyright, trademark, trade dress, or trade secret), if it is impossible for the trustee to cure such default by performing nonmonetary acts at and after the time of assumption; or

''(ii) the satisfaction of any provision (other than a penalty rate or penalty provision) relating to a default arising from any failure to perform nonmonetary obligations under an executory contract, if it is impossible for the trustee to cure such default by performing nonmonetary acts at and after the time of assumption and if the court determines, based on the equities of the case, that this subparagraph should not apply with respect to such default;''; and

(B) by amending paragraph (2)(D) to read as follows:

''(D) the satisfaction of any penalty rate or penalty provision relating to a default arising from a failure to perform nonmonetary obligations under an executory contract (excluding executory contracts that transfer a right or interest under a filed or issued patent, copyright, trademark, trade dress, or trade secret) or under an unexpired lease of real or personal property.'';

(2) in subsection (c)—

(A) in paragraph (2) by adding ''or'' at the end;

(B) in paragraph (3) by striking ''; or'' at the end and inserting a period; and

(C) by striking paragraph (4);

(3) in subsection (d)—

(A) by striking paragraphs (5) through (9); and

(B) by redesignating paragraph (10) as paragraph (5); and

(4) in subsection (f)(1) by striking ''; except that'' and all that follows through the end of the paragraph and inserting a period.

(b) IMPAIRMENT OF CLAIMS OR INTERESTS.—Section 1124(2) of title 11, United States Code, is amended—

(1) in subparagraph (A) by inserting ''or of a kind that section 365(b)(1)(A) of this title expressly does not require to be cured'' before the semicolon at the end;

(2) in subparagraph (C) by striking ''and'' at the end;

(3) by redesignating subparagraph (D) as subparagraph (E); and

(4) by inserting after subparagraph (C) the following:

''(D) if such claim or such interest arises from any failure to perform a nonmonetary obligation, compensates the holder of such claim or such interest (other than the debtor or an insider) for any actual pecuniary loss incurred by such holder as a result of such failure; and''.

**SEC. 217. SHARING OF COMPENSATION.**

Section 504 of title 11, United States Code, is amended by adding at the end the following:

''(c) This section shall not apply with respect to sharing, or agreeing to share, compensation with a bona fide public service attorney referral program that operates in accordance with non-Federal law regulating attorney referral services and with rules of professional responsibility applicable to attorney acceptance of referrals.''.

**SEC. 218. PRIORITY FOR ADMINISTRATIVE EXPENSES.**

Section 503(b) of title 11, United States Code, is amended—

(1) by deleting ''and'' at the end of paragraph (5);

(2) by striking the period at the end of paragraph (6) and inserting ''; and'';

(3) by inserting the following after paragraph (6):

''(7) with respect to a nonresidential real property lease previously assumed under section 365, and subsequently rejected, a sum equal to all monetary obligations due, excluding those arising from or relating to a failure to operate or penalty provisions, for the period of one year following the later of the rejection date or date of actual turnover of the premises, without reduction or setoff for any reason whatsoever except for sums actually received or to be received from a nondebtor; and the claim for remaining sums due for the balance of the term of the lease shall be a claim under section 502(b)(6).''.

## TITLE III—GENERAL BUSINESS BANKRUPTCY PROVISIONS

**SEC. 301. DEFINITION OF DISINTERESTED PERSON.**

Section 101(14) of title 11, United States Code, is amended to read as follows:

''(14) 'disinterested person' means a person that—

''(A) is not a creditor, an equity security holder, or an insider;

''(B) is not and was not, within 2 years before the date of the filing of the petition, a director, officer, or employee of the debtor; and

''(C) does not have an interest materially adverse to the interest of the estate or of any class of creditors or equity security

holders, by reason of any direct or indirect relationship to, connection with, or interest in, the debtor, or for any other reason;''.

**SEC. 302. MISCELLANEOUS IMPROVEMENTS.**

(a) WHO MAY BE A DEBTOR.—Section 109 of title 11, United States Code, is amended by adding at the end the following:

''(h)(1) Subject to paragraphs (2) and (3) and notwithstanding any other provision of this section, an individual may not be a debtor under this title unless that individual has, during the 90-day period preceding the date of filing of the petition of that individual, received credit counseling, including, at a minimum, participation in an individual or group briefing that outlined the opportunities for available credit counseling and assisted that individual in performing an initial budget analysis, through a credit counseling program (offered through an approved credit counseling service described in section 111(a)).

''(2)(A) Paragraph (1) shall not apply with respect to a debtor who resides in a district for which the United States trustee or bankruptcy administrator of the bankruptcy court of that district determines that the approved credit counseling services for that district are not reasonably able to provide adequate services to the additional individuals who would otherwise seek credit counseling from those programs by reason of the requirements of paragraph (1).

''(B) Each United States trustee or bankruptcy administrator that makes a determination described in subparagraph (A) shall review that determination not later than one year after the date of that determination, and not less frequently than every year thereafter.

''(3)(A) Subject to subparagraph (B), the requirements of paragraph (1) shall not apply with respect to a debtor who submits to the court a certification that—

''(i) describes exigent circumstances that merit a waiver of the requirements of paragraph (1);

''(ii) states that the debtor requested credit counseling services from an approved credit counseling service, but was unable to obtain the services referred to in paragraph (1) during the 5-day period beginning on the date on which the debtor made that request or that the exigent circumstances require filing before such 5-day period expires; and

''(iii) is satisfactory to the court.

''(B) With respect to a debtor, an exemption under subparagraph (A) shall cease to apply to that debtor on the date on which the debtor meets the requirements of paragraph (1), but in no case may the exemption apply to that debtor after the date that is 30 days after the debtor files a petition.''.

(b) CHAPTER 7 DISCHARGE.—Section 727(a) of title 11, United States Code, is amended—

(1) in paragraph (9), by striking ''or'' at the end;

(2) in paragraph (10), by striking the period and inserting ''; or''; and

(3) by adding at the end the following:

''(11) after the filing of the petition, the debtor failed to complete an instructional course concerning personal financial management described in section 111 unless the debtor resides in a district for which the United States trustee or bankruptcy administrator of the bankruptcy court of that district determines that the approved instructional courses are not adequate to provide service to the additional individuals who would be required to compete the instructional course by reason of the requirements of this section. Each United States trustee or bankruptcy administrator that makes such a determination shall review that determination not later than 1 year after the date of that determination, and not less frequently than every year thereafter.''.

(c) CHAPTER 13 DISCHARGE.—Section 1328 of title 11, United States Code, as amended by section 137, is amended by adding at the end the following:

''(g) The court shall not grant a discharge under this section to a debtor, unless after filing a petition the debtor has completed an instructional course concerning personal financial management described in section 111.

''(h) Subsection (g) shall not apply with respect to a debtor who resides in a district for which the United States trustee or bankruptcy administrator of the bankruptcy court of that district determines that the approved instructional courses are not adequate to provide service to the additional individuals who would be required to complete the instructional course by reason of the requirements of this section.

''(i) Each United States trustee or bankruptcy administrator that makes a determination described in subsection (h) shall review that determination not later than 1 year after the date of that determination, and not less frequently than every year thereafter.''.

(d) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by sections 604 and 120, is amended by adding at the end the following:

''(d) In addition to the requirements under subsection (a), an individual debtor shall file with the court—

''(1) a certificate from the credit counseling service that provided the debtor services under section 109(h); and

''(2) a copy of the debt repayment plan, if any, developed under section 109(h) through the credit counseling service referred to in paragraph (1).''.

(e) GENERAL PROVISIONS.—

(1) IN GENERAL.—Chapter 1 of title 11, United States Code, is amended by adding at the end the following:

**''§ 111. Credit counseling services; financial management instructional courses**

''The clerk of each district shall maintain a list of credit counseling services that provide 1 or more programs described in section 109(h) and a list of instructional courses concerning personal financial management that have been approved by—

''(1) the United States trustee; or

''(2) the bankruptcy administrator for the district.''.

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1 of title 11, United States Code, is amended by adding at the end the following:

''111. Credit counseling services; financial management instructional courses.''.

(e) DEFINITIONS.—Section 101 of title 11, United States Code, is amended—

(1) by inserting after paragraph (13) the following:

''(13A) 'debtor's principal residence' means a residential structure including incidental property when the structure contains 1 to 4 units, whether or not that structure is attached to real property, and includes, without limitation, an individual condominium or cooperative unit or mobile or manufactured home or trailer;'';

(2) by inserting after paragraph (27A), as added by section 318 of this Act, the following:

''(27B) 'incidental property' means property incidental to such residence including, without limitation, property commonly conveyed with a principal residence where the real estate is located, window treatments, carpets, appliances and equipment located in the residence, and easements, appurtenances, fixtures, rents, royalties, mineral rights, oil and gas rights, escrow funds and insurance proceeds;'';

(3) in section 362(b), as amended by sections 117, 118, 132, 136, 141 203, 818, and 1007,—

(A) in paragraph (28) by striking ''or'' at the end thereof;

(B) in paragraph (29) by striking the period at the end and inserting ''; or''; and

(C) by inserting after paragraph (29) the following:

''(30) under subsection (a), until a prepetition default is cured fully in a case under chapter 13 of this title by actual payment of all arrears as required by the plan, of the postponement, continuation or other similar delay of a prepetition foreclosure proceeding or sale in accordance with applicable nonbankruptcy law, but nothing herein shall imply that such postponement, continuation or other similar delay is a violation of the stay under subsection (a).''; and

(4) by amending section 1322(b)(2) to read as follows:

''(2) modify the rights of holders of secured claims, other than a claim secured primarily by a security interest in property used as the debtor's principal residence at any time during 180 days prior to the filing of the petition, or of holders of unsecured claims, or leave unaffected the rights of holders of any class of claims;''.

(f) LIMITATION.—Section 362 of title 11, United States Code, is amended by adding at the end the following:

''(j) If one case commenced under chapter 7, 11, or 13 of this title is dismissed due to the creation of a debt repayment plan administered by a credit counseling agency approved pursuant to section 111 of this title, then for purposes of section 362(c)(3) of this title the subsequent case commenced under any such chapter shall not be presumed to be filed not in good faith.''.

(g) RETURN OF GOODS SHIPPED.—Section 546(g) of title 11, United States Code, as added by section 222(a) of Public Law 103–394, is amended to read as follows:

''(h) Notwithstanding the rights and powers of a trustee under sections 544(a), 545, 547, 549, and 553 of this title, if the court determines on a motion by the trustee made not later than 120 days after the date of the order for relief in a case under chapter 11 of this title and after notice and hearing, that a return is in the best interests of the estate, the debtor, with the consent of the creditor, and subject to the prior rights, if any, of third parties in such goods, may return goods shipped to the debtor by the creditor before the commencement of the case, and the creditor may offset the purchase price of such goods against any claim of the creditor against the debtor that arose before the commencement of the case.''.

**SEC. 303. EXTENSIONS.**

Section 302(d)(3) of the Bankruptcy, Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended—

(1) in subparagraph (A), in the matter following clause (ii), by striking ''or October 1, 2002, whichever occurs first''; and

(2) in subparagraph (F)—

(A) in clause (i)—

(i) in subclause (II), by striking ''or October 1, 2002, whichever occurs first''; and

(ii) in the matter following subclause (II), by striking ''October 1, 2003, or''; and

(B) in clause (ii), in the matter following subclause (II)—

(i) by striking ''before October 1, 2003, or''; and

(ii) by striking '', whichever occurs first''.

**SEC. 304. LOCAL FILING OF BANKRUPTCY CASES.**

Section 1408 of title 28, United States Code, is amended—

(1) by striking ''Except'' and inserting ''(a) Except''; and

(2) by adding at the end the following:

''(b) For the purposes of subsection (a), if the debtor is a corporation, the domicile and residence of the debtor are conclusively presumed to be where the debtor's principal place of business in the United States is located.''.

**SEC. 305. PERMITTING ASSUMPTION OF CONTRACTS.**

(a) Section 365(c) of title 11, United States Code, is amended to read as follows:

''(c)(1) The trustee may not assume or assign an executory contract or unexpired lease of the debtor, whether or not the contract or lease prohibits or restricts assignment of rights or delegation of duties, if—

''(A)(i) applicable law excuses a party to the contract or lease from accepting performance from or rendering performance to an assignee of the contract or lease, whether or not the contract or lease prohibits or restricts assignment of rights or delegation of duties; and

''(ii) the party does not consent to the assumption or assignment; or

''(B) the contract is a contract to make a loan, or extend other debt financing or financial accommodations, to or for the benefit of the debtor, or to issue a security of the debtor.

''(2) Notwithstanding paragraph (1)(A) and applicable nonbankruptcy law, in a case under chapter 11 of this title, a trustee in a case in which a debtor is a corporation, or a debtor in possession, may assume an executory contract or unexpired lease of the debtor, whether or not the contract or lease prohibits or restricts assignment of rights or delegation of duties.

''(3) The trustee may not assume or assign an unexpired lease of the debtor of nonresidential real property, whether or not the contract or lease prohibits or restricts assignment of rights or delegation of duties, if the lease has been terminated under applicable nonbankruptcy law before the order for relief.''.

(b) Section 365(d) of title 11, United States Code, is amended by striking paragraphs (5), (6), (7), (8), and (9), and redesignating paragraph (10) as paragraph (5).

(c) Section 365(e) of title 11, United States Code, is amended to read as follows:

''(e)(1) Notwithstanding a provision in an executory contract or unexpired lease, or in applicable law, an executory contract or unexpired lease of the debtor may not be terminated or modified, and any right or obligation under such contract or lease may not be terminated or modified, at any time after the commencement of the case solely because of a provision in such contract or lease that is conditioned on—

''(A) the insolvency or financial condition of the debtor at any time before the closing of the case;

''(B) the commencement of a case under this title; or

''(C) the appointment of or taking possession by a trustee in a case under this title or a custodian before such commencement.

''(2) Paragraph (1) does not apply to an executory contract or unexpired lease of the debtor if the trustee may not assume or assign, and the debtor in possession may not assume, the contract or lease by reason of the provisions of subsection (c) of this section.''.

(d) Section 365(f)(1) of title 11, United States Code, is amended by striking the semicolon and all that follows through ''event''.

## TITLE IV SMALL BUSINESS BANKRUPTCY PROVISIONS

**SEC. 401. FLEXIBLE RULES FOR DISCLOSURE STATEMENT AND PLAN.**

(a) Section 1125(a)(1) of title 11, United States Code, is amended by inserting before the semicolon following:

''and in determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information''.

(b) Section 1125(f) of title 11, United States Code, is amended to read as follows:

''(f) Notwithstanding subsection (b)—

''(1) the court may determine that the plan itself provides adequate information and that a separate disclosure statement is not necessary;

''(2) the court may approve a disclosure statement submitted on standard forms approved by the court or adopted pursuant to section 2075 of title 28; and

''(3)(A) the court may conditionally approve a disclosure statement subject to final approval after notice and a hearing;

''(B) acceptances and rejections of a plan may be solicited based on a conditionally approved disclosure statement if the debtor provides adequate information to each holder of a claim or interest that is solicited, but a conditionally approved disclosure statement shall be mailed not less than 20 days before the date of the hearing on confirmation of the plan; and

''(C) the hearing on the disclosure statement may be combined with the hearing on confirmation of a plan.''.

**SEC. 402. DEFINITIONS.**

(a) DEFINITIONS. Section 101 of title 11, United States Code, is amended by striking paragraph (51C) and inserting the following:

''(51C) 'small business case' means a case filed under chapter 11 of this title in which the debtor is a small business debtor; and

''(51D) 'small business debtor' means (A) a person (including affiliates of such person that are also debtors under this title) that has aggregate noncontingent, liquidated secured and unsecured debts as of the date of the petition or the order for relief in an amount not more than $4,000,000 (excluding debts owed to 1 or more affiliates or insiders), except that if a group of affiliated debtors has aggregate noncontingent liquidated secured and unsecured debts greater than $4,000,000 (excluding debt owed to 1 or more affiliates or insiders), then no member of such group is a small business debtor;''.

(b) CONFORMING AMENDMENT.—Section 1102(a)(3) of title 11, United States Code, is amended by inserting ''debtor'' after ''small business'' .

**SEC. 403. STANDARD FORM DISCLOSURE STATEMENT AND PLAN.**

The Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States shall, within a reasonable period of time after the date of the enactment of this Act, propose for adoption standard form disclosure statements and plans of reorganization for small business debtors (as defined in section 101 of title 11, United States Code, as amended by this Act), designed to achieve a practical balance between—

(1) the reasonable needs of the courts, the United States trustee, creditors, and other parties in interest for reasonably complete information; and

(2) economy and simplicity for debtors.

**SEC. 404. UNIFORM NATIONAL REPORTING REQUIREMENTS.**

(a) REPORTING REQUIRED.—

(1) Title 11 of the United States Code is amended by inserting after section 307 the following:

**''§ 308. Debtor reporting requirements**

''A small business debtor shall file periodic financial and other reports containing information including—

''(1) the debtor's profitability, that is, approximately how much money the debtor has been earning or losing during current and recent fiscal periods;

''(2) reasonable approximations of the debtor's projected cash receipts and cash disbursements over a reasonable period;

''(3) comparisons of actual cash receipts and disbursements with projections in prior reports; and

''(4) whether the debtor is—

''(A) in compliance in all material respects with postpetition requirements imposed by this title and the Federal Rules of Bankruptcy Procedure; and

''(B) timely filing tax returns and paying taxes and other administrative claims when due, and, if not, what the failures are and how, at what cost, and when the debtor intends to remedy such failures; and

''(5) such other matters as are in the best interests of the debtor and creditors, and in the public interest in fair and efficient procedures under chapter 11 of this title.''.

(2) The table of sections of chapter 3 of title 11, United States Code, is amended by inserting after the item relating to section 307 the following:

''308. Debtor reporting requirements.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect 60 days after the date on which rules are prescribed pursuant to section 2075, title 28, United States Code to establish forms to be used to comply with section 308 of title 11, United States Code, as added by subsection (a).

**SEC. 405. UNIFORM REPORTING RULES AND FORMS FOR SMALL BUSINESS CASES.**

(a) PROPOSAL OF RULES AND FORMS.—The Advisory Committee on Bankruptcy Rules of the Judicial Conference of the United States shall propose for adoption amended Federal Rules of Bankruptcy Procedure and Official Bankruptcy Forms to be used by small business debtors to file periodic financial and other reports containing information, including information relating to—

(1) the debtor's profitability;

(2) the debtor's cash receipts and disbursements; and

(3) whether the debtor is timely filing tax returns and paying taxes and other administrative claims when due.

(b) PURPOSE.—The rules and forms proposed under subsection (a) shall be designed to achieve a practical balance between—

(1) the reasonable needs of the bankruptcy court, the United States trustee, creditors, and other parties in interest for reasonably complete information;

(2) the small business debtor's interest that required reports be easy and inexpensive to complete; and

(3) the interest of all parties that the required reports help the small business debtor

to understand its financial condition and plan its future.

**SEC. 406. DUTIES IN SMALL BUSINESS CASES.**

(a) DUTIES IN CHAPTER 11 CASES.—Title 11 of the United States Code is amended by inserting after section 1114 the following:

**''§ 1115. Duties of trustee or debtor in possession in small business cases**

''(a) In a small business case, a trustee or the debtor in possession, in addition to the duties provided in this title and as otherwise required by law, shall—

''(1) append to the voluntary petition or, in an involuntary case, file within 3 days after the date of the order for relief—

''(A) its most recent balance sheet, statement of operations, cash-flow statement, Federal income tax return; or

''(B) a statement made under penalty of perjury that no balance sheet, statement of operations, or cash-flow statement has been prepared and no Federal tax return has been filed;

''(2) attend, through its responsible individual, meetings scheduled by the court or the United States trustee, including initial debtor interviews and meetings of creditors convened under section 341 of this title;

''(3) timely file all schedules and statements of financial affairs, unless the court, after notice and a hearing, grants an extension, which shall not extend such time period to a date later than 30 days after the date of the order for relief, absent extraordinary and compelling circumstances;

''(4) file all postpetition financial and other reports required by the Federal Rules of Bankruptcy Procedure or by local rule of the district court;

''(5) subject to section 363(c)(2) of this title, maintain insurance customary and appropriate to the industry;

''(6)(A) timely file tax returns;

''(B) subject to section 363(c)(2) of this title, timely pay all administrative expense tax claims, except those being contested by appropriate proceedings being diligently prosecuted; and

''(C) subject to section 363(c)(2) of this title, establish 1 or more separate deposit accounts not later than 10 business days after the date of order for relief (or as soon thereafter as possible if all banks contacted decline the business) and deposit therein, not later than 1 business day after receipt thereof or a responsible time set by the court, all taxes payable for periods beginning after the date the case is commenced that are collected or withheld by the debtor for governmental units unless the court waives this requirement after notice and hearing; and

''(7) allow the United States trustee, or its designated representative, to inspect the debtor's business premises, books, and records at reasonable times, after reasonable prior written notice, unless notice is waived by the debtor.''.

(b) TECHNICAL AMENDMENT.—The table of sections of chapter 11, United States Code, is amended by inserting after the item relating to section 1114 the following:

''1115. Duties of trustee or debtor in possession in small business cases.''.

**SEC. 407. PLAN FILING AND CONFIRMATION DEADLINES.**

Section 1121(e) of title 11, United States Code, is amended to read as follows:

''(e) In a small business case—

''(1) only the debtor may file a plan until after 90 days after the date of the order for relief, unless a trustee has been appointed under this chapter, or unless the court, on request of a party in interest and after notice and hearing, shortens such time;

''(2) the debtor shall file a plan, and any necessary disclosure statement, not later than 90 days after the date of the order for relief, unless the United States Trustee has appointed under section 1102(a)(1) of this title a committee of unsecured creditors that the court has determined, before the 90 days has expired, is sufficiently active and representative to provide effective oversight of the debtor; and

''(3) the time periods specified in paragraphs (1) and (2) of this subsection and the time fixed in section 1129(e) of this title for confirmation of a plan, may be extended only as follows:

''(A) On request of a party in interest made within the respective periods, and after notice and hearing, the court may for cause grant one or more extensions, cumulatively not to exceed 60 days, if the movant establishes—

''(i) that no cause exists to dismiss or convert the case or appoint a trustee or examiner under subparagraphs (A) (I) of section 1112(b) of this title; and

''(ii) that there is a reasonable possibility the court will confirm a plan within a reasonable time;

''(B) On request of a party in interest made within the respective periods, and after notice and hearing, the court may for cause grant one or more extensions in excess of those authorized under subparagraph (A) of this paragraph, if the movant establishes:

''(i) that no cause exists to dismiss or convert the case or appoint a trustee or examiner under subparagraphs (A) (I) of section 1112(b)(3) of this title; and

''(ii) that it is more likely than not that the court will confirm a plan within a reasonable time; and

''(C) a new deadline shall be imposed whenever an extension is granted.''.

**SEC. 408. PLAN CONFIRMATION DEADLINE.**

Section 1129 of title 11, United States Code, is amended by adding at the end the following:

''(e) In a small business case, the debtor shall confirm a plan not later than 150 days after the date of the order for relief unless—

''(1) the United States Trustee has appointed, under section 1102(a)(1) of this title, a committee of unsecured creditors that the court has determined, before the 150 days has expired, is sufficiently active and representative to provide effective oversight of the debtor; or

''(2) such 150-day period is extended as provided in section 1121(e)(3) of this title.''.

**SEC. 409. PROHIBITION AGAINST EXTENSION OF TIME.**

Section 105(d) of title 11, United States Code, is amended—

(1) in paragraph (2)(B)(vi) by striking the period at the end and inserting ''; and''; and

(2) by adding at the end the following:

''(3) in a small business case, not extend the time periods specified in sections 1121(e) and 1129(e) of this title except as provided in section 1121(e)(3) of this title.''.

**SEC. 410. DUTIES OF THE UNITED STATES TRUSTEE.**

(a) DUTIES OF THE UNITED STATES TRUSTEE.—

Section 586(a) of title 28, United States Code, is amended—

(1) in paragraph (3)—

(A) in subparagraph (G) by striking ''and at the end'';

(B) by redesignating subparagraph (H) as subparagraph (I); and

(C) by inserting after subparagraph (G) the following:

''(H) in small business cases (as defined in section 101 of title 11), performing the additional duties specified in title 11 pertaining to such cases'';

(2) in paragraph (5) by striking ''and at the end'';

(3) in paragraph (6) by striking the period at the end and inserting ''; and''; and

(4) by inserting after paragraph (7) the following:

''(7) in each of such small business cases—

''(A) conduct an initial debtor interview as soon as practicable after the entry of order for relief but before the first meeting scheduled under section 341(a) of title 11 at which time the United States trustee shall begin to investigate the debtor's viability, inquire about the debtor's business plan, explain the debtor's obligations to file monthly operating reports and other required reports, attempt to develop an agreed scheduling order, and inform the debtor of other obligations;

''(B) when determined to be appropriate and advisable, visit the appropriate business premises of the debtor and ascertain the state of the debtor's books and records and verify that the debtor has filed its tax returns; and

''(C) review and monitor diligently the debtor's activities, to identify as promptly as possible whether the debtor will be unable to confirm a plan; and

''(8) in cases in which the United States trustee finds material grounds for any relief under section 1112 of title 11, the United States trustee shall apply promptly to the court for relief.''.

**SEC. 411. SCHEDULING CONFERENCES.**

Section 105(d) of title 11, United States Code, is amended—

(1) in the matter preceding paragraph (1) by striking '', may'';

(2) by amending paragraph (1) to read as follows:

''(1) shall hold such status conferences as are necessary to further the expeditious and economical resolution of the case; and''; and

(3) in paragraph (2) by striking ''unless inconsistent with another provision of this title or with applicable Federal Rules of Bankruptcy Procedure'', and inserting ''may''.

**SEC. 412. SERIAL FILER PROVISIONS.**

Section 362 of title 11, United States Code, as amended by section 302, is amended—

(1) in subsection (i) as so redesignated by section 122—

(A) by striking ''An'' and inserting ''(1) Except as provided in paragraph (2), an''; and

(B) by adding at the end the following:

''(2) If such violation is based on an action taken by an entity in the good-faith belief that subsection (h) applies to the debtor, then recovery under paragraph (1) against such entity shall be limited to actual damages.''; and

(2) by inserting after subsection (j), as added by section 302, the following:

''(k)(1) Except as provided in paragraph (2) of this subsection, the provisions of subsection (a) of thissection shall not apply in a case in which the debtor—

''(A) is a debtor in a case under this title pending at the time the petition is filed;

''(B) was a debtor in a case under this title which was dismissed for any reason by an order that became final in the 2-year period ending on the date of the order for relief entered with respect to the petition;

''(C) was a debtor in a case under this title in which a chapter 11, 12, or 13 plan was confirmed in the 2-year period ending on the date of the order for relief entered with respect to the petition; or

''(D) is an entity that has succeeded to substantially all of the assets or business of a

debtor described in subparagraph (A), (B), or (C).

''(2) This subsection shall not apply—

''(A) to a case initiated by an involuntary petition filed by a creditor that is not an insider or affiliate of the debtor; or

''(B) after such time as the debtor, after notice and a hearing, demonstrates by a preponderance of the evidence, that the filing of such petition resulted from circumstances beyond the control of the debtor and not foreseeable at the time the earlier case was filed; and that it is more likely than not that the court will confirm a plan, other than a liquidating plan, within a reasonable time.''.

**SEC. 413. EXPANDED GROUNDS FOR DISMISSAL OR CONVERSION AND APPOINTMENT OF TRUSTEE OR EXAMINER.**

(a) EXPANDED GROUNDS FOR DISMISSAL OR CONVERSION.—Section 1112(b) of title 11, United States Code, is amended to read as follows:

''(b)(1) Except as provided in paragraphs (2) and (4) of this subsection, and in subsection (c) of this section, on request of a party in interest, and after notice and a hearing, the court shall convert a case under this chapter to a case under chapter 7 of this title or dismiss a case under this chapter, or appoint a trustee or examiner under section 1104(e) of this title, whichever is in the best interest of creditors and the estate, if the movant establishes cause.

''(2) The court may decline to grant the relief specified in paragraph (1) of this subsection if the debtor or another party in interest objects and establishes by a preponderance of the evidence that—

''(A) it is more likely than not that a plan will be confirmed within a time as fixed by this title or by order of the court entered pursuant to section 1121(e)(3), or within a reasonable time if no time has been fixed; and

''(B) if the cause is an act or omission of the debtor that—

''(i) there exists a reasonable justification for the act or omission; and

''(ii) the act or omission will be cured within a reasonable time fixed by the court not to exceed 30 days after the court decides the motion, unless the movant expressly consents to a continuance for a specific period of time, or compelling circumstances beyond the control of the debtor justify an extension.

''(3) For purposes of this subsection, cause includes—

''(A) substantial or continuing loss to or diminution of the estate;

''(B) gross mismanagement of the estate;

''(C) failure to maintain insurance that poses a material risk to the estate or the public;

''(D) unauthorized use of cash collateral harmful to 1 or more creditors;

''(E) failure to comply with an order of the court;

''(F) failure timely to satisfy any filing or reporting requirement established by this title or by any rule applicable to a case under this chapter;

''(G) failure to attend the meeting of creditors convened under section 341(a) of this title;

''(H) failure timely to provide information or attend meetings reasonably requested by the United States trustee or bankruptcy administrator;

''(I) failure timely to pay taxes due after the date of the order for relief or to file tax returns due after the order for relief;

''(J) failure to file a disclosure statement, or to file or confirm a plan, within the time fixed by this title or by order of the court;

''(K) failure to pay any fees or charges required under chapter 123 of title 28;

''(L) revocation of an order of confirmation under section 1144 of this title;

''(M) inability to effectuate substantial consummation of a confirmed plan;

''(N) material default by the debtor with respect to a confirmed plan; and

''(O) termination of a plan by reason of the occurrence of a condition specified in the plan.

''(4) The court may grant relief under this subsection for cause as defined in subparagraphs C, F, G, H, or K of paragraph 3 of this subsection only upon motion of the United States trustee or bankruptcy administrator or upon the court s own motion.

''(5) The court shall commence the hearing on any motion under this subsection not later than 30 days after filing of the motion, and shall decide the motion within 15 days after commencement of the hearing, unless the movant expressly consents to a continuance for a specific period of time or compelling circumstances prevent the court from meeting the time limits established by this paragraph.''.

(b) ADDITIONAL GROUNDS FOR APPOINTMENT OF TRUSTEE OR EXAMINER.—Section 1104 of title 11, United States Code, is amended by adding at the end the following:

''(e) If grounds exist to convert or dismiss the case under section 1112 of this title, the court may instead appoint a trustee or examiner, if it determines that such appointment is in the best interests of creditors and the estate.''.

**SEC. 414. STUDY OF OPERATION OF TITLE 11 OF THE UNITED STATES CODE WITH RESPECT TO SMALL BUSINESSES.**

Not later than 2 years after the date of the enactment of this Act, the Administrator of the Small Business Administration, in consultation with the Attorney General, the Director of the Administrative Office of United States Trustees, and the Director of the Administrative Office of the United States Courts, shall—

(1) conduct a study to determine—

(A) the internal and external factors that cause small businesses, especially sole proprietorships, to become debtors in cases under title 11 of the United States Code and that cause certain small businesses to successfully complete cases under chapter 11 of such title; and

(B) how Federal laws relating to bankruptcy may be made more effective and efficient in assisting small businesses to remain viable; and

(2) submit to the President pro tempore of the Senate and the Speaker of the House of Representatives a report summarizing that study.

**SEC. 415. PAYMENT OF INTEREST.**

Section 362(d)(3) of title 11, United States Code, is amended—

(1) by inserting ''or 30 days after the court determines that the debtor is subject to this paragraph, whichever is later'' after ''90-day period)''; and

(2) by amending subparagraph (B) to read as follows:

''(B) the debtor has commenced monthly payments (which payments may, in the debtor's sole discretion, notwithstanding section 363(c)(2) of this title, be made from rents or other income generated before or after the commencement of the case by or from the property) to each creditor whose claim is secured by such real estate (other than a claim secured by a judgment lien or by an unmatured statutory lien), which payments are in an amount equal to interest at the then-applicable nondefault contract rate of interest on the value of the creditor's interest in the real estate; or''.

**SEC. 416. PROTECTION OF JOBS.**

The provisions of title 11 of the United States Code relating to small business debtors or to single asset real estate shall not apply in a case under such title if the application of any of such provisions in such case could result in the loss of 5 or more jobs.

## TITLE V—MUNICIPAL BANKRUPTCY PROVISIONS

**SEC. 501. PETITION AND PROCEEDINGS RELATED TO PETITION.**

(a) TECHNICAL AMENDMENT RELATING TO MUNICIPALITIES.—Section 921(d) of title 11, United States Code, is amended by inserting ''notwithstanding section 301(b)'' before the period at the end.

(b) CONFORMING AMENDMENT.—Section 301 of title 11, United States Code, is amended—

(1) by inserting ''(a)'' before ''A voluntary''; and

(2) by amending the last sentence to read as follows:

''(b) The commencement of a voluntary case under a chapter of this title constitutes an order for relief under such chapter.''.

**SEC. 502. APPLICABILITY OF OTHER SECTIONS TO CHAPTER 9.**

Section 901(a) of title 11, United States Code, is amended—

(1) by inserting ''555, 556,'' after ''553,''; and

(2) by inserting ''559, 560, 561, 562'' after ''557,''.

## TITLE VI—STREAMLINING THE BANKRUPTCY SYSTEM

**SEC. 601. CREDITOR REPRESENTATION AT FIRST MEETING OF CREDITORS.**

Section 341(c) of title 11, United States Code, is amended by inserting after the first sentence the following: ''Notwithstanding any local court rule, provision of a State constitution, any other Federal or State law that is not a bankruptcy law, or other requirement that representation at the meeting of creditors under subsection (a) be by an attorney, a creditor holding a consumer debt or any representative of the creditor (which may include an entity or an employee of an entity and may be a representative for more than one creditor) shall be permitted to appear at and participate in the meeting of creditors and activities related thereto in a case under chapter 7 or 13, either alone or in conjunction with an attorney for the creditor. Nothing in this subsection shall be construed to require any creditor to be represented by an attorney at any meeting of creditors.''.

**SEC. 602. AUDIT PROCEDURES.**

(a) AMENDMENTS.—Section 586 of title 28, United States Code, is amended—

(1) in subsection (a) by amending striking paragraph (6) to read as follows:

''(6) make such reports as the Attorney General directs, including the results of audits performed under subsection (f); and''; and

(2) by adding at the end the following:

''(f)(1)(A) The Attorney General shall establish procedures to determine the accuracy, veracity, and completeness of petitions, schedules, and other information which the debtor is required to provide under sections 521 and 1322 of title 11, and, if applicable, section 111 of title 11, in individual cases filed under chapter 7 or 13 of such title. Such audits shall be in accordance with generally accepted auditing standards and performed by independent certified public accountants or independent licensed public accountants.

''(B) Those procedures shall—

''(i) establish a method of selecting appropriate qualified persons to contract to perform those audits;

''(ii) establish a method of randomly selecting cases to be audited, except that not less than 1 out of every 250 cases in each Federal judicial district shall be selected for audit;

''(iii) require audits for schedules of income and expenses which reflect greater than average variances from the statistical norm of the district in which the schedules were filed; and

''(iv) establish procedures for providing, not less frequently than annually, public information concerning the aggregate results of such audits including the percentage of cases, by district, in which a material misstatement of income or expenditures is reported.

''(2) The United States trustee for each district is authorized to contract with auditors to perform audits in cases designated by the United States trustee according to the procedures established under paragraph (1).

''(3)(A) The report of each audit conducted under this subsection shall be filed with the court and transmitted to the United States trustee. Each report shall clearly and conspicuously specify any material misstatement of income or expenditures or of assets identified by the person performing the audit. In any case where a material misstatement of income or expenditures or of assets has been reported, the clerk of the bankruptcy court shall give notice of the misstatement to the creditors in the case.

''(B) If a material misstatement of income or expenditures or of assets is reported, the United States trustee shall—

''(i) report the material misstatement, if appropriate, to the United States Attorney pursuant to section 3057 of title 18, United States Code; and

''(ii) if advisable, take appropriate action, including but not limited to commencing an adversary proceeding to revoke the debtor's discharge pursuant to section 727(d) of title 11, United States Code.''.

(b) AMENDMENTS TO SECTION 521 OF TITLE 11, U.S.C.—Section 521(a) of title 11, United States Code, as amended by section 603, is amended in paragraphs (3) and (4) by adding ''or an auditor appointed pursuant to section 586 of title 28, United States Code'' after ''serving in the case''.

(c) AMENDMENTS TO SECTION 727 OF TITLE 11, U.S.C.—Section 727(d) of title 11, United States Code, is amended—

(1) by deleting ''or'' at the end of paragraph (2);

(2) by substituting ''; or'' for the period at the end of paragraph (3); and

(3) by adding the following at the end the following:

''(4) the debtor has failed to explain satisfactorily—

''(A) a material misstatement in an audit performed pursuant to section 586(f) of title 28, United States Code; or

''(B) a failure to make available for inspection all necessary accounts, papers, documents, financial records, files, and all other papers, things, or property belonging to the debtor that are requested for an audit conducted pursuant to section 586(f) of title 28, United States Code.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect 18 months after the date of enactment of this Act.

**SEC. 603. GIVING CREDITORS FAIR NOTICE IN CHAPTER 7 AND 13 CASES.**

(a) NOTICE.—Section 342 of title 11, United States Code, is amended—

(1) in subsection (c)—

(A) by striking '', but the failure of such notice to contain such information shall not invalidate the legal effect of such notice''; and

(B) by adding the following at the end: ''If the credit agreement between the debtor and the creditor or the last communication before the filing of the petition in a voluntary case from the creditor to a debtor who is an individual states an account number of the debtor which is the current account number of the debtor with respect to any debt held by the creditor against the debtor, the debtor shall include such account number in any notice to the creditor required to be given under this title. If the creditor has specified to the debtor an address at which the creditor wishes to receive correspondence regarding the debtor's account, any notice to the creditor required to be given by the debtor under this title shall be given at such address. For the purposes of this section, 'notice' shall include, but shall not be limited to, any correspondence from the debtor to the creditor after the commencement of the case, any statement of the debtor's intention under section 521(a)(2) of this title, notice of the commencement of any proceeding in the case to which the creditor is a party, and any notice of the hearing under section 1324 of this title.'';

(2) by adding at the end the following:

''(d) At any time, a creditor in a case of an individual debtor under chapter 7 or 13 may file with the court and serve on the debtor a notice of the address to be used to notify the creditor in that case. After 5 days following receipt of such notice, any notice the court or the debtor is required to give the creditor shall be given at that address.

''(e) An entity may file with the court a notice stating its address for notice in cases under chapters 7 and 13. After 30 days following the filing of such notice, any notice in any case filed under chapter 7 or 13 given by the court shall be to that address unless specific notice is given under subsection (d) with respect to a particular case.

''(f) Notice given to a creditor other than as provided in this section shall not be effective notice until it has been brought to the attention of the creditor. If the creditor has designated a person or department to be responsible for receiving notices concerning bankruptcy cases and has established reasonable procedures so that bankruptcy notices received by the creditor will be delivered to such department or person, notice will not be brought to the attention of the creditor until received by such person or department. No sanction under section 362(h) of this title or any other sanction which a court may impose on account of violations of the stay under section 362(a) of this title or failure to comply with section 542 or 543 of this title may be imposed on any action of the creditor unless the action takes place after the creditor has received notice of the commencement of the case effective under this section.''.

(b) DEBTOR'S DUTIES.—Section 521 of title 11, United States Code, as amended by sections 604, 120, and 302, is amended—

(1) by inserting ''(a)'' before ''The debtor shall—'';

(2) by striking paragraph (1) and inserting the following:

''(1) file—

''(A) a list of creditors; and

''(B) unless the court orders otherwise—

''(i) a schedule of assets and liabilities;

''(ii) a schedule of current monthly income and current expenditures prepared in accordance with section 707(b)(2);

''(iii) a statement of the debtor's financial affairs and, if applicable, a certificate—

''(I) of an attorney whose name is on the petition as the attorney for the debtor or any bankruptcy petition preparer signing the petition pursuant to section 110(b)(1) of this title indicating that such attorney or bankruptcy petition preparer delivered to the debtor any notice required by section 342(b) of this title; or

''(II) if no attorney for the debtor is indicated and no bankruptcy petition preparer signed the petition, of the debtor that such notice was obtained and read by the debtor;

''(iv) copies of any Federal tax returns, including any schedules or attachments, filed by the debtor for the 3-year period preceding the order for relief;

''(v) copies of all payment advices or other evidence of payment, if any, received by the debtor from any employer of the debtor in the period 60 days prior to the filing of the petition; and

''(vi) a statement disclosing any reasonably anticipated increase in income or expenditures over the 12-month period following the date of filing;'';

(3) by adding at the end the following:

''(e)(1) At any time, a creditor, in the case of an individual under chapter 7 or 13, may file with the court notice that the creditor requests the petition, schedules, and a statement of affairs filed by the debtor in the case and the court shall make those documents available to the creditor who requests those documents at a reasonable cost within 5 business days after such request.

''(2) At any time, a creditor in a case under chapter 13 may file with the court notice that the creditor requests the plan filed by the debtor in the case, and the court shall make such plan available to the creditor who requests such plan at a reasonable cost and not later than 5 days after such request.

''(f) An individual debtor in a case under chapter 7 or 13 shall file with the court—

''(1) at the time filed with the taxing authority, all tax returns, including any schedules or attachments, with respect to the period from the commencement of the case until such time as the case is closed;

''(2) at the time filed with the taxing authority, all tax returns, including any schedules or attachments, that were not filed with the taxing authority when the schedules under subsection (a)(1) were filed with respect to the period that is 3 years before the order for relief;

''(3) any amendments to any of the tax returns, including schedules or attachments, described in paragraph (1) or (2); and

''(4) in a case under chapter 13, a statement subject to the penalties of perjury by the debtor of the debtor's current monthly income and expenditures in the preceding tax year and current monthly income less expenditures for the month preceding the statement prepared in accordance with section 707(b)(2) that shows how the amounts are calculated—

''(A) beginning on the date that is the later of 90 days after the close of the debtor's tax year or 1 year after the order for relief, unless a plan has been confirmed; and

''(B) thereafter, on or before the date that is 45 days before each anniversary of the confirmation of the plan until the case is closed.

''(g)(1) A statement referred to in subsection (f)(4) shall disclose—

''(A) the amount and sources of income of the debtor;

''(B) the identity of any persons responsible with the debtor for the support of any dependents of the debtor; and

''(C) the identity of any persons who contributed, and the amount contributed, to the household in which the debtor resides.

''(2) The tax returns, amendments, and statement of income and expenditures described in paragraph (1) shall be available to the United States trustee, any bankruptcy administrator, any trustee, and any party in interest for inspection and copying, subject to the requirements of subsection (h).

''(h)(1) Not later than 30 days after the date of enactment of the Consumer Bankruptcy Reform Act of 1999, the Director of the Administrative Office of the United States Courts shall establish procedures for safeguarding the confidentiality of any tax information required to be provided under this section.

''(2) The procedures under paragraph (1) shall include reasonable restrictions on creditor access to tax information that is required to be provided under this section to verify creditor identity and to restrict use of the information except with respect to the case.

''(3) Not later than 1 year after the date of enactment of the Consumer Bankruptcy Reform Act of 1999, the Director of the Administrative Office of the United States Courts shall prepare, and submit to Congress a report that—

''(A) assesses the effectiveness of the procedures under paragraph (1) to provide timely and sufficient information to creditors concerning the case; and

''(B) if appropriate, includes proposed legislation—

''(i) to further protect the confidentiality of tax information or to make it better available to creditors; and

''(ii) to provide penalties for the improper use by any person of the tax information required to be provided under this section.

''(i) If requested by the United States trustee or a trustee serving in the case, the debtor provide a document that establishes the identity of the debtor, including a driver's license, passport, or other document that contains a photograph of the debtor and such other personal identifying information relating to the debtor that establishes the identity of the debtor.''.

(c) Section 1324 of title 11, United States Code, is amended—

(1) by inserting ''(a)'' before ''After''; and

(2) by inserting at the end thereof—

''(c) Whenever a party in interest is given notice of a hearing on the confirmation or modification of a plan under this chapter, such notice shall include the information provided by the debtor on the most recent statement filed with the court pursuant to section 521(a)(1)(B)(ii) or (f)(4) of this title.''.

**SEC. 604. DISMISSAL FOR FAILURE TO TIMELY FILE SCHEDULES OR PROVIDE REQUIRED INFORMATION.**

Section 521 of title 11, United States Code, as amended by section 603 is amended by inserting after subsection (a) the following:

''(b)(1) Notwithstanding section 707(a) of this title, and subject to paragraph (2), if an individual debtor in a voluntary case under chapter 7 or 13 fails to file all of the information required under subsection (a)(1) within 45 days after the filing of the petition commencing the case, the case shall be automatically dismissed effective on the 46th day after the filing of the petition.

''(2) With respect to a case described in paragraph (1), any party in interest may request the court to enter an order dismissing the case. The court shall, if so requested, enter an order of dismissal not later than 5 days after such request.

''(3) Upon request of the debtor made within 45 days after the filing of the petition commencing a case described in paragraph (1), the court may allow the debtor an additional period not to exceed 45 days to file the information required under subsection (a)(1) if the court finds justification for extending the period for the filing.''.

**SEC. 605. ADEQUATE TIME TO PREPARE FOR HEARING ON CONFIRMATION OF THE PLAN.**

(a) HEARING.—Section 1324 of title 11, United States Code, is amended—

(1) by striking ''After'' and inserting the following:

''(a) Except as provided in subsection (b) and after''; and

(2) by adding at the end the following:

''(b) The hearing on confirmation of the plan may be held not earlier than 20 days, and not later than 45 days, after the meeting of creditors under section 341(a) of this title.''.

**SEC. 606. CHAPTER 13 PLANS TO HAVE A 5-YEAR DURATION IN CERTAIN CASES.**

Title 11, United States Code, is amended—

(1) by amending section 1322(d) to read as follows:

''(d) If the current monthly income of the debtor and the debtor's spouse combined, when multiplied by 12, is not less than the highest national median family income last reported by the Bureau of the Census for a family of equal or lesser size or, in the case of a household of 1 person, not less than the national median household income for 1 earner, the plan may not provide for payments over a period that is longer than 5 years. If the current monthly income of the debtor and the debtor's spouse combined, when multiplied by 12, is less than the highest national median family income for a family of equal or lesser size, or in the case of a household of 1 person, the national median household income for 1 earner, the plan may not provide for payments over a period that is longer than 3 years, unless the court, for cause, approves a longer period, but the court may not approve a period that is longer than 5 years. Notwithstanding the foregoing, the national median family income for a family of more than 4 individuals shall be the national median family income last reported by the Bureau of the Census for a family of 4 individuals plus $583 for each additional member of the family.'';

(2) in section 1325(b)(1)(B) as amended by section 130—

(A) by striking ''three year period'' and inserting ''applicable commitment period''; and

(B) by inserting at the end of subparagraph (B) the following: ''The 'applicable commitment period' shall be not less than 5 years if the current monthly income of the debtor and the debtor's spouse combined, when multiplied by 12, is not less than the highest national median family income last reported by the Bureau of the Census for a family of equal or lesser size, or in the case of a household of 1 person, the national median household income for 1 earner. Notwithstanding the foregoing, the national median family income for a family of more than 4 individuals shall be the national median family income last reported by the Bureau of the Census for a family of 4 individuals plus $583 for each additional member of the family.''; and

(3) in section 1329—

(A) by striking in subsection (c) ''three years'' and inserting ''the applicable commitment period under section 1325(b)(1)(B)''; and

(B) by inserting at the end of subsection (c) the following:

''The duration period shall be 5 years if the current monthly income of the debtor and the debtor's spouse combined, when multiplied by 12, is not less than the highest national median family income last reported by the Bureau of the Census for a family of equal or lesser size or, in the case of a household of 1 person, the national median household income for 1 earner, as of the date of the modification and shall be 3 years if the current monthly total income of the debtor and the debtor's spouse combined, when multiplied by 12, is less than the highest national median family income last reported by the Bureau of the Census for a family of equal or lesser size or, in the case of a household of 1 person, less than the national median household income for 1 earner as of the date of the modification. Notwithstanding the foregoing, the national median family income for a family of more than 4 individuals shall be the national median family income last reported by the Bureau of the Census for a family of 4 individuals plus $583 for each additional member of the family.''.

**SEC. 607. SENSE OF THE CONGRESS REGARDING EXPANSION OF RULE 9011 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE.**

It is the sense of the Congress that rule 9011 of the Federal Rules of Bankruptcy Procedure (11 U.S.C. App) should be modified to include a requirement that all documents (including schedules), signed and unsigned, submitted to the court or to a trustee by debtors who represent themselves and debtors who are represented by an attorney be submitted only after the debtor or the debtor's attorney has made reasonable inquiry to verify that the information contained in such documents is well grounded in fact, and is warranted by existing law or a good-faith argument for the extension, modification, or reversal of existing law.

**SEC. 608. ELIMINATION OF CERTAIN FEES PAYABLE IN CHAPTER 11 BANKRUPTCY CASES.**

(a) AMENDMENTS.—Section 1930(a)(6) of title 28, United States Code, is amended—

(1) in the 1st sentence by striking ''until the case is converted or dismissed, whichever occurs first''; and

(2) in the 2d sentence—

(A) by striking ''The'' and inserting ''Until the plan is confirmed or the case is converted (whichever occurs first) the''; and

(B) by striking ''less than $300,000;'' and inserting ''less than $300,000. Until the case is converted, dismissed, or closed (whichever occurs first and without regard to confirmation of the plan) the fee shall be''.

(b) DELAYED EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1999.

**SEC. 609. STUDY OF BANKRUPTCY IMPACT OF CREDIT EXTENDED TO DEPENDENT STUDENTS.**

Not later than 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall—

(1) conduct a study regarding the impact that the extension of credit to individuals who are—

(A) claimed as dependents for purposes of the Internal Revenue Code of 1986; and

(B) enrolled in post-secondary educational institutions,

has on the rate of cases filed under title 11 of the United States Code; and

(2) submit to the Speaker of the House of Representatives and the President pro tempore of the Senate a report summarizing such study.

**SEC. 610. PROMPT RELIEF FROM STAY IN INDIVIDUAL CASES.**

Section 362(e) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(e)''; and

(2) by adding at the end the following:

''(2) Notwithstanding paragraph (1), in the case of an individual filing under chapter 7, 11, or 13, the stay under subsection (a) shall terminate on the date that is 60 days after a request is made by a party in interest under subsection (d), unless—

''(A) a final decision is rendered by the court during the 60-day period beginning on the date of the request; or

''(B) that 60-day period is extended—

''(i) by agreement of all parties in interest; or

''(ii) by the court for such specific period of time as the court finds is required by for good cause as described in findings made by the court.''.

**SEC. 611. STOPPING ABUSIVE CONVERSIONS FROM CHAPTER 13.**

Section 348(f)(1) of title 11, United States Code, is amended—

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

(2) in subparagraph (B)—

(A) by striking ''in the converted case, with allowed secured claims'' and inserting ''only in a case converted to chapter 11 or 12 but not in a case converted to chapter 7, with allowed secured claims in cases under chapters 11 and 12''; and

(B) by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(C) with respect to cases converted from chapter 13—

''(i) the claim of any creditor holding security as of the date of the petition shall continue to be secured by that security unless the full amount of such claim determined under applicable nonbankruptcy law has been paid in full as of the date of conversion, notwithstanding any valuation or determination of the amount of an allowed secured claim made for the purposes of the chapter 13 proceeding; and

''(ii) unless a prebankruptcy default has been fully cured pursuant to the plan at the time of conversion, in any proceeding under this title or otherwise, the default shall have the effect given under applicable nonbankruptcy law.''.

**SEC. 612. BANKRUPTCY APPEALS.**

Title 28 of the United States Code is amended by inserting after section 1292 the following:

**''§ 1293. Bankruptcy appeals**

''(a) The courts of appeals (other than the United States Court of Appeals for the Federal Circuit) shall have jurisdiction of appeals from the following:

''(1) Final orders and judgments entered by bankruptcy courts and district courts in cases under title 11, in proceedings arising under title 11, and in proceedings arising in or related to a case under title 11, including final orders in proceedings regarding the automatic stay of section 362 of title 11.

''(2) Interlocutory orders entered by bankruptcy courts and district courts granting, continuing, modifying, refusing or dissolving injunctions, or refusing to dissolve or modify injunctions in cases under title 11, in proceedings arising under title 11, and in proceedings arising in or related to a case under title 11, other than interlocutory orders in proceedings regarding the automatic stay of section 362 of title 11.

''(3) Interlocutory orders of bankruptcy courts and district courts entered under section 1104(a) or 1121(d) of title 11, or the refusal to enter an order under such section.

''(4) An interlocutory order of a bankruptcy court or district court entered in a case under title 11, in a proceeding arising under title 11, or in a proceeding arising in or related to a case under title 11, if the court of appeals that would have jurisdiction of an appeal of a final order entered in such case or such proceeding permits, in its discretion, appeal to be taken from such interlocutory order.

''(b) Final decisions, judgments, orders, and decrees entered by a bankruptcy appellate panel under subsection (b) of this section.

''(c)(1) The judicial council of a circuit may establish a bankruptcy appellate panel composed of bankruptcy judges in the circuit who are appointed by the judicial council, which panel shall exercise the jurisdiction to review orders and judgments of bankruptcy courts described in paragraphs (1)–(4) of subsection (a) of this section unless—

''(A) the appellant elects at the time of filing the appeal; or

''(B) any other party elects, not later than 10 days after service of the notice of the appeal;

to have such jurisdiction exercised by the court of appeals.

''(2) An appeal to be heard by a bankruptcy appellate panel under this subsection (b) shall be heard by 3 members of the bankruptcy appellate panel, provided that a member of such panel may not hear an appeal originating in the district for which such member is appointed or designated under section 152 of this title.

''(3) If authorized by the Judicial Conference of the United States, the judicial councils of 2 or more circuits may establish a joint bankruptcy appellate panel.''.

**SEC. 613. GAO STUDY.**

(a) STUDY.—Not later than 270 days after the date of the enactment of this Act, the Comptroller General of the United States shall conduct a study of the feasibility, effectiveness, and cost of requiring trustees appointed under title 11 of the United States Code, or the bankruptcy courts, to provide to the Office of Child Support Enforcement promptly after the commencement of cases by individual debtors under such title, the names and social security numbers of such debtors for the purposes of allowing such Office to determine whether such debtors have outstanding obligations for child support (as determined on the basis of information in the Federal Case Registry or other national database).

(b) REPORT.—Not later than 300 days after the date of the enactment of this Act, the Comptroller General shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate, a report containing the results of the study required by subsection (a).

## TITLE VII—BANKRUPTCY DATA

**SEC. 701. IMPROVED BANKRUPTCY STATISTICS.**

(a) AMENDMENT.—Chapter 6 of part I of title 28, United States Code, is amended by adding at the end the following:

**''§ 159. Bankruptcy statistics**

''(a) The clerk of each district shall compile statistics regarding individual debtors with primarily consumer debts seeking relief under chapters 7, 11, and 13 of title 11. Those statistics shall be in a form prescribed by the Director of the Administrative Office of the United States Courts (referred to in this section as the 'Office').

''(b) The Director shall—

''(1) compile the statistics referred to in subsection (a);

''(2) make the statistics available to the public; and

''(3) not later than October 31, 2000, and annually thereafter, prepare, and submit to Congress a report concerning the information collected under subsection (a) that contains an analysis of the information.

''(c) The compilation required under subsection (b) shall—

''(1) be itemized, by chapter, with respect to title 11;

''(2) be presented in the aggregate and for each district; and

''(3) include information concerning—

''(A) the total assets and total liabilities of the debtors described in subsection (a), and in each category of assets and liabilities, as reported in the schedules prescribed pursuant to section 2075 of this title and filed by those debtors;

''(B) the current monthly income, and average income and average expenses of those debtors as reported on the schedules and statements that each such debtor files under sections 521 and 1322 of title 11;

''(C) the aggregate amount of debt discharged in the reporting period, determined as the difference between the total amount of debt and obligations of a debtor reported on the schedules and the amount of such debt reported in categories which are predominantly nondischargeable;

''(D) the average period of time between the filing of the petition and the closing of the case;

''(E) for the reporting period—

''(i) the number of cases in which a reaffirmation was filed; and

''(ii)(I) the total number of reaffirmations filed;

''(II) of those cases in which a reaffirmation was filed, the number in which the debtor was not represented by an attorney; and

''(III) of those cases, the number of cases in which the reaffirmation was approved by the court;

''(F) with respect to cases filed under chapter 13 of title 11, for the reporting period—

''(i)(I) the number of cases in which a final order was entered determining the value of property securing a claim in an amount less than the amount of the claim; and

''(II) the number of final orders determining the value of property securing a claim issued;

''(ii) the number of cases dismissed, the number of cases dismissed for failure to make payments under the plan, the number of cases refiled after dismissal, and the number of cases in which the plan was completed, separately itemized with respect to the number of modifications made before completion of the plan, if any; and

''(iii) the number of cases in which the debtor filed another case within the 6 years previous to the filing;

''(G) the number of cases in which creditors were fined for misconduct and any amount of punitive damages awarded by the court for creditor misconduct; and

''(H) the number of cases in which sanctions under rule 9011 of the Federal Rules of Bankruptcy Procedure were imposed against debtor's counsel and damages awarded under such Rule.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 6 of title 28, United States Code, is amended by adding at the end the following:

''159. Bankruptcy statistics.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 18

months after the date of enactment of this Act.

**SEC. 702. UNIFORM RULES FOR THE COLLECTION OF BANKRUPTCY DATA.**

(a) AMENDMENT.—Title 28 of the United States Code is amended by inserting after section 589a the following:

**''§ 589b. Bankruptcy data**

''(a) RULES.—The Attorney General shall, within a reasonable time after the effective date of this section, issue rules requiring uniform forms for (and from time to time thereafter to appropriately modify and approve)—

''(1) final reports by trustees in cases under chapters 7, 12, and 13 of title 11; and

''(2) periodic reports by debtors in possession or trustees, as the case may be, in cases under chapter 11 of title 11.

''(b) REPORTS.—All reports referred to in subsection (a) shall be designed (and the requirements as to place and manner of filing shall be established) so as to facilitate compilation of data and maximum possible access of the public, both by physical inspection at 1 or more central filing locations, and by electronic access through the Internet or other appropriate media.

''(c) REQUIRED INFORMATION.—The information required to be filed in the reports referred to in subsection (b) shall be that which is in the best interests of debtors and creditors, and in the public interest in reasonable and adequate information to evaluate the efficiency and practicality of the Federal bankruptcy system. In issuing rules proposing the forms referred to in subsection (a), the Attorney General shall strike the best achievable practical balance between—

''(1) the reasonable needs of the public for information about the operational results of the Federal bankruptcy system; and

''(2) economy, simplicity, and lack of undue burden on persons with a duty to file reports.

''(d) FINAL REPORTS.—Final reports proposed for adoption by trustees under chapters 7, 12, and 13 of title 11 shall, in addition to such other matters as are required by law or as the Attorney General in the discretion of the Attorney General, shall propose, include with respect to a case under such title—

''(1) information about the length of time the case was pending;

''(2) assets abandoned;

''(3) assets exempted;

''(4) receipts and disbursements of the estate;

''(5) expenses of administration;

''(6) claims asserted;

''(7) claims allowed; and

''(8) distributions to claimants and claims discharged without payment,

in each case by appropriate category and, in cases under chapters 12 and 13 of title 11, date of confirmation of the plan, each modification thereto, and defaults by the debtor in performance under the plan.

''(e) PERIODIC REPORTS.—Periodic reports proposed for adoption by trustees or debtors in possession under chapter 11 of title 11 shall, in addition to such other matters as are required by law or as the Attorney General, in the discretion of the Attorney General, shall propose, include—

''(1) information about the standard industry classification, published by the Department of Commerce, for the businesses conducted by the debtor;

''(2) length of time the case has been pending;

''(3) number of full-time employees as at the date of the order for relief and at end of each reporting period since the case was filed;

''(4) cash receipts, cash disbursements and profitability of the debtor for the most recent period and cumulatively since the date of the order for relief;

''(5) compliance with title 11, whether or not tax returns and tax payments since the date of the order for relief have been timely filed and made;

''(6) all professional fees approved by the court in the case for the most recent period and cumulatively since the date of the order for relief (separately reported, in for the professional fees incurred by or on behalf of the debtor, between those that would have been incurred absent a bankruptcy case and those not); and

''(7) plans of reorganization filed and confirmed and, with respect thereto, by class, the recoveries of the holders, expressed in aggregate dollar values and, in the case of claims, as a percentage of total claims of the class allowed.''.

(b) TECHNICAL AMENDMENT.—The table of sections of chapter 39 of title 28, United States Code, is amended by adding at the end the following:

''589b. Bankruptcy data.''.

**SEC. 703. SENSE OF THE CONGRESS REGARDING AVAILABILITY OF BANKRUPTCY DATA.**

It is the sense of the Congress that—

(1) the national policy of the United States should be that all data held by bankruptcy clerks in electronic form, to the extent such data reflects only public records (as defined in section 107 of title 11 of the United States Code), should be released in a usable electronic form in bulk to the public subject to such appropriate privacy concerns and safeguards as the Judicial Conference of the United States may determine; and

(2) there should be established a bankruptcy data system in which—

(A) a single set of data definitions and forms are used to collect data nationwide; and

(B) data for any particular bankruptcy case are aggregated in the same electronic record.

## TITLE VIII—BANKRUPTCY TAX PROVISIONS

**SEC. 801. TREATMENT OF CERTAIN LIENS.**

(a) TREATMENT OF CERTAIN LIENS.—Section 724 of title 11, United States Code, is amended—

(1) in subsection (b), in the matter preceding paragraph (1), by inserting ''(other than to the extent that there is a properly perfected unavoidable tax lien arising in connection with an ad valorem tax on real or personal property of the estate)'' after ''under this title'';

(2) in subsection (b)(2), after ''507(a)(1)'', insert ''(except that such expenses, other than claims for wages, salaries, or commissions which arise after the filing of a petition, shall be limited to expenses incurred under chapter 7 of this title and shall not include expenses incurred under chapter 11 of this title)''; and

(3) by adding at the end the following:

''(e) Before subordinating a tax lien on real or personal property of the estate, the trustee shall—

''(1) exhaust the unencumbered assets of the estate; and

''(2) in a manner consistent with section 506(c) of this title, recover from property securing an allowed secured claim the reasonable, necessary costs and expenses of preserving or disposing of that property.

''(f) Notwithstanding the exclusion of ad valorem tax liens set forth in this section and subject to the requirements of subsection (e)—

''(1) claims for wages, salaries, and commissions that are entitled to priority under section 507(a)(3) of this title; or

''(2) claims for contributions to an employee benefit plan entitled to priority under section 507(a)(4) of this title,

may be paid from property of the estate which secures a tax lien, or the proceeds of such property.''.

(b) DETERMINATION OF TAX LIABILITY.—Section 505(a)(2) of title 11, United States Code, is amended—

(1) in subparagraph (A), by striking ''or'' at the end;

(2) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(C) the amount or legality of any amount arising in connection with an ad valorem tax on real or personal property of the estate, if the applicable period for contesting or redetermining that amount under any law (other than a bankruptcy law) has expired.''.

**SEC. 802. EFFECTIVE NOTICE TO GOVERNMENT.**

(a) EFFECTIVE NOTICE TO GOVERNMENTAL UNITS.—Section 342 of title 11, United States Code, as amended by section 603, is amended by adding at the end the following:

''(g) If a debtor lists a governmental unit as a creditor in a list or schedule, any notice required to be given by the debtor under this title, any rule, any applicable law, or any order of the court, shall identify the department, agency, or instrumentality through which the debtor is indebted. The debtor shall identify (with information such as a taxpayer identification number, loan, account or contract number, or real estate parcel number, where applicable), and describe the underlying basis for the governmental unit's claim. If the debtor's liability to a governmental unit arises from a debt or obligation owed or incurred by another individual, entity, or organization, or under a different name, the debtor shall identify such individual, entity, organization, or name.

''(h) The clerk shall keep and update quarterly, in the form and manner as the Director of the Administrative Office of the United States Courts prescribes, and make available to debtors, a register in which a governmental unit may designate a safe harbor mailing address for service of notice in cases pending in the district. A governmental unit may file a statement with the clerk designating a safe harbor address to which notices are to be sent, unless such governmental unit files a notice of change of address.''.

(b) ADOPTION OF RULES PROVIDING NOTICE.—The Advisory Committee on Bankruptcy Rules of the Judicial Conference shall, within a reasonable period of time after the date of the enactment of this Act, propose for adoption enhanced rules for providing notice to State, Federal, and local government units that have regulatory authority over the debtor or which may be creditors in the debtor's case. Such rules shall be reasonably calculated to ensure that notice will reach the representatives of the governmental unit, or subdivision thereof, who will be the proper persons authorized to act upon the notice. At a minimum, the rules should require that the debtor—

(1) identify in the schedules and the notice, the subdivision, agency, or entity in respect of which such notice should be received;

(2) provide sufficient information (such as case captions, permit numbers, taxpayer identification numbers, or similar identifying information) to permit the governmental unit or subdivision thereof, entitled

to receive such notice, to identify the debtor or the person or entity on behalf of which the debtor is providing notice where the debtor may be a successor in interest or may not be the same as the person or entity which incurred the debt or obligation; and

(3) identify, in appropriate schedules, served together with the notice, the property in respect of which the claim or regulatory obligation may have arisen, if any, the nature of such claim or regulatory obligation and the purpose for which notice is being given.

(c) EFFECT OF FAILURE OF NOTICE.—Section 342 of title 11, United States Code, as amended by section 603 and subsection (a), is amended by adding at the end the following:

''(i) A notice that does not comply with subsections (d) and (e) shall not be effective unless the debtor demonstrates, by clear and convincing evidence, that timely notice was given in a manner reasonably calculated to satisfy the requirements of this section was given, and that—

''(1) either the notice was timely sent to the safe harbor address provided in the register maintained by the clerk of the district in which the case was pending for such purposes; or

''(2) no safe harbor address was provided in such list for the governmental unit and that an officer of the governmental unit who is responsible for the matter or claim had actual knowledge of the case in sufficient time to act.''.

**SEC. 803. NOTICE OF REQUEST FOR A DETERMINATION OF TAXES.**

Section 505(b) of title 11, United States Code, is amended by striking ''Unless'' at the beginning of the second sentence thereof and inserting ''If the request is made substantially in the manner designated by the governmental unit and unless''.

**SEC. 804. RATE OF INTEREST ON TAX CLAIMS.**

(a) AMENDMENT.—Chapter 5 of title 11, United States Code, is amended by adding at the end the following:

**''§ 511. Rate of interest on tax claims**

''If any provision of this title requires the payment of interest on a tax claim or requires the payment of interest to enable a creditor to receive the present value of the allowed amount of a tax claim, the rate of interest shall be as follows:

''(1) In the case of ad valorem tax claims, whether secured or unsecured, other unsecured tax claims where interest is required to be paid under section 726(a)(5) of this title, secured tax claims, and administrative tax claims paid under section 503(b)(1) of this title, the rate shall be determined under applicable nonbankruptcy law.

''(2) In the case of all other tax claims, the minimum rate of interest shall be the Federal short-term rate rounded to the nearest full percent, determined under section 1274(d) of the Internal Revenue Code of 1986, plus 3 percentage points.

''(A) In the case of claims for Federal income taxes, such rate shall be subject to any adjustment that may be required under section 6621(d) of the Internal Revenue Code of 1986.

''(B) In the case of taxes paid under a confirmed plan or reorganization, such rate shall be determined as of the calendar month in which the plan is confirmed.''.

(b) CONFORMING AMENDMENT.—The table of sections of chapter 5 of title 11, United States Code, is amended by inserting after the item relating to section 510 the following:

''511. Rate of interest on tax claims.''.

**SEC. 805. TOLLING OF PRIORITY OF TAX CLAIM TIME PERIODS.**

Section 507(a)(8)(A) of title 11, United States Code, as so redesignated, is amended—

(1) in clause (i) by inserting after ''petition'' and before the semicolon '', plus any time, plus 6 months, during which the stay of proceedings was in effect in a prior case under this title''; and

(2) amend clause (ii) to read as follows:

''(ii) assessed within 240 days before the date of the filing of the petition, exclusive of—

''(I) any time plus 30 days during which an offer in compromise with respect of such tax, was pending or in effect during such 240-day period;

''(II) any time plus 30 days during which an installment agreement with respect of such tax was pending or in effect during such 240-day period, up to 1 year; and

''(III) any time plus 6 months during which a stay of proceedings against collections was in effect in a prior case under this title during such 240-day period.''.

**SEC. 806. PRIORITY PROPERTY TAXES INCURRED.**

Section 507(a)(8)(B) of title 11, United States Code, is amended by striking ''assessed'' and inserting ''incurred''.

**SEC. 807. CHAPTER 13 DISCHARGE OF FRAUDULENT AND OTHER TAXES.**

Section 1328(a)(2) of title 11, United States Code, is amended by inserting ''(1),'' after ''paragraph''.

**SEC. 808. CHAPTER 11 DISCHARGE OF FRAUDULENT TAXES.**

Section 1141(d) of title 11, United States Code, is amended by adding at the end the following:

''(6) Notwithstanding the provisions of paragraph (1), the confirmation of a plan does not discharge a debtor which is a corporation from any debt for a tax or customs duty with respect to which the debtor made a fraudulent return or willfully attempted in any manner to evade or defeat such tax.''.

**SEC. 809. STAY OF TAX PROCEEDINGS.**

(a) SECTION 362 STAY LIMITED TO PREPETITION TAXES.—Section 362(a)(8) of title 11, United States Code, is amended by striking the period at the end and inserting '', in respect of a tax liability for a taxable period ending before the order for relief.''.

(b) APPEAL OF TAX COURT DECISIONS PERMITTED.—Section 362(b)(9) of title 11, United States Code, is amended—

(1) in subparagraph (C) by striking ''or'' at the end;

(2) in subparagraph (D) by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(E) the appeal of a decision by a court or administrative tribunal which determines a tax liability of the debtor without regard to whether such determination was made prepetition or postpetition.''.

**SEC. 810. PERIODIC PAYMENT OF TAXES IN CHAPTER 11 CASES.**

Section 1129(a)(9) of title 11, United States Code, is amended—

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

(2) in subparagraph (C)—

(A) by striking ''deferred cash payments, over a period not exceeding six years after the date of assessment of such claim,'' and inserting ''regular installment payments in cash, but in no case with a balloon provision, and no more than three months apart, beginning no later than the effective date of the plan and ending on the earlier of five years after the petition date or the last date payments are to be made under the plan to unsecured creditors,'';

(B) by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(D) with respect to a secured claim which would be described in section 507(a)(8) of this title but for its secured status, the holder of such claim will receive on account of such claim cash payments of not less than is required in subparagraph (C) and over a period no greater than is required in such subparagraph.''.

**SEC. 811. AVOIDANCE OF STATUTORY TAX LIENS PROHIBITED.**

Section 545(2) of title 11, United States Code, is amended by striking the semicolon at the end and inserting '', except where such purchaser is a purchaser described in section 6323 of the Internal Revenue Code of 1986 or similar provision of State or local law;''.

**SEC. 812. PAYMENT OF TAXES IN THE CONDUCT OF BUSINESS.**

(a) PAYMENT OF TAXES REQUIRED.—Section 960 of title 28, United States Code, is amended—

(1) by inserting ''(a)'' before ''Any''; and

(2) by adding at the end the following:

''(b) Such taxes shall be paid when due in the conduct of such business unless—

''(1) the tax is a property tax secured by a lien against property that is abandoned within a reasonable time after the lien attaches, by the trustee of a bankruptcy estate, pursuant to section 554 of title 11; or

''(2) payment of the tax is excused under a specific provision of title 11.

''(c) In a case pending under chapter 7 of title 11, payment of a tax may be deferred until final distribution is made under section 726 of title 11 if—

''(1) the tax was not incurred by a trustee duly appointed under chapter 7 of title 11; or

''(2) before the due date of the tax, the court has made a finding of probable insufficiency of funds of the estate to pay in full the administrative expenses allowed under section 503(b) of title 11 that have the same priority in distribution under section 726(b) of title 11 as such tax.''.

(b) PAYMENT OF AD VALOREM TAXES REQUIRED.—Section 503(b)(1)(B) of title 11, United States Code, is amended in clause (i) by inserting after ''estate,'' and before ''except'' the following: ''whether secured or unsecured, including property taxes for which liability is in rem only, in personam or both,''.

(c) REQUEST FOR PAYMENT OF ADMINISTRATIVE EXPENSE TAXES ELIMINATED.—Section 503(b)(1) of title 11, United States Code, is amended by adding at the end the following:

''(D) notwithstanding the requirements of subsection (a) of this section, a governmental unit shall not be required to file a request for the payment of a claim described in subparagraph (B) or (C);''.

(d) PAYMENT OF TAXES AND FEES AS SECURED CLAIMS.—Section 506 of title 11, United States Code, is amended—

(1) in subsection (b) by inserting ''or State statute'' after ''agreement''; and

(2) in subsection (c) by inserting '', including the payment of all ad valorem property taxes in respect of the property'' before the period at the end.

**SEC. 813. TARDILY FILED PRIORITY TAX CLAIMS.**

Section 726(a)(1) of title 11, United States Code, is amended by striking ''before the date on which the trustee commences distribution under this section'' and inserting ''on or before the earlier of 10 days after the mailing to creditors of the summary of the trustee's final report or the date on which the trustee commences final distribution under this section''.

**SEC. 814. INCOME TAX RETURNS PREPARED BY TAX AUTHORITIES.**

Section 523(a)(1)(B) of title 11, United States Code, is amended—

(1) by inserting ''or equivalent report or notice,'' after ''a return,'';

(2) in clause (i)—

(A) by inserting ''or given'' after ''filed''; and

(B) by striking ''or'' at the end;

(3) in clause (ii)—

(A) by inserting ''or given'' after ''filed''; and

(B) by inserting '', report, or notice'' after ''return''; and

(4) by adding at the end the following:

''(iii) for purposes of this subsection, a return—

''(I) must satisfy the requirements of applicable nonbankruptcy law, and includes a return prepared pursuant to section 6020(a) of the Internal Revenue Code of 1986, or similar State or local law, or a written stipulation to a judgment entered by a nonbankruptcy tribunal, but does not include a return made pursuant to section 6020(b) of the Internal Revenue Code of 1986, or similar State or local law; and

''(II) must have been filed in a manner permitted by applicable nonbankruptcy law; or''.

**SEC. 815. DISCHARGE OF THE ESTATE'S LIABILITY FOR UNPAID TAXES.**

Section 505(b) of title 11, United States Code, is amended in the second sentence by inserting ''the estate,'' after ''misrepresentation,''.

**SEC. 816. REQUIREMENT TO FILE TAX RETURNS TO CONFIRM CHAPTER 13 PLANS.**

(a) FILING OF PREPETITION TAX RETURNS REQUIRED FOR PLAN CONFIRMATION.—Section 1325(a) of title 11, United States Code, as amended by section 140, is amended—

(1) in paragraph (6) by striking ''and'' at the end;

(2) in paragraph (7) by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(8) if the debtor has filed all Federal, State, and local tax returns as required by section 1308 of this title.''.

(b) ADDITIONAL TIME PERMITTED FOR FILING TAX RETURNS.—(1) Chapter 13 of title 11, United States Code, as amended by section 135, is amended by adding at the end the following:

**''§ 1308. Filing of prepetition tax returns**

''(a) On or before the day prior to the day on which the first meeting of the creditors is convened under section 341(a) of this title, the debtor shall have filed with appropriate tax authorities all tax returns for all taxable periods ending in the 3-year period ending on the date of filing of the petition.

''(b) If the tax returns required by subsection (a) have not been filed by the date on which the first meeting of creditors is convened under section 341(a) of this title, the trustee may continue such meeting for a reasonable period of time, to allow the debtor additional time to file any unfiled returns, but such additional time shall be no more than—

''(1) for returns that are past due as of the date of the filing of the petition, 120 days from such date;

''(2) for returns which are not past due as of the date of the filing of the petition, the later of 120 days from such date or the due date for such returns under the last automatic extension of time for filing such returns to which the debtor is entitled, and for which request has been timely made, according to applicable nonbankruptcy law; and

''(3) upon notice and hearing, and order entered before the lapse of any deadline fixed according to this subsection, where the debtor demonstrates, by clear and convincing evidence, that the failure to file the returns as required is because of circumstances beyond the control of the debtor, the court may extend the deadlines set by the trustee as provided in this subsection for—

''(A) a period of no more than 30 days for returns described in paragraph (1) of this subsection; and

''(B) for no more than the period of time ending on the applicable extended due date for the returns described in paragraph (2).

''(c) For purposes of this section only, a return includes a return prepared pursuant to section 6020 (a) or (b) of the Internal Revenue Code of 1986 or similar State or local law, or a written stipulation to a judgment entered by a nonbankruptcy tribunal.''.

(2) The table of sections of chapter 13 of title 11, United States Code, is amended by inserting after the item relating to section 1307 the following:

''1308. Filing of prepetition tax returns.''.

(c) DISMISSAL OR CONVERSION ON FAILURE TO COMPLY.—Section 1307 of title 11, United States Code, is amended—

(1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; and

(2) by inserting after subsection (d) the following:

''(e) Upon the failure of the debtor to file tax returns under section 1308 of this title, on request of a party in interest or the United States trustee and after notice and a hearing, the court shall dismiss a case or convert a case under this chapter to a case under chapter 7 of this title, whichever is in the best interests of creditors and the estate.''.

(d) TIMELY FILED CLAIMS.—Section 502(b)(9) of title 11, United States Code, is amended by striking the period at the end and inserting '', and except that in a case under chapter 13 of this title, a claim of a governmental unit for a tax in respect of a return filed under section 1308 of this title shall be timely if it is filed on or before 60 days after such return or returns were filed as required.''.

(e) RULES FOR OBJECTIONS TO CLAIMS AND TO CONFIRMATION.—It is the sense of the Congress that the Advisory Committee on Bankruptcy Rules of the Judicial Conference should, within a reasonable period of time after the date of the enactment of this Act, propose for adoption amended Federal Rules of Bankruptcy Procedure which provide that—

(1) notwithstanding the provisions of Rule 3015(f), in cases under chapter 13 of title 11, United States Code, a governmental unit may object to the confirmation of a plan on or before 60 days after the debtor files all tax returns required under sections 1308 and 1325(a)(7) of title 11, United States Code; and

(2) in addition to the provisions of Rule 3007, in a case under chapter 13 of title 11, United States Code, no objection to a tax in respect of a return required to be filed under such section 1308 shall be filed until such return has been filed as required.

**SEC. 817. STANDARDS FOR TAX DISCLOSURE.**

Section 1125(a) of title 11, United States Code, is amended in paragraph (1)—

(1) by inserting after ''records,'' the following: ''including a full discussion of the potential material Federal, State, and local tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor domiciled in the State in which the debtor resides or has its principal place of business typical of the holders of claims or interests in the case,'';

(2) by inserting ''such'' after ''enable''; and

(3) by striking ''reasonable'' where it appears after ''hypothetical'' and by striking ''typical of holders of claims or interests'' after ''investor''.

**SEC. 818. SETOFF OF TAX REFUNDS.**

Section 362(b) of title 11, United States Code, as amended by sections 118, 132, 136, and 203, is amended—

(1) in paragraph (29) by striking ''or'';

(2) in paragraph (30) by striking the period at the end and inserting ''; or''; and

(3) by inserting after paragraph (30) the following:

''(31) under subsection (a) of the setoff of an income tax refund, by a governmental unit, in respect of a taxable period which ended before the order for relief against an income tax liability for a taxable period which also ended before the order for relief, unless—

''(A) prior to such setoff, an action to determine the amount or legality of such tax liability under section 505(a) was commenced; or

''(B) where the setoff of an income tax refund is not permitted because of a pending action to determine the amount or legality of a tax liability, the governmental unit may hold the refund pending the resolution of the action.''.

## TITLE IX—ANCILLARY AND OTHER CROSS-BORDER CASES

**SEC. 901. AMENDMENT TO ADD CHAPTER 15 TO TITLE 11, UNITED STATES CODE.**

(a) IN GENERAL.—Title 11, United States Code, is amended by inserting after chapter 13 the following:

**''CHAPTER 15—ANCILLARY AND OTHER CROSS-BORDER CASES**

**''§ 1501. Purpose and scope of application**

''(a) The purpose of this chapter is to incorporate the Model Law on Cross-Border Insolvency so as to provide effective mechanisms for dealing with cases of cross-border insolvency with the objectives of—

''(1) cooperation between—

''(A) United States courts, United States trustees, trustees, examiners, debtors, and debtors in possession; and

''(B) the courts and other competent authorities of foreign countries involved in cross-border insolvency cases;

''(2) greater legal certainty for trade and investment;

''(3) fair and efficient administration of cross-border insolvencies that protects the interests of all creditors, and other interested entities, including the debtor;

''(4) protection and maximization of the value of the debtor's assets; and

''(5) facilitation of the rescue of financially troubled businesses, thereby protecting investment and preserving employment.

''(b) This chapter applies where—

''(1) assistance is sought in the United States by a foreign court or a foreign representative in connection with a foreign proceeding;

''(2) assistance is sought in a foreign country in connection with a case under this title;

''(3) a foreign proceeding and a case under this title with respect to the same debtor are taking place concurrently; or

''(4) creditors or other interested persons in a foreign country have an interest in requesting the commencement of, or participating in, a case or proceeding under this title.

''(c) This chapter does not apply to—

''(1) a proceeding concerning an entity identified by exclusion in subsection 109(b);

''(2) an individual, or to an individual and such individual's spouse, who have debts within the limits specified in section 109(e) and who are citizens of the United States or aliens lawfully admitted for permanent residence in the United States; or

''(3) an entity subject to a proceeding under the Securities Investor Protection Act, a stockbroker subject to subchapter III of chapter 7 of this title, or a commodity broker subject to subchapter IV of chapter 7 of this title.

''SUBCHAPTER I—GENERAL PROVISIONS

**''§ 1502. Definitions**

''For the purposes of this chapter, the term—

''(1) 'debtor' means an entity that is the subject of a foreign proceeding;

''(2) 'establishment' means any place of operations where the debtor carries out a nontransitory economic activity;

''(3) 'foreign court' means a judicial or other authority competent to control or supervise a foreign proceeding;

''(4) 'foreign main proceeding' means a foreign proceeding taking place in the country where the debtor has the center of its main interests;

''(5) 'foreign nonmain proceeding' means a foreign proceeding, other than a foreign main proceeding, taking place in a country where the debtor has an establishment;

''(6) 'trustee' includes a trustee, a debtor in possession in a case under any chapter of this title, or a debtor under chapter 9 of this title; and

''(7) 'within the territorial jurisdiction of the United States' when used with reference to property of a debtor refers to tangible property located within the territory of the United States and intangible property deemed under applicable nonbankruptcy law to be located within that territory, including any property subject to attachment or garnishment that may properly be seized or garnished by an action in a Federal or State court in the United States.

**''§ 1503. International obligations of the United States**

''To the extent that this chapter conflicts with an obligation of the United States arising out of any treaty or other form of agreement to which it is a party with 1 or more other countries, the requirements of the treaty or agreement prevail.

**''§ 1504. Commencement of ancillary case**

''A case under this chapter is commenced by the filing of a petition for recognition of a foreign proceeding under section 1515.

**''§ 1505. Authorization to act in a foreign country**

''A trustee or another entity (including an examiner) may be authorized by the court to act in a foreign country on behalf of an estate created under section 541. An entity authorized to act under this section may act in any way permitted by the applicable foreign law.

**''§ 1506. Public policy exception**

''Nothing in this chapter prevents the court from refusing to take an action governed by this chapter if the action would be manifestly contrary to the public policy of the United States.

**''§ 1507. Additional assistance**

''(a) Subject to the specific limitations stated elsewhere in this chapter the court, upon recognition of a foreign proceeding, the court may provide additional assistance to a foreign representative under this title or under other laws of the United States.

''(b) In determining whether to provide additional assistance under this title or under other laws of the United States, the court shall consider whether such additional assistance, consistent with the principles of comity, will reasonably assure—

''(1) just treatment of all holders of claims against or interests in the debtor's property;

''(2) protection of claim holders in the United States against prejudice and inconvenience in the processing of claims in such foreign proceeding;

''(3) prevention of preferential or fraudulent dispositions of property of the debtor;

''(4) distribution of proceeds of the debtor's property substantially in accordance with the order prescribed by this title; and

''(5) if appropriate, the provision of an opportunity for a fresh start for the individual that such foreign proceeding concerns.

**''§ 1508. Interpretation**

''In interpreting this chapter, the court shall consider its international origin, and the need to promote an application of this chapter that is consistent with the application of similar statutes adopted by foreign jurisdictions.

''SUBCHAPTER II—ACCESS OF FOREIGN REPRESENTATIVES AND CREDITORS TO THE COURT

**''§ 1509. Right of direct access**

''(a) A foreign representative may commence a case under section 1504 of this title by filing with the court a petition for recognition of a foreign proceeding under section 1515 of this title.

''(b) If the court grants recognition under section 1515 of this title, and subject to any limitations that the court may impose consistent with the policy of this chapter—

''(1) the foreign representative has the capacity to sue and be sued in a court in the United States;

''(2) the foreign representative may apply directly to a court in the United States for appropriate relief in that court; and

''(3) a court in the United States shall grant comity or cooperation to the foreign representative.

''(c) A request for comity or cooperation by a foreign representative in a court in the United States shall be accompanied by a certified copy of an order granting recognition under section 1517 of this title.

''(d) If the court denies recognition under this chapter, the court may issue any appropriate order necessary to prevent the foreign representative from obtaining comity or cooperation from courts in the United States.

''(e) Whether or not the court grants recognition, and subject to sections 306 and 1510 of this title, a foreign representative is subject to applicable nonbankruptcy law.

''(f) Notwithstanding any other provision of this section, the failure of a foreign representative to commence a case or to obtain recognition under this chapter does not affect any right the foreign representative may have to sue in a court in the United State to collect or recover a claim which is the property of the debtor.''.

**''§ 1510. Limited jurisdiction**

''The sole fact that a foreign representative files a petition under section 1515 does not subject the foreign representative to the jurisdiction of any court in the United States for any other purpose.

**''§ 1511. Commencement of case under section 301 or 303**

''(a) Upon recognition, a foreign representative may commence—

''(1) an involuntary case under section 303; or

''(2) a voluntary case under section 301 or 302, if the foreign proceeding is a foreign main proceeding.

''(b) The petition commencing a case under subsection (a) must be accompanied by certified copy of an order granting recognition. The court where the petition for recognition has been filed must be advised of the foreign representative's intent to commence a case

under subsection (a) prior to such commencement.

**"§ 1512. Participation of a foreign representative in a case under this title**

''Upon recognition of a foreign proceeding, the foreign representative in that proceeding is entitled to participate as a party in interest in a case regarding the debtor under this title.

**"§ 1513. Access of foreign creditors to a case under this title**

''(a) Foreign creditors have the same rights regarding the commencement of, and participation in, a case under this title as domestic creditors.

''(b)(1) Subsection (a) does not change or codify present law as to the priority of claims under section 507 or 726 of this title, except that the claim of a foreign creditor under those sections shall not be given a lower priority than that of general unsecured claims without priority solely because the holder of such claim is a foreign creditor.

''(2)(A) Subsection (a) and paragraph (1) do not change or codify present law as to the allowability of foreign revenue claims or other foreign public law claims in a proceeding under this title.

''(B) Allowance and priority as to a foreign tax claim or other foreign public law claim shall be governed by any applicable tax treaty of the United States, under the conditions and circumstances specified therein.

**"§ 1514. Notification to foreign creditors concerning a case under this title**

''(a) Whenever in a case under this title notice is to be given to creditors generally or to any class or category of creditors, such notice shall also be given to the known creditors generally, or to creditors in the notified class or category, that do not have addresses in the United States. The court may order that appropriate steps be taken with a view to notifying any creditor whose address is not yet known.

''(b) Such notification to creditors with foreign addresses described in subsection (a) shall be given individually, unless the court considers that, under the circumstances, some other form of notification would be more appropriate. No letters rogatory or other similar formality is required.

''(c) When a notification of commencement of a case is to be given to foreign creditors, the notification shall—

''(1) indicate the time period for filing proofs of claim and specify the place for their filing;

''(2) indicate whether secured creditors need to file their proofs of claim; and

''(3) contain any other information required to be included in such a notification to creditors under this title and the orders of the court.

''(d) Any rule of procedure or order of the court as to notice or the filing of a claim shall provide such additional time to creditors with foreign addresses as is reasonable under the circumstances.

''SUBCHAPTER III—RECOGNITION OF A FOREIGN PROCEEDING AND RELIEF

**"§ 1515. Application for recognition of a foreign proceeding**

''(a) A foreign representative applies to the court for recognition of the foreign proceeding in which the foreign representative has been appointed by filing a petition for recognition.

''(b) A petition for recognition shall be accompanied by—

''(1) a certified copy of the decision commencing the foreign proceeding and appointing the foreign representative;

''(2) a certificate from the foreign court affirming the existence of the foreign proceeding and of the appointment of the foreign representative; or

''(3) in the absence of evidence referred to in paragraphs (1) and (2), any other evidence acceptable to the court of the existence of the foreign proceeding and of the appointment of the foreign representative.

''(c) A petition for recognition shall also be accompanied by a statement identifying all foreign proceedings with respect to the debtor that are known to the foreign representative.

''(d) The documents referred to in paragraphs (1) and (2) of subsection (b) must be translated into English. The court may require a translation into English of additional documents.

**"§ 1516. Presumptions concerning recognition**

''(a) If the decision or certificate referred to in section 1515(b) indicates that the foreign proceeding is a foreign proceeding as defined in section 101 and that the person or body is a foreign representative as defined in section 101, the court is entitled to so presume.

''(b) The court is entitled to presume that documents submitted in support of the petition for recognition are authentic, whether or not they have been legalized.

''(c) In the absence of evidence to the contrary, the debtor's registered office, or habitual residence in the case of an individual, is presumed to be the center of the debtor's main interests.

**"§ 1517. Order recognizing a foreign proceeding**

''(a) Subject to section 1506, after notice and a hearing an order recognizing a foreign proceeding shall be entered if—

''(1) the foreign proceeding is a foreign main proceeding or foreign nonmain proceeding within the meaning of section 1502;

''(2) the foreign representative applying for recognition is a person or body as defined in section 101; and

''(3) the petition meets the requirements of section 1515.

''(b) The foreign proceeding shall be recognized—

''(1) as a foreign main proceeding if it is taking place in the country where the debtor has the center of its main interests; or

''(2) as a foreign nonmain proceeding if the debtor has an establishment within the meaning of section 1502 in the foreign country where the proceeding is pending.

''(c) A petition for recognition of a foreign proceeding shall be decided upon at the earliest possible time. Entry of an order recognizing a foreign proceeding constitutes recognition under this chapter.

''(d) The provisions of this subchapter do not prevent modification or termination of recognition if it is shown that the grounds for granting it were fully or partially lacking or have ceased to exist, but in considering such action the court shall give due weight to possible prejudice to parties that have relied upon the granting of recognition. The case under this chapter may be closed in the manner prescribed under section 350.

**"§ 1518. Subsequent information**

''From the time of filing the petition for recognition of the foreign proceeding, the foreign representative shall file with the court promptly a notice of change of status concerning—

''(1) any substantial change in the status of the foreign proceeding or the status of the foreign representative's appointment; and

''(2) any other foreign proceeding regarding the debtor that becomes known to the foreign representative.

**"§ 1519. Relief that may be granted upon petition for recognition of a foreign proceeding**

''(a) From the time of filing a petition for recognition until the court rules on the petition, the court may, at the request of the foreign representative, where relief is urgently needed to protect the assets of the debtor or the interests of the creditors, grant relief of a provisional nature, including—

''(1) staying execution against the debtor's assets;

''(2) entrusting the administration or realization of all or part of the debtor's assets located in the United States to the foreign representative or another person authorized by the court, including an examiner, in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy; and

''(3) any relief referred to in paragraph (3), (4), or (7) of section 1521(a).

''(b) Unless extended under section 1521(a)(6), the relief granted under this section terminates when the petition for recognition is decided upon.

''(c) It is a ground for denial of relief under this section that such relief would interfere with the administration of a foreign main proceeding.

''(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.

''(e) The standards, procedures, and limitations applicable to an injunction shall apply to relief under this section.

**"§ 1520. Effects of recognition of a foreign main proceeding**

''(a) Upon recognition of a foreign proceeding that is a foreign main proceeding—

''(1) sections 361 and 362 with respect to the debtor and that property of the debtor that is within the territorial jurisdiction of the United States;

''(2) sections 363, 549, and 552 of this title apply to a transfer of an interest of the debtor in property that is within the territorial jurisdiction of the United States to the same extent that the sections would apply to property of an estate;

''(3) unless the court orders otherwise, the foreign representative may operate the debtor's business and may exercise the rights and powers of a trustee under and to the extent provided by sections 363 and 552; and

''(4) section 552 applies to property of the debtor that is within the territorial jurisdiction of the United States.''.

''(b) Subsection (a) does not affect the right to commence an individual action or proceeding in a foreign country to the extent necessary to preserve a claim against the debtor.

''(c) Subsection (a) does not affect the right of a foreign representative or an entity to file a petition commencing a case under this title or the right of any party to file claims or take other proper actions in such a case.

**"§ 1521. Relief that may be granted upon recognition of a foreign proceeding**

''(a) Upon recognition of a foreign proceeding, whether main or nonmain, where necessary to effectuate the purpose of this chapter and to protect the assets of the debtor or the interests of the creditors, the court may, at the request of the foreign representative, grant any appropriate relief, including—

''(1) staying the commencement or continuation of an individual action or proceeding concerning the debtor's assets,

rights, obligations or liabilities to the extent they have not been stayed under section 1520(a);

''(2) staying execution against the debtor's assets to the extent it has not been stayed under section 1520(a);

''(3) suspending the right to transfer, encumber or otherwise dispose of any assets of the debtor to the extent this right has not been suspended under section 1520(a);

''(4) providing for the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor's assets, affairs, rights, obligations or liabilities;

''(5) entrusting the administration or realization of all or part of the debtor's assets within the territorial jurisdiction of the United States to the foreign representative or another person, including an examiner, authorized by the court;

''(6) extending relief granted under section 1519(a); and

''(7) granting any additional relief that may be available to a trustee, except for relief available under sections 522, 544, 545, 547, 548, 550, and 724(a).

''(b) Upon recognition of a foreign proceeding, whether main or nonmain, the court may, at the request of the foreign representative, entrust the distribution of all or part of the debtor's assets located in the United States to the foreign representative or another person, including an examiner, authorized by the court, provided that the court is satisfied that the interests of creditors in the United States are sufficiently protected.

''(c) In granting relief under this section to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.

''(d) The court may not enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding, under this section.

''(e) The standards, procedures, and limitations applicable to an injunction shall apply to relief under paragraphs (1), (2), (3), and (6) of subsection (a).

**''§ 1522. Protection of creditors and other interested persons**

''(a) The court may grant relief under section 1519 or 1521, or may modify or terminate relief under subsection (c), only if the interests of the creditors and other interested entities, including the debtor, are sufficiently protected.

''(b) The court may subject relief granted under section 1519 or 1521, or the operation of the debtor's business under section 1520(a)(3) of this title, to conditions it considers appropriate, including the giving of security or the filing of a bond.

''(c) The court may, at the request of the foreign representative or an entity affected by relief granted under section 1519 or 1521, or at its own motion, modify or terminate such relief.

''(d) Section 1104(d) shall apply to the appointment of an examiner under this chapter. Any examiner shall comply with the qualification requirements imposed on a trustee by section 322.

**''§ 1523. Actions to avoid acts detrimental to creditors**

''(a) Upon recognition of a foreign proceeding, the foreign representative has standing in a case concerning the debtor pending under another chapter of this title to initiate actions under sections 522, 544, 545, 547, 548, 550, and 724(a).

''(b) When the foreign proceeding is a foreign nonmain proceeding, the court must be satisfied that an action under subsection (a) relates to assets that, under United States law, should be administered in the foreign nonmain proceeding.

**''§ 1524. Intervention by a foreign representative**

''Upon recognition of a foreign proceeding, the foreign representative may intervene in any proceedings in a State or Federal court in the United States in which the debtor is a party.

''SUBCHAPTER IV—COOPERATION WITH FOREIGN COURTS AND FOREIGN REPRESENTATIVES

**''§ 1525. Cooperation and direct communication between the court and foreign courts or foreign representatives**

''(a) Consistent with section 1501, the court shall cooperate to the maximum extent possible with foreign courts or foreign representatives, either directly or through the trustee.

''(b) The court is entitled to communicate directly with, or to request information or assistance directly from, foreign courts or foreign representatives, subject to the rights of parties in interest to notice and participation.

**''§ 1526. Cooperation and direct communication between the trustee and foreign courts or foreign representatives**

''(a) Consistent with section 1501, the trustee or other person, including an examiner, authorized by the court, shall, subject to the supervision of the court, cooperate to the maximum extent possible with foreign courts or foreign representatives.

''(b) The trustee or other person, including an examiner, authorized by the court is entitled, subject to the supervision of the court, to communicate directly with foreign courts or foreign representatives.

**''§ 1527. Forms of cooperation**

''Cooperation referred to in sections 1525 and 1526 may be implemented by any appropriate means, including—

''(1) appointment of a person or body, including an examiner, to act at the direction of the court;

''(2) communication of information by any means considered appropriate by the court;

''(3) coordination of the administration and supervision of the debtor's assets and affairs;

''(4) approval or implementation of agreements concerning the coordination of proceedings; and

''(5) coordination of concurrent proceedings regarding the same debtor.

''SUBCHAPTER V—CONCURRENT PROCEEDINGS

**''§ 1528. Commencement of a case under this title after recognition of a foreign main proceeding**

''After recognition of a foreign main proceeding, a case under another chapter of this title may be commenced only if the debtor has assets in the United States. The effects of such case shall be restricted to the assets of the debtor that are within the territorial jurisdiction of the United States and, to the extent necessary to implement cooperation and coordination under sections 1525, 1526, and 1527, to other assets of the debtor that are within the jurisdiction of the court under sections 541(a) of this title, and 1334(e) of title 28, to the extent that such other assets are not subject to the jurisdiction and control of a foreign proceeding that has been recognized under this chapter.

**''§ 1529. Coordination of a case under this title and a foreign proceeding**

''Where a foreign proceeding and a case under another chapter of this title are taking place concurrently regarding the same debtor, the court shall seek cooperation and coordination under sections 1525, 1526, and 1527, and the following shall apply:

''(1) When the case in the United States is taking place at the time the petition for recognition of the foreign proceeding is filed—

''(A) any relief granted under sections 1519 or 1521 must be consistent with the relief granted in the case in the United States; and

''(B) even if the foreign proceeding is recognized as a foreign main proceeding, section 1520 does not apply.

''(2) When a case in the United States under this title commences after recognition, or after the filing of the petition for recognition, of the foreign proceeding—

''(A) any relief in effect under sections 1519 or 1521 shall be reviewed by the court and shall be modified or terminated if inconsistent with the case in the United States; and

''(B) if the foreign proceeding is a foreign main proceeding, the stay and suspension referred to in section 1520(a) shall be modified or terminated if inconsistent with the relief granted in the case in the United States.

''(3) In granting, extending, or modifying relief granted to a representative of a foreign nonmain proceeding, the court must be satisfied that the relief relates to assets that, under the law of the United States, should be administered in the foreign nonmain proceeding or concerns information required in that proceeding.

''(4) In achieving cooperation and coordination under sections 1528 and 1529, the court may grant any of the relief authorized under section 305.

**''§ 1530. Coordination of more than 1 foreign proceeding**

''In matters referred to in section 1501, with respect to more than 1 foreign proceeding regarding the debtor, the court shall seek cooperation and coordination under sections 1525, 1526, and 1527, and the following shall apply:

''(1) Any relief granted under section 1519 or 1521 to a representative of a foreign nonmain proceeding after recognition of a foreign main proceeding must be consistent with the foreign main proceeding.

''(2) If a foreign main proceeding is recognized after recognition, or after the filing of a petition for recognition, of a foreign nonmain proceeding, any relief in effect under section 1519 or 1521 shall be reviewed by the court and shall be modified or terminated if inconsistent with the foreign main proceeding.

''(3) If, after recognition of a foreign nonmain proceeding, another foreign nonmain proceeding is recognized, the court shall grant, modify, or terminate relief for the purpose of facilitating coordination of the proceedings.

**''§ 1531. Presumption of insolvency based on recognition of a foreign main proceeding**

''In the absence of evidence to the contrary, recognition of a foreign main proceeding is for the purpose of commencing a proceeding under section 303, proof that the debtor is generally not paying its debts as such debts become due.

**''§ 1532. Rule of payment in concurrent proceedings**

''Without prejudice to secured claims or rights in rem, a creditor who has received payment with respect to its claim in a foreign proceeding pursuant to a law relating to

insolvency may not receive a payment for the same claim in a case under any other chapter of this title regarding the debtor, so long as the payment to other creditors of the same class is proportionately less than the payment the creditor has already received.''.

(b) CLERICAL AMENDMENT.—The table of chapters for title 11, United States Code, is amended by inserting after the item relating to chapter 13 the following:

**''15. Ancillary and Other Cross-Border Cases ..... 1501''.**

**SEC. 902. AMENDMENTS TO OTHER CHAPTERS IN TITLE 11, UNITED STATES CODE.**

(a) APPLICABILITY OF CHAPTERS.—Section 103 of title 11, United States Code, is amended—

(1) in subsection (a), by inserting before the period the following: '', and this chapter, sections 307, 304, 555 through 557, 559, and 560 apply in a case under chapter 15''; and

(2) by adding at the end the following:

''(j) Chapter 15 applies only in a case under such chapter, except that—

''(1) sections 1505, 1513, and 1514 apply in all cases under this title; and

''(2) section 1509 applies whether or not a case under this title is pending.''.

(b) DEFINITIONS.—Paragraphs (23) and (24) of title 11, United States Code, are amended to read as follows:

''(23) 'foreign proceeding' means a collective judicial or administrative proceeding in a foreign country, including an interim proceeding, under a law relating to insolvency or adjustment of debt in which proceeding the assets and affairs of the debtor are subject to control or supervision by a foreign court, for the purpose of reorganization or liquidation;

''(24) 'foreign representative' means a person or body, including a person or body appointed on an interim basis, authorized in a foreign proceeding to administer the reorganization or the liquidation of the debtor's assets or affairs or to act as a representative of the foreign proceeding;''.

(c) AMENDMENTS TO TITLE 28, UNITED STATES CODE.—

(1) PROCEDURES.—Section 157(b)(2) of title 28, United States Code, is amended—

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

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

(C) by adding at the end the following:

''(P) recognition of foreign proceedings and other matters under chapter 15 of title 11.''.

(2) BANKRUPTCY CASES AND PROCEEDINGS.—Section 1334(c) of title 28, United States Code, is amended by striking ''Nothing in'' and inserting ''Except with respect to a case under chapter 15 of title 11, nothing in''.

(3) DUTIES OF TRUSTEES.—Section 586(a)(3) of title 28, United States Code, is amended by striking ''or 13'' and inserting ''13, or 15,'' after ''chapter''.

(4) Section 305(a)(2) of title 11, United States Code, is amended to read:

''(2)(A) a petition under section 1515 of this title for recognition of a foreign proceeding has been granted; and

''(B) the purposes of chapter 15 of this title would be best served by such dismissal or suspension.''.

(5) Section 508 of title 11, United States Code, is amended by striking subsection (a) and by striking out the letter ''(b)'' at the beginning of the second paragraph.

## TITLE X—FINANCIAL CONTRACT PROVISIONS

**SEC. 1001. TREATMENT OF CERTAIN AGREEMENTS BY CONSERVATORS OR —RECEIVERS OF INSURED DEPOSITORY INSTITUTIONS.**

(a) DEFINITION OF QUALIFIED FINANCIAL CONTRACT.—Section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(i)) is amended by inserting '', resolution or order'' after ''any similar agreement that the Corporation determines by regulation''.

(b) DEFINITION OF SECURITIES CONTRACT.—Section 11(e)(8)(D)(ii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(ii)) is amended to read as follows:

''(ii) SECURITIES CONTRACT.—The term 'securities contract'—

''(I) means a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan, or any interest in a mortgage loan, a group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or any option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index, or option;

''(II) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such agreement within the meaning of such term;

''(III) means any option entered into on a national securities exchange relating to foreign currencies;

''(IV) means the guarantee by or to any securities clearing agency of any settlement of cash, securities, certificates of deposit, mortgage loans or interests therein, group or index of securities, certificates of deposit, or mortgage loans or interests therein (including any interest therein or based on the value thereof) or option on any of the foregoing, including any option to purchase or sell any such security, certificate of deposit, loan, interest, group or index or option;

''(V) means any margin loan;

''(VI) means any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) means any combination of the agreements or transactions referred to in this clause;

''(VIII) means any option to enter into any agreement or transaction referred to in this clause;

''(IX) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this clause, except that the master agreement shall be considered to be a securities contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), (IV), (V), (VI), (VII), or (VIII); and

''(X) means any security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause.''.

(c) DEFINITION OF COMMODITY CONTRACT.—Section 11(e)(8)(D)(iii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iii)) is amended to read as follows:

''(iii) COMMODITY CONTRACT.—The term 'commodity contract' means—

''(I) with respect to a futures commission merchant, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade;

''(II) with respect to a foreign futures commission merchant, a foreign future;

''(III) with respect to a leverage transaction merchant, a leverage transaction;

''(IV) with respect to a clearing organization, a contract for the purchase or sale of a commodity for future delivery on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization, or commodity option traded on, or subject to the rules of, a contract market or board of trade that is cleared by such clearing organization;

''(V) with respect to a commodity options dealer, a commodity option;

''(VI) any other agreement or transaction that is similar to any agreement or transaction referred to in this clause;

''(VII) any combination of the agreements or transactions referred to in this clause;

''(VIII) any option to enter into any agreement or transaction referred to in this clause;

''(IX) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a commodity contract under this clause, except that the master agreement shall be considered to be a commodity contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), (IV), (V), (VI), (VII), or (VIII); or

''(X) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in this clause.''.

(d) DEFINITION OF FORWARD CONTRACT.—Section 11(e)(8)(D)(iv) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(iv)) is amended to read as follows:

''(iv) FORWARD CONTRACT.—The term 'forward contract' means—

''(I) a contract (other than a commodity contract) for the purchase, sale, or transfer of a commodity or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing in the forward contract trade, or product or byproduct thereof, with a maturity date more than 2 days after the date the contract is entered into, including, but not limited to, a repurchase agreement, reverse repurchase agreement, consignment, lease, swap, hedge transaction, deposit, loan, option, allocated transaction, unallocated transaction, or any other similar agreement;

''(II) any combination of agreements or transactions referred to in subclauses (I) and (III);

''(III) any option to enter into any agreement or transaction referred to in subclause (I) or (II);

''(IV) a master agreement that provides for an agreement or transaction referred to in subclauses (I), (II), or (III), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a forward contract under this clause, except that the master agreement shall be considered to be a forward contract under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), or (III); or

''(V) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (II), (III), or (IV).''.

(e) DEFINITION OF REPURCHASE AGREEMENT.—Section 11(e)(8)(D)(v) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(v)) is amended to read as follows:

''(v) REPURCHASE AGREEMENT.—The term 'repurchase agreement' (which definition also applies to a reverse repurchase agreement)—

''(I) mean an agreement, including related terms, which provides for the transfer of 1 or more certificates of deposit, mortgage-related securities (as such term is defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, loans, or interests with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptances, securities, loans, or interests as described above, at a date certain not later than 1 year after such transfers or on demand, against the transfer of funds, or any other similar agreement;

''(II) does not include any repurchase obligation under a participation in a commercial mortgage loan unless the Corporation determines by regulation, resolution, or order to include any such participation within the meaning of such term;

''(III) means any combination of agreements or transactions referred to in subclauses (I) and (IV);

''(IV) means any option to enter into any agreement or transaction referred to in subclause (I) or (III);

''(V) means a master agreement that provides for an agreement or transaction referred to in subclause (I), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a repurchase agreement under this clause, except that the master agreement shall be considered to be a repurchase agreement under this subclause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (III), or (IV); and

''(VI) means a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in subclause (I), (III), (IV), or (V).

For purposes of this clause, the term 'qualified foreign government security' means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development (as determined by regulation or order adopted by the appropriate Federal banking authority).''.

(f) DEFINITION OF SWAP AGREEMENT.—Section 11(e)(8)(D)(iv) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vi)) is amended to read as follows:

''(vi) SWAP AGREEMENT.—The term 'swap agreement' means—

''(I) any agreement, including the terms and conditions incorporated by reference in any such agreement, which is an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap; a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement; a currency swap, option, future, or forward agreement; an equity index or equity swap, option, future, or forward agreement; a debt index or debt swap, option, future, or forward agreement; a credit spread or credit swap, option, future, or forward agreement; a commodity index or commodity swap, option, future, or forward agreement;

''(II) any agreement or transaction similar to any other agreement or transaction referred to in this clause that is presently, or in the future becomes, regularly entered into in the swap market (including terms and conditions incorporated by reference in such agreement) and that is a forward, swap, future, or option on 1 or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, or economic indices or measures of economic risk or value;

''(III) any combination of agreements or transactions referred to in this clause;

''(IV) any option to enter into any agreement or transaction referred to in this clause;

''(V) a master agreement that provides for an agreement or transaction referred to in subclause (I), (II), (III), or (IV), together with all supplements to any such master agreement, without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this clause, except that the master agreement shall be considered to be a swap agreement under this clause only with respect to each agreement or transaction under the master agreement that is referred to in subclause (I), (II), (III), or (IV); and

''(VI) any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in subparagraph (I), (II), (III), or (IV).

Such term is applicable for purposes of this title only and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations promulgated by the Securities and Exchange Commission or the Commodity Futures Trading Commission.''.

(g) DEFINITION OF TRANSFER.—Section 11(e)(8)(D)(viii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(viii)) is amended to read as follows:

''(viii) TRANSFER.—The term 'transfer' means every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the depository institutions's equity of redemption.''.

(h) TREATMENT OF QUALIFIED FINANCIAL CONTRACTS.—Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended—

(1) in subparagraph (A), by striking ''paragraph (10)'' and inserting ''paragraphs (9) and (10)'';

(2) in subparagraph (A)(i), by striking ''to cause the termination or liquidation'' and inserting ''such person has to cause the termination, liquidation, or acceleration'';

(3) by amending subparagraph (A)(ii) to read as follows:

''(ii) any right under any security agreement or arrangement or other credit enhancement related to 1 or more qualified financial contracts described in clause (i);''; and

(4) by amending subparagraph (E)(ii) to read as follows:

''(ii) any right under any security agreement or arrangement or other credit enhancement related to 1 or more qualified financial contracts described in clause (i);''.

(i) AVOIDANCE OF TRANSFERS.—Section 11(e)(8)(C)(i) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(C)(i)) is amended by inserting ''section 5242 of the Revised Statutes of the United States (12 U.S.C. 91) or any other Federal or State law relating to the avoidance of preferential or fraudulent transfers,'' before ''the Corporation''.

**SEC. 1002. AUTHORITY OF THE CORPORATION WITH RESPECT TO FAILED AND FAILING INSTITUTIONS.**

(a) IN GENERAL.—Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended—

(1) in subparagraph (E), by striking ''other than paragraph (12) of this subsection, subsection (d)(9)'' and inserting ''other than subsections (d)(9) and (e)(10)''; and

(2) by adding at the end the following new subparagraphs:

''(F) CLARIFICATION.—No provision of law shall be construed as limiting the right or power of the Corporation, or authorizing any court or agency to limit or delay, in any manner, the right or power of the Corporation to transfer any qualified financial contract in accordance with paragraphs (9) and (10) of this subsection or to disaffirm or repudiate any such contract in accordance with subsection (e)(1) of this section.

''(G) WALKAWAY CLAUSES NOT EFFECTIVE.—

''(i) IN GENERAL.—Notwithstanding the provisions of subparagraphs (A) and (E), and sections 403 and 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, no walkaway clause shall be enforceable in a qualified financial contract of an insured depository institution in default.

''(ii) WALKAWAY CLAUSE DEFINED.—For purposes of this subparagraph, the term 'walkaway clause' means a provision in a qualified financial contract that, after calculation of a value of a party's position or an amount due to or from 1 of the parties in accordance with its terms upon termination, liquidation, or acceleration of the qualified financial contract, either does not create a payment obligation of a party or extinguishes a payment obligation of a party in whole or in part solely because of such party's status as a nondefaulting party.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 11(e)(12)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(12)(A)) is amended by inserting ''or the exercise of rights or powers'' after ''the appointment''.

**SEC. 1003. AMENDMENTS RELATING TO TRANSFERS OF QUALIFIED FINANCIAL CONTRACTS.**

(a) TRANSFERS OF QUALIFIED FINANCIAL CONTRACTS TO FINANCIAL INSTITUTIONS.—Section 11(e)(9) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(9)) is amended to read as follows:

''(9) TRANSFER OF QUALIFIED FINANCIAL CONTRACTS.—

''(A) IN GENERAL.—In making any transfer of assets or liabilities of a depository institution in default which includes any qualified

financial contract, the conservator or receiver for such depository institution shall either—

''(i) transfer to 1 financial institution, other than a financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or which is otherwise the subject of a bankruptcy or insolvency proceeding—

''(I) all qualified financial contracts between any person or any affiliate of such person and the depository institution in default;

''(II) all claims of such person or any affiliate of such person against such depository institution under any such contract (other than any claim which, under the terms of any such contract, is subordinated to the claims of general unsecured creditors of such institution);

''(III) all claims of such depository institution against such person or any affiliate of such person under any such contract; and

''(IV) all property securing or any other credit enhancement for any contract described in subclause (I) or any claim described in subclause (II) or (III) under any such contract; or

''(ii) transfer none of the qualified financial contracts, claims, property or other credit enhancement referred to in clause (i) (with respect to such person and any affiliate of such person).

''(B) TRANSFER TO FOREIGN BANK, FOREIGN FINANCIAL INSTITUTION, OR BRANCH OR AGENCY OF A FOREIGN BANK OR FINANCIAL INSTITUTION.—In transferring any qualified financial contracts and related claims and property pursuant to subparagraph (A)(i), the conservator or receiver for such depository institution shall not make such transfer to a foreign bank, financial institution organized under the laws of a foreign country, or a branch or agency of a foreign bank or financial institution unless, under the law applicable to such bank, financial institution, branch or agency, to the qualified financial contracts, and to any netting contract, any security agreement or arrangement or other credit enhancement related to 1 or more qualified financial contracts, the contractual rights of the parties to such qualified financial contracts, netting contracts, security agreements or arrangements, or other credit enhancements are enforceable substantially to the same extent as permitted under this section.

''(C) TRANSFER OF CONTRACTS SUBJECT TO THE RULES OF A CLEARING ORGANIZATION.—In the event that a conservator or receiver transfers any qualified financial contract and related claims, property and credit enhancements pursuant to subparagraph (A)(i) and such contract is subject to the rules of a clearing organization, the clearing organization shall not be required to accept the transferee as a member by virtue of the transfer.

''(D) DEFINITION.—For purposes of this section, the term 'financial institution' means a broker or dealer, a depository institution, a futures commission merchant, or any other institution as determined by the Corporation by regulation to be a financial institution.''.

(b) NOTICE TO QUALIFIED FINANCIAL CONTRACT COUNTERPARTIES.—Section 11(e)(10)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(10)(A)) is amended by amending the flush material following clause (ii) to read as follows: ''the conservator or receiver shall notify any person who is a party to any such contract of such transfer by 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver, in the case of a receivership, or the business day following such transfer, in the case of a conservatorship.''.

(c) RIGHTS AGAINST RECEIVER AND TREATMENT OF BRIDGE BANKS.—Section 11(e)(10) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(10)) is further amended—

(1) by redesignating subparagraph (B) as subparagraph (D); and

(2) by inserting after subparagraph (A) the following new subparagraphs:

''(B) CERTAIN RIGHTS NOT ENFORCEABLE.—

''(i) RECEIVERSHIP.—A person who is a party to a qualified financial contract with an insured depository institution may not exercise any right such person has to terminate, liquidate, or net such contract under paragraph (8)(A) or section 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991 solely by reason of or incidental to the appointment of a receiver for the depository institution (or the insolvency or financial condition of the depository institution for which the receiver has been appointed)—

''(I) until 5:00 p.m. (eastern time) on the business day following the date of the appointment of the receiver; or

''(II) after the person has received notice that the contract has been transferred pursuant to paragraph (9)(A).

''(ii) CONSERVATORSHIP.—A person who is a party to a qualified financial contract with an insured depository institution may not exercise any right such person has to terminate, liquidate, or net such contract under paragraph (8)(E) or sections 403 or 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991, solely by reason of or incidental to the appointment of a conservator for the depository institution (or the insolvency or financial condition of the depository institution for which the conservator has been appointed).

''(iii) NOTICE.—For purposes of this subsection, the Corporation as receiver or conservator of an insured depository institution shall be deemed to have notified a person who is a party to a qualified financial contract with such depository institution if the Corporation has taken steps reasonably calculated to provide notice to such person by the time specified in subparagraph (A) of this subsection.

''(C) TREATMENT OF BRIDGE BANKS.—The following institutions shall not be considered a financial institution for which a conservator, receiver, trustee in bankruptcy, or other legal custodian has been appointed or which is otherwise the subject of a bankruptcy or insolvency proceeding for purposes of subsection (e)(9)—

''(i) a bridge bank; or

''(ii) a depository institution organized by the Corporation, for which a conservator is appointed either—

''(I) immediately upon the organization of the institution; or

''(II) at the time of a purchase and assumption transaction between such institution and the Corporation as receiver for a depository institution in default.''.

**SEC. 1004. AMENDMENTS RELATING TO DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.**

Section 11(e) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)) is further amended—

(1) by redesignating paragraphs (11) through (15) as paragraphs (12) through (16), respectively; and

(2) by inserting after paragraph (10) the following new paragraph:

''(11) DISAFFIRMANCE OR REPUDIATION OF QUALIFIED FINANCIAL CONTRACTS.—In exercising the rights of disaffirmance or repudiation of a conservator or receiver with respect to any qualified financial contract to which an insured depository institution is a party, the conservator or receiver for such institution shall either—

''(A) disaffirm or repudiate all qualified financial contracts between—

''(i) any person or any affiliate of such person; and

''(ii) the depository institution in default; or

''(B) disaffirm or repudiate none of the qualified financial contracts referred to in subparagraph (A) (with respect to such person or any affiliate of such person).''.

**SEC. 1005. CLARIFYING AMENDMENT RELATING TO MASTER AGREEMENTS.**

Section 11(e)(8)(D)(vii) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)(vii)) is amended to read as follows:

''(vii) TREATMENT OF MASTER AGREEMENT AS 1 AGREEMENT.—Any master agreement for any contract or agreement described in any preceding clause of this subparagraph (or any master agreement for such master agreement or agreements), together with all supplements to such master agreement, shall be treated as a single agreement and a single qualified financial contract. If a master agreement contains provisions relating to agreements or transactions that are not themselves qualified financial contracts, the master agreement shall be deemed to be a qualified financial contract only with respect to those transactions that are themselves qualified financial contracts.''.

**SEC. 1006. FEDERAL DEPOSIT INSURANCE CORPORATION IMPROVEMENT ACT OF 1991.**

(a) DEFINITIONS.—Section 402 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4402) is amended—

(1) in paragraph (6)—

(A) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E), respectively;

(B) by inserting after subparagraph (A) the following new subparagraph:

''(B) an uninsured national bank or an uninsured State bank that is a member of the Federal Reserve System if the national bank or State member bank is not eligible to make application to become an insured bank under section 5 of the Federal Deposit Insurance Act;''; and

(C) by amending subparagraph (C) (as redesignated) to read as follows:

''(C) a branch or agency of a foreign bank, a foreign bank and any branch or agency of the foreign bank, or the foreign bank that established the branch or agency, as those terms are defined in section 1(b) of the International Banking Act of 1978;'';

(2) in paragraph (11), by adding before the period ''and any other clearing organization with which such clearing organization has a netting contract'';

(3) by amending paragraph (14)(A)(i) to read as follows:

''(i) means a contract or agreement between 2 or more financial institutions, clearing organizations, or members that provides for netting present or future payment obligations or payment entitlements (including liquidation or closeout values relating to such obligations or entitlements) among the parties to the agreement; and''; and

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

''(15) PAYMENT.—The term 'payment' means a payment of United States dollars, another currency, or a composite currency,

and a noncash delivery, including a payment or delivery to liquidate an unmatured obligation.''.

(b) ENFORCEABILITY OF BILATERAL NETTING CONTRACTS.—Section 403 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4403) is amended—

(1) by amending subsection (a) to read as follows:

''(a) GENERAL RULE.—Notwithstanding any other provision of State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act or any order authorized under section 5(b)(2) of the Securities Investor Protection Act of 1970, the covered contractual payment obligations and the covered contractual payment entitlements between any 2 financial institutions shall be netted in accordance with, and subject to the conditions of, the terms of any applicable netting contract (except as provided in section 561(b)(2) of title 11).''; and

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

''(f) ENFORCEABILITY OF SECURITY AGREEMENTS.—The provisions of any security agreement or arrangement or other credit enhancement related to 1 or more netting contracts between any 2 financial institutions shall be enforceable in accordance with their terms (except as provided in section 561(b)(2) of title 11) and shall not be stayed, avoided, or otherwise limited by any State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and section 5(b)(2) of the Securities Investor Protection Act of 1970).''.

(c) ENFORCEABILITY OF CLEARING ORGANIZATION NETTING CONTRACTS.—Section 404 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4404) is amended—

(1) by amending subsection (a) to read as follows:

''(a) GENERAL RULE.—Notwithstanding any other provision of State or Federal law (other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and any order authorized under section 5(b)(2) of the Securities Investor Protection Act of 1970, the covered contractual payment obligations and the covered contractual payment entitlements of a member of a clearing organization to and from all other members of a clearing organization shall be netted in accordance with and subject to the conditions of any applicable netting contract (except as provided in section 561(b)(2) of title 11, United States Code).''; and

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

''(h) ENFORCEABILITY OF SECURITY AGREEMENTS.—The provisions of any security agreement or arrangement or other credit enhancement related to 1 or more netting contracts between any 2 members of a clearing organization shall be enforceable in accordance with their terms (except as provided in section 561(b)(2) of title 11, United States Code) and shall not be stayed, avoided, or otherwise limited by any State or Federal law other than paragraphs (8)(E), (8)(F), and (10)(B) of section 11(e) of the Federal Deposit Insurance Act and section 5(b)(2) of the Securities Investor Protection Act of 1970.''.

(d) ENFORCEABILITY OF CONTRACTS WITH UNINSURED NATIONAL BANKS AND UNINSURED FEDERAL BRANCHES AND AGENCIES.—The Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4401 et seq.) is amended—

(1) by redesignating section 407 as section 408; and

(2) by adding after section 406 the following new section:

**''SEC. 407. TREATMENT OF CONTRACTS WITH UNINSURED NATIONAL BANKS AND UNINSURED FEDERAL BRANCHES AND AGENCIES.**

''(a) IN GENERAL.—Notwithstanding any other provision of law, paragraphs (8), (9), (10), and (11) of section 11(e) of the Federal Deposit Insurance Act shall apply to an uninsured national bank or uninsured Federal branch or Federal agency except—

''(1) any reference to the 'Corporation as receiver' or 'the receiver or the Corporation' shall refer to the receiver of an uninsured national bank or uninsured Federal branch or Federal agency appointed by the Comptroller of the Currency;

''(2) any reference to the 'Corporation' (other than in section 11(e)(8)(D) of such Act), the 'Corporation, whether acting as such or as conservator or receiver', a 'receiver', or a 'conservator' shall refer to the receiver or conservator of an uninsured national bank or uninsured Federal branch or Federal agency appointed by the Comptroller of the Currency; and

''(3) any reference to an 'insured depository institution' or 'depository institution' shall refer to an uninsured national bank or an uninsured Federal branch or Federal agency.

''(b) LIABILITY.—The liability of a receiver or conservator of an uninsured national bank or uninsured Federal branch or agency shall be determined in the same manner and subject to the same limitations that apply to receivers and conservators of insured depository institutions under section 11(e) of the Federal Deposit Insurance Act.

''(c) REGULATORY AUTHORITY.—

''(1) IN GENERAL.—The Comptroller of the Currency, in consultation with the Federal Deposit Insurance Corporation, may promulgate regulations to implement this section.

''(2) SPECIFIC REQUIREMENT.—In promulgating regulations to implement this section, the Comptroller of the Currency shall ensure that the regulations generally are consistent with the regulations and policies of the Federal Deposit Insurance Corporation adopted pursuant to the Federal Deposit Insurance Act.

''(d) DEFINITIONS.—For purposes of this section, the terms 'Federal branch', 'Federal agency', and 'foreign bank' have the same meaning as in section 1(b) of the International Banking Act.''.

**SEC. 1007. BANKRUPTCY CODE AMENDMENTS.**

(a) DEFINITIONS OF FORWARD CONTRACT, REPURCHASE AGREEMENT, SECURITIES CLEARING AGENCY, SWAP AGREEMENT, COMMODITY CONTRACT, AND SECURITIES CONTRACT.—Title 11, United States Code, is amended—

(1) in section 101—

(A) in paragraph (25)—

(i) by striking ''means a contract'' and inserting ''means—

''(A) a contract'';

(ii) by striking '', or any combination thereof or option thereon;'' and inserting '', or any other similar agreement;''; and

(iii) by adding at the end the following:

''(B) any combination of agreements or transactions referred to in subparagraphs (A) and (C);

''(C) any option to enter into an agreement or transaction referred to in subparagraph (A) or (B);

''(D) a master agreement that provides for an agreement or transaction referred to in subparagraph (A), (B), or (C), together with all supplements to any such master agreement, without regard to whether such master agreement provides for an agreement or transaction that is not a forward contract under this paragraph, except that such master agreement shall be considered to be a forward contract under this paragraph only with respect to each agreement or transaction under such master agreement that is referred to in subparagraph (A), (B) or (C); or

''(E) a security agreement or arrangement, or other credit enhancement related to any agreement or transaction referred to in subparagraph (A), (B), (C), or (D), but not to exceed the actual value of such contract, option, agreement, or transaction on the date of the filing of the petition;'';

(B) in paragraph (46), by striking ''on any day during the period beginning 90 days before the date of'' and replacing it with ''at any time before'';

(C) by amending paragraph (47) to read as follows:

''(47) 'repurchase agreement' (which definition also applies to a reverse repurchase agreement) means—

''(i) an agreement, including related terms, which provides for the transfer of 1 or more certificates of deposit, mortgage-related securities (as defined in the Securities Exchange Act of 1934), mortgage loans, interests in mortgage-related securities or mortgage loans, eligible bankers' acceptances, qualified foreign government securities; or securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States against the transfer of funds by the transferee of such certificates of deposit, eligible bankers' acceptances, securities, loans, or interests; with a simultaneous agreement by such transferee to transfer to the transferor thereof certificates of deposit, eligible bankers' acceptance, securities, loans, or interests of the kind described above, at a date certain not later than 1 year after such transfer or on demand, against the transfer of funds;

''(ii) any combination of agreements or transactions referred to in clauses (i) and (iii);

''(iii) an option to enter into an agreement or transaction referred to in clause (i) or (ii);

''(iv) a master agreement that provides for an agreement or transaction referred to in clause (i), (ii), or (iii), together with all supplements to any such master agreement, without regard to whether such master agreement provides for an agreement or transaction that is not a repurchase agreement under this paragraph, except that such master agreement shall be considered to be a repurchase agreement under this paragraph only with respect to each agreement or transaction under the master agreement that is referred to in clause (i), (ii), or (iii); or

''(v) a security agreement or arrangement or other credit enhancement related to any agreement or transaction referred to in clause (i), (ii), (iii), or (iv), but not to exceed the actual value of such contract on the date of the filing of the petition; and

''(B) does not include a repurchase obligation under a participation in a commercial mortgage loan;

and, for purposes of this paragraph, the term 'qualified foreign government security' means a security that is a direct obligation of, or that is fully guaranteed by, the central government of a member of the Organization for Economic Cooperation and Development;'';

(D) in paragraph (48) by inserting ''or exempt from such registration under such section pursuant to an order of the Securities and Exchange Commission'' after ''1934''; and

(E) by amending paragraph (53B) to read as follows:

''(53B) 'swap agreement'

''(A) means—

''(i) any agreement, including the terms and conditions incorporated by reference in such agreement, which is an interest rate swap, option, future, or forward agreement, including a rate floor, rate cap, rate collar, cross-currency rate swap, and basis swap; a spot, same day-tomorrow, tomorrow-next, forward, or other foreign exchange or precious metals agreement; a currency swap, option, future, or forward agreement; an equity index or an equity swap, option, future, or forward agreement; a debt index or a debt swap, option, future, or forward agreement; a credit spread or a credit swap, option, future, or forward agreement; or a commodity index or a commodity swap, option, future, or forward agreement;

''(ii) any agreement or transaction similar to any other agreement or transaction referred to in this paragraph that—

''(I) is presently, or in the future becomes, regularly entered into in the swap market (including terms and conditions incorporated by reference therein); and

''(II) is a forward, swap, future, or option on 1 or more rates, currencies commodities, equity securities, or other equity instruments, debt securities or other debt instruments, or on an economic index or measure of economic risk or value;

''(iii) any combination of agreements or transactions referred to in this paragraph;

''(iv) any option to enter into an agreement or transaction referred to in this paragraph;

''(v) a master agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), or (iv), together with all supplements to any such master agreement, and without regard to whether the master agreement contains an agreement or transaction that is not a swap agreement under this paragraph, except that the master agreement shall be considered to be a swap agreement under this paragraph only with respect to each agreement or transaction under the master agreement that is referred to in clause (i), (ii), (iii), or (iv); or

''(B) any security agreement or arrangement or other credit enhancement related to any agreements or transactions referred to in subparagraph (A); and

''(C) is applicable for purposes of this title only and shall not be construed or applied so as to challenge or affect the characterization, definition, or treatment of any swap agreement under any other statute, regulation, or rule, including the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, the Investment Advisers Act of 1940, the Securities Investor Protection Act of 1970, the Commodity Exchange Act, and the regulations prescribed by the Securities and Exchange Commission or the Commodity Futures Trading Commission.'';

(2) by amending section 741(7) to read as follows:

''(7) 'securities contract'—

''(A) means—

''(i) a contract for the purchase, sale, or loan of a security, a certificate of deposit, a mortgage loan or any interest in a mortgage loan, a group or index of securities, certificates of deposit or mortgage loans or interests therein (including an interest therein or based on the value thereof), or option on any of the foregoing, including an option to purchase or sell any such security certificate of deposit, loan, interest, group or index or option;

''(ii) any option entered into on a national securities exchange relating to foreign currencies;

''(iii) the guarantee by or to any securities clearing agency of a settlement of cash, securities, certificates of deposit mortgage loans or interests therein, group or index of securities, or mortgage loans or interests therein (including any interest therein or based on the value thereof), or option on any of the foregoing, including an option to purchase or sell any such security certificate of deposit, loan, interest, group or index or option;

''(iv) any margin loan;

''(v) any other agreement or transaction that is similar to an agreement or transaction referred to in this paragraph;

''(vi) any combination of the agreements or transactions referred to in this paragraph;

''(vii) any option to enter into any agreement or transaction referred to in this paragraph;

''(viii) a master agreement that provides for an agreement or transaction referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii), together with all supplements to any such master agreement, without regard to whether the master agreement provides for an agreement or transaction that is not a securities contract under this paragraph, except that such master agreement shall be considered to be a securities contract under this paragraph only with respect to each agreement or transaction under such master agreement that is referred to in clause (i), (ii), (iii), (iv), (v), (vi), or (vii); or

''(ix) any security agreement or arrangement, or other credit enhancement, related to any agreement or transaction referred to in this paragraph, but not to exceed the actual value of such contract on the date of the filing of the petition; and

''(B) does not include any purchase, sale, or repurchase obligation under a participation in a commercial mortgage loan.''; and

(3) in section 761(4)—

(A) by striking ''or'' at the end of subparagraph (D); and

(B) by adding at the end the following:

''(F) any other agreement or transaction that is similar to an agreement or transaction referred to in this paragraph;

''(G) any combination of the agreements or transactions referred to in this paragraph;

''(H) any option to enter into an agreement or transaction referred to in this paragraph;

''(I) a master agreement that provides for an agreement or transaction referred to in subparagraph (A), (B), (C), (D), (E), (F), (G), or (H), together with all supplements to such master netting agreement, without regard to whether the master netting agreement provides for an agreement or transaction that is not a commodity contract under this paragraph, except that the master agreement shall be considered to be a commodity contract under this paragraph only with respect to each agreement or transaction under the master agreement that is referred to in subparagraph (A), (B), (C), (D), (E), (F), (G), or (H); or

''(J) a security agreement or arrangement, or other credit enhancement related to any agreement or transaction referred to in this paragraph, but not to exceed the actual value of such contract on the date of the filing of the petition;''.

(b) DEFINITIONS OF FINANCIAL INSTITUTION, FINANCIAL PARTICIPANT, AND FORWARD CONTRACT MERCHANT.—Section 101 of title 11, United States Code, is amended—

(1) by amending paragraph (22) to read as follows:

''(22) 'financial institution' means—

''(A) a Federal reserve bank, or an entity (domestic or foreign) that is a commercial or savings bank, industrial savings bank, savings and loan association, trust company, or receiver or conservator for such entity and, when any such Federal reserve bank, receiver, conservator or entity is acting as agent or custodian for a customer in connection with a securities contract, as defined in section 741 of this title, such customer; or

''(B) in connection with a securities contract, as defined in section 741 of this title, an investment company registered under the Investment Company Act of 1940;'';

(2) by inserting after paragraph (22) the following:

''(22A) 'financial participant' means an entity that, at the time it enters into a securities contract, commodity contract or forward contract, or at the time of the filing of the petition, has 1 or more agreements or transactions that is described in section 561(a)(2) with the debtor or any other entity (other than an affiliate) of a total gross dollar value of at least $1,000,000,000 in notional or actual principal amount outstanding on any day during the previous 15-month period, or has gross mark-to-market positions of at least $100,000,000 (aggregated across counterparties) in 1 or more such agreement or transaction with the debtor or any other entity (other than an affiliate) on any day during the previous 15-month period;''; and

(3) by amending paragraph (26) to read as follows:

''(26) 'forward contract merchant' means a Federal reserve bank, or an entity whose business consists in whole or in part of entering into forward contracts as or with merchants or in a commodity, as defined or in section 761 of this title, or any similar good, article, service, right, or interest which is presently or in the future becomes the subject of dealing or in the forward contract trade;''.

(c) DEFINITION OF MASTER NETTING AGREEMENT AND MASTER NETTING AGREEMENT PARTICIPANT.—Section 101 of title 11, United States Code, is amended by inserting after paragraph (38) the following new paragraphs:

''(38A) 'master netting agreement' means an agreement providing for the exercise of rights, including rights of netting, setoff, liquidation, termination, acceleration, or closeout, under or in connection with 1 or more contracts that are described in any 1 or more of paragraphs (1) through (5) of section 561(a), or any security agreement or arrangement or other credit enhancement related to 1 or more of the foregoing. If a master netting agreement contains provisions relating to agreements or transactions that are not contracts described in paragraphs (1) through (5) of section 561(a), the master netting agreement shall be deemed to be a master netting agreement only with respect to those agreements or transactions that are described in any 1 or more of the paragraphs (1) through (5) of section 561(a);

''(38B) 'master netting agreement participant' means an entity that, at any time before the filing of the petition, is a party to an outstanding master netting agreement with the debtor;''.

(d) SWAP AGREEMENTS, SECURITIES CONTRACTS, COMMODITY CONTRACTS, FORWARD CONTRACTS, REPURCHASE AGREEMENTS, AND

MASTER NETTING AGREEMENTS UNDER THE AUTOMATIC-STAY.—

(1) IN GENERAL.—Section 362(b) of title 11, United States Code, as amended by sections 118, 132, 136, 142, 203 and 818, is amended—

(A) in paragraph (6), by inserting '', pledged to, and under the control of,'' after ''held by'';

(B) in paragraph (7), by inserting '', pledged to, and under the control of,'' after ''held by'';

(C) by amending paragraph (17) to read as follows:

''(17) under subsection (a), of the setoff by a swap participant of a mutual debt and claim under or in connection with 1 or more swap agreements that constitutes the setoff of a claim against the debtor for any payment or other transfer of property due from the debtor under or in connection with any swap agreement against any payment due to the debtor from the swap participant under or in connection with any swap agreement or against cash, securities, or other property held by, pledged to, and under the control of, or due from such swap participant to margin guarantee, secure, or settle a swap agreement;'';

(D) in paragraph (30) by striking ''or'' at the end;

(E) in paragraph (31) by striking the period at the end and inserting ''; or''; and

(F) by inserting after paragraph (31) the following new paragraph:

''(32) under subsection (a), of the setoff by a master netting agreement participant of a mutual debt and claim under or in connection with 1 or more master netting agreements or any contract or agreement subject to such agreements that constitutes the setoff of a claim against the debtor for any payment or other transfer of property due from the debtor under or in connection with such agreements or any contract or agreement subject to such agreements against any payment due to the debtor from such master netting agreement participant under or in connection with such agreements or any contract or agreement subject to such agreements or against cash, securities, or other property held by, pledged or and under the control of, or due from such master netting agreement participant to margin, guarantee, secure, or settle such agreements or any contract or agreement subject to such agreements, to the extent such participant is eligible to exercise such offset rights under paragraph (6), (7), or (17) for each individual contract covered by the master netting agreement in issue.''.

(2) LIMITATION.—Section 362 of title 11, United States Code, as amended by sections 120, 302, and 412, is amended by adding at the end the following:

''(l) LIMITATION.—The exercise of rights not subject to the stay arising under subsection (a) pursuant to paragraph (6), (7), or (17), or (31) of subsection (b) shall not be stayed by any order of a court or administrative agency in any proceeding under this title.''.

(e) LIMITATION OF AVOIDANCE POWERS UNDER MASTER NETTING AGREEMENT.—Section 546 of title 11, United States Code, as amended by sections 207 and 302, is amended—

(1) in subsection (g) (as added by section 103 of Public Law 101–311)—

(A) by striking ''under a swap agreement'';

(B) by striking ''in connection with a swap agreement'' and inserting ''under or in connection with any swap agreement''; and

(2) by adding at the end the following:

''(j) Notwithstanding sections 544, 545, 547, 548(a)(2)(B), and 548(b) of this title, the trustee may not avoid a transfer made by or to a master netting agreement participant under or in connection with any master netting agreement or any individual contract covered thereby that is made before the commencement of the case, except under section 548(a)(1)(A) of this title, and except to the extent the trustee could otherwise avoid such a transfer made under an individual contract covered by such master netting agreement.''.

(f) FRAUDULENT TRANSFERS OF MASTER NETTING AGREEMENTS.—Section 548(d)(2) of title 11, United States Code, is amended—

(1) in subparagraph (C), by striking ''and'';

(2) in subparagraph (D), by striking the period and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(E) a master netting agreement participant that receives a transfer in connection with a master netting agreement or any individual contract covered thereby takes for value to the extent of such transfer, except, with respect to a transfer under any individual contract covered thereby, to the extent such master netting agreement participant otherwise did not take (or is otherwise not deemed to have taken) such transfer for value.''.

(g) TERMINATION OR ACCELERATION OF SECURITIES CONTRACTS.—Section 555 of title 11, United States Code, is amended—

(1) by amending the section heading to read as follows:

**''§ 555. Contractual right to liquidate, terminate, or accelerate a securities contract''; and**

(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.

(h) TERMINATION OR ACCELERATION OF COMMODITIES OR FORWARD CONTRACTS.—Section 556 of title 11, United States Code, is amended—

(1) by amending the section heading to read as follows:

**''§ 556. Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract''; and**

(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.

(i) TERMINATION OR ACCELERATION OF REPURCHASE AGREEMENTS.—Section 559 of title 11, United States Code, is amended—

(1) by amending the section heading to read as follows:

**''§ 559. Contractual right to liquidate, terminate, or accelerate a repurchase agreement''; and**

(2) in the first sentence, by striking ''liquidation'' and inserting ''liquidation, termination, or acceleration''.

(j) LIQUIDATION, TERMINATION, OR ACCELERATION OF SWAP AGREEMENTS.—Section 560 of title 11, United States Code, is amended—

(1) by amending the section heading to read as follows:

**''§ 560. Contractual right to liquidate, terminate, or accelerate a swap agreement''; and**

(2) in the first sentence, by striking ''termination of a swap agreement'' and inserting ''liquidation, termination, or acceleration of 1 or more swap agreements''; and

(3) by striking ''in connection with any swap agreement'' and inserting ''in connection with the termination, liquidation, or acceleration of 1 or more swap agreements''.

(k) LIQUIDATION, TERMINATION, ACCELERATION, OR OFFSET UNDER A MASTER NETTING AGREEMENT AND ACROSS CONTRACTS.—(1) Title 11, United States Code, is amended by inserting after section 560 the following:

**''§ 561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts**

''(a) IN GENERAL.—Subject to subsection (b), the exercise of any contractual right, because of a condition of the kind specified in section 365(e)(1), to cause the termination, liquidation, or acceleration of or to offset or net termination values, payment amounts or other transfer obligations arising under or in connection with 1 or more (or the termination, liquidation, or acceleration of 1 or more)—

''(1) securities contracts, as defined in section 741(7);

''(2) commodity contracts, as defined in section 761(4);

''(3) forward contracts;

''(4) repurchase agreements;

''(5) swap agreements; or

''(6) master netting agreements,

shall not be stayed, avoided, or otherwise limited by operation of any provision of this title or by any order of a court or administrative agency in any proceeding under this title.

''(b) EXCEPTION.—

''(1) A party may exercise a contractual right described in subsection (a) to terminate, liquidate, or accelerate only to the extent that such party could exercise such a right under section 555, 556, 559, or 560 for each individual contract covered by the master netting agreement in issue.

''(2) If a debtor is a commodity broker subject to subchapter IV of chapter 7 of this title—

''(A) a party may not net or offset an obligation to the debtor arising under, or in connection with, a commodity contract against any claim arising under, or in connection with, other instruments, contracts, or agreements listed in subsection (a) except to the extent the party has positive net equity in the commodity accounts at the debtor, as calculated under subchapter IV; and

''(B) another commodity broker may not net or offset an obligation to the debtor arising under, or in connection with, a commodity contract entered into or held on behalf of a customer of the debtor against any claim arising under, or in connection with, other instruments, contracts, or agreements listed in subsection (a).

''(c) DEFINITION.—As used in this section, the term 'contractual right' includes a right set forth in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency, a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not evidenced in writing, arising under common law, under law merchant, or by reason of normal business practice.''.

(2) CONFORMING AMENDMENT.—The table of sections of chapter 9 of title 11, United States Code, is amended by inserting after the item relating to section 560 the following:

''561. Contractual right to terminate, liquidate, accelerate, or offset under a master netting agreement and across contracts.

(l) ANCILLARY PROCEEDINGS.—Section 304 of title 11, United States Code, as amended by section 215, is amended by adding at the end the following:

''(c) Any provisions of this title relating to securities contracts, commodity contracts, forward contracts, repurchase agreements, swap agreements, or master netting agreements shall apply in a case ancillary to a

foreign proceeding under this section or any other section of this title, so that enforcement of contractual provisions of such contracts and agreements in accordance with their terms will not be stayed or otherwise limited by operation of any provision of this title or by order of a court in any case under this title, and to limit avoidance powers to the same extent as in a proceeding under chapter 7 or 11 of this title (such enforcement not to be limited based on the presence or absence of assets of the debtor in the United States).''.

(m) COMMODITY BROKER LIQUIDATIONS.—Title 11, United States Code, is amended by inserting after section 766 the following:

**''§ 767. Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants**

''Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights.''.

(n) STOCKBROKER LIQUIDATIONS.—Title 11, United States Code, is amended by inserting after section 752 the following:

**''§ 753. Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants**

''Notwithstanding any other provision of this title, the exercise of rights by a forward contract merchant, commodity broker, stockbroker, financial institution, securities clearing agency, swap participant, repo participant, financial participant, or master netting agreement participant under this title shall not affect the priority of any unsecured claim it may have after the exercise of such rights.''.

(o) SETOFF.—Section 553 of title 11, United States Code, is amended—

(1) in subsection (a)(3)(C), by inserting ''(except for a setoff of a kind described in section 362(b)(6), 362(b)(7), 362(b)(17), 362(b)(19), 555, 556, 559, 560 or 561 of this title)'' before the period; and

(2) in subsection (b)(1), by striking ''362(b)(14),'' and inserting ''362(b)(17), 362(b)(19), 555, 556, 559, 560, 561''.

(p) SECURITIES CONTRACTS, COMMODITY CONTRACTS, AND FORWARD CONTRACTS.—Title 11, United States Code, is amended—

(1) in section 362(b)(6), by striking ''financial institutions,'' each place such term appears and inserting ''financial institution, financial participant'';

(2) in section 546(e), by inserting ''financial participant,'' after ''financial institution,'';

(3) in section 548(d)(2)(B), by inserting ''financial participant,'' after ''financial institution,'';

(4) in section 555—

(A) by inserting ''financial participant,'' after ''financial institution,''; and

(B) by inserting before the period at the end '', a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not in writing, arising under common law, under law merchant, or by reason of normal business practice''; and

(5) in section 556, by inserting '', financial participant'' after ''commodity broker''.

(q) CONFORMING AMENDMENTS.—Title 11 of the United States Code is amended—

(1) in the table of sections of chapter 5—

(A) by amending the items relating to sections 555 and 556 to read as follows:

''555. Contractual right to liquidate, terminate, or accelerate a securities contract.

''556. Contractual right to liquidate, terminate, or accelerate a commodities contract or forward contract.''; and

(B) by amending the items relating to sections 559 and 560 to read as follows:

''559. Contractual right to liquidate, terminate, or accelerate a repurchase agreement.

''560. Contractual right to liquidate, terminate, or accelerate a swap agreement.''; and

(2) in the table of sections of chapter 7—

(A) by inserting after the item relating to section 766 the following:

''767. Commodity broker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants.''; and

(B) by inserting after the item relating to section 752 the following:

''753. Stockbroker liquidation and forward contract merchants, commodity brokers, stockbrokers, financial institutions, securities clearing agencies, swap participants, repo participants, and master netting agreement participants.''.

**SEC. 1008. RECORDKEEPING REQUIREMENTS.**

Section 11(e)(8) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)) is amended by adding at the end the following new subparagraph:

''(H) RECORDKEEPING REQUIREMENTS.—The Corporation, in consultation with the appropriate Federal banking agencies, may prescribe regulations requiring more detailed recordkeeping with respect to qualified financial contracts (including market valuations) by insured depository institutions.''.

**SEC. 1009. EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION —REQUIREMENT.**

Section 13(e)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1823(e)(2)) is amended to read as follows:

''(2) EXEMPTIONS FROM CONTEMPORANEOUS EXECUTION REQUIREMENT.—An agreement to provide for the lawful collateralization of—

''(A) deposits of, or other credit extension by, a Federal, State, or local governmental entity, or of any depositor referred to in section 11(a)(2), including an agreement to provide collateral in lieu of a surety bond;

''(B) bankruptcy estate funds pursuant to section 345(b)(2) of title 11, United States Code;

''(C) extensions of credit, including any overdraft, from a Federal reserve bank or Federal home loan bank; or

''(D) 1 or more qualified financial contracts, as defined in section 11(e)(8)(D),

shall not be deemed invalid pursuant to paragraph (1)(B) solely because such agreement was not executed contemporaneously with the acquisition of the collateral or because of pledges, delivery, or substitution of the collateral made in accordance with such agreement.''.

**SEC. 1010. DAMAGE MEASURE.**

(a) Title 11, United States Code, as amended by section 1007, is amended—

(1) by inserting after section 561 the following:

**''§ 562. Damage measure in connection with swap agreements, securities contracts, forward contracts, commodity contracts, repurchase agreements, or master netting agreements**

''If the trustee rejects a swap agreement, securities contract as defined in section 741 of this title, forward contract, commodity contract (as defined in section 761 of this title) repurchase agreement, or master netting agreement pursuant to section 365(a) of this title, or if a forward contract merchant, stockbroker, financial institution, securities clearing agency, repo participant, financial participant, master netting agreement participant, or swap participant liquidates, terminates, or accelerates such contract or agreement, damages shall be measured as of the earlier of—

''(1) the date of such rejection; or

''(2) the date of such liquidation, termination, or acceleration.''; and

(2) in the table of sections of chapter 5 by inserting after the item relating to section 561 the following:

''562. Damage measure in connection with swap agreements, securities contracts, forward contracts, commodity contracts, repurchase agreements, or master netting agreements.''.

(b) CLAIMS ARISING FROM REJECTION.—Section 502(g) of title 11, United States Code, is amended—

(1) by designating the existing text as paragraph (1); and

(2) by adding at the end the following:

''(2) A claim for damages calculated in accordance with section 561 of this title shall be allowed under subsection (a), (b), or (c), or disallowed under subsection (d) or (e), as if such claim had arisen before the date of the filing of the petition.''.

**SEC. 1011. SIPC STAY.**

Section 5(b)(2) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78eee(b)(2)) is amended by adding after subparagraph (B) the following new subparagraph:

''(C) EXCEPTION FROM STAY.—

''(i) Notwithstanding section 362 of title 11, United States Code, neither the filing of an application under subsection (a)(3) nor any order or decree obtained by Securities Investor Protection Corporation from the court shall operate as a stay of any contractual rights of a creditor to liquidate, terminate, or accelerate a securities contract, commodity contract, forward contract, repurchase agreement, swap agreement, or master netting agreement, each as defined in title 11, to offset or net termination values, payment amounts, or other transfer obligations arising under or in connection with 1 or more of such contracts or agreements, or to foreclose on any cash collateral pledged by the debtor whether or not with respect to 1 or more of such contracts or agreements.

''(ii) Notwithstanding clause (i), such application, order, or decree may operate as a stay of the foreclosure on securities collateral pledged by the debtor, whether or not with respect to 1 or more of such contracts or agreements, securities sold by the debtor under a repurchase agreement or securities lent under a securities lending agreement.

''(iii) As used in this section, the term 'contractual right' includes a right set forth

in a rule or bylaw of a national securities exchange, a national securities association, or a securities clearing agency, a right set forth in a bylaw of a clearing organization or contract market or in a resolution of the governing board thereof, and a right, whether or not in writing, arising under common law, under law merchant, or by reason of normal business practice.''.

**SEC. 1012. ASSET-BACKED SECURITIZATIONS.**

Section 541 of title 11, United States Code, as amended by section 150, is amended—

(1) by redesignating paragraph (5) of subsection (b) as paragraph (6);

(2) by inserting after paragraph (4) of subsection (b) the following new paragraph:

''(5) any eligible asset (or proceeds thereof), to the extent that such eligible asset was transferred by the debtor, before the date of commencement of the case, to an eligible entity in connection with an asset-backed securitization, except to the extent such asset (or proceeds or value thereof) may be recovered by the trustee under section 550 by virtue of avoidance under section 548(a);''; and

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

''(e) For purposes of this section, the following definitions shall apply:

''(1) the term 'asset-backed securitization' means a transaction in which eligible assets transferred to an eligible entity are used as the source of payment on securities, the most senior of which are rated investment grade by 1 or more nationally recognized securities rating organizations, issued by an issuer;

''(2) the term 'eligible asset' means—

''(A) financial assets (including interests therein and proceeds thereof), either fixed or revolving, including residential and commercial mortgage loans, consumer receivables, trade receivables, and lease receivables, that, by their terms, convert into cash within a finite time period, plus any residual interest in property subject to receivables included in such financial assets plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders;

''(B) cash; and

''(C) securities.

''(3) the term 'eligible entity' means—

''(A) an issuer; or

''(B) a trust, corporation, partnership, or other entity engaged exclusively in the business of acquiring and transferring eligible assets directly or indirectly to an issuer and taking actions ancillary thereto;

''(4) the term 'issuer' means a trust, corporation, partnership, or other entity engaged exclusively in the business of acquiring and holding eligible assets, issuing securities backed by eligible assets, and taking actions ancillary thereto; and

''(5) the term 'transferred' means the debtor, pursuant to a written agreement, represented and warranted that eligible assets were sold, contributed, or otherwise conveyed with the intention of removing them from the estate of the debtor pursuant to subsection (b)(5), irrespective, without limitation of—

''(A) whether the debtor directly or indirectly obtained or held an interest in the issuer or in any securities issued by the issuer;

''(B) whether the debtor had an obligation to repurchase or to service or supervise the servicing of all or any portion of such eligible assets; or

''(C) the characterization of such sale, contribution, or other conveyance for tax, accounting, regulatory reporting, or other purposes.''.

**SEC. 1013. FEDERAL RESERVE COLLATERAL REQUIREMENTS.**

The 3d sentence of the 3d undesignated paragraph of section 16 of the Federal Reserve Act (12 U.S.C. 412) is amended by striking ''acceptances acquired under the provisions of section 13 of this Act'' and inserting ''acceptances acquired under section 10A, 10B, 13, or 13A of this Act''.

**SEC. 1014. EFFECTIVE DATE; APPLICATION OF —–AMENDMENTS.**

(a) EFFECTIVE DATE.—This title shall take effect on the date of the enactment of this Act.

(b) APPLICATION OF AMENDMENTS.—The amendments made by this title shall apply with respect to cases commenced or appointments made under any Federal or State law after the date of enactment of this Act, but shall not apply with respect to cases commenced or appointments made under any Federal or State law before the date of enactment of this Act.

## TITLE XI—TECHNICAL CORRECTIONS

**SEC. 1101. DEFINITIONS.**

Section 101 of title 11, United States Code, as amended by sections 102, 105, 132, 138, 301, 302, 402, 902, and 1007, is amended—

(1) by striking ''In this title—'' and inserting ''In this title:'';

(2) in each paragraph, by inserting ''The term'' after the paragraph designation;

(3) in paragraph (35)(B), by striking ''paragraphs (21B) and (33)(A)'' and inserting ''paragraphs (23) and (35)'';

(4) in each of paragraphs (35A) and (38), by striking ''; and'' at the end and inserting a period;

(5) in paragraph (51B)—

(A) by inserting ''who is not a family farmer'' after ''debtor'' the first place it appears; and

(B) by striking ''thereto having aggregate'' and all that follows through the end of the paragraph;

(6) by amending paragraph (54) to read as follows:

''(54) The term 'transfer' means—

''(A) the creation of a lien;

''(B) the retention of title as a security interest;

''(C) the foreclosure of a debtor's equity of redemption; or

''(D) each mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with—

''(i) property; or

''(ii) an interest in property;'';

(7) in each of paragraphs (1) through (35), in each of paragraphs (36) and (37), and in each of paragraphs (40) through (55) (including paragraph (54), as amended by paragraph (6) of this section), by striking the semicolon at the end and inserting a period; and

(8) by redesignating paragraphs (4) through (55), including paragraph (54), as amended by paragraph (6) of this section, in entirely numerical sequence.

**SEC. 1102. ADJUSTMENT OF DOLLAR AMOUNTS.**

Section 104 of title 11, United States Code, is amended by inserting ''522(f)(3), 707(b)(5),'' after ''522(d),'' each place it appears.

**SEC. 1103. EXTENSION OF TIME.**

Section 108(c)(2) of title 11, United States Code, is amended by striking ''922'' and all that follows through ''or'', and inserting ''922, 1201, or''.

**SEC. 1104. TECHNICAL AMENDMENTS.**

Title 11 of the United States Code is amended—

(1) in section 109(b)(2) by striking ''subsection (c) or (d) of''; and

(2) in section 552(b)(1) by striking ''product'' each place it appears and inserting ''products''.

**SEC. 1105. PENALTY FOR PERSONS WHO NEGLIGENTLY OR FRAUDULENTLY PREPARE BANKRUPTCY PETITIONS.**

Section 110(j)(3) of title 11, United States Code, is amended by striking ''attorney's'' and inserting ''attorneys' ''.

**SEC. 1106. LIMITATION ON COMPENSATION OF PROFESSIONAL PERSONS.**

Section 328(a) of title 11, United States Code, is amended by inserting ''on a fixed or percentage fee basis,'' after ''hourly basis,''.

**SEC. 1107. SPECIAL TAX PROVISIONS.**

Section 346(g)(1)(C) of title 11, United States Code, is amended by striking '', except'' and all that follows through ''1986''.

**SEC. 1108. EFFECT OF CONVERSION.**

Section 348(f)(2) of title 11, United States Code, is amended by inserting ''of the estate'' after ''property'' the first place it appears.

**SEC. 1109. ALLOWANCE OF ADMINISTRATIVE EXPENSES.**

Section 503(b)(4) of title 11, United States Code, is amended by inserting ''subparagraph (A), (B), (C), (D), or (E) of'' before ''paragraph (3)''.

**SEC. 1110. PRIORITIES.**

Section 507(a) of title 11, United States Code, as amended by section 323, is amended in paragraph (4), as so redesignated by section 142, by striking the semicolon at the end and inserting a period.

**SEC. 1111. EXEMPTIONS.**

Section 522(g)(2) of title 11, United States Code, is amended by striking ''subsection (f)(2)'' and inserting ''subsection (f)(1)(B)''.

**SEC. 1112. EXCEPTIONS TO DISCHARGE.**

Section 523 of title 11, United States Code, as amended by section 146, is amended—

(1) in subsection (a)(3), by striking ''or (6)'' each place it appears and inserting ''(6), or (15)'';

(2) as amended by section 304(e) of Public Law 103–394 (108 Stat. 4133), in paragraph (15), by transferring such paragraph so as to insert it after paragraph (14A) of subsection (a);

(3) in subsection (a)(9), by inserting '', watercraft, or aircraft'' after ''motor vehicle'';

(4) in subsection (a)(15), as so redesignated by paragraph (2) of this subsection, by inserting ''to a spouse, former spouse, or child of the debtor and'' after ''(15)''; and

(5) in subsection (e), by striking ''a insured'' and inserting ''an insured''.

**SEC. 1113. EFFECT OF DISCHARGE.**

Section 524(a)(3) of title 11, United States Code, is amended by striking ''section 523'' and all that follows through ''or that'' and inserting ''section 523, 1228(a)(1), or 1328(a)(1) of this title, or that''.

**SEC. 1114. PROTECTION AGAINST DISCRIMINATORY TREATMENT.**

Section 525(c) of title 11, United States Code, is amended—

(1) in paragraph (1), by inserting ''student'' before ''grant'' the second place it appears; and

(2) in paragraph (2), by striking ''the program operated under part B, D, or E of'' and inserting ''any program operated under''.

**SEC. 1115. PROPERTY OF THE ESTATE.**

Section 541(b)(4)(B)(ii) of title 11, United States Code, is amended by inserting ''365 or'' before ''542''.

**SEC. 1116. PREFERENCES.**

(a) IN GENERAL.—Section 547 of title 11, United States Code, is amended—

(1) in subsection (b), by striking ''subsection (c)'' and inserting ''subsections (c) and (i)''; and

(2) by adding at the end the following:

''(i) If the trustee avoids under subsection (b) a transfer made between 90 days and 1 year before the date of the filing of the petition, by the debtor to an entity that is not an insider for the benefit of a creditor that is an insider, such transfer may be avoided under this section only with respect to the creditor that is an insider.''.

(b) APPLICABILITY.—The amendments made by this section shall apply to any case that is pending or commenced on or after the date of enactment of this Act.

**SEC. 1117. POSTPETITION TRANSACTIONS.**

Section 549(c) of title 11, United States Code, is amended—

(1) by inserting ''an interest in'' after ''transfer of'';

(2) by striking ''such property'' and inserting ''such real property''; and

(3) by striking ''the interest'' and inserting ''such interest''.

**SEC. 1118. DISPOSITION OF PROPERTY OF THE ESTATE.**

Section 726(b) of title 11, United States Code, is amended by striking ''1009,''.

**SEC. 1119. GENERAL PROVISIONS.**

Section 901(a) of title 11, United States Code, is amended by inserting ''1123(d),'' after ''1123(b),''.

**SEC. 1120. APPOINTMENT OF ELECTED TRUSTEE.**

Section 1104(b) of title 11, United States Code, is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following:

''(2)(A) If an eligible, disinterested trustee is elected at a meeting of creditors under paragraph (1), the United States trustee shall file a report certifying that election. Upon the filing of a report under the preceding sentence—

''(i) the trustee elected under paragraph (1) shall be considered to have been selected and appointed for purposes of this section; and

''(ii) the service of any trustee appointed under subsection (d) shall terminate.

''(B) In the case of any dispute arising out of an election under subparagraph (A), the court shall resolve the dispute.''.

**SEC. 1121. ABANDONMENT OF RAILROAD LINE.**

Section 1170(e)(1) of title 11, United States Code, is amended by striking ''section 11347'' and inserting ''section 11326(a)''.

**SEC. 1122. CONTENTS OF PLAN.**

Section 1172(c)(1) of title 11, United States Code, is amended by striking ''section 11347'' and inserting ''section 11326(a)''.

**SEC. 1123. DISCHARGE UNDER CHAPTER 12.**

Subsections (a) and (c) of section 1228 of title 11, United States Code, are amended by striking ''1222(b)(10)'' each place it appears and inserting ''1222(b)(9)''.

**SEC. 1124. BANKRUPTCY CASES AND PROCEEDINGS.**

Section 1334(d) of title 28, United States Code, is amended—

(1) by striking ''made under this subsection'' and inserting ''made under subsection (c)''; and

(2) by striking ''This subsection'' and inserting ''Subsection (c) and this subsection''.

**SEC. 1125. KNOWING DISREGARD OF BANKRUPTCY LAW OR RULE.**

Section 156(a) of title 18, United States Code, is amended—

(1) in the first undesignated paragraph—

(A) by inserting ''(1) the term'' before '' 'bankruptcy''; and

(B) by striking the period at the end and inserting ''; and''; and

(2) in the second undesignated paragraph—

(A) by inserting ''(2) the term'' before '' 'document''; and

(B) by striking ''this title'' and inserting ''title 11''.

**SEC. 1126. TRANSFERS MADE BY NONPROFIT CHARITABLE CORPORATIONS.**

(a) SALE OF PROPERTY OF ESTATE.—Section 363(d) of title 11, United States Code, is amended—

(1) by striking ''only'' and all that follows through the end of the subsection and inserting ''only—

''(1) in accordance with applicable nonbankruptcy law that governs the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust; and

''(2) to the extent not inconsistent with any relief granted under subsection (c), (d), (e), or (f) of section 362 of this title.''.

(b) CONFIRMATION OF PLAN FOR REORGANIZATION.—Section 1129(a) of title 11, United States Code, as amended by section 140, is amended by adding at the end the following:

''(15) All transfers of property of the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial corporation or trust.''.

(c) TRANSFER OF PROPERTY.—Section 541 of title 11, United States Code, as amended by section 1102, is amended by adding at the end the following:

''(f) Notwithstanding any other provision of this title, property that is held by a debtor that is a corporation described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code may be transferred to an entity that is not such a corporation, but only under the same conditions as would apply if the debtor had not filed a case under this title.''.

(d) APPLICABILITY.—The amendments made by this section shall apply to a case pending under title 11, United States Code, on the date of enactment of this Act, except that the court shall not confirm a plan under chapter 11 of this title without considering whether this section would substantially affect the rights of a party in interest who first acquired rights with respect to the debtor after the date of the petition. The parties who may appear and be heard in a proceeding under this section include the attorney general of the State in which the debtor is incorporated, was formed, or does business.

(e) RULE OF CONSTRUCTION.—Nothing in this section shall be deemed to require the court in which a case under chapter 11 is pending to remand or refer any proceeding, issue, or controversy to any other court or to require the approval of any other court for the transfer of property.

**SEC. 1127. PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.**

Section 127 of the Truth in Lending Act (15 U.S.C. 1637) is amended by adding at the end the following:

''(i) PROHIBITION ON CERTAIN ACTIONS FOR FAILURE TO INCUR FINANCE CHARGES.—A creditor of an account under an open end consumer credit plan may not terminate an account prior to its expiration date solely because the consumer has not incurred finance charges on the account. Nothing in this subsection shall prohibit a creditor from terminating an account for inactivity in 3 or more consecutive months.''.

**SEC. 1128. PROTECTION OF VALID PURCHASE MONEY SECURITY INTERESTS.**

Section 547(c)(3)(B) of title 11, United States Code, is amended by striking ''20'' and inserting ''30''.

**SEC. 1129. TRUSTEES.**

(a) SUSPENSION AND TERMINATION OF PANEL TRUSTEES AND STANDING TRUSTEES.—Section 586(d) of title 28, United States Code, is amended—

(1) by inserting ''(1)'' after ''(d)''; and

(2) by adding at the end the following:

''(2) A trustee whose appointment under subsection (a)(1) or under subsection (b) is terminated or who ceases to be assigned to cases filed under title 11 of the United States Code may obtain judicial review of the final agency decision by commencing an action in the United States district court for the district for which the panel to which the trustee is appointed under subsection (a)(1), or in the United States district court for the district in which the trustee is appointed under subsection (b) resides, after first exhausting all available administrative remedies, which if the trustee so elects, shall also include an administrative hearing on the record. Unless the trustee elects to have an administrative hearing on the record, the trustee shall be deemed to have exhausted all administrative remedies for purposes of this paragraph if the agency fails to make a final agency decision within 90 days after the trustee requests administrative remedies. The Attorney General shall prescribe procedures to implement this paragraph. The decision of the agency shall be affirmed by the district court unless it is unreasonable and without cause based on the administrative record before the agency.''.

(b) EXPENSES OF STANDING TRUSTEES.—Section 586(e) of title 28, United States Code, is amended by adding at the end the following:

''(3) After first exhausting all available administrative remedies, an individual appointed under subsection (b) may obtain judicial review of final agency action to deny a claim of actual, necessary expenses under this subsection by commencing an action in the United States district court in the district where the individual resides. The decision of the agency shall be affirmed by the district court unless it is unreasonable and without cause based upon the administrative record before the agency.

''(4) The Attorney General shall prescribe procedures to implement this subsection.''.

## TITLE XII—GENERAL EFFECTIVE DATE; APPLICATION OF AMENDMENTS

**SEC. 1201. EFFECTIVE DATE; APPLICATION OF AMENDMENTS.**

(a) EFFECTIVE DATE.—Except as provided otherwise in this Act, this Act and the amendments made by this Act shall take effect 180 days after the date of the enactment of this Act.

(b) APPLICATION OF AMENDMENTS.—Except as otherwise provided in this Act, the amendments made by this Act shall not apply with respect to cases commenced under title 11 of the United States Code before the effective date of this Act.

MODIFICATION OF AMENDMENT IN THE NATURE OF A SUBSTITUTE NO. 11 OFFERED BY MR. NADLER

Mr. NADLER. Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be modified in the form I have placed at the desk.

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification of amendment in the nature of a substitute No. 11 offered by Mr. NADLER:

Page 7, lines 19 and 24, strike ''less than or equal to'' each place it appears and insert ''greater than''.

Page 9, line 8, insert ''allowable'' after ''debtor's''.

Page 11, line 13, strike ''hall'' and insert ''shall''.

Page 16, lines 7 and 12, strike ''less than or equal to'' each place it appears and insert ''greater than''.

Page 17, line 6, strike ''less than or equal to'' and insert ''greater than''.

Mr. GEKAS (during the reading). Mr. Chairman, I ask unanimous consent that the modification be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Is there objection to the modification?

Mr. GEKAS. Mr. Chairman, reserving the right to object, I may object, but I probably will not.

The gentleman from New York has offered through his counsel in consultation with me that these are simply technical amendments. They do not, I trust, constitute sloppy work on the part of anybody, it is simply that we want to make sure that your amendment is technically correct. Is that correct, may I ask?

Mr. NADLER. Mr. Chairman, if the gentleman will yield, I am informed by distinguished counsel that they were typos and errors in drafting, that he made no substantive changes.

Mr. GEKAS. No way that that was sloppy handwork of any type, is that correct?

Mr. NADLER. I do not think I would call the work of the staff sloppy. I would think in view of the haste it was hasty because of the committee schedule.

Mr. GEKAS. Mr. Chairman, further reserving the right to object, we will engage in a spelling bee on ''sloppy'' some other time.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Without objection, the modification is agreed to.

There was no objection.

The CHAIRMAN. Pursuant to House Resolution 158, the gentleman from New York (Mr. NADLER) and a Member opposed each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. NADLER).

Mr. NADLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am reluctantly offering this substitute in the hope that it will open the door to rational discussion and an eventual compromise that will ensure both that people will be unable to game the system and that all parties, debtors and creditors alike, will be treated fairly in our bankruptcy courts. It is an attempt to foster dialogue and compromise and I hope it will not be misconstrued as my idea of an ideal bankruptcy bill.

I certainly do not agree with everything in the substitute, and I hope no one will pull sections out of it and say that I think this is a good idea. But I certainly do agree with the main changes we make from the Gekas bill.

In its current form, this bill provides ample loopholes for the wealthy, well-advised debtor to escape his or her obligations in bankruptcy but sets numerous traps for the middle and low-income debtor who will face unnecessary litigation and costs, unrealistic legal requirements and legal presumptions which bear no relation to reality. The bill will destroy businesses, it will destroy families and it will destroy lives. America is better than that.

We can get at that small percentage of people. The ABI, the American Bankruptcy Institute, estimated 3 percent of debtors can afford to repay 20 percent or more of their debt. The creditors said oh, no, they are wrong, it is double that, 6 percent. We can get at that small percentage, 3 or 6 percent of people who are abusing the system, without making costs skyrocket and without violating the rights of small debtors and creditors.

The substitute I am offering makes several major changes in the bill before us. It makes two changes in the so-called means test. First, it would look at a debtor's real income rather than his past income. The bill would average the previous 6 months of income and create a legal presumption that this is what the debtor will receive every month for the next 5 years, but we know this is wrong.

For example, people are making $50,000 at middle management at IBM and they are laid off, now they are making a much less amount of money. That is why they are going bankrupt. One cannot presume that they are making $50,000. This amendment would look at their real income and it looks forward, it does not look back.

Second, the means test does not look at your actual expenses, it looks at what some IRS bureaucrat thinks that the average expense in your part of the country ought to be. The substitute makes the same change here as the Hyde-Conyers amendment we voted on a few minutes ago would have done.

In the last Congress, the majority declared the IRS to be the great Satan and held hearings designed to show that these guys could not be trusted. We even passed legislation to reform the IRS which specifically directed the IRS to drop these guidelines and to fashion new ones with greater leniency because we thought these guidelines were inaccurate and too harsh.

Yet this bill would require that those same guidelines that we judged last year to be inflexible, inaccurate and too harsh should now be applied without any flexibility at all. We have been told that you could just put the debtor through a home computer and find out how much bankruptcy relief they are entitled to. The gentleman from Illinois (Mr. HYDE) is right, the IRS should not be entrusted with this task.

If the real circumstances do not match your income from the last 6 months and what the IRS says your landlord should be charging you, never mind what he actually does charge you, the bill allows you to go to court and plead extraordinary circumstances. In other words, to get the court to look at your real situation, you have to hire a lawyer and litigate a motion.

It is right in the bill, and it is the first roadblock in the path of someone with no money who really needs bankruptcy relief. How many people who really have no money are going to be able to afford to litigate the question of whether their daughter's braces are extraordinary circumstances? Why should they have to?

Any reasonable means test would say, what are your real means, what is your real income, what are your real expenses? Not what does the IRS think the average rent or the average mortgage payment in the Northeast ought to be, what is your mortgage payment? You cannot take the IRS estimate to the bank.

The substitute has the court look at reality from the very beginning of the case, no Alice in Wonderland. The substitute allows the debtor to bring to the court's attention at the beginning of the case changes in his or her circumstances which would make the 6-month lookback for income unrealistic. No special motions, no litigation. Part of the filing.

Unlike the bill, in addition to allowing people to pay for private school and counting that as part of his expenses, our bill would allow expenses for public school, if any, and for home schooling. Private school should not get a special preference over public schools and over home schooling.

We have also heard a great deal about the effect nondischargeability will have on families and child support. Let us talk about what this bill adds, why it is a problem and what this substitute would do.

The first addition to nondischargeability would make nondischargeable purchases in the aggregate of $250 or more in the 90 days before the bankruptcy filing, it would assume that that is for luxury goods or services. But it presumes that that $250 is for purchase of luxury goods. If you put your groceries, your gas and your dry cleaning on a credit card for 3 months for your family, do you think that would be more than $250?

Now, the credit card company would get to drag you to court and you would have to prove that it is not a luxury good. The presumption would be that it is a luxury good and should be nondischargeable in bankruptcy. You

bought a new dishwasher. Could the old one have been fixed? Can you not do it by hand? Go prove it, at the cost of litigation.

But the main point is that this is a litigation trap for people who are really broke and cannot afford a lawyer to defend the discharge action.

The same with the other section which makes nondischargeable debts on a credit card incurred to pay nondischargeable debts. We have seen today that banks are sending live checks and preapproved credit cards to people, even kids, and saying use it for whatever you want. Now the same banks want to say, ''Hey, wait a minute, you paid your tax bill with your credit card. We want our debt on the credit card that you used to pay your tax to survive bankruptcy because you should not have paid it with your credit card.''

They do not have to prove any improper intent. They simply make the debt nondischargeable. The result, these credit card debts would survive a bankruptcy discharge and would compete with other more important nondischargeable debts after the case is over.

Your ex-wife wants to collect child support. Too bad. Let her go and compete with a lawyer for Chemical Bank, which would now be made nondischargeable. That is why advocates for women, for families with kids, for crime victims, Mothers Against Drunk Driving have spoken out so consistently against this provision of the bill.

The substitute also includes improvements to Chapter 11 which protects family farms. The substitute raises, to keep pace with inflation, the limit on who can file for Chapter 12, and it assures that proceeds from the sale of farm equipment are used to help reorganize the farm and not to go only to taxes. Like the bill, it also makes Chapter 12 permanent. It is the same language that is in the bipartisan bill introduced by the gentleman from Michigan (Mr. SMITH) and the gentleman from Minnesota (Mr. MINGE).

We have played politics with family farms too long. There is a crisis in the farm belt. They need these improvements to the law and they need Chapter 12 to be permanent. We should do it whether the big banks that hold farm mortgages like it or not.

There are a number of provisions in this bill for credit card disclosure, the same provisions that were in the amendment that the gentleman from Massachusetts (Mr. DELAHUNT) offered in committee, that the Committee on Rules refused to make permanent. I will just mention one.

Under this bill, the credit card companies tell you the interest rate is X and your minimum payment is $10, but they do not tell you that if you pay the minimum, how long it will take you to repay. It will take you 200 years to repay your debt. And what percentage of income you will pay, 300 percent. They would have to tell you those kinds of disclosures so you would know that.

The last piece I want to discuss concerns a matter that is very important to me, child support enforcement. As a member of the New York State Assembly, I wrote most of the State's child support enforcement laws.

□ 1730

There have been a great many fig leafs placed on this bill to make it appear as if the bill is not anti-family and would not very greatly damage child support enforcement, but the truth is it most certainly would.

There are two ways in which this bill would hurt child support enforcement. In Chapter 7 we are making credit card debts or many of them, as I have already mentioned, nondischargeable. So mom, after the bankruptcy is finished now, now has to compete with the bill collector or the attorney from Chemical Bank to collect the nondischargeable debt, because there is more debt that is now nondischargeable. She has got to compete for it.

But the sponsors of the bill say, no, no, no. We are giving child support a priority so she will not have to compete. But of course, as any bankruptcy attorney knows, priorities only exist in bankruptcy court. Once one has the discharge, they are no longer in bankruptcy court, the priorities are wiped out, the Federal jurisdiction is wiped out, the bankruptcy proceeding is over, and now she is still stuck trying to compete in the real world out there, perhaps in State court with Chemical Bank's attorney or whoever, to collect her child support as against their nondischarged credit card debt, and priorities do not exist and do not help us.

Second, the bill defines debts owed to the government for past-due child support as domestic support. In a Chapter 13 repayment proceeding the bill says we cannot approve, the judge cannot approve, a Chapter 13 repayment plan to pay the debts unless the plan includes payment of all the child support due. Period. But it defines the child support as debts owed to the government for past-due support as well as debts owed to the custodial parent, to mom, to care for the child.

So if the means test that is inserted into Chapter 13 finds that there is enough disposable income to pay the child support to mom but there is not enough disposable income to pay the child support to mom and pay the government the debts that are owed, we cannot confirm the Chapter 13 plan, there is no Chapter 13, they cannot go bankrupt. They are too rich for Chapter 7, they are too poor for Chapter 13, they cannot get any bankruptcy protection, and mom is left out there trying to collect her child support against every other debtor, every other creditor, with no protection at all.

The last issue of debtor coercion I want to address involves something called reaffirmation agreements. There has been a great deal of publicity about people being coerced into signing away their rights to a discharge or agreeing to waive that right without fully understanding what they are signing. This amendment would require court review for reaffirmations of unsecured debts and of very small amounts. It would also require disclosure to the debtor so he knows, so he understands, what he is agreeing to. Placing some limits on reaffirmations, requiring some disclosure and some court oversight, not in every case but in those cases that are most likely to result in abuses, is important. To the extent that reaffirmation is like nondischargeable debts, limit a debtor's post-discharge resources, they interfere with child support.

The bill would abolish the right to bring a class action. We all remember a few years ago when Sears Roebuck cheated over a million people through fraud into fraudulent reaffirmations. A class action suit was brought, and $168 million in damages was paid to over a million people. The average recovery was $150 per person. Sixty million dollars criminal penalty was assessed.

This bill says: We want to crack down on the little guy, but the big guys, if they are crooks, we do not want them to be subject to class action lawsuits. They cannot maintain a class action lawsuit, and so Sears Roebuck would get away with it if they only had delayed until this bill has passed.

This substitute would remove this provision. The only way one can sue the little guys, can sue the big guys, is through a class action suit.

I hope that Members will support the substitute instead of H.R. 833. The substitute is supported by the administration. It is a giant step toward a fair and balanced bill and a giant step away from the gridlock we experienced in the last Congress. If my colleagues want real and fair bankruptcy reform, support the substitute. If they do not want a bill that will be vetoed and leaving us with nothing at the end of the session, support the substitute.

Mr. Chairman, I reserve the balance of my time.

Mr. GEKAS. Mr. Chairman, I yield myself such time as I might consume.

I ask the Members to vote no on the Nadler substitute. What it does in its provisions one by one is erase the progress that we have made already indicated by the votes taken in this Chamber. For instance, one of the main objects, targets, of the Nadler substitute would be to eliminate the means test, the needs test which is so vital to a real reform in bankruptcy.

We have already voted on the Hyde-Conyers amendment. We indicated the

will of the House of Representatives on that very same feature. Now the gentleman from New York (Mr. NADLER) asks us to repeat the consideration of that item. The vote naturally will be no. I ask for that repeat vote.

Mr. NADLER makes a big deal out of some of the provisions in his proposal that fly right in the face of what we have already accomplished and what we are trying to accomplish. For instance, we consulted for weeks and months with residential landlords who were vexed and are still vexed by the havoc, the absolute havoc that can be wreaked upon an investment by the automatic stay that would benefit debtors, and that is tenants who want to stay on, and on, and on without paying rent. The bill that we have gives relief to the residential landlords. That is a big step forward, and we really studied that provision and consulted with a lot of people and heard testimony to that effect. Mr. NADLER would wipe it out with this amendment. I think that is retrogressive, completely retrogressive, anti-reform.

Beyond that, the gentleman from New York makes a big cry out of the reaffirmation language that we have in the bill. He fails to note, and this is important for us to recall, that the credit unions who have supported our bill from the beginning to the end and who have lent their voices, loaned their voices to us on many different occasions on this bill, they like our language on reaffirmations.

If my colleagues like credit unions and the work they do and the loans they provide and the capitalization that they indulge, they will not support the Nadler substitute. They will be destroying the credit unions' reliance on our language on reaffirmations just for one item.

Mr. Chairman, there are 10 other flaws in this bill. I do not want to take up extra time. I will enumerate them for anyone who wants to corner me in the cloakroom for that purpose, but from time to time I will remind some of our Members of some of those flaws.

Mr. Chairman, I insert the following for the RECORD:

NATIONAL GOVERNORS ASSOCIATION,
GENERAL DEBATE NADLER
*Washington, DC, May 5, 1999.*

Hon. J. DENNIS HASTERT,
*Speaker of the House,*
*House of Representatives, Washington, DC.*
Hon. RICHARD A. GEPHARDT,
*House Minority Leader,*
*House of Representatives, Washington, DC.*

DEAR SPEAKER HASTERT AND MINORITY LEADER GEPHARDT: Our economy has been setting the right kind of records in the 1990s in terms of real economic growth, low inflation, declining welfare rolls, and falling unemployment rates. During the same period, however, personal bankruptcy filings have repeatedly set the wrong kind of records, reaching new highs each of the last three years. Governors accordingly support revising federal bankruptcy laws to curb the increasing number of bankruptcy filings in our nation and to stem abuses to the bankruptcy system.

Specifically, Governors support efforts to prevent debtors from filing Chapter 7 bankruptcy in lieu of Chapter 13 when they are financially capable of repaying part or all of their unsecured debts. We also encourage Congress to place the highest possible priority on payment of domestic support obligations in bankruptcy proceedings. Preservation of states' existing rights to determine their own standards dealing with homestead exemptions is another important provision that needs to be included in any bankruptcy legislation that Congress passes this year.

We applaud the Judiciary Committee's recent efforts to address this issue. Passage of H.R. 833 by the House represents an important step to ensuring enactment of meaningful bankruptcy reform this year. We look forward to working with Congress to achieve this goal.

Sincerely,

GOVERNOR THOMAS R. CARPER.
GOVERNOR MICHAEL O. LEAVITT.
GOVERNOR GEORGE E. PATAKI,
*Chairman,*
*Committee on Economic Development and Commerce.*
GOVERNOR JEANNE SHAHEEN,
*Vice Chair,*
*Committee on Economic Development and Commerce.*

Mr. Chairman, I reserve the balance of my time.

Mr. NADLER. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Michigan (Mr. CONYERS), the ranking member of the Committee on the Judiciary.

Mr. CONYERS. Mr. Chairman, I first want to commend the gentleman from New York (Mr. NADLER) who has worked indefatigably on this bill. No one has put in more time than him, and as a result we have crafted a democratic substitute that I am proud to urge my colleagues' consideration of.

This amendment retains the vast majority of the provisions in the underlying bill, but at the same time responds to the most egregious and one-sided provision in the legislation. In addition to fixing the problems with the use of IRS expense standards, which is an anathema, and the bill's impact on jobs also would be corrected, the substitute also eliminates many of the problems the bill creates for single mothers and their children as well as the problem of credit card abuse.

So here we are. Here is an amendment that deals with the IRS expense standards, the small business loss of jobs, the problems created for single mothers and their children and the problem of credit card abuse. These four items are so critical to any kind of reasonable bill.

As the bill presently stands, it is a disaster for single mothers and their children. There has been a lot of conversation that it is not, but that is the bare truth revealed now at the end of a day's debate.

In addition to the overall impact of the bill on women struggling to raise families and make ends meet, the legislation will have a particularly harsh impact on the payment of alimony and child support. The problem arises from the fact that bankruptcy and insolvency are, by definition, a zero sum gain. By design, this bill will increase the amount of funds being paid to unsecured creditors, and it therefore comes as no surprise that such payments will often come at the expense of other less aggressive creditors, those without lawyers such as women and children owed child support or alimony. This problem is by no means insignificant given that an estimated 243,000 maybe to 325,000 bankruptcy cases per year involve child support and alimony orders.

And so, Mr. Chairman, for these Members who want to support real and balanced bankruptcy reform without unnecessarily piling on the middle class, the mothers and their children and without giving the credit industry a complete pass, I urge a yes vote for the democratic substitute now being debated.

Mr. GEKAS. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Chairman, enacting a substitute bill on which there has been no hearings or public comment is no way to approach a task as important as reforming the Nation's bankruptcy system. Our bankruptcy laws play an important and necessary role in protecting Americans who really need these laws, and that is the key, need. But what our act intends to do is to make the existing bankruptcy system a needs-based system, addressing the flaw in the current system that encourages people to file for bankruptcy and walk away from debts regardless of whether they are able to repay any portion of what they owe, and it does this while protecting those who truly need protection.

Between September of 1997 and September of 1998 in my home State of California there were 203,000 personal bankruptcy petitions filed. This translates into one bankruptcy petition filed for every 56 households. Now that is almost three times the next highest State, New York. Moreover, the number of bankruptcies in California has more than doubled since 1990.

The cost to all of us is very great for the rest of the country. This is the cost borne not only by the business community but by the consumers who pay their bills responsibly and end up having these costs shifted to them.

Last year, the 55 of 56 households in my State who paid their bills on time were forced to pick up the $550 per household tab for those who walked away from their debts. That is a $550 bill that my colleagues and I pay when

irresponsible spenders who can afford to pay all or some of their debt declare bankruptcy, and this is the problem that the Bankruptcy Reform Act addresses.

Therefore, Mr. Chairman, I rise today in strong support of the Bankruptcy Reform Act of 1999, of which I am a cosponsor, and in opposition to this substitute. The Bankruptcy Reform Act is almost identical to legislation passed by the House of Representatives last year by an overwhelming bipartisan vote. Unfortunately, that legislation ultimately stalled late in the year in the Senate. We have another opportunity today to pass this much-needed reform act and send the Senate a bill with strong bipartisan support, and I urge my colleagues to vote for this bill and defeat this substitute amendment.

□ 1745

Mr. NADLER. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts (Mr. MEEHAN).

Mr. MEEHAN. Mr. Chairman, I rise today in support of the Conyers-Nadler-Meehan-Berman substitute bankruptcy amendment. There have been debates on bankruptcy reform both last session and this year. I have been alarmed by the rise in the number of consumer bankruptcies in this country and have been convinced that changes need to be made in the bankruptcy system.

We can all agree that debtors should be obliged to pay more of their debts to their creditors. I fully support the concept of means testing to determine which debtors can pay at least some of their debts. In fact, last year I offered a means test amendment to the bankruptcy bill that would have done just that.

Today I am a cosponsor of this substitute bill, which includes a key provision, an improved means test, over the one used in the underlying bill.

The means test used in H.R. 833 uses an elaborate standard in tests to determine which debtors would be shifted to Chapter 13 and which would remain in Chapter 7. In all of those convoluted and exacting calculations, the test leaves out one fundamental element: Fairness.

The bankruptcy system was designed to provide a fresh start for those who have fallen on hard times, frequently through little fault of their own.

Let us look at who is declaring bankruptcy. In 1997, 280,000 older Americans filed for bankruptcy, two-thirds due to an unsuspected illness or job loss. 300,000 bankruptcy cases involved child support or alimony orders, as women could not collect what they were owed or tried to stabilize their post-divorce economic condition.

We can all agree that these debtors are entitled to a fresh start and should not be forced to repay their debts for the rest of their lives and beyond by leaving debts for their heirs.

This substitute provides fairness by including a realistic means test which takes into account the real world circumstances of the debtor. Yet the amendment ensures that debtors who can repay their debts will repay their debts.

Unlike the underlying bill, this amendment also understands that blame should not be solely shouldered by the debtors. This amendment considers the fact that the increasing availability of consumer credit corresponds with the increased number of bankruptcy filings.

Moving more debtors into repayment plans, even if done correctly, is not the sole solution to the increased number of bankruptcies. Credit card applications with large limits are routinely sent to the poor, to college students, to family pets, and even dead people, and this significantly contributes to the number of bankruptcies.

In 1997, over 250,000 Americans filed for bankruptcy before their 25th birthday; 250,000. How can people so young have a line of credit so large that they cannot repay it? Because credit card companies are sending them all kinds of promises for spring break if they put it on a credit card.

Mr. Chairman, let us have fair bankruptcy reform.

Mr. GEKAS. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee (Mr. BRYANT), a member of the committee.

Mr. BRYANT. Mr. Chairman, before I get into my remarks, I want to express my personal appreciation for the way the gentleman from Pennsylvania (Mr. GEKAS) has chaired the committee and has managed this bill throughout the years that I have been involved, especially over the last couple of weeks when we have been in markup with intense debate and good healthy debate on both sides; as well as thanking the ranking member, the gentleman from New York (Mr. NADLER) for the outstanding job that he has done certainly representing the view that he has and I think is exemplified by this amendment, which I must oppose.

This amendment effectively undermines many of the most important provisions of this Bankruptcy Reform Act that have been part of the House approach to bankruptcy reform since the last Congress.

This amendment should be opposed for many reasons. The Nadler amendment would do little, if anything, to address the abuse of the bankruptcy system that has become increasingly prevalent. For instance, this amendment would strike from the bill key provisions that aim to prevent debtors from loading up on debt just before declaring bankruptcy, thereby obtaining a discharge of this debt. Such loading up has occurred more frequently as bankruptcy planning becomes more common in this day and age.

In addition, this amendment would eliminate from the bill's needs-based test the use of clear, objective standards. By doing so, the Nadler amendment would reverse the bill's efforts to bring significant administrative efficiencies to the already overburdened U.S. bankruptcy system.

Moreover, by eliminating the clear objective standards for debtors to follow in applying the bill's needs-based formula, this amendment would harm debtors by subjecting them to endless litigation, and I might add expensive litigation, of which expenses may be taken into account in that formula.

Furthermore, H.R. 833 already contains provisions that address the vast majority of concerns that this amendment claims to address. For instance, H.R. 833 already addresses issues related to reaffirmation agreements and would impose significant new disclosure requirements on credit cards and other lenders.

Finally, there has been no prior congressional consideration of most, if not all, of the provisions of this amendment.

I would urge my colleagues to oppose this, since enacting a substitute bill on which there have been no hearings or public comment is no way to approach a task as important as reforming this Nation's bankruptcy code.

Mr. NADLER. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the gentleman from Pennsylvania (Mr. GEKAS) talked about a provision in the bill, in his bill, which would allow landlords to evict debtors without obtaining permission of the bankruptcy court, and that that substitute would eliminate that provision, which it would do.

Every other creditor has to get permission of the bankruptcy court to have an exemption from the automatic stay. Advocates of battered women and those involved in rehabilitating debtors have expressed concerns that these unsupervised evictions would pose a threat to the debtor's safety and to the safety of his family, and would pose a threat to debtors' ability to remain productive wage earning citizens.

There is a fundamental question. Why should a property owner be in a different position to be exempt from an automatic stay, a different position than any other creditor? We do not see an answer to that question. Every creditor has the same provisions. There is no reason why one creditor should be in a preferred position, and that is why the provision is in the substitute.

Mr. GEKAS. Mr. Chairman, I yield 3 minutes to the gentleman from Arkansas (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. GEKAS) for yielding and I want to congratulate him on the outstanding work that he has done on this particular bill and in the leadership he has provided in the committee.

I think we have had a very good process through the Committee on the Judiciary. This is not an example of where every amendment that was offered by the Democrats was defeated on a party line vote or vice versa. There was really an open debate and there were many amendments that my Democrat colleagues offered that were adopted, and I think that it is a good product that came through that bill. It is the kind of process I think we need to have more of in the Committee on the Judiciary.

As I look at this entire issue of bankruptcy reform, I believe that bankruptcy is important in America and that we should not do anything to destroy that system which was really a hallmark of our country, where people came to this country getting away from debtor's prison, moving to the United States of America for a fresh start. That is an important part of our country, to give debtors a fresh start when there is not any alternative.

I for one would not want to do anything to erode that important part of our country's history and our country's legal system. So I believe the fresh start is important. This bill, H.R. 833, preserves that important right.

I think we all have to concede that there has been some abuse in the system. Certainly the gentleman from New York (Mr. NADLER) agrees with that because he has offered a bill before this committee.

Look at the facts that historically bankruptcies have been filed because of a loss of job or extraordinary circumstances. We almost have full employment in America and yet bankruptcies still are going up at almost 20 percent. So this bill preserves the recourse of bankruptcy for those who truly need it.

Ernst & Young did a study that I thought was very significant, and in that study it looked at the 10 percent of the people who filed bankruptcy that would be impacted by a needs-based system, and the study indicated that those 10 percent of filers would have an average income of almost $52,000. So clearly we are looking at people who have an ability to pay a portion of their debt over a period of time based upon that income.

That study assured me that this approach is reasonable, that it is going after those who abuse the system and not those who are legitimately claiming to look to the system for their legitimate relief.

Also, the means test that is provided here gives something that is very important to the bankruptcy judge, and that is discretion. Again, I looked at the bill and on page 10 it says that the judge, under extraordinary circumstances, can revise the means test to make sure that the debtor would not be forced into repaying a portion of the debt when they have some special circumstance that would justify a complete discharge from bankruptcy.

Then finally, I think this bill is important because the claim is that perhaps we should have individual responsibility, but those have open-ended credit responsibilities; credit card companies should have more disclosure. It does require this, and so it balances individual responsibility with the recognition that there are legitimate circumstances that require bankruptcy.

Mr. NADLER. Mr. Chairman, I yield 2½ minutes to the distinguished gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Chairman, I want to first thank the gentleman from New York (Mr. NADLER) for this time and also for his very diligent and hard work on this issue, to really clarify these very important issues which are very complicated and very important to consumers in this country.

Mr. Chairman, I rise to support the Democratic substitute and in opposition to H.R. 833. I too am troubled by the increase in bankruptcy filings since 1980. I am very concerned about the rise in individual consumer debt, but I am disappointed that we are failing to bring legislation that is balanced between creditors and debtors.

As drafted, many of the provisions of H.R. 833 are unfair to middle- and low-income debtors. At the same time, the bill fails to close loopholes that currently protect the wealthiest debtors.

H.R. 833 focuses on the perceived abuse of the bankruptcy system by debtors without adequately addressing the abuses by creditors, and takes a rigid approach to a citizen's ability to discharge debt.

A majority of people surveyed by Consumer Federation of America believe credit card companies share the blame with debtors for the rising tide of personal bankruptcies, yet nowhere in H.R. 833 is there mention of preventing or curbing credit card companies from targeting people with low incomes.

Credit card companies are actively targeting vulnerable potential new members. We have seen an increase in the number of bank card mailings sent out to potential new members. From 1992 to 1998, the numbers mailed increased by 255 percent. It comes as no surprise that the amount of per person debt also increased 225 percent in 6 years.

When credit card companies consolidate, cardholders are left without any protection from rate increases. Credit cards are not like mortgages or car loans that may be resold but their rates do not change. Not credit cards. In fact, new owners of credit card businesses are free to impose whatever interest rates the traffic will bear and are subject to few remaining State fee ceilings.

□ 1800

With increased consolidation of credit card companies, payment periods have really been shortened, grace periods for late payments have been eliminated, and stiff penalties of up to $29 are now incurred by cardholders on a regular basis.

I strongly support the Democratic alternative offered by the gentleman from New York (Mr. NADLER), the gentleman from Michigan (Mr. CONYERS), and the gentleman from Massachusetts (Mr. MEEHAN), which is a moderate and balanced approach to behavior.

It offers a realistic means test, allows child support to precede other debts, requires credit card companies to provide information so borrowers may avoid bankruptcy, and eliminates new rules for making credit card debts nondischargeable. It leaves intact pre-bankruptcy debt run-ups and fraudulently-incurred debt nondischargeable, and includes bipartisan farm bankruptcy legislation.

Mr. GEKAS. Mr. Chairman, I am pleased to yield 6 minutes to the gentleman from Virginia (Mr. GOODLATTE), who has been extraordinarily helpful in every stage of the bankruptcy reform effort.

Mr. GOODLATTE. Mr. Chairman, I thank the gentleman from Pennsylvania for his kind words, and for his leadership in this excellent piece of legislation that I rise today to strongly support, H.R. 833, the Bankruptcy Reform Act, and to oppose the Nadler substitute, which would take us back to the current situation where we reward people who act irresponsibly and penalize hardworking consumers who make every effort to pay their bills on time; pay their own bills, and pay a portion of someone else's bills when that person files bankruptcy and does not take responsibility for their actions.

With a record high 1.4 million bankruptcy filings last year, every American must pay more for credit, goods, and services when others go bankrupt. I worked to pass H.R. 3150 last year, which passed the House by a vote of 300 to 125 in the final conference report, which this legislation is very similar to, and am pleased to cosponsor this legislation this year because it is high time that we relieve consumers from the burden of paying for the debts of others.

The Bankruptcy Reform Act of 1999 restores personal responsibility, fairness, and accountability to our bankruptcy laws, and will be of great benefit to consumers.

For too long our bankruptcy laws have allowed individuals to walk away from their debts, even though many are able to repay them. That is not fair to millions of hardworking families who pay their bills, mortgages, car loans, student loans, and credit card bills every month.

The loopholes in our bankruptcy laws have led to a 400 percent increase in personal bankruptcy filings since 1980,

at a cost of $40 billion per year. These costs have been passed directly to consumers, costing the average household that pays its bills an average of $400 each year.

Under the current system, some irresponsible people filing for bankruptcy run up their credit card debt immediately prior to filing, knowing that their debts will soon be wiped away. These debts, however, do not just disappear, they are passed along to hardworking folks who play by the rules and pay their own bills on time.

The Bankruptcy Reform Act ends this practice by requiring bankruptcy filers to pay back nondischargeable debts made in the period immediately preceding their filing. In addition, new debts for luxury goods incurred during this period would be presumed nondischargeable.

While ending the abuses of our bankruptcy laws, the Bankruptcy Reform Act is strongly pro-consumer in other ways, as well. This legislation, for example, helps children by strengthening protections in the law that prioritize child support and alimony payments.

Additionally, the bill protects consumers from bankruptcy mills that encourage folks to file for bankruptcy without fully informing them of their rights and the potential harms that bankruptcy can cause.

Mr. Chairman, the gentleman from Pennsylvania (Mr. GEKAS) outlined some of the problems that we have with the Nadler substitute. I would like to point out some others. The so-called refinements of the gentleman from New York (Mr. NADLER) are simply inexplicable, or even worse, inane.

For instance, we allow the debtor's income to be adjusted upward in a fixed amount on an annual basis if the number of individuals in the debtor's household exceeds four. The substitute of the gentleman from New York (Mr. NADLER) takes that annual figure and converts it into a monthly figure.

As a result, he would allow an adjustment in that in an amount that is 12 times greater than the amount contemplated in our bill. Thus, for a family of let us say eight members, their income could be as high as $79,000 per year and still not be subject to their so-called needs-based test.

The substitute is also substantively flawed. We spent many months examining the current consumer bankruptcy law and crafting ways to reintroduce balance into the bankruptcy system.

One important principle that we wanted to achieve was to allow greater creditor participation in the system. The substitute in many respects undercuts that principle. One example is the provision on page 12 of the substitute that would prohibit a creditor from filing a Section 707(b) motion until the United States Trustee has acted. This provision is simply unfair to creditors, and effectively resuscitates current law, which prevents creditors from filing these motions.

Another substantive flaw in the substitute is its provision for determining a debtor's income. It excepts from the income side of the needs-based formula a series of items that, under current law, are considered as income. If we do not take into consideration all of the debtor's income, but we do take into consideration all of the debtor's expenses, the result is a mathematical imbalance that frustrates the purpose of the formula.

The substitute contains what is in effect a back door effort to amend the Truth-in-Lending Act. Section 112 would disallow a claim for the creditor's failure to comply with any of a very long series of requirements spelled out in that section. Without even reading this section, one can simply tell from its near seven pages that the substitute essentially wants to establish an entire new set of requirements for lenders that do not even exist under the Truth-in-Lending Act.

This tactic is simply wrong. The Truth-in-Lending Act already imposes various penalties for violations of its provisions. The effect of this substitute would be to establish two sets of standards that lenders would have to comply with, one for purposes of the Truth-in-Lending Act and the other for purposes of establishing a claim in bankruptcy.

Mr. Chairman, bankruptcy should remain available to folks who truly need it, but those who can afford to repay their debts should not be able to stick other folks with the tab. Enactment of this carefully-crafted legislation by the gentleman from Pennsylvania (Mr. GEKAS) and opposition to the legislation by the gentleman from New York (Mr. NADLER) would send a big signal towards those who would abuse our bankruptcy system that the free ride is over.

I want to commend my colleague, the gentleman from Pennsylvania (Mr. GEKAS) for his outstanding work on this issue, and I urge my colleagues to support this fair and reasonable bill.

Mr. NADLER. Mr. Chairman, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman from New York for yielding time to me, I thank him for his leadership.

Mr. Chairman, it fascinates me to hear this debate go in the direction that it is going. That is that this country is falling under the weight of debt, that we are a country of abusers of debt or debtors who do not want to pay their debt.

It is well known in hearings that we have had on the Committee on the Judiciary on this very topic that out of the credit card debt that this Nation has, only 4 percent of it is in default. People do pay their bills. Now, as those who score credit, they may pay their bills a little slower than the creditors may like, but they do pay their bills.

In the present bill, the underlying legislation unfortunately does not seek a level of bipartisanship. It has aspects of mean-spiritedness, and that is why I am supporting the Nadler-Conyers-Meehan substitute, because it fairly addresses the concerns we have. It provides a realistic means test which takes into account the debtor's actual income and expenses.

Frankly, Mr. Chairman, the National Bankruptcy Review Commission never supported the means test. The means test, of course, is a barrier, a bar, a closed door to those who are seeking debt relief. It suggests that everyone runs to the courthouse to try and file a Chapter 7 as opposed to a Chapter 13.

Knowing many people who tragically have had to file bankruptcy in light of the economic situation my State of Texas faced with the falling oil prices in the 1980s, I know that those people were not in any way championing running away from debt. They were, if you will, enormously saddened by losing their homes and other assets that they had, but they went to the bankruptcy court in order to get a fresh start, or in many instances, to try to find out how to repay their debt.

Mr. Chairman, this is a wrongheaded, misdirected piece of legislation, and the Nadler amendment helps to fix the dilemma between child support that should be paid to help the custodial parent versus having to have the custodial parent fight the government in order to get their monies, with some sort of misguided effort to pay back the government if that person was on welfare.

When we first started out with this legislation, we indicated how important it was for that woman who had that child to make sure she does not have to fight against big government or big corporations to get child support.

It also provides a balance by requiring credit card lenders to behave responsibly. It was a terrible shame that we did not allow an amendment in the rules process that would put the burden of responsibility on the solicitation or the oversolicitation on the credit card companies.

The Nadler-Conyers-Meehan substitute, Mr. Chairman, is a fair and direct response to the minimal concern that we have that some credit or debt use or lack of payment may be abused. I would offer that we support this, and that we vote no on the underlying bill.

As we reject this rule, I would like to voice my support for an amendment that was jointly offered by myself with Congressman NADLER to the Rules Committee.

We all know that this bill, as it currently reads, has garnered a great deal of negative commentary from women's and children's organizations, and appropriately so. That is because the provisions in this bill which change

the rules on dischargeability, skew the delicate balance between creditors and debtors, and remain silent on consumer protection issues hurt families—especially those headed by a single parent.

Our amendment would make this bill more amenable to families. It is an omnibus child support amendment because it carries a full set of technical corrections and substantive revisions.

Our amendment would fix Section 1112, which under the current version of the bill, could be interpreted to require that all debts to a custodial parent and the government be paid before a trustee can approve a repayment plan. This amendment remedies that provision by allowing a repayment plan to be drafted that only provides funding for the custodial parent. The result is that funds can flow to children without being held up by government debt.

Our amendment also makes changes to Section 1113, eliminating its provision that allows residential landlords to escape the automatic stay provisions contained in this section. This was done at the request of women's advocacy groups, who feared that landlords would have too much discretion in times of alleged domestic violence and divorce. We must make sure in these delicate times that our courts do not completely abdicate their responsibility to ensure the safety and well-being of the people seeking their assistance.

This Omnibus Child Support amendment also contains other exceptions to the automatic stay mechanism that are aimed to make the bankruptcy process smarter in domestic support cases. It allows a continuation of an action, notwithstanding the automatic stay, in order to determine some facts vitally important in these cases, such as paternity. It also allows certain issues to be resolved that immediately pay dividends to women and children. These issues include: the establishment of modification of a domestic support order; wage garnishment; the interception of tax refunds; and the enforcement of medical obligations under the federal child support program. All of these issues are vitally important, and our system should allow them to move forward in these cases so as to prevent them from becoming part of the bankruptcy quagmire.

Finally, our amendment contains an important provision originally penned by Congressman SHAW last session. It provides that funds received by a creditor, which have been converted from dischargeable to non-dischargeable debt under the new provisions in this bill, be held in trust for five years. Furthermore, during that time, the creditor must make every effort to pay those funds to individuals who have a claim of domestic support against the debtor. Simply said, this provision makes sure that scarce funds that are being parsed by this bill will always be available to the women and children that deserve them rather than to the credit card companies. It is a common sense solution to a problem that needs to be addressed if we are to have an acceptable bankruptcy reform bill.

Mr. NADLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have heard in the last few minutes echoes of the propaganda of the credit card industry. But the facts are, we have heard that lots of people can pay their bills and are not. The American Bankruptcy Institute, in the first nonbipartisan study that was not bought and paid for by the credit card industry, said and concluded earlier this year that 3 percent of bankruptcy filers could afford to pay 20 percent or more of their bills.

The creditors say that is not true, it is twice as much. All right, granted, maybe 6 percent, between 3 and 6 percent can afford to pay 20 percent or more of their bills. So let us not continue to hear this slander against American citizens as deadbeats.

We also heard that because all these people are not paying their bills to the credit card companies, the average American pays $400 or $500 more in credit card fees. The fact is, credit card fees 10 years ago were 16, 17, 18 percent. Interest rates have come down, mortgage rates have come down, the prime rate has come down, car loan fees have come down, but credit card rates are still 16, 17, 18, 19 percent, and they will stay there, no matter what we do with this bill.

This bill will not result in any passthrough to consumers. It will simply mean more profits for the credit card companies. If Members think differently, I have a few bridges in my home district I would like to sell to Members.

Secondly, we have heard about the means test. This substitute imposes a fairer means test, a means test that looks at real income; not what you used to make before you were fired and laid off, which is why you went bankrupt, but what you are making now and likely to make; and real expenses, not what the IRS thinks the rent ought to be, but what the rent actually is. That is the only fair means test.

Do not forget, the means test is used in Chapter 13 for everybody, not just in Chapter 7 with a safe harbor. The bill provides no class actions against the greatest malefactors. Let Sears Roebuck get away with stealing $168 million from people in bankruptcy. The substitute says no, if you are cracking down on the little guys, crack down on tort feasors and crooks who are big guys. Do not stop the class action.

The bill says we are going to, or it does not say so, but the effect is to murder child support enforcement. We know some people, that the supporters of this bill say they have fixed it, but they have not fixed it. The so-called priority does not survive the bankruptcy and the discharge, post-discharge. Mom still has to compete with Chemical Bank's attorney, because the priority does not survive the bankruptcy proceeding.

And in Chapter 13, if you cannot pay the government, if the means test says you do not have enough money to pay the government, then you cannot confirm the plan and you cannot pay the child support.

That is why the only people concerned with child support in any way who are supporting this bill are the people in charge of collecting money for the government, the Fort Dietrick people, the Attorneys General, not the people concerned with the women.

This bill murders small businesses. We have a way of saving that in this provision, and ditto for farmers. We heard the gentleman from Virginia (Mr. GOODLATTE) say it is a balanced bill. It is not a balanced bill. The substitute makes it more balanced. The administration says they will veto it because it is not a balanced bill.

The gentleman from Illinois (Mr. HYDE), who is not exactly a noted liberal, says this bill is imbalanced. He says, ''I asked staff to give me a list of what the creditors are getting out of this bill. I have pages and pages and pages of advantages that the creditor community is getting from this bill. I was going to read a list of what the creditors were getting under this bill. I will not do it, I assume you know, but there are 12 or 13 pages of single-spaced printed changes that benefit the creditors.''

□ 1815

Very imbalanced. That is why this bill is opposed. It is opposed by all the labor unions, by the Leadership Conference on Civil Rights, by the National Partnership for Women and Families, the National Women's Law Center, the consumer groups; and all the bankruptcy groups that know about bankruptcy, the Bankruptcy Conference, the Commercial Law League, and the National Association of Bankruptcy Trustees and Bankruptcy Attorneys.

Mr. Chairman, I urge support for the substitute to make this a more balanced bill, and I yield back the balance of my time.

Mr. GEKAS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we have debated these issues very thoroughly, and the ultimate decision still rests with the Members of the House, of course. We have voted on several portions of this substitute amendment in different fashions starting from last year and ending with even the votes that were cast today. So we urge again that the Members vote ''no'' on the substitute amendment.

One thing that has rankled me in this whole debate from the beginning was the blitheness with which people who are opposed to the bankruptcy reform measure that we have produced criticize and bash and ridicule and attack the credit industry. Now, no one is an apologist or should be an apologist for the credit industry as such, but to make them the villain is really unfair and misleads the American public.

What we have got to understand is that this economy of ours that is so

wonderful, that is the wonder of the world, actually the envy of the world, is based substantially on the extension of credit. Every household in our Nation is a beneficiary of the credit system. Every piece of merchandise, every automobile, every item that uplifts the life of even the lowest of the lowest household in our country has credit extension to thank for its uplifting in the economic sphere of our country. So when we consider the credit industry, recognize that they make things hum. They are the ones that have spread the American goods and services across the world.

So let us look at the good that our competitive free enterprise system has done through this global extension of credit of which we are the beneficiaries, and then look for abuses, perhaps by debtors and then by creditors, but do not, I beg of my colleagues, continue to vilify the creditors as being the cause of people going bankrupt. That is disingenuous, unfair and should be rejected out of hand.

I ask the Members to vote ''no'' on the Nadler amendment.

Mr. MEEKS of New York. Mr. Chairman, I rise today to support the Democratic Substitute—the Nadler amendment. Specifically, I would like to point out that this amendment eliminates a provision of H.R. 833 which would have allowed landlords to evict debtors once they have filed for bankruptcy. This provision is key because of the assistance it gives to battered women as they seek financial support for themselves and for their children.

Many times, battered women must file for bankruptcy in order to not get evicted from the homes they once shared with their spouses. They may have no financial means because they are not the sole providers of their family's income. When their spouse leaves the home, these women have no choice but to file for bankruptcy in order to delay eviction. We must not roll back provisions that have assisted women who are victims of domestic violence. We must help them reconstruct their life by first making certain they maintain a place to live.

Since the Bankruptcy code was enacted, the automatic stay that becomes effective upon the filing of a bankruptcy petition has always prohibited a landlord from evicting a tenant unless the landlord obtains permission from the bankruptcy court.

The stay serves several purposes: In chapter 13, a tenant has a right to assume a lease and to cure a default. In chapter 7, the debtor receives a short ''breathing spell''—which is very much needed in domestic violence cases.

The right to avoid eviction is extremely important to tenants who would suffer the hardships of moving and having to find new housing and to tenants in rent controlled or rent-subsidized apartments, who would lose valuable property rights.

I urge my colleagues to support the Nadler amendment because of provisions that will assist the helpless and the needy as in the case of battered women.

Mr. DELAHUNT. Mr. Chairman, I rise in support of the Nadler-Conyers-Meehan-Berman substitute.

I am particularly pleased to see that the substitute incorporates a series of consumer credit disclosure provisions which Mr. LAFALCE and I had attempted to offer as a free-standing amendment in an effort to bring some balance to this legislation.

We all know there are some individuals who abuse the bankruptcy system. And we all agree that people who let their financial affairs get out of control should take responsibility for the consequences of their actions.

But responsibility is a two-way street. And instead of encouraging responsible use of credit cards and reduction of credit card debt, the credit card lenders who have promoted this legislation have done all they can to induce consumers to take on ever-increasing amounts of debt. They have increased interest rates and fees on current accounts—often providing inadequate or misleading disclosures. They have imposed penalties on responsible debtors who pay off their card balances without incurring interest charges. They have engaged in relentless marketing efforts that target students with no credit histories and consumers already heavily in debt.

We cannot deal with the rise in consumer bankruptcies if we ignore the causes. And there is a strong correlation between the bankruptcy rate and these kinds of irresponsible lending practices. If we are to fix the problem, we must demand greater responsibility not only from debtors but from creditors as well.

The substitute would do this by disallowing claims in bankruptcy arising from various reckless lending practices. Those practices include the failure to provide complete and conspicuous disclosure of credit terms—including low temporary ''teaser'' rates; the imposition of unjustifiable penalties and fees against cardholders who pay their monthly balances on time or who do not engage in account transactions that result in finance charges; the issuance of credit cards to minors without the signature of a parent or guardian or proof of independent means of repayment; the failure to highlight due dates and penalties for late payments in monthly billing statements, and to inform cardholders of the consequences of paying only the minimum due each month; and the failure to permit consumers to respond to interest rate increases by canceling their credit cards and paying off their balances under the old rate.

These are reasonable measures that would help sever the link between irresponsible credit card lending and the rise in bankruptcy filings. That is what needs to occur, Mr. Chairman, and I urge support for the substitute.

Mr. GEKAS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The question is on the amendment in the nature of a substitute, as modified, offered by the gentleman from New York (Mr. NADLER).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. NADLER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 149, noes 272, not voting 12, as follows:

[Roll No. 114]

AYES—149

| | | |
|---|---|---|
| Abercrombie | Hastings (FL) | Nadler |
| Ackerman | Hilliard | Napolitano |
| Allen | Hinchey | Oberstar |
| Baird | Hinojosa | Obey |
| Baldwin | Hoeffel | Olver |
| Barrett (WI) | Holt | Ortiz |
| Berkley | Inslee | Owens |
| Bishop | Jackson (IL) | Pallone |
| Blagojevich | Jackson-Lee (TX) | Pascrell |
| Bonior | Jefferson | Payne |
| Borski | Johnson, E. B. | Pelosi |
| Brady (PA) | Jones (OH) | Phelps |
| Brown (FL) | Kanjorski | Pomeroy |
| Brown (OH) | Kaptur | Price (NC) |
| Capps | Kildee | Rahall |
| Capuano | Kilpatrick | Rangel |
| Cardin | Kind (WI) | Reyes |
| Carson | Kleczka | Rodriguez |
| Clay | Klink | Roybal-Allard |
| Clayton | Kucinich | Rush |
| Clyburn | LaFalce | Sabo |
| Conyers | Lampson | Sanders |
| Costello | Lantos | Sawyer |
| Coyne | Larson | Schakowsky |
| Crowley | Lee | Scott |
| Cummings | Levin | Serrano |
| Danner | Lewis (GA) | Shows |
| Davis (IL) | Lipinski | Spratt |
| DeFazio | Lofgren | Stabenow |
| DeGette | Lowey | Stark |
| Delahunt | Maloney (NY) | Stupak |
| DeLauro | Markey | Thompson (MS) |
| Dicks | Martinez | Thurman |
| Dingell | Mascara | Tierney |
| Dixon | Matsui | Towns |
| Doggett | McCarthy (MO) | Traficant |
| Doyle | McCarthy (NY) | Udall (CO) |
| Edwards | McDermott | Udall (NM) |
| Engel | McGovern | Velazquez |
| Eshoo | McKinney | Vento |
| Etheridge | McNulty | Visclosky |
| Evans | Meehan | Waters |
| Farr | Meek (FL) | Watt (NC) |
| Fattah | Meeks (NY) | Waxman |
| Filner | Millender-McDonald | Weiner |
| Ford | Miller, George | Wexler |
| Gejdenson | Minge | Wise |
| Gonzalez | Mink | Woolsey |
| Green (TX) | Moakley | Wu |
| Gutierrez | | |
| Hall (OH) | | |

NOES—272

| | | |
|---|---|---|
| Aderholt | Burton | Dreier |
| Andrews | Buyer | Duncan |
| Archer | Callahan | Dunn |
| Armey | Calvert | Ehlers |
| Bachus | Camp | Ehrlich |
| Baker | Campbell | Emerson |
| Baldacci | Canady | English |
| Ballenger | Cannon | Everett |
| Barcia | Castle | Ewing |
| Barr | Chabot | Fletcher |
| Barrett (NE) | Chambliss | Foley |
| Bartlett | Chenoweth | Forbes |
| Barton | Clement | Fossella |
| Bass | Coble | Fowler |
| Bateman | Coburn | Frank (MA) |
| Bentsen | Collins | Franks (NJ) |
| Bereuter | Combest | Frelinghuysen |
| Berry | Condit | Frost |
| Biggert | Cook | Gallegly |
| Bilbray | Cox | Ganske |
| Bilirakis | Cramer | Gekas |
| Bliley | Crane | Gibbons |
| Blumenauer | Cubin | Gilchrest |
| Blunt | Cunningham | Gillmor |
| Boehlert | Davis (FL) | Gilman |
| Boehner | Davis (VA) | Goode |
| Bonilla | Deal | Goodlatte |
| Bono | DeLay | Goodling |
| Boswell | DeMint | Gordon |
| Boucher | Deutsch | Goss |
| Boyd | Diaz-Balart | Graham |
| Brady (TX) | Dickey | Granger |
| Bryant | Dooley | Green (WI) |
| Burr | Doolittle | Greenwood |

| | | |
|---|---|---|
| Gutknecht | McIntyre | Saxton |
| Hall (TX) | McKeon | Schaffer |
| Hansen | Menendez | Sensenbrenner |
| Hastings (WA) | Metcalf | Sessions |
| Hayes | Mica | Shadegg |
| Hayworth | Miller (FL) | Shaw |
| Hefley | Miller, Gary | Shays |
| Herger | Mollohan | Sherman |
| Hill (IN) | Moore | Sherwood |
| Hill (MT) | Moran (KS) | Shimkus |
| Hilleary | Moran (VA) | Shuster |
| Hobson | Morella | Sisisky |
| Hoekstra | Murtha | Skeen |
| Holden | Myrick | Skelton |
| Hooley | Neal | Smith (MI) |
| Horn | Nethercutt | Smith (NJ) |
| Hostettler | Ney | Smith (TX) |
| Houghton | Northup | Smith (WA) |
| Hoyer | Norwood | Snyder |
| Hulshof | Nussle | Souder |
| Hunter | Ose | Spence |
| Hutchinson | Oxley | Stearns |
| Hyde | Packard | Stenholm |
| Isakson | Pastor | Strickland |
| Istook | Paul | Stump |
| Jenkins | Pease | Sununu |
| John | Peterson (MN) | Sweeney |
| Johnson (CT) | Peterson (PA) | Talent |
| Johnson, Sam | Petri | Tancredo |
| Jones (NC) | Pickering | Tanner |
| Kasich | Pickett | Tauscher |
| Kelly | Pitts | Tauzin |
| Kennedy | Pombo | Taylor (MS) |
| King (NY) | Porter | Taylor (NC) |
| Kingston | Portman | Terry |
| Knollenberg | Pryce (OH) | Thomas |
| Kolbe | Quinn | Thompson (CA) |
| Kuykendall | Radanovich | Thornberry |
| LaHood | Ramstad | Thune |
| Largent | Regula | Tiahrt |
| Latham | Reynolds | Toomey |
| LaTourette | Riley | Turner |
| Lazio | Rivers | Upton |
| Leach | Roemer | Walden |
| Lewis (CA) | Rogan | Walsh |
| Lewis (KY) | Rogers | Wamp |
| Linder | Rohrabacher | Watkins |
| LoBiondo | Ros-Lehtinen | Weldon (FL) |
| Lucas (KY) | Rothman | Weldon (PA) |
| Lucas (OK) | Roukema | Weller |
| Maloney (CT) | Royce | Weygand |
| Manzullo | Ryan (WI) | Whitfield |
| McCollum | Ryun (KS) | Wicker |
| McCrery | Salmon | Wilson |
| McHugh | Sanchez | Wolf |
| McInnis | Sandlin | Young (AK) |
| McIntosh | Sanford | |

NOT VOTING—12

| | | |
|---|---|---|
| Becerra | Gephardt | Slaughter |
| Berman | Luther | Watts (OK) |
| Brown (CA) | Scarborough | Wynn |
| Cooksey | Simpson | Young (FL) |

□ 1837

Mr. TERRY and Mr. BALDACCI changed their vote from ''aye'' to ''no.''

Mr. DINGELL changed his vote from ''no'' to ''aye.''

So the amendment in the nature of a substitute, as modified, was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. BERMAN. Mr. Chairman, I was unable to cast a vote on the Nadler substitute due to a family emergency. However, had I been present, I would have voted ''aye.''

The CHAIRMAN (Mr. NETHERCUTT). The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. KOLBE) having assumed the chair, Mr. NETHERCUTT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 833) to amend title 11 of the United States Code, and for other purposes, pursuant to House Resolution 158, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute, adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Speaker, I offer a motion to recommit the bill, H.R. 833, with instructions.

The SPEAKER pro tempore. Is the gentleman from Michigan opposed to the bill?

Mr. CONYERS. Yes, I am, in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CONYERS moves to recommit the bill (H.R. 833) to the Committee on the Judiciary, with instructions to report the bill back to the House forthwith, with the following amendment:

Page 15, line 19, insert ''and benefits received under the Social Security Act'' after ''humanity''.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes in favor of his motion to recommit.

Mr. CONYERS. Mr. Speaker, my motion to recommit is simple. It excludes Social Security and Medicare benefits from the definition of ''income'' for purposes of the bill's means test.

As the law currently stands, any senior is eligible for bankruptcy relief. The bill, however, would force millions of seniors living on fixed incomes into mandatory repayment plans. This is because there is no exclusion from the definition of ''income'' for payments received for Social Security, retirement, for disability insurance, for supplemental security income, or for unemployment insurance.

As a matter of fact, there is no exclusion for third-party medical payments made on behalf of seniors. What does it mean? That anytime a senior becomes ill and receives substantial Medicare benefits, they could be denied basic bankruptcy relief.

□ 1845

This amendment has strong support among senior citizens. It is supported by the National Committee to Preserve Social Security and Medicare and the National Council of Senior Citizens. I have letters I would like to introduce into the RECORD.

This amendment by no means cures the worst problems in the bill, the use of IRS standards and its impact on child care and jobs, to name a few. But it does help fix a problem for seniors. I urge its adoption.

Mr. Speaker, I include the following material for the RECORD:

NATIONAL COMMITTEE TO PRESERVE SOCIAL SECURITY AND MEDICARE,
*Washington, DC, May 3, 1999.*

On behalf of the millions of members and supporters of the National Committee to Preserve Social Security and Medicare, I strongly urge you to oppose H.R. 833, the bankruptcy reform legislation, when it comes up for a vote this week. We, too, are concerned about the increase in bankruptcy filings since 1980 and the rise in consumer debt per household. However, in its current form H.R. 833 would seriously weaken bankruptcy protections for vulnerable older and disabled Americans, while doing nothing to prevent credit card companies from targeting people with low incomes.

Debtors would be subject to an income-based means test intended to steer people away from Chapter 7, which allows consumers to liquidate their assets and divide them among their creditors in exchange for being discharged from the majority of their debts. Instead, debtors who are projected to have $5,000 in disposable income over the next five years will have to file for Chapter 13 bankruptcy, which requires a repayment plan.

A debtor's disposable income would be determined by subtracting allowable expenses such as housing costs and taxes from an individual's overall income. As reported by the Judiciary Committee, Social Security, disability and veteran's benefits are not exempted from overall income. At the same time an amendment to include medical expenses and the costs of caring for an elderly parent in the list of allowable expenses also failed, although private school tuition was allowed.

In 1997, an estimated 280,000 older Americans filed for bankruptcy. Since 1993, more than a million people aged 50 and older have turned to the bankruptcy courts to receive help in dealing with financial catastrophes. Our nation's senior have worked hard and played by the rules. Most older American's filing for bankruptcy are not profligate spenders. Instead, the two major reasons why people over 50 are in financial difficulty are lost jobs and medical problems.

Many people in their late 50s and early 60s have serious medical conditions and no health insurance. Even among those eligible for Medicare, skyrocketing drug costs and other out-of-pocket medical expenses can spell economic disaster. Among bankruptcy filers age 65 and older, 37 percent are pushed into financial collapse by medical debts. Another 33 percent of those over 65 explain that losing a job has made this difference between getting by and bankruptcy.

If H.R. 833 is enacted, a senior who has just $100/per month in ''disposable income'' would meet the means test and be unable to file under Chapter 7. Since out-of-pocket medical

costs would not generally be considered allowable expenses, this person could easily be placed in a situation of having to pay a credit card company instead of purchasing his blood-pressure medicine.

We believe that most Americans, particularly most seniors, want to pay their debts. Bankruptcy reform should not punish vulnerable older Americans who face financial catastrophe because of a job loss or medical crisis. I hope that you will oppose H.R. 833 when it is brought to the House floor this week.

Sincerely,

MARTHA A. MCSTEEN,
*President.*

NATIONAL COUNCIL OF SENIOR CITIZENS,
*Silver Spring, MD, May 5, 1999.*

Hon. JOHN CONYERS, JR.,
*U.S. House of Representatives,*
*Washington, DC.*

DEAR REPRESENTATIVE CONYERS: The National Council of Senior Citizens supports your motion to recommit H.R. 833. This legislation is pernicious and destructive of the core economic rights of seniors and working families. It would force millions of seniors to make mandatory payments based on a definition of income that would include payments for social security, disability, unemployment compensation, supplemental security income and other income security and welfare needs. We believe that such payments or resources should be excluded from a reasonable definition of income for Federal bankruptcy purposes.

For million of seniors, these payments are the difference between depravation and survival. They do not fit the definition of disposable income.

In recent years, fewer than a quarter of a million seniors have annually filed for bankruptcy protection. They are not noted as abusers of bankruptcy systems nor as profligate spenders using credit cards or other forms of credit purchasing.

However, persons between the ages of 55 and 65 represent the most rapidly growing group of Americans without health insurance. Medical crisis is the most important single cause of credit problems after job loss.

H.R. 833 would force seniors to put credit card debts ahead of housing needs, family needs, and costs associated with chronic or disabling illness or disease. No provision citing ''extraordinary circumstances'' claims or potential court relief will take away the sense of panic which will strike seniors if current reasonable protections are stripped away for the convenience of predatory financial organizations.

We urge the recommitment and defeat of H.R. 833.

Sincerely,

STEVE PROTULIS,
*Executive Director.*

Mr. GEKAS. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Speaker, for the information of the Members, we are prepared to accept the motion to recommit with the change as to Social Security. It is a welcome change to the language already in the bill. We ask that the Members vote in favor of recommittal, and then vote ''yes'' on final passage.

Mr. CONYERS. Mr. Speaker, I thank the subcommittee chair.

Mr. Speaker, I yield to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, this was an amendment that I offered in committee. I thank the chairman for acknowledging the importance of the question of protecting Social Security. With that, I hope we will claim unanimous victory in protecting our senior citizens and making sure that they do not have to choose between medicine and food.

The SPEAKER pro tempore (Mr. KOLBE). Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was agreed to.

Mr. GEKAS. Mr. Speaker, pursuant to the instructions of the House, I report the bill, H.R. 833, back to the House with an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment:

Page 15, line 19, insert ''and benefits received under the Social Security Act'' after ''humanity''.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. CONYERS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 313, nays 108, not voting 13, as follows:

[Roll No. 115]

YEAS—313

Aderholt
Andrews
Archer
Armey
Bachus
Baird
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bono
Boswell
Boucher
Boyd
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Chenoweth
Clement
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Costello
Cox
Cramer
Crane
Crowley
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeLay
DeMint
Deutsch
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Etheridge
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hinojosa
Hobson
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Kaptur
Kasich
Kelly
Kennedy
Kind (WI)
King (NY)
Kingston
Kleczka
Knollenberg
Kolbe
Kuykendall
LaHood
Lampson
Largent
Larson
Latham
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lucas (KY)
Lucas (OK)
Maloney (CT)
Maloney (NY)
Manzullo
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
Meeks (NY)
Menendez
Metcalf
Mica
Miller (FL)
Miller, Gary
Minge
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Ortiz
Ose
Oxley
Packard
Pallone
Pascrell
Pastor
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Rangel
Regula
Reyes
Reynolds
Riley
Rivers
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Royce
Ryan (WI)
Ryun (KS)
Salmon
Sandlin
Sanford
Saxton
Scarborough
Schaffer
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Strickland
Stump
Sununu
Sweeney
Talent
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thornberry
Thune
Tiahrt
Toomey
Turner
Upton
Velazquez
Walden
Walsh
Wamp
Watkins
Weldon (FL)
Weldon (PA)
Weller
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Wu
Young (AK)

NAYS—108

Abercrombie
Allen
Baldacci
Baldwin
Barrett (WI)
Bonior
Borski
Brady (PA)
Brown (FL)
Brown (OH)
Capuano
Carson
Clay
Clayton
Clyburn
Conyers
Coyne
Cummings
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dingell
Dixon
Doggett
Doyle
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Filner
Ford
Gejdenson
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Hoeffel
Jackson (IL)
Jackson-Lee (TX)
Jones (OH)
Kanjorski

| | | |
|---|---|---|
| Kildee | Millender-McDonald | Schakowsky |
| Kilpatrick | Miller, George | Scott |
| Klink | Mink | Serrano |
| Kucinich | Moakley | Stark |
| LaFalce | Murtha | Stupak |
| Lantos | Nadler | Thompson (MS) |
| Lee | Oberstar | Thurman |
| Levin | Obey | Tierney |
| Lewis (GA) | Olver | Towns |
| Lofgren | Owens | Traficant |
| Lowey | Payne | Udall (CO) |
| Markey | Pelosi | Udall (NM) |
| Martinez | Rahall | Vento |
| Mascara | Rodriguez | Visclosky |
| Matsui | Roybal-Allard | Waters |
| McDermott | Rush | Watt (NC) |
| McGovern | Sabo | Waxman |
| McKinney | Sanchez | Weiner |
| McNulty | Sanders | Wexler |
| Meehan | Sawyer | Woolsey |
| Meek (FL) | | |

NOT VOTING—13

| | | |
|---|---|---|
| Ackerman | Hutchinson | Watts (OK) |
| Becerra | LaTourette | Wynn |
| Berman | Luther | Young (FL) |
| Brown (CA) | Simpson | |
| Gephardt | Slaughter | |

□ 1907

Mr. HILLIARD changed his vote from ''yea'' to ''nay.''

Mr. MEEKS of New York and Mr. LAMPSON changed their vote from ''nay'' to ''yea.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. LATOURETTE. Mr. Speaker, if I were present, I would have voted ''yea'' on final passage of H.R. 833, the Bankruptcy Reform Act.

Stated against:

Mr. BERMAN. Mr. Speaker, I was unable to cast a vote on final passage of H.R. 833 due to a family emergency. However, had I been present, I would have voted ''nay.''

## PERSONAL EXPLANATION

Ms. SLAUGHTER. Mr. Speaker, I was unable to be present for rollcall votes 108, 109, 110, 111, 112, 113, 114, and 115.

Had I been present, I would have voted ''yes'' or ''aye'' on rollcall votes 108, 110, 111, 112, 113, and 114 and ''no'' or ''nay'' on rollcall votes 109 and 115.

## PERSONAL EXPLANATION

Mr. HUTCHINSON. Mr. Speaker, on rollcall No. 115, I was unavoidably detained. Had I been present I would have voted ''aye.''

## AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE ENGROSSMENT OF H.R. 833, BANKRUPTCY REFORM ACT OF 1999

Mr. GEKAS. Madam Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 833, the Clerk be authorized to correct section numbers, cross-references, and punctuation, and to make such stylistic, clerical, technical, conforming, and other changes as may be necessary to reflect the actions of the House in amending the bill.

The SPEAKER pro tempore (Mrs. NORTHUP). Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

## SUPPORT A RESOLUTION CONCERNING THE CONFLICT IN THE BALKANS AND HOW THAT CONFLICT SHOULD BE CONDUCTED

(Mr. BATEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BATEMAN. Madam Speaker, we have stumbled through, I think, inept decision-making into a conflict in the Balkans. Last Wednesday we debated that issue. At the end of the day we had declared no policy, approved no policy, condemned no policy. I think that is an evasion of our moral, if not constitutional, responsibility.

So today, I will introduce a resolution which seeks to declare a policy with reference to that conflict and how it should be conducted, as well as how the cost of it should be borne and shared among our allies, and how we should deal with the question of indicted war criminals as a part of any agreement, and termination of that conflict. I solicit the review and hopefully the co-patronage of this resolution by my colleagues.

The United States Congress has been debating whether and to what extent our country should be involved in the conflict between NATO and the Federal Republic of Yugoslavia. I cannot find words strong enough to condemn the miserable performance of the Congress thus far. No American to date knows whether the Congress of the United States approves or condemns the policy of the Commander in Chief. Our fellow citizens will not know, because we as their collective national leadership have steadfastly refused to either approve or disapprove, condemn or condone, any policy. We have done this even in the context of a solemn debate by some about our constitutional responsibility and the War Powers Act.

Last week we ensured that the House of Representatives would bear no responsibility for the military action against Yugoslavia. We declared no policy, we disapproved of no policy. We didn't accept the reality that our nation has led the NATO alliance into a conflict. By a majority vote, we asserted that our Commander in Chief could not commit ground forces—whatever that means—without our specific prior approval. We then by a tie vote failed to approve even the continuation of the ongoing conflict into which we had been injected by our President.

I cannot tell you how much I have agonized over the sorry, inept, and clumsy failure of those who determine our national security policy in this latest phases of the ongoing Balkan crisis. Even the prior Administration, so confident during the Gulf War, failed to lead when it could and should have in the Balkans.

Without direction or credible leadership we have become deeply embroiled in this conflict. We are without any clear delineation of the reason or importance of our being involved or of what represents a successful conclusion to the conflict. We are in this conflict with an announced policy that we will not commit ground forces, a position that serves our enemy's interest but undermines our objectives, whatever they are. I submit that it is the height of irresponsibility for the Congress of the United States to abdicate their responsibility to either approve or disapprove a Kosovo policy.

If the President and his, to use the most charitable reference, ''national security team'' have produced a national policy disaster, we should say so. We should not evade the issue. If the administration is correct in its assertion that the barbarism attributed to the leadership of Yugoslavia demands a military response, we should endorse this conclusion.

There are those whose political judgement tells them Congress should not act on this matter, because if we do, we might have to assume responsibility. I categorically object to any such notion. Our President may have failed to call upon the Congress to support his policy in the Balkans, but the Congress has a duty to speak out anyway. We have a constitutional duty whether the President ask us for our approval or not. Perhaps the constitutional duty is higher when the President seeks to evade us and his policy is muddled.

Last Wednesday, I voted no on all four resolutions regarding the conflict against the Federal Republic of Yugoslavia. I seriously considered voting no even on the Rule regarding our debate, because under the Rule, we could not make, approve or disapprove any policy. We trivialized the role of the Congress and that is fraught with dire consequences for the future.

The Congress of the United States makes policy and our politics ought to crystallize conflicting views of good or bad policy. Last week we failed in this. For this reason I am offering a joint resolution regarding the conflict in the Balkans.

The resolution is critical of how we came to the sorry choices before us, but recognizes that our country is confronted with certain realities which it must confront. The choice the resolution makes is to give congressional authorization to the ongoing military conflict against the regime of Slobodan Milosevic. It does not presume to give political guidance to how the conflict is waged and bespeaks a concern only that it be waged with sound military judgement, consistent with the earliest victory and least casualties.

Most importantly, it enunciates a policy and identifies goals, which if correct fully justify our involvement and leadership into this conflict. If not correct, clearly the resolution should not be supported and should fail. How dare we, on a matter of such consequence, stand by and declare neither war nor even any policy. Are not our armed forces entitled to know that their Congress approves or disapproves of what they are doing on the orders of our Commander in Chief? Certainly they must hope that the elected representatives of our people will not choose to abdicate their responsibility.

The resolution I offer speaks to the financial burden of this conflict in the bosom of Europe, and asserts a policy that the costs should be fairly allocated among the entire NATO alliance.

My resolution also asserts that any agreement that concludes this unhappy chapter in our history should exempt no one from prosecution who is or may be indicted by the appropriate judicial authority as a war criminal.

It is not an easy resolution. It is not meant as political confrontation. It nonetheless confronts all of us with the inescapable duty to declare a policy and decide whether we should be involved in, go forward with, or repudiate our involvement in the ongoing conflict with Yugoslavia.

Oh, yes the choices are not easy, but how dare we not even make a choice and deign to call ourselves the elected representatives of our people.

I solicit your advice and would appreciate your cosponsorship of this resolution.

## SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

## EXCHANGE OF SPECIAL ORDER TIME

Mrs. CAPPS. Madam Speaker, I ask unanimous consent to claim the time of the gentleman from Illinois (Mr. LIPINSKI).

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from California?

There was no objection.

## NATIONAL NURSES WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California (Mrs. CAPPS) is recognized for 5 minutes.

Mrs. CAPPS. Madam Speaker, as one of only three nurses in Congress, it is my great honor today to rise in support of National Nurses Week.

My training and education as a nurse and my 20 years in my profession in the schools of Santa Barbara in the public school district have given me a unique perspective on my new duties in Congress. As a nurse, I have learned to recognize the importance of so many issues which affect families every day, families in my community, in my congressional district, families across this great country.

□ 1915

Nurses are good listeners. They withhold superficial, quick judgments and take the time to assess situations before them, before they act accordingly. Nurses use common sense skills to put the common good before individual interests.

My nursing background has had the strongest influence on my priorities in Congress. As a nurse, I feel that it has been my duty and also my privilege to speak out on behalf of patients and health care providers on what is the critical task before us today. We know what is before us in the world where life and death situations take place, and we also see so clearly the current shortcomings in our health care environment.

I sought a seat on the Committee on Commerce which oversees health care so that I could be a part of this discussion. In the age of managed care, where values are often driven by profit motives over health care needs, nurses have been presented with critical new challenges.

I have stood with nurses in my district in their frustration over staffing ratios in our hospitals, in our communities. I have been with nurses as they have shed tears over having to discharge frail elderly patients before they are really ready to go home into home situations where there is not adequate health care and support.

Nurses know that we should not compromise a patient's quality of care to save a few dollars. Nurses understand the real benefits of real managed care reform.

I have been working hard with Republicans and Democrats to pass a common sense Patients' Bill of Rights, legislation which will put patients, nurses, doctors and other providers back in charge of their own health care and holds HMOs accountable when they deny critical, sometimes lifesaving, treatment.

Nurses know these basic rights can mean the difference between life and death and between a quality of life that they have spent their profession and their training to uphold. They can and they should and we are speaking out.

The Subcommittee on Health and Environment, on which I am privileged to serve, has held only one hearing so far on managed care reform. In that hearing I called for greater participation of nurses. Nurses can and will make valuable additions in this discussion and in the debate before us.

In Congress, there is also other legislation originally drafted by a nurse that will protect nurses and other health care workers in all States. The Healthcare Worker Protection Act builds on a California health care initiative by ensuring that all nurses and others in hospitals and treatment centers have safe needle devices and information available on how to use them. We must make sure these workers are protected at all costs.

As a nurse in Congress, I am working hard to promote these important issues, but Congress will only be successful in passing meaningful health care legislation when the contributions of those on the front lines, on the every day front lines, are recognized and brought into the discussion.

Madam Speaker, the profession of nursing also gives people a unique perspective on other critical issues. As a nurse in a school setting I have seen what children need for successful learning, growth and development. I know firsthand that children learn better in small class sizes and in classrooms that are not deteriorating.

From this background, I know that health insurance which covers regular checkups, immunizations and prescription drugs for children is the best preventive medicine. I know that clean water and clean air are not merely environmental issues; they are health issues.

In addition to essential contributions to quality health care, nurses are the heart and soul of so many of our communities. There are over 2.5 million nurses across this great land and they stand for, to me, the heart and soul of our values and what binds us together in our communities.

We need to pay attention to what our nurses are saying. Despite their busy schedules and hectic work environments, nurses take the time to reach out to our communities, educating neighbors to increase awareness and promote healthy lifestyles.

Nurses' efforts in my own community on the central coast of California have raised awareness on the harmful consequences of drinking and driving, taught parents how to properly install safety seats and educated our children about underaged alcohol abuse.

As we discuss the positive contributions of nurses during National Nurses Week, we need to work to ensure that these voices of compassion and experience are included in our health care policy debate today.

## CHURCHES IN INDIANA COME TOGETHER TO AID REFUGEES IN KOSOVO

The SPEAKER pro tempore (Mrs. NORTHUP). Under a previous order of the House, the gentleman from Indiana (Mr. SOUDER) is recognized for 5 minutes.

Mr. SOUDER. Madam Speaker, having visited the Balkans, and I was privileged to be included in the trip with Senator STEVENS and Chairman YOUNG a few weeks ago, I have been aggressively against this war which I do not believe is winnable in the traditional sense. And it is time to get a negotiated settlement and it is time to cut off the funding, but I wanted to share a couple of things tonight about the terrible things that have happened to the people there.

These are pictures that I took in Vranje, just north of Skopje, in Macedonia. This shows just one of what I call the long white road to the mountains. These are actually the shorter mountains. They rise higher up. It is impossible to get ground troops through this area, which many armies throughout hundreds of years have learned is impossible.

This street goes on and on, miles and miles, and this is just one of the camps.

There were 23,000 people, we were told, in that camp when we first came in. 8,000 additional people were added just that day.

These Albanian men were at the back of the place because they kept asking us, ''Are the Apaches going to save us? Are they going to wipe out the tanks?'' Of course, we had to tell them no, that is not what Apaches are designed to do, but we wondered where they were getting that information.

They have radios throughout the camp that are constantly broadcasting to them that there is this hope that they are suddenly going to go back.

These are some of the people trying to make do. These tents, this size tent from USAID basically had supposedly four to eight people; many of them I saw far more that. They get a couple of cans of food, some bread and fruit each day, but they are desperately trying to make a fire or something to heat it up.

As these camps are expanded to 30,000, 50,000 people and upwards, it is just not going to work; nor are the restroom facilities, the water facilities. Here people are desperately trying to stay clean.

In the Macedonian camps they are coming mostly out of the cities. They were often booted out in the middle of the night. Most of the people are well dressed. The clothes had not come from the U.S. This is not able to be sustained over a long period of time.

This photograph was taken at the back of the camp. I had gotten separated from the other Senators and Congressmen during the trip, as well as the interpreter, and this man was trying to talk to me by going like this. This girl had just come into the camp the night before but spoke some English, said, ''May I help you try to translate?''

What he tried to tell me is he saw 20 people get their throats slit just before he left; saw the mass grave before they torched his house and he got out. That was just one of the many stories we heard.

He and all the others around them, when they were asked, first, do you want to go back? ''Yes.'' If we get rid of Milosevic, you are going to have to live under the Serbs. ''No, no, we are not going to live under the Serbs. We are going to get rid of Milosevic,'' was what they said, ''all Serbs and Milosevic.'' We heard that all through the camp. We said, what will you do if you get back? You have to try to live together. ''No, we are going to kill them.''

We have now the stories from like this man of the throats slit, and it is not something that is going to lead to this kind of humanitarian peaceful settlement that some people are dreaming of.

This girl here had just come into the camp the night before as well. We stopped her. We saw she had diapers. And she broke down crying. I will never be a professional photographer because I could not snap the picture when her tears were coming down, but she is separated from her family. She is worried about her little child and so on.

Now, I say that because I want to illustrate some of the things that have been happening in my district. No matter what a person's position is on the war, their heart has to go out to the refugees here or in the other countries where they have been displaced.

I am pleased in my district that a number of churches and people have reached out. We tried to make the point while we were over in Europe to the ambassadors of seven nations, to NATO, that Europe has to pick up the bulk of these funds, but we in America are going to have some obligations as well.

One story from Pastor Rick Hawks, who heads a large church in Fort Wayne, The Chapel, has coordinated with 8 churches: The Chapel; Broadway Christian; Church of the Good Shepherd in Leo; Blackhawk Baptist, also in Fort Wayne, Indiana; Fellowship Missionary Church in Fort Wayne; North Park Community Church; Wallen Baptist Church.

We also had in my home church, Emmanuel Community Church, Abigail Roemke coordinated this. They had so many clothes and toiletries and stuff come in that it overwhelmed the distribution system that they originally had planned. They had far more than they could actually get directly there in that group.

Also Pastor Ron Hawkins' church, First Assembly of God, put together a group that has two registered nurses, Nancy Grostefon and Dawn Rice, and Dr. David Smith, a pediatric surgeon, to spend two weeks working in two camps, and they raised the money through their church to underwrite these nurses and this doctor going over.

In Fort Wayne we also have a large Macedonian population. George Labamoff in the Fort Wayne-based Macedonian Tribune, the oldest continually published Macedonian newspaper in the world, put together the Macedonian Relief Fund. They have also have an effort to try to raise money for the refugees in the countries.

Lastly, I wanted to read as much as I can of this letter. I visited an alternative school in Columbia City on Monday. One of the things that they were doing was also collecting clothes and materials to send over to Kosovo. The teacher wrote me, saying, ''Teaching current events to young people with little or no background in geography or history is a challenge. So I try to make every lesson relevant by working from what they do know. And at-risk kids, just like at-war kids, know suffering and deprivation. Twenty-five percent of my students have lost a parent to unnatural causes. Twelve percent have been homeless.''

The point here, and I will insert the full thing in the RECORD, is these kids know what it is like to suffer, and because of that they collected clothes to help.

I hope all Americans understand we have a long-term responsibility here to those who have been harmed, regardless of our position on the war.

Madam Speaker, I have a series of articles that I would like to put in the RECORD in association with this special order.

[From the Journal Gazette, Apr. 20, 1999]

SUPPLIES SHORT IN BALKANS

(By Brian Meyer)

Fort Wayne residents will be asked today to donate clothing and toiletry items to some of the 600,000 Kosovo refugees fleeing Yugoslavia.

The Rev. Rick Hawks, pastor of The Chapel in Fort Wayne, has scheduled a news conference for 10:30 a.m. today to announce a citywide campaign to provide relief for Kosovo refugees. Donations of clothing, shoes, socks, outerwear, blankets, linens and toiletries will be accepted at seven local churches until May 3. Hawks said the Fort Wayne campaign, called ''Clothes for Kosovo,'' followed his discussions with Dick and Barb Kelley, former Fort Wayne residents now affiliated with the Slavic Gospel Association in Rockford, Ill. Donations from Fort Wayne will be shipped to Rob and Pam Provost, missionaries working in the Albanian capital of Tirana.

''At this point, there's a shortage of everything,'' Hawks said. ''Clothing, personal-hygiene items.

''We aren't dealing with anything perishable, just things like clothes and blankets.''

Seven Fort Wayne churches will serve as collection sites: The Chapel, 2505 W. Hamilton Road, Broadway Christian Church, 910 Broadway, Church of the Good Shepherd, 14711 Wayne St., Leo, Blackhawk Baptist Church, 7400 E. State Blvd, Fellowship Missionary Church, 2536 E. Tillman Road, North Park Community Church, 7160 Flutter Road, and Wallen Baptist Church, 1001 W. Wallen Road.

Hawks said the local campaign is also seeking volunteers to help sort and box the donated goods; anyone wishing to volunteer can call The Chapel at 625–6200.

''The most labor-intensive thing is that everything has to be sorted, and there has to be a quick quality check,'' Hawks said. ''And then everything has to be boxed accordingly.''

Hawks said he is hoping to acquire enough donations to fill a tractor-trailer rig. The Chapel will pay the $5,000 to ship the donated materials to Albania.

''We think we'll fill that (truck rig) quite easily,'' Hawks said.

---

[From the News-Sentinel]

LOCALS COORDINATE EFFORTS

(By Jennifer L. Boen)

Angie Stump and Bob Boughton are anguished by pictures of Kosovo residents fleeting to refuge with just the clothes on their backs.

''It's really heartbreaking to see what's going on there,'' said Boughton, a Tokheim Corp. employee in Fort Wayne, ''but it's really good to help someone less fortunate.''

The desire to help is compelling Tokheim employees, local churches and others in the Fort Wayne area to organize assistance.

Well-meaning people and organizations eager to help refugees or victims of disaster are well-advised to coordinate their efforts through relief agencies to ensure they are helping, not hindering the effort, said Stephen Apatow, executive director of the Humanitarian Resource Institute.

The nonprofit, nonpartisan organization works closely with the United Nations High Commission for Refugees and coordinates relief efforts.

Efforts can easily be wasted:

World Relief, which handled tons of donations for Hondurans after Hurricane Mitch last year, said critical deliveries of food, building materials and other goods were impeded by the pileup at shipping ports of clothes and other noncritical items.

Donated clothing piled 17-feet deep covered a 5-acre collection site after Hurricane Andrew hit Florida in 1992. Much of the clothing eventually was buried or incinerated.

Cases of antibiotics donated by U.S. pharmaceutical companies were shipped to rural Honduran clinics without Spanish labeling. Health-care providers, without instructions in their language, could not use the medicine.

In Honduras, clothing donations were so abundant they destroyed the business of small vendors there.

Thus, the United Nations agency has some good advice for those with good intentions:

Before sending donations, work through national or international groups that have workers on site where the relief is needed, said Jennifer Dean, associate public information officer for the High Commission for Refuges.

It is precisely why Stump, union counselor and project organizer for UAW Local 1539 at Tokheim, is working with the Salvation Army. The Salvation Army and the American Red Cross both have workers in refugee camps.

The Salvation Army has issued national news bulletins listing what people should and should not donate. Because at least 45 tons of clothing awaits distribution, the agency is not accepting more at this time, said Maj. Ken Reed, Fort Wayne director.

''It is important that organizations have the logistics thoroughly worked out for transportation and delivery of in-kind donations, said Apatow.

''They need to have logistics set up for transport before the goods are collected.''

It's also better to buy the building materials, tents, medical supplies and food from retailers close to the people who need them, said Apatow and Dean. It saves shipping costs that could be better spent on direct service.

The cost savings could be enormous.

For example, the Chapel is organizing a clothing drive for Kosovo refugees among several Fort Wayne churches.

Coordiantor Abigail Roemke said it would cost $5,000 to ship an 8-by-8-by-50-foot container of clothing overseas. The Chapel has made a connection to help distribute the clothes: Rob Provost, an American living in Albania who is director of Abraham Lincoln Center school in Tirana, Albania's capital.

Provot's school is working with Slavic Gospel Association and Samaritan's Purse to assist Kosovo refugees. And Samaritan's Purse has a contract with the United Nations relief agency to set up a refugee tent camp near Tirana.

The clothes will go to evangelical churches in Albania for distribution, Roemke said.

Relief organizers urge taking advantage of the enormous purchasing power of organizations such as the Salvation Army and the Red Cross. ''Buying things in bulk is much less expensive,'' Dean said.

Immediatly and lower costs are two good reasons to buy relief items as close as possible to the affected countries, and there's a third:

The countries Kosovo refugees are fleeing to are poor. ''They are facing an enormous strain on their own resources,'' Dean said.

It is why the United Nations agency is buying things locally (overseas) as much as possible. ''We are paying bakeries to make the bread for refugees,'' she said, helping both refugees and their new communities.

The American Red Cross wants monetary donations only for the Kosovo refugees, said Jean Wagaman, interim executive director of the Northeast Indiana Chapter.

''The Red Cross estimates we need $1 million each week to meet the needs of the refugees,'' she said. The organization is helping provide shelter, food, health care and first-aid teams.

For the U.N. High Commission for Refugees and other organizations, the best way for people to help is to donate money.

''We do not want to discourage anyone who wants to help,'' Dean said. ''All the enthusiasm of the caring and help is wonderful.''

But getting the right kind of help is important, Apatow said. Make monetary donations for Kosovo relief through these organizations:

The American Red Cross—send to American Red Cross International Response Fund, P.O. Box 37243, Washington, D.C. 20013; or to the local chapter, marked Kosovo Relief, 1212 E. California Road, Fort Wayne, IN 46825. Secure credit card contributions can be made over the Internet at www.redcross.org. Call 1–800–HELP–NOW, or 1–800–435–7669, for more information and to make a donation.

Salvation Army—send to 3100 N. Meridian St., Indianapolis, IN 46208; mark check ''Kosovo relief;'' credit card donations can be made by calling 1–800–SAL–ARMY, or 1–800–725–2769.

To donate clothing at one of eight area churches participating in the Chapel's ''Clothes for Kosovo'' campaign, call Abigail Roemke at 625–6200; Contact Rob Provost on the Internet at www.lincoln_intl.org.

The Salvation Army is accepting the following donations for military personnel dispatched to the Kosovo region through PROJECT SACKS:

Individual-size bottles of anti-bacterial soap; Packaged candy (nothing that melts); Packaged snacks, peanuts, snack-sized bags of potato chips, crackers and cookies; Writing materials, cards, paper and envelopes; Games, playing cards, pocket-sized crossword puzzle books and word-search books; First-aid supplies, adhesive bandages, medical tape, gauze pads and pocket-size Bibles.

---

[From the Journal Gazette, Apr. 30, 1999]

CITY TEAM WILL ASSIST KOSOVARS

(By Joe Boyle)

It's a matter of faith for three local medical professionals who are leaving in two weeks for Albania to help Kosovar refugees.

Registered nurses Nancy Grostefon and Dawn Rice, and Dr. David Smith, a pediatric surgeon, will be on a Health Care Ministries medical team working in refugee camps on the Kosovo-Albania border.

''The team itself, the way it came together, was providential,'' said Marilyn Tolbert, missions director for First Assembly of God Christian Center, 3301 Coliseum Blvd E.

The team will spend two weeks working at two camps, with a total of 800 to 2,000 refugees in each, said the Rev. Ron Hawkins, the church's pastor.

The Assemblies of God has traditionally been very active in overseas missions, Tolbert said, and the local church has sent people on different kinds of missions before.

But, she said, this is the first time the local church has sent a medical mission into a refugee situation.

And for some of the team members, a chance to minister through an overseas mission is a dream come true.

''It's been a desire of mine since I was in high school,'' said Grostefon, a cardiac critical care nurse from Parkview Hospital. ''It's a God thing.''

Grostefon said she's been preparing for the trip by watching many TV news reports and reading newspaper articles about the Albanian refugee camps, which, according to some reports, now hold more than 370,000 displaced people.

Despite the fact that she's traveling to the fringe of a war zone, Grostefon said her family has supported her decision.

''My kids are excited, and my husband knows this has been a desire in my heart,'' she said.

Rice, who is executive director of the Fort Wayne Sexual Assault Treatment Center, brings another special skill to the mission.

''Rape in wartime is not new,'' she said. ''It's not new to this war, and it won't be held back from the next war.''

Rice said helping rape victims from a war is different than treating rape victims in the city because evidence collection isn't a major part of the program.

But what's similar is tending to the injuries of the assault. Rice said she hopes to help with both the psychological and physical injuries the victims suffer.

And for Rice, it's a chance to do something instead of watching it on television.

''It's so easy to watch what goes on and say, 'I hope someone takes care of them','' she said.

It's not just the three team members who are hoping to make a difference.

Geoff Thomas, media coordinator for the Lutheran Health Network, said Lutheran and St. Joseph hospitals are excited to help the refugees through aiding the team.

The hospitals donated handmade quilts, T-shirts for children, thermometers, stethoscopes, latex and non-latex gloves, bandages, sutures, surgical kits and Ibuprofen, which Thomas said is a hot commodity in the camps.

---

[From the News-Sentinel, Apr. 29, 1999]

MEDICAL TEAM GOING TO ALBANIA

(By Jennifer L. Boen)

''I'm being carried by God's hand,'' says nurse Dawn Rice, who is preparing for a two-week medical work trip to Albania.

Rice is the director of the Fort Wayne Sexual Assault Treatment Center and is experienced at helping people through trauma. But knowing how to help the Kosovar women who have been raped and tortured is something she can't fully grasp.

''I don't know what to expect,'' she said. ''All these people will have post-traumatic stress syndrome . . . the terrible things that are going on there.''

Rice is part of a team that includes Fort Wayne pediatric surgeon Dr. David Smith of Lutheran Children's Hospital, and Nancy Grostefon, a Parkview Hospital intensive care nurse.

The three will fly to Athens, Greece, on May 14 and travel by land to a refugee camp just north of Tirana, the Albanian capital.

They plan to return to Fort Wayne on June 2.

The team is sponsored and supported by First Assembly of God, 3301 Coliseum Blvd. E, and will be working under the auspices of the denomination's Health Care Ministries division, based in Springfield, Mo.

Also being sent from Fort Wayne will be a semi-truckload of supplies and medicine donated by local hospitals. Bandages, thermometers, stethoscopes, medical gloves, quilts and other items are being donated by Lutheran Health Network.

Parkview Hospital is donating surgical and medical supplies, as well as antibiotics, diaper rash cream and vitamins. Van Wert Community Hospital in Ohio also is donating supplies and medicine.

This is the first time a medical team is being sent from the church, said Marilyn Tolbert, chairwoman of the church's mission committee.

''We've always wanted to do a medical trip,'' Tolbert said. The mission committee had contacted Health Care Ministries earlier in the year and was told all openings for people to participate in medical trips were filled.

Just two weeks ago, however, Health Care Ministries contacted the church and asked for a team of people to go to Albania. Church member Michelle Denton took on the task of finding the right people.

''The type of people they want there are people who are skilled in dealing with trauma,'' said Tolbert. ''. . . These three were ready and willing to go.''

They will be working out of tents and giving medical care to refugees who have crossed the Yugoslavia-Albania border, she said. Rice hopes to help train other medical personnel to identify those women who have been raped and give guidance on how to treat for sexually transmitted diseases. ''A female may be able to help better than a male,'' she said.

Smith has been on several previous medical work trips, but it is a first-time experience for Rice and Grostefon.

Other local individuals and businesses are helping make the trip possible. Root's Camp 'n Ski Haus and GI Joe's Army Surplus have donated equipment and supplies. Brateman's Inc. donated boots. American Freightways is donating the shipping for the supplies to Springfield. An organization called Convoy of Hope is packing and shipping the supplies.

''We have so much,'' said Tolbert. ''The poorest of us in this area are worlds beyond people there. We don't have a clue.''

The Rev. Ann Steiner Lantz is director of chaplains at Parkview and chairwoman of the hospital's mission and community outreach committee. She is coordinating the hospital's involvement in the project.

''This is part of our mission and our Judeo-Christian heritage,'' she said. ''It's the right thing to do.''

''What we're doing is a drop in the bucket,'' Lantz said. ''But if everyone does a little, we can help a whole lot.''

Donations to help with the cost of sending the medical team from Fort Wayne can be sent to First Assembly of God, 3301 Coliseum Blvd. E., Fort Wayne, IN 16805.

---

[From the News-Sentinel]

LETTERS TO THE EDITOR

(By George Lebamon)

A group of prominent Macedonians from around North America and Europe, aided by the Fort Wayne-based Macedonian Tribune, the oldest continuously published Macedonian newspaper in the world, have formed the Macedonian Relief Fund. The fund will provide financial assistance to agencies in Macedonia to deal with the impact of the NATO-Yugoslavia conflict.

Chris Evanoff, a Macedonian American entrepreneur in the Detroit area, will chair the effort. He will be assisted by people around the country, including myself.

''Nearly 150,000 Kosovar refugees have flooded the tiny country of Macedonia in less than a week, creating a humanitarian catastrophe of unprecedented proportions,'' Evanoff said. That total could increase to nearly a quarter of a million refugees, he added. He also noted, ''Macedonia was assured by NATO nations that sufficient assistance would be available to care for these unfortunate victims of war and ethnic cleansing. The delay in getting aid to the region has crippled the Macedonian economy and its capacity to sustain relief efforts.''

The refugee crisis so far has cost the Macedonia republic more than $250 million. Total costs this year could exceed $1.5 billion.

There are about 500,000 Macedonians in North America. The group has established a Macedonian Relief Fund account at Comerica Bank in Detroit. Contributions in the form of checks, credit card payments and wire transfers can be mailed to: The Macedonian Relief Fund, c/o Comerica Bank, 28801 Groesbeck, Roseville, MI 48066. Information requests can be e-mailed to mtfw@macedonian.org. The group has also set up a Web site at www.macedonianrelieffund.org to provide additional information.

MACEDONIAN RELIEF FUND FOR THE KOSOVO REFUGEE CRISIS

The Macedonian Tribune, in cooperation with Macedonians in the United States and Canada, is initiating a relief effort to provide resources to the people of Macedonia who are sharing what little they have with tens of thousands of refugees from Kosovo.

Since 1991, Macedonia has feared a humanitarian catastrophe if a crisis in Kosovo developed. Regrettably, this catastrophe has been realized. The strain of tens of thousands of refugees has crippled Macedonia, destabilizing its economy and progress toward a democratic, free society. Not only are refugees suffering, but so are the people of Macedonia as their factories have been closed and work has come to a halt.

Donations can be mailed to the Macedonian Relief Fund, c/o Comercia Bank, 28801 Groesbeck, Roseville, MI 48066. Reference bank account #1851014603. To wire donations, use transit/routing #072000096, refer to the bank account number and Comercia.

You can donate by check or with Visa or Master Card. No donation is too small, none too large.

---

MARSHALL CENTER
ALTERNATIVE HIGH SCHOOL,
*Columbia City, IN, May 2, 1999.*

DEAR CONGRESSMAN SOUDER: I am pleased to have been requested to forward details of my students' Kosovo clothing drive to you. I welcome this opportunity to illustrate the scholastic merit of an unconventional learning activity:

Teaching current events to young people with little or no background in geography or history is a challenge. (Most of the alternative students cannot locate Europe on a map, and one of them even thought NATO was a country.) So I try to make every lesson relevant by working from what they do know. And at-risk kids, just like at-war kids, ''know'' suffering and deprivation.

Twenty-five percent of my students have lost a parent to unnatural causes. Twelve percent have been homeless. Most have survived on rice or beans or cereal for extended periods. All have lost friends to violence, and all have been outcasts most of their lives.

Do they understand the politics of this (or any) war? No. But they understand what it means to be orphaned, to be vagrant, to be hungry, to mourn, and to be hated. They fully understand what it means to be a refugee.

So they collect clothes to help others—and end up helping themselves in the process. In the process, they are working cooperatively with adults (employees in the building, their parents, community members) they normally consider adversaries. They are earning respect for a job well-planned and efficiently executed: In just two weeks a mere dozen students have collected enough clothing, shoes, socks, and undergarments for about 3600 refugees. Remarkably, these students who anticipate failure and disapproval at every turn are succeeding at something meaningful.

While they may never compose a thesis comparing and contrasting the present conflict with events in the Balkans leading up to WWII, they have learned to advertise a campaign, schedule and share tasks, meet deadlines, calculate weight and cubic yard measurements, arrange transportation and more.

I'm glad you inquired about the project. We appreciate your knowledge and support as you debate the merit of alternative education programs. We need critical resources to raise citizens as well as test scores.

Sincerely,

REBECCA R. ROADY,
*Teacher.*

## EXCHANGE OF SPECIAL ORDER TIME

Mr. BERRY. Madam Speaker, I ask unanimous consent to claim the special order time of the gentleman from Illinois (Mr. DAVIS).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

## PRESCRIPTION DRUG FAIRNESS ACT FOR SENIORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. BERRY) is recognized for 5 minutes.

Mr. BERRY. Madam Speaker, I would like to speak this evening about the Prescription Drug Fairness Act for Seniors. This legislation will help the problem that our Nation's seniors have had to deal with for years, and that is the outrageous prices of prescription drugs in this country.

The district that I represent has the highest number of senior citizens that live only on Social Security of any district in the country. When I hold meetings in the First Congressional District of Arkansas, I hear about two issues, and that is the agriculture crisis and the high cost of prescription drugs, especially for seniors.

I also get letters from Arkansas seniors who tell me every day that they cannot afford to pay for all their needs; specifically, all their medicine and all their food.

I also get letters from Arkansas seniors who tell me that their drug bills are massive. Seniors are not following their doctors' orders. Some of them have been given prescriptions which they cannot afford to fill. Others have filled prescriptions which they cannot afford to take as directed.

Because they cannot pay the rent, pay the electrical bills, buy food and take very expensive prescription drugs, they either stop taking them or they take less than is prescribed by their doctor. They are doing things that in the long run are harmful to their health. I find it amazing that we tell our seniors that they can live longer if they take this pill or that pill but then if they cannot afford the medication that keeps them alive we do not do anything about it.

The Prescription Drug Fairness for Seniors Act of 1999 is a chance for us to do something about it. It is a chance to step forward and show our seniors that we care about their well-being.

Madam Speaker, this legislation allows seniors, Medicare beneficiaries, to purchase prescription drugs at reduced prices. It allows pharmacies to purchase prescription drugs at the best price available to the Federal Government. It is estimated to reduce prescription drug prices for seniors by over 40 percent.

The average American under 65 takes only four prescriptions a year. The average senior citizen over 65 takes an average of 14 prescriptions a year. Our seniors suffer from more than one chronic condition: hypertension, diabetes, arthritis, glaucoma, circulatory problems, and many others. Medicare beneficiaries spend over $700 per year on average for prescription drugs and many seniors spend much more than that, some as much as $700 a month.

Are the pharmaceutical companies hurting for profits? Certainly not. They are the most profitable businesses in existence. Last year they had a net profit of $24.5 billion, or 17 percent of their revenues.

□ 1930

Certainly we have no objection to the drug companies being profitable, and hope they continue doing so. Here is a letter that a senior in my district sent to me about this very problem.

She said, ''I want to thank you for introducing a bill to investigate the extreme cost of prescription drugs. As I attempt to control blood pressure, cholesterol, treat a thyroid deficiency, and restless leg syndrome, it costs me over $100 a month. I have had to cut out my arthritis medicine that costs $125 a month that the doctor prescribed, and I have had to return to aspirin, which my doctor insists I should not take with these other medications.

''Please do what you can to get the cost of prescriptions back down to a reasonable level. I have had numerous people tell me that they cannot afford the medicines that are prescribed for them.''

Madam Speaker, sadly enough, this letter is not something that should surprise anyone here, because I am sure that if we talk to most of the constituents in Members' districts, they will tell us they have received similar letters and they have talked to many seniors that have the same problem.

What do we do? Do we continue to stand by and allow our seniors to be taken advantage of, robbed, by the pharmaceutical manufacturing companies? Fortunately, we have a bill that has 108 cosponsors that will help those seniors who find themselves choosing between food and medicine.

I call on all my colleagues to stand up for our seniors and sign on to this bill. It is a good bill. It is a step in the right direction. It does the right thing as it concerns the senior citizens of this country.

## EXCHANGE OF SPECIAL ORDER TIME

Mr. HAYWORTH. Madam Speaker, I ask unanimous consent to use the special order time of the gentleman from Kansas (Mr. MORAN).

The SPEAKER pro tempore (Mrs. NORTHUP). Is there objection to the request of the gentleman from Arizona?

There was no objection.

## TRUE BIPARTISANSHIP NEEDED TO SAVE MEDICARE AND HELP AMERICA'S NEEDIEST SENIORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. HAYWORTH) is recognized for 5 minutes.

Mr. HAYWORTH. Madam Speaker, I listened with great interest to my friend, the gentleman from Arkansas, detail a genuine problem. And as the citizen honored to represent the Sixth Congressional District of Arizona, home to many of America's seniors who endured a Great Depression, who took part in World War II, who built our American economy into the envy of the world, and who now, in their golden years, have time to enjoy a quality of life unparalleled, I still understand that for many there are genuine problems.

How unfortunate it is, then, Madam Speaker, that when those of us in our commonsense, conservative majority move in a bipartisan manner to offer real choices to help the neediest seniors in our society, to offer alternative plans out from the auspices and away from the auspices of big government and bureaucratic solutions, how unfortunate it is that those who claim to want a bipartisan remedy turn a deaf ear, Madam Speaker, I think particularly to the latest effort to help us save and strengthen Medicare: to a bipartisan Commission, with noteworthy Americans from coast-to-coast, and in particular representatives of both parties, the Senator from Louisiana, Mr. BREAUX, and my colleague on the Committee on Ways and Means, the gentleman from California (Mr. THOMAS), who took a long, hard look at Medicare, especially in the wake of the courageous steps this Congress took in the face of withering propaganda which the press accurately described as Mediscare, intent on scaring our seniors and obscuring the choices, and yet, despite that, we came back, we saved Medicare, and yet we want to strengthen it in additional ways.

How interesting it was, Madam Speaker, to observe the labors of that bipartisan commission, and how wonderful it was to see Senator BREAUX and the gentleman from California (Mr. THOMAS) truly fashion a bipartisan solution. How sad it is to report, Madam Speaker, the unfortunate efforts of some to avoid a solution, to avoid helping the neediest seniors, and instead, attempt to invent an issue.

Madam Speaker, in a few short days a Star Wars prequel will be released, it may already have been in the theaters, with wonderful flights of fantasy and fiction, but Madam Speaker, we have not a prequel but a sequel about to be unfurled, Mediscare II.

Because in the wake of the bipartisan solution that Senator BREAUX, the gentleman from California (Mr. THOMAS), and others from both sides of the aisle fashioned, the word went out from the White House: A supermajority of 11 members of this Commission had to vote to approve the Commission's recommendations to take those good ideas and move them into the realm of sound public policy.

Sadly, Madam Speaker, the word went out from the other end of Pennsylvania Avenue, from our president, that by actually embracing the bipartisan solution, some in this Chamber of the liberal persuasion would be deprived of an issue, an issue to drive a wedge among Americans, an issue to again scare seniors.

Thus, Mediscare II took flight, because 10 members of the Commission voted for this commonsense solution to help the neediest seniors, but the presidential appointees from this body refused to vote for the program.

How ironic it was, Madam Speaker, that our president, one who has come to this Chamber again and again and offered words of reconciliation and the term ''bipartisanship,'' how sad it is that he sent those instructions, and how unfortunate it is that our president, the afternoon the Medicare Commission's recommendations were voted

down, had the audacity to appear on television and say again, we have to solve the Medicare question in a bipartisan way.

Madam Speaker, we spoke yesterday of teachers, and our first teachers are our parents. A fundamental lesson most Americans learn is that we should do what we say, live up to our words, and mean what we say.

How unfortunate it is that our president continues to be engulfed not in a credibility gap, but sadly, in a credibility canyon, where his words and his deeds, whether personal, political, or in terms of policy, fail to reconcile with his actions; the latest example, of course, being this Mediscare II.

And I appreciate the words of my friend, the gentleman from Arkansas. But let me also say that we should really work in a bipartisan fashion. I would welcome my friends on the left to truly embrace a bipartisan solution.

But as we have heard from pundits in this town and nationwide, some folks here are not interested in solving problems. Some folks here do not want to embrace a solution that would strengthen Medicare and save social security. Some folks would rather have an issue that they believe can hang like a sword of Damocles over the commonsense, conservative majority.

Madam Speaker, we all confront many challenges in Washington, and we are thankful for the give and take on this floor. But Madam Speaker, to those who would embrace the cynical politics of overpromising and failing to truly live up to their mission, I believe history will render a harsh verdict.

I believe the very people they claim to want to help are the people who will suffer the most. We will hear more Orwellian speeches from the left in the days to come. How mindful it is of George Orwell's novel 1984, and the phrase, ''Ignorance is strength.''

I do not believe that is true. I believe the facts will reign, and I look forward to working in a truly bipartisan fashion to save Medicare and help our neediest seniors.

## PROCEED WITH CAUTION BEFORE BANNING SCIENTIFIC TIES WITH INDIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Madam Speaker, I rise today to draw my colleagues' attention to legislation that has been introduced in the other body that could have the potentially destructive effects of cutting off important exchanges between American scientists and their counterparts from other countries.

The legislation in question, offered by Senator SHELBY, would impose a moratorium on visiting scientists from so-called sensitive countries in American nuclear labs. The Senator's proposal comes on the heels of recent reports of compromises to our national security with regard to the Peoples' Republic of China.

While I agree that Chinese espionage activities should cause us to be more vigilant with regard to that country, I am concerned that this proposed legislation casts a wide net and would give too much discretion to officials at the Department of Energy. The result could be a cutting off of positive scientific exchanges that do not affect our national security, depriving all of us of valuable knowledge and disrupting the types of scientific contacts that actually promote security and cooperation.

One country, Madam Speaker, that could be affected by this legislation is India. While the Senate legislation does not mention any countries by name, a recent report in the newspaper India Abroad quotes an Energy Department official that the list of seven sensitive countries includes, in addition to China and Russia, India and Pakistan.

The official indicated that different criteria were used for putting countries on the list, and that India and Pakistan were included because they are not signatories to the Nuclear Nonproliferation Treaty.

Madam Speaker, I, too, am deeply concerned about the persistent pattern of China's theft of our nuclear secrets. I have come to this floor on several occasions to call for more safeguards against Chinese espionage, as well as to focus more attention on China's documented actions with regard to nuclear proliferation, which include providing nuclear and missile technology to unstable countries like Pakistan.

But in the case of India, we clearly do not have the facts to support the conclusion that India is involved in the same types of activities as China. Thus, I would urge Members of the Senate and the House, as well as the administration, not to jump to any conclusions about India without the facts.

What we know, Madam Speaker, is that U.S.-India relations have suffered in the past year because of the nuclear tests conducted by India last May. But one key fact that is often overlooked is that India's nuclear program is essentially indigenous, developed by India's own scientists.

Export controls on supercomputers and other dual use technology have been in effect against India for years, forcing India to develop its own highly advanced R&D infrastructure.

Another very important point, Madam Speaker, is that India has kept its nuclear technology to itself, out of the hands of rogue regimes and international sponsors of terrorism. This is in marked contrast to China, which has not only stolen our technology, but has shared very sensitive information with unstable countries in Asia and the Middle East.

Madam Speaker, I fully agree that we need to be more wary of China. This is an authoritarian country, a one-party state, the Communist party, with a terrible record on human rights and a record of intimidation and aggression against its neighbors.

Indeed, Madam Speaker, some of India's recent actions, including the nuclear tests and the test-firing of the Agni intermediate-range missile, which have caused diplomatic problems with the U.S., have to be seen in the context of China. India shares a long border with China, the two countries have fought a border war started by China, and India is directly threatened by China's provision of weapons technology to Pakistan.

The bottom line, Madam Speaker, is that India is not China. India is a democracy with multiple political parties. So we need to be careful before we go on a witch hunt against countries, particularly India, which do not pose the same type of security risk posed by China.

The legislation introduced in the Senate is too open-ended, in my mind, allowing the Department of Energy overly broad discretion. At a time when there is an emerging bipartisan consensus that we should lift the sanctions that have been imposed on India, this legislation could end up imposing another punitive sanction that will further set back our relations, to the detriment, in my opinion, of both countries.

The question, should we protect our sensitive nuclear secrets from potentially hostile countries, like China, that have already been shown to have stolen those secrets, I think the answer is absolutely yes, Madam Speaker. But let us not cut off cooperation and scientific exchanges with countries, like India, that have not been stealing our secrets and which could be partners for a more stable and secure world.

□ 1945

## KOSOVO WAR IS ILLEGAL

The SPEAKER pro tempore (Mrs. NORTHUP). Under a previous order of the House, the gentleman from Texas (Mr. PAUL) is recognized for 5 minutes.

Mr. PAUL. Madam Speaker, it is time to stop the bombing. NATO's war against Serbia left the Congress and the American people in a quandary, and no wonder. The official excuse for NATO's bombing war is that Milosevic would not sign a treaty drawn up by NATO, which would have taken Kosovo away from the Serbs after the KLA demanded independence from Serbia.

This war is immoral because Serbia did not commit aggression against us. We were not attacked and there has been no threat to our national security. This war is illegal. It is undeclared. There has been no congressional authorization and no money has

been appropriated for it. The war is pursued by the U.S. under NATO's terms, yet it is illegal even according to NATO's treaty as well as the U.N. charter. The internationalists do not even follow their own laws and do not care about the U.S. Constitution.

The humanitarian excuse for the war is suspect. Economic interests are involved, as they so often are in most armed conflicts. NATO's vaguely stated goals have not been achieved. For the most part, the opposite has. Let me give my colleagues a few examples.

Number one. Milosevic is now more powerful than ever; the Serb's more unified.

Number two. Russia is now alienated from the west. Their hold on a nuclear arsenal is ignored. Along with Russia's economic desperation and political instability, NATO is pushing Russia into a new alliance against the west.

Number three. Innocent Serbs and Albanian citizens are routinely being killed by our bombs.

Number four. Civilian targets are deliberately hit, including water, power and sewer plants, fuel storage and TV stations.

Number five. An economic embargo is now being instituted to starve children and prevent medications from reaching the sick, just as we have been doing for a decade against Iraq.

Number six. This war institutionalizes foreign control over our troops. Tony Blair now tells Bill Clinton how to fight a NATO war, while the U.S. taxpayers pay for it.

Number seven. Greater instability in the region has resulted.

Number eight. We are once again supporting Osama bin Laden and his friends in the KLA.

Number nine. We have bombed Bulgaria. By mistake, of course. Sorry.

Number ten. Our weapons are being depleted, our troops spread too thin, resulting in further undermining of our national defense.

Number eleven. Billions of dollars are thrown down a rat hole and Congress is about to vote for more.

Number twelve. The massive refugee problem, which is essentially a result of NATO's bombing, continues.

Up until now, general defense funds have been spent to wage this war without permission. The President wants to catch up and is asking for $6 billion, but Congress, in its infinite wisdom, wants to give him $13 billion for a war Congress rejects. Once we directly fund the war we will be partners in this misadventure. The votes last week were symbolic. They had no effect of law, but appropriations do.

Saying the new appropriations will be used to beef up a neglected defense does not make it so. Defense funds are fungible. The President has proven this by waging a war for a month without any authorization or appropriation. Congress will no more control the next $13 billion than the money the President has already spent on the war.

Appropriating funds to fight a war, even without a declaration, provides a much more powerful legal and political endorsement of the war than the public statements made against it by nonbinding resolutions passed by the House last week. Declaring war and funding war are two powerful tools of the Congress to restrain a president from waging an unwise and illegal war. If the President pursues an undeclared war and we fund it, we become partners, no matter what justification is given for the spending.

Only chaos can come from ignoring the strict prohibition by the Constitution of a president unilaterally waging war. If a president ignores the absence of a declaration, and we are serious, the only option left to Congress is the power of the purse, which is clearly the responsibility of the Congress. We should not fund this illegal and immoral NATO war.

## H.J. RES. 9, THE LINE ITEM VETO CONSTITUTIONAL AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ENGLISH) is recognized for 5 minutes.

Mr. ENGLISH. Madam Speaker, for many of us who came to Congress in 1994, elected on a platform of fiscal responsibility and reform, it is a source of wonder and considerable pride that America now has something that a generation of national leaders had only dreamt of, and that is a balanced Federal budget.

The current surplus is a major public benefit, opening long-term vistas of a debt-free America with a higher growth rate, lower interest rates and a cornucopia of economic opportunity. It was achieved through the disciplined efforts of a fiscally conservative Congress dedicated to reining in Washington's spending counterculture.

We now know we can balance the budget, but we can only realize the long-term benefits of a balanced Federal budget if we keep it balanced. This will require changes in the way that Congress appropriates tax dollars.

As Members of Congress, we need to look at real budgetary reform which will promote accountability in the appropriations process when we consider how to spend taxpayers' dollars. With this in mind, my friend, the gentleman from Maine (Mr. JOHN BALDACCI), and I have introduced House Joint Resolution 9, a proposed constitutional amendment that would provide a line item veto to the President of the United States in his consideration of any appropriation. This is important, bipartisan, and fiscally responsible legislation that deserves the prompt attention of this House.

For too long presidents have had to adopt an all-or-nothing approach when considering action on bills containing appropriations. This presents a predicament for them when good policies and necessary investments are overloaded by unnecessary spending proposals.

This line item veto has had a long history in the U.S. Congress. The first proposal was introduced in 1876. President Grant endorsed the mechanism in response to the common practice of Congress attaching riders to appropriations bills. In 1938, the House approved a line item veto amendment to the independent offices appropriations bill by voice vote, but the amendment was rejected by the other body.

It did not come until 1996, in this reform Congress, that the line item veto act was finally signed into law by the President, and this law became effective in 1997. Unfortunately, after the President first invoked this new authority in August of 1997, the Supreme Court weighed the constitutionality of this law when it upheld a District Court ruling declaring the line item veto law unconstitutional.

Those of us who support the line item veto have come to recognize that in order to authorize a line item veto, a constitutional amendment must be passed, and that is why I stand before my colleagues today. My legislation will correct an imbalance in our budgetary process long recognized, permitting a president committed to cutting unnecessary spending to do so surgically, using a scalpel instead of a broad sword.

Madam Speaker, the line item veto is a powerful weapon in the cause of fiscal responsibility. It flushes out special interests, pork barrel spending buried in the depths of large appropriations and forces them to be considered individually, on their own merits, in the light of day. It allows a determined chief executive to challenge specific expenditures no matter how powerful their champions of the legislative process.

Currently, constitutions in 43 States, including my own commonwealth of Pennsylvania, provide for a line item veto, usually confined to appropriations bills. These constitutions allow the governor the power to eliminate discrete spending provisions in legislation that comes to his desk for his signature. Governors have successfully utilized this power on the State level and it is now time to give this power to the President to cut unnecessary spending.

Already, Madam Speaker, this amendment has been endorsed by a number of prominent national organizations, including the National Taxpayers Union, the U.S. Chamber of Commerce, Citizens for a Sound Economy and Citizens Against Government Waste. More importantly, in my view, the line item veto enjoys broad support from millions of taxpayers who are frustrated by the ponderous size and

unbridled waste of the Federal Government. Their call to action deserves to be heard.

Madam Speaker, I invite my colleagues to join me in supporting this reform legislation and supporting this important amendment in restoring accountability to the process.

## EXCHANGE OF SPECIAL ORDER TIME

Mr. TALENT. Madam Speaker, I ask unanimous consent to take the time of the gentleman from Kentucky (Mr. WHITFIELD).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

## SUPPLEMENTAL DEFENSE BILL NEEDED TO SUPPORT AMERICA'S MILITARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. TALENT) is recognized for 5 minutes.

Mr. TALENT. Madam Speaker, tomorrow we have a chance to be true or false to the interests of our country and the men and women in America's military service when we consider the supplemental defense bill to add $7 billion to defense spending this year.

It is about time that we considered such a measure. For the last 10 years we have reduced military spending by 31 percent; by almost a third. At the same time, the number of engagements we have asked our men and women in America's military to be involved in has increased by a factor of three.

We deployed them 10 times during the Cold War around the world. We have deployed them 26 times in the last 8 years. Essentially, we have never reduced operational tempo, the business of the force, since Desert Storm. We have continued to ask them to do more and more with less and less, and they are at the breaking point.

First, they robbed the future to pay for the present in order to deal with that. They deferred maintenance. They reduced pay raises and retirement. They allowed health care to decline in the service. They postponed military construction and they slashed modernization.

When that was not enough, they robbed parts of the present to pay for other parts of the present. They sacrificed the important to the urgent. So now we have a shortage of spare parts. We have reduced training for our men and women in the military. We have a huge shortfall in ammunition, and we cannibalize the troops that are deployed here at home in order to support deployments abroad. We take people and spare parts and machines away from units that are here in the United States in order to support units abroad.

It has gotten so bad, Madam Speaker, that at the end of last year the Joint Chiefs of Staff came and testified before the Senate Committee on Armed Services that we are $148 billion short over the next 6 years in what we need to maintain minimal standards of readiness. And tomorrow we have a chance to make a modest downpayment on what we need to do to protect America's greatness and to provide for our men and women in the military.

Nobody disputes these figures, Madam Speaker. The administration does not. Nobody here will stand up tomorrow and argue that we do not need to spend this money to maintain readiness. They will have a lot of excuses why we should not vote for the bill tomorrow, just as we have had excuses year after year after year.

We heard one of them a little while ago. We cannot pay for this extra military spending because that would pay for the war in Kosovo. No, it will not. That is going to pay for the money that otherwise will be sucked away from the military by the war in Kosovo.

If my colleagues want to stop the war in Kosovo, wait for the military appropriations bill and put a rider on it that says the money cannot be used in Kosovo. Do not starve the rest of the military in order to fund one of the deployments that has caused the military to go hollow in the first place.

Another excuse we will hear is that we cannot take the money out of Social Security. Madam Speaker, by the most conservative estimates we will have over $800 billion in surpluses over the 10 years, even apart from the money that comes from Social Security.

My father is 87 years old. He gets Social Security. He fought in the Navy in the second world war. The generation that saved private Ryan, my father's generation, is not going to begrudge the men and women of America's military what they need now to provide for our security, especially when it does not even affect Social Security.

The excuse I like the most is that we do not have an emergency. That is why we do not need this supplemental now. Well, whether we have an emergency kind of depends on one's point of view. Standing here in this chamber, it is nice and warm and safe, no, we do not have an emergency.

□ 2000

But if they are in an AWACS unit and they are working 80 hours a week and they have for years because they need two people in that unit to do their job and there is only them to do it, maybe they would think there is an emergency.

If they are on their second tour of duty on an aircraft carrier and they have been at sea for 9 months and they have not seen their kids and their wife wants to divorce them, maybe they would think there is an emergency.

If they are an infantryman in the Korean Peninsula and they know that if the attack comes they are not going to have the modern anti-tank weapons they need so they are going to have to stand out there in the middle of the open, look that tank in the eye and fire, rather than fire and get back to cover, maybe they would think there is an emergency.

Mr. Speaker, my first year in the Committee on Armed Services we had a hearing. A retired military person testified; and he said, ''The military life is a difficult one. We sacrifice a lot. We are willing to put our lives on the line. It is not easy, but we are proud to do it.'' Then he looked up at us in the Committee on Armed Services and he said something that applies to the whole Congress. He said, ''But we count on you. We count on you to protect us.''

Mr. Speaker, we have let them down year after year after year after year. Tomorrow we have a chance to stop letting them down. Let us end the excuses. Let us do what we all admit now we need to do. Let us make a modest down payment on what we need to do to allow these men and women to protect us and to protect our families and protect our future. Vote for the supplemental bill tomorrow.

History is watching. The dictators of the world are watching. And these men and women who count on us are watching.

## ''BELIEVERS IN READING'' HONORING KAREN TAYLOR AND NATIONAL TEACHER APPRECIATION WEEK

The SPEAKER pro tempore (Mr. ISAKSON). Under a previous order of the House, the gentleman from Missouri (Mr. HULSHOF) is recognized for 5 minutes.

Mr. HULSHOF. Mr. Speaker, this week is National Teacher Appreciation week and our attention is focused on education. As the elected Representative of Missouri's Ninth Congressional District, I have the distinct honor of representing sixteen colleges and universities, and a plethora of public and private schools which help prepare students to enter these educational institutions.

Mr. Speaker, I stand before you today to honor all of the hard working individuals who work in these educational institutions in central and northeastern Missouri. Each and every one deserves accolades for their role in providing excellence in education.

Today, however, I would like to point the national spotlight to highlight one of many devoted teachers who have dedicated their lives to provide quality education in Missouri's Ninth Congressional District.

Last month, Mr. Stan Taylor of Columbia, Missouri, stopped by my district office to request a congratulations letter be sent to his

wife, Karen, on her retirement from the Columbia Public School system. Karen began teaching in 1961 in a rural, one room school house called East Center School in Kirksville, Missouri. She had the tremendous responsibility for teaching all grades, first through twelve, at East Center School.

In 1967, Karen began teaching within the Columbia Public School District, and for the last twenty years she has taught second grade elementary school at Rock Bridge Elementary School in Columbia, Missouri.

Mr. Speaker, as I learned of Karen's dedication to improve education in Missouri's Ninth District, I felt if befitting that I recognize her special efforts, and in doing so, I honor all of those like her who have dedicated their professional lives to help enhance the education of their students.

Not surprisingly, I do not stand alone in placing this honor. On May 22nd, the Missouri Teachers Association and more than 300 people—family, friends, colleagues and former students—will help celebrate Karen's educational efforts at Rock Bridge Elementary School during a reception to commemorate her retirement after twenty years of teaching in the Columbia Public School system.

Mr. Speaker, I would like to close with Mr. Taylor's words about his wife. He wrote that the most important lesson Karen stressed to her students was the power of knowledge through reading. Every day she would read to her students. It was her goal throughout her thirty year teaching career to encourage every student to become believers in the importance of reading. Thank-you Karen, for your devotion to your students and for providing excellent education for many generations of children. I stand here today to honor you and all those who share your commitment towards excellence in education. May we all celebrate National Teacher Appreciation Week with those who have given us the priceless gift of education.

## HOME SCHOOLING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado (Mr. TANCREDO) is recognized for 5 minutes.

Mr. TANCREDO. Mr. Speaker, this week we are celebrating Teacher Appreciation Week. There have been a number of speeches on this floor. I have, in fact, come to this microphone before to extol the virtues of the teachers of America, the public school, the private school teachers who work so hard and contribute so much to the well-being of the children of this Nation.

Today, however, Mr. Speaker, I want to rise in recognition of a particular part of that educational establishment that is not often recognized. And it was brought to my attention again, although I have long been aware of its existence, but it was brought to my attention again by a card I received in the mail not too long ago.

Here it is, a little handwritten, handdrawn and colored-in star here. It says, ''thank you, thank you, thank you.'' It goes all the way around, ''thank you very much.'' It is from a young man named Jerrod Padinama. It says:

Dear Mr. Tancredo, thank you for giving us the privilege of home schooling. My home school co-op is studying the Constitution, and it is fun. I am 9 years old. I am in the third grade. I am praying for you.

Jerrod Padinama.

Well, Jerrod, thank you for your prayers. I sincerely appreciate them.

But I tell my colleagues, this is really a very touching little card I received, and I have been holding on to it because I wanted to reference it in a way. The neat part is that this young man would take the time to send me this little card and draw it in. But in a way it is a sad commentary because he has to tell me ''thank you'' for letting me be home schooled.

And he does know intuitively, I suppose, and certainly his parents are well aware of the fact that often there are attempts in this body and certainly in legislatures all over the country and States all over the Nation to actually restrict the ability of parents to actually teach their children at home. And they have to say ''thank you'' to us for letting them have a right that, frankly, is as natural as breathing, a right of a parent to teach their child at home.

This is as if this is a strange anomaly, this is something weird that we do in this country that they have to be allowed to do by the legislature. And that is the only kind of negative part of this thing I see. Because, otherwise, it is a very beautiful thing.

I just wanted to point out that home schooling certainly preceded any other kind of schooling we had in the United States of America; and it did very, very well, and it continues to do very, very well. And it is an expanding phenomena. Many, many people are participating in this. It is growing astronomically, almost beyond, really, ways to describe it.

I find in my own State of Colorado that there are thousands and thousands of parents who are taking on the responsibility of teaching their children at home.

Mr. Speaker, recently I received a copy of an article that was written by a gentleman by the name of Steven Archer, and he details a study that was just done by Larry Rudner, who is the leading statistician at the University of Maryland. He studied home schoolers, and what it comes down to is this.

He said,

Regarding the results of this research, Rudner said, the bottom line of the study is that the 20,000 home-school students I studied were doing extremely well in terms of their scores on the Iowa Test of Basic Skills.

In fact, the median test scores for home-schooled children who participated in this study were in the 75th and 85th percentile range. This is exceptional compared to the national average which, by definition, is the 50th percentile based on the performance of children in the public schools, which, Rudner explained, deviates little from that value. Home schoolers also did significantly better than their private school counterparts based on Catholic school norms where the median scaled scores were in the 65th to 75th percentile range.

According to Rudner, major findings in the study include the following:

Almost one-quarter of home-school students are enrolled one or more grades above their age-level peers in public and private schools.

It goes on, Mr. Speaker, but I would just say that it verifies what we already know about home schooling and that is that it works, it works in an academic sense, it works in a social sense. And I want to take the opportunity here today to thank Jerrod for his card, to thank Jerrod's parents for giving him the opportunity to be home schooled, and to thank all those thousands and thousands, perhaps millions, of parents around the country who are doing the same for their children.

## KOSOVO

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from California (Mr. CUNNINGHAM) is recognized for 60 minutes as the designee of the majority leader.

Mr. CUNNINGHAM. Mr. Speaker, I yield to the gentleman from Arizona (Mr. JOHN SHADEGG) who has, I think, a good health care proposal and is one of our leaders in Congress on health care issues.

### PATIENTS' HEALTH CARE CHOICE ACT

Mr. SHADEGG. Mr. Speaker, I thank the gentleman for yielding. And I presume he is going to discuss with us a little bit later some issues about national defense, and I will await hearing his topic and hearing his remarks.

Mr. Speaker, today, on behalf of myself and 13 other colleagues, I have introduced the Patients' Health Care Choice Act, H.R. 1687. We are embroiled in a great debate about health care reform in this Nation, and it is appropriate that we should be embroiled in that debate, and there is a great deal of discussion about how we ensure that Americans get quality health care. But, as a part of that discussion, we have left out a big piece of the debate.

We have talked a lot on this floor about patient protection legislation. I want to make it very clear. I do think that we need HMO reform. I do believe that we need to do something to ensure that Americans get the health care that they purchase and that they pay for and that they deserve.

But I want to make it equally clear that the entire problem cannot be solved by a mega-regulatory piece of legislation which puts a Band-Aid on the current problems in health care, which addresses the short-term problems we have and ignores the long-term problems with our health care

system. And be sure, there are long-term problems.

The Patients' Health Care Choice Act is a bill that takes a long-range look at the health care industry and says that we can do it better. Fundamentally, it operates on the premise that giving Americans greater choice in their health care options, that giving them greater access to health care and improving the incentives for them to purchase and consume health care services in a responsible fashion will do far more to improve our health care system in America than a whole new set of complex government regulations that try to mandate the marketplace and tell businesses how to run their businesses.

Let me talk about those three issues that I have just addressed, greater choice and health care options. Today, most Americans get their health insurance through their employer; and that has been a good system. It has enabled millions of Americans to get health care. But, regrettably, it does not give those Americans the kind of choice that we have everywhere else in the market.

If any one of us wants to go buy an automobile, we have dozens we can take our pick from. If we want to buy a pair of shoes or a new suit or a new home, we have virtually unlimited choices; and this is a great aspect of the American economy.

But one of the drawbacks of the health care system that we have in America today is that many Americans, indeed more than half of the Americans who are insured, are given two choices or less. And indeed many of those, and the statistics are disputed, many in fact get only one choice: Their employer says, ''You may have this plan.''

This bill, the Patients' Health Care Choice Act, says we ought to be giving Americans a much broader choice. Let them pick the kind of health care plan they want. Let them pick the plan that suits their needs and their family's needs. Let them shop with their feet and make market decisions about their health care.

Now, how can we do that? Well, I will explain how this bill does that.

But there is a second aspect of our health care system that is equally broken, and that is access to health care. Let me explain that.

Beginning during World War II, many employers wanted to be able to give their employees additional incentives to work for them and they wanted to do that by giving them raises. The government, however, had instituted wage and price controls. As a result of those wage and price controls, employers were prohibited from giving their employees additional raises.

So, the mind of man being ingenious, they came up with the idea of saying to their employees, ''We will give you health care benefits.'' And as a result of a ruling of the IRS and a ruling of the Tax Code, what we established during World War II was a policy which has driven employer-based health insurance. And that policy says that if their employer provides them health coverage, that health care coverage is a deductible expense to the employer. That is, he can deduct it from his tax return before he pays taxes on that tax return or before she pays taxes on the earnings of that business but, most importantly, it is excluded from income to the employer. That is to say, it is unlike wages, which would be taxed when received by the employee. Instead, health care benefits are excluded from income.

Now, what has that meant? What it has meant is that many, many businesses offer very, very strong health care plans that have many aspects to them and give Americans health care. That is very, very good. But there has been an unintended consequence of that, one I already mentioned, and that is now we have got employers purchasing health care, not individual employees, and that is taking away choice, as I already mentioned.

But another consequence of the current structure is that all of those Americans not fortunate enough to be working for an employer that offers them health insurance coverage are left out of the system.

Let me try to explain that. If they are a lucky American and they work for an employer who provides them health care insurance, they are getting that health care from their employer and they are getting a tax subsidy because their employer's cost is subsidized. It is a deductible expense to the employer, and it is not income to them.

But what about those uninsured Americans? Today, in America, there are 43 million uninsured Americans. How do we treat them under our Tax Code? The answer is we kind of give them the back of the hand.

Now what we say to them is they are not going to get a subsidy from the government for their health insurance. They are not going to get a tax write-off. What we are going to do is say to them, we are going to punish them. If they decide to go out and do something prudent and take some of their hard-earned dollars and buy a health insurance plan, we are going to punish them because we are going to say that they have to pay for that plan with after-tax dollars, dollars on which they already paid taxes.

What that means to the average American whose employer does not provide them health coverage is that their cost of health coverage is somewhere between 30 and 50 percent higher than their peer that works for an employer who provides health coverage. I suggest that that is absolutely irrational and insane.

Let me make a point at this particular instance. In America, I believe we have reached a consensus some years ago, maybe 5, maybe 8, maybe 10, that no American should go without basic health care. If that is our belief, if our public policy in this Nation is that people should not go without health care, then how can we have a policy that says, if they are lucky enough to work for an employer that provides health care, the government will subsidize it with a deduction to that business; but if, by pure happenstance, they are either unemployed or they are employed by an employer who cannot offer them or does not offer them health insurance coverage, we are going to punish them and we are going to say they ought to go out and buy insurance but, if they do, we are going to charge them 30 to 50 percent more because the government will not help.

Well, the Patients' Health Care Choice Act takes a giant step towards helping those people by providing a refundable tax credit for those people. It is a refundable tax credit set at a modest level, but its purpose is to put on an equal footing to create equity between those Americans who get their health insurance from their employer and those Americans not lucky enough to do that.

□ 2015

What would this tax credit mean and who would be eligible for it? Any American who does not get health insurance coverage from their employer would be eligible for the tax credit. The tax credit would be set, is set, at an amount roughly equal to the tax benefit that employers now get, the tax subsidy that those who are employed now get for their coverage.

All one would have to do to qualify for the tax credit would be to go out and buy at least a catastrophic policy. You would then apply to the government, you would certify that you have bought the policy and you would immediately get the tax credit.

Is the tax credit difficult to administer? It is not. It works through the withholding system, so that you could withhold from your wages, or you would get a benefit in a withholding of your wages to allow you to pay for your health insurance as you go and let you buy that health care as you move forward. We honestly believe that is a giant step forward for Americans.

I do not know how I am doing on time, but let me just finish with the last portion of the bill because I think it is critically important. The third piece of the bill is to institute some major improvements to both the group insurance market and the individual insurance market by instituting health marts, association health plans, and a new concept called individual membership associations.

Health marts are organizations that are set up, and association health plans

are similar to those, to create new pooling mechanisms so that companies could go together and create pooling mechanisms to offer their employees greater choice. Individual membership associations are a new concept in the law, and they do essentially the same thing, only they move away from relying solely on employer-based health insurance.

What they say is that new organizations, like for example the American Automobile Association, or any other association, the Daughters of the American Revolution, in my home State of Arizona the Arizona State University Alumni Association or the University of Arizona Alumni Association, could sponsor a health care plan, pool together a large number of Americans and have a group health care plan called an individual membership association. Those health care plans would provide new pooling mechanisms and help bring down the cost of insurance.

The last aspect of this bill that I think is critically important goes to the issue of choice, is that as I mentioned at the beginning, many, many Americans are trapped in one health care plan. Their employer offers them only one plan and that is the plan they get to pick from. Sadly, that does not give people the kind of options they want.

The final piece of this bill, to encourage the creation of a market and to give people choice, is a provision in the bill which says that at the employer's decision, employees could be allowed to opt out of their company's health care plan.

Let us say right now you are an employee of a company and you are being offered a health care plan. Let us say hypothetically after this legislation goes into effect, you say that you would rather go shop in the private market, you would rather go look and see if you wanted to join a health mart or see if you wanted to go to an association health plan or see if you wanted to join one of the insurance plans offered by an individual membership association.

What you would do is you would go to your employer and you would say, ''I would like to consider opting out of my employer-sponsored plan.'' The employer would then calculate his or her actual cost of insuring you. In reality we know that younger people cost a lot less to insure than older people. So an employer might do a calculation. To insure a single young woman 21 years old might be as little as $850 a year. By contrast, to insure her counterpart, a 58-year-old secretary, might be two or three or four or five times that amount of money.

The employer would make this calculation based on an actuarial basis, looking at the employee's age, sex, and geographical location, and come up with a figure. That figure for a young employee might be $800; for an older employee it might be $4,000. They would then say to the employee, ''This is the amount of money you have to shop.''

If the employee then went out and shopped and found a health care plan which better suited his or her needs or his or her family's needs, that amount of money could be spent by that employee to purchase that amount of insurance. Now, we do require that the money must be spent to purchase insurance. However, if you are lucky enough to go out and buy, for example, a catastrophic policy and have some savings, the legislation allows you to roll that savings into a medical savings account or a medical IRA for future health care needs.

What we will have done by achieving this is we will have truly made health care personal and portable for those Americans who choose to opt out of their employer's plan. We, the cosponsors of this legislation, the Patients' Health Care Choice Act, H.R. 1687, believe that giving Americans choice will create the right kind of market incentives that will improve quality and bring down cost, and will do so in a fashion that will benefit the entire system.

We also believe it will be tremendously beneficial to small employers with a relatively small number of employees who do not want to be in the business of procuring health insurance for their employees. They would have the option of allowing their employees to opt out and creating this new system.

We have dealt with the problem which will be raised, the issue of adverse selection, by allowing the employer to make this actuarial calculation, so that people will not have a motivation to opt out of their employer's system for any reason other than they would like to have a choice. We believe fundamentally that choice and market incentives will improve health care.

We would end the problem that plagues our current system of overconsumption. Right now, the current system, because your employer pays for the plan and you consume it, has created a great incentive for overconsumption. The average employee, understanding that somebody else or believing that somebody else, their employer, has already paid for the benefits, they tend to overutilize the system.

I recently had a conversation with a leader in the Senate who indicated to me that he had recently had a conversation with a family member who had a cold. The family member said, ''I'm going to go see the doctor tomorrow about this cold.'' This leader said, ''Well, jeeze, why are you going to go see the doctor about the cold?'' The individual said, ''Well, I already paid for it, and it's free.''

Of course that is not true. They did not already pay for that particular visit, and of course no visit to a doctor is free. But that is the mind set we have gotten into in America, where we have made people not individually responsible for purchasing their own health care acting in an irresponsible fashion.

I believe this legislation takes us in the right direction. I am extremely pleased that as we introduced it today, the House majority leader, the gentleman from Texas (Mr. ARMEY), was an original cosponsor of the bill and had some very nice things to say about this legislation. He said, ''I am proud to be an original cosponsor of the Patients' Health Care Choice Act,'' and he complimented the tax credit provision of it which will deal with the problem of uninsured Americans by giving them a tax credit to go out and buy health care coverage.

I am also extremely pleased that the American Medical Association, in a letter sent to me on April 29 of this year after having reviewed our draft legislation, specifically said, ''Your proposed bill will make a significant step in the right direction.'' I think that is because the bill does many of the things that the American Medical Association says need to be done.

We need to make health care personal, we need to make it portable, we need to change the system where one person, employers purchase health care, but others, individual employees, consume that health care. We can restore the marketplace here, we can do things that will benefit people in a very positive fashion, and we can do that through this legislation.

I am extremely excited about it. I am thrilled to have the encouragement of the AMA and of many leaders here in the Congress. I look forward to working on this legislation, the Patients' Health Care Choice Act of 1999, H.R. 1687, I am thrilled that we can move this kind of legislation forward to give Americans a long-term solution to the health care problem.

Mr. CUNNINGHAM. If the gentleman would answer one question.

Mr. SHADEGG. Surely.

Mr. CUNNINGHAM. I do not feel that our colleagues on the other side of the aisle, the answer in their Patients' Bill of Rights was to have unlimited lawsuits, which in my opinion would drive up the cost of health care and destroy our HMOs, versus what you are planning to do is to make changes, to make sure that people have access and adequate care. Is that correct?

Mr. SHADEGG. That is exactly right. The whole theory behind the Patients' Bill of Rights is between a combination of complex government regulations, and going at the issue of ERISA reform by allowing lawsuits, we can solve the problem. That is not going to solve the problem.

Our legislation says, let us create a marketplace. If people want to buy a plan where the plan is less expensive because they have given up their right to sue their plan, let them do that. On the other hand, if people want to pay a little bit more for a plan and recognize that in paying more, they are getting the right to sue their plan, that seems to me to give them an option. In addition to which I think this Congress is going to move forward on thoughtful legislation for HMO reform which will not open the door to unlimited lawsuits. I agree with the gentleman, the last thing we want to do is create a litigation frenzy.

Mr. CUNNINGHAM. I thank the gentleman for his leadership on the health care issues. I am on the Labor-HHS appropriations committee. I think it is absolutely exciting seeing the revolutionary research that is being done all the way from cancer to Alzheimer's to Parkinson's, diabetes. Many of us want to double that research budget over the next 5 years. We are going to have trouble doing that by some of the things that I am going to talk about here today. But I thank the gentleman for his leadership.

Mr. Speaker, I am RANDY ''DUKE'' CUNNINGHAM. I represent the 51st Congressional District in north county, San Diego. I come here tonight, as someone once said, with a very heavy heart.

I would say, Mr. Speaker, unlike many of my colleagues in this body and the other body, I spent the majority of my adult life in the military. I come with a lot of experience. I have flown in three fighter squadrons. I was both a student and an instructor at the Navy fighter weapons school, which most people call Top Gun, where we devised the tactics and invasions of countries of our potential enemies. I served on Seven Fleet Staff, where we planned and my preliminary job was planning the invasion and the defense of Southeast Asia countries. I flew 300 combat missions in Vietnam. I was shot down on the 10th of May, 1972, and I was very fortunate, unlike my colleague SAM JOHNSON in this body, was not taken prisoner of war but had a helicopter rescue me before the enemy got to me. I was commanding officer of an adversary squadron that flew Russian and Chinese tactics, forces against our fighters and allied fighters. And I am a student of history, not only of the capabilities but the planning, the strengths and weaknesses in the deployment of air, land and sea forces. That was my job in the military.

I come tonight first of all to speak on Kosovo. Many people will tell you about the problems. They will tell you about the travesties that are taking place, on both sides in my opinion, but they will not give you any solutions.

Mr. Speaker, what I would like to do tonight is first give in my opinion what some of those solutions are instead of committing ground troops or continuing the air war, because as I give the solutions, Mr. Speaker, I think my colleagues will see that the causes and the problems come in fold. I would like to start first of all by starting at what I consider the beginning of the end.

The first was Rambouillet. Rambouillet was an agreement. I would ask you, Mr. Speaker, would you take this agreement in hand? First of all, if you were going to allow a foreign power to occupy what you considered your country. Secondly, that that foreign power would hold that country, yours, in its hand for 3 years and then turn it over to a country like Albania that since 1880 has not only tried to take Kosovo in expansionism but also Macedonia, Montenegro and even parts of Greece. That is why the Greeks are so petrified.

The ad hoc air campaign is no strategy. It is a disaster in my opinion. The strategy of bombing until they capitulate is poor foreign policy and is not a strategy. For us that have fought in wars, unlike many of my colleagues in this body, it is easy to kill but it is very, very difficult to work to live.

What would you do, then, Mr. Congressman, if you had the power? First of all, halt the bombing. Jesse Jackson, who I disagree with most of the time, has shown more leadership than the President or many of the leaders in this body and the other body in my opinion. Jesse Jackson has said that a diplomacy with no diplomacy is no diplomacy; that bombing and forcing an enemy to capitulate with no other dialogue is wrong. I agree.

First of all, Russian military, 70 percent of the Russian military, according to our CIA. I would say, Mr. Speaker, nothing I am going to say here tonight is secondhand. It is firsthand, face to face, either with our intelligence agencies, our military or sources directly related to Kosovo.

□ 2030

But 70 percent of the Russian military support the overthrow of the Yeltsin government. These are the hard-line Communists, the hard-line Communists that want to see Yeltsin leave and communism returned to the former Soviet Union. These are the same Communists that strongly support Milosevic, and it is part of the problem.

So how do you resolve that? Let us solve Russia's problem, and the United States and Kosovo and the Albanians at the same time.

The Serbians, the Yugoslavians have said that they would allow Russian troops to act as peacekeepers because they trust them. The Greeks, the Scandinavians, the Italians and maybe even the Ukrainians, but let us keep out the United States, Britain and Germany, who is Yugoslavia's bitter enemy since Hitler's days. They do not trust them, and they are not about to let them on what they consider their homeland.

Kosovo, as per Rambouillet, you have got to start over. The President had a total disregard for the gut feeling of what Kosovo means to the Yugoslavian people and to the Albanians as well. It was a no-win situation, and let us start over. You may have a vote on Kosovo, but it will have to remain, if you want peace in that part of the world, it will have to remain part of the greater Serbia.

You can have a cantonization program, much like they have in the Scandinavian countries to where they have an area for the French, where they have French speakers in French schools, and for the Germans, and for the Swiss, and on and on. That is accepted by the Orthodox Catholic Church of both Greece and greater Serbia and over 200,000 Serbian Americans.

Milosevic, once there is stability with the peacekeeping troops that he trusts and that the Albanians trust, then Milosevic has got to withdraw his troops and his armor prior to Rambouillet. It does not mean they have to give up full power or autonomy, but they have got to remove the threat to the Albanians and to themselves in the long run.

The KLA who is supported, and this is not secondhand, not just in the newspapers, but looking George Tenet, head of the CIA, eye to eye, face to face, and George Tenet told me. He says:

> Duke, the KLA is supported by Osama Bin Laden, the terrorist that blew up our embassies. Izetbegovic, a Muslim leader in Sarajevo, has over 12,000 Mujahideen and Hamas that surround him, Mr. Speaker, 12,000. They have emigrated from Iran, Iraq, and Afghanistan and Syria, the fundamentalist Muslims. These are the Jihad, the real bad people in this world. They know that some day that NATO and the United States will pull out of both Bosnia and Kosovo, and they have surrounded themselves with people they think will give them the strength. Unfortunately, the strength is a threat to world peace and a threat to the United States and the free world, in my opinion.

So, the President has got to look the President of Albania in the eye and say: We want every single one of those Mideast Mujahideen and Hamas out of the country within a short time. He has got to look Izetbegovic in the eye and say: I want every single one of the Mujahideen and Hamas and other fundamentalist terrorists out of Bosnia, out of Kosovo and out of Europe. Besides that, the President has got to look the President of Albania in the eye and say: You have got to stop your expansionism toward Kosovo, toward Macedonia, toward Montenegro and toward Greece.

When there is stability and not before there is stability can you even start considering bringing back in the refugees. There will have to be some kind of outside source to determine

which refugees should come back to Kosovo.

One of the problems the Serbs created themselves is tearing up the papers of the Albanians. Why? Because over 60 percent of the Albanians in Kosovo are there illegally. They have crossed the border, they are not citizens, and to separate now the citizens from the noncitizens, I think the Serbs have made it even more difficult. But yet that has got to be accomplished, in my opinion; and it is going to have to be done thoughtfully.

In the meantime, we are going to have to take a look at the millions of people, in my opinion, that the United States, NATO and Milosevic himself have caused through forced evacuation, that those people starving, they are hungry. If you look into the eyes of the children, they do not have the slightest clue of what is going on.

These are not the Albanians that I am talking about, the terrorists. These are people like you and me with families that just want to live and survive.

But I would also say there is the Yugoslavians the same way, that to identify an entire race as evil is wrong. We have gone down that road in history too often, and each time it has been disastrous.

So we have to aid the citizens on both sides at least with minimal conditions because what are you going to do? You going to bring them back into Kosovo in tents, with no food, and there has got to be a general plan and a central clearinghouse.

The United States should provide leadership, technology and intelligence in its part of the cost. Europe countries, Russia, Greece, Ukraine, Italy, France, Britain and the others, need to pick up the slack and to put the pieces of the puzzle back together; and NATO needs to pay its fair share. The United States is paying for 90 percent of this war. That is wrong. There are 18 other nations in this war, and they should have burden sharing equal to ours.

One of the other problems, Mr. Speaker, is that the President talks about wanting to save Social Security and Medicare and education. Every penny of that surplus that he is talking about comes out of Kosovo. We have already spent $16 billion in Bosnia. We still spend $25 million a year in Haiti building roads and bridges. That all comes out of the military budget, and that has got to change. We are in over 150 countries. Our military is so spread out and so distraught that we are only saving about 23 percent of our enlisted and 30 percent of our pilots. That means your experience, not only your troops working on your maintenance, but your aviators and your personnel are without leadership in many cases and/or expenses.

We have been in Korea over 50 years. Bosnia, we were supposed to be there 1 year, and it is $16 billion. We are still in Saudi Arabia. It has got to stop, and this all needs to be part of the solution as well as strength through peace.

Mr. Speaker, let me go back and tell you in my opinion what some of the causes, and there is a saying:

If you smell the roses, look for the coffins.

In Vietnam it is: Where have all the flowers gone?

As I mentioned, Rambouillet was a disaster, a shortsighted attempt at foreign policy, and I quote Henry Kissinger and Larry Eagleburger:

Was an offer that the President either knew or could not accept, that the Yugoslavians could not accept to give up Kosovo even if Milosevic had said I will give up Kosovo. The Serbian people with their nationalism have been fighting in Kosovo since 1385, that one in three Serbs during World War II gave up their lives against 700,000 Germans on April 5, 1941. The Germans bombed Belgrade and along with a half a million Croatians and a quarter million Muslims have fought with Nazi Germany. One in three Serbs died defending Kosovo, and they either kicked out or killed every single one of the Muslims, of the Croatians and the Nazis, and in doing that they paid for that country in their blood in their opinion. And I think before you ever have a solution, before you ever have a foreign policy, you have got to look in the eyes of all the sides affected, not just one side, or that diplomacy will fail. It will be a no-win situation.

The President basically tried to put a horse's head in bed with the Serbian people, Milosevic. Milosevic sent him the rest of the horse back because the President had not a clue on the gut feeling of the Yugoslavian people as far as Kosovo.

This is the home of the Orthodox Catholic Church. It is their Jerusalem, and they will not give it up. So Kosovo has got to go off the table and remain part of greater Serbia, but yet it can be cantonized.

The military, the Pentagon, told the President. I can name the guys that I flew with in these wars that are now in the Pentagon. They looked me eye to eye and said:

Duke, we told the President not to get into this air war, not to do it, because, A, the goals could not be achieved with air strikes alone, and the unwillingness to conduct ground troops and to insert them into the war, that we would make things worse, that we would kill a lot of innocent people, we would stretch our military beyond belief, we would make ourselves vulnerable in North Korea and Iraq and other places in the world and that we would accelerate an increased forced evacuation of refugees. And that is exactly, Mr. Speaker, what we have done.

When you ask the people where were you when the Serbs came: We were in our homes; they told us to get out. They were not evacuating, they were not refugees, but our bombing forced acceleration of that, and there are millions of people that in my opinion this President and Milosevic are responsible for that would not be there today, and this is a sad thing to say about your own country, Mr. Speaker, and the lack of planning and understanding and leadership.

You think in the planning to just conduct air strikes, something I did for 20 years, that the President would have looked at the weather to commence air strikes when the weather is predicted to be overcast and bad weather, which you cannot conduct your air strikes safely for 2 weeks. Do you think they might have checked the weather?

When Chernomyrdin was on his way to the United States knowing how Russia supports the Serbs, do you think they might have notified Russia? Instead Chernomyrdin had to turn around his airplane and go back to Russia. To me, that is ludicrous. It is not something that you would plan.

And this ad hoc air circus warfare that is stepped up little by little with very little planning is not the way to win a war, and I would ask you, Mr. President, to think about what we have done.

Mr. Speaker, do you know the total number of people killed in Kosovo prior to our bombing? It is amazing. People will say 10,000, 20,000. It is 2,012. Prior to us bombing, this great massive killing, 2,012.

Tudjman, the head of the Croatians, slaughtered 10,000 Serbs in 1995 and ethnically cleansed out of Croatia 750,000 Yugoslavians. Where were we then? And on a scale 2,012, and one-third of those were Serbs killed by the KLA. Was there an apartheid? Yes. Ninety percent, not all Albanians, made up of other nations.

As my colleagues know, there was over 100,000 Serbs that left Kosovo because of the harassment by the KLA. There was fighting on both sides. And before you can have diplomacy, you have got to understand the only problem is not Milosevic. The KLA is a problem. Tudjman is a problem. Our lack of understanding of European problems is the problem.

And again what I tell you is not secondhand; it is firsthand.

□ 2045

General Clark, face-to-face, when I was in Brussels, said, DUKE, NATO only wanted to bomb one day and quit; to me, face-to-face, not in a newspaper, not from an Intel source, that NATO only wanted to bomb one day and quit.

Secretary Cohen said, well, DUKE, our biggest problem is the media. If we have the media coming down on us, we are lost. In other words, the spin has got to come. Because I asked, why did they continue? Because the President got ahold of Blair from Britain, and the

German Chancellor, and pushed the bombs to what we are doing now, and that is why I think it really is a Clinton-Gore war.

For us to disregard the Pentagon, to not have the knowledge of what Kosovo meant, to push NATO into this, and now they are into it, and then to say NATO speaks with one voice after last week in their meeting, if they are speaking with one voice, why is Hungary still shipping oil to Serbia, a NATO country? Why is France still shipping oil? Why is France trading nuclear weapons to Iran? These are part of NATO nations and they are speaking with one voice?

I think that is wrong. The policy to bomb into submission is a lack of policy.

Again, I would like to thank Jesse Jackson, who I disagree with most of the time, and his son serves here on the other side of the aisle, but I want to say Mr. Jackson gave more leadership and more thought toward this problem than the President of the United States, and I want to personally thank him for that.

It is easy to fight, we have the power, but it is difficult to work and live, and I quote Jesse Jackson: There is fear on both sides. The understanding, the diplomacy.

When I was a youngster, I worked in a hay field and I sat on a bench and I had a Persian cat jump up in my lap, and I was petting the cat. Just a few minutes later a Siamese cat came on the other side. Of course, the two cats tensed up but I was going to make them friends. I was smarter than those cats, and I knew their attitudes could be changed.

I moved those cats closer and closer and they would tighten, and I would pet them. They would tighten and I would pet them, and I would move them closer. I sat there out of the hay fields with no shirt on and those cats hit each other and I was a shredded mess.

If one tries to bring refugees into a country where they want to kill each other and put the United States in the middle, it is going to be a disaster.

The Serbs fear the KLA. The Albanian people fear the Serbs. The Serbs feel that the country is theirs. The Albanians feel that portions of the country is theirs. Again, before we can have any diplomacy, the President has to understand, when the liberal level attempts to use a vehicle like the military that they neither understand nor have supported in the past, they are bound to fail.

They have a strange dichotomy, Mr. Speaker. They have a vehicle which they loath at times, and at the same time they use this vehicle to serve foreign policy. They are inept, and I would say that the Strobe Talbotts, the Jane Fondas, the Tom Haydens, the Ramsey Clarks are bound to fail because they do not have the gut inclinations on what the use of the military is, and especially when they deny what their warfighters say and go on.

Let us look at NATO today. It is not Ronald Reagan and Margaret Thatcher. Let us look at the makeup. France is a socialist communist coalition. Italy, a former, and I say ''former'', communist; they say he is a quick study for democracy. Germany, a Greenpeace socialist. Tony Blair, a liberal left labor party. And then the President with his military record.

I contend that this is not leadership in foreign policy with the use of that vehicle that will be successful, especially if they turn their heads away from their advisors, the people that know what they are doing in conflict. They are out of their element and disaster is inevitable.

I asked General Clark, face-to-face, I said, how many sorties, how many flights, is the United States making? We have got 19 nations in this. With his eyes he looked at me and he said, DUKE, to the sortie we are flying 75 percent of the air strikes. That does not include the B–2s, the C–17 logistics, the tanking and the other missions. That puts us up over 86 percent. Ninety percent of the weapons dropped are from the United States. There are 18 other nations, Mr. Speaker, in this.

Our supplemental coming up tomorrow should be a check from NATO. Billions of dollars for a European war and we are paying for it, and we are taking the money out of the things that we are trying to support like medical research and Social Security and Medicare and education to fight this war.

There are many of us who think that we should not be there, and that there is a better way. Eighteen other nations. I think that is wrong.

I talked to Stavros Dimas, he is number two in the Greek parliament on the minority side. They are absolutely petrified of Albanian expansionism because, like I said, in the early 1800s they wanted even parts of Greece. History, in 1389 when Kosovo was one, and I mentioned that on April 5, 1941, 700,000 German troops invaded Kosovo and Belgrade was bombed. The Chetniks, who were mostly the guerilla fighters, the partisans and the loyalists, were led by a general named Miholevic, not Milosevic but Miholevic, and they killed or kicked out every single German out of Kosovo.

The CIA, George Tenet, again, told me that the KLA is supported by Osama bin Laden, the Mujahideen and Hamas from Middle East countries. And these are the people that some of my colleagues want to arm?

They say, oh, no, no, no, that is not true. That is not true. There cannot be any KLA sympathizers to Mujahideen and Hamas.

Well, I would tell my friends that they are wrong and it is backed up eyeball-to-eyeball with George Tenet.

Mr. Speaker, I have a tape here. I cannot play it on the floor because it is illegal to use electronics on the floor of the House, and I will not play it, but what is in this tape is some 36 surface-to-air missiles fired at a strike in January of 1972. My flight had over 36 SAMS fired at it. I lost two good friends this day. I lost two other good friends and pilots in a strike up by Quang Tri City.

Part of the supplemental that we are going to fight for tomorrow has these stand-off weapons, the stand-off weapons that have kept many of our pilots safe but yet because of Iraq, because of other places the President has gotten us into, four times in Iraq, the Sudan, Somalia, Haiti, that we are running out of these stand-off weapons like the Tomahawk. We call it a TLAM. The conventional air launch cruise missile we call a CALCM, these run at about $2 million apiece. The Tomahawk runs at about a million. The Joint STARS, which is a joint surveillance large aircraft that gives us the intelligence and the information we need on the ground, we are short of those. We have lost two F–16s. We have lost two Apaches. We lost an F–117 fighter.

I would say, Mr. Speaker, we are going to lose more aircraft, and if we commit ground forces into Kosovo, even if we force Milosevic to capitulate, we then buy Kosovo. If you look at the history, General Shelton said this is absolutely the most difficult land and area environment to attack in the world. It is one of the easiest to defend.

A single rocket launcher can knock out a tank and these narrow roads can tie up a whole column of tanks. Guerilla warfare, which they are used to fighting, they have been fighting there for 800 years. Yes, I think we can overcome the Serbian forces but if we do, A, at what cost? B, we have just bought Kosovo. And then what? I think it is a disaster.

So, Mr. Speaker, I think with the history of the area, that with the lack of understanding by the White House, the lack of diplomacy with Russia and the threat of Russia becoming involved, it is very evident that we are in a very dangerous situation.

I have here, Mr. Speaker, an article that I would like to submit. It says, Head of U.S. Air Command Warns of Strained Forces. They warned of strained forces long before Kosovo ever took place.

We had 14 of 24 jets at Top Gun down for parts; 137 parts were missing. Eight of them were down for engines. The 414th, which is the Air Force aggressor squadron in fighter weapons school, was about the same way. Oceana, a training base, had 4 of 35 jets up, only 4, which trained our new pilots, because they are sending the parts forward.

I do not guess Iraq is important anymore because the no-fly zone, we are

letting that skid. Or the threat to North Korea is not there.

There is another article here that I would like to submit, Mr. Speaker, that says if we were forced to go into North Korea or these other areas, that we could no longer fight a two-conflict battle, which is what our national security policy has been.

This is a very difficult time for my colleagues on both sides of the aisle. We will find a mix of people on both sides of this issue from both sides of the aisle. I like to bring to it an understanding, not only of the diplomacy that is needed but the understanding that is needed before we can ever have a peace.

The President's position of just bomb until Milosevic quits will not work, in my opinion. Even if there is a short halt in the peace, it will escalate again, and I think that is wrong.

I look at other problems not only in Kosovo but around the world with foreign policy.

I would ask, Mr. Speaker, on Sunday, read the New York Times about the lab secrets that were stolen for China in our nuclear labs. It was found out. The gentleman pleaded guilty. He actually took secrets on our missile technology and submarine technology to China. He gave it to the PLA, the communist People's Liberation army, showed it to them and then burned it and came back. He has confessed. But is he up for treason? No. The judge would not handle it. He got a 1-year sentence and he is out this year from a prison in California. Treason?

Colonel Liu, who is General Liu's daughter, the head of technology transfer for the People's Liberation Army in China, Colonel Liu met with John Huang. John Huang introduced Colonel Liu to the President, gave the President, the Clinton and Gore campaign, $300,000.

Loral gave the Clinton-Gore campaign a million dollars. Hughes gave the Clinton-Gore campaign a million dollars. The following week the President waived, against the Department of Defense, the Department of Energy, the National Security Agency, waived and let the Chinese have, and what did he let them have, Mr. Speaker? Secondary and tertiary missile boost capability, which we were briefed by the CIA that Korea was 10 years away from striking the United States. Guess what? They magically have that now after we gave it to China.

The laboratories, what was stolen? The President was briefed in 1996 that we had a spy at our laboratories, at our nuclear labs, and they did nothing. What did they steal? They stole the W–88 warhead, which is a small nuclear warhead. And what did the President waive, against the Department of Defense and national security advisors?

□ 2100

The MIRVing capability, which now allows China to put eight nuclear warheads on a single missile. If that is not bad enough, the targeting devices, before, yes, they could hit the United States, or if they were targeting Chicago, they may hit Peoria. But now they could hit the fourth window on the third apartment on 32nd Street, with that accuracy.

When we have that kind of foreign policy mixed with Kosovo, mixed with the threat to this country with Iraq and Iran, then I think this country needs to take a sidestep and readjust not only its foreign policy but its trade policy as well.

Mr. Speaker, it brings me a lot of sadness to come to the well tonight to speak in this manner. But this is not an easy situation for any of us. Let us get out of Kosovo. There is a much better way, a peaceful way, to achieve this and to work.

I do not think there will be peace in the Middle East in my lifetime, there may not be peace in Northern Ireland in my lifetime, but we have to keep working in that direction. But it does not mean that we have to put troops in Northern Ireland or the Middle East, or keep them in Korea or in Saudi Arabia, because we have a lot of things in our country that we need to do like social security, like Medicare, like education, like medical research.

Mr. Speaker, I include for the RECORD the following articles:

[From the Washington Post, Apr. 27, 1999]

ANALYSIS: WARNINGS OF AIR WAR DRAWBACKS

(By Bradley Graham)

With NATO leaders still wedded to a strategy of pounding Yugoslavia only from the air, a top alliance commander warned yesterday that the relentless bombing could end up setting the country's economy back several decades and still not produce the desired results.

General Klaus Naumann, outgoing head of NATO's military committee, told reporters that alliance leaders came out of their summit conference here this weekend determined to pursue and intensify the month-old bombing campaign. U.S. military commanders differ, however, over when to start using two dozen AH–64A Apache attack helicopters now on station in Albania, he said. Some officers fear the low-level aircraft are still to vulnerable to Yugoslav anti-aircraft missiles.

With consideration of ground forces put off for the time being, Naumann said he and Gen. Wesley K. Clark, the alliance's top military officer, still look to the air campaign to force President Slobodan Milosevic to withdraw Yugoslav forces from the embattled Serbian province of Kosovo, largely because of a sense that no responsible head of government would allow his country to be reduced to rubble.

''Of course, we may have one flaw in our thinking,'' he added. ''Our flaw may be that we think he may have at least a little bit of responsibility for his country and may act accordingly, since otherwise he may end up being the ruler of rubble.''

Naumann indicated he favors using the Apache gunships against Yugoslav artillery emplacements along Kosovo's border with Albania, saying the Apaches stand a better chance of finding and destroying these targets with less harm to ethnic Albanian refugees in the area that higher-flying NATO warplanes now in use. But yesterday's crash of an Apache in Albania, during what defense officials described as a training accident, only heightened concerns among some Pentagon officers about putting the Apaches into action in a risky environment.

---

[From the Military Readiness Review, April, 1999]

KOSOVO AND THE NATIONAL MILITARY STRATEGY: THE COST OF DOING MORE WITH LESS

(Written and produced by Floyd Spence Chairman, House Armed Services Committee)

''The [U.S. military] must be able to defeat adversaries in two distant, overlapping major theater wars from a posture of global engagement and in the face of WMD and other asymmetric threats. It must respond across the full spectrum of crises, from major combat to humanitarian assistance operations. It must be ready to conduct and sustain multiple, concurrent smaller-scale contingency operations.''—The National Military Strategy of the United States.

The National Military Strategy of the United States requires that the U.S. armed services be prepared to fight and win two major theater wars at the same time they conduct multiple, concurrent smaller-scare contingency operations and maintain a posture of global engagement around the world. The sustained reduction in military force structure and defense budgets since the end of the Cold War has seriously called into question whether the U.S. military is able to execute the national military strategy. Since 1989, the Army and the Air Force have been reduced by 45 percent, the Navy by 36 percent and the Marine Corps by 12 percent while operational commitments around the world have increased by 300 percent.

Strained by the already high pace of day to day operations, as well as on-going contingency operations in Iraq and Bosnia, the U.S. military now faces a rapidly escalating commitment in Kosovo. Indeed, the build-up of aircraft for Operation Allied Force in the Balkans will soon approach the size of the air fleet required in a major theater war—in essence, Kosovo has become a third major theater of war. The U.S. military is already feeling the strain in critical areas:

Aircraft Carriers. The aircraft carrier USS Theodore Roosevelt, originally scheduled for deployment to the Gulf region, has been assigned to the Balkans and arrived on station April 5. The gap in the Persian Gulf has been filled by the USS Kitty Hawk, normally stationed in the Far East. She arrived in the Gulf on April 1, and will be relieved by the USS Constellation in June. With no carrier deployed in the Far East in the foreseeable future, the Air Force has been compelled to put its fighter aircraft in the region on higher alert in an effort to partially compensate for the loss of the carrier-based Navy aircraft. The Navy has 12 aircraft carriers in the fleet to cover commitments world-wide. With five currently in shipyards and the rest either recently returned from deployment or just beginning pre-deployment training, Secretary of the Navy Richard Danzig recently testified that the service's carrier fleet is ''being stretched.''

Conventional Fighter and Attack Aircraft. Including the aircraft aboard the USS Theodore Roosevelt, and the 82 additional aircraft just approved for deployment, approximately 500 total U.S. aircraft are currently involved in Operation Allied Force. This includes over 200 fighters and attack aircraft. General

Wesley Clark, NATO's Supreme Allied Commander, recently requested some 300 additional U.S. aircraft in order to intensify the air campaign. If approved, it will bring the total number of U.S. aircraft in the region to 800. In addition, the European Command recently removed 10 F–15 fighters and 3 EA–6B Prowler electronic warfare aircraft from Incirlik Air Base in Turkey and deployed them in Aviano Air Base in Italy. Press reports indicate that in an April 1, 1999, meeting, the Joint Chiefs of Staff expressed concern that General Clark's growing requirements for aircraft and other equipment will mean higher risks in other hot spots around the world.

F–117 Fighters. The Air Force has deployed 24 F–117 aircraft to the Balkans to support Operation Allied Force. Because of their stealth capabilities, F–117s are in high demand for the type of operations currently being conducted over Yugoslavia. However, the United States has a total of only 59 F–117s to cover all requirements world-wide.

Joint Surveillance Target Attack Radar System (Joint STARS). JSTARS is a modified Boeing 707 aircraft equipped with a long-range air-to-ground surveillance system designed to locate, classify and track ground targets in all weather conditions. Currently, the United States has just five JSTARS in the inventory. Two are supporting operations in the Balkans, placing a strain on the remaining three aircraft that must respond to all other commitments around the world.

EA–6B Prowler. The EA–6B is used to collect tactical electronic information on enemy forces and to jam enemy radar systems. It is also equipped with the HARM anti-radiation missile that is used to destroy enemy radar systems. The EA–6B is found in Navy, Marine Corps and joint Navy/Air Force squadrons. With a total of only 123 in the inventory, nearly 20 are currently deployed to support operations in Yugoslavia. Combined with the on-going deployments in support of Operations Northern and Southern Watch in Iraq and other commitments around the world, the EA–6B fleet is considered by DoD to be ''fully committed'' at the present time.

KC–135/KC–10 Aerial Refuelers. Currently the Air Force has over 50 KC–135 aircraft and approximately 15 KC–10 aircraft supporting operations in the Balkans. The refueler fleet is heavily committed on a day-to-day basis during normal peacetime operations. As a result, the active Air Force relies heavily on the Guard and Reserve, who fly 56% of the refueling missions for the Air Force. Normally, the Air Force meets its world-wide commitments using volunteers from the Guard and Reserve. However, as the operation intensifies, Air Force will be unable to meet commitments with volunteers alone. The pending Presidential Guard and Reserve call-up is likely to contain a high percentage of KC–135/KC–10 crews. On April 26, 1999, the Secretary of Defense announced that an additional 30 KC–135/KC–10 aircraft and crews, both active and Reserve, will deploy to the region.

Conventional Air Launched Cruise Missiles (CALCM). Prior to Operation Desert Fox against Iraq in December 1998, the Air Force had approximately 250 CALCMs, the non-nuclear version of the Air Launched Cruise Missile (ALCM) that are launched from U.S. bombers. The Air Force fired 90 against Iraq during Operation Desert Fox. In Operation Allied Force, 78 have been fired during the first three weeks of operations leaving approximately 80 in the inventory. The Congress recently approved an emergency reprogramming of $51.5 million in FY 1999 funding to convert an additional 92 ALCMs to CALCMs. In the White House's recent emergency supplemental budget request, CALCMs were designated as the Air Force's number one shortfall.

Tomahawk Land Attack Missile (TLAM). The TLAM has become the Administration's weapon of choice to strike heavily defended or high value targets while posing no risk to American pilots. During Operation Desert Fox strikes against Iraq, 330 TLAMs were fired from Navy ships. To date, approximately 178 additional TLAMs have been fired against targets in Yugoslavia. The type of TLAM that is being depleted most rapidly, the Block IIIC model, is the most advanced and therefore the most in demand by military commanders. Further, the U.S. shut down the last remaining TLAM production line in fiscal year 1998 and production of the follow-on missile system is not planned until fiscal year 2003. The White House's emergency supplemental appropriations bill identified TLAM shortfalls as an urgent priority, and included funds to convert older cruise missiles to the more advanced Block IIIC model.

[From the Washington Post, Apr. 30, 1999]

HEAD OF U.S. AIR COMMAND WARNS OF STRAINED FORCES—GENERAL SAYS WAR STRETCHES U.S. FORCES

(By Bradley Graham)

The general who oversees U.S. combat aircraft said yesterday the Air Force has been sorely strained by the Kosovo conflict and would be hard-pressed to handle a second war in the Middle East or Korea.

Gen. Richard Hawley, who heads the Air Combat Command, told reporters that five weeks of bombing Yugoslavia have left U.S. munition stocks critically short, not just of air-launched cruise missiles as previously reported, but also of another precision weapon, the Joint Direct Attack Munition (JDAM) dropped by B–2 bombers. So low is the inventory of the new satellite-guided weapons, Hawley said, that as the bombing campaign accelerates, the Air Force risks exhausting its prewar supply of more than 900 JDAMs before the next scheduled delivery in May.

''It's going to be really touch-and-go as to whether we'll go Winchester on JDAMs,'' the four-star general said, using a pilot's term for running out of bullets.

On a day the Pentagon announced deployment of an additional 10 giant B–52 bombers to NATO's air battle, Hawley said the continuing buildup of U.S. aircraft means more air crew shortages in the United States. And because the Air Force tends to send its most experienced crews, Hawley said, the experience level of units left behind also is falling. With NATO's latest request for another 300 U.S. aircraft—on top of 600 already committed—Hawley said the readiness rating of the remaining fleet will drop quickly and significantly.

His grim assessment underscored questions about the U.S. military's ability to manage a conflict such as the assault on Yugoslavia after reducing and reshaping forces since the Cold War. U.S. military strategy no longer calls for battling another superpower, but it does require the Pentagon to be prepared to flight two major regional wars at about the same time.

As the number of U.S. planes involved in the conflict over Kosovo approaches the level of a major regional war, the operation is exposing weaknesses in the availability and structure of Air Force as well as Army units, engendering fresh doubts about the military's overall preparedness for the world it now confronts. If another military crisis were to erupt in the Middle East or Asia, Hawley said reinforcements are still available, but he added: ''I'd be hard-pressed to give them everything that they would probably ask for. There would be some compromises made.''

The Army's ability to respond nimbly to foreign hot spots also has been put in question by the month it has taken to deploy two dozen AH–64A Apache helicopters to Albania. While Army officials insist the helicopter task force moved faster than any other country could have managed, the experience appeared to highlight a gap between the Pentagon's talk about becoming a more expeditionary force and the reality of deploying soldiers.

Massing forces for a ground invasion of Yugoslavia, officials said, would require two or three months. Because U.S. military planners never figured on fighting a ground war in Europe following the Soviet Union's demise, little Army heavy equipment is prepositioned near the Balkans. Nor are there Army units that would seem especially designed for the job of getting to the Balkans quickly with enough firepower and armor to attack dug-in Yugoslav forces over mountainous terrain.

''What we need is something between our light and heavy forces, that can get somewhere fast but with more punch,'' a senior Army official said.

Yugoslav forces have shown themselves more of a match for U.S. and allied air power than NATO commanders had anticipated. The Serb-led Yugoslav army has adopted a duck-and-hide strategy, husbanding air defense radars and squirreling away tanks, confounding NATO's attempts to gain the freedom for low-level attacks to whittle down field units. Yugoslav units also have shown considerable resourcefulness, reconstituting damaged communication links and finding alternative routes around destroyed bridges, roads and rail links.

''They've employed a rope-a-dope strategy,'' said Barry Posen, a political science professor at the Massachusetts Institute of Technology. ''Conserve assets, hang back, take the punches and hope over time that NATO makes some kind of mistake that can be exploited.''

Hawley disputed suggestions that the assault on Yugoslavia has represented an air power failure, saying the full potential of airstrikes has been constrained by political limits on targeting.

''In our Air Force doctrine, air power works best when it is used decisively,'' the general said. ''Clearly, because of the constraints, we haven't been able to see that at this point.''

NATO's decision not to employ ground forces, he added, also has served to undercut the air campaign. He noted that combat planes such as the A–10 Warthog tank killer often rely on forward ground controllers to call in strikes.

''When you don't have that synergy, things take longer and they're harder, and that's what you're seeing in this conflict,'' the general said.

At the same time, Hawley, who is due to retire in June, insisted the course of the battle so far has not prompted any rethinking about U.S. military doctrine or tactics, nor has it caused any second thoughts about plans for the costly development of two new fighter jets, the F–22 and Joint Strike Fighter. Despite the apparent success U.S. planes have demonstrated in overcoming Yugoslavia's air defense network, Hawley said the

next generation of warplanes is necessary because future adversaries would be equipped with more advanced anti-aircraft missiles and combat aircraft than the Yugoslavs.

If the air operation has highlighted any weaknesses in U.S. combat strength, Hawley said, it has been in what he termed a desperate shortage of aircraft for intelligence-gathering, radar suppression and search-and-rescue missions. While additional planes and unmanned aircraft to meet this shortfall are on order or under development, Hawley said it will take ''a long time'' to field them.

In the meantime, he argued, the United States must start reducing overseas military commitments. He suggested some foreign operations have been allowed to go on too long, noting that the U.S. military presence in Korea has lasted more than 50 years, and U.S. warplanes have remained stationed in Saudi Arabia and Turkey, flying patrols over Iraq, for more than eight years.

''I would argue we cannot continue to accumulate contingencies,'' he said. ''At some point you've got to figure out how to get out of something.''

The Air Force blames a four-fold jump in overseas operations this decade, coming after years of budget cuts and troop reductions, for contributing to an erosion of military morale, equipment and training. The Air Force has tried various fixes in recent years to stanch an exodus of pilots and other airmen in some critical specialties.

It has boosted bonuses, cut back on time-consuming training exercises and tried to limit deployment periods. It also has requested and received hundreds of millions of dollars in extra funds for spare parts.

Additionally, it announced plans last August to reorganize more than 2,000 warplanes and support aircraft into 10 ''expeditionary'' groups that would rotate responsibility for deployments to such longstanding trouble zones as Iraq and Bosnia.

But Hawley's remarks suggested that the growing scale and uncertain duration of the air operation against Yugoslavia threaten to undo whatever progress the Air Force has made in shoring up readiness. Whenever the airstrikes end, he said, the Air Force will require ''a reconstitution period'' to put many of its units back in order.

''We are going to be in desperate need, in my command, of a significant retrenchment in commitments for a significant period of time,'' he said. ''I think we have a real problem facing us three, four, five months down the road in the readiness of the stateside units.''

## MEDICARE MUST NOT BE PRIVATIZED

The SPEAKER pro tempore (Mr. ISAKSON). Under the Speaker's announced policy of January 6, 1999, the gentleman from Ohio (Mr. BROWN) is recognized for 60 minutes as the designee of the minority leader.

Mr. BROWN of Ohio. Mr. Speaker, I am joined tonight by my friends, the gentleman from Florida (Mr. DEUTSCH), the gentleman from Texas (Mr. GREEN), the gentleman from New Jersey (Mr. PALLONE).

For the next hour we are going to talk about efforts that the majority party has tried to improve Medicare in this system, perhaps the single best government program of our lifetime, that has brought half the population in this country, really has provided health care for half the senior population.

In 1965 when Medicare was created, only about half of America's elderly had health insurance. Today 99-plus percent of America's elderly do.

Mr. Speaker, many in Congress have been on a campaign to scare America's seniors into believing that Medicare is going bankrupt. They say that Medicare must be improved in order to save it. Once again, Medicare privatizers are wrong. The Trustees of the Medicare Trust Fund have just reported that Medicare will remain solvent through the year 2015, up from its earlier projection just a year ago of 2008.

Republicans in Congress, the Washington, D.C. think tanks, and their media supporters who want to privatize Medicare are wringing their hands over the Trustees' latest report. They believe these new projections will lead Congress to do nothing toward reforming social security and Medicare. With the programs projected to last longer, they tell us we cannot rest on our laurels.

The real threat to Medicare, however, is not its alleged pending bankruptcy. The real threat is a proposal just rejected by the National Medicare Commission to privatize Medicare and to deliver it to the private insurance market.

Under a proposal soon to be introduced called premium support, Medicare would no longer pay directly for health care services. Instead, it would provide each senior with a voucher good for part of the premium for health care, for private health care coverage. Medicare beneficiaries could use this voucher to buy into the fee-for-service plan sponsored by the Federal Government, or could join a private plan.

To encourage consumer price sensitivity, the voucher would track to the lowest cost private plan. Ostensibly, seniors would shop for the plan that best suits their needs, paying the balance of the premium or paying extra if they want higher quality. The proposal would create a system of health coverage, but it would abandon Medicare's fundamental principle, its fundamental principle of egalitarianism.

Today the Medicare program is income-blind. All seniors have access to the same level of care. The idea that vouchers would empower seniors to choose a health plan that best suits their needs is simply a myth. The reality is that seniors will be forced to accept whatever plan they can afford.

The goal of the Medicare Commission was to ensure the program's long-term solvency. The premium support proposal will not do that. Supporters of the voucher plan say it could shave 1 percent per year from the Medicare budget over the next few decades. That is still not enough to prevent insolvency, and it is surely based on much too optimistic projections of private sector performance.

Bruce Vladeck, a former administrator of the Medicare program and the Medicare Commission, a bipartisan Commission Member, doubted the Commission plan would save the Federal Government $1. That same proposal under a legislative plan, under a legislative title, will not succeed, either.

Efforts to privatize Medicare are, of course, nothing new. Medicare beneficiaries have long been able to enroll in private managed care plans. Their experience, however, does not bode well for a full-fledged privatization effort. These managed care plans are already calling for higher government payments. They are dropping out of unprofitable markets, and they are cutting back on benefits to senior citizens.

Managed care plans obviously are profit-driven, and they simply do not tough it out when those profits are not realized. We learned this the hard way last year when 96 Medicare HMOs unceremoniously dropped 400,000 Medicare beneficiaries because the HMOs did not meet their profit objectives.

Before the Medicare program was launched in 1965, more than one-half of the Nation's seniors were uninsured. Private insurance was the only option for the elderly. But these insurers did not want senior citizens to join their plans because they knew that seniors use their coverage. The private insurance market surely has changed considerably since then, but it still avoids high-risk enrollees and, whenever possible, dodges the bill for high-cost medical services.

The problem is not necessarily malice or greed, it is the expectation that private insurers can serve two masters, the bottom line and the common good. Logically, looking at the bottom line, our system leaves 43 million people without health insurance, 11 million of whom are children. Only Medicare can insure the elderly and disabled population because the private market had failed to do so.

If we privatize Medicare, we are telling America that not all seniors deserve the same level of health care. We are betting on a private insurance system that puts its own interests ahead of health care quality and a balanced Federal budget.

Look at efforts to privatize in other parts of government, efforts to privatize our public pension system. The mission of a private pension system is to make a profit. The mission of a public pension system, like social security, is to provide a decent amount of money, a decent standard of living, for people as they are older.

The mission of a private prison is the bottom line, to make a profit. The mission of a public prison is public safety, punishment, and rehabilitation.

The mission of a privatized national park system, as many Republicans in

this body have proposed, is to make a profit in commercialization. The purpose of a public national park system is to provide green space, to provide entertainment, to provide places for Americans to go and enjoy life with their families in secluded areas in national parks.

The point is, privatization of the greatest part of our health care system, Medicare, the mission of privatization for insurance companies is the bottom line, is to make a profit. But the purpose of our public health care system, our Medicare system, is to provide a decent amount of health care so that older people can live their lives more productively, can live their lives longer, can live their lives in a more healthy sort of way.

Mr. Speaker, Republicans earlier this evening, two of my friends from Arizona, talked about choice and how the great thing about privatization of Medicare is choice. The fact is, under Medicare fee-for-service, people have choice in this system. They can choose their doctor, they can choose their hospital. Managed care privatization of Medicare is taking away that choice, and ultimately it will reduce quality.

The goal is simple: Let us keep Medicare the successful public program that it always has been.

Mr. Speaker, I yield to my friend, the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. First of all, Mr. Speaker, I want to thank my colleague, the gentleman from Ohio (Mr. BROWN) for organizing this special order. It goes without saying that along with social security, the Medicare program is the cornerstone of the Federal government's commitment to America's seniors, and the importance of the program to the millions who are covered by it cannot be overstated. I do not think there is any question that we in Congress have to continue to search for ways to strengthen Medicare.

I just wanted to say a few words today to agree with my colleague, the gentleman from Ohio (Mr. BROWN) about the proposal put forward by the cochairs of the recently disbanded Bipartisan Commission on Medicare. The cochairs' proposal fortunately did not pass the Commission because it did not achieve the required majority in the voting process, and I am glad that it did not, because I think that the cochairs' proposal of this Commission would drastically change Medicare as we know it.

The problem is that there is really nothing we can do to stop the proponents of this proposal from introducing the bill in Congress. Here on the House side, the gentleman from California (Mr. BILL THOMAS), who was one of the principal authors of that proposal that failed in the Medicare Commission, has vowed to move forward and pass this ill-conceived scheme.

The centerpiece of this scheme is changing Medicare from a program with a guaranteed benefits package to a program without a guaranteed benefits package.

Proponents of this plan would do this by converting Medicare into what they call a premium support program. I would caution, and I know my colleague from Ohio said, that seniors should beware of this proposal. Premium support is just a fancy phrase that the plan's supporters like to use to hide the fact that they want to turn Medicare into a voucher program. It is nothing more than a voucher program.

Under this proposal, the Federal Government would pay a set amount towards the cost of a beneficiary's health care. Any expense that exceeded what the Federal Government contributes would have to be paid by the beneficiary. Seniors may still choose fee-for-service under this scheme, but their premiums will be more expensive.

I think this was designed deliberately. The goal of the proponents of this proposal is to eliminate fee-for-service as we know it and basically replace it with a managed care-dominated system.

Ironically, the voucher plan's proponents want to put seniors out of fee-for-service into managed care because they think the competition between managed care plans will drive health care costs down. But the information we have on the cost of health care in recent years indicates that the Federal Government is doing a better job of controlling health care costs than the private sector.

The figures we have, for example, for the first 6 months of fiscal year 1999 indicate that this trend is continuing. Medicare funding has actually declined by $2.6 billion, compared to the first 6 months of last year.

What I am basically putting forward is that under this voucher plan, the costs of fee-for-service would see a sharp increase. According to an independent Medicare actuary, the voucher proposal would be an 18 to 30 percent increase in the cost of the traditional fee-for-service program.

So there should not be any doubt here, the price increase would bully seniors into managed care programs, and then we have a track, essentially, for our seniors. Once seniors make the switch to managed care, they will not only lose their freedom to choose their doctor, they will also lose the guaranteed benefits package today's Medicare beneficiaries enjoy. A voucher system is simply not going to provide the guarantee.

What we are seeing essentially with this proposal that has been put forward by the Medicare Commission, and I stress again, it failed the Medicare Commission, is that we are going to see increasing costs, out-of-pocket expenses for seniors. We are going to see them pushed out of fee-for-service and into a managed care plan.

The problem is that if we look at what has been happening across the country in terms of managed care plans, we know that many people are not satisfied with their managed care plans, even when they are available, and that many seniors, after a few months or a few years in the managed care plan, find that the HMOs drop them because they claim that they cannot afford to continue with the seniors in the managed care plan. So we have seen cases and cases across the country, particularly in my home State of New Jersey, where seniors have simply been dropped from HMOs or managed care plans.

Why in the world do we want to push more and more American seniors into the managed care plans when people have not been happy with many of them, they have not had adequate protections, and, in many cases, they have simply been dropped?

I am very concerned that what we are doing with this voucher plan that is being proposed is simply changing Medicare to the point where it will not be the type of quality program that we have had in the past.

The other thing I wanted to mention, and then I would yield back to my colleague, is that the other aspect of this voucher plan that disturbs me a great deal is this idea of increasing the age of eligibility for Medicare from 65 to 67.

We know there has been a steady increase in the number of uninsured Americans. That is probably the greatest threat we see today is the number of people who are uninsured. The most rapidly growing group of the uninsured are people between the ages of 55 to 65. If we raise the eligibility, we are only exacerbating this problem and denying even more people coverage at a time when they most need it.

If I could just say, in conclusion, the fact of the matter is that the Medicare program has been enormously successful and does not need to be changed in the manner suggested by this voucher proposal. The voucher proposal is a solution in search of a problem, and it ignores six key principles that most Democrats on the Medicare Commission supported, that I support, and I think must be protected as Congress and the President consider ways to improve and strengthen the current Medicare program. I just want to list them briefly, if I could.

First, any revision of Medicare must protect the right of individuals to choose their doctor by continuing the traditional fee-for-service program.

Second, any revision of Medicare should not increase the number of uninsured or reduce access to health insurance.

□ 2115

Third, any revision of Medicare must not increase burdens on beneficiaries

and should do more to help low-income beneficiaries.

Fourth, Medicare must always cover a well-defined set of benefits that cannot be reduced or eliminated.

Fifth, Medicare must provide comprehensive prescription drug coverage for all its enrollees; and

Sixth, 15 percent of the budget surplus should be set aside to extend the life of the Part A Hospital Trust Fund to 2020 and to combine the Part A and Part B Trust Funds to eliminate solvency as an issue in Medicare.

I am afraid, I say to my colleague from Ohio and my other colleagues here on the Committee on Commerce, that if we look at this voucher proposal that is being put forth by the cochairs of this Medicare Commission, it does not satisfy these different enumerated guarantees or principles that we should be aspiring to. These principles will ensure Medicare is preserved and protected for the current and future generations.

I know my fellow Democrats want to accomplish that goal, and hopefully we will be able to withstand some of the efforts that are being put forward, primarily by the other side of the aisle, to change Medicare—from to what it has traditionally been: a good program, a quality program that covers all seniors.

Mr. BROWN of Ohio. I thank the gentleman from New Jersey. I want to add that the leadership of the gentleman from New Jersey (Mr. PALLONE), especially in his efforts to fight Republican efforts to privatize Medicare, have been very, very important in our so far successful efforts to do that.

One point, before calling on the gentleman from Florida (Mr. DEUTSCH), and that is that the gentleman from New Jersey (Mr. PALLONE) repeatedly has talked about the success of Medicare; that it is a program that almost no one in this country, except for some insurance company executives, some Wall Street analysts, and some Washington political pundits and their representatives in the Republican Party say that that Medicare is that broke. There are not huge demands from across the country in any of our districts clamoring for Medicare to be so radically changed.

Sure, it needs some changes; sure, it needs some fixes; but it is not a broken program. It is serving people in this country very well. And this kind of radical surgery proposed by Republicans is dead wrong.

Mr. PALLONE. If the gentleman will yield, I would like to say one more thing before he yields to another colleague.

This Sunday coming up is Mother's Day. A few years ago I was on the floor talking about Medicare at the time when there was an effort by the Republicans on the other side to try to cut back significantly on the funding. And one of my colleagues on the Republican side was talking about how his mother was frustrated and did not need Medicare because it was not a good program.

And I was shocked because, as the gentleman said, everyone that I talk to, including my own mother who is on Medicare, tells me just the opposite. They think Medicare is very valuable. What they would like to see is maybe expanded coverage.

I sort of thought it was ironic that it was close to Mother's Day, as it is again today, and we had these opposite points of view about the Medicare program. But, frankly, I get no one who suggests to me that they want to see a radical overhaul of Medicare.

One of the things I want to talk about later, after my other colleagues have spoken, is a report that just came out by OWL, I guess the Older Women's League, that talks about Medicare and women, and this was in preparation for Mother's Day. It has some significant insights into the problems that elderly women face.

Mr. BROWN of Ohio. I thank the gentleman from New Jersey, and now I want to yield to my friend, the gentleman from Florida (Mr. DEUTSCH), a prominent member of the Subcommittee on Health and Environment of the Committee on Commerce, and thank him for his help.

Mr. DEUTSCH. Mr. Speaker, I appreciate the opportunity to be here this evening and really focus in on Medicare and what it faces in the future and, in a sense, what it has done in its past.

Medicare's creation is not ancient history. We are talking about a program in effect for less than 30 years at this point in time. And the bad old days, which many people still remember, not in terms of reading about but hearing about, it almost seems like ancient history to us, of America prior to Medicare; of seniors literally across the country not having health care coverage, period. In a sense, effectively dying by not having health care coverage. That does not happen today.

In fact, Medicare, as a government program, is really government at its best; government coming in and dealing with incredibly serious problems on a societal level, on a community level in the United States of America and changing the world. That in fact is what Medicare as a program has done. Over 30 million people are presently on Medicare. It is the largest health care system in the world, and it has changed the world.

One of the things I think is interesting to reflect on, just as we are talking about this issue, is does anyone seriously believe that Medicare would have been created if my Republican colleagues were in the majority of the United States Congress? I do not think that is a serious question because I think we know the answer to it.

And, in fact, the reality of what is occurring, and we have talked about some of the battles that we have shared in fighting to save Medicare over the last several years, is that Medicare really has been and continues to be attacked. In fact, literally there is an attempt to destroy it on a continual basis.

That is what this whole voucher concept is about. And hopefully we will have a chance to really discuss it at some length this evening, but the voucher concept is an attempt to destroy Medicare. It would destroy the Medicare system because it would fundamentally alter the Medicare system.

That is the intention of the proponents of the voucher system. They are not going to come flat out and say we are proposing vouchers to destroy Medicare, but the reality of what their proposal will do is, in fact, destroy the Medicare system.

Again, I think we really need to talk about it in a detailed way so people understand what really the Republicans, in general, are talking about as their solution to destroying Medicare.

Medicare is presently a defined benefit plan. The statute specifically delineates what benefits a beneficiary, those 30 million people, get under Medicare. They get 80 percent of reasonable cost. Under Part B they get hospitalization coverage with a deductible; under Part A they get certain home health care benefits, nursing home benefits, specific benefits that are delineated under the Medicare statute.

And, in fact, we have added, occasionally. Just in the last Congress we have added some preventive coverage, and we have pushed and we have pushed. And, in fact, if anything, what we ought to be talking about is adding additional benefits. One of the issues that this Congress should address is the issue of prescription drug medication being covered under Medicare. That is a critical issue for us to pass in this Congress. It is a gap in the Medicare system that we do not provide coverage. In fact, I think we can make a very strong case that providing coverage will have a positive cost effect in terms of the Medicare Trust Fund.

But that is the present Medicare system. In fact, the way it is set up, regardless of how much hospitalization costs, that is the coverage that a Medicare beneficiary gets. Obviously, people also have the option, in most communities in the country, most urban centers in the country, of choosing Medicare HMOs, if those are available to them.

But what is the voucher system? The voucher system is a totally different concept. It says we believe that each person should get X dollars, whatever that X dollars is, for their health care coverage under Medicare. Theoretically, someone can then take that

voucher and go shopping in the private sector for health care coverage. The theory of our colleagues is that the private sector is going to do better than this present system and they are going to provide individuals with more coverage.

Do not be fooled. Because the whole concept of the voucher system, the way it has been proposed continuously, is a set amount of dollars. Now, from a strict budgeting point of view, if our only concern was outlays of dollars, then we could see supporting the voucher system. But if our concern is really impact on people's lives, we just cannot be.

But once that voucher system is set up and we pick that dollar amount, and today it might be a good dollar amount, and we can really debate that dollar amount, but what about tomorrow, and what about the next day, and what about the day after that? And the reality is that no matter what the dollar amount in the voucher is, there will be a health care provider who will bid for that service.

So the voucher today is $4,000. Next year it might be $3,500, or even next year it might be $4,000. It will be below the average cost of Medicare beneficiaries today. And there will always be a private-for-profit provider of care who will bid for that. But what we are saying, effectively, is that we are creating a two-tier health care system, because the wealthiest of the wealthy in America will not have to opt into that type of process.

What will happen is the voucher system, inevitably, from a policy perspective, will force the vast majority of Medicare beneficiaries into substandard HMOs. That is the result of the voucher system that is proposed. And that is not Medicare. That is minimalist health care. That is a tragedy of monumental proportions for this country.

I know the four of my colleagues here, and really almost everyone on our side of the aisle, will fight with our last ounce of strength, and I know the President is committed, to prevent that from happening. And I look forward to really entering into a dialogue with those of us who are here this evening and really defining this a little bit more.

I yield back to my colleague from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I want to thank my colleague from Florida, and I want to now introduce another good friend, the gentleman from Texas (Mr. GENE GREEN), who has been a member of the Subcommittee on Health and Environment for 3 years now and has done a good job.

Mr. GREEN of Texas. Mr. Speaker, I want to thank my colleague for requesting this special order. I think it is so important that we recognize the Medicare issue.

Here we have a Member from Ohio, our ranking member on our Subcommittee on Health and Environment who requested this hour, a Member from Florida, a Member from New Jersey, and myself, I am from Texas, and it shows how it is not just a regional problem.

The Medicare program has been so important since 1965, and I am glad we are taking time out at the end of the day to talk about it and to hopefully raise the level of intensity for not only senior citizens who are now Medicare beneficiaries but those of us who will grow into being Medicare beneficiaries over the next few years and realize the benefits of the current program.

My colleague, the gentleman from Florida (Mr. PETER DEUTSCH), mentioned that Medicare does not pay for everything. In fact, it does pay for 80 percent. There are a lot of things Medicare should not pay for, but it does not pay for all the things that maybe health care should. One in particular, prescription medication, has risen now to a new level of importance, because prescriptions in 1999 are such that we do provide delivery. It saves ultimately on going to the doctor or the hospital, whereas in 1965 or 1975, some of the advances in medications were not there.

So perhaps we should reflect and say, okay, let us do what we can do on prescription medications and provide some type of copay for Medicare beneficiaries and not necessarily force seniors into managed care, an HMO, simply because they are paying $300 or $400 a month for prescriptions.

In some cases in my own district I have seniors who are paying that much, and their minimum benefits on Social Security are just a little bit less than that. So thank goodness the family is still together, the husband and the wife, and maybe the wife is the minimum beneficiary and they are paying her whole Social Security check just for their prescription medication.

Medicare is such an important program. Again, it started in 1965, and I was proud that in 1965 it was Lyndon Johnson from Texas who originally proposed it, although it was not a new program. It had frankly been around since the depression, but it was enacted in 1965 as a national health care insurance program for people over 65. It was expanded in 1972 under a Republican administration to cover the disabled and the need for continuing dialysis, for permanent kidney failure, or a received kidney transplant. So over the years Medicare has been expanded to include disabilities.

The United States public and private spending on health care far exceeds that of other industrialized nations by roughly a trillion dollars. Medicare comprised 11 percent, more than $200 billion of our Federal spending, and is funded by a combination of both general funds and payroll taxes. Current workers are taxed 1.45 percent of their earnings and our employers are taxed 1.45, where the self-employed are at 2.9 percent. This tax makes up 89 percent of the income for the Medicare Trust Fund Part A. And I would challenge any other Federal program to have that kind of taxpayer supported program.

We will talk tomorrow about the supplemental defense spending, what is going on in Kosovo. I always like to give the example that if we did not appropriate $1 for the Pentagon tomorrow, we would not be able to handle our commitments to NATO or buy another missile or another tank or pay another service personnel, but the hospital portion of Medicare Part A, 89 percent is funded by the taxpayers directly.

□ 2130

It does not come out of necessarily general revenue. It is for the trust fund. Medicare Part B is a split between 75 percent and 25 percent, general fund 75 percent and 25 percent from the beneficiaries. So we see that Medicare is not just general funds, it is a tax support. And that was created in the late 1980s and 1990s.

The deductible for Medicare Part A is $768 per patient for Medicare Part A. That is a deductible. So it does not pay for everything. Medicare Part B, the premium that seniors pay is $45 a month, with a $100 a year deductible. Actually, beneficiaries pay a co-pay of 20 percent of the approved amount because Medicare pays for 80 percent and that 20 percent is the responsibility of the senior citizen. They can buy them a Medigap coverage that is regulated by State insurance commissions or they can pay that 20 percent themselves.

The reason I think we are here tonight, and I do look forward to the dialogue that we have, and I could talk all evening about the benefits of the current program in the fee-for-service program, but the Medicare Commission I think had a great many shortcomings.

I do not want to take anything away from Senator BREAUX and his efforts to try and come up with a compromise. But the concern I had was the premium support proposal that they did come up with. That is not something I could vote for on the floor of this House. And I was glad that the Medicare Commission failed to get the number of votes that they needed to. It would increase premiums for millions of beneficiaries. It would cause the traditional program to rise, the premium, from 18 percent to 30 percent.

In rural districts, of course my district is very urban, but in rural areas Medicare beneficiaries would pay differential premiums for the same traditional Medicare for the first time. And also, the premium support system,

with what has happened with the managed care proposal issue now, we have managed care companies withdrawing from rural areas predominantly, so we could even see that as not as an option for rural areas in our country.

It was a lose-lose situation for urban beneficiaries because urban beneficiaries who generally have access to managed care would not be protected against the higher traditional program premiums. They would also likely pay more for private plans, such as plans that would raise premiums for beneficiaries to compensate for Government payments that do not cover the local cost.

And an unclear commitment on defined benefits. Again, we have a defined benefit program instead of a defined premium program. And again, the concern that we also hear is unfunded mandates for the States. Traditional Medicare premiums would rise under this proposal, and Medicaid cost for some States would actually go up for the low-income beneficiaries.

So that is the concern. And again, I know the Commission worked long and hard. Both Members of the House and Senate were on it, along with private citizens. But I was glad they were not able to come up with a plan because the plan they ultimately came close to was one that we would be fighting here every day to try to keep from happening.

Again, I thank the gentleman for asking for this time. Medicare is so important to not only my district and our Nation but to all our districts that we need to again continue this dialogue and raise the intensity so people know Medicare is challenged. It is in good shape until 2015 now. But it is still something we have to guard against every day to see that the reforms do not literally do what we in Texas call throw the baby out with the bath water.

Sure, we can have some reforms. But let us not lose the traditional support that Medicare has for senior citizens.

Mr. BROWN of Ohio. Mr. Speaker, I think that both the gentleman from Texas (Mr. GREEN) and the gentleman from Florida (Mr. DEUTSCH) both touched on the history of Medicare and who really was responsible for this program, and I think it begs the question of whom do we trust to make changes in Medicare?

In 1965, Medicare, with an overwhelming Democratic majority in Congress, the Congress passed the program setting up Medicare. Many Republicans opposed it. In fact, Bob Dole, who was then the leader of the other body and later was the Republican nominee for President in 1996, was in 1995 bragging to a conservative group on whom he counted for the Republican nomination for President, bragging about who he was one fighting against Medicare against its creation in 1965 as a Member of the House of Representatives at that point because he knew it would not work and he wanted to defeat it.

Literally the same day, then Speaker Gingrich said he wanted to see Medicare wither on the vine. It is the same group of people that opposed Medicare in 1965. The conservative wing of the Republican party which now dominates the Republican party are the people that really do not like Medicare.

In 1993, when Medicare was in some trouble, this Congress and I know the four of us all supported the efforts of this Congress to make some relatively minor changes in Medicare, some cuts to some providers that were probably making too much money at the time and some minor changes in the program of some significance but, by and large, did not affect Medicare beneficiaries particularly but made the program a good deal fiscally stronger in 1993. Again, every Republican in this institution voted against it then.

Then, 2 years later, Republicans tried to cut Medicare $270 billion. At the same time, they were giving a tax break mostly to wealthy taxpayers of roughly the same number of dollars and it was another assault on Medicare. And every time we turn our backs or we forget to watch or we are not vigilant, we see the conservative wing, not all Republicans, but the conservative wing of the Republican party which dominates that party in the 1990's go after Medicare.

And before we think about radical surgery on this program, the program of Medicare, we need to think whom do we trust? Do we trust the people that never liked Medicare to begin with, the far right of the Republican party? Do we trust them to make changes, the voucher program that the gentleman from Florida (Mr. DEUTSCH) talked about? Or do we trust people who supported this program, people like us that have supported it all along, mainstream Democrats, the President who supports it? Do we trust this group of people to make some minor changes to continue to keep Medicare strong?

Mr. DEUTSCH. Mr. Speaker, if the gentleman would yield, it really is a philosophical chasm between us and them in a sense, or at least part of them and most of us, that we really believe that Government can be a useful vehicle to help solve problems, to change the world; and I think, philosophically, probably maybe a majority of my colleagues on the other side of the aisle believe that Government would mess up a two-car funeral and Government should not be involved.

We can create a voucher system where effectively Government is not involved in this process even though Government is paying the money. But it is a totally different concept of the role of Government. I think none of us believe that Government can solve every problem. But I think what we do believe is that Government can be a force to literally make people's lives better.

I think part of this history discussion, for people who are watching us this evening, and if they do not know it themselves, talk to their parents or their grandparents and ask them about the time, it is only 30 years ago or a little bit over 30 years ago when Medicare did not exist in America.

I tell my colleagues, there is an analogy of it as well if we go back of when Social Security did not exist in America. I mean, it is not an accident that Social Security was created under a Democratic administration of Franklin Roosevelt.

I mean, do any of my colleagues really believe that, philosophically, that would have occurred in a Republican administration? And there is a real parallel I think in terms of that. And it is not ancient history before Social Security existed in America.

Mr. PALLONE. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from New Jersey.

Mr. PALLONE. Mr. Speaker, I just wanted to say, I mean, I totally agree with what the gentleman from Florida (Mr. DEUTSCH) said and my colleague from Ohio (Mr. BROWN).

I think that the problem that we face with this Breaux-Thomas voucher proposal is the following: Right now, because Medicare applies to everyone over 65 and is a program that most people can rely on and is a quality program, there is substantial support for it, I think, all over the country. But, as my colleague from Ohio points out, the Republicans traditionally were not very supportive of Medicare from the beginning.

And that statement about Medicare withering on the vine that Speaker Gingrich made I think is exactly what would happen with this Breaux-Thomas voucher plan, it would wither on the vine. Because once this voucher plan went into effect, people would be paying more and getting less.

So they are going to be paying more out of pocket because they are just going to get a set amount of money which is not going to cover a lot of expenses. And as they pay more out of pocket and find that the benefits of the program, which are very vague under Breaux-Thomas so it is not clear what kind of benefits they are going to get, as they find that they are going to pay more and get less in terms of benefits or alternatively and at the same time be pushed into managed care, which they do not like or where they cannot choose their doctor or they end up getting dropped, because, as my colleagues know, in many States managed care has dropped seniors after a bit of time, they are going to become very dissatisfied with the Medicare program.

And the kind of consensus that we have now that says that this is a good

quality program will disappear. And then we are going to have a race, if you will, to see what is going to replace it. And I think it, essentially, destroys the program so that people will not have faith in it anymore. They will be looking for an alternative.

I do not want to be so cynical, because maybe I am being a little too cynical. But if we look at that whole philosophy of withering on the vine, that is essentially what would happen to this program.

The irony of it is that Breaux-Thomas does nothing to solve the long-term solvency of Medicare. I think the information we have is that it extends Medicare for 1 or 2 years, at the most.

President Clinton and the Democrats have said, we want at least 15 percent of the budget surplus to go towards extending the life of the Medicare program. The Republican leadership has refused to do that. They are not really interested in extending the life of the program. They just want to change it radically with this voucher system. And I think ultimately it would wither on the vine.

Mr. BROWN of Ohio. Mr. Speaker, I yield to my colleague from Texas (Mr. GREEN).

Mr. GREEN of Texas. Mr. Speaker, I want to agree with my colleagues from New Jersey and from Florida.

Medicare was originally created because of the failure of the free enterprize system for insurance. If I owned an insurance company, I would not want to sell insurance to someone over 65, although we do have some who only want to take the healthiest, as we know, because we cannot afford the premiums.

Any actuary will tell us what is the quote of a premium for someone over 65, $1,500 a month, $2,000 a month, because they are ill. That is why Government had to step in, free enterprise could not take up the need for some type of health care for senior citizens.

In fact, under the current system, almost half of all seniors have an income of below $15,000 a year. Approximately 10 million widows have an income of less than $8,000 a year. So this is not a program for the rich, as we sometimes hear we have all these rich seniors.

Despite all the out-of-pocket costs that seniors already have to pay, 52 percent of Medicare's costs now go to 5 percent of the most sickest senior citizens. So we are not talking about a program for the wealthy. We are talking about a program for seniors who make less than or earn $15,000 a year under their pension plans or Social Security.

Let me talk a little bit about raising the age to 67. That may be something that the actuaries can say, well, we are living longer. I do not know if we are living that necessarily healthier longer. Because I can tell my colleagues, in my own district, again, maybe it is the difference between someone who is predominantly a white-collar worker and somebody who is a blue-collar worker, I have a very industrialized district. They load the airplanes at Intercontinental Airport. They load the ships at the Port of Houston. They work in the petrochemical facilities. Those folks cannot wait, they are just barely waiting now until they are 65 so they can get Medicare.

And also private business. If they have an early retirement and they have some type of retiree health plan, let us see what some of our large employers are going to do in the country by saying, by the way, their collective bargaining agreement is going to have to last 2 more years because once they become 65 their retiree health plan goes into Medicare.

So raising it to 67 may be great for some folks. But if my colleagues have a district where people literally work with their hands, they are not necessarily getting healthier.

Again, following my colleague from New Jersey when he said the proposed Commission plan only extended the life, at the maximum, of 2 years.

Mr. DEUTSCH. Mr. Speaker, if the gentleman would continue to yield, it is really interesting also just talking about the present situation of Medicare. I think we would agree that this is another area where benefits really should be expanded, not cut back.

I think what we really should be doing, and we have been involved in supporting legislation to this effect, although it has not passed, is giving options to buy into Medicare for that age group that my colleague from New Jersey talked about as people who retire early.

We have a phenomenon in America now that, yes, people are living longer and some working longer. But some are not working longer. And really the worst situation to be in is either by choice or by forced circumstances, maybe by health, of retiring early and not having retirement benefit of health care coverage and trying to buy private coverage in that 60-to-65 age group, where private coverage could literally be potentially 50 percent of someone's income.

□ 2145

It is an incredible box that we are in. Previously we have tried to expand that coverage, because that is another area where appropriately from what Medicare should be doing, we should be expanding the coverage to people who retire before 65, and not talking about raising the eligibility to 67.

Mr. BROWN of Ohio. If I could reclaim my time for a moment, following up on what you are saying and what the gentleman from Texas (Mr. GREEN) said about people that work with their hands, that start working, a neighbor of mine is a carpenter. He started working when he was about 18, he is about my age, in his mid 40's. He cannot quite lift as much as he used to be able to.

If we let Republicans raise the Medicare age to 67, then they will look at the actuarial tables and they will say the average person is living another year longer and raise it to 68. It is simply not fair to the large number of people in this country who do not dress like this when they come to work, whose bodies really do not allow them to work until they are 67 or 68. It really shows how out of touch people are in this institution and in this city, and especially on that side of the aisle that really do think, well, because people are living longer, we will raise the Social Security age, the Medicare age, because people are living to be 80 and they can take care of themselves.

The fact is, as the gentleman from Florida (Mr. DEUTSCH) is implying, people between the ages of 55 and 64, the age that we want to move Medicare coverage and include them, those in that age group, there are so many people in that age group that are losing their health care coverage because they are getting laid off, their company is downsizing, their company is moving to Mexico or somewhere else.

There are people that have many more health demands, many more health needs as they are 60 years old compared to when they are 50 years old. They are getting their health care cut off from their employer when they lose their job or when their employer cuts benefits when they are 59 years old, right at the time they most begin to need their health care.

For this body to endorse moving the age up to 67 is absolutely absurd. We should be thinking of moving the opposite direction, especially since the President's plan and the plan that all of us have worked on actually pays for itself in the cost of the premium between the ages of 55 and 64. It is no giveaway program, as Medicare is not, anyway. But particularly this part of it, expanding it to 55 to 64, voluntarily pays for itself and will make a difference in the lives of literally hundreds of thousands if not millions of Americans in that age group who no longer have the health insurance coverage they figured that they would have from their employer until their 65th birthday, until they could move into Medicare.

Mr. PALLONE. I totally agree with the gentleman. I think you were hinting earlier about the fact that really what this is is like a social contract. In other words, people were told when they started out working at 18 that when they got to be the age of 65, that Medicare would be there. I think it is grossly unfair after they have depended upon that to say all of a sudden now the age is going to be higher. Because

we know that in fact what is happening is that many people in that near elderly group, as you mentioned, are the very ones that do not have any health care coverage.

In the beginning I talked about women, because this Older Women's League put out this report in conjunction with Mother's Day coming up this Sunday. A lot of the people that are in that near-elderly category that do not have health care coverage or insurance are women, because what happens a lot of times is that the spouse who is not working, for example, is not covered when there is a buyout or somebody gets laid off at that age, and there is a tremendous amount of people that are in that category that are women.

The other thing I just wanted to say very briefly is that instead of worrying about the aspect of this that how we are going to make benefits less for people, as the gentleman from Florida (Mr. DEUTSCH) said, we do not want to do that. What we want to do is look at the gaps that exist in Medicare and try to fill them.

We know that when Medicare started in the 1960s, at least this is what I have been told historically, that prescription drug coverage was not that important because people did not rely on prescription drugs that much. The preventive care that comes with prescription drugs really was not available all that much. Also the long-term care, adult day care, which is another gap that Medicare does not pay for, that did not exist then because people did not live as long or they had a situation where they maybe were at home and the family would take care of them.

The reality is that the gaps in Medicare have resulted because of the changes in life-style, of people living longer. It is absurd to suggest that in order to accomplish and deal with that, you should simply raise the age. You should try to cover those gaps by providing prescription drugs, providing for long-term care, providing for adult day care.

It is particularly important for women. I do not mean to keep stressing that, but I keep thinking about the fact that Mother's Day is coming up. I think about my own mother, and the fact that there are so many women that particularly benefit from Medicare and that these gaps are particularly important to them, and raising the age even makes it worse for them.

Mr. DEUTSCH. I could not agree with the gentleman more, literally listing some of the areas where we ought to legislatively increase benefits. That is really what the debate should be about. I think this year our focus, and I think really the President's focus is really trying to get that prescription drug coverage which is a necessary component of Medicare. That is our number one priority.

I could add and agree with the gentleman on five other things that are probably just as high but I think the focus this year is trying to get that additional coverage. I think some of the things that the gentleman also mentioned, this is sort of a high class problem we have.

First of all, we have dealt with the actuarial issues and it is a good thing people are living longer. That is a high class problem that we have in America. We can deal with it, we have dealt with it, in some of the changes that we talked about in 1994. I keep thinking as we are talking, particularly in that pre-65 age group, where if we went from 65 to 67.

One of the things about health insurance is statistically people who do not have health insurance actually get sick at a higher rate than people who do have health insurance. In effect, whether you have health insurance or not, statistically you have got a chance of getting sick.

What is going to happen when you do not have health insurance? What happens in America today? What happens to real people in that category, 65, younger than 65, retired, for whatever reason, as you said, without health insurance in America? What is happening to those people? The reality is not a lot of good things, things that we know for a fact we can do better as a country.

We have made changes where we can do things. It is going to be an approach of saying, hey, here is a problem, how are we dealing with it? As my colleague from Ohio mentioned, there is a plan out there, there is legislation out there to do that without costing the system any money. That is an actuarially based system, which I think is something that people again need to hear and really need to understand.

Medicare is not welfare for health. Medicare is not a giveaway program. Medicare is a forced retirement system. It is Social Security for health. Every working American is paying into the Medicare Trust Fund today, this week, in their paycheck, a certain amount of money that is going into a trust fund that is Social Security for health.

That is what we are getting back. It is not an entitlement, it is an insurance plan. That is a big difference. It is a forced insurance plan, yes. You do not have a choice in our salaries, or working people in America in their salaries, whether to choose to pay the Medicare payroll tax or not. You have got to pay that payroll tax. But that is going into a plan that we as Americans control, this body, this Chamber and our colleagues on the other side of this building control.

I think also, just as we are coming to the close of this hour, to reiterate, is people out there in the real world, in America, who live with Medicare understand the system. With all of its faults and foibles, it is a darn good system. It is not Cadillac coverage but it is a darn good Chevy. It has worked really well for over 30 million people in this country.

It is an incredibly successful system. It has done innovative things over the last 10 years to make itself even more successful. We could talk about some of the specific changes, probably not this evening but another night, that we have done in terms of whether it is DRGs or whether it is issues regarding that which have really saved the system incredibly, tens of billions of dollars to make it even better, to provide more benefits for people.

Mr. BROWN of Ohio. The comments of the gentleman from Florida about people without insurance actually are sicker, get sicker is particularly applicable to prescription drugs. We all have heard stories in our district similar to the one in the city of Elyria in my district, a woman who is paying $400 for her prescription drugs, her Social Security is about $800 a month, she has no prescription drug coverage. What she does with her prescriptions is she typically takes half the dosage that she needs. If she is supposed to take four pills a day, she will take two or take four half pills a day so her prescription will last twice as long. She is more likely to get sick and end up back in the hospital, more likely to suffer and more likely to cost the Medicare system more money because the system is not paying for prescription drugs and not dealing with some of the preventive care and wellness care and less expensive care, like prescription drugs, than emergency room or hospital stays. That is one reason, putting even the humanitarian element aside, looking at the importance of taking care of this woman and hundreds of thousands like her around the country. The health of the Medicare system long-term will be in better fiscal shape if we can do some of these things like prescription drugs, put a better system out there for America's elderly and make it more fiscally sound at the same time.

Mr. GREEN of Texas. I know we are getting close to the end of the hour, and there are things that can be done with modernizing and making Medicare more efficient. Of course we talk about prescription medication. It can save ultimately people from going to the hospital if they can take the full dosage instead of trying to self-diagnose and lower their amount. The President's plan of dedicating 15 percent of the surplus to Medicare. Let me say, and I know the dollars and the numbers are on our side, but let us realize the humanity of it. I use this example at my town hall meetings in Houston. My dad will be 84 years old this year. I did not know his father. His father died before I was born. He is part of the success of Medicare. If we can talk about our constituents, talk about our family, and instead of looking at

what we can do to say, well, how do we need to save money in Medicare, let us also look at what impact that will have on our own constituents, on our own family. By living to 84 years, that is successful. He is a product of the benefits of our system, Medicare. His father did not have Medicare when he passed away in the late 1940s. We need to remember that. The better quality of life for our senior citizens, they have paid their dues, the World War II generation that my dad is part of. Let us remember those folks, that they are the ones that this was created for. It was created for that. Let us not forget those folks that are still providing for our country, that we want to make sure that they will have Medicare and a good Medicare program when they retire.

Mr. PALLONE. I just wanted to follow up on what my colleague from Florida said also about low-income people, low-income seniors not being aware and therefore not applying for some of the low-income protection programs like the QMB or the SLMB programs that we have. Under Medicare and Medicaid, if you are below a certain income, you can apply through Medicaid so that you actually get certain prescription drugs covered and certain other benefits covered. But one of the things that is in this Older Women's League report that I mentioned for Mother's Day is that half the elderly women who are eligible for those low-income protection programs never apply for them because they are not aware of them. And also because they do not want to go to the welfare offices where they have to go from what I understand in order to get them because they do not want to be part of a welfare program. One of the reforms that was suggested by OWL is that individuals be able to apply directly through Medicare or Social Security for those low-income protection benefits. Again that is a kind of reform that we should be looking at, something that is going to help people with prescription drugs and some of these other protections rather than worrying about how we are going to save money by raising the age of eligibility.

Mr. DEUTSCH. I just want to quickly mention, because I think what the gentleman said is really important, sort of almost as a public service announcement for whoever is watching us this evening, that there are benefits in Medicare that unfortunately not enough people take advantage of. We have put into Medicare some preventive coverage. Mammogram screening. Right now less than 50 percent of Medicare beneficiaries who are eligible for it take advantage of it. It is free, with no copayment, no deductible. We really need to push that, because that also has its positive humanitarian, human side, preventing one but also the monetary side as well.

Mr. BROWN of Ohio. Preventive care for prostate cancer, for breast cancer, for osteoporosis, for diabetes, a whole host of new preventive care programs paid for by Medicare all in the last 2 or 3 years. That is something people should certainly take advantage of.

Mr. PALLONE. Those were put in as a result or with the balanced budget process.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. OSE). The Chair would remind the Members to direct their comments to the chair and not to the members or viewing audience outside the Chamber.

Mr. BROWN of Ohio. In closing, I think, Mr. Speaker, the commitment for all of us, all four of us that have been here tonight, the gentleman from Florida (Mr. DEUTSCH), the gentleman from Texas (Mr. GREEN), the gentleman from New Jersey (Mr. PALLONE) is start with the 15 percent budget surplus, put it in Medicare, put those over the next half dozen, dozen years, hundreds of billions of dollars into Medicare. The trust fund already is solid until 2015.

□ 2200

We can even do better than that. Make sure the preventive care is explained as well as the gentleman from Florida (Mr. DEUTSCH) did, and we continue to talk about that, and expand Medicare 55 to 64, and especially programs like prescription drugs.

I thank my colleagues for joining us tonight.

## DISCUSSION ON KOSOVO

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Colorado (Mr. MCINNIS) is recognized for 60 minutes.

Mr. MCINNIS. Mr. Speaker, I would note that I will be happy to yield to the gentlewoman from the Committee on Rules when the time is appropriate.

Mr. Speaker, good evening.

I am pleased that I have an opportunity to visit with all of my colleagues this evening about an issue that is very dear to my heart, an issue that I am going to spend the next, say, 45 or 50 minutes talking to you on several different areas that I think we should review, an issue that is not only dear to my heart but dear to everybody's heart that is sitting on this floor.

As my colleagues know, I have never been at a stage in life where I had children that were of the age that could now serve in the military. My wife, Lori, and I are very privileged to have three children: Daxon, Daxon is 22 years old; Tessa, who is 21 years old; and Andrea, who is 17 years old. As my colleagues can guess, my concern today is about the military action that is being taken in that land far away called Kosovo or Yugoslavia.

I thought we would start out by covering several points. I want to give you just somewhat of a brief history, talk about what are the real interests of the United States.

At this point in time, Mr. Speaker, I would be happy, so that we could go ahead and take care of the rule, to yield to the gentlewoman for the rule.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1664, KOSOVO AND SOUTHWEST ASIA EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1999

Mrs. MYRICK, from the Committee on Rules, submitted a privileged report (Rept. No. 106–127) on the resolution (H. Res. 159) providing for consideration of the bill (H.R. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes, which was referred to the House Calendar and ordered to be printed.

Mr. MCINNIS. Mr. Speaker, well, we will go back to the Kosovo discussion, but I do, first of all, want to acknowledge the Committee on Rules.

As my colleagues can see, it is after 10 o'clock at night back here in the East, and that Committee on Rules is still working hard. They put in a lot of late hours, and I know they are appreciated by the Members on this floor.

Let us go back to my outline about what I am going to discuss this evening on Kosovo and Yugoslavia.

First of all, we are going to talk a little on the brief history, just give you summary.

I am not a historian, I am not a teacher or a professor, so I am not going to go into great detail, but I do want to summarize kind of the scenario or the historical perspective that I think is important for me to get to the other points of this speech. We are going to talk about what are the interests of the United States.

As my colleagues know, before the United States enters any type of military action, we need to define, we need to have a clear interpretation and a clear definition of why it is that we are doing what we are doing, what is it about the authority. Do you have the authority to invade the sovereign territory of another country? Under what conditions does that authority exist, and do we meet those conditions?

Talk about what the European responsibility is in this situation, what the cost is to the American taxpayers, and I think you will be surprised by the numbers that I give you this evening as to what it is going to cost the American taxpayers to complete this action over the next 2 to 3 years.

We should talk about the humanitarian effort. Clearly, no matter where you fall on the side of the policy that is now being followed by this country

in regards to Kosovo, we can all agree on one thing, and that is that there is a just cause for a humanitarian effort. We will talk a little bit about the humanitarian effort.

We will also talk about the deployment of ground troops. I have read the press lately, I have read and been briefed and so on that there is an urge to put ground troops in over there. Let us talk a little about that this evening.

What are the logistics involved? What do ground troops really mean? What kind of numbers of ground troops are we going to have to have to go into this situation, not just to keep the peace, but do we ever stand a chance of making the peace? And tonight my colleagues will see that I distinguish between keeping the peace and making the peace.

We will talk a little bit about NATO, what the military facts are of NATO, and I want to visit about what I think how this conflict will probably end, what my best guess is, what the wild card is. We know what the wild card is out there. We are going to talk a little more about the Russians; that is the key, that is the wild card; talk about the refugee problem, and of course we will emphasize our support for the troops.

But let us talk a little about and let us look first at the map and talk a little bit about the history.

This is Yugoslavia, just an outline right here.

To give you an example, right there where the red dot is, that is Belgrade. Probably as we are speaking, as I am speaking right now, there are bombing missions or sorties being taken over the community or the city of Belgrade.

The important region down here, this is Kosovo, right here where I am circling with the red dot. That is called Kosovo.

The reason that I brought the map is that my colleagues need to understand there are some individuals who are talking about an occupation of this portion of Yugoslavia. By going in there with a military force some have even suggested a partition, partition out this area called Kosovo away from the sovereign mother country of Yugoslavia.

What is key about that is to remember that in any country and with any of us sitting in these Chambers one of the things of which we have the strongest fundamental views about is our religion. This is a key issue here. Remember that in Yugoslavia the Serbs, many of the monuments of their religion, the birthplace of their religion, is in this very territory down here that some people are suggesting to separate from the main country and to put under some type of partition or under some type of occupation by a foreign force.

That is a key issue, to see whether we can resolve it by the occupation, and that is how are you going to address this religious difference? What are you going to say to those people? What are you going to say to the Serbs, the Serb citizens, by the way, not the leadership, but the Serbs and the citizens of Yugoslavia, that they cannot go down to the territory and visit their religious monuments. It is a point we ought to remember.

Remember that in this country, and we have left the map now. We probably will not have to come back to where we may come back a little later on to talk about Macedonia and Albania and so on. But the history of this country, I have heard many people talk about this is a genocide. I have no disagreement with these individuals when we talk about the tragedies that are going on, but I want to point out that this is different than Hitler.

I have seen a lot of comparisons to Hitler. There are atrocities, but remember the atrocities and the historical perspective have occurred on both sides. We are in between two bad characters.

Now I am not talking about the innocent citizens of the country. I am talking about the leaders of the KLA, the Kosovo liberation organization, and I am talking about Milosevic and Yugoslavia, the leaders, the dictators, over in that country. They are both bad characters.

And when we talk about the genocide, that would infer a Hitler type of situation where we went to an innocent population, the Jewish population. They were not engaged in a civil war. He just wiped them out because they were Jewish.

In this particular country there is killing going on in both sides. It has been for hundreds of years. Take a look at the history 1389. The Serbs and the Turks engaged in the battle over the disputed territory here in Kosovo. In Yugoslavia, the Serbs lost that battle, but to this day they still celebrate it as a holiday.

This conflict has lots of history. This conflict has guilty parties, so to speak, on all sides.

I am going to talk a little more extensively about the KLA as we get into it, but what we are intervening in here is not a genocide. We are intervening in a war of which we know very little about, a civil war. To me, it makes as much sense as having the Mexican Army come across the borders of the United States to try and resolve the battle between the North and the South. How well do you think that would have gone over? What did the Mexican Army really understand about the conflict between the North and the South? What does the United States really understand on the historical conflict in Yugoslavia?

I think our understanding is limited. I think their understanding, it is their home territory, it is their religion, it is a battle that has been going on for a long time.

Take a look at the historical perspective of the United States. How successful have we been in our history when we have intervened in the civil war of another country? We have never been successful in that kind of intervention.

Now there are times, if you get a mass of enough force, that we are able to step between two warring parties; for example, Cyprus. On the island of Cyprus we have something called the green line. It is the line that separates the Greeks from the Turks. We have been there for 27 years under the auspices of the United Nations. Have we made the peace between the Greeks and the Turks? No. We stood between them. We have kept them apart from each other.

What will happen in my opinion the day that we will pull U.N. forces or American forces or a peacekeeping force out from between these parties? They are going to go back to doing what they have done for a long, long time. In my opinion, they do not like each other any better today than they did 30 years ago when we put the green line in. So the green line is able to keep peace between the parties as long as we are willing to continue this long-term commitment, but they have never made peace between the parties.

Is the United States or NATO going to be able to make the peace between these parties?

You will note during my conversation that I keep referring to the United States. Well, the United States is, in fact, operating under the auspices of NATO. But take a look at what the proportions are. The United States by far is carrying a minimum of 90 percent, in my opinion, a minimum of 90 percent of the cost, 90 percent of the forces, 90 percent of the bombs, 90 percent of the equipment. So when I talk about the United States, I understand that this is a NATO operation. But I also think it is fair for us to determine what proportion the United States is carrying, and I think it is also fair for us to explain to the American people, whom I think already know, that the United States by far has the heaviest weight on their shoulders.

Well, is the United States going to be able to go into this country, into this dispute that involves hundreds of years of history, that involves religion, that involves atrocities on both sides? Is the United States militarily going to be able to go in and make the peace? I do not think so. Is the United States willing to go in and give the kind of long-term, expensive commitment, expensive not just in dollars but, even more importantly, in human lives to try and keep the peace? I do not know. I do not think so once we have a clear understanding of just how difficult this will be and what the small chances of success are.

Now I do, as I mentioned earlier, believe that the United States has a very clear role from a humanitarian aspect. As my colleagues know, that is one of the things we can be awful proud about in this country. I am darn proud to be an American. I am very, very proud of our forefathers, of our children and of the obligations that this country voluntarily takes on to help people in need. This country's greatness is in part built on our humanitarian efforts throughout history for other countries, but there is a large difference between humanitarian effort and the military effort.

Let me talk about the next issue that I think we need to talk about, and what are the interests of the United States? Of course, the United States, we are God-loving people. We are people who, generally, we do believe in peace. We oppose oppression. The question here is, how do we distinguish between an action in Yugoslavia and, say, an action in the Sudan or Rwanda?

Now granted Sudan and Rwanda are not on the CNN news every hour or every half an hour and have not been for the last several months, but I can tell you that the atrocities that are being committed in those countries greatly exceed the atrocities that were being committed in Yugoslavia before we started the invasion.

In fact, you will see that the punishment being dealt up unfairly in Yugoslavia to the Albanians, to the Kosovo Albanians, was actually much, much less prior to the NATO invasion, much, much less than any of these other countries, but the United States must make a very conscious decision on where the interests of this country are that are necessary for us to enter into a conflict.

□ 2215

One of them is we do not like to see people being killed. We do not like it anywhere. We value human life at the very highest of the rungs on the ladder. It is supreme to us, human life. But we cannot be the world's police officer. We cannot go to Rwanda tomorrow. We cannot go to Sudan.

The question is: What is the difference here? Why are we over there in Yugoslavia? What justifies that any more than acting or failing to act in the Sudan or in Rwanda? Is it a national security interest? Is the Yugoslav Army capable of a military threat to the continental United States? The answer is, no.

Is it a threat to the European continent? I have heard over and over and over again about how this is going to spread throughout Europe; this is how the world war started. It is not how World War I started by the way. And this is going to lead to World War III if we do not quickly get in there and contain this situation.

I disagree with that very, very strongly. I do not see this as a threat to the European continent, meaning that it is going to flow throughout its borders and create a war on the European continent. If, in fact, that is true, the Europeans ought to frankly pick up a little heavier load on this particular mission.

Maybe the Europeans ought to handle the military aspect of this mission and let the United States handle the humanitarian aspect of it.

I frankly do not think the Europeans are carrying their fair share of the load here. Once again, it is the good old United States that is carrying the load. So we do not have a national security threat; we do not have a threat to the European continent. Do we have an economic, a world economic threat? Do we have even a more specific economic threat as a result of the actions occurring in Yugoslavia? The answer to that is, no, as well.

Once we address what kind of interests that we have, then we have to address how do we get out of it? What is the exit strategy? What is the end game? Do we have one here?

I think it is very confusing out there. I think NATO is confused by it. I think the American public is confused about it. I can talk to any one of my colleagues out here and I do not think any one of us have a unified exit strategy.

Now what are we going to do? That question keeps coming up, now what are we going to do? Where do we go from this point? How well did we think out the fact that hundreds of thousands of refugees would be coming across these borders; in fact, the possibility of creating now a political upheaval in some of these other countries?

We have to figure out what our national interests are. I have a pretty simple test to do that. I think that before the United States puts our young men and women in harm's way, we need to, as elected officials, as representatives of the people of this country, we have an awesome responsibility, we have a fiduciary responsibility, to the people of this country, before we commit those young people to harm's way, I think we need to do this test, and this is how I do it, this is the burden I put upon myself: Can I look to the parents of one of these young people right in the eye and tell them that the loss of the life of their young child was necessitated by the best interests of this country, that this young person giving the ultimate supreme sacrifice, their life, was necessary to protect the national interest of the United States of America?

My own feeling, my own deep personal belief, I do not think we can meet that standard. I cannot meet that standard because I fail to see what are the national interests.

As I mentioned earlier, clearly there are atrocities, and I do not want a misinterpretation coming here, there are atrocities that are being committed. The question is, what role should the United States play? I think the role of the United States would much better be defined and much easier justified and would fall within the realm of our national interests for us to carry out the humanitarian mission, not to be the 90 percent partner, 90 percent partner, on a military action; 90 percent meaning we pick up the bulk of it.

Now we have heard some people say, well, yes but the United States just has the heavy load on the beginning. Then as this action proceeds, the other members of NATO will pitch in and carry their fair share, but the United States really needs to carry the burden because they have the equipment, they have the soldiers, they have the money.

I can say this, Mr. Speaker, in my opinion, with all due respect to our European colleagues, they are going to sit back and say, hey, let the United States do it; let the taxpayers of the United States pay for it; let the United States put its troops in harm's way; let the United States supply the airplanes; let the United States supply the arsenals; let the United States go in and rebuild what the United States has bombed; let the United States put in what I think is going to be necessary, a miniature Marshall Plan to rebuild all of the destruction and try and create some kind of an economy over there if, in fact, we can get the refugees back in there.

This partnership ratio, in my opinion, is not going to change as long as we sit on our hands and are content with carrying 18 other partners, with us carrying 90 percent of the load. It should not work that way. This is a partnership.

So we need to figure out, do we have national interests that, in fact, dictate, mandate, require, that we enter into a military action? Well, we certainly did not going into it. I would love to debate any one of my colleagues, anybody in here, to really justify it. Now, remember, we have a humanitarian mission justified but a military mission, based on the history of this country, based on our lack of success, this country's lack of success in the intervention of any civil war, I would like to debate whether we have that national interest going in.

Now, of course, the question arises, has the national interest been created now that we are in? Should we just drop NATO? Does it hurt the alliance, the defense alliance, for the United States to all of a sudden stop operations?

Well, there is a debate there, and that is a logical question to ask. It is a question I do not fully know the answer to, but I do think that the United States can step forward without jeopardizing the alliance, the importance of the NATO alliance. I am a NATO supporter as far as the concept of that alliance.

I do not think we jeopardize that alliance at all for us to step up to our European neighbors and say, hey, the balance is going to change here; you are going to start to carry a heavier burden on your shoulders, European colleagues, European partners, and we are going to start to focus more on the humanitarian effort. That kind of shift, in my opinion, needs to take place.

Let us talk about the legal authority. Remember what we had here in Yugoslavia? See the red dot there? What is that following? There is a little tiny line. That little tiny line is what humans have decided to use as a designation of what? Of a border, of a boundary. Someone wants to find a border, as a line drawn in the sand, to see how close they could get to it without going on to the other side of it.

Well, that is what this is. This is a sovereign country. Every party involved in this conflict acknowledges that this right here, Yugoslavia, it is a sovereign country and that to go into the region called Kosovo, borders have to be crossed; the sovereign territory of another country has to be crossed.

NATO has never gone, without invitation, across a sovereign territory of another country, but they did this time.

Now remember not too many years ago the Persian Gulf War? Remember the quotes from our leaders back then? How could Iraq possibly think it is a violation of international law for Iraq to invade the sovereign territory of Kuwait? So the United States went to war with Iraq because Iraq violated that boundary, a boundary very similar to this in definition; violated that boundary, invaded a sovereign country.

So the United States, justifiably I might add, went to war to push Iraq back across this sovereign territory. Once the United States pushed Iraq back out of Kuwait and back into its own boundaries, the United States ceased the action because the theory of the action was simply to defend the sovereign nation, not exclusively but somewhat simply to defend those boundaries of Kuwait.

What kind of precedent do we set by allowing NATO to invade the sovereign territory of Yugoslavia and maybe even carve out a part of the country and say we are taking this part of the country from them? What kind of precedent do we set?

What happens, for example, if Quebec, in its effort to seek independence, decides to secede from Canada? Does that give the United States justification to bomb Canada? How are we going to address that. That is not a farfetched scenario.

What if some of the people in Mexico want Texas either to be independent or go back to Mexico? Does that give Mexico the right to bomb the United States?

Sure, a lot of people who are very supportive of the action, the military action, who say do not dare question the policy of the administration, they will say this does not compare, but I am saying, and I put out there to all of my colleagues the question, think about it, try and think historically where we have been successful in a civil war; try and think of other factors or other similar situations in the country, like in the world, like Quebec and Canada, and ask the questions what if, what kind of precedent, what kind of history are we setting with the action that we have undertaken?

Let us move on. I have talked about what I think the European responsibility is. I think that a lot of our colleagues, a lot of our partners in NATO, need to pick up a bigger load. I have said that repeatedly during my comments but it does bear repeating again. The United States is a good guy. It is a good country. It is a great country. We truly have been the leaders of the free world for a long time.

I think our country is very capable and I think our country has a responsibility on humanitarian aid when we see tragedies, by the way on both sides of this conflict, tragedies on both sides of this conflict, we have a humanitarian responsibility.

How do we measure out just how much weight we put in the backpack that the United States is expected to carry compared to the Europeans?

I frankly think a lot of our partners in NATO are getting a free ride. It is not their planes that are at substantial risk. Take a look at the money that this country will pay now.

Speaking of money, and we are going to talk about cost here in a minute, remember there are lots of ways to shift numbers about but when we get to the bottom line, the bottom line is this is an action by the United States of America. The United States is going to pay a bigger part of it, and I think it is time to have another partnership meeting. I think in that partnership meeting it is time to say to our partners that they are going to have to carry a larger share of the burden here. We are happy to help on the humanitarian effort but from a military point of view, they have to participate more; they have to take a bigger chunk of this.

When I talk about military, I am not just talking about the bombing raids, the missions, the sorties we are carrying out over there. I am talking about the time after. Once this thing reaches a cease-fire, and I think it will at some point reach a cease-fire, I am talking about rebuilding that territory that has been destroyed by NATO bombs, or by the Yugoslavia Army. How is that rebuilt and whose obligation is it then? Is it once again going to be 90 percent of the United States of America? I propose that it probably will be, unless we have an administration and a Congress that is strong in saying to NATO, look, to rebuild this, to put in a mini Marshall Plan, there are other countries that are going to have to participate in a very substantial way.

The United States cannot be expected to spend a hundred billion dollars at a minimum to put this country back on track.

Let us talk about the cost because I just mentioned a hundred billion dollars. I mentioned that earlier in my comments. Now I am putting aside the cost of human lives. Obviously the most painful, the most regrettable and the toughest cost out there is the loss of a human life.

With all due respect, we lost two of our military people last night in a helicopter accident. We had our first two fatalities in this action. I regret those losses and to me they are, and to I am sure every colleague I have here, republican and democrat, it is a loss that is substantial to us. Every time we lose a human life in an action like this, it is a substantial loss.

Let us talk not about that cost, but let us talk about the dollars. For a moment let us talk about the less important cost, which is the dollars; let us just go to that category and talk about it. Are we in this country prepared to spend at least a hundred billion, billion not million, billion dollars on this action?

□ 2230

That is what I think it is going to cost.

Let us talk about the cost for a minute. I estimate, and now, there are lots of accounting shifts that go on out there in government books. They will say, there is a carrier out there, for example, that we have assigned to this mission, but we do not really assign the costs of the carrier to this action because we would have had to pay for this carrier to be somewhere, anyway. So we do not add this up.

There are all kinds of little tricks that go on. Some of them are legitimate, so maybe the word ''tricks'' is not correct, maybe ''maneuvers.'' There is all kinds of maneuvering that goes on to allocate these costs in different slots.

The fact is, I think if we looked at a true cost accounting of what this action is incurring, I would say it is about $1 billion a week, $1 billion a week. Tomorrow on this House floor we are going to have a very healthy debate on supplementing, on the first down payment or one of the first down payments to pay for this project.

The expense is not just, as I mentioned earlier, our military mission. When the bombs stop falling, this deal is not over. In fact, we just signed on to a long-term contract. One of the first things that will be demanded is that America, is that the United States, through the auspices of NATO or some other organization, perhaps they will

bring the United Nations into this, has an obligation to rebuild, to go in there and build those bridges, to go in there and build an economy.

Remember, these refugees who have left this country, why have they left the country? One, because of NATO bombs; two, because of the Yugoslavian army and the slaughter that is going on over there as a result of a wartime action, now; three, their bridges have been destroyed, their drinking water has been contaminated, they do not have any communication abilities, they do not have heating capabilities. They do not have roads, bridges. You name it, it has been destroyed. Somebody has to rebuild it. Guess who it is going to fall upon?

In my opinion, it will fall upon NATO, and NATO, of course, will look at the United States and say, look, really, you are a wealthy country. You really should pay for this. And part of it I think we should. I think we should help the refugees. I think we do have an obligation to help get that country on its feet. But I do not think that obligation extends to the percentage of 90 percent. I do not agree with that.

But let us take a look. If it remains at about that 90 percent, or we continue to carry the large, unproportionate burden of this, the costs of this action will exceed $100 billion. I can tell the Members, we could do a lot with Medicare, we could do a lot with social security, we could do a lot with education with an extra $100 billion.

I have addressed the humanitarian effort. I want to tonight acknowledge everyone from the Red Cross to the different religious organizations to all of the people throughout this country who have collection boxes at local grocery stores to send clothes and books and food to the refugees and to the innocent citizens that are involved in this conflict. That is what has made America great. That is what will continue to keep America great.

As strongly as I question the policy of military intervention, I feel that strong about humanitarian intervention. It is appropriate for us to be in there on a humanitarian effort. Our country can handle it. Our country can carry it out. Our country can put a lot of smiles on these refugees' faces. We can clothe them, we can feed them, and we can help them rebuild their country. But where our expertise will get the biggest return is not the military intervention but the humanitarian intervention.

During the discussions we have had, we hear a lot of people talk about or debate whether or not we should have ground troops. By listening to some of the government officials or by reading some of the articles in the media, we would think we could put ground troops in there tomorrow if we decided.

Let us talk about ground troops. First of all, it would be a huge mistake for the United States to put in ground troops that were not of sufficient quantity and strength to expect a ground war over there. Going into Yugoslavia is not going to be like going into Iraq, where you have a flat desert where you can see your enemies for a long ways.

It is not like the Colorado mountains. My district is in the State of Colorado, but it is probably very much like the Blue Ridge mountains in Virginia. I have been over there. I have seen it. This is rugged territory. This is their home territory.

As I mentioned earlier, this is the birthplace of the Serbs' religion. This is not going to be an easy place to occupy. In order to do that, we cannot send in 28,000 troops and accomplish the job. If we send in 28,000, we will be grossly undermanned, we will take many, many casualties, and we will wish to God we had sent in three, four, or five times that amount of force.

In order for us to really sustain the kind of military ground operation that would be necessary, I would say that at a minimum we need to send in 100,000 ground troops, and probably, more likely than not, closer to 200,000 than 100,000.

Are we prepared to move those kinds of troops into Yugoslavia? Putting aside the political argument or the dispute whether or not they should be there, take a look at the logistical challenges that we face.

It is an immense project to move just a division, and a division, a light army division, has say 10,000 to 12,000 soldiers. What they call a heavy division contains about 17,000 troops, 17,000 in a heavy division and then 5,000 to 15,000 more troops in support facilities.

The equipment necessary to move a division would stretch 700 miles. If we put all of the equipment that is necessary to support a division bumper to bumper, we could probably run a line 700 miles. We have to move that equipment from the United States or from other military bases throughout the world into that region.

Take a look at how long it took to move the Apache helicopters over there. What did we have, 24 helicopters? It took a month, 6 weeks? It was not because we were reluctant to move them over there, it is because it took a lot of manpower, it took a lot of mechanical, logistical planning to get those 24 Apache helicopters over there. Take that factor and multiply it by several hundred, if you want to move a division. Just assume several divisions. We are going to have to put several divisions in place if we want to have a successful military intervention on the ground. We cannot ignore that.

Now, where do we stage it? This is a large staging operation to move that equipment over there. A lot of people say, let us go to Albania. Albania seems to be a logical location to put the equipment in. The difficulty is that Albania is a very, very poor country. Their airport does not have radar. Their harbor does not have the capability for cranes to reach in and lift tanks out of ships. We cannot move all of this equipment by aircraft. It would take significant infrastructure placement in Albania for us to utilize that as a staging area.

The other countries are not very excited, and maybe Macedonia will come around, but the other countries are not very excited about the United States or NATO staging a military action out of their country.

So the number one problem we have is, aside from the political commitment or the commitment to put those troops in there in the first place, is logistically, where do we start? Where is headquarters? Who has the logistical capability to help us move that equipment from throughout the world, most of it coming from the United States of America, into that area, servicing that equipment, fueling that equipment, manning that equipment, and then dispersing that equipment where we need to have it dispersed for a successful ground operation? I think it would take several months for us to get that capability in place.

Now, once that is mentioned, keep in mind that we just do not have unlimited equipment in the United States. When we dedicate that type of equipment to support that large a ground force in this country, we have to get it from somewhere. Where do we get it from? We get it from other military bases, other U.S. military bases.

My point is this: We are diluting the military force in this country to address this particular problem. I do not agree with the policy, but let us just, for the sake of the argument, say that the policy is correct, so we move all of that equipment over there. We have to keep in mind what kind of dilution do we now have in Korea, for example? What kind of dilution do we have in the United States? Are we taking the very best equipment away from our main forces in the United States?

We know that the President has already called up the reserves, so we know that our military forces, our troop numbers, are being significantly diluted. The President asked for 30,000 more troops, 28,000 or 30,000 more. It is my opinion if we were to launch a massive ground invasion, which I think would be the safest route to go, if in fact we agree with ground troops in there, and I do not, and I do not agree with the policy, but if that decision were made, I think it is very realistic for us to expect that the President would have to call up draftees.

Is this country prepared to reengage in the draft? The draft is already in existence. As we know, 18-year-old males have to register for it. Is this administration, is this Congress, prepared to draft individuals to put that kind of

force in place in Yugoslavia while maintaining our strength in Korea, while maintaining our strength in the mainland United States, while maintaining our strength throughout the other areas in Europe?

That is a significant question for us to ask ourselves, what kind of dilution can we afford? Even if we want to go in there with ground forces, even if we think this cause justifies an American military action, we still must stand back and say, can we afford or to what extent can we afford to dilute our current military forces? That is an important question.

As we know, or maybe Members have not read in the newspapers, for the first time in I don't know how many years we no longer have a carrier in the Pacific arena. We moved that carrier. Orders were given to that carrier to move over to assist in this operation. That is dangerous.

Take a look at the deploying of our military forces. In my opinion, some of these cuts have gone way too deep. In my opinion, our military could not sustain, contrary to what the administration says to us, our military cannot sustain two simultaneous major actions at once. It could not do it because the military has been so downsized. Now, to further dilute it for this kind of action, even if it is a just action, we have to assess that responsibility and what the cost of doing that is.

I wanted to very quickly cover the members of NATO. We have Belgium, Canada, the Czech Republic, Denmark, France, Germany, Greece, Hungary, Iceland, Italy, Luxembourg, the Netherlands, Norway, Poland, one of the new members, Portugal, Spain, Turkey, the United Kingdom, and the United States of America.

Let me say, in that list of NATO members, they are all well-intended. I am not sure that our fellow partners, as I mentioned earlier, are carrying their fair share, but I will say that, for example, the United Kingdom, I think they have been tremendous. I think proportionately they are probably carrying their fair share.

But some of these other NATO members are going to have to step up to the plate. In my opinion, the United States of America is going to begin to question this policy more and more, especially when they see lives of American soldiers, we lost two of them last night, when that begins to become unproportionate, and even one death in my opinion is unproportionate; when they begin to see, the American taxpayers, what these tax dollars are costing, when they begin to see what the dilution is to our current military, I think some serious questions are going to be asked: What are the other members of NATO going to carry? What is their burden? What is their responsibility?

NATO, remember, was formed as a defense alliance. This is not a defensive action. Some people will say it is to defend a spread throughout the European continent. I do not think it is, I think it is an offensive action.

But nonetheless, we are there. How do we resolve this conflict? What do we do to get out of this conflict? Well, we are in it. While we are in it, I think we have an obligation to support our troops with the best equipment we can possibly get over to them. Granted, it dilutes us. We have to keep a very keen eye on how to work that. But as long as we have one American soldier over there, we have to make sure they are properly equipped and we support the troops. We may disagree with the policy, but we have to give the support to those troops.

I think at some point Russia is going to play a key part in bringing a cease-fire to this situation over there. It is my opinion that Russia was not involved in the earlier stages to the extent that Russia should be involved.

Why do we say Russia? I know there is a lot of resentment or a lot of ill will towards Russia. Some people will say, they are bygones, they are minute players in this. They are just the player we need, in my opinion, to bring a cease-fire. They have credibility with the Serbs, they have some credibility with the United States, they have credibility with the United Nations, and they have some credibility with members of NATO.

Russia may just be the player at the right time and in the right place to bring this thing to a cease-fire. I think what will eventually happen is that the air war, which apparently right now is being stepped up, and I can say that, while I disagree with the policy of being there, while we are there, we might as well carry out the mission that the President has sent those troops over there for.

So while this is going on, the sustained bombing, I think Russia will eventually, through negotiations that could be going on right now, bring us to a cease-fire. But there are several elements of that cease-fire that are going to be necessary to carry it out.

One, there is going to be a huge, a huge financial obligation put on the members of NATO, primarily the United States, one, to help bail Russia out of its economic problems; and two, to rebuild Kosovo, and to rebuild the infrastructure and put an economy in place that will sustain that country.

□ 2245

So that is where I think this action is heading. I do not think this conflict will spread like Vietnam spread, but I hope I do not later eat my words.

By the way, speaking of Vietnam, I want to say to all of my colleagues, that some people have said to those of us who question the policy of putting ground troops in Kosovo, who question the policy of the United States' extent of military involvement, they say to us, look, any kind of action outside our boundaries, we must speak as one voice; do not dare question the administration's policies.

We have an obligation to question a policy if we in our heart do not think that policy is right, and that is exactly what I intend to continue on doing. Granted, outside our borders we are a very strong country, and within our borders we are a very strong country. But what makes us as strong as we are is that we have the checks and balances in this country; that we are free to speak, to question authority. And that is exactly what has made us as strong as we are.

Now, the wild card we have to worry about is if this bombing continues and if Russia is ignored. And to the administration's credit, I do not think they are ignoring Russia. I think the administration and NATO, and, frankly, NATO got in way over its head as far as the refugees were concerned. They never expected these refugees to come over, they never expected to have problems with balance of power in the countries which these refugees go into. NATO did not know what to do with them.

I think NATO is looking for a way out. And I think the administration is treating Russia with respect, and I give the administration credit for that. But we have to be very tender with Russia, because at some point Russia may say, all right, we are going to go ahead and sail Russian oil tankers through our so-called oil blockades. And what will NATO do? What NATO will do is they will not stop that ship. If Russia decides they are going to start supplying the Serbs with weapons or, worse, they are going to put a few Russian troops in Belgrade and say, do not bomb Belgrade any more, Mr. President, that is the wild card of Russia.

That is why I emphasized that Russia is an important player. They may not have the military significance that they used to have, they may not be the threat from a ground force standpoint or from an operating naval standpoint that they used to be, although clearly maybe they are even more of a threat from a nuclear capability because of our concern of an accidental launch, but they still have all those missiles, so they are a player. It is appropriate to get them right in the middle of this.

I want to talk for a moment and then I will wrap it up. I know I have gone on for a while here, but I have because I feel so deeply about this, but I want to talk about the Kosovo Liberation Army, the KLA.

In 1998, remember this is 1999, in 1998 the United States State Department listed the Kosovo Liberation Army on the international terrorist list. It is amazing to see the spin that is being put on these people in this Kosovo Liberation Army.

Remember that the latest flareup started when the KLA, that is what we will call them, the KLA started sniping and assassinating Serb police officers. So the Serbs, in a typical over-response, started shooting innocent civilians. The KLA in our country would be known as terrorists. Our State Department defined them as terrorists a year ago. But take a look at what is happening on the spin. All of a sudden the KLA are no longer terrorists, now they are being known as rebels or as freedom fighters.

The Washington Times this week, I think in Monday's publication, did a detailed article about how the Kosovo Liberation Army is running a heroin operation, the selling of drugs, to finance their military goals. We are about to jump in bed with these folks. We have taken sides with these folks. We have to be very, very careful before we hold hands with a partner like the Kosovo Liberation Army.

Let me wrap it up, because I would like to yield to my colleague, the gentleman from Pennsylvania (Mr. WELDON).

My summary will be this: Number one, what is the policy of the United States? What are the national interests that require our investment, require our commitment in this country? What is the history of Yugoslavia? Is it a Civil War, is it a genocide? We should ask ourselves what is the authority, what is the precedent we are setting out there? Are our European partners carrying their responsibility? Are they carrying a fair share of the burden? Are we supporting an organization that, in fact, are drug dealers, the Kosovo Liberation Army; that is, in fact, guilty of the same atrocities or many of the same atrocities as the Yugoslavian troops? And if we are, how do we make that distinction?

Of great importance to this country: Are we diluting our military forces to an extent that we are putting our country in danger of another military risk because we have shifted these assets too much in this direction? How will the conflict end? What role should Russia play?

Mr. Speaker, this is a very serious conflict. We lost two American soldiers last night. They died. We have a lot of decisions to make. This is a very serious situation for each and every one of us, and the final test, before I yield to the gentleman, the final test is could any one of us, as an elected official, as a government authority, knock on the door of a family and say to the father, the mother, or the spouse or the children, say to them that their loved one lost their life in this conflict and that the loss of their life was necessary for the national interests of this country?

If my colleagues cannot now answer that question in the affirmative, then they ought to be questioning this policy the same way I do.

Mr. Speaker, I yield to the gentleman from Pennsylvania (Mr. WELDON).

Mr. WELDON of Pennsylvania. Mr. Speaker, I thank my distinguished colleague for yielding to me, and I thank him for his efforts on behalf of the understanding of the situation in Kosovo. I would add that I think I have some pretty provocative answers to the questions he raised, and I think we have good news on the horizon, perhaps as soon as the coming days, if not tomorrow.

Let me first of all start out, Mr. Speaker, by saying that we have been calling for Russia's involvement in the Balkan crisis in Kosovo for about 5 weeks. It was 5 weeks ago that I was first approached by Russian leaders from the Duma who asked me to open new channels with the administration to see if we could find some common ground for a solution to this crisis. I got information from them, I started working with the National Security Council, the White House, Leon Fuerth's office, the State Department, as well as Democrat Members of Congress so that no one could say we were doing something in a partisan way.

Those discussions and faxes went back and forth for about 3 weeks, and they culminated 2 weeks ago in a request by the Russians for me to bring a delegation to Budapest and then to travel down to Belgrade to jointly meet with Milosevic to convince him that he should, in fact, come to terms with the requirements that NATO has laid down.

I asked the Russians to put that request in writing, Mr. Speaker. They did that. I asked them to meet five specific requests that I had. The first was to put the request in writing for us to be involved, the second was to identify the Russian leadership that would be involved in discussions with us. The third was to give me a date and time certain for a meeting with Milosevic. The fourth was to meet with our POWs. We had not met with them yet. And the fifth was to travel with me to a refugee camp where they could see the devastation caused by Milosevic. The Russians agreed to all five points. They put it in writing.

We then went to the State Department, the gentleman from Maryland (Mr. STENY HOYER) and I, a week ago this past Thursday. We met for an hour and a half with Strobe Talbott. We explained the opportunity. We said we were prepared to take a bipartisan delegation to Budapest and then down to Belgrade to meet with Milosevic. The State Department said, please don't go.

We were rebuffed by the State Department, but they did open the door for us to meet in a neutral city with the leadership of the Russian Duma. With that being said, over the weekend I continued discussions with the Russians and suggested that they pick a city and that on Friday of last week we meet in that city and discuss the issue to see if we could find common ground.

The Russians decided that Vienna would be that city. I sent a letter to all 435 Members of the House a week ago Monday outlining in three pages what we had done, and I invited Members to join with us. Eleven Members came forward, 6 Republicans and 5 Democrats, from liberals like the gentleman from Vermont (Mr. BERNARD SANDERS) to conservatives like the gentleman from Pennsylvania (Mr. JOSEPH PITTS) and the gentleman from Maryland (Mr. ROSCOE BARTLETT).

The 11 of us left on Thursday night, Mr. Speaker, and we traveled all night by air. We arrived in Vienna on Friday morning. We immediately went into meetings with the President of the Austrian Parliament to get a feel for what he thought should occur as an independent nation. And then, Mr. Speaker, we started meeting with the Russians.

We started in the afternoon, went into the evening, continued over dinner, and came back Saturday morning. And during our discussions with the Russian leadership, which included the broad basis of Russia's political spectrum, Russia has 7 major political parties and 90 percent of those political factions were represented in our discussions. The leader was Vladimir Ryshkov, who was the First Deputy Speaker and Chairman of Chernomyrdin's party. He was in direct contact with Victor Chernomyrdin throughout our discussion. We had Vladimir Luhkin, the former Soviet Ambassador to the U.S., who represents the Yabloko faction. We also had the third ranking Communist in the State Duma, Alexander Shapanov, representing Seleznyov and the Communists, as well as the region and Agrarian members of the Duma.

Ninety percent of the leadership in Russia's political spectrum was represented in our discussions with the 11 Members of Congress. But also, Mr. Speaker, we had two Serbs there. We had the largest financial contributor to Milosevic, who sat through our meetings as an adviser to the Russians in our discussions. Dragomir Karic, whose family, in fact, owns a significant amount of business interests in both Serbia and Russia sat through the meetings and kept in phone contact with Milosevic himself.

Now, Mr. Speaker, these meetings were not to negotiate. Our purpose in going to Vienna was to see if we could find common ground on which negotiation could take place. We prepared a document and went through that document line by line. During the time of going through that document, Mr. Speaker, both the representative of Milosevic and the Russians were asking our delegation to travel to Belgrade, because they thought there was an opportunity for us to bring at least one of

the POWs out, perhaps two of the POWs, as well as to meet with Milosevic and to get him to accept the report that we were working on.

Mr. Speaker, at 1 o'clock on Saturday, this past Saturday, we reached agreement with the Russians; an historical agreement. The Russians agreed to a multinational peacekeeping force that had weapons. The Russians agreed to have Milosevic remove the Serbs from Kosovo. The Russians agreed that we use the term ethnic cleansing. And even though the Russians agreed, and we still did not have the support of Milosevic, they took the document we signed and faxed it to Milosevic at 1:30 on Saturday afternoon.

Milosevic responded if we were to go to Belgrade he would publicly embrace the framework of our agreement and would, in fact, support what we and the Russians came up with. We then called the State Department. I talked to the head of NIS Affairs, Russian Affairs, Steve Sestanovich, told him about the offer that was being made to us, he had Tom Pickering, the Under Secretary of State, call me back. I read our document to each of them.

Pickering told me that he did not think it was advisable that we go to Belgrade, even though I told him that Milosevic's representative and the Russians were telling us that if we went we would bring out all three of our POWs; and if we went, Milosevic would publicly embrace the document that we had agreed to.

Mr. Speaker, that was 2 p.m. on Saturday. When we told the Russians and Milosevic's rep that we could not go because our government did not trust Milosevic, and after one of our Democrat Members had talked to Podesta in the White House, I told the Russians and I told the representative of Milosevic that we would not travel to Belgrade. That was at 2 p.m., Mr. Speaker.

In fact, in that telephone conversation from Pickering, he said this to me: ''Why do you think that Milosevic would be open and candid with you and live up to what he is telling you about giving you the three POWs and agreeing to the document that you have in fact signed with the Russians?'' He said, ''After all, there have been other attempts to free the hostages. In fact, the mission being held by Jesse Jackson right now has been a failure. Milosevic has decided he will not give the POWs to Jesse Jackson's mission.''

That was at 2 p.m., Mr. Speaker. We told them we would not go. And 2½ hours later the Milosevic government announced on CNN that they would release the hostages to the Jackson delegation within a matter of 3 or 4 hours.

Mr. Speaker, those are the facts and the time lines. We have reached agreement with Russia, and that agreement with Russia is very close to what Milosevic will accept. Now we must push this document, as we are doing. We sent copies to the Pope, the head of the Muslim faith, the head of the Orthodox religion, the U.N. Secretary General Kofi Annan, the parliamentary leaders of every other country, as well as Ukraine and Russia, and tomorrow, Mr. Speaker, there will be an announcement.

The announcement that I predict will occur tomorrow, Mr. Speaker, is that Russia and NATO will announce that they have reached agreement on a multinational force; the beginning of the end of the conflict, partly because of the work of this Congress and people like my colleague and people on the other side like the gentleman who is going to speak next, who have been talking about the need to end this bombing, to end this hostility that is causing us problems with Russia and look for a way to solve this crisis peacefully.

Mr. Speaker, I include for the CONGRESSIONAL RECORD the document signed by the members of the Russian Duma and by the Members of Congress who were in attendance at the meetings I referred to earlier.

REPORT OF THE MEETINGS OF THE U.S. CONGRESS AND RUSSIAN DUMA, VIENNA, AUSTRIA, 30 APRIL–1 MAY, 1999

All sessions centered on the Balkan crisis. Agreement was found on the following points:

I. The Balkan crisis, including ethnic cleansing and terrorism, is one of the most serious challenges to international security since World War II.

II. Both sides agree that this crisis creates serious threats to global and regional security and may undermine efforts against nonproliferation.

III. This crisis increases the threat of further human and ecological catastrophes, as evidenced by the growing refugee problem, and creates obstacles to further development of constructive Russian-American relations.

IV. The humanitarian crisis will not be solved by bombing. A diplomatic solution to the problem is preferable to the alternative of military escalation.

Taking the above into account, the sides consider it necessary to implement the following emergency measures as soon as possible, preferably within the next week. Implementation of these emergency measures will create the climate necessary to settle the political questions.

1. We call on the interested parties to find practical measures for a parallel solution to three tasks, without regard to sequence: the stopping of NATO bombing of the Federal Republic of Yugoslavia, withdrawal of Serbian armed forces from Kosovo, and the cessation of the military activities of the KLA. This should be accomplished through a series of confidence building measures, which should include but should not be limited to:

a. The release of all prisoners of war.

b. The voluntary repatriation of all refugees in the Federal Republic of Yugoslavia and unhindered access to them by humanitarian aid organizations. NATO would be responsible for policing the Federal Republic of Yugoslavia's borders with Albania and Macedonia to ensure that weapons do not reenter the Federal Republic of Yugoslavia with the returning refugees or at a later time.

c. Agreement on the composition of the armed international forces which would administer Kosovo after the Serbian withdraw. The composition of the group should be decided by a consensus agreement of the five permanent members of the U.N. Security Council in consultation with Macedonia, Albania, the Federal Republic of Yugoslavia, and the recognized leadership of Kosovo.

d. The above group would be supplemented by the monitoring activities of the Organization for Security and Cooperation in Europe (OSCE).

e. The Russian Duma and U.S. Congress will use all possiblities at their disposal in order to successfully move ahead the process of resolving the situation in Yugoslavia on the basis of stopping the violence and atrocities.

2. We recognize the basic principles of the territorial integrity of the Federal Republic of Yugoslavia, which include:

a. wide autonomy for Kosovo

b. a multi-ethnic population

c. treatment of all Yugoslavia peoples in accordance with international norms

3. We support efforts to provide international assistance to rebuild destroyed homes of refugees and other humanitarian assistance, as appropriate, to victims in Kosovo.

4. We, as members of the Duma and Congress, commit to active participation as follows:

Issue a Joint U.S. Congress-Russian Duma report of our meetings in Vienna. Concrete suggestions for future action will be issued as soon as possible.

Delegations will agree on timelines for accomplishment of above tasks.

Delegations will brief their respective legislatures and governments on outcome of the Vienna meetings and agreed upon proposals.

Delegations will prepare a joint resolution, based on their report, to be considered simultaneously in the Congress and Duma.

Delegations agree to continue a working group dialogue between Congress and the Duma in agreed upon places.

Delegations agree that Duma deputies will visit refugee camps and Members of Congress will visit the Federal Republic of Yugoslavia.

Members of Congress:

_____ _____, Neil Abercombie, Jim Saxton, Bernie Sanders, Roscoe Bartlett, Corrine Brown, Jim Gibbons, Maurice Hinchey, Joseph R. Pitts, Don Sherwood, Dennis J. Kucinich.

Duma Deputies:

_____ _____, _____ _____, _____ _____ _____ _____.

□ 2300

## KOSOVO

The SPEAKER pro tempore (Mr. OSE). Under the Speaker's announced policy of January 6, 1999, the gentleman from California (Mr. SHERMAN) is recognized for 60 minutes.

Mr. SHERMAN. Mr. Speaker, I want to thank the gentleman from Pennsylvania (Mr. WELDON) for his hard work. It did not just start recently. He has been building bridges between the United States Congress and the Russian Duma for many years. And I think he speaks well of the need for us to break out of this stranglehold that our policy is in where it seems like not

only are we reluctant to compromise, we may even be reluctant to take ''yes'' for an answer.

I would like to focus my remarks on my recent trip, along with a delegation from this Congress, to the Balkans. Putting it into context, there were three different groups from this House that went to the Balkans over the weekend.

The gentleman from Pennsylvania (Mr. WELDON) reported from his group. A second group, a group of only one Member of this House, the gentleman from Illinois (Mr. BLAGOJEVICH), our colleague from Chicago, went with Reverend Jesse Jackson with a delegation that included Rabbi Steven Jacobs of my district in the San Fernando Valley in California; and they, as everyone knows, secured the release of the three American soldiers.

The delegation that was the largest of the three visiting the Balkans has received the least coverage, perhaps because we were kind of the most establishment oriented trip. Our itinerary was put together with the full involvement of the administration and the Department of Defense. But given the importance of what is going on in Kosovo, I would like to take the next 40 minutes, perhaps even an hour, to report on my observations on that trip.

Our delegation was led by the gentleman from Texas (Mr. ARMEY) the majority leader and included, I believe, 17 or more Members of this House. I want to point out that this speech will not only be a description of what we saw in some of my observations but will also act as a convenient pretext for me to once again address this House about our policy in Kosovo and some of the steps I think that we ought to be taking in order to bring this conflict to a conclusion.

Mr. Speaker, our trip began here in Washington at 6 a.m. at the Rayburn House Office Building just across the street from this House. And we proceeded to Ramstein, Germany, the site of our large Air Force base there, in fact, the largest group of Americans living anywhere outside the United States.

There we were briefed by General John Jumper and his professional staff, and we were indeed impressed by every part of that plan and operation, from the intelligence to weather. And in fact, I came out of that briefing believing, as I did not believe when I went into it, that perhaps there is some chance that bombing alone will bring Milosevic to his knees.

But we should not kid ourselves. That is still only a chance. And furthermore, bringing Milosevic to his knees and bringing Serbia to its knees, and I will talk about this a little later, is itself not a total victory for what we set out to do. Because this is not a war to acquire territory or secure strategic position. This is a war that we engaged in to achieve a humanitarian result. And clearly, looking at the carnage in the Balkans, it is hard to call this, even if it were to end tomorrow, a victorious humanitarian effort.

I should point out that certainly those of us at that meeting came away with the belief, I think most of us did at least, that the interference or delay involved in NATO being involved in selecting targets has been reduced substantially and that our military is now carrying out the air war in a manner very close to the manner that they would carry it out if there was no political involvement or diplomatic involvement in their decisions at all.

We then, after a night's sleep, proceeded that morning to Tirana, Albania. We landed at the international airport, the only significant airport in that country. But to give my colleagues an idea of how poor and undeveloped Albania was and is, Tirana International Airport prior to this war was dealing with an average of seven flights a week, one flight on the average day for the entire country of Albania.

The Albanians have basically turned their country over to NATO and the United States both for our humanitarian efforts to provide refugee camps and military efforts to provide bases for us to carry the war to Serbia.

I want to first focus on discussions regarding the camps. We need to build more. Over half the Kosovars are still inside Kosovo, and every day thousands stream over that border. Yet it will be months before that stream necessarily comes to an end, even if it continues at the rate of 4,000 or 5,000 or even 10,000 every day.

Now, we will be passing from this House a supplemental appropriations bill, a bill which I am told by my colleague and friend the gentleman from New Jersey (Mr. SMITH) who heads the Subcommittee on Human Rights of the Committee on International Relations, on which I serve, that that bill may very well not contain the funds we need to build two more camps in Albania.

Well, we will need to build far more than two camps. And when I say, ''we,'' I mean not only the United States but NATO and the other countries of goodwill. Japan has chipped in I think a modest insufficient amount, but even that amount will be helpful in building more refugee camps. And when we look at this supplemental, we should look forward to a conference committee which will hopefully add whatever funds are necessary to make a full American effort toward building camps now.

Because we clearly misjudged this effort at the beginning and we did not expect a large number of refuges. We were behind the curve in preparing to absorb those refuges. There is no reason for us to be behind the curve still. We should be building camps as quickly as possible. We should not be over optimistic and assume that we will bring Milosevic to our terms in a few days, for it is that kind of optimism that has led to some of the difficulties we face now.

□ 2310

I should point out that one of the biggest problems as far as accommodating new refugees is the fact that humanitarian organizations, both governmental and nongovernmental, both the private charities, often called NGOs have a tradition in dealing with refugee camps, that they never pay money to rent the land on which those camps will be constructed. This tradition is founded on the belief that when you build a refugee camp that is supposed to be there for weeks, it may be there for decades. But Albania is a mountainous country, there is very little flat land. What land is there is being farmed. And it is absurd to think that we will slow down the process of providing even basic tent shelter for the refugees that are still streaming across the border because of some tradition of not going to this farmer or that farmer and renting their farm so that a camp can be constructed. I should also point out that it is somewhat deceptive how the initial refugees were dealt with and might lead us to the conclusion that we can go at a moderate rate at building refugee facilities.

You see, Mr. Speaker, many of the refugees that came at the beginning of this conflict had close relatives to northern Albania who opened their homes and many of the towns in Albania took every available public building and opened it up to refugees. Mosques, local gymnasiums are now full. So every new refugee needs a place to stay that has to be provided through humanitarian effort. And so we need to move forward and recognize that we are going to have to build these camps more quickly than we have in the past.

One issue that has come up that I had a chance to discuss with the prime minister of Albania, Mr. Majko, is the idea of resettling refugees in western Europe and in the United States. Our hearts go out to these refugees. It would take a hard-hearted Member of this House to criticize the administration in opening up our country to 20,000 Albanian refugees from Kosovo. However, I do think that I should point out to this House my discussions with the prime minister of Albania in which he made it clear that he was willing to make available his country to provide refugee camps for all of the refugees. There is no shortage of land or space or political willingness to accommodate these refugees subject to the need to rent farmland to build the camps. Moreover, he actually opposed the resettling of these refugees in western

Europe and the United States, pointing out that as long as the Kosovars live close to Kosovo, the pressure will continue and the likelihood will continue that they will return to Kosovo. In contrast, we only have to look at Bosnia, where after years of terrible struggle, peace has been restored and the Bosnian Muslims can now live in security. But 70 percent of those Bosnian Muslims who left Bosnia have not returned, even though security has been provided, even though it is possible to live and to make a living, they have not returned and show no likelihood of returning. And so any Albanian nationalist, and the prime minister of Albania certainly fits in this category, would want to keep the Albanian Kosovars in the Balkans, a few miles or at least 50 or 100 miles from Kosovo rather than see these people relocated to far distant areas. Keep in mind that Milosevic's objective is to cleanse the Balkans of Albania or at least of the Kosovars and perhaps we make that easier if we absorb refugees or urge our western European allies to do likewise.

As far as the logistics, I think that if we put the same effort into building camps that we are going to have to put into absorbing refugees from other countries, that we could build the camps necessary. But whether we absorb another 20,000 refugees to the United States or not is a drop from one bucket into another bucket. For 20,000 Kosovars is but 1 percent of those who may become refugees if this matter continues as it has. And 20,000 refugees to the United States is but a small portion, perhaps only 20 percent of the refugees that we will absorb every year, not to mention that it is an infinitesimal fraction of our great country's population. So whether 20,000 Kosovars come here or not is but 1 percent of the Kosovars, and we have to focus on the other 99 percent.

While I am mentioning my discussions with the Albanian prime minister, I should mention one very interesting idea, and this is one idea to solve two problems. The first problem is that as winter arrives, it is possible that the Kosovars will still be refugees. If this is the case, we need more than simple tents to provide shelter. In addition, we would hope that perhaps before this winter, the Kosovars returned to Kosovo, where they will find decimated and burned-out villages and perhaps no place to stay. What the ambassador of Albania suggested, and this is a matter that I look forward to discussing with the Manufactured Housing Institute and other experts, is that we acquire portable housing, something more solid than a tent, that we erect it in Albania for the refugees, and that it be designed so that when peace comes to Kosovo or even part of Kosovo, that we can tear this housing down and reassemble it so the Kosovars will have a place to live even if their particular village has been burned to the ground during this ethnic cleansing.

After our meeting with the Albanian prime minister, we went to visit the American Apache helicopters and more importantly the men and women of the United States who are there to man those helicopters. I was very much impressed with the quality of our military forces. The generals, the officers and even the enlisted men are well aware of their mission and of the complexities. Walking the streets of America, you hear people say, ''Well, let's just get it over with right away.'' Or, ''Let's pull out right away.'' Or, ''What are we doing somewhere unless we can get our way all the way?''

These military men and women that I talk to understand the complexity of the world and understand the complexity of their mission. They recognize that whether it is the Balkans or perhaps some other crisis at some other time, they may be called upon to provide modulated levels of force, peacekeeping, warmaking, retaliatory strikes or humanitarian efforts as necessary to achieve our diplomatic and humanitarian purposes. And they do not insist that the world be made simple, for they recognize how complex it is.

We were briefed by Lieutenant General Hendrix and we learned some very interesting facts. The first is about the mountains that separate northern Albania from Kosovo. The general assured us that the Apache helicopters under his command could go over those mountains, many of them over 9,000 feet high, and into Kosovo, and that he thought it was important that they be trained, that they go through some ground exercises before they were deployed. We questioned the general because there was some concern that in order to get these Apache helicopters into Kosovo, that they would need to fly through the two or three passes that are in these mountains that separate Albania from Kosovo.

□ 2320

Mr. Speaker, I think we all recognized that any force going through the passes is going to have a tough time since that is the easiest place for the Serbs to set up defense. He assured us that those Apache helicopters could indeed either go through the passes, if that was visible, or instead go over the mountains.

But keep in mind that just 2 days after we left, after we had a chance to talk to the brave men and women who pilot those helicopters and who serve the United States by operating those helicopters, that one of those helicopters crashed and two of them lost their lives, and when I began, right as of the time I began trying to put together my thoughts for this speech, the names of those two first casualties had not yet been released, and so I do not know whether it was one of the young men that I spoke to who lost their lives and taught us what the ultimate, showed us what the ultimate sacrifice was and also showed us that this is not a casualty-free war.

Now it is true that this helicopter was not lost in combat, but it was lost in a training mission done on an accelerated basis under hazardous conditions, hazardous conditions that were necessary in order to prepare for imminent combat. These two soldiers are the first casualties of this war.

As I mentioned, there are mountains that we had a chance to see, albeit from a distance, on the Albania-Kosovo border. Now that is particularly important when we think of the possibility of deploying ground forces.

It is true that the KLA lightly-armed guerrilla fighters are slipping over that border now and carrying on operations, but we did not win Desert Storm by sending a few lightly-armed guerrilla fighters up against Saddam Hussein's Army. Even after that Army was subject to a level of bombardment that may be impossible in the terrain of the Balkans we sent in a very heavily armed armored force.

And those who talk about starting a ground war must explain to this Congress how that ground operation will operate.

Will it be airborne?

And what are the casualties of parachuting into hostile territory?

Will it be some lightly-armed force, and what are the casualties of sending a lightly-armed force against a heavily-armed adversary?

Will we be trying to put heavy armor through mountain passes, and if so, how easy will it be for the Serbs to set up defenses to that armor?

Or finally, is it possible that we will convince some country other than Albania to be the jumping-off point for any ground action?

As to that last point, as I said, Albania has turned its territory over to NATO, both for military and humanitarian operations, but I do not expect any other country that borders Yugoslavia to do the same thing. For no other country has all without complaint even accepted refugees. The former Yugoslav Republic of Macedonia has accepted refugees but has made it very clear that after accepting almost 200,000 they are not necessarily willing to accept more, and I think those who observe diplomatic affairs in the Balkans would have great doubts that American soldiers or NATO soldiers based in that republic or based in Hungary or Romania would ever be allowed to assemble and attack Serbia from those countries.

Mr. Speaker, I should point out that I put this speech together because I thought it was important to report on our trip, how that report would still be

current and worthy of the attention of our colleagues. I have not had the time I would have liked to make this speech as concise as possible.

But continuing with the description of our trip, we then, after visiting with General Hendrix and his men and women, we then went on to be briefed by Colonel Bray of Task Force Hope. Both of these generals and their forces are deployed there at Tirana International Airport where the first thing they have to do is provide security around the perimeter lest some sapper or commando or terrorist force seek to destroy them on the ground.

In any case Task Force Hope is America at its best using our helicopter and other logistical efforts to take humanitarian supplies from Tirana in central Albania to northern Albania where most of the refugees unfortunately still are, the part of Albania that borders Kosovo, and so the part that initially receives the refugees.

What was driven home to us by this Operation Task Force Hope, Mr. Speaker, is that this is a humanitarian effort. If you are waging a war against a country because of some strategic reason that if you beat the country and achieve your strategic objective you could call it a complete victory. If you are waging war for money and gold, then if you capture the money and gold you can call it a victory.

This war is not part of the Cold War or not fighting for some strategic advantage over a larger adversary. This war is not a war of imperialism. This war is a humanitarian effort, and that is why it is so important to end it as soon as possible.

An even total victory 3 months from now is less important than a reasonable outcome reached today because every day Kosovars are killed, every day they die of exposure before they are able to reach refuge on the other side of the border, and while the Serbs are our adversaries in this conflict, humanitarianism is not served by their destruction.

We are unfortunately treated to the videos of the collateral damage, and I will discuss later whether we can believe all those videos, but clearly there are civilian Serbs being killed every day by our bombing, and if not every day, then every second or every third day.

And over $100 billion is the estimate of the damage that we have done to Serbia, and clearly that country's ability to provide for its people and to cure its sick will be diminished and lives will be lost as a result of the huge scale of the economic destruction.

Mr. Speaker, that was our visit to Albania. We then boarded military transport for the former Yugoslav Republic of Macedonia with its capital at Skopje. When we landed at Skopje Airport, it became apparent immediately that the former Yugoslav Republic of Macedonia or FYRO Macedonia, was a much more developed country than Albania with, for example, a much larger airport.

□ 2330

We visit almost immediately from that airport, we went by bus just a few miles and after that trip we were a few miles away from the Kosovo border, which gives you an idea how close that airport and the capital of the former Yugoslav Republic of Macedonia is to the Serbian border, just a few miles away.

When the buses stopped, they took us to the Stenkovec refugee camp, Stenkovec 1, and that is a camp that is visited by many of those dignitaries or visitors who visit refugee camps. In fact, just 2 days after we left, Tony Blair was at the same camp.

What we saw at that refugee camp was, if anything, heartening. We went there expecting to see the worst. We saw, I think, the best we could have expected. The people there were well fed and there was a huge store of food visible for future consumption. There were smiles on the faces of almost everyone I talked to. Think of that. These people have lost everything and they smile and they joke, and there was even a little entertainment off to the side of the camp, not for our benefit but for theirs, where they sung, singing and smiling.

I have friends, I myself feel this way, the market goes down by 50 points and we are in a bad mood. These people have lost everything and they smile.

Perhaps the best symbolic moment was I visited one tent. They invited me in for some refreshment. This is a refugee camp where people have genuinely found refuge, but it is getting warm. They live in tents. They have been there for a month. There are more on the way. We have to recognize that while there may be smiles today, there could be the natural trouble of too many people and too little space with too little sanitation and too much heat in the coming weeks and months.

That is why, as I will say it again, we must go forward and build more camps as quickly as possible to prevent the current camps from becoming overcrowded.

Many of the families I visited, they had over 6, 7, sometimes 10 people in a single tent, 12 feet by 12 feet. The fact that this camp remains calm and the people smile is a testament to the goodwill of the Kosovars and to a level of resilience that is remarkable.

I could go on about the camp, but there is one other thing I want to mention and that is I went there looking for verification of the stories of atrocities. I spent two hours at that camp. My colleagues, about 18 of them, spread out throughout the camp. Each was assigned our own translator, and I would say one out of 20 or 1 out of 40 or 50 of the residents of the camp spoke English at a sufficient level to communicate.

So I went around the camp asking whether they could put me in touch or introduce me to a refugee who had personally seen rape or murder. We were not able to find, at least I was unable to find, a refugee with such a story, either one who spoke English or one who could speak to me through the translator.

The story we heard instead, again and again and again, was that Serb paramilitary told people in this or that town or this or that neighborhood to get out and get out quickly, often on as little as 20 minutes notice, and the people decided to leave. Clearly, the stories of rape and murder from other towns and villages inspired such immediate compliance with such an outrageous order.

I should point out that the refugees we met came chiefly from eastern Kosovo, and it is quite possible that in the more rural parts of western Kosovo, where naturally rural people are even more tied to the land, more reluctant to accept an order to evacuate not just their homes but the farms, the soil that they have lived on for generations and centuries, perhaps in those areas there are greater levels of atrocity.

We then left Skopje for Aviano Air Force base in Italy, the most active base for our planes and other NATO planes to conduct this air campaign. There, we talked to more than one staff or general officer about the stories of collateral damage for just, I believe it was, 2 days ago a bus had allegedly been hit by U.S. bombs and scores of people, or a score of people, were killed allegedly.

I use the word allegedly. We never hear the word allegedly on CNN or on any of the news networks, because what the Serbs do is they take western reporters out to a site, there is a crater, there is a destroyed vehicle, there are dead individuals in civilian clothing. It is reported as uncontroverted fact that that crater was created by a NATO bomb, that that vehicle was destroyed by that particular bomb and that those bodies are people who were in the vehicle at the time when it was hit by such a bomb, none of which is verified by forensic experts. I will say that our people in the military are justifiably skeptical of the Serb propaganda effort.

While we are talking about a propaganda effort, I should say that we have been remiss in our own propaganda effort, and here I am simply echoing the views of my colleague and friend, the gentleman from California (Mr. ROYCE) who came with us on this trip. For years, the gentleman from California (Mr. ROYCE) has been trying to get Radio Free Europe and similar outlets controlled by the U.S. Government to broadcast in Serb into Serbia.

Finally, finally, they have started broadcasting on radio only, but keep in mind over half the Serbs have television satellite dishes. We could, should, have not, and must listen to the gentleman from California (Mr. ROYCE) when he says that we need to be broadcasting our message on television, because this war is a war fought in the air but not just by military airplanes but also by television broadcast. This war may be decided by propaganda as much as it is decided by bombs.

Then having been in four countries already that day, we flew at the end of Saturday to Brussels, Belgium, where we stayed overnight. We then proceeded to NATO headquarters, where we heard from General Clark, who is NATO's chief commander, and Secretary General Javier Solano, who is the chief officer, in a way the President, of NATO.

□ 2340

There, every effort was made to convince us of three things:

First, that we are winning, and I remain unconvinced. The most I am convinced of is that there is a possibility that after more bombing we will eventually achieve our stated goals, though this is hardly a humanitarian victory, and that there is even a greater likelihood that we cannot achieve NATO's stated goals through bombing alone.

Second, each of the speakers tried to convince us that the European allies of NATO were doing their fair share. This is hardly the case. Eighty-five percent of the airplane flights, the sorties being put forward in this air war, are American.

If we stretch the numbers as hard as we can, and being a CPA I have seen them stretched, but I am almost willing to give an honorary CPA certificate to those in NATO who have worked these numbers over very hard, we can argue that 50 percent of the total effort, refugee, military plane strikes and support military effort, that somehow maybe 50 percent is being borne by the Europeans. Even that is an outrageously small percentage.

General Clark argued to us that, well, 50 percent of NATO's GDP is found in the United States, and 50 percent of the wealth of NATO is found in the other countries, the European countries of NATO. So if America is half of the economic strength of NATO, why should America do anything less than 50 percent of the total refugee and military effort?

By this logic, America, with an equal GDP to Europe, or at least the European members of NATO, should do half of all of what needs to be done in Europe; ninety-nine percent of everything that needs to be done in the Americas, like taking out General Noriega out of Panama. We should do the overwhelming work of what is necessary in Asia, the vast majority of the work necessary in Africa, and bear virtually all the burden in the Middle East.

For us to do half of what needs to be done in Europe is absurd unless the Europeans are willing to do half of what needs to be done outside of Europe. But the ability of Europe to do its fair share is limited, limited by small defense budgets, in which America has acquiesced, or rather, our State Department has acquiesced; furthermore limited by how those budgets are spent.

In order to ensure that they have a large trade surplus with the United States, not as large as Japan and China, but a large one, nevertheless, European countries insist on not buying American military planes, not buying American electronic military technology, but building it in Europe, no matter how poorly it performs, no matter how little they will be able to do to defend our values, our shared values in Europe.

So a desire to spend less and to spend it less efficiently has hobbled Europe's ability to participate in this war, a war that we are carrying on to end ethnic cleansing in Europe.

Finally, at NATO they insisted upon reviewing again and again the five NATO points of negotiation. Basically, those points require the Serbs to completely surrender all of Kosovo to NATO. I think this is not exactly a compromise position.

But I will point out that the prime minister of Great Britain, Tony Blair, has made comments that can be interpreted as setting forth an even more extreme objective, as he has called, somewhat obliquely, for the arrest and trial of Milosevic. Now, if that could be done with the wave of a wand, I would wave that wand immediately. No one, very few people on this planet, deserve a trial for war crimes more than Mr. Milosevic.

The rhetoric gets so extreme that people say, how can we live in a world where murderers rule countries? It is time for America to get realistic in its rhetoric. Half the world is run by murderers. Let us recount just a few.

The government of Sudan, which has killed 1.9 million of its own people, and has probably killed more people in a genocidal war against its own citizens in southern Sudan than all of the Kosovars total, 1.9 million; not to mention the well-known genocide of Tutsis in Rwanda; the recent killings on Borneo.

But perhaps the best example of the fact that murderers run countries is the fact that we welcomed with open arms, not just as a negotiating partner but I think the administration called him a strategic partner, the prime minister of the People's Republic of China, pretending that that government does not include some old men still in power who played a role in the cultural revolution that killed millions; who were there to order the deaths and executions at Tiananmen Square; who were ordering the continued oppression and were there to order the death of millions of people in Tibet.

The fact of the matter is that we are not powerful enough, and I do not have a magic wand, we are not powerful enough to arrest and try all of the murderers that run countries, so it is interesting to talk about some rambo-style effort to arrest Milosevic.

But in reality, arresting him would require deploying NATO troops and fighting all the way to Belgrade, and then fighting to whatever mountain hideout Milosevic sought shelter in. We are talking at that point of thousands and thousands, perhaps tens of thousands, of dead and wounded American and NATO troops.

Those who talk glibly of arresting Milosevic should reflect on what is involved in that level of defeat, a level of defeat that we did not inflict upon Saddam Hussein.

We, instead of trying to increase our objectives in this war, should seek the minimum objectives consistent with the real reason we are there: to stop the killing of the Kosovars, and to make sure that Kosovars have a place in Kosovo to live in security where they can build lives. We should demand no more and we should demand no less.

This does not mean that Serbia has to surrender all of Kosovo to NATO. It does not mean that Milosevic must be turned over for trial, because, as wondrous as those results would be, the additional deaths not only of NATO troops, but every day this war goes on more people are killed, not in the refugee camps, where they are well taken care of, but in Kosovo itself.

We have to stop the killing and reach a peace agreement, consistent with the real objectives of this campaign, as quickly as possible.

In fact, the two sides' stated positions are not that far apart. We heard just before I began this long speech, and I apologize for its length, from our colleague, the gentleman from Pennsylvania (Mr. CURT WELDON), who described a possible settlement to which Russian Duma members agreed and which we have reason to believe Milosevic will agree.

That agreement calls for a multilateral force that will be there to protect the Kosovars. We should explore that opening instead of saying no, no matter what Milosevic proposes; that he has to accept our five points unilaterally, unconditionally, or we keep the bombing continuing.

□ 2350

We ought to explore the possibility that there would be two separate peacekeeping forces. And I say that because the biggest sticking point between the parties is about who is going

to be in the peacekeeping force. The Serbs propose that it be under a U.N. flag. America has indicated maybe the U.N. flag is acceptable.

Both sides have agreed that the killing should stop. Both sides have even said the Kosovars should go home. The disagreement is over the makeup of the force. The Serbs want to see a lightly armed force of Russians, Greeks and others who have not waged war against them recently, and America and NATO insist on a NATO-led force that is heavily armed.

One possibility is to have two peacekeeping forces patrolling two different separate peacekeeping regions within Kosovo. One region could be patrolled by Russians, Greeks, and others acceptable to the Serbs. And it could be said that the Kosovars would be reluctant to return to that region, and I will get to that in a bit, but that first region could include the areas of Kosovo which are most sacred to the Serbs and are the reason or the stated reason they are fighting so hard to retain that territory.

That area, which I would think would be maybe 20 percent of Kosovo, could include the famous monasteries, or at least the most important famous monasteries. The City of Pec, where the Serbian Orthodox church began, could be included. We could negotiate, others could decide, whether the mines in northern Kosovo would be included, and of course the battlefield at Kosovo Polje, the famous battlefield where the Serbs were defeated by the Turks in the 14th Century, could all be included in an area where Serbs would feel they had not given up their rights, where the territory would be patrolled only by friends, or at least countries with whom they continue to have cordial relations.

The other 80 percent of Kosovo should be patrolled by heavily armed, NATO-led, perhaps U.N.-flag-flying troops where Kosovars could feel very safe. This would allow them to return to Kosovo and, with some American and European economic aid, to rebuild their lives.

If we insist on totally crushing all Serb claims to Kosovo, we insist that this war will go on until they are forced to give up. And I am not sure that is even 2 or 3 months away, and I am not sure that that does not involve ground troops over those Almadian mountains, and I am not sure that it can be done at a level of casualties that are acceptable to the NATO countries involved.

Because keep in mind, if a multilateral NATO military ground force is deployed, perhaps a British unit suffers casualties or a German unit or an Italian unit or an American unit, and the country that sent those particular soldiers demands an end to hostilities, then we will have the domino effect as each NATO nation says, well, if one NATO nation is pulling out, the others must. So it is important that we try to set our objectives consistent with the real humanitarian reason for our being involved in the Balkans.

Finally, Mr. Speaker, I would like to address an issue that has been addressed on this floor several times, and that is the role that Congress should play in making our foreign policy.

Now, Mr. Speaker, our constitution clearly provides that it is Congress that can declare war. And I believe that once and if we declare war, at that point all Americans should support that war, and Congress at that point has signed the blank check and should butt out and let the Commander in Chief proceed. But unless that happens, we have a decision-making process. If we are not at war, if we have not declared war, if it is not an all-out war, then there is a decision-making process as to what level of hostilities should exist and what we should demand for peace.

Mr. Speaker, I am told that dictatorship is efficient; that dictatorship is silent and secret and does not show its enemies what it is thinking. But, Mr. Speaker, that is not our government. Even decisions within the administration are subject to public input, public discussion and a press leak every day. But our Constitution does not vest all power in the administration. And contrary to popular belief, virtually every U.S. Supreme Court decision says that it is Congress, not the President, that has the primary role of determining what our foreign policy is, though not, of course, of determining how our troops should be deployed.

So, Mr. Speaker, I know that there are those who have come to this floor and said that our enemies would tremble in fear if they thought that one man could deploy 100,000 American soldiers without the consent of this Congress. But, Mr. Speaker, I would tremble in fear, the founders of this Republic would tremble in fear, if they thought that one man could send 100,000 or more men and women into battle without the approval of the United States Congress.

I call upon the President to modify his equivocal letter. There was a letter addressed to the Congress just a couple weeks ago saying, in essence, that ground troops would not be deployed without congressional approval. But those of us who looked very carefully at that letter realized that it did not say what it seemed to say at first reading, and that in fact the President had not promised what he should promise, and that is that before deploying American troops in a battle that may cost hundreds or thousands of lives, that he should come to this Congress and ask for approval.

Mr. Speaker, believe it or not, I have even other observations from my trip. This issue deserves a full debate. There is, believe it or not, even more to be said, but I notice that it is nearly midnight, it is time for this House to adjourn, and so I will yield back.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. CARSON (at the request of Mr. GEPHARDT) for today before 12:30 p.m. on account of official business.

Mr. LUTHER (at the request of Mr. GEPHARDT) for today after 4:00 p.m. on account of family matters.

Mr. BECERRA (at the request of Mr. GEPHARDT) for today on account of official business.

Mr. SIMPSON (at the request of Mr. ARMEY) for May 4 and 5 on account of a death in the family.

Mr. YOUNG of Florida (at the request of Mr. ARMEY) for today on account of family medical reasons.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. LIPINSKI, for 5 minutes, today.

Mr. DAVIS of Illinois, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mr. BLUMENAUER, for 5 minutes, today.

Mrs. CAPPS, for 5 minutes, today.

Mr. BERRY, for 5 minutes, today.

Ms. SANCHEZ, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

(The following Members (at the request of Mr. PAUL) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 5 minutes, on May 12.

Mr. PAUL, for 5 minutes, today.

Mr. ENGLISH, for 5 minutes, today.

Mr. WHITFIELD, for 5 minutes, today.

Mr. HULSHOF, for 5 minutes, today.

Mr. GOSS, for 5 minutes, on May 6.

Mr. TALENT, for 5 minutes, today.

Mr. TANCREDO, for 5 minutes, today.

## SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 453. An act to designate the Federal building located at 79 West 9th Street in Juneau, Alaska, as the ''Hurff A. Saunders Federal Building.''

S. 460. An act to designate the United States courthouse located at 401 South Michigan Street in South Bend, Indiana, as the ''Robert K. Rodibaugh United States Bankruptcy Courthouse.''

## ADJOURNMENT

Mr. SHERMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 59 minutes p.m.), the House adjourned until tomorrow, Thursday, May 6, 1999, at 10 a.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1847. A letter from the Administrator, Grain Inspection, Packers and Stockyards Administration, Department of Agriculture, transmitting the Department's final rule—Official Testing Service for Corn Oil, Protein, and Starch (RIN: 0580–AA62) received April 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1848. A letter from the Administrator, Farm Service Agency, Department of Agriculture, transmitting the Department's final rule—1998 Marketing Quotas and Price Support Levels for Fire-Cured (type 21), Fire-Cured (types 22–23), Maryland (type 32), Dark Air-Cured (types 35–36), Virginia Sun-Cured (type 37), Cigar-Filler (type 41), Cigar-Filler and Binder (types 42–44 and 53–55), and Cigar Binder (types 51–52) Tobaccos (RIN: 0560–AF 20) received April 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1849. A letter from the Administrator, Environmental Protection Agency, transmitting a report to Congress on the 1993 Survey of Certified Commercial Applicators of Non-Agricutural Pesticides; to the Committee on Agriculture.

1850. A letter from the Deputy Under Secretary of Defense, Office of the Director Of Defense Research and Engineering, transmitting the Annual Report of the Scientific Advisory Board of the Strategic Environmental Research and Development Program; to the Committee on Armed Services.

1851. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the System's final rule—Availability of Funds and Collection of Checks [Regulation CC; Docket No. R–1027] received March 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1852. A letter from the Managing Director, Federal Housing Finance Board, transmitting the Board's final rule—Prohibition on Payment of Fee in Lieu of Mandatory Excess Capital Stock Redemption [No. 99–21] (RIN: 3069–AA83) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1853. A letter from the Chairman, Federal Trade Commission, transmitting the Twenty-First Annual Report to Congress on the administration of the Fair Debt Collection Practices Act, pursuant to 15 U.S.C. 1692m; to the Committee on Banking and Financial Services.

1854. A letter from the Secretary of Education, transmitting Final Regulations—Federal Family Education Loan Program, pursuant to 20 U.S.C. 1232(f); to the Committee on Education and the Workforce.

1855. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—Federal Family Education Loan Program (RIN: 1840–AC55) received April 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1856. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—Preparing Tomorrow's Teachers to Use Technology [CFDA No. 84.342] received March 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1857. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Revisions to Reference Method for the Determination of Fine Particulate Matter as PM25 in the Atmosphere [AD–FRL–6326–5] (RIN: 2060–AI48) received April 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1858. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Hazardous Air Pollutants: Amendment to Regulations Governing Equivalent Emission Limitations by Permit [AD–FRL–6326–4] (RIN: 2060–AI28) received April 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1859. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Plans for Designated Facilities and Pollutants: Kentucky [KY111–9914a; FRL–6326–1] received April 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1860. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval of the Clean Air Act, Section 112(1), Delegation of Authority to Puget Sound Air Pollution Control Agency in Washington; Amendment [FRL–6326–2] received April 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1861. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Virginia; Reasonably Available Control Technology for Major Sources of Nitrogen Oxides [VA024–5042; FRL–6318–5] received April 13, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1862. A letter from the Secretary of Energy, transmitting a report recommending renewal, repeal, or modification of the Price-Anderson Act; to the Committee on Commerce.

1863. A letter from the Director, Defense Security Assistance Agency, transmitting the Department of the Air Force's proposed lease of defense articles to Singapore (Transmittal No. 07–99), pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

1864. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Air Force's Proposed Letter(s) of Offer and Acceptance (LOA) to Australia for defense articles and services (Transmittal No. 99–07), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

1865. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Air Force's Proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services (Transmittal No. 99–13), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

1866. A letter from the Acting Director, Defense Security Cooperation Agency, transmitting a copy of Transmittal No. 05–99 which constitutes a Request for Final Approval for a Project Agreement with Sweden for research into methods to develop and demonstrate the priniciple of altering the original path of an artillery shell in flight to a specific and desired coordinate, pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

1867. A letter from the Acting Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Army's Proposed Letter(s) of Offer and Acceptance (LOA) to the Netherlands for defense articles and services (Transmittal No. 99–10), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

1868. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's final rule—Amendments to the International Traffic In Arms Regulations—received April 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

1869. A letter from the Comptroller General, transmitting a list of General Accounting Office reports from the previous month; to the Committee on Government Reform.

1870. A letter from the Board Members, Railroad Retirement Board, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1998, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform.

1871. A letter from the Secretary of the Treasury, transmitting the Financial Report of the United States Government for Fiscal Year 1998 (Financial Report), pursuant to 31 U.S.C. 331(e)(1); to the Committee on Government Reform.

1872. A letter from the Chairman, Tennessee Valley Authority, transmitting a copy the report of the Consumer Product Safety Commission in compliance with the Government in the Sunshine Act during the calendar year 1998, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform.

1873. A letter from the Director, Fish and Wildlife Service, Department of the Interior, transmitting the Department's final rule—Endangered and Threatened Wildlife and Plants; Emergency Rule to List the Sierra Nevada District Population Segment of California Bighorn Sheep as Endangered (RIN: 1018–AF59) received April 19, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1874. A letter from the Deputy Assistant Administrator For Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries Off West Coast States and in the Western Pacific; Western Pacific Crustacean Fisheries; 1999 Harvest Guideling [Docket No. 990304061–9061–01; I.D. 022599B] (RIN: 0648–AL63) received March 23, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1875. A letter from the Secretary of the Interior, transmitting a report of the U.S. Fish and Wildlife Service and the Biological Resources Division of the U.S. Geological Survey, Department of the Interior, on the administration of the Marine Mammal Protection act of 1972; to the Committee on Resources.

1876. A letter from the Secretary of Housing and Urban Development, transmitting the Department of Housing and Urban Development's 1996 Annual Report to Congress on the State of Fair Housing in America, the racial and ethnic composition of participants

in HUD programs, and the enforcement efforts of the Fair Housing Initiatives Program, pursuant to Public Law 102—550, section 504 (106 Stat. 3781); to the Committee on the Judiciary.

1877. A letter from the Assistant General Counsel for Regulations, Department of Housing and Urban Development, transmitting the Department's final rule—Implementation of the Housing for Older Persons Act of 1995 [Docket No. FR–4094–F–02] (RIN: 2529–AA80) received April 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

1878. A letter from the Director, Federal Emergency Management Agency, transmitting notification that funding under title V of the Stafford Act, as amended, will exceed $5 million for the response to the emergency declared on September 28, 1998 as a result of Hurricane Georges, pursuant to 42 U.S.C. 5193; to the Committee on Transportation and Infrastructure.

1879. A letter from the Program Support Specialist, Aircraft Certification Service, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Avions Pierre Robin Model R2160 Airplanes [Docket No. 98–CE–82–AD; Amendment 39–11104; AD 99–07–20] (RIN: 2120–AA64) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1880. A letter from the Program Support Specialist, Aircraft Certification Service, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; AlliedSignal Inc. TFE731–40R–200G Turbofan Engines [Docket No. 99–ANE–08–AD; Amendment 39–11103; AD 99–07–19] (RIN: 2120–AA64) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1881. A letter from the Chief, Office of Regulations and Administrative Law, Coast Guard Headquarters, Department of Transportation, transmitting the Department's final rule—Special Local Regulations for Marine Events; Atlantic Ocean, Ocean City, Maryland [CGD 05–98–088] (RIN: 2115–AE46) received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1882. A letter from the Program Support Specialist, Aircraft Certification Service, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Aerospatiale Model ATR42 Series Airplanes [Docket No. 98–NM–175–AD; Amendment 39–11115; AD 99–08–09] (RIN: 2120–AA64) received April 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1883. A letter from the Program Support Specialist, Aircraft Certification Service, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747–100, -200, -300, -SP, and -400F Series Airplanes [Docket No. 97–NM–325–AD; Amendment 39–11116; AD 99–08–10] (RIN: 2120–AA64) received April 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1884. A letter from the Program Support Specialist, Aircraft Certification Service, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747 Series Airplanes [Docket No. 98–NM–292–AD; Amendment 39–11125; AD 99–08–19] (RIN: 2120–AA64) received April 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1885. A letter from the Program Support Specialist, Aircraft Certification Service, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dornier Model 328–100 Series Airplanes [Docket No. 98–NM–157–AD; Amendment 39–11114; AD 99–08–08] (RIN: 2120–AA64) received April 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1886. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29521; Amdt. No. 1924] received April 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1887. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29522; Amdt. No. 1925] received April 12,199, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1888. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29520; Amdt. No. 1923] received April 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1889. A letter from the Acting Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule—Application of Earned Value Management— received April 5, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

1890. A letter from the Acting Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule—Electronic Funds Transfer—received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

1891. A letter from the Acting Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting the Administration's final rule—Designation of Contracts for Notification to the Government of Actual or Potential Labor Disputes—received March 18, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Science.

1892. A letter from the Regulatory Policy Officer, Bureau of Alcohol, Tobacco & Firearms, transmitting the Bureau's final rule—Delegation of Authority [T.D. ATF–409] (RIN: 1512–AB87) received April 12, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1893. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Electronic Funds Transfer—Temporary Waiver of Failure to Deposit Penalty for Certain Taxpayers [Notice 99–12] received March 23, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1894. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural, and Miscellaneous [Revenue Procedure 99–22] received March 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1895. A letter from the Chief, Regulations Branch, U.S. Customs Service, transmitting the Service's final rule—Warehouse Withdrawals; Aircraft Fuel Supplies; Pipeline Transportation Of Merchandise In BOND [T.D. 99–33] (RIN: 1515–AB67) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1896. A letter from the Acting Chief, Regulations Branch, U.S. Customs Service, transmitting the Service's final rule—Exportation Of Used Motor Vehicles [T.D. 99–34] (RIN: 1515–AC19) received April 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1897. A letter from the Director, Office of Personnel Management, transmitting notification that the Office of Personnel Management has approved a proposal for a personnel management demonstration project for the Naval Research Laboratory, pursuant to Public Law 103—337, section 342(b) (108 Stat. 2721); jointly to the Committees on Government Reform and Armed Services.

1898. A letter from the Chairman, Federal Election Commission, transmitting its FY 2000 Budget Request for consideration by Congress; jointly to the Committees on House Administration and Appropriations.

1899. A letter from the Director, Office of Insular Affairs, Department of the Interior, transmitting a report entitled ''Impact of the Compacts of Free Association on the United States Territories and Commonwealths and on the State of Hawaii,'' pursuant to 48 U.S.C. 1681 nt.; jointly to the Committees on Resources and International Relations.

1900. A letter from the Secretary of Energy, transmitting a report on the Clean Coal Technology Demonstration Program; jointly to the Committees on Appropriations, Science, and Commerce.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. MYRICK: Committee on Rules. House Resolution 159. Resolution providing for consideration of the bill (H.R. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes (Rept. 106–127). Referred to the House Calendar.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. RUSH:

H.R. 1684. A bill to amend the Consumer Credit Protection Act and other banking laws to protect consumers who avail themselves of payday loans from usurious interest rates and exorbitant fees, perpetual debt, the use of criminal actions to collect debts, and other unfair practices by payday lenders, to encourage the States to license and closely regulate payday lenders, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. BOUCHER (for himself and Mr. GOODLATTE):

H.R. 1685. A bill to provide for the recognition of electronic signatures for the conduct

of interstate and foreign commerce, to restrict the transmission of certain electronic mail advertisements, to authorize the Federal Trade Commission to prescribe rules to protect the privacy of users of commercial Internet websites, to promote the rapid deployment of broadband Internet services, and for other purposes; to the Committee on Commerce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GOODLATTE (for himself and Mr. BOUCHER):

H.R. 1686. A bill to ensure that the Internet remains open to fair competition, free from government regulation, and accessible to American consumers; to the Committee on the Judiciary, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SHADEGG (for himself, Mr. HOSTETTLER, Mr. LARGENT, Mr. WAMP, Mr. DOOLITTLE, Mr. ARMEY, Mr. SMITH of Michigan, Mr. GRAHAM, Mrs. EMERSON, Mr. TANCREDO, Mr. NORWOOD, Mr. SALMON, Mr. WELDON of Florida, and Mr. COBURN):

H.R. 1687. A bill to amend the Internal Revenue Code of 1986 to allow individuals a refundable credit against income tax for health insurance costs, to allow employees who elect not to participate in employer subsidized health plans an exclusion from gross income for employer payments in lieu of such participation, and for other purposes; to the Committee on Commerce, and in addition to the Committees on Ways and Means, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ABERCROMBIE:

H.R. 1688. A bill to amend the Internal Revenue Code of 1986 to restore the deduction for the travel expenses of a taxpayer's spouse who accompanies the taxpayer on business travel; to the Committee on Ways and Means.

By Mr. ANDREWS:

H.R. 1689. A bill to prohibit States from imposing restrictions on the operation of motor vehicles providing limousine service between a place in a State and a place in another State, and for other purposes; to the Committee on Commerce.

By Mr. ANDREWS (for himself and Mr. FOLEY):

H.R. 1690. A bill to amend the Internal Revenue Code of 1986 to exclude from gross income of individual taxpayers discharges of indebtedness attributable to certain forgiven residential mortgage obligations; to the Committee on Ways and Means.

By Mr. CANADY of Florida (for himself, Mr. EDWARDS, Mr. HYDE, Mr. WEINER, Mr. SENSENBRENNER, Mr. HUTCHINSON, Mr. GREEN of Texas, Mr. SMITH of Texas, Mr. ROGAN, Mr. PETERSON of Minnesota, and Mr. CANNON):

H.R. 1691. A bill to protect religious liberty; to the Committee on the Judiciary.

By Mrs. CAPPS:

H.R. 1692. A bill to direct the Secretary of the Interior to study the suitability and feasibility of including the Gaviota Coast of California in the National Park System; to the Committee on Resources.

By Mr. EHRLICH (for himself, Mr. WELDON of Pennsylvania, Mr. CUNNINGHAM, Ms. HOOLEY of Oregon, Mrs. MORELLA, and Mr. ENGLISH):

H.R. 1693. A bill to amend the Fair Labor Standards Act of 1938 to clarify the overtime exemption for employees engaged in fire protection activities; to the Committee on Education and the Workforce.

By Mr. FRANK of Massachusetts (for himself and Mr. NEAL of Massachusetts):

H.R. 1694. A bill to provide Public Safety and Community Policing Renewal Grants, and for other purposes; to the Committee on the Judiciary.

By Mr. GIBBONS:

H.R. 1695. A bill to provide for the conveyance of certain Federal public lands in the Ivanpah Valley, Nevada, to Clark County, Nevada, for the development of an airport facility, and for other purposes; to the Committee on Resources.

By Mr. GIBBONS:

H.R. 1696. A bill to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority; to the Committee on Resources.

By Mr. GILMAN (for himself, Mr. OBERSTAR, Mrs. JOHNSON of Connecticut, and Mr. INSLEE):

H.R. 1697. A bill to provide for the review and classification of physician assistant positions in the Federal Government, and for other purposes; to the Committee on Government Reform.

By Mr. HILL of Montana (for himself, Mr. LATOURETTE, Mrs. EMERSON, Mr. MCHUGH, and Mr. WATKINS):

H.R. 1698. A bill to amend the Federal Meat Inspection Act to provide that a quality grade label issued by the Secretary of Agriculture may not be used for imported meat and meat food products; to the Committee on Agriculture.

By Mr. HILL of Montana:

H.R. 1699. A bill to direct the Secretary of the Treasury to issue war bonds to pay for Operation Allied Force and related humanitarian operations; to the Committee on Ways and Means.

By Mr. HOSTETTLER (for himself, Mr. WELDON of Pennsylvania, Mr. MCINTOSH, Mr. BARTLETT of Maryland, Mr. GREEN of Wisconsin, Mr. ADERHOLT, Mr. PITTS, and Mr. BURTON of Indiana):

H.R. 1700. A bill to provide that a national missile defense system shall not be subject to an otherwise applicable statutory requirement that a major defense acquisition program not proceed beyond low-rate initial production before completion of initial operational test and evaluation and that an environmental impact statement prepared for the construction of any element of such a system shall not be subject to judicial review; to the Committee on Armed Services, and in addition to the Committee on Resources, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MCDERMOTT:

H.R. 1701. A bill to suspend temporarily the duty on certain polyethylene base materials; to the Committee on Ways and Means.

By Mrs. MINK of Hawaii (for herself, Mr. GEORGE MILLER of California, Mr. ANDREWS, Ms. WOOLSEY, and Mr. PAYNE):

H.R. 1702. A bill to amend title 18, United States Code, to ban using the Internet to obtain or dispose of a firearm; to the Committee on the Judiciary.

By Mr. NEAL of Massachusetts:

H.R. 1703. A bill to amend the Internal Revenue Code of 1986 to prevent the conversion of ordinary income or short-term capital gain into income eligible for the long-term capital gain rates, and for other purposes; to the Committee on Ways and Means.

By Mr. NUSSLE (for himself, Mr. LATHAM, Mrs. MINK of Hawaii, and Mr. SHOWS):

H.R. 1704. A bill to amend the Internal Revenue Code of 1986 to provide a tax credit to primary health providers who establish practices in health professional shortage areas; to the Committee on Ways and Means.

By Mr. PALLONE:

H.R. 1705. A bill to amend the Clean Air Act to waive the oxygen content requirement for reformulated gasoline and to phase-out the use of MTBE, and for other purposes; to the Committee on Commerce.

By Mr. PAUL (for himself, Mr. SOUDER, Mr. NORWOOD, Mr. MCINTOSH, Mr. FLETCHER, and Mr. TANCREDO):

H.R. 1706. A bill to prohibit the Federal Government from planning, developing, implementing, or administering any national teacher test or method of certification and from withholding funds from States or local educational agencies that fail to adopt a specific method of teacher certification; to the Committee on Education and the Workforce.

By Mr. RAMSTAD (for himself, Mr. GUTKNECHT, Mr. MINGE, Mr. VENTO, Mr. SABO, Mr. LUTHER, Mr. PETERSON of Minnesota, Mr. OBERSTAR, and Mr. RAHALL):

H.R. 1707. A bill to amend the Internal Revenue Code of 1986 to provide that the conducting of certain games of chance shall not be treated as an unrelated trade or business; to the Committee on Ways and Means.

By Mr. RAMSTAD (for himself and Mrs. THURMAN):

H.R. 1708. A bill to amend the Internal Revenue Code of 1986 to provide a simplified method for determining a partner's share of items of a partnership which is a qualified investment club; to the Committee on Ways and Means.

By Mr. RANGEL:

H.R. 1709. A bill to authorize the President to award a gold medal on behalf of the Congress to Jesse L. Jackson, Sr. in recognition of his outstanding and enduring contributions to the Nation; to the Committee on Banking and Financial Services.

By Mr. SALMON (for himself, Mr. HAYWORTH, Mr. GARY MILLER of California, Ms. PRYCE of Ohio, Mr. MCINTOSH, Mr. SENSENBRENNER, Mr. LARGENT, Mr. FORBES, Mr. PICKERING, Mr. CUNNINGHAM, Mr. LATOURETTE, Mr. SHADEGG, Mr. HOSTETTLER, Mr. HILL of Montana, and Mrs. WILSON):

H.R. 1710. A bill to amend the Internal Revenue Code of 1986 to allow a credit against income tax for expenses of attending elementary and secondary schools and for contributions to such schools and to charitable organizations which provide scholarships for children to attend such schools; to the Committee on Ways and Means.

By Mr. SHUSTER (for himself, Mr. OBERSTAR, Mrs. FOWLER, and Mr. TRAFICANT) (all by request):

H.R. 1711. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to authorize programs for predisaster mitigation, to streamline the administration of disaster relief, to control the Federal costs of disaster assistance, and for

other purposes; to the Committee on Transportation and Infrastructure.

By Mr. STUPAK (for himself, Mrs. LOWEY, and Mr. BROWN of Ohio):

H.R. 1712. A bill to amend the Federal Water Pollution Control Act to authorize an estrogenic substances screening program; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. THOMAS:

H.R. 1713. A bill to amend the Internal Revenue Code of 1986 to treat certain dealer derivative financial instruments, hedging transactions, and supplies as ordinary assets; to the Committee on Ways and Means.

By Mr. BATEMAN:

H.J. Res. 51. A joint resolution authorizing the use of United States Armed Forces against the regime in power in the Federal Republic of Yugoslavia to meet certain objectives; to the Committee on International Relations.

By Mr. HAYES:

H. Con. Res. 96. Concurrent resolution expressing the sense of the Congress that the President, working with the other member nations of the North Atlantic Treaty Organization (NATO), should use all available diplomatic means to negotiate a fair, equitable, and peaceful settlement between warring factions in Yugoslavia without the introduction of ground elements of the United States Armed Forces; to the Committee on International Relations.

By Mr. KENNEDY of Rhode Island (for himself, Mrs. LOWEY, Mr. LANTOS, Ms. MCKINNEY, Mr. EVANS, and Mr. HALL of Ohio):

H. Con. Res. 97. Concurrent resolution urging the prohibition on military assistance and arms transfers to the Government of Indonesia until the President certifies that the Government of Indonesia is no longer arming, financing, or supporting paramilitary units in East Timor and has taken certain other actions relating to East Timor, and for other purposes; to the Committee on International Relations.

By Mr. TOWNS:

H. Con. Res. 98. Concurrent resolution expressing the sense of the Congress regarding the regulatory burdens imposed by the Health Care Financing Administration on suppliers of durable medical equipment under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. WELDON of Pennsylvania (for himself, Mr. ABERCROMBIE, Mr. BARTLETT of Maryland, Ms. BROWN of Florida, Mr. GIBBONS, Mr. HINCHEY, Mr. SAXTON, Mr. KUCINICH, Mr. PITTS, Mr. SANDERS, Mr. SHERWOOD, Mr. HAYES, Mr. CONYERS, and Mr. WHITFIELD):

H. Con. Res. 99. Concurrent resolution expressing the sense of the Congress that the congressional leadership and the Administration should support the efforts and recommendations of the United States Congress-Russian Duma meeting in Vienna, Austria, held April 30 to May 1, 1999, in order to bring about a fair, equitable, and peaceful settlement between warring factions in Yugoslavia; to the Committee on International Relations.

By Mr. GALLEGLY:

H. Res. 160. A resolution congratulating the Government and the people of the Republic of Panama on successfully completing free and democratic elections on May 2, 1999; to the Committee on International Relations.

## MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

47. The SPEAKER presented a memorial of the Senate of the State of New Hampshire, relative to Senate Resolution number 2 urging the President of the United States and Congress to prohibit federal recoupment of state tobacco settlement recoveries; to the Committee on Commerce.

## ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 8: Mr. LATOURETTE.

H.R. 53: Mr. SHIMKUS and Mr. HORN.

H.R. 172: Ms. LEE.

H.R. 179: Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 206: Mr. ALLEN.

H.R. 212: Mr. BEREUTER.

H.R. 218: Mr. BLUNT, Mr. ENGLISH, and Mr. GILLMOR.

H.R. 262: Mr. CRAMER, Ms. DELAURO, Mr. JACKSON of Illinois, Mr. FARR of California, Mr. WALSH, and Mr. MORAN of Virginia.

H.R. 274: Mr. MATSUI, Mrs. CUBIN, Mr. WICKER, Mr. SHERMAN, Mr. MCGOVERN, Mr. KILDEE, Mr. COSTELLO, and Mrs. FOWLER.

H.R. 315: Mr. ABERCROMBIE, Ms. NORTON, Mr. FATTAH, and Mrs. CLAYTON.

H.R. 329: Mr. GRAHAM.

H.R. 346: Mr. HILL of Montana.

H.R. 347: Mrs. MYRICK.

H.R. 351: Mr. NETHERCUTT and Mr. CALVERT.

H.R. 354: Mrs. TAUSCHER, Mr. CANNON, Mr. SUNUNU, Mr. HOBSON, Mr. FOLEY, and Mr. VENTO.

H.R. 371: Mr. WATTS of Oklahoma, Mr. PASTOR, Mr. KOLBE, Ms. EDDIE BERNICE JOHNSON of Texas, and Mr. TAYLOR of North Carolina.

H.R. 372: Mr. OBERSTAR, Ms. WOOLSEY, Mr. FROST, Ms. MCKINNEY, and Mr. WISE.

H.R. 380: Mr. ROGERS, Mr. EHRLICH, Mr. MURTHA, Mr. HOEFFEL, and Mr. WOLF.

H.R. 423: Mr. HORN.

H.R. 424: Mr. GUTIERREZ.

H.R. 516: Mr. WAMP.

H.R. 523: Mrs. KELLY.

H.R. 555: Ms. VELAZQUEZ and Mr. RODRIGUEZ.

H.R. 557: Mr. GARY MILLER of California and Mr. CASTLE.

H.R. 564: Mr. ARMEY.

H.R. 588: Mr. FORBES.

H.R. 608: Mr. LEWIS of Kentucky.

H.R. 623: Mr. MORAN of Kansas.

H.R. 625: Mr. MCGOVERN, Mr. CAPUANO, Mr. ABERCROMBIE, Mr. HOLDEN, Mr. TAYLOR of North Carolina, and Mr. QUINN.

H.R. 682: Mr. ISTOOK.

H.R. 688: Mr. PACKARD, Mr. DEMINT, Mr. SUNUNU, Mr. SCARBOROUGH, and Mr. TAYLOR of North Carolina.

H.R. 691: Mr. UDALL of New Mexico.

H.R. 692: Mr. POMBO.

H.R. 699: Mr. HINCHEY.

H.R. 714: Mr. CROWLEY, Mr. DEFAZIO, Mr. EVANS, Mr. KUCINICH, and Mrs. MINK of Hawaii.

H.R. 721: Mr. HOSTETTLER and Mr. MCNULTY.

H.R. 732: Ms. LEE, Mr. HALL of Ohio, Mr. MALONEY of Connecticut, Mr. LARSON, Mr. LEACH, Ms. HOOLEY of Oregon, Mr. CONYERS, Mr. FARR of California, Ms. STABENOW, and Mr. MATSUI.

H.R. 750: Mr. SABO.

H.R. 765: Ms. DUNN, Mr. PHELPS, Mr. WYNN, Mr. HILLEARY, Mr. CLYBURN, Mr. BAIRD, and Mr. GILCHREST.

H.R. 772: Mr. OWENS, Mrs. NAPOLITANO, and Mr. GUTIERREZ.

H.R. 775: Mr. CALVERT.

H.R. 777: Ms. MILLENDER-MCDONALD, Mr. BISHOP, Mrs. CLAYTON, and Ms. NORTON.

H.R. 803: Mr. GIBBONS, Mr. KOLBE, and Mr. FROST.

H.R. 804: Ms. WOOLSEY.

H.R. 828: Ms. DANNER and Mr. HOLDEN.

H.R. 838: Mr. GARY MILLER of California.

H.R. 842: Mr. YOUNG of Florida and Mr. GOSS.

H.R. 844: Mr. COYNE, Mr. KNOLLENBERG, Mr. COLLINS, Mr. COX, Mr. GIBBONS, Mr. PASTOR, Mr. STARK, Ms. STABENOW, Mr. LUCAS of Kentucky, Mr. KOLBE, Mr. WATKINS, Mr. OSE, and Mr. DAVIS of Florida.

H.R. 845: Mrs. CHRISTENSEN and Mr. BERMAN.

H.R. 868: Ms. KILPATRICK.

H.R. 872: Mr. WAXMAN, Mr. STARK, and Mr. CAPUANO.

H.R. 875: Mrs. MORELLA.

H.R. 902: Mr. WYNN and Mr. BORSKI.

H.R. 903: Mr. HOEKSTRA, Mr. EVERETT, Mr. LIPINSKI, Mr. HYDE, Mr. COLLINS, Mr. MORAN of Kansas, Mr. HASTINGS of Washington, Mr. ROYCE, and Mr. MICA.

H.R. 919: Ms. KILPATRICK and Mr. WEYGAND.

H.R. 922: Mr. MANZULLO, Mr. SKEEN, and Mr. GARY MILLER of California.

H.R. 932: Mr. WYNN.

H.R. 948: Mr. GARY MILLER of California.

H.R. 959: Mr. RODRIGUEZ, Mr. CAPUANO, and Mr. BORSKI.

H.R. 961: Mr. MATSUI and Ms. RIVERS.

H.R. 998: Mr. CHAMBLISS, Mr. NEY, and Mr. MCINTYRE.

H.R. 1041: Mr. SENSENBRENNER.

H.R. 1044: Mr. EWING and Mr. JOHN.

H.R. 1046: Mr. DEUTSCH and Mr. ENGLISH.

H.R. 1071: Mr. HASTINGS of Florida, Mr. CUMMINGS, Mr. KILDEE, and Mr. RODRIGUEZ.

H.R. 1085: Mr. BRADY of Pennsylvania.

H.R. 1098: Ms. RIVERS, Mr. WELDON of Pennsylvania, and Mr. HILL of Montana.

H.R. 1111: Mrs. KELLY.

H.R. 1129: Mr. HINOJOSA, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. ACKERMAN, Mr. WYNN, Mr. RAHALL, Mr. WAXMAN, Ms. ROYBAL-ALLARD, Mr. DEFAZIO, and Mr. RUSH.

H.R. 1172: Mr. CRAMER, Mr. WYNN, Mr. DICKS, Mr. MEEHAN, Mr. GILCHREST, Mr. LIPINSKI, Mr. MICA, Mr. CANADY of Florida, Mrs. CHRISTENSEN, Mr. HASTINGS of Florida, Mr. HOEFFEL, and Mr. VENTO.

H.R. 1195: Mr. UPTON, Mr. MALONEY of Connecticut Mr. SENSENBRENNER, Mr. SHAW, Mr. COOK, and Mr. NETHERCUTT.

H.R. 1215: Mr. CUNNINGHAM.

H.R. 1256: Mr. FORBES and Mr. RADANOVICH.

H.R. 1260: Ms. DUNN, Mr. METCALF, and Ms. STABENOW.

H.R. 1278: Mr. SANDLIN.

H.R. 1281: Mr. LEWIS of Kentucky.

H.R. 1300: Mr. JEFFERSON, Mr. HOLDEN, Mr. LATOURETTE, Mr. LAHOOD, and Mr. RANGEL.

H.R. 1317: Mr. GREEN of Wisconsin.

H.R. 1342: Mr. HOLT, Mr. HOEFFEL, Ms. DELAURO, Mr. MOAKLEY, and Mr. MATSUI.

H.R. 1344: Mr. HOEKSTRA and Ms. DANNER.

H.R. 1355: Mr. SABO.

H.R. 1358: Mr. FROST.
H.R. 1363: Mr. GILMAN.
H.R. 1366: Mr. DIXON and Mr. GARY MILLER of California.
H.R. 1373: Mr. GREEN of Wisconsin and Mr. ROHRABACHER.
H.R. 1385: Mr. KUCINICH, Mr. WEYGAND, Mr. KIND, Mr. FROST, Mr. SANDLIN, Mr. JENKINS, Mr. FOSSELLA, Mr. CLEMENT, Mr. TAYLOR of North Carolina, and Mr. BOEHLERT.
H.R. 1402: Mr. CAMP, Mr. SNYDER, Mr. LAHOOD, Ms. MCKINNEY, Mr. HASTINGS of Florida, Mr. STUMP, Mr. LUCAS of Oklahoma, Mr. CONDIT, Mr. SMITH of Michigan, Mr. BILIRAKIS, Mr. MORAN of Kansas, Mr. WEXLER, Mr. WELDON of Florida, Mr. BURTON of Indiana, Mr. COOK, Mr. BACHUS, Mr. FROST, and Mr. BOUCHER.
H.R. 1430: Mr. BRADY of Pennsylvania.
H.R. 1459: Mr. PAUL and Ms. WOOLSEY.
H.R. 1476: Mr. HOLDEN.
H.R. 1484: Ms. LEE and Ms. MCKINNEY.
H.R. 1494: Mr. BACHUS and Mr. HILL of Montana.
H.R. 1560: Mr. LATHAM.
H.R. 1587: Ms. BROWN of Florida.
H.R. 1590: Mrs. CLAYTON and Mr. HOEFFEL.
H.R. 1593: Mr. CUNNINGHAM.
H.R. 1594: Mr. ROHRABACHER, Mrs. MINK of Hawaii, Mr. OLVER, and Mr. CROWLEY.
H.R. 1600: Mrs. CLAYTON and Ms. KAPTUR.
H.R. 1627: Mr. LARGENT.
H.R. 1643: Mr. DELAHUNT, Mr. YOUNG of Alaska, Mr. TIERNEY, Mr. LOBIONDO,
H.R. 1644: Mr. PRICE of North Carolina, Mr. ABERCROMBIE, Ms. DELAURO, Mr. FALEOMAVAEGA, Mr. HINCHEY, Mr. JACKSON of Illinois, Mr. UNDERWOOD, Mr. WALSH, Mrs. EMERSON, Mr. CRAMER, Ms. VELÁZQUEZ,, Ms. SCHAKOWSKY, Mr. RANGEL, Mr. TIERNEY, and Mr. SABO.
H.R. 1649: Mr. ARMEY, Mr. BUYER, Mr. COLLINS, and Mr. HOSTETTLER.
H.R. 1657: Mr. MOORE.
H.R. 1671: Mr. CARDIN, Mr. CUMMINGS, Mr. EHRLICH, Mr. WYNN, Mr. SHOWS, Mrs. CLAYTON, Mr. OLVER, Mr. UNDERWOOD, Mr. FROST, Mr. KING, Mr. GUTIERREZ, Mr. CUNNINGHAM, Ms. DANNER, Mr. GILLMOR, and Mr. BORSKI.
H.R. 1675: Mr. OWENS, Mr. MARTINEZ, and Mr. GEORGE MILLER of California.
H.J. Res. 1: Mr. CALVERT.
H.J. Res. 42: Mr. SANDERS, Mr. BROWN of California, and Mr. LIPINSKI.
H.J. Res. 47: Mr. ENGLISH, Mr. SHOWS, Ms. DELAURO, Mrs. JOHNSON of Connecticut, and Mr. BARRETT of Wisconsin.
H. Con. Res. 8: Mr. SUNUNU and Mr. HYDE.
H. Con. Res. 17: Mr. FRANK of Massachusetts, Ms. ESHOO, Mr. THOMPSON of California, and Ms. MCKINNEY.
H. Con. Res. 60: Mr. MEEKS of New York, Mr. KUYKENDALL, Mr. ANDREWS, Mr. ABERCROMBIE, Mrs. CHRISTENSEN, Mr. SANDLIN, and Mr. GORDON.
H. Con. Res. 76: Mr. MOORE, Mr. KUYKENDALL, Mrs. KELLY, and Mrs. BIGGERT.
H. Res. 41: Mr. FRANK of Massachusetts.
H. Res. 97: Mr. LANTOS.
H. Res. 144: Mr. HINOJOSA, Ms. VELÁZQUEZ, and Mrs. CAPPS.
H. Res. 147: Ms. LEE, Mrs. TAUSCHER, Ms. JACKSON-LEE of Texas, Mr. GEORGE MILLER of California, Ms. NORTON, Ms. MILLENDER-MCDONALD, Mrs. MORELLA, and Mr. FOLEY.

## PETITIONS, ETC.

Under clause 3 of rule XII, petitions and papers were laid on the clerk's desk and referred as follows:

12. The SPEAKER presented a petition of Detroit City Council, relative to a resolution urging the federal communications commission to restore approval for low-power FM radio broadcasting; to the Committee on Commerce.

## AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 1664

OFFERED BY: MR. DEUTSCH

AMENDMENT NO. 1: After chapter 4 of the bill, add the following new chapter:

**CHAPTER 4A**

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

ENFORCEMENT AND BORDER AFFAIRS

For an additional amount for ''Salaries and Expenses, Enforcement and Border Affairs'' to support increased detention requirements for Central American criminal aliens and to address the expected influx of illegal immigrants from Central America as a result of Hurricane Mitch, $80,000,000, which shall remain available until expended and which shall be administered by the Attorney General: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

RESERVE PERSONNEL, ARMY

For an additional amount for ''Reserve Personnel, Army'', $8,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That of such amount, $5,100,000 shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for ''National Guard Personnel, Army'', $7,300,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That of such amount, $1,300,000 shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for ''National Guard Personnel, Air Force'', $1,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for ''Operation and Maintenance, Army'', $69,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for ''Operation and Maintenance, Navy'', $16,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for ''Operation and Maintenance, Marine Corps'', $300,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for ''Operation and Maintenance, Air Force'', $8,800,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for ''Operation and Maintenance, Defense-Wide'', $46,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For an additional amount for ''Overseas Humanitarian, Disaster, and Civic Aid'', $37,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''International Disaster Assistance'' for necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance, pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $25,000,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

CENTRAL AMERICA AND THE CARIBBEAN EMERGENCY

DISASTER RECOVERY FUND

Notwithstanding section 10 of Public Law 91–672, for necessary expenses to address the effects of hurricanes in Central America and the Caribbean and the earthquake in Colombia, $621,000,000, to remain available until September 30, 2000: *Provided*, That the funds appropriated under this heading shall be subject to the provisions of chapter 4 of part II

of the Foreign Assistance Act of 1961, as amended, and, except for section 558, the provisions of title V of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)): *Provided further*, That up to $5,000,000 of the funds appropriated by this paragraph may be transferred to ''Operating Expenses of the Agency for International Development'', to remain available until September 30, 2000, to be used for administrative costs of USAID in addressing the effects of those hurricanes, of which up to $1,000,000 may be used to contract directly for the personal services of individuals in the United States: *Provided further*, That up to $2,000,000 of the funds appropriated by this paragraph may be transferred to ''Operating Expenses of the Agency for International Development Office of Inspector General'', to remain available until expended, to be used for costs of audits, inspections, and other activities associated with the expenditure of the funds appropriated by this paragraph: *Provided further*, That funds appropriated under this heading shall be obligated and expended subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated under this heading shall be subject to the funding ceiling contained in section 580 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in Division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)), notwithstanding section 545 of that Act: *Provided further*, That none of the funds appropriated under this heading may be made available for nonproject assistance: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

DEPARTMENT OF THE TREASURY

DEBT RESTRUCTURING

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''Debt Restructuring'', $41,000,000, to remain available until expended: *Provided*, That up to $25,000,000 may be used for a contribution to the Central America Emergency Trust Fund, administered by the International Bank for Reconstruction and Development: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

RECONSTRUCTION AND CONSTRUCTION

For an additional amount for ''Reconstruction and Construction'', $5,611,000, to remain available until expended, to address damages from Hurricane Georges and other natural disasters in Puerto Rico: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the amount provided shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That funds in this account may be transferred to and merged with the ''Forest and Rangeland Research'' account and the ''National Forest System'' account as needed to address emergency requirements in Puerto Rico.

H.R. 1664

OFFERED BY: MRS. FOWLER

AMENDMENT NO. 2: At the end of chapter 2, insert the following new section:

SEC. 213. (a) ADDITIONAL APPROPRIATION FOR CONTINUATION OF ES–3 AIRCRAFT.—In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, $94,400,000 is appropriated as follows:

(1) For ''Military Personnel, Navy'', $29,000,000, to remain available until September 30, 2000, to be used for ES–3 aircraft squadron staffing.

(2) For ''Operation and Maintenance, Navy'', $30,000,000, to remain available until September 30, 2000, to be used for ES–3 aircraft operations and maintenance.

(3) For ''Aircraft Procurement, Navy'', $31,500,000, to be used for procurement of critical avionics and structures for ES–3 aircraft.

(4) For ''Aircraft Procurement, Navy'', $3,900,000, to be used for procurement of critical avionics spares for ES–3 aircraft.

(b) EMERGENCY DESIGNATION.—The entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985. Such amount shall be available only to the extent that an official budget request, that includes designation of the entire amount of the request as an emergency requirement as defined in such section 251(b)(2)(A), is transmitted by the President to the Congress.

(c) STUDY.—The Secretary of Defense shall conduct a study to examine alternative approaches to upgrading the ES–3 aircraft sensor systems for the life cycle of the aircraft. The study shall include comparative costs and capabilities, and shall be submitted to the Congress by October 1, 1999.

H.R. 1664

OFFERED BY: MR. ISTOOK

AMENDMENT NO. 3: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 503. None of the funds appropriated in this Act may be used for the deployment of ground elements of the United States Armed Forces in the Federal Republic of Yugoslavia.

H.R. 1664

OFFERED BY: MR. ISTOOK

*(To the Amendment Offered by Mr. Istook of Oklahoma)*

AMENDMENT NO. 4: At the end of the matter proposed to be inserted by the amendment, add the following new subsection:

(b) EXCEPTIONS.—The limitation established in subsection (a) shall not apply to—

(1) any deployment specifically authorized by law enacted after this Act;

(2) any mission specifically limited to rescuing United States military personnel or United States citizens in the Federal Republic of Yugoslavia; or

(3) any mission specifically limited to rescuing military personnel of another member nation of the North Atlantic Treaty Organization in the Federal Republic of Yugoslavia as a result of operations as a member of an air crew.

In the matter proposed to be inserted by the amendment, insert after the section designation the following: ''(a) PROHIBITION ON USE OF FUNDS FOR DEPLOYMENT OF UNITED STATES GROUND FORCES IN FEDERAL REPUBLIC OF YUGOSLAVIA.—''.

H.R. 1664

OFFERED BY: MR. ISTOOK

AMENDMENT NO. 5: At the appropriate place in the bill insert the following new section:

None of the funds appropriated by this Act may be used to initiate or conduct military operations by the United States Armed Forces except in accordance with the war powers clause of the Constitution (article 1, section 8).

H.R. 1664

OFFERED BY: MR. ISTOOK

AMENDMENT NO. 6: At the appropriate place in the bill insert the following new section:

''None of the funds appropriated by this Act shall be available for the implementation of any plan to invade Yugoslavia with ground forces of the United States, except in time of war.''

H.R. 1664

OFFERED BY: MR. ISTOOK

AMENDMENT NO. 7: At the appropriate place in the bill insert the following new section:

None of the funds in this act may be used to invade Yugoslavia with ground forces in contravention of the War Powers Resolution (Title 50 U.S.C. Chapter 33).

H.R. 1664

OFFERED BY: MR. SMITH OF MICHIGAN

AMENDMENT NO. 8: At the end (before the short title), add the following new section:

SEC. 502. Such funds borrowed from the Social Security Trust Fund surplus to finance this Act shall be repaid.

Whenever there is an on-budget surplus for a fiscal year, the Secretary of the Treasury is authorized and directed to use such funds to retire public debt until $12,947,495,000 of such debt is retired.

H.R. 1664

OFFERED BY: MR. SOUDER

AMENDMENT NO. 9: Page 4, line 24, strike ''$5,219,100,000'' and insert ''$1,919,000,000''.

Page 6, line 15, after the dollar amount insert the following ''(plus an additional $825,000,000)''.

Page 6, line 23, after the dollar amount insert the following ''(plus an additional $825,000,000)''.

Page 7, line 6, after the dollar amount insert the following ''(plus an additional $825,000,000)''.

Page 7, line 14, after the dollar amount insert the following ''(plus an additional $825,000,000)''.

H.R. 1664

OFFERED BY: MR. SOUDER

AMENDMENT NO. 10: Page 5, line 5, strike ''of such amount $1,311,800,000'' and insert ''such amount''.

H.R. 1664

OFFERED BY: MR. SOUDER

AMENDMENT NO. 11: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 503. None of the funds appropriated in this or any other Act may be used for military operations in the Federal Republic of Yugoslavia, except operations specifically limited to rescuing United States military personnel or United States citizens.

H.R. 1664

OFFERED BY: MR. SOUDER

AMENDMENT NO. 12: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 503. None of the funds appropriated in this Act for ''Operational Rapid Response Transfer Fund'' may be used for military operations in the Federal Republic of Yugoslavia, except operations specifically limited to rescuing United States military personnel or United States citizens.

H.R. 1664

OFFERED BY: MR. SOUDER

AMENDMENT NO. 13: At the end of the bill (before the short title), insert the following new section:

SEC. 503. None of the amounts appropriated by this Act may be obligated until the President submits to Congress a certification that the United States has entered into a negotiated settlement to end hostilities in the Federal Republic of Yugoslavia (Serbia and Montenegro) or otherwise with respect to Kosovo.

H.R. 1664

OFFERED BY: MR. SOUDER

AMENDMENT NO. 14: In chapter 2, strike section 201 (relating to additional transfer authority).

# EXTENSIONS OF REMARKS

## HONORING ANGELA LOIS GREEN AND ALEXANDER TODD HEWLETT

### HON. CHET EDWARDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. EDWARDS. Mr. Speaker, I rise today to offer my best wishes to Angela Lois Green and Alexander Todd Hewlett on their upcoming wedding. Miss Green and Mr. Hewlett will be united in holy matrimony on May 8, 1999 at seven o'clock in the evening at St. Paul's United Methodist Church in Houston. Reverend L. James Bankston will officiate the candlelight double-ring ceremony.

The bride is the daughter of Congressman and Mrs. GENE GREEN of Houston. She is the granddaughter of Mrs. Mildred Albers and the late Leon Albers of Houston, and Mr. and Mrs. Garland Green of Bedford, Pennsylvania. The groom is the son of Mr. and Mrs. Robert Hewlett of Tucson, Arizona. He is the grandson of the late Mr. and Mrs. Frank Watkins, and of the late Mr. and Mrs. Floyd Hewlett, both of Tucson, Arizona.

Serving as Matron on Honor will be Sarah Goggans. Melissa Murray will serve as Maid of Honor. Bridesmaids will include Marina Monteforte, Erin Mireur, and Karen Zientek. Members of the House Party will be Karen Rudich, Amy White, and Nichole Sepulvado.

Serving his brother as Best Man will be Andrew Hewlett. Groomsmen will be Scott Davis, Brian Somers, Babak Mokari, and Chris Green, brother of the bride. Tony Chacon, Brian Ledden, and Matt Thompson will serve as ushers.

Angela is a 1993 Honor graduate of Aldine High School in Houston. She was a member and section leader of the Aldine Band, a member of the Honor Society, and served as President of the Student Council. In 1998, she earned a Bachelor of Arts in Biology from the University of Texas at Austin, where she was a member and President of Alpha Xi Delta, and was a Robert C. Byrd Honor Scholar. She also served as Executive Vice President of the Panhellenic Council in 1996–97. She was recently elected President of the American Medical Students Association at the University of Texas Medical Branch in Galveston, where she is currently a second-year medical student.

Alex is a 1992 graduate of Sabino High School in Tucson, Arizona, where he was a member of the state champion Sabino Sabercats football team. In 1996, he earned a Bachelor of Arts in Chemistry from Pomona College in Claremont, California, where he was a member of Sigma Tau fraternity, and played football for the Pomona College Sagehens. Alex is a fourth-year medical student at Ohio University College of Osteopathic Medicine in Athens, Ohio. He received the Tucson Osteopathic Foundation Scholars Award in 1997. He did clinical research at Memorial Sloan-Kettering Cancer Center in New York City during the summer of 1997. He is currently doing clinical rotations at St. John West Shore Hospital in Cleveland, Ohio, where he is the CORE Site Representative.

As Angela and Alex begin their new life together, may they always remember I Corinthians, which states: Love is patient and kind, love is not jealous or boastful; it is not arrogant or rude. Love does not insist on its own way; it is not irritable or resentful; it does not rejoice at wrong, but rejoices in the right. Love bears all things, believes all things, hopes all things, endures all things. Love never ends.

I would like to express my congratulations to Congressman GREEN and his wife Helen. I also ask that the House join me in wishing Angela and Alex a long and fruitful marriage. May their love continue to grow.

## MEETING OUR COMMITMENT TO FUNDING SPECIAL EDUCATION

### HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. BONIOR. Mr. Speaker, as I meet with teachers, school administrators and school board members in Michigan's 10th Congressional District, one thing becomes clear—paying for the costs of teaching children with special needs is expensive.

Families with special needs children face unique challenges. I believe their children should be able to learn in the least restrictive environment. But that also means we have an obligation to help provide our schools with the tools they need to do the job. When it comes to educating our children—particularly for those who have special needs—we all have a role to play.

When the Individuals with Disabilities Education Act (IDEA) was first enacted in 1975, Congress committed to funding 40 percent of the cost. Unfortunately, the federal government has consistently fallen short of this goal. As special education costs continue to rise, we fall further behind. Currently, federal support for special needs education is at 12 percent. During such a prosperous moment in our history, surely we can do more to help our local communities and educators provide a thriving learning environmental for our children who face the most challenges.

We need to step up to the plate and fulfill our commitment to our local schools. That is why I have joined a number of my colleagues in writing the President asking him to support a substantial increase in federal funding for special education, and it is why I believe we should fully fund the IDEA Act.

As we debate our budget priorities, I will continue to work with our families and local schools to provide support for improving education for all our children. I am committed to ensuring that public education is among our highest budget priorities.

## TRIBUTE TO THE WOMEN OF LAWTON

### HON. J.C. WATTS, JR.

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. WATTS of Oklahoma. Mr. Speaker, I would like to recognize the efforts of the women of Lawton who are organizing "Lawton Women Unity '99," a day to recognize the accomplishments, the strengths, and the very being of womanhood. Hosted by "Created in His Image Ministries," on Saturday, May 8, 1999, the women of Lawton are invited to meet at the Lawton City Hall and encircle the building with a human prayer chain. They will pray for the women in Littleton, Colorado who have lost their children, as well as for others who have lost their children to violence. They will lift up the women in Kosovo and the leaders of the United States and the Lawton locality. They will pray for the needs of Lawton and Fort Sill.

The women of Lawton celebrate womanhood in the name of God and offer this open invitation to all women. It is the compassion of a woman, the deep love of a woman, and the tears of a woman that God calls for to affect change in the land. The Lawton women would like to encourage other groups with common interests in the name of women and God to organize similar events. It is the hope of the women of Lawton that the "Lawton Women Unity '99" will set a precedent in the celebration of the unity of womanhood and that the event will blossom to include statewide and nationwide participation in like events.

Mr. Speaker, it is with great pride that I recognize the efforts of the women of Lawton. These women set an example for women, and men, across the nation to follow at a time when our nation cries for restoration and unity of our people is of utmost importance.

## STOP THE INHUMANE TREATMENT OF DOGS AND CATS

### HON. GERALD D. KLECZKA

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. KLECZKA. Mr. Speaker, on April 29, 1999 I introduced the Dog and Cat Protection Act. I was appalled to learn about the use of dog and cat fur on coats, toys, and other merchandise as profiled in a recent segment of "Dateline NBC". Immediately thereafter, I

began drafting legislation to end this abusive practice. While crafting this measure, I contacted the Humane Society of the United States for their input. As a result of these efforts, I introduced H.R. 1622, the Dog and Cat Protection Act.

An estimated 2,000,000 dogs and cats are slaughtered and sold annually as part of the international fur trade. Many of these animals are raised in deplorable conditions. Unfortunately, there are no federal laws to prohibit the importation, manufacture, transport or sale of any product made with dog and cat fur. The only provision in law to regulate the importation of products made with cat and dog fur is the Fur Products Labeling Act (FPLA). The FPLA and its regulations simply require that any product with a value of more than $150 contain a label informing a consumer that it contains animal fur. Any product worth less than $150 is exempted from the labeling requirement.

My legislation would impose a ban on all products entering the United States made with cat and dog fur. In order to prevent a foreign importer from establishing operations in the United States, H.R. 1622 would also prevent the sale, manufacture, transport, or advertisement of any product made domestically with cat and dog fur.

Furthermore, H.R. 1622 would give additional authority to the Customs Service to inspect products entering the United States to ensure they do not contain cat and dog fur. Violators of the ban would be subject to both civil and criminal penalties. Furthermore, persons found to be in violation of the ban would face the prospect of being permanently prohibited from selling any fur product in the United States.

The Dog and Cat Protection Act also amends the Fur Products Labeling Act to require all fur products entering the United States—regardless of their value—to contain a label showing their true content. This means those persons who try to mislabel products in order to get around the ban contained in my legislation would face additional penalties under the Fur Products Labeling Act. The additional labeling requirements will also help the Customs Service in their enforcement efforts.

Mr. Speaker, it is time to put an end to the inhumane treatment of dogs and cats once and for all. I urge my colleagues to become cosponsors of H.R. 1622.

## INTRODUCTION OF LEGISLATION TO SUSPEND DUTIES ON IMPORTED RAW MATERIAL

### HON. JIM McDERMOTT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. McDERMOTT. Mr. Speaker, today I am introducing legislation which supports important regional and national interests.

My home, the 7th Congressional District of Washington, is also the home of the K2 Corp., the last remaining major U.S. manufacturer of skis and one of three major makers of snowboards in the United States. K2 conducts all significant manufacturing operations for skis and snowboards at its Vashon Island, Washington facility. In fact, all K2 snowboards and virtually all K2 and Olin-brand skis sold throughout the world are individually crafted by technicians on Vashon Island. Moreover, K2 sources almost all of the components for its skis and snowboards in the U.S. stimulating the U.S. economy through its purchases of raw materials from U.S. suppliers, especially in the Pacific Northwest region of the country. However, for a key ski and snowboard component—polyethylene base materials—K2 has been unable to find a supplier of these products in the U.S. that can meet its needs. Therefore, K2 has been forced to import this product, which is subject to U.S. customs duties upon importation. This legislation provides for a temporary suspension of customs duty on the raw material which is vital to the U.S. production of skis and snowboards and which are unavailable from domestic producers.

K2 is working hard to remain viable in the highly competitive international market for skis and snowboards. In fact, K2 has endured as a U.S. ski manufacturer in the face of fierce price competition, while several other major ski companies no longer manufacture skis in the U.S. This temporary duty suspension legislation would support jobs in the region, as well as K2's ability to continue developing innovative, fine quality products. Equally important, a temporary duty suspension would help K2 preserve and increase its competitiveness in the global marketplace.

K2 is the only major exporter of skis made in the U.S. In addition, K2 is one of three principal exporters of U.S. made snowboards. Thus, K2's exports of U.S. manufactured skis and snowboards represent a substantial percentage of U.S. skis and snowboards sold worldwide. If K2 is unable to remain competitive in global and domestic markets, skis manufactured in the U.S. may disappear from the global marketplace. The temporary duty suspension proposed by this legislation would help prevent the shutdown of the only remaining U.S. producer of skis.

## OPPOSING NATIONAL TEACHER CERTIFICATION OR NATIONAL TEACHER TESTING

### HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. PAUL. Mr. Speaker, I rise to introduce legislation to forbid the use of federal funds to develop or implement a national system of teacher certification or a national teacher test. My bill also forbids the Department of Education from denying funds to any state or local education agency because that state or local educational agency has refused to adopt a federally-approved method of teacher certification or testing. This legislation in no way interferes with a state's ability to use federal funds to support their chosen method of teacher certification or testing.

Having failed to implement a national curriculum through the front door with national student testing (thanks to the efforts of members of the Education Committee under the leadership of Chairman GOODLING), the administration is now trying to implement a national curriculum through the backdoor with national teacher testing and certification. National teacher certification will allow the federal government to determine what would-be teachers need to know in order to practice their chosen profession. Teacher education will revolve around preparing teachers to pass the national test or to receive a national certificate. New teachers will then base their lesson plans on what they needed to know in order to receive their Education Department-approved teaching certificate. Therefore, I call on those of my colleagues who oppose a national curriculum to join me in opposing national teacher testing and certification with the same vigor with which you opposed national student testing.

Many educators are already voicing opposition to national teacher cerification and testing. The Coalition of Independent Education Associations (CIEA), which represents the majority of the over 300,000 teachers who are members of independent educators associations, has passed a resolution opposing the nationalization of teacher certification and testing; I have attached a copy of this resolution for insertion into the CONGRESSIONAL RECORD. As more and more teachers realize the impact of this proposal, I expect opposition from the education community to grow. Teachers want to be treated as professionals, not as minions of the federal government.

Legislation has already been introduced in the Texas State Legislature prohibiting the use of any national certification or national examination to determine if someone is qualified to teach in Texas. While I applaud this legislation, I wonder if Texas would change its' policies if the Department of Education threatened to deny Texas federal funds if Texas failed to adopt the Department's chosen method of teacher certification and testing. It is up to Congress to see that the Department of Education does not bully the states into adopting the method of teacher certification and testing favored by DC-based bureaucrats.

In conclusion, Mr. Speaker, I once again urge my colleagues to join me in opposing national teacher certification or national teacher testing. Training and certification of classroom teachers is the job of state governments, local school districts, educators, and parents; this vital function should not be usurped by federal bureaucrats and/or politicians. Please stand up for America's teachers and students by signing on as a cosponsor of my legislation to ensure taxpayer dollars do not support national teacher certification or national teacher testing.

COALITION OF INDEPENDENT EDUCATION ASSOCIATIONS—STATEMENT ON NATIONAL TEACHER LICENSURE, FEBRUARY 26, 1999

The licensure of teachers should remain the responsibility of each state's Board of Education and any attempt to authorize the federal government to govern this process should be opposed.

Secretary of Education Richard Riley's proposal (February 16, 1999) to empower a teacher panel to grant licenses for teaching would remove the separate state's authority to protect the welfare of the general public.

Teaching is a public enterprise and not a private profession.

Such high stakes licensure decisions must be controlled by a body that is responsible to

the public and has accountability for the quality of the decision.

The current education reform movement has compelled states' Boards of Education to revamp and improve teacher licensure programs. This right should be left to the states to best determine how they license state teachers.

Congress should oppose any movement toward federalizing educator licensure, teacher appraisal, and employment contracts.

The undersigned representatives of the Coalition of Independent Education Associations strongly urge our members of the Congress and the Senate to vigorously defend the rights of states to control their educational destiny.

Arizona Professional Educators, Association of American Educators, Association of Professional Educators of Louisiana, Association of Professional Oklahoma Educators, Association of Texas Professional Educators, Kentucky Association of Professional Educators, Keystone Teachers Association, West Virginia Professional Educators, Mississippi Professional Educators, National Association of Professional Educators, Palmetto State Teachers Association, Professional Educators Network of Florida, Professional Educators of Iowa, Professional Educators of North Carolina, Professional Educators of Tennessee.

## PERSONAL EXPLANATION

### HON. JULIA CARSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Ms. CARSON. Mr. Speaker, I was unavoidably absent on Tuesday, May 4, 1999, and early today, Wednesday, May 5, 1999, and as a result, missed rollcall votes 105 through 109. Had I been present, I would have voted "yes" on rollcall vote 105, "yes" on rollcall vote 106, "yes" on rollcall vote 107, "present" on rollcall vote 108, and "no" on rollcall vote 109.

## EXPRESSING SENSE OF HOUSE IN SUPPORT OF AMERICA'S TEACHERS

SPEECH OF

### HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. CLEMENT. Mr. Speaker, as the co-chair of the House Education Caucus and as a parent, I rise today to honor the outstanding work our teachers do every day. Their dedication and expertise form the cornerstone of our nation's education system. They are there for our children, often under trying circumstances and with less than adequate resources and support. They perform daily miracles in their classrooms.

Few other professionals touch as many in as many different ways as teachers do. Teaching children math, English, science and history is only the beginning of what teachers do. They are listeners, advocates, support people, role models, mentors and motivators. They encourage children to reach farther than they ever thought possible and they are there to catch their students if they should slip.

Teachers often put countless extra hours outside of the classroom preparing lessons, reading and correcting papers, and working with students who need just a little extra help. They do this because they love their job, care about their students and are committed to ensuring that our children have the best chance at success.

I believe that we can go a long way in improving our country's education system by exhibiting respect for our teachers and by letting them know how much we value their contributions. I urge my colleagues to recognize teachers for the significant role they play in our lives and in the well-being of our nation. As a Member of this House, as the co-chair of the Education Caucus and as a parent of two high school daughters, I thank the thousands of teachers who have dedicated themselves to educating and believing in our children.

## IN COMMEMORATION OF THE FOURTH ANNUAL BLUE MASS

### HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. MCGOVERN. Mr. Speaker, I rise today in order to recognize the celebration of the Fourth Annual Blue Mass in Worcester County. The Diocese of Worcester will host this event on Sunday, May 2, 1999, in tribute to all law enforcement personnel who honorably serve our local communities.

A special memorial service will be held prior to the Mass to honor those who have died since last year's Blue Mass. Those being remembered are Lieutenant Joseph R. Ripel of the Massachusetts State Police, Sergeant John J. Lesczynski of Worcester Police Department, and Patrolman Mark McEachern of the Boylston Police Department. They served with pride and are true role models for our youth.

Four new awards are being instituted this year in dedication to law enforcement.

The Distinguished Law Enforcement Award will be presented jointly to Sergeant Vincent Gorgoglione, Supervisor of the Worcester Police Department Domestic Violence Unit and Christine Kelly, Program Coordinator for the Worcester Intervention Network.

The Award for Excellence in Law Enforcement Education will be bestowed upon former Attorney General Robert Quinn in recognition of the establishment of the Quinn Law.

The Outstanding Community Service Award is being presented to the entire Holden Police Department. The Holden police officers have committed themselves to serving the students of Holden, MA. Through such programs as the Adopt-A-School Officer for every grade school, Thursday night basketball, and public safety days, these officers have made outstanding contributions to their town, paying special attention to the needs of the student population.

Finally, the Interfaith Award is being awarded to Lieutenant Paul Bozicas of the Fitchburg Police Department, who is active in a variety of civic and charitable activities, including the Charity Five Road Race, Citizen's Police Academy, and the Department's Employee Assistance Unit.

Mr. Speaker, it is with pride that I rise today to acknowledge the Fourth Annual Blue Mass and the law officials being honored. It is a befitting celebration to remember and acknowledge those who do so much.

## DEMOCRACY AS A UNIVERSAL VALUE

### HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. PRICE of North Carolina. Mr. Speaker, I wish to call to the attention of my colleagues a piece by Stephen Rosenfeld from the Washington Post of March 12, 1999. It highlights the eloquent words spoken by India's Nobel laureate economist Amartya Sen at the "World Movement for Democracy" conference recently held in New Delhi, India.

I attended the conference and served on an opening panel with my colleagues Representative GARY ACKERMAN, Representative JIM MCDERMOTT, and Representative LLOYD DOGGETT. The international event was cosponsored by the National Endowment for Democracy (NED), as well as two Indian partner organizations. I was impressed by the extraordinary commitment of the participants, representing over 80 countries from all parts of the world, to the shared values of freedom, rule of law, and human rights. The conference adopted a founding document establishing a "Worldwide Movement for Democracy," the purpose of which is to develop new forms of cooperation to promote and strengthen democracy.

NED deserves commendation for organizing this conference. NED grants have supported nongovernmental, pro-democratic programs in dozens of countries around the world. The "World Movement for Democracy" is yet another example of NED's outstanding work to advance the cause of democracy worldwide.

[From the Washington Post, Mar. 12, 1999]

THE ECONOMIC USES OF DEMOCRACY

(By Stephen S. Rosenfeld)

The political blessings of democracy are manifest, but that leaves many poor countries still worrying whether democracy is a burden or a benefit to their economic development. This nagging question was tackled in New Delhi last month by a leading student of the affairs of the poor, India's Nobel economist Amartya Sen. There for the founding of a ''World Movement for Democracy'' by the U.S. National Endowment for Democracy, he took up the congenial theme of ''democracy as a universal value.''

Sen acknowledged the high growth delivered in Singapore by the authoritarian approach identified with former president Lee Kuan Yew. But a view of ''all the comparative studies together,'' he said, suggests there may be no relation between economic growth and democracy in either direction. Still, none of the policies proven helpful to development—openness to competition, use

of international markets and so on—is inconsistent with greater democracy. ''Overwhelming evidence'' indicates that what generates growth is a friendlier economic climate, not a harsher political system.

Democracy has further economic uses. Sen noted ''the remarkable fact'' that in the terrible history of famines in the world, no substantial famine has ever occurred in any independent and democratic country with a relatively free press. Immense famines have afflicted countries with dictatorial or alien regimes. Dictorial: the Soviet Union in the 1930s, China in 1958–61 (30 million dead) and the two current cases of North Korea and Sudan. Alien: British-ruled Ireland and India.

Meanwhile, even the poorest democratic countries have avoided threatened famine. The difference is that the democratic places have a responsive government able to intervene to alleviate hunger. India had famines under British rule right up to independence. With the establishment of a multiparty democracy and a free press, they disappeared. What Sen calls the ''protective power of democracy'' has spared many countries a ''penalty of undemocratic governance.''

The pattern extends to Asia's current travails. Sen believes that financial crisis in South Korea, Thailand and Indonesia is closely linked to a lack of transparency, to the lack of public participation in reviewing financial arrangements. And once the crisis degenerated into recession, ''the protective power of democracy'' was simply not available to ensure spreading the burden of a cruel economic contraction.

Such a protective power, Sen argues, is of particular importance for the poor, for potential famine victims, for the destitute thrown off the economic ladder in a financial earthquake: ''People in economic need also need a political voice.'' With evident pride he notes that in the mid-1970s, the Indian electorate—''one of the poorest of the world''—affirmed its democratic disposition by voting out a government that had proclaimed emergency rule and abridged the people's rights.

As for cultural differences, a common claim is that Asians traditionally value discipline over political freedom. Sen finds that hard to accept. He is in a position, as few of us are, to range over the texts of diverse Asian cultures and to contend with assorted practitioners and scholars in the field.

His conclusion: ''The monolithic interpretation of Asian values as hostile to democracy and political rights does not bear critical scrutiny.'' Such an interpretation comes from politicians, not scholars: ''to dismiss the plausibility of democracy as a universal value on the ground of the presence of some Asian writings on discipline and order would be similar to rejecting the plausibility of democracy . . . on the basis of the writings of Aquinas or Plato.''

The many merits of democracy, Sen concludes, ''are not regional in character. Nor is the advocacy of discipline or order in contrast with freedom and democracy. Heterogeneity of values seems to characterize most, perhaps all, major cultures. The cultural argument does not foreclose, nor indeed deeply constrain, the choices we can make today.''

It was a felicitous stroke for the National Endowment for Democracy to recruit Amartya Sen as the herald of its attempt to put achieved and aspiring democrats in closer touch with one another. The Internet makes the mechanics of it easy. The wisdom of the man illuminates the core idea: Democracy is universal.

## IMPROVING MEDICARE QUALITY THROUGH PURCHASING: THE OHIO EXPERIENCE

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. STARK. Mr. Speaker, three weeks ago, I introduced H.R. 1392, the ''Centers of Excellence'' bill. H.R. 1392 would allow Medicare to provide incentives for beneficiaries to use certain high-volume, high-quality facilities. This initiative would both save lives, and save money for Medicare.

It is a widely acknowledged fact that facilities that perform large numbers of complex procedures have lower mortality rates and fewer adverse outcomes. These facilities, known as ''Centers of Excellence,'' have become an important private sector tool for quality improvement and cost containment.

An April 22 article in the Wall Street Journal highlighted an Ohio HMO with a Centers of Excellence program for heart procedures. After automatically removing facilities that performed fewer than 250 heart procedures per year from their list of preferred providers, the HMO conducted an extensive quality survey to determine the rating of the remaining facilities. This resulted in several more facilities being removed from the list, including some very reputable hospitals in the area. The Ohio experience showed that facilities with the best reputations for excellence did not necessarily have the best outcomes.

Being removed from the Ohio HMO's preferred provider list was a strong competitive incentive for lower-quality facilities to improve their procedures. For one facility, the rate of heart attack following bypass surgery dropped from 2.8 percent in 1993 to 0.9 percent in 1997. A national ''Centers of Excellence'' program would likely have the same result, spurring facilities with a lower quality rating to improve their services and raising quality standards overall.

Not only will H.R. 1392 improve quality, it will also lower costs for Medicare. Fewer complications after surgery mean less follow up care and fewer medical expenses. Targeting patient volume to certain facilities can also result in discounted prices.

Although ''Centers of Excellence'' passed the House in 1997, political motivations have kept it from becoming law. quality health care should not be a pawn in the political chess game. We have a second chance to implement this important change for Medicare. I strongly urge my colleagues' support for H.R. 1392.

## CAN PARENTS UTTER HARDEST WORD OF ALL?

### HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. PORTMAN. Mr. Speaker, the recent shootings at Columbine High School in Littleton, CO, have shocked the entire Nation.

As a legislator and as a parent of three young children, I am concerned about the overall environment in which today's kids are being raised. Today's fast-paced world of the Internet, video games, and increasingly violent pop culture bears little resemblance to the America in which so many parents from my generation were raised. The increase of the incidences and ferocity of school violence are a cause for deep concern—and a call to action.

During the coming weeks and months, here in the Halls of Congress—and in school board meeting rooms, city council chambers, and in state legislatures around the country—our Nation will discuss what we can do to prevent another tragedy like Littleton. Some of the ideas we will discuss will be helpful and should be adopted. Other proposals will make us feel as through we're doing something, but will do nothing to prevent the root causes of school violence.

Throughout this national dialog, I hope we do not overlook the one obvious and essential ingredient to preventing these senseless acts of violence. There is nothing more powerful than an active, concerned, and caring parent. I've seen it personally in my work on the problem of reducing teenage substance abuse and have read it in countless studies on reshaping adolescent behavior.

Mr. Speaker, I would like to enter a thoughtful and insightful piece by author and columnist Laura Pulfer from yesterday's Cincinnati Enquirer into the CONGRESSIONAL RECORD which addresses the urgent need for new parenting.

[From the Cincinnati Enquirer, May 4, 1999]

CAN PARENTS UTTER HARDEST WORD OF ALL?

(By Laura Pulfer)

Some hard things must be said if we are to be honest about this thing that happened in Littleton. If we are to learn anything, if we are to let it be important.

The first thing is that the young men who killed the children at the high school do not belong among the victims' names—even if the in-crowd made their lives a living hell. At the memorial site near Columbine High School, an Illinois carpenter erected a set of 8-foot-high wooden crosses, 15 of them, including two memorializing the killers.

FEELING GUILTY?

An angry father of one of the victims took down the crosses for Dylan Klebold and Eric Harris, saying it wasn't appropriate to honor the shooters in the same spot. Well, of course not. What the killers did at this high school is monstrous. We might forgive then, but we will not award them martyrdom.

And however, nervous—however guilty—we suburban people of means are prepared to be about our skills as parents, about our two-paycheck homes, we can say so aloud. Monstrous. The murderers took guns of incredible destruction—weapons built to perform exactly as they did—and moved from classmate to classmate, blowing them away, surely with bits of bone and brain and blood clinging to their celebrated black trench coats.

This is something evil. And we need to say so. This is not the time to be our famously flexible selves with our flexible time, flexible mortgages, flexible morals.

Right and wrong. Good and bad. Yes and no.

We can say these words, especially to our children. In fact, it is our duty. There is a

reason human offspring are sent home from the hospital with a couple of parents instead of a Visa card and the keys to an apartment. They are unformed. And uninformed. We're supposed to fill them in.

KEEPING TABS

They don't need us to be their buddies. They have younger, cooler people willing to do that. They need snoopy, pushy, loving, know-it-all parents.

A study presented Monday to the Pediatric Academic Societies convention reports that children of parents who keep close tabs on them are less likely to get in trouble. Do you suspect our parents already knew this? You know, the generation who set curfews, made us work for our spending money, made us answer a lot of annoying questions before they would allow us out of the house, nagged us about our hair and clothes.

Dr. Susan Feigelman, a University of Maryland researcher who led the study, advised parents to check up on their children's friends. This is a shocking notion for many enlightened former flower children.

Researchers surveyed children ages 9–15 over a four-year period. The group was asked whether their parents knew where they were after school, whether they were expected to call and say where they were going and with whom, whether their parents knew where they were at night.

Children monitored by their parents were less likely to sell drugs or use them. They were less likely to drink alcohol or have unprotected sex. Dr. Feigelman said the study showed that peer groups became more influential as children get older.

Probably peer groups and everything else. So it only makes sense for parents to monitor that, too. That's not repressive. That's not illegal. That is our job.

If a Marilyn Manson concert is unsuitable for viewing now, why not next month? If a gun show is inappropriate in the wake of the terrible crime committed with them in Littleton, why not forever? If a violent television show is too graphic today, how about tomorrow?

And when it becomes apparent that children are tormenting each other, adults need to intervene. Stop it. Even if the tormentors are popular athletes.

We have to start saying some hard things. To each other. But especially to our children.

Beginning with ''no.''

## RECOGNIZING THE 25TH ANNIVERSARY OF THE WIC PROGRAM

### HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mrs. MINK of Hawaii. Mr. Speaker, I am very pleased to note that today marks the 25th anniversary of the Special Supplemental Program for Women, Infants, and Children—better known as WIC.

I was a member of Congress when the WIC program was created and am very proud of what it has accomplished. The hopes we had for the program have been achieved. WIC assists millions of lower-income pregnant, postpartum, and nursing women, infants, and children who are at risk of poor nutrition and health problems. The WIC program results in healthier babies and prevents health problems that would cost far more in dollars and human suffering than WIC's preventive nutrition services.

I am especially proud of Hawaii's WIC program, which has increased its caseload by some 34 percent while absorbing a budget cut of 30 percent over the past two years. This remarkable accomplishment resulted in Faye Nakamoto, director of Hawaii's WIC program, being named 1998 Hawaii State Manager of the Year.

As we celebrate the 25th anniversary of WIC, I urge all my colleagues to support the president's funding request of $4.1 billion—an increase of $181.5 million from the funding levels of FY 1999 and 1998—so that this valuable program will be able to serve more women and children in need.

## A TRIBUTE TO DR. WILLIAM R. MAGILL

### HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. WELDON of Pennsylvania. Mr. Speaker, I rise today to pay tribute to a longtime educator, Dr. William R. Magill. This evening, friends and family will gather to pay tribute to Dr. Magill's long and distinguished career as he retires after 46 years of service.

A retired Army officer, Dr. Magill has always shown a great willingness to serve his community. Even after he put away his military uniform, Dr. Magill continued his service to the people of Pennsylvania as an assistant principal and Director of Federal programs at Steelton-Highspire School District in Steelton, PA and as principal of Annville Cleona Jr. and Sr. High Schools in Cleona, PA.

Dr. Magill then joined the faculty of Cheyney University where he has played a vital role in expanding the minds of his students and introducing them to other cultures. As part of his role as Chair of the graduate school's Educational Administration and Foundation Department, Dr. Magill has hosted graduate students from China and led study groups to England to study at Cambridge University.

Beyond his career in education, Dr. Magill also worked for a variety of community organizations. He serves as a board member of the Fellowship for Christian Athletes in Delaware and Chester Counties and as a precinct committeeman in West Goshen, PA.

Dr. Magill has served his country as a military officer, a teacher, and a volunteer in his local community. Over his 46 year career as an educator, he has influenced and made an impact on the lives of the countless young people.

Mr. Speaker, I ask my colleagues to join me in today recognizing the accomplishments of Dr. Magill. He is a true American patriot.

## TRIBUTE TO SYLVAN RODRIGUEZ

### HON. TOM DeLAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. DELAY. Mr. Speaker, hypothetical quandaries always elicit interesting answers. Over two hundred years ago, Thomas Jefferson wrote that if he had to choose to have a government without the press or the press without a government, he would without hesitation prefer the latter situation. This position reflects that great founder's understanding of the important role of journalism in the American experiment. Sylvan Rodriguez also understands this role and has dedicated his life to making both journalism and the country better together.

Sylvan Rodriguez is a giant in the world of Houston broadcasting. Since 1977, he has graced the city's airwaves with crack reporting on politics and a special focus on space operations. His coverage of the space shuttle program and the exposure from the tragic Challenger explosion opened up many doors for him, including a stint as a Los Angeles correspondent for ABC News. His expertise has been sought by David Brinkley for the This Week program, by Ted Koppel for Nightline, by Peter Jennings for ABC World News Tonight and for Good Morning America.

Such a lion of the press did not start at the top however. Rather, Sylvan Rodriguez is an American success story whose love for journalism struck in early age and was nurtured over time. This boyhood love for the industry matured and was honed while attending the University of Texas at Austin where he tirelessly scribed for several newspapers and a wire service. At this time, his appetite for big news was wetted by covering the powers that were in Washington as an intern for the United States Information Agency where he learned the ins-and-outs of the White House, the Pentagon, the State Department and Capitol Hill. This foundation was bolstered by experience as a reporter and photographer covering state and national politics in San Antonio and Houston.

But the passion for reporting was not all consuming for Sylvan Rodriguez. Throughout his life, he has understood that a balance must be made between giving and taking. He has given much to the community and to his profession to match all the opportunities he earned for himself. While his list of philanthropic activities is a book long, he has given particular attention to foundations that give opportunities to children and fight cancer, diabetes, arthritis, Tourette Syndrome and Cerebral Palsey. A great example to any budding journalist, he is a founding member of the Houston Association of Hispanic Media Professionals.

Journalism has been described as an ability to meet the challenge of filling space. This definition does not only apply to column inches or airtime. It also touches on the space within ourselves where our heart and love of country should rest. Through his dedication to his profession and to others, Sylvan Rodriguez has filled all of these spaces for many years. Today, it is my honor to ask Congress to pay

tribute to Sylvan Rodriguez for being such a hero to journalism and to the community.

## IN HONOR OF CHILDREN'S FRIEND

### HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. McGOVERN. Mr. Speaker, I rise today to acknowledge the 150th anniversary of Children's Friend, a proud institution of my district which promotes the emotional, social, and physical health of a needy and diverse population of children and advocates for their rights.

Few organizations serving children are as enduring as Children's Friend or have sustained such a record of initiating new solutions as the needs and problems facing children have changed. Whether it is helping to create the first modern adoption legislation passed by Massachusetts in 1851, pioneering placing children in foster care, preventing the dropout of pregnant and parenting teens from school, counseling children with attachment disorders or providing specialized psychological services to infants and toddlers, Children's Friend has been at the forefront of innovations in child welfare services.

Children's Friend restores hope and opportunity to children and families whose lives are challenged by emotional abuse and neglect, domestic violence, family instability, economic hardship and the stresses of modern living. One cannot overlook the critical societal needs child welfare institutions—like Children's Friend—fulfill.

Therefore, Mr. Speaker, it is with pride that I rise today to acknowledge the 150th anniversary of Children's Friend and to wish them continued success in the years ahead with their valuable community and child-oriented work for the people of Worcester and Central Massachusetts.

## APRIL 28—WORKERS' MEMORIAL DAY UNDERLINES IMPORTANCE OF OCCUPATIONAL SAFETY

### HON. JAMES T. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. WALSH. Mr. Speaker, today I ask my colleagues to join me in recognizing April 28 as Workers' Memorial Day in the State of New York. This is a wonderful opportunity for us to remember an important issue in today's workplace, occupational safety.

Every city, town and village in this country was built by the proud efforts of working people. They have contributed to our Nation's wealth and reputation, our national defense and quality of life.

In some instances in the past, they have endured harsh and even perilous conditions in pursuit of excellence and their livelihood.

Today, we must continue the fight to ensure the safety of all workers. The sacrifices of the past will not be forgotten as we strive to eliminate dangers at the workplace.

I want to thank the working men and women of Central New York in particular for their invaluable contributions to our community.

## CONSTRUCTIVE OWNERSHIP TRANSACTIONS

### HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. NEAL of Massachusetts. Mr. Speaker, today I am introducing legislation to prevent a transaction the goal of which is tax avoidance by means of converting ordinary income or short-term capital gains into income eligible for long-term capital gains rates.

Since Congress enacted legislation to lower the capital gains tax below that of ordinary income, the press has written about a number of transactions that have been developed to recharacterize income primarily for the avoidance of tax. Congress closed one loophole in 1997 involving constructive sales or so-called ''short-against-the-box'' transactions. In those transactions investors were effectively selling an asset and receiving the benefits of a sale without calling it a sale for tax purposes. The Taxpayer Relief Act of 1997 termed these transactions constructive sales and restored the appropriate tax treatment, determining that if it looks like a sale and acts like a sale, it should be treated as a sale for tax purposes.

Consistent with that approach, our former colleague Barbara Kennelly developed additional legislation in 1998 that could be termed ''constructive ownership'' legislation. In this case, an investor effectively purchases an asset and has the benefit of ownership, but does not pay taxes on income from the asset in the same way as if the investor owned it directly. The solution that was proposed was to treat that investment no more favorably than the treatment ownership in the underlying asset would have received. In addition, while this treatment would assure appropriate capital gains treatment, these transactions could still be attractive for deferring the recognition of ordinary income—in contrast to direct owners who pay taxes annually on ordinary income. To correct this, the bill imposes a deferred interest charge to recapture the benefits of deferral.

As many in the industry will recognize, the legislation I am introducing today is based on the Kennelly bill, but makes several technical improvements which were suggested last year, primarily by the New York State Bar Association. Additional comments, of course, are certainly in order.

Investors in a hedge fund (and other pass through entities) are required to pay taxes annually on their share of the income from the fund regardless of whether they receive a distribution. In the transaction covered by the bill, investors indirectly invest in the fund through a derivative that is economically equivalent to a direct investment. However, the derivative allows the investor to defer his tax liability. Invest in a hedge fund, and you pay taxes every year, and those profits are taxed at the higher short-term capital gains rate. Place that same money in a derivative wrapped around a hedge fund, and you pay taxes only at the end of the contract, and the profit is taxed at the lower long-term capital gains rate. The bill I am introducing today states that if an investor indirectly owns a financial asset like a hedge fund through a derivative, they cannot get more long-term capital gain than if they owned the investment directly. In addition, there is an interest charge to offset the additional benefit of the deferral.

The effective date for this legislation is for gains realized after date of enactment. This is a more generous effective date than that contained in the Administration's budget. Still, some would argue that this is retroactive, because they signed contracts prior to the date of introduction of the Kennelly Bill and therefore were not on notice that a change in the law might occur.

Since I announced my intention to reintroduce the Kennelly bill, it is my understanding that a number of contracts have been, and continue to be, signed under the theory that the legislation may not pass Congress, and if it did the transaction could simply be unwound. This may explain the recent comments of Robert Gordon, President of 21st Securities, as reported in this month's edition of MAR/Hedge, which states: ''Gordon says that the penalty is so low (in my legislation) that he would advise clients thinking about *synthetic hedges* (italics are mine) to go ahead. ''There is not a lot of cost if the bill does become retroactive, you just unwind the swap.'' The penalty is the difference between the two interest rates—the one charged in the swap by the dealer and the interest rate earned by money in the investor's hands. Because the interest today and the interest rate when the law changes, say several months from now, will be relatively small, it is a small penalty to pay.''

It is hard to be sympathetic to an investor who enters into a particular so-called ''synthetic'' transaction purely for purposes of tax avoidance. It is even harder to be sympathetic when the investor signs a contract after he was on notice that there was a legislative change under consideration. It is hardest of all to be sympathetic to an investor who deliberately signs a contract betting that the potential for tax avoidance far outweighs a potential loss attributed to unwinding a contract if the law does change, and then claims ''retroactivity'' in a last attempt to secure the benefits of tax avoidance.

Nonetheless, the fact remains that some contracts were signed prior to the date of introduction of the Kennelly bill. I have therefore added a grandfather clause to this legislation that exempts all contracts from changes in this bill if the contracts were signed prior to the date of introduction of her bill on February 5, 1998. The grandfather clause would cease to exist if the contract was extended or modified.

Mr. Speaker, all capital gains differentials invite attempts to recharacterize ordinary income or short-term capital gains into long-term capital gains. The transactions I am talking about are, of course, not available to the ordinary investor who must pay his fair share of taxes, but only to a small number of sophisticated wealthy investors. Any perception that being sophisticated and wealthy enough allows some to avoid paying their fair share of

tax undermines the entire tax system, as well as the capital gains differential. I believe it is important to shut down tax shelters as we uncover them, and if we in Congress do not have the courage to do that, then maybe allowing the Department of the Treasury to have broader power to characterize tax shelters and shut them down through the regulatory process needs to be seriously considered.

## RECOGNIZING THE IMPORTANCE OF SMALL BUSINESS AND PAYING TRIBUTE TO THIS YEAR'S SMALL BUSINESS AWARD RECIPIENTS IN NEW HAMPSHIRE

### HON. CHARLES F. BASS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. BASS. Mr. Speaker, I am pleased to have this opportunity to recognize several small business leaders from my home state of New Hampshire. As we all know, small businesses in the United States serve as the backbone of our economy, accounting for more than ninety-nine percent of America's employers and employing fifty-three percent of America's workforce. The role of small businesses, especially in New Hampshire, is essential in strengthening our economy, expanding opportunities for employers and employees, and providing goods and services that are second to none.

This year, five individuals from New Hampshire have been recognized by the U.S. Small Business Administration for their exemplary contributions to small business in New Hampshire. In addition, 1999 marks the thirty-fifth anniversary of the Service Corps of Retired Executives (SCORE) and the fifteenth anniversary of the New Hampshire Small Business Development Center. At the annual ''New Hampshire's Salute to Small Business'' dinner and awards ceremony, these two groups and the following individuals will be honored for their overall promotion of small business and for their individual successes during the past year:

Frederic A. ''Rick'' Loeffler, CEO of Shorty's Mexican Roadhouse in Manchester, will be presented with the New Hampshire Small Business Person of the Year Award;

Christine Gillette, business and economic development editor of the Portsmouth Herald, will be presented with the Media Advocate of the Year Award;

Jeffrey M. Pollock, president of the New Hampshire Business Development Corporation in Manchester, will be presented with the Financial Services Advocate of the Year Award;

Arlene Magoon, owner of American Nanny & Family Care Services in Amherst, will be presented with the Woman in Business Advocate of the Year Award; and

William T. Frain, Jr., president and chief operating officer of the Public Service Company of New Hampshire, will be presented with the Special New Hampshire District Advocacy Award.

Mr. Speaker, I am extremely pleased that Rick, Christine, Jeff, Arlene, and Bill have been recognized for their contributions to small business in New Hampshire. As a small business owner myself, I clearly understand how necessary small business is to our economy, our community, and, most important, to our way of life. New Hampshire is indeed fortunate to have individuals of this exceptional caliber as members of the small business community. I hope that the House will join me in extending our congratulations to this year's small business award recipients.

## HIGH ODYSSEY II: THE SIERRA IN THE WINTER OF 1999

### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. RADANOVICH. Mr. Speaker, seventy years ago, while Californians were experiencing the security and success of the roaring twenties, a lone mountaineer was skiing his way up the 300 mile crest of the Sierra Nevada from south of Mount Whitney toward Yosemite Valley. This little known feat in the annals of American Mountaineering was accomplished prior to the existence of the John Muir Trail, the advent of organized search and rescue teams, or cell phones.

Orland Bartholomew carried a 70-pound pack, a folding bellows camera and a double bit ax. He skied on custom made wooden skis without metal edges with only a crude wax system for climbing. He slept in a down robe with a half-tent and no stove. Fortunately, Orland wrote extensive journal entries and shot over 320 photographs of his adventure. Thanks to his son, Phil, these documents have been preserved.

This spring, to celebrate this historic trip, a team of four skiers recreated this great adventure. In completing this trip they were successful in drawing attention to the legacy of this lone skier's accomplishment and its proper place in the history of mountaineering. Their stated goal was to encourage the U.S. Geological Survey to name a peak for Orland. By taking over 2,000 photographs and keeping detailed journals they also documented the state of the High Sierra during the last winter of the 1900's.

The Fresno Bee has established a website to provide information on both of the trips and to report on the findings from their research. (www.fresnobee.com/man/trek)

The High Odyssey II team followed as accurately as possible the original route of Orland Bartholomew based upon his original journals and photographs. They were assisted in their research by Phil Bartholomew and Sierra historian Gene Rose. The Team left Cottonwood Creek on April 2, 1999 and arrived in Yosemite Valley on April 28 after skiing 290 miles and crossing 20 passes over 10,000 feet.

The four members of the Team are accomplished ski mountaineers and climbers with extensive winter experience in the areas in which Orland Bartholomew skied. They crossed high passes, did winter ascents of peaks en route, including Mt. Whitney, and forded rushing streams.

At 17, Fritz Baggett represents the next generation of mountain adventurers. He has grown up in El Portal, the gateway to Yosemite, where he has climbed and skied since a babe in the backpack. He recently earned his Eagle Scout badge as a member of Yosemite Troop 50. As a musician and writer in the punk/shredder genera his contributions, like his skiing, are full of the zest and drive of true youth.

Tim Messick has spent his adult life teaching others the joys of skiing the Sierra backcountry. As a guide for the Yosemite Mountaineering School and Yosemite Cross-County School since 1980, Tim has skied and guided extensively in the Sierra. He skied one of the first three-pin descents of LeConte Gully at Glacier Point and the Y notch on Mount Conness. His classic book, ''Cross-Country Skiing in Yosemite'' (now in its second printing), is a tribute to his skills as writer, teacher, and skier.

Art Baggett has spent the past 25 years living in the Yosemite community. His mountain adventures include hiking the 2,040-mile Appalachian Trail from Georgia to Maine in 1973, a 21 day ski of the Sierra Crest on wooden Bonna 2000 skis with a makeshift three pin set up, and numerous big wall climbing ascents. Art's background as a teacher-naturalist, field biologist, small town attorney and former Mariposa County Supervisor provides another unique perspective from which to view the terrain. Art's published works include papers and lectures on the public policy and legal conflicts between the practice of prescribed burning and the Clean Air Act.

The team would not be complete without a true historian and mountain sage. Howard Weamer brings not only the wisdon of a lifetime spent traversing the Range of Light on skis and on foot, but the keen eye of one of the best known Sierran photographers. His book, ''The Perfect Art,'' the history of the Ostrander Ski Hut and skiing in Yosemite is a tribute to those that have gone before and the 25 years he has spent as the hutkeeper of this Yosemite institution.

I commend the courage and resolve of these present-day mountaineers to help us to learn more of those that came before and that are part of the heritage of the great state of California and the United States frontier. Further, based upon their efforts, I will renew my efforts to ensure that the United States Geological Survey name a Sierra peak in honor of Orland ''Bart'' Bartholomew, a Sierra High Adventurer.

## MS. KINYA EFURD WINS THE VOICE OF DEMOCRACY SCRIPT-WRITING CONTEST

### HON. TOM A. COBURN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. COBURN. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct the Voice of Democracy script-writing contest. This year more than 80,000 secondary school students across the nation competed for fifty-six national scholarships by writing about the theme ''My Service to America.'' It is with great

pleasure that I announce that the winner from the State of Oklahoma is Ms. Kinya Efurd, a Junior at Eufaula High School in Eufaula, Oklahoma. Kinya, the daughter of Jerry and Vicki Efurd, is active in the Honor Society, Student Council, Band, and Future Farmers of America. Kinya's description of how her uncle, a veteran of World War II and the Normandy Invasion, served our country and her vision of personal service to America is both a reminder of those who have sacrificed so much and a call to all Americans to strive to continually serve our great nation. I am submitting Ms. Efurd's essay for the RECORD, so that my colleagues may have the opportunity to review and reflect upon her inspirational comments.

''MY SERVICE TO AMERICA''

Like many other Saturday nights, I was on my way to the theater and decided to see the new hit movie ''Saving Private Ryan.'' My parents stopped me before I went in and warned me that what I was about to see was extremely graphic and violent. Evidently, they were visibly shaken by what they had just viewed. My parents were unsure if they wanted me to see what some say is the most accurate portrayal of war ever filmed. I told them I would be fine because I had seen those other bloody movies before, so in fact, I thought I had seen it all.

From the very beginning this became more than just a movie to me. I immediately remembered the story of my great-uncle being part of the Normandy Invasion. I have been told that he was awarded the bronze star, for an act of bravery, during that battle. No one knows what he did to gain that district honor. He has never told anyone about the horror that he experienced. After seeing this movie I feel I have a stronger appreciation of not only what my uncle did, but also the thousands of others who have served America.

Perhaps, I may never serve my country in headed battle. However, I know other ways to serve with honor and dignity. I strongly believe that as an American citizen I can and must serve my country in my own way to benefit future generations.

As a teenager what can I do now to serve my country? The answer to this question is as simple as getting an education. This means going, participating, and believing that this is not a right, but a privilege. Attending school and filling my head with knowledge that will prepare me for the real world is critical. Undoubtedly, school and education will give me the values and knowledge I need to reach my goals. Also, education has given me the power to believe that I can become whatever my heart leads me to be. I may want to be a doctor, a teacher, or even a social worker. I might even become the best stay-at-home mom there is. My parents have always told me that education is the key to success.

How can I serve America? Exercising my right to vote is a responsibility of being an American citizen. When electing politicians, people should expect that their voice will be represented with honor and dignity. My one vote is just one step in the stairway to better America.

How else can I serve America? Personally, I would love to become a politician. A great honor for me would be standing up and speaking out for what I believe in. I might become the first woman President of the United States of America or maybe just the president of the PTA. No matter what I become, I know that I will carry with me the same honor, loyalty, and respect portrayed by my forefathers for their country.

I may never understand how my uncle felt that dreadful day and I probably never will. I do know that sitting through a movie that portrays war that real has changed the way I feel for him, and the many other veterans. The respect I feel for my flag has also been enhanced. It was increased when I attended an FFA camp. I had the honor of being selected as a speaker for the flag lowering ceremony.

The small part I said made me realize what our flag really means. It stands for the freedom, the happiness, and the sadness for which our country stands. I realized that putting my hand over my heart and saying the Pledge of Allegiance is not a chore, but an honor. Our flag is a precious symbol for America, and it is my duty always to be proud of it.

I hope one day I can stand up and speak to thousands of people all over the world. I know that I cannot help everyone, but if I can help at least one person my dream will be fulfilled. I would also love to speak with teenagers and let them know that our nation does care for them and believe in them. People may think that this is a big dream for such a young women, but I say dreams are limitless. I also believe with the Lord's power and his will behind me, and the encouragement of my church and family members, the sky is the limit.

I may never stand on the field of honor as my uncle did and receive a bronze star, but if my service to America or my community can make a difference in one persons' life, then my responsibility for serving my country will have begun.

## TRIBUTE TO KEN STRAIN

### HON. ROBIN HAYES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. HAYES. Mr. Speaker, I rise today to honor the life of Ken Strain, a man dedicated to serve his community.

Mr. Strain passed away this week while serving the community of Hemby Bridge, North Carolina as a volunteer fireman. His fire truck flipped while Mr. Strain was returning from a rescue call.

Mr. Strain comes from a long line of firefighters. His father Bill and his youngest brother Darren both have served as firefighters in North Carolina.

Mr. Strain is survived by his wife, Sharon and their 18-month-old son Kristopher. Mr. Strain kept a picture of his son in his tool box and often visited the fire station with Kristopher.

Mr. Strain will be deeply missed as a member of the Hemby Bridge business community. He along with his colleague, close friend and fellow firefighter, Paul Ramsey, were partners at their business, Neighborhood Automotive.

While Ken's death is tragic, I must commend his partners at the Union County Volunteer Fire Department for their exemplary record of safety and reliability. This is the first death the department has suffered in 30 years.

Mr. Speaker, I want to express my deep remorse to the family and friends of Mr. Ken Strain, but also honor him for his selfless service to his community. Mr. Strain was dedicated to his family, his job and his community and will be missed by all.

## WOMEN, INFANTS, AND CHILDREN (WIC) PROGRAM CONTINUES TO IMPROVE THE HEALTH CARE OF MILLIONS

### HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. MORAN of Virginia. Mr. Speaker, as a cochair of the Congressional Prevention Coalition, I stand in strong support today of a program that makes a tremendous contribution to disease prevention and health promotion. The Women, Infants, and Children (WIC) program has been educating woman and children about basic nutrition that can help them lead healthier, and therefor happier lives. Chronic disease is the cause of 70 percent of deaths in the United States and nutrition is a primary form of prevention for chronic disease.

Nutrition education can start very early in life. WIC educators help expectant mothers to give their babies good nutrition, even before they are born, through prenatal counseling and care. After the baby is born, WIC educators continue to serve low income women, infants and children with pediatric health care services and nutrition education. WIC educators help babies get a healthy start on life through breastfeeding education and support. The first food a baby gets could be the most important. Breastfeeding is almost always the best form of nutrition for a baby and WIC educators help mothers to learn the wide benefits of breastfeeding including its nutrition and excellent source of antibodies that protect against infection.

The preventive care that WIC provides saves us money in the long run. the National Association of WIC Directors estimates that for every dollar spent on pregnant women in the WIC program, we save $1.92 to $4.21 in Medicaid costs. For every low birth weight prevented as a result of WIC's prenatal program, Medicaid costs are reduced $12,000 to $15,000 per infant.

More importantly, WIC works in helping low-income mothers and children to live healthy lives. For example, according to CDC, WIC children showed a 16-percent decrease in the anemia rate at their 6-month recertification screening than in their initial screening. WIC babies have fewer low birth weight babies and fewer fetal and infant deaths. WIC also helps spur normal childhood growth, increases immunization rates, improves access to pediatric health care and readies children to learn with proven higher test scores.

I want to thank the National Association of WIC directors and all of those at WIC who do so much in improving the health care needs of the millions of women, infants, and children who participate in this lifesaving program. Thank you for 25 years of vital work and service.

## WHY WE NEED CAMPAIGN FINANCE REFORM

### HON. JAY INSLEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. INSLEE. Mr. Speaker, the faith of the American people in their elected government is slowly slipping away. The cause of this malaise is our defective, broken campaign finance system. The astronomical costs of Federal campaigns are having extremely detrimental effects on our democracy; qualified candidates are discouraged from running, and special interest dollars continues to drown out the voice of the average citizen. This outrage is evident to everyone, except, members of the leadership.

The shortest route between our campaign finance system and reform is the opportunity to vote on the bi-partisan Campaign Finance Reform Act, otherwise known as the Shays-Meehan bill. We have garnered over 188 signatures on our campaign finance discharge petition. We mean it when we say we want reform and we want it soon. If we can't get a scheduled vote from the Republican Leadership, we reform-minded Members will force a vote through this petition.

Mr. Speaker, this is a truly modest proposal, but its impact could be nothing short of extraordinary. First, this legislation will finally ban ''soft money.'' With this past election cycle, we saw ''soft money'' contributions more than double since the last off-year election, totaling over $220 million.

Second, this legislation also includes the Campaign Ad Fairness Provision, reigning in the unregulated ''issue campaigns'' to require them to play by the same finance laws as federal campaigns.

Third, this legislation gives teeth to the FEC and provides greater, timelier public disclosure of individuals contributing to campaigns.

Mr. Speaker, this bill is not an infringement of free speech, but a restoration of the public trust. American people are tired of watching Congress sit back and do nothing as the amount spent in elections grows higher and higher, and trust in the system sinks lower and lower. We need to get big money out of the electoral process, and give power back to the people.

I know that the people of the 1st congressional district of Washington want real, meaningful reform, and I urge you to support the Bipartisan Campaign Finance Reform Act.

## STAMP OUT HUNGER

### HON. LORETTA SANCHEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Ms. SANCHEZ. Mr. Speaker, I rise today in support of the National Association of Letter Carriers and Anthony B. Morell Branch 737 in Santa Ana as they prepare for their ''Stamp Out Hunger'' food drive. This event will take place on Saturday, May 8. The letter carriers have asked area residents to donate non-perishable food by leaving the donations outside their mailboxes on May 8. Letter carriers will collect the food during their normally scheduled mail routes. The food collected will benefit CDC's Orange County Food Bank and the Second Harvest Food Bank of Orange County. These two food banks serve over 240,000 people each month.

''Stamp Out Hunger'' is the largest one day food drive in the nation. This is the seventh year of participation by Branch 737 of the Santa Ana letter carriers. Last year letter carriers around the nation collected more than 52 million pounds of food. All went to local food banks in their communities. In the Santa Ana district alone, 69,000 pounds of food was collected for the Second Harvest Food Bank and the Community Development Council, the two food banks in our region.

Unfortunately, hunger continues to be a problem in Orange County. There are still over 30,000 men, women, children and senior citizens who go hungry every night. We are hoping to reduce that number as much as possible, by getting every citizen involved in the food drive.

I commend Branch 737 of the National Association of Letter Carriers for their valiant efforts to make a difference in our community and to stamp out hunger.

## LUBBOCK LETTER CARRIERS PARTICIPATE IN FOOD DRIVE FOR NATION'S NEEDY

### HON. LARRY COMBEST

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. COMBEST. Mr. Speaker, I rise today to commend the National Association of Letter Carriers for their tremendous efforts to help the hungry in communities across the nation. On May 8th, 1999, local branches of the Letter Carriers, in conjunction with the United Way and the United States Postal Service, will participate in a drive to collect non-perishable food and other needed items to stock the shelves of local food pantries. This endeavor will fill pantry shelves for the coming summer months in more than 10,000 hometowns in every corner of the United States.

This worthwhile event has taken place for countless years in the past, and this year's drive promises to be one of the most successful. The Lubbock, Texas branch of the Letter Carriers is rolling up its sleeves and preparing for a first-class turnout on May 8th. I am confident that the good citizens of Lubbock will rise to the challenge to ensure that this year's drive is an overwhelming success.

The Lubbock branch of the National Association of Letter Carriers is deserving of our full support and praise for their work in the fight against hunger in the 19th District of Texas. Their efforts truly exemplify the spirit of service and giving that draws our community together. With a little help from us all, the May 8th food drive can touch the lives of the many West Texans who are in need.

## PERSONAL EXPLANATION

### HON. TODD TIAHRT

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. TIAHRT. Mr. Speaker, on May 4, I was unavoidably detained back in my congressional district due to the devastating tornado storm and missed roll call vote numbers 105 (H. Con. Res 84), 106 (H. Con. Res. 88) and 107 (H. Res. 157). Had I been present I would have voted yes on passage on each of the three bills.

## TRIBUTE TO THE CONABLE FAMILY

### HON. THOMAS M. REYNOLDS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. REYNOLDS. Mr. Speaker, I rise today on the occasion of the dedication of the Wyoming County Courthouse in Warsaw, New York, in the name of the Conable family, whose members have a long and proud history of dedication to public service.

Family patriarch Barber Conable served as Wyoming County judge from 1924–1951. Following his retirement, his son, John Conable assumed the judgeship from 1952–1983. John's brother, Barber Conable, Jr., went from practicing law in nearby Batavia to this House of Representatives, where he served for 20 years as a Member of Congress. Following his service in the House of Representatives, Barber Conable, Jr. served as President of the World Bank, from which he retired several years ago.

As we noted at the building's dedication ceremony on April 27th, no other family in Wyoming County's history has come close to the level and commitment of public service as the Conables.

Mr. Chairman, I ask that this House of Representatives join me in saluting the Conable family for their tremendous dedication to public service, and to salute all the residents of Wyoming County on the occasion of the dedication of the Wyoming County Courthouse.

## TRIBUTE TO MRS. MARY JANE RODGES

### HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. THOMPSON of Mississippi. Mr. Speaker, I rise today to honor a life long resident of Cleveland, Mississippi and my constituent, Mrs. Mary Jane Rodges. Mrs. Rodges will celebrate her 85th birthday on May 22, 1999. Mrs. Rodges, a devoted mother, dedicated church woman, and retired educator of local acclaim has much to be thankful for and is well deserving of our high praise. She taught in the Mississippi public school system for 40 years, helping to prepare thousands of young

people for a brighter future. Mrs. Rodges was just as devoted to her church as she was to building the minds of others. She shared her talents and uplifted the congregation of St. Paul Baptist Church in Shaw, Mississippi, as its musician, for more than 50 years.

Mrs. Rodges' greatest accomplishment though has to be the five children she raised—who all became valuable and productive citizens of our country. One of her daughters, Mrs. Bobbie L. Steele, who is a Commissioner for Cook County in Chicago, Illinois, is planning a grand celebration for her mother. This is a well-deserved event for an exceptional woman and I stand here on the floor of the House of Representatives today and ask all to join me in wishing Mrs. Mary Jane Rodges "Happy 85th birthday".

## WIC: 25 YEARS OF BUILDING A HEALTHIER AMERICA

### HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. GILMAN. Mr. Speaker, I rise today to express my support for WIC, the special supplemental nutrition program for women, infants, and children. It is vital that, in order to ensure that people grow up and live healthy lives, they receive proper nutrition.

WIC is an indispensable organization that serves over 7.4 million pregnant women, new mothers, infants, and preschool children in over 10,000 clinics nationwide. Thankfully, WIC is designed to aid those who regrettably have an income level of 185 percent of poverty or less, are enrolled in Medicaid or have been recommended by a health professional. It is essential that we ensure healthy children and adults by making sure that mothers receive proper nutrition long before their children are born and during their early years of development. Children will perform better in school and lead more productive lives when they receive the proper nutrition from the very beginning.

A common theme in all branches of government today is that of the importance of the family. WIC strengthens families by providing low-cost services to families who are at risk due to low income and nutritionally related health conditions. Because two-thirds of all WIC families live below the poverty level, the services they provide are essential in making sure that these families stay together.

The strength of any nation comes from the strength of its people. In order for us to assure that the United States remains strong we must be sure that all of our citizens are healthy, starting from the time when they are very young. WIC is a program that ensures just that. Accordingly, I urge all of my colleagues to support it.

## EXPOSING RACISM

### HON. BENNIE G. THOMPSON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. THOMPSON of Mississippi. Mr. Speaker, in my continuing efforts to document and expose racism in America, I submit the following articles into the CONGRESSIONAL RECORD.

MISSING POINT OF AFFIRMATIVE ACTION; BLACK HENS SHOULDN'T CATER TO WHITE FOXES

(By Leonard Pitts, Jr.)

As if Florida didn't already have problems, here comes Ward Connerly to pick a fight over affirmative action.

The thing that makes you sit up and take notice, of course, is that Connerly is black. Who isn't fascinated at the sight of a hen campaigning for the foxes?

This particular hen is pretty good at what he does. The Sacramento businessman has spearheaded ballot measures that overturned affirmative action in Washington state and his native California. Monday, Connerly announced a petition drive aimed at doing the same thing in Florida. God must hate the Sunshine State.

Don't get me wrong. I think there's good reason to question affirmative action, if not to oppose it outright. It seems fair to ask if, by setting aside contracts and classroom seats for minorities and women, government does not inadvertently reinforce in them a victim's mentality—an insidious sense that they lack the stuff to earn those things on their own merits.

That observation, however, must be balanced by the observation that white men have long enjoyed a kind of de facto affirmative action. After all, for generations, the nation used every legal and extralegal means to deny women and racial minorities—blacks in particular—access to education and entrepreneurship. It retarded the progress of those groups while offering white men set-asides and preferences that allowed them to move ahead by prodigious leaps.

It's not too much to ask the country to make right what it made wrong. Especially considering that the hostility toward blacks and women has hardly ended, but only become more subtle. If we don't redress the inequity through affirmative action, fine. But how do we do it? Because it's crucial that we do.

It'd be good if Connerly showed any grasp of this. Instead, his stated reason for opposing affirmative action is that it's racially divisive.

Which is such an asinine assessment that you hardly know where to begin responding to it. Perhaps it's enough to simply ask which campaign to open closed doors was ever anything but divisive. The Civil Rights Movement? That was divisive. Feminism? Yep, divisive, too. The United Farm Workers boycott? Pretty darn divisive. The Civil War? Golly gosh, that was about as divisive as it gets.

Hell, division is predictable. Those who enjoy privileges seldom surrender them easily or willingly.

But it's not simply the abject stupidity of Connerly's reasoning that offends. Rather, it's the way that reasoning offers aid and comfort to the new breed of white bigotry. The one which tells us that white people are the true victims of racism.

You know the rhetoric . . . victimized by preferences, victimized by employers, victimized by political correctness that accepts a Miss Black America pageant or an Ebony magazine but, darn it, would have hissy fits over Miss White America or a magazine called "Ivory." The most virulent of modern white bigots will tell you with a straight face and evident sincerity that he is only fighting for equality. And never mind that by virtually every relevant measure, white men—still!—enjoy advantages that go well beyond simple parity.

Most people—black, white and otherwise—understand this and recognize cries of white victimization for what they are: only the latest effort to turn the language of the civil rights movement to the cause of intolerance. Only the most creative attempt to dress racism up as reason.

There are valid reasons for disliking affirmative action. That it's divisive is not one of them. And while it's troubling that some white guys won't understand this, disconcerting that they would embrace an image of themselves as powerless and put-upon, it's downright galling to see that ignorance validated by a black man.

Some would call Ward Connerly an Uncle Tom. It is, to my mind, an unfortunate term that's been too often used to discourage black intellectual independence. I won't call Connerly that.

I will, however, suggest that he is a confused Negro who should know better than to allow his skin color to be used as moral cover by those whose truest goals have little to do with liberty and justice for all.

If this hen has any sense, he might wonder at the motive of the foxes at his back.

CHILDREN GROW EMOTIONALLY AS THEY ENACT HISTORY'S STRUGGLES

(By Naomi Barko)

NEW YORK.—An argument erupted in a New York middle school recently over a subject that in most classes would have elicited only a yawn: the Treaty of Versailles that ended World War I. The class had been divided in half, with one side asked to look at 10 specific points of the treaty through German eyes, the other through the eyes of the Allies.

An immediate murmur ran through the room: "It isn't fair!" could be heard from many corners—and not only from the "Germans."

Besides losing most of their army and navy, substantial territory and all their colonies, the Germans had been forced to accept both the responsibility and the expense for all the loss and damage suffered by the Allied governments and their civilian populations.

But were the Allies really only after revenge, teacher Veronica Casado asked her students. "No," argued one of the Allies. "We wanted to make sure that Germany would never again be strong enough to start a war, and we wanted to safeguard all the new little countries that had been created—Austria and Poland and Czechoslovakia!"

In this class, called Facing History and Ourselves, the emotions these seventh and eighth graders were feeling were as important as the facts they had learned, said Casado, who teaches at the Dual Language Middle School, an alternative public school in Manhattan. They were beginning to understand the German anger and resentment that helped to seed the rise of Nazism and the onset of World War II.

Cited by both the U.S. Justice Department and the Department of Education as an exemplary program, Facing History and Ourselves was founded in 1976 in Brookline,

Mass., to help middle and high school teachers throughout the country learn to teach not only the facts, but the ''why's'' of history. ''The goal is to help people understand that history is not inevitable, that individual decisions and actions matter,'' said the program's executive director, Margot Stern Strom.

''Facing History concentrates on prevention, not memorializing history,'' she says. ''It helps students to engage with it. We learn that it is hard work to keep democracy alive and what happens when it fails. We learn that myth and misinformation tend to distort judgment, that sometimes people respond to complex issues by simply dividing the world into 'Us' and 'Them.'

''It is the students themselves who continually raise the questions of responsibility and whether one person can make a difference,'' she emphasizes. ''When the students stop playing the game of education—just raising their hands or filling in the blanks—and see their teachers struggling with difficult and complex material, they see that these issues aren't easy, and that they don't go away.''

Using not only texts but novels, drama, art and personal reminiscences, the program begins by exploring how people develop a sense of identity, both personal and national, and how they come to the sense of the ''other,'' the ''different.'' Then using the history of Germany in the '20s and '30s as a case study, it shows how the Nazis came to power, how peer pressure was used to make people conform, how other nations responded or failed to respond, how the Holocaust developed, and how individuals made choices to go along, to resist or simply to do nothing.

Just how immediate these lessons can become was illustrated in another middle school here a few days later by a discussion of stereotyping and the role it had played in an explosive case reported that day in the New York City press. Four white undercover policemen had fired 41 shots, killing an innocent and unarmed West African immigrant who they thought might have been a criminal with a gun. The class composed of black, brown, white and Asian preteens agreed unanimously that racial stereotyping had played a large part in the killing.

''I never heard of a white person being shot so many times!'' exclaimed a white boy during a class session in February at the Center School, a performing arts magnet school in Manhattan.

''Well, I think it was racially motivated, but the guy should have frozen,'' objected a white girl.

''They always say they thought there was a gun!'' argued a black girl. ''How come they always say that?''

''What are we saying about the prejudices of our society?'' observed teacher Rhonda Wilkins. ''A policeman may not be a racist, but in this kind of a situation he may tend to prejudge because of color.

''And is it only black people who are stereotyped?'' she asked. ''What about a man you see walking down the street with a yarmulke and a beard? Do you immediately think he must have money and be sharp in business?''

''It happens to me too,'' called out a girl in a wheelchair—one of three such in the classroom. ''People always stare at me as if I'm different. Why do I have to be the different one? Maybe they're different.''

''What's normal?'' mused a classmate. ''Maybe normal doesn't exist.''

The course's exploration of identity empowers many ''different'' children, say teachers in other cities. A particularly poignant story is told by Terry NeSmith, an English teacher at Craigmont High School in Memphis, Tenn. ''This youngster came to class always looking worn and troubled,'' he recalled. ''But as we talked about books and the curriculum she began to open up and express herself.''

At the beginning of the term, NeSmith asked the class to write an essay about their heroes. The students wrote about people like the singer Whitney Houston and the basketball player Shaquille O'Neal. After that, they studied the Holocaust and also read the book, ''A Gathering of Heroes,'' by Gregory Alan-Williams, who rescued a Japanese-American man at the height of the Rodney King riots in Los Angeles.

In the book, Williams tells of his anger at hearing of the acquittal of the policemen who had beaten King, and how, driving home he began to think of his own troubling experiences as an African American. But his memories also led him to think of the people who had helped him to get where he was now as a writer: his courageous mother, a neighbor who had acted as a wise surrogate father. These and others were his heroes, and he realized that everyday people like himself could be heroes if they acted justly. He found himself driving toward the center of the riot where he rescued the man who had been beaten by the mob and was being dragged from his car.

''At the end of the term I gave the same assignment,'' said NeSmith. ''And the essays were so amazingly different They wrote about their moms, their dads, ordinary, everyday heroes.

''And this young lady,'' he said, ''wrote such a moving essay that I sent it to Facing History in Brookline, and they published it in a study guide. She mentioned that often the car in which she was driven to school was the place where she had slept at night. This was a biracial child,'' says NeSmith, ''and she confessed that she had always been torn about her own identify. Now she thought it was wonderful to be able to experience both cultures. And she realized that even when she slept in a car she always had a home because her father was there and made it a home. And that was why he was her hero.''

Facing History has six regional offices in Boston, New York, Chicago, Los Angeles, Memphis and San Francisco that help teachers with the program. To date it has reached some 22,000 educators from throughout the country and has also held institutes in England, France and Sweden. About a million students have taken part.

The teachers, who are trained in weeklong sessions during summer vacations, come from private as well as public schools and from disciplines other than social studies, since the program can be adapted to many kinds of curricula.

For instance, NeSmith's assignment to write about heroes was connected with a unit on Greek mythology in his English class. At the Center School here, where Wilkins teaches, students made elaborate and moving posters and dioramas about their family history to illustrate their sense of identity. A few blocks away, Casado of the Dual Language School, teachers Facing History as part of the regular social studies curriculum.

The value of Facing History was recently judged independently by an intensive two-year research study on intergroup relations among youth funded by the Carnegie Corporation of New York.

The nonprofit foundation surveyed 246 eighth-graders who had enrolled in Facing History, along with a similar number of whose teachers ''cared and taught about social issues, but who didn't use the program,'' explains Dennis Barr, Ph.D., a Harvard developmental psychologist who headed the research team. The study found that Facing History does affect the way young people relate to their peers and think about social issues and their role as citizens.

''It's a very impressive program,'' says Barr. ''It has an impact on something that is very hard to have an impact on—what you could call character development.''

This effect seems to last. Among those quoted in Facing History's last annual report are Derrick Kimbrough of Cambridge, Mass., now 25 years old, who took part in the program when he was only 13. Three summers ago, Kimbrough, who is African American, founded the Survival & Technology Workshop, a nonprofit group that involves teens in improving their local communities. ''Our workshop graduates have renovated a local teen center and movie theater, established a local recycling project and created an after-school jobs project,'' he said.

Kimbrough added, ''Facing History taught me the value of teaching kids responsibility and the importance of letting them think of themselves.''

Twenty-nine-year-old Seth Miller of Boston remembers that as the only Jewish member of a school hockey team he had played on a Jewish holiday because he'd been embarrassed to tell his teammates that he had to go to services. Since then he has not only faced his own identity but has founded the Rocky Mountain Youth Corps in New Mexico.

''At 13, Facing History was a real breakthrough for me,'' he said ''I was suddenly turned on to academics in a way I hadn't been before. It seems that my whole interest in pursuing a career that was fulfilling to me as a human being and not just for gaining money or status started then.''

---

PROSECUTORS SAY RACIAL HATE WAS MOTIVE FOR MAN INDICTED IN FATAL SHOOTING

FORT LAUDERDALE, FLA. (AP).—A man accused of shooting and killing a black woman as she sat in a car with her white fiance has been indicted on charges of murder and attempted murder.

And while the accused wasn't charged with a hate crime, ''We will argue hate as a motive for the murder,'' said assistant state attorney Tim Donnelly.

Robert Boltuch was indicted Thursday for the slaying of Jody J. Bailey, 20. She was killed Feb. 24 when the driver of another car pulled up and opened fire.

Her fiance, Christian Martin, 20, who wasn't hit, told police the shooter had tailed their car, screaming at the couple before firing seven shots when they stopped at a red light.

Martin and Ms. Bailey were high school sweethearts who had dated for three years. Both were students at Florida Atlantic University.

Boltuch, 23, had been working as a waiter at a restaurant until the shooting. He was arrested March 2 at a friend's house in Plantation.

While the words ''hate crime'' appear nowhere in the indictment, prosecutors said they intend to tell a jury that hate was a factor.

A hate crime classification upgrades the possible penalties if there are convictions. But since a capital murder case already involves the ultimate punishment, the hate crime statute ''really is inapplicable,'' Donnelly said.

About 25 minutes before the shooting, two men allegedly overheard Boltuch say he was going to go out and kill a black person, police said.

The manager of the restaurant where Boltuch worked called the police the day after the shooting when he saw the composite sketch of the suspect in the newspaper and Boltuch failed to show up to work.

---

HATE CRIME SENTENCING

CLARKSBURG, W. VA. (AP)—A 20-year-old Harrison County man convicted of pouring gasoline in the shape of a cross on a black family's yard and lighting it on fire has been sentenced to 200 hours of community service.

Michael Vernon Wildman must complete his community service at Mount Zion Baptist Church. He also must take a course on race, class and gender relations at Fairmont State College.

Wildman was convicted Feb. 2 of violating the civil rights of Raymond Parker Jr. and his family and destruction of property.

Harrison County Circuit Judge Thomas Bedell originally sentenced Wildman to spend 10 years in state prison, one year in the county jail and pay $5,500 in fines.

However, Bedell suspended the sentence saying sending Wildman to prison may ''teach him more hate and racism.''

''I feel that if we sentence him to the maximum, we may be creating another racist,'' Bedell said during Wednesday's sentencing hearing.

Bedell said requiring Wildman to work with the church and take the class would be more beneficial.

## PERSONAL EXPLANATION

### HON. TODD TIAHRT

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. TIAHRT. Mr. Speaker, on May 5, I was unavoidably detained and missed roll call votes number 108 (Approval of the May 4 Journal) and 109 (Calling the Previous Question on H. Res. 158). Had I been present I would have voted yes on both votes.

## NATIONAL LEAGUE OF FAMILIES OF AMERICAN PRISONERS AND MISSING IN SOUTHEAST ASIA

### HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. GILMAN. Mr. Speaker, after 26 years of working closely with the National League of Families of American Prisoners and Missing in Southeast Asia, it should come as no surprise that I rise today to express my full support for their forthcoming trip to Vietnam, Laos, and Cambodia scheduled from May 12–20, 1999.

For more than a quarter of a century, I have witnessed, firsthand, the league's tireless efforts and faithful dedication to those who have selflessly served our country during the war in Southeast Asia. For 30 years, the National League of Families has remained vigilant in its goal of determining the fate of those members of the United States Armed Forces still missing and unaccounted for from the Vietnam War. Like so many Americans across our land, I have come to deeply respect and appreciate all that the League has done for those who have done so much for our Nation.

I have been a strong advocate of obtaining the fullest possible accounting of our POW/MIA's since I first came to the Congress in 1973. As a junior Congressman, my first trip overseas was to Laos to visit the Hmong people who protected our downed airmen during the war. I proudly supported the creation of the Select Committee on Missing Persons in Southeast Asia, the National POW/MIA Recognition Day, and POW/MIA legislation because I believe the families of those who are missing deserve no less.

In my trips to Vietnam over the years, I have shared the League's frustrations with the accounting process. I am aware of the steps the Vietnamese government has recently taken to address the concerns of our POW/MIA families, but I believe further steps—steps the League has long recommended—should be pursued. Regrettably, by normalizing relations with Vietnam, I believe that we have withdrawn our leverage with the Vietnamese Government on this issue. Once again, I strongly urge the Governments of Vietnam, Laos, and Cambodia to engage in serious dialogue to improve the transparency, accountability, effectiveness and efficiency of POW/MIA investigations.

I am thankful to have had the opportunity to have worked with the League on this important issue. It is a pleasure to bring recognition to one of our family groups which has toiled so long and so hard in support of our servicemen and women. I wish Ann Mills Griffith, Dick Childress and their team a safe and productive visit to Southeast Asia and I look forward to their report upon their return.

## A TRIBUTE TO THE HONORABLE OLIVER OCASEK

### HON. TOM SAWYER

OF OHIO

### HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. SAWYER. Mr. Speaker, my colleague, Mr. REGULA, and I rise to honor Oliver Ocasek—one of Ohio's most distinguished citizens. On May 20, Oliver Ocasek will receive the YMCA of the USA's Volunteerism Award—the YMCA's highest honor. The YMCA is honoring Ocasek for his more than 50 years of service to youth organizations. We rise today, not only to recognize his deserved selection for this award, but to recognize a lifetime of service to the people of Ohio. Sen. Ocasek's devotion to education extends well beyond his volunteerism with the YMCA. He co-founded the Ohio Hi-Y Youth in Government Model Legislature program with Governor C. William O'Neill in 1952 and supervised it throughout his service on the Ohio-West Virginia Board of the YMCA. He has served on the greater Akron area boards of Goodwill Industries, Shelter Care, and the Salvation Army. He also has been a professional educator in a wide variety of capacities: a teacher, a principal, a school superintendent, and a professor at both the University of Akron and Kent State University. He was instrumental in bringing together our regional institutions of higher learning to create the Northeastern Ohio Universities' College of Medicine. He capped his educational service with three terms on Ohio's State Board of Education.

This breadth of service to youth is impressive by itself. But alone, it does not capture Oliver Ocasek's contribution to the people of Ohio. Oliver Ocasek was one of the most influential legislators in the Statehouse, where he served in the Senate for 28 years from 1958 to 1986. In the 1970's, he became the first Senate President elected by his peers due to a change in the Ohio Constitution. Along with Republican Governor James Rhodes and Democratic House Speaker Vernal Riffe, Sen. Ocasek made many of the decisions to keep state government moving forward. He was an expert on Ohio's complex school funding system and used his knowledge, experience, and position to benefit local students. His enormous influence came from his savvy and from the hard, tedious work of studying, debating, refining, and reaching decisions on difficult and often contentious state issues.

He is astute, well-steeped in history, a gifted orator and a man of heart-felt compassion. Oliver Ocasek's larger-than-life ambitions drove him hard in politics and in civic life in general, not in search of personal gain and glory, but in order to use his talents and positions to care for the least of his brothers and sisters. Last year in the *Akron Beacon Journal*, Sen. Ocasek expressed his philosophy: ''Nothing breaks my heart more than for a child to not have parents who care or to not have a chance for a good education. That's been my commitment—my life—to provide a good education for all children.'' His leadership has inspired tens of thousands of young people touched by his commitment to education and to the YMCA youth programs over the last half-century.

Today, many people disparage public service and doubt that one person can make a difference. Oliver Ocasek would profoundly disagree. And more importantly, his efforts and their recognition by the YMCA are the evidence to the contrary. His service to the people—and particularly the youth—of Ohio shows that, with hard work and commitment, one person can make a difference. And we are grateful for the difference that he has made.

## TOP TEACHERS

### HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. MEEHAN. Mr. Speaker, I insert the following letters into the RECORD.

HOUSE OF REPRESENTATIVES,
*Washington, DC, April 15, 1999.*

Ms. CAROL SHESTOK,
*Norman E. Day Elementary School,*
*Westford, Massachusetts.*

DEAR MS. SHESTOK: Congratulations on being honored as one of the top teachers in Massachusetts. This is a well deserved reward for your special ability to really make a difference in the lives of your students at Norman E. Day Elementary School in Westford.

Too often, talented teachers go unrewarded for the valid work that they do. That is why I am so pleased that you were deservedly honored for all the attention, care and dedication that you have given to your students.

Again, congratulations on your recent honors.

Sincerely,

MARTY MEEHAN,
*Member of Congress.*

---

HOUSE OF REPRESENTATIVES,
*Washington, DC, April 16, 1999.*

Mrs. GAIL FITZGERALD DOWNING,
*Tewksbury, Massachusetts.*

DEAR MRS. DOWNING: Congratulations on being honored as one of the nation's top 40 teachers through USA Today's annual ALL–USA Teachers Team Award. It is a well deserved tribute to your special ability to really make a difference in the lives of your students at Russell Street Elementary School in Littleton.

Too often, talented teachers go unrewarded for the work that they do. That is why I am so pleased that you were deservedly honored for all the attention, care and dedication that you have given to your students.

Again, congratulations on your recent honors.

Sincerely,

MARTY MEEHAN,
*Member of Congress.*

---

## THE INTRODUCTION OF THE INTERNET GROWTH AND DEVELOPMENT ACT OF 1999

### HON. RICK BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. BOUCHER. Mr. Speaker, I rise today with my Virginia colleague BOB GOODLATTE, with whom I am privileged to cochair the Congressional Internet Caucus, in the introduction of two bills which taken together will address the major challenges confronting the Internet today.

Heretofore, congressional debates on issues affecting the Internet have been ad hoc and have addressed single issues only. The legislation we are introducing today will provide the first comprehensive framework for debate by the Congress of the major current Internet policy challenges.

The passage of both bills will truly promote the growth and development of the Internet:

First, passage of the legislation will result in greater broadband deployment and an increase in the speed by which people connect to the Internet from their homes and their places of work. Telephone companies will be required to file plans with state public service commissions for the deployment of DSL services in all local exchanges where the deployment is both technolgicially feasible and economically reasonable. Today, only 50,000 subscribers nationwide have DSL service. Our legislation will result in those numbers increasing dramatically.

We also seek to encourage competition in the provision of DSL services by reducing the regulatory burden on the offering of DSL for telephone companies which agree to make reconditioned loops for the provision of DSL services available in a timely fashion to competitors.

To ensure an increase in Internet backbone capacity and to stimulate competition in the offering of backbone services, the legislation enables Bell Operating Companies to carry data across LATA boundaries to the extent that the data is not a voice-only service, whether or not the Bell Operating Company has obtained approval to offer inter-LATA services under section 271 of the 1996 Act. This provision will strongly encourage investment in the Internet backbone and the creation of greater competition among Internet backbone providers. That competition is essential to assure the retention of the current peering arrangements which promote low-cost Internet services.

Our legislation gives legal voice to the policies of Internet Service Providers which are designed to protect their facilities from bulk mailings of unsolicited electronic advertisements. Spam can seriously degrade the performance of the Internet and clog the facilities of Internet Access Providers to the disadvantage of all users. In some instances, Internet Service Provider facilities have even crashed due to the onslaught of spam. If service providers have restrictive policies concerning the use of their facilities by spammers, those policies should be enforced, and our legislation provides the mechanism for the enforcement.

Our legislation also makes it a criminal offense intentionally to falsify Internet domain, header information, date or time stamps, originating e-mail addresses or other e-mail identifiers or intentionally to sell or distribute any computer program which is designed or produced primarily for the purpose of concealing the source of routing information of bulk unsolicited electronic mail. This provision strikes at the practice of bulk e-mailers who through the use of specially designed software change the origination information in e-mail messages as each small cluster of messages is sent. That practice is used to defeat the blocking software of Internet Service Providers which deflects from their facilities large volumes of messages originating from a single source.

The legislation will encourage electronic commerce by giving full authorization to properly authenticated electronic signatures. A variety of laws require a written document with a written signature for the enforceability for certain kinds of contracts. Our legislation will give full legal effect to contracts constructed online and prevent either party from disavowing the contract due to the absence of a physical written signature, if the identity of the contracting parties is properly authenticated and if certainty is created that the text of any document they construct has not been changed. The legislation sets forth specifics for obtaining that authentication.

We propose to create a new right of privacy for Internet users. In response to the growing practice of web site operators of collecting information from web site users either directly through a registration form or indirectly through the implantation of a "cookie" on the user's hard disk, the legislation requires that all web site operators post their information collection and use policies in a conspicuous manner so that web site users will be informed of the information collected and the use to which that information is put and have an opportunity to exit the web site without any information being collected if the visitor objects to that collection and use of information. The provision will be enforced by the Federal Trade Commission.

Finally, we propose to assure that all Americans retain complete freedom to select the Internet access provider of their choice. As the Internet has grown and developed, most Americans have connected to the Internet over telephone lines. While the telephone company has provided the transport, everyone has been free to select the company that will provide the Internet access. Even in instances where telephone companies offer both transport and Internet access services, the law has protected the right of the telephone company's customers to select an Internet access provider other than the telephone company.

Unfortunately, as the cable industry begins the deployment of cable modem services, a different model is being pursued. At the present time, there is no federal law restricting the ability of cable companies to package their transport services and their affiliated Internet access services and require that customers purchasing high-speed transport also purchase the cable company's affiliated Internet access service. The largest cable multiple system operators are, in fact, bundling transport with Internet access and requiring that the affiliated Internet access services be purchased by cable modem customers.

There are more than 2,000 Internet access providers nationwide. The vast majority of the ISPs are startup companies who have brought a new level of entrepreneurship to the telecommunications industry. Many of them will become the competitive local exchange carriers who will offer competition not only in the provision of Internet access, but in the offering of local telephone service and other telecommunications services as well. They will be important contributors to the competitive local exchange industry we envisioned when we wrote the Telecommunications Act of 1996.

But these ISPs are severely threatened by the deployment by cable television companies of broadband Internet transport connections which also bundle affiliated Internet access services. The broad bandwidth of these services will surely attract a large clientele, much of which will be the existing customer base of independent ISP's.

If the cable television companies are permitted to force their cable modem customers to purchase their affiliated Internet access services as a condition of subscribing to their high speed transport service, many independent ISP's will be foreclosed from a large portion of their existing customer base and from market growth opportunities. The legislation we are offering today assures that this anticompetitive practice will not occur and that all Internet transport platforms in the future will

be open, much as telephone company transport platforms are open today.

I am pleased to be participating on a bipartisan basis with Representative GOODLATTE in offering this legislation, the enactment of which will assure that the Internet more rapidly achieves its potential to be the multimedia platform of choice for the delivery of voice, video and data.

## THE INTRODUCTION OF THE INTERNET FREEDOM ACT OF 1999

### HON. BOB GOODLATTE

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. GOODLATTE. Mr. Speaker, I rise today to announce the introduction of the Internet Freedom Act of 1999. This bipartisan legislative initiative, which I am introducing along with Congressman BOUCHER of Virginia, addresses the challenge that face the Internet by building on the strengths that have made the Internet the major engine of growth and development in the new Information Age. The legislation ensures that the qualities that have provided the explosive growth of the Internet in recent years will continue into the new millennium. The initiative addresses the crucial challenges currently facing the Internet and its future: providing freedom from burdensome government regulation, ensuring consumer choice through open competition, and protecting consumer-friendly open access to the Internet.

The Internet is currently at a crossroads. One path continues to encourage the principles mentioned above: freedom, competition, and consumer choice. The other path, which is looming on the horizon, is characterized by heavy government regulation, limited competition, higher prices and less choice for consumers. Following this path could mean that any company with market power can restrict the ability of businesses to compete on the Internet, and the ability of consumers to access the Internet provider and content of their choice could be subject to the control of a single company. The Internet as we know it—open, competitive, and easily available to consumers—will cease to exist. That path, unfortunately, is the one we are following now.

Congress must act now to ensure that the qualities that made the Internet a revolutionary tool for both business and users—deregulation, competition, and easy consumer access—remain fundamental components of the Internet for future generations. The Internet Freedom Act accomplishes this by achieving three goals.

The first goal of the Internet Freedom Act is deregulation: the bill gets the FCC out of the business of regulating the Internet. It accomplishes this by eliminating existing FCC regulations that are inhibiting the development and rollout of certain types of broadband Internet service in non-urban and rural areas.

Broadband technology is up to twenty times faster than the old modems used for Internet access, and can be compared to the old ''T–1'' telephone lines offered for $1,000 a month, but at a fraction of the cost. In some areas, it is now possible to obtain broadband Internet service, in a variety of forms, for as low as $40 a month. The development of broadband technology has the potential to not only make fast Internet access available to consumers and small businesses, but to make it affordable as well.

The FCC is currently ignoring its responsibility under the Telecommunications Act of 1996 to provide regulatory relief to incumbent phone companies by removing existing regulations on data traffic that were originally intended to encourage competition in voice traffic. The FCC regulations currently prohibit the incumbent phone companies from competing in the Internet backbone market. The ''backbone'' is the very high speed, high capacity lines that crisscross the country linking major cities. Existing suppliers of Internet backbone are simply unable to keep up with the demand for high speed, high capacity backbone bandwidth. They also have little incentives to invest in many parts of the country that are far away from the main backbone routes. Our legislation would allow local phone companies into the backbone market, increasing competition and lowering prices for businesses and consumers.

In addition, many areas of the country are located far from these backbone pipes (often but not exclusively in rural areas). Traffic from these areas must be hauled to the closest backbone connection point (often miles away) and the connections used for this are of much smaller capacity than those on the backbone. More backbone investment will mean that more facilities will eventually become available in more places than ever before. Local phone companies and others may be able to justify building major connection points to the Internet in more locations, allowing traffic to be aggregated by ISPs and encouraging the buildout of more connections closer to customers. This will make it possible for more customers to be able to access the Internet without being required to make a long distance call.

The second goal the Internet Freedom Act accomplishes is freedom of competition: One of the main goals of the Telecommunications Act was to open the local phone markets to competition to ensure non-discriminatory access and safeguard against anti-competitive behavior. However, certain networks unaffected by the Act remain closed to competitors and other closed networks could be just around the corner. Under this scenario, a consumer who wants high-speed broadband service, whether by cable, satellite, or copper wire, would be forced to buy it from their access provider's ISP. If they wanted service from AOL or another ISP, they would either not be able to receive it or would essentially have to pay twice.

A closed network also provides undue leverage over Internet content, since one company would possess the ability to give content providers preferential access to their ''hostage'' customers. This ability to leverage its monopoly vertically can curtail competition and innovation in the content market and raise prices for such information or programs. It could also limit the variety and availability of content that has made the Internet so successful.

This legislation preserves competition among broadband Internet providers without involving the heavy-handed bureaucracy of the FCC. The bill achieves this goal by giving a private right of action to ISPs who have been unable to compete fairly against other ISPs by broadband transport providers. For example, if a company limits the ability of an ISP to offer its services over their facilities on the same terms and conditions that the cable company offers to another ISP, the first ISP would be able to seek relief in the courts.

The section also preserves competition among ISPs by using existing antitrust law. Under this section, evidence in a civil action that a broadband access transport provider with market power has limited the ability of an Internet service provider to compete in the ISP marketplace would be presumed to have violated the Sherman Act. This section recognizes that each type of broadband transport provider technology is unique, whether two-way cable, copper wire, sport-beam satellite or wireless transmission. Each technology is recognized under this bill as a separate type of broadband market, and therefore providers cannot under current antitrust law abuse that power to limit the competitive marketplace of Internet service providers.

The second section would also ensure openness and competition among broadband Internet transport providers by ensuring that the same rules apply to the incumbent phone companies, which are already required to open their networks to ISPs. In return for removing rate and price regulations on data traffic for local phone companies after meeting certain rollout requirements, this section would presume a Sherman Act violation if the phone company failed to make its ''local loop'' available to other carriers who wanted to compete in the provision of DSL broadband technology.

Finally, the Internet Freedom Act encourages open consumer access for consumers by making the Internet a more user-friendly environment. The third section addresses the problem of illegal mass e-mail, also known as ''spamming.'' This section would make it a federal crime for a person to knowingly use another person's Internet e-mail address, or ''domain name,'' to send unsolicited mass e-mails. The penalty for violating the section would be the actual monetary loss and damages of $15,000 per violation or up to $10 per message, whichever is greater.

The principles of free-market competition, low government regulation, and open consumer access have guided the growth of the Internet. If this growth is to continue, we must ensure that public policy reflects the best interests of the consumer. The environment that has nurtured the early growth of the Internet must be preserved and strengthened to spur continued innovation and ensure that the Internet and information-based economy continue to flourish. But, there are several inefficiencies currently in the marketplace that could stifle the continued development and innovation of the Internet and the growth of our economy. We must fix these problems now, before they require heavy-handed regulations that slow down the Internet, drive up costs, hinder consumer access to information, and cause this engine of potential economic growth and future prosperity to sputter and fail.

## CONGRATULATING FRESNO RESCUE MISSION ON THEIR 50TH ANNIVERSARY

### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. RADANOVICH. Mr. Speaker, I rise today to congratulate the Fresno Rescue Mission on occasion of its 50th anniversary, and its plans for expansion. The mission has long served the homeless and downtrodden of Fresno.

The Rescue Mission began in 1949 as a non-profit religious organization to be an arm of the churches of Fresno County. Over the past 50 years, the mission has been open 24-hours-a-day 365-days-a-year helping the destitute of Fresno, with three meals a day, shelter, clothing, bedding, appliances and furniture, all free of charge.

Though it began as a ''men only'' organization, over the years, the mission has progressed to helping families who are in need of emergency shelter. The mission works with the Fresno County Department of Human Social Services in ''Rescue the Children/Craycroft Youth'' a collaborative effort to service, abused, neglected and abandoned children.

There is also a year-long live-in recovery program for men with various dependency problems. After completion of the program, a transition home provides housing, and employment as staff members of the mission. At the home, men are encouraged to save their money so they can be reunited with their families, or be able to afford their own housing.

Most important to the mission is its primary purpose, to provide love, and bring the Gospel of Jesus Christ to those who have nothing left in this world. In front of the mission building hangs a sign which reads, ''If you don't have a friend in the world, you will find one here.''

Mr. Speaker, I rise today to congratulate the Fresno Rescue Mission on the occasion of its 50th anniversary. The services provided are a boon to the community, and a blessing to those in most need. I urge all of my colleagues to join me in wishing the Fresno Rescue Mission many years of continued success.

## TRIBUTE TO JERRY ZREMSKI

### HON. THOMAS M. REYNOLDS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. REYNOLDS. Mr. Speaker, I rise today to honor the achievements of one of Capitol Hill's most hard-working and talented reporters.

As a member of the Washington Bureau of The Buffalo News, Jerry Zremski's Washington dispatches are an important and invaluable source of information for my constituents on the activities of this Congress.

Jerry was recently named a Nieman Fellow at Harvard University, a prestigious honor afforded to only 12 journalists throughout the United States of America. Jerry will begin his fellowship at Harvard in the fall, at the world's oldest mid-career fellowship program for journalists.

A graduate of Syracuse University, where he earned a bachelor's degree in journalism, and American University, where he received his Master's Degree in Political Science, Jerry Zremski has distinguished himself in his profession, and I ask that this House of Representatives join me in honoring Jerry's achievement in earning the Nieman Fellowship at Harvard University.

## HONORING THE RETIREMENT OF CARMEL CASABONA AFTER 20 YEARS OF DEDICATED SERVICE

### HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. DELAURO. Mr. Speaker, tonight we celebrate Carmel Casabona, who retired from Area Cooperative Educational Services (ACES) on January 22, 1999 after 20 years of dedicated service. As a committed vocational education teacher with ACES' Secondary Program and later as a Job Coach with the ACCESS program, she has worked tirelessly to assist adult clients with disabilities, and engage them in their community. It is with tremendous pleasure that I rise today to salute this incredible woman, who has been a dear friend to me and has contributed so much to the Greater New Haven area.

For more than two decades, ACES has been a crucial source of support and assistance for people with a range of disabilities. Many individuals have benefitted from the nurturing, caring environment, and innovative approach that ACES offers. From employment opportunities to residential skills, this institution is an invaluable resource for the disabled. Carmel certainly reflects these goals.

Carm's long career with ACES is characterized by a lifetime of dedication to her adult clients. Although supervising 28–30 clients, Carm carefully assessed each person's abilities, and chose the appropriate work experience. By focusing on each individual's specific needs, she has helped her clients reach their full potential, while providing positive reinforcement. She also offered each participant increased independence, encouragement and dignity.

Aside from her daily work responsibilities, Carm offered her personal time in organizing the annual Christmas party for her program participants, their families and friends. This event was eagerly anticipated every year as a time to come together to enjoy the holidays. When called upon by Carm to assist with party plans, volunteers could not refuse. Carm, through her volunteer crew, prepared all the food, provided music and hung decorations, all of which were done with tremendous energy and care.

On a personal level, I have witnessed Carm's interaction with her clients. It is easy to notice her genuine affection for them, as well as their fondness for her. She always approached her work with a compassionate heart, a cheerful smile, and a wonderful sense of humor. She will be sorely missed by clients and colleagues alike.

Because of this level of dedication, it is with great pleasure that I commend Carmel Casabona for 20 years of hard work and public service. I join with her daughter Tracy, her three grandaughters, family members, and friends in thanking her for caring so much for her clients, and in wishing her a very enjoyable retirement.

## IN HONOR OF BARBARA KIRIE STEWART

### HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. HYDE. Mr. Speaker, education is in crisis today in America. That is why I think it is important to recognize an outstanding teacher. I rise today to recognize Barbara Kirie Stewart, daughter of a colleague and friend of mine, James C. Kirie. Mrs. Stewart teaches at Brentwood Academy in Tennessee where an endowed chair for history has recently been established in her name. This honor could not have been bestowed on a more deserving or dedicated woman, one who truly understands the joy of giving—to her students, her friends and family, and to future generations.

The endowment chair lets the rest of the world know how integral Barbara is to Brentwood Academy. Mrs. Barbara Stewart came to Brentwood Academy in the fall of 1972, in time to see the first class graduate the following spring. She brought with her a B.A. degree from Lindenwood College and the gift of making history come alive through her effective classroom teaching style.

Barbara's work with the Youth in Government program and as the founding sponsor of the R.O. Beauchamp chapter of the National Honor Society are just some of the many community enrichment activities with which she has involved herself. Barbara's devotion to students and education has taken her through 25 years as the History Department Chair at Brentwood Academy. Along the way, she also earned an M.A.T. from Vanderbilt. Those who have known Barbara in the classroom have discovered qualities that cannot be captured: an enthusiasm that stamps her presence into their memories forever.

Mrs. Barbara Stewart's former students say it best:

I became a teacher because of your inspiration. Thank you for all you did for me as a student and all you have inspired me to do as a teacher.

I can still hear your voice and recall the enjoyment of learning history from you.

You taught me to always ask why, not just who and when. That has made all the difference.

Yours is the one class from my high school days that continues to capture my imagination and still sends me to the bookshelves scrambling for more information.

No teacher in high school or college taught me as much as you. No teacher taught me how to learn as well as you. And no teacher was ever as hard as you either!

Every once in a while there is a teacher who, with contagious enthusiasm, is able to

impart knowledge and show genuine interest in her students, thus earning their affection and respect in return. Thank you for being one of those rare teachers.

The longer I live, the more I realize that your hard work, dedication, and selfless service has enriched my life in countless ways.

Mr. Speaker, the Barbara Kirie Stewart Endowed Chair for History preserves the legacy of academic achievement lived out at Brentwood Academy through Mrs. Barbara Stewart—an exemplary citizen whose excellence in teaching is unsurpassed.

## TRIBUTE TO UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA, LOCAL UNION NO. 433

### HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. COSTELLO. Mr. Speaker, I rise today to pay tribute to the United Brotherhood of Carpenters and Joiners of America, Local Union Number 433. Local 433 is celebrating their 110th anniversary.

On May 11, 1889, 12 carpenters were granted a charter by the United Brotherhood, forming Local 433. This small group of 12 has grown significantly in membership, to its present total of 435 members.

The impact of Local 433 is highly visible in the Belleville community, as Local 433 has been instrumental in the construction of Belleville Area College, the St. Clair County Courthouse, and Scott Air Force Base, among others. Local 433 is currently working on the expansion of the MetroLink light rail system.

From its inception to today, the men and women of Local 433 have made invaluable contributions to the community, through their contributions to charity and civic events. One of Local 433's greatest achievements is its apprenticeship program. This four year program gives young carpenters the chance to learn from the community's established carpenters. There are currently 44 apprentices in this program, which was established over thirty years ago.

Mr. Speaker, I ask my colleagues to join me in congratulating Local Union Number 433 as they celebrate their 110th anniversary.

## PERSONAL EXPLANATION

### HON. MARK GREEN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. GREEN of Wisconsin. Mr. Speaker, I was unavoidably detained this morning, and missed roll call vote #108. Had I been present I would have voted "Aye."

## CONGRATULATING THE RAPE COUNSELING SERVICE OF FRESNO ON THEIR 25TH ANNIVERSARY

### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. RADANOVICH. Mr. Speaker, I rise today to congratulate the Rape Counseling Service of Fresno, Inc. (RCS), on occasion of its 25th anniversary.

Rape Counseling Service is a victim advocacy agency. Its mission is to alleviate the trauma due to sexual assault and/or child molestation, to educate the public and to raise the level of awareness regarding rape and child abuse prevention.

RCS made its start with a small core of volunteers meeting in a dorm room at California State University Fresno. It now has a staff of 33 members, and 52 volunteers who aid in crisis intervention, prevention education, a 24-hour hot-line, hospital and court advocacy and individual counseling.

For the past seven years, RCS has been ranked the number one rape crisis center in the state of California by the Office of Criminal Justice Planning, and for the past six years, has been the number one funded agency by Fresno County. The U.S. Department of Justice has named the RCS Sexual Assault Response Team (SART) as one of only two programs in the state to be listed in Promising Practices, a report to improve the criminal justice system's response to violence against women.

Over the years RCS has established a strong working relationship with the Fresno Police Department, the Fresno County Sheriff's Office and the District Attorney's office. It also interacts with other community-based organizations: Sanctuary, House of Hope, Human Services Coalition, Fresno County Child Abuse Prevention Council, The Fresno Policy Academy and Comprehensive Youth Services.

Mr. Speaker, I rise today to congratulate the Rape Counseling Service of Fresno on the occasion of its 25th anniversary. The services provided are invaluable to the well-being of the community and victims of assault. I urge all of my colleagues to join me in wishing RCS many years of continued success.

## THE VOLUNTEERS OF RADIO VISION: 19 YEARS OF DEDICATED SERVICE

### HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. GILMAN. Mr. Speaker, it is my pleasure to rise today to pay tribute to the volunteers of Radio Vision of Orange County, New York for their 19 years of dedicated service. Radio Vision Volunteer Day this year is Saturday, May 15th. Radio Vision is a closed circuit service for the blind and sight impaired of the Mid-Hudson region of southeastern New York. Over 600 blind and virtually handicapped listeners are informed of local events, news, sales, and a variety of other information only by volunteers.

Oftentimes, we take the gift of sight for granted. With the convenience of being able to watch the television or read the newspaper to learn about the world around us, we have little reason to think about the world around us in any other way. However, for the blind, the world of television and radio is not an option. For the blind residents of the Mid-Hudson, turning on the radio provides an equal alternative to the paper and the TV.

Over the past 19 years over 105 dedicated volunteers have kept Radio Vision running for the more than 600 who have no other option. These people have given their time, their hearts, and their voices to those in need. Mr. Speaker, I am pleased to have been given the opportunity to speak about the commendable deeds of those at Radio Vision and I invite all of my colleagues to join in praising their devoted work in serving the blind.

## JOHN WESLEY A.M.E. ZION CHURCH "THE NATIONAL CHURCH OF ZION METHODISM" CELEBRATES 150TH ANNIVERSARY

### HON. ELEANOR HOLMES NORTON

OF DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Ms. NORTON. Mr. Speaker, I rise today to ask my colleagues to join me in saluting the John Wesley A.M.E. Zion Church, "The National Church of Zion Methodism," on the occasion of their 150th Anniversary.

Mr. Speaker, the John Wesley A.M.E. Zion Church was established in the nation's capital during a period when free black Americans began and expanded a major effort for self-expression, self-esteem, and freedom. Free blacks established their own churches after they became dissatisfied with their treatment in white-controlled churches, treatment which included their segregation in religious services and disqualification from holding church offices and preaching. Founders of John Wesley experienced this treatment, and were led to leave churches that were discriminating against them.

Led by John Brent and John Ingham, a group called the "Little Society of Nine" withdrew from Asbury Methodist Episcopal Church which was under the ministry of white leaders. They met in the home of John Brent at 1800 L Street, NW and formulated plans, which culminated in the Organization of John Wesley Church in 1849. At that time, John Wesley was a dependent church which selected its own locations and ministers. One member of the group, Martha Pennington, organized a "Woman's Aid Society," and raised $300.00—the greater part of the down payment of $349.00 required to purchase the church site at 1120 Connecticut Avenue NW. It took two years to build the church. The congregation, led by Rev. Abraham Cole, the first minister, moved into the new church in 1851. In that same year, the Board of Trustees and the

Board of Stewards were created. The church established a relationship with the A.M.E. Zion Church, and was legally confirmed in 1904.

Mr. Speaker, founders and early members of John Wesley, like those of many other black churches, were attracted by the doctrine of Methodism. This doctrine, expressed strongly in the sermons of John Wesley and in the hymns of his brother, Charles, proclaimed that no one was too poor, too humble, or too degraded to share in the privilege of divine grace, have a personal intimacy with God, and have assurance of eternal life. Pioneering black Methodists in New York City, led by James Varick, paved the way for the creation of the African Methodist Episcopal Zion Church. From the founders of this church, the organizers and leaders of John Wesley Church in Washington, D.C. were destined to draw their inspiration and guidance. Since 1851, the leadership of the church has been vested in forty ministers.

Mr. Speaker, from 1855 to 1866, John Wesley Church was an important community facility for black education during a time when public schools in Washington were not available to blacks. The church, with the support of philanthropic groups, provided substantial elementary education under instruction from black and white teachers.

The early growth of the church was stimulated by a remarkable group of able ministers. Five of them had been elected bishops of the A.M.E. Zion Church by 1904. Very substantial growth was indicated as early as 1884, when the church expanded its edifice by adding a second story. The architectural expansion was made under the supervision of Calvin Brent, the son of founding member John Brent who was one of Washington's first black architects.

For a dozen years before its move to its present location in 1914, John Wesley Church was located at 1121 18th Street, NW. The relocation to 14th Street provided a beautiful, large edifice that many persons felt was an appropriate place to have a national church of Zion Methodism, just as other denominations had a national church in the nation's capital. At the General Conference of the A.M.E. Zion Church, held at John Wesley in 1940, John Wesley was officially designated the National Church of Zion Methodism.

During the twentieth century, the history of John Wesley Church has been characterized by increasing concern for the social welfare and the general quality of life of its members. The church has shown this concern while maintaining a strong interest in the spiritual well-being of its members and others. The ministerial and lay leadership of the church has been in the vanguard of the civil rights movement and the general effort to make Washington and the nation a better place in which to live. Two former pastors, The Right Reverend Stephen Gills Spottswood and Dr. E. Franklin Jackson, national civil rights leaders, were instrumental in the desegregation of public accommodations in Washington, D.C. The church has held sustained leadership roles in the NAACP, assisted in the coordination of the 1963 March on Washington, hosted President Bush in 1989, and will be hosting the cultural program for the National Trust for Historic Preservation's National Conference later this year. John Wesley Church is a member of the Interfaith Council and Downtown Cluster of Churches. Outreach programs at John Wesley include workshops on domestic violence, care for the senior citizens, feeding the homeless, and awarding scholarships to high school seniors and college students.

Mr. Speaker, I salute the pastor, The Reverend Vernon A. Shannon, the officers and members of the John Wesley A.M.E. Zion Church, "The National Church of Zion Methodism"—a Washington monument beyond the monuments.

## HILLSBORO HIGH SCHOOL TEAM COMPETES IN NATIONAL FINALS OF WE THE PEOPLE . . . THE CITIZEN AND THE CONSTITUTION PROGRAM

### HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. CLEMENT. Mr. Speaker, I rise today to recognize my alma mater, Hillsboro High School, for their participation in the We the People—The Citizen and the Constitution program. On May 1–3, 1999 more than 1200 students from across the United States will be in Washington, D.C. to compete in the national finals of the We the People—The Citizen and the Constitution program. I am proud to announce that the class from Hillsboro High School from Nashville will represent the state of Tennessee in this national event. These young scholars have worked diligently to reach the national finals and through their experience have gained a deep knowledge and understanding of the fundamental principles and values of our constitutional democracy.

The We the People—The Citizen and the Constitution program is the most extensive educational program in the country developed specifically to educate young people about the Constitution and the Bill of Rights. The three-day national competition is modeled after hearings in the United States Congress. These hearings consist of oral presentations by high school students before a panel of adult judges. The students testify as constitutional experts before a "congressional committee," that is, the panel of judges representing various regions of the country and a variety of appropriate professional fields. The student testimony is followed by a period of questioning during which the judges probe students for their depth of understanding and ability to apply their constitutional knowledge.

Administered by the Center for Civic Education, the We the People . . . program has provided curricular materials at upper elementary, middle and high school levels for more than 26.5 million students nationwide. Members of Congress and their staff enhance the program by discussing current constitutional issues with students and teachers and by participating in other educational activities. I wish the student team from Hillsboro High School the best of luck at We the People—national finals.

## THE CENTER FOR CIVIC EDUCATION AND THE "WE THE PEOPLE: THE CITIZEN AND THE CONSTITUTION" PROGRAM

### HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. KILDEE. Mr. Speaker, I want to bring an editorial in today's Washington Post about the recent Center for Civic Education National Competition to the attention of Members. For 12 years, the Center for Civic Education has developed and promoted its "We the People: The Citizen and the Constitution" program to increase student understanding and knowledge of the Constitution and this document's impact on today's society. Over this period, the program has provided instruction to 26.5 million students, distributed more than 89,000 sets of free textbooks, and trained more than 82,000 teachers in 24,000 elementary and secondary schools across the country. In light of the tragic recent events surrounding our Nation's schools, this editorial shows the positive impact that this program is having on our Nation's students and their sense and understanding of citizenship and its responsibilities.

[From The Washington Post]

A CLASS ACTION

(By David S. Broder)

The topic was the constitutional guarantee of freedom of association, and the questions from the Kentucky college teacher, the Virginia judge and the Charleston, S.C., lawyer came thick and fast.

"Given the volatile nature of the atmosphere in Colorado following the Columbine High School tragedy, do you think the Denver City Council would have been justified in saying, 'We do not want the NRA [National Rifle Association] meeting here this weekend?'" "Could it have restricted the number of people at the meeting?" "Could it have asked for the names of those attending?"

The five Hempfield High School students from Landisville, Pa., facing them were not rattled. One by one, they made their points in quick, incisive fashion, referring twice to the controlling Supreme Court cases: Barring the convention would have been justified only if there were a real threat of retaliatory violence. Limiting its size was not sensible—"It should be all or nothing." Asking for names could not be justified by any compelling state interest.

The discussion moved to the issue of youths wearing symbols or clothing that others in school might find intimidating—and once again, the students spoke calmly and clearly about the issues that have agitated the country since the Littleton massacre.

On Sunday, the second day of the annual national competition sponsored by the Center for Civic Education, a downtown Washington hotel was the place to have your faith in the younger generation restored.

For 12 years, the center, funded by a $5.5 million annual grant from the Department of Education and six times that much in state, local and private support, has promoted semester-long curriculum called "We the People. The Citizen and the Constitution," and trained thousands of teachers to use it in classrooms across the country.

Each class is invited to compete at the congressional district and state level, and

last weekend about 1,250 students from all 50 states and the District of Columbia gathered for the national finals. The format is a simulated congressional hearing on an issue requiring application of constitutional principles. Each team has four minutes to present its prepared position and then must answer unscripted questions from a trio of contest judges for another six.

''The whole class comes to Washington,'' Chuck Quigley, the program director, explained. ''This is not like a debate meet, where the best and brightest represent the school. Each class divides into six teams—one for each unit of the course—and each team 'testifies' once in each round. You can't have cliques or factions. Everyone has to cooperate for the school to do well.''

In a 1994 evaluation of the program, Stanford political scientist Richard Brody found it particularly successful in promoting tolerance of dissenting views and active participation in the political system. Carly Celmer, a member of the team representing Florida, said, ''It teaches you that people can make mistakes, but our structure of government is really sound.''

Elaine Savukas, who teaches the Pennsylvania students I watched, said her husband, the principal of Hempfield High—''a school of exactly the same size as Columbine in the same kind of suburban community''—values the course because ''it shows kids there are ways to work through disagreements other than violence.''

Mary Catherine Bradshaw, the teacher of the Hillsboro High School entry from Nashville, Tenn., said ''Taunting is pervasive in every high school.'' But her class, on its own initiative, came up with a checklist of actions federal, state and local authorities might take to prevent another Littleton. And then one student said, ''There is something we can do as individuals.'' And the class began circulating a pledge that ''as part of the community . . . I will eliminate taunting from my own behavior. I will encourage others to do the same . . . and if others won't become part of the solution, I will.''

They put the pledge on their Web site and now are hearing that it's been adopted at high schools all over the United States.

The competition—and the underlying course—have attracted celebrity backers. Henry Hyde has coached classes in his district; Hillary Clinton, Kenneth Starr and several Supreme Court justices met with schools in this year's competition.

Anthony Corrado, a distinguished political scientist at Colby College in Maine, has judged the contest for eight years and has helped train teachers at summer institutes on using the curriculum. He takes the time, he told me, because ''the best antidote to cynicism is understanding the basic principles of our system of government and being challenged to apply them to today's problems.''

This is a course most of us adults could use.

(The phone numbers of the Center for Civic Education are 818–591–9321 or 202–861–8800.)

## IN HONOR OF JOHN PETER, RETIRING PRESIDENT OF KIDSPEACE

### HON. TIM ROEMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. ROEMER. Mr. Speaker, I rise today to pay tribute to one of our nation's most visionary and dedicated public servants, Mr. John Peter, who will be retiring next month as President and CEO of KidsPeace.

As many of you know, KidsPeace is a 115-year old, not-for-profit organization which helps young people face personal crisis and prepare for life's daily challenges. When John first started working at KidsPeace in 1974, the organization provided a refuge for about 40 troubled kids in northeastern Pennsylvania.

But John had a greater vision for the organization than that. He realized that children everywhere were coming under increasing pressure from broken homes, violence, drugs and other troubling influences in society. He knew that in order to truly help the children it was serving, KidsPeace had to find a way to get to them before trouble set in, and provide a structure to help them cope with the added burdens in their lives.

Utilizing his skills as a businessman and social worker, and inspired by his training in theology, John set out to expand the KidsPeace mission nationwide. The results have been spectacular. Under John's leadership, KidsPeace has grown from a single facility in Pennsylvania to the nation's leading organization helping kids overcome crisis.

KidsPeace now helps more than 2,000 children a day at 25 centers across the country, and serves millions more each year through public education and outreach programs. Hundreds of business leaders, doctors, entertainers, athletes and civic figures donate their time and support to the KidsPeace mission.

At a time of increasing violence and turmoil in our society, children across the country know they can turn to KidsPeace for help in facing tough situations at home, problems with friends or in school, or for guidance in becoming stronger, wiser and healthier kids.

I have had the privilege of working closely with John and the KidsPeace organization over the years through the Childrens' Working Group, which I founded to help give voice to America's kids. We hosted two major press conferences at which KidsPeace released the results of its national surveys of American teenagers and pre-teens.

We also joined together to unveil the latest KidsPeace initiative: a Web site for young people called TeenCentral.net. I am pleased to note that since its inception, this site has received more than a million visits by kids, and has been named one of the top Web sites in the country.

Mr. Speaker, Helen Keller once observed that optimism is the faith that leads to achievement. In my view, John Peter is the ultimate optimist. He believes that every child in America deserves a chance to reach his full potential, and that no child should be left behind. He has dedicated his life to this cause and our nation has benefited greatly from his efforts.

I congratulate John on his many accomplishments with KidsPeace and the outstanding work he has done to help children and families overcome crisis. He may be retiring from KidsPeace, but his contributions will endure for decades to come.

## CELEBRATING THE 75TH ANNIVERSARY OF THE SANTA BARBARA CARRILLO COMMUNITY RECREATION CENTER AND THE GRAND OPENING OF THE SENIOR INFORMATION AND REFERRAL SERVICE

### HON. LOIS CAPPS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mrs. CAPPS. Mr. Speaker, I rise to celebrate Older American's Month and to bring to the attention of my colleagues the 75th Anniversary of the Carrillo Community Recreation Center of Santa Barbara, California.

The City of Santa Barbara has long placed a high priority on providing a safe place for senior citizens to engage in health education and recreations pursuits. It is due to this commitment that the Senior Information and Referral Service has been established. This project represents a strong partnership between the City of Santa Barbara Parks and Recreation Department, the American Association of Retired Persons, the Area Agency on Aging and the Retired Senior Volunteer program. Now seniors in Santa Barbara will have a ''seamless'' referral system where their questions will be answered and their needs met.

I am also proud to tell my colleagues that this year represents the 17th Anniversary of the 90+ Club which celebrates all citizens in Santa Barbara who are 90 years of age and older. This Club has been sponsored by the City Parks and Recreation Department, the Valle Verde Retirement Community and the Southern California Gas Company. I commend these fine organizations for their contributions to seniors and our community.

Mr. Speaker, I am honored to join the City of Santa Barbara and the senior citizens whom I represent on the Central Coast in celebration of Older American's Month. I wish the Carrillo Community Recreation Center many more years of success and prosperity.

## PERSONAL EXPLANATION

### HON. MARK UDALL

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. UDALL of Colorado. Mr. Speaker, I was unable to be present for rollcall vote 94 ''On Agreeing to the Conference Report on the Education Flexibility Partnership Act.''

Had I been present, I would have voted ''aye'' on rollcall vote 94.

## IN HONOR OF CHILDCARE PROVIDER APPRECIATION DAY

### HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to honor the Nation's childcare providers

as nationwide, childcare centers have joined together to declare Friday, May 7, 1999 to be Provider Appreciation Day.

It is estimated that of the 21 million children under the age of six in America, 13 million are in childcare, at least part time. An additional 24 million school age children are in some form of childcare outside of school time.

By calling attention to the importance of high quality child care services for all children and families, the Nation's child care providers hope to improve the quality and availability of such services.

This day of recognition has been celebrated annually, since 1996, on the Friday before Mother's Day. The idea was spearheaded by a group of volunteers from my home state of New Jersey because they saw the need for a day of recognition and appreciation for childcare providers. It takes a special person to work in this field and their contribution to the quality of family life frequently goes unnoticed.

One such place, where many special people have helped improve the lives of children and parents in my district is ''Children on the Green'' in Morristown, New Jersey. Children on the Green is a special place. It is a center that provides quality, developmentally appropriate childcare and early education to families living or working in the Morristown community. At the same time, this center offers some of its slots to children from area shelters. Children from the Morris Shelter, Jersey Battered Women's Services, and the Interfaith Council for Homeless Families of Morris County are in attendance each day. This type of child care provides some stability to these children while offering their parents time to pursue opportunities that would help them to improve their living situations.

Mr. Speaker, I ask you and my colleagues to join me in honoring the dedicated child care providers at Children on the Green in Morristown, and the child care providers all over New Jersey and across our nation who each day give a little bit of themselves to help a child learn, make friends and feel safe and secure.

## SALUTE TO WALTER D. ''DEE'' DALTON IN COMMEMORATION OF HIS 25 YEARS OF FEDERAL SERVICE

### HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. ROGERS. Mr. Speaker, we in the House of Representatives are in the midst of celebrating the 15th annual Public Service Recognition Week sponsored by the Public Employees Roundtable. This week—in ceremonies on the National Mall here in Washington and in communities all across America—we pay tribute to the inspiring work of countless public servants who give of themselves to make this Nation a better place. I am proud to recognize one such pubic servant today.

Mr. Walter D. ''Dee'' Dalton of Somerset, KY, is currently the District Manager of the Social Security Administration office in Somerset. During this 25 years of dedicated service to the agency he has earned the admiration of his coworkers and the gratitude of thousands of his neighbors for his effectiveness. His career with the Social Security Administration is an inspiration to all Americans and is a sterling example of what public service is all about. Mr. Dalton's career has been built around a single idea: that reaching out and helping one's neighbors is still a noble undertaking.

In the Pulaski, Wayne and Clinton County area, thousands of citizens can testify to the fair and efficient service they receive from Mr. Dalton and the staff of the Somerset Social Security Office. This compassion for neighbors, combined with his dedicated and effective leadership, have built a solid reputation for the office that is well known across Kentucky and the entire agency.

Born in nearby Monticello, KY, Walter D. ''Dee'' Dalton earned a bachelor's degree in business from Campbellsville College in Taylor County, KY. The majority of his career has been in service to the Somerset office of the Social Security Administration. More than 19,000 of the citizens I represent rely upon Mr. Dalton and his fine staff of 14 for the timely administration of their Social Security benefits. More than 6,300 Kentuckians who rely on Supplemental Security Income (SSI) also depend upon the hard work of the employees of the Somerset Social Security office. This fine tradition of neighbor helping neighbor is why I believe Mr. Dalton is a fine example of the Federal employee we recognize during National Public Service Recognition Week.

Countless citizens join me in saluting Walter D. ''Dee'' Dalton. We all share the pride of his wife, Clorenda, and their two children, 17-year-old Rachel and 9-year-old Chip. I join his family, friends, coworkers, and neighbors in saluting him for his career of public service. We thank him for his dedication, his hard work, and his commitment to make our region of Kentucky a better place to live.

## MORTGAGE CANCELLATION RELIEF ACT OF 1999

### HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. ANDREWS Mr. Speaker, economic conditions in my district have resulted in decreased home values, and in many situations, homeowners find that the value of their home is less than their outstanding mortgage. Generally homeowners who are forced to sell their home for less than the amount of the outstanding mortgage must find additional funds to pay off the lender for the mortgage shortfall. However, in some situations, the lender might forgive the shortfall as an accommodation to the homeowner.

For example, a homeowner who has become unemployed might be forced to sell because there is no income to make the mortgage payments. If the proceeds are insufficient to pay off the mortgage, the lender might forgive the shortfall—particularly if there is no possibility of recovery from the unemployed homeowner. Although the homeowner has lost a home, as well as all equity investment, the income tax laws require that unemployed former homeowner pay taxes on the amount of the mortgage forgiven by the lender. The tax laws treat this forgiven amount as if it had been paid to the former homeowner by the lender. So, even though the former homeowner does not have money to maintain or pay off the mortgage, the tax laws require this unfortunate person to pay tax on the forgiven amount.

This outcome is patently unfair, particularly when we consider that the income tax laws allow better-situated homeowners to exclude up to $250,000 ($500,000 for married couple filing jointly) of gain on the sale of a home. It seems ironic that under current income tax laws, the only two classes of homesellers remaining in the tax system are: Taxpayers with capital gains in excess of $250,000/$500,000; and Taxpayers whose home values have declined below the outstanding mortgage.

The ''Mortgage Cancellation Relief Act of 1999'' rectifies this injustice by exempting taxpayers from including in ordinary income any mortgage amount forgiven by a lender, provided the proceeds of the home sale are insufficient to satisfy the qualified outstanding mortgage. This legislation introduces fairness in the taxation of a home sale, extending equity to those (former) homeowners most in need of tax relief.

## HONORING THE CONTRIBUTION OF WIC PROGRAMS

### HON. CAROLYN MCCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mrs. McCARTHY of New York. Mr. Speaker, I rise today in honor of WIC's 25th Anniversary and to commend WIC for their years of sterling health and nutrition service to the nation's low-income women, infants and children.

In the last 25 years, WIC has dramatically improved the nutrition and health of millions of Americans. WIC provides quality education and services to over 7.4 million pregnant women, new mothers, infants and preschool children through 10,000 clinics nationwide. It serves as a short-term intervention program designed to influence lifetime nutrition and health behaviors in a targeted, high-risk population. WIC provides quality education and services to over 7.4 million pregnant women, new mothers, infants and preschool children through 10,000 clinics nationwide.

As a nurse, I understand the importance of preventative care. Whether we are talking about health care, education or crime, services that focus on preventative care save money in the long run. That is why the WIC program is so important—it just makes sense. Studies have shown that pregnant women who participate in WIC have longer pregnancies leading to fewer premature births, have fewer low and very low birth weight babies, experience fewer fetal and infant deaths, and seek prenatal care earlier in pregnancy. WIC helps to assure normal childhood growth,

reduces early childhood anemia, increases immunization rates, improves access to pediatric health care, and readies children to learn.

Every dollar spent on pregnant women in WIC produces $1.92 to $4.21 in Medicaid savings for newborns and their mothers. Consider the following: it costs $22,000 per pound to raise a low (less than 5.5 pounds) or very law (less than 3.25 pounds) birth weight infant to normal weight. It costs $40 per pound to provide WIC prenatal benefits. Furthermore, Medicaid costs were reduced on average $12,000 to $15,000 per infant for every very low birth weight birth prevented.

These statistics illustrate that WIC works. By providing short-term preventative services, WIC improves the health and quality of life for millions of low-income women and children while at the same time saving the federal government money. We need to ensure that WIC continues to provide these important services—I know that I will continue to fight for funding for this important program.

Again, I want to congratulate WIC on their 25th anniversary and I urge them to keep up the good work.

## HONORING THE DISTINGUISHED CAREER OF KREDA FRIERSON YOKLEY

### HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. GORDON. Mr. Speaker, I rise today to recognize the tremendous contributions Kreda Frierson Yokley has made to the Sixth Congressional District and to her community on this her last day as my field representative.

Since November 1995, Kreda has worked in my Murfreesboro District office. Although my staff and I are sad to see her go, it is comforting to know that she will continue her career in public service as a director for the Mid-Cumberland Community Action Agency.

For the past 13½ years, Kreda has helped those who served our country. Veterans from across the Sixth District relied on her to help get their medals and serve as a liaison in their efforts to receive compensation and medical assistance from the Veterans Administration. She has helped not only those who served, but those just starting a career with the Armed Forces. Kreda has been instrumental in securing the appointments of scores of young men and women in the Sixth District to the academies at West Point, Annapolis and Colorado Springs.

Traveling to Williamson and Marshall counties, Kreda reached out to constituents through my Mobile Congressional Office. I always get my best ideas from home and Kreda served as a constant conduit for peoples' ideas and concerns.

My staff and I will miss Kreda. Constituents, friends, family and staff describe her as professional, a class act and dependable. Most of all, she always seems to have the knack for saying just the right thing, whether to calm a frustrated or hunting constituent or to encourage a friend or co-worker.

Kreda, congratulations on your new job. May you prosper and thrive in your new environment. May you new co-workers and clients value you as much as we do. Thank you for your many years of service, and may God bless you in your future endeavors.

## A TRIBUTE TO AMERICAN NURSES DURING NATIONAL NURSES WEEK

### HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. LIPINSKI. Mr. Speaker, I would like to pay tribute to a remarkable group of dedicated health professional—the 2.6 million registered nurses in the United States.

These outstanding men and women, who work hard to save lives and maintain the health of millions of individuals, will celebrate National Nurses Week, May 6–12, 1999. I believe that all Americans who have ever been cared for or comforted by a nurse should celebrate National Nurses Week.

According to the American Nurses Association, National Nurse Week was first observed October 11–16, 1954, the 100th Anniversary of the founding of modern nursing by Florence Nightingale during the Crimean War. National Nurses Day and Week was eventually moved to May to incorporate Florence Nightingale's birthday, which is May 12th.

Using this year's theme "Nursing: Healing from the Heart," the American Nurses Association (ANA) and its 53 constituent associations will highlight the diverse ways in which registered nurses, the largest health care profession, are working to improve health care. Studies show that the higher the ratio of nurse-to-patients in a hospital, the lower the patient death rate. In short, registered nurses provide top-quality, cost-effective health care services for their patients.

Mr. Speaker, I salute America's nurses during the week of May 6–12, 1999 and encourage my colleagues to do the same.

## THE STATE OF ALABAMA OFFERS A "GIFT OF HOPE" FOR THE PEOPLE OF COLORADO IN THE WAKE OF THE LITTLETON SHOOTINGS

### HON. ROBERT E. (BUD) CRAMER, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

Mr. CRAMER. Mr. Speaker, I rise today to offer my deepest sympathies to the people of Littleton, Colorado, in the wake of the shootings at Columbine High School that left 15 people dead.

This tragedy stands as the worst case of school violence in the history of the United States. The people of Alabama share in the grief of all of those in Colorado who were touched by this horrific event. Our hope and prayers are with them.

Over the course of Alabama's history, our state has developed a rich tradition of music and songwriting that have helped people cope during times of great loss and sadness. Carrying on this tradition are two Alabama songwriters named Eddie Martin and Susan Welborn. The two Shoals-area artists have collaborated on a song called "Listen for the Wings." The song was written as a gift of hope for the people of Littleton as they work to rebuild their community and restore order to their lives.

Mr. Speaker, I would like to enter into the CONGRESSIONAL RECORD the lyrics to the song "Listen for the Wings" so that others might have the opportunity to read these words and take solace in the song's message.

LISTEN FOR THE WINGS

(By Eddie Martin and Susan Welborn)

Just a Tuesday morning
At a school in the heartland
'Til they walked in with bombs
And guns in their hands
It was all too familiar
Another horrible mistake
To see their future
Explode in such rage

We need some help to understand
And lead us back to truth again

Do you believe in angels?
Well, I do
I'm praying that the angels
Wrap their arms around you
If you could just believe in angels
Like I do
Then you'd know there's always hope for you
No matter what life may bring
Take time to listen for the wings

If Moses needed angels
What about you and me?
In the middle of the violence
And the crazy lives we lead
Gotta bring some love back
Gotta have a little faith
Find some forgiveness
'Cause it's the only way

So many times we pass right by
The simple answers to our whys

Do you believe in angels
Well, I do
I'm praying that the angels
Wrap their arms around you
If you could just believe in angels
Like I do
Then you'd know there's always
Hope for you
No matter what life may bring
Take time to listen for the wings

When everything goes wrong
Seems all hope is gone
Remember, you're not alone

We're all gonna feel some pain
And walk through the wind and rain
But no matter what life may bring
Take time, and listen for the wings

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, May 6, 1999 may be found in the Daily Digest of today's RECORD.

## MEETINGS SCHEDULED

### MAY 10

1 p.m.
Judiciary
Administrative Oversight and the Courts Subcommittee
To hold oversight hearings on the investigation of TWA Flight #800.
SD–226

### MAY 11

9 a.m.
Environment and Public Works
Business meeting to consider pending calendar business.
SD–406

9:30 a.m.
Energy and Natural Resources
To resume hearings on S.25, to provide Coastal Impact Assistance to State and local governments, to amend the Outer Continental Shelf Lands Act Amendments of 1978, the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people; S.532, to provide increased funding for the Land and Water Conservation Fund and Urban Parks and Recreation Recovery Programs, to resume the funding of the State grants program of the Land and Water Conservation Fund, and to provide for the acquisition and development of conservation and recreation facilities and programs in urban areas; S.446, to provide for the permanent protection of the resources of the United States in the year 2000 and beyond; S.819, to provide funding for the National Park System from outer Continental Shelf revenues; and the Administration's Lands Legacy Initiative.
SD–366

10 a.m.
Judiciary
To hold hearings on how to promote a responsive and responsible role for the Federal Government on combatting hate crimes.
SD–226

Foreign Relations
East Asian and Pacific Affairs Subcommittee
To hold hearings on the policies between the United States and China, focusing on business and trade.
SD–562

10:30 a.m.
Governmental Affairs
Oversight of Government Management, Restructuring and the District of Columbia Subcommittee
To hold hearings on multiple program coordination in early childhood education. 342

2 p.m.
Commission on Security and Cooperation in Europe
To hold hearings to examine the status of the International Criminal Tribunal for the former Yugoslavia.
SD–2255 Cannon Building

### MAY 12

9:30 a.m.
Indian Affairs
To hold oversight hearings on HUBzones implementation.
SR–485

Health, Education, Labor, and Pensions
To resume hearings on proposed legislation authorizing funds for programs of the Elementary and Secondary Education Act, focusing on Title I provisions.
SD–628

Energy and Natural Resources
Business meeting to consider pending calendar business.
SD–366

10 a.m.
Judiciary
Technology, Terrorism, and Government Information Subcommittee
Business meeting to consider S.692, to prohibit Internet gambling.
SD–226

2 p.m.
Judiciary
Immigration Subcommittee
To hold hearings to examine workforce needs of American agriculture, farm workers, and the United States Economy.
SD–226

Intelligence
To hold closed hearings on pending intelligence matters.
SH–219

### MAY 13

9:30 a.m.
Energy and Natural Resources
To hold hearings on S.698, to review the suitability and feasibility of recovering costs of high altitude rescues at Denali National Park and Preserve in the state of Alaska; S.711, to allow for the investment of joint Federal and State funds from the civil settlement of damages from the Exxon Valdez oil spill; and S.748, to improve Native hiring and contracting by the Federal Government within the State of Alaska.
SD–366

10 a.m.
Environment and Public Works
To hold hearings on issues relating to the Clean Water Action Plan.
SD–406

Health, Education, Labor, and Pensions
To hold hearings on the nomination of Richard M. McGahey, of the District of Columbia, to be an Assistant Secretary of Labor.
SD–628

2 p.m.
Judiciary
Administrative Oversight and the Courts Subcommittee
To hold hearings to examine the Department of Justice's refusal to enforce the Law on Voluntary Confessions.
SD–226

2:30 p.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold hearings to examine fire preparedness on Federal lands.
SD–366

### MAY 19

9:30 a.m.
Indian Affairs
To hold hearings on S.614, to provide for regulatory reform in order to encourage investment, business, and economic development with respect to activities conducted on Indian lands; and S.613, to encourage Indian economic development, to provide for the disclosure of Indian tribal sovereign immunity in contracts involving Indian tribes,and for other purposes.
SR–485

2 p.m.
Energy and Natural Resources
National Parks, Historic Preservation, and Recreation Subcommittee
To hold oversight hearings on the status of Youth Conservation Corps and other job programs conducted by the National Park Service, Bureau of Land Management, Forest Service, and the U.S. Fish and Wildlife Service.
SD–366

### MAY 20

2 p.m.
Energy and Natural Resources
Energy Research and Development, Production and Regulation Subcommittee
To hold hearings on S.348, to authorize and facilitate a program to enhance training, research and development, energy conservation and efficiency, and consumer education in the oilheat industry for the benefit of oilheat consumers and the public.
SD–366

2:30 p.m.
Energy and Natural Resources
Energy Research and Development, Production and Regulation Subcommittee
To hold joint oversight hearings with the House Committee on Government Reform's Subcommittee on National Economic Growth, Natural Resources and Regulatory Affairs, on the Administration's fiscal year 2000 budget request for climate change programs and compliance with various statutory provisions in fiscal year 1999 appropriations acts requiring detailed accounting of climate change spending and performance measures for each requested increase in funding.
SD–366

### MAY 25

9:30 a.m.
Energy and Natural Resources
To hold oversight hearings on state progress in retail electricity competition.
SD–366

### MAY 26

9:30 a.m.
Indian Affairs
To hold oversight hearings on Native American Youth Activities and Initiatives.
SR–485

MAY 27

2 p.m.

Energy and Natural Resources

Water and Power Subcommittee

To hold hearings on S.244, to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system; S.623, to amend Public Law 89-108 to increase authorization levels for State and Indian tribal, municipal, rural, and industrial water supplies, to meet current and future water quantity and quality needs of the Red River Valley, to deauthorize certain project features and irrigation service areas, to enhance natural resources and fish and wildlife habitat; and S.769, to provide a final settlement on certain debt owed by the city of Dickinson, North Dakota, for the construction of the bascule gates on the Dickinson Dam.

SD–366

SEPTEMBER 28

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans', Affairs to review the legislative recommendations of the American Legion.

345 Cannon Building

# HOUSE OF REPRESENTATIVES—*Thursday, May 6, 1999*

The House met at 10 a.m.

The Reverend Dr. Ronald F. Christian, Chaplain, Lutheran Social Services, Washington, D.C., offered the following prayer:

Together with the Psalmist, we say, ''Hear my prayer, O Lord, and give ear to my cry; . . . for I am a passing guest, a sojourner like all my fathers.''

O God, on the day of national prayer, when people of many traditions and from a variety of national origins speak to You in many languages and address You with many different holy names, we pray,

Withhold not Your kindness from us for our failure to practice mercy to our neighbor while we request and expect Your mercy for ourselves. We pray,

Deliver us from a selfish pride that would allow even our faith in You to be understood as a sign of Your individual favoritism for us. We pray,

Guide us into ways of wisdom which would teach us the value You have for each person, the gift You have given to every human and the hope You have buried deep in the heart of all people. We pray,

Give us joy in our community, satisfaction in our labor, compassion for our neighbor, and peace in our relationships.

This day, O God, we join with many to give You our thanks and to promise again to love You with our whole heart and our neighbor as ourselves.

Amen.

## THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Pennsylvania (Mr. MURTHA) come forward and lead the House in the Pledge of Allegiance.

Mr. MURTHA led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 432. An act to designate the North/South Center as the Dante B. Fascell North-South Center.

## ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain 1 minutes at the end of the business of the day.

## ANNOUNCEMENT REGARDING SUBMISSION OF AMENDMENTS ON H.R. 1555, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

(Mrs. MYRICK asked and was given permission to address the House for 1 minute.)

Mrs. MYRICK. Mr. Speaker, I asked to address the House for the purpose of making an announcement. I rise to inform the House of the Committee on Rules' plans in regard to H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000.

The Committee on Rules is planning to meet during the week of May 10 to grant a rule for the consideration of H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000. The Committee on Rules may grant a rule for H.R. 1555 which would require that amendments be preprinted in the CONGRESSIONAL RECORD.

Mr. Speaker, if this type of rule is granted, amendments to be preprinted would need to be signed by the Member and submitted to the Speaker's table. Amendments would still need to be consistent with House rules and would be given no special protection by being printed. Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain that their amendments comply with the rules of the House. It is not necessary to submit amendments to the Committee on Rules or to testify as long as the amendments comply with the rules of the House.

## PROVIDING FOR CONSIDERATION OF H.R. 1664, KOSOVO AND SOUTHWEST ASIA EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1999

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 159 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 159

*Resolved,* That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 4 of rule XIII or section 306 of the Congressional Budget Act of 1974 are waived. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill for failure to comply with clause 2 of rule XXI are waived. Before consideration of any other amendment it shall be in order to consider the amendments printed in the report of the Committee on Rules accompanying this resolution. Each amendment printed in the report may be considered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. During consideration of the bill for further amendment, the chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 8 of rule XVIII. Amendments so printed shall be considered as read. The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. During consideration of the bill, points of order against amendments for failure to comply with clause 2(e) of rule XXI are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final

passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER. The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Ohio (Mr. HALL), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, yesterday the Committee on Rules met and granted an open rule for H.R. 1664, the Kosovo Operations Supplemental Appropriations Act. The rule waives points of order against consideration of the bill for failure to comply with clause 4 of Rule XIII requiring a 3-day layover of the committee report and requiring 3-day availability of printed hearings on a general appropriations bill and section 306 of the Congressional Budget Act of 1974 prohibiting consideration of legislation within the Committee on the Budget's jurisdiction unless reported by the Committee on the Budget.

The rules provide for 1 hour of general debate equally divided between the chairman and ranking minority member of the Committee on Appropriations. The bill waives points of order against provisions in the bill for failure to comply with clause 2 of rule XXI prohibiting unauthorized or legislative appropriations in a general appropriations bill.

The rule provides that before consideration of any other amendment it shall be in order to consider the amendments printed in the report of the Committee on Rules.

The rule makes in order amendments printed in the report accompanying this resolution which may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified, shall not be subject to amendment and shall not be subject to a demand for a division of the question in the House or the Committee of the Whole.

The rule waives all points of order against amendments printed in the Committee on Rules report.

The rule waives points of order during consideration of the bill against amendments for failure to comply with clause 2(e) of Rule XXI prohibiting non-emergency designated amendments to be offered on an appropriations bill containing an emergency designation.

The rule authorizes the Chair to accord priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD.

The rule allows the Chairman of the Committee of the Whole to postpone votes during consideration of the bill and to reduce votes to 5 minutes on a postponed question if the vote follows a 15-minute vote.

Finally, the rule provide for 1 motion to recommit with or without instructions.

Mr. Speaker, H. Res. 159 is a fair rule. It is an open rule that permits any Member to offer any amendment to the bill as long as the amendment does not violate House rules.

The President's military campaign in Kosovo has put many of us in a tough spot. Like all Members, I support our troops, and I always support a strong national defense. I have strong reservations though about the President's decision to wage an ill-defined and possibly disastrous war in Yugoslavia because this war is draining our military resources, making it harder to meet threats in other areas of the world such as Iraq and North Korea. Our rear flank is exposed, which puts our military in harm's way.

We must replenish our military readiness and supplies. Our young men and women in the military need and deserve that from this Congress. This rule will allow amendments to express Members' concerns about giving the President the tools to continue a never-ending conflict in the Balkans.

Because this Kosovo spending bill is controversial, all Members need to support this rule so we can have an open discussion on the floor. Instead of closing down debate on this important issue, the Committee on Rules has provided for a fair and open amendment process. Members will have the opportunity to vote the Kosovo spending bill up or down, if they wish to do so, but in an hour we are not voting on Kosovo spending, we are voting on an open rule that allows the House to work its will.

That is why we are here, to express our ideas and concerns and the opinions of the people back home whom we represent.

I urge my colleagues to support this open rule which allows any Member to offer any amendment as long as it does not violate the rules of the House.

Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume. I want to thank the gentlewoman from North Carolina (Mrs. MYRICK) for yielding me the time.

Mr. Speaker, this is a rule which will allow consideration of H.R. 1664 which is the Defense and Emergency Supplemental Appropriation Bill for Fiscal Year 1999. The bill appropriates $12.9 billion in emergency supplemental funds mostly for military personnel, equipment, pay, retirement benefits and construction. As my colleague has described, this rule provides for 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations.

□ 1015

Technically, this is an open rule. However, under the Rules of the House dealing with emergency supplemental appropriations, virtually all amendments, except cutting amendments, can be ruled out of order unless the Committee on Rules grants a waiver. Despite the numerous requests from House members, the Committee on Rules granted waivers for only three amendments and one of those was by the ranking minority Member of the Committee on Appropriations.

The rule does not open the process. This rule does not give the House an opportunity to work its will. Therefore, I will oppose the rule and I urge House Members to defeat it.

The emergency supplemental appropriation bill before us today is a fat, bloated bill, with misplaced priorities. It puts buildings ahead of people. It funds long-term investments but denies money to immediate needs. This rule will not give House Members the chance to correct that.

I am particularly disturbed because the Committee on Rules denied my request to offer a bipartisan Hall-Roukema amendment to provide $150 million in much needed food assistance to the Albanian Kosovar refugees and displaced persons in the Balkans.

Mr. Speaker, last weekend I went to Albania and Macedonia with a House delegation of 20 members, led by Majority Leader DICK ARMEY. We visited Stankovac 1, which is the largest refugee camp in Macedonia, which at that time housed 30,000 who were forced to flee from their homes in Kosovo.

This is only one of many refugee camps in the Balkans housing the victims of President Milosevic genocidal campaign of ethnic cleansing. Thousands more are arriving every day.

There is a critical need to feed these people. A report released last week by the U.N. World Food Programme calculated that 1.4 million refugees and misplaced people will need to be fed in the Balkans and that report estimated the cost of feeding them over the next 17 months to be almost $300 million.

The situation is getting worse. I quote from the World Food Programme report: The situation for displaced and other people inside Kosovo is certain to worsen because the entire food distribution system has ground to a halt.

Without this money, many of the refugees face malnutrition or starvation. If the United States shifted money from other emergency feed accounts to handle this crisis, then we would have to cut our assistance to southern Sudan, North Korea and the Horn of Africa, Bangladesh and other crises.

The bill does include $566 million for general humanitarian aid but this will be used mostly for medicine, shelter, sanitation. It is no substitute for food aid. Astonishingly the administration did not request any emergency funding through PL–480, which is the principal initial food assistance program. This is a sorry oversight. The Committee on

Appropriations continued the glaring omission.

I note that PL–480 is one of the few forms of international food assistance that directly benefits hurting U.S. farmers.

Mr. Speaker, we are told that the purpose of NATO air strikes, which I support, are to protect the ethnic Albanians in Kosovo, but there is no point to an air war to save the Kosovars if we leave them to starve and to be malnourished in refugee camps.

Mr. Speaker, this emergency funding bill includes $156 million for military recruiting and advertising. It includes $1.1 billion for construction projects in Europe and Asia. We can, we must, include money to feed the very people this bill is intended to help. Food for the Kosovars is also an emergency.

Adding funding for PL–480 in this bill is supported by the Coalition for Food Aid, which includes World Vision, CARE, the Catholic Relief Service, Save the Children and other groups.

The failure of the world's biggest food producer to provide food to refugees fleeing starvation and brutality inside Kosovo is astounding. The Hall-Roukema amendment would have added about 1 percent to the cost of the bill, about $150 million.

The recent reports of food shortages in Kosovo suggests that Milosevic has added a new weapon in his campaign of ethnic cleansing: Hunger. Just as we are fighting the troops with air strikes, we should fight this new danger with food donations.

I want to thank my colleague the gentlewoman from New Jersey (Mrs. ROUKEMA) for her support of this amendment. Without money to take care of the food needs in the Balkans, the bill is seriously flawed, and by denying an opportunity to improve the bill this rule is fatally flawed. I urge a defeat of the rule.

Mr. Speaker, I reserve the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield 1 minute to the gentleman from Florida (Mr. YOUNG), the honorable chairman of the Committee on Appropriations.

Mr. YOUNG of Florida. Mr. Speaker, I thank the gentlewoman from North Carolina (Mrs. MYRICK) for yielding the time.

Mr. Speaker, I merely want to rise in support of this rule. The rule does provide for us an exciting day today in the House because there are a lot of different issues that are going to be addressed.

In many meetings, group sessions and one-on-one meetings that I have had leading up to today, I promised all of my colleagues that I would ask the Committee on Rules for an open rule so that Members could offer their amendments that would be germane and otherwise in order to the bill and let the majority work its will. That is exactly what I did. I did ask for an open rule. The Committee on Rules complied with that request.

The rule today is an open rule and Members will have an opportunity to offer their amendments, and I just ask that we support this rule and get on with the bill.

Mr. HALL of Ohio. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I thank the gentleman from Ohio (Mr. HALL) for the time.

Mr. Speaker, I am going to vote against this rule. I had not intended to. Yes, when we were in discussions with the Committee on Rules and the committee leadership, I had the feeling that with the promises that we had been given that we were going to see a new day in this House with more bipartisan cooperation in the way legislation is brought to the floor and that those promises were, in fact, going to be kept.

Then, after a series of conversations, apparently people behind the scenes decided that that rule was going to be shaped quite differently. Among the things that were done is that the committee put time limits—under what is supposedly an open rule, the committee still put time limits of 40 minutes—on the major amendment that we are going to be debating on this bill.

That amendment is very complicated; yet each side will only have 20 minutes to debate it. The amendment is complicated enough it will take 10 minutes to explain it, which will leave only 10 minutes to discuss the merits. That is not the way to debate questions of war or, for that matter, some of the other serious issues that are in this bill.

Secondly, another amendment is being offered by the majority which is paid for by hijacking items that were in our amendment to pay for the items that we have listed in our amendment. In my view, that is an effort to weaken political support for our amendment. I would simply point out that since the majority has two-thirds of the staffing available or more in this place, to put together their legislation, I do not think they have an operational need to, in effect, steal or highjack our amendments, but that is largely what has been done.

So it just seems to me that this rule is not what it was going to be yesterday and for that reason I am going to oppose it.

I also want to say something else. I think that what happened on this rule is symptomatic of what is happening on this entire bill. I did not vote for the Rambouillet endorsement when it was on the floor.

I do not believe in giving any administration a blank check, but we are now in a war and we have rampant misery which has been brought to the world, to the refugees and to a lot of others. We did not start that war; Mr. Milosevic did.

Now the question is: What will NATO and what will the United States do about it?

I believe we ought to do everything necessary to win. I do not believe the options for ground troops ought to be off the table and in that I very strongly agree with Senator MCCAIN. But to me, that issue right now is beside the point.

The issue is whether this House can come together and debate one of the most fundamental issues that will be before any legislative body, in a manner which is both bipartisan and constructive. I do not think this rule gets us off to a good start.

In my view, if we cannot play this issue straight we cannot play any issue straight, with American lives on the line and with the future credibility of NATO on the line.

What it seems to me is that we are being faced with a shifting understanding of what the rules are supposed to be for debating this legislation at the same time that we see spectacularly shifting positions on the part of the majority.

Last week, the House voted against supporting the operation that is now going on in Kosovo and yet this week we are now asked to more than double the request that the administration made to finance that operation. That makes no sense whatsoever.

I believe the reason that that has been done is that I believe last week's amendment was clearly intended to simply pin the label on the war of being Clinton's war, unfortunately politicizing the situation.

Now, this week I think there is an effort being made to in essence pour all kind of money into this bill so we can free up enough room for $3 billion worth of pork in the next defense bill. I think that is illegitimate. I do not think we ought to be treating a serious issue like this this way and I would urge a vote against the rule because it is not conducive to finding common ground on the most serious issue we face.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. GOSS).

Mr. GOSS. Mr. Speaker, I thank the gentlewoman from North Carolina (Mrs. MYRICK) for yielding me this time.

Mr. Speaker, I rise in support of what I think is a very responsible and open rule that gives Members a chance to consider a very wide variety point of view on what is a critical issue, as we all know. I cannot understand why we are having opposition to an open rule.

Mr. Speaker, U.S. operations in Kosovo have exposed the reality that the fabric of our national security has indeed worn very, very thin, at a time when it is still a dangerous world. Over

the last several years, the Clinton-Gore administration has demanded more from the military but it has actually provided less resources for the military.

From Somalia to Haiti, Bosnia, Iraq, all those places, our troops are being deployed overseas, more often, for longer periods of time, even as our defense budget has been cut or has been held even.

Well, today the bill has come due. It is simply time to pay up. The supplemental appropriation under consideration under the leadership of the gentleman from Florida (Mr. YOUNG) and the gentleman from California (Mr. LEWIS) will address the immediate needs arising from the U.S. operation in the Balkans, but it will also shore up other critical readiness areas that have been sadly depleted.

Mr. Speaker, last week's debate on the War Powers Act showed that Congress was of many minds on the policy issue, but this debate today is not about policy. I repeat, this is not a policy debate today. It is about money. It is about resources to take care of our troops, and that is something that Congress must pursue with a single-minded intensity.

Who among us would deny our troops in harm's way the best training, the best equipment, the best odds to survive and to win with the least casualties?

I know that some of my colleagues would like to deal with the policy issue by refusing to fund military operations in Kosovo.

□ 1030

They are absolutely right, that policy missteps by the Clinton-Gore administration can have grave consequences, as we have seen vividly and tragically in Somalia when the body of a U.S. soldier was dragged through the streets of Mogadishu.

But failing to fund our troops' needs would invite the same kind of disaster by leaving our men and women on the front lines without the training and resources they need to protect themselves.

I encourage my colleagues to support this rule and vote for the supplemental appropriations bill. Taking care of our troops and our national security are among the most fundamental duties this body has.

Mr. HALL of Ohio. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Texas (Mr. FROST).

Mr. FROST. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, the Republican Party has again demonstrated its willingness to try to have things both ways. In some circles, it might be said that railing against a military action and then doubling the money to fight it should be called hypocrisy.

Mr. Speaker, I am at a loss to explain how a political party can, on one hand, demonstrate its visceral hostility towards the President, and then, on the other hand, turn around and double his request for money for what they call Clinton's war. All I can do is shake my head in disbelief.

Mr. Speaker, now is not the time for political gamesmanship. Today, right now, our military stands in harm's way. Today is the time for Congress to stand up and support them, and not play games with their lives in order to advance a political agenda.

Democrats have, in spite of the divergence of views within our Caucus, gone to great lengths to keep politics out of the debate about Kosovo. How I wish I could say the same thing about the other party.

Mr. Speaker, in all likelihood I will vote for the supplemental made in order by this rule. The rule itself is irresponsible and unfair. It allocates some of the money voted in the original supplemental for agricultural assistance, but it denies a separate vote on the disaster assistance for Central America, and it denies a vote to the gentleman from Ohio (Mr. HALL) on supplemental food assistance for the refugees in Albania.

Mr. Speaker, Republicans are fond of chanting their mantra that the President has underfunded the Armed Forces, but I would like to offer an alternative, and more accurate, perspective. Last year the President asked for $2.9 billion more for defense spending than either the Senate or the House Republican budget resolutions provided. Two years ago the President asked for $12.3 billion more. This year the President asked for $104 billion more in budget authority and $198 billion more in outlays for the next decade than did the Republican budget.

I may not have agreed with all the President's priorities, Mr. Speaker, but the fact is that his budget requests have been significantly higher than what the Republican Congress has agreed to in their budget resolutions.

Mr. Speaker, the Democratic Caucus is divided about the amount of extra military spending in this supplemental, but I would be hard-pressed to find a member of our caucus who does not think that the gentleman from Ohio (Mr. HALL) was treated unfairly last night by the Republican leadership and the Republican members of the Committee on Rules.

Mr. Speaker, no one in the House, no one, speaks with more moral authority about the issue of hunger than does my colleague, the gentleman from Ohio (Mr. HALL). Each and every Member of this House knows full well that the actions of Milosevic in Kosovo have created a humanitarian catastrophe that has sent Kosovar Albanians streaming out of their homeland seeking safety in their neighboring countries of Albania and Montenegro. Mr. Speaker, sadly, no one in the administration anticipated this level of disaster.

The Committee on Rules last night had, in the words of the gentleman from Ohio (Mr. HALL), the opportunity to do the right thing, but the Republican majority took a pass. Does the hostility of the Republican Party toward the President reach so deep that hungry children are going to be made to suffer? Pardon the pun, but that should be food for thought for all of us.

In conclusion, Mr. Speaker, passage of this defense spending supplemental is so important to the Republican majority that this rule also makes in order an amendment designed to appease the most conservative wing of their party. That amendment, sponsored by the gentleman from Oklahoma (Mr. COBURN), would in essence cut domestic non-defense discretionary spending across the board by 5 percent.

So not only will the Republican majority not allow an additional $150 million in spending for food assistance for Kosovar Albanian refugees, the Republicans are willing to cut other domestic programs to fund supplemental military spending.

All I can do, Mr. Speaker, is shake my head in disbelief.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I rise in support of this rule for the Kosovo emergency appropriations bill. It is an open rule. It is a fair rule. I urge my colleagues to vote for it.

The Committee on Rules was given a tough task this week, and I commend them for their hard work. In two important ways the rule provides an opportunity to add a critical component to the underlying bill: specifically, how to pay for it.

First, it protects a provision that I authored to force the President to pursue NATO reimbursements for our costs in Operation Allied Force and report back to Congress on its progress by September 30 of this year.

Second, the rule gives priority to an amendment by myself and two colleagues, the gentleman from Oklahoma and the gentleman from South Carolina. Our amendment uses a combination of NATO reimbursements and across-the-board reductions to ensure that the new, additional emergency spending in this bill will be fully offset.

We give the President to the end of this fiscal year to secure NATO reimbursements, and the remaining amount of offsets, if necessary, would come from small reductions in non-defense discretionary spending in the next fiscal year.

It is important to note that the amendment uses a sequester mechanism already in budget law and would exempt several programs from any reductions.

Again, Mr. Speaker, I thank the Committee on Rules, and I urge my colleagues to pass this rule.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I rise in opposition to this rule. This bill, along with last week's votes on Kosovo, reveal a fundamental flaw in the majority party's vision of national security.

First, the majority of House Republicans voted against our military's effort to stop genocide in Kosovo. Now that same majority uses funding for the operation as an excuse for $6 billion in non-Kosovo military spending. The majority whip calls us chicken hawks.

The other side complains that the administration's defense policy is ''doing more with less.'' But in rejecting Kosovo while giving the Pentagon $6 billion more, these critics embrace a doctrine of doing nothing with everything. In today's world, we cannot afford to do nothing. With today's budget, we cannot afford to buy everything.

Republicans complain that our military's efforts to bring peace to the Balkans undermines readiness. Ready for what, if not Kosovo? Ready for the Soviet Union to spring to life, or Nazi Germany? Readiness is not an end in itself, it is a means to an end, our military's ability to carry out its mission, a means to ensuring our own security and prosperity.

Ethnic conflict and regional instability, as in Kosovo, threaten our security and prosperity. It makes no sense to build up fortress America and sit inside idle while the world outside falls apart. Congress' decisions on the military must reflect the world as it is and will be, rather than a world of the past.

I urge my colleagues to support this needed funding for our troops over Kosovo, and to resist playing games with it. We are better than that.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I rise in support of the rule. The rule is far from perfect, but it allows adequate debate, and it will certainly allow us who think that it is unwise to increase the spending to vote against the spending. It certainly allows an opportunity for those who think that we should double the spending to explain why we should spend so much money on a war that we have not declared.

Mr. Speaker, we have to realize that this war has been pursued for over a month. We have not appropriated the funds, so whether or not we act today, the war will continue, unfortunately. The war has not been declared, but if we go ahead and fund it, we become partners in this war. I do not think that is a wise policy. We should not provide the funding.

Mr. Speaker, there is a fallacy, that floats around this House that says that if we increase the funding for the military, we will have greater defense. That reminds me of the accusation from the right that always challenges the left that says, if there is a social problem, all you want ever to do is throw more money at it. The worse the problem gets, the more money they want to spend on the social problem.

It seems like the worse our defense gets and the more we get into quagmires around the world and the more we accept the policy of policing the world, all we seem to do is come back and say, well, if we just put more money in it, everything is going to be okay.

But if we are in a quagmire, if we are following a policy that is unwise, the money might just make conditions much worse. I think this is why we must defeat the spending on this program, because the problems with what is happening in Bosnia and Kosovo and Iraq will be compounded as long as the administration has the money to fund the war.

Yes, I am for a strong national defense, but if the policy is wrong, it will undermine all the spending. The money will actually be wasted. Funding encourages a policy that is in error. Funding is an endorsement of the war. We must realize that it is equivalent to it. We have not declared this war. If we fund it, we essentially become partners in this ill-advised war.

Mrs. MYRICK. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Speaker, I thank the gentlewoman for yielding me the time.

Mr. Speaker, I rise in favor of this rule, despite my disappointment with several of my amendments not receiving waivers.

There will be lots of seemingly contradictory statements made during today's debate about this bill. Some will say this bill is about rebuilding our military, which it is. Some will say it is about raising the pay of our courageous men and women in service, which it is. Some will say it gives the administration the dollars which not only will escalate this war, but possibly expand it to a ground war, which it does.

This modified open rule not only restricts amendments that would have moved needed national defense funds to other appropriations categories, but also restricts a number, under House rules, of amendments that could have prohibited the buildup of the war, such as an amendment by my colleague, the gentleman from Indiana (Mr. DAN BURTON).

Overwhelmingly, the House had passed an amendment that would have restricted a ground war, but it is not allowed under this bill, where it would have had the force of law. Several amendments of mine that would have reached back were also prohibited.

So while there are a number of waivers, there are not any waivers for those of us who were trying to affect some of the ability of previous funds to be moved around.

However, by allowing a modified open rule, it still gives many of us the flexibility to offer amendments that are within the House rules that will greatly restrict this Administration's ability to escalate and expand this war, and possibly even force the needed peace settlement that is pending. Our House vote last week clearly pushed the administration towards that, along with the work of Reverend Jesse Jackson.

This rule will most likely, and it should, pass. That is quite a difference from the last few sessions of Congress. Quite frankly, in the last few sessions when we had a controversial vote like this, many of us were jammed. That resulted in us coming to the floor and taking down a rule. I learned there were more woodsheds out in this floor than I believed were possible. We were hauled in. We were told our party was collapsing. We were told the whole Congress was going to fold. We were going to lose control of Congress.

But in fact, a lot of this controversy inside our party has been alleviated by our new Speaker, who has at least given us the flexibility to offer different amendments. We as a party need to pull together and pass this rule.

Mrs. MYRICK. Mr. Speaker, I yield 2½ minutes to the gentleman from Indiana (Mr. BURTON).

Mr. BURTON of Indiana. Mr. Speaker, I appreciate the gentlewoman yielding time to me.

Mr. Speaker, I am going to reluctantly support this rule because it does allow some amendments that will hopefully force the President to come before this body and the Senate before he would send ground troops into Kosovo. I am not sure it will do it, but I think at least it expresses the will of the Congress that we would like for him to come before this House and the Senate before sending our troops into harm's way.

When President George Bush decided to go into the Persian Gulf, there was great planning involved. We created an army of 550,000 troops, and before we went in there was a very sound battle plan. When we went into Kosovo, the Joint Chiefs of Staff indicated to the President that they thought it was a mistake to start bombing without more planning.

Nevertheless, the President chose to do it because he thought, in his own wisdom, that he could end this thing in a short period of time. The Nazis could not do it, and we have not done it in the last 30 days. Now they are talking about sending in ground troops.

Hopefully, the discussions that are going on in Germany today will preclude that possibility by getting other

U.N. forces in there to deal with this problem. But the fact of the matter is, proper planning has not taken place.

□ 1045

And as a result, if we send ground troops in there, we are going to see a lot of young men and women come home in body bags or being maimed.

What Nazi Germany could not do in years we are talking about doing in months, and we are talking about sending 200,000 or 300,000 ground troops in there. I tell my colleagues, in my opinion, the poor planning, the ineffective leadership out of the White House, the poor foreign policy will lead to a disaster if we do not take proper precautions.

That is why this House, the people's House, and the other body needs to be involved in the decision-making process. The American people need to have all the facts before them through their elected representatives. The case needs to be made before we ever send one young man or one young lady into harm's way into Kosovo.

That is why I think it is extremely important that that point be made today, that it has to be made clear to the White House, do not do this without consulting with this body and the other body. Because if we get into a ground war without proper planning, without all the people working together, with the entire Nation behind it, it is a recipe for disaster. We saw that happen in Vietnam when the country came apart.

We need proper planning. We need the leadership of the Congress to be involved in the decision-making process as well as every Member here voting on it. So I would just urge the White House that after we appropriate this money today, and I am sure it is going to happen and the rule will pass, I urge the White House to consult with this body before ever sending one young man or one young lady into harm's way in Kosovo.

Mr. HALL of Ohio. Mr. Speaker, I yield 5 minutes to the gentlewoman from California (Ms. PELOSI), who is the ranking minority member on the Subcommittee on Foreign Operations, Export Financing and Related Programs of the Committee on Appropriations.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding me this time; and I also commend Mr. HALL for his tremendous leadership.

As the gentleman from Texas (Mr. FROST) said earlier, no one has greater standing in this body than the gentleman from Ohio (Mr. HALL) when it comes to meeting the needs of the hungry throughout the world. We are blessed to serve with him, and it is a privilege to call him colleague.

Mr. Speaker, we are all very blessed to have the privilege to serve in this body. We speak for the American people. They give us this privilege, and we should deal with it responsibly. We owe them that, to use our best thinking and our arts of compromise to come to agreement on issues for America's future. At no time is it more important that we put our partisanship aside, as when we put our children in harm's way, our young people in harm's way, as they are now in the Balkans.

That is why it was so disappointing to see the rule that came to the floor this morning. Last night I went home fully prepared to come in to vote for the rule. We were told that we had bipartisan cooperation and that it would be an open rule. Indeed, the distinguished chairman of the Committee on Appropriations heralded it just that way in his remarks just a few moments ago when he said this is an open rule which will allow each Member to bring his or her amendment to the floor.

But what form do those amendments take? Would others consider it their amendment if, as in the case of the gentleman from Wisconsin (Mr. OBEY), the Republican majority altered the amendment? Certainly they knew the appeal of the amendment of the gentleman from Wisconsin. It is responsible, it addresses our military needs, it recognizes the increased cost of the huge number of refugees who unexpectedly descended upon Macedonia and Albania, and it has the urgency of Hurricane Mitch contained in it. It also addresses the needs of America's farmers.

They knew that it was responsible. They knew it would appeal to their Republican Members. That is why it was so disappointing to see the illusion of an open rule with a rule that changed the amendment of the gentleman from Wisconsin, co-opting the provision on agricultural assistance and giving a piece of that amendment to one of their colleagues, hoping to deflect support from the amendment of the gentleman from Wisconsin by having a separate agricultural vote.

And what they also lost is the success of the Obey amendment, which contains, again, $175 million in humanitarian assistance. Others have said that there is disagreement about the policy and the war and the air strikes and the rest. I myself support President Clinton's action and commend him for his courageous leadership. But one thing we all agree on is that the American people want us to provide humanitarian assistance. They do not want to see the most vulnerable, the children and the elderly, starving and freezing and going without the absolute basic necessities. But unless we have the additional humanitarian assistance, that will be the case.

In addition, in the so-called open rule, the gentleman from Ohio (Mr. HALL), as was mentioned, was denied the opportunity to put in $150 million in additional food assistance for the refugees. How can this be called an open rule if the gentleman from Ohio, who is on the committee, has standing on the issue, is present at the table to make his case, is denied the opportunity to present an amendment which will give people food to eat? We are talking about the basics.

I was pleased to join our distinguished chairman, the gentleman from Florida (Mr. YOUNG), on a visit to the Balkans. We visited the refugee camps. We can speak firsthand as to the needs there and to how those needs have grown since the administration made its request to Congress.

I support the President's request, I support the President's support of the NATO action, and I urge my colleagues to vote ''no'' on this rule.

For some reason, between yesterday, when there was a spirit of cooperation for an open rule that we could all support. That rule would give the American people what they should expect of us, which is a reasoned and informed debate on the actions in the Balkans and how much we should be paying for it. Instead we are faced with the choice of voting for twice as much money as the President asked for in his bill on a policy that the Republican majority rejected last week. I guess they are saying, ''We do not agree with you, but we want you to spend twice as much money to pay for it.''

In sadness, Mr. Speaker, I urge my colleagues to vote ''no'' on the rule.

Mrs. MYRICK. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. DELAY), and I would just point out that the amendment of the gentleman from Wisconsin is printed in the rule exactly as it was offered.

Mr. DELAY. Mr. Speaker, I rise today in support of this rule. The emergency defense appropriations bill is vitally important to our national security, whether we agree with NATO's involvement in Kosovo or not.

I have not been shy in stating my own opposition to the manner in which the President has handled this situation, but this bill is about supporting our troops and making sure they have the tools and the training that they need to return home safely.

This bill is about making sure that our interests are secure on a global basis, and right now I am disheartened to say they are not. In fact, the Pentagon has told us that there will be a readiness crisis if they do not get this funding by Memorial Day. If we ever had a military emergency, it is right now, and that emergency reaches much farther than the endless air raids going on in the Balkans.

Since we started talking about this bill a few weeks ago, I have heard story after story from my colleagues about the terrible situation our military is facing, about soldiers who have never trained with live rounds and pilots who are not getting flight time because there are no spare parts to repair their

planes. This kind of readiness crisis means that our national security is presently at serious risk.

Now, this rule gives us an opportunity to mitigate that risk. We have an obligation to support our troops and refurbish the military that is currently being hollowed out to fund this war effort, and we have the responsibility to do this as expeditiously as possible, which is exactly what this rule does.

Let me say to my friends that I understand they may not agree with the emergency nature of this bill. My colleagues may object to the war in Kosovo on its face, as I do, or to using this kind of vehicle to refurbish our stripped-down Armed Forces. But the process must not be undermined.

I heard a lot last week about the votes we had on the floor over Kosovo. Some folks said that we sent the wrong message to Milosevic. Well, make no mistake about it, while I object to the President's handling of this situation, I know our troops need our support now more than ever. The Congress cannot abandon our troops just because the President deploys them unwisely. We must support our troops even as we disagree with the President. This rule and this bill will convey exactly that message to Serbia and to the Americans stationed there.

Mr. Speaker, our troops are in harm's way. Our national security is at risk. We have an obligation to give our sons and daughters everything they need to protect themselves. We have an obligation not to abandon our troops in the field. I urge my colleagues to support the rule.

Mrs. MYRICK. Mr. Speaker, I yield 1 minute to the gentleman from Iowa (Mr. LATHAM).

Mr. LATHAM. Mr. Speaker, I thank the gentlewoman for yielding me this time; and I rise in support of the rule today.

It is very, very important that the farm credit provisions in the amendment that we will be putting forward was made a part of the discussion today, and the amendment will be offered.

As everyone knows, agriculture is in a very difficult situation today. The USDA has not been able to get out the checks that are needed as far as the disaster that we passed last year, the $2.3 billion.

We have a credit crisis in agriculture today, and we have to use every possible means to make sure that we get credit to our farmers this spring. They are in the field today. And we appreciate very much the Committee on Rules allowing us to have this amendment be part of the debate today.

Mr. HALL of Ohio. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I just heard the distinguished majority whip indicate that we cannot abandon our troops in the field. I do not know of a single person in the House who has any intention of doing that. I do think that the interpretation of the vote that occurred last week might, in some people's minds, be interpreted that way, but I certainly do not know of anyone who intentionally intends to do that on either side of the aisle.

I do want to take just a moment to discuss this myth that somehow it is the Clinton administration which has created a military readiness problem. I would point out that for 4½ years the majority party has controlled this Congress. During that time it has added $27 billion to the President's military requests.

□ 1100

The Congressional Budget Office estimates that less than $4 billion of that $27 billion went into readiness items such as operation and maintenance. The rest of the items went into what are largely considered military pork projects: the consolation prize destroyer that was provided in the district of the majority leader in the other body after his contractor was not selected by the Defense Department, the decision of the Congress to fund 10 additional C–130s that the Pentagon did not ask for rather than putting that funding into readiness.

Senator MCCAIN himself has pointed out that there were more than $4½ billion worth of pork items in the military budget last year. They were in charge. If they thought there was a readiness problem, why did they not put the money there rather than where they put it?

I saw a comment in the paper which said that the President was responsible for the fact that there were not enough JDAMs. The fact is they cut those missiles by 17 percent last year in the defense budget they brought to the floor.

So let us keep the record straight.

Mrs. MYRICK. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. DREIER), the distinguished chairman of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I rise in strong support of this rule. It is an open rule, and I believe it is the right thing for us to do. I congratulate my friend from Charlotte, North Carolina, for the very able job that she has done under somewhat difficult circumstances.

Mr. Speaker, military policy by committee does not work. The Constitution gives the President the clear authority to lead in situations like today in the Balkans. It is now his responsibility to ensure that our national interests are protected. Many Americans, including Members of this body, have serious doubts about the President's overall policy in the Balkans, whether vital national interests were on the line at all in Kosovo. Others are deeply concerned with the military strategy to date, namely, whether the current air campaign can prevail.

Mr. Speaker, the price of failure in Kosovo is simply too great at this point. American prestige and power, two of the most positive forces for good in the world today, cannot be abandoned on the field of battle. Developing and implementing a strategy that wins is the President's first responsibility to the American people.

Congress must ensure that the resources are available to carry out that strategy, as well as to ensure that our national security infrastructure around the globe is able to protect our national interests. This bill will, in fact, make sure that that is the case.

Now, as has been said, Mr. Speaker, this is, in fact, an open rule. I do not understand how any Member of this body could conceivably vote against an open rule. What we have done is we have provided the ranking minority member, the gentleman from Wisconsin (Mr. OBEY), the opportunity to offer his amendment. It has not been changed. It is the amendment that he submitted to us, and we have made that in order.

We also are addressing a concern that was raised about offsets, and so we have made in order the amendment by the gentleman from Oklahoma (Mr. COBURN).

We also are very concerned about immediately addressing the needs of our agriculture interests across this country, and so we have made in order the amendment by the gentleman from Iowa (Mr. LATHAM) which will effectively deal with that.

Now, there are many people who also want us to deal with questions of policy on the Balkans. This open amendment process ensures that that will, in fact, happen. Under the open amendment process, we will be able to consider the Rohrabacher amendment, the Souder amendment. Other questions will come up as to exactly what our role should be and what level of funding should be there for it.

So, Mr. Speaker, I urge a strong vote in support of this rule. It has been carefully crafted. It should enjoy bipartisan support.

Mr. HALL of Ohio. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. GIBBONS). The gentleman from Ohio has 6 minutes remaining.

Mr. HALL of Ohio. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. ROYBAL-ALLARD).

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in opposition to the rule and in opposition to what I see as the irresponsibility of the Republican leadership in addressing domestic and international emergencies.

We want to send a strong message of support for our troops in Kosovo today, and I hope that we will. But the Republican leadership has a consistently poor

record of leadership when it comes to providing emergency assistance to those in need.

During the last 2 years, Republicans have politicized emergency appropriations bills and delayed, sometimes for months, getting needed assistance to our farmers in California and North Dakota who have experienced disasters. We all remember that in 1997, when the Republican leadership sent the House home for the Memorial Day recess while North Dakotans flooded out of their homes waited for relief.

Today, emergency assistance for our farmers and for critical Central America has waited for months while Republicans use the Kosovo supplemental appropriations bill as a vehicle for their political agenda.

Mr. Speaker, these are the faces and this is the tragedy of what is happening in Central America. But 6 months has passed since Hurricane Mitch killed more than 9,000 people in Central America in the worst disaster in 200 years. Thousands more are missing, and tens of thousands have been left homeless. $5.3 billion in damage to this region has wiped away 50 years of progress and returned the region to the level of development it had in the beginning of the century. Yet the Republicans continue to turn their backs on this tragedy in our own hemisphere.

The emergency supplemental is critical to the reconstruction of this region. If emergency aid is not received soon, it will lead to the political instability of the region and cause mass migration towards the United States. Responsible leadership means support for our troops, and it means helping our farmers in need. But responsible leadership also means that we must help those in the backyard of our own hemisphere.

I support the Obey amendment as a common-sense approach to balancing the many emergency needs that require our attention. The Republican leadership must stop playing political games while American farmers and our troops and our neighbors in Central America continue to suffer.

Mrs. MYRICK. Mr. Speaker, I reserve the balance of my time.

Mr. HALL of Ohio. Mr. Speaker, I have no further speakers, and I yield myself such time as I may consume. I will just make a few comments in closing.

I believe that this bill is a fat one, and I think it is bloated, and it has a lot of misplaced priorities. It technically is an open rule. But because it comes under the emergency rules, it is very restrictive because it gives tremendous power and ability to the Committee on Appropriations to pretty much decide the fate for the whole Nation here.

It is hard to get at this bill. The bill started at $6 billion, and kind of overnight it went to $12 billion. And a lot of these items, while important, are really not, in my opinion, high priority.

We have got an item in here for $156 million for advertising. Gee, that is really a high priority and exciting, that we are going to give $156 million to some companies on Madison Avenue to advertise, when in fact we do not have any food aid in this bill.

And I find the fact that we cannot amend it to be not only restrictive but very frustrating. Not only did our administration miss it, but the Committee on Appropriations missed it. And because of that and other restrictive rules, we must oppose it.

One of the things that I am reminded of and I keep in the back of my mind is, when the delegation went to Macedonia and Albania this past weekend, one of the things that we kept hearing from our own pilots was the fact that as they flew over Kosovo it was like one great big bonfire, thousands upon thousands of house fires were lit up as they would fly over. It went for miles. The whole country was lit up.

In questioning the refugees in the camps that we were at, there was not one family that I talked to that did not have their house burned down, that were not robbed. And one man has caused this. We are not there because we like being there. We are not there because we are trying to feed people. We are there because one person caused a million people to be affected in such a way that I find it unbelievable.

So when we get a chance to really fund our priorities, one of the highest priorities of being able to feed people, we do not even have that kind of food item in here.

So, for these reasons and others, the fact that it is so restrictive, we must oppose this rule and, hopefully, defeat it and come back with a much better rule and much better bill that really funds what the priority should be according to this crisis that we are in over there.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The gentlewoman from North Carolina (Mrs. MYRICK) has 8 minutes remaining.

Mrs. MYRICK. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. HASTERT), the Speaker of the House.

Mr. HASTERT. Mr. Speaker, I thank the gentlewoman from North Carolina very much for yielding me time.

Ladies and gentlemen of Congress, I rise in support of this rule and the supplemental. I urge my colleagues on both sides of the aisle to support it.

Let me just say, I have heard some rhetoric since I have been here the last 10 or 15 minutes that there is not enough food aid or refugee assistance in here. There is $600 million in here, as requested by the President, for food and refugee assistance, $600 million. It is in the line. It is there. And to say it is not is just purely false. It is there. It was asked by the President. We put that money in.

But this vote today is probably one of the most important votes we can take as Members of Congress. The issue is simple: Do you support our men and women in uniform as they defend America's interests and will you help us restore our Nation's defense so that our soldiers can do their jobs?

Last week, the House spoke on the President's policies concerning the engagement in Kosovo; and. Clearly, the House had some misgivings about those policies. But today, let there be no mistake, the United States Congress stands with its soldiers, sailors, and airmen as they defend America.

Since the conclusion of the Cold War, the Federal Government has steadily drawn down its defenses. In fact, this administration's budgets have severely reduced those budgets of our military over the last few years, and for good reason. The President did so under the assumption that the world was a safer place in the absence of a Soviet threat.

But, with Saddam Hussein, the instability in North Korea and with the current situation in Kosovo, we have learned a valuable lesson: The world is not a safer place. And, in fact, the threats from terrorist nations have increased, and we must be prepared to defend America's interests.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will advise the persons in the gallery to refrain from conversations. The speaker on the floor deserves to be heard. Visitors are the guests of the House, and the Chair requires your compliance.

Mr. HASTERT. Mr. Speaker, the money we spend today will start the process of giving our soldiers and sailors and airmen the resources they need to do their jobs. It will make certain that they have the training they need to keep them safe. It will give them the livable housing and reasonable wages. It will give them spare parts they need to keep their planes in the air. And it will give them the munitions to allow them to carry out their missions.

To my colleagues who disagree with the President's policy, let me say simply, you had your vote last week. To my colleagues who want to pick this supplemental apart, let me say that this, too, is important for our servicemen and servicewomen to not be subject to partisan politics.

Now is the time to rise above the partisanship and vote for the good of the country as a whole. To my colleagues who feel we should offset this emergency spending, let me say that this bill represents our best efforts to deal with the national emergency. And to my colleagues who worry about the impact of this vote on the Social Security Trust Fund, let me say, we will replenish that money to the Social Security

Trust Fund. We cannot replenish the lives of our soldiers that may be lost if we fail to provide adequate resources to them in this time of need.

Let me state again: Every penny of Social Security receipts will be credited to the Social Security Trust Fund.

Mr. Speaker, the American people expect the Congress to act responsibly when it comes to providing for our Nation's security. Let us not fail them. Vote for this rule, vote for this defense supplemental, and vote for our soldiers and sailors and airmen as they defend America.

Mr. HILL of Indiana. Mr. Speaker, we have committed our armed forces to the conflict in Kosovo and now we must pay for it. This unanticipated expense is a classic example of what constitutes emergency spending. I have voted to support our troops and the NATO operation in Yugoslavia. We need to provide emergency funding for our troops in the field.

But the emergency appropriations bill that we will be asked to support, today, spends more than twice the 6 billion dollars requested by our military commanders for Kosovo. It will add billions of dollars in spending for non-emergency items that should be considered during our normal budget process.

As a member of the House Armed Services Committee, I clearly understand that the military has pressing needs, including improved pay and benefits for the troops, military infrastructure, equipment and spare parts. I support a pay raise for the military, pay scale reform, and retirement benefits reform. Our troops have earned a raise and it is the right thing to do.

But I don't believe that an emergency supplemental should be loaded up with spending that is more appropriately considered during the regular budget process. I don't think that today's bill shows a commitment to honest budgeting and spending controls.

□ 1115

Mrs. MYRICK. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. GIBBONS). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HALL of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 253, nays 171, not voting 10, as follows:

[Roll No. 116]

YEAS—253

| | | |
|---|---|---|
| Abercrombie | Aderholt | Armey |
| Ackerman | Archer | Bachus |
| Baker | Goodling | Pascrell |
| Baldacci | Goss | Paul |
| Ballenger | Graham | Pease |
| Barr | Granger | Peterson (PA) |
| Barrett (NE) | Green (TX) | Petri |
| Bartlett | Green (WI) | Pickering |
| Barton | Greenwood | Pickett |
| Bass | Hall (TX) | Pitts |
| Bateman | Hansen | Pombo |
| Bereuter | Hastert | Porter |
| Biggert | Hastings (WA) | Portman |
| Bilbray | Hayes | Pryce (OH) |
| Bilirakis | Hayworth | Quinn |
| Bishop | Hefley | Radanovich |
| Bliley | Herger | Ramstad |
| Blunt | Hill (MT) | Regula |
| Boehlert | Hilleary | Reynolds |
| Boehner | Hobson | Riley |
| Bonilla | Hoeffel | Roemer |
| Bono | Hoekstra | Rogan |
| Borski | Holden | Rogers |
| Brady (PA) | Hooley | Rohrabacher |
| Brady (TX) | Horn | Ros-Lehtinen |
| Brown (FL) | Hostettler | Roukema |
| Bryant | Houghton | Royce |
| Burr | Hulshof | Ryan (WI) |
| Burton | Hunter | Ryun (KS) |
| Buyer | Hutchinson | Salmon |
| Callahan | Hyde | Sanford |
| Calvert | Isakson | Saxton |
| Camp | Istook | Scarborough |
| Campbell | Jenkins | Schaffer |
| Canady | Johnson (CT) | Sensenbrenner |
| Cannon | Johnson, E. B. | Sessions |
| Castle | Johnson, Sam | Shadegg |
| Chabot | Jones (NC) | Shaw |
| Chambliss | Kanjorski | Shays |
| Clement | Kasich | Sherwood |
| Coble | Kelly | Shimkus |
| Coburn | King (NY) | Shows |
| Collins | Kingston | Shuster |
| Combest | Klink | Simpson |
| Condit | Knollenberg | Sisisky |
| Cook | Kolbe | Skeen |
| Cooksey | LaHood | Skelton |
| Cramer | Largent | Smith (MI) |
| Crane | Latham | Smith (NJ) |
| Cubin | LaTourette | Smith (TX) |
| Cunningham | Lazio | Souder |
| Davis (VA) | Leach | Spence |
| Deal | Lewis (CA) | Stearns |
| DeLay | Lewis (KY) | Stenholm |
| DeMint | Linder | Stump |
| Diaz-Balart | LoBiondo | Sununu |
| Dickey | Lucas (OK) | Sweeney |
| Dicks | Maloney (CT) | Talent |
| Doolittle | Manzullo | Tancredo |
| Doyle | Mascara | Tauzin |
| Dreier | McCollum | Taylor (MS) |
| Duncan | McCrery | Taylor (NC) |
| Dunn | McHugh | Terry |
| Ehlers | McInnis | Thomas |
| Ehrlich | McIntosh | Thornberry |
| Emerson | McKeon | Thune |
| English | Meek (FL) | Toomey |
| Everett | Metcalf | Traficant |
| Ewing | Mica | Upton |
| Fletcher | Miller (FL) | Walden |
| Foley | Miller, Gary | Walsh |
| Forbes | Mollohan | Wamp |
| Fossella | Moran (KS) | Watkins |
| Fowler | Moran (VA) | Watt (NC) |
| Franks (NJ) | Morella | Watts (OK) |
| Frelinghuysen | Murtha | Weldon (FL) |
| Gallegly | Myrick | Weldon (PA) |
| Ganske | Nethercutt | Weller |
| Gekas | Ney | Whitfield |
| Gibbons | Northup | Wicker |
| Gilchrest | Norwood | Wolf |
| Gillmor | Nussle | Young (AK) |
| Gilman | Ose | Young (FL) |
| Goode | Oxley | |
| Goodlatte | Packard | |

NAYS—171

| | | |
|---|---|---|
| Allen | Blagojevich | Carson |
| Andrews | Blumenauer | Clay |
| Baird | Bonior | Clayton |
| Baldwin | Boswell | Clyburn |
| Barcia | Boucher | Conyers |
| Barrett (WI) | Boyd | Costello |
| Becerra | Brown (OH) | Coyne |
| Bentsen | Capps | Crowley |
| Berkley | Capuano | Cummings |
| Berry | Cardin | Danner |
| Davis (FL) | Kleczka | Pomeroy |
| Davis (IL) | Kucinich | Price (NC) |
| DeFazio | LaFalce | Rahall |
| DeGette | Lampson | Rangel |
| Delahunt | Lantos | Reyes |
| DeLauro | Larson | Rivers |
| Deutsch | Lee | Rodriguez |
| Dingell | Levin | Rothman |
| Dixon | Lewis (GA) | Roybal-Allard |
| Doggett | Lipinski | Rush |
| Dooley | Lofgren | Sabo |
| Edwards | Lowey | Sanchez |
| Engel | Lucas (KY) | Sanders |
| Eshoo | Luther | Sandlin |
| Etheridge | Maloney (NY) | Sawyer |
| Evans | Markey | Schakowsky |
| Farr | Martinez | Scott |
| Fattah | Matsui | Serrano |
| Filner | McCarthy (MO) | Sherman |
| Ford | McCarthy (NY) | Smith (WA) |
| Frank (MA) | McDermott | Snyder |
| Frost | McGovern | Spratt |
| Gejdenson | McIntyre | Stabenow |
| Gephardt | McKinney | Stark |
| Gonzalez | Meehan | Strickland |
| Gordon | Meeks (NY) | Stupak |
| Gutierrez | Menendez | Tanner |
| Gutknecht | Millender-McDonald | Tauscher |
| Hall (OH) | Miller, George | Thompson (CA) |
| Hastings (FL) | Minge | Thompson (MS) |
| Hill (IN) | Mink | Thurman |
| Hilliard | Moakley | Tierney |
| Hinchey | Moore | Towns |
| Hinojosa | Nadler | Turner |
| Holt | Napolitano | Udall (CO) |
| Hoyer | Neal | Udall (NM) |
| Inslee | Oberstar | Velázquez |
| Jackson (IL) | Obey | Vento |
| Jackson-Lee (TX) | Olver | Visclosky |
| Jefferson | Ortiz | Waters |
| John | Owens | Waxman |
| Jones (OH) | Pallone | Weiner |
| Kaptur | Pastor | Wexler |
| Kennedy | Payne | Weygand |
| Kildee | Pelosi | Wise |
| Kilpatrick | Peterson (MN) | Woolsey |
| Kind (WI) | Phelps | Wu |

NOT VOTING—10

| | | |
|---|---|---|
| Berman | Kuykendall | Wilson |
| Brown (CA) | McNulty | Wynn |
| Chenoweth | Slaughter | |
| Cox | Tiahrt | |

□ 1134

Mr. RUSH changed his vote from ''yea'' to ''nay.''

Mrs. MEEK of Florida, Mr. HOEFFEL, Mr. KANJORSKI, Ms. EDDIE BERNICE JOHNSON of Texas and Ms. HOOLEY of Oregon changed their vote from ''nay'' to ''yea.''

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## GENERAL LEAVE

Mr. YOUNG of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1664, making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes, and that I may include tabular and extraneous material.

The SPEAKER pro tempore (Mr. GIBBONS). Is there objection to the request of the gentleman from Florida?

There was no objection.

## KOSOVO AND SOUTHWEST ASIA EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1999

The SPEAKER pro tempore. Pursuant to House Resolution 159 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 1664.

□ 1138

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes with Mr. THORNBERRY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Florida (Mr. YOUNG) and the gentleman from Wisconsin (Mr. OBEY) each will control 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman I yield myself such time as I may consume.

Mr. Chairman, the bill we bring to the floor today was approved by the Committee on Appropriations just last week. The bill is designed to meet the emergency requirements of the War in Kosovo and to provide for other readiness-related items that are being exacerbated by the War in Kosovo. Mr. Chairman, this war has stretched our military resources terribly thin.

Mr. Chairman, the President sent his request to the Congress, the committee reacted to that request quite expeditiously, and we made some changes. We provided the items that were identified by the President, but the committee, working in a nonpartisan way with our relative subcommittees, and I want to compliment the chairmen and ranking members of the subcommittees who were involved here in this particular bill, the gentleman from California (Mr. LEWIS) from the Subcommittee on Defense, the gentleman from Alabama (Mr. CALLAHAN) from the Subcommittee on Foreign Operations, Export Financing and Related Programs, the gentleman from Ohio (Mr. HOBSON) from the Subcommittee on Military Construction, and also the gentleman from Kentucky (Mr. ROGERS) who had an important part of this bill relative to embassy security; and these chairmen, plus their ranking members, did really an outstanding job.

I want to call special attention to the gentleman from Pennsylvania (Mr. MURTHA) who played such an important role in helping us put this bill together. It was a good bipartisan effort, and I hope that the vote today will reflect the bipartisanship with which we bring this bill.

As we provide for the replacement of the air-launched cruise missiles, or the JDAMs munitions or the various other weapons that have been fired, bombs that have been dropped, aircraft that have been lost, we have a very clean bill that is related strictly to these issues of national defense and specifically relative to the Kosovo war, and, Mr. Chairman, it is a war. At this point it is basically an air war, it is a war, and the sorties are numerous, the targets being hit are numerous, and it is important that we move this bill quickly.

Now, Mr. Chairman, one of the things that we added to this bill that has made some controversy has to do with pay, pay for those serving in our uniform who are risking their lives today in the Kosovo region and who are prepared to risk their lives in other regions of the world where they have been deployed for whatever their mission might be should something erupt, for example, in Korea with the North Koreans in southwest Asia, with Saddam Hussein and the Iraqis, and the money we put in for this pay raise is subject to authorization by the authorizing committee. It was a commitment that we made to our authorizers that they could write the rules, but we wanted to make the money available today.

Mr. Chairman, I was happy to see the President on TV last night from an air base in Germany telling the American military folks there that we were going to do some good things in this bill including a pay raise, so I suspect what little controversy there might have been about that issue hopefully would have gone away overnight.

□ 1145

Also, we addressed the problem of the redux having to do with retirement. We are having a real problem with retention of forces. We are having a real problem with recruiting. We think it is important to do something for the men and women who wear the uniform and who go to war, many of whom are at war today.

I am going to leave the details of the bill to the subcommittee chairman. After the gentleman from Wisconsin (Mr. OBEY) takes his time, I am going to call on our subcommittee chairman to present the details of the bill.

The bill before the House includes $12.9 billion for military operations relating to Kosovo and Operation Desert Fox and for refugee assistance. In developing this bill we consulted with the authorizing committees, the minority, the Pentagon, and our military commanders in the field.

The bill has four parts—the largest of which is with the Defense Subcommittee's jurisdiction. For these activities the bill includes $11.24 billion, $5.8 billion above the President's request. The increases are all in areas of identified shortages (weapons procurement, spare parts, depot maintenance, recruitment, training, and base operations).

In addition, the bill includes funding for increased military pay and retirement benefits at $1.8 billion subject to authorization and a presidential emergency declaration.

The bill includes $1 billion above the President for military construction; $830 million is for mission-related items, $240 million for the NATO security investment program. This funding is directly related to troop readiness. It goes to our European bases. It is executable in 1 year, and it is mission directed. It is not pork.

Third, the bill fully funds the President's request for refugee assistance. These funds are redirected away from reconstruction to refugees only. There is not reconstruction money in this bill for Serbia. There is $105 million in assistance to the front line states: Albania, Bosnia, Macedonia, Bulgaria, Romania, and Montenegro. There is a burden-sharing requirement.

Finally, the bill includes a relatively small amount of money ($70 million) for security at U.S. Balkan missions and for repairs at damaged embassies.

Mr. Chairman, this is a very good bill. Some will say it's too much. Some will say it's too little. But we have developed a bill that does what I believe we should be doing:

(1) We have expeditiously moved to support our troops and fund the administration's request to prosecute the war.

(2) We have addressed critical shortfalls in our defense preparedness: shortfalls that hinder our security and embarrass us for not adequately supporting our military.

(3) We have sent a powerful, morale-boosting signal that we want to increase pay—while giving the authorizers a major role in that decision.

(4) We have met the needs of helpless women and children whose tragedy is our tragedy.

(5) We have provided funds to help meet the security needs of our people in the Balkans.

(6) We have sent a message of support to the front line states whose help we must have it we are to succeed.

(7) Because the funds over the President's request are designated as contingent emergencies—it is the President who must make the decisions about whether or when to spend. But we have given him the tools to succeed.

Mr. Chairman, this is the right bill for this situation. I urge all members to support it and send a strong signal to our troops and to Milosevic.

Mr. Chairman, at this point in the RECORD I would like to insert a table reflecting the details of the reported bill.

## FY 1999 EMERGENCY SUPPLEMENTAL APPROPRIATIONS BILL (H.R. 1664)
### (Amounts in thousands)

| Doc No. | | Budget Request | Recommended in the bill | Bill compared with request |
|---|---|---|---|---|
| | FY 1999 EMERGENCY SUPPLEMENTAL APPROPRIATIONS | | | |
| | CHAPTER 1 | | | |
| | DEPARTMENT OF STATE | | | |
| | Administration of Foreign Affairs | | | |
| 106-50 | Diplomatic and consular programs (emergency appropriations) | 17,071 | 17,071 | ..... |
| 106-50 | Security and maintenance of United States missions (emergency appropriations) | 5,000 | 5,000 | ..... |
| ..... | Contingent emergency appropriations | ..... | 45,500 | +45,500 |
| 106-50 | Emergencies in the diplomatic and consular service (emergency appropriations) | 2,929 | 2,929 | ..... |
| | Total, Department of State | 25,000 | 70,500 | +45,500 |
| | INDEPENDENT AGENCY | | | |
| | United States Information Agency | | | |
| 106-50 | International information programs (by transfer) (emergency appropriations) | (450) | (450) | ..... |
| | Total, Chapter 1: | | | |
| | New budget (obligational) authority | 25,000 | 70,500 | +45,500 |
| | Emergency appropriations | (25,000) | (25,000) | ..... |
| | Contingent emergency appropriations | ..... | (45,500) | (+45,500) |
| | (By transfer) (emergency appropriations) | (450) | (450) | ..... |
| | CHAPTER 2 | | | |
| | DEPARTMENT OF DEFENSE - MILITARY | | | |
| | Military Personnel | | | |
| 106-50 | Military personnel, Army (emergency appropriations) | 2,920 | 2,920 | ..... |
| 106-50 | Military personnel, Navy (emergency appropriations) | 7,660 | 7,660 | ..... |
| 106-50 | Military personnel, Marine Corps (emergency appropriations) | 1,586 | 1,586 | ..... |
| 106-50 | Military personnel, Air Force (emergency appropriations) | 4,303 | 4,303 | ..... |
| | Total, Military personnel | 16,469 | 16,469 | ..... |
| | Operation and Maintenance | | | |
| 106-50 | Overseas contingency operations transfer fund (emergency appropriations) | 4,591,600 | 3,907,300 | -684,300 |
| 106-50 | Contingent emergency appropriations | 850,000 | 1,311,800 | +461,800 |
| | Total, Operation and maintenance | 5,441,600 | 5,219,100 | -222,500 |
| | Procurement | | | |
| ..... | Weapons procurement, Navy (emergency appropriations) | ..... | 431,100 | +431,100 |
| ..... | Aircraft procurement, Air Force (emergency appropriations) | ..... | 40,000 | +40,000 |
| ..... | Missile procurement, Air Force (emergency appropriations) | ..... | 178,200 | +178,200 |
| ..... | Procurement of ammunition, Air Force (emergency appropriations) | ..... | 35,000 | +35,000 |
| ..... | Operational rapid response transfer fund (contingent emergency appropriations) | ..... | 400,000 | +400,000 |
| | Total, Procurement | ..... | 1,084,300 | +1,084,300 |
| | General Provisions | | | |
| 106-50 | Sec. 8005 additional transfer authority (sec. 201) | (800,000) | (800,000) | ..... |
| ..... | Spare parts (sec. 207) (contingent emergency appropriations) | ..... | 1,339,200 | +1,339,200 |
| ..... | Depot maintenance (sec. 208) (contingent emergency appropriations) | ..... | 927,300 | +927,300 |
| ..... | Recruiting (sec. 209) (contingent emergency appropriations) | ..... | 156,400 | +156,400 |
| ..... | Readiness training (sec. 210) (contingent emergency appropriations) | ..... | 307,300 | +307,300 |
| ..... | Base operations (sec. 211) (contingent emergency appropriations) | ..... | 351,500 | +351,500 |
| ..... | Pay and retirement (sec. 212) (contingent emergency appropriations) (advance appropriations) | ..... | 1,838,426 | +1,838,426 |
| | Total, General provisions | ..... | 4,920,126 | +4,920,126 |
| | Total, Chapter 2: | | | |
| | New budget (obligational) authority | 5,458,069 | 11,239,995 | +5,781,926 |
| | Emergency appropriations | (4,608,069) | (4,608,069) | ..... |
| | Contingent emergency appropriations | (850,000) | (4,793,500) | (+3,943,500) |
| | Advance appropriations | ..... | (1,838,426) | (+1,838,426) |
| | (Transfer authority) | (800,000) | (800,000) | ..... |
| | CHAPTER 3 | | | |
| | BILATERAL ECONOMIC ASSISTANCE | | | |
| | Agency for International Development | | | |
| 106-50 | International disaster assistance (emergency appropriations) | 71,000 | ..... | -71,000 |
| ..... | Contingent emergency appropriations | ..... | 96,000 | +96,000 |

**FY 1999 EMERGENCY SUPPLEMENTAL APPROPRIATIONS BILL (H.R. 1664)— Continued**
**(Amounts in thousands)**

| Doc No. | | Budget Request | Recommended in the bill | Bill compared with request |
|---|---|---|---|---|
| | Other Bilateral Economic Assistance | | | |
| 106-50 | Economic support fund (emergency appropriations) | 105,000 | 105,000 | ..... |
| 106-50 | Assistance for Eastern Europe and the Baltic States (emergency appropriations) | 170,000 | 75,000 | -95,000 |
| | Total, Other bilateral economic assistance | 275,000 | 180,000 | -95,000 |
| | INDEPENDENT AGENCIES | | | |
| | Peace Corps | | | |
| 106-50 | (By transfer) (emergency appropriation) | (500) | (500) | ..... |
| | Department of State | | | |
| 106-50 | Migration and refugee assistance (emergency appropriations) | 125,000 | ..... | -125,000 |
| ..... | Contingent emergency appropriations | ..... | 195,000 | +195,000 |
| 106-50 | United States emergency refugee and migration assistance fund (emergency appropriations) | 95,000 | 95,000 | ..... |
| | Total, Department of State | 220,000 | 290,000 | +70,000 |
| | Total, Chapter 3: | | | |
| | New budget (obligational) authority | 566,000 | 566,000 | ..... |
| | Emergency appropriations | (566,000) | (275,000) | (-291,000) |
| | Contingent emergency appropriations | ..... | (291,000) | (+291,000) |
| | (By transfer) (emergency appropriations) | (500) | (500) | ..... |
| | CHAPTER 4 | | | |
| | DEPARTMENT OF DEFENSE - MILITARY | | | |
| ..... | NATO Security Investment Program (contingent emergency appropriations) | ..... | 240,000 | +240,000 |
| | General Provisions | | | |
| ..... | Military construction, Army (contingent emergency appropriations) (sec. 401) | ..... | 295,800 | +295,800 |
| ..... | Military construction, Navy (contingent emergency appropriations) (sec. 401) | ..... | 166,270 | +166,270 |
| ..... | Military construction, Air Force (contingent emergency appropriations) (sec. 401) | ..... | 333,430 | +333,430 |
| ..... | Military construction, Defense-wide (contingent emergency appropriations) (sec. 401) | ..... | 35,500 | +35,500 |
| | Total, General provisions | ..... | 831,000 | +831,000 |
| | Total, Chapter 4: | | | |
| | New budget (obligational) authority | ..... | 1,071,000 | +1,071,000 |
| | Grand total, all titles: | | | |
| | New budget (obligational) authority | 6,049,069 | 12,947,495 | +6,898,426 |
| | Emergency appropriations | (5,199,069) | (4,908,069) | (-291,000) |
| | Contingent emergency appropriations | (850,000) | (6,201,000) | (+5,351,000) |
| | Advance appropriations | ..... | (1,838,426) | (+1,838,426) |
| | (Transfer authority) | (800,000) | (800,000) | ..... |
| | (By transfer) (emergency appropriations) | (950) | (950) | ..... |

Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield myself 11 minutes.

Mr. Chairman, as I said on debate on the rule, this is one of the most serious votes that we will be casting this year. If we cannot play it straight on this amendment, we cannot play it straight on anything.

This amendment should not be politicized. What we should be doing with this amendment is to provide every single dollar that we need to conduct the operations now going on in Kosovo. We should not provide one dime less and neither should we try to use this to play games on the budget.

I am baffled by the fact that last week this House declined to support the operation that is now going on in Kosovo and yet this week the same people largely who opposed that motion last week are now suggesting that we should double the amount of spending for the operation which last week they said we should not be conducting at all. That gives confusion and inconsistency a bad name, in my view.

I did not vote for the administration's original request on Rambouillet. I did not feel that we knew enough about what the results of that discussion would be in order to cast a vote at that time, and I did not believe in giving any administration a blank check.

I know that there are a lot of people in this House who do not like President Clinton, and I think a number of Members have gone overboard in trying to politicize this war because they have such intense dislike for the President.

I have seen quote after quote in the newspapers saying, ''This is Clinton's war; we do not want our fingerprints on it.'' I think those kind of comments are irresponsible.

This is the West's war. This is NATO's war, and in my view the President is doing the best that anybody can under very difficult circumstances. That does not mean I agree with everything the administration is doing. I agree with Senator MCCAIN. I believe that this war needs to be prosecuted in the most aggressive way possible, and I believe that the best way to assure the success of the air war is to threaten use of a ground war.

So I do not necessarily agree with the administration on the fine points, but he is our commander in chief. He is the elected leader of this country. We are also elected leaders of this country, and we ought to be behaving ourselves in a manner consistent with the honor that has been afforded to each and every one of us by our constituents.

I do not think we do that when we in one week decide that this House is not going to support that operation and again then in the next week decide but, oh, by the way, we are going to use this war as an excuse to move billions of dollars from next year's appropriation into this year's appropriation, put an emergency label on it which will enable the Congress next year to spend $3 billion more on military pork that has nothing whatsoever to do with Kosovo. In my view, that is what is happening today.

So I want to explain the amendment that I will be offering later in debate. The administration has asked about $6 billion to cover the cost of this war, plus they have asked for humanitarian assistance. The amount that they have requested will pay for an 800-plane war, 24 hours a day bombing of virtually every target in Yugoslavia that one could imagine anywhere. That will be sustained on a daily basis through the end of the fiscal year.

In addition, the administration has asked for enough money to fund not just the 24 Apaches which are on the ground now but a contingent of 50 Apaches, over $700 million just to finance that.

The administration has taken the full estimate of what it will cost to run that war for the remainder of the fiscal year and then, on top of that, just to be safe, they have tossed in an extra $850 million in a contingency fund. That is such a large operation that we will run out of targets before we run out of ammunition. We will, in the words of Winston Churchill, be ''bouncing the rubble'' if this continues that long.

Now, the committee has done some other things. The committee has decided that they would raise the spending for that bill by 125 percent. They have asked for $460 million more in munitions. My amendment says, all right, we are not going to argue about that. We will accept it. They have asked for $400 million for procurement; and again we say, okay, we are not going to argue about it. We will accept it.

They have asked for a billion dollars more than the President in order to avoid having to reprogram from low-priority items to high-priority items. We say, okay, I doubt that that is fully necessary, but we will accept that, too.

What we do not accept are two other items in the bill. The budget rules under which we are supposed to operate say that if we want to designate something as an emergency so that it is exempted from the spending caps in our budget, it must meet two tests. It must, first of all, be an unanticipated expense; and, secondly, it has to be an expense which will be incurred immediately for an immediate purpose. There is $3 billion in the committee bill that does not meet those tests.

Example: They have $2 billion in this bill for operation and maintenance, which is nothing but moving forward from next year's budget $2 billion into this emergency supplemental.

There is also $1 billion added for 77 military construction projects in Europe. Thirty-seven of those items are not even on the Pentagon's 5-year plan. We do not have physical plans for them. We do not really know what they are, but the money is thrown at them.

Why? The reason is very simple. There is an agenda on the part of some Members of this House which says let us throw in as much as we can, call it an emergency Kosovo supplemental, even though it is not at all related to Kosovo, and that will enable us to spend $3 billion that we would not have otherwise been able to spend on the regular bill for pork. That is what is going on, in my view.

So my amendment does not accept that $3 billion. The only military construction items that we fund are those directly related to Kosovo, three key items that are fully justified, including one operation at Aviano, and the rest we simply say deal with next year in the regular course of business because they do not relate to Kosovo.

In addition, we do two other things. The committee has $1.8 billion in the bill which they suggest should go for a pay raise and a retirement enrichment package for the troops. I support that. The problem with the committee amendment is that it is subject to authorization, and that means that even though the money is in the bill it cannot actually be delivered to the troops until further legislation is passed. So we remove that impediment.

We remove the language that makes that subject to authorization so that this is not just a potentially empty promise. We actually deliver the money that we say we want to provide. So, in other words, we make that pay raise real.

The second thing we do is to take the supplemental, which the House passed previously, which is languishing in the Senate, which the President asked for it to deal with the largest natural disaster in this hemisphere in this century, Hurricane Mitch, and to deal with the emergency facing many farmers because of weather and because of the collapse of prices, and we include that in this package as well so that we take care of the home front as well as Kosovo.

If we do not deal with that, we face the prospect of 100,000 refugees trying to make their way from Central American countries through Texas, through New Mexico, and it would cost us far more than dealing with it in this bill.

So what I will simply say is, this amendment is an honest effort to reach a compromise position between the administration's original request and the committee's overblown efforts to throw in everything but the kitchen sink in this bill so that they can make more room for military pork in the regular military bill.

I would urge that my colleagues do the responsible thing, adopt the Obey amendment when it is offered. That will send a signal that we are, indeed, going to play this straight. We are not

going to abuse the emergency power that we have in the Budget Act but we will make every dime that is necessary to the Kosovo operation available and then some.

We are exceeding what the administration thinks is necessary by almost a billion dollars, just in their own request, plus the additional items that we are accepting in this package. I would urge support for the amendment when the time comes.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I want to respond to the gentleman as I did in the meeting during the Committee on Appropriations. There is no military pork in this bill. I do not know where he comes up with that argument. There is no pork in this bill. This is as clean a national defense bill as this House has ever seen. There are no Member requests added to this bill, either when we wrote the bill or when we went to the full committee. It is just not the case.

The gentleman says that the way we are spending money we are going to run out of targets before we run out of ammunition. The gentleman is not paying attention to what is happening in Kosovo.

The gentleman should look closely at what General Hawley said just a few days ago when he pointed out that we were running short of not only air launch cruise missiles, we were running short of JDAMs, we were running short of all kinds of ammunition; and if they were called on to do another MRC somewhere in the world they could not do it. This is the general who has the responsibility to get there if we have to get there.

Mr. Chairman, today's message is a real message. The gentleman from Wisconsin (Mr. OBEY) talks about the votes last week. Those were votes that gave Members an opportunity to voice their opinion in resolutions that were not truly binding. This is the real message. This is a message to Milosevic that we are serious. This is a message to our troops that we are serious in providing them with what they need to accomplish their mission and to give themselves a little protection while they are at it.

This is a good bill. The amendment that the gentleman is talking about is not even before the House yet. It will be later.

□ 1200

It is a good bill. It is a clean bill.

Just one last point, Mr. Chairman. If the President decides that the items that we have recommended in this bill are not truly emergencies, do Members know what he has to do to stop them from being spent? Nothing. Because, Mr. Chairman, unless the President determines that these items are emergencies, they do not get spent. The investment is not made.

Mr. OBEY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, the gentleman is putting up a red herring. I did not say that there was pork in this bill. What I said was they are jamming $3 billion of nonemergency items into this bill to make room for $3 billion worth of pork in the defense bill which will follow this. The gentleman knows that is what I said. He ought to keep it straight.

Secondly, with respect to the JDAMS, the gentleman says there is a shortage of JDAM missiles. I would point out that the gentleman is the chairman of the subcommittee that cut that last year by 17 percent. The gentleman cut the President's request for that item by 13 percent in dollar terms and 17 percent in missile numbers. The President's request provides full funding for the restoration of every missile they need for JDAMS.

Mr. YOUNG of Florida. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California (Mr. LEWIS), the chairman on the Subcommittee on Defense of the Committee on Appropriations.

Mr. LEWIS of California. Mr. Chairman, I would first like to thank the gentleman for yielding me the time, and to express my deep appreciation to my chairman for the job he has done in this bill. I must say, in spite of the protest of the gentleman from Wisconsin (Mr. OBEY), I would like to express my appreciation to him as well for a very cooperative effort on this bill.

The fact is that in terms of dollar amounts both sides are relatively very close to each other, largely because we all recognize that there is urgency in moving this bill forward; that the dollars that are involved are a reflection of the President's views.

Mr. Chairman, the two sides are really not that far apart on the dollar amounts that we are discussing here today. There are differences in the policy.

But before going further, let me express my deep appreciation for my colleague, the gentleman from Pennsylvania (Mr. JACK MURTHA), the ranking member of my subcommittee, who from the very beginning has cooperated with us in developing the defense portion of this $12.9 billion package. There is not a Member of the House who is more concerned about the men and women who are potentially in harm's way that we are attempting to respond to by way of this supplemental.

In developing this bill, we have consulted and worked very closely with not just the members of our subcommittee, but the members of the authorizing committee, as well as the military commanders in the field. My colleagues, this is a clean bill. It contains no special projects.

As I would react to the comments of the gentleman from Wisconsin (Mr. OBEY) regarding the pay provision of this bill, the $1.84 billion that are involved, we did not provide authorizing language because we were working very closely with the authorizers, who feel that is a centerpart of their own legislation.

Indeed, their willingness to continue to work cooperatively with us in the months ahead are very important to both the committees, the authorizers as well as the appropriators, who are concerned about this matter.

I would like to be very specific about one fact: That is, the vote today will send a very, very clear message to Slobodan Milosevic, who is watching our actions on the floor today. Our saying clearly that we intend to support our troops as long as they have to serve in this region and are faced with this challenge is very, very important, and Milosevic is watching the Members today.

Beyond that, I would like to say to my colleagues, it is very important that while we may disagree on policy, that we come together in the final analysis on this vote. Nothing could be worse than to see sizeable numbers walk away from this very, very important bill. In the final analysis, I am convinced that there will be solid support for the $11.24 billion of this bill that is reflected in the defense portions of the bill.

Like a number of my colleagues, I have had the opportunity to spend many hours at the White House in recent weeks in briefings with the Commander in Chief and his national security team. If there was one message I heard from the President last week, it was this: "Provide the additional funds if you must, but—and this is very important—do not slow this package down." My colleagues, we must act and act now.

Allow me to take just a minute to outline a few of the details of this $12.9 billion emergency spending package.

The bill has four parts—the largest of which is within the Defense Subcommittee's jurisdiction. For these activities, we have included $11.24 billion which is $5.8 billion above the President's request. The increases are all in areas of identified shortages (spare parts, depot maintenance, training and op tempo funding shortfalls, and base operation costs).

I could go on . . . and on about this package and our effort in Kosovo. In the interest of time and moving this bill forward, I want to simply urge my colleagues to support our military, send a strong signal to our troops in the field, and support this supplemental.

In closing, I would like to thank the following people on the Defense Appropriations Subcommittee staff, Chairman YOUNG's staff, as well as my own personal staff, for their valuable assistance with this bill: Kevin Roper, Greg Dahlberg, Doug Gregory, Tina Jonas, Alicia Jones, Paul Juola, David Kilian, Jenny Mummert, Steve Nixon, David Norquist, Betsy Phillips, Trish Ryan, Greg Walters, Sherry Young, Harry Glenn, Brian Mabry, Arlene Willis, Leitia White, Grady Bourn, Julie Hooks, and Dave LesStrang.

Mr. Chairman, as we go forward with amendments later, there will be plenty of time

for discussions regarding the detail. But between now and then, it is very important that the Members recognize that the entire public is watching our response and our expression of support or lack of support for our troops as they work in harm's way.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Missouri (Mr. SKELTON).

Mr. SKELTON. Mr. Chairman, I thank the gentleman from Wisconsin for yielding time to me.

First let me say that I agree very much, this is an American, this is a NATO conflict. We in this House should speak with one voice and not be putting it on political terms. I feel very, very deeply about this. I support this bill. At the end of the day, I support this bill. It is a major step toward my goal of making this the year of the troops, the year in which we recognize the needs of those who serve in uniform.

I also support it because it ensures that our military has more than adequate resources to carry out the Kosovo air campaign. It bolsters the military readiness of our forces in the Balkan theater and the Armed Forces as a whole. It provides the resources to help address the tragic humanitarian situation in Kosovo.

The basis of this bill was a $6 billion administration request in emergency funding. The request was based on four categories, military operations in and around Kosovo, Kosovar refugee relief, munitions and readiness munitions, and Desert Thunder and Desert Fox military operations.

In addition to the administration's original request, our colleagues on the Committee on Appropriations have seen fit to add to the President's request, both to the humanitarian request and the matter request. There are some problems that our colleagues had on the Committee on Appropriations, and they have tried to address them. They have added certain categories.

Mr. Chairman, allow me to comment on two major additions to the original request. First, this bill sends the right signal to our men and women in uniform by providing $1.8 billion to fund the administration's military pay and retirement package, of course, conditioned upon the enactment of authorizing legislation through our Committee on Armed Services.

Second, this bill provides for $1.1 billion in unrequested funds for overseas military construction in Europe and Southeast Asia. The inclusion of these projects is similar to the inclusion of the administration's pay and retirement package.

Mr. YOUNG of Florida. Mr. Chairman, I am happy to yield 3 minutes to the distinguished gentleman from Texas (Mr. DELAY).

Mr. DELAY. Mr. Chairman, I rise today to state that our Armed Forces have been neglected for too long. It is time we give our troops the supplies and the support that they need.

Without any coherent international blueprint, the White House has bombed its way around the globe, while dropping troops far and wide for ill-defined peacemaking duties. This policy has gutted the American military, which now must be rebuilt.

Last week a bipartisan Congress voted against President Clinton's undeclared war in Yugoslavia. Both Republican and Democrat members are reluctant to commit U.S. forces to a mission that has no strategic plan, no timetable, no definition of victory, and no clear national interests to defend.

While there are many reasons for that vote, lack of support for our troops was not one of them. To the contrary, the leadership in this Congress supports our troops, but does not support President Clinton's frivolous deployment of them and haphazard waste of military resources.

The last 6 years of focusless military use, combined with defense spending cuts, have stretched our forces to the point where serious gaps in our national security are developing. Not only have we left the Pacific without a single carrier to defend our allies and troops stationed in the region, but the carriers we are sending to combat in Yugoslavia and Iraq are drastically undermanned.

For example, the Teddy Roosevelt is 418 sailors short, and the Enterprise is lacking an alarming 495 sailors. In total, the U.S. Navy is 18,000 sailors short, and those that are there are at risk because of it.

Such shortfalls in recruits and equipment have reached crises level. This Congress wants to rebuild our depleted defense and make sure that our troops have the supplies they need while they are deployed wherever they are deployed.

President Clinton has only proposed to cover the basic costs of his war in Yugoslavia. This Congress wants to take this opportunity to bolster our hollowed out military. This emergency spending will provide much needed munitions, spare parts, construction, training, recruiting, and pay increases for our military.

Amid reports that the United States is running out of cruise missiles and cannibalizing some planes for parts, America must not forget that military weaknesses only challenge our enemies to take costly and dangerous risks.

Mr. Chairman, the time is now to deter our enemies by bolstering our military. We have to send a very clear message that while we may not support the President's ill-advised war, we do support our troops wholeheartedly.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Alabama (Mr. CALLAHAN), chair of the Subcommittee on Foreign Operations, Export Financing, and Related Programs of the Committee on Appropriations.

Mr. CALLAHAN. Mr. Chairman, as chairman of the Subcommittee on Foreign Operations, Export Financing, and Related Programs, I have the responsibility to recommend to the gentleman from Florida (Chairman YOUNG) the funding level for the programs that come under the jurisdiction of our subcommittee. We have one overwhelming priority, and that is assistance to the refugees who have been driven from their homes and separated from their loved ones.

The President requested a total of $566 million from our subcommittee as part of his supplemental request. We have approved the entire amount of this funding level, but we made some modifications. The funding would be allocated as follows:

—$96 million for international disaster assistance;

—$105 million for support of frontline States, including $5 million to document war crimes;

—$75 million for Eastern Europe assistance to assist refugees within the borders of the frontline States; and

—a total of $290 million for the refugee assistance accounts.

Part of the original request was $170 million for an account normally used for long-term development projects.

We have tried to discover how the funds would be used. We were told that $95 million of this amount would be made available for refugee assistance, but we already have separate accounts for the refugee and humanitarian services. When the administration officials were asked about that, we were told these funds could be used for such things as, and I quote, ''NGO development and microcredit activities.''

I have nothing against either of these programs, but they are part of an ongoing program in Eastern Europe. They are emphatically not part of emergency refugee and humanitarian assistance.

The President and Secretary of State have also discussed plans for a Southeastern Europe initiative. I fear they could use these fund to begin such an initiative, and I do not think they should, without adequate consultation and further approval by the Congress. Therefore we moved $95 million from these vaguely defined activities and made that additional amount available for direct support for refugees and humanitarian assistance.

Indeed, this money, the $566 million, may not be sufficient. The administration is constantly changing its policies. It is difficult to know when enough is enough. One day the President announces that we are going to send 20,000 refugees to Guantanamo Bay. A few days later, the Secretary of State says, no, we are not going to do that, we are going to keep the refugees there

because we then would be ethnically cleansing the region.

The next day the Vice President of the United States, Mr. GORE, announces that 20,000 refugees are coming to the United States. At the drop of a hat, the Vice President committed $40 million for the transport and relocation of refugees to our country. I was not consulted about this. Neither was anyone else in Congress. I'm not sure the Secretary knew. Now we're left with a $40 million bill, and we must in good conscience pay for it. It leaves a hole in the request. I strongly encourage Members to vote in favor of this bill. It does not give the Administration a pot of money to begin the reconstruction of Southeastern Europe. If they want to begin a massive new spending program in the region, they need to come back to Congress. They and we also need to win the war.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina (Mr. PRICE).

Mr. PRICE of North Carolina. Mr. Chairman, there are only 147 days left in this fiscal year. This ought to be a time when we come together with bipartisan resolve to deal with three urgent crises that we could not have anticipated last September: the agricultural collapse in rural America, the devastation of Central America by Hurricanes Mitch and Georges, and the need to support our troops and the allied cause in Kosovo.

The Republican majority, unfortunately, has sought to politicize the NATO operation in the Balkans, withholding support for it last week, amid well-publicized arm-twisting, and now this week voting to double the funding for it! In so doing, the majority hopes to use the NATO campaign to leverage funding for unrelated military purposes.

We should reject partisan gamesmanship that toys with the lives of our troops and the refugees, that trivializes the dignity of our rural citizens, and that belittles the suffering of the people in Central America.

□ 1215

We should, instead, adopt the Obey substitute.

The Obey amendment is well-crafted. It is responsible. It addresses the military and humanitarian needs in the Balkans, fully funding the Department of Defense's request. It includes the most justifiable of the defense add-ons, particularly those involving military pay and readiness. It addresses the disaster in Honduras and Guatemala, a situation we ignore at our Nation's peril; for if we ignore it, we will surely face a new flood of immigration northward and greater vulnerability to drug trafficking. And the Obey amendment provides desperately needed funding to meet the collapse in the price of agricultural commodities.

Mr. Chairman, the House today has an opportunity to reverse its recent history of politicizing issues that should not be politicized and defaulting on the responsibility of a great power. Support the Obey substitute.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself 1 minute.

It is really interesting to me. This bill is not about any political gamesmanship, and it has not been politicized. This bill is a true, clean national defense bill that provides what the national defense establishment needs to protect our Nation and to protect our troops.

The only partisanship that I have heard in this debate today has come from that side, accusing this side of being partisan or of politicizing or of political gamesmanship. I want to assure the gentleman that there is no politics in this at all.

For speakers on the other side to try to create the atmosphere that this is somehow political is just not right. We have gone overboard to make sure over the years that national defense issues were not political and there were no political games being played on them.

I want to call attention just one more time to the fact that the only issue of politicization or political gamesmanship is coming from over there. And the fact that they say it does not make it true, and I insist that it is not true. This is a clean national defense appropriations bill.

Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. HOBSON), chairman of the Subcommittee on Military Construction of the Committee on Appropriations.

Mr. HOBSON. Mr. Chairman, I thank the gentleman for yielding me this time; and I rise today to speak in strong support of the bill before us.

Voting ''yes'' today is a vote for our troops. It says definitively that their daily sacrifices will not be downsized or neglected any more. It shows that we can transcend our differences and unite for their well-being. Our troops are in harm's way, so it is our duty and responsibility to muster the resolve to keep them safe.

I worked closely with military commanders in the field to make this bill a reality. It is responsible and tightly honed to our most immediate and unanticipated needs in the Balkans and Southwest Asia. Remember that our European infrastructure is a critical staging area. It supports our mission in the Balkans and our training and passthrough for operations in the Gulf and Africa.

The time for leadership is now. There simply has been a failure to support our troops living and working overseas under very dangerous conditions. Let us pass this bill and show our troops that the sacrifices they make are worthy of the support of Congress and the American people.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Chairman, I thank the gentleman for yielding me this time; and I want to again commend him for his leadership in bringing the Obey amendment to the floor because, indeed, it is the responsible approach to the challenge that we have before us.

Let me just first say that it is hard to believe that nearly 7 months ago there was the greatest natural disaster, the worst natural disaster in the history of our hemisphere since they recorded these things in Central America. I do not think the American people know that we have still not passed out of this Congress legislation for the disaster assistance that the American people in their compassion wanted us to do. The assistance is still hung up on budgetary gimmickry and offsets and the rest.

The gentleman from Wisconsin (Mr. OBEY) corrects the situation in his amendment. Mr. OBEY also recognizes the large number of refugees who have come out of Kosovo and puts $175 million more in for humanitarian assistance. Again, whatever we may think of the war effort and the air strikes, the American people, God bless them, want the refugees to have humanitarian assistance. It also addresses the needs of America's farmers here at home, and it is responsible in meeting the needs of our military.

And how proud we are of our people in the military, both for putting themselves in harm's way and their courage, but also for the military's role in humanitarian assistance. They assisted most recently in the Balkans, and they were indeed largely responsible for our initial emergency assistance in Central America, even though we still have not paid the bill on that.

So I ask my colleagues, when the time comes for amendments, to vote and support the Obey amendment and to do so with the knowledge that it is the responsible approach to meeting the needs of our military, to addressing the pay raise issue for the military, to honoring the commitment of the American people for humanitarian assistance and to do it in a fiscally sound way.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina (Mr. SPENCE), the very distinguished chairman of the Committee on Armed Services.

Mr. SPENCE. Mr. Chairman, I thank the gentleman for yielding me this time, and I want to congratulate the chairman of the Committee on Appropriations, the gentleman from Florida (Mr. YOUNG); the chairman of the Subcommittee on Defense, the gentleman

from California (Mr. LEWIS); the gentleman from Pennsylvania (Mr. MURTHA); and other members of the Committee on Appropriations for ''leaning forward'' and doing the right thing by addressing some of the most serious readiness and quality-of-life shortfalls facing our military today.

Our Nation's military leaders publicly testified last fall that the President's 6-year defense plan fell about $150 billion short of meeting basic military requirements. Knowing how politics work in this town, we should assume that the Joint Chiefs' estimate of the military shortfalls is understated.

The budget resolution added about $8 billion to the President's underfunded defense request. It is a small but necessary first step. This supplemental adds approximately $6 billion in additional funding to address some of the military's most critical shortfalls.

Our military has the responsibility of being able to fight two multiple theatre wars and conduct multiple concurrent smaller-scale contingency operations throughout the world. We have been cutting back on our military since 1989, to the extent that we could not conduct one at the time.

The Army and the Air Force has been cut back 45 percent, the Navy 36 percent, the Marines 12 percent. At the same time, our operational requirements have increased 300 percent. The problem is past being an emergency, it is critical.

These additional funds will only begin to help our military to properly defend this country with a minimum loss of American lives among our service people.

Mr. OBEY. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan (Mr. BONIOR), the distinguished minority whip.

Mr. BONIOR. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, it has been more than a month since Milosevic launched his campaign of genocide. His atrocities continue to fill us with horror and revulsion: more than a million people, driven from their homes at gunpoint; entire towns burned to the ground; men and boys forced to kneel by the side of the road and shot dead before their families; grandparents burned alive because they were too feeble to flee.

In the face of such brutal and systematic slaughter, we need to send him a message, an unmistakable message of American resolve, that his campaign of genocide will not stand.

We have to set partisan politics aside. We have to stand united behind our troops. Even as we speak today, our pilots are hurtling off the decks of our carriers, risking their lives to save the Kosovars and see justice done. We have to give them the support that they need in order to win.

Milosevic cannot be allowed to prevail. The scale and the details of his inhumanity ignite our moral indignation. Accounts coming out of Kosovo are shocking: Serbian soldiers knock on the windows of a refugee's car as he and his family wait to cross the border, and they were bearing AK–47s. They demanded $6,000 from the driver or his two daughters in the back seat. The father empties his wallet, but it is not enough. So the soldiers pull the young women from the car, drag them to a nearby garage, where several other soldiers, also wearing masks, were waiting. The gang rape lasted hours.

Last Friday, in the village of Pristina, Serbian troops murdered 44 Kosovars, shooting some and burning others alive. When relatives of the victims went to bury their loved ones, the soldiers told them that they would be shot, too, if they uttered a single prayer for the dead. And as one of the Kosovars said later, perhaps our silence helps them to deal with their shame.

Well, Mr. Chairman, America cannot and we will not be silent as long as Milosevic continues his campaign of terror. As a superpower at the peak of our prosperity and our strength, America cannot look the other way and we cannot be diverted by our partisan differences.

I have been troubled by the procedures that the House adopted today, and we have seen people trying to play politics with the President's funding request for these troops. I would urge my colleagues to unite behind the Obey substitute. It is clean, it is straightforward, it is a strong response to the present emergency, and by all prognostications it will be what we end up with next week on this floor.

In the end, we have to move this process forward; and we have to do it today. Now is the time to accept the responsibilities of leadership. Now is the time to support our troops in the field, who are risking their lives so that this century might end better than it began. Now is the time to send Milosevic an unmistakable message: At the end of the 20th century, the world will not stand for genocide.

Mr. OBEY. Mr. Chairman, may I ask the Chair how much time the gentleman yielded back?

The CHAIRMAN pro tempore (Mr. LAHOOD). The gentleman from Wisconsin has 8½ minutes remaining.

Mr. OBEY. No, I asked how much time did the gentleman yield back?

The CHAIRMAN pro tempore. The gentleman yielded back 30 seconds, and the gentleman from Wisconsin has 8½ minutes remaining.

Mr. OBEY. I thank the Chairman.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. BUYER), the distinguished chairman of the Subcommittee on Military Personnel of the Committee on Armed Services.

Mr. BUYER. Mr. Chairman, I think I probably just wasted 20 seconds of my time. I was not prepared for this. Let me be very brief now that my time has been stressed.

Mr. Chairman, I would ask Members to permit the eyes of their minds to see a greater vision here and to not be so narrow to think of this as Kosovo and Kosovo only.

What concerns me most is that this is about funding a national military strategy. Sure, there are discussions of politics. Frankly, I do not mind that, because it is policy that drives all of this. The President's singular responsibility is to lay out the vital national security interests, then we come up with a military strategy as the means to enforce those.

The President has one that is different, and I would not go along with it, but it is for us to transition out of a posture of global engagement in over 135 countries around the world and then fight and win nearly two simultaneous major regional conflicts. The open secret is we do not have the force structure today to do that.

Let me share some facts with my colleagues about the size of the military today. In the Gulf War, we had 18 Army divisions, we had 24 Air Force tactical wings, and in the Navy ships and submarines we had 546 in 1990. Today, we are down to 10 divisions in the Army, 13 tactical wings in the Air Force, and a 315 ship Navy. That is a reduction in the Army by 250,000, in the Air Force 150,000, and in the Navy 200,000.

So what have we done by taking a foreign policy of global engagement? We have taken our military and we have stretched this great military of ours very thin all over the world. Now we find ourselves with depleted munitions. Depleted munitions. And not only in our ammo.

When I hear individuals say, well, we are going to have to cut back or we are only going to have to replace bullet for bullet, do my colleagues realize the risks we are being placed in in other scenarios around the world?

□ 1230

Do not take it from me. Take it from General Shelton. General Shelton, the chairman of the Joint Chiefs of Staff, said, ''Suffice it to say that what we have going on right now in Kosovo is a major theater of war with air assets. The fighting in Yugoslavia now means a much higher risk of a second regional conflict, protracted, with significant casualties.''

My colleagues, vote for this.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentlewoman from Michigan (Ms. KILPATRICK).

Ms. KILPATRICK. Mr. Chairman, I thank my ranking member for yielding me the time, a new member on the committee, for this most important discussion.

It is not whether we support our troops or not. We all do. We support them because they are risking their lives for us as the greatest country in the world. What we do not support at this time is the doubling of appropriations that our President gave us.

We are 2 months away from doing the 2000 budget. We ought to be using this time and the extra $6 billion to put during that time in the appropriations process.

It is important that we take care of education for our children, health care for our seniors, housing for those who need it. It is unfortunate we will not be able to get to that during this budget time because of the caps, the political caps that were set.

Let us not say we do not support the troops, because we do. Let us support the President, our troops, and the Obey amendment.

Mr. Chairman, I rise in vehement opposition to H.R. 1664, the Kosovo Supplemental Appropriations for FY 1999. More than half of this bill's $13 billion appropriation is being used for funds that will eventually come from the budget surplus, and only illustrates the collective cowardice of the majority in refusing to consider these military construction projects under normal budgetary procedures. In essence, this bill gives to the military and takes from Social Security and Medicare. What is worse is that the doubling of the increase of this bill, from President Clinton's original request for $6 billion to $13 billion, has not seen a resulting increase in aid to the refugees or in humanitarian aid, ostensibly a key part of this bill's original purpose. As one of the newest members on the House Appropriations Committee, I know that Appropriations are about three things: what you need, what you want, and what you'd like to have. This bill was half of what we need, some of what members want, and no increase in what the refugees would like to have.

In order to accurately discuss this vote, we must first place these issues into context. After the breakdown of peace talks between Serbian and Kosovar representatives in Rambouillet, France in mid-March, Serb forces entered the Yugoslav province of Kosovo en masse. An estimated one million Kosovar Albanians have since been driven from their homes, most into Albania and Macedonia, thousands of Kosovar Albanian men remain missing, and reports of rape and murder continue to trickle out of the embattled region.

In response, on March 24, 1999, NATO began a massive bombing campaign against Yugoslav forces and installations in Serbia and Kosovo. Close to 1,000 NATO warplanes are now involved in the airwar (with over 80% from the United States). President Clinton recently called up an additional 33,000 reservists to aid in the fight, and asked Congress for $6.0 billion in supplemental funds to pay for current operations. This $6 billion request more than adequately addresses the commitment of the United States to this unified effort.

The Republicans on the House Appropriation Committee drafted a $12.9 billion emergency FY99 supplemental spending bill. On top of the White House's $6.05 billion spending request for the Kosovo mission, Republican appropriators included $1.8 billion to fund a pay raise and retirement package through the remainder of FY99, and the bill includes an additional $74 million in unspecified worldwide ''minor'' construction projects, provides additional funding for munitions purchases and operational readiness needs, such as recruitment, replacement of spare parts, equipment maintenance and military base operations, primarily with additional funds for operational readiness and for a military pay raise and retirement package. The bonus of this additional $6 billion in funding is that it does not have to be offset by similar reductions in spending in other programs.

This is nothing but fiscal legerdemain, a sorry billion-dollar version of the old New York City street con of the three shells and the pea. Unfortunately, the elderly and the poor are the hapless victims of this con job. The majority of the Democratic members on this Committee see this for what it is: nothing but an attempt to fund defense projects that will not fit within the tight spending caps for FY00. I must reiterate one key point: there is not one thin dime of an increase in refugee assistance funding in this bill.

There are certainly many items within this legislation that are probably worthy of the support of scarce taxpayer dollars. Let me make this clear: I do not oppose the hard working and brave persons in our nation's Armed Forces from getting a well deserved pay increase, better housing, a much improved retirement program, or other such items as needed. I object that my Republican colleagues do not have the collective courage to make the hard decisions and difficult choices inherent in being a member of the august House Appropriations Committee. What is becoming abundantly clear is one thing: the budgetary caps on spending will have to be increased. Only then will Congress be able to address our urgent domestic needs, preserve our vital fiscal surplus, and protect our nation's seniors who have already paid the price for the freedom that most of us enjoy but all of us take for granted.

Our colleague, Congressman DAVID OBEY, will offer a sensible amendment that provides a total of $11 billion in funding. Of this sum, funds that do not have to be authorized will go toward an immediate pay increase for the military; an increase in the operations and maintenance in Kosovo, and more importantly, $175 million more for the refugees of Kosovo. If Congressman OBEY's amendment is reasonable, sensible, and deserves the support of the majority of our colleagues.

I would like to paraphrase a recent article in the New York Times, in closing, on this issue: This is nothing but Republican cowardice triumphing over principle; don't vote for the war, don't take responsibility for the war, don't vote to stop the war, but vote to pump more money into a policy we don't like. American taxpayers pay us a good sum of money to make difficult decisions, and it is time that we stepped up to the plate and made them.

It is my hope that the wisdom of Congress will prevail in supporting the amendment of Congressman OBEY. Without the adoption of the Obey amendment, this bill must be rejected by the House of Representatives. Congress must preserve the surplus for Social Security, Medicare and Medicaid. We must increase the caps on domestic and defense spending, and do so while maintaining the integrity of our balanced budget. These issues are not mutually exclusive, but Congress must have the courage to make these tough decisions.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. REGULA), the chairman of the Subcommittee on the Interior.

Mr. REGULA. Mr. Chairman, today I rise to pay tribute to the two brave servicemen who lost their lives this week during a training exercise in Albania, Chief Warrant Officer Kevin Reichert of Wisconsin and Chief Warrant Officer David Gibbs from my district.

David Gibbs grew up in Massillon, Ohio, graduating from Washington High School in 1980. I wish to express my sympathy to David's family, his mother Dorothy, his wife and three children. Their pain can only be eased by the knowledge that his country salutes his heroic service.

These two men chose to serve their country in one the noblest traditions and they made the ultimate sacrifice in protecting the principles and freedoms which the United States represents. All our men and women in uniform are to be commended for their service. We must support our troops so they can do the job they so valiantly volunteered to do when they joined the armed services.

And we in Congress have a responsibility to ensure that our troops have the resources they need for the best equipment, the most reliable and advanced technology, and the needed training to make them the most respected military in the world.

I will support this bill, because while we do not yet know the cause of this latest tragedy, the American people need to know that we are adequately supporting our men and women in uniform.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. OLVER).

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, the reason we are here today is that the President submitted a request for $6 billion for the Kosovo operation, which would bring us to the end of fiscal year 1999; and that was clearly an unforeseen and unforeseeable circumstance that came up because of the actions of Slobodan Milosevic. Those situations ought to be few and far between, outside the caps, without any offsets, a true emergency.

The underlying bill that has come from committee more than doubles the amount from the President's request on a set of premises which are entirely different. It is operating on a premise

that goes far beyond, entirely beyond the definition of ''emergency,'' which had been part of the President's request, and much of it is only partly related to Kosovo.

On the other hand, we have before us an amendment that has been offered by the minority ranking member, the gentleman from Wisconsin (Mr. OBEY), which responsibly but narrowly deals with the Kosovo situation and other emergencies along the way.

Who can deny that we look rather foolish in this Congress, and I really am embarrassed by it, that 7 months after what had happened in Central America and 7 months after we truly knew way back in the fall that the problems on our farms were very serious, yet we passed that legislation 3 months ago. It has not moved to a final conclusion, the emergencies relating to Central America and related to the farms, and we have not done anything about it.

The Obey amendment deals with both of those issues and also makes certain that the pay increase for our military personnel is funded now, not uncertain as to when and if it will be authorized, but funded now. So it deals with the emergencies in Kosovo, on the farms, in Central America, and our military personnel.

I urge support for the amendment.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1½ minutes to the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Chairman, we have a world crisis and an acute national emergency. I support this $12.9 billion spending package.

I have opposed past defense spending bills because we have failed, in my judgment, to take four difficult but necessary steps to realize savings and modernize our military. We failed to: cancel procurement of expensive, unnecessary weapon systems; close unnecessary military bases and depots at home and abroad; and require our allies, particularly Europeans, to pay their fair share of stationing U.S. troops in their countries.

And we are still funding a military designed to fight the Cold War, but the Cold War has ended. The world today is different, and it is a more dangerous place.

The war in Kosovo costs money, and lots of money. As a fiscal conservative during my 11 years in Congress with consistently high marks from the National Taxpayers Union, Citizens Against Government Waste, and other fiscal watch dog organizations, I am on the floor to say we need to appropriate this money. The fact is that we have already spent it.

Over the past 40 years, the United States has deployed troops around the world 41 times, but 33 of these 41 missions have come in just the past 8 years.

We need to realize the tremendous costs we accrue when we deploy our military to troubled spots all over the world. These missions cost money and resources which we have taken from other parts of the defense budget.

Today, our military has a number of acute needs that must be addressed. We need to do a better job attracting new enlistees and maintaining the necessary level of reenlistment. Our soldiers, sailors, pilots and Marines are overworked and underpaid. Our training has suffered. We do not have the necessary munitions for potential new encounters. And we are cannibalizing existing planes, tanks, and other equipment for their parts in order to make other equipment operational.

Mr. Chairman, many of us have not supported the President's decision to use military force in Yugoslavia and did not vote for last week's resolution endorsing air strikes. But the fact is, there is a war in Kosovo and we need to pay for it.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Chairman, I rise in strong support of the effort being undertaken by NATO in Kosovo and Serbia. I rise in agreement that we must fund our armed services at increased levels to ensure that our security and our ability to join our allies in maintaining international security and stability is maintained.

Mr. Chairman, I believe the President has requested the correct sum for the war until September 30th of this year, $5.9 billion. I believe that war against Serbian genocide and ethnic cleansing is absolutely essential for us to participate in.

But, Mr. Chairman, I also believe we must assist our farmers who find themselves in real crises, and the almost 1 million victims of this hemisphere's worst natural disaster in this century. I therefore, Mr. Chairman, will support the Obey amendment.

I will also, I tell my good friend and the chairman, be supporting increasing the fiscal year 2000 appropriations for our military to ensure the objectives of which I have spoken and of which the gentleman from Florida (Mr. YOUNG) has so eloquently spoken.

Our national interest, our commitment to humanitarian and moral principles, will be served by the passage of the Obey amendment and it will do so in a way more consistent, I believe, with fiscal responsibility and our responsibility to our men and women in the Armed Forces and to our allies in this just war in which we are now involved.

Mr. Chairman, if the Obey amendment fails, I fully intend to support the Young alternative. There is no question but that we must support this effort which is undertaken by NATO and ourselves to defend the principles for which NATO was created, for which this country stands, and which are critically important if the world is to be the place in which we want our children to live and in their future succeed.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New Jersey (Mr. FRELINGHUYSEN), a member of the Subcommittee on Defense Appropriations.

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I suspect that history will record our action today on this supplemental as an especially important act of this Congress. As we basically fight two undeclared wars simultaneously, one through humanitarian purposes in the Balkans and the other over Iraq, our actions today help pay for one and indirectly for the other.

This is a replenishment but it is also an investment to keep our young people in uniform, and wars are fought by the young, safe and well-equipped in battle. This bill supports our troops. This bill will make an immediate difference in their lives.

This bill acknowledges what the White House will not, that all of our military and humanitarian missions in the Balkans will cost billions more than the President will admit. This bill will boost morale by providing military pay raises and retirement benefits. It will do things for refugees.

And finally, this bill gives the President control over the use of these emergency dollars that we provide. In other words, the Commander in Chief could use it to meet any crisis.

The CHAIRMAN (Mr. THORNBERRY). The gentleman from Florida (Mr. YOUNG) has 6 minutes remaining. The gentleman from Wisconsin (Mr. OBEY) has 3½ minutes remaining.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Michigan (Mr. KNOLLENBERG), a member of the Committee on Appropriations.

Mr. KNOLLENBERG. Mr. Chairman, I rise in strong support of this emergency supplemental bill for our troops in Yugoslavia under the leadership of the chairman, the gentleman from Florida (Mr. BILL YOUNG). I think it is a great bill.

President Clinton has created a national security emergency by cutting the defense budget while spreading our troops around the world. In the last 8 years, our military has been reduced by some 40 percent. Look at Yugoslavia. Already the President has had to call up 25,000 reserves and divert planes from the Iraqi ''no fly'' zone to Yugoslavia.

While I have, and many others do as well, strong reservations about the decisions that have led us to this point, I feel that the United States is now confronted by a series of bad options in Yugoslavia. I believe it is important, however, that NATO continue its operation. The credibility of NATO and the United States depends on it.

The $12.9 billion in this bill will ensure that our troops receive the resources they need to carry out their mission and begin to rebuild our national defenses, which have been substantially weakened by Mr. Clinton's neglect.

Mr. Chairman, I urge my colleagues to do the right thing and support our troops by voting ''yes'' on this important bill.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentlewoman from Florida (Mrs. FOWLER) a member of the Committee on Armed Services.

Mrs. FOWLER. Mr. Chairman, I rise in strong support of H.R. 1664. This is not a referendum today on the air campaign against Yugoslavia. It is a first step in restoring the dollars that have been taken out of critical readiness accounts of the Department of Defense and to replenish stockpiles of our critical weapons and munitions.

We have a crisis today in the readiness of our Armed Forces. Two weeks ago, I was out at my Jacksonville Naval Air Station. Twenty-one P–3's sitting on the tarmac. Only four could fly because of a lack of spare parts. I met with the S–3 pilots. They are supposed to be flying 20 to 25 hours a month to keep up their skills. They had only flown 5 hours last month because there were no planes that they could fly.

This Congress needs to send a message to the young men and women serving in uniform in our military that we support them and that we are going to provide them with the resources that they need to do the fine job that they always do for this country. I urge my colleagues to support H.R. 1664.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York (Mr. BOEHLERT).

Mr. BOEHLERT. Mr. Chairman, just when we were starting to see evidence of the positive change in the old international mind-set of having the rest of the world identify a problem at some distant point on the globe and collectively point to the U.S. and say they solve the problem with their troops and their treasury, it appears we are in danger of reverting to the old way.

□ 1245

Several weeks ago we gave conditional approval to the U.S. being part of a NATO international peacekeeping force in Kosovo. Four thousand troops out of the 28,000, 15 percent of the total. Now that we have undertaken the air campaign, instead of a 15 percent contribution, it appears we are shouldering from 60 to 80 percent of that contribution.

The President should seek financial reimbursement from our allies as this bill requires. Moreover, the military campaign will not be the end of the story in Kosovo. Refugee assistance and resettlement will be expensive undertakings. So, too, will rebuilding. There must be equitable burdensharing. Our Nation has not, cannot and will not walk away from our responsibilities. But the burden is not ours exclusively, and our allies must recognize this.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from Georgia (Mr. CHAMBLISS).

Mr. CHAMBLISS. Mr. Chairman, I rise in strong support of this resolution.

While our military operations in Kosovo continue with no end in sight, America faces a crisis in military readiness. Our troops are overextended and underfunded. The military is 40 percent smaller now than the successful force of Operation Desert Storm, and operational commitments around the world have increased by 300 percent. More troops are being sent around the world to perform more missions with fewer resources. While Congress has restored some funding to the defense budget, the Joint Chiefs of Staff still estimate that there is a significant shortfall.

The Navy is decommissioning ships faster than they are being replaced. We are literally flying the wings off aircraft that are almost 40 years of age. The Air Force and the Army are running short on missiles. The list goes on and on. An effective military force cannot fight and win in a world where critical weapons systems must be cannibalized to keep other equipment operational.

Task Force Smith paid a high price in Korea in 1950 because the Army was stretched too thin, underequipped and overutilized. We must not allow that to happen again. I urge my colleagues to support this resolution.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. GILMAN), the distinguished chairman of the Committee on International Relations.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong support of the supplemental. Not only is readiness important and the funding we are putting in here will bring the morale of our troops up where it should be and provide them the resources they need, but we are also showing strong support at the same time for our operations in Kosovo. I think that that is particularly important, that we stress that we are fully supportive of what our military is doing at the present time in Kosovo and that we are fully behind the work of our courageous and brave men and women who are out there fighting this battle for all of us.

These humanitarian concerns that we have in this Congress are particularly important. We want to make certain that our military today and tomorrow is going to have the sufficient resources and assets that are so important.

Mr. OBEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, objection has been heard from the other side of the aisle because I have stated, as have others, that this war is being politicized. Let me tell my colleagues why I say that. A spokesman for your leadership last week, in explaining to the press how they justified voting to double spending for a war which last week they opposed conducting at all, said: ''it is easier for us to support the Pentagon than it is to support this President.''

The distinguished majority whip took the floor just a few minutes ago and said ''This President is bombing his way around the globe.'' That is the same gentleman who was reported in a Washington Post article last week to have called in a series of lobbyists to ask them to lobby for this bill.

One member is quoted in the article, '' 'We've added a lot in defense money to this,' said one lawmaker who asked not to be identified. 'That helps those lobbyists.' '' That is not my quote. That is a member of the other side.

Another member of the leadership is quoted as saying, ''We want to make clear that this is Clinton's war.''

The majority is suggesting that we ought to, instead of supporting the request that the President has made of almost $7 billion, instead they are pouring billions of dollars, totally unrelated to the war, into this budget bill which is supposed to be an emergency appropriation for Kosovo. And what effect does that have? That gives the public the impression that the war costs a whole lot more than it is actually costing. Then they wonder why I raise objections about the politicization which has gone on.

Then we have heard that Clinton has almost single-handedly weakened the military. I would point out that the other side of the aisle has controlled this House for the last 4½ years. They have spent more than $1 trillion on military spending during that time. They have added $27 billion to the President's request. Yet all but $3.5 billion of that has gone for items other than readiness. If they are so concerned about readiness, why did they not put the money there, instead of spreading it and larding it for pork items all throughout the budget? Pork items which have been amply reported in the press.

I heard one speaker say that it was terrible that we did not have enough JDAM missiles. I would point out, it was the majority party that pushed a bill through this House last year which cut the appropriation for JDAMs from $53 million to $46 million and cut the number of available missiles by 17 percent. If they really believed we needed additional money for readiness, why

did they not put the money there in the 4½ years that they have led this institution?

And then, lastly, we hear a speaker say that we have got to have better burdensharing between other NATO countries and the United States. Yet their version of this bill gratuitously pays, 1 year ahead of time, our full military construction dues to NATO. That makes us the only country in the world that provides them money ahead of time. How are we going to get better burdensharing when we are acting like Uncle Sucker doing that?

I would urge Members to vote for my amendment when the time comes. That is the responsible action to take.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of my time.

One of our speakers said that history will record our activities today. I am not so much concerned about history as I am the young Americans who are serving in uniform, those in the Army and the Navy and the Air Force and the Marine Corps and the Coast Guard who go to war when America goes to war. Those are the ones that I am trying to look after today and that this bill tries to look after.

The gentleman from Wisconsin has just raised the issue of JDAMs again. Over the 4 years that I had the privilege of chairing the Subcommittee on Defense, the biggest battle I had on this floor in developing a bill that could be signed was because I added more money than the President asked for.

Mr. OBEY. Not for JDAMs.

Mr. YOUNG of Florida. For JDAMs. To show Members how conservative this committee is, JDAMs last year was not ready to go into full production because JDAMs had some technical problems. And so there was a program slip, and we did reduce the amount of money because of the program slip. We are not going to pay for a program that is slipping. JDAMs are being used today, and we are running out of them.

Mr. DEGETTE. Mr. Chairman, I rise today to express my support for adequate funding for the North Atlantic Treaty Organization's (NATO) military actions in Kosovo. I support the Clinton Administration's request for $6 billion to stop Yugoslavian President Slobodan Milosevic's campaign of terror, but I cannot support the $12 billion funing package proposed in H.R. 1664.

The U.S. role in NATO must be unflinching. The Administration's $6 billion spending request is too important to be bogged down in political maneuvers of non-urgent defense spending. Let us pass the $6 billion our military needs to continue operating the NATO effort and then debate the merits of additional, non-emergency military funding in another, less urgent forum.

Mr. PACKARD. Mr. Chairman, I firmly support H.R. 1664, The Emergency Defense Supplemental Appropriations Bill for FY 1999.

Mr. Chairman, our armed forces are stretched farther around the world today than at any time in our history. Deployments in both the Middle East and the Balkans have revealed a true national defense emergency. Our armed forces are suffering from dangerously low personnel, equipment and muntions.

Our military is under considerable strain and the measures being taken to continue operations cause me great concern. We are converting portions of our critical nuclear arsenal for conventional warheads to address severe cruise missile shortages. We are pulling aircraft carriers out of the Pacific to patrol the Mediterranean, despite potentially dangerous tensions with China and North Korea. We are transferring aircraft and support crews from missions over Iraq to fly sorties over Yugoslavia. Finally, the President has called up 30,000 reservists and enacted orders that prohibit many members of the Air Force from leaving the service until the Kosovo air war is over.

Mr. Chairman, the shell game our military commanders are being forced to play must be stopped. We cannot continue to put our service men and women in harm's way without the support necessary to complete the resources without delay. To do anything less is both irresponsible and morally wrong.

I firmly oppose this Administration's policy in the Balkans. I have repeatedly voted against legislation affirming our participation in Operation Allied Force and continue to believe that American military intervention in the region is not the answer. My vote in support of this emergency supplemental legislation is not an approval of this Administration's foreign policy in Yugoslavia, Iraq, Haiti or any other region of the world.

Mr. Chairman, I support H.R. 1664 because this legislation supports our troops. No matter where our troops are deployed, Congress must never neglect their needs. We have a responsibility to provide our military personnel with the necessary tools and training to complete their missions wherever they are. Congress cannot abandon our troops just because the President deploys them unwisely. I urge my colleagues to support our service men and women by approving this important legislation.

Ms. HOOLEY of Oregon. Mr. Chairman, watching this debate I couldn't help but ask myself a question. Where are the 302B allocations? For those watching at home, 302B allocations set the spending levels that the 13 Appropriations Committees must work with to move forward the federal—nonemergency—spending.

The 302B allocations are nowhere to be found. The federal budget is so tight that the Majority Budget Committee Members can't figure out how they are going to fund the government next year without busting the spending caps. The Majority is having a heck of a time figuring out how to increase military spending without cutting important social initiatives or busting the budget caps.

Then, along comes the Kosovo Emergency Spending bill—which Congress can now use to slide billions of dollars under the budget caps into military spending with little complaint from the Administration. Well, I protest, Mr. Chairman.

The other body has done the right thing with the Kosovo Emergency Spending bill. I support the Obey substitute because it, as well as the bill moving through the other chamber, gets the job done in Kosovo, but is not a giveaway to the special interests here in Washington.

This bill is not an excuse to push through billions of dollars of spending and take the pressure off the federal spending caps. That should be done in front of the American public in the normal Appropriations process.

Support the Obey substitute.

Mr. ROEMER. Mr. Chairman, I rise in strong support of H.R. 1664, making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo. I urge my colleagues to support this important legislation to respond to current defense shortfalls. However, I would also like to take this opportunity to highlight a few of my concerns about the bill.

U.S. forces are in harm's way. This is the case no matter what your position was on the debate regarding the Kosovo policy resolutions last week, Therefore, it is imperative for the Congress to stand united in support of this important bill. While I continue to strongly oppose the deployment of U.S. ground troops to the region, it is nevertheless critical that our military commanders and our troops have the necessary military equipment to carry out their current mission and finish the job.

Passing this bill sends a clear message to Slobodan Milosevic that we stand united behind our Armed Forces. A strong, bipartisan vote shows that we will continue to fight Milosevic and his brutal campaign of ethnic cleansing, and that we support NATO's mission to force him to withdraw from Kosovo and return to peace negotiations.

This bill is designed to replenish the current shortages in munitions, equipment and spare parts in the Services. While this bill goes further than the President's initial request, it is still an appropriate response to accelerate funding to meet the critical shortfalls identified by the Joint Chiefs of Staff. Clearly, the conflict in Kosovo has exposed the fact that our Armed Forces can be overextended. We are involved militarily in Iraq and Bosnia at the same time we pursue our objectives in Kosovo. Our immediate ability to respond to crises in other strategically important areas, such as the Persian Gulf and the Pacific theater, has been eroded considerably. Moreover, if we are going to reverse the alarming rate of decline in recruitment and retention of experienced military personnel, we must also provide adequate pay, quality-of-life and retirement benefits.

I have some concerns that this bill includes more than $1 billion for additional military construction spending. Only a small percentage of these funds have any relevance to the current military activity in Yugoslavia. The 77 projects which are funded in the bill are scattered in locations ranging from Southwest Asia to Northern Europe. It is highly arguable whether they represent the most pressing military construction needs. I question whether they need to be part of this emergency supplemental appropriations bill. I would hope that the House could more appropriately address these military construction add-ons when it is time to

consider the regular fiscal year 2000 Military Construction Appropriation bill, which is usually among the first spending bills considered by the House.

However, I strongly support the main thrust and intent of this legislation as an important response to the current defense shortfalls. We must begin the necessary process of correcting that situation now, or it will get worse. I will vote for this bill and strongly encourage my colleagues to support the legislation as well.

Mr. HULSHOF. Mr. Chairman, I rise in reluctant opposition to H.R. 1664, the supplemental Emergency Appropriations for Kosovo and Southwest Asia, and I urge the Committee on Appropriations to return to this body with a more fiscally prudent bill to cover the true costs of U.S. military operations against Yugoslavia.

Let me say at the outset that my opposition to this measure does not in any way reflect upon my belief that the President has seriously miscalculated the merits of Operation Allied Force. Last week, as this body debated a series of resolutions dealing with the crises in Kosovo, I expressed my lack of confidence in the military policies pursued by the President and his political advisors.

Today, however, from my humble vantage point, the issue is dramatically different. The men and women of the United States Armed Forces who find themselves in the thick of the Balkan conflict are not allowed to question the merits of the orders given by their commanding officers. By choosing to enlist in the military, they allow themselves to be placed in harm's way in order to defend America's interests even when those ''national interests'' as defined by their Commander-in-Chief are questionable or controversial. I believe Congress must reward their commitment with all of the resources reasonably necessary to successfully carry out their mission.

The issue then before us is as follows: what level of emergency funding is consistent with achieving the objectives of the current NATO military campaign? To put it another way, how much has the Kosovo conflict cost us? It is my opinion that this figure is considerably less than $13 billion.

My colleagues make a somewhat persuasive case that overall military preparedness has suffered as assets, equipment, and manpower are diverted from other regions of the world to cover the conflict in Kosovo. And yet, proponents of this measure are stretching the definition of ''readiness'' to include military projects and equipment not even remotely related to Operation Allied Force.

The bill includes multiple construction items in seven countries: Germany, Greece, Italy, Portugal, Spain, Turkey and the United Kingdom. My colleagues argue that many of the barracks and maintenance shops in those countries were built before World War II and that no significant modernization improvements have been made. Can we not rectify these shortcomings through the normal appropriations process? Congress necessarily reserves the emergency supplemental bills to pay for unforeseen circumstances like disaster assistance or military conflicts. Do the indoor firing ranges or vehicle wash facilities qualify under such a designation?

The bill further calls for a $1.8 billion increase in military pensions and cost of living adjustments for military personnel not participating in the NATO operation. Make no mistake, Mr. Speaker, I fully support improvements in the quality of life in the military. I agree with those legislators who claim that this Administration has contributed to the decline in recruitment and retention of experienced military personnel.

However, the situation, while unacceptable, is completely unrelated to the subject of this bill—military operation in Yugoslavia and Southwest Asia. Again, those inequities are better rectified through Congress' annual appropriations process.

In conclusion, Mr. Chairman, I agree with the intent of the legislation to restore our military might and return to an era of ''peace through strength''. I have consistently voted in favor of virtually every military appropriation bill that congress has considered. Today, however, I cannot in good conscience support a measure which attempts to reverse several years of military decline by loading up a supplemental appropriations bill and bootstrapping onto a true ''emergency''.

Accordingly, I vote ''no'' on the resolution.

Mr. EVERETT. Mr. Chairman, I rise in support of this emergency supplemental appropriations bill for military operations in Kosovo (H.R. 1664). Our military is in fact in an emergency situation, where readiness is dangerously low. I dare say that the two recent Apache (AH–64A) helicopter crashes in the Balkan Theater are a direct result of reduced flying hours for our air crews, which has been precipitated by a constant drain on training dollars. Most regrettably, we have lost the lives of two American patriots.

Mr. Chairman, this state of military un-readiness cannot be allowed to continue, and that is why this $12.9 billion package of military priorities is so important. This appropriations bill includes $3 billion for vital spare parts, depot maintenance backlogs and recruiting, $831 million for neglected overseas military activities that house our forward deployed forces, and $684 million to replenish the all important precision guided munitions (PGM) including cruise missiles, JDAM (joint direct attack munitions), HARM, Maverick, and others. The Administration has allowed the stockpiles of these PGM's to reach a dangerously low level, so we must act now in order to get the production lines running.

In addition, this legislation includes a down payment on needed improvements to military pay and retirement benefits. This $1.8 billion provision will serve as a starting point to increase active duty pay, and the repeal of the REDUX retirement system that has been such a deterrent to recruitment and retention.

My support for this bill should, in no way, be construed as my support for the President's misguided military action in the Balkans. My position in opposition to Operation Allied Force has been clearly stated in previous votes on this floor. This is not a blank check for the President, but a bill to replenish the readiness accounts of the services that have been emptied to carry out this operation. Moreover, we have young Americans serving their country who are in harm's way; they are caught in the middle of this foreign policy dispute, and it would be irresponsible for this Congress not to fully support them in every way possible. This emergency supplemental doesn't begin to fix the long decay of our armed forces, but it provides for their most pressing readiness and equipment needs of today. I urge the adoption of this legislation.

Mr. OSE. Mr. Chairman, I would like to state for the record my position on the Supplemental Appropriation Bill. Last week I voted for a resolution that would have removed our troops from Yugoslavia, pursuant to the War Powers Act. The current mission in Kosovo concerns me tremendously. I am not convinced that our involvement in Kosovo serves our national interest. When the President sends American troops into battle there must be a national interest at stake. There should be a clear goal of the mission, including a realistic exit strategy. In addition, the President should inform the public of the impact on military readiness around the globe.

The operation in Kosovo is extremely perilous. If the President insists on deploying ground troops into Kosovo, many American lives will be lost. The mission in Kosovo is also stripping away valuable military resources from other parts of the world. If the United States continues to engage in peacekeeping missions around the world, our military will be less prepared to respond to true national security threats. Thus, Kosovo presents two real dangers to the United States: one immediate and one long term.

Although I oppose the mission in Kosovo, I understand the need for a strong national defense. The men and women of our armed forces are a treasured asset. No citizen should underestimate the value of the military in protecting our country from foreign threats and defending our national interests abroad. For that reason, I support the efforts of Congress to meet the needs of our armed forces.

Finally, notwithstanding my support for the Supplemental Appropriation Bill, I object to the way Congress pays for emergencies. Currently, Congress is not limited by budget rules or caps when it appropriates money for emergencies. While I agree that Congress needs to be unrestrained when responding to natural disasters, I take exception with the current process of funding emergency situations. Every time Congress attempts to respond to an emergency, Members of Congress use the opportunity to include funding for non-emergency items. Instead, Congress should establish a fund to help pay for emergencies when they arise. That way we can avoid including unrelated items into emergency appropriations bills, and maintain sound fiscal policies at the federal level.

Mr. COOK. Mr. Chairman, I rise in opposition to H.R. 1664. This money is being requested to support the war in Yugoslavia, a war we must exit, not support this ill-conceived conflict has not caused the inadequacies of our defense infrastructure just as surely as these ill-conceived funding requests will not cure the problems that years of fiscal neglect have created.

I believe in a strong defense and I pledge to support funding levels that will strengthen our military. But we must do this properly through the normal FY 2000 appropriations process.

I also believe there are valid humanitarian issues in Kosovo, and I support the humanitarian efforts there. But make no mistake, whether it be 6 or 13 billion dollars, the money will come directly out of the 1999 Social Security budget surplus.

Democrats and Republicans alike have agreed that Social Security needs to be protected, yet we are about to fail our first test of that commitment. I for one refuse to prosecute this war and the pretense for its funding on the backs of the Americans who depend on Social Security.

Ms. LEE. Mr. Chairman, I rise today to oppose this emergency supplemental appropriation to support an undeclared war in Kosovo. Republicans have added a tremendous amount of unnecessary funding to the Administration's request, openly disregarding the integrity of the Congressional budget process and the use of ''emergency spending''.

The bill that we consider today, H.R. 1664, is more than double the Administration's request. Many of the programs loaded into this bill have little to do with the war but rather are individual requests. How do we justify such outrageous spending? Many of these requests have nothing to do with humanitarian efforts to rebuild a country that our bombs are systematically destroying. Let me assure you, I steadfastly support funding for humanitarian efforts—and I would not hesitate to vote affirmatively on a bill specifically targeted to provide such funding. But this bill's major thrust is to support ''pet projects'' and an undeclared war—which I do not support.

Also, I am disturbed by the proposal that social security surpluses could be used to fund this war. Mr. Chairman, I ask you how can this be? Less than two weeks ago this Congress on a bipartisan basis passed the fiscal year 2000 budget resolution vowing to protect social security. How I ask you does a Republican majority extract $6.9 billion out of a program that they argue must be protected by a ''lock box''? I agree with Mr. OBEY's remarks: ''I find it mind-boggling that some of the same members who yesterday voted against the operation will today vote to more than double the amount of spending that the President has asked for to conduct those operations.''

Let me remind you of our obligation to fund programs that support U.S. citizens and taxpayers, our constituents, and our soldiers. Our current discretionary Federal budget allocates a whopping 48.2 percent to national defense, while a mere 5.3 percent is invested in educating our children; an embarrassing 1.5 percent is dedicated to housing our citizens; and worse still, the very soldiers who serve today, and become our veterans tomorrow, are shamelessly allocated just 3.4 percent of the Federal discretionary budget to support their veterans benefits and services.

Mr. Chairman, these are only a few of the significant programs that deserve this Congress' attention and support. I vehemently oppose this supplemental appropriations bill, and more importantly I oppose this war. Instead of voting on this supplemental, let's do something far more meaningful. Let's vote to stop the bombing and direct our attention towards negotiating a diplomatic solution to end the horrific genocide, death and destruction in Yugoslavia. A bill that provides ''true'' humanitarian assistance to the people of Kosovo, and rebuilds the region will get my vote.

Mr. UNDERWOOD. Mr. Chairman, this bill before us today—The Kosovo and Southwest Asia Emergency Supplemental Appropriations Act of 1999—is bringing to the fore front of debate several pressing issues that will have a long-standing effect upon the National Security of the United States.

First, the Kosovo operation, while it may not directly be vital to America's immediate national security interests, it most certainly will have an impact in the long-term. The United States is engaged in the Balkans to combat the forces of inhumanity and aggression. The list of daily atrocities committed by Yugoslavian troops against the ethnic Kosovar Albanians, is all but too well known. We are indeed witnessing a modern day genocide in Europe. Here it is, almost the end of the century, and we almost stood idlely by as President Slobodan Milosevic began a genocidal policy of intimidation, rape and extermination under the name of ''ethnic cleansing.'' However, the United States and NATO did not stand down. Geo-politically, the conflict in the Balkans has the potential to embroil other nearby states, thus creating a destabilizing effect throughout Eastern Europe. America has a vital security interest in a stable, democratic and peaceful Europe. This is why the United States along with its NATO allies have found it necessary to stand up to Milosevic's naked aggression in Kosovo. In order to continue this important mission, the President has requested this emergency spending bill, which will pay for the mission for until the end of the fiscal year.

The second vital element that is included within the President's bill is the international economic, refugee and disaster assistance package for the ''front-line states'' effected by the Balkans crisis. Furthermore, I support the Obey substitute Amendment because it does so much more for the refugees than the Republican add-on in the underlying legislation. This money will go towards fulfilling our long-term commitment to the peoples of the Balkans and demonstrate our extreme desire to sow the seeds of recovery once the conflict is over. Additionally, the Obey substitute measure also places in this emergency bill, the Agricultural and Central American Assistance package from the previous supplemental, H.R. 1141. This is vital to protect and assist America's farmers and our Latin American neighbors who suffered terrible privation after Hurricane Mitch raged across their lands. My own district of Guam would indirectly benefit from this added provision, as some funds dedicated to the Immigration and Naturalization Service would be reprogrammed to assist in Guam's plight with illegal migrant Chinese nationals, of which some 1,100 have been apprehended.

Mr. Speaker, the third issue effecting America's long-term security interests included in this bill have to do with supporting and paying for our Armed Forces. I do support the pay raise included herein as our troops have long had to face a widening gap in pay between themselves and the private sector. America's military men and women are the very embodiment of dedication, ingenuity and ''can-do'' tenacity. They deserve this pay raise and I urge every member to support it. Interestingly, the Republican budget resolution this year did not fund the 5.5 percent raises for certain military personnel critical to maintaining readiness, commonly referred to as ''Pay Table Reform.''

There are other military budget items that are also funded by Congress. These are in the areas of MILCON, spare parts, munitions, readiness, base operations and depot maintenance. These budget accounts are very important and do require our attention. In principle, I support recapitalizing these important accounts. However, my colleagues on the other side of the isle are misconstruing some of the facts regarding the military budget in general and this spending bill in particular. In fact the Republican majority has spent many weeks bashing the President for his supposed lack of concern for our military. For weeks, they have incorrectly stated that the President has been negligent in his responsibility to provide for our military. They maintain that this is demonstrated by the President's many years of inadequate defense budget requests while, at the same time, deploying troops in more world-wide engagements than ever before. What my learned colleagues fail to comprehend is that today's ''readiness crisis'' is actually as result of two simultaneous factors—the post-cold war military draw down and the new multi-faceted security environment. These two components are not any person's fault despite what the majority would have you believe but they are a reality of tighter budgets and an unstable and uncertain international arena. It is glaringly apparent that the Republican majority is using the occasion of the Emergency Spending Bill as an opportunity to politicize and cast blame on certain global realities that our nation's foreign policy experts—on all sides of the political spectrum—still have yet to sort out.

Mr. Chairman, it is important to also point out that the Republicans have conveniently forgotten that the discretionary budget caps enacted into law, which sets the spending levels for the Department of Defense, were part of the Balanced Budget Agreement of 1997. The very same bill that was supported by the entire Republican leadership of the House and Senate and the vast majority of Congressional Republicans.

The President requested $198 billion more in defense outlays than the Republican Budget Resolution conference agreement over the 10 year period, 2000–2009. This year the House Democratic alternative provided $48 billion more in defense outlays than the Republican Budget Resolution conference agreement over the 10 year period, 2000–2009.

In their zeal to criticize the Democrats as anti-defense, the Republican's have in fact been creating a mis-information campaign. This year in the House Armed Service Committee hearing cycle on the FY00 budget request, our service chiefs testified about our military's readiness and troop retention problems. One ''quality of life'' benefit that all the chiefs stated was an important factor on declining troop re-enlistment was the retirement system, known as REDUX. A repeal of this program, which would restore military pensions to 50 percent of basic pay after 20 years instead of 40 percent, would go a long way toward reversing the declining re-enlistment rates. Despite the fact that all chiefs noted that

the REDUX repeal was a top priority for their troops, the Republican budget did not fund the repeal of REDUX. The Republican resolution rejected the appeals of the Joint Chiefs of Staff to fund this critical personnel initiative.

The Republicans are guilty of not thinking long-term when it comes to defense planning. However, this President does think long-term. This year the President requested $2.9 billion more for defense over five years than the Republicans provided for in their FY 1999 budget resolution. The President, with the support of many Congressional Democrats, have been the moving party for increasing the Defense budget in a responsibly and fiscally prudent manner. While Republicans have been content to follow the President's lead in the short-term, time again, they have shown that in the long-term their holy grail of issues, the tax cut, will always supplant national defense in their budgets.

Mr. Chairman, my dear friends on the other side of the isle are exploiting the Kosovo crisis to make political points against the President and NATO in order to create the impression that Democrats are not strong on defense issues. Their efforts are a political ploy and not a reasoned or responsible effort. I urge all my colleagues to support the Obey substitute amendment.

Mrs. BIGGERT. Mr. Chairman, I rise in strong support of H.R. 1664, the Emergency Kosovo Supplemental for Fiscal Year 1999.

My vote today is both a statement of support for our men and women in harm's way and also for addressing the increasingly serious readiness, quality of life, and infrastructure shortfalls.

Last week, Congress fulfilled its duties under the War Powers Act by voting on a resolution calling for the withdrawal of our soldiers from Kosovo and by voting on a resolution to declare war on Yugoslavia. I voted to withdraw our soldiers and against declaring war. In addition, I voted to require the President to obtain congressional approval before deploying ground forces and against authorizing the air strikes.

Despite my votes, the air strikes go on. It is now my responsibility to ensure that our armed forces have the ability to carry out this mission to a successful conclusion. Indeed, H.R. 1664 gives the President precisely what he believes is needed for the Kosovo campaign.

But H.R. 1664 goes further, by addressing the dire emergency that our involvement in Kosovo finally has brought to light. While defense budgets and force structure have diminished, U.S. security commitments have grown. Our soldiers are asked to do more and more with less and less. That is wrong.

The $6.9 billion in H.R. 1664 is merely a down payment on the substantial needs of the military that have for too long been neglected. We will make an immediate difference for our military by providing much needed funds for spare parts, equipment maintenance, and recruiting.

If America wishes to protect its own freedom and security, it must accept the burden of paying for it. This bill advances that cause. I urge all my colleagues to support H.R. 1664—support our men and women in the Armed Forces.

Ms. WOOLSEY. Mr. Chairman, as every Member in this body is well aware, the issue of Kosovo is an extremely difficult one and there is no easy answer.

It would be easier for all of us if this issue were black and white. It would be easier for us if this supplemental spending bill was not mired in politics. And it would be easier if all of the funds in this bill were used for true emergencies.

I supported the Obey amendment today, not because I support further military operations in Kosovo, but because it is the responsible thing to do. The legislation and the current amendment before us, does not address the real emergencies that need to be dealt with right away.

Regardless of one's perspective on current United States policy and operations in the Balkans, our troops are in harm's way, and we have a responsibility to ensure that they have the resources they need. I do not support continuing the airstrikes and I do not support sending in ground troops.

But we have already spent an estimated $1 billion on this operation. A responsible nation does not commit to something and then refuse to pay for it.

I may oppose the policy that we've committed to, but I am not willing to say that the United States should break the promise America has already made to NATO. It is not that easy. But, I will not refuse U.S. aid for the tens of thousands of refugees expelled from their homeland. That is why I supported the Obey amendment today.

Unfortunately, some Members are using a time of international crisis as an opportunity to load on billions of dollars in pork. No matter what some on the other side of the aisle might say, these additional funds are not going to help the men and women that are stationed in the Balkans.

These funds will not go to the innocent refugees struggling for their very lives throughout the region.

Here's what the pork will pay for: $47 million is going for a bachelor officers' complex in Bahrain; $1.34 billion is earmarked for spare parts unrequested by the Pentagon. Not only are these spare parts unrequested, but the Department of Defense is still overspending for these parts by as much as 618 percent. The Pentagon paid one contractor $76 for 57-cent screws.

None of this wasteful spending is going to bring us closer to peace. Not one pork barrel project is going to end this terrible tragedy or help the innocent Kosovar refugees. And wasteful spending is not going to help the people in Central America or America's farmers hurt by falling crop prices.

If some Members of this Congress are determined to provide additional funds for the military operation not requested by the President, those moneys should come from cuts to wasteful and redundant programs in the current Pentagon budget, through the regular appropriations process.

By weighing this bill down with unrequested pork, we are also jeopardizing aid to our farmers. Our farmers are still faced with declining prices for their crops—threatening their income and their livelihood. It is essential that we rush this aid to American farmers to help them recoup losses resulting from natural disasters and persistently low commodity prices. Farmers need this funding now—but putting unrequested add-ons in this bill could delay and threaten that aid.

We must also take the responsible path and include funding for Hurricane Mitch. Hurricane Mitch left behind a catastrophe of tragic proportions. Thousands died and millions of people were displaced throughout Central America.

This disaster calls for a major humanitarian response from the United States and this Congress has let this issue twist in the wind. That is irresponsible and unacceptable.

We can't turn our backs on our troops, the Kosovar refugees, American farmers, or the victims of Hurricane Mitch. We must address these important issues and be responsible.

Mr. BENTSEN. Mr. Chairman, I rise in reluctant support of this legislation. I strongly support the funding this bill provides for our troops engaged in the conflict over Kosovo, but I oppose the reckless manner the majority party has taken in bringing this bill to the floor of the House.

As we all know, earlier this year, President Clinton asked Congress for an emergency appropriation to aid disaster relief in the United States and Central America in the aftermath of Hurricane Mitch, provide agricultural relief to U.S. farmers and fund the U.S. commitment to the Middle East peace process. At that time, many Republican members of this body insisted, as is within their rights, that the appropriated funds be offset by finding savings elsewhere in the budget, even though the budget rules don't require offsets.

Now, we have a situation where the President has requested an emergency appropriation to pay for the military operation in Kosovo. Instead of insisting on finding offsets, the Republican members of the House added some $7 billion to this bill in extraneous defense spending unrelated to Kosovo that would usually be considered through the normal appropriations process.

If it is truly an emergency, this bill should provide only the necessary funds for the Kosovo operation, which many Republican members of this body have voted repeatedly against. The willingness of the majority party to increase, by $6 billion, funding for the military effort that most voted against last week is the height of hypocrisy. How can you vote against our engagement in the Kosovo conflict one week, then turn around and vote for a $13 billion increase for that same effort the very next week?

The answer, of course is pork. The majority knows that the increases in this bill won't be offset. This emergency supplemental bill is being used as a tool to pay for billions of dollars worth of defense projects unrelated to the ongoing operation over Kosovo. The majority has, in effect, found a way to fund through the supplemental what their FY 2000 budget resolution won't allow. This bill is being used as a ''free lunch'' card to bypass the appropriations process later this year, while providing the illusion of maintaining the appropriations caps that this body approved in 1997.

As I indicated, I will be voting in favor of this bill because it is the only mechanism we have to provide much needed assistance to the

men and women of our armed forces, who are engaged in a dangerous conflict over Yugoslavia. I also happen to support many of the provisions the majority intends to add on to this legislation. And I believe that most of the add-ons in this bill, including a military pay and pension increase, should be considered, but only as part of the normal appropriations process. Unfortunately, the majority has eliminated that option. I fear we are heading down a slippery slope of fiscal irresponsibility lead by the Republican Leadership.

Our troops are engaged in a critical conflict that will have a lasting affect on the stability and future of Europe. We are fighting against the same kind of nationalistic forces that have taken far too many American lives during this century. Let's put partisanship behind us to give our troops the support they need. Let's not sacrifice this bill and fiscal responsibility to the political wishes of a nervous majority.

Mr. BLUMENAUER. Mr. Chairman, with its actions today, the Republican leadership continues its muddle of our Balkan policy. The vast majority of Republicans have already rejected both a declaration of war and a complete withdrawal of our troops, and voted against supporting current troop operations.

However, the Republicans still want to spend twice as much money as requested for Kosovo, thereby surreptitiously busting the budget caps they've pledged to maintain. Ironically, this inflates the cost of the very effort on which they can't figure out their position. Simply being against the President and also claiming 20–20 hindsight on matters of diplomacy is not leadership.

I supported the Democratic substitutes, which would eliminate much of the military spending unrelated to Kosovo. It would also have included the necessary emergency funding for the unprecedented hurricane damage in Central America, and provide much needed aid to the American farmer. It is shameful these funds have languished for months without action.

Our troops deserve a bill that is not one dime less than our military obligations require. The American people deserve a bill that is not one dime more.

Mr. BERRY. Mr. Chairman, I rise today to support our troops and to express my complete disgust at the process forced on the House of Representatives by the Republican majority.

Today I am faced with a choice. I want to do two things: support our men and women who are in harm's way in Kosovo, and protect the money in the Social Security Trust Fund. Unfortunately, the Republicans have decided that Social Security is not particularly important, and they used the Trust Fund to more than double what the Department of Defense needs to fully fund the military operations in Kosovo. Republicans are willing to rob the Trust Fund to increase the defense budget out of year 2003. I have to ask: how is building a depot in Germany two or three years from now an emergency?

We have an appropriations process. We have budget agreements. It was just three weeks ago that we passed the Republican budget plan that set caps on military spending. The budget sets limit on agriculture spending, education spending, and every other kind of federal spending. Today we are seeing the Republicans bypassing their own budget constraints and undermining the whole process.

Six weeks ago we passed the much needed supplemental spending bill that had money in it to help our farmers get loans they desperately need to begin planting. The situation facing farmers is truly an emergency, and yet the House Republicans decided that the agriculture funding had to be off-set with spending cuts. Six whole weeks have gone by since then and nothing has happpened—no money for farmers, no meetings to get the legislation ready for the President's signature, no apparent concern for American farmers. It is shameful that the Republicans would let our hard-working farmers twist in the wind while we have these petty fights. But now we see these same Republicans stealing from the Trust Fund to spend on pork projects that the Department of Defense has not asked for.

Let me say again, it is a hard choice the Republican majority is forcing on me today. So, while I have no reluctance in supporting our troops, I am only reluctantly voting for this supplemental spending bill.

Ms. HOOLEY of Oregon. Mr. Chairman, this bill is full of pork.

While listening to this debate, I couldn't help but ask myself a question. Where are the 302(b) allocations that the House must use to act on other appropriations bills? For those watching at home, 302(b) allocations set the spending levels that the 13 Appropriations Subcommittees must work with before moving forward the federal—NON emergency—spending.

The 302(b) allocations are nowhere to be found in this Congress.

While federal statute calls on appropriators to put together 302(b) spending levels soon after the budget passes, they have not yet been able to do so. This is because the federal budget is so tight, the Majority can't figure out how they are going to fund the government next year.

Basically, the Majority has been trying to increase military spending under the recently passed federal budget without cutting important social initiatives or busting the budget caps—and under this budget, that was proving impossible.

Then, along comes the Kosovo Emergency Spending bill which Congress can now use to slide billions of dollars under the budget caps into military spending with little complaint from the Administration. Well, Mr. Speaker, I protest.

The other body has done the right thing with the Kosovo Emergency Spending bill. I support the Obey substitute because it, as well as the bill moving through the other chamber, gets the job done in Kosovo, but is not a giveaway to the special interests here in Washington.

The bill we have before us today is not an excuse to push through billions of dollars of spending and take the pressure off the federal spending caps. I urge my colleagues to oppose the underlying bill.

Mr. STARK. Mr. Chairman, I rise today in vehement opposition to the $12.9 billion supplemental appropriations for the military attack on Yugoslavia as well as the $11.7 billion substitute amendment.

Last week, I voted against the bill to authorize the current NATO mission. In fact, the bill failed when two hundred thirteen members of this body also opposed the measure. Why is the majority leadership today requesting $13 billion for a mission they opposed just a week ago. It appears that the majority can't spend enough on a war they refuse to authorize.

The majority is playing partisan politics with Kosovar and U.S. lives.

I will not support a funding request for a mission that has no clear parameters and is laden with pork-barrel defense spending. The Administration asked for $6 billion in the emergency supplemental, not the $12.9 billion to be voted on today. This piece of legislation appropriates funds for some projects that clearly are not urgent in nature.

Instead of giving NATO a war to justify it's purpose, we should be giving our elderly prescription drug benefits, our children better schools, and our workers a Social Security system they can count on when they retire. This bill will divert surplus funds attributable to Social Security in order to pay for military pay raises and retirement as well as military installations abroad that are completely unrelated to Operation Allied Force.

Proponents who support this measure argue that the Pentagon in underfunded. they contend that we must improve our military readiness and quality of life for our military personnel. I disagree but the debate on the appropriate level of defense spending should come in the context of the normal appropriations process where spending caps cannot be broken.

The emergency supplemental should not create an opportunity for ''Christmas at the Pentagon'' with more cruise missiles, laser guided bombs and other munitions added to our arsenal.

Appropriating defense funds for the attack on Yugoslavia gives the President the authorization needed under the War Powers Act to continue the air strikes and allow him to use ground troops if necessary. However, if funds were withheld, the President would be required to remove the troops from their current mission by May 25, 1999. Unfortunately, those same Republicans who voted last week not to authorize the current air strike are essentially giving NATO carte blanche to carry out its air attack through the summer and beyond.

If my colleagues really wanted to support the troops, they would help in the effort to end the NATO bombing. Thirty three thousand reserves have been called up for the Kosovo conflict.

The Cold War is over. The U.S. and NATO must adapt their strategies to reflect this fact. They must learn to deal with regional conflicts and ethnic cleansing in an effective manner, including international diplomatic measures.

I will not vote to spend billions of dollars for a mission that can be accomplished with a smaller price tag through diplomacy. I urge my colleagues to join me in opposing H.R.1664, Defense/Kosovo Supplemental Appropriations for FY 1999.

Mr. KLECZKA. Mr. Chairman, the President submitted to Congress an emergency spending request of $6.0 billion to fund the current operations in Yugoslavia through the end of fiscal year 1999. The Republican majority then

more than doubled the requested amount adding defense spending items that have absolutely nothing to do with the NATO operations or an emergency. For these and other reasons which I will expand upon, I must oppose this bill.

The additional spending on such areas as increased pay and retirement for our military, munitions procurement, spare parts, depot maintenance and additional moneys for recruiting are clearly justified expenditures, but should and must be addressed in the regular appropriation process where the recently passed budget bill reserved $290 billion for such purposes and other priorities. The reason the majority insists on including these items in H.R. 1664 is that the new spending doesn't have to be offset and thus will free up like amounts when they start spending the $290 billion.

Also, many of the other unrequested projects like $115 million for new facilities in Britain including $13 million for a dormitory in Fairlord and $10 million for a control tower in Lakenheath are questionable. Clearly, the $48.3 million for new bachelor housing and $35 million for a control center in Bahrain are not an emergency.

All this additional spending has been declared ''emergency'' spending by the Republicans in order to avoid the need for offsetting cuts in other discretionary accounts. Under this bill, these costs will be taken from the currently projected Federal Budget surplus.

But, Mr. Chairman, the entire surplus is made up of excess Social Security trust funds being amassed to pay Social Security benefits to current and future retirees. It was only a few short weeks ago that you and your colleagues were beating your chests over the myth that you have created a ''lockbox'' to hide the surplus trust funds from those who would seek to spend them! Guess the majority has found the key and now you're doing exactly what you promised the American people you would never do!

Mr. Chairman, I support our men and women bravely serving our country in Yugoslavia. But, I cannot support this bill which circumvents the annual appropriation process and the spending caps and unjustly uses the Social Security Trust Fund surplus.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I rise with serious concerns regarding H.R. 1664. This bill appropriates a total of $12.9 billion in emergency supplemental funds for fiscal year 1999, some $6.9 billion more than the President's request. Mr. Chairman, Congress needs to resist the temptation to add unrelated expenditures, even important ones, which would further delay the process, because that would undermine the very goals that this funding is intended to meet.

Despite months of allied diplomatic efforts and after forty-three days of a sustained air campaign, the government of Slobodan Milosevic has continued to defy the international community. Instead, Milosevic has pursued a course of repression and terror against the people of Kosovo. The atrocities committed by the government of Milosevic know no bounds, as the Yugoslavian police and military have been bent on the ethnic cleansing of Kosovo.

The NATO alliance could not allow these actions to go uncontested as they represent a threat to European security and stability. The U.S. and NATO objective in Kosovo is to achieve a durable peace that prevents further repression and provides for democratic self-government for the Kosovar people. We know we have a responsibility to the people of Kosovo to respond to the humanitarian crisis.

This past weekend I joined a congressional delegation that traveled to Germany, Albania, Macedonia, Italy and Belgium. While it was indeed disheartening to see the effects of this human tragedy up close and personal, it was reassuring to witness the dedication and selfless dedication of our troops and the humanitarian organizations operating in the region. Our troops are supporting ''Operation Shining Hope,'' a major humanitarian effort to help the refugees. They need our additional help.

Mr. Chairman, it was incomprehensible to imagine the size of this tragedy. While we are all guilty of watching CNN, the scope of this crisis is overwhelming when seen in person. In Albania there are 367,200 displaced refugees, in Macedonia 142,650 refugees, and in Montenegro 63,300 refugees. On the ground and among the refugees, I was able to interact and listen to the stories of this human tragedy. I heard first hand accounts of the systematic killing of innocent men and boys, the senseless destruction of homes, and even the brutal rape of Kosovar women.

In addition to confronting the humanitarian crisis, I had the opportunity to interact with our troops. As is the norm, the U.S. Armed Forces are performing with great skill, extreme attention to detail, and with a strong commitment to achieving the goals of the NATO alliance.

Congress should endeavor to avoid a confrontation with the administration by passing a bill which is not loaded with funding projects total unrelated to the mission. The bill includes funding for construction projects in Germany, Britain, Italy and Bahrain. That's right, Mr. Chairman, a new bachelors housing complex in Bahrain is needed to secure the freedom of Europe.

Mr. Chairman, I want to express my disappointment with the refusal to allow debate on Representative TONY HALL's amendment. This amendment would have provided an additional $150 million for food and needed supplies. The refugees in Macedonia, Albania and Montenegro need this additional aid. I wish that all the Members of this body could have seen the faces of the refugees and listened to each family account their personal disaster. We might differ on the status of our military but I can not believe that we can differ on the need for food.

Mr. Chairman, I know that there are issues important to our uniformed service members, including pay, housing, and retirement benefits. As important as these issues are to my constituents and to the constituents of each of my colleagues, we must resist the temptation to add unrelated expenditures which will further delay our ultimate goal.

The Obey amendment pays for the conflict in Kosovo, increased military pay for our troops, money for emergency food assistance to the refugees and provided for the victims of the storm in Central America such as the terrible result of Hurricane Mitch. I support this approach by the Obey amendment and I support the addition to this budget of humanitarian aid to be offered by NANCY PELOSI and TONY HALL. We must include such additional relief to ease this human tragedy of the ethnic Albanians. If we are to establish a lasting peace and assist in the humanitarian effort, we should not fund unrelated projects.

Mr. BLILEY. Mr. Chairman, I rise in strong support today for H.R. 1664, the Kosovo Operations Supplemental Appropriations Act. This bill addresses two very critical matters facing our country and our military: overall military readiness and the on-going conflict in the Balkans.

Our military is dangerously underfunded and it time to reverse this injustice to our country and our soldiers, sailors, airmen, and marines. President Reagan was right when he said, ''I believe it is immoral to ask the sons and daughters of America to protect this land with second-rate equipment and bargain-basement weapons. If they can put their lives on the line to protect our way of life * * * we can give them the weapons, the training, and the money they need to do the job right.''

History has spoken that the price of freedom is not cheap. If we fail to improve our nation's military readiness and win the war in the Balkans, we will send a message to every two-bit dictator that the U.S. is no longer a Superpower and is ripe for aggression against its people and soil. As one of the Vice Presidents of the NATO Parliamentary Assembly, I will meet with our NATO allies in a special meeting in Brussels, Belgium, tomorrow, May 7, 1999. During this meeting, I will stress the fact that our mission in Kosovo cannot fail. The world is a dangerous place and it becomes even more dangerous if the NATO mission in Kosovo fails.

To my colleagues who oppose the conflict in Kosovo, our brave fighting men and women are in harm's way. Their lives are in danger. To withdraw now rewards a brutal tyrant. You may disagree whether we should be there or not but we are past that debate now. It is imperative we all do what we can to win this fight. Ultimately, the survival of NATO and our status as a Superpower is at stake. I urge all my colleagues to support the Supplemental Appropriations Act. It is the right thing to do.

Mr. MORAN of Virginia. Mr. Chairman, I rise today to express my support for the prompt passage of H.R. 1664, the fiscal year 1999 Kosovo Operations Supplemental Appropriations Act.

While I have some concerns about the level of spending in this measure, I believe we should act promptly to provide our service men and women with the resources they need to carry out their responsibilities in this NATO-led mission.

This legislation, while not perfect, addresses a number of increasingly serious readiness, quality-of-life and infrastructure shortfalls identified by our country's military leaders.

I ask my colleagues to put aside their differences and act in a bipartisan manner to support the prompt release of these funds. Whether you support U.S. participation in this operation or not, I urge you to support this supplemental funding request. We have a responsibility to ensure that our military has the resources it needs to successfully execute this mission.

This legislation appropriates funds for some critical shortfalls in our military spending. For

example, it provides much needed funding for spare parts, ammunition, equipment maintenance, and recruiting. All of these areas have experienced shortages and these funds will make the necessary investments in our Operations and Maintenance accounts.

I would also note that this legislation provides $1.9 billion for a military pay increase and for retirement benefits, subject to congressional authorization and a Presidential emergency declaration. I think this provision will send an important message to our troops and their families of the value this nation places on their work.

As I have urged my colleagues before, I believe the United States should continue to support the North Atlantic Treaty Organization's (NATO) efforts in the Balkans. NATO has been principally responsible for the relative stability and economic prosperity that Europe has enjoyed over the last fifty years. Our experience in two world wars clearly demonstrates that a stable Europe is in the national interest of the United States.

There are three reasons why our actions in Yugoslavia should be supported by this Congress: Number one, the strength of NATO; number two, our experience with Milosevic; and number three, the alternative of doing nothing.

It is in our vital interest that there be a strong and resolute NATO. Think of the hundreds of thousands of innocent soldiers, sailors, and airmen that were lost in Europe because we did not have NATO when we needed NATO.

We need NATO now. We need to act with NATO. We need a strong NATO. And if we do, the United States will not have to be the world's peacekeeper in the future.

Secondly, our experience with Milosevic, because NATO did not get involved in Bosnia when it had an opportunity. As a result, 250,000 lives were lost, 2½ million people were displaced, and 40,000 women were raped. It could have been prevented had NATO acted when it had the opportunity.

And thirdly, think of the alternative. This is the fault line, my colleagues, between the Muslim and the Orthodox worlds. This is the fault line that has existed for generations. If we had not gotten involved in a multilateral action with NATO taking the lead, think what would have happened.

We know what Milosevic was going to do, why he had 40,000 troops amassed on the border, why he did not want to compromise at Rambouillet. He knew exactly what he was going to do; and he did it.

But if he had done that and NATO had not gotten involved, do my colleagues really think other nations would have stood by? Of course they would not have. We would have had the Mujahidin getting involved. We would have had Islamic extremists getting involved. And do my colleagues really think Russia then would not have gotten involved if there had not been the strength of NATO taking the leadership here?

My colleagues, we are doing the only responsible thing. This is not the United States acting unilaterally. We are acting multilaterally. We are acting with NATO. We are acting in the long-term interests of this country. We are doing the right thing, for a number of reasons. And the Congress should be supporting it.

Politicizing or slowing the release of these funds to our armed forces could ultimately jeopardize our involvement in the 19-nation NATO operation.

I urge my colleagues on both sides of the aisle to vote ''yes'' on this emergency spending bill and support the timely release of these funds.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

Before consideration of any other amendment, it shall be in order to consider the amendments submitted for printing in House Report 106–127. The amendments may be considered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

During consideration of the bill for further amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

It is now in order to consider amendment No. 1 printed in House Report 106–127.

AMENDMENT NO. 1 OFFERED BY MR. LATHAM

Mr. LATHAM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 submitted for printing in House Report 106–127 offered by Mr. LATHAM:

Page 27, after line 23, insert the following new chapter (and redesignate the subsequent chapter and sections accordingly):

**CHAPTER 5**

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

For additional gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, $1,095,000,000, as follows: $350,000,000 for guaranteed farm ownership loans; $200,000,000 for direct farm ownership loans; $185,000,000 for direct farm operating loans; $185,000,000 for subsidized guaranteed farm operating loans; and $175,000,000 for emergency farm loans.

For the additional cost of direct and guaranteed farm loans, including the cost of modifying such loans as defined in section 502 of the Congressional Budget Act of 1974, to remain available until September 30, 2000: farm operating loans, $28,804,000, of which $12,635,000 shall be for direct loans and $16,169,000 shall be for guaranteed subsidized loans; farm ownership loans, $35,505,000, of which $29,940,000 shall be for direct loans and $5,565,000 shall be for guaranteed loans; emergency loans, $41,300,000; and administrative expenses to carry out the loan programs, $4,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OFFSETS—THIS CHAPTER

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT ASSISTANCE

(RESCISSION)

Of the funds appropriated under this heading in Public Law 105–118 and in prior acts making appropriations for foreign operations, export financing, and related programs, $40,000,000 are rescinded.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

(RESCISSION)

Of the funds appropriated under this heading in Public Law 105–277 and in prior acts making appropriations for foreign operations, export financing, and related programs, $17,000,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

FEDERAL CAPITAL LOAN PROGRAM FOR NURSING

(RESCISSION)

Of the funds made available under the Federal Capital Loan Program for Nursing appropriation account, $2,800,000 are rescinded.

DEPARTMENT OF EDUCATION

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

(RESCISSION)

Of the funds made available under this heading in section 101(f) of Public Law 105–277, $6,800,000 are rescinded.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

PEACEKEEPING OPERATIONS

(RESCISSION)

Of the funds appropriated under this heading in Public Law 105–277, $10,000,000 are rescinded.

MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

GLOBAL ENVIRONMENT FACILITY

(RESCISSION)

Of the funds appropriated under this heading in Public Law 105–277, $25,000,000 are rescinded.

EXECUTIVE OFFICE OF THE PRESIDENT

FUNDS APPROPRIATED TO THE PRESIDENT

UNANTICIPATED NEEDS

(RESCISSION)

Of the funds made available under this heading in Public Law 101–130, the Fiscal

Year 1990 Dire Emergency Supplemental to Meet the Needs of Natural Disasters of National Significance, $10,000,000 are rescinded.

The CHAIRMAN. Pursuant to House Resolution 159, the gentleman from Iowa (Mr. LATHAM) and the gentleman from Wisconsin (Mr. OBEY) each will control 20 minutes.

The Chair recognizes the gentleman from Iowa (Mr. LATHAM).

Mr. LATHAM. Mr. Chairman, I yield myself such time as I may consume.

My amendment today is merely an effort to recognize and ensure that we provide our Nation's farmers with essential credit. This amendment will provide $105.6 million in appropriations to support over $1 billion in farm loans and an additional $4 million for administrative expenses.

Although the gentleman from Texas (Mr. COMBEST) Agriculture Committee chairman, asked the Secretary of Agriculture to release about $150 million in unobligated funds to ease the credit gap, the House is again being asked to do the heavy lifting for USDA.

Members may recall, earlier this year, the House voted to release $470 million in funds that could be made immediately available for guaranteed farm loans. As expected, the Senate, the other body, continues to debate among themselves about additional farm spending, further delaying the supplemental that the House passed in March.

In addition, the USDA has delayed disaster payments that were appropriated last October; and the farm credit crunch continues. I think the House should be aware that the $2.3 billion that was made available last year has still not gotten to the farmers, and it may be June until USDA finally figures out how to disburse those funds that we appropriated last year because of the disaster in agriculture.

These loans are important to those who need assistance today. We have farmers in the field that have no credit, have not been able to secure the guarantees that they need at the bank, and it is extraordinarily important that we move and move quickly in this provision. This is the language that was agreed to by the House in H.R. 1141; and it is offset, entirely offset, with unobligated funds.

I would like to remind my colleagues that we have not been given an ironclad assurance from the other body that we will end up with a combined conference report that will include both supplementals, the one that we passed in March and this one today. That is why it is so essential that we have this provision that is needed immediately, that this is the fastest-moving vehicle and we have to get this credit to our farmers as quickly as possible.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. LATHAM. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the gentleman for yielding.

I would like to say to the gentleman and to our colleagues that, normally, I would object to this amendment because this is purely a national defense bill. But I would say the reason I would accept this amendment today, the joint leadership of the House and Senate has decided that once this bill has cleared the House that this supplemental as well as the first supplemental that the gentleman mentioned will be conferenced on a parallel track.

□ 1300

So we will be dealing with the issue of the agriculture anyway on the first supplemental.

Incidentally, I would say to the gentleman the President did not ask for anything for agriculture. His amendment finally came as an adjustment to his request for the supplemental, Mr. Chairman, and we did add that money in the first supplemental appropriations bill.

So I accept the gentleman's amendment today, and I would hope that we could in the interests of time move on because I do not think there is much opposition here.

The gentlewoman from Ohio (Ms. KAPTUR) had raised a similar issue in the full committee and, I think, did a very good job explaining why this was necessary, and so I thank the gentleman for offering the amendment, and, from our standpoint, we are prepared to accept it.

Mr. LATHAM. Mr. Chairman, reclaiming my time.

I thank the gentleman from Florida very much, and I would reiterate that I do not think we need to go on for the full 40 minutes here in debate.

Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield 6 minutes to the distinguished gentlewoman from Ohio (Ms. KAPTUR), the ranking Democrat on the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies.

Ms. KAPTUR. Mr. Chairman, I thank our distinguished Member, the gentleman from Wisconsin (Mr. OBEY), for yielding this time to me, and on behalf of rural America and the real interests of rural America I must rise in opposition to the amendment offered by the gentleman from Iowa (Mr. LATHAM) and urge my colleagues to instead support the Obey substitute that will be offered today after the next amendment to this bill.

Let me thank the gentleman from Iowa (Mr. LATHAM) for doing the best that he could inside his own caucus. He is a member of our subcommittee, and I know how deeply he feels these issues. But truly I would say to his leadership:

This is not the way for America to deal with the crisis affecting U.S. citizens, our farmers from coast to coast, west to east, north to south. Why should we even consider an amendment here today which deals with such a teensy-weensy portion of a massive problem as part of an emergency supplemental dealing with Kosovo. We considered this bill dealing with rural America in the House several weeks ago, nearly 2 months ago, and then something happened over in the other body, and the leadership of both institutions were not able to get themselves together.

And, Mr. Chairman, I would have to say to my dear friend from Florida (Mr. YOUNG):

This is not his fault either. He has my sympathy because I understand a little bit about Florida, and that I–75 runs between Ohio and Florida, so a lot of our people go down there during the winter and come back. And the gentleman has tried to do the best that he can under constraints that are being applied by the leadership of this House and the leadership of the other body.

Mr. Chairman, it kind of reminds me of that old song by Peggy Lee when I look at this amendment: Is That All There Is? And when we look at the actual content of the amendment offered by the gentleman from Iowa (Mr. LATHAM), he has been cut back by his own leadership to only include a small portion of agricultural credit that is desperately needed by our farmers to get through this spring planting season. However even the administration's abysmal request to this Congress included funding for the staff to administer that. That is not in the amendment offered by the gentleman from Iowa (Mr. LATHAM). Ag credit money that will unleash dollars in the private sector will not help farmers in this crisis because we need people to deliver the assistance, and we know that because of the depth of this crisis in our country the disaster payments from last year have not even been fully processed.

And what has our Secretary of Agriculture been doing? He has been robbing one account over there to pay for another account just to try to keep staff people in place in these farm service agencies around the country, and last week all authority ran out. So the rob-Peter-to-pay-Paul mechanism that has been used because we have not been able to clear a bill because of the backwardness of the leadership of this institution now places the burden on the gentleman from Iowa (Mr. LATHAM), a respected member of our subcommittee, who is trying to do the best he can, but I would like to ask: Where is the leadership of this House and where is the leadership of the other body to give the farmers of this country that we owe such a debt of gratitude to for keeping this Nation fed, food security fundamental to any body politic's peace, why can they not get

their day in the sun? Why do we get back-doored at the end, in the last file in the cabinet in a bill dealing with Kosovo and we cannot even deal with the enormity of this problem?

What kind of signal does the gentleman's amendment also give to farmers, because in that particular amendment we basically have to offset the $109 million that he is talking about, and why is the crisis in rural America any less of a crisis than what we are facing in Kosovo, in a foreign land, or Hurricane Mitch? What about the people of this country?

I do not think I am xenophobic; I care very much about this country. The people of this country elected me to be here, and I think they should be at the front of the line, not at the back of the file cabinet.

So, Mr. Chairman, I view what is happening in rural America a true emergency. We are now into Day 69 of this Congress, and we cannot even get a debate in here about the dimensions of people who are going bankrupt from coast to coast.

So, with all due respect to the gentleman from Iowa, I think he has done the best job he can do with this amendment, but if people in this body really want to help rural America, we ought to vote no on the amendment offered by the gentleman from Iowa (Mr. LATHAM) and yes on the Obey substitute and truly ask the leadership of this institution to bring up a freestanding bill that is an emergency for the people of this country who are trying to feed us and the world and are being ignored at the highest levels of this legislative body.

Mr. Chairman, I just say that in the Obey substitute that will be offered we not only deal with agricultural credit, the full amount asked for by the administration, we ask for sufficient funds for people to administer that credit at our farm service agencies. We also deal with the three major credit programs in his amendment. We talk about emergency assistance for farm workers. We have special aid to those who produce hogs around this country who literally are on their knees. Also, our emergency conservation programs are attended to, livestock assistance for those affected by disasters. Our watershed and flood prevention programs, our rural water and sewer grants, rural housing and even food aid for Kosovo refugees: $175 million in Mr. OBEY's substitute. With the surpluses we have on our backs here and with hungry people there, what a win-win for everyone.

Why can we not get a freestanding vote on the needs of rural America in this Chamber?

So I know the gentleman from Iowa (Mr. LATHAM) tried very hard, but truly he needs the support of his own leadership, and I ask the House to support the Obey substitute and defeat the amendment offered by the gentleman from Iowa (Mr. LATHAM).

Mr. LATHAM. Mr. Chairman, I yield myself 15 seconds, and I very much appreciate the gentlewoman from Ohio's comments, and I think what she is expressing is the same sentiments I have and the frustration with the other body because we have done the heavy lifting here in the House, and our frustration really is to getting the conference done and move on.

Mr. Chairman, I yield 5 minutes to the gentleman from the State of South Dakota (Mr. THUNE), an outstanding representative who has been such a strong advocate for agriculture.

Mr. THUNE. Mr. Chairman, I thank the gentleman for yielding this time to me and would simply say that the gentlewoman from Ohio is certainly right about one point, and that is that there is a crisis in agriculture. We are seeing the lowest prices historically in a great many years. We have a credit crunch going on out there, which is what this attempts to address, and we desperately need some solutions. And frankly I hope that as we continue to move through this congressional session that we will take up issues like mandatory price reporting, a piece of legislation that I have introduced, crop insurance reform, which is something that I have joined with the gentleman from North Dakota (Mr. POMEROY) in working on, as well as looking at other ways, examining other ways, in which we can support our agricultural producers.

I will, however, take issue with one point, and that is that this body has not been responding. We have tried, which is why we are here today on this supplemental appropriation, to keep this issue in front of the Congress at every opportunity. My colleague is right; it was put on the other supplemental bill, but it is languishing in the Senate. Frankly, we do not have a lot of control of what happens in the Senate as much as we would like to.

But the fact of the matter is that we believe it is important enough, and so a number of us from agricultural states who represent rural districts who are suffering as my colleague's is got together and tried to at least attach this particular piece of legislation, the hundred million dollars plus in loan guarantee authority, to this supplemental bill, and I do not for a minute suggest that that is not going to negate the need that we have to do a number of other things in the area of agriculture in this Congress. But there is an orderly process underway for doing that. We cannot do everything on appropriations bills, and the authorizing committee on which I serve, the Committee on Agriculture, we are working in an orderly way to address these. We have had hearings on a number of these subjects already. My full expectation is that we will move forward with a number of these initiatives that are so important to the areas of the country that are suffering miserably from an agricultural crisis that does not seem to have any end in sight.

But we want to keep this issue in front of the American public, in front of this Congress, and that is why we are here today, and I think it is very important that we move the amendment offered by the gentleman from Iowa (Mr. LATHAM), and I credit him, my neighbor from Iowa, working with us on this and taking the leadership role.

Mrs. EMERSON. Mr. Chairman, will the gentleman yield?

Mr. THUNE. I yield to the gentlewoman from Missouri.

Mrs. EMERSON. First of all, Mr. Chairman, let me thank the gentleman from Iowa (Mr. LATHAM) and the gentleman from Florida (Mr. YOUNG) for allowing this money to be included in the emergency supplemental. It is absolutely critical for our farmers. In my particular district I have got 26 counties, all of which are dependent on agriculture, and they are hurting and hurting worse than they have in decades, and the fact is that we got to get the money to them immediately.

While this is, as my friend from Ohio says, a paultry sum, it is still better than nothing, at least to start the ball rolling so that the creditors can, in fact, advance the money to our farmers for their spring planting, at least the northern part of my district where they are still doing it. In the southern part they have already done it, but I do want to commend both of my colleagues for their work in getting this included.

I did want to ask the gentleman from Iowa (Mr. LATHAM) a question, and that has to do with the money to administer the loans:

Is there a fact, our FSA office is going to have the ability to administer that $1.1 billion of loan guarantees that this bill would underwrite?

Mr. LATHAM. Mr. Chairman, if the gentleman will yield, in the amendment there is $4 million to administer these loans. So this is a package with the administrative funds in there. We will get the money to them, both the dollars and the costs in the offices.

Mrs. EMERSON. So that our FSA offices will get that money together with. I thank the gentleman.

Mr. THUNE. Mr. Chairman, I also want to thank my neighbor across the border in Iowa for the leadership role he has taken on this, Mr. Latham, and again would simply add that this is critical. We need because of the credit crisis and crunch that we are experiencing in the rural areas of this country to address this issue at each and every opportunity that we can. I will continue to come in front of this body and advocate as strongly as I can that we address what is a very serious crisis in the rural sector of our economy in this country, and we can start today by

adding this important amendment on to this legislation.

I would certainly urge my colleagues on both sides of the aisle to support the Latham amendment and move this forward.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Chairman, I rise today to speak about an issue that this amendment does not directly address. It takes the form supplemental that was dealt with in our March supplemental, but it does not address the other part, which was really the main part of that supplemental, which was the aid, which was a true emergency, dealing with Hurricane Mitch in Central America. The supplemental that we have in front of us now will not just be a defense supplemental, it will be defense and farm supplemental, and it is absolutely, I would use the word tragic, for it not to be a defense farm and Central American supplemental. The devastation caused by Hurricane Mitch is historic in terms of its magnitude.

Now I had the opportunity to travel to Nicaragua when the President went down there to view firsthand some of the damage. Literally entire villages were wiped out. We could not see any trace of what once was thriving communities. The only way that these countries, which really have done an incredible job towards democracy, towards economic viability as we are their major trading partners and major allies, the only way that they are going to be able to get back on their feet and to continue this road is with our support.

□ 1315

This occurred in October.

Let me remind my colleagues in this Chamber of another time in Central America when the United States Congress funded far more than $1 billion in not humanitarian aid but in military activities, and with tragic consequences.

I do not even want to speculate what will happen if these economies in these countries do not get back on their feet, but I think we can speculate what will happen. If we are looking for true emergencies, by the definition of the statute on supplemental bills, this is clearly the case.

I urge that we end up doing this. I will offer an amendment later this afternoon to do just that.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Illinois (Mr. GUTIERREZ).

Mr. GUTIERREZ. Mr. Chairman, I thank the gentleman from Wisconsin (Mr. OBEY) very much for yielding the time.

Mr. Chairman, I do not think this is an issue that should not be before us. I think our farmers need our help, and we should all support all of our farmers across this country. Agriculture is important to this Nation. Just because in my city there are not a lot of farmers, we certainly drink the milk, eat the meat, fry the chickens, eat the corn. Our farmers are vital to our economy and we should help them all.

I think it is crucial and important, and we all know in our heart of hearts we are not doing enough. Yes, what Milosevic has done in Yugoslavia and the genocide there should be responded to with humanitarian aid, with what is going on in the Balkans and in that hemisphere, but we should also look at Mitch, because if Milosevic is bad, Mitch was devastating to Central America.

It is in our hemisphere. Remember, this is the Americas, North America, Central and South America, and we share a border and an economy. Those people there are waiting for us to respond in Nicaragua and Honduras. They are waiting for us, and if we do not respond we are sending a very clear signal in this hemisphere and we are giving them the back of our hand.

Who are we opening the doors to? We are opening the doors to drug traffickers in Central America. That is what we are saying. We are saying we are not going to be there.

Who do we think is going to fill this void in Latin America? Think about what my colleague the gentleman from Florida (Mr. DEUTSCH) just said. Think about those burgeoning democracies.

The Cold War has ended, but there is devastation. There are 1 million people without food and shelter. Mr. Chairman, where do we think they are going to come and search for that shelter and that food? We share borders with them. Let us develop those economies. Let us develop those infrastructures in Central America, or we will build tents and refugee camps here for them in the United States of America.

Let us not do that, and give a hand to them, please.

Mr. LATHAM. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, we are talking about supplemental emergency spending on very important projects, and there is a moral basis for us to support our farmers. There is a moral basis for us to put the things there that we need for our troops. There is also a moral basis for us to pay for it.

This Congress has passed a budget that said we will protect 100 percent of Social Security. There is no excuse for our body to pass this bill and not pay for it.

Now there are going to be a lot of people that are going to say, but we cannot; we cannot pay for this. When we say that, what we mean is we do not mind taking the money out of the Social Security system to pay for it because that is what we are going to do. Everybody readily admits that the money that is going to be used to pay for this supplemental is coming directly from the Social Security funds.

So the question that we have to ask ourselves, if it is moral to supply the proper things for our troops and if it is moral to put the things there for our farmers so that they can continue to feed us, so they will be there next year to be able to produce a crop and pay for it and pay the taxes, how is it not moral for us to pay for it?

Ask anybody in their district if they believe the agencies of the Federal Government are efficient. I do not think we will find one, other than a Federal employee working for one of those agencies. If that is what the constituency says, why do we not have the courage to ask the rest of the Federal agencies to become efficient enough to pay for that?

We are going to be having an amendment in a little while that is going to discuss that very issue, and the question, as we leave here today and go back to our homes, are we going to leave here being consistent or are we going to leave here being inconsistent?

We are going to claim a moral high ground and then we are going to duck the issue when it comes to the moral high ground for our children.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas (Mr. REYES).

Mr. REYES. Mr. Chairman, I thank the gentleman from Wisconsin (Mr. OBEY) for yielding me this time.

Mr. Chairman, we are in the throes of debate on many different and important issues. I rise today to support the proposal of my colleague, the gentleman from Florida (Mr. DEUTSCH).

I happen to have been with a delegation that visited Central America. I saw the faces of the men, women and children that had been devastated by Hurricane Mitch.

Part of the process and part of the obligation that we face in this House is to maintain a focus on the issues that are important and to maintain in priority the things that merit attention. Part of the process is respecting the fact that we, as leaders in the world and leaders in this hemisphere, have an obligation to help those in need. That is what I am speaking about today.

It has been almost 6 months since the devastation in Central America; 6 months where people have been without the basic essentials that sometimes most of us take for granted; 6 months that we have been sitting and doing nothing on their behalf.

I was with the President. I saw the work that was being done by the men and women of our Armed Forces, I saw the work that was being done by the relief agencies, but I do not see the same kind of response from this body. I think we can do better. I think we as Americans have an obligation to help those people in Central America.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. OLVER).

Mr. OLVER. Mr. Chairman, I thank the gentleman from Wisconsin (Mr. OBEY) for yielding me this time.

Mr. Chairman, I would just like to point out here that the amendment that has been offered, and I have the greatest of respect for the gentleman from Iowa (Mr. LATHAM) and for the gentleman from South Dakota (Mr. THUNE) for doing the best they possibly can for their constituents, who are desperate people. People who are on the farms these days are living in desperation for their continued livelihood.

I would just like to point out here that the amendment that has been offered by the gentleman from Iowa (Mr. LATHAM) is one-fifth, only 20 percent, of the amount that is provided for agriculture under the Obey amendment that will be before us very shortly. Not only that, but it is offset.

We have a true emergency. We have a true emergency of people who are desperate for being able to continue their livelihood, and that sort of emergency ought to be something where we are willing to provide the money as an emergency in the same way that we are for military purposes here in the underlying bill.

In this instance, the Obey bill provides five times as much money, more than what was in the supplemental bill that has already gone over to the Senate and has not been acted on in months. This would move it along, yes, but it ought to be moved on. If my colleagues are not interested in only some sort of a fig leaf, it ought to be moved along with the Obey amendment, because the Obey amendment does something else for other desperate people. It deals with the desperate people in Central America, also an emergency, which happened 7 months ago and which has also been sitting in the Senate for the last several weeks, at least, where the emergency that would allow those desperate people also to get on with their lives and put their lives together, not be immigrating to the United States and such; that they would also be able to move on.

I would urge that if my colleagues are not for a fig leaf that they would defeat the amendment that is before them and instead vote for the Obey amendment.

Mr. LATHAM. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I would agree with the frustration we have with the other body as far as trying to get all of these very important provisions moved. I would just say that this is an area where there is absolute consensus with everyone. This needs to be done. It needs to be done quickly.

Why hold things this important up for things that are under discussion and have no consensus?

Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield myself the remainder of my time.

Mr. Chairman, we have been facing three emergencies. One is with the war in Kosovo, which this bill is supposed to be dealing with; and then we have two others, two other weather-related emergencies; one in Central America which has created such a disastrous situation because people are not able to make a living after Hurricane Mitch in Central America. We are going to see a flood of immigrants coming into this country unless we do something about it. Second is the emergency in rural America, which is caused in part by natural disasters and in part by the collapse of farm prices for a number of commodities.

When this all first began, the gentleman from Florida (Mr. YOUNG), the chairman of the Committee on Appropriations, tried to do the right thing. He produced a proposal to deal with the first emergency in Central America and in rural America, and he had a bipartisan approach to it which we were fully willing to support. Then his party leadership intervened and said, ''no, we do not want to do it that way.''

So they reversed course, and they attached a number of pay-for provisions to the supplemental, which were terribly risky for the national security interests of the United States. Among other things, they would have paid for the supplemental by pulling $175 million off the table that we needed on the table in order to negotiate with the Russians an agreement to get out of their hands weapons grade plutonium. There is no higher priority of our government than doing that. And yet that agreement was put in danger by the reckless bill which passed the House in order to pay for the agriculture problems.

That bill, because of those outrageous offsets, has been languishing in the Senate going nowhere. So when this bill came to the floor, we produced an amendment on this side which we will vote upon sometime today, which tries to recognize that we ought to deal with the emergency for the folks on the home front the same way we deal with the emergency for Kosovo. We believe it deserves equal treatment under our actions here.

Now, what is going on here today is very simple. Because our amendment includes a number of provisions to deal with the emergency in rural America, our friends on the other side of the aisle are feeling the political heat. So they are looking for a way, in my view, to obscure the lack of progress that has gone on dealing with the problems on the farm front so far.

□ 1330

This is, in effect, what many people would call a cover-your-tail amendment, to be blunt about it. It is paid for by hijacking one of the items that we used to pay for our amendment.

The worst thing about it is not what it does, because I do not really oppose the idea of providing credit for farmers. Obviously, we have been trying to get that done for months. So has the administration.

But the problem is that that is the only thing this amendment does on the farm front. It does nothing to provide the $42 million that is necessary in order to help eliminate the backlog in loan deficiency payments, for instance, out in rural America. It provides nothing for section 32 aid to hog farmers, who desperately need it.

It is consistent with past Republican actions on farm issues, however. Because we will remember in 1993 when we had the Mississippi and Missouri River floods which devastated large sections of this country, the majority held up passage of emergency help on that score for months, debating about what the offsets should be.

In 1996 when Grand Forks in the upper Midwest again was flooded and facing an emergency, again the majority party held up for months passage of getting effective relief to those folks, again because we got into the same accountant's debate.

Now today again we are told that this is an important issue, but it is not important enough to treat it as an emergency, although, in this very bill, they are treating as emergencies the construction of a number of facilities in Europe which the Pentagon did not even want to build for the next 5 years.

If anybody believes that this amendment, well-intentioned as it may be, is sufficient to bring into parallel treatment military bases in Europe versus the needs of our farmers at home, they are not reading this amendment or this bill very carefully.

I am going to oppose this amendment, not because I am opposed to the intent, but because of the double standard which is being applied which does not recognize the emergency on the farm to the same degree that we recognize other problems; and secondly, because I think it is a mistake not to include the other assistance that my amendment provides for livestock, for watershed flood improvement, for the rural housing problems.

So that is why I think we ought to recognize this amendment for what it is and treat it accordingly.

Mr. LATHAM. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am sure the gentleman is aware that the offsets in this are ones that he proposed. The ones he is referring to really are not germane to the amendment at hand.

I would like to have everyone know that this is fully offset, it is fully paid for. It is something that I think is quite important today that we move this and move this quickly.

Mr. Chairman, there are a lot of very important issues in agriculture. We will deal with a lot of those through the normal appropriations process. This is the one area where there is consensus to move ahead. Everyone agrees that this needs to be done and needs to be done today.

If we want to start more fights with the other body, if we want to stop or stand in the way of help for our farmers and the critical needs that they have today, all we need to do is load it up with a bunch of extraneous issues. But this is critical today, that we move this and move it quickly.

Mr. Chairman, I just want to, in closing, urge everyone to support this amendment. It is paid for. I want to also thank the gentlewoman from Ohio (Ms. KAPTUR) for her support on so many of these agricultural issues, and our chairman of the subcommittee, and also, certainly, the chairman of the full committee, who bent over backwards to be of assistance to agriculture.

Mr. BARRETT of Nebraska. Mr. Chairman, I rise today in strong support for the Latham amendment.

Last year's unexpected and uncontrollable market forces caused farm income to decline precipitously. Farming, a notoriously risky business, saw even tougher times due to the Asian financial crisis, which caused export markets to dry up, and bountiful production world wide, which drove prices down. On top of natural disasters here at home, Congress had to act.

The $6 billion provided last fall allowed farmers to get through the year. It helped them harvest and market their crops and pay off their bills. However, as many geared up for planting this spring, poor market forecasts which projected inadequate cash flows, forced producers to seek direct and guaranteed loans from USDA.

However, due to extraordinary demand, there's a large shortfall in these loan programs. Already, more than 26,000 producers have received loans from USDA. By providing an additional $106 million, as this amendment does, 12,000 more farmers will be able to farm this year.

This amendment and USDA's credit program deserve your support. By supporting them, you not only signal to farmers that Congress recognizes their distress, but you also help farmers keep their dreams alive for a bright future in agriculture.

The CHAIRMAN. All time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Iowa (Mr. LATHAM).

The amendment was agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 2 submitted for printing in House Report 106–127.

AMENDMENT NO. 2 OFFERED BY MR. COBURN

Mr. COBURN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 submitted for printing in House Report 106–127 offered by Mr. COBURN:

At the end (before the short title), add the following new section:

SEC. ___. Within 15 days after Congress adjourns to end the first session of the 106th Congress and on the same day as a sequestration (if any) under sections 251 and 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, the Director of the Office of Management and Budget shall cause, in the same manner prescribed for section 251 of such Act, a sequestration for fiscal year 2000 of all non-exempt accounts within the discretionary spending category (excluding function 050 (national defense)) to achieve—

(1) a reduction in budget authority equal to $12,947,495,000 minus the dollar amount of reimbursements identified in the report required by section 205 (efforts to increase burden-sharing); and

(2) a reduction in outlays equal to $12,947,495,000 minus the dollar amount of reimbursements identified in the report required by such section 205.

The CHAIRMAN. Pursuant to House Resolution 159, the gentleman from Oklahoma (Mr. COBURN) and a Member opposed each will control 10 minutes.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment, and claim the time in opposition.

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) will control the time in opposition.

Mr. COBURN. Mr. Chairman, I ask unanimous consent that this debate be expanded to 20 minutes on each side.

There was a drafting error in the rule. We were supposed to be given the same amount of time as all of the other amendments. Because of the drafting error, we were not. I would ask unanimous consent as a courtesy from the minority to give us the same amount of time on our amendment that he will have on his.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

Mr. OBEY. Mr. Chairman, reserving the right to object, we gave a lot of reasons why Members should vote against the rule when it was before us. One of the reasons is that not enough time was provided for a number of amendments.

If we had had some time in opposing that rule we might have been able to deal with each of the problems equitably, but I do not think it is fair to make adjustment to only one amendment, and therefore, I do object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

The gentleman from Oklahoma (Mr. COBURN) is recognized for 10 minutes.

Mr. COBURN. Mr. Chairman, I yield 2½ minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

Mr. TOOMEY. Mr. Chairman, the United States is engaged in a war. It is a war not of Congress' making, but a war, nevertheless, and one that has revealed for the whole world to see the inadequacy of the resources available to our military services.

We have a moral obligation to provide the necessary resources to the men and women whose lives are at risk fighting this war, but we have another obligation as well. That is an obligation to the American taxpayer and our senior citizens to maintain integrity in our budgeting, to pay for the additional necessary emergency military spending without using social security funds. We have an obligation to maintain fiscal discipline and achieve truly honestly balanced budgets.

This amendment represents the honest, responsible way to pay for this military emergency. It recognizes that, first of all, the President has a responsibility to secure reimbursements from our NATO allies for our military operations in Yugoslavia.

Currently the United States is bearing the overwhelming majority of the military burden of this NATO bombing campaign. It is our pilots whose lives are at risk, it is our reservists being called up, it is our forces stretched too thin around the world.

It is unconscionable that we should also be bearing the overwhelming majority of the financial burden, so I offered a provision in this bill that forces the President to pursue reimbursements from our NATO allies and report back to Congress on its progress by September 30 of this year. I hope the President takes this responsibility as seriously as President Bush did in the similar circumstances of the Persian Gulf War.

This amendment today reasons that the President may not succeed in seeking equitable reimbursements. To the extent that the reimbursements from our NATO allies fall short of the total emergency expenditures, then this amendment will force across-the-board reductions in most nondefense spending, and it will fully offset this new emergency spending.

It is important to note that if the President does his job and secures the appropriate reimbursements from our allies, for whom we are fighting, the spending cuts necessary will be very small, indeed. In fact, under this amendment, the size of any spending reductions is really up to the President.

So I urge my colleagues to support this amendment and offset the costs of the war we are waging in and for Europe. Mr. Chairman, if we pass this amendment we can keep our moral obligation to both our soldiers and our seniors, but a vote against this amendment forces us to choose between soldiers and seniors, and that is a choice we should not have to be making.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I reluctantly oppose the amendment offered by the distinguished gentleman because I know that he has been such a strong supporter of national defense issues, so I am reluctant to oppose his amendment.

However, I think his amendment would give us real trouble. I am not usually one that raises the issue of a presidential veto, but I am satisfied that if this amendment became part of this bill, that it would certainly invite a presidential veto.

Mr. Chairman, the budget resolution for fiscal year 2000 already cuts nondefense spending by over 9 percent. The Coburn amendment would increase this by an additional 5 percent, and would make the total reduction for fiscal year 2000 funding that this amendment would cut a 14 percent cut in nondefense spending for fiscal year 2000.

That is just not going to work. The fiscal year 2000 problem is already serious enough. The across-the-board cut would force a devastating 14 percent reduction in all nondefense programs, including education, food safety inspection, drug law enforcement, science research, the national parks, drug prevention, crime prevention, agriculture, the National Institutes of Health, elderly housing, and many other programs. It just will not work.

So as much as I support the effort that the gentleman from Oklahoma (Mr. COBURN) makes in supporting our strong national defense, I just cannot support his amendment because of what it does to the FY 2000 budget.

Mr. COBURN. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina (Mr. SANFORD)

Mr. SANFORD. Mr. Chairman, I thank the gentleman for yielding time to me.

My dad used to have a saying, and that was, the Lord helps those who help themselves. I think my dad would be rolling around in the grave right now if he knew that we were part of a 19-country alliance wherein we were picking up about 80 to 90 percent of the bill. Yet, that happens to be the case.

So the question with this amendment is, if we choose to foot the bill on 80 to 90 percent of the goods, will we at least account for it honestly, rather than borrowing it from social security? So I think that is the simple choice that this amendment is all about.

To put it in perspective, what we are talking about here is Thirteen billion. Experts have said we have a real problem coming with social security. If we do not do this, that problem gets worse. Thirteen billion dollars is enough money to pay for a full year's worth of social security benefits for 1.4 million retirees. Thirteen billion would pay for a full month's worth of benefits for nearly 20 million retirees. Thirteen billion is more than social security pays in an entire year for seniors' insurance, for benefits for kids under the age of 18. Thirteen billion would pay social security benefits for every African American retiree until September in a given year. Thirteen billion is over 10 percent of this illusory and quickly-diminishing social security surplus.

Mr. Chairman, this amendment is just about truthful and straightforward accounting. If we want to spend, if we want to build somebody else's house, if we want to cover 80 to 90 percent of the cost of this endeavor, fine, but let us account for it honestly.

Mr. YOUNG of Florida. Mr. Chairman, I am pleased to yield 3 minutes to the distinguished gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to this amendment. The problem we face here is that we are operating under a budget process which is, in my view, a public lie. I think the entire budget process is a fraud, and because it is, we see amendments like this offered which, in substance, would make no sense whatsoever.

We are already required by the budget to cut virtually everything that the government provides on the domestic side of the ledger by 13 percent next year. This budget or this amendment would require us to cut that even more deeply.

Over the next 5 years the budget requires us to cut virtually everything that we do on the domestic side of the ledger by 18 percent in real terms. I do not know of many Members of this House on either side of the aisle who would actually vote for that when the time comes. We are required to cut health by 18 percent over that period, we are required to cut administration of justice by 18 percent in real terms over that period, we are required to cut agriculture by 25 percent over that period, in real terms.

This amendment would add to those cuts. It would require us to make further reductions in health funding, such as the National Institutes of Health, which this Congress pretended just 3 weeks ago it wanted to double spending on.

It would require us to make further cuts in the FBI. It would require us to make cuts of 2 percent in veterans' health care, and deeper cuts in other veterans' programs.

□ 1345

I do not believe that that is what the public supports. This is portrayed as a Social Security amendment. It does not really have anything to do with that issue. I do not know of many Social Security recipients who think that we ought to be cutting veterans benefits, who think we ought to be cutting the Weather Service. Ask the senior citizens who just had their homes wiped out in Oklahoma whether they would like to see the Weather Service cut back further so they get even less warning from tornadoes than they got last week.

It just seems to me that this is an amendment which is extreme in nature. It suggests that there is only one priority in the entire country; and, in fact, I do not know of many responsible citizens over 65 or under 65 that happen to share that view. What they want us to do is to take a balanced view, recognize something that is an emergency and recognize what it is not. That is what we should be doing instead of dealing with this amendment today.

Mr. COBURN. Mr. Chairman, I yield myself 30 seconds to respond to that.

All that is is Washington doubletalk. What that is saying is we cannot deliver services more efficiently. What we are hearing is hearing an appropriator say we do not want to cut spending.

The Federal Government is not efficient. Nobody knows that better than the people here. The refusal to demand efficiency and accountability out of the agencies of the Federal Government is why we have this problem. Thirteen billion dollars will pay for Social Security benefits, bringing them back up for every one of the notch babies.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. LEWIS), the distinguished chairman of the Subcommittee on Defense of the Committee on Appropriations.

Mr. LEWIS of California. Mr. Chairman, I appreciate the gentleman yielding me this time.

Let me just say that I did not intend to speak on this amendment, but in a former life I chaired the subcommittee that funded veterans' programs in the country. I also serve on another committee that addresses questions like the FBI.

I have a penchant for appreciating the work that is done at the subcommittee level, where people take seriously the business of listening to the pros and cons of very special programs and making judgments about spending levels that are a reflection expert testimony.

We made major adjustments downward in that first subcommittee. Half of the savings in the last few years came from those efforts. But in the meantime we listened to the people who were directly affected and, because of a lack of that in an amendment that cuts across the board, I am afraid I must rise and urge my colleagues to vote ''no'' against this amendment.

This amendment will put special limits on next year's process that do not fairly reflect the work of the subcommittees and committees. So I urge our Members to recognize that the work really gets done around this place in authorizing as well as appropriation subcommittees, and that is where it appropriately should take place.

Mr. COBURN. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. HERGER).

Mr. HERGER. Mr. Chairman, I rise today to support the Coburn amendment that will completely offset this

supplemental. Failure to offset this spending will result in a raid on Social Security.

President Clinton has created a national security emergency by cutting our military while stretching our troops around the world. Providing for our troops, however, does not mean the abandoning of fiscal discipline and taking from Social Security.

The Coburn amendment calls for the President's Office of Management and Budget to perform an across-the-board cut of all fiscal year 2000 nondefense discretionary spending equal to the amount of this appropriation.

Make no mistake about it, voting against the Coburn amendment is a vote to raid the Social Security Trust Fund to pay for this spending. I urge my colleagues to vote for the Coburn amendment.

Mr. YOUNG of Florida. Mr. Chairman, could we inquire as to how much time is remaining for each side?

The CHAIRMAN. Both sides have 4½ minutes remaining.

Mr. YOUNG of Florida. And may I inquire as to who has the right to close the argument on this debate?

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) has the right to close.

Mr. YOUNG of Florida. Mr. Chairman, I reserve the balance of my time.

Mr. COBURN. Mr. Chairman, I yield myself the balance of my time.

One of the reasons that I believe that the gentleman objected to our unanimous consent request is that it is hard to hear about spending Social Security money. It is not palatable to politicians.

This chart shows exactly the fallacy of what Washington is telling the American public about surpluses. Here, in green, is what Washington is saying is the surplus. The red shows the rise in the national debt each year.

The question that I would have for our body is, if we have a surplus, why is the debt rising? Why did the debt rise $105 billion last year? Why are our children going to be burdened with an additional $1,000 per person just on the basis of what we did last year?

Congress has a moral obligation to our troops, to restore our military readiness, and we also have a moral obligation to our farmers, who are dependent on us. But we also have a moral obligation not to spend Social Security money. Probably that is not right. We have a moral obligation to be truthful about whether or not we are going to spend Social Security money. To oppose offsetting this bill is to make the assumption that this government is running at an efficient level.

So everybody at home can actually see where we are on the numbers, these are CBO numbers, the projected Social Security surplus. Not real surplus, but an excess of Social Security payments over Social Security outflows that were projected to be $127 billion this year.

We already have consumed, on what we have done so far this year, $16 billion of that. We have already committed $16 billion of the seniors' Social Security money. When we pass this supplemental, without this amendment, we will spend another $13 billion of Social Security money. That is enough money for every notch baby in this country to get equitable treatment to the neighbors that are around them.

I understand why it is difficult to trim. I have great respect for the members of the Committee on Appropriations and the hard job that they have. But I also know what the American people feel about it. They want those services delivered, but they know they are not delivered in an efficient manner. For us to say we cannot do so is not an appropriate response to the people that we represent.

I would take my colleagues back to World War II. We did not allow spending to go up in every other branch of government. We actually cut spending in every other branch of government because we had a war.

I have heard that today from both sides of the aisle: ''We have a war.'' There is not a moral imperative for us to pay for the war out of other agencies instead of taking it from our seniors?

The last point that I would like to make is, if we take this money from our seniors, what we are really doing is lowering the standard of living of our children and we are decreasing the opportunity that our children will have to have a standard of living comparable to what we have.

As we take opportunity, and we are the land of opportunity, we should never be so guilty as to steal the future from our children, because they will pay back this money. Our seniors are not going to pay this back, the Members of this body are not going to pay back this money, but our children and grandchildren will be the ones to pay back this money.

So the question we have to ask ourselves as we leave here today, as we leave after voting, and I am very hopeful that we pass this bill, is, can I live with myself saying it is morally right to support our troops and to fund them at a level that makes their readiness and gives them the equipment and the ability to carry out their missions and it is not morally right to pay for it; but it is morally right to take money from every notch baby, to take money from the Social Security System, to take money out of the very future that we say is our highest priority?

This conference passed a budget that said we are going to protect 100 percent of Social Security, and there are Members on this floor and in this body that voted for that. By failing to vote for this amendment, what the Member is saying is, ''King's X. I did not mean it. I am not going to vote to protect Social Security. I am not for protecting the Social Security surplus. I am not for fixing Social Security. My vote on the budget was meaningless. It did not matter.'' If that is the case, then we need to fix the budget process.

I would appreciate the support on this amendment, as will every other senior in this country and every child.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of my time.

Again, I want to say, Mr. Chairman, that I am reluctant in my opposition to this amendment to offset the spending, because my history in this House has been to vote for as many spending cuts as I possibly could. However, to make spending offsets from the fiscal year 2000 funds that have not even been appropriated yet to pay for a fiscal year 1999 expenditure is just not right and it is not workable.

The gentleman is correct. There are a lot of ways and a lot of places where we can save money. One of the areas that has been rather sacrosanct for a long time is mandatory spending. The 4 years my party has been in the majority, the Committee on Appropriations, has put forth to this body major reductions in many, many programs, some of them very difficult to vote for, but we did.

We started to get our fiscal house in order, but we did not touch the mandatory programs, and those are programs where the money has to be spent without some change in the basic law. That might be a place that the gentleman from Oklahoma (Mr. COBURN) and I could look for future offset funding; but for a fiscal year 1999 supplemental, we should not be reaching out to fiscal year 2000 where the money has not even been appropriated.

Now, on the Social Security issue, and I agree with the gentleman, we have an obligation. We have made a commitment on Social Security, and I represent a district that has more Social Security recipients than most anybody in this House, and I certainly would be extremely careful of anything that we do relative to Social Security. But, understand, again we are talking about fiscal year 1999 money. The budget resolution, the setting aside of the Social Security Trust Fund and all those monies are in fiscal year 2000, not fiscal year 1999. So the issue does not really apply to the bill that we are dealing with today.

Now, the last point. Based on the omnibus appropriations bill that was approved by this Congress last year, and I certainly hope that that never happens again, because that is not something any of us are really proud of, but based on that bill, the baseline or a freeze at fiscal year 1999 levels takes us $17 billion over the budget caps of 1997 for fiscal year 2000. And if we continue

the things that we really are obligated to do, where we have commitments, where we have contracts already in the procedure, we are then up to over $30 billion over the 1997 budget caps. If we take 14 percent cut in nondefense spending for fiscal year 2000, we cannot get there from here.

So as much as I appreciate the gentleman's efforts and the work we have done together over the years for national defense, I cannot support his amendment, and I would hope that the House would reject that amendment.

Mr. DAVIS of Illinois. Mr. Chairman, I rise against the Coburn amendment. I rise against this amendment because any cut in domestic programs is wrong—including the proposed 2 percent cut for Community Health Centers, Migrant Health Centers, Indian Health Facilities, Indian Health Services, and Veterans' Medical Care.

The priorities of this amendment are misplaced. This amendment that seeks to take an across-the-board swipe against the challenges that working families and/or the struggling poor face in consequential areas such as job training, education, health care and affordable housing is morally wrong.

Our nation is a nation divided when it comes to healthcare. There are those with access and those without. And as you know, the poor are less likely to have access to care. African Americans, Latinos and other minority groups are less likely to have access to care. That is why I believe that community and migrant health centers are so vital. Until we can have a national health care plan, health centers provide the gap for those that do not have access to coverage.

Mr. Chairman, non-defense discretionary spending for FY2000 is approximately $40 billion less than provided for in 1999. Given the human needs in my district where the median income is $25,250, I cannot support another cut.

I cannot support this amendment and I urge my colleagues not to support it because it does nothing to lend a helping hand to those people in America who are hungry, who are out of a job, who are ill or who need a roof over their head. The solution to our problems cannot be solved by taking from someone in need in order to help someone else.

Mr. TERRY. Mr. Chairman, I rise in support of the Coburn-Toomey-Sanford amendment—an amendment which would offset the entire cost of this emergency appropriations bill in two ways.

First, the amendment calls for our allies to share the burden of funding this NATO operation with the United States taxpayer. It would hold the nations participating in Operation Allied Force responsible for sharing the cost of what is swiftly becoming a protracted and costly air campaign. Member nations are already participating materially with us. We need for them to participate monetarily.

Second, should the Administration be unable to obtain reimbursement from our NATO allies, this amendment would allow funds to be utilized from FY2000 non-defense discretionary spending; thus ensuring that this appropriation will be paid for without dipping into the Social Security Trust Fund.

Offsetting this spending is vital to maintaining our budget priorities, which this Congress labored so hard to preserve earlier this year. The United States has domestic priorities that must be protected.

We must be disciplined, Mr. Speaker. Members have talked about saving Social Security and Medicare during our recent budget debate. We have talked about creating a lock box for our nation's retirement security. I voted for a budget that set aside surplus money for our nation's elderly, and I am not going to waver from that commitment.

This amendment will help protect our elderly and maintain our fiscal discipline.

I urge my colleagues to vote ''Yes'' on the amendment.

Mr. FILNER. Mr. Chairman, I recognize the importance of supporting our troops during the current conflict in Kosovo. It is essential that these men and women who are putting their lives on the line for the safety and freedom of the ethnic Albanians be provided with the tools necessary to perform their work.

Nonetheless, I strongly object to the Coburn/Toomey/Sanford amendment which pits the current needs of our military services against the health care needs of our veterans. The VA budget for Fiscal Year 2000 is already almost $2 billion dollars less than is needed to provide health care to our current veterans.

This tells not only our nation's veterans, but those currently serving in Kosovo, that our government will provide them with the ammunition they need to fight a war, but should they be harmed as a result, we may not be able to take proper care of them when they return. This is the wrong message to send to our fighting men and women in Kosovo and around the world.

A vote for this amendment is a vote against our nation's veterans. I urge my colleagues to defeat this measure.

Mr. HAYES. Mr. Chairman, I wish to state my support for this emergency supplemental bill.

Our national security is at stake here today, and I believe that a vote against this emergency bill is equivalent to turning our backs on the young men and women in our armed forces.

The President has offered a version of this emergency defense bill that represents a first step, but one that is inadequate in meeting the true emergency before us.

The Clinton Administration has asked that we only provide enough funds to cover the costs of the war in Yugoslavia. But we were running out of cruise missiles before we ever launched one over Kosovo. And our airplanes faced a spare parts shortage before we sent a single one to take on Milosevic. In other words, the President wants to only invest enough to maintain our military's current weakened status.

That's not good enough. We owe it to America and our troops to do more than just return the military to its previous unacceptable level of readiness. We have a moral obligation to give our soldiers, pilots and sailors the tools to carry out their missions. Just as they are doing their duty to protect us, we must do our duty to support them.

Mr. Chairman, if we want a true assessment of our current situation, then we should heed the concerns of our nation's top soldier—Chairman of the Joint Chiefs, General Henry Shelton.

A recent article in Jane's Defense Weekly said the following:

> With the number of US combat aircraft involved in NATO's Operation ''Allied Force'' in Yugoslavia set to reach 800 in the coming weeks, senior Department of Defense (DoD) officials are downgrading the armed forces' ability to meet its national military strategy of being able to concurrently fight and win two major regional conflicts.

The article continues,

> As a result Chairman of the Joint Chiefs of Staff Gen. Henry Shelton now believes the armed forces' ability to prevail in a second MTW [Major Theater War] in a reasonable amount of time and with minimum casualties has been dulled by the continuing commitment in the Balkans.

Mr. Chairman, we simply cannot afford to play games with our national security, and I believe that it is essential to support this emergency defense bill.

And, while I believe that this bill represents a critical investment in preserving our national security, I do not take its price tag lightly.

Mr. Chairman, we have made great strides in recent years under the leadership of this Congress to balance the federal budget for the benefit or our future generations. I am disappointed today that the President chose to send us this emergency funding without a corresponding offset in the budget. The bottom line, however, is that the money has to come from somewhere and the only alternative to cutting spending is to add this bill to our nation's federal debt.

Mr. Chairman, I made a pledge to my constituents in the 8th District in North Carolina that I would lock away Social Security funds and not allow them to be used for other government spending. While I truly believe that our Nation faces a critical situation with our national security, I believe that it is better to pay for this measure by other means rather than adding to the deficit as the President has proposed in his request.

That is why I will support the Coburn, Toomey, and Sanford amendment to offset this emergency appropriations bill with reimbursements from other NATO countries and a minor reduction in other areas of government spending. I am supporting this amendment with the understanding that our government will aggressively pursue reimbursements from other NATO countries, because I believe that we have shouldered a disproportionate share of the costs of this operation.

Mr. Chairman, I will vote in favor of this amendment. However, if it is not successful, I will still support final passage of this emergency spending bill because I truly believe that our nation faces threat in its national security.

Mr. Chairman, this operation has stretched our armed forces too thin, and we all know that a rubber band will break when it's stretched too far. This Congress cannot run that risk with the U.S. military. We need this emergency legislation to help restore our military readiness. We must restore our military resource because this strain is compromising our security here at home.

Mr. YOUNG of Florida. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Oklahoma (Mr. COBURN).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COBURN. Mr. Chairman, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 159, further proceedings on the amendment offered by the gentleman from Oklahoma (Mr. COBURN) will be postponed.

The point of no quorum is considered withdrawn.

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 106–127.

AMENDMENT NO. 3 OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3, submitted for printing in House Report 106–127, offered by Mr. OBEY:

Before the chapter 1 heading, insert the following new heading: ''TITLE I—KOSOVO AND SOUTHWEST ASIA EMERGENCY SUPPLEMENTAL APPROPRIATIONS''.

In section 207—

(1) after the first dollar amount, insert the following: ''(reduced by $850,400,000)'';

(2) after the second dollar amount, insert the following: ''(reduced by $341,000,000)'';

(3) after the third dollar amount, insert the following: ''(reduced by $509,400,000)''; and

(4) after the last dollar amount, insert the following: ''(reduced by $850,400,000)''.

In section 208—

(1) after the first dollar amount, insert the following: ''(reduced by $635,000,000)'';

(2) after the second dollar amount, insert the following: ''(reduced by $87,000,000)'';

(3) after the third dollar amount, insert the following: ''(reduced by $262,700,000)'';

(4) after the fourth dollar amount, insert the following: ''(reduced by $58,000,000)'';

(5) after the fifth dollar amount, insert the following: ''(reduced by $224,300,000)'';

(6) after the sixth dollar amount, insert the following: ''(reduced by $3,000,000)''; and

(7) after the last dollar amount, insert the following: ''(reduced by $635,000,000)''.

In section 210—

(1) after the first dollar amount, insert the following: ''(reduced by $122,100,000)'';

(2) after the third dollar amount, insert the following: ''(reduced by $5,200,000)'';

(3) after the fourth dollar amount, insert the following: ''(reduced by $16,300,000)'';

(4) after the fifth dollar amount, insert the following: ''(reduced by $77,000,000)'';

(5) after the sixth dollar amount, insert the following: ''(reduced by $600,000)'';

(6) after the eighth dollar amount, insert the following: ''(reduced by $23,000,000)''; and

(7) after the last dollar amount, insert the following: ''(reduced by $122,100,000)''.

In section 211—

(1) after the first dollar amount, insert the following: ''(reduced by $254,000,000)'';

(2) after the second dollar amount, insert the following: ''(reduced by $116,200,000)'';

(3) after the third dollar amount, insert the following: ''(reduced by $45,900,000)'';

(4) after the fourth dollar amount, insert the following: ''(reduced by $8,000,000)'';

(5) after the fifth dollar amount, insert the following: ''(reduced by $69,800,000)'';

(6) after the seventh dollar amount, insert the following: ''(reduced by $13,800,000)'';

(7) after the eighth dollar amount, insert the following: ''(reduced by $300,000)''; and

(8) after the last dollar amount, insert the following: ''(reduced by $254,000,000)''.

Strike section 212 and insert the following:

SEC. 212. (a) FISCAL YEAR 2000 INCREASE IN MILITARY BASIC PAY.—(1) The adjustment to become effective during fiscal year 2000 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(2) Effective on January 1, 2000, the rates of monthly basic pay for members of the uniformed services shall be increased by 4.4 percent.

(b) REFORM OF RATES OF BASIC PAY.—Effective on July 1, 2000, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

## COMMISSIONED OFFICERS [1]

Years of service computed under section 205 of title 37, United States Code

| Pay Grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 |
|---|---|---|---|---|---|
| 0–10 [2] | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 0–9 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 0–8 | 6,569.10 | 6,784.50 | 6,926.40 | 6,966.60 | 7,148.40 |
| 0–7 | 5,458.50 | 5,829.60 | 5,829.60 | 5,871.90 | 6,091.20 |
| 0–6 | 4,045.50 | 4,444.50 | 4,736.10 | 4,736.10 | 4,754.40 |
| 0–5 | 3,236.10 | 3,799.50 | 4,062.30 | 4,112.10 | 4,276.20 |
| 0–4 | 2,727.30 | 3,321.30 | 3,542.70 | 3,592.20 | 3,798.60 |
| 0–3 [3] | 2,534.40 | 2,873.40 | 3,100.80 | 3,351.90 | 3,512.40 |
| 0–2 [3] | 2,210.40 | 2,517.90 | 2,899.80 | 2,997.60 | 3,059.40 |
| 0–1 [3] | 1,919.10 | 1,997.40 | 2,413.80 | 2,413.80 | 2,413.80 |
| | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 |
| 0–10 [2] | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 0–9 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 0–8 | 7,443.00 | 7,512.30 | 7,794.60 | 7,876.20 | 8,119.20 |
| 0–7 | 6,258.30 | 6,451.20 | 6,643.80 | 6,837.00 | 7,443.00 |
| 0–6 | 4,958.40 | 4,985.70 | 4,985.70 | 5,152.50 | 5,769.00 |
| 0–5 | 4,276.20 | 4,404.90 | 4,642.50 | 4,953.60 | 5,268.30 |
| 0–4 | 3,966.00 | 4,236.90 | 4,447.20 | 4,593.60 | 4,740.90 |
| 0–3 [3] | 3,688.50 | 3,835.50 | 4,024.80 | 4,123.20 | 4,123.20 |
| 0–2 [3] | 3,059.40 | 3,059.40 | 3,059.40 | 3,059.40 | 3,059.40 |
| 0–1 [3] | 2,413.80 | 2,413.80 | 2,413.80 | 2,413.80 | 2,413.80 |
| | Over 18 | Over 20 | Over 22 | Over 24 | Over 26 |
| 0–10 [2] | $0.00 | $10,614.30 | $10,666.80 | $10,888.80 | $11,275.20 |
| 0–9 | 0.00 | 9,283.80 | 9,417.60 | 9,611.10 | 9,948.30 |
| 0–8 | 8,471.40 | 8,796.60 | 9,013.50 | 9,013.50 | 9,013.50 |
| 0–7 | 7,955.10 | 7,955.10 | 7,955.10 | 7,955.10 | 7,995.10 |
| 0–6 | 6,063.00 | 6,357.00 | 6,524.10 | 6,695.70 | 7,024.20 |
| 0–5 | 5,415.30 | 5,562.30 | 5,731.80 | 5,731.80 | 5,731.80 |
| 0–4 | 4,791.60 | 4,791.60 | 4,791.60 | 4,791.60 | 4,791.60 |
| 0–3 [3] | 4,123.20 | 4,123.20 | 4,123.20 | 4,123.20 | 4,123.20 |
| 0–2 [3] | 3,059.40 | 3,059.40 | 3,059.40 | 3,059.40 | 3,059.40 |
| 0–1 [3] | 2,413.80 | 2,413.80 | 2,413.80 | 2,413.80 | 2,413.80 |

[1] Notwithstanding the pay rates specified in this table, basic pay for commissioned officers may not exceed the rate of basic pay for level V of the Executive Schedule.

[2] While serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, basic pay for this grade is calculated to be $12,441.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code. However, actual basic pay for these officers may not exceed the rate of basic pay for level V of the Executive Schedule.

[3] This table does not apply to commissioned officers in the grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

| Pay Grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 |
|---|---|---|---|---|---|
| O–3E | $0.00 | $0.00 | $0.00 | $3,351.90 | $3,512.40 |
| O–2E | 0.00 | 0.00 | 0.00 | 2,997.60 | 3,059.40 |
| O–1E | 0.00 | 0.00 | 0.00 | 2,413.80 | 2,578.50 |
| | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 |
| O–3E | $3,688.50 | $3,835.50 | $4,024.80 | $4,184.40 | $4,275.60 |
| O–2E | 3,156.30 | 3,321.30 | 3,448.20 | 3,542.70 | 3,542.70 |
| O–1E | 2,673.60 | 2,770.50 | 2,866.80 | 2,997.60 | 2,997.60 |
| | Over 18 | Over 20 | Over 22 | Over 24 | Over 26 |
| O–3E | $4,402.50 | $4,402.50 | $4,402.50 | $4,402.50 | $4,402.50 |
| O–2E | 3,542.70 | 3,542.70 | 3,542.70 | 3,542.70 | 3,542.70 |
| O–1E | 2,997.60 | 2,997.60 | 2,997.60 | 2,997.60 | 2,997.60 |

## WARRANT OFFICERS

Years of service computed under section 205 of title 37, United States Code

| Pay Grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 |
|---|---|---|---|---|---|
| W–5 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| W–4 | 2,582.10 | 2,777.70 | 2,857.80 | 2,937.60 | 3,071.70 |
| W–3 | 2,346.90 | 2,545.80 | 2,545.80 | 2,578.50 | 2,684.10 |
| W–2 | 2,055.60 | 2,223.90 | 2,223.90 | 2,297.10 | 2,413.80 |
| W–1 | 1,712.70 | 1,963.50 | 1,963.50 | 2,127.60 | 2,223.90 |
| | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 |
| W–5 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| W–4 | 3,204.90 | 3,337.50 | 3,471.90 | 3,608.40 | 3,739.20 |
| W–3 | 2,804.40 | 2,962.80 | 3,059.40 | 3,164.70 | 3,285.60 |
| W–2 | 2,545.80 | 2,642.40 | 2,739.30 | 2,833.50 | 2,937.90 |
| W–1 | 2,323.80 | 2,424.00 | 2,523.60 | 2,624.10 | 2,724.30 |
| | Over 18 | Over 20 | Over 22 | Over 24 | Over 26 |
| W–5 | $0.00 | $4,458.00 | $4,611.00 | $4,764.90 | $4,918.50 |
| W–4 | 3,873.30 | 4,006.20 | 4,139.70 | 4,273.50 | 4,410.30 |
| W–3 | 3,405.60 | 3,525.60 | 3,645.60 | 3,765.90 | 3,886.20 |
| W–2 | 3,044.70 | 3,151.80 | 3,258.60 | 3,365.70 | 3,365.70 |
| W–1 | 2,824.20 | 2,899.80 | 2,899.80 | 2,899.80 | 2,899.80 |

## ENLISTED MEMBERS

Years of service computed under section 205 of title 37, United States Code

| Pay Grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 |
|---|---|---|---|---|---|
| E–9 [1] | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| E–8 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| E–7 | 1,758.90 | 1,920.60 | 1,993.20 | 2,066.10 | 2,139.60 |
| E–6 | 1,513.20 | 1,671.90 | 1,746.00 | 1,817.40 | 1,892.70 |
| E–5 | 1,327.80 | 1,488.30 | 1,560.90 | 1,634.70 | 1,708.50 |
| E–4 | 1,238.10 | 1,368.00 | 1,441.80 | 1,514.40 | 1,587.90 |
| E–3 | 1,167.00 | 1,255.80 | 1,329.00 | 1,330.80 | 1,330.80 |
| E–2 | 1,123.20 | 1,123.20 | 1,123.20 | 1,123.20 | 1,123.20 |
| E–1 | [2] 1,001.70 | 1,001.70 | 1,001.70 | 1,001.70 | 1,001.70 |
| | Over 8 | Over 10 | Over 12 | Over 14 | Over 16 |
| E–9 [1] | $0.00 | $3,003.90 | $3,071.70 | $3,157.80 | $3,259.20 |
| E–8 | 2,518.80 | 2,591.70 | 2,659.50 | 2,741.10 | 2,829.30 |
| E–7 | 2,212.50 | 2,285.40 | 2,359.50 | 2,430.90 | 2,504.40 |
| E–6 | 1,966.50 | 2,040.30 | 2,111.40 | 2,184.00 | 2,235.90 |
| E–5 | 1,783.50 | 1,855.20 | 1,928.70 | 1,929.00 | 1,929.00 |
| E–4 | 1,587.90 | 1,587.90 | 1,587.90 | 1,587.90 | 1,587.90 |
| E–3 | 1,330.80 | 1,330.80 | 1,330.80 | 1,330.80 | 1,330.80 |
| E–2 | 1,123.20 | 1,123.20 | 1,123.20 | 1,123.20 | 1,123.20 |
| E–1 | 1,001.70 | 1,001.70 | 1,001.70 | 1,001.70 | 1,001.70 |
| | Over 18 | Over 20 | Over 22 | Over 24 | Over 26 |
| E–9 [1] | $3,360.30 | $3,460.20 | $3,595.50 | $3,729.60 | $3,900.90 |
| E–8 | 2,921.40 | 3,014.40 | 3,149.10 | 3,282.90 | 3,471.90 |
| E–7 | 2,577.30 | 2,650.50 | 2,776.80 | 2,915.10 | 3,122.40 |
| E–6 | 2,274.60 | 2,274.60 | 2,274.60 | 2,274.60 | 2,274.60 |
| E–5 | 1,929.00 | 1,929.00 | 1,929.00 | 1,929.00 | 1,929.00 |
| E–4 | 1,587.90 | 1,587.90 | 1,587.90 | 1,587.90 | 1,587.90 |

ENLISTED MEMBERS—Continued

Years of service computed under section 205 of title 37, United States Code

| Pay Grade | 2 or less | Over 2 | Over 3 | Over 4 | Over 6 |
|---|---|---|---|---|---|
| E–3 ..... | 1,330.80 | 1,330.80 | 1,330.80 | 1,330.80 | 1,330.80 |
| E–2 ..... | 1,123.20 | 1,123.20 | 1,123.20 | 1,123.20 | 1,123.20 |
| E–1 ..... | 1,001.70 | 1,001.70 | 1,001.70 | 1,001.70 | 1,001.70 |

[1] While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay for this grade is $4,701.00, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[2] In the case of members in the grade E–1 who have served less than 4 months on active duty, basic pay is $926.70.

(c) RETIRED PAY COMPUTATION FORMULA FOR MEMBERS OF THE ARMED FORCES WHO ENTERED MILITARY SERVICE ON OR AFTER AUGUST 1, 1986.—(1) Section 1409(b) of title 10, United States Code, is amended—

(A) by striking paragraph (2);

(B) by redesignating paragraph (3) as paragraph (2); and

(C) in paragraph (1), by striking ''paragraphs (2) and (3)'' and inserting ''paragraph (2)''.

(2) Paragraph (3) of section 1401a(b) of such title is amended to read as follows:

''(3) POST-AUGUST 1, 1986 MEMBERS.—

''(A) If the percent determined under paragraph (2) is equal to or greater than 3 percent, the Secretary shall increase the retired pay of each member and former member who first became a member on or after August 1, 1986, by the difference between—

''(i) the percent determined under paragraph (2); and

''(ii) 1 percent.

''(B) If the percent determined under paragraph (2) is less than 3 percent, the Secretary shall increase the retired pay of each member and former member who first became a member on or after August 1, 1986, by the lesser of—

''(i) the percent determined under paragraph (2); and

''(ii) 2 percent.''.

(3)(A) Section 1410 of such title is amended—

(i) by striking ''on that date'' and all that follows through ''increases in the retired pay'' and inserting ''on that date if increases in the retired pay'';

(ii) by striking ''section); and'' and inserting ''section).'';

(iii) by striking paragraph (2); and

(iv) by amending the section heading to read as follows:

**''§ 1410. Restoral of cost-of-living adjustment amount at age 62 for members entering on or after August 1, 1986''.**

(B) The table of sections at the beginning of chapter 71 of such title is amended to read as follows:

''1410. Restoral of cost-of-living adjustment amount at age 62 for members entering on or after August 1, 1986.''.

(C) Chapter 73 of such title is amended as follows:

(i) Section 1447(6)(A) is amended by striking ''(determined without regard to any reduction under section 1409(b)(2) of this title)''.

(ii) Section 1451(h) is amended by striking paragraph (3).

(iii) Section 1452(c) is amended by striking paragraph (4).

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on October 1, 1999.

(d) FUNDING FOR FISCAL YEAR 2000.—There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2000, for military personnel functions administered by the Department of Defense, to be available only for increases in basic pay attributable to subsections (a) and (b) and for increased payments to the Department of Defense Military Retirement Fund attributable to the amendments made by subsection (c), amounts as follows:

For ''Military Personnel, Army'', $559,533,000.

For ''Military Personnel, Navy'', $436,773,000.

For ''Military Personnel, Marine Corps'', $177,980,000.

For ''Military Personnel, Air Force'', $471,892,000.

For ''Reserve Personnel, Army'', $40,574,000.

For ''Reserve Personnel, Navy'', $29,833,000.

For ''Reserve Personnel, Marine Corps'', $7,820,000.

For ''Reserve Personnel, Air Force'', $13,143,000.

For ''National Guard Personnel, Army'', $70,416,000.

For ''National Guard Personnel, Air Force'', $30,462,000.

(e) APPLICABILITY CONTINGENT ON EMERGENCY FUNDING DESIGNATION.—(1) Each of the amounts provided in subsection (d) is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 901(b)(2)(A)).

(2) Subsections (a), (b), and (c) (including the amendments made by those subsections) shall take effect only if, and the amounts provided in subsection (d) shall be available only if, the President transmits to the Congress before October 1, 1999, an official budget request that includes, for each of the amounts provided by subsection (d), designation of the entire amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 901(b)(2)(A)).

In chapter 4, strike the item relating to ''NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM''.

In section 401—

(1) after the first dollar amount, insert the following: ''(reduced by $810,920,000)'';

(2) after the second dollar amount, insert the following: ''(reduced by $285,000,000)'';

(3) after the third dollar amount, insert the following: ''(reduced by $159,890,000)'';

(4) after the fourth dollar amount, insert the following: ''(reduced by $329,730,000)'';

(5) after the fifth dollar amount, insert the following: ''(reduced by $35,500,000)''; and

(6) after the last dollar amount, insert the following: ''(reduced by $810,920,000)''.

At the end of the bill, strike the short title and insert the following:

## TITLE II—OTHER EMERGENCY SUPPLEMENTAL APPROPRIATIONS

### CHAPTER 1

### DEPARTMENT OF AGRICULTURE

#### FARM SERVICE AGENCY

##### SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses'', $42,753,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

##### AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

For additional gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, $1,095,000,000, as follows: $350,000,000 for guaranteed farm ownership loans; $200,000,000 for direct farm ownership loans; $185,000,000 for direct farm operating loans; $185,000,000 for subsidized guaranteed farm operating loans; and $175,000,000 for emergency farm loans.

For the additional cost of direct and guaranteed farm loans, including the cost of modifying such loans as defined in section 502 of the Congressional Budget Act of 1974, to remain available until September 30, 2000: farm operating loans, $28,804,000, of which $12,635,000 shall be for direct loans and $16,169,000 shall be for guaranteed subsidized loans; farm ownership loans, $35,505,000, of which $29,940,000 shall be for direct loans and $5,565,000 shall be for guaranteed loans; emergency loans, $41,300,000; and administrative expenses to carry out the loan programs, $4,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

#### OFFICE OF THE SECRETARY

##### EMERGENCY GRANTS TO ASSIST LOW-INCOME MIGRANT AND SEASONAL FARMWORKERS

For emergency grants to assist low-income migrant and seasonal farmworkers under section 2281 of the Food, Agriculture, Conservation, and Trade Act of 1990 (42 U.S.C. 5177a), $25,000,000: *Provided*, That the entire amount shall be available only to the extent an official budget request for $25,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

AGRICULTURAL MARKETING SERVICE

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY

(SECTION 32)

For an additional amount for the fund maintained for funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), $120,000,000, to be used for assistance to small- and medium-sized hog farmers: *Provided*, That the entire amount shall be available only to the extent an official budget request for $120,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement under section 251(b)(2)(A) of such Act.

FARM SERVICE AGENCY

EMERGENCY CONSERVATION PROGRAM

For an additional amount for the ''Emergency Conservation Program'' for expenses resulting from natural disasters, $25,000,000, to remain available until expended: *Provided*, That the entire amount shall be available only to the extent that an official budget request for $25,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

COMMODITY CREDIT CORPORATION FUND

LIVESTOCK ASSISTANCE PROGRAM

For an additional amount for the Livestock Assistance Program under Public Law 105–277, $60,000,000: *Provided*, That the entire amount shall be available only to the extent an official budget request for $60,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

LIVESTOCK INDEMNITY PROGRAM

An amount of $3,000,000 is provided to implement a livestock indemnity program as established in Public Law 105–18: *Provided*, That the entire amount shall be available only to the extent an official budget request for $3,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

NATURAL RESOURCES CONSERVATION SERVICE

WATERSHED AND FLOOD PREVENTION OPERATIONS

For an additional amount for ''Watershed and Flood Prevention Operations'' to repair damages to the waterways and watersheds, including debris removal that would not be authorized under the Emergency Watershed Program, resulting from natural disasters, $80,000,000, to remain available until expended: *Provided*, That the entire amount shall be available only to the extent that an official budget request for $80,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

RURAL COMMUNITY ADVANCEMENT PROGRAM

For an additional amount for the costs of direct loans and grants of the rural utilities programs described in section 381E(d)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009f), as provided in 7 U.S.C. 1926(a) and 7 U.S.C. 1926C for distribution through the national reserve, $30,000,000, of which $25,000,000 shall be for grants under such program: *Provided*, That the entire amount shall be available only to the extent an official budget request for $30,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

For additional gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, to be available from funds in the rural housing insurance fund to meet needs resulting from natural disasters, as follows: $10,000,000 for loans to section 502 borrowers, as determined by the Secretary; and $1,000,000 for section 504 housing repair loans.

For the additional cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, to remain available until expended, $1,534,000, as follows: section 502 loans, $1,182,000; and section 504 housing repair loans, $352,000: *Provided*, That the entire amount shall be available only to the extent that an official budget request for $1,534,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

RURAL HOUSING ASSISTANCE GRANTS

For an additional amount for grants for very low-income housing repair, as authorized by 42 U.S.C. 1474, to meet needs resulting from natural disasters, $1,000,000: *Provided*, That the entire amount shall be available only to the extent that an official budget request for $1,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

FOREIGN ASSISTANCE AND RELATED PROGRAMS

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

For an additional amount for ''Public Law 480 Program and Grant Accounts'' for humanitarian food assistance under title II of Public Law 480, $175,000,000, to remain available until expended: *Provided*, That the Congress hereby designates the entire such amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further*, That such amount shall be available only to the extent of a specific dollar amount for such purpose that is included in an official budget request transmitted by the President to the Congress and that is designated as an emergency requirement pursuant to such section 251(b)(2)(A).

GENERAL PROVISIONS, THIS CHAPTER

SEC. 1101. The Secretary of Agriculture may waive the limitation established under the second sentence of the second paragraph of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), on the amount of funds that may be devoted during fiscal year 1999 to any 1 agricultural commodity or product thereof.

SEC. 1102. Notwithstanding section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i), an additional $28,000,000 shall be provided through the Commodity Credit Corporation in fiscal year 1999 for technical assistance activities performed by any agency of the Department of Agriculture in carrying out any conservation or environmental program funded by the Commodity Credit Corporation: *Provided*, That the entire amount shall be available only to the extent an official budget request for $28,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of such Act.

**CHAPTER 2**

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

ENFORCEMENT AND BORDER AFFAIRS

For an additional amount for ''Salaries and Expenses, Enforcement and Border Affairs'' to support increased detention requirements for Central American criminal aliens and to address the expected influx of illegal immigrants from Central America as a result of Hurricane Mitch, $80,000,000, which shall remain available until expended and which shall be administered by the Attorney General: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

**CHAPTER 3**

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

RESERVE PERSONNEL, ARMY

For an additional amount for ''Reserve Personnel, Army'', $8,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That of such amount, $5,100,000 shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of

the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for ''National Guard Personnel, Army'', $7,300,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That of such amount, $1,300,000 shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for ''National Guard Personnel, Air Force'', $1,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for ''Operation and Maintenance, Army'', $69,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for ''Operation and Maintenance, Navy'', $16,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for ''Operation and Maintenance, Marine Corps'', $300,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for ''Operation and Maintenance, Air Force'', $8,800,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for ''Operation and Maintenance, Defense-Wide'', $46,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For an additional amount for ''Overseas Humanitarian, Disaster, and Civic Aid'', $37,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

**CHAPTER 4**

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''International Disaster Assistance'' for necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance, pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $25,000,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''Economic Support Fund'', in addition to amounts otherwise available for such purposes, to provide assistance to Jordan, $50,000,000 to become available upon enactment of this Act and to remain available until September 30, 2001: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

CENTRAL AMERICA AND THE CARIBBEAN EMERGENCY

DISASTER RECOVERY FUND

Notwithstanding section 10 of Public Law 91–672, for necessary expenses to address the effects of hurricanes in Central America and the Caribbean and the earthquake in Colombia, $621,000,000, to remain available until September 30, 2000: *Provided*, That the funds appropriated under this heading shall be subject to the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and, except for section 558, the provisions of title V of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)): *Provided further*, That up to $5,000,000 of the funds appropriated by this paragraph may be transferred to ''Operating Expenses of the Agency for International Development'', to remain available until September 30, 2000, to be used for administrative costs of USAID in addressing the effects of those hurricanes, of which up to $1,000,000 may be used to contract directly for the personal services of individuals in the United States: *Provided further*, That up to $2,000,000 of the funds appropriated by this paragraph may be transferred to ''Operating Expenses of the Agency for International Development Office of Inspector General'', to remain available until expended, to be used for costs of audits, inspections, and other activities associated with the expenditure of the funds appropriated by this paragraph: *Provided further*, That funds appropriated under this heading shall be obligated and expended subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated under this heading shall be subject to the funding ceiling contained in section 580 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in Division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)), notwithstanding section 545 of that Act: *Provided further*, That none of the funds appropriated under this heading may be made available for nonproject assistance: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

DEPARTMENT OF THE TREASURY

DEBT RESTRUCTURING

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''Debt Restructuring'', $41,000,000, to remain available until expended: *Provided*, That up to $25,000,000 may be used for a contribution to the Central America Emergency Trust Fund, administered by the International Bank for Reconstruction and Development: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''Foreign Military Financing Program'', for grants to enable the President to carry out section 23 of the Arms Export Control Act, in addition to amounts otherwise available for such purposes, for grants only for Jordan, $50,000,000 to become available upon enactment of this Act and to remain available until September 30, 2001: *Provided*, That funds appropriated under this heading shall be nonrepayable, notwithstanding section 23(b) and section 23(c) of the Arms Export Control Act: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

GENERAL PROVISION—THIS CHAPTER

SEC. 2401. The value of articles, services, and military education and training authorized as of November 15, 1998, to be drawn down by the President under the authority of section 506(a)(2) of the Foreign Assistance Act of 1961, as amended, shall not be counted against the ceiling limitation of that section.

**CHAPTER 5**

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

RECONSTRUCTION AND CONSTRUCTION

For an additional amount for ''Reconstruction and Construction'', $5,611,000, to remain available until expended, to address damages from Hurricane Georges and other natural disasters in Puerto Rico: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the amount provided shall be available only to the extent that an official budget request that includes designation of the entire

amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That funds in this account may be transferred to and merged with the ''Forest and Rangeland Research'' account and the ''National Forest System'' account as needed to address emergency requirements in Puerto Rico.

**CHAPTER 6**

OFFSETS

BILATERAL ECONOMIC ASSISTANCE

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

(RESCISSION)

Of the funds appropriated under this heading in Public Law 105–277 and in prior acts making appropriations for foreign operations, export financing, and related programs, $17,000,000 are rescinded.

MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

FOREIGN MILITARY FINANCING PROGRAM

(RESCISSION)

Of the funds appropriated under this heading in Public Law 104–208 for the cost of direct loans authorized by section 23 of the Arms Export Control Act, $18,000,000 are rescinded.

MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

GLOBAL ENVIRONMENT FACILITY

(RESCISSION)

Of the funds appropriated under this heading in Public Law 105–277, $23,000,000 are rescinded.

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the budgetary resources provided for ''Small Community Air Service'' by Public Law 101–508 for fiscal years prior to fiscal year 1998, $815,000 are rescinded.

FEDERAL HIGHWAY ADMINISTRATION

STATE INFRASTRUCTURE BANKS

(RESCISSION)

Of the available balances under this heading, $6,500,000 are rescinded.

FEDERAL TRANSIT ADMINISTRATION

TRUST FUND SHARE OF TRANSIT PROGRAMS

(HIGHWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the budgetary resources provided for the trust fund share of transit programs in Public Law 102–240 under 49 U.S.C. 5338(a)(1), $665,000 are rescinded.

INTERSTATE TRANSFER GRANTS—TRANSIT

Of the available balances under this heading, $600,000 are rescinded.

GENERAL PROVISION—THIS TITLE

SEC. 2601. Division B, title I, chapter 1 of Public Law 105–277 is amended as follows: under the heading ''Operation and Maintenance, Defense-Wide'', strike ''$1,496,600,000'' and insert ''$1,456,600,000''.

TITLE III—SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS

**CHAPTER 1**

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

For an additional amount for ''Salaries and Expenses,'' $921,000, to remain available until expended.

DEPARTMENT OF STATE AND RELATED AGENCIES

RELATED AGENCY

UNITED STATES INFORMATION AGENCY

BUYING POWER MAINTENANCE

(RESCISSION)

Of the unobligated balances available under this heading, $20,000,000 are rescinded.

**CHAPTER 2**

UNITED STATES COMMISSION ON INTERNATIONAL RELIGIOUS FREEDOM

For necessary expenses for the United States Commission on International Religious Freedom, as authorized by title II of the International Religious Freedom Act of 1998 (Public Law 105–292), $3,000,000, to remain available until expended.

**CHAPTER 3**

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

(RESCISSION)

Of the funds made available under this heading in Public Law 105–83, $6,800,000 are rescinded.

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

FEDERAL TRUST PROGRAMS

For an additional amount for ''Federal Trust Programs'', $21,800,000, to remain available until expended, of which $6,800,000 is for activities pursuant to the Trust Management Improvement Project High Level Implementation Plan and $15,000,000 is to support litigation involving individual Indian trust accounts: *Provided*, That litigation support funds may, as needed, be transferred to and merged with the ''Operation of Indian Programs'' account in the Bureau of Indian Affairs, the ''Salaries and Expenses'' account in the Office of the Solicitor, the ''Salaries and Expenses'' account in Departmental Management, the ''Royalty and Offshore Minerals Management'' account in the Minerals Management Service and the ''Management of Lands and Resources'' account in the Bureau of Land Management.

**CHAPTER 4**

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

Under this heading in section 101(f) of Public Law 105–277, strike ''$3,132,076,000'' and insert ''$3,111,076,000'' and strike ''$180,933,000'' and insert ''$164,933,000''.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

FEDERAL CAPITAL LOAN PROGRAM FOR NURSING

(RESCISSION)

Of the funds made available under the Federal Capital Loan Program for Nursing appropriation account, $2,800,000 are rescinded.

DEPARTMENT OF EDUCATION

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

(RESCISSION)

Of the funds made available under this heading in section 101(f) of Public Law 105–277, $6,800,000 are rescinded.

RELATED AGENCY

CORPORATION FOR PUBLIC BROADCASTING

For an additional amount for the Corporation for Public Broadcasting, to remain available until expended, $11,000,000 to be available for fiscal year 1999, and $37,000,000 to be available for fiscal year 2000: *Provided*, That such funds be made available to National Public Radio, as the designated manager of the Public Radio Satellite System, for acquisition of satellite capacity.

**CHAPTER 5**

CONGRESSIONAL OPERATIONS

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

HOUSE OFFICE BUILDINGS

HOUSE PAGE DORMITORY

For necessary expenses for renovations to the facility located at 501 First Street, S.E., in the District of Columbia, $3,760,000, to remain available until expended: *Provided*, That the Architect of the Capitol shall transfer to the Chief Administrative Officer of the House of Representatives such portion of the funds made available under this paragraph as may be required for expenses incurred by the Chief Administrative Officer in the renovation of the facility, subject to the approval of the Committee on Appropriations of the House of Representatives: *Provided further*, That section 3709 of the Revised Statutes of the United States (41 U.S.C. 5) shall not apply to the funds made available under this paragraph.

O'NEILL HOUSE OFFICE BUILDING

For necessary expenses for life safety renovations to the O'Neill House Office Building, $1,800,000, to remain available until expended: *Provided*, That section 3709 of the Revised Statutes of the United States (41 U.S.C. 5) shall not apply to the funds made available under this paragraph.

ADMINISTRATIVE PROVISIONS—THIS CHAPTER

SEC. 3501. (a) The aggregate amount otherwise authorized to be appropriated for a fiscal year for the lump-sum allowance for the Office of the Minority Leader of the House of Representatives and the aggregate amount otherwise authorized to be appropriated for a fiscal year for the lump-sum allowance for the Office of the Majority Whip of the House of Representatives shall each be increased by $333,000.

(b) This section shall apply with respect to fiscal year 2000 and each succeeding fiscal year.

SEC. 3502. (a) Each office described under the heading ''HOUSE LEADERSHIP OFFICES'' in the Act making appropriations for the legislative branch for a fiscal year may transfer any amounts appropriated for the office under such heading among the various categories of allowances and expenses for the office under such heading.

(b) Subsection (a) shall not apply with respect to any amounts appropriated for official expenses.

(c) This section shall apply with respect to fiscal year 1999 and each succeeding fiscal year.

**CHAPTER 6**

POSTAL SERVICE

PAYMENTS TO THE POSTAL SERVICE FUND

For an additional amount for ''Payments to the Postal Service Fund'' for revenue forgone reimbursement pursuant to 39 U.S.C. 2401(d), $29,000,000.

EXECUTIVE OFFICE OF THE PRESIDENT

FUNDS APPROPRIATED TO THE PRESIDENT

UNANTICIPATED NEEDS

(RESCISSION)

Of the funds made available under this heading in Public Law 101–130, the Fiscal Year 1990 Dire Emergency Supplemental to Meet the Needs of Natural Disasters of National Significance, $10,000,000 are rescinded.

**CHAPTER 7**

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

COMMUNITY PLANNING AND DEVELOPMENT

COMMUNITY DEVELOPMENT BLOCK GRANTS

Notwithstanding the 6th undesignated paragraph under the heading ''COMMUNITY PLANNING AND DEVELOPMENT—COMMUNITY DEVELOPMENT BLOCK GRANTS'' in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Public Law 105–276; 112 Stat. 2477) and the related provisions of the joint explanatory statement in the conference report to accompany such Act (Report 105–769, 105th Congress, 2d Session) referred to in such paragraph, of the amounts provided under such heading and made available for the Economic Development Initiative (EDI) for grants for targeted economic investments, $250,000 shall be for a grant to Project Restore of Los Angeles, California, for the Los Angeles City Civic Center Trust, to revitalize and redevelop the Civic Center neighborhood, and $100,000 shall be for a grant to the Southeast Rio Vista Family YMCA, for development of a child care center in the City of Huntington Park, California.

MANAGEMENT AND ADMINISTRATION

OFFICE OF INSPECTOR GENERAL

Under this heading in Public Law 105–276, add the words, ''to remain available until September 30, 2000,'' after $81,910,000,''.

TITLE IV—TECHNICAL CORRECTIONS

SEC. 4001. The Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (as contained in division A, section 101(a) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended—

(a) in title III, under the heading ''Rural Community Advancement Program, (Including Transfer of Funds)'', by inserting ''1926d,'' after ''1926c,''; by inserting '', 306C, and 306D'' after ''381E(d)(2)'' the first time it appears in the paragraph; and by striking '', as provided in 7 U.S.C. 1926(a) and 7 U.S.C. 1926C'';

(b) in title VII, in section 718 by striking ''this Act'' and inserting ''annual appropriations Acts'';

(c) in title VII, in section 747 by striking ''302'' and inserting ''203''; and

(d) in title VII, in section 763(b)(3) by striking ''Public Law 94–265'' and inserting ''Public Law 104–297''.

SEC. 4002. Division B, title V, chapter 1 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277) is amended under the heading ''Department of Agriculture, Agriculture Research Service'' by inserting after ''$23,000,000,'' the following: ''to remain available until expended,''.

SEC. 4003. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 ( as contained in division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended—

(a) in title II under the heading ''Burma'' by striking ''headings 'Economic Support Fund' and'' and inserting ''headings 'Child Survival and Disease Programs Fund', 'Economic Support Fund' and'';

(b) in title V in section 587 by striking ''199–339'' and inserting ''99–399'';

(c) in title V in subsection 594(a) by striking ''subparagraph (C)'' and inserting ''subsection (c)'';

(d) in title V in subsection 594(b) by striking ''subparagraph (a)'' and inserting ''subsection (a)''; and

(e) in title V in subsection 594(c) by striking ''521 of the annual appropriations Act for Foreign Operations, Export Financing, and Related Programs'' and inserting ''520 of this Act''.

SEC. 4004. Subsection 1706(b) of title XVII of the International Financial Institutions Act (22 U.S.C. 262r–5(b)), as added by section 614 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999, is amended by striking ''June 30'' and inserting ''September 30''.

SEC. 4005. The Department of the Interior and Related Agencies Appropriations Act, 1999 (as contained in division A, section 101(e) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended—

(a) in the last proviso under the heading ''United States Fish and Wildlife Service, Administrative Provisions'' by striking ''section 104(c)(50)(B) of the Marine Mammal Protection Act (16 U.S.C. 1361–1407)'' and inserting ''section 104(c)(5)(B) of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361–1407)''.

(b) in section 354(a) by striking ''16 U.S.C. 544(a)(2))'' and inserting ''16 U.S.C. 544b(a)(2))''.

(c) The amendments made by subsections (a) and (b) of this section shall take effect as if included in Public Law 105–277 on the date of its enactment.

SEC. 4006. The Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Act, 1999 (as contained in division A, section 101(f) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended—

(a) in title I, under the heading ''Federal Unemployment Benefits and Allowances'', by striking ''during the current fiscal year'' and inserting ''from October 1, 1998, through September 30, 1999'';

(b) in title II under the heading ''Office of the Secretary, General Departmental Management'' by striking ''$180,051,000'' and inserting ''$188,051,000'';

(c) in title II under the heading ''Children and Families Services Programs, (Including Rescissions)'' by striking ''notwithstanding section 640 (a)(6), of the funds made available for the Head Start Act, $337,500,000 shall be set aside for the Head Start Program for Families with Infants and Toddlers (Early Head Start): *Provided further*, That'';

(d) in title II under the heading ''Office of the Secretary, General Departmental Management'' by inserting after the first proviso the following: ''*Provided further*, That of the funds made available under this heading for carrying out title XX of the Public Health Service Act, $10,831,000 shall be for activities specified under section 2003(b)(2), of which $9,131,000 shall be for prevention service demonstration grants under section 510(b)(2) of title V of the Social Security Act, as amended, without application of the limitation of section 2010(c) of said title XX:'';

(e) in title III under the heading ''Special Education'' by inserting before the period at the end of the paragraph the following: '': *Provided further*, That $1,500,000 shall be for the recipient of funds provided by Public Law 105–78 under section 687(b)(2)(G) of the Act to provide information on diagnosis, intervention, and teaching strategies for children with disabilities'';

(f) in title II under the heading ''Public Health and Social Services Emergency Fund'' by striking ''$322,000'' and inserting ''$180,000'';

(g) in title III under the heading ''Education Reform'' by striking ''$491,000,000'' and inserting ''$459,500,000'';

(h) in title III under the heading ''Vocational and Adult Education'' by striking ''$6,000,000'' the first time that it appears and inserting ''$14,000,000'', and by inserting before the period at the end of the paragraph the following: '': *Provided further*, That of the amounts made available for the Perkins Act, $4,100,000 shall be for tribally controlled postsecondary vocational institutions under section 117'';

(i) in title III under the heading ''Higher Education'' by inserting after the first proviso the following: ''*Provided further*, That funds available for part A, subpart 2 of title VII of the Higher Education Act shall be available to fund awards for academic year 1999–2000 for fellowships under part A, subpart 1 of title VII of said Act, under the terms and conditions of part A, subpart 1:'';

(j) in title III under the heading ''Education Research, Statistics, and Improvement'' by inserting after the third proviso the following: ''*Provided further*, That of the funds appropriated under section 10601 of title X of the Elementary and Secondary Education Act of 1965, as amended, $1,000,000 shall be used to conduct a violence prevention demonstration program: *Provided further*, That of the funds appropriated under section 10601 of title X of the Elementary and Secondary Education Act of 1965, as amended, $50,000 shall be awarded to the Center for Educational Technologies to conduct a feasibility study and initial planning and design of an effective CD ROM product that would complement the book, We the People: The Citizen and the Constitution:'';

(k) in title III under the heading ''Reading Excellence'' by inserting before the period at the end of the paragraph the following: '': *Provided*, That up to one percent of the amount appropriated shall be available October 1, 1998 for peer review of applications'';

(l) in title V in section 510(3) by inserting after ''Act'' the following: ''or subsequent Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Acts''; and

(m)(1) in title VIII in section 405 by striking subsection (e) and inserting the following:

''(e) OTHER REFERENCES TO TITLE VII OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—The table of contents of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.) is amended—

''(1) by striking the items relating to title VII of such Act, except the item relating to the title heading and the items relating to subtitles B and C of such title; and

''(2) by striking the item relating to the title heading for title VII and inserting the following:

'' 'TITLE VII—EDUCATION AND TRAINING'.''.

(2) The amendments made by subsection (m)(1) of this section shall take effect as if included in Public Law 105–277 on the date of its enactment.

SEC. 4007. The last sentence of section 5595(b) of title 5, United States Code (as added by section 309(a)(2) of the Legislative Branch Appropriations Act, 1999, Public Law 105–275) is amended by striking ''(a)(1)(G)'' and inserting ''(a)(1)(C)''.

SEC. 4008. The Department of Transportation and Related Agencies Appropriations Act, 1999 (as contained in division A, section 101(g) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended: (a) in title I under the heading ''National Highway Traffic Safety Administration, Operations and Research, (Highway Trust Fund)'' by inserting before the period at the end of the paragraph '': *Provided further*, That notwithstanding other funds available in this Act for the National Advanced Driving Simulator Program, funds under this heading are available for obligation, as necessary, to continue this program through September 30, 1999''.

SEC. 4009. Division B, title II, chapter 5 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277) is amended under the heading ''Capitol Police Board, Security Enhancements'' by inserting before the period at the end of the paragraph '': *Provided further*, That for purposes of carrying out the plan or plans described under this heading and consistent with the approval of such plan or plans pursuant to this heading, the Capitol Police Board shall transfer the portion of the funds made available under this heading which are to be used for personnel and overtime increases for the United States Capitol Police to the heading ''Capitol Police Board, Capitol Police, Salaries'' under the Act making appropriations for the legislative branch for the fiscal year involved, and shall allocate such portion between the Sergeant at Arms of the House of Representatives and the Sergeant at Arms and Doorkeeper of the Senate in such amounts as may be approved by the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate''.

SEC. 4010. Section 3027(d)(3) of the Transportation Equity Act for the 21st Century (49 U.S.C. 5307 note; 112 Stat. 366) as added by section 360 of the Department of Transportation and Related Agencies Appropriations Act, 1999 (as contained in division A, section 101(g) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is re-designated as section 3027(c)(3).

SEC. 4011. The Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1999 (as contained in division A, section 101(b) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)) is amended—

(a) in title I, under the heading ''Legal Activities, Salaries and Expenses, General Legal Activities'', by inserting ''and shall remain available until September 30, 2000'' after ''Holocaust Assets in the United States''; and

(b) in title IV, under the heading ''Department of State, Administration of Foreign Affairs, Salaries and Expenses'', by inserting ''and shall remain available until September 30, 2000'' after ''Holocaust Assets in the United States''.

TITLE V—GENERAL PROVISIONS

SEC. 5001. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

This Act may be cited as the ''1999 Emergency Supplemental Appropriations Act''.

The CHAIRMAN. Pursuant to House Resolution 159, the gentleman from Wisconsin (Mr. OBEY) and a member opposed each will control 20 minutes.

Does the gentleman from Florida (Mr. YOUNG) seek to control the time in opposition?

Mr. YOUNG of Florida. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Wisconsin (Mr. OBEY) will control 20 minutes, and the gentleman from Florida (Mr. YOUNG) will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. OBEY).

□ 1400

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this country is engaged in a war which is the consequence of the inability of the West to act going as far back as 1982. Mr. Milosevic has been consistently and perniciously grinding people into the dust in Bosnia, in Croatia, in Kosovo for over a decade. And because action was not taken to stop him more than a decade ago, the cost of stopping him now is going to be much higher than it otherwise would have been.

We can all argue about how we got here, but the fact is we are here, and we owe the troops in the field and we owe the President an obligation to deal with this issue on the merits—right down the middle. I do not think this House has done a very good job of doing that.

We have seen an incredible array of political comments the last few weeks. Last week, for instance, we have seen one Member of this body indicate that this needed to be clearly understood as Clinton's war rather than the national problem that it really is. We saw a good many efforts being made to simultaneously oppose what the President is doing and what NATO is doing and at the same time double the spending for conducting that war.

We saw 80 percent of the Members of the majority party vote last week against conducting the very operation which today they are suggesting we should spend twice as much money on as the President is asking. I think that that is spectacularly inconsistent, and I think it is confusing and destructive of our ability to find common ground on this issue.

The President asked for $6 billion, a little over $6 billion, to finance a war which is literally an 800-plane, 24-hour-a-day constant bombarding of all of Yugoslavia, not just Kosovo. He has asked for funds fully sufficient to conduct at least that level of activity between now and the end of the fiscal year.

In addition to that, he has asked for funds fully sufficient to pay for an Apache operation over there twice as large as the one which is now operating. And it seems to me that we ought to support him in that effort.

The majority party has responded, after falling off one side of the horse last week by refusing to support this operation, they are now responding by falling off the other side of the horse and saying, in essence, that we ought to increase the size of this bill by 125 percent.

They increased $460 million for additional munitions. The amendment now before us says, all right, in the interest of compromise, we will buy that. They increased procurement by $400 million. We say, okay, in the interest of compromise, we will buy that too. They provided a billion dollars to avoid reprogramming for operation and maintenance items because they want to make sure we have enough money to fully fund all of the Pentagon's needs, not just in Kosovo but elsewhere. We say, okay, we agree with that. We will give them that billion dollars.

What we do not want to give them is the $3 billion that has nothing whatsoever to do with Kosovo but has everything to do with another game that is going on. We have 2 simultaneous problems. We have the Kosovo problem. We also have a budget problem. And under the budget which the majority passed two weeks ago, caps were established on what we can spend for every category of Government, including defense.

What they are now trying to do with this bill is to take $3 billion of items that are not related to Kosovo, stick them in this bill, which will, therefore, enable them to spend $3 billion more on what largely are pork items. And we do not agree with doing that.

So we removed that $3 billion. That still leaves us $5 billion above the President's request, a huge amount of funding. And we make the pay raise, which the majority party claims it is providing real, by making it deliverable immediately rather than deliverable upon passage of another piece of legislation. That is what we do.

We also, responding to some of the advice of Members, such as the gentleman from Alabama (Mr. CALLAHAN) who suggested that we need more money by way of food aid. We have also provided that.

What we do not want to do is misuse the precious privilege we have to declare certain items emergencies when we think they are emergencies. And it just seems to me, therefore, that if they want to avoid polarizing this

issue, they would take the amendment that we are offering today and support it in the interest of moving both sides to the center.

Now, some persons will say, well, we have to add all of these items to this bill despite the fact that they are not emergency items because we have a readiness problem, and they claim that the President is responsible for that. The fact is that for the last 4½ years the majority party has been in control, they have added $27 billion to the President's military budgets and all but $3½ billion of that has gone to non-readiness items.

I did not make those choices. They did. They had the votes to push them through and they did. I would simply ask, if we do have a readiness problem today, I would say let us take care of it. The defense bill is going to be coming out here in a few weeks' time. Deal with it on that bill.

What I would say, also, is that if they think that we have a readiness problem, why did they put 80 percent of the money they added to the defense budget in non-readiness items? That seems to me again spectacularly inconsistent. We are also told, ''Oh, we have to put more money in because the Pentagon says that they are stretched too thin.''

I want to read from a document prepared by the Pentagon. It makes five points. It says: ''In the event of a major theater war, assets would be required to swing between theaters to support major theater war operations and the ongoing operation in Kosovo, just as envisioned by the Quadrennial Defense Review.''

The second thing it says is: ''The total number of Air Force aircraft deployed or planned for Kosovo represent only about 25 percent of the total number of the services' primary aircraft. Clearly, the Air Force possesses sufficient forces to meet an additional regional war with some aircraft still in reserve.''

It also makes the point that the Navy has already taken the steps needed to ameliorate the situation in the Western Pacific by making the U.S.S. Constellation ready to sail within 96 hours if it is needed to support operations in Korea.

It also makes a number of other points which refute the idea that there is such a crisis in military spending that we must wholesale abuse the emergency designation in this legislation.

I want every dollar that is needed for any contingency in Kosovo to be provided, but I do not want this Congress to misuse the emergency designation in order to simply facilitate moving $3 billion from the regular appropriation bill into this bill by pretending it is an emergency, thereby making room for the same kind of pork items that have been added in the past that, in my view, should not have been added. So that is, essentially, the issue that we face.

And I would also say one other thing. We have heard people say there must be a more fair division of burdens between us and our NATO allies. I could not agree more. And so I would ask, if people believe that, why are they supporting the original bill which forward funds—in other words pays one year early—the $240 million military construction obligation that we will have for our share of NATO costs next year?

There is no other country in the world that is providing that money a year ahead of time. If we provide that money ahead of time, it takes away from our leverage to ask that other NATO allies meet their fair share of the cost in dealing with this war.

So I do not want to hear any rhetoric about how we must oppose the Obey amendment in order to support our troops in the field. This amendment fully supports every possible requirement of troops in the field. What it does not do is engage in the fiction that we ought to use this war in order to pretend that billions of additional dollars are emergencies when in fact they are not.

There is no emergency that requires us to build 37 of those military construction projects in Europe, which the Pentagon did not even want on its list for the next 5 years. This reminds me of the debate just a couple years ago where the Congress insisted on providing a billion-dollar aircraft to the Pentagon that it did not want.

And one last comment again, because I heard it three times, on JDAMs. Yes, we need more JDAMs. This is a new weapon. The administration asked that their request be fully funded last year. It was not Bill Clinton that cut the funds for that program. It was not the gentleman from Wisconsin. It was the committee, under the control of the majority party, which cut that request by 18 percent.

So I remind my colleagues, if they want to know why some of these so-called readiness problems afflict the military, I would advise them to simply look in the mirror; and keep in mind that today we are supposed to be funding emergencies on an emergency basis, we are not supposed to be using it to play ''let us pretend'' games on next year's budget.

Mr. Chairman, I reserve the balance of my time.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, one of the big arguments here today seems to be the fact that the Congress is recommending more funding for our national defense capabilities than the President asked for.

Well, the President's record on estimating the length of time of a military deployment and how much the cost is going to be is not all that great. For example, in Bosnia, for those of us who attended those first meetings about Bosnia, we were told that we would be in Bosnia for about a year, and it would cost about $1.2 billion. But, Mr. Chairman, 5 years later and $10 billion later, we are still in Bosnia.

This administration's record on estimating how long the deployment is going to take or how much it is going to cost is not very good.

Now, the gentleman from Wisconsin (Mr. OBEY) likes to make the point that we have included items that the Pentagon did not want, and he makes this argument every time there is a defense bill on the floor. But let me explain how this works.

When the administration request comes to this Congress, it does not come from the Defense Department. It goes from the Defense Department to the Office of Management and Budget, and they decide what the Defense request will be to the Congress. So just because OMB does not want something does not mean that the warfighters have not already identified it and told us that, in fact, it was a requirement.

And then the point about the Congress doing things that the Pentagon does not want, let me give my colleagues an example. One of the examples of this was the C–17. There were attempts by the administration to kill the C–17. Congress insisted that we needed the capability that the C–17 would provide.

I would say to my colleagues, Mr. Chairman, that without the C–17 in the inventory today there is no way that we could be doing in the Kosovo region what we are doing. We just could not get enough of C–5's there into the Tirana Airport in Albania. But the C–17's can carry significant amounts of cargo into that area.

□ 1415

The gentleman from Wisconsin likes to continue his conversation about the JDAMs. JDAMs is a good system. But a year ago, there were serious technical problems with JDAMs. Our committee is very, very careful when there are problems not to throw money at it. It does not say we did not support the program. We did make a minor reduction in the JDAMs program because there were technical problems, and we needed to convince the administration that those problems had to be fixed.

Let me give Members another example of how that works. The THAAD program, the Theater High Altitude Air Defense system, everybody that understands what that system is knows we have got to have it. We have to have what THAAD would provide. But THAAD has been, unfortunately, a serious failure, so far, in its development. And so the committee took substantial amounts of money from that program to get the attention of the contractor

and the administration, to say, ''Fix it. Don't just throw money at something that doesn't work. Fix it.''

That is what we did on JDAMs. We said, ''Fix it.'' So they fixed it. And JDAMs is a good system, and it is well under way now.

THAAD will become a good system. We need what THAAD would produce and provide for our troops in the field. But we have got to have a THAAD system that works.

So this committee is very careful about what it provides funding for or what it does not provide funding for. That is why when we bring a bill to this floor it is well thought out and can be easily defended. Mr. Chairman, this bill is a good bill.

One of the gentleman from Wisconsin's other complaints is the fact that we put a pay raise in this bill for our men and women in uniform. He does not object to the pay raise, but he objects to the fact that we did not spell out the details of the plan. We had an understanding with our authorizing committees, both parties, that we would provide the money but we would allow them to function as their jurisdiction provides so that they would spell out the details.

I have confidence in the Committee on Armed Services, and it will address this. The gentleman from Indiana (Mr. BUYER) that we heard earlier on the floor is chairman of the subcommittee that will deal with this. The gentleman from South Carolina (Mr. SPENCE) is chairman of the full committee. The Senate has already passed their plan. We will go to conference on that one shortly, and the pay raise will become effective.

The gentleman from Wisconsin mentioned earlier that I had dragged a red herring across the debate. If I could use that same phrase, I think that argument about the pay raise is a typical red herring.

Mr. Chairman, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield 1½ minutes to the distinguished gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Chairman, I rise in strong support of the Obey amendment.

It provides a fiscally responsible way to address real emergencies, of supporting our troops in Kosovo, aids thousands of fleeing refugees, helps farmers who are being left high and dry here at home and the Central American communities trying to rebuild after the destruction of hurricane Mitch. It is a responsible alternative, rather than the Republican bill which is loading up with nonemergency defense items and from a group of people who just last week decided that it was not in the best interest of our troops who are in the field, men and women in the field, to support their efforts, that they come back and try to pile on in this supplemental appropriation.

The Obey amendment represents the values of American families. We affirm Congress' commitment to our men and women in the Armed Forces who are carrying out a brave and vital mission. It sends an important message to Milosevic that his savage campaign of ethnic cleansing against the Kosovar Albanians will not be tolerated. Mr. Milosevic continues to wage war on ethnic Albanians through his acts of violence, mass murder of innocent families and driving thousands of people and whole communities from their homes to refugee camps.

Make no mistake, Mr. Chairman. This is Milosevic's war. If you do not want to listen to me, listen to Margaret Thatcher, Jacques Chirac, President Schroeder, Prime Minister of England Tony Blair.

Mrs. Thatcher has said Milosevic's regime and the genocidal ideology that sustains it represents something altogether different, a truly monstrous evil. If you want to be serious about supporting our troops in this effort, support the Obey amendment.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Oklahoma (Mr. COBURN).

Mr. COBURN. Mr. Chairman, I want to seriously question what was just said, and I want to quote: ''The Obey amendment affirms the value of American families.'' Sending $100 million of Social Security money to Jordan is affirming the value of American families? The money comes from our seniors and our children. What we are going to do is we are going to affirm the value of anybody that is not going to pay for the Social Security money that we are going to spend. Who is that? It is not anybody. Because we are all going to pay for it. There are no family values in that. $100 million to Jordan needs to go, and we passed a bill that paid for it by decreasing spending somewhere else. The Obey amendment does not address that issue.

Mr. OBEY. Mr. Chairman, I yield myself 15 seconds.

As usual, the gentleman has his facts wrong. Jordan is fully offset in the Obey amendment. There is not one dime that adds to the deficit under that.

I wish that if the gentleman is going to attack my amendment, he would at least first understand it correctly.

Mr. YOUNG of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from California (Mr. LEWIS), the distinguished chairman of the Subcommittee on Defense.

Mr. LEWIS of California. Mr. Chairman, I cannot help but respond to the gentlewoman from Connecticut (Ms. DELAURO) when she talks about the vote last week, in which a broad cross-section of the membership did address that policy by saying that they disagreed fundamentally with the way this whole effort has been structured by the administration and out of their frustration wanted to express that concern.

Today is an entirely different debate, however. Today we are talking about sending a message to Milosevic by way of the House in a bipartisan, almost nonpartisan way, supporting funding of considerable amount to the troops who are in harm's way.

The gentleman from Wisconsin (Mr. OBEY) has pointed to the fact that, by way of his amendment, he is attempting to touch on the reality that we have a Kosovo problem and we have a budget problem, but fails to discuss very clearly the fact that we also have a military crisis on our hands, where we are spread too thin across the world, attempting to preserve the foundations for freedom. And in the meantime, it is because of a lack of long-term policy that we find ourselves in a situation where we are critically low on munitions.

In the area of readiness, for example, that the gentleman from Wisconsin did not really want us to discuss very much today, this amendment cuts by two-thirds the funding we added in the bill for critical, high-priority readiness items, a $1.9 billion cut. It cuts money for spare parts and maintenance, for military training and for base operations. For example, it cuts nearly $1.5 billion from spare parts and depot maintenance accounts, essential funding needed to keep our equipment available in top condition.

Let me tell my colleagues what the problem is here. For the past 8 years, the mission-capable rate of our front-line Air Force and Navy aircraft has been steadily dropping. It has gotten so bad that on any given day one out of every four U.S. Air Force aircraft is rated not mission capable. The Navy's numbers are even worse. Thirty percent of its aircraft are nonmission capable.

This problem, which is growing worse, affects many aspects of our readiness. Pilots cannot train adequately, and parts are cannibalized on the front lines. It is clear that we have problems across the board as it relates to readiness.

Earlier today, I touched briefly on an item that my chairman mentioned as well. The gentleman from Wisconsin does speak to the pay question. Should we provide funding in this mechanism for assistance, additional pay to our men and women who are in harm's way? The answer is, absolutely yes. But it is intriguing to me that the ranking member of the Committee on Appropriations, who in the past has talked long and hard about the need to cooperate with our authorizing committees, continues himself in this case

to say, we ought to be doing the authorizing here.

Mr. Chairman, it is important for our colleagues to know that the authorizing committees have worked hand in hand with us and have done a fabulous job of making sure that their important work is held intact, while at the same time we deliver the pay to our troops that is so important to their effectiveness.

Mr. OBEY. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Chairman, I rise to strongly support the Obey substitute which supports our troops in Kosovo as Democrats unlike Republicans did in their votes last week, which gives a real pay raise to our men and women in uniform and which supports emergency assistance for Albanian refugees. But we have other real emergencies in this process, like the near-Depression conditions faced by farmers in the Midwest, like our fellow Americans in Oklahoma and Kansas and like the national interest the United States has spawned by the hurricane damage in Central America. These are real emergencies which we need to deal with responsibly.

It is scandalous that 6 months after Hurricanes Georges and Mitch devastated the Caribbean and Central America the Republican leadership has failed to act. The emergency in Central America pressures are a national interest in preventing illegal immigration, preventing the spread of disease due to unhealthy conditions, preventing the spread of the narcotics trade and cementing the democracies we spent billions to promote.

We have failed to address this emergent national interest. For a party seeking to stymie illegal immigration and halt the growth of the narcotics trade in the Americas, their inaction has given rise to an increase in both. It seems to me they have shown the true depth or rather the utter shallowness in upholding their responsibility as well as the contempt for the Latino community of the United States. Their actions truly reflect their priority: Politics over emergencies, rhetoric over reconstruction.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas (Mr. BONILLA), a member of the Subcommittee on Defense.

Mr. BONILLA. I thank the gentleman for yielding me this time.

Mr. Chairman, we are on the verge of being forced to hang ''Sorry We're Closed'' signs like this on the gates of our military installations around the world. It is unfortunate that we are on the brink of having a hollow force again. Our troops often reach on the shelves, and there are no spare parts. The ammunition supplies are low. The pay is low. The health care provided is not what it should be anymore. Recruiting is down in the Army. In the Air Force we are losing pilots, a thousand pilots short last year alone.

It is mind-boggling to me that there are Members in this body who do not care about our military and the future safety and security of this country. We must never forget how we got to this point in history. We have the greatest economy in the history of the world. We have the greatest workforce. We have the greatest technology. We have the greatest health care ever seen on the face of this planet. It did not happen just by chance. It happened because our military has preserved our freedom and liberty for generations through very difficult times.

I, for one, will stand here any day and support an even higher number of funds for our military because they need it. Their families are falling apart because they have been overdeployed. They are doing social work in causes around the world for our Commander in Chief and it is wrong. I say to my colleagues, if we support this cut that is being proposed now by some Members, we will be forced to hang this sign at the gates of our military installations. If we start doing that, we may as well hang one on our country.

Mr. OBEY. Mr. Chairman, I yield myself 30 seconds.

If the gentleman is going to make the statement that there are Members of this House who do not care about our servicemen or the national security interests of this country, I think he ought to have courage enough to identify which Members he is talking about or else not say something so ridiculous on this House floor. That is the kind of meaningless, nasty rhetoric that discredits this entire institution; and the gentleman ought to take back those remarks.

Mr. YOUNG of Florida. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. HUNTER), a very important member of the Committee on Armed Services.

Mr. HUNTER. Mr. Chairman, I thank the gentleman for yielding me this time.

I want to strongly support the base package and strongly oppose the Obey amendment for this reason. We did an analysis and asked the Department of Defense under the Clinton administration how short we were in basic ammunition compared not to some Republican standard, not to some think tank standard, but compared to the President's own two-war requirement, how short we were in everything from cruise missiles, right on down to M–16 ammo. The answer is, $13.8 billion short. Even passing this supplemental, even passing the fiscal year 2000 budget, we are going to be short.

We asked the services how short they were in terms of near-term war-fighting capability. We did not ask contractors. We did not ask Members of Congress.

□ 1430

They gave us a list of $28.7 billion. That includes ammunition and equipment.

The gentleman from Wisconsin (Mr. OBEY) says, ''Well, why didn't you spend more money on readiness?'' Well, the reason, Mr. Chairman, is because we lost 55 aircraft last year crashing because we have got old systems. We have got 40-year-old CH–46 helicopters instead of the new V–22. So, we have been forced to choose with this limited amount of money between bullets and having safe platforms for our people to fly.

Now the gentleman said, ''Well, what have you Republicans done with this $27 billion that you added?'' Mr. Chairman, I think the Commandant of the Marine Corps gave the best answer when our chairman, the gentleman from South Carolina (Mr. SPENCE), asked him, ''Where would you be right now if we hadn't added the 27 billion over the last several years?'' The Commandant of the Marine Corps said, ''You wouldn't have had a 911 force, the U.S. Marine Corps. You would have had a 91 force.''

So we have done good things with the money we added. This thing should have been a lot bigger. I would have liked to have seen a supplemental with $20–$25 billion in it. Every dollar of that could have been justified by matching the two MRC requirements against what we actually have.

I commend the committee. Let us pass this thing.

Mr. YOUNG of Florida. Mr. Chairman, I yield 3 minutes to the gentleman from Montana (Mr. HILL).

Mr. HILL of Montana. Mr. Chairman, I want to thank the gentleman so that I could speak on behalf of the bill and for the Coburn and against the Obey amendment.

As my colleagues know, 2 years ago, Mr. Chairman, we debated the balanced budget agreement on this floor. In fact, it was supported 333 to 99. I happen to have been one of the 99 that voted against it, and what does that have to do with today's debate?

Mr. Chairman, I voted ''no'' on May 20, 1997, for the same reason I am going to support the Coburn amendment today, an idea called fiscal discipline. In 1997 the House voted to increase the deficit by $24 billion, pushing the burden to balance the budget off into the future. It simply pushed the spending cuts and the discipline into it the future. All the surpluses that we read about assume that Congress will find a way to support those cuts and Congress will demonstrate that fiscal discipline. Sometime, somewhere Congress is going to have to show this discipline and actually make some tough choices. I think now is a good time.

Two years ago I voted to make those choices then, not later, and today I am calling on my colleagues to do the same today, make that choice today.

Last fall President Clinton said he wanted to save Social Security first, and I agreed with him. I voted to put off tax relief. Last fall he said let us use 100 percent of Social Security for Social Security, and then in January in the State of the Union he said, well, no, let us just use 62 percent for Social Security. Then he submitted a budget that said, well, no, 57 percent was enough. Now the President is coming here asking for billions of dollars for Kosovo, all of it coming from Social Security.

We need to exercise fiscal discipline, and we need to support our men and women, too, who are risking their lives in the Balkans. I do not support the President's decision to go to war. I think it is a terrible mistake. But I do support the men and women who are over there fighting.

The gentleman from Wisconsin (Mr. OBEY) does not understand that it is not just the men and women who fighting in the Balkans that are at risk. Our whole national security is at risk. The President has overcommitted our military. We have 265,000 troops in 135 countries. Since the Gulf War we have shrunk our military by 40 percent. Since 1990 we have had 33 troop deployments; there were 10 in the 49 years that preceded that. Under the War Powers Act, President Clinton has submitted 46 reports, more than twice as many as Ford, Carter, Reagan and Bush submitted combined, and 90 percent of the President's line item vetoes were for military needs.

To conduct this war the President has diverted planes from Iraq. He has called up 25,000 reservists. We are short pilots, we are short seamen and women, we are short ammunition, we are short parts, we are short training, and all the while we are asking our men and women to do more and take more risk.

We have got to make a tough vote today. We got to choose, we got to pick priorities. Spending billions of dollars in the Balkans going to war is not my priority, but the President made that decision for us. I would rather use that money for Social Security, and Medicare, and education, and national parks and health care, and to suggest to the American people that we can do both is wrong. But to hide from the tough choice is wrong, too.

To all my colleagues on the left who came to this floor last fall saying save Social Security first, they need to stand up and support the Coburn amendment, and all those on our side who said that they wanted to balance the budget and establish fiscal discipline for our kids and our grandkids, they need to support the Coburn amendment. Do the right thing and support the Coburn amendment, but in any event oppose the Obey amendment and support our men and women in Kosovo.

Mr. YOUNG of Florida. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. FORBES) a member of the Committee on Appropriations.

Mr. FORBES. Mr. Chairman, I thank the gentleman from Florida (Mr. YOUNG) for yielding this time to me, and I rise in reluctant opposition to the Obey amendment and remind my colleagues that this House has dealt with the supplemental dealing with natural disasters, and Congress in a bipartisan way has never ever neglected its responsibilities to meet those needs, and we will again.

However, today is about repairing damage that has been done to our national security, and I talk specifically about the lack of funding, the reduction in funding over the last several years, and we are now, as has been alluded to already, involved in more places in the globe than ever before, and the men and women in uniform need to know that the United States Congress is behind them.

This package is a good package as reported out by the House Committee on Appropriations, and I would urge my colleagues to stand behind it. This measure would replenish depleted stocks of munitions and spare parts, begin needed military construction projects, boost military pay and retirement benefits for a military that is stretched beyond reason, and provide humanitarian aid.

It is a good bill, Mr. Chairman, and we should pass this bill and send it to the President.

Mr. YOUNG of Florida. Mr. Chairman, I yield 30 seconds to the gentleman from California (Mr. CUNNINGHAM), a member of the Committee on Appropriations' Subcommittee on Defense.

Mr. CUNNINGHAM. Mr. Chairman, the gentleman from Wisconsin (Mr. OBEY) is a very close friend of mine, and I know he has the right heart, but I want to answer the gentleman when he said:

''Identify those Members that have not supported defense.''

Mr. Chairman, I want, and let me finish, I want him to read, Mr. Chairman. Look on the web page, look at www.dsausa.org. That stands for: Democrat Socialists of America. They want government health control, they want government control of private property, government control of education, the highest progressive tax ever, and they want to cut defense by 50 percent.

There is 58 of them on that side, Mr. Chairman.

Mr. YOUNG of Florida. Mr. Chairman, reserving the right to close, I reserve the balance of my time.

Mr. OBEY. Mr. Chairman, I yield myself 20 seconds.

With all due respect to the previous speaker, what I did was ask the gentleman who spoke earlier to identify which Members of the House, in his words, ''did not care about our troops and did not care about the national security interests of this country.'' That is what I, and, no, I will not yield to the gentleman. He has not shown courtesy to me, and I will not show it to him.

Mr. Chairman, I am simply not going to tolerate that kind of ad hominem attack on Members. It is a disservice to this House to attack Members with innuendo as the gentleman just did.

Mr. Chairman, I yield the balance of the time to the gentleman from Missouri (Mr. GEPHARDT), our distinguished Minority Leader.

Mr. GEPHARDT. Mr. Chairman, this debate today should not be about politics; it should be about people. The substitute offered by the gentleman from Wisconsin (Mr. OBEY) I believe is a better way to go about dealing with the problems that we face. We need to support the troops in the field.

However my colleagues feel about the action that is taking place, I think by now we have all come to the conclusion that we got our young people out there. We need to support them. The President asked us for $6 million to support our young men and women in the field. The pay, which the gentleman from Wisconsin (Mr. OBEY) puts into his alternative is obviously needed and sends a strong message to our young people that we intend to try to retain people in the service and get people that we are trying to recruit.

Mr. Chairman, I think that makes sense, and that is why he put it in the bill.

There are a lot of other needs in the military. I do not think the place to address those needs is in this bill. I do not deny that those needs ought to be looked at. Many of them ought to be fulfilled. I simply believe that in an emergency bill that we are trying to get through here in a expeditious manner, it does not do well to raise a lot of issues that are properly raised in the appropriation process. So I think the Obey amendment deals with the military needs that we have got right now in Kosovo in the best way.

But further than that, what is also important about the Obey amendment is that it deals with emergencies that we have already spoken to on this floor that we need to include in this legislation. We have thousands of people in Central America who are out of their homes, who are migrating northward, trying to come to Mexico, trying to come to the United States, because we have been here 79 days and we have not dealt with the emergency in Central America. And we have been here 79 days, and we have not dealt with the emergency in middle America with our farmers in agriculture. The Obey

amendment, the Obey substitute, deals not only in the most sensible way with Kosovo, he also deals with middle America and agriculture and deals with Central America and Hurricane Mitch and the crisis that is on there.

If my colleagues are thinking about people both here in the United States and in other places in the world that need our support, and if my colleagues are thinking about our young people out prosecuting this air war in Kosovo, vote for the Obey amendment. It is more sensible, it is more intelligent, and it better meets the problems that we, as a people, face today.

Mr. YOUNG of Florida. Mr. Chairman, I yield myself the balance of the time.

I was interested in listening to the minority leader's statement about agriculture, and I want to remind the Members that when we were developing the first supplemental that we dealt with, when we received that initial supplemental request from the White House there was nothing in it about agriculture. It was an afterthought. The President afterwards requested that. So we finally got it in our first bill, and it will come to conference basically at the same time that this bill goes to conference, and we will all have a chance to vote on it again.

I would also remind the minority leader that the pay that he is talking about that he supports, and I am happy to have his support, the pay is in the committee bill to pay for the men and women who wear the uniform of our country. It is in the committee bill, increased pay as well as the retirement package.

But in closing, Mr. Chairman, let me say this:

We are in Kosovo deeper than most of us thought we were, and unless Milosevic has a change of heart, we are going to get in deeper, and it is going to be longer and more expensive.

We are stretching ourselves too thin. We were planning for two major regional conflicts, one in the Korean theater, one in Southwest Asia. We have taken assets from the Korean theater, an aircraft carrier, U–2 spy planes, F–15 fighter airplanes, a Marine Corps prepositioned ship, all moving out of that area of responsibility to service the Kosovo activity. We have taken EA6Bs out of the no-fly zones over northern Iraq and southern Iraq. We are stretched too thin.

General Hawley made that case very strongly, and I commend him for his courage because he is still an active duty general, that the Air Force is stretched too thin. So is the Army. So is the Navy. So is the Marine Corps. We have got to do something about it, and there should be no politics in this debate when we talk about accomplishing the mission and giving our soldiers some way to protect themselves while they do it.

Let us defeat the Obey amendment, let us defeat the Coburn amendment, and let us move on to get this bill to conference so that we can get it back to our colleagues here within the next week or 10 days.

Mr. Chairman, I yield back the balance of my time.

Mrs. MCGOVERN. Mr. Chairman, today, I voted in support of our uniformed men and women in Yugoslavia by voting in support of the President's emergency request for Kosovo.

I voted in support of increasing by 4.4% the pay of our military personnel and readjusting pension benefits.

I voted in support of increased humanitarian aid for the refugees from Kosovo in the Balkans region.

I also voted in support of funding for the replenishment of military equipment and supplies, as well as military construction, required for the NATO operations in the Balkan region.

In addition, I voted again to move forward the emergency disaster relief for American farm families, and the victims of Hurricane Mitch and Hurricane Georges in Central America and the Caribbean—a package of emergency disaster relief that the President requested 80 days ago.

This is what I support and what is contained in the amendment to H.R. 1664 offered by Representative DAVID OBEY (D-WI) for which I voted earlier today.

I cannot, however, in good conscience, vote for final passage of H.R. 1664, the Kosovo and Southwest Asia Emergency Supplemental Appropriations Act, because it is a public and political lie.

The majority's defense cookie jar includes hundreds of millions of dollars for defense items that were going to be considered part of the FY2000 Department of Defense authorizations and appropriations bill—and quite frankly, they would have been approved at that time as is proper. They are not emergency items in any sense of the word, and funds from the Social Security surplus should not be spent in FY 1999 to purchase them.

In addition, the bill contains $346 million for items not even in the Pentagon's five-year plan, despite the Republican claim that the money is for pressing defense needs.

The bill also includes $215 million for military construction items that neither the President nor the Pentagon requested.

This legislation is a fiscal farce. One of the main reasons why military readiness, equipment and supplies need to be replenished is that the Republican Congress has added $23 billion to the Pentagon's budget requests between 1995 and 1998, but only 10% of those funds went to Operations and Maintenance. The remaining 90% went to pork-barrel procurement projects that the Pentagon neither requested nor wanted.

By moving items that would normally have been funded in the Pentagon's FY2000 appropriations bill, the Republican majority has opened up over $2 billion in the FY2000 defense budget.

Will the Republicans shift these funds to allow for greater education spending FY2000? I think not.

Will the Republicans shift these funds to allow for prescription drug coverage under Medicare in FY2000? I think not.

The Republican majority will fill up the FY2000 defense budget with more pork barrel projects with the $2 billion they have just given themselves by shoving non-emergency items into the FY99 emergency spending bill.

I simply cannot support such a lack of fiscal accountability, nor can I support such a dishonest and insulting budget process.

Mr. DAVIS of Illinois. Mr. Chairman, I rise in support of the Obey substitute because it is the responsible thing to do. The substitute keeps our promise towards peace in Kosovo, $175 million for emergency food assistance, America's military personnel by providing the $1.9 billion pay raise, U.S. farmers that have been hurt by falling crop prices, the new King of Jordan, King Abdullah, the people that were affected by Hurricanes Mitch and Georges in the Caribbean and Central America last fall and eliminates much of the unrequested funding.

Mr. Chairman, this substitute keeps the promise of where our priorities ought to be in the Supplemental and is fiscally responsible.

The Appropriations Committee-reported bill provides a total of $12.9 billion—more than double the Administration's request. These increases beyond the request contain spending for items that are neither connected to the Kosovo operations nor emergencies as defined by the Budget Act. Moreover, much of the $1 billion for military construction above the request are for proposals that the Administration says may not begin construction for several years and many of which are not even included in the long range plan of the Defense Department. Maybe someone could tell me why my colleagues across the aisle who repeatedly criticize members of my party for so-called spending, spending, spending . . . the same members who voted against the air war in Yugoslavia . . . why they would vote for this massive increase in the defense budget.

Thus, I strongly support the Obey substitute and I urge my colleagues to do the right thing, the responsible thing—vote for the Obey amendment.

Ms. PELOSI. Mr. Chairman, I rise in strong support of the Obey amendment. The alternative presented here today provides for the full request of the President for Kosovo, provides for a real pay raise for our troops, provides high priority operation and maintenance funding for DOD, increases amounts for emergency food assistance for Kosovo, and most significantly, provides the funds for the Central American disaster and for American farmers without offsets.

It is now over six months since Hurricane Mitch struck Central America, and this Congress has yet to provide any of the reconstruction assistance that is vitally needed to help our neighbors to the South. While the House and Senate have passed bills providing this assistance and everyone involved espouses their good intentions, no funding has been made available. This amendment adds the full $956 million for the Central American disaster as an emergency. The Kosovo bill contains about $600 million to address the humanitarian needs of the Kosovar refugees, and it does so without offsets. This same standard should be applied to emergency funds for Central American. Both of these events are true emergencies and should be funded as such.

I want to remind members that the planting season has begun in Central America and many of the 100,000 small farmers wiped out by the Hurricane are without credit, seeds or the other inputs necessary to plant their crops. Without a significant and immediate input of agricultural assistance we will undoubtedly face food shortages again soon in Central America.

No funding is in place to begin the reconstruction of the 3,000 miles of rural roads or the 300 bridges destroyed by the Hurricane. Over 200,000 school children continue to attend classes in temporary open-air facilities. It is time to put aside our differences and get this badly needed assistance moving.

The amendment also provides $100 million in assistance to Jordan as requested. The Obey amendment does offset this non-emergency spending. Finally the Obey amendment provides $175 million in food assistance for Kosovo. Unfortunately the Administration did not request any additional funding to meet needs in Kosovo. With over 600,000 refugees now in camps and another 800,000 to 900,000 people displaced within Kosovo, it is now clear that the need for food assistance has grown, and that the existing resources of the Emergency feeding programs will not meet the needs. In addition it appears that ongoing food programs for Indonesia, Yemen, Ethiopia, and Rwanda have been cut back to meet needs in Kosovo. The $175 million for additional PL 480 in the amendment will enable feeding programs to continue all over the world and emerging needs to be met in Kosovo.

The assumptions used by the Administration did not take into account refugee needs beyond September 30th of this year. There are no funds in this bill to move refugees back into Kosovo. There are no funds in this bill to winterize refugee camps, if that becomes necessary. In short there is very little wiggle room with these humanitarian accounts to respond to changing circumstances on the ground. This $175 million in additional food assistance will ensure that all refugees will be fed wherever they end up, and it will ensure that cuts are not made to other vital feeding programs.

Support the Obey amendment.

Mr. JACKSON of Illinois. Mr. Chairman, I rise today in strong opposition to the supplemental bill before you and in support of the Obey substitute.

As you all know, my father, along with our colleague ROD BLAGOJEVICH and a group of ministers and religious leaders, met with President Milosevic and other Serbian leaders in Yugoslavia last week.

As a result of that trip and other factors, I have come to firmly believe that the United States and other NATO leaders should pause for peace and make another attempt at a diplomatic solution to the conflict in Kosovo.

The release of the American POWs provides an opening that the U.S. and our allies should take advantage of.

I do not support continuing the bombing at this time, but the Obey substitute presents an opportunity to support our humanitarian efforts in Albania and Macedonia, our continued military presence in the Balkans, and disaster relief to Latin America.

Another point I want to make today is that it is pure hypocrisy to classify military construction projects unrelated to the event in Kosovo as emergency funding, while maintaining the position that funding to assist in relieving the devastation in South and Central America be offset.

This effort to sneak extra funding into the defense budget, outside of the self-imposed budget caps, by including it in the Supplemental is underhanded and should not be allowed to continue.

I would love the opportunity to provide similar amounts of ''emergency funding'' for education, health care, housing and other vital domestic programs.

At the very least, the humanitarian refugee crisis in Albania and Macedonia as well as the crisis in Latin America resulting from Hurricane Mitch should be classified as an emergency, and they are in the Obey substitute.

The Obey substitute amendment correctly defines an emergency as an emergency and I urge its support.

Mrs. CHRISTENSEN. Mr. Chairman, I rise to support the amendment in the nature of a substitute and to applaud my colleague DAVID OBEY for bringing it.

This is an emergency appropriation, and it must be treated as such. We should not be engaging in a misguided effort by adding on other non-emergency measures that should more properly be considered within the context of the annual appropriations process.

In this substitute, we would provide the President's request and support our family members who are in harms way in Kosovo, provide humanitarian assistance to the refugees from terrible atrocities in their homeland, and provide the important and deserved pay raises to our armed forces that we tried but couldn't get included last year.

Mr. Chairman, three months ago we passed a badly needed supplemental bill to provide emergency funding to our friends in Central America who suffered a terrible natural disaster, and for our own farmers. We need to get this done also, and this amendment would include these long overdue funds—again relieving suffering in this hemisphere.

As Chair of the Health Braintrust of the Congressional Black Caucus, I have another interest in the previously passed supplemental bill, because it addresses human suffering here at home by including a technical amendment that would allow the release of funds that were authorized but never appropriated for the Office of Minority Health to address HIV/IDS in communities of color.

I ask my colleagues to support the Obey amendment.

□ 1445

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. OBEY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 159, further proceedings on the amendment offered by the gentleman from Wisconsin (Mr. OBEY) will be postponed.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 159, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 2 offered by the gentleman from Oklahoma (Mr. COBURN); amendment No. 3 offered by the gentleman from Wisconsin (Mr. OBEY).

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT NO. 2 OFFERED BY MR. COBURN

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Oklahoma (Mr. COBURN) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 101, noes 322, not voting 10, as follows:

[Roll No. 117]

AYES—101

| | | |
|---|---|---|
| Aderholt | Goss | Pickering |
| Bachus | Graham | Pitts |
| Barr | Green (WI) | Portman |
| Bartlett | Greenwood | Radanovich |
| Barton | Hastings (WA) | Ramstad |
| Biggert | Hayes | Riley |
| Bilbray | Hayworth | Rohrabacher |
| Boehner | Hefley | Royce |
| Burr | Herger | Ryan (WI) |
| Burton | Hill (MT) | Ryun (KS) |
| Campbell | Hilleary | Salmon |
| Cannon | Hoekstra | Sanford |
| Chabot | Hostettler | Scarborough |
| Chambliss | Hutchinson | Schaffer |
| Chenoweth | Isakson | Sensenbrenner |
| Coble | Istook | Sessions |
| Coburn | Johnson, Sam | Shadegg |
| Collins | Jones (NC) | Shays |
| Combest | Kasich | Sherwood |
| Cook | Kingston | Smith (MI) |
| Cooksey | LaHood | Souder |
| Crane | Largent | Stenholm |
| Cubin | Linder | Sununu |
| Deal | Manzullo | Sweeney |
| DeMint | McIntosh | Tancredo |
| Doolittle | McIntyre | Taylor (MS) |
| Duncan | Metcalf | Terry |
| Dunn | Mica | Thomas |
| Ehlers | Moran (KS) | Thornberry |
| Fletcher | Myrick | Toomey |
| Foley | Norwood | Walden |
| Fossella | Paul | Watts (OK) |
| Goode | Pease | Weldon (FL) |
| Goodlatte | Petri | |

NOES—322

| | | |
|---|---|---|
| Abercrombie | Bass | Boehlert |
| Ackerman | Bateman | Bonilla |
| Allen | Becerra | Bonior |
| Andrews | Bentsen | Bono |
| Archer | Bereuter | Borski |
| Armey | Berkley | Boswell |
| Baird | Berry | Boucher |
| Baldacci | Bilirakis | Boyd |
| Baldwin | Bishop | Brady (PA) |
| Ballenger | Blagojevich | Brady (TX) |
| Barcia | Bliley | Brown (FL) |
| Barrett (NE) | Blumenauer | Brown (OH) |
| Barrett (WI) | Blunt | Bryant |

Buyer
Callahan
Calvert
Camp
Canady
Capps
Capuano
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Crowley
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Edwards
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Filner
Forbes
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodling
Gordon
Granger
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Hastings (FL)
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
LaFalce
Lampson
Lantos
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Ose
Owens
Oxley
Packard
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Phelps
Pickett
Pombo
Pomeroy
Porter
Price (NC)
Pryce (OH)
Quinn
Rahall
Rangel
Regula
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogan
Rogers
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Scott
Serrano
Shaw
Sherman
Shimkus
Shows
Shuster
Simpson
Sisisky
Skeen
Skelton
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Spence
Spratt
Stabenow
Stark
Stearns
Strickland
Stump
Stupak
Talent
Tanner
Tauscher
Tauzin
Taylor (NC)
Thompson (CA)
Thompson (MS)
Thune
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Weygand
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wu
Young (AK)
Young (FL)

NOT VOTING—10

Baker
Berman
Brown (CA)
Cox
Green (TX)
Kuykendall
McNulty
Slaughter
Tiahrt
Wynn

□ 1506

Messrs. MCKEON, POMEROY, and DAVIS of Virginia changed their vote from ''aye'' to ''no.''

Messrs. COBLE, EHLERS, FOLEY, COOKSEY, WATTS of Oklahoma, HUTCHINSON, and BACHUS changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. BERMAN. Mr. Chairman, I was unable to cast a vote on the Coburn amendment to H.R. 1664 due to a family emergency. However, had I been present I would have voted "no."

ANNOUNCEMENT BY THE CHAIRMAN PRO TEMPORE

The CHAIRMAN pro tempore (Mr. LAHOOD). Pursuant to House Resolution 159, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on the amendment on which the Chair has postponed further proceedings.

AMENDMENT NO. 3 OFFERED BY MR. OBEY

The CHAIRMAN pro tempore. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Wisconsin (Mr. OBEY) on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN pro tempore. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 164, noes 260, not voting 9, as follows:

[Roll No. 118]

AYES—164

Ackerman
Allen
Baldwin
Barcia
Barrett (WI)
Becerra
Bentsen
Berkley
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Boswell
Boucher
Boyd
Brown (FL)
Brown (OH)
Campbell
Capps
Capuano
Cardin
Carson
Clay
Clayton
Clyburn
Condit
Conyers
Costello
Coyne
Crowley
Cummings
Davis (FL)
Davis (IL)
DeGette
Delahunt
DeLauro
Deutsch
Dingell
Dixon
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gutierrez
Hall (OH)
Hastings (FL)
Hilliard
Hinchey
Hinojosa
Holt
Hooley
Hoyer
Inslee
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kaptur
Kennedy
Kilpatrick
Kind (WI)
LaFalce
Lampson
Lantos
Larson
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Lucas (KY)
Luther
Maloney (NY)
Markey
Martinez
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McIntyre
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller, George
Minge
Mink
Moakley
Moore
Nadler
Napolitano
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Petri
Phelps
Pomeroy
Price (NC)
Rahall
Rangel
Reyes
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schakowsky
Scott
Sherman
Shows
Snyder
Spratt
Stabenow
Stenholm
Strickland
Stupak
Tanner
Tauscher
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Udall (CO)
Udall (NM)
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weiner
Wexler
Weygand
Wise
Woolsey
Wu

NOES—260

Abercrombie
Aderholt
Andrews
Archer
Armey
Bachus
Baird
Baker
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Biggert
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Brady (PA)
Brady (TX)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Clement
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cramer
Crane
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeFazio
DeLay
DeMint
Diaz-Balart
Dickey
Dicks
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fletcher
Foley
Forbes
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green (WI)
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill (IN)
Hill (MT)
Hilleary
Hobson
Hoeffel
Hoekstra
Holden
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones (NC)
Kanjorski
Kasich
Kelly
Kildee
King (NY)
Kingston
Kleczka
Klink
Knollenberg
Kolbe
Kucinich
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lee
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
Maloney (CT)
Manzullo
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
McKinney
Metcalf
Mica
Miller (FL)
Miller, Gary
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Ose
Oxley
Packard
Pease
Peterson (PA)

| | | |
|---|---|---|
| Pickering | Scarborough | Tancredo |
| Pickett | Schaffer | Tauzin |
| Pitts | Sensenbrenner | Taylor (MS) |
| Pombo | Serrano | Taylor (NC) |
| Porter | Sessions | Terry |
| Portman | Shadegg | Thomas |
| Pryce (OH) | Shaw | Thornberry |
| Quinn | Shays | Thune |
| Radanovich | Sherwood | Toomey |
| Ramstad | Shimkus | Traficant |
| Regula | Shuster | Turner |
| Reynolds | Simpson | Upton |
| Riley | Sisisky | Walden |
| Rivers | Skeen | Walsh |
| Rodriguez | Skelton | Wamp |
| Roemer | Smith (MI) | Watkins |
| Rogan | Smith (NJ) | Watts (OK) |
| Rogers | Smith (TX) | Weldon (FL) |
| Rohrabacher | Smith (WA) | Weldon (PA) |
| Ros-Lehtinen | Souder | Weller |
| Roukema | Spence | Whitfield |
| Royce | Stark | Wicker |
| Ryan (WI) | Stearns | Wilson |
| Ryun (KS) | Stump | Wolf |
| Salmon | Sununu | Young (AK) |
| Sanford | Sweeney | Young (FL) |
| Saxton | Talent | |

NOT VOTING—9

| | | |
|---|---|---|
| Berman | Green (TX) | Slaughter |
| Brown (CA) | Kuykendall | Tiahrt |
| Cox | McNulty | Wynn |

□ 1517

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated for:

Mr. GREEN of Texas. Mr. Chairman, on rollcall No. 118, except for my daughter's wedding I would have been present. Had I been present, I would have voted "yes."

Mr. BERMAN. Mr. Chairman, I was unable to cast a vote on the Obey amendment to H.R. 1664 due to a family emergency. However, had I been present I would have voted "aye."

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1999, and for other purposes, namely:

**CHAPTER 1**

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

Notwithstanding section 15 of the State Department Basic Authorities Act of 1956, an additional amount for ''Diplomatic and Consular Programs'', $17,071,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

SECURITY AND MAINTENANCE OF UNITED STATES MISSIONS

Notwithstanding section 15 of the State Department Basic Authorities Act of 1956, an additional amount for ''Security and Maintenance of United States Missions'', $50,500,000, to remain available until expended, of which $45,500,000 shall be available only to the extent that an official budget request for a specific dollar amount that includes the designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

Notwithstanding section 15 of the State Department Basic Authorities Act of 1956, an additional amount for ''Emergencies in the Diplomatic and Consular Service'', $2,929,000, to remain available until expended, of which $500,000 shall be transferred to the Peace Corps and $450,000 shall be transferred to the U.S. Information Agency, for evacuation and related costs: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

**CHAPTER 2**

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for ''Military Personnel, Army'', $2,920,000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY PERSONNEL, NAVY

For an additional amount for ''Military Personnel, Navy'', $7,660,000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for ''Military Personnel, Marine Corps'', $1,586,000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for ''Military Personnel, Air Force'', $4,303,000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

(INCLUDING TRANSFER OF FUNDS)

For an additional amount for ''Overseas Contingency Operations Transfer Fund'', $5,219,100,000, to remain available until expended: *Provided*, That the entire amount made available under this heading is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That of such amount, $1,311,800,000 shall be available only to the extent that the President transmits to the Congress an official budget request for a specific dollar amount that (1) specifies items which meet a critical readiness or sustainability need, to include replacement of expended munitions to maintain adequate inventories for future operations, and (2) includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the Secretary of Defense may transfer these funds only to military personnel accounts; operation and maintenance accounts, including Overseas Humanitarian, Disaster, and Civic Aid; procurement accounts; research, development, test and evaluation accounts; military construction; the Defense Health Program appropriation; the National Defense Sealift Fund; and working capital fund accounts: *Provided further*, That the funds transferred shall be merged with and shall be available for the same purposes and for the same time period, as the appropriation to which transferred: *Provided further*, That the transfer authority provided under this heading is in addition to any other transfer authority available to the Department of Defense: *Provided further*, That such funds may be used to execute projects or programs that were deferred in order to carry out military operations in and around Kosovo and in Southwest Asia, including efforts associated with the displaced Kosovar population: *Provided further*, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

Mr. SOUDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have a series of four amendments, three I understand are in order, but this one has been ruled not to be in order, and I will not challenge that ruling.

The intention of this amendment was to take in this section where it says $5,219,100,000 for Overseas Contingency Operations Transfer Fund and take $3,300,000,000 of that and move it to the four readiness accounts that come up under procurement, to put $825 million under weapons procurement for the Navy, $825 million under aircraft procurement for the Air Force, $825 million under missile procurement for the Air Force, and $825 million for ammunition procurement for the Air Force.

The problem apparently with this is that, once we strike in one section, according to our relatively recently adopted rule in the budget agreement, when we strike it from one section, we cannot put it in another section. But I wanted to illustrate several points with this amendment, not that it likely would have passed anyway.

The way the bill is written, it is hard to tell that, in fact, this bill forward funds the war in Kosovo because it is not specified particularly in the bill. It says, Overseas Contingency Operations Transfer Fund. However, in the CRS breakout, the $3.3 billion that the President requested for military operations is still in the bill; the $335 million for the military portion of the Kosovo refugee operations is still in the bill; the $257.8 million for Southwest Asia is still in the bill. The only difference from the President's request in this section is the readiness and munitions contingency reserve.

If anybody has a doubt that the $3.3 billion is in this $5.29 billion, the question that comes is, why on line 5 on

page 5 does it say $1,311,800,000? That happens to be the difference of the amount directly going to Kosovo in Southwest Asia operations from the Readiness and Munitions Contingency Fund.

My goal was to give those Members who favor strengthening our military and supporting the gentleman from Florida (Mr. YOUNG) and the gentleman from California (Mr. LEWIS) in their efforts to try to recoup some of what we have lost in our military effort, in our readiness, in our preparedness, in our munitions, in our defense system, rather than blowing it up in Kosovo.

We, in fact, have $3.3 billion here that could be used for our readiness. In fact, we have heard from the Air Force that they are $18 billion short, not the $40 million in aircraft procurement, $178 million in missile procurement, and $35 million in ammunition. We have heard that the Navy is $3.8 billion short, rather than $431 million.

I wish in this bill I would have been able to redirect the misguided efforts in the Balkans and put that into military procurement. Because many of us who have grave reservations about this bill and many of us who will oppose this bill do not oppose the much-worthy efforts of the chairman to address these terrible declines in our military capacity.

I also want to address this point, and I will refer to this several times this afternoon. I was very concerned about some language in the earlier amendments that were debated. I heard those of us who oppose this war and oppose this funding for forward funding the war and possibly escalating this war as monies are transferred, as several of my future amendments will address, are putting our children in harm's way. We have heard we cannot abandon our own troops. We have heard that nothing could be worse than to walk away. We have heard that it is sending the wrong signal and that we somehow, at least an implication, that we are not patriotic.

I think an apology, although it was not that direct, an apology is in order not only to the Members of Congress who have concerns and believe we should stand down but also to our national American Legion which yesterday, as their leader said, ''The Legion's National Executive Committee unanimously adopted a resolution calling for all U.S. soldiers, pilots and support staff to be removed from the region of the Balkans.''

The resolution says, ''The U.S.-led NATO attacks against Serbia'', and this is the American Legion, veterans all over in America are, in effect, saying stand down, ''could only lead to troops being killed, wounded and captured without advancing any clear purpose, mission or objective.''

More particular, here are the whereas clauses: ''The President has committed the Armed Forces of the United States in a joint operation with NATO to engage in hostilities in the Federal Republic of Yugoslavia without clearly defining America's vital national interests. Whereas, neither the President nor the Congress have defined America's objectives in what has become an open-ended conflict characterized by an ill-defined progressive escalation.''

Mr. Chairman, I will cover the rest of this later, but, clearly, there are more than just a few Members of Congress.

AMENDMENT NO. 10 OFFERED BY MR. SOUDER

Mr. SOUDER. Mr. Chairman, I offer an amendment. It is amendment No. 10.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. Souder:

Page 5, line 5, strike ''of such amount $1,311,800,000'' and insert ''such amount''.

Mr. SOUDER. Mr. Chairman, this amendment is in order because it does not move the money but addresses the same point.

If I can explain the technical part of this amendment again so people understand exactly what we are doing here. In the operation and maintenance account it says, Overseas Contingency Operations Transfer Fund of $5,219,100,000 is available to be expended. In that, according to the CRS breakout, and I would say evidence illustrates this later in the bill, there is nothing in this bill that says we are giving the President his $3.3 billion to forward fund this war. But, in fact, if we break out the $5.219, we will find that we are forward funding the military operations, we are funding the refugee operations, we are funding the Southwest Asia.

On page 5 of the bill, where it says $1,311,800,000, that is the House appropriations figure on readiness and munitions contingency reserve in munitions. Now, in an effort to keep the $3.3 billion from bracket creep, they have included in that, as a ''provided further'' on page 5 of the bill, that puts two restrictions on the $1.3 billion. It specifies items which meet a critical readiness or sustainability need, to include replacement of expended munitions to maintain adequate inventories for future operations; and, two, includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act. That is very commendable.

My amendment is very simple. It takes the entire $5.2 billion and says, put those two conditions on it. Make sure that they meet a critical readiness or sustainability need and includes a designation of the entire amount.

□ 1530

I do not think that this amendment is particularly controversial unless, in fact, we are trying to avoid the obvious, which is, in fact, we are forward funding this war, and that we do not want something coming to Congress that makes us specify or vote on the critical readiness needs.

This would not cut off any funds. This is merely an amendment that does what the bill already does but says that the money for Kosovo should be subjected to the same rules as the money for readiness and munition, and that is, the President should have to defend it, that he is not hurting our readiness and sustainability and in fact that it is critical and it is an emergency.

Now, if I can finish in the remaining time I have, the American Legion statement of why they believe we should currently withdraw all soldiers, pilots, and support staff from the Balkans, they said:

''Whereas, the President nor the Congress have defined America's objectives in what has become an open-ended conflict characterized by an ill-defined progressive escalation; and,

''Whereas, it is obvious that an ill-planned and massive commitment of U.S. resources could only lead to troops being killed, wounded or captured without advancing any clear purpose, mission or objective; and,

''Whereas, the American people rightfully support the ending of crimes and abuses by the Federal Republic of Yugoslavia, and the extending of humanitarian relief to the suffering people of the region; and,

''Whereas, America should not commit resources to the prosecution of hostilities,'' which, in fact, this bill does, ''in the absence of clearly defined objectives agreed upon by the U.S. Congress in accordance with Article I, Section 8 of the Constitution of the United States.''

So for those of us who have a concern about this forward funding of the war, please do not refer to us as disarming our military, or they would have the same statement about the veterans of the American Legion who said that they do not believe that we should also forward fund and continue to fund this war, and in fact are calling for the withdrawal of the troops, the pilots and support staff in the Balkans.

Mr. LEWIS of California. Mr. Chairman, I rise with great hesitation in opposition to the amendment.

Mr. Chairman, as I said at the outset, it is with great hesitation that I oppose my colleague's amendment for I know that his interest and concern are sincere. My concern is that I believe as we go forward with this measure we want to be very careful about the messages that we are sending from this well, that might be misinterpreted by Mr. Milosevic and his supporters.

This amendment does not do what the sponsor alleges, in my view. Indeed, this amendment literally does nothing except perhaps create more bureaucracy.

Let me explain. The President has submitted a budget regarding this war. As he has outlined his projections, I have a number of reservations that we have attempted to deal with as we have gone forward with this legislation. But, indeed, we have tried to be careful, to make sure that there is not misinterpretation of our intent.

This amendment supposedly would take some $5.2 billion in the bill that we provided to pay for the cost of the Kosovo operation and apply it to other unspecified military readiness and munitions needs. But a close reading of the amendment reveals that all it does is require that before the $5.2 billion can be spent, the President must submit a budget request specifying a critical readiness or sustainability need, to include replacement of expended munitions.

Frankly, during the time that we are carrying forward a war, we do not need to have a day-in and day-out exchange with the administration, but rather continue the oversight that the committee feels is its responsibility.

The amendment does not say money cannot be spent on readiness needs or munitions related to Kosovo. It simply requires the President to submit a budget request for readiness needs for munitions, period. And as this is construed under the Budget Act, all he has to do is submit the request and the money is released.

And what would the President do? He would ask that these funds be applied to Kosovo because the drain on dollars and munitions from this operation represents the most immediate readiness need that the Pentagon has.

So what does the amendment do? Really it does nothing but perhaps send a message that we do not need to send. In a fundamental way, it does nothing except force the President to send up a budget request again, one that he has already asked for. If it does not restrict him in any fashion whatsoever, then what are we doing it for?

Indeed, if anything, this amendment is harmful, as it simply creates a requirement for more paperwork which would potentially delay the release of monies that DOD needs, at the very time we want to be sending a message that we support our men and women who are in harm's way overseas.

Regrettably, Mr. Chairman, I ask for a ''no'' vote on this amendment.

Mr. Chairman, I yield to the gentleman from Indiana (Mr. SOUDER).

Mr. SOUDER. Mr. Chairman, the main purpose of this amendment was to highlight the fact that, in fact, there was a differential in the first section that had $3.3 billion. We are going to have a number of recorded votes later that will enable us who are concerned to restrict that funding.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN (Mr. THORNBERRY). Is there objection to the request of the gentleman from Indiana?

There was no objection.

The CHAIRMAN. The amendment of the gentleman from Indiana (Mr. SOUDER) is withdrawn.

Mr. BOYD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I ask the indulgence of the House, and I will not use the full 5 minutes. There is a group of us that wanted to speak earlier, but because of the way the rule was constructed we were unable to obtain time. So we have chosen to use this procedure to make our statements.

There is also a group of us in this House who want to be productive and not engage in partisan and political fights on this floor even on ordinary issues, but especially not on emergency supplemental appropriations issues where so many millions of lives are at stake. Unfortunately, a partisan political battle is what this process has turned into today.

This group of Members who feel this way is also reminded that the Speaker of the House, the gentleman from Illinois (Mr. HASTERT), is the Speaker of the whole House, not just the minority Members. We are also reminded that the Commander in Chief is the Commander in Chief of the whole Nation, not just of the members of his party.

The chairman of the Committee on Appropriations, my dear friend, the gentleman from Florida (Mr. YOUNG), is a person I have a great deal of admiration and respect for. I know he is operating under some very, very difficult circumstances beyond his control, created within his own conference and by his own leadership.

But this has turned into a very partisan politicized battle over three emergency disasters. Number one, our farm economy; number two, Hurricane Mitch relief; and thirdly, our involvement in NATO's efforts in Kosovo.

This is evidenced by the fact that last week the majority voted not to support the air strikes in Kosovo and against allowing the President to use any ground elements. Then today we hear the same Members who will vote to double the President's request for funds to execute the NATO actions in Kosovo.

How can my colleagues in good conscience say they do not support the action but they want to double the funds available to take those actions? The only answer is that partisan politics and political considerations are driving this vote.

These three emergencies, in the meantime, are tightening the noose for millions of people. Our farmers are languishing under a national agricultural policy adopted by Republican Congress in 1996 that has been a complete failure. My farmers call it the ''Freedom to Fail'' policy. Planting dates have come and gone for most parts of our farm country, and still this Congress, under the majority's leadership, cannot come to grips with a simple emergency package which provides credit for our farmers to put their crops in the field for 1999.

Hurricane Mitch happened over 6 months ago. And this Congress, under the present leadership, cannot deliver a package to the President for his signature in spite of the fact that most everybody agrees we should.

And lastly, on the defense issue, many Members of this body today have blamed President Clinton for cutting back the military. I have in my possession a CRS report which shows that the fiscal year 1999 request for defense from the President was $270.9 billion, and this House passed and sent to the President for his signature a bill which contained $270.4 billion, $500 million short of what President Clinton requested.

I would like to remind all Americans that it is the responsibility of this House, this Congress, to pass the appropriations bill. And I am sure that most Members who will vote for the supplemental package today voted for the lower than requested defense appropriations bill last year.

Do not be hypocritical. Do not play partisan political games with the millions of lives affected by the passage of these supplemental appropriations bills.

AMENDMENT OFFERED BY MR. ISTOOK

Mr. ISTOOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ISTOOK:

At the appropriate place in the bill insert the following:

''In addition to the funds made available in this bill, the sum of $11,300,000 shall be available for tornado related damage at Tinker Air Force Base.''

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order on the amendment of the gentleman from Oklahoma (Mr. ISTOOK).

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) reserves a point of order.

Mr. OBEY. Mr. Chairman, I also reserve a point of order on the amendment offered by the gentleman from Oklahoma (Mr. ISTOOK).

The CHAIRMAN. The gentleman from Wisconsin reserves a point of order.

The gentleman from Oklahoma (Mr. ISTOOK) is recognized for 5 minutes on his amendment.

Mr. ISTOOK. Mr. Chairman, I have been working with the chairman. I do not believe it is going to be necessary to offer this amendment for a vote, but I do think it is important that it be presented.

Everyone in the Nation, of course, is aware of what has happened in Oklahoma City this week with the tornado that has left thousands of people homeless and a number of people dead and a great amount of devastation. We are

appreciative of the assistance and the care and the prayers and the concerns of people all over the country.

This particular amendment is only dealing with one small portion of this particular disaster. I offer this amendment not only on my own behalf but also on behalf of the gentleman from Oklahoma (Mr. J.C. WATTS) in whose district most of the devastating damage has occurred.

Mr. Chairman, part of the damage done by the tornado was to Tinker Air Force Base, one of our premier Air Force installations. In fact, for those who have seen on television the images of hundreds of homes devastated, leveled to the ground, what they may not be aware is that happened immediately across the street, across Sooner Road from the western edge of Tinker Air Force Base.

In fact, as terrible as it was, it could have been worse had that tornado gone through Tinker as it was headed to do. At the last moment, when it came to Sooner Road that tornado veered to the north rather than heading across the air force base.

We have some $11 million in damage to different housing facilities, dormitories and barracks on the base that is addressed by this amendment. We were very fortunate, however, that the tornado did not proceed to go across Tinker. Because there were still on the apron at Tinker, where they could not get them out of the path of the tornado, half a dozen of our AWACS aircraft, 10 of our tankers, two of our B–52's, two of our B–1's, about $3 billion of premier aircraft that were in the path of the tornado until it took that twist. Nevertheless, a number of people on base lost their housing.

This amendment is to specify that $11 million from this emergency supplemental appropriations should be used to restore that damaged housing at Tinker. We have several of those units that were damaged, a couple of hundred people on the base that were dislocated by the damage that are currently being housed elsewhere.

Some of the buildings have already been condemned by the civil engineer on base, the base's civil engineering. Some may be repairable. Some may have to be replaced.

The preliminary estimates which we have received from Tinker are that the repairs will be some $11,280,000. That figure, of course, may change. But I think it is necessary, when we want to make sure that we have the emergency response to the military needs, that we had an unforeseen disaster that affected Tinker on top of the, frankly, even worse disaster that afflicted so many people in Oklahoma.

So, Mr. Chairman, I do offer this amendment on behalf of the gentleman from Oklahoma (Mr. WATTS) and on behalf of myself. And at the proper time, I would certainly wish to yield to the chairman of the full committee for a colloquy.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ISTOOK. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, the comments of the gentleman from Oklahoma are well-taken. Certainly the committee has always responded rapidly to damage done by natural disasters to any of our military facilities.

However, a point of order does lie against his amendment at this point. And I would just say to the gentleman that there are other opportunities to address this. We can address it in the conference. There is the regular appropriations bill. I understand the urgency involved here, but I must make the point of order against the amendment. The gentleman may withdraw it if he would like. But he has my assurances that we will deal with this issue very, very expeditiously.

Mr. ISTOOK. Mr. Chairman, I think the concerns, as the chairman well knows, are that the people of Oklahoma and Tinker want to make sure that we address this on an emergency basis; and I know he has provided assurances that we are going to address this in an expedited and timely fashion, most likely within the conference report of this bill.

□ 1545

I do understand, of course, because of the timing of this, it presents several parliamentary problems to try to bring it up at this stage. I appreciate that. With those assurances from the gentleman that this will be addressed in conference and otherwise, I would, Mr. Chairman, withdraw my amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from Oklahoma (Mr. ISTOOK) is withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PROCUREMENT

WEAPONS PROCUREMENT, NAVY

For an additional amount for ''Weapons Procurement, Navy'', $431,100,000, to remain available for obligation until September 30, 2000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

AIRCRAFT PROCUREMENT, AIR FORCE

For an additional amount for ''Aircraft Procurement, Air Force'', $40,000,000, to remain available for obligation until September 30, 2000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MISSILE PROCUREMENT, AIR FORCE

For an additional amount for ''Missile Procurement, Air Force'', $178,200,000, to remain available for obligation until September 30, 2000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

PROCUREMENT OF AMMUNITION, AIR FORCE

For an additional amount for ''Procurement of Ammunition, Air Force'', $35,000,000, to remain available for obligation until September 30, 2000: *Provided*, That such amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATIONAL RAPID RESPONSE TRANSFER FUND

(INCLUDING TRANSFER OF FUNDS)

In addition to the amounts appropriated or otherwise made available in this Act and the Department of Defense Appropriations Act, 1999 (Public Law 105–262), $400,000,000, to remain available for obligation until September 30, 2000, is hereby made available only for the accelerated acquisition and deployment of military technologies and systems needed for the conduct of Operation Allied Force, or to provide accelerated acquisition and deployment of military technologies and systems as substitute or replacement systems for other U.S. regional commands which have had assets diverted as a result of Operation Allied Force: *Provided*, That funds under this heading may only be obligated in response to a specific request from a U.S. regional command and upon approval of the Secretary of Defense, or his designate: *Provided further*, That the Secretary of Defense shall provide written notification to the congressional defense committees prior to the transfer of any amount in excess of $10,000,000 to a specific program or project: *Provided further*, That the Secretary of Defense may transfer funds made available under this heading only to operation and maintenance accounts, procurement accounts, and research, development, test and evaluation accounts: *Provided further*, That the transfer authority provided under this section shall be in addition to the transfer authority provided to the Department of Defense in this Act or any other Act: *Provided further*, That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for $400,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

GENERAL PROVISIONS—THIS CHAPTER

(TRANSFER OF FUNDS)

SEC. 201. Section 8005 of the Department of Defense Appropriations Act, 1999 (Public Law 105–262), is amended by striking out ''$1,650,000,000'' and inserting in lieu thereof ''$2,450,000,000''.

AMENDMENT NO. 14 OFFERED BY MR. SOUDER

Mr. SOUDER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 14 printed in the CONGRESSIONAL RECORD offered by Mr. SOUDER:

In chapter 2, strike section 201 (relating to additional transfer authority).

Mr. SOUDER. Mr. Chairman, this will be one of the most critical votes on this bill. We are faced with a difficult decision because we have been given a difficult decision in Congress.

Those of us who favor strengthening our military, making sure that they get some of the funds replaced that we have been trying to replace for a number of years and rebuild it as we have seen it weakened, as we hear stories of our soldiers in harm's way, who have not fired live ammunition, who are being asked often to take weapons into combat in ways that they were not intended to come into combat. We are running out of missiles. We are very concerned about that.

But at the same time we see this as well as a pay raise for our Armed Forces being combined with an effort not only to fund the war of what has been already spent but to forward fund the war. As we established earlier in the first section of the bill, $3.3 billion of that forward funds the war.

We have in this section, 201, a very interesting little section. It says, ''Section 8005 of the Department of Defense Appropriations Act, 1999, Public Law 105–262, is amended by striking out $1,650,000,000 and inserting in lieu thereof $2,450,000,000.'' What exactly does that mean?

Last week, this Congress sent a very clear message. We believed that the ground war should not occur and that the air war on a tie vote should not go ahead. Is our message this week, ''Never mind''?

Under current law, the Defense Department has authority to transfer up to $1.65 billion from the specific purposes for which Congress appropriated the money to other uses, including the conduct of the war in Yugoslavia which Congress has otherwise refused to approve. To me, it is an outrage that the President should be able to take money specifically appropriated for other purposes and use it for a war that is not supported by a majority of Congress.

It is my understanding that the Defense Department is preparing to submit a large reprogramming request to cover its expenses so far to conduct the war. Including that request, the Pentagon will have already used $1.4 billion of its $1.65 billion in reprogramming authority. This would leave them with only about $250 million in transfer authority. With war costs as much as $40 million a day, this theoretically at least means that there is only enough money left to conduct the war for another week without specific congressional action. In other words, this clause, in addition to the $3.3 billion, allows other funds to be reprogrammed to escalate and to continue this war.

Many of us have a concern that while we say we are doing long-term buildup and while we say we are preparing readiness, in fact in this bill we potentially could even fund a ground war. It is clauses like this that give us grave concern. I understand that they have to apply for reprogramming requests, but in fact evidence shows that about $1.4 billion has already been spent in reprogramming requests without the approval of this Congress.

Now, for those who say that those of us who, in effect, say stand down and negotiate, in fact last week's vote, we were told, boy, that could lead to these terrible catastrophes. In fact, what it appears to have led to, in addition to Reverend Jackson going over and the gentleman from Pennsylvania (Mr. WELDON) in a delegation working with the Russians, it appears to have led to the negotiations that should have been occurring before that.

But when we look at this, for those who say it is wrong for us to say stand down before more lives are lost and the situation over there is actually getting worse, not better, more refugees are at danger with continuation of the war than not continuation of the war, let us get the settlement over, it will likely, like Vietnam, be the same settlement as earlier.

For those who would question me and others for voting for this stand-down, remember, you are also criticizing the American Legion. As I pointed out twice, their head yesterday said that the troops, the pilots and support staff should be immediately withdrawn. They also in a unanimous vote said the resources should not be approved to continue this war.

I believe the number is 6.9 million Americans are in the American Legion who have this background. They know what a risk we are putting our veterans at. They know the risk of the continuing air war and, for that matter, the logical escalating strategy without a clear plan.

If there is a clear exit plan, if there is an ability to show that, in fact, we have an achievable goal that will lead to even a better negotiated settlement, perhaps we could vote these resources. But we in fact here are not only giving $3.3 billion in forward funding, we are giving this waiver in this clause, the potential shifting of funds in this clause to fund the ground war. I believe that is inconsistent to say we oppose the war but fund it more.

Mr. Chairman, I include the following material for the RECORD:

THE AMERICAN LEGION,
*Washington, DC, May 5, 1999.*

The PRESIDENT,
*The White House, Washington, DC.*

DEAR MR. PRESIDENT: The American Legion, a wartime veterans organization of nearly three-million members, urges the immediate withdrawal of Armenian troops participating in ''Operation Allied Force.''

The National Executive Committee of The American Legion, meeting in Indianapolis today, adopted Resolution 44, titled ''The American Legion's Statement on Yugoslavia.'' This resolution was debated and adopted unanimously.

Mr. President, the United States Armed Forces should never be committed to wartime operations unless the following conditions are fulfilled:

That there be a clear statement by the President of why it is in our vital national interests to be engaged in hostilities;

Guidelines be established for the mission, including a clear exit strategy;

That there be support of the mission by the U.S. Congress and the American people; and

That it be made clear that U.S. Forces will be commanded only by U.S. officers whom we acknowledge are superior military leaders.

It is the opinion of The American Legion, which I am sure is shared by the majority of Americans, that three of the above listed conditions have not been met in the current joint operation with NATO (''Operation Allied Force'').

In no case should America commit its Armed Forces in the absence of clearly defined objectives agreed upon by the U.S. Congress in accordance with Article I, Section 8, of the Constitution of the United States.

Sincerely,

HAROLD L. ''BUTCH'' MILLER,
*National Commander.*

Enclosure.

NATIONAL EXECUTIVE COMMITTEE, THE AMERICAN LEGION, MAY 5, 1999

RESOLUTION NO. 44: THE AMERICAN LEGION STATEMENT ON YUGOSLAVIA

Whereas, The President has committed the Armed Forces of the United States, in a joint operation with NATO (''Operation Allied Force''), to engage in hostilities in the Federal Republic of Yugoslavia without clearly defining America's vital national interests; and

Whereas, Neither the President nor the Congress have defined America's objectives in what has become an open-ended conflict characterized by an ill-defined progressive escalation; and

Whereas, It is obvious that an ill-planned and massive commitment of U.S. resources could only lead to troops being killed, wounded or captured without advancing any clear purpose, mission or objective; and

Whereas, The American people rightfully support the ending of crimes and abuses by the Federal Republic of Yugoslavia, and the extending of humanitarian relief to the suffering people of the region; and

Whereas, America should not commit resources to the prosecution of hostilities in the absence of clearly defined objectives agreed upon by the U.S. Congress in accordance with Article I Section 8 of the Constitution of the United States; now, therefore, be it

*Resolved,* By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, May 5–6, 1999. That The American Legion, which is composed of nearly three million veterans of war-time service, voices its grave concerns about the commitment of U.S. Armed Forces to Operation Allied Force, unless the following conditions are fulfilled.

That there be a clear statement by the President of why it is in our vital national interests to be engaged in Operation Allied Force;

Guidelines be established for the mission, including a clear exit strategy;

That there be support of the mission by the U.S. Congress and the American people; and

That it be made clear U.S. Forces will be commanded only by U.S. officers whom we

acknowledge are superior military leaders; and, be it further

*Resolved,* That, if the aforementioned conditions are not met, The American Legion calls upon the President and the Congress to withdraw American forces immediately from Operation Allied Force; and, be it further

*Resolved,* That The American Legion calls upon the Congress and the international community to ease the suffering of the Kosovar refugees by providing necessary aid and assistance; and, be it finally

*Resolved,* That The American Legion reaffirm its unwavering admiration of, and support for, our American men and women serving in uniform throughout the world, and we reaffirm our efforts to provide sufficient national assets to ensure their well being.

Mr. LEWIS of California. Mr. Chairman, I rise to oppose the amendment.

I would suggest to the gentleman that we may be comparing apples with oranges here. We have made some effort to talk with the gentleman's staff relative to the way reprogramming goes, but there seems to be a bit of a disconnect relative to what that process is really all about, and so I would like to take a few moments to discuss it here for the record.

The amendment would delete from the bill a general provision, a section 201 which was requested by the Pentagon involving transfer authority. Section 201 of the bill provides for an increase in the funding transfer authority available to the Secretary of Defense as regards funds in fiscal year 1999 defense appropriations. It increases the existing transfer authority ceiling to $2.45 billion.

This is really a technical provision. We customarily every year provide the Department with a $2 billion transfer authority. What this then does is provide the Secretary of Defense and the military services with the ability to propose the routine reprogramming of funds subject to prior congressional approval. Section 201 of the bill raises the existing transfer authority to $2.45 billion.

The DOD needs this additional authority principally to accommodate the burden of several unanticipated reprogramming needs which we had to deal with earlier this year, relating to the war on drugs and the DOD response to Hurricane Mitch. But the important fact here is that this additional authority is not a blank check for the DOD to move around money.

When the DOD wants to reprogram funds, any significant amount over $5 million for reprogramming, the Secretary must come back to the congressional committees. There are four committees that are involved, the House and Senate Appropriations Committees and the House and Senate Armed Services Committees. These committees must approve the proposed reprogramming, the people who deal with it day in and day out in a professional way. We do not want to bind the Department of Defense and make them totally paralyzed in an emergency circumstance, but we still want the Congress to have a chance to have oversight.

I know some may believe this provision is somehow intended to give the administration additional authorities with respect to Kosovo. That is not the administration's intent, nor is it the committees' intent. This is really a technical fix. I cannot tell Members that the administration will not seek to use this additional authority for Kosovo. Indeed, they may have to. But, in the meantime, when we are in the middle of having troops in harm's way, we do not want to tie the hands of the people who are carrying out the war.

The Congress is not going to be here every day of the week, and the reality is there is a requirement for the congressional committees in an appropriate way to review such transfers. I frankly would hope the gentleman would have faith in the committees' work and recognize that we are trying to deal with this in as professional a way as we can.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I appreciate the gentleman yielding.

Mr. Chairman, in response to the gentleman's comment about the American Legion, I have a letter here from the American Legion supporting strongly this supplemental appropriations bill. There is also one here from The Military Coalition signed by about 25 members of The Military Coalition, also one from The Retired Enlisted Association. While they may have some concern about whether they support the mission or not or the decision to get into the mission, they do support our troops.

That is what this bill does. This bill supports our troops, provides them training, provides them equipment, provides them technology to do their job.

The text of the letters is as follows:

THE AMERICAN LEGION,
*Washington, D.C., May 3, 1999.*

Hon. TOM DELAY, MAJORITY WHIP
*House of Representatives,*
*Washington, DC.*

DEAR REPRESENTATIVE DELAY: The American Legion supports the FY 1999 Defense supplemental appropriations bill. Once again servicemen and women, both active-duty and reserve components, are engaged in yet another international crisis. If America is willing to place the newest generation of patriots in harm's way, America must also make sure that these defenders of democracy are well equipped, properly trained, and adequately compensated.

Based upon the ongoing conflicts in the Persian Gulf and Kosovo, coupled with a continuing erosion of America's overall defense capabilities, The American Legion supports this $13 billion request for additional DoD funding. The Bosnia peacekeeping operations, as well as servicemembers stationed worldwide, are stretching already fragile DoD resources to the limit.

The obvious replacement costs for the air campaign in Kosovo and related expenses must be dealt with immediately. Moreover, the $1.8 billion for military basic pay and other critical quality of life funding should be enacted rapidly to hopefully quell the ongoing exodus of experienced personnel and declining morale, as well as keeping faith with our servicemen and women.

As the nation's largest group of wartime veterans, The American Legion appreciates your attention to its views and legislative mandates for maintaining a strong national defense and caring for he who shall have borne the battle and for his widow and for his orphan.

For God and Country,
STEVEN ROBERTSON,
*Director, National Legislative Commission.*

---

THE MILITARY COALITION,
*Alexandria, VA, May 4, 1999.*

Hon. C.W. BILL YOUNG,
*House of Representatives,*
*Washington, D.C.*

DEAR REPRESENTATIVE YOUNG: The Military Coalition (TMC), a consortium of nationally-prominent military and veterans organizations, representing more than 5 million current and former members of the uniformed services, plus their families and survivors urges you to vote for final passage of the FY 1999 Emergency Defense Supplemental Appropriations Bill.

There is no doubt that the armed forces are facing a readiness crisis, driven in large measure by the massive force drawdown. In the last 10 years, the armed forces have been reduced by more than one-third, while worldwide operational commitments have increased by 300 percent. The rapidly increasing commitment in Kosovo is imposing additional strains on family life and the retention of highly skilled and expensively trained servicemembers.

The significant readiness initiatives in the bill, including the downpayment on more adequate pay raises and the repeal of REDUX (the 1986 law which degraded the value of the military retirement system by more than 20 percent), will send a powerful signal that this Nation appreciates the dedicated service and sacrifices of the servicemembers we daily place in harm's way. Please do all in your power to ensure that the Emergency Defense Supplemental Appropriations Bill passes the House by a wide margin.

Sincerely,
THE MILITARY COALITION.

THE RETIRED ENLISTED ASSOCIATION,
*Silver Springs, FL, May 5, 1999.*

Hon. C.W. ''BILL'' YOUNG,
*U.S. House of Representatives, Washington, DC.*

DEAR CONGRESSMAN YOUNG: The Florida members of The Retired Enlisted Association (TREA) respectfully request that you vote for the Fiscal Year 1999 Defense Emergency Supplemental Appropriation spending package.

For years, the Armed Forces of the United States have witnessed a decline in recruitment, retention and benefits. Now, as our Armed Forces are engaged in operations in Europe and the Middle East, as well as continuing to maintain their presence in Asia, they are faced with shortages of equipment and personnel.

The Fiscal Year 1999 Defense Emergency Supplemental Appropriation spending package provides an opportunity to correct some of these problems. By providing funding for desperately needed equipment, pay raises and an improved retirement system. Congress can display its commitment to our men

and women in uniform by working to make their lives better.

We appreciate your continued efforts in behalf of the retired members of the Armed Forces.

Respectfully,

JOHN W. HARRELL.

Mr. LEWIS of California. I appreciate the gentleman's contribution.

I would add to that that there is adequate oversight provided for in the process by the committees that deal with this professionally day in and day out.

Mr. DeFAZIO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, today we are here talking about $12.9 billion of supposed emergency funding. That is $12.9 billion from the Social Security Trust Funds. Let us make that clear. That is where this money is coming from, the so-called surplus. The surplus is intended and the tax is raised for the purposes of Social Security.

Now, if this were a dire and absolute emergency and there were no alternatives and it was essential to the American people, it might make some sense. This amendment would make things, in fact, worse, because at the core of this amendment is the way to resolve this problem. The Pentagon should reprogram other funds to pay for this crisis.

In a conversation with a senior White House official yesterday, I said, what is the crisis the end of this month that you are telling us about that you need, the President is asking for $7 billion, for this war?

The crisis is the Pentagon might have to reprogram funds. They might have to take money from the seven C–130Js that was stuffed into an authorization and appropriation last year for the Speaker of the House that the Pentagon did not want and does not need. They might have to take money from their $30 billion of appropriated unobligated funds. They might have to fix their computer program which has ordered $41 billion of unneeded parts, many of which are obsolete and still being ordered by Hal the computer down there at the Pentagon.

Yet we are saying we are here in a crisis and they need more money so they can keep doing things the way they have been doing them in the past, which is to waste money.

Certainly I support a pay raise for the troops, but it should not be on an emergency basis. It should come in the regular order of things, and it should not come out of the Social Security Trust Fund. We should not set the young people in our military against the senior citizens and the future senior citizens of this country by spending those funds on a pay raise for people in the military today. It should come out of the general fund of the Treasury. It should come out of the Pentagon budget in the next year.

So we should not further restrict the Pentagon from reprogramming. In fact, we should require that the Pentagon reprogram all of the funds for this activity from that $30 billion of unspent funds from programs that they themselves have said they do not want. Let us stick it to a few Members of Congress who have gotten their pork in past bills and getting their pork in this bill and take that money back and spend it on something the Pentagon really needs that supports the troops in the field.

I rise in opposition to H.R. 1664, making emergency supplementary appropriations for military operations in Kosovo. The Department of Defense (DOD) has over $30 billion in unobligated and unspent funds that it could reprogram for the Kosovo military operations. It does not need an additional $6 billion. I further oppose this bill because it includes $7 billion in unneeded additional funding for the DOD that has nothing to do with the Kosovo operation.

Last year Congress provided an additional $8 billion in the Omnibus Appropriations bill for the DOD under the guise of military readiness. Most of that funding didn't do anything for military readiness. It was more about campaign readiness. For example, is a study about military uses for caffeinated gum crucial to the readiness of our military? If the DOD needs funding for Kosovo, it should reprogram some of the unneeded funding from that bill. Or perhaps the DOD should look a little harder for the $17 billion that it has lost over the past decade. The Pentagon simply cannot account for $17 billion. It has nothing to show for it, not even an overpriced screwdriver. or perhaps the Pentagon should reprogram the funding for the 7 unrequested C–130Js that Congress provided last year.

This bill contains $7 billion that the President did not request for the Kosovo operations. For example, it contains $1.34 billion for spare parts that was not requested by the President. This is outrageous since the General Accounting Office found that the DOD maintains over $41 billion in obsolete parts. How did that happen? The computer that orders spare parts can't communicate with the computer that knows what spare parts are currently on the shelf. The DOD doesn't need more money for spare parts. It needs to fix the system that orders the parts. If Congress keeps giving the DOD more money to cover up a broken system, the DOD will never fix it and billions more will be wasted.

The DOD does not suffer from a lack of aggregate funding. It suffers from a lack of discipline necessary to function effectively in the post Cold War era. The DOD has over $30 billion in unobligated funding that it could reprogram. But the DOD refuses to make changes and cut unneeded programs. Congress could force the Pentagon to critically examine its spending and cut the waste by refusing to blindly throw good money after bad. Congress could take the first step towards fiscal discipline at the Pentagon by denying additional funding for the Kosovo mission. It is simply outrageous that the Pentagon cannot function effectively with a $280 billion year budget. The Pentagon claims it is prepared to fight two major theaters at once. Yet every time we actually use the military, taxpayers are forced to give the Pentagon more money. It's time to stop wasting billions of tax dollars and force the Pentagon to be more responsible with our money.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. SOUDER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SOUDER. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

□ 1600

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 202. Notwithstanding the limitations set forth in section 1006 of Public Law 105–261, not to exceed $10,000,000 of funds appropriated by this Act may be available for contributions to the common funded budgets of NATO (as defined in section 1006(c)(1) of Public Law 105–261) for costs related to NATO operations in and around Kosovo.

SEC. 203. Funds appropriated by this Act, or made available by the transfer of funds in this Act, for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414).

SEC. 204. Notwithstanding section 5064(d) of the Federal Acquisition Streamlining Act of 1994 (Public Law 103–355), the special authorities provided under section 5064(c) of such Act shall continue to apply with respect to contracts awarded or modified for the Joint Direct Attack Munition (JDAM) program until June 30, 2000: *Provided*, That a contract or modification to a contract for the JDAM program may be awarded or executed notwithstanding any advance notification requirements that would otherwise apply.

SEC. 205. (a) EFFORTS TO INCREASE BURDENSHARING.—The President shall seek equitable reimbursement from the North Atlantic Treaty Organization (NATO), member nations of NATO, and other appropriate organizations and nations for the costs incurred by the United States government in connection with Operation Allied Force.

(b) REPORT.—Not later than September 30, 1999, the President shall prepare and submit to the Congress a report on—

(1) All measures taken by the President pursuant to subsection (a);

(2) The amount of reimbursement received to date from each organization and nation pursuant to subsection (a), including a description of any commitments made by such organization or nation to provide reimbursement; and

(3) In the case of an organization or nation that has refused to provide, or to commit to provide, reimbursement pursuant to subsection (a), an explanation of the reasons therefor.

(c) OPERATION ALLIED FORCE.—In this section, the term ''Operation Allied Force'' means operations of the North Atlantic Treaty Organization (NATO) conducted against the Federal Republic of Yugoslavia (Serbia and Montenegro) during the period beginning on March 24, 1999, and ending on such date as NATO may designate, to resolve the conflict with respect to Kosovo.

SEC. 206. (a) Not more than thirty days after the enactment of this Act, the President shall transmit to Congress a report, in both classified and unclassified form, on current United States participation in Operation Allied Force. The report should include information on the following matters:

(1) A statement of the national security objectives involved in U.S. participation in Operation Allied Force;

(2) An accounting of all current active duty personnel assigned to support Operation Allied Force and related humanitarian operations around Kosovo to include total number, service component and area of deployment (such accounting should also include total number of personnel from other NATO countries participating in the action);

(3) Additional planned deployment of active duty units in the European Command area of operations to support Operation Allied Force, between the date of enactment of this Act and the end of fiscal year 1999;

(4) Additional planned Reserve component mobilization, including specific units to be called up between the date of enactment of this Act and the end of fiscal year 1999, to support Operation Allied Force;

(5) An accounting by the Joint Chiefs of Staff on the transfer of personnel and materiel from other regional commands to the United States European Command to support Operation Allied Force and related humanitarian operations around Kosovo, and an assessment by the Joint Chiefs of Staff of the impact any such loss of assets has had on the war-fighting capabilities and deterrence value of these other commands;

(6) Levels of humanitarian aid provided to the displaced Kosovar community from the United States, NATO member nations, and other nations (figures should be provided by country and type of assistance provided whether financial or in-kind); and

(7) Any significant revisions to the total cost estimate for the deployment of United States forces involved in Operation Allied Force through the end of fiscal year 1999.

(b) OPERATION ALLIED FORCE.—In this section, the term ''Operation Allied Force'' means operations of the North Atlantic Treaty Organization (NATO) conducted against the Federal Republic of Yugoslavia (Serbia and Montenegro) during the period beginning on March 24, 1999, and ending on such date as NATO may designate, to resolve the conflict with respect to Kosovo.

SEC. 207. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, $1,339,200,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for spare and repair parts and associated logistical support necessary for the maintenance of weapons systems and equipment, as follows:

''Operation and Maintenance, Navy'', $457,000,000;

''Operation and Maintenance, Air Force'', $676,800,000;

''Operation and Maintenance, Air Force Reserve'', $24,000,000;

''Operation and Maintenance, Air National Guard'', $26,000,000;

''Aircraft Procurement, Navy'', $118,000,000;

''Aircraft Procurement, Air Force'', $31,300,000; and

''Missile Procurement, Air Force'', $6,100,000:

*Provided,* That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for $1,339,200,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 208. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, $927,300,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for depot level maintenance and repair, as follows:

''Operation and Maintenance, Army'', $87,000,000;

''Operation and Maintenance, Navy'', $428,700,000;

''Operation and Maintenance, Marine Corps'', $58,000,000;

''Operation and Maintenance, Air Force'', $314,300,000;

''Operation and Maintenance, Marine Corps Reserve'', $3,000,000;

''Operation and Maintenance, Air Force Reserve'', $6,800,000; and

''Operation and Maintenance, Air National Guard'', $29,500,000:

*Provided,* That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for $927,300,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 209. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, $156,400,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for military recruiting and advertising initiatives, as follows:

''Operation and Maintenance, Army'', $48,600,000;

''Operation and Maintenance, Navy'', $20,000,000;

''Operation and Maintenance, Air Force'', $37,000,000;

''Operation and Maintenance, Army Reserve'', $29,800,000;

''Operation and Maintenance, Navy Reserve'', $1,000,000; and

''Operation and Maintenance, Army National Guard'', $20,000,000:

*Provided,* That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for $156,400,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 210. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, $307,300,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for military training, equipment maintenance and associated support costs required to meet assigned readiness levels of United States military forces, as follows:

''Operation and Maintenance, Army'', $113,200,000;

''Operation and Maintenance, Marine Corps'', $15,200,000;

''Operation and Maintenance, Air Force'', $28,000,000;

''Operation and Maintenance, Army Reserve'', $88,400,000;

''Operation and Maintenance, Navy Reserve'', $600,000;

''Operation and Maintenance, Air Force Reserve'', $11,900,000;

''Operation and Maintenance, Army National Guard'', $23,000,000; and

''Operation and Maintenance, Air National Guard'', $27,000,000:

*Provided,* That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for $307,300,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 211. In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, $351,500,000, to remain available for obligation until September 30, 2000, is hereby appropriated to the Department of Defense only for base operations support costs at Department of Defense facilities, as follows:

''Operation and Maintenance, Army'', $116,200,000;

''Operation and Maintenance, Navy'', $45,900,000;

''Operation and Maintenance, Marine Corps'', $53,000,000;

''Operation and Maintenance, Air Force'', $91,900,000;

''Operation and Maintenance, Army Reserve'', $18,700,000;

''Operation and Maintenance, Navy Reserve'', $13,800,000;

''Operation and Maintenance, Marine Corps Reserve'', $300,000; and

''Operation and Maintenance, Army National Guard'', $11,700,000:

*Provided,* That the entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for $351,500,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

SEC. 212. (a) In addition to amounts appropriated or otherwise made available to the Department of Defense in other provisions of this Act, there is appropriated to the Department of Defense, to remain available for obligation until September 30, 2000, and to be used only for increases during fiscal year 2000 in rates of military basic pay and for increased payments during fiscal year 2000 to the Department of Defense Military Retirement Fund, $1,838,426,000, to be available as follows:

''Military Personnel, Army'', $559,533,000;
''Military Personnel, Navy'', $436,773,000;
''Military Personnel, Marine Corps'', $177,980,000;
''Military Personnel, Air Force'', $471,892,000;
''Reserve Personnel, Army'', $40,574,000;
''Reserve Personnel, Navy'', $29,833,000;
''Reserve Personnel, Marine Corps'', $7,820,000;
''Reserve Personnel, Air Force'', $13,143,000;
''National Guard Personnel, Army'', $70,416,000; and
''National Guard Personnel, Air Force'', $30,462,000.

(b) The entire amount made available in this section—

(1) is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 901(b)(2)(A)); and

(2) shall be available only if the President transmits to the Congress an official budget request for $1,838,426,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

(c) The amounts provided in this section may be obligated only to the extent required for increases in rates of military basic pay, and for increased payments to the Department of Defense Military Retirement Fund, that become effective during fiscal year 2000 pursuant to provisions of law subsequently enacted in authorizing legislation.

AMENDMENT NO. 2 OFFERED BY MRS. FOWLER

Mrs. FOWLER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mrs. FOWLER:

At the end of chapter 2, insert the following new section:

SEC. 213. (a) ADDITIONAL APPROPRIATION FOR CONTINUATION OF ES–3. AIRCRAFT.—In addition to amounts appropriated or otherwise made available elsewhere in this Act for the Department of Defense or in the Department of Defense Appropriations Act, 1999, $94,400,000 is appropriated as follows:

(1) For ''Military Personnel, Navy'', $29,000,000, to remain available until September 30, 2000, to be used for ES–3 aircraft squadron staffing.

(2) For ''Operation and Maintenance, Navy'', $30,000,000, to remain available until September 30, 2000, to be used for ES–3 aircraft operations and maintenance.

(3) For ''Aircraft Procurement, Navy'', $31,500,000, to be used for procurement of critical avionics and structures for ES–3 aircraft.

(4) For ''Aircraft Procurement, Navy'', $3,900,000, to be used for procurement of critical avionics spares of ES–3 aircraft.

(b) EMERGENCY DESIGNATION.—The entire amount made available in this section is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985. Such amount shall be available only to the extent that an official budget request, that includes designation of the entire amount of the request as an emergency requirement as defined in such section 251(b)(2)(A), is transmitted by the President to the Congress.

(c) STUDY.—The Secretary of Defense shall conduct a study to examine alternative approaches to upgrading the ES–3 aircraft sensor systems for the life cycle of the aircraft. The study shall include comparative costs and capabilities, and shall be submitted to the Congress by October 1, 1999.

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order on the gentlewoman's amendment.

Mrs. FOWLER. Mr. Chairman, I am putting forth this amendment for the purpose of entering into a colloquy with the chairman of the Subcommittee on Defense, after which time it is my intention to withdraw the amendment.

Mr. Chairman, I introduced this amendment because I am gravely concerned about the status of our airborne signal intelligence capabilities and, in particular, about the Navy's decision to terminate the ES–3 program by the end of fiscal year 1999.

The 16 ES–3s in the Navy's inventory cost us some $500 million to acquire and only made their first deployment in fiscal year 1994. The aircraft represents the only carrier-capable signal intelligence aircraft in the Department of Defense inventory, and it also constitutes some 20 percent of our carrier air wings' in-flight refueling capabilities. Moreover, I would note that a comprehensive DOD analysis of our signal intelligence needs only 2 years ago called for retaining and upgrading the ES–3.

Despite these important considerations, the Navy has opted to disestablish its two ES–3 squadrons for budgetary reasons.

Now I am greatly disturbed by this decision. Only last Friday the Washington Post ran a front-page article featuring comments by General Richard Hawley, the commander of Air Combat Command, who lamented that the air campaign over Kosovo had made clear the desperate shortage of intelligence gathering, radar suppression, and search-and-rescue aircraft in the DOD inventory.

In fact, with the requirement to provide 7-day-a-week, 24-hour-a-day coverage in the Balkans, which I remind my colleagues is not one of the two major regional contingencies in our military that we had planned for, our Nation is currently facing a serious shortfall of signal intelligence capability. There are gaps today in our coverage in other key locations around the world.

Under these circumstances the Navy's decision to terminate the program seems extremely questionable to me.

I believe that our signal intelligence shortfall represents a critical readiness deficiency that merits consideration in the context of this supplemental. However I appreciate the gentleman's desire to move a clean bill through the House in order to get the conference with the other body as soon as possible and to meet our urgent readiness requirements.

So I would just ask the gentleman if he would be willing to get a complete brief from the Department of Defense and our intelligence community regarding our current SIGINT deficiencies and look into the issue of proceeding with ES–3 program termination under the current circumstances. If he finds himself in a situation in conference where a compelling argument to accommodate these concerns in the context of conference arises, I would greatly appreciate it.

Mr. LEWIS of California. Mr. Chairman, will the gentlewoman yield?

Mrs. FOWLER. I yield to the gentleman from California.

Mr. LEWIS of California. Let me respond first by expressing my deep appreciation to the gentlewoman for the professional way she is not just handling this matter, but the effective service she always provides in the authorization committee connected with our work. I would be pleased to look into this matter, and I appreciate the gentlewoman bringing it to my attention.

As the gentlewoman may know, I was previously the chair of the Subcommittee on Technical and Tactical Intelligence, and I continue to serve on the Permanent Select Committee on Intelligence, so I am very much aware of and concerned about our signal intelligence shortfalls. In light of the current conflict in the Balkans and the requirements it has imposed, I do agree that a further review of this matter is appropriate at this time, and I would look forward to working with the gentlewoman between now and conference.

Mrs. FOWLER. Mr. Chairman, I appreciate the gentleman's comments.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

The CHAIRMAN. The amendment of the gentlewoman from Florida is withdrawn.

The Clerk will read.

The Clerk read as follows:

**CHAPTER 3**

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

For an additional amount for ''International Disaster Assistance'', $96,000,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

AMENDMENT OFFERED BY MS. PELOSI

Ms. PELOSI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. PELOSI:

On page 22, line 16, after ''$96,000,000'' insert: ''(increased by $67,000,000)''

Ms. PELOSI. Mr. Chairman, I offer this amendment in order to increase the amount of humanitarian assistance that is available for the refugees in the Balkans. We have disagreements in many areas here, but one thing we all agree on and the American people are interested in is to provide humanitarian assistance to the refugees.

With the passage of the Latham amendment we have some breathing room, some headroom in the foreign operations programs, and my amendment takes $67 million from the Latham amendment activity and adds it to the AID disaster assistance account in order to meet the emerging needs in Kosovo including the provision, and emphasizing the provision, of food. As my colleagues know, both the Obey amendments had a provision for $175,000 for additional humanitarian assistance, and Mr. Hall's amendment had $150 million for additional food. Neither of these prevailed; the amendment offered by the gentleman from Wisconsin (Mr. OBEY) did not pass, the amendment offered by the gentleman from Ohio (Mr. HALL) was not made in order. However, I want us to just stipulate to the fact that there is general agreement that more food is needed.

Many of us, including the distinguished chairman of the full committee, were in the Balkans and we saw people waiting in line for hours for food. We saw little babies who had crossed the mountains and through the forests have only cold tea for 2 weeks of their very young lives. The refugee problem is a greater one than was anticipated.

If we do not increase the humanitarian assistance, Mr. Chairman, I believe we will have a second humanitarian disaster. Therefore in this amendment I will submit more information for the RECORD, but in the interests of time I urge my colleagues to support this amendment which increases the humanitarian assistance in the bill by $67 million and with a special focus on food programs.

Mr. CALLAHAN. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I compliment the gentlewoman on the amendment and I say that I agree to accept the amendment, and I might remind her that during this entire process in our conversations with the President and our conversations with the Department of State, the Secretary of State, that I have repeatedly told them in the beginning they are not asking for a sufficient amount of money to handle the true needs of the refugees that we are going to need for the next several months.

The response was, as I understood it, Mr. Chairman, that they felt like this would at least get them through June or July, and maybe they could come back for another supplemental during that period of time. But we are going to be very busy during that period of time with the other appropriations bills, and I think it was not wise for the administration not to accept a sufficient amount of money.

So I compliment the gentlewoman from California for bringing the level of funding back up, with her amendment, to the $566 million that the President initially requested, and I would accept the amendment.

Ms. PELOSI. Mr. Chairman, I thank the distinguished gentleman for accepting the amendment and for his comments, and I want to commend him because indeed he has at every opportunity, impressed upon the administration that more funding would be necessary. That is why this is a great opportunity for us. It takes some of the pressure off of our foreign operations bill where we may be asked to provide even more humanitarian assistance. But at least today we can get the $67 million especially to focus on the food needs within the disaster assistance account.

Mr. OBEY. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I simply want to say on this side we agree with the amendment and accept it.

Ms. PELOSI. Mr. Chairman, I just want to respond to the gentleman. The administration had intended to use the existing P.L. 480 title 2 resources and surplus commodities from the section 416(b) program to meet the needs in Kosovo. As we know, the needs have exceeded in terms of numbers of refugees and the duration in the camps, and I just respond to the issue that the gentleman had brought up.

I want to thank the distinguished gentleman [Mr. CALLAHAM] for his leadership, the distinguished ranking member [Mr. OBEY], the distinguished chairman of the full committee [Mr. YOUNG] for his cooperation, and I urge my colleagues to support this amendment.

Mr. SMITH of New Jersey. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wanted to thank the gentlewoman from California for offering this amendment. I had an amendment that would have also used the $67 million, but obviously, being the ranking member of the committee, hers in the prioritization came first. But it is unfortunate that we would be looking to use the money for one thing and cannot get to the other. The money that I was hoping to use it for would be for the construction of refugee camps.

I was part of the Armey delegation that just got back from Macedonia and Albania along with the presiding Speaker, and 19 of us were there and heard it was unanimity. Everybody we talked to, from the two star General to the AID people, that they desperately needed to build two more refugee camps in Albania to accommodate 20,000 people each.

As my colleagues know, we got to remember there are, according to General Wesley Clark, 820,000 internally displaced people and more than 700,000 people who have exited the borders and are now officially called refugees, an enormous number of people, and unfortunately, because of budget caps and things of that kind, we are unable.

Last night I went to the Committee on Rules and respectfully asked that I be able to offer $100 million additional moneys for the construction of those two refugee camps. They are $50 million a pop, and, like the gentleman from Ohio (Mr. HALL) and his food aid amendment, I was turned down, and that is most unfortunate.

□ 1615

Let me just say, when this gets into conference, it is my desperate hope, because we are looking at the possibility of cholera and other contagious and infectious diseases, we need to stabilize this situation and the military, no one does it better when it comes to constructing these camps.

I would like to ask our very distinguished chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs, the gentleman from Alabama (Mr. CALLAHAN), if he will help us, because I know his heart.

He added $70 million to the refugee camp account over and above what the President requested and did make that appeal to the President to be more generous, not less.

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, I will be more than happy to convey your message to the conference committee as we convene to try to find some resolve to the concern of the gentleman.

I would like to compliment the gentleman from New Jersey (Mr. SMITH), as well as the gentlewoman from California (Ms. PELOSI), and the gentleman from Ohio (Mr. HALL), the gentleman from Illinois (Mr. PORTER), the gentleman from Virginia (Mr. WOLF), and others who take the time and the effort to visit the refugee camps in situations such as this and come back and inform us of the true needs.

Refugee camps, however, have generally, historically, been constructed by the Department of Defense. I think that the gentleman from California

(Chairman LEWIS) certainly would be interested in seeing that they have a sufficient amount of resources to provide the camps that are necessary to house these people that are suffering.

Yes, certainly during this process I will encourage the gentleman from Florida (Chairman YOUNG) and the gentleman from California (Chairman LEWIS) to recognize the needs of the Department of Defense to have the necessary monies to build the needed and required refugee camps.

Ms. PELOSI. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Chairman, I, too, want to join my distinguished chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs in commending the gentleman from New Jersey (Mr. SMITH) for his leadership on this issue. As I said last night, I support his amendment.

We can all agree to the need for those camps from the standpoint of sanitation and hygiene and meeting the needs of these refugees who have been dislocated or are grieving or malnourished and the rest.

I would hope that the distinguished chairman of the Subcommittee on Defense, I understand there is about $100 million unprogramed there that can be used for this purpose, and I would support the gentleman's appeal to the conference committee with that.

I want to again acknowledge the leadership of the gentleman from New Jersey (Mr. SMITH). To be in his company and that of the gentleman from Ohio (Mr. HALL), two leaders on child survival issues throughout the world, is indeed an honor; and I once again commend them.

Mr. SMITH of New Jersey. Mr. Chairman, I thank the gentlewoman. The feelings are mutual.

This is a bipartisan effort and I do believe that the money is there if we have the priority to get it.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I am very happy to discuss this with my colleague, for there are a number of Members on both sides of the aisle who have expressed a great interest in this area. Indeed, it is my view that the American public are themselves focusing at this moment on refugees by way of television cameras that are depicting this picture, which is the worst of the fallout from the Milosevic effort here of ethnic cleansing.

Indeed, already the Air Force has spent $25 million for one refugee camp. There is little doubt that there is much more to be done. As we go forward I am sure the committee, as well as the body, will do everything they can to be responsive to the gentleman's interests; and I appreciate him bringing the matter to our attention.

Mr. CALLAHAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Alabama.

Mr. CALLAHAN. Mr. Chairman, in mentioning all of the people that have done so much, I forgot to mention my colleague, the gentlewoman from New Jersey (Mrs. ROUKEMA), because she, too, has been one of the stalwarts and one of the people who have worked so very hard in this respect.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to applaud the Pelosi amendment and to applaud the dialogue and debate that I have heard on the very issue dealing with humanitarian need.

Last Thursday a week ago, I voted on the floor of the House to support the effort to eliminate the terrible devastation that Slobodan Milosevic has created in the Balkans; in particular, to support the air strikes and to recognize that this war, this conflict, is defined. The definition is to end the ethnic cleansing that is going on in that region.

By traveling this past weekend with my colleagues, such as the chairman, as well as the gentleman from New Jersey (Mr. SMITH), the gentleman from Ohio (Mr. HALL) and the majority leader, the gentleman from Texas (Mr. ARMEY), I can say that this is a defined conflict.

It is a conflict to save the amount of human tragedy that is occurring in that area, and it is an issue that we should be very clear about.

I am unsure when someone says that it is undefined, but it is to eliminate the brutality and to ensure that our troops are safe but as well to ensure that the refugees have a place to return home.

As I did in Bosnia, I was able to visit with the people; and we traveled in the camps. We talked to the refugees, who indicated they had seen atrocities. They had seen women raped. They had seen intellectuals killed. They had seen their homes being burned. In these refugee camps, although they were very grateful to be safe, there is no running water, there is no electricity, there is no sewer, and there are long lines for food.

In talking about the military preparedness, let me say in my conversations with General Clark, he was very assuring that he had the skills, the tools and the resources to carry on. He was very sure of the definition of this conflict and that is, of course, to make sure that the refugees have a right to return home.

I would like to support the Pelosi amendment to increase the amount of food emergency assistance but, as well, I join in with the words of the gentleman from New Jersey (Mr. SMITH) to indicate that there is a need to assist in the building of refugee camps. Because in the one that we visited in Macedonia in particular it was built for 20,000 people and yet it has 32,000 people.

I supported the Obey amendment because it included concerns that I had about making sure we supported the military operation. It had monies to increase military pay and, as well, it dealt with the issue of emergency food assistance.

If we can make this legislation better, I am sorry to say that the Obey amendment did not pass, we should really emphasize the fact that we need more aid for the humanitarian crisis. We need more aid to build these refugee camps that are in need, even though we see more and more of the refugees leaving to go to other countries. It is extremely important that we focus on that.

I want to thank the gentleman from Ohio (Mr. HALL), who I know as well attempted to get his amendment in on emergency food assistance. I would only take comfort in the representations by the chairman and ranking member that they will work in conference to get us the dollars that we need to build humanitarian camps and, as well, they will give us the dollars to ensure that we have the monies for more food assistance.

I only hope, as I have written to the President and in light of the great success that Reverend Jackson had over the last weekend in releasing our POWs, I hope that we will have a pause in the bombing so that we can sit down to the table and get a negotiated settlement and that Milosevic will agree to all of the points that NATO has raised. I think this can be done in light of last weekend, as well as proceed with the idea of funding for humanitarian aid.

I would only hope that we reconsider the form of the Obey amendment and ensure that we have that kind of fair representation in that effort.

Mr. HALL of Ohio. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take the 5 minutes, but I do want to stand up with great approval and excitement and encouragement for this amendment offered by the gentlewoman from California (Ms. PELOSI). It is a good amendment. The $67 million will help.

As I read the amendment, it goes to the section relative to disaster assistance, but especially in this particular emphasis it will be for the Balkans. It does two things. It not only will add to the fiscal year 1999 appropriation for the Balkans and that pot of $200 million, but, because we are adding more money, it will help in some of the trouble spots that we have around the

world. We are now facing catastrophes and crises and great needs in Sierra Leon, Sudan, Cambodia, North Korea, Indonesia, East Timor, a lot of different places. So this amendment goes a long way.

I hope that this is not the end of our help relative to humanitarian aid. I hope the gentleman from Florida (Mr. YOUNG) and all the Members of the Committee on Appropriations look at certainly a lot more money for food. We really need it because we came up very short relative to the humanitarian aspect of this bill.

Again, I want to say to the gentlewoman from California (Ms. PELOSI) this is a great amendment, and I applaud her and really appreciate the work that she does. I want to thank the gentlewoman from New Jersey (Mrs. ROUKEMA) for sponsoring our amendment together; the gentleman from New Jersey (Mr. SMITH), the gentleman from Virginia (Mr. WOLF) and the gentleman from Alabama (Mr. CALLAHAN) for accepting it.

Mr. FLETCHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of this amendment and certainly congratulate the gentlewoman from California (Ms. PELOSI).

I also rise to speak about this supplemental in general. Obviously, it is very important; and I do applaud the increase and support the humanitarian needs and the needs of those refugees; and I am glad to see that we are doing that.

I am also very concerned because the supplemental should not be a partisan issue, as this humanitarian effort should not be a partisan issue, because it is about the well-being of our troops. It is about the security of our Nation. It is about looking at risks that we have across this world, including the conflict that we are currently in.

As I looked at the papers this morning and saw a crash, an Apache helicopter crash, I thought of the two young soldiers that were killed there, their families. I was reminded of an era not too long ago when we tried to attempt to get some hostages out of Iran, when it was a similar time, when military funding was low, when spare parts were hard to come by, when cannibalization of other aircraft was taking place, when maintenance was a problem, morale was very low, and retention was a problem, and we had problems with readiness.

We had problems implementing that rescue, and I believe it was because of the very conditions that we have that exist today.

I do not know if the decreased funding that we have had for our military in the last few years resulted in that crash yesterday, but, believe me, do not underestimate how much military morale, maintenance and the experience of those that work directly on the aircraft, how much influence that has on our military readiness and the ability of our pilots and our troops over there to fly safe missions and accomplish what they are setting about to do.

I also read in the paper, there was a Pentagon officer that said, I believe he said, that about 10 years ago this battalion of Apaches could have arrived to the station on Monday, flown reconnaissance missions on Tuesday and Wednesday, simulated attack runs on Thursday, live practice runs on Friday and been deployed on Saturday.

They have been there for 20 days and still not ready, and they are asking for more train-up time.

I have every bit of confidence in our troops, but I think as we reduce spending, as has been done over the last few years, or hold it straight, not provide the kind of funding, we reduce our troops' ability to act and to act rapidly as it is needed in this world and in this conflict.

I think it is very important that we look at this again, that we do not underestimate the effect this supplement will have, the message it will give.

As I remember my time in the service, I remembered when military spending was cut, when we were not getting the kind of maintenance, when retention was poor, of what effect it had on morale and our ability to get aircraft off the ground.

So this is an emergency supplement, not just the direct that has been asked for by the President but also those to increase the pay, to give a message to our troops there that we are fully behind them.

Believe me, I have had a lot of conflict personally over this in Kosova because I do not believe that it was prepared properly. I do not believe we had an entry strategy that we needed, an exit strategy, but now that we are there and we have seen the problems we need to make sure that we give the kind of support to make sure that we accomplish our goals in this conflict.

We have troops all over the world. There have been 33 U.S. deployments across the world, and yet we have not adequately funded our troops. In the period of 40 years before that, there were only 10 deployments. We have 265,000 American troops in 135 countries. This administration's defense policy simply does not make sense: decreased funding and increased deployments.

I believe it is easy to see the problems created by this lack of funding. The U.S. Air Force will be 700 pilots short for fiscal year 1999, 1,300 short by 2000. The Navy will be 18,000 soldiers and 1,400 recruits short in 1999. The Army will be 140 Apache pilots short for 1999. In the last 14 months there have been 55 Air Force crashes during noncombat situations. The USS Enterprise went to sea short 400 personnel. The Army's budget for new weapons is the lowest since 1959. Since the Gulf War, our military has shrunk by about 40 percent.

Now recently and yesterday, we on the policy committee heard from former Secretary Caspar Weinberger. He spoke beyond politics about our threats, other threats, our military readiness; and he expressed concerns about what would happen if we do not immediately start rebuilding our forces.

So I ask for support, and I thank the chairman for the supplement. In addition to the supplement for humanitarian needs, we need to support this amendment and this supplement in order to begin the necessary rebuilding.

□ 1630

Mr. KIND. Mr. Chairman, I rise in support of the amendment. I want to commend the gentlewoman from California for offering it. I think it is clear that the American people expect us to do everything possible in our power to alleviate the suffering that the Kosovar refugees are enduring right now, and I might add that our NATO allies are contributing their fair share to a bulk of the refugee assistance as well, so it is not as if we are doing this alone.

I also want to rise in support of the emergency supplemental bill before us today to support our young men and women in American uniform who are being asked, yet again in this century, to restore the peace and stability and to bring back some humanity to Europe.

But I have to be honest, I am conflicted in supporting final passage of this emergency spending bill. I am just in my second term representing western Wisconsin in this great institution, Mr. Chairman. I do not serve on the Committee on Appropriations or the Committee on Armed Services or Committee on International Relations, so I am not intimately familiar with the details of the specified purposes of the listed items in this spending bill.

I am not sure whether all the listed items in this spending bill are truly for an emergency purpose. I do know, however, that our military advisers have made a request to the American people through the Administration for $6 billion to carry out the campaign in Kosovo. But once Congress got its hands on this, it suddenly became a $13 billion emergency spending bill rather than the $6 billion that our military advisers were requesting.

I am not sure whether a $35 million operation and control center on Bahrain Island in the Gulf is necessary for this operation, or $4 million for barracks renewal in Bamberg, Germany, or $3 million for an indoor shooting range in Stuttgart, or $12 million for three additional fire stations in

Ramstein Air Force Base in Germany, if these are all emergency items; or if $3 billion for military construction projects that will take years to complete because they are not even on the Pentagon's 5-year development plan are true emergency items.

But I do know that I am the representative of one of the two pilots who gave their lives two days ago in their training mission with the Apache helicopter in Albania, Chief Warrant Officer Kevin Reichert. Officer Reichert was a loving husband and father of three little kids. He and his co-pilot, Officer David Gibbs from Ohio, served their country with honor and pride, and made the ultimate sacrifice. My thoughts and prayers are with them and their family at this time.

I also know that it would not be right to our troops if voting against final passage of this bill would delay for even a little bit the utilization and distribution of the resources and supplies that our men and women who are carrying out this dangerous operation need in order to perform their duties in as safe a manner as possible.

I would just hope that this Congress would have the decency when it comes to issues of war and peace, life and death, to play this straight, without taking political advantage of the situation to bypass the normal authorization and appropriation process, where these items can be debated openly and thoroughly and fairly and within the context of fiscal discipline. It is a sad day in this Congress if there are some who would take advantage of this emergency situation for their own political agenda.

Lieutenant General John Hendrix, commander of the Apache Task Force Hawk, stated, when asked about the loss of these two brave young men, that ''We cannot eliminate the risk from this mission.'' That is true. In cases of war, the training and the deployment of troops are inherently going to be risky, but this Congress can do our part in reducing that risk as much as possible.

That starts today. That is what this bill should be all about, the troops, and ultimately the welfare of the troops. That is why I am going to give my support for final passage of this bill, so the rest of our troops who are deployed in the Balkans can carry out their mission as safely as possible, and be returned to their families as soon as possible.

Mr. CALLAHAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in accepting this amendment, I thought seriously that we would be able to accept it and move on with business, since we fully fund the request of the President, and we respond also to the concerns of the gentlewoman from California.

While we do not want to deny anyone the opportunity to speak on this very important issue, I think, Mr. Chairman, that it is time that we move on with the vote on the amendment of the gentlewoman from California (Ms. PELOSI).

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from California (Ms. PELOSI).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For an additional amount for ''Economic Support Fund'', $105,000,000, to remain available until September 30, 2000, for assistance for Albania, Macedonia, Bulgaria, Bosnia-Herzegovina, Montenegro, and Romania, and for investigations and related activities in Kosovo and in adjacent entities and countries regarding war crimes; *Provided,* That these funds shall be available notwithstanding any other provision of law except section 533 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)): *Provided further,* That the requirement for a notification through the regular notification procedures of the Committees on Appropriations contained in subsection (b)(3) of section 533 shall be deemed to be satisfied if the Committees on Appropriations are notified at least 5 days prior to the obligation of such funds: *Provided further,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

For an additional amount for ''Assistance for Eastern Europe and the Baltic States'', $75,000,000, to remain available until September 30, 2000, of which up to $1,000,000 may be used for administrative costs of the U.S. Agency for International Development: *Provided,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That funds appropriated under this heading shall be obligated and expended subject to the regular notification procedures of the Committees on Appropriations.

DEPARTMENT OF STATE

MIGRATION AND REFUGEE ASSISTANCE

For an additional amount for ''Migration and Refugee Assistance'', $195,000,000, to remain available until September 30, 2000, of which not more than $500,000 is for administrative expenses: *Provided,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For an additional amount for the ''United States Emergency Refugee and Migration Assistance Fund'', and subject to the terms and conditions under that head, $95,000,000, to remain available until expended: *Provided,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

GENERAL PROVISION—THIS CHAPTER

SEC. 301. The value of commodities and services authorized by the President through March 31, 1999, to be drawn down under the authority of section 552(c)(2) of the Foreign Assistance Act of 1961 to support international relief efforts relating to the Kosovo conflict shall not be counted against the ceiling limitation of that section: *Provided,* That such assistance relating to the Kosovo conflict provided pursuant to section 552(a)(2) may be made available notwithstanding any other provision of law.

AMENDMENT OFFERED BY MRS. ROUKEMA

Mrs. ROUKEMA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. ROUKEMA:

After chapter 3, insert the following new chapter:

**CHAPTER 3A**

DEPARTMENT OF AGRICULTURE

FOREIGN ASSISTANCE AND RELATED PROGRAMS

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

For an additional amount for ''Public Law 480 Program and Grant Accounts'' for humanitarian food assistance under title II of Public Law 480, $150,000,000, to remain available until expended: *Provided,* That the Congress hereby designates the entire such amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further,* That such amount shall be available only to the extent of a specific dollar amount for such purpose that is included in an official budget request transmitted by the President to the Congress and that is designated as an emergency requirement pursuant to such section 251(b)(2)(A).

Mrs. ROUKEMA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

Mr. OBEY. Mr. Chairman, reserving the right to object, I reserve a point of order on the amendment.

The CHAIRMAN. Does the gentleman from Wisconsin (Mr. OBEY) object to suspending the reading of the amendment?

Mr. OBEY. Yes, Mr. Chairman, because we do not have a copy of it, and I have no idea whether it is permissible under the Rules or not. We have no idea what the content is. I would like the amendment read.

The CHAIRMAN. Does the gentleman insist that the amendment be read?

Mr. OBEY. Yes, I do, Mr. Chairman.

The CHAIRMAN. The Clerk will read.

The Clerk continued reading the amendment.

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order on the amendment.

Mr. OBEY. Mr. Chairman, I also reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) and the gentleman from Wisconsin (Mr. OBEY) reserve a point of order on the amendment.

The Chair recognizes the gentlewoman from New Jersey (Mrs. ROUKEMA) on her amendment.

Mrs. ROUKEMA. Mr. Chairman, I thank the chairman of the committee.

Mr. Chairman, this amendment clearly compliments the so-called Pelosi amendment we just passed, but it clearly is a recognition that more needs to be done. As well received as the Pelosi amendment was and should have been, more needs to be done.

Yesterday the gentleman from Ohio (Mr. HALL) and myself offered an amendment in the Committee on Rules, this amendment in the Committee on Rules, and unfortunately, the Committee on Rules did not make it in order. But the gentleman from California (Mr. LEWIS), our chairman here, spoke strongly in the Committee on Rules to work and add this vital funding in the conference.

I certainly look forward to working with the gentleman from Florida (Chairman YOUNG) and the Committee on Appropriations to ensure that the food aid is included in the conference.

As we all know, there is a great human tragedy unfolding in the Balkans. There is no question but that the United States and NATO have taken on the challenge of stopping a ruthless aggression. Members of Congress may disagree on the merits of this policy, but there must be no disagreement, and I stress this, no disagreement on the necessity of caring for the basic needs of the thousands of refugees who have been forced from their homeland. They are innocent victims of a terrible, terrible plight.

Mr. Chairman, I have been, as has been recognized here with a number of my colleagues, a long advocate of fighting hunger across the world. The gentleman from Ohio (Mr. HALL) attended the recent trip, accompanying majority leader, the gentleman from Texas (Mr. ARMEY), and he and I have conferred on the problems that they saw among the refugees and the needs that they have firsthand. He and I have worked for a long time on hunger issues, whether in Ethiopia, the Sudan, or visiting the Kurds, the refugee camps for the Kurds in the mountains.

I will tell the Members, if they have ever seen starvation up close and the hollowed eyes of a starving child, they will never forget it. That is exactly what we are dealing with here today.

Mr. Chairman, I might make reference to the fact that we even brought the problem back to President Reagan at the time, and he helped us provide safe passage for food to refugees. This is not a partisan issue. Republicans and Democrats, all of us should be pulling together.

We recognize that it is mainly the children who suffer. Many families have been torn apart by this violence, and they have lost their homes and many times they are separated from the children, the children from the families. It is our responsibility to accept this, because if we do not in this Congress, who will accept the full responsibility?

I must repeat to my colleagues here the Biblical admonition of our Lord Jesus in Matthew 25:40, ''Whatever you do for the least of one of these of our brethren, you do it for me.''

We must provide these funds, and if Members have any doubt about it, they should know the people, the groups, the religious and community groups that are supporting this amendment and this effort, whether it be Catholic Relief Services, Save the Children, Red Cross, Doctors Without Borders, Mercy Corps, et cetera, numerous groups are supporting this effort.

The food package, as has been stated, would give $150 million for this effort, and that is only the equivalent of barely 1 percent of this committee's funding bill. I will tell the Members, it will last a long time, for years, in helping these refugees.

Mr. Chairman, I must urge, and again quoting our president, President Ronald Reagan, a hungry child knows no politics. I think that should be our guiding light here today. I thank the chairman of the committee for this opportunity to discuss this issue, and would hope that we could have the gentleman's cooperation.

Mr. Chairman, the Kosovo supplemental provides some additional humanitarian aid, but does not cover the most basic of humanitarian needs . . . food aid for the 1.4 million Kosovar refugees. This complements the Pelosi amendment just passed, but more needs to be done.

Yesterday Representative HALL and myself offered an amendment in Rules that would have added $150 million in humanitarian food aid through title II of the PL–480 ''Food for Peace'' program. Unfortunately, the Rules Committee did not make the amendment in order.

Representative LEWIS spoke strongly at the Rules Committee to work and add this vital funding in the Conference. I look forward to working with you Mr. YOUNG and the Appropriations Committee to ensure that food aid is included in the Conference.

As you all know, there is a great human tragedy unfolding in the Balkans. The United States and NATO have taken on the challenge of stopping the ruthless aggression.

Members of the Congress may disagree on the merits of this policy but there must be no disagreement on the necessity of caring for the basic needs of the hundreds of thousands of refugees who have been forced from their homeland. They are the innocent victims of this terrible situation.

I have long been an advocate of fighting hunger across the world. Mr. HALL attended the recent trip of Members to the Balkans led by the Majority Leader ARMEY. Those Members saw the refugees and the need first hand. Shortly, I hope to also visit the Balkans. I have visited Ethiopia, the Sudan, the Kurds isolated in mountain refugee camps and have seen starvation up close. I have seen the devastation of hunger in the hallow eyes of a starving child. That is something none of us want to see in the refugee camps surrounding Kosovo.

In the eighties, I sat down with President Ronald Reagan to convince of the need to fight hunger around the world: And with his kind reasoning, he made the strong decision to do all we can to fight hunger and provide safe-passage for food supplies to refugees.

It is, after all, mainly the children who are going to suffer. So many families have been torn apart by this violence, so many have lost their homes and means to survive. These poor people have no one to turn to. We must accept the responsibility because if it is not us . . . the who? It is our moral obligation to care for those who need the most. As the Lord Jesus says in Matthew 25:40, ''I tell you the truth, whatever you did for one of the least of these brothers of mine, you did for me.'' This is the Biblical admonition.

We must provide these funds in Conference to take care of their most basic food needs. The coalition of humanitarian organizations that are working with Kosovar refugees—Catholic Relief Services, Save the Children, World Vision, CARE, Mercy Corps, the Red Cross, Doctors Without Borders—all support this adding the funding.

This food-aid package that would get 1.4 million refugees through the end of 2000 would cost what we're spending in just one week fighting this war ($150 million versus $718–$990 million per month). The amount we are asking for represents just barely 1 percent of this bill's total funding.

If there is any emergency in Kosovo it is ensuring that the refugees do not starve. The situation in these camps is already tragic with the refugees fending off depression, poor sanitation, and questionable living conditions. Hunger will amplify this situation into a catastrophe.

I urge the Appropriations Committee to work in the spirit of President Ronald Reagan's famous quote. ''A hungry child knows no politics.'' The issue of a hungry child is never debatable. I look forward to working with you to add the needed $150 million in food aid and I greatly thank the Chairman, and the entire Committee.

Mr. YOUNG of Florida. Mr. Chairman, will the gentlewoman yield?

Mrs. ROUKEMA. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I want to thank the gentlewoman for bringing this to our attention. She has done a tremendous amount of work on this issue for the many, many years she has been here in the Congress. I want to assure the gentlewoman that we will give her proposal every consideration as we proceed to conference with the Senate.

However, Mr. Chairman, I must insist on my point of order.

Mrs. ROUKEMA. Mr. Chairman, do I understand of the gentleman that there would be an intention to raise the subject in the conference?

Mr. YOUNG of Florida. If the gentlewoman will continue to yield, yes, we would be more than happy to raise the subject in the conference, and we will be pleased to work with her and Mr. HALL in the coming days. As the gentlewoman knows, we can never predict what a conference might or might not do. We will certainly make sure the issue is considered.

Mrs. ROUKEMA. I was hopeful for a commitment of conference, but I do understand that the gentleman does not have control of the conference. There is no doubt but that the need is obvious and there. I thank the chairman.

Mrs. ROUKEMA. Mr. Chairman, I withdraw the amendment.

The CHAIRMAN. Without objection, the amendment offered by the gentlewoman from New Jersey (Mrs. ROUKEMA) is withdrawn.

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

**CHAPTER 4**

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION

NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

For an additional amount for ''North Atlantic Treaty Organization Security Investment Program'', $240,000,000, to remain available until expended: *Provided,* That the Secretary of Defense may make additional contributions for the North Atlantic Treaty Organization, as provided in section 2806 of title 10, United States Code: *Provided further,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for $240,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

GENERAL PROVISION—THIS CHAPTER

SEC. 401. In addition to amounts appropriated or otherwise made available in the Military Construction Appropriations Act, 1999, $831,000,000 is hereby appropriated to the Department of Defense, to remain available until September 30, 2003, as follows:

''Military Construction, Army'', $295,800,000;

''Military Construction, Navy'', $166,270,000;

''Military Construction, Air Force'', $333,430,000; and

''Military Construction, Defense-wide'', $35,500,000:

*Provided,* That notwithstanding any other provision of law, such funds may be obligated or expended to carry out military construction projects not otherwise authorized by law: *Provided further,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the entire amount shall be available only to the extent that an official budget request for $831,000,000, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

AMENDMENT NO. 1 OFFERED BY MR. DEUTSCH

Mr. DEUTSCH. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1 printed in the CONGRESSIONAL RECORD offered by Mr. DEUTSCH:

After chapter 4 of the bill, add the following new chapter:

**CHAPTER 4A**

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

ENFORCEMENT AND BORDER AFFAIRS

For an additional amount for ''Salaries and Expenses, Enforcement and Border Affairs'' to support increased detention requirements for Central American criminal aliens and to address the expected influx of illegal immigrants from Central America as a result of Hurricane Mitch, $80,000,000, which shall remain available until expended and which shall be administered by the Attorney General: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

RESERVE PERSONNEL, ARMY

For an additional amount for ''Reserve Personnel, Army'', $8,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That of such amount, $5,100,000 shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for ''National Guard Personnel, Army'', $7,300,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That of such amount, $1,300,000 shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for ''National Guard Personnel, Air Force'', $1,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for ''Operation and Maintenance, Army'', $69,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for ''Operation and Maintenance, Navy'', $16,000,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for ''Operation and Maintenance, Marine Corps'', $300,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for ''Operation and Maintenance, Air Force'', $8,800,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for ''Operation and Maintenance, Defense-Wide'', $46,500,000: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

For an additional amount for ''Overseas Humanitarian, Disaster, and Civic Aid'', $37,500,000: *Provided,* That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

INTERNATIONAL DISASTER ASSISTANCE

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''International Disaster Assistance'' for necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance, pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $25,000,000, to remain available until expended: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

CENTRAL AMERICA AND THE CARIBBEAN EMERGENCY

DISASTER RECOVERY FUND

Notwithstanding section 10 of Public Law 91–672, for necessary expenses to address the effects of hurricanes in Central America and

the Caribbean and the earthquake in Colombia, $621,000,000, to remain available until September 30, 2000: *Provided*, That the funds appropriated under this heading shall be subject to the provisions of chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and, except for section 558, the provisions of title V of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)): *Provided further*, That up to $5,000,000 of the funds appropriated by this paragraph may be transferred to ''Operating Expenses of the Agency for International Development'', to remain available until September 30, 2000, to be used for administrative costs of USAID in addressing the effects of those hurricanes, of which up to $1,000,000 may be used to contract directly for the personal services of individuals in the United States: *Provided further*, That up to $2,000,000 of the funds appropriated by this paragraph may be transferred to ''Operating Expenses of the Agency for International Development Office of Inspector General'', to remain available until expended, to be used for costs of audits, inspections, and other activities associated with the expenditure of the funds appropriated by this paragraph: *Provided further*, That funds appropriated under this heading shall be obligated and expended subject to the regular notification procedures of the Committees on Appropriations: *Provided further*, That funds appropriated under this heading shall be subject to the funding ceiling contained in section 580 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1999 (as contained in Division A, section 101(d) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277)), notwithstanding section 545 of that Act: *Provided further*, That none of the funds appropriated under this heading may be made available for nonproject assistance: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the entire amount shall be available only to the extent an official budget request for a specific dollar amount that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress.

DEPARTMENT OF THE TREASURY

DEBT RESTRUCTURING

Notwithstanding section 10 of Public Law 91–672, for an additional amount for ''Debt Restructuring'', $41,000,000, to remain available until expended: *Provided*, That up to $25,000,000 may be used for a contribution to the Central America Emergency Trust Fund, administered by the International Bank for Reconstruction and Development: *Provided further*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

RECONSTRUCTION AND CONSTRUCTION

For an additional amount for ''Reconstruction and Construction'', $5,611,000, to remain available until expended, to address damages from Hurricane Georges and other natural disasters in Puerto Rico: *Provided*, That the entire amount is designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the amount provided shall be available only to the extent that an official budget request that includes designation of the entire amount as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to the Congress: *Provided further*, That funds in this account may be transferred to and merged with the ''Forest and Rangeland Research'' account and the ''National Forest System'' account as needed to address emergency requirements in Puerto Rico.

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman from Florida (Mr. YOUNG) reserves a point of order on the amendment.

The gentleman from Florida (Mr. DEUTSCH) is recognized for 5 minutes on his amendment.

Mr. DEUTSCH. Mr. Chairman, this amendment would put in the emergency supplemental that we passed earlier this year, House bill 1141, as an amendment onto this emergency supplemental bill, and specifically, the reason for that is there is a very true emergency going on right now that appropriately this House and the Senate both passed legislation to deal with.

It is interesting, following the comments of my colleague, the gentlewoman from New Jersey (Mrs. ROUKEMA) about hungry children, there are not only hungry children today in the Balkans, but there are literally tens of thousands of hungry children in Central America, much closer to our shores, much more directly impacting the United States.

□ 1645

And, in fact, the hurricane that occurred in October was of incredible proportions. I had the opportunity to travel to Central America, to Nicaragua, with the President and had a chance actually to view firsthand some of the destruction, where literally entire villages were wiped out.

I remind my colleagues, and, again, this House passed 1141, but I remind my colleagues of what is happening in Central America. Up until the hurricane, a lot of very good things were happening: Economies were growing, had been growing, through the dynamic progress of a capitalistic, democratic, emergent democratic society; there were vigorously contested elections and vigorous opportunities in terms of an economic future. Right now that is on hold, and it has been on hold effectively since October.

We have no choice, and not just because of the humanitarian reasons, but I think, really, for America's national security reasons. Many in this Chamber remember a different Central America, where the United States was spending far in excess of $1 billion for issues other than humanitarian aid, and I would hope and I would pray that that does not happen again.

Without this aid package that we have approved, to do things like build infrastructure, to do things like deal with potential immigration problems to the United States of America, I am not sure what the future holds for Central America.

And if the chairman of the committee would enter into a colloquy with me, I would appreciate knowing if my understanding is correct that the Senate's desire is to merge the two bills, the two emergency supplementals.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. DEUTSCH. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, let me explain where we are here. The House expedited the consideration of that first supplemental, and I will concede there has been some undue delay in going to conference on that bill. I want the Members to know it is not the fault of the leadership of the House, and it is not the fault of the Committee on Appropriations, but I will not go any further than that.

The answer is, yes, we do expect that the leadership will sign off on a plan that would allow this bill that we will vote on today and the original supplemental to be considered in conference at the same time.

Mr. DEUTSCH. Mr. Chairman, I know the gentleman from Florida was very supportive, obviously, of the early supplemental, but is it fair to say the gentleman's current position is to be supportive and to include the Central American aid package, House bill 1141, as part of the final product that will come with this?

Mr. YOUNG of Florida. If the gentleman will continue to yield, that is correct, yes.

Mr. DEUTSCH. Mr. Chairman, I ask unanimous consent that the amendment be withdrawn; and I thank the gentleman for that assurance.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have now had a number of amendments brought to the House floor which the authors understand are not in accordance with the House rules and which the committee understands are not in accordance with the House rules. I had been under the impression that we were going to recognize that a lot of Members have

other time obligations and we would not be debating issues which we do not have the right under the rules to debate.

So what I would simply ask of the gentleman from Florida is this: I wonder if we could have an understanding that if there are any further amendments that are offered that are clearly subject to points of order that we will immediately make those points of order unless the sponsor of the amendment agrees to limit the time they want to discuss them to 1 minute. Otherwise, we are going to inconvenience many Members.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for raising the issue, and we do have a time problem. I had set the goal of being completed by 4:30 today. Obviously, we did not make that.

I wanted to assure all the Members that they would have an opportunity to have full and open debate, as we had promised an open rule, which we did. But I think the gentleman makes a very good point, and I would hope that those where a point of order does lie would be willing to limit the time they would use in describing that amendment to the 2 minutes the gentleman has suggested. Otherwise, we could go straight to the point of order and eliminate any conversation.

Mr. OBEY. Mr. Chairman, reclaiming my time, I would like to have an understanding that unless the sponsor of an amendment which we know is out of order agrees to a 1-minute discussion of it, we will immediately move to make the point of order.

Mr. YOUNG of Florida. If the gentleman will continue to yield, I am happy to join him in that announcement and also to say we have about 10 more amendments that we need to consider here this evening, about half of which a point of order will lie against.

So I agree with the gentleman, and I think it is proper we put the Members on notice.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GENERAL PROVISION

SEC. 601. No part of any appropriation contained in the Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 602. It is the sense of the Congress that there should continue to be parity between the adjustments in the compensation of members of the uniformed services and the adjustments in the compensation of civilian employees of the United States.

AMENDMENT OFFERED BY MR. ISTOOK

Mr. ISTOOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ISTOOK:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 503. None of the funds appropriated by this Act shall be available for the implementation of any plan to invade the Federal Republic of Yugoslavia with ground forces of the United States, except in time of war.

Mr. OBEY. Mr. Chairman, I reserve a point of order on the amendment.

Mr. ISTOOK. Mr. Chairman, I might mention that this amendment is identical to one that has previously, under the precedence of the House, been held in order, and that was an amendment that was filed in 1967 during the time of the Vietnam War. The language is identical in this case, only changing the words North Vietnam to Federal Republic of Yugoslavia.

Mr. Chairman, I first want to compliment our chairman on this bill that meets some very vital and important needs of the United States Armed Forces. I support this bill. I intend to support the bill whether this amendment is approved by the House or not.

Our military has been depleted; it has been overused. This bill is intended to replenish our military. This bill is intended to restore strength and vitality that has been taken from our military. This bill, as I believe most proponents say, is not, however, intended to expand the war that currently is being waged in Yugoslavia, which has not been declared as a war by the Congress of the United States. This bill is to replenish our military but not to expand past the air campaign that currently is under way.

We cannot take up a more serious issue in this House than committing the men and women of our Armed Forces into combat and the potential of having them sent in a hostile environment into Yugoslavia. The President of the United States has said he does not intend to do so, but, nevertheless, he is having plans drafted for the contingency of doing that.

Mr. Chairman, that cannot occur; that must not occur under our system of government, under our Constitution, unless the Congress of the United States so specifies. That is what this amendment says, that no ground forces of the United States can invade Yugoslavia absent a declaration by this Congress to do so.

I should mention, Mr. Chairman, the significance of this issue. The great import of this issue is such that in 1991, when the Persian Gulf War, Desert Shield and then Desert Storm, was being put together, the President of the United States, George Bush, thought it crucial to make sure that he sought not only consultation but approval of the Congress at that time.

Then Senator William Cohen of Maine, now the Secretary of Defense, at the time that the Persian Gulf campaign was being contemplated took to the floor of the United States Senate, the other body, and made it clear that our Constitution would not permit that campaign to go forward unless Congress approved.

In fact, in the CONGRESSIONAL RECORD of January 12, 1991, Mr. Cohen stated, and I quote him, ''The President has said that he has the authority to go forward without congressional consent. I disagree with that particular position. He has also said that even in the face of opposition from Congress, he will go forward. I think that not only is a constitutional error but a tactical one as well.''

What does the administration say and do? They said, well, we will talk to Congress, but we will not agree that we will not send our troops into the ground in Yugoslavia in a hostile environment unless Congress approved it.

This amendment seeks to honor what the House voted last week by 249 to 180, that, absent congressional action, no ground forces were to be sent in. Without this amendment, Mr. Chairman, the press and the public will claim that we have voted this money, this $12 billion, to widen this poorly conceived military effort.

I do not think that is the intent. I do not think that is the intent of the chairman in bringing this bill forward. I do not think that is our intention, to enlarge this war. But we want to make sure it does not deplete the resources of our military.

Does this amendment pull us out of what is going on now? No. Does it endorse the air war? No. Does it stop the air campaign? No. Does it prevent peacekeepers from going in should peace break out? No, it does not. Does it prevent rescue of our forces? Of course not. But it does make it clear that we are not going to send any ground troops in in an invasion unless it becomes a time of war, which under our Constitution can only be declared by the Congress of the United States.

It does not undercut our strategy. The President has said ground troops are not our strategy. It does not undercut our Armed Forces. It clearly is following the Constitution on who makes decisions of this tremendous import.

Mr. Chairman, I offer this amendment; and I urge its adoption.

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment.

Mr. OBEY. Mr. Chairman, I continue to reserve my point of order, and under my reservation I ask the gentleman a question.

The CHAIRMAN. The gentleman will suspend. The gentleman from Wisconsin (Mr. OBEY) does not have time under his reservation of a point of order. The gentleman may make his point of order or withdraw his point of order or continue to reserve his point of order at this point.

Mr. OBEY. I am continuing to reserve my point of order, Mr. Chairman.

The CHAIRMAN. Does the gentleman move to strike the last word while continuing to reserve his point of order?

Mr. OBEY. Well, I continue to reserve my point of order; and I would

ask if the gentleman from Florida (Mr. YOUNG) would yield.

The CHAIRMAN. The gentleman from Wisconsin continues to reserve his point of order.

For what purpose does the gentleman from Florida rise?

Mr. YOUNG of Florida. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would ask the gentleman from Oklahoma if he could explain to us what the words in his amendment ''in time of war'' mean? Is that a declaration of war or is it something else?

Mr. ISTOOK. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Oklahoma.

Mr. ISTOOK. Mr. Chairman, in answer to the gentleman from Wisconsin, this means, of course, the same as has been established in the precedence of the House with this particular language. I mean it, of course, to mean a declaration of war or any act by the Congress that would be any equivalent approval of a declaration of war.

Congress, of course, has not given any authorization for such a commitment of our forces.

Mr. OBEY. Mr. Chairman, if the gentleman will continue to yield, that means it would not apply to Kosovo?

Mr. ISTOOK. When the gentleman says it does not apply to Kosovo, Kosovo is part of the Federal Republic of Yugoslavia, so certainly it applies to Kosovo.

Mr. OBEY. But the gentleman is saying there must be a declaration of war for a time of war to exist, or is he saying there are other conditions which might pertain?

Mr. ISTOOK. There is no condition under our constitution which constitutes an official war absent an official action by the Congress of the United States. That is Article I, Section 8, of our Constitution.

Mr. OBEY. Well, Mr. Chairman, I thank the gentleman for yielding under his time.

Mr. YOUNG of Florida. Mr. Chairman, reclaiming my time, I continue my opposition to the amendment.

The House has already voted on this issue. Every Member has had a chance to be recorded, and I think all of us agree that we would hope American ground troops would not be deployed anywhere unless the very direct security interests of the United States is threatened.

□ 1700

But here is why I oppose this amendment today. This is real. This is an appropriations bill. It is real. I just do not think Congress should micromanage any kind of military activity, number one.

Number two, it is a mistake to tell an enemy what we will do and what we will not do in a military situation. If we tell Milosevic that we are not going to send any ground troops to the area, Milosevic then only has to focus on the air war. He can put all of his attention on the air war. If we do not give him any direct answer one way or the other on ground troops or anything else, then he has got to plan for all kinds of contingencies, he has got to make his preparations very diverse, and it is not easy for him to do that. It is easy for him to focus just on the air war.

So I think we would make a big mistake by adopting this amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, the one thing the administration has asked us to do is expedite this supplemental, to get it done so they can get the money so we can do the rearmament on things like JDAMs that are critically important.

This will ensure a veto of this bill and that, therefore, we are going to slow this process down. It is going to mean it is going to have to come back to this body. I would hope that the House would agree with our chairman and defeat this amendment.

Mr. YOUNG of Florida. Mr. Chairman, the gentleman makes a very good point. I think it is ill-timed at this point, and I would hope that the House would reject the amendment.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from California.

Mr. LEWIS of California. I appreciate the chairman being flexible here in terms of yielding.

I think he made a very important point at the beginning that needs to be repeated. That is, we already had a vote on this amendment. There is an authorizing committee that is alive and going forward, but it does not interfere with the appropriations process. This bill needs to move forward quickly. We do not need to be threatened with a veto. It is unnecessary at this time.

Mr. OBEY. Mr. Chairman, I withdraw my point of order, and I rise in opposition to the amendment.

Mr. Chairman, as Franklin Roosevelt said once, I hate war. And I am sure everybody in this room does. But I have to tell my colleagues that I think this amendment, while it may be well-intentioned, I think would have very pernicious results.

Back in 1982 when my son was a student in Germany, I went to the University of Friedberg and I gave a speech to the student body right after Germany had recognized Croatia. What I said was essentially this: I said,

> Look, your country has just recognized Croatia, against the wishes of the United States Government. I said, the United States in 1948 recognized Israel; and when we did that, we incurred a permanent obligation to defend their security.

And what I said to them was that,

> You may not like it, but the fact is that when you recognize Croatia the way you did, you triggered certain events; and Mr. Milosevic is not going to stand by and watch Yugoslavia slowly fall apart. He will be taking serious military action. And in fact, in the end, we will have to be involved militarily and so will you.

Now, when I said that to that German audience, they booed. They did not like what I said. But the fact is that I believe I was correct, and I think events have borne that out.

I am convinced that if we had bombed Milosevic immediately after he began his first ethnic cleansing campaigns, that within a week he would have been out of power because there was a strong political opposition to Mr. Milosevic at that time. But the West temporized for 10 years; and so literally we have had the number of people die because of Mr. Milosevic's actions which are equivalent to more than half of the population of my congressional district.

Now, they were not Americans, so maybe we are not all that concerned, but I think we should be. I think we need to have meant it when we said about Europe after Hitler in World War II ''Never Again!'' And I think when the President walked into this problem and we saw what was happening in Yugoslavia, that we had an obligation to try to stop it.

Now, if this Congress had an objection to that action, then it should have stated so when we were at the beginning of the war. The Senate did take action in supporting what the administration was doing. This House did not act.

Now that we are in this situation, I think we have an obligation not to make it worse. I think we make it worse for the refugees. I think we make it worse for our troops whose lives are now on the line, including those Apache helicopter pilots. I think we owe it to them to support policies that can get us out of this war as quickly as possible.

I do not know whether we should use ground forces or not militarily. That is a military judgment which ought to be made by our military commanders with the agreement of the Commander in Chief. That is the way the Constitution is set up. The Congress has the power to say whether we should or should not be in a war. But if we are in it, we do not have the power to micromanage it, in my view. And we certainly do not have the talent to or the information to.

And so it seems to me that the best way that we can try to assure that the air war succeeds, and I have grave doubts about that, I come much closer to JOHN MCCAIN on that than I do anybody else in this Congress, but the best chance we have to make that air war to succeed is to let Mr. Milosevic think that he may be facing a ground attack if it does not.

If we want the Russians to play with this issue for real rather than just around the edges for domestic consumption, we also need to let them know that if their efforts at negotiation do not succeed, they may very well see a ground situation. That is, in my view, the best way to try to assure that the air war will achieve its desired ends.

I respect the opinion of every single person in this institution, but I would urge them not to take this action and support this amendment because I think it will be immensely counterproductive and could in fact lead to the loss of more lives.

Mr. PAUL. Mr. Chairman, I move to strike the requisite number of words.

Mr. PAUL. Mr. Chairman, I rise in support of the Istook amendment. I think that this would send a strong message that we do not endorse this war. It was said that this is the same vote that we had last week, but last week's vote is sitting on the table and it is going to sit there.

This one may well go someplace and have an effect. So this is a much more important vote that we had last week. It is very important that we vote the same way as we did last week.

I think it is interesting, I think we have an interesting constitutional question here, because I agree with the chairman of the committee and the gentleman from Wisconsin (Mr. OBEY) that it is not the prerogative of the Congress to micromanage a war. That is correct. It is the job of the Congress to declare the war. But here we have a Congress involved in diplomacy and micromanaging a war that has not been declared. That is the issue. The issue is not the micromanaging.

I can support this amendment because the war has not been declared. The issue is how do we permit the President to wage a war without us declaring the war. Once we declare the war, it is true, we should not be talking about whether or not we use airplanes or foot soldiers or whatever. We do not micromanage. We do not get involved in diplomacy maneuvers.

But today we have things turned upside down. We have the President declaring where and we say nothing and the Congress micromanaging the war that should not exist. We need to consider that. And we can straighten this mess out by rejecting these funds.

It is suggested that this amendment would go a long way to doing it. I am not all that optimistic. For us to say to the President ''thou shalt not use these funds for the ground war,'' well, he has not had the authority to wage his air war. Why would he listen to us now?

Can we trust him and say that he is going to listen to what we tell him? Of course not. He is already fighting his air war and he will continue to. And he has set the standard, and not he alone, all our Presidents from World War II have set the standard that they will do what they darn well please.

This is why I have been encouraged in the last couple weeks that this debate has been going on, because it is an important debate. I have finally seen this Congress at least addressing the subject on whether or not they should take back the prerogatives of war and not allow it to remain in the hands of the President.

This is very, very good. I have come to the House floor on numerous occasions since February, taking this position that we should not be involved. As a matter of fact, we had a couple dozen, maybe three dozen Members in this Congress who signed on a bill in February, a month or so before we even saw the bombs dropping in Yugoslavia, that would have prevented this whole mess if we would have stood up and assumed our responsibilities.

It is said that we must move in now to help the refugees. Have we looked at the statistics? How many refugees did we have before the bombing started? Others say, well, we must move in because Milosevic is so strong. Prior to the bombing, Milosevic was weak.

Talk about unintended consequences. They are so numerous. What about the unintended consequence of supporting the KLA who are supported by Osama Bin Laden? How absurd can it get? Osama Bin Laden was our good friend because he was a freedom fighter in Afghanistan and we gave him our weapons and supported him. But then we found out he was not quite so friendly, so we captured a few of his men and he retaliated by bombing our embassies. Of course, we retaliated by bombing innocent chemical plants as well as people in Afghanistan that had nothing to do with it.

So where are we now? We are back to supporting and working hard and just deliberating over whether we should give weapons to the KLA. I mean, the whole thing is absurd.

There is only one thing that we should do, and that is stop this funding and stop the war. My colleagues say, oh, no, we are already too far in that we cannot. It is not supporting the troops. Well, who wants to get down here and challenge me and say that I do not support our troops? I support our troops. I served in the military for 5 years. That is not a worthwhile challenge. We all support our troops.

They say, well, no, they are in a quagmire and we have to help them and this is the only way we can do it. So the President comes and asks us for $6 billion and then, in Congress's infinite wisdom, we give him $13 billion. And yet, we do not declare war.

This appropriation should be defeated.

Mr. MURTHA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, last week I called our friend Tom Foglietta, who is the Ambassador to Italy, and I said, ''Mr. Ambassador, tell me what the reaction in Italy is to the debate going on in the United States Congress.'' And the Ambassador called me back 2 days ago and he said,

> The Italian papers in their editorial section said we do not have to worry about the communists. We do not have to worry about the Greens. We have to worry about the United States Congress destroying the NATO allies, the alliance.

Now, that was in reaction to the fiasco we had last week. We have two ways that we can limit the President. One is, by a two-thirds vote we can override his veto. The other way is to limit the funds that the President has to use for readiness.

For 5 years we have limited the funds of the President for readiness because for 2 years this Congress, this House, insisted we offset the money that the President asked for in his emergency money for Bosnia because there were a number of people that asked for those funds or a number of people who opposed that position of us being in Bosnia.

□ 1715

We were not successful in getting out of Bosnia, but we did limit the readiness money. Our troops are now at a precipice of readiness.

I went aboard the *Abraham Lincoln*. The *Abraham Lincoln* has 5,000 troops normally. It was 800 people short. If Members think they are hurting anybody but the troops, they are wrong. They are hurting our American servicepeople when they limit the money. If we do not have a two-thirds vote on the floor of the Congress of the United States, in both Houses, we cannot override a veto, and we know the other body has already voted to go along with what is happening.

So what we are doing is sending a message to Milosevic, and we are saying to him, ''We're divided.'' We are playing into his hand. We are making him think we are divided as a country, and we will never solve the problem. As the refugees stream out of Kosovo, as they stream into the refugee center with mud and no facilities, we are helping them with that.

Unless we see a two-thirds vote, the only recourse we have is to limit the funds that are available to the President. We have done that, and we have reduced readiness substantially. Everybody here knows that. Everybody

knows that the carriers are short, the destroyers are short, the Army is short 12,000 people, the Navy is short 7,000 people. The infantry fighting vehicles do not have any infantry in them. They only have the driver and the commander.

I would ask my colleagues to think very hard. This amendment will cause a veto of the bill. It will slow down money we need to have by Memorial Day for the troops that are overseas. If Members support the troops, I ask them to vote against this amendment and then vote for passage of the bill, of the $12.8 billion for the troops that are serving in harm's way in the Balkans.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the requisite number of words.

Let me just say to my esteemed colleague, when the President sent our troops into Bosnia, he said they would be out in 6 months. It has now been over 3 years, and we have spent billions of dollars. That is why many of us were very concerned and are still concerned.

Now, we all want to support our troops. We all want to put additional funding into the hollowed-out military that has been hollowed out to such a degree that we cannot deal with the crises around the world. But let me just give my colleagues a fact. The fact is, from 1950 to 1990, military operations, we had 10 of them. In 40 years, we had 10 of them. In the last 7 years, we have had 25 deployments without the Congress being involved, unilateral actions taking place by the administration, by the President.

Now, let us take a look at what happened when George Bush was President. The Democrat Congress, in 1991, insisted that we have a vote on whether or not we go to war in the Persian Gulf. There was proper planning. We had 550,000 troops. General Schwarzkopf was in charge. We planned it fully before we did anything. But still the Congress insisted that George Bush come before this body before we started any military operations. I remember Lee Hamilton standing right there debating against that operation. But it passed both the House and the Senate.

Mr. MURTHA. How did I vote?

Mr. BURTON of Indiana. I do not know how the gentleman voted.

Mr. MURTHA. I led the fight.

Mr. BURTON of Indiana. That is great. I am glad he did.

But the point is we have got a similar situation today, and they do not want a vote of the Congress of the United States. Why? Why is it that it was important back then and it is not important now? We are going to be taking young Americans' lives and putting them at risk in Kosovo in a ground war, in a mountainous area that is not like what we faced in the Persian Gulf.

The fact of the matter is that the Congress of the United States and the American people need to be on board if we are going to send our troops into harm's way in a ground war. They have said that they would need as many as 300,000 troops if we had to go in there. Do Members want to commit them without the people's voice being heard through their elected representatives? I think not. We need proper planning.

Let me just say one more thing to my colleague. When Mr. Tudjman in Croatia killed 10,000 people and ran 750,000 out of that country with an ethnic cleansing, what did this body do? What did we say? Not a darned thing. But now we are talking about possibly giving this man unilateral authority to send in ground troops in Kosovo. It is an insane policy.

The American people ought to be heard through the people they elect in this House and in the other body. It is no different, Mr. Chairman, than it was in 1991 when we went into the Persian Gulf. They insisted on a vote then, and I insist on a vote now.

Mr. ENGEL. Mr. Chairman, I move to strike the requisite number of words; and I yield to the gentleman from Pennsylvania.

Mr. MURTHA. Mr. Chairman, the gentleman is missing my point. We have two ways to stop it, reducing readiness by reducing money available or having a two-thirds vote, or allowing Milosevic to see we are divided. That is the point I am making.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I appreciate the gentleman yielding.

I would just like to make this case to the gentleman from Indiana. There is nothing in this bill that would authorize any money to be used to deploy ground troops into Kosovo, to invade Kosovo or anything else. There is nothing in this bill for that purpose.

Mr. ENGEL. Mr. Chairman, I was one of those Democrats in 1991 that voted to support President Bush. President Bush was right in the Persian Gulf War and President Clinton is right today. In fact, when President Bush did come before us, he had all his ducks lined up. That is true. But it was basically a fait accompli. The troops were there, and we voted to support the President. We should not pull the rug out from under the President now.

A lot of my colleagues say, ''We shouldn't fight this war with one hand behind our back. Vietnam was fought with one hand behind our back. We shouldn't let the politicians control the war. We should let the military people fight the war.''

Then let us let the military people fight the war. All options should be on the table. We do not announce to a tyrant like Milosevic what we will do and what we will not do ahead of time. The only thing he understands is force, and the only thing he understands is unity. This man is an absolute tyrant. And so we need to have all options on the table, in my estimation, including the use of troops on the ground.

I hope the bombing campaign will work. I have my doubts, but I hope it will work. But isolationism is not the way to go. Unfortunately, Mr. Chairman, there is a sense of isolationism in this Chamber in some quarters, and that is why this amendment should be absolutely defeated. The votes in my estimation last week were irresponsible not to support the bombing war, irresponsible to want to micromanage every aspect of the war. We should not be doing that. It is absolutely wrong.

Now, ethnic cleansing. This is not a civil war. People say it is a civil war. This is ethnic cleansing. This is genocide. This is a tyrant like Milosevic killing people because of their ethnicity, driving them out because of their ethnicity. This should not be allowed.

I hear my colleagues talk about the KLA and Bin Laden. There is no evidence, believe me, from the highest sources, there is no evidence that Bin Laden or any of those Islamic fundamentalists have infiltrated the KLA. That is a smear, just because the Albanians happen to be Muslims; and, frankly, I resent the smear because it is not what we should be doing. This is about ethnic cleansing. This is what we really ought to be concerned about.

I had an amendment which I am not offering which would give more money to the Economic Support Fund because I believe that the countries in the area like Albania, Macedonia, Bulgaria, Romania and Montenegro need our help and we are going to need to come there and help. Because this is, again, a crisis of paramount proportion.

In my estimation, we should be aiding the KLA. They are the only counter to the Serbs on the ground. When we bombed in Bosnia, we were successful, in my estimation, because the Croatian army was on the ground as a counter force to the Serbs. We ought to be helping. If we do not want NATO troops on the ground or U.S. troops on the ground, then we ought to be helping the people that are on the ground and that is the KLA. I think we should be dropping antitank weaponry to them. The gentleman from South Carolina (Mr. SANFORD) and I have a bill that would arm and train the KLA as MITCH MCCONNELL and JOE LIEBERMAN have in the Senate.

We cannot have our cake and eat it, too. Ultimately, the situation for Kosovo I believe is independence. I think that the Serbs have ceded any moral authority to ever govern the ethnic Albanians again. There is no future for the ethnic Albanians under Serbian rule.

Kosovo ought to be independent. There ought to be no partition of

Kosovo. We should not reward Milosevic for his campaign of ethnic cleansing.

Saying that somehow the bombing brought on ethnic cleansing, Mr. Chairman, this ethnic cleansing against the Albanians has been going on directed by Milosevic for years and years. I called it slow ethnic cleansing and quiet ethnic cleansing, and 3 years ago I took to the floor and I said what Milosevic is doing to the Bosnians, he will do to the Kosovars and make Bosnia seem like a tea party. He will drive a million over the border and try to kill another half million.

I was right about the million over the border. I hope I am wrong about the half million. But when we finally get into Kosovo and we see the mass graves, we are going to see tens of thousands if not hundreds of thousands of people being butchered by this butcher, Milosevic.

I commend President Clinton for having the courage to stand up and say no. It would have been politically easier for him to sit back and do nothing.

Mr. Chairman, this amendment ought not to be supported. All options ought to be on the table. I am going to vote for the finished product of this bill even though it is laden with pork, but we need to be firm, and we need to be united.

Mrs. FOWLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment. My reasons are different from some of those that have been expressed on the floor this afternoon, because, as many of my colleagues know, I was opposed to this air war that the President and his advisers started without coming to the Congress for consultation, and I have definitely been opposed to any expansion of it on the ground.

As a result of my concerns, I introduced H.R. 1569 the last week, on April 28, which passed by an overwhelming majority of the Members of the United States House of Representatives. 249 Members of this body voted in favor of that bill. That bill sent a very clear message to the President. It was not micromanaging, because the wording in that bill was very different from the wording in the amendment before Members today.

I want to make clear that the people who voted for my bill last week understand that there is a difference. Because in order to make this amendment germane, the gentleman from Oklahoma had to change the wording of his amendment. So Members need to look carefully at the wording of this amendment and the wording that they voted on a week ago, because there is a difference.

Last week, the bill that passed by this House, bipartisan vote, 45 Democrats voted for it, said that none of the funds appropriated, I am going to skip over, could be used for the deployment of ground elements of the United States Armed Forces in the Federal Republic of Yugoslavia unless such deployment is specifically authorized by law enacted after the enactment of this act. So it talked about deployment of forces and it could not be until after the enactment of a law.

This amendment before Members today refers to none of the funds being appropriated in this act shall be available for the implementation of any plan to invade the Federal Republic of Yugoslavia with ground forces of the United States except in the time of war.

There are major differences in the wording and the meaning of each of these. We need to understand that. Those of us who believe in Article I, Section 8, of the Constitution and believe that the President should come before this body, as I do, before ever starting a war, should have done that before starting the air war, much less commit them on the ground, this amendment today is not the way to express that. We expressed it last week when we passed H.R. 1569.

I am urging the Senate now to take it up. We need to each urge our Senators, because the Senate needs to act on that bill, because the President I think would have to sign that bill. Because that bill, as a result of that bill, the afternoon of the vote, the President sent a letter to the Speaker, I want to submit this letter for the RECORD, in which the President committed to the Speaker of the United States House of Representatives, he said, ''Indeed, I would ask for congressional support before introducing U.S. ground forces into Kosovo into a non-permissive environment.''

That was a result of that bill being on the floor and a result of that vote being taken.

I am hoping the President meant it. We are going to put this in the record, on the official record, that he did. Because I do not think the President would dare now, after a majority of the Congress vote, to send our forces on the ground without coming to this Congress.

But this is not the place. This bill today is about the readiness of our Armed Forces. We are at a critical time. We have got to get this emergency funding, because the President is going to continue to spend it. It is coming out of the hide of our troops right now.

When I have got 16 P–3s on the tarmac at my Jacksonville Naval Air Station that will not fly because they cannot get the parts, they cannot get the engines because the money is being taken and sent to the Balkans, we have got to get the money in now. We cannot let this bill get hung up.

I would hope the gentleman from Oklahoma would withdraw his amendment; but if he will not withdraw it, I want to urge my colleagues to vote against the amendment and then to vote for this bill. We need to send a message to our troops that we do support them, but we are certainly not going to let them be sent on the ground without the President coming back to us.

Mr. Chairman, I include the following letter for the RECORD:

THE WHITE HOUSE,
*Washington, DC, April 28, 1999.*

Hon. J. DENNIS HASTERT,
*Speaker of the House of Representatives,*
*Washington, DC.*

DEAR MR. SPEAKER: I appreciate the opportunity to continue to consult closely with the Congress regarding events in Kosovo.

The unprecedented unity of the NATO Members is reflected in our agreement at the recent summit to continue and intensify the air campaign. Milosevic must not doubt the resolve of the NATO alliance to prevail. I am confident we will do so through use of air power.

However, were I to change my policy with regard to the introduction of ground forces, I can assure you that I would fully consult with the Congress. Indeed, without regard to our differing constitutional views on the use of force, I would ask for Congressional support before introducing U.S. ground forces into Kosovo into a non-permissive environment. Milosevic can have no doubt about the resolve of the United States to address the security threat to the Balkans and the humanitarian crisis in Kosovo. The refugees must be allowed to go home to a safe and secure environment.

Sincerely,

BILL CLINTON.

Mr. KASICH. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the Istook amendment. As one of the people that helped construct the amendment last week, I believe sincerely that this amendment is absolutely consistent with what we did last week. I think if Members voted last week to send a message to the administration that they did not want to escalate this war, I believe they should come to the floor and support the Istook amendment.

□ 1730

I have heard some discussion out here about the role of the Commander in Chief, the President of the United States. Well, let us make it very clear. Our Founders did not believe that one individual and an click that surrounds the President of the United States ought to be the one to carry out warmaking in America. In fact, our Founders believed that it was essential for the House and the Senate to have their say. Why? Because the Founders really believed that it was absolutely essential that the people have their say, and the people can have their say best by expressing their opinions through their representatives in the Congress of the United States.

In fact, in a poll just this week in one of the national newspapers the indication was the people were far more comfortable having the Congress of the

United States direct this war and where we head than they were with the President. Why? Because frankly I believe they are very dissatisfied with where we are.

Why is it that we would come to the floor and support an amendment that says that we should put no one on the ground? Well, for fundamentally three reasons. One is, and these are not confusing, they are simple, and we ought to follow them all the way through: Does America have a direct national interest in Kosovo? Well, the answer is no, we do not have a direct national interest in Kosovo.

But as my colleagues know, is it possible that America ought to intervene in conflicts where we do not have a direct national interest, and the answer to that is certainly yes. However, we should not intervene in conflicts where we have no direct national interest if we do not have an achievable goal that is accompanied by an exit strategy.

Now, for those that have studied this region, the region in Kosovo, there has been ethnic and civil war and religious civil war going on in Kosovo bordering on six solid centuries. There was a time, in fact, when the Turks had invaded Kosovo and were brutalizing the Serbs, and their administrators were the Albanians. The fact is in that part of the world there has been ethnic and religious fighting for centuries, and the idea that the United States and its friends can fly into this region, and drop bombs and think that that is how we are going to solve this, it borders on arrogance and represents a misunderstanding of this region. In addition to that, the notion that now that we are dropping bombs, that the solution lies in escalating a bad policy, is really wrongheaded.

So what I would suggest to all of my colleagues in light of the fact that there is no national interest, in light of the fact that dropping bombs is not going to solve the problems that have been raging here for six centuries, and in light of the fact that escalating the war does not make any sense because starting this war did not make any sense to begin with; frankly, we should have used the economic incentives that we had to strangle Milosevic. He is not a popular man at home. He should have been isolated and toppled, and the United States should have been involved in that.

Well, what do we do today? Well, we have started this policy of bombing. Last week I voted against pulling troops out precipitously because I believe we must keep the pressure on Milosevic. But I urged several weeks ago that we enter into mediation, that we call on the G–8, the President, to convene a special G–8 conference to get our allies together, particularly involving the Russians. As my colleagues know, we have alienated the Russians. We worked hard to bring them into our orbit, and we have now alienated them, we have gone backwards.

I believe what we need to do now is keep the pressure on and keep our eyes on the goals. What are the goals? Return the refugees, withdraw the military forces of Milosevic, have an international force that can provide protection to the refugees that return and build liberal democratic institutions in the region. The fact is we ought to be looking for opportunities to mediate a solution, and stabilize the region, and rebuild our alliances, not looking for opportunities to escalate this war, and I am happy to say today that there appears to be some progress through the G–8.

There appears to be some movement to involve the Russians and I hope ultimately the Greeks in being able to stabilize this region and accept our goals, accomplish our goals, but preconditions and dictating our way through this will not reach our goals. We will not have a successful conclusion like we can in my judgment if we search for peace, search for mediation, keep the pressure on. At the end of the day I think we will be successful.

Let us support Istook. It does not allow us to escalate this any more.

Mr. ROHRABACHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Istook amendment. Last week Congress, all of us, took some stands publicly. Basically Congress was posturing last week. We postured for the public. We let the public know apparently what we believe.

This is where we make it real. This is the real vote. This is when we determine what we were sent here to determine, what the future of the United States of America will be, not just posturing, not just saying what we would like it to be. We are here to determine what the actual policy of our country is.

This legislation, the base legislation that we are describing, is designed to do what? We are here trying to upgrade the readiness of America's military forces, of our Armed Forces. That is the purpose of this amendment or this legislation. Frankly, if this amendment does not pass, we are striking yet another blow to undermine the readiness of the American military. Throughout the world we will make our country vulnerable. In all these other regions we are depleting those forces in order to fight a battle in the Balkans that has nothing to do with our national security. It is up to us to determine right now whether or not we agree with that policy, that money should be spent in the Balkans when there are threats elsewhere in the world to our national security.

The President's threat to veto our efforts if we do not continue to pour money down this rat hole in the Balkans, is an insult to this Congress. For 6 years this President has starved our military, and he has abused those people in our Armed Forces by sending them on all kinds of military missions that were not important to our national security, and in doing so he has brought us to a state of unreadiness. Now if we continue this operation, we will be in jeopardy in Asia, in jeopardy in the Persian Gulf; tens of thousands of American troops in jeopardy because of the President's strategy for these 6 years, and now we are not up to facing this challenge.

Mr. Chairman, that is our challenge right now, that is what we are determining. Are we going to upgrade the readiness of our troops, or are we going to give the President a blank check, a blank check to spend what he wants to spend, further deteriorating our readiness in this Balkan campaign that has nothing do with our national security.

The gentleman from New York (Mr. ENGEL), I have respected him for many years, and we worked together on many human rights issues. Mr. ENGEL offered an alternative that was a good alternative. We need not send American troops all over the world, we need not be the policemen of the world, we need not carry the burden of the Europeans and everyone else in the world. We can arm people like the Kosovars, let them defend themselves.

That is what we did in Afghanistan. How would we have voted had President Reagan sent troops into Afghanistan and then said, ''Well, we're already in. We have got to spend even more billions of dollars.'' That would have been an insane policy, and do my colleagues know why? It would have made us vulnerable throughout the world and the Cold War would still be on.

Today we have another option, and it is the same option that we should have taken in the beginning. Let us work with those people who want to defend themselves, but let us not be the policemen of the world. Let us not send a signal to the Europeans that after we have defended them for 40 years, and bore the burden of the Cold War. Now we will signal them through this vote, through this vote, that America, that Members of Congress, are going to continue to spend our hard-earned tax dollars, put our people in harm's way for their security. Europe is rich enough, Europe is strong enough to defend themselves.

Please do not buy this argument that it is all or nothing, that we have to send our troops in, we have to conduct this air war, we have to spend our tens of billions of dollars or do nothing. That is a false dichotomy. It is false, and it is even worse because not only do we then get ourselves involved in a conflict that we do not need to be involved in, but we deplete those scarce resources that we are trying to replenish today.

What is this legislation all about? Why are we here? We are here because we care about the well-being of our military personnel. The Istook amendment is going to make sure that that is what we care about, that is our number one priority, the national security of our country and the well-being and security of our own military personnel. Because if we do not pass the Istook-Burton amendment, or if we do not pass the Rohrabacher-Kucinich amendment which comes on after this, what we are saying is those forces will continue to be depleted because we are giving the President a blank check. I, for one, will not vote for a blank check for this President.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I know Members are anxious for the debate to quit, but in the 8 years I have been here I do not think there is very many things as important as what we are discussing here today regardless of what side colleagues come down on the issue, and I think there is a strange dichotomy for people that basically do not support the military, understand it or even, in some cases, loathe the military. They find themselves in a strange dichotomy. They try to use the vehicle of the military, which they have not supported, for a humanitarian issue, and I understand that. But I think in many cases those decisions have been faulty and inept.

I agree that it is an absolute mistake to tell an enemy that we are not going to use ground troops if we are trying to change his heart and mind, that we are only going to conduct an air war. I mean it is absolutely ludicrous. I spent 20 years planning the invasions of Southeast Asia in European countries. One would never do that. I am against putting in ground troops for other reasons, but to tell one's enemy that they are not going to do that is foolhardy. It limits actions and allows him to prepare for other things and put that aside.

And I have heard that we ought to leave it up to the military. The military, the Pentagon, recommended that we not conduct air strikes in the first place. They said unless we are willing to commit ground troops that we will not stop any of the problems on the ground, that we will actually exacerbate the problems, we will not achieve our goals and we will cause the forced evacuation which people call ethnic cleansing of millions of Albanians.

I would like to tell my friends, first of all, if I was an Albanian and I lived in Kosovo, I would be a member of the KLA. But I also want my colleagues to know if I was of Yugoslavian decent I would be part of that force, and that is the whole problem is understanding both sides of the issue. People to their guts, to the blood of their families, feel that they are right, and unless we understand that, we are never going to arrive at a peaceful settlement in this issue. And to go against the military when they said that we are going to cause ethnic cleansing? And that is exactly what happens. I do not care what kind of spin we try to do it to try and justify a position, the bombings accelerated any ethnic cleansing that was in Kosovo.

There are millions of people. Look at the interviews. Ninety-nine percent of them when they are interviewed say, ''What happened to you?''

I was told to leave my home.

I had 10 minutes or I had 5 minutes. Or I was told now.

They were not refugees, they were in their homes. The bombing accelerated it, and there are millions of people today suffering.

Look into the eyes of those children. They do not know what is going on. They are not KLA, they are not mujaheddin or Hamas. All they know is that they are being brutalized.

But we are responsible in part for forcing many of those refugees to be refugees; I mean it goes beyond logic to disagree with that because it is a fact.

The gentleman said that Osama bin Laden from the highest source. There are mujaheddin and there are Hamas working with the KLA. Now that same source said, ''Is it a major force?'' We asked, ''Is it a major force?'' He said no, but there are mujaheddin and Hamas working with KLA, and the drug traffic that goes through there, they said it is logical that the drug traffickers are using that to supply arms and weapons because they are sympathetic like they have been in Bosnia and other parts.

□ 1745

The whole point is, unless we draw a termination of this, and I disagree with Jessie Jackson most of the time but I want to publicly thank Jessie Jackson. I think he has had more vision, more insight, not for just bringing the POWs back but for looking for directions for peace instead of everything I hear directions for war.

It is easy to kill. It is very difficult to work to live. That is what I would ask my colleagues, instead of saying, let us bomb, let us put in troops, damning the Serbs or damning the Albanians or whatever it is, there are peaceful solutions to this.

Let the Russians be a part of the solution and the Greeks and the Scandinavians by putting them in instead of the United States and Italian and German troops that neither side trusts, and having withdrawal.

Mr. HOYER. Mr. Chairman, I move to strike the requisite number of words.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. HOYER. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, I would like to get an idea of how many more speakers there are on this subject.

Mr. HOYER. Can I reclaim my time and perhaps the gentleman, on unanimous consent, can do that, spend the time finding that out? I am interested in the question myself. I will not object.

Mr. YOUNG of Florida. Would the gentleman ask the question then, because we have to get an idea of how much longer this is going to take. We had planned to have this conferenced by Tuesday. We may not have this bill finished by Tuesday.

Mr. HOYER. Mr. Chairman, reclaiming my time, my problem is I want to have 5 minutes. If the gentleman from Florida (Mr. YOUNG) can do that on unanimous consent, I will not object.

Mr. Chairman, I want to read a couple of portions of speeches that have been given recently about this issue, and I would hope my colleagues on the Republican side would listen.

I came into the Chamber to make my remarks as the gentleman from Ohio (Mr. KASICH) was speaking. Shortly thereafter, the gentleman from California (Mr. ROHRABACHER) spoke. Both of those gentlemen in 1991 voted on the DURBIN amendment that the President did not have to come to Congress for approval of taking military action. Both the gentleman from Ohio (Mr. KASICH) and, I might add, the gentleman from California (Mr. CAMPBELL) in 1991 took a different position with respect to the President's authority.

Mr. ROHRABACHER. Mr. Chairman, I think the gentleman is wrong about my vote.

Mr. HOYER. Here is the roll call.

Mr. Chairman, this is not, as JOHN MCCAIN said, about Bill Clinton's credibility. This is not about the credibility of this Congress. It is about America's credibility. It is about NATO's credibility.

My colleagues heard me say on this House floor, after that 213 to 213 vote, that it was the lowest point in my congressional career. This Congress, in my opinion, did not stand for the principles for which this country stands at that hour. It did not stand for the kind of bipartisanship that we ought to have when we confront despots abroad.

Let me read from a speech by Margaret Thatcher just given a few days ago. She said this, I understand the unease that many feel about the way in which the operation began but those who agonize over whether what is happening in Kosovo today is really of sufficient importance to justify our military intervention gravely underestimate the consequences of doing nothing.

There is always a method in Milosevic's madness. He is a master at using human tides of refugees to destabilize his neighbors and weaken his opponents.

She went on to say, there are, in the end, no humanitarian wars. War is a serious and deadly business. The goal of this war, she said, is victory.

Let me read another two sentences. Mr. President, in a letter to the President, nothing could be worse than surrendering our principles, values and credibilities because we lack the will to do what it takes to win.

That letter went on to conclude, history, history, my friends, he said, will record that at the end of the 20th century the United States and its NATO allies had the means to defeat a brutal, belligerent but second rate dictator in Europe. The only question, he said, not yet answered is whether history will record that there was the will to do so.

That was a letter written by Bob Dole to the President of the United States just a few days ago.

The rhetoric of confronting a dictatorship, the rhetoric of standing up for human rights, the rhetoric committed to political self-determination is useless, without effect, hypocrisy, if we are not prepared in the final analysis to stand and fight for those beliefs.

This is, as JOHN MCCAIN has said, not about the credibility of Bill Clinton, not about the trust for this President. This is about the credibility of America.

I urge the defeat of this amendment and the support of this bill.

Mr. YOUNG of Florida. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes and that the time be equally divided.

Mr. MANZULLO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. SOUDER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Istook amendment. Let me say, I was reserving the right to object, but I am not the Member who objected. I have tried to cooperate throughout this day in not calling for votes. Even though I was denied an earlier right to vote, though, I could have called for a quorum or an adjournment to get Members over. I have tried to cooperate, but I believe Members have a right to be heard on a question of whether we are going to war, whether we are going to escalate that war and whether we are going to have ground troops in that war.

What we have established so far in the process of the debate in the Committee on Rules yesterday and today's debate is waivers were not granted. When we tried to offer amendments about whether to reach back to previous appropriations bills in order to try to restrict the expansion and escalation of this war, amendments that were proposed to transfer funds that I had to move the war funds, the $3.3 billion to refugee assistance, were ruled out of order.

A point of order was made on an amendment that I originally thought was in order to try to move the war money. A point of order was made, and I withdrew the amendment. I tried to move the $3.3 billion war money over to readiness, because many of us who strongly favor the efforts of both the full committee chairman and the Subcommittee on Defense chairman to increase readiness would like to see more dollars in readiness. We do not favor dollars to war.

The leadership opposed an attempt to try to specify that the President would have to come and designate the funds as an emergency. That was an earlier amendment that I withdrew to try to say that there had to be a specific designation, and that was opposed.

There was an attempt to block a vote on reprogramming, when, in fact, there are billions of dollars pending to come in to reprogramming, at least $700 million pending and an additional $1.2 billion coming for reprogramming funds beyond the nature of this.

So when it came down to real money questions, as opposed to a resolution last week on the ground war and a resolution on the air war, when it came down to real money questions, the fact is that there is $3.3 billion in this bill, that there is reprogramming money in this bill, that there is a $400 million rapid response team that many of us strongly favor, but without a Balkans limitation becomes another $400 million to expand and escalate this war.

There is no protection, substantive protection, on the $6.9 billion even for pay to keep it from being moved because of the way there is the fungibility of funds. That is why it is so essential that at least we make a statement.

My friend, the gentleman from Florida (Mr. YOUNG), pointed out earlier that the language was changed. That is not because the gentleman from Oklahoma (Mr. ISTOOK) wanted to change it. It is because in the Committee on Rules the leadership opposed a waiver for him and the gentleman from Indiana (Mr. Burton) where they could have had the same language on ground war.

So now it is slightly different, but it is the best we can do in this bill.

For those of us who do not want any more blood on our hands, who do not want any more Apache helicopter pilots going down, who realize that, yes, as my friend, the gentleman from Maryland, one of the greatest crusaders for human rights in the world, said earlier, it has been a terrible tragedy. It is not clear why this is not like Vietnam, why we are not hearing the Lyndon Johnsons and the General Westmorelands now telling us just a couple more weeks, just a few thousand more soldiers, it will all change. When we know apparently only the American people are deceived about whether or not we are going to have loss of lives and a ground war, how much the loss of lives will be.

Milosevic knows all of this. He knows the history of Serbia. These underground things that he has in his army were set up by Tito. They have been fighting in this turf for 700 years.

The only people who are not being leveled with are the American people, and it is time they understood that this bill not only funds the current war, it forward funds the war, it potentially escalates the war. And for all the good things in the bill that I will always vote for and for all the refugee money that is so desperately needed that I will vote for and the help for Macedonia and other countries that have been decimated in this process I will always vote for, but I will not vote to spend more money to increase this war.

I will support the efforts of the gentleman from Oklahoma (Mr. ISTOOK) and the gentleman from California (Mr. ROHRABACHER) to at least try to limit those funds.

Mr. SKELTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if the walls could talk, at least twice in this century these walls have heard those familiar strains of isolationism, of America should not get involved with serious problems elsewhere that do not have a direct interest on our country; and they do in this instance. The stability of Europe, the stability of the Balkans, economically, culturally, morally, is important to the United States of America. Oh, if these walls could talk, they would say, we have heard this before.

It is also kind of like the song we used to sing at Boy Scout camp lo those many years ago, and let the rest of the world go by.

We cannot, Mr. Chairman, let the rest of the world go by. This is a very, very important piece of legislation. The purpose of this legislation is to take care of the troops. This is the year of the troops. We must in this Congress reflect what is good and best about us in looking after those young men and young women in uniform. That is what this bill is all about.

The battle on this issue was fought the other day. It has no business here. I certainly hope that we can put this to rest, defeat it soundly and move on and take care of the young men and young women, the troops of whom we are so fond.

Mr. WOLF. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Istook amendment; and I rise in strong support of the supplemental amendment.

I listened to the debate in my office, and I just wanted to be sure that the

record was clear when historians went back and looked at what we are doing today.

This activity in the Balkans began in a little village called Vukovar in 1991 where Milosevic sent in his people, and after we later got in we found actually mass graves all over Vukovar.

□ 1800

They went into the hospitals, took the people out, and they shot them. Two hundred fifty thousand people died in Bosnia-Herzegovina in the war. They died at the hands of Milosevic. This is not a recent action. This has been going on for years.

Do Members remember that cold Saturday afternoon when the shell hit in the Sarajevo marketplace, and only then finally did the United States and the West do something there.

Read Peter Moss's book, the Washington Post reporter, Love Thy Neighbor, where he talks about the rape houses; that the Serb forces would come in and rape young girls 14, 15, and 16.

Read the portion where he says that the Serb forces put the gun up against a father's head, and tells the father, rape your daughter. And the father says, no, I can't do that. And then he turns the gun and he puts the gun up to the daughter's head, and then he says to the father. And the father says, oh, no, and he knows what is happening.

This just did not begin 30 days ago or 42 days ago. What we do in this body today, we are setting a precedent for future presidents, hopefully future Republican presidents, but for future presidents. We are also sending a message to the Chinese as to whether or not they will deal with Taiwan and North Korea, whether or not they will deal with South Korea, and many other nations.

I wanted to make sure that everyone knows that Milosevic was not just bad for what he has done for the last 42 days, but he is bad for what he has done for the last years. I, too, for my party do not think that our party should be an isolationist party. We are the party of Ronald Reagan, who down in Orlando called the Soviet Union the Evil Empire. And many people who were liberal criticized Reagan, but Reagan had a vision for the future, to make sure that we did what we could to make the world safe for people.

I rise in strong support of this bill. Let us pass it to help the troops. I rise in strong opposition to the Istook amendment.

Mr. MORAN of Virginia. I move to strike the requisite number of words, Mr. Chairman.

Mr. Chairman, I rise because I want the leadership of the full Committee on Appropriations and the subcommittee to know that there are a number of people, Members, who have consistently and strongly supported this bill, but that if this amendment is attached, will vote against this appropriations bill. I think they know this, and I think they know how much we respect the leadership on the Committee on Appropriations. But I think they also understand what is at stake here.

There are, as I see it, three reasons why this amendment should not be passed and why in fact our action in the Balkans today is justified.

The first is our interest in having a strong and resolute NATO. The second is our past experience with Mr. Milosevic. The third is the strategic location of Kosovo and the Balkans.

Mr. Chairman, it is in our vital national interests, Mr. Chairman, that we have a strong and resolute NATO. This is not a unilateral action, this is a multilateral action. This is a result of 19 democratic, free European nations deciding that they will now take a stand, take a stand for human rights, for democracy, for all the things that Mr. Milosevic and the Communist empire have been opposed to.

We lost 292,131 American soldiers in World War II, and we would not have lost those men and women if we had had a strong and resolute NATO. That is why we invested in NATO. That is why we have put everything we stand for behind NATO, because it is in our vital national security interests.

If NATO yields, if NATO does not prevail in this conflict, NATO will not be worth the paper that its charter is printed on. We cannot let NATO fail in this mission.

Secondly, our experience with Mr. Milosevic. This is the man that is responsible, as my distinguished colleague, the gentleman from Virginia (Mr. WOLF) said, for over 200,000 deaths of innocent civilians; 40,000 women, these were not soldiers who were raped; 2½ million people displaced in the Bosnia war. This is the same man. And because we did not and NATO did not stand up to him, he knows how far he can go.

What is his greatest ally? It is a lack of resolve on the part of politicians. He watches very closely exactly what we do on the floor of this House. Too often we give him comfort instead of reason to fear us.

Thirdly, it must be understood, the strategic location of Kosovo, on the fault line between the Muslim and orthodox worlds. We know what Mr. Milosevic's plan was. It is not any classified intelligence. He amassed his troops to do the same thing he did in Bosnia, to drive out the Kosovar Albanians.

If he went ahead and was able to do that without NATO standing up to him, do Members believe for a moment that the rest of the world would have stood by, the Muslim world? Do Members think that the extremists in the Muslim world would not have gotten engaged? Do Members think the Slavic world would not have gotten engaged? It would have spread throughout the region. It is the same kind of thing that created World War II.

NATO stepped in because they realized what the alternative was. They realized that they were stepping in for the kind of principle that they and we believe in, and it was worth what resources it took. It is worth whatever resources it will take to prevail, not to yield.

Milosevic is an old line Communist. He is head of the Serbian Communist league. He uses people for his own political purposes. He does not believe in human rights and individual freedom and liberty. He controls the media. He has fed the Serbian population toxic lies for over a decade. This guy is bad news. He is representing evil forces. And there are evil forces in the world, and we should be darned proud that we are standing up for principle.

Let us continue to do the right thing. Support this action. Vote against this amendment and pass this bill.

Mr. STEARNS. Mr Chariman, I move to strike the requisite number of words.

Mr. Chairman, I do not have to come down here to yell and scream, I come down here to speak in a more practical sense.

Mr. Chairman, I support the emergency supplemental bill, and I reluctantly oppose the amendment offered by the gentleman from Oklahoma (Mr. ISTOOK).

Let me just say to all those members on this side of the aisle who are thinking about supporting the amendment offered by the gentleman from Oklahoma (Mr. ISTOOK). This is a crucial question we have to think about. We have already had the vote with the Goodling-Fowler amendment. It was very clear how Members felt when they supported it: No deployment of ground forces, of the United States Armed Forces in the Federal Republic of Yugoslavia, et cetera, et cetera. It is very clear. Members have had their vote on this side of the aisle, so Members do not have to go out and make their strong stand on this, because there is a much larger issue we are talking about.

When we read the Istook language, the Goodling-Fowler has the word ''deployment'' and Istook had implementation. They are very, very similar. Do Members think they have to make another stand on an emergency supplemental appropriations that is going to affect our military?

Mr. Chairman, let me just say, our forces have been engaged in 26 different engagements over the past 8 years, while the U.S. forces had only been engaged in just 10, just 10 from 1961 to 1991.

There has been obviously a dramatic escalation of the number of missions, and it has stretched our military dangerously thin, to the point where our

military's ability to conduct a two-war strategy is now in question and our entire military readiness is in question.

Mr. Chairman, I say to my colleagues on this side of the aisle, if they are going to support the Istook amendment, they must realize that those colleagues like the gentleman from Virginia (Mr. MORAN) and others who are going to vote against the emergency supplemental are going to effectively stop the military from having its resources. In other words kill this funding for the military.

So I do not think the day in court on the deployment or the implementation of forces in Yugoslavia is at this point, at 6:10 tonight, that is not the question. The question is, do we want to support our military.

Mr. Chairman, the Joint Chiefs of Staff, General Shelton, said, ''without relief, we will see a continuation of our downward trend in readiness next year, and extension of the problems that have become apparent in the second half of this fiscal year.'' The Army Chief of Staff talked about the degradation, complete degradation, of our military.

Mr. Chairman, the fight on the budget for our military between us and President Clinton and the administration is not on the Istook amendment tonight. No tonight, it is a vote to support our military.

For those who go back to Ronald Reagan and other great conservatives, they are standing tall this day and for this evening for our military: to provide a clear message that we are going to help increase our readiness, and we are not going to get caught in the technicalities on a vote that we have already voted on by saying we are going to draw the straws and defeat this emergency supplemental because the Istook amendment passed.

I urge my colleagues to look at this matter in a practical sense, in a broad view here. We stand for increased military readiness, and this is a vote on military readiness. It is not a vote on deployment of the troops. We have already had that vote.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. STEARNS. I yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I appreciate my colleague yielding, and appreciate his calmly-made point that is fundamental: The House has had this vote. That is why the Committee on Appropriations rejected another vote out of hand in committee.

This is a money bill that deals with delivering funds needed for the troops. Let us not put those in jeopardy, for we have already had the other vote. I appreciate my colleague making that very important point.

Mr. STEARNS. Mr. Chairman, let me just conclude by saying that our nation's security cannot be ignored, no longer. If Members, my Republican colleagues, decide to support the Istook amendment at the expense of perhaps bringing down the whole entire emergency supplemental appropriations bill, that is not going to be good. If Ronald Reagan was here tonight, I think he would urge my Republican colleagues by saying, let us defeat the Istook amendment. Think of our military and their readiness.

Mr. TAYLOR of Mississippi. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, about 2,000 years ago, this time of year, an angry mob hauled a Jewish carpenter before a Roman governor, a man that he knew to be innocent. The Roman governor, though, let the mob have their way, and to wash away his dereliction of duty he symbolically washed his hands, thinking it would kind of absolve him from what happened. History has proven that it did not.

''On Wednesday, April 28, Congress proved itself unwilling to fulfill or incapable of discharging its own constitutional responsibilities. In two successive votes, the House of Representatives rejected resolutions that would have either declared war or have pulled U.S. troops out of the quagmire in Kosovo. The best the House could manage was a 249 to 180 vote on a nonbinding requirement that Mr. Clinton get their permission before committing U.S. ground troops to combat. Then late in the evening the House demonstrated its ultimate ambivalence in a 213–213 vote whether air strikes should continue.

''But the votes on April 28 made it clear, Congress has now joined the Clinton administration in its failure to devise a clear strategy for ending what is undeniably an undeclared war in the Balkans.''

The latter part of my remarks were written by an unsuccessful Republican candidate for the U.S. Senate. His name is Oliver North, and it appeared in today's Washington Times.

If Members think this vote on the Istook amendment somehow absolves Members of their constitutional duty to declare war and to look out for the benefit of the Army and the Navy, it does not. Members had that vote last week. They had the opportunity to get the troops out of Kosovo last week. The majority of this body did not vote to do that.

They had an opportunity to declare war and do it right. They did not do that, either. They in effect did nothing. They did what Pontius Pilate did. He was not absolved then, and Members are not absolved now.

This is a funding bill for the United States military. It does not need this nonsensical language attached to it. We are at war. Who is kidding who? Ask the kid climbing into an F–16 tonight, ask the kid climbing into an F–15 tonight, ask the kids getting into the A–6s tonight, ask the families of two airmen who died 2 days ago.

We cannot walk away from our job. Members were not anointed to it, they were not appointed to it, they begged people for it. They were elected to this job. I ask the Members to do their job, admit we are at war, fund the war, and let us do this right. And above all, let us be worthy of those kids over there who have sworn to defend our Nation.

□ 1815

Mr. HAYES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just wish to state my support for this emergency supplemental bill and for all the hard work that the chairman and the minority members have done to put this together.

I hear the passion here today, and I appreciate all the effort. I have friends on both sides, and I always support my friends, but I do appreciate the passion here today.

The President has offered a version of this emergency defense bill. That represents a first step. It is just not enough. It is inadequate in meeting the emergency before us.

We owe it to America and our troops to do more than just return the military to its previous unacceptable level of readiness. We have a moral obligation to give our pilots and soldiers and sailors the tools to do their mission. Just as they are doing their duty to protect us, we must do our duty to support them.

Mr. Chairman, we need this emergency legislation. I would hope we would put this amendment aside, bring the bill forward, support it, and vote for it. Let us do it for our troops.

Mr. TRAFICANT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I voted for the Fowler bill. I do not support ground troops in Kosovo, but I do support our leaders in this Congress who have imparted some wisdom here today. Many of them are appropriators and authorizers, and many times I take question with appropriators, but today they have given us fine counsel.

My colleagues, we would trigger a veto by passing this amendment. The money would not get to the troops. As the gentleman from Florida (Mr. YOUNG), the gentleman from California (Mr. LEWIS), and the gentleman from Pennsylvania (Mr. MURTHA) have stated, we will send unusual signals to Milosevic. That is not the way to proceed.

I am going to vote ''no'' on this amendment for that reason and for the following reason, for anybody else who joined with JIM TRAFICANT in supporting the gentlewoman from Florida (Mrs. TILLIE FOWLER) last week. Clearly, the President must come before us

for authorization, but why should we tie the hands of our military and why should we not make available every option that we have?

Today we are funding. Although funding is policy, let there be no mistake we have yet to address the total policy. In 1986, we were advised that a free and independent Kosovo should be recognized. We failed to do that. Now we reap the harvest of that mistake.

We, today, must provide the money for our military; and we, today, must support the leaders who themselves do not want to see ground troops.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I want to thank the gentleman for his comments; and I want to just add a paragraph that the President sent us on April 28.

However, were I to change my policy with regard to the introduction of ground forces, I can assure you that I would fully consult with the Congress. Indeed, without regard to our differing constitutional views on the use of force, I would ask for congressional support before introducing U.S. ground forces into Kosovo into a nonpermissive environment.

I think that says it all, and I thank the gentleman for yielding to me.

Mr. TRAFICANT. Reclaiming my time, Mr. Chairman, I want to support the statement of the gentleman from Missouri (Mr. SKELTON) as well. I think today we have to stand up to provide the money for our troops that are in harm's way, and I want to congratulate the Members who have made such a tough decision in light of the popularity, the low popularity of ground troops going possibly into Kosovo.

Mr. ARMEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment.

The author of the amendment is a good friend of mine. I might even express some genuine appreciation for the sentiments that has prompted him to bring this amendment here. But it seems to me we have to keep a focus on what it is we are trying to do today.

I asked myself this question on so many occasions: What is this about? This bill is about funding our military.

Our colleagues on the Committee on Armed Services, people like the gentleman from Virginia (Mr. NORM SISISKY), people like the gentleman from Missouri (Mr. IKE SKELTON), people like the gentleman from California (Mr. DUNCAN HUNTER), and the distinguished chairman of the committee have been telling us for some time how seriously hollowed out is our defense readiness, what a strain it puts on the nerves and the lives of our brave young men and women in uniform, what a hazard it is seen by their families.

Many of us have heard testimony from wives of service people who have said, my husband is not safe. He is not properly trained. He does not have the equipment, the time to train properly for a mission.

I suppose we have all had a sense of the accuracy and the need for that, perhaps in the abstract, but this deployment, this deployment, I think, has made us all come to a sharp understanding of this.

We have moved aircraft carriers from other appointed positions where we thought they were needed to support this mission, and we have seen them move 400 sailors short. We see deployments of people who are exhausted from being away from their family. We see the sense of urgency and the fear for shortages of materials. We see the sense of deprivation by people stationed in other theaters where the concern and the danger and the threat is great and they feel themselves somewhat less prepared to meet with the threat that might emerge.

We have had our debates, and, quite frankly, good decent, honorable debates of different points of view regarding the question of should we be involved here, should we have this deployment, should we be engaged. We have discussed that. How did the decision get made and were we properly consulted. We have discussed that. We laid down a marker saying please do not escalate this involvement or change its definition or direction without coming back and consulting us. We have made that point.

Throughout all of those debates, we have always understood one very critical reason: If we are going to ask these people to serve, if we are going to have them out there, indeed as we see here in the Balkans, in harm's way, then we have a moral obligation to get them funded and get them funded now.

When the President sent up his request, we said it may be enough for this operation at this time but it is not enough to fulfill the overreaching need of a hollowed-out military where servicemen and women are beginning to worry and even, in fact, despair for shortages they face. So we said we must do more.

We were right. We were good to see that need and respond.

And now we have brought a bill, a bill the purpose of which is to fund the needs of our military for readiness now in this theater and in every other theater where this great Nation is committed to defending liberty and freedom.

What will happen to the urgency of that? Do we really believe that we must do this and do it now as a moral obligation of this body to the brave young men and women that serve? We should ask ourselves, what will be the consequence of passing this amendment here tonight? The consequence can be spoken of in one word and one word only: delay. It will not change whether or not the mission goes forward. It will not answer the question of some future redefinition of the mission. It will only delay the process.

We will say to these young men and women, yes, we know the urgency of your need; yes, we know the breadth of the need; yes, we know the depth of the need; yes, we know we must act now, but only within the context of this statement which says we know it must be done now, but later is okay, too.

No, I am afraid that we must understand our duty is broader than this statement made by this amendment. Our duty is more urgent. We must vote this amendment down. We must vote this money. We must get the men, materiels, preparation and readiness in the hands of these brave men and women.

I was there last weekend. I talked to a lot of these servicemen at all rank, and I will tell my colleagues something, they did not complain. They take their duty to this great land and they vow and commit to do their duty.

Let us tonight honor that. Let us say to each and every young man and woman in uniform on behalf of this Nation's commitment to freedom and dignity in the world that they have a right to understand that they will be equipped by this Congress now to perform whatever mission they accept with the highest possible degree of effectiveness and speed and at the highest possible degree of personal safety.

Any action that we take less than that tonight will be, in fact, an action that we will regret for a lifetime.

Mr. KUCINICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have heard this debate. I have sat here for a few hours, and I can say that I understand the passion that has been expressed because I have a passion about this as well.

The Constitution of the United States says that only Congress has the war power. I think all of us have read the Founders. We have read Washington, who talks about that; we have read Madison, who talks about the power to declare war being vested in the legislature; we are familiar with Thomas Jefferson, who has spoke often about that in messages to Congress and in various letters.

This Congress has actually voted against the declaration of war. That has been stated today. Yet today Congress will pay for the continuation of an undeclared war. Congress voted against bombing, yet this vote will pay for future bombs. Congress has voted against sending ground troops. We have had the assurance of the White House that ground troops would not be sent without the President asking for it. Yet this vote would, in effect, pay for ground troops.

Now, I believe that we can best support our young men and women in uniform by not sending them off to advance a speculative ground war which cannot be imposed without massive loss of life. Perhaps this vote would support troops we have not sent, perhaps this vote would support bombs we have not dropped, perhaps this vote will support a war we have not declared, but I cannot support any of this because this Balkan war has become a rough beast of a catastrophe slouching towards Washington to be born.

We are being drawn along in the name of NATO, which is not accountable to this Congress and which has its own momentum.

Mr. Chairman, I offer for the RECORD this quote:

> By the ''self-momentum'' of a power or a system I mean the blind, unconscious, irresponsible, uncontrollable, and unchecked momentum that is no longer the work of people, but which drags people along with it and therefore manipulates them.

I want to thank Vaclav Havel for that quote in his book ''Disturbing the Peace''.

We cannot settle the conflict by military means, so why provide funds for further war? It is time to turn to diplomatic means of ending the war. We need to remember the message which comes from the meeting in Vienna with Members of Congress and leaders of the Russian Duma, that peace is at hand if we are willing to pursue it with the same vigor which we would pursue war.

We have a plan to extricate ourselves, the Kosovar Albanians, the Federal Republic of Yugoslavia, all of Europe and the world. That plan involves the stopping of bombing, the withdrawal of the Serbian armed forces from Kosovo, the return of refugees to their homes under the protection of international peacekeeping troops, and the rebuilding of the homes of the people. All this can be accomplished and all of it must be accomplished without further escalation.

Let us keep thinking peace and talking peace and working for peace instead of spending our resources for the escalation of an undeclared war.

□ 1830

Mr. WICKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Istook amendment and in support of this very important supplemental defense bill.

Mr. Chairman, I rise in support of the Emergency Defense Appropriations bill. Approving this measure sends a strong message to our men and women in uniform and to our adversaries around the globe that we are united in providing the resources necessary to ensure national readiness.

The bill also includes much-needed funding for a military force with serious readiness shortfalls. Our Armed Forces are being dispatched to more places around the world today than at any time in history. They are being asked to perform more missions with fewer personnel. This operations pace has produced a critical shortage of the spare parts, weapons, and support services necessary to be successful.

As a member of the Military Construction Appropriations Subcommittee, I have seen first-hand the poor condition of many of our military facilities in Europe. This bill contains money to make much-needed upgrades including combat communications, radar approach sites, crash and rescue stations, and other facilities where U.S. troops are stationed in support of this mission in Yugoslavia. These improvements will boost morale, as will funding for pay raises and benefits.

I was disappointed to hear members of the Democratic leadership last week accusing Republicans of partisanship in voting against a resolution supporting the air campaign in Yugoslavia. The fact is that 26 Democrats also opposed that resolution. We are told that somehow it was a matter of conscience for Democrats to vote ''no'' and a matter of politics for Republicans to do the same thing.

But last week's vote was on a sense of the Congress resolution with no force of law. The key vote on supporting the troops is on this Appropriations bill. This goes beyond the rhetoric to actually provide for the safety of our troops, and give them the equipment and material necessary to carry out their mission.

Mr. Chairman, I suggest it is some of my colleagues on the other side who are sending the wrong signals by opposing this measure. They seem to be willing to commit American troops to missions around the world, but they are reluctant to provide the resources to equip, train, and house them adequately.

Last week's votes in the House indicate Members of Congress in both parties have concerns about our policy in the Balkans. There should be no disagreement, however, on the strong level of support we show our Armed Forces while they are engaged in this operation. We want them to succeed. This funding is critical to their efforts.

I urge my colleagues on both sides of the aisle to set aside the Yugoslavia policy debate and join in a bipartisan effort to ensure our military personnel have the resources necessary to perform the duties assigned to them.

Mr. MANZULLO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had a conversation with one of my 700,000 constituents to whom I am accountable under the Constitution of the United States, and she said, ''Congressman, my three brothers and my husband fought in World War II. My two sons fought in Vietnam. What are you going to do to keep my grandsons from fighting in the war in Kosovo?''

And I told her, I said, ''Under the Constitution, Congress has two powers and the President has one. And the power that Congress has under the Constitution is to declare war and to provide the funds for war. And the power that the President has is to be the Commander in Chief.''

Now, we have had votes this past week, the so-called limitation votes, but I would submit to my colleagues that those votes do not mean anything. First of all, the Fowler amendment and the other votes that we took here at the end of April are not finding their way to the other body to be voted upon, so they will die.

So the only way to limit any type of use of the funds would be to occur through curtailing of our constitutional power of the purse. This is our obligation. We are called to this under the Constitution, and I have to follow the Constitution.

Now, if there were separate votes on increasing the pay for the military and for beefing up our military forces, I would vote for that. But I cannot vote in favor of $6 billion to bomb Kosovo, having just voted against the air strikes.

This is the only authority that we have. This is the only authority that the people that we represent have. And is it not interesting that the Founders of the Constitution gave to us, to us, the Members of this body, accountable to them every 2 years, the sole power to declare war. Because if they do not like what we do with regard to the declarations of war, they have the authority to vote us out at the very next election, the genius of the Constitution to protect the people against going into war.

And what are we doing? There are 900 planes involved in the air strikes. 600 are American planes. 300 more are on their way. And guess how many planes come from Tony Blair's United Kingdom? Just 20. Twenty aircraft.

And is NATO united? I dare say not. At a time when NATO planes were bombing the oil refineries, members of NATO themselves were still involved in the shipping of petroleum to Serbia. That does not make sense. It simply does not.

The Istook amendment simply says what the President has promised, that these funds cannot be used for ground war, period.

Now, we have heard talks from many Members here. The gentleman from New York (Mr. ENGEL) talked about this war, this war, this war, this war. And he appropriately used that word. The problem is that this body has voted not to go to war, and yet today it is ready to spend the funds to go to war. Supporting the troops means something besides giving them the weapons of war, it is giving them the constitutional protection not to be put into the war if we follow our obligations under that great document.

Those of us who are opposed to this supplemental are simply saying, what obligation do we have as Members of Congress? What obligations do I owe this grandmother back home? What obligations do I owe the 115,000 children in the district that I represent? What

obligations do I owe to the sons and daughters who may have to go into combat in that very rough terrain?

The obligation that I owe them is that if they go, I will be accountable to them on whether or not I should vote for war or not, and that is precisely what the Istook amendment says. It says if we are willing to commit this money, then it should be with the approval of Congress in a situation of war.

Mr. BARTLETT of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of this supplemental, but I want to make some remarks relative to the amendment which is now before us. The truth is that because of long procurement cycles, essentially none of the money in the supplemental will ever have anything to do with support of this war. It just takes too long to build the equipment and get it there.

I am very strongly in support of this supplemental bill because it does two things that I want to do. I want to put back all of the resources that have been expended in this war which I do not think should ever have occurred and I do not think it should continue. I want to put back all of those resources that we have been denied through several years of underfunding our military.

I will tell my colleagues, I wish that this supplemental were a great deal larger than it was because our military needs far more money than this. I am as much in support of our troops as anybody in this Congress, but please do not confuse support of the troops with support of use of the troops. Do not impugn to us who are going to support this amendment motives that we do not have.

I support the supplemental. I support the troops. I will not support this war. And I can support the troops without supporting the use of the troops. And I know that America understands. I hope that more Members of this body understand this.

Mr. Chairman, I yield to the gentleman from California (Mr. ROHRABACHER).

Mr. ROHRABACHER. Mr. Chairman, I am not going to take a great deal of time. Let me just state, it was mentioned earlier about a vote that I took earlier and I just thought I would clear that issue up. Let me make it very clear.

During the Gulf War, when I was here, the gentleman from California (Mr. COX) and myself spent considerable time at the White House trying to convince the White House to come here for a vote and to make sure that they sought Congressional approval.

Let me just say that, on that vote that was brought up by my good friend from Maryland (Mr. HOYER), it is 10 years later and I think I am 10 years wiser. I think I would have voted differently at that time.

Even then I knew it was important for the White House to come here and seek approval. Now, after thinking about it and seeing it and having experienced this body, I do believe that in a free society it is important for our power, the legislative branch, to express itself on such issues as this. I do not believe that is hypocrisy. I think that is learning. But even then I knew it was important for the President to come here.

I thought I would make that clear.

Mr. OLVER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I oppose the amendment by the gentleman from Oklahoma (Mr. ISTOOK), and I support the passage of the final legislation before us.

But first I want to just say, I want to thank the distinguished majority leader for his very eloquent words here not so very long ago in opposition to the amendment. And then I want to make some comments about the earlier comments that have been made by the distinguished chairman of the Committee on the Budget.

The gentleman from Ohio (Mr. KASICH) asked the question, ''Is it in our national interest to be in Kosovo?'' And I think, to use his words, that it certainly is in the national interest to be there because we are there as part of the NATO alliance, all 19 countries.

It is difficult to keep them together. That is part of the problem, why it is so difficult to keep a process and a strategy that many of us might disagree with. But all 19 are together and they are together at stopping a pathological killer from continuing what is this most odious kind of operation of ethnic cleansing that he has been involved with over an historical period, at least the last 10 years.

We heard the gentleman from Virginia (Mr. WOLF), who could have stood at the microphone and regaled us for 2 hours, 2 hours without stopping, with the incidents, one after the other. He gave some of the most graphic ones, but there are others, each as graphic, each as odious or more odious than the last, of the history of what Slobodan Milosevic had done in Croatia and then in Bosnia.

But we are talking about Kosovo and it is right there in Kosovo. He has now driven out three-quarters of a million of the citizens of Kosovo. His own Yugoslavian citizens he has driven out. He has been the cause of the burning of hundreds of Albanian ethnic villages where people in the middle of the night were told they must be out within 5 minutes or 10 minutes and then their villages were burned.

We could go through a whole series as long as the series in regard to Bosnia or in regard to Croatia, of the whole communities where every man, woman, and child was killed, everybody. We can find a considerable number of others where all the men were separated from the women and the children, and the men and boys from 15 and older, 16 and older, the men have not been seen again. The number that we will find when we get into Kosovo will surprise us all.

The distinguished chairman of the Committee on the Budget then gave what I think almost everybody here would agree unanimously are the principles that we are there for, which are, as he put it, that there must be an international force that could provide security so that refugees could return to their homes, homes that they have lived in for in some cases several generations or hundreds of years, and to build democratic institutions in Kosovo.

I think we would almost all agree that those are principles that we ought to be for, and almost all of us could agree that those are important principles.

I would submit to my colleagues that the adoption of the Istook amendment tonight would make it considerably harder to achieve any one of those principles or all of them in their totality. It would make it much more difficult for NATO, the 19-member alliance in which we have a very strong interest, to achieve what we went there to do, which was to stop the ethnic cleansing, to stop that most odious action, which is rape and expulsion and intimidation and the killing of men, separation of families, the men from the women and children, the separation and the killing of the men. That is why we are there.

The adoption of the Istook amendment would make it much more difficult for us to achieve those ends, and I hope the amendment will be defeated.

The CHAIRMAN (Mr. THORNBERRY). The question is on the amendment offered by the gentleman from Oklahoma (Mr. ISTOOK).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ISTOOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 117, noes 301, not voting 16, as follows:

[Roll No. 119]

AYES—117

| | | |
|---|---|---|
| Archer | Campbell | DeLay |
| Bachus | Canady | DeMint |
| Baker | Cannon | Doolittle |
| Baldwin | Chabot | Duncan |
| Barr | Chenoweth | Ehlers |
| Bartlett | Coble | English |
| Barton | Coburn | Franks (NJ) |
| Bass | Combest | Ganske |
| Bilbray | Conyers | Gekas |
| Bilirakis | Cook | Gibbons |
| Bonilla | Crane | Goode |
| Brady (TX) | Cubin | Goodlatte |
| Bryant | Danner | Goodling |
| Burton | DeFazio | Graham |

| | | |
|---|---|---|
| Gutknecht | McKinney | Scarborough |
| Hall (TX) | Metcalf | Schaffer |
| Hayworth | Miller, George | Sensenbrenner |
| Hefley | Mink | Serrano |
| Herger | Moran (KS) | Sessions |
| Hill (MT) | Myrick | Shadegg |
| Hilleary | Ney | Shuster |
| Hoekstra | Norwood | Smith (MI) |
| Hostettler | Ose | Smith (TX) |
| Hulshof | Paul | Souder |
| Istook | Pease | Stark |
| Jackson (IL) | Peterson (MN) | Stump |
| Johnson, Sam | Petri | Sununu |
| Jones (NC) | Pitts | Talent |
| Kasich | Pombo | Tancredo |
| Kleczka | Ramstad | Tauzin |
| Kucinich | Rivers | Taylor (NC) |
| Largent | Rogan | Thune |
| Lee | Rohrabacher | Towns |
| Linder | Ros-Lehtinen | Upton |
| LoBiondo | Royce | Wamp |
| Lucas (OK) | Ryan (WI) | Watkins |
| Manzullo | Salmon | Weldon (FL) |
| McDermott | Sanders | Weldon (PA) |
| McIntosh | Sanford | Young (AK) |

NOES—301

| | | |
|---|---|---|
| Abercrombie | Dixon | Johnson, E. B. |
| Ackerman | Doggett | Jones (OH) |
| Aderholt | Dooley | Kanjorski |
| Allen | Doyle | Kaptur |
| Andrews | Dreier | Kelly |
| Armey | Dunn | Kennedy |
| Baird | Edwards | Kildee |
| Baldacci | Ehrlich | Kilpatrick |
| Ballenger | Emerson | Kind (WI) |
| Barcia | Engel | Kingston |
| Barrett (NE) | Eshoo | Klink |
| Barrett (WI) | Etheridge | Knollenberg |
| Bateman | Evans | Kolbe |
| Becerra | Everett | LaFalce |
| Bentsen | Ewing | LaHood |
| Berkley | Farr | Lampson |
| Berry | Fattah | Lantos |
| Biggert | Filner | Larson |
| Bishop | Fletcher | Latham |
| Blagojevich | Foley | LaTourette |
| Blumenauer | Forbes | Lazio |
| Blunt | Ford | Leach |
| Boehlert | Fossella | Levin |
| Boehner | Fowler | Lewis (CA) |
| Bonior | Frank (MA) | Lewis (KY) |
| Bono | Frelinghuysen | Lipinski |
| Borski | Frost | Lofgren |
| Boswell | Gallegly | Lowey |
| Boucher | Gejdenson | Lucas (KY) |
| Boyd | Gephardt | Luther |
| Brady (PA) | Gilchrest | Maloney (CT) |
| Brown (FL) | Gillmor | Maloney (NY) |
| Brown (OH) | Gilman | Markey |
| Burr | Gonzalez | Martinez |
| Buyer | Gordon | Mascara |
| Callahan | Goss | Matsui |
| Calvert | Granger | McCarthy (MO) |
| Camp | Green (WI) | McCarthy (NY) |
| Capps | Gutierrez | McCollum |
| Capuano | Hall (OH) | McCrery |
| Cardin | Hansen | McGovern |
| Carson | Hastert | McHugh |
| Castle | Hastings (FL) | McInnis |
| Chambliss | Hastings (WA) | McIntyre |
| Clay | Hayes | McKeon |
| Clayton | Hill (IN) | Meehan |
| Clement | Hilliard | Meek (FL) |
| Clyburn | Hinchey | Meeks (NY) |
| Collins | Hinojosa | Menendez |
| Condit | Hobson | Mica |
| Costello | Hoeffel | Millender-McDonald |
| Coyne | Holden | Miller (FL) |
| Cramer | Holt | Miller, Gary |
| Crowley | Hooley | Minge |
| Cummings | Horn | Moakley |
| Cunningham | Houghton | Mollohan |
| Davis (FL) | Hoyer | Moore |
| Davis (IL) | Hunter | Moran (VA) |
| Davis (VA) | Hutchinson | Morella |
| Deal | Hyde | Murtha |
| DeGette | Inslee | Nadler |
| Delahunt | Isakson | Napolitano |
| DeLauro | Jackson-Lee (TX) | Neal |
| Deutsch | Jefferson | Nethercutt |
| Diaz-Balart | Jenkins | Northup |
| Dickey | John | Nussle |
| Dicks | Johnson (CT) | Oberstar |
| Dingell | Johnson, Sam | Obey |
| Olver | Rush | Terry |
| Ortiz | Ryun (KS) | Thomas |
| Owens | Sabo | Thompson (CA) |
| Oxley | Sanchez | Thompson (MS) |
| Pallone | Sandlin | Thornberry |
| Pascrell | Sawyer | Thurman |
| Pastor | Saxton | Tierney |
| Payne | Schakowsky | Toomey |
| Pelosi | Scott | Traficant |
| Peterson (PA) | Shaw | Turner |
| Phelps | Shays | Udall (CO) |
| Pickering | Sherman | Udall (NM) |
| Pickett | Sherwood | Velázquez |
| Pomeroy | Shimkus | Vento |
| Porter | Shows | Visclosky |
| Portman | Simpson | Walden |
| Price (NC) | Sisisky | Walsh |
| Pryce (OH) | Skeen | Waters |
| Quinn | Skelton | Watt (NC) |
| Radanovich | Smith (NJ) | Watts (OK) |
| Rahall | Smith (WA) | Waxman |
| Rangel | Snyder | Weiner |
| Regula | Spence | Weller |
| Reyes | Spratt | Wexler |
| Reynolds | Stabenow | Weygand |
| Riley | Stearns | Whitfield |
| Rodriguez | Stenholm | Wicker |
| Roemer | Strickland | Wilson |
| Rogers | Stupak | Wise |
| Rothman | Sweeney | Wolf |
| Roukema | Tanner | Woolsey |
| Roybal-Allard | Tauscher | Wu |
| | Taylor (MS) | Young (FL) |

NOT VOTING—16

| | | |
|---|---|---|
| Bereuter | Green (TX) | Packard |
| Berman | Greenwood | Slaughter |
| Bliley | King (NY) | Tiahrt |
| Brown (CA) | Kuykendall | Wynn |
| Cooksey | Lewis (GA) | |
| Cox | McNulty | |

□ 1903

So the amendment was rejected.

The result of the vote was announced as above recorded.

Stated against:

Mr. BERMAN. Mr. Chairman, I was unable to cast a vote on the Istook amendment to H.R. 1664 due to a family emergency. However, had I been present I would have voted "no."

The CHAIRMAN. The Committee will rise informally.

The SPEAKER pro tempore (Mr. LAHOOD) assumed the Chair.

## SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Sherman Williams, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

## KOSOVO AND SOUTHWEST ASIA EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT, 1999

The Committee resumed its sitting.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. FARR OF CALIFORNIA

Mr. FARR of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Farr of California:

At the end of the bill (before the short title), insert the following new section:

SEC. . (a) AUTHORITY TO MAKE PAYMENTS.—Subject to the provisions of this section, the Secretary of Defense is authorized to enter into agreements to make payments for the settlement of the claims arising from the deaths caused by the accident involving a United States Air Force CT–43 aircraft on April 3, 1996, near Dubrovnik, Croatia.

(b) DEADLINE FOR EXERCISE OF AUTHORITY.—The Secretary shall make the decision to exercise the authority under subsection (a) not later than 90 days after the date of the enactment of this Act.

(c) SOURCE OF PAYMENTS.—Amounts appropriated or otherwise made available for the Department of the Air Force for operation and maintenance for fiscal year 1999 or other unexpended balances for prior years shall be available for payments under subsection (a).

(d) AMOUNT OF PAYMENT.—The amount of the payment under this section in settlement of the claims arising from the death of any person associated with the accident described in subsection (a) may not exceed $2,000,000.

(e) TREATMENT OF PAYMENTS.—Any amount paid to a person under this section is intended to supplement any amount subsequently determined to be payable to the person under section 127 or chapter 163 of title 10, United States Code, or any other provision of law for administrative settlement of claims against the United States with respect to damages arising from the accident described in subsection (a).

(f) CONSTRUCTION.—The payment of an amount under this section may not be considered to constitute a statement of legal liability on the part of the United States or otherwise as evidence of any material fact in any judicial proceeding or investigation arising from the accident described in subsection (a).

Mr. FARR of California (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order against the gentleman's amendment.

Mr. FARR. Mr. Chairman, I respect the gentleman's right, the right to object, but this bill that we are dealing with, the underlying bill, is a spending bill, an emergency spending bill, and we have a legal emergency that has to be taken care of. They are the families of our constituents who were killed on a United States mission on a United States aircraft while approaching Dubrovnik Airport.

The families of the Ron Brown Trade Mission have no place to turn. They cannot use tort law as a remedy, they cannot use the Foreign Claims Act as a remedy, they cannot have any other redress because they were flying on a military aircraft. The Senate has used this supplemental bill on their side to pay for the families affected by the gondola accident at Cavalese, Italy. If the Senate can help the families who lost their loved ones in an accident caused by an U.S. Marine Corps aircraft, then the families of the Ron Brown crash should also have remedy.

Mr. Chairman, the only way they can have remedy is for this Congress to authorize the Department of Defense to help those families, and that is what this amendment does.

Mr. Chairman, I introduced this amendment for a very simple reason: justice.

The bill in an ''emergency appropriation.'' We have legal problem that can only be solved by Congress. I think that qualifies as an ''emergency.''

The problem is that all the families of the civilians who lost their lives on a U.S. Air Force plane on the mountain side while approaching the Dubrovnik airport in foul weather, have no legal place to turn.

They can't use tort law nor the foreign claims act nor other redress—nor does the military have the authority to help the families.

The crash occurred on a ''military aircraft'' that was not properly equipped with standard navigational and safety equipment.

Flight protocols had been violated!

The Dubrovnik airport map was incorrectly drawn!

If any of these factors had changed, the 35 people aboard flight CT–43 would not have died.

The Air Force's own Accident Investigation Board Report plainly states: (quote) ''the CT–43 accident was caused by a failure of command, aircrew error, and an improperly designed instrument approach procedure.'' (Unquote)

Since the crash, the families have been dismissed by the U.S. Government because the government generally lacks the authority to give restitution for the families' loss.

This amendment fixes that. It gives the DOD the authority to enter into settlements with the families who had victims on CT–43 if the DOD finds their claims worthwhile.

This House should also note that the in Senate version of the supplemental bill is language very similar to mine. In the Senate bill money is set aside to pay the families affected by the Calavesee gondola accident. It seems to me that if we can consider giving Europeans families who lost loved ones in the gondola accident—caused by a U.S. Marine Corps flyer—restitution for their pain, then we can give equal consideration to American families similar treatment.

Mr. Chairman, I include the following for the RECORD:

FAMILIES OF THE CT–43

We the undersigned are family members of the citizens of the United States who were killed on USAF CT–43 on April 3, 1996, near Dubrovnik, Croatia. They died while engaged in a journey for peace and restoration of the war ravaged countries of Bosnia-Herzegovina and Croatia. No citizen of the United States should lose his or her Constitutional rights to seek justice simply by virtue of being a public servant, traveling abroad on US government business, or traveling aboard US government vehicles or on US government property. The United States government employer should not be exempt from its own principles of justice as law maker.

No one on that plane would have been so cavalier or reckless with their lives or family responsibilities to have knowingly boarded a plane that USAFE (United States Air Force European) had given direct orders not to fly, into an airport USAFE had ordered Air Force personnel not to land in by instrumentation, flown by a flight crew USAFE had ordered not to fly without theater specific training, using erroneous missed approach plans USAFE had declared were not approved. Nor would any government employees have stepped on a government plane knowing that in the event of injury or death resulting from acknowledged gross negligence by Air Force personnel they or their families would have no standing before any court of law in the United States, criminal, civil, or military, and therefore no means of redress or compensation. Nor would they have flown knowing that in the event of a crash by a military plane or foreign soil their insurance might be canceled (some were), or that individuals in the private as well as public sector would have no guaranteed basis for claim under any United States statute.

(Signatories to the Families of the CT–43 letter)

Sheila Christian, Darrell Darling, Karen Darling, Kelvin Farrington, Douglas Farrington, Ina Ray Farrington, James Warbasse, Kenneth Dobert, Maureen Dobert, Patricia Conrad, Nora Poling, Edward Kaminski, Michael Kellogg, Char Kellogg, Mary Schelle, Alicia Branley, Paul Cushman, Jr., Paulette Cushman, Donna Shafer, Phil Shafer, Marilyn Pieroni, Deborah Davis, Nettie Jackson, Jane Hoffman Davenport, Emma Williams, Dona Hamilton, Charles Hamilton, Jean Whittaker, Susan Elia, Deirdre English, Leonard Pieroni III.

———

May 5, 1999.

DEAR CONGRESS MEMBER SAM FARR:

Thank you for your tireless efforts to seek corrections and compensation for the causes of the unnecessary loss of 35 brilliant lives on April 3, 1996, including our own bright son, Adam.

We are the families of those men and women who died on April 3, three years ago in Croatia on a mission of peace through trade. The President in his memorial remarks said, ''They are all patriots.'' Their mission was that of beginning to help rebuild the infrastructure and the economic underpinnings of a land decimated by war. They were entirely willing to take eyes-open personal risks which are concomitant with any travel and work in areas of hostility and violent conflict.

They were not prepared for nor informed of the risks, of flying aboard United States governmental aircraft. Quoting USAF Brig. Gen. Charles H. Coolidge, Jr., President of the CT–43 Accident Investigation Board: ''The CT–43 accident was caused by a failure of command, aircrew error, and an improperly designed instrument approach procedure'' (p. 65, ¶3, Causes, April 3, 1996 Accident Report).

The risks unknown to anyone aboard the CT–43 were:

Flying illegally with a flawed missed-approach map which showed St. John's Mountain to be 200 feet lower than it actually was. They struck the mountain 70 feet below the summit.

Flying into an airport (considered by many commercial pilots to be one of the three most notoriously dangerous airports in the world) which had not been previously inspected and approved by US Air Force inspection personnel. An inspection would have disclosed that the missed-approach beacon was inadequate, the map was inaccurate, the flight control system had been sabotaged, the winds are violently capricious.

Flying into one of the 30–40 airports previously behind the Iron Curtain into which USAF European command had ordered no USAF crew may fly without first taking training flights into those specific airports, April 3, 1996, the CT–43 was the very first flight of any US military aircraft into Dubrovnik.

Flying into bad weather with extremely low visibility requiring instrument approach, in direct violation of specific USAF orders to fly into the Dubrovnik (Cilipi) airport only under visual landing conditions, without the assistance of instrumentation. The flight crew could not see the mountain in front of them through the clouds until the instant they struck it.

Flying an aircraft into an airport equipped with no guidance instrumentation except two non-directional beacons for which two radio receivers are required on board the aircraft. It is illegal and a violation of USAF regulations to switch from one radio frequency to another. The plane was equipped with only one radio with which to remain on course. In fact, the operable navigation system of the CT–43 was inferior to that of the Enola Gay, 50 years ago. The Air Force would not have been able to rent its own CT–43 as a charter because it did not meet minimum navigation and safety standards.

Flying a Boeing 737 which was old, known to veer off course erratically, without a black box, carrying a crash locator with a depleted battery and innumerable other flaws. When questioned why the CT–43 flew a straight line nine degrees to the left off course, the head of the investigating team simply said, ''We cannot figure out why these two capable, experienced pilots would do that.'' The report provides no further in-depth analysis of possible equipment failure approaching the thorough reconstruction of the TWA 800 and other similar crashes. The pilot who flew the CT–43 to Europe before the Department of Commerce trade mission reported that the plane was drifting to the left. According to the 7,000-page investigation report that pilot was never called to testify.

General William E. Stevens appealed for a waiver of all the above flight restrictions November, 1995. In January 1996 USAF European Command denied General Stevens' appeal. General Stevens continued to order flights in direct violation to direct commands. In March he ordered the flight of First Lady Hillary Clinton on the same CT–43 over the same terrain. He got lucky. On April 3, General Stevens' luck ran out and 35 people died as a direct result of his disobedience and disregard for the most basic safety. On April 4, early in the morning General Stevens ordered all such disobedient missions cease. Today General Stevens is at the Pentagon without a single day's loss of pay, demotion, or loss of benefits. Our family members are dead.

For the last year and a half the families of CT–43 victims have consistently worked together to:

Provide for legislation which would begin to close the gap between death benefits from commercial aircraft crashes, and the private sector compensation ranging from $3 million to $16 million to CT–43 private sector families, and the paltry $10,000 value the US government places on the lives of its own single employees, even in instances of gross negligence.

Advocate for regulations in the Administrative Departments which ensure all passenger-carrying government aircraft without exception meet FAA safety equipment and

procedure standards and in event of a crash are investigated under NTSB or comparable independent jurisdiction.

Provide every civilian and employee traveling aboard government aircraft with a clear and unambiguous statement of disclosure that until corrections 1 and 2 above are fully implemented, government aircraft may not meet FAA standards of safety, life insurance may be made null and void, any death benefits which families receive in the event of death will be limited to a maximum of $10,000 for government employees without dependents, their families, will have no standing in any US court of law, and no legal redress.

If the US Government does not conform to the standards and ensure the rights and benefits which that same government requires every commercial airline to provide, and if the government makes itself immune from a citizen's rights of redress regardless of how egregiously or grossly negligent its agencies may be, at least the government of the people has the moral obligation to warn its citizens of potential harm.

A patriot is one who values the well-being of the nation and fellow citizens above his or her own life or well-being. It is a very small thing to ask of these patriots' representatives that they protect their own lives, the lives of their employees, and the lives of others who serve the country. Enough lives have been lost without their foreknowledge. Now that we know the potential loss, it is unconscionable that we would not act to eliminate future deaths and that restitution for prior gross negligence would not be made.

Sincerely,

DARRELL AND KAREN DARLING,
*Parents of Adam Noel Darling For the Families of the CT–43.*

Mr. FARR of California. Mr. Chairman, I yield to the gentleman from Florida (Mr. YOUNG), the chairman of the committee

POINT OF ORDER

Mr. YOUNG of Florida. Mr. Chairman, I rise to make a point of order against the amendment. It proposes to change existing law and constitutes legislation in an appropriation bill. Therefore it violates clause 2 of rule XXI.

Mr. FARR of California. Mr. Chairman, I will withdraw the amendment, but I urge all the people in this room who have the responsibility for finding a remedy when there is no other remedy to seek redress wherever we may be able to possibly to do it. I appreciate the time allowed.

The CHAIRMAN. Without objection, the amendment offered by the gentleman from California (Mr. FARR) is withdrawn.

There was no objection.

AMENDMENT OFFERED BY MR. ROHRABACHER

Mr. ROHRABACHER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROHRABACHER:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 503. None of the funds appropriated in this Act shall be available for the use of United States Armed Forces in the Federal Republic of Yugoslavia (Serbia and Montenegro).

Mr. ROHRABACHER. Mr. Chairman, this debate has been spirited, it has been heartfelt, and let me say that I appreciate the sincerity as well as the hard work that has gone into this, but the sincerity on both sides of this issue, and one note of which I am just a little bit upset about, and I will just state it for the record:

I think it is disconcerting to me that today this body is being forced to vote on two separate issues, and I am not just condemning the President, but I am also going to put this on the House leadership, which is Republican. When we are talking about issues of life and death, of peace and war, we should not be linking together two separate issues. This is not right.

Mr. Chairman, the American people deserve an accountability, deserve us to vote up and down on whether or not we should improve the readiness of our troops without having to know that we are being forced to vote on it because, if we do not, that we will not have some other issue come through, and this is whether we vote for war in the Balkans or whether we vote for readiness. These are two different issues.

So I am a little upset about that, and I think the American people deserve better.

Finally let me just say about this debate, because this is the last time I am going to have a chance to talk on this, and I will make it very brief: We are debating something that goes far beyond micromanaging. Mr. Chairman, we should recognize what this debate is really about, and it is not micromanaging our troops. What we are debating is far from that. It is just the opposite.

In fact, what we are debating is the biggest issue of all. It is what the strategy should be for the United States of America in the post-Cold War world. Are we going to have the same kind of involvement?

Now we postured, there was a lot of posturing going on last week in those votes. But it is these votes today that really determine where we are at, where Congress is at. If we continue to carry the burden of Europe, if we continue to be the policemen of the world as we were during the Cold War, if we permit the President to continue having and exercising these expanded powers that we gave him during the Cold War, our country will not be a safer place, and we will put our troops in jeopardy because we cannot afford to carry that burden anymore.

So while I would like to present my amendment, I recognize that those people who voted against the Istook amendment would not be voting for my amendment because it actually goes a step further, but I ask the people in voting on the final vote today to consider that we are not just voting for the Balkan war and to upgrade our readiness in other parts of the world, but we are also voting on what our policies are going to be, whether or not we are going to have this expanded role in the world anymore, which I do not believe the United States can afford to do.

So, with that said, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The amendment of the gentleman from California (Mr. ROHRABACHER) is withdrawn.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do this to try to avoid having to take a lot of time on a recommittal motion, and let me say this about final passage of this bill:

I have frankly gotten whiplash from watching the majority party reverse its position on military action in Yugoslavia during the past week.

□ 1915

First we had a vote to withdraw troops, and they voted 127 to 92 in favor. Then on the Gejdenson amendment, the one originally offered in the Senate by Senators MCCAIN and WARNER to support current policy in Yugoslavia, namely the air war, they voted 31 to 187 against. Of the 97 Republicans who voted against the withdrawal, 62 voted against the air war.

They then voted for a resolution restricting the use of ground troops 203 to 16, but that was last week. Now, we have had the Istook amendment on this bill, which tried to make real last week's restriction on ground troops, and the same leadership which lobbied their Members to restrict the use of ground troops last week lobbied them against a restriction on ground troops this week. This time they voted against the restriction 116 to 97. A total of 101 reversed their vote from a week earlier.

Now, finally, undoubtedly they will vote overwhelmingly for final passage of an appropriation that more than doubles the amount of money requested by the President for the war which they voted against last week.

I respect every individual decision made in this House. I simply want to express the hope that the conference will produce a more consistent product, a more disciplined product, and a product that more effectively and accurately does reflect the true costs of the operation that we are now engaged in.

I would ask each and every Member of this House on final passage to disregard the desires of either party leadership and simply vote their consciences.

I will intend to vote no. I vote no not because I do not believe we ought to be involved in Yugoslavia. I do, and I passionately support the efforts there and the efforts of our troops. I simply believe that this bill is one that has engaged in excess. I do not want to prolong the debate by offering a motion to

recommit, which could take more time, but I wanted to say that now so that we can put in some perspective what the final vote will represent in the context of what has happened in this House the last 2 weeks.

AMENDMENT NO. 8 OFFERED BY MR. SMITH OF MICHIGAN.

Mr. SMITH of Michigan. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment No. 8 offered by Mr. SMITH of Michigan:

At the end (before the short title), add the following new section:

SEC. 502. Such funds borrowed from the Social Security Trust Fund Surplus to finance this Act shall be repaid.

Whenever there is an on-budget surplus for a fiscal year, the Secretary of the Treasury is authorized and directed to use such funds to retire public debt until $12,947,495,000 of such debt is retired.

Mr. SMITH of Michigan (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. YOUNG of Florida. Mr. Chairman, I reserve a point of order on the gentleman's amendment.

The CHAIRMAN. The gentleman from Florida reserves a point of order.

Mr. OBEY. Mr. Chairman, I also reserve a point of order on the amendment.

The CHAIRMAN. The gentleman from Wisconsin reserves a point of order.

Mr. SMITH of Michigan. Mr. Chairman, I know my colleagues are restless. I will try to make this brief. I have been waiting 9 hours to talk about a point that I think is very important.

The motion, the amendment, says that since we are borrowing this money, since we are taking the surplus from the Social Security Trust Fund to pay for this bill, that this amendment says that when there is an on-budget surplus, we should use that money and put it in the same kind of lockbox that we passed in the budget resolution that would go to pay down the debt.

I just plead with my colleagues that something as important as this kind of funding for our military, does it not justify increasing taxes to pay for it, or cutting other government spending to pay for it, instead of just increasing borrowing that our kids and our grandkids are going to have to pay back?

Listen to this: For almost every year out of the last 40 years, we have used the Social Security Trust Fund surplus for government spending. This year, in a historic vote, this Chamber voted a budget resolution that says starting next year we are not going to do that anymore. We are going to, starting next year, not use any of the Social Security Trust Fund surplus for government spending, and it is going to be put in this so-called lockbox. In effect, it is going to go to pay down the public debt, until it can be used for a solid Social Security.

It just seems so reasonable not to continue to increase the debt subject to the debt limit that somebody else is going to have to pay back sometime.

Let us make a decision of priorities. Let us make a decision if spending of the government is important enough to increase taxes, let us take that question to the American people.

Mr. Chairman, this supplemental appropriations bill will result in additional government spending out of the Social Security Trust Fund surplus. That's not right and it shortchanges current and future retirees.

This amendment creates a "lockbox-type" mechanism to repay the money that this supplemental appropriation will require us to borrow from Social Security.

The amendment captures the first $12.9 billion in non-Social Security surpluses that come into the Treasury. The amendment then directs the Secretary of the Treasury to use that money to retire public debt.

This is the same thing done by the "Social Security lockbox" legislation.

This amendment allows us to support our military while being fiscally responsible and protecting Social Security for future generations.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from Michigan is withdrawn.

Are there further amendments to the bill?

If not, the Clerk will read the last two lines.

The Clerk read as follows:

This Act may be cited as the ''Kosovo and Southwest Asia Emergency Supplemental Appropriations Act, 1999''.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. PEASE) having resumed the chair, Mr. THORNBERRY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1664) making emergency supplemental appropriations for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes, pursuant to House Resolution 159, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the bill.

Pursuant to clause 10 of rule XX, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 311, nays 105, not voting 18, as follows:

[Roll No. 120]

YEAS—311

| | | |
|---|---|---|
| Abercrombie | DeLauro | Holden |
| Ackerman | DeLay | Holt |
| Aderholt | DeMint | Horn |
| Allen | Deutsch | Hostettler |
| Andrews | Diaz-Balart | Houghton |
| Armey | Dickey | Hoyer |
| Bachus | Dicks | Hunter |
| Baker | Dingell | Hutchinson |
| Baldacci | Dixon | Hyde |
| Ballenger | Dooley | Isakson |
| Barcia | Doolittle | Istook |
| Barrett (NE) | Doyle | Jackson-Lee (TX) |
| Bartlett | Dreier | Jefferson |
| Bass | Dunn | Jenkins |
| Bateman | Edwards | John |
| Bentsen | Ehrlich | Johnson (CT) |
| Berkley | Emerson | Johnson, E. B. |
| Berry | Engel | Jones (NC) |
| Biggert | English | Kanjorski |
| Bilbray | Etheridge | Kaptur |
| Bilirakis | Evans | Kasich |
| Bishop | Everett | Kelly |
| Blagojevich | Farr | Kennedy |
| Blunt | Fattah | Kildee |
| Boehlert | Filner | Kind (WI) |
| Boehner | Fletcher | Kingston |
| Bonilla | Foley | Klink |
| Bonior | Forbes | Knollenberg |
| Bono | Ford | Kolbe |
| Borski | Fossella | LaFalce |
| Boswell | Fowler | Lampson |
| Boucher | Franks (NJ) | Lantos |
| Boyd | Frelinghuysen | Larson |
| Brady (PA) | Frost | Latham |
| Brady (TX) | Gallegly | Lazio |
| Brown (FL) | Gejdenson | Levin |
| Bryant | Gekas | Lewis (CA) |
| Burr | Gephardt | Lewis (KY) |
| Burton | Gibbons | Linder |
| Buyer | Gilchrest | Lipinski |
| Callahan | Gillmor | LoBiondo |
| Calvert | Gilman | Lowey |
| Camp | Gonzalez | Lucas (KY) |
| Canady | Goodlatte | Lucas (OK) |
| Cannon | Goodling | Maloney (CT) |
| Capps | Gordon | Maloney (NY) |
| Cardin | Goss | Martinez |
| Castle | Graham | Mascara |
| Chambliss | Granger | Matsui |
| Chenoweth | Gutierrez | McCarthy (NY) |
| Clement | Hall (OH) | McCollum |
| Clyburn | Hansen | McCrery |
| Coburn | Hastert | McHugh |
| Collins | Hastings (FL) | McInnis |
| Combest | Hastings (WA) | McIntosh |
| Condit | Hayes | McIntyre |
| Costello | Hayworth | McKeon |
| Cramer | Hefley | Meehan |
| Crane | Herger | Meek (FL) |
| Crowley | Hill (MT) | Menendez |
| Cubin | Hilleary | Mica |
| Cummings | Hilliard | Millender-McDonald |
| Cunningham | Hinchey | Miller (FL) |
| Davis (FL) | Hinojosa | Miller, Gary |
| Davis (VA) | Hobson | Moakley |
| Deal | Hoeffel | |
| Delahunt | Hoekstra | |

| | | |
|---|---|---|
| Mollohan | Rodriguez | Sununu |
| Moore | Roemer | Sweeney |
| Moran (KS) | Rogan | Talent |
| Moran (VA) | Rogers | Tancredo |
| Morella | Rothman | Tanner |
| Murtha | Roukema | Tauscher |
| Nadler | Roybal-Allard | Tauzin |
| Napolitano | Royce | Taylor (MS) |
| Neal | Ryun (KS) | Taylor (NC) |
| Nethercutt | Sanchez | Thomas |
| Ney | Sandlin | Thompson (MS) |
| Norwood | Sawyer | Thornberry |
| Olver | Saxton | Thune |
| Ortiz | Scarborough | Thurman |
| Ose | Scott | Traficant |
| Oxley | Shadegg | Turner |
| Pallone | Shaw | Upton |
| Pascrell | Shays | Visclosky |
| Pastor | Sherman | Walden |
| Pease | Sherwood | Walsh |
| Peterson (PA) | Shimkus | Wamp |
| Phelps | Shows | Watkins |
| Pickering | Simpson | Watts (OK) |
| Pickett | Sisisky | Weiner |
| Pitts | Skeen | Weldon (FL) |
| Pombo | Skelton | Weldon (PA) |
| Pomeroy | Smith (MI) | Weller |
| Porter | Smith (NJ) | Wexler |
| Price (NC) | Smith (TX) | Weygand |
| Pryce (OH) | Smith (WA) | Whitfield |
| Quinn | Snyder | Wicker |
| Radanovich | Spence | Wilson |
| Ramstad | Spratt | Wise |
| Rangel | Stabenow | Wolf |
| Regula | Stearns | Young (AK) |
| Reyes | Stenholm | Young (FL) |
| Reynolds | Strickland | |
| Riley | Stump | |

NAYS—105

| | | |
|---|---|---|
| Archer | Hulshof | Petri |
| Baird | Inslee | Portman |
| Baldwin | Jackson (IL) | Rahall |
| Barr | Johnson, Sam | Rivers |
| Barrett (WI) | Jones (OH) | Rohrabacher |
| Barton | Kilpatrick | Ros-Lehtinen |
| Becerra | Kleczka | Rush |
| Blumenauer | Kucinich | Ryan (WI) |
| Brown (OH) | LaHood | Sabo |
| Campbell | Largent | Salmon |
| Capuano | LaTourette | Sanders |
| Carson | Leach | Sanford |
| Chabot | Lee | Schaffer |
| Clayton | Lofgren | Schakowsky |
| Coble | Luther | Sensenbrenner |
| Conyers | Manzullo | Serrano |
| Cook | Markey | Sessions |
| Coyne | McCarthy (MO) | Shuster |
| Danner | McDermott | Souder |
| Davis (IL) | McGovern | Stark |
| DeFazio | McKinney | Stupak |
| DeGette | Meeks (NY) | Terry |
| Doggett | Metcalf | Thompson (CA) |
| Duncan | Miller, George | Tierney |
| Ehlers | Minge | Toomey |
| Eshoo | Mink | Towns |
| Ewing | Myrick | Udall (CO) |
| Frank (MA) | Nussle | Udall (NM) |
| Ganske | Oberstar | Velázquez |
| Goode | Obey | Vento |
| Green (WI) | Owens | Waters |
| Gutknecht | Paul | Watt (NC) |
| Hall (TX) | Payne | Waxman |
| Hill (IN) | Pelosi | Woolsey |
| Hooley | Peterson (MN) | Wu |

NOT VOTING—18

| | | |
|---|---|---|
| Bereuter | Cox | McNulty |
| Berman | Green (TX) | Northup |
| Bliley | Greenwood | Packard |
| Brown (CA) | King (NY) | Slaughter |
| Clay | Kuykendall | Tiahrt |
| Cooksey | Lewis (GA) | Wynn |

□ 1940

Ms. CARSON changed her vote from ''yea'' to ''nay.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. BERMAN. Mr. Speaker, I was unable to cast a vote on final passage of H.R. 1664 due to a family emergency. However, had I been present I would have voted ''yea.''

Mr. GREEN of Texas. Mr. Speaker, because of the prior commitment of my daughter's wedding in Houston, I was not present for the final vote on H.R. 1664, the Kosovo Supplemental bill. If I had been present, I would have voted yes on final passage.

## PERSONAL EXPLANATION

Mr. KUYKENDALL. Mr. Speaker, I was unable to cast a vote on H. Res. 159 because I was attending my son's college graduation. However, had I been present, I would have voted ''aye.''

Mr. Speaker, I was unable to cast a vote on the Coburn-Toomey-Sanford amendment because I was attending my son's college graduation. However, had I been present, I would have voted ''no.''

Mr. Speaker, I was unable to cast a vote on the Obey substitute amendment because I was attending my con's college graduation. However, had I been present, I would have voted ''no.''

Mr. Speaker, I was unable to cast a vote on the Istook amendment because I was attending my son's college graduation. However, had I been present, I would have voted ''no.''

Mr. Speaker, I was unable to cast a vote on final passage of H.R. 1664, the Emergency Supplemental Appropriations bill, because I was attending my son's college graduation. However, had I been present, I would have voted ''yes.''

## PERSONAL EXPLANATION

Ms. SLAUGHTER. Mr. Speaker, I was unable to be present for rollcall votes 116, 117, 118, 119, and 120.

Had I been present, I would have voted ''yes'' or ''aye'' on rollcall votes 118 and 120 and ''no'' or ''nay'' on rollcall votes 116, 117, and 119.

## REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 984

Mr. BOEHNER. Mr. Speaker, I ask unanimous consent to be removed as a cosponsor of H.R. 984.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Ohio?

There was no objection.

## ANNOUNCEMENT REGARDING LIMITATIONS ON AND PROCEDURES FOR FILING AMENDMENTS TO H.R. 775, YEAR 2000 READINESS AND RESPONSIBILITY ACT

(Mr. DREIER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, at 3 o'clock this afternoon a Dear Colleague letter was sent to all Members informing them that the Committee on Rules is planning to meet the week of May 10 to grant a rule which may limit the amendment process for floor consideration of H.R. 775, the Year 2000 Readiness and Responsibility Act.

The Committee on the Judiciary ordered H.R. 775 reported on Tuesday, May 4, and is expected to file its committee report on Friday, May 7. Any Member wishing to offer an amendment should submit 55 copies and a brief explanation of the amendment to the Committee on Rules up in H–312 of the Capitol by 3 p.m. on Monday, May 10; and let me repeat that, by Monday, 3 p.m.

Amendments should be drafted to the amendment in the nature of a substitute ordered reported by the Committee on the Judiciary. Copies of this amendment may be obtained from the Committee on the Judiciary. It is also expected to be posted on their web site.

Members should also use the Office of Legislative Counsel to ensure that their amendments are properly drafted, and should check with the Office of the Parliamentarian to be certain that their amendments comply with the rules of the House.

## REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 979

Mr. BOYD. Mr. Speaker, I ask unanimous consent that my name be removed as cosponsor of H.R. 979. My name was inadvertently added to the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

## PERMISSION FOR PERMANENT SELECT COMMITTEE ON INTELLIGENCE TO HAVE UNTIL MIDNIGHT, FRIDAY, MAY 7, 1999 TO FILE REPORT ON H.R. 1555, THE INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000

Mr. GOSS. Mr. Speaker, I ask unanimous consent that the Permanent Select Committee on Intelligence have until midnight, May 7, 1999, to file its report on the bill, H.R. 1555.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

## ANNOUNCEMENT REGARDING FILING OF H.R. 1555, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2000, AND AVAILABILITY TO MEMBERS OF CLASSIFIED SCHEDULE AUTHORIZATIONS IN CLASSIFIED ANNEX

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I wish to announce to all Members of the House that the Permanent Select Committee on Intelligence ordered the bill, H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000, reported favorably to the House. That report will be filed tomorrow, Friday, May 7, under the unanimous consent just agreed to.

I would also like to announce that the classified schedule authorizations in the classified annex that accompanies H.R. 1555 will be available for review by Members at the offices of the Permanent Select Committee on Intelligence, which is room H–405 of the Capitol, beginning any time after the bill is filed.

The committee office will be open during regular business hours for the convenience of any Member who wishes to review this material prior to its consideration by the House.

I anticipate that H.R. 1555 will be considered on the floor probably next week, but no sooner than Thursday, I am advised, and possibly later than that.

□ 1945

I would recommend that Members wishing to review the Classified Annex contact the committee's Director of Security and Registry to arrange a time and date for that viewing. The number is on everybody's telephone chart. This will assure the availability of committee staff to assist Members who desire that assistance during their review of these classified materials. I urge Members to take some time to review these classified documents before the bill is brought to the floor, if they have an interest, in order to better understand the recommendations of the committee.

The Classified Annex to the committee's report contains the Permanent Select Committee on Intelligence's recommendations on the intelligence budget for fiscal year 2000 and related classified information that cannot be disclosed publicly. There are procedures.

It is important that Members keep in mind the requirements of Rule 24 of the House, clause 13. That rule only permits access to classified information by those Members of the House who have signed the oath set out in Rule 24.

I would advise Members wishing to review the Classified Annex and its Classified Schedule of Authorizations that they must bring with them a copy of the Rule 24 oath signed by them when they come to the committee office to review that material. If they do not have a copy of the oath or cannot get one and wish to review the Classified Annex, the committee staff can administer the oath and see to it that it is executed in proper form and sent to the Clerk's office. We are happy to provide that service.

Additionally, the committee will require that Members execute an acknowledgment form indicating that they have been granted access to the Classified Annex and Classified Schedule of Authorizations and that they are familiar with both the Rules of the House and the committee with respect to the classified nature of information contained in the Classified Annex and the limitations on disclosure of that information.

That is a standard operating procedure for our committee. Nothing unusual. And we urge all who are interested to come to the committee and take a look at the material.

## LEGISLATIVE PROGRAM

(Mr. FROST asked and was given permission to address the House for 1 minute.)

Mr. FROST. Mr. Speaker, I would inquire of the gentleman from New York about next week's schedule.

Mr. LAZIO. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentleman from New York.

Mr. LAZIO. Mr. Speaker, I am pleased to announce that we have concluded legislative business for the week. There will be no votes tomorrow, Friday, May 7.

The House will next meet at 2 p.m. on Monday, May 10, for a pro forma session. Of course, there will be no legislative business and no votes on that day.

On Tuesday, May 11, the House will meet at 12:30 p.m. for morning hour and 2 p.m. for legislative business.

We will consider a number of bills under suspension of the rules, a list of which will be distributed to all Members' offices. Members should note that we expect votes after 6 p.m. on Tuesday, May 11.

On Wednesday, May 12, and the balance of the week, the House will take up H.R. 775, the Year 2000 Readiness and Responsibility Act; and H.R. 1555, the Intelligence Authorization Act for Fiscal Year 2000; and we expect the conference report for the supplemental appropriations bill.

On Wednesday, May 12, the House will meet at 10 a.m. for legislative business.

On Thursday, the House will meet at 9 a.m. and recess immediately for the annual meeting of the Association of Former Members of Congress. The House will reconvene for legislative business at approximately 10 a.m. on Thursday, May 13.

And on Friday, May 14, the House will meet at 9 a.m. for legislative business.

Mr. Speaker, we hope to conclude legislative business by 2 p.m. on Friday, May 14, and I want to thank the gentleman from Texas for yielding to me.

Mr. FROST. Mr. Speaker, I have several questions for the gentleman.

First, will we definitely be here voting next Friday, in view of the rather light work schedule that the gentleman has just announced?

Mr. LAZIO. If the gentleman from Texas will further yield, I would say it appears as though, if we can move quickly through the week, if we have the conference report on the supplemental available to us by Thursday, it would be more likely than not that we would not have to be in on Friday. But that will depend on the work of the conference and whether we have that supplemental conference report available to the House by that time.

Mr. FROST. Mr. Speaker, I would ask the gentleman one other question. During the last several weeks we have been here fairly late at night on a regular basis. I would ask the gentleman whether he expects any late-night sessions next week.

Mr. LAZIO. Again, we do not expect any extraordinarily late nights for next week. Again, assuming that we can move through our legislative business as expected, we are not expecting to have any very late nights.

Mr. STENHOLM. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentleman from Texas.

Mr. STENHOLM. Mr. Speaker, if the gentleman would yield for a question, I do not believe that I heard that we would have the campaign finance reform legislation next week, or did I miss that? And if not, I would ask, it seems it is a very light week, it will be the second or third 3-day week that we have had in 2 or 3 weeks, and I was wondering when we might expect to have the campaign finance reform bill slipped into this rather busy agenda?

Mr. LAZIO. If the gentleman from Texas (Mr. FROST) will further yield, the gentleman may recall and be cognizant of the fact that the Speaker of the House has announced and has committed himself to the fact that we will have campaign finance reform on the floor sometime by the end of September.

The gentleman from Illinois, the Speaker, is a man of his word. I have every confidence that that will happen, that this House will consider campaign finance reform in a prompt and expeditious way before the end of September.

Mr. STENHOLM. I would concur with everything that the gentleman said about the Speaker. There are about 191 Democrats and about 60 on the Republican side that I think would like to see it considered a little earlier, and I would respectfully ask that we take a look at the scheduling and see if we cannot find a way to bring it up a little bit before September.

Mr. LAZIO. I want to thank the gentleman from Texas. I know that the Speaker is trying to be sensitive to all

the concerns of the Members but is very anxious to complete the business of the House, particularly the appropriations work that will see us through the summer. I think if it is at all possible for there to be a reconsideration of that date, that he will probably seize the opportunity.

He is committed to having campaign finance reform considered in this House by the end of September, and there is no doubt in my mind that this body will be acting far earlier than the body down the hall.

Mr. STENHOLM. The gentleman said one other thing that prompts me to again just observe that it is precisely because we are going to have a rather ambitious appropriations schedule, and as we have seen today with the debate and all of the rhetoric that has gone on, I think it is a fairly good prophecy that we are not going to have a very smooth appropriations schedule and cycling this year, that therefore it would seem to me it would be prudent for us to move the campaign finance reform before we get into what obviously we are going to be getting into.

I thank the gentleman for yielding.

Mr. LAZIO. Let me note as well that we are confident and the Speaker is confident that we will have several appropriations bills available to the House for a vote before Memorial Day break. That is well in front of schedule, and it is something I think the Speaker is committed to doing, to ensuring that we consider our appropriations bills earlier and get our work done earlier.

Hopefully, that will allow us the time both to consider campaign finance reform and to have a less contentious situation over the next few months. But the gentleman can rest assured the Speaker's word is good, that he is committed to a full hearing of campaign finance reform. It will be on the House floor, and it will be voted on.

## ADJOURNMENT TO MONDAY, MAY 10, 1999

Mr. LAZIO. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from New York?

There was no objection.

## HOUR OF MEETING ON TUESDAY, MAY 11, 1999

Mr. LAZIO. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, May 10, 1999, it adjourn to meet at 12:30 p.m. on Tuesday, May 11, 1999, for morning hour debates.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from New York?

There was no objection.

## DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. LAZIO. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from New York?

There was no objection.

## HOUR OF MEETING ON THURSDAY, MAY 13, 1999

Mr. LAZIO. Mr. Speaker, I ask unanimous consent that when the House adjourns on Wednesday, May 12, 1999, it adjourn to meet at 9 a.m. on Thursday, May 13, 1999, for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from New York?

There was no objection.

## AUTHORIZING THE SPEAKER TO DECLARE A RECESS ON THURSDAY, MAY 13, 1999, FOR THE PURPOSE OF RECEIVING FORMER MEMBERS OF CONGRESS

Mr. LAZIO. Mr. Speaker, I ask unanimous consent that it may be in order on Thursday, May 13, 1999, for the Speaker to declare a recess subject to the call of the Chair for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from New York?

There was no objection.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain one-minute speeches.

## SUPPORT A DIPLOMATIC END TO CONFLICT IN KOSOVO

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, there are those who would say that involvement by Congress or private citizens in U.S. foreign diplomacy in the Balkans is not necessary and we can only complicate matters.

Fortunately, Mr. Speaker, we do not have to look very far to see these naysayers could not be farther from the truth. They could not be farther out of touch with America's wishes for peace and the quick and safe return of our military men and women.

We need only to look at the Reverend Jesse Jackson and his very successful campaign to free our U.S. POWs, and we need only to look no farther than this House, where numerous delegations, bipartisan delegations, have traveled great distances to observe firsthand U.S. military involvement in the dire refugee situation in the Kosovo region.

I commend and salute my colleagues, both Republican and Democrat, and the leadership of both parties for supporting our effort to build a better understanding and working relationship with our counterparts in the Russian Duma. This information gathered by these bipartisan delegations provides all of us with a clear picture on how we can better do our job representing the American people on global issues.

## CLINTON LEGACY WILL BE BALKANS WAR

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, President Clinton says he is going to continue the bombing in Yugoslavia, and some people are beginning to ask what the Clinton legacy will be. Some say scandal and impeachment. I do not think so. I think it will be the war in the Balkans.

Mr. Speaker, when NATO began bombing Yugoslavia it led the way to billions and billions of dollars that will be spent on this war. Will we be expected to rebuild all that we destroy in Yugoslavia, as some have suggested?

To rebuild all that we have destroyed could cost hundreds of billions of dollars, power plants, airports, factories, bridges, oil refineries, infrastructure. The cost would be staggering. And where would the money come from if we have to pay it? That is right, Social Security, Medicare, our schools, and our roads. Our budget needs.

This administration is digging a deep hole with the war in the Balkans that is going to last for many years after President Clinton has left office. That may be the Clinton legacy.

## CLINTON ACTIONS HAVE TURNED RUSSIA AGAINST AMERICA

(Mr. WELDON of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Speaker, earlier today we had a member of the Russian Duma who held a press conference in this building; and he said something that is very insightful. He said that for years and years

and decades and decades the Soviet Communist party has spent billions of dollars to convince the Russian people that America should be the enemy, and it did not work in spite of all the effort of the Communist party. He went on to say that in 45 days President Clinton has done what the Soviet Communist party could not do, he has turned the Russian people against America.

Our embassy now tells Americans to not speak in English when they walk the streets. The Russians have cut off all contact with America. In 45 days this President has done what the Soviet Communist party could not do with billions of dollars in 70 years. Is this the kind of activity, is the continuation of this insane and reckless policy worth driving Russia into the hands of the ultranationalists and the Communists? I say no.

## REPORT ON TELECOMMUNICATIONS PAYMENTS MADE TO CUBA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. 106–59)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

*To the Congress of the United States:*

As required by section 1705(e)(6) of the Cuban Democracy Act of 1992, 22 U.S.C. 6004(e)(6), as amended by section 102(g) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, Public Law 104–114, 110 Stat. 785, I transmit herewith a 6-month periodic report on telecommunications payments made to Cuba pursuant to Department of the Treasury specific licenses.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 6, 1999.*

## ANNUAL REPORT ON STATE OF SMALL BUSINESS — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Small Business:

*To the Congress of the United States:*

I am pleased to present my fifth annual report on the state of small business. In 1996, the year covered by this report, more than 23.2 million small business tax returns were filed. A record 842,000 new small employers opened their doors and new incorporations hit a record high for the third straight year. Corporate profits, employment compensation, and proprietorship earnings all increased significantly. Industries dominated by small firms created an estimated 64 percent of the 2.5 million new jobs.

Small businesses represent the individual economic efforts of our Nation's citizens. They are the foundation of the Nation's economic growth: virtually all of the new jobs, 53 percent of employment, 51 percent of private sector output, and a disproportionate share of innovations come from small firms. Small businesses are avenues of opportunity for women and minorities, first employers and trainers of the young, important employers of elderly workers, and those formerly on public assistance. The freedom of America's small businesses to experiment, create, and expand makes them powerhouses in our economic system.

*An Unprecedented Record of Success*

Looking back to the 1986 White House Conference on Small Business, one of the top priorities on the small business agenda was deficit reduction. Small business capital formation efforts had been undermined by interest rates driven sky-high by the demand for funds to service the growing national debt. Today I'm proud to say we've done what was thought nearly impossible then. This year we have converted the deficit to a surplus—and the budget deficit is no longer the issue it once was.

And my Administration is committed to continuing the dramatic growth of the small business sector. We continue to pay close attention to the perspectives and recommendations of America's small business owners. The 1995 White House Conference on Small Business sent a list of 60 recommendations to my Administration and the Congress—the result of a year-long series of conferences and a national meeting on the concerns of small firms. In their 1995 recommendations, the small business delegates told us they need less onerous regulation, estate tax relief for family-owned businesses, and still more access to capital to start and expand their businesses.

On each of these fronts, and on many others, impressive steps have been taken. I have signed 11 new laws that address many of the delegates' concerns. In fact, meaningful action has been taken on fully 86 percent of the 1995 White House Conference on Small Business recommendations.

*Easing the Tax Burden*

The Taxpayer Relief Act, which I signed in 1997, includes wins for small businesses and the American economy in the form of landmark tax reform legislation. The law will provide an estimated $20 billion in tax relief to small business over the next 10 years. It extends for three years the exclusion from taxable income of money spent by an employer on education for an employee. The unified gift and estate tax credit will increase the amount excluded from taxation on a transferred estate to $1.3 million for small family-owned businesses.

The new law expands the definition of a home office for the purpose of deducting expenses to include any home office that is the business' sole office and used regularly for essential administrative or management activities.

And capital gains taxes are reduced from 28 percent to 20 percent. This will help small businesses by encouraging investments in businesses that reinvest for growth rather than investments in companies that pay heavy dividends. The law also improves the targeted capital gains provisions relating specifically to small business stocks. Moreover, small corporations are exempted under the new law from alternative minimum tax calculations. This provision saves about 2 million businesses from complex and unnecessary paperwork.

*Capital for Small Business Growth*

One of the Small Business Administration's (SBA) highest priorities is to increase small business access to capital and transform the SBA into a 21st century leading-edge financial institution. The SBA's credit programs—including the 7(a) business loan guarantee program, the Section 504 economic development loan program, the microloan program, the small business investment company program, the disaster loan and surety bond programs—provide valuable and varied financial assistance to small businesses of all types. The Small Business Lending Enhancement Act of 1995 increased the availability of funds for SBA's lending programs. In the 7(a) program in fiscal year 1997 alone, with approximately 8,000 bank and nonbank lenders approved to participate, 45,288 loan guarantees valued at $9.5 billion were approved as of September 1997.

My Administration developed community reinvestment initiatives that revised bank regulatory policies to encourage lending to smaller firms. When combined with lower interest rates, this led to a sizable increase in commercial and industrial lending, particularly to small businesses. And in the first year of implementation under the Community Reinvestment Credit Act, new data were collected on small business loans by commercial banks. The SBA's Office of Advocacy has been studying and publishing its results on the small business lending activities of the Nation's banks.

And the Office of Advocacy launched a nationwide Internet-based listing service—the Angel Capital Electronic Network (ACE-Net) to encourage equity investment in small firms. ACE-Net provides information to angel investors on small dynamic businesses seeking $250,000 to $3 million in equity financing.

*Reforming the Regulatory Process*

The Small Business Regulatory Enforcement Fairness Act (SBREFA), fully implemented in 1997, gives small businesses a stronger voice where it's needed—early in the Federal regulatory development process. The law provides for regulatory compliance assistance from every Federal agency and legal remedies where agencies have failed to address small business concerns in the rulemaking process.

The new process is working. Agencies and businesses are working in partnership to ensure that small business input is a part of the rulemaking process. In the summer of 1997, for example, the Occupational Safety and Health Administration, in conjunction with the SBA's Office of Advocacy, convened four regional meetings with small firms to discuss a safety and health program under development.

Small firms are also witnessing more agency compliance assistance once regulations are in effect. Agencies are routinely providing compliance guides and lists of telephone numbers and e-mail addresses for small business assistance.

And the law provides for a national ombudsman and 10 regional regulatory fairness boards to make it simple for small businesses to share their ideas, experiences, and concerns about the regulatory enforcement environment. The ombudsman and boards are addressing many concerns expressed by small firms in dealing with regulating agencies.

*Expanding Technology and Innovation*

Initiatives like the Small Business Innovation Research Program, the Small Business Technology Transfer Program, and the National Institute of Standards and Technology's Manufacturing Extension Partnership and Advanced Technology Program were put in place in the 1980s to channel more Federal funding to small business research and to help small businesses move ideas from the drawing board to the marketplace. Clearly, progress has been made; much remains to be done. New Internet-based initiatives like the Access to Capital Electronic Network and the U.S. Business Advisor are designed to help many more small businesses make the connections they need to commercialize their innovative technologies.

*Enhancing International Trade and Federal Procurement Opportunities*

During my Administration, our Nation has led the way in opening new markets, with 240 trade agreements that remove foreign barriers to U.S.-made products. Measures aimed at helping small firms expand into the global market have included an overhaul of the Government's export controls and reinvention of export assistance. These changes have cleared a path for small businesses to enter the international economy.

To make certain that small companies can do business with the Government, my Administration and the Congress have streamlined the Federal procurement process through administrative changes and the Federal Acquisition Reform Act of 1996. The changes instituted in these reforms are cost-effective for the Government and are intended to enable businesses to compete more effectively for Government contracts worth billions of dollars.

I am pleased that the SBA has instituted a new electronic gateway to procurement information, the Procurement Marketing and Access Network, or Pro-Net. This database on small, minority-owned, and women-owned businesses will serve as a search engine for contracting officers, a marketing tool for small firms, and a link to procurement opportunities.

*The Human Factor*

My Administration is moving to anticipate 21st century demands on our most important resource—our people. As a recent report by the SBA's Office of Advocacy points out, small businesses employed more people on public assistance in 1996 than did large businesses. Our Welfare to Work Partnership has already had positive results—we've moved two million Americans off welfare two full years ahead of schedule. And we are enlisting the help of more and more small business people to expand that record of success.

We want to educate and train a work force that will meet all our future global competition. For those in the work force or moving into it, I recently signed legislation that consolidated the tangle of training programs into a single grant program so that people can move quickly on their own to better jobs and more secure futures. The Balanced Budget Act of 1997 encourages employers to provide training for their employees by excluding income spent on such training from taxation. The SBA has also increased training opportunities for businesses by funding new export assistance centers and women's business centers across the country.

Women have been starting their own businesses at a dramatic rate in recent years. More than 6 million women-owned proprietorships were in operation in 1994, a phenomenal 139 percent increase over the 2.5 million that existed in 1980. But it is also women who are most affected by the lack of adequate child care. The SBA's Office of Advocacy has found that while small firms value the benefits of child care as much as large businesses, small businesses have been less likely to offer this benefit than large firms for a variety of reasons related to cost. The bottom line is that we've got to raise the quality of child care and make it more affordable for families. I have proposed tax credits for businesses that provide child care and a larger child care tax credit for working families.

I am pleased that so many Americans of all races and nationalities are asserting their economic power by starting small businesses. This report documents the growth: the number of businesses owned by minorities increased from 1.2 million to almost 2 million in the 5-year period from 1987 to 1992. The Federal Government has a role in widening the circle of economic opportunity. Programs are in place to ensure that socially and economically disadvantaged businesses have a fair chance in the Federal procurement marketplace. The share of Federal contract dollars won by minority-owned firms has remained at 5.5 percent for two years running—up from less than 2 percent in 1980. And recently the SBA and the Vice President announced new small business lending initiatives directed to the Hispanic and African American small business communities to give these Americans better access to the capital they need.

We have been working for the past 5 years to bring the spark of enterprise to inner city and poor rural areas through community development banks, commercial loans in poor neighborhoods, and the cleanup of polluted sites for development. The empowerment zone and enterprise community program offers significant tax incentives for firms within the zones, including a 20-percent wage credit and another $20,000 in expensing and tax-exempt facility bonds. Under the leadership of the Vice President, we want to increase the number of empowerment zones to give more businesses incentives to move into these areas.

*Future Challenges*

America's small business community is both the symbol and the embodiment of our economic freedom. That is why my administration has made concerted efforts to expand small business access to capital, reform the system of Government regulations to make it more equitable for small companies, and expand small business access to new and growing markets.

This is an important report because it annually reflects our current knowledge about the dynamic small business economy. Clearly, much is yet to be learned: existing statistics are not yet current enough to answer all the questions about how small, minority-owned, and women-owned businesses are faring in obtaining capital, providing benefits, and responding to regional growth or downsizing. I continue to encourage cooperative Government efforts to gather and analyze data that is useful for Federal policymaking.

I am proud that my Administration is on the leading edge in working as a partner with the small business community. Our economic future deserves no less. The job of my Administration, and its pledge to small business owners, is to listen, to find out what works and to ensure a healthy environment for small business growth.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 6, 1999*.

□ 2000

## SPECIAL ORDERS

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

## 30TH ANNIVERSARY OF ARMENIAN STUDIES PROGRAM AT HEBREW UNIVERSITY IN JERUSALEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, on Tuesday, May 4, at the Embassy of the Republic of Armenia here in Washington, D.C., an important milestone was celebrated, the 30th anniversary of the Armenian Studies Program at the Hebrew University in Jerusalem.

I believe this event is important not only because of the celebration of three decades of one of the world's finest programs for the study of Armenian language, literature, art and history, although this is of course extremely important in its own right. What distinguishes this week's celebration and the entire mission of the Armenian Studies Program at Hebrew University is the cooperation it represents between the Armenian and the Jewish peoples. This cooperation was in evidence as distinguished representatives from both the Armenian-American and Jewish-American communities were present at the Embassy.

Mr. Speaker, the Armenian and Jewish peoples have much in common. They are two of the most ancient and enduring nations, with histories and traditions that are measured not in centuries but in millennia. Sadly, these two peoples of great cultural achievement have also been singled out for unthinkable suffering, particularly in this century.

Last month, Members of this House paid tribute to the victims and survivors of the Armenian genocide in which 1.5 million Armenians died at the hands of the Ottoman Turkish Empire during the years 1915 to 1923. At that time there did not exist a word to properly convey the enormous horror of an entire people being singled out for mass murder, for racial or ethnic elimination.

It was not until the Nazi Holocaust, in which six million Jews were killed for no other reason than for who they were, that a term was devised to describe this mass atrocity: Genocide. In fact, when Hitler was planning his so-called ''final solution'' against the Jewish people, he said to his associates, ''Who today remembers the extermination of the Armenians?''

Yet today, Mr. Speaker, the Armenian and Jewish people have overcome the horrors of the past, not forgotten, of course, but overcome. The Republic of Armenia is an emerging democracy that has worked to establish the institutions of a civil society at home while maintaining its national security despite being surrounded by hostile neighbors. The State of Israel has succeeded at these same daunting tasks, fostering a thriving democracy while remaining secure against hostile neighbors for half a century.

In Israel's capital of Jerusalem, in the southwestern part of the Old City, surrounding the Citadel of King David, is the Armenian Quarter. The staunchly Christian Armenian people, the first to embrace Christianity as their national religion, have maintained their presence in that area since early times. The Armenian St. James Cathedral is one of the most impressive churches in the Old City. The Armenian Museum is a graceful cloister housing a fascinating collection of manuscripts and artifacts.

Armenian Orthodox Patriarchate Road and Ararat Street, named for the mountain in full view from Armenia's capital of Yerevan, where Noah's Ark is believed to have come to rest, are two of the area's main thoroughfares. Jerusalem's approximately 2,000 Armenians live in a tightly-knit community known for their sophistication, dedication to their faith and their nation, and hospitality to visitors.

During the Armenian genocide, hundreds of thousands of Armenians were forced by the Ottoman Turks into the deserts of the Middle East. In the midst of their suffering, some Armenians were taken in and given protection by many people in the Middle East, and Armenian communities still exist in that part of the world.

Israel and Armenia continue to work on expanding and improving their bilateral relations. While there have admittedly been some differences, Armenian Foreign Minister Vartan Oskanian visited Israel late last year, at which time the governments of both countries emphasized their commitment to increased cooperation.

But, Mr. Speaker, while government-to-government initiatives continue, some of the most important advances come from the person-to-person relationships. Tuesday night's event at the Armenian Embassy is a testimony to that effort.

I want to pay particular tribute to two individuals who have done so much to further these important contacts, Annie Totah and Aris Mardirossian, the co-chairs of the 30th Anniversary Celebration. I also salute all of the Armenian and American Friends of the Hebrew University and all of the leaders in the Armenian and Jewish communities who have worked so hard for this very worthy cause.

Tuesday's reception will be followed by several noteworthy events in Jerusalem, including the International Conference on the Armenians in Jerusalem on May 24 through 26, a symposium for the Israeli public on June 6, and a symposium on the Armenian Pilgrimage to the Holy Land with guest of honor His Beatitude Mesrop II, Armenian Patriarch of Constantinople, and an alumnus of the Armenian Studies Program.

Finally, Mr. Speaker, I want to express my appreciation to one of the leading figures in the media, ABC news anchor Peter Jennings. On last Friday's broadcast, Mr. Jennings presented as part of his series on the century a poignant and powerful report on the Armenian genocide. In a century in which genocide has been a recurring horror, from the Nazis to Cambodia to Rwanda to the Balkans, it is important that all of us, in politics, in the media, in the field of education, and in other walks of life, be aware of what happened to the Armenian people 84 years ago.

## THE FAA, DOT IG, NTSB AND AVIATION SAFETY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. WOLF) is recognized for 5 minutes.

Mr. WOLF. Mr. Speaker, on March 10, 1999, the House Appropriations subcommittee on Transportation held a hearing on the topic of aviation safety. At that hearing, Jane Garvey, administrator of the Federal Aviation Administration (FAA) testified, as did Ken Mead, Department of Transportation inspector general (IG), and Jim Hall, chairman of the National Transportation Safety Board (NTSB).

Last year, domestic air carriers had an excellent safety record: no passengers died on U.S. commercial flights. Many worked diligently to make safety a priority, and in the transportation appropriations subcommittee we have focused our efforts on aviation safety as well as all transportation modes.

In listening to the testimony prepared by each agency, it appeared that there was a difference of opinion in some areas with regard to the progress being made in aviation safety. Therefore, I requested that the IG and NTSB review the FAA's testimony and the FAA review the testimony of the IG and NTSB. In addition, I asked each to respond to the comments made by the others. I have provided this information for the FEDERAL REGISTER.

In general, the oversight agencies (NTSB and IG) believe that the FAA could be moving more aggressively in the referenced areas of aviation safety. For example, the NTSB noted that the FAA should be moving more quickly to ensure that aircraft registered in the United States have new flight data recorders. Similarly, the IG points out that draft regulations seeking to reduce the number of runway incursions have not yet been published while the number of runway incursions continues to rise.

Both oversight agencies suggest that the FAA should use more realistic measures of aviation safety. For example, the IG notes that

a good measure of airport security is not the number of new explosive detection machines purchased and distributed, but the number of bags screened by the machines. After all, it's one thing to purchase and place explosive detection machines and it is quite another to put them into service and screen bags.

For its part, the FAA agrees that more should be done in the areas of runway incursions, airport security and project oversight.

Mr. Speaker, it is my hope that the FAA will continue to work with the IG, NTSB and the aviation industry to fund and implement additional safety initiatives. The safety record of the industry last year was good, but we must remain vigilant in our efforts to improve the safety of the traveling public. As chairman of the House Appropriations subcommittee, I am committed, as I know all members of the subcommittee are, to do what we can to make sure that transportation safety remains a priority.

OIG COMMENTS ON FAA'S STATEMENT

We have the following comments on FAA's statement before the Subcommittee on Transportation, Committee on Appropriations.

I. AIR TRAFFIC CONTROL MODERNIZATION

FAA's statement gives the impression that final deployment of the HOST and Oceanic Computer System Replacement for Phase 1 hardware has been completed. However, final deployment has not yet occurred and is currently planned to be complete by October 1999.

II. SECURITY

FAA's testimony on deploying explosives detection systems state that FAA has been very effective in getting advance explosives detection systems up and running. FAA's statement cites the fact that security equipment for checked baggage has been installed at over 30 airports, and that trace explosive detection devices for carry-on bags are being used at more than 50 airports.

The issue is not whether security equipment has been installed at more than 30 airports or whether the equipment has been ''procured'', ''installed'' or is ''operational.'' In our opinion, the true measure of effectiveness is the number of fully operational, FAA-certified bulk explosives detection machines in use at Category X and I airports that are screening at or near the demonstrated mean capacity of 125 bags per hour per machine. In our opinion, this usage rate is reasonable as it includes time to resolve alarms and is just more than half of the certified rate of 225 bags per hour.

Accordingly, our message to Congress in the past 2 years has focused on the underutilization of explosives detection equipment at this country's largest airports. In our opinion, it is ultimately the number of bags screened that makes the difference in aviation security, not the number of explosives detection machines installed.

FAA also stated that it continues to expand the use of realistic operational testing of the aviation security system. While FAA may be expanding the use of realistic operational testing, much of the testing to date has not been ''realistic.''

In our recneltly completed audit of Secretary of Checked Baggage, we found that checked baggage security testing by over 300 FAA security field agents assigned to FAA regions was limited to air carrier compliance with manual profiling and positive passenger bag marching requirements. Also, at the time of our audit, only a few ''red team''[1] security agents assigned to FAA Headquarters were testing the new automated passenger profiling systems, explosives detection equipment, and equipment operators. Therefore, red team testing of the new checked baggage security requirements has been infrequent, limited to specific testing criteria, and applied to only a few air carriers.

In prior audits, we found similar conditions. For example, in 1993 and 1996, we reported that FAA testing of airport access control was ineffective (not realistic or aggressive) and, in 1998, we reported that FAA testing of air carrier compliance with cargo security requirements was not comprehensive. We ntoed certain compliance requirements were omitted from the test plans.

Current OIG efforts indicate little improvement. For example, in our current audit of airport Access Control, we found FAAs airport access control assessments were limited in scope, included little testing of controls, and were conducted without using a standard testing protocol.

Our test results confirm the importance of a standard test protocol that includes realistic and aggressive testing procedures. In a majority of our tests involving airport access control, we successfully penetrated secure areas and boarded a large number of passenger and cargo aircraft. The majority of individiuals we encountered failed to challenge us for unauthorized access. FAA recognizes that improvements are needed and, on March 3, 1999, issued a letter to Airport Security Consortiums to take immediate action to fix the problems.

III. SAFETY

FAA's testimony states that Runway Incursion Action Teams have helped Cleveland-Hopkins International Airport reduce its incursion rate to an all-time low. However, data provided by FAA staff in the Runway Safety Office indicate that the incursion rate at the airport is not at its all time low. In 1995, the runway incursion rate at the Cleveland airport was 0.375 per 100,000 operations. The rate climbed in 1996 and has remained steady over the last three years at just over 1.9 per 100,000 operations. The number of runway incursions (six occurrences) has also remained steady in the past 3 years.

IV FINANCING

FAA's statement suggests that the proposed performance-based organization (PBO) for air traffic control will be funded in FY 2000, in part, by $1.5 billion in new, cost-based user fees. This estimate is highly optimistic because the proposed user fee system will require FAA's cost accounting system to be in place and operating. Although FAA plans to being implementing its cost accounting system this summer in the oceanic and enroute environment to support overflight fees, other types of air traffic under fees will require further deployment of the cost accounting system and concurrence of both Congress and users.

FAA's statement also suggests that the proposed PBO will make air traffic control more accountable for good performance. Accountability for performance was also a main tenet of personnel reform and part of the impetus behind exempting the agency from most Federal personnel rules in 1996. In our September 30, 1998, report on the status of FAA's personnel reform, we found that even with the new flexibilities provided by reform, accountability for performance had not been uniformly instilled throughout the agency. Accordingly, in our opinion, there is no guarantee that reorganizing air traffic control into a PBO will provide the necessary catalyst to ensure greater accountability for performance within that organization.

FAA'S RESPONSE TO THE INSPECTOR GENERAL'S COMMENTS ON FAA'S TESTIMONY

NAS MODERNIZATION

*HOST and Oceanic System Replacement (HOCSR):*

The FAA did not mean to imply that final deployment of the HOCSR hardware is complete. We are on schedule and anticipate final deployment to be complete by October, 1999.

AVIATION SECURITY

*Explosive Detection Equipment:*

We agree with the IG that the utilization rates should be significantly higher and we are working with air carriers to do that. Recent data indicates an upward trend.

*Airport Access Control:*

We agree that airport access control needs improvement in many areas. We have initiated an aggressive plan with our industry partners at 78 of the Nation's largest airports. Over the next 6 weeks, we will conduct inspections and tests to identify vulnerabilities systematically. We will use the information to direct appropriate corrective action. The FAA issued a letter, on March 3, 1999, to Airport Security Consortiums to take immediate action to fix the problems.

AVIATION SAFETY

*Runway Incursions:*

Specific reference by FAA that Cleveland runway incursions ''dropped to an all-time low'' is, regrettably, incorrect information.

FINANCING

We agree with the IG that the estimated $1.5 billion in new, cost based user fees for FY 2000 is optimistic. However, we believe that ultimately moving to a cost based system is essential to the development of a more independent, more businesslike and more efficient air traffic service.

FAA'S RESPONSE TO THE INSPECTOR GENERAL'S TESTIMONY

At the FY 2000 House Appropriation hearing on March 10, Chairman Wolf asked the FAA to respond to testimony from the Department of Transportation's Inspector General (IG) and the Chairman of the National Transportation Safety Board (NTSB). This is the FAA's response to the IG testimony on NAS Modernization, Security, Safety and Financing.

NAS MODERNIZATION

*Standard Terminal Automation Replacement System (STARS):*

The Inspector General recommends that FAA defer decisions on the full range of software development needed for human factors on full STARS until testing on the DOD system is completed.

Although we understand the IG's concern about software development, we disagree with their recommendation. We have worked very closely with NATCA to identify and find mutually agreeable solutions to the human factors issues for the Early Display Configuration. These changes will be incorporated into the Initial System Capability (ISC), or full STARS. We believe that NATCA is fully committed to STARS as the system for the future and wants to work

[1] Red team refers to a group of security agents assigned to FAA's Civil Aviation Security Special Activities Office.

with FAA to successfully field a STARS product with minimally agreed to human factors additions as soon as possible.

*Wide Area Augmentation System (WAAS):*

The Inspector General indicates that the program continues to experience schedule slippage.

The FAA was under pressure several years ago to accelerate the WAAS schedule. Considering the many uncertainties and unknowns with this type of cutting edge technology, we knew there was a great deal of risk with such a compressed, aggressive schedule. We would like to point out that even with the 14-month schedule slip that we now project, the WAAS program is well within the initial (pre-accelerated) schedule. What caused the 14-month delay was a greater than expected challenge in developing a critical software package that monitors the performance and safety of the WAAS. All the other major software modules have been completed, the ground-based master and reference stations are in place, and the two leased geostationary satellites are in orbit providing service.

With regard to the Hopkins risk assessment study, the Inspector General discusses several issues that are unresolved and that considerable work remains to be done.

The Inspector General may have left the impression that nothing is being done by way of follow-up to the Hopkins study. In fact, the FAA is addressing the various items in the Hopkins study and will have a plan completed by this summer. The FAA is working on a ''Satellite Navigation Investment Analysis Plan,'' also due out this summer. This will include an analysis of the alternatives of backups to WAAS. The FAA discussed these alternatives in a public Satellite Navigation User Forum here in Washington, the first of three such forums to get user input in the investment/alternatives analysis process.

*HOST and Oceanic System Replacement (HOCSR):*

The Inspector General's comments suggest that meeting the HOCSR deadline was a relatively modest accomplishment.

The Inspector General testimony from a year ago before the House Committee on Transportation and Infrastructure, said with regard to HOCSR, ''the FAA faces significant challenges and risks.'' The testimony also said ''Rehosting in less than 2 years at all centers is extremely optimistic. It is unlikely that FAA can completely replace the HOST hardware at all 20 enroute centers in less than 2 years.''

HOCSR phase 1, while being a hardware replacement only, is not simple. Host is connected to almost everything else in the NAS and the transition strategy [akin to changing a tire on a moving car] is fairly involved. Complex networks of cables and switches were installed, tested and connected to the existing NAS with no disruption of service. Centers were able to switch back and forth between old and new systems seamlessly. This was a major accomplishment, and we are within cost and on schedule.

*Display System Replacement (DSR):*

The Inspector General's testimony minimizes the DSR accomplishment because it did not involve large-scale development of software.

DSR should fit the definition of a software-intensive system. DSR required development, integration and test of almost 800,000 lines of operational software and also required integration of over 70 commercial, off-the-shelf software packages as part of the support system.

*Data Link:*

The Inspector General raised concerns about a prolonged transition and the associated impact on cost, schedule, and human factors.

We believe that our current plans adequately address the Inspector General's concerns. Rather than a transition to data link, the FAA will be conducting an insertion of data link technology into the NAS. Benefits will be realized immediately, both by data link and non-data link users, because of a reduction of frequency congestion on conventional voice frequencies. Data link will never completely replace voice communications especially in conditions of aircraft or system emergencies, rapidly changing severe weather, and similar high communications workload environments. From the standpoint of cost, only those users who derive a supportive cost/benefit analysis will equip; those that don't will derive the operational benefit of greater access to conventional communications frequencies. FAA costs are offset as data link provides a solution for current and future bandwidth problems. Those users that will equip will do so as the business case dictates. Human factors suggests that data link be used for routine messages; voice messages will still be available for time critical communications, and, because of the use of data link in routine traffic, a higher level of safety and efficiency will be maintained through reduced frequency congestion.

AVIATION SECURITY

*Explosive Detection Equipment:*

The Inspector General raises concerns about the underutilization of explosive detection equipment and recommends that the machines be used more aggressively. The Inspector General indicates that FAA's goal is to have air carriers ultimately screen all checked baggage.

We want to emphasize that the long-term goal to screen all checked baggage is very long term. With the technology that exists today, we have more confidence in the process of screening CAPS selectee bags rather than trying to screen as many bags as possible.

AVIATION SAFETY

*Runway Incursions:*

The Inspector General stated that the FAA has made limited progress in implementing the Runway Incursion Plan.

The FAA has made significant progress but we realize there is much more to do. We are finalizing the program implementation plan, which establishes tasks, schedules and funding required to accomplish prevention strategies. We expect to publish this plan in April, 1999. We are well aware that we must provide appropriate funds for these priority initiatives.

We have on-site evaluations underway. Runway incursion action teams are focusing on airports experiencing an unusually high rate of incidents. We have completed 6 and plan to complete at least 14 additional evaluations by September 30, 1999.

The FAA is currently in the final stages of investment analysis that is addressing the validity of a wide range of technical and non-technical solutions, such as: improved controller, pilot, vehicle operator education and training; procedural changes; and improvements in airport signs, lighting, surface marking and other equipment (such as low cost ASDE, loop technology).

The FAA is focusing on immediate initiatives to reduce runway incursions and prevent surface accidents. We are in the process of implementing 18 separate actions, which are all funded. Some examples follow:

''Awareness blitz'' targeted for operators and users.

Monthly Air Traffic/Airport Operator/User meetings at top 20 runway incursion airports.

Develop and distribute videos to address controller and pilot awareness.

Develop and safety related brochures and materials to aviation organizations.

The FAA's Safer Skies also identifies runway incursions as one of the focus areas for commercial and general aviation. A commercial and general aviation analysis team that includes FAA, NASA, industry and aviation union representatives [the Joint Safety Analysis Team (JSAT)] was chartered and met on February 11–12, 1998. A schedule over the next 6-month period was established to analyze commercial and general aviation runway incursions and develop intervention strategies based on this data analysis. This effort is fully coordinated with and complements the efforts in the Runway Incursion Program plan.

The Inspector General indicates that FAA has completed only two of the eight recommendations included in the February, 1998 OIG report.

We continue to work towards completion of all of the 1998 recommendations from the IG. With regard to the IG's emphasis on completing the AA/AOPA education project, we would like to point out that the final part of the project is underway—the distribution of educational materials (videos, posters and brochures).

Clarification on Runway Incursion Data included in the Inspector General's Statement:

With regard to the chart on page 5 of the Inspector General's statement, the data is accurate. This data was obtained from FAA through the National Airspace Information Monitoring System.

Specific reference by FAA that Cleveland runway incursions ''dropped to an all-time low'' is, regrettably, incorrect information.

*Flight Operations Quality Assurance:*

The Inspector General raised concerns about the status of rulemaking to obtain air carrier safety data that would be used to proactively identify risks. The statement discusses the protection of safety data and the ability of FAA to move forward with FOQA.

The FAA is addressing the safety data protection concerns in a separate notice of proposed rulemaking which we hope to release for public comment in the near future.

The Inspector General suggests that an option for gaining industry and Government acceptance of FOQA would be to include a ''sunset provision'' in the final rule.

The FAA disagrees. The FAA has already gathered ample documentation of the value-added safety benefits that FOQA will provide, including improvements to air traffic procedures, pilot training, and airport equipage. The FAA wants accelerated industry-wide implementation of FOQA in the interest of public safety. Given the investment required by both the airlines and the FAA to achieve that goal, a ''sunset provision,'' which automatically terminates the program by a set date seems inappropriate.

*Air Transportation Oversight System (ATOS):*

The Inspector General raises concerns about budget reduction and the impact on ATOS.

The FAA has made difficult choices this year in order to manage within a very constrained budget. We have deferred hiring

ATOS data analysts his year. However, in order to keep the program on track with Phase I, we have reprioritized work plans to support ATOS until additional analysts can be hired.

We have fully funded the ATOS baseline training. This includes initial indoctrination training and travel for air carrier specific training needed by the certificate management team (CMT). Some of the flight training and air carrier systems training needed by team members has been deferred.

Regardless of the budget situation, we believe that a slower approach to ATOS is prudent. It is important to note that we will evaluate ATOS Phase I before a decision is made to expand the program.

The IG indicates that the FAA will complete an evaluation of ATOS implementation by June 30, 1999. FAA will begin an evaluation of ATOS Phase I implementation by June 30, 1999, and we expect to complete this activity September 30, 1999.

*Air Tour Operations:*

The Inspector General urges the FAA to issue rulemaking to extend more stringent safety and oversight of air tour operators.

FAA has developed a notice of proposed rule making (NPRM) that will establish a set of national safety standards for those operators. The rule will require that each operator obtain an air carrier certificate and associated operations specifications. The rule would also make operational information on air tour operators more readily available.

Both the IG and NTSB have insisted on the need for a data base on air tour operators. They have provided no rationale as to how a data base will improve safety. The FAA disagrees and believes establishment of such a data base is costly and unnecessary and would provide no safety benefit. Once all air operators are certificated, FAA will have sufficient information in its operation specifications data base to provide safety oversight.

FINANCING AND COST CONTROL

*Rising Operations Costs:*

The Inspector General indicates that FAA will need to contain increases in Operations costs in order to fund other critical functions.

FAA is also concerned about rising Operations costs because our ability to actually control payroll-related increases in extremely limited. Approximately 75% of the Operations account is payroll related. Payroll cost increases are based on mandatory pay raises as well as increases in government contribution rates for retirement, social security, health insurance and medicare.

The recent NATCA agreement does cost more than we budgeted for but represents less than 25% of our total mandatory increases this year.

The best way the FAA can control payroll costs is through staffing reductions. We have made significant staffing reductions since 1993. Even though the safety workforce has grown in recent years, the staffing levels in Operations are 4,500 lower than in 1993. These reductions have resulted in annual cost avoidance of $250 million and cumulative cost avoidance of over $2 billion. We have also reduced our costs by contracting out low level air traffic control facilities and realigning the Airway Facilities field organizations.

In the context of rising Operations costs, the Inspector General questions an FAA funding policy that has been in place for over six years.

We do not consider first year maintenance costs of a new system to be a ''mask'' for rising Operations costs. The use of F&E funds to pay for maintenance for up to one year following commissioning new systems can be compared to a service contract for a newly acquired product, or a warranty period. These are appropriately considered part of the cost of fielding new systems. This policy was coordinated with and approved by the House and Senate Appropriation Committees.

*Cost Accounting:*

The Inspector General points out schedule slippages in implementation of cost accounting.

While the IG is correct in noting there have been schedule slippages, we have made significant changes in how the agency approaches this critical initiative. The revised plan calls for an incremental approach to cost accounting that allows us to build on success as each piece is implemented.

For example, in the first phase, FAA will have the initial cost information available this summer for the Oceanic and En Route portions of Air Traffic Services. Once this is completed, other parts of Air Traffic Services and then other Lines of Business will be brought into the System.

We anticipate having the entire agency covered by the cost accounting system by the end of FY 2001.

When compared to private sector entities that have built similar cost accounting systems, FAA's new time schedule and cost estimates compare favorably with best business practices.

[Enclosure 2]

RESPONSE TO FAA'S COMMENTS ON OUR STATEMENTS

We have the following response to FAA's comments on our statements.

I. AIR TRAFFIC CONTROL MODERNIZATION

FAA disagrees with our recommendation that FAA defer decisions on the full range of software development needed for human factors on full STARS until the testing on the Department of Defense system in completed. FAA states that it has worked closely with the National Air Traffic Controllers Association to resolve the human factors issues with the Early Display Configuration. These human factors changes will be incorporated in full STARS.

We agree that the human factors issues identified for the Early Display Configuration should be incorporated in full STARS. Our recommendation was intended to address the remaining human factors work that will be needed beyond those identified for the Early Display Configuration. Full STARS will completely replace ARTS with independent primary and back-up systems and includes functions not contained in the Early Display Configuration.

FAA argues that we minimize the accomplishments to date with the Display System Replacement (DSR), and the agency points out that DSR was a software intensive acquisition. DSR was indeed a software intensive acquisition. However, it is important to recognize that considerable software development for DSR was done as part of the Advanced Automation System, which was contracted for in 1988 and dramatically restructured in 1994. Therefore the success with DSR is directly related to software development work done during that six-year period.

FAA notes that current agency plans adequately address our concerns about Data Link. However, we issued a report on February 24, 1999, that made a number of recommendations aimed at improving planning for Data Link systems. We continue to believe that a comprehensive plan is needed to guide industry and government efforts to transition to Data Link over the next decade.

II. SECURITY

FAA said that the goal to screen all checked baggage is very long-term (not obtainable in the near future).

We agree that screening all checked bags is a long-term goal. However, FAA needs to begin to move forward in achieving that goal. Utilization can be increased for several reasons. First, the machines currently deployed at the nation's busiest airports are clearly capable of screening significantly more bags than the bags of selectees only. This is currently being demonstrated by a few machines deployed at some airports. Second, it offers a high potential for improving aviation security. The equipment's ability to detect explosive material does not depend exclusively on human skill, vigilance, or judgment. Third, it represents a significant outlay of funds. FAA estimates average costs of $1.3 million to purchase and install each CTX 5000 SP. Fourth, based on an FAA study, continued low use may affect operator proficiency and prevent FAA from effectively measuring how dependable the equipment is in actual operations.

III. SAFETY

*Runway Incursions*

FAA stated that it has made significant progress in implementing the Runway Incursion Plan. We acknowledge that FAA has made some progress in implementing the Runway Incursion Plan, which is a very sound foundation for effectively reducing runway incursions. However, only 18 of the 51 actions indicated in their plan have been initiated. Additionally, we found that some deadlines have slipped and may slip further unless funding is set aside to implement all actions in the plan. While FAA plans to identify all funding requirements for its Runway Incursion Plan through an investment analysis, it does not expect to complete this process before September 1999. Further, this analysis only pertains to future funding beginning in FY 2001 and does not address current funding requirements.

Runway incursions include operational errors, pilot deviations, and vehicle/pedestrian deviations. FAA states that surface operational error were down by 9 percent. However, data we received from the Air Traffic Resource Management Program Office indicates surface operational errors were up by 5 percent. The only decrease noted in the data was a 30 percent decrease in vehicle/pedestrian deviations.

*Flight Operations Quality Assurance (FOQA)*

FAA disagreed with our suggestion that an option for gaining industry and Government acceptance of FOQA would be to include a ''sunset provision'' in the final rule. FAA stated that it has already gathered ample documentation of the value-added safety benefits that FOQA will provide, including improvements to air traffic procedures, pilot training, and airport equipage. FAA wants accelerated industry-wide implementation acceptance of FOQA in the interest of public safety. According to FAA, given the investment required by both the airlines and FAA to achieve that goal, a ''sunset provision,'' which automatically terminates the program by a set date seems inappropriate.

We agree that access to FOQA data has been accepted as a value-added safety beneficial program. However, to gain acceptance of the program, FAA should include enticements in the final rule to satisfy the many

reservations expressed by government agencies. In our opinion, one enticement would be a provision in the final rule that would sunset the program at a specific time. A sunset provision would allow FAA, air carriers, and government agencies to assess any concerns experienced before the FOQA programs were extended.

*Air Tour*

FAA stated that both the IG and NTSB have insisted on the need for a database on air tour operators but provided no rationale as to how a database will improve safety. FAA disagrees and believes establishment of such a database is costly and unnecessary and would provide no safety benefit. FAA stated that once all air tour operators are certificated, FAA will have sufficient information in its operation specifications database to provide safety oversight.

We agree with NTSB that FAA needs to know who air tour operators are and where they are flying to provide proper oversight. The NTSB stated in findings to its June 1995 report that:

''The lack of a national database for air tour operations precludes effective evaluation of the accident rate of air tour operators on the traditional basis of flight hours, cycles, and passengers carried. Also, the adequacy of staffing levels of FSDOs [FAA Flight Standards District Offices] to oversee air tour operators is difficult to evaluate because of the lack of national standards and a database to establish the magnitude of this portion of commercial aviation.''

Even though originally recommended by NTSB in 1993, there is no comprehensive air tour database or survey data. Currently the Department and FAA are proposing to act on this recommendation 2 years after the draft rulemaking is complete. The draft rule has not yet been published for comment. A required comment period and the possibility of changes based on the comments received, could mean a final rule is still months away. FAA should not continue to delay taking action on this recommendation.

IV. FINANCING

FAA stated that payroll cost increases are based on mandatory pay raises as well as increases in government contribution rates for retirement, social security, health insurance and medicare—all of which are outside the control of the agency. While we are mindful that some cost increases associated with FAA's Operations account are outside the control of the agency, other factors are within the agency's control. For example, the new pay system for air traffic controllers was the result of negotiations between FAA and the National Air Traffic Controllers Association and not the result of mandatory pay raises or increase in government contribution rates for employee benefits.

FAA also stated that it does not consider first year maintenance costs of a new system to be a ''mask'' for rising Operations costs and that the policy was coordinated with and approved by the House and Senate Appropriations Committees. We did not question the practice used by FAA of funding certain activities using F&E budgets. As we stated in our testimony, FAA's procedures permit this method of accounting. However, our statement was to demonstrate that Operations costs may be even greater than reported because F&E funds are used, in some cases, to finance activities normally related to operations, such as maintenance, salaries, and travel costs.

FAA'S RESPONSE TO THE NATIONAL TRANSPORTATION SAFETY BOARD TESTIMONY

At the FY 2000 House Appropriation hearing on March 10, Chairman Wolf asked the FAA to respond to testimony from the Department of Transportation's Inspector General (IG) and the Chairman of the National Transportation Safety Board (NTSB). This is the FAA's response to the NTSB testimony on Safety.

INTERNATIONAL ISSUES

The NTSB indicates that their involvement in international accident investigations has increased because more and more U.S. airlines are entering into code-share arrangements with foreign airlines. He points out that FAA oversight responsibilities for foreign carriers is limited.

FAA has actively pursued new bilateral agreements that define specific obligations for both parties for airworthiness acceptance, repairs and maintenance. These new agreements, called Bilateral Aviation Safety Agreements, offer the FAA greater flexibility in dealing with the international oversight issues. Prior to implementing such agreements, the FAA conducts a detailed assessment of a partner country's aviation system and concludes implementation procedures that outline how each authority will interact. FAA's vision is that a network of competent aviation authorities will share responsibility for safety oversight and we are continuously working towards building this network.

The NTSB references a domestic situation similar to the international oversight issue that arose several years ago when large U.S. carriers began code-share arrangements with commuter airlines that did not have the same stringent safety requirements. Chairman Hall stated, ''Consequently, the traveling public was receiving in effect two levels of safety, until December 1995 when the FAA acted on NTSB recommendations and issued its final rule.''

The one level of safety initiative came from Secretary Pena's January 1995 Safety Summit and the considerable efforts of industry. The NTSB was involved, however, the rule was not specifically in response to a NTSB recommendation.

CONTROLLED FLIGHT INTO TERRAIN (CFIT)

The NTSB indicates a significant area of concern in foreign accidents is CFIT.

CFIT and approach and landing accidents are major safety items in the Administrator's Safety Agenda. The FAA and industry have extensive efforts underway to address these accident causal factors, yet no mention of the FAA/industry program is made by the NTSB.

FAA's short term efforts are directed toward (1) implementing the Terrain Awareness Warning System rule while encouraging voluntary compliance, (2) re-emphasizing current ATC CFIT training procedures and enhancing them where necessary, (3) establishing standards for FMS equipped aircraft to enable precision-like approaches to all airports, (4) emphasizing training on approach and missed approach procedures, (5) installing MSAW capabilities worldwide with an emphasis of high risk airports, and (6) implementing the FOQA rule to better identify safety-related issues and corrective actions. FAA will continue to work with industry to identify the most effective mid and long range interventions to reduce CFIT accidents.

The NTSB lumped CFIT and approach and landing accidents in one group. We believe the two categories should not be mixed. However, we recognize the need to address both CFIT and approach and landing issues.

ENHANCED GROUND PROXIMITY WARNING SYSTEM

Chairman Hall states that ''during the investigation for the (1997) Korean Air accident, it was revealed that the installation of EGPWS would have provided the flightcrew significant warning of the impending ground collision. However, at that time, the system was not certified for that model aircraft.''

The Korean Air Lines Boeing 747 was equipped with a GPWS that provided appropriate and timely terrain warnings to the flightcrew. For whatever reason, the flightcrew did not heed the GPWS warnings.

At the time of the Guam accident, EGPWS was not only not certified for the B747, it was also not available from the manufacturer. Chairman Hall's statement could lead one to believe that the only reason EGPWS wasn't on the KAL B747 was a lack of effort by the FAA.

AIRPLANE RECORDERS

Chairman Hall states that ''the Safety Board and this Subcommittee have for many years prodded the FAA to require upgraded recorders on transport category aircraft, but sadly, most of the fleet is still equipped with outmoded recorders.''

On July 17, the FAA revised Digital Flight Data Recorder (DFDR) rules. The revision specified the required increase in recorded parameters and compliance times for four categories of aircraft. To date, the FAA believes that close to 30 percent of the affected U.S.-registered fleet (aircraft with 10 or more seats) is in compliance with the new requirements. In addition, the FAA has data indicating that 95 percent of the U.S. B–737 fleet is either in compliance or in the progress of complying with the rule. We believe progress has been made but we also recognize that there is much more to be done. Administrator Garvey is working with the Air Transport Association and the individual carrier's CEOs to ensure early compliance for a major portion of the air carrier fleet.

The FAA is initiating an accelerated rulemaking effort to mandate increased recording time (2 hours) and the provision of a 10-minute independent power source for Cockpit Voice Records (CVRs). Since January 1998, practically all transport category aircraft have left the production line with a 2-hour recorder installed as original equipment. This same rulemaking project will also require CVR retrofits on all in-service aircraft and mandate dual-recorder equipage for new aircraft. Finally, the rulemaking project will amend Part 25 to require that CVRs, FDRs and redundant combination flight recorders be powered from separate generators with the highest reliability.

AIRFRAME STRUCTURAL ICING

Chairman hall discusses a history of NTSB recommendations on icing and a lack of acceptable response from the FAA. The NTSB is hopeful that the FAA's response to the most recent series of icing recommendations will be more acceptable.

The NTSB comments may leave the impression that the FAA has done very little to respond to airframe icing safety.

The FAA initiatives to improve safety when operating in icing conditions are outlined in the comprehensive FAA Inflight Icing Plan issues in April 1997. The Plan describes rulemaking, advisory material, research programs, and other initiatives either underway or to be initiated to achieve safety in icing conditions.

With regard to FAA responsiveness to NTSB icing recommendations, the NTSB testimony is silent with respect to the numerous Roselawn safety recommendations. In fact, there are 11 icing recommendations from the Roselawn accident, and all have been classified by the Safety Board in an Acceptable status. Three are Closed Acceptable and 8 are Open Acceptable.

The FAA has completed numerous actions which directly respond to airframe icing safety:

May 1995: issued AD to require modification of the deicing boots on the Aerospatiale ATR–42 and –72.

April 1996 and February 1998: issued 42 AD's requiring aircraft with unpowered roll controls and pneumatic deicing boots to exit icing conditions when specific visual icing cues are observed.

May 1996: FAA sponsored International Conference on Aircraft Inflight Icing.

April 1997: FAA Inflight Icing Plan issued.

July 1997: issued guidance on newly designed or derivative aircraft.

December 1997: issued AD requiring installation of an ice detector system on the EMBRAER EMB–120.

December 1998: held a mixed-phase and glaciated icing conditions workshop.

February 1999: sponsored an International conference on inflight operations in icing conditions.

February 1999: provided an analysis of supercooled large droplet (SLD) data to Rulemaking Advisory Committee for discussion on certification issues.

Additional AD's related to the operation of ice protection systems and minimum speeds in icing conditions are planned as a result of the February 1999 Icing Conference.

The NTSB testimony states, ''The original recommendations that stemmed from our 1981 safety study . . . were eventually closed as unacceptable or superseded, but the recommendations remained in an ''Open—Unacceptable Response status for 15 years''.

The original recommendations were superseded with a new recommendation A–96–54 which is classified as ''Open Acceptable.''

RUNWAY INCURSIONS

The NTSB is critical of the FAA's response to the rising number of runway incursions. Specifically, he says ''the FAA has studied this issue for years and has developed several action plans. Just last year, the FAA announced that reducing runway incursions was one of its top priorities and issued the Airport Surface Operation Safety Action Plan. However, implementation of that plan has not been finalized.''

The FAA has made significant progress but we realize there is much more to do. We are finalizing the program implementation plan, which establishes tasks, schedules and funding required to accomplish prevention strategies. We expect to publish this plan in April, 1999. We are well aware that we must provide appropriate funds for these priority initiatives.

We have on-site evaluations underway. Runway incursion action teams are focusing on airports experiencing an unusually high rate of incidents. We have completed 6 and plan to complete at least 14 additional evaluations by September 30, 1999.

The FAA is currently in the final stages of investment analysis that is addressing the validity of a wide range of technical and nontechnical solutions, such as: improved controller, pilot, vehicle operator education and training; procedural changes; and improvements in airport signs, lighting, surface marking and other equipment (such as low cost ASDE, loop technology).

The FAA is focusing on immediate initiatives to reduce runway incursions and prevent surface accidents. We are in the process of implementing 18 separate actions. Some examples follow:

''Awareness blitz'' targeted for operators and users.

Monthly Air Traffic/Airport Operator/User meetings at top 20 runway incursion airports.

Develop and distribute videos to address controller and pilot awareness.

Develop and safety related brochures and materials to aviation organizations.

The FAA's Safer Skies also identifies runway incursions as one of the focus areas for commercial and general aviation. A commercial and general aviation analysis team that includes FAA, NASA, industry and aviation union representatives [the Joint Safety Analysis Team (JSAT)] was chartered and met on February 11–12, 1998. A schedule over the next 6-month period was established to analyze commercial and general aviation runway incursions and develop intervention strategies based on this data analysis. This effort is fully coordinated with and complements the efforts in the Runway Incursion Program plan.

REVIEW OF FEDERAL AVIATION ADMINISTRATION (FAA) COMMENTS OF TESTIMONY PRESENTED BY THE NATIONAL TRANSPORTATION SAFETY BOARD ON MARCH 10, 1999

INTERNATIONAL ISSUES: CODE-SHARING ARRANGEMENTS/ONE LEVEL OF SAFETY

The FAA stated ''The one level of safety initiative came from Secretary Pena's January 1995 Safety Summit and the considerable efforts of industry. The . . . rule was not specifically in response to a NTSB recommendation.''

Comment.—The impetus for the one level of safety initiative and the issue of code-sharing can be found in the Safety Board's 1994 safety study on commuter airline safety, in which the Board recommended that the FAA:

Revise the Federal Aviation Regulations such that:

All scheduled passenger service conducted in aircraft with 20 or more passenger seats be conducted in accordance with the provisions of 14 CFR Part 121. (Class II, Priority Action) (A–94–191)

All scheduled passenger service conducted in aircraft with 10 to 19 passenger seats be conducted in accordance with 14 CFR Part 121, or its functional equivalent, wherever possible. (Class II, Priority Act) (A–94–192)

These recommendations and the recommendations on pilot training (A–94–195 and A–94–196) were classified ''Closed—Acceptable Action'' when the FAA issued its final rule on commuter airlines on December 20, 1995. These recommendations, and subsequent Safety Board Congressional testimony regarding commuter airline safety, predate Secretary Pena's 1995 Safety Summit. To say that that rule was not in response to Safety Board recommendations is not accurate.

In that study, the Safety Board also recommended that the U.S. Department of Transportation:

Require U.S. domestic air carriers certificated under 14 CFR Part 121, when involved in a code-sharing arrangement with a commuter airline, to establish a program of operational oversight that (a) includes periodic safety audits of flight operations, training programs, and maintenance and inspection; and (b) emphasizes the exchange of information and resources that will enhance the safety of flight operations. (Class II, Priority Action) (A–94–205)

Based on the safety recommendation database, that recommendation is still in an open—acceptable action status. While we were pleased with the initiatives outlined at the Safety Summit (and we should point out that we participated in the Summit), the full intent of the above recommendations has yet to be met.

The Board recognizes that some of the concerns it had with code-sharing arrangements between U.S. carriers can also exist in code-sharing arrangements between foreign-based carriers and U.S. carriers. The Board will thoroughly consider such issues should they arise in the Board's investigations and we will issue recommendations should they be warranted.

CONTROLLED FLIGHT INTO TERRAIN (CFIT)

The FAA stated that ''CFIT and approach and landing accidents are major safety items. . . .''

Comment.—From the time that EGPWS was first certified (Oct. 1996), it took FAA an additional 2 years to issue the NPRM. We are not aware that a final rule has been issued.

ENHANCED GROUND PROXIMITY WARNING SYSTEMS

The FAA stated ''The Korean Air Lines Boeing 747 was equipped with a GPWS that provided appropriate and timely terrain warnings to the flight-crew.''

Comment.—This statement is not correct. The KAL Boeing 747 GPWS did not provide any terrain warnings to the flightcrew because the airplane was in landing configuration. Only radio altitude call were given by the GPWS during the accident flight.

The FAA stated ''At the time of the Guam accident, the EGPWS was not only not certified for the B747, it was also not available from the manufacturer.''

Chairman Hall stated that at the time of the accident EGPWS was ''not certified for that model aircraft'' (referring to the KAL 747–300). Chairman Hall merely stated a fact and was not implying that FAA inaction was to blame for the lack of an EGPWS on the accident airplane.

AIRPLANE RECORDERS

The FAA stated ''To date, the FAA believes that close to 30 percent of the affected U.S.-registered fleet (aircraft with 10 or more seats) is in compliance with new requirements.''

Comment.—Thirty percent is considered a modest accomplishment when it is noted that most newly manufactured airplanes delivered since 1998 meet or exceed the new parameter requirements, and that 226 Boeing 737s were retrofitted by one airline, namely Southwest, accounting for most of the retrofits. Therefore, the bulk of this 30 percent figure can be attributed to newly manufactured airplanes and one airline's aggressive retrofit program.

The FAA stated ''. . . 95% of the U.S. B–737 fleet is either in compliance or in the progress of complying with the rule.''

Comment.—At this late date, the Boeing 737 operators should be in the process of complying with the new FDR requirements. It is the Board's understanding that ''being in the progress'' can mean that an aircraft is simply scheduled for a retrofit as much as two years in the future.

The FAA stated ''Administrator Garvey is working with the Air Transport Association and the individual carrier's CEOs to ensure early compliance for a major portion of the carrier fleet.''

Comment.—The Metrojet Boeing 737 that experienced a rudder incident near Baltimore—Washington International Airport was scheduled to have a C-check in March 1999, but was not scheduled to have the FDR upgrade until 2001. This does not reflect early compliance.

The FAA stated ''FAA is initiating an accelerated rulemaking effort to mandate increased recording time (2 hours). . . .''

Comment.—This statement is accurate. A Rulemaking project has been initiated and FAA staff assigned. NTSB staff has been invited to participate in the rulemaking effort,

and thus far, Safety Board staff have had four meetings with FAA staff on this subject.

The FAA stated ''Since January 1998, practically all transport category aircraft have left the production line with a 2-hour recorder installed as original equipment.''

Comment.—While this statement is generally true, we are aware of at least one airline's labor agreement with its pilots required them to remove the 2-hour CVRs and replace them with the solid-state 30-minute CVRs.

AIRFRAME STRUCTURAL ICING

The FAA stated ''The NTSB comments may leave the impression that the FAA has done very little to respond to airframe icing safety.''

The Safety Board does believe that the FAA did very little to address airframe structural icing until after the ATR–72 accident at Roselawn, Indiana in 1994. Since then, the FAA has worked with industry, primarily through the ARAC process, to initiate several important efforts that will eventually reduce the risk of flight in icing conditions. Chairman Hall acknowledged these recent ARAC efforts in the Board's testimony.

''With regard to FAA responsiveness to NTSB icing recommendations, Chairman Hall in silent with respect to the numerous Roselawn safety recommendations.''

Comment.—Chairman Hall mentioned both the Comair and the Roselawn accident recommendations in his testimony, and acknowledged that the FAA's ARAC efforts and icing conferences are ''in response to those recommendations.''

The FAA stated ''The FAA has completed numerous actions which directly respond to airfame icing safety.''

Comment.—The Safety Board acknowledges the FAA actions cited in Administrator Garvey's response.

The FAA stated ''The original recommendations were superseded with a new recommendation A–96–54 which is classified as 'Open Acceptable'.''

Comment.—Chairman Hall's testimony correctly states that the original 1981 safety study recommendations remained in an open-unacceptable status for 15 years. It is also correct that the original recommendations were superseded with a new recommendation, A–96–54, which is classified as Open-Acceptable. The 1981 recommendation was superseded with a new safety recommendation because acceptable action had not been taken by FAA.

RUNWAY INCURSIONS

The Safety Board's concerns about runway incursions are heightened by adverse trends in recent years. Although there was a slight downward trend in runway incursions from 1990 to 1993, the trend has been moving upward since then. In 1997, there were 300 incursions, up from 275 the previous year. In 1998, there were 326 incursions. According to the FAA, the monthly rate in September 1998—0.73 incursions per 100,000 operations—was the highest monthly rate in 11 years.

The FAA stated, ''We are finalizing the program implementation plan . . . we expect to publish the plan in April 1999 . . . we are well aware that were must provide appropriate funds . . .

Comment.—The Safety Board has expressed its disappointment that the FAA failed to fund its program office for runway incursions for more than two years. This safety issue needs coordination and overall direction by the FAA, which had been the function of the program office. The Board is pleased that the FAA is now committing itself to the necessary coordination and funding, and will review the FAA's plans and budgets when they are provided. The Board hopes that the FAA will meet its target date of April 1999.

The FAA stated, ''We have on-site evaluations underway.''

Comment.—The Safety Board is aware that several initiatives have been started and tested by the FAA, but too few of these have been completed. The Board will continue to evaluate the FAA's runway incursion program based on completed programs and equipment that is placed in operation. For example, the Safety Board notes that several AMASS units may be ''fielded'' or ''deployed,'' but the Board further notes that none are currently operational and the FAA has not projected an operational date.

## ORDER OF BUSINESS

Mr. NETHERCUTT. Mr. Speaker, I ask unanimous consent to take my Special Order at this time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

## NATIONAL CANCER INSTITUTE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. NETHERCUTT) is recognized for 5 minutes.

Mr. NETHERCUTT. Mr. Speaker, the National Cancer Institute estimates that over 8 million Americans alive today have a history of cancer. Before the millennium, it is expected that over one million new cancer cases will be diagnosed. Just in this decade, approximately 12 million patients will have cancer detected.

This year it is anticipated that over 500,000 Americans will succumb to cancer. That is over 1,500 people per day. Today, cancer is the second leading cause of death in the United States, exceeded only by heart disease. A bright spot in this tragic picture is the fact that when all cancers are combined, the 5-year survival rate is 60 percent.

So I am pleased to rise today to highlight the excellent work being done at Washington State University's Cancer Prevention and Research Center, a center that is in my own district in Pullman, Washington, to help win this fight against cancer.

This center in Pullman is the focal point for cancer research at Washington State University. The center is located within the College of Pharmacy, where cancer is the core of the research conducted in the Pharmaceutical Sciences Department. The researchers there in several other Washington State University research departments are studying the deadly disease, including some in biochemistry, food sciences and human nutrition, microbiology and zoology, veterinary medicine, and many, many more.

Today, the Cancer Center is a catalyst to mobilize collaborative research efforts within the University and the surrounding health care community, especially Eastern Washington and Northern Idaho. The goals of the Center in its work are to attack cancer through a multidisciplinary research approach, provide central support services and shared facilities for ongoing research, facilitate translation of basic research to the clinic, and educate health professionals and the public about healthy life-styles and cancer prevention.

The new director of the center, Gary Meadows, hopes to make WSU, Washington State University, and its Cancer Prevention Research Center the major cancer organization in eastern Washington. And our State, by the way, is rich in cancer research facilities: The Hutchinson Cancer Research Center in Seattle, the University of Washington Medical School, and many other university support services provide great research for cancer.

So I applaud and encourage Dr. Meadows and his colleagues for their demanding pursuit to eradicate this deadly disease, and I urge my colleagues to consider favorably additional funding through the National Institutes of Health and research grants for not only cancer research and a possible cure but for diabetes and Alzheimer's and multiple sclerosis and all the other diseases that affect Americans throughout this country.

## COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET, REVISIONS TO AGGREGATE SPENDING LEVELS SET BY INTERIM ALLOCATIONS AND AGGREGATES FOR FISCAL YEAR 1999

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. KASICH) is recognized for 5 minutes.

Mr. KASICH. Mr. Speaker, pursuant to Sec. 314 of the Congressional Budget Act, I hereby submit for printing in the CONGRESSIONAL RECORD revisions to the aggregate spending levels set by the interim allocations and aggregates for fiscal year 1999 printed in the RECORD on February 3, 1999, pursuant to H. Res. 5 and adjusted for H.R. 1141. The adjusted allocation for the House Committee on Appropriations, adjusted by the Kosovo & Southwest Asia Emergency Supplemental Appropriations Act for fiscal year 1999, reflects $11,109,000,000 in additional new budget authority and $2,907,000,000 in additional outlays for designated emergency spending. In addition, the Committee on Appropriations will receive $25,000,000 less in budget authority and $2,000,000 less in outlays for funds previously appropriated for arrearages that were rescinded in H.R. 1141. Overall, the allocation to the Appropriations Committee will increase to $584,912,000,000 in budget authority and $579,814,000,000 in outlays for fiscal year 1999.

I also submit for printing in the CONGRESSIONAL RECORD an adjusted fiscal year 2000 allocation to the House Committee on Appropriations to reflect $1,838,000,000 in additional new budget authority and $1,774,000,000 in additional outlays for designated emergency spending. In addition, the outlay effect of the fiscal year 1999 budget authority of H.R. 1664 will result in additional outlays of $5,243,000,000 for fiscal year 2000. This will increase the allocation to the Appropriations Committee to $538,109,000,000 in budget authority and $577,962,000,000 in outlays for fiscal year 2000.

The House Committee on Appropriations submitted the report on H.R. 1664, the Kosovo & Southwest Asia Emergency Supplemental Appropriations Act for fiscal year 1999, which includes $11,109,000,000 in budget authority and $2,907,000,000 in outlays for fiscal year 1999 designated defense and non-defense emergency spending. H.R. 1664 includes $1,838,000,000 in budget authority and $7,017,000,000 in outlays for fiscal year 2000 designated emergency spending.

These adjustments shall apply while the legislation is under consideration and shall take effect upon final enactment of the legislation. Questions may be directed to Art Sauer or Jim Bates at x6–7270.

## NATIONAL DAY OF PRAYER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. LUCAS) is recognized for 5 minutes.

Mr. LUCAS of Oklahoma. Mr. Speaker, today is the National Day of Prayer. After what my staff and I have observed in our beloved home State of Oklahoma in the past 2½ days, I would ask all of my colleagues and all Americans to lift our friends and neighbors in prayer.

This natural disaster has physically impacted virtually every region of our State. The super cells that shot from the far southwest quadrant of the State to the northeast boundaries caused damage and loss in the districts of each of my colleagues in the Oklahoma delegation.

But, as is always the case in the history of our State, no disaster, manmade or natural, can break the resolve or the spirit of our fine people.

Pray for the widow and her adult daughter in Del City who were searching through the rubble of a home she shared with her husband from 1973 until his death 2 years ago. They were not searching for diamond rings or stock certificates. No, all they hoped to find was a keepsake photo of their late husband and father.

Pray for their young neighbor boy who was so excited to find a single baseball card on the spot where his bedroom once sat.

And pray for Oklahomans in all parts of the storm-ravaged State, including the small town of Dover where over half of their community has been destroyed. They, too, need uplifting.

These good people and thousands of others are hauling off all of their worldly possessions in the trunk of a car or even a wheelbarrow. So many more were not that fortunate.

Nothing can contain their will, their faith, and their fight. God bless Oklahoma. Pray for Oklahoma.

## CHINA'S THEFTS OF U.S. NUCLEAR SECRETS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Indiana (Mr. BURTON) is recognized for 60 minutes as the designee of the majority leader.

Mr. BURTON of Indiana. Mr. Speaker, last week I came to the floor to point out some of the misleading statements coming out of the White House with respect to China's thefts of U.S. nuclear secrets. I said that the White House had misled the public when it was said by the President that no one had reported to him about Chinese spying, when in reality National Security Advisor Sandy Berger had made such a report to him in July of 1997.

The President said on March 19, when asked by a reporter, and the reporter asked this question, ''Can you assure the American people that under your watch no valuable secrets were lost?'' And the President responded, ''Can I tell you there has been no espionage at the labs since I have been President? I can tell you that no one has reported to me that they suspect such a thing has occurred.''

Well, Sandy Berger, the head of the National Security Council, in the fall of 1996 and early 1997 was told by the Department of Energy, their intelligence people, their security people, that there had been espionage taking place at the nuclear laboratories, at Los Alamos and others.

Now, he is the head of the National Security Council. He is appointed by the President to inform him about national security matters. He is the chief national security fellow. And yet the President said he had no knowledge of any espionage taking place; and he said this in March of 1999 this year, just last month or so.

And then again on NBC's ''Meet the Press,'' Sandy Berger, the head of the NSC, said his first Energy Department briefing with Chinese spying was very general and very preliminary, said he did not really know about it. He went on to say at that interview, at that stage Mr. Berger said to Mr. Tim Russert of NBC, ''We did not really know how and we did not really know what was taking place.''

□ 2015

These facts are not facts. These assertions do not square with the facts.

In April of 1996, Notra Trulock, the Energy Department's Chief of Intelligence, briefed Sandy Berger about the full extent of Chinese spying. Berger was told that China had stolen W–88 nuclear warhead designs and the neutron bomb data. He was told that a spy might still be passing secrets to China at Los Alamos. He was even told that the theft of neutron bomb data occurred in 1995 under President Clinton's administration. So if he was told all that, why did he not go right into the Oval Office and tell the President? Well, I believe he did, and the President stated, later on, that he did know about these things.

At the end of the briefing, Trulock referred to a recent intelligence report. In the report a Chinese source said that officials inside China's intelligence service were boasting about how they had just stolen U.S. secrets and how those secrets allowed them to improve their neutron bomb. The neutron bomb is a weapon that could be launched at an American city, kill everybody in it but leave the infrastructure, the buildings and bridges and the roads intact. The source said that the Chinese agents solved the 1988 design problem by coming back to the United States in 1995 to steal more secrets.

According to one official, the intelligence about the neutron bomb was hot off the press, and it was included in the briefing to warn the White House of the possibility of continued Chinese espionage at Los Alamos and Livermore. It was a pretty specific briefing, one official said who was present.

When Paul Redmund, the CIA's chief spy hunter, was given a similar briefing from Mr. Trulock a few months earlier, he said that China's spying was far more damaging to the United States security than Aldrich Ames, who is now in prison, and would turn out to be as bad or worse than the Rosenbergs, who were executed for giving top nuclear information to the Soviets back in the 1940s.

Mr. Speaker, contrary to his claims on Meet the Press, the fact is that Sandy Berger knew who, knew how and really knew what with respect to the Chinese spying right then in his April 19, 1996, Energy Department briefing. So why does the head of the NSC, Sandy Berger, claim that this briefing was so general? Why does he claim that he did not brief the President until July of 1997 only after receiving a second and supposedly more detailed briefing from Trulock?

Now, he admits to briefing the President in 1997, but remember what the President said in March of this year: ''Can I tell you there has been no espionage at the lab since I have been President? I can tell you that no one has reported to me they suspect such a thing has occurred.'' And yet Mr. Berger does admit that he briefed the President in 1997.

So why was the President misleading the American people? I do not know,

but we need to know why. There are only two explanations. Either Mr. Berger was grossly incompetent and did not want to tell the President when he should have back in 1996 and is now covering for himself, or he wants to protect the President and make it appear that the President only found out about the spying in July of 1997.

But, again, the President said he did not really know anything about it, even in March of this year. Is it really likely that Sandy Berger after hearing such a detailed and alarming picture of Chinese spying, that he would keep this information to himself instead of immediately informing the President? And if he did so, if he did not tell the President when he found out about it, he should be fired.

The New York Times reported that in 1998, in a sworn reply to the House committee chaired by Christopher Cox, the Cox report which we have read so much about, Berger first said that the White House was not told about the espionage until 1998. So Berger apparently has changed his story as more and more of the facts have come out.

When David Leavy, the National Security Council spokesman, was asked to explain the discrepancy about when Berger informed the President, he said that after the Cox committee process, we started to remember more. They started to remember more about Chinese espionage on our nuclear facilities at our nuclear laboratories? They just did not tell the truth.

Are we supposed to believe that Sandy Berger forgot about the briefing of the President on Chinese spying in July of 1997? That is just crazy. How could we believe anything that the Clinton administration says about this when the President says he was not told, did not know anything about it in 1999 in March? Berger says he told him in 1997 and said he did not tell him anything before that when he knew about it in the fall of 1996.

Worse than that is the man that they knew or believed was giving these secrets to the Communist Chinese about our nuclear weaponry that makes them on a par with us in many cases, this man was left in the job at these laboratories, this man who was supposed to be a spy, for 3 years. Why was he kept at the laboratory in his top secret position for 3 years after they knew espionage was taking place from our sources in China? Why did they not fire the guy?

And the FBI went to the Justice Department, not once, not twice, not three times, but four times the FBI went to the Justice Department with probable cause and said they wanted to put a wiretap on this guy and they wanted to have a warrant to investigate his computer to see if he was giving information to the Chinese Communists. And the Justice Department denied all four of the requests, saying there was not enough evidence. Yet that was the only wiretap in 1997 and 1998 that was turned down, and it was turned down four times.

Now, the Justice Department has said they are going to investigate this whole thing. But they are the ones who turned down the wiretaps on the man that was performing the espionage, according to the FBI, Mr. Lee, Wen Ho Lee.

This whole thing stinks to high heaven. And at the same time this espionage was taking place and the Chinese Communists were being able to target not one American city but 10 American cities with one missile with 10 warheads, with pinpoint accuracy, at the time all this technology was being transferred and we were leaving this guy in place at the nuclear laboratory, the White House and the Democrat National Committee was getting campaign contributions from sources in Communist China.

Mr. Johnny Chung will be appearing before my committee next week and will be questioned about these conduit contributions into the Democrat National Committee and into the Clinton-Gore Reelection Committee.

What I cannot understand is how the White House could have all these Chinese Communist businesspeople coming in and out of the White House with Johnny Chung. He was in there 49 times. He said, the only way you get in and out of the White House is by putting money in because it is like a turnstile at a subway station.

While all this money was changing hands and going into the coffers of the President's Reelection Committee, this espionage was taking place at our nuclear laboratories and the man was left in place even though the Justice Department was asked four times by the FBI for electronic surveillance.

These questions must be answered for the American people, because the security of every man, woman and child has been jeopardized by this espionage that has taken place.

Now, the thing that bothers me even in addition to all this is that when the President went to China last year, he stood beside President Jiang; and President Jiang said that nobody in his government was involved in giving illegal campaign contributions to the President's Reelection Committee or to the Democrat National Committee.

Johnny Chung has said that the head of the Chinese People's Liberation Army Military Intelligence Agency, the head man, the head spy for that country, met with him along with the head of their aerospace industry; and this lady, who is the head of their aerospace industry, is the daughter of the fellow who used to be the head of the People's Liberation Army and a member of the Communist Chinese hierarchy, the Politburo. They met with Johnny Chung and they gave him $300,000 to give to the President's Reelection Committee and to the Democrat National Committee. Part of that was delivered; part of it Mr. Chung kept.

How could the President stand beside President Jiang in 1998 and say this? When President Jiang said that they were not giving any money, he says, I do believe him, President Jiang, that he had not ordered or authorized or approved any such thing and that he could find no evidence that anybody in governmental authority had done that.

The President said that at the same time that he knew espionage had taken place at Livermore and at Los Alamos, because he had been briefed by Sandy Berger. He knew that illegal campaign contributions had come into the United States from Communist China, and he said he believed President Jiang. Why was that said?

Again, in April of this year, how could the President listen to Chinese Prime Minister Zhu Rongji deny any Chinese involvement in spying and espionage? President Clinton said, ''China is a big country with a big government, and I can only say that America is a big country with a big government and occasionally things happen in this government that I don't know anything about.''

Talk about a disingenuous statement. In China, in Communist China, if you are involved in this kind of activity and the government does not know about it, they put you in prison or they kill you. Especially nuclear espionage. Yet the President said, ''Well, that's a big country and maybe they didn't know about it.'' Espionage at our laboratories, giving them nuclear technology that could kill 50 to 60 million Americans? Mr. Speaker, our leadership cannot continue to blindly accept each and every denial that comes out of China.

Newsweek recently reported that a team of U.S. nuclear experts practically fainted, these are our top scientists, they practically fainted when the CIA showed them the data that was obtained from its sources in China.

What did this data show, Mr. Speaker? It showed Chinese scientists routinely using phrases, descriptions and concepts that came straight out of our weapons laboratories.

One of the officials close to the investigation said, the Chinese penetration is total. They are deep, deep into the lab's black programs. That means the nuclear technology that we have spent decades developing, that have cost the American taxpayer billions of dollars, that ensured our national security against a first strike by a Communist country or an adversary, Saddam Hussein or whoever it might be, has been compromised and jeopardized; and the Chinese Communists are deep into every one of our top nuclear missile programs.

Now, they say that we are the only superpower in the world. I can tell you that the Chinese Communist government is advancing their nuclear technology with this espionage that has taken place to such a degree that, if they are not on a par with us yet, they are getting very, very close; and we are going to be in jeopardy if we ever have a conflict with them. They have 1.2 or 1.3 billion people. We have 225 or 230 million people. In a nuclear exchange, they could sacrifice 200 million people. But we could not sacrifice 50 million. Yet they now have the technology with this espionage to really cause our economy and our country severe problems, and I am talking about 50 to 60 million people killed with a first strike and our economy to be in a complete shambles.

We need to have the answers to this. We need to make sure that this kind of espionage never takes place again. And we need to make absolutely sure that those who were responsible, either through neglect or intentionally allowing this to happen, be brought to justice and be held accountable.

I intend to come to this floor every week until we get through this mess for 5 minutes or for an hour to bring this information to the attention of the American people.

Right now, we are all paying attention to Kosovo, halfway around the world, an area where we do not have any vital national interest. And while we are talking about Kosovo and our heart goes out to those people over there who are suffering, while we are talking about that, espionage has taken place in the United States that endangers every man, woman and child, and nobody is even paying any attention to it. It is a darn shame. It shall not continue if I have anything to do with it.

## CHINESE ESPIONAGE

The SPEAKER pro tempore (Mr. PEASE). Under a previous order of the House, the gentleman from Nevada (Mr. GIBBONS) is recognized for 5 minutes.

Mr. GIBBONS. Mr. Speaker, I applaud my colleague who was just at the podium addressing the issue of Chinese espionage at our nuclear facilities and would, of course, like to engage the gentleman from Indiana, if I may.

And certainly a question that would have to be raised at this point in time is, can America feel secure today with its nuclear weapons secret intact now? Have we solved this problem yet? Or is there something we should be doing?

Mr. BURTON of Indiana. No, the problem has been exacerbated by the espionage that has taken place, as I alluded to a few minutes ago.

The thing that really concerns me is the head of the National Security Council, Sandy Berger, who was briefed about this in April 1996 really did not do anything about it.

□ 2030

He informed the President in 1997. The President has not owned up to that, and the thing that concerns me a great deal is that when this was known we should have called the head of the FBI, Louis Freeh; Janet Reno; the head of the CIA; and the head of the Energy Department, and together to come up with a way to catch the people who were involved in the espionage and make sure it stopped. But unfortunately they kept the people on at Los Alamos for 3 years after that, and the Justice Department would not even allow wiretaps on the fellow.

So it has been a real mess, and we need to get to the bottom of it.

Mr. GIBBONS. Is the gentleman suggesting that through inadvertence or maybe intentionally disregarding the danger here, the FBI and the Justice Department failed to take an active role in the investigation of this espionage once it was found out in 1995 and 1996?

Mr. BURTON of Indiana. I think that Louis Freeh and the FBI were trying to do the best that they could. They went to the Justice Department four times asking for electronic surveillance on Mr. Wen Ho Lee, the man who was involved in the espionage, or allegedly involved in the espionage, and the Justice Department denied on four separate occasions the electronic surveillance, and to my knowledge that was the only denial of electronic surveillance where there was probable cause by the FBI in the year of 1997, 1998. And so why did they deny it when we are talking about national security, and why was this man left in this position for 3 years?

Those are questions that need to be answered and answered very quickly.

Mr. GIBBONS. Well, I do express the same concerns that my colleague has over this issue because once our nuclear weapons technology has spread to other countries, of course, as we know, there is a likelihood that that will even progress further in the proliferation of that technology to Third World countries or even rogue states. I know that China has an ongoing participation with countries like Iran, Pakistan and others who are in the process today of building up their nuclear arsenal.

So from the standpoint that America has lost a great deal of its internal security, we have also lost a great deal of our national security from the fact that now these weapons, the design of which was obviously transferred to the Chinese through some process like the gentleman is describing here, now can be directed toward us by the Chinese or other countries who possess this technology.

Mr. BURTON of Indiana. The gentleman makes a very valid point. The proliferation of nuclear weapons is growing at a rapid rate, and with this technology going to the Chinese communists, I do not know if they are going to let it out or not, but the fact is they have been selling a lot of advanced weaponry to countries like Iran, and I am not sure about Iraq, but I believe Iraq, and my colleague mentioned some other countries as well. And that technology, if it gets into the wrong hands, could precipitate a strike by some kind of a crazy like Saddam Hussein, if he had the opportunity, that could cause untold human misery.

And so we need to keep a tight lid on all of the nuclear technology that we have, and for us to keep a person who is suspected of espionage in a position of leadership at Los Alamos for 3 years and not allow the FBI to even put electronic surveillance on him is a real dereliction of duty.

Mr. GIBBONS. Well, I thank the gentleman for, of course, his interest in looking into this issue. It is on the forefront of the minds of a great number of Americans, and I applaud him for his interest in keeping all of us apprised of this and looking into it on behalf of the committee and on behalf of the American people.

## PEACEFULLY RESOLVING THE SITUATION IN KOSOVO

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Pennsylvania (Mr. WELDON) is recognized for 60 minutes.

Mr. WELDON of Pennsylvania. Mr. Speaker, I want to thank my colleagues for holding some time while I ran over from Rayburn. I was expecting that the other side would offer a special order, and I did want to make sure that we took this special out this evening, and I am happy that my good friend from Nevada is going to be joining us as we review, Mr. Speaker, the past 4 weeks and actually 5 weeks and discuss an effort by this Congress to move the process involving Kosovo to a new level and a new direction, and that is to try to find a way to solve the situation peacefully.

Mr. Speaker, it was actually a little bit over 4 weeks ago, the week of April 6, when Russian friends of mine who I have been involved with for the past 5 years in a formal Duma-Congress relationship called me at my home and asked if I would be open to some ideas about engaging with them to find a peaceful solution to the Kosovo crisis. They were calling me for several reasons.

One, they said they had, the Russians had been shut out of the process by our government in terms of working with them once the bombing campaign began, that there had been no overture on the part of our State Department or our administration to involve Russia, but rather our administration in the minds of the Russians had become convinced that they could solve the problem of the ethnic cleansing in Serbia

by bombing and bombing in a massive way.

The second reason they called, Mr. Speaker, was because these pro-western leaders in Russia were concerned. They saw their country heading down the wrong path. In fact, they cited examples of evidence that Russia had become much more anti-American than at any point in time that they had seen since the days of the Soviet communist regime.

In fact, they said that Americans were now being told not to speak English on the streets of Russia, that the Duma had canceled all activities interconnecting with America, cancelling all conferences. The Harvard University Study Group that goes on every year was canceled. The initiative to involve exchanges of staffers was canceled. Every possible contact between us and Russia had been severed, not just because of the bombing but because of our administration's refusal to work with Russia in a proactive way.

In fact, as I mentioned earlier today, Mr. Speaker, a Duma member was here in this Capitol building, and he said something very interesting: that for decades and decades the Soviet Communist Party had spent billions of dollars to try to convince the Russian people that America was bad, that we were a Nation that was filled with hate and that Russia should not in the end want to be friends with, and he went on to say that the Soviet Communist Party failed. All the money they spent, all the activities they engaged in could not convince the Russian people that America was evil or that America was not a nation of the highest standards.

And he went on to say today that in just 45 days this President has done what the Soviet Communist party could not do in decades and decades of attempts, and that is because of the Kosovo crisis, because of the incessant bombing of the people of Serbia; because of the lack of involvement of Russia, the Russian people had turned against America, and that the polls were showing that Russians all over that nation now see America in their minds and in their eyes in a negative way.

What they have told us is that if we continue this policy, we are going to push Russia right into the hands of the communists and the ultra nationalists who want to revert back to the Cold War days when America was the enemy.

Russia has elections scheduled for this year, Mr. Speaker, and the Russians that are friends of ours, the pro-Western forces, are saying if you continue the policies that you are currently pursuing, you will defeat us in the election and you will end up with the Duma, a federation council and a president who are anti-American, who are anti-West and who will turn toward the Middle Eastern, in many cases the rogue states.

That is not what we want, Mr. Speaker.

So when the Russians called me 5 weeks ago at home, I said, ''Send me what you would like us to pursue.'' They sent me a simple document that contained three ideas.

The first one was that Russia should accept responsibility for helping to stop the ethnic cleansing, and they called it ethnic cleansing.

Number two, that Milosevic had to come to grips with the NATO requirements. The only problem Russia had with that was that they felt U.S. and British troops on the ground would not be appropriate, since America and Britain were the primary bombers that were persecuting the raids over Serbia.

And, number three, that there be a commission established between the Congress and the Duma to oversee any agreement that would be reached.

Now, Mr. Speaker, that was a simple plan, but as I looked at it, I said, ''You know, it's something we can build on.'' So I took that document. Not wanting to work outside of our government, I wrote up a memo.

I first of all called the White House and talked to Leon Fuerth, the top security adviser to Vice President Gore, and I said, ''Mr. Fuerth, this is what the Russians have done. You know of my involvement with them. I want to send you a copy of their proposal, and I want to let you know I am going to work with them quietly.''

He and I suggested that I follow up that call with Carlos Pascual from the National Security Council who focuses on Russian issues. I called him. I faxed him the same memo.

In that first week of April I told no Republican what I was doing, but I kept our government informed.

Over the weekend we had additional calls.

The following week I decided to brief the Director of Central Intelligence, George Tenet. I let him know that I had been contacted, what my response was and that I had told the Russians that I was supportive of the five points that NATO had eventually come to put into writing and the administration's approach, that I was willing to work with them to try to find a peaceful solution.

Also that week, Mr. Speaker, which was the week of August or April 13, I contacted two Democrat colleagues in this body: the gentleman from Maryland (Mr. HOYER) and the gentleman from Pennsylvania (Mr. MURTHA). Congressman Hoyer is my cochair on the Russian Duma-Congress Initiative, he is very well respected by the administration, and he is a good friend of mine who I trust. Congressman Murtha, also a good friend, is a key person that the administration relies on.

I asked the gentleman from Pennsylvania and the gentleman from Maryland to talk to the administration, to talk to Strobe Talbott and talk to the White House and let them know what I was doing, and they both did that, and they told me they did. The gentleman from Maryland talked to Strobe Talbott, and the gentleman from Pennsylvania talked to the White House.

Also that week, Mr. Speaker, I approached three other Democrats in this body: the gentleman from Illinois (Mr. BLAGOJEVICH) because of his Serbian background and ethnic ties; the gentleman from Hawaii (Mr. ABERCROMBIE) who had just returned from Kosovo; and the gentleman from New York (Mr. HINCHEY) who had gone with me to Moscow in December.

So during the second week of this process I contacted no Republicans but again focused on the other party and the administration, trying to find common ground.

At the end of that week, Mr. Speaker, I called the State Department and talked at length two times to Steve Sestanovich, who is in charge of Russian affairs within the State Department. I talked to his assistant from my home, Andre Lewis, who had traveled with a delegation that I chaired to Moscow in early December of last year. I briefed them on what had happened and told them that I was trying to work out an idea that the Russians had brought to my attention because of their frustration in seeing that the administration had cut off contact with Russia in trying to solve the Kosovo conflict peacefully.

Mr. Speaker, besides talking to Sestanovich and Andre Lewis and all of the others that I mentioned earlier, I decided to challenge the Russians because they asked me to bring a bipartisan delegation to meet with them when they travel to Belgrade to meet with Milosevic. I said: Give me that in writing. Give me the request on your official letterhead. Tell me who the colleagues will be from the Russian side that we will interact with. Give me the written time and date of the meeting with Milosevic. Give me an understanding and a commitment that we will meet with our POWs, who up until this point in time had not been talked to by anyone, even the Red Cross. And commit to me that you will go to a refugee camp of our choosing to see the pain and suffering brought forward by Milosevic.

Mr. Speaker, the Russians agreed to all five points. They wrote to me. First, Deputy Speaker Ryshkov and now chairman of Chernomyrdin's political faction, Nosh Dom, Our Home is Russia, wrote to me a very personal letter, and he asked me to get formally involved. Again, Mr. Speaker, I did not go to my Republican colleagues. I went to my Democrat friend and colleague, the gentleman from Maryland (Mr. HOYER), and I said, ''Can you help me get a meeting with the White House? Can you help me get a meeting with

Sandy Berger so I can run this idea by him?''

I called Sandy Berger three times, Mr. Speaker. He never had the courtesy to return my phone call. So I asked again the gentleman from Maryland (Mr. HOYER) if he would work with me to get a meeting with Strobe Talbott. He said, ''Call Talbott. He will return your call and you'll get a meeting.''

□ 2045

This was Thursday, Mr. Speaker, April 23. Strobe Talbott said I will meet with you today.

I said I want to bring the gentleman from Maryland (Mr. HOYER) with me. I picked the gentleman from Maryland (Mr. HOYER) up. We drove down to the State Department and for 90 minutes we met with Strobe Talbott and three of his top deputies.

We went over with him the offer of the Russians to come to Budapest to achieve a dialogue of understanding based on those first three principles; then the drive together on a bus to Belgrade, where at 1:00 on that following Monday we would have a face-to-face meeting with Milosevic; we would have lunch with our POWs and travel to a refugee camp so the Russians would see the horror that Milosevic has perpetrated on the Kosovar people.

After the meeting, Strobe Talbott said, I have concerns about what you want to do but I will talk to the Secretary of State and Sandy Berger. Two hours later that evening, Thursday, April 23, Strobe Talbott called back and said, you can do what you want as a citizen, we cannot stop you, but our advice is that you should not travel to Belgrade.

I said to him if my government says we should not go, I will not be a renegade. I will call the Russians and tell them that we are not coming to meet with them, and I did.

That was a very upsetting telephone call to the Russians because they had also arranged for one of Milosevic's top aides, Dragomir Karic, to meet with us and drive with us to Belgrade. Karic is a very successful businessman in Belgrade, in Russia. His companies employ 64,000. He owns a TV station in Serbia. He owns a bank. He owns extensive companies. He is not a member of the government but is a key financial supporter and a close personal friend of Milosevic and his wife. He was going to be the person who accompanied us into Belgrade for these meetings.

When we were turned down by our government, I told the Russians that the gentleman from Maryland (Mr. HOYER) had suggested that we have another meeting in a neutral site, and the State Department, through Strobe Talbott, agreed and thought that would be a good idea. So I told the Russians that weekend that they should plan a trip to a neutral city, and they said we will go to Vienna on April the 30; Vienna, Austria.

Then Monday of last week, Mr. Speaker, I developed a 3-page letter which I sent to all 435 Members of the House. That 3-page letter documented everything I had been doing, including the fact that I had not involved the Republicans because I did not want our friends on the minority side and the administration to say somehow we were doing something partisan or that somehow we were doing something that was less than honorable or that somehow we were doing something to embarrass the President. No one could say that. In fact, no one can say that today.

That letter went out to every Member and I invited every Member of this body to join with me and with others in trying to find a bipartisan solution to the Kosovo crisis that would end the bombing and end the hostility.

On Tuesday and Wednesday evening of last week, we had meetings with Members of Congress. We sat together and we talked. A number of us at our Republican Conference on Wednesday asked our leadership not to have the votes on Thursday, because we felt they would be too confusing to have votes about whether or not to declare war or whether or not to withdraw the troops.

We asked our leadership to postpone those votes until this week. We were not successful, because the gentleman who offered that resolution, the gentleman from California (Mr. CAMPBELL), wanted to have the votes on that day, which, in fact, is a requirement of the War Powers resolution.

In fact, I went to the Committee on Rules that night at 10:30 and asked the Committee on Rules to consider a motion to be made in order to allow me to table the votes until this week so we could meet with the Russians to see if there was some possibility of common ground.

We were not successful in that attempt. The votes occurred, and all day Thursday I sought to get the approval for a plane to take a delegation to Vienna.

Working with colleagues like my friend, the gentleman from Nevada (Mr. GIBBONS), we got the approval and at 6:00 last Thursday evening, 11 Members of Congress got on an airplane that holds 12 people. We flew all night and we arrived in Vienna the next morning.

That delegation, Mr. Speaker, included the most liberal Members of this body, including now a good friend of mine, the gentleman from Vermont (Mr. SANDERS), our only socialist and independent; Democrats who support the President, like the gentleman from New York (Mr. HINCHEY) and the gentlewoman from Florida (Ms. BROWN); Democrats who have been concerned about the President's policy, like the gentleman from Ohio (Mr. KUCINICH) and the gentleman from Hawaii (Mr. ABERCROMBIE) and 5 Republican Members who ranged from moderate to the very right in terms of the political spectrum, like the gentleman from Maryland (Mr. BARTLETT) and the gentleman from Pennsylvania (Mr. PITTS).

Eleven of us traveled to Vienna overnight. We had discussions on the way over about what our approach would be. I briefed them on the backgrounds of the Russian delegates. I told them what we would hope to accomplish, and we reached agreement.

When we arrived in Vienna at 8:30 in the morning on Friday, we went right to our hotel. We had just enough time to change and we proceeded to go to the state house of Austria, where we had a meeting for an hour and a half with the chairman or the speaker of the Austrian parliament.

We wanted to get a feel for what Austria, an independent, nonaligned nation, would think about the Kosovo crisis and the bombing and the ethnic cleansing.

After we got the chance to meet with the speaker of that body, we went to the Russian hotel where the Russian delegates were staying and we began our meetings.

Mr. Speaker, in those meetings, besides the 11 Members of Congress representing Republicans and Democrats, I invited a State Department employee, who works in the Russian desk, who works for Stestanovich, Andre Lewis, to sit with us at our meetings, not to be a participant because this was a legislative session, but to listen to what we were saying so that no one could misconstrue our approach, our methodology and our process.

He sat through every meeting and every dinner and every breakfast and session that we had. Along with the Russians and along with the Americans, we had Dragomir Karic. He is, as I said earlier, one of the strongest financial supporters of Milosevic. He was there to advise the Russians. The Russian delegation included Vladimir Ryshkov who was most recently the first deputy speaker, number two, in the state Duma, their parliament. He now is the chairman of a very successful political party in Russia called Our Home is Russia. In fact, it is the party that Chernomyrdin is a member of. He is a very close associate of Chernomyrdin, who was Russia's envoy on the Balkan issue, the Kosovo issue, and he had had conversations with Chernomyrdin both before and during the time he arrived in Vienna.

The second member of the Russian side was Vladimir Luhkin, the former Soviet ambassador to the U.S., a member of the Yabloko, a moderate faction in the Duma, and also the chairman of the International Affairs Committee. Luhkin is a very well respected member of the Duma, someone that Duma deputies look to for advice on foreign affairs and international issues.

The third representative in the Duma delegation was Alexander Shapanov. Shapanov represented Seleznyov, the Communist faction, the largest faction in the state Duma. He was there to bring the broad coalition of political ideology to the table so that if we reached agreement it was not just with one faction or with one part of the government, but actually represented a consensus in Russia of what should be our approach to solving this problem peacefully.

Along with those three deputies was Segie Konovalenko. Konovalenko, who is a good friend of mine, is the chief protocol officer for the Russian Duma who works with all the players in the Duma and all the political factions in Russia. There are seven major factions in the Duma. He works with all seven.

In beginning our discussions, Mr. Speaker, I said that we had some basic premises that we needed to understand. Number one, we were not representing our government. We were not there as official representatives of President Clinton, nor were we representing our State Department. We were parliamentarians, engaging in parliamentary discussions as we have on numerous times over the past 5 years on a variety of issues.

The second point was that the five points that NATO had put forth were the basis of our discussion. We were not deviating from the policy of this administration. We were building on what President Clinton and the NATO countries said had to be the basis for a peaceful resolution of this conflict.

With that in mind, we started our discussions, and for the rest of Friday every member on both sides had a chance to give their views. During our discussions, the Russian side, and the representative of Milosevic, said to us you all have to come with us to Belgrade on this trip. It is extremely important that you meet with Milosevic. They said to us, if you come to Belgrade, you will be given one, perhaps two or possibly three, of our POWs. They will be released if you come to Belgrade for discussions.

I told our Russian friends, and I told the representative of Milosevic, that we would not be going to Belgrade; that I had given my word to Speaker HASTERT that our delegation would not go down to Belgrade because in his conversations with Madeleine Albright they had agreed that we should not do that. So I told the delegates that could not be acceptable, but we continued our deliberations.

On Saturday morning, after our staffs worked through the night to develop the framework of an agreement or a discussion paper, a report if you will, we met for breakfast. We continued our discussions through breakfast, stayed in one room in our hotel until we went over every word in every sentence in the document.

If any one member of the American side or the Russian side objected, we stopped. It was not a vote. It was where any one member could object to any one word or phrase we would go back and revisit that until we reached agreement.

We did that for every line in the document until at 1:00 p.m. Mr. Speaker, on Saturday, this past Saturday, we reached agreement with our Russian friends and colleagues.

The agreement, I thought, was somewhat significant, because it was the first time that Russian leadership acknowledged that there must be a multinational peace force placed inside of Kosovo, and the Russians agreed with that. It was the first time that Russian representatives agreed that Milosevic must remove the armed Serbian military and armed personnel out of Kosovo, and Russia agreed with that.

It was the first time that Russia allowed the acknowledgment of the phrase, ethnic cleansing, in a document involving Kosovo, and the Russian side agreed with that.

It was the first time that an acknowledgment by Russia offered the opportunity for the five permanent members of the U.N. Security Council to determine the makeup of the multinational force. It was a document that was plain, that was simple, but gave a framework for a peaceful settlement and negotiation of this crisis.

We did not negotiate. We did not get into how many troops should be left in Kosovo. We did not get into the makeup of the military force, because that is the job of our government, but we did agree on a framework.

We also said that three things must occur simultaneously, without regard to the order. We said, first of all, the bombing must stop. Number two, Milosevic must remove all of his armed forces from Kosovo. Number three, that KLA aggression must also stop. The Russians agreed to that as well.

When we finished the document about 1:00 in the afternoon, we were pleased because we had come together as representatives of different points of views but now deciding on a common agenda to move forward together that we could take back to our governments as parliamentarians and encourage them to work on.

In fact, Mr. Speaker, Milosevic's representative, Mr. Karic, took the document that the Russians gave him and faxed it to Belgrade. Approximately one half-hour later, Milosevic himself was on the phone with Dragomir Karic for the third time in our discussions, and he told Karic that if we came to Belgrade, this delegation of 11 members, if we went to Belgrade, and they would provide the bus, that was not a question, it would have been a 7-hour journey down through Budapest into Belgrade, if we went to Belgrade that two things would happen. Number one, and this was said to all 11 members in the room at the same time, at 1:00 on Saturday, we were told all three prisoners of war would be released to the American delegation.

In addition, Mr. Speaker, we were told, as a group, that Karic felt 100 percent certain that if we went to Belgrade the framework that we had agreed upon with the Russians would be publicly embraced by Milosevic. Now, that was certainly something new, Mr. Speaker, in both regards.

We had not gone to Vienna to talk about the POWs, but this was the way that Karic was wanting to get us to go to Belgrade.

I thought to myself, this is significant. Even though I have given the Speaker of the House my word, I have got to check with our State Department.

So I asked the representative of the State Department who was with us, Andre Lewis, to call back to Washington, the special ops center for the State Department, and see what the response would be of his bosses. He made a call and got on the phone with Steve Stestanovich, who is in charge of Russian affairs at the State Department. He asked me to get with him on the phone, and I did.

I read him the 2-page document. I told him about the agreement. I told him that we were not negotiating on behalf of the country but we reached an agreement on a framework, and I told him what Milosevic had said through Karic and what the Russians had agreed to, that if we went to Belgrade we would bring the POWs out and that Milosevic would embrace the framework publicly.

□ 2100

He said to me, CURT, I have got to have someone higher up talk to you. I will have someone call you. I said, fine.

At the same time, Mr. Speaker, one of the Members of the other side of the aisle who was with us, the gentleman from New York (Mr. MAURICE HINCHEY), who is a strong supporter of the President, called the White House from Vienna.

Through the White House Special Operations Center he got in touch with the Chief of Staff for President Clinton, Mr. Podesta. He told Mr. Podesta that the five Democrats on our trip were convinced that something was happening of significance, that the White House should talk to the State Department, because we had faxed them the two-page document.

Mr. Podesta said he would immediately contact the State Department to see what the significance of this event was, and through the gentleman from New York (Mr. HINCHEY) we encouraged the White House to encourage the State Department to consider whether or not we should pursue the opportunity available to us.

Mr. Speaker, by that time a phone call came in from Washington that I was asked to get involved with from the Under Secretary of State, Tom Pickering. Tom Pickering is a longtime friend, and someone who I have a great deal of respect and admiration for. Five years ago when we started the Duma-Congress effort, he was the ambassador from our country to Russia in Moscow.

He said to me, CURT, what is happening? I said, Mr. Ambassador, and I read the document to him. I said, we have come to an agreement, a framework which I think might be useful to bring Russia and Milosevic in line with what you, the State Department, want in terms of a peaceful resolution of this conflict.

I said, I'm not asking you to endorse this paper, but I'm telling you what we have agreed upon as parliamentarians. Let me tell you what they want us to do. I said, Mr. Ambassador, they want us to go into Belgrade. They have committed to us, Milosevic through Karic, that all three POWs will be released. In addition, they have said that they are 100 percent certain that Milosevic will embrace the principles that the Russians and Americans agreed to.

He said, CURT, those promises have been made before. You can't trust Milosevic's word. What makes you think you are going to be successful? He went on to say, you know, a couple of missions have tried to get the POWs out. In fact, he said, Jesse Jackson's mission has been a failure. He is not bringing out the POWs.

Mr. Speaker, that phone conversation was at approximately 1:30 or 2 o'clock last Saturday afternoon. I had not been following the Jackson delegation, although I was supportive of what he was doing because he was trying to get our POWs out.

I said, all I am telling you, Mr. Pickering, is what the Russians and Karic tell us. I will not take this delegation to Belgrade if you say that you advise against that, because I understand that we are not to interfere with the policies and the negotiations of this government, and that we are not to go in and, in effect, create interference, especially when hostilities are occurring. So if you say don't go, even though we could go as independent citizens, we won't go.

At the end of that conversation I thanked Ambassador Pickering and went downstairs. I told my friends from the Congress, the Russian Duma deputies, and Karic on behalf of Milosevic, that we would not be going into Belgrade. They were disappointed, very upset. In fact, a couple of our Members who were with us from both parties wanted to go into Belgrade on their own. I said, no, we are not going to do that. We are going to stay together as a group.

We did open the possibility of Milosevic making some kind of a public statement which would perhaps change things. Pickering had told me, if that happens, call me back.

That was about 2 o'clock, Mr. Speaker. We met in the same meeting room that we had been in all day to decide further actions that we would take in both Moscow and the U.S. to create a visibility of our agreement, to spread it throughout the country and throughout Russia and Europe; that we thought there was a capability for a common framework, for a solution, a negotiated settlement on the terms of NATO and our government.

Two hours and 15 minutes after we had told Milosevic that we would not go to Belgrade, we were sitting in the room together and one of our military escorts came in the room and announced to us that CNN had just announced on television that Milosevic had agreed that he would release the POWs within 3 to 5 hours to Jesse Jackson's delegation.

We were ecstatic, Mr. Speaker, because that is not why we went to Vienna, but we were happy that they were being released. Obviously, we were disappointed because we could have been there, and perhaps if we would have been there we could have also done something that I think was equally important, and that was to get Milosevic to publicly embrace what I think will be the final process for achieving a peaceful settlement in Kosovo.

With the release of the POWs to occur in a matter of hours, we felt it was impossible to convince our State Department to give us the okay to go into Belgrade just to discuss this framework that we had agreed on.

So instead, we went to dinner with the Russians and with Milosevic's Rep, Karic, and we had a great time discussing how we had come together and how we would work together in the future to implement this process. Upon arriving back in Washington on Saturday, we agreed to meet this week, and all week we have had an aggressive agenda to move forward our agenda.

Mr. Speaker, on Monday we mailed letters to every Member of the House describing what had occurred in the delegation, along with the document. On Tuesday, every member of our delegation signed 40 letters. Those letters went to the Pope, they went to the chief cleric of the Muslim faith in Yugoslavia, they went to the head of the orthodox church in Yugoslavia.

A copy of the document went with a signed letter by all of us to Kofi Anan, and I called the U.N. and told them we were available for meetings. We faxed our document to every parliament from every NATO country, all 19 NATO countries.

I met with representatives of Ukraine and gave them a copy to give to the Rada, and the Rada is now considering passing a resolution equal to the one that my good friend and colleague that I am going to recognize in a moment prepared for consideration by this Congress, a resolution supporting the basic framework that we agreed upon.

In fact, Mr. Speaker, beside those contacts, we mailed copies of this to TRENT LOTT and TOM DASCHLE, DENNY HASTERT and DICK GEPHARDT, the White House, the State Department, so that everyone in America has been given not just last Saturday from Vienna, but this week, a copy of a framework that we felt could begin the peace process.

Imagine how we felt this morning, Mr. Speaker, when we all heard on the news and read in the papers that the G–7 countries plus Russia had met, and their meeting was historic because they announced this one-page statement.

This one-page statement, Mr. Speaker, is a statement of a process to begin the end of the Kosovo crisis. Mr. Speaker, this statement is identical to what this group did last Saturday with the Russians in Vienna. This group of 11 Members of Congress, liberal Democrats and conservative Republicans, supporters of the President and opponents of the President, put together a document that is almost identical to this document agreed to by the eight nations that govern activities in Europe and throughout the world, the G–8 group.

Mr. Speaker, I am proud of the work that we accomplished, and that we may or may not have had an impact on this document. I know what we did. I know what we accomplished. I know that Chernomyrdin was talking to Ryshkov, we were done, and I said to him, Vladimir, how close is what we did to what your country will accept? He said, it is identical. What we have agreed upon is what Russia in the end will accept.

Today, Mr. Speaker, President Clinton was traveling around the world. Maybe the President was not informed by his staff, maybe he does not read the papers. Let me read the quote when President Clinton was asked about the G–8 statement that was read to him.

This is what our president said. ''Clinton described the agreement as important because 'as far as I know, this is the first time that the Russians have publicly said they support international security as well as civilian force in Kosovo.' ''

Mr. Speaker, the President is wrong. The first time was last Saturday. The first time was in Vienna. The first time was when the leaders of the political parties in Russia agreed with us in Vienna to move forward in a new direction.

We think now is the time to seize the opportunity to reach out, to show some good faith by putting together a negotiated agreement that allows the stopping of the bombing at the same time

the troops are removed, to stop the hostilities by the KLA, to reinstate the refugees, to give them protection, to provide the humanitarian assistance, to do all of those things that now we have an opportunity to succeed with.

The opportunity is in the hands of this administration. They are going to have to again reach out to Russia, but they are going to also have to reach out to Milosevic. I know we do not like to talk to Milosevic, Mr. Speaker, but we have an opportunity to end this conflict.

Forty-five days of incessant bombing, 45 days of driving people in Serbia who were enemies of Milosevic to become his begest supporters, 45 days of driving 1 million people, along with Milosevic, out of Kosovo into the fields and to the remote areas around that country who are starving, who are without food, who are living in unhealthy conditions; and 45 days of convincing the Russian people that we are their enemy.

It is time to change that, Mr. Speaker. This framework allows us to achieve dignity, dignity for NATO, dignity for this administration and our country, dignity for the Russians, dignity for the European community, for everyone who is concerned with a peaceful resolution.

I would implore this administration not to miss this opportunity. This is a chance to end this conflict on our terms, to let NATO be able to say that they have achieved what they want, to let this government say that it had an achieved what it wants, but it has done it because of the help and cooperation of the leadership in Russia.

I would say to our friends and colleagues and to the American people, I sure hope we do not miss this opportunity, Mr. Speaker, because it is going to be once in a lifetime.

Mr. Speaker, I yield to my good friend and colleague, the gentleman from Nevada (Mr. GIBBONS) for whatever comments he would like to make, my good friend who is a member of the Permanent Select Committee on Intelligence, a distinguished member of this body, and has a distinguished military career on top of that.

Mr. GIBBONS. Mr. Speaker, I thank my colleague, the gentleman from Pennsylvania, for yielding to me a little bit of time here to join with him in this very important process.

Mr. Speaker, I would hope that we can enter into the RECORD a copy of the agreement, the report of the meeting between the U.S. Congress and the Russian Duma that took place over the time frame of April 30 through the first of May that we have already been discussing, and I hope maybe later on if we have a little bit of time, the gentleman from Pennsylvania (Mr. WELDON) and I can go over some of the similarities between the G–8 declaration and the principles that were brought forward in our Congress and Duma process.

Before I do that I want to take just a moment, and not often does America realize the significance or the importance of the work the gentleman has been doing for the last 5 years, trying to bridge the gap, build better and more personal relationships with our counterparts in the Russian Duma, and of course the Russian Duma is similar to the House of Representatives that we have here in Congress.

It has been through the gentleman's hard work over the last several years that we have been able to call on them, to establish a working relationship that has resulted in what I think may be some of the most historic work to date from this study group.

Mr. WELDON of Pennsylvania. I thank the gentleman, Mr. Speaker.

Mr. GIBBONS. First, let me say that there is a real important reason for us to work together. Of course, we all know the fact that proliferation of nuclear weapons around this world is primarily something that we have a deep and abiding interest in, and being able to work together with countries that are nuclear powers oftentimes sheds light on how we can better preserve the peace, even build a little security for everyone around the world.

The relationship that I came away with from meeting with our Russian counterparts was one that struck me as something we should all take to heart. They were very concerned about the fact that NATO's attack on a small country, Serbia, was one that was envisioned as being 19 countries versus one single small country like Yugoslavia.

They were concerned that such countries, when they are threatened by a massive force such as NATO, would oftentimes reach back into an arsenal of weaponry that may include either biological, chemical, or even nuclear weapons which could end up escalating a war into something that no one, not in this body, not in the administration, in fact, I daresay no one in America would want to have happen.

□ 2115

And it is the relationship that the gentleman has with the Russians and the relationship that was developed in this meeting in Vienna that I think helps avoid conflicts like that, avoids the fact that they know that that is not what we want, that we do not want to face an escalation of military violence of that level. So the working relationships bridges gaps, builds friendships, and builds confidence.

And I think one thing also that we ought to help our American viewers who are watching tonight understand is that the level of distrust, of mistrust——

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PEASE). Members are reminded that remarks are to be directed to the Chair.

Mr. GIBBONS. I thank the Speaker; and, Mr. Speaker, I would hope that I can remind you that the level of distrust and mistrust of our Russian brothers and sisters toward the United States has never been at a lower point except for the time of the Korean War.

We have an obligation, we have a duty, and yes, indeed, we have an opportunity to sort of melt part of that iceberg that is out there so that we can get on with having a safer and more peaceful world.

I was most impressed with the gentleman's effort, his energy and his willingness to continue this fight. As I listened to the historical recitation of what he went through to ensure that we had an opportunity and a voice to bring forth those Russian ideas, those Russian concerns, that cannot be overstated.

It is so important for everyone to understand that much of this diplomatic process that we go through has a foundation, has a start somewhere, and it can only start when we reach out, reach across the sea to our Russian friends, and the gentleman has certainly done that on more than one occasion, but this is a very important time.

As I said, Mr. Speaker, I would enter into the RECORD at this time a copy of the report of the meetings between the United States Congress and the Russian Duma that the gentleman from Pennsylvania (Mr. WELDON) and I have talked about here this evening.

REPORT OF THE MEETINGS OF THE U.S. CONGRESS AND RUSSIAN DUMA, VIENNA, AUSTRIA, 30 APRIL–1 MAY, 1999

All sessions centered on the Balkan crisis. Agreement was found on the following points:

I. The Balkan crisis, including ethnic cleansing and terrorism, is one of the most serious challenges to international security since World War II.

II. Both sides agree that this crisis creates serious threats to global and regional security and may undermine efforts against nonproliferation.

III. This crisis increases the threat of further human and ecological catastrophes, as evidenced by the growing refugee problem, and creates obstacles to further development of constructive Russian-American relations.

IV. The humanitarian crisis will not be solved by bombing. A diplomatic solution to the problem is preferable to the alternative of military escalation.

Taking the above into account, the sides consider it necessary to implement the following emergency measures as soon as possible, preferably within the next week. Implementation of these emergency measures will create the climate necessary to settle the political questions.

1. We call on the interested parties to find practical measures for a parallel solution to three tasks, without regard to sequence: the stopping of NATO bombing of the Federal Republic of Yugoslavia, withdrawal of Serbian armed forces from Kosovo, and the cessation of the military activities of the KLA. This should be accomplished through a series of confidence building measures, which should include but should not be limited to:

a. The release of all prisoners of war.

b. The voluntary repatriation of all refugees in the Federal Republic of Yugoslavia and unhindered access to them by humanitarian aid organizations. NATO would be responsible for policing the Federal Republic of Yugoslavia's borders with Albania and Macedonia to ensure that weapons do not reenter the Federal Republic of Yugoslavia with the returning refugees or at a later time.

c. Agreement on the composition of the armed international forces which would administer Kosovo after the Serbian withdraw. The composition of the group should be decided by a consensus agreement of the five permanent members of the U.N. Security Council in consultation with Macedonia, Albania, the Federal Republic of Yugoslavia, and the recognized leadership of Kosovo.

d. The above group would be supplemented by the monitoring activities of the Organization for Security and Cooperation in Europe (OSCE).

e. The Russian Duma and U.S. Congress will use all possiblities at their disposal in order to successfully move ahead the process of resolving the situation in Yugoslavia on the basis of stopping the violence and atrocities.

2. We recognize the basic principles of the territorial integrity of the Federal Republic of Yugoslavia, which include:

a. wide autonomy for Kosovo

b. a multi-ethnic population

c. treatment of all Yugoslavia peoples in accordance with international norms

3. We support efforts to provide international assistance to rebuild destroyed homes of refugees and other humanitarian assistance, as appropriate, to victims in Kosovo.

4. We, as members of the Duma and Congress, commit to active participation as follows:

Issue a Joint U.S. Congress-Russian Duma report of our meetings in Vienna. Concrete suggestions for future action will be issued as soon as possible.

Delegations will agree on timelines for accomplishment of above tasks.

Delegations will brief their respective legislatures and governments on outcome of the Vienna meetings and agreed upon proposals.

Delegations will prepare a joint resolution, based on their report, to be considered simultaneously in the Congress and Duma.

Delegations agree to continue a working group dialogue between Congress and the Duma in agreed upon places.

Delegations agree that Duma deputies will visit refugee camps and Members of Congress will visit the Federal Republic of Yugoslavia.

Members of Congress:

Curt Weldon, Neil Abercrombie, Jim Saxton, Bernie Sanders, Roscoe Bartlett, Corrine Brown, Jim Gibbons, Maurice Hinchey, Joseph R. Pitts, Don Sherwood, Dennis J. Kucinich.

Duma Deputies:

_____ _____, _____ _____, _____ _____ _____ _____.

Mr. GIBBONS. Mr. Speaker, perhaps the gentleman from Pennsylvania and I can go over a little bit of the similarity between our document dated the 1st of May here and the G–8, or the G–7 plus Russia announcement today.

As I look at the calendar, today is May 6, so it has been a full 5 days, and that is time enough, as I see it, for them to have an opportunity to review the good work and the hard work that we put forward in that meeting and the statement of the G–7 plus Russia principles here.

I would just like to take the first one.

Mr. WELDON of Pennsylvania. I would just like to say, before we do that, that for those who say that parliamentarians should not be involved in meeting with other parliamentarians, and I think the gentleman did a good job earlier today when he gave a 1-minute on this issue, that this administration is constantly encouraging Members of Congress to engage their counterparts around the world. In fact, we have programs that do that.

I got involved with Russia long before I was in Congress when a U.S. funded program, called the American Council of Young Political Leaders, encouraged me as a county commissioner to travel to Russia because my party thought that one day I might serve in Congress. Now, little did I realize that a couple of decades ago those early trips to Russia would result in me traveling to Russia some 19 times where I would host literally hundreds if not thousands of Russian leaders when they come to America and where I would have the opportunity, working with our friend and colleague, who is, by the way, watching these proceedings tonight, a former Member, Greg Laughlin, and starting 8 years ago a Russian-American Energy Caucus to try to find ways to bring hard currency into Russia so they would not have to sell off their nuclear technology or their conventional weapons.

The administration back then was supportive of our efforts. They were supportive of our efforts to help solve environmental problems, the nuclear waste problem up in the Arctic Ocean, out in the Sea of Japan. So it is interesting that the media in this city and the administration that has encouraged us so much to interact so much with these other leaders all of a sudden, when we do something constructive that maybe embarrasses them, all of a sudden says, well, we do not need 435 armchair diplomats.

We are not armchair diplomats, Mr. Speaker. We are doing what this administration asked us to do, which Vice President Gore and Viktor Chernomyrdin, when we started this effort 5 years ago, right down the hallway on the Senate side, stood up at a luncheon and said, it is fantastic, but now Gore-Chernomyrdin is going to be supplemented by a Duma-Congress study group, and applauded our foresight as parliamentarians coming together to try to build trust and understanding.

So it is okay to do it when they think it is important, but when we disagree or think that things are not going the way perhaps they could be going, and we try to use that influence that we have, all of a sudden we are not doing the right thing. Is that not amazing that that could happen?

Mr. GIBBONS. That is absolutely correct.

And if the gentleman will continue to yield, I just wish to say that I could not be more pleased at the hard work the gentleman has done over the past few years in building that important relationship, because it came to fruition when the gentleman reached out and asked for them to meet with us on this very important document at this very important time in this Balkans crisis. They willingly came because of the great respect they have for the gentleman and his hard work, and that was evident throughout the meeting.

I have to say that every one of us, whether we are in Congress or just ordinary citizens, are diplomats of this country when we travel abroad. So it is impossible to separate ourselves from our American heritage. It is part of us.

And we have even a higher responsibility when we are an elected official, especially those of us in Congress, in dealing with our counterparts, for example in the Russian Duma, to reflect American policies, to reflect American ideals. And we did that without negotiating, without breaching fundamental trust with the administration.

This was something that was established and has been established, as the gentleman said, over a number of years, and it has absolutely proven to be one of the most important relationships, one of the most important things that we can do as Members of Congress, to build trust between countries so that we never have to realize conflict, never have to go back to the days of the Cold War.

I think we are teetering today on the brink of entering another cold war. If we lose the elections in Russia, if we lose that confidence, if we end up having the cynicism about U.S. relationships with Russia that are now starting to grow, we could very well end up back in that same old Cold War that we all celebrated the end of in 1989.

Mr. WELDON of Pennsylvania. I agree.

The gentleman's suggestion was a valid one, that we go through the G–8 document and compare it side by side to what we did just so that the American people know that what we agreed on with the Russians has now, in fact, become the basis of a G–8 set of principles to negotiate an end to this conflict.

Mr. GIBBONS. I would like to be the G–8, if he wants to respond to what our agreement said.

Let me take the first one. Number one, immediate and verifiable end of violence and repression in Kosovo.

Mr. WELDON of Pennsylvania. And our position on that same issue, and I will read it word for word, the stopping of NATO bombing, cessation of KLA

activities, withdrawal of Serb forces from Kosovo, calls for termination of violence and atrocities.

If that is not identical, I do not know what is.

Mr. GIBBONS. It is almost word for word.

Let me take number two. Let us see how similar we can get with number two.

Withdrawal from Kosovo of military police and paramilitary forces.

Mr. WELDON of Pennsylvania. Ours says, withdrawal of Serb forces from Kosovo.

Mr. GIBBONS. Identical.

Number three, the deployment in Kosovo of effective international civil and (armed) security presences, endorsed and adopted by the United Nations, capable of guaranteeing the achievement of the common objectives.

Mr. WELDON of Pennsylvania. And ours says, agreement on the composition of armed international forces which would administer Kosovo after the Serb withdrawal, to be determined by the U.N. five-member Security Council.

Mr. GIBBONS. Does not get much closer.

Let us go to number four. Number four says, the establishment of an interim administration for Kosovo to be decided by the U.N. Security Council to ensure conditions for a peaceful and normal life for all inhabitants in Kosovo.

Mr. WELDON of Pennsylvania. And our document says, the composition of armed forces should be decided by a consensus agreement of the five permanent members of the U.N. Security Council in consultation with Macedonia, Albania, Yugoslavia and the recognized leadership of Kosovo. And the above group would be monitored by the Organization for Security and Cooperation in Europe, of which both Russia and the U.S. are member nations.

And we had dinner at the ambassador's home for the U.S. with the Russian ambassador alongside of us.

Mr. GIBBONS. That is correct. And so all we did was broaden out a little bit the applicability and who would be in there helping to decide this very important objective.

So it seems so far that, of the four we have talked about, we have almost got parallel if not word-for-word concurrence with what this agreement that we worked on over the weekend says.

Let us take number five. Number five states, the safe and free return of all refugees and displaced persons and unimpeded access to Kosovo by humanitarian aid organizations.

Mr. WELDON of Pennsylvania. This one sounds close here. The voluntary repatriation of refugees in Yugoslavia and unhindered access to them by humanitarian aid organizations.

Mr. GIBBONS. I guess they could not get more creative than to copy us word for word, could they?

Let us look at number six. Number six says, a political process towards the establishment of an interim political framework agreement providing a substantial self-government for Kosovo, taking full account of Rambouillet Accords and principles of sovereignty and territorial integrity of Yugoslavia and other countries in the region, and demilitarization of UCK, which is the KLA.

Mr. WELDON of Pennsylvania. And ours says, recognizes the territorial integrity of Yugoslavia, including wide autonomy for Kosovo, a multi-ethnic population, and treatment of all Yugoslavia peoples in accordance with international norms.

Mr. GIBBONS. Just reworded.

Mr. WELDON of Pennsylvania. We just did not use that fancy Rambouillet word, but the content of what we said is identical to what is in number six.

Mr. GIBBONS. That is correct.

Finally, number seven, comprehensive approach to economic development and stabilization of the crisis region.

Mr. WELDON of Pennsylvania. And we said, supports efforts to provide international assistance to rebuild destroyed refugee homes and other humanitarian assistance to victims in Kosovo.

Mr. GIBBONS. And if the gentleman will yield, as we have gone down these seven principles that were established in the G–7 plus Russia or commonly known as the G–8, I think it is very clear upon a reading of the document that we worked out over the weekend, a reading of the principles that they have stated here and a comparison of the two shows that there is a direct, an almost word-for-word influence of their statement, which has come about to be, as stated in the press, a new framework for the peaceful solution of the Kosovo crisis.

So I can only applaud and congratulate the gentleman here publicly for his effort in this, because I think it was directly because of our working agreement, our working relationship between the Congress of the United States and the Duma of Russia that we were able to bring about a higher public awareness of the willingness on terms that are satisfactory to the United States, and including many of the NATO countries, if not all of the NATO countries, for a peaceful solution of the Kosovo crisis.

I just could not be more proud of the gentleman, and I could not be more pleased to be part of this effort. Certainly, as the gentleman mentioned earlier in the evening, we do have a resolution which is going to come about next week and is going to pretty much give a sense of Congress and stating an outline of the important work that was done here, the reason for it, and sort of giving congressional support to the framework that the gentleman worked so very hard to achieve.

Mr. WELDON of Pennsylvania. Let me thank my colleague and add to what he has said and congratulate him, because he is the one that worked with the gentleman from Ohio (Mr. KUCINICH) and also worked with the gentleman from New York (Mr. HINCHEY) to develop this legislation which is to be the subject of a hearing next week.

Unfortunately, the minority leadership, bowing to the White House again, would not let us hold the hearing on Wednesday, because that would require their unanimous consent, so we have to hold the hearing on Thursday. Another obstacle, another day of bombing. We could do this hearing on Wednesday and move the legislation, but, no, because we do not want to have the Congress discuss this issue, we cannot do it until Thursday because the administration has convinced the minority side, in spite of the support of their own Members, that we should not have this hearing until the full 7 days.

□ 2130

But I want to say we will have that hearing. I talked to our Russian counterparts this morning, and they are planning on bringing up the exact same resolution in the State Duma. Our hope is to have this Congress pass it, the Russian Duma pass it; and I am even hoping that members of the Ukrainian Rada will pass this.

In fact, I had a call today from a member of the German Bundestag. He received our document and he wants to pursue this with members of the European parliaments. So momentum is building.

I do want to take this time to acknowledge our other Members, as I know my colleague would. On the minority side we had an outstanding delegation. They would be here tonight, but since we ended the session, Members are on their way back to their districts. We do have a long weekend.

We are staying here because we have events in town. But our Members did do special orders earlier this week. We could not get a full hour because all the time was booked. But they would have been here tonight, and I want to acknowledge them all personally.

The ranking Democrat on our trip was the gentleman from Hawaii (Mr. NEIL ABERCROMBIE), an outstanding Member, a tireless advocate for trying to find a peaceful resolution to this conflict;

The gentlewoman from Florida (Ms. CORRINE BROWN), a Member who has become a dynamic leader on Russian issues. She has traveled to Russia with me twice. She now chairs an effort with female members of the Russian Duma to build better relations between our two bodies;

The gentleman from New York (MAURICE HINCHEY), a strong supporter of President Clinton who supported the

bombing efforts, support the President's policies, and was a very key part of our delegation. In fact, he is the one who talked to Podesta at the White House from Vienna;

The gentleman from Ohio (Mr. DENNIS KUCINICH), former Mayor of Cleveland, who is an active Member who has a background from the Balkans ethnically, understands the problems. Probably no one is as well versed in this Congress on issues involving the Balkans than the Democrat from Ohio (Mr. KUCINICH);

And the fifth Democrat, the gentleman from Vermont (Mr. BERNIE SANDERS), who is the only Independent, the only socialist in Congress, a self-admitted liberal. He was an outstanding contributor to our effort.

In fact, it was interesting, I was in a press conference with the gentleman from Maryland (Mr. ROSCOE BARTLETT) today and he is as far to the right as the gentleman from Vermont (Mr. SANDERS) is to the left. And the gentleman from Maryland (Mr. BARTLETT) said, you know something, the gentleman from Vermont (Mr. SANDERS) and I sat together during all the discussions and there was not one issue that he and I disagreed on. We were in sync on every issue in every statement. My colleague and I were in complete agreement. That is the kind of relationship we have.

Perhaps my colleague would like to go over some of the other Republican Members that were with us on the delegation. I have covered the Democrats.

Mr. GIBBONS. Mr. Speaker, first of all, if I can just repeat that my colleague down here from Pennsylvania (Mr. WELDON) was the head of this delegation. It was a bipartisan delegation, as he has already stated.

On our side we had the gentleman from New Jersey (Mr. JIM SAXTON) who is a wonderful contributor to the process, brought a great deal of insight to the committee, both his position on his committee assignment, as well as having traveled to Yugoslavia earlier in the week in an effort on his own as an individual to learn more about the process and meet and be able to inform us of his findings, as well.

We had also the gentleman from Maryland (Mr. ROSCOE BARTLETT) as my colleague has said, one of the gentleman who has a defined point of view, as we say, but yet contributed very well to the whole process as we go.

We had the gentleman from Pennsylvania (Mr. JOE PITTS) a wonderful colleague who came into the same Congress as I did in the same class in the 105th Congress, a remarkable individual, very renowned for his work in education and a great member of our bipartisan delegation, as my colleague has already stated.

Mr. WELDON of Pennsylvania. His colleague from Pennsylvania (Mr. DON SHERWOOD) was there also, a good friend of my colleague's.

Mr. GIBBONS. And the gentleman from Pennsylvania (Mr. DON SHERWOOD) a freshman who entered this Congress this year but with a great deal of enthusiasm, a great deal of respect for the process, serves on the Committee on Armed Services and made an ideal partner in all of this as we went forward during this time.

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PEASE). Members are reminded again that they are to address their remarks to the Chair, not to the television audience.

## LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MCNULTY (at the request of Mr. GEPHARDT) for today on account of personal business.

Mr. BEREUTER (at the request of Mr. ARMEY) for today after 3:30 p.m. on account of official business.

Mr. KUYKENDALL (at the request of Mr. ARMEY) for today on account of attending his son's college graduation.

Mr. BLILEY (at the request of Mr. ARMEY) for today after 3:00 p.m. on account of official travel on behalf of the standing committee of the North Atlantic Treaty Organization Parliamentary Assemblies special meeting on the Kosovo situation.

Mr. TIAHRT (at the request of Mr. ARMEY) for today on account of inspecting tornado damage in Kansas.

Mr. PACKARD (at the request of Mr. ARMEY) for today after 3:30 p.m. on account of official business.

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Mr. CUMMINGS, for 5 minutes, today.

Ms. CARSON, for 5 minutes, today.

(The following Members (at the request of Mr. NETHERCUTT) to revise and extend their remarks and include extraneous material:)

Mr. WOLF, for 5 minutes, today.

Mr. NETHERCUTT, for 5 minutes, today.

Mr. HILL of Montana, for 5 minutes, on May 12.

Mr. KASICH, for 5 minutes, today.

Mr. LUCAS of Oklahoma, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. GIBBONS, for 5 minutes, today.

## ADJOURNMENT

Mr. WELDON of Pennsylvania. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 35 minutes p.m.), under its previous order, the House adjourned until Monday, May 10, 1999, at 2 p.m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1901. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida and Imported Grapefurit; Relaxation of the Minimum Size Requirement for Red Seedless Grapefurit [Docket No. FV99–905–1 FIR] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1902. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Olives Grown in California; Increased Assessment Rate [Docket No. FV99–932–1 FR] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1903. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Milk in the New England and Other Marketing Areas; Decision on Proposed Amendments to Marketing Agreements and to Orders [DA–97–12] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1904. A letter from the Administrator, Rural Development, Department of Agriculture, transmitting the Department's final rule—Distance Learning and Telemedicine Loan and Grant Program (RIN: 0572–AB31) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1905. A letter from the Under Secretary of Defense (Comptroller), Department of Defense, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1906. A letter from the Under Secretary of Defense (Comptroller), Department of Defense, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1907. A letter from the Assistant Secretary for Health Affairs, Department of Defense, transmitting the 1999 interim report on our evaluation of TRICARE, the Department of Defense (DoD) managed health care program, pursuant to 10 U.S.C. 1073 nt.; to the Committee on Armed Services.

1908. A letter from the Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, transmitting the Office's final rule—Risk-Based Capital Standards: Market Risk [Docket No. 99–04] (RIN: 1557–AB14) received April 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

1909. A letter from the Administrator, Food and Consumer Service, Department of Agriculture, transmitting the Department's final rule—Special Supplemental Nutrition Program for Women, Infants and Children (WIC): WIC/Food Stamp Program (FSP) Vendor Disqualification (RIN: 0584–AC50) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1910. A letter from the Acting Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Acquisition Regulations; Performance Guarantees (RIN: 1991–AB44) Recieved April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1911. A letter from the Acting Assistant General Counsel for Regulatory Law, Department of Energy, transmitting the Department's final rule—Safety of Accelerator Facilities—received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1912. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Rescission of the Conditional Section 182(f) Exemption to the Nitrogen Oxides (NOx) Control Requirements for the Dallas/Fort Worth Ozone Nonattainment Area; Texas [TX 109–1–7412a; FRL–6329–2] received April 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1913. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Maintenance Plan Revisions; Ohio [OH 122–1a; FRL–6328–6] received April 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1914. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; New Jersey 15 Percent Rate of Progress Plans, Recalculation of 9 Percent Rate of Progress Plans and 1999 Transportation Conformity Budget Revisions [Region II Docket No. NJ33–2–191; FRL–6328–8] received April 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1915. A letter from the Director, Regulation Policy and Management Staff, FDA, Food and Drug Administration, transmitting the Administration's final rule—Secondary Direct Food Additives Permitted in Food for Human Consumption; Sulphopropyl Cellulose [Docket No. 96F–0248] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1916. A letter from the Attorney Advisor, National Highway Traffic Safety Administration, transmitting the Administration's final ''Major'' rule—Light Truck Average Fuel Economy Standard, Model Year 2001 [Docket No. NHTSA–99–5464] (RIN: 2127–AH52) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1917. A letter from the Director, Office of Congressiona Affairs, Nuclear Regulatory Commission, transmitting the Commission's final rule—Frequency of Reviews and Audits for Emergency Preparedness Programs, Safeguards Contingency Plans, and Security Programs for Nuclear Power Reactors (RIN: 3150–AF63) received April 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1918. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance (LOA) to Egypt for defense articles and services (Transmittal No. 99–13), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

1919. A letter from the Director, Defense Security Cooperation Agency, transmitting the Department of the Army's proposed lease of defense articles to the Taipei Economic and Cultural Representative Office in the United States [Transmittal No. 09–99], pursuant to 22 U.S.C. 2796a(a); to the Committee on International Relations.

1920. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting certification of a proposed license for the export of defense articles or defense services sold commercially under a contract to the Government of Norway [Transmittal No. DTC 63–99], pursuant to 22 U.S.C. 2776(c); to the Committee on International Relations.

1921. A communication from the President of the United States, transmitting a 6-month periodic report on the national emergency with respect to the National Union for the Total Independence of Angola (UNITA), pursuant to 50 U.S.C. 1703(c); to the Committee on International Relations.

1922. A letter from the Director, Defense Security Cooperation Agency, transmitting notification concerning a transfer of up to $100M in defense articles and services to the Government of Bosnia-Herzegovina, pursuant to 10 U.S.C. 118; to the Committee on International Relations.

1923. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12–634, ''District of Columbia Department of Health Functions Clarification Temporary Act of 1999,'' pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

1924. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 13–34, ''Solid Waste Facility Permit Temporary Amendment Act of 1999,'' pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

1925. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 13–33, ''Potomac River Bridges Towing Compact Temporary Act of 1999,'' pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

1926. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 13–32, ''Omnibus Regulatory Reform Temporary Amendment Act of 1999,'' pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

1927. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 13–40, ''Children's Defense Fund Equitable Real Property Tax Relief and Children's Health Insurance Program Authorization Emergency Act of 1998 Fiscal Impact Temporary Amendment Act of 1999,'' pursuant to D.C. Code section 1–233(c)(1); to the Committee on Government Reform.

1928. A letter from the Executive Director, Committee For Purchase From People Who Are Blind Or Severely Disabled, transmitting the Committee's final rule—Additions and Deletions—received March 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1929. A letter from the Chairman, Federal Maritime Commission, transmitting a copy the report of the Consumer Product Safety Commission in compliance with the Government in the Sunshine Act during the calendar year 1998, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform.

1930. A letter from the Director, Employment Service-Workforce Restructuring Office, Office of Personnel Management, transmitting the Office's final rule—Reduction In Force Service Credit; Retention Records (RIN: 3206–AI09) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1931. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Federal Employees Health Benefits Program: Contributions and Withholdings (RIN: 3206–AI33) received April 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1932. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Federal Employees' Group Life Insurance Program Court Orders (RIN: 3206–AI49) received April 7, 1999, pursuant to Public Law 105–205; to the Committee on Government Reform.

1933. A letter from the Secretary of Transportation, transmitting the Department's second annual Performance Plan, pursuant to Public Law 103–62; to the Committee on Government Reform.

1934. A letter from the Deputy Assistant Administrator for Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Northeast Multispecies Fishery; Framework Adjustment 28 [Docket No. 990324080–9080–01; I.D. 031599D] (RIN: 0648–AM10) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1935. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Watertown, WI [Airspace Docket No. 99–AGL–2] received April 8, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1936. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Auburn, IN [Airspace Docket No. 99–AGL–3] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1937. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E airspace; Pontiac, IL [Airspace Docket No. 98–AGL–81] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1938. A letter from the Program Analyst, Office of the Chief Counsel, Department of Transportation, transmitting the Department's final rule—Modification of the legal description of the Class E Airspace; Sault Ste Marie, ON [Airspace Docket No. 99–AGL–1] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1939. A letter from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, transmitting the Administration's final rule—Amendment of Class D and E Airspace; Orlando Executive Airport, FL [Airspace Docket No. 99–ASO–5] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1940. A letter from the Program Analyst, Office of the Chief Counsel, Federal Aviation

Administration, transmitting the Administration's final rule—Amendment of Class E Airspace; Toccoa, GA [Airspace Docket No. 99–ASO–3] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1941. A letter from the Program Support Specialist, Aircraft Certification Service, Federal Aviation Administration, transmitting the Administration's final rule—Airworthiness Directives; Boeing Model 737–600, –700, and –800 Series Airplanes [Docket No. 99–NM–38–AD; Amendment 39–11107; AD 99–08–03] (RIN: 2120–AA64) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

1942. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Notice of Significant Reduction in the Rate of Future Benefit Accrual [TD 8795] (RIN: 1545–AT78) received April 20, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1943. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Accounting Period Guidance [Notice 99–19] received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1944. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Examination of returns and claims for refund, credit, or abatement; determination of correct tax liability [Revenue Procedure 99–21] received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1945. A letter from the Acting SSA Regulations Officer, Social Security Administration, transmitting the Administration's final rule—Administrative Review Process; Prehearing Proceedings and Decisions by Attorney Advisors; Extension of Expiration Date (RIN: 0960–AF01) received March 25, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1946. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of our intent to obligate funds for additional program proposals for purposes of Nonproliferation and Disarmament Fund (NDF) activities, pursuant to Public Law 105–277; jointly to the Committees on Appropriations and International Relations.

1947. A letter from the Under Secretary of Defense (Environmental Security), Department of Defense, transmitting the final report including an evaluation of the program, which concludes the program has been beneficial in providing environmental education and training opportunities to current and former Department of Defense personnel, as well as other young adults, pursuant to Public Law 102–580, section 310(b) (106 Stat. 4845); jointly to the Committees on Armed Services and Education and the Workforce.

1948. A letter from the Secretary of Health and Human Service, transmitting an annual report on participation, assignment, and extra billing in the Medicare program; jointly to the Committees on Ways and Means and Commerce.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Florida: Committee on Appropriations. Revised Suballocation of Budget Allocations for Fiscal Year 1999 (Rept. 106–128). Referred to the Committee of the Whole House on the State of the Union.

Mr. SENSENBRENNER: Committee on Science. H.R. 209. A bill to improve the ability of Federal agencies to license federally owned inventions; with an amendment (Rept. 106–129 Pt. 1).

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the Committee on the Judiciary discharged H.R. 209; referred to the Committee of the Whole House on the State of the Union.

## TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 209. Referral to the Committee on the Judiciary extended for a period ending not later than May 6, 1999.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. BLILEY (for himself, Mr. DAVIS of Virginia, Mr. TAUZIN, Mr. OXLEY, Mr. TOWNS, and Mr. FOSSELLA):

H.R. 1714. A bill to facilitate the use of electronic records and signatures in interstate or foreign commerce; to the Committee on Commerce.

By Mr. BACHUS (for himself and Ms. WATERS) (both by request):

H.R. 1715. A bill to extend the expiration date of the Defense Production Act of 1950, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. BILIRAKIS:

H.R. 1716. A bill to provide for a study of long-term care needs in the 21st century; to the Committee on Commerce.

By Mr. BLAGOJEVICH (for himself and Mr. ROGAN):

H.R. 1717. A bill to permanently ban the possession of firearms by dangerous juvenile offenders; to the Committee on the Judiciary.

By Mr. BRYANT (for himself and Mr. HILLEARY):

H.R. 1718. A bill to amend the Appalachian Regional Development Act of 1965 to add Hickman, Lawrence, Lewis, Perry, and Wayne Counties, Tennessee, to the Appalachian region; to the Committee on Transportation and Infrastructure.

By Mr. DEFAZIO:

H.R. 1719. A bill to authorize the Secretary of Defense to carry out the National Guard civilian youth opportunities program for fiscal year 2000 in an amount not to exceed $110,000,000; to the Committee on Armed Services.

H.R. 1720. A bill to amend the Child Abuse Prevention and Treatment Act to provide for an increase in the authorization of appropriations for community-based family resource and support grants under that Act; to the Committee on Education and the Workforce.

H.R. 1721. A bill to amend the Incentive Grants for Local Delinquency Prevention Program Act to authorize appropriations for fiscal years 2000 through 2005; to the Committee on Education and the Workforce.

H.R. 1722. A bill to amend the Head Start Act to authorize appropriations for fiscal years 2000 through 2005; to the Committee on Education and the Workforce.

H.R. 1723. A bill to encourage States to require a holding period for any student expelled for bringing a gun to school; to the Committee on Education and the Workforce.

H.R. 1724. A bill to increase discretionary funding for certain grant programs established under the ''Edward Byrne Memorial State and Local Law Enforcement Assistance Programs''; to the Committee on the Judiciary.

By Mr. DEFAZIO (for himself and Mr. WALDEN of Oregon):

H.R. 1725. A bill to provide for the conveyance by the Bureau of Land Management to Douglas County, Oregon, of a county park and certain adjacent land; to the Committee on Resources.

By Mr. DEFAZIO:

H.R. 1726. A bill to allow States to develop or expand instant gun checking capabilities, to allow a tax credit for the purchase of safe storage devices for firearms, to promote the fitting of handguns with child safety locks, and to prevent children from injuring themselves and others with firearms; referred to the Committee on the Judiciary, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. DUNCAN (for himself and Mrs. CHENOWETH):

H.R. 1727. A bill to eliminate the fees associated with Forest Service special use permits that authorize a church to use structures and improvements on National Forest System lands for religious or educational purposes; to the Committee on Agriculture.

By Mr. ENGLISH (for himself, Mr. LEVIN, and Mr. METCALF):

H.R. 1728. A bill to reauthorize the Trade Adjustment Assistance program through fiscal year 2003, and for other purposes; to the Committee on Ways and Means.

By Mr. GOODE (for himself, Mr. BLILEY, Mr. WOLF, Mr. PICKETT, Mr. SCOTT, Mr. GOODLATTE, Mr. BOUCHER, Mr. SISISKY, Mr. BATEMAN, and Mr. MORAN of Virginia):

H.R. 1729. A bill to designate the Federal facility located at 1301 Emmet Street in Charlottesville, Virginia, as the ''Pamela B. Gwin Hall''; to the Committee on Transportation and Infrastructure.

By Mr. GOODLING (for himself, Mr. STEARNS, Mr. PASTOR, Mr. ISTOOK, Mr. GILMAN, and Mr. FOLEY):

H.R. 1730. A bill to amend the Internal Revenue Code of 1986 to allow the installment method to be used to report income from the sale of certain residential real property, and for other purposes; to the Committee on Ways and Means.

By Mr. HERGER (for himself, Mr. MATSUI, Mr. MCCRERY, Mr. CAMP, Mr. FOLEY, Mr. WELLER, Mr. NEAL of Massachusetts, and Mr. THOMAS):

H.R. 1731. A bill to amend the Internal Revenue Code of 1986 to provide that the credit for electricity produced from certain renewable resources shall apply to electricity produced from all biomass facilities and to extend the placed in service deadline for such credit; to the Committee on Ways and Means.

By Mr. HINCHEY (for himself, Mr. ACKERMAN, Mr. ALLEN, Mr. ANDREWS, Mr. BAIRD, Mr. BALDACCI, Ms. BALDWIN, Mr. BARRETT of Wisconsin, Mr.

BERMAN, Mr. BLAGOJEVICH, Mr. BLUMENAUER, Mr. BONIOR, Mr. BORSKI, Mr. BOUCHER, Ms. BROWN of Florida, Mr. BROWN of California, Mr. BROWN of Ohio, Mr. CAMPBELL, Mrs. CAPPS, Mr. CAPUANO, Mr. CLAY, Mr. CLYBURN, Mr. CONYERS, Mr. COSTELLO, Mr. COYNE, Mr. CROWLEY, Mr. CUMMINGS, Mr. DAVIS of Illinois, Mr. DEFAZIO, Ms. DEGETTE, Mr. DELAHUNT, Ms. DELAURO, Mr. DEUTSCH, Mr. DICKS, Mr. DIXON, Mr. ENGEL, Ms. ESHOO, Mr. EVANS, Mr. FARR of California, Mr. FILNER, Mr. FORBES, Mr. FRANK of Massachusetts, Mr. FRANKS of New Jersey, Mr. GEJDENSON, Mr. GREEN of Texas, Mr. GUTIERREZ, Mr. HALL of Ohio, Mr. HASTINGS of Florida, Mr. HOEFFEL, Mr. HOLDEN, Mr. HOLT, Ms. HOOLEY of Oregon, Mr. INSLEE, Mr. JACKSON of Illinois, Ms. JACKSON-LEE of Texas, Mr. JEFFERSON, Mrs. KELLY, Mr. KENNEDY of Rhode Island, Mr. KILDEE, Ms. KILPATRICK, Mr. KLECZKA, Mr. KUCINICH, Mr. LAFALCE, Mr. LAMPSON, Mr. LANTOS, Mr. LARSON, Mr. LEACH, Ms. LEE, Mr. LEVIN, Mr. LEWIS of Georgia, Mr. LIPINSKI, Ms. LOFGREN, Mrs. LOWEY, Mr. LUTHER, Mrs. MALONEY of New York, Mr. MALONEY of Connecticut, Mr. MARKEY, Mr. MARTINEZ, Mr. MATSUI, Mrs. MCCARTHY of New York, Mr. MCDERMOTT, Mr. MCGOVERN, Ms. MCKINNEY, Mr. MCNULTY, Mr. MEEHAN, Mrs. MEEK of Florida, Mr. MEEKS of New York, Mr. MENENDEZ, Mr. GEORGE MILLER of California, Mrs. MINK of Hawaii, Mr. MOAKLEY, Mr. MORAN of Virginia, Mrs. MORELLA, Mr. MURTHA, Mr. NADLER, Mrs. NAPOLITANO, Mr. NEAL of Massachusetts, Mr. OLVER, Mr. OWENS, Mr. PALLONE, Mr. PASCRELL, Mr. PAYNE, Mr. PHELPS, Mr. PORTER, Mr. PRICE of North Carolina, Ms. RIVERS, Mr. ROTHman, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SABO, Ms. SANCHEZ, Mr. SANDERS, Mr. SAWYER, Ms. SCHAKOWSKY, Mr. SERRANO, Mr. SHAYS, Mr. SHERMAN, Ms. SLAUGHTER, Mr. SMITH of Washington, Mr. SPRATT, Ms. STABENOW, Mr. STARK, Mrs. TAUSCHER, Mr. THOMPSON of Mississippi, Mr. TIERNEY, Mr. TOWNS, Mr. UDALL of Colorado, Mr. UDALL of New Mexico, Ms. VELÁZQUEZ, Mr. VENTO, Ms. WATERS, Mr. WAXMAN, Mr. WEINER, Mr. WEXLER, Mr. WEYGAND, Ms. WOOLSEY, and Mr. WYNN):

H.R. 1732. A bill to designate certain Federal land in the State of Utah as wilderness, and for other purposes; to the Committee on Resources.

By Mr. MEEHAN (for himself, Mr. DELAHUNT, Mr. CAPUANO, Mr. NEAL of Massachusetts, Mr. MOAKLEY, Mr. TIERNEY, Mr. MARKEY, Mr. MCGOVERN, Mr. OLVER, and Mr. FRANK of Massachusetts):

H.R. 1733. A bill to establish doctoral fellowships designed to increase the pool of scientists and engineers trained specifically to address the global energy and environmental challenges of the 21st century; to the Committee on Science.

By Mr. GEORGE MILLER of California:

H.R. 1734. A bill to amend the Elementary and Secondary Education Act of 1965 to improve the quality of education and raise student achievement by strengthening accountability, raising standards for teachers, rewarding success, and providing better information to parents; to the Committee on Education and the Workforce.

By Mr. PETERSON of Pennsylvania (for himself and Mr. BARTON of Texas):

H.R. 1735. A bill to establish a grant program to enable local educational agencies to develop and implement a random drug testing program for students in grades 7 through 12; to the Committee on Education and the Workforce.

By Mr. STARK:

H.R. 1736. A bill to amend title XVIII of the Social Security Act to provide certain Medicare beneficiaries with an exemption to the financial limitations imposed on physical, speech-language pathology, and occupational therapy services under part B of the Medicare Program, and to provide for a system to vary those limitations using a classification of individuals based on diagnostic category and prior use of services; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SWEENEY:

H.R. 1737. A bill to prohibit United States reconstruction assistance for the Federal Republic of Yugoslavia (Serbia and Montenegro) as a result of Operation Allied Force; to the Committee on International Relations.

By Mr. WAMP:

H.R. 1738. A bill to amend title 49, United States Code, to provide slot exemptions for nonstop regional jet service, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. TIERNEY (for himself, Ms. KAPTUR, Mr. GEORGE MILLER of California, Mr. LEWIS of Georgia, Mr. NADLER, Mr. DEFAZIO, Mr. HOEFFEL, Mr. WAXMAN, Mr. BARRETT of Wisconsin, Mr. SANDERS, Ms. PELOSI, Ms. LOFGREN, Mr. DELAHUNT, Ms. WOOLSEY, Ms. SCHAKOWSKY, Mr. OLVER, Mr. MCDERMOTT, Mr. BLAGOJEVICH, Mr. MEEHAN, Mr. BLUMENAUER, Mr. HINCHEY, Mr. DAVIS of Illinois, Mr. STARK, Mr. MARKEY, Mr. JACKSON of Illinois, Ms. MCKINNEY, Ms. DELAURO, Ms. LEE, Mr. WEYGAND, Mr. KIND, Mr. GEJDENSON, Mrs. MALONEY of New York, Mr. FORD, Mr. MCGOVERN, Mr. CAPUANO, Mr. RODRIGUEZ, Ms. BALDWIN, Mr. FRANK of Massachusetts, Mr. KUCINICH, Mr. MORAN of Virginia, Mr. CLAY, Mr. EVANS, Mr. FATTAH, and Mr. PASCRELL):

H.R. 1739. A bill to reform the financing of Federal elections; to the Committee on House Administration, and in addition to the Committees on Commerce, and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MURTHA:

H.J. Res. 52. A joint resolution proposing an amendment to the Constitution of the United States relating to school prayer; to the Committee on the Judiciary.

By Mr. BILIRAKIS (for himself, Mrs. MALONEY of New York, Mr. MCGOVERN, Mr. PALLONE, Mr. ANDREWS, Mr. CUNNINGHAM, Ms. KAPTUR, Mr. MCNULTY, Mr. CAPUANO, Mr. BROWN of Ohio, Mr. CROWLEY, Mr. ENGEL, Mr. HINCHEY, Mr. RUSH, Mr. SHERMAN, Mr. HORN, Mr. MENENDEZ, Mr. PORTER, Mr. KLINK, Mr. DIAZ-BALART, Mr. TIERNEY, Mrs. KELLY, Mr. DIXON, Mr. BONIOR, and Mr. EVANS):

H. Con. Res. 100. Concurrent resolution urging the compliance by Turkey with United Nations resolutions relating to Cyprus, and for other purposes; to the Committee on International Relations.

By Mr. GREEN of Wisconsin (for himself, Mr. TANCREDO, Mr. TERRY, Mr. FLETCHER, Mr. OSE, Mr. SIMPSON, and Mr. KUYKENDALL):

H. Con. Res. 101. Concurrent resolution expressing the sense of the Congress that Social Security reform measures should not force State and local government employees into Social Security coverage; to the Committee on Ways and Means.

By Mr. SAM JOHNSON of Texas:

H. Con. Res. 102. Concurrent resolution celebrating the 50th anniversary of the Geneva Conventions of 1949 and recognizing the humanitarian safeguards these treaties provide in times of armed conflict; to the Committee on International Relations.

By Mr. PAYNE:

H. Con. Res. 103. Concurrent resolution expressing the sense of Congress with regard to cultural education and awareness of the history of slavery in America; to the Committee on Education and the Workforce.

By Mr. RODRIGUEZ:

H. Con. Res. 104. Concurrent resolution expressing the sense of the Congress that a commemorative postage stamp should be issued in honor of William C. Velasquez, the national Hispanic civic leader; to the Committee on Government Reform.

By Mr. BRADY of Texas:

H. Res. 161. A resolution expressing the sense of the House of Representatives regarding the condition and humanitarian needs of refugees within Kosovo; to the Committee on International Relations.

By Mr. BURTON of Indiana:

H. Res. 162. A resolution providing for enclosing the galleries of the House of Representatives with a transparent and substantial material; to the Committee on House Administration.

By Mr. KINGSTON (for himself and Mrs. CAPPS):

H. Res. 163. A resolution expressing the sense of the House of Representatives with respect to postpartum depression; to the Committee on Commerce.

By Mr. LUCAS of Kentucky:

H. Res. 164. A resolution expressing the sense of the House of Representatives that Federal laws relating to the provision of health care must allow women direct access to obstetrician-gynecologists and other health care professionals who specialize in obstetrics and gynecology; to the Committee on Commerce.

## MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

48. The SPEAKER presented a memorial of the Legislature of the State of Utah, relative to House Joint Resolution 12 urging the Clinton Administration to support Taiwan and its 21 million people in obtaining appropriate and meaningful participation in the World Health Organization; to the Committee on International Relations.

49. Also, a memorial of the General Assembly of the Commonwealth of Virginia, relative to Senate Joint Resolution No. 543 urging the Congress of the United States to reemphasize to the American People that the

thrid Monday in February is to be celebrated as a national holiday called George Washington's Birthday and to resist efforts to degrade George Washington's Birthday into an amorphous and ultimately meaningless ''Presidents Day'' holiday; to the Committee on Government Reform.

50. Also, a memorial of the Senate of the State of Kansas, relative to Senate Concurrent Resolution No. 1617 requesting that the Congress of the United States return the statue of George W. Glick earlier presented by the state of Kansas for placement in Statuary Hall and accept in return for placement in Statuary Hall, a statue of Dwight David Eisenhower, a citizen of the free world, and worthy of national commemoration in Statuary Hall; to the Committee on House Administration.

51. Also, a memorial of the Legislature of the State of Montana, relative to House Joint Resolution No. 7 memorializing support for the American Land Sovereignty Act of 1997 that reaffirms the constitutional authority of the United States Congress as the elected representatives of the people over the federally owned land of the United States; to the Committee on Resources.

52. Also, a memorial of the Legislature of the State of Utah, relative to House Joint Resolution 5 urging the United States Congress to amend the United States Constitution to prohibit federal courts from levying or increasing taxes; to the Committee on the Judiciary.

53. Also, a memorial of the Senate of the Commonwealth of Virginia, relative to Senate Joint Resolution No. 523 urging the Congress of the United States to include the Coalfields Expressway in the Appalachian Development Highway System; to the Committee on Transportation and Infrastructure.

54. Also, a memorial of the House of Representatives of the State of North Dakota, relative to House Concurrent Resolution No. 3039 urging Congress to enact legislation to return adequate funds to states to fund the employment security system and give a fair return to employers for the taxes employers pay under the Federal Unemployment Tax Act; to the Committee on Ways and Means.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 3 of rule XII, private bills and resolutions of the following titles were introduced and severally referred, as follows:

By Mr. FORD:

H.R. 1740. A bill to reliquidate certain entries of N,N-dicyolohexyll-2-benzothazolesulfenamide; to the Committee on Ways and Means.

By Mr. GRAHAM:

H.R. 1741. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel M/V *Sandpiper*; to the Committee on Transportation and Infrastructure.

## ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 5: Mr. BARR of Georgia and Mr. CALVERT.

H.R. 8: Mr. GILLMOR, Mrs. MCCARTHY of New York, and Mr. BLILEY.

H.R. 14: Mr. KOLBE.

H.R. 25: Ms. DELAURO, Mr. REYNOLDS, Mr. FRANK of Massachusetts, and Mrs. MCCARTHY of New York.

H.R. 44: Mr. WATT of North Carolina.

H.R. 49: Mr. GARY MILLER of California.

H.R. 72: Mr. PAUL and Mr. HILL of Montana.

H.R. 82: Ms. WOOLSEY, Mr. BACHUS, and Mr. WISE.

H.R. 107: Mr. MCKEON.

H.R. 111: Mr. CLAY, Mr. PITTS, Ms. RIVERS, Mr. HALL of Texas, Mr. WHITFIELD, and Mr. ROTHMAN.

H.R. 125: Ms. LEE, Mr. CUMMINGS, Mr. ORTIZ, Mr. RUSH, Mr. OWENS, and Mr. HINCHEY.

H.R. 127: Mrs. MALONEY of New York and Mr. ACKERMAN.

H.R. 147: Mr. LAHOOD.

H.R. 148: Ms. STABENOW, Mr. FILNER, and Mr. GREEN of Wisconsin.

H.R. 165: Mr. BARCIA.

H.R. 175: Mr. ROMERO-BARCELO, Mr. MURTHA, Mr. GEKAS, Mrs. MINK of Hawaii, Mr. HOEKSTRA, Mr. COLLINS, Mr. KLINK, Mr. MCINTYRE, Mr. MEEHAN, Mr. DAVIS of Illinois, Mr. FORBES, Mrs. MCCARTHY of New York, Mr. NADLER, Mr. CASTLE, Mr. HOEFFEL, Ms. SANCHEZ, Mr. SCOTT, Mr. KUCINICH, Mr. RUSH, Mr. MCHUGH, Mr. GOSS, Mr. WEXLER, Mr. GREENWOOD, Mr. PASTOR, Mr. JOHN, Mr. FRANKS of New Jersey, Mr. WELDON of Pennsylvania, Mr. FLETCHER, Mr. PORTER, and Ms. BALDWIN.

H.R. 183: Mr. LAFALCE and Mr. OXLEY.

H.R. 202: Mr. HILL of Montana.

H.R. 219: Mr. LAHOOD.

H.R. 234: ADERHOLT, Mr. WYNN, Mr. GARY MILLER of California, and Mr. SHOWS.

H.R. 254: Mr. GARY MILLER of California, Mr. HORN, Mr. NETHERCUTT, Mr. DREIER, Mr. DEAL of Georgia, and Mr. FORBES.

H.R. 303: Mr. WALDEN of Oregon and Mr. HAYWORTH.

H.R. 315: Mr. WEYGAND, Mrs. CAPPS, and Mr. MOAKLEY.

H.R. 316: Mr. MEEKS of New York, Mr. BATEMAN, Mr. BACHUS, and Mrs. MYRICK.

H.R. 351: Mr. RYAN of Wisconsin.

H.R. 352: Mr. LUCAS of Oklahoma, Mr. TANCREDO, Mr. LATHAM, Mr. WATT of North Carolina, and Mr. GRANGER.

H.R. 353: Mr. BAIRD, Mr. LEWIS of Georgia, Mr. THOMPSON of California, Ms. PRYCE of Ohio, and Mr. MASCARA.

H.R. 357: Mr. HOEFFEL.

H.R. 363: Mr. HAYWORTH.

H.R. 374: Mr. SMITH of New Jersey.

H.R. 383: Mr. NADLER.

H.R. 405: Mr. FORBES and Mrs. LOWEY.

H.R. 413: Mr. ACKERMAN, Mrs. WILSON, Mr. WALSH, Mr. SPENCE, Mrs. CLAYTON, and Mr. JEFFERSON.

H.R. 434: Mr. SHAYS.

H.R. 443: Mr. MCDERMOTT.

H.R. 515: Mr. OWENS, Mr. JACKSON of Illinois, Mrs. NAPOLITANO, and Mr. KLINK.

H.R. 516: Mr. SENSENBRENNER.

H.R. 518: Mr. SENSENBRENNER.

H.R. 531: Mr. MCINTOSH, Ms. DUNN, Mr. WALDEN of Oregon, Mr. BACHUS, Mr. GOODLATTE, Mr. CONDIT, Mr. HILL of Montana, and Mr. SHIMKUS.

H.R. 576: Mr. WATT of North Carolina.

H.R. 583: Ms. STABENOW and Mr. REYES.

H.R. 592: Mrs. MALONEY of New York, Mr. WELDON of Florida, and Mr. ENGEL.

H.R. 599: Mr. BARRETT of Wisconsin, Ms. LEE, Mr. THOMPSON of Mississippi, Ms. SCHAKOWSKY, Mrs. CHRISTENSEN, Mr. STENHOLM, and Mr. STARK.

H.R. 614: Mr. BILBRAY.

H.R. 623: Mr. PITTS.

H.R. 632: Mr. BARR of Georiga, Mr. HILL of Montana, Mr. EHRLICH, Mr. MCINNIS, Mr. SHADEGG, and Mr. SMITH of New Jersey.

H.R. 648: Mr. STUMP, Mr. FILNER, Mr. SWEENEY, Mrs. THURMAN, Mr. TANCREDO, Mr. BOEHLERT, Mr. DEFAZIO, Mr. BISHOP, Mr. ANDREWS, and Mr. NEAL of Massachusetts.

H.R. 664: Ms. LEE and Mr. NADLER.

H.R. 710: Mr. LATHAM, Mr. DREIER, Mr. TANNER, Mr. BOEHLERT, Ms. LOFGREN, Mr. DICKEY, Mr. RODRIGUEZ, Mr. STENHOLM, Mr. ACKERMAN, Mr. GANSKE, Mr. BARTON of Texas, Mr. SMITH of Washington, Mr. HOEKSTRA, Mr. SPENCE, Mr. HOLDEN, Mr. ORTIZ, and Mr. BERRY.

H.R. 716: Mr. BAKER and Mr. GONZALEZ.

H.R. 721: Mr. HORN.

H.R. 732: Mr. WYNN and Mr. LATOURETTE.

H.R. 738: Mr. CANADY of Florida.

H.R. 743: Mr. SHOWS.

H.R. 773: Mr. UDALL of New Mexico.

H.R. 775: Mr. REYNOLDS and Mr. WELLER.

H.R. 777: Mr. RANGEL.

H.R. 783: Mr. DAVIS of Virginia and Mr. THORNBERRY.

H.R. 784: Mr. OBERSTAR and Mr. CUNNINGHAM.

H.R. 789: Mrs. MYRICK and Mr. GARY Miller of California.

H.R. 796: Mr. COLLINS.

H.R. 797: Mr. LEWIS of Kentucky and Mr. WHITFIELD.

H.R. 798: Mr. BLAGOJEVICH and Mr. UDALL of New Mexico.

H.R. 804: Mr. SANDERS and Mr. SANFORD.

H.R. 827: Ms. KILPATRICK, Ms. DELAURO, Mr. SANDERS, Mr. BONIOR, and Mr. FILNER.

H.R. 835: Mr. KASICH.

H.R. 852: Mr. EVANS.

H.R. 860: Mr. KILDEE.

H.R. 864: Mr. GEKAS, Mr. MORAN of Virginia, Mr. UDALL of New Mexico, Mr. BLILEY, Mr. RUSH, Mr. KLINK, Mr. MURTHA, Mr. DAVIS of Illinois, Mr. MCCOLLUM, Mr. FORBES, Mrs. MCCARTHY of New York, Mr. NEY, Ms. STABENOW, Mr. MCINTYRE, Mr. MEEHAN, Ms. SANCHEZ, Mr. SCOTT, Mr. NADLER, Mr. HOEFFEL, Mr. ROMERO-BARCELO, Mr. WEXLER, Mr. FRANKS of New Jersey, Ms. DUNN.

H.R. 870: Mr. MCINNIS.

H.R. 883: Mr. COX, Mr. TERRY, Mr. RYUN of Kansas, Mr. LUCAS of Kentucky, Mr. SCARBOROUGH, Mr. REYNOLDS, and Mr. TAUZIN.

H.R. 901: Ms. KAPTUR, Mr. DOYLE, and Mr. CAPUANO.

H.R. 902: Mr. PHELPS.

H.R. 903: Mr. SPENCE.

H.R. 904: Mr. MCGOVERN and Mr. TAUZIN.

H.R. 937: Ms. KILPATRICK.

H.R. 957: Mr. BONIOR, Mr. KOLBE, Mr. DEMINT, Mr. EHLERS, Mr. MANZULLO, Ms. STABENOW, and Mr. BOYD.

H.R. 961: Ms. STABENOW, Mr. SANDERS, and Mr. BLAGOJEVICH.

H.R. 979: Mr. STUPAK, Mr. SAWYER, Mr. WU, Mr. LAHOOD, Mrs. KELLY, and Mr. KLECZKA.

H.R. 984: Mr. BLILEY, Mr. PORTMAN, Ms. PRYCE of Ohio, Mr. MCINTOSH, Mr. BENTSEN, Ms. ESHOO, and Mr. LATOURETTE.

H.R. 997: Mr. MCGOVERN, Mr. SHERMAN, Mrs. CUBIN, Mr. WICKER, Mr. UPTON, Mr. WAXMAN, Mrs. FOWLER, Mr. HORN, Ms. PRYCE of Ohio, Mr. QUINN, Mr. LARGENT, Mr. OSE, Mr. FARR of California, Mr. BASS, Mr. DAVIS of Virginia, Mr. HOUGHTON, Mr. KILDEE, Mr. LAHOOD, and Ms. PELOSI.

H.R. 1001: Mrs. NORTHUP, Mr. MCNULTY, Mr. DUNCAN, Mr. WHITFIELD, Mr. OBERSTAR, Mr. PORTMAN, and Mr. BOEHLERT.

H.R. 1006: Mr. MCGOVERN.

H.R. 1008: Mr. BARRETT of Wisconsin, Mr. ENGEL, Mr. RODRIGUEZ, and Mr. RANGEL.

H.R. 1021: Mr. ENGEL.

H.R. 1039: Mr. MCDERMOTT and Ms. GRANGER.

H.R. 1055: Mr. GARY MILLER of California, Mr. PETERSON of Pennsylvania, and Mr. HILL of Montana.

H.R. 1070: Mr. POMEROY, Mr. ROEMER, Mr. EDWARDS, Mr. SKELTON, Ms. BALDWIN, Ms. DANNER, Mr. BAKER, Mr. UPTON, Mr. METCALF, Mr. BARTON of Texas, Mr. PASTOR, Mr. CASTLE, Mrs. BONO, Mrs. JOHNSON of Connecticut, Mr. SHAYS, Mr. PALLONE, Mr. KLINK, Mr. STUPAK, Mr. SNYDER, Mr. BOSWELL, Mr. BECERRA, Mr. VENTO, Ms. PRYCE of Ohio, Mr, WATTS of Oklahoma, Mr. LAHOOD, MR. HOUGHTON, Mrs. ROUKEMA, Mr. BILIRAKIS, Mr. BAIRD, Mr. MURTHA, Mrs. BIGGERT, Mr. CAMP, Mr. RAMSTAD, Mr. BERRY, Mr. MARKEY, Mr. KUYKENDALL, Mr. RODRIGUEZ, Mr. PASCRELL, Mr. ACKERMAN, Mr. BROWN of California, Ms. VELÁZQUEZ, Mr. BURR of North Carolina, Mr. ENGEL, Mr. BOUCHER, Mr. THOMPSON of California, Mr. DEUTSCH, Mr. GORDON, Mr. SAWYER, Ms. ROYBAL-ALLARD, Ms. MCCARTHY OF MISSOURI, Mr. STRICKLAND, Mr. BARCIA, Mr. HALL of Texas, Mr. COSTELLO, Mr. GUTIERREZ, Mr. HILLIARD, Mr. HOEFFEL, Mrs. JONES of Ohio, Mr. BONIOR, Mr. EHRLICH, Ms. BROWN of Florida, Ms. STABENOW, Mrs. CHRISTENSEN, Mr. DAVIS of Illinois, Mr. GILCHREST, Mr. BURTON of Indiana, Mr. HAYWORTH, Mr. RAHALL, Mr. FORD, Mr. GEJDENSON, Ms. HOOLEY of Oregon, Mr. NEAL of Massachusetts, and Mr. OWENS.

H.R. 1071: Ms. CARSON, Mr. OBERSTAR, Mrs. THURMAN, Mrs. MINK of Hawaii, and Mr. RANGEL.

H.R. 1083: Mr. WICKER.

H.R. 1086: Mrs. JONES, of Ohio.

H.R. 1092: Mr. BENTSEN, Mr. CALVERT, and Mr. CRANE.

H.R. 1093: Ms. CARSON, Mr. SALMON, Mr. HOEFFEL, Ms. DEGETTE, and Mr. PETRI.

H.R. 1095: Mr. BROWN of Ohio Mrs. CHRISTENSEN, Ms. CARSON, Mr. WATT of North Carolina, Mr. RAMSTAD, and Mr. BONIOR.

H.R. 1097: Mr. BARRETT of Wisconsin.

H.R. 1102: Mr. WALSH, Mr. LOBIONDO, Mr. MOORE, and Mr. LAZIO.

H.R. 1123: Mrs. LOWEY, Ms. PELOSI, and Mr. BLUMENAUER.

H.R. 1130: Mr. RANGEL and Mr. SHERMAN.

H.R. 1144: Mr. DEAL of Georgia.

H.R. 1145: Mr. DEAL of Georgia.

H.R. 1159: Mr. LUTHER.

H.R. 1180: Mr. FRANK of Massachusetts, Mr. MCHUGH, Mr. BACHUS, Mr. WISE, Ms. CARSON, Mr. RYAN of Wisconsin, Mr. MOORE, Mr. NEAL of Massachusetts, Mr. RANGEL, Mr. OSE, Ms. WOOLSEY, Mr. SMITH of Washington, Mr. MASCARA, Mr. GILMAN, Mr. LEACH, Mr. CANADY of Florida, Mr. SHERMAN, Mr. FORD, Mr. BISHOP, Mr. JOHN, and Mr. INSLEE.

H.R. 1187: Mr. MCDERMOTT, Mr. CLEMENT, Mr. LUTHER, and Mr. REGULA.

H.R. 1190: Mrs. JONES of Ohio and Mr. JEFFERSON.

H.R. 1192: Mr. TANCREDO.

H.R. 1193: Mr. GEORGE MILLER of California, Mr. ABERCROMBIE, and Mr. KING.

H.R. 1195: Mr. CONDIT, Mr. SCHAFFER, and Mr. ROHRABACHER.

H.R. 1196: Mr. DEFAZIO.

H.R. 1214: Mr. GUTIERREZ.

H.R. 1219: Mrs. NORTHUP.

H.R. 1221: Mr. WAXMAN, Mr. DIAZ-BALART, Ms. STABENOW, and Mr. BARRETT of Wisconsin.

H.R. 1244: Mr. BONILLA, Mr. GIBBONS, Mr. SUNUNU, Mr. PHELPS, Mr. KNOLLENBERG, Mr. SAWYER, Mr. TANNER, and Mr. MOORE.

H.R. 1245: Mr. DAVIS of Illinois, Mr. THOMPSON of Mississippi, and Mr. BARRETT of Wisconsin.

H.R. 1246: Mr. SPRATT, Mr. UNDERWOOD, Mr. GONZALEZ, and Mr. FOLEY.

H.R. 1256: Mr. CROWLEY, Mr. DELAY, and Mr. GILMAN.

H.R. 1261: Mr. GARY MILLER of California.

H.R. 1263: Mr. EWING, Mr. UPTON, and Mr. TANCREDO.

H.R. 1264: Mr. EWING, Mr. UPTON, Mr. TANCREDO, Mr. WYNN, Mr. HOSTETTLER, Mr. SAM JOHNSON of Texas, Mr. GARY MILLER of California, and Mr. WELDON of Florida.

H.R. 1275: Mr. OBERSTAR, Mr. SHAYS, Mr. STARK, Mr. SAXTON, Mr. LIPINSKI, Mr. KOLBE, and Ms. KILPATRICK.

H.R. 1276: Ms. MILLENDER-MCDONALD.

H.R. 1291: Mr. MCGOVERN, Mr. COBURN, Mr. GRAHAM, Mr. JACKSON of Illinois, Mr. EHLERS, and Mr. ISAKSON.

H.R. 1293: Mr. CUMMINGS, Mr. INSLEE, and Mr. ABERCROMBIE.

H.R. 1301: Mr. BOYD, Mr. NORWOOD, Mr. TAYLOR of North Carolina, Mr. HOEKSTRA, Mr. BARR of Georgia, Mr. FLETCHER, Mr. CUNNINGHAM, Mr. ENGLISH, and Mr. MANZULLO.

H.R. 1304: Mr. BACHUS, Mr. LEACH, Mr. PICKERING, Mr. RAHALL, Mr. PORTER, Mr. SMITH of Michigan, Mr. THORNBERRY, Mr. DEAL of Georgia, Mr. BAIRD, Mrs. MCCARTHY of New York, Mr. DIAZ-BALART, Mr. GEORGE MILLER of California, Mr. KOLBE, Mr. ACKERMAN, Mr. MCGOVERN, Mr. WALSH, Mr. MCHUGH, Mr. FLETCHER, Mr. HANSEN, and Mr. WELDON of Pennsylvania.

H.R. 1315: Mr. SHERMAN.

H.R. 1317: Ms. PRYCE of Ohio.

H.R. 1322: Mr. SENSENBRENNER.

H.R. 1325: Mr. FROST, Mr. FALEOMAVAEGA, and Ms. PELOSI.

H.R. 1334: Mr. SCHAFFER.

H.R. 1336: Mr. SESSIONS, Mr. BAKER, Mrs. ROUKEMA, Mr. SWEENEY, Mr. METCALF, Mr. QUINN, Mrs. KELLY, and Mr. HILL of Montana.

H.R. 1337: Mr. GARY MILLER of California, Mr. TURNER, Mr. BONIOR, Mrs. NORTHUP, and Mr. ARMEY.

H.R. 1342: Mr. KLINK.

H.R. 1349: Mr. PITTS and Mr. KOLBE.

H.R. 1351: Ms. DUNN.

H.R. 1354: Mr. LUCAS of Oklahoma.

H.R. 1355: Mr. JEFFERSON.

H.R. 1358: Mr. EVANS.

H.R. 1388: Mr. MCGOVERN.

H.R. 1394: Mrs. THURMAN.

H.R. 1398: Mr. RADANOVICH.

H.R. 1399: Mr. HINOJOSA, Mr. OLVER, Mr. JEFFERSON, Ms. VELÁZQUEZ, Mr. SAWYER, Mr. NADLER, Mr. DIXON, Mr. FRANK of Massachusetts, Mr. MCNULTY, Ms. MILLENDER-MCDONALD, Mr. MEEKS of New York, and Mr. HASTINGS of Florida.

H.R. 1407: Mr. WOLF, Mrs. THURMAN, Mr. MCGOVERN, and Mr. FROST.

H.R. 1414: Mr. DAVIS of Illinois.

H.R. 1421: Mr. BONIOR and Mr. WEINER.

H.R. 1423: Mr. FROST, Mr. WAXMAN, Mr. ETHERIDGE, Mr. KUCINICH, Mr. WEINER, and Mr. SHERMAN.

H.R. 1424: Mr. STUMP, Mr. FROST, Mr. WALSH, Mr. WAXMAN, Mr. ETHERIDGE, Mr. KUCINICH, Mr. BLUMENAUER, Mr. WEINER, and Mr. SHERMAN.

H.R. 1432: Mrs. MCCARTHY of New York, Mr. KUYKENDALL, Mr. RAHALL, and Mr. ENGEL.

H.R. 1456: Mr. VENTO.

H.R. 1463: Mr. CROWLEY.

H.R. 1464: Mr. WATTS of Oklahoma, Mr. HAYES, Mr. GREEN of Wisconsin, and Mr. SENSENBRENNER.

H.R. 1476: Mr. RANGEL.

H.R. 1484: Mr. SHOWS and Mr. OBERSTAR.

H.R. 1485: Mr. MEEKS of New York and Mr. BALDACCI.

H.R. 1491: Mr. NEAL of Massachusetts and Mr. FORD.

H.R. 1495: Mr. NADLER and Ms. STABENOW.

H.R. 1497: Mr. ALLEN and Mrs. THURMAN.

H.R. 1511: Mr. HILLIARD, Mr. MCCRERY, Mr. SESSIONS, Mr. LOBIONDO, Mr. FROST, Mr. ISTOOK, and Mr. WATKINS.

H.R. 1530: Mr. CANADY of Florida, Mr. MICA, and Mr. DAVIS of Florida.

H.R. 1535: Mr. OBERSTAR and Mr. KLINK.

H.R. 1545: Mr. BARRETT of Wisconsin.

H.R. 1549: Mr. BAIRD, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MCGOVERN, AND MS. KILPATRICK.

H.R. 1556: Mr. FROST, Mrs. JOHNSON of Connecticut, Mr. ANDREWS, Mr. GARY MILLER of California, Mr. HOEFFEL, and Mrs. THURMAN.

H.R. 1579: Ms. DELAURO, Mr. COYNE, Mr. THOMPSON of California, Mr. KLINK, and Mr. RADANOVICH.

H.R. 1598: Mr. CLEMENT and Mr. TANNER.

H.R. 1600: Mr. DAVIS of Illinois.

H.R. 1606: Mr. BONIOR.

H.R. 1607: Mrs. MYRICK.

H.R. 1614: Mr. CUNNINGHAM, and Ms. EDDIE BERNICE JOHNSON of Texas.

H.R. 1622: Mr. GOSS, Mr. FILNER, Ms. ROYBAL-ALLARD, Mr. PRICE of North Carolina, and Mr. LIPINSKI.

H.R. 1630: Mr. GUTIERREZ and Mr. ENGLISH.

H.R. 1633: Mr. WELLER.

H.R. 1657: Mr. BARCIA.

H.R. 1670: Mr. MEEKS of New York and Mr. THOMPSON of Mississippi.

H.R. 1706: Mr. SAM JOHNSON of Texas.

H.R. 1710: Mr. WELDON of Florida, Mr. PITTS, Mr. WELDON of Pennsylvania, Mr. SCHAFFER, Mr. DEAL of Georgia, and Mrs. KELLY.

H.J. Res. 2: Mr. HULSHOF.

H. Con. Res. 30: Mr. THUNE, Mr. CANNON, and Mr. BARTON of Texas.

H. Con. Res. 31: Mr. GARY MILLER of California.

H. Con. Res. 34: Mr. LAFALCE.

H. Con. Res. 58: Mr. GARY MILLER of California.

H. Con. Res. 79: Mrs. KELLY, Mr. STENHOLM, Mr. FRELINGHUYSEN, Mr. FORBES, Mr. GARY MILLER of California, Mr. TALENT, Mr. COOK, Mr. CLEMENT, Mr. HOEKSTRA, Mr. BURTON of Indiana, and Mr. CHAMBLISS.

H. Con. Res. 94: Mr. BARRETT of Nebraska, Mr. DUNCAN, Mrs. KELLY, and Mr. DEMINT.

H. Res. 41: Mr. DEAL of Georgia, Mr. PAYNE, and Mr. SPENCE

H. Res. 82: Mrs. CAPPS and Ms. SCHAKOWSKY.

## DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 7 of rule XII, sponsors were deleted from public bills and resolutions as follows:

H.R. 979: Mr. BOYD.

H.R. 984: Mr. BOEHNER.

## AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 1664

OFFERED BY: MR. FARR OF CALIFORNIA

AMENDMENT NO. 15: At the end of the bill (before the short title), insert the following new section:

SEC. ____. (a) AUTHORITY TO MAKE PAYMENTS.—Subject to the provisions of this section, the Secretary of Defense is authorized to enter into agreements to make payments for the settlement of the claims arising from

the deaths caused by the accident involving a United States Air Force CT–43 aircraft on April 3, 1996, near Dubrovnik, Croatia.

(b) DEADLINE FOR EXERCISE OF AUTHORITY.—The Secretary shall make the decision to exercise the authority under subsection (a) not later than 90 days after the date of the enactment of this Act.

(c) SOURCE OF PAYMENTS.—Amounts appropriated or otherwise made available for the Department of the Air Force for operation and maintenance for fiscal year 1999 or other unexpended balances for prior years shall be available for payments under subsection (a).

(d) AMOUNT OF PAYMENT.—The amount of the payment under this section in settlement of the claims arising from the death of any person associated with the accident described in subsection (a) may not exceed $2,000,000.

(e) TREATMENT OF PAYMENTS.—Any amount paid to a person under this section is intended to supplement any amount subsequently determined to be payable to the person under section 127 or chapter 163 of title 10, United States Code, or any other provision of law for administrative settlement of claims against the United States with respect to damages arising from the accident described in subsection (a).

(f) CONSTRUCTION.—The payment of an amount under this section may not be considered to constitute a statement of legal liability on the part of the United States or otherwise as evidence of any material fact in any judicial proceeding or investigation arising from the accident described in subsection (a).

# SENATE—*Thursday, May 6, 1999*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, on this National Day of Prayer, we join with millions across our land in intercession and supplication to You, the Sovereign Lord of the United States of America. As we sound that sacred word Sovereign, we echo Washington, Jefferson, Madison, and Lincoln, along with other leaders through the years, in declaring that You are our ultimate Ruler. We make a new commitment to be one nation under You, God, and we place our trust in You.

You have promised that if Your people will humble themselves, seek Your faith, and pray, You will answer and heal our land. Lord, as believers in You, we are Your people. You have called us to be salt in any bland neglect of our spiritual heritage and light in the darkness of what contradicts Your vision for our Nation. Give us courage to be accountable to You and Your Commandments. We repent for the pride, selfishness, and prejudice that often contradict Your justice and righteousness in our society.

Lord of new beginnings, our Nation needs a great spiritual awakening. May this day of prayer be the beginning of that awakening with each of us here in the Senate. We urgently ask that our honesty about the needs of our Nation and our humble confession of our spiritual hunger for You may sweep across this land. Hear the prayers of Your people and continue to bless America. In Your Holy Name. Amen.

## RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Texas is recognized.

## SCHEDULE

Mr. GRAMM. Mr. President, this morning the Senate will resume consideration of S. 900, the financial services modernization bill, with Senator GRAMM immediately recognized to offer an amendment. The leader has announced that if this bill is completed this evening, there will be no rollcall votes during Friday's session of the Senate. Therefore, Senators can expect rollcall votes throughout the day and into the evening with the expectation of completing the bill.

I thank my colleagues for their attention.

## RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. CRAPO). Under the previous order, the leadership time is reserved.

## FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 900 which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the Senator from Texas is recognized to offer an amendment.

Mr. GRAMM. Mr. President, I want to urge my colleagues, if they have any amendments for this bill, to bring those amendments to the floor.

We are going to try to gather up today the amendments that Members want to present. We are going to evaluate them. Hopefully, we can take many of those amendments without a rollcall vote. There will be some point this morning at which we will attempt to try to bring this to a conclusion in terms of setting a blueprint for the day. It is my intention to press forward today as long as it takes, as hard as it is, to see this bill dealt with and its work completed.

Mr. DORGAN. Mr. President, I wonder if the Senator from Texas will yield for a question.

Mr. GRAMM. I will be happy to yield for a question.

Mr. DORGAN. Mr. President, I understand the Senator from Texas, based on the previous agreement, is to be recognized to offer two amendments. I heard his call for other Members to come with amendments. I have a couple of amendments which I intend to offer. I would not expect the Senator to include those in the list of amendments he intends to accept, but nonetheless I also wish to make a statement about the bill generally today. I have come over several times, as the Senator knows, and it has not been convenient to be able to do so with respect to other schedules, and I understand that. But I wonder if the Senator could give me some notion of when I might be able to be recognized, at which time I would make the statement I intend to make about the bill generally and then offer an amendment.

Mr. GRAMM. Mr. President, I am awaiting Senator SARBANES, so why don't I just ask, how long does the Senator need to make an opening statement?

Mr. DORGAN. I wish to speak for about 20 minutes this morning.

Mr. GRAMM. Mr. President, let me ask unanimous consent that the distinguished Senator from North Dakota might speak on the bill for 20 minutes, and that at the end of that time I might be recognized for the purpose of offering the amendment. I am willing to step aside.

Mr. DORGAN. Mr. President, the Senator from Texas is most courteous. I would like about 5 minutes to gather some charts.

Mr. GRAMM. Fine.

Mr. DORGAN. If the Senator would like to proceed——

Mr. GRAMM. Why don't we do it this way. Let me ask unanimous consent that the Senator be recognized to speak for 20 minutes. I will suggest the absence of a quorum. He can take us out of the quorum call when he comes back and speak for 20 minutes.

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

Mr. GRAMM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DORGAN. Mr. President, we are debating a piece of legislation in the Senate that is called the Financial Services Modernization Act of 1999.

I come today with the confession I am probably hopelessly old fashioned on this issue. For those who have a vision of re-landscaping the financial system in this country with different parts operating with each other in different ways and saying that represents modernization, then I am just hopelessly old fashioned, and there is probably nothing that can be said or done that will march me towards the future.

I want to sound a warning call today about this legislation. I think this legislation is just fundamentally terrible. I hear all these words about the industry remaking itself—banks, security firms and insurance companies, and that we'd better catch up and put a fence around where they are or at least build a pasture in the vicinity of where they are grazing. What a terrible idea.

What is it that sparks this need to modernize our financial system? And

what does modernization mean? This chart shows bank mergers in 1998, in just 1 year, last year, the top 10 bank mergers. We have discovered all these corporations have fallen in love and decided to get married. Citicorp, with an insurance company—that is a big one—$698 billion in combined assets; NationsBank—BankAmerica, $570 million; and the list goes on. This is a massive concentration through mergers.

Is it good for the consumers? I don't think so. Better service, lower prices, lower fees? I don't think so. Bigger profits? You bet.

What about the banking industry concentration? The chart shows the number of banks with 25 percent of the domestic deposits. In 1984, 42 of the biggest banks had 25 percent of the biggest deposits. Now only six banks have the biggest deposits. That is a massive concentration.

I didn't bring the chart out about profits, but it will show —this is an industry that says it needs to be modernized—banks have record-breaking profits, security firms have very healthy profits, and most insurance companies are doing just fine. Why is there a need to modernize them?

So we must ask the question, what about the customer? What impact on the economy will all of this so-called modernization have?

It is interesting to me that the bill brought to the floor that says, ''Let's modernize this,'' is a piece of legislation that doesn't do anything about a couple of areas which I think pose very serious problems. I want to mention a couple of these problems because I want to offer a couple of amendments on them.

I begin by reading an article that appeared in the Wall Street Journal, November 16, 1998. This is a harbinger of things to come, just as something I will read that happened in 1994 is a harbinger of things to come, especially as we move in this direction of modernization.

It was Aug. 21, a sultry Friday, and nearly half the partners at Long-Term Capital Management LP [that's LTCM, a company] were out of the office. Outside the fund's glass-and-granite headquarters, a fountain languidly streamed over a copper osprey clawing its prey.

Inside, the associates logged on to their computers and saw something deeply disturbing: U.S. Treasurys were skyrocketing, throwing their relationship to other securities out of whack. The Dow Jones Industrial Average was swooning—by noon, down 283 points. The European bond market was in shambles. LTCM's biggest bets were blowing up, and no one could do anything about it.

This was a private hedge funding.

By 11 a.m., the [hedge] fund had lost $150 million in a wager on the prices of two telecommunications stocks involved in a takeover. Then, a single bet tied to the U.S. bond market lost $100 million [by the same company]. Another $100 million evaporated in a similar trade in Britain. By day's end, LTCM [this hedge fund in New York] had hemorrhaged half a billion dollars. Its equity had sunk to $3.1 billion—down a third for the year.

This company had made bets over $1 trillion.

Now, what happened? They lost their silk shirts. But of course, they were saved because a Federal Reserve Board official decided we can't lose a hedge fund like this; it would be catastrophic to the marketplace. So on Sunday night they convened a meeting with an official of the Federal Reserve Board, and a group of banks came in as a result of that meeting and used bank funds to shore up a private hedge fund that was capitalized in the Caymen Islands for the purpose, I assume, of avoiding taxes. Bets of over $1 trillion in hedges—they could have set up a casino in their lobby, in my judgment, the way they were doing business. But they got bailed out.

This was massive exposure. The exposure on the hedge fund was such that the failure of the hedge fund would have had a significant impact on the market.

And so we modernize our banking system. This is unregulated. This isn't a bank; it is an unregulated hedge fund, except the banks have massive quantities of money in the hedge fund now in order to bail it out.

What does modernization say about this? Nothing, nothing. It says let's pretend this doesn't exist, this isn't a problem, let's not deal with it.

So we will modernize our financial institutions and we will say about this problem—nothing? Don't worry about it?

I find it fascinating that about 70 years ago in this country we had examples of institutions the futures of which rested on not just safety and soundness of the institutions themselves but the perception of safety and soundness, that is, banks. Those institutions, the future success and stability of which is only guaranteed by the perception that they are safe and sound, were allowed, 70 years ago, to combine with other kinds of risk enterprises—notably securities underwriting and some other activities—and that was going to be all right. That was back in the Roaring Twenties when we had this go-go economy and the stock market was shooting up like a Roman candle and banks got involved in securities and all of a sudden everybody was doing well and everybody was making massive amounts of money and the country was delirious about it.

Then the house of cards started to fall. As investigations began and bank failures occurred and bank holidays were declared, from that rubble came a description of a future that would separate banking institutions from inherently risky enterprises. A piece of legislation called the Glass-Steagall Act was written, saying maybe we should learn from this, that we should not fuse inherently risky enterprises with institutions whose perception of safety and soundness is the only thing that can guarantee their future success. So we created circumstances that prevented certain institutions like banks from being involved in other activities such as securities underwriting.

Over the years that has all changed. Banks have said, because everybody else has decided they want to intrude into our business—and that is right, a whole lot of folks now set themselves up in a lobby someplace and say we are appearing to be like a bank or want to behave like a bank—the banks say if that is the case, we want to get into their business. So now we have the kind of initiative here in the Congress that says: Let's forget the lessons of the past; let's believe the 1920s did not happen; let's not worry about Glass-Steagall. In fact, let's repeal Glass-Steagall; let's decide we can merge once again or fuse together banking enterprises and more risky enterprises, and we can go down the road just as happy as clams and everything will be just great. And of course it will not.

I mentioned hedge funds—talk about risk. How about derivatives? Incidentally, those who vote for this bill will remember this at some point in the future when we have the next catastrophic event that goes with the risks in derivatives. Fortune magazine wrote an article, ''The Risk That Won't Go Away; Financial Derivatives Are Tightening Their Grip on the World Economy and No One Knows How to Control Them.'' Somewhere around $70- to $80 trillion in derivatives.

I wrote an article in 1994 for the Washington Monthly magazine and derivatives at that point were $35 trillion. You know something, today in this country banks are trading derivatives on their own proprietary accounts. They could just as well put a roulette wheel in the lobby. They could just as well call it a casino. Banks ought not be trading derivatives on their proprietary accounts. I have an amendment to prohibit that. I don't suppose it would get more than a handful of votes, but I intend to offer it.

Is it part of financial modernization to say this sort of nonsense ought to stop; that banks ought not be able to trade derivatives on their own proprietary accounts because that is inherently gambling? It does not fit with what we know to be the fundamental nature of banking and the requirement of the perception of safety and soundness of these institutions. Does anybody here think this makes any sense, that we have banks involved in derivatives, trading on their own proprietary accounts? Does anybody think it makes any sense to have hedge funds out there with trillions of dollars of derivatives, losing billions of dollars and then being bailed out by a Federal Reserve-led bailout because their failure

would be so catastrophic to the rest of the market that we cannot allow them to fail?

And as banks get bigger, of course, we also have another doctrine. The doctrine in banking at the Federal Reserve Board is called, ''too big to fail.'' Remember that term, ''too big to fail.'' It means at a certain level, banks get too big to fail. They cannot be allowed to fail because the consequence on the economy is catastrophic and therefore these banks are too big to fail. Virtually every single merger you read about in the newspapers these days means we simply have more banks that are too big to fail. That is no-fault capitalism; too big to fail. Does anybody care about that? Does the Fed? Apparently not.

Of course the Fed has an inherent conflict of interest. I think, if the Congress were thinking very clearly about the Federal Reserve Board, they would decide immediately that the Federal Reserve Board is not the locus of supervision of banks. The Federal Reserve Board is in charge of monetary policy. It is fundamentally a conflict of interest to be listening to the Fed about what is good for banks when they are involved in running the monetary policy of this country. If the Federal Reserve Board were, in my judgment, doing what it ought to be doing, it would be leading the charge, saying we need to regulate risky hedge funds because banks are involved in substantial risk on these hedge funds. Apparently hedge funds have become too big to fail. Then there needs to be some regulation.

The Fed, if it were thinking, would say we need to deal with derivatives, and that bank trading on proprietary accounts in derivatives is absurd and ought not happen. Some will remember in 1994 the collapse in the derivative area. You might remember the stories. ''Piper's Managers' Losses May Total $700 Million.'' ''Corporation After Corporation Had to Write Off Huge Losses Because They Were Involved in the Casino Game on Derivatives.'' ''Bankers Trust Thrives on Pitching Derivatives But Climate Is Shifting.'' ''Losses By P&G May Clinch Plan to Change.''

The point is, we have massive amounts of risk in all of these areas. The bill brought to the floor today does nothing to address these risks, nothing at all, but goes ahead and creates new risks by saying we will fuse and merge the opportunities for inherently risky economic activity to be combined with banking which requires the perception of safety and soundness.

We have all these folks here who know a lot more about this than I do, I must admit, who say: Except we are creating firewalls. We have subsidiaries, we have affiliates, we have firewalls. They have everything except common sense; everything, apparently, except a primer on history. I just wish, before people would vote for this bill, they would be forced to read just a bit of the financial history of this country to understand how consequential this decision is going to be.

I, obviously, am in a minority here. We have people who dressed in their best suits and they just think this is the greatest piece of legislation that has ever been given to Congress. We have choruses of folks standing outside this Chamber who spent their lifetimes working to get this done, to say: Would you just forget all that nonsense back in the 1930s about bank failures and Glass-Steagall and the requirement to separate risk from banking enterprises; just forget all that. Time has moved on. Let's understand that. Change with the times.

We have folks outside who have worked on this very hard and who very much want this to happen. We have a lot of folks in here who are very compliant to say: Absolutely, let me be the lead singer. And here we are. We have this bill, which I will bet, in 5, 10, 15 years from now, we will be back thinking of this bill like we thought of the bill passed in the late 1970s and early 1980s, in which this Congress unhitched the savings and loans so some sleepy little Texas institution could gather brokered deposits from all around America and, like a giant rocket, become a huge enterprise. And guess what. With all the speculation in the S&Ls and brokered deposits and all the things that went with it that this Congress allowed, what did it cost the American taxpayer to bail out that bunch of failures? What did it cost? Hundreds of billions of dollars. I will bet one day somebody is going to look back at this and they are going to say: How on Earth could we have thought it made sense to allow the banking industry to concentrate, through merger and acquisition, to become bigger and bigger and bigger; far more firms in the category of too big to fail? How did we think that was going to help this country? Then to decide we shall fuse it with inherently risky enterprises, how did we think that was going to avoid the lessons of the past?

Then the one question that bothers me, I guess, is—I understand what is in this for banks. I understand what is in it for the security firms. I understand what is in it for all the enterprises. What is in this for the American people? What is in it for the American people? Higher charges, higher fees? Do you know that some banks these days are charging people to see their money? We know that because we pay fees, obviously, to access our money at bank machines. But credit card companies, most of them through banks, are charging people who pay their bills on time because you cannot make money off somebody who wants to pay their bill every month.

If you have a credit card balance—incidentally, you need a credit card these days, because it is pretty hard to do business in cash in some places. You know with all the bills, everybody wants to use credit cards. Many businesses want you to use credit cards. So you use credit cards, then you pay off the entire balance at the end of every month because you don't want to pay the interest. Some companies have decided you should be penalized for paying off your whole balance. Isn't that interesting? You talk about turning logic on its head, suggesting we don't make money on people who pay off their credit card balance every month, so let us decide that our approach to banking is to say those who pay their credit card bill off every month shall be penalized.

Turning logic on its head? I think so. As I said when I started, I am likely to be branded as hopelessly old fashioned on these issues, and I accept that. I suspect that some day in some way others will scratch their heads and say, ''I wish we had been a bit more old fashioned in the way we assessed risk and the way we read history and the way we evaluated what would have made sense going forward in modernizing our financial institutions.''

Oh, there is a way to modernize them all right, but it is not to be a parrot and say because the industry has moved in this direction, we must now move in this direction and catch them and circle them to say it is fine that you are here now. That is not the appropriate way to address the fundamental challenges we have in the financial services industry.

I am not anti-bank, anti-security or anti-insurance. All of them play a constructive role and important role in this country. But this country will be better served with aggressive antitrust enforcement, with, in my judgment, fewer mergers, with fewer companies moving in to the ''too big to fail'' category of the Federal Reserve Board, with less concentration.

This country will be better served if we have tighter controls, not firewalls that allow these companies to come together and do inherently risky things adjacent to banking enterprises, but to decide the lessons of the 1930s are indelible transcendental lessons we ought to learn and ought to remember.

Mr. President, I have more to say, but I understand my time is about to expire.

The PRESIDING OFFICER (Mr. INHOFE). The Senator's time has expired.

Mr. DORGAN. Mr. President, at some point, I will have three amendments to offer, two of them on hedge funds and one of them on derivatives. I understand the Senator from Texas is in line and has the opportunity to offer two amendments.

My hope is to offer my first derivative amendment following the Senator from Texas. I understand the Senator

from Texas indicates he wants to try to finish the bill this evening. I understand managing the bill is difficult and he wants to get through these things. I will not speak at great length on my amendments.

I appreciate the Senator's courtesy this morning in allowing me to make an opening statement. If he intends to finish the bill tonight, I will be here. He said if we have amendments to bring them over. I will be here. If the Senator wants my amendments, I will offer them and that will give us a chance to talk about them and deal with them.

The PRESIDING OFFICER. Under the previous order, the Senator from Texas is recognized.

Mr. GRAMM. Mr. President, this is an important bill. I have had problems myself with this bill in the past in other forms. I understand the Senator has strong feelings. It may well be that some of his amendments we can take. If the Senator will get them to us as quickly as he can, we will look at them, and if we can take them, we will. If we cannot, then the only thing we can do is have them presented, have him debate them, and then we will have a vote on them.

Mr. SARBANES. Will the chairman yield?

Mr. GRAMM. I will be happy to yield.

Mr. SARBANES. On the point of amendments, I think it would be very helpful to the managers if Members could now let us know in the next hour or so whether they have amendments they intend to offer and what the subject matter will be. That will give us a chance to think about how we might structure the day.

The leader's intent, as I understand it, is to try to finish this bill tonight. I think the chairman will probably agree with me that there is the real possibility that we could do that, but in order to accomplish that, it would be very helpful if Members who are thinking of offering amendments would let us know about them so we can incorporate that factor into our thinking as we think about how we are going to move the bill along. I would be most appreciative if people could do that.

Mr. DORGAN. May I inquire, if I can ask a question of the manager, if we have amendments when will they likely be considered? The Senator from Texas has now an opportunity to offer two amendments, right? Will there be substantial debate on those amendments?

Mr. GRAMM. I don't think so at this point. One of the reasons we are letting people go is to look at them. There will be a vote on one of them, sort of as a bed check to get everybody awake and ready to get going. I don't believe, or it is not my intention, that either one of them will be very controversial or be long debated.

If the Senator can get his amendments to us and let us look at them so we know what he is offering, again, it might be possible we can work something out and take the amendments or some part of them. It is always better not to talk if one can win without talking, but if you can't win, talking is often the best thing to do. Maybe we can work it out. Again, we are in an accommodating mood this morning.

Mr. DORGAN. I say the worst possible position is to not be able to win and not be able to talk.

Mr. GRAMM. I can assure the Senator, we are not going to prevent him from talking.

Mr. DORGAN. I will provide all three amendments to the chairman immediately and will be available all morning so I will not hold up his bill.

Mr. GRAMM. Mr. President, I ask unanimous consent that, while holding our current order exactly as it is, I yield to the distinguished Senator from Pennsylvania to offer an amendment which he will debate and then withdraw.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SANTORUM. Thank you, Mr. President.

AMENDMENT NO. 307

(Purpose: To require the obligations of the Financing Corporation to be paid from certain excess funds of the deposit insurance funds and for other purposes)

Mr. SANTORUM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] proposes an amendment numbered 307.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

(e) USE OF FUND RESERVES TO PAY FICO OBLIGATIONS.—

Section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended by inserting after subparagraph (C) the following:

''(D) USE OF DEPOSIT INSURANCE FUNDS TO PAY CERTAIN FINANCING CORPORATION OBLIGATIONS.—

''(i) IN GENERAL.—Beginning on January 1, 2000, the Board of Directors shall use the funds of the Bank Insurance Fund and the Savings Association Insurance Fund in excess of 1.35 percent of estimated insured deposits or such level established by the Board of Directors pursuant to Section 7(b)(2)(A)(iv)(II) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)(iv)(II)) to pay the bond interest obligations of the Financing Corporation.

''(ii) LIMITATION.—If the funds available under clause (i) are insufficient to meet the Financing Corporation's annual interest obligations, the Board of Directors shall use such amounts available under clause (i) and shall impose a special assessment, consistent with 12 U.S.C. 1441(f)(2) and Section 2703(c)(2)(A) of the Deposit Insurance Funds Act of 1996, on insured depository institutions in such amount and for such period as is necessary to generate funds sufficient to permit the Financing Corporation to meet all interest obligations due.

Mr. SANTORUM. Mr. President, I rise as a member of the Banking Committee to, first, express my support for the bill. I think the chairman has done an admirable job in trying to fashion a bill that takes what was a very complicated, overly complex measure last year and simplified it and streamlined a lot of the organizational structures and dealt with things in a much more straightforward fashion. I think as a result, we have a much cleaner and much better, more understandable, from an administrative point of view, proposal than what we were dealing with last year. I commend the chairman for that.

Just like every other Member here, there are certain parts of the bill of which I am less supportive. In fact, some parts of the bill I am not supportive of at all and feel it is an obligation of mine to come forward and do what I can to make some of those changes.

One section of the bill that I do not support is section 304. Section 304 extends for 3 years the differential that savings institutions, thrifts, have to pay vis-a-vis banks on what are called FICO obligations or FICO bonds. That is the Financing Corporation bonds that were issued to resolve the Federal Savings and Loan Corporation during the savings and loan crisis a few years ago.

These bonds were necessary. The industry that was involved—more responsible, some will argue—the thrift industry, was assessed a higher assessment to pay those bonds. The banking industry, which had less problems, was assessed a lower assessment, five times lower. Without this bill, in a year's time, the amount of money, the amount of assessment would equalize. Instead of the thrifts paying 6 basis points and the banks paying 1.2 basis points, both the banks and thrifts would pay 2.2 basis points.

I think that is fair. It should be equalized. Certainly the thrifts have paid their fair share, and then some, with respect to resolving the crisis that occurred in their industry. To continue this competitive disadvantage I think is not wise, given, in particular, the fact this bill has a lot in it for large banks, has a lot in it for the banking industry, and a lot of my small banks and thrifts have said there really is not much in it for the smaller, more community-oriented banks and for thrift institutions.

While we are providing more opportunities for the larger banks, under the chairman's bill, the committee bill, we keep this additional disparity between

savings institutions and banks. So I think it is a fair way to move forward given the state of play.

The problem is that I do not think it is fair enough. Striking that section—I know there are several amendments out here to strike that section and allow the equalization of the assessments to go on—I think is a good step but, frankly, it is not a step that goes far enough. And the reason I say that needs a little explanation.

Right now the interest that we need, the amount of money that we have to pay for the FICO bonds, the Financing Corporation bonds, that runs about $780 million a year. That is to pay the obligations on the FICA bonds. That money is paid by this assessment on thrifts and banks.

Thrifts and banks also historically have another assessment that paid money into a reserve account, as is prudent, so we have a reserve fund that can pay on the guaranties for deposits in banks and savings organizations.

That capital fund is overcapitalized. There is more money in that account than is necessary to meet the reserve requirement of 1.25 percent of deposits. And so as a result, the assessments on banks and savings institutions have been basically eliminated with very few exceptions. But they continue to be assessed to pay the FICO bonds.

What I have found, in looking at these accounts, is that there is far more money in the reserve accounts than is needed to meet the 1.25 percent of deposits that we need in that reserve account. In fact, that reserve account, that money that was paid to capitalize the reserve account, is invested in Government bonds—should be invested, of course—and it is invested in Government bonds.

The interest on that reserve account, through the investment in Government bonds, is about $2 billion a year. That is about how much interest we are bringing in and adding to the reserve account every year. And it is growing, by the way. Every year it continues to grow. We are adding about $2 billion a year in interest. So the reserve account, which is already overcapitalized, continues to grow.

In fact, if you look at where this account has grown—remember, we are supposed to have in this reserve account 1.25 percent of deposits. In 1996, it was 1.3 percent; in 1997, it was 1.36; in 1998, it was 1.39. That is in the SAIF fund, which is the savings account fund. In the BIF fund, which is the bank, it is 1.34; it is going up to 1.38 in 1999. We are seeing a growth in both of those funds, and that is projected to continue to grow.

You may ask the question, Why are we letting it continue to grow? Well, because there are no failures in banks. We are not having to insure the deposits and pay the money. But it is well in excess of the amount that we need. And it is earning $2 billion a year, thereby growing.

What I am saying is that we have more than we need in this account; it is growing at a rate of about $2 billion a year, and yet we are still assessing banks and savings institutions money to pay FICO bonds. Why don't we use the interest that is being spun off from the investment in the reserve account to pay the FICO bonds and that way eliminate the assessment on banks completely, which is basically a $780 million tax, when we have a fund that is growing far in excess of what we need in the reserve accounts?

That is what my amendment would do. It would basically say that there isn't any reason to continue to assess banks and savings institutions to use that capital to pay FICO. Let the capital stay with the banks, stay with the savings institutions, be used to lend, to create more money, more capital available for more credit.

It is estimated that with my amendment next year alone it would make $10 billion of credit available—$10 billion of new credit available if we pass my amendment. That money, again, which has already been generated in excess of what we need, would be used to pay the FICO obligations.

I sort of like what is going on here with respect to the deposit insurance funds, the reserve funds, what goes on in a lot of trust funds in Government. We had almost the identical situation with the highway trust fund, and we had the courage, through the leadership of Chairman SHUSTER over in the House, to stand up and say, ''Look, we're paying all this money in gas taxes. It is going into the highway trust fund. But we are only appropriating a fraction of the money that is actually coming in.'' In other words, consumers—taxpayers—were paying much more money in taxes going into the trust fund than was ever going to be used in the trust fund.

What was happening to the difference? What was happening to the difference was we were just building up this highway trust fund money that we would never use. Why would we want to do that?

The same question here is, if we already have enough money to pay the FICO bonds with interest on the reserve accounts, why do we need to continue to assess banks? Well, there is only one reason why we continue to assess banks and savings institutions. It is because it counts as money to the Federal Government and it scores for the budget.

Wait a minute. What does that mean? What that means is that we can show a lower deficit because we have $780 million coming in. That money will never be spent. It will never be spent. It will just continue, in some way, to grow within the reserve account, which money will never be used because we have far in excess of what anyone has anticipated. By the way, that number continues to grow.

So we have in a sense here in the banking bill the identical situation as we had in the highway trust fund; which is, we are assessing somebody, ultimately the consumer, because they ultimately pay these taxes or these assessments, we are assessing them $780 million a year to go into a fund that does not need the money, that is used purely—purely—to hide the deficit so we can spend money somewhere else. So what we want to do is say, let's do here what we did with the highway trust fund.

The reason I am withdrawing my amendment—this is a good amendment. It is what we should do. This is truth in budgeting. We always talk about truth in budgeting and the Social Security trust fund and the highway trust fund. Here is another, in a sense, trust fund that we are putting money into that is never going to be used, simply to hide the deficit. But if we take that money out of the revenue stream, there will be some who will come down here to the floor and say, ''Aha, you're going to raise the deficit and thereby take money out of Social Security or thereby not have enough money for us to do a tax cut or thereby not have enough money to do whatever else we want to do.''

The fact is, this is money that we should not be assessing because there isn't the need to assess it. But it is there. It is a tax. It is a tax going into a trust fund that does not need the money. But we are going to put it in there anyway because then we can issue bonds.

Does this sound familiar to Social Security? We do not need the money in Social Security. We have enough money to pay, but we continue to charge people higher FICA taxes, higher Social Security taxes. We have a surplus. And what do we do with that surplus? We buy Government bonds. What does that surplus do? It hides the real deficit.

What are we doing here with this FICO? It is interesting—FICA-FICO. What are we doing with FICO? We are charging banks and savings institutions more money than is needed. To do what? To buy Government bonds. To do what? To hide the deficit. To do what? So we can spend the money somewhere else.

The trust fund scams that go on here in Washington, when we set up these separate accounts—but we count them in the general fund. We count them in the overall budget calculations and create some very troubling policies.

It is a policy that we fixed when it came to gas taxes in the highway trust fund. It is a policy we are going to try to fix when it comes to Social Security. It is a policy that we should fix when it comes to banks and savings institutions, although it is very difficult

to come to the floor and say, we should reduce taxes on banks and thrifts because they are paying too much in taxes.

It is not a very popular tax cut, if that is the way you are going to look at it. But this is not a tax cut; this is an assessment to make sure there is adequate money in reserves to pay the guarantee. These are banks putting money in there to make sure there is money available to pay insured deposits. That is what this is about. There is more money than we need in there right now, far in excess of the requirements, and yet we continue to assess it.

That is wrong. That is not a tax to pay for government. That is not a tax to pay for something else. It is an assessment to do a specific thing. There is more money than we need to do that specific thing. Yet we continue to assess. Why? Because it counts in the general budget, and we do not want to reduce the amount of money coming into the general budget, even though that money doesn't go to the general fund; it goes to this trust fund. The trust fund then buys bonds and then we use the money.

That is wrong. We should not allow that to happen. I will support the motion to strike section 304 because it is all we can accomplish, but I will continue to work, not just with this trust fund but with the other trust funds we have here in Washington that have been integrated into this budget, that hide the real cost of government. That is what we are dealing with here. We are hiding the real cost of government. We are making banks, savings institutions, pay money that there is no need for them to pay to hide the cost of government.

That is wrong. That is not truthful budgeting. If we want to tax banks more money, if we want to go out there and tax them, say you are not paying enough in taxes, we are going to tax you $780 million a year so we can have more money in Washington, then let's be straightforward. Let's just go tax them and have a debate on that. But to continue to have them pay this assessment—don't call it a tax; it is an assessment—when there is plenty of money in there that would alleviate the need to pay that assessment is wrong.

I am very disappointed that this amendment is subject to a budget point of order, which means I would have to get 60 votes to allow this amendment to go in. Why is it subject to a budget point of order? Because this assessment counts as revenue to the Government and would throw the budget out of balance, if we passed my amendment.

Some will claim, you are going to take this money out of this, or this, or whatever. The fact is, this is not a tax; it is an assessment for a particular purpose, to capitalize a reserve fund to make sure there is money there to pay guaranteed deposits.

There is more money. The reserve requirement is 1.25 percent. In the current accounts, it is almost 1.4 percent. There is almost a billion dollars more in the accounts than is necessary to pay to meet the minimum reserve requirement, yet we continue to assess more and more and more.

Again, I can't tell you how disappointed I am that we continue this fraudulent budget practice. It is certainly my intent, while we will not be successful today with this amendment, to fight this battle and other battles for truth in budgeting where fraudulent trust funds are used to subsidize other government spending. That is not right. It is not right to this industry. It is not right to those who want available credit, because we are driving credit by having these assessments. It is certainly not right with respect to Social Security and the other trust funds that are being abused by the general government to hide deficits for this country.

Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The amendment (No. 307) was withdrawn.

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 308

(Purpose: To strike a provision relating to a 3-year extension for BIF-member FICO assessments, to provide for financial information privacy protection, and to provide for the establishment of a consumer grievance process by the Federal banking agencies)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from Texas (Mr. GRAMM) proposes an amendment numbered 308.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. GRAMM. Mr. President, the Senate Banking Committee has worked on this bill for a long time. In fact, this has been a live issue in the Congress for over 25 years. We are making progress toward at least having the Senate act. I think no one is under any delusion about the fact that we have a lot of work to do. We have a conference, and we have a President who ultimately is going to have a say in this through his ability to veto. Obviously, at some point we are going to sit down with him in the process and listen to his viewpoint and see to what degree we can come together.

But I thought it was a good time in the process here in the Senate to take some action to try to clear out some differences that exist between proposals that Senator SARBANES made in committee and positions which were adopted by the committee itself. There are two areas in this amendment where we adopt the position of the Sarbanes substitute which was considered by the Senate yesterday. What I would like to do is to explain these differences and then give Senator SARBANES an opportunity to talk about it.

The first has to do with striking the FICO provision. It is always dangerous to try to do good things on an important bill. No good deed goes unpunished. I had a provision in the underlying bill which was trying to deal with a problem, and the problem is that we have two separate insurance funds and they have had very different insurance premiums; but we had set out an automatic pilot process to bring those two funds to the same insurance rate, with the idea that Congress, while this was happening, was going to end up merging the two insurance funds.

Well, as often happens, Congress ended up passing no bill related to merging the two insurance funds, and on the last day of the millennium, on December 31 of 1999, these two rates are going to be merged by law. And so I thought, well, this is a chance to have a good Government provision, so we will postpone that to give the conference and the Congress an opportunity to do what we said we would look at doing when we started merging these two rates.

It is clear now that there is sufficient opposition to this provision, and I am not sure where the votes would be if we tried to leave it where it is. But it seemed to me, with all the big issues we have to deal with in this bill, that it is not worth fighting this issue. And so the first provision of this amendment strikes the so-called FICO provision and allow current law to operate to assure that the insurance premiums of the two separate insurance funds for deposit insurance will be harmonized on the last day of this year.

The second provision deals with antifraud provisions and with this emerging issue of privacy. I want people to understand that by adopting the provisions of the Sarbanes bill on privacy, I am not saying to the Senate, nor is Senator SARBANES, I am sure—and he

will speak for himself—that this is the end of the debate. This is a very important issue. Privacy is a fundamental right that people have, and the question is trying to balance that right against the new technology which we all benefit from, and which we all find ourselves forced to operate within. It is not easy. This is a beginning.

What I want to say to Members of the Senate is that, as a gesture toward promoting bipartisanship, I want to move to adopt these provisions from the Sarbanes substitute. But I want to go further than that. I want to commit that the Banking Committee will hold hearings on privacy issues. I want to commit that we will hold those hearings in both the subcommittee and at the full committee level; that we will begin the hearings with testimony from any Member of the House or Senate who wishes to testify; that we will hold comprehensive hearings so that anybody who has a legitimate viewpoint or represents any group which has a stake in this issue would have an opportunity to testify and have their position heard.

Now, basically, in this amendment we make illegal a number of practices, where basically people are engaging in fraud and dishonest behavior. In addition, we require a GAO report on financial privacy. The amendment requires that GAO, in consultation with the Federal Trade Commission and the Federal banking agencies, report to the Congress on the efficacy and adequacy of the remedies provided to prevent false pretext calls to obtain financial information and recommendations for any additional legislation to prevent pretext calling.

We have a Federal Trade Commission report to Congress on financial privacy. The amendment requires the Federal Trade Commission to submit an interim report to Congress on its ongoing study of consumer privacy issues.

We establish a consumer grievance process. I think one of the things which has happened to every Member of the Senate is that we now find, in the absence of an organized process, that people tend to call us when they have problems of this nature. What we want to do in this amendment is require the Federal banking regulators to create a consumer grievance process for receiving and expeditiously addressing consumer complaints alleging a violation of regulations issued under this bill. These are regulations in section 202 having to do with consumer protection. Each Federal banking agency is required to (1) establish a group within each regulatory agency to receive consumer complaints; (2) develop procedures for investigating such complaints, (3) develop procedures for informing consumers of rights they may have in connection with such complaints, and (4) develop procedures for addressing concerns raised by such complaints, as appropriate, including procedures for the recovery of losses to the extent appropriate.

This is not the end of the debate. This does not solve the privacy problems in America. But I believe Senator SARBANES is correct that this is the beginning of the debate. I have just touched on a portion of the provisions. He is more expert than I on them. But I believe they represent an important step in beginning the debate on this issue of privacy.

I think it is important we begin this debate on a bipartisan basis. Therefore, I have sent this amendment to the desk adopting the privacy portions of the Sarbanes substitute.

I yield the floor.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, first of all, I want to indicate right at the outset that I am supportive of this amendment which the chairman has sent to the desk. I would like to address briefly the two aspects of it.

First of all, it would preserve current law that ends the FICO assessment differential at the end of 1999.

Actually, my colleague, Senator JOHNSON, was going to offer an amendment later, and part of that amendment would encompass this provision as well. That is an amendment that addresses the unitary thrift issue, which I believe is probably an amendment we will be able to get to fairly shortly this morning. In fact, the chairman and I are hopeful that when we do that, we will be able to work out a time agreement with those who are interested in the amendment so we could structure that debate, structure the vote, and Members would know how we are moving ahead.

We indicated earlier, and I want to repeat the request—I will do it after we vote on this amendment—that Members who have amendments to let us know. Of course, we know about the unitary thrift amendment. We know about the op-sub amendment. We know that some Members are thinking of offering amendments. The chairman indicated earlier that, if we could see them, we might be able to work out accommodations with people offering amendments.

It will be very helpful to us if Members will let us know. I think an opportune time will be when we have the vote on this amendment, or shortly thereafter we could begin to try to program and plan the day.

The FICO assessment differential—let me briefly describe the legislative background and show why the current law should be preserved.

In 1996, Congress passed the Deposit Insurance Funds Act of 1996 to resolve the disparity.

Let me just say this amendment has two things: the FICO differential and this antifraud privacy provision in it. As the chairman has indicated, that is just a small step. I am going to address that shortly.

Many Members have a very keen interest in the privacy issue. The privacy concerns which they have been focused on are sort of broader and separate and more extensive than what is in this amendment. But this amendment in and of itself, I think, is desirable, although it by no means addresses the privacy question in any broad or full manner.

Coming back to the FICO assessment differential, when we passed the Deposit Insurance Funds Act of 1996 to resolve the disparity between the assessments being charged by the SAIFs and the BIFs to the thrifts and the banks for payment of interest on bonds issued by the financing corporation, so-called FICO bonds, it paid depositors of institutions that failed during the thrift crisis.

Actually, the differential that caused thrifts to migrate assessable deposits to the BIF fund, the Bank Insurance Fund, in order to reduce their premiums, that obviously over time could have led to a destabilization of the SAIF funds.

The legislation in 1996 required SAIF-insured institutions to pay a one-time $4.5 billion payment to the SAIF funds, and for 3 years, until the end of 1999, to pay assessments at a rate of 6.1 basis points of deposits, which was five times the rate at which BIF-insured funds were assessed. Then, as it were, as part of the arrangement for the thrifts undertaking these large payments, a one-time $4.5 billion payment and the five-time multiple on the assessment rate going into the SAIF funds, the Congress provided that the assessments would be equalized in the two funds no later than January 1, 2000, and the same rate would be assessed on BIF and SAIF-assessable deposits thereafter.

The bill before has a provision in it, which the chairman has now proposed to strike, but that provision, if it remained, would extend the premium differential for another 3 years and, therefore, require SAIF-insured savings associations to pay a much higher deposit assessment for another 3 years, whereas the existing law would have eliminated that differential at the end of this year. This obviously would impose very significant additional and unexpected costs.

I think, in thinking about this, that we have to really think about it in terms of in the sense of what the understanding was in 1996, what the expectations were, what the planning has been, and, of course, if we don't allow the law to take effect as it was laid out to do in 1996 in the Deposit Insurance Funds Act, we markedly changed people's expectations and people's planning.

OTS Director Seidman and FDIC Chairman Tanoue both testified before the Senate Banking Committee opposing this section. Director Seidman testified that in a sense both BIF and SAIF-insured institutions have expected the FICO rate differential to end at the end of this year. Extending it could revive the incentive to shift deposits from the SAIF to the BIF.

Deposit shifting represents a waste of resources and could unnecessarily lead the SAIFs less able to diversify to risks. FDIC Chairman Tanoue testified that faced with the possibility of a persistent rate differential, holders of SAIF-insured deposits may feel it is in their best interests to try to shift deposits to the BIF. This would result in the very inefficiencies that the Funds Act was intended to eliminate.

Subsequently, FDIC Chairman Tanoue sent a letter to Chairman GRAMM urging the elimination of section 304, and stating if the differential is extended ''inefficiency and waste will reemerge as institutions expend time and money to avoid this unequal fee structure.''

Mr. President, I think obviously we need to give careful consideration to these arguments advanced by the FDIC and the OCC. The substitute which Senator DASCHLE and we proposed at the outset of these deliberations did not extend the differential. We did not have this provision in there, and, therefore, we stuck with existing law which would have eliminated the differential at the end of this year.

No compelling reason has been brought to my attention that would require us to reopen this issue and extending the differential. The thrifts have been performing their obligations under the Funds Act by paying the $4.5 billion one-time payment, plus the payment on their deposits, which is five times the payment the banks are paying under the BIF on their deposits.

I agree with the amendment in striking the provision that would have carried the differential out for another 3 years contrary to the understanding and everyone's assumption on the basis of the 1996 law.

Now, Senator JOHNSON will be offering an amendment which addresses the unitary thrift issue, and I think that is a very important amendment. He had, as part of that amendment, this particular provision with respect to the differential. I think it is very important as Members consider the Johnson amendment to understand that what he will be offering on the unitary thrift issue is in the context of this change, as well, with respect to the differential.

Looking at the Johnson amendment on the unitary thrift, to be fair to Senator JOHNSON and what he was seeking to accomplish, one would have to keep in mind or take into account that part of his approach encompassed this FICO assessment differential which is now contained in the amendment offered by the chairman.

Members, therefore, as they examine the Johnson amendment—and I will make that point later, as well—need to appreciate his effort to try to come up with what I call a balanced, well-thought-through, reasoned, balanced approach in trying to deal with these issues which are in some ways connected with one another. Senator JOHNSON was trying very hard to put together a balanced package. The adoption of this amendment makes it unnecessary to be in the Johnson amendment, which ought not result in perceiving that the Johnson amendment is in any way unbalanced. Because of its approach it essentially encompassed this proposal, as well.

Let me turn to the antifraud provision that is in this legislation. At the outset, let me be very clear. The chairman referred to the privacy provisions of the Sarbanes bill. There are two Sarbanes bills on this issue. I want to be very clear about it. One was the substitute which we offered which contained within it the provisions of last year's bill on the Financial Information Antifraud Act. Separately, there is a bill that I have introduced along with Senator DODD, Senator BRYAN, Senator LEAHY, Senator EDWARDS, and Senator HOLLINGS, and a number of other colleagues have expressed a very strong interest in this legislation which is a much more comprehensive approach to the privacy question.

That bill would give customers notice about how their financial institutions share or sell their personally identifiable sensitive financial information. We think it is an extremely important issue. Of course, the chairman has indicated that he also regards it as an important issue, and he made the commitment this morning that the committee would undertake a comprehensive hearing with respect to this question of financial privacy.

I support the specific provisions in this amendment. I am pleased that we are considering these welcomed and much needed antifraud provisions. However, I have to underscore, again, they do not begin to address the larger issues of financial privacy and the need to give customers an informed voice in what is happening with their most confidential financial data.

Some have called the amendment that is before the Senate a so-called privacy amendment, but I think it is more appropriate to call it an antifraud measure. What people are now talking about as a privacy issue really is much more encompassed by this separate bill, which I indicated Senators DODD, BRYAN, LEAHY, EDWARDS, and HOLLINGS have joined with me in introducing, and which many of our colleagues on both sides of the aisle have expressed an interest in. I know there are colleagues on the Republican side of the aisle, as well as on this side of the aisle, who are very concerned about the broader privacy question.

This amendment prohibits the use of fraud to obtain sensitive customer financial data from a bank. The use of fraud, in order to get this data from a bank, clearly is something we need to shut down. That is obviously a desirable and appropriate provision. However, this proposal does not require financial institutions to safeguard customer data. This goes to when people use fraud to somehow get that customer data out of the financial institution.

This amendment doesn't address the increasingly common situation where companies pay banks for sensitive information without the knowledge or consent of their customers. Unfortunately, few Americans know that under current Federal law a bank, stockbroker, or insurance company may transfer information about a customer's transactions or experience to a third party without notifying the customer that the information is being shared, or obtaining the customer's consent. Such information can include savings and checking account balances, CD maturity dates, security purchases and insurance payouts. Americans are becoming increasingly concerned about the issue. That is very clear.

Last month, the American Association of Retired Persons published a survey finding in which 78 percent of the people surveyed disagreed with this statement. Here is a statement that was put to people which 78 percent disagreed with:

> Current Federal and State laws are strong enough to protect your personal privacy from businesses that collect information about consumers.

Mr. President, 78 percent disagreed with that statement. In other words, they did not think that current Federal-State laws were strong enough to protect their personal privacy. Ninety-two percent of the respondents in this AARP survey said they would mind if a company they did business with sold information about them to another company.

At the start of this Congress I introduced S. 187, the Financial Information Privacy Act of 1999 to which I referred, in which Senators DODD, BRYAN, EDWARDS, LEAHY and HOLLINGS joined. That bill will give customers the right to be told before their banks sell or share their account balances, their CD maturity dates, their credit card purchasing history and other sensitive financial information. It will give them the right to object to the sharing of this information.

Think of the kind of information now that has no restraint upon it in terms of it being shared or sold. I think it is clear that most people have no real understanding or appreciation that this takes place and would not want it to happen.

S. 187 has received strong support from leading consumer and privacy advocate groups. This is an issue that is high on the President's agenda. Just this week, the President unveiled a plan for financial privacy and consumer protection in the 21st century. This plan would require institutions to inform consumers of plans to share or sell their financial information and give the consumer the power to stop it. In his radio address, the President said he was ''working to give you the right to control all the information on whom you write checks to, what you buy on your credit card and how you invest. We want to prevent anyone from encroaching on your privacy for their profit.''

In conclusion on this issue, first of all, let me again indicate my strong support for the provision that is before the Senate which seeks to stop the use of fraud to obtain a consumer's confidential financial information. That provision was in the bill we brought out last year. It was in the alternative which was offered earlier. We welcome the chairman's willingness to place it in the bill that is before the Senate.

However, I do want to note that this very limited amendment does not solve the serious problem of customers not knowing what is happening with their account balances, CD maturity dates and other transaction and experience information, and not having a choice as to whether this sensitive personal financial information is circulated to other companies.

This issue has the potential of being a controversial issue. I also think it has the potential on which a consensus can be worked out between protecting the consumer interest and the assertions which the financial institutions are making with respect to the burdens that might be placed upon them or how it would inhibit them from conducting legitimate financial activities.

That is something which needs to be carefully worked through, so I particularly welcome the indication by the chairman that we will hold hearings on these very important issues and undertake to develop real solutions to the growing problem of financial privacy. I think it is extremely important that we undertake that task. It is helpful this morning to have this indication and this commitment that the committee will do so.

Mr. President, I had indications earlier there were some Members on this side who wanted to address this privacy question, and I think we would give them a brief period to follow through on that indication of interest. If not, I would be prepared to move to a vote on this amendment.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, we have a Kosovo briefing at 11:30. To try to accommodate our colleagues, since they are all going to be coming over here anyway, I ask unanimous consent that a vote occur on the pending amendment No. 308 at 11:30 this morning and the time until 11:30 be equally divided in the usual form. I further ask consent that no amendment be in order to the amendment.

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

Mr. GRAMM. Mr. President, let me say, if we have more Members on one side who want to speak than the other, I would have no concern about yielding more time to Senator SARBANES' side if they have people who want to come over to speak on the general issue itself.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRAMM. Mr. President, I yield 15 minutes to the distinguished Senator from Florida, Senator MACK, so he might speak on an unrelated subject as in morning business.

The PRESIDING OFFICER. Without objection, the Senator from Florida is recognized.

## MACK TAX PLAN

Mr. MACK. Mr. President, I thank Senator GRAMM for providing this time to me to make a statement with regard to a tax cut proposal that I have.

Mr. President, my job as chairman of the Joint Economic Committee is to help Congress stay focused on the right policies to keep the U.S. economy energized. What that comes down to is finding ways to make sure Washington does less of what today it does most—tax, spend, and regulate—in order to let the American people do more of what they do best—which is to build, create and innovate.

With that in mind, I instructed the JEC staff to focus on creating a tax plan that would accomplish three goals: first, provide tax relief for all American income taxpayers; second, promote even stronger economic growth; and third, ensure continued technological leadership in the 21st century. The plan I would like to talk about today accomplishes these three goals, and does so within the parameters of the on-budget surplus as estimated in this year's budget resolution. It does not use one penny from the Social Security surplus.

As Ronald Reagan once said, when he was defining a taxpayer—''that's someone who works for the Federal Government but doesn't have to take a civil service examination.'' This comment really gets to the heart of how the size and scope of the Federal Government affects the way we live our lives. Americans are spending more and more time working to give more and more of their hard-earned dollars in taxes every year to the Federal Government.

According to the non-partisan Tax Foundation, the average dual-income family will work until May 11 this year to pay their federal state and local taxes. So, as of today, the average American family has not even finished working to pay off their taxes for 1999.

This year, the Federal Government will collect more tax revenue as a share of GDP than at any time since 1944. This is the highest level in peacetime history—20.7 percent of GDP consumed by the Federal Government.

Since 1993, federal tax revenues have grown 52 percent faster than personal income growth. Last year alone, federal revenues grew 80 percent faster than personal income.

We have a balanced budget in 1999 and we've got balanced budgets as far as the eye can see. Soon, we'll have a federal surplus as far as the eye can see.

Our challenge now is to deal with that surplus. And, I think it's easy to see what will happen to this overpayment by the American taxpayer—if we leave it in Washington's hands. There will be numerous new government programs and they will be paid for by the Federal surplus.

We have to change the terms of debate—and we have to do it now before the surplus is spent. First, let's not forget that the American economy does not exist to feed the Federal budget. Now that the budget is balanced, we have to get our priorities straight.

To begin with: there is no such thing as ''public money.'' Every dollar of the Federal surplus was paid into the U.S. Treasury by American taxpayers. If we have a persistent surplus, we have to give the money back.

For years, my fellow Republicans and I argued that it was wrong for the Government to spend more than it took in. We were right. But now, it is equally wrong for the Government to take in more than it spends.

Yes, we should cut taxes so that people can keep more of what they earn. Yes, we should cut taxes because lower taxes spur economic growth. But the real rationale for lowering taxes—the reason tax cuts are an article of faith in the Republican Party—is that high taxes trespass on our freedom—our freedom to work, our freedom to invest, our freedom to support our families.

So in my mind, it is not a matter of if we cut, but how much, and how can we maximize the pro-growth impact of whatever tax cuts we decide to enact.

With these thoughts in mind, I would like to focus on what they Joint Economic Committee staff has come up with as a way to give the American income taxpayer meaningful tax relief,

promote savings and economic growth, and ensure the United States remains a technological leader in the 21st century. And, Mr. President, I would like to elaborate on how this plan will accomplish each of these goals.

The first goal is tax cuts for all American income taxpayers.

Under this plan we would double the standard deduction to $14,400 for married filers and raise the standard deduction for single filers to $7,200. Increasing the standard deduction would provide much-needed relief to all low-income taxpayers. Moreover, this provision would significantly reduce the much-discussed marriage penalty and simplify the Tax Code. Nearly three-quarters of all taxpayers use the standard deduction and would benefit from this increase.

In addition, our plan would repeal the 1993 Clinton tax increase on Social Security benefits. In 1993, President Clinton imposed this tax increase on the elderly's benefits because he said it was needed to eliminate the budget deficit. Since there is no longer a deficit, we no longer need this tax. It is time to repeal this unnecessary surcharge on Social Security recipients.

The second goal is economic growth.

The U.S. economy is enjoying unprecedented prosperity. In fact, our economy has grown for more than 16 years with only 9 months of recession. That is the longest period with only 9 months of recession since at least the 1850s! But while my Washington colleagues and I may be able to take pride in the performance of the economy, we really cannot take credit. The credit for the strength of our economy belongs to the American people—because the strength of our economy is a tribute to every American who uses his or her freedom to turn work into reward. To every individual who turns energy into a business plan—an idea into a new product.

These are the heroes of the American economy—the entrepreneurs and innovators who are creating economic growth, generating trillions in new wealth and reordering the global economy. We must provide pro-growth tax cuts that will ensure the continued strength of our economy and allow our entrepreneurs and innovators to flourish.

My plan would provide pro-growth tax cuts that would spur economic growth in four ways: by cutting capital gains tax rates 25 percent to 7.5 percent and 15 percent and indexing them for inflation; by cutting dividend taxes to 7.5 percent and 15 percent, making them uniform with capital gains tax rates; by repealing estate and gift taxes; and by indexing the individual AMT exemption amount.

Lowering capital gains tax rates will stimulate greater investment and keep the economy humming. Indexing capital gains for inflation will end the Government's unfair practice of taxing people on phantom gains due to inflation.

Currently, people earning dividends face among the highest tax rates in the Tax Code—as high as 60 percent—because they are double-taxed. Many investors, particularly the elderly, count on their dividends as a major source of income during their retirement years. Therefore, this change would have a significant, positive impact on their standard of living. Furthermore, the Tax Code would no longer encourage companies to hold onto locked-in earnings that investors could use more wisely. By making the dividend and capital gains rate uniform, this plan eliminates the current bias against dividend income, making investing a more level playing field.

Another major problem with the Tax Code concerns the alternative minimum tax, AMT. The AMT was designed to ensure that all taxpayers paid their fair share of taxes, but in recent years it has become an additional tax burden on middle income taxpayers for whom it was never intended. Since the AMT exemption amount was never indexed for inflation, each year more and more taxpayers are subject to it. My plan would stop this AMT creep by indexing the exemption amount for inflation, and relieve the unintended consequences of this counterproductive tax that undermines other tax relief already provided in the Tax Code.

My plan also calls for the elimination of the estate and gift tax, sometimes referred to as the death tax. Death and taxes may be inevitable, but they should never be simultaneous. Death taxes are among the worst provisions in the Tax Code, imposing tax rates as high as 55 percent. After paying taxes all your life—surely people shouldn't have to pay even more taxes upon their death. That is just not fair, and this tax should be abolished.

The third goal is to maintain U.S. technological leadership in the 21st century.

Last, but definitely not least, my plan recognizes the importance of the technology industry to the success and continued growth of the U.S. economy. We need to maintain policies that give the strongest possible support to innovation, and my plan seeks to do this in two ways: by making the research and development tax credit permanent, and by raising the capital expensing limit from $25,000 to $500,000, indexed for inflation.

Studies have shown that the R&D tax credit creates $2 of research and development for every one dollar of credit. It more than pays for itself, and we need to quit playing games with it. Our current practice—extending it one year at a time, letting it expire and then bringing it back to life—is completely counterproductive. No company can plan and invest for the long-term against a policy that changes every 12 months. This inefficiency impedes innovation and will make it more difficult for the United States to maintain its technological edge in the 21st century.

Especially in high technology industries, rapid innovations are rendering equipment obsolete within a year. We are all familiar with this phenomenon regarding computers. But, the same problems arise with medical, telecommunications and other high-tech equipment. Under current law, companies are required to spread these costs over time periods of five or more years. Under my plan, the capital expensing limit would be raised from $25,000 to $500,000 so companies would be able to keep pace with ever-changing technology. This will particularly stimulate investment in small firms.

Mr. President, to sum up my tax plan, it would provide $140 billion in tax relief over the next 5 years and $755 billion over 10 years—well within the estimated $800 billion surplus in this year's budget proposal.

I think it is important to take a minute to look at who would benefit from the majority of the cuts I discussed today. In the context of my plan, I think it's important to stress that over one-half of the tax relief associated with the individual tax cuts would flow to households earning less than $75,000 a year. In addition, nearly one-third of my tax plan would go to people with incomes under $50,000, who currently pay 22 percent of taxes. So, in addition to providing cuts for economic growth and ensuring the U.S. remains a technological leader, my plan provides substantial relief for all American income taxpayers, and simplifies our burdensome Tax Code.

Mr. President, we are living in a new economy. And right now, the world is playing America's game. We can outperform, out-produce, out-compete, and out-create anyone in the world. We need to ensure the United States keeps its status as an economic powerhouse in the 21st century. The Federal Government's role in ensuring this happens is to get out of the way and give the American people freedom—the freedom to work, the freedom to invest, the freedom to support our families, and the freedom to continue strengthening our economy. Our plan does just that—cuts taxes and gets the Government out of the way to give the American people the freedom to pursue their own dream—not Washington's.

Mr. President, I yield the floor.

Mr. GRAMM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The Senate continued with the consideration of the bill.

Mr. GRAMM. Mr. President, I ask unanimous consent that following the 11:30 vote, Senator Johnson be recognized to offer an amendment related to thrifts, and, further, the time on the Johnson thrift amendment—this is the unitary thrift amendment, for those who want to engage in the debate—that time on the Johnson thrift amendment, prior to the motion to table, be limited to 60 minutes, equally divided, and no amendment be in order prior to the motion to table.

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

Mr. GRAMM. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BROWNBACK. Mr. President, I rise to make a few remarks concerning Senate Amendment 308 to S. 900, the Financial Services Modernization bill. Unfortunately, I was unable to vote on this amendment because I was out in Wichita with Vice President GORE and FEMA director James Lee Witt surveying the enormous damage that was caused by the tragic tornadoes that passed through Kansas on Monday. These fatal tornadoes that swept through the Wichita area on Monday caused 5 Kansans to lose their lives and injured more than 70 people. More than 500 homes have been damaged or destroyed, leaving many people homeless and without power. In the town of Haysville, 27 businesses have been wiped out, virtually eliminating the business district of this Wichita suburb. I am pleased that federal relief for the Wichita area is on the way and I will continue to assist federal, state, and local authorities as they help the people of Wichita recover from this natural disaster.

I support Senate Amendment 308 and would have voted for it if I had been present. This amendment was passed in the Senate by a vote of 95–2 and I believe that it will strengthen an already strong financial modernization bill. The Financing Corporation bonds (FICO) provision in the Financial Modernization bill would require Savings Association Insurance Fund (SAIF) institutions, or thrifts, to pay premiums at a rate five times higher than that paid by banks in the Bank Insurance Fund (BIF) for three more years before merging both funds. Under the Funds Act of 1996, these funds were supposed to merge on January 1, 2000 and all FDIC institutions were to pay an equal amount. This amendment would strike the FICO provisions in S. 900 and equalize the deposit insurance premiums of bank and thrift institutions.

I hope we now can move forward with the passage of the Financial Services Modernization bill. S. 900 would permit banking, securities, and insurance companies to exist within a single corporate structure. This could lead to greater competition and more innovative and consumer-responsive services. Competition would not only benefit consumers, but will help America's employers by making it easier and cheaper for them to raise the capital they need for growth.

I am especially pleased that S. 900 would modernize the Federal Home Loan Bank System (FHLB) by banks. Under S. 900, the FHLB System would be easily accessible as an important source of liquidity for community lenders and would enable community banks to post different types of collateral for various kinds of lending.

Community banks are finding it increasingly tough to meet deposit and withdrawal demands as customers shift their deposits into higher-yielding investments like mutual funds. With less liquidity, there isn't as much money available for lending as the community demands. A reduction in community lending will hurt the economies of these small communities. This bill will facilitate more small business, agriculture, rural development, and low-income community development lending in rural communities.

Mr. GRAMM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Kansas (Mr. BROWNBACK) is necessarily absent.

Mr. REID. I announce that the Senator from Delaware (Mr. BIDEN) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 95, nays 2, as follows:

[Rollcall Vote No. 102 Leg.]

YEAS—95

| | | |
|---|---|---|
| Abraham | Allard | Baucus |
| Akaka | Ashcroft | Bayh |
| Bennett | Graham | McConnell |
| Bingaman | Gramm | Mikulski |
| Bond | Grams | Moynihan |
| Boxer | Grassley | Murkowski |
| Breaux | Gregg | Murray |
| Bryan | Hagel | Reed |
| Bunning | Harkin | Reid |
| Burns | Hatch | Robb |
| Byrd | Helms | Roberts |
| Campbell | Hollings | Rockefeller |
| Chafee | Hutchinson | Roth |
| Cleland | Hutchison | Santorum |
| Cochran | Inhofe | Sarbanes |
| Collins | Inouye | Schumer |
| Conrad | Jeffords | Sessions |
| Coverdell | Johnson | Shelby |
| Craig | Kennedy | Smith (NH) |
| Crapo | Kerrey | Smith (OR) |
| Daschle | Kerry | Snowe |
| DeWine | Kohl | Specter |
| Dodd | Kyl | Stevens |
| Domenici | Landrieu | Thomas |
| Dorgan | Lautenberg | Thompson |
| Durbin | Leahy | Thurmond |
| Edwards | Levin | Torricelli |
| Enzi | Lieberman | Voinovich |
| Feingold | Lincoln | Warner |
| Feinstein | Lott | Wellstone |
| Frist | Lugar | Wyden |
| Gorton | McCain | |

ANSWERED ''PRESENT''—1

Fitzgerald

NOT VOTING—2

Brownback Biden

The amendment (No. 308) was agreed to.

Mr. SANTORUM. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from South Dakota is recognized.

AMENDMENT NO. 309

(Purpose: To make an amendment with respect to the Federal deposit insurance funds and unitary savings and loan holding companies)

Mr. JOHNSON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from South Dakota (Mr. JOHNSON), for himself, Mr. THOMAS, Mr. KERREY, Mr. DASCHLE, Mr. DORGAN, Mr. KOHL, and Mrs. LINCOLN, proposes an amendment numbered 309.

Mr. JOHNSON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 149, strike line 12 and all that follows through page 150, line 21 and insert the following:

**SEC. 601. PREVENTION OF CREATION OF NEW S&L HOLDING COMPANIES WITH COMMERCIAL AFFILIATES.**

(a) IN GENERAL.—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

''(9) PREVENTION OF NEW AFFILIATIONS BETWEEN S&L HOLDING COMPANIES AND COMMERCIAL FIRMS.—

''(A) IN GENERAL.—Notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after May 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—

''(i) under paragraph (1)(C) or (2) of this subsection; or

''(ii) for financial holding companies under section 4(k) of the Bank Holding Company Act of 1956.

''(B) PREVENTION OF NEW COMMERCIAL AFFILIATIONS.—Notwithstanding paragraph (3), no savings and loan holding company may engage directly or indirectly (including through a subsidiary other than a savings association) in any activity other than as described in clauses (i) and (ii) of subparagraph (A).

''(C) PRESERVATION OF AUTHORITY OF EXISTING UNITARY S&L HOLDING COMPANIES.—Subparagraphs (A) and (B) do not apply with respect to any company that was a savings and loan holding company on March 4, 1999, or that becomes a savings and loan holding company pursuant to an application pending before the Office on or before that date, and that—

''(i) meets and continues to meet the requirements of paragraph (3); and

''(ii) continues to control not fewer than 1 savings association that it controlled on March 4, 1999, or that it acquired pursuant to an application pending before the Office on or before that date, or the successor to such savings association.

''(D) CORPORATE REORGANIZATIONS PERMITTED.—This paragraph does not prevent a transaction that—

''(i) involves solely a company under common control with a savings and loan holding company from acquiring, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company; or

''(ii) involves solely a merger, consolidation, or other type of business combination as a result of which a company under common control with the savings and loan holding company acquires, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company.

''(E) AUTHORITY TO PREVENT EVASIONS.—The Director may issue interpretations, regulations, or orders that the Director determines necessary to administer and carry out the purpose and prevent evasions of this paragraph, including a determination that, notwithstanding the form of a transaction, the transaction would in substance result in a company acquiring control of a savings association.

''(F) PRESERVATION OF AUTHORITY FOR FAMILY TRUSTS.—Subparagraphs (A) and (B) do not apply with respect to any trust that becomes a savings and loan holding company with respect to a savings association, if—

''(i) not less than 85 percent of the beneficial ownership interests in the trust are continuously owned, directly or indirectly, by or for the benefit of members of the same family, or their spouses, who are lineal descendants of common ancestors who controlled, directly or indirectly, such savings association on March 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before March 4, 1999; and

''(ii) at the time at which such trust becomes a savings and loan holding company, such ancestors or lineal descendants, or spouses of such descendants, have directly or indirectly controlled the savings association continuously since March 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before March 4, 1999.''.

(b) CONFORMING AMENDMENT.—Section 10(o)(5)(E) of the Home Owners' Loan Act (15 U.S.C. 1467a(o)(5)(E)) is amended by striking '', except subparagraph (B)'' and inserting ''or (c)(9)(A)(ii)''.

Mr. SARBANES. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. JOHNSON. Certainly.

Mr. SARBANES. Mr. President, it is my understanding that there are 60 minutes of debate equally divided.

The PRESIDING OFFICER. That is correct, before a motion to table.

PRIVILEGE OF THE FLOOR

Mr. JOHNSON. Mr. President, I ask unanimous consent that Mr. Steven Miteff, who has served in my office for 2 months as a participant in USDA's Senior Executive Service Candidate Development Program, be provided floor privileges during today's consideration of S. 900.

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

Mr. JOHNSON. Mr. President, today I am offering an amendment for myself and Senators THOMAS and KERREY. I thank Senators DASCHLE, DORGAN, KOHL, and LINCOLN, who are also cosponsors of this amendment.

I believe that several of my colleagues plan to speak in behalf of this important effort.

This amendment addresses the issue of unitary thrift charters.

Initially this amendment also dealt with an unnecessary owners provision that needlessly penalizes thrifts by removing the FICO insurance differential from the underlying bill. However, Chairman GRAMM has offered an amendment that accomplishes that portion of the original amendment. Nonetheless, the remaining unitary thrift issue must be addressed, and that is what this amendment does.

Thrifts are different from banks. Many believe that a thrift charter is superior to a bank charter. It gives thrifts more flexibility. It also demands certain specific things of them.

We recently went through an extensive debate over the merits of the thrift charter. I don't want to open old debates. I do seek, however, to close a loophole that permits the dangerous combination of banking and commerce. Under current law, commercial firms can own and operate unitary thrifts. That is the only breach of the banking and commerce firewalls currently allowed under our financial services law. Of course, the Glass-Steagall repeal and other opponents of this legislation open a range of financial activities to each other. But this bill is carefully structured to prevent the mixing of banking and commerce and closes the single loophole that remains where banking and commerce can mix.

Let me explain what this amendment would to. There has been some misperception floating around about it. But I have made the language available for review now for a number of days.

The Johnson-Thomas-Kerrey amendment does not interfere with the current ownership of thrifts. Any commercial firms that currently own a unitary thrift charter will be able to continue to own and operate their institution without restriction. Their current status would be undisturbed. Existing unitary thrifts would be grandfathered and can still sell themselves to any of the thousands of other financial entities that exist in our country. There will remain a strong market for the sale of unitary thrifts—no doubt about that.

The only limitation this amendment would impose involves the transferability of the charter. The charter would not be transferable to another commercial entity. Any bank, insurance company, or security firm that wanted to acquire a charter could do so. A new entity could be created to operate that thrift.

This amendment brings the two issues that concern the thrift industry to a consensus compromise which addresses the issues most critical to average banks and average thrifts. It restores the language agreed to in last year's agreement effort in H.R. 10. That agreement, which is embodied in this amendment, was supported by the banks and by the thrifts. It also received the overwhelming support of the Senate Banking Committee. House Banking Committee Chairman LEACH also supports closing this loophole.

Moreover, this amendment would further the goals of financial modernization by leveling the playing field between banks and thrifts and remove the dangerous threat of further weakening the walls between banking and commerce.

OTS Director Seidman acknowledges that requests have been made by thrifts to relax the current restrictions on commercial lending, and as we enter a new world of one-stop-shopping financial services, pressure will no doubt only increase to allow more charters to be further exploited.

This amendment has the strong support of the American Bankers Associations and the Independent Community Banks of America. The amendment is the top priority of the banking associations relative to this bill, which is the most important legislation, as we all know, impacting financial institutions which Congress will address this year. This week, bankers from all across the country were here in Washington to speak with their Senators about the importance of this amendment.

The amendment also has the strong support of the Secretary of the Treasury, Robert Rubin. Secretary Rubin has long articulated the dangers of mixing banking and commerce and expressed concern about the unitary thrift loophole.

The Chairman of the Federal Reserve Board, Alan Greenspan, advocates closing this loophole. He testified before the Senate Banking Committee several times on this point. Let me quote Chairman Greenspan directly:

In light of the dangers of mixing banking and commerce, the [Federal Reserve] Board supports elimination of the unitary thrift loophole, which currently allows any type of commercial firm to control a federally insured depository institution. Failure to close this loophole now would allow the conflicts inherent in banking and commerce combinations to further develop in our economy and complicate efforts to create a fair and level playing field for all financial service providers.

We might keep in mind the recent experiences in Japan. Part of their economic and financial crisis can be directly attributable to the keiretsu system that closely binds banks and commercial firms. Although our current system is a long way from that level of mixing banking and commerce, I concur with Secretary Rubin and Chairman Greenspan in the potential dangers.

Other observers have noted the dangers posed by the unitary thrift loophole, including former Federal Reserve Governor Paul Volcker, who said:

Recent experience with the banking crises in countries as different in their stages of development as Japan, Indonesia and Russia demonstrates the folly of permitting industrial-financial conglomerates to dominate financial markets and potentially larger areas of the economy. But we need look no further than our own savings and loan crisis in the 1980s. Combinations of insured depository institutions and speculative real estate developers cost American taxpayers, who ultimately stood behind the thrift insurance funds, tens of billions of dollars.

That is former Chairman Volcker.

There are other amendments pending which will purport to address these issues, but we should be clear; this JOHNSON-THOMAS-KERREY amendment is the only amendment that helps average banks and average thrifts. It improves the safety and soundness of our financial system by eliminating the mix of banking and commerce.

I urge support of this effort to join with the expression of views of Secretary Rubin and Chairman Greenspan in what I believe is a commonsense, compromise approach to this critically important issue.

I reserve the remainder of my time.

Mr. GORTON. Mr President, today's thrift industry is an important provider of mortgage loans and consumer financial services.

The thrift industry is required to focus its resources on providing consumer and community-oriented credit. For example, current law requiries a unitary thrift to devote at least 65 percent of its assets to mortgage, consumer, and small business loans. In addition, the commercial lending authority of federal thrifts is strictly limited to 20 percent of assets of which half must be to small businesses.

This ''specialization'' works. The last time Money magazine published an article identifying ''the best bank in America'' for quality and low cost pricing of its services, the recognized institution was a thrift—USAA Federal Savings Bank.

Similarly, the last time Consumer Reports surveyed ''the best deals in 25 cities'' for checking accounts, 77 percent of the leading institutions were thrifts. This large percentage is noteworthy becasue less than 18 percent of the banking institutions existing at the time were thrifts. Thrifts are a minority of the competitor but offer a majority of the best deals.

The unitary thrift structure allows the capital from commercial companies to support the community lending activities of the thrift charter.

More than 166 applications from nonbanking firms have been filed with the federal thrift regulator to charter new thrift institutions since January 1997. These new charters, if approved, will add competition in the marketplace which will benefit the consumer.

The OTS has testified that commercial firms contributed more than $3 billion in capital to support thrift institutions in the 1980s.

No safety and soundness issues have been presented by the unitary charter.

In February 1999, the FDIC testified on the subject of financial modernization before the U.S. House Banking Committee. In its testimony, the FDIC argued that commercial companies have been a source of strength rather than weakness to the thrift industry and that limiting the non-financial activities of thrifts ''would place limits on a vehicle that has enhanced financial modernization without causing significant safety-and-soundness problems.''

Similarly, the OTS director has testified that there is no evidence that the concerns about the mixing of commercial banking and commerce apply to thrift holding companies with commercial affiliates: ''Congress made a deliberate distinction in the treatment of thrifts and their holding companies based on the fact that thrifts cannot engage in the traditional type of banking activity—unlimited commercial lending—that raises concerns with the mixing of banking and commerce.''

The combinations of thrift and commercial firms have compiled an exemplary safety and soundness record. During the height of the thrift crisis, the failure rate of commercially affiliated thrifts was approximately half that of other thrifts. Moreover, the federal thrift regulator has reported that only 0.3 percent of enforcement actions against thrifts and thrift holding companies from January 1, 1993, through June 30, 1997 were against holding companies engaged in non-banking activities. In short, the industry's experience with commercial affiliates has been the opposite of what the critics contend.

Concerns about commercial banking and commerce are misplaced in the context of the thrift charter.

Current federal law expressly prohibits a unitary thrift from extending credit to a commercial affiliate and prohibits a thrift from tying deposits and loan services to non-financial services.

The statutorily mandated focus of the thrift charter on providing mortgage, consumer, and small business credit along with these other lending limitations distinguishes the thrift and commercial banking industries.

Martin Mayer, a guest scholar at the Brookings Institution and foe of mixing banking and commerce, supports the commercial ownership of thrifts because of their unique lending focus on consumers and small businesses.

Financial modernization should be about expanding chartering options and choices for consumers, not contracting these options.

While I believe there is a very strong case for fully maintaining the unitary thrift charter as a viable chartering option going forward, this Congress should, at a minimum, not limit the authorities of existing companies in the absence of any compelling safety and soundness evidence about this charter.

The grandfather provision in S. 900 accomplishes this minimum treatment for these existing companies that are focused on delivering consumer and small business credit in our communities.

The Senate and House Banking Committees both have adopted substantially identical unitary thrift grandfather provisions, which already represents a delicate compromise taken by both committees on this issue. We should not reopen this issue.

I urge you to oppose the Johnson amendment as a serious step backwards in our efforts to modernize our nation's financial services laws.

Mr. GRAMM. Mr. President, I rise in opposition to this amendment. Let me try to set the record straight in terms of this amendment. The argument on the amendment is very simple, and I think it will not take very long to make the case against the amendment.

First of all, we hear the statement made that the unitary thrift provision in current law is a loophole, that somehow commercially owned savings and loans have come into existence as a result of a loophole—hence, as Senator JOHNSON says, ''the unitary thrift loophole.''

Let me remind my colleagues that a loophole had nothing to do with unitary thrifts. In 1967, the Congress passed the S&L Holding Company Act. That S&L Holding Company Act intentionally, after a very large number of hearings in the House and the Senate, intentionally placed into law the provision that allowed commercial companies to own and charter S&Ls. Congress did this for a very simple reason. In fact, the law said clearly, in black and white, the purpose of allowing commercial interests to own S&Ls, hence the creation of what we call a unitary thrift, was to encourage capital and management to come in to the troubled S&L business.

So this new ''loophole'' is no afterthought. This is no mistake. This is no provision that was created by accident. In fact, we had an entire bill, the S&L Holding Company Act, which is the Unitary Thrift Act. That was passed in 1967 after extensive hearings in both the House and the Senate where strong action was taken by both parties in support of this provision.

This is no loophole. This is no accident. This is a creation of Congress that came into existence through a well-reasoned, extensively debated law, and the decision was made to encourage commercial companies to put real capital, real money, and good management into S&Ls.

Let me outline the figures, to give Members the magnitude of the problem. There are 561 thrift holding companies. What is a thrift holding company? A thrift holding company is a company that may be in many different businesses, but it owns a thrift charter. These are 561 thrift holding companies that are engaged in some other business as well as the thrift business. Many are in insurance, many are in securities. There are 561 of them.

Mr. President, 22 are now owned by nonfinancial unitary thrifts. Therefore, 541 of these will be legal under this bill, because it is legal under this bill for an insurance company and a securities company to own a bank, so it will be legal to own a thrift.

What is the ''universe'' we are talking about here in terms of actual commercial interests that own thrifts? The universe is just 22—22 thrift charters that are owned today by a commercial interest other than insurance and securities that will be able to own banks under this bill.

What is special about these 22 companies? What is special about it is that most of them came into existence during the S&L crisis. I remember vividly offering an amendment to assess the thrifts $15 billion to begin to close troubled thrifts, 3 years before that amendment ever passed. It was defeated in the Banking Committee. I remember Senator DODD voting with me on it; I don't remember exactly how the vote broke down, but I know we lost. During that period, we were desperate to try to get people to put money into troubled S&Ls to try to prevent the taxpayer from ending up paying billions of dollars in defaulted deposits.

Most of these 22 thrifts were commercial companies that were enticed by the Office of Thrift Supervision—the Federal Home Loan Bank Board—to come in and buy troubled thrifts, to bring good management, and to bring in hard cash. And these commercial companies responded. No one would dispute that the S&L collapse cost tens of billions of dollars less than it would have had these commercial companies not come in and invested their hard-earned money in thrifts.

Let me note another thing. You get the idea from this amendment that there is something wrong with unitary thrifts, that there is something wrong with commercial companies owning thrifts. First of all, during the S&L crisis from 1985 to 1992, the default rate of thrifts that ended up going into insolvency—the bankruptcy rate among thrifts that were owned by commercial companies—proportionately speaking, was half the rate of default on thrifts that were not owned by commercial companies. So the plain truth is, today these S&Ls that are owned by commercial interests are among the most stable, most secure S&Ls in America.

Let me also note that in terms of the regulatory review currently underway, consistently those thrifts that are least subject to complaints about violating various provisions of Federal law—the thrifts that behave best in complying with the law—are consistently the unitary thrifts, the thrifts that are owned by a commercial interest.

There is no evidence, therefore, based on any safety and soundness concern, that unitary thrifts are anything less than safer, sounder, better run and, as a result, more compliant with existing law than other thrifts. In fact, the Office of Thrift Supervision has indicated that out of 1,428 enforcement actions against thrifts from January 1993 to June 1997, only 3 of those enforcement actions involved unitary thrifts. These are the best performers and they are the best in terms of complying with the law.

What is the problem here? Under the bill which is pending before the Senate, which passed the Senate Banking Committee, we changed the law so there could be no more unitary thrifts. We have a cutoff date, which is the date the committee markup document was released to the public. As of that day, under our bill no commercial interest can get a new thrift charter.

I think it is important to note that when you look at the applications that are pending—and we have a lot of applications pending for thrift ownership—most of them are by insurance companies and securities companies. They would rather own a bank, but until we pass this bill—and I hope we do pass this bill—they cannot do it, so they have applied to own a thrift. If we pass this bill, many of those applications will be withdrawn. But this amendment does not have anything to do with them.

Of the proposals for unitary thrifts—that is, commercial companies that are trying to buy a thrift charter or get a thrift charter issued—there are only seven of them. So here is the point. This ability of commercial companies to get a thrift charter is over 20 years old. It has existed for 20 years. Any commercial company—from General Motors to A&P, to Kroger's, to Bell Telephone, to whatever—could apply for a thrift charter. For 20 years they have had that right. Mr. President, 22 have done it, 22 have gotten the charter, and most of them got the charter when they were basically cajoled by the Government to do it, to bring in billions of dollars to try to help us solve the S&L problem.

My trusty staff tells me it was 30 years they have had the opportunity—there are 22 of them—not 20 years.

Now, with all the talk of ''runaway unitary thrifts,'' only seven applications are pending. So, what does our bill do and what does the Johnson amendment do? Our bill says that—for the 22 commercial interests, most of whom got into the S&L business as part of our effort to stop the collapse of the S&L industry—our bill says, after the date we introduce the bill, any application coming after that date cannot be considered; that the 7 applications which are already pending can be considered; and the 22 which already exist can continue to operate.

To that extent, the committee bill and the Johnson amendment are very, very similar. The difference is that the Johnson amendment, in addition, provides that if you own a unitary thrift you can't sell it to any other commercial interest; and if you sell a thrift holding company—which, in virtually every case, has a commercial interest—it has to be broken up upon its sale, because you cannot sell it with any commercial interest as part of it.

We have a simple term for this kind of action. It is in the fifth amendment of the Constitution. It is called ''takings.'' This is a constitutional issue. This is not some philosophical position of competition and free enterprise. This is not an issue directly about how we can make the industry better or what might help or harm the consumer. This is about private property. This is a constitutional issue. If we could go back and start this whole thing over again, if we were starting with an absolutely clean slate, I would, in all probability, oppose permitting commercial companies owning thrifts—if we were starting with a fresh slate.

But the problem is, we are starting with 22 companies that have already invested billions of dollars, most of them doing so during the S&L crisis when we begged them to do it. They have now built businesses and part of the value of their franchise is based on their ability to be able to sell it. If it has to be broken up when it is sold, as every thrift holding company would have to be, under the Johnson amendment, if it had any commercial interest—and almost all of them do—the net result is, our estimates are, that the passage of this amendment would destroy between 10 and 15 percent of the value of these S&L charters.

If our colleague from South Dakota had proposed an amendment that would have taken money out of the insurance fund and assessed what it would cost these owners of thrift charters to limit their ability to sell them to other commercial interests, and to require they be broken up if they were sold, and we were going to compensate them from the insurance fund, I might support such an amendment. But the idea that on an ex post facto basis we are going to come in and destroy the value of charters, that we are going to lower their value estimated between 10 and 15 percent simply because we do not have commercial ownership of banks, is simply unconstitutional.

What is going to happen on this? I can tell you what is going to happen: We now have had a series of Supreme Court rulings related to takings. The Supreme Court, thank God, has suddenly awakened to the provision in the fifth amendment which is as important as any provision in the first amendment. In fact, John Locke would have said ''more important.'' The Founding Fathers understood its importance. And that provision says:

No private property shall be taken for public purpose except through compensation.

How do I know how the Court is going to rule on this? They have already ruled on a similar issue. You remember something called ''supervisory goodwill''? Here is what happened: Congress got a number of businesses to buy troubled thrifts—one of the things we did when we had no money—so the thrift was worth a negative $500 million and they came in, took it over for nothing and assumed its liabilities.

So, having no money to protect the depositors, we said, if you will protect the depositor, we will give you $500 million of regulatory goodwill and for a period of time you can hold it as capital. Do you know what happened? Congress decided that was not a good idea. So we passed a bill, called FIRREA, that took it back. And these thrifts went to court and argued: We made investments under a certain set of rules, Congress on an ex post facto basis came back and repealed those rules.

They took our property. There was a taking. Congress took billions of dollars from us and, in fact, the Federal Claims Court on April 9 of this year ruled that the Federal Government owes Glendale Federal Bank $990 million in damages for this taking. I remind my colleagues, there is a list of S&Ls which takes up half a page that has exactly the same claim against the Federal Government.

Whether you like the idea of a commercial company owning a thrift—and, I remind you, they have a better record of safety and soundness, they have a better record of performance, they have a better record of complying with the laws and regulations than thrifts as a whole—but even if you don't like it, do you think we have a right to steal their property? Even if you don't like them, do you think Congress has a right now to change the rules and say, ''Oh, yes, you can hold your charter, but if you ever sell it, it will have to be broken up because it has a commercial interest as part of it''?

It is estimated that this amendment, the moment it becomes law, would destroy 10 to 20 percent of the stock value of these companies through a taking.

If we adopt the Johnson amendment, these companies are going to file a lawsuit against the Federal Government.

I believe, based on the rulings that have occurred on regulatory goodwill, that they are going to win these lawsuits, and then where are these billions of dollars coming from? Are they going to come out of the insurance fund? Are they going to come from the taxpayers? Maybe we should have a second-degree amendment that says if this is a taking, we will raise the insurance assessment to raise the money to pay for the taking rather than having it foisted onto the Treasury. I don't know if our colleague from South Dakota would vote for such an amendment, but it seems to me a pretty reasonable amendment.

If we did not have unitary thrifts, I doubt we would create them. I am not ready yet to have commercial companies own banks. I have no doubt in 20 years they will, but we are not ready yet. If we didn't have unitary thrifts, we would not create them.

To sum up, here are the critical points: We did not create unitary thrifts by accident. There is no loophole. The 1967 bill was extensively debated; there were hearings and the bill was adopted overwhelmingly on a bipartisan vote to bring in new capital and new management that was desperately needed.

Thirty-two years later, we are coming in and saying, ''Boy, you have given us those tens of billions of dollars and we really appreciate it, but we're not going to live up to our end of the bargain.'' We are going to say, ''Yes, we took your money and it saved us tens of billions of dollars of taxpayers' money, but now we don't like you anymore, and so if you ever sell your thrift, you are on notice right now your thrift holding company will have to be broken up.''

Unitary thrifts might have become a big problem if we were not considering this financial modernization bill. But if we pass this bill, all but 22 S&Ls that are owned by commercial interests will be owned by insurance companies or securities firms. So this is a problem that some people imagined existed before this bill, but we are talking only about 22 companies and 7 pending applications.

I have received calls from many banks that say they want this amendment passed. But when I explain to them that it might sound like a great idea, until you realize you are taking somebody's property and violating the Constitution, I have found people understand that. The fact that we have lobbyists calling up telling us to do this does not mean we have to do it.

I urge my colleagues to reject this amendment. I preserve my ability to offer a constitutional point of order if the motion to table fails. I reserve the right to offer a second-degree amendment which would require the insurance rates to be raised to pay for any takings, but I hope those will not be necessary.

This is not a good amendment. I know there are a lot of interests for it, but it is not a good amendment. I urge my colleagues to take the long view on this and not vote for it so we are not back here in 2 years trying to come up with billions of dollars to pay off these lawsuits.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSON. Mr. President, I yield 5 minutes to my colleague from Nebraska, Senator KERREY, a cosponsor of the amendment.

Mr. KERREY. Mr. President, first, I thank the distinguished Senator from Texas and the Senator from Maryland. There are a number of provisions in this legislation for which I thank them.

One of the things all of us have to do when looking at this piece of legislation is ask the question whether or not we are going to be able to maintain the safety and soundness of the banking system. It is a pretty dramatic change allowing companies that previously had been prohibited in certain lines of business to engage in those lines of business.

I want to make it clear, I reached the conclusion that we do have the regulatory capacity to maintain safety and soundness, whichever piece of legislation emerges here. I appreciate very much the work of the Senator from Texas on this, as well as the work of the Senator from Maryland.

I will point out a couple of things, as well, that I am very much grateful for,

and one of them has to do with modernizing the Federal Home Loan Bank System that allows rural banks and other banks to have access to credit. I think it is a very important provision. Senator HAGEL offered it, and I commend him for his leadership on it.

I also want to make it clear on the CRA, at some point it is going to get to conference. I do support what Senator GRAMM is doing to provide exemptions to banks under $100 million. Under urgings, I had conversations with my larger banks who do not find themselves with the kind of difficulties of being coerced into making payments, as he noted exists in other parts of the country. While I support under 100, I do not support the other changes that are being proposed.

As to this amendment, the takings issue, Congress does this all the time. In fact, my guess is there could be people who make a claim that because the bill itself is passing, they are going to suffer a loss of value in their business.

Gosh, we debate the ethanol provision and we debate tax credits for the oil industry all the time. Sometimes you get it, sometimes you do not get it, but you do not file a claim against the Government as a consequence of that action.

People could file a takings action against this bill based upon what the Senator from Texas just argued. The Winstar case does not open up the door. Indeed, the Winstar case is being appealed itself. The Winstar case does not open up the door to prevent Congress from passing legislation in trying to modernize our banking system.

Mr. JOHNSON. Will the Senator yield?

Mr. KERREY. Yes, I yield.

Mr. JOHNSON. Does the Senator not agree that the Winstar case was a contract violation case as opposed to the statutory change of regulation being proposed here?

Mr. KERREY. I quite agree. Not only is it a contract case, but the decision by the D.C. Court of Claims is on appeal. We do not know what the outcome is going to be. It was a specific contract that was signed between the Government and these businesses. They have a legitimate case that they are making that a contract was broken.

If the takings argument is going to provoke a fear every single time Congress proposes a change in the law, it is going to make it awfully difficult for Congress to do the very thing that the Senator from Texas, the Senator from Maryland, and the Banking Committee is proposing to us, which is that we ought to modernize our banking system. There will be losers as a consequence.

Can you imagine coming to the floor and saying, we cannot pass fast track? There are losers when we have free trade. So if I vote for fast track, and we give the President normal trade negotiating authority, and somebody loses, can they file a claim as a consequence and say I have taken their property? No.

So I appreciate very much some of the other arguments the Senator from Texas is making, but I think the takings argument would cause this Congress a great deal of difficulty. In fact, we should withdraw the bill altogether if takings is the concern that we have, because there will be losers. There will be economic losers as a consequence of this piece of legislation who could, if they chose to, file a takings action based upon the argument that was made earlier.

This is a fairly simple amendment. I urge colleagues to look at it. The concern that the Senator from Texas is raising may be a legitimate concern. Some of the details he was talking about may need to be modified. But we are saying that, ''Notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after May . . . unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association). . . .''

It is an attempt to say, yes, we needed to do what the Senator from Texas described earlier in order to be able to clean up the savings and loan problem.

We make no judgment here that the unitary thrifts are not safe or sound. We have an outstanding one in the State of Nebraska that is doing a tremendous amount of business, and they are a very safe operation, very sound operation. We make no judgment about that at all. But we are just saying the Banking Committee already has spoken on the issue by eliminating the commercial market basket.

What we are doing with this is to prevent further kinds of transactions precisely because we are ending the restrictions that were under Glass-Steagall for 60 years. We are eliminating those. We are going to get all kinds of new transactions going on in that environment anyway. We are concerned about whether or not we are going to maintain safety and soundness.

I believe we can. I believe we can in the new regulatory environment. I am willing to do that. But this just adds considerable new risk to the transaction, considerable new risk. I believe the Office of Thrift Supervision is down to about 1,200 employees. I am not sure they have the capacity to regulate. It provokes a whole new concern about this legislation, as to whether or not we are going to be able to maintain the safety and soundness that the people of the United States of America expect.

To be clear, I have not had a single citizen in Nebraska come to me and say, ''I need financial services modernization''—that is, borrowers and depositors. Indeed, I have only a few banks in Nebraska altogether that are interested in this. The people who are interested in this are people who are much larger operators. They have come to me and asked my support for this legislation, and I have given it to them. I do not believe there is any more reason for us to maintain these barriers between these various industries. But we need to be very careful.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mr. KERREY. Thirty seconds.

Mr. JOHNSON. I yield the Senator 30 more seconds.

Mr. KERREY. I believe we need to be very careful not to increase, in an unnecessary fashion, that risk. And this amendment will reduce that risk. It will not increase takings claims against the Government. It will not increase litigation as a consequence of saying that we are not going to allow continued and new unitary thrift acquisition and new commercial interests to come in and purchase savings and loans.

Mr. President, I appreciate the fine work the Senator from Texas has done and the Senator from Maryland has done. I hope we can get this legislation in a form that I can support, because I believe financial services modernization is something that has long been needed and is long overdue.

Mr. JOHNSON. How much time remains on our side?

The PRESIDING OFFICER. Senator GRAMM has 6 minutes 20 seconds; the Senator from South Dakota has 17 minutes 9 seconds.

Mr. JOHNSON. I yield 5 minutes to my colleague and cosponsor of this amendment, Senator THOMAS from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Thank you, Mr. President. I thank you very much for the opportunity to discuss this important issue.

First, let me, too, say that I appreciate the work that is being done on this whole financial modernization bill. I think it is something that certainly needs to be done and that I support.

I also believe very strongly in what the Senator from Nebraska has just said with regard to takings—that the idea that we cannot change the rules in the Congress without it being exposed to takings is one that is very threatening. I think that is the case.

So I am very pleased to be a sponsor of this thrift charter amendment with my colleagues, Senator JOHNSON and Senator KERREY. I think the amendment will improve the underlying legislation by stopping a mixture of banking and commerce through the unitary thrift charter arrangement.

This amendment freezes the number of commercially owned thrifts and bans

the future number of sales of unitary thrift charters to commercial entities. Commercial firms that already own thrifts would be able to continue the endeavor, and they are grandfathered.

The integration of banking and commerce raises significant questions about the concentration of economic resources. I happen to be chairman of the Subcommittee on Asia and the Pacific Rim and have had some opportunities recently to be in South Korea and Japan. I have to tell you that I am impressed with the problems they have had with that kind of integration, and I do not want us to get into that.

I have already mentioned that I do not believe this is a taking. I believe this is actually a change in direction, one that very much needs to be made, and I think it will help us in terms of this mixing of banking and commerce. It is a significant cause for the Asian economic crisis.

I believe we should learn from the lessons of the Asia financial crisis and be very careful about this integration. I think this will help do that.

In testimony before the Banking Committee last year, Federal Reserve Chairman Alan Greenspan spoke to the risks that can arise if the relationships continue between banking and commercial firms. Both he and Secretary Rubin have testified to the need for closing the loophole. This amendment secures the safety and soundness of our financial system, and I urge that it be supported.

Let me just comment on some things that very knowledgeable people have said.

Secretary Rubin has said:

[W]e support the prohibition against forming additional unitary holding companies, and [we] would further support an amendment terminating the grandfather rights. . . .

Former Federal Reserve Board Governor Paul Volcker said:

Recent experience with the banking crises in countries as different in their stages of development as Japan, Indonesia, and Russia demonstrates the folly of permitting industrial-financial conglomerates to dominate financial markets and potentially larger areas of the economy.

The American Bankers Association, which has studied this very carefully, said:

[C]ommercial and banking should not be allowed to mix in the wholesale fashion permitted under the unitary thrift concept. . . .

The Independent Bankers Association of America said:

IBAA cannot support, and will oppose, any legislation that does not narrow the unitary thrift holding company loophole.

The Consumers Union said:

We oppose permitting federally-insured institutions to combine with commercial interests because of the potential to skew the availability of credit. . . .

I close by saying that a mixture of banking and commerce is widely considered to be a significant cause of the recent Asian economic crisis. As Federal Reserve Board Chairman Alan Greenspan testified last year before the Senate Banking Committee:

The Asia crisis has highlighted some of the risks that can arise if relationships between banks and commercial firms are too close.

Mr. President, I hope we will adopt this amendment. I think it strengthens the overall bill. I certainly intend to support the bill and intend to support this amendment. I urge support of it.

I yield the floor.

Mr. JOHNSON. I yield 5 minutes to my ranking member of the committee, Senator SARBANES.

Mr. SARBANES. I commend the very able Senator from South Dakota and his colleague from Wyoming for offering this amendment. I think it is a very important amendment. They have made some very strong arguments for it.

Both Chairman Greenspan and Secretary Rubin, who differ on other aspects of this legislation that is before us, are in agreement, along with Chairman Volcker and Henry Kaufman, and many others who have examined this issue, that we need to address this question.

It is called the unitary thrift loophole, because over time the powers of the thrifts have been expanded. So a provision, which at an early time may not have appeared to be a loophole, now becomes a loophole through which commercial companies can acquire thrifts and, in effect, eliminate the line drawn between banking and commerce.

The recent experience with banking crises in other countries—Japan, Korea, and so forth—where they had industrial financial conglomerates, indicates the difficulties and the dangers of allowing these arrangements.

I want to address very specifically the argument of limiting the transferability of a unitary thrift holding company—and this would limit it only in terms of being transferred to a commercial company; it would not limit it in terms of being transferred to a financial company. It would be unfair because companies bought thrifts at a time when they could sell them to any commercial company, and it is now being asserted that this would be a taking under the fifth amendment of the Constitution or perhaps, alternatively, a breach of contract by the government.

You cannot keep people from making any argument that is available to them. They can sort of reach out and grab hold of any argument that exists and sort of bring it in and try to set it down here in the middle of the Senate and say, aha, here is this argument and you have to pay attention to it.

You need to look at the argument and what is involved.

Let me just for a moment analyze this argument that it is a taking. The Supreme Court's rulings in the area of the fifth amendment takings of property have generally dealt with real property, not with business charters issued by the government, such as a thrift charter. However, even if a thrift charter did qualify as property for taking purposes, prohibiting transfers of thrifts to commercial companies would not give rise to liability under the standards which the courts have used to require compensation.

It is being asserted here that this is going to be a taking; you are going to have to pay compensation. Then you have to take a look at it. Is this limitation that is involved in this amendment, this limited limitation with respect to the transferability of this thrift, is that going to be considered a taking by the court? I submit it would not give rise to liability under the standards which the courts have used to require compensation. Courts have held that no compensation is owed if there is not an invasion of the property or a total diminution of economic value of the property. Closing the loophole would not involve either of these two things.

There is a considerable value in the thrift charter which would continue even if this limited amount of transferability is no longer permitted. In fact, these thrifts may be sold to thousands of other thrifts, banks, securities broker dealers, insurance companies and other financial companies under this legislation. Of course, this is the very kind of transfer that occurs in the vast majority of thrift transfers. It is to some other financial institution.

Of course, the legislation would permit that, and this amendment does not touch that. The potential for change in the powers of a unitary thrift holding company is in fact inherent in having an S&L charter. The holder of a federally granted charter cannot expect that the government will never change the laws under which the charter operates. The Constitution does not guarantee that a company allowed to engage in some activity will have the right to continue to do so in perpetuity.

I am as sensitive as any to the takings question. It is a very important part of our Constitution. It is an important part of the workings of our economic system. But we need to look at the cases in terms of what the court has interpreted as constitutional. We need to exercise some practical sense judgments. Clearly, the law has never been that a company engaged in some activities can never be limited or restrained by the government and has that right to go on in perpetuity. In the past, Congress has changed statutes governing savings associations and has required compliance with the amended statute.

In 1987, Congress imposed a qualified thrift lender test requiring thrifts to

hold a percentage of their total assets as qualified thrift investments. New requirement. New limitation. A unitary thrift holding company owning a thrift that failed to comply with those new requirements would have been required to divest its commercial activities.

Also in 1987, we limited the transferability of nonbank banks by requiring that upon transfer the new owner bank would be required to register as a bank holding company. These actions have not been found to be takings.

Let me turn to the other possible argument; that is, that there is a breach of contract by the government.

The argument has been raised that closing the loophole may break a supposed contract. The Winstar case, U.S. v. Winstar Corporation et al, 518 U.S. 839, a 1996 case, has been used as a basis for this concern. However, closing the unitary thrift loophole involves facts that are materially different from those on which the case of U.S. v. Winstar Corporation was decided. In Winstar, the Supreme Court determined that the United States had made specific contractual promises to acquirers of failed thrifts and had breached those specific contractual promises.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. SARBANES. How much time does the Senator have remaining?

The PRESIDING OFFICER. Five minutes 17 seconds.

Mr. SARBANES. Will the Senator yield me 2 more minutes?

Mr. JOHNSON. I yield such time as the gentleman requires.

Mr. SARBANES. The court found the government liable for breaching its contracts by not permitting the thrifts to count goodwill and capital credits toward regulatory capital requirements after the enactment of FIRREA. There had been a specific undertaking in the S&L cases that those goodwill arrangements could be counted and, in fact, they wouldn't have taken over the failed thrifts had they not been able to do so.

It is vastly different from the situation that we are confronting here.

There are no specific contracts here that promise acquirers of thrifts that they could sell them to commercial companies or that the law governing permissible thrift affiliations would never change. Prohibiting unitaries from affiliating with commercial companies is no different than many prohibitions the government legislatively imposes on industries each year with no financial liability to the government.

The difference with the supervisory goodwill cases couldn't be clearer. Those cases were based upon contract law. No contracts are involved in the unitary provisions of H.R. 10. No guarantee was made by anyone that these affiliations with a commercial firm could continue and the government is entitled, in order to achieve important public policy objectives, to make reasonable changes. I submit to you that this is one such reasonable change in order to ensure that the dividing line between banking and commerce remain firm.

All of the people have told us about the dangers of mixing banking and commerce. From the Fed, Alan Greenspan says:

> Failure to close this loophole now would allow the conflicts inherent in banking and commerce combinations to further develop in our economy and complicate efforts to create a fair and level playing field for all financial service providers.

Secretary Rubin has echoed those comments, as has Paul Volcker and many other distinguished commentators.

Mr. President, I reserve the remainder of our time. How much time is remaining?

The PRESIDING OFFICER. Twelve minutes 26 seconds.

Mr. GRAMM. Mr. President, how much time do we have?

The PRESIDING OFFICER. You have 6 minutes 20 seconds.

Mr. GRAMM. Six minutes. I yield 2 minutes of it to the distinguished Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Mr. President, 2 minutes is all I will need.

In a perfect world, I would oppose the amendment with respect to the unitary thrift situation, but as the Senator from Texas has made clear, we do not live in a perfect theoretical world. We have existing institutions who have obligations to their shareholders and who have past history. However much I might like to see the past history be different, it is as it is.

Under those circumstances, I think we cannot penalize people who have gone forward on assurances from the Federal Government and say that those assurances will not now be honored just because we do not think they should have been given in the first place.

For that reason, Mr. President, I will be joining with the chairman of the committee and voting as he does on this issue.

I yield the floor.

Mr. GRAMM. Mr. President, as a courtesy to Senator JOHNSON, let me conclude my remarks, and then let him give the concluding remarks on the amendment.

First of all, we have had several references to the Asian crisis. I want to remind my colleagues that the Asian crisis was banking and government, not banking and commerce.

The second point is that Ford Motors, for example, at the strong urging of the Federal Home Loan Bank Board, put a billion dollars into Nationwide in the 1980s, and that billion dollars reduced the amount the taxpayer had to pay to guarantee those deposits by a billion dollars.

Here is the point. Nobody makes you go into some industry where your tax laws might be changed ex post facto. I am not for ex post facto laws, but we have passed them from time to time. But in this case, these thrifts were requested, asked, begged to make investments in the S&L industry for the benefit of the taxpayer and the insurance fund. I just want to read a couple of lines from some letters.

This is from the National Retail Federation:

> Seventy-nine failing thrifts were purchased and infused with $3 billion of new capital. Had these institutions undergone liquidation at taxpayers' expense, the cost would have been billions more. Capital from our industries looked pretty good at the time. We don't see what has changed.

They put up $3 billion to go into industries that let them be in retailing and in the S&L business, and now we are going to say to them, if you sell your holding company, you are going to have to tear up your business, drive down its value by 10 or 15 percent. They don't understand how we changed the rules of the game when they were asked to get into the business.

The National Association of Manufacturers wrote:

> Unitary thrifts were established in 1967 to attract private capital into the thrift industry during the thrift crisis. The National Association of Manufacturers' members responded, saving the taxpayer billions of dollars. Putative grandfathering of existing unitary thrifts serves only to eliminate competition and innovation.

I could read from the Home Builders, and others, but the bottom line is this: These companies have a case that they were urged to invest this money by the Government based on a set of rules. If we now come in and change the value of their companies on the equity market instantaneously by 10 or 20 percent, I believe there has been a taking, and I think most people would believe there has been a taking. As we all know, the Supreme Court has been increasingly willing in cases such as Lucas v. South Carolina and Dolan v. City to rule on takings, and to force the Federal Government to pay for it.

So if this amendment is adopted, I believe it would probably be prudent to have a second-degree amendment, which I hope would be agreed to, which would simply say that if there are court rulings that there has been a takings, we should raise the fees for the insurance fund to pay those costs, rather than letting those costs fall on the taxpayer.

Mr. President, I yield back the balance of my time.

Mr. JOHNSON addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. JOHNSON. Mr. President, I commend the chairman for his work on the

differential issue, which was originally a component of the Johnson-Thomas amendment. But we need to go further. It is an opportunity for this body to implement a financial services policy consistent with where both the banking and consumer organizations of the country want to go to implement policy that is agreed upon, in the agreed-upon direction that Mr. Greenspan and Mr. Rubin want to go. This is an opportunity that we cannot allow to be missed.

Mr. SARBANES. Will the Senator yield?

Mr. JOHNSON. Yes.

Mr. SARBANES. Mr. President, I commend the able Senator from South Dakota because the amendment, as he was going to originally propose it, included this closing of the unitary thrift company loophole but maintained the existing law on the differential payment by the S&L's and the banks. The chairman offered that and it was accepted earlier this morning. I think the fact that it was embraced—and I think the adoption of that amendment should be taken in the context of this amendment—reflects an effort to come up with a very balanced approach on the part of the able Senator from South Dakota.

Mr. JOHNSON. I thank the Senator. It would seem to me at this point there is no constitutional mandate that for some reason we must go down the road of mixing banking and commerce, that that is some of an irretrievable decision that is made and we are unable now to change that policy. This is an opportunity, I believe, to do what needs to be done in this legislation. One, to strike the provision of the bill which would, as it stands, permit commercial firms to acquire any of the 500 existing unitary thrift holding companies. And our amendment inserts a provision to allow existing unitary thrift holding companies to be transferred only to financial firms.

There are thousands of financial firms. The marketability of these unitary thrifts will remain high; there is no question about that. So I believe this is an amendment that is badly needed if this bill is going to ultimately be signed by the President. But it is also an amendment that is necessary for us to embark on what I think is a sensible and prudent fiscal policy, financial policy for this country. I ask support for the Johnson-Thomas amendment.

I yield back such time as I may have remaining.

Mr. GRAMM. Mr. President, I ask unanimous consent that following debate time on the pending amendment, it be temporarily set aside and the vote occur on or in relation to the Johnson amendment No. 309 at 3:45.

Let me also say, in fairness to Senator JOHNSON, why don't we have 5 minutes each at that point. We can probably do it a little faster. Would 3 minutes work for the Senator?

Mr. JOHNSON. Two or 3 minutes would be fine.

Mr. GRAMM. I ask that we have 3 minutes each prior to the vote to give each side an opportunity to restate the issue at that point.

Mr. SARBANES. If I could put a question to the chairman. There would be no intervening business between now and the vote on or in relation to the Johnson amendment, other than the debate time?

Mr. GRAMM. That's correct.

Mr. SARBANES. No intervening business with respect to this amendment?

Mr. GRAMM. Right. We are going to do a lot of other business, though.

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

Mr. GRAMM. Mr. President, I think we have come to the point where we are ready to begin debate on the question of whether or not banks should be able to provide broad financial services within the bank itself, or whether it should do so outside the bank. So let me request that Senator SHELBY and all those who wish to debate this issue come over. I am going to suggest the absence of a quorum for 15 minutes or so to give everybody an opportunity to come over.

I am hopeful that with a good outcome on this coming vote, we will be well on our way to passing this bill. I urge, again, anyone who has an amendment, Senator SARBANES and I are willing to look at them to see if we can take them, so please let us see that amendment.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBB. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. VOINOVICH). Without objection, it is so ordered.

Mr. ROBB. Mr. President, I ask unanimous consent I be permitted to speak in morning business.

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

(The remarks of Mr. ROBB pertaining to the introduction of S. 973 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. ROBB. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

Mr. LEVIN. Mr. President, I ask unanimous consent I be allowed to proceed in morning business for 5 minutes.

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

## VIOLENCE IN OUR SOCIETY

Mr. LEVIN. Mr. President, earlier this week I addressed the Economic Club of Detroit, one of the most influential groups of community leaders in my State. I expressed the depth of my continuing concern about the level of violence in our society, particularly youth violence. I committed myself to continue to speak out against the easy access to guns, especially by young people. I intend to comment on this subject every week in the Senate, when the Senate is in session, to highlight the need of our Nation to face this critical issue, to discuss the growing crisis fueled by weapons among our young people, and to urge action to meet our responsibility in the Senate to work towards solutions.

There is no one cause of youth violence. The causes are many. But among them there is one that cannot be ignored or denied, the easy access to deadly weapons for our young people. If we are honest with ourselves, we will admit it is too easy for children to get their hands on guns because we made it too easy to get guns, period; too easy to get guns that have nothing to do with the needs of hunters and sportsmen, guns that are too often used to kill people.

Yes, we have all heard the glib rhetoric of the NRA, that ''guns don't kill people, people kill people.'' This bumper-sticker logic obscures the real truth. People with guns kill people, and they do it some 35,000 times a year in this country. That is more deaths than we suffered in the 3-year-long Korean war. The number of times that handguns were used to commit murder is itself staggering, some 9,300 times in the United States in 1996. In that same year in Japan, a nation almost half our size, there were 15 murders with handguns—just 15 handgun murders for a country with half our population. There were 9,300 murders here in the United States.

We have every right as parents and as consumers to expect some responsibility from the entertainment industry. But I am told Japanese popular culture is even more violent than our own.

However severe this plague of gun violence is for society as a whole, for the young it is far worse. For young males, the firearm death rate is nearly twice that of all other diseases combined. A National Centers for Disease Control study found 2 of every 25 high school students reported having carried a gun in the previous 30 days. If those numbers were evenly distributed among communities and schools, that would

mean that in the average classroom, two students have carried guns at some time in the previous month.

These figures are shocking, but they are hardly secret. We have grown so accustomed to the carnage that guns cause in America that only the most horrific acts of violence are capable of shaking us from our slumber. As I told the Economic Club of Detroit, the question we have to ask ourselves in the wake of the Columbine High School tragedy is: Are we willing to say that enough is enough? And will we say it not just today but next week and next month and next year?

The NRA is betting we will not. They believe their brand of single-minded, single-issue politics can once again paralyze us from acting, once these images of death and pain in Colorado fade from view. They are going to go on telling their members that even the most measured gun control proposal is a thinly veiled attempt to take away their legitimate hunting weapons. It will not stop there. They will use that membership as a potent political tool to intimidate candidates for office. It is a sad fact that, thus far, too many Americans and too many American children and their parents live in fear of gun violence because too many of us in Washington live in fear of the political power of the lobbyists of the NRA.

I believe there is also a power when people unite to demand action—businesspeople, labor union people, parents, teachers, police officers, young people, the clergy. When I look at the kind of coalition that could be represented by groups like that, I see a potential power that could dwarf any narrow special interest. The question is not whether we are in the majority. The polls show that a large majority of Americans will support strong action to reduce access of minors to guns. The question is not whether we have the power. We do. The question is whether we are willing to act to make America a safer country. For starters, we must ban the possession and sale of handguns, semiautomatic weapons, by and to minors.

We paused in this Chamber to observe a moment of silence in honor of the victims of gun violence in Colorado. We observe these moments of silence to pay tribute to those who have died and to express our sympathy for their loved ones. But now, with this latest tribute behind us, we need to be anything but silent. Those of us who want to act to reduce the gun violence need to be louder and clearer and stronger and, yes, more persistent than the NRA.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The Senate continued with the consideration of the bill.

Mr. GRAMM. Mr. President, I ask unanimous consent that when Senator SHELBY offers an amendment related to operating subsidiaries there be 2 hours equally divided in the usual form prior to a motion to table, and that no amendments or other motions be in order to the amendment prior to the vote on tabling.

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

Mr. GRAMM. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DORGAN. Mr. President, I have sought recognition, because I intend to offer a couple of amendments to the pending legislation. I would like to discuss the underlying bill just a bit more, and then also offer the amendments and discuss the amendments.

I spoke earlier today about this legislation, which is called the Financial Services Modernization Act of 1999, and said then that I am probably part of a very small minority in this Chamber, but I feel very strongly that this is exactly the wrong bill at exactly the wrong time. It misses all the lessons of the past and, in my judgment, it creates definitions and moves in directions that will be counterproductive to our financial future.

What does this bill do? It would permit common ownership of banks, insurance, and securities companies, and to a significant degree commercial firms as well. It will permit bank holding companies, affiliates, and bank subsidiaries to engage in a smorgasbord of expanded financial activities, including insurance and securities underwriting, and merchant banking all under the same roof.

This bill will also, in my judgment, raise the likelihood of future massive taxpayer bailouts. It will fuel the consolidation and mergers in the banking and financial services industry at the expense of customers, farm businesses, family farmers, and others, and in some instances I think it inappropriately limits the ability of the banking and thrift institution regulators from monitoring activities between such institutions and their insurance or securities affiliates and subsidiaries raising significant safety and soundness consumer protection concerns.

This morning I described what is happening in the financial services sector by showing a chart of big bank mergers just in the last year. You couldn't help but to have picked up a daily paper at some point last year and read a headline about another bank deciding to combine or merge with another large bank.

April 6, Citicorp decided it was going to grab up Travelers Group and have a $698 billion combined asset corporation—not exactly a mom and pop, but two big very successful companies decide they want to get hitched.

NationsBank apparently fell in love with BankAmerica. Bank One decided it wanted to be related to First Chicago, and Wells Fargo likes NorWest. So we have merger after merger, buyout after buyout, and the big banks get bigger.

We already have a circumstance in this free market economy of ours in which you ought to have easy entry and easy exit into the marketplace and the right to make money and to lose money. We already have a circumstance in banking called ''too big to fail.'' If you are big enough, the ordinary market rules don't apply to you. You have the old Federal Reserve Board out there. And the Fed says we have a list of banks that are ''too big to fail,'' meaning they have become so big that if they were to fail and made some pretty dumb decisions, lose a lot of money, that their failure would be so catastrophic and such a shock to the economic system in this country that we couldn't possibly let that happen. So we have a list of banks at the Federal Reserve Board. That list says these banks are ''too big to fail''—no-fault capitalism. But the list is growing. That list of ''too big to fail'' banks in America is growing because the big banks are getting bigger, and this record-breaking orgy of mergers in our country moves now at an accelerated rate unabated.

In the context of all of this—it is not just with banks but all financial services companies—at a time when banks, investment banks, underwriters of securities, insurance, and others are showing very handsome profits in our country, we are told, ''You know, what is really wrong here with America is we need to modernize this system. The lack of modernization is hurting us. In fact, some U.S. banks are able to do things overseas they can't do here. What a shame. It is awful to hold them back,'' we are told. ''So let us modernize.''

In ranching parlance, this would be like if the horse gets out of the barn, you decide, ''Let's find out where the horse is and build a new barn around the horse.'' That is what this is all about. Where I grew up we raised

horses. When a horse got out of the barn, you know what we did. We went and chased the horse, caught the horse, and brought the horse back to the barn. That is not rocket science. I didn't have to take a lot of school courses to teach me that. You go bring the horse back.

But now, what they have decided is no. We will just decide, all right, the horses are out of the barn, and in the way things are supposed to work, in a manner that preserves safety and soundness of our banks, in a manner that preserves separation of certain kinds of activities—some that are inherently risky as opposed to those that require safety and soundness—things have happened. We are persuaded to get rid of all of the old rules, and we will rewrite them in a way that circumstances and activities have been happening in our country. We'll say those who have done it, OK, that is where you are, a new day, we will call it modernization. We will just say it is just fine. Well, it is not fine with me.

It is interesting that we live in 1999, now in the month of May, having experienced this remarkable economy. I am one who, with all of my colleagues, would say what a remarkable opportunity, to live in an economy that has virtually no inflation, has virtually full employment, seems to have economic growth that continues unabated, and whose stock market continues to set new records—23 days, another 1,000 points. You get the feeling, gee, the stock market is like one of those slot machines that pays off every time you pull the handle. Every time you put a quarter in you get a return back beyond what you put in.

There are people who have begun to invest in this economy of ours through mutual funds, and in the markets and so on who apparently believe there is only one direction for our economy and only one direction for our markets, and that is up, and single digit returns are not sufficient. Returns are now expected of 15, 20, 25, 30 percent a year. Of course, that will not continue.

We want a country with the twin economic goals of stable prices, full employment, and economic opportunity and growth. But we have been through periods in this country where when you sit down and add things up somehow the answer doesn't seem correct. This isn't all going to continue. One day in one way there will be adjustments. Companies selling 300 and 400 times earnings, we think that is going to continue? I don't think so.

What has happened in recent years in this country, despite all of the good news, is a series of economic activities by firms that 20 and 40 years ago would never have thought of engaging in those activities, and those activities which really represent kind of a new form of gambling by firms that should not be involved in gambling represents now an acceptable kind of behavior.

Let me give you some examples of some of it. I started this morning. But I am going to read a bit more, because I think it is important for everybody to understand and hear this.

I mentioned ''too big to fail''—big banks that have become so big that our Government says they can't be allowed to fail. Of course, we continue then every day to see more mergers to allow more banks to join that ''too big to fail'' list.

It is not just the banks. I want to read the story again of Long Term Capital Management in an article from the Wall Street Journal last fall, because I think it is illustrative of not just what is happening at this moment in this chapter of our history but also what happened in 1994 with the massive losses across our country in derivatives described in this Fortune article, ''The Risk That Won't Go Away,'' ''Financial derivatives tightening their grip on the world economy, and no one knows how to control them.''

Derivatives, unregulated hedge funds, banks, holding companies that now fuse and merge, banks underwriting securities, insurance—is all of that a cause for concern?

Let me read a couple of things and see whether perhaps this can be interpreted in a manner differently than those who have drafted the current legislation.

It is not a secret that I have said I think this current bill, the underlying bill, financial modernization for 1999, is a terrible bill. I don't mean disrespect to either the chairman of the committee or the ranking member of the committee. I don't mean any disrespect to them.

This is moving this country in the wrong direction. This is terrible legislation to be considering at this point.

Long Term Capital Management is a private company; big investors, all rich. You have to be rich to invest in Long Term Capital Management. You have to be smart. A smart operator with lots of money formed a private company called Long Term Capital Management and began betting. I will describe the bets in a moment.

It was Aug. 21, [last year] a sultry Friday, and nearly half the partners at Long-Term Capital Management LP were out of the office.

Inside, the associates that day logged on to their computer and they saw something that began to strike some fear in their hearts:

U.S. Treasuries were skyrocketing, throwing their relationship to other securities out of whack. The Dow Jones Industrial Average was swooning—by noon, down 283 points. The European bond market was in shambles. LTCM's [Long-Term Capital Management, this hedge firm, their] bets were blowing up, and no one could do anything about it.

By 11 a.m. [in the morning] the fund had lost $150 million in a wager [they made] on the prices of two telecommunication stocks engaged in a takeover. Then, a single bet tied to the U.S. bond market lost $100 million. Another $100 million evaporated [the next hour] in a similar trade in Britain. By day's end [this private hedge company] LTCM had hemorrhaged half a billion dollars. Its equity had sunk to $3.1 billion—down a third for the year.

This is the Wall Street Journal's recount of the story:

Partners scrambled out of their offices and onto the trading floor as associates stared at their screens in disbelief. Making frantic phone calls around the globe, they reached John Meriwether, the fund's founder, at a dinner in Beijing. He boarded the next plane to the U.S. Eric Rosenfeld, a top lieutenant, called in from Sun Valley, Idaho, where he was settling in for a vacation. He left his wife and children behind and made an all-night trip back to Greenwich.

Then the brass assembled the next morning. It is 7 o'clock now, 7 a.m. on Sunday.

One after another, LTCM's partners, calling in from Tokyo and London, reported that their market had dried up. There were no buyers, no sellers. It was all but impossible to maneuver out of large trading bets [that they had.] They had seen nothing like it.

The carnage that weekend set off events unprecedented in the world of high finance, culminating with a $3.625 billion bailout funded by a consortium of 14 Wall Street banks and engineered by the Federal Reserve [Board.] LTCM lost more than 90 percent of its assets by the time it was bailed out, and the markets were roiled for weeks. Longer term, it forced many of the world's most sophisticated institutional investors to redefine the ways they manage risk and triggered calls for tougher regulation of hedge funds, those freewheeling investment pools that cater to the wealthy.

Here is a company that lost $3.6 billion. What happened? It gets bailed out in a consortium of banks investing at the behest of the Federal Reserve Board at meetings arranged by the Federal Reserve Board.

We will hear a bit more about this case because it relates to an amendment I will be offering.

In an industry populated by sharp money managers, LTCM had the most renowned of all—including Nobel Prize winners Robert Merton and Myron Scholes. But in the end, it wasn't all rocket science. It was about smart marketing-appealing to a wealthy clientele who wanted to be able to say their money was being managed by a passel of Ph.D.s. And it was about massive borrowing, up to $50 for every dollar invested. Long-Term Capital Management was, ultimately, like a supermarket—a high-volume, low-margin business, trying to eke out small profits from thousands of individual transactions.

''Myron once told me they are sucking up nickels from all over the world,'' says Merton Miller, a University of Chicago business professor and himself a Nobel Prize winner in economics.

Continuing the quote:

''But because they are so leveraged, that amounts to a lot of money.''

All of which helps to explain how so many geniuses, sometimes overcoming divisions within their ranks, got it so wrong. And all the while, vanity, greed and a cult of personality blinded some of the world's most reputable financial institutions, from Wall

Street stalwarts to Swiss banks, to the pitfalls inherent in such a strategy.

The reason I offer this is to say we are now talking today on the floor of the Senate about a strategy that says we want to ignore the lessons of history. We want to ignore the fact that in the go-go 1920s, everybody was making money at about everything, and banks decided to fuse their activities and be involved not just in banking, but also in underwriting securities and a range of other very risky enterprises. We are going to ignore those lessons we learned during that period.

When studies were done to determine what happened in the 1920s, one of the things they discovered was what you expect. If you have something called banks whose perception of safety and soundness is at the root of their stability and viability, when banks are fusing their activities with inherently risky activities—underwriting securities, for example—ultimately those kinds of risks, those bets that exist, overcome the perception and the reality of safety and soundness, and people begin getting worried and nervous and pulling their money out of banks and we have bank failures.

So the Congress in the 1930s passed a bill called Glass-Steagall which said: Learn the lessons; my gosh, let us not put activities together with banks that are so inherently risky. We should separate them forever.

So we did. And we prohibited certain kinds of investment and acquisition by banks and required that certain enterprises do business and compete in their own sphere. Banks were prohibited from being involved in most of the securities issues, underwriting securities and insurance and more.

Over the years that served this country pretty well. Banks have made the case in recent years—and they are right about this—everybody else has wanted to invade their territory. Everybody now wants to be a bank. If you are selling cars, you want to finance the cars; you want to be a bank. Everybody wants to create some sort of homogenized one-stop station where people can buy their insurance, buy their home, finance it. So banks say people are intruding on their turf and the only conceivable way we can compete is if we can compete on their turf as well. They want Glass-Steagall repealed.

Guess what? Here it is. The bill that sits on the floor of the Senate today repeals Glass-Steagall. It forgets apparently 60 or 70 years of history. It will all be all right. Don't you see, the economy is growing, unemployment is down, inflation is down, the stock market is up. Don't you understand, Senator DORGAN?

I guess not. Maybe I am hopelessly old fashioned. I think it is a fundamental mistake to decide to repeal Glass-Steagall and allow banks and all of the other financial industries to merge into a giant smorgasbord of financial services. Those who were around to vote to bail out the failed savings and loan industry, $500 billion of the taxpayers' money, are they going to want to be around 10 or 15 years from now when we see bailouts of hedge funds putting banks at risk? Or how about the banks not just bailing out a hedge fund but banks having the ownership of the hedge funds?

That is what we have now. This bailout of Long Term Capital Management says we have significant investments by some of the largest banks in these hedge funds.

Or how about derivatives? I am not an expert in this area, but I wonder how many Members of this body know about derivatives. How many know that banks in this country are trading in derivatives—not for customers, but in their own proprietary accounts? They could just as well set up a bingo parlor in their lobby. They could just as well decide to have a casino somewhere in their lobby. The kind of betting and wagering that is going on in proprietary trading of derivatives in an institution whose assets are guaranteed by the taxpayers of this country is just wrong. Someday somebody is going to wake up and say: Why didn't we understand that? Why didn't we understand the consequences of hundreds of billions of dollars or, yes, even trillions of dollars of wagers out there with deposits at risk? Why didn't we understand that did not make any sense?

I wrote an article about this in 1994 that was published in the Washington Monthly. At that point there were $35 trillion in derivatives being traded. Now it is $70 trillion. It is hard for me to even say the number; $70 trillion in derivatives. Does anybody here know the exposure that exists in the largest banks of proprietary trading on derivatives? I will bet not. Does anybody understand what this bill does in these areas? It says: Hedge funds, we don't want to manage those; let them go, let them do what they will. How about derivatives? It doesn't do anything.

This is a GAO report from May, 1994. It is 5 years ago: ''Financial Derivatives, Actions Needed To Protect The Financial System.'' That report has been available for 5 years to all of the Members of Congress. If this legislation really was a modernization bill for financial institutions, you would have a solution to this issue in it. It would include my amendment that says no institution whose deposits are guaranteed by the American taxpayer will trade derivatives in their proprietary accounts—none of them. We will not allow gambling in the bank lobby. But of course the bill does not have that, so I will offer the amendment and it will be defeated because it is not in vogue, it is not in fashion. This bill moves in the other direction. It says, not only are things not wrong, don't be alarmed by hedge funds and derivatives; it says, let's just do more of what we have been doing that has caused some of this alarm.

As I mentioned, the piece of legislation before us repeals provisions of the Glass-Steagall Act that restrict the ability of banks and security underwriters to affiliate with one another. The bill repeals provisions in the Bank Holding Company Act by allowing a new category of financial holding company. This structure allows for a wide range of financial services to be affiliated, including commercial banking, securities underwriting, and merchant banking. And the new financial holding companies, by the way, may engage in the following: Lending and other traditional banking activities, insurance underwriting and agency activities, provide financial investment and economic advisory services, issue instruments representing interests in pooling of assets that a bank may own directly, securities underwriting and dealing, and mutual fund distribution, merchant banking. I think most listening to me understand my concern and deep reservations about the direction we are heading.

What about timing? This bill almost came to the floor of the Senate last year. I was one of those who objected, and as a result the legislation was not enacted. In fact, some of the folks who bring it to the floor today also objected because of some other issues. But it is now on the floor. It is in a different form than was passed out by the committee last year. But what about timing? It seems to me the past experiences we have had with banking and financial conglomerates in this country in this century, whose collapse has led to the adoption of the very financial protection laws they seek to repeal today, ought to be a cautionary note to those of us in Congress and to the American people. It seems to me the recent experiences we had with a nearly $500-billion bailout of a collapsed savings and loan industry ought to have some consequences, at least in terms of awareness of those in Congress who had to go through that experience.

It seems to me the question marks that hang over the international marketplace and the international economy ought to give pause to some—a very difficult collapsed economy in some parts of Asia, a Russian economy that has virtually collapsed, economic problems in other parts of the world, a description in the country of Japan of the keiretsu—the circumstances in a market system in Japan where a keiretsu allows the combining of virtually all economic activities into four or five firms that work together as partners to accomplish ends; you put the bank and the manufacturer all together.

What has happened as a result of that Japanese experience? Would we want to trade our economy for the Japanese economy? I don't think so. One would think that would give some folks pause.

Or how about the red flags that ought to have been flying for all of us with respect to the regulators' recent experiences dealing with excessive risk-taking in our system? Does it give anybody pause that on a Sunday night some of the smartest folks, the folks who were viewed as geniuses in New York, who put together this hedge fund, they had to be bailed out by the Federal Reserve Board running some folks across the street to convene an emergency meeting and then sitting there, apparently convening a group in which substantial numbers of large banks ante up billions of dollars to bail out a private firm? Is that a red flag for anybody? It suggests a conflict of interest for the Federal Reserve Board, of course, because they regulate the very banks that were incentivized to ante up money to bail out a private firm in order to avoid some sort of economic catastrophe, an economic catastrophe for the country. That is why the Fed was involved—because this private firm, too, was too big to fail. Does that raise any red flags with anybody? It does with me.

Or we are told, if we do not do this, it is going to be a disadvantage. To whom? Are the banks doing well in this country? You are darned right they are doing well, making lots of money. Security underwriting firms, merchant banking firms, are we doing well? America's corporations, are they doing well? Sure. Look at the stock market. Look at the profit reports. When we pass this bill, everybody in this Chamber knows what is going to happen. The first thing that is going to happen is, we are going to have more and more and more mergers because this turns on the green light at the intersection. It says if you all want to get together and just get into one big financial swamp here and have a smorgasbord of financial services, then buy each other up, that's just fine. This orgy of mergers we have already seen will simply accelerate. Will that be good for this country? Of course not.

Those who preach the loudest about the free market system do the least to protect it. I guarantee it is true. It has been true ever since I came to the Congress. Those who bellow the loudest about the free market do the very least in this country to protect it. We are going to have a fight a little later this year about antitrust enforcement. One way to be sure the free market remains free, open to fair, competitive competition, is to make sure you enforce your antitrust laws against cartels and monopolies. Interestingly enough, those, again, who talk a lot about the free market are the least likely to be supportive of aggressive antitrust enforcement, to make sure the market is free, open, and competitive.

This is a highly complicated issue. I know there are big stakes all around. We have the biggest economic interests in the country working very hard to see their interests are served versus other interests.

I understand all that, and I understand my view is not the prevailing view. George Gobel once said: ''Did you ever think the world was a tuxedo and you were a pair of brown shoes?'' I feel like George Gobel on this issue.

I understand this bill is on the floor, and it is going to get passed by the Congress. People do not want to entertain this notion, that, gee, there might be some inherent risk out here. This is a case, as I said earlier, of deciding this is where the industry has decided it wants to go, so let's go ahead and put a lodge up so we can accommodate all their interests and where they want to be.

We have been through this before. Where they want to be is not necessarily where this country ought to have them. This country ought to be concerned about safety and soundness of its financial institutions first and foremost. That does not fit—it has never fit—with the understanding that you can merge the interests of banks and other financial and economic activities that are risky.

When you put things together that require safety and soundness with enterprises that have an inherent high risk, you are begging for trouble, and this country will get it. Our banks say to us, ''Well, others have done it; you can do it in other countries.'' Do you want to trade our economy for any other country at the moment? I don't think so. What they are doing in other countries is not the litmus test for what we decide as Americans to do to strengthen our economy, and this bill, in my judgment, if passed, will represent a giant step backward for our economy.

Let me ask one additional question. With all of the debate that I have heard since this legislation came to the floor of the Senate, do you know I have not heard anything about whether or why or if this bill is good for people. Nothing. I wonder if anybody can describe one single thing in this legislation that will be helpful to ordinary folks?

This morning, I talked about the fact we have banks and credit card companies that are saying to their customers these days—it is 1999, so things have changed. I wonder what my grandmother would think if she heard me say there are banks and credit card companies saying to customers: If you pay off your bill every month, we are going to penalize you.

Isn't that Byzantine—we are going to penalize you for paying off your bill. In the old days, you got penalized for not paying your bill. No, the way you make money is for people to carry over a balance and charge a high interest rate. People who use a credit card to purchase every month and pay the full bill off every month are not very good customers; credit card companies do not want those folks around.

I read some examples this morning of companies that say, ''Well, you people, if you're going to pay off your bill like that, shame on you, we're going to charge you a service charge.''

Shame on them. What has financial service come to with this sort of behavior?

Another point. We have a circumstance in this country where —we are going to have a bankruptcy bill later this year, and we will have this discussion later—credit cards, of course, are distributed to everybody in America. I have a 12-year-old son. His name is Brendon. He is a great young guy, a wonderful baseball player. He is a great soccer player. He is a good student. For his benefit, I should say a great student, but he is a good student.

I can describe how wonderful he is in a thousand different ways, but he is only 12. He received a letter in the mail one day from the Diners Club. The Diners Club said: Brendon Dorgan, we want to send you a preapproved Diners Club credit card. So my 12-year-old son appreciates Diners Club. I am sure he has an appetite to spend money. I see it from time to time. It is normally not on big purchases. Normally it is something sweet or something that fizzes at the 7–Eleven, but my son does not need a Diners Club card.

Why would a 12-year-old get a Diners Club card? Why would Diners Club send my son a card? Because they send everybody a card. I assume it was a mistake, he got on the wrong list someplace. They send cards to college kids who have no income and no jobs and say, here is a preapproved bunch of credit for you; here is a card. It is just like a check. You go spend the money. We don't care you don't have a job. We don't care you don't have an income. Here is our card. Take it, please.

That is what is going on in our country today—penalizing people for paying their bills, sending credit cards to 12-year-old kids, sending credit cards to people who have no income or no job. Why, my grandmother would be mortified to think that is the ethic we think makes sense in this kind of an economy.

We cannot correct all of that in this discussion, but we can correct a couple things. I described not my son's credit card solicitation; I described derivatives traded on proprietary accounts in banks. I described potential regulation of risky hedge funds. Those are two big issues and very complicated issues. We can correct that.

I intend to offer two amendments. I will send the first amendment to the

desk and then ask that it be set aside by consent, and then I will send to the desk the second one and describe it. The committee chairman and ranking member will then proceed with the bill. They have other amendments I know they are going to have to consider today. I know they want to move ahead and finish whatever business they have with this legislation.

My hope of hopes is enough Members of the Senate will take a look at this bill in final form and say this is a terrible bill, a terrible idea coming at a terrible time, and enough Members would vote against it to say: This is not modernization, this is a huge step back in time, and a huge pit in which we have lost the lessons that we learned earlier in this century. I do not have great hope that will happen, but, who knows, lightening strikes and perhaps at the end of this day, Members of the Senate will say: You know, this wasn't such a good idea after all.

AMENDMENT NO. 312

(Purpose: To prohibit insured depository institutions and credit unions from engaging in certain activities involving derivative financial instruments)

Mr. DORGAN. Mr. President, the first amendment that I send to the desk is an amendment dealing with derivatives. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative assistant read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 312.

Mr. DORGAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

**SEC. ___. LIMITATION ON DERIVATIVES ACTIVITIES.**

(a) INSURED DEPOSITORY INSTITUTIONS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

**"SEC. 45. DERIVATIVE INSTRUMENTS.**

''(a) DERIVATIVES ACTIVITIES.—

''(1) GENERAL PROHIBITION.—Except as provided in paragraph (2), neither an insured depository institution, nor any affiliate thereof, may purchase, sell, or engage in any transaction involving a derivative financial instrument for the account of that institution or affiliate.

''(2) EXCEPTIONS.—

''(A) HEDGING TRANSACTIONS.—An insured depository institution may purchase, sell, or engage in hedging transactions to the extent that such activities are approved by rule, regulation, or order of the appropriate Federal banking agency issued in accordance with paragraph (3).

''(B) SEPARATELY CAPITALIZED AFFILIATE.—A separately capitalized affiliate of an insured depository institution that is not itself an insured depository institution may purchase, sell, or engage in a transaction involving a derivative financial instrument if such affiliate complies with all rules, regulations, or orders of the appropriate Federal banking agency issued in accordance with paragraph (3).

''(C) DE MINIMIS INTERESTS.—An insured depository institution may purchase, sell, or engage in transactions involving de minimis interests in derivative financial instruments for the account of that institution to the extent that such activity is defined and approved by rule, regulation, or order of the appropriate Federal banking agency issued in accordance with paragraph (3).

''(D) EXISTING INTERESTS.—During the 3-month period beginning on the date of enactment of this section, nothing in this section shall be construed—

''(i) as affecting an interest of an insured depository institution in any derivative financial instrument that existed on the date of enactment of this section; or

''(ii) as restricting the ability of the institution to acquire reasonably related interests in other derivative financial instruments for the purpose of resolving or terminating an interest of the institution in any derivative financial instrument that existed on the date of enactment of this section.

''(3) ISSUANCE OF RULES, REGULATIONS, AND ORDERS.—The appropriate Federal banking agency shall issue appropriate rules, regulations, and orders governing the exceptions provided for in paragraph (2), including—

''(A) appropriate public notice requirements;

''(B) a requirement that any affiliate described in paragraph (2)(B) shall clearly and conspicuously notify the public that none of the assets of the affiliate, nor the risk of loss associated with the transaction involving a derivative financial instrument, are insured under Federal law or otherwise guaranteed by the Federal Government or the parent company of the affiliate; and

''(C) any other requirements that the appropriate Federal banking agency considers to be appropriate.

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

''(1) the term 'derivative financial instrument' means—

''(A) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as defined in section 11(e)(8)); and

''(B) any other instrument that an appropriate Federal banking agency determines, by regulation or order, to be a derivative financial instrument for purposes of this section; and

''(2) the term 'hedging transaction' means any transaction involving a derivative financial instrument if—

''(A) such transaction is entered into in the normal course of the institution's business primarily—

''(i) to reduce risk of price change or currency fluctuations with respect to property that is held or to be held by the institution; or

''(ii) to reduce risk of interest rate or price changes or currency fluctuations with respect to loans or other investments made or to be made, or obligations incurred or to be incurred, by the institution; and

''(B) before the close of the day on which such transaction was entered into (or such earlier time as the appropriate Federal banking agency may prescribe by regulation), the institution clearly identifies such transaction as a hedging transaction.''.

(b) INSURED CREDIT UNIONS.—Title II of the Federal Credit Union Act (12 U.S.C. 1781 et seq.) is amended by adding at the end the following new section:

**"SEC. 215. DERIVATIVE INSTRUMENTS.**

''(a) DERIVATIVE ACTIVITIES.—Except as provided in subsection (b), neither an insured credit union, nor any affiliate thereof, may purchase, sell, or engage in any transaction involving a derivative financial instrument.

''(b) APPLICABILITY OF SECTION 45 OF THE FEDERAL DEPOSIT INSURANCE ACT.—Section 45 of the Federal Deposit Insurance Act shall apply with respect to insured credit unions and affiliates thereof and to the Board in the same manner that such section applies to insured depository institutions and affiliates thereof (as those terms are defined in section 3 of that Act) and shall be enforceable by the Board with respect to insured credit unions and affiliates under this Act.

''(c) DERIVATIVE FINANCIAL INSTRUMENT.—For purposes of this section, the term 'derivative financial instrument' means—

''(1) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as such term is defined in section 207(c)(8)(D)); and

''(2) any other instrument that the Board determines, by regulation or order, to be a derivative financial instrument for purposes of this section.''.

(c) BANK HOLDING COMPANIES.—Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended by adding at the end the following new subsection:

''(h) DERIVATIVES ACTIVITIES.—

''(1) IN GENERAL.—A subsidiary of a bank holding company may purchase, sell, or engage in any transaction involving a derivative financial instrument for the account of that subsidiary if that subsidiary—

''(A) is not an insured depository institution or a subsidiary of an insured depository institution; and

''(B) is separately capitalized from any affiliated insured depository institution.

''(2) APPLICABILITY OF SECTION 45 OF THE FEDERAL DEPOSIT INSURANCE ACT.—Section 45 of the Federal Deposit Insurance Act shall apply with respect to bank holding companies and the Board in the same manner that section applies to an insured depository institution (as such term is defined in section 3 of that Act) and shall be enforceable by the Board with respect to bank holding companies under this Act.

''(3) DERIVATIVE FINANCIAL INSTRUMENT.—For purposes of this subsection, the term 'derivative financial instrument' means—

''(A) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as such term is defined in section 207(c)(8)(D)); and

''(B) any other instrument that the Board determines, by regulation or order, to be a derivative financial instrument for purposes of this subsection.''.

Mr. DORGAN. Mr. President, I will not explain this in great detail, except to say, as I described in my earlier remarks, my intention is to say it is inconsistent with the obligations and our expectations of institutions whose deposits are insured by depository insurance and, in fact, guaranteed by the American taxpayer for them to be trading in derivatives on their own proprietary accounts.

I understand banks being a conduit for the trading of derivatives for customers, but for banks in their own proprietary accounts to be taking the kinds of risks that exist in derivatives I think exposes all taxpayers in this country who are the guarantors of that deposit insurance to those kinds of risks. They may just as well put some kind of a slot machine in the lobby of a bank if they are going to trade in derivatives on their own account.

I say to the people who own the capital in these banks, if you want to gamble, go to Las Vegas. If you want to trade in derivatives, God bless you. Do it with your own money. Do not do it through the deposits that are guaranteed by the American people and by deposit insurance. My amendment prohibits the trading of derivatives on their proprietary account.

I ask unanimous consent that the amendment be set aside.

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

AMENDMENT NO. 313

(Purpose: To subject certain hedge funds to the requirements of the Investment Company Act of 1940)

Mr. DORGAN. Mr. President, I send a second amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative assistant read as follows:

The Senator from North Dakota [Mr. DORGAN] proposes an amendment numbered 313.

Mr. DORGAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of title III, insert the following:

**SEC. 312. TREATMENT OF LARGE HEDGE FUNDS UNDER INVESTMENT COMPANY ACT OF 1940.**

Section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)) is amended—

(1) in paragraph (1), in the first sentence, by inserting '', which has total assets of less than $1,000,000,000, and'' after ''hundred persons''; and

(2) in paragraph (7), in the first sentence, by inserting ''which has total assets of less than $1,000,000,000,'' after ''qualified purchasers,''.

Mr. DORGAN. Mr. President, I want to tell a story as I describe this amendment. About 10 years ago, I was serving in the House of Representatives on the Ways and Means Committee. Ten years ago, as you might recall, in this country we had the marketing of junk bonds; that is, noninvestment grade bonds by Drexel Burnham and Michael Milken. Junk bonds were used increasingly for hostile takeovers. It was a go-go economy. They held conferences and talked about how you could turn a minnow into a whale and arm a minnow with junk bonds and they will go and bite the tail off the whale. You had little companies buying big companies. It was a remarkable thing to see.

One of the things that occurred to me was how unhealthy and unholy it was in this country that junk bond sellers were parking junk bonds with savings and loans. Our savings and loans, whose deposits were insured by the Federal Government, were then ending up with junk bonds, noninvestment-grade bonds, in their portfolios, so that if the enterprise went belly up, the American taxpayers would end up paying the bill.

Let me give you the creme de la creme, the hood ornament on the excess. The hood ornament was that we had one of biggest casinos in the country built in Atlantic City, glitzy and big. Junk bonds were for the casino, noninvestment-grade bonds. With junk bonds they build the casino. The junk bonds get parked with the savings and loan. The savings and loan goes belly up. Guess who ends up with the junk bonds that are nonperforming and a big casino. The American taxpayer. The U.S. Government and the American taxpayer end up holding junk bonds that are nonperforming junk bonds in a casino.

How did that happen? Because it was all right according to our regulators, and all right according to law, for our savings and loans to go out and buy junk bonds and load up. One California S&L had, I think, nearly 60 percent of its assets involved in junk bonds.

So I got an amendment passed. It is now law. Some people have never forgiven me for it, because I got an amendment passed that said savings and loans—that is, those whose deposits are insured by the Federal Government—cannot purchase junk bonds and must divest those they have.

I had a devil of a time getting it passed, just an awful time. I got it passed. It became law and caused all kinds of chaos for those who were parking all these bonds at S&Ls, playing the financial roulette game they were playing. It was the right thing to have done for the taxpayers of this.

I mention that only because financial institutions will do what they must and will do what they can under the rules as long as we are looking the other way. I am not saying they are all irresponsible. I am saying they are all going to try to pursue the largest rate of return they can possibly pursue, especially if you have the deposits underwritten. Those institutions are going to take advantage of these opportunities. It was true in the 1980s; it will be true in the next decade as well.

The lesson with respect to junk bonds, the lesson with respect to derivatives and hedge funds, is that we have to be vigilant. Did the bank regulators jump on this and deal with it? No. In fact, the Secretary of the Treasury would come to the Ways and Means Committee. I would say: Mr. Secretary, we have a crisis going on here. What on earth are you doing? Sitting on your hands? Oh, no, Congressman DORGAN, there isn't a crisis at all; there's no problem. There is no problem here at all.

Well, the problem turned out to be hundreds of billions of dollars for the American taxpayer, because those who were supposed to be involved in regulation looked the other way.

As we pass this piece of legislation today, we would do ourselves a favor, I think, passing an amendment that would prohibit proprietary trading in derivatives by banks and also passing the amendment I just sent to the desk that would provide regulation for risky hedge funds that have at least $1 billion or more in assets. It is a handful of hedge funds, perhaps fewer than 50. They have aggressive leverage. It seems to me that while I would like to be more aggressive in the regulation of hedge funds, at least this should be a start in dealing with this issue.

Mr. President, I will not offer a third amendment. I will offer only these two amendments. I believe that the legislation is inappropriate at this time, and I intend to vote against the legislation on final passage. As I have said on a couple occasions this afternoon, I think this is a giant step backward. I think it is exactly the wrong direction for our country. I think it does nothing for ordinary people, does not address any of the issues. It is something that will make a number of the largest enterprises in this country that are already making substantial profits very, very happy. I guarantee every Member of this body that if this legislation is passed, when you wake up day after day, week after week, and month after month, you will read the news of more and more and more mergers and greater concentration.

Then don't you come to the floor of the Senate and talk to me about competition and don't you come to the floor of the Senate and started preaching about free markets. The opportunity to respond to real competition and free markets, in my judgment, is, by turning this legislation down, enforcing strong antitrust enforcement, and being thoughtful about the things we have to do in the future to preserve the safety and soundness of our banks and, yes, to encourage investment and encourage economic activity in other sectors of our economy.

Let me conclude by saying I am not someone who thinks that big firms are bad. I don't believe that at all. Nobody is going to build a 757 jet airplane in the garage in Regent, ND. Economies of scale are important. Some of the largest enterprises in our country have contributed mightily to this country and its economy. But I also believe that what contributes most to this country is good old-fashioned healthy competition, broad-based economic ownership. I know it is a timeworn and, some consider, old-fashioned Jeffersonian notion of democracy that

broad-based economic ownership is what eventually guarantees economic freedom and what eventually underscores and guarantees political freedom as well. That is something that is very important to this country's future.

We do not advance in that direction by passing legislation that will further concentrate and further provide inducements for more mergers and bigger, more concentration and bigger companies. That will not advance this country's interests.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRAMM. Mr. President, our current blueprint is that we are going to vote on the unitary thrift amendment at 3:45. Each side will have 3 minutes to speak on that issue. I will ask Senator GORTON to speak on behalf of the majority.

At the conclusion of that vote, the Shelby amendment will be considered. That is the amendment which would allow banks to provide broad financial services within the structure of the bank rather than through the holding company. We have agreed to a 2-hour debate on that amendment. If we were on that amendment, say, at 10 after 4, we would be through with that amendment at 10 after 6.

I do not know of another major amendment. I urge my colleagues who have amendments, since we have a lot of Members hoping not to be here tomorrow—Members walking by do not object to that, I assume—who would like to catch a flight back to their States at a reasonable hour, if they could, not to convenience me or to convenience my colleague, Senator SARBANES, but to convenience all 100 Members of the Senate, I urge Senators who have amendments to come to the floor and present them. Please don't show up at 6:10 and say, oh, by the way, I just had an idea last night while I was having dessert that I would like to redo the whole banking system of the United States of America and I would like to change the number of people on the Federal Reserve Bank board and I talked to the newspaperman today and he thought it was a great idea.

If you have an amendment, I hope you will come and let us look at it and talk about it. Hopefully, we can take some of these amendments and save time. I urge my colleagues, for the convenience of all of our Members, if you have amendments, to come down here before 4 and let us talk about them.

Please don't show up when the Shelby amendment is finished at 6:10 and say I have all these ideas and I want to deal with them.

I thank my colleagues in advance for their cooperation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRAMM. Mr. President, I ask unanimous consent that the pending unanimous-consent agreement that we are operating under be temporarily set aside so that Senator SCHUMER can offer an amendment. If I understand the amendment correctly, I intend to accept it, and I assume Senator SARBANES will accept it. I think it is important to go ahead and get that amendment out of the way. Whenever he is ready, I wanted to be sure that we were in a position that he could be recognized without undoing any of the agreements on the vote at 3:45, or the unanimous-consent request on the Shelby amendment, starting whenever that vote is finished.

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

Mr. GRAMM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FITZGERALD). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

## VISIT WILD AND WONDERFUL WEST VIRGINIA

Mr. BYRD. Mr. President, May 2–8 is National Tourism Week, and I would like to take a few minutes to encourage anyone planning their summer vacation—and this is the time; this is the time to plan the summer vacation. Let me tell you where the place is. This is the place: West Virginia. Anybody who is planning the summer vacation—or looking farther ahead to next year's winter vacation—should consider my favorite destination: West Virginia.

I have been in Rome. I have traveled to Agra. I have seen the Taj Mahal. I have walked in the shadows of the pyramids. I have seen the Pantheon and the Parthenon. I have met with great leaders all over the world, face to face, such as the late President Sadat and Generalissimo Chiang Kai-Shek. I joined with the Generalissimo and the madam on their birthday up at Sun Moon Lake many years ago. But let me tell you, after having been to these four points of the compass, my favorite destination is still West Virginia. And I have visited Texas, may I say to my friend, the senior Senator from the Lone Star State. I made 26 speeches in the Bible Belt of Texas in 1960. I traveled over the northeastern part of Texas making speeches—26 in 3 days. I even took my fiddle with me and played a few tunes. Anyhow, there is just nothing like West Virginia. That is my favorite destination.

Within an easy drive of much of the Nation, West Virginia offers one delight after another, whether for families, adventurers, romantic couples, or groups.

If you are interested in history, may I say to my Senate colleagues, West Virginia has plenty, from delicate millennia-old fern and trilobite fossils embedded in her coal seams and rock outcroppings to the monumental burial mounds of the mysterious Adena people that date back to 1000 B.C. And I can tell you about history that goes much farther back than that.

Frontier forts that mark West Virginia's time at the leading edge of American expansion are scattered across the State, and are populated with costumed, re-enactors who can weave fascinating true stories of the sometimes harrowing escapades experienced by our Nation's early settlers. Point Pleasant, WV, marks the site of the first land battle of the Revolutionary War. Numerous Civil War battlefields abound from West Virginia's tumultuous birth as a State, none more famous than Harper's Ferry, where in 1859 abolitionist John Brown led a raid on the U.S. arsenal, sparking a chain of events leading to that epic struggle.

Industries that sparked a different kind of revolution still operate in West Virginia, from the steel mill in Weirton, WV, where we have the largest ESOP in the world—that is, Employee-Stock Option Plan—to the coal mines in southern West Virginia. In Beckley, you can visit a coal mine and see firsthand the danger and effort involved in extracting the compressed energy that still provides almost half of the Nation's electricity. And those who love classic locomotives would feel at home there, as several steam excursions offer the opportunity to chug behind a puffing engine as it clicketyclacks through scenes of pastoral harmony.

West Virginia's history sings through the music festivals scheduled across the state throughout the year, ranging from classical to country, bluegrass to jazz. History also comes to life in the fine crafts produced in small village potteries and quilting bees as well as by storied West Virginia glass makers whose wares have been presented to presidents and foreign heads of state. And history continues to be made by her artisans, musicians, and writers, many of whom are accessible at craft

and music festivals, or through factory tours.

West Virginia is not just for lovers of history, however. It is also for lovers of fun. The state boasts a great array of state parks with lodges and cabins perfect for family entertainment. All these one can see in West Virginia. At these public parks, as well as at many privately-owned facilities, activities can be found to suit everyone in the family, from golf courses designed by the greats in the game to horseback riding along mountain trails, from fishing in coursing streams or placid lakes to hiking to breathtaking vistas, and, of course, skiing at five major ski resorts.

Every season in West Virginia offers its own attractions. In the springtime, coursing white water thunders through rocky causeways bedecked in snowy rhododendron and dogwood, vibrant redbud and delicate trillium. In summer, cool springs bubble in shadow-filled woods where wild ginseng grows, while in meadows, Queen Anne's Lace, purple coneflowers, golden Rudbeckia, and blue chicory weave a madras plaid of wildflowers as ruby throated hummingbirds flit among the honeysuckle. In the fall, West Virginia's sugar maples, tulip poplars, sweetgums, and hickories flame in colors rivaling any in New England, and herds of whitetail deer and flocks of elusive wild turkeys fatten on the beechnuts, walnuts, and acorns. Winter's snows fall thick and white, creating an austerely beautiful palette of linear grey, black, and blue shadows on the hillsides that make the color and light of numerous Christmas festivals a welcome contrast.

If enjoying the scenery is not enough for the daredevil in you, then see if you can tame Seneca Rocks with a pair of climbing shoes, a bag of chalk, and a length of rope. Venture into the depths of Organ Cave in Ronceverte, where Thomas Jefferson, when he visited, did little more than sample the over forty miles of passages that have been mapped to date. Or challenge the mighty Gauley River, or the wild and scenic New River, in a raft or kayak, to learn just how powerful and devious a few thousand cubic feet of water can be when they are moving at great speed over car-sized boulders. Set your mountain bike upon trails that will strain your thighs as well as your bike brakes. Then, to relax, float lazily down the South Branch of the Potomac River in West Virginia, where it still looks as it must have to the early settlers, with mist rolling off the crystal waters as they wend their way between canyon-like walls, with bald eagles soaring overhead.

When the day is done, you can count on good food and a soft pillow anywhere in West Virginia. Bed and Breakfast establishments cater to every fancy, from homespun log cabins bedecked in quilts to antique-filled 'stately ladies' whose names reflect their historic pasts. Romance is easy to find before a crackling fire laid on a stone grate or on a porch swing overlooking the last violet rays of sunset. Hidden in the hills, too, are grand resorts and spas offering every amenity for the weary traveler. Some colonial-era spas are still active, while others have been more recently developed, but all offer blissful relaxation. Some also offer award-winning water. Berkeley Springs was founded by George Washington and others and originally called Bath after the spa town in England. The world famous Greenbrier in White Sulphur Springs lists royalty as well as Presidents, Senators, and Governors in its guest book.

The comforts of your home away from home may make it difficult to get out of bed, but the allure of shopping is strong in those hills. Outlet malls with true bargains compete with artist studios, artisan workshops, and factory stores to fill your car trunk, but with only a little planning, your Christmas and birthday giving may be highlighted by unique and thoughtful treasures.

Of course, the greatest treasure in West Virginia is her people. Friendly, smiling, and helpful, they can even make getting lost a pleasurable adventure. So do come, do come and share in the beauty, in the history, in the romance, in the adventure that is West Virginia. Come a tourist and leave a friend.

I hope I have sparked a little curiosity in the state that I am so proud to represent. As long winded as politicians are reputed to be, and it may be the case in my instance, I could filibuster for days on the things to see and do in West Virginia without beginning to name everything. For more information, come by and visit my office. My staff will give you a telephone number for the State's official travel guide so you can visit West Virginia, and you can also find a lot of these things on the World Wide Web.

I yield the floor and I thank Senators for listening.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I thank the Senator from West Virginia. It was pure delight to sit here and listen to the virtues of his State. I have now a thirst, a curiosity, to visit the parts of the State that I haven't been to.

Anyone who thinks that eloquence is no longer around, all they have to do is listen to our friend, the Senator from West Virginia, and they are sure to know it has reached its senatorian heights.

I thank the Senator. I am glad I had the pleasure of listening to his beautiful and rapturous remarks about his wonderful State.

Mr. BYRD. Let me thank the Senator for his courtesy, for his patience in allowing me to proceed. I think I took a bit of advantage of his being off the floor temporarily. I thank him very much for his kind words, especially about West Virginia.

Mr. DOMENICI. Will the Senator yield?

Mr. SCHUMER. I am delighted to yield to the Senator from New Mexico.

Mr. DOMENICI. Senator BYRD, I want to say you commented that you could filibuster for many days about the beauty of your State. I am particularly pleased that you did it this way rather than a filibuster.

A filibuster for some has a little bit of a negative connotation, and the remarks made don't deserve the slightest interference from anything else, just a straight up great speech about your State.

I was glad to be here.

Mr. BYRD. Mr. President, I thank our friend, the distinguished Senator from New Mexico. He is always most generous in his remarks concerning me and I am very grateful.

When I saw his fine wife this morning as I came into the Capitol, I started the day off right.

I thank the Senator for his kind words.

## FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The Senate continued with the consideration of the bill.

AMENDMENT NO. 314

(Purpose: To make an amendment with respect to ATM fee reform)

Mr. SCHUMER. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. SCHUMER] proposes an amendment numbered 314.

Mr. SCHUMER. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following:

**TITLE VII—ATM FEE REFORM**

**SEC. 701. SHORT TITLE.**

This title may be cited as the ''ATM Fee Reform Act of 1999''.

**SEC. 702. ELECTRONIC FUND TRANSFER FEE DISCLOSURES AT ANY HOST ATM.**

Section 904(d) of the Electronic Fund Transfer Act (15 U.S.C. 1693b(d)) is amended by adding at the end the following:

''(3) FEE DISCLOSURES AT AUTOMATED TELLER, MACHINES.—

''(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall require any automated teller machine operator who imposes a fee on any consumer for providing host transfer services to such consumer to provide notice in accordance with subparagraph (B) to the consumer (at the time the service is provided) of—

''(i) the fact that a fee is imposed by such operator for providing the service; and

''(ii) the amount of any such fee.

''(B) NOTICE REQUIREMENTS.—

''(i) ON THE MACHINE.—The notice required under clause (i) of subparagraph (A) with respect to any fee described in such subparagraph shall be posted in a prominent and conspicuous location on or at the automated teller machine at which the electronic fund transfer is initiated by the consumer; and

''(ii) ON THE SCREEN.—The notice required under clauses (i) and (ii) of subparagraph (A) with respect to any fee described in such subparagraph shall appear on the screen of the automated teller machine, or on a paper notice issued from such machine, after the transaction is initiated and before the consumer is irrevocably committed to completing the transaction.

''(C) PROHIBITION ON FEES NOT PROPERLY DISCLOSED AND EXPLICITLY ASSUMED BY CONSUMER.—No fee may be imposed by any automated teller machine operator in connection with any electronic fund transfer initiated by a consumer for which a notice is required under subparagraph (A), unless—

''(i) the consumer receives such notice in accordance with subparagraph (B); and

''(ii) the consumer elects to continue in the manner necessary to effect the transaction after receiving such notice.

''(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

''(i) ELECTRONIC FUND TRANSFER.—The term 'electronic fund transfer' includes a transaction which involves a balance inquiry initiated by a consumer in the same manner as an electronic fund transfer, whether or not the consumer initiates a transfer of funds in the course of the transaction.

''(ii) AUTOMATED TELLER MACHINE OPERATOR.—The term 'automated teller machine operator' means any person who—

''(I) operates an automated teller machine at which consumers initiate electronic fund transfers; and

''(II) is not the financial institution which holds the account of such consumer from which the transfer is made.

''(iii) HOST TRANSFER SERVICES.—The term 'host transfer services' means any electronic fund transfer made by an automated teller machine operator in connection with a transaction initiated by a consumer at an automated teller machine operated by such operator.''.

**SEC. 703. DISCLOSURE OF POSSIBLE FEES TO CONSUMERS WHEN ATM CARD IS ISSUED.**

Section 905(a) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)) is amended—

(1) by striking ''and'' at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting ''; and''; and

(3) by inserting after paragraph (9) the following:

''(10) a notice to the consumer that a fee may be imposed by—

''(A) an automated teller machine operator (as defined in section 904(d)(3)(D)(ii)) if the consumer initiates a transfer from an automated teller machine which is not operated by the person issuing the card or other means of access; and

''(B) any national, regional, or local network utilized to effect the transaction.''.

**SEC. 704. FEASIBILITY STUDY.**

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the feasibility of requiring, in connection with any electronic and transfer initiated by a consumer through the use of an automated teller machine—

(1) a notice to be provided to the consumer before the consumer is irrevocably committed to completing the transaction, which clearly states the amount of any fee which will be imposed upon the consummation of the transaction by—

(A) any automated teller machine operator (as defined in section 904(d)(2)(D)(ii) of the Electronic Fund Transfer Act) involved in the transaction;

(B) the financial institution holding the account of the consumer;

(C) any national, regional, or local network utilized to effect the transaction; and

(D) any other party involved in the transfer; and

(2) the consumer to elect to consummate the transaction after receiving the notice described in paragraph (1).

(b) FACTORS TO BE CONSIDERED.—In conducting the study required under subsection (a) with regard to the notice requirement described in such subsection, the Comptroller General shall consider the following factors:

(1) The availability of appropriate technology.

(2) Implementation and operating costs.

(3) The competitive impact any such notice requirement would have on various sizes and types of institutions, if implemented.

(4) The period of time which would be reasonable for implementing any such notice requirement.

(5) The extent to which consumers would benefit from any such notice requirement.

(6) Any other factor the Comptroller General determines to be appropriate in analyzing the feasibility of imposing any such notice requirement.

(c) REPORT TO CONGRESS.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

(1) the findings and conclusions of the Comptroller General in connection with the study required under subsection (a); and

(2) the recommendation of the Comptroller General with regard to the question of whether a notice requirement described in subsection (a) should be implemented and, if so, how such requirement should be implemented.

**SEC. 705. NO LIABILITY IF POSTED NOTICES ARE DAMAGED.**

Section 910 of the Electronic Fund Transfer Act (15 U.S.C. 1693h) is amended by adding at the end the following new subsection:

''(d) EXCEPTION FOR DAMAGED NOTICES.—If the notice required to be posted pursuant to section 904(d)(3)(B)(i) by an automated teller machine operator has been posted by such operator in compliance with such section and the notice is subsequently removed, damaged, or altered by any person other than the operator of the automated teller machine, the operator shall have no liability under this section for failure to comply with section 904(d)(3)(B)(i).''.

Mr. SCHUMER. Mr. President, I very much appreciate the chairman from Texas accepting the amendment, which he has told me he will do, and I believe he mentioned it on the floor.

This important amendment involves, very simply, disclosure on ATM machines of fees. As many may know, on April 1, 1996, Visa and MasterCard, which run the largest ATM networks in the United States, ended their prohibition against surcharging ATM users. Before that, there could not be a second surcharge. This fee was in addition to any fee already imposed on a transaction from other bank customer withdrawals.

Three years later, 93 percent of all banks are imposing ATM surcharges on customers. That is 31 percent more than last year. The bigger the bank, the more likely they are to surcharge and at a higher rate. What this means is, if you have a BankAmerica card and you go to a Bank One machine, you will pay two fees, one to the Bank One machine—which everyone expects to pay—and the other to the BankAmerica card. People are paying two fees. It is very difficult to figure out what they are.

When the banks first started charging these fees, many of them didn't bother to tell their customers they would be charged. They had to figure it out by looking at the monthly statement. For anyone who has looked at their monthly bank statements and all the fine print, it is clear that the fees were not transparent. So, unsurprisingly, there was an outcry. I took to the House floor, when I was in that body, to show that banks were not disclosing these fees. I remember surveying the banks in New York City and finding out they were not disclosing them.

So what we are proposing to do here is to rectify that wrong. This amendment is in the great traditions of Adam Smith, pure capitalism. Some have said we ought to eliminate the fees. Some have said we ought to cap the fees. My view is to let the free market prevail. Let people see what the fee is before they enter into the transaction and then they can make a decision. That is the way it ought to work in capitalism, in free market enterprise. So that is what this amendment does.

Last year, a record $124 billion was generated in all-fee income. That is up 18 percent in 1 year from banks. The fees are going up. This amendment will not take away a penny of that, except from knowing consumers who decide not to enter into this transaction. We must do this. Awhile ago we forewent this amendment because most banks promised they were not going to impose surcharges, and to their credit for a few years they did not. But now they all do. It is time we have disclosure so when they say that they will always disclose, because some do it voluntarily, I simply say, ''trust but verify.''

This is a simple, straightforward, reasonable, balanced amendment. I hope it will pass without hesitation.

Mr. President, I yield my time. Is someone available to just accept it?

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, the Senator from Texas is unable to be here. He has been gone for a couple of minutes. I am aware of his willingness

to accept the amendment, and there is no objection on our side. I indicate that on behalf of Senator GRAMM.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 314) was agreed to.

Mr. SCHUMER. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask consent I be permitted to speak for 7 minutes in morning business.

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

Mr. DOMENICI. I thank the Chair.

(The remarks of Mr. DOMENICI and Mr. DODD pertaining to the introduction of S. Res. 98 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

The PRESIDING OFFICER. The Senator from Ohio.

Mr. VOINOVICH. Thank you, Mr. President. I thank the Chair and I thank the Senator from Texas for letting me talk about the tragic death of two great Americans.

## TRIBUTE TO TWO BRAVE AMERICAN SOLDIERS

Mr. VOINOVICH. Mr. President, yesterday, our Nation suffered our first casualties in the war of Yugoslavia. An Apache helicopter crashed in the Albanian mountains on what has been called a ''routine training mission.''

Two brave American soldiers—Chief Warrant Officer Kevin L. Reichert and Chief Warrant Officer David A. Gibbs—lost their lives for our Nation. They are heroes.

Kevin Reichert, 28 years old, was born in Chippewa Falls, WI, and David Gibbs hailed from Massillon, OH, which is west of Canton and about an hour or so south of Cleveland. He was 38 years old, married and had three children.

David joined the Marine Corps right out of Washington High School back in 1980. After 4 years of service, he left the Marines, only to enlist in the Army 18 months later.

His mother, Dorothy Gibbs, said he enlisted in the Army so he could fly helicopters. She said it was ''his dream'' and ''he was so happy when he flew.'' She also said he hoped to retire in 2 years to pursue a career in airport management.

From all accounts, David had accepted the dangers of flying military aircraft. He knew there was a chance there could be a problem.

David told his mother that he was so concerned about his mission in Kosovo, and she is quoted as saying:

He didn't feel prepared enough because he didn't know enough about the terrain.

She also said:

He hadn't gotten the terrain map and he was concerned about that.

A couple of weeks ago, I spoke to the Senate Armed Services Committee chairman, Senator WARNER, and I expressed my concern to him about the number of Ohioans who have been killed in helicopter accidents.

To illustrate, since 1991, 32 men and women from Ohio have died serving their Nation, not counting the Persian Gulf war. Of this number, 11 died in helicopter crashes. That is 34 percent of them. Why so many deaths from helicopters? All these deaths, but for one, were in noncombat situations.

Our military operates sophisticated machinery. Our mechanics are the best trained in the world. Our pilots are trained to meet and respond to all contingencies. Again, the question is: Why so many deaths due to helicopter accidents?

Remember, this is the second such accident in 9 days involving Apache helicopters in Albania. Are we giving our pilots specific and correct intelligence so they can avoid accidents or, worse, possible enemy fire?

Mr. President, I will not go into what is right or wrong about being in Yugoslavia, but we are at war and we have to ensure that our men and women have all the necessary tools to do their job and that the equipment they use is the best and we have the finest maintenance.

In the investigation that will follow the accident, I think it is imperative—in fact it is essential—that we find out whether there was a problem with the equipment in the helicopter or, in the alternative, whether it had proper maintenance.

War is serious business. People's lives are on the line, and there can be no room for error. If faulty equipment, lack of equipment, lack of communications, or improper information led to the death of these two men, it is critical that our military take necessary steps to correct such errors.

I am heartened in the knowledge that a peaceful settlement of this war appears to be in the works. However, I am saddened that it could not have come sooner to prevent the deaths of these two brave men and the destruction of Yugoslavia.

The United States owes David and Kevin a debt of gratitude that we will never be able to repay for they have paid the ultimate sacrifice. As John says in chapter 15:13, ''Greater love has no man than this, that a man lay down his life for his friends.''

Our thoughts and our prayers go out to David's family and especially to his wife Jean and three children, Allison, Megan, and David, and also his mother Dorothy, who lost David's father just this past Christmas.

As one who has lost a child, I know the days and months ahead will be difficult as the family deals with their grief and the absence of the physical presence of their father. I pray that the words of Matthew 5:4, ''Blessed are they that mourn, for they shall be comforted,'' apply to their family.

Thank you, Mr. President.

## FINANCIAL SERVICES MODERNIZATION ACT OF 1999

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from South Dakota, Mr. JOHNSON, has 3 minutes.

AMENDMENT NO. 309, AS MODIFIED

Mr. JOHNSON. Mr. President, I have a modification of my amendment at the desk and I ask unanimous consent that it be so modified.

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

The amendment, as modified, is as follows:

On page 149, strike line 12 and all that follows through page 150, line 21 and insert the following:

**SEC. 601. PREVENTION OF CREATION OF NEW S&L HOLDING COMPANIES WITH COMMERCIAL AFFILIATES.**

(a) IN GENERAL.—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

''(9) PREVENTION OF NEW AFFILIATIONS BETWEEN S&L HOLDING COMPANIES AND COMMERCIAL FIRMS.—

''(A) IN GENERAL.—Notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after May 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—

''(i) under paragraph (1)(C) or (2) of this subsection; or

''(ii) for financial holding companies under section 4(k) of the Bank Holding Company Act of 1956.

''(B) PREVENTION OF NEW COMMERCIAL AFFILIATIONS.—Notwithstanding paragraph (3), no savings and loan holding company may engage directly or indirectly (including through a subsidiary other than a savings association) in any activity other than as described in clauses (i) and (ii) of subparagraph (A).

''(C) PRESERVATION OF AUTHORITY OF EXISTING UNITARY S&L HOLDING COMPANIES.—Subparagraphs (A) and (B) do not apply with respect to any company that was a savings and loan holding company on May 4, 1999, or that becomes a savings and loan holding company pursuant to an application pending before the Office on or before that date, and that—

''(i) meets and continues to meet the requirements of paragraph (3); and

''(ii) continues to control not fewer than 1 savings association that it controlled on May 4, 1999, or that it acquired pursuant to an application pending before the Office on or before that date, or the successor to such savings association.

''(D) CORPORATE REORGANIZATIONS PERMITTED.—This paragraph does not prevent a transaction that—

''(i) involves solely a company under common control with a savings and loan holding

company from acquiring, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company; or

''(ii) involves solely a merger, consolidation, or other type of business combination as a result of which a company under common control with the savings and loan holding company acquires, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company.

''(E) AUTHORITY TO PREVENT EVASIONS.—The Director may issue interpretations, regulations, or orders that the Director determines necessary to administer and carry out the purpose and prevent evasions of this paragraph, including a determination that, notwithstanding the form of a transaction, the transaction would in substance result in a company acquiring control of a savings association.

''(F) PRESERVATION OF AUTHORITY FOR FAMILY TRUSTS.—Subparagraphs (A) and (B) do not apply with respect to any trust that becomes a savings and loan holding company with respect to a savings association, if—

''(i) not less than 85 percent of the beneficial ownership interests in the trust are continuously owned, directly or indirectly, by or for the benefit of members of the same family, or their spouses, who are lineal descendants of common ancestors who controlled, directly or indirectly, such savings association on May 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before May 4, 1999; and

''(ii) at the time at which such trust becomes a savings and loan holding company, such ancestors or lineal descendants, or spouses of such descendants, have directly or indirectly controlled the savings association continuously since March 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before May 4, 1999.''.

(b) CONFORMING AMENDMENT.—Section 10(o)(5)(E) of the Home Owners' Loan Act (15 U.S.C. 1467a(o)(5)(E)) is amended by striking '', except subparagraph (B)'' and inserting ''or (c)(9)(A)(ii)''.

Mr. JOHNSON. Mr. President, financial modernization should go forward but without mixing financial services and commerce. Preserving the unitary thrift loophole should not be allowed. Who believes this should be closed? Chairman LEACH, Chairman of the House Banking Committee, Fed Chairman Greenspan, and former Fed Chairman Volcker, Treasury Secretary Rubin, and banking and consumer organizations. There is bipartisan and, frankly, overwhelming support for loophole closure. I think there is a sense we do not want to go down the road of financial services and commerce mixing at this particular juncture. Allowing financial modernization to go forward should occur, but allowing unitary thrifts to merge with other financial institutions is the road to go rather than allowing merger with commerce at large.

I think we need to heed the urgent warnings of our Nation's leading economic minds. We appreciate that this issue is arcane in the minds of many in this body, no doubt. But when we have the support for closure of this loophole coming from the chairman of the House Banking Committee, Mr. Greenspan, Mr. Rubin, and Mr. Volcker, I think that ought to be compelling support for taking this step to make sure, in fact, we get a financial modernization bill out of this body that will, in fact, be signed by the President and will serve this country in good stead.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I yield my 3 minutes to Senator GORTON.

Mr. GORTON. Mr. President, financial modernization should be about expanding chartering options and choices for consumers, not about stripping away the fundamental characteristics of consumer-oriented institutions. It is a paradox that the banks that are here seeking more powers wish to restrict the powers of their competitors in the same bill and are using this amendment to do so.

Proponents of this amendment contend that the unitary thrift charter is a ''loophole'' that allows for the mixing of banking and commerce. Those concerns are both misplaced and impossible under the very conditions of charter.

Federal law now expressly prohibits a unitarian thrift from lending to a commercial affiliate. By law, a thrift must focus on providing mortgage, consumer, and small business credit, and its commercial lending is severely restricted.

The thrift charter is unique. Martin Mayer, who is a guest scholar at the Brookings Institution and a foe of mixing banking and commerce, supports the commercial ownership of thrifts because of their unique lending focus on consumers and small businesses. In the more than 3 decades that unitary thrift charters have existed, there is a total absence of any evidence that unitary thrifts' commercial affiliations have either led to a concentration of economic power or posed a risk to the consumer or the taxpayer. To the contrary, the FDIC has testified that limits such as those proposed in this amendment would restrict ''a vehicle that has enhanced financial modernization without causing significant safety-and-soundness problems.''

The issue under debate is not the creation of a banking-commerce Frankenstein. It is, rather, about the proper treatment of longstanding institutions focused on serving local communities. Congress should not limit the authorities of existing consumer-oriented companies without a compelling reason. To do so would be anticompetitive and anticonsumer.

I am adamantly opposed to any initiative that eviscerates the unitary thrift charter and urge Senators to oppose the Johnson amendment as a serious step backwards in our efforts to modernize our Nation's financial services laws.

I yield back the remainder of my time, and I move to table the Johnson amendment.

Mr. GRAMM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 309. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

The PRESIDING OFFICER (Mr. BUNNING). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 32, nays 67, as follows:

[Rollcall Vote No. 103 Leg.]

YEAS—32

| | | |
|---|---|---|
| Akaka | Enzi | McConnell |
| Allard | Gorton | Murray |
| Bennett | Gramm | Nickles |
| Breaux | Hagel | Reed |
| Bunning | Inouye | Robb |
| Campbell | Kyl | Roth |
| Chafee | Lieberman | Smith (NH) |
| Cochran | Lott | Smith (OR) |
| Coverdell | Lugar | Stevens |
| Dodd | Mack | Warner |
| Domenici | McCain | |

NAYS—67

| | | |
|---|---|---|
| Abraham | Feinstein | Lincoln |
| Ashcroft | Frist | Mikulski |
| Baucus | Graham | Moynihan |
| Bayh | Grams | Murkowski |
| Biden | Grassley | Reid |
| Bingaman | Gregg | Roberts |
| Bond | Harkin | Rockefeller |
| Boxer | Hatch | Santorum |
| Brownback | Helms | Sarbanes |
| Bryan | Hollings | Schumer |
| Burns | Hutchinson | Sessions |
| Byrd | Hutchison | Shelby |
| Cleland | Inhofe | Snowe |
| Collins | Jeffords | Specter |
| Conrad | Johnson | Thomas |
| Craig | Kennedy | Thompson |
| Crapo | Kerrey | Thurmond |
| Daschle | Kerry | Torricelli |
| DeWine | Kohl | Voinovich |
| Dorgan | Landrieu | Wellstone |
| Durbin | Lautenberg | Wyden |
| Edwards | Leahy | |
| Feingold | Levin | |

ANSWERED ''PRESENT''—1

Fitzgerald

The motion was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. GRAMM. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GRAMM. Mr. President, I ask unanimous consent to vitiate the order for the yeas and nays.

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

The question is on agreeing to the amendment.

The amendment (No. 309), as modified, was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GRAMM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. SHELBY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 315

Mr. SHELBY. Mr. President, I send an amendment to the desk on behalf of myself, Senator DASCHLE, Senator GRAMS, Senator REED, Senator BENNETT, Senator EDWARDS, Senator HAGEL, and Senator LANDRIEU.

The PRESIDING OFFICER (Mr. HUTCHINSON). The clerk will report.

The legislative assistant read as follows:

The Senator from Alabama (Mr. SHELBY), for himself, Mr. DASCHLE, Mr. GRAMS, Mr. REED, Mr. BENNETT, Mr. EDWARDS, Mr. HAGEL, and Ms. LANDRIEU, proposes an amendment numbered 315.

Mr. SHELBY. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

Redesignate sections 123, 124, and 125 as sections 125, 126, and 127 respectively, strike section 122, and insert the following:

**SEC. 122. SUBSIDIARIES OF NATIONAL BANKS AUTHORIZED TO ENGAGE IN FINANCIAL ACTIVITIES.**

Chapter one of title LXII of the revised statutes of United States (12 U.S.C. 21 et seq.) is amended—

(1) by redesignating section 5136A (12 U.S.C. 25a) as section 5136B; and

(2) by inserting after section 5136 (12 U.S.C. 24) the following new section:

**''SEC. 5136A. SUBSIDIARIES OF NATIONAL BANKS.**

''(a) ACTIVITIES PERMISSIBLE.—

''(1) IN GENERAL.—A subsidiary of a national bank may—

''(A) engage in any activity that is permissible for the parent national bank;

''(B) engage in any activity authorized under section 25 or 25A of the Federal Reserve Act, the Bank Service Company Act, or any other Federal statute that expressly by its terms authorizes national banks to own or control subsidiaries (other than this section); and

''(C) engage in any activity permissible for a bank holding company under any provision of section 4(k) of the Bank Holding Company Act of 1956 other than—

''(i) paragraph (4)(B) of such section (relating to insurance activities) insofar as such paragraph permits a bank holding company to engage as principal in insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, or to engage as principal in providing or issuing annuities; and

''(ii) paragraph (4)(I) of such section (relating to insurance company investments).

''(2) LIMITATIONS.—A subsidiary of a national bank—

''(A) may not, pursuant to subparagraph (C) of paragraph (1)—

''(i) underwrite insurance other than credit-related insurance;

''(ii) engage in real estate investment or development activities (except to the extent that a Federal statute expressly authorizes a national bank to engage directly in such an activity); and

''(B) may not engage in any activity not permissible under paragraph (1).

''(b) REQUIREMENTS APPLICABLE TO NATIONAL BANKS WITH FINANCIAL SUBSIDIARIES.—

''(1) IN GENERAL.—A financial subsidiary of a national bank may engage in activities pursuant to subsection (a)(1)(C) only if—

''(A) the national bank meets the requirements, as determined by the Comptroller of the Currency, of Section (4)(l)(1) of the Bank Holding Company Act of 1956 (other than subparagraph (C));

''(B) each insured depository institution affiliate of the national bank meet the requirements, as determined by the Comptroller of the Currency, of Section (4)(l)(1) of the Bank Holding Company Act of 1956 (other than subparagraph (C)); and

''(C) the national bank has received the approval of the Comptroller of the Currency by regulation or order.

''(2) CORRECTIVE PROCEDURES.—

''(A) IN GENERAL.—The Comptroller of the Currency shall, by regulation, prescribe procedures to enforce paragraph (1).

''(B) STRINGENCY.—The regulation prescribed under subparagraph (A) shall be no less stringent than the corresponding restrictions and requirements of section 4(m) of the Bank Holding Company Act of 1956.

''(c) DEFINITIONS.—For purpose of this section, the following definitions shall apply;

''(1) AFFILIATE.—The term 'affiliate' has the same meaning as in section 3 of the Federal Deposit Insurance Act.

''(2) FINANCIAL SUBSIDIARY.—The term 'financial subsidiary' means a company that—

''(A) is a subsidiary of an insured bank; and

''(B) is engaged as principal in any financial activity that is not permissible under subparagraph (A) or (B) of subsection (a)(1) of this section.

''(3) SUBSIDIARY.—The term 'subsidiary' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

''(4) WELL CAPITALIZED.—The term 'well capitalized' has the same meaning as in section 38 of the Federal Deposit Insurance Act.

''(5) WELL MANAGED.—The term 'well managed' means—

''(A) in the case of an insured depository institution that has been examined, the achievement of—

''(i) a composite rating of 1 or 2 under the Uniform Financial Instutitions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the insured depository institution; and

''(ii) at least a rating of 2 for management, if that rating is given; or

''(B) in the case of an insured depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory.''.

**SEC. 123. SAFETY AND SOUNDNESS FIREWALLS BETWEEN BANKS AND THEIR FINANCIAL SUBSIDIARIES.**

(a) PURPOSES.—The purposes of this section are—

(1) to protect the safety and soundness of any insured bank that has a financial subsidiary;

(2) to apply to any transaction between the bank and the financial subsidiary (including a loan, extension of credit, guarantee, or purchase of assets), other than an equity investment, the same restrictions and requirements as would apply if the financial subsidiary were a subsidiary of a bank holding company having control of the bank; and

(3) to apply to any equity investment of the bank in the financial subsidiary restrictions and requirements equivalent to those that would apply if—

(A) the bank paid a dividend in the same dollar amount to a bank holding company having control of the bank; and

(B) the bank holding company used the proceeds of the dividend to make an equity investment in a subsidiary that was engaged in the same activities a the financial subsidiary of the bank.

(b) SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

**''SEC. 45. SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.**

''(a) LIMITING THE EQUITY INVESTMENT OF A BANK IN A SUBSIDIARY.—

''(1) CAPITAL DEDUCTION.—In determining whether an insured bank complies with applicable regulatory capital standards—

''(A) the appropriate Federal banking agency shall deduct from the assets and tangible equity of the bank the aggregate amount of the outstanding equity investments of the bank in financial subsidiaries of the bank; and

''(B) the assets and liabilities of such financial subsidiaries shall not be consolidated with those of the bank.

''(2) INVESTMENT LIMITATION.—An insured bank shall not, without the prior approval of the appropriate Federal banking agency, make any equity investment in a financial subsidiary of the bank if that investment would, when made, exceed the amount that the bank could pay as a dividend without obtaining prior regulatory approval.

''(b) OPERATIONAL AND FINANCIAL SAFEGUARDS FOR THE BANK.—An insured bank that has a financial subsidiary shall maintain procedures for identifying and managing any financial and operational risks posed by the financial subsidiary.

''(c) MAINTENANCE OF SEPARATE CORPORATE IDENTITY AND SEPARATE LEGAL STATUS.—

''(1) IN GENERAL.—Each insured bank shall ensure that the bank maintains and complies with reasonable policies and procedures to preserve the separate corporate identity and legal status of the bank and any financial subsidiary or affiliate of the bank.

''(2) EXAMINATIONS.—The appropriate Federal banking agency, as part of each examination, shall review whether an insured bank is observing the separate corporate identity and separate legal status of any subsidiaries and affiliates of the bank.

''(d) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section, the term 'financial subsidiary' has the same meaning as section 5136A(c)(2) of the Revised Statutes of the United States.

''(e) REGULATIONS.—The appropriate Federal banking agencies shall jointly prescribe regulations implementing this section.''.

(c) LIMITING A BANK'S CREDIT EXPOSURE TO A FINANCIAL SUBSIDIARY TO THE AMOUNT OF PERMISSIBLE CREDIT EXPOSURE TO AN AFFILIATE.—Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d), the following new subsection:

''(e) RULES RELATING TO BANKS WITH FINANCIAL SUBSIDIARIES.—

''(1) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section and section 23B, the term 'financial subsidiary' has the same meaning as section 5136A(c)(2) of the revised statutes of the United States.

''(2) APPLICATION TO TRANSACTIONS BETWEEN A FINANCIAL SUBSIDIARY OF A BANK AND THE BANK.—For purposes of applying this section and section 23B to a transaction between a financial subsidiary of a bank and the bank (or between such financial subsidiary and any other subsidiary of the bank that is not a financial subsidiary), and notwithstanding subsection (b)(2) and section 23B(d)(1)—

''(A) the financial subsidiary of the bank—

''(i) shall be deemed to be an affiliate of the bank and of any other subsidiary of the bank that is not a financial subsidiary; and

''(ii) shall not be deemed a subsidiary of the bank; and

''(B) a purchase of or investment in equity securities issued by the financial subsidiary shall not be deemed to be a covered transaction,

''(3) APPLICATION TO TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARY AND NONBANK AFFILIATES.—

''(A) IN GENERAL.—A transaction between a financial subsidiary and an affiliate of the financial subsidiary (that is not a subsidiary of a bank) shall not be deemed to be a transaction between a subsidiary of a bank and an affiliate of the bank for purposes of section 23A or section 23B of this Act.

''(B) CERTAIN AFFILIATES EXCLUDED.—For purposes of this paragraph, the term 'affiliate' shall not include a bank, or a subsidiary of a bank that is engaged exclusively in activities permissible for a national bank to engage in directly or authorized for a subsidiary of a national bank under any federal statute other than section 5136A of the Revised Statutes of the United States.''.

**SEC. 124. FUNCTIONAL REGULATION.**

(a) PURPOSE.—The purpose of this section is to ensure that—

(1) securities activities conducted in a subsidiary of a bank are functionally regulated by the Securities and Exchange Commission to the same extent as if they were conducted in a nondepository subsidiary of a bank holding company; and

(2) insurance agency and brokerage activities conducted in a subsidiary of a bank are functionally regulated by a State insurance authority to the same extent as if they were conducted in a nondepository subsidiary of a bank holding company.

(b) FUNCTIONAL REGULATION OF FINANCIAL SUBSIDIARIES.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.), is amended by inserting after section 45 (as added by section 123 of this subtitle) the following new section:

**''SEC. 46. FUNCTIONAL REGULATION OF SECURITIES SUBSIDIARIES AND INSURANCE AGENCY SUBSIDIARIES OF INSURED DEPOSITORY INSTITUTIONS.**

''(a) BROKER OR DEALER SUBSIDIARY.—A broker or dealer that is a subsidiary of an insured depository institution shall be subject to regulation under the Securities Exchange Act of 1934 in the same manner and to the same extent as a broker or dealer that—

''(1) is controlled by the same bank holding company as controls the insured depository institution; and

''(2) is not an insured depository institution or a subsidiary of an insured depository institution.

''(b) INSURANCE AGENCY SUBSIDIARY.—Subject to Section 104 of the Act, an insurance agency or brokerage that is a subsidiary of an insured depository institution shall be subject to regulation by a State insurance authority in the same manner and to the same extent as an insurance agency or brokerage that—

''(1) is controlled by the same bank holding company as controls the insured depository institution; and

''(2) is not an insured depository institution or a subsidiary of an insured depository institution.

''(c) DEFINITIONS.—For purposes of this section, the terms 'broker' and 'dealer' have the same meanings as in section 3 of the Securities Exchange Act of 1934.''.

Mr. SHELBY. Mr. President, I rise today to offer this amendment, entitled the American Bank Fairness Amendment, to S. 900, the pending bill.

This amendment, which, as I have said, is cosponsored by Senator DASCHLE, the minority leader, and Senators GRAMS, REED, BENNETT, EDWARDS, HAGEL, and LANDRIEU, would permit national banks to conduct equity securities underwriting and merchant banking activities in an operating subsidiary, much as their foreign bank competitors that are allowed to conduct such activities in the United States today. I note that six of the seven sponsors of this amendment are members of the Banking Committee.

We are talking this afternoon about defining a fair and an efficient framework to allow all—yes, all—financial institutions to better provide service to their customers in America. This country needs financial modernization. I support national modernization.

I have great respect for the chairman, the Senator from Texas, Mr. GRAMM, and I supported the chairman in the committee. He helped to get this bill to the floor.

Unfortunately, this bill does more for the institutions in the top world financial centers—New York, Hong Kong, London—than it does for the average bank that serves the average person in America. That is the issue at hand.

I know many of my colleagues have made up their mind on this issue. Besides, in all honesty, the chairman of the Federal Reserve, Alan Greenspan, may not even be the Chairman of the Federal Reserve after next year, although I wish that he would continue. It is often reported in the press that Laura Tyson, Alice Rivlin, or even Catherine Bessant will be the next person President Clinton nominates to the Federal Reserve Board. Therefore, I do not believe it is fair for the issues of this debate to revolve around any one individual, although it is an individual I hold in great respect.

The truth is, we are here today to write the laws that will determine the future of the American financial system for the next 60 years. We are talking about the issues of banking law, corporate law, industrial organization.

Senators GRAMS, REED, and BENNETT have been the lead proponents of the operating subsidiary for several years and they should be commended for their deep understanding of the issue and the banking expertise they bring to the Senate Banking Committee.

Let me say from the very beginning, this debate is not about Chairman Alan Greenspan. It should never be. As I said, I have a deep respect for Chairman Greenspan. I hold him in very high regard. He is a tremendous central banker. I am not here to dispute that in any way.

The operating subsidiary amendment is not about monetary policy. Let me repeat, the operating subsidiary amendment is not about monetary policy. It is not about inflation, the money supply, or even the unemployment rate. I plead with Senators to listen to the facts. The key banking committee Senators supporting this amendment are not from big cities. They are not doing this for Citigroup or Merrill Lynch, Dean Witter, or Chase Manhattan Bank. The truth is, the large financial institutions want a bill so badly, they have forced their associations to oppose this amendment based on press reports that this bill will be pulled if it passes. We all know it is the multibillion-dollar financial institutions that control the associations, and they are the ones pushing this bill.

I just do not believe that, in passing a financial modernization bill, we should forget about the smaller, midsized, and regional banks that serve our local communities and our States. Those banks—the smaller, midsized, and regional banks—are the ones that are not being heard on this issue. They are being shut out and they have been discounted.

I am sorry, but I do not believe financial modernization should be only for the folks on Wall Street. I do not understand why this body would knowingly pass a financial modernization bill that would intentionally discriminate against domestic banks in favor of foreign banks.

If you want to talk about competition, free markets, and fair and equal treatment under the law, Senators should seriously consider the amendment that is before the Senate. The Shelby-Daschle and others amendment would provide more fair and equitable treatment of our national banks in comparison with our foreign competitors.

The American Bank Fairness Amendment, as we called it, would ensure that foreign banks receive no competitive advantage over our banks here in America.

S. 900, at the moment, as it is written, discriminates against domestic banks. Ask yourself, Why are we even

here in the first place? Why are we even considering financial modernization, if it is to be globally competitive? Is it to ensure that our banks can compete on an international scale?

I received a letter from John Reed and Sanford Weill, cochairmen of Citigroup, this morning. They wrote to inform me that passage of financial modernization is imperative.

They said,

As our financial services firms contort to comply with the current legal and regulatory structure, we become much less competitive with our non-U.S. counterparts. Our country's competitive position as the world's leader in financial services is at risk of being lost if we don't act now.

So, according to our friends at Citigroup, it appears we have become less competitive with our foreign competitors, and that our position as a world leader is at risk.

I received a similar letter from Phil Purcell, chairman of Morgan Stanley Dean Witter & Co. He said that Congress needs to pass this bill because:

Financial modernization legislation is critical to the maintenance of the preeminence of American financial firms in global markets.

American preeminence, Mr. President? Is that the reason we are considering this legislation? If these are, indeed, the reasons, I must confess I am really confused. The reason for my confusion is S. 900, the bill we are debating today actually discriminates against domestic banks in favor of foreign banks. Simply put, national banks are not allowed to conduct merchant banking activities or equity underwriting activities in an operating subsidiary. Foreign banks, however, can conduct those activities today, and will actually expand their range of activities to include insurance underwriting, if this bill becomes law.

I actually have some charts to share with you to help demonstrate the blatant discriminatory treatment of our own national banks versus those of foreign banks' operating subsidiaries in America. Under current law, national bank subsidiaries are not permitted to conduct merchant banking activities. Merchant banking basically means that banks are permitted to make investments in a company subject to conditions designed to maintain the separation between banking and commerce. Foreign subsidiaries operating today in America can, however. Under current law, national bank subsidiaries are not permitted to underwrite any deal in equity securities. However, foreign bank subsidiaries can.

The last row under the ''current law'' is blank. That is, neither foreign bank subsidiaries nor national bank subsidiaries may underwrite noncredit-related insurance.

Let's look at a chart of permitted subsidiary activities that I have here if this financial modernization bill were enacted into law. Please notice that under the first column, here, national bank subsidiaries still will not enjoy the ability to conduct merchant banking activities or conduct equity securities underwriting. Foreign bank subsidiaries will not only be allowed to conduct those activities—merchant banking, underwriting and dealing in equity securities and insurance underwriting, as shown on the chart—but S. 900, as currently written, will actually expand their permissible activities to include noncredit-related insurance underwriting. This completely undermines the whole rationale for the bill.

That is the major flaw with this bill. How can the supporters of this bill say this will help our national banks compete when they are clearly put at a disadvantage by their own Federal Government? How can we in good conscience support a bill that discriminates against our own national banks?

Senator GRAMM and Chairman Greenspan say if national banks are allowed to conduct such activities in an operating subsidiary, these banks would have a funding advantage over their competitors because of an alleged ''subsidy.''

However, neither Senator GRAMM nor Chairman Greenspan can reconcile this argument with the competitive advantage of foreign bank subsidiaries. Since 1990, the Federal Reserve Board has issued approvals for 18 foreign banks to own subsidiaries that engage in securities underwriting activities in the United States. In fact, the size of these subsidiaries exceeds $450 billion in assets. The Federal Reserve admits that foreign banks may enjoy a ''home country'' subsidy. In approving the section 20 subsidiary application for the Canadian Imperial Bank of Commerce in 1990, the Federal Reserve noted:

Although as banks, applicants [that is foreign banks] are not supported to any significant extent by the U.S. federal safety net, they have access to any benefits that are associated with their respective home country safety nets, from which they may derive some competitive advantage over U.S. bank holding companies operating under the section 20 framework or other U.S. securities firms.

Not only does the board basically admit there may be home country advantages, they also admit:

. . . a foreign bank may establish and fund a section 20 subsidiary, while a U.S. bank may not.

Further, in their 1992 joint report on foreign bank operations entitled ''Subsidiary Requirements Study,'' the Federal Reserve Board and the Department of Treasury agreed that, ''. . . subject to prudential considerations, the guiding policy for foreign bank operations should be the principle of investor choice. The right of a foreign bank to determine whether to establish a branch or a subsidiary is consistent with competitive equity, national treatment and equality of competitive opportunity.''

Why is investor choice the guiding principle for foreign banks but not for our domestic banks? Why do foreign banks have the right to choose their own corporate structure but domestic banks do not?

The Federal Reserve Board stated that while a subsidy for foreign banks may exist:

[T]he Board believes that any advantage would not be significant in light of the effect on them of the overall section 20 framework and the circumstances of these cases, and should not preclude foreign bank ownership of section 20 subsidiaries.

Basically, that means the rules and the regulations that apply to foreign section 20 subsidiaries should contain any possible subsidy.

Why do the rules and regulations in place contain any possible subsidy for foreign banks but not domestic banks, our banks? Why should any alleged subsidy preclude operating subsidiaries for U.S. banks but not for foreign subsidiaries? Fundamental fairness would suggest that foreign banks not be allowed to have a competitive advantage over domestic banks. It just makes no sense. Fundamental fairness suggests domestic banks should also have the choice of an operating subsidiary that our foreign banks have.

Critics of the operating subsidiary have voiced concerns about safety and soundness. But this is a red herring, I believe, and really no issue at all. Even Chairman Greenspan testified that safety and soundness is really not the issue with regard to operating subsidiaries, when asked by Congressman Bentsen in the House. I will quote the chairman:

My concerns are not about safety and soundness. It is the issue of creating subsidies for individual institutions which their competitors do not have. It is a level playing field issue. Non-bank holding companies or other institutions do not have access to that subsidy, and it creates an unlevel playing field. It is not a safety and soundness issue.

The amendment before us, the operating subsidiary proposal, includes the same safety and soundness protections and lending restrictions as the Federal Reserve imposes on section 20 subsidiaries. But to further address any safety and soundness concerns, the amendment would also require that the parent bank deduct—yes, deduct—its entire equity investment in the subsidiary from its own capital and still remain well capitalized.

Furthermore, under the operating subsidiary, any alleged ''subsidy'' transferred to the subsidiary would be identical to that transferred to an affiliate because investments in the subsidiary would be limited to that which the bank could transfer to holding company affiliates in the form of dividends.

Lastly, the current Chairman of the Federal Deposit Insurance Corporation and three former chairmen—two Democrats, two Republicans—have stated

that the operating subsidiary is more safe and more sound than the affiliate structure.

The FDIC chairmen argue that forcing activities in an affiliate actually exposes insured banks to greater risks than that of an operating subsidiary.

I want to respond to a letter Chairman Alan Greenspan wrote to Chairman GRAMM on May 4 in response to my ''Dear Colleague'' dated May 3. I believe this is a great letter in support of the operating subsidiary. In Chairman Greenspan's effort to explain why foreign bank subsidiaries do not have a competitive advantage and are justified, he actually makes the case for an operating subsidiary and confirms everything proponents have been saying all along.

In paragraph 2, Chairman Greenspan says that the International Banking Act requires foreign banks be allowed to operate in this country through operating subsidiaries. His major point is that it is not his choice, but that the law makes him do it, and this is due to the national treatment principles to which he refers in paragraph 3.

I understand the national treatment principles. However, those principles are not and should not be interpreted to mean that foreign banks be given advantages over U.S. banks.

In both the International Banking Act and the Bank Holding Company Act, the Federal Reserve Board is mandated to deny an application by a foreign bank to establish a U.S.-subsidiary if the Board finds that the proposal will result in ''decreased or unfair competition, conflicts or interests, or unsound banking practices.''

This is a very important point, I submit to my colleagues. By law, the Federal Reserve must have determined that foreign bank subsidiaries conducting securities underwriting and equity underwriting does not result in unsound banking practices.

Otherwise, the Federal Reserve would be in violation of the International Banking Act and the Bank Holding Company Act. That very fact supports our argument that conducting such activities in an operating subsidiary is both safe and sound.

In the third paragraph, Chairman Greenspan says:

> In the absence of any evidence that foreign banks are using their government subsidy to an unfair competitive advantage in the United States, there does not seem to be any compelling reason to abandon the current approach to foreign bank participation in this country.

Chairman Greenspan once again admits there is a government subsidy for foreign banks. He confirms what I shared with everyone in my ''Dear Colleague'' letter in the Senate. He then changes the subject to say there is no reason to abandon foreign banks subsidiaries. I never suggested such a thing in my ''Dear Colleague'' letter. In only asked that if it is appropriate for foreign banks, why isn't it appropriate for national banks?

The fifth paragraph of the letter states that, ''foreign banks have not been able to exploit their home country subsidy . . .'' and that foreign bank subsidiaries ''have substantially underperformed U.S. owned section 20 companies.'' He actually admits that ''the subsidy does not travel well.'' In other words, foreign banks have not been successful transferring their home country subsidy to their subsidiary in the U.S.

But wait a minute. You cannot have it both ways. I do not care who you are.

Chairman Greenspan just presented evidence to us in the fifth paragraph that foreign bank subsidiaries, which in the third paragraph he admits receive a home country subsidy, underperform their American competitors. Thus, if there is a subsidy, it must either be (1) insignificant, and not enough to affect market performance or (2) contained in the section 20 regulatory framework and therefore not an issue. In either case, the Chairman has just confirmed the arguments that proponents of operating subsidiaries have made.

To sum up, Chairman Greenspan, just 2 days ago, confirmed that: foreign bank subsidiaries receive home country subsidies; conducting such activities in a subsidiary does not result in unsound banking practices, otherwise the Fed is violating the law with regard to foreign bank subsidiaries; and the subsidiary does not ''travel well,'' that is, it is not easily transferred from the bank to the sub.

The logic and the evidence presented by Chairman Greenspan in defense of foreign bank subsidiaries is the exact same logic and evidence that supports the Shelby-Daschle operating subsidiary amendment.

To be honest, I am quite surprised at the Chairman's uncompromising position on the issue. As a student of Public Choice economics, I am sure he is aware of the benefits of competition among regulators. I am surprised he supports making the Federal Reserve the monopoly umbrella regulator. Monopolies restrict output and increase prices.

There is no doubt in my mind that making the Federal Reserve the monopoly regulator will create even more bottlenecks in bank applications thereby increasing the regulatory cost of banks doing business with the Federal Reserve.

For the sake of competition, for the sake of free markets, for the sake of choice, I respectfully request that you support the Shelby amendment.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Texas.

Mr. GRAMM. Mr. President, I think if anyone knows me and knows RICHARD SHELBY, they know that we came to Congress on the same day. We served on the House Energy and Commerce Committee together. We were both Democrats then. We both changed parties. We both ran for the Senate. And RICHARD and I have been very close friends since the first day we came. I think you always regret when you have these kinds of tough battles, but this is a tough battle. This is vitally important.

Let me basically outline what I want to say and then let me go about trying to say it.

First of all, there has been some speculation about whether or not, as chairman of the Banking Committee and a new chairman, chairman only for a few months, whether or not I would pull my own bill, which, as the Presiding Officer knows as a member of the committee, has been a great labor of mine for all these many months and has been the labor of Congress for 25 years. As to whether I would pull the bill over this issue, let me leave no suspense: I will pull this bill if the Shelby amendment is adopted.

You might think that is a very strong statement to make, but I think when you hear my presentation, you will understand why I make it, because with all the good things in the bill, I want people to understand that all of them combined together would not undo the harm that would be done by this amendment.

What I will do is answer Senator SHELBY on foreign banks. I will then go through and talk about the real issue: What is the issue for Democrats who are hearing from the Secretary of the Treasury? What is the issue for Republicans who are hearing from big banks? What is the public interest?

I will try to answer those issues. Let me begin with the foreign banks.

Senator SHELBY would have us believe that we need to start subsidizing American banks because foreign banks are subsidized. He would have us believe that somehow we have given foreign banks a different set of regulations to abide by in America than American banks have had and that therefore we need to do something about it.

Let me address that. And I want to address it first by reading Alan Greenspan's thoughtful letter. Interestingly enough, Senator SHELBY referred to part of it. But I think it goes right to the heart of the issue.

Reading his letter of May 4:

> First, the Board did not simply choose to let foreign banks operate in this country through subsidiaries. The law required it. The International Banking Act . . .

That was passed in 1978—

> . . . provides that a foreign bank shall be treated as a . . . holding company for purposes of nonbanking acquisitions.

That is the law of the land. That was adopted by Congress. That was signed

by the President. The Chairman of the Board of the Federal Reserve had nothing to do with that. He simply had the responsibility of implementing it.

Therefore, when the Board allowed U.S. bank holding companies to own securities companies, the Board was required to permit foreign banks that met the statutory conditions also to acquire such companies.

The law treating foreign banks as holding companies was a practical response to an existing situation: most foreign banks do not have holding companies.

And I will get to that point in a minute because it is important.

Without the [International Banking Act's] approach, foreign banks generally would be excluded from the U.S. market, in violation of the national treatment principles embedded in U.S. law. . . .

The Board stated it would monitor, and in fact has monitored, this situation to assure that foreign banks do not in fact operate to the detriment of U.S. banking organizations. . . .

A recent Federal Reserve study of the performance of section 20 companies over the last eight years demonstrates that foreign bank-owned section 20 companies have substantially underperformed U.S.-owned section 20 companies. . . .

To cite the fact of foreign bank structure to support a similar structure in the United States is not only misleading, it is potentially harmful.

Let me explain what all that means in English. What it means is, we passed a law, and the law said that since foreign banks do not use holding companies—they use operating subsidiaries because it is permitted under their law—that for treatment purposes, they would be treated as holding companies in the United States. Senator SHELBY says this is unfair.

I would like to note that the Federal Reserve, noting a potential problem with it, set out a monitoring process to see if these foreign banks are benefiting relative to our banks in promoting unfair competition.

What the Fed found in 1995 was that not only were they not benefiting, but they lost 11 percent. In 1996, their rate of return was minus 8 percent. In 1997, their rate of return was 18 percent. And in 1998, their rate of return was 25 percent.

So the plain truth is, these foreign banks are poorly run, their subsidiary operations are a disaster, but if they were well run, and if they were getting a competitive advantage, we would do something about it. The point is, it has not created a problem.

Nineteen of these foreign banks are in the securities business. Together, they make up less than 2.6 percent of the American market. In terms of underwriting revenues, they earn 3.8 percent of the revenues. So the point is, these foreign banks are not effective in competing against American banks. The point is, because foreign governments subsidize their banks, do we want to subsidize our banks? As chairman of the Banking Committee, I can tell you, if these foreign subsidies started having an unfair effect in our market, we would take action to change the law and prevent this advantage.

But we have allowed this situation to exist for two reasons: One, it has not done us any harm, and, two, we sell $10 of financial services abroad for every $1 of financial services sold in America. So the last thing we wanted to do is get into a trade war in banking, because we are the world's greatest bankers, we are the world's greatest exporters of banking services. And so it was to our advantage to allow this to happen as long as it was doing no harm.

What is the real issue at stake in this amendment? I want to begin with a quote from Secretary Rubin. In fact, many people on the Democrat side of the aisle have been called by Secretary Rubin in the last few days. Some people on our side of the aisle have been called. I want to read you a quote from Secretary Rubin. And then I want to pose a question: What could this quote possibly be referring to?

This is a quote from the Secretary of the Treasury, Robert Rubin, on May 5, 1999, before the Finance Subcommittee of the House Commerce Committee. And I will read you the quote:

[O]ne of an elected Administration's critical responsibilities is the formation of economic policy, and an important component of that policy is banking policy. In order for the elected Administration to have an effective role in banking policy, it must have a strong connection with the banking system.

I remind my colleagues that the Comptroller of the Currency, who works for Robert Rubin, regulates national banks. And national banks make up 58 percent of the assets in American banks. Why isn't that ''an effective role in banking policy''? Why is it not ''a strong connection with the banking system''? I can tell you, Secretary Rubin is right: It is not a strong connection. The Comptroller of the Currency is an accountant. Banking policy is run by the Federal Reserve. And I thank God for that every single day.

I thank God every single day that in 1913, after the Treasury had run monetary policy in this country—we had a giant panic in 1907; the country had gone through continuing economic convulsions—the Congress put an end to it by setting up an independent monetary authority called the Federal Reserve.

The Federal Reserve, with an independent board—appointed by the President, confirmed by the Senate for very long terms—exercises independent monetary policy. So when the President wants to inflate the economy to get reelected, the Fed says no. When Congress feels we need to print more money to get things moving to help them in their elections, the Fed says no. We have an independent monetary authority.

So while the Comptroller of the Currency is an accountant that primarily audits national banks, he has no policy authority at all. Why? Because the Federal Reserve regulates the holding companies, and there are 6,867 holding companies in America that together make up about 96 percent of bank assets.

So sure enough, the Treasury sends out all of the accountants and auditors, but the Federal Reserve sets the policy. And what Robert Rubin is saying, in the clearest possible terms, is he wants to set banking policy, he wants to set monetary policy. That is exactly what he is saying.

The question is, Do we want to put the Treasury back in the position of setting banking policy in America? Do we want the President to have the ability to use banking policy as a political tool? Are we not talking about repealing the Federal Reserve Act?

Now, how all this comes about is a little complicated, but with a teeny bit of detective work, it becomes very, very clear.

Remember, the Fed does not regulate banks. Not a single bank in America is regulated directly by the Fed. But it regulates holding companies that control banks, and those holding companies have 97 percent of the assets of banks. Why do they have it? Because our law requires that banks not provide other financial services within the bank, for safety and soundness reasons, and so big banks and banks that have large assets are holding companies and they come under the Federal Reserve.

Now, if we adopted the Shelby amendment, let me read what Alan Greenspan and the Board of Governors of the Federal Reserve say would happen:

As I have testified, if profit is their goal, there is no choice. Because of the subsidy implicit in the Federal safety net, profit-maximizing management will invariably choose the operating subsidiary. As a consequence, the holding company structure will atrophy in favor of bank operating subsidiaries. Our [and ''our'' being the Federal Reserve] current ability rests principally on our role as holding company supervisor.

So here is the point: If you let banks perform these services within the bank itself, their securities affiliate or, in the future, their insurance affiliate or any other thing you allow them to do can get the advantage of the bank's FDIC insurance and the ability to borrow money from the Fed, which is the lowest interest rate in the world, and if they can use the Fed wire, the Fed has estimated that doing these things within the bank creates about a 14 basis points advantage over doing them outside the bank. Those little margins make a very big difference.

So, obviously, the Treasury and the Federal Reserve believe and both agree that if you let banks perform these functions inside the bank, banks will tend to close down their holding companies and bring these functions inside the bank.

Now, I am going to talk about that issue separately. But what does that mean in terms of monetary policy? It means that the Comptroller of the Currency, who will be regulating banks that will no longer be holding companies, will become the banking authority in the country, and the Federal Reserve will see the number of holding companies it regulates decline, decline, decline, and decline.

Now, interestingly, the Treasury and the Shelby amendment, one and the same, recognize this. They say, OK, for the 43 largest holding companies, we will force them to maintain their holding company, so that the Fed will continue to regulate them. That means that 6,824 other holding companies will be allowed to change their structure. They will be driven by the profit motive to do it. Therefore, over time the control of banking policy and ultimately monetary policy—because bank regulation is a source of strength for the Fed in implementing much of its policy—will shift from the Federal Reserve to the Treasury, from an independent agency to an arm of the President of the United States.

Now, you might say, well, the Federal Reserve still regulates 43 holding companies. But the holding companies have every incentive to conduct all of their activities within the bank, so the holding companies, the 43 left that the Fed would regulate, will be empty shells.

The Fed's power comes from the power to regulate banks. Their ability to get banks together to prevent a financial collapse—such as the Long Term Capital Management case in New York—was their ability, using moral suasion by the fact that they regulated the holding companies that were involved, to get people together and basically nudge them, encourage them, and, if you like, pressure them into dealing with that crisis before it got moving.

Now, I ask my colleagues on the first point: Do you want this administration, or any administration, to control banking policy? The Secretary of the Treasury says they should; it is part of the tools they say they need to conduct economic policy.

Let me tell you something, Mr. President. We had this debate in 1913. We decided we didn't want the President, in 1913, controlling banking policy. We have decided we do not want any President or did not want any President since that time.

Would we have been better off in the last 2 years of the Reagan administration if the Treasury had controlled banking policy instead of the Federal Reserve? I do not think so. When the Bush administration was in a reelection campaign and losing the election because the economy was recovering slowly, would we have wanted the Secretary of the Treasury and the Comptroller of the Currency—appointed by the President, removable by the President—would we have wanted them to have the ability to turn on the printing presses or to use expansionary policy with the banks? I do not think we would.

Do we want this President to have the ability to control banking policy when he orders the Comptroller of the Currency, who would be the new central banking regulatory authority under the Shelby amendment, to come to the White House for a fundraiser with bankers?

This is not a partisan matter. Bill Clinton is going to be President for 18 more months. We may well then have a Republican President. I hope so. But I do not want a Republican or Democratic President to control banking policy. We set up an independent Fed to do that, and I want them to do it. Have no doubt about it, when Robert Rubin is saying that this amendment is a way of expanding the administration's effective role in banking policy, he means transferring from the Fed to the Treasury the ability to set banking policy.

Now, if you are for that, if you believe the executive branch of American government ought to set banking policy, you should vote for the Shelby amendment. But if you believe we have done pretty well under Alan Greenspan and the Federal Reserve, if you believe that since 1913 the American economy has performed pretty well by taking banking policy away from Congress and away from the executive branch of government and putting it in an independent agency, if you believe that, do not vote for this amendment. This amendment is clearly an effort to transfer regulatory authority over banking from the Federal Reserve to the Treasury. That would be a disaster for America. That would be far more important in its negative impact than anything we could possibly do in terms of letting banks get into a few other areas of providing services.

This is a fundamental issue. I urge my colleagues not to get caught up on the Democrat side of the aisle with the fact that there is a Democrat President or that we have a very friendly, nice, and competent Secretary of the Treasury who is calling them up and saying, ''We need you to vote with us.'' This is not a partisan matter. An independent control of banking policy in America, an independent agency controlling banking policy, is not a partisan matter, it is a matter that this Congress, on a bipartisan basis, has stood for since 1913. I don't want to take any step, and I don't believe America, if it understood this issue, would want to take a step backward from that.

Let me talk to my Republican colleagues. We have written a bill, and I think it is a good bill. I had a lot to do with writing it, so obviously I think that. But I think other people are beginning to think it, too. This is a big bank, big securities, big insurance bill. That is just a reality. And I have to say that there is something a little bit obscene about big banks calling up Members of the Senate and saying: ''Well, you know we only got 95 percent of what we wanted in that bill. We could get another 15 percent and go up to 110 percent if you could let us provide these services within the bank, rather than doing it outside the bank.''

Now, the banks are not caught up in who is going to conduct banking policy. They are caught up in the fact that they are going to make more money if they can provide these services inside the bank, because they get the subsidies from the FDIC insurance, the Fed window and the Fed wire.

I don't so much complain about them taking this sort of narrow self-interested view as I complain about our responding to it, let me say. We have all heard: What is good for General Motors is good for America. That is not right. What is good for America is good for General Motors. I just say to my colleagues, whatever commitments you have made on this, whatever partisanship you feel on this, ask yourself a question: Is it good for America to give the Treasury—an agency controlled by the President—control over banking policy in this country and take that control, at least partially, away from the Federal Reserve?

Do we want monetary policy to continue to be based on an objective set out to maintain stable prices and economic growth, or do we want to bring politics into it? Obviously, Secretary Rubin wants the administration to conduct banking policy, and that is why he asked for this amendment. He says it in clear English. I don't want this administration to conduct banking policy, but at least you have to say I am a little broad-minded. I don't want any administration to conduct monetary policy.

To try to summarize, because it gets complicated: The Secretary of the Treasury wants this amendment adopted because banks, by providing these new services inside the bank, will find it cheaper to do that, more profitable, and they will fold their holding companies, which they only set up because the law required them for safety and soundness to undertake these riskier activities outside the bank. As they fold up these holding companies, the Federal Reserve loses regulatory control over them and the Comptroller of the Currency, and therefore the President, gains regulatory control over them. So what Secretary Rubin is talking about is basically giving the Treasury regulatory authority that the Federal Reserve now has.

Nothing in our bill takes power away from the Treasury. A lot of people have gotten confused that this is just a

power struggle, where this bill would give the Federal Reserve more authority, and the Treasury wants to share it, or the Treasury wants more. Look, the Fed regulates bank holding companies. Virtually all the wealth is already in bank holding companies. The Comptroller audits national banks. There is no shift in the regulatory authority in our underlying bill.

But the amendment that Senator SHELBY has offered with Senator DASCHLE, supported by the Clinton administration, is the biggest regulatory shift, the biggest power grab, by a Federal bureaucracy that I have seen in my 20 years in Congress. And it is absolutely critical that we slam the door on this power grab, not because Rubin is a bad guy and Greenspan is a good guy, but because Rubin is a political appointee controlled by a President who, by the very nature of the Presidency—whether it is President Ronald Reagan or President William Clinton—he has political concerns to deal with, as he should.

We decided in 1913 to take banking policy out of the hands of politicians and put it into the Federal Reserve. We dare not take action to take it back. Maybe Robert Rubin would do a good job with it. Maybe Bill Clinton might fire Rubin and appoint somebody else, or maybe Rubin might leave. But the point is, the Fed, whoever is there—and I hope Alan Greenspan will be there forever—will be independent, with a long term, and will be independent of the President, and so will the board members who share that power.

If this issue doesn't move you, then I have done a poor job, because I have been standing on the floor for 3 days and I am tired. If this issue doesn't move you, it is not because the issue is not moving; it is because I am not moving. I want to urge my colleagues to think long and hard before we take an action that, in reality, is a step toward repealing the essence of the Federal Reserve Act.

Let me turn to the other side of the story. It is an important story. I have explained first how this amendment is a step toward repealing the Federal Reserve Act by giving the control of bank regulation to the Treasury instead of the Federal Reserve. But let me explain that, for safety and soundness, for the well-being of the taxpayer, and for competition, this amendment is also a bad thing. Banks receive a subsidy from the Government because they have their principal asset—deposits—insured by the FDIC. They have deposit insurance. No other nonbanking institution has that guarantee. Your insurance salesman doesn't have it. Your securities broker doesn't have it. The stock exchange doesn't have it. The bank has it.

The bank also has the ability to go to the Federal Reserve and borrow at the lowest interest rates in the country. And they have the ability to use the Fed wire to transfer money that is guaranteed. What all that means is that if you let banks provide broad-based financial services, which this bill does—but it requires them to do it outside the bank—if you let them do it inside the bank, these huge banks with massive capital, when they are selling securities or underwriting them—or, ultimately, because if you let them do securities today, in 5 or 10 years, you are going to let them do insurance within the bank, and we all know it—these banks will have an enormous and unfair competitive advantage due entirely to the Federal subsidies they are receiving.

When they are selling securities, or selling insurance or underwriting it, they are going to have a competitive advantage because they can borrow money more cheaply than an insurance company or an independent stockbroker. So what is going to happen over time is, with that competitive advantage, they are going to end up dominating the securities industry, and in the long run, dominating the insurance industry.

I ask you the question: Do we want a banking industry that dominates the entire financial services industry? I helped write this bill to promote more competition. I did not write this bill so that 20 years from now we look like Japan, with 10 banks dominating the entire financial services area. I know about the Presiding Officer, but I don't know about other people. I happen to love my independent insurance agents and they love me, and I appreciate it. I happen to love my little independent stockbroker in my hometown; he was my campaign manager the first time I ever ran for Congress. I don't want to force these people out of business by giving an unfair competitive advantage to banks.

We are not talking about foreign banks who don't know how to do it, even with a Government subsidy; we are talking about American banks that know how to do it.

Now, Mr. President, the next problem is that we are going to create an unlevel playing field, and banks are going to dominate these industries not because they are better, but because their structure of being able to provide these services within banks is one that is cheaper to operate in.

The third and final problem is selling insurance—underwriting insurance—which ultimately will happen if we go this direction with op-subs on securities—selling securities; underwriting securities is risky business.

What we are doing, if we put that power within the structure of the bank, is that taxpayers are underwriting it, at least implicitly with Federal deposit insurance. So we are putting the taxpayer on the hook.

The alternative in the bill is, except for very small banks that can't afford to have holding companies, to require banks that have holding companies—and they are large enough to have them, they can provide all these new services—but they have to do them outside the banks. So the taxpayer is not on the hook for the deposit insurance for these activities, and the banks don't get a subsidy to conduct these activities due to the fact that capital is cheaper inside the bank, and we don't create a structure where the Treasury—a political institution—exercises more banking regulation and the Fed less.

Alan Greenspan, testifying before the House Commerce Committee last week, made a very strong statement. Those of you who know Alan Greenspan know that he is not prone to get to the point. In fact, we have reporters in this town who have become very successful by figuring out what Alan Greenspan is saying. He will go around the barn and the outhouse, and all over the barnyard, before he finally gets to the point. And, if he is saying something that he knows somebody isn't going to like, he is even more roundabout so as not to hurt anyone's feelings. Quite frankly, he does it perfectly. Every central banker in the world models himself after Alan Greenspan, who is the greatest central banker probably in the history of the world.

But he wasn't beating around the bush when he talked to the House Commerce Committee. He said, ''I and my colleagues''—he means members of the Federal Reserve Board—''are firmly of the view that the long-term stability of U.S. financial markets and the interests of the American taxpayer would be better served by no financial modernization bill rather than one that allows the proposed new activities to be conducted by the bank. . . .''

This is not just an average kind of Joe talking.

It is interesting to me that we talk to a few bankers on the telephone, and all of a sudden we think we know as much about banking policy as Alan Greenspan. This is the most successful central banker in history who is saying that when you look at the three problems with this approach, one, you put the taxpayer on the hook in a risky business that ought not to be inside the bank; that, two, you create an unfair playing surface that will create unfair competition and hurt the economy, and make the economy more vulnerable; and, finally, you transfer control of bank regulations from an independent agency—the Fed—to the Treasury and, therefore, to the President.

Based on those three things, Alan Greenspan—who is a strong supporter of this bill; he is for this bill; at the end of the last Congress, he spent numerous hours trying to get it passed, and he is for it now—says, if you adopt this amendment then the country would be better off with no bill at all.

My colleagues, it has been a long 3 days of debating. I never challenge anybody's sincerity. But I want to urge my colleagues, my Democrat colleagues who are getting all this pressure now, you know—Republicans have won on many of these issues, this is an opportunity for Democrats to win; the Secretary of the Treasury has said that the President will veto the bill if you do not give the Treasury control over banking policy. And I know that my Democrat colleagues are under a lot of pressure.

But I want to urge my colleagues to look at what we are doing here in terms of moving away from an independent banking authority toward putting the control of banking policy under the President. It is a very, very dangerous thing to do.

I urge my colleagues to resist the pressure and vote against this. Ordinarily two-thirds of the Democrat Members of Congress would oppose this amendment. But what is happening here, in part because the issue has become so partisan—and I am partly to blame for this—but what is happening is we have a dynamic where an amendment that should not be even seriously considered is going to have a very, very close vote, and could very well pass.

I just urge my colleagues, if you are not swayed by risk to the taxpayer, if you are not swayed by unfair competition and concentration of industry—and many of my Democrat colleagues are swayed by those things in most of the issues—if you are not swayed by that, be swayed by Secretary Rubin who thinks the administration ought to control banking policy. We decided in 1913 not to let him do it. Do we want to go back and change that decision today? I don't think so.

I want to conclude by saying to my Republican colleagues—I know Senator SHELBY is very persuasive. That is one of the reasons that I love him and that we are very good friends. I know a lot of people have been torn with me grabbing them and screaming in one ear, and Senator SHELBY grabbing them and screaming in their other ear. I know they are ready for this thing to be over. But this is not a parochial issue, or a personal issue, or a regional issue.

When we are talking about reversing a policy established in 1913 for independent banking authority because the Secretary of the Treasury wants the President to conduct banking policy, something we rejected in 1913, this goes way beyond hearing from your bank back home that says, ''Gee, I would rather do it this way. I appreciate the bill. You have done it. It is going to help me. But you could help me more by letting me do it this way.'' I think we have to resist that siren song.

I don't want to sound too preachy, so let me just stop and urge my colleagues to give some long and prayerful deliberation on this amendment, because I think it is very important. I know it is a hard vote. I wish it weren't so hard.

But I think it is a very clear vote. I think if you stand back and look at it, it is hard to think of a vote we have cast around here that was much clearer in terms of what is the national interest. It can't be good for your bank back home if it is bad for America. I think that is the key issue I would like people to remember.

Mr. President, can you tell me how much time I have left, and how much time Senator SHELBY has?

The PRESIDING OFFICER. The Senator from Texas has 19 minutes 53 seconds; the Senator from Alabama has 37 minutes.

Mr. GRAMM. I had better let him talk more. I yield the floor.

Mr. SHELBY. Mr. President, I yield such time as the Senator may consume to the distinguished Senator from Rhode Island, Mr. REED.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, I thank the Senator for yielding. I am pleased to support his amendment, together with Senator DASCHLE.

I think it underscores the bipartisan nature of this amendment that both Senator SHELBY and Senator DASCHLE are here today to advance a very important issue. It is a very important issue that I have been working on for over a year.

In fact, in the last Congress, I had an amendment in the Banking Committee that was very similar to this, and my impetus is to suggest this amendment was based upon my experience as not only a Senator but also as someone who was a lawyer and involved in banking matters in my home State of Rhode Island.

It is very important to clear up a misconception that might be operating at the moment that the Federal Reserve is the exclusive repository of banking direction and regulation in the United States. Such a claim is just wrong. Banking policy in the United States is the province of many different organizations. The Federal Reserve principally, starting in 1956 with the Bank Holding Company Act, regulates the operations of bank holding companies.

Here is a simple schematic of what a bank holding company is. It is a holding company—a corporation under State law usually owning a bank, and also owning the other affiliates.

This bank holding structure became an issue in the 1950s, and as a result the Federal Reserve was empowered by Congress—I should emphasie ''by Congress,'' not by its own direction—to regulate bank holding companies. But long before that, beginning in the 1860s, national banks were regulated under the Department of the Treasury and the Comptroller of the Currency. Indeed, other financial entities, other depository entities, are regulated by the Office of Thrift Supervision.

We should be very clear. This is not an attempt to wrench away from the Federal Reserve their exclusive prerogative to run the banking system in the United States. This amendment is attempting to provide flexibility to banking organizations so they can conduct a limited range of activities in either a subsidiary of the bank or an affiliate of the bank.

If they are conducted in the affiliate, they will be regulated under current law and under our anticipated legislation by the Federal Reserve; if they are conducted in the subsidiary, they will be regulated by the Office of the Comptroller of the Currency or the other regulator of this particular bank.

It is also important to note that there are only two rather narrowly defined activities that could be conducted under the Shelby-Daschle amendment: Securities underwriting or merchant banking activities. I should hasten to add that these two activities would also be regulated by the functional regulator. If it is securities activities, it would be regulated by the Securities and Exchange Commission. We are talking about a very narrow band of activities. It is important to keep that in mind.

We are in no way talking about displacing the Federal Reserve as a principal regulator of bank holding companies. What we are talking about is giving banking organizations the flexibility to decide, based upon their own analysis, whether they want to conduct these two limited activities, either an affiliate or a subsidiary of the bank.

What the underlying legislation, S. 900, would do essentially is give the Federal Reserve all the authority. It would cut out effectively what currently exists, the regulating authority of the Comptroller of the Currency to determine a limited range of activities that either could or could not be done either in the bank itself or a subsidiary bank.

Many have described this as a turf fight. I don't think that is a proper description. What we should be doing and what the Shelby amendment is attempting to do is to provide the type of regulatory balance necessary, first, to guarantee safety and soundness; and, second, to give banking institutions the flexibility to conduct the business the way they decide rather than the way we might dictate here in Washington.

Now, one of the interesting things to know is that we are attempting to change a high bond regulatory structure that was erected in the wake of the 1930s. I note that the Senator from Texas noted that all of our financial problems were solved in 1913 when we created the Federal Reserve, but there was a brief interlude in the 1930s where

the economy was in disarray during the Depression.

As a result of that, we created the Glass-Steagall Act that separated various activities. We now recognize, because of many different factors, that we should in fact undo this very rigid structure and provide flexibility for a combination of different financial activities—insurance activities, security activities, depository activities. However, this amendment, the Shelby-Daschle amendment, goes to the heart of that flexibility by providing the kind of business flexibility that banks should have in this new, very fast paced international economic environment.

I explained basically the structure of the typical bank holding company, and I think that is useful because for the last several weeks we have been hearing jargon such as ''op-sub'' and ''affiliate,'' et cetera. It is exactly what I suggested before: A bank holding company, a company that is typically a commercial enterprise, a State-chartered company, owns a depository institution; in turn, they operate some activities and subsidiaries throughout the affiliate. That is basically what we are talking about now.

The question is, What should we do to ensure that, first, safety and soundness is protected; and, two, that the banks have the kind of flexibility they need and the corporate governance to operate effectively?

What we are proposing with this amendment is that in these two limited activities—securities activities and merchant banking—the bank holding company have the choice of either doing it in a subsidiary or affiliate. As I understand it, the underlying legislation would allow a very small bank holding company to conduct these activities in a subsidiary. So this is, in some respects, an issue of size. But the principle already exists within the context of the underlying legislation that these activities can, in fact, be conducted in subsidiaries.

Looking ahead at what the amendment requires, it is very important to note that in order to conduct these activities a bank would have to meet certain tests. First of all, the bank would have to be well managed and well capitalized. This is a requirement that would be similar on bank holding companies.

In addition to this, the bank would also have to do specific things to allow or qualify for the conduct of these activities. First of all, if the bank was going to conduct the activities in a subsidiary, it would have to deduct its equity investment in the subsidiary from its own equity. As a result, this provides protections for the bank and for the overall depository system. In addition, it would have to remain well capitalized after the equity deduction.

The point here is that the regulators essentially could be satisfied that even as this subsidiary failed, even if the whole investment were lost, it would not adversely affect the capital bank, which is at the heart of their notion of protecting safety and soundness.

In addition to that, they would be limited to the amount of money they could invest in a subsidiary. It would be limited to this same amount of money they could ''dividend upwards'' to the bank holding company—another check on the safety and soundness provisions in this legislation.

Moreover, if these activities are conducted in a subsidiary, the whole relationship would be governed by section 23(a) and 23(b) of the Federal Reserve Act. These two sections govern transactions between bank affiliates and other holding company affiliates. Essentially, it requires that there be arm's-length dealing between these two entities.

For example, section 23(a) imposes a percentage cap on transactions between a bank and our operating subsidiary—the subsidiary cannot be the exclusive source of business for the bank, and vice versa. In addition, section 23(a) provides safeguards with respect to collateral that could and must be used for lending transactions between the bank and subsidiary. In sum, there are provisions in the amendment to guard against the self-dealing that would lead to breaches of safety and soundness.

All of these things together suggest very strongly that what we are proposing is entirely consistent with the safety and soundness of the banking system. Indeed, that should be our primary legislative motivation, to be sure that whatever we do here is consistent with safety and soundness.

There has been a great deal of discussion about the mysterious subsidy that Chairman Greenspan is talking about, the fact that ''...the reason I oppose this is because of this hidden subsidy,'' because of this transfer.

In his words, ''My concerns are not about safety and soundness.'' I am glad, because I think we have convinced or at least we have suggested that we have considered very thoroughly and carefully the safety and soundness issues.

It is the issue of creating subsidies for individual institutions which their competitors do not have. It is a level playing field. . ..

The subsidy, as explained before, rests upon essentially the guarantee of deposit by Federal deposit insurance.

Now, what we have done, first, is protected safety and soundness; second, these subsidies are frequently offset in discussions—indeed, many times complaints—about the restrictions that go along with the depositor insurance. We debated yesterday at length about CRA. That adheres to a bank because of its deposit insurance. That is a cost that other competitors could not have.

So when we look at this whole notion of subsidy, there is a very real argument, when it is balanced out, that this subsidy is not particularly significant, that in the margin it will not make a difference whether you conduct this activity in a subsidiary or in an affiliate. Moreover, when a bank holding company is attempting to go to the equity markets to raise equity through stock offerings or through commercial debt paper, no one looks exclusively, uniquely, solely at the bank; they look at the combined activities of the holding company.

So if there is a subsidiary at the bank, that all washes out through the bottom line of the bank holding company balance sheet. This notion that the subsidiary is the driving force I don't think is entirely correct.

Moreover, when you look at experts who have dealt with this whole issue of whether or not these activities should be conducted in a subsidiary, those in fact who have been responsible for the operation of the FDIC, most of the recent chairpersons—Ricky Halperin, William Isaac, and William Seidman—have argued very strongly and forcefully that in fact placing these activities into a subsidiary would, in fact, be a beneficial and not a detrimental aspect and, in fact, potentially could be a plus for the Bank Insurance Fund.

It would be so because if, in fact, there was a troubled bank with a healthy subsidiary, either in the securities business or in the merchant banking business, those healthy assets would be a source of funds to cover depository losses, potentially in the bank. Such coverage from a subsidiary would offset the need for a contribution by the taxpayer-supported deposit insurance fund.

It has been mentioned before that foreign banks, in fact, have these powers within the continental United States because of international banking agreements. In fact, there are 19 foreign banks with securities underwriting subsidiaries in the United States and these banks have about $450 billion in assets and they would be allowed to continue their operations under the S. 900 bill, the underlying legislation. As Senator SHELBY pointed out, this is on the surface a disparate treatment between domestic banks and foreign banks, but I think it reveals something else. It goes right back to that issue of: Is there a subsidy? Because these foreign banks are also subsidized by deposit insurance, in most cases, in their country of origin, the country of incorporation. And they are also subsidized in the same way as are our banks, by government policies, by access to the central bank's discount window, by a whole series of governmental programs that assist banking institutions.

If you put back Chairman Greenspan's words—again, let me remind you, he is not talking about safety and soundness. He is talking about this

mysterious subsidy. Those are his words, but what are the actions of the Federal Reserve when it comes down to approving the applications of these foreign banks to operate security subsidies in the United States?

First of all, the Federal Reserve, in the applications they had to approve, looked at the whole subsidiary issue. And they found that technically there was probably a subsidy to the subsidiaries. But what they suggested in approving these applications, which they did, is that by essentially imposing restrictions, as we have done, in terms of capital contributions, in terms of the possible transactions between the bank and subsidiary—that they would be offset. So essentially what the Chairman says and what the Federal Reserve does are two different things. He says this is a dangerous subsidy, yet when they have to approve an application of a foreign bank to operate a subsidiary in the United States, they say they can control that subsidy, essentially, by the same means that we are suggesting—capital contributions and other techniques.

So, if you listen to what is being said but look at what is being done in the world, I think, deeds speak louder than words. And the deeds are that this subsidy issue is a false one. Any subsidy is either dissipated through the holding company system or is offset in our amendment by the requirements to deduct capital, by the requirements to limit the investment into a subsidiary to the amount that you could upstream to a holding company for further investment in an affiliate.

There is another aspect which I think is telling with respect to the Federal Reserve, their position. I think this could come as a surprise to lots of people. American banks today can own operating subsidiaries and do own operating subsidiaries which can in fact perform merchant banking activities and securities activities—the activities that we are authorizing in this amendment. But they can only have these subsidiaries overseas, and interestingly enough, these subsidiaries are regulated by the Federal Reserve Bank. They are called Edge Act companies.

So what we are proposing today in this amendment is no novel redistribution of regulatory opportunities or banking opportunities, really. What we are saying, essentially, is if the Federal Reserve can regulate and authorize American banks through foreign subsidiaries to conduct insurance activities and securities activities and merchant banking activities overseas, why do they object to American banks doing the same thing in the United States? The same thing—limited, of course, to securities activities and merchant banking.

There are, as we estimated, subsidiaries with $250 billion in assets, subsidiaries of American banks operating overseas, subject to the regulation not of the Securities and Exchange Commission, but whatever foreign regulator is looking at their operation. Of course, the Fed concludes—they must conclude—this does not pose a threat to the safety and soundness of American banks. Of course, they must conclude that whatever subsidy they are getting through deposit insurance, it is not unfair for them to apply that overseas to invest in foreign subsidiaries to conduct these activities. In fact, the operations of these banks' subsidiaries overseas, these Edge Act companies, are far less regulated than what we are proposing in our amendment. These are not bound by section 23 (a) and (b). They are also not bound by our restrictions, by the amount of money that can be invested in the subsidiary.

So I think the Federal Reserve position—in terms of the facts, not the rhetoric, not the appeals to the history—is very weak indeed. The facts establish, No. 1, that in fact they have no objection to American banks' operating subsidiaries' overseas securities activities. It does not pose a threat to safety and soundness in their view. It is not an unfair use of the subsidy if that subsidy exists.

So I think we have to be very careful to conclude that what we have here is an amendment that gives banks flexibility, that does not implicate the safety and soundness of the banking system, that does not in any way distort the monetary policymaking role of the Federal Reserve. That in fact is consistent with over 100 years of banking regulation in the United States, which is a shared function between many different banking regulators in the United States. In fact, it is something that will provide the flexibility that is at the heart of this legislation.

I hope we will, in fact, support this amendment. It represents a bipartisan attempt to be consistent with the overall theme of this legislation, which is to unshackle our banking institutions from the hidebound rules of the Glass-Steagall Act, to give them an opportunity to compete but to do so in a way that does not implicate, intimidate or, undermine the safety or soundness of the banking system which is our ultimate responsibility.

I hope, again, we will accept, adopt and support this amendment. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM. Mr. President, I yield 5 minutes to the distinguished Senator from Wyoming.

(Mr. GRAMM assumed the chair.)

Mr. ENZI addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I thank you for the opportunity to address what we have been looking at in the Banking Committee now for a couple of years. We have had very detailed hearings, where both Alan Greenspan and Secretary Rubin have presented their case. I have to admit, during most of those everybody has said: What kind of a turf battle are we looking at here? The comments have been kind of mixed because it is an extremely difficult area to understand. It is an area between the Federal Reserve and the Treasury. But it is an area that affects the ways that banks will operate. We are trying to design, under this bill, a mechanism for the American banking system to succeed, to provide for security and soundness for the banking system, to provide for safety. Now, is that done under the Treasury or is it done under the Federal Reserve?

As one of those accountants, I suggest that the Treasury handles the accounting function very well. They do an excellent job of auditing our banks. They do an excellent job of overseeing the accounting aspects of the bank. But the Federal Reserve does the outstanding job of overseeing the banking policy for our country. If we begin to establish a system where the administration, who can reflect to times of election, has control over the banks and the banking establishment and the banking policy, our country could be in trouble.

If the banking policy is established by the administration with the benefit of the Federal wire and the Federal funds and the lower loan rates, our country could begin to react more to elections than to the economy.

We have had a fantastic system that has brought our economy to new heights, and it has been working under the Federal Reserve System. Let's not shift all of this around and allow the banks to have another technique where they can put businesses under their bank and have transactions—and I think everybody realizes that the transactions, while there are generally accepted accounting principles for how those are done, they are not nearly as much in the open under a subsidiary as they are under an affiliate.

We have some accounting techniques here that provide daylight for the banking industry which provide safety and soundness for the banking industry and the consumers.

I suggest that Alan Greenspan and whoever holds that position has to have enough ability to control the economy of the banks and the power of the banks to keep the economy of this Nation going.

This is an issue that is extremely difficult to understand. After all of the hearings we have held on it, it is possible to see it still is under a cloud of misunderstanding. I hear the terms brought out about how foreign banks are involved and how foreign banks are allowed to operate. The foreign banks are not the ones providing the Federal Deposit Insurance Corporation money.

They are not the ones insuring the money of the consumers of this country. I opt for the safety and soundness provided by the Federal Reserve. I ask that you defeat the amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. What is the parliamentary situation?

The PRESIDING OFFICER. The authors of the amendment have 16 minutes, and the opponents of the amendment have 15 minutes.

Mr. SARBANES. Will the Senator yield me 4 minutes?

Mr. REED. I do not control time.

Mr. SARBANES. Will the Senator yield me 4 minutes?

Mr. SHELBY. I yield to the Senator from Maryland 4 minutes.

The PRESIDING OFFICER (Mr. ENZI). The Chair recognizes the Senator from Maryland for 4 minutes.

Mr. SARBANES. Mr. President, in view of the comments that were just made by my able colleague from Wyoming, I want to address this safety and soundness issue. The Federal Deposit Insurance Corporation, to which he referred, the regulatory agency with the most at stake in terms of protecting the deposit insurance funds, sees the op-sub as equivalent to the holding company structure for safety and soundness reasons.

The argument was just made that there are some safety and soundness problems. The FDIC Chairman, Donna Tanoue, wrote a letter to the Banking Committee:

> With the appropriate safeguards, the operating subsidiary and the holding company structures both provide adequate safety and soundness protection. We see no compelling public policy reason why policymakers should prefer one structure over the other. And absent such a compelling reason, we believe the Government should not interfere in banks' choice of organizational structure.

That is the current Chairman of the FDIC. Lest someone says that is only the current Chairman, let me refer to an article written by three previous FDIC Chairmen, both in Democratic and Republican administrations: Ricki Tigert Helfer, William Isaac, and William Seidman, all of them with many years of direct experience in this area. They all agree with the current FDIC Chairman and have offered strong support for the operating subsidiary approach.

In fact, I will quote from their article. I ask unanimous consent that this article be printed in the RECORD at the conclusion of my statement.

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

(See Exhibit 1.)

Mr. SARBANES. The article says:

> The debate on banks conducting financial activities through operating subsidiaries has been portrayed as a battle between the Treasury and the Federal Reserve. The Treasury believes banks should be permitted to conduct expanded activities through direct subsidiaries. The Fed wants these activities to be conducted only through holding company affiliates.
>
> Curiously, the concerns of the Federal Deposit Insurance Corp. have been largely ignored. The FDIC, alone among the agencies, has no ''turf'' at stake in this issue, as its supervisory reach extends to any affiliate of a bank. The FDIC's sole motivation is to safeguard the nation's banks against systemic risks.

They go on to say:

> Every subsequent FDIC chairman, including the current one, has taken the same position . . .

In other words, allowing with the view toward bank subsidiaries conducting these activities.

In fact, they point out that requiring the bank-related activities be conducted in holding companies will place insured banks in the worst possible position. They will be exposed to the risk of the affiliates' failures without reaping the benefits of the affiliates' successes.

It is very clear that the regulator concerns of the Federal Deposit Insurance Corporation are supportive of doing it either way.

Will the Senator yield me 1 more minute?

Mr. SHELBY. I will be glad to yield 1 minute.

Mr. SARBANES. Mr. President, let me quickly run through some important safety mechanisms that are in the Shelby-Daschle-Reed amendment:

One, a full capital deduction for investments in subsidiaries so that all such investments would be fully deducted from the bank's regulatory capital. Banks must remain well capitalized after this deduction, meaning even if the subsidiary fails, the bank's capital will remain intact.

Two, downstream investments in subsidiaries be no greater than the total amount that a bank could upstream as a dividend to a holding company. So they have exactly the same extent to which they can engage in new financial activities between the subsidiary or the affiliate.

We remove any advantage for subsidiaries in terms of transactions with their parent banks by applying sections 23(a) and 23(b) of the Federal Reserve Act to subsidiaries, just like affiliates. It would require the maintenance of subsidiaries as separate corporate entities.

The bank's credit exposure to a subsidiary be no greater than it could have been to an affiliate.

Real estate investment and insurance underwriting is not permitted in the subsidiary.

All of these features, I think, go to ensuring the safety and soundness of the approach contained in the Shelby-Daschle-Reed amendment, and I am supportive of this amendment.

I thank the Senator for yielding time.

EXHIBIT 1

[From the American Banker, Sept. 2, 1998]

EX-FDIC CHIEFS UNANIMOUSLY FAVOR THE OP-SUB STRUCTURE

(By Ricki Tigert Helfer, William M. Isaac, and L. William Seidman)

The debate on banks conducting financial activities through operating subsidiaries has been portrayed as a battle between the Treasury and the Federal Reserve. The Treasury believes banks should be permitted to conduct expanded activities through direct subsidiaries. The Fed wants these activities to be conducted only through holding company affiliates.

Curiously, the concerns of the Federal Deposit Insurance Corp. have been largely ignored. The FDIC, alone among the agencies, has no ''turf'' at stake in this issue, as its supervisory reach extends to any affiliate of a bank. The FDIC's sole motivation is to safeguard the nation's banks against systemic risks.

In the early 1980s, when one of us, William Isaac, became the first FDIC chairman to testify on this subject, he was responding to a financial modernization proposal to authorize banks to expand their activities through holding company affiliates.

While endorsing the thrust of the bill, he objected to requiring that activities be conducted in the holding company format. Every subsequent FDIC chairman, including the current one, has taken the same position, favoring bank subsidiaries (except Bill Taylor who, due to his untimely death, never expressed his views). Each has had the full backing of the FDIC professional staff on this issue.

The bank holding company is a U.S. invention; no other major country requires this format. It has inherent problems, apart from its inefficiency. For example, there is a built-in conflict of interest between a bank and its parent holding company when financial problems arise. The FDIC is still fighting a lawsuit with creditors of the failed Bank of New England about whether the holding company's directors violated their fiduciary duty by putting cash into the troubled lead bank.

Whether financial activities such as securities and insurance underwriting are in a bank subsidiary or a holding company affiliate, it is important that they be capitalized and funded separately from the bank. If we require this separation, the bank will be exposed to the identical risk of loss whether the company is organized as a bank subsidiary or a holding company affiliate.

The big difference between the two forms of organization comes when the activity is successful, which presumably will be most of the time. If the successful activity is conducted in a subsidiary of the bank, the profits will accrue to the bank.

Should the bank get into difficulty, it will be able to sell the subsidiary to raise funds to shore up the bank's capital. Should the bank fail, the FDIC will own the subsidiary and can reduce its losses by selling the subsidiary.

If the company is instead owned by the bank's parent, the profits of the company will not directly benefit the bank. Should the bank fail, the FDIC will not be entitled to sell the company to reduce its losses.

Requiring that bank-related activities be conducted in holding company affiliates will place insured banks in the worst possible position. They will be exposed to the risk of the affiliates' failure without reaping the benefits of the affiliates' successes.

Three times during the 1980s, the FDIC's warnings to Congress on safety and soundness issues went unheeded, due largely to pressures from special interests:

The FDIC urged in 1980 that deposit insurance not be increased from $40,000 to $100,000 while interest rates were being deregulated.

The FDIC urged in 1983 that money brokers be prohibited from dumping fully insured deposits into weak banks and S&Ls paying the highest interest.

The FDIC urged in 1984 that the S&L insurance fund be merged into the FDIC to allow the cleanup of the S&L problems before they spun out of control.

The failure to heed these warnings—from the agency charged with insuring the soundness of the banking system and covering its losses—cost banks and S&Ls, their customers, and taxpayers many tens of billions of dollars.

Ignoring the FDIC's strongly held views on how bank-related activities should be organized could well lead to history repeating itself. The holding company model is inferior to the bank subsidiary approach and should not be mandated by Congress.

Mr. SHELBY. Mr. President, how much time do I have left?

The PRESIDING OFFICER (Mr. BENNETT). Ten minutes 30 seconds.

Mr. SHELBY. I yield 5 minutes to the distinguished Senator from Minnesota.

Mr. GRAMS. Thank you very much, Mr. President.

I rise in strong support of the Shelby amendment and urge the Senate to approve this amendment today. I say this with utmost respect for my committee chairman, Senator PHIL GRAMM. As you know, I support PHIL GRAMM and we agree on so many issues across the board, but this is one time when I have to disagree with my chairman. As I say, even his lovely wife Wendy disagrees with Senator PHIL GRAMM on a few issues. I hope he realizes the respect I have for him and his arguments on this amendment, but I feel that I have to support this.

As a Senator who worked on a bipartisan basis last year with Senator REED of Rhode Island to draft a compromise operating subsidiary amendment, I have invested a great deal of time studying the pluses and minuses of this option. I have come to the conclusion that it is appropriate for national banks to conduct full financial activities, with the exception of insurance underwriting and real estate development in the operating subsidiary.

This amendment preserves corporate flexibility by allowing subsidiaries of well-capitalized and well-managed national banks to conduct many of the same activities—such as securities underwriting and merchant banking—as bank holding companies and foreign bank subsidiaries.

I would like to note that insurance underwriting and real estate development are not permitted in the subsidiary.

Although some have claimed that the subsidiary approach could lead to a competitive advantage for banks, the amendment prevents competitive advantages by imposing the same prerequisites for conducting new financial activities on national banks as are placed on bank holding companies.

The subsidiary also is safer for national banks. First, the amendment includes a number of appropriate safety and soundness ''firewalls'' to ensure that the subsidiary remains an asset to—and not a liability of—the bank.

These firewalls include: one, requiring that capital invested in the subsidiary be deducted from the capital of the bank and that the bank remains well-capitalized after the deduction; two, prohibiting the consolidation of assets of the subsidiary and the bank; three, limiting the investment the bank may make in the subsidiary to the same amount that the bank could ''upstream'' to holding company affiliates by way of dividends; four, requiring the bank to maintain procedures for identifying and managing financial and operational risks posed by the subsidiary; five, requiring the bank to maintain—and regulators to ensure—a separate corporate identity and separate legal status from the subsidiary; and six, imposing the lending restrictions found in Sections 23A and 23B of the Federal Reserve Act on extensions of credit from the bank to the subsidiary—total extensions of credit to any one subsidiary may not exceed 10 percent of the bank's capital and total extensions of credit to all subsidiaries may not exceed 20 percent of the bank's capital.

The operating subsidiary approach adds another safety and soundness element because the subsidiary could be used as an asset to protect the taxpayer if the bank runs into trouble.

FDIC Chairman Donna Tanoue—the Federal Government's point person protecting the taxpayer against claims on the deposit insurance fund—testified that:

From a safety and soundness perspective, both the bank operating subsidiary and the holding company affiliate structure can provide adequate protection to the insured depository institution from the direct or indirect effects of losses in nonbank subsidiaries or affiliation.

Indeed, from the standpoint of benefits that accrue to the insured depository institution, or to the deposit insurer in the case of a bank failure, there are advantages to a direct subsidiary relationship with the bank.

When it is the bank that is financially troubled and the affiliate/subsidiary is sound, the value of the subsidiary serves to directly reduce the exposure of the FDIC.

If the firm is a nonbank subsidiary of the parent holding company, none of these values is available to insured bank subsidiaries, or to the FDIC if the bank should fail. Thus, the subsidiary structure can provide superior safety and soundness protection.

The last point made by FDIC Chairman Tanoue actually argues against the purported subsidy argument point put forward by some. Take for example two identical banks—Bank A and Bank B.

Bank A conducts its nonbank activities in a subsidiary and Bank B conducts its nonbank activities in the holding company.

In this case, the FDIC's exposure in Bank A is less than in Bank B because the amount of capital which could be raised either from the sub's assets or from the sale of the sub would actually reduce the losses of Bank A.

Thus, the FDIC's exposure in Bank B is higher because, as proven in the Bank of New England case, the sale of the affiliate cannot be counted on to reduce the banks losses.

Since both banks are identical and thus, have paid identical FDIC insurance premiums, Bank B receives a higher subsidy from deposit insurance because their return on FDIC insurance premiums paid is higher than Bank A, whose losses were lessened by the amount of capital raised by the sub.

Therefore, the operating subsidiary structure is safer from a safety and soundness perspective.

The amendment also removes the arbitrary $1 billion cap which is contained in the underlying bill. FDIC Chairman Donna Tanoue testified before the Senate Banking Committee that ''There is no valid reason to threat national banks differently on the basis of size or holding company affiliation.''

Another benefit of this amendment is that it provides competition among regulators. And that is so important. A recent conversation I had with a banking lawyer convinced me that this amendment is prudent public policy.

The attorney shared with me that in his dealings with the Federal Reserve Board and the Office of the Comptroller of the Currency, one of the agencies had been cooperative in helping his client work through issues and find creative ways to deal with their problems while the other had done nothing to help.

If we were to eliminate the competition, regulators would have no incentive to be responsible to the institutions they regulate and American banks would have nowhere to turn if they are unhappy with their treatment.

In closing, I think this amendment should not be portrayed as a killer amendment. And I hope and I urge the chairman and the majority leader to accept the will of the Senate and to allow the vote. Whether the amendment passes or fails, I pledge to vote for the bill—no matter how the amendment turns out.

Thank you, Mr. President.

The PRESIDING OFFICER. Who yields time?

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. I yield 5 minutes to the Senator from New Mexico, Mr. DOMENICI.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I thank the Senator. I thank the Presiding Officer for recognizing me.

First, I compliment Senator GRAMM on the marvelous work he has done on a very complicated bill. And I hope we get new legislation in this area before the week is out. Coming out of conference, I hope that we will have something fundamentally positive for the banking industry of the United States.

Mr. President, I have been in the Senate about 27 years. And I guess I would have to say, the institution of the United States for which I have the most respect is the Federal Reserve Board. In fact, I marvel at the 1913 act, the Federal Reserve Act. Frankly, I marvel at the caliber of people that have chaired the Fed and who act with total independence once they are appointed. Only one time in my 27 years have I thought that the Federal Reserve Board Chairman and the President of the United States were negotiating among themselves about interest rates and the like. For the most part, the Federal Reserve has been a marvelous institution for stability and nonpolitical involvement in the banking industry of America and for conducting the monetary policy of America.

I see this issue as a very simple one. Do you want the Federal Reserve Board to continue to be a major, major player in the banking system of the United States or do you want to send responsibility over to the White House?

When Congress created the Federal Reserve Board, there was a different problem. But we decided to create the Fed independent of the White House and keep it out of politics. Now we are here engaged in a fight, in an argument, in a close vote on sending a big part of the Federal Reserve Board's responsibility back to the White House. This amendment would allow a substantial portion of bank policy to be dictated by the White House. I do not believe it belongs there.

I am not saying this because of Secretary Rubin. I have agreed with almost all of his policies. As a matter of fact, I have said his economic policies remind me of Republicans and that probably is what saved the President in terms of the policies that he has put into effect. I have told the Secretary that. I do not know whether he was pleased or not so pleased to hear that, but I congratulated him nonetheless.

Essentially, this is the issue: Do you want to take a big piece of American banking policy and put it back in the political arena? Because no matter what we think of the Comptroller of the Currency, he is a political appointee. And it is most amazing, in the hierarchy of those who have power in America, it is not even a powerful position. It will be powerful if the amendment before us passes, because we will be giving the Comptroller tremendous control over our banking policy instead of vesting it where it truly belongs, with the most significant independent group in America's economic recovery since 1913—the Federal Reserve Board and its Chairman. I hope we do not do that.

I am amazed. It seems as though the White House believes that this is one of the most important issues it has ever faced. The lobbying pressure is enormous, with different levels of White House people—not the President,—but in the White House, Secretaries, Cabinet members. Maybe it is because they like Mr. Rubin so much they do not want him to lose this one. Maybe that is it. But it can't be that kind of issue unless it is seen by the executive branch as involving such power that Presidents might want to have it, rather than leave that power in the hands of the independent, successful management of the Federal Reserve Board.

I thank you for yielding me time, and I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. SHELBY. How much time do I have?

The PRESIDING OFFICER. Five minutes.

Mr. SHELBY. How much time does the Senator from Texas have?

The PRESIDING OFFICER. Eleven minutes, give or take a few seconds.

Mr. GRAMM. Let me yield 5 minutes to the distinguished Senator from Florida, Mr. MACK.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. Thank you, Mr. President. And I thank Senator GRAMM for yielding me time.

This was an issue that I did not expect to be drawn into as far as the debate was concerned. But as I have listened to it, and as I have observed my colleagues over the last several days, as the lobbying on both sides of this issue has been going on, and seeing people move back and forth, I have become concerned about how people are making decisions.

Finally, we have gotten down to the crux of the matter here, and that is, at least in my opinion, how monetary policy in the United States is going to be carried out.

I believe it is so important that we focus on the issue of monetary policy, because one of the underlying strengths, one of the major factors in the economic growth that we have experienced for almost 16 years is the role of the Federal Reserve, a Federal Reserve that has been committed to price stability. To do something that will weaken the influence of the Federal Reserve with respect to monetary policy would be a tragic mistake.

Here is my reasoning as to how this will come about. The Treasury is selling their idea to Members that all we really want to do is give the bankers a choice—that seems to be a fair and reasonable thing to do—let them decide.

I was in the banking business. This is really not a choice. You are saying to the bankers, you make a choice about where you are going to put this. They know where the cost of capital is the cheapest, and the cost of capital is going to be the cheapest in an operating subsidiary.

Why is the operating subsidiary going to be the cheapest cost to them? Because there is a subsidy attached to the bank, and so the bankers naturally will go to where their costs are the cheapest. They will, in fact, put these new powers into an operating subsidiary. Having done that, there is no longer a need for them to be involved in a holding company. The holding company is the vehicle, if you will, that allows the Federal Reserve to carry out its monetary policy.

The second thing that is going to occur is by voting for the use of an operating subsidiary, you are really saying you want the taxpayers to expand the subsidy that goes into the banking industry or into the financial services industry. That is an individual decision that people can make. But I think it is wrong to try to approach this question about whether I am for the bankers or whether I am not for the bankers. This is an issue about whether you want to have a monetary policy that is of value to this country.

I ask Members to consider what has happened in this country in these past 16 years as far as growth is concerned. The foundation of that growth has been the commitment that this Federal Reserve, and Alan Greenspan in particular, has had to the objective of price stability. We have finally reached the point where we have attained price stability, and we are talking about tinkering around with legislation that could lessen the influence of the Federal Reserve.

As Senator DOMENICI indicated earlier, as you lessen that influence, you are going to increase the influence in the executive branch over the banking industry and monetary policy in this country. That would be a tragedy.

I ask my colleagues who may be wavering on this issue, this is not a choice between Secretary Rubin or Alan Greenspan or commercial banks. This is a decision about monetary policy in this country and who should, in fact, have control of it.

I ask you to support the position outlined by the chairman of the Banking Committee, Senator GRAMM.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Alabama.

Mr. SHELBY. How much time do I have?

The PRESIDING OFFICER. Four minutes 53 seconds.

Mr. SHELBY. Mr. President, I will be brief.

First, I point to the fifth paragraph of the Greenspan letter to Chairman GRAMM. It says, basically, that foreign bank-owned section 20 companies have substantially underperformed U.S.-owned section 20 companies. He goes on to say, ''The subsidy does not travel well.''

Are you suggesting the subsidy travels from New York to London but not London to New York? In other words, not from foreign banks to the United States? The Federal Reserve's own letter says the subsidy is nontransferrable.

Safety and soundness? In Chairman Greenspan's own words, he says:

My concerns are not about safety and soundness. It is the issue of creating subsidies for individual institutions which their competitors do not have. It is a level playing field issue. Nonbank holding companies or other institutions do not have access to that subsidy, and it creates an unlevel playing field. It is not a safety and soundness issue.

That is Chairman Greenspan's own words.

Lastly, is this a power grab? This legislation makes the Federal Reserve the monopoly umbrella regulator. I do not have to educate the distinguished chairman, who is a smart Ph.D. economist, on the abuses of a federally sanctioned monopoly. He has talked about it since I have known him, and he is right on that.

My amendment would allow for competition for banks to choose their regulator. It does not mandate that any bank in the United States must conduct such activities in an operating subsidiary. It allows the bank to choose.

I am sure a free market economist like Senator GRAMM understands more than I do the benefits of market discipline. Competition among regulators will not allow a national bank regulator to run amok.

Does Chairman Greenspan support the bill? Of course. We are granting him a monopoly. We are granting his successor a monopoly, whoever that is. I can't believe that Chairman GRAMM, a distinguished economist in his own right, is advocating a monopoly.

This amendment I am offering will promote competition. It promotes choice. I hope my colleagues will support it.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I guess the best place to conclude is to quote the principals in this debate. Secretary Rubin before the House Commerce Committee said:

[O]ne of an elected Administration's critical responsibilities is the formation of economic policy, and an important component of that policy is banking policy. In order for the elected Administration to have an effective role in banking policy, it must have a strong connection with the banking system.

What is being said here is that the Secretary of the Treasury believes that the President should exercise more control over the banking system. Now, if you believe the time has come to turn back the clock to 1913 and take banking policy away from the independent Federal Reserve, you agree with Secretary Rubin. I do not agree with Secretary Rubin. The fact that I do not agree has nothing to do with the fact that he is a Democrat and Bill Clinton is President. I do not believe any President should have control of banking policy. We decided in 1913 to put it in an independent agency, and that should not change.

All of you know that Alan Greenspan is not prone to overstatement—quite the contrary—but Alan Greenspan has said that he and every member of the Board of Governors of the Federal Reserve, most of them appointed by President Clinton, are firmly of the view that the long-term stability of U.S. financial markets and the interests of the American taxpayer would be better served by no financial modernization bill rather than adopting this amendment.

Now, that is as clear as you can make this debate. It is partly about risk. It is riskier to be in the securities business inside a bank than it is outside the bank, when the taxpayer guarantees the bank depositors. That is part of the reason to vote no on the Shelby amendment. You do get a subsidy for a bank when they are doing activities inside the bank, instead of having to take capital out and investing it like everybody else. And if you are worried about a level playing surface, that is a reason to vote against the SHELBY amendment. But finally, if you believe that the Federal Reserve ought to conduct banking policy, and not the Treasury, that is the strongest reason to vote against the Shelby amendment.

Finally, two points: No. 1, if my colleagues will vote to table the Shelby amendment, we will work in conference to preserve the primacy of the Fed to deal with problems of unfair competition and subsidy, and yet try to find a way to let banks choose between operating subsidiaries and affiliates, to do these activities inside the bank or out.

Secondly, as hard as I have worked on this, and as strongly as I feel about it, given Alan Greenspan's position and given that I believe he is right, we are not going to pass this bill tonight if we adopt the Shelby amendment. So I urge my colleagues, if you want this bill, if you want an independent banking policy, give me an opportunity in conference to sit the Secretary of the Treasury down and sit the head of the Federal Reserve down and give us a chance to come up with ways to do opsubs without letting the Treasury take over banking policy.

We can do that by simply not changing the regulator based on whether you have a holding company or not, or what the holding company does. And we can find ways to require banks to have good capital and to see that the subsidy doesn't exist. But to do that, we need to defeat this amendment and pass this bill.

I know my colleagues are tired of being cajoled. They think a lot of overstatements have been made. I simply would like to say, from my part, I believe this is a critical vote. If you think passing the Federal Reserve Act was a good thing, if you think we prospered under an independent banking authority—and I do—then you want to vote ''no'' on this amendment.

That doesn't mean that we can't later come up with a way of trying to do this that works, and I pledge to my colleagues my best effort in conference to do that. But we can't do that if we can't pass this bill. And we can't pass this amendment and pass this bill. So that is where we are. I know people have commitments out everywhere, and they are going to make somebody mad no matter what they do. But there is an old adage my grandmother used to say: ''If you are going to catch hell no matter what you do, do the right thing.'' That is what I ask my colleagues to do—the right thing.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. All time has been yielded back.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative assistant proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. SARBANES. I object.

The PRESIDING OFFICER. The clerk will continue to call the roll.

The legislative assistant continued with the call of the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. DASCHLE. Mr. President, I will use my leader time to make a few remarks on this amendment prior to the time we have our vote.

I am very appreciative of the efforts made by the distinguished Senator from Alabama and the Senator from Maryland and for their extraordinary leadership in offering this amendment. I am proud to be a cosponsor.

We call this proposal the American Bank Fairness Amendment. It is cosponsored by a number of our colleagues on both sides of the aisle. On this side, the Senator from Rhode Island, Mr. REED, is a leading expert and a long-time champion of this measure.

We are grateful to him for the work he has done.

In a nutshell, this amendment, as my colleagues have noted, would give American banks the freedom to organize their activities in a way that makes the most sense to them. That is basically what it is. It is that simple. Let's give the banks the freedom and the opportunity to make their own choice. We are not going to have Government tell them what is the best choice; we are going to let them make up their own minds. Instead of forcing the banks to organize using an expensive holding company structure, as the underlying bill does, our proposal simply gives banks an option. They can conduct activities through a holding company, or they can conduct their activities through an affiliated operating subsidiary.

By giving banks this choice, our amendment will lead to better services at lower costs for all sorts of financial services, from banking to brokerage services to insurance.

I want to talk about two specific points—two specific and substantial ways in which our amendment improves on the pending bill.

On the issue of safety and soundness, our proposal is actually stronger than the bill offered by the chairman. That is not my assertion. The current Chairman of the FDIC and his four predecessors—three Republicans and two Democrats—all agree. They say that banks face greater risks if forced to use the holding company structure.

I think everybody ought to know here that we are talking about an entirely new system. We are talking about moving into uncharted waters. We are talking about making sure that each financial institution has the best option available to it to make the best choice. What we are saying is that as a financial institution makes the choice as it goes into all these uncharted waters, the most important thing we can do is guarantee its safety and soundness.

What are we getting? We are getting a virtually unanimous report from the FDIC Chairmen—the current one and four predecessors—that we are using an option here advocating a position that creates more safety and soundness than we have in this bill.

So if you want safety and soundness, vote for this amendment.

Mr. President, the chairman's bill exposes banks. And I have to say because it exposes banks, it exposes taxpayers to greater risks than our alternative.

There are two reasons for that. First, subsidiaries are assets of the bank. They can be sold to satisfy creditors. Affiliates are not considered bank assets.

The second reason subsidiaries are safer is because profits from a successful bank subsidiary accrue to that bank. But the profits from a company that is part of a holding company do not directly benefit the bank.

Mr. President, it is no secret that of all the issues pending before us, one of those issues into which our Treasury Secretary has put the greatest amount of time and the greatest amount of effort, because he is so concerned about safety and soundness, is this. He wants a tough bill when it comes to safety and soundness. He agrees with the FDIC Chairman and her predecessors, that if we are going to have strong safety and soundness, it is absolutely critical that we ensure we have the structure available to make it happen.

Even Fed Chairman Greenspan, who the chairman likes to cite in connection with this bill, agrees that safety and soundness is not the issue here.

In his exact words, ''My concerns are not about safety and soundness. . . . It is not a safety and soundness issue.''

Our proposal corrects a second serious flaw in the underlying bill as well. It does so by giving American banks the same freedom as foreign banks to choose their operating structure.

It is absolutely astounding to me that the chairman, who talks so passionately about free markets, actually dictates in his bill how financial services companies must organize their activities. He gives them one—and only one—choice, which means he gives them no choice at all.

Forcing activities into affiliates would place American banks at a competitive disadvantage not only in the international markets; it would actually place American banks at a disadvantage in America.

We already give foreign banks the freedom to choose the structure that best serves the business plan. Since 1990, the Federal Reserve has issued approvals for 18 foreign banks to own subsidiaries that engage in securities underwriting activities in the United States. All told, I am told these foreign-owned subsidiaries exceed $450 billion in assets.

In a 1992 joint report on foreign bank operations, the Federal Reserve Board and the Treasury Department agreed that ''subject to prudential considerations, the guiding policy for foreign bank operations should be the principle of investor choice.''

The bottom line, therefore, Mr. President, is this: The chairman's bill discriminates against American banks in favor of foreign banks. We say that is wrong. Our amendment levels the playing field. Safety and soundness, basic fairness, these are the important issues that are underlying this amendment that we will be voting on in just a couple of minutes.

There is one other important point we need to consider. The President made it absolutely clear that he will veto the financial services modernization bill unless we fix the problem with operating subsidiaries. So the choice is ours—or perhaps I should say it is the chairman's choice.

Does he really want a bill badly enough to negotiate and find some solution? Does he want a bill badly enough to give up some potential leverage he might get in conference to deal with this legislation in a way that allows us to focus on the real problems?

I hope he will reconsider what threats he has made to pull this bill if his position does not prevail on this amendment.

Let's recognize for the good of our country, for the good of our financial institutions, for the good of choice, for the good of safety and soundness, for moving this bill along, that we only have one choice. It is to pass this amendment, and I hope we will do it tonight.

I yield the floor.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I move to table the Shelby amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas to table the amendment of the Senator from Alabama. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 46, as follows:

[Rollcall Vote No. 104 Leg.]

YEAS—53

| | | |
|---|---|---|
| Abraham | Frist | Nickles |
| Allard | Gorton | Roberts |
| Ashcroft | Gramm | Roth |
| Bond | Grassley | Santorum |
| Brownback | Gregg | Schumer |
| Bunning | Helms | Sessions |
| Burns | Hutchinson | Smith (NH) |
| Byrd | Hutchison | Smith (OR) |
| Chafee | Inhofe | Snowe |
| Collins | Jeffords | Specter |
| Coverdell | Kyl | Stevens |
| Craig | Lott | Thomas |
| Crapo | Lugar | Thompson |
| DeWine | Mack | Thurmond |
| Domenici | McCain | Voinovich |
| Dorgan | McConnell | Warner |
| Enzi | Moynihan | Wellstone |
| Feingold | Murkowski | |

NAYS—46

| | | |
|---|---|---|
| Akaka | Conrad | Inouye |
| Baucus | Daschle | Johnson |
| Bayh | Dodd | Kennedy |
| Bennett | Durbin | Kerrey |
| Biden | Edwards | Kerry |
| Bingaman | Feinstein | Kohl |
| Boxer | Graham | Landrieu |
| Breaux | Grams | Lautenberg |
| Bryan | Hagel | Leahy |
| Campbell | Harkin | Levin |
| Cleland | Hatch | Lieberman |
| Cochran | Hollings | Lincoln |

| | | |
|---|---|---|
| Mikulski | Robb | Torricelli |
| Murray | Rockefeller | Wyden |
| Reed | Sarbanes | |
| Reid | Shelby | |

ANSWERED ''PRESENT''—1

Fitzgerald

The motion was agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. MACK. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, while there are so many Members on the floor, I want to engage the chairman of the committee in a discussion and maybe we can let Members know where we are going.

This was the last of the very large—I do not want to suggest that any amendment any Member has to offer is not a large amendment; I recognize that, but this was the last of a series of large amendments that we had lined up. I know the chairman and leader's intention is to try to finish this evening. As I understand it, there are some amendments around. I guess we will find out very shortly. Maybe we can dispose of them or deal with them in a fairly reasonable way in a short period of time and then go to the final vote on this bill.

As I understand it, the leader said that if we voted final passage tonight, there would be no votes tomorrow. Members, I think, would have to figure whether it is worth investing a little more time this evening in order to finish up. That is how I see the lay of the land. I just ask the chairman to comment.

Mr. GRAMM. We have a cleanup amendment. I think it is ready. We can do it. I hope there are no other amendments, and I am ready to vote. I yield to Senator BRYAN.

Mr. BRYAN. If I may engage the floor manager and the distinguished chairman, I have an amendment, and I would like about 10 to 15 minutes. I do not intend to ask for a rollcall vote.

Mr. GRAMM. Can the Senator let us move ahead for the convenience of everybody who have flights and have you do that after the vote? If the Senator can do that, it would be very much appreciated.

Mr. BRYAN. I want to accommodate the Senator in any way I can. I want to make sure what I am agreeing to. There are several other Senators who may have amendments. I do not want to be at the end. I am simply willing to yield for the purpose of the amendment.

Mr. GRAMM. If there is no other amendment, if the Senator can do that, I am sure Members will accommodate and I will stay and listen to it if he would like me to.

Mr. BRYAN. I am not sure I understand. I want to offer the amendment before we have a final rollcall vote itself.

Mr. GRAMM. Can the Senator offer it and, if he is going to withdraw it, withdraw it and then speak after the vote? Can that be done? If not, let's go ahead and start.

Mr. BRYAN. I am willing to enter into an agreement of 10 minutes.

Mr. GRAMM. All right. Whatever works, I am willing to do.

Mr. WELLSTONE. Before my colleague starts, I do have an amendment.

The PRESIDING OFFICER (Mr. ENZI). There is a pending amendment, the Dorgan amendment No. 313.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. BENNETT. I have two amendments at the desk that I believe will be accepted by both sides after modification. I would like the opportunity to call those up before the final vote.

Mr. GRAMM. If the Senator will let us just work on them and put them in the managers' package and we will do them all at once, if he can get those to us.

Mr. BENNETT. I will do that.

Mr. LEVIN addressed Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I have an amendment which I am likely to offer, but I need to engage in some floor discussion with the managers prior to making that decision. I think it may take about a half an hour to an hour to go through a discussion with the managers on this subject.

It is a very important subject. It has to do with whether or not the SEC is going to be able to regulate the purchase and sale of stock when they are done by banks. The SEC sent me a letter yesterday strongly objecting to language in this bill, and what they are pointing out is that the language in the committee report is different from the language in the bill.

I want to talk to the managers about an amendment which would incorporate in the bill what the committee report says is the intent of the bill. It is possible that this will be accepted because this is committee report language which I am trying to get into the bill, but I do not know until after we go through the discussion process on the floor. I just want to alert colleagues that could take perhaps a half an hour to an hour.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, just on the order of business, I have an amendment I was going to offer with Senator HARKIN. I know colleagues want to leave. I need to talk with Senator HARKIN and make a decision as to what we want to do here, if the manager can give us a couple of minutes.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I have spoken to both managers of the bill. Senator DORGAN and I have an amendment. It is simple in nature. I think it is something that should be accepted. It is something that could be reviewed in conference. It would require an independent audit of the Federal Reserve Board. Otherwise, we will offer that amendment. It will not take long.

Mr. GRAMM. If the Senator will give us that amendment and let us look at it, we might be able to include it in the managers' package.

Mr. SARBANES. I suggest to the chairman, maybe if we take about 5 or 10 minutes to engage in a discussion with the people who have these amendments, we can find a way to perhaps accept some of them and go to conference with them at least and deal with the others, and then we can still move to final passage this evening and complete this legislation, which I think is highly desirable.

Mr. GRAMM. I agree with that. The thing to do is to plow ahead. Is the distinguished Senator from Nevada going to withdraw the amendment?

Mr. BRYAN. Yes.

Mr. GRAMM. Can I suggest, again, the Senator offer the amendment and speak for a couple of minutes and withdraw it, and then after the vote, if he wants to speak longer on it, he can. Will that work? If not, go ahead and speak.

Mr. BRYAN. Mr. President, I will be willing to do that. Can I have a little flexibility, if you are still trying to work things out. I am not trying to delay this.

Mr. GRAMM. Let's just start.

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 316

(Purpose: To give customers notice and choice about how their financial institutions share or sell their personally identifiable sensitive financial information, and for other purposes)

Mr. BRYAN. Procedurally, I ask unanimous consent to lay aside the pending amendment, and I ask that an amendment dealing with personal privacy be sent to the desk for immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. BRYAN] proposes an amendment numbered 316.

Mr. BRYAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 150, after line 21, add the following:

**TITLE VII—FINANCIAL INFORMATION PRIVACY**

**SEC. 701. SHORT TITLE.**

This title may be cited as the ''Financial Information Privacy Act of 1999''.

**SEC. 702. DEFINITIONS.**

In this title—

(1) the term ''covered person'' means a person that is subject to the jurisdiction of any of the Federal financial regulatory authorities; and

(2) the term ''Federal financial regulatory authorities'' means—

(A) each of the Federal banking agencies, as that term is defined in section 3(z) of the Federal Deposit Insurance Act; and

(B) the Securities and Exchange Commission.

**SEC. 703. PRIVACY OF CONFIDENTIAL CUSTOMER INFORMATION.**

(a) RULEMAKING.—The Federal financial regulatory authorities shall jointly issue final rules to protect the privacy of confidential customer information relating to the customers of covered persons, not later than 270 days after the date of enactment of this Act (and shall issue a notice of proposed rulemaking not later than 150 days after the date of enactment of this Act), which rules shall—

(1) define the term ''confidential customer information'' to be personally identifiable data that includes transactions, balances, maturity dates, payouts, and payout dates, of—

(A) deposit and trust accounts;

(B) certificates of deposit;

(C) securities holdings; and

(D) insurance policies;

(2) require that a covered person may not disclose or share any confidential customer information to or with any affiliate or agent of that covered person if the customer to whom the information relates has provided written notice, as described in paragraphs (4) and (5), to the covered person prohibiting such disclosure or sharing—

(A) with respect to an individual that became a customer on or after the effective date of such rules, at the time at which the business relationship between the customer and the covered person is initiated and at least annually thereafter; and

(B) with respect to an individual that was a customer before the effective date of such rules, at such time thereafter that provides a reasonable and informed opportunity to the customer to prohibit such disclosure or sharing and at least annually thereafter;

(3) require that a covered person may not disclose or share any confidential customer information to or with any person that is not an affiliate or agent of that covered person unless the covered person has first—

(A) given written notice to the customer to whom the information relates, as described in paragraphs (4) and (5); and

(B) obtained the informed written or electronic consent of that customer for such disclosures or sharing;

(4) require that the covered person provide notices and consent acknowledgments to customers, as required by this section, in separate and easily identifiable and distinguishable form;

(5) require that the covered person provide notice as required by this section to the customer to whom the information relates that describes what specific types of information would be disclosed or shared, and under what general circumstances, to what specific types of businesses or persons, and for what specific types of purposes such information could be disclosed or shared;

(6) require that the customer to whom the information relates be provided with access to the confidential customer information that could be disclosed or shared so that the information may be reviewed for accuracy and corrected or supplemented;

(7) require that, before a covered person may use any confidential customer information provided by a third party that engages, directly or indirectly, in activities that are financial in nature, as determined by the Federal financial regulatory authorities, the covered person shall take reasonable steps to assure that procedures that are substantially similar to those described in paragraphs (2) through (6) have been followed by the provider of the information (or an affiliate or agent of that provider); and

(8) establish a means of examination for compliance and enforcement of such rules and resolving consumer complaints.

(b) LIMITATION.—The rules prescribed pursuant to subsection (a) may not prohibit the release of confidential customer information—

(1) that is essential to processing a specific financial transaction that the customer to whom the information relates has authorized;

(2) to a governmental, regulatory, or self-regulatory authority having jurisdiction over the covered financial entity for examination, compliance, or other authorized purposes;

(3) to a court of competent jurisdiction;

(4) to a consumer reporting agency, as defined in section 603 of the Fair Credit Reporting Act for inclusion in a consumer report that may be released to a third party only for a purpose permissible under section 604 of that Act; or

(5) that is not personally identifiable.

(c) CONSTRUCTION.—Nothing in this section or the rules prescribed under this section shall be construed to amend or alter any provision of the Fair Credit Reporting Act.

Mr. BRYAN. I thank the Chair.

Mr. President, earlier today, the Senate adopted an amendment offered by the distinguished chairman of the Banking Committee dealing with the fraudulent procurement of personal information by information brokers. Last Congress, Senator D'Amato and I offered an identical provision, and we were successful in incorporating that in last year's financial modernization bill, H.R. 10.

Unfortunately, that measure died along with H.R. 10 which was filibustered at the end of the last session. I commend the Senator from Texas. The antifraud provision is a good first step, but as Senator SARBANES articulated earlier today, it is in no way a substitute for meaningful privacy protections.

The Gramm amendment deals with a small, but pernicious, group of information brokers that obtain personal information under false pretenses. This practice should be shut down. In fact, the Federal Trade Commission recently brought action against such practices.

While thousands of Americans are harmed by fraudulent information brokers, each and every American who has a bank account, stock portfolio or an insurance policy is subject to a massive invasion of his or her personal privacy that cries out for legislative remedy.

I applaud the fact that the chairman has indicated we are going to hold a series of hearings.

I applaud the chairman's promise to hold a series of hearings on the financial privacy issue. Many of us who worked on the Community Reinvestment Act would have hoped we might have had similar opportunities before moving forward with the CRA changes in this bill.

While the chairman's amendment and his hearings are good first steps, I encourage us to take one more step that Senator SARBANES and Senator DODD and I have been urging for some time.

My amendment is quite simple. What we are talking about is financial privacy. I want to make it very clear that I am a strong supporter of the restructuring bill that is before us, the financial modernization. I freely acknowledge and recognize that we need a regulatory framework which comports with the realities of the marketplace today.

So my purpose in offering this amendment is in no way to denigrate the need to make the kind of changes which essentially are outlined in S. 900, or a part of H.R. 10 in the previous session. But I think my colleagues and the American people would be absolutely shocked if they knew how little privacy they have in their personal financial information with the very people who are going to be players in this financial reorganization—banks, security brokerages, and insurance.

Here is what the American people have to say on the issue of privacy. When asked recently: ''Would you mind if a company you did business with sold information about you to another company?'' Ninety-two percent said yes, they would object to it. The source of that information is the AARP.

Let me cite an illustration of precisely what does occur and will continue to occur. This is a financial transaction, I say to my colleagues, that occurred at a bank. A lady came in and deposited $109,451.59. At this bank, teller No. 12 made the following notation: ''She came in today,'' referring to the depositor, ''and wasn't sure what she would do with her money.'' That is the bank teller.

This bank has a relationship with a brokerage house. Here is what the teller then did. The teller then contacts ''David''—David is the individual with the brokerage house—and says, ''See what you can do! Thank you.''

So in effect the privacy of this individual's personal bank account is compromised, as the bank teller then notifies the brokerage house: ''You'd better

get ahold of this lady. She has $109,000. She doesn't know what she wants to do with it. You contact her.''

This is a real-life situation. Under the current law—under the current law—your information with respect to your insurance accounts may be freely sold to a third party, or maybe transferred to an affiliate under the proposed arrangements that are contemplated in this bill. Your bank account information can be sold to a third party—a total stranger to you and to your financial transaction.

So you have a situation in which all of a sudden you have a certificate of deposit that is coming due next month, and you start to get a stream of information from vendors who are marketing financial services and saying, ''Mrs. Smith,'' ''Mr. Jones, I know your certificate of deposit is due next month. Let me show you what our financial package can provide for you.'' And you are saying, ''How does this outfit know that I've got a certificate of deposit that is maturing next month?'' And the answer is, that information can be sold to a third party, and that information is valuable to a particular vendor of services.

So the amendment that we propose does two things: No. 1—and I do not see how you can argue against this proposition—

The PRESIDING OFFICER. The Senate is not in order. If conversations do not relate to the bill at hand, would you please take them into the other room. The Senator deserves consideration. Would conversations near the Senator please cease.

Mr. BRYAN. I thank the Presiding Officer.

The point that I was making is that your financial information with respect to insurance brokerage accounts and bank accounts is not protected under the present law. That information can be sold or marketed to a total stranger. An outfit, for example, that may be selling penny stocks all of a sudden contacts you and says, ''Look, I know you've got a certificate of deposit or bank account with a sufficient balance involved.''

So what we are proposing in this amendment is something very hard to argue against. We are saying that with respect to these financial organizations—banking, insurance and brokerage—that they cannot sell to a total stranger, a third party, without your consent. What is wrong with that?

So rather than being able to sell to any vendor your very personal and private information—your insurance coverages, whatever information might be available about any medical condition that you might have, your brokerage account, your bank account—cannot be sold to a third party without your prior consent. I suspect if you ask the American people—Democrat, Republican, independent, whether they are to the right of center or to the left of center or in between—you would get almost a unanimous vote that would say, ''That is what I want as a protection for my privacy.''

I understand that in this modern consolidation of financial services the thrust of this bill is going to permit banks and insurance and brokerage to be involved in affiliated relationships. I understand that. So we are told, ''Do not, Senator, do anything that would impair or compromise the synergy of the marketplace. Don't do that.''

Well, this is what we propose with respect to those affiliate arrangements. This would not be a total stranger or a third party. If they are going to transfer and make available that information, they need to notify you and give you the opportunity to opt out. They do not have to get your prior consent, but they have to give you the right to opt out.

That concept is recognized in the law. Many of you will recall that I took the lead some years back in securing amendments to the Fair Credit Reporting Act. And we said there, with respect to information that is collected, with respect to your credit history, that before that information can be made available for marketers and others, they need to notify you where that information came from and that you had the right, after receiving a solicitation, to say, ''Look, no more. Take me off the list'' in effect the right to opt out.

So that is what we are proposing in this amendment—An absolute requirement that if the information is made available to a total stranger, a third party, that has no affiliate relationship, a vendor of any number of financial services, they must obtain your prior consent; that if the information, the financial information, is to be transferred from one of their affiliates, they need to give you the opportunity to opt out if you choose to avail yourself of that option. Now, I am hard pressed to understand why anybody would object to that. I think any one of us would be somewhat surprised to know that our bank accounts, our insurance, and our brokerage accounts can be made available to anyone under the existing law. If we are going to provide these new financial services, which I believe we ought to provide to recognize the change in the marketplace, that does not strike me as being an unreasonable proposition to advocate.

So this is a provision that I think needs attention. I must say that the ranking member has taken a lead on this. He has been a strong advocate, as has the senior Senator from Connecticut. I know he had a question or two to which I would be happy to respond.

Mr. SARBANES. If the Senator will yield, I commend the Senator for his very strong statement. This is an extremely important issue. I appreciate the Senator speaking out on it. We have joined together, actually, in introducing legislation on this privacy question, along with Senators LEAHY and DODD and HOLLINGS. Earlier today we raised the issue with the chairman.

I think it would probably be helpful if the chairman could provide—the Senator may want to question him himself—the similar assurances he gave earlier about the committee committing itself to examining this issue in a comprehensive way, with hearings and with the idea in mind, of course, to try to bring forth legislation that will address what the chairman himself has conceded is an important issue that needs to be addressed.

Mr. GRAMM. Will the Senator yield?

Mr. BRYAN. The Senator is pleased to yield.

Mr. GRAMM. The Senator was not on the floor today when I offered the amendment which adopted the provisions that were in the Sarbanes substitute. I said at the time that I did not believe it solved the problem. I committed to hold extensive hearings. I committed to allow anyone who had any kind of substantive opinion to express it, and I committed that we would take a hard look at it.

This whole issue is a very serious issue, and it is one we have to learn to live with. It is one about which I share a great deal of concern with others.

Mr. BRYAN. Mr. President, I appreciate the Senator's commitment. If I might engage the distinguished chairman in a follow-up inquiry—I know the Senator is trying to process this bill. As Henry VIII said to his third wife, I shall not keep you long—the question I have of the able chairman is, Would the Senator not agree that before a financial services institution sells personal information about your bank accounts, your insurance policies, about your brokerage accounts, it is not unreasonable that they get your consent before doing so?

Mr. GRAMM. Well, if the Senator will yield, first of all, we adopted some provisions today from the Sarbanes substitute that were a first step.

Mr. BRYAN. Yes.

Mr. GRAMM. But I made it clear they were only a first step. I believe as a matter of principle they should. If the Senator will take yes for an answer, I will say yes.

Mr. BRYAN. The Senator is delighted to take yes for an answer. I am most appreciative of the response.

If the able chairman is saying that perhaps my time has expired, I will be happy to yield the floor in just a moment. I inquire whether or not the ranking member has further colloquy he wishes to engage me in.

Mr. SARBANES. I simply want to underscore, the importance of this issue and the contribution which the very

able Senator has made to it. Isn't it correct, most people don't realize these things can happen?

Mr. BRYAN. I say to the senior Senator from Maryland, not only do they not realize it, they are absolutely dumbfounded and amazed. Most people believe that in the world of high finance, brokerage accounts, insurance and banks, there is a system of Federal law that protects their privacy. I say to the Senator from Maryland, we all recognize that we are entering a new era of financial transactions, the Internet; computers have transformed the way in which we transact our business; the old green eyeshade guys are gone.

Today the right of privacy as we know it in America is threatened, I say to my friend from Maryland. More than a century ago the able, later Justice of the U.S. Supreme Court advocated, in a Harvard Law Review article, a right of privacy. That right was later enshrined in subsequent opinions of the U.S. Supreme Court.

I think the very essence of a right of privacy ought to be your personal financial information—how much money you have in your bank account; to whom you choose to make payments; your insurance coverages; any medical conditions that might be a part of that insurance record; what stocks and bonds and securities you hold; when those certificates of deposit might mature. To say that all of that can be sold, transferred without your knowledge, without your consent, to some total stranger who may not, I say to my friend from Maryland, be a legitimate vendor—we don't know who these guys might be. All of a sudden you get a ton of mail coming in and saying: Mrs. Smith, I know your husband just died last year, and I know you have some certificates of deposit. They are getting a 5-percent return. As a widow, you need to know, if you invest with us, we can quadruple that rate of return.

That is what is happening, I say to my friend from Maryland. That is something that I think is appropriate for the Congress and the Federal Government to say, that is wrong.

I appreciate the leadership of the ranking member on this. This is something that ought not to divide us, Democrat or Republican, liberal or conservative.

Mr. SARBANES. The Senator is absolutely right. I want to make it very clear, the provision that was adopted earlier today was an antifraud provision. It was designed to get at people who get this information by fraud. The fact of the matter is, under the current arrangements there is no restriction that precludes a financial institution from providing this information or selling this information to others.

I think you are absolutely right; people would be dumbfounded to know that this information they are giving to their financial institution has no privacy protections around it. I think it is extremely important, as the Senator has emphasized, to establish such protections.

It has an issue of some complexity to it. We need to work through it. I think the hearings that have now been committed to will give us the opportunity to do it. There are many members on the committee on both sides of the aisle who are interested in this issue. I hope we can move forward and bring a significant piece of legislation to the floor of the Senate.

Mr. BRYAN. I look forward to working with the senior Senator from Maryland on this.

Let me say, I am going to withdraw this amendment, because of the lateness of the hour and because we want to move forward to process this.

I say to my friend from Maryland—I know he feels this very strongly—the word should go out tonight from this Chamber to the industry groups that believe this is an issue that is going to go away. It is not going to go away. What we are talking about is the essence of reasonableness and fairness. If you are talking about selling some information or making it available to a total stranger, you as an individual ought to have the right to make that decision. That is something that is fundamental and basic. As an accommodation to these new affiliate arrangements that can be entered into under this new legislation, we say, with respect to any transfers between the affiliates, an opt-out provision is a reasonable compromise.

I encourage our friends from the industry to work with us on this. I say to the Senator from Maryland, because this is not going to go away, we are going to address this issue, and the American people are going to be thoroughly outraged when they become aware that these new arrangements permit this continuation of an invasion of their privacy in the most personal way possible.

Mr. SARBANES. If the Senator will yield, I echo his observation that this is not an issue that is going to go away. Those who are involved need to take a constructive attitude in arriving at effective ways to protect the privacy of the American people. There is no doubt about it.

Mr. BRYAN. I thank the Senator from Maryland. I am prepared to yield the floor.

Mr. President, from a procedural point of view, I would like to withdraw the amendment. May I do so, or do I need unanimous consent?

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, I was going to introduce an amendment tonight with respect to low-cost lifeline bank accounts with Senator HARKIN from Iowa and my colleague, Senator SCHUMER from New York. This amendment would require banks that establish a bank holding company under the S. 900 guidelines to offer low-cost banking services to their customers.

I am not going to talk about this amendment at all tonight, except to say I think this is a most important consumer amendment; it is very important to senior citizens and very important to low- and moderate-income citizens.

My understanding, with my colleague from Texas, the chairman, is that we will have an opportunity to bring this amendment up when another banking-related bill comes to the floor, and we will be able to debate this and have an up-or-down vote; am I correct, I ask my colleague from Texas?

Mr. GRAMM. Mr. President, I told both of my colleagues that because in the past when they and others had sought to offer an amendment parliamentary maneuvers had been made to prevent that, on a future banking bill—and as Senator SARBANES noted, we already have reported three banking bills out of the committee. So we will have banking bills—I will guarantee them an opportunity to offer the amendment and to have an up-or-down vote on it.

Mr. WELLSTONE. I thank the chairman. I yield to my colleague from Iowa.

Mr. HARKIN. I thank the Senator from Texas for the assurance that we can offer this amendment later on. Again, this is an important amendment and we can't let it go too much longer. So I hope we will have some kind of banking bill this year. I hope it doesn't go into next year, because consumers are getting gouged. Most people don't carry more than $1,000 in their checking accounts and they are the ones who have to pay the fees. In all my life until just recently, checking accounts used to be free. Now if you have less than $1,000, you pay fees. Who has less than $1,000? It is the elderly, the low-income people; they have to pay the fees to keep the checking accounts. It is not fair.

Mr. SARBANES. If the Senator will yield, the committee has brought out—in fact, it is on the calendar—a regulatory relief bill to lessen the regulatory burdens on the financial institutions, and it seems to me in that spirit of lessening burdens, this basic banking amendment would certainly be an opportune amendment to offer to that bill when it is before the Senate. I am pleased that the chairman has committed to having an up-or-down vote.

I think the Senators are onto a very important issue, and it really is just a basic issue of equity and fairness for small people. I very much appreciate

not only their raising it, but insisting that at some reasonable point we be given an opportunity to vote up or down on this important matter.

Mr. HARKIN. I thank the Senator from Maryland.

Mr. WELLSTONE. Mr. President, I also thank the Senator from Texas and the Senator from Maryland. We will certainly bring this amendment to the floor.

Mr. CHAFEE. Mr. President, last night the Senate approved a motion to table the Bryan CRA amendment by a vote of 52–45. I voted in favor of the tabling motion, and would like to take a moment to outline my position on this matter.

What did Senator BRYAN propose in his amendment? The Bryan amendment would have stricken two provisions in the underlying bill related to the Community Reinvestment Act, as follows: (1) the so-called CRA integrity provision and (2) the exemption for small, rural banks. In addition, the Bryan amendment would have conditioned approval of a bank's affiliation with a securities firm or insurance company on CRA compliance.

On this last point, linking approval of new financial activities to CRA compliance, I want to acknowledge Senator BRYAN's efforts to develop a pragmatic approach to this issue. Unlike some of the more far-reaching proposals that have been put forward, this provision would not have expanded CRA to apply to nonbank institutions, nor would it have required holding companies to divest themselves of a bank that falls out of compliance. Despite the relative appeal of this portion of the Bryan amendment, however, I found myself unable to support the overall package.

With regard to the integrity provision, I have long thought that banks that do a good job under CRA should get some credit for it. Under current law, however, a bank with an outstanding CRA rating that seeks to merge or expand potentially is subject to the same challenges from community groups as a bank with a rating of substantial noncompliance. This situation simply is not fair, in my judgment.

Now, the opponents of this provision point out that 97 percent of the banks receive a satisfactory CRA rating, and thus the bill offers the protection of the ''substantial, verifiable information'' standard to nearly every institution in the country. Admittedly, I would prefer to see the integrity provision deal only with ''outstanding'' banks. Unfortunately, the procedural situation did not permit an opportunity to make such a change.

Turning to the small bank exemption, only one financial institution in my state fits the bill's description of a small, rural bank. Nevertheless, I'm sympathetic to the hundreds of tiny banks across the country—institutions with only a handful of employees—that face a daunting, expensive regulatory burden in terms of CRA recordkeeping. In addition, I found particularly persuasive Senator GRAMM's observation that of the 16,380 audits of these small, rural banks in the past nine years, only three have been found to be substantially out of compliance.

I fully recognize the important role CRA has played in expanding the availability of credit in Rhode Island and across the nation. Small business owners, homebuyers, and renters alike have benefitted from the pressure CRA exerts on banks to make loans in neighborhoods they might otherwise overlook. At the end of the day, however, I determined that Senator GRAMM's proposed CRA reforms had some merit to them. For these reasons, I voted against the Bryan amendment.

Mr. MOYNIHAN. Mr. President, we have been debating the subject of banking in the Senate since the 18th century. We began to ask ourselves a question, could we have a national bank, which Mr. Hamilton, of New York, thought we could do and should do. We created one. It had a very brief tenure. It went out of existence just in time that the Federal Government had no financial resources for the War of 1812. So it was reinstituted, as I recall, in 1816 for 20 years, and went out of existence just in time for the panic of 1837. We went through greenbacks. There must have been a wampum period. We went to gold coinage. Then a free coinage of silver dominated our politics for almost two decades, as farmers sought liquidity and availability of credit. Finally, at the end of the century of exhaustive debate, we more or less gave up and adopted what we now call the Federal Reserve System.

To say we debated this matter for a century is certainly true. In the past few years, we have turned our focus to the nonbank bank. You are really reaching for obscurity when you define an issue as we have done, and yet that seems to be the term with which we have to deal.

The issue of the nonbank banks, also referred to as financial modernization, is facing the Senate today. As we consider Chairman PHIL GRAMM's (R-TX) bill I would like to make two points. The first being that we need financial modernization, that depression era banking laws need to be amended. We all agree on that. The second point that I would like to make is that we must do this in a prudent manner—preserve the things which need to be preserved, and remedy the things which need to be remedied.

It strikes me as odd that most corporations are free to engage in any lawful business. Banks, by contrast, are limited to the business of banking. It is generally agreed that the Glass-Steagall Act of 1933 and the Bank Holding Company Act of 1956 need to be amended. Banks, security firms, and insurance companies should be allowed to offer each other's services. They already do by finding loopholes in the law. Congress must catch up, and pass a law that condones this activity. London does it. Tokyo too. Why not New York, which, if I may say, is one of the world's banking capitals?

This is a real problem for the existing banks which find themselves under serious constraints they have lived with under depression-era banking laws. Suddenly, they find that their activities are encroached upon and they are not able to do things that they ought to do, that they are going to need to do, if they are going to survive in a competitive world economy.

Now is the time to modernize our financial institutions. But the bill before us has certain problems. The most serious of which is that it weakens the Community Reinvestment Act. The CRA, enacted in 1977, has played a critical role in revitalizing low and moderate income communities. New York has benefited from this. A Times editorial states that ''in New York City's South Bronx neighborhood, the money has turned burned-out areas into havens for affordable homes and a new middle class. The banks earn less on community-based loans than on corporate business. But the most civic-minded banks have accepted this reduced revenue as a cost of doing business—and as a reasonable sacrifice for keeping the surrounding communities strong.''

It is for this reason that I cannot support Chairman GRAMM's bill. I voted for the Democratic substitute which was offered by Senator SARBANES. This bill too amends Glass-Steagall and the Bank Holding Company Act. But it preserves the CRA. I want financial modernization as much as the next person. But we cannot do it at the detriment of the CRA.

I ask unanimous consent that the New York Times editorial from March 17, 1999 be printed in the RECORD.

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

[The New York Times, Wednesday, March 17, 1999]

MISCHIEF FROM MR. GRAMM

Cities that were in drastic decline 20 years ago are experiencing rebirth, thanks to new homeowners who are transforming neighborhoods of transients into places where families have a stake in what happens. The renaissance is due in part to the Federal Community Reinvestment Act, which requires banks to reinvest actively in depressed and minority areas that were historically written off. Senator Phil Gramm of Texas now wants to weaken the Reinvestment Act, encouraging a return to the bad old days, when banks took everyone's deposits but lent them only to the affluent. Sensible members of Congress need to keep the measure intact.

The act was passed in 1977. Until then, prospective home or business owners in many communities had little chance of landing

loans even from banks where they kept money on deposit. But according to the National Community Reinvestment Coalition, banks have committed more than $1 trillion to once-neglected neighborhoods since the act was passed, the vast majority of it in the last six years.

In New York City's South Bronx neighborhood, the money has turned burned-out areas into havens for affordable homes and a new middle class. The banks earn less on community-based loans than on corporate business. But the most civic-minded banks have accepted this reduced revenue as a cost of doing business—and as a reasonable sacrifice for keeping the surrounding communities strong.

Federal bank examiners can block mergers or expansions for banks that fail to achieve a satisfactory Community Reinvestment Act rating. The Senate proposal that Mr. Gramm supports would exempt banks with assets of less than $100 million from their obligations under the act. That would include 65 percent of all banks. The Senate bill would also dramatically curtail the community's right to expose what it considers unfair practices. Without Federal pressure, however, the amount of money flowing to poorer neighborhoods would drop substantially, undermining the urban recovery.

Mr. Gramm argues that community groups are ''extorting'' money from banks in return for approval, and describes the required paperwork as odious. But community organizations that build affordable housing in Mr. Gramm's home state heartily disagree. Mayor Ron Kirk of Dallas disagrees as well, and told The Dallas Morning News that he welcomed the opportunity to explain to Mr. Gramm that ''there is no downside to investing in all parts of our community.''

In a perfect world, lending practices would be fair and the Reinvestment Act would be unnecessary. But without Federal pressure the country would return to the era of redlining, when communities cut off from capital withered and died.

Mr. SANTORUM. Mr. President, I rise today in support of the Senate Banking Committee's bill, the Financial Services Modernization Act of 1999, S. 900.

As a new member to Banking Committee, I am pleased to be part of the Committee's effort to bring this bill to the floor. First, let me commend the Chairman for his hard work and heavy-lifting in crafting a bill that will frame the way financial activities are conducted as we move into the next century. The Chairman began this effort during a very busy and trying time for this body at the beginning of the 106th Congress, and I appreciate his leadership in keeping the Committee focused on our priorities and the work at hand.

Considering the scope of activities covered by a financial services modernization bill, crafting a piece of legislation to update 60 year old laws while allowing flexibility for forward-thinking products is a Herculean task. At the heart of the bill is the matter of addressing structure and regulation of financial services firms. Even a casual observer has taken notice of the changing face of our domestic financial sector over the past several months. While merger-mania has dominated the news, other forces such as changing regulation, court decisions, and market innovation have outpaced current law. And although S. 900 is a work in progress, with accommodations to be made by all interested parties, I believe the time is ripe to pass legislation that allows for the affiliation among the various sectors of the financial services industry. This legislation provides a constructive framework to tackle the issue of financial services modernization while also including appropriate safeguards.

As with most major legislative initiatives, this bill has not been without controversy. Specifically, there has been an ongoing debate about provisions in the bill pertaining to the Community Reinvestment Act (CRA). As many know, the Community Reinvestment Act was enacted by Congress in 1977 and required federally-insured banks and thrifts to make loans in their service areas, including low- and moderate- income communities, consistent with safe and sound banking practices. Compliance with CRA requirements can encompass loans made for the purposes of mortgage lending; business lending; consumer credit; and community investments. The benefit of capital investment and financing in such communities has strengthened parts of our nation that may not have otherwise known their current prosperity. To date, CRA lending has surpassed the $1 trillion mark for investment in low- and moderate-income communities while private sector lending has increased 45% from 1993 to 1997. As I have heard from many community reinvestment groups located throughout the Commonwealth of Pennsylvania, there has been one very positive additional benefit that numbers can't quantify: the relationships formed between members of the banking community and those advocating on behalf of their neighborhoods and communities. These working relationships now aim to meet the mutual goal of jumpstarting the economic viability of urban and rural regions across the United States.

For those very reasons, I chose not to support the amendment offered during mark-up of S. 900 that would have exempted small, rural banks with less than $100 million in assets from CRA requirements. I certainly appreciate the very real concern of added regulatory and paperwork burdens that banks assume to comply with this law. In fact, reforms made in 1997 to the CRA recognized this very problem and streamlined the examination process for small banks with less than $250 million in assets. However, I could not support a wholesale exemption from this Act.

As the Chairman outlined from the beginning of the process of developing a financial services modernization bill, the role of the CRA will be further examined by the Committee in a separate forum. I suspect that a thorough evaluation of CRA successes and shortcomings will be addressed within the context of oversight hearings, and I look forward to participating in that process. While CRA has made significant contributions to the empowerment of marginalized communities, I believe we still need to find the right balance to ensure prosperity for low- and moderate- income neighborhoods and the flexibility for lenders to meet community needs.

Mr. President, while the future of this bill has been linked to the resolution of certain issues, like the CRA, I believe the heart of the debate, financial services modernization, is larger than partisanship. The time has come to make commonsense reform of our nation's financial structure a reality in order to remain the strong competitive force in world markets that our country has so capably demonstrated.

Mr. REID. I rise before you today, not to complicate an already controversial bill, but instead to try to accomplish what I have tried to do through legislation in past years.

This is, to pass legislation requiring an independent audit of the Federal Reserve System, as is standard in every other Government entity in this country.

In fact, back in 1993, Senator DORGAN and I, requested a GAO investigation of the operations and management of the Federal Reserve System.

We were concerned because no close examination of the Fed's operations had ever been conducted.

As you may recall Mr. President, we found out quite a bit about the Federal Reserve.

We found, among other things, that the Fed has a 'slush fund', or what they refer to as a 'rainy day fund,' that they have kept there for over 80 years.

At the time of the GAO investigation, the Fed has squirreled away $3.7 Billion in taxpayer money.

The last report that I have from January 1998, shows that this fund has reached $5.2 billion.

You can bet that figure has gone up since then.

The Fed claims that this 'slush fund' is needed to cover system losses.

Since its creation in 1913, however, the Fed has never operated at a loss.

The report that Senate DORGAN and I requested in 1993 also found that the Interdistrict Transportation Service had been engaging in questionable business activities.

These activities included the awarding of non-competitive contracts for the implementation of Interdistrict Transportation Services, gifts of payments for missing backup and grounded aircraft to nonperforming contractors and a pattern of studied indifference by supervisors to clear evidence of waste, fraud and abuse within its operations.

It was further troubling to find that the activities sanctioned by the Federal Reserve supervisors, was intended to have the practical effect of distorting marketplace behavior by competing unfairly against private sector companies in the air courier business.

In what remains as the first and only independent comprehensive review of the Federal Reserve System, the conclusions reached by the GAO paints a dreary picture of internal Federal Reserve operations and budgeting procedures.

This GAO report that I am referring to, makes a strong case for increased Congressional oversight of the Federal Reserve System operations that are unrelated to monetary policy.

Furthermore, only 1,600 out of nearly 25,000 Federal Reserve employees deal with monetary policy.

I have a Wall Street Journal article and I ask unanimous consent it be printed in the RECORD.

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

[From The Wall Street Journal, Sept. 12, 1996]

SHOWING ITS AGE: FED'S HUGE EMPIRE, SET UP YEARS AGO, IS COSTLY AND INEFFICIENT

IT HAS FAR TOO MANY BANKS, OFTEN IN WRONG PLACES; LOSSES IN CHECK-CLEARING

''POST OFFICE PROBLEM'' LOOMS

(By John R. Wilke)

MINNEAPOLIS.—Construction cranes rising above the Mississippi River hoist the final stone blocks for the elegant new Federal Reserve Bank headquarters here, the latest monument to the U.S. central bank's immense wealth and power.

The $100 million building site on nine acres of prime riverfront, with a 10-story stone clock tower overlooking terraces and gardens. It will offer fortress-like security and robot-attended, automated vaults, plus an indoor pistol range, a fitness center and subsidized dining. The Fed's construction boom also includes the lavish new $168 million Dallas Fed and a planned $178 million Atlanta Fed.

Located in a dozen cities—with branches in another 25—the Fed's palatial banks suggest permanence and importance. They operate with great independence far from the Fed's power center in Washington and, with $451 billion of assets, are staggeringly wealthy. Their job is to run the basic plumbing of the nation's economy by monitoring local banks, distributing currency, processing checks and settling interbank payments.

But the plumbing at the Fed banks seems to be getting rusty, despite their heavy spending. Rapid changes in technology, consolidation in banking and rising competition in some of their basic services threaten to make Fed banks costly relics. Except for the New York Fed, the system's link to world markets, many Fed functions could be centralized at far less cost and some Fed banks could be closed, federal auditors say.

''It's not about saving nickels and dimes,'' says James Bothwell, a General Accounting Office auditor who recently completed a two-year study of the Fed's books. ''There are serious, long-term questions about their mission and structure.''

The Fed's best-known mission—steering U.S. monetary policy and thus charting the course of the economy—isn't at issue. Even its critics hail the Fed's success in holding down inflation.

What concerns some in Congress and its GAO watchdog agency is the sprawling Fed empire, which reaches far beyond its marble headquarters in Washington to maintain a presence in most major American cities. The Fed has 25,000 employees, runs its own air force of 47 Learjets and small cargo planes, and has fleets of vehicles, including personal cars for 59 Fed bank managers. It publishes hundreds of reports on itself each year—even Fed comic books on monetary policy for kids. A full-time curator oversees its collection of paintings and sculpture.

Yet Fed spending gets little public scrutiny, even as the rest of the federal government struggles to tighten its belt. That's because the Fed funds itself from the interest on its vast trove of government securities acquired in its conduct of monetary policy. Last year, it kept $2 billion of those interest earnings for itself and returned the rest, $20 billion, to the Treasury. Thus, every dollar spent on a new building in Minneapolis—or anything else—is a dollar that could have been used to cut the federal deficit. Unlike every other part of government, the Fed doesn't have to ask Congress for money, and that's the key to its independence from political interference on monetary-policy issues.

The Minneapolis Fed would seem a prime candidate for downsizing. Its spending is in striking contrast to the cutbacks and consolidations at many of the commercial banks it serves; only two major banks are left in its six-state district. And its biggest job, processing and clearing checks for local banks, is under increasing pressure from private competitors and new electronic payment technologies.

Without check-clearing, the Minneapolis Fed might not need its costly new building and the hundreds of employees who work three shifts shuffling checks. It could eliminate huge overhead costs and focus on distributing U.S. currency and monitoring the local economy.

The basic structure of the Federal Reserve System has changed little since it was created in 1913, despite huge shifts in the nation's population and economy. Back then, Fed banks were sited according to the politics of the day and the quaint principle that a commercial banker should be able to reach a Fed branch within one-day train ride, in case he needed cash for unexpected withdrawals.

Today, these locations make little sense. Missouri, once an economic and political power because of its riverboat economy, has two Fed banks; booming Florida has none. California and its vast economy have only one Fed bank—which also serves eight other states and covers 20% of the U.S. population. Yet when Fed policy makers meet in Washington, the San Francisco Fed president can vote only one year of three, less often than the presidents from Cleveland or Chicago.

''It reflects the economy and politics of a long time ago,'' says Robert Parry, the San Francisco Fed's president. ''If you were doing it today, you'd do it differently.'' Michael Belongia, a University of Mississippi professor and former Fed economist, says that three Fed banks and 16 branches could be closed and that four other banks could be downsized to branches. He calculates the savings at $500 million a year, even without trimming back the check-clearing businesses.

''The taxpayer pays billions of dollars for this monolithic system that isn't efficient anymore,'' he says.

Fed Chairman Alan Greenspan rejects many GAO findings, especially the idea of closing some Fed banks. He says it would take years to recoup the cost of closing one. ''We're strongly committed to ensuring that the Federal Reserve System is managed efficiently and effectively,'' he said in recent congressional testimony. Most important, he defends the Fed banks' independence as crucial to keeping the Fed free of political interference and aware of regional economic conditions.

Yet he has expressed some misgivings about Fed spending. With the new Dallas building, for example, he said, ''My first reaction was, 'For God's sake, why do you have to build a new building'? Dallas is in a state of commercial real-estate recession. You should be able to pick and choose at zero cost. But he added that he was ultimately persuaded that no existing building met the bank's special needs.

The Fed banks are even less accountable to Congress than the Fed Board of Governors in Washington, whose seven members are appointed by the president and confirmed by the Senate. The 12 Fed bank presidents, by contrast, are chosen by their private-sector boards, though their annual budgets and building plans are subject to review by the governors in Washington. Congress has no say over who runs the regional banks, despite their important role in running the nation's monetary system.

Congress doesn't even set the regional presidents' salaries. The Minneapolis president gets $195,000 a year, and others range as high as $229,000, far exceeding Chairman Greenspan's $133,100.

Even so, only 1,600 Fed employees, including a stable of economists and statisticians, work on monetary policy. Most of the rest, and the lion's share of the Fed's $2 billion budget, go to the Fed banks' check-clearing and other services—the jobs under the most pressure from competitors and changes in banking. The Fed banks also process Treasury checks, but a new law mandating electronic distribution will eliminate 400 million Treasury checks annually in three years.

As their workload dwindles, Fed banks could be left with what insiders delicately term ''the Post Office problem'': They will be handling checks for mostly small, high-cost customers such as rural banks. Already, less than 25% of Fed customers create 95% of check volume. So, the Fed is vulnerable as major banks begin processing more checks through private clearinghouses or other cheaper alternatives, such as Visa International.

At the Minneapolis Fed, check-clearing already resembles the work inside the city's main Post Office nearby. Every day, trucks back up to the Fed's loading dock and drop off pallets of checks. Workers feed them into 25-foot-long automated sorters, and the checks, guided by codes identifying the paying bank, cascade into pouches. Lately, many of the tens of thousands of checks have been small—$2 razor-blade rebates and $4.69 drafts cashed by Huggies diaper customers. Minneapolis handles three million checks a day—a low-margin, labor-intensive business, not unlike delivering the mail.

In most countries, private companies or banks handle check-processing, with central banks playing a supervisory role to ensure the payment system is sound. In the U.S., new players ranging from Microsoft Corp. to Merrill Lynch & Co. are racing to offer electronic alternatives to bank-based payment systems, and some bankers fear the Fed's dominance will impede innovation and leave them behind.

Lee Hoskins, who once ran the Cleveland Fed and now heads Ohio's Huntington National Bank, says the Fed should get out of check-clearing. ''The central bank no longer has a legitimate role as a provider of payment services,'' he says.

Huntington helped start the National Clearinghouse Association, which includes most large U.S. banks and has begun competing head-on with the Fed at lower prices. The Fed is fighting back with a new, lower-priced national check-sorting service and has cut prices in some cities where it is losing market share. As the Fed's volumes have declined, Fed officials concede, its check-clearing failed to cover costs two years ago and fell short again last year. But they say it turned the corner in the first half of 1996.

Despite its problems, the Fed is a tough competitor and has continued investing in check-clearing and other services. It changed the formula used to figure whether or not it is making a profit and made unusual transfers, including some $36 million a year from an overfunded pension plan, into the check business, federal auditors say. It also let at least one Fed bank defer the huge cost of a new computer system so the outlay wouldn't be included in profit calculations, effectively understating the cost of clearing checks.

The Fed has also squeezed smaller firms that haul bank checks in competition with the Fed's own transport service, which flies pouches of checks overnight from bank to bank. It tried to force an aggressive rival, the U.S. Check unit of AirNet Systems Inc., of Columbus, Ohio, from the Florida market by providing its own contractor with subsidized jet fuel, according to documents and depositions collected by Rep. Henry Gonzalez. The Texas Democrat, a longtime Fed critic, says the Fed also subsidizes its higher costs by putting other cargo, such as its own interoffice mail, on its planes, and charging Fed banks for the service.

''I'm not saying they are competing unfairly, but I'd like to know how they cut prices when they're losing money,'' says Andy Linck, administrator at the National Clearinghouse. Under a 1980 law, the Fed is supposed to price services by commercial standards, but its rivals are reluctant to complain. ''We're forced to compete with our own regulator,'' says an executive of a major Western bank with a big check business. ''They can make life pretty difficult for us if we make trouble.''

Fed officials say they play by the rules and use appropriate bookkeeping.

''We're competing fairly—and we're doing it with one arm tied behind our backs,'' says Ted Umhoefer, a check-clearing manager at the Minneapolis Fed. ''I have to charge the same price to the Citizen's State Bank of Pembina, North Dakota, that I charge to them,'' he says, waving toward a big commercial bank in a nearby skyscraper. ''Yet my counterparts in the private sector can cut volume deals with other big banks, leaving us with all the junk they can't make money on.''

In Washington, Fed officials reject the suggestion they should leave check-clearing to private companies. ''That's how the Fed banks make their living,'' says Edward Kelley, the Fed governor who oversees many Fed bank activities and is leading an effort to improve planning and efficiency. ''We'll be in that business until checks disappear or the Congress takes us out of it.'' The Fed grosses nearly $800 million a year from check-clearing and bank services.

Until recently, Chairman Greenspan spent almost all his time on monetary policy and rarely focused on Fed operations. But in recent testimony before Congress, he said he is now ''actively reviewing the appropriate infrastructure for providing certain financial services, taking into consideration both cost efficiency and service quality.'' He said that although he believes the Fed should have a continuing role in the payments system to ensure its integrity—particularly the wholesale cash-transfer system known as Fedwire, which handles $1.5 trillion a day—he hinted for the first time that the Fed might privatize or downsize its retail check business.

''It is quite possible, if not likely, that as changes occur in the financial services marketplace . . . our role in providing other services such as check collection may change.'' But he said something will have to be done to ensure that small banks have access to check services ''because I don't think that they believe they're going to be able to pay the prices (they) will be forced to pay by the market.'' He said Congress may be asked to subsidize these small-bank services so that bank customers in small towns don't have to pay higher check fees.

Officials say the Fed banks already are taking steps to scale back check-clearing and have cut 600 jobs at various locations. But Fed critics contend that the institution is unlikely to undertake the fundamental reform they say is needed because it could require thousands of layoffs—and the loss of substantial prestige.

Prestige seemed important in Minneapolis when Fed officials decided to abandon their grand looking but poorly designed downtown tower. They considered moving to a cheaper, more convenient site by the airport, but that idea was dropped after it raised eyebrows at the Fed in Washington. ''What would we have called it, the Federal Reserve Bank of Eagan, Minnesota?'' one official asks. ''The location is written into the law, and changing it would have required an act of Congress.''

Indeed, that may be what the Fed fears most. ''Do we really want to have 435 congressmen tinkering with what is supposed to be an independent institution?'' asks Ernest Patrikis, first vice president of the New York Fed. Arthur Rolnick, research director at the Minneapolis Fed, says Congress ''didn't have economic efficiency in mind when it created the Fed.'' Above all, he says they wanted a decentralized institution, independent of both big banks and politicians.

''I wouldn't be surprised if a hard look at the system shows that some of Fed branches should be closed,'' Mr. Rolnick adds. ''The market has changed, and the technology has changed. . . . [But] do we really want to fool around with the Fed's independence just to save a few hundred million dollars a year?''

Mr. REID. In this article, it states that the rest of these 25,000 employees deal with the Federal banks' check-clearing and other services.

Also cited in this article is another example of extreme waste by the Federal Reserve—that is, that the Federal Reserve has a fleet of 47 Learjets and small cargo planes.

Furthermore, the Fed publishes hundreds of reports on itself each year that includes something that strikes me as an absurd waste of funds—the Fed publishes a comic book for children on monetary policy—now, Mr. President, I know that we have advanced children in this country, and I'd like to think of my grandchildren as being part of that group, but I don't know many children that have an interest in the Federal Reserve's monetary policy, nor do I know any that would understand it.

Mr. President, this amendment, in requiring a yearly audit, would help ensure, to the American taxpayers, and my constituency in Nevada, that the Federal Reserve is run more efficient and responsibly.

This amendment intentionally leaves monetary policy to Chairman Greenspan and his team.

It is my belief that the economy is great and that Chairman Greenspan is doing a great job.

In fact, many would say that our economy has never been better, which brings to mind the saying ''if it ain't broke, don't fix it.''

Well, Mr. President, while the economy is not broken, much of the inner workings of the Federal Reserve is, and I, along with many others, intend to fix it.

Again, I want to make it very clear—I do not rise before this body today to meddle with monetary policy.

I am not attempting to interfere with, or impugn, the monetary policy of the Fed.

I am seeking greater accountability in the operating expenses and internal management of one of our more influential institutions.

This amendment simply requires a yearly audit that covers the operations of each Federal Reserve bank, the Federal Reserve Board of Governors, and the Federal Reserve System in the form of a consolidated audit.

As my good friend and colleague Senator BENNETT pointed out to me last night, an audit of each of the 12 regional reserve banks is conducted now—however, these audits are not conducted in accordance with generally accepted accounting principles.

For the audits that take place now, the accounting information is given to the auditor by the regional bank staff and the banks basically say, ''accept our figures, that's all you get.''

In short, this amendment requires the Fed to use an independent auditor and for that auditor to use generally accepted accounting practices.

This amendment also requires that the report be made available to Congress, in particular the Committee on Governmental Affairs in this body and the Committee on Governmental Reform in the House of Representatives.

I believe that the Federal Reserve could do more to increase its cost consciousness and to operate as efficiently as possible.

This amendment will be one step closer to that end.

I encourage all Senators to support this amendment and to show our bosses, the American taxpayers, that we are looking out for them by ensuring accountability at the Federal Reserve.

Mr. DODD. Mr. President, I congratulate Chairman GRAMM for the fairness in which these proceedings have been held, and my colleague from Maryland, Senator SARBANES should also be commended for his leadership.

We will soon vote on final passage of S. 900, the Financial Services Modernization Act. I will, unfortunately, be unable to support what I believe in many ways is a very good product.

I am a strong supporter of financial modernization. If the anti-CRA provisions were corrected, I would help to lead the charge in supporting this bill. There are important differences of opinion on various facets of this legislation. We have had good debates on many of these facets.

Although I did not support the amendment offered by Senator JOHNSON to restrict the transferability of unitary thrifts, He should be congratulated for his fine work on the amendment. It is an important issue that I am sure that we will revisit in conference.

The chairman earlier today staked his support of this bill on the outcome of the operating subsidiary amendment which was narrowly defeated. I admire the stand he took and the conviction with which he made his arguments. He should be congratulated for prevailing on his point of view.

I would also like commend Chairman GRAMM for broaching one of the most critical issues that Americans face as we approach the dawning of the new millennium, and that is the steady erosion of the privacy of consumers' personal, sensitive financial information. Although I supported the chairman's amendment that addresses the subject of pretext calling, I believe that it simply does not go far enough.

Several factors have contributed to the erosion of financial privacy. We must examine each of these factors in order to craft legislation that will protect financial privacy in a meaningful, effective way.

Although advances in technology have produced many positive results and benefits for our economy over the years, one of the potential drawbacks has been that they have also facilitated the collection and retrieval of a vast amount and array of citizens' financial information. That personal information has become a very valuable commodity and is being sold and traded among businesses all over the world.

In addition, the formation of new, diversified business affiliations has allowed companies quick access to personal data on each other's customers. Financial modernization legislation, if it becomes law, will only make it easier for companies to share their customers' personal data.

Much of the data ''mining''—searching, collecting, and sorting—and actual use of that personal data is nearly imperceptible to the consumers whose very own information is being conveyed. Companies do not generally tell their customers about the personal data they obtain and they sell or rent.

Current Federal law permits bank affiliates to share information from credit reports and loan applications as long as the customer gets one opportunity to notify the bank not to disclose the information. Most consumers are unaware of this opportunity because the one notice that the company gives them is buried in the fine print in lengthy materials mailed to the customer that most never read.

An even more critical factor causing the erosion of privacy rights is that no current federal law prevents banks from disclosing ''transaction and experience data,'' which includes customers account balances, maturity dates of CDs, and loan payment history.

This erosion of the privacy of our most personal, sensitive financial information can and must be stopped. And we must take action to stop it.

We should have hearings to address these issues so that we may take a very careful look at all of the factors involved, so that we may address them in a careful, thoughtful and meaningful way. I was pleased to hear Chairman GRAMM this morning commit to holding such hearings in the Senate Banking Committee.

I am a coauthor of Senator SARBANES' Financial Information Privacy Act, S. 187, introduced this Congress. This important legislation would require banks and securities firms to protect the privacy of their customers' financial records: their bank account balances, transactions involving their stocks and mutual funds, and payouts on their insurance policies. Customers would be given the important opportunity to prevent banks and securities firms from disclosing or selling this information to affiliates. Before banks or securities firms could disclose or sell the information to third parties, they would be required to give notice to the customer and obtain the express written permission of the customer before making any such disclosure.

I look forward to working with Senator GRAMM and Senator SARBANES on this important issue.

But like my good friend from Texas did for me earlier today, I would like to make something very clear to him—I will not support any bill that weakens the Community Reinvestment Act. Also, I will promise him that no bill that weakens CRA will become law. If we do pass this bill out of this body, let me assure you that as hard as I will fight for financial services modernization, I will fight even harder for preserving CRA.

I know how strongly the chairman feels against the CRA. Let me tell him, that if it is possible, I feel even stronger about preserving the CRA.

I urge my colleagues to reject any and all legislation that fails to preserve CRA.

BLUE CROSS/BLUE SHIELD OF NORTH CAROLINA

Mr. EDWARDS. Mr. President, I have a particular situation in my State of North Carolina that I want to make sure is not going to be affected by some of the insurance language in this bill.

A few years ago, Blue Cross/Blue Shield of North Carolina was considering converting from non-profit status to for profit. The North Carolina legislature looked into the plan, and decided that if Blue Cross were to convert to for-profit, it should be required to set up a charitable foundation as part of the process. It did so in order to make sure that funding for medical expenses would be available to many North Carolinians who had benefited from the services of the non-profit Blue Cross. During the Banking Committee's consideration of the bill, I was concerned that the earlier insurance language would have preempted the North Carolina law if a bank wanted to affiliate or purchase Blue Cross after the conversion.

As a result of the Senator's amendment during the committee markup, the insurance language in the bill now is quite different. But I want to make sure that my concern about the Blue Cross/Blue Shield of North Carolina conversion law is addressed by the new language in S. 900.

Mr. BRYAN. Mr. President, I believe the situation the Senator describes would fall under Section 104(c)(2) of the bill. That language allows states to take action on required applications or other documents concerning proposed changes in or control of a company that sells insurance, unless the action has the practical effect of discriminating against an insured depository institution.

The concern the Senator voiced is one of the situations we envisioned when we made the changes from the earlier text, and it is my intent that the current language would protect the North Carolina state law on the Blue Cross/Blue Shield of North Carolina conversion agreement.

LOW-INCOME HOUSING

Mr. JEFFORDS. Mr. President, I thank Senator GRAMM for allowing me to discuss an important issue that is quickly becoming a serious national problem—American families, elderly and disabled are increasingly unable to afford, or continue to live in, privately-owned housing units.

Several recent studies have shown that low-income housing opportunities are on the decline nationwide. In Vermont, rents for housing have increased 11 percent in three years, making it increasingly difficult to find affordable shelter. The need to also expand the number of housing units for low-income families is critical as the

vacancy rate in areas such as Burlington has fallen to less than one percent. On any given day there are only 60 available rental units in a city of over 40,000 people, making it simply impossible to find a place to live, much less one that is affordable. Such problems are reflected in increased rates of homelessness, as the number of families seeking help from Burlington's emergency shelter rose from 161 in 1997 to 269 in 1998. Even though additional Section 8 federal subsidies will be available next year, the 800 Vermonters on the Section 8 waiting list would be hard pressed to find somewhere to use this voucher should they receive one.

Fewer opportunities for affordable housing are also due to inadequate maintenance. Vermont and the nation desperately need legislation that increases new low-income housing opportunities—whether through new housing construction, rehabilitation of existing housing, additional incentives to keep landlords in the Section 8 market, and expansion of existing tax incentives such as the Private Activity Bond Cap and the Low-Income Housing Tax Credit.

Mr. GRAMM. I thank the Senator from Vermont for his thoughtful remarks. As Chairman of the Committee on Banking, Housing and urban Affairs, which has jurisdiction over federal housing programs, I very much appreciate the Senator's strong interest in affordable housing.

I commend Senator JEFFORDS for bringing to our attention housing conditions which are national in scope and affect rural and urban areas alike. It is very important that we protect our nation's vulnerable populations, particularly the elderly and disabled living on fixed incomes. It is also extremely important that we preserve the American taxpayer's existing investment in affordable housing. Congress must seek to preserve our existing housing stock and protect current residents first.

Mr. JEFFORDS. Mr. President, I am developing legislation that will help preserve existing low-income housing stock, promote the development of new affordable housing, and increase opportunities for the purchase of housing projects by resident councils through a dollar-for-dollar matching grant program. My bill will establish a grant program for states to promote cooperation and partnership among Federal, State and local governments, as well as between the private sector in developing, maintaining, rehabilitating, and operating affordable housing for low-income Americans. These types of initiatives are critical components to meet the growing needs of low-income housing in Vermont and the nation.

While the State of Vermont has largely avoided an overwhelming dislocation of tenants from opt-outs and mortgage prepayments, it is unable to accommodate the hundreds of families that seek new federally subsidized housing opportunities in the State. Reform efforts must focus both on preservation of existing federally subsidized housing units, as well as the creation of new opportunities for families seeking an affordable place to live.

Mr. GRAMM. Mr. President, I applaud Senator JEFFORDS for stepping forward with legislation to address affordable rental housing needs. It is my understanding that the bill which he plans to introduce will present several options for approaching solutions to complex housing problems.

I pledge to work with the Senator from Vermont, Housing and Transportation Subcommittee Chairman ALLARD, and Members of the Senate and House to craft comprehensive solutions to our nation's housing ills. It is imperative that any legislative solutions be fiscally responsible.

Mr. ALLARD. I would like to reiterate Senator GRAMM's remarks and thank Senator JEFFORDS for his interest and insights. As chairman of the Subcommittee on Housing and Transportation, I plan to hold a hearing to examine the need for preservation of affordable rental housing. Specifically, I will focus on the Department of Housing and Urban Development (HUD) Section 8 program with particular attention to prepayment and opt-out issues. I also plan oversight of HUD's implementation of the Multifamily Assisted Housing Reform and Affordability Act.

I would like to invite Senator JEFFORDS to testify at this hearing. I share many of his concerns and appreciate his willingness to work with me on these important issues.

Mr. GRAMM. I thank Senator ALLARD for his diligence and effectiveness as Subcommittee Chairman. The Subcommittee Chairman and I both welcome Senator JEFFORDS' willingness to be a leader for affordable rental housing and look forward to working with him throughout the legislative process.

Mr. JEFFORDS. Mr. President, I look forward to working with the chairmen of the Banking Committee and the Housing Subcommittee to address this growing problem. I thank Senator GRAMM and Senator ALLARD for their kind remarks and I appreciate the opportunity to discuss this issue on the floor today.

Mr. ENZI. Mr. President, I rise to speak briefly about the historic legislation passed in the Senate last week, S.900, Financial Services Modernization Act. I want to again commend Chairman PHIL GRAMM, the Senator from Texas for the outstanding work that he did leading us through the process of passing that landmark piece of banking reform legislation. Senator GRAMM is perhaps the most knowledgeable person on U.S. banking law. He was diligent in seeing that the action began last year in the Banking Committee came to fruition this year. He also took to heart the admonition we've given to the entire banking community to keep things in plain English. He simplified last year's bill, reduced it from 308 pages to 150 pages. Before we began the debate on the Senate floor, he even had to undergo a massive demonstration at his house that was aimed not only at him, but at his wife. Which brings me to the subject I wanted to discuss—the Community Reinvestment Act.

Mr. President, I ask unamious consent that the May 11, 1999, article in the Wall Street Journal by former Federal Reserve Governor Lawrence B. Lindsey be printed in the RECORD.

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

(See Exhibit 1.)

Mr. ENZI. Mr. Lindsey points out quite correctly that the CRA provisions in S.900 are very modest. In spite of this, I continue to be amazed that the Administration and its supporters have demonized the bill because of the minor changes it makes to the Community Reinvestment Act, CRA. Yes, included in the bill are changes to the CRA. However, it does not dismantle, destroy or otherwise diminish the CRA. In fact, the amendments included in the bill should only strengthen the legitimacy of CRA.

You wouldn't suspect this, though, from the comments of the Administration. They claim that these provisions would utterly destroy the CRA. Since the Administration does not support the bill's structure that favors the Federal Reserve over the Treasury Department, they have instead garnered opposition to the bill over the CRA issue. They have gotten the community development industry to oppose a bill that the Administration opposes primarily because it does not expand the banking policy authority of the executive branch.

What I have become concerned about is a government policy that encourages a bank, as Lawrence Lindsay stated, ''to simply pay for a problem to go away.'' S.900 attempts to correct the abuse of the CRA by declaring a bank in compliance with the law if it has earned a ''satisfactory'' rating for three consecutive years. It would require individuals or groups to present some form of evidence to the contrary in order to prevent a merger or acquisition. This will help eliminate extortion, which only amounts to lining the pockets of a few select individuals. It should help ensure that the CRA is preserved for helping the communities instead of funding the extortionists.

I urge all to read the whole Wall Street Journal editorial.

EXHIBIT 1

[From the Wall Street Journal, May 11, 1999]

CLINTON'S CYNICAL WAR ON BANKING REFORM

(By Lawrence B. Lindsey)

Last week the Senate passed a bill overhauling the regulation of banks, including a

provision sponsored by Sen. Phil Gramm (R., Texas), chairman of the Banking Committee, to reform the Community Reinvestment Act. Mr. Gramm's provision has stirred controversy, to say the least. Last month hundreds of ''community activists'' descended on his house, where they pounded on the windows, trampled the landscaping and left the yard covered with garbage.

The 20-year-old CRA requires banks to serve their entire community. Regulators take banks' CRA compliance into account when deciding whether to approve applications for mergers or expanded services. In the recent wave of bank consolidation, banks have made billions of dollars of loan commitments and signed agreements with numerous community organizations in order to be seen as complying with CRA.

HEAVY-HANDED TACTICS

Sen. Gramm has complained that many of these payments amount to little more than extortion sanctioned by federal bank regulators, a claim bolstered by the protesters' behavior at the senator's house. While the great majority of CRA activity is legitimate, some banks and their executives have been subjected to similar personalized and heavy-handed tactics with a demand that they sign agreements that, in effect, fund the protesters. Other banks find their mergers held up by legalistic protests until they pay up.

I helped write the current CRA regulations when I was a governor of the Federal Reserve, and I part company with Mr. Gramm on the degree to which the CRA encourages extortion. In fact, those regulations, implemented in 1996, were designed to reduce the potential rewards for such behavior. Most bankers and community development professionals agree that the regulations have been successful in that regard. Yet I think Mr. Gramm is getting a bum rap.

Mr. Gramm's proposed reforms are quite modest. You wouldn't know it, though, from listening to the Clinton administration and its supporters. President Clinton himself attacked the Gramm proposal in a February meeting with the nation's mayors. Treasury Secretary Robert Rubin, the Rev. Jesse Jackson and Ralph Nader all joined the chorus. The attack strategy worked. Regulators with whom I spoke said they believed Mr. Gramm was out to destroy CRA, although when pressed, they admitted they didn't know the details of his proposal.

When I spoke to a group of community-development professionals, there was stunned silence when I described how mild Mr. Gramm's proposals actually are. First, he proposes that a bank that has earned ''satisfactory'' ratings from the regulators for three years running be presumed in compliance with the law, unless evidence is presented to the contrary.

Second, he proposes that small rural banks be exempt from CRA. The banks that would be excluded under this plan have a total of 2.8% of all U.S. bank assets; the banks with the remaining 97.2% would remain subject to CRA. When we wrote the current CRA regulations, we recognized the burden they placed on small banks and carved out a streamlined examination procedure for them. Mr. Gramm takes this principle only a little further.

Why, then, is the administration demonizing Mr. Gramm? As with similar disinformation campaigns in the past, the attack is meant to draw attention away from an issue on which the administration is vulnerable. What is really at stake here is a separate provision of the banking-reform bill, concerning the question of which agency should regulate most banks—the Fed, which is independent of the administration, or the comptroller of the currency, who reports to the Treasury secretary. Mr. Gramm's bill, which passed on a near-party-line vote, favors the Fed.

Such a bureaucratic turf struggle is not the stuff over which nonbureaucrats go to the barricades. So the administration has instead rallied the troops with a campaign of exaggeration about the CRA. In short, the community-development industry is being used as a pawn by the administration in a power struggle with the Fed.

The worst part of this is that the community-development industry is finally coming of age. All around the country, community-development professionals are engaged in exciting partnership with forprofit organizations to rebuild the physical and social infrastructure of some of America's blighted areas. The best of these are run in a very professional and businesslike fashion; their management teams could compete with any in corporate America.

Unfortunately, much of the industry is still quite insecure, with deep memories of being caught between widespread private-sector indifference and an unresponsive federal bureaucracy led by the Department of Housing and Urban Development. And some of the more flamboyant leaders in community development, who cut their teeth in the radicalism of the 1960s, are quick to lead protest marches and demonstrate their feelings. They have been coopted as unwitting foot soldiers in bigger wars, such as the Comptroller-Fed battle and the feud between the mortgage-insurance industry and the secondary mortgage market.

In the long run, there is no alternative to a zero-tolerance policy with regard to extortion in CRA or the type of protest that occurred at Sen. Gramm's house. Such behavior poisons the well of goodwill that makes community reinvestment possible. The time has come for those responsible for the success of CRA to break their silence and make clear whether they want community development to be a business success story or just some politician's sound bite.

What is needed is a clear way to demarcate those who deliver real community development from those who deliver a mob outside a bank branch or senator's house. The best people to do this are the leaders of community groups themselves. In private, some of the most accomplished practitioners have told me how embarrassed they are about the events at Mr. Gramm's house. They have not shied away from using the term ''extortion'' to describe activity that clearly fits the definition. These people know that their good efforts are made more difficult by the extortionists; who misuse resources and give community development a bad name.

PET CAUSES

Banks themselves must also make clear that they will not pay for political favors or meet extortionists' demands. The intent of CRA is to ensure that an adequate number of loans are made in low- and moderate-income neighborhoods and that those areas have access to bank branches and other banking services. There is no requirement that civic or community leaders must say nice things about the bank or that the bank must contribute to those leaders' pet causes or even their own organizations.

It is often too easy for bank management to simply pay for a problem to go away. Regulators should make sure that this doesn't happen, by insisting that CRA-type payments made by bank management go for services rendered—such as loan referrals—and are not de factor political contributions or extortion payments. Regulators would not tolerate a bank management that violated the Foreign Corrupt Practice Act by bribing foreign officials. Nor should they allow bribes to community groups in the U.S. The administration, meanwhile, should stop using America's developing communities as pawns in its own bureaucratic battles.

Mr. GRAMM. Mr. President, we now have one outstanding matter. We are looking at several amendments. I urge staff to get together on these. Senator LEVIN is trying to work out his language right now.

I would prefer to go ahead and pass the bill tonight rather than put it off. We are going to try to do it quickly. But I hope we don't lose so many people that we would end up not passing the bill. I guess we could move to reconsider and bring it back. But I urge my colleagues with outstanding matters to move quickly. I am going to be here all night. I would be willing to stay here and talk to anybody. A lot of people want and need to leave, but I am not going anywhere. So I am not asking you to accommodate me but to accommodate both our Democrat and Republican colleagues. Please give me your language in the next few minutes so we can move ahead and pass the bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. GRAMM. Mr. President, let me yield to our distinguished colleague from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, in a moment I am going to send an amendment to the desk. But I want to explain exactly the reason for this amendment.

A couple of days ago, I wrote to the Securities and Exchange Commission and asked them what their reaction was to the bill as drafted in terms of protecting investors. The answer that I got back from Arthur Levitt dated May 5 is that the provisions of the bill raise serious concerns about investors' protection, and, if adopted, could hamper the Commission's effective oversight of U.S. security markets.

The letter also indicated that:

A loophole exempting bank trust activities from Federal securities laws would, therefore, seriously weaken the commission's ability to protect investors.

And:

Adoption of the bank trust exemption in S. 900, in addition to other securities provisions in the bill, would undermine the important investor protections that make our markets the most transparent, most liquid in the

world. It is for these reasons that the commission strongly opposes the bill.

Mr. President, I ask unanimous consent that the letter from Mr. Levitt be printed in the RECORD.

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

SECURITIES AND EXCHANGE COMMISSION,
*Washington, DC, May 5, 1999.*

Hon. CARL LEVIN,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR LEVIN: Thank you for your letter of May 4 requesting the SEC's analysis of provisions in S. 900 related to bank trust activities. As currently drafted, these provisions raise serious concerns about investor protection, and, if adopted, could hamper the Commission's effective oversight of U.S. securities markets.

The bank trust activities provisions in S. 900 would permit banks to act as ''fiduciaries'' without being covered by Federal securities laws. Virtually all bank securities activities will be able to be labeled ''fiduciary'' under the bill, and banks will be able to charge commissions for those securities transactions without being subject to SEC regulation. Under S. 900, a bank and its personnel could have economic incentives—a so-called ''salesman's stake''—in a customer account, without being subject to the strict suitability, best execution, sales practices, supervision, and accountability requirements under Federal securities laws. Fiduciary law also varies by state, and, in many cases, permits investor protections to be lessened, if not eliminated entirely, by contractual provisions. In addition, while broker-dealers are also ''fiduciaries,'' Congress has determined that securities laws should apply to them to provide customers with full investor protections. A loophole exempting bank trust activities from Federal securities laws would therefore seriously weaken the Commission's ability to protect investors.

My main concern with any financial modernization bill is the consistent regulation of securities activities, regardless of where they occur. Adoption of the bank trust exemption in S. 900, in addition to other securities provisions in the bill, would undermine the important investor protections that make our markets the most transparent, most liquid in the world. It is for these reasons that the Commission strongly opposes this bill. Moreover, as I have testified, the securities provisions in all of the bills currently under consideration in both the House and the Senate have been so diluted that the Commission opposes all of them. I appreciate your continued interest in financial modernization legislation and look forward to working with you as the bill moves forward.

Sincerely,

ARTHUR LEVITT,
*Chairman.*

Mr. LEVIN. Mr. President, I also received a letter from the North American Securities Administrators Association. This is the association that was organized in 1919, and consists of the 50 States' securities agencies that are responsible to protect investors.

The letter from the North American Securities Administrators Association indicates very strong problems with this bill, because, in its words, sections 501 and 502 would allow the bank to act as an investment adviser if the bank receives a fee, and ''as currently drafted, despite the claim that S. 900 would facilitate functional regulation of the securities activity in banks, banks will remain largely exempt from regulation as either a broker or dealer under the Securities and Exchange Act of 1934.''

This is very, very troubling. This is a very big issue, because it is stated in the report which accompanies the bill that the bill generally adheres to the principle of functional regulation, which holds that similar activities should be regulated by the same regulator, and that the bill is intended to ensure that banking activities are regulated by bank regulators, securities activities are regulated by securities regulators, and insurance activities are regulated by insurance regulators.

The report that accompanies the bill indicates that the intent is to adhere to the principle of functional regulation, which would mean that securities regulators would indeed regulate securities transactions, but the securities regulators write us that that is not what the bill does because of the way in which the exemption is drafted in the bill; that in effect all purchases and sales of stock by banks could be run through a trust department and be exempt from the Securities and Exchange Commission protection and from local regulations.

That is a major problem with the bill. When you are a securities regulator, and when the people who are there intending to protect the public who are buying stocks indicate strong opposition to the bill based on that, it seems to me that some alarm bells ought to be going off in this Chamber.

Mr. President, I ask unanimous consent that the letter from the North American Securities Administrators Association be printed in the RECORD.

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

NORTH AMERICAN SECURITIES ADMINISTRATORS ASSOCIATION, INC.,
*Washington, DC, May 5, 1999.*

Hon. CARL LEVIN,
*Washington, DC.*

DEAR SENATOR LEVIN: Thank you for requesting the views of the North American Securities Administrators Association (''NASAA'') on proposed Sections 501 and 502 of S. 900, the Financial Services Modernization Act, and specifically, the extent to which these bill provisions would exempt bank securities transactions from state securities regulation and oversight.

Cumulatively, the above-referenced provisions, in conjunction with the proposed repeal of the Glass Steagall Act, would permit banks to offer and sell securities on bank premises through bank employees almost exclusively outside of the purview of federal or state securities regulations. As you have correctly pointed out, Section 502 of the bill proposes to exempt from the definition of securities ''dealer'' activities of a bank generally involving the buying or selling of securities for investment purposes in a fiduciary capacity. The bill goes on to define ''fiduciary capacity'' to include wide-ranging activities that far exceed activities performed under the common law concept of ''fiduciary duty'' traditionally tied to persons acting as trustees. Specifically, in Sections 501 and 502, the term ''fiduciary capacity'' is defined to permit, among other things, a bank to act as ''an investment adviser if the bank receives a fee for its investment advice or services.'' A similar exemption exists from the definition of ''broker.''

Thus, as currently drafted, despite the claim that S. 900 would facilitate functional regulation of the securities activities of banks, banks will remain largely exempt from regulation as either a broker or dealer under the Securities Exchange Act of 1934. In fact, banks will be permitted to conduct ongoing and unlimited investment advisory activities well outside traditional trust department activities, yet will continue to be excluded from regulation as an ''investment adviser'' under the Investment Advisers Act of 1940. Banks would no longer need to establish separate investment advisory affiliates or subsidiaries and would perform such activities in-house.

S. 900 purports to implement and foster functional regulation of banks engaging in securities activities. The reality is that given the breadth of the trust activities exception, there will not be any such activities to functionally regulate. The exception is so broad that all the securities activities in which a bank may wish to engage could be classified as ''trust activities,'' so that the exception would consume the rule. Securities regulators would have nothing to regulate. The ''trust activities'' exception should be limited to those traditional banking activities by a trustee involving fiduciary duty and nothing more. Retail securities business should be conducted by and through registered licensed broker-dealers, investment advisers and their representatives regulated by state and federal securities regulators.

Thank you for your consideration of this very important matter.

Respectfully,

PHILIP A. FEIGIN,
*Executive Director.*

Mr. LEVIN. Mr. President, I ask unanimous consent that the testimony of the Secretary of Treasury Rubin before a House commerce subcommittee be printed in the RECORD.

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

EXCERPTED TESTIMONY OF TREASURY SECRETARY ROBERT RUBIN BEFORE HOUSE COMMERCE SUBCOMMITTEE, MAY 5, 1995

Representative DIANA DEGETTE. [I]n your prepared testimony you say that you continue to believe that any financial modernization bill must have adequate protections for consumers, and you point out that you are hoping that this committee will add additional protections over the bill that came out of the Banking Committee. Are you talking specifically there about the Federal Home Loan bank system and the other issue on affiliations between commercial firms and savings associations, or are there additional consumer protections you would like to see?

Secretary RUBIN. I was referring there primarily to trying to work with the SEC in order to better enable them to perform their function of regulation. Look, the SEC has concerns, and I think they're well taken.

Representative DEGETTE. Me, too.

Secretary RUBIN. I think they're well taken. As you know, this bill was designed to

eliminate the exemption from the SEC of these various securities activities they conduct in banks at the same time. Then there are all sorts of exceptions to the exemptions. And the exceptions to the exemptions—(laughs)—could be read so broadly as to reestablish the exemption. And that's a concern the SEC has. We share that concern, and what we'd like to do, if there's a way that it can practically be done, is to work with the SEC on these issues. And that was my primary reference.

Mr. LEVIN. Mr. President, Senator SCHUMER is a cosponsor of an amendment which I am now offering which reads as follows. It is fairly short. I simply want to read this amendment. Then I will send it to the desk.

The amendment has now been accepted by the manager of the bill. I think it will help somewhat to allay some concerns in this area. But the critical issue is what will come out of conference. That, of course, we don't know. But this is the language of the amendment, which I will be sending to the desk on my behalf and on behalf of Senator SCHUMER.

It is the intention of this act, subject to carefully defined exceptions which do not undermine the dominant principle of functional regulation, to ensure that securities transactions affected by a bank are regulated by securities regulators notwithstanding any other provision of this act.

The intention is to keep the principle that securities transactions will be regulated by securities regulators, and acknowledges that there could be some carefully drafted exceptions which do not undermine the dominant principle.

That, it seems to me, would be an improvement in this area.

I want to again thank my friend from Texas for looking at this language, indicating that it would be acceptable to him, and then, of course, the proof of the pudding as to whether we are really protecting purchasers of stock through the regulators who are there to protect purchasers and sellers of stock will be determined in conference. But the general principle enunciated in this amendment would go to conference as the principle that is governing this bill.

I also want to thank my good friend from New York, because he has worked so closely with me on this issue.

I can't yield the floor to him. But I will yield the floor. But, before doing so, and I know he does wish to speak for a few minutes, I will send the amendment to the desk.

AMENDMENT NO. 317

(Purpose: To ensure bank securities activities are regulated by securities regulators)

Mr. LEVIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment is set aside, and the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. LEVIN), for himself, and Mr. SCHUMER, proposes an amendment numbered 317.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 124, line 25, before ''Section'' insert the following:

''(1) It is the intention of this Act subject to carefully defined exceptions which do not undermine the dominant principle of functional regulation to ensure that securities transactions effected by a bank are regulated by securities regulators, notwithstanding any other provision of this Act.

(2)''.

Mr. LEVIN. I yield the floor but hope the Senator from New York will be recognized briefly for a comment.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. I thank the President, and I thank both my colleague from Michigan and my colleague from Texas, the chairman, for their work.

It is a very important amendment. In fact, if this amendment had not been adopted, we might have seen the virtual unraveling of the strong framework of securities law that we have built up in this country since the 1940s.

When I see my friends on Wall Street sometimes complaining about the SEC—and they can be very, very strict and sometimes hardheaded on specific issues—I remind them that in the general framework of regulation, a tough and strong disclosure has made our securities markets the strongest in the world. It is the reason that billions of dollars come from overseas to the United States, because they know basically that our markets are on the level.

This bill, while in the report language said that we wish to have what is called ''functional regulation,'' that is, having the correct regulator for the type of function, not by the type of institutions, and therefore if a bank gets securities regulation it would be regulated by the SEC, just as if a securities firm did securities regulation it would be regulated by the SEC. It is a fundamental principle, particularly if this bill becomes law, which, if we change CRA, I hope it will.

It means very simply that if you underwrite securities, if you sell a security, you must abide by the SEC strict disclosure. The banking regulators have never been very good at this type of regulation, and weren't intended to be.

The securities regulators—the SEC—have always been the tough guy who is an adversarial regulator. The banking regulators have always been a friendly regulator, sort of akin to a big brother making sure the banks didn't get too far into trouble—for two good reasons: One, the banking industry had Federal insurance, and we had to protect that investment; and, two, the banks were engaged traditionally in not very risky activity.

The securities markets have no Federal insurance. They are raw capitalism, and they have had risky activities. Therefore, you really need full disclosure.

The amendment which the Senator from Michigan has put forward, which I am proud to cosponsor, is a very simple one. It says keep that functional regulation.

Let me explain to my colleagues just in a brief minute, because I know we all want to hurry, what would have happened if this amendment had not been adopted.

First, the whole regulation—the whole SEC regimentation of regulation—would not have been applied to banks as they entered the securities industry, and they will enter it massively. Then securities firms, being put at an unfair competitive disadvantage because their banks would not be regulated, would start having their securities activity occur under a bank holding company.

The entire structure of regulation which has worked so well—and every person on Wall Street I know admits it; it is tough, it is strong, but it keeps our markets on the level—would have unraveled. This bill in effect had a Trojan horse.

The amendment being proposed by the Senator from Michigan and myself closes that door. We will have to work out the language in conference, but I for one, if I am lucky enough to be a conferee, or even if I am not, I am going to work very hard to see whatever loopholes are placed in there are very narrow and very limited.

I know the hour is late but this amendment may be the most important amendment we are adding to the entire bill. It keeps the structure of functional regulation there. It has securities-type activities, wherever they be done, be regulated by the SEC. It is a system that has worked. We should not undo it right now as our capital markets are enjoying the tremendous success they have.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question in on agreeing to the amendment.

The amendment (No. 317) was agreed to.

Mr. LEVIN. I move to reconsider the vote.

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, I thank my friend from Texas, as well as the Senator from Maryland, for their work, but particularly the Senator from New York.

AMENDMENT NO. 310, AS MODIFIED

Mr. GRAMM. Mr. President, I have a little technical correction that has been cleared, as I understand. I call up amendment No. 310 and ask unanimous consent that amendment No. 310 be

modified by the text I am sending now to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM], for Mr. BENNETT, proposes an amendment numbered 310, as modified.

Mr. GRAMM. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment (No. 310), as modified, is as follows:

At the appropriate place in the bill, insert the following:

Section 23B(b)(2) of the Federal Reserve Act (12 U.S.C. 371c–1) is amended to read as follows:

''Subparagraph (B) of paragraph (1) shall not apply if the purchase or acquisition of such securities has been approved, before such securities are initially offered for sale to the public, by a majority of the directors of the bank based on a determination that the purchase is a sound investment for the bank irrespective of the fact that an affiliate of the bank is a principal underwriter of the securities.''

Mr. SARBANES. Mr. President, what did this deal with?

Mr. BENNETT. Mr. President, it is my understanding that this amendment has been cleared on both sides.

It addresses the CRA issue in what I hope is a noncontroversial way in that it calls for reporting of what happens to the CRA loans. Many of these loans are being made now with no regulation at all and no public understanding of what is happening. I, for example, asked a simple question as I went through the CRA debate. I said, What is the rate of default of CRA loans compared to non-CRA loans? And, specifically, what is the rate of default of those loans that are made through the advocacy groups that become loan brokers?

I was told the rate of failure for CRA loans generally is about six or seven times higher than normal loans but there was no information as to the rate of default among those loans that were made through the advocacy groups that have become loan brokers. I think we are entitled to know that.

This is simply a sunshine amendment that will report the facts. It does not change the regulatory situation in any way, it does not damage CRA in any way; it simply says the Congress will know what is happening with respect to CRA loans that are currently being made in the dark.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 310), as modified, was agreed to.

Mr. GRAMM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRAMM. Mr. President, I ask unanimous consent further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. VOINOVICH). Without objection, it is so ordered.

AMENDMENT NO. 318

Mr. GRAMM. On behalf of Senator SARBANES and myself, I send managers' amendments to the desk. I ask they be considered en bloc and adopted en bloc, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Texas (Mr. GRAMM), for himself and Mr. SARBANES, proposes an amendment numbered 318.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

THE PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 318) was agreed to.

The motion to reconsider the motion to lay on the table was agreed to.

Mr. GRAMM. It is my understanding we are now ready for a vote on final passage. I thank everyone for their assistance and patience.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. I guess I should state I am going to vote against this bill on final passage. We have had a very spirited debate. We have had a number of very close votes on important amendments, and in my view the bill has not been improved sufficiently to warrant an affirmative vote, therefore I intend to vote against it. I am not, obviously, going to lay out all the reasons at this hour of night because I know we want to go to a vote here.

Mr. GRAMM. Mr. President, there are two Dorgan amendments that are pending. We had an agreement to have a voice vote.

I ask that occur now.

VOTE ON AMENDMENT NO. 313

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 313) was rejected.

VOTE ON AMENDMENT NO. 312

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 312) was rejected.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. GRAMM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SARBANES. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

The Democratic leader.

SENATOR JOSEPH BIDEN CASTS HIS 10,000TH VOTE

Mr. DASCHLE. Mr. President, today I join my colleagues in recognizing a historic achievement by one of the Senate's most remarkable Members. With the vote we are about to cast, Senator JOE BIDEN becomes the youngest Member of this body ever to cast 10,000 votes.

It should come as a surprise to none of us that Senator BIDEN should set such a record. He has always been a few steps ahead of the crowd. In 1972, at the age of 29, he mounted his first Senate campaign against a popular incumbent, Republican Senator J. Caleb Boggs. No one—not even his own Democratic party—thought he could do it. But in 1973 he was sworn in as the second-youngest person ever to be popularly elected to the Senate.

The first issue Senator BIDEN tackled was campaign finance reform—as we all know, this is a difficult issue for anyone, much less a first-year member. But as we also all know, JOE BIDEN has never shied away from a fight. His candor, strength of character and commitment to principle have led him through many battles over the years.

As chairman and ranking member of the Judiciary Committee, Senator BIDEN helped this institution, and this nation, sort through the complexities of the most controversial issues of our day—from flag burning, to abortion and the death penalty,

Senator BIDEN also presided over perhaps the most contentious Supreme Court nominations hearings in history. In the midst of the controversy surrounding nominee Robert Bork, Senator BIDEN maintained a level of intellectual rigor that raised the bar for committee consideration of all future nominations.

We also recall his leadership and doggedness in crafting what may well be the most difficult and important pieces of legislation in recent years, the Violent Crime Control and Law Enforcement Act. This included the Violence Against Women Act, the very first comprehensive piece of legislation

to specifically address gender-based crimes.

He was also instrumental in creating the position of national ''Drug Czar,'' which has been invaluable in our fight against illegal drugs. His commitment to keeping drugs off the streets remains steadfast.

The Senate and this nation have also benefitted from Senator BIDEN's leadership in the foreign policy arena. As ranking member on the Foreign Relations Committee, he is widely regarded as one of the Senate's leading foreign policy experts.

He was one of the first to predict the fall of communism and anticipate the need to redefine our policies to fit a post-cold war world. And, as far back as early 1993, Senator BIDEN called for active American participation to contain the conflict in Bosnia. In his public service and personal life, JOE BIDEN sets a high standard we can all admire.

His steel will, dedication and compassion, reinforcing a powerful intellect and impressive communication skills, have made Senator BIDEN an exceptional Senator and friend. The number of people he has inspired through his commitment to his family, his values and his beliefs is legion.

Mr. President, it is indeed a pleasure to serve with JOE BIDEN, and to count him as a friend. On behalf of all the Members of this Senate, I congratulate JOE on this historic achievement and thank him for his numerous contributions to the United States Senate and to his country.

I yield the floor.

Mr. LOTT. Mr. President, I am pleased to congratulate my good friend and colleague, Senator JOE BIDEN, on casting his 10,000th vote in the United States Senate.

All of us who have listened—and listened—to Senator BIDEN on the Senate floor have come to deeply respect his leadership and commitment to causes of concern.

He led the historic effort for NATO expansion with courage and conviction.

He has a deep concern for America's role in the world and is a true leader of our foreign policy establishment.

Senator BIDEN has been a champion of victims of crime, particularly crimes against women.

Most of all, those of us who know him, have watched his grace and courage through personal suffering and serious illness.

I join my colleagues in recognizing Senator BIDEN's contributions to the Senate and extend my congratulations to him.

I congratulate the Senator from Delaware. I note he is only 56. I am 1 year older and he has already cast 10,000 votes. What an achievement.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I wish to pay Senator BIDEN a tribute. He is an outstanding Senator and an outstanding man.

When anyone reflects on their life, they do so by thinking about significant personal and professional benchmarks and milestones. Today, one of our colleagues—and my good friend—JOE BIDEN is marking just one such accomplishment, his 10,000th career vote in the Senate.

Casting your 10,000th vote is a momentous occasion for many reasons. Beyond being an indication that a Senator has served in this body for a substantial period of time, casting 10,000 votes is a testament to an individual's commitment to public service. Furthermore, it is proof that a Senator is doing a good job, for his or her constituents have seen fit to keep an official in office long enough to achieve this accomplishment. Then again, given the type of person JOE BIDEN is, it should come as no surprise to us that the people of Delaware have repeatedly sent him to the Senate since 1972. He is a man who is motivated by a desire to help others and is dedicated to serving the people of his state and our nation. JOE BIDEN clearly entered his life in public service for the proper reasons and with the best of motives, and he is an individual who represents all that is positive about those who seek elected office.

I have had the good fortune of knowing JOE BIDEN from the beginning of his Senate career and it is hard to believe that almost thirty years could have elapsed so quickly. During the course of his tenure, I have watched JOE establish an impressive and respected record of work. He has distinguished himself in the fields of the judiciary and foreign affairs, and he is considered a forceful, passionate, and articulate advocate on both these issues. Though he is often sought for analysis and insight regarding international developments, making our streets safe, or any number of other issues before the Senate, JOE BIDEN first and foremost works tirelessly to serve the people of Delaware. The people of his state are indeed fortunate to be represented by such a capable individual.

As most of you already may know, JOE and I have worked closely together for years as members of the Judiciary Committee. We have both served as each other's chairmen and ranking members of this very important committee and I have the highest regard for JOE's intellect, leadership, and ability. Ironically, we not only sat next to each other on the committee for years, but we have been neighbors in the Russell Building for many years as well, our offices being literally right next to one another. You would be hard pressed to find a finer, more dedicated, or more friendly group of people than those who work for JOE BIDEN and I hope that he stays my neighbor for as long as he is in the Senate.

Beyond being a congenial colleague and a good neighbor, JOE BIDEN is my friend. He is someone whose word can be trusted, who wants to do what is right, who is devoted to his family, and whose heart is good. These are rare qualities in any individual, but they can be especially scarce in this town. That JOE has not changed over the years is testament to the man he is and the son his parents raised. I am proud to call JOE BIDEN my friend as I know each of my colleagues is as well.

I do not think I am going out on a limb when I predict that JOE BIDEN is going to be in the United States Senate for a long time to come, and that as long as he is a Member of this body he will continue to make valuable contributions to public policy and the nation. JOE, I thank you for your service, I thank you for all your assistance, and most of all I thank you for your many years as a loyal and kind friend.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I join in the felicitations of our distinguished colleague from Delaware. He suffered as a young lad a handicap of stuttering. He tried to overcome that by addressing the student body. We in the Senate can well attest to the fact that he has overcome it. He has led the way in foreign policy for NATO and in judicial matters.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, I add my words of praise for the Senator from Delaware and make a point that he is going to be here a long time. If he matches his current record—he took office in 1973—if he does this, he will be only 82 when he casts approximately his 20,000th vote, and he will then be a kid compared to Senator THURMOND, who will be there at the time congratulating him on his 20,000th vote.

JOE BIDEN has been such a good friend to me.

When I was in the House, I asked him to introduce the Senate companion bill to my legislation to protect dolphins.

JOE did not hesitate, and he enthusiastically took up the cause—with the strong support of his beautiful daughter Ashley! And he has been a steadfast ally in that important environmental fight. He was the Senate sponsor of my Ocean Protection Act. I was the House sponsor of his VAW Act.

I am now a proud member of the Foreign Relations Committee, where JOE BIDEN shows why he is one of the most respected foreign policy experts in the country.

Congratulations, I say to my good friend, and many, many more years of success and happiness with your good

friends and colleagues here and your wonderful family at home in Delaware.

I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, the distinguished Senator from Delaware is the only person in this body who is younger than I am but senior to me at the same time. I congratulate him on his 10,000th vote. I jumped over the cliff with him on more than a few of those votes. I look forward to the day when I might match his record.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I know everybody wants to go home, but let me say, if we tried to review JOE BIDEN's accomplishments, it would take all night. Let me put it this way: I opposed most of them.

(Laughter.)

Furthermore—this is serious—JOE BIDEN is a caring person. I work with him on the Foreign Relations Committee. He is great to work with. JOE, I am proud of you.

(Applause.)

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, this next vote is a milestone for a friend of mine—a distinguished colleague and a leader in this chamber. It represents the ten-thousandth vote cast by JOE BIDEN, and I would like to take a moment not only to bring it to the attention of our colleagues, but to reflect on a career that has been—and continues to be—a bright legacy of service.

To put this vote into perspective, Mr. President, only twenty Senators in history have reached this milestone—only twenty Senators out of the 1,851 who have had the honor of serving in this distinguished body. Each of us who has the honor of representing our state in the Senate understands what a rare privilege it is to cast a vote on this floor. In fact, the first vote we cast ranks among the most memorable moment in our lives—a moment not to be forgotten.

I'm sure that when JOE cast his first vote on January 23, 1973—over twenty-five years ago—he could not have foreseen this moment. Through the years, he has achieved many distinguished honors. He has gained national stature, as a candidate for President. He has established himself as a foremost expert on judicial and foreign policy matters. And though I know that we often differ philosophically, I can say that each vote JOE has cast, his focus has been on doing what's best for Delaware and our Nation, at large.

JOE, on this special occasion, I salute you. Ten thousand votes speak volumes about a life dedicated to public service. On behalf of our colleagues I congratulate you. And on behalf of our friends and neighbors in Delaware I thank you.

For me, it has been an honor, a pleasure, and a privilege to serve these many years with Senator BIDEN. He always does what he thinks is in the best interests of our country and our people of Delaware. I am proud to count him a friend.

Mr. KENNEDY. Mr. President, I join in commending our colleague from Delaware on reaching this major milestone in his brilliant Senate career.

For nearly three decades, he has done an outstanding job serving the people of Delaware and the Nation in the Senate. He has been an effective leader on a wide range of issues in both domestic policy and foreign policy.

It has been a special privilege for me to serve with our distinguished colleague on the Senate Judiciary Committee, and I particularly commend his leadership over the past quarter century on the many law enforcement challenges facing the nation. It is a privilege to serve with Senator BIDEN—and I am sure he will compile an equally outstanding record on his next 10,000 votes.

Mr. BIDEN. Mr. President, I will respond after everyone votes so I get to cast my 10,000th vote.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, unlike Senator BIDEN, I don't have a lot to say.

I ask unanimous consent that all Senators have until the close of business next Thursday, a week from today, to insert their statements in the RECORD and that all statements that are submitted appear at one place in the RECORD.

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

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill, as amended, pass? The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. NICKLES. I announce that the Senator from Oklahoma (Mr. INHOFE) is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 44, as follows:

[Rollcall Vote No. 105 Leg.]

YEAS—54

| | | |
|---|---|---|
| Abraham | Craig | Helms |
| Allard | Crapo | Hollings |
| Ashcroft | DeWine | Hutchinson |
| Bennett | Domenici | Hutchison |
| Bond | Enzi | Jeffords |
| Brownback | Frist | Kyl |
| Bunning | Gorton | Lott |
| Burns | Gramm | Lugar |
| Campbell | Grams | Mack |
| Chafee | Grassley | McCain |
| Cochran | Gregg | McConnell |
| Collins | Hagel | Murkowski |
| Coverdell | Hatch | Nickles |
| Roberts | Smith (NH) | Thomas |
| Roth | Smith (OR) | Thompson |
| Santorum | Snowe | Thurmond |
| Sessions | Specter | Voinovich |
| Shelby | Stevens | Warner |

NAYS—44

| | | |
|---|---|---|
| Akaka | Edwards | Lieberman |
| Baucus | Feingold | Lincoln |
| Bayh | Feinstein | Mikulski |
| Biden | Graham | Moynihan |
| Bingaman | Harkin | Murray |
| Boxer | Inouye | Reed |
| Breaux | Johnson | Reid |
| Bryan | Kennedy | Robb |
| Byrd | Kerrey | Rockefeller |
| Cleland | Kerry | Sarbanes |
| Conrad | Kohl | Schumer |
| Daschle | Landrieu | Torricelli |
| Dodd | Lautenberg | Wellstone |
| Dorgan | Leahy | Wyden |
| Durbin | Levin | |

ANSWERED ''PRESENT''—1

Fitzgerald

NOT VOTING—1

Inhofe

The bill (S. 900), as amended, was passed.

(The bill will be printed in a future edition of the RECORD.)

Mr. GRAMM. Mr. President, I move to reconsider the vote.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Utah.

## MORNING BUSINESS

Mr. HATCH. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators permitted to speak for up to 10 minutes each.

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

## TRIBUTE TO SENATOR JOSEPH R. BIDEN ON HIS 10,000th VOTE

Mr. HATCH. Mr. President, I rise today to recognize a very dear friend of mine in the Senate and his historic 10,000th vote. His name is Senator JOSEPH BIDEN of Delaware, a friend and colleague whose distinguished career has elevated both the quality and stature of the Senate. The number 10,000 is an important landmark in a career that has many milestones, but I believe Senator BIDEN will be best remembered for the significance of his varied votes. I have seen many of those notable votes cast.

In every one of those votes he was careful, deliberate, and respectful of his duty to the people of Delaware. JOE and I have served in the Senate for roughly the same amount of time. He has been here a couple of years longer than I. We have worked closely together in the Senate Judiciary Committee, which he chaired and which I now chair. On occasion we have agreed to disagree. In fact, I wish he had cast more of those 10,000 votes with me. In

all seriousness, however, JOE and I have found many areas where we strongly have agreed.

JOE has long been a leader on the issue of youth violence, an issue which has affected countless lives in Delaware, Utah, and the rest of the Nation. In 1974, he was the lead sponsor of the Juvenile Justice Prevention Act. In 1992, he sponsored the Juvenile Justice Prevention Act Amendments, which provided States with Federal grants for a complete and comprehensive approach to improve the juvenile justice system and controlling juvenile crime.

He has long advocated a tough stand against illegal drugs. He authored the law creating the Nation's drug czar, and in 1986, he was the guiding force for the enactment of groundbreaking drug legislation. He has probably done as much if not more than anybody in the Senate with regard to the antidrug stances that we all should support and that we all appreciate today.

With regard to juvenile justice, next week we bring up a juvenile justice bill. Senator BIDEN has been a mainstay in helping to resolve conflicts that we have in that bill and hopefully helping it to become a bipartisan bill that all of us can support. What I admire most about JOE is the fact that he is the staunchest defender of his party's beliefs, yet he does not hesitate to cross party lines to forge a consensus position when he believes it is the right thing to do. Nowhere is that more evident than with the issue of juvenile crime.

JOE has a history of standing up for what is right when it comes to juvenile crime, and I believe he will continue to do so. We look forward to working with him next week.

While chairman of the Judiciary Committee, he authored the Violent Crime Control and Law Enforcement Act, which was signed into law in 1994. While I differed with much that was contained and dropped from the bill, this legislation contained the Biden-Hatch Violence Against Women Act, the first comprehensive law to address gender-based offenses. Senator BIDEN's leadership on this issue changed how many Americans view the issue of violence against women. He even changed how we refer to domestic abuse in the Senate by continually asking, ''What's domestic about beating your wife?''

JOE is widely regarded as a foreign policy expert. Many remember his leadership on NATO expansion in 1998. He stood out as a strong advocate for the inclusion of several Eastern European nations into the alliance. NATO is now engaged in its greatest test, and I am convinced that JOE's leadership was integral in strengthening the alliance.

In 1997, Senator BIDEN showed these same leadership skills when he led the successful effort in the Senate to ratify the Chemical Weapons Convention. JOE BIDEN has truly had a distinguished career in the Senate.

All that said and done, I could go on and on about his distinguished career, but it is his personal qualities that have impressed his friends, his family, and his colleagues, including, of course, myself as a friend and as a colleague.

Many may not know that Senator BIDEN overcame two operations for a near-fatal brain aneurysm in 1988 and returned to the Senate in 1989. I remember those days and I remember how catastrophic they were for him, his family, and for those of us who prayed for him. He showed great courage and persistence in overcoming that adversity. Nobody was more thankful than his wife and three children, to whom he is a loving husband and father. Indeed, he is renowned for putting his family first, as demonstrated by his daily commute to and from Delaware. The fact that he takes a 2-hour train ride to get here every day makes the accomplishment of reaching 10,000 votes all the more astounding.

So it is with great honor that I ask my colleagues to join me and others in congratulating Senator JOSEPH R. BIDEN on his 10,000th vote. His many contributions to this body are appreciated and recognized. I am sure that I speak for all of my colleagues when I say we will enjoy keeping a close eye on the many votes yet to come.

Just as a gift this evening, this is the last CD that we have done. It is, frankly, Santita Jackson, Jesse Jackson's daughter, singing with a wonderful young African American from Nashville, who is as good a singer as anybody in the world, named Chris Willis. This CD is entitled ''Put Your Arms Around the World.'' I think it kind of applies to JOE BIDEN. When he listens to the song written by Peter McCann and me—Peter McCann wrote ''It's the Right Time of the Night'' and ''Want to Make Love''—called ''Take Good Care of My Heart,'' that particular song, I think, really applies to Senator BIDEN because, in his own way, with his tremendous interest in foreign policy, tremendous interest in the law, his tremendous interest in overcoming injustice in our society not only here but throughout the world, I think this song will mean something to him. It certainly does to me. Santita Jackson and Chris Willis are two of the rising young stars in America. I would like to give this CD to Senator BIDEN at this time and say that I look forward to serving with him for a long time to come. So hang in there.

Thank you, Mr. President. I yield the floor.

Mr. SARBANES. Mr. President, I join with my colleagues in paying this tribute to JOE BIDEN on the occasion of him casting his 10,000th vote in the Senate. The casting of that vote is an occasion to pay tribute not for voting but for a real career of service and of great distinction. It has been one of the pleasures of my service in this body to have served with JOE BIDEN, and one of my pleasures that we represent adjoining States. Therefore, we interact on a number of issues that otherwise would not be the case amongst Members of the Senate.

He has had an extraordinary career here. He is now in his fifth term. He got elected before he was old enough, actually, under the Constitution, before he was old enough under the Constitution to be a Member of the Senate. He was elected at the age of 29, and he has just had a terrific career of accomplishment. Those who have worked with him derive great pleasure from it. We have marveled at his legislative skill.

I want to talk about two or three of the things in which he has been very much involved. We have served together on the Senate Foreign Relations Committee all of these years. And he has exercised extraordinary leadership of the Senate Judiciary Committee at various points during his career. We are making a lot of the fact now in America that crime rates are going down all across the country. So everyone is sort of looking to see what is the cause of that, or who ought to get the praise for it. I have to tell you that JOE BIDEN ought to get a lot of the praise for the fact that crime has gone down across this land. He has authored every significant anticrime initiative in the Congress over a period of time that he has been here—the Juvenile Justice Prevention Act, the Victims of Crime Act, the Violent Crime Control and Law Enforcement Act, and on and on and on.

Senator BIDEN has been a great champion of law enforcement and of those who work in law enforcement. He has been sensitive on the important civil liberties and civil rights cases, which a democracy ought to be sensitive to. He has understood how you can balance those and put it together. There are thousands and thousands of cops on the street today giving us safer neighborhoods and more secure cities and communities all across America because of JOE BIDEN's initiatives.

Senator BIDEN was the first to include the provisions with respect to violence against women and really raise to a very high level the whole issue of gender-based crimes. He has consistently focused our attention onto that area.

He has dealt in a very effective way with the gun issue, which is not easy to deal with in this body, and certainly not an easy issue to deal with effectively. I have to tell you that I think throughout all of this period Senator BIDEN had a clear perception and focus on how to do something about the crime issue. He did not demagog it. He did not seek to emotionalize it. He worked hard to develop the real programs that would make a difference in

our communities all across the country. I am extremely grateful to him for that.

On the Foreign Relations Committee, he has consistently been an advocate of an international stance by the United States—actually, the expansion of NATO was in large part a consequence of his very effective advocacy and leadership. He has been sensitive to the importance of human rights and democratic values in American foreign policy. I have been very privileged to serve with him on the Foreign Relations Committee and to see his effective leadership in that arena.

Finally, let me just say he is a terrific friend. I can't tell you how much I value and treasure his friendship, how much it has meant, how much I enjoy his sense of humor, and even how much I like to listen to his speeches—which occasionally go on for a while. But this institution has been honored by having him as a Member. It is extraordinary that at what is really, for the Senate, still a very young age, he has achieved his 10,000th vote. I wish him many, many, many thousands more. I thank him for his extraordinary service to the country and for his deep friendship to all of us.

I yield the floor.

Mr. HAGEL. Mr. President, I join my colleagues in recognizing Senator BIDEN for his 10,000th vote in the United States Senate.

I am proud to serve with Senator BIDEN on the Foreign Relations Committee, where he is the ranking Democrat Member. Senator BIDEN has set many records in the Senate. I would like to squelch the rumor, however, that he sets a record every time he speaks.

I am just in my third year as a United States Senator. Senator BIDEN is in his 27th year in the Senate. But in the time Senator BIDEN and I have served together on the Foreign Relations Committee, I have gained great respect for his wisdom and deep understanding of international issues. Senator BIDEN understands that there is no such thing as a Republican foreign policy or a Democrat foreign policy. There is only an American foreign policy. He has worked closely with Presidents in both parties. And he reaches out across the aisle to work as well with our Chairman, Senator HELMS, as he does with his junior colleagues.

Last year, Senator BIDEN was a leader in the historic expansion of NATO to include three former Warsaw Pact nations. This Congress he joined with Senator MCCAIN in sponsoring a resolution authorizing the use of all necessary force to win the war in Kosovo. Through his leadership, Senator BIDEN displays the kind of courage that earns him respect from all of his colleagues, even when they disagree.

I am proud to call JOE BIDEN my friend and colleague. America is proud to call him a United States Senator.

Mr. REID. Mr. President, two American soldiers have died in Kosovo, the first American casualties of a war to stop a genocide.

The contrast between what is unfolding in the Balkans, and what is happening here in Congress, could not be more clear.

A dictatorship, like the government of Slobodan Milosevic, imposes its will through force.

A democracy expresses its will through the act of voting.

Every vote that we cast in this body is an affirmation of the power of a democracy to solve its problems peacefully.

Today, my colleague and good friend JOE BIDEN cast his 10,000th vote in this body. That number reflects a record of public service matched by very few even in an institution like this one, through which so many great men and women have passed.

As Senators, we are all Members of a very exclusive club. We have been sent here on behalf of the good people of our respective States, to do their business.

With his 10,000th vote, JOE BIDEN has joined an even more exclusive club.

Over the history of this republic, thousands of men and women have served as Senators. But only a very few can say that they did such a good job—and kept doing a good job over such a long period of time—that they lasted long enough to vote as many times, on as many different issues, as JOE BIDEN.

But the thing that impresses me the most about JOE BIDEN's 27 years in the Senate isn't what he has done on the floor, or the number of votes he has cast—although his leadership, courage and dedication are well-known to those of us who are privileged to serve with him every day.

Instead, what impresses me most is his role as a husband to his wife Jill, and father to his sons Beau and Hunter and his daughter Ashley.

JOE BIDEN still lives in Delaware with his family and commutes every day between Delaware and Washington on the train.

Those 10,000 votes represent thousands of hours spent alone on the train to Delaware so that JOE BIDEN could spend a few precious hours with his family each night before returning to Washington on the train the next morning.

I also want to talk about the courage that my friend JOE BIDEN has shown during his long tenure as a Senator. I want to do this so that people know just what that number—10,000 votes—really means.

Only one month after first being elected to the Senate in 1972, JOE's first wife Neilia died tragically in an automobile accident along with his one-year-old daughter.

In 1988, JOE was almost killed by a brain aneurysm. He under went two risky operations and returned to the Senate after only a few months.

Mr. President, I speak of these tragedies today because I know that it has not been easy for JOE. But he has never complained—just done his work. Senator BIDEN is a great orator, but an even better father, husband and friend.

When you see what he has had to overcome, that gives a whole new meaning to that number 10,000.

Those of us who work with JOE BIDEN have long known of his dedication to the ideals of this body, and his devotion to his family.

With the attention that his 10,000th vote should bring, I hope that more people are able to see the qualities that we are privileged to see every day.

Mr. ENZI. Mr. President, I, too, add my congratulations to the Senator for his 10,000th vote. At this point in my Senate career, that is really an incredible number. I have known Senator BIDEN for a long time. I was the State Jaycee President when the U.S. Jaycees recognized him as one of the 10 outstanding young men of this country in Mobil, AL. I can't tell you how incredible it was to get to meet him at that point and how even more incredible it was when I got to join this body and meet him here after he must have done 9,000 votes. I read about him in the newspaper and have gotten to work with him, and I have enjoyed that experience.

Mr. BIDEN. Mr. President, if it is appropriate, may I respond briefly?

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. BIDEN. Mr. President, I am truly appreciative of the comments my friends have made—my old-new friends, my old-old friends, and my close buddies from across the State line.

I began to wonder about casting my 10,000th vote on the occasion of the majority leader indicating there would be no more votes for 4 days and the last planes heading west were leaving. I thank my colleagues who put in the RECORD their comments. I will withhold specific comment until I read them, because God only knows what they said. But let me say that I find it no particular feat to have cast 10,000 votes. If you are around here long enough and still standing, that happens.

I hope I have cast some votes that have made this country a little bit better. I am confident there is none that I have cast that have enhanced the standing of America, or the condition of the American people, that weren't bipartisan. I can't think of any that were done that weren't done in a bipartisan manner in the end.

I look at ORRIN HATCH. ORRIN HATCH came here, and is still one of the leading conservative lights on the American political scene, and yet we have worked together for years and years and years. I cannot think that we have ever had a cross word to one another in 25 years. We have had very different views.

PAUL SARBANES, who is literally one of the brightest people I have served with—just raw, pure, gray matter, raw horsepower—to have him say the things that he said about me in reference to our personal friendship is meaningful, particularly since my wife, who works as a professor in Delaware and seldom is in Washington, is sitting in the galleries listening to this, and my No. 2 son, who is now living in Washington, heard it as well.

I am sure they know better. But my mother probably believes everything PAUL said, because I met PAUL's mother as well.

I think, if I can make one, in a sense, political observation, the first vote I cast in January of 1972 was a vote I was told—I didn't remember this—on an Assistant Secretary, I believe, the No. 2 person at State. I am not positive of that.

I remember the day, although I was obviously very junior, when I was sworn in by the Secretary of the Senate, Mr. Valeo, who actually came to me in Wilmington to swear me in, because of unusual circumstances. After he gave me the little certificate that we get when we are sworn in, he said, ''You have arrived to the Senate, to the best of my knowledge, the least senior than any man in history,'' because seniority is based on the previous offices that you have held. It keeps narrowing down to State, size, population, and age ultimately.

But when I got here, there were a number of giants in the Senate. We often hear it said today that there are no giants left in the Senate. In truth there are. There are women and men who serve in this body today who are equal to and in some ways surpass the capacity of some of the great people I have had the honor of serving with over the past almost 27 years.

So the caliber has not changed. What has changed a little bit—and I am referencing this tonight, because of my colleagues who are here on the floor—what has changed since then is the impression that we don't like each other very much, that we don't get along with one another very well, that we are nakedly partisan in all of our undertakings.

I wish the public could see that there is still a degree of camaraderie here, a degree of mutual respect that crosses that sometimes ''chasm'' called the ''center aisle,'' what makes this body more unique than any other legislative body at least in modern history. I will not challenge Senator BYRD about whether it equals or surpasses the Roman Senate, but I am confident that it does surpass any other legislative body in modern history.

I would just conclude by saying the lubricant that allows that to happen is genuine and personal respect that most of us have for one another. I think it is the defining feature of this institution.

I remember now meeting Senator ENZI back in 1972—or 1973, I guess it was—when I received that award. But I have not gotten—because we don't serve on committees together—to know him personally as well as I know my two colleagues who remain. Notwithstanding the wonderful words they have both uttered relating to me, the genuine testimony I take from what they have done is that they are here. It is 9 o'clock at night. There are no votes. The Senator from Maryland has a long drive home, because, he, like me, commutes every day to Baltimore, MD. And he drives. My friend from Utah probably missed a plane to go back to Utah this weekend.

I truly, truly appreciate it.

Let me yield the floor by saying, Mr. President, that I am asked sometimes what is the best, the most significant perk that exists being a Senator. I always answer that there are two things.

Before I became a Senator, as a young man campaigning in the midst of the Vietnam war, and the civil rights crisis, and the assassination of men who I had an incredible regard for in 1968—both Martin Luther King and Robert Kennedy—I came here thinking that all that had to happen was that we elected women and men who had a greater degree of intellectual capacity, had a better education and were smarter. I got here and I was truly dumbfounded—truly dumbfounded—by how many people who serve in this body who are so incredibly bright, who are so significantly schooled in the areas in which they speak. I arrived and I found out that Jack Javits could tell you as much about modern art as he could about foreign policy. There was Mike Mansfield, who could tell you as much about Chinese history as he could about the politics in Montana.

PAUL SARBANES can tell you as much about the international monetary system, about the history of the Balkans, about the banking system, as he can tell you about his hometown baseball team and the local politics of Baltimore.

ORRIN HATCH is a man who used to be a card-carrying union guy from Pittsburgh, who goes out as a boxer, goes out to his now home State of Utah, and gets elected after having a career as an incredible trial lawyer.

I mean it is amazing—the diversity here.

I will not mention the judge's name. But I was having lunch with a Justice once in my capacity as chairman of the Judiciary Committee. The issue was about pay raises for judges. This particular Justice said publicly—this Justice accidentally said it. He didn't intend to be quoted—that he could understand why the public wouldn't want Congresspersons and Senators to get a raise but judges were different, they were academically qualified. I know the Senator from Utah knows who I am talking about.

To this particular, very competent Justice—I was in his office—I said, ''May I close your door, Mr. Justice?'' I said, ''Mr. Justice, I have sat in the Judiciary Committee for years. I have had the opportunity as either ranking member or chairman for, I think, a 14-year period to look at the background of every single person who has come on the bench.'' At that time it was 10 or 12 years. I said, ''I am willing to make you a bet. I will take the intellectual potential of the Senate''—in the House I didn't know as well—''and match it against the entire judiciary.'' They are bright, they are competent. If I am not mistaken in time, we had, like Senator SARBANES, seven Rhodes scholars in the Senate. We had a half a dozen Marshall scholars—not me. I don't qualify on that account. We have men and women in here whose academic distinction exceeds that of 99 percent of the people—all the jobs anywhere in America, corporate, labor, business, academia.

The greatest perk I have had as a Senator was access to people with serious, serious minds and a serious sense of purpose, and who cared about something. If I dropped dead tomorrow, I would be thankful to the people of Delaware, for the individuals they have allowed me to be exposed to, to argue with, to fight with, to debate with, to agree with Members. I will be thankful to them for the gift they gave me in having that access. I don't believe there is any other place in the Nation I could have gotten that kind of exposure.

The second thing I found that has been the greatest gift in those 10,000 votes during that period is that this is the ultimate graduate education. If you take this job serious, as all my colleagues do on this floor, you learn one thing: You don't get a driver, you don't get a house, you don't get a bodyguard, nor should we, but what you do get is the ability to pick up the phone and call anybody in the world and they will take your call. You can call Nobel laureates, you can call experts in any field, and if you want to learn, this is the ultimate seminar if you take it seriously. There is no other place I can think of that a person can do that.

Mr. President, I have a lot more to learn. And of those 10,000 votes, I am sure there are many that were not as enlightened as I thought they were at the time I cast them. Hopefully, I have learned. Hopefully, I will get a chance to learn more than I know now. If you want to do it, and if you take it seriously and if you reach out across that chasm, you reach out across that aisle, believe it or not, there is somebody on the other side willing to talk to you, willing to exchange ideas with you. If you work hard enough, you actually may do a little bit—just a little bit—to change the state of affairs in this great country. That is all we can do here.

I have no illusions about the significance of the Senate in terms of determining national policy, but within the context and the role the Senate plays, we get to play little parts. The only time it works is when we cross that chasm. That is the only time it works.

I thank my colleagues. They are honorable men. They are men of achievement. I think the public gets a pretty good buy for their investment in the men that are sitting here on the floor today and the women and men who cast all the votes today; they are competent.

It has been a pleasure working with them. I hope I get to cast a few more votes. I hope I get to convince ORRIN HATCH and Senator ENZI to cast more votes my way. The truth of the matter is, as I said, nothing gets done unless you reach across that aisle. I appreciate the fact there has always been somebody on this side to talk to me.

I thank all my colleagues. For those who made other statements, I will respond in the RECORD and not take the time of my colleagues. The Baltimore-Washington tunnel is probably clear by now. We can both head north.

I yield the floor.

## FINANCIAL SERVICES MODERNIZATION ACT OF 1999

Mr. ENZI. Mr. President, I wish to make brief comments about the bill.

I congratulate all of the people that have been involved in passing this bill today. It is a significant piece of banking legislation. It is a significant piece of legislation for this country. It will make a difference to consumer safety, to banks, to insurance companies, to securities companies, to all of the financial institutions of any form in this country.

I want to congratulate the staff people who worked on that bill. They were tireless, they were diligent. They have worked for longer hours than I have seen people work. I want to congratulate my fellow Senators on the Banking Committee for not only their tireless effort, but the way they debated, brought issues and amendments to the floor, and worked through the process together. This could have been a much more lengthy process than the 3 days that it took.

I particularly want to commend the ranking member on the committee. It has been a tremendous education working with him through these days. I want to congratulate the chairman, as well. I point out the contrast between the ranking member and the chairman: One is very quiet and one is very vocal. But together they worked through this issue, helped to expedite the votes that we took, helped to expedite the debates, and worked together well so we could reach this point.

I have to make a few comments about the chairman who is one of the most tireless and focused people that I have seen. I know he was an economics professor and I appreciate the amount of research he did for this, and saw that as an example of the effort he probably put in when he was teaching.

I listened to him speak. I think I would have liked to have had him as one of my professors. He can take things that are very detailed and make them interesting. If banking can be made entertaining, he does it. He has a unique use of charts and words that help to paint a picture. Unlike some economists, he is not doing the ''on the one hand and on the other hand,'' he is very decided in his opinions.

I have to mention that in Banking Committee after one of our hearings he was asked how the procedure would go on this bank reform. It was a leftover issue from last year, and a number of people were concerned and wanted it to progress. So they asked him how it would work.

He said: We are going to have a number of hearings on it, and then following the hearings we will draft the bill, and then I want Senators to have an opportunity to talk to their constituents, to talk to their banks, to talk to all of their insurance agents and to talk to their securities dealers and companies. Following that, we will have a markup.

He said: On Tuesday, Wednesday, and Thursday we will have hearings, the draft will be available on Friday, and Tuesday we will do a markup. We did have the hearings on Tuesday, Wednesday, and Thursday. The draft wasn't available until Monday so we did not do the markup until Thursday. That has to be some classic action on a bill.

It was not just a matter of taking the bill from last year, it was a matter of simplifying that. He insisted that since we had language in there that was to simplify banking language and to force the banks to operate in plain language, it was only fair that we do that too. It changed the bill from a 308-page bill to a 150-page bill.

We have had the opportunity to debate that. There are still some things to be worked out. I look forward to the conference committee. Even if I am not on it I will observe it, because I am sure it will be educational. With the intellect of the chairman and the ranking member, it will be a fascinating study and well worth watching. It is one that everybody who is hoping the playing field gets leveled and specified will be holding their breath about.

## THE OCEANS ACT

Mr. STEVENS. Mr. President, it has been 30 years since the Stratton Commission took a close look at our Nation's coastal policies. The Stratton Commission's recommendations have served as a guide for U.S. oceans policy for three decades, yet as we move towards the next millennium, it is imperative that we once again consider the direction and coherence of our policies towards this immense resource. I applaud Senator HOLLINGS' efforts to explore ways to again examine these policies, and to determine the action necessary to responsibly steward this resource into the next century. I look forward to working with Senator SNOWE and others to create bipartisan support for an Oceans Act that will craft policy for a healthy ocean for our children and for their grandchildren.

## THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, May 5, 1999, the Federal debt stood at $5,573,001,415,759.57 (Five trillion, five hundred seventy-three billion, one million, four hundred fifteen thousand, seven hundred fifty-nine dollars and fifty-seven cents).

One year ago, May 5, 1998, the Federal debt stood at $5,486,129,000,000 (Five trillion, four hundred eighty-six billion, one hundred twenty-nine million).

Five years ago, May 5, 1994, the Federal debt stood at $4,573,713,000,000 (Four trillion, five hundred seventy-three billion, seven hundred thirteen million).

Ten years ago, May 5, 1989, the Federal debt stood at $2,770,989,000,000 (Two trillion, seven hundred seventy billion, nine hundred eighty-nine million) which reflects a doubling of the debt—an increase of almost $3 trillion—$2,802,012,415,759.57 (Two trillion, eight hundred two billion, twelve million, four hundred fifteen thousand, seven hundred fifty-nine dollars and fifty-seven cents) during the past 15 years.

## CLOSING THE SCHOOL OF THE AMERICAS

Mr. FEINGOLD. Mr. President, I rise today to express my strong support for the closing of the United States Army School of the Americas, located at Fort Benning, Georgia. I am pleased to be an original cosponsor of S. 873, a bill to close this troubled school once and for all, which was introduced recently by the Senator from Illinois, Mr. DURBIN.

The School of the Americas (SOA) was created in 1946 to train Latin American military officers in combat and counterinsurgency skills with the goal of professionalizing Latin American armies and strengthening democracies. Originally located in Panama, SOA moved to Fort Benning in 1984. There has been a great deal of controversy surrounding some of SOA's alumni, leading it to be called ''the School for Dictators.'' Some of SOA's notorious graduates include Manuel Noriega, Argentinian dictator Leopoldo Galtieri, at least 19 Salvadorean officers implicated by El Salvador's Truth

Commission in the murder of six Jesuit priests, and two of the three officers prosecuted in Guatemala for their roles in the murder of anthropologist Myrna Mack.

In 1991, following an internal investigation, the Pentagon removed certain SOA training manuals from circulation. On September 22, 1996, the Pentagon released the full text of those training manuals and acknowledged that some of those manuals provided instruction in techniques that, in the Pentagon's words, were ''clearly objectionable and possibly illegal.'' The ''techniques'' in question included such awful activities as torture, extortion, false arrest, and execution.

Not only are the human costs of this training program unjustifiable, but so are its financial costs. When I first ran for this body in 1992, I included the School of the Americas as an item on my 82+ point plan for deficit reduction. With a national debt in excess of $5 trillion, we must carefully scrutinize every program to ensure that federal tax dollars are wisely spent. We certainly do not need to spend taxpayer dollars on this kind of activity.

Since coming to the Senate in 1993, I have been contacted by hundreds of Wisconsinites who support closing the School of the Americas. Just this week, a number of Wisconsin residents joined scores of individuals from around the country at a protest here in Washington, D.C., against the continued operation of the school. The group from my home state included students, human rights activists, and members of several religious communities. I am pleased that so many Wisconsin residents are committed to working toward the closing of this school.

Numerous organizations, including Public Citizen, the Washington Office on Latin America and Human Rights Watch also support the elimination of SOA.

As a member of the Senate Committee on Foreign Relations, I am committed to promoting human rights throughout the world. In my view, our government cannot continue to support the existence of a school that counts so many murderers among its alumni. While it may be appropriate for the United States military to train its colleagues from other nations, it is inexcusable that this training should take place at an institution with a reputation as far beyond salvage as that of the School of the Americas. This legislation gives members of this body the opportunity to separate the legitimate training exercises conducted by the United States military from the sordid acts of many individuals who have been trained at SOA. We must lift the cloud of suspicion that has fallen on these programs by closing SOA.

I am pleased that S. 873 includes language expressing the sense of the Congress that all foreign military training conducted by the United States should stress respect for human rights, the proper role of the military in a democratic society, and accountability and transparency in defense and security policy. This is an excellent opportunity for the Congress, which has oversight responsibilities for military training programs, to reiterate the importance of these basic principles to the Administration, the American people, and perspective candidates for military training from other countries.

The bill also calls on the Department of Defense to vigorously screen all candidates for military training programs to ensure that they have not been implicated in human rights abuses, corruption, or drug trafficking.

I urge my colleagues to support S. 873 and close the ''School for Dictators'' once and for all.

## SBP BENEFIT IMPROVEMENT ACT OF 1999

Mr. BURNS. Mr. President, I am pleased to rise to join my Senate colleagues in supporting the Survivor Benefit Plan (SBP) Benefit Improvement Act of 1999. This bill corrects a discrepancy between what Congress intended at the creation of this Act in 1972, and how it eventually got implemented.

I have always believed that the people most affected by military service are not the service members, it is the family. The spouses that raise kids on their own during a deployment. The sons and daughters that change schools in the middle of a school year because a parent got assigned to a new base. It's hard to make up for missed soccer games and scout meetings. The Senate has already passed legislation to try to improve some of these areas of quality of life, but S.4 was passed absent one item that I feel is very important, especially to our elderly military retirees living in Montana.

The uniformed services spousal benefit annuity provides 55 percent of retirement pay for a surviving military spouse, as long as the spouse is under age 62. Once the survivor reaches age 62, the benefit drops as low as 35 percent of retired pay. Let me put it on a more familiar level. If a Korean War-era Marine had signed up for this plan after his 20 years of military service, when he passed on, his wife would only get 35 percent of his eligible retirement pay, instead of the 55 percent she would have received if she was under age 62. No other federal retirement plan has this age-oriented cut. It was also intended for Congress to pay 40 percent of the benefit, and premiums for the plan were set up with that target in mind. Unfortunately, the actuaries were too pessimistic, and as a result, premiums now pay for 73 percent of the cost, with congress paying for 27 percent. This is a far cry from the 40 percent we originally intended. Other federal civilian survivor benefit plans pay up to a 50 percent subsidy with no reduction after age 62.

This bill corrects the problem by stepping up the federal share of military retirement to 45 percent by FY 2005. Given the sacrifices by our service men and women and their families, it's time we provided fair survivors benefits and fulfill our original Congressional intent.

I'm grateful to Senator THURMOND for introducing this legislation to correct this discrepancy and for letting me vocalize my support for this bill by including me as a co-sponsor. I'm confident that the Armed Services Subcommittee will give this a favorable review, and I look forward to supporting it when it comes to the floor. I encourage my colleagues to lend their support to this important provision as well.

## FUNDING OF ACADEMIC HEALTH CENTERS

Mr. KENNEDY. Mr. President, the combination of Medicare payment cuts and the growth of managed care has become a devastating one-two punch against many of the nation's most respected academic health centers. A front-page article in today's New York Times documents what is happening. Teaching hospitals across the country are losing money and facing the prospect of cutting back the research, the teaching and training, and the advanced medical care that have made American medicine the envy of the world. These centers are also major safety-net institutions that provide extensive care for the uninsured.

Every American depends for quality health care on doctors trained in the nation's teaching hospitals. Research conducted at these hospitals is the basis for much of the astounding progress that we are making in medical science, and these institutions are indispensable in bringing advances in the laboratory to the bedside of the patient. For the most serious and intractable illnesses, teaching hospitals are the caregivers of last resort. They have the newest and most sophisticated equipment. The physicians who practice there are on the cutting edge of new treatments, and they see the largest number of such cases.

It would be an American tragedy if, as a result of short-sighted Medicare payment policies and equally short-sighted pressures for HMO profits, academic health centers are forced to close their doors or to curtail the research, training, and advanced care that make them such indispensable components of modern American health care.

I ask unanimous consent that the New York Times article be printed in the RECORD, and I urge my colleagues to review it carefully. It is becoming

increasingly clear that this Congress has an obligation to act before irreparable damage is done to these essential institutions.

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

TEACHING HOSPITALS BATTLING CUTBACKS IN MEDICARE MONEY

(By Carey Goldberg)

Boston, May 5—Normally, the great teaching hospitals of this medical Mecca carry an air of white-coasted, best-in-the-world arrogance, the kind of arrogance that comes of collecting Nobels, of snaring more Federal money for medical research than hospitals anywhere else, of attracting patients from the four corners of the earth.

But not lately. Lately, their chief executives carry an air of pleading and alarm. They tend to cross the edges of their palms in an X that symbolizes the crossing of rising costs and dropping payments, especially Medicare payments. And to say they simply cannot go on losing money this way and remain the academic cream of American medicine.

Dr. Mitchell T. Rabkin, chief executive emeritus of Beth Israel Hospital, says, ''Everyone's in deep yogurt.''

The teaching hospitals here and elsewhere have never been immune from the turbulent change sweeping American health care—from the expansion of managed care to spiraling drug prices to the fierce fights for survival and shotgun marriages between hospitals with empty beds and flabby management.

But they are contending that suddenly, in recent weeks, a Federal cutback in Medicare spending has begun putting such a financial squeeze on them that it threatens their ability to fulfill their special missions: to handle the sickest patients, to act as incubators for new cures, to treat poor people and to train budding doctors.

The budget hemorrhaging has hit at scattered teaching hospitals across the country, from San Francisco to Philadelphia. New York's clusters of teaching hospitals are among the biggest and hardest hit, the Greater New York Hospital Association says. It predicts that Medicare cuts will cost the state's hospitals $5 billion through 2002 and force the closing of money-losing departments and whole hospitals.

Dr. Samuel O. Thier, president of the group that owns Massachusetts General Hospital, says, ''We've got a problem, and you've got to nip it in the bud, or else you're going to kill off some of the premier institutions in the country.''

Here in Boston, with its unusual concentration of academic medicine and its teaching hospitals affiliated with the medical schools of Harvard, Tufts and Boston Universities, the cuts are already taking a toll in hundreds of eliminated jobs and pockets of miserable morale.

Five of Boston's top eight private employers are teaching hospitals, Mayor Thomas M. Menino notes. And if five-year Medicare cuts totaling an estimated $1.7 billion for Massachusetts hospitals continue, Mayor Menino says, ''We'll have to lay off thousands of people, and that's a big hit on the city of Boston.''

Often, analysts say, hospital cutbacks, closings and mergers make good economic sense, and some dislocation and pain are only to be expected, for all the hospitals' tendency to moan about them. Some critics say the hospitals are partly to fault, that for all their glittery research and credentials, they have not always been efficiently managed.

''A lot of teaching hospitals have engaged in what might be called self-sanctification—'We're the greatest hospitals in the world and no one can do it better or for less'—and that may or may not be true,'' said Alan Sager, a health-care finance expert at the Boston University School of Public Health.

But the hospital chiefs argue that they have virtually no fat left to cut, and warn that their financial problems may mean that the smartest edge of American medicine will get dumbed down.

With that message, they have been lobbying Congress in recent weeks to reconsider the cuts that they say have turned their financial straits from tough to intolerable.

''Five years from now, the American people will wake up and find their clinical research is second rate because the big teaching hospitals are reeling financially,'' said Dr. David G. Nathan, president of the Dana-Farber Cancer Institute here.

In a half-dozen interviews, around the Boston medical-industrial complex known as the Longwood Medical Center and Academic Area and elsewhere, hospital executives who normally compete and squabble all espoused one central idea: teaching hospitals are special, and that specialness costs money.

Take the example of treating heart-disease patients, said Dr. Michael F. Collins, president and chief executive of Caritas Christi Health Care System, a seven-hospital group affiliated with Tufts.

In 1988, Dr. Collins said, it was still experimental for doctors to open blocked arteries by passing tiny balloons through them; now, they have a bouquet of expensive new options for those patients, including springlike devices called stents that cost $900 to $1,850 each; tiny rotobladers that can cost up to $1,500 and costly drugs to supplement the reaming that cost nearly $1,400 a patient.

''A lot of our scientists are doing research on which are the best catheters and which are the best stents,'' Dr. Collins said. ''And because they're giving the papers on the drug, they're using the drug the day it's approved to be used. Right now it's costing us about $50,000 a month and we're not getting a nickel for it, because our case rates are fixed.''

Hospital chiefs and doctors also argue that a teaching hospital and its affiliated university are a delicate ecosystem whose production of critical research is at risk.

''The grand institutions in Boston that are venerated are characterized by a wildflower approach to invention and the generation of new knowledge,'' said Dr. James Reinertsen, the chief executive of Caregroup, which owns Beth Israel Deaconess Medical Center. ''We don't run our institutions like agribusiness, a massively efficient operation where we direct research and harvest it. It's unplanned to a great extent, and that chaotic fermenting environment is part of what makes the academic health centers what they are.''

''There wouldn't have been a plan to do what Judah Folkman has done over the last 20 years,'' Dr. Reinertsen said of the doctor-scientist at Children's Hospital in Boston who has developed a promising approach to curing cancer.

Federal financing for research is plentiful of late, hospital heads acknowledge. But they point out that the Government expects hospitals to subsidize 10 percent of 15 percent of that research, and that they must also provide important support for researchers still too junior to win grants.

A similar argument for slack in the system comes in connection with teaching. Teaching hospitals are pressing their faculties to take on more patients to bring in more money, said Dr. Daniel D. Federman, dean for medical education of Harvard Medical School. A doctor under pressure to spend time in a billable way, Dr. Federman said, has less time to spend teaching.

The Boston teaching hospitals generally deny that the money squeeze is affecting patients' care, (a denial some patients would question,) or students' quality of medical education (a denial some students would question,) or research—yet.

The Boston hospitals' plight may be partly their fault for competing so hard with each other, driving down prices, some analysts say. Though some hospitals have merged in recent years, Boston is still seen as having too many beds, and virtually all hospitals are teaching hospitals here.

Whatever the causes, said Dr. Stuart Altman, professor of national health policy at Brandeis University and past chairman for 12 years of the committee that advised the Government on Medicare prices, ''the concern is very real.''

''What's happened to them is that all of the cards have fallen the wrong way at the same time,'' Dr. Altman said. ''I believe their screams of woe are legitimate.''

Among the cards that fell wrong, begin with managed care. Massachusetts has an unusually large quotient of patients in managed-care plans. Managed-care companies, themselves strapped, have gotten increasingly tough about how much they will pay.

Boston had already gone through a spate of fat-trimming hospital mergers, closings and cost cutting in recent years. Add to the troubles some complaints that affect all hospitals: expenses to prepare their computers for 2000, problems getting insurance companies and the Government to pay up, new efforts to defend against accusations of billing fraud.

But the back-breaking straw, hospital chiefs says, came with Medicare cuts, enacted under the 1997 balanced-budget law, that will cut more each year through 2002. The Association of American Medical colleges estimates that by then the losses for teaching hospitals could reach $14.7 billion, and that major teaching hospitals will lose about $150 million each. Nearly 100 teaching hospitals are expected to be running in the red by then, the association said last month.

For years, teaching hospitals have been more dependent than any others on Medicare. Unlike some other payers, Medicare has compensated them for their special missions—training, sicker patients, indigent care—by paying them extra.

For reasons yet to be determined, Dr. Altman and others say the Medicare cuts seem to be taking an even greater toll on the teaching hospitals than had been expected. Much has changed since the 1996 numbers on which the cuts are based, hospital chiefs say; and the cuts particularly singled out teaching hospitals, whose profit margins used to look fat.

Frightening the hospitals still further, President Clinton's next budget proposes even more Medicare cuts.

Not everyone sympathizes, though. Complaints from hospitals that financial pinching hurts have become familiar refrains over recent years, gaining them a reputation for crying wolf. Critics say the Boston hospitals are whining for more money when the only real fix is broad health-care reform.

Some propose that the rational solution is to analyze which aspects of the teaching hospitals' work society is willing to pay for, and

then abandon the Byzantine Medicare cross-subsidies and pay for them straight out, perhaps through a new tax.

Others question the numbers.

Whenever hospitals face cuts, Alan Sager of Boston University said, ''they claim it will be teaching and research and free care of the uninsured that are cut first.''

If the hospitals want more money, Mr. Sager argued, they should allow in independent auditors to check their books rather than asking Congress to rely on a ''scream test.''

For many doctors at the teaching hospitals, however, the screaming is preventive medicine, meant to save their institutions from becoming ordinary.

Medical care is an applied science, said Dr. Allan Ropper, chief of neurology at St. Elizabeth's Hospital, and strong teaching hospitals, with their cadres of doctors willing to spend often-unreimbursed time on teaching and research, are essential to helping move it forward.

''There's no getting away from a patient and their illness,'' Dr. Ropper said, ''but if all you do is fix the watch, nobody ever builds a better watch. It's a very subtle thing, but precisely because it's so subtle, it's very easy to disrupt.''

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

## REPORT ON TELECOMMUNICATIONS PAYMENTS TO CUBA—MESSAGE FROM THE PRESIDENT—PM 24

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

*To the Congress of the United States:*

As required by section 1705(e)(6) of the Cuban Democracy Act of 1992, 22 U.S.C. 6004(e)(6), as amended by section 102(g) of the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, Public Law 104–114, 110 Stat. 785, I transmit herewith a 6-month periodic report on telecommunications payments made to Cuba pursuant to Department of the Treasury specific licenses.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 6, 1999.*

## REPORT ON THE STATE OF SMALL BUSINESS—MESSAGE FROM THE PRESIDENT—PM 25

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

*To the Congress of the United States:*

I am pleased to present my fifth annual report on the state of small business. In 1996, the year covered by this report, more than 23.2 million small business tax returns were filed. A record 842,000 new small employes opened their doors and new incorporations hit a record high for the third straight year. Corporate profits, employment compensation, and proprietorship earnings all increased significantly. Industries dominated by small firms created an estimated 64 percent of the 2.5 million new jobs.

Small businesses represent the individual economic efforts of our Nation's citizens. They are the foundation of the Nation's economic growth: virtually all of the new jobs, 53 percent of employment, 51 percent of private sector output, and a disproportionate share of innovations come from small firms. Small businesses are avenues of opportunity for women and minorities, first employers and trainers of the young, important employers of elderly workers, and those formerly on public assistance. The freedom of America's small businesses to experiment, create, and expand makes them powerhouses in our economic system.

AN UNPRECEDENTED RECORD OF SUCCESS

Looking back to the 1986 White House Conference on Small Business, one of the top priorities on the small business agenda was deficit reduction. Small business capital formation efforts had been undermined by interest rates driven sky-high by the demand for funds to service the growing national debt. Today I'm proud to say we've done what was thought nearly impossible then. This year we have converted the deficit to a surplus—and the budget deficit is no longer the issue it once was.

And my Administration is committed to continuing the dramatic growth of the small business sector. We continue to pay close attention to the perspectives and recommendations of America's small business owners. The 1995 White House Conference on Small Business sent a list of 60 recommendations to my Administration and the Congress—the result of a year-long series of conferences and a national meeting on the concerns of small firms. In their 1995 recommendations, the small business delegates told us they need less onerous regulation, estate tax relief for family-owned businesses, and still more access to capital to start and expand their businesses.

On each of these fronts, and on many others, impressive steps have been taken. I have signed 11 new laws that address many of the delegates' concerns. In fact, meaningful action has been taken on fully 86 percent of the 1995 White House Conference on Small Business recommendations.

EASING THE TAX BURDEN

The Taxpayer Relief Act, which I signed in 1997, includes wins for small businesses and the American economy in the form of landmark tax reform legislation. The law will provide an estimated $20 billion in tax relief to small business over the next 10 years. It extends for three years the exclusion from taxable income of money spent by an employer on education for an employee. The unified gift and estate tax credit will increase the amount excluded from taxation on a transferred estate to $1.3 million for small family-owned businesses.

The new law expands the definition of a home office for the purpose of deducting expenses to include any home office that is the business' sole office and used regularly for essential administrative or management activities.

And capital gains taxes are reduced from 28 percent to 20 percent. This will help small businesses by encouraging investments in businesses that reinvest for growth rather than investments in companies that pay heavy dividends. The law also improves the targeted capital gains provisions relating specifically to small business stocks. Moreover, small corporations are exempted under the new law from alternative minimum tax calculations. This provision saves about 2 million businesses from complex and unnecessary paperwork.

CAPITAL FOR SMALL BUSINESS GROWTH

One of the Small Business Administration's (SBA) highest priorities is to increase small business access to capital and transform the SBA into a 21st century leading-edge financial institution. The SBA's credit programs—including the 7(a) business loan guarantee program, the Section 504 economic development loan program, the microloan program, the small business investment company program, the disaster loan and surety bond programs—provide valuable and varied financial assistance to small businesses of all types. The Small Business Lending Enhancement Act of 1995 increased the availability of funds for SBA's lending programs. In the 7(a) program in fiscal year 1997 alone, with approximately 8,000 bank and nonbank lenders approved to participate, 45,288 loan guarantees valued at $9.5 billion was approved as of September 1997.

My Administration developed community reinvestment initiatives that revised bank regulatory policies to encourage lending to smaller firms. When combined with lower interest rates, this led to a sizable increase in commercial and industrial lending, particularly to small businesses. And in the first year of implementation under the Community Reinvestment Credit Act, new data were collected on small

business loans by commercial banks. The SBA's Office of Advocacy has been studying and publishing its results on the small business lending activities of the Nation's banks.

And the Office of Advocacy launched a nationwide Internet-based listing service—the Angel Capital Electronic Network (ACE–Net) to encourage equity investment in small firms. ACE–Net provides information to angel investors on small dynamic businesses seeking $250,000 to $3 million in equity financing.

REFORMING THE REGULATORY PROCESS

The Small Business Regulatory Enforcement Fairness Act (SBREFA), fully implemented in 1997, gives small businesses a stronger voice where it's needed—early in the Federal regulatory development process. The law provides for regulatory compliance assistance from every Federal agency and legal remedies where agencies have failed to address small business concerns in the rulemaking process.

The new process is working. Agencies and businesses are working in partnership to ensure that small business input is a part of the rulemaking process. In the summer of 1997, for example, the Occupational Safety and Health Administration, in conjunction with the SBA's Office of Advocacy, convened four regional meetings with small firms to discuss a safety and health program under development.

Small firms are also witnessing more agency compliance assistance once regulations are in effect. Agencies are routinely providing compliance guides and lists of telephone numbers and e-mail addresses for small business assistance.

And the law provides for a national ombudsman and 10 regional regulatory fairness boards to make it simple for small businesses to share their ideas, experiences, and concerns about the regulatory enforcement environment. The ombudsman boards are addressing many concerns expressed by the small firms in dealing with regulating agencies.

EXPANDING TECHNOLOGY AND INNOVATION

Initiatives like the Small Business Innovation Research Program, the Small Business Technology Transfer Program, and the National Institute of Standards and Technology's Manufacturing Extension Partnership and Advanced Technology Program were put in place in the 1980s to channel more Federal funding to small business research and to help small businesses move ideas from the drawing board to the marketplace. Clearly, progress has been made; much remains to be done. New Internet-based initiatives like the Access to Capital Electronic Network and the U.S. Business Advisor are designed to help many more small businesses made the connections they need to commercialize their innovative technologies.

ENHANCING INTERNATIONAL TRADE AND FEDERAL PROCUREMENT OPPORTUNITIES

During my Administration, our Nation has led the way in opening new markets, with 240 trade agreements that remove foreign barriers to U.S.-made products. Measures aimed at helping small firms expand into the global market have included an overhaul of the Government's export controls and reinvention of export assistance. These changes have cleared a path for small businesses to enter the international economy.

To make certain that small companies can do business with the Government, my Administration and the Congrees, my Administration and the Congress have streamlined the Federal Acquisition Reform Act of 1996. The changes instituted in these reforms are cost-effective for the Government and are intended to enable businesses to compete more effectively for Government contracts worth billions of dollars.

I am pleased that the SBA has instituted a new electronic gateway to procurement information, the Procurement Marketing and Access Network, or Pro-Net. This database on small, minority-owned, and women-owned businesses will serve as a search engine for contracting officers, a marketing tool for small fims, and a link to procurement opportunities.

THE HUMAN FACTOR

My Administration is moving to anticipate 21st century demands on our most important resource—our people. As a recent report by the SBA's Office of Advocacy points out, small businesses employed more people on public assistance in 1996 than did large businesses. Our welfare to Work Partnership has already had positive results—we've moved two million Americans off welfare two full years ahead of schedule. And we are enlisting the help of more and more small business people to expand that record of success.

We want to educate and train a work force that will meet all our future global competition. For those in the work force or moving into it, I recently signed legislation that consolidated the tangle of training programs into a single grant program so that people can move quickly on their own to better jobs and more secure futures. The Balanced Budget Act of 1997 encourages employers to provide training for their employees by excluding income spent on such training from taxation. The SBA has also increased training opportunities for businesses by funding new export assistance centers and women's business centers across the country.

Women have been starting their own businesses at a dramatic rate in recent years. More than 6 million women-owned proprietorships were in operation in 1994, a phenomenal 139 percent increase over the 2.5 million that existed in 1980. But it is also women who are most affected by the lack of adequate child care. The SBA's Office of Advocacy has found that while small firms value the benefits of child care as much as large businesses, small businesses have been less likely to offer this benefit than large firms for a variety of reasons related to cost. The bottom line is that we've got to raise the quality of child care and make it more affordable for families. I have proposed tax credits for businesses that provide child care and a larger child care tax credit for working families.

I am pleased that so many Americans of all races and nationalities are asserting their economic power by starting small businesses. This report documents the growth: the number of businesses owned by minorities increased from 1.2 million to almost 2 million in the 5-year period from 1987 to 1992. The Federal Government has a role in widening the circle of economic opportunity. Programs are in place to ensure that socially and economically disadvantaged businesses have a fair chance in the Federal procurement marketplace. The share of Federal contract dollars won by minority-owned firms has remained at 5.5 percent for two years running—up from less than 2 percent in 1980. And recently the SBA and the Vice President announced new small business lending initiatives directed to the Hispanic and African American small business communities to give these Americans better access to the capital they need.

We have been working for the past 5 years to bring the spark of enterprise to inner city and poor rural areas through community development banks, commercial loans in poor neighborhoods, and the cleanup of polluted sites for development. The empowerment zone and enterprise community program offers significant tax incentives for firms within the zones, including a 20 percent wage credit and another $20,000 in expensing and tax-exempt facility bonds. Under the leadership of the Vice President, we want to increase the number of empowerment zones to give more businesses incentives to move into these areas.

FUTURE CHALLENGES

America's small business community is both the symbol and the embodiment of our economic freedom. That is why my Administration has made concerted efforts to expand small business access to capital, reform the system of Government regulations to make it more equitable for small companies, and expand small business access to new and growing markets.

This is an important report because it annually reflects our current knowledge about the dynamic small business economy. Clearly, much is yet to be learned: existing statistics are not yet current enough to answer all the questions about how small, minority-owned, and women-owned businesses

are faring in obtaining capital, providing benefits, and responding to regional growth or downsizing. I continue to encourage cooperative Government efforts to gather and analyze data that is useful for Federal policymaking.

I am proud that my Administration is on the leading edge in working as a partner with the small business community. Our economic future deserves no less. The job of my Administration, and its pledge to small business owners, is to listen, to find out what works and to ensure a healthy environment for small business growth.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *May 6, 1999*.

## MESSAGES FROM THE HOUSE

ENROLLED BILLS SIGNED

At 11:11 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

S. 453. An act to designate the Federal building located at 709 West 9th Street in Juneau, Alaska, as the ''Hurff A. Saunders Federal Building.''

S. 460. An act to designate the United States courthouse located at 401 South Michigan Street in South Bend, Indiana, as the ''Robert K. Rodibaugh United States Bankruptcy Courthouse.''

The enrolled were signed subsequently by the President pro tempore (Mr. THURMOND).

---

At 6:01 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 833. An act to amend title 11 of the United States Code, and for other purposes.

---

At 8:19 p.m., a message from the House of Representatives, delivered by Mr. Hanrahan, one of its reading clerks, announced that the house has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1664. An emergency supplemental appropriation for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes.

## MEASURE REFERRED

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

H.R. 1664. An emergency supplemental appropriation for military operations, refugee relief, and humanitarian assistance relating to the conflict in Kosovo, and for military operations in Southwest Asia for the fiscal year ending September 30, 1999, and for other purposes; to the Committee on Appropriations.

## ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on May 6, 1999, he had presented to the President of the United States, the following enrolled bills:

S. 453. An act to designate the Federal building located at 709 West 9th Street in Juneau, Alaska, as the ''Hurff A. Saunders Federal Building.''

S. 460. An act to designate the United States courthouse located at 401 South Michigan Street in South Bend, Indiana, as the ''Robert K. Rodibaugh United States Courthouse.''

## EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–2884. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Farm Interest Rates'', (Revenue Ruling 99–20), received on April 27, 1999; to the Committee on Finance.

EC–2885. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Accounting Grace Period'' (Notice 99–19), received on April 6, 1999; to the Committee on Finance.

EC–2886. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Public Disclosure of Material Relating to Tax-Exempt Organizations'' (RIN1545–AV13), received on April 9, 1999; to the Committee on Finance.

EC–2887. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Nonconvential Source Fuel Credit, Section 29 Inflation Adjustment Factor, and Section 29 Reference Price'' (Notice 99–18), received on April 6, 1999; to the Committee on Finance.

EC–2888. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Electronic Funds Transfer—Temporary Waiver of Failure to Deposit Penalty for Certain Taxpayers'' (Notice 99–20), received on April 9, 1999; to the Committee on Finance.

EC–2889. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Post-1997 Distributions of Capital Gains from Charitable Remainder Trusts'' (Notice 99–17), received on April 9, 1999; to the Committee on Finance.

EC–2890. A communication from the Assistant Secretary, Tax Policy, Department of the Treasury, transmitting, a draft of proposed legislation relative to Puerto Rico and the Virgin Islands; to the Committee on Finance.

EC–2891. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Revenue Procedure 99–21'', received on April 8, 1999; to the Committee on Finance.

EC–2892. A communication from the Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Firearms and Ammunition Excise Taxes, Parts and Accesories'', received on April 19, 1999; to the Committee on Finance.

EC–2893. A communication from the Assistant Commissioner (Examination), Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Mining Industry Coordinated Issue: Excess Moisture'', received on April 6, 1999; to the Committee on Finance.

EC–2894. A communication from the Acting General Counsel, Department of Defense, transmitting, a draft of proposed legislation relative to tax consequences for members of the armed forces; to the Committee on Finance.

EC–2895. A communication from the Board Members, Railroad Retirement Board, transmitting, a draft of proposed legislation relative to the National Directory of New Hires; to the Committee on Finance.

EC–2896. A communication from the Secretary of Energy, transmitting, a draft of proposed legislation entitled ''Comprehensive Electricity Competition Act″; to the Committee on Finance.

EC–2897. A communication from the Vice President, Health, American Academy of Actuaries, transmitting, a report of comments on the 1999 Annual Report of the Board of Trustees of the Federal Hospital Insurance and Supplementary Medical Insurance Trust Funds; to the Committee on Finance.

EC–2898. A communicaton from the Chief, Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Import Restrictions Imposed on Byzantine Ecclesiastical and Ritual Ethnological Material from Cyprus'' (RIN1515–AC46), received April 9, 1999; to the Committee on Finance.

EC–2899. A communication from the Chief, Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Withdrawal of International Airport Designation of Akron Fulton Airport'' (R.P. 97–13), received April 12, 1999; to the Committee on Finance.

EC–2900. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Rev. Rul. 99–23'', received April 30, 1999; to the Committee on Finance.

EC–2901. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Notice 99–23: Revisions to Schedule P (Form 1120–FSC)'' (Notice 99–23), received April 29, 1999; to the Committee on Finance.

EC–2902. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Notice 99–25'' (SPR–107460–99), received April 29, 1999; to the Committee on Finance.

EC–2903. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Notice 99–24: Extension of Time to File FSC Grouping Redeterminations Under Transition Rule to be Included in Final Regulations'' (Notice 99–24), received April 29, 1999; to the Committee on Finance.

EC–2904. A communication from the Chief, Regulations Unit, Internal Revenue Service,

Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Rev. Rul. 99–21, May 1999 Applicable Federal Rates'', received April 20, 1999; to the Committee on Finance.

EC–2905. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Renewable Electricity Production Credit, Publication of Inflation Adjustment Factor and Reference Prices for Calendar Year 1999'', received April 27, 1999; to the Committee on Finance.

EC–2906. A communication from the Chief, Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''TD 8819: Use of Actuarial Tables in Valuing Annuities, Interests for Life or Terms of Years, and Remainder and Reversionary Interests'' (RIN1545–AX14), received April 29, 1999; to the Committee on Finance.

EC–2907. A communication from the Deputy Executive Secretariat, Administration for Children and Families, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Implementation of Section 403(a)(2) of the Social Security Act-Bonus to Reward Decrease in Illegitimacy Ratio'' (RIN0970–AB79), received April 22, 1999; to the Committee on Finance.

EC–2908. A communication from the Health Insurance Specialist, Health Care Financing Administration, transmitting, pursuant to law, the report of a rule entitled ''State Allotments for Payment of Medicare Part B Premiums for Qualifying Individuals: Federal Fiscal Year 1999'' (HCFA–2032–N), received April 27, 1999; to the Committee on Finance.

EC–2909. A communication from the Acting Regulations Officer, Social Security Administration, transmitting, pursuant to law, the report of a rule entitled ''Maximum Family Benefits in Guarantee Cases'' (RIN0960–AE03), received April 9, 1999; to the Committee on Finance.

EC–2910. A communication from the Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Delegation of Authority'' (RIN1512–AB87), received April 6, 1999; to the Committee on Finance.

EC–2911. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of six rules entitled ''Acid Rain Program; Continuous Emission Monitoring Rule Revisions'' (FRL #6320–8), ''Approval and Promulgation of Implementation Plans: Washington'' (FRL #6322–5), ''Approval and Promulgation of Implementation Plans: State of Iowa'' (FRL #6322–1), ''Implementation Plan and Redesignation Request for the Muscogee County, Georgia Lead Nonattainment Area'' (FRL #6321–1), ''National Emission Standards for Hazardous Air Pollutants for Source Categories: Amendments for Hazardous Air Pollutants Emissions from Magnetic Tape Manufacturing Operations'' (FRL #6321–8) and ''National Emission Standards for Hazardous Air Pollutants for Source Category: Pulp and Paper Production'' (FRL #6322–8), received April 6, 1999; to the Committee on Environment and Public Works.

EC–2912. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of five rules entitled ''Approval and Promulgation of Air Quality State Implementation Plans, Texas: Recodification of, and Revision to the State Implemation Plan; Chapter 114'' (FRL #6117–3), ''Approval and Promulgation of Implementation Plans: Oregon'' (FRL #6127–4), ''Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, South Coast Air Quality Management District'' (FRL #6333–4), ''Approval and Promulgation of State Air Quality Plans for Designated Facilities and Pollutants Allegheny County, PA; Removal of Final Rule Pertaining to the Control of Landfill Gas Emission from Existing Municipal Solid Waste Landfills'' (FRL #6111–8) and ''Missouri: Final Authorization of State Hazardous Waste Management Program Revision for Corrective Action'' (FRL #6333–2); received on April 27, 1999, to the Committee on Environment and Public Works.

EC–2913. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled ''Approval and Promulgation of Implementation Plans Georgia: Revisions to the Georgia State Implemation Plan'' (FRL #6318–3) and ''Approval and Promulgation of State Air Quality Plans for Designated Facilities and Pollutants, Maryland; Control of Emissions from Large Municipal Waste Combustors'' (FRL #6330–7), received on April 20, 1999; to the Committee on Environment and Public Works.

## EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. WARNER, for the Committee on Armed Services:

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

*To be major general*

Brig Gen. Harry D. Gatanas.

The following named officers for appointment in the United States Marine Corps to the grade indicated under title 10, U.S.C., section 624:

*To be brigadier general*

William D. Catto.
Tony L. Corwin.
Robert C. Dickerson, Jr.
Jon A. Gallinetti.
Timothy F. Ghormley.
Samuel T. Helland.
Leif H. Hendrickson.
Richard A. Huck.
Richard S. Kramlich.
Timothy R. Larsen.
Bradley M. Lott.
Jerry C. McAbee.
Thomas L. Moore, Jr.
Richard F. Natonski.
Johnny R. Thomas.

(The above nominations were reported with the recommendation that they be confirmed)

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. DODD:

S. 970. A bill to amend the Public Health Service Act to establish grant programs for youth substance abuse treatment services; to the Committee on Health, Education, Labor, and Pensions.

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

S. 971. A bill to amend the Public Health Service Act to revise and extend the grant program for services for children of substance abusers; to the Committee on Health, Education, Labor, and Pensions.

By Mr. GREGG:

S. 972. A bill to amend the Wild and Scenic Rivers Act to improve the administration of the Lamprey River in the State of New Hampshire; to the Committee on Energy and Natural Resources.

By Mr. ROBB (for himself, Mr. KERRY, and Mrs. FEINSTEIN):

S. 973. A bill to provide for school safety, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. WARNER (for himself and Mr. LEVIN) (by request):

S. 974. A bill to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, and for other purposes; to the Committee on Armed Services.

By Mr. EDWARDS:

S. 975. A bill to amend chapter 30 of title 39, United States Code, to provide for a uniform notification system under which individuals may elect not to receive mailings relating to skill contests or sweepstakes, and for other purposes; to the Committee on Governmental Affairs.

By Mr. FRIST (for himself, Mr. KENNEDY, Mr. JEFFORDS, Mr. DODD, Mr. DEWINE, Ms. MIKULSKI, and Ms. COLLINS):

S. 976. A bill to amend title V of the Public Health Service Act to focus the authority of the Substance Abuse and Mental Health Services Administration on community-based services children and adolescents, to enhance flexibility and accountability, to establish programs for youth treatment, and to respond to crises, especially those related to children and violence; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SMITH of Oregon (for himself and Mr. WYDEN):

S. 977. A bill to provide for the conveyance by the Bureau of Land Management to Douglas County, Oregon, of a county park and certain adjacent land; to the Committee on Energy and Natural Resources.

By Mr. WARNER:

S. 978. A bill to specify that the legal public holiday known as Washington's Birthday be called by that name; to the Committee on the Judiciary.

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

S. 979. A bill to amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes, and for other purposes; to the Committee on Indian Affairs.

By Mr. BAUCUS (for himself, Mr. DASCHLE, Mr. THOMAS, Mr. HARKIN, Mr. GRASSLEY, Mr. CONRAD, Mr. ROBERTS, Mr. FRIST, Mr. JOHNSON, Mr. ROCKEFELLER, Mr. JEFFORDS, Mr. WELLSTONE, and Mr. MURKOWSKI):

S. 980. A bill to promote access to health care services in rural areas; to the Committee on Finance.

By Mr. DODD:

S. 981. A bill to provide training to professionals who work with children affected by violence, to provide for violence prevention, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. WELLSTONE (for himself and Mr. KERRY):

S. 982. A bill entitled ''Clean Money, Clean Elections Act''; to the Committee on Rules and Administration.

By Mr. JOHNSON (for himself and Mr. DASCHLE):

S. 983. A bill to require the Secretary of Transportation to issue regulations to provide for improvements in the conspicuity of rail cars of rail carriers; to the Committee on Commerce, Science, and Transportation.

By Ms. COLLINS (for herself and Mrs. BOXER):

S. 984. A bill to amend the Internal Revenue Code of 1986 to modify the tax credit for electricity produced from certain renewable resources; to the Committee on Finance.

By Mr. CAMPBELL:

S. 985. A bill to amend the Indian Gaming Regulatory Act, and for other purposes; to the Committee on Indian Affairs.

By Mr. REID (for himself and Mr. BRYAN):

S. 986. A bill to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority; to the Committee on Energy and Natural Resources.

By Mr. DeWINE:

S. 987. A bill to expand the activities of the Eisenhower National Clearinghouse to include collecting and reviewing instructional and professional development materials and programs for language arts and social studies, and to require the Eisenhower National Clearinghouse to collect and analyze the materials and programs; to the Committee on Health, Education, Labor, and Pensions.

S. 988. A bill to provide mentoring programs for beginning teachers, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

S. 989. A bill to improve the quality of individuals becoming teachers in elementary and secondary schools, to make the teaching profession more accessible to individuals who wish to start a second career, to encourage adults to share their knowledge and experience with children in the classroom, to give school officials the flexibility the officials need to hire whom the officials think can do the job best, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

S. 990. A bill to provide for teacher training facilities; to the Committee on Health, Education, Labor, and Pensions.

By Mr. McCAIN:

S. 991. A bill to prevent the receipt, transfer, transportation, or possession of a firearm or ammunition by certain violent juvenile offenders, and for other purposes; to the Committee on the Judiciary.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. DOMENICI (for himself, Mr. DODD, Mr. COCHRAN, Mr. LIEBERMAN, Mr. FRIST, Mr. DORGAN, Ms. MIKULSKI, Mr. COVERDELL, Mr. CLELAND, Mr. BENNETT, Mr. ROCKEFELLER, Mr. BROWNBACK, Mr. ENZI, Mrs. MURRAY, Mr. SARBANES, Mr. BURNS, Mr. KOHL, Mr. BINGAMAN, Mr. DEWINE, Ms. COLLINS, Mrs. FEINSTEIN, Mr. BOND, Mr. INHOFE, Mr. SMITH of Oregon, Mr. REID, Mr. WELLSTONE, Mr. CHAFEE, Mr. GREGG, Mr. AKAKA, Mr. BAUCUS, Mr. KENNEDY, Mrs. HUTCHISON, Mr. THURMOND, Mr. HUTCHINSON, Mr. BREAUX, Mr. CONRAD, Mr. JOHNSON, Mr. BYRD, Mr. WARNER, Mr. MURKOWSKI, Mr. BUNNING, Mr. HAGEL, Mr. ALLARD, Mr. VOINOVICH, Mr. GORTON, Mr. STEVENS, Mr. NICKLES, Mr. LOTT, Mr. SPECTER, Mr. ROBERTS, Mr. MACK, Mr. CRAIG, Mr. BIDEN, Ms. SNOWE, Mr. GRAMS, Mr. FITZGERALD, and Mr. MOYNIHAN):

S. Res. 98. A resolution designating the week beginning October 17, 1999, and the week beginning October 15, 2000, as ''National Character Counts Week''; to the Committee on the Judiciary.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DODD:

S. 970. A bill to amend the Public Health Service Act to establish grant programs for youth substance abuse treatment services; to the Committee on Health, Education, Labor, and Pensions.

TEEN SUBSTANCE ABUSE TREATMENT ACT OF 1999

● Mr. DODD. Mr. President, I rise today to introduce the Teen Substance Abuse Treatment Act of 1999. This legislation fills an important gap in our national strategy for combating substance abuse in our communities. Specifically, this bill creates a dedicated funding commitment for treating youth with alcohol and drug problems.

We have made important progress in impacting the number of our youth using alcohol and drugs. However, studies reveal that alcohol is still the drug of choice for many Americans—and our youth are no exception. Studies reveal that fifty-two percent of senior high school students report using alcohol in the past month and 25% are using drugs on a monthly basis.

Each year, 400,000 teens and their families will seek substance abuse treatment but find that it is either unavailable or unaffordable. Some teens in need of treatment may have incomes too high to receive Medicaid, but too low to afford private insurance or to pay for treatment out of pocket. Those who do have private insurance through a managed care plan may find that length of treatment is severely restricted. At best, 20% of adolescents with severe alcohol and drug treatment problems who ask for help will receive any form of treatment.

Those teens who are fortunate enough to get treatment often find that available services do not adequately address their needs. The physical, hormonal, developmental, and emotional changes of the adolescent years pose challenges to health care providers, many of whom have not been trained to deal specifically with this population. Providing teens with access to research-based, developmentally and age-appropriate treatment which will address their specific needs can increase their rates of recovery and better prevent relapses.

Without intervention teen substance abusers may also engage in other risky behaviors. Teen alcohol and drug abuse may spiral into academic failure and involvement with the juvenile justice system. Juvenile courts report that in over 50 percent of their cases substance abuse is a contributing factor. In a survey of teens receiving substance abuse treatment, 59% had been arrested at least once and 16% had been arrested for felonies. In addition, teens who use alcohol are more likely to become sexually active at earlier ages and to engage in unsafe sex, increasing the chances of unplanned pregnancies and sexually transmitted diseases such as HIV/AIDS.

We also know that substance abuse is associated with aggressive, anti-social, and violent behaviors and that chemical dependency can magnify existing behavioral problems. The facts are alarming: children who abuse alcohol and drugs are at a greater risk for killing themselves or others. Alcohol-related traffic crashes are the leading cause of teen death, and alcohol is also involved in homicides and suicides, the second and third leading causes of teen deaths respectively.

Alcohol and drug use has a huge price tag both for families and society at large—and we can't afford to sit idly by while it continues to rise. Seven thousand youth in my state of Connecticut alone are in need of treatment. That is why I am introducing the Teen Substance Abuse Treatment Act. This legislation will provide grants to give youth substance abusers access to effective alcohol and drug treatment services that are developmentally and culturally appropriate. Specifically, this bill will address the particular issues of youth involved with the juvenile justice system and those with mental health or other special needs. Finally, this legislation will contribute to the development of treatment models that address the relationship between substance abuse and aggressive, anti-social, and violent behaviors.

While I am disappointed that this bill is not currently included in the Substance Abuse and Mental Health Services Reauthorization legislation that will be introduced today, I am encouraged that Senator FRIST has agreed to work with me, Senator REED, and Senator BINGAMAN prior to a markup of the bill to craft legislation to comprehensively address the substance abuse needs of adolescents.

The Teen Substance Abuse Treatment Act of 1999 expresses a commitment to ensuring that no child who asks for help with a substance abuse problem will be denied treatment. I

urge my colleagues to support this legislation.●

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

S. 971. A bill to amend the Public Health Service Act to revise and extend the grant program for services for children of substance abusers; to the Committee on Health, Education, Labor, and Pensions.

SERVICES FOR CHILDREN OF SUBSTANCE ABUSERS REAUTHORIZATION ACT

● Mr. DODD. Mr. President, I rise to join Senator JEFFORDS in introducing the Children of Substance Abusers Reauthorization Act'' (COSA). This legislation represents a vital step in expanding and improving early intervention, prevention, and treatment services for families confronting substance abuse. In addition, this legislation addresses the devastation generated in the wake of parental substance abuse—the physical and emotional difficulties faced by children of substance abusers, abuse and neglect, and adolescent substance abuse and violence.

Children with substance abusing parents face serious health risks, including congenital birth defects and psychological, emotional, and developmental problems. For example, fetal exposure to alcohol puts a child in danger of fetal alcohol syndrome and other congenital birth defects. In addition, each year around 500,000 babies are born prenatally exposed to some form of addictive substance including crack, alcohol, and tobacco, compromising their long-term ability to thrive and to learn.

We also know that substance abuse plays a major role in child abuse and neglect—irreparably damaging family bonds and threatening to further strain an already over-burdened child welfare system. In fact, over the past 10 years, fueled by parental substance abuse, the number of abused and neglected children has more than doubled from 1.4 million in 1986 to more than 3 million in 1997, a rise more than eight times greater than the increase in the child population. The disturbing link between parental substance abuse and child abuse is irrefutable. It is estimated that children whose parents abuse drugs and/or alcohol are three times more likely to be abused and four times more likely to be neglected than children whose parents are not substance abusers. In a 1998 report, the General Accounting Office estimated that two-thirds of all children in foster-care had substance abusing mothers and that 80% of those mothers had been using drugs or alcohol for at least five years—many of them for ten years or more.

Alcohol and drug use exact a huge price tag on both children and society at large. Estimates are that parental substance abuse costs the nation approximately $20 billion a year. Of that amount, the federal government pays 44%, states 44%, and local governments 12% of the cost. We also know that the toll that substance abuse takes on families is immeasurable. Parents sacrifice the joys of watching their children grow and thrive and their children lose the opportunity to learn and grow in a safe, supportive home.

In Connecticut alone, there are an estimated 12–15,000 children of substance abusers who are in desperate need of integrated, specialized support services. To assist those families and the thousands of others across this nation battling substance abuse, this legislation seeks a broad-based commitment from schools, social service agencies, health providers, community centers, and the other entities serving families to join together to promote aggressive outreach, prevention and treatment services. Because parental substance abuse impacts so many aspects of children's lives, this legislation would also provide comprehensive, family-centered services addressing health, mental health, violence, child abuse and neglect, HIV and family planning services, child care, and transportation. In addition, COSA will strengthen the systems which provide these services by funding the education and training of providers.

COSA represents a bipartisan commitment to lessen the terrible toll that substance abuse takes on families. I am grateful for Senator JEFFORDS' cosponsorship and am pleased that Senator FRIST and the Health, Education, Labor, and Pensions Committee have agreed to include COSA within the larger Substance Abuse and Mental Health Services Reauthorization legislation that will be introduced today.

I ask my colleagues to join me in supporting this legislation.●

● Mr. JEFFORDS. Mr. President, I want to join my colleague from Connecticut in introducing the Children of Substance Abusers Reauthorization Act (COSA). Senator DODD is to be saluted for his keen ability to identify conditions that place families and children at risk and for developing innovative solutions and strategies for alleviating those conditions.

Substance abuse affects us all. Many of us have a close friend or family member who is a substance abuser or is in recovery. Even those of us not familiar with the personal struggles of substance abuse are affected. My office just received a report from General McCaffrey at the National Drug Control Policy Office that states that drugs play a part in virtually every major social issue in America today, be it health care, crime, mental illness, the dissolution of families, or child abuse. There is no question that Americans want to do ''something'' about substance abuse, but 78 percent of Americans think that the ''War on Drugs'' has failed. So what options for combating substance abuse and addiction should policy makers explore?

My state of Vermont has an innovative strategy it is eager to employ. Vermont has done its research and learned that among its school-aged youth a significant portion used illicit drugs; 51% used alcohol, 32% used marijuana, and 5% used cocaine. Twenty-nine percent of Vermont 9th graders (those are 14–15 year-olds!) used marijuana in the past month. About 49% of Vermont students in grades 8 through 12, (almost 19,000 youth) were in need of substance abuse treatment or intervention in 1996. Yet only about 10% of the youth in need of treatment or intervention indicated having received the services.

Now the really striking results. Youth in need of alcohol, drug treatment, or intervention services were significantly more likely than those not in need of services to report an array of other school- and health-related problems. Twice as likely to report fighting in the last year; twice as likely to report being threatened or injured with a weapon at school in the past year; two to three times as likely to report having ever had sex; six times more likely to report having ever had sex with four or more people; and three to four times as likely to report having been pressured or forced into having sex. The Vermont report underscored clearly the challenges posed to primary care and substance abuse treatment and intervention providers in Vermont and indicated the wide range of services that are needed to identify and respond to the multiple needs of these kids and their parents. So what options for combating substance abuse and addiction should policy makers explore?

We know that prevention is most effective when it is directed at impressionable children. Just as adolescents are the most susceptible to the allure of illicit drugs, so too is it the most imperative to delay or prevent the first use of illicit drugs, alcohol and tobacco. Case studies from the national Centers for Substance Abuse Prevention demonstrate that prevention programs work, especially when the prevention message is reinforced by parents, teachers, clergy, mentors and other role models. The options we policy makers explore must include a comprehensive strategy that provides the constellation of prevention services needed by children of substance abusers and their families.

Vermont is ready to implement just such a strategy. Working with the national Center for Substance Abuse Treatment (CSAT), Vermont has confirmed that it's adult based substance abuse treatment models are not age appropriate, they don't work for adolescents, and they need to be redeveloped specifically for youth. Problems with engagement, retention in treatment, and relapse have been chronic in our

current system. The CSAT treatment needs assessment determined that almost 40% of youth leave treatment after only one session, or leave against medical advice. Vermont has developed and is ready to implement a strategy but it needs assistance.

Vermont would like to build on the demonstrated success of the wrap-around models of youth services. Adolescents will receive expanded case management, a broader array of outpatient options, easy access to intensive outpatient care, residential treatment, and encouragement to participate in collateral family treatment. The focus would be on ease of movement between levels of care, case management and integration of community based treatment plans.

The bill introduced today can provide States like Vermont much needed assistance in these areas. COSA will provide grants to nonprofit and public entities to provide a constellation of services needed by children and affected families to prevent substance abuse and stop the devastation it causes. Those services can include chid care, remedial education, counseling, therapeutic intervention services, job training. The children of substance abusers and their families is a group that desperately needs help. If we start now, we can begin to bring a close to the endless cycle of inter-generational drug abuse and this measure is the start we need to prevent further substance abuse by the next generation.

Mr. President, I would hope that my colleagues will not let this opportunity go unheeded.●

---

By Mr. GREGG:

S. 972. A bill to amend the Wild and Scenic Rivers Act to improve the administration of the Lamprey River in the State of New Hampshire; to the Committee on Energy and Natural Resources.

A BILL TO AMEND THE WILD AND SCENIC RIVERS ACT

Mr. GREGG. Mr. President, I rise today to introduce a bill to amend the Wild and Scenic Rivers Act. This bill improves the administration of the Lamprey River in the State of New Hampshire by adding a twelve-mile segment to its Wild and Scenic Designation. In so doing, New Hampshire residents and visitors to my state will enjoy the many benefits associated with the Wild and Scenic River program, which is administered by the National Park Service.

It has been four years since I proudly sponsored the designation of the Lamprey River in Lee, Durham and Newmarket, New Hampshire into the National Wild and Scenic River Program. I am greatly pleased to welcome the Town of Epping into the partnership, and I am honored to offer this bill which will make this possible.

Contrary to concerns which are sometimes raised by other rivers' towns, Lee, Durham and Newmarket have told me that the Wild and Scenic program has stimulated a plethora of meaningful benefits to the Lamprey River and to the residents of the towns by which it flows. I applaud the extent to which this work has occurred through volunteer efforts and through monies solicited from towns, the State of New Hampshire and private foundations. As a result, groups like the Lamprey River Advisory Committee have been able to leverage a relatively small federal investment into substantial benefits.

Within the past month, the Board of Selectmen from the Town of Epping, New Hampshire, the Epping Conservation Commission, and the Lamprey River Advisory Committee have contacted me to request that I introduce this legislation which will increase the designated area from eleven and a half to twenty-three and a half miles.

The Lamprey River is situated in coastal New Hampshire and is the largest of the rivers that discharge into Great Bay, a designated National Estuarine Research Reserve consisting of 4,500 acres of tidal waters and wetlands and 800 acres of upland. Both in physical dynamics and biological productivity, the Great Bay estuary contributes immeasurable economic value to the Northeast and clearly constitutes one of New Hampshire's prime natural areas. The Lamprey's size alone marks its importance to Great Bay. Its good water quality and intact riparian habitat throughout the watershed create an important link between the estuary and inland areas.

The Lamprey is considered New Hampshire's most significant river for all species of anadromous fish and it contains every type of stream and river fish you could expect to find in New England. Botanical studies have documented 329 species of vascular plants of which 252 are restricted to wetlands and floodplain communities. In addition, according to the State Architectural Historian, the Lamprey is one of New Hampshire's most historic streams.

Perhaps what is most important about this bill is that it will help to assure that future generations will enjoy recreational opportunities on this great river. Undeveloped along most of its entire length, it is a beautiful river to be on and fish. For a quiet retreat into the woods the Lamprey is superb—where one can expect quiet canoe or kayak paddling past densely forested banks of hemlocks and hardwoods. In upstream reaches, people most often use the river recreationally for fishing, canoeing, kayaking, and swimming in the summer. In the winter, people trade in their boats and fishing poles for cross-country skis. This is a truly exceptional river offering a vast variety of activities for anyone who cares for the outdoors and I am pleased to offer this legislation to assure that it will remain in the same condition for generations to come. I ask unanimous consent that my statement and a copy of the bill be placed in the RECORD.

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

S. 972

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

**SECTION 1. LAMPREY RIVER, NEW HAMPSHIRE.**

(a) IN GENERAL.—Section 3(a) of the Wild and Scenic Rivers Act (16 U.S.C. 1274(a)) is amended by striking paragraph (158) and inserting the following:

''(158) LAMPREY RIVER, NEW HAMPSHIRE.—

''(A) DESIGNATION.—

''(i) IN GENERAL.—The 23.5 mile segment extending from the Bunker Pond Dam in Epping to the confluence with the Piscassic River in the vicinity of the Durham-Newmarket town line (referred to in this paragraph as the 'segment') as a recreational river.

''(ii) ADMINISTRATION.—

''(I) COOPERATIVE AGREEMENTS.—The segment shall be administered by the Secretary of the Interior through cooperative agreements under section 10(e) between the Secretary and the State of New Hampshire (including the towns of Epping, Lee, Durham, and Newmarket, and other relevant political subdivisions of that State).

''(II) MANAGEMENT PLAN.—

''(aa) IN GENERAL.—The segment shall be managed in accordance with the Lamprey River Management Plan, dated January 10, 1995, and such amendments to that plan as the Secretary of the Interior determines are consistent with this Act.

''(bb) REQUIREMENT FOR PLAN.—The plan described in item (aa) shall be considered to satisfy the requirements for a comprehensive management plan under section 3(d).

''(B) MANAGEMENT.—

''(i) COMMITTEE.—The Secretary of the Interior shall coordinate the management responsibility under this Act with respect to the segment designated by subparagraph (A) with the Lamprey River Advisory Committee established under New Hampshire RSA 483.

''(ii) LAND MANAGEMENT.—

''(I) IN GENERAL.—The zoning ordinances duly adopted by the towns of Epping, Lee, Durham, and Newmarket, New Hampshire, including provisions for conservation of shoreland, floodplains, and wetland associated with the segment, shall—

''(aa) be considered to satisfy the standards and requirements of section 6(c) and the provisions of that section that prohibit Federal acquisition of lands by condemnation; and

''(bb) apply to the segment designated under subparagraph (A).

''(II) ACQUISITION OF LAND.—The authority of the Secretary to acquire land for the purposes of this paragraph shall be—

''(aa) limited to acquisition by donation or with the consent of the owner of the land; and

''(bb) subject to the additional criteria set forth in the Lamprey River Management Plan.''.

(b) CONFORMING AMENDMENT.—Section 405 of division I of the Omnibus Parks and Public Lands Management Act of 1996 (16 U.S.C. 1274 note; Public Law 104–333) is repealed.

---

By Mr. ROBB (for himself, Mr. KERRY, and Mrs. FEINSTEIN):

S. 973. A bill to provide for school safety, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

SCHOOL SAFETY ENHANCEMENT ACT OF 1999

Mr. ROBB. Mr. President, I rise this afternoon to introduce legislation that I have been working on for several months and had not planned to introduce until later this year when the Senate considers the reauthorization of the Elementary and Secondary Education Act. However, the tragic event in Littleton has moved everyone's timetable forward.

When I was Governor of Virginia, education was my top priority. I might note that I know it was a top priority for the Presiding Officer when he was Governor of Ohio. Since I have been in the Senate I have become increasingly concerned about school safety. We simply cannot have good schools unless we have safe schools.

In 1993 I was able to get legislation enacted to create a commission on school violence. Regrettably, that commission was never funded, but it should have been. Two years ago the Senate approved an amendment I offered to allow COPS funding to be used for school safety. Last year we significantly expanded on that program, and I am grateful for the Senate's and the President's commitment to that important effort.

Over the past year, a year in which we have had too many horrible tragedies in our schools, we have all noticed that the most common questions asked following an incident of school violence are: Why didn't we see it coming? What could we have done to spot the warning signs and intervene before it was too late?

The legislation I offer today is designed to address one essential component of the school violence crisis: Prevention and intervention. In the coming weeks the Senate will consider a variety of proposals to address the issues of preventing school violence, how to manage crises when they occur, and how to punish those who engage in violence in our schools. I look forward to working with our colleagues to develop a comprehensive approach to school violence which incorporates this legislation and acknowledges the need for prevention and intervention efforts.

Out of respect for the families in Littleton and deference to the majority leader's request that we not take up legislation until next week at the earliest, I will not make extended remarks at this time and will defer to a later time. For now, I simply offer my continued prayers for those in Littleton who are still coping with a tremendous loss to their community.

Simply going to school should not be an act of courage.

---

By Mr. EDWARDS:

S. 975. A bill to amend chapter 30 of title 39, United States Code, to provide for a uniform notification system under which individuals may elect not to receive mailings relating to skill contests or sweepstakes, and for other purposes; to the Committee on Governmental Affairs.

SWEEPSTAKES TOLL-FREE OPTION PROTECTION ACT OF 1999

Mr. EDWARDS. Mr. President, I rise today to introduce the Sweepstakes Toll-Free Option Protection Act of 1999, the ''STOP Act.'' I hope this measure will help put a stop to a practice I find extremely troublesome: the flooding of consumers' mailboxes with unwanted and misleading sweepstakes mailings.

The Permanent Subcommittee on Investigations recently held hearings on deceptive mailings and sweepstakes promotions. I'd like to thank Senators COLLINS and LEVIN for bringing this important issue to light.

Mr. President, during the course of these hearings, it became clear to me that strong measures must be taken to curb the use of misleading sweepstakes promotions. Too many people are getting swamped with solicitations. And too many people are spending their life savings trying to win prizes. The primary victims are our nation's elderly who are led to believe that if they purchase magazine subscriptions or other products, they will increase their chances of winning.

Well, purchases do not increase the chances of winning. But often times, what purchases actually do is increase the number of solicitations sweepstakes companies send out to people, encouraging them to buy even more products. With each new purchase, consumers are led to believe that they are coming closer and closer to winning a prize. The sad truth is they are not getting closer, but the cycle of deception keeps going.

The legislation I am introducing today would require sweepstakes companies to set up a uniform toll-free telephone number that consumers can call to have their names and addresses removed from all sweepstakes mailing lists. People will no longer have to contact each and every sweepstakes promoter to stop these misleading mailings.

My legislation is a sensible approach to helping regular people who want to stop the flood of sweepstakes mailings and protect themselves from misleading solicitations. Let me tell you the story of Bobby Bagwell to help illustrate the need for this measure.

One day, Pamela Bagwell went to visit her elderly father-in-law, Bobby. When she arrived at Bobby's home, Pamela found stacks and stacks of solicitations from sweepstakes companies. She asked Bobby about them and found out that he had made numerous purchases thinking that buying products would increase his chances of winning a prize. He was so convinced he would win a prize that he even invited his neighbors to his house on the day that the Publishers Clearing House prize patrol was supposed to deliver the grand prize check.

Pamela estimates that Bobby spent more than $20,000 in 10 months on products he thought would help his chance of winning. Now as I mentioned before, Bobby is an elderly man.

But this is not the worst part of this story. Bobby also has dementia. Pamela, who has power of attorney for Bobby, contacted Publishers Clearing House at least 6 times in October last year to demand that the company stop sending Bobby solicitations. She even went so far as to send the company a doctor's certification that Bobby has dementia. And yet, the sweepstakes mailings continued to flood Bobby's mailbox. Pamela said that sometimes Bobby was receiving up to twenty per day, from many different companies.

During the hearings, I asked representatives from the four major sweepstakes companies, Publishers Clearing House, Time, American Family Enterprises and Reader's Digest, to check their records and remove Bobby's name and address from their mailing lists. All of the companies agreed to do so. However, I find it unacceptable that the only recourse someone like Pamela has is to hope that a United States Senator makes such a request for her.

Pamela and Bobby Bagwell's situation is not unique. Since the hearings, my office has received numerous calls and letters, not just from North Carolinians, but from people all over the country who tell similar, disturbing stories about their experiences with sweepstakes companies. Mr. President, my proposal is a reasonable way to help them.

I believe that people should have the right to easily put a stop to these mailings. And sweepstakes promoters should be legally required to honor such a request.

Now let me tell you how my legislation would work.

First, as I have already mentioned, it requires that sweepstakes companies set up a uniform toll-free number that individuals or people with power of attorney for such individuals, can call to get their name and address removed from all sweepstakes mailing lists. After a person places that one phone call, they will receive a removal request form to fill out and send in to the notification system. After the system receives that form, the person's name will be removed from all sweepstakes mailing lists. The form will serve as written evidence that the person made a request to have their name removed.

Second, the sweepstakes companies must include a statement in their mailings that people have the option of having their names removed from sweepstakes mailing lists and that

they can initiate this process by calling the specific toll-free number that has been established. The statement must be clear and conspicuous, which is important in order to effectively alert people about their right to stop the mailings.

Finally, my bill requires that if an individual makes a request to have their name removed from sweepstakes mailings lists, the sweepstakes companies must comply with this request. If the companies continue to send mailings against the wishes of the caller, each mailing will subject the company to a $10,000 civil penalty.

Mr. President, in closing, I should mention that the American Association of Retired Persons participated in the sweepstakes hearings and testified as to ''the severe effects'' deceptive sweepstakes mailings have on AARP members. AARP supports my idea of a toll-free uniform notification system.

My legislation is a common sense solution to a growing problem, and I am confident that it will indeed go a long way toward stopping harrassing, deceptive sweepstakes mailings.

I ask unanimous consent that the text of the legislation be printed in the RECORD.

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

S. 975

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Sweepstakes Toll-Free Option Protection Act of 1999''.

**SEC. 2. REQUIREMENTS OF PROMOTERS OF SKILL CONTESTS OR SWEEPSTAKES MAILINGS.**

(a) IN GENERAL.—Chapter 30 of title 39, United States Code, is amended by adding after section 3015 the following:

**''§ 3016. Nonmailable skill contests or sweepstakes matter; notification to prohibit mailings**

''(a) DEFINITIONS.—In this section, the term—

''(1) 'promoter' means any person who originates and causes to be mailed any skill contest or sweepstakes;

''(2) 'removal request form' means a written form stating that an individual—

''(A) does not consent to the name and address of such individual being included on any list used by a promoter for mailing skill contests or sweepstakes; and

''(B) elects to have such name and address excluded from any such list;

''(3) 'skill contest' means a puzzle, game, competition, or other contest in which—

''(A) a prize is awarded or offered;

''(B) the outcome depends predominately on the skill of the contestant; and

''(C) a purchase, payment, or donation is required or implied to be required to enter the contest; and

''(4) 'sweepstakes' means a game of chance for which no consideration is required to enter.

''(b) NONMAILABLE MATTER.—

''(1) IN GENERAL.—Matter otherwise legally acceptable in the mails described under paragraph (2)—

''(A) is nonmailable matter;

''(B) shall not be carried or delivered by mail; and

''(C) shall be disposed of as the Postal Service directs.

''(2) NONMAILABLE MATTER DESCRIBED.—Matter that is nonmailable matter referred to under paragraph (1) is any matter that—

''(A) is a skill contest or sweepstakes; and

''(B) is addressed to an individual who made an election to be excluded from lists under subsection (e).

''(c) REQUIREMENTS OF PROMOTERS.—

''(1) NOTICE TO INDIVIDUALS.—Any promoter who mails a skill contest or sweepstakes shall provide with each mailing a clear and conspicuous statement that—

''(A) includes the address and toll-free telephone number of the notification system established under paragraph (2); and

''(B) states the system can be used to prohibit the mailing of any skill contest or sweepstakes to such individual.

''(2) NOTIFICATION SYSTEM.—Any promoter that mails a skill contest or sweepstakes shall participate in the establishment and maintenance of a uniform notification system that provides for any individual (or other duly authorized person) to notify the system of the individual's election to have the name and address of the individual excluded from any list of names and addresses used by any promoter to mail any skill contest or sweepstakes; and

''(d) NOTIFICATION SYSTEM.—

''(1) CALL TO TOLL-FREE NUMBER.—If an individual contacts the notification system through use of the toll-free telephone number published under subsection (c)(2), the system shall—

''(A) inform the individual of the information described under subsection (c)(1)(B);

''(B) inform the individual that a removal request form shall be mailed within such 7 business days; and

''(C) inform the individual that the election to prohibit mailings of skill contests or sweepstakes to that individual shall take effect 30 business days after receipt by the system of the signed removal request form or other signed written request by the individual.

''(2) REMOVAL REQUEST FORM.—Upon request of the individual, the system shall mail a removal request form to the individual not later than 7 business days after the date of the telephone communication. A removal request form shall contain—

''(A) a clear, concise statement to exclude a name and address from the applicable mailing lists; and

''(B) no matter other than the form and the address of the notification system.

''(e) ELECTION TO BE EXCLUDED FROM LISTS.—

''(1) IN GENERAL.—An individual may elect to exclude the name and address of such individual from all mailing lists used by promoters of skill contests or sweepstakes by mailing a removal request form to the notification system established under subsection (c).

''(2) RESPONSE AFTER MAILING FORM TO THE NOTIFICATION SYSTEM.—Not later than 30 business days after receipt of a removal request form, all promoters who maintain lists containing the individual's name or address for purposes of mailing skill contests or sweepstakes shall exclude such individual's name and address from all such lists.

''(3) EFFECTIVENESS OF ELECTION.—An election under paragraph (1) shall—

''(A) be effective with respect to every promoter; and

''(B) remain in effect, unless an individual notifies the system in writing that such individual—

''(i) has changed the election; and

''(ii) elects to receive skill contest or sweepstakes mailings.

''(f) PROMOTER NONLIABILITY.—A promoter, or any other person maintaining the notification system established under this section, shall not have civil liability for the exclusion of an individual's name or address from any mailing list maintained by a promoter for mailing skill contests or sweepstakes, if—

''(1) a signed request for removal form is received by the notification system; and

''(2) the promoter or person maintaining the system has a good faith belief that the request is from—

''(A) the individual whose name and address is to be excluded; or

''(B) another duly authorized person.

''(g) PROHIBITION ON COMMERCIAL USE OF LISTS.—

''(1) IN GENERAL.—

''(A) PROHIBITION.—No person may provide any information (including the sale or rental of any name or address) in a list described under subparagraph (B) to another person for commercial use.

''(B) LISTS.—A list referred to under subparagraph (A) is any list of names and addresses (or other related information) used, maintained, or created by the system established by this Act.

''(2) CIVIL PENALTY.—Any person who violates paragraph (1) shall be assessed a civil penalty by the Postal Service.

''(h) CIVIL PENALTIES.—

''(1) IN GENERAL.—Any promoter—

''(A) who recklessly mails nonmailable matter in violation of subsection (b) shall be liable to the United States in an amount of $10,000 per violation for each mailing of nonmailable matter; or

''(B) who fails to substantially comply with the requirements of subsection (c)(2) shall be liable to the United States.

''(2) ENFORCEMENT.—The Postal Service shall assess civil penalties under this section.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—The table of sections for chapter 30 of title 39, United States Code, is amended by adding after the item relating to section 3015 the following:

''3016. Nonmailable skill contests or sweepstakes matter; notification to prohibit mailings.''.

**SEC. 3. STATE LAW NOT PREEMPTED.**

Nothing in this Act shall be construed to preempt any provision of State or local law.

**SEC. 4. EFFECTIVE DATE.**

The amendments made by this Act shall take effect 1 year after the date of enactment of this Act.

---

By Mr. FRIST (for himself, Mr. KENNEDY, Mr. JEFFORDS, Mr. DODD, Mr. DEWINE, Ms. MIKULSKI, and Ms. COLLINS):

S. 976. A bill to amend title V of the Public Health Service Act to focus the authority of the Substance Abuse and Mental Health Service Administration on community-based services children and adolescents, to enhance flexibility and accountability, to establish programs for youth treatment, and to respond to crises, especially those related to children and violence; to the Committee on Health, Education, Labor, and Pensions.

YOUTH DRUG AND MENTAL HEALTH SERVICES ACT

• Mr. FRIST. Mr. President, as a physician and father of three young boys, I am alarmed at the current level of drug use in America. In April of 1998, the Office of National Drug Control Policy reported that 74 million Americans have tried illicit drugs at least once in their lifetime. Of these, 22 million Americans have tried cocaine, 4.6 million have tried crack cocaine and 2.4 million have tried heroin. Last year, 23 million Americans used an illicit drug, and today there are 13 million Americans who are current drug users which means they have used an illicit drug in the last month.

The rapid decline of overall drug use in America that began in the mid eighties, thanks in part to the efforts of Presidents Reagan and Bush, has stagnated and leveled off.

It is true that cocaine use has decreased from 5.7 million users in 1985 to its current stagnate level of around 1.5 million in 1997 and marijuana use is also down from 19 million users in 1985 to around 11 million in 1997. However, before we become too satisfied, we as a nation must face the very troubling fact that drug and alcohol use is dramatically on the rise among our youth.

In 1992, the percentage of 10th graders that admitted to using an illicit drug at least once in the last 30 days according to the Office of National Drug Control Policy was 11 percent. By 1997 that figure had more than doubled to 23 percent. Most troubling is the dramatic increase in heroin use among our nation's teenage population.

Let us not forget about the drug of choice for our youth and adolescents, alcohol. Although the legal drinking age is 21 in all States, the National Household Survey on Drug Abuse undertaken by SAMHSA reports that more than 50 percent of young adults age eighteen to twenty are consuming alcohol and more than 25 percent report having five or more drinks at one time during the past month.

There are many factors for this increase in youth substance abuse but the factors that I, as a father, am most concerned with is the overall decline of the disapproval of drug use and the decline of the perception of the risk of drug use among our youth.

Against this alarming challenge I am pleased to introduce the ''The Youth Drug and Mental Health Services Act of 1999.''

This important and needed legislation will reauthorize the Substance Abuse and Mental Health Services Administration (SAMHSA) to improve this vital agency by providing greater flexibility for States and accountability based on performance, while at the same time placing critical focus on youth and adolescent substance abuse and mental health services. Joining me in sponsoring this effort is Senator KENNEDY who, as ranking member of my Subcommittee on Public Health, has been instrumental in developing this legislation. Joining Senator KENNEDY and me as original cosponsors are Senators JEFFORDS, DODD, DEWINE, MIKULSKI and COLLINS.

SAMHSA, formerly known as the Alcohol, Drug Abuse, and Mental Health Services Administration (ADAMHA) was created in 1992 by the Public Law 102–321, the ADAMHA Reorganization Act. SAMHSA's purpose is to assist States in addressing the importance of reducing the incidence of substance abuse and mental illness by supporting programs for prevention and treatment. SAMHSA provides funds to States for alcohol and drug abuse prevention and treatment programs and activities, and mental health services through the Substance Abuse Prevention and Treatment (SAPT) and the Community Mental Health Services (CMHS) Block Grants.

SAMHSA's block grants account for 40 percent and 15 percent respectively of all substance abuse and community mental health services funding in the States. They are a major portion of this nation's response to substance abuse and mental health service needs.

In introducing the legislation, I have targeted six main goals which include: promote State flexibility in block grant funding; ensure accountability for the expenditure of Federal funds; develop and support youth and adolescent substance abuse prevention and treatment initiatives; develop and support mental health initiatives that are designed to prevent and respond to incidents of teen violence; insure the availability of Federal funding for emergencies; and support programs targeted for the homeless to treat mental health and substance abuse.

In 1981, President Ronald Reagan revolutionized Federal support for mental health and substance abuse services by eliminating what were many discretionary programs for which States, local governments, and providers had to compete for funds. Instead he created the Alcohol, Drug Abuse and Mental Health Services (ADMS) Block Grant. This Block Grant awarded funds to States based on a formula. States were eligible to receive the funds as long as the Federal government was assured the State would comply with certain requirements. This shift to a block grant gave primary responsibility for providing mental health and substance abuse services to the States—where it should be to allow our States to respond to local needs.

Unfortunately, over the years, the Block Grant program has become more prescriptive. As a result, these additional requirements place burdens on States and remove State flexibility, which was the main purpose of the Block Grant program. We need more State flexibility and my bill accomplishes this by implementing a number of recommendations from the States. It repeals a requirement in the substance abuse block grant that requires States to use 35 percent of their funds for alcohol related activities and 35 percent for drug related activities. The requirement that States maintain a $100,000 revolving fund to support recovery homes is made optional. New waivers are created for several other requirements in the substance abuse block grant. Application requirements in the mental health block grant are minimized, and States will be able to obligate their block grant funds over two years instead of one giving them more time to plan for and use the funds.

If this bill is enacted, the Governors will be able to make a one time infusion of funds into the States substance abuse or mental health treatment system without having to commit themselves to increases in future years when budgets might not accommodate that funding. As a result of this bill, States will have more flexibility in their use of funds than they have had in the past ten years.

With more flexibility, comes the need for more accountability. Therefore, my bill changes the way States are held accountable for their use of Federal funds. For example, under the current substance abuse block grant, States are required to spend a prescribed amount of money to address the needs of pregnant addicts and women with children. States are held accountable as to whether they spent the prescribed amount of funds, not on the true outcomes of whether that population is being successfully treated which is how they should be held accountable. The Federal government should be less concerned with whether the State spent the required amount of funds and more concerned on whether the State is being successful in reducing the number of infants born addicted or HIV positive.

My bill sets a process in place over the next 2 years to develop a system based on performance measures to monitor States' progress. The reason why the bill does not implement such a system now is that the State treatment systems are not prepared to make that change. First, because there is no agreement on what measures to use. Second, the current State data systems are not adequate to collect and report on performance data. Very few States currently have data systems that could provide the necessary data.

To respond to these concerns, this bill requires the Secretary of Health and Human Services to submit a plan to Congress within 2 years detailing the performance measures to be used in such a system that have been agREED to by the States and Federal government. That plan is to include the data elements that States will have to collect, the definitions of the data elements and the legislative language

necessary to implement the recommended program.

The bill also authorizes a grant program for the Secretary to provide financial support to States for developing the data infrastructure necessary to collect and report on the performance data.

As I have previously discussed, the increase in youth drug and alcohol abuse is a problem that threatens to undermine our society. To increase the focus of SAMHSA on youth substance abuse, the bill places a new emphasis on youth in developing treatment programs.

Although I believe that none of our children is truly safe when it comes to drugs and alcohol, there are children, because of their environment or state of mental health, that are more at risk to become drug or alcohol abusers. Children of substance abusers, victims of physical or sexual abuse, high school drop outs, the economically disadvantaged or those with mental health problems or who have attempted suicide are all at risk of drug and alcohol abuse. In order to develop effective techniques for prevention and treatment for these children, the bill also reauthorizes a grant program to develop effective models for the prevention and treatment of drug and alcohol abuse among high risk youth.

During discussions regarding the increased incidence of youth substance abuse several of my colleagues on the Health, Education, Labor and Pensions Committee have approached me to express their concern and desire to develop provisions to address the problem of youth substance abuse: Senator DEWINE has expressed an interest in developing provisions that would offer early intervention and prevention; Senator DODD has correctly pointed out that there has been little focus thus far on developing techniques to provide effective treatment for our children; Senator REED has pointed out that over 60% of youth in the juvenile justice system may have substance abuse disorders, compared to 22% in the general population; and Senator BINGAMAN has offered his help to address the problems with youth substance abuse in rural areas, Native American communities and other areas that are either underserved or where there is an emerging substance abuse problem among youth.

We will be working over the next few weeks to incorporate the elements addressed above into a bipartisan proposal. In the meantime, the bill creates the authority for a new program on youth treatment which will be strengthened by the bipartisan proposal when the Health, Education, Labor and Pensions Committee takes action on the bill.

The issue of children of substance abusers is also addressed in this bill. As I have mentioned, children of substance abusers are at high risk of being substance abusers themselves. The Department of Health and Human Services reported to Congress last month that 8.3 million, or 11 percent, of American children live with at least one parent who is either an alcoholic or in need of treatment for the abuse of drugs. This report also sadly confirms that between 50 to 80 percent of children in the child abuse, neglect and foster care systems have parents who need substance abuse treatment. To address this, the bill reauthorizes the Children of Substance Abusers Act (COSA) and moves its authority to SAMHSA from the Health Resources and Services Administration (HRSA) for better coordination. Funding under COSA, which was authored by Senator DODD and enacted during the 102nd Congress, would be used for identification and evaluation of families experiencing substance abuse and offer treatment and prevention services.

Another area I am addressing in this bill is youth violence and mental health services. As we have seen by the many tragedies in our nation's schools, the issue of youth violence causes us much pause for thought. Although I believe we cannot legislate a less violent society, this bill has programs which we hope will begin to address the issue of youth violence and assist communities by helping them meet the mental health needs of youth to cope with violence related stress.

The first step the bill takes is to authorize a provision that will assist local communities in developing ways to assist children in dealing with violence, building upon the actions last year of Senators SPECTER and HARKIN in the Senate Appropriations Subcommittee on Labor, HHS and Education. This bill will authorize SAMHSA to make grants in consultation with the Attorney General and the Secretary of Education to assist local communities. These grants will support activities that include: financial support to enable the communities to implement programs designed to help violent youth; technical assistance to local communities; and assistance in the creation of community partnerships among the schools, law enforcement and mental health services. In order to receive funding for services under this provision an organization would have to ensure that they will carry out six activities which include: security of the school; educational reform to deal with violence; the review and updating of school policies to deal with violence; alcohol and drug abuse prevention and early intervention; mental health prevention and treatment services; and early childhood development and psychosocial services. The funds, however, may only be used for prevention, early intervention, and treatment services.

In order to help youth and adolescents cope with violence and emergency crises, the bill establishes grants for developing knowledge with regard to evidence-based practices for treating mental health disorders resulting from violence related stress. In addition, the bill will establish centers of excellence to provide technical assistance to communities in dealing with the emotional burden of violence if and when it occurs.

By law, SAMHSA discretionary grant awards must be peer reviewed which regularly take up to six months to approve which makes SAMHSA unable to act quickly in a emergency. To ensure the availability of funding for emergencies, the bill establishes an emergency response fund to allow the federal government to address emergency substance abuse or mental health needs in local communities. For example, this funding could be available to assist communities exposed to violence or terrorism or communities experiencing a serious substance abuse emergency such as increased drug traffic or inhalant abuse.

The final theme of the bill that I would like to highlight is the issue of services for the homeless.

Individuals who are homeless face major barriers to access and utilize mainstream addictive and mental disorder treatment and recovery services, including lack of income verification documentation, difficulties in maintaining schedules, and lack of transportation. Furthermore, most providers are not equipped to handle the complex social and health conditions which the homeless population presents. An insufficient number of mainstream providers offer the long-term, residentially-based aftercare and housing services that are essential for homeless individuals adherence to treatment and residential stability. Mainstream providers are not typically linked to the full range of health, housing, and human development services that homeless individuals with addictive and mental disorders require for recovery and residential stability.

In order to help address the unique challenges of serving the homeless, the bill reauthorizes grants to develop and expand mental health and substance abuse treatment services for homeless individuals.

In addition, it reauthorizes the successful Projects for Assistance in Transition from Homelessness program, know as PATH. PATH is a formula grant program which provides funds to States to provide mental health services to homeless individuals including outreach, screening and treatment, habilitation and rehabilitation.

Mr. President, thus far I have laid out the major legislative changes my colleagues and I are undertaking to improve SAMHSA programs. However, I would like to talk about the great work that is accomplished locally by discussing recent efforts in my home State of Tennessee.

SAMHSA provides over 70 percent of overall funding for the Tennessee Department of Health's Bureau of Alcohol and Drug Abuse Services, which is headed by Dr. Stephanie Perry.

Last year Tennessee received over $25 million from the Substance Abuse Prevention and Treatment Block Grant to spend on treatment and prevention activities. With this funding the Tennessee Bureau of Alcohol and Drug Abuse Services provides funding to community-based programs that offer a wide range of services throughout the State.

In the area of prevention services, the funding allows for the Intensive Focus Group program which provides structured, short term educational and counseling programs for youth and their families. In addition, the State is also able to fund Regional Prevention Coordinators who are assigned to each region of the State to assist communities in the development, implementation and coordination of alcohol and drug prevention activities. One additional program, I would like to highlight is the Faith Initiative which is a voluntary involvement of faith leaders to establish the role of interfaith communities in substance abuse and violence prevention.

In the area of treatment, where Tennessee spends 65 percent of its total substance abuse dollars, there are several different treatment programs that focus on youth residential and day treatment, family intervention and referral services. Other offered services include medical detoxification which is a 24 hour a day, 7 days a week program that provides residential service for alcohol and drug abusers. Overall, the block grant funds permit nearly 6,500 Tennesseans to receive the substance abuse treatment they desperately need.

I am pleased that Tennessee has focused on serving individuals with co-occurring disorders. There are an estimated 25,000 Tennesseans identified as having co-occurring disorders, meaning they require both mental health and substance abuse services. The Co-Occurring Disorders Project is a partnership between Tennessee's Division of Mental Heath Services and Bureau of Alcohol and Drug Services, allowing the patient to overcome the difficult circumstances that make their recovery complex by allowing them to receive both substance abuse treatment and mental health treatment in an integrated system of care.

Another project that SAMHSA makes possible is the Central Intake Process which Tennessee developed to establish a uniformed system for anyone who requires alcohol and/or drug use treatment. Here is how this program works as demonstrated by the true case of a man named John.

John, is a 35 year-old, black male who was referred to Central Intake by his probation officer. John's past legal history includes 12 assault charges, 3 contempt of court charges, 15 public drunk charges and one DUI. John is a high school graduate, and has 24 months of technical training in operating heavy equipment. In the 30 days prior to his assessment, John had used 2 pints of alcohol a day, smoked crack cocaine on 22 days and marijuana on 4 days. John has been abusing alcohol for 27 years, marijuana for 21 years and cocaine for 4 years. He also has reported heroin use.

He was diagnosed as alcohol, cocaine and marijuana dependent and referred to a residential program with a step-down transitional living facility outside his geographic region. Upon completion of the program, the Central Intake case manager arranged a placement with a halfway house in another part of the State. The case manager for John reports that he has been clean and sober for 10 months, continues to live in the halfway house, is employed, involved in Alcoholics Anonymous and is a member of a church. By establishing Central Intake, Tennessee, thanks to Federal block grant dollars is able to evaluate and offer appropriate treatment for individuals like John to help put their lives back together.

With the $4.4 million that the Tennessee Department of Mental Health received in 1998, Tennessee was able to utilize and enhance an array of services dedicated to mental health. Overall the block grant money was distributed to 16 private not-for-profit community health centers and nine community health agencies throughout the State. SAMHSA block grant funds were used for consumer and family support groups. In addition the major allocation of funding is spent on drop-in/socialization services across the State. In all there are 35 consumer-operated centers which provide a place for consumers to meet and socialize with other consumers of mental health services. In addition funding is used for co-occurring disorder projects which train clinicians, establish resource centers, and establish a statewide network for dual diagnosis advocacy.

To address the youth population, the Tennessee Department of Mental Health uses SAMHSA block grant dollars to fund a program called BASIC. BASIC which stands for Better Attitudes and Skills in Children is a public school based early intervention and prevention program that identifies and works with children with serious emotional disturbance with a goal of reducing the incidence of adolescent and adult mental health problems. This project also focuses on enhancing awareness and capacity for response of school personnel to the mental health needs of children.

SAMHSA funds also pay for the early children intervention project which targets preschool children with behavior problems that are in a day care setting. The purpose of this program is to intervene at the point which behavior problems become obtrusive and problematic for the parents, teaching staff and other children in the day care center.

Finally, I would like to mention the Respite Services program for families of children identified as seriously emotionally disturbed, or dually diagnosed as emotionally disturbed and mentally retarded. Respite consultants assist in identifying and developing community-based respite resources, and work with families to utilize these resources in the most effective manner.

Mr. President, the bill I introduce today will ensure that Tennessee and other states will continue to receive critically needed Federal funds for community based programs to help individuals with substance abuse and mental health disorders. The changes that I have outlined will dramatically increase State flexibility in the use of Federal funds and ensure that each State is able to address its unique needs. The bill also provides a much needed focus on the troubling issue of the recent increase in drug use by our youth and addresses how we can be helpful to local communities in regard to the issue of children and violence. I am pleased to offer this bill today and I look forward to working on theses issues with my colleagues as the bill is considered by the Senate.●

● Mr. KENNEDY. Mr. President, today, we are introducing a bill to bring mental health and substance abuse treatment services into the next century. I commend Senator FRIST for his effective leadership on this issue. We have worked closely together on this important legislation to define the types of mental health and substance abuse treatment and services research that deserve to be funded, and to improve the process of accountability for clinical outcomes.

The bill also contains a number of provisions to address the alarming increase in violence in our schools and communities and the traumatic consequences of such violence. The legislation emphasizes a number of programs to prevent and reduce the impact of mental disorders and substance abuse in children and adolescents.

The tragic events in Colorado earlier this month are a reminder of how much more we need to help families, to protect children, and to make our schools and communities safer.

This legislation provides new support for children who are witnesses and survivors of domestic and community violence. Too often, these children are at great risk for long term psychological problems, including developmental delays, psychiatric symptoms such as anxiety or depression, and even the risk that these traumatized individuals will grow up to become perpetrators of violence themselves.

Another major feature of this bill is the attempt to address a number of concerns that were not apparent when we established the Substance Abuse and Mental Health Services Administration in 1992. We need to do more to help states identify the kinds of assistance that are most relevant to the persons they are currently serving and to do so in the most efficient and effective ways. Our bill accomplishes this by streamlining the services, and helps assure that the right services are going to those who most need them.

We also intend to address the needs of persons with both mental disorders and substance abuse. We must give greater priority to programs that support the mental health and substance abuse treatment needs of patients in primary care clinics.

I look forward to working closely with my colleagues to enact this legislation. We know that we can deal more effectively with the serious problems of substance abuse and mental illness, and enable far more of our fellow citizens to lead fulfilling and productive lives.●

●Mr. JEFFORDS. Mr. President, I rise today to join my colleague from Tennessee, Senator FRIST, in introducing the ''Youth Drug and Community-Based Substance Abuse and Mental Health Services Act.'' I am proud to be a cosponsor of this legislation that will reauthorize the very important work conducted by the Substance Abuse and Mental Health Services Administration (SAMHSA). I want to commend Senator FRIST for his valuable leadership in this effort.

Substance abuse affects us all. Many of us have a close friend or family member who is a substance abuser or living in recovery, and persons with mental illness continue to needlessly face obstacles to their successful treatment that can, and should be eliminated.

SAMHSA's role is to improve access to quality mental health and substance abuse services in the nation. It carries out this responsibility to the tremendous advantage of States, local governments, and communities across the nation. This reauthorization bill will improve access and reduce barriers to high quality, effective programs and services for individuals who suffer from, or are at risk for, substance abuse or mental illness, as well as for their families and communities. It strengthens SAMHSA's national leadership in ensuring that knowledge, based on science and state-of-the-art practice, is effectively used for the prevention and treatment of addictive and mental disorders.

SAMHSA fosters Federal-State partnerships by supporting State and local community mental health and substance abuse programs. SAMHSA's budget of $2.3 billion is distributed through grants to states, local communities, private organizations, and schools. This reauthorization will increase flexibility for the States and for the Secretary in the provision of these services. This bill will repeal and/or make optional several existing requirements, and instead allows the States to use the grant funds to better serve their particular mental health and substance abuse populations. It dramatically reduces the administrative burden of federal mandates and allows the States greater flexibility to coordinate programs to develop a seamless system of care.

This flexibility necessitates a need for increased accountability. This bill improves the way States are held accountable for their use of Federal funds. Under the current system, States are required to spend certain amounts on certain populations and their success is determined on whether they have spent the required amount of funds. Not on whether they are accomplishing program goals. We will change these programs to focus on performance and results as Congress has done with other programs.

I would now like to speak about what I see as the most important provisions of this bill. The first is the Title I provisions relating to services for children and adolescents. It is critical that we focus on treatment for youth. The substance abuse treatment system in this country is focused primarily on adult addicts. A system of care for adolescents is not routinely available. And yet the statistics show that adolescents are more frequently using drugs than they did five years ago. This reauthorization facilitates a system of care that addresses their needs.

The events of Littleton, Colorado have made us all keenly aware of the mental health of children in dealing with violence. The provision on Children and Violence in this bill pulls together the abilities of the Departments of Health and Human Resources, Education and Justice to support programs to address children and violence issues at the community levels. Mental health professionals, educators, and law enforcement officials can collaborate so that at-risk youths with disorders can be diagnosed early and moved into the proper treatment setting.

School districts will implement the wide range of early childhood development, early intervention and prevention, and mental health treatment services that appear to have the greatest likelihood of preventing violence among children. To ensure the availability of funding for emergencies, the bill establishes an emergency response fund to allow the federal government to support communities which have experienced trauma due to teen violence. To help youth and adolescents cope with violence and emergency crises, the bill establishes grants for developing knowledge with regard to best practices for treating psychiatric disorders resulting from emergency crisis. This is an approach that I understand is supported by both the research and service communities. It makes sense to me and I know that such programs will be helpful in every community in America.

I must also point out that this bill includes the formula compromise included in last years's omnibus appropriations bill for the Substance Abuse Prevention and Treatment Block Grant funds. This is an issue of paramount importance to small and rural states, and I am pleased that this legislation ratifies last year's agreement.

Mr. President, this is an important bill that will greatly improve the quality of substance abuse and mental health treatment in this nation. I look forward to considering this bill in the near future in committee, and then I hope it will receive the full attention of the Senate. I would like to once again thank Senator FRIST for putting so much time and effort into crafting legislation that will benefit so many American families.●

● Mr. DODD. Mr. President, I rise to express my support for the Substance Abuse and Mental Health Services Administration (SAMHSA) Reauthorization Act and to commend Senator FRIST for his leadership on this issue. I am pleased to join him as a co-sponsor of this legislation.

This reauthorization will support SAMHSA in achieving its mission to improve the quality and availability of mental health and substance abuse prevention, early intervention, and treatment services. The SAMHSA Act allows States to develop comprehensive systems to provide better quality mental health care so that children and adults with serious emotional disturbances may remain in the comfort of their home and within a familiar environment as they receive treatment. The flexibility provided by this piece of legislation will also allow States to build partnerships with schools and neighborhoods so that we can better confront the causes and impact of violence on our schools and communities. I am pleased that this legislation will also continue to support homeless individuals who need mental health services and will allow States to be innovative in addressing the needs of special populations such as pregnant, addicted women and those with HIV.

I am particularly pleased that this legislation incorporates a bill introduced by Senator JEFFORDS and myself, the ''Children of Substance Abusers Act'' (COSA). Children with substance abusing parents face serious health risks, including congenital birth defects, psychological, emotional and developmental problems, and the increased likelihood of becoming substance abusers themselves. Additionally, they are three times more likely

to be abused and four times more likely to be neglected than children whose parents are not substance abusers. COSA addresses the devastation generated in the wake of parental substance abuse by promoting aggressive outreach to families in need and providing early intervention, prevention, and treatment services, and education and training for health and social services providers on recognizing and serving these families.

Although this legislation is an excellent beginning, I am concerned about the omission of two critical issues which have not been adequately addressed by federal efforts to date— the need to provide treatment to teens who are abusing alcohol and drugs and the use of restraints and seclusion on children in mental health facilities.

Statistics reveal that in senior high schools across the country, twenty-five percent of students use an illicit drug on a monthly basis, and seven percent on a daily basis. In 1997, fifty-two percent of senior high school students reported monthly alcohol use, meaning more than four million teens consumed alcohol in any given month. Yet, only twenty percent of the 648,000 adolescents with severe substance abuse problems receive treatment. The legislation that I have introduced today, the ''Teen Substance Abuse Treatment Act of 1999'' would fill an important gap in our national strategy for combating substance abuse in our communities by dedicating funding for treating youth with alcohol and drug problems. This legislation would authorize grants to develop innovative services aimed at the specific needs of teenagers, including services that coordinate mental health and substance abuse services. In addition this legislation would address the interaction between substance abuse and violent and antisocial behavior.

While I am disappointed that this bill is not currently included in the SAMHSA Reauthorization legislation that will be introduced today, I am encouraged that Senator FRIST has agreed to work with me, Senator REED, and Senator BINGAMAN prior to a markup of the bill to craft legislation to comprehensively address the substance abuse needs of adolescents.

Secondly, Mr. President, I also today want to briefly mention an issue that I hope will eventually be addressed within SAMHSA's reauthorization. This issue, the misapplication of restraints and seclusion within facilities providing mental health care services, signals a national tragedy that must be addressed. As evidenced last year by the Hartford Courant in a ground breaking investigative series that confirmed 142 deaths that occurred during or shortly after restraints were applied, the federal government must do better to protect individuals with mental illnesses from the punitive and deadly misuse of restraints and seclusion. Additionally, because many of these deaths go unreported, the actual number of restraint-related deaths may be many times higher. More than 26 percent of restraint-related deaths were children—nearly twice the proportion they constitute in mental health institutions.

The alarming number of deaths reported in the series illustrates the need for national, uniform standards for the use of restraints in the mental health care field. Low pay for mental health care workers, little-to-no training, and a lack of accountability and oversight, all contribute to the deplorable conditions found in many of the nation's mental health care treatment centers. The initiative that I hope to include within SAMHSA will establish uniform standards for restraint use, ensure adequate training and appropriate staffing levels, and allow protection and advocacy organizations to review deaths that occur at mental health care facilities. Legislation concerning the use of restraint and seclusion use is badly needed. As the Hartford Courant series mentioned, the federal government monitors the size of eggs but does not record the number of deaths caused by the use of restraints and seclusion in mental health care facilities. I look forward to working with Senator FRIST toward the inclusion of this important initiative within SAMHSA's reauthorization.

Mr. President, this bill demonstrates our continuing support for SAMHSA and for sustaining programs which improve the quality and availability of substance abuse and mental health services. I am pleased that Senator FRIST has moved this legislation forward and look forward to working with him to include provisions to address the substance abuse treatment needs of adolescents and to enact standards regarding the use of restraint and seclusion. I again offer my support and cosponsorship of this bill.●

---

By Mr. WARNER:

S. 978. A bill to specify that the legal public holiday known as Washington's Birthday be called by that name; to the Committee on the Judiciary.

GEORGE WASHINGTON BICENTENNIAL ACT OF 1999

●Mr. WARNER. Mr. President, I rise today to introduce legislation to reestablish the third Monday in February as a national holiday called ''Washington's Birthday.''

Current law provides that the third Monday in February is a legal public holiday designated as ''Washington's Birthday.'' Nonetheless, there is an inaccurate misconception that this federal holiday is called ''President's Day.'' Not only does the use of the phrase ''President's Day'' in reference to the third Monday in February have no force in federal law, the misnomer obscures the true meaning of the holiday.

Simply put, the true meaning of the federal holiday known as ''Washington's Birthday'' is to celebrate the birthday of the father of our country. Washington's role in achieving our Nation's independence, in helping to create our Constitution, and as the first President of the United States of America cannot be overestimated.

As one of Virginia's delegates to the Second Continental Congress assembled in Philadelphia in May 1775, Washington was elected Commander in Chief of the Continental Army. As Commander in Chief of the Army, Washington helped ensure the independence of our Nation when he, with the help of French allies, forced the surrender of British forces at Yorktown. After the war, Washington soon realized the problems associated with the Articles of Confederation, and he became a prime mover in the steps leading to the Constitutional Convention in Philadelphia in 1787. Washington presided over the Constitutional Convention and ultimately yielded to the cries that he serve as our country's first President. After the Constitution was ultimately ratified, the electoral college twice unanimously elected Washington to serve as President of the United States.

As the father of our country, President Washington deserves to be distinguished from other Presidents. Federal law recognizes this deserved distinction in that President Washington's birthday is the only President's birthday recognized as a federal holiday. However, because this holiday is all too often misconceived as ''President's Day,'' this legislation is necessary to reestablish that the federal holiday is in fact ''Washington's Birthday.''

This legislation would achieve this objective by simply requiring all entities and officials of the United States Government, as well as federally funded publications, to refer to this day as ''Washington's Birthday.'' This bill in no way infringes on the right of any State or local government to recognize a ''President's Day'' or any other holiday. In fact, ''President's Day'' is a State holiday in a number of states.

President Buchanan emphasized the importance of Washington's birthday when he stated, ''when the birthday of Washington shall be forgotten, liberty will have perished from the earth.'' I urge my colleagues to support this bill to ensure that President Washington receive the distinction he deserves.●

---

By Mr. CAMPBELL for himself and Mr. MCCAIN):

S. 979. A bill to amend the Indian Self-Determination and Education Assistance Act to provide for further self-governance by Indian tribes, and for other purposes; to the Committee on Indian Affairs.

TRIBAL SELF-GOVERNANCE AMENDMENTS OF 1999

● Mr. CAMPBELL. Mr. President, today I introduce amendments to the

Indian Self-Determination and Education Assistance Act of 1975 (''ISDEA'') to provide for greater tribal self-governance for the programs and services of the Department of Health and Human Services (''HHS'').

Over the years the poor circumstances and conditions of Native Americans have been compounded by vacillating federal policies and federal domination of matters affecting Indian people.

This situation began to change in 1970, when President Nixon delivered his now-famous ''Message to Congress on Indian Affairs'', which laid the foundation for a more enlightened federal Indian policy. This new policy allowed tribes to forge their own destiny and challenged the federal government to find new, innovative ways to administer Indian programs.

Because of the tangible benefits it has brought, this shift away from federal domination and toward Indian self-determination has been supported by every Administration since 1970.

Indian self-determination fosters strong tribal governments and reservation economies. This policy has encouraged tribes to assume more responsibility for their own affairs, caused a reduction in the federal bureaucracy and, most importantly, improved the quality of services to tribal members.

The most definitive expression of the policy change brought about by President Nixon was the ISDEA which authorized tribes to negotiate and enter into agreements with the U.S. to assume control over and operate federal programs which had been previously administered by federal employees.

In the years after enactment of the ISDEA, Congress expanded on the framework by enacting tribal ''self-governance'' laws which created a demonstration project that authorized tribes to enter into ''compacts'' with the U.S., so that they may administer an array of services.

The principles of the ISDEA are similar to those of block granting to the states. Instead of the federal government micro-managing Indian tribes, the federal government is contracting with tribes to perform those functions. Like states, tribes know best which governmental programs best serve their communities and how programs should be delivered. In short, the concept of local administration of federal dollars works.

By continuing to build tribal capacity and expertise in the administration of programs and services previously administered by employees of the Department of the Interior and the HHS, the Act has forged stronger tribal governments and economies and led to a smaller federal presence in Indian affairs.

The current self governance ''demonstration project'' in health care involves approximately 50 tribes. The legislation I introduce today builds on these successes, makes the self governance program permanent and expands an array of eligible functions available for tribal self governance to include the many programs, services and activities of the HHS, such as clinical services, public health nursing, mental health, substance abuse, community health representatives, and dental health.

The bill ensures continued participation by the tribes now participating in the self governance project, and provides for participation by an additional 50 tribes or tribal organizations annually.

This is far from a ''no-strings attached'' approach to federal programs. To participate, tribes must successfully complete legal and accounting requirements, as well as demonstrate financial stability and financial management capability.

This legislation also addresses the issue of which functions may be performed by tribes and which may not. This bill differentiates between those services and activities that are federal, and therefore ineligible for tribal performance through a self-governance compact, and those that are not inherently federal, and therefore eligible for tribal performance through a self-governance compact.

To track the progress made in raising the health status of Indians, the bill requires participating tribes to report health-related data to the Secretary so that an accurate picture of Indian health can be drawn.

I am mindful that there are issues we need to explore further, such as contract support cost funding, and I fully anticipate that interested parties will have full and fair opportunity to raise their concerns during the legislative process.

I am hopeful that after working with the tribes, the Administration and other interested parties, and after careful consideration by the Committee on Indian Affairs, we will be able to enact this important legislation to raise the health status of Native Americans and continue the unparalleled success of the Indian self-determination policies.●

---

By Mr. BAUCUS (for himself, Mr. DASCHLE, Mr. THOMAS, Mr. HARKIN, Mr. GRASSLEY, Mr. CONRAD, Mr. ROBERTS, Mr. FRIST, Mr. JOHNSON, Mr. ROCKFELLER, Mr. JEFFORDS, Mr. WELLSTONE, and Mr. MURKOWSKI):

S. 980. A bill to promote access to health care services in rural areas; to the Committee on Finance.

PROMOTING HEALTH IN RURAL AREAS ACT OF 1999

Mr. BAUCUS. Mr. President, I rise today to introduce the Promoting Health in Rural Areas Act of 1999.

All Americans deserve access to quality health care. But in rural America health care delivery is often difficult, given the great distances and extreme weather conditions that typically prevail. That's why Senator DASCHLE and I, along with bipartisan group of Senators, are introducing this important legislation. Its provisions are many, but it purpose is singular: to correct the federal government's tendency to view all areas—urban and rural—with a one-size-fits all lens.

Before I begin explaining what this bill does, I want to recognize the tremendous contributions of some of the cosponsors' staff who have worked on the bill.

The Minority Leader is known in the Senate not only for this tremendous leadership, but for the quality of his staff. Elizabeth Hargrave is no exception. On loan from the Department of Health and Human Services, she has worked tirelessly to see this bill through to introduction. With her expertise and attention to the intricate details of health policy, we have come up with a solid, comprehensive bill, much improved from that which was introduced last year.

Tom Walsh on the Senate Aging Committee has also done tremendous work. His knowledge of Medicare law is vast, and his parent demeanor has done wonders toward making negotiations on this bill amicable and fruitful. Heidi Cashman with Senator ROBERTS, Neleen Eisinger with Senator CONRAD, Diane Major and Stephanie Sword with Senator THOMAS, Sabrina and Bryan with Senator HARKIN, The list goes on. The Promoting Health in Rural Areas Act is the product of many long meetings, extensive research, and a great deal of cooperation. Would that we could all work so well together.

So why is this bill important? As you know, Mr. President, a couple of years ago Congress passed the Balanced Budget Act. In it we extended the life of Medicare for several years and passed some important rural health provisions, including Medicare reimbursement for telemedicine and the Medicare Rural Hospital Flexibility Program to establish Critical Access Hospitals (CAHs).

Under the new CAH law, rural hospitals can convert to limited-service hospital status and received flexibility with Medicare regulations designed for full-size, full-service facilities. They are reimbursed by Medicare based on actual costs, not fixed or limited payments; in exchange, CAHs agree to a limit of 15 hospitals beds and patients stays of limited duration. The model for the new program was based largely on Montana's Medical Assistance Facility Program. CAHs show well the progress we can make if rural areas are afforded the flexibility to develop solutions to the problems they know best. They also illustrate a creative means by which we can use the Medicare program to keep rural hospitals open—and rural communities alive.

But not all of the Balanced Budget Act was positive for rural areas. Far from it. Montana health care facilities, including hospitals, home health agencies and nursing homes, are suffering.

In 1997, even before the BBA cuts, small rural hospitals in Montana lost 6.5% treating Medicare patients. And although we do not yet have complete data on the impact of the BBA changes, anecdotal evidence tells me that the situation in rural Montana has gotten even worse. In rural areas where many, usually most, patients are of Medicare age, we cannot expect these facilities to stay open without paying them enough to break even. We must do something to ensure the integrity of our rural health care systems.

This bill is a good first step. Among other things, the bill provides rural communities with assistance in recruiting health care providers; expands the range of services that can be provided with telemedicine; increases payments to hospitals in rural areas; expands access to mental health services in rural areas; changes the formula by which managed care payments are calculated to attract more managed care health plans to rural areas; and increase rural representation on the Medicare Payment Advisory Commission.

As Dennis Farney, a reporter from Kansas once wrote: ''A prairie is not any old piece of flat land in the Midwest. No a prairie is wine-colored grass, dancing in the wind. A prairie is a sun-splashed hillside, bright with wild flowers. A prairie is a fleeting cloud shadow, the song of the meadowlark. It is the wild land that has never felt the slash of the plow.'' For me, this conjures up images of an idyllic rural setting, far removed from the commotion of city life. And certainly that is in the minds of many who live in these sparsely-populated areas—that they are inhabiting a part of the world that is in many ways pristine and untouched.

Of course there is a price to pay for that. Rural folks should not expect to have all the amenities of city life: opera houses and professional sports teams are just a couple of things that rural areas must simply do without. Rural Montanans can't expect to have a subway system—or even a Subway sandwich shop for that matter—because economies of scale dictate as much.

And even in the area of health care, rural Americans realize they give up something. Full-service hospitals and dental clinics are the stuff of populated areas, and will probably remain so. But although you won't find a full-service acute-care hospital in Choteau, Montana, you can find a CAH. And though you don't find a full-service dental clinic in Eureka, you can find a rural health clinic. Rural residents cannot expect to have the most extensive health care facilities or access to the array of specialists typical of urban settings, but they should expect a minimum standard of quality care. This bill is a step in the right direction towards raising that standard.

Whether it's helping rural areas with highway dollars, preventing small post offices from moving to towns' outskirts, or keeping hospitals open, I think most of us agree that saving rural areas is something that ought to be done. Regardless of how hard we try, however, we cannot do so without ensuring the integrity of these communities' health care systems. I urge my colleagues to join the Minority Leader and I in doing just that.

Mr. DASCHLE. Mr. President, today I introduce a bill intended to improve health care for Americans living in rural areas. The Promoting Health in Rural Areas Act of 1999 would improve the viability of rural hospitals and clinics, help rural communities attract and retain health care providers and health plans, and make optimal use of the extraordinary medical and telecommunications technology available today.

One-fifth of Americans live in rural areas. They experience the same health care access problems that Americans in cities and suburbs face—plus some problems that are uniquely rural. Issues of geography and transportation, which rural Americans face all the time, can make it difficult to visit the doctor or get to a hospital. These problems are made worse by the short supply of health care professionals in rural areas.

Rural communities are striving to improve access through telehealth and the recruitment of health care professionals. At the same time, they must also struggle to maintain what they have, to ensure that providers who leave their area are replaced, and to keep their hospitals' doors open. This bill contains several provisions that will help them do this—by improving Medicaid and Medicare reimbursements to rural providers, strengthening recruitment programs, and encouraging the development of telehealth. These are important steps to improve access, increase choice, and improve the quality of care provided in more isolated parts of the country.

One problem rural areas face is reimbursement systems that favor urban areas, or that do not take the special needs of rural providers into account. For example, Medicare payments to hospitals are based on formulas that are biased toward urban areas. The Medicare Payment Advisory Commission, and its predecessor, the Prospective Payment Advisory Commission, have been pointing out these inequities for years. This bill would correct the formulas and pay hospitals more fairly.

Another reimbursement problem in rural states is payment for health plans in Medicare+Choice. The bill includes a provision to guarantee that plans in rural counties get the increased reimbursement promised in the Balanced Budget Act. This provision is important to ensure that beneficiaries in rural areas have some of the health plan choices available to urban seniors.

Rural communities also face difficulty recruiting and retaining health care providers. Despite great increases in the number of providers trained in this country over the past 30 years, rural communities have not shared equitably in the benefits of this expansion. As a result, about 22 million rural Americans live in areas considered Health Professional Shortage Areas because they do not have enough doctors to serve their community.

Our bill addresses obstacles in current law to the recruitment and training of providers in rural areas. One obstacle is the current requirement that communities actually lose a physician before they qualify for recruitment assistance to replace that provider. This bill would let communities get assistance for up to 12 months in advance when they know a retirement or resignation is pending. Another provision in the bill ensures that new Medicare reimbursement rules for medical residents, enacted as part of the Balanced Budget Act, do not discriminate against areas that train residents in rural health clinics or other settings outside a hospital.

Telehealth is another promising tool to bring medical expertise to rural communities. Through telehealth technology, rural patients can significantly shorten their travel time to see specialists, and they can have access to doctors they would otherwise never encounter. The benefits of telehealth extend to rural health professionals as well, providing them with technical expertise and interaction with peers that can make practicing in a rural area more attractive.

Our bill addresses some of the barriers that have limited the development of telehealth. It would expand Medicare reimbursement for telehealth to all rural areas, and to all services Medicare currently covers. The bill also would make telehealth more convenient, by allowing any health care practitioner to present a patient to a specialist on the other side of the video connection. The bill also includes a grant program to help communities establish telehealth programs.

Mr. President, rural America deserves appropriate access to health care—access to hospitals, access to providers, and access to quality services. Providing this care in rural communities raises unique challenges, but we can—and must—overcome those challenges. The bill I introduce today, along with my colleague Senator BAUCUS and other members of the Rural Health Caucus, takes important steps toward that goal.

Mr. CONRAD. Mr. President, today, I am pleased to join Senator BAUCUS, Senator DASCHLE, and other Senators to introduce the Promoting Health in Rural Areas Act of 1999 (PHIRA). This legislation will improve access, increase choice and improve the quality of health care in rural America.

As you know, Mr. President, the Balanced Budget Act (BBA) of 1997 produced real savings for the Medicare program and helped to extend solvency of the program. However, since passing the BBA, we have heard concerns from many rural health care providers that they are facing serious financial pressures due in large part to reductions that were enacted as part of the BBA.

During the BBA debate, I was very concerned that across-the-board cuts in Medicare would have a disproportionate impact on rural health care. Rural hospitals rely heavily on Medicare and in my state of North Dakota, Medicare accounts for 70 percent of hospital revenue. This means that Medicare reimbursement reductions have a bigger direct impact on rural hospitals than on other hospitals. It also means that rural hospitals have fewer other sources of revenues where they can increase margins to make up for losses in Medicare revenue.

To help protect access to health care in rural areas, I and a coalition of other Senators, worked hard to fight for provisions in the BBA to protect our rural areas. We made positive steps toward ensuring that health care in rural areas is affordable and accessible.

Our victories included, for the first time, requiring Medicare reimbursement for telehealth. Also included was the creation of the Critical Access Hospital program. The BBA also helped to reform managed care reimbursement to make it more equitable to rural areas and added Graduate Medical Education language to protect rural residency programs.

Despite our efforts, BBA reductions are having an unfair and disproportionate impact on rural health care systems—these cuts have caused real pain for providers and threaten to reduce access to health care for seniors, particularly in rural areas.

To help address these concerns, we have worked hard to develop legislation that will ensure our rural areas have access to quality care. The Promoting Health in Rural Areas Act of 1999 will improve Medicaid and Medicare reimbursement to rural providers, strengthen health professional recruitment programs, and encourage the development of telehealth.

One problem that rural areas face is reimbursement systems that favor urban areas, or that do not take the special needs of rural providers into account. Medicare payments to hospitals are currently based on formulas that are biased toward urban areas. The first element of PHIRA would correct these formulas and pay hospitals more fairly. In the BBA, Medicaid funding for Community Health Clinics (CHCs) and Rural Health Clinics (RHCs) was changed, leaving no guarantee that states will adequately fund these facilities. This bill would create a new payment system for CHCs and RHCs that will help ensure continued support for these essential facilities. The bill would also guarantee that Medicare+Choice plans in rural counties get the increased reimbursement promised in the BBA. This provision is important to ensure that beneficiaries in rural areas have at least some of the health plan choices that are available to urban seniors.

The second element of our bill includes provisions to attract and bring more health care providers into our communities. Rural communities face difficulties in recruiting and retaining health care providers. In my state, over 85% of counties are designated as either a partial or full health shortage profession area (HPSA). Nationwide, 22 million rural Americans live in HPSAs. We must do more to attract qualified health care providers into our rural areas. Currently, communities must actually lose a physician before they qualify for recruitment assistance to replace that provider. This bill would let communities get assistance for up to 12 months in advance when they know someone is going to retire. In addition, this bill will take positive steps to ensure that our future health care providers choose to serve in HPSAs. Currently, students in our National Health Service Corps program, a program helps students pay for their medical education or re-pay their medical student loans in return for serving in HPSAs, are facing undue hardship due to the fact that they are being taxed on scholarships they receive to participate in the NHSC. This bill will reward students for their commitment to working in HPSAs by exempting them from being taxed on their NHSC scholarships.

The third element of PHIRA will go even further to ensure that the most important medical services are available in our communities by expanding access to telehealth services. The promise of telehealth is becoming increasingly apparent. Throughout the country, providers are experimenting with a variety of telehealth approaches in an effort to improve access to quality medical and other health-related services. Those programs are demonstrating that telecommunications technology can alleviate the constraints of time and distance, as well as the cost and inconvenience of transporting patients to medical providers. Many approaches show promising results in reducing health care costs and bringing adequate care to all Americans. For the first time, technological advances and the development of a national information infrastructure give telehealth the potential to overcome barriers to health care services for rural Americans and afford them the access that most Americans take for granted. But it is clear that our nation must do more to integrate telehealth into our overall health care delivery infrastructure.

This bill would expand Medicare reimbursement for telemedicine to all rural areas, and to all Medicare services. Medicare reimbursement policy is an essential component of helping to integrate telehealth into the health care infrastructure and is particularly important in rural areas, where many hospitals do as much as 80% of their business with Medicare patients. Because the Secretary defined reimbursable services so narrowly in the BBA, this legislation clarifies that all services that are covered under Medicare Part B will be covered if they are instead delivered vial telehealth. In particular, it clarifies that the technology called ''store and forward'', which is a cost-effective method of transferring information, is included in this reimbursement policy.

This bill will also help communities build home-grown telehealth networks. It will help to build telehealth infrastructure and foster rural economic development, and it incorporates many of the most important lessons learned from other grant projects and studies on telehealth from across the Federal government. Because so many rural and underserved communities lack the ability to attract and support a wide variety of health care professionals and services, it is important to find a way to bring the most important medical services into those communities. Telehealth provides an important part of the answer. It helps bring services to remote areas in a quick, cost-effective manner, and can enable patients to avoid traveling long distances in order to receive health care treatment.

Mr. President, I am confident that the Promoting Health in Rural Areas Act will take important steps toward ensuring those in our rural and underserved communities have access to quality, affordable health care. I urge my colleagues to support this legislation.

Mr. THOMAS. Mr. President, I rise today to join several of my colleagues in introducing the ''Promoting Health in Rural Areas Act,'' a bill designed to increase access to quality health care services in rural areas. I am pleased to have worked with my colleagues—Senators BAUCUS, ROBERTS, GRASSLEY, HARKIN, DASCHLE, CONRAD and COLLINS—in crafting this bill for rural America.

Rural health care has been a top priority for me throughout my service in the House and Senate. As co-chairman of the Senate Rural Health Care Caucus, I am pleased that rural health care

is an issue that we have always addressed in a bipartisan way in the Senate.

Rural health care is at a crossroads. Many communities are left short-handed through no fault of their own. The lack of physicians, nurses and other health professionals make it difficult for rural individuals to receive the most basic primary care. Further, inadequate and, more importantly, unequal reimbursement by federal agencies multiplies these unique challenges and leaves rural individuals and families without access to vital medical care.

The Promoting Health in Rural Areas Act of 1999 offers clear and sensible solutions to these problems. It increases reimbursement rates for rural hospitals and clinics, it offers communities additional assistance in recruiting physicians, it promotes the use of telemedicine services, it expands coverage of mental health services in rural areas and it ensures adequate representation of rural health care on a national Medicare advisory board. It is a long-term solution tailored to the needs of rural areas.

The bill incorporates many of the best ideas and recommendations that emerged from the Wyoming Health Care Policy Forum I hosted in Casper on August 26–27, 1998. Wyoming's health care providers, health care recipients, elected representatives and concerned citizens assembled to evaluate and assess the direction of Wyoming's health care delivery system and to chart a blueprint for its future.

This bill increases payments to Sole Community Hospitals, Rural Health Clinics and private health plans contracting with Medicare by exempting them from a proposed prospective payment system for outpatient hospital services. Facilities would be reimbursed on actual costs, providing a higher reimbursement rate. It would also update the cost reporting year, or ''rebase,'' the data Medicare uses to calculate costs and reimbursements.

Most hospitals in Wyoming are designated as Sole Community Hospitals because of isolation, weather, travel conditions and the absence of other health care facilities. They are crucial for health care delivery in Wyoming.

Further, the bill would expand the eligibility for hospitals to become Critical Access Hospitals. Critical Access Hospitals are a newly designated class of hospitals in rural areas that have been given greater flexibility and relief from federal regulations so they can organize their staff and facilities to meet the immediate emergency care needs of their small communities. They can tailor or reconfigure their services without losing their Medicare certification.

Rural communities through the United States are federally designated health professional shortage areas (HPSA). Wyoming has 22 of them. This means there is less than one primary care physician for every 3500 persons living in those areas. The Promoting Health in Rural Areas Act helps solve this dilemma by offering effective solutions to recruit and retain health care providers.

It revises Medicare's Graduate Medical Education (GME) programs by raising the cap on the number of residents that will be allowed to participate in family practice residency programs. In addition, it provides added recruiting assistance to communities in HPSAs. Current law places rural communities at risk because it requires that a community first lose a physician before it qualifies for recruitment assistance. This bill recognizes pending physician resignations and retirements so communities have access to assistance before they lose their provider.

Further, it enhances the National Health Service Corps (NHSC) by giving tax relief to those receiving scholarships and loans under the program. The NHSC is an important component in the rural health care delivery system and additional tax relief would encourage recipients to remain in rural areas.

Telehealth technologies play a key role in bridging the barriers of time and distance that prevent access to medical care. We must ensure that the technology is practical, affordable, accessible and maintains privacy. The bill expands the types of telemedicine services that will be reimbursed under Medicare, which will be very useful in establishing a well-coordinated network of physicians, mid-level practitioners, hospitals and clinics. It also encourages solutions to telemedicine questions that have been raised about practicing interstate medicine by authorizing a Joint Working Group on Telehealth that would identify, monitor and coordinate federal telehealth projects and issue an annual report to Congress.

Mental health care is a priority in this bill. Individuals in rural areas often have limited access to mental health services. As a result, rural states license additional categories of mental health professionals than are recognized by Medicare. This bill ensures more of the services will be covered by Medicare.

Two years ago, Congress established the Medicare Payment Advisory Commission to make important policy recommendations on Part A and Part B of the Medicare program. Unfortunately, of the current 15-member board, only one health care professional is from a rural area. Our bill requires that the Commission include at least two representatives from Rural Areas. This will help ensure that the board members fully understand the implications of their policy decisions.

In conclusion, the Promoting Health in Rural Areas Act provides the answers many rural communities are looking for to ensure quality health care for their residents. I look forward to discussing and actively debating rural health this Congress. It is possible that Medicare reform legislation will be debated this year and the Senate Rural Health Care Caucus will work to attach many of these provisions to such legislation. We understand the impact recent Medicare changes are having on our nation's fragile rural health system.

We need to act now. This bill is a great start.

Mr. HARKIN. Mr. President, I am pleased to join my distinguished colleagues, Senators DASCHLE, BAUCUS, THOMAS, CONRAD, ROBERTS, GRASSLEY, COLLINS, and FRIST in introducing a critical piece of legislation for America's rural communities, the ''Promoting Health in Rural Areas Act of 1999''. As co-chairs of the Senate Rural Health Caucus, Senator THOMAS and I convened this bipartisan group last fall to craft a comprehensive rural health bill, building on the hard work of Senators DASCHLE and BAUCUS from the 105th Congress. I am very proud that today we are able to come together across party lines to introduce a bill that will improve the ability of rural Americans to access good quality health care.

Today, the health care system in rural Iowa is on the verge of being admitted to an intensive care unit. Iowans living in small towns and rural areas are facing too many barriers to quality health care. But seniors living in New Hampton, Iowa, pay the same Medicare taxes as those who live in New York City—they should get the same quality health care.

This bill aims to improve access, increase choice, and improve the quality of care provided in rural towns in Iowa and around the nation. Current formulas for Medicaid and Medicare payments to hospitals are biased towards urban areas. This bill raises payments for rural hospitals by making it easier for them to qualify for special designations. The bill also strengthens health professional recruitment programs, helps expand access to mental health services in rural areas, requires that rural areas be represented on the Medicare Payment Advisory Commission and expand the range of Medicare-reimbursed services that can be provided via telemedicine.

Health care providers in rural areas like Iowa practice a conservative, cost-effective approach to health care. They should be rewarded for their resourcefulness, not penalized with unfair reimbursement rates. But Medicare payments to hospitals are currently based on formulas that give urban areas an advantage. This bill corrects these formulas so that hospitals can be paid more fairly. It also includes provisions specifically targeted to small, rural

hospitals and the unique problems they face.

In addition, the bill guarantees that Medicare+Choice plans in rural counties get the increased reimbursement promised in the Balanced Budget Act of 1997. This provision will help ensure that seniors in rural areas have some of the same health plan choices available to urban seniors. These changes will help to address some of the inequity that exists for Medicare managed care.

And I will soon introduce legislation that will take the next critical step: fixing the inequity in Medicare fee-for-service. The vast majority of seniors living in rural areas will continue to receive their care through Medicare fee-for-service, yet the reimbursement rate for rural providers is woefully inadequate. My bill will address the imbalance between rural and urban fee-for-service rates, and I hope to introduce it in the next several weeks.

Mr. President, the health care system in this country is undergoing dramatic changes and our rural health care infrastructure is struggling to keep pace with the new landscape. The bill we are introducing today is the product of a bipartisan commitment to make sure that rural Americans have access to the same high quality health care that all Americans have come to expect. I am proud to be a part of this effort.

Mr. ROBERTS. Mr. President, I rise today to join my colleagues in introducing the Promoting Health in Rural Areas Act of 1999.

Health care today is at a crossroads. Rural communities face significant challenges in their efforts to recruit and retain health care providers. Hospitals and other health care facilities are facing increasing pressure from Medicare reductions. In 1997, Congress passed significant changes to the Medicare program in an effort to preserve the program for future generations. A new Congressional Budget Report says we are exceeding our expectations. In fact, since the beginning of the fiscal year in October, Medicare spending was $2.6 billion less than the amount spent in the similar period last year.

While this is good news for the fiscal integrity of the Medicare program, I am concerned about the unintended effects these reductions are having on the beneficiaries who depend on Medicare for health care services. It doesn't do much good to ''save'' the program if providers can no longer afford to deliver the services and beneficiaries are no longer able to access these services.

A new review by Ernst & Young reports that total hospital Medicare margins are expected to decline from 4.3 percent in fiscal year 1997 to only 0.1 percent in this fiscal year and remain below three percent through 2002.

Even more shocking is that total hospital margins for small, rural hospitals are expected to fall from 4.3 percent in fiscal year 1998 to negative 5.6 percent by fiscal year 2002, an amazing decline of 233 percent. Kansas hospitals are expected to lose over $530 million. I simply don't think our rural health system can survive any more reductions.

The Promoting Health in Rural Areas Act of 1999 will help to improve access, increase choice, and improve the quality of care provided in rural America.

Health care providers in rural areas generally serve a large number of Medicare patients. However, Medicare reimbursement to rural providers is not adequate to cover the costs of these services. This measure takes steps to ensure fair Medicare and Medicaid payments to rural providers by targeting those hospitals with special designations in rural areas. Provisions are included to increase payments and improve the Sole Community Hospital, Medicare Dependent Hospital, and Critical Access Hospital programs. In addition, these special facilities are exempt from a new outpatient reimbursement system that is being developed by the Health Care Financing Administration.

The Promoting Health in Rural Areas Act of 1999 also strengthens health professional recruitment programs and gives communities a chance to begin recruitment efforts before a crisis hits. Under current law, a community must effectively lose a physician before they qualify for recruitment assistance as a shortage area.

This measure also takes steps to encourage the use of telehealth, a critical piece of the rural health infrastructure. Under current law, HCFA limits reimbursement to four groups of services. This bill will expand reimbursement to include any services currently covered by Medicare in a rural area. In addition, the bill authorizes a new grant/loan program for telemedicine activities in rural areas.

Compromise is a way of life for rural Americans. Rural residents have fewer choices of physicians or hospitals. Rural providers must settle for fewer medical colleagues to rely on for consultation and support.

However, rural communities can no longer compromise. The regulatory burden is too much. Payments are too low. There simply isn't any more ''fat'' in the system.

Mr. President, I fear this is only the tip of the iceberg. As payment changes continue to be implemented and HCFA continues to issue new regulations and paperwork burdens, rural communities are going to suffer the most. In fact, many may not survive. We are already losing home health agencies at an alarming rate. Are hospitals the next to go?

I am committed to efforts to preserve access to health care services for all Kansans. We can do this if we simply focus on practical reforms that take into account the realities of practicing medicine in rural states like Kansas. We can guarantee access to quality health care services if we make changes now. We can't afford to wait. I urge my colleagues to join me today in supporting this legislation and look forward to working together to enact common sense solutions—before it's too late.

---

By Mr. DODD:

S. 981. A bill to provide training to professionals who work with children affected by violence, to provide for violence prevention, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

VIOLENCE PREVENTION TRAINING FOR EARLY CHILDHOOD EDUCATORS ACT

● Mr. DODD. Mr. President, I am pleased to introduce the ''Violence Prevention Training for Early Childhood Educators Act,'' legislation designed to teach violence prevention to children at the earliest ages.

all of us have been shaken by the tragedy at Littleton, Colorado. Americans are left searching for answers to many questions. How could these teenagers have committed such brutality? What happened to the innocence and joy of youth? How can society help prevent such violent, deadly behavior from happening again?

One of the most effective solutions is to begin violence prevention at an early age. My proposal was not thrown together as a quick-fix to the Littleton tragedy. It is a carefully thought-out program aimed at true prevention. It is designed to help early childhood educators— the people who work directly with young children in preschools, child care centers, and elementary schools—learn the skills necessary to prevent violent behavior in young children. This legislation supports programs that prepare these professionals so that early childhood teachers, child care providers, and counselors are able to teach children how to resolve conflicts without violence. In addition, these professionals are in the perfect position to reach out and extend these lessons to parents and help whole families adopt these powerful skills.

Research has demonstrated that aggressive behavior nearly childhood is the single best predictor of aggression in later years. Children observe and imitate aggressive behavior over the course of many years. They certainly have plenty of exposure to violence, both in the streets and at home. For example, a Boston ho0spital found that 1 out of every 10 children seen in their primary care clinic had witnessed a shooting or stabbing before the age of 6. I am disheartened to report that in my home state of Connecticut, 1 in 10 teens have been physically abused. Alarmingly, more than a third of teenage boys report that they have guns or

could get one in less than a day. Aggression may become very well-learned by the time a child reaches adolescence. Therefore, we must provide children with strategies for altering the negative influences of exposure to violence. Early childhood offers a critical period for overcoming the risk of violent behavior and later juvenile delinquency. And the proper training of professional who work with young children offers an effective route to reaching these kids.

This is not to suggest that early childhood professionals would replace parents as a source of teaching prosocial and acceptable behavior. Instead, these teachers should be encouraged to work with the whole family to address conflict without violence and aggression.

In 1992, as part of the Higher Education Act reauthorization, Congress enacted similar legislation to provide grants for programs that train professionals in early childhood education and violence counseling. These grants funded some remarkable programs. In my home state, a program at Eastern Connecticut State University trained students—half of whom were minority, low-income indivdiuals—to be teachers in their own communities, and trained child care providers in violence prevention with young children.

Unfortunately, just as these efforts were getting off the ground and starting to show promising results, the funding for the program was rescinded as part of the major 1994 rescission bill. Looking back, after the horrible events in Littleton, Colorado, Springfield, Oregon, and too many other communities, I think we can clearly see that was a mistake, Hindsight is always clearer—but let's not make the same mistake going forward. As we now work towards the reauthorization of the Elementary and Secondary Education Act, I hope that my proposal for a similar grant program for early violence prevention training is included in these discussions.

Preventing future acts of violence is an issue that rises above partisan politics. I think we can all agree that steps need to be taken to reduce the development of violent behavior in children. Please join me in this effort to begin creating a safer society for everyone, especially our children.●

---

By Mr. WELLSTONE (for himself and Mr. KERRY):

S. 982. A bill entitled ''Clean Money, Clean Elections Act''; to the Committee on Rules and Administration.

CLEAN MONEY, CLEAN ELECTIONS ACT

Mr. WELLSTONE. Mr President, I am here today to introduce the ''Clean Money, Clean Elections'' campaign finance reform legislation. It is in some ways the ''gold standard'' of true campaign finance reform, against which any more modest legislation ought to be assessed. The conceptual approach it embodies—replacing special interest money in our current system with clean money—is being adopted by state legislatures and in referenda across the country.

Some of my colleagues might respond to this announcement by saying that there are other issues that have arisen in this session that are more important than a debate over whether we will comprehensively reform our campaign finance laws. Some might argue that the American people appear to care more about other issues. I would argue, though, that public concern about one issue does not necessarily have to come at the expense of another. And while it is clear that Americans care very deeply about a variety of issues—Kosovo, taxes, education, and Social Security reform first among them—it is also clear that they care very much about the nature of our political system. When asked, 60 percent of Americans say they think that reforming the way campaigns are financed should be a high priority on our National agenda. There is no question in my mind that these people are right—reforming the way campaigns are financed should be, must be, a high priority on our agenda.

Many people believe our political system is corrupted by special interest money. I agree with them. It is not a matter of individual corruption. I think it is probably extremely rare that a particular contribution causes a member to cast a particular vote. But the special interest money is always there, and I believe that we do suffer under what I have repeatedly called a systemic corruption. Unfortunately, this is no longer a shocking announcement, even if it is a shocking fact. Money does shape what is considered do-able and realistic here in Washington. It does buy access. We have both the appearance and the reality of systemic corruption. And we must act.

In the House, a bipartisan effort is currently underway to force consideration of the Shays-Meehan bill, and the number of signers is slowly building. Yesterday, moderate House Republicans met with Speaker HASTERT to ask for an early vote on the bill. Today, Representative TIERNEY is introducing the ''Clean Money'' companion bill with 38 original co-sponsors. The House is acting on campaign finance reform, as should we on the Senate side. Here in the Senate, we must push forward this spring on tough, comprehensive reform.

I wonder if anyone would bother to argue that the way we are moving toward a balanced federal budget is unaffected by the connection of big special-interest money to politics? The cuts we are imposing most deeply affect those who are least well off. That is well-documented. The tax breaks we offer benefit not only the most affluent as a group, but numerous very narrow wealthy special interests. Does anyone wonder why Congress retains massive subsidies and tax expenditures for oil and pharmaceutical companies? What about tobacco? Are they curious why Congress permits a health care system dominated by insurance companies? Or a version of ''free trade'' which disregards the need for fair labor and environmental standards, for democracy and human rights, and for lifting the standard of living of American workers, as well as workers in the countries we trade with? How is it that Congress ever considers major legislation that directly promotes the concentration of ownership and power in the telecommunications industry, in the agriculture and food business, and in banking and securities? For the American people, how this happens, I think, is no mystery.

I think most citizens believe there is a connection between big special interest money and outcomes in American politics. People realize what is ''on the table'' or what is considered realistic here in Washington often has much to do with the flow of money to parties and to candidates. We must act to change this.

We must act to change this because the American people have lost faith in the system. People are turning away from the political process. They are surrendering what belongs most exclusively to them, their right to be heard on the issues that affect them, simply because they don't believe their voices will carry over the sound of all that cash. The degree of distrust, dissatisfaction, and outright hostility expressed by the American people when asked about the political process overwhelms me. According to recent polls, cynicism abounds:

92 percent of all Americans believe special-interest contributions buy votes of members of Congress.

88 percent believe that those who make large campaign contributions get special favors from politicians.

67 percent think that their own representative in Congress would listen to the views of outsiders who made large political contributions before they would listen to their own constituents' views.

And nearly half of all registered voters believe lobbyists and special interests control the government in Washington.

We must act on campaign finance reform. We must act to restore Americans' trust in our political process. We must act to renew their hope in the capacity of our political system to respond to our society's most basic problems and challenges. We must act to provide a channel for the anger that many Americans feel about the current system, and acknowledge the grassroots reform movement that's been

building for years. These are our duties, and we must act to move the reform debate forward.

As Members of Congress, most pressing for us should be the question of why so many people no longer trust the political process, especially here in Congress, and what we can do to restore that trust. Polls and studies continue to show a profound distrust of Congress, and of our process. Many Americans see the system as inherently corrupt, and they despair of making any real changes because they figure special interests have the system permanently rigged.

I do not need to rehash the many serious problems with our campaign financing system. The bottom line is indisputable: the system does not have—and has not had for many years—the confidence of the American people. People have lost faith in Congress as an institution, in the laws we pass, and in the democratic process itself, because of the money chase and its accompanying systemic corruption. Too often in our system, money determines political viability, it determines the issue agenda, and it determines to whom legislators are accountable: cash constituencies, not real constituencies. Most troubling, money often determines election outcomes, and the public knows it.

Too many Americans believe that a small but wealthy and powerful elite controls the levers of government through a political process which rewards big donors—a system in which you have to pay to play. Why do you think corporate welfare has barely been nicked, but welfare for the poor and needy in this country has been gutted? The not-so-invisible hand of corporate PACs and well-heeled lobbyists, and huge corporate soft money contributions can be seen most openly here.

Too many Americans see our failures . . .

to alleviate the harsh, grinding poverty that characterizes the lives of too many of our inner-city residents,

to reduce the widening gulf between rich and poor,

to combat homelessness, drug addiction, decaying infrastructure, rising health care costs, and an unequal system of education.

And they want to know why we can't, or won't, act to address these problems head-on. Americans understand that without real reform, attempts to restructure our health care system, create jobs and rebuild our cities, protect our environment, make our tax system fairer and more progressive, fashion an energy policy that relies more on conservation and renewable sources, and solve other pressing problems will remain frustrated by the pressures of special interests and big-money politics.

In thinking about reform legislation, I start with the premise that political democracy has several basic requirements:

First, free and fair elections. It is hard to say with a straight face that we have them now. That's why people stay home on election day, why they don't participate in the process. Incumbents outspend challengers 8 or 10–1, millionaires spend their personal fortunes to buy access to the airwaves, and special interests buy access to Congress itself, all of which warps and distorts the democratic process.

Second, the consent of the people. The people of this country, not special interest big money, should be the source of all political power. Government must remain the domain of the general citizenry, not a narrow elite.

Third, political equality. Everyone must have equal opportunity to participate in the process of government. This means that the values and preferences of all citizens, not just those who can get our attention by waving large campaign contributions in front of us, must be considered in the political debate. One person, one vote—no more and no less—the most fundamental of democratic principles.

Each of these principles is undermined by our current system, funded largely through huge private contributions. Contributions that come with their own price tag attached—greater access and special consideration when push comes to shove. It's time for real reform.

Over the years, I have introduced and re-introduced campaign finance reform legislation, pushed amendments, organized my colleagues, given speeches, observed a self-imposed fundraising code stricter than current law, fought filibusters, and otherwise tried in every way I could to get tough, sweeping reform enacted into law. All to no avail. To my great regret, campaign finance reform so far has been successfully blocked in Congress by those who oppose it, staunch defenders all of the status quo.

Which is why I stand here today, reintroducing the ''Clean Money, Clean Elections'' legislation that we introduced during the last Congress. We have tightened and strengthed some of the nuts and bolts of the legislation, but it is much the same bill that it was when we first introduced it: simple and sweeping, fundamental campaign finance reform.

If the 1994 elections are remembered as the year the Republicans swept into power in Congress, then the 1998 elections should go down as the year that special-interest money smothered Washington. Money has always played a role in American politics and campaign spending is not a new problem, but it has exploded during the 1990s. In the 1993–94 election cycle, the national political parties raised $18.8 million in soft money contributions. By the 1997–98 election cycle that figure was up to $193.2 million in soft money. That's nearly a five-fold increase in just under five years. There can be no doubt that big money has become the primary currency of democracy in Washington.

In the 1995–96 election cycle, corporations, groups, and individuals representing business interests outspent labor by 12–1. Individuals and PACs representing the natural resource industries (such as gas and oil companies) outspent environmental interests by an estimated 27–1 in contributions to congressional candidates. Political contributions representing finance, insurance, and real estate interests were in excess of $130 million for the last election cycle. In the 1996 election cycle, less than one-quarter of one percent of the American people made contributions of more than $200 in a Federal election. Yet an astounding eighty percent of all political money came from this tiny group. Of all the economically-interested money given to Congressional candidates, almost none represented the millions of Americans who are poor, or parents of public school children, or victimized by toxic dumping or agri-chemical contamination, or who are small bank depositors and borrowers, or people dependent on public housing, transportation, libraries, and hospitals. It is clear who is represented under the current system and who is shut out.

The bill I am introducing today strikes directly at the heart of the crisis in the current system of campaign finance: the only way for candidates of ordinary means to run for office and win is to raise vast sums of money from special interests, who in turn expect access and influence on public policy. Real campaign finance reform needs to restore a level playing field, open up federal candidacies to all citizens, end the perpetual money chase for Members of Congress, and limit the influence of special interest groups. This legislation does all of these things by offering:

The strictest curbs on special-interest money and influence. The ''Clean Money, Clean Elections'' legislation bans completely the use of ''soft money'' to influence elections, discourages electioneering efforts masquerading as non-electoral ''issue ads,'' provides additional funding to clean money candidates targeted by independent expenditures, and most importantly, allows candidates to reject private contributions if they agree to participate in the clean money system of financing.

The greatest reduction in the cost of campaigns. Because it eliminates the need for fundraising expenses and provides a substantial amount of free and discounted TV and/or radio time for Federal candidates, this legislation allows candidates to spend far less than ever before on their campaigns.

The most competitive and fair election financing. By providing limited

but equal funding for qualified candidates, and additional funding for clean money candidates if they are outspent by non-participating opponents, this legislation allows qualified individuals to run for office on a financially level playing field, regardless of their economic status or access to larger contributors. Right now, the system is wired for incumbents because they are connected to the connected. The big players, the heavy hitters, tend to be attracted to incumbents, because that is where the power lies. This bill would allow all citizens to compete equally in the Federal election process.

And an end to the money chase, shorter elections, and stronger enforcement. ''Clean Money, Clean Elections'' campaign finance reform frees candidates and elected officials from the burden of continuous fundraising and thus allows public officials to spend their time on their real duties. In effect, it also shortens the length of campaigns, when the public is bombarded with broadcast ads and mass mailings, by limiting the period of time during which candidates receive their funding. Moreover it strengthens the enforcement and disclosure requirements in Federal election campaigns.

What I am proposing are fundamental changes, necessary changes if we hope to ever regain the public's confidence in the political process. This legislation is both simple to understand and sweeping in scope. As a voluntary system this bill is constitutional, and it effectively provides a level playing field for all candidates who are able to demonstrate a substantial base of popular support. ''Clean Money, Clean Elections'' strengthens American democracy by returning political power to the ballot box and by blocking special interests' ability to skew the system through large campaign contributions.

Most importantly, this legislation attacks the root cause of a system founded on private special interest money, curing the disease rather than treating the symptoms. The issue is no longer one of tightening already existing campaign financing laws, no longer a question of what's legal and what's illegal. The real problem is that most of what's wrong with the current system is perfectly legal. Big money special interests know how to get around the letter of the law as it is now written. This current system of funding congressional campaigns is inherently antidemocratic and unfair. It creates untenable conflicts of interests and screens out many good candidates. By favoring the deep pockets of special interest groups, it tilts the playing field in a way that sidelines the vast majority of Americans. This legislation takes special interest out of the election process and replaces it with the public interest, returning our political process to the hallowed principle of one person, one vote.

I am not naive about the prospects for campaign finance reform during this Congress, and realize that the sweeping reform bill that I am introducing today is a ''vision bill.'' But that's okay, for as Yogi Berra is reported to have said, ''If you don't know where you're going, you may end up someplace else.'' This is where I want to go, and where I believe the vast majority of Americans would also like to go. In one recent survey, 48% percent of respondents thought they would be more likely to see Elvis than real campaign finance reform. And while this is obviously a somewhat toungue-in-cheek response for many people, I think it also reflects a deeply cynical electorate. For once let's not live down to their worst expectations, and let's pass tough, comprehensive campaign finance reform during this Congress.

I ask consent that a summary of the bill and a section-by-section analysis be included in the RECORD.

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

SHORT SUMMARY OF ''CLEAN MONEY, CLEAN ELECTIONS'' CAMPAIGN FINANCE REFORM ACT OF 1999

''CLEAN MONEY'' FINANCING

Candidates voluntarily forgot private contributions and accept strict spending limits in exchange for publicly financed election funds, as well as other benefits such as free or reduced rate prime access broadcast time.

Amount of ''clean money'' candidates receive in general election based on state's Voting Age Population (VAP).

If the voting age population is less than 4 million: $320,000 + VAP(.24)=clean money funding amount

If the voting age population is greater than 4 million: $320,000 + VAP(.20)=clean money funding amount

Candidates receive 67% of general election funding for contested primary election.

Additional clean money financing provided to match non-participating opponents' expenditures in excess of spending limits, as well as independent expenditures made against clean money candidate or in favor of non-participating opposition candidate.

SOFT MONEY BAN

Prohibits national parties from soliciting or receiving contributions or spending funds not subject to the Federal Election Campaign Act (FECA).

Certain necessary state level activities are excluded from these prohibitions, and the establishment of ''state party grassroots funds'' is allowed for certain generic campaign activity.

INDEPENDENT EXPENDITURES AND EXPRESS ADVOCACY

Creates new, tighter definition of independent expenditures to ensure proper distance from candidates.

Toughens reporting requirements for independent expenditures.

Creates new definition for express advocacy using three independent standards, any one of which meets definition (provides ''fall back'' standard should any part of definition be declared unconstitutional).

Exempts voting records and voting guides from definition of express advocacy.

REPORTING AND DISCLOSURE

Limits a party's coordinated expenditures to 10 percent of the amount of clean money the candidate is eligible to receive for the general election.

Tightens the definition of party coordination, and requires a party to limit its coordinated and independent expenditures.

Doubles the penalties for ''knowing and wilful'' violations of federal election law.

Requires Senate candidates to file disclosure reports and disclosures electronically and directly with the Federal Election Commission (FEC), which must then be made available on the Internet within 24 hours.

Requires that campaign advertisements contain sufficient information to clearly identify the candidate on whose behalf the advertisements are placed.

Establishes new reporting requirements for issue advertisements.

---

THE CLEAN MONEY, CLEAN ELECTIONS CAMPAIGN FINANCE REFORM ACT—SECTION-BY-SECTION

**Section 1. Short title; table of contents.**

TITLE I—CLEAN MONEY FINANCING OF SENATE ELECTION CAMPAIGNS. pp. 2–32.

**Section 101. Findings and declarations.** Section 101 states the purposes of the legislation.

**Section 102. Eligibility requirements and benefits of "clean money" financing of Senate election campaigns.** Section 102 of the bill would create a new Title V in the 1971 Federal Election Campaign Act (2 U.S.C. 431). It defines ''clean money,'' establishes the requirements for a major party or other candidate to qualify and receive clean money; establishes the dates and methods for receiving clean money; places restrictions, including spending limits, on clean money candidates; establishes the amounts of clean money to be provided to candidates for primary and general elections; and allows for providing additional clean money to match expenditures by and on behalf of an opponent which exceed a trigger-amount above the voluntary spending limit adopted by the clean money candidate.

The section defines clean money as the funds provided to a qualifying clean money candidate. Clean money will be provided from a Senate Election Fund established in the Treasury and composed of unspent seed money contributions, qualifying contributions, penalties, and amounts appropriated for clean money financing of Senate election campaigns.

The clean money candidate qualifying period begins 270 days prior to the date of the primary election. To qualify for clean money financing for a primary or a general election, a candidate must be certified as qualified by 30 days prior to the date of that election. Prior to the candidate receiving clean money from the Senate Election Fund, a candidate wishing to qualify as a clean money candidate may spend only ''seed money.'' Seed money contributions are private contributions of not more than $100 in the aggregate by a person. It is the only private money a clean money candidate may receive as a contribution and spend. A candidate's seed money contributions are limited to a total of $50,000 plus an additional $5,000 for every congressional district in the state over one. Seed money can be spent on campaign related costs such as to open an office, to fund a grassroots campaign or hold community meetings, but cannot be spent for a television or radio broadcast or for personal use. At the time that a clean money candidate receives clean money, all unspent seed money shall be remitted to the Federal Election Commission (FEC) to be deposited in the Senate Election Fund.

To qualify for clean money financing, a major party candidate must gather a number of qualifying contributions equal to one-quarter of 1 percent of the state's voting age population, or 1,000 qualifying contributions, whichever is greater. A qualifying contribution is $5, made by an individual registered to vote in the candidate's state, and is made during the qualifying period. Qualifying contributions are made to the Senate Election Fund by check, money order, or cash. They shall be accompanied by the contributor's name and address and a signed statement that the purpose of the contribution is to allow the named candidate to qualify as a clean money candidate.

A major party candidate is the candidate of a party whose candidate for Senator, President, or Governor in the preceding 5 years received, as a candidate of that party, 25 percent or more of the total popular vote in that state for all candidates for that office.

Clean money candidates qualify for clean money for both the primary and the general election. A qualifying candidate will receive clean money for the primary election upon being certified by the FEC, and once the ''primary election period'' has begun. A candidate will be certified within 5 days of filing for certification if the candidate has gathered the threshold number of contributions, has not spent private money other than seed money, and is eligible to be on the primary ballot. The primary election period is from 90 days prior to the primary election date until the primary election date. The qualifying period begins 180 days before the beginning of the primary election period. A candidate must be certified as a clean money candidate 30 days prior to the primary election in order to receive clean money financing for the primary election.

A clean money candidate who wins the party primary and is eligible to be placed on the ballot for the general election will receive clean money financing for the general election. A candidate not of a major party who does not qualify as a clean money candidate in time to receive clean money financing for the primary election period may still qualify for clean money financing for the general election by gathering the threshold number of qualifying contributions by 30 days prior to the general election and qualifying to be on the ballot.

The amount of clean money a qualified candidate receives for the primary and general election is also the spending limit for clean money candidates for each respective election. The clean money amount for the general election for a qualified clean money candidate is established according to a formula based on a state's voting age population. The section establishes a clean money ceiling for the general election of $4.4 million, and a floor of $760,000. The clean money amount for a contested major party primary is 67 percent of the clean money amount for the general election. In the case of an uncontested primary or general election, the clean money amount is 25 percent of the amount provided in the case of a contested election.

To qualify for clean money financing, a candidate who is not a major party candidate must collect 150 percent of the number of qualifying contributions that a major party candidate in the same election is required to collect. A candidate who is not a major party candidate must otherwise qualify for clean money financing according to the same requirements, restrictions and deadlines as does a major party candidate. A candidate who is not a major party candidate who qualifies as a clean money candidate in the primary election period will receive 25 percent of the regular clean money amount for a major party candidate in the primary. A candidate who is not a major party candidate who qualifies as a clean money candidate will receive the same clean money amount in the general election as will a major party candidate.

Additional clean money financing, above the regular clean money amount, will be provided to a clean money candidate to match aggregate expenditures by a private money candidate and independent expenditures against the clean money candidate or on behalf of an opponent of the clean money candidate, which are, separately or combined, in excess of 125 percent of the clean money spending limit. The total amount of matching clean money financing received by a candidate shall not exceed 200 percent of the regular clean money spending limit.

The section establishes penalties for the misuse of clean money and for expenditure by a clean money candidate of money other than clean money.

**Section 103. Reporting requirements for expenditures of private money candidates.** Section 103 requires private money candidates facing clean money opponents to report within 48 hours expenditures which in aggregate exceed the amount of clean money provided to a clean money candidate. A report of additional expenditures, in aggregate increments of $1,000, will also be required.

**Section 104. Transition rule for current election cycle.** Section 104 allows a candidate who received private contributions or made private expenditures prior to enactment of the Act not to be disqualified as a clean money candidate.

TITLE II—INDEPENDENT EXPENDITURES; COORDINATED EXPENDITURES, pp. 33–50.

**Section 201. Reporting requirements for independent expenditures.** Section 201 amends Section 304(c) of the 1971 FECA (2 U.S.C. 434(c)) to require reporting of independent expenditures made or obligated to be made by a person in support of, or in opposition to, a candidate for office. Prior to 20 days before the date of the election, each such independent expenditure which exceeds in aggregate $1,000 by a person shall be reported within 48 hours. After 20 days prior to the date of the election, each such independent expenditure made or obligated to be made which exceeds in aggregate $500 shall be reported within 24 hours.

**Section 202. Definition of independent expenditure.** Section 202 amends section 301 of the 1971 FECA (2 U.S.C. 431) to create a new definition of independent expenditure. An independent expenditure would be an expenditure made by a person other than a candidate or candidate's authorized committee that is made for a communication that contains express advocacy; and is made without the participation or cooperation of, and without coordination with, a candidate.

The section defines express advocacy as a communication that is made through a broadcast medium, newspaper, magazine, billboard, direct mail, or other general public communication or political advertising and that advocates the election or defeat of a clearly identified candidate, including a communication that contains a phrase such as ''vote for'', ''re-elect'', ''support'', ''cast your ballot for'', ''(name of candidate) for Congress'', ''(name of candidate) in (year)'', ''vote against'', ''defeat'', ''reject''; or contains campaign slogans or individual words that in context can have no reasonable meaning other than to recommend the election or defeat of a clearly identified candidate;

OR

A communication that refers to a clearly identified candidate in a paid advertisement that is broadcast through radio or television; involves aggregate disbursements of $5,000 or more; and is made within the last 60 days before the date of the general election.

The section provides a fall back definition of express advocacy should a portion of the above definition not be in effect. The fallback definition would be in addition to any portion of the above still in effect. The fallback definition establishes that express advocacy would be a communication that clearly identifies a candidate, and taken as a whole, with limited reference to external events, expresses unmistakable support for or opposition to the candidate; or is made for the clear purpose of advocating the election or defeat of the candidate, as shown by a statement or action by the person making the communication, the targeting or placement of the communication, and the use by the person making the communication of polling, demographic or other similar data relating to the candidate's campaign for election.

Each standard is severable from the others and any one standard is sufficient to meet the definition of express advocacy. Voting records and voting guides are exempted from the definition of express advocacy.

**Section 203. Limits on expenditures by political party committees.** The section amends section 315(d)(3) of the 1971 FECA (2 U.S.C. 441a(d)(3)) to limit a party's coordinated expenditures in a race involving a clean money candidate. In the case of any Senate election in which 1 or more candidates are clean money candidates, the amount that any party may spend in connection with that race or in coordination with a candidate is limited to 10 percent of the amount of clean money a clean money candidate is eligible to receive for the general election.

**Section 204. Party independent expenditures and coordinated expenditures.** The section, modeled after H.R. 417, the Shays-Meehan bill, strictly tightens the definition of party coordination in numerous ways. The section also requires a party which makes a coordinated expenditure in connection with a general election campaign for Federal office in excess of $5,000 to file a certification that the party will not make any independent expenditures in connection with that campaign. The section further tightens the definition of coordinated expenditure by persons other than a party. It establishes that coordinated expenditures shall be considered to be contributions made to a candidate (with an exception that allows the limited party coordinated expenditures on behalf of a clean money candidate as provided in Section 203).

TITLE III—VOTER INFORMATION, pp. 50–60.

**Section 301. Free broadcast time.** The section provides clean money candidates with 30 minutes of free broadcast time during the primary election period and 60 minutes of free broadcast time during the general election period. The broadcasts shall be between 30 seconds and 5 minutes in length, aired during prime time for television or drive time for radio. Any one station shall not be required to provide a clean money candidate with more than 15 minutes of free time during an election period.

**Section 302. Broadcast rates and preemption.** A clean money candidate in a contested election shall be charged 50 percent of the lowest charge described in section 315(b) of the Communications Act of 1934 (47 U.S.C. 315(b)) for purchased broadcast time during the 30 days preceding the primary and 60 days preceding the general election.

**Section 303. Campaign advertisements; issue advertisements.** The section requires that campaign advertisements contain sufficient information clearly identifying the candidate on whose behalf the advertisements are placed. The information shall include an audio statement by the candidate where applicable which states that the candidate approves the communication, and a clearly identifiable photographic or similar image of the candidate where applicable. Private money candidates shall include the following statement: ''This candidate has chosen not to participate in the Clean Money, Clean Elections System and is receiving campaign contributions from private sources.''

The section also establishes new reporting requirements for issue advertisements, including the amount of the disbursement for an issue advertisement, the name and address of the person making the disbursement, donors of $5,000 or more to the person during the calendar year, and the purpose of the advertisement. An issue advertisement is an advertisement which is not an independent expenditure or contribution that contains the name or likeness of a Senate candidate during an election year, and recommends a position on a political issue.

**Section 304. Limit on Congressional use of the franking privilege.** The section prohibits franked mass mailings during an election year by a Senate candidate who holds Congressional office, except for a notice of public meeting which contains only the candidate's name, and the date, time, and place of the public meeting.

TITLE IV—SOFT MONEY, pp. 60–77.

This title prohibits political party soft money and is identical to that found in H.R. 417, the Shays-Meehan bill.

**Section 401. Soft money of political parties.** The section prohibits national parties from soliciting or receiving contributions or spending funds not subject to the Federal election Campaign Act. It prohibits state, district or local committees of a political party from spending money during an election year for activity that might affect the outcome of a Federal election unless the money is subject to the FECA. The section establishes certain activities excluded from the above prohibition, which are legitimate or necessary activities of the committees.

The section prohibits parties or their committees from solicting funds for, or making any donation to, tax-exempt organizations. It also prohibits candidates and Federal office-holders from receiving or spending funds not subject to the FECA.

**Section 402. State party grassroots funds.** The section allows establishment of state party grassroots funds solely for the purpose of generic campaign activity, voter registration, or other activities specified in the FECA, and the development and maintenance of voter files. The fund shall be separate and segregated.

**Section 403. Reporting requirements.** The section establishes new reporting requirements for national parties and congressional campaign committees for all receipts and disbursements.

**Section 404. Soft money of persons other than political parties.** The section requires individuals other than a committee of a political party that make an aggregate disbursement in excess of $50,000 during a calendar year in which there is a Federal election to file a statement with the Federal Election Commission. The section does not apply to a candidate or a candidate's authorized committees, or to an independent expenditure.

TITLE V—RESTRUCTURING AND STRENGTHENING OF THE FEDERAL ELECTION COMMISSION, pp. 78–91.

**Section 501. Appointment and terms of Commissioners.** The President shall appoint 6 members of the Commission with the advice and consent of the Senate and 1 member from among persons recommended by the Commission.

**Section 502. Audits.** The section authorizes random audits and investigations by the Commission to ensure voluntary compliance with the FECA. The subjects of such audits and investigations shall be selected on the basis of impartial criteria established by a vote of at least 4 member of the Commission.

**Section 503. Authority to seek injunction.** The section authorizes and sets out standards for initiation by the Commission of a civil action for a temporary restraining order or preliminary injunction.

**Section 504. Standard for investigation.** The section grants the Commission greater discretion in opening an investigation.

**Section 505. Petition for certiorari.** The section allows petition to the Supreme court on certiorari.

**Section 506. Expedited procedures.** The section allows the Commission to order expedited proceedings based on clear and convincing evidence that a violation of the FECA has occurred, is occurring, or is about to occur, to avoid harm or prejudice to the interests of the parties.

**Section 507. Filing of reports using computers and facsimile machines; filing by Senate candidates with Commission.** The section instructs the Commission to require the filing of reports in electronic form in certain cases, and instructs the Commission to allow the filing of reports by facsimile machines. The Commission is required to make information filed electronically available on the Internet within 24 hours of filing.

The section requires Senate candidates to file designations, statements, and reports directly with the Commission.

**Section 508. Power to issue subpoena without signature of chairperson.** The section allows the Commission to issue a subpoena without the signature of the chairperson or vice chairperson.

**Section 509. Prohibition of contributions by individuals not qualified to vote.** The section prohibits contributions in connection with a Federal election by an individual who is not qualified to register to vote in a Federal election, and prohibits receiving contributions from any such individuals.

**Section 510. Penalties for violations.** The section increases and tightens penalties for knowing and willful violations of Federal election law.

**TITLE VI—EFFECTIVE DATE, p. 91**

**Section 601. Effective date.** The Act and the amendments made by the Act would take effect on January 1, 2000.

Mr. FEINGOLD. Mr. President, I thank my friends, Senator KERRY of Massachusetts and Senator WELLSTONE of Minnesota, and commend them on the introduction of their campaign finance reform proposal, the Clean Money bill. I am very pleased that they are once again introducing this far reaching and visionary piece of legislation. I think it is important as we deal in this Senate with the more limited bill that I have proposed with the Senator from Arizona, Senator MCCAIN, that the American people understand that we do not believe that the job will be completed if that bill becomes law.

Of course, I also want to thank Senators KERRY and WELLSTONE for their strong support of the McCain-Feingold bill. I also want to make it very clear that these two pieces of legislation are completely consistent and complimentary. The Clean Money bill introduced today contains the central components of the McCain-Feingold and Shays-Meehan bills—a soft money ban, provisions to deal with phony issue ads, and improved enforcement and disclosure. But it adds a comprehensive system of financing Senate campaigns, based on initiatives that have been endorsed by the voters in Maine, Massachusetts, and Arizona for their state elections, to provide public funding to qualified candidates for state officeholders.

Mr. President, when I first ran for the Wisconsin State Senate many years ago, my race would literally not have been possible were it not for Wisconsin's system of partial public financing. Under the state system in effect at that time, I had to raise approximately $17,500 from friends and family, and the state election fund provided a grant of the same amount. So once I raised my share, my fundraising work was done, and I could spend my time going door to door campaigning. I won that first race by only a few votes, and I'm convinced that my retail campaigning was the difference. So I believe it is fair to say that I wouldn't be in the United States Senate today if Wisconsin didn't have that system of public financing, that allowed a person of limited means to run for office, and win.

Today, all over the country, citizens are coming to realize that the money chase that is required to run for office is depriving them of good candidates and representatives. Not everyone who would be a hardworking and effective public servant comes from a wealthy background or from a community of friends or business associates who can finance a campaign. And so the Clean Money movement is taking hold in state after state. Overwhelming majorities in polls taken on this issue support a Clean Money system, where candidates raise a large number of very small contributions to qualify for a limited public grant to run an adequate, but not an extravagant, campaign. These polls, and the successful ballot initiatives in Maine, Massachusetts, and Arizona show that the public is not only ready, but eager, for a new way of financing our elections.

Obviously, Mr. President, a majority in the United States Senate is not yet

ready for such a clean break with the current system. But I believe that over time we in the Senate will catch up with public sentiment, and this is the way we will have to go. I am convinced that Clean Money is the future of campaign financing in this country, at both the state and federal level. And so I am very pleased that Senators KERRY and WELLSTONE have decided to reintroduce their bill and I thank them for their leadership.

---

By Mr. JOHNSON (for himself and Mr. DASCHLE):

S. 983. A bill to require the Secretary of Transportation to issue regulations to provide for improvements in the conspicuity of rail cars of rail carriers; to the Committee on Commerce, Science, and Transportation.

RAILROAD CAR VISIBILITY ACT

Mr. JOHNSON. Mr. President, I rise today to introduce the Railroad Car Visibility Act, which would require all railroad cars—including those on passenger an commuter trains—to have some form of reflective marker.

This legislation provides a simply way to improve rail car visibility at rail crossings and sidings, sites where many accidents have occurred in recent years. When crossings and sidings are in rural areas or near small towns—as is often the case in South Dakota—they usually are unlit or very poorly lit, increasing the potential for disaster. While locomotives are required to use lighting such as ditch lights to increase visibility, rail cars are often unmarked, which means they are difficult for automobile drivers to see. This legislation attempts to remedy this problem by requiring that all rail cars display some form of visible marker, such as reflectors of reflective tape.

Last year, the Department of Transportation (DOT) issued a memorandum on reflective markings and their effectiveness for increasing visibility. DOT tested several different types of reflectors, including different colors and patterns, The memorandum concludes that ''bright color patterns distributed to give an indication of the size or shape of the rail car make the most effective marking systems.'' Fitting rail cars with reflective materials would be relatively inexpensive but, by increasing visibility, would reduce the number of accidents, unnecessary injuries and deaths at rail crossings and sidings. As one railroad executive has said, ''It's sort of a tragedy that something that makes so much common sense has to be legislated. Everyone should do it. The railroad industry is its own worst enemy sometimes.

This legislation has the support of both South Dakota's legislature and Governor Janklow. I urge my colleagues to support this legislation and work with me to secure its passage.

Mr. President, I ask unanimous consent to have the bill printed in the RECORD.

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

S. 983

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

**SECTION 1. IMPROVED CONSPICUITY OF RAIL CARS.**

(a) IN GENERAL.—Section 20132 of title 49, United States Code, is amended—

(1) by striking the heading and inserting the following:

**''§ 20132. Visible markers for train cars''**;

and

(2) by adding at the end the following:

''(c) IMPROVED CONSPICUITY.—Not later than 180 days after the date of enactment of this subsection, the Secretary of Transportation shall—

''(1) develop and implement a plan to ensure that the requirements of this section are met; and

''(2) issue regulations that require that, not later than 2 years after the date of issuance of the regulations, all cars of freight, passenger, or commuter trains be equipped, and, if necessary, retrofitted, with at least 1 highly visible marker (including reflective tape or appropriate lighting).''.

(b) CONFORMING AMENDMENT.—The analysis for chapter 201 of title 49, United States Code, is amended by striking the item relating to section 20132 and inserting the following:

''20132. Visible markers for train cars.''.

---

By Mr. CAMPBELL:

S. 985. A bill to amend the Indian Gaming Regulatory Act, and for other purposes; to the Committee on Indian Affairs.

THE INTERGOVERNMENTAL GAMING AGREEMENT ACT OF 1999

Mr. CAMPBELL. Mr. President, today I introduce The Intergovernmental Gaming Agreement Act of 1999 to address an area of contention between tribes and states that centers on the ability of tribes to operate gaming activities on their lands.

In 1988, virtually no one contemplated that Indian gaming would become the billion dollar industry that exists today, providing some tribes with much needed capital for development and employment opportunities where none previously existed.

Because of gaming, some tribes have been very successful, fortunate mostly because of their geographical location. These tribes employ thousands of people, both Indian and non-Indian, and have greatly reduced the welfare rolls in their local area.

It is extremely important for us to keep these facts, and the goals of the gaming statute in mind and to remember that where gaming exists, it provides a great opportunity for tribes to develop other business and development projects. However, it must also be recognized that not all tribes will find the keys to a brighter economic future in gaming.

In the 1987 Cabazon case, the U.S. Supreme Court decided that tribes could operate casino style gaming without the consent or regulation of the state, in cases where the state otherwise allowed such gambling.

In 1988, Congress passed the Indian Gaming Regulatory Act, otherwise known as ''IGRA'', as a compromise between states and tribes. IGRA was an attempt to allow tribes to continue to develop the gaming operations allowed under federal case law, but gave states for the first time the right to have some say in how those operations would be regulated.

It was not Congress' intention in enacting IGRA to provide States with veto authority over a tribe's plans to develop gaming operations.

Unfortunately, a few States have attempted to do just this, and at least two states have effectively prevented tribes from opening gaming operations by simply refusing to negotiate with them.

A group of tribes and states has been attempting to negotiate their differences and have been doing so for some 18 months, to no avail. As the Committee on Indian Affairs knows well after numerous hearings, each side has presented demands in such a way that the other is simply unwilling to consider.

I firmly believe The Intergovernmental Gaming Agreement Act of 1999 will go a long way in solving this problem by encouraging full and fair negotiations and by allowing each side recourse to federal court at the critical stage in the mediation stage of the proposed process.

The Intergovernmental Gaming Agreement Act of 1999 requires tribes to negotiate with states for purposes of concluding a class III gaming agreement. Only when states refuse to negotiate outright or reach an impasse during negotiations by failing to come to agreement within six months of the tribe's request for negotiation, can a tribe access the alternative procedures outlined in this bill.

Once the tribe applies for procedures with the Secretary of the Interior, the Secretary first must attempt to reconcile state-tribal differences by referring the parties to mediation. Even when a tribe has applied to begin the procedure for developing a class III compact, the state has full and unfettered access to the procedure at every stage.

This legislation allows the state to intervene in the process at the point of their choosing and, when all is said and done, the states have the right to challenge the outcome in federal district court.

I ask unanimous consent that a copy of the bill be printed in the RECORD and urge my colleagues to support these reasonable and necessary amendments.

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

S. 985

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''The Intergovernmental Gaming Agreement Act of 1999''.

**SEC. 2. AMENDMENTS TO THE INDIAN GAMING REGULATORY ACT.**

The Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.) is amended—

(1) by striking section 11, subsection (d) and inserting the following:

''(d)(1) Class III gaming activities shall be lawful on Indian lands only if those activities are—

''(A) authorized by an ordinance or resolution that—

''(i) is adopted by the governing body of the Indian tribe having jurisdiction over such lands,

''(ii) meets the requirements of subsection (b), and

''(iii) is approved by the Chairman,

''(B) located in a State that permits such gaming for any purpose by any person, organization, or entity; and

''(C) authorized by a Compact that is approved pursuant to tribal law by the governing body of the Indian tribe having jurisdiction over those lands;

''(D) conducted in conformance with a compact that—

''(i) is in effect; and

''(ii) is—

''(I) entered into by an Indian tribe and a State and approved by the Secretary under paragraph (3); or

''(II) issued by the Secretary under paragraph (3).

''(2)(A) If any Indian tribe proposes to engage in, or to authorize any person or entity to engage in, a class III gaming activity on Indians lands of the Indian tribe, the governing body shall adopt and submit to the chairman an ordinance or resolution that meets the requirements of subsection (b).

''(B) The Chairman shall approve any ordinance or resolution described in subparagraph (A), unless the Chairman specifically determines that—

''(i) the ordinance or resolution was not adopted in compliance with the governing documents of the Indian tribe, or

''(ii) the tribal governing body was significantly and unduly influenced in the adoption of such ordinance or resolution by any person identified in section 12(e)(1)(D).

''(C) Upon approval of such an ordinance or resolution, the Chairman shall publish in the Federal Register such ordinance or resolution and the order of approval.

''(3) COMPACT NEGOTIATIONS; APPROVAL.—

''(A) IN GENERAL.—

''(i) COMPACT NEGOTIATIONS.—Any tribe having jurisdiction over lands upon which a class III gaming activity is to be conducted may request the State in which those lands are located to enter into negotiations for the purpose of entering into a compact with that State governing conduct of Class III gaming activities.

''(ii) REQUIREMENTS FOR REQUEST FOR NEGOTIATIONS.—A request for negotiations under clause (i) shall be in writing and shall specify each gaming activity the Indian tribe proposes for inclusion in the compact. Not later than 30 days after receipt of the written request, the State shall respond to the Indian tribe.

''(iii) COMMENCEMENT OF COMPACT NEGOTIATIONS.—Compact negotiations conducted under this paragraph shall commence not later than 30 days after the date on which a response by a State is due to the Indian tribe, and shall be completed not later 120 days after the initiation of compact negotiations, unless the State and the Indian tribe agree in writing to a different period of time for the completion of compact negotiations.

''(B) NEGOTIATIONS.—

''(i) IN GENERAL.—The Secretary shall, upon request of an Indian tribe described in subparagraph (A)(i) that has not reached an agreement with a State concerning a compact referred to in that subparagraph (or with respect to an Indian tribe described in clause (ii)(I)(bb) a compact) during the applicable period under clause (ii) of this subparagraph, initiate a mediation process to—

''(I) conclude a compact referred to in subparagraph (A)(i); or

''(II) if necessary, provide for the issuance of procedures by the Secretary to govern the conduct of the gaming referred to in that subparagraph.

''(ii) APPLICABLE PERIOD.-

''(I) IN GENERAL.—Subject to subclause (II) the applicable period described in this paragraph is—

''(aa) in the case of an Indian tribe that makes a request for compact negotiations under subparagraph (A), the 180-day period beginning on the date on which that Indian tribe makes the request; and

''(bb) in the case of an Indian tribe that makes a request to renew a compact to govern class III gaming activity on Indian lands of that Indian tribe within the State that the Indian tribe entered into prior to the date of enactment of the Indian Gaming Regulatory Act of 1988, during the 60-day period beginning on the date of that request.

''(II) EXTENSION.—An Indian tribe and a State may agree to extend an applicable period under this paragraph beyond the applicable termination date specified in item (aa) or (bb) of subclause (I).

''(iii) MEDIATION.—

''(I) IN GENERAL.—The Secretary shall initiate mediation to conclude a compact governing the conduct of class III gaming activities on Indian lands upon a clear showing by an Indian tribe that, within the applicable period specified in clause (ii), a state has failed—

''(aa) to respond to a request by an Indian tribe for negotiations under this subparagraph; or

''(bb) to negotiate in good faith.

''(II) EFFECT OF DECLINING NEGOTIATIONS.—The Secretary shall initiate mediation within 10 days after a State declines to enter into negotiations under this subparagraph, without regard to whether the otherwise applicable period specified in clause (ii) has expired.

''(III) COPY OF REQUEST.—An Indian tribe that requests mediation under this clause shall provide the State that is the subject of the mediation request a copy of the mediation request submitted to the Secretary within 5 days of receipt of the request.

''(IV) PANEL.—The Secretary, in consultation with the Indian tribes and States, shall establish a list of independent mediators, that the Secretary, in consultation with the Indian tribes and the States, shall periodically update. All mediators placed upon the list shall be certified by the American Arbitration Association as qualified to conduct arbitration in accordance with the American Arbitration Association rules and procedures.

''(V) NOTIFICATION BY STATE.—Not later than 10 days after an Indian tribe makes a request to the Secretary for mediation under subclause (I), the State that is the subject of the mediation request shall notify the Secretary whether the State elects to participate in the mediation process within 5 days of receipt of the request. If the State elects to participate in the mediation, the mediation shall be conducted in accordance with subclause (IV). If the State declines to participate in the mediation process, the Secretary shall issue procedures pursuant to clause (iv).

''(VI) ''MEDIATION PROCESS.—

''(aa) IN GENERAL.—Not later than 20 days after a State elects under subclause (V) to participate in a mediation, the Secretary shall submit to the Indian tribe and the State the names of 3 mediators randomly selected by the Secretary from the list of mediators established under subclause (IV).

''(bb) SELECTION OF MEDIATOR.—Not later than 10 days after the Secretary submits the mediators referred to in item (aa), the Indian tribe and the State may each peremptorily remove one mediator from the mediators submitted. If either the Indian tribe or the State declines to remove a mediator, the Secretary shall randomly remove names until only one mediator remains. The remaining mediator shall conduct the mediation.

''(cc) INITIAL PERIOD OF MEDIATION.—The mediator shall, during the 60-day period beginning on the date on which the mediator is selected under item (bb) (or a longer period upon the written agreement of the parties to the mediation for an extension of the period) attempt to achieve a compact.

''(dd) LAST BEST OFFER.—If by the termination of the period specified in item (cc), no agreement for concluding a compact is achieved by the parties to the mediation, each such party may, not later than 10 days after that date, submit to the mediator an offer that represents the best offer that the party intends to make for achieving an agreement for concluding a compact (referred to hereinafter as a 'last-best-offer'). The mediator shall review a last-best-offer received pursuant to this item not later than 30 days after the date of submission of the offer.

''(ee) REPORT BY MEDIATOR.—Not later than the date specified for the completion of a review of a last-best-offer under item (dd), or in any case in which either party in a mediation fails to make such an offer, the date that is 10 days after the termination of the initial period of mediation under item (cc), the mediator shall prepare and submit to the Secretary a report that includes the contentions of the parties, the conclusions of the mediator concerning the permissible scope of gaming on the Indian lands involved, and recommendations for the operation and regulation of gaming on the Indian lands in accordance with this Act.

''(ff) FINAL DETERMINATIONS.—Not later than 60 days after receiving a report from a mediator under item (ee), the Secretary shall make a final determination concerning the operation and regulation of class III gaming that is the subject of the mediation.

''(VII) PROCEDURES.—Subject to clause (iii)(V), on the basis of a final determination described in clause (iii)(VI)(ff), the Secretary shall issue procedures for the operation and regulation of the class III gaming described in that item by the date that is 180 days after the date specified in clause (iii)(V) or upon the determination described in clause (iii)(VI)(ff).

''(VIII) JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA.—

''(aa) The United States District Court for the District of Columbia shall have jurisdiction over any action initiated by the Secretary, the Commission, a State, or an Indian tribe to challenge the Secretary's decision to complete a compact or initiate mediation or to challenge specific provisions of procedures issued by the Secretary or the operation of class III gaming under clause (iii)(V) or (iii)(VII).

''(bb) The Secretary's decision to complete a compact or to initiate mediation pursuant to clause (iii)(V) or (iii)(VII) shall be immediately reviewable in the United States District Court.

''(cc) Upon receipt of a petition to review a decision of the Secretary to complete a compact or initiate mediation pursuant to class (iii)(V) or (iii)(VII), the United States District Court shall appoint a three judge panel to hear the proceedings and render a decision regarding whether the determination of the Secretary was valid as a matter of law.

''(IX) Prohibition.—No compact negotiated, or procedures issued, under this subparagraph shall require that a State undertake any regulation of gaming on Indian lands unless—

''(I) the State affirmatively consents to regulate that gaming; and

''(II) applicable State laws permit that regulatory function.

''(C) MANDATORY DISAPPROVAL.—Notwithstanding any other provision of this Act, the Secretary may not approve a compact if the compact requires State regulation of gaming absent the consent of the State or the Indian tribe.

''(D) EFFECTIVE DATE OF COMPACT OR PROCEDURES.—Any compact negotiated, or procedures issued, under this subsection shall become effective upon the publication of the compact or procedures in the Federal Register by the Secretary.

''(E) EFFECT OF PUBLICATION OF COMPACT.—Except for an appeal conducted under subchapter II of chapter 5 of title 5, United States Code, by an Indian tribe or a State associated with the compact, the publication of a compact pursuant to subparagraph (B) shall, for the purposes of this Act, be conclusive evidence that the class III gaminng subject to the compact is a activity subject to negotiations under the laws of the State where the gaming is to be conducted, in any matter under consideration by the Commission or a Federal Court.

''(F) DUTIES OF COMMISSION.—Consistent with minimum standards and as otherwise authorized by this Act, the Commission shall monitor and, if authorized by those standards and this Act, regulate and license class III gaming with respect to and in a manner consistent with any compact that is approved by the Secretary under this subsection and published in the Federal Register.

''(3) PROVISIONS OF COMPACTS.—

''(A) IN GENERAL.—A compact negotiated under this subsection may only include provisions relating to—

''(i) the application of the criminal and civil laws (including regulations) of the Indian tribe or the State that are directly related to, and necessary for, the licensing and regulation of that gaming activity in a manner consistent with the requirements of the standards promulgated by the Commission.

'(ii) the allocation of criminal and civil jurisdiction between the State and the Indian tribe necessary for the enforcement of those laws (including regulations);

''(iii) the assessment by the State of the costs associated with those activities in such amounts as are necessary to defray the costs of regulating that activity;

''(iv) taxation by the Indian tribe of that activity in amounts comparable to amounts assessed by the State for comparable activities;

''(v) remedies for breach of compact provisions;

''(vi) standards for the operation of that activity and maintenance of the gaming facility, including licensing, in a manner consistent with the requirements of the standards promulgated by the Commission.

''(vii) any other subject that is directly related to the operation of gaming activities.

''(B) STATUTORY CONSTRUCTION WITH RESPECT TO ASSESSMENTS; PROHIBITION.—

(i) STATUTORY CONSTRUCTION.—Except for any assessments for services agreed to by an Indian tribe in compact negotiations, nothing in this section may be construed as conferring upon a State, or any political subdivision thereof, the authority to impose any tax, fee, charge, or other assessment upon an Indian tribe, an Indian gaming operation or the value generated by the gaming operation, or any person or entity authorized by an Indian tribe to engage in class III gaming activity in conformance with this Act.

''(ii) ASSESSMENT BY STATES.—A State may assess the assessments agreed to by an Indian tribe referred to in clause (i) in a manner consistent with that clause.

''(4) STATUTORY CONSTRUCTION WITH RESPECT TO CERTAIN RIGHTS OF INDIAN TRIBES.—Nothing in this subsection impairs the right of an Indian tribe to regulate class III gaming on the Indian lands of the Indian tribe concurrently with a State and the Commission, except to the extent that such regulation is inconsistent with, or less stringent than, this Act or any laws (including regulations) made applicable by any compact entered into by the Indian tribe under this subsection that is in effect.

''(5) EXEMPTION.—The provisions of section 2 of the Act of January 2, 1951 (commonly referred to as the 'Gambling Devices Transportation Act') (64 Stat. 1134, chapter 1194; 15 U.S.C. 1175) shall not apply to any class II gaming activity or any gaming activity conducted pursuant to a compact entered into after the date of enactment of this Act, but in no event shall this paragraph be construed as invalidating any exemption from the provisions of section 2 of the Act of January 2, 1951 for any compact entered into prior to the date of enactment of this Act''.

(b) JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA.—The United States District Court for the District of Columbia shall have jurisdiction over any action initiated by the Secretary, the Commission, a State, or an Indian tribe to enforce any provision of a compact entered into under subsection (a) or to enjoin a class III gaming activity located on Indian lands and conducted in violation of any compact that is in effect and that was entered into under subsection (a)

(c) APPROVAL OF COMPACTS.—

(1) IN GENERAL.—The Secretary may approve any compact between an Indian tribe and a State governing the conduct of class III gaming on Indian lands of that Indian tribe entered into under subsection (a).

(2) REASONS FOR DISAPPROVAL BY SECRETARY.—The Secretary may disapprove a compact entered into under subsection (a) only if the compact violates any—

(A) provision of this Act or any regulation promulgated by the Commission pursuant to this Act;

(B) other provision of Federal law; or

(C) trust obligation of the United States to Indians.

(3) EFFECT OF FAILURE TO ACT ON COMPACT.—If the Secretary fails to approve or disapprove a compact entered into under subsection (a) before the date that is 45 days after the date on which the compact is submitted to the Secretary for approval, the compact shall be considered to have been approved by the Secretary, but only to the extent the compact is consistent with the provisions of this Act and the regulations promulgated by the Commission pursuant to this Act.

(4) NOTIFICATION.—The Secretary shall publish in the Federal Register notice of any compact that is approved, or considered to have been approved, under this subsection.

(d) REVOCATION OF ORDINANCE.—

(1) IN GENERAL.—The governing body of an Indian tribe, in its sole discretion, may adopt an ordinance or resolution revoking any prior ordinance or resolution that authorized class III gaming on the Indian lands of the Indian tribe. That revocation shall render class III gaming illegal on the Indian lands of that Indian tribe.

(2) PUBLICATION OF REVOCATION.—An Indian tribe shall submit any revocation ordinance or resolution described in paragraph (1) to the Commission. The Commission shall publish that ordinance or resolution in the Federal Register. The revocation provided by that ordinance or resolution shall take effect on the date of that publication.

(3) CONDITIONAL OPERATION.—Notwithstanding any other provision of this subsection—

(A) any person or entity operating a class III gaming activity pursuant to this Act on the date on which an ordinance or resolution described in paragraph (1) that revokes authorization for that class III gaming activity is published in the Federal Register may, during the 1-year period beginning on the date on which that revocation, ordinance, or resolution is published under paragraph (2), continue to operate that activity in conformance with an applicable compact entered into under subsection (a) that is in effect; and

(B) any civil action that arises before, and any crime that is committed before, the termination of that 1-year period shall not be affected by that revocation, ordinance, or resolution.

(e) CERTAIN CLASS III GAMING ACTIVITIES.—

(1) COMPACTS ENTERED INTO BEFORE THE DATE OF ENACTMENT OF THE INTERGOVERNMENTAL GAMING AGREEMENT ACT OF 1999.—Class III gaming activities that are authorized under a compact approved or issued by the Secretary under the authority of this Act prior to the date of enactment of the intergovernmental gaming agreement act of 1999 shall, during such period as the compact is in effect, remain lawful for the purposes of this Act, notwithstanding the Intergovernmental Gaming Agreement Act of 1999 and the amendments made by that Act or any change in State law.

(2) COMPACT ENTERED INTO AFTER THE DATE OF ENACTMENT OF THE INTERGOVERNMENTAL GAMING AGREEMENT ACT OF 1999.—Any compact entered into under subsection (a) after the date specified in paragraph (1) shall remain lawful for the purposes of the Intergovernmental Gaming Agreement Act of 1999, notwithstanding any change in state law, other than a change in State law that constitutes a change in the public policy of the State with respect to permitting or prohibiting class III gaming in the State.

---

By Mr. REID (for himself and Mr. BRYAN):

S. 986. A bill to direct the Secretary of the Interior to convey the Griffith Project to the Southern Nevada Water Authority; to the Committee on Energy and Natural Resources.

GRIFFITH PROJECT PREPAYMENT AND CONVEYANCE ACT

Mr. REID. Mr. President, I rise today to introduce the Griffith Project Prepayment and Conveyance Act. This act directs the Secretary of Interior to convey the Robert B. Griffith Water Project, located in Clark County, Nevada, to the Southern Nevada Water Authority. To understand the intent of this bill, it is necessary to briefly discuss the history of the water delivery system which supports the Las Vegas Valley.

The Robert B. Griffith Water Project, also known as the Southern Nevada Water Project, was conceived as a federal reclamation project in Clark County, Nevada, in the 1960's.

Authorized by Congress in 1965, the enabling legislation directed the Secretary of Interior to construct, operate, and maintain the project for the purpose of delivering water to Clark County for both municipal and industrial use. The Congressional authorization also allowed the Secretary of enter into a contract with the State of Nevada, through duly authorized agencies, for the delivery of water and the repayment of reimbursable construction costs.

The federal portion of the Southern Nevada Water Project was completed in two stages over a period of 15 years at a cost of just under $200 million dollars, including capitalized interest. In 1982, with federal construction substantially completed, Congress officially changed the name of the project from the Southern Nevada Water Project to the Robert B. Griffith Water Project.

Coincidental with the federal construction of the water project, the State of Nevada, acting through the Colorado River Commission, constructed the Alfred Merritt Smith Water Treatment Plant. This facility is integrated into the Griffith Project, and together the facilities are referred to as the Southern Nevada Water System. Principal users of the water supplied by the system include the Las Vegas Valley Water District, the cities of Boulder, Henderson, and North Las Vegas, and Nellis Air Force Base.

In 1991, in the fact of dramatic growth in Clark County and the Las Vegas Valley, the State of Nevada, in cooperation with seven other public agencies, created the Southern Nevada Water Authority. The purpose of the Authority included acquisition of additional water supplies and the operation, maintenance, and expansion of the Southern Nevada Water System.

Beginning in 1995, the Colorado River Commission and the Southern Nevada Water Authority each began constructing additional facilities to expand the operational capacity of the Southern Nevada Water Authority each began constructing additional facilities to expand the operational capacity of the Southern Nevada Water System. By agreement in 1996, the State of Nevada and the Colorado River Commission assigned all of their interests, responsibilities, and liabilities in the System to the Southern Nevada Water Authority.

The Authority has now embarked on a multi-phrase expansion of the Southern Nevada Water System. When completed, this expansion is expected to have a capital cost exceeding $2 billion. The entire cost of the expansion is being financed through the Authority and its members.

One can see that the scope of the System is now much greater than that originally foreseen by Congress in 1965. When the first phrase of the original Southern Nevada Water Project was completed in 1971, fully 85% of the costs had been incurred by the federal government. At the end of 1998, the percentage of outstanding indebtedness financed by the federal government had fallen to 14% as compared to 86% for the Southern Nevada Water Authority. When the project expansion now being undertaken by the Authority is ultimately completed sometime around 2017, only 6% of the overall costs will have been financed by the federal government.

Because certain portions of the overall system are still in the name of the United States, it is becoming increasingly burdensome for the Southern Nevada Water Authority to manage the operation and management of the system. If for example, a pump station in the Griffith Project portion of the system requires repair or maintenance, Authority employees must notify the Bureau of Reclamation that a repair is needed, describe the exact nature of the work to be performed, obtain permission for a crew to perform the work and schedule the work to be done at such a time as when a Bureau of Reclamation employee can be present to ''oversee'' the repair or maintenance. When the work is completed, the Bureau of Reclamation sends the Authority an invoice for the time spent by its personnel.

The time has come for the title to the Griffith Project components of the Southern Nevada Water System to be transferred to local ownership. As proposed, this conveyance will occur under financial terms and conditions that are similar to other title transfer laws which have been enacted for other projects and which are governed by guidance from the Department of the Interior and the Office of Management and Budget. In particular, the conveyance will require a payment to the United States by the Authority equal to the net present value of the remaining repayment obligation.

I thank my fellow Senator from Nevada, Mr. BRYAN, for his support on this issue and look forward to working with the Senate Energy and Natural Resources Committee to ensure timely consideration of this important legislation.

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

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

S. 986

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Griffith Project Prepayment and Conveyance Act.''

**SEC. 2. DEFINITIONS.**

In this Act:

(1) AUTHORITY.—The term ''Authority'' means the Southern Nevada Water Authority, organized under the laws of the State of Nevada.

(2) GRIFFITH PROJECT.—The term ''Griffith Project'' means the Robert B. Griffith Water Project, authorized by Public Law 89–292 (commonly known as the ''Southern Nevada Water Project Act'') (79 Stat. 1068), including all pipelines, conduits, pumping plants, intake facilities, aqueducts, laterals, water storage and regulatory facilities, electric substations, and related works constructed and all interests in land acquired under Public Law 89–292.

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

**SEC. 3. CONVEYANCE OF GRIFFITH PROJECT.**

(a) IN GENERAL.—In consideration of the assumption by the Authority from the United States of all liability for administration, operation, and maintenance of the Griffith Project and subject to the payment by the Authority of the net present value of the remaining repayment obligation (as determined in accordance with Office of Management and Budget Circular A–129, as in effect on the date of payment and conveyance), the Secretary shall convey and assign to the Authority all right, title, and interest of the United States in and to the Griffith Project.

(b) RIGHT TO USE AND OCCUPY PUBLIC LAND.—On and after the date of the conveyance under subsection (a), the Authority shall have the right to use and occupy without charge all public land, including withdrawn public land—

(1) on which the Griffith Project is situated; or

(2) that is used for the purposes of the Griffith Project as of that date.

(c) REPORT.—If the conveyance under subsection (a) has not occurred by July 1, 2000, the Secretary shall submit to Congress a report on the status of the conveyance.

(d) ADMINISTRATIVE COSTS.—

(1) IN GENERAL.—If the Secretary completes the conveyance under subsection (a) before the deadline under subsction (c), 50 percent of the cost of administrative action and environmental compliance for the conveyance shall be paid by the Secretary, and 50 percent shall be paid by the Authority.

(2) FAILURE TO MEET DEADLINE.—If the Secretary fails to complete the conveyance under this Act before the deadline under subsection (c), 100 percent of the cost described in paragraph (1) shall be paid by the Secretary.

**SEC. 4. RELATIONSHIP TO EXISTING OPERATIONS**

(a) IN GENERAL.—Nothing in this Act expands or changes the use or operation of the Griffith Project from its use and operation as of the day before the date of enactment of this Act.

(b) FUTURE ALTERATIONS.—If the Authority changes the use or operation of the Griffith Project, the Authority shall comply with all applicable laws (including regulations) governing the changes at that time.

**SEC. 5. RELATIONSHIP TO EXISTING CONTRACTS.**

The Secretary and the Authority may modify Contract No. 7–07–30–W004 as necessary to conform the contract to this Act.

**SEC. 6. RELATIONSHIP TO OTHER LAWS.**

On conveyance of the Griffith Project under section 3, the Act of June 17, 1902 (43 U.S.C. 391 et seq.), and all Acts amendatory of that Act or supplemental to that Act shall not apply to the Griffith Project.

---

By Mr. DEWINE:

S. 987. A bill to expand the activities of the Eisenhower National Clearinghouse to include collecting and reviewing instructional and professional development materials and programs for language arts and social studies, and to require the Eisenhower National Clearinghouse to collect and analyze the materials and programs; to the Committee on Health, Education, Labor, and Pensions.

EISENHOWER NATIONAL CLEARINGHOUSE ACT

S. 988. A bill to provide mentoring programs for beginning teachers, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

TEACHER MENTORING ACT OF 1999

S. 989. A bill to improve the quality of individual becoming teachers in elementary and secondary schools, to make the teaching profession more accessible to individuals who wish to start a second career, to encourage adults to share their knowledge and experience with children in the classroom, to give school officials the flexibility the officials need to hire whom the officials think can do the job best, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

ALTERNATIVE CERTIFICATION AND LICENSURE OF TEACHERS ACT OF 1999

S. 990. A bill to provide for teacher training facilities; to the Committee on Health, Education, Labor, and Pensions.

TEACHER QUALITY ACT OF 1999

Mr. DEWINE. Mr. President, I rise today to talk about probably the most important thing we do as a society—educating our children. This week is National Teacher Appreciation Week, and it gives us a good opportunity to recognize the crucial role teachers play in our children's lives. After parents and families, America's teachers play the most important role in helping our children realize their potential. No teacher can replace the role of loving and attentive families, but once our children leave their homes and enter America's schools, it is the responsibility of federal, state and local elected officials to provide every possible opportunity for a child to realize his or her full potential.

The way to do that, Mr. President, is to see that every child learns from a qualified educator in a safe school environment.

As the Senate begins to consider education legislation, we should take time to listen to the lessons learned by America's best classroom teachers—teachers like Ohio's Teacher of the Year, Ellen Binkley Hill. Ohio is fortunate to have teachers like Ellen, and the thirty two other finalists for Ohio's Teacher of the Year.

Ellen teaches second grade at New Vienna Elementary School in Clinton County, Ohio. Over the past year I have had the pleasure of talking with Ellen on two occasions—and I want to take a moment to read how Ellen describes the role of a teacher, because I think her words capture what it means to be a great educator.

I quote: ''Teachers must be living examples of the transforming power of education. We must lead extraordinary lives filled with insight, rich with experiences, and tempered with compassion. It is every teacher's responsibility to serve each child, empowering all children to reach their potential, and then to reach higher.'' End of quote.

Mr. President, as a father, I want my children to learn from teachers like Ellen Binkley Hill. As a Senator, I would like to see all of the nation's children being taught by teachers like Ellen Binkley Hill.

A qualified, highly trained teacher is the most important education resource in any classroom. Across America today, in classrooms around the country, tomorrow's business leaders, tomorrow's inventors, tomorrow's doctors, tomorrow's Presidents, and even tomorrow's teachers are building their foundation of learning, their foundation of experiences that will shape their lives forever. They are being led through this process by our neighbors, friends and family members who make up America's 2.7 million-member teaching force.

Mr. President, in the spirit of this important week, I am introducing four bills that I believe will help our teachers realize their highest potential in our classrooms, and ensure that our children have the best possible educator at the front of their classroom.

The first bill is the Teacher Mentoring Act. America's teaching force is aging, a situation that offers both benefits and challenges. The average school teacher is 43 years old, an increase of 3 years over the average age in 1987. Nearly a quarter of our teachers are over 50 years old and nearing retirement.

These seasoned veterans are the backbone of many schools across the country. Many are also leaders in their schools and their communities, taking on the added challenges of educating the most difficult students and mentoring their younger peers. As these experienced educators near the end of their careers, we must ensure that the practical hands-on knowledge they have accumulated is passed on to those teachers following in their footsteps.

Mr. President, new teachers entering today's challenging classrooms need the close support of these veteran teachers, particularly during their first few years on the job. Unfortunately, more than 25 percent of new teachers leave the job in their first three years and I believe mentoring programs are one way we can help stabilize the ranks of our new teachers.

The Teacher Mentoring Act, which is the companion to a bill written by my friend Congressman RICK LAZIO [LA (as LAdder)-ZEE-OH] of New York, would establish a $10 million competitive grant program. This program would encourage states to implement training programs, or support existing programs that utilize our experienced classroom veterans as mentors to new teachers. Ohio is currently operating a mentoring program that assigns each new teacher to a mentor. These mentors provide classroom teaching advice, as well as an experienced shoulder to lean on when they first enter their new school.

The second bill I am introducing today is the Alternative Certification and Licensure of Teachers Act. This bill would improve the supply of well-qualified elementary and secondary school teachers by encouraging and assisting States to develop and implement programs for alternative routes to teacher certification or licensure requirements. After all, the most important and effective education resource in any classroom is a highly trained and dedicated teacher.

There are many talented professionals who have demonstrated a high level of subject area competence outside the education profession who wish to pursue careers in eduction, but have not fulfilled the requirements to be certified or licensed as teachers. Alternative certification can provide an opportunity for these people to become teachers—so they can share their knowledge and experiences with children in the classroom.

The legislation would provide $15 million to the States for either new or pre-existing alternative certification programs or fund pre-existing programs. Last year's Higher Education Act endorsed alternative certification as a means to enlarge the pool of quality teachers—but I believe we need to go further. We need to continue to open alternative certification routes to attract teachers who would otherwise not enter the classroom.

The third bill I am introducing today is the Teacher Quality Act.

We have learned from various studies that the most effective teacher training programs have some things in common. Both teachers and teaching program evaluators agree that the most effective teacher training programs are intensive; are of reasonable length, and provide an avenue for teachers to update their skills. The Teacher Quality Act would help improve the quality of teachers in elementary and secondary schools—and provide teachers the opportunity to learn new technologies and increase subject matter knowledge. My bill would establish a competitive grant program that will give school districts the opportunity to establish teacher training facilities.

The idea for this legislation is based on the model established by the Mayerson Academy in Cincinnati, Ohio. This Academy was established in 1992 as a partnership between the Cincinnati business community and its schools. Their mission: to provide the highest quality training and professional development opportunities to the men and women responsible for educating the children of Cincinnati.

The program is a great success. This school year the Academy will provide 160,000 hours of training to teachers. The Mayerson Academy is separate from the school system in order to ensure independent evaluation of its results and a consistent base of support. This status also allows it to benefit from the perspectives and experience of the business leadership.

Finally, I am introducing the Eisenhower National Clearinghouse Improvement Act.

Collecting and effective disseminating the best teacher training practices is an important responsibility of the federal government. The Eisenhower National Clearinghouse, or ENC, is the nation's repository of K–12 instructional materials specifically related to math and science education. This information is made available in a user-friendly format for educators. The Ohio State University is currently home to the Clearinghouse.

Since 1992, ENC has distributed over 3.67 million CD–ROM's and print publications. Products are distributed to schools, colleges of education, and various education groups and professional organizations across the country. ENC has received over 40 million hits on their web site since its creation in 1994. In addition, ENC has established over 100 Access Centers across the country to expand direct service to more teachers.

While this program has proven its value, there is room for improvement. The bill I am introducing today would expand ENC's jurisdiction to include Language Arts and Social Studies, with a particular emphasis in all curriculum areas on effective use of educational technology.

With thousands of teacher training programs available, it is becoming increasingly difficult for educators to find out which programs have been proven effective and which have not. My legislation would require ENC to gather a sampling of the best evaluations on the materials they collect and provide easy access to these evaluations. ENC will not be permitted to conduct evaluations directly, but would be required to create a ranking for materials and programs based on the reviews they collect and make these reviews easily accessible to teachers who utilize their service.

All four of these bills would help improve the quality of education. I look forward to working with my colleagues on these and other important education measures. Before I close, let me mention one other key issue affecting the education of our kids—school violence.

The threat of violence—and the reality of drug abuse—in our schools are all too real. We must ensure that America's families and teachers are empowered with the information, training and resources to help our children overcome these obstacles. This year, as a member of the Health, Education, Labor and Pensions Committee I will be working with the other members of the committee to reauthorize the Elementary and Secondary Education Act, which includes the Safe and Drug Free Schools Act. The recent tragic events in Colorado are a painful reminder that we need to do everything we can to improve our violence and drug abuse prevention efforts and these reauthorizations, as well as the upcoming debate on the juvenile justice reform legislation, provide us with excellent opportunities for this Congress to make a positive difference in the name of school safety.

Mr. President, I ask unanimous consent that the names of the finalists for Ohio's Teacher of the Year be printed in the RECORD.

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

OHIO TEACHER OF THE YEAR—FINALISTS

| Teacher | School | School district |
|---|---|---|
| Brenda Baker Gehm | Monroe Elementary | Middletown/Monroe |
| Jennifer L. VanMatre | Bridgeview Middle School | Sidney City |
| M. Diana Bellamy | White Oak Middle School | Northwest Local |
| Stephanie L. Tillman | Crosby Elementary | Southwest Local |
| Maureen V. Judy | Fort Miami Elementary | Maumee City |
| Kenneth Wayne Fellows | Anthony Wayne High | Anthony Wayne Local |
| Pamela S. Hesselbart | Sylvan Elementary | Sylvania City |
| Elaine M. Broering | St. Henry Elementary | St. Henry Consolidated Local |
| William E. Denlinger | Piqua High School | Piqua City |
| Sandra S. Lageman | Saville Elementary | Mad River Local |
| Janice D. Plank | Whitehall-Yearling High School | Whitehall City |
| Karen Moss | Amanda Elementary | Amanda-Clearcreek Local |
| Larry Dale Hardman | O.R. Edgington Elementary | Northmount City |
| Margaret M. Scott | Princeton Junior High School | Princeton City |
| Colette Bernadette Peters | Butternut Elementary | North Olmsted City |
| Linda Joyce Borton | Penta County JVS | Penta County Vocational |
| Beverly Sheridan | Hadley Watts Middle School | Centerville City |
| Cynthia M. Walker | Fairfield Central Elementary | Fairfield City |
| Anne Kaczmarek | Brecksville-Broadview Heights | Brecksville-Broadview Heights |
| Terese Ann D'Amico | Thomas Jefferson Magnet | Euclid City |
| Steven Moorhead | Elmwood Middle School | Elmwood Local |
| Leslie Louise Kastner | Royal Manor Elementary | Gahannna-Jefferson City |
| Mary Ann Whiteleather | Kirkmere Elementary | Youngstown City |
| Nicki T. Embly | Rimer Elementary | Akron City |
| Sharon Joanne Smith | Zane Trace Elementary | Zane Trace Local |
| Diane Squire Radley | Memorial Elementary | Brunswick City |
| Catherine S. Platano | Sterling Morton Elementary | Mentor Exempted Village |
| Mark G. Silvers | Wayne High School | Huber Heights City |
| Nanci Sullivan | Harding Middle School | Stuebenville City |
| Sandy A. Murray | Jones Middle School | Upper Arlington City |
| Kay Wallace | Pickerington High School | Pickerington Local |
| Barbara Hampton | Hilltop Community Elementary | Reading Community City |

By Mr. MCCAIN:

S. 991. A bill to prevent the receipt, transfer, transportation, or possession of a firearm or ammunition by certain violent juvenile offenders, and for other purposes; to the Committee on the Judiciary.

YOUTH VIOLENCE PREVENTION ACT OF 1999

Mr. MCCAIN. Mr. President, today I am introducing the ''Youth Violence

Prevention Act of 1999.'' This legislation will prevent juveniles from illegally accessing weapons and punish those who would assist them in doing so, prohibit juveniles who commit acts of gun violence from purchasing guns in the future, and punish juveniles who illegally carry or use handguns in schools.

Before I get into the particulars of the legislation, I would like to take a moment to discuss the broader issues surrounding the question of youth violence.

Recent events have shaken the collective conscience of our nation. The recent killings at Columbine High School in Colorado have brought home to every American the degree to which we are failing are children.

The most basic and profound responsibility that our culture—any culture—has is raising its children. We are failing in that responsibility, and the extent of our failure is being measured in deaths and injuries of kids in schoolyards and on the streets of our neighborhoods and communities.

Over the past few years, we have been jolted time and again by the horrifying images of school shootings. Every day, in towns and cities across this country, kids are killing kids, and kids are killing adults, in a spiraling pattern of youth violence driven by the drug trade, gang activity, and other factors.

Primary responsibility lies with families. As a country, we are not parenting our children. We are not adequately involving ourselves in our children's lives, the friends they hang out with, what they do with their time, the problems they are struggling with. This is our job, our paramount responsibility, and we are failing. We must get our priorities straight, and that means putting our kids first.

Parents need help. They need help because our homes and our families, and our children's minds, are being flooded with a tide of violence that pervades our society. Movies depict graphic violence, and children are taught to kill and maim by interactive video games. The Internet, which holds such tremendous potential in so many ways, is tragically used by some to communicate unimaginable hatred, images and descriptions of violence, and ''how-to'' manuals on everything from bomb construction to drugs. Our culture is dominated by media, and our children, more so than any generation before them, are vulnerable to the images of violence and hate that, unfortunately, are dominant themes in so much of what they see and hear.

I have recently joined with some of my colleagues to call upon the President to convene an emergency summit of the leaders of the entertainment and interactive media industry to develop an action plan for controlling children's access to media violence. I am pleased that the President has heeded this call and will convene such a summit next week.

I have also joined others in introducing legislation calling upon the Surgeon General to conduct a comprehensive study of media violence, in all its forms, and to issue a report on its effects, with recommendations on how we can turn around this tragic tide of youth violence.

These are important steps targeting various aspects of the complex problem of youth violence. However, we must press the fight on every front. One reality of the horrific gun violence that is so prevalent among our youth is the illegal use of guns. The legislation I am introducing today is specifically targeted at the illegal means by which kids are acquiring guns and is designed to ensure that violence youth offenders are punished, and that they will not acquire guns in the future.

First, the bill extends the provisions of the Gun Control Act that prohibit certain purchases to include juveniles. Currently, under federal law, a juvenile may commit multiple violent felonies, using a gun, and when he or she turns 18 years old, that same individual may walk into a gun store and legally purchase a weapon. This is absurd. This legislation would prevent them from doing so. Where a juvenile has committed an offense that would constitute a violent felony if he or she were an adult, that juvenile will be sentenced as an adult and will be ineligible to be paroled simply because they turn 18.

Second, this legislation provides that whoever illegally purchases a weapon for another individual, knowing that the recipient intends to commit a violent felony, may be imprisoned up to 15 years. Further, whoever illegally purchases or transfers a weapon to a juvenile, knowing that the recipient intends to commit a violent felony, may be imprisoned up to 20 years.

Under this legislation, if a juvenile illegally possesses a handgun and violates the Gun Free School Zone law with the intent to carry, possess, discharge, or otherwise use the handgun or ammunition in the commission of a violent felony, they may be imprisoned for up to 20 years.

Mr. President, let me make very clear that this legislation in no way infringes on the Second Amendment rights to bear arms. I do not believe we should further restrict the rights of law-abiding Americans to own a gun. Rather, we should focus on halting the spread of violent crime and punishing violent criminals who abuse their Second Amendment rights. I believe it is imperative to better safeguard children from the dangerous effects of violent crime in America, as well as educate them on the potential danger of weapons.

Mr. President, this legislation is not a panacea. As I have stated, the malady of youth violence that is eating at the soul of this nation is a complex disease. It will require a multi-faceted cure. As I have outlined, I am pushing for a comprehensive approach. What we must have, if there is any hope, is the unqualified commitment of all Americans to raise our children, to put them first. I urge all Americans to get involved in their kids' lives. Ask questions, listen to their fears and concerns, their hopes and their dreams.

Childhood is a time of innocence, a time to teach discipline and values. Our children are our most precious gifts, they are full of innocence and hope. We must work together to preserve the sanctity of childhood.

Mr. President, I ask unanimous consent that the text of the Youth Violence Prevention Act of 1999 be printed in the RECORD.

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

S. 991

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Youth Violence Prevention Act of 1999.''

**SEC. 2. PROHIBITION ON FIREARMS OR AMMUNITION POSSESSION BY VIOLENT JUVENILE OFFENDERS.**

(a) DEFINITION.—Section 921(a)(20) of title 18, United States Code, is amended by—

(1) inserting ''(A)'' after ''(20)'';

(2) redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(3) inserting after clause (ii) the following:

''(B) For purposes of section 922(d) and (g) of this title, the term 'act of violent juvenile delinquency' means an adjudication of delinquency in Federal or State court, based on a finding of the commission of an act by a person prior to his or her eighteenth birthday that, if committed by an adult, would be a serious violent felony, as defined in section 3559(c)(2)(F)(i) of this title, had Federal jurisdiction been exercised (except that section 3559(c)(3) shall not apply to this subparagraph):''; and

(4) striking ''What constitutes'' through ''this chapter,'' and inserting:

''(C) What constitutes a conviction of such a crime or an adjudication of an act of violent juvenile delinquency shall be determined in accordance with the law of the jurisdiction in which the proceedings were held. Any State conviction or adjudication of an act of violent juvenile delinquency that has been expunged or set aside, or for which a person has been pardoned or has had civil rights restored, by the jurisdiction in which the conviction or adjudication of an act of violent juvenile delinquency occurred shall not be considered a conviction or adjudication of an act of violent juvenile delinquency for purposes of this chapter,''.

(b) PROHIBITION.—Section 922 of title 18, United States Code is amended—

(1) in subsection (d)—

(A) in paragraph (8), by striking ''or'' at the end;

(B) in paragraph (9), by striking the period at the end and inserting ''; or'' ; and

(C) by inserting after paragraph (9) the following:

''(10) has committed an act of violent juvenile delinquency.''; and

(2) in subsection (g)—

(A) in paragraph (8), by striking ''or'' at the end;

(B) in paragraph (9), by striking the period at the end and inserting ''; or'' ; and

(C) by inserting after paragraph (9) the following:

''(10) has committed an act of violent juvenile delinquency.''.

(c) EFFECTIVE DATE OF ADJUDICATION PROVISIONS.—The amendments made by this section shall apply only to an adjudication of an act of violent juvenile delinquency that occurs after the date that is 30 days after the date on which the Attorney General notifies Federal firearms licensees, through publication in the Federal Register by the Secretary of the Treasury, that the records of such adjudications are routinely available in the national instant criminal background check system established under section 103(b) of the Brady Handgun Violence Prevention Act.

**SEC. 3. STRAW PURCHASE PENALTIES.**

(a) STRAW PURCHASE PENALTIES.—Section 924(a)(2) of title 18, United States Code, is amended to read as follows:

''(2) Whoever knowingly violates—

''(A) subsection (d), (g), (h), (i), (j) or (o) of section 922 shall be fined as provided in this title, imprisoned not more than 10 years, or both; and

''(B) section 922(a)(6) shall be fined as provided in this title, imprisoned not more than 10 years, or both, except—

''(i) whoever knowingly violates subsection (a)(6) for the purpose of selling, delivering, or otherwise transferring a firearm knowing or having reasonable cause to know that another will carry or otherwise possess or discharge or otherwise use the firearm in the commission of a violent felony, shall be—

''(I) fined under this title, imprisoned not more than 15 years, or both; or

''(II) fined under this title, imprisoned not more than 20 years, or both where the procurement is for a juvenile; and

''In this paragraph, the term 'violent felony' means conduct described in section 924(e)(2)(B) of this title and the term 'juvenile' has the same meaning as in section 922(x).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect 180 days after the date of enactment of this Act.

**SEC. 4. JUVENILE WEAPONS PENALTIES.**

(a) JUVENILE WEAPONS PENALTIES.—Section 924(a) of title 18 United States Code, is amended—

(1) in paragraph (4), by striking ''Whoever'' and inserting ''Except as provided in paragraph (6), whoever''; and

(2) by striking paragraph (6) and inserting the following:

''(6)(A) A juvenile who violates section 922(x) shall be fined under this title, imprisoned not more than 1 year, or both, except—

''(i) a juvenile shall be sentenced to probation on appropriate conditions and shall not be incarcerated unless the juvenile fails to comply with a condition of probation, if—

''(I) the offense of which the juvenile is charged is possession of a handgun or ammunition in violation of section 922(x)(2); and

''(II) the juvenile has not been convicted in any court of an offense (including an offense under section 922(x) or a similar State law, but not including any other offense consisting of conduct that if engaged in by an adult would not constitute an offense) or adjudicated as a juvenile delinquent for conduct that if engaged in by an adult would constitute an offense; or

''(ii) a juvenile shall be fined under this title, imprisoned not more than 20 years, or both, if—

''(I) the offense of which the juvenile is charged is possession of a handgun or ammunition in violation of section 922(x)(2); and

''(II) during the same course of conduct in violating section 992(x)(2), the juvenile violated section 922(q), with the intent to carry or otherwise possess or discharge or otherwise use the handgun or ammunition in the commission of a violent felony.

''(B) A person other than a juvenile who knowingly violates section 922(x)—

''(i) shall be fined under this title, imprisoned not more than 1 year, or both; and

''(ii) if the person sold, delivered, or otherwise transferred a handgun or ammunition to a juvenile knowing or having reasonable cause to know that the juvenile intended to carry or otherwise possess or discharge or otherwise use the handgun or ammunition in the commission of a violent felony, shall be fined under this title, imprisoned not more than 20 years, or both.

''(C) In this paragraph, the term 'violent felony' means conduct as described in section 924(e)(2)(B) of this title.

''(D) Except as otherwise provided in this chapter, in any case in which a juvenile is prosecuted in a district court of the United States, and the juvenile is subject to the penalties under paragraph (A)(ii), the juvenile shall be subject to the same laws, rules, and proceedings regarding sentencing (including the availability of probation, restitution, fines, forfeiture, imprisonment, and supervised release) that would be applicable in the case of an adult. No juvenile sentenced to a term of imprisonment shall be released from custody simply because the juvenile reaches the age of 18 years.''.

(b) UNLAWFUL WEAPONS TRANSFERS TO JUVENILES.—Section 922(x) of title 18, United States Code, is amended to read as follows:

''(x)(1) It shall be unlawful for a person to sell, deliver, or otherwise transfer to a person who the transferor knows or has reasonable cause to believe is a juvenile—

''(A) a handgun; or

''(B) ammunition that is suitable for use only in a handgun.

''(2) It shall be unlawful for any person who is a juvenile to knowingly possess—

''(A) a handgun; or

''(B) ammunition that is suitable for use only in a handgun.

''(3) This subsection does not apply to the following:

''(A)(i) A temporary transfer of a handgun or ammunition to a juvenile or to the possession or use of a handgun or ammunition by a juvenile if the handgun or ammunition are possessed and used by the juvenile—

''(I) in the course of employment;

''(II) in the course of ranching or farming related to activities at the residence of the juvenile (or on property used for ranching or farming at which the juvenile, with the permission of the property owner or lessee, is performing activities related to the operation of the farm or ranch);

''(III) for target practice;

''(IV) for hunting; or

''(V) for a course of instruction in the safe and lawful use of a handgun.

''(ii) Clause (i) shall apply only if the juvenile's possession and use of a handgun or ammunition under this subparagraph are in accordance with State and local law and the following conditions are met:

''(I)(aa) Except when a parent or guardian of the juvenile is in the immediate and supervisory presence of the juvenile, the juvenile shall have in the juvenile's possession at all times when a handgun or ammunition is in the possession of the juvenile, the prior written consent of the juvenile's parent or guardian who is not prohibited by Federal, State, or local law from possessing a firearm or ammunition; and

''(bb) during transportation by the juvenile directly from the place of transfer to a place at which an activity described in division (aa) is to take place the handgun shall be unloaded and in a locked container or case, and during the transportation by the juvenile of that firearm, directly from the place at which such an activity took place to the transferor, the handgun shall also be unloaded and in a locked container or case; or

''(II) With respect to ranching or farming activities as described in subparagraph (A), a juvenile may possess and use a handgun or ammunition with the prior written approval of the juvenile's parent or legal guardian, if such approval is on file with the adult who is not prohibited by Federal, State, or local law from possessing a firearm or ammunition and that person is directing the ranching or farming activities of the juvenile.

''(B) A juvenile who is a member of the Armed Forces of the United States or the National Guard who possesses or is armed with a handgun or ammunition in the line of duty.

''(C) A transfer by inheritance of title (but not possession) of a handgun or ammunition to a juvenile.

''(D) The possession of a handgun or ammunition taken in defense of the juvenile or other persons against an intruder into the residence of the juvenile or a residence in which the juvenile is an invited guest.

''(4) A handgun or ammunition, the possession of which is transferred to a juvenile in circumstances in which the transferor is not in violation of this subsection, shall not be subject to permanent confiscation by the Government if its possession by the juvenile subsequently becomes unlawful because of the conduct of the juvenile, but shall be returned to the lawful owner when such handgun or ammunition is no longer required by the Government for the purposes of investigation or prosecution.

''(5) In this subsection, the term 'juvenile' means a person who is less than 18 years of age.

''(6) In a prosecution of a violation of this subsection, the court—

''(A) shall require the presence of a juvenile defendant's parent or legal guardian at all proceedings;

''(B) may use the contempt power to enforce subparagraph (A); and

''(C) may excuse attendance of a parent or legal guardian of a juvenile defendant at a proceeding in a prosecution of a violation of this subsection for good cause shown.''.

(c) EFFECTIVE DATE.—The amendment made by this section shall take effect 180 days after the date of enactment of this Act.

## ADDITIONAL COSPONSORS

S. 135

At the request of Mr. DURBIN, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 135, a bill to amend the Internal Revenue Code of 1986 to increase the deduction for the health insurance costs of self-employed individuals, and for other purposes.

S. 172

At the request of Mr. MOYNIHAN, the names of the Senator from Massachusetts [Mr. KERRY] and the Senator from

California [Mrs. FEINSTEIN] were added as cosponsors of S. 172, a bill to reduce acid deposition under the Clean Air Act, and for other purposes.

S. 331

At the request of Mr. JEFFORDS, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 331, a bill to amend the Social Security Act to expand the availability of health care coverage for working individuals with disabilities, to establish a Ticket to Work and Self-Sufficiency Program in the Social Security Administration to provide such individuals with meaningful opportunities to work, and for other purposes.

S. 429

At the request of Mr. DURBIN, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 429, a bill to designate the legal public holiday of ''Washington's Birthday'' as ''Presidents' Day'' in honor of George Washington, Abraham Lincoln, and Franklin Roosevelt and in recognition of the importance of the institution of the Presidency and the contributions that Presidents have made to the development of our Nation and the principles of freedom and democracy.

S. 459

At the request of Mr. HATCH, the name of the Senator from Nebraska [Mr. HAGEL] was added as a cosponsor of S. 459, a bill to amend the Internal Revenue Code of 1986 to increase the State ceiling on private activity bonds.

S. 484

At the request of Mr. CAMPBELL, the name of the Senator from Colorado [Mr. ALLARD] was added as a cosponsor of S. 484, a bill to provide for the granting of refugee status in the United States to nationals of certain foreign countries in which American Vietnam War POW/MIAs or American Korean War POW/MIAs may be present, if those nationals assist in the return to the United States of those POW/MIAs alive.

S. 496

At the request of Mr. REED, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of S. 496, a bill to provide for the establishment of an assistance program for health insurance consumers.

S. 537

At the request of Mr. LUGAR, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 537, a bill to amend the Internal Revenue Code of 1986 to adjust the exemption amounts used to calculate the individual alternative minimum tax for inflation since 1993.

S. 660

At the request of Mr. CRAIG, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 660, a bill to amend title XVIII of the Social Security Act to provide for coverage under part B of the medicare program of medical nutrition therapy services furnished by registered dietitians and nutrition professionals.

S. 676

At the request of Mr. CAMPBELL, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 676, a bill to locate and secure the return of Zachary Baumel, a citizen of the United States, and other Israeli soldiers missing in action.

S. 680

At the request of Mr. HATCH, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 680, a bill to amend the Internal Revenue Code of 1986 to permanently extend the research credit, and for other purposes.

S. 712

At the request of Mr. LOTT, the name of the Senator from Illinois [Mr. DURBIN] was added as a cosponsor of S. 712, a bill to amend title 39, United States Code, to allow postal patrons to contribute to funding for highway-rail grade crossing safety through the voluntary purchase of certain specially issued United States postage stamps.

S. 717

At the request of Ms. MIKULSKI, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 717, a bill to amend title II of the Social Security Act to provide that the reductions in social security benefits which are required in the case of spouses and surviving spouses who are also receiving certain Government pensions shall be equal to the amount by which two-thirds of the total amount of the combined monthly benefit (before reduction) and monthly pension exceeds $1,200, adjusted for inflation.

S. 763

At the request of Mr. THURMOND, the names of the Senator from Mississippi [Mr. COCHRAN], the Senator from North Dakota [Mr. CONRAD], the Senator from Montana [Mr. BURNS], and the Senator from Georgia [Mr. CLELAND] were added as cosponsors of S. 763, a bill to amend title 10, United States Code, to increase the minimum Survivor Benefit Plan basic annuity for surviving spouses age 62 and older, and for other purposes.

S. 781

At the request of Mrs. FEINSTEIN, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 781, a bill to amend section 2511 of title 18, United States Code, to revise the consent exception to the prohibition on the interception of oral, wire, or electronic communications that is applicable to telephone communications.

S. 783

At the request of Mrs. FEINSTEIN, the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of S. 783, a bill to limit access to body armor by violent felons and to facilitate the donation of Federal surplus body armor to State and local law enforcement agencies.

S. 792

At the request of Mr. MOYNIHAN, the names of the Senator from Washington [Mrs. MURRAY], the Senator from Hawaii [Mr. AKAKA], and the Senator from New York [Mr. SCHUMER] were added as cosponsors of S. 792, a bill to amend title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to provide States with the option to allow legal immigrant pregnant women, children, and blind or disabled medically needy individuals to be eligible for medical assistance under the medicaid program, and for other purposes.

S. 850

At the request of Mrs. BOXER, the name of the Senator from Arkansas [Mrs. LINCOLN] was added as a cosponsor of S. 850, a bill to make schools safer by waiving the local matching requirement under the Community Policing program for the placement of law enforcement officers in local schools.

S. 868

At the request of Mr. GRAHAM, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 868, a bill to make forestry insurance plans available to owners and operators of private forest land, to encourage the use of prescribed burning and fuel treatment methods on private forest land, and for other purposes.

S. 892

At the request of Mr. HATCH, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 892, a bill to amend the Internal Revenue Code of 1986 to permanently extend the subpart F exemption for active financing income.

S. 918

At the request of Mr. KERRY, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 918, a bill to authorize the Small Business Administration to provide financial and business development assistance to military reservists' small business, and for other purposes.

S. 965

At the request of Mr. JEFFORDS, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of S. 965, a bill to restore a United States voluntary contribution to the United Nations Population Fund.

SENATE CONCURRENT RESOLUTION 22

At the request of Mr. DODD, the name of the Senator from Louisiana [Ms. LANDRIEU] was added as a cosponsor of Senate Concurrent Resolution 22, a concurrent resolution expressing the sense of the Congress with respect to promoting coverage of individuals under long-term care insurance.

## SENATE RESOLUTION 98—DESIGNATING THE WEEK BEGINNING OCTOBER 17, 1999, AND THE WEEK BEGINNING OCTOBER 15, 2000, AS ''NATIONAL CHARACTER COUNTS WEEK''

Mr. DOMENICI (for himself, Mr. DODD, Mr. COCHRAN, Mr. LIEBERMAN, Mr. FRIST, Mr. DORGAN, Ms. MIKULSKI, Mr. COVERDELL, Mr. CLELAND, Mr. BENNETT, Mr. ROCKEFELLER, Mr. BROWNBACK, Mr. ENZI, Mrs. MURRAY, Mr. SARBANES, Mr. BURNS, Mr. KOHL, Mr. BINGAMAN, Mr. DEWINE, Ms. COLLINS, Mrs. FEINSTEIN, Mr. BOND, Mr. INHOFE, Mr. SMITH of Oregon, Mr. REID, Mr. WELLSTONE, Mr. CHAFEE, Mr. GREGG, Mr. AKAKA, Mr. BAUCUS, Mr. KENNEDY, Mrs. HUTCHISON, Mr. THURMOND, Mr. HUTCHINSON, Mr. BREAUX, Mr. CONRAD, Mr. JOHNSON, Mr. BYRD, Mr. WARNER, Mr. MURKOWSKI, Mr. BUNNING, Mr. HAGEL, Mr. ALLARD, Mr. VOINOVICH, Mr. GORTON, Mr. STEVENS, Mr. NICKLES, Mr. LOTT, Mr. SPECTER, Mr. ROBERTS, Mr. MACK, Mr. CRAIG, Mr. BIDEN, Ms. SNOWE, Mr. GRAMS, Mr. FITZGERALD, and Mr. MOYNIHAN) submitted the following resolution; which was referred to the Committee on the Judiciary

S. RES. 98

Whereas young people will be the stewards of our communities, the United States, and the world in critical times, and the present and future well-being of our society requires an involved, caring citizenry with good character;

Whereas concerns about the character training of children have taken on a new sense of urgency as violence by and against youth threatens the physical and psychological well-being of people of the United States;

Whereas more than ever, children need strong and constructive guidance from their families and their communities, including schools, youth organizations, religious institutions, and civic groups;

Whereas the character of a nation is only as strong as the character of its individual citizens;

Whereas the public good is advanced when young people are taught the importance of good character, and that character counts in personal relationships, in school, and in the workplace;

Whereas scholars and educators agree that people do not automatically develop good character and, therefore, conscientious efforts must be made by institutions and individuals that influence youth to help young people develop the essential traits and characteristics that comprise good character;

Whereas although character development is, first and foremost, an obligation of families, the efforts of faith communities, schools, and youth, civic, and human service organizations also play a very important role in supporting family efforts by fostering and promoting good character;

Whereas the Senate encourages students, teachers, parents, youth, and community leaders to recognize the valuable role our youth play in the present and future of the United States and to recognize that character is an important part of that future;

Whereas in July 1992, the Aspen Declaration was written by an eminent group of educators, youth leaders, and ethics scholars for the purpose of articulating a coherent framework for character education appropriate to a diverse and pluralistic society;

Whereas the Aspen Declaration states, ''Effective character education is based on core ethical values which form the foundation of democratic society.'';

Whereas the core ethical values identified by the Aspen Declaration constitute the 6 core elements of character;

Whereas the 6 core elements of character are trustworthiness, respect, responsibility, fairness, caring, and citizenship;

Whereas the 6 core elements of character transcend cultural, religious, and socioeconomic differences;

Whereas the Aspen Declaration states, ''The character and conduct of our youth reflect the character and conduct of society; therefore, every adult has the responsibility to teach and model the core ethical values and every social institution has the responsibility to promote the development of good character.'';

Whereas the Senate encourages individuals and organizations, especially those who have an interest in the education and training of our youth, to adopt the 6 core elements of character as intrinsic to the well-being of individuals, communities, and society as a whole; and

Whereas the Senate encourages communities, especially schools and youth organizations, to integrate the 6 core elements of character into programs serving students and children: Now, therefore, be it

*Resolved,* That the Senate—

(1) proclaims the week beginning October 17, 1999, and the week beginning October 15, 2000, as ''National Character Counts Week''; and

(2) requests that the President issue a proclamation calling upon the people of the United States and interested groups to—

(A) embrace the 6 core elements of character identified by the Aspen Declaration, which are trustworthiness, respect, responsibility, fairness, caring, and citizenship; and

(B) observe the week with appropriate ceremonies and activities.

Mr. DOMENICI. Mr. President, I am pleased today to submit for the sixth consecutive year a resolution on behalf of myself and 53 other Senators. My principal cosponsor is Senator DODD. In years past, when Senator Nunn was here, this resolution, which I am introducing, was known as the Domenici–Nunn resolution regarding National Character Counts Week. Senator DODD is taking the place of Senator Nunn; and 52 other Senators besides the two of us have joined in this. If any others wish to join, we will be pleased to have you. This resolution says the week of October 17 through 24 of this year, and October 15 through 22 of next year, will be known across the country as National Character Counts Week.

In 1992, a distinguished group of American educators, youth leaders, ethicists, religious people of all faiths, labor union leaders, and business executives met in Aspen, CO. They developed a way to instill character values in our schoolchildren. The conference marked the birth of what is beginning to be known across America as ''The Six Pillars of Character'' concept. The values comprising the Six Pillars are everyday concepts that Americans across this land wish their children would have and hope America will keep. They are simply: trustworthiness, respect, responsibility, fairness, caring, and citizenship. They transcend political and social barriers and are central to the ideals on which this Nation was built. As a matter of fact, I think they are central and basic to any nation that survives for any long period of history. As Plato once said, ''A country without character is a country that's doomed. And the only way a country can have character,'' he said, ''is if the individual citizens in the country have character.''

I could speak for all of my allotted time on the 200,000 New Mexico schoolchildren in public, private and parochial schools learning about good character. About 90 percent of the grade school children, and a significant portion of the others, are now participating in character education programs that simply and profoundly bring them into contact with each of these Pillars of Character one month at a time.

So if you walk the halls of some grade school in Albuquerque, you might see a sign outside that says, ''This Is Responsibility Month.'' And all the young people will be discussing the concept of responsibility in their classrooms, and they will put up posters saying, ''Responsibility Counts.'' At the end of that month they may have an assembly at which responsibility will be discussed by all the kids, and awards will be given to those who have been most responsible.

The next month it might be ''respect.'' The month after that it might be ''caring.''

This is working wherever it is being tried. A good example can be seen in the changes that occurred at Garfield Middle School in Albuquerque. The 570 students at Garfield first received their first lessons on the Six Pillars in October 1994. During the first 20 days of that school year, there were 91 recorded incidents of physical violence. One year later, during the same period, there were 26 such incidents. This remarkable difference is evidence that students do respond to Character Counts.

In New Mexico, the Character Counts movement has spread from the classroom to the boardroom. Recently, a group of business professionals resolved to explore ways to implement the Six Pillars in all their business relationships in an effort to spread these values throughout the community. Through this effort, parents have an opportunity to participate in Character Counts along side their kids, thereby reinforcing lessons learned in school. Promoting the Six Pillars at work also improves productivity and morale on the job, and it pays incalculable dividends in job and customer satisfaction.

Every year I like to highlight a particularly exceptional example of character displayed in my State of New Mexico. For over a dozen years, Bob Martin, an Albuquerque helicopter pilot, dreamed of being the first person to circumnavigate the globe in a balloon. He made many personal, professional, and financial sacrifices to plan the endeavor. Bob worked tirelessly to involve as many New Mexicans he could in his adventure, and from scientists to schoolchildren, the entire State shared his enthusiasm for the project. Finally, after years of preparation, Bob and his fellow crew members of Team RE/MAX were scheduled for lift-off this past January. However, it soon became apparent that weather conditions and equipment problems would force one of the three-member flight crew to stay behind. As founder of the mission, Bob felt it was his duty to stay behind despite his years of preparation and commitment to the project. His heartbreaking decision was an unparalleled exemplification of each of the Six Pillars: Trustworthiness, Respect, Responsibility, Fairness, Citizenship, and Caring.

Eventually, the launch was canceled because of worsening weather conditions, and two other balloon pilots, Bertrand Piccard of France and Brian Jones, of England, became the first team to successfully complete the trip. Although many of the hundreds of schoolchildren across New Mexico following Bob Martin's quest were disappointed he didn't have the chance to lift-off, they were given a outstanding demonstration of character in action through the deeds of Bob Martin.

The lead institution in America that sponsors it is a nonprofit institution called the Josephson Institute. It is a small foundation that promotes ethics. In that regard, they are the promoters of the Six Pillars of Character. Wherever I go, whenever I go to New Mexico, I pick a school and we talk about their Character Counts program.

It is phenomenal, the way teachers love to be part of this. Some of them said to me, 3 and 4 years ago: Why did it take so long to empower me to talk about responsibility to the children I teach in the fourth or third or fifth grade? I was absolutely astounded to find the hunger among good teachers to share with their children what it meant to be fair, to be respectful, to have citizenship.

I will ask consent that an editorial in the Albuquerque Journal, our largest newspaper, entitled, ''Students Learn Real Lesson in Citizenship'' be printed in the RECORD. It says that as part of the Six Pillars in this school, one of the good teachers took the entire classroom to a swearing-in ceremony where 71 New Mexicans became American citizens, and the little children got to watch them swear their oath, and meet them, and then they went back to their class and discussed it. They were thrilled to talk about people from other countries who love America and want to become citizens. If the program did not promote that, it would never have happened. And it is happening in all different ways across our land.

Senator DODD is working hard at this, as well as his fellow Senator from Connecticut, Senator LIEBERMAN. The State of Tennessee, under the leadership of Senator FRIST, is moving ahead dramatically. I ask all Senators to read what I have placed in the RECORD and to consider joining.

I am going to bring together with my friend, Senator DODD, and others, a number of Governors from both parties—perhaps as many as 15—with a number of Senators from both parties. We are going to quickly decide how we can promote the six pillars of character across their States and across our land.

Much is said about the children and the problem that happened in the shooting in my neighboring State of Colorado. We all know some things have to change. None of us have an absolute solution to this problem. But essentially, I submit, if we could have character education built on these six pillars in all of our grade schools and junior high schools, month by month, year by year, as they mature—and nobody objects. Those who are practicing the Jewish religion think these pillars are great. If as a Christian—a Baptist or Protestant or Roman Catholic—you hear about these six pillars, you say, ''Amen.'' We cannot teach religion. But what is wrong with responsibility and respect and caring and trustworthiness? Trustworthiness just means we do not lie. Isn't that nice to tell young people that our character is defined by whether we tell the truth? Our country ultimately suffers when we do not tell the truth. That is the kind of thing that is being promoted.

I note the presence of Senator DODD. Senator, I have already mentioned that not only are you my principal cosponsor, but we are going to call this national conference soon. You and I will ask Governors and Senators to attend. I ask now the Journal editorial, which I alluded to, be printed in the RECORD.

There being not objection, the article was ordered to be printed in the RECORD, as follows:

[From the Albuquerque Journal, April 28, 1999]

STUDENTS LEARN REAL LESSON IN CITIZENSHIP

*Citizenship.*—As one of six desired ''Character Counts'' attributes, it's a word posted in the hallways of virtually every Albuquerque public school, sometimes featured as ''word of the month'' on reader board signs outside.

Students at Cleveland Middle School, however, have come to know the full meaning of that word. Offered a valuable opportunity, they learned about the naturalization process in history classes, took the American citizenship test and, to top it off, witnessed the naturalization of 71 of America's newest citizens in a ceremony Cleveland students helped organize as hosts.

''We decided that if we're going to teach children about citizenship, we should make it as real as possible,'' humanities teacher Susan Leonard said. Cleveland no doubt succeeded, because this is as real as it gets. Students watched 71 people from 22 countries take the oath of American citizenship—by choice.

Most Americans take their citizenship for granted, just as many take for granted the rights Americans enjoy—the right to a fair trial, to practice one's own religion, to speak one's mind. By taking these rights for granted, too often Americans also opt out of the responsibilities that are the flip side of those rights—one's duty to vote, to serve on a jury, to defend our nation and Constitution; in short, to be a good citizen.

Learning about the naturalization process provided a valuable lesson in America's continuing history as a nation of immigrants.

Eighth-grader Tom Adams said his favorite part of the Cleveland project was meeting the citizens-to-be. ''They're from all different countries,'' he said, ''and I get to meet them. And I think that's kind of cool.''

Seventy-one believers in the American system are now Adams' fellow Americans. Kind of cool, indeed.

Mr. DODD. Mr. President, let me commend my colleague from New Mexico. I have enjoyed a lot of relationships in this Chamber over the years on numerous issues, but none as much as I have with my colleague from New Mexico on Character Counts. I am pleased to be joining my colleague in submitting this Senate Resolution designating the weeks of October 17, 1999 and October 15, 2000 as National Character Counts Week.

Character Counts is a program that I encourage for every one of our colleagues. There are programs now in all 50 States. Some States have more than others. There are 10,000 children in my home State of Connecticut who have been the beneficiary of our Character Counts effort, the six pillars of good character.

We have had a lot of attention paid over the last couple of weeks to the tragedy in Littleton, CO. Americans are left searching for answers to many questions. How could these teenagers have committed such brutality? How can society help prevent such violent, deadly behavior from happening again? There are a variety of suggestions people are making—the tendency is to revert to form. You have one group that says the answer is gun control, another group says it is the video games and the Internet, and another group says it is the schools or the parents. You could probably find some merit in all of those areas.

I believe that one answer is to encourage schools to build character in their students. I am not going to stand here and claim that this is the solution. But it is certainly part of the solution.

This is an issue that goes beyond the prevention of violence. Theodore Roosevelt once said, ''To educate a person's mind and not his character is to educate a menace.'' In some ways, there is a lot of validity in that statement. Possessing a good mind without good character can create more problems than one can imagine.

Education is a central part of children's lives, and schools are the key to reaching the majority of America's children. Today's children have so many obstacles to overcome, including violence and drug use. As a society, we must find ways to help these children become responsible citizens, to distinguish between right and wrong. To do this, we must build on traditional education by nurturing student character.

Schools can teach and reinforce the importance of qualities like trustworthiness, responsibility, caring for others, and citizenship. By combining character education with solid instruction in reading, math, and science, our schools can produce young people who are not only strong in intellect, but also strong in character.

This is not to suggest that parents do not play a key role as well. Parents should be deeply involved in their children's character development. They should help plan school character development programs, and reinforce the programs' lessons in the home.

What we have done in our schools, and in the schools of New Mexico and other states, is take one of these six pillars a month, and weave it into the seamless fabric of the day, from the math class to the history class to the band and athletic field to the extracurricular activity. They will take the character of respect: What is respect? What is lack of respect among teachers, students, and administrators? It is incredible to see the difference this has made in these young people, the administrators, and the faculty of these schools. It has been a tremendous success.

This is a remarkable program. It goes back a number of years, when we put a small amount of money into the program to be used by the States and localities to promote the idea of character education.

I have never known a dollar that has been better spent or has done more good. Talk about seed money and making a difference. We all know that these children should be getting this kind of education at home. That is where it should happen. But, tragically, today for a variety of reasons, children are entering school without these basic lessons that a generation ago were learned at the knees of their parents.

Many of my colleagues in the Senate come to the floor each year and join me in supporting character education in our schools. For the past six years, I have been working to support character education. In 1994, the amendment Senator DOMENICI and I offered to the Elementary and Secondary Education bill was adopted by the full Senate. The amendment provided funding for schools to start character education curriculums.

Since then, I have had the opportunity to visit schools in my home state of Connecticut and I have seen these funds at work. Teachers, parents and the students themselves are enthusiastic about these programs and have reported better attendance, higher academic performance, and improved behavior among students. My colleagues can confirm that these positive results are evident throughout the Nation.

Again, I compliment my colleague and friend from New Mexico for his leadership on character education. I invite my colleagues from both sides of the aisle to join us in supporting National Character Counts Week and recognizing character education as a critical part of creating more responsible children and a safer society in which to live.

Mr. FRIST. Mr. President, it gives me great pleasure to rise, as I have in years past, in support of what has become an annual resolution to designate the third week of October—this year—the week of October 17th—as National Character Counts Week.

The importance of character to the future of our nation cannot be overemphasized. As the noted educator, George S. Benson, once observed, ''Great ideals and principles do not live from generation to generation because they are right, nor even because they have been carefully legislated. Ideals and principles continue from generation to generation only when they are built into the hearts of children as they grow up.''

There was a time when great ideals and principles were ''built into the hearts of children'' as a matter of course—in every school house, and classroom, all across our great land; a time when we believed that to educate a man in mind and not in morals, as Teddy Roosevelt put it, was to educate a menace of society.

Sadly, this is no longer the case.

Not only do many schools no longer teach children the difference between good and evil, right and wrong, they convey the philosophy that there is no difference; that it is all a matter of choice, and that choice—not truth—or justice—or responsibility, is the ultimate object of democracy.

That is the greatest threat to democracy any nation can face—but especially ours. For America is a nation founded on principle, forged by courage, and strengthened by every succeeding generation that has been unwilling to let those principles or that courage be diminished.

Yet, in many ways, moral leadership is more important now than it has ever been before. The 21st century will hold many challenges that will require the most of us. And the greatest of those challenges will be moral not economic: cloning, genetics, bioengineering; human rights vs. economic prosperity? right to life or right to die?

They are challenges that will require principle, demand character.

Who will be the leaders of tomorrow, and will they be up to the task? In many ways, the answer is up to us.

Which is why I have worked to promote character development in elementary and secondary education, and urged our Nation's colleges and universities to affirm character development as a primary goal of higher education.

It is also why I am also proud to support the Character Counts movement, and why I have done so every year since I've been in the United States Senate.

In 1995, in the very first quarter of my first term, I became a member of the bipartisan Character Counts Working Group—a coalition of Senators organized to affirm and support the millions of Americans who still believe that character counts, that it should be not just touted but taught, in homes and churches, certainly, but also in schools across America.

It is why I have annually co-sponsored this Senate resolution to designate the third week of October as National Character Counts Week. And it is why I am proud to say that, in Tennessee, Character Counts! is flourishing.

Mr. President, Character Counts! teaches children respect, responsibility, trust, caring and citizenship. It teaches them the value of virtue, the importance of character. It renews not only the promises of our past, but our faith in the future.

In Knoxville, Tennessee alone, 38 schools so far have received Character Counts! training. One of them, Norwood Elementary, asked students to write essays about the importance of character.

Another, Farragut Primary School, held an assembly for parents and kids that highlighted ways to be good citizens.

In Johnson City, a little boy and his friends at Cherokee Elementary School built a ramp at the home of a boy with a disability so he could get in and out safely in his wheelchair.

In Hamblin County, I met a fourth grader—a little girl named Heidi Shackleford—who was the first student to make her school's Character Counts! ''Wall of Fame.''

What did she do to earn such an honor? She found a $100 bill in her school, but rather than stick it in her pocket, she turned it in to her teacher because she learned—through Character Counts education—why it is important to do the right thing.

In Sullivan County—where the Character Counts! program began in Tennessee—students at the Indian Springs

Elementary School make monthly visits to a grandmother they adopted at a Kingsport nursing home.

They have also experienced 25 percent reduction in juvenile crime since the Character Counts! program began—an improvement they attribute directly to the impact the program has had on the region.

These are just a few examples of how Tennessee children are learning the value of virtue, the importance of character, and how their communities have benefitted as a result.

It has been my honor to support all of these efforts—to help Tennessee communities kick-off new programs, and to encourage and support those already in place.

But it is not enough to promote this program in Tennessee, or New Mexico, or in any one of the other states that have taken up the challenge.

We must promote the development of character in every state, in every school, in every city in America. For if education is the most important gift we can give to the future, then character education is doubly so.

The job of instilling character in the hearts of America's children has always been an important one. But as the tragic violence in Littleton and other cities recently have shown us, it has never been more important than it is today.

We are justifiably proud of the liberty we enjoy as Americans. But as the wise British statesman, Edmund Burke, once observed, What is liberty without virtue? It is the greatest of all possible evils, for it is folly, vice and madness without tuition or restraint.

We must take every opportunity to teach our children the difference between right and wrong, to sort out with them, what to value, and what to reject from among the vast array of choices made possible by our freedom.

We must all, young and old, rich and poor, Democrat and Republican, work together to sow the seeds of character into the hearts of every young American so that together we can give our children and our country one of the greatest gifts any democratic nation can bestow—the assurance that character does count.

## AMENDMENTS SUBMITTED

### FINANCIAL SERVICES MODERNIZATION ACT OF 1999

### SANTORUM (AND BUNNING) AMENDMENT NO. 307

Mr. SANTORUM (for himself and Mr. BUNNING) proposed an amendment to the bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes; as follows:

At the appropriate place, insert the following:

(e) USE OF FUND RESERVES TO PAY FICO OBLIGATIONS.—Section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended by inserting after subparagraph (C) the following:

''(D) USE OF DEPOSIT INSURANCE FUNDS TO PAY CERTAIN FINANCING CORPORATION OBLIGATIONS.—

''(i) IN GENERAL.—Beginning on January 1, 2000, the Board of Directors shall use the funds of the Bank Insurance Fund and the Savings Association Insurance Fund in excess of 1.35 percent of estimated insured deposits or such level established by the Board of Directors pursuant to Section 7(b)(2)(A)(iv)(II) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)(iv)(II) to pay the bond interest obligations of the Financing Corporation.

''(ii) LIMITATION.—If the funds available under clause (i) are insufficient to meet the Financing Corporation's annual interest obligations, the Board of Directors shall use such amounts available under clause (i) and shall impose a special assessment, consistent with 12 U.S.C. 1441(f)(2) and Section 2703(c)(2)(A) of the Deposit Insurance Funds Act of 1996, on insured depository institutions in such amount and for such period as is necessary to generate funds sufficient to permit the Financing Corporation to meet all interest obligations due.

### GRAMM AMENDMENT NO. 308

Mr. GRAMM proposed an amendment to the bill, S. 900, supra; as follows:

On page 98, strike lines 5 through 9, and insert the following:

**SEC. 304. FINANCIAL INFORMATION PRIVACY PROTECTION.**

(a) FINANCIAL INFORMATION ANTI-FRAUD.—The Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by adding at the end the following:

**''TITLE X—FINANCIAL INFORMATION PRIVACY PROTECTION**

**''SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.**

''(a) SHORT TITLE.—This title may be cited as the 'Financial Information Anti-Fraud Act of 1999'.

''(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:



**''SEC. 1002. DEFINITIONS.**

''For purposes of this title, the following definitions shall apply:

''(1) CUSTOMER.—The term 'customer' means, with respect to a financial institution, any person (or authorized representative of a person) to whom the financial institution provides a product or service, including that of acting as a fiduciary.

''(2) CUSTOMER INFORMATION OF A FINANCIAL INSTITUTION.—The term 'customer information of a financial institution' means any information maintained by a financial institution which is derived from the relationship between the financial institution and a customer of the financial institution and is identified with the customer.

''(3) DOCUMENT.—The term 'document' means any information in any form.

''(4) FINANCIAL INSTITUTION.—

''(A) IN GENERAL.—The term 'financial institution' means any institution engaged in the business of providing financial services to customers who maintain a credit, deposit, trust, or other financial account or relationship with the institution.

''(B) CERTAIN FINANCIAL INSTITUTIONS SPECIFICALLY INCLUDED.—The term 'financial institution' includes any depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act), any loan or finance company, any credit card issuer or operator of a credit card system, and any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis (as defined in section 603(p)).

''(C) FURTHER DEFINITION BY REGULATION.—The Board of Governors of the Federal Reserve System may prescribe regulations further defining the term 'financial institution', in accordance with subparagraph (A), for purposes of this title.

**''SEC. 1003. PRIVACY PROTECTION FOR CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.**

''(a) PROHIBITION ON OBTAINING CUSTOMER INFORMATION BY FALSE PRETENSES.—It shall be a violation of this title for any person to obtain or attempt to obtain, or cause to be disclosed or attempt to cause to be disclosed to any person, customer information of a financial institution relating to another person—

''(1) by knowingly making a false, fictitious, or fraudulent statement or representation to an officer, employee, or agent of a financial institution with the intent to deceive the officer, employee, or agent into relying on that statement or representation for purposes of releasing the customer information;

''(2) by knowingly making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution with the intent to deceive the customer into relying on that statement or representation for purposes of releasing the customer information or authorizing the release of such information; or

''(3) by knowingly providing any document to an officer, employee, or agent of a financial institution, knowing that the document is forged, counterfeit, lost, or stolen, was fraudulently obtained, or contains a false, fictitious, or fraudulent statement or representation, if the document is provided with the intent to deceive the officer, employee, or agent into relying on that document for purposes of releasing the customer information.

''(b) PROHIBITION ON SOLICITATION OF A PERSON TO OBTAIN CUSTOMER INFORMATION FROM FINANCIAL INSTITUTION UNDER FALSE PRETENSES.—It shall be a violation of this title to request a person to obtain customer information of a financial institution, knowing or consciously avoiding knowing that the person will obtain, or attempt to obtain, the information from the institution in any manner described in subsection (a).

''(c) NONAPPLICABILITY TO LAW ENFORCEMENT AGENCIES.—No provision of this section shall be construed so as to prevent any action by a law enforcement agency, or any officer, employee, or agent of such agency, to obtain customer information of a financial

institution in connection with the performance of the official duties of the agency.

''(d) NONAPPLICABILITY TO FINANCIAL INSTITUTIONS IN CERTAIN CASES.—No provision of this section shall be construed to prevent any financial institution, or any officer, employee, or agent of a financial institution, from obtaining customer information of such financial institution in the course of—

''(1) testing the security procedures or systems of such institution for maintaining the confidentiality of customer information;

''(2) investigating allegations of misconduct or negligence on the part of any officer, employee, or agent of the financial institution; or

''(3) recovering customer information of the financial institution which was obtained or received by another person in any manner described in subsection (a) or (b).

''(e) NONAPPLICABILITY TO CERTAIN TYPES OF CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.—No provision of this section shall be construed to prevent any person from obtaining customer information of a financial institution that otherwise is available as a public record filed pursuant to the securities laws (as defined in section 3(a)(47) of the Securities Exchange Act of 1934).

**''SEC. 1004. ADMINISTRATIVE ENFORCEMENT.**

''(a) ENFORCEMENT BY FEDERAL TRADE COMMISSION.—Except as provided in subsection (b), compliance with this title shall be enforced by the Federal Trade Commission in the same manner and with the same power and authority as the Commission has under the Fair Debt Collection Practices Act to enforce compliance with that title.

''(b) ENFORCEMENT BY OTHER AGENCIES IN CERTAIN CASES.—

''(1) IN GENERAL.—Compliance with this title shall be enforced under—

''(A) section 8 of the Federal Deposit Insurance Act, in the case of—

''(i) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

''(ii) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act, by the Board;

''(iii) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System and national nonmember banks) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation; and

''(iv) savings associations the deposits of which are insured by the Federal Deposit Insurance Corporation, by the Director of the Office of Thrift Supervision; and

''(B) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union.

''(2) VIOLATIONS OF THIS TITLE TREATED AS VIOLATIONS OF OTHER LAWS.—For the purpose of the exercise by any agency referred to in paragraph (1) of its powers under any Act referred to in that paragraph, a violation of this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in paragraph (1), each of the agencies referred to in that paragraph may exercise, for the purpose of enforcing compliance with this title, any other authority conferred on such agency by law.

''(c) STATE ACTION FOR VIOLATIONS.—

''(1) AUTHORITY OF STATES.—In addition to such other remedies as are provided under State law, if the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this title, the State—

''(A) may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction;

''(B) may bring an action on behalf of the residents of the State to recover damages of not more than $1,000 for each violation; and

''(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

''(2) RIGHTS OF FEDERAL REGULATORS.—

''(A) PRIOR NOTICE.—The State shall serve prior written notice of any action under paragraph (1) upon the Federal Trade Commission and, in the case of an action which involves a financial institution described in section 1004(b)(1), the agency referred to in such section with respect to such institution and provide the Federal Trade Commission and any such agency with a copy of its complaint, except in any case in which such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action.

''(B) RIGHT TO INTERVENE.—The Federal Trade Commission or an agency described in subsection (b) shall have the right—

''(i) to intervene in an action under paragraph (1);

''(ii) upon so intervening, to be heard on all matters arising therein;

''(iii) to remove the action to the appropriate United States district court; and

''(iv) to file petitions for appeal.

''(3) INVESTIGATORY POWERS.—For purposes of bringing any action under this subsection, no provision of this subsection shall be construed as preventing the chief law enforcement officer, or an official or agency designated by a State, from exercising the powers conferred on the chief law enforcement officer or such official by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

''(4) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION PENDING.—If the Federal Trade Commission or any agency described in subsection (b) has instituted a civil action for a violation of this title, no State may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Federal Trade Commission or such agency for any violation of this title that is alleged in that complaint.

**''SEC. 1005. CIVIL LIABILITY.**

''Any person, other than a financial institution, who fails to comply with any provision of this title with respect to any financial institution or any customer information of a financial institution shall be liable to such financial institution or the customer to whom such information relates in an amount equal to the sum of the amounts determined under each of the following paragraphs:

''(1) ACTUAL DAMAGES.—The greater of—

''(A) the amount of any actual damage sustained by the financial institution or customer as a result of such failure; or

''(B) any amount received by the person who failed to comply with this title, including an amount equal to the value of any nonmonetary consideration, as a result of the action which constitutes such failure.

''(2) ADDITIONAL DAMAGES.—Such additional amount as the court may allow.

''(3) ATTORNEYS' FEES.—In the case of any successful action to enforce any liability under paragraph (1) or (2), the costs of the action, together with reasonable attorneys' fees.

**''SEC. 1006. CRIMINAL PENALTY.**

''(a) IN GENERAL.—Whoever violates, or attempts to violate, section 1003 shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

''(b) ENHANCED PENALTY FOR AGGRAVATED CASES.—Whoever violates, or attempts to violate, section 1003 while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.

**''SEC. 1007. RELATION TO STATE LAWS.**

''(a) IN GENERAL.—This title shall not be construed as superseding, altering, or affecting the statutes, regulations, orders, or interpretations in effect in any State, except to the extent that such statutes, regulations, orders, or interpretations are inconsistent with the provisions of this title, and then only to the extent of the inconsistency.

''(b) GREATER PROTECTION UNDER STATE LAW.—For purposes of this section, a State statute, regulation, order, or interpretation is not inconsistent with the provisions of this title if the protection such statute, regulation, order, or interpretation affords any person is greater than the protection provided under this title.

**''SEC. 1008. AGENCY GUIDANCE.**

''In furtherance of the objectives of this title, each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) shall issue advisories to depository institutions under the jurisdiction of the agency, in order to assist such depository institutions in deterring and detecting activities proscribed under section 1003.''.

(b) REPORT TO CONGRESS ON FINANCIAL PRIVACY.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the Federal Trade Commission, the Federal banking agencies, and other appropriate Federal law enforcement agencies, shall submit to the Congress a report on—

(1) the efficacy and adequacy of the remedies provided in the amendments made by subsection (a) in addressing attempts to obtain financial information by fraudulent means or by false pretenses; and

(2) any recommendations for additional legislative or regulatory action to address threats to the privacy of financial information created by attempts to obtain information by fraudulent means or false pretenses.

(c) REPORTS ON ONGOING FTC STUDY OF CONSUMER PRIVACY ISSUES.—With respect to the ongoing multistage study being conducted by the Federal Trade Commission on consumer privacy issues, the Commission shall submit to the Congress an interim report on the findings and conclusions of the Commission, together with such recommendations for legislative and administrative action as the Commission determines to be appropriate, at the conclusion of each stage of such study and a final report at the conclusion of the study.

(d) CONSUMER GRIEVANCE PROCESS.—The Federal banking agencies (as that term is defined in section 3 of the Federal Deposit Insurance Act) shall jointly establish a consumer complaint mechanism, for receiving and expeditiously addressing consumer complaints alleging a violation of regulations issued under section 45 of the Federal Deposit Insurance Act (as added by section 202 of this Act), which mechanism shall—

(1) establish a group within each Federal banking agency to receive such complaints; and

(2) develop procedures for—

(A) investigating such complaints;

(B) informing consumers of rights they may have in connection with such complaints; and

(C) addressing concerns raised by such complaints, as appropriate, including procedures for the recovery of losses, to the extent appropriate.

---

## JOHNSON (AND OTHERS) AMENDMENT NO. 309

Mr. JOHNSON (for himself, Mr. THOMAS, Mr. KERREY, Mr. DASCHLE, Mr. DORGAN, Mr. KOHL, and Mrs. LINCOLN) proposed an amendment to the bill, S. 900, supra; as follows:

On page 149, strike line 12 and all that follows through page 150, line 21 and insert the following:

**SEC. 601. PREVENTION OF CREATION OF NEW S&L HOLDING COMPANIES WITH COMMERCIAL AFFILIATES.**

(a) IN GENERAL.—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

''(9) PREVENTION OF NEW AFFILIATIONS BETWEEN S&L HOLDING COMPANIES AND COMMERCIAL FIRMS.—

''(A) IN GENERAL.—Notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after May 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—

''(i) under paragraph (1)(C) or (2) of this subsection; or

''(ii) for financial holding companies under section 4(k) of the Bank Holding Company Act of 1956.

''(B) PREVENTION OF NEW COMMERCIAL AFFILIATIONS.—Notwithstanding paragraph (3), no savings and loan holding company may engage directly or indirectly (including through a subsidiary other than a savings association) in any activity other than as described in clauses (i) and (ii) of subparagraph (A).

''(C) PRESERVATION OF AUTHORITY OF EXISTING UNITARY S&L HOLDING COMPANIES.—Subparagraphs (A) and (B) do not apply with respect to any company that was a savings and loan holding company on March 4, 1999, or that becomes a savings and loan holding company pursuant to an application pending before the Office on or before that date, and that—

''(i) meets and continues to meet the requirements of paragraph (3); and

''(ii) continues to control not fewer than 1 savings association that it controlled on March 4, 1999, or that it acquired pursuant to an application pending before the Office on or before that date, or the successor to such savings association.

''(D) CORPORATE REORGANIZATIONS PERMITTED.—This paragraph does not prevent a transaction that—

''(i) involves solely a company under common control with a savings and loan holding company from acquiring, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company; or

''(ii) involves solely a merger, consolidation, or other type of business combination as a result of which a company under common control with the savings and loan holding company acquires, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company.

''(E) AUTHORITY TO PREVENT EVASIONS.—The Director may issue interpretations, regulations, or orders that the Director determines necessary to administer and carry out the purpose and prevent evasions of this paragraph, including a determination that, notwithstanding the form of a transaction, the transaction would in substance result in a company acquiring control of a savings association.

''(F) PRESERVATION OF AUTHORITY FOR FAMILY TRUSTS.—Subparagraphs (A) and (B) do not apply with respect to any trust that becomes a savings and loan holding company with respect to a savings association, if—

''(i) not less than 85 percent of the beneficial ownership interests in the trust are continuously owned, directly or indirectly, by or for the benefit of members of the same family, or their spouses, who are lineal descendants of common ancestors who controlled, directly or indirectly, such savings association on March 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before March 4, 1999; and

''(ii) at the time at which such trust becomes a savings and loan holding company, such ancestors or lineal descendants, or spouses of such descendants, have directly or indirectly controlled the savings association continuously since March 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before March 4, 1999.''.

(b) CONFORMING AMENDMENT.—Section 10(o)(5)(E) of the Home Owners' Loan Act (15 U.S.C. 1467a(o)(5)(E)) is amended by striking '', except subparagraph (B)'' and inserting ''or (c)(9)(A)(ii)''.

---

## BENNETT AMENDMENT NO. 310

Mr. GRAMM (for Mr. BENNETT) proposed an amendment to the bill, S. 900, supra; as follows:

At the appropriate place in the bill, insert the following:

Section 23B(b)(2) of the Federal Reserve Act (12 U.S.C. 371c–1) is amended to read as follows:

''Subparagraph (B) of paragraph (1) shall not apply if the purchase or acquisition of such securities has been approved, before such securities are initially offered for sale to the public, by a majority of the directors of the bank based on a determination that the purchase is a sound investment for the bank irrespective of the fact that an affiliate of the bank is a principal underwriter of the securities.''

---

## BENNETT AMENDMENT NO. 311

(Ordered to lie on the table.)

Mr. BENNETT submitted an amendment intended to be proposed by him to the bill, S. 900, supra; as follows:

On page 11, line 11, after ''represent'' insert '', as determined by the insurance authority of the State of domicile of the insurance company,''.

EXPLANATION

S. 900 requires that for an investment by an insurance company to be treated as ''financial in nature'' it must be ''made in the ordinary course of business of such insurance company in accordance with relevant State law governing such investments.'' This amendment makes clear that the determination whether an investment is ''made in the ordinary course of business of such insurance company in accordance with State law governing such investments'' will be made by the insurance authority of the state of domicile of the insurance company.

State insurance authorities are most experienced and best qualified to determine whether insurance company investments are made in the ordinary course of business in accordance with relevant state law governing such investments. This amendment also will implement the principle of functional regulation established generally in S. 900 with respect to the conduct of business by insurance companies.

---

## DORGAN AMENDMENTS NOS. 312–313

Mr. DORGAN proposed two amendments to the bill, S. 900, supra; as follows:

AMENDMENT NO. 312

At the appropriate place, insert the following:

**SEC. ____. LIMITATION ON DERIVATIVES ACTIVITIES.**

(a) INSURED DEPOSITORY INSTITUTIONS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

**''SEC. 45. DERIVATIVE INSTRUMENTS.**

''(a) DERIVATIVES ACTIVITIES.—

''(1) GENERAL PROHIBITION.—Except as provided in paragraph (2), neither an insured depository institution, nor any affiliate thereof, may purchase, sell, or engage in any transaction involving a derivative financial instrument for the account of that institution or affiliate.

''(2) EXCEPTIONS.—

''(A) HEDGING TRANSACTIONS.—An insured depository institution may purchase, sell, or engage in hedging transactions to the extent that such activities are approved by rule, regulation, or order of the appropriate Federal banking agency issued in accordance with paragraph (3).

''(B) SEPARATELY CAPITALIZED AFFILIATE.—A separately capitalized affiliate of an insured depository institution that is not itself an insured depository institution may purchase, sell, or engage in a transaction involving a derivative financial instrument if such affiliate complies with all rules, regulations, or orders of the appropriate Federal banking agency issued in accordance with paragraph (3).

''(C) DE MINIMIS INTERESTS.—An insured depository institution may purchase, sell, or engage in transactions involving de minimis interests in derivative financial instruments for the account of that institution to the extent that such activity is defined and approved by rule, regulation, or order of the appropriate Federal banking agency issued in accordance with paragraph (3).

''(D) EXISTING INTERESTS.—During the 3-month period beginning on the date of enactment of this section, nothing in this section shall be construed—

''(i) as affecting an interest of an insured depository institution in any derivative financial instrument that existed on the date of enactment of this section; or

''(ii) as restricting the ability of the institution to acquire reasonably related interests in other derivative financial instruments for the purpose of resolving or terminating an interest of the institution in any derivative financial instrument that existed on the date of enactment of this section.

''(3) ISSUANCE OF RULES, REGULATIONS, AND ORDERS.—The appropriate Federal banking agency shall issue appropriate rules, regulations, and orders governing the exceptions provided for in paragraph (2), including—

''(A) appropriate public notice requirements;

''(B) a requirement that any affiliate described in paragraph (2)(B) shall clearly and conspicuously notify the public that none of the assets of the affiliate, nor the risk of loss associated with the transaction involving a derivative financial instrument, are insured under Federal law or otherwise guaranteed by the Federal Government or the parent company of the affiliate; and

''(C) any other requirements that the appropriate Federal banking agency considers to be appropriate.

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

''(1) the term 'derivative financial instrument' means—

''(A) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as defined in section 11(e)(8)); and

''(B) any other instrument that an appropriate Federal banking agency determines, by regulation or order, to be a derivative financial instrument for purposes of this section; and

''(2) the term 'hedging transaction' means any transaction involving a derivative financial instrument if—

''(A) such transaction is entered into in the normal course of the institution's business primarily—

''(i) to reduce risk of price change or currency fluctuations with respect to property that is held or to be held by the institution; or

''(ii) to reduce risk of interest rate or price changes or currency fluctuations with respect to loans or other investments made or to be made, or obligations incurred or to be incurred, by the institution; and

''(B) before the close of the day on which such transaction was entered into (or such earlier time as the appropriate Federal banking agency may prescribe by regulation), the institution clearly identifies such transaction as a hedging transaction.''.

(b) INSURED CREDIT UNIONS.—Title II of the Federal Credit Union Act (12 U.S.C. 1781 et seq.) is amended by adding at the end the following new section:

**''SEC. 215. DERIVATIVE INSTRUMENTS.**

''(a) DERIVATIVE ACTIVITIES.—Except as provided in subsection (b), neither an insured credit union, nor any affiliate thereof, may purchase, sell, or engage in any transaction involving a derivative financial instrument.

''(b) APPLICABILITY OF SECTION 45 OF THE FEDERAL DEPOSIT INSURANCE ACT.—Section 45 of the Federal Deposit Insurance Act shall apply with respect to insured credit unions and affiliates thereof and to the Board in the same manner that such section applies to insured depository institutions and affiliates thereof (as those terms are defined in section 3 of that Act) and shall be enforceable by the Board with respect to insured credit unions and affiliates under this Act.

''(c) DERIVATIVE FINANCIAL INSTRUMENT.—For purposes of this section, the term 'derivative financial instrument' means—

''(1) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as such term is defined in section 207(c)(8)(D)); and

''(2) any other instrument that the Board determines, by regulation or order, to be a derivative financial instrument for purposes of this section.''.

(c) BANK HOLDING COMPANIES.—Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) is amended by adding at the end the following new subsection:

''(h) DERIVATIVES ACTIVITIES.—

''(1) IN GENERAL.—A subsidiary of a bank holding company may purchase, sell, or engage in any transaction involving a derivative financial instrument for the account of that subsidiary if that subsidiary—

''(A) is not an insured depository institution or a subsidiary of an insured depository institution; and

''(B) is separately capitalized from any affiliated insured depository institution.

''(2) APPLICABILITY OF SECTION 45 OF THE FEDERAL DEPOSIT INSURANCE ACT.—Section 45 of the Federal Deposit Insurance Act shall apply with respect to bank holding companies and the Board in the same manner that section applies to an insured depository institution (as such term is defined in section 3 of that Act) and shall be enforceable by the Board with respect to bank holding companies under this Act.

''(3) DERIVATIVE FINANCIAL INSTRUMENT.—For purposes of this subsection, the term 'derivative financial instrument' means—

''(A) an instrument the value of which is derived from the value of stocks, bonds, other loan instruments, other assets, interest or currency exchange rates, or indexes, including qualified financial contracts (as such term is defined in section 207(c)(8)(D)); and

''(B) any other instrument that the Board determines, by regulation or order, to be a derivative financial instrument for purposes of this subsection.''.

---

AMENDMENT NO. 313

At the end of title III, insert the following:

**SEC. 312. TREATMENT OF LARGE HEDGE FUNDS UNDER INVESTMENT COMPANY ACT OF 1940.**

Section 3(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)) is amended—

(1) in paragraph (1), in the first sentence, by inserting '', which has total assets of less than $1,000,000,000, and'' after ''hundred persons''; and

(2) in paragraph (7), in the first sentence, by inserting ''which has total assets of less than $1,000,000,000,'' after ''qualified purchasers,''.

---

## SCHUMER AMENDMENT NO. 314

Mr. SCHUMER proposed an amendment to the bill, S. 900, supra; as follows:

At the appropriate place, insert the following:

**TITLE VII—ATM FEE REFORM**

**SEC. 701. SHORT TITLE.**

This title may be cited as the ''ATM Fee Reform Act of 1999''.

**SEC. 702. ELECTRONIC FUND TRANSFER FEE DISCLOSURES AT ANY HOST ATM.**

Section 904(d) of the Electronic Fund Transfer Act (15 U.S.C. 1693b(d)) is amended by adding at the end the following:

''(3) FEE DISCLOSURES AT AUTOMATED TELLER, MACHINES.—

''(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall require any automated teller machine operator who imposes a fee on any consumer for providing host transfer services to such consumer to provide notice in accordance with subparagraph (B) to the consumer (at the time the service is provided) of—

''(i) the fact that a fee is imposed by such operator for providing the service; and

''(ii) the amount of any such fee.

''(B) NOTICE REQUIREMENTS.—

''(i) ON THE MACHINE.—The notice required under clause (i) of subparagraph (A) with respect to any fee described in such subparagraph shall be posted in a prominent and conspicuous location on or at the automated teller machine at which the electronic fund transfer is initiated by the consumer; and

''(ii) ON THE SCREEN.—The notice required under clauses (i) and (ii) of subparagraph (A) with respect to any fee described in such subparagraph shall appear on the screen of the automated teller machine, or on a paper notice issued from such machine, after the transaction is initiated and before the consumer is irrevocably committed to completing the transaction.

''(C) PROHIBITION ON FEES NOT PROPERLY DISCLOSED AND EXPLICITLY ASSUMED BY CONSUMER.—No fee may be imposed by any automated teller machine operator in connection with any electronic fund transfer initiated by a consumer for which a notice is required under subparagraph (A), unless—

''(i) the consumer receives such notice in accordance with subparagraph (B); and

''(ii) the consumer elects to continue in the manner necessary to effect the transaction after receiving such notice.

''(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

''(i) ELECTRONIC FUND TRANSFER.—The term 'electronic fund transfer' includes a transaction which involves a balance inquiry initiated by a consumer in the same manner as an electronic fund transfer, whether or not the consumer initiates a transfer of funds in the course of the transaction.

''(ii) AUTOMATED TELLER MACHINE OPERATOR.—The term 'automated teller machine operator' means any person who—

''(I) operates an automated teller machine at which consumers initiate electronic fund transfers; and

''(II) is not the financial institution which holds the account of such consumer from which the transfer is made.

''(iii) HOST TRANSFER SERVICES.—The term 'host transfer services' means any electronic fund transfer made by an automated teller machine operator in connection with a transaction initiated by a consumer at an automated teller machine operated by such operator.''.

**SEC. 703. DISCLOSURE OF POSSIBLE FEES TO CONSUMERS WHEN ATM CARD IS ISSUED.**

Section 905(a) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)) is amended—

(1) by striking ''and'' at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting ''; and''; and

(3) by inserting after paragraph (9) the following:

''(10) a notice to the consumer that a fee may be imposed by—

''(A) an automated teller machine operator (as defined in section 904(d)(3)(D)(ii)) if the consumer initiates a transfer from an automated teller machine which is not operated by the person issuing the card or other means of access; and

''(B) any national, regional, or local network utilized to effect the transaction.''.

**SEC. 704. FEASIBILITY STUDY.**

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the feasibility of requiring, in connection with any electronic and transfer initiated by a consumer through the use of an automated teller machine—

(1) a notice to be provided to the consumer before the consumer is irrevocably committed to completing the transaction, which clearly states the amount of any fee which will be imposed upon the consummation of the transaction by—

(A) any automated teller machine operator (as defined in section 904(d)(2)(D)(ii) of the Electronic Fund Transfer Act) involved in the transaction;

(B) the financial institution holding the account of the consumer;

(C) any national, regional, or local network utilized to effect the transaction; and

(D) any other party involved in the transfer; and

(2) the consumer to elect to consummate the transaction after receiving the notice described in paragraph (1).

(b) FACTORS TO BE CONSIDERED.—In conducting the study required under subsection (a) with regard to the notice requirement described in such subsection, the Comptroller General shall consider the following factors:

(1) The availability of appropriate technology.

(2) Implementation and operating costs.

(3) The competitive impact any such notice requirement would have on various sizes and types of institutions, if implemented.

(4) The period of time which would be reasonable for implementing any such notice requirement.

(5) The extent to which consumers would benefit from any such notice requirement.

(6) Any other factor the Comptroller General determines to be appropriate in analyzing the feasibility of imposing any such notice requirement.

(c) REPORT TO CONGRESS.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

(1) the findings and conclusions of the Comptroller General in connection with the study required under subsection (a); and

(2) the recommendation of the Comptroller General with regard to the question of whether a notice requirement described in subsection (a) should be implemented and, if so, how such requirement should be implemented.

**SEC. 705. NO LIABILITY IF POSTED NOTICES ARE DAMAGED.**

Section 910 of the Electronic Fund Transfer Act (15 U.S.C. 1693h) is amended by adding at the end the following new subsection:

''(d) EXCEPTION FOR DAMAGED NOTICES.—If the notice required to be posted pursuant to section 904(d)(3)(B)(i) by an automated teller machine operator has been posted by such operator in compliance with such section and the notice is subsequently removed, damaged, or altered by any person other than the operator of the automated teller machine, the operator shall have no liability under this section for failure to comply with section 904(d)(3)(B)(i).''.

## SHELBY (AND OTHERS) AMENDMENT NO. 315

Mr. SHELBY (for himself, Mr. DASCHLE, Mr. GRAMS, Mr. REED, Mr. BENNETT, Mr. HAGEL, and Ms. LANDRIEU) proposed an amendment to the bill, S. 900, supra; as follows:

Redesignate sections 123, 124, and 125 as sections 125, 126, and 127 respectively, strike section 122, and insert the following:

**SEC. 122. SUBSIDIARIES OF NATIONAL BANKS AUTHORIZED TO ENGAGE IN FINANCIAL ACTIVITIES.**

Chapter one of title LXII of the revised statutes of United States (12 U.S.C. 21 et seq.) is amended—

(1) by redesignating section 5136A (12 U.S.C. 25a) as section 5136B; and

(2) by inserting after section 5136 (12 U.S.C. 24) the following new section:

**''SEC. 5136A. SUBSIDIARIES OF NATIONAL BANKS.**

''(a) ACTIVITIES PERMISSIBLE.—

''(1) IN GENERAL.—A subsidiary of a national bank may—

''(A) engage in any activity that is permissible for the parent national bank;

''(B) engage in any activity authorized under section 25 or 25A of the Federal Reserve Act, the Bank Service Company Act, or any other Federal statute that expressly by its terms authorizes national banks to own or control subsidiaries (other than this section); and

''(C) engage in any activity permissible for a bank holding company under any provision of section 4(k) of the Bank Holding Company Act of 1956 other than—

''(i) paragraph (4)(B) of such section (relating to insurance activities) insofar as such paragraph permits a bank holding company to engage as principal in insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, or to engage as principal in providing or issuing annuities; and

''(ii) paragraph (4)(I) of such section (relating to insurance company investments).

''(2) LIMITATIONS.—A subsidiary of a national bank—

''(A) may not, pursuant to subparagraph (C) of paragraph (1)—

''(i) underwrite insurance other than credit-related insurance;

''(ii) engage in real estate investment or development activities (except to the extent that a Federal statute expressly authorizes a national bank to engage directly in such an activity); and

''(B) may not engage in any activity not permissible under paragraph (1).

''(b) REQUIREMENTS APPLICABLE TO NATIONAL BANKS WITH FINANCIAL SUBSIDIARIES.—

''(1) IN GENERAL.—A financial subsidiary of a national bank may engage in activities pursuant to subsection (a)(1)(C) only if—

''(A) the national bank meets the requirements, as determined by the Comptroller of the Currency, of Section (4)(l)(1) of the Bank Holding Company Act of 1956 (other than subparagraph (C));

''(B) each insured depository institution affiliate of the national bank meet the requirements, as determined by the Comptroller of the Currency, of Section (4)(l)(1) of the Bank Holding Company Act of 1956 (other than subparagraph (C)); and

''(C) the national bank has received the approval of the Comptroller of the Currency by regulation or order.

''(2) CORRECTIVE PROCEDURES.—

''(A) IN GENERAL.—The Comptroller of the Currency shall, by regulations prescribe procedures to enforce paragraph (1).

''(B) STRINGENCY.—The regulation prescribed under subparagraph (A) shall be no less stringent than the corresponding restrictions and requirements of section 4(m) of the Bank Holding Company Act of 1956.

''(c) DEFINITIONS.—For purpose of this section, the following definitions shall apply;

''(1) AFFILIATE.—The term 'affiliate' has the same meaning as in section 3 of the Federal Deposit Insurance Act.

''(2) FINANCIAL SUBSIDIARY.—The term 'financial subsidiary' means a company that—

''(A) is a subsidiary of an insured bank; and

''(B) is engaged as principal in any financial activity that is not permissible under subparagraph (A) or (B) of subsection (a)(1) of this section.

''(3) SUBSIDIARY.—The term 'subsidiary' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

''(4) WELL CAPITALIZED.—The term 'well capitalized' has the same meaning as in section 38 of the Federal Deposit Insurance Act.

''(5) WELL MANAGED.—The term 'well managed' means—

''(A) in the case of an insured depository institution that has been examined, the achievement of—

''(i) a composite rating of 1 or 2 under the Uniform Financial Instutitions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the insured depository institution; and

''(ii) at least a rating of 2 for management, if that rating is given; or

''(B) in the case of an insured depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory.''.

**SEC. 123. SAFETY AND SOUNDNESS FIREWALLS BETWEEN BANKS AND THEIR FINANCIAL SUBSIDIARIES.**

(a) PURPOSES.—The purposes of this section are—

(1) to protect the safety and soundness of any insured bank that has a financial subsidiary;

(2) to apply to any transaction between the bank and the financial subsidiary (including a loan, extension of credit, guarantee, or purchase of assets), other than an equity investment, the same restrictions and requirements as would apply if the financial subsidiary were a subsidiary of a bank holding company having control of the bank; and

(3) to apply to any equity investment of the bank in the financial subsidiary restrictions and requirements equivalent to those that would apply if—

(A) the bank paid a dividend in the same dollar amount to a bank holding company having control of the bank; and

(B) the bank holding company used the proceeds of the dividend to make an equity investment in a subsidiary that was engaged in the same activities a the financial subsidiary of the bank.

(b) SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

**''SEC. 45. SAFETY AND SOUNDNESS FIREWALLS APPLICABLE TO SUBSIDIARIES OF BANKS.**

''(a) LIMITING THE EQUITY INVESTMENT OF A BANK IN A SUBSIDIARY.—

''(1) CAPITAL DEDUCTION.—In determining whether an insured bank complies with applicable regulatory capital standards—

''(A) the appropriate Federal banking agency shall deduct from the assets and tangible equity of the bank the aggregate amount of the outstanding equity investments of the bank in financial subsidiaries of the bank; and

''(B) the assets and liabilities of such financial subsidiaries shall not be consolidated with those of the bank.

''(2) INVESTMENT LIMITATION.—An insured bank shall not, without the prior approval of the appropriate Federal banking agency, make any equity investment in a financial subsidiary of the bank if that investment would, when made, exceed the amount that the bank could pay as a dividend without obtaining prior regulatory approval.

''(b) OPERATIONAL AND FINANCIAL SAFEGUARDS FOR THE BANK.—An insured bank that has a financial subsidiary shall maintain procedures for identifying and managing any financial and operational risks posed by the financial subsidiary.

''(c) MAINTENANCE OF SEPARATE CORPORATE IDENTITY AND SEPARATE LEGAL STATUS.—

''(1) IN GENERAL.—Each insured bank shall ensure that the bank maintains and complies with reasonable policies and procedures to preserve the separate corporate identity and legal status of the bank and any financial subsidiary or affiliate of the bank.

''(2) EXAMINATIONS.—The appropriate Federal banking agency, as part of each examination, shall review whether an insured bank is observing the separate corporate identity and separate legal status of any subsidiaries and affiliates of the bank.

''(d) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section, the term 'financial subsidiary' has the same meaning as section 5136A(c)(2) of the Revised Statutes of the United States.

''(e) REGULATIONS.—The appropriate Federal banking agencies shall jointly prescribe regulations implementing this section.''.

(c) LIMITING A BANK'S CREDIT EXPOSURE TO A FINANCIAL SUBSIDIARY TO THE AMOUNT OF PERMISSIBLE CREDIT EXPOSURE TO AN AFFILIATE.—Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d), the following new subsection:

''(e) RULES RELATING TO BANKS WITH FINANCIAL SUBSIDIARIES.—

''(1) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section and section 23B, the term 'financial subsidiary' has the same meaning as section 5136A(c)(2) of the revised statutes of the United States.

''(2) APPLICATION TO TRANSACTIONS BETWEEN A FINANCIAL SUBSIDIARY OF A BANK AND THE BANK.—For purposes of applying this section and section 23B to a transaction between a financial subsidiary of a bank and the bank (or between such financial subsidiary and any other subsidiary of the bank that is not a financial subsidiary), and notwithstanding subsection (b)(2) and section 23B(d)(1)—

''(A) the financial subsidiary of the bank—

''(i) shall be deemed to be an affiliate of the bank and of any other subsidiary of the bank that is not a financial subsidiary; and

''(ii) shall not be deemed a subsidiary of the bank; and

''(B) a purchase of or investment in equity securities issued by the financial subsidiary shall not be deemed to be a covered transaction,

''(3) APPLICATION TO TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARY AND NONBANK AFFILIATES.—

''(A) IN GENERAL.—A transaction between a financial subsidiary and an affiliate of the financial subsidiary (that is not a subsidiary of a bank) shall not be deemed to be a transaction between a subsidiary of a bank and an affiliate of the bank for purposes of section 23A or section 23B of this Act.

''(B) CERTAIN AFFILIATES EXCLUDED.—For purposes of this paragraph, the term 'affiliate' shall not include a bank, or a subsidiary of a bank that is engaged exclusively in activities permissible for a national bank to engage in directly or authorized for a subsidiary of a national bank under any federal statute other than section 5136A of the Revised Statutes of the United States.''.

**SEC. 124. FUNCTIONAL REGULATION.**

(a) PURPOSE.—The purpose of this section is to ensure that—

(1) securities activities conducted in a subsidiary of a bank are functionally regulated by the Securities and Exchange Commission to the same extent as if they were conducted in a nondepository subsidiary of a bank holding company; and

(2) insurance agency and brokerage activities conducted in a subsidiary of a bank are functionally regulated by a State insurance authority to the same extent as if they were conducted in a nondepository subsidiary of a bank holding company.

(b) FUNCTIONAL REGULATION OF FINANCIAL SUBSIDIARIES.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.), is amended by inserting after section 45 (as added by section 123 of this subtitle) the following new section:

**''SEC. 46. FUNCTIONAL REGULATION OF SECURITIES SUBSIDIARIES AND INSURANCE AGENCY SUBSIDIARIES OF INSURED DEPOSITORY INSTITUTIONS.**

''(a) BROKER OR DEALER SUBSIDIARY.—A broker or dealer that is a subsidiary of an insured depository institution shall be subject to regulation under the Securities Exchange Act of 1934 in the same manner and to the same extent as a broker or dealer that—

''(1) is controlled by the same bank holding company as controls the insured depository institution; and

''(2) is not an insured depository institution or a subsidiary of an insured depository institution.

''(b) INSURANCE AGENCY SUBSIDIARY.—Subject to Section 104 of the Act, an insurance agency or brokerage that is a subsidiary of an insured depository institution shall be subject to regulation by a State insurance authority in the same manner and to the same extent as an insurance agency or brokerage that—

''(1) is controlled by the same bank holding company as controls the insured depository institution; and

''(2) is not an insured depository institution or a subsidiary of an insured depository institution.

''(c) DEFINITIONS.—For purposes of this section, the terms 'broker' and 'dealer' have the same meanings as in section 3 of the Securities Exchange Act of 1934.''.

---

## BRYAN AMENDMENT NO. 316

Mr. BRYAN proposed an amendment to the bill, S. 900, supra; as follows:

On page 150, after line 21, add the following:

**TITLE VII—FINANCIAL INFORMATION PRIVACY**

**SEC. 701. SHORT TITLE.**

This title may be cited as the ''Financial Information Privacy Act of 1999''.

**SEC. 702. DEFINITIONS.**

In this title—

(1) the term ''covered person'' means a person that is subject to the jurisdiction of any of the Federal financial regulatory authorities; and

(2) the term ''Federal financial regulatory authorities'' means—

(A) each of the Federal banking agencies, as that term is defined in section 3(z) of the Federal Deposit Insurance Act; and

(B) the Securities and Exchange Commission.

**SEC. 703. PRIVACY OF CONFIDENTIAL CUSTOMER INFORMATION.**

(a) RULEMAKING.—The Federal financial regulatory authorities shall jointly issue final rules to protect the privacy of confidential customer information relating to the customers of covered persons, not later than 270 days after the date of enactment of this Act (and shall issue a notice of proposed rulemaking not later than 150 days after the date of enactment of this Act), which rules shall—

(1) define the term ''confidential customer information'' to be personally identifiable data that includes transactions, balances, maturity dates, payouts, and payout dates, of—

(A) deposit and trust accounts;

(B) certificates of deposit;

(C) securities holdings; and

(D) insurance policies;

(2) require that a covered person may not disclose or share any confidential customer information to or with any affiliate or agent of that covered person if the customer to whom the information relates has provided written notice, as described in paragraphs (4) and (5), to the covered person prohibiting such disclosure or sharing—

(A) with respect to an individual that became a customer on or after the effective date of such rules, at the time at which the business relationship between the customer and the covered person is initiated and at least annually thereafter; and

(B) with respect to an individual that was a customer before the effective date of such rules, at such time thereafter that provides a reasonable and informed opportunity to the customer to prohibit such disclosure or sharing and at least annually thereafter;

(3) require that a covered person may not disclose or share any confidential customer information to or with any person that is not an affiliate or agent of that covered person unless the covered person has first—

(A) given written notice to the customer to whom the information relates, as described in paragraphs (4) and (5); and

(B) obtained the informed written or electronic consent of that customer for such disclosures or sharing;

(4) require that the covered person provide notices and consent acknowledgments to customers, as required by this section, in separate and easily identifiable and distinguishable form;

(5) require that the covered person provide notice as required by this section to the customer to whom the information relates that describes what specific types of information would be disclosed or shared, and under what general circumstances, to what specific types of businesses or persons, and for what specific types of purposes such information could be disclosed or shared;

(6) require that the customer to whom the information relates be provided with access to the confidential customer information that could be disclosed or shared so that the information may be reviewed for accuracy and corrected or supplemented;

(7) require that, before a covered person may use any confidential customer information provided by a third party that engages, directly or indirectly, in activities that are financial in nature, as determined by the Federal financial regulatory authorities, the covered person shall take reasonable steps to assure that procedures that are substantially similar to those described in paragraphs (2) through (6) have been followed by the provider of the information (or an affiliate or agent of that provider); and

(8) establish a means of examination for compliance and enforcement of such rules and resolving consumer complaints.

(b) LIMITATION.—The rules prescribed pursuant to subsection (a) may not prohibit the release of confidential customer information—

(1) that is essential to processing a specific financial transaction that the customer to whom the information relates has authorized;

(2) to a governmental, regulatory, or self-regulatory authority having jurisdiction over the covered financial entity for examination, compliance, or other authorized purposes;

(3) to a court of competent jurisdiction;

(4) to a consumer reporting agency, as defined in section 603 of the Fair Credit Reporting Act for inclusion in a consumer report that may be released to a third party only for a purpose permissible under section 604 of that Act; or

(5) that is not personally identifiable.

(c) CONSTRUCTION.—Nothing in this section or the rules prescribed under this section shall be construed to amend or alter any provision of the Fair Credit Reporting Act.

---

## LEVIN (AND SCHUMER) AMENDMENT NO. 317

Mr. LEVIN (for himself and Mr. SCHUMER) proposed an amendment to the bill, S. 900, supra; as follows:

On page 124, line 25, before ''Section'' insert the following:

''(1) It is the intention of this Act subject to carefully defined exceptions which do not undermine the dominant principle of functional regulation to ensure that securities transactions effected by a bank are regulated by securities regulators, notwithstanding any other provision of this Act.

(2)''.

---

## GRAMM (AND SARBANES) AMENDMENT NO. 318

Mr. GRAMM (for himself and Mr. SARBANES) proposed an amendment to the bill, S. 900, supra; as follows:

On page 18, strike line 22 and all that follows through page 19, line 2 and insert the following:

''(2) the attributed aggregate consolidated assets of the company held by the bank holding company pursuant to this subsection, and not otherwise permitted to be held by a bank holding company, are equal to not more than 5 percent of the total consolidated assets of the bank holding company, except that the Board may increase that percentage by such amounts and under such circumstances as the Board considers appropriate, consistent with the purposes of this Act; and

''(3) the bank holding company does not permit—

''(A) any company, the shares of which it owns or controls pursuant to this subsection, to offer or market any product or service of an affiliated insured depository institution; or

''(B) any affiliated insured depository institution to offer or market any product or service of any company, the shares of which are owned or controlled by such bank holding company pursuant to this subsection.''.

On page 11, line 11, after ''represent'' insert '', as determined by the insurance authority of the State of domicile of the insurance company,''.

At the appropriate place insert:

**SEC. —. INTERSTATE BRANCHES AND AGENCIES OF FOREIGN BANKS.**

Section 5 of the International Banking Act of 1978, as amended (12 U.S.C. §3103), is mended by striking subsection (a)(7) and substituting the following:

''(7) Additional authority for interstate branches and agencies of foreign banks; upgrades of certain foreign bank agencies and branches.

''Notwithstanding paragraphs (1) and (2), a foreign bank may,

''(A) with the approval of the Board and the Comptroller of the Currency, establish and operate a Federal branch or Federal agency or, with the approval of the Board and the appropriate State bank supervisor, a State branch or State agency in any State outside the foreign bank's home State if

(i) the establishment and operation of such branch or agency is permitted by the State in which the branch or agency is to be established; and

(ii) in the case of a Federal or State branch, the branch receives only such deposits as would be permitted for a corporation organized under Section 25A of the Federal Reserve Act (12 U.S.C. §611 et seq.); or

''(B) with the approval of the Board and the relevant licensing authority (the Comptroller in the case of a Federal branch or the appropriate State supervisor in the case of a State branch), upgrade an agency, or a brnch of the type referred to in subsection (a)(7)(A)(ii), located in a State outside the foreign bank's home state, into a Federal or State branch if the establishment and operation of such branch is permitted by such State; and

''(i) such agency or branch was in operation in such State on the day before September 29, 1994, or

''(ii) such agency or branch has been in operation in such State for a period of time that meets the State's minimum age requirement permitted under 12 U.S.C. §1831u(a)(5).''

At the appropriate place, insert the following:

**SEC. ___. PROVISION OF TECHNICAL ASSISTANCE TO MICROENTERPRISES.**

(a) IN GENERAL.—Title I of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.) is amended by adding at the end the following:

**''Subtitle C—Microenterprise Technical Assistance and Capacity Building Program**

**''SEC. 171. SHORT TITLE.**

''This subtitle may be cited as the 'Program for Investment in Microentrepreneurs Act of 1999', also referred to as the 'PRIME Act'.

**''SEC. 172. DEFINITIONS.**

''For purposes of this subtitle—

''(1) the term 'Administrator' has the same meaning as in section 103;

''(2) the term 'capacity building services' means services provided to an organization that is, or is in the process of becoming a microenterprise development organization or program, for the purpose of enhancing its ability to provide training and services to disadvantaged entrepreneurs;

''(3) the term 'collaborative' means 2 or more nonprofit entities that agree to act jointly as a qualified organization under this subtitle;

''(4) the term 'disadvantaged entrepreneur' means a microentrepreneur that is—

''(A) a low-income person;

''(B) a very low-income person; or

''(C) an entrepreneur that lacks adequate access to capital or other resources essential for business success, or is economically disadvantaged, as determined by the Administrator;

''(5) the term 'Fund' has the same meaning as in section 103;

''(6) the term 'Indian tribe' has the same meaning as in section 103;

''(7) the term 'intermediary' means a private, nonprofit entity that seeks to serve microenterprise development organizations and programs as authorized under section 175;

''(8) the term 'low-income person' has the same meaning as in section 103;

''(9) the term 'microentrepreneur' means the owner or developer of a microenterprise;

''(10) the term 'microenterprise' means a sole proprietorship, partnership, or corporation that—

''(A) has fewer than 5 employees; and

''(B) generally lacks access to conventional loans, equity, or other banking services;

''(11) the term 'microenterprise development organization or program' means a nonprofit entity, or a program administered by such an entity, including community development corporations or other nonprofit development organizations and social service organizations, that provides services to disadvantaged entrepreneurs or prospective entrepreneurs;

''(12) the term 'training and technical assistance' means services and support provided to disadvantaged entrepreneurs or prospective entrepreneurs, such as assistance for the purpose of enhancing business planning, marketing, management, financial management skills, and assistance for the purpose of accessing financial services; and

''(13) the term 'very low-income person' means having an income, adjusted for family size, of not more than 150 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2), including any revision required by that section).

**''SEC. 173. ESTABLISHMENT OF PROGRAM.**

''The Administrator shall establish a microenterprise technical assistance and capacity building grant program to provide assistance from the Fund in the form of grants to qualified organizations in accordance with this subtitle.

**''SEC. 174. USES OF ASSISTANCE.**

''A qualified organization shall use grants made under this subtitle—

''(1) to provide training and technical assistance to disadvantaged entrepreneurs;

''(2) to provide training and capacity building services to microenterprise development organizations and programs and groups of such organizations to assist such organizations and programs in developing microenterprise training and services;

''(3) to aid in researching and developing the best practices in the field of microenterprise and technical assistance programs for disadvantaged entrepreneurs; and

''(4) for such other activities as the Administrator determines are consistent with the purposes of this subtitle.

**''SEC. 175. QUALIFIED ORGANIZATIONS.**

''For purposes of eligibility for assistance under this subtitle, a qualified organization shall be—

''(1) a nonprofit microenterprise development organization or program (or a group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged entrepreneurs;

''(2) an intermediary;

''(3) a microenterprise development organization or program that is accountable to a local community, working in conjunction with a State or local government or Indian tribe; or

''(4) an Indian tribe acting on its own, if the Indian tribe can certify that no private organization or program referred to in this paragraph exists within its jurisdiction.

**''SEC. 176. ALLOCATION OF ASSISTANCE; SUBGRANTS.**

''(a) ALLOCATION OF ASSISTANCE.—

''(1) IN GENERAL.—The Administrator shall allocate assistance from the Fund under this subtitle to ensure that—

''(A) activities described in section 174(1) are funded using not less than 75 percent of amounts made available for such assistance; and

''(B) activities described in section 174(2) are funded using not less than 15 percent of amounts made available for such assistance.

''(2) LIMIT ON INDIVIDUAL ASSISTANCE.—No single organization or entity may receive more than 10 percent of the total funds appropriated under this subtitle in a single fiscal year.

''(b) TARGETED ASSISTANCE.—The Administrator shall ensure that not less than 50 percent of the grants made under this subtitle are used to benefit very low-income persons, including those residing on Indian reservations.

''(c) SUBGRANTS AUTHORIZED.—

''(1) IN GENERAL.—A qualified organization receiving assistance under this subtitle may provide grants using that assistance to qualified small and emerging microenterprise organizations and programs, subject to such rules and regulations as the Administrator determines to be appropriate.

''(2) LIMIT ON ADMINISTRATIVE EXPENSES.—Not more than 7.5 percent of assistance received by a qualified organization under this subtitle may be used for administrative expenses in connection with the making of subgrants under paragraph (1).

''(d) DIVERSITY.—In making grants under this subtitle, the Administrator shall ensure that grant recipients include both large and small microenterprise organizations, serving urban, rural, and Indian tribal communities and racially and ethnically diverse populations.

**''SEC. 177. MATCHING REQUIREMENTS.**

''(a) IN GENERAL.—Financial assistance under this subtitle shall be matched with funds from sources other than the Federal Government on the basis of not less than 50 percent of each dollar provided by the Fund.

''(b) SOURCES OF MATCHING FUNDS.—Fees, grants, gifts, funds from loan sources, and in-kind resources of a grant recipient from public or private sources may be used to comply with the matching requirement in subsection (a).

''(c) EXCEPTION.—

''(1) IN GENERAL.—In the case of an applicant for assistance under this subtitle with severe constraints on available sources of matching funds, the Administrator may reduce or eliminate the matching requirements of subsection (a).

''(2) LIMITATION.—Not more than 10 percent of the total funds made available from the Fund in any fiscal year to carry out this subtitle may be excepted from the matching requirements of subsection (a), as authorized by paragraph (1) of this subsection.

**''SEC. 178. APPLICATIONS FOR ASSISTANCE.**

''An application for assistance under this subtitle shall be submitted in such form and in accordance with such procedures as the Fund shall establish.

**''SEC. 179. RECORDKEEPING.**

''The requirements of section 115 shall apply to a qualified organization receiving assistance from the Fund under this subtitle as if it were a community development financial institution receiving assistance from the Fund under subtitle A.

**''SEC. 180. AUTHORIZATION.**

''In addition to funds otherwise authorized to be appropriated to the Fund to carry out this title, there are authorized to be appropriated to the Fund to carry out this subtitle—

''(1) $15,000,000 for fiscal year 2000;

''(2) $15,000,000 for fiscal year 2001;

''(3) $15,000,000 for fiscal year 2002; and

''(4) $15,000,000 for fiscal year 2003.

**''SEC. 181. IMPLEMENTATION.**

''The Administrator shall, by regulation, establish such requirements as may be necessary to carry out this subtitle.''.

(b) ADMINISTRATIVE EXPENSES.—Section 121(a)(2)(A) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4718(a)(2)(A)) is amended—

(1) by striking ''$5,550,000'' and inserting ''$6,100,000''; and

(2) in the first sentence, by inserting before the period '', including costs and expenses associated with carrying out subtitle C''.

(c) CONFORMING AMENDMENTS.—Section 104(d) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4703(d)) is amended—

(1) in paragraph (2)—

(A) by striking ''15'' and inserting ''17'';

(B) in subparagraph (G)—

(i) by striking ''9'' and inserting ''11'';

(ii) by redesignating clauses (iv) and (v) as clauses (v) and (vi), respectively; and

(iii) by inserting after clause (iii) the following:

''(iv) 2 individuals who have expertise in microenterprises and microenterprise development;''; and

(2) in paragraph (4), in the first sentence, by inserting before the period ''and subtitle C''.

At the appropriate place, insert the following:

**SEC. ___. DISCLOSURES TO CONSUMERS UNDER THE TRUTH IN LENDING ACT.**

(a) DISCLOSURE OF LATE PAYMENT DEADLINES AND PENALTIES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(12) If a charge is to be imposed due to the failure of the obligor to make payment on or before a required payment due date, the date that payment is due or, if different, the date on which a late payment fee will be charged, shall be stated prominently in a conspicuous location on the billing statement, together with the amount of the charge to be imposed if payment is made after such date.''.

(b) DISCLOSURES RELATED TO ''TEASER RATES''.—Section 127(c) (15 U.S.C. 1637(c)) is amended by inserting after paragraph (5) (as so redesignated by section 4 of this Act) the following:

''(6) ADDITIONAL NOTICE CONCERNING 'TEASER RATES'.—

''(A) IN GENERAL.—An application or solicitation for a credit card for which a disclosure is required under this subsection shall contain the disclosure contained in subparagraph (B) or (C), as appropriate, if the application or solicitation offers, for an introductory period of less than 1 year, an annual percentage rate of interest that—

''(i) is less than the annual percentage rate of interest that will apply after the end of the introductory period; or

''(ii) in the case of an annual percentage rate that varies in accordance with an index, is less than the current annual percentage rate under the index that will apply after the end of such period.

''(B) FIXED ANNUAL PERCENTAGE RATE.—If the annual percentage rate that will apply after the end of the introductory period will be a fixed rate, the application or solicitation shall include the following disclosure: 'The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate that will apply after the end of the introductory period. The permanent annual percentage rate will apply after [*insert applicable date*] and will be [*insert applicable percentage rate*].'.

''(C) VARIABLE ANNUAL PERCENTAGE RATE.—If the annual percentage rate that will apply after the end of the introductory period will vary in accordance with an index, the application or solicitation shall include the following disclosure: 'The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate that will apply after the end of the introductory period. The permanent annual percentage rate will be determined by an index, and will apply after [*insert applicable date*]. If the index that will apply after such date were applied to your account today, the annual percentage rate would be [*insert applicable percentage rate*].'.

''(D) CONDITIONS FOR INTRODUCTORY RATES.—If the annual percentage rate of interest that will apply during the introductory period described in subparagraph (A) is revocable or otherwise conditioned upon any action by the obligor, including any failure by the obligor to pay the minimum payment amount or finance charge or to make any payment by the stated monthly payment due date, the application or solicitation shall include disclosure of—

''(i) the conditions that the obligor must meet to retain the annual percentage rate of interest during the introductory period; and

''(ii) the annual percentage rate of interest that will apply as a result of the failure of the obligor to meet such conditions.

''(E) FORM OF DISCLOSURE.—The disclosures required under this paragraph shall be made in a clear and conspicuous manner, in a prominent fashion.''.

On page 10, at line 4, following ''by'', insert ''(I)'';

On page 10, at line 5, following ''thereof'', insert the following: ''or (II) an affiliate of an insurance company described in paragraph (I)(ii) below that provides investment advice to an insurance company and is registered pursuant to the Investment Advisers Act of 1940, or an affiliate of such investment adviser,''

At the appropriate place in the bill, insert a new section as follows:

**"SEC. . CRA SUNSHINE REQUIREMENTS.**

''(a) DISCLOSURE AND REPORTING.—The Federal Deposit Insurance Act (12 U.S.C. §1811 et seq.) is amended by adding at the end thereof the following new section:

**"'SEC. . CRA SUNSHINE REQUIREMENTS.**

'''(a) PUBLIC DISCLOSURE OF AGREEMENTS.—Any agreement entered into by an insured depository institution or affiliate with a nongovernmental entity or person made pursuant to or in connection with the Community Reinvestment Act involving funds or other resources of such insured depository institution or affiliate shall be in its entirety fully disclosed, and the full text thereof made available to the appropriate federal banking agency with supervisory responsibility over the insured depository institution and to the public and shall obligate each party to comply with the provisions of this section.

'''(b) ANNUAL REPORT OF ACTIVITY.—Each party to the agreement shall report, as applicable, to the appropriate federal banking agency with supervisory responsibility over the insured depository institution, no less frequently than once each year, such information as the federal banking agency may be rule require relating to the following action taken by the party pursuant to an agreement described in subsection (a) during the previous 12-month period—

'''(1) payments, fees or loans made to any party to the agreement or received from any party to the agreement and the terms and conditions of the same; and

'''(2) aggregate data on loans, investments and services provided by each party in its community or communities pursuant to the agreement; and

'''(3) such other pertinent matters as determined by rule by the appropriate federal banking agency with supervisory responsibility over the insured depository institution.

'''(4) The Federal banking agency shall ensure that the regulations implementing this section do not impose an undue burden on the parties and that proprietary and confidential information is protected.

'''(c) EXISTING AGREEMENTS.—The requirements of subsection (b)(1), (2), and (3) shall be deemed to be fulfilled with respect to any agreement made prior to May 5, 1999.

'''(d) SECONDARY AGREEMENTS.—Any agreement made on or after May 5, 1999 pursuant to an agreement described in subsection (a) also is subject to the requirements of subsections (a) and (b).

'''(e) DEFINITIONS.—

'''(1) AGEEMENT.—As used in this section, the term ''agreement'' refers to any written contract, written agreement, or other written understanding with a value in excess of $10,000 annually, or a group of substantively related contracts with an aggregate value of $10,000 annually, made pursuant to or in connection with the Community Reinvestment Act of 1977, at least one party to which is an insured depository institution or affiliate thereof, or entity owned or controlled by an insured depository institution or affiliate, whether organized on a profit or not-for-profit basis. The term 1''agreement'' shall not include any specific contract or commitment for a loan or extension of credit to individuals, businesses, farms, or other entities, where the purpose of the loan or extension of credit does not include any re-lending or the borrowed funds to the other parties.

'''(2) APPROPRIATE FEDERAL BANKING AGENCY AND INSURED DEPOSITORY INSTITUTION.—As used in this section, the terms ''appropriate federal banking agency'' and ''insured depository institution'' have the same meanings as defined in section 3 of this Act.

'''(d) VIOLATIONS.—Any violation of the provisions of this section shall be considered a violation of this Act. If the party to the agreement that is not an insured depository institution or affiliate fails to comply with this section, the agreement shall not be enforceable after being given notice and a reasonable period of time to perform or comply.

'''(e) LIMITATION.—Nothing in this section is intended to provide any authority upon any appropriate federal banking agency to enforce the provisions of the agreements that are subject to the requirements of subsection (a).

'''(f) REGULATIONS.—Each appropriate federal banking agency shall prescribe regulations requiring procedures reasonably designed to assure and monitor compliance with the requirements of this section.'.''

At the appropriate place, insert the following:

**SEC. ___. FEDERAL RESERVE AUDITS.**

(a) IN GENERAL.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 11A the following:

**"SEC. 11B. ANNUAL INDEPENDENT AUDITS OF FEDERAL RESERVE BANKS.**

''(a) AUDIT REQUIRED.—Each Federal reserve bank shall annually obtain an audit of the financial statements of each Federal reserve bank (which shall have been prepared in accordance with generally accepted accounting principles) using generally accepted auditing standards from an independent auditor that meets the requirements of subsection (b).

''(b) AUDITOR'S QUALIFICATIONS.—The independent auditor referred to in subsection (a) shall—

''(1) be a certified public accountant who is independent of the Federal Reserve System; and

''(2) meet any other qualifications that the Board may establish.

''(c) CERTIFICATION REQUIRED.—In each audit required under subsection (a), the auditor shall certify to the Federal reserve bank and to the Board that the auditor—

''(1) is a certified public accountant and is independent of the Federal Reserve System; and

''(2) conducted the audit using generally accepted auditing standards.

''(d) CERTIFICATION BY FEDERAL RESERVE BANK.—Not later than 30 days after the completion of each audit required under subsection (a), the Federal reserve bank shall provide to the Comptroller General of the United States—

''(1) a certification that—

''(A) the Federal reserve bank has obtained the audit required under subsection (a);

''(B) the Federal reserve bank has received the certifications of the auditor required under subsection (c); and

''(C) the audit fully complies with subsection (a).

''(e) DETECTION OF ILLEGAL ACTS.—

''(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on the determination of financial statement amounts.

''(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

''(A) shall determine whether it is likely that the illegal act has occurred; and

''(B) shall, if the auditor determines that the illegal act is likely to have occurred—

''(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal reserve bank; and

''(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

''(3) REPORT TO CONGRESS.—The independent auditor under this section shall, as soon as practicable, directly report its conclusions to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of the audit required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

''(A) the possible illegal act has a direct and material effect on the financial statements of the Federal reserve bank;

''(B) the Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

''(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when made, or warrant resignation from the audit engagement.

''(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit a Federal reserve bank under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

''(f) RECORDKEEPING.—To facilitate compliance with this section, each Federal reserve bank shall—

''(1) ensure that the books, records, and accounts of the Federal reserve bank are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of the assets of the bank;

''(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

''(3) ensure that access to assets of the Federal reserve bank is permitted only in accordance with the general or specific authorization of the Board; and

''(4) ensure that—

''(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

''(B) appropriate action is taken with respect to any differences.

''(g) REPORTS TO BOARD, CONGRESS.—Not later than April 30 of each year, each Federal reserve bank shall submit a copy of each audit conducted under this section to the Board, and to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

**"SEC. 11C. INDEPENDENT AUDITS OF FEDERAL RESERVE SYSTEM AND FEDERAL RESERVE BOARD.**

''(a) AUDIT OF RESERVE SYSTEM.—The Board shall annually obtain an audit of the consolidated financial statements of the

Federal Reserve System (which shall have been prepared in accordance with generally accepted accounting principles) from an independent auditor, using generally accepted auditing standards, based on reports of audits of Federal reserve banks submitted to the Board under section 11B(g) and the audit of the Board under subsection (b) of this section.

''(b) AUDIT OF BOARD.—

''(1) IN GENERAL.—The Board shall annually obtain an audit of the financial statements of the Board (which shall have been prepared in accordance with generally accepted accounting principles) from an independent auditor, using generally accepted auditing standards.

''(2) PRICED SERVICES AUDIT.—

''(A) IN GENERAL.—As part of each audit of the Board required by this subsection, the auditor shall—

''(i) audit the calculation of the private sector adjustment factor established by the Board pursuant to section 11A(c)(3) for the year that is the subject of the audit; and

''(ii) audit the pro forma balance sheet and income statement for the services described in section 11A(b), including the determination of revenue, expenses, and income before income taxes for each service listed in that section (in accordance with the criteria specified in section 11A(c)(3)).

''(B) REPORT TO THE BOARD.—The auditor shall report the results of the audit under subparagraph (A)(ii) to the Board in written form.

''(3) LIMITATION.—The evaluations and audits required by this subsection shall not include deliberations, decisions, or actions on monetary policy matters, including discount authority under section 13, reserves of national banks, securities credit, interest on deposits, and open market operations.

''(c) AUDITOR'S QUALIFICATIONS.—An independent auditor referred to in this section shall—

''(1) be a certified public accountant and be independent of the Federal Reserve System; and

''(2) meet any other qualifications that the Board may establish.

''(d) CERTIFICATION REQUIRED.—In each audit required under this section, the auditor shall certify to the Board that the auditor—

''(1) is a certified public accountant and is independent of the Federal Reserve System; and

''(2) conducted the audit using generally accepted auditing standards.

''(e) DETECTION OF ILLEGAL ACTS.—

''(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material affect on the determination of financial statement amounts.

''(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit of the Federal Reserve System or the Board as required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

''(A) shall determine whether it is likely that the illegal act has occurred; and

''(B) shall, if the auditor determines that the illegal act is likely to have occurred—

''(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal Reserve System or the Board, as applicable; and

''(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

''(3) REPORT TO CONGRESS.—An independent auditor under this section shall directly report, as soon as practicable, its conclusions to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of an audit of the Federal Reserve System or the Board required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

''(A) the possible illegal act has a direct and material effect on the financial statements of the Federal Reserve System or the Board, as applicable;

''(B) the Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

''(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when made, or warrant resignation from the audits engagement.

''(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit the Federal Reserve System or the Board under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

''(f) RECORDKEEPING.—To facilitate compliance with this section, the Board shall—

''(1) ensure that the books, records, and accounts of the Board are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of assets;

''(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

''(3) ensure that access to assets of the Board is permitted only in accordance with general or specific authorization of the Board; and

''(4) ensure that—

''(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

''(B) appropriate action is taken with respect to any differences.

''(g) REPORTS TO CONGRESS.—Not later than May 31 of each year, the Board shall make available all audits and reports required by this section to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.''.

(b) FEDERAL RESERVE REQUIREMENTS.—

(1) CLARIFICATION OF FEE SCHEDULE REQUIREMENTS.—

(A) IN GENERAL.—Section 11A(b) of the Federal Reserve Act (12 U.S.C. 248a(b)) is amended—

(i) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

(ii) by inserting after paragraph (6) the following:

''(7) transportation of paper checks in the clearing process;''.

(B) PUBLICATION OF REVISED SCHEDULE.—Not later than 60 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish a revision of the schedule of fees required under section 11A of the Federal Reserve Act that reflects the changes made in the schedule in accordance with the amendments made by subparagraph (A) of this paragraph.

(2) CLARIFICATION OF APPLICABLE PRICING CRITERIA.—Section 11A(c) of the Federal Reserve Act (12 U.S.C. 248a(c)) is amended by striking paragraph (3) and inserting the following:

''(3)(A) In each fiscal year, fees shall be established for each service provided by the Federal reserve banks on the basis of all direct and indirect costs actually incurred (excluding the effect of any pension cost credit) in providing each of the services, including interest on items credited prior to actual collection, overhead, and an allocation of imputed costs, which takes into account the taxes that would have been paid and the return on capital that would have been provided had the services been provided by a private business firm.

''(B) The pricing principles referred to in subparagraph (A) shall be carried out with due regard to competitive factors and the provision of an adequate level of such services nationwide.

''(C)(i) Not later than 1 year after the date of enactment of the Financial Services Modernization Act of 1999, and not less frequently than once every 3 years thereafter, the Board shall conduct a comprehensive review of the methodology used to calculate the private sector adjustment factor pursuant to section 11A(c)(3), including a public notice and comment period.

''(ii) In conducting the review under clause (i), the Board shall publish in the Federal Register all elements of the methodology in use by the Board in the calculation of the private sector adjustment factor pursuant to section 11A(c)(3) provide notice and solicit public comment on the methodology, requesting commentators to identify areas of the methodology that are outdated, inappropriate, unnecessary, or that contribute to an inaccurate result in the calculation of the private sector adjustment factor.

''(iii) The Board shall—

''(I) publish in the Federal Register a summary of the comments received under this subparagraph, identifying significant issues raised; and

''(II) provide comment on such issues and make changes to the methodology to the extent that the Board considers to be appropriate.

''(iv) Not later than 30 days after the completion of each review under clause (i), the Board shall submit to Congress a report which shall include—

''(I) a summary of any significant issues raised by public comments received by the Board under this subparagraph and the relative merits of such issues; and

''(II) an analysis of whether the Board is able to address the concerns raised, or whether such concerns should be addressed by legislation.''.

On page 150, after line 21, add the following:

''(5) CONVERSION TO NATIONAL BANK.—Notwithstanding any other provision of law, any Federal savings assiciation chartered and in operation prior to the date of enactment of the Financial Services Modernization Act of 1999, with branches in one or more States, may convert, at its option, with the approval of the Comptroller of the Currency, into one

or more National banks, each of whom may ecompass one or more of the branches of the Federal savings association in one or more States; but only if the resulting national bank or banks will meet any and all financial, management, and capital requirements applicable to national banks.''.

At the appropriate place, insert the following:

**SEC. 2. COMMUNITY DEVELOPMENT INSTITUTIONS TO BE ELIGIBLE TO BORROW AS A NONMEMBER FROM THE FEDERAL HOME LOAN BANK SYSTEM.**

SECTION 10b.—Section 10b of the Federal Home Loan Bank Act (12 U.S.C. 1430b) is amended—

(1) in subsection (a) by striking the second sentence and inserting the following two sentences: ''Such mortgagees must be (i) chartered institutions having succession and (ii) subject to the inspection and supervision of some governmental agency or a community development financial institution (other than an insured depository institution or a subsidiary thereof) that, at the time of the advance is made, is certified under the Community Development Banking and Financial Institutions Act of 1994. The principal activity of such mortgagees in the mortgage field must consist of lending their own funds and any advances may be subject to the same collateralization requirements as applied to other nonmember borrowers.

(2) in the last sentence of subsection (a) by replacing the word ''such'' with ''the same'' and by replacing the phrase ''shall be determined by the board'' with the phrade ''are comparable extensions of credit to members''; and

(3) in subsection (b) by inserting in the first sentence between the words ''agency'' and ''for'' the following phrase: ''or a certified development financial institution''.

At the appropriate place, insert the following:

**SEC. ___. STUDY AND REPORT ON ADVERTISING PRACTICES OF ONLINE BROKERAGE SERVICES.**

(a) STUDY.—The Securities and Exchange Commission (hereafter in this section referred to as the ''Commission''), in consultation with the National Association of Securities Dealers and other interested parties, shall conduct a study of—

(1) the nature and content of advertising by online brokerage services in all media, including television, on the Internet, radio, and in print;

(2) if such advertising influences investors and potential investors to make investment decisions, and if such advertising improperly influences those investors and potential investors to make inappropriate investment decisions;

(3) whether such advertising properly discloses the risks associated with trading and investing in the capital markets; and

(4) whether—

(A) there are appropriate regulatory mechanisms in place to prevent any improper or deceptive advertising; and

(B) the Commission has or needs additional resources or authority to actively participate in such regulation.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Commission shall submit a report to the Congress on the results of the study conducted under subsection (a), together with any recommendations for changes that it considers necessary to protect investors and potential investors from improper or deceptive advertising.

## NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce that on Wednesday, May 12, 1999, the Committee on Energy and Natural Resources will hold an oversight hearing on Damage to the National Security from Chinese Espionage at DOE Nuclear Weapons Laboratories. The hearing will be held at 9:30 a.m. in room 216 of the Hart Senate Office Building in Washington, D.C. A portion of the hearing may be closed for national security reasons.

Those who wish further information may write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510.

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. THOMAS. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources. The purpose of this hearing is to receive testimony on S. 140, a bill to establish the Thomas Cole National Historic Site in the State of New York as an affiliated area of the National Park System, and for other purposes; S. 734, the National Discovery Trails Act of 1999; S. 762, a bill to direct the Secretary of the Interior to conduct a feasibility study on the inclusion of the Miami Circle in Biscayne National Park; S. 938, a bill to eliminate restrictions on the acquisition of certain land contiguous to Hawaii Volcanoes National Park, and for other purposes; S. 939, a bill to correct spelling errors in the statutory designations of Hawaiian National Parks; S. 946, a bill to authorize the Secretary of the Interior to transfer administrative jurisdiction over land within the boundaries of the Home of Franklin D. Roosevelt National Historic Site to the Archivist of the United States for the construction of a visitor center; and S. 955, a bill to allow the National Park Service to acquire certain land for addition to the Wilderness Battlefield in Virginia, as previously authorized by law, by purchase.

The hearing will take place on Tuesday, May 25, 1999 at 2:15 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, SD–364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole or Shawn Taylor of the committee staff at (202) 224–6969.

## AUTHORITY OF COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GRAMM. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, May 6, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this oversight hearing is to consider the results of the December 1998 plebiscite on Puerto Rico.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 6, 1999 at 2:00 pm to hold a hearing.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Government Affairs Committee be permitted to meet on Thursday, May 6, 1999 at 9:30 a.m. for a hearing on Federalism and Crime Control.

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. GRAMM. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on ''ESEA: Safe Schools'' during the session of the Senate on Thursday, May 6, 1999, at 10:00 a.m.

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

COMMITTEE ON OCEANS AND FISHERIES

Mr. GRAMM. Mr. President, I ask unanimous consent that the Oceans and Fisheries Subcommittee, of the Senate Committee on Commerce, Science, and Transportation be allowed to meet on Thursday, May 6, 1999, at 2:30 p.m. on the Coastal Zone Management Act.

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

SUBCOMMITTEE ON ANTITRUST, BUSINESS RIGHTS AND COMPETITION

Mr. GRAMM. Mr. President, I ask unanimous consent that the subcommittee on Antitrust, Business Rights and Competition of the Committee on the Judiciary, be authorized to hold an executive business meeting during the session of the Senate on Thursday, May 6, 1999, at 2:00 p.m., in room 226 of the Senate Dirksen Office Building.

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

ADDITIONAL STATEMENTS

## CAROL STRICKLAND: 1999 KANSAS TEACHER OF THE YEAR

• Mr. BROWNBACK. Mr. President, I rise today to recognize an outstanding educator from Kansas. Carol Strickland was selected as the Kansas Teacher of the Year for 1999. It is hard to overestimate the importance of caring and dedicated teachers such as Carol. Teachers invest their time, talent and knowledge into our nation's students, thereby shaping the minds of our future leaders.

It gives me great pleasure to acknowledge Carol's extraordinary work in education. I congratulate Carol and wish her continued success.•

## IN RECOGNITION OF LITTLE CAESARS ENTERPRISES

• Mr. LEVIN. Mr. President, I rise today to recognize the 40th birthday of Little Caesars Enterprises, an extraordinary company headquartered in my home state of Michigan and my hometown of Detroit.

It is not possible to talk about Little Caesars without recognizing the efforts of the founders of the company, Mike and Marian Ilitch. Mike and Marian are not only fine examples of entrepreneurship. They exemplify the American Dream itself. These two first-generation Americans, both of Macedonian descent, opened their first Little Caesars restaurant in Garden City, Michigan on May 8, 1959. After only three years, they sold their first Little Caesars franchise. The company became an international enterprise in 1969, with the opening of its first restaurant in Canada. By 1987, Little Caesars restaurants could be found in all 50 states. Today, Little Caesars' markets include the U.S., Canada, the Czech Republic, Slovakia, South Korea, Honduras, Dominican Republic, Turkey, the Philippines, Ecuador, Aruba and Egypt.

The Ilitch family and the employees of Little Caesars have demonstrated a deep commitment to the City of Detroit. Several years ago, many people characterized the decision to move Little Caesars' headquarters to downtown Detroit was ''an act of faith.'' Today, other companies are following in Little Caesars footsteps and the City of Detroit's business climate is truly on the rebound. Throughout the years, Little Caesars has sponsored youth sports, especially hockey, and given generously to charitable causes. One of the most notable charitable endeavors supported by Little Caesars is the Little Caesars Love Kitchen Foundation, a mobile pizza restaurant which has fed more than 1.2 million people since it was created in 1985. The Love Kitchen Foundation has been recognized by Presidents Clinton, Bush and Reagan for its service to those in need.

Many people credit the success of Little Caesars to its ''buy one, get one free'' concept. Others say its the creative, witty advertising. But anyone who knows Mike and Marian Ilitch knows that Little Caesars is truly a labor of love, and that they are at the heart of their company's success. And if the Ilitches are the heart and soul of Little Caesars, the hundreds of thousands of men and women who have worked for the company or who have owned a Little Caesars franchise have been its backbone. Those employees have helped to make Little Caesars the dynamic, successful enterprise it is today.

Mr. President, I know my colleagues join me in offering congratulations and best wishes for continuing success to Mike and Marian Ilitch, their family, and the entire Little Caesars organization as they celebrate the company's 40th birthday.•

## IN RECOGNITION OF PENNSYLVANIA'S TOP TWO YOUTH VOLUNTEERS

• Mr. SANTORUM. Mr. President, I rise today to recognize Pennsylvania's top two youth volunteers for the 1999 Prudential Spirit of Community Awards program, a nationwide program that honors young people for outstanding acts of volunteerism. Jessica Miley, a junior at McDowell High School in Erie and Dustin Good, a seventh-grade student at Pottstown Intermediate School were named State Honorees, an honor conferred on only one high school student and one middle-level student in each state, the District of Columbia and Puerto Rico.

Jessica is being honored for her extraordinary efforts to save the lives of at-risk youth. Certified by the Erie County Department of Health as a Prevention Educator to teach students in local high schools and middle schools about preventing HIV and AIDS, she designs her own programs around topics such as abstinence, sexual risks, peer pressure, self-esteem and the dangers of drugs and alcohol. Jessica spends 12 to 15 hours a week on her efforts during the school year and 40 hours a week during the summer.

Dustin is being recognized for his role in ''Project Reach-Out,'' a group comprised of students who want to make a difference in their community. As part of this effort, Dustin spent many hours promoting the group's activities to his student body, recruiting volunteers, attending planning meetings and working on special events. Among these events was a prom for residents of a local nursing home, as well as an ''adoption'' of a needy family in the community. Through fundraising efforts, the group provided the family with food, clothes and toys.

It is vital that we, as individual communities, encourage and support the kind of selfless contributions that these young people have demonstrated. People of all ages need to think more about how, as individual citizens, we can work together at the local level to ensure the health and vitality of our towns and neighborhoods. Young volunteers like Jessica and Dustin are inspiring examples to all of us and are among our brightest hopes for a better tomorrow.

The Prudential Spirit of Community Awards program was created in 1995 by The Prudential Insurance Company of America, in partnership with the National Association of Secondary School Principals, to impress upon all youth volunteers that their contributions are critical and to inspire other young people to follow their example. In only four years, the program has become the nation's largest youth recognition effort based solely on community service, with more than 50,000 youth participating.

I commend Jessica Miley and Dustin Good for the leadership they have demonstrated in seeking to make their communities better places to live. I would also like to salute the following eight young people in Pennsylvania who were named Distinguished Finalists in the program; Eric Ford, Havertown; Drew Harris, Dresher; Tiffanie Hawkins, Newtown; Anne Heller, New Holland; Kari Knight, Sugarloaf; Tabitha Kulish, Lancaster; Jennifer Michelstein, Kingston; and Lisa Podgurski, Washington.

These youth have exhibited a level of commitment and accomplishment that is truly extraordinary, and they deserve our sincere admiration and respect. Mr. President, I ask my colleagues to join me in commending these fine young people who have demonstrated that young Americans can, and do, play important roles in their communities and that America's community spirit continues to hold tremendous promise for the future.•

## BOB WOOD—THINKER AND DOER FOR URBAN AMERICA

• Mr. KENNEDY. Mr. President, one of America's greatest leaders for our cities and metropolitan areas over the past half century has been Robert C. Wood.

All of us who know Bob Wood have enormous respect for his ability, his leadership, and his brilliant service to the country. He was an outstanding Under Secretary and Secretary of Housing and Urban Development for President Lyndon Johnson in the 1960's, and he pioneered the development of many of the nation's most important programs to enhance the vitality of our cities and improve the quality of life in metropolitan areas across the country.

In Massachusetts, we have special respect and affection for Bob Wood because of all that he has done for our

state, especially for his service as a past chairman of the Massachusetts Bay Transportation Authority and as a past Superintendent of the Boston Public Schools, and also for his brilliant academic leadership both at M.I.T. and the University of Massachusetts.

In an excellent column by Martin F. Nolan in yesterday's Boston Globe, Bob Wood reflected on his remarkable career of service to Massachusetts and the nation. I believe the column will be of interest to all of us in Congress who know and admire Bob, and I ask that it be printed in the RECORD.

The article follows.

[From the Boston Globe, May 5, 1999]

A THINKER AND A DOER ON AMERICA'S CITIES

(By Martin F. Nolan)

When he first put his ideas into practice, America was asking, ''Can cities be saved?'' That question today would sound preposterous during reflections on a 50-year career in public service from an eyrie high above Boston Harbor, where piers once rotted and urban dreams died.

''Cities were written off too soon,'' says Bob Wood. ''Their commonality with suburbs is increasing, and people are realizing that a strategy against sprawl is not a direct assault on local governments.''

Battling sprawl is nothing new for Wood. When President Lyndon Johnson created task forces on housing and urban policy in 1964, ''Charlie Haar and I flew down every Saturday morning at 7:30. He headed the president's task force on environment, and I was chairman of the task force on urban problems, so we became very good friends during those weekends. He became assistant secretary of metropolitan development and I became the first undersecretary of housing and urban development.'' Wood later became HUD secretary.

In the Great Society's efforts to save American cities, Cambridge played a major role. Haar taught at Harvard Law School, and Wood was the first chairman of the political science department at MIT.

''Sprawl was recognized in the '60s legislation,'' he recalls. ''The idea of metropolitan development was to go hand in hand with urban renewal and what we were doing with the Model Cities program. It was explicit, but given Vietnam and the budget, we couldn't fund it and do well. We only did pieces of it.''

''Vietnam took so much energy, time, money, and political capital,'' Wood remembers. Next week, when Lady Bird Johnson will be hostess at a Texas reunion of LBJ's Cabinet, Wood will not be eager to greet former Defense Secretary Robert S. McNamara ''and the rest of 'the best and the brightest.' '' Wood sees similarities between Vietnam then and Yugoslavia today: ''It's underclared, slowly escalating, with an assumption of falling dominoes.''

Wood does not praise President Clinton or Vice President Gore for tackling sprawl, crediting economic forces with highlighting the problem: ''The Clinton administration had no real interest in tough decisions on urban issues or any other. Clinton took his polls from Dick Morris. But the country grew faster than predicted, and the cost of suburban development in housing, schools, and land became increasingly high. In the '80s, the recession had killed building development. In the '90s, with prosperity, people are building mansions in the suburbs. Overwhelmingly, political power is in the suburbs.''

In 1958, long before he moved from Lincoln to the Boston waterfront, Wood popularized ''Suburbia'' with a book by that title in which he wrote that ''transportation is the central reality of the metropolitan community.'' After his tensure at HUD he got a chance to put his ideas into action locally.

''When I can back from working for LBJ and got declared a war criminal by students at MIT, Governor Frank Sargent thought it would be a good idea for me to be chairman of the MBTA. It seemed a natural,'' he says.

One of his proudest achievements is ''the basic transformation of Somerville. Because of the Red Line extension, we got Davis Square as we know it. That's why Tufts is blossoming and why Somerville is where grad students from Harvard and elsewhere settle. That's what transit can do. It happened in Quincy, too.''

Wood has also been Boston school superintendent and president of the University of Massachusetts. A graduate of Princeton with degrees from Harvard, he was also director of Joint Center for Urban Studies at Harvard and MIT.

In 1949, this veteran of the 76th Army Infantry Division in World War II became associate director of Florida's Legislative Reference Bureau. He got to know and like politicians, which is why Robert Coldwell Wood, at 75, is unsurpassed as a thinker and a doer.●

## THE LITTLETON TRAGEDY

● Mr. DEWINE. Mr. President, all Americans are struggling with the meaning of the brutal murders in Littleton, CO, and the question of what we should do about school violence generally. As we tackle these issues, we need to take advantage of the best thinking and writing about them.

The Columbus Dispatch had a very good editorial on April 22, which points out in a very clear way what the specific challenges are—and most especially the need for adults to provide understanding and discipline to young people. The best way to stop violence is to promote the alternative—an effective culture of life and respect.

I ask that this editorial be printed in the RECORD.

The editorial follows:

[From the Columbus Dispatch, Apr. 22, 1999]

SCHOOL KILLINGS ADULTS MUST SEE THEMSELVES AS SOLUTION

A gunman looked under a desk in the library and said ''Peek-a-boo,'' then fired.—. . . Anyone who cried or moaned was shot again. One girl begged for her life, but a gunshot ended her cries. . . . The shooter turned his attention to a black student, saying, ''I hate niggers.''—AP report out of Littleton, Colo.

Black trench coats. Hitler's birthday. Gothic Web sites. Guns and homemade bombs. Hatred.

Can any sense be made of the pieces emerging from the bloody halls of Columbine High School? Can the overwhelming why be answered?

The issues seem so broad and numerous that a bewildered nation expresses its inability to comprehend it, one of the deadliest school massacres in U.S. history.

Counselors propound; experts proclaim. The news media shifts focus from gun control to dress codes, violent movies to police in schools, materialism to racism.

Before a coherent thought forms, the lens shifts again.

Police who searched Harris' home said they found bomb-making material. Students said the group was fascinated with World War II and the Nazis and noted that Tuesday was Adolf Hitler's birthday.

But the real question is not why. Deep down, though we may not articulate it very well, we really do know why.

We may not know the exact circumstances that led juniors Eric Harris and Dylan Klebold to gun down their classmates, but we do know that the past three years have produced a series of school killings: Two dead in Pearl, Miss., three in West Paducah, Ky., five in Jonesboro, Ark., two in Springfield, Ore. And from this, we know that it will happen again. We know why.

We have produced a generation of children given too much freedom, too little direction; too much money, too little love.

The segment of society least capable of handling empowerment has been empowered within the rule of law but beyond common sense.

A litigious population demands that schools maintain discipline and instill values but sues teachers and administrators who dare tread upon a student's rights, be it searching a locker or insisting on proper attire.

Teenagers demand and are granted their own ''space,'' Bedrooms become inviolable domains where the wild frontier of the Net can be browsed at will and every type of perversion checked out. If the child's character is far enough cracked, bombs can be made or guns can be stashed.

The so-called Trench Coat Mafia had boasted of its gun collection. Its members wore black everyday. They even wore black trench coats in class. When did parents and school officials descend to such levels of indifference? And ''nobody thought'' these kids were capable of killing in cold blood.

''They were laughing after they shot. It was like they were having the time of their life.''

The question is not why but, ''What do we do?''

Like recovering alcoholics, we first have to admit that we—all of us—have a problem. Not just our neighbors, not just Paducah and now Littleton, not just big cities or rural towns.

The good folks who have to live in crime-ridden neighborhoods used to rally around the cry, ''Take back our streets!'' Now, it's time to take back our children. Even the most dysfunctional families have aunts, uncles and cousins who can help.

Churches, mosques, synagogues, libraries and numerous civic- and social-service networks offer havens that too few people see as important enough to spend their time and money on. Much easier to give the kids some money and drop them and their cell phones off at the mall.

''Finally I started figuring out these guys shot to kill for no reason. . . . When he looked at me, the guy's eyes were just dead.''

We are killing our children by insisting that they don't have to be children if they don't want to. We talk values to them but fail, on the whole, to live those values. We lead by example, often unaware that our example is pathetically shallow and certainly poor competition for the pervasive voice of the youth culture where simply buying khakis holds the promise of sex.

Littleton is an affluent suburb. This is an affluent nation. We have time and money to

spend on our children. Individually, we must ask how our money and time is being spent. Collectively, we must decide to spend it more wisely and to share it with the larger neighborhood, the grand nation of the United States of America and its most valuable asset, the youngsters who will someday be the neighborhood.

Most of all, we must teach our children that freedom and independence are earned and that the rites of passage amount to more than clipping on a pager.

Neglect and indifference are forms of child abuse. Before we are shocked again by the next school shooting, we should devote more than a moment of thought to how much we overlook deviance and alienation; how so many of us are so little involved in providing direction.

Parents and all adults must provide understanding and compassion, discipline and clarity in a world of neglect, obfuscation and self-absorption.●

## TRIBUTE TO FATHER HENNESSEY

● Mr. HARKIN. Mr. President, I would like to pay tribute and say goodbye to a long time friend, Father Ron Hennessey, whose recent passing is a great loss not only to his colleagues, his family, and his friends but to everyone who knew him. I'm saying goodbye to Father Ron, but we will never say goodbye to his heart, his spirit, or his soul.

Father Ron was a native of Iowa and graduated from St. Patrick's High School in Ryan, Iowa. After graduating, he was drafted into the U.S. Army and served as a mechanic and later a Motor Sergeant in Korea. While in Korea, he was awarded three Bronze Stars for valor during his military service. Under the Eisenhower Christmas Program, he returned to the United States and was released from active service on December 9, 1953. He entered Maryknoll Junior Seminary in Pennsylvania and five years later graduated from Maryknoll College in Illinois in June of 1958. Father Hennessey was ordained at Maryknoll Seminary in New York on June 13, 1964.

Father Ron devoted his life to international peace and justice, Mr. President, dedicating almost 35 years of his life as a Maryknoll priest in Central America. Much of this time was spent in Guatemala and El Salvador. Soon after being ordained, he was assigned to the Diocese of Quetzaltenango, Guatemala. Several years later, he became the Pastor in San Mateo Ixtatan, Guatemala. It is during this time that Father Hennessey became very involved in the human rights struggle of the local Mayan Indians. He placed himself in great danger by smuggling letters out of Guatemala detailing the atrocities committed against the Mayan Indians in his rural parish. Those atrocities, Father Ron wrote, were being committed by the Guatemalan military under the orders of President Rios Montt. I remember one letter in particular in which Father Ron listed 20 instances in his parish alone in which military forces committed gross acts of violence.

Sadly, the United States Government at the time, supported this oppressive regime. In fact, our own State Department downplayed the human rights violations being committed in Guatemala, and in my view making us complicit in those heinous crimes.

By shining the spotlight on these atrocities, Father Ron's life was in constant danger. But that did not stop him. He stayed in Guatemala until 1986 despite having three opportunities to leave.

From Guatemala he went to El Salvador to re-establish a Maryknoll presence there after a five year absence. There he served in a parish on the outskirts of San Salvador that had had no priest since the Church was bombed in 1980.

In 1989, when the Salvadoran military murdered six Jesuit priests, their housekeeper and her daughter, Father Hennessey and his fellow Maryknollers chose to remain in the country even as scores of North American missionaries and aid workers decided to leave because the situation had become too dangerous for those who stood up for human rights and the rule of law. But Father Hennessey continued his work, standing side by side with his parishioners.

Father Hennessey once again took up residence again in Guatemala in 1992 until earlier this year when he was assigned to the Maryknoll mission in Los Angeles.

And so, Mr. President, Father Hennessey will be greatly missed by all of us. And while he may have physically departed, his spirit will never desert us.

Which is the second reason I rise today, Mr. President—to affirm an ancient native American saying: To live in the hearts of those you love, is not to die.

Father Ron, your spirit does live on through who knew you, whose lives you touched, and through them the countless thousands whose lives were enriched because of you. You will be remembered by us, each in a different way.

Finally, Mr. President, I can think of no better way to remember my friend Father Ron than with the words of Archbishop Oscar Romero: I have no ambition of power, and so with complete freedom I tell the powerful what is good and what is bad, and I tell any political group what is good and what is bad. That is my duty.●

## ARSON AWARENESS WEEK

● Mr. ROTH. Mr. President, this is Arson Awareness Week in our nation. As Chairman of the Congressional Fire Service Caucus. I want to remind all Americans of the blight of arson that kills over 700 innocent victims each year and destroys millions of dollars of property. Additionally, firefighters who have been summoned to extinguish the blaze die needlessly.

Arson has many faces. The misguided youth that sets fires for excitement; criminals that use fire in an attempt to cover another crime; persons using fire as a weapon to intimidate; the property owner attempting to solve financial problems by defrauding an insurance company; or the terrorist who uses fire to attack our democracy.

No matter what the motive, arson in our society cannot be tolerated. Every level of our law enforcement community fights the war against arson. Local and state fire marshals are often assisted by the Bureau of Alcohol, Tobacco and Firearms in conducting investigations to bring the arsonist to justice.

The United States Fire Administration in FEMA and the Center for Fire Research at the National Institute of Standards and Technology in the Commerce Department are important federal partners in furthering research to learn how arson fires are started and how set fires can be detected. Our National Fire Academy provides training in arson investigation for many state and local law enforcement personnel.

But we should not assume that government alone can solve the arson problem. Private enterprise, especially the insurance industry has taken a much higher profile in attacking the arson problem by investigating claims and cooperating with law enforcement personnel. This trend must continue to take the profit out of arson. The insurance industry has also contributed to teaching the public about arson by sponsoring education programs such as Arson Awareness Week. The Fire Administration helps supports Arson Awareness Week by working with the International Association of Arson Investigators. This is the 50th Anniversary of the IAAI. Over seven thousand members worldwide working together to control arson are making a difference.

I send my congratulations to the IAAI during Arson Awareness Week. I am particularly proud of the Delaware Chapter of the IAAI. Some of best that Delaware has to offer from the fire service, law enforcement, the insurance industry and the private sector work hard to protect and educate us about arson. As we go about our busy week, let us not forget that we must all work to snuff out the arsonist match.●

## TRIBUTE TO A LEGENDARY PUBLIC OFFICIAL

● Mr. TORRICELLI. Mr. President, I rise today to recognize Mayor Gerald A. Calabrese of Cliffside Park, New Jersey as he is honored for a lifetime of

distinguished service to the citizens of his community, county, and state by the Temple Israel Community Center, celebrating its 75th anniversary.

Gerry began his career in public service by enlisting in the Navy and serving his country during World War II. After returning to the United States, Gerry turned his focus to education and entered St. John's University where he was chosen as an All-American for basketball. Upon graduation, he continued playing basketball in the National Basketball Association for the Syracuse Nationals.

Gerry retired from his sports career and was quick to enter into public service as he was elected to the Cliffside Park Borough Council in 1955. In 1959, Gerry was elected to his first term as the mayor of Cliffside Park, a post he has retained for the past forty years. During his tenure, Gerry has been always ready and willing to meet with his constituents and listen to their concerns. He has raised the bar in constituent services, as he has always been ready and willing to help those in need. Continuing in this vein, Gerry served on the Bergen County Board of Freeholders from 1975 to 1985, as Bergen County Democratic Chairman from 1991 to 1998, the New Jersey Delegation to the National Democratic Convention in 1988 and 1992, on the New Jersey Board of Public Utilities from 1960 to 1987, and on the 1992 New Jersey Congressional Re-Districting Committee.

Gerry Calabrese is respected by all in and around his community and his activities extend beyond his public service career. He is a life member of the PBA Local 96, N.J. State Association of Chiefs of Police, Cliffside Park Little League, Polish American Democratic Club. Hackensack Unico and Cliffside Park B'nai B'rith named him ''Man of the Year.''

Mayor Calabrese is a legendary public servant in New Jersey and is most deserving of this distinguished honor. I am proud to recognize Gerry and his many years of distinguished service.●

## CHRIST THE KING CATHOLIC SCHOOL

● Mr. BROWNBACK. Mr. President, I rise today to commend the fifth grade class at Christ the King Catholic School in Wichita, Kansas. On May 6, 1999, these students will attend the Drug Resistance Education (D.A.R.E.) Program's graduation ceremony.

These students, under the guidance of Officer John Crane and their teacher Ms. Sylvia Eckberg, completed the D.A.R.E. program's 17 week course. At a time when our students are bombarded daily with temptations and harmful messages, it is refreshing to know that there are many students willing to serve as role models for others by leading drug free lives.

Unfortunately, there are many young people in our country addicted to illegal drugs. Programs such as the Safe and Drug Free School program and D.A.R.E. help to encourage students to stay off drugs. However, this is not enough. In order to win the battle over illegal drug use, it will take courageous students, such as this fifth grade class, to make the commitment to live drug free lives despite pressure from other individuals.

Therefore, I am proud to recognize the students of Ms. Eckberg's class at Christ the King Catholic School for their commitment to living drug free and serving as role models for young people in Kansas and throughout the nation.●

## TRIBUTE TO PLAINFIELD, CT ON ITS 300TH ANNIVERSARY

● Mr. DODD. Mr. President, nestled in what is known as the ''Quiet Corner'' of northeastern Connecticut along the banks of the Quinebaug River lies the town of Plainfield. This year marks Plainfield's 300th anniversary and as its residents celebrate their history, it is important to reflect upon the invaluable contributions of those, past and present, who have made Plainfield a unique Connecticut town.

The first citizens of Plainfield were, much like the original colonists of New England, ingenious and resourceful. Settling in a land that was full of unknowns, these men and women were intent on providing a better life for themselves and future generations. The Plainfield of today is a testament to their strength and perseverence.

In May of 1699, some thirty families petitioned Governor Jonathan Winthrop to incorporate the disputed Quinebaug Plantation, which included land on both sides of the Quinebaug River, into the town of Plainfield. Eventually, in 1703, colonists living on the western banks of the river separated to settle what is now the town of Canterbury.

The construction of roads during the 1700's from Providence to Norwich which ran through Plainfield made the town an important trading post of surplus crops. Antiquated by today's standards, the simple roads that connected Plainfield with other New England towns earned it the reputation as a vital crossroads throughout the region.

With Plainfield Junction serving as a stop on the Norwich to Worcester railroad, Plainfield's residents were exposed to travelers from abroad and bore witness to the impending technological boom of the next century. By the end of the 18th century, the town could credit its first village center and meetinghouse, shops, and taverns to the increased number of families choosing to make Plainfield their home.

The advent of the textile industry during the 19th century brought about significant changes for this town, forever changing the face of Plainfield and redefining the lives of its residents. With activity centered on the Moosup River, the cotton and woolen mills transformed Plainfield from a predominantly farming society to an industrial hub.

The introduction of industry into the community altered and enhanced the ethnic character of Plainfield. French-Canadians seeking temporary refuge and employment in Plainfield's mills ultimately made the bustling town their home, successfully contributing to the town's growth as shopkeepers and professionals. French-Canadians helped to define Plainfield's identity and their heritage is still very much alive in its townspeople today.

Despite its many transformations over the last 300 years, Plainfield has always remained a town that is distinctly New England in its character. Many of the mills are now gone, yet, much of Plainfield's historical landscape still survives. In 1994, Plainfield, together with 24 other northeastern Connecticut towns, was designated as the Quinebaug and Shetucket Rivers Valley National Heritage Corridor. This is an exceptional achievement that recognizes Plainfield's success in encouraging new economic development while preserving its rich history.

As we move toward the new millennium, the residents of Plainfield return to their past not only for the lessons that it holds but also to celebrate the people and events that have made them who they are today. Much is made of our history as a country, yet many of us overlook the important examples set by those in our own backyards. We all should seek within our own communities to embrace the past and recognize the significance of local heritage in shaping the modern character of our own families and towns. On behalf of myself, and the entire State of Connecticut, I offer Plainfield a very hearty happy birthday and my best wishes for another successful 100 years.●

## HONORING FORMER SENATOR R. VANCE HARTKE

● Mr. TORRICELLI. Mr. President, I am pleased to submit for the Record a statement in honor of one of our former colleagues, Senator R. Vance Hartke, (D-Indiana), who served in this body from 1959 to 1976. The statement is written by a good friend of mine, former Congressman Bob Mrazek, who worked for Senator Hartke from 1969 to 1971. Congressman Mrazek was thoughtful enough to submit this in honor of the Senator's 80th birthday, which takes place later this month. We wish him the best.

I ask that the statement be printed in the RECORD.

The statement follows.

TRIBUTE TO FORMER SENATOR R. VANCE HARTKE

(By Hon. Bob Mrazek)

It was my privilege to serve on the staff of former U.S. Senator R. Vance Hartke (D-Indiana), from 1969 to 1971. These were tumultuous times for the United States in the bitter aftermath of the assassinations of Senator Robert F. Kennedy and Dr. Martin Luther King, Jr. As the Vietnam War continued to cause deep divisions in the nation's social and political fabric, I was proud to witness Senator Hartke's courageous opposition to that war, which he began at great personal cost in 1965.

Throughout his 18 years of service as a U.S. Senator, Vance Hartke demonstrated absolute fearlessness and political courage in taking principled stands on the most important issues facing the nation, often at the risk of prematurely ending his career. His prodigious legislative achievements undoubtedly distinguish Vance Hartke as one of the greatest Senators of the 20th century.

From his contributions to creating the Head Start program and Medicare to the Guaranteed Student Loan Program and the International Executive Service Corps, Senator Hartke was a leader who made America and the world a better, more humane place.

I am honored to call this legendary legislator my friend. In what I believe is a long overdue tribute, I would like to present the highlights of a career that continues to have a positive impact on our country and the entire world.

Senator Hartke is credited by the definitive book on the Great Society, Guns or Butter, with being one of six Senators who passed Medicare, the crown jewel of the Great Society. He is often called the ''Father of Medicare.'' The Jeffersonville Evening News wrote that he was, ''instrumental in gaining passage of more legislation to benefit the elderly than any other senator.''

Vance Hartke created his own Peace Corps, the International Executive Service Corps still going strong after 30 years, with activities all over the world. The U.S. ''business peace corps'' has been emulated in 23 developed countries in the world, with 35,000 business leaders participating, with each replicated version also having outreach to every developing country in the world.

His successful passage of the Kidney Dialysis Amendment saved 500,000 lives and continues to save lives today, earning him the following observation by Richard Margolis: ''We can measure our greatness in compassion, too.'' Perhaps this quote best represents Hartke's legacy.

During his 18 years in the U.S. Senate, Hartke spearheaded the passage of every major educational bill, among them, the Guaranteed Student Loan Act and the Adult Education Act, which are still going strong today. He has a perfect voting record as rated by the National Education Association.

As a matter of personal conscience, he broke with President Lyndon Johnson in 1965 to oppose the war in Vietnam at a time when fewer than 300 Americans had been killed.

Senator Hartke was a Civil Rights champion—even in the face of death threats to his family in Indiana from the Ku Klux Klan.

Ralph Nader said of Hartke, ''He was the most consistently effective advocate of the consumer in the Senate.''

Ed Lewis, the well-known Indiana lawyer who died in 1996, called him ''a visionary, an environmentalist before people knew how to spell the word.'' The national environmental community honored him with a ''Special Tribute'' at the 1997 Clinton-Gore Environmental Inaugural Ball.

Senator Hartke was a candidate for President of the United States in 1972.

In summation, this prodigious record of achievement represents not only a tremendous contribution to the people he represented for 18 years in Indiana, but to every citizen of this nation who has benefitted from the legacy he created for us.●

S. RES. 68

Whereas millions of women and girls living under Taliban rule in Afghanistan are denied their basic human rights;

Whereas according to the Department of State and international human rights organizations, the Taliban continues to commit widespread and well-documented human rights abuses, in gross violation of internationally accepted norms;

Whereas, according to the United States Department of State Country Report on Human Rights Practices (hereafter ''1998 State Department Human Rights Report''), violence against women in Afghanistan occurs frequently, including beatings, rapes, forced marriages, disappearances, kidnapings, and killings;

Whereas women and girls under Taliban rule are generally barred from working, going to school, leaving their homes without an immediate male family member as chaperone, and visiting doctors, hospitals or clinics;

Whereas according to the 1998 State Department Human Rights Report, gender restrictions by the Taliban continue to interfere with the delivery of humanitarian assistance to women and girls in Afghanistan;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women are forced to don a head-to-toe garment known as a burqa, which has only a mesh screen for vision, and many women found in public not wearing a burqa, or wearing a burqa that does not properly cover the ankles, are beaten by Taliban militiamen;

Whereas according to the 1998 State Department Human Rights Report, some poor women under Taliban rule cannot afford the cost of a burqa and thus are forced to remain at home or risk beatings if they go outside the home without one;

Whereas according to the 1998 State Department Human Rights Report, the lack of a burqa has resulted in the inability of some women under Taliban rule to get necessary medical care because they cannot leave home;

Whereas according to the 1998 State Department Human Rights Report, women under Taliban rule reportedly have been beaten if their shoe heels click when they walk;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women in homes must not be visible from the street, and houses with female occupants must have their windows painted over;

Whereas according to the 1998 State Department Human Rights Report, under Taliban rule women are not allowed to drive, and taxi drivers reportedly have been beaten if they take unescorted women as passengers;

Whereas according to the 1998 State Department Human Rights Report, women under Taliban rule are forbidden to enter mosques or other places of worship; and

Whereas women and girls of all ages under Taliban rule have suffered needlessly and even died from curable illness because they have been turned away from health care facilities because of their gender: Now, therefore, be it

*Resolved,* That it is the sense of the Senate that—

(1) the President should instruct the United States Representative to the United Nations to use all appropriate means to prevent any Taliban-led government in Afghanistan from obtaining the seat in the United Nations General Assembly reserved for Afghanistan so long as gross violations of internationally recognized human rights against women and girls persist; and

(2) the United States should refuse to recognize any government in Afghanistan which is not taking actions to achieve the following goals in Afghanistan:

(A) The effective participation of women in all civil, economic, and social life.

(B) The right of women to work.

(C) The right of women and girls to an education without discrimination and the reopening of schools to women and girls at all levels of education.

(D) The freedom of movement of women and girls.

(E) Equal access of women and girls to health facilities.

(F) Equal access of women and girls to humanitarian aid.

## ORDER FOR STAR PRINT

Mr. ENZI. Mr. President, I ask unanimous consent there be a star print of S. 74, with the changes that are at the desk.

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

## ACKNOWLEDGMENT OF ARLENE SIDELL

Mr. MCCAIN. Before we begin to consider items on today's agenda for our Executive Session, I would like to take a moment to acknowledge and extend my heartfelt thanks to Arlene Sidell. Arlene, sitting before us, is the Director of the Commerce Committee Public Information Office, and our official clerk for committee executive sessions. This will be the last time we will see Arlene at one of our mark-ups, as she will soon be retiring from an exemplary career in public service.

Arlene began her tenure with the Commerce Committee 36 years ago, in March of 1963. She has served the Senate and our Committee with distinction ever since, and will certainly be missed. Again, Arlene, please know how grateful I am for your dedication, commitment and tireless efforts on behalf of the Members, both past and present, of this Committee.

## EXECUTIVE SESSION

### EXECUTIVE CALENDAR

Mr. ENZI. Mr. President, I ask unanimous consent the Senate immediately proceed to executive session to consider en bloc all nominations reported by the Armed Services Committee

today and the following nominations on the Executive Calendar: No. 60, 61, 62, 63, 65, 66, 67, and the Coast Guard nominations on the Secretary's desk.

I further ask unanimous consent the nominations be confirmed, the motion to consider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

IN THE ARMY

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

*To be major general*

Brig. Gen. Harry D. Gatanas

IN THE MARINE CORPS

The following named officers for appointment in the United States Marine Corps to the grade indicated under title 10, U.S.C., section 624:

William D. Catto
Tony L. Corwin
Robert C. Dickerson, Jr
Jon A. Gallinetti
Timothy F. Ghormley
Samuel T. Helland
Leif H. Henderickson
Richard A. Huck
Richard S. Kramlich
Timothy R. Larsen
Bradley M. Lott
Jerry C. McAbee
Thomas L. Moore, Jr.
Richard F. Natonski
Johnny R. Thomas

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Arthur J. Naparstek, of Ohio, to be a Member of the Board of Directors of the Corporation for National and Community Service for a term expiring October 6, 2003.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Ruth Y. Tamura, of Hawaii, to be a Member of the National Museum Services Board for a term expiring December 6, 2001.

NATIONAL SCIENCE FOUNDATION

Chang-Lin Tien, of California, to be a Member of the National Science Board, National Science Foundation, for a term expiring May 10, 2004.

Joseph Bordogna, of Pennsylvania, to be Deputy Director of the National Science Foundation.

IN THE COAST GUARD

The following named officer for appointment as Commander, Atlantic Area, United States Coast Guard, and to the grade indicated under title 14, U.S.C., section 50:

*To be vice admiral*

Rear Adm. John E. Shkor

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

Captain Evelyn J. Fields, NOAA for appointment to the grade of Rear Admiral (0–8), while serving in a position of importance and responsibility as Director, Office of NOAA Corp Operations, National Oceanic and Atmospheric Administration, under the provisions of Title 33, United States Code, Section 853u.

Captain Nicholas A. Prahl, NOAA for appointment to the grade of Rear Admiral (0–7), while serving in a position of importance and responsibility as Director, Atlantic and Pacific Marine Centers, National Oceanic and Atmospheric Administration, under the provisions of Title 33, United States Code, Section 853u.

IN THE COAST GUARD

Coast Guard nomination of James W. Bartlett, which was received by the Senate and appeared in the Congressional Record of March 8, 1999

Coast Guard nominations beginning William L. Chaney, and ending William E. Shea, which nominations were received by the Senate and appeared in the Congressional Record of March 8, 1999

Coast Guard nominations beginning Ashley B. Aclin, and ending Michael J. Zeruto, which nominations were received by the Senate and appeared in the Congressional Record of April 15, 1999.

## LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

Mr. ENZI. Mr. President, I thank everyone for their indulgence. I note it is now after 9 o'clock, so the pages will not have to have class tomorrow.

## APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, upon the recommendation of the majority leader, pursuant to Public Law 105–292, appoints Michael K. Young, of Washington, DC, to the United States Commission on International Religious Freedom, vice William Armstrong.

## ORDERS FOR MONDAY, MAY 10, 1999

Mr. ENZI. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 noon on Monday, May 10. I further ask consent that on Monday, immediately following the prayer, the routine requests through the morning hour be granted, the time for the two leaders be reserved for their use later in the day, and the Senate begin a period of morning business until 2 p.m., with the time equally divided between the majority leader or his designee and the minority leader or his designee, with Senator COLLINS allotted 15 minutes of the majority leader's time.

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

## ORDER FOR TUESDAY, MAY 11, 1999

Mr. ENZI. I ask unanimous consent that the Senate begin consideration of S. 254, the juvenile justice bill, at 9:30 a.m. on Tuesday, May 11, 1999.

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

## PROGRAM

Mr. ENZI. For the information of all Senators, the Senate will convene on Monday, May 10, at 12 noon with a period of morning business until 2 p.m. Therefore, there will be no rollcall votes during Monday's session of the Senate.

## ADJOURNMENT UNTIL MONDAY, MAY 10, 1999

Mr. ENZI. If there is no further business to come before the Senate, I now ask the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 9:12 p.m., adjourned until Monday, May 10, 1999, at 12 noon.

## NOMINATIONS

Executive nominations received by the Senate May 6, 1999:

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES COAST GUARD TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 271:

*To be rear admiral*

REAR ADM. (LH)DAVID S. BELZ.
REAR ADM. (LH)JAMES S. CARMICHAEL.
REAR ADM. (LH)ROY J. CASTO.
REAR ADM. (LH)JAMES A. KINGHORN, JR.
REAR ADM. (LH)ERROLL M. BROWN.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

*To be major general*

BRIG. GEN. ROGER A. BRADY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

*To be brigadier general*

COL. GARY H. MURRAY.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS THE VICE CHIEF OF STAFF, UNITED STATES ARMY, AND APPOINTMENT TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTIONS 601 AND 3034:

*To be general*

LT. GEN. JOHN M. KEANE.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

*To be lieutenant general*

MAJ. GEN. RAYMOND P. AYRES, JR.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

*To be lieutenant general*

MAJ. GEN. EARL B. HAILSTON.

## CONFIRMATIONS

Executive nominations confirmed by the Senate May 6, 1999:

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

ARTHUR J. NAPARSTEK, OF OHIO, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR A TERM EXPIRING OCTOBER 6, 2003.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

RUTH Y. TAMURA, OF HAWAII, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 2001.

NATIONAL SCIENCE FOUNDATION

CHANG-LIN TIEN, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL SCIENCE BOARD, NATIONAL SCIENCE FOUNDATION, FOR A TERM EXPIRING MAY 10, 2004.

JOSEPH BORDOGNA, OF PENNSYLVANIA, TO BE DEPUTY DIRECTOR OF THE NATIONAL SCIENCE FOUNDATION.

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS COMMANDER, ATLANTIC AREA, UNITED STATES COAST GUARD, AND TO THE GRADE INDICATED UNDER TITLE 14, U.S.C., SECTION 50:

*To be vice admiral*

REAR ADM. JOHN E. SHKOR.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

CAPTAIN EVELYN J. FIELDS, NOAA FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (0–8), WHILE SERVING IN A POSITION OF IMPORTANCE AND RESPONSIBILITY AS DIRECTOR, OFFICE OF NOAA CORP OPERATIONS, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, UNDER THE PROVISIONS OF TITLE 33, UNITED STATES CODE, SECTION 853U.

CAPTAIN NICHOLAS A. PRAHL, NOAA FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (0–7), WHILE SERVING IN A POSITION OF IMPORTANCE AND RESPONSIBILITY AS DIRECTOR, ATLANTIC AND PACIFIC MARINE CENTERS, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, UNDER THE PROVISIONS OF TITLE 33, UNITED STATES CODE, SECTION 853U.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

*To be major general*

BRIG. GEN. HARRY D. GATANAS.

IN THE MARINE CORPS

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES MARINE CORPS TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

*To be brigadier general*

WILLIAM D. CATTO
TONY L. CORWIN
ROBERT C. DICKERSON, JR.
JON A. GALLINETTI
TIMOTHY F. GHORMLEY
SAMUEL T. HELLAND
LEIF H. HENDRICKSON
RICHARD A. HUCK
RICHARD S. KRAMLICH
TIMOTHY R. LARSEN
BRADLEY M. LOTT
JERRY C. MCABEE
THOMAS L. MOORE, JR.
RICHARD F. NATONSKI
JOHNNY R. THOMAS

IN THE COAST GUARD

THE FOLLOWING NAMED INDIVIDUAL FOR APPOINTMENT AS A PERMANENT REGULAR OFFICER IN THE UNITED STATES COAST GUARD IN THE GRADE INDICATED UNDER TITLE 14, U.S. CODE, SECTION 211:

*To be lieutenant*

JAMES W. BARTLETT

COAST GUARD NOMINATIONS BEGINNING WILLIAM L. CHANEY, AND ENDING WILLIAM E. SHEA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON MARCH 8, 1999.

COAST GUARD NOMINATIONS BEGINNING ASHLEY B. ACLIN, AND ENDING MICHAEL J.ZERUTO, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON APRIL 15, 1999.

# EXTENSIONS OF REMARKS

## HONORING HARRY S TRUMAN'S BIRTHDAY, MAY 8TH

### HON. KAREN McCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Ms. McCARTHY of Missouri. Mr. Speaker, I rise today to honor the memory of Harry S Truman, the thirty-third president of the United States of America and to celebrate his birthday, which is May 8th. I am proud to represent the fifth Congressional district of Missouri, where Harry Truman spent most of his life. He grew up in Independence, ran a haberdashery in Kansas City, and in his later life helped with the family farm in Grandview.

Harry Truman's first year as President, which he called a ''year of decisions,'' dealt with the end of World War II, the beginning of the Cold War, and the founding of the United Nations. As part of this critical time, Truman spearheaded the Truman Doctrine and the Marshall Plan to resist communist threats and revive the ailing economies of Europe. In addition, Harry Truman was a major player in the creation of NATO—an organization that guaranteed peace in a reunited Europe and remains crucial to our efforts to support democracies throughout the world.

These tough decisions were not immediately appreciated by all Americans. In 1948, Truman's defeat in his reelection campaign was widely assumed, in fact a prominent newspaper printed before the final ballots were counted featured the headline, ''Dewey Defeats Truman.'' Truman's ''whistle stop campaign'' brought his campaign to the people, and his willingness to confront issues and find solutions to the questions facing the country at that difficult time provided him the margin of victory for a second term as the Chief Executive of the United States. Harry Truman is a daily inspiration to me, and as I look at his picture hanging in my office, I draw strength from his courage and determination to take responsibility for the tough choices he had to make and to do the right thing for this country. I hope that our leaders today will also be inspired by Harry Truman and refuse to continue to be like the historic 1948 ''Do Nothing Congress.'' Let us shoulder our responsibility and rise to the challenges before us at this difficult time in our nation's and our world's history.

In my office is a replica of the motto that Truman kept on his desk in the Oval Office: ''The Buck Stops Here.'' Truman referred to this saying often, noting that ''when the decision is up before you . . . the decision has to be made,'' in an address before the National War College in December 1952. The motto inspires me and reminds me that I cannot shirk my responsibility as a Member of Congress. I must make the difficult decisions and cast my votes to do the right thing for this country, our allies, and my constituents. Truman carried his favorite prayer in his wallet, and this prayer is one that we, as Members of Congress, could also find comfort in today, Mr. Speaker.

Help me to be, to think, to act what is right, because it is right; make me truthful, honest and honorable in all things; make me intellectually honest for the sake of right and honor and without thought of reward to me. Give me the ability to be charitable, forgiving and patient with my fellowmen—help me to understand their motives and their shortcomings, even as Thou understandest mine!

Happy birthday, President Truman! Thank you for your service to our nation and the world.

## RECOGNITION OF EVA McCLELLAN, GREEN THUMB 1999 PRIME TIME AWARD WINNER

### HON. ROBERT A. WEYGAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. WEYGAND. Mr. Speaker, I rise today to recognize Eva McClellan, senior citizen from Providence, Rhode Island who was recently selected as a Green Thumb 1999 Prime Time Award Winner.

I am a firm believer that we are all responsible for working hard to accomplish our dreams, and Ms. McClellan is an excellent example of a someone who had done precisely that. As a youth, her goal was to become a telephone operator, but she was later discouraged from pursuing that ambition because of a physical disability caused by childhood polio.

Ms. McClellan persisted in her dream, however, taking advantage of training opportunities and computer classes and striving to improve her skills. Now 67 years old, Ms. McClellan works as an Accessible Communications Assistant for AT&T in Providence, Rhode Island, a position in which she supports the deaf community by relaying conversations between deaf and hearing customers. Her employers have called her ''a valued employee,'' and she herself says that her work is ''so rewarding'' and that she likes ''helping others.'' She has led, and continues to lead, an outstanding life, and serves as a role model to us all.

Part of Ms. McClellan's continuing education has been through initiatives of Green Thumb, Inc. This organization has earned its excellent reputation as an innovative national non-profit institution leading the field of older worker training and employment. Serving mature and other disadvantaged individuals in urban and rural areas, Green Thumb has been an important and valuable resource to communities around the country since opening its doors in 1965. Last year, through Green Thumb and its programs, more than 28,000 senior Americans living on limited incomes contributed an estimated 16 million hours of community service. I salute this organization for its role in improving the quality of life of tens of thousands of our senior citizens, as well as the untold numbers of people who have benefitted from the wisdom and experience of these older workers.

Please join with me in the recognition and appreciation of Eva McClellan and other senior citizens like her. We owe much to these individuals, and to organizations like Green Thumb, Inc., for their significant and continuing contributions to our communities and nation as a whole.

## HONORING MADELEINE APPEL

### HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. BENTSEN. Mr. Speaker, I rise to honor Madeleine Appel, who is this year's recipient of the Houston Chapter of The American Jewish Committee's Helene Susman Woman of Prominence Award. Helene Susman was a widowed mother of two who became the first woman from Texas admitted to the bar of the Supreme Court of the United States. When she died in 1978, she left a legacy of a commitment to Judaism, a belief in the importance of contributing to the community, and the need for individuals to act responsibly and with integrity at all times.

Madeleine Appel has demonstrated her commitment to her profession, community, and family in such a manner as to distinguish herself as a role model for other women to follow.

Madeleine Appel presently serves as Administration Manager in the Comptroller's Office for the City of Houston. Her work experience with the City of Houston has included a number of positions: Administrator/Senior Council Aide, Mayor Pro-Tem Office; Houston City Council from 1996–1997; Senior Council Aide, Houston City Council Member Eleanor Tinsley 1980–1995; and Administrator, Election Central, ICSA. She has also worked for Rice University.

She began her career as a journalist working as an Assistant Women's Editor and Reporter at The Corpus Christi Caller and Times. Additionally, she worked as the Women's Editor and Assistant Editor for The Insider's Newsletter and as a reporter for The Houston Chronicle where she won the ''Headliners Award.'' She received her B.A. from Smith College in political science and graduated Magna Cum Laude.

Madeleine Appel's community involvement includes Scenic America, League of Women Voters of Texas, Houston Achievement Place,

Jewish Family Service, League of Women Voters of Houston, Houston Congregation for Reform Judaism, Houston Architecture Foundation, American Jewish Committee, City of Houston Affirmative Action Committee, and Leadership Houston Class XII.

Madeleine Appel has been married for 36 years to Dr. Richard F. Appel and she is the proud mother of two sons and two daughters-in-law.

Mr. Speaker, I congratulate Madeleine Appel for her service to her community and to Houston. She is the best of public servants and an inspiration to others who want to engage in public service.

## CONGRATULATING VIDA EL VALLE

### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. RADANOVICH. Mr. Speaker, I rise today to introduce an article by the Fresno Bee entitled ''McClatchy's bilingual weekly honored again.'' This article speaks of the achievements and past honors of Vida en el Valle, the Central Valley's primary bilingual newspaper.

Vida en el Valle, the bilingual weekly owned by The Fresno Bee's parent company, McClatchy Co., was named the nation's outstanding newspaper in its category for the fourth time in seven years during the 11th annual Hispanic Print Awards sponsored by the National Association of Hispanic Publications.

Vida en el Valle also received six other first-place awards for editorial excellence, four second-place awards and four honorable mentions. The newspaper was judged the Outstanding Bilingual Weekly for the third consecutive year by the nation's largest Latino newspaper organization. Vida en el Valle is the only newspaper that has won the award for three consecutive years.

John Esparza, Vida editor and publisher, said the newspaper won its latest honors at the association's weekend convention. Vida competes among larger bilingual newspapers in the association.

Only the daily newspaper El Nuevo, published by the Miami Herald, and the Los Angeles weekly publication Vida Nueva won more first-place awards than Vida, Esparza said. The category for larger publications is based on annual budget.

Vida also took first-place honors for: ''Outstanding color photo,'' by former photographer Tommy Monreal, who left the newspaper to work on a master's degree, ''Outstanding color photo essay,'' by Monreal, ''Outstanding political and economics reporting,'' by reporter Maria Machuca, about the citizenship process, ''Outstanding entertainment column,'' by Andrew Landeros about comedian Carlos Mencia, ''Outstanding entertainment section '' and ''Outstanding sports section.'' ''This is the most first-place awards we've ever won,'' Esparza said. ''We want quality news coverage for our readers and for the Latino community. This shows we are on the right path.''

Mr. Speaker, Vida en el Valle has served a vital role in the Central Valley. I urge my colleagues to join me in congratulating Vida en el Valle, and wishing them many years of continued success.

## PRAYING FOR THE SAFETY AND FUTURE OF OUR CHILDREN

### HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. LAMPSON Mr. Speaker, I rise this morning on the 48th National Day of Prayer to ask all of you and the American people to join me in praying for the safety of our children.

Today's youth are growing up in a world very different from the one I knew years ago. We live in an age where most families require two incomes to make ends meet, and nearly half of all marriages end in divorce. Our children simply do not have as much supervision or guidance as we did. Add to that, the dangers of drugs and the prevalence of gangs and violence in our schools—as any parent knows, it is not an easy time to raise a family or to be a student.

My father died when I was a young boy, leaving my mother to fend for me and my brothers and sister. She couldn't have done it alone. In those days, neighbors looked out for each other and watched out for each other's kids. Our family received support from the entire community. In fact, our friends and neighbors considered us an extension of their own families. That's an important reason why my siblings and I were able to achieve our goals and live the American Dream.

Now more than ever, our schools, churches, synagogues, mosques, and temples need to stand together with our families to set an example for our children. Our kids are the future and we must invest as much time and energy into their well-being as possible.

I ask that we all pray for not only our teachers, counselors, and students, but also our law enforcement officials who are charged with the responsibility of protecting our children. It takes all of us to ensure that our children can enjoy their childhood and grow up to be successful adults.

## TRIBUTE TO REV. ROBERTO O. GONZÁLEZ, O.F.M.

### HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. SERRANO. Mr. Speaker, I rise today to pay tribute to an outstanding individual who has dedicated his life to serving others, Rev. Roberto O. González, O.F.M., who was recently appointed by his Holiness Pope John Paul II to be the Archbishop of San Juan, PR.

Reverend González was born on June 2, 1950 in Elizabeth, NJ. He earned a Bachelor of Arts in English from Siena College, Loudonville, NY, in 1972, a Master of Arts in Theology from Washington Theological Coalition, Silver Spring, MD, in 1977, and Masters and Doctoral degrees in Sociology from Fordham University, Bronx, NY, in 1980 and 1984, respectively.

Mr. Speaker, Reverend González was received into Franciscan Order in 1972, ordained to the Priesthood on May 8, 1977, appointed to the Episcopacy by Pope John Paul II on July 19, 1988, ordained Auxiliary Bishop of Boston on October 3, 1988, appointed coadjutor Bishop of Corpus Christi on May 16, 1995, and succeeded to the See of Corpus Christi on April 1, 1997.

Reverend González has been an outstanding leader and a great role model, not only to the religious organizations he served so well but also to the Hispanic community.

Mr. Speaker, I have known Reverend González personally for many years, and I am very familiar with his experience, character, and personality. In short, Reverend González lives to help other people. He has been diligent in providing spiritual guidance and support to the members of our community.

The many religious organizations to which he belonged, like the books and articles he has written speak volumes about him.

As it is written in Hebrews 6:10, ''for God is not unjust; he will not forget your work and the love you have shown him as you have helped his people and continue to help them,'' the community recognizes him, Pope John Paul II, too, recognizes him and honors him with this appointment.

Mr. Speaker, I ask my colleagues to join me in paying tribute to and in congratulating Rev. Roberto O. González, O.F.M. for his new appointment to be the Archbishop of San Juan, Puerto Rico.

## HONORING MARK L. WALKER

### HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. KILDEE. Mr. Speaker, I stand before you today to recognize the accomplishments of a man who has made a strong commitment to protect and defend human dignity. On May 8, the members of Oman Temple 72, of the Ancient Egyptian Arabic Order Nobles of the Mystic Shrine, will gather at their 45th Annual Potentate's Ball, where they will honor their Illustrious Potentate, Mark L. Walker.

Mark Walker was born in Dora, Alabama, in 1960. His family moved to Flint, Michigan, in 1975, where Mark graduated from Beecher High School. He then attended Lansing Community College, where he completed the Correction Officer's Training Program, and later received degrees from C.S. Mott Community College, and the University of Michigan—Flint, both times graduating with honors. Not content with stopping there, Mark is currently seeking a Masters of Public Administration, also from the University of Michigan.

It was during this time that Mark became involved with Ancient Egyptian Arabic Order Nobles of the Mystic Shrine. He rose to the level of 32-degree Mason, and has held positions of distinction within the group. He is recognized as a Past Master, Past Most Wise and Perfect Master, and Captain of the Guard, prior to his tenure at Illustrious Potentate. Whether as a

member of the Shrine, or on his own, Mark shows a tremendous amount of dedication to being a positive force in the community. He has been an organizer of a Summer Food/Children Reading program, has been president of the flint Park Lake Neighborhood Association, and the Great Flint Educational Consortium.

Mr. Speaker, the contributions that Mark Walker has given the Flint area in the areas of community service and education are tremendous, and I am indeed fortunate for the impact he has made within my district, especially amongst our children. I ask my colleagues in the 106th Congress to join me in congratulating him for his dedication and perseverance.

## CONGRATULATING RUSS BERRIE ON BEING NAMED HONORARY CITIZEN OF THE YEAR

### HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mrs. ROUKEMA. Mr. Speaker, I rise to congratulate Russ Berrie on being named Honorary Citizen of the Year by the Oakland (New Jersey) Republican Club. Mr. Berrie's millions of dollars of contributions to a wide variety of worthy causes makes him one of the most active and prominent philanthropists in our state. In fact, Fortune magazine has called him one of the 40 most generous people in the nation. But Mr. Berrie is appreciated for more than just his monetary contributions. This Citizen of the Year award reflects his sincere concern about the well being of the community and his true commitment to helping others. He has supported causes as varied as religion, medicine, education and the arts.

Mr. Berrie is chairman and chief executive officer of Russ Berrie and Company Inc., an internationally successful business empire specializing in novelty items and ''lifestyle gifts.'' Mr. Berrie founded the company in 1963 while working as a manufacturer's representative. Today, it is the premier company in its field worldwide, with offices and distribution centers in Cranbury, New Jersey; Petaluma, Calif.; Canada and England. The firm also has offices in Hong Kong, China, Korea and Taiwan. It has 1,600 employees around the globe.

In addition to running a successful business, Mr. Berrie devotes his talents and energy to a number of charitable causes. Most recently, his many contributions have included a $5 million donation to the Englewood Hospital and Medical Center Foundation and $13.5 million for the College of Physicians and Surgeons at Columbia University.

In addition, he has supported the Russell and Angelica Berrie Early Childhood Wing at the Jewish Community Center on the Palisades, the Russ Berrie Building for the Center for Strategic Studies at the College of Judea and Samaria in Israel, and the Angelica and Russell Berrie Center for Performing and Visual Arts at Ramapo College. I am particularly proud to have worked with Mr. Berrie on the Center for Performing and Visual Arts project, which was partly funded by a $500,000 grant I obtained from the U.S. Department of Housing and Urban Development. He and Mrs. Berrie have been staunch supporters of Ramapo College.

Mr. Berrie has also established the Russell Berrie Foundation, which sponsors the ''Making a Difference Award'' to recognize unsung New Jersey heroes who have made contributions to their communities or performed heroic acts.

Chairman of the Center for Inter-religious Understanding, Mr. Berrie also serves on the boards of New York University's Leonard Stern School of Business, United Retail Group, the Jewish Community Center and the John Harms Center for the Arts. He has received almost two dozen awards and honorary degrees from universities, cities, religious groups and organizations across the country.

Mr. Berrie and his wife, Angelica, live in Englewood. They have six children.

Mr. Berrie is an outstanding example of a philanthropist. His kindness and generosity have benefited thousands in fields from education to medicine to the arts. He has taken the saying ''share the wealth'' to heart, and seen to it that his success in business helps countless others as well. I ask my colleagues in the House of Representatives to congratulate Mr. Berrie on being named Honorary Citizen of the Year and in wishing him the best for the future.

## A TRIBUTE TO REV. JAMES HABERKOST

### HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. LIPINSKI. Mr. Speaker, I would like to pay tribute to Rev. James Haberkost, a dedicated pastor in my district who is celebrating his 40th anniversary of service to the Lutheran Church.

Pastor Haberkost is a 1959 graduate of Concordia Seminary in St. Louis, MO. That same year he was ordinated and installed as Pastor of Grace Lutheran Church in Streamwood, IL., where his served the congregation for 21 years. In August of 1980, Pastor Haberkost began work at St. John's Lutheran Church in La Grange, IL. While Pastor of Grace Congregation, Pastor Haberkost also found the time to serve as part-time Lutheran Chaplain at the Illinois State Training School for Boys at St. Charles. In addition to his duties as Pastor of St. John's Church, he has served on the Northern Illinois Board for Missions and the Town & Country Committee of the District, and led devotions twice a month on WTAQ in LaGrange, until the radio station was sold. Reverend Haberkost proceeds to serve as the senior Pastor of St. John's Lutheran Church. The church congregation and school both continue to rapidly increase in number and faith.

Mr. Speaker, I salute Rev. James Haberkost for his many years of commitment and dedication to the church, school, and community. I extend to him my best wishes for many more years of quality service in his noble vocation.

## RECOGNITION OF ASHAWAY LINE AND TWINE MANUFACTURING COMPANY—175 YEARS OF SUCCESSFUL SMALL BUSINESS

### HON. ROBERT A. WEYGAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. WEYGAND. Mr. Speaker, I rise today to recognize the Ashaway Line and Twine Manufacturing Company, a family-owned firm in Ashaway, Rhode Island, which celebrates 175 years of successful small business this June.

Six generations of the Crandall family have owned and operated this company since its inception in 1824 at its Laurel Street headquarters in Ashaway. Today, it is one of the oldest family-owned companies in the United States and exemplifies this country's proud tradition of manufacturing and innovation. Over the course of the last 175 years, the company has gone from a local fishing line supplier to a global seller of medical threads, tennis strings, and other specialized lines.

In recent times, we have all heard many disheartening stories of manufacturing plant closings in communities around the country. Some of these firms were unable to compete in the new global marketplace; luckily for the citizens of Ashaway and the Line and Twine's customers, the Crandall family has always been able to adapt to the changing times and remain open for business. Its products are now sold to sixty countries, and fifty percent of its business is currently done outside the United States. The company has discovered new and creative uses for its products, including special strings for NASA to sew up its space suits, and movie props for Hollywood. Because of this resourcefulness and innovative spirit, eighty-seven employees continue to work today at the Ashaway Line and Twine Manufacturing Company plant, operating the 3,000 machines that braid lines, and dyeing and packaging the strings.

The Crandall family and the Ashaway Line and Twin Manufacturing Company are planning an anniversary celebration for June of this year to recognize and thank their many customers and dedicated employees. I would like to take this opportunity to extend the same gratitude to the family and the firm for their loyalty to the community of Ashaway and the state of Rhode Island. Please join with me in the recognition of one of the oldest family-owned manufacturing firms in this country, and let us always remember the incalculable contribution such companies have made and continue to make to this great nation.

## HONORING HEAR O'ISRAEL OF HOUSTON, TX

### HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. BENTSEN. Mr. Speaker, I rise to recognize a valued organization within the Houston community, Hear O'Israel, which is sponsoring Listen to the Cries of the Children National

during the month of April 1999. Hear O'Israel works to make a difference in the lives of the disabled, battered and abused women, the elderly and young people across Houston. They work to give these men and women a stronger sense of self-worth and instill in them the need to treat others with compassion and respect. The following resolution approved by the Houston City Council demonstrates the high regard for Hear O'Israel in our community.

LISTEN TO THE CRIES OF THE CHILDREN NATIONAL

A non-profit, non denominational organization, Hear O'Israel International, Inc. developed its Listen to the Cries of the Children National campaign to strengthen the unity of families and enhance public awareness of the negative effects that alcohol and drug abuse, family violence, child abuse, and gang activity have on children and their families. The campaign's goal is ''for everyone to Hear and Listen to the cries; stop violence; have mercy, love, and compassion for our fellow man, and turn the hearts of the fathers to the children, and the hearts of the children to their fathers hence, linking the family together and creating the connection that should be present between every parent and child.''

The Listen to the Cries of the Children National campaign strives to focus public attention on the plight of children around the world who are abused, neglected, or physically challenged; and who does not have adequate food, shelter, clothing, and health care and all children, young and old, who are crying out for help. As part of its ongoing effort to help suffering children, I fear O'Israel International, Inc. has been going into schools and detention homes, campaigning with former gang members who were shot and, after becoming quadriplegic, are taking with them the evidence and consequences of their actions in order to help the children to become aware of the price they are paying. Hear O'Israel International, Inc. has also conducted community-oriented programs to help more children become aware of the negative consequences of gang involvement and drug and alcohol abuse.

The Mayor and the City Council of the City of Houston do hereby salute Hear O'Israel International, Inc. for its efforts to improve and enhance the quality of life for our children, and external best wishes for continued success.

Approved by the Mayor and City Council of the City of Houston this 8th day of April, 1999, A.D.

## CONGRATULATING DEANNE MEYERS FOR OUTSTANDING ACHIEVEMENT

### HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. RADANOVICH. Mr. Speaker, I rise today to congratulate Deanne Meyers on receiving the Friends of Agricultural Extension's ''Award for Outstanding Achievement.''

The ''Award for Outstanding Achievement'' is designed to identify and bring broad recognition to educational programs devised by University of California Cooperative Extension (UCCE) Farm Advisors and Specialists that represent the most significant contributions to production, agriculture and the consuming public.

Ms. Meyers is a UC Davis-based Cooperative Extension Waste Management Specialist. She represents the University on an interagency work-group for confined animal feeding operations. Deanne presented her program on the subject,'' Environmental Stewardship Short Course for California Dairy Operators.'' She is recognized for her research which addresses key areas of environmental concern to dairy operators throughout California. Through her research, Ms. Meyers has focused on creating a balance between the current requirements of agricultural producers and possible future requirements by disseminating information to dairy producers regarding their obligations and liabilities for compliance with water quality regulations.

Five other finalists are also honored: Lonnie Hendricks, Merced County, ''Integrated Pest Management in Almonds;'' Steve Koike, Monterey County, ''Unique County-based Plant Pathology Lab;'' Neil McDougald, Madera County, ''Rangeland Water Quality Research and Education Program;'' Michael McKenry, Kearney Ag. Center, ''Orchard Replant Problems and their Management;'' and Ron Vargas, Madera County, ''Cotton Week Management.'' Every program submitted is vitally important to production agriculture and every participant received at least one ''first'' from individual members of the panel.

Mr. Speaker, I rise today to congratulate Deanne Meyers as Winner of the ''Award for Outstanding Achievement,'' and recognize each of the five finalists, Steve Koike, Neil McDougald, Michael McKenry, and Ron Vargas. I urge all of my colleagues to join me in wishing Ms. Meyers and each of the finalists best wishes for a bright future and continued success.

## TRIBUTE TO BOBBY DARIN

### HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to Walden Robert Cassotto for all the joy that he gave to the world through his talent, music, and generosity. He will be honored on his birthday, May 14.

Known as Bobby Darin, Walden Robert Cassotto was born in Harlem on May 14, 1936. For most of his young life he lived at 629 East 135th Street in the Bronx. He attended PS 43 and Elijah D. Clark Junior and graduated from the Bronx High School of Science in January 1953, at the tender age of 16. Darin's first paying musical job was at a school dance at Bronx Science. For their performance, Bob and his band mates were reportedly paid ''twenty cents and a stick of gum each,'' a rather inauspicious start to what would turn out to be a brilliant career. Just a few years out of high school, Bobby Darin would find fame and fortune.

Mr. Speaker, between the ages of 8 and 12, Bobby suffered of rheumatic fever four times. In those days, there was no effective treatment for the disease. During one of his bouts with the illness, Bobby overheard the doctor tell his mother that he wouldn't live to see his 16th birthday. From then on, the young man became driven to succeed. He wanted desperately to leave his mark on the world.

Blessed with talent and determination, Bobby Darin would see his dream come to fruition. With his musical gifts, and his intuitive acting ability, and by the sheer force of his personality, Bobby Darin did indeed become a legend in his own time.

On December 2, 1959, Darin was the subject of Ralph Edwards' ''This is Your Life.'' One of the gifts bestowed upon Bobby that night was the establishment of The Bobby Darin Award at Bronx Science—a medal presented to outstanding music students at Bobby's old high school until it lapsed in 1965. Sadly, on December 20, 1973, at the age of 37, Bobby Darin passed away following heart surgery. He left a son, Dodd.

Mr. Speaker, for me, Bobby Darin was more than a great singer. He added great musical joy to my world with his style and grace, the lyrics of his songs, and his music. His first major hit came in 1958 with ''Splish Splash'' and ''Mack the Knife'' which exploded onto the charts, rocketing to number 1, and stayed there for months.

Bobby inspired me and so many other young people from the Bronx. He had a remarkable passion for life, tenacity to accomplish what he was set to do, great courage and sensitivity. I can remember how proud we were in the Bronx to know that he came from our own Borough.

Mr. Speaker, May 14, 1999 has been proclaimed ''Bobby Darin Day'' in the Bronx by Bronx Borough President, Fernando Ferrer and, at the Bronx Science Spring Concert, the school's alumni association will revive the Bobby Darin award as a scholarship for talented music students. What a fitting tribute.

Mr. Speaker, I ask my colleagues to join me in paying tribute to a great American artist and in wishing the Bobby Darin Award Committee continued success.

## HONORING AZTECA BOXING TEAM

### HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. KILDEE. Mr. Speaker, I stand before you today to recognize the longtime success of a group that has provided a valuable community resource in helping to teach many youths discipline and character. On May 7, local officials, family, and friends will gather to celebrate the Azteca Boxing Team of Pontiac, MI, for 25 years of service.

Twenty-five years ago, Pontiac resident Ruben Flores, a former Golden Gloves champion, envisioned an opportunity to give Pontiac youth a chance to help young people off of the streets and into positive activities that promoted self-esteem and responsibility. He was joined in this endeavor by Juventino Prieto, and the Azteca Boxing Team was born. In 1977, Flores and Prieto were joined by Robert Paramo as a coach, and the three of them

began a quarter of a century of teaching youth not only about boxing, but about dedication, physical well being, and pride in one's self and one's abilities.

Since 1973, over 2,800 young people have benefited from the programs that the Azteca Boxing Team has had to offer, many of whom have ventured and excelled in the field of professional boxing. The large volunteer staff they maintain assist in the children's total development, including educational guidance, diverse cultural experiences, and community activism and awareness. The group, an official nonprofit organization, receives 98 percent of its funding from donations, including computers for their students, field trips, and more. The remaining 2 percent comes from a $2 membership fee, however they have pledged never to turn away a child due to lack of funds.

Mr. Speaker, the contributions that the Azteca Boxing Team has given the Pontiac community is tremendous. Many of these youngsters owe their very lives to the impact that the group has made. I ask my colleagues in the 106th Congress to join me in congratulating Ruben Flores, Juventino Prieto, and Robert Paramo for all their efforts.

## CONGRATULATING SENATOR GERALD CARDINALE

### HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mrs. ROUKEMA. Mr. Speaker, I rise to congratulate state Senator Gerald Cardinale on receiving the prestigious Lincoln Award from the Woodcliff Lake Republican Club in recognition of his many years of service in the New Jersey Legislature and service to the community. This award is given to officials who epitomize the spirit of Abraham Lincoln and the ideals of the Republican Party. Senator Cardinale meets that test and clearly deserves this high honor in recognition of his hard work and dedication. Whether he is raising money for the Boy Scouts, attending to his dental practice or giving a speech on the Senate floor, he is one of New Jersey's finest public servants.

I have known Gerry Cardinale for many years and can tell you he is a gentleman of integrity and character. It has been a pleasure to work with him on projects of mutual concern in our home county of Bergen. He has been a source of sound advice and counsel. He has done much to make our community a good place to live, work, and raise a family.

Senator Cardinale has been a member of the state senate since 1981, following two years in the state assembly. He is currently deputy majority leader and, as chairman of the powerful and influential Senate Commerce Committee, presides over all legislation dealing with the business community, labor, insurance, industry and professions. Legislation he has sponsored to promote business and job development has included unemployment and automobile insurance reforms, lawsuit reform, tax relief for money market mutual funds, a 30-year rent control moratorium for new construction and government incentives for formation of corporate day care centers by the private sector.

Senator Cardinale has been involved in politics since he was elected to the Bergen County Republican Committee in 1962. He served as mayor of Demarest from 1974 to 1979 before being elected to the state assembly. He has been a delegate or alternate delegate to every Republican National Convention since 1980 except 1996 (when illness kept him from attending). He sought the Republican nomination for Governor in 1989.

Senator Cardinale is a true citizen legislator, operating his own dental practice in Fort Lee since 1959. He is a graduate of St. John's University and the New York University College of Dentistry. In addition to his political and professional careers, he has been active with many community organizations, including the Knights of Columbus, UNICO, the Sons of Italy, the Columbians and the Elks Club. A native of Brooklyn, he discovered the charms of New Jersey and moved to Fort Lee in 1960. He has lived in Demarest since 1964 and he and his wife, Carole, have raised five wonderful children in New Jersey—Marisa, Christine, Kara, Gary, and Nicole.

I ask my colleagues in the House of Representatives to join me in congratulating my good friend Gerald Cardinale on this occasion and wishing him success in the future. He is a truly dedicated public servant who cares deeply about those in his community and does all in his power to improve life in the State of New Jersey.

## A TRIBUTE TO THOMAS J. DOYLE

### HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. LIPINSKI. Mr. Speaker, I would like to pay tribute to Mr. Thomas J. Doyle, a valuable principal in my district who is retiring. Thomas Doyle is retiring after 42 years of dedicated service to the Chicago Public Schools.

Mr. Doyle has been the principal at Byrne Elementary School since September of 1989. He has administered the Chicago Board of Education since 1957, where he started his career at the Graham Elementary School as a physical education teacher. In addition to Mr. Doyle's work with the Chicago Board of Education, he was also an instructor at other educational institutions. He worked summers from 1967 to 1970 at the Pirie School Teacher training Workshops as an instructor for Audio-Visual Techniques. Mr. Doyle worked part time as an instructor for various institutions, including Chicago State University and Daley City College. Mr. Doyle is committed to numerous professional affiliations and activities including serving as a member of the State of Illinois Reading Subgoals Committee, International Reading Association, the State Evaluation Team for the Illinois Office of Education, and the Chicago Area Reading Association (CARA).

Mr. Doyle's fairness, generosity, and positive attitude generate a strong respect from his staff and students. Mr. Doyle is attentive to the needs and concerns of the students and parents. As the leader of instructional activities, Mr. Doyle gives student recognition for academic achievement in the classroom. His positive reinforcement has boosted the morale of both the teachers and students of Byrne Elementary School.

Mr. Speaker, Thomas Doyle's forty-two years of commitment to our youth is certainly worthy of recognition. I know that the community joins me in thanking Mr. Doyle for his dedication to our children.

## RECOGNITION OF DIANE PONTICELLI, MOTHER TO 1,022 CHILDREN

### HON. ROBERT A. WEYGAND

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. WEYGAND. Mr. Speaker, I rise today to recognize Diane Ponticelli, an eighty-year-old resident of Johnston, Rhode Island who recently received—for the second time—the key to her hometown, in commemoration of her thirty-five years of service and dedication to more than 1,000 children for whom she cared over the years.

This selfless, big-hearted woman has been, and still is, a mother to these children, and the adults they have become, in every positive sense of the word. She considers each and every one of them to be her own child and has always treated them accordingly. In a recent article in the Providence Journal, Mrs. Ponticelli remarked that she loves children and wishes she "could take care of more." I stand in awe of this woman and her incredible gift of unconditional love and acceptance to these children, who undoubtedly struggled through difficult family situations until finding the security provided in the Ponticelli home.

At one point, Mrs. Ponticelli had nine children staying in her house in Johnston, many placed by the Rhode Island Department of Children, Youth, and Families. She took in entire families of children so that siblings would not be separated; she gave up her own bedroom for the children and slept on a couch near one of her physically-disabled charges; she cooked big Italian dinners and maintained three sheds, four freezers, and three refrigerators; all the while, she showered them love, practiced discipline, and provided them with a stable, caring home. Mrs. Ponticelli is now eighty years old, suffering from cancer, voiceless because of sickness, and small and frail, yet she remains a figure larger than life. Her capacity for love knows no bounds, and her children reflect that same sense of caring and devotion, visiting her often and caring for her in her illness.

We often decry cases in which our foster care system has run awry and allowed innocent children to fall through the cracks. Tragedies such as the recent shooting in Littleton, Colorado, force us to reexamine and reevaluate what we are teaching our children, at home and at school. As often as we lament these tragedies, however, we must celebrate the occasions in which the system and strong parenting work. We must recognize that when

the system does provide children with the stable home they so desperately need, it is people like Diane Ponticelli who make those successes a reality for the children. We cannot underestimate or understate the importance of instilling positive values in our children and teaching them to love and respect others.

Please join with me in the appreciation of Diane Ponticelli and other caring parents like her. We owe much to these individuals for their significant and continuing contributions to our communities and nation as a whole by raising children with love and dedication.

## TRIBUTE TO REVEREND J. DELNOAH WILLIAMS AND THE SILVER PARK PLAZA

### HON. HAROLD E. FORD, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. FORD. Mr. Speaker, I rise today to pay tribute to Reverend J. Delnoah Williams, a highly respected community leader and Publisher of the Silver Star News, a weekly newspaper in the Ninth Congressional District. Since the newspaper's establishment in 1986, Reverend Williams has sought to make it more than just an outlet for the dissemination of news. The Silver Star News plays an integral role in improving our community. On its pages are important local and national issues. Reverend Williams and his professional staff always work to ensure that the activities of important local institutions like churches, small businesses, associations, sororities and nonprofits are given prominent attention. As the newspaper's masthead states, the Silver Star News is ''Building Bridges For A Brighter Future'' in Memphis.

In that tradition, Reverend Williams has undertaken a new venture. On May 15th, Reverend Williams will open the new Silver Park Plaza, a multi-service complex, for public and private events, including conferences, banquets, receptions, weddings, parties, meetings, seminars, recitals and concerts. The center will also serve as the newspaper's new home. What's significant about this new complex, Mr. Speaker, is that it not only represents a new beginning for the paper, it represents a new beginning for the Orange Mound community, the area of Memphis where the Silver Star News has had its offices since its founding. Through Reverend Williams vision and leadership, the Silver Star Park Plaza will serve as a catalyst for economic growth in the Ninth District.

The Silver Park Plaza venture is part of a larger national trend of capitalizing on the untapped social and economic assets in our under-served and rural areas. Michael Porter, a Professor of Business Administration at the Harvard Business School and founder and Chairman of the Initiative for a Competitive Inner City, believes that a new vision of economic development is needed to accelerate business growth in these areas. Sustainable economic progress, according to Professor Porter, must be based on drawing on our untapped competitive economic advantages which already exist in our central cities. Consider that more than 54 percent of the workforce growth over the next ten years will come from workers in central cities. Moreover, our central cities represent more than $85 billion in retail spending potential each year in the United States. The University of Memphis has documented this untapped economic potential in various sections of our city. Governments can help spur economic growth, but ultimately, it's the private, for-profit business enterprises that will transform our communities, create jobs and produce wealth. The Silver Park venture embodies that philosophy. Mr. Speaker, I urge all my colleagues to recognize Reverend Williams and the Silver Park Plaza. I know that similar, untold success stories exist in congressional districts throughout the nation. I urge my colleagues to take a close look at them in order to learn how we can best shape public policy in recognition of this new direction of economic growth in America.

## TRIBUTE TO ROBERT M. BALL

### HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. POMEROY. Mr. Speaker, this session Congress once again finds itself debating ways to strengthen our most important domestic program: Social Security. Like many Members, I have long valued the wise counsel of one of Social Security's greatest defenders, Mr. Robert M. Ball. For six decades, Mr. Ball has worked on behalf of our nation's elderly and the Social Security program. I have found that his long-term perspective and familiarity with the program invariably transcend the whims of today's younger critics. Earlier this week, I read with great pleasure an article on Mr. Ball's achievements in the New York Times. The article which I include for the RECORD, eloquently describes his long-standing commitment to the Social Security program, and gives me hope that we will continue to benefit from his wisdom for years to come.

[From the New York Times, May 3, 1999]

A GREAT DEFENDER OF THE SOCIAL SECURITY BATTLES ON

(By Robin Toner)

The conventional wisdom these days is that any major change to Social Security is unlikely before next year's elections, but Robert M. Ball remains ever vigilant. In the unending debate over the nation's pension system, Mr. Ball stands as the great defender of traditional Social Security, the genius of its basic principles, the soundness of its basic approach.

''Though I feel good about our position,'' he said in a lull in the struggle on a lazy spring afternoon, ''people who think like I do better be very careful, and we better have good proposals and we better be alert. Or something may happen that we don't like.''

Mr. Ball comes by his passion honestly, having been at the Social Security wars for a very long time. He went to work for Social Security in 1939, ran the program as Commissioner from 1962 to 1973, and has since played a principal role on some of the important advisory commissions. He is a regular source of advice for leading Congressional Democrats, has sent a series of memorandums on the issue to the White House over the last few years and, yes, is a Social Security beneficiary himself.

Mr. Ball, who is 85, said he had no complaints about life on the other end of the Social Security check. ''They do a good job,'' he said, happily settled for the moment like any other cardigan-clad retiree in the living room of his ranch house in Alexandria, Va.

For many Democrats engaged in the issue, Mr. Ball is an irreplaceable link with 60 years of history. ''There's a reason why the program is what it is,'' said Representative Earl Pomeroy of North Dakota, a Democratic point man on Social Security in the House. ''And Bob Ball can explain it to you.''

For the last few years, Mr. Ball's consuming cause has been beating back the forces of privatization: the notion that at least part of Social Security should be replaced with individual accounts that workers could invest as they see fit.

He sees privatization as a ''slippery slope,'' a dangerous step away from the guaranteed benefits of Social Security. He contends that the system can be shored up for the next century by far less radical measures, like raising the maximum amount of earnings subject to Social Security taxes.

Mr. Ball acknowledges that his views are shaped by a very different world than that of the young privatizers. One of three children of a Methodist minister, he grew up in northern New Jersey and graduated from Wesleyan University with a master's degree in economics during the Depression. There were no jobs.

For help, he turned to his thesis adviser, who happened to have a friend involved in the new Social Security program. ''He said, 'Well, this program is just starting up. It's going to be a big program. It's an attractive program and an important social program, and it would be a good thing if you got in on it in the beginning.' ''

So Mr. Ball took the Civil Service exam during his honeymoon (he spent the rest of the time on a camping trip with his wife, Doris) and began work as a field representative in the Newark office of Social Security for $1,620 a year.

He spent his early years visiting employers, trying to straighten out wage records and, along the way, proselytizing for a program that seemed quite revolutionary at the time. On the wall of his office at home, he has a picture of that Newark field staff, earnest young foot soldiers of the New Deal.

There are other pictures on that wall: President Lyndon B. Johnson signing the law creating Medicare, which Mr. Ball helped put into effect. The Presidential commission, signed by John F. Kennedy, that named Mr. Ball head of Social Security. (Mr. Ball noted that it mentioned more than once that he served at the pleasure of the President.) A picture of the Balls with President Richard M. Nixon in 1973, when Mr. Ball was leaving office. The newspapers at the time said he was ''pushed out.'' Mr. Ball says: ''I was perfectly happy to go, but I couldn't have stayed if I wanted to. I lasted for the first term.''

Along the way, the Balls brought up two children: their son is a psychotherapist; their daughter, an art therapist.

Mr. Ball acknowledges that his retirement has been less than restful. He does a lot of reading, and not just on social insurance issues, he said a trifle defensively. Mostly novels and Romantic poetry.

But the care and tending of Social Security keeps pulling him back.

''There was a time when I felt a lot of pressure on the basis that there wasn't anybody

else really working on it very much,'' he said. ''Now there's a whole group. They'll carry on whether I die tomorrow and do as good or better job.''

That was the idea behind the National Academy of Social Insurance, a nonprofit organization that does research on social insurance and tries to ''enhance public understanding'' of the issues; Mr. Ball was one of its founders 11 years ago.

Still, it is not at all clear that Mr. Ball is ready to pass the torch and enter the land of retirement he helped create.

''My wife and I had dinner with him and Doris two nights ago,'' said Henry Aaron, an economist at the Brookings Institution. ''I don't know of any other 85-year-old who's wrestling with what he's going to do, new. But Bob is wrestling with that. I think he sees the health care issue emerging anew.''

## IN HONOR OF THE VENTURA HIGH SCHOOL WIND ORCHESTRA

### HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. GALLEGLY. Mr. Speaker, I rise to recognize the Ventura High School Wind Orchestra, which earned a near-perfect score at the National Adjudicators Invitational last month in Virginia Beach, Virginia.

This group of dedicated musicians walked away with Outstanding Concert Band Trophy, the Outstanding Percussion Trophy and the Outstanding Brass Trophy. Piccoloist Karen Magoon won the Outstanding Soloist Trophy, perhaps the most prestigious prize at the competition.

As a group, they earned a Performance Trophy Superior Rating, scoring 99 out of a possible 100 points.

During the contest, their rivals from schools across the United States gave the Ventura youngsters two standing ovations.

Mr. Speaker, as our nation works in concert to better our education system, it's important that we support our music programs as part of an overall educational experience. Recent studies indicate that a study of music helps children's comprehension of math. It also gives them a feeling of accomplishment and worth. At the very least, it brings beauty into our world.

Michael Takazono, the Ventura High School Wind Orchestra director, deserves much credit for teaching his young charges the fulfillment of playing good music well.

The members of the Ventura High School Wind Orchestra deserve our congratulations. They are:

Brian Anderson, Luke Bechtel, Andrew Bittner, Jeremy Black, Kori Brashears, Amy Chinn, Bryson Conley, James Davis, Josephine DeGuzman, Joshua DeGuzman, Tim Eckberg, Shelby Fannan, Johann Gagnon-Bartsch, Russell Gardner, Joe Gartman, Laura Hardesty, Natasha Hart, Isaac Hilburn, Kelsey Hollenback, Derek Hutchison, Malena Jones, Matt Liter, Chad Long, Karen Magoon, Veronica Matsuda, Brianna McIntosh, Sarah Merin, Jason Morgan, Nathaniel Morgan, Ariel Murillo, Joshua Norton, Aaron Novstrup, Rahsaan Ormsby, Nicole Paillette, Michael Parker, Dana Parry, Megan Price, Aaron Singer-Englar, Rebecca Sams, Roger Suen, Graham Talley, Emily Talwar and Viena Wagner.

Mr. Speaker, I know my colleagues will join me in applauding Mr. Takazono and the fine young musicians who comprise the Ventura High School Wind Orchestra.

## IN APPRECIATION OF OUR NATION'S TEACHERS

### HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. SHOWS. Mr. Speaker, I am glad to have this opportunity to add my voice as we honor our Nation's teachers on National Teacher Appreciation Day. I do so with great pride, because I was a school teacher and basketball coach back home in Mississippi for many years.

Every day we entrust the lives of our children into the hands of our Nation's teachers. The best thing we can do to honor teachers on this special day is to take all the heartfelt words of praise and turn them into meaningful acts.

We owe it to our teachers and our children to build new schools and modernize existing ones. We must move them out of old and overcrowded schools that are in need of repair, into new schools with new technology in the classrooms, so America can provide an education that competes favorably with schools systems around the globe.

We live in a global environment. The ''arms race'' has become the ''economic race''. We must keep up with new technologies, because our economic security depends on it. We must prepare our children for the kinds of jobs that arise from new technology.

As a Representative from a largely rural area in Mississippi, I have taken it upon myself to try to provide Internet access to every school in my Congressional district. Few students in my 15 counties are linked to the Internet, so I am bringing together school superintendents and local telecommunications executives and workers to make this dream a reality.

I am proud to have been a schoolteacher. I love working with the kids of today, for they are the promise of great things to come. Celebrating National Teacher Appreciation Day affords us the chance to honor teachers who are the bedrock of our community.

But we should not end the celebration when the gavel does down after the speeches are finished. We should honor our teachers every time we see construction cranes rise over a new school building, or every time a schoolchild logs on to the Internet to explore the world beyond the school walls.

But most of all, we should honor our teachers in whom we entrust the health and well being of our children by being good parents, good neighbors and good role models.

## TEACHER APPRECIATION

### HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Ms. DUNN. Mr. Speaker, I rise today to recognize an outstanding teacher in my district of Washington State during Teacher Appreciation Week. This special teacher is Mark Oglesby, a government instructor at Tahoma High School in Maple Valley, Washington. Mark is a dynamic teacher who is consistently praised by both his peers and students for his dedication to helping government come alive for Tahoma High School students.

Each year, I have the pleasure of talking with Mark and his students when they visit Washington, D.C. for the We the People civic education program. The ''We the People'' program is a three-day national competition modeled on the hearings here in the United States Congress.

For the past several years, Mark has taught a class of students who, under his guidance, have won their state competition and then have come to Washington, D.C. to compete against other states at the national level. The extra time Mark takes with students shows in their consistent achievement.

Each spring I host a mock congress for high school students in my district to help them to gain hand-on experience of our government at work. These students elect a Speaker, run committees and hearings, write legislation, and lobby their fellow students to vote for their bills. Each year the students in Mark Oglesby's class stand out with their knowledge of how our democratic system of government works.

Mark also serves as the tennis and volleyball coach at Tahoma High, and as a Maple Valley City Councilman. He is clearly dedicated to teaching and willing to dedicate personal time to support the ideas in which he believes. Mr. Speaker, Mark Oglesby is one of our state's exemplary teachers. We are fortunate he is helping to train the leaders of our next generation.

## TEACHER APPRECIATION

### HON. GARY G. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. GARY MILLER of California. Mr. Speaker, as Teacher Appreciation Week draws to a close, I want to especially commend those teachers, in my district and throughout the country, who make the extra effort to bring history, math, English, science, and other subjects, alive.

One example of that extra effort made by teachers throughout the country is Linda Stephenson, Bill Mulligan and Carols Lopez who have brought 42 students from Upland Junior High History Club in my district to learn about history and civics here in the Nation's Capital. They could have stayed back in California and taught from textbooks, but instead they made the effort to fly 3,000 miles with 42 junior high

students to make the subject matter come alive.

Those are the kinds of teachers you remember into adulthood. I commend those dedicated American teachers who make what they teach come alive for their students.

## HONORING KENNETH L. MADDY

### HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. CONDIT. Mr. Speaker, I rise today to pay tribute to a good friend and honor a lifetime of dedicated public service.

Ken Maddy is a political legend in California's great Central Valley. A Republican in a largely Democratic district, Ken understood early what many of us have yet to learn about bipartisanship. Like the freeway which funds down the middle of the Valley bearing his name, Ken cuts through the political heart and soul of the Valley.

As we pause to honor him on the occasion of his retirement after 28 years, I am reminded of his very unique leadership style. Ken skillfully forged a niche of consensus in finding solutions that proves leadership transcends political parties.

To call Ken's style unique, is not to fully do it justice. Every once in a while someone comes along bringing a little something 'extra' to the table. Though it isn't tangible, it is nevertheless very real and it helps define leadership ability. Ken Maddy personifies that.

The Central Valley is a truly unique political arena. We pride ourselves on independent thought. We are proud of our ability to see beyond party labels and ideologies. Mr. Speaker, in large part, it is because of Ken's leadership that this thinking is prevalent today.

His dedication as a public servant is exemplary. Equally impressive is his list of accomplishments. Throughout his career, Ken authored more than 400 bills which were signed into law.

His vision and foresight put him on the front lines of legislative battles ranging from ethics for state legislators to crime; private property rights to reducing the scope of governmental regulations on agriculture; and balancing land use against legitimate environmental concerns.

Ken was also often on the cutting edge of health care issues such as Medi-Cal and Welfare Reform, free-standing cardiac catheterization labs, surgi-centers and most recently, the Healthy Families Act.

Because of his love and expertise of horse racing, Ken has virtually rewritten the horse racing law in California—writing more than 45 bills that were later adopted into law on the subject.

I know he is proudest of the very significant and lasting contributions he made in helping establish the California Center for Equine Health and Performance and the Equine Analytical Chemistry Laboratory at the University of California, Davis.

It is with great pride that I report to my colleagues that UC Davis officials named the building in his honor. Additionally, he was awarded the California State University Lifetime Achievement Award earlier this year.

One of the most telling signs of political maturity is acceptance and recognition by your peers. For three years, Ken served as Chairman of the Senate Republican Caucus before serving eight years as Republican Leader. He's a text-book case on "how to make things happen while serving in the minority party."

Ken was awarded the Lee Atwater Minority Leader of the Year Award in 1992 by the National Republican Legislators Association and is a six-time delegate to the Republican National Convention from 1976–1996, including two terms as an RNC whip in 1976 and 1984.

Mr. Speaker, it is with great pride that I ask my colleagues in the U.S. House of Representatives to rise and join me in honoring the lifetime achievement of a great man—my good friend, Ken Maddy.

## CONGRATULATIONS TO GRAND RAPIDS, MICHIGAN GIRL SCOUT GOLD AWARD RECIPIENTS

### HON. VERNON J. EHLERS

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. EHLERS. Mr. Speaker, I rise today to honor 13 young women from my home city of Grand Rapids, Michigan for achieving the highest honor in United States Girl Scouting, the Girl Scout Gold Award. The Girl Scout Gold Award symbolizes outstanding accomplishments in the areas of leadership, community service, career planning, and personal development.

Obtaining the Girl Scout Gold Award is no easy task and involves a total commitment. Over the last two years, these young women have dedicated themselves to obtaining this goal. In order to receive this award, recipients must earn four interest project patches: the Career Exploration Pin, the Senior Girl Scout Leadership Award, and the Senior Girl Scout Challenge, as well as designing and implementing a Girl Scout Gold Award project in cooperation with an adult Girl Scout volunteer. This is all in addition to their school work and extracurricular activities. Recipients must and should be very proud to join this elite group of Girl Scouts.

The young women who will receive the Girl Scout's highest honor are: Carissa Becker, Jessica Gorman, Melissa Grossman, Shannon Kobs, Laura LaPorte, Liz Nieboer, Jennifer O'Conner, Laura Olney, Tracy Peters, Erin Potter, Nicole Rittersdorf, Sarah Roberts, and Kristin Steelman.

Mr. Speaker, I am delighted to take this time to recognize the accomplishments of this distinguished group of young women. I applaud their dedication and desire to be among the best Girl Scouts. The lessons they have learned in obtaining this award and the teamwork they have experienced will be beneficial as they enter adulthood. I ask all of my colleagues to join me in congratulating each of these young ladies on this remarkable achievement. I wish each of them continued success in the future.

## FOREST SERVICE FEES

### HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. DUNCAN. Mr. Speaker, I introduced legislation which will prohibit the Forest Service from charging a fee for special permits issued to churches.

Some churches, which were established many years ago, currently fall within the boundaries of National Forests. These churches are now charged, or taxes, by the Forest Service to continue to hold their services or schools on the property that they have traditionally occupied.

I do not believe that this is an appropriate practice. Thus, I have introduced this bill which would prohibit this practice by the Forest Service.

Most of these churches are small and located in rural area. Unfortunately, they operate on a very limited budget. I do not think that eliminating these fees will hurt the federal government, which currently spends billions of dollars a year.

While this will mean very little in terms of the overall federal budget, it will be very important to these small churches in rural America.

Mr. Speaker, this legislation is a very modest proposal which I believe just about everyone could endorse. I hope that my colleagues will join me in supporting this bill by cosponsoring it.

## MENTAL HEALTH MONTH

### HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. GILMAN. Mr. Speaker, I rise today to call attention to the fact that May is Mental Health Month. I have long been a strong supporter of our mental health programs and I would like to extend thanks to the many thousands who work day after day in the mental health field.

Those who work in the mental health field provide many of our constituents with the opportunity to consult with mental health specialists and receive the care they so desperately need. With an estimated 15 percent (or 28 million of the 185 million U.S. adults aged 18 and over suffering from mental health disorders), the need for recognition of the instances of mental health is paramount. Moreover, because approximately 22 percent of the population will experience a mental disorder during the course of their lives, at an estimated cost of $129 billion per year, the services that those in the mental health field provide is essential. Many Americans, who otherwise would have suffered in silence, now have the opportunity to seek treatment and lead the happy and productive lives so many desire.

Mr. Speaker, it is my hope that our colleagues will join in paying tribute to Mental Health Month and to those who suffer with mental disorders and those who work in the

field. It is hoped that with the continued support of the Congress, forward progress can be made in mental health treatment.

## ADLER PLANETARIUM CELEBRATES SPACE DAY

### HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. PORTER. Mr. Speaker, I am very pleased to recognize one of Chicago's premier institutions, the Adler Planetarium and Astronomy Museum and to celebrate Space Day 1999. Located on Chicago's beautiful lakefront, the Adler was founded in 1930 by Max Adler "to be the foremost institution for the interpretation of the exploration of the Universe to the broadest possible audience."

Nearly 70 years later, the Adler has fulfilled Max Adler's mission by becoming one of the world's premier planetaria and astronomy museums. One of the first exhibits at the Adler featured a collection of historical scientific artifacts and rare books from around the world. This collection has grown dramatically, gained world-wide recognition and continues to be a mainstay of the Museum's exhibits.

Today, the Adler continues to grow and remain on the cutting edge of technology. On January 8th, 1999, the Adler celebrated the completion of its new Sky Pavilion, the first phase of a comprehensive expansion project which will ultimately double the Adler's current exhibit space. The architecturally striking Sky Pavilion is a two-story, 60,000-square-foot addition on the east side of the Adler's existing 1930 landmark structure. This facility comprises four major exhibition galleries, including the world's first "StarRider" Theater, a 3–D interactive virtual reality experience which transports audiences to other planets, stars and distant galaxies.

To fulfill its mission to reach the broadest audience, the Adler has become a key line between the astronomy research community and the education community. As a lead science museum, the Adler develops innovative education programs and exhibits and provides teacher training and support, as well as a field site for student experiences. Astronomers also work extensively with schools, complementing elementary and secondary school curricula, and have received enthusiastic support from teachers, principals, school councils and parents.

Today, the Adler is celebrating Space Day '99 with a full slate of gallery programming. The local Chicago chapter of the Mars Society will sponsor an information booth on how we have viewed Mars in the past, how and why we are no traveling to Mars, and how we can transform Mars so it is suitable for humans. The Planetarium will also host video-conferencing sessions between astronomers and suburban Maine West High School students. Finally, Jim Plaxco of the Planetary Studies Foundation will give a lunchtime lecture on "The Intelligent Traveler's Guide to Mars." These events demonstrate the wide variety of activities and experiences the Adler has to offer.

Mr. Speaker, as we approach the 21st Century, it is clear that exploration of the cosmos is proceeding at a faster pace than ever before and the world is entering an exciting new ear of discovery. It is with an eye to the future that I invite all Members to join me in celebrating Space Day with the Adler Planetarium and Astronomy Museum.

## IN HONOR OF BETTY FRANKLIN-HAMMONDS

### HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Ms. BALDWIN. Mr. Speaker, I rise today to pay solemn tribute to a longtime civil rights advocate, Betty Franklin-Hammonds, of Madison, Wisconsin. Ms. Franklin-Hammonds has been known in the Madison community for her longtime advocacy on behalf of human equality and mutual understanding. She has ranked among the region's noted civil rights leaders, and has been widely recognized as effective, tenacious, low-key, and out front in nearly every civil rights campaign of the past 20 years. It is with great sadness that I note her passing on April 28, 1999.

Betty Franklin-Hammonds' commitment to organizations such as the NAACP and the Urban League was critical in ensuring equal rights for all of our citizens. Her unshakeable belief in equality of education for all was likely the force behind her strong leadership of the Madison Committee on the Achievement of Black Students, leadership which positively affected the educational possibilities for countless African American children in Madison. For nearly a decade, Betty Franklin-Hammonds served as the publisher of the Madison Times, today one of the most widely-read publications in Dane County. In her weekly column, Betty Franklin-Hammonds remained an outspoken advocate, sometimes voicing the concerns of thousands of others, other times advising, educating, or comforting.

Her unselfish contributions to the community brought numerous awards and recognition and she graciously accepted it all in stride, never slowing for even a minute from the enduring struggle for human equality and understanding. In the past few years, she has been recognized for her leadership at the helm of the Madison Urban League, and in 1993, Betty received the City of Madison's prestigious Reverend Dr. Martin Luther King, Jr. Humanitarian Award. Earlier this year, she received the City of Madison Martin Luther King Heritage Award, and this month was due to receive the YWCA's Women of Distinction Award.

In recognition of the lifelong leadership provided by Ms. Betty Franklin-Hammonds, I ask the Congress today to recognize the life of this great Civil Rights leader. She will be greatly missed by many, but her legacy lives on, as together we strive to achieve the goals of equality, education, and understanding that were so central to her life's work.

## MOTHER'S DAY

### HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. POMEROY. Mr. Speaker, this weekend, on May 9, America will celebrate Mother's Day. This second Sunday in May was set aside for us to thank our mothers for raising us, for giving us a sense of security and independence, and for offering us their unconditional love. I would like to take this opportunity to pay tribute to all mothers, who know that there is perhaps no more important, more difficult, and ultimately more rewarding undertaking than raising a child.

I was very fortunate to have been raised by a loving mother in a stable and caring home. As we approach Mother's Day, however, I can't help but be reminded of the over 500,000 children in the foster care system in this country who await permanent homes. Although in recent years we have made great strides in improving the child welfare system, through legislation such as the Adoption and Safe Families Act, there is no substitute for loving parents and a permanent home. For thousands of children who are still waiting, adoption offers the hope to finally find a "forever family". I would like to remember the children who still wait to celebrate Mother's Day in a permanent home, as well as those families whom adoption has brought together.

Mr. Speaker, children are awaiting adoptive parents not only in this country, but in nations all over the world. For years, American families have reached across cultural and national boundaries to embrace children through international adoption. My own family was forever changed and enriched by the adoption of our two children from Korea. It is difficult for me to express how deeply grateful I am to have Kathryn and Scott in my life. This Mother's Day, it is my greatest hope that every family and every child still waiting will also have the opportunity to experience the joy of adoption.

## FUNDING FOR THE AGRICULTURAL CREDIT INSURANCE FUND PROGRAM

### HON. ROBIN HAYES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. HAYES. Mr. Speaker, I rise today in support of our nation's farmers and therefore, in support of Mr. LATHAM's amendment. On March 24th, over a full month ago, we passed a supplemental appropriations bill which included $110 million to support $1.1 billion for loans that farmers and ranchers need to finance this season's work in the fields and pastures. These farmers needed that money a month ago; they are now nearing desperation.

In my district alone, the eighth district of North Carolina, there are several million dollars worth of loan applications that have been turned in to the local FSA offices. These farmers are struggling to get their finances in order because they are relying on what appears to

be an unreliable source—the Federal Government. This is more than a matter of delay in many cases, this is a matter of continuing to be a farmer, or finally giving up and throwing in the towel on the livelihood they know and love.

In addition to the farmers who are depending on these loans to put a crop in the field this year, I also have poultry and dairy farmers who are going to miss a season of revenue due to the loan situation. Many of my poultry farmers have been in the process of transitioning from raising turkeys to raising chickens and have lost their chicken house contractors because the builders have moved on to sites where they are sure to receive prompt payment. Again, that leaves those chicken farmers without chicken houses and therefore, without revenue. A full season of no revenue will affect these farmers for more than just one season.

To make matters worse, even when we do finally pass this legislation, we have caused a loss of faith from traditional lenders. Banks are now turning down farmers simply because they don't want to deal with farm applications. This is further limiting farmers because of Congress' inability to pass appropriations and provide a loan program that is reliable.

I will close by saying what we all already know, we have a critical situation right now in farm country. Congress has within its power the ability to alleviate some of the financial duress that agriculturists are feeling. Do the right thing today, pass this amendment and let's get to work on restoring faith in our system.

## TRIBUTE TO TEACHERS

### HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. PAUL. Mr. Speaker, I rise to commemorate National Teacher Appreciation week by expressing my appreciation for the valuable work of America's teachers and to ask my colleagues to support two pieces of legislation I have introduced to get the government off the backs, and out of the pockets, of America's teachers. Yesterday I introduced legislation to prohibit the expenditure of federal funds for national teacher testing or certification. A national teacher test would force all teachers to be trained in accordance with federal standards, thus dramatically increasing the Department of Education's control over the teaching profession.

I have also introduced the Teacher Tax Cut Act (HR 937) which provides every teacher in America with a $1,000 tax credit. The Teacher Tax Cut Act thus increases teachers' salaries without raising federal expenditures. It lets America's teachers know that the American people and the Congress respect their work. Finally, and perhaps most importantly, by raising teacher take-home pay, the Teacher Tax Cut Act encourages high-quality people to enter, and remain in, the teaching profession.

Mr. Speaker, these two bills send a strong signal to America's teachers that we in Congress are determined to encourage good people to enter and remain in the teaching profession and that we want teachers to be treated as professionals, not as Education Department functionaries. I urge my colleagues to support my legislation to prohibit the use of federal funds for national teacher testing and to give America's teachers a $1,000 tax credit.

## THE OPTIMIST CLUB OF SAINT MARIES HONORS LOCAL LAW ENFORCEMENT OFFICERS

### HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. HOYER. Mr. Speaker, I rise today to celebrate with the Saint Maries Optimist Club as they recognize the lives and labors of our local law enforcement community.

Mr. Speaker, It has been said: ''Encouragers need to be encouraged!'' I can think of no greater group today to applaud than our men and women who wear blue everyday to protect our communities and promote peace on a daily basis.

In July 1965, former Optimist International President, Carl Howen, recognizing the need to bridge the gap between police officers and the community, initiated the ''Respect For Law'' program and tonight, the Saint Maries Optimist Club continues to honor those who serve us in law enforcement.

Mr. Speaker, as you well know, it has been reported that every 40 seconds a child is reported missing. According to a study by the U.S. Justice Department, 359,000 are kidnapped every year. These statistics are staggering and although numbers can be misleading we must no longer tolerate adults abducting or abandoning our adolescents! This is just one of the countless stressors that our law enforcement officers and officials have to deal with on a daily basis. The ''Respect For Law'' educates parents and communities of the pitfalls that plague our society (i.e. drugs, theft, arson, violence, battery, rape and murder).

On a positive note, crime in St. Mary's County has decreased 15% since 1998, and much of the credit can be attributed to Lt. Doug Slacum of the Maryland State Police (Leonardtown barracks) and St. Mary's County Sheriff, Richard Voorhaar. I would like to recognize Mr. Tom Slaughter, ''Respect for Law'' chairman and Rich Fry, President of St. Maries Optimist Club and their colleagues whom annually applaud the service and sacrifice of St. Mary's finest! My friend, Ms. Mary Whetstine of Mechanicsville has played a pivotal role as the Lt. Governor for zone 5 and I am pleased by the efforts of our law enforcement team of the Sheriff's Department, State Police and our prosecutors. For the record, the six law enforcement agencies represented this evening are the Maryland State Police, Department of Natural Resources, Sheriff's Department, Department of Corrections, NAS Police Department and St. Mary's College Department of Public Safety.

At this moment, I would like to mention and pay tribute to Deputy Keith Fretwell of the St. Mary's Sheriff's Department who recently passed away in his prime of a brain tumor. I attended Deputy Fretwell's funeral and his commitment to St. Mary's County will be the benchmark for all recruits to follow in the future.

Mr. Speaker, I ask you and the remainder of my colleagues to reflect with admiration and appreciation of those who serve and have served in the respective districts of which we are so fortunate to represent in Congress.

## INTRODUCTION OF THE SCHOOL QUALITY COUNTS ACT

### HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. GEORGE MILLER of California. Mr. Speaker, today I am introducing legislation to make the academic performance of all students the top priority of federal education programs.

This legislation would achieve that goal by taking four clear steps: strengthening accountability for student achievement; raising standards for teachers; rewarding successful schools and teachers; and providing better information to parents.

For far too long, the educational system in this country has operated under a policy of ''acceptable losses.'' Too many children have simply been written off. They leave school—in many cases with a diploma—only to find out that they have not received the high-quality education that they need and to which every child in this country ought to be entitled. We must increase the opportunities for success.

We can do better. In fact, there are successful schools all over the country, in every type of community, that are living proof that all children have the ability to achieve beyond our wildest expectations, no matter what their economic or social background.

For example, according to data released recently by the Kentucky Association of School Councils, some of the schools achieving the highest scores on state exams in 1998 were high-poverty schools. In fact: five of the twenty elementary schools with the highest reading scores in the state were high-poverty schools; six of the twenty elementary schools with the highest mathematics scores in the state were high poverty; and thirteen of the twenty elementary schools with the highest writing scores in the state were high poverty schools. In all of these cases, high poverty schools outperformed much more affluent schools in order to reach the top twenty.

The success in Kentucky is not isolated. There are schools in every part of the country doing the same thing everyday. Our job, in this Congress, is to help all parents and educators in every community apply these lessons and achieve, for their children, the same success that these Kentucky schools and other successful schools are achieving.

The American public is leading the way on this issue. Our citizens are currently engaged in an inspiring, unprecedented effort to improve our public schools.

Parents and taxpayers understand that all children need a world-class education if they are going to succeed in the global economy, be productive members of our society, and participate actively as responsible citizens.

They have come to the conclusion that we, as a nation, have not asked enough of our children; that we have not set academic standards high enough; that we have not recognized the amazing things that our children can, in fact, achieve.

In California we are seeing great enthusiasm for education reform at the local level. Parents are demanding better schools, and they are willing to invest the time and money needed to get them.

At almost an unprecedented rate, education bond issues—that must be passed by a two-thirds vote—are passing in California because people have decided that they want to reinvest in the public schools.

We are seeing similar things here at the federal level in support for increased education funding.

This is a pivotal time in education policy. We have an unprecedented opportunity to work with parents, educators, and communities in their drive to fundamentally improve the quality of education for all children. The right way for Congress to help in this effort is to provide the necessary resources and set clear and rigorous standards for accountability.

Now is the right time for Congress to act. This year we will be taking up the reauthorization of the Elementary and Secondary Education Act, something we do once only every five or so years.

We come to this reauthorization at a point where the federal government has spent roughly $120 billion over the last three decades on funding for the largest federal education program—the official title of which is ''Helping Disadvantaged Children Meet High Standards,'' but which is more widely known as ''Title I''—with uneven results.

To be clear, there have been notable achievements. The achievement gap between low-income students and their more advantaged peers narrowed significantly from 1970 until the mid-1980's. Independent studies suggest the federal effort on Title I and other educational equity initiatives have played a key part in this success.

Closing the achievement gap was a central goal of the title I program when it was enacted in 1965 and its accomplishments in this regard have been under-rated.

But in recent years the nationwide trend in narrowing the achievement gap has stalled—and in a few cases, we have even lost ground.

And yet the federal government has continued to send almost $8 billion a year in Title I funds to states and schools with few questions asked and no real demand for higher student achievement.

As we look to reauthorize the Title I program under the Elementary and Secondary Education Act for another five years, and invest somewhere in the neighborhood of $50 billion or more in the program, we need to make a choice.

We can either learn from states like Kentucky, Texas, and North Carolina, and ask that all states, in return for billions in federal subsidies, set clear goals for student achievement and then hold them accountable for making progress toward those goals. Or we can continue writing checks and sending the message that we are happy with the status quo.

We are entitled to ask the same questions and expect the same commitment and accountability as a financial partner would in providing capital for a loan.

We don't want to micromanage your enterprise. States and localities have the primary responsibility for the day-to-day operation of schools.

But we can, and should, ask that:

(1) States lay out clear and measurable goals for the academic achievement of all students, including their goals for closing gaps in achievement between student subgroups, such as between economically disadvantaged students and their peers;

(2) Children have access to the resources they need to meet these goals, especially high-quality instruction. The single most important factor in student achievement is a qualified teacher. Teachers need better training and stronger support, particularly in the early years of their careers. Aides have a role to play, but they must support, not replace, the classroom teacher;

(3) Schools and teachers that show results should be financially rewarded for their success in improving student achievement. Particular attention must be paid to high-poverty schools in which students are showing academic gains; and,

(4) Parents should be given better and clearer information about how their child is doing in school. And parents and other taxpayers deserve public report cards on the quality of their neighborhood schools and how they rank with others in their state.

By taking these steps, my bill will recommit federal education programs to their core goal—ensuring that all students have the opportunity to achieve, regardless of racial, ethnic, or economic background.

Here is how the bill would work specifically:

I. REPORT CARDS—INFORMATION TO PARENTS AND THE PUBLIC

Individual Report Cards: The bill requires Title I schools to issue report cards to all parents of Title I kids on the academic progress of their individual children, as well as their school, the school district, and the state overall. The report cards would be tied to the standards and the assessments used to evaluate the Title I program, and as such would complement report card grades on classwork.

Statewide Report Cards: The bill also requires public dissemination of information on the performance of all Title I schools and districts. The reports must emphasize dissaggregation of data (e.g., by race, by economic status) to ensure better scrutiny on the progress of all at-risk groups.

II. TEACHER QUALITY

Parent Right-to-Know: The bill requires school to provide information to parents of all Title I kids with regard to the qualifications of their child's teacher(s). It would require active notification in those cases in which teachers are not fully qualified (including emergency-certified).

Qualifications of Title I Instructional Staff: The bill requires all Title I instructors to be qualified teachers (pass subject area tests or have an academic major and at least a B average in the subjects in which they are teaching). It would allow programs two years to ensure all Title I instructors are qualified.

The bill would allow schools to use funds under the Elementary and Secondary Education Act to create financial incentives to lure qualified teachers to teach in high-poverty schools and provide training to ''emergency certified'' teachers and teacher aides who are good candidates for full certification.

III. STRENGTHEN ACCOUNTABILITY

The bill would establish a more stringent definition of what constitutes ''adequate yearly progress'' for Title I programs. It would take into account the progress of each program in raising the performance of all students and set as a goal the closing of the gap between minorities and non-minorities and between more and less affluent students. It would require the federal Department of Education to re-review state plans under these new criteria and to solicit revisions from states whose systems do not conform.

IV. REWARDS FOR SUCCESSFUL SCHOOLS

The bill would require states to set aside funds to financially reward schools and teachers whose students make significant academic progress. High-poverty Title I schools, and the teachers within them, that make significant progress would get special consideration.

Over the coming weeks, I also plan to explore additional options to complement this legislation, particularly for providing financial incentives to teachers who choose to serve in high-need schools.

It is time for Congress to stop sitting on the sidelines watching schools and students underachieve. We have an obligation to students, their parents and their teachers to do better.

I look forward to working with my colleagues on this important legislation.

## INTRODUCTION OF THE PAUL E. TSONGAS FELLOWSHIP ACT

### HON. MARTIN T. MEEHAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. MEEHAN. Mr. Speaker, I ask unanimous consent to insert the following in the RECORD.

Today, I have the privilege of reintroducing legislation that honors the legacy of Paul E. Tsongas, one of the outstanding leaders of our time from Massachusetts. I must commend a good friend of mine and former colleague, Joe P. Kennedy II, for sponsoring this legislation in the 105th Congress. In the 106th Congress, I commit myself to ensuring the passage of the Paul E. Tsongas Fellowship Act to serve as a lasting memorial to this great man.

Always a visionary, Paul Tsongas dedicated himself to strengthening our nation's economy through technological innovation and protecting the environment for future generations. As the inheritor of Tsongas' seat in the House of Representatives, I can think of no more fitting tribute to his legacy than to establish in his name doctoral fellowships for the study of the global energy and environmental challenges of the 21st century.

Many in Congress remember Paul Tsongas as an often solitary voice of caution, warning about saddling our children and our children's children with a mountain of debt. But his vision did not begin and end with budget deficits.

In announcing his candidacy for the Presidency in 1992, he outlined a much broader conception of intergenerational responsibility, saying ''Just as we reach back to our ancestors for our fundamental values, so we, as guardians of that legacy, must reach ahead to our children and their children * * * That sense of sacredness, must begin with a reverence for this earth. This land, this water, this air, this planet—this is our legacy to our young.''

Paul spent much of his career in public service making this vision of resource conservation a reality. He not only restored a rundown neighborhood park in our hometown of Lowell, Massachusetts, but he also established the first urban park in our city. He also led efforts to preserve the historic lands and water of Walden Woods and helped to create the Cape Cod Commission, which is dedicated to protecting our open space.

Paul's concern for the environment did not end in Massachusetts, however. He was a national leader in securing the enactment of the Alaska Lands Act of 1980, a law that essentially doubled the size of our National Park and Wildlife Refuge Systems.

Tsongas understood the value of investing in human resources, as well. He often articulated the need to foster scientific achievement and innovation, which he saw as critical to keeping our nation's economy strong.

Our nation needs a pool of scientists and engineers with the intellect of Einstein and the public spirit and vision of Paul Tsongas to surmount the environmental and energy challenges posed by the 21st century.

Towards that end, the Paul E. Tsongas Fellowship Act would allow aspiring physicists, chemists, mathematicians, and computer scientists to enhance their skills through graduate education so they may become the pioneers of tomorrow. Furthermore, I am convinced that the fellowships in Tsongas' name will elicit a strong sense of intergenerational responsibility among the recipients.

Mr. Speaker, Paul Tsongas serves as a great inspiration to individuals who will dedicate their lives to advancing technology and environmental protection. A wise investment in our country's future, the Paul E. Tsongas Fellowship Act honors the memory of one of the finest persons ever to serve this institution.

## RECOGNIZING THE FIRST WEEK IN MAY AS NATIONAL ARSON AWARENESS WEEK

### HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. CASTLE. Mr. Speaker, I rise today in recognition of Arson Awareness Week and to encourage all Americans to join in the crusade against arson. Each year hundreds of lives are lost and billions of dollars of property are damaged by arsonists. In 1997 alone, arsonists killed an estimated 500 Americans and inflicted direct property damage totaling more than two billion dollars. One of every four fires—some 500,000 that occur in the United States each year—result from arson. Arson is the second leading cause of death by fire in the United States, topped only by smoking. Unfortunately, the pain and horror of most arson occurrences are felt in residential communities. Each year, more than 90 percent of all civilian deaths and suspicious structural fires typically occur in homes. Unfortunately, Mr. Speaker, an especially sobering fact of arson-related incidents is that firefighters lost their lives fighting these intentionally-set fires.

There are steps each of us can take to prevent arson. First, owners of facant buildings should secure them to prevent vandals from setting fires for excitement. Second, parents of young children who exhibit a propensity to play with fire can call their local fire departments for a referral to a trained juvenile fire starter intervention program that will assist the child. Third, business and institutional property managers can call their local fire marshall for advice on how to arson- proof their buildings. This is especially important for church leaders who have in recent years seen their places of worship come under attack by arsonists.

In my home State of Delaware our State Fire Marshall's office provides the resources to investigate fires, as well as maintaining an excellent Juvenile Fire Setter Intervention Program that helps hundreds of Delaware families each year deal with this very troubling problem. In 1997, the last for which full data is available, those 20 years of age and under accounted for 50 percent of all arson fires in the United States. Of that total, 39.9 percent were committed by youths under the age of 15.

Mr. Speaker, it is with a great sense of urgency that I encourage all Americans to be aware and concerned with the burdensome cost that arson inflicts on our society. As Delaware's Congressman and a Member of the Congressional Fire Service Caucus, I strongly urge everyone to contact their local fire officials to learn more about what they can do to extinguish the arsonists' match.

## TRIBUTE TO THE KEENE SENTINEL, NEW HAMPSHIRE'S OLDEST NEWSPAPER

### HON. CHARLES F. BASS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. BASS. Mr. Speaker, I rise today to pay tribute to The Keene Sentinel. 1999 marks the bicentennial of The Sentinel, the oldest newspaper in New Hampshire, and the fifth oldest paper in the nation to be published continuously under the same name.

Under the guiding hand of publisher John Prentiss, the first edition of the New Hampshire Sentinel was issued in Keene on March 23, 1799. After 89 years as a weekly paper, The Sentinel began daily publication in 1890, and became a seven-day publication with the launch of a Sunday edition in 1996.

With the exception of 30 years in the 1800s, The Sentinel has been owned and operated by only two families: John Prentiss and his descendants, and then the Ewing family, which acquired the newspaper in 1954. The paper has enjoyed local and independent ownership throughout its 200 years.

Mr. Speaker, The Keene Sentinel, based in Cheshire County, serves the many communities of the Monadnock Region in southwestern New Hampshire. During the last two centuries, The Sentinel has chronicled the cultural, economic and social history of the region.

When John Prentiss first began publishing the paper in 1799, he had just one assistant. As Keene and the towns in the surrounding area have grown, the newspaper has expanded to meet the needs of the community. Today, with a circulation of 15,000, The Sentinel employs more than 100 people.

The Keene Sentinel has become a force in the community, advocating for open government, land use planning, and environmentally sensitive economic development in the Monadnock Region.

Mr. Speaker, I celebrate the institutional history of The Sentinel as well as the service the paper has provided to the community during the past 200 years.

## KENTUCKY NURSES WEEK

### HON. ANNE M. NORTHUP

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mrs. NORTHUP. Mr. Speaker, I rise today to honor a group of Kentuckians who have truly been called to serve others. Each day, thousands of children and adults walk into countless clinics, hospitals and care facilities to receive care and nurses comfort to those who are most in need. This week, I am pleased to join Kentuckians across the Commonwealth to celebrate ''Kentucky Nurses Week.''

Beginning today and lasting until May 12th, we will celebrate and honor the work that nurses do for each one of us. I am certain that each member of this body has had an experience with a nurse they can remember. From the school nurses who helped us clean off that scraped knee to the trauma room nurse ready during times of enormous distress, we can all appreciate the work the nurses do for our communities. With the hard work and compassion of nurses, we are able to receive the quality health care we deserve and expect for ourselves and our loved ones.

So today and for the next week, we in Kentucky will take an extra moment to offer a kind word or a special thank you to our nurses. The days are long, the work not always glamorous, but each day we are profoundly effected by the work of nurses, and I for one say thank you.

## INTRODUCTION OF LEGISLATION TO REFORM THE $1500 REHAB CAP

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. STARK. Mr. Speaker, the Balanced Budget Act of 1997 made some long-overdue savings in Medicare and has resulted in extending the life of the Part A Trust Fund from about 2001 to 2015. As budget policy, it has been a success.

There are some health policy problems, however.

In the BBA, we capped most outpatient rehabilitation services at $1500 per patient per year for physical and speech-language therapy, and for occupational therapy. This was good budget policy, in that it provided an immediate limit to a sector that was growing at totally unacceptable rates that seemed to have little to do with the true need for rehabilitation services. It is terrible health policy, however, because in fact there are individuals who desperately need more than $1500 in therapy.

I am introducing The Medicare Rehabilitation Benefit Equity Act today to provide exceptions from the $1500 cap for those who clearly need extra services. It will also require that we move to a diagnostic payment system that makes good health policy sense. Under my proposal, the $1500 dollar limitations on services will be replaced by a patient classification system effective January 1, 2002.

While the BBA policy needs to be modified, some limitations on rehabilitation services were clearly necessary. Between 1990 and 1996 Medicare expenditures for outpatient rehabilitation therapy rose 18 percent annually, totaling $962 million in 1996. During that time, outpatient rehabilitation spending shifted substantially away from hospitals and toward rehabilitation agencies and comprehensive outpatient rehabilitation facilities (CORFs). Payments to agencies and CORFs rose at an average annual rate of 23 percent and 35 percent, respectively.

Clearly, Congress had to act—and using a meat-ax approach—we did. It is time to revisit this issue and substitute some decent health policy for blunt budget policy. The Medicare Payment Advisory Commission recently examined the potential impact of the coverage limits and found that some patients were more likely to exceed the dollar limits than others. The Commission found that hip fracture patients had the highest median payments and stroke patients incurred the next highest payments. While Medicare spent, on average, about $700 per outpatient rehabilitation patient in 1996, half of all stroke patients exceeded the $1500 physical and speech therapy limit. In contrast, less than 20 percent of patients with back disorders exceeded the physical and speech therapy limit. In 1996 about one-third of patients treated in non-hospital settings (rehabilitation agencies and CORFs) incurred payments in exceed of $1500 for outpatient physical and speech therapy or $1500 for occupational therapy. Half of the patients affected by the limits exceeded them by $1,000 or more.

My legislation will minimize the inequity and disruption of the BBA limits without substantially affecting the program savings. It allows for a system of exceptions identical to those proposed in legislation by Senator GRASSLEY. It then requires the Department of Health and Human Services to develop and implement a new coverage and payment policy of outpatient physical and speech-language therapy services and outpatient occupational therapy services. Instead of uniform, but arbitrary, dollar limitations, the new policy would be based on classification of individuals by diagnostic category and severity of diagnosis, in both inpatient and outpatient settings.

The Medicare Rehabilitation Benefit Equity Act also requires that the revised coverage policy of setting durational limits on outpatient physical and speech language therapy and occupational therapy services by diagnostic category be implemented in a budget-neutral manner. This change in payment is related to overall utilization, it will not change the use of fee schedules or affect the payment rates for providers of these services. The payment methodology will be designed to be budget neutral in relation to the exceptions policy created by this legislation. Current law provisions to adjust the annual coverage limits on outpatient rehabilitation therapy services by the medical economic index (MEI), beginning in 2002, are retained.

The Medicare Rehabilitation Benefit Equity Act recognizes that the Department of Health and Human Services' Health Care Financing Administration currently lacks the data necessary to implement a coverage policy based on a patient classification system on January 1, 2000. It further recognizes that assuring services for Medicare beneficiaries in the year 2000 is HCFA's number one priority. For these reasons, a phased—and longer than desired—transition to a patient classification coverage policy is necessary.

I urge my fellow Members of Congress to join me in support of the Medicare Rehabilitation Benefit Equity Act of 1999. Together we can ensure that implementation of the BBA dollar limits on outpatient rehabilitation services will not disproportionately affect our most vulnerable Medicare beneficiaries.

## TRIBUTE TO BILL ''BULL'' DAVIDSON

### HON. MARION BERRY

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. BERRY. Mr. Speaker, I was saddened to learn of the passing of Bill Davidson, affectionally known as ''Bull'' in Stuttgart, Arkansas on Saturday, May 2. Everyone who follows Arkansas State University football is familiar with this personable and talented man but I'd like to take this opportunity to enlighten my colleagues about this gentleman who will always be regarded as one of the greatest coaches ASU has ever had.

Bill was originally from Manila, AR but had lived for many years in Jonesboro, AR, home of Arkansas State University. His involvement with ASU began in 1953 when he was a center-linebacker on the football team and continued when named the offensive coordinator in 1963 for then head coach Bennie Ellender. In addition to being the offensive coordinator, Bill also served as the offensive line coach. He was one of the primary reasons ASU when undefeated in 1970 and were named National Champs for their division. When Coach Ellender left for Tulane University in 1971, Coach Davidson was placed at the helm. The first few years of Bill's tenure were somewhat lean, but the 1973 team finished 8–3 and portended future success. This success was realized in 1975 with an undefeated season and 16 players from that team signing pro contracts. It is considered by many ASU fans as the greatest ASU football team in the school's history. Unfortunately for ASU, in 1979 Bill gave up the head coaching reins primarily due to a severe problem back which had plagued him for some time. He then became an associate athletic director until his retirement in 1990. Bill was twice named Southland Conference Coach of the Year and was inducted into the Arkansas State University Hall of Honor in 1984.

I know there are college head coaches that have had more on field success than Coach Davidson, though his 51–31–1 record during his tenure is very respectable, however, I doubt any would surpass his ability to motivate and inspire his players. This was achieved in a number of ways and that is the mark of a great football coach, not just being proficient with X's and O's but discerning the team's personality and adapting their style of coaching to it.

It would also be difficult to find a coach who was more beloved by his players. Often ending a tough practice with all the players gathered around him, Bill would tell a joke or two and send everyone to the showers with a smile on their faces. His stories about other players he played with or coached were also in great demand and guaranteed to break-up any listener. It was this wit and humor that enabled Coach Davidson to be a very effective recruiter of top high school football players throughout the country.

The people of Northeast Arkansas and ASU in particular will miss ''Bull'' Davidson but his legacy will be the young men in whom he instilled many of life's valuable lessons: physical and mental toughness, perseverance, dedication, and perhaps the most important of all, not making excuses for any failure that might befall them.

Bill is survived by his wife Donna and his daughter Sharon to whom I send my most sincere condolences.

## BANKUPTCY REFORM ACT OF 1999

SPEECH OF

### HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, May 5, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 833) to amend title II of the United States Code, and for further purposes:

Mr. KENNEDY. Mr. Chairman, H.R. 833 provides fair and reasonable bankruptcy reform to a system that is badly in need of repair. Chapter 7 of the Bankruptcy Code was established to help honest, debt burdened individuals gain a fresh start. In 1982, when economic times were tough, less than 400,000 individuals used this portion of the Code, which forgives all existing debts.

Oddly, in today's economy in which real per capita annual disposable income is growing, unemployment rates are low, and the market is strong, Chapter 7 fillings are at a record high with over 1.4 million people asking to be

discharged from about $50 billion in debt. Currently it is estimated that over 70% of bankruptcy filers use Chapter 7. Last year, 1.4 million personal bankruptcies were filed, an increase of 94.7 percent over 1990. By contrast business filings have remained steady over the last two decades. As my House colleague Congressman RICK BOUCHER aptly said, ''bankruptcy was never meant to be used as a financial planning tool, but it is becoming a first stop rather than a last resort'' to those who have the ability to pay a portion of their debts, but choose to ignore their responsibilities.

Clearly, the Congress has a responsibility to address this issue. Our nation simply cannot afford widespread abuse in our bankruptcy system. Consumers pay an estimated $500 dollars per year in additional ''hidden taxes'' by companies trying to make up for the cost of bankruptcy losses. For this reason, I have joined the fight in promoting federal legislation that actively seeks to reform the Code and target those who abuse the system at the expense of others.

The Bankruptcy Reform Act, which passed yesterday with overwhelming bipartisan support will force those who should file under Chapter 13, and pay a portion of their debt, to meet their responsibilities. It insists that a debtor demonstrate that full bankruptcy relief under Chapter 7 is warranted. Those who do not meet this needs-based test will be subject to a formula based on the debtor's income and obligations. The bill also ensures that debtors know all their financial options before they file bankruptcy. Often, debtors are the prey of entities that push debtors into bankruptcy without an explanation. This initiative will crack down on these practices. The bill also includes a House passed amendment that will require greater disclosure to debtors by credit card companies and other creditors about the types of fees and payments schedules that consumers may incur. By balancing the needs of creditors and debtors, this bill achieves meaningful bankruptcy reform.

## NATIONAL TEACHER APPRECIATION WEEK

### HON. MICHAEL E. CAPUANO

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. CAPUANO. Mr. Speaker, this week is National Teacher Appreciation Week, and I want to honor the teachers of the Eight Congressional District of Massachusetts. Almost 5,000 teachers in over 176 schools educate approximately 86,000 students in the 8th district alone.

Many of today's schools are in disrepair. They are bulging at the seams. Students do not have chairs to sit on, let alone textbooks from which to learn. Despite limited resources, teachers persistently surpass these obstacles and devise new ways to stimulate our children to achieve.

So many teachers go the extra mile to ensure that their students are learning. They provide a variety of additional services, from assisting a student after school hours with their homework to giving up their Saturday to coach basketball. Teachers are more than just educators. They serve as mentors, managers, counselors, confidants and friends. Although they are not always rewarded or even acknowledged for their daily selfless acts, teachers continue to give of themselves in order to instruct our children.

In Cambridge, Massachusetts, several teachers have exemplified outstanding dedication to their jobs: Joseph Sullivan, who was bestowed with the honor of being elected to the Massachusetts Teacher Association board; Michele Owaross, who just recently led a group of 10th and 11th graders on a trip to China to study the society and culture of another country; Lucinda Leveille who brought six students to Russia recently and was honored for her attempt to promote international awareness by the Russian Government; and Jamalh Prince, Chelsea's indoor track coach who was named ''Coach of the Year'' by *The Boston Globe.*

Likewise, in Chelsea, Massachusetts, Adele Lubarsky has been teaching at the Sokolowski school in Chelsea since 1972. In those 27 years, Ms. Lubarsky has certainly kept active. As a 3rd grade Spanish bilingual elementary school teacher, she has set high standards to guarantee that her students will achieve now and in the future. Ms. Lubarsky also serves as a ''mentor teacher'' whereby she models lessons for other teachers and assists newcomers. Due to her dedication, she was awarded the 1996 ''Outstanding Teacher of the Year'' award from Chelsea's school system.

Mr. Speaker, there are far too many teachers to mention everyone by name, however I'd like to take a moment to thank all the teachers in Belmont, Boston, Somerville, Cambridge, Chelsea, and Watertown for tirelessly giving of themselves to educate our future leaders.

Tomorrow, I will visit the Dr. Martin Luther King, Jr. school and the King Open school in Cambridge, and then I will attend a ground breaking at the Boston Latin school. Since becoming a Member, I have visited schools all over my district. However I am always amazed at the warm greeting I receive from students, and from teachers. For them, it does not matter who the visitor is, but rather that someone cares and recognizes the hard work they do.

Mr. Speaker, while we discuss education priorities this year, I hope each Member of Congress will reflect upon the valuable commodity each and every teacher in his or her district represents, and work to include rewards for teachers as a part of the education agenda. I know I will.

## A COURAGEOUS DRUG FIGHTER AND HIS MEN

### HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. GILMAN. Mr. Speaker, today's Miami Herald recounts the battle by the Colombia National Police (CNP) in a real war on drugs in that troubled nation. In attacking a major cocaine complex in Colombia, the anti-drug police (DANTI) under the leadership of General Jose Serrano and Colonel Leonardo Gallego took hostile fire, yet they managed to destroy a complex capable of producing tons and tons of deadly drugs, and seized a ton of cocaine and large quantities of precursor chemicals. The lab complex was capable of producing 8 tons of cocaine per month.

The DANTI used aged Huey helicopters without the proper Forward Looking Infra Red (FLIR) equipment that could have foretold the trouble that they would face on the ground from the right wing paramilitary run cocaine complex. Despite the lack of adequate helicopters and what the police really need in defensive equipment, they still prevailed. We are indeed fortunate to have allies like this in our common battle against illicit drugs in our hemisphere.

Just last Friday, along with my colleagues in the House, Representatives BURTON, MICA and DELAURO and Senator DODD, I traveled to the Sikorsky plant in Connecticut to attend the ceremony giving General Serrano what he and his anti-drug police need to fight a real war on drugs. The log book for six of the world renown and effective Sikorsky Blackhawk utility helicopters were turned over to General Serrano and Colonel Gallego, the head of DANTI. These Blackhawk choppers will give these brave, courageous men what they need and should have had years ago.

One can only wonder what results we might have seen from the CNP if we had provided these Blackhawks sooner rather than later. I ask that the Miami Herald account of yesterday's operations in Colombia be inserted at this point in the RECORD, and I ask my colleagues to note what good and courageous men do in a real war on drugs.

[From the Miami Herald, May 5, 1999]

COLOMBIAN POLICE FIGHT OFF GUNFIRE TO DESTROY COKE LABS

(By Tim Johnson)

BOGOTA, COLOMBIA—Fighting off gunfire from paramilitary forces, an anti-narcotics strike force on Wednesday raided what police described as one of the most sophisticated cocaine-processing complexes in Colombia's history.

Police said they destroyed three cocaine-processing laboratories capable of producing eight tons of cocaine a month.

''This is impressive. in my professional life, I have seen a lot of laboratories. But this is beyond imagination,'' said National Police Chief Rosso Jose Serrano, soaked in sweat after leading 300 officers on the jungle raid.

Serrano said the laboratories, discovered in a wooded area in the Magdalena River Valley near the town of Puerto Boyaca, were protected by rightist paramilitary forces.

Paramilitary forces have long been rumored to be involved in Colombia's huge drug trade, but their direct link to such a major processing site provides starting evidence of how deeply they are enmeshed.

The discovery further complicates Colombia's dismal security situation and underscores the difficulties of fighting the cocaine trade. The 15,000-member Revolutionary Armed Forces of Colombia—bitter enemies of the paramilitary forces—also derive hundreds of millions of dollars a year from protecting coca crops and laboratories, mostly in the eastern plains.

Backed by 10 artillery-equipped helicopters, 300 members of an anti-narcotics

force swooped down on the complex around dawn, police said.

''In the precise moment we arrived, they were in the middle of processing cocaine. We couldn't tell how many people were there, but there was an exchange of gunfire,'' police Col. Ramon Pelaez said.

Workers fled the scene as helicopters landed a little less than a mile from the laboratories, Serrano said. No arrests were made.

The laboratories, some up to four stories high, were covered by thick forest, Serrano said. Sleeping facilities indicated at least 200 people were employed at the site.

Serrano said the stench of ether—used to process the drug—hung over the complex.

Police said they found 150 tons of chemicals, a ton of pure cocaine, generators capable of providing power to a town of 5,000 people, gas ovens to process the cocaine and documents that provided valuable clues.

''We made an estimate that the structure is worth $5 million,'' Serrano said. ''It impressed me because I've seen a lot. But these were very well camouflaged. You passed over in a helicopter and you couldn't see them.''

Serrano said the site included a sophisticated quality-control facility.

He said the laboratories, each one protected by control towers, were spread over more than seven square miles.

Serrano said he believed the laboratories were run by paramilitaries with remnants of the dismantled Cali and Medellin cartels, which at their height were the largest criminal organizations in the world. Colombia produces about 80 percent of the world's cocaine.

The site appeared to rival two other huge complexes destroyed by police in the past.

In March 1984, authorities were stunned by a massive jungle complex known as Tranquilandia, with a network of 19 laboratories. Police found 13.8 tons of cocaine at the facility, worth more than $1 billion in street sales. They later calculated that the complex could produce 300 tons of refined cocaine a year.

In early 1997, authorities found more than eight tons of cocaine at a processing facility in eastern Meta state that became known as Villa Coca.

That complex was also virtually an entire village, with 22 crude buildings, an all-weather airstrip, a control lower and 455 tons of chemicals used in refining cocaine.

In other news, the head of the National anti-Narcotics Office, Ruben Olarte Reyes, was forced from office by President Andres Pastrana amid charges that his brother had laundered money for drug traffickers.

An angry Olarte contended that he was being railroaded out of office and that his brother had rented a house without knowing that its owner was sought by authorities as a suspected drug dealer.

## BOSTON'S TEACHING HOSPITALS

### HON. JOHN JOSEPH MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. MOAKLEY. Mr. Speaker, I submit to the CONGRESSIONAL RECORD an article from today's New York Times which details the financial difficulties facing Boston's teaching hospitals. Many of the Boston teaching hospitals, which are located in my district, are experiencing serious Medicare cuts as a result of the Balanced Budget Act as well as from continuous cuts from managed care payments. These cuts threaten the important mission that our teaching hospitals provide—training physicians, caring for the sickest patients and providing care for the indigent.

I would ask my colleagues to read this important article and to take these points in mind as we debate the future of the Medicare program.

[From the New York Times, May 6, 1999]

TEACHING HOSPITALS SAY MEDICARE CUTS HAVE THEM BLEEDING RED INK

(By Carey Goldberg)

BOSTON—Normally, the great teaching hospitals of this medical Mecca carry an air of white-coated, best-in-the-world arrogance, the kind that comes of collecting Nobels, of snaring more federal money for medical research than hospitals anywhere else, of attracting patients from the four corners of the earth.

But not lately. Lately, their chief executives carry an air of pleading and alarm. They tend to cross the edges of their palms in an X—with one line symbolizing rising costs and the other dropping payments, especially Medicare payments—and say they simply cannot go on losing money this way and remain the academic cream of American medicine.

Dr. Mitchell T. Rabkin, chief executive emeritus of Beth Israel Hospital: ''''Everyone's in deep yogurt.''

Jeffrey Otten, president of Brigham and Women's Hospital: ''Most of the hospitals are losing money at a rate between a half-million and a million dollars a week,'' though their beds are mostly full.

Dr. Samuel O. Thier, president of the group which owns Massachusetts General Hospital: ''We've got a problem, and you've got to nip it in the bud, or else you're going to kill off some of the premier institutions in the country.''

The teaching hospitals here and elsewhere have never been fully immune from the turbulent change sweeping American health care —from the expansion of managed care to spiraling drug prices to the fierce fights for survival and shotgun marriages between hospitals with empty beds and flabby management.

But they are contending that suddenly, in recent weeks, a federal cutback in Medicare spending has begun putting such a financial squeeze on them that it threatens their ability to fulfill their special missions; to handle the sickest patients, to act as incubators for new cures, to treat poor people and to train budding doctors.

The budget hemorrhaging has hit at scattered teaching hospitals across the country, from San Francisco to Philadelphia. New York's clusters of teaching hospitals are among the biggest and hardest hit, the Greater New York Hospital Association says. It predicts that Medicare cuts will cost the state's hospitals $5 billion through 2002 and force the closure of money-losing departments and whole hospitals.

Here in Boston, with its unusual concentration of academic medicine and its teaching hospitals affiliated with the medical schools of Harvard, Tufts and Boston universities, the cuts are already taking a toll in hundreds of eliminated jobs and pockets of miserable morale.

Five of Boston's top eight private employers are teaching hospitals, Mayor Thomas M. Menino notes. And if five-year Medicare cuts totaling an estimated $1.7 billion for Massachusetts hospitals continue, Menino says, ''We'll have to lay off thousands of people, and that's a big hit on the city of Boston.''

Often, analysts say, hospital cutbacks, closings and mergers make good economic sense, and some dislocation and pain are only to be expected. Some critics say the hospitals are partly to fault, that for all their glittery research and credentials, they have not always been efficiently managed.

''A lot of teaching hospitals have engaged in what might be called self-sanctification—'We're the greatest hospitals in the world and no one can do it better or for less'—and that may or not be true,'' said Alan Sager, a health-care finance expert at the Boston University School of Public Health.

But hospital chiefs argue that they have virtually no fat left to cut, and are warning that their financial problems could mean that the smartest edge of American medicine would get dumbed down.

With that message, they have been lobbying Congress in recent weeks to reconsider the cuts that they say have turned their financial straits from tough to intolerable.

''Five years from now, the American people will wake up and find their clinical research is second rate because the big teaching hospitals are reeling financially,'' warned Dr. David G. Nathan, president of the Dana-Farber Cancer Institute here.

In a half-dozen interviews around the Boston medical-industrial complex known as the Longwood Medical Center and Academic Area and elsewhere, hospital executives who normally compete and squabble all espoused one central idea: Teaching hospitals are special, and that specialness costs money.

Take the example of treating heart-disease patients, said Dr. Michael F. Collins, president and chief executive officer of Caritas Christi Health Care System, a seven-hospital group affiliated with Tufts.

In 1988, Collins said, it was still experimental for doctors to open blocked arteries by passing tiny balloons through them; now, they have a whole bouquet of expensive new options for those patients, including spring-like devices called stents that cost $900 to $1,850 each; tiny rotobladers that can cost up to $1,500, and costly drugs to supplement the reaming that cost nearly $1,400 a patient.

''A lot of our scientists are doing research on which are the best catheters and which are the best stents,'' Collins said. ''And because they're giving the papers on the drug, they're using the drug the day it's approved to be used. Right now it's costing us about $50,000 a month and we're not getting a nickel for it, because our case rates are fixed.''

Hospital chiefs and doctors also argue that a teaching hospital and its affiliated university are a delicate ecosystem whose production of critical research is at risk.

''The grand institutions in Boston that are venerated are characterized by a wildflower approach to invention and the generation of new knowledge,'' said Dr. James Reinertsen, the chief executive of Caregroup, which owns Beth Israel Deaconess Medical Center. ''We don't run our institutions like agribusiness, a massively efficient operation where we direct research and harvest it. It's unplanned to a great extent, and that chaotic fermenting environment is part of what makes the academic health centers what they are.''

Federal financing for research is plentiful of late, hospital heads acknowledge. But they point out that the government expects hospitals to subsidize 10 or 15 percent of that research, and they must also provide important support for researchers still too junior to win grants.

A similar argument for slack in the system comes with teaching. Teaching hospitals are pressing their faculties to take on greater loads of patients to bring in more money, said Dr. Daniel D. Federman, dean for medical education of Harvard Medical School. A doctor under pressure to spend time in a billable way, Federman said, has less time to spend teaching.

''Good teaching stops to ask the question 'Why?—Why is this patient anemic?'—and explore the science,'' Federman said. ''That gets squeezed now.

''If you don't ask 'Why?,' nothing moves forward,'' he added.

The Boston teaching hospitals generally deny that the money squeeze is affecting patients' quality of care, students' quality of education or research. But they say that if the current losses swell as expected, deterioration in all three will inevitably follow.

The Boston hospitals' plight may be partly their fault for competing so hard with each other, driving down prices, some analysts say. Though some hospitals have merged in recent years, Boston is still seen as having an oversupply of beds, and virtually all hospitals are teaching hospitals here.

Whatever the causes, said Stuart Altman, professor of national health policy at Brandeis University and past chairman for 12 years of the committee that advised the government on Medicare prices, ''the concern is very real.''

''What's happened to them is that all of the cards have fallen the wrong way at the same time,'' Altman said. ''I believe their screams of woe are legitimate.''

Among the cards that fell wrong, begin with managed care. Massachusetts has an unusually large quotient of patients in managed-care plans. Managed-care companies, themselves strapped, have gotten increasingly tough about how much they will pay.

Boston had also gone through a spate of fat-trimming hospital mergers, closings and cost cutting in recent years. Add to the troubles some complaints that affect all hospitals: expenses to prepare their computers for 2000, problems getting insurance companies and the government to pay up, new efforts to defend againt charges of billing fraud.

But the back-breaking straw, hospital chiefs say, came with Medicare cuts, enacted under the 1997 balanced-budget law, that will slash more each year through 2002. The Association of American Medical Colleges estimates that by then the losses for teaching hospitals could reach $14.7 billion, and major teaching hospitals will lose something about $150 million each. Nearly 100 teaching hospitals are expected to be running in the red by then, the association said last month.

For years, teaching hospitals have been more dependent than any others on Medicare. Unlike some other payers, Medicare has consistently compensated them for their special missions—training, sicker patients, indigent care—by paying them extra.

For reasons yet to be determined, Altman and others say the Medicare cuts seem to be taking an even greater toll on the teaching hospitals than had been expected. Much has changed since the 1996 numbers on which the cuts were based, hospital chiefs say; and the cuts particularly singled out teaching hospitals, whose profit margins used to look fat.

Frightening the hospitals still further, President Clinton's next budget proposes even more Medicare cuts.

Not everyone sympathizes, though. Complaints from hospitals that financial pinching hurts have become familiar refrains. Critics say the Boston hospitals are whining for more money when the only real fix is broad health-care reform.

Some propose that the rational solution is to analyze which aspects of the teaching hospitals' work society is willing to pay for, and then abandon the Byzantine old Medicare cross-subsidies and pay for them straight out, perhaps through a new tax.

Others question the numbers.

Whenever hospitals face cuts, said Alan Sager of Boston University, ''they claim it will be teaching and research and free care of the uninsured that are cut first.''

If the hospitals want more money, Sager argued, they should allow independent auditors to check their books rather than asking Congress to rely on a ''scream test.''

For many doctors at the teaching hospitals, the screaming is preventive medicine, meant to save their institutions from becoming ordinary.

Medical care is an applied science, said Dr. Allan Ropper, chief of neurology at St. Elizabeth's Hospital, and strong teaching hospitals, with their cadres of doctors willing to spend often-unreimbursed time on teaching and research, are essential to helping move it forward.

''There's no getting away from a patient and their illness,'' Ropper said, ''but if all you do is fix the watch, nobody ever builds a better watch. It's a very subtle thing, but precisely because it's so subtle, it's very easy to disrupt.''

## A TRIBUTE TO MARCY VACURA SAUNDERS

### HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. LANTOS. Mr. Speaker, I rise today to pay tribute to Marcy Vacura Saunders, the first woman to serve as Labor Commissioner in the State of California. Ms. Saudners' much deserved appointment to this position is an important milestone for working people and to Californians, and a tribute to her remarkable career and lifelong commitment to organized labor.

Ms. Saunders began her professional life as a flight attendant, and achieved the esteemed rank of Acting Chairperson of the Independent Federation of Flight Attendants. She led a successful National Boycott of Conscience against TWA's Carl Icahn. In 1987, Ms. Saunders joined the Building and Trades Council of San Mateo County. In 1993, she became the first and only woman in the United States to be elected Business Manager of a building trades council.

Mr. Speaker, Ms. Saunders' tireless and unwavering efforts on behalf of the Council membership have assured the gainful employment of countless Californians and improved the quality of life of many Bay Area families. In 1994, under Ms. Saunders' leadership, the Building and Trades Council stimulated a stagnant economy in the City of East Palo Alto through the formation of the East Palo Alto Building & Trades Alliance. In 1996, she helped to obtain resolutions from 12 cities and the County of San Mateo supporting California's prevailing wage laws.

Mr. Speaker, Ms. Saunders has demonstrated a tireless commitment to our community through her extraordinary volunteer service to organizations such as the United Way, the San Mateo County Convention & Visitors Bureau, the San Mateo County Exposition & Fair Association Board, the San Mateo County Commission on the Status of Women, the Redwood City Library Foundation, the San Mateo County/Redwood City Chamber of Commerce, the Soroptimist International, the San Mateo County Economic Vitality Partnership, the Shelter Network, LEADERSHIP San Mateo/Foster City/Burlingame/Hillsborough, START (San Mateo Recruitment and Training), and the Private Industry Council.

Ms. Saunders has been recognized for her selfless service as the recipient of the Soroptimist International's Women Helping Women Award, the Woman Of Economic and Social Development Award, the San Mateo County Labor Council C.O.P.E. Award, the United Way Labor Leadership Outstanding Volunteer Award, and the Mary Moshey Outstanding Community Volunteer Award. In 1994, Ms. Saunders was inducted into the San Meteo County Women's Hall of Fame as a tribute to her extraordinary achievements.

Mr. Speaker, in recognition of Marcy Vacura Saunder's exemplary professional and personal accomplishments, Governor Gray Davis selected her as the Golden State's top advocate for working people. I commend and pledge my continued support to a most remarkable woman, whom I am honored to call my friend, and whom San Mateo County is proud to call its own—California State Labor Commissioner, Marcy Vacura Saunders.

## TEACHER APPRECIATION WEEK

### HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. UNDERWOOD. Mr. Speaker, it is with great pride that I speak in honor of our nation's teachers, especially in appreciation for the teachers of our children in Guam. In addition to being our children's instructors, they are also our children's counselors, mentors, and friends.

Teachers run in my family's blood. My father was a teacher, and so is my mother. My wife and I are teachers, and my daughter is also a teacher.

It is a vocation with such truthful and honorable intent that it attracts a diverse following. We have teachers who are idealists and strive to continually engaging young minds in mental, social and cultural challenges to teachers who are realists secure in their knowledge that for our nation to progress, our children must be provided the best books and resources possible.

Teachers are a hardy lot. They experience setbacks such as budget cuts, increasing class sizes, decrepit school buildings and outdated textbooks, yet they persevere.

In a way, all of us are teachers. In our daily lives we are constantly showing our children or our colleagues how to accomplish certain tasks or how to view certain issues. But it takes a special person to make teaching their

life's vocation. You must have a buoyant spirit, a gentle touch and an infinite amount of patience.

I would like to take this opportunity to especially congratulate one of these exemplary individuals on Guam, Ms. Barbara Gilman. She is Guam's 1999 Teacher of the Year and provides her excellent skills to the students of John F. Kennedy High School as their Physical Education instructor. It is not enough that Ms. Gilman has been featured in publications and the media, she has also won numerous awards on Guam such as the 1998 Outstanding Pacific Educator and a Resolution from the 24th Guam Legislature. Ms. Gilman's experiences are diverse. She is not only a current member of Phi Delta Kappa, the Guam Track and Field Association and the American Alliance for Health, Physical Education, Recreation and Dance, she is also involved in staff development leadership activities such as the current chair of the Fifth Guam Teacher Forum, a coordinator and presentor at the 1998 Women in Sports Day, and the 1995–1996 chair of the Governance Committee in Goals 2000. Ms. Gilman is an accomplished teacher and community leader. With 30 years of quality teaching experience under her belt, it is small wonder that she is being honored this year as Guam's Teacher of the Year.

I had a meeting with Ms. Gilman and she expressed to me the concerns teachers from all over the nation have expressed during their conference here in Washington in April. Among their concerns are students' equal access to education resources and funding, the improvement of teaching conditions through reduced class sizes and increasing access to equipment and communications, the encouragement of teacher development and leadership through the creation of teacher forums and mentoring programs, and the promotion of public understanding of involvement in educational issues such as school safety and certification.

The concerns listed by the Teachers of the Year are already addressed by President Clinton's plans to improve our nation's educational system. With the collaboration of Congress and under the leadership of Secretary Richard Riley, one of our nation's foremost educators, the U.S. Department of Education has implemented the first phase of its Class Size Reduction Initiative, a policy that sets out to hire 100,000 new teachers over the next seven years.

In light of the recent rash of school violence, the Safe Schools/Healthy Students Initiative grant program is timely. The program would fund 50 communities for up to three years to link existing and new services and activities into a comprehensive community-wide approach for violence prevention and child development.

The teachers and children on Guam will certainly benefit from these programs, and I will work hard to ensure that Congress will continue to support these programs.

Again, to America's teachers, I congratulate you on this special occasion. To our Guam teachers, you deserve our sincerest gratitude for your leadership and guidance in our island's schools. To Ms. Barbara Gilman, thank you for your dedication to our island's children and for exemplifying the values and talents of a true teacher and mentor.

## FIRST BAPTIST CHURCH OF SHEEPSHEAD BAY CELEBRATES CENTENNIAL ANNIVERSARY

### HON. ANTHONY D. WEINER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. WEINER. I rise today to invite my colleagues to pay tribute to the First Baptist Church of Sheepshead Bay on the occasion of its Centennial Anniversary.

The members of the First Baptist Church of Sheepshead Bay have long been known for their commitment to community service and to enhancing the quality of life for all New York City residents.

This is not only a festive happening, it is a chance for all of us to celebrate and pay tribute to a group of individuals who have dedicated their lives to spreading the word of God and to providing spiritual comfort to their friends and neighbors.

Knowing that the men of the Sheepshead Bay Race Track and their families needed a place to worship, Mother Maria J. Fisher held prayer meetings either in her parlor or in the front rooms of charitable community residents. The First Baptist Church of Sheepshead Bay, which was formally incorporated by the State of New York in 1901, was organized on May 21, 1899 by Mother Fisher and the Reverend George O. Dixon of Alexandria, Virginia. Members who attended the Church's organizational session included: Messrs. Joseph Braxton, Tom Greene, William Jackson and Mesdames Edna Adams, Jessie Bogart, Bertha Greene, Anne Johnson, Ida Shaw, Susie Tucker, and Mary Woods. Members who were not already Christians were converted and baptized in the Concord Baptist Church of Brooklyn, New York.

Upon their return to Sheepshead Bay, they joined forces with Mother Fisher to create the First Mission. The site of the Mission was on the corner of Avenue X and East 15th Streets. An old ice box was used for the Pulpit and the members donated lamps and chairs for the Church to use. When it was difficult to meet at the Church, members would convene at the home of Mother Fisher, who lived at 2362 East 15th Street.

Mrs. Lena McMillian served as the Mission's first organist while Mesdames Sarah Lowe, Alice Robinson, Fannie Winston, Bertha Greene, Fannie Brown and William Forehand raised their voices to the Lord in the Mission's first choir. While serving as the Church's first Sunday School Superintendent, Mrs. Fannie Winston started the tradition of providing area youngsters with the moral precepts that they would need to grow into law-abiding adults.

The members of the First Baptist Church of Sheepshead Bay have long been known as innovators and beacons of good will to all those with whom they come into contact. Through their dedicated efforts, they have each helped to improve my constituents' quality of life. In recognition of their many accomplishments on behalf of my constituents, I offer my congratulations to the First Baptist Church of Sheepshead Bay on the occasion of its Centennial Anniversary.

## CENTRAL NEW JERSEY CONGRATULATES JOHN STEMLER III, EWING KIWANIS POLICE OFFICER OF THE YEAR

### HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. HOLT. Mr. Speaker, I rise today to recognize John Stemler III of Ewing Township, who is being honored by the Ewing Kiwanis Club as the Police Officer of the Year on Friday, May 7, 1999.

This award is bestowed upon him by his peers in recognition of his constant willingness to go above and beyond the call of duty.

In February of 1994, he began his employment with the Ewing Police Department as a Communication Operator. After graduating from the Trenton Police Academy Basic Training Course, he was sworn in on August 16, 1994.

After being sworn into office, Officer Stemler was assigned to the Patrol Bureau where he rose to become a Field Training Officer. Officer Stemler is also a member of the Police Department Tactical Response Team. He has excelled with many letters of commendation for his outstanding work as a police officer.

Officer Stemler is a graduate of the Ewing Public School system and a lifelong resident of Ewing Township.

Mr. Speaker, Officer Stemler is a great example for Central New Jersey. I ask all my colleagues to join me in recognizing him.

## INTRODUCTION OF THE YOUTH VIOLENCE PREVENTION PACKAGE

### HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. DEFAZIO. Mr. Speaker, I am proud to introduce legislation today to help combat the growing problem of youth violence in America. I began this effort last year in response to the needs identified following shooting at Thurston High School, in my hometown of Springfield, Oregon.

This legislation is designed to prevent youths from turning to violence by providing adequate crisis intervention and support services and to limit opportunities for troubled kids to obtain firearms. Politicians talk a lot about helping kids, but when it comes to putting money on the table, programs that invest in our children continue to go underfunded. We must do better, or we will continue to see tragedies like those in Littleton, Springfield, Jonesboro, Edinboro, West Paducah, and Pearl. My package will boost funding for prevention and intervention programs that have a proven track record for helping at-risk kids and families in crisis.

Following the Thurston shootings, community leaders, educators, law enforcement and medical professionals as well as Thurston students and their families worked to develop an action plan identifying several grant programs that address specific needs in our communities. However, to develop new initiatives

using these grants, or to expand existing programs, an increase in overall funding is essential. This package would provide this much needed funding for services to foster strong and healthy children, families and communities.

The causes of youth violence are extremely complex and there is no panacea. This package doesn't include everything communities may need, but it certainly addresses some of the key concerns our community has identified.

Youth Violence Prevention Act:

Increases funding for early childhood intervention programs such as Head Start.

Increases funding for juvenile justice delinquency prevention programs including court schools.

Increases funding for child abuse prevention programs focusing on community-based family preservation and crisis intervention programs.

Expands the National Guard's successful Youth Challenge program for troubled high school dropouts.

Provides incentive grants for states to implement a 72-hour hold for juveniles caught with a firearm on school grounds.

Authorizes expansion of the instant criminal background check system so a person who sells a firearm but is not a licensed dealer can check to see if a prospective purchaser is eligible to purchase a firearm.

Provides for a tax credit of up to $250 for the purchase of safe storage devices for firearms.

Requires manufacturers to provide trigger locks for all purchases of new firearms.

Requires safe storage of firearms.

## MY SERVICE TO AMERICA

### HON. COLLIN C. PETERSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. PETERSON of Minnesota. Mr. Speaker, each year the Veterans of Foreign Wars (VFW) and the VFW Ladies Auxiliary conducts the "Voice of Democracy" broadcast script writing contest. This years contest theme was "My Service to America". It is my pleasure to announce today that Bria Knorr, from Moorhead, Minnesota, is one of fifty-four national scholarship winners. Ms. Knorr reminds us that the spirit of service to our country remains strong among our nation's youth, and that individuals can make a difference. At this point, I'd like to enter Ms. Knorr's essay into the CONGRESSIONAL RECORD.

MY SERVICE TO AMERICA

(By Bria Knorr)

3,536,341 square miles, 2,807 miles from sea to shining sea, and populated by 270 million people. It's America and it's big. So large, in fact, that many people find it incomprehensible to think they could serve a country of such vast dimensions. It causes a person to wonder whether or not they can make a difference in a community of so many. However, if we page backwards through the history of our country, we find countless examples of single individuals changing America forever through their dedicated service.

One such man, traveling across the country as a doctor for Native Americans and settlers moving west was John Chapman. He is more commonly associated with the trail of apple trees he left where ever he went. To this day we hear of slightly legendized tales of the heroic self-sacrificial acts of a man committed to helping settle this great nation. Not only was he serving America in the eighteenth century, but also the many generations who would come to love his apple trees and his legends.

Another guide, traveling south and north rather than east and west, embodied the idea of advocating a principle through the liberation of peoples. Under the cover of darkness Harriet Tubman repeatedly risked her life to bring slaves out of servitude and into freedom. Her development of the underground railroad improved the lives of hundreds of runaway slaves.

The powerful motivator and leader, Dr. Martin Luther King Junior, chose to serve his country by speaking out against the hypocritical idea that all men were created equal but should not be treated that way. Through peaceful protest, this passionate man drew the attention of the country to the injustice of segregation. His service did not end when his life did, but goes on through the idea of equality he brought to the United States.

Single individuals can and have made a difference throughout the course of our history. But these greats are few and far between. Most of us never have the opportunity to render our services on such a scale. Are we worthless to our country? How can we serve this nation, this body of people?

I'd been regulating pumps for six hours and now it was in the dead of night; the purring of the pumps and the swish of water being mopped down the drain droned on monotonously as it had all night. When my family and I had gotten here, this couple had been manning their pumps 'round the clock for four days just to keep the rising flood waters from filling their basement. Their cistern would fill and need to be pumped out every fifteen minutes and water was running into the room through cracks in the cement floor. I was tired and uncomfortable and the air was cold. One more hour and my shift would be over. My thoughts drifted upstairs to the exhausted couple who were getting the first real sleep tonight that they'd had in days. I thought that tonight I might have been home in my warm bed. Instead, I was in a clammy basement, fighting off sleep to flip a switch every fifteen minutes and mop up water that would cover the floor just as soon as you finished pushing the last batch down the drain. I thought of Dr. Martin Luther King Junior, of Harriet Tubman, of John Chapman. I wasn't aiding anyone to freedom, I wasn't risking my life for an ideal, I wasn't improving the United States on a grand scale. But maybe this was grand for these people whose home I was protecting. I was doing something grand for some small part of the country. Perhaps that is what defines my service to America. For what is one foot in the 5,280 that make up a mile? Except that it wouldn't be a mile without it . . .''

## RECOGNITION OF THE FIRST ANNUAL MEMORIAL DAY FOR THE GAY, LESBIAN, BISEXUAL AND TRANSGENDER COMMUNITY

### HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. NADLER. Mr. Speaker, I rise today in recognition of the first annual Memorial Day for the Gay, Lesbian, Bisexual and Transgender community. This special day has been established to remember the many who have lost their lives due to killings, beatings, and suicides that have resulted from the homophobic attitude prevalent in our society and throughout history.

Every year, on the anniversary of the Warsaw ghetto uprising, the world commemorates Yom Hashoah or the Day of Remembrance for the Holocaust. Although several museums throughout the United States and Europe include exhibits recalling the homosexual experience during the Nazi era, most Yom Hashoah services fail to mention that part of Hitler's reign of terror was the systematic attempt to eliminate homosexuals from Germany. It is estimated that, under his plan, tens of thousands of homosexuals were arrested and thousands were confined to death camps along with others he deemed "undesirable." Today's solemn remembrance is part of an effort to remove the veil of silence about this tragic history of persecution and killing, underscore the seemingly endless chain of hate crimes, and provide education aimed at eradicating intolerance and violence against gay, lesbian, bisexual and transgender persons.

I salute Congregation Beth Simchat Torah, the Church of the Holy Apostles, the International Association of Lesbian and Gay Children of Holocaust Survivors and the many other religious and community organizations that have joined in coalition to cosponsor today's solemn commemoration of the many lives lost as a result of a national reaction to homophobia. May their lives serve as reminders of the horrors of prejudicial acts of this kind. Let us honor their memory by committing ourselves to ending bigotry toward all people regardless of who they are or who they love.

## TRIBUTE TO PETER MARONE

### HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. PALLONE. Mr. Speaker, on Friday, May 7, 1999, the Ocean County, NJ, Democratic Party will pay tribute to Peter A. Marone on the occasion of his retirement as Assistant Supervisor and Investigations Coordinator of the Ocean County Board of Elections. Mr. Marone has served in this post since 1979.

Peter Marone has been a leader in political, civic and community affairs in Ocean County for as long as most area residents can remember. He was a member of the Point Pleasant Borough Governing Body for three decades (the 1970's, 1980's and 1990's), including a term as mayor from 1979–1982, and

two periods of service as a Councilman, from 1974–78 and 1989–91. He also was a member of the Point Pleasant Planning Board from 1979–82, and he served as Acting Administrator of the Borough from 1979–82. In 1976, he was appointed by former New Jersey Governor Brendan Byrne to the Open Access Public Beaches Study Commission. He has been a loyal and active member of the Ocean County Democratic Committee, serving as Treasurer and Sergeant-at-Arms from 1985–1999. He also currently serves as a New Jersey State Committeeman.

Peter Marone's service to his community and our country goes back decades. A New Jersey native, Mr. Marone served in the Korean War from 1948–52, and is a Life Member of the Disabled American Veterans. He is a member of the Chosin Few (Korea–1950) Exclusive Fraternity, and has been decorated with the Japan Occupation Ribbon and the Korean Campaign Ribbon with five bronze stars. A past Senior Vice Commander of the Veterans of Foreign Wars, he is a member of VFW Post 4715, and American Legion Post 196. He is also a member of the Loyal Order of Moose.

Peter and Doris Marone have been married 42 years, and they have three children. A communicant of St. Martha's Roman Catholic Church in Point Pleasant, Peter enjoys a number of activities besides politics—but he enjoys nothing more than his seven grandchildren.

As his friends and colleagues in the Ocean County Democrats pay tribute to Peter Marone, I want to add my voice to all those wishing him well and thanking him for so many years of steadfast service, solid leadership and true dedication to his town, county, state and nation.

## CONSTITUENT COMMENTS ON CHANNEL ONE

### HON. VAN HILLEARY

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. HILLEARY. Mr. Speaker, one of my primary concerns, as a member of the House Education and the Workforce Committee, is the education of our children. In this regard, we are always looking for new creative ways to improve our educational system. More and more, the private sector is providing teachers and schools with these creative ways to help our children learn.

I am pleased to commend the informative feedback given by one of my constituents as a result of his first hand observation of the Channel One experience in Manchester, TN. Gary Dyer is the Director of Accountability and Technology of the Manchester City Schools. His letter to Mr. Jeff Ballabon, Executive V.P. for Public Affairs for the Channel One Network, is as follows:

DEAR MR. BALLABON: It is my pleasure to write to you concerning this school district's experience with Channel One. We have been a part of the Channel One family at Westwood Junior High School since 1991. During this time, our experience with the Channel One Network has been very positive. As Director of Accountability/Technology, I have had the opportunity to be in the school on numerous occasions during the Channel One broadcast. I have personally observed that the students are very attentive during this broadcast and that the teachers have used the broadcast material to supplement and enrich their instruction over these years. I have not heard of one negative comment about Channel One from students, teachers, or parents. In addition to providing televisions for most of our classrooms, Channel One has provided hours of current, relevant, and timely information. Channel One is an excellent program, and the Manchester City School District is pleased to be a member of the Channel One family.

Sincerely,

GARY W. DYER
DIRECTOR OF ACCOUNTABILITY/
TECHNOLOGY.

## READING TOGETHER USA AND READING TOGETHER ADULT TUTORS PROGRAMS IN NORTH CAROLINA

### HON. BOB ETHERIDGE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. ETHERIDGE. Mr. Speaker, as the former North Carolina Superintendent of Schools and the Second District's Congressman, I rise today to call the attention of the Congress to the Reading Together USA Program and its extension by the proposed Program Reading Together Adult Tutors in North Carolina.

Reading Together USA is a peer tutoring reading program launched to improve the reading fluency and comprehension skills of second grade students with the help of fifth grade tutors. The program was collaboratively developed by University of North Carolina—Greensboro, Guilford County Schools, and the National Council of Jewish Women Institute for Education and Innovation at Hebrew University in Jerusalem. Materials used are developed by the reading research literature, an institutional framework that has proved to be a well developed support system.

Highly acclaimed by students and tutors, parents and educators, Reading Together USA is a systematic and cost effective program to improve reading and comprehension skills of youngsters. The program received governmental funding in the amount of $750,000 both in 1998 and 1999. Reading Together USA consists of nine training sessions for the fifth grade tutors who work with the students in thirty tutorial sessions. The students and tutors meet twice a week for 35 to 45 minute sessions. Furthermore, to determine the effectiveness of a session, the tutors meet their students twice a week to plan and prepare for the next session.

The response to Reading Together USA has been very positive as students have gained positive reading experience at a level that helps them to develop fluency and reading comprehension. Their tutors have also developed leadership, organization and human relation skills.

Because of enormous success of the program and to meet the growing demand for tutors the extension of Reading Together USA by Reading Togehter for Adult Tutors has been proposed. This program builds on Reading Together USA but features adult tutors targeting especially parents tutoring students at home and volunteers working with youngsters in schools in after school programs. The estimated cost of the two programs is $2 million annually.

Study after study has demonstrated that sound reading skills are essential to a student's academic achievement. Students who learn to read well gain the ability to excel in other subjects and enhance their overall educational performance. Reading is a particular important ingredient for success in the Information Age and Congress must support innovative efforts to improve reading.

Mr. Speaker, I commend the great achievements of Reading Together USA and strongly support its proposed extension Reading Together Adult Tutors. Education holds the key to our nation's future. Education leads to progress. One of the most important responsibilities we have as a society is to provide quality education for all of our children that is crucial to succeed in a competitive global environment.

I encourage my collagues to join students and tutors, parents and educators to support both Reading Together USA and Reading Together Adult Tutors and to allocate the necessary fund for the Fiscal Year 2000.

## EXPRESSING SENSE OF HOUSE IN SUPPORT OF AMERICA'S TEACHERS

SPEECH OF

### HON. NICK LAMPSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. LAMPSON. Mr. Speaker, I rise today to pay tribute to the thousands of men and women who help our children learn during National Teacher Appreciation Week.

As a former high school teacher, who is married to a special ed teacher, I know both the joys and challenges teachers face every day.

I remember the sense of excitement my students shared with me when we watched Neil Armstrong step onto the moon in 1969. I will never forget the gleam in their eyes and their new-found enthusiasm about space and science.

I also know about the challenges. My wife, Susan, faces children with not only physical and developmental disabilities, but also emotional problems and mental illness. But, special ed teachers aren't the only educators who face emotional and behavioral problems.

Unfortunately, many of our children suffer from physical and emotional abuse, or live in homes wrought with substance abuse and violence. Teachers, alone, cannot solve all of society's ills. We, as a broader community, must help our teachers reinforce the lessons taught in school by getting involved with their education.

In closing, Mr. Speaker, on behalf of parents and grandparents everywhere, I'd like to thank

our nation's teachers for helping the next generation succeed.

## MASSACHUSETTS CONGRESSIONAL DELEGATION WELCOMES THE INTERNATIONAL REGATTA

### HON. JOHN JOSEPH MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. MOAKLEY. Mr. Speaker, on behalf of the Massachusetts Congressional Delegation, I am submitting the following statement that welcomes an international regatta of spectacular sailing ships that will visit the Commonwealth of Massachusetts and the city of Boston on July 11–16 in the year 2000. We anticipate a fantastic event and look forward to welcoming the world to Massachusetts and Boston.

SAIL BOSTON 2000

(July 11–16)

The Commonwealth of Massachusetts and the City of Boston officially welcome you to join with us in celebrating the New Millennium with a magnificent gathering of Tall Ships from all over the world from July 11–16 in the Year 2000.

The entire Massachusetts House Delegation in the United States Congress, Governor Paul Cellucci, both houses of the Massachusetts Legislature, and the Mayor of Boston, Tom Menino, are delighted to welcome the World's Tall Ships to Boston and to accept the American Sail Training Association, and International Sail Training Association invitation to serve as the Official Race Port for the Millennium Transatlantic Regatta Sailing from Boston to Halifax, Nova Scotia, and on to Amsterdam.

On July 11–16, in the Year 2000, the City of Boston and port cities and towns in Cape Cod and along the coast of Southeastern Massachusetts will host an international regatta of sailing ships to culminate in a Parade of Sail led by the U.S.S. Constitution, the oldest commissioned war ship in the United States Navy.

In 1992, when Boston hosted the most majestic and most successful Tall Ship event in the United States, over 150 sailing ships, and representative warships from over thirty-five nations graced the port of Boston with grand, international good will. Thousands of crew members mixed with over 7 million visitors from all over the world over a six day period, celebrating Boston's unique maritime history and cultural diversity.

From all accounts, Sail Boston 2000 will surpass the success of its predecessor in 1992. We have, to date, secured commitments from over eighty Sailing Ships and continue to work in conjunction with the United States Government and the international sailing community to once again share our magnificent harbor with the world.

## FIRST TIME HOMEBUYERS ACT

### HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. GOODLING. Mr. Speaker, today I am introducing the, First Time Homebuyers Act, which will make the American Dream of owning a home a reality for thousands of renters and low income families. Today renters often pay as much for rent as many homeowners pay for a monthly mortgage payment. It is not surprising that a recent Fannie Mae National Housing Survey found that 60% rank homeownership as their top priority in life.

To many Americans, homeownership means financial, psychological and familial security. This is especially true for minorities, younger Americans and those with lower incomes. Homeownership means a stronger economy, after neighborhoods and a better quality of life. Mr. Speaker, given such an optimistic view of homeownership, why do so many individuals continue to rent? According to the Fannie Mae survey, renters cite the expense of a down payment as the major obstacle in their ability to afford a home.

Several years ago, I visited a home builder in York, PA, located in my Congressional District, who developed a unique and innovative arrangement in which moderately priced single-family homes are constructed for purchase with no down payment. A local financial institution finances 80 percent of the loan, while the builder the remaining 20 percent as a second mortgage. This creative financing plan makes the purchase of a home affordable for financially responsible, hard-working people who want to buy a home, but can not afford the down payment.

However, the Tax Code penalizes builders who finance the down payment on behalf of the purchasers. Currently, the Tax Code limits a builder's ability to finance second mortgages because it assumes that the buyers are paying the entire balance of their tax obligations in the year the property is purchased. The law also requires builders to pay taxes on the entire amount of the of the income received from a mortgage in the year the purchase is made. For a builder, it becomes almost impossible to pay these taxes, not having cash on hand to do so until received at a future date. In other words, the Tax Code prohibits a builder from using the installment method to calculate their tax liability. This situation places a builder in a financial bind and jeopardizes the future of this and similar housing programs.

The First Time Homebuyers Act will enable a builder to use the installment method to calculate their tax liability under certain specific circumstances. This bill applies to any one family, owner-occupied unit. The purchasers must be a first time homebuyer who qualifies for 100 percent of the loan. Further, the legislation directs that a second mortgage on the property be no more than 20 percent of the sale price and applies only to single-family homes costing no more than 75 percent of the median home price for newly constructed one-family residential real property in a given area.

Mr. Speaker, I urge my colleagues to cosponsor this legislation which is specifically geared to helping those who need the most assistance buying a new home. With your support the First Time Homebuyers Act, can make the American Dream an American reality.

## HONORING JACK C. HAYS HIGH SCHOOL REBEL BAND

### HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. PAUL. Mr. Speaker, the Jack C. Hays School Rebel Band of Buda, Texas, recently earned the distinct honor of being selected for the 1999 "Sudler Flag of Honor" award from the John Philip Sousa Foundation. This award is the highest recognition of excellence in concert performance that a high school band can receive. During the 17 years the award has been in existence, only 39 bands from the entire United States and Canada have been selected for the Flag of Honor award. Conductor Gerald Babbitt and his Rebel band deserve our praise and recognition on the occasion of receiving this prestigious award.

The John Philip Sousa Foundation designed this award to identify and recognize high school concert band programs of very special excellence at the international level. To be eligible for nomination, a band must have maintained excellence over a period of many years in several areas including concert, marching, small ensemble and soloists. The director must have been the conductor of the band for at least the previous seven consecutive years including the year of the award.

Each recipient receives a four-by-six foot "Flag of Honor" which becomes the property of the band. The flag is designed in red, white and blue and bears the logo of the John Philip Sousa Foundation. The conductor receives a personal plaque and each student in the band receives a personalized diploma.

Mr. Speaker, it is indeed an honor to have such an outstanding high school band in the 14th Congressional District. I am delighted to extend my hearty congratulations to them. Their hard work and dedication is an inspiration to us all.

## STATEMENT ON THE NATIONAL DAY OF PRAYER

### HON. ROBIN HAYES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. HAYES. Mr. Speaker, I begin with the following quote: "Without the assistance of the Divine Being who ever attended him, I cannot succeed. With that assistance I cannot fail. Trusting in Him who can go with me, and remain with you, and be everywhere for good, let us confidently hope that all will yet be well."—Abraham Lincoln as he began his inaugural journey from Illinois to Washington, D.C., February 11, 1861.

Mr. Speaker, throughout the history of our Nation, leaders have turned to prayer for guidance and inspiration. Our Founding Fathers built this country on the principle that its citizens had a God-given right to freedom, liberty and the pursuit of happiness.

Since that time, America has been a beacon for millions in search of religious freedom.

The first Thursday of May of each year is set aside as the National Day of Prayer. This

day serves to recognize the important role of prayer in our nation's past, present and future.

We recognize today, Thursday, May 6 as the National Day of Prayer. Because of the recent events here at home and abroad, I believe this day has a special significance this year.

The recent events in Yugoslavia and Colorado have sharply reminded us that life is fragile and sometimes fleeting. While our nation is troubled by the senseless death and destruction that surrounds the war in Europe and the shooting in Littleton, we can take comfort in the fact that our nation is also actively working to repair and heal itself.

As a new member of Congress, I have been thrust into the middle of the many policy debates that shape our nation. Often times there are tough choices to be made, and I am comforted by the fact that I have the ability and the freedom to turn to prayer as a source of guidance.

I hope that we as a nation will make time everyday for a period of prayer and reflection.

## PLEDGING SUPPORT FOR THE TRUTH IN ROCK ACT

### HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. HINCHEY. Mr. Speaker, I rise today in support of legislation authored by my friend and colleague, Mr. KUCINICH of Ohio. The Truth in Rock Act would protect rock and roll's early heroes from the victimization of imitators by changing the trademark laws that allow the imposters to get away with it.

Under current trademark law, the original members of performing groups cannot use the names that made them famous without risking copyright infringement. But the original artists can be replaced by imposter performers who make recordings and sell concert tickets under their names.

You can buy a concert ticket to see the Drifters or the Coasters perform this summer. You'll be surprised to see on stage performers who are not the original Drifters or Coasters. You won't be listening to the memorable voices of those legendary artists; you'll be listening to their imitators.

The law allows the imposters to perform as the Drifters or the Coasters. Under that same law, the original members of the Drifters and the Coasters cannot mention their past affiliation with these bands.

This is a widespread practice that takes advantage of recording artists and consumers. The Truth in Rock Act corrects this inequity by permitting original recording artists to seek damages from the imposters. More importantly, it gives the original members of rock bands the right to advertise their ties to the groups they founded.

Tomorrow night I'll be joining a group of legendary recording artists who have been victimized by the trademark laws. These musicians are working hard to raise awareness on this issue and I'm proud to join them. They deserve the support of this Congress.

## 150TH ANNIVERSARY OF THE STATE OF MINNESOTA

### HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. VENTO. Mr. Speaker, I rise today to recognize the 150th anniversary of the territory of Minnesota and the counties of Dakota, Washington and Ramsey, the St. Paul Pioneer Press, the Minnesota Historical Society and Gibbs Farm in Falcon Heights, Each of these institutions have contributed to the culture and societal foundation of our great state!

The Saint Paul Pioneer Press has been a reliable source of information and communication for St. Paul and the surrounding communities. I commend them on their objectivity and thorough coverage of important events throughout Minnesota and the world and for spawning many rival newspapers, especially the Minneapolis Star Tribune.

The Gibbs Farm serves as a reminder of the origins of Minnesota. The original fabric of the Gibbs Farm, now in an urban setting, continues to teach and entertain our citizens with weekly events, and acts as a window into history. This is an unique and valuable resource for many citizens in the urban area.

The Minnesota Historical Society has become an icon in Minnesota; a treasure of information and preservation advocacy about who we are and where we have come from Exhibit symbolize important events of our past, and educate us on the importance of the future. Several exhibits planned for the fall will be centered around the sesquicentennial celebrations.

Even as a territory, Minnesotas' first counties took shape before the formation of our state. The lines that were drawn established more than boundaries. The community spirit we feel today was forged in the early years of our existence and these first counties—Ramsey, Dakota, and Washington—reflect our leaders heritage and geographic governance, then and now.

As a former teacher, i understand the importance of learning from history. The origins of our great state are important to our citizens today, and these institutions have played an important role in shaping and crafting the state. Physical reminders and symbolic entities encapsulate the heart and soul and the essence of what it is to be a Minnesota, As we employ the inspiration and lessons from our past, may we put them to such a good use as our antecedents.

Mr. Speaker, I submit for the RECORD an article from the April 25th edition of the St. Paul Pioneer Press highlighting this historical landmark.

150TH ANNIVERSARIES CELEBRATE HERITAGE, SPUR OPTIMISTIC DISCUSSIONS OF FUTURE

(By Heather Johnson)

Twin Cities native Leah Otto was intrigued that St. Paul's designation as territorial capital 150 years ago in 1849 helped spur a boom that more than tripled the city's population in five years—from 1,358 in 1850 to 4,716 in 1855.

That tidbit was among the facts she gleaned while doing research for the city's sesquicentennial.

Such trivia is what Otto, assistant director of marketing and promotions for St. Paul, hopes will be shared throughout the year as the city celebrates its history as the capital of, first, the Minnesota Territory and, since 1858, the state of Minnesota.

Since that initial burst of growth, she said, the city has kept thriving, a sign residents continue to feel St. Paul's pull.

St. Paul isn't alone in pausing this year to reflect on accomplishments and goals with explorations of the past, assessments of the present and optimistic discussions about the future. 1999 also marks the 150th anniversary of the organization of the Minnesota Territory and Washington, Ramsey and Dakota counties, as well as the Minnesota Historical Society, Gibbs Farm in Falcon Heights and the St. Paul Pioneer Press.

''There's a lot to commemorate,'' said Priscilla Farnham, executive director of the Ramsey County Historical Society, speaking of the Gibbs historic site and the other sesquicentennial celebrators.

While they all share a common thread—growing together—each has had a distinct role in Minnesota history. The sesquicentennial is the perfect time, say celebration organizers, to educate people about those rules.

''It gives us an opportunity or an excuse to look back on the past,'' said Brian Horrigan, curator for ''Tales of the Territory Minnesota 1849–1958,'' an exhibit that will open this fall at the historical society's Minnesota History Center. ''It's important for people to understand the connection between the present and the past.''

One goal is to dispel common misconceptions about the state's heritage, he said.

''I think people think in polar terms, that here were white settlers and Indians, when in fact there was a mix of people here,'' Horrigan said.

Also, he said, not all Minnesotans see the 150th anniversary of the Minnesota Territory as worthy of celebration.

''It was like an earthquake or a tidal wave—it was catastrophic for the Indians,'' he said of the population boom in the mid-1800s.

Recognizing such perspectives is part of a new way of viewing history, Horrigan said. It recognizes that ''Minnesota'' existed before it had its name, he said.

We're trying to bring Minnesota more in line with this new Western history, looking at the history of settlement not as history of triumphant conquering of the land. This is a much more complex story,'' he said.

While paying tribute to the territory, the society also is celebrating its creation, which preceded the state it serves by nine years.

Gibbs Farm this year is attempting something similar as it focuses on the Dakota Indians.

''Most people don't have a clue what sort of society they had,'' Farnham said. ''It was a very fine culture. They had the very highest standards of workmanship. They were very efficient gardeners . . . I think it's just we plain don't know, and that's part of what I see our role is in commemorating the 150th anniversary.''

Gibbs Farm, established by Jane BeDow Gibbs and her husband, Herman Gibbs, is open May 1 through Oct. 31 and features special events each weekend.

''One of the things we are going to be doing this summer is breaking ground to build a replica of the original sod house, which was built in 1849,'' Franham said. An interpretation of Jane Gibbs' association with the Dakota Indians will also be added, she said and

the creation of a Dakota bark lodge will demonstrate Dakota heritage.

St. Paul and the three East Metro counties are also showcasing their heritage.

''We're celebrating our distinguished past and our promising future,'' said St. Paul's Otto. ''We're celebrating what we have. We're celebrating what brings personality and charm to St. Paul.''

That includes hosting, along with the Pioneer Press, 150 Pioneer Parties throughout the city. Events will span the whole year and include the city and surrounding area.

The Pioneer Press' role shows its continuing commitment to the community, said Marti Buscaglia, Pioneer Press vice president for market development.

''We have had a relationship with the community for 150 years and have been very much a part of that community, both in forming it and being its voice and its mirror,'' Buscaglia said. ''As we go forward, it's important for us to continue that relationship with the community and to really serve as the local paper for St. Paul and the surrounding suburbs . . . to get to know our customers better, find out what their needs are and be able to give them what it is they want from their newspaper and from the newspaper as a corporate citizen.''

At the county level, Ramsey is encouraging residents to volunteer at events.

Ramsey County is very community oriented,'' said Ramsey County Commissioner Victoria Reinhardt. ''There's nothing more community oriented than celebrating your history.''

Residents can learn a lot along the way, she said.

''A lot of people are surprised—It's like '150 years? Really?'1A'' she said.

As for the future, ensuring that St. Paul and Ramsey County remain economically strong is a goal, Reinhardt said.

In Washington County, organizers are celebrating the area's opportunities as well as its past, said Washington County Commissioner Dick Stafford.

''We can drive, in a few miles, from lakes and streams to oil refineries and moderate to million-dollar homes,'' Stafford said. ''We've got every kind of industry you can imagine and every kind of recreation you can imagine . . . You've got every ethnic background you can think of, you've got every profession you can think of. It's probably a great microcosm of America.''

Dakota County's sesquicentennial is ''a work in progress,'' said Patrice Bataglia, county commissioner and co-chair of the project. Besides celebrating, the county hopes to educate residents, she said.

''What's so important is that it's the fastest-growing county,'' Bataglia said, citing the thousands of people who move to the area each year. ''So many people who are moving to Dakota County are looking for an identify with Dakota County.''

Reinhardt believes everyone can benefit from 150th anniversary celebrations.

''You really need to look back in order to know how you got to where you are and figure out where you want to be,'' said the Ramsey County commissioner.

''It's a celebration of our ancestors and our history, but more important than that, it's looking at how far we've come.''

## BANKRUPTCY REFORM ACT OF 1999

SPEECH OF

### HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 833) to amend title 11 of the United States Code, and for further purposes:

Mrs. MINK of Hawaii. Mr. Chairman, I rise to express my opposition to the passage of H.R. 833, the Bankruptcy Reform Act of 1999. I will vote 'No' on final passage, not because I believe that the bankruptcy system doesn't need reformulation, but because H.R. 833 is an unbalanced piece of legislation which does not offer the flexibility to accommodate the diverse circumstances confronted by debtors and bankruptcy courts.

The American Bankruptcy system was designed to give individuals who found themselves in insurmountable debt the chance to start over again. H.R. 833 threatens the promise of a fresh start by forcing the myriad situations debtors face into a narrow, rigid formula. The strict, Internal Revenue Service ''means test'' used to calculate the average monthly expenses for all debtors does not even account for regional income and cost of living differences. In my own state of Hawaii, the cost of living is high. This provision will unjustly penalize my constituents who seek bankruptcy relief because their actual, higher living costs will be ignored. H.R. 833's proponents consistently refused proposals to create a more flexible means test.

H.R. 833 strips bankruptcy judges of the power to determine that exceptional circumstances exist in certain cases and adjust monthly expense allowances to accommodate such situations. Instead of seeking to find the best course of action to help debtors become solvent, H.R. 833, as amended, allows bankruptcy trustees who transfer their clients' petitions from Chapter 7 to Chapter 13 to be paid for doing so. This is bad, lop-sided policy.

H.R. 833 rewards credit card companies' practice of pushing easy credit on debt heavy clients. They are the only winners in this debate. The policy to force more debtors from Chapter 7 bankruptcy into Chapter 13 bankruptcy benefits only those creditors whose debts are dischargeable in Chapter 7 and not under Chapter 13: Credit Card Companies. H.R. 833 makes credit card debt nondischargeable under Chapter 13 and puts these debts in the same category as child support and alimony payments.

I believe that people should be held personally accountable for their debts. I voted Yes on the substitute bill offered by Congressman NADLER, which would have reformed bankruptcy provisions in a fair, balanced manner. I regret that Mr. NADLER's restructuring substitute did not pass. I voted to pass the amendment offered by the Chairman and Ranking Member of the Judiciary Committee, Congressman HENRY HYDE and Congressman JOHN CONYERS which created a flexible method of computing a debtor's monthly living expenses by providing guidelines to account for extenuating circumstances. This bipartisan amendment balanced a creditor biased bill. The Hyde-Conyers amendment also failed.

As the bill stands, I am unable to vote for it.

## HONORING SPRAGUE HIGH SCHOOL

### HON. DARLENE HOOLEY

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Ms. HOOLEY of Oregon. Mr. Speaker, I stand before you this morning to salute Sprague High School in Salem, Oregon, which has been named a 1999 ''Grammy Signature School, Gold Award.''

I want all my colleagues in Congress, everyone involved in the Sprague Music Department, and everyone who cares about kids and music to know how proud I am of them and of this accomplishment.

The Grammy Signature School Program is a special part of the Grammy Awards that recognize professional artists. We've all seen the Grammy Awards on television, and this Signature School Program is a special part of that prestigious recognition that singles out excellent high school music programs.

I am delighted to congratulate Sprague High School as one of sixteen schools across the country to receive the inaugural Grammy Signature School Program award.

Salem's Sprague High School is known world-wide as a high school that is committed to fine music. Whether it is the orchestra winning world-wide awards in Europe, the choir taking top national honors, or the band setting toes to tapping across the continent, Sprague teachers and students have worked hard together to make music that inspires.

These days, it's not easy teaching things that some people think are ''extras,'' and music programs are often the first to land on the budget chopping blocks.

But anyone who has seen children in an orchestra practice, or heard the voices of a high school choir warming up in harmony, or delighted to the improvised rhythms of a high school jazz ensemble, knows that music and the arts aren't ''extras'' at all.

Those are essential elements not only of critical thinking and intellectual discipline, but also important places of physical and emotional refuge for students who are inspired by the arts. We are all too keenly aware of the need for students to have a sense of belonging in their schools, and by honoring the arts, we honor those students who thrive in the arts, and by encouraging them our culture is enriched.

So I am proud today to stand before you to honor the parents, teachers, music directors, principal Mark Davalos, and especially the students who pour their hearts and souls into creating music that brings joy to all.

## IN SUPPORT OF AN AMENDMENT TO THE SUPPLEMENTAL APPROPRIATIONS BILL PROVIDING COMPENSATION TO THE FAMILIES OF THE RON BROWN PLANE CRASH IN CROATIA

### HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Ms. NORTON. Mr. Speaker, after much soul searching, the families of the victims of the military plane carrying Commerce Secretary Ron Brown that crashed in Croatia on April 3, 1996, have allowed us to introduce this amendment. It would provide up to $2 million in compensation for each of the families of the tragic accident. This amendment is not what the families requested, nor is it what I sought when I first introduced the Ron Brown Tort Equality Act on April 15, 1997. Although this amendment would close the books on the accident, it would not render complete justice to the families; would do nothing to assure that there would not be similar victims of military aircraft in the future; and would have no deterrent effect to ward off serious negligence in the future. Yet surely this amendment is what is minimally required.

The Ron Brown Tort Equality Act had nearly fifty cosponsors in the last Congress and we are on our way to that and more now. This is a notably bipartisan bill in no small part because the victims originated in 15 states and the District of Columbia. The Ron Brown Act would allow federal civilian employees or their families to sue the federal government but only for gross negligence by its officers or employees and only for compensatory damages. Because there will be few instances where gross negligence can be shown, this is a small change in our law. There also were non-federal employees on that fated plane for whom no compensation is possible today. Astonishingly, federal law does not allow compensation when private citizens are killed or injured overseas. Yet, private citizens can sue under the Act for the same injuries when they occur in this country. The Ron Brown Act would allow individuals who do not work for the federal government, or their families, to sue the United States for negligent or wrongful acts or omissions that occur in a foreign country.

This tragic accident yielded great sorrow and mourning by the nation and members of this body. The mourning period is over, colleagues. It is time now to compensate the families.

## NEW DIRECTION FOR OUR NATION'S HEALTH CARE

### HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Ms. SCHAKOWSKY. Mr. Speaker, "The crisis in American health care is real and getting worse." Those words appeared in an editorial today in The Washington Post, written by two distinguished scholars, former U.S. Surgeon General C. Everett Koop and John C. Baldwin, vice president for health affairs at Dartmouth College.

I hope my colleagues will take a few minutes to read about the state of health care in our nation. Dr. Koop and Dr. Baldwin pointedly stress that universal access to health care must become a national commitment and will require a national investment. As important, they argue against the idea that health care should be treated as a commodity, saying that "(w)e must rid ourselves of the delusion that it is a business, like any other business."

At a time when 16 percent of Americans have no health insurance, health care costs are skyrocketing, and medical decisions are made by HMO executives beholden to shareholders, bold solutions are needed. As Dr. Koop and Dr. Baldwin state, "(o)ur problem is a failure of distribution, a failure to extend care to all of those who need it and a failure to recognize the importance of applying scientific rigor to the problems of broad-based health care delivery. If state-of-the-art American medicine were offered to our citizens in a comprehensive way, our levels of public health would be unexcelled."

They also recognize that we can not continue on our current path, to spend more than any industrialized nation in the world while providing less. Correctly, they conclude that "the movement over the past few years to turn health care into a 'business' through health maintenance organizations and other stratagems has not worked to the satisfaction of most Americans." Indeed, it is time for a new direction.

The crisis in American health care is real and getting worse. A record 16 percent of Americans now have no health insurance—a grave situation that will not be solved by conventional business models. Indeed, the movement over the past few years to turn health care into a "business" through health maintenance organizations and other stratagems has not worked to the satisfaction of most Americans.

Frustrated, legislators across the political spectrum pursue the notion that legislative tinkering will solve the problems. But since the derailment of President Clinton's health reform plan in his first term—and particularly since the elections of 1994—the country has slipped or been lulled into a false sense of confidence that the real and worsening crisis in American health care can somehow be solved by implementation of "reforms" based on such euphemistic concepts as "gatekeepers," "pathways," "preexisting conditions," "risk pools" and other impediments to access—all disguised as tools of efficient management.

To be sure, health care costs have risen too rapidly in the past 20 years. Highly paid providers and administrators and exceedingly profitable health care corporations have played a role, though their contributions to rising costs have been less important than the effects of an aging population and the continual introduction of new technologies. But we must not abrogate our responsibility to make difficult choices in the vain hope that a "free market," profit-based system somehow will solve the problem for us without our doing anything.

If health care were a business, it would be a strange one indeed—one in which many sectors of the "market" could never be profitable. People with AIDS, most children with congenital, chronic or catastrophic illness, poor people, old people and most truly sick people could never pay enough to make caring for them profitable.

Over the past few years, nevertheless, we have often heard that "health care is like any other product; you buy what you can afford." Most proponents of this idea quickly add that of course "basic" health care should be provided. But what does this mean? Suppose two children, one in an uninsured family and one in a well-insured one, both developed leukemia, a treatable and often curable illness. What is the basic level of care each child is entitled to?

HMO executives properly emphasize that their responsibility is to shareholders. That responsibility is defined in terms of profit and stock price. The volume and market-share considerations in this "business" require aggressive pricing. Sustained profits, in turn, require aggressive cost-cutting. This results, inevitably, in restriction of access and withholding of care.

Both these things may well be necessary to improve efficiency and cut costs. But do we really want to relegate such decisions to analysts within the health care industry, or should we assert the public interest in these crucial ethical, societal and medical issues?

We nod our heads when we are told that the percentage of our GNP spent on health care is "too high" and that inefficiency, the "fat" in the system, results in its providing less effective care than is available in other industrialized nations that spend a lesser percentage. But this argument is specious. The American biomedical research endeavor, supported in the main by the taxpayers, had led the world for more than 30 years and continues to do so. Attendance at any medical scientific meeting anywhere in the world confirms this hegemony and affirms the enormous respect the rest of the world has for American medicine.

Our system is not a failure. The dramatic decline in deaths from heart disease is salient evidence for the phenomenal success of technologically advanced American medical care for those who can afford it. Our problem is a failure of distribution, a failure to extend care to all of those who need it and a failure to recognize the importance of applying scientific rigor to the problems of broad-based health care delivery. If state-of-the-art American medicine were offered to our citizens in a comprehensive way, our levels of public health would be unexcelled.

Like education (also, in important ways, not a business), the public health is a national investment and a crucial one. Could we justify a "privatized" educational system that denied access to slower learners unable to pay—i.e., the children who need help the most? When you consider that we spend more on leisure than on health care (22 percent more just on recreation, restaurant meals, tobacco and foreign travel), is the percentage of the GNP we spend on health care really so inappropriate?

The failure in distribution of health care is the product of our tacit acquiescence in the notion that health care access rightly depends on ability to pay. This idea has become, for

many, a point of philosophical and ideological zeal.

It is long past time we acknowledged that broad-based access to health care will be an exceedingly expensive proposition. We must rid ourselves of the delusion that it is a business, like any other business.

The problem can be fixed. Forming a public consensus on this matter is a mighty and politically perilous challenge, requiring leadership and the courage to state that adequate health care is an appropriate goal for this country and a vital national investment. These are, indeed, treacherous waters. Can we get away from the clichés about ''socialized medicine'' and the hackneyed references to overly bureaucratized, centralized, inefficient postwar European health systems?

As world leaders in science, business and organizational management, we are capable of something new. We should maintain our commitment to the advancement of biomedical science for the public good and couple it with the management skills that have created our vibrant, competitive economy, and apply both in creating a national policy of investment in health.

John C. Baldwin is vice president for health affairs at Dartmouth College and dean of its medical school. C. Everett Koop is senior scholar at the Koop Institute there and a former U.S. surgeon general.

## PERSONAL EXPLANATION

### HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. BECERRA. Mr. Speaker, due to a commitment in my district on Wednesday, May 5, 1999, I was unable to cast my floor vote on rollcall numbers 108 through 115. The votes I missed include rollcall vote 108 on Approving the Journal; rollcall vote 109 on Ordering the Previous Question; rollcall vote 110 on the Hyde amendment to H.R. 833, the Bankruptcy Reform Act; rollcall vote 111 on the Moran amendment to H.R. 833; rollcall vote 112 on the Conyers amendment to H.R. 833; rollcall vote 113 on the Watt amendment to H.R. 833; rollcall vote 114 on the Nadler substitute amendment to H.R. 833; and rollcall vote 115 on passage of H.R. 833.

Had I been present for the preceding votes, I would have voted ''yes'' on rollcall votes 108, 110, 111, 112, 113, and 114. I would have voted ''no'' on rollcall votes 109 and 115.

## PRIVATIZATION: THE WRONG PRESCRIPTION FOR MEDICARE

### HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. STARK. Mr. Speaker, several Members have touted the idea that Medicare should be turned over to the private sector. Although they say that privatization will save the program, their true motivation is to irreparably damage Medicare to the point that there is nothing left to salvage. In the words of former speaker Newt Gingrich, they want Medicare to ''wither on the vine.''

Republicans have always intended to destroy Medicare. While they have found new ways to disguise their message over the years, their intention remains the same: get government out of health care no matter what the cost. ''Privatization'' is just another one of their ploys.

The truth is that the private sector cannot provide high quality health services to disabled and elderly Americans. Especially not at a lower cost.

Medicare was originally created to fill in the gap of health insurance coverage for older Americans, and later the disabled. Before Medicare, the private sector either refused to provide insurance coverage to the elderly, or made the coverage so expensive that seniors could not afford to pay the premiums. Lack of health coverage meant having to pay for health care out of their limited retirement incomes. This left many elderly poverty stricken.

Today the health coverage problem for older Americans is getting worse, not better. The fastest growing number of uninsured are people age 55–62, an even younger group than when Medicare was first established. Rather than extending coverage to this uninsurable group, Republicans insist on doing nothing, even though the President's Medicare early-buy proposal would have cost nothing.

Why should we believe that private sector insurers will put their financial interests aside and compete to provide coverage for an older, sicker population when evidence suggests that they will not? Especially as costs for the chronically ill continue to rise.

Republicans have also claimed that the private sector will save money for Medicare. This is simply not true. Over the past thirty years, Medicare's costs have mirrored those of FEHBP and the private sector, even though Medicare covers an older, sicker population. Recent evidence shows that private sector costs are now rising faster than Medicare's.

Last fall Medicare+Choice plans abandoned 400,000 Medicare beneficiaries claiming that the Medicare rates were too low to cover this population. This suggest that health plans will charge ever more than we currently pay them, not less.

Privatizing Medicare will not improve quality, either. Paul Ellwood, the ''father of managed care,'' recently stated that the private sector is incapable of improving quality or correcting for the extreme variation in health services across the country and that government intervention is necessary and inevitable. In his words, ''Market forces will never work to improve quality, nor will voluntary efforts by doctors and health plans. . . . Ultimately this thing is going to require government intervention.'' Why would we want to encourage more people to enroll in private health plans given the managed care abuses igniting the Patient's Bill of Rights debate?

Medicare is the primary payer for the oldest elderly, chronically ill, disabled, and ESRD patients—all very complex and expensive groups to care for. Private managed care plans, which primarily control costs by restricting access to providers and services, simply do not meet the health care needs of everyone in this population. For the most part, Medicare+Choice plans have enrolled only the healthiest beneficiaries, while avoiding those most in need of care. There is no way of knowing whether or not private health plans are able to provide quality care to the sickest population.

Medicare beneficiaries will have significant difficulties making decisions in a market-based system. This is potentially the most disastrous consequence of moving to a fully privatized Medicare program. Many Medicare beneficiaries are cognitively impaired. Thirty percent of Medicare beneficiaries currently enrolled in managed care plans have low health literacy. That is they have difficulty understanding simple health information such as appointment slips and prescription labels. Now we're discovered that health plans often fail to provide critical information to potential enrollees. How can we expect senior citizens and the disabled to participate as empowered consumers in a free-market health care system, especially without essential information?

Medicare reform cannot be based solely on private sector involvement. More than 11 million Medicare beneficiaries—30% of the population—live in areas where private health plans are not available, and because of the limited number of providers probably never will be available. A comprehensive, viable, nationally-based fee-for-service program must be maintained for people who either cannot afford to limit their access to services in private managed care plans, or who are incapable of participating in a free market environment.

Unfortunately the debate surrounding privatizing Medicare is grounded in ideology, not fact. While I understand the need to improve and expand the choices available to Medicare beneficiaries—the Medicare+Choice program was created in recognition of this—we also have an obligation to preserve the promise of guaranteed, affordable health insurance for the people who need it most. The private sector is not a panacea for our problems. Historical experience proves that alternative solutions are necessary for our elderly and disabled citizens. Before we move to an entirely new system, we should attempt to improve the existing infrastructure, one that has served elderly and disabled citizens effectively for over thirty years.

## ARIZONA ANTI—DEFAMATION LEAGUE HONORS DANIEL R. ORTEGA, JR.

### HON. ED PASTOR

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. PASTOR. Mr. Speaker, I rise before you today to proudly bring tribute to a fellow Arizonan who has long exemplified the meaning of leadership, community, and good citizenship. He is a well-respected leader in Arizona and Phoenix, and someone whom I'm proud to call my friend—Mr. Daniel R. Ortega, Jr.

In my home state, Danny recently received the Leader of Distinction Award from the Arizona Region of the Anti-Defamation League.

This award was established to honor extraordinary individuals for their successful professional and philanthropic achievements. It recognizes people who have truly made a difference in the lives of Arizonans through their strength, courage, creativity, individuality and motivation, whether professionally or in their personal pursuits.

I can attest that Danny is one of the most revered individuals In Phoenix when it comes to community. He has been a dauntless voice, particularly for the Latino community, when no other voice was there to champion their causes. Whether he is fighting for the rights of migrant farm workers, advising elected officials on community issues, or advocating for his clients, he has guided decision-making with wisdom and moral purpose.

An attorney by profession, Danny has served on the board of directors of numerous national organizations. He sits on the boards of the Federal Home Loan Bank of San Francisco, National Council of La Raza, and the Los Abogados Hispanic Bar Association. He also serves on the disciplinary Commission of the Arizona Supreme Court, and is a member of the Stewardship Board for the Roman Catholic Church of Phoenix. He is a member of the Arizona State Bar, American Trial Lawyers Association as well as the American and Maricopa County Bar Associations.

Previously, he was a member of the Board of Directors of the Mexican American Legal Defense and Education Fund, the Arizona Trial Lawyers Association, Valley of the Sun United Way, Arizona State Alumni Association and Chicanos Por La Causa, Inc. He also served on the Arizona Industrial Commission, the Phoenix Aviation Advisory Board, the Maricopa County Commission on Trial Court Appointments and Arizona State Bar Peer Review Committee.

Danny is a 1974 graduate of Arizona State University with a Bachelor of Arts degree in political science. He received his Juris Doctor degree in 1977 from ASU's College of Law. Before going into private practice, he was an attorney with Community Legal Services in Phoenix. Currently, as a partner with the law offices of Ortega & Associates, P.C., he provides legal services in the area of civil litigation, personal injury law, employment law, and government and non-profit agency representation. Mr. Ortega primarily concentrates in the litigation of personal injury and employment matters.

Danny is the oldest of eight children born to Elvira and Daniel Ortega Sr., both of whom ingrained a deep sense of family and community into their children. He has served as a volunteer in many campaign positions including field operations, fund-raising, finance and campaign chair.

Mr. Speaker, as you can surmise, Danny Ortega is an exemplary leader and a profoundly committed individual who is a true role model for the nation. He has effected change that has improved the lives of and broken down barriers for many Arizonans. Therefore, I am pleased to pay tribute to my friend Danny Ortega, and I know my colleagues will join me in thanking him and wishing him great success.

## IN RECOGNITION OF VIRGINIA K. GRIFFIN

### HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. PORTMAN. Mr. Speaker, I rise today to thank and recognize my friend, Virginia Griffin, for her 32 years of gracious public service to the city of Cincinnati, especially to the children of Cincinnati. After 32 years as an elected member of the Cincinnati school board, Mrs. Griffin had decided to retire so she can devote more time to her family. Although her decision to step down is understandable, her departure will create a void that will be very difficult to fill.

A product of the Cincinnati public schools herself, Mrs. Griffin was first elected to the school board in 1967. She led the district through many tumultuous issues, including a contentious desegregation lawsuit shortly after her election, countless curriculum changes, and numerous levy campaigns.

In the early 1980's, she played a key role in the development of the magnet school program to promote both racial balance and innovative, high-quality educational programming. She also is rightfully proud of the district's first alternative school—the German language academy. She has been a staunch protector of the district's magnificent art collection. She led the changes to keep this historic and unique resource intact. In fact, one of her last acts as a member of the school board was to make the Cincinnati Art Club in Mount Adams the caretaker of the collection.

Her expertise in legislative and financial matters over the years made Mrs. Griffin an invaluable member of the Board, and it is in these areas that her departure will be most felt.

Mr. Speaker, Virginia Griffin represents the best of public service. She served the city, especially its schoolchildren, with dignity during her 32 years of service. She deserves our thanks for a lifetime of work well done.

## CRISIS IN KOSOVO—REMARKS BY ADM. EUGENE CARROLL

### HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Thursday, May 6, 1999*

Mr. KUCINICH. Mr. Speaker, on April 21, 1999, I convened the first in a series of Congressional Teach-In sessions on the Crisis in Kosovo. If a peaceful resolution to this conflict is to be found in the coming weeks, it is essential that we cultivate a consciousness of peace and actively search for creative solutions. We must construct a foundation for peace through negotiation and mediation, and through honest diplomacy.

Part of the dynamic of peace is a willingness to engage in meaningful dialogue, to listen to one another openly and to share our views in a constructive manner. I hope that these Teach-In sessions will contribute to this process by providing a forum for Members of Congress and the public to explore alternatives to the bombing and options for a peaceful resolution. We will hear from a variety of speakers on different sides of the Kosovo situation. I will be introducing into the CONGRESSIONAL RECORD transcripts of their remarks and essays that shed light on the many dimensions of the crisis.

First is a presentation by Admiral Eugene Carroll, USN (Ret) who now serves as the Deputy Director of the Center for Defense Information (CDI). Adm. Carroll analyzes the stated objectives of the bombing of Serbia and whether the exercise of military power is capable of realizing those objectives. He also discusses the fundamental character of the Rombouillet plan that was presented to Mr. Milosevic, and the importance of Russian intervention in achieving a durable resolution to the crisis. I commend this excellent presentation to my colleagues.

PRESENTATION BY ADMIRAL EUGENE CARROLL, USN (RET) TO CONGRESSIONAL TEACH-IN ON KOSOVO—APRIL 21, 1999

The conventional wisdom is that war is much too important to be left to generals and admirals. As a result, in a democratic society, the question of going to war and the objectives to be sought in a war are political responsibilities. The objectives are defined in political terms. It is very important at this point that the objectives be attainable by military force. The two must match. And the objective must merit the use of this blunt, destructive, indiscriminate process we call war. The outcome, the achievements, must outweight the damage and destruction and loss occasioned by the war.

Looking at Kosovo we find that the objectives have been a little hard to nail down. But two of them stand out. Deter and degrade the ability of Serian forces to effect ethnic cleansing in Kosovo. And, to compel Serbian compliance with the Rambouillet plan. The first objective, the protection of the Kosovars, was never obtainable by the means employed. The air war cannot protect these abused people. It is impossible to control military and political conditions on the ground with air power alone. The power, the authority, on the ground will control the situation. There is so much evidence of this that it is simply undeniable. We have the ability to punish, we can destroy, we can kill. But to control the situation, and protect the Kosovars? No. The means of air warfare alone did not match the objective. What does the destruction of the Socialist Party headquarters in Belgrade do to mitigate the conditions of Kosovars in Kosovo?

The second objective, namely compelling compliance with the Rambouillet plans, was also unattainable by air power. Rambouillet was a demand for total capitulation by the Milosevic government. The capitulation did not just apply in Kosovo. I don't think this is entirely understood. It was far broader than that. Appendix B of the Rambouillet plan spelled out the problem this way. ''NATO personel shall enjoy together with their vehicles, vessels, aircraft and equipment free and unrestricted passage, and unimpeded access, throughout the Federal Republic of Yugoslavia, including associated air space and territorial waters.'' So NATO is to have access to and control of the Federal Republic of Yugoslavia (FRY). NATO is granted the use of airports, roads, rails and ports without payment of fees. This goes on and on. NATO will exercise police power. It will have full use of the electronic spectrum

in the region. It will have immunity from all FRY jurisdiction related to criminal offenses. The plan required total surrender of sovereignty by the FRY.

The terms were presented to the Milosevic government in non-negotiable form—here is the plan, you sign here or we bomb. Obviously, no government could accept such a usurpation of its sovereignty. In human terms, it would have been the end of Milosevic. If someone had designed a plan to be certain that it was going to be refused, they could not have done better than the Rambouillet plan. Thus the second objective fails until military force produces an unconditional surrender, the total collapse of the power and authority of the central government. And that cannot be achieved from the air.

NATO can clearly defeat Serbia on the ground. I don't think that was ever in doubt. But before you make the decision to proceed that way, you have to figure the time required and what will happen during that time. The bombing will go on. The Kosovars will be eliminated because we are talking about a matter of months. The cost in terms of the total destruction in the Serbian-Kosovo region is immeasurable.

We have been bombing for about a month. We've done a lot damage. But we will go a lot further, in terms of wiping out the Serbian economy, if we push troops forward. The cost and difficulties of invading with ground forces, of going to the point of effecting an unconditional surrender by the Serbian government, simply are incalculable. This would constitute total defeat for Milosevic. But does that constitute a NATO victory?

I think it is very important that we distinguish between a Milosevic defeat and a NATO victory. Certainly the Kosovars have already lost. The Serbs have lost already. They have lost lives, property, much of their economy and this will only intensify. In terms of its own stated objectives, even with unconditional surrender, NATO loses. NATO becomes responsible for restoration of a devastated nation and this is a task which will take years and billions of dollars. And a continuing military presence because none of the fundamental problems that produced the violence in the beginning have been addressed or resolved. If anything, many of the factors have been exacerbated. We have inherited a tragedy. We are responsible for it. We cannot call that victory.

Will it bring peace to the Balkans? That's the word being bandied about Washington. We're going to pacify the Balkans and bring stability to Europe. Will it bring peace to the Balkans? No. We can stay there on guard over them with guns and tanks, but we cannot pacify the Balkans when we don't treat the fundamental issues that guide the conflict there.

The solution must ultimately be political and it must be based upon negotiations, not ultimata. You are going to have to come to understandings and agreements and accommodations which have merit and benefit for both sides if you hope to produce any enduring quality to the solution. NATO has to get out of the way. The United Nations must live up to its responsibilities—with American support for a change—financial and otherwise, and the OSCE must step in and play a leading role in attempting to separate the military element of NATO from the people of Serbia. NATO cannot, I believe, be the honest broker in the final resolution of this.

The last point. This is the time and opportunity to bring Russia back into the European security equation. If anyone thinks there can be peace in the Balkans, or peace in Europe indefinitely—stable, cooperative security arrangements—without Russia being part of it, they are very mistaken. Yet what we have done so far in the Balkans is to isolate Russia, to denigrate them, to humiliate them, by ignoring their interests and their concerns. I believe that Russia, under the UN Security Council, can play a leading role as a mediator in bringing about an end to violence in Serbia.

As much as I oppose the bombing as being irrelevant to solving the Balkan situation, I do not at this moment favor a moratorium on the part of NATO. I favor negotiations going forward with the understanding that when there is an unequivocal commitment on both sides—the withdrawal of Serbian forces from Kosovo and the end of bombing—then is when the cease fire would go into effect. There would have to be positive evidence and good faith on both sides to bring about the end of violence in Kosovo.

My message to you: There is no military solution in Kosovo or Serbia.

We have been bombing for about a month. We've done a lot damage. But we will go a lot further, in terms of wiping out the Serbian economy, if we push troops forward. The cost and difficulties of invading with ground forces, of going to the point of effecting an unconditional surrender by the Serbian government, simply are incalculable. This would constitute total defeat for Milosevic. But does that constitute a NATO victory?

I think it is very important that we distinguish between a Milosevic defeat and a NATO victory. Certainly the Kosovars have already lost. The Serbs have lost already. They have lost lives, property, much of their economy and this will only intensify. In terms of its own stated objectives, even with unconditional surrender, NATO loses. NATO becomes responsible for restoration of a devastated nation and this is a task which will take years and billions of dollars. And a continuing military presence because none of the fundamental problems that produced the violence in the beginning have been addressed or resolved. If anything, many of the factors have been exacerbated. We have inherited a tragedy. We are responsible for it. We cannot call that victory.

Will it bring peace to the Balkans? That's the word being bandied about Washington. We're going to pacify the Balkans and bring stability to Europe. Will it bring peace to the Balkans? No. We can stay there on guard over them with guns and tanks, but we cannot pacify the Balkans when we don't treat the fundamental issues that guide the conflict there.

The solution must ultimately be political and it must be based upon negotiations, not ultimata. You are going to have to come to understandings and agreements and accommodations which have merit and benefit for both sides if you hope to produce any enduring quality to the solution. NATO has to get out of the way. The United Nations must live up to its responsibilities—with American support for a change—financial and otherwise, and the OSCE must step in and play a leading role in attempting to separate the military element of NATO from the people of Serbia. NATO cannot, I believe, be the honest broker in the final resolution of this.

The last point. This is the time and opportunity to bring Russia back into the European security equation. If anyone thinks there can be peace in the Balkans, or peace in Europe indefinitely—stable, cooperative security arrangements—without Russia being part of it, they are very mistaken. Yet what we have done so far in the Balkans is to isolate Russia, to denigrate them, to humiliate them, by ignoring their interests and their concerns. I believe that Russia, under the UN Security Council, can play a leading role as a mediator in bringing about an end to violence in Serbia.

As much as I oppose the bombing as being irrelevant to solving the Balkan situation, I do not at this moment favor a moratorium on the part of NATO. I favor negotiations going forward with the understanding that when there is an unequivocal commitment on both sides—the withdrawal of Serbian forces from Kosovo and the end of bombing—then is when the cease fire would go into effect. There would have to be positive evidence and good faith on both sides to bring about the end of violence in Kosovo.

My message to you: There is no military solution in Kosovo or Serbia.

# HOUSE OF REPRESENTATIVES—*Monday, May 10, 1999*

The House met at 2 p.m. and was called to order by the Speaker pro tempore (Mr. PETRI).

## DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
*May 10, 1999.*

I hereby appoint the Honorable THOMAS E. PETRI to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
*Speaker of the House of Representatives.*

## PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

Open our eyes, O God, to see the opportunities of this new day; open our ears, O God, to hear the voices of those who call for help; open our minds, O God, to the way of truth and justice; open our hearts, O God, so Your grace will forgive us and lead us forward, and open our hands, O God, to do the work of peace on Earth and good will to all Your people. This is our earnest prayer. Amen.

## THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

## PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nevada (Mr. GIBBONS) come forward and lead the House in the Pledge of Allegiance.

Mr. GIBBONS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

## NEVADA'S PURSUIT TO MAKE SCHOOLS SAFE FOR OUR KIDS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, today the President assembled the second national summit on school violence in an effort to prevent further tragedies from occurring on our school grounds.

Today I would like to praise Nevadans in their efforts to see that our schools remain safe for our children. Numerous meetings and public forums involving community leaders, parents, and teachers have taken place and have been televised during prime time hours throughout the State of Nevada.

Just last Friday, a Nevada volunteer program called ''Parent Patrol'' celebrated its third anniversary by honoring those parents who volunteer their time to monitor activities in and around Nevada school yards.

Our Nevada State Legislature is also establishing a special commission to investigate the causes of school violence and how Nevada may be able to provide the necessary resources to detect threats before they are carried out.

Like every other State, Nevada is not immune to the threat of school violence. But where there is a committed pursuit for answers and actions, we are bound to make progress.

Many questions, though, remain to be answered by the ills of our society; but as our kids are taught in school, there are no stupid questions. In this case, the answers may save lives.

## SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

## TEACHER APPRECIATION WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. JONES) is recognized for 5 minutes.

Mr. JONES of North Carolina. Mr. Speaker, May 2 through 9 is the National Parent Teacher Association's 14th annual "Teacher Appreciation Week."

A week to celebrate the selfless dedication of our nation's teachers and educators who work every day to help our students gain the skills they need to prepare for the future.

Today, our nation's teachers accept many challenges in the classroom.

George F. Will once cited two surveys of the top discipline problems in public schools to emphasize the tremendous change in our nation's schools over time.

Those top problems listed on survey from the 1940s included students chewing gum, making noise, getting out of turn in line, and not putting paper in the wastebaskets.

The 1980s survey lists the top problems as drug abuse, alcohol abuse, pregnancy, suicide, rape, robbery, and assault.

Mr. Speaker, as the role of our teachers continue to evolve, the importance of having quality educators in the classroom is absolutely critical.

Today, in honor of Teacher Appreciation Week, I want to recognize three very special educators from the Third District of North Carolina, which I am proud to represent.

While I only have time this evening to mention three, I must emphasize that this week is a tribute to all teachers.

Not just in Eastern North Carolina, but teachers across the country who selflessly dedicate their time and energy to help our children challenge themselves and achieve their educational goals.

Audra Singleton is one particular teacher who uses a unique and successful mixture of discipline and encouragement to motivate her students to learn.

Mrs. Singleton is an eight-grade language arts teacher at Wellcome Middle School in Greenville, North Carolina.

A veteran of the Gulf War, Mrs. Singleton was nominated by her students to receive the Channel One Network's Teacher of the Year.

Channel One produces educational programs for middle and high school aged students.

About 12,000 schools nationwide, including Wellcome, subscribe to Channel One as an educational resource.

In an effort to recognize the efforts of our nation's teachers, Channel One asked students to videotape their teachers in the classroom.

Mrs. Singleton, with the faithful support and encouragement of her students, was selected Channel One's Teacher of the Year.

Ralph Cole is another educator who deserves recognition today.

Mr. Cole has been educating the children of Chowan County, North Carolina for the last thirty-seven years.

Now principal of D.F. Walker Elementary School in Edenton, Mr. Cole has dedicated his career to ensure that all students have equal access to a quality education.

While Mr. Cole is retiring at the end of this school year, I wanted to acknowledge him during Teacher Appreciation Week for his efforts to inspire all children to learn and to reach their full potential.

Mr. Speaker, each year the state of North Carolina selects a teacher to serve as ambassador for public schools and the teaching profession.

The teacher then goes on to compete for the honor of National Teacher of the Year.

Rebecca Hoyle, a veteran of North Carolina public schools for 26 years, has been named North Carolina's 1998–1999 teacher of the year.

Ms. Hoyle is a music teacher at Jacksonville Commons Elementary School in Jacksonville, North Carolina.

I had the opportunity to visit with her briefly a couple weeks ago when she was in Washington.

In addition to her dynamic personality, Miss Hoyle has received praise for embracing diversity in the classroom.

She has also worked to emphasize the valuable resource our communities can play in the education of our nation's children.

Mr. Speaker, our nation's teachers are forced to wear many hats in today's classroom.

Not only do they prepare our children and help them to learn, but they serve as role models as well.

Former Education Secretary William Bennett once said, "What we do to children, they will do to others. There is nothing like the moral power of example. But above all, we as a society, as a common culture, have to respond to the call of our national history, and to the responsibility it imposes upon us of instilling in our children an informed appreciation of American principles and American practices."

During Teacher Appreciation Week, I want to thank Mrs. Singleton, Mr. Cole, Ms. Hoyle, and teachers across the country, who prove their dedication to our children daily by accepting these roles and making an investment in the lives of our children.

As you continue your efforts in our classrooms, we will do everything we can in Congress to continue ensuring that you have access to the resources you need to challenge the minds of our nation's children.

## SERBIAN PRESIDENT MILOSEVIC HAS A LONG HISTORY OF BRUTALITY AND ETHNIC CLEANSING

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Virginia (Mr. WOLF) is recognized for 30 minutes as the designee of the majority leader.

Mr. WOLF. Mr. Speaker, although I would not have taken the actions of the Clinton administration, which has led us where we are today in the Balkans, the question has now become, we are here; now what do we do?

I want to rise today to set forth my concerns and my thoughts on America's response to the terrible things that have taken place in the Balkans. I, of course, address my remarks to everybody in the Congress but especially to my Republican colleagues here in the Congress.

Last Thursday afternoon, May 6, while listening to the debate on the emergency supplemental appropriations bill, I was struck by two notions. The first was that some in the House apparently believe that the U.S. and NATO can negotiate and then continue to coexist with Serbian President Milosevic as though the terrible, brutal, and criminal acts inflicted upon the ethnic Albanians in Kosovo as daily fare did not even take place. The second notion is that many are acting as if this Balkan conflict just got under way or began a short 8 weeks ago.

I am convinced that neither of these are true. So are many, many others. In fact, Milosevic's bloody pursuit of ethnic cleansing began in 1991 with the military assault on Vukovar, Croatia, near the Serbian border. This assault signaled an ethnic cleansing, and I might say there were mass graves found outside Vukovar once the West was able to get there of many, many people who have been killed as a result of Milosevic's effort to take Vukovar. This assault signaled an ethnic cleansing in Bosnia and Herzegovina that lasted for years under the benign eye of the United Nations and casual disinterest of much of the free world.

By the time the world could no longer look the other way, about a quarter of a million, 250,000, people were killed, and almost 2 million more were homeless and displaced refugees.

Kosovo is only the latest chapter in this dark history. Most of the nearly 2 million ethnic Albanian population are now homeless and on the run within Kosovo or are refugees languishing in camps outside the border. Most have hopes of someday returning. But to what? To homes that no longer exist and towns and villages that are largely destroyed and to families which have been brutalized and torn apart and with many killed or missing?

There seems to be a mood that we can ignore these hard facts of what actually is taking place, that we can negotiate an honorable truce with Milosevic where people can go home and everything can be nice. But this is a fantasy. More, it is a dangerous fantasy.

The world simply cannot ignore the fact that Milosevic and many others in his employ are war criminals. They meet the test by any historical yardstick one could use to measure them. As long as he is in power, it will not be possible to have a lasting peace in the Balkans.

Let me paraphrase two experts from Peter Maass' book, ''Love Thy Neighbor, A Story of War''. Maass, writing about war crime indictments, relates accounts so horrifically graphic that I cannot read them verbatim but will include them for the RECORD.

In one account he says that the Serb forces put the gun up against a father's head and tells the father to rape your daughter. The father says, no, I cannot do that. Then he puts the gun up to the daughter's head and says to the father, now rape your daughter. The father says, oh, no.

Then, according to the account, and I will not go any further, but I now would have like to have Peter Maass' account of what took place, beginning on page 51.

Then on page 53 he goes on to tell of other atrocities and brutalities that are so graphic that I will not read them on the floor of the House but will insert them whereby they will appear in the RECORD at this very, very point.

Beginning on page 51 while writing about war criminal activity, Maass says: "You can, for example, barge into a house and put a gun to a father's head and tell him that you will pull the trigger unless he rapes his daughter or at least simulates the rape. (I heard of such things in Bosnia.) The father will refuse and say I will die before doing that. You shrug your shoulders and reply, Okay, old man, I won't shoot you, but I will shoot your daughter. What does the father do now, dear reader? He pleads, he begs, but then you the man with the gun, put the gun to the daughter's head, you pull back the hammer and you shout Now! Do it! Or I shoot! The father starts weeping, yet slowly he unties his belt, moving like a dazed zombie, he can't believe what he must do. You laugh and say, That's right, old man, pull down those pants, pull up your daughter's dress, and do it!"

Continuing on page 53: "Three days after her arrival at the prison, she went with a huge number of women and other girls to fetch water from a well about 50 meters from the prison gates. Returning from the well Trnopolje guards held back six girls, including the witness, and stopped them from reentering the prison gates. They were then joined by four more female prisoners. The guards took the 10 girls to a house across the meadow. They were taken to the side yard of the house, out of sight of the roadway. Thirty Serbian soldiers—including "some dressed like a tank crew"—were there and they taunted the girls, calling them "Turkish whores." The girls were ordered to undress or have their clothes pulled off. Three girls resisted or hesitated from their fear. Their clothes were cut off with knives.

The Serbian soldiers told the naked girls to parade slowly in a circle. The men sat outside the circle—smoking, drinking and calling out foul names. The witness estimates the "parade" lasted about 15 minutes. Three soldiers took one girl—one to rape her while the two others held her down. The three men took turns. A soldier approached the witness and mocked her, saying he had seen her before. Though she did not recognize him, he pulled out a photo of the witness with her 19-year-old Muslim boyfriend, whom he cursed for being in the Bosnian Territorial Defense Forces. The man with the photograph raped her first. The witness said she fought and pulled his hair, but he bit her and hit her face. Her lips bled. He hit her hard with the butt of his gun on her cheek, causing extreme pain. Another rapist ran the blade of his knife across her breasts as if to slice the skin off, leaving bleeding scratches. After that, she was raped by eight more men before losing consciousness."

Keeping those atrocities and brutalities in mind, and some want to resume normal relations with an individual who allowed these atrocities to take place, an individual who continues to allow them to take place today, even today right now in Kosovo, once people know about these things, once the depth and breadth of Milosevic's brutality sinks in, no one can entertain

the idea of normal relations or pursue a no-fault peace with him.

Last week, in the Wall Street Journal, last Thursday, which I include for the RECORD, Margaret Thatcher wrote of the thousands of slaughtered in unmarked graves around Srebrenica, Bosnia, victims of, and I quote, ''depravities of human wickedness, what depths of human degradation, those endless columns of refugees have fled. Mass rape, mass graves, death camps, historic communities wiped out by ethnic cleansing, these are the monuments to Milosevic's triumphs.''

During the fighting in Bosnia, I had an opportunity with one of my staff to visit a Serb-run POW camp, and it was very, very brutal, if you could see the way the Muslims were being treated in that camp.

Margaret Thatcher went on to write that appeasement has failed in the 1990s as it failed in the 1930s. I believe she is right, just as I believe she is right when she goes on to write that it would be both cruel and stupid to expect the Albanian Kosovars to now return home and live under any form of Serbian rule.

Also in Sunday's New York Times, which I include for the RECORD, Blaine Harden writes about the dangers of allowing Milosevic to retreat from Kosovo with his dictatorship intact. Harden predicts that if the pattern holds, Milosevic will continue to inflame Serbs and preserve his power by reassuring them that they are the victims, as he is doing today in Kosovo and as he did earlier in Croatia and Bosnia Herzegovina.

I am going to insert the entire Blaine Harden article from Sunday's New York Times in the RECORD, and I would urge all of my colleagues to read his record. Blaine harden had covered the war in Sarajevo and Bosnia and many other places throughout the early and mid 1990s for the Washington Post. I think he writes with a lot of wisdom.

As I listened to last Thursday's debate and as I read and watched the TV talk shows, Milosevic hopefully will not pull it off. He could, however, unless we recognize Milosevic for what he is, a war criminal of the highest order.

Mr. Speaker, I include for the RECORD articles I referred to as follows:

[From the Wall Street Journal, May 6, 1999]

THE WEST MUST ANSWER EVIL WITH STRENGTH

(By Margaret Thatcher)

Last September I went to Vukovar, Croatia, a city destroyed and its inhabitants butchered by the soldiers of Slobodan Milosevic. The place still smells of death, the widows weep, and the ruins gape. Around Srebrenica, Bosnia, where neither I nor many other Westerners have gone, the bodies of thousands of slaughtered victims still lie in unmarked graves. In Kosovo, we can only image what depravities of human wickedness, what depths of human degradation, those endless columns of refugees have fled. Mass rape, mass graves, death camps, historic communities wiped out by ethnic cleansing—these are the monuments to Milosevic's triumphs.

They are also the result of eight long years of Western weakness. When will Western leaders ever learn?

Appeasement has failed in the 1990s, as it failed in the '30s. Then, there were always politicians to argue that the madness of Nazism could be contained. Likewise, there has never been a lack of politicians and diplomats willing to collaborate with Milosevic's Serbia. In both cases, the tyrant carefully laid his snares, and naive negotiators obligingly fell into them. For eight years I have called for Serbia to be stopped. Even after the massacre of Srebrenica I was told that my calls for military actions were mere ''emotional nonsense.''

There were good reasons for taking action early. The West could have stopped Milosevic in Slovenia or Croatia in 1991, or in Bosnia in 1992. But instead we deprived his opponents of the means to arm themselves, thus allowing his aggression to prosper. Even in 1995, when at last a combination of air strikes and well-armed Croat and Muslim ground forces broke the power of the Bosnian Serb aggressors, we intervened to halt their advance into Serb-controlled Banja Luka.

Western political leaders believed that the butcher of Belgrade could be a force for stability. So here we are now, fighting a war eight years too late, on treacherous terrain, so far without much effective local support, with imperfect intelligence and with war aims that some find unclear and unpersuasive.

But with all that said—and it must be said, so that the lessons are well and truly learned—let there be no doubt: This war must be won.

I understand the unease many people feel about the way in which the operation began. But those who agonize over whether what is happening in Kosovo today is important enough to justify military intervention, gravely underestimate the consequences of doing nothing. There is always method in Milosevic's madness. He is a master at using tides of refugees to destabilize his neighbors and weaken his opponents. This we simply cannot allow. The surrounding countries can't absorb two million Albanian refugees without provoking a new spiral of violent disintegration, possibly involving NATO members.

But the overriding justification for military action is quite simply the nature of the enemy we face. We are not dealing with some minor thug whose local brutalities may offend our sensibilities from time to time. Milosevic's regime and the genocidal ideology that sustains it represent something altogether different—a truly monstrous evil, one that cannot be merely checked or contained, one that must be totally defeated.

When that has been done, we need to learn the lessons of what has happened and of the warnings that were given but ignored. But there has already been too much media speculation about targets and tactics, and some shameful and demoralizing commentary that can only help the enemy. So I shall say nothing of detailed tactics.

But two things more I must say. First, about our fundamental aims. It would be both cruel and stupid to expect the Albanian Kosovans now to return to live under any form of Serbian rule. Kosovo must be given independence, initially under the international protection. And there must be no partition. Partition would only serve to reward violence and ethnic cleansing. It would be to concede defeat. And I am unmoved to Serb pleas to retain their grasp on most of Kosovo because it contains their holy places. Coming from those who systematically leveled mosques and Catholic churches wherever they went, such an argument is cynical almost to the point of blasphemy.

Second, about the general conduct of the war. There are, in the end, no humanitarian wars. War is serious and it is deadly. Casualties, including civilian casualties, are to be expected. Trying to fight a war with one hand tied behind your back is the way to lose it. We always regret the loss of lives. But we should have no doubt that it is the men of evil, not our troops or pilots, who bear the guilt.

The goal of war is victory. And the only victory worth having now is one that prevents Serbia from ever again having the means to attack its neighbors and terrorize its non-Serb inhabitants. That will require the destruction of Serbia's political will, the destruction of its war machine and all the infrastructure on which these depend. We must be prepared to cope with all the changing demands of war—including, if it is required, the deployment of ground troops. And we must expect a long haul until the job is done.

---

[From the New York Times, May 9, 1999]

WHAT IT WOULD TAKE TO CLEANSE SERBIA

(By Blaine Harden)

Along the blood-spattered timeline of Slobodan Milosevic's Yugoslavia, Kosovo is merely the hideous Now. There was a Before—in Croatia and Bosnia. Assuming that Mr. Milosevic retreats from Kosovo with his dictatorship intact, as now seems likely, Balkans experts foresee an unspeakable After.

It may feature: Fratricidal civil war in Montenegro. Ethnic cleansing of Hungarians in the Serbian province of Vojvodina. Mass murder of Muslims in the Sandzak region of Serbia. No need, for the moment, to bother about the location or correct pronunciation of these obscure places. The world will likely learn. Just as it learned where Kosovo is—or was—before more than 700,000 human beings were chased from their homes in a systematic military campaign of burning and intimidation, theft and murder.

If the pattern holds, Mr. Milosevic will soldier on, using Big Lie manipulation of television to tap into a collective soft spot in the Serbian psyche. Even as legions of non-Serbs are dispossessed or killed, he will continue to inflame the Serbs and preserve his power by reassuring them that, yes, they are the victims.

Given the character of Mr. Milosevic's regime and knowing that there is almost certainly more horror to come, a bold, if impractical, question is just now beginning to be formulated. Is it finally time for outside powers to make the effort necessary to cure a national psychosis inside Serbia that has been destabilizing a corner of Europe for a decade? Put another way, has the time come for NATO to do in Serbia what the Allies did in Germany and Japan after World War II?

To follow that model, Serbia's military would have to be destroyed, and Mr. Milosevic crushed, by an invasion that almost certainly would cost the lives of hundreds of American soldiers. After unconditional surrender, the political, social and economic fabric of Serbia would be remade under outside supervision so that the Serbs could take their place in a prosperous and democratic world.

The question cuts three ways. Will it happen? Should it happen? Could it possibly work?

The answer to the first part of this question, at least for the foreseeable future, is a resounding No Way. The other answers, however, are provocative enough to make it worthwhile to suspend disbelief and indulge the fantasy of a post-Milosevic Balkans.

Let's start, though, with the real world. Policy makers and long-time students of the West's slow-motion intervention in Yugoslavia during the 1990's see no possibility of Mr. Milosevic's military defeat or of Serbia's occupation.

An agreement last week between the West and Russia outlined the kind of solution the outside powers would seek instead—a withdrawal from Kosovo of the Yugoslav Army, policy and paramilitary fighters, with an international security force to replace them. Details of the deal are still being argued over, but one thing was clear: If the outside powers can get him to sign on, Mr. Milosevic would remain in power in his shrinking Yugoslavia. Thus, he would have the opportunity to ''cleanse'' another day. The West's calculation seems to be that avoiding a land war, keeping NATO tegether and cementing relations with Russia outweigh the long-term costs of letting Mr. Milosevic off the hook.

That, then, is the real world.

Such a course does nothing, of course, to eradicate extreme Serb nationalism.

The only way to stamp out the desease, protect Serbian's minorities and bring lasting peace to the Balkans ins a Japan- or Germany-style occupation of Serbia, according to Daniel Serwer, who until two years ago was the director of European intelligence and research for the State Department. Mr. Serwer concedes that occupation has never been on the West's list of serious options, but he echoes many experts on the Balkans when he argues that it should be.

''It is very hard to see how Serbia undergoes this process all on its own,'' said Mr. Serwer, now a fellow at the U.S. Institute of Peace, a research group in Washington. ''This regime is deeply rooted. It is not like some dictatorship that you take off its head and it will die. It is so corrupt and the corruption is not superficial.''

Daniel Johah Goldhagen, a Harvard historian who wrote ''Hitler's Willing Executions: Ordinary Germans and the Holocaust,'' published a kind of manifesto last week that demands Serbia ''be placed in receivership.''

''Serbia's deeds are, in this essence, different from those of Nazi Germany only in scale,'' Mr. Goldhgen wrote in The New Republic. ''Milosevic is not Hitler, but he is a genocidal killer who has caused the murders of many tens of thousands of people.''

It is worth remembering, though, that Mr. Milosevic is an elected leader, having won three elections that were more or less fair. That, along with the Serb leader's soaring popularity in the wake of NATO bombing, support an argument that what ails Serbia goes far deeper than one man.

No one makes this argument more powerfully than Sonja Biserko, director of the Helsinki Committee for Human Rights in Serbia and a former senior advisor in the European department of the Yugoslav Foreign Ministry. Ms. Biserko, who fled Belgrade a week after the NATO bombings began, said in New York last week that Serbia's fundamental problem is not Mr. Milosevic, but a ''moral devastation'' that has infected her nation.

''People in Serbia wer undergoing a mass denial of the barbarity of the ethnic cleansing in Kosovo,'' Ms. Biserko said. ''The denial is itself commensurate to the crime taking place before the eyes of the world.''

Ms. Biserko, who met 10 days ago with Secretary of State Madeleine K. Albright and urged her to consider occupation, believes that Serbia's opposition politicians are incapable now of coming to grips with a culture victimhood. ''Serbs have managed now with the NATO bombing to convince themselves they are victims and as victims they cannot be responsible for what happened in Kosovo,'' she said.

A surreal sense of victimhood in Serbia is nothing new. During the seige of Saragevo, when Serb forces ringed the city with artillery and routinely killed its civilians, Belgrade television reported that Bosnian Muslims were laying siege to themselves. ''The Serbs continue to defend their centuries-old hills about Sarajevo,'' and Radio-Television Serbia.

To shatter this Looking Glass victimhood, Ms. Biserko offers a prescription: Indictment of Mr. Milosevic by the War Crimes Tribunal. A military defeat of Serbia and demilitariazation of the country. Highly publicized trials that will force Serbs to confront the savagery committed in their name. A Western takeover of the mass media, with strict prohibitions against the dissemination of extreme Serb nationalism. A Marshall Plan for the Balkans.

Asked why the West should be willing to undertake an occupation that would risk many lives, cost billions and take years, Ms. Biserko shrugged: ''What other choice is there?''

''The Western world has lost its political instinct,'' she said. ''To bring substance to the ideals of human rights, at some point you must be willing to commit troops.''

But could the occupation of Serbia work? Could it break the cycle of violence? Two prominent historians believe it could, if done properly.

''The key in Japan was unconditional surrender,'' said John W. Dower, a professor of history at the Massachusetts Institute of Technology and author of ''Embracing Defeat: Japan in the Wake of World War II.'' ''The Americans went in and they did everything. They had a major land reform. They abolished the military, simply got rid of it. They drafted a new constitution. This is what you can do when you have unconditional surrender.''

Mr. Dower was struck by the eagerness with which a defeated people welcomed reform. ''In Japan the average person was really sick of war and I think that would be the case in Yugoslavia,'' he said. ''The Americans cracked open a repressive military system and the people filled the space.''

The occupation of Germany also suggests ways of dealing with Yugoslavia, according to Thomas Alan Schwartz, a historian at Vanderbilt and author of ''America's Germany.''

''When Germany was totally defeated, it provided opportunity,'' he said. ''You could be physically there, controlling the flow of information and using war-crime trials to show the Germans that atrocities were done in their name.''

Without something similar in Serbia, Mr. Schwartz said, ''We can look forward to more trouble in Serbia.

''What reminds me of Germany is the comparison to the end of World War I,'' he added. ''Then, the Germans had this powerful sense of being victims. There was a deep resentment that Hitler was able to exploit. It will be the same in Serbia when NATO bombing stops.''

The Japan and German analogies, of course, are flawed. Those major-league powers ravaged a part of the world that America cared about. Occupation was nothing less than emergency triage for the worst violence in history.

Mr. Milosevic, by comparison, is small potatoes. He leads a minor-league country that periodically lays waste to poor, unpronounceable, strategically irrelevant places. Pristina is not Paris.

There is, though, an inkling that the West has begun to try for a solution. In Bosnia, 32,000 NATO-led troops and High Commissioner Carlos Westendorp are even now doing the hard, slow, complex work of healing that country.

Mr. Westendorp has not attempted a Japan-style remake of the Serb-populated half of Bosnia (just as nobody has tried to do that in neighboring Croatia, with its own accomplishments in ethnic cleansing). The indicted war criminals Radovan Karadzic and Ratko Mladic have not been hunted down. Radical Serb parties have not been banned. But tough action is being taken. Mr. Westendorp ordered radical Serb nationalists out of state television. He has fired the nationalist zealot who was elected the Bosnian Serbs' president. If Serbs violently object to what the peacekeepers do, NATO-led forces shoot to kill.

In a recent interview in Sarajevo, Mr. Westendorp said most Bosnian Serbs are cooperating because they are sick of war. It will take time, he said, but the West has enough money and muscle in Bosnia to extinguish the will to war. The one insoluble problem, he said, was the leader in Belgrade.

''If getting rid of Milosevic fails,'' he said, ''then everything fails.''

## SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. WOLF) to revise and extend his remarks and include extraneous material:)

Mr. JONES of North Carolina, for 5 minutes, today.

## ADJOURNMENT

Mr. WOLF. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 11 minutes p.m.), under its previous order, the House adjourned until tomorrow, Tuesday, May 11, 1999, at 12:30 p.m., for morning hour debates.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

1949. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Bifenthrin; Extension of Tolerance for Emergency Exemptions [OPP–300852; FRL–6077–5] (RIN: 2070–AB78) received April 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1950. A letter from the Director, Office of Regulatory Management and Information,

Environmental Protection Agency, transmitting the Agency's final rule—Fluroxypyr 1–Methylheptyl Ester; Extension of Tolerance for Emergency Exemptions [OPP–300845; FRL–6073–7] (RIN: 2070–AB78) received April 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1951. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Sulfosate; Pesticide Tolerance [OPP–300849; F RL–6076–1] (RIN: 2070–AB78) received April 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

1952. A letter from the Secretary of Defense, transmitting the FY 1998 Cooperative Threat Reduction (CTR) Multi-Year Program Plan which describes proposed program activities to facilitate weapons destruction and nonproliferation in the former Soviet Union (FSU); to the Committee on Armed Services.

1953. A letter from the Secretary of Defense, transmitting a report that it intends to obligate up to $57.7 million of FY 1998 funds to implement the Cooperative Threat Reduction Program; to the Committee on Armed Services.

1954. A letter from the Chairman, Federal Financial Institutions Examinations Council, transmitting the 1998 Annual Report, pursuant to 12 U.S.C. 3305; to the Committee on Banking and Financial Services.

1955. A letter from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Use of Alternative Dispute Resolution—received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1956. A letter from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits—received April 9, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

1957. A letter from the Secretary of Health and Human Services, transmitting a report to Congress on the Native Hawaiian Revolving Loan Fund (NHRLF) for Fiscal Years 1995 through 1997; to the Committee on Education and the Workforce.

1958. A letter from the Procurement Executive, Department of Commerce, transmitting the Department's final rule—Commerce Acquisition Regulation; Agency Protest Procedures [Docket No. 990127035–9035–01] (RIN: 0605–AA15) received April 6, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1959. A letter from the Attorney Advisor, Department of Transportation, transmitting the Department's final rule—Federal Motor Vehicle Safety Standards; Roof Crush Resistance [Docket No. NHTSA–99–5572; Notice 3] (RIN: 2127–AF40) received April 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1960. A letter from the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Emission Standards for Hazardous Air Pollutants for Source Categories: Organic Hazardous Air Pollutants from the Synthetic Organic Chemical Manufacturing Industry and Other Processes Subject to the Negotiated Regulation for Equipment Leaks; Technical Amendments [AD-FRL–6330–3] (RIN: 2060–AC19) received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1961. A letter from the Director, Regulations Policy and Management Staff, Food and Drug Administration, transmitting the Administration's final rule—Over-The-Counter Human Drugs; Labeling Requirements; Correction [Docket Nos. 98N–0337, 96N–0420, 95N–0259, and 90P–0201] (RIN: 0910–AA79) received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1962. A letter from the Secretary of Health and Human Services, transmitting the 1998 Annual Report on the National Institute of Child Health and Human Development (NICHID) Contraception and Infertility Research Load Repayment Program (CIR-LRP); to the Committee on Commerce.

1963. A letter from the Director, Office of Congressional Affairs, U.S. Nuclear Regulatory Commission, transmitting the Commission's final rule—Conformance to National Policies For Access to and Protection of Classified Information (RIN: 3150–AF97) received April 7, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

1964. A letter from the Chief Counsel (Foreign Assets Control), Department of the Treasury, Department of the Treasury, transmitting the Department's final rule—Iranian Transactions Regulations: Implementation of Executive Order 13059—received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

1965. A letter from the Director, U.S. Trade And Development Agency, transmitting the Agency's annual audit to Congress; to the Committee on International Relations.

1966. A letter from the General Counsel, United States Information Agency, transmitting the Agency's final rule—Exchange Visitor Program—received April 16, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

1967. A letter from the Chairman, U.S. Parole Commission, Department of Justice, transmitting a copy the report of the Consumer Product Safety Commission in compliance with the Government in the Sunshine Act during the calendar year 1998, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform.

1968. A letter from the Assistant Attorney General for Administration, Department of Justice, transmitting the Department's final rule—Exemption of Records System Under the Privacy Act [AAG/A Order No. 159–99] received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1969. A letter from the Executive Director, Federal Labor Relations Authority, transmitting the Authority's final rule—Revision of Freedom of Information Act Regulations—received April 26, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform.

1970. A letter from the Comptroller General of the United States, General Accounting Office, transmitting a monthly listing of new investigations, audits, and evaluations; to the Committee on Government Reform.

1971. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report on the Commission's Fiscal Year 1998 Accountability Report, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

1972. A letter from the Chairman, U.S. Merit Systems Protection Board, transmitting the annual statistical report of the U.S. Merit Systems Protection Board, Cases Decided by the U.S. Merit Systems Protection Board, Fiscal Year 1998; to the Committee on Government Reform.

1973. A letter from the Acting Director, Office of Sustainable Fisheries, Department of Commerce, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod for Vessels Using Hook-and-line and Pot Gear in the Bering Sea and Aleutian Islands [Docket No. 990304063–9063–01; I.D. 041599A] received April 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

1974. A letter from the Secretary of Transportation, transmitting the Department's annual report on the National Transportation Safety Board's (NTSB) Recommendations to the Secretary of Transportation for Calendar Year (CY) 1998; to the Committee on Transportation and Infrastructure.

1975. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Loan Guaranty: Requirements for Interest Rate Reduction Refinancing Loans (RIN: 2900–AI92) received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

1976. A letter from the Secretary of Labor, transmitting the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) Annual Report to Congress for Fiscal Year 1998; to the Committee on Veterans' Affairs.

1977. A letter from the Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, transmitting the Bureau's final rule—Firearms and Ammunition Excise Taxes, Parts and Accessories (97R–1457P) [T.D. ATF–404; Ref: Notice No. 836] (RIN: 1512–AB49) received April 21, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

1978. A letter from the Secretary of Health and Human Services, transmitting the first report from the Multi-site Evaluation of the Welfare-to-Work Grants Program, ''Early Implementation of the Welfare-to-Work Grants Program: Report to Congress.''; to the Committee on Ways and Means.

1979. A letter from the Secretary of Health and Human Services, transmitting a report entitled ''Chiropractic Services in Medicare HMOs and MedicareChoice (MC) Organizations''; jointly to the Committees on Commerce and Ways and Means.

1980. A letter from the Director, Office of Management and Budget, transmitting the annex on domestic preparedness to the report on government-wide spending to combat terrorism; jointly to the Committees on Armed Services, the Judiciary, and Transportation and Infrastructure.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 150. A bill to amend the Act popularly known as the Recreation and Public Purposes Act to authorize disposal of certain public lands or national forest lands to local education agencies for use for elementary or secondary schools, including public charter schools, and for other purposes; with amendments (Rept. 106–132). Referred to the Committee of the Whole House on the State of the Union.

Mr. SENSENBRENNER: Committee on Science. H.R. 1550. A bill to authorize appropriations for the United States Fire Administration for fiscal years 2000 and 2001, and

for other purposes; with an amendment (Rept. 106–133). Referred to the Committee of the Whole House on the State of the Union.

DISCHARGE OF COMMITTEE

*[The following action occurred on May 7, 1999]*

Pursuant to clause 5 of rule X, the Committee on Small Business discharged from consideration of H.R. 775.

## REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

*[Purusant the order of the House on May 5, 1999 the following report was filed on May 7, 1999]*

Mr. HYDE: Committee on the Judiciary. H.R. 775. A bill to establish certain procedures for civil actions brought for damages relating to the failure of any device or system to process or otherwise deal with the transition from the year 1999 to the year 2000, and for other purposes, with an amendment; referred to the Committee on Commerce for a period ending not later than May 11, 1999, for consideration of such provisions of the introduced bill as fall within the jurisdiction of that committee pursuant to clause 1(f), rule X (Rept. 106–131, Pt. 1).

*[Pursuant the order of the House on May 6, 1999 the following report was filed on May 7, 1999]*

Mr. GOSS: Permanent Select Committee on Intelligence. H.R. 1555. A bill to authorize appropriations for fiscal year 2000 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, with an amendment; referred to the Committee on Armed Services for a period ending not later than May 11, 1999, for consideration of such provisions of the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(c), rule X (Rept. 106–130, Pt.I).

## TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

*[The following action occurred on May 7, 1999]*

H.R. 775. Referral to the Committees on Small Business and Commerce extended for a period ending not later than May 11, 1999.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. CALVERT:

H.R. 1742. A bill to authorize appropriations for fiscal years 2000 and 2001 for the environmental and scientific research, development, and demonstration programs, projects, and activities of the Office of Research and Development and Science Advisory Board of the Environmental Protection Agency, and for other purposes; to the Committee on Science.

By Mr. CALVERT:

H.R. 1743. A bill to authorize appropriations for fiscal years 2000 and 2001 for the environmental and scientific and energy research, development, and demonstration and commercial application of energy technology programs, projects, and activities of the Office of Air and Radiation of the Environmental Protection Agency, and for other purposes; to the Committee on Science.

By Mrs. MORELLA:

H.R. 1744. A bill to authorize appropriations for the National Institute of Standards and Technology for fiscal years 2000 and 2001, and for other purposes; to the Committee on Science.

## MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

55. The SPEAKER presented a memorial of the House of Representatives of the State of Maine, relative to H.P. 1492, urging and requesting that the United States Congress remove the requirement in the Clean Air Act for 2%-by-weight oxygenate in reformulated gasoline so that additional alternate fuel mixtures may be available for use in Maine; to the Committee on Commerce.

56. Also, a memorial of the House of Representatives of the State of Maine, relative to H.P. 1469 requesting that the President of the United States and the United States Congress work together to support and sign legislation to allow the states to keep their tobacco settlement funds; to the Committee on Commerce.

57. Also, a memorial of the House of Representatives of the State of Texas, relative to House Concurrent Resolution No. 9 respectfully urging the Congress of the United States not to make federal claims against the proceeds of the Texas tobacco settlement; to the Committee on Commerce.

58. Also, a memorial of the House of Representatives of the State of Maine, relative to H.P. 1388 requesting the President of the United States and the United States Congress to ratify the United Nations Convention on the elimination of All Forms of Discrimination Against Women; to the Committee on International Relations.

59. Also, a memorial of the House of Representatives of the State of Maine, relative to H.P. 1373 requesting the President of the United States and the United States Congress to ratify the United Nations Convention on the Rights of the Child; to the Committee on International Relations.

60. Also, a memorial of the House of Representatives of the State of Kansas, relative to House Concurrent Resolution No. 5017 urging Congress to direct the EPA to immediately initiate appropriate administrative rulemaking to ensure that the policies and standards it intends to apply in evaluating pesticide tolerances are subject to thorough public notice and comment prior to final tolerance determinations being made by the agency; jointly to the Committees on Agriculture and Commerce.

61. Also, a memorial of the General Assembly of the State of North Dakota, relative to Senate Concurrent Resolution No. 4053 urging the Congress of the United States to act quickly to fulfill its obligation under the Internet Tax Freedom Act with regard to balanced membership of the Advisory Commission on Electronic Commerce and urges the Advisory Commission on Electronic Commerce to be mindful in its deliberations of the impact of Internet usage and Internet sales transactions on telecommunications, traditional retail businesses, and the state and local tax bases; jointly to the Committees on Commerce and the Judiciary.

## ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 363: Mr. GORDON.
H.R. 637: Ms. BERKLEY.
H.R. 716: Ms. MCKINNEY.
H.R. 753: Ms. KILPATRICK.
H.R. 761: Mr. SANDLIN.
H.R. 775: Mr. HOUGHTON, Mr. KOLBE, and Mr. CAMP.
H.R. 811: Mr. BROWN of California.
H.R. 826: Mrs. MALONEY of New York.
H.R. 827: Mr. HOEFFEL and Mr. PHELPS.
H.R. 960: Ms. MCKINNEY and Mr. DIXON.
H.R. 985: Mr. MCCRERY and Mr. BALLENGER.
H.R. 1071: Mr. GEPHARDT.
H.R. 1248: Mr. RODRIGUEZ, Mr. BAIRD, Mr. HINOJOSA, Mr. BONIOR, Mr. HOEFFEL, Ms. DELAURO, and Mrs. MINK of Hawaii.
H.R. 1286: Mr. MASCARA.
H.R. 1299: Mr. THOMPSON of Mississippi.
H.R. 1447: Ms. KILPATRICK.
H.R. 1476: Mr. ENGEL.
H.R. 1484: Mr. FROST and Mr. VENTO.
H.R. 1496: Mr. GRAHAM, Mr. LAFALCE, Mr. FROST, Mr. SMITH of Michigan, and Mr. CHAMBLISS.
H.R. 1532: Mr. CONYERS, Mr. BARCIA, Ms. KILPATRICK, and Mr. VISCLOSKY.
H.R. 1691: Mr. BENTSEN, Mr. SPRATT, Mr. HEFLEY, Mr. BACHUS, Mr. HALL of Texas, Mr. MCKEON, and Mr. TAYLOR of North Carolina.

## PETITIONS, ETC.

Under clause 3 of rule XII,

13. The SPEAKER presented a petition of Board of Supervisors, relative to Resolution 231–99 supporting a one-time shift of the New Years Day federal holiday from December 31, 1999 to January 3, 2000, provided that the fiscal impact on the City would be negligible; to the Committee on Government Reform.

## DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petition:

Petition 1 by Mr. TURNER on House Resolution 122: Robert C. Scott and Michael F. Doyle.

# SENATE—*Monday, May 10, 1999*

The Senate met at 12 noon and was called to order by the President pro tempore [Mr. THURMOND].

## PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Father, thank You for the gift of hope that is the anchor of our souls. We can ride out the storms of life knowing our anchor of hope is sure. How good it is to begin the work of a new week with this vibrant quality of expectation. Our hope is held fast in Your promises. You do not send trouble, but You do work out Your plans for us in spite of the difficulties we face. Our confidence is that You have chosen us to do Your work. We choose to be chosen. We claim Your promise to provide us with exactly what we need in every challenge, complexity, or conflict. We commit ourselves and our work to You.

Bless the Senators with an acute awareness of Your presence, an availability to respond to Your guidance, and an accountability to You alone for how they will exercise the authority You have entrusted to them. Dear God, we report in for duty. And now we join with the whole Senate family in expressing gratitude for the life and leadership of Senator JOE BIDEN as he celebrates 10,000 votes as a Senator. Through our Lord and Savior. Amen.

## RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Maine is recognized.

Ms. COLLINS. I thank the Chair.

## SCHEDULE

Ms. COLLINS. Today the Senate will be in a period of morning business until 2 p.m. There will be no rollcall votes during today's session of the Senate. Under the previous order, the Senate will begin consideration of S. 254, the juvenile justice bill, at 9:30 a.m. tomorrow. It is hoped significant progress will be made on that bill, and therefore Senators should expect votes after 2:15 p.m. during Tuesday's session of the Senate. I thank my colleagues for their attention.

## RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. ROBERTS). Under the previous order, the leadership time is reserved.

## MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 2 p.m. with the time equally divided between the majority leader or his designee and the minority leader or his designee, with Senator COLLINS permitted to speak therein for not to exceed 15 minutes utilizing the majority time.

The distinguished Senator is recognized.

Ms. COLLINS. I thank the Chair.

## BIOMASS ENERGY EQUITY ACT

Ms. COLLINS. Mr. President, last Thursday, I introduced the Biomass Energy Equity Act of 1999. I was pleased to be joined by Senator BOXER, my colleague from California, as an original cosponsor. This legislation makes a common-sense change to the renewable energy production tax credit by expanding it to include additional types of biomass plants. I would like to take a few minutes now to discuss the need for this important bill and to describe what it would do.

Simply put, biomass energy production uses combustion to turn wood and organic waste into energy in an environmentally sound process. Biomass takes a public liability, organic waste, and converts it into a public asset, energy.

The renewable energy production tax credit enacted in 1992 provides incentives to the solid-fuel biomass and wind energy industry to develop economically viable and environmentally responsible renewable sources of electricity. In enacting that legislation, Congress recognized that biomass energy offers substantial environmental benefits, specifically a reduced dependence on oil and coal, a desirable alternative to open field burnings and the landfilling of organic material, and a net reduction of greenhouse gas emissions.

Unfortunately, an error was made that nullified the potential societal benefits that incentives for biomass energy production offers. The 1992 act narrowly defined an eligible biomass facility as including only so-called closed-loop biomass facilities. Closed-loop biomass is a hypothetical form of electricity generation where the fuel is planted, grown, and harvested specifically and solely for the fuel of the power plant. Not only does this definition rule out the significant environmental benefit of disposal of organic waste otherwise destined for a landfill or to be field-burned, but also this scenario is not feasible and therefore remains unused. Since the biomass tax credit was passed, no taxpayer, not one, has taken advantage of the tax benefit. Simply put, the closed-loop tax credit is not a sufficient incentive to develop a costly ''fuel plantation,'' which entails large-scale land purchases, property taxes, and growing material for the sole purpose of burning it. By demanding that newly grown material be used rather than organic waste, the closed-loop biomass definition flies in the face of the commonly accepted environmental principle that products should be put to as many ''highest value'' uses as possible.

Mr. President, several states, including Maine, are deregulating their energy industries. Starting March 1, 2000, electricity consumers in Maine will be able to shop for electricity as they now shop for long-distance telephone service.

While the specifics remain very much up in the air, the country is progressing toward restructuring electricity generation and distribution. While there are many clear economic benefits to a deregulated energy market, without incentives like the one I am proposing, green, renewable energy production like biomass is unlikely to be able to survive in deregulated market.

The legislation that I have introduced would expand the eligibility of the biomass tax credit to include conventional biomass plants. This legislation is designed to encourage a source of energy generation that offers substantial air quality, waste management, and greenhouse gas reduction benefits. The national biomass industry currently uses over 22,000,000 tons of wood waste a year. The waste the biomass industry converts into energy otherwise would be disposed of in one of three ways: burned in an open field, which generates pollution not energy; landfilled, where it fills limited landfill space and biodegrades, emitting methane, carbon dioxide, and other gases, or left in the woods or fields, increasing the risk and severity of forest fires.

The air quality benefits of biomass energy are of particular importance. According to the Northeast States for Coordinated Air Use Management, an organization of all the Northeastern States Air Quality Bureaus, biomass energy produces less nitrogen oxide than biomass alternatives, and furthermore, it generates virtually no sulfur dioxide, particulate matter, or mercury. Biomass energy production also results in a net reduction of greenhouse gases, as I have previously stated.

In addition to their environmental benefits, biomass plants contribute to

the economy of many rural towns throughout America. Because of their dependence on organic waste, biomass facilities are usually located in rural areas where they are often important engines of economic growth. For example, in the small town of Sherman, ME, a biomass facility provides 56 percent of the property tax base. It also directly employs 23 individuals and indirectly provides work for hundreds of truck drivers, wood operators, mill workers and maintenance contractors.

In another small town of Maine, Athens, ME, a biomass facility provides a third of that small town's tax base and directly employs 20 people, while supporting a local wood operator who, in turn, employs 40 people.

The point is, the economy in many of the small towns in Maine, in towns such as Livermore, Ashland, Greenville, Fort Fairfield, Stratton and West Enfield benefit considerably from these biomass facilities. In total, there are over 100 biomass facilities in the United States, representing an investment in excess of $7 billion. These facilities contribute jobs, property taxes and a disposal point for waste products. In addition, rural biomass facilities also provide ash for use by local farmers, reducing their purchases of lime. I understand there is regularly more demand for the ash produced by these biomass plants than there is supply.

With biomass energy production, nothing is wasted. Biomass turns waste products—the byproducts of timber, paper or farming operations—into needed energy, wasting nothing. Even the ash is returned to the Earth to grow organic matter yielding both crops and waste to generate still more electricity.

We in Congress often discuss ways to help rural America. I know that is of great concern to the Presiding Officer. This proposal offers an opportunity to do so in a way that not only benefits the economy of small towns in rural America but also in a way that generates considerable environmental benefits that we all can enjoy.

This measure makes both economic and environmental sense. I urge my colleagues to join me in supporting this important legislation and working for its passage.

Thank you, Mr. President. I yield the floor.

## ORDER OF PROCEDURE

Mr. DORGAN. Mr. President, I ask unanimous consent that I be recognized for 15 minutes following the presentation of the Senator from Oregon.

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

## PRIVILEGE OF THE FLOOR

Mr. DORGAN. Mr. President, I ask unanimous consent that Anthony Blaylock be granted the privilege of the floor during morning business this morning.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Oregon.

Mr. WYDEN. Thank you, Mr. President.

## JUVENILE VIOLENCE

Mr. WYDEN. Mr. President, this is going to be an important week in the Senate. I am very glad there is going to be a discussion—a long overdue discussion—on juvenile violence and steps that can be taken to prevent it in our country.

## BOOK SELLING IN AMERICA

Mr. WYDEN. Mr. President, I turn for a few minutes this morning to an issue that many Senators may not have heard much about but one that has great implications for the consumer, for intellectual freedom and the quality of life in our communities across the country.

The issue I intend to focus on specifically is the proposed acquisition by Barnes & Noble of the Ingram book company. The price tag on this acquisition is $600 million, and it involves the Nation's largest bookstore chain, Barnes & Noble, joining forces with the Ingram book company, the world's largest book distributor.

I am concerned that this deal will give Barnes & Noble a competitive stranglehold on the bookselling business in America. That is why last November I asked the Federal Trade Commission to investigate this proposed acquisition. Based on information I have learned in the last few days, I believe the Federal Trade Commission will soon make a decision on this proposed acquisition. I am very hopeful that when the Federal Trade Commission comes down with that decision, they will come down foursquare for the consumer.

Right now across this country, thousands and thousands of Americans have stopped at small bookstores to sign petitions urging that this proposed acquisition be blocked. In fact, there is a special phone line at the Federal Trade Commission because there has been such a tidal wave of interest on this specific proposal. I will briefly outline this morning what I find troubling about this proposed deal.

For a small bookstore, if this acquisition goes forward, they will have to depend on a megastore for the products they sell. The new bookstore colossus, with Barnes & Noble coming together with Ingram, will essentially have a huge competitive advantage that could work to cause great hardship for small bookstores in our country. Because the Ingram Company has information about sales and volume and ordering habits of small bookstores, is the new megastore going to use that information in a fair way? I am very concerned about it, but I can tell you that small bookstores across this country are very troubled when it comes to getting fair access to the titles they need, when it comes to how that information which Ingram has, that will be part of the new operation with Barnes & Noble, is used. I can tell you that small bookstores across this country believe this issue is literally one of life and death for them.

Second, I am concerned about issues relating to intellectual freedom. My concern is that with this deal and the potential that there will be just a handful of big bookstores in our country dominating the Nation, what they will stock are largely the best sellers.

I have had some experience with this. My father, who passed away, was an author and had a small publishing company. He said there is always room at the big stores in titles involving sex and drugs and rock and roll.

But I am concerned about what is going to happen when we have just a handful of these megastores, whether we are going to see intellectual freedom prosper and those titles that are not always on the best seller list accessible the way they are today.

Third, I am concerned about the vitality of our communities. These small bookstores in so many of our communities do more than just sell books. Yes, they sell publications and they make it possible for young people in rural America and inner cities and others to have a comfortable place to learn, but they are also a huge addition to Main Street in so many parts of rural Oregon and, I am sure, in Kansas where the Presiding Officer resides. Having been born in Wichita, we have talked before about life in rural America.

I do not want to see those small bookstores becoming part of the Main Street of yesteryear in rural America. I am very concerned that if this proposed merger goes forward, as it is currently structured, it really will put a hardship on a lot of main streets in rural communities and will diminish the vitality of many of those towns.

I admit to growing up a bit skeptical of some of these large megastores. As I said, my dad was an author, and I spent a lot of Sunday afternoons going through some of those megastores with my dad trying to persuade them to put one of his titles that did not fit their view of what was popular up close, up close to where the consumers were when they stopped to browse in the window. My father was concerned about the concentration of economic power in the bookselling business.

I tell you, I think this deal, if it goes forward as structured, will confirm a

lot of the worries that my dad and others like him have had about our country and where the bookselling business is going.

Finally, I think we all understand that the bookselling business has changed certainly on the Internet. The Presiding Officer has worked with me on legislation which has been important to me such as the Internet Tax Freedom Act.

The Internet has changed the bookselling business. There is no question about the fact that with Amazon.com and others in the business of selling books on line, the business has changed very dramatically. But I do not buy the idea that Barnes & Noble had to merge with Ingram in order to take on Amazon. I do not buy that idea at all.

I think there is a role in our country for a variety of ways for consumers to order publications. I think there is an important place for the small bookstore, especially because of the contributions they make to main streets in rural communities and inner cities. I certainly do not want to hold back on-line shopping. That is why I was a principal sponsor in the Senate of the Internet Tax Freedom Act. So I do not take a back seat to anybody in terms of trying to ensure that we take advantage of all the technological innovations that are available for the consumer.

What concerns me about this proposal is that a lot of small bookstores are not going to be able to survive. A lot of small bookstores are going to find it difficult to survive if Barnes & Noble has proprietary information about them, about their volume, about their sales practices, about the way they do business, and if that information is used against small bookstores.

So I believe the Federal Trade Commission has in front of it an issue of extreme importance, one which will dramatically affect intellectual freedom, one which has great implications for antitrust policy and the consumer, one which will be vital to the well-being of communities and main streets across this country. I believe the Federal Trade Commission is going to rule soon on this proposed acquisition. I believe they are going to act in the interest of the consumer. I appreciate the opportunity to bring the Senate up to date on this important economic matter.

I yield the floor.

The PRESIDING OFFICER. The distinguished Senator from North Dakota.

## FAMILY FARMERS

Mr. DORGAN. Mr. President, I come to the floor briefly today to talk about two issues. First, tomorrow the appropriations conference begins between the House and the Senate on the emergency supplemental appropriations bill. That includes specifically the President's request for emergency appropriations to be made for some agricultural spring planting loans, some emergency appropriations to be made for the purpose of helping the victims of Hurricane Mitch in Central America, and then since that time the President has made new recommendations on emergency funding for the Defense Department needs as a result of the actions in Kosovo.

The House of Representatives took a request by President Clinton for nearly $6 billion in added funds for the military especially, but including some humanitarian relief for the actions in Kosovo, and added to that $6 billion of emergency funding nearly $7 billion more, to reach a total of close to $13 billion in emergency funding.

A number of us believe that, while we are on the subject of emergencies and in a supplemental appropriations conference, it would be inappropriate to add $7 billion to the defense budget for emergency needs relating to Kosovo—although some of it has very little relationship to Kosovo, it has a relationship to what is called ''readiness'' in defense accounts and other things—that it would be inappropriate to consider that without considering other emergency needs here at home on the domestic front. One of those is agriculture.

The plight of the family farmer in this country has been pretty well described by myself and others on the floor of the Senate in recent months. The Congress did some emergency work last fall to provide some income support to family farmers above and beyond the current farm bill. But it is not nearly enough.

We now come to May of 1999, at a time in which prices for many commodities in agriculture, in constant dollars, are at Depression level, and we are going to lose thousands, tens of thousands, perhaps hundreds of thousands, of family farmers if we decide to do nothing. Tomorrow's conference between the House and Senate may be the only opportunity that exists this year to provide support for emergency funding, to add some income price support to family farmers, which they desperately need.

This chart shows what is happening in rural America. This map shows counties marked in red which are being depopulated in our country. These are counties that have lost at least 10 percent of their population in the last 18 years. You can see on this map the large red area that shows the middle of this country—the farm belt—is being depopulated, people are leaving.

Why are people leaving the farm belt in droves, and especially now in more recent years? Why are people leaving their family farms, leaving the farm belt, and leaving rural counties? The answer is, family farmers cannot make a living when they produce grain and then have to sell it at a price far below their cost of production. It does not work that way. You go broke. Bad trade agreements, concentration in agricultural industries—there are a whole series of reasons—but the central reason, it seems to me, is low prices. If you do not get a decent price for that which you produce, you are not going to be able to make a decent living.

The question for this country is, What kind of price supports are available to farmers when market prices collapse? Every one of us in this Chamber would prefer that farmers received their prices from the marketplace. But when the marketplace collapses, farmers load a couple hundred bushels of wheat on their trucks, drive to the elevators, are told that wheat has no value, or has very little value, then the question for Congress is, Do we want family farmers in our future? And, if we do, What kind of income support are we willing to offer to create a bridge over that price valley when prices collapse?

The largest enterprises, the big agrifactories, will make it across that valley. They are big enough, strong enough, have the financial resources to make it across that price valley. It is the family farmer who will not make it. So the question for the Congress is, Do we care about family farming? And, if we do, what can we do to provide some income support when prices collapse?

A number of us will offer, during this deliberation in the conference between the House and the Senate on emergency needs, a proposal to restore some emergency funding to family farmers. There are lots of ways of doing that. I have my own feeling about how to do it. Senator HARKIN and I, along with Senator CONRAD and others—Senator HARKIN and I, incidentally, will be in the conference tomorrow, are prepared to offer some proposals to deal with emergency needs, it is not just the Defense Department that has emergency needs, family farming is in a full-scale emergency in this country.

This Congress must take steps to save it. Tomorrow, again, Senator HARKIN, myself and some others in the conference on appropriations, of which Senator HARKIN and I are conferees, intend to raise this question in a very forceful way and push very aggressively for action on an emergency basis with our colleagues.

Republican and Democrat colleagues here in this Chamber understand that we face a very serious problem. All of my colleagues who come from the farm belt have said the same thing. Family farmers are in trouble. There is no disagreement about that. There might be some disagreement about the mechanism by which we address this question, but I think everyone here, with whom I share the long-term interests of the welfare of family farming, believes that we need, during periods of

collapsed prices, to provide some income price support. The question is how do we do that. My hope is the first step will be tomorrow during the conference that we have with the House of Representatives.

## KOSOVO

Mr. DORGAN. Mr. President, if I may address one additional issue, this deals with Kosovo and Mr. Milosevic. There was a piece published in the Washington Post on Sunday, written by Mark S. Ellis, that I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks on Kosovo.

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

(See exhibit 1.)

Mr. DORGAN. The piece by Mr. Ellis is entitled ''Non-Negotiable, War Criminals Belong in the Dock, Not at the Table.''

I wanted to bring this piece to the attention of my colleagues because Mr. Ellis says it well. He points out that we are at a time and a place, dealing with Mr. Milosevic in Kosovo, when it is all of our responsibilities to bring Mr. Milosevic to justice.

Some would say, well, how do you arrest someone who is not accessible to you? It doesn't matter, as far as I am concerned, whether it's possible to apprehended and arrest him. We have a responsibility in this case, just as I felt we did in the case of Saddam Hussein, to make the case against these leaders for the war crimes they have committed and to bring them to trial before an international tribunal, try them, and, hopefully, convict them as war criminals. To not do that, it seems to me, will be to continue to have to deal with people who have committed genocide and war crimes that have brought unspeakable horror to the people of Kosovo, and to continue to have to deal with them in the future.

I know some in this country and elsewhere say the problem is, if you push aggressively to try Mr. Milosevic as a war criminal and ultimately have to negotiate with him some sort of negotiated settlement in the Balkans, it is very hard to negotiate with someone you have identified as a war criminal. That is a lot of psychobabble, as far as I am concerned.

We have already decided this fellow is a war criminal by virtue of our actions in NATO. NATO decided that the genocide and ethnic cleansing that were occurring in Kosovo could not be allowed to stand.

I think it might be useful to read through a list of some of the allegations. By no means is this a definitive list, it is just a small sliver: the village of Goden, the execution of 20 men and then the burning of the entire village; Malakrusa, 112 men shot and their bodies burned; Pastasel, 70 ethnic Albanian bodies discovered; Pec, at least 50 ethnic Albanians killed and buried in their own yards; Podujevo, the execution of 200 military age men and 90 percent of the village burned as well; summary execution; robbery; rape; forced expulsion.

We now have seen the march of nearly 1 million people displaced from their homeland, villages burned, looted, and plundered. One refugee said, ''16 special policemen appeared shooting their automatic weapons in the air. Two families had strayed from the group and the Serbs opened fire, killing every member of both families, except for a 2-year-old boy who had been protected by his mother. She hid the baby in front of her and saved him. I saw this with my own eyes,'' this refugee said, ''maybe 150 feet from me.''

In 1992, Secretary of State Eagleburger publicly identified Mr. Milosevic as a war criminal; 1992, 7 years ago. Mr. Eagleburger is one of the most respected foreign policy thinkers in our country. He said Mr. Milosevic was a war criminal in 1992. What does that mean, to say someone is a war criminal or for our country to allege someone is a war criminal, if we decide to do nothing about it, if an international tribunal exists by which someone can and should be tried but we decide, no, we don't really want to do that in the face of mass executions, in the face of ethnic cleansing? We say we really don't want to do that because we may need to negotiate a settlement to this conflict.

It was a mistake not to go to an international tribunal and convict Saddam Hussein as a war criminal so that forever after he would be branded a war criminal. He is now, many years later, of course, still running Iraq. He does not have the stigma of having been convicted in absentia as a war criminal. He should have. The same, in my judgment, is true of Mr. Milosevic.

To read a paragraph from Mr. Ellis's wonderful piece in the Washington Post, he said:

When I watched the bus loads of new arrivals enter Stenkovec camp, I saw a small girl's face pressed against the window. Her hollow eyes seemed to stare at no one. History was being repeated. In his opening statement at the Nuremberg trials in 1945, U.S. chief prosecutor Robert H. Jackson said, ''The wrongs which we seek to condemn and punish have been so calculated, so malignant, and so devastating that civilization cannot tolerate their being ignored because it cannot survive their being repeated.'' Jackson was expressing the hope that law would somehow redeem the next generation that similar atrocities would never again be allowed. Today, we must hold personally liable those individuals who commit atrocities in the former Yugoslavia. To negotiate with the perpetrators of these crimes not only demeans the suffering of countless civilian victims, it sends a clear signal that justice is expendable, that war crimes can go unpunished. Inevitably, lasting peace will be linked to justice, and justice will depend on accountability. Failing to indict Milosevic in the hope that he can deliver a negotiated settlement makes a mockery of the words ''Never Again.''

I am not an expert in this region. I have been to Yugoslavia, when it was Yugoslavia. I sat at an outdoor restaurant on a beautiful evening and watched wonderful people, just like my neighbors in Regent, ND, just like North Dakotans or Kansans or other folks, and it occurred to me that it was a wonderful country with a lot of wonderful people. Of course, we now know that what has happened as a spark occurs in an area, and Mr. Milosevic follows up the spark with ethnic cleansing, producing a calamity. We see the horrors inflicted on people, in some cases by their previous neighbors, that you would have thought unthinkable. Something is dreadfully wrong when the rest of the world allows a dictator like Mr. Milosevic to inflict ethnic cleansing and the kind of horror he has inflicted on the people of Kosovo.

That is why NATO and the United States have engaged in airstrikes. It is why all of us hope this conflict ends soon and that Kosovars are returned to their homes. Also, Mr. Milosevic, at least from my standpoint, should be brought before an international tribunal and tried even in absentia, if necessary, as a war criminal and convicted as a war criminal to send a signal to the world that this new world order will not allow this to go unpunished.

Mr. President, I yield the floor.

EXHIBIT 1

[From the Washington Post, May 9, 1999]

NON-NEGOTIABLE, WAR CRIMINALS BELONG IN THE DOCK, NOT AT THE TABLE

(By Mark S. Ellis)

Just a few weeks ago, I stood among a sea of 20,000 desperate people on a dirt airfield outside Skopje, Macedonia, listening to one harrowing story after another. I had come to the Stenkovec refugee camp to record those stories and to help set up a system for documenting atrocities in Kosovo.

As I collected their accounts of rape, torture and executions at the hands of Serbian troops, I was struck by the refugees' common yearning for justice. They wanted those responsible for their suffering to be held accountable. Their anger was not only directed at the people they had watched committing such savagery, but at the Political leaders—and Yugoslav President Slobodan Milosevic in particular—who had orchestrated the misery and continue to act with impunity.

The means exist to hold Milosevic and his underlings accountable. In recent weeks, there have been calls from members of Congress for his indictment by the International Criminal Tribunal for the Former Yugoslavia, and Undersecretary of State Thomas Pickering has said that the United States is gathering evidence that could lead to his indictment. And there is plenty of evidence. In the Kosovo town of Djakovica, for example, residents carefully documented the Serbian barbarity for investigators, recording the details of each murder, each rape, each act of violence, before they fled the city. The time has come to act on the testimony of these and other witnesses.

To do so, of course, flies in the face of last week's much-ballyhooed optimism about

reaching a negotiated settlement with Milosevic. However eager the Clinton administration might be to reach a political and diplomatic solution, we should remember that those who have recently suffered under Serbian attacks reject outright the notion that justice must sometimes be forfeited for the sake of diplomatic expediency. During the Bosnian conflict, accountability was sacrificed on the dubious premise that negotiating with someone who is widely regarded as a war criminal is a legitimate exercise in peace-making. We shouldn't make that mistake a second time around. Milosevic's broken promises still echo among the charred ruins and forsaken mass grave sites that defile the landscape of Bonsia.

If Milosevic had been indicted for the mass killings and summary executions that the Bosnian Serbs—with backing from Serbia—are accused of carrying out, would he have acted so brazenly to ''cleanse'' Kosovo of its ethnic Albanians? Nobody knows. At the very least an indictment would probably have deterred him; an apprehension and a trial would have stopped him. But there should be no uncertainty about what occurs when Milosevic is allowed to act unencumbered. The time has come for the international war crimes tribunal to help put an end to that.

Inaugurated by the United Nations on May 25, 1993, and based in The Hague, the Yugoslav war crimes tribunal has, to date, tried just 16 defendants. With a staff of more than 750 and an annual budget of more than $94 million, it has the resources—and the authority—to indict Milosevic. Indeed, failure to indict would reveal the tribunal's impotence in the face of political controversy, and prove that this institution of international law and justice is merely an expensive and irrelevant relic.

How difficult would it be to indict Milosevic? Not difficult at all. Under the tribunal's statute, the office of the prosecutor need only determine ''that a prima facie case exists.'' That's to say that the prosecutor must gather evidence sufficient to prove reasonable grounds that Milosevic committed a single crime under the tribunal's extensive jurisdiction.

With this in mind, the chances of Milosevic being held accountable increase with the arrival of each new group of refugees driven from their homes in Kosovo. Their remarkably consistent testimony is providing crucial information—now being gathered by representatives of the tribunal as well as by human rights organizations—about what has actually taken place in Kosovo. These firsthand accounts are indispensable in building a case against Milosevic—and the refugees I interviewed during the days I was there are willing to testify about what they saw.

But with refugees flooding out of Kosovo and some being relocated in distant countries, the prosecutor's office must ensure that testimony is taken swiftly, legally and professionally. The lack of access to Kosovo by independent journalists and human rights monitors and the extreme instability of refugee life heighten the importance of collecting these accounts while they are still fresh in people's minds. Yet the prosecutor's office was slow to act. A full five weeks went by before the tribunal sent a corps of investigators to the region.

What crimes should the Yugloslav president be indicted for? The tribunal's statute provides jurisdiction over ''serious violations of international humanitarian law'' including both ''crimes against humanity'' and ''genocide,'' the most abhorrent of all. Milosevic should be indicted for both.

Crimes against humanity are defined as ''systematic and widespread'' and directed at any civilian population; they include murder, extermination, imprisonment, rape and deportation. They are distinguished from other acts of communal violence because civilians are victimized according to a systematic plan that usually emanates from the highest levels of government.

In Kosovo, the forced deportation of ethnic Albanians by the Yugoslav army and the Serbian Interior Ministry police force is an obvious manifestation of such crimes. The refugees with whom I spoke described being robbed, beaten, herded together and forced to flee their villages with nothing but the clothes they were wearing. By confiscating all evidence of the ethnic Albanians' identity—passports, birth certificates, employment records, driver's licenses, marriage licenses—the Serbian forces also severed the refugees' links with their communities and land in Kosovo. This attempt to make each ethnic Albanian a non-person is itself a crime against humanity. Emerging evidence of mass killings, summary executions and gang rape lends further credence to the widespread and systematic nature of these crimes.

As to the crime of genocide, the tribunal's statute rests on the 1948 Convention on the Prevention and Punishment of Genocide, which defines genocide as ''acts committed with intent to destroy, in whole or in part, a national, ethnical, racial or religious group.'' Arising as it did from the extermination of the Jews in Nazi Germany, the convention invites comparison with the Holocaust and is intended to prevent such heinous crimes from happening again. This tragedy has not reached that perverse level of brutality but, like the earlier efforts to eliminate an entire people—whether the Jews, the Armenians or the Tutsis—it should be prosecuted as a crime of genocide.

The convention addresses intent, and stipulates that acts designed to eliminate a people—in whole or in part—constitute genocide. Among other acts covered by the convention, crimes of genocide include ''(a) killing members of the group; (b) causing serious bodily or mental harm to members of the group; (c) deliberately inflicting on the group conditions of life calculated to bring about its physical destruction in whole or in part.''

In the former Yugoslavia, acts of genocide have been perpetrated through the abhorrent policy of ethnic cleansing—that is, making areas ethnically homogenous by expelling entire segments of the Kosovar population and destroying the very fabric of a people.

Ethnic cleansing does not require the elimination of all ethnic Albanians; it may target specific elements of the community that make the group—as a group—sustainable. The abduction and execution of the intelligentsia, including public officials, lawyers, doctors and political leaders, for example, is part of a pattern of ethnic cleansing and could constitute genocide, as could targeting a particular segment of the population such as young men. It is clear from the refugees who have been interviewed that these acts are being systematically committed in Kosovo.

An often overlooked but important element of the 1948 convention is that an individual can be indicted not only for committing genocide, but also for conspiring to commit genocide, inciting the public to commit genocide, attempting to commit genocide, or for complicity in genocide. The point is that criminal responsibility extends far beyond those who actually perform the physical acts resulting in genocide. In short, the political architects such as Milosevic are no less responsible than the forces that carry out this butchery. There is no immunity from genocide.

Prosecuting Milosevic will require relying on a legal strategy based on the concept of ''imputed command responsibility.'' Under this theory, Milosevic can be held responsible for crimes committed by his subordinates if he knew or had reason to know that crimes were about to be committed and he failed to take preventive measures or to punish those who had already committed crimes.

Since it is unlikely that Milosevic has allowed documentary evidence to be preserved that would link him to atrocities in Kosovo, the prosecutor's office will have to rely heavily on circumstantial evidence to build its case. This means identifying a consistent ''pattern of conduct'' that links Milosevic to similar illegal acts, to the officers and staff involved, or to the logistics involved in carrying out atrocities. The very fact that atrocities have been so widespread, flagrant, grotesque and similar in nature makes it near certain that Milosevic knew of them; despite his recent protestations to the contrary, it defies logic to suggest that he could be unaware of what his forces are doing.

What will the consequences be if the Yugoslav president is indicted? First, an indictment would send a clear message that the international community will not negotiate or have contact with a war criminal. It is current U.S. policy not to negotiate with indicted war crimes suspects. And so it should be. Milosevic would be stripped of international stature except as a fugitive from justice. This might, in turn, open an avenue for Serbians to once again distance themselves from their leader's regime. Second, an indictment would likely result in an ex parte hearing in which the prosecutor's office could present its case in open court—without Milosevic being there. By establishing a public record of Milosevic's role in the crimes committed, such a hearing would be cathartic for both victims and witnesses, and also for citizens long denied access to the truth. Finally, the tribunal would issue an international arrest warrant making it unlikely that Milosevic would venture outside his country's borders.

When I watched the bus loads of new arrivals enter the Stenkovec camp, I saw a small girl's face pressed against the window. Her hollow eyes seemed to stare at no one. History was being repeated. In his opening statement at the Nuremberg trials in 1945, U.S. chief prosecutor Robert H. Jackson said, ''The wrongs which we seek to condemn and punish have been so calculated, so malignant, and so devastating that civilization cannot tolerate their being ignored, because it cannot survive their being repeated.'' Jackson was expressing the hope that law would somehow redeem the next generation and that similar atrocities would never again be allowed. Today, we must hold personally liable those individuals who commit atrocities in the former Yugoslavia. To negotiate with the perpetrators of these crimes not only demeans the suffering of countless civilian victims, it sends a clear message that justice is expendable, that war crimes can go unpunished. Inevitably, lasting peace will be linked to justice, and justice will depend on accountability. Failing to indict Milosevic in the hope that he can deliver a negotiated settlement makes a mockery of the words ''Never Again.''

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Wyoming is recognized.

Mr. THOMAS. Mr. President, I ask unanimous consent to speak for 15 minutes.

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

## RURAL HEALTH CARE

Mr. THOMAS. Mr. President, I wanted to come in this morning when we had a break in regular business to talk about something that is very important to me and to Wyoming. As a matter of fact, it is also important in States such as Kansas. I am speaking about promoting health in rural areas.

I am joining with several colleagues in introducing a bill promoting health in rural areas, a bill designed to increase access to quality health care services in rural areas. Rural health care has been a priority of mine since I have been in the House and Senate. As cochair of the Rural Health Care Caucus, I am pleased that health care in rural areas is an issue that we can address in a bipartisan way.

So I am very pleased to work with colleagues, including the Presiding Officer, Senator ROBERTS; Senator GRASSLEY; Senator HARKIN; Senator BAUCUS; Senator DASCHLE; Senator CONRAD, and Senator COLLINS, to craft this bill. It is always a pleasure to work with people who have similar issues, and certainly we do in rural areas.

This bill provides some incentives, regulatory relief and Medicare payment equity, needed to ensure rural families have access to quality health care, the kind of health care that they deserve. Those of us who come from low-population areas have unique problems. We talk about education, we talk about schools, and we talk about the delivery of health care. Quite frankly, it is different in Greybull, WY, than it is in Philadelphia. So when we have national programs such as Medicare, it is important that we recognize some of the problems that exist in rural areas are unique and, indeed, need to be dealt with differently—problems such as the lack of physicians and health care providers in rural areas, and the idea that Medicare reimbursement has actually been unfair and unequal and not uniform throughout the country.

I recall last year when we were talking about Medicare payments to HMOs, the payments that were available in some places in the east were $700 a month. In the Midwest, it was $250 a month under the same kind of program. So there is some unfairness there. Certainly, we have experienced limited access to mental health. I think this is particularly true for young people. In rural areas, you simply don't have the kinds of rural health care access that is necessary and should be provided.

One of the techniques that will be used increasingly, I am sure, in rural health care is telemedicine, where you can go from a family practitioner to a specialty on telemedicine and get at least many of the same quality kinds of health care advantages.

Many of these problems were explored last summer when we held a forum in Casper, WY. We brought in people interested in health care, not only providers and patients but others. Many ideas were talked about there, such as how we can strengthen health care in Wyoming. We came up with a consensus in a number of these areas, and this bill contains many of those recommendations. I am pleased about that.

Here are some of the solutions. One of the things we discovered in our health care seminar is that in big cities you have all the different kinds of specialists and different techniques for health care, but you don't have them in small towns. So it is necessary, then, to have a network so you can tie it in. Small towns aren't often able to have a fully qualified hospital that will receive payments for Medicare from HCFA. So we had to arrange to have what we call ''acute care hospitals'' that can provide a lesser but equally important service, so that people could have emergency care, for example, and then be transported to another place, or the full service hospital. So you need a network there.

We need assistance in recruiting physicians, as you can imagine. It is difficult sometimes to bring in doctors—particularly specialists—to low-population areas. So these are some of the problems that we talked about.

This bill ensures rural health care representation on the Medicare Payment Advisory Commission. There is an advisory commission that has oversight responsibilities, and there is no assurance that there would be anyone there with a background and experience in a rural area. These are the things we have done. Specifically, it increases the reimbursement rates for hospitals and clinics.

Medicare reimbursement rates have been unfair and inadequate. Health care costs have been undervalued. You should receive the same kind of value care there as somewhere else. The cost of living is somewhat less, perhaps, but not to the extent that the payments have been made different.

We think one of the results of that, of course, is the difficulty to get providers to come there. Their reimbursement is less than it is in Florida or other places for doing the same thing. So we revised the rates.

The bill increases payments to sole community hospitals and, of course, that is what we have. My first recollection in talking about this is when the Presiding Officer was in the House and we talked in Kansas about having a special program for small town hospitals, and that happened and has worked well. Recruiting and maintaining providers, of course, is a problem. In Wyoming, we have 22 underserved areas. That means there is less than one primary care physician for every 3,500 people living in those areas. It is also appropriate, of course, to advocate for other professionals, such as nurse practitioners and physician assistants. In many areas, those are the types of professionals that will be in small towns.

Telemedicine, of course, can be the salvation of rural America, and it is moving quickly.

This bill expands the number of telemedicine services reimbursed by Medicare, which will be very useful in establishing a well-coordinated network of physicians, midlevel practitioners, hospitals and clinics. This is especially important if you have a nurse practitioner or physician assistant, for instance, in a small town and they need advice from a specialist. They can do that using telemedicine.

Mental health. As you can imagine, access to mental health care is quite limited in rural areas. So this bill expands and ensures coverage by Medicare for mental health types of things. I mentioned the MEDPAC. Two years ago, Congress established the Medical Payment Advisory Commission, designed to make policy recommendations in part A and part B of Medicare. Unfortunately, on the current 15-member board, only one member is from a rural area. This bill requires that at least two be on the board to give adequate input.

In conclusion, I am very pleased with this bill to promote better health care in rural areas. It provides assistance to many rural communities that have trouble getting the quality health care that people receive in bigger cities. This is designed to do that. It is possible that we can debate it this year. The Rural Health Care Caucus will be working, and perhaps it will be part of a broader health care effort. This is a good start, and I am pleased to be a part of it.

## ACCIDENTAL BOMBING OF THE CHINESE EMBASSY IN BELGRADE

Mr. THOMAS. Mr. President, as chairman of the Subcommittee on the East Asia and Pacific Affairs, I have been very much interested in the unfortunate bombing of the Chinese embassy in Belgrade over the weekend.

Clearly, in my opinion, this was a tragic mistake. It has been suggested by some that it was done on purpose. I don't believe that. I think it was a mistake—one for which there is no excuse. It boggles the mind to think that someone could make such a mistake. It is my hope that the matter will be thoroughly investigated and that a proper explanation will be made.

It was a mistake for which both the President and the Secretary of State have apologized to People's Republic of China. I add my apology to theirs. There is no minimizing this unfortunate accident. But I also must say to the Chinese that it would be a mistake to inflame the situation, and to fail to adequately protect our embassies and our consulates in China.

The Government there has apparently organized busloads of students to travel to the Embassy in Beijing. By the way, I was there not long ago. This is one of the least protected embassies in our system. It is very old, and it is not satisfactory from a safety standpoint.

While public security officials in Beijing apparently prevent their citizens from storming the Embassy, they do nothing to prevent the throwing of stones and Molotov cocktails, and people have damaged the Embassy.

Our consulate in Chungdu was partially destroyed by fire. The Government has allowed citizens to effectively hold the Ambassador hostage in our Embassy for the past 3 days. The Chinese press has failed to mention, purposefully I suspect, that we and NATO have apologized for the bombing, nor has the media noted that the bombing was accidental rather than premeditated.

We have had and continue to have a strategic relationship with the People's Republic of China. Certainly we have not agreed on many things. Certainly we have been critical of many things. On the other hand, that relationship has grown over the last several years. China has changed substantially. We have a great number of things going on between our countries. Almost everyone would agree that, assuming we could get over the main obstacles, a relationship between that large country with 1.2 billion people and our country is something that is jointly advantageous. We have an economic relationship. We are working on and I think have been coming rather close to, an agreement on the World Trade Organization, which I favor. I think we would be much better off dealing with China within the WTO rather than having to do it unilaterally. If we are going to be in the world community, then these are things which I think are particularly important.

I suspect that some Chinese are using this incident as a way of responding to some of the criticisms of them and their practices that we have had over time. We have had it on espionage; we have had it on human rights, and properly so, I suspect. But they are using this, in my view, as a means of responding to some of the criticisms we have had.

I think it would be a mistake if we let this unfortunate incident interfere with the opportunity to have a stronger relationship. I think it would be a mistake if we let this be an opportunity for Milosevic to begin to do something with his image and come out with a better deal than he deserves. I hope that doesn't happen. We both have—a great deal at risk.

Mr. President, I hope, despite all the problems, that we can solve this. I think it would be wrong for either side to use this bombing and subsequent reaction of Chinese citizens to poison the bilateral relationship which we have an opportunity to develop in the future. As we know, there is a great deal at stake in all of our relationships throughout the world.

Mr. President, I thank you for the time.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTS. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered.

## MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

### EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Foreign Relations.

(The nominations received today are printed at the end of the Senate proceedings.)

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated on Thursday, May 6, 1999:

EC–2914. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''National Emission Standards For Hazardous Air Pollutants for Source Categories: Organic Hazardous Air Pollutants from the Synthetic Organic Chemical Manufacturing Industry and Other Processes Subject to the Negotiated Regulation for Equipment Leaks: Technical Amendment'' (FRL #63303), received on April 21, 1999; to the Committee on Environment and Public Works.

EC–2915. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Colorado; Removal and Replacement of Transportation Control Measure, Colorado Springs Element, Carbon Monoxide Section of the State Implementation Plan'' (FRL #6319-7), received on April 19, 1999; to the Committee on Environment and Public Works.

EC–2916. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Acquisition Regulation: Contractor Performance Evaluations'' (FRL #6319-3), received on April 19, 1999; to the Committee on Environment and Public Works.

EC–2917. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, a report entitled ''Environmental Protection Agency Interim Guidance on Mercury''; to the Committee on Environment and Public Works.

EC–2918. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision; Sacramento Metropolitan Air Quality Management District (SMAQMD), Mojave Desert Air Quality Management District (MDAQMD), and the Ventura County Air Pollution Control District (VCAPCD) as Revisions to the California State Implementation Plan (SIP)'' (FRL #6324-8), received on April 14, 1999; to the Committee on Environment and Public Works.

EC–2919. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled ''Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; Approval of VOC RATC Determinations of Individual Sources'' (FRL #6323–6) and ''Authorization to Implement Section 111 and 112 Standards; State of Connecticut'' (FRL #6325–3), received on April 14, 1999; to the Committee on Environment and Public Works.

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated on Monday, May 10, 1999:

EC–2920. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality State Implementation Plans (SIP); Texas: Motor Vehicle Inspection and Maintenance (I/M) Program'' (FRL #6324-2), received on April 12, 1999; to the Committee on Environment and Public Works.

EC–2921. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; District of Columbia; Withdrawal of Final Rule'' (FRL #6323-5), received on April 9, 1999; to the Committee on Environment and Public Works.

EC–2922. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Colorado; Removal and Replacement of Transportation Control Measure, Colorado Springs Element, Carbon Monoxide Section of the State Implementation Plan'' (FRL #6319–7), received on April 2, 1999; to the Committee on Environment and Public Works.

EC–2923. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval of State Operating Permit Rule Revision: New Jersey'' (FRL #6333–8), received on April 27, 1999; to the Committee on Environment and Public Works.

EC–2924. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled ''Land Disposal Restrictions Phase IV: Treatment Standards for Wood Preserving Wastes, Final Rule; and Land Disposal Restrictions Phase IV; Treatment for Metal Wastes, Final Rule; and Zinc Micronutrient Fertilizers, Final Rule; and Carbamate Treatment Standards, Final Rule; and K088 Treatment Standards, Final Rule'' (FRL #6335–7 and ''Uniform National Discharge Standards for Vessels of the Armed Forces'' (FRL #6335–5), received on April 29, 1999; to the Committee on Environment and Public Works.

EC–2925. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled ''Protection of Stratospheric Ozone: Listing of Substitutes for Ozone-Depleting Substances'' (FRL #6332–3) and ''Revised Allotment Formulas for Interstate Monies Appropriated under Section 106 of the Clean Water Act'' (FRL #6332–1), received on April 26, 1999; to the Committee on Environment and Public Works.

EC–2926. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of three rules entitled ''Approval and Promulgation of Implementation Plans for Arizona and California; General Conformity Rules'' (FRL #6233–1), ''National Emission Standards for Hazardous Air Pollutants Phosphoric Acid Manufacturing and Phosphate Fertilizer Production'' (FRL #6329–5) and ''Notice of Availability of Grants and Selection Criteria for PrintSTEP Pilots (FRL #6066–8), received on April 16, 1999; to the Committee on Environment and Public Works.

EC–2927. A communication from the Director, Office of Regulatory Management and Information, Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of five rules entitled ''Approval and Promulgation of Air Quality Implementation Plans: State of Delaware; Withdrawal of Final Rule for Transportation Conformity'' (FRL #6325–2), ''Approval and Promulgation of Implementation Plans Tennessee: Approval of Revisions to the Memphis Ozone Maintenance Plan'' (FRL #6326–9, ''Approval and Promulgation of Implementation Plans; New Jersey 15 Percent Rate of Progress Plans, Recalculation of 9 Percent Rate of Progress Plans and 1999 Transportation Conformity Budget Revisions'' (FRL #6328–8), ''Approval and Promulgation of Maintenance Plan Revisions; Ohio'' (FRL #6328–6) and ''Recission of the Conditional Section 182(f) Exemption to the Nitrogen Oxides (N)x) Control Requirements for the Dallas/Fort Worth Ozone Nonattainment Area; Texas'' (FRL #6329–2), received on April 15, 1999; to the Committee on Environment and Public Works.

EC–2928. A communication from the Director, Office of Regulatory Management and Information, Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of five rules entitled ''Approval and Promulgation of Air Quality Implementation Plans: Virginia; Reasonably Available Control Technology for Major Sources for Nitrogen Oxides'' (FRL #6318–5), ''Approval of the Clean Air Act Section 112(1), Delegation of Authority to Puget Sound Air Pollution Control Agency in Washington, Amendment'' (FRL #6326–2), ''Approval and Promulgation of State Plans for Designated facilities and Pollutants: Kentucky'' (FRL #6326–1), ''Hazardous Air Pollutants: Amendment to Regulations Governing Equivalent Emission Limitations by Permit'' (FRL #6326–4) and ''Revisions To Reference Method for the Determination of Fine Particulate Matter as PM2.5 in the Atmosphere'' (FRL #6326–5), received on April 13, 1999; to the Committee on Environment and Public Works.

EC–2929. A communication from the Director, Office of Regulatory Management and Information, Policy, Planning and Evaluation, United States Environmental Protection Agency, transmitting, pursuant to law, the report of two rules entitled ''Incorporate Solicitation Notice for Agency Protests'' (FRL #6070–6) and ''Texas; Final Full Program Adequacy Determination of State Municipal Waste Program'' (FRL #6319–5), received on March 31, 1999; to the Committee on Environment and Public Works.

EC–2930. A communication from the Acting Assistant Administrator, Office of Prevention, Pesticides, and Toxic Substances, United States Environmental Protection Agency, transmitting a report relative to the 1996 Toxics Release Inventory Public Data Release; to the Committee on Environment and Public Works.

EC–2931. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, a report entitled ''Wastes from the Combustion of Fossil Fuels''; to the Committee on Environment and Public Works.

EC–2932. A communication from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation entitled ''Harbor Services Fund Act of 1999''; to the Committee on Environment and Public Works.

EC–2933. A communication from the Deputy Administrator, U.S. General Services Administration, transmitting, pursuant to law, a report entitled ''Report of Building Project Survey for American Samoa''; to the Committee on Environment and Public Works.

EC–2934. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, the report of a rule entitled ''Danger Zone, Chesapeake Bay, Point Lookout to Cedar Point, Maryland,'' received April 1, 1999; to the Committee on Environment and Public Works.

EC–2935. A communication from the Deputy Administrator, U.S. General Services Administration, transmitting, pursuant to law, a report relative to the Federal Campus, Oklahoma City, Oklahoma; to the Committee on Environment and Public Works.

EC–2936. A communication from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Codes and Standards: IEEE National Consensus Standard'' (RIN3150-AF96), received April 22, 1999; to the Committee on Environment and Public Works.

EC–2937. A communication from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Final Rule-Requirements for Initial Operator Licensing Examinations'' (RIN3150-AF62), received April 26, 1999; to the Committee on Environment and Public Works.

EC–2938. A communication from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Frequency of Reviews and Audits for Emergency Preparedness Programs, Safeguards Contingency Plans, and Security Programs for Nuclear Power Reactors'' (RIN3150-AF63), received April 6, 1999; to the Committee on Environment and Public Works.

EC–2939. A communication from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Conformance to National Policies for Access to and Protection of Classified Information'' (RIN3150-AF97), received April 6, 1999; to the Committee on Environment and Public Works.

EC–2940. A communication from the Director, Office of Congressional Affairs, Office of Nuclear Reactor Regulation, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Radiological Criteria for License Termination of Uranium Recovery Facilities'' (RIN3150-AD65), received April 12, 1999; to the Committee on Environment and Public Works.

EC–2941. A communication from the Director, Office of Protected Resources, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Species: Threatened Status for Three Chinook Salmon Evolutionarily Significant Units (ESUs) in Washington and Oregon, and Endangered Status for One Chinook Salmon ESU in Washington'' (AM54), received April 1, 1999; to the Committee on Environment and Public Works.

EC–2942. A communication from the Director, Office of Protected Resources, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Species: Threatened Status for Two ESUs of Chum in Washington and Oregon'' (AK53), received April 1, 1999; to the Committee on Environment and Public Works.

EC–2943. A communication from the Director, Office of Protected Resources, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Species:

Threatened Status for Two ESUs of Steelhead in Washington and Oregon'' (AK54), received April 1, 1999; to the Committee on Environment and Public Works.

EC–2944. A communication from the Director, Office of Protected Resources, National Marine Fisheries Service, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Species: Threatened Status for Ozette Lake Sockeye Salmon in Washington'' (AK52), received April 1, 1999; to the Committee on Environment and Public Works.

EC–2945. A communication from the Director, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Emergency Rule to List the Sierra Nevada Distinct Population Segment of the California Bighorn Sheep as Endangered'' (RIN1018-AF59), received April 19, 1999; to the Committee on Environment and Public Works.

EC–2946. A communication from the Director, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Determination of Threatened Status for Jarbidge River Population Segment of Bull Trout with a Special Rule'' (RIN1018-AB94), received April 19, 1999; to the Committee on Environment and Public Works.

EC–2947. A communication from the Assistant Secretary, for Fish and Wildlife and Parks, Office of Law Enforcement, U.S. Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Importation, Exportation, and Transportation of Wildlife (User Fee Exemptions for Qualified fur trappers)'' (RIN1018-AE08), received April 22, 1999; to the Committee on Environment and Public Works.

EC–2948. A communication from the Nuclear Regulatory Commission, transmitting, pursuant to law, the report on the denial of safeguards information for the period January 1, 1999 to March 31, 1999; to the Committee on Environment and Public Works.

EC–2949. A communication from the Acting Assistant Secretary for Environmental Management, Department of Energy, transmitting, pursuant to law, a report entitled ''Remediation Plans for the Radioactive Waste Management Complex at the Idaho National Engineering and Environmental Laboratory'', dated April, 1999; to the Committee on Armed Services.

EC–2950. A communication from the Director, Office of Congressional Affairs, Office of Nuclear Material Safety and Safeguards, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled ''Elimination of Reporting Requirement and 30-day Hold in Loading Spent Fuel after Preoperational Testing or Independent Spent Fuel or Monitored Retrievable Storage Installations'' (RIN3150-AG02), received April 19, 1999; to the Committee on Environment and Public Works.

EC–2951. A communication from the Chief Counsel, Financial Crimes Enforcement Network, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''FinCEN Advisory: Enhanced Scrutiny for Transactions Involving Antigua and Barbuda'' (Advisory: Issue 11), received April 21, 1999; to the Committee on Banking, Housing, and Urban Affairs.

EC–2952. A communication from the Assistant Attorney General for Administration, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Exemption of the System of Records Under the Privacy Act'', received April 26, 1999; to the Committee on Governmental Affairs.

EC–2953. A communication from the Director, U.S. Trade and Development Agency, transmitting, pursuant to law, the annual report for fiscal year 1998; to the Committee on Governmental Affairs.

EC–2954. A communication from the Federal Register Certifying Officer, Financial Management Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Transfer of Debts to Treasury for Collection'' (RIN1510-AA68), received April 20, 1999; to the Committee on Finance.

EC–2955. A communication from the Federal Register Certifying Officer, Financial Management Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled ''Federal Government Participation in the Automated Clearing House'' (RIN1510-AA39), received April 7, 1999; to the Committee on Finance.

EC–2956. A communication from the President and Chief Executive Officer, Overseas Private Investment Corporation, transmitting, pursuant to law, the annual report on ''Host Country Development and U.S. Effects'' for fiscal year 1998; to the Committee on Foreign Relations.

EC–2957. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, a report relative to Nonproliferation and Disarmament Fund activities; to the Committee on Foreign Relations.

EC–2958. A communication from the Chairman, Federal Mine Safety and Health Review Commission, transmitting, pursuant to law, the annual performance plan for fiscal year 2000; to the Committee on Health, Education, Labor, and Pensions.

EC–2959. A communication from the Attorney General, transmitting, pursuant to law, a report relative to the Foreign Intelligence Surveillance Act of 1978; to the Committee on the Judiciary.

EC–2960. A communication from the Secretary of Energy, transmitting, pursuant to law, a report relative to the Department's hydrogen program; to the Committee on Energy and Natural Resources.

EC–2961. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to the violence in Indonesia during the May 1998 riots; to the Committee on Appropriations.

EC–2962. A communication from the Acting Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting, pursuant to law, the report of a rule entitled ''Contracting Officer's Technical Representative (COTR) Training,'' received on April 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–2963. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the Cumulative Report on Rescissions and Referrals, dated April 1, 1999; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986; to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Energy and Natural Resources, to the Committee on Environment and Public Works and to the Committee on Foreign Relations.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. DASCHLE:

S. 992. A bill to provide technical amendments related to the Vaccine Injury Compensation Trust Fund; to the Committee on Finance.

By Mr. BIDEN:

S. 993. A bill to prevent juvenile crime, provide for certain punishment of juvenile delinquents, and incapacitate violent juvenile criminals, and for other purposes; to the Committee on the Judiciary.

By Mr. ASHCROFT:

S. 994. A bill entitled the ''Juvenile Misuse of Firearms Prevention Act''; to the Committee on the Judiciary.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. MCCAIN (for himself and Mr. SMITH of Oregon):

S. Con. Res. 31. A concurrent resolution celebrating the 50th anniversary of the Geneva Conventions of 1949 and recognizing the humanitarian safeguards these treaties provide in times of armed conflict; to the Committee on the Judiciary.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BIDEN:

S. 993. A bill to prevent juvenile crime, provide for certain punishment of juvenile delinquents, and incapacitate violent juvenile criminals, and for other purposes; to the Committee on the Judiciary.

THE JUVENILE JUSTICE AND DELINQUENCY PREVENTION ACT OF 1999

Mr. BIDEN. Mr. President, I rise to introduce legislation on a subject that we will be spending a great deal of time talking about on the floor this week—youth violence. At the outset, I would like to make clear that this bill is not a comprehensive one that addresses every aspect of this complex area. Other of my colleagues already have introduced legislation broadly addressing these issues with many good ideas that I support.

My bill today recognizes the need to get tough on juvenile crime and violence. But this bill goes farther. It also recognizes that the best thing the Federal Government can do in dealing with youth crime and violence is to focus on prevention. In other words, it ensures that what we do about juvenile crime and youth violence is a balanced approach. My colleagues and I have heard over and over again from law enforcement, prosecutors, and juvenile judges alike that the best way to deal on the front lines with juveniles who are committing or are at risk of committing crimes is to implement prevention as well as sanctions.

What the Federal Government does best in the area of fighting crime—and the significant drop in crime as a result of the 1994 crime bill is proof of

this—is for it to provide local law enforcement, prosecutors, juvenile courts, schools, and community-based organizations funds for them to develop creative, comprehensive strategies on juvenile crime that are tailored for their community. It is important to hold kids accountable when they commit crimes. But it is equally—if not more—important to keep kids out of trouble, to keep kids out of the juvenile justice system in the first place.

Before I get to the specifics of what my bill does, I want to highlight the importance of early prevention in curbing youth violence.

To put the youth violence problem in some context, I would like to begin by outlining the specific—and different—challenges we are facing when we discuss ''youth violence.'' Distinguishing among these different problems is important because each demands a different response.

To be specific—we are really facing three separate issues when we confront youth violence:

First, we have some number of children who are tragic cases—so violent that we really have no choice but to get them behind bars and keep them there, for a long time.

Second, we have kids who have already started down the crime path. They aren't committing violent crimes, but they are clearly getting into trouble. And, while the evidence is that most will never go on to commit violent crimes, it is clear that we have to reach these kids and turn them around.

Unlike the first category where public safety requires very severe, very long sentences, the key strategy for turning this second category of kids around appears to be certain, graduated punishments, as well as anything we can do which lessen the factors which may be pushing them deeper into the crime stream—keeping them away from drugs, away from guns and out of gangs.

Third, we have a category of children in what the demographers call the ''baby-boomerang.'' In a report I offered in December of 1995, I detailed what inevitably lies ahead—39 million children now younger than age 10. Each of these 39 million children—the children of the baby-boomers—stand on the edge of their teen years, exactly those years when they are most at-risk of turning to drugs and crime.

The implications of this demographic inevitability—even if we do everything right, and the rate at which kids commit crimes does not rise at all, we will have a 20% increase in juvenile murders by 2005, which will mean an increase in the overall murder toll of about 5%.

Clearly, most of these 39 million will never turn to drugs and crime. But, equally clear, we have a rising number of at-risk children—at-risk of turning to drugs, at-risk of being the victim of violence, and at-risk of turning to crime.

For this third category—the rising number of at-risk children—I believe we have to incorporate prevention as a key part of our strategy to combat youth crime and violence.

These three categories—lost, violent kids; kids just falling into the crime stream; and at-risk kids who may be nearing the edge of the crime stream—outline the targets of, and basic strategies for, a successful effort against youth violence.

As we begin to debate strategies for addressing youth violence, let's get at least some idea of the size, the magnitude, of each of these three segments of the youth violence question.

Starting in reverse order—with the third category of at-risk kids. Of course, all 39 million children in the ''baby-boomerang'' will not fall into this at-risk category. But, equally clear, that number of at-risk children will be at least a few million.

For the other two categories, the facts are that there are relatively few children in the ''lost'' category and while a significant number are in the ''falling into the crime stream'' category—both categories are much smaller than the few million in the ''at-risk'' category.

The facts for the youngest juveniles: In 1994, 379 juveniles younger than 15 years old were arrested for murder, 39,000 were arrested for a violent crime but more than 260,000 were arrested for a non-violent property crime.

For older teens, the pattern holds: 2,700 juveniles aged 15 to 17 were arrested for murder, 86,000 were arrested for a violent crime, but more than 350,000 were arrested for a non-violent property crime.

In sum: About 3,000 kids were arrested for murder—clearly ''lost'' children;

Another 115,000 kids were arrested for a violent crime—all are not irretrievable, but plainly all must be subject to serious punishment;

About 600,000 kids were arrested for a non-violent property crime—not lost to us yet, but clearly falling deeper into the crime stream; and

At least a few million children are in the at-risk category.

It is my hope that throughout the debate on youth violence that we will not lose sight of these fundamental facts about what we are talking about when we say ''Let's do something about youth violence.'' I believe that is the goal we all share, so let's be smart. Let's keep our eye on the ball.

In short, just as it would be foolish to spend all our efforts and money on the millions of at-risk kids and do nothing about the lost, violent kids—it would be equally foolish to spend all our efforts and money on the lost, violent kids and ignore the millions of at-risk kids.

Local officials throughout the country have looked at the facts, they have been smart, they have used their resources from the 1994 crime law—and guess what: adult violent crime has plummeted. We now have the lowest murder rate since 1971. That says one thing—if we are smart, we can make a difference on a problem everyone thought was unsolvable: violent crime. We ought to be able to do the same when that violent crime is committed by children.

We even have real world, working models of how to do so. Look to the experience in Boston—an experience that the judiciary committee recently heard about again in a hearing on juveniles and guns. In Boston, a combination of tough enforcement, cracking down on illegal gun dealers, focusing the forces of police, prosecutors and probation officers, and comprehensive community-based prevention efforts have slashed youth violence.

I have outlined the three basis elements of the youth violence problem. So let me turn to the specifics of what I believe we must do to address each of these three basic elements.

Tough punishment of the first group of kids—the ''Almost lost, already violent kids''—is necessary—for public safety purposes we really must look first to incapacitate very violent criminals, just getting them off the streets.

For the second group of kids—the ''just getting into trouble kids''—we must provide certain, graduated sanctions—so that instead of our current system of not punishing a kid until he has 10, 15 or 20 arrests, we give the kid at least some sanction from the very first offense.

And finally, for the third group—the ''baby bomberang kids''—who are not getting in trouble yet but are ''at-risk'', we must target the factors which push kids into—or deeper into—the crime stream:

Getting kids off drugs and alcohol through drug testing and follow-up with supervision and treatment;

Keeping kids out of gangs; and

Cracking down on the flow of guns to kids.

We must also keep as many at-risks kids as possible from turning to drugs and crime in the first place—in most practical terms, this means keeping kids busy and supervised during the 3:00 to dinnertime hours.

Those 3 hours represent about 12% of the day, about 20% of the hours when kids are awake—but at least 40% of juvenile crime occurs during those hours.

Here is what the bill I am introducing today would do:

It creates a block grant for use by States and local governments to develop strategies that are aimed at all three of the categories of kids I just described. That block grant does the following:

First, it gives resources to States and local governments to develop more effective ways to investigate, prosecute, and punish those kids in the first group I described, who are already committing violent crimes.

Second, it gives resources to States and local governments to develop more effective ways to ensure accountability through graduated sanctions and other means, and to address risk factors such as drug and alcohol abuse, truancy, or involvement with gangs.

And third, it gives resources to States and local governments to develop programs targeted for at-risk kids for prevention—to keep these kids out of trouble, out of the juvenile crime system, and diverted from going down the path to becoming a career criminal.

To do these three things, my bill authorizes $450 million. Of that amount—

25 percent—$112.5 million—must be spent on prevention and drug and alcohol treatment.

25 percent—$112.5 million—must be spent on prosecutors and courts.

The rest—$250 million—can be spent on a variety of uses, including graduated sanctions and prisons.

My bill also separately authorizes $50 million to hire, train, and fund programs run by prosecutors. We have heard over and over again that prosecutors, who are on the front lines in dealing with juvenile offenders, across the country are developing innovative, comprehensive approaches to juvenile crime that are resulting in significant drops in the juvenile crime rate.

For example, in Jacksonville, Florida, the state prosecutor there has developed a multi-tiered approach. Those programs provide schooling and counseling, they intervene with first time juvenile offenders to divert them from the system, they provide prevention programs for at-risk kids that include mentoring and talking to judges and kids already in jail, and they fight truancy.

It contains a ban on gun ownership by persons who, before their 18th birthday, adults who have been adjudicated to have committed a serious drug offense or violent felony. This provision, popularly known as ''Juvenile Brady'', is an important step towards keeping guns out of the hands of criminals. Violent juveniles who commit serious crimes should be stopped—early—from getting access to weapons to commit such crimes as adults.

Extending the Violent Crime Trust Fund to 2002. The Violent Crime Trust Fund—created in the 1994 crime bill—has been the key to our successful fight against crime over the past few years. It has been the vehicle for providing billions of dollars to State and local governments to implement a variety of law enforcement and crime-fighting—from the Cops Program to the Violence Against Women Act to youth violence initiatives. The Violent Crime Trust Fund is due to expire in fiscal year 2000—my bill extends it to 2002. Without the trust fund, we will fail in the future to replicate and to surpass our past successes in combating crime, including juvenile crime, in the future.

We must renew our efforts to save our Nation, our communities and our children from crime and violence. We must begin by ensuring that our children are safe—safe from both the temptation of crime and safe from those who commit crime and horrific acts of violence.

We must protect our children through meaningful prevention and intervention programs, a crackdown on drugs and the violence that accompanies them, and we must insure that meaningful, appropriate and swift punishment is imposed on all juvenile offenders. I believe that the bill I introduce today, while not a comprehensive answer to every part of the juvenile crime problem, will go far in addressing one of its key components—prevention.

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

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

S. 993

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

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Juvenile Justice and Delinquency Prevention Act of 1999''.

**SEC. 2. BLOCK GRANT PROGRAM.**

(a) IN GENERAL.—Part R of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.) is amended to read as follows:

**''PART R—JUVENILE ACCOUNTABILITY BLOCK GRANTS**

**''SEC. 1801. PROGRAM AUTHORIZED.**

''(a) IN GENERAL.—The Attorney General shall make, subject to the availability of appropriations, grants to States for use by States and units of local government in planning, establishing, operating, coordinating, and evaluating projects, directly or through grants and contracts with public and private agencies, for the development of more effective investigation, prosecution, and punishment (including the imposition of graduated sanctions) of crimes or acts of delinquency committed by juveniles, programs to improve the administration of justice for and ensure accountability by juvenile offenders, and programs to reduce the risk factors (such as truancy, drug or alcohol use, and gang involvement) associated with juvenile crime or delinquency.

''(b) USE OF GRANTS.—

''(1) IN GENERAL.—Subject to paragraph (2), grants under this section shall be used by States and units of local government for the following purposes:

''(A) Programs to enhance the identification, investigation, prosecution, and punishment of juvenile offenders, such as—

''(i) the utilization of graduated sanctions;

''(ii) the utilization of short-term confinement of juvenile offenders;

''(iii) the incarceration of violent juvenile offenders for extended periods of time;

''(iv) the hiring of juvenile prosecutors, juvenile public defenders, juvenile judges, juvenile probation officers, and juvenile correctional officers to implement policies to control juvenile crime and ensure accountability of juvenile offenders; and

''(v) the development and implementation of a coordinated, multiagency system for—

''(I) the comprehensive and coordinated booking, identification, and assessment of juveniles arrested or detained by law enforcement agencies, including the utilization of multiagency facilities such as juvenile assessment centers; and

''(II) the coordinated delivery of support services for juveniles who have had or are at risk for contact with the juvenile or criminal systems, including utilization of court-established local service delivery councils.

''(B) Programs that require juvenile offenders to make restitution to the victims of offenses committed by those juvenile offenders.

''(C) Programs that require juvenile offenders to attend and successfully complete school or vocational training as part of a sentence imposed by a court.

''(D) Programs that require juvenile offenders who are parents to demonstrate parental responsibility by working and paying child support.

''(E) Programs that seek to curb or punish truancy.

''(F) Programs designed to collect, record, retain, and disseminate information useful in the identification, prosecution, and sentencing of juvenile offenders, such as criminal history information, fingerprints, DNA tests, and ballistics tests.

''(G) The development and implementation of coordinated multijurisdictional or multiagency programs for the identification, control, supervision, prevention, investigation, and treatment of the most serious juvenile offenses and offenders, popularly known as a 'SHOCAP Program' (Serious Habitual Offenders Comprehensive Action Program).

''(H) The development and implementation of coordinated multijurisdictional or multiagency programs for the identification, control, supervision, prevention, investigation, and disruption of youth gangs.

''(I) The construction or remodeling of short- and long-term facilities for juvenile offenders.

''(J) The development and implementation of technology, equipment, and training programs for juvenile crime control, for law enforcement officers, judges, prosecutors, probation officers, and other court personnel who are employed by State and local governments, in furtherance of the purposes identified in this section.

''(K) Programs to seek to target, curb, and punish adults who knowingly and intentionally use a juvenile during the commission or attempted commission of a crime, including programs that specifically provide for additional punishments or sentence enhancements for adults who knowingly and intentionally use a juvenile during the commission or attempted commission of a crime.

''(L)(i) Hiring additional juvenile judges, probation officers, and court-appointed defenders, and funding pretrial services for juveniles, to ensure the smooth and expeditious administration of the juvenile justice system.

''(ii) Hiring additional prosecutors, so that more cases involving violent juvenile offenders can be prosecuted and backlogs reduced.

''(iii) Providing funding to enable prosecutors to address drug, gang, and youth violence problems more effectively.

''(iv) Providing funding for technology, equipment, and training to assist prosecutors in identifying and expediting the prosecution of violent juvenile offenders.

''(v) Providing funding to enable juvenile courts and juvenile probation offices to be more effective and efficient in holding juvenile offenders accountable and reducing recidivism.

''(vi) The establishment of court-based juvenile justice programs that target young firearms offenders through the establishment of juvenile gun courts for the adjudication and prosecution of juvenile firearms offenders.

''(vii) The establishment of drug court programs for juveniles so as to provide continuing judicial supervision over juvenile offenders with substance abuse problems and to provide the integrated administration of other sanctions and services.

''(M) Juvenile prevention programs (such as curfews, youth organizations, antidrug programs, antigang programs, and after-school activities) that include a rigorous, comprehensive evaluation component that measures the decrease in risk factors associated with the juvenile crime and delinquency and employs scientifically valid standards and methodologies.

''(N) Juvenile drug treatment programs.

''(2) ALLOCATION.—Of the total amount made available to a State or unit of local government under this section for a fiscal year—

''(A) not less than 25 percent shall be used for the purposes set forth in subparagraphs (A) through (I) of paragraph (1);

''(B) not less than 25 percent shall be used for the purposes set forth in subparagraphs (J) and (L) of paragraph (1); and

''(C) not less than 25 percent shall be used for the purposes set forth in subparagraphs (M) and (N) of paragraph (1).

''(c) ALLOCATION AND DISTRIBUTION OF STATE GRANTS.—

''(1) IN GENERAL.—

''(A) STATE AND LOCAL DISTRIBUTION.—Subject to subparagraph (B), of amounts made available to the State, 30 percent may be retained by the State for use pursuant to paragraph (2) and 70 percent shall be reserved by the State for local distribution pursuant to paragraph (3).

''(B) SPECIAL RULE.—The Attorney General may waive the requirements of this paragraph with respect to any State in which the criminal and juvenile justice services for delinquent or other youths are organized primarily on a statewide basis, in which case not more than 50 percent of funds shall be made available to all units of local government in that State pursuant to paragraph (3).

''(2) LOCAL ELIGIBILITY AND DISTRIBUTION.—

''(A) COORDINATED LOCAL EFFORT.—Prior to receiving a grant under this section, a unit of local government shall certify that it has or will establish a coordinated enforcement plan for reducing juvenile crime within the jurisdiction of the unit of local government, developed by a juvenile crime enforcement coalition, such coalition consisting of individuals within the jurisdiction representing the police, sheriff, prosecutor, State or local probation services, juvenile court, schools, business, and religious affiliated, fraternal, nonprofit, or social service organizations involved in crime prevention.

''(B) SPECIAL RULE.—The requirement of subparagraph (A) shall apply to an eligible unit that receives funds from the Attorney General under subparagraph (H), except that the certification that would otherwise be made to the State shall be made to the Attorney General.

''(C) LOCAL DISTRIBUTION.—From amounts reserved for local distribution under paragraph (1), the State shall allocate to such units of local government an amount that bears the same ratio to the aggregate amount of such funds as—

''(i) the sum of—

''(I) the product of—

''(aa) two-thirds; multiplied by

''(bb) the average law enforcement expenditure for such unit of local government for the 3 most recent calendar years for which such data is available; plus

''(II) the product of—

''(aa) one-third; multiplied by

''(bb) the average annual number of part 1 violent crimes in such unit of local government for the 3 most recent calendar years for which such data is available, bears to—

''(ii) the sum of the products determined under subparagraph (A) for all such units of local government in the State.

''(D) EXPENDITURES.—The allocation any unit of local government shall receive under paragraph (1) for a payment period shall not exceed 100 percent of law enforcement expenditures of the unit for such payment period.

''(E) REALLOCATION.—The amount of any unit of local government's allocation that is not available to such unit by operation of paragraph (2) shall be available to other units of local government that are not affected by such operation in accordance with this subsection.

''(F) UNAVAILABILITY OF DATA FOR UNITS OF LOCAL GOVERNMENT.—If the State has reason to believe that the reported rate of part 1 violent crimes or law enforcement expenditure for a unit of local government is insufficient or inaccurate, the State shall—

''(i) investigate the methodology used by the unit to determine the accuracy of the submitted data; and

''(ii) if necessary, use the best available comparable data regarding the number of violent crimes or law enforcement expenditure for the relevant years for the unit of local government.

''(G) LOCAL GOVERNMENT WITH ALLOCATIONS LESS THAN $5,000.—If, under this section, a unit of local government is allocated less than $5,000 for a payment period, the amount allocated shall be expended by the State on services to units of local government whose allotment is less than such amount in a manner consistent with this part.

''(H) DIRECT GRANTS TO ELIGIBLE UNITS.—

''(i) IN GENERAL.—If a State does not qualify or apply for a grant under this section, by the application deadline established by the Attorney General, the Attorney General shall reserve not more than 70 percent of the allocation that the State would have received for grants under this section under subsection (e) for such fiscal year to provide grants to eligible units that meet the requirements for funding under subparagraph (A).

''(ii) AWARD BASIS.—In addition to the qualification requirements for direct grants for eligible units the Attorney General may use the average amount allocated by the States to like governmental units as a basis for awarding grants under this section.

''(I) USE OF CONSTRUCTION AND REMODELING FUNDS BY UNITS OF LOCAL GOVERNMENT.—Of amounts made available under this section to a unit of local government for purposes of construction or remodeling of short- or long-term facilities pursuant to subsection (b)(9)—

''(i) the unit of local government shall coordinate such expenditures with similar State expenditures;

''(ii) Federal funds shall constitute not more than 50 percent of the estimated construction or remodeling cost; and

''(iii) no funds expended pursuant to this clause may be used for the incarceration of any offender who was more than 21 years of age at the time of the offense or for construction, renovation, or expansion of facilities for such offenders, except that funds may be used to construct juvenile facilities collocated with adult facilities, including separate buildings for juveniles and separate juvenile wings, cells, or areas collocated within an adult jail or lockup.

''(3) NONSUPPLANTATION.—Amounts made available under this section to the States (or units of local government in the State) shall not be used to supplant State or local funds (or in the case of Indian tribal governments, to supplant amounts provided by the Bureau of Indian Affairs) but shall be used to increase the amount of funds that would in the absence of amounts received under this section, be made available from a State or local source, or in the case of Indian tribal governments, from amounts provided by the Bureau of Indian Affairs.

''(e) ALLOCATION OF GRANTS AMONG QUALIFYING STATES; RESTRICTIONS ON USE.—

''(1) ALLOCATION.—Amounts made available under this section shall be allocated as follows:

''(A) 0.5 percent shall be allocated to each eligible State.

''(B) The amount remaining after the allocation under subparagraph (A) shall be allocated proportionately based on the population that is less than 18 years of age in the eligible States.

''(2) RESTRICTIONS ON USE.—Amounts made available under this section shall be subject to the restrictions of subsections (a) and (b) of section 292 of the Juvenile Justice and Delinquency Prevention Act of 1974, except that the penalties in section 292(c) of such Act do not apply.

''(f) GRANTS TO INDIAN TRIBES.—

''(1) RESERVATION OF FUNDS.—Notwithstanding any other provision of law, from the amounts appropriated pursuant to section 299 of the Juvenile Justice and Delinquency Prevention Act of 1974, for each fiscal year, the Attorney General shall reserve an amount equal to the amount to which all Indian tribes eligible to receive a grant under paragraph (3) would collectively be entitled, if such tribes were collectively treated as a State to carry out this subsection.

''(2) GRANTS TO INDIAN TRIBES.—From the amounts reserved under paragraph (1), the Attorney General shall make grants to Indian tribes for programs pursuant to the permissible purposes under section 1801.

''(3) APPLICATIONS.—To be eligible to receive a grant under this subsection, an Indian tribe shall submit to the Attorney General an application in such form and containing such information as the Attorney General may by regulation require.''.

**SEC. 3. AUTHORITY TO MAKE GRANTS TO PROSECUTORS' OFFICES TO COMBAT GANG CRIME AND YOUTH VIOLENCE.**

Section 31702 of subtitle Q of title III of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13862) is amended—

(1) in paragraph (3), by striking ''and'' at the end;

(2) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(5) to allow the hiring of additional prosecutors, so that more cases can be prosecuted and backlogs reduced;

''(6) to provide funding to enable prosecutors to address drug, gang, and youth violence problems more effectively;

''(7) to provide funding to assist prosecutors with funding for technology, equipment, and training to assist prosecutors in reducing the incidence of, and increase the successful identification and speed of prosecution of young violent offenders; and

''(8) to provide funding to assist prosecutors in their efforts to engage in community prosecution, problem solving, and conflict resolution techniques through collaborative efforts with police, school officials, probation officers, social service agencies, and community organizations.''.

**SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

(a) IN GENERAL.—Section 299 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5671) is amended by striking subsections (a), (b), and (c) and inserting the following:

''(a) IN GENERAL.—There are authorized to be appropriated to carry out this title $1,000,000,000 for each of fiscal years 2000 through 2004.

''(b) ALLOCATION OF APPROPRIATIONS.—Of the amount made available under subsection (a) for each fiscal year—

''(1) $450,000,000 is authorized to be expended for programs under section 1801 of part R of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796 et seq.)—

''(2) $175,000,000 is authorized to be expended for State formula grants under part B of this title;

''(3) $175,000,000 is authorized to be expended for grants under title V of this Act;

''(4) $50,000,000 is authorized to be made available to the National Institute for Juvenile Justice and Delinquency Prevention for research, demonstration, and evaluation;

''(5) $100,000,000 is authorized to be expended to carry out the purposes of parts A, C, D, E, and G of this title; and

''(6) $50,000,000 is authorized to be expended for grants to prosecutors and courts under section 31702 of subtitle Q of title III of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 13862).

''(c) AVAILABILITY.—Amounts made available under this section shall remain available until expended.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Title II of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5711 et seq.) is amended—

(1) in section 221(b)(2), in the second sentence, by striking ''described in section 299(c)(1)'' and inserting ''responsible for supervising the preparation and administration of the State plan submitted under section 223'';

(2) in section 222(a)(2)(B), by striking ''section 299(a) (1) and (3)'' and inserting ''section 299''; and

(3) in section 223(a)(1), by striking ''the State agency described in section 299(c)(1) as the sole agency'' and inserting ''the State agency responsible''.

**SEC. 5. RUNAWAY AND HOMELESS YOUTH.**

(a) IN GENERAL.—Section 372(a)(3) of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5714b(a)(3)) is amended by striking ''unit of general local government'' and inserting ''unit of local government''.

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) TECHNICAL AMENDMENTS.—

(A) ERROR RESULTING FROM REDESIGNATION.—

(i) IN GENERAL.—Section 3(i) of Public Law 102–586 (106 Stat. 5026) is amended by striking ''Section 366'' and inserting ''Section 385''.

(ii) EFFECTIVE DATE.—The amendment made by clause (i) shall take effect as if included in the amendments made by Public Law 102–586.

(B) ERROR RESULTING FROM REFERENCES TO NONEXISTENT PROVISIONS OF LAW.—

(i) IN GENERAL.—Section 40155 of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322; 108 Stat. 1922) is amended by striking ''is amended—'' and all that follows through ''after section 315'' and inserting the following: ''is amended by adding at the end''.

(ii) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect as if included in the amendments made by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322; 108 Stat. 1796 et seq.).

(2) REAUTHORIZATIONS.—

(A) IN GENERAL.—Section 385 of the Juvenile Justice and Delinquency Prevention Act of 1974 (42 U.S.C. 5751) (as amended by section 3(i) of Public Law 102–586 (106 Stat. 5026) (as amended by subsection (a)(1)(A) of this subsection)) is amended—

(i) in subsection (a)—

(I) in paragraph (1), by striking ''1993 and such sums as may be necessary for fiscal years 1994, 1995, and 1996'' and inserting ''2000 and such sums as may be necessary for each of fiscal years 2001, 2002, 2003, and 2004''; and

(II) in paragraph (3), by striking subparagraphs (A) through (D) and inserting the following:

''(A) for fiscal year 2000, not less than $1,055,406;

''(B) for fiscal year 2001, not less than $1,108,177;

''(C) for fiscal year 2002, not less than $1,163,585; and

''(D) for fiscal year 2003, not less than $1,163,585.'';

(ii) in subsection (b), by striking ''1993 and such sums as may be necessary for fiscal years 1994, 1995, and 1996'' and inserting ''2000 and such sums as may be necessary for each of fiscal years 2001, 2002, 2003, and 2004''; and

(iii) in subsection (c), by striking ''1993, 1994, 1995, and 1996'' and inserting ''2000, 2001, 2002, 2003, and 2004''.

(B) ADDITIONAL REAUTHORIZATION.—Section 316 of part A of the Runaway and Homeless Youth Act (42 U.S.C. 5712d) (as added by section 40155 of the Violent Crime Control and Law Enforcement Act of 1994 (as amended by paragraph (1)(B) of this subsection)) is—

(i) redesignated as section 315 of part A of the Runaway and Homeless Youth Act; and

(ii) amended by striking subsection (c) and inserting the following:

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for each of fiscal years 2000, 2001, 2002, 2003, and 2004.''.

**SEC. 6. GUN BAN FOR DANGEROUS JUVENILE OFFENDERS.**

(a) DEFINITION.—Section 921(a)(20) of title 18, United States Code, is amended—

(1) by inserting ''(A)'' after ''(20)'';

(2) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(3) by striking ''What constitutes'' and all that follows through the period at the end of the paragraph and inserting the following:

''(B) For purposes of subsections (d), (g), and (s) of section 922, the term 'act of juvenile delinquency' means an adjudication of delinquency based on a finding of the commission of an act by a person before the eighteenth birthday of that person that, if committed by an adult, would be a serious drug offense or violent felony (as defined in section 3559(c)(2)), on or after the date of enactment of this subparagraph.

''(C)(i) What constitutes a conviction of a crime described in subparagraph (A) or an adjudication of juvenile delinquency shall be determined in accordance with law of the jurisdiction in which the proceedings were held.

''(ii) Any State conviction or adjudication of delinquency that has been expunged or set aside for which a person has been pardoned or has had civil rights restored by the jurisdiction in which the conviction or adjudication of delinquency occurred shall nevertheless be considered a conviction or adjudication of delinquency unless—

''(I) the expunction, set-aside, pardon, or restoration of civil rights is directed to a specific person;

''(II) the State authority granting the expunction, set aside, pardon, or restoration of civil rights has expressly determined that the circumstances regarding the conviction and the person's record and reputation are such that the person will not act in a manner dangerous to public safety; and

''(III) the expunction, set aside, pardon, or restoration of civil rights expressly authorizes the person to ship, transport, receive, or possess firearms.

''(iii) The requirement of this subparagraph for an individualized restoration of rights shall apply whether or not, under State law, the person's civil rights were taken away by virtue of the conviction or adjudication.''.

(b) PROHIBITION.—Section 922 of title 18, United States Code is amended—

(1) in subsection (d)—

(A) in paragraph (8), by striking ''or'' at the end;

(B) in paragraph (9), by striking the period at the end and inserting ''; or''; and

(C) by inserting after paragraph (9) the following:

''(10) who has committed an act of juvenile delinquency.'';

(2) in subsection (g)—

(A) in paragraph (8), by striking ''or'' at the end;

(B) in paragraph (9), by striking the period at the end and inserting ''; or'', and

(C) by inserting after paragraph (9) the following:

''(10) who has committed an act of juvenile delinquency.''; and

(3) in subsection (s)(3)(B)—

(A) in clause (vi), by striking ''and'' at the end;

(B) in clause (vii), by adding ''and'' after the semicolon; and

(C) by inserting after clause (vii) the following:

''(viii) has not committed an act of juvenile delinquency.''.

**SEC. 7. EXTENSION OF VIOLENT CRIME REDUCTION TRUST FUND.**

(a) IN GENERAL.—Section 310001(b) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14211(b)) is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(7) for fiscal year 2001, $4,400,000,000; and

''(8) for fiscal year 2002, $4,500,000,000.''.

(b) CONFORMING DISCRETIONARY SPENDING CAP REDUCTION.—Upon enactment of this

Act, the discretionary spending limits for fiscal years 2001 and 2002 set forth in section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(c)) are reduced as follows:

(1) For fiscal year 2001, $4,400,000,000 in new budget authority and $5,981,000,000 in outlays.

(2) For fiscal year 2002, $4,500,000,000 in new budget authority and $4,530,000,000 in outlays.

## ADDITIONAL COSPONSORS

S. 9

At the request of Mr. LEAHY, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 9, a bill to combat violent and gang-related crime in schools and on the streets, to reform the juvenile justice system, target international crime, promote effective drug and other crime prevention programs, assist crime victims, and for other purposes.

S. 25

At the request of Ms. LANDRIEU, the name of the Senator from Tennessee (Mr. FRIST) was added as a cosponsor of S. 25, a bill to provide Coastal Impact Assistance to State and local governments, to amend the Outer Continental Shelf Lands Act Amendments of 1978, the Land and Water Conservation Fund Act of 1965, the Urban Park and Recreation Recovery Act, and the Federal Aid in Wildlife Restoration Act (commonly referred to as the Pittman-Robertson Act) to establish a fund to meet the outdoor conservation and recreation needs of the American people, and for other purposes.

S. 537

At the request of Mr. LUGAR, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 537, a bill to amend the Internal Revenue Code of 1986 to adjust the exemption amounts used to calculate the individual alternative minimum tax for inflation since 1993.

S. 758

At the request of Mr. ASHCROFT, the name of the Senator from Idaho (Mr. CRAIG) was added as a cosponsor of S. 758, a bill to establish legal standards and procedures for the fair, prompt, inexpensive, and efficient resolution of personal injury claims arising out of asbestos exposure, and for other purposes.

S. 841

At the request of Mr. KENNEDY, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 841, a bill to amend title XVIII of the Social Security Act to provide for coverage of outpatient prescription drugs under the medicare program.

S. 863

At the request of Mr. DASCHLE, the name of the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 863, a bill to amend title XIX of the Social Security Act to provide for medicaid coverage of all certified nurse practitioners and clinical nurse specialists.

S. 866

At the request of Mr. CRAIG, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 866, a bill to direct the Secretary of Health and Human Services to revise existing regulations concerning the conditions of participation for hospitals and ambulatory surgical centers under the medicare program relating to certified registered nurse anesthetists' services to make the regulations consistent with State supervision requirements.

S. 894

At the request of Mr. CLELAND, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 894, a bill to amend title 5, United States Code, to provide for the establishment of a program under which long-term care insurance is made available to Federal employees and annuitants, and for other purposes.

S. 980

At the request of Mr. WELLSTONE, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 980, a bill to promote access to health care services in rural areas.

## SENATE CONCURRENT RESOLUTION 31—CELEBRATING THE 50TH ANNIVERSARY OF THE GENEVA CONVENTIONS OF 1949 AND RECOGNIZING THE HUMANITARIAN SAFEGUARDS THESE TREATIES PROVIDE IN TIMES OF ARMED CONFLICT

By Mr. MCCAIN (for himself and Mr. SMITH of Oregon) submitted the following concurrent resolution; which was referred to the Committee on the Judiciary:

S. CON. RES. 31

Whereas the Geneva Conventions of 1949 set basic humane standards of behavior during armed conflict, and are the major written source of international humanitarian law;

Whereas these Conventions prescribe humane treatment for civilian populations, wounded, sick and shipwrecked military personnel, and prisoners of war during armed conflict;

Whereas these Conventions recognize the International Committee of the Red Cross as an independent and neutral organization whose humanitarian mission is to protect and assist civilians, prisoners of war, and other victims of armed conflict;

Whereas ''the red cross in a field of white'' is not an ordinary organizational symbol, but one to which the international community has granted the ability to impose restraint during war and to protect human life;

Whereas the American Red Cross and its sister national societies are members of a world-wide organization rooted in the provisions of international humanitarian law and dedicated to the promulgation of its principles, among which are the Geneva Conventions of 1949;

Whereas the international programs of the American Red Cross bring relief from natural and manmade disasters abroad, contribute to the development of nonprofit relief organizations abroad, and include the teaching of international humanitarian law throughout the United States;

Whereas many domestic programs of the Red Cross in health and safety, disaster, blood, youth, and service to the members of the Armed Forces of the United States grew out of a response to armed conflict;

Whereas, thanks to the efforts of Clara Barton and Frederick Douglass, the United States ratified in 1882 the first convention for the amelioration of the condition of wounded and sick members of the armed forces in the field;

Whereas in 1955 the United States ratified the Geneva Conventions of 1949; and

Whereas the Geneva Conventions of 1949 are among the most universally ratified treaties in the world: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring),*

**SECTION 1. SENSE OF CONGRESS.**

The Congress—

(1) recognizes the historic and humanitarian significance of the Geneva Conventions of 1949, and celebrates the 50th anniversary of the signing of these treaties;

(2) exhorts combatants everywhere to respect the red cross emblem in order to protect innocent and vulnerable populations on every side of conflicts;

(3) commends the International Committee of the Red Cross and the more than 175 national Red Cross and Red Crescent societies, including the American Red Cross, on their continuing work in providing relief and assistance to the victims of war as prescribed by these Conventions;

(4) applauds the Promise of Humanity gathering organized by the American Red Cross in 1999 in Washington, D.C., as an important reminder of our responsibilities to educate future generations about the principles of international humanitarian law;

(5) commends the efforts of the International Committee of the Red Cross and the more than 175 national Red Cross and Red Crescent societies, including the American Red Cross, for their work in educating the world's citizens about the humanitarian principles of international humanitarian law as embodied in the Geneva Conventions of 1949;

(6) invites the American Red Cross during this anniversary year to assist Congress in educating its Members and staff about the Geneva Conventions of 1949;

(7) supports the anniversary theme of the International Committee of the Red Cross that ''Even War Has Limits''; and

(8) calls upon the President to issue a proclamation recognizing the anniversary of the Geneva Conventions of 1949 and recognizing the Conventions themselves as critically important instruments for protecting human dignity in times of armed conflict and limiting the savagery of war.

**SEC. 2. GENEVA CONVENTIONS OF 1949 DEFINED.**

In this concurrent resolution, the term ''Geneva Conventions of 1949'' means the following conventions, done at Geneva in 1949:

(1) Convention for the Amelioration of the Condition of the Wounded and Sick in Armed Forces in the Field (6 UST 3114).

(2) Convention for the Amelioration of the Condition of Wounded, Sick and Shipwrecked Members of the Armed Forces at Sea (6 UST 3217).

(3) Convention Relative to the Treatment of Prisoners of War (6 UST 3316).

(4) Convention Relative to the Protection of Civilian Persons in Time of War (6 UST 3516).

Mr. MCCAIN. Mr. President, I am pleased to be joined today by Senator GORDON SMITH as I submit a concurrent resolution to commemorate the 50th Anniversary of the Geneva Conventions of 1949. Fifty years ago the United States joined 187 nations in establishing in international law the four articles of the modern Geneva Convention. These articles are the pillars of international law regarding the treatment of uniformed sick and wounded, prisoners of war, and civilians in times of armed conflict. Their existence serves to constantly remind us of our responsibility to treat all victims of war with the dignity each of us deserves.

These Conventions recognize the International Committee of the Red Cross as an independent and neutral organization whose humanitarian mission is to protest and assist the victims of armed conflict. The International Red Cross is supported, in turn, by national societies such as the American Red Cross and the many other Red Cross and Red Crescent national agencies. Through the years, these organizations have worked tirelessly to bring relief to the suffering around the world whether due to natural disaster or human conflict. Their dedication and compassion have touched the lives of millions of people in all countries and are today at work in the Balkans, Africa, South America, and, tragically, in our own state of Oklahoma in response to the recent massive tornado.

I ask your support for this resolution that commemorates mankind's first major step to codify into international law the respect and dignity that we must foster for each other. The four articles of the Geneva Convention and the formation of the organizations flying the Red Cross and Red Crescent stand as milestones in humanity's progress towards a more civilized world. With this resolution we recognize the historic and humanitarian significance of the Conventions and commend the Red Cross and Red Crescent agencies worldwide for their unflagging efforts to protect the principles of international humanitarian law.

## NOTICES OF HEARINGS

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the Public that a hearing of the Senate Committee on Health, Education, Labor, and Pensions will be held on Wednesday, May 12, 1999, 9:30 a.m., in SD–628 of the Senate Dirksen Building. The subject of the hearing is ''ESEA: Title I: Evaluation and Reform.'' For further information, please call the committee, 202/224–5375.

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the Public that a hearing of the Senate Committee on Health, Education, Labor, and Pensions will be held on Thursday, May 13, 1999, 10 a.m., in SD–628 of the Senate Dirksen Building. The subject of the hearing is the nomination of Richard McGahey. For further information, please call the committee, 202/224–5375.

SUBCOMMITTEE ON ENERGY RESEARCH, DEVELOPMENT, PRODUCTION AND REGULATION, COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. NICKLES. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on Energy Research, Development, Production and Regulation.

The hearing will take place on Tuesday, May 18, 1999, at 2:30 p.m. in SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on S. 924, the Federal Royalty Certainty Act, introduced April 29, 1999.

Because of limited time available for each hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, 364 Dirksen Senate Office Building, Washington, D.C. 20510–6150.

For further information, please contact Dan Kish at (202) 224–4971.

## ADDITIONAL STATEMENTS

### THE CLEAN MONEY/CLEAN ELECTIONS ACT

• Mr. KERRY. Mr. President, I want to speak before you today about a critical challenge before this Senate—the challenge of reforming the way in which elections are conducted in the United States; the challenge of ending the ''moneyocracy'' that has turned our elections into auctions where public office is sold to the highest bidder. I want to implore the Congress to take meaningful steps this year to ban soft money, strengthen the Federal Election Commission, provide candidates the opportunity to pay for their campaigns with clean money, end the growing trend of dangerous sham issue ads, and meet the ultimate goal of restoring the rights of average Americans to have a stake in their democracy. Today I am proud to join with my colleague from Minnesota, PAUL WELLSTONE, to introduce the ''Clean Money'' bill which I believe will help all of us entrusted to shape public policy to arrive at a point where we can truly say we are rebuilding Americans' faith in our democracy.

For the last 10 years, I have stood before you to push for comprehensive campaign reform. We have made nips and tucks at the edges of the system, but we have always found excuses to hold us back from making the system work. It's long past time that we act—in a comprehensive way—to curtail the way in which soft money and the big special interest dollars are crowding ordinary citizens out of this political system.

Today the political system is being corrupted because there is too much unregulated, misused money circulating in an environment where candidates will do anything to get elected and where, too often, the special interests set the tone of debate more than the political leaders or the American people. Just consider the facts for a moment. The rising cost of seeking political office is outrageous. In 1996, House and Senate candidates spent more than $765 million, a 76% increase since 1990 and a six fold increase since 1976. Since 1976, the average cost for a winning Senate race went from $600,000 to $3.3 million, and in the arms race for campaign dollars in 1996 many of us were forced to spend significantly more than that. In constant dollars, we have seen an increase of over 100 percent in the money spent for Senatorial races from 1980 to 1994. Today Senators often spend more time on the phone ''dialing for dollars'' than on the Senate floor. The average Senator must raise $12,000 a week for six years to pay for his or her re-election campaign.

But that's just the tip of the iceberg. The use of soft money has exploded. In 1988, Democrats and Republicans raised a combined $45 million in soft money. In 1992 that number doubled to reach $90 million and in 1995–96 that number tripled to $262 million. This trend continues in this cycle. What's the impact of all that soft money? It means that the special interests are being heard. They're the ones with the influence. But ordinary citizens can't compete. Fewer than one third of one percent of eligible voters donated more than $250 in the electoral cycle of 1996. They're on the sidelines in what is becoming a coin-operated political system.

The American people want us to act today to forge a better system. An NBC/Wall Street Journal poll shows that 77% of the public believes that campaign finance reform is needed ''because there is too much money being spent on political campaigns, which leads to excessive influence by special interests and wealthy individuals at the expense of average people.'' Last spring a New York Times found that an astonishing 91% of the public favor a fundamental transformation of this system.

Cynics say that the American people don't care about campaign finance. It's not true. Citizens just don't believe we'll have the courage to act—they're

fed up with our defense of the status quo. They're disturbed by our fear of moving away from this status quo which is destroying our democracy. Soft money, political experts tell us, is good for incumbents, good for those of us within the system already. Well, nothing can be good for any elected official that hurts our democracy, that drives citizens out of the process, and which keeps politicians glued to the phone raising money when they ought to be doing the people's business. Let's put aside the status quo, and let's act today to restore our democracy, to make it once more all that the founders promised it could be.

Let us pass the Clean Money Bill to restore faith in our government in this age when it has been so badly eroded.

Let us recognize that the faith in government and in our political process which leads Americans to go to town hall meetings, or to attend local caucuses, or even to vote—that faith which makes political expression worthwhile for ordinary working Americans—is being threatened by a political system that appears to reward the special interests that can play the game and the politicians who can game the system.

Each time we have debated campaign finance reform in this Senate, too many of our colleagues have safeguarded the status quo under the guise of protecting the political speech of the Fortune 500. But today we must pass campaign finance reform to protect the political voice of the 250 million ordinary, working Americans without a fortune. It is their dwindling faith in our political system that must be restored.

Twenty five years ago, I sat before the Foreign Relations Committee, a young veteran having returned from Vietnam. Behind me sat hundreds of veterans committed to ending the war the Vietnam War. Even then we questioned whether ordinary Americans, battle scarred veterans, could have a voice in a political system where the costs of campaigns, the price of elected office seemed prohibitive. Young men who had put their life on the front lines for their country were worried that the wall of special interests between the people and their government might have been too thick even then for our voices to be heard in the corridors of power in Washington, D.C.

But we had a reserve of faith left, some belief in the promise and the influence of political expression for all Americans. That sliver of faith saved lives. Ordinary citizens stopped a war that had taken 59,000 American lives.

Every time in the history of this republic when we have faced a moral challenge, there has been enough faith in our democracy to stir the passions of ordinary Americans to act—to write to their Members of Congress; to come to Washington and speak with us one on one; to walk door to door on behalf of issues and candidates; and to vote on election day for people they believe will fight for them in Washington.

It's the activism of citizens in our democracy that has made the American experiment a success. Ordinary citizens—at the most critical moments in our history—were filled with a sense of efficacy. They believed they had influence in their government.

Today those same citizens are turning away from our political system. They believe the only kind of influence left in American politics is the kind you wield with a checkbook. The senior citizen living on a social security check knows her influence is inconsequential compared to the interest group that can saturate a media market with a million dollars in ads that play fast and loose with the facts. The mother struggling to find decent health care for her children knows her influence is trivial compared to the special interests on K Street that can deliver contributions to incumbent politicians struggling to stay in office.

But I would remind you that whenever our country faces a challenge, it is not the special interests, but rather the average citizen, who holds the responsibility to protect our nation. The next time our nation faces a crisis and the people's voice needs to be heard to turn the tide of history, will the average American believe enough in the process to give words to the feelings beyond the beltway, the currents of public opinion that run beneath the surface of our political dialogue?

In times of real challenge for our country in the years to come, will the young people speak up once again? Not if we continue to hand over control of our political system to the special interests who can infuse the system with soft money and with phony television ads that make a mockery of the issues.

The children of the generation that fought to lower the voting age to 18 are abandoning the voting booth themselves. Polls reveal they believe it is more likely that they'll be abducted by aliens than it is that their vote will make a real difference. For America's young people the MTV Voter Participation Challenge ''Choose or Lose'' has become a cynical joke. In their minds, the choice has already been lost—lost to the special interests. That is a loss this Senate should take very seriously. That is tremendous damage done to our democracy, damage we have a responsibility in this Senate to repair. Mr. President, with this legislation we are introducing today, we can begin that effort—we can repair and revitalize our political process, and we can guarantee ''clean elections'' funded by ''clean money,'' elections where our citizens are the ones who make the difference.●

## TRIBUTE TO KEN WHEELER

● Mr. MCCONNELL. Mr. President, I rise today to recognize the career and civic contributions of Mr. Ken Wheeler, an industry leader and community builder in Paducah, Kentucky. Ken's recent retirement is the culmination of a forty-two year career in the maritime industry spanning shipbuilding to inland shipping.

Ken earned a degree in mechanical engineering at Southern Methodist University and worked for twenty-four years for Ingalls Shipbuilding in the company's nuclear-submarine division. By the time he left Ingalls Shipbuilding, he was the company's vice-president of submarine programs. Contributions from individuals such as Ken Wheeler helped make our nation's nuclear-submarine fleet the safest, quietest, and most effective in the world. In the early 1980's, Ken and his wife, Jean, relocated to Paducah following Ken's career move to Midland Enterprises, which operates tow boats on the nations inland riverways.

Since joining Midland Enterprises, Ken has held various positions including vice-president of repair and maintenance, Port Allen Marine; president, Walker Boat Yard; vice-president, Harley Marine Corp.; president, R & W Marine, Inc.; and vice-president, maintenance and repair for all the Midland Enterprise companies.

Ken has been a key player in establishing Paducah as a national hub for river trade. The city currently boasts about twenty towing companies, and more than 130 supporting businesses. The towing industry in Paducah accounts for approximately 1,300 jobs and a $35,000,000 annual payroll. Ken has used his position within the industry as a ''bully pulpit'' to advocate needed infrastructure improvements on the riverways, our nation's internal trade lifeline. From the new Olmsted Dam on the Ohio River, not far from its confluence with the mighty Mississippi, to the expanded lock facilities at Kentucky Dam on the Tennessee River, Ken has worked to make sure that the general public as well as those in government understand the importance of a strong and vital river-transportation network. A network which has a great, but often unrecognized impact on our American way of life. Ken's goal as we cross the threshold into a new millennia has simply been to make certain that America's riverways continue to supply the economical transportation which we have so long enjoyed. As other countries around the world improve their inland transportation networks, we must work to ensure that increased costs of transportation do not put our exports at a competitive disadvantage.

In other areas of civic concern, Ken has also worked to better Western Kentucky by serving on the boards of Paducah Community College, and West

Kentucky Technical College. He is a past president of the Propeller Club of the United States. Additionally, he chairs the River Heritage Center, an exciting new development which will showcase the history of the inland rivers and their importance.

Mr. President, I commend Ken Wheeler for his outstanding service to Kentucky and the nation. Whether it be building systems that helped win the Cold War, or championing an industry vital to our national commerce, Ken Wheeler's contributions will have long-lasting effect. I ask that my fellow colleagues join me in recognizing the career of this outstanding Kentuckian.●

## COMMUNITY REINVESTMENT ACT

● Mr. FEINGOLD. Mr. President, I want to offer a few comments about one of the most important issues we have considered as part of the so-called financial modernization debate, namely the Community Reinvestment Act or CRA. It gives me particular pleasure to discuss CRA because it was authored by the former Senator from Wisconsin and Senate Banking Committee Chair, William Proxmire. CRA is over twenty years old now, and by all accounts it has been a success.

Banks have a special role in our free market system; they are the rationers of capital. For this reason and others we grant banks a number of special privileges, such as public charters, taxpayer-backed deposit insurance, and access to the discount window at the Federal Reserve. CRA is grounded in the philosophy that we grant these privileges in part to assure that banks will serve the public—all of the public in all parts of our communities.

In the context of last week's debate over so-called financial services modernization, the concept that we should require banks to actively find lending opportunities in communities they serve is all the more appropriate. The globalization of financial services, and the new structures proposed for financial institutions, increasingly means local institutions have ever expanding and increasingly distant opportunities for their loan portfolios. CRA serves as a reminder that ultimately we grant rights and privileges to banks in part to ensure consumers and businesses in our communities have access to financial services.

I have been interested in CRA since the early 1980s when I became Chair of the Banking Committee in the Wisconsin State Senate, and while it is not perfect, CRA has clearly helped give under served communities increased access to financial services. And it has done a great deal to foster economic development, both for individual families, and for neighborhoods and communities through home ownership and community development financing.

As noted in a recent report by the Wisconsin Rural Development Center, for many low-income and minority groups, home ownership is a way out of poverty. Equity built through home ownership can be used to finance a start-up business, pay for a college education, fund a secure retirement or consolidate high interest rate debt. The report went on to note that home ownership in low-income neighborhoods can provide stability, increase pride and property values, and attract new capital.

CRA has helped foster access to financial services in each of these areas. Commitments by banks to home ownership, small business, and community development has increased because of CRA. According to 1997 Home Mortgage Disclosure Act data, lending to minority and low income borrowers is increasing. Since 1993, the number of home mortgage loans to African Americans increased by 58 percent, to Hispanics by 62 percent, and to low and moderate income borrowers by 38 percent.

In 1997, financial institutions subject to CRA reporting requirements made 2.6 million small business loans for a total of $159 billion, two-thirds of small business loans made that year, and more than one-fifth of those loans were made to small businesses in low and moderate income communities.

And, in 1997, large commercial banks made $18.6 billion in community development investments.

Altogether, nonprofit community organizations estimate that since 1992 the private sector has pledged over $1 trillion in loans going forward for affordable home ownership and community development.

I have no doubt that CRA was responsible in great part for this record. And neither does Federal Reserve Board Chair Alan Greenspan. At a House Banking Committee hearing earlier this year, Chairman Greenspan testified that CRA has ''very significantly increased the amount of credit in these communities'' and that changes have been ''quite profound.''

It is important to note that CRA has succeeded in encouraging banks to serve those who have been financially under served without jeopardizing the safety and soundness of the institution. As Robert Kuttner has noted, in the decade after CRA, we learned that financial institutions often make costly mistakes, but lenders faltered in the 1980s not by being too kind to the inner city, but by making speculative loans in remote locations they knew little about, and by competing recklessly for market share. By comparison, the local Jimmy Stewart type loan looked pretty solid.

As Chairman Greenspan noted, ''there is little or no evidence that banks' safety and soundness have been compromised by (low- and moderate-income) lending and bankers often report sound business opportunities.''

In fact, CRA is a tool that can help banks. As former Federal Reserve Board Governor Lawrence Lindsey said, ''CRA-related activities can help develop new markets, potentially profitable business, and improve a bank's public image.''

Let me note that there have been some improvements to CRA. In response to the very real problems facing many smaller community banks, a streamlined CRA process was approved a few years ago, and I was proud to support those changes and I understand the paperwork burden on smaller banks has been reduced as a result. Over 80 percent of banks covered by CRA qualify for the streamlined performance standards for small banks and thrifts, and I understand that actual time spent in community banks on CRA examinations has been reduced by 30 percent.

CRA has helped improve financial services for under served communities, but there is still significant room for improvement. Many still have few financial options, and as the Wisconsin Rural Development Center has found, in the absence of adequate financial services from traditional lenders, there has been an increase in so-called subprime or predatory lending from lenders who target homeowners with less than perfect credit with high-cost, sometimes fraudulent, mortgage servicing products.

We owe a great deal to Senator Proxmire and his creation. As we consider legislation to change the structure of our financial institutions, we must not lose sight of the original goals of CRA, namely that those institutions which enjoy the special privileges and protections afforded by the government have an obligation to ensure that the entire community has access to financial services.●

## THE VERY BAD DEBT BOXSCORE

● Mr. HELMS. Mr. President, at the close of business Friday, May 7, 1999, the Federal debt stood at $5,569,913,164,536.03.

One year ago, May 7, 1998, the Federal debt stood at $5,484,428,000,000.

Fifteen years ago, May 7, 1984, the Federal debt stood at $1,484,934,000,000.

Twenty-five years ago, May 7, 1974, the Federal debt stood at $468,096,000,000 which reflects a debt increase of more than $5 trillion—$5,101,817,164,536.03 during the past 25 years.●

## SENATOR BIDEN'S 10,000TH VOTE

● Mr. HOLLINGS. Mr. President, I rise to congratulate my esteemed colleague, the Senator from Delaware, on his 10,000th vote in the Senate. This is a tremendous milestone which few Senators ever reach. For our colleague to

reach it at the young age of 56 is even more impressive.

I am proud and fortunate to count Senator BIDEN as one of my best friends. Since he came into the Senate in 1972, we have worked together, learned from each other, and swapped stories. One story I recall in particular is that Senator BIDEN used to practice ''speechifying,'' as some of our predecessors in the Senate would have said, in front of his classmates to overcome a stuttering problem. Well, Mr. President, I think we all will agree that he has overcome that problem quite nicely and has learned to excel at speechifying.

One of the most amazing facts of Senator BIDEN's career is that he was elected to this body at the ripe old age of 29. His 27 year-old sister was his campaign manager, and he saved mailing costs by having volunteers hand-deliver campaign literature to every house in the state. Of course, Senator BIDEN's campaigns are run a little more professionally now, but he has not lost touch with the people of his state. In fact, the Senator from Delaware has told me stories about virtually every town in his state, no matter how small. He is as familiar with his constituents and as concerned with their needs as any Senator I have known.

Of course, his devotion to his constituents has not prevented Senator BIDEN from playing a sometimes crucial role on national stage. As we all know, Mr. President, he presided over two of the most controversial Judiciary Committee hearings for Supreme Court nominees in American history: those for Judge Robert Bork and Justice Clarence Thomas.

Senator BIDEN was one of the foremost proponents of expanding the North Atlantic Treaty Organization. Last year, he led the successful effort to expand NATO. In 1997, he led the successful effort to ratify the Chemical Weapons Convention. Today, the Senator from Delaware continues to take an active interest in events in the Balkans, the Middle East, and Asia, and as Ranking Member of the Foreign Relations Committee, he remains an outspoken voice on foreign policy matters.

Senator BIDEN has been a leader also in the fight to protect women from violence. He authored the Violent Crime Control and Law Enforcement Act, which was signed into law in September 1994. This act, which included the landmark Violence Against Women Act, was the first comprehensive law to address gender-based crimes. The desire to prevent crime and help crime's victims has long been one of the guiding lights of our esteemed colleague's career. In 1984, he co-authored the Victims of Crime Act, which provides hundreds of millions of dollars to crime victims each year, paid for by criminals.

Senator BIDEN was the lead sponsor of the Juvenile Justice Prevention Act of 1974 and the Juvenile Justice Prevention Amendments of 1992, which provided states with federal grants for a comprehensive approach to preventing juvenile crime and improving the juvenile justice system. And in 1996, Senator BIDEN led the floor fight to restore 1996 appropriations to fund crime bill initiatives, most notably the Community Oriented Policing Services program to help local and state governments hire more police.

The Senator from Delaware has long been a leader on Women's Health issues. He sponsored the Medicare Mammography Screening Expansion Act, which became law as part of the Balanced Budget Act of 1998. For five years running now, he has authored the annual National Mammography Day. And, in 1998, the President signed into law a bill co-sponsored by Senator BIDEN, which required the creation of a breast cancer postage stamp, with proceeds from the stamp's sale going to breast cancer research.

Like many of his colleagues, the Senator from Delaware has had to triumph over adversity to attain his many professional achievements. The hardships faced and overcome by my dear friend and colleague include the injury of his sons and the death of his beloved first wife and infant daughter in an auto accident shortly after his election to the Senate in 1972, and his own recovery from two operations for a near-fatal brain aneurysm in 1988. Despite this tragedy and adversity, Senator BIDEN has never succumbed to pessimism or forgotten his role as a public servant. He has never ceased working to serve his state and his nation. He remains optimistic about America's future and his ability, working within the Senate, to improve his state and nation.

The Senator from Delaware has called serving in the Senate the greatest, most privileged post-graduate education in America. I think all of us will agree, Mr. President, that he has passed this education with flying colors. There is no more devoted, hard-working member of this body than Senator BIDEN. He is known for his integrity, bipartisan collegiality, and desire to serve the public good. These qualities will always be cherished in this body, as in all walks of life. For any young Americans seeking a public figure to emulate, I can think of no better role model than the Senator from Delaware. And that, Mr. President, is the greatest compliment I can think to pay my dear friend, Senator BIDEN. For 27 years, it has been my great honor and pleasure to serve with him and to count him as a friend. It gives me great pleasure to know that before he leaves this great institution, Senator BIDEN almost certainly will receive accolades on the casting of his 20,000th vote.●

## COMMEMORATING CARLOS HATHCOCK II

● Mr. HUTCHINSON. Mr. President, I rise today to honor a man of extraordinary courage. A fellow Arkansan. A soldier and a hero. His name was Carlos N. Hathcock II.

Carlos was born on May 20, 1942, in Little Rock, Arkansas, the son of a welder. At the age of eight, Carlos saw his first Marine in full uniform. The sight left an indelible impression—a mark that would lead him to commit his life to the military. But in the meantime, he had some growing up to do. Carlos spent a great deal of time in the woods of North Little Rock, hunting squirrels and rabbits and bringing them home to eat. He had no problem filling the table. It seemed as if he was anticipating his future career.

Carlos could hardly wait to start his career in the military. In May 1959, at the age of seventeen, he signed up with the Marines with the permission of his father. The moment he turned eighteen, Carlos went into the Corps. He quickly realized his talent as an effective rifleman and began to carve out his niche in the Marines as a sniper. The intramurals of the Marine Shooting Team was his first official match, a match that he won handily. This victory would certainly not be the last. Carlos won many more shooting competitions and rose steadily through the ranks, with a only a few minor bumps along the way. Indeed, the months and years could be counted by championships and promotions, and marked by his marriage to his wife Jo and the birth of his son, ''Sonny'' Hathcock.

But soon enough, the skills of Sergeant Carlos Hathcock II were put to use and put to the test. In 1966, the Marines sent him to Vietnam. His tour of duty was no doubt difficult, but Carlos' amazing rifle skill made him a valuable asset to the Marines and an opponent to be dreaded by the North Vietnamese. For his great service, Carlos was presented with the Navy Commendation Medal with combat ''V.''

Carlos proved himself again on his fateful second tour of duty in Vietnam in 1969. By this time, Carlos knew the sweltering jungles of Vietnam. He could become one with his surroundings. With painstaking patience, he crawled and lay in wait—his hands controlled, resisting the urge to scratch or stretch, his body still as death—until that moment when he struck. Carlos was an expert. He even gained a reputation among the Viet Cong who dubbed him ''Long Tra'ng,'' or white feather, for the single white feather in his hat. But as precise and deadly as he was, Carlos did not enjoy killing people. In fact, he saved the lives of his comrades in the 7th Marines, 1st Marine Division.

On September 16, 1969, the amphibious assault vehicle Carlos was riding ran over a landmine and exploded. Carlos, sprayed with burning gasoline and

his flesh melting away, focused only on helping his comrades. Carlos went back to the vehicle and dragged his companions away to safety. He was burned almost beyond recognition.

Fortunately, Carlos was able to recover. For his heroism in Vietnam, Carlos was awarded a Purple Heart and Gold Star. And with swift dedication, Carlos went back to the Marines, serving almost ten more years, retiring on March 1, 1975, after nineteen years, ten months, and five days of service. He had entered the Marines as a callow youth and left a Gunnery Sergeant, a veteran, and a hero.

He carried on his patriotism and service to America, speaking at military gatherings and teaching his sniper skills to the Virginia Beach Police Department. And in 1996, he was again awarded for his heroism in Vietnam, this time with a Silver Star.

Carlos Hathcock II passed away on February 23, 1999. But he lives on in the minds of many. His son, Carlos Hathcock III, is also a gunnery sergeant in the Marines. The Marines have a library in Carlos' name and an annual award presented to the best marksman in the Marine Corps. Marksmanship of legendary proportions will remain synonymous with the name Hathcock.●

## AGRICULTURE MARKET FAILURE PROTECTION ACT OF 1999

● Mr. SARBANES. Mr. President, I rise today in support of S. 30, the Agricultural Market Failure Protection Act of 1999. The purpose of this bill, of which I am co-sponsor, is to protect farmers against income loss resulting from severe economic downturns and weather-related crop losses. In my view this legislation is very timely, considering the current status of our nation's agricultural economy.

We have been experiencing alarming economic conditions in the agricultural sector for over two years. A combination of declining crop prices, reduced yields, and unfavorable export markets have led to a substantial decrease in overall farm incomes. As a nation, we often forget how important it is to protect the vitality of our agricultural producers. We do not want to wait until farms disappear and our supermarkets can no longer stock their shelves to address this situation.

Farmers in my own state of Maryland are not immune to the effects of this crisis. Over the past two years, they have been hit hard by low commodity prices and a widespread drought that has destroyed a significant number of crops. The Maryland Agricultural Statistics Service reports that total farm income fell $8.2 million last year to $265.4 million overall. This was a 3 percent decline. Since 1996, farm incomes in Maryland have fallen 26 percent. Prices for grain, corn, soybeans, and hogs are all down, some at 20 to 30 year lows. A recently published article from The Baltimore Sun illustrates the impact of this crisis on the economy of Maryland.

In an effort to address this decline, the Agriculture Market Failure Protection Act would revise marketing assistance loan rates, authorize six-month loan extensions, and amend the Internal Revenue Code to temporarily increase the number of years permitted for the carry back of net operating losses for certain farmers. In short, it would help prevent future income loss by giving farmers a chance to run their operations without constantly being at the mercy of the market. With these changes to the Agricultural Market Transition Act, farmers will be able to spread crop sales throughout the entire season, and subsequently allow them to take advantage of higher prices.

The legislation which Senator DASCHLE has introduced leaves commodities in the hands of farmers, thereby allowing them to make their own marketing decisions for the future. I commend him for introducing this legislation, and in light of the current state of the agricultural economy, I urge all of my colleagues to support S. 30, the Agricultural Market Failure Protection Act of 1999.

I ask to have printed in the RECORD the Baltimore Sun article.

The article follows.

MD. FARM INCOME DOWN 3% IN 1998; GRAIN GROWERS SUFFER BIG LOSSES, BUT POULTRY, DAIRY FARMERS DO WELL

(By Ted Shelsby)

The extra-fat paychecks of poultry farmers and dairymen last year were not enough to offset big losses by grain growers, and the state ended 1998 with a 3 percent decline in net farm income, according to preliminary estimates released yesterday by the Maryland Agricultural Statistics Service.

Total farm income in Maryland fell $8.2 million last year to $265.4 million.

It was the second consecutive year that Maryland farmers have been hurt by low commodity prices and drought. Farm income last year was 26 percent lower than in 1996.

''This is going to have a serious impact on our rural economy,'' Maryland Department of Agriculture Secretary Henry A. Virts said.

''The farm equipment dealers are going to suffer. The feed dealers are going to suffer. The truck dealers, restaurants and furniture stores are going to suffer, too. Anybody who serves the farm industry is going to feel the decline.''

The drop in farm profit last year was blamed primarily on low commodity prices and a summer drought that destroyed grain crops in Southern Maryland and the Eastern Shore.

''Grain prices were down, down, down last year,'' said Ray Garibay, head of statistics services for the Agriculture Department, in releasing his net income estimate. He added that the prospects for prices are no better for this year as a result of large supplies of grain in storage.

But not all segments of agriculture shared in the hard times.

Garibay said that 1998 will be remembered fondly by poultry and dairy farmers.

''Last year was our best in the past 10 or 12 years,'' said Lewis R. Riley, an Eastern Shore chicken grower and former state agriculture secretary.

''Poultry prices stayed healthy throughout 1998, and in most case farmers were paid a price bonus by the processors,'' Riley said.

He explained that the bonus, which totaled between $5,000 and $6,000 for his farm, is like a profit-sharing plan in which the chicken processors pay farmers above their contract price when wholesale poultry prices rise.

''It's a windfall for good prices,'' Riley said, ''and it made 1998 a very good year for poultry growers.''

State dairy farmers also benefited from record milk prices late last year due to a shortage of milk caused by weather problems in Southern California.

Ed Fry, who operates a dairy farm near Kennedyville, said farmers profited from a shortage of cheese and butter last year. ''High milk prices, coupled with low grain prices, made for a very good year for the dairy industry in general,'' he said.

Fry noted that the good times are coming to a halt. He said the basic formula price of milk set by the U.S. Department of Agriculture dropped 37 percent last week, and farmers will feel the bite in their milk checks beginning next month.

Grain farmers have been feeling a financial pinch for more than a year.

Melvin Baile Jr., past president of the Maryland Grain Producers Association, said corn and soybean growers were lucky to break even last year.

''Prices were off 20 percent for corn and the same for soybean,'' said Baile, who farms 700 acres outside New Windsor in Carroll County.

He said the double whammy of low prices and poor yields was particularly hard on Southern Maryland and Eastern Shore farms that experienced the brunt of last year's drought.●

## TRIBUTE TO CAPTAIN ROBERT B. SHIELDS, JR., USN

● Mr. WARNER. Mr. President, I rise today to recognize and say farewell to an outstanding Naval Officer, Captain Robert B. Shields, Jr., as he prepares to retire upon completion of twenty-seven years of distinguished service. It is a privilege for me to honor his many outstanding achievements and commend him for his devotion to the Navy and our great Nation.

A native of Providence, Rhode Island, Captain Shields is a graduate of the United States Naval Academy. Upon graduation in 1972, his first sea tour was aboard the USS *Aylwin* (FF–1081) where he served as First Lieutenant and Anti-Submarine Warfare Officer. His second and third shipboard tours were served aboard USS *Nicholson* (DD–982) and USS *Richmond K. Turner* (CG–20). Captain Shields continued to demonstrate outstanding leadership abilities as the Executive Officer of USS *Sterett* (CG–31) and was rewarded with command of the destroyer USS *O'Bannon* (DD–987).

His most recent sea tour was as Commanding Officer of the cruiser USS *Vicksburg* (CG–69). During Captain Shield's tenure, his ship earned the

Battle Efficiency ''E'' Award, the Ney award, and the Best Ship's Store Sales and Service Award. *Vicksburg* distinguished herself as Air Warfare Commander for the John F. Kennedy Battlegroup while deployed to the Mediterranean and Persian Gulf.

Captain Shields completed shore assignments at the Navy Postgraduate School where he earned a Masters of Science Degree in Engineering Acoustics; the Royal Navy Staff College in Greenwich, England; and in a variety of assignments in Washington, D.C. In Washington, he was assigned to the staff of the Chief of Naval Operations in the Research, Development and Acquisition Directorate and then completed a year as a Federal Executive Fellow at the American Enterprise Institute. Captain Shields first came in contact with our nation's lawmakers when he served as a Congressional Liaison Officer for surface ship programs in the Navy's Office of Legislative Affairs. With many successful at-sea and shore tours behind him, Captain Shields' was then handpicked to serve as Deputy Legislative Assistant to the Chairman of the Joint Chiefs of Staff. His current, and last, assignment has been with the Navy's Office of Legislative Affairs where he is Deputy Chief.

Captain Shields is a dynamic and resourceful naval officer who throughout his tenure has proven to be an indispensable asset. He is a passionate advocate of the Sea Services and has been tireless in supporting the needs of the Sailors in the Fleet and their families. He understands better than anyone that they are truly the backbone of our national defense. His superior contributions and distinguished service will have long-term benefits for both the Navy and the country he so proudly served. As Captain Shields enters into his new profession, we will certainly miss him. I am proud to thank him for his service and wish him ''fair winds and following seas'' as he concludes his distinguished Naval career.●

## TRIBUTE TO HOWARD SCHNELLENBERGER

● Mr. MCCONNELL. Mr. President, I rise today to thank my good friend Howard Schnellenberger for making University of Louisville football the success that it is, and wish him the best in his latest endeavor to build a completely new football program at Florida Atlantic University.

Howard was the Cardinal's football coach for nine years and, when he left, had re-created the program to be unlike any the University of Louisville had ever seen. Howard didn't just talk about what he wanted to accomplish at U of L, he delivered. He recruited better players, he initiated plans for a brand new state-of-the-art stadium, and most importantly he inspired a kind of spirit in the Cardinals' faculty, fans and players that they had never experienced before. It was this winning spirit that helped Howard lead Cardinals football to its present glory.

Howard believed in his team and his school, and set no meager goals for them. He wanted nothing less than to transform them from a team that hadn't had a winning season in years, to a team that would be a legitimate bowl contender. While U of L may still have some progress to make, the Cards have played in, and won, several bowl games in recent years—and for that, Howard is largely responsible.

I have no doubt that Howard will have as significant an effect on Florida Atlantic University as he had on U of L. Howard will have a chance to build this program from the ground-up—as of yet, FAU doesn't even have a team. As FAU's Director of Football Operations, Howard will hand-pick the staff and the players and mold the football program in the likeness of his previous success stories. With Howard's track record, FAU can expect an exciting program that will build steadily toward future success.

Thank you, Howard, for your nine years of dedicated service to the University of Louisville, which resulted in a winning team and a top-quality program. Five years after your departure, your spirit continues to drive the Cardinals football program toward victory. Best wishes at Florida Atlantic University, and may God bless you and Beverlee in this exciting adventure.

Mr. President, I ask to have printed in the RECORD a copy of a January 1999 article, ''The Louisville Prototype,'' which appeared in the FAU Sports Digest.

The article follows.

THE FLORIDA ATLANTIC FOOTBALL PROGRAM WILL LARGELY BE MODELED AFTER WHAT HOWARD SCHNELLENBERGER BUILT AT LOUISVILLE, A PROGRAM WHICH MIGHT AS WELL HAVE BEEN STARTED FROM SCRATCH

(By Ron Steiner)

LOUISVILLE—At Miami, Coach Howard Schnellenberger revived a collegiate football program that was on the verge of extinction and won a national championship. Writers called that effort the ''Miracle of Miami.''

At Louisville, his hometown, Schnellenberger was the last hope for a program headed for the scrap heap. He built a team that went on to crush Alabama in the 20th Anniversary Fiesta Bowl, and that inspired construction of the school's first true on-campus stadium, a $68 million structure financed almost entirely by the fans. In Kentucky they call that effort ''The Miracle on Floyd St.''

For Howard Schnellenberger, today it is his blueprint.

Now, the veteran coach is about to go for the hat trick by building a totally new collegiate football program at Florida Atlantic University in Boca Raton and much of what he does at FAU will be modeled after what was successful at Louisville, a program that might as well have been built from scratch.

Based on Schnellenberger's track record, it's a safe bet that he has at least one more miracle tucked away some-where in the pocket of his blazer.

Taking Miami to the title game and beating a legendary Nebraska team was improbable. But at least that school had played in big bowl games and had long-aspired to greatness.

Tackling the job at Louisville, where basketball had been the only local sports language for decades? That was a massive undertaking the size of which even Schnellenberger had underestimated.

After one of his first spring practices at Louisville, held long before the new freshmen could arrive, Schnellenberger called a staff member to his office. The coach was slumped in his chair. He looked tired, disturbed and suddenly very gray.

''Did you see that practice? Did you see that?'' he asked as if he were recounting a nightmare. ''What in the world have we gotten ourselves into here?''

There was no answer.

No one, not even a veteran coach like Schnellenberger, could have known how hard it was going to be, or how much work there was to be done or even what unexpected obstacles, both seen and unseen, would be thrown into the path of progress.

But he pressed on with the same confidence, singleness of purpose and unceasing energy that he's armed with at Florida Atlantic.

At Louisville, it was a dream of Top-25 rankings, national television appearances, home sellouts, bowl bids and a new stadium, that kept the Cardinal football family going during the early years.

Back in 1985, when the Cards opened their first season under Schnellenberger at West Virginia, the lineup was iffy to say the least.

One starting defensive back was a freshman who had played quarterback in high school, and the other corner was a freshman who had played middle guard as a prep player. One of the starting defensive tackles was a freshman who had never lined up in a three-point stance in his life. The Louisville Cardinals were simply outmanned and that was the way things were going to be for a while.

Today, thanks largely to Schnellenberger's efforts, the Cards are fresh off their third bowl game in the '90s, and their facilities draw raves from the likes of award-winning quarterback Cade McNown. In town recently to receive the Johnny Unitas Golden Arm Award as the nation's top senior quarterback, McNown raved about the new stadium and football complex.

''I only wish we had facilities like these at UCLA,'' McNown said.

It wasn't that way when Schnellenberger toiled to jump-start the program.

Back then, summer preseason practice sessions were held on the school's suburban campus where grass fields were watered by garden hoses and makeshift, homemade sprinklers. There weren't many players on the team to start with and when some got a close look at the new way of doing things, there were fewer.

During the season, seven huge linemen would meet with their assistant coaches in tiny 10-foot offices built for one. Back then, closets were cleaned out and transformed into offices. Walls were knocked down. Pictures and inspirational signs were nailed up. They cried out: ''Be Positive or Be Gone'' and ''It takes everyone to be No. 1'' and ''What have you done today to help Louisville win tomorrow?''

Back then, there were three phone lines for a 40-person staff. Coaches making recruiting calls and other staff members handling regular business would wait for a free line, like

contestants on a game show. When one of the three lights on the phone set would go dark, they would battle to see who could punch it up first.

And back in '85, the foundation for a Top 25 contender was quietly being built in a small brick building on the property of the Kentucky Fairgrounds, among mules and jacks and the largest bulls you've ever seen.

The University of Louisville was trying to recruit its stars of the future in the middle of mobile home shows, gun shows, flea markets, ice shows, and appropriately, the circus.

As hard as it is to believe since Florida Atlantic doesn't even have a team yet, Schnellenberger will be dealing with a better hand in his role as Director of Football Operations.

He'll oversee the construction of on-campus facilities and develop a program with a tremendous population base for recruiting, a great climate and instant visibility in a football-crazy state. There will be tough sledding, nonetheless. But they will be experiences with a blend of familiarity. It goes with the territory of building something that will last.

At Louisville, there were plenty of times he would wonder. At times, he would go out on game day knowing as an expert that the other team would have to fumble four times and throw four interceptions if his team was to have a chance to even keep the score close.

But the next day he would always return to his office before dawn, whistling, and with a new idea, something that needed fixing, a new phone call to make, something—anything—that would bring progress that day. He hid his doubts very well. He had to. If the head coach didn't believe, then who else would?

Back then, like now, there was something else, too. There was something very special that few modern-day teams ever experience. Adventure.

There was a clear-cut goal of building a program that would some day challenge the nation's best and compete for a national title one day. And there was something new every day.

There was a pioneer spirit that caught on. Recruiting was based on that premise: ''Sure, you can go to the established programs and be just another one of a long list of players at that school. Or you can come with us and make a major difference. You can come with us and help create something. It won't be easy. In fact, we guarantee it will probably be the hardest thing you will ever do. But you will be part of something truly special. Something important. Something lasting.''

Back in the early days at Louisville, and it will likely be the same if he chooses to coach at Florida Atlantic, there was little early prestige. But inside themselves, the players and fans who became close to the program began to share a new spirit. The early years were crazy for those close to the Cards. They were frustrating and fulfilling all at the same time, tiring and exhilarating all at once. Breaking down historic walls of resistance and preconceptions took time. Building up the program took strength.

Together, new players, students, alumni, fans, staff and friends of the program, all who suffered and yet enjoyed those formative years, were drawn together at Louisville in a state known for basketball, in a stadium built for baseball, to create something new and special for collegiate football. Back then, they shared a dream. And they still do.

For example, NFL All Pro defensive tackle Ted Washington of the Buffalo Bills, a Tampa native, recently recalled his playing days at Louisville under Schnellenberger.

''It seemed like every day we would hear the coach say his favorite saying—'To Believe is to be Strong.' At the time I guess I didn't understand what it meant,'' Washington said. ''But I do now, and a day doesn't go by that I don't use the phrase myself in football, in charity work and in working in the community.''

Washington is just one of three NFL stars who played at Louisville who have been selected to this year's Pro Bowl. New Orleans defensive end Joe Johnson and the Atlantic Falcons' defensive back Ray Buchanan were Schnellenberger recruits who bought into the dream of building a tough-minded, top-quality program.

Perhaps the most dramatic example of the Schnellenberger magic is the sparkling new stadium that stands on the southernmost edge of the campus of the University of Louisville.

At first, the idea of building a proud football program at Louisville and then the absolute best stadium in the state was mocked by some local writers who called it simply a pipe dream. After all, the future of Cardinal football was a fragile thing in the late 1980s. Again, there had been talk of de-emphasizing the sport, possibly dropping back to Division I–AA or disbanding completely.

But then came Schnellenberger. And then came winning seasons, bowl victories and sellout crowds. If ever Louisville was going to fulfill its football destiny, if ever there was going to be a time to give the program a solid foundation for the future, the time had come.

Schnellenberger's quiet belief was that once U of L and the Greater Louisville community committed to building a new stadium, and once that stadium was completed, there would be no turning back. Football would suddenly become more important than ever before, and have every possible chance to succeed as never before.

From that point on, he reasoned, there would be a financial imperative to aim high and provide fans with quality schedules and competitive teams. Recruiting of coaches and players would be enhanced immediately and for decades to come. And finally, the Louisville football program and its deserving fans would have a first-class home to call their own.

Today the stadium that Schnellenberger and his early recruits could only dream about is a reality. It is considered the finest, most fan-friendly college stadium in America today. It has a state-of-the-art playing surface, 42,000 chairback seats, a video replay board, corporate suites and a magnificent club level, all of which might make some NFL teams envious.

But there's something much more important about the stadium in Louisville they call Papa John's Cardinal Stadium. It's a testimony to the Schnellenberger way of doing things. It's all about vision, hard work, persistence, dreaming and determination.

Unlike many of the state of Kentucky's sports facilities, and many others around the nation, Louisville's new stadium is not a gift from the government.

Instead it is certainly one of the most remarkable collegiate projects ever built—by and for the people.

Schnellenberger had begun lobbying for a new stadium on Dec. 1, 1984, the day he took over the Cardinal program. But it took years to wade through administrative bureaucracies and to build a football team that would energize the community.

As the program improved, fan interest grew. New attendance records were set. Top teams like Texas, Texas A&M, Florida, Florida State, Arizona State and Tennessee were scheduled. Winning seasons turned into near-perfect seasons. And then came decision time.

When it became clear that a new stadium at Louisville would have to be built with private funds, skeptics chuckled. After all, no modern-day university had ever achieved such a feat.

But on June 2, 1993, the overall plan for fans to fund the new stadium was in place. But no one knew for sure how the fans would react.

That warm evening the U of L Athletic Department conducted its most amazing day of fund-raising ever. A kickoff party designed primarily as an information session, turned into a bonanza. Fans began writing checks. Big checks. And it was all the staff could do to keep up with the outpouring of support.

On that pivotal day, Cardinal loyalists pledge more than $1 million. And suddenly, the effort had the momentum it needed.

''What happened that day and throughout the stadium campaign, was unprecedented in college sports,'' said Dean Billick, now athletic director at Lamar University in Texas who served as a consultant to the stadium drive for four months.

''The passion the U of L fans had for their program and for that project was remarkable. People were taking out second mortgages on their homes to be able to buy lifetime seats. Some people were making commitments that were probably beyond what they could afford. But their commitment to making the stadium happen is something I will never forget. After years of discussions and studies, the Louisville fans finally got their chance at bat, and they stepped up to the plate and hit a home run. It was simply amazing to see.''

In only four months, thousands of Louisville fans came together to commit nearly $15 million to the stadium project. They gave it life.

Corporate and political leaders, knowing a winner when they saw one, jumped to the head of the victory parade and began to support the project. Others like Papa John's Pizza founder John Schnatter, saw it as a way for a hometown boy to give back to his community, and he pitched in $5 million.

But without the fans some of whom pledged as little as $25 per year, and some who donated up to $25,000 per seat, Louisville's dream would never have happened. Their passion for both the project and the program was founded in being part of the dream from the very beginning.

They had been there for those first practices and first games under their new coach. They had shared the tough times and later celebrated the good times together. And they had dared to dream together.

As Louisville fans prepared for their bowl trip this year, local country singer Mickey Clark recorded a song to commemorate the Cardinals' successful season. The title? The Dream Lives On. It sure does.

And that should be good news for Florida Atlantic fans who are about to embark on a dream of their own.

They'll be doing so alongside that fellow named Schnellenberger, who might just make this new story he's working on the best one yet.●

## FINANCIAL SERVICES MODERNIZATION ACT OF 1999

S. 900, the Financial Services Modernization Act of 1999, as amended and passed by the Senate on May 6, 1999, is as follows:

S. 900

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

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Financial Services Modernization Act of 1999''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:



## TITLE I—FACILITATING AFFILIATION AMONG BANKS, SECURITIES FIRMS, AND INSURANCE COMPANIES

### Subtitle A—Affiliations

**SEC. 101. GLASS-STEAGALL ACT REPEALED.**

(a) SECTION 20 REPEALED.—Section 20 of the Banking Act of 1933 (12 U.S.C. 377) (commonly referred to as the ''Glass-Steagall Act'') is repealed.

(b) SECTION 32 REPEALED.—Section 32 of the Banking Act of 1933 (12 U.S.C. 78) is repealed.

**SEC. 102. FINANCIAL ACTIVITIES.**

(a) IN GENERAL.—Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by adding at the end the following new subsections:

''(k) ENGAGING IN ACTIVITIES THAT ARE FINANCIAL IN NATURE.—

''(1) IN GENERAL.—Notwithstanding subsection (a), a bank holding company may engage in any activity, and may acquire and retain the shares of any company engaged in any activity, that the Board, in coordination with the Secretary of the Treasury, determines (by regulation or order) to be financial in nature or incidental to such financial activities.

''(2) COORDINATION BETWEEN THE BOARD AND THE SECRETARY OF THE TREASURY.—

''(A) PROPOSALS RAISED BEFORE THE BOARD.—

''(i) CONSULTATION.—The Board shall notify the Secretary of the Treasury of, and consult with the Secretary of the Treasury concerning, any request, proposal, or application under this subsection for a determination of whether an activity is financial in nature or incidental to such a financial activity.

''(ii) TREASURY VIEW.—The Board shall not determine that any activity is financial in nature or incidental to a financial activity under this subsection if the Secretary of the Treasury notifies the Board in writing, not later than 30 days after the date of receipt of the notice described in clause (i) (or such longer period as the Board determines to be appropriate in light of the circumstances) that the Secretary of the Treasury believes that the activity is not financial in nature or incidental to a financial activity.

''(B) PROPOSALS RAISED BY THE TREASURY.—

''(i) TREASURY RECOMMENDATION.—The Secretary of the Treasury may, at any time, recommend in writing that the Board find an activity to be financial in nature or incidental to a financial activity.

''(ii) TIME PERIOD FOR BOARD ACTION.—Not later than 30 days after the date of receipt of a written recommendation from the Secretary of the Treasury under clause (i) (or such longer period as the Secretary of the Treasury and the Board determine to be appropriate in light of the circumstances), the Board shall determine whether to initiate a public rulemaking proposing that the subject recommended activity be found to be financial in nature or incidental to a financial activity under this subsection, and shall notify the Secretary of the Treasury in writing of the determination of the Board and, in the event that the Board determines not to seek public comment on the proposal, the reasons for that determination.

''(3) FACTORS TO BE CONSIDERED.—The Board shall determine that an activity is financial in nature or incidental to financial activities, if the Board finds that such activity is consistent with—

''(A) the purposes of this Act and the Financial Services Modernization Act of 1999;

''(B) changes or reasonably expected changes in the marketplace in which bank holding companies compete;

''(C) changes or reasonably expected changes in the technology for delivering financial services; and

''(D) fostering—

''(i) effective competition with any company seeking to provide financial services in the United States;

''(ii) the efficient delivery of information and services that are financial in nature through the use of technological means, including any application necessary to protect the security or efficacy of systems for the transmission of data or financial transactions; and

''(iii) the provision to customers of any available or emerging technological means for using financial services.

''(4) ACTIVITIES THAT ARE FINANCIAL IN NATURE.—For purposes of this subsection, the

following activities shall be considered to be financial in nature:

''(A) Lending, exchanging, transferring, investing for others, or safeguarding money or securities.

''(B) Insuring, guaranteeing, or indemnifying against loss, harm, damage, illness, disability, or death, or providing and issuing annuities, and acting as principal, agent, or broker for purposes of the foregoing, in any State, in full compliance with the laws and regulations of that State that apply to each type of insurance license or authorization in that State.

''(C) Providing financial, investment, or economic advisory services, including advising an investment company (as defined in section 3 of the Investment Company Act of 1940).

''(D) Issuing or selling instruments representing interests in pools of assets permissible for a bank to hold directly.

''(E) Underwriting, dealing in, or making a market in securities.

''(F) Engaging in any activity that the Board has determined, by order or regulation that is in effect on the date of enactment of the Financial Services Modernization Act of 1999, to be so closely related to banking or managing or controlling banks as to be a proper incident thereto (subject to the same terms and conditions contained in such order or regulation, unless modified by the Board).

''(G) Engaging, in the United States, in any activity that—

''(i) a bank holding company may engage in outside of the United States; and

''(ii) the Board has determined, under regulations issued pursuant to subsection (c)(13) (as in effect on the day before the date of enactment of the Financial Services Modernization Act of 1999) to be usual in connection with the transaction of banking or other financial operations abroad.

''(H) Directly or indirectly acquiring or controlling, whether as principal, on behalf of 1 or more entities (including entities, other than a depository institution or subsidiary of a depository institution that the bank holding company controls), or otherwise, shares, assets, or ownership interests (including debt or equity securities, partnership interests, trust certificates, or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

''(i) the shares, assets, or ownership interests are not acquired or held by a depository institution or subsidiary of a depository institution; and

''(ii) such shares, assets, or ownership interests are acquired and held by—

''(I) a securities affiliate or an affiliate thereof; or

''(II) an affiliate of an insurance company described in paragraph (I)(ii) that provides investment advice to an insurance company and is registered pursuant to the Investment Advisers Act of 1940, or an affiliate of such investment adviser, as part of a bona fide underwriting or merchant banking activity, including investment activities engaged in for the purpose of appreciation and ultimate resale or disposition of the investment.

''(I) Directly or indirectly acquiring or controlling, whether as principal, on behalf of 1 or more entities (including entities, other than a depository institution or subsidiary of a depository institution, that the bank holding company controls), or otherwise, shares, assets, or ownership interests (including debt or equity securities, partnership interests, trust certificates or other instruments representing ownership) of a company or other entity, whether or not constituting control of such company or entity, engaged in any activity not authorized pursuant to this section if—

''(i) the shares, assets, or ownership interests are not acquired or held by a depository institution or a subsidiary of a depository institution;

''(ii) such shares, assets, or ownership interests are acquired and held by an insurance company that is predominantly engaged in underwriting life, accident and health, or property and casualty insurance (other than credit-related insurance) or providing and issuing annuities; and

''(iii) such shares, assets, or ownership interests represent, as determined by the insurance authority of the State of domicile of the insurance company, an investment made in the ordinary course of business of such insurance company in accordance with relevant State law governing such investments.

''(J) Activities that the Board determines (by regulation or order) are complementary to financial activities, or any other service that the Board determines (by regulation or order) not to pose a substantial risk to the safety or soundness of depository institutions or the financial system generally.

''(5) ACTIONS REQUIRED.—

''(A) IN GENERAL.—The Board shall, by regulation or order, define, consistent with the purposes of this Act, the activities described in subparagraph (B) as financial in nature, and the extent to which such activities are financial in nature or incidental to activities that are financial in nature.

''(B) ACTIVITIES.—The activities described in this subparagraph are—

''(i) lending, exchanging, transferring, investing for others, or safeguarding financial assets other than money or securities;

''(ii) providing any device or other instrumentality for transferring money or other financial assets;

''(iii) arranging, effecting, or facilitating financial transactions for the account of third parties; and

''(iv) activities that are complementary to financial activities, or any other service that the Board determines (by regulation or order) not to pose a substantial risk to the safety or soundness of depository institutions or the financial system generally.

''(6) REQUIRED NOTIFICATION.—

''(A) IN GENERAL.—A bank holding company that acquires any company or commences any activity pursuant to this subsection shall provide written notice to the Board describing the activity commenced or conducted by the company acquired not later than 30 calendar days after commencing the activity or consummating the acquisition, as applicable.

''(B) APPROVAL NOT REQUIRED FOR CERTAIN FINANCIAL ACTIVITIES.—Except as provided in subsection (j) with regard to the acquisition of a savings association, a bank holding company may commence any activity, or acquire any company, pursuant to paragraph (4) or any regulation prescribed or order issued under paragraph (5), without prior approval of the Board.

''(l) CONDITIONS FOR ENGAGING IN EXPANDED FINANCIAL ACTIVITIES.—

''(1) IN GENERAL.—Notwithstanding subsection (k), a bank holding company may not engage in any activity, or directly or indirectly acquire or retain shares of any company engaged in any activity, under subsection (k), other than activities permissible for a bank holding company under subsection (c)(8), unless—

''(A) all of the insured depository institution subsidiaries of the bank holding company are well capitalized;

''(B) all of the insured depository institution subsidiaries of the bank holding company are well managed; and

''(C) the bank holding company has filed with the Board—

''(i) a declaration that the company elects to engage in activities or acquire and retain shares of a company which were not permissible for a bank holding company to engage in or acquire before the enactment of the Financial Services Modernization Act of 1999; and

''(ii) a certification that the company meets the requirements of subparagraphs (A) and (B).

''(2) FOREIGN BANKS.—For purposes of paragraph (1), the Board shall apply comparable capital and management standards to a foreign bank that operates a branch or agency or owns or controls a commercial lending company in the United States, giving due regard to the principle of national treatment and equality of competitive opportunity.

''(3) DEFINITIONS.—For purposes of this subsection—

''(A) the term 'well capitalized' has the same meaning as in section 38 of the Federal Deposit Insurance Act;

''(B) the term 'well managed' means—

''(i) in the case of a depository institution that has been examined, unless otherwise determined in writing by the appropriate Federal banking agency—

''(I) the achievement of a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the depository institution; and

''(II) at least a rating of 2 for management, if that rating is given;

''(ii) in the case of any depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory; and

''(iii) the terms 'appropriate Federal banking agency' and 'depository institution' have the same meanings as in section 3 of the Federal Deposit Insurance Act.

''(m) PROVISIONS APPLICABLE TO BANK HOLDING COMPANIES THAT FAIL TO MEET CERTAIN REQUIREMENTS.—

''(1) IN GENERAL.—If the Board finds that—

''(A) a bank holding company is engaged, directly or indirectly, in any activity under subsection (k), other than activities that are permissible for a bank holding company under subsection (c)(8); and

''(B) such bank holding company is not in compliance with the requirements of subsection (l),

the Board shall give notice to the bank holding company to that effect, describing the conditions giving rise to the notice.

''(2) AGREEMENT TO CORRECT CONDITIONS REQUIRED.—Not later than 45 days after the date of receipt by a bank holding company of a notice given under paragraph (1) (or such additional period as the Board may permit), the bank holding company shall execute an agreement with the Board to comply with the requirements applicable to a bank holding company under subsection (l).

''(3) BOARD MAY IMPOSE LIMITATIONS.—Until the conditions described in a notice to a bank holding company under paragraph (1) are corrected, the Board may impose such limitations on the conduct or activities of that bank holding company or any affiliate

of that company as the Board determines to be appropriate under the circumstances and consistent with the purposes of this Act.

''(4) FAILURE TO CORRECT.—If the conditions described in a notice to a bank holding company under paragraph (1) are not corrected within 180 days after the date of receipt by the bank holding company of a notice under paragraph (1), the Board may require such bank holding company, under such terms and conditions as may be imposed by the Board and subject to such extension of time as may be granted in the discretion of the Board, either—

''(A) to divest control of any subsidiary insured depository institutions; or

''(B) to cease to engage in any activity conducted by such bank holding company or its subsidiaries (other than a depository institution or a subsidiary of a depository institution) that is not an activity that is permissible for a bank holding company under subsection (c)(8).

''(n) AUTHORITY TO RETAIN COMMODITY ACTIVITIES AND AFFILIATIONS.—Notwithstanding subsection (a), a company that is not a bank holding company or a foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978) and becomes a bank holding company after the date of enactment of the Financial Services Modernization Act of 1999, may continue to engage in, or directly or indirectly own or control shares of a company engaged in, activities related to the trading, sale, or investment in commodities and underlying physical properties that were not permissible for bank holding companies to conduct in the United States as of September 30, 1997, if—

''(1) the bank holding company, or any subsidiary of the bank holding company, lawfully was engaged, directly or indirectly, in any of such activities as of September 30, 1997, in the United States;

''(2) the attributed aggregate consolidated assets of the company held by the bank holding company pursuant to this subsection, and not otherwise permitted to be held by a bank holding company, are equal to not more than 5 percent of the total consolidated assets of the bank holding company, except that the Board may increase that percentage by such amounts and under such circumstances as the Board considers appropriate, consistent with the purposes of this Act; and

''(3) the bank holding company does not permit—

''(A) any company, the shares of which it owns or controls pursuant to this subsection, to offer or market any product or service of an affiliated insured depository institution; or

''(B) any affiliated insured depository institution to offer or market any product or service of any company, the shares of which are owned or controlled by such bank holding company pursuant to this subsection.''.

(b) FINANCIAL ACTIVITIES OF BANK HOLDING COMPANIES INELIGIBLE FOR SUBSECTION (k) POWERS.—

(1) IN GENERAL.—Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended to read as follows:

''(8) shares of any company, the activities of which had been determined by the Board by regulation or order under this paragraph as of the day before the date of enactment of the Financial Services Modernization Act of 1999, to be so closely related to banking as to be a proper incident thereto (subject to such terms and conditions contained in such regulation, unless modified by the Board);''.

(2) CONFORMING CHANGES TO OTHER STATUTES.—

(A) AMENDMENT TO THE BANK HOLDING COMPANY ACT AMENDMENTS OF 1970.—Section 105 of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1850) is amended by striking '', to engage directly or indirectly in a nonbanking activity pursuant to section 4 of such Act,''.

(B) AMENDMENT TO THE BANK SERVICE COMPANY ACT.—Section 4(f) of the Bank Service Company Act (12 U.S.C. 1864(f)) is amended by striking the period at the end and inserting the following: ''as of the day before the date of enactment of the Financial Services Modernization Act of 1999.''.

**SEC. 103. CONFORMING AMENDMENTS.**

Section 10(c)(2)(F)(i) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)(2)(F)(i))is amended—

(1) by inserting ''is permitted for bank holding companies under subsection (c) or (k) of section 4 of the Bank Holding Company Act of 1956, or which'' after ''(i) which''; and

(2) by striking ''section 4(c)'' and inserting ''subsection (c) or (k) of section 4''.

**SEC. 104. OPERATION OF STATE LAW.**

(a) STATE REGULATION OF THE BUSINESS OF INSURANCE.—The Act entitled ''An Act to express the intent of Congress with reference to the regulation of the business of insurance'' and approved March 9, 1945 (15 U.S.C. 1011 et seq.), commonly referred to as the ''McCarran-Ferguson Act'' remains the law of the United States.

(b) MANDATORY INSURANCE LICENSING REQUIREMENTS.—No person or entity shall provide insurance in a State as principal or agent unless such person or entity is licensed, as required by the appropriate insurance regulator of such State in accordance with the relevant State insurance laws, subject to subsections (c), (d), and (e).

(c) AFFILIATIONS.—

(1) IN GENERAL.—Except as provided in paragraph (2), no State may, by statute, regulation, order, interpretation, or other action, prevent or restrict the affiliations authorized or permitted by this Act and the amendments made by this Act.

(2) INSURANCE.—With respect to affiliations between insured depository institutions, or any subsidiary or affiliate thereof, and persons or entities engaged in the business of insurance, paragraph (1) does not prohibit any State from collecting, reviewing, and taking actions on required applications and other documents or reports as may be necessary concerning proposed acquisitions, changes, or continuations of control of any entity engaged in the business of insurance and domiciled in that State, if the State actions do not have the practical effect of discriminating, either intentionally or unintentionally, against an insured depository institution or a subsidiary or affiliate thereof, or against any person or entity based upon affiliation with an insured depository institution.

(d) ACTIVITIES.—

(1) IN GENERAL.—Except as provided in paragraph (3), and except with respect to insurance sales, solicitation, and cross marketing activities, which shall be governed by paragraph (2), no State may, by statute, regulation, order, interpretation or other action, prevent or restrict an insured depository institution or subsidiary or affiliate thereof from engaging directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other entity or person, in any activity authorized or permitted under this Act and the amendments made by this Act.

(2) INSURANCE SALES.—

(A) IN GENERAL.—In accordance with the legal standards for preemption set forth in the decision of the Supreme Court of the United States in Barnett Bank of Marion County N.A. v. Nelson, 116 S. Ct. 1103 (1996), no State may, by statute, regulation, order, interpretation, or other action, prevent or significantly interfere with the ability of an insured depository institution, or a subsidiary or affiliate thereof, to engage, directly or indirectly, either by itself or in conjunction with a subsidiary, affiliate, or any other party, in any insurance sales, solicitation, or cross-marketing activity.

(B) CERTAIN STATE LAWS PRESERVED.—Notwithstanding subparagraph (A), a State may impose any of the following restrictions, or restrictions that are substantially the same as but no more burdensome or restrictive than those in each of the following clauses:

(i) Restrictions prohibiting the rejection of an insurance policy solely because the policy has been issued or underwritten by any person not associated with such insured depository institution, or any subsidiary or affiliate thereof, when such insurance is required in connection with a loan or extension of credit.

(ii) Restrictions prohibiting a requirement for any debtor, insurer, or insurance agent or broker to pay a separate charge in connection with the handling of insurance that is required in connection with a loan or other extension of credit or the provision of another traditional banking product, unless such charge would be required when the insured depository institution, or any subsidiary or affiliate thereof, is the licensed insurance agent or broker providing the insurance.

(iii) Restrictions prohibiting the use of any advertisement or other insurance promotional material by an insured depository institution, or any subsidiary or affiliate thereof, that would cause a reasonable person to believe mistakenly that—

(I) a State or the Federal Government is responsible for the insurance sales activities of, or stands behind the credit of, the institution, affiliate, or subsidiary; or

(II) a State, or the Federal Government guarantees any returns on insurance products, or is a source of payment on any insurance obligation of or sold by the institution, affiliate, or subsidiary.

(iv) Restrictions prohibiting the payment or receipt of any commission or brokerage fee or other valuable consideration for services as an insurance agent or broker to or by any person, unless such person holds a valid State license regarding the applicable class of insurance at the time at which the services are performed, except that, in this clause, the term ''services as an insurance agent or broker'' does not include a referral by an unlicensed person of a customer or potential customer to a licensed insurance agent or broker that does not include a discussion of specific insurance policy terms and conditions.

(v) Restrictions prohibiting any compensation paid to or received by any individual who is not licensed to sell insurance for the referral of a customer that seeks to purchase, or seeks an opinion or advice on, any insurance product to a person that sells or provides opinions or advice on such product, based on the purchase of insurance by the customer.

(vi) Restrictions prohibiting the release of the insurance information of a customer (defined as information concerning the premiums, terms, and conditions of insurance

coverage, including expiration dates and rates, and insurance claims of a customer contained in the records of the insured depository institution, or a subsidiary or affiliate thereof) to any person or entity other than an officer, director, employee, agent, subsidiary, or affiliate of an insured depository institution, for the purpose of soliciting or selling insurance, without the express consent of the customer, other than a provision that prohibits—

(I) a transfer of insurance information to an unaffiliated insurance company, agent, or broker in connection with transferring insurance in force on existing insureds of the insured depository institution, or subsidiary or affiliate thereof, or in connection with a merger with or acquisition of an unaffiliated insurance company, agent, or broker; or

(II) the release of information as otherwise authorized by Federal or State law.

(vii) Restrictions prohibiting the use of health information obtained from the insurance records of a customer for any purpose, other than for its activities as a licensed agent or broker, without the express consent of the customer.

(viii) Restrictions prohibiting the extension of credit (or any product or service that is equivalent to an extension of credit), lease or sale of property of any kind, or furnishing of any services or fixing or varying the consideration for any of the foregoing, on the condition or requirement that the customer obtain insurance from the insured depository institution, a subsidiary or affiliate thereof, or a particular insurer, agent, or broker, other than a prohibition that would prevent any insured depository institution, or any subsidiary or affiliate thereof—

(I) from engaging in any activity that would not violate section 106 of the Bank Holding Company Act Amendments of 1970, as interpreted by the Board of Governors of the Federal Reserve System; or

(II) from informing a customer or prospective customer that insurance is required in order to obtain a loan or credit, that loan or credit approval is contingent upon the procurement by the customer of acceptable insurance, or that insurance is available from the insured depository institution, or any subsidiary or affiliate thereof.

(ix) Restrictions requiring, when an application by a customer for a loan or other extension of credit from an insured depository institution is pending, and insurance is offered or sold to the customer or is required in connection with the loan or extension of credit by the insured depository institution or any subsidiary or affiliate thereof, that a written disclosure be provided to the customer or prospective customer indicating that his or her choice of an insurance provider will not affect the credit decision or credit terms in any way, except that the insured depository institution may impose reasonable requirements concerning the creditworthiness of the insurance provider and scope of coverage chosen.

(x) Restrictions, requiring clear and conspicuous disclosure, in writing where practicable, to the customer prior to the sale of any insurance policy that such policy—

(I) is not a deposit;

(II) is not insured by the Federal Deposit Insurance Corporation;

(III) is not guaranteed by the insured depository institution or, if appropriate, its subsidiaries or affiliates or any person soliciting the purchase of or selling insurance on the premises thereof; and

(IV) where appropriate, involves investment risk, including potential loss of principal.

(xi) Restrictions requiring that, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, the credit and insurance transactions be completed through separate documents.

(xii) Restrictions prohibiting, when a customer obtains insurance (other than credit insurance or flood insurance) and credit from an insured depository institution or its subsidiaries or affiliates, or any person soliciting the purchase of or selling insurance on the premises thereof, inclusion of the expense of insurance premiums in the primary credit transaction without the express written consent of the customer.

(xiii) Restrictions requiring—

(I) maintenance of separate and distinct books and records relating to insurance transactions, including all files relating to and reflecting customer complaints; and

(II) that such insurance books and records be made available to the appropriate State insurance regulator for inspection upon reasonable notice.

(C) LIMITATIONS.—

(i) OCC DEFERENCE.—Section 203(e) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before September 3, 1998, and that is not described in subparagraph (B).

(ii) NONDISCRIMINATION.—Subsection (e) does not apply with respect to any State statute, regulation, order, interpretation, or other action regarding insurance sales, solicitation, or cross marketing activities described in subparagraph (A) that was issued, adopted, or enacted before September 3, 1998, and that is not described in subparagraph (B).

(iii) CONSTRUCTION.—Nothing in this paragraph shall be construed—

(I) to limit the applicability of the decision of the Supreme Court in Barnett Bank of Marion County N.A. v. Nelson, 116 S. Ct. 1103 (1996) with respect to any State statute, regulation, order, interpretation, or other action that is not referred to or described in this paragraph; or

(II) to create any inference with respect to any State statute, regulation, order, interpretation, or other action that is not referred to in this paragraph.

(3) INSURANCE ACTIVITIES OTHER THAN SALES.—State statutes, regulations, interpretations, orders, and other actions shall not be preempted under paragraph (1) to the extent that they—

(A) relate to, or are issued, adopted, or enacted for the purpose of regulating the business of insurance in accordance with the Act of March 9, 1945 (commonly known as the ''McCarran-Ferguson Act'');

(B) apply only to persons or entities that are not insured depository institutions, but that are directly engaged in the business of insurance (except that they may apply to depository institutions engaged in providing savings bank life insurance as principal to the extent of regulating such insurance);

(C) do not relate to or directly or indirectly regulate insurance sales, solicitations, or cross marketing activities; and

(D) are not prohibited under subsection (e).

(4) FINANCIAL ACTIVITIES OTHER THAN INSURANCE.—No State statute, regulation, interpretation, order, or other action shall be preempted under paragraph (1) to the extent that—

(A) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, insurance sales, solicitations, or cross marketing activities covered under paragraph (2);

(B) it does not relate to, and is not issued and adopted, or enacted for the purpose of regulating, directly or indirectly, the business of insurance activities other than sales, solicitations, or cross marketing activities, covered under paragraph (3);

(C) it does not relate to securities investigations or enforcement actions referred to in subsection (f); and

(D) it is not prohibited under subsection (e).

(e) NONDISCRIMINATION.—Except as provided in any restriction described in subsection (d)(2)(B), no State may, by statute, regulation, order, interpretation, or other action, regulate the activities authorized or permitted under this Act and the amendments made by this Act, or any other provision of Federal law, of an insured depository institution, or subsidiary or affiliate thereof, to the extent that such statute, regulation, order, interpretation, or other action—

(1) distinguishes by its terms between insured depository institutions, or subsidiaries or affiliates thereof, and other persons or entities engaged in such activities, in a manner that is in any way adverse to any such insured depository institution, or subsidiary or affiliate thereof;

(2) as interpreted or applied, has or will have an impact on insured depository institutions, or subsidiaries or affiliates thereof, that is substantially more adverse than its impact on other persons or entities providing the same products or services or engaged in the same activities that are not insured depository institutions, or subsidiaries or affiliates thereof, or persons or entities affiliated therewith;

(3) effectively prevents an insured depository institution, or subsidiary or affiliate thereof, from engaging in activities authorized or permitted by this Act and the amendments made by this Act, or any other provision of Federal law; or

(4) conflicts with the intent of this Act and the amendments made by this Act generally to permit affiliations that are authorized or permitted by Federal law.

(f) LIMITATION.—Subsections (c) and (d) shall not be construed to affect—

(1) the jurisdiction of the securities commission (or any agency or office performing like functions) of any State, under the laws of that State, to investigate and bring enforcement actions, consistent with section 18(c) of the Securities Act of 1933, with respect to fraud or deceit or unlawful conduct by any person, in connection with securities or securities transactions; or

(2) State laws, regulations, orders, interpretations, or other actions of general applicability relating to the governance of corporations, partnerships, limited liability companies, or other business associations incorporated or formed under the laws of that State or domiciled in that State, or the applicability of the antitrust laws of any State or any State law that is similar to the antitrust laws if such laws, regulations, interpretations, orders, or other actions are not inconsistent with the purposes of this Act to authorize or permit certain affiliations and to remove barriers to such affiliations.

(g) CERTAIN STATE AFFILIATION LAWS PREEMPTED FOR INSURANCE COMPANIES AND AFFILIATES.—Except as provided in subsection (c)(2), no State may, by law, regulation, order, interpretation, or otherwise—

(1) prevent or restrict the ability of any insurer, or any affiliate of an insurer (whether such affiliate is organized as a stock company, mutual holding company, or otherwise), to become a bank holding company, or to acquire control of an insured depository institution, where the practical effect of such State action would be to discriminate, intentionally or unintentionally, against an insurer, or any affiliate of an insurer, based upon its affiliation with an insured depository institution;

(2) limit the amount of the assets of an insurer that may be invested in the voting securities of an insured depository institution (or any company that controls such institution), except that the laws of the State of domicile of the insurer may limit the amount of such investment to an amount that is not less than 5 percent of the admitted assets of the insurer; or

(3) prevent, restrict, or have the authority to review, approve, or disapprove a plan of reorganization by which an insurer proposes to reorganize from mutual form to become a stock insurer (whether as a direct or indirect subsidiary of a mutual holding company or otherwise), unless the State is the State of domicile of the insurer, except that the appropriate regulatory authority of the State of domicile of the insurer shall consult with the appropriate regulatory authority in other States in which the insurer conducts business, regarding issues affecting the best interests of policyholders.

(h) MOTOR VEHICLE RENTAL AGENCY ACTIVITIES.—

(1) FINDINGS.—Congress finds that—

(A) in many States, the insurance laws are unclear as to whether personal insurance sales in connection with the short-term rental or leasing of motor vehicles should be licensed by the State as an insurance activity; and

(B) in those States that have not yet implemented regulations governing the offer or sale of insurance in connection with the short-term lease or rental of a motor vehicle, a presumption should exist that no insurance license is required in connection with such sales.

(2) EXCEPTION FOR CERTAIN INSURANCE PRODUCTS.—Subsection (b) does not apply to any person or entity who offers or provides insurance ancillary to a short-term lease or rental transaction of a motor vehicle in a State that does not, by statute, rule, or regulation, impose any licensing, appointment, personal or corporate qualifications, or education requirements on such persons or entities.

(3) CONSTRUCTION.—Nothing in this subsection shall be construed to alter the validity or effect of any State law, or the prospective application of any final State statute, rule, or regulation which, by its specific terms, expressly regulates or exempts from regulation any person or entity who offers or provides insurance ancillary to a short-term lease or rental transaction of a motor vehicle.

(4) LEASE PERIOD.—For purposes of this subsection, a person shall be considered to be providing insurance ancillary to a short-term lease or rental transaction of a motor vehicle if the lease or rental transaction is for 60 days or less, and the insurance is provided for a period of consecutive days not exceeding the length of the lease or rental.

(5) EFFECT.—This subsection shall remain in effect during the period beginning on the date of enactment of this Act and ending 5 years after that date of enactment.

(i) DEFINITIONS.—For purposes of this section—

(1) the term ''antitrust laws'' has the same meaning as in subsection (a) of the first section of the Clayton Act, and includes section 5 of the Federal Trade Commission Act (to the extent that such section 5 relates to unfair methods of competition);

(2) the term ''insured depository institution'' has the same meaning as in section 3 of the Federal Deposit Insurance Act; and

(3) the term ''State'' means any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

## Subtitle B—Streamlining Supervision of Bank Holding Companies

### SEC. 111. STREAMLINING BANK HOLDING COMPANY SUPERVISION.

Section 5(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(c)) is amended to read as follows:

''(c) REPORTS AND EXAMINATIONS.—

''(1) REPORTS.—

''(A) IN GENERAL.—The Board, from time to time, may require a bank holding company and any subsidiary of such company to submit reports under oath to keep the Board informed as to—

''(i) the financial condition of the bank holding company or subsidiary, systems for monitoring and controlling financial and operating risks, and transactions with depository institution subsidiaries of the bank holding company; and

''(ii) compliance by the company or subsidiary with applicable provisions of this Act.

''(B) USE OF EXISTING REPORTS.—

''(i) IN GENERAL.—For purposes of compliance with this paragraph, the Board shall, to the fullest extent possible, accept—

''(I) reports that a bank holding company or any subsidiary of such company has provided or been required to provide to other Federal or State supervisors or to appropriate self-regulatory organizations;

''(II) information that is otherwise required to be reported publicly; and

''(III) externally audited financial statements.

''(ii) REPORTS FILED WITH OTHER AGENCIES.—In the event that the Board requires a report under this subsection from a functionally regulated subsidiary of a bank holding company of a kind that is not required by another Federal or State regulatory authority or an appropriate self-regulatory organization, the Board shall request that the appropriate regulatory authority or self-regulatory organization obtain such report. If the report is not made available to the Board, and the report is necessary to assess a material risk to the bank holding company or any of its depository institution subsidiaries or compliance with this Act, the Board may require such functionally regulated subsidiary to provide such a report to the Board.

''(2) EXAMINATIONS.—

''(A) EXAMINATION AUTHORITY FOR BANK HOLDING COMPANIES AND SUBSIDIARIES.—Subject to subparagraph (B), the Board may make examinations of each bank holding company and each subsidiary of such holding company in order—

''(i) to inform the Board of the nature of the operations and financial condition of the holding company and such subsidiaries;

''(ii) to inform the Board of—

''(I) the financial and operational risks within the holding company system that may pose a threat to the safety and soundness of any depository institution subsidiary of such holding company; and

''(II) the systems for monitoring and controlling such risks; and

''(iii) to monitor compliance with the provisions of this Act and those governing transactions and relationships between any depository institution subsidiary and its affiliates.

''(B) FUNCTIONALLY REGULATED SUBSIDIARIES.—Notwithstanding subparagraph (A), the Board may make examinations of a functionally regulated subsidiary of a bank holding company only if—

''(i) the Board has reasonable cause to believe that such subsidiary is engaged in activities that pose a material risk to an affiliated depository institution; or

''(ii) based on reports and other available information, the Board has reasonable cause to believe that a subsidiary is not in compliance with this Act or with provisions relating to transactions with an affiliated depository institution, and the Board cannot make such determination through examination of the affiliated depository institution or the bank holding company.

''(C) RESTRICTED FOCUS OF EXAMINATIONS.—The Board shall, to the fullest extent possible, limit the focus and scope of any examination of a bank holding company to—

''(i) the bank holding company; and

''(ii) any subsidiary of the bank holding company that could have a materially adverse effect on the safety and soundness of any depository institution subsidiary of the holding company due to—

''(I) the size, condition, or activities of the subsidiary; or

''(II) the nature or size of transactions between the subsidiary and any depository institution that is also a subsidiary of the bank holding company.

''(D) DEFERENCE TO BANK EXAMINATIONS.—The Board shall, to the fullest extent possible, for the purposes of this paragraph, use the reports of examinations of depository institutions made by the appropriate Federal and State depository institution supervisory authority.

''(E) DEFERENCE TO OTHER EXAMINATIONS.—The Board shall, to the fullest extent possible, forego an examination by the Board under this paragraph and instead review the reports of examination made of—

''(i) any registered broker or dealer by or on behalf of the Securities and Exchange Commission;

''(ii) any registered investment adviser properly registered by or on behalf of either the Securities and Exchange Commission or any State;

''(iii) any licensed insurance company by or on behalf of any State regulatory authority responsible for the supervision of insurance companies; and

''(iv) any other subsidiary that the Board finds to be comprehensively supervised by a Federal or State authority.

''(3) CAPITAL.—

''(A) IN GENERAL.—The Board may not, by regulation, guideline, order, or otherwise, prescribe or impose any capital or capital adequacy rules, guidelines, standards, or requirements on any subsidiary of a bank holding company that—

''(i) is not an insured depository institution; and

''(ii) is—

''(I) in compliance with the applicable capital requirements of another Federal regulatory authority (including the Securities and Exchange Commission) or State insurance authority; or

''(II) properly registered as an investment adviser under the Investment Advisers Act of 1940, or with any State.

''(B) RULE OF CONSTRUCTION.—Subparagraph (A) shall not be construed as preventing the Board from imposing capital or capital adequacy rules, guidelines, standards, or requirements with respect to activities of a registered investment adviser other than with respect to investment advisory activities or activities incidental to investment advisory activities.

''(C) LIMITATIONS ON INDIRECT ACTION.—In developing, establishing, or assessing bank holding company capital or capital adequacy rules, guidelines, standards, or requirements for purposes of this paragraph, the Board may not take into account the activities, operations, or investments of an affiliated investment company registered under the Investment Company Act of 1940, if the investment company is not—

''(i) a bank holding company; or

''(ii) controlled by a bank holding company by reason of ownership by the bank holding company (including through all of its affiliates) of 25 percent or more of the shares of the investment company, where the shares owned by the bank holding company have a market value equal to more than $1,000,000.

''(4) TRANSFER OF BOARD AUTHORITY TO APPROPRIATE FEDERAL BANKING AGENCY.—

''(A) IN GENERAL.—In the case of any bank holding company that is not significantly engaged in nonbanking activities, the Board, in consultation with the appropriate Federal banking agency, may designate the appropriate Federal banking agency of the lead insured depository institution subsidiary of such holding company as the appropriate Federal banking agency for the bank holding company.

''(B) AUTHORITY TRANSFERRED.—An agency designated by the Board under subparagraph (A) shall have the same authority as the Board under this Act—

''(i) to examine and require reports from the bank holding company and any affiliate of such company (other than a depository institution) under this section;

''(ii) to approve or disapprove applications or transactions under section 3;

''(iii) to take actions and impose penalties under subsections (e) and (f) of this section and under section 8; and

''(iv) to take actions regarding the holding company, any affiliate of the holding company (other than a depository institution), or any institution-affiliated party of such company or affiliate under the Federal Deposit Insurance Act and any other statute that the Board may designate.

''(C) AGENCY ORDERS.—Section 9 of this Act and section 105 of the Bank Holding Company Act Amendments of 1970 shall apply to orders issued by an agency designated under subparagraph (A) in the same manner as such sections apply to orders issued by the Board.

''(5) FUNCTIONAL REGULATION OF SECURITIES AND INSURANCE ACTIVITIES.—

''(A) SECURITIES ACTIVITIES.—Securities activities conducted in a functionally regulated subsidiary of a bank shall be subject to regulation by the Securities and Exchange Commission, and by relevant State securities authorities, as appropriate, subject to section 104 of the Financial Services Modernization Act of 1999, to the same extent as if they were conducted in a nondepository institution subsidiary of a bank holding company.

''(B) INSURANCE ACTIVITIES.—Subject to section 104 of the Financial Services Modernization Act of 1999, insurance agency and brokerage activities and activities as principal conducted in a functionally regulated subsidiary of a bank shall be subject to regulation by a State insurance authority to the same extent as if they were conducted in a nondepository institution subsidiary of a bank holding company.

''(6) DEFINITION.—For purposes of this subsection, the term 'functionally regulated subsidiary' means any company—

''(A) that is not a bank holding company; and

''(B) that is—

''(i) a broker or dealer that is registered under the Securities Exchange Act of 1934;

''(ii) a registered investment adviser, properly registered by or on behalf of either the Securities and Exchange Commission or any State, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

''(iii) an investment company that is registered under the Investment Company Act of 1940;

''(iv) an insurance company or insurance agency that is subject to supervision by a State insurance commission, agency, or similar authority; or

''(v) an entity that is subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.''.

**SEC. 112. AUTHORITY OF STATE INSURANCE REGULATOR AND SECURITIES AND EXCHANGE COMMISSION.**

Section 5 of the Bank Holding Company Act of 1956 (12 U.S.C. 1844) is amended by adding at the end the following new subsection:

''(g) AUTHORITY OF STATE INSURANCE REGULATOR AND THE SECURITIES AND EXCHANGE COMMISSION.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, any regulation, order, or other action of the Board that requires a bank holding company to provide funds or other assets to an insured depository institution subsidiary shall not be effective nor enforceable, if—

''(A) such funds or assets are to be provided by—

''(i) a bank holding company that is an insurance company or that is a broker or dealer registered under the Securities Exchange Act of 1934; or

''(ii) an affiliate of the insured depository institution that is an insurance company or a broker or dealer registered under the Securities Exchange Act of 1934; and

''(B) the State insurance authority for the insurance company or the Securities and Exchange Commission for the registered broker or dealer, as the case may be, determines in a written notice sent to the bank holding company and to the Board that the bank holding company shall not provide such funds or assets because such action would have a material adverse effect on the financial condition of the insurance company or the broker or dealer, as the case may be.

''(2) NOTICE TO STATE INSURANCE AUTHORITY OR SEC REQUIRED.—If the Board requires a bank holding company, or an affiliate of a bank holding company, that is an insurance company or a broker or dealer, as described in paragraph (1)(A), to provide funds or assets to an insured depository institution subsidiary of the bank holding company pursuant to any regulation, order, or other action of the Board referred to in paragraph (1), the Board shall promptly notify the State insurance authority for the insurance company or the Securities and Exchange Commission, as the case may be, of such requirement.

''(3) DIVESTITURE IN LIEU OF OTHER ACTION.—If the Board receives a notice described in paragraph (1)(B) from a State insurance authority or the Securities and Exchange Commission with regard to a bank holding company or affiliate referred to in that paragraph, the Board may order the bank holding company to divest the insured depository institution subsidiary not later than 180 days after receiving the notice, or such longer period as the Board determines to be consistent with the safe and sound operation of the insured depository institution.

''(4) CONDITIONS BEFORE DIVESTITURE.—During the period beginning on the date on which an order to divest is issued by the Board under paragraph (3) to a bank holding company and ending on the date on which the divestiture is completed, the Board may impose any conditions or restrictions on ownership or operation by the bank holding company of the insured depository institution, including restricting or prohibiting transactions between the insured depository institution and any affiliate of the institution, as are appropriate under the circumstances.

''(5) RULE OF CONSTRUCTION.—No provision of this subsection may be construed to limit or otherwise affect the regulatory authority, including the scope of the authority, of any Federal agency or department with regard to any entity that is within the jurisdiction of such agency or department.''.

**SEC. 113. ROLE OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.**

The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended by inserting after section 10 the following new section:

**''SEC. 10A. LIMITATION ON RULEMAKING, PRUDENTIAL, SUPERVISORY, AND ENFORCEMENT AUTHORITY OF THE BOARD.**

''(a) LIMITATION ON DIRECT ACTION.—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a functionally regulated subsidiary of a bank holding company unless—

''(1) the action is necessary to prevent or redress an unsafe or unsound practice or breach of fiduciary duty by such subsidiary that poses a material risk to—

''(A) the financial safety, soundness, or stability of an affiliated insured depository institution; or

''(B) the domestic or international payment system; and

''(2) the Board finds that it is not reasonably possible to protect effectively against the material risk at issue through action directed at or against the affiliated insured depository institution or against insured depository institutions generally.

''(b) LIMITATION ON INDIRECT ACTION.—The Board may not prescribe regulations, issue or seek entry of orders, impose restraints, restrictions, guidelines, requirements, safeguards, or standards, or otherwise take any action under or pursuant to any provision of this Act or section 8 of the Federal Deposit Insurance Act against or with respect to a bank holding company where the purpose or effect of doing so would be to take action indirectly against or with respect to a functionally regulated subsidiary of a bank holding company that may not be taken directly against or with respect to such subsidiary in accordance with subsection (a).

''(c) ACTIONS SPECIFICALLY AUTHORIZED.—Notwithstanding subsection (a), the Board may take action under this Act or section 8

of the Federal Deposit Insurance Act to enforce compliance by a functionally regulated subsidiary of a bank holding company with Federal law that the Board has specific jurisdiction to enforce against such subsidiary.

''(d) 'FUNCTIONALLY REGULATED SUBSIDIARY' DEFINED.—For purposes of this section, the term 'functionally regulated subsidiary' has the same meaning as in section 5(c)(6).''.

**SEC. 114. EXAMINATION OF INVESTMENT COMPANIES.**

(a) EXCLUSIVE COMMISSION AUTHORITY.—Except as provided in subsection (c), a Federal banking agency may not inspect or examine any registered investment company that is not a bank holding company or a savings and loan holding company.

(b) EXAMINATION RESULTS AND OTHER INFORMATION.—The Commission shall provide to any Federal banking agency, upon request, the results of any examination, reports, records, or other information with respect to any registered investment company to the extent necessary for the agency to carry out its statutory responsibilities.

(c) CERTAIN EXAMINATIONS AUTHORIZED.—Nothing in this section shall prevent the Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the insured depository institution and the affiliate, and the effect of such relationship on the insured depository institution.

(d) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) BANK HOLDING COMPANY.—The term ''bank holding company'' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

(2) CORPORATION.—The term ''Corporation'' means the Federal Deposit Insurance Corporation.

(3) COMMISSION.—The term ''Commission'' means the Securities and Exchange Commission.

(4) FEDERAL BANKING AGENCY.—The term ''Federal banking agency'' has the same meaning as in section 3(z) of the Federal Deposit Insurance Act.

(5) REGISTERED INVESTMENT COMPANY.—The term ''registered investment company'' means an investment company that is registered with the Commission under the Investment Company Act of 1940.

(6) SAVINGS AND LOAN HOLDING COMPANY.—The term ''savings and loan holding company'' has the same meaning as in section 10(a)(1)(D) of the Home Owners' Loan Act.

**SEC. 115. EQUIVALENT REGULATION AND SUPERVISION.**

(a) IN GENERAL.—Notwithstanding any other provision of law, the provisions of—

(1) section 5(c) of the Bank Holding Company Act of 1956 (as amended by this Act) that limit the authority of the Board of Governors of the Federal Reserve System to require reports from, to make examinations of, or to impose capital requirements on holding companies and their functionally regulated subsidiaries or that require deference to other regulators;

(2) section 5(g) of the Bank Holding Company Act of 1956 (as added by this Act) that limit the authority of the Board to require capital from a functionally regulated subsidiary of a holding company to an insured depository institution subsidiary of the holding company and to take certain actions including requiring divestiture of the insured depository institution; and

(3) section 10A of the Bank Holding Company Act of 1956 (as added by this Act) that limit whatever authority the Board might otherwise have to take direct or indirect action with respect to holding companies and their functionally regulated subsidiaries,

shall also limit whatever authority that a Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act) might otherwise have under applicable Federal law to require reports, make examinations, impose capital requirements, or take any other direct or indirect action with respect to any functionally regulated subsidiary of an insured depository institution, subject to the same standards and requirements as are applicable to the Board under those provisions.

(b) CERTAIN EXEMPTION AUTHORIZED.—Nothing in this section shall prevent the Federal Deposit Insurance Corporation, if the Corporation finds it necessary to determine the condition of an insured depository institution for insurance purposes, from examining an affiliate of any insured depository institution, pursuant to its authority under section 10(b)(4) of the Federal Deposit Insurance Act, as may be necessary to disclose fully the relationship between the depository institution and the affiliate, and the effect of such relationship on the depository institution.

(c) ''FUNCTIONALLY REGULATED SUBSIDIARY'' DEFINED.—For purposes of this section, the term ''functionally regulated subsidiary'' has the same meaning as in section 5(c)(6) of the Bank Holding Company Act of 1956, as amended by this Act.

**SEC. 116. INTERAGENCY CONSULTATION.**

(a) EXAMINATION RESULTS AND OTHER INFORMATION.—

(1) INFORMATION OF THE BOARD.—Upon the request of the appropriate insurance regulator of any State, the Board may provide to that regulator any information of the Board regarding the financial condition, risk management policies, and operations of any bank holding company that controls a company that is engaged in insurance activities and is regulated by that State insurance regulator, and regarding any transaction or relationship between such an insurance company and any affiliated depository institution. The Board may provide any other information to the appropriate State insurance regulator that the Board believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(2) BANKING AGENCY INFORMATION.—Upon the request of the appropriate insurance regulator of any State, the appropriate Federal banking agency may provide to that regulator any information of the agency regarding any transaction or relationship between a depository institution supervised by that Federal banking agency and any affiliated company that is engaged in insurance activities regulated by the State insurance regulator. The appropriate Federal banking agency may provide any other information to the appropriate State insurance regulator that the agency believes is necessary or appropriate to permit the State insurance regulator to administer and enforce applicable State insurance laws.

(3) STATE INSURANCE REGULATOR INFORMATION.—Upon the request of the appropriate Federal banking agency, a State insurance regulator may provide any examination or other reports, records, or other information to which the State insurance regulator may have access with respect to a company that—

(A) is engaged in insurance activities and is regulated by that insurance regulator; and

(B) is an affiliate of an insured depository institution or a bank holding company.

(b) CONSULTATION.—Before making any determination relating to the initial affiliation of, or the continuing affiliation of, an insured depository institution or bank holding company with a company engaged in insurance activities, the appropriate Federal banking agency shall consult with the appropriate State insurance regulator of such company and take the views of such insurance regulator into account in making such determination.

(c) EFFECT ON OTHER AUTHORITY.—Nothing in this section shall limit in any respect the authority of the appropriate Federal banking agency with respect to an insured depository institution or bank holding company or any affiliate thereof under any provision of law.

(d) CONFIDENTIALITY AND PRIVILEGE.—

(1) CONFIDENTIALITY.—The appropriate Federal banking agency may not provide any information or material that is entitled to confidential treatment under applicable Federal banking agency regulations, or other applicable law, to a State insurance regulator, unless such regulator agrees to maintain the information or material in confidence and to take all reasonable steps to oppose any effort to secure disclosure of the information or material by the regulator. The appropriate Federal banking agency shall treat as confidential any information or material obtained from a State insurance regulator that is entitled to confidential treatment under applicable State regulations, or other applicable law, and take all reasonable steps to oppose any effort to secure disclosure of the information or material by the Federal banking agency.

(2) PRIVILEGE.—The provision pursuant to this section of information or material by a Federal banking agency or a State insurance regulator shall not constitute a waiver of, or otherwise affect, any privilege to which the information or material is otherwise subject.

(e) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPROPRIATE FEDERAL BANKING AGENCY; INSURED DEPOSITORY INSTITUTION.—The terms ''appropriate Federal banking agency'' and ''insured depository institution'' have the same meanings as in section 3 of the Federal Deposit Insurance Act.

(2) BOARD; BANK HOLDING COMPANY.—The terms ''Board'' and ''bank holding company'' have the same meanings as in section 2 of the Bank Holding Company Act of 1956.

**SEC. 117. PRESERVING THE INTEGRITY OF FDIC RESOURCES.**

Section 11(a)(4)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)(B)) is amended by striking ''to benefit any shareholder of'' and inserting ''to benefit any shareholder, affiliate (other than an insured depository institution that receives assistance in accordance with the provisions of this Act), or subsidiary of''.

**Subtitle C—Activities of National Banks**

**SEC. 121. AUTHORITY OF NATIONAL BANKS TO UNDERWRITE MUNICIPAL REVENUE BONDS.**

The paragraph designated the Seventh of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24(7)) is amended by adding at the end the following:

''The limitations and restrictions contained in this paragraph as to dealing in, underwriting, and purchasing investment securities for the national bank's own account do

not apply to obligations (including limited obligation bonds, revenue bonds, and obligations that satisfy the requirements of section 142(b)(1) of the Internal Revenue Code of 1986) issued by or on behalf of any State or political subdivision of a State, including any municipal corporate instrumentality of 1 or more States, or any public agency or authority of any State or political subdivision of a State, if the national banking association is well capitalized (as defined in section 38 of the Federal Deposit Insurance Act).''.

**SEC. 122. SUBSIDIARIES OF NATIONAL BANKS.**

(a) IN GENERAL.—Chapter one of title LXII of the Revised Statutes of the United States (12 U.S.C. 21 et seq.) is amended—

(1) by redesignating section 5136A as section 5136C; and

(2) by inserting after section 5136 (12 U.S.C. 24) the following new section:

**''SEC. 5136A. SUBSIDIARIES OF NATIONAL BANKS.**

''(a) AUTHORIZATION TO CONDUCT IN OPERATING SUBSIDIARIES CERTAIN ACTIVITIES THAT ARE FINANCIAL IN NATURE.—

''(1) IN GENERAL.—Subject to paragraph (2), a national bank may control a financial subsidiary, or hold an interest in a financial subsidiary, only if—

''(A) the consolidated total assets of the national bank do not exceed $1,000,000,000;

''(B) the national bank is not an affiliate of a bank holding company;

''(C) the subject activities are not real estate development or real estate investment activities, unless otherwise expressly authorized by law;

''(D) the national bank and each insured depository institution affiliate of the national bank is well capitalized and well managed; and

''(E) the national bank has received the approval of the Comptroller of the Currency to engage in such activities, which approval shall be based solely upon the factors set forth in subparagraph (D) and factors set forth in subsection (c).

''(2) REGULATIONS REQUIRED.—The Comptroller of the Currency shall, by regulation, prescribe procedures for the enforcement of this section.

''(b) SAFETY AND SOUNDNESS FIRE WALLS.—

''(1) CAPITAL REDUCTION REQUIRED.—In determining compliance with applicable capital standards for purposes of subsection (a)(1)(D)—

''(A) the aggregate amount of outstanding equity investments by a national bank in a financial subsidiary shall be deducted from the assets and tangible equity of the national bank; and

''(B) the assets and liabilities of the financial subsidiary shall not be consolidated with those of the national bank.

''(2) INVESTMENT LIMITATION.—A national bank may not, without the prior approval of the Comptroller of the Currency, make any equity investment in a financial subsidiary of the bank if that investment would, when made, exceed the amount that the national bank could pay as a dividend without obtaining prior regulatory approval.

''(c) SAFEGUARDS FOR THE BANK.—A national bank that establishes or maintains a financial subsidiary shall assure that—

''(1) the procedures of the national bank for identifying and managing financial and operational risks within the national bank and financial subsidiary adequately protect the national bank from such risks;

''(2) the bank has, for the protection of the national bank, reasonable policies and procedures to preserve the separate corporate identity and limited liability of the national bank and the financial subsidiaries of the national bank; and

''(3) the national bank is in compliance with this section.

''(d) STREAMLINING REGULATION AND SUPERVISION AND ENCOURAGING CONSULTATION AMONG FEDERAL AND STATE REGULATORS.—

''(1) IN GENERAL.—To the extent that a national bank engages in activities that are authorized by subsection (a) through a functionally regulated financial subsidiary, the regulation and supervision of such subsidiary by the Comptroller of the Currency, including its ability to require a contribution of capital or assets to the national bank from that functionally regulated financial subsidiary, shall be limited, as set forth under section 115 of the Financial Services Modernization Act of 1999.

''(2) INTERAGENCY CONSULTATION.—The provisions of section 116 of the Financial Services Modernization Act of 1999, relating to interagency consultation, shall apply to the Comptroller of the Currency and the appropriate State regulators of functionally regulated financial subsidiaries of a national bank.

''(e) PRESERVATION OF EXISTING OPERATING SUBSIDIARY AUTHORITY.—Notwithstanding any other provision of this section—

''(1) a national bank may retain control of a company, or retain an interest in a company, and conduct through such company any activities lawfully conducted therein as of the date of enactment of the Financial Services Modernization Act of 1999; and

''(2) a national bank may own shares of or any other interest in any company that is engaged only in activities that are permissible for the national bank to engage in directly, if such activities are engaged in under the same terms and conditions that would govern the conduct if conducted by a national bank directly.

''(f) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) FINANCIAL SUBSIDIARY.—The term 'financial subsidiary' means a company that—

''(A) is a subsidiary of a national bank; and

''(B) is engaged as principal in any activity that is permissible for a bank holding company under section 4(k) of the Bank Holding Company Act of 1956 and is not permissible for national banks to engage in directly.

''(2) FUNCTIONALLY REGULATED.—The term 'functionally regulated financial subsidiary' means a financial subsidiary that is—

''(A) a broker or dealer that is registered under the Securities Exchange Act of 1934;

''(B) an investment adviser that is registered under the Investment Advisers Act of 1940, or with any State, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;

''(C) an insurance company that is subject to supervision by a State insurance commission, agency, or similar authority; and

''(D) an entity that is subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.

''(3) SUBSIDIARY.—The term 'subsidiary' has the same meaning as in section 2 of the Bank Holding Company Act of 1956.

''(4) WELL CAPITALIZED.—The term 'well capitalized' has the same meaning as in section 38 of the Federal Deposit Insurance Act.

''(5) WELL MANAGED.—The term 'well managed' means—

''(A) in the case of a depository institution that has been examined, unless otherwise determined in writing by the appropriate Federal banking agency—

''(i) the achievement of a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of the depository institution; and

''(ii) at least a rating of 2 for management, if such rating is given; or

''(B) in the case of any depository institution that has not been examined, the existence and use of managerial resources that the appropriate Federal banking agency determines are satisfactory.

''(6) INCORPORATED DEFINITIONS.—The terms 'appropriate Federal banking agency', 'depository institution', and 'insured depository institution', have the same meanings as in section 3 of the Federal Deposit Insurance Act.''.

(b) LIMITING THE CREDIT EXPOSURE OF A NATIONAL BANK TO A FINANCIAL SUBSIDIARY TO THE AMOUNT OF PERMISSIBLE CREDIT EXPOSURE TO AN AFFILIATE.—Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d), the following new subsection:

''(e) RULES RELATING TO NATIONAL BANKS WITH FINANCIAL SUBSIDIARIES.—

''(1) FINANCIAL SUBSIDIARY DEFINED.—For purposes of this section and section 23B, the term 'financial subsidiary' has the same meaning as in section 5136A(f) of the Revised Statutes of the United States.

''(2) APPLICATION TO TRANSACTIONS BETWEEN A FINANCIAL SUBSIDIARY OF A NATIONAL BANK AND THE NATIONAL BANK.—For purposes of applying this section and section 23B to a transaction between a financial subsidiary of a national bank and the national bank (or between such financial subsidiary and any other subsidiary of the national bank that is not a financial subsidiary), and notwithstanding subsection (b)(2) of this section or section 23B(d)(1)—

''(A) the financial subsidiary of the national bank—

''(i) shall be deemed to be an affiliate of the national bank and of any other subsidiary of the bank that is not a financial subsidiary; and

''(ii) shall not be deemed to be a subsidiary of the national bank; and

''(B) a purchase of or investment in equity securities issued by the financial subsidiary shall not be deemed to be a covered transaction.

''(3) APPLICATION TO TRANSACTIONS BETWEEN FINANCIAL SUBSIDIARY AND NONBANK AFFILIATES.—

''(A) IN GENERAL.—A transaction between a financial subsidiary and an affiliate of the financial subsidiary (that is not a subsidiary of a national bank) shall not be deemed to be a transaction between a subsidiary of a national bank and an affiliate of that bank for purposes of section 23A or section 23B.

''(B) CERTAIN AFFILIATES EXCLUDED.—For purposes of this paragraph, the term 'affiliate' does not include a national bank, or a subsidiary of a national bank that is engaged exclusively in activities permissible for a national bank to engage in directly or agency activities permitted under section 123 of the Financial Services Modernization Act of 1999.''.

(c) ANTITYING.—Section 106(a) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1971) is amended by adding at the end the following: ''For purposes of this section, a financial subsidiary of a national bank engaging in activities pursuant to section 5136A(a) of the Revised Statutes of the

United States shall be deemed to be a subsidiary of a bank holding company, and not a subsidiary of a bank.''.

(d) CLERICAL AMENDMENT.—The table of sections for chapter one of title LXII of the Revised Statutes of the United States is amended—

(1) by redesignating the item relating to section 5136A as relating to section 5136C; and

(2) by inserting after the item relating to section 5136 the following new item:

''5136A. Subsidiaries of national banks.''.

**SEC. 123. AGENCY ACTIVITIES.**

A national bank may control a company, or hold an interest in a company that engages in agency activities that have been determined by the Comptroller of the Currency to be permissible for national banks or to be financial in nature or incidental to such financial activities (as determined pursuant to section 4(k) of the Bank Holding Company Act of 1956) if the company engages in such activities solely as agent and not directly or indirectly as principal.

**SEC. 124. PROHIBITING FRAUDULENT REPRESENTATIONS.**

(a) IN GENERAL.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1007 the following new section:

**''SEC. 1008. MISREPRESENTATIONS REGARDING FINANCIAL INSTITUTION LIABILITY FOR OBLIGATIONS OF AFFILIATES.**

''(a) PROHIBITION.—It shall be unlawful for an institution-affiliated party of an insured depository institution or institution-affiliated party of a subsidiary or affiliate of an insured depository institution to fraudulently represent that the institution is or will be liable for any obligation of a subsidiary or other affiliate of the institution.

''(b) PENALTIES.—Whoever violates subsection (a) shall be fined under this title, imprisoned not more than 1 year, or both.

''(c) INSTITUTION-AFFILIATED PARTY DEFINED.—For purposes of this section, the term 'institution-affiliated party' has the same meaning as in section 3 of the Federal Deposit Insurance Act, except that references to an insured depository institution shall be deemed to include references to a subsidiary or affiliate of an insured depository institution.

''(d) OTHER DEFINITIONS.—For purposes of this section, the terms 'affiliate', 'insured depository institution', and 'subsidiary' have same meanings as in section 3 of the Federal Deposit Insurance Act.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 47 of title 18, United States Code, is amended by inserting after the item relating to section 1007 the following new item:

''1008. Misrepresentations regarding financial institution liability for obligations of affiliates.''.

**SEC. 125. INSURANCE UNDERWRITING BY NATIONAL BANKS.**

(a) IN GENERAL.—

(1) IN GENERAL.—Except as provided in paragraph (2), a national bank and the subsidiaries of a national bank may only provide insurance in a State as principal in accordance with section 5136A(a) of the Revised Statutes of the United States, as added by this Act.

(2) EXCEPTION.—A national bank and the subsidiaries of a national bank may provide authorized insurance products as principal without regard to section 5136A(a) of the Revised Statutes of the United States, as added by this Act.

(b) AUTHORIZED INSURANCE PRODUCTS.—For purposes of this section, a product is an ''authorized insurance product'' if—

(1) as of January 1, 1999, the Comptroller of the Currency had determined in writing that national banks may provide such product as principal, or national banks were in fact lawfully providing such product as principal;

(2) no court of relevant jurisdiction had, by final judgment, overturned a determination of the Comptroller of the Currency that national banks may provide such product as principal; and

(3) the product is not an annuity contract, the income of which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

(c) DEFINITION.—For purposes of this section, the term ''insurance'' means—

(1) any product regulated as insurance as of January 1, 1999, in accordance with the relevant State insurance law, in the State in which the product is provided;

(2) any product first offered after January 1, 1999, which—

(A) a State insurance regulator determines shall be regulated as insurance in the State in which the product is provided because the product insures, guarantees, or indemnifies against liability, loss of life, loss of health, or loss through damage to or destruction of property, including surety bonds, life insurance, health insurance, title insurance, and property and casualty insurance (such as private passenger or commercial automobile, homeowners, mortgage, commercial multiperil, general liability, professional liability, workers' compensation, fire and allied lines, farm owners multiperil, aircraft, fidelity, surety, medical malpractice, ocean marine, inland marine, and boiler and machinery insurance); and

(B) is not a product or service of a bank that is—

(i) a deposit product;

(ii) a loan, discount, letter of credit, or other extension of credit;

(iii) a trust or other fiduciary service;

(iv) a qualified financial contract (as defined in or determined pursuant to section 11(e)(8)(D)(i) of the Federal Deposit Insurance Act); or

(v) a financial guaranty, except that this subparagraph shall not apply to a product that includes an insurance component such that if the product is offered or proposed to be offered by the bank as principal—

(I) it would be treated as a life insurance contract under section 7702 of the Internal Revenue Code of 1986; or

(II) in the event that the product is not a letter of credit or other similar extension of credit, a qualified financial contract, or a financial guaranty, it would qualify for treatment for losses incurred with respect to such product under section 832(b)(5) of the Internal Revenue Code of 1986, if the bank were subject to tax as an insurance company under section 831 of that Code; and

(3) any annuity contract, the income on which is subject to tax treatment under section 72 of the Internal Revenue Code of 1986.

## Subtitle D—National Treatment of Foreign Financial Institutions

**SEC. 151. NATIONAL TREATMENT OF FOREIGN FINANCIAL INSTITUTIONS.**

Section 8(c) of the International Banking Act of 1978 (12 U.S.C. 3106(c)) is amended by adding at the end the following new paragraph:

''(3) TERMINATION OF GRANDFATHERED RIGHTS.—

''(A) IN GENERAL.—If any foreign bank or foreign company files a declaration under section 4() of the Bank Holding Company Act of 1956, any authority conferred by this subsection on any foreign bank or company to engage in any activity that the Board has determined to be permissible for bank holding companies under section 4(k) of that Act shall terminate immediately.

''(B) RESTRICTIONS AND REQUIREMENTS AUTHORIZED.—If a foreign bank or company that engages, directly or through an affiliate pursuant to paragraph (1), in an activity that the Board determines to be permissible for bank holding companies under section 4(k) of the Bank Holding Company Act of 1956, has not filed a declaration with the Board of its status as a bank holding company under section 4(1) of that Act by the end of the 2-year period beginning on the date of enactment of the Financial Services Modernization Act of 1999, the Board, giving due regard to the principle of national treatment and equality of competitive opportunity, may impose such restrictions and requirements on the conduct of such activities by such foreign bank or company as are comparable to those imposed on a bank holding company organized under the laws of the United States, including a requirement to conduct such activities in compliance with any prudential safeguards established under section 10A of the Bank Holding Company Act of 1956.''.

**SEC. 152. REPRESENTATIVE OFFICES.**

(a) DEFINITION OF ''REPRESENTATIVE OFFICE''.—Section 1(b)(15) of the International Banking Act of 1978 (12 U.S.C. 3101(15)) is amended by striking ''State agency, or subsidiary of a foreign bank'' and inserting ''or State agency''.

(b) EXAMINATIONS.—Section 10(c) of the International Banking Act of 1978 (12 U.S.C. 3107(c)) is amended by adding at the end the following: ''The Board may also make examinations of any affiliate of a foreign bank conducting business in any State, if the Board deems it necessary to determine and enforce compliance with this Act, the Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.), or other applicable Federal banking law.''.

## TITLE II—INSURANCE CUSTOMER PROTECTIONS

**SEC. 201. FUNCTIONAL REGULATION OF INSURANCE.**

The insurance activity of any person or entity shall be functionally regulated by the States, subject to subsections (c), (d), and (e) of section 104.

**SEC. 202. INSURANCE CUSTOMER PROTECTIONS.**

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

**''SEC. 45. INSURANCE CUSTOMER PROTECTIONS.**

''(a) REGULATIONS REQUIRED.—

''(1) IN GENERAL.—The Federal banking agencies shall prescribe and publish in final form, before the end of the 1-year period beginning on the date of enactment of the Financial Services Modernization Act of 1999, customer protection regulations (which the agencies jointly determine to be appropriate) that—

''(A) apply to retail sales practices, solicitations, advertising, or offers of any insurance product by any insured depository institution or any person that is engaged in such activities at an office of the institution or on behalf of the institution; and

''(B) are consistent with the requirements of this Act and provide such additional protections for customers to whom such sales, solicitations, advertising, or offers are directed.

''(2) APPLICABILITY TO SUBSIDIARIES.—The regulations prescribed pursuant to paragraph (1) shall extend such protections to any subsidiaries of an insured depository institution

as deemed appropriate by the Federal banking agencies, where such extension is determined to be necessary to ensure the customer protections provided by this section.

''(3) CONSULTATION AND JOINT REGULATIONS.—The Federal banking agencies shall consult with each other and prescribe joint regulations pursuant to paragraph (1), after consultation with the State insurance regulators, as appropriate.

''(b) SALES PRACTICES.—The regulations prescribed pursuant to subsection (a) shall include antitying and anticoercion rules applicable to the sale of insurance products that prohibit an insured depository institution from engaging in any practice that would lead a customer to believe an extension of credit, in violation of section 106(b) of the Bank Holding Company Act Amendments of 1970, is conditional upon—

''(1) the purchase of an insurance product from the institution or any of its affiliates or subsidiaries; or

''(2) an agreement by the customer not to obtain, or a prohibition on the customer from obtaining, an insurance product from an unaffiliated entity.

''(c) DISCLOSURES AND ADVERTISING.—The regulations prescribed pursuant to subsection (a) shall include the following provisions relating to disclosures and advertising in connection with the initial purchase of an insurance product:

''(1) DISCLOSURES.—

''(A) IN GENERAL.—Requirements that the following disclosures be made orally and in writing before the completion of the initial sale and, in the case of clauses (iii) and (iv), at the time of application for an extension of credit:

''(i) UNINSURED STATUS.—As appropriate, the product is not insured by the Federal Deposit Insurance Corporation, the United States Government, or the insured depository institution.

''(ii) INVESTMENT RISK.—In the case of a variable annuity or insurance product that involves an investment risk, that there is an investment risk associated with the product, including possible loss of value.

''(iii) ANTITYING; ANTICOERCION.—The approval of an extension of credit may not be conditioned on—

''(I) the purchase of an insurance product from the institution in which the application for credit is pending or any of its affiliates or subsidiaries; or

''(II) an agreement by the customer not to obtain, or a prohibition on the customer from obtaining, an insurance product from an unaffiliated entity.

''(iv) PROHIBITION ON ENHANCED TREATMENT DUE TO OTHER PURCHASES OR SERVICES.—The processing of an extension of credit or the delivery of any other financial product or service will not be expedited depending upon the purchase by the customer of any additional product or service from an affiliated person or entity of the insured depository institution.

''(B) MAKING DISCLOSURE READILY UNDERSTANDABLE.—Regulations prescribed under subparagraph (A) shall encourage the use of disclosure that is conspicuous, simple, direct, and readily understandable, such as the following:

''(i) 'NOT FDIC–INSURED'.

''(ii) 'NOT GUARANTEED BY THE BANK'.

''(iii) 'MAY GO DOWN IN VALUE'.

''(C) LIMITATION.—Nothing in this paragraph requires the inclusion of the foregoing disclosures in advertisements of a general nature describing or listing the services or products offered by an institution.

''(D) MEANINGFUL DISCLOSURES.—Disclosures shall not be considered to be meaningfully provided under this paragraph if the institution or its representative states that disclosures required by this subsection were available to the customer in printed material available for distribution, where such printed material is not provided and such information is not orally disclosed to the customer.

''(E) ADJUSTMENTS FOR ALTERNATIVE METHODS OF PURCHASE.—In prescribing the requirements under subparagraphs (A) and (F), necessary adjustments shall be made for purchase in person, by telephone, or by electronic media to provide for the most appropriate and complete form of disclosure and acknowledgments.

''(F) CUSTOMER ACKNOWLEDGMENT.—A requirement that an insured depository institution shall require any person selling an insurance product at any office of, or on behalf of, the institution to obtain, at the time at which a customer receives the disclosures required under this paragraph or at the time of the initial purchase by the customer of such product, an acknowledgment by such customer of the receipt of the disclosure required under this paragraph with respect to such product.

''(2) PROHIBITION ON MISREPRESENTATIONS.—A prohibition on any practice, or any advertising, at any office of, or on behalf of, the insured depository institution, or any subsidiary, as appropriate, that could mislead any person or otherwise cause a reasonable person to reach an erroneous belief with respect to—

''(A) the uninsured nature of any insurance product sold, or offered for sale, by the institution or any subsidiary of the institution; or

''(B) in the case of a variable annuity or insurance product that involves an investment risk, the investment risk associated with any such product.

''(d) SEPARATION OF BANKING AND NONBANKING ACTIVITIES.—

''(1) REGULATIONS REQUIRED.—The regulations prescribed pursuant to subsection (a) shall include such provisions as the Federal banking agencies consider appropriate to ensure that the routine acceptance of deposits is kept, to the extent practicable, physically segregated from insurance product activity.

''(2) REQUIREMENTS.—Regulations prescribed pursuant to paragraph (1) shall include the following requirements:

''(A) SEPARATE SETTING.—A clear delineation of the setting in which, and the circumstances under which, transactions involving insurance products should be conducted in a location physically segregated from an area where retail deposits are routinely accepted.

''(B) REFERRALS.—Standards that permit any person accepting deposits from the public in an area where such transactions are routinely conducted in an insured depository institution to refer a customer who seeks to purchase any insurance product to a qualified person who sells such product, only if the person making the referral receives no more than a one-time nominal fee of a fixed dollar amount for each referral that does not depend on whether the referral results in a transaction.

''(C) QUALIFICATION AND LICENSING REQUIREMENTS.—Standards prohibiting any insured depository institution from permitting any person to sell or offer for sale any insurance product in any part of any office of the institution, or on behalf of the institution, unless such person is appropriately qualified and licensed.

''(e) EFFECT ON OTHER AUTHORITY.—

''(1) IN GENERAL.—No provision of this section shall be construed as granting, limiting, or otherwise affecting—

''(A) any authority of the Securities and Exchange Commission, any self-regulatory organization, the Municipal Securities Rulemaking Board, or the Secretary of the Treasury under any Federal securities law; or

''(B) except as provided in paragraph (2), any authority of any State insurance commission (or any agency or office performing like functions), or of any State securities commission (or any agency or office performing like functions), or other State authority under any State law.

''(2) COORDINATION WITH STATE LAW.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), insurance customer protection regulations prescribed by a Federal banking agency under this section shall not apply to retail sales, solicitations, advertising, or offers of any insurance product by any insured depository institution or to any person who is engaged in such activities at an office of such institution or on behalf of the institution, in a State where the State has in effect statutes, regulations, orders, or interpretations, that are inconsistent with or contrary to the regulations prescribed by the Federal banking agencies.

''(B) PREEMPTION.—

''(i) IN GENERAL.—If, with respect to any provision of the regulations prescribed under this section, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Board of Directors of the Corporation determine jointly that the protection afforded by such provision for customers is greater than the protection provided by a comparable provision of the statutes, regulations, orders, or interpretations referred to in subparagraph (A) of any State, the appropriate State regulatory authority shall be notified of such determination in writing.

''(ii) CONSIDERATIONS.—Before making a final determination under clause (i), the Federal agencies referred to in clause (i) shall give appropriate consideration to comments submitted by the appropriate State regulatory authorities relating to the level of protection afforded to consumers under State law.

''(iii) FEDERAL PREEMPTION AND ABILITY OF STATES TO OVERRIDE FEDERAL PREEMPTION.—If the Federal agencies referred to in clause (i) jointly determine that any provision of the regulations prescribed under this section affords greater protections than a comparable State law, rule, regulation, order, or interpretation, those agencies shall send a written preemption notice to the appropriate State regulatory authority to notify the State that the Federal provision will preempt the State provision and will become applicable unless, not later than 3 years after the date of such notice, the State adopts legislation to override such preemption.

''(f) NON-DISCRIMINATION AGAINST NON-AFFILIATED AGENTS.—The Federal banking agencies shall ensure that the regulations prescribed pursuant to subsection (a) shall not have the practical effect of discriminating, either intentionally or unintentionally, against any person engaged in insurance sales or solicitations that is not affiliated with an insured depository institution.''.

**SEC. 203. FEDERAL AND STATE DISPUTE RESOLUTION.**

(a) FILING IN COURT OF APPEALS.—In the case of a regulatory conflict between a State

insurance regulator and a Federal regulator regarding insurance issues, including whether a State law, rule, regulation, order, or interpretation regarding any insurance sales or solicitation activity is properly treated as preempted under Federal law, either regulator may seek expedited judicial review of such determination by the United States Court of Appeals for the circuit in which the State is located or in the United States Court of Appeals for the District of Columbia Circuit by filing a petition for review in such court.

(b) EXPEDITED REVIEW.—The United States Court of Appeals in which a petition for review if filed in accordance with subsection (a) shall complete all action on such petition, including rendering a judgment, before the end of the 60-day period beginning on the date on which such petition is filed, unless all parties to such proceedings agree to any extension of such period.

(c) SUPREME COURT REVIEW.—Any request for certiorari to the Supreme Court of the United States of any judgment of a United States Court of Appeals with respect to a petition for review under this section shall be filed with the Supreme Court of the United States as soon as practicable after such judgment is issued.

(d) STATUTE OF LIMITATION.—No action may be filed under this section challenging an order, ruling, determination, or other action of a Federal regulator or State insurance regulator after the later of—

(1) the end of the 12-month period beginning on the date on which the first public notice is made of such order, ruling, determination or other action in its final form; or

(2) the end of the 6-month period beginning on the date on which such order, ruling, determination, or other action takes effect.

(e) STANDARD OF REVIEW.—The court shall decide an action filed under subsection (a) based on its review on the merits of all questions presented under State and Federal law, including the nature of the product or activity and the history and purpose of its regulation under State and Federal law, according equal deference to the Federal regulator and the State insurance regulator.

## TITLE III—REGULATORY IMPROVEMENTS

### SEC. 301. ELIMINATION OF SAIF AND DIF SPECIAL RESERVES.

(a) SAIF SPECIAL RESERVE.—Section 11(a)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(6)) is amended by striking subparagraph (L).

(b) DIF SPECIAL RESERVE.—Section 2704 of the Deposit Insurance Funds Act of 1996 (12 U.S.C. 1821 note) is amended—

(1) by striking subsection (b); and

(2) in subsection (d)—

(A) by striking paragraph (4);

(B) in paragraph (6)(C)(i), by striking ''(6) and (7)'' and inserting ''(5), (6), and (7)''; and

(C) in paragraph (6)(C), by striking clause (ii) and inserting the following:

''(ii) by redesignating paragraph (8) as paragraph (5).''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective on the date of enactment of this Act.

### SEC. 302. EXPANDED SMALL BANK ACCESS TO S CORPORATION TREATMENT.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of—

(1) possible revisions to the rules governing S corporations, including—

(A) increasing the permissible number of shareholders in such corporations;

(B) permitting shares of such corporations to be held in individual retirement accounts;

(C) clarifying that interest on investments held for safety, soundness, and liquidity purposes should not be considered to be passive income;

(D) discontinuation of the treatment of stock held by bank directors as a disqualifying personal class of stock for such corporations; and

(E) improving Federal tax treatment of bad debt and interest deductions; and

(2) what impact such revisions might have on community banks.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress on the results of the study conducted under subsection (a).

(c) DEFINITION.—For purposes of this section, the term ''S corporation'' has the same meaning as in section 1361(a)(1) of the Internal Revenue Code of 1986.

### SEC. 303. MEANINGFUL CRA EXAMINATIONS.

(a) COMPLIANCE.—Notwithstanding any other provision of law, an insured depository institution rated as ''satisfactory'' or better in its most recent examination under the Community Reinvestment Act of 1977, and in each such examination during the immediately preceding 36-month period shall be deemed to be in compliance with the requirements of that Act until the completion of a subsequent regularly scheduled examination under that Act, unless substantial verifiable information arising since the time of its most recent examination under that Act demonstrating noncompliance is filed with the appropriate Federal banking agency.

(b) OBJECTIONS.—

(1) AGENCY DETERMINATION.—The appropriate Federal banking agency shall determine, on a timely basis, whether the information filed by any person under subsection (a) provides sufficient proof that the subject insured depository institution is no longer in compliance with the requirements of the Community Reinvestment Act of 1977, as provided in subsection (a).

(2) BURDEN OF PROOF.—A person filing information under subsection (a) shall bear the burden of proving to the satisfaction of the appropriate Federal banking agency, the substantial verifiable nature of that information.

(c) DEFINITIONS.—In this section, the terms ''insured depository institution'' and ''appropriate Federal banking agency'' have the same meanings as in section 3 of the Federal Deposit Insurance Act.

### SEC. 304. FINANCIAL INFORMATION PRIVACY PROTECTION.

(a) FINANCIAL INFORMATION ANTI-FRAUD.—The Consumer Credit Protection Act (15 U.S.C. 1601 et seq.) is amended by adding at the end the following:

## ''TITLE X—FINANCIAL INFORMATION PRIVACY PROTECTION

### ''SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.

''(a) SHORT TITLE.—This title may be cited as the 'Financial Information Anti-Fraud Act of 1999'.

''(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:



### ''SEC. 1002. DEFINITIONS.

''For purposes of this title, the following definitions shall apply:

''(1) CUSTOMER.—The term 'customer' means, with respect to a financial institution, any person (or authorized representative of a person) to whom the financial institution provides a product or service, including that of acting as a fiduciary.

''(2) CUSTOMER INFORMATION OF A FINANCIAL INSTITUTION.—The term 'customer information of a financial institution' means any information maintained by a financial institution which is derived from the relationship between the financial institution and a customer of the financial institution and is identified with the customer.

''(3) DOCUMENT.—The term 'document' means any information in any form.

''(4) FINANCIAL INSTITUTION.—

''(A) IN GENERAL.—The term 'financial institution' means any institution engaged in the business of providing financial services to customers who maintain a credit, deposit, trust, or other financial account or relationship with the institution.

''(B) CERTAIN FINANCIAL INSTITUTIONS SPECIFICALLY INCLUDED.—The term 'financial institution' includes any depository institution (as defined in section 19(b)(1)(A) of the Federal Reserve Act), any loan or finance company, any credit card issuer or operator of a credit card system, and any consumer reporting agency that compiles and maintains files on consumers on a nationwide basis (as defined in section 603(p)).

''(C) FURTHER DEFINITION BY REGULATION.—The Board of Governors of the Federal Reserve System may prescribe regulations further defining the term 'financial institution', in accordance with subparagraph (A), for purposes of this title.

### ''SEC. 1003. PRIVACY PROTECTION FOR CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.

''(a) PROHIBITION ON OBTAINING CUSTOMER INFORMATION BY FALSE PRETENSES.—It shall be a violation of this title for any person to obtain or attempt to obtain, or cause to be disclosed or attempt to cause to be disclosed to any person, customer information of a financial institution relating to another person—

''(1) by knowingly making a false, fictitious, or fraudulent statement or representation to an officer, employee, or agent of a financial institution with the intent to deceive the officer, employee, or agent into relying on that statement or representation for purposes of releasing the customer information;

''(2) by knowingly making a false, fictitious, or fraudulent statement or representation to a customer of a financial institution with the intent to deceive the customer into relying on that statement or representation for purposes of releasing the customer information or authorizing the release of such information; or

''(3) by knowingly providing any document to an officer, employee, or agent of a financial institution, knowing that the document is forged, counterfeit, lost, or stolen, was fraudulently obtained, or contains a false, fictitious, or fraudulent statement or representation, if the document is provided with the intent to deceive the officer, employee, or agent into relying on that document for purposes of releasing the customer information.

''(b) PROHIBITION ON SOLICITATION OF A PERSON TO OBTAIN CUSTOMER INFORMATION FROM

FINANCIAL INSTITUTION UNDER FALSE PRETENSES.—It shall be a violation of this title to request a person to obtain customer information of a financial institution, knowing or consciously avoiding knowing that the person will obtain, or attempt to obtain, the information from the institution in any manner described in subsection (a).

''(c) NONAPPLICABILITY TO LAW ENFORCEMENT AGENCIES.—No provision of this section shall be construed so as to prevent any action by a law enforcement agency, or any officer, employee, or agent of such agency, to obtain customer information of a financial institution in connection with the performance of the official duties of the agency.

''(d) NONAPPLICABILITY TO FINANCIAL INSTITUTIONS IN CERTAIN CASES.—No provision of this section shall be construed to prevent any financial institution, or any officer, employee, or agent of a financial institution, from obtaining customer information of such financial institution in the course of—

''(1) testing the security procedures or systems of such institution for maintaining the confidentiality of customer information;

''(2) investigating allegations of misconduct or negligence on the part of any officer, employee, or agent of the financial institution; or

''(3) recovering customer information of the financial institution which was obtained or received by another person in any manner described in subsection (a) or (b).

''(e) NONAPPLICABILITY TO CERTAIN TYPES OF CUSTOMER INFORMATION OF FINANCIAL INSTITUTIONS.—No provision of this section shall be construed to prevent any person from obtaining customer information of a financial institution that otherwise is available as a public record filed pursuant to the securities laws (as defined in section 3(a)(47) of the Securities Exchange Act of 1934).

**''SEC. 1004. ADMINISTRATIVE ENFORCEMENT.**

''(a) ENFORCEMENT BY FEDERAL TRADE COMMISSION.—Except as provided in subsection (b), compliance with this title shall be enforced by the Federal Trade Commission in the same manner and with the same power and authority as the Commission has under the Fair Debt Collection Practices Act to enforce compliance with that title.

''(b) ENFORCEMENT BY OTHER AGENCIES IN CERTAIN CASES.—

''(1) IN GENERAL.—Compliance with this title shall be enforced under—

''(A) section 8 of the Federal Deposit Insurance Act, in the case of—

''(i) national banks, and Federal branches and Federal agencies of foreign banks, by the Office of the Comptroller of the Currency;

''(ii) member banks of the Federal Reserve System (other than national banks), branches and agencies of foreign banks (other than Federal branches, Federal agencies, and insured State branches of foreign banks), commercial lending companies owned or controlled by foreign banks, and organizations operating under section 25 or 25A of the Federal Reserve Act, by the Board;

''(iii) banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System and national nonmember banks) and insured State branches of foreign banks, by the Board of Directors of the Federal Deposit Insurance Corporation; and

''(iv) savings associations the deposits of which are insured by the Federal Deposit Insurance Corporation, by the Director of the Office of Thrift Supervision; and

''(B) the Federal Credit Union Act, by the Administrator of the National Credit Union Administration with respect to any Federal credit union.

''(2) VIOLATIONS OF THIS TITLE TREATED AS VIOLATIONS OF OTHER LAWS.—For the purpose of the exercise by any agency referred to in paragraph (1) of its powers under any Act referred to in that paragraph, a violation of this title shall be deemed to be a violation of a requirement imposed under that Act. In addition to its powers under any provision of law specifically referred to in paragraph (1), each of the agencies referred to in that paragraph may exercise, for the purpose of enforcing compliance with this title, any other authority conferred on such agency by law.

''(c) STATE ACTION FOR VIOLATIONS.—

''(1) AUTHORITY OF STATES.—In addition to such other remedies as are provided under State law, if the chief law enforcement officer of a State, or an official or agency designated by a State, has reason to believe that any person has violated or is violating this title, the State—

''(A) may bring an action to enjoin such violation in any appropriate United States district court or in any other court of competent jurisdiction;

''(B) may bring an action on behalf of the residents of the State to recover damages of not more than $1,000 for each violation; and

''(C) in the case of any successful action under subparagraph (A) or (B), shall be awarded the costs of the action and reasonable attorney fees as determined by the court.

''(2) RIGHTS OF FEDERAL REGULATORS.—

''(A) PRIOR NOTICE.—The State shall serve prior written notice of any action under paragraph (1) upon the Federal Trade Commission and, in the case of an action which involves a financial institution described in section 1004(b)(1), the agency referred to in such section with respect to such institution and provide the Federal Trade Commission and any such agency with a copy of its complaint, except in any case in which such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action.

''(B) RIGHT TO INTERVENE.—The Federal Trade Commission or an agency described in subsection (b) shall have the right—

''(i) to intervene in an action under paragraph (1);

''(ii) upon so intervening, to be heard on all matters arising therein;

''(iii) to remove the action to the appropriate United States district court; and

''(iv) to file petitions for appeal.

''(3) INVESTIGATORY POWERS.—For purposes of bringing any action under this subsection, no provision of this subsection shall be construed as preventing the chief law enforcement officer, or an official or agency designated by a State, from exercising the powers conferred on the chief law enforcement officer or such official by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

''(4) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION PENDING.—If the Federal Trade Commission or any agency described in subsection (b) has instituted a civil action for a violation of this title, no State may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Federal Trade Commission or such agency for any violation of this title that is alleged in that complaint.

**''SEC. 1005. CIVIL LIABILITY.**

''Any person, other than a financial institution, who fails to comply with any provision of this title with respect to any financial institution or any customer information of a financial institution shall be liable to such financial institution or the customer to whom such information relates in an amount equal to the sum of the amounts determined under each of the following paragraphs:

''(1) ACTUAL DAMAGES.—The greater of—

''(A) the amount of any actual damage sustained by the financial institution or customer as a result of such failure; or

''(B) any amount received by the person who failed to comply with this title, including an amount equal to the value of any nonmonetary consideration, as a result of the action which constitutes such failure.

''(2) ADDITIONAL DAMAGES.—Such additional amount as the court may allow.

''(3) ATTORNEYS' FEES.—In the case of any successful action to enforce any liability under paragraph (1) or (2), the costs of the action, together with reasonable attorneys' fees.

**''SEC. 1006. CRIMINAL PENALTY.**

''(a) IN GENERAL.—Whoever violates, or attempts to violate, section 1003 shall be fined in accordance with title 18, United States Code, or imprisoned for not more than 5 years, or both.

''(b) ENHANCED PENALTY FOR AGGRAVATED CASES.—Whoever violates, or attempts to violate, section 1003 while violating another law of the United States or as part of a pattern of any illegal activity involving more than $100,000 in a 12-month period shall be fined twice the amount provided in subsection (b)(3) or (c)(3) (as the case may be) of section 3571 of title 18, United States Code, imprisoned for not more than 10 years, or both.

**''SEC. 1007. RELATION TO STATE LAWS.**

''(a) IN GENERAL.—This title shall not be construed as superseding, altering, or affecting the statutes, regulations, orders, or interpretations in effect in any State, except to the extent that such statutes, regulations, orders, or interpretations are inconsistent with the provisions of this title, and then only to the extent of the inconsistency.

''(b) GREATER PROTECTION UNDER STATE LAW.—For purposes of this section, a State statute, regulation, order, or interpretation is not inconsistent with the provisions of this title if the protection such statute, regulation, order, or interpretation affords any person is greater than the protection provided under this title.

**''SEC. 1008. AGENCY GUIDANCE.**

''In furtherance of the objectives of this title, each Federal banking agency (as defined in section 3(z) of the Federal Deposit Insurance Act) shall issue advisories to depository institutions under the jurisdiction of the agency, in order to assist such depository institutions in deterring and detecting activities proscribed under section 1003.''.

(b) REPORT TO CONGRESS ON FINANCIAL PRIVACY.—Not later than 18 months after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the Federal Trade Commission, the Federal banking agencies, and other appropriate Federal law enforcement agencies, shall submit to the Congress a report on—

(1) the efficacy and adequacy of the remedies provided in the amendments made by subsection (a) in addressing attempts to obtain financial information by fraudulent means or by false pretenses; and

(2) any recommendations for additional legislative or regulatory action to address threats to the privacy of financial information created by attempts to obtain information by fraudulent means or false pretenses.

(c) REPORTS ON ONGOING FTC STUDY OF CONSUMER PRIVACY ISSUES.—With respect to the ongoing multistage study being conducted by the Federal Trade Commission on consumer privacy issues, the Commission shall submit to the Congress an interim report on the findings and conclusions of the Commission, together with such recommendations for legislative and administrative action as the Commission determines to be appropriate, at the conclusion of each stage of such study and a final report at the conclusion of the study.

(d) CONSUMER GRIEVANCE PROCESS.—The Federal banking agencies (as that term is defined in section 3 of the Federal Deposit Insurance Act) shall jointly establish a consumer complaint mechanism, for receiving and expeditiously addressing consumer complaints alleging a violation of regulations issued under section 45 of the Federal Deposit Insurance Act (as added by section 202 of this Act), which mechanism shall—

(1) establish a group within each Federal banking agency to receive such complaints; and

(2) develop procedures for—

(A) investigating such complaints;

(B) informing consumers of rights they may have in connection with such complaints; and

(C) addressing concerns raised by such complaints, as appropriate, including procedures for the recovery of losses, to the extent appropriate.

**SEC. 305. CROSS MARKETING RESTRICTION; LIMITED PURPOSE BANK RELIEF; DIVESTITURE.**

(a) CROSS MARKETING RESTRICTION.—Section 4(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)) is amended by striking paragraph (3).

(b) DAYLIGHT OVERDRAFTS.—Section 4(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)) is amended by inserting after paragraph (2) the following new paragraph:

''(3) PERMISSIBLE OVERDRAFTS DESCRIBED.—For purposes of paragraph (2)(C), an overdraft is described in this paragraph if—

''(A) such overdraft results from an inadvertent computer or accounting error that is beyond the control of both the bank and the affiliate;

''(B) such overdraft—

''(i) is permitted or incurred on behalf of an affiliate that is monitored by, reports to, and is recognized as a primary dealer by the Federal Reserve Bank of New York; and

''(ii) is fully secured, as required by the Board, by bonds, notes, or other obligations that are direct obligations of the United States or on which the principal and interest are fully guaranteed by the United States or by securities and obligations eligible for settlement on the Federal Reserve book entry system; or

''(C) such overdraft—

''(i) is permitted or incurred by, or on behalf of, an affiliate that is engaged in activities that are so closely related to banking, or managing or controlling banks, as to be a proper incident thereto; and

''(ii) does not cause the bank to violate any provision of section 23A or 23B of the Federal Reserve Act, either directly, in the case of a bank that is a member of the Federal Reserve System, or by virtue of section 18(j) of the Federal Deposit Insurance Act, in the case of a bank that is not a member of the Federal Reserve System.''.

(c) INDUSTRIAL LOAN COMPANIES; AFFILIATE OVERDRAFTS.—Section 2(c)(2)(H) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)(2)(H)) is amended by inserting before the period at the end '', or that is otherwise permissible for a bank controlled by a company described in section 4(f)(1)''.

(d) ACTIVITIES LIMITATIONS.—Section 4(f)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)(2)) is amended—

(1) by striking ''Paragraph (1) shall cease to apply to any company described in such paragraph if—'' and inserting ''Subject to paragraph (3), a company described in paragraph (1) shall no longer qualify for the exemption provided under that paragraph if—'';

(2) in subparagraph (A)—

(A) in clause (ii)(IX), by striking ''and'' at the end;

(B) in clause (ii)(X), by inserting ''and'' after the semicolon;

(C) in clause (ii), by inserting after subclause (X) the following:

''(XI) assets that are derived from, or incidental to, activities in which institutions described in section 2(c)(2)(F) or section 2(c)(2)(H) are permitted to engage;''; and

(D) by striking ''or'' at the end; and

(3) by striking subparagraph (B) and inserting the following:

''(B) any bank subsidiary of such company—

''(i) accepts demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties; and

''(ii) engages in the business of making commercial loans (except that, for purposes of this clause, loans made in the ordinary course of a credit card operation shall not be treated as commercial loans); or

''(C) after the date of enactment of the Competitive Equality Amendments of 1987, any bank subsidiary of such company permits any overdraft (including any intraday overdraft), or incurs any such overdraft in the account of the bank at a Federal reserve bank, on behalf of an affiliate, other than an overdraft described in paragraph (3).''.

(e) DIVESTITURE REQUIREMENT.—Section 4(f)(4) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)(4)) is amended to read as follows:

''(4) DIVESTITURE IN CASE OF LOSS OF EXEMPTION.—If any company described in paragraph (1) fails to qualify for the exemption provided under paragraph (1) by operation of paragraph (2), such exemption shall cease to apply to such company and such company shall divest control of each bank it controls before the end of the 180-day period beginning on the date on which the company receives notice from the Board that the company has failed to continue to qualify for such exemption, unless, before the end of such 180-day period, the company has—

''(A) either—

''(i) corrected the condition or ceased the activity that caused the company to fail to continue to qualify for the exemption; or

''(ii) submitted a plan to the Board for approval to cease the activity or correct the condition in a timely manner (which shall not exceed 1 year); and

''(B) implemented procedures that are reasonably adapted to avoid the reoccurrence of such condition or activity.''.

**SEC. 306. "PLAIN LANGUAGE" REQUIREMENT FOR FEDERAL BANKING AGENCY RULES.**

(a) IN GENERAL.—Each Federal banking agency shall use plain language in all proposed and final rulemakings published by the agency in the Federal Register after January 1, 2000.

(b) REPORT.—Not later than March 1, 2001, each Federal banking agency shall submit to the Congress a report that describes how the agency has complied with subsection (a).

(c) DEFINITIONS.—For purposes of this section, the terms ''Federal banking agency'' and ''State bank supervisor'' have the same meanings as in section 3 of the Federal Deposit Insurance Act.

**SEC. 307. RETENTION OF "FEDERAL" IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.**

Section 2 of the Act entitled ''An Act to enable national banking associations to increase their capital stock and to change their names or locations'', approved May 1, 1886 (12 U.S.C. 30), is amended by adding at the end the following new subsection:

''(d) RETENTION OF 'FEDERAL' IN NAME OF CONVERTED FEDERAL SAVINGS ASSOCIATION.—

''(1) IN GENERAL.—Notwithstanding subsection (a) or any other provision of law, any depository institution, the charter of which is converted from that of a Federal savings association to a national bank or a State bank after the date of enactment of the Financial Services Modernization Act of 1999 may retain the term 'Federal' in the name of such institution if such institution remains an insured depository institution.

''(2) DEFINITIONS.—For purposes of this subsection, the terms 'depository institution', 'insured depository institution', 'national bank', and 'State bank' have the same meanings as in section 3 of the Federal Deposit Insurance Act.''.

**SEC. 308. COMMUNITY REINVESTMENT ACT EXEMPTION.**

(a) IN GENERAL.—No community financial institution shall be subject to the Community Reinvestment Act of 1977 (12 U.S.C. 2901 et seq.).

(b) DEFINITION OF COMMUNITY FINANCIAL INSTITUTION.—As used in this section, the term ''community financial institution'' means an insured depository institution (as defined in section 3 of the Federal Deposit Insurance Act), that has aggregate assets of not more than $100,000,000, and that is located in a non-metropolitan area.

(c) ADJUSTMENTS.—The dollar amount referred to in subsection (b) shall be adjusted annually after December 31, 1999, by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics.

(d) DEFINITION.—For purposes of this section, the term ''non-metropolitan area'' means any area, no part of which is within an area designated as a metropolitan statistical area by the Office of Management and Budget.

**SEC. 309. BANK OFFICERS AND DIRECTORS AS OFFICERS AND DIRECTORS OF PUBLIC UTILITIES.**

Section 305(b) of the Federal Power Act (16 U.S.C. 825d(b)) is amended—

(1) by striking ''(b) After six'' and inserting the following:

''(b) INTERLOCKING DIRECTORATES.—

''(1) IN GENERAL.—After 6''; and

(2) by adding at the end the following:

''(2) APPLICABILITY.—

''(A) IN GENERAL.—In the circumstances described in subparagraph (B), paragraph (1) shall not apply to a person that holds or proposes to hold the positions of—

''(i) officer or director of a public utility; and

''(ii) officer or director of a bank, trust company, banking association, or firm authorized by law to underwrite or participate in the marketing of securities of a public utility.

''(B) CIRCUMSTANCES.—The circumstances described in this subparagraph are that—

''(i) a person described in subparagraph (A) does not participate in any deliberations or

decisions of the public utility regarding the selection of a bank, trust company, banking association, or firm to underwrite or participate in the marketing of securities of the public utility, if the person serves as an officer or director of a bank, trust company, banking association, or firm that is under consideration in the deliberation process;

''(ii) the bank, trust company, banking association, or firm of which the person is an officer or director does not engage in the underwriting of, or participate in the marketing of, securities of the public utility of which the person holds the position of officer or director;

''(iii) the public utility for which the person serves or proposes to serve as an officer or director selects underwriters by competitive procedures; or

''(iv) the issuance of securities the public utility for which the person serves or proposes to serve as an officer or director has been approved by all Federal and State regulatory agencies having jurisdiction over the issuance.''.

**SEC. 310. CONTROL OF BANKERS' BANKS.**

Section 2(a)(5)(E)(i) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a)(5)(E)(i)) is amended by inserting ''one or more'' before ''thrift institutions''.

**SEC. 311. MULTISTATE LICENSING AND INTERSTATE INSURANCE SALES ACTIVITIES.**

(a) FINDINGS.—Congress finds that—

(1) the States regulate the business of insurance, including the licensing of insurance agents and brokers;

(2) the current State insurance licensing system requires insurance agents and brokers to obtain licenses on a line-by-line, class-by-class, producer-by-producer, State-by-State basis;

(3) in the commercial and industrial insurance arena, this State-based system usually requires a single agent or broker to hold scores of licenses if that agent or broker intends to sell or broker insurance on a nationwide basis;

(4) because of the duplicative licensing requirements both within States and from State to State, a single insurance agent or broker must satisfy literally hundreds of administrative filing requirements to become fully licensed to engage in the sale of a full range of insurance products on a nationwide basis;

(5) these administrative requirements appear to be essentially unrelated to any requisite standards of professionalism;

(6) many States impose certain requirements on insurance agents and brokers that pose an undue, discriminatory burden on nonresident agents, including some States that ban solicitation of insurance clients by nonresident agents and brokers;

(7) many States impose anticompetitive post-licensure requirements on nonresident agents and brokers, including countersignature laws that require an agent or broker servicing the needs of an out-of-State client to have any insurance policy that is sold ''countersigned'' by a resident agent;

(8) in some cases, such countersignature laws also require a nonresident agent or broker to pay at least half of any commission earned in a State in which the agent or broker is not a resident to a resident agent or broker; and

(9) such duplicative and onerous filing requirements and anticompetitive burdens inhibit interstate commerce, constitute unjustifiable trade barriers, greatly undermine the competition that this Act seeks to foster.

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

(1) by the end of the 36-month period beginning on the date of enactment of this Act, the States should—

(A) implement uniform insurance agent and broker licensing application and qualification requirements that result in a fully reciprocal licensing system; and

(B) eliminate any pre- or post-licensure requirements that have the practical effect of discriminating, directly or indirectly, against nonresident insurance agents or brokers;

(2) if such actions are not taken, Congress should take steps to directly rectify the problems identified in subsection (a); and

(3) any entity established by the Congress to so rectify the problems should be under the supervision and oversight of the National Association of Insurance Commissioners.

**SEC. 312. CRA SUNSHINE REQUIREMENTS.**

(a) DISCLOSURE AND REPORTING.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.), is amended by adding at the end thereof the following new section:

**''SEC. 46. CRA SUNSHINE REQUIREMENTS.**

''(a) PUBLIC DISCLOSURE OF AGREEMENTS.—Any agreement entered into by an insured depository institution or affiliate with a nongovernmental entity or person made pursuant to or in connection with the Community Reinvestment Act involving funds or other resources of such insured depository institution or affiliate shall be in its entirety fully disclosed, and the full text thereof made available to the appropriate Federal banking agency with supervisory responsibility over the insured depository institution and to the public and shall obligate each party to comply with the provisions of this section.

''(b) ANNUAL REPORT OF ACTIVITY.—Each party to the agreement shall report, as applicable, to the appropriate Federal banking agency with supervisory responsibility over the insured depository institution, no less frequently than once each year, such information as the Federal banking agency may by rule require relating to the following actions taken by the party pursuant to an agreement described in subsection (a) during the previous 12-month period—

''(1) payments, fees or loans made to any party to the agreement or received from any party to the agreement and the terms and conditions of the same; and

''(2) aggregate data on loans, investments and services provided by each party in its community or communities pursuant to the agreement; and

''(3) such other pertinent matters as determined by rule by the appropriate Federal banking agency with supervisory responsibility over the insured depository institution.

The Federal banking agency shall ensure that the regulations implementing this section do not impose an undue burden on the parties and that proprietary and confidential information is protected.

''(c) EXISTING AGREEMENTS.—The requirements of subsection (b) (1), (2), and (3) shall be deemed to be fulfilled with respect to any agreement made prior to May 5, 1999.

''(d) SECONDARY AGREEMENTS.—Any agreement made on or after May 5, 1999 pursuant to an agreement described in subsection (a) also is subject to the requirements of subsections (a) and (b).

''(e) DEFINITIONS.—

''(1) AGREEMENT.—As used in this section, the term 'agreement' refers to any written contract, written arrangement, or other written understanding with a value in excess of $10,000 annually, or a group of substantively related contracts with an aggregate value of $10,000 annually, made pursuant to or in connection with the Community Reinvestment Act of 1977, at least one party to which is an insured depository institution or affiliate thereof, or entity owned or controlled by an insured depository institution or affiliate, whether organized on a profit or not-for-profit basis. The term 'agreement' shall not include any specific contract or commitment for a loan or extension of credit to individuals, businesses, farms, or other entities, where the purpose of the loan or extension of credit does not include any relending of the borrowed funds to other parties.

''(2) APPROPRIATE FEDERAL BANKING AGENCY AND INSURED DEPOSITORY INSTITUTION.—As used in this section, the terms 'appropriate Federal banking agency' and 'insured depository institution' have the same meanings as defined in section 3 of this Act.

''(d) VIOLATIONS.—Any violation of the provisions of this section shall be considered a violation of this Act. If the party to the agreement that is not an insured depository institution or affiliate fails to comply with this section, the agreement shall not be enforceable after being given notice and a reasonable period of time to perform or comply.

''(e) LIMITATION.—Nothing in this section is intended to provide any authority upon any appropriate Federal banking agency to enforce the provisions of the agreements that are subject to the requirements of subsection (a).

''(f) REGULATIONS.—Each appropriate Federal banking agency shall prescribe regulations requiring procedures reasonably designed to assure and monitor compliance with the requirements of this section.''.

**SEC. 313. INTERSTATE BRANCHES AND AGENCIES OF FOREIGN BANKS.**

Section 5 of the International Banking Act of 1978, as amended (12 U.S.C. 3103), is amended by striking subsection (a)(7) and substituting the following:

**''(7) Additional authority for interstate branches and agencies of foreign banks; upgrades of certain foreign bank agencies and branches**

''Notwithstanding paragraphs (1) and (2), a foreign bank may—

''(A) with the approval of the Board and the Comptroller of the Currency, establish and operate a Federal branch or Federal agency or, with the approval of the Board and the appropriate State bank supervisor, a State branch or State agency in any State outside the foreign bank's home State if—

''(i) the establishment and operation of such branch or agency is permitted by the State in which the branch or agency is to be established; and

''(ii) in the case of a Federal or State branch, the branch receives only such deposits as would be permitted for a corporation organized under section 25A of the Federal Reserve Act (12 U.S.C. 611 et seq.); or

''(B) with the approval of the Board and the relevant licensing authority (the Comptroller in the case of a Federal branch or the appropriate State supervisor in the case of a State branch), upgrade an agency, or a branch of the type referred to in subsection (a)(7)(A)(ii), located in a State outside the foreign bank's home State, into a Federal or State branch if the establishment and operation of such branch is permitted by such State and—

''(i) such agency or branch was in operation in such State on the day before September 29, 1994, or

''(ii) such agency or branch has been in operation in such State for a period of time that meets the State's minimum age requirement permitted under section 1831u(a)(5) of title 12, United States Code.''.

**SEC. 314. DISCLOSURES TO CONSUMERS UNDER THE TRUTH IN LENDING ACT.**

(a) DISCLOSURE OF LATE PAYMENT DEADLINES AND PENALTIES.—Section 127(b) of the Truth in Lending Act (15 U.S.C. 1637(b)) is amended by adding at the end the following:

''(12) If a charge is to be imposed due to the failure of the obligor to make payment on or before a required payment due date, the date that payment is due or, if different, the date on which a late payment fee will be charged, shall be stated prominently in a conspicuous location on the billing statement, together with the amount of the charge to be imposed if payment is made after such date.''.

(b) DISCLOSURES RELATED TO ''TEASER RATES''.—Section 127(c) (15 U.S.C. 1637(c)) is amended by inserting after paragraph (5) (as so redesignated by section 4 of this Act) the following:

''(6) ADDITIONAL NOTICE CONCERNING 'TEASER RATES'.—

''(A) IN GENERAL.—An application or solicitation for a credit card for which a disclosure is required under this subsection shall contain the disclosure contained in subparagraph (B) or (C), as appropriate, if the application or solicitation offers, for an introductory period of less than 1 year, an annual percentage rate of interest that—

''(i) is less than the annual percentage rate of interest that will apply after the end of the introductory period; or

''(ii) in the case of an annual percentage rate that varies in accordance with an index, is less than the current annual percentage rate under the index that will apply after the end of such period.

''(B) FIXED ANNUAL PERCENTAGE RATE.—If the annual percentage rate that will apply after the end of the introductory period will be a fixed rate, the application or solicitation shall include the following disclosure: 'The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate that will apply after the end of the introductory period. The permanent annual percentage rate will apply after [insert applicable date] and will be [insert applicable percentage rate].'.

''(C) VARIABLE ANNUAL PERCENTAGE RATE.—If the annual percentage rate that will apply after the end of the introductory period will vary in accordance with an index, the application or solicitation shall include the following disclosure: 'The annual percentage rate of interest applicable during the introductory period is not the annual percentage rate that will apply after the end of the introductory period. The permanent annual percentage rate will be determined by an index, and will apply after [insert applicable date]. If the index that will apply after such date were applied to your account today, the annual percentage rate would be [insert applicable percentage rate].'.

''(D) CONDITIONS FOR INTRODUCTORY RATES.—If the annual percentage rate of interest that will apply during the introductory period described in subparagraph (A) is revocable or otherwise conditioned upon any action by the obligor, including any failure by the obligor to pay the minimum payment amount or finance charge or to make any payment by the stated monthly payment due date, the application or solicitation shall include disclosure of—

''(i) the conditions that the obligor must meet to retain the annual percentage rate of interest during the introductory period; and

''(ii) the annual percentage rate of interest that will apply as a result of the failure of the obligor to meet such conditions.

''(E) FORM OF DISCLOSURE.—The disclosures required under this paragraph shall be made in a clear and conspicuous manner, in a prominent fashion.''.

**SEC. 315. APPROVAL FOR PURCHASES OF SECURITIES.**

Section 23B(b)(2) of the Federal Reserve Act (12 U.S.C. 371c–1) is amended to read as follows:

''Subparagraph (B) of paragraph (1) shall not apply if the purchase or acquisition of such securities has been approved, before such securities are initially offered for sale to the public, by a majority of the directors of the bank based on a determination that the purchase is a sound investment for the bank irrespective of the fact that an affiliate of the bank is a principal underwriter of the securities.''.

**SEC. 316. PROVISION OF TECHNICAL ASSISTANCE TO MICROENTERPRISES.**

(a) IN GENERAL.—Title I of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4701 et seq.) is amended by adding at the end the following:

**''Subtitle C—Microenterprise Technical Assistance and Capacity Building Program**

**''SEC. 171. SHORT TITLE.**

''This subtitle may be cited as the 'Program for Investment in Microentrepreneurs Act of 1999', also referred to as the 'PRIME Act'.

**''SEC. 172. DEFINITIONS.**

''For purposes of this subtitle—

''(1) the term 'Administrator' has the same meaning as in section 103;

''(2) the term 'capacity building services' means services provided to an organization that is, or is in the process of becoming a microenterprise development organization or program, for the purpose of enhancing its ability to provide training and services to disadvantaged entrepreneurs;

''(3) the term 'collaborative' means 2 or more nonprofit entities that agree to act jointly as a qualified organization under this subtitle;

''(4) the term 'disadvantaged entrepreneur' means a microentrepreneur that is—

''(A) a low-income person;

''(B) a very low-income person; or

''(C) an entrepreneur that lacks adequate access to capital or other resources essential for business success, or is economically disadvantaged, as determined by the Administrator;

''(5) the term 'Fund' has the same meaning as in section 103;

''(6) the term 'Indian tribe' has the same meaning as in section 103;

''(7) the term 'intermediary' means a private, nonprofit entity that seeks to serve microenterprise development organizations and programs as authorized under section 175;

''(8) the term 'low-income person' has the same meaning as in section 103;

''(9) the term 'microentrepreneur' means the owner or developer of a microenterprise;

''(10) the term 'microenterprise' means a sole proprietorship, partnership, or corporation that—

''(A) has fewer than 5 employees; and

''(B) generally lacks access to conventional loans, equity, or other banking services;

''(11) the term 'microenterprise development organization or program' means a nonprofit entity, or a program administered by such an entity, including community development corporations or other nonprofit development organizations and social service organizations, that provides services to disadvantaged entrepreneurs or prospective entrepreneurs;

''(12) the term 'training and technical assistance' means services and support provided to disadvantaged entrepreneurs or prospective entrepreneurs, such as assistance for the purpose of enhancing business planning, marketing, management, financial management skills, and assistance for the purpose of accessing financial services; and

''(13) the term 'very low-income person' means having an income, adjusted for family size, of not more than 150 percent of the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2), including any revision required by that section).

**''SEC. 173. ESTABLISHMENT OF PROGRAM.**

''The Administrator shall establish a microenterprise technical assistance and capacity building grant program to provide assistance from the Fund in the form of grants to qualified organizations in accordance with this subtitle.

**''SEC. 174. USES OF ASSISTANCE.**

''A qualified organization shall use grants made under this subtitle—

''(1) to provide training and technical assistance to disadvantaged entrepreneurs;

''(2) to provide training and capacity building services to microenterprise development organizations and programs and groups of such organizations to assist such organizations and programs in developing microenterprise training and services;

''(3) to aid in researching and developing the best practices in the field of microenterprise and technical assistance programs for disadvantaged entrepreneurs; and

''(4) for such other activities as the Administrator determines are consistent with the purposes of this subtitle.

**''SEC. 175. QUALIFIED ORGANIZATIONS.**

''For purposes of eligibility for assistance under this subtitle, a qualified organization shall be—

''(1) a nonprofit microenterprise development organization or program (or a group or collaborative thereof) that has a demonstrated record of delivering microenterprise services to disadvantaged entrepreneurs;

''(2) an intermediary;

''(3) a microenterprise development organization or program that is accountable to a local community, working in conjunction with a State or local government or Indian tribe; or

''(4) an Indian tribe acting on its own, if the Indian tribe can certify that no private organization or program referred to in this paragraph exists within its jurisdiction.

**''SEC. 176. ALLOCATION OF ASSISTANCE; SUBGRANTS.**

''(a) ALLOCATION OF ASSISTANCE.—

''(1) IN GENERAL.—The Administrator shall allocate assistance from the Fund under this subtitle to ensure that—

''(A) activities described in section 174(1) are funded using not less than 75 percent of amounts made available for such assistance; and

''(B) activities described in section 174(2) are funded using not less than 15 percent of amounts made available for such assistance.

''(2) LIMIT ON INDIVIDUAL ASSISTANCE.—No single organization or entity may receive more than 10 percent of the total funds appropriated under this subtitle in a single fiscal year.

''(b) TARGETED ASSISTANCE.—The Administrator shall ensure that not less than 50 percent of the grants made under this subtitle are used to benefit very low-income persons, including those residing on Indian reservations.

''(c) SUBGRANTS AUTHORIZED.—

''(1) IN GENERAL.—A qualified organization receiving assistance under this subtitle may provide grants using that assistance to qualified small and emerging microenterprise organizations and programs, subject to such rules and regulations as the Administrator determines to be appropriate.

''(2) LIMIT ON ADMINISTRATIVE EXPENSES.—Not more than 7.5 percent of assistance received by a qualified organization under this subtitle may be used for administrative expenses in connection with the making of subgrants under paragraph (1).

''(d) DIVERSITY.—In making grants under this subtitle, the Administrator shall ensure that grant recipients include both large and small microenterprise organizations, serving urban, rural, and Indian tribal communities and racially and ethnically diverse populations.

**''SEC. 177. MATCHING REQUIREMENTS.**

''(a) IN GENERAL.—Financial assistance under this subtitle shall be matched with funds from sources other than the Federal Government on the basis of not less than 50 percent of each dollar provided by the Fund.

''(b) SOURCES OF MATCHING FUNDS.—Fees, grants, gifts, funds from loan sources, and in-kind resources of a grant recipient from public or private sources may be used to comply with the matching requirement in subsection (a).

''(c) EXCEPTION.—

''(1) IN GENERAL.—In the case of an applicant for assistance under this subtitle with severe constraints on available sources of matching funds, the Administrator may reduce or eliminate the matching requirements of subsection (a).

''(2) LIMITATION.—Not more than 10 percent of the total funds made available from the Fund in any fiscal year to carry out this subtitle may be excepted from the matching requirements of subsection (a), as authorized by paragraph (1) of this subsection.

**''SEC. 178. APPLICATIONS FOR ASSISTANCE.**

''An application for assistance under this subtitle shall be submitted in such form and in accordance with such procedures as the Fund shall establish.

**''SEC. 179. RECORDKEEPING.**

''The requirements of section 115 shall apply to a qualified organization receiving assistance from the Fund under this subtitle as if it were a community development financial institution receiving assistance from the Fund under subtitle A.

**''SEC. 180. AUTHORIZATION.**

''In addition to funds otherwise authorized to be appropriated to the Fund to carry out this title, there are authorized to be appropriated to the Fund to carry out this subtitle—

''(1) $15,000,000 for fiscal year 2000;

''(2) $15,000,000 for fiscal year 2001;

''(3) $15,000,000 for fiscal year 2002; and

''(4) $15,000,000 for fiscal year 2003.

**''SEC. 181. IMPLEMENTATION.**

''The Administrator shall, by regulation, establish such requirements as may be necessary to carry out this subtitle.''.

(b) ADMINISTRATIVE EXPENSES.—Section 121(a)(2)(A) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4718(a)(2)(A)) is amended—

(1) by striking ''$5,550,000'' and inserting ''$6,100,000''; and

(2) in the first sentence, by inserting before the period '', including costs and expenses associated with carrying out subtitle C''.

(c) CONFORMING AMENDMENTS.—Section 104(d) of the Riegle Community Development and Regulatory Improvement Act of 1994 (12 U.S.C. 4703(d)) is amended—

(1) in paragraph (2)—

(A) by striking ''15'' and inserting ''17'';

(B) in subparagraph (G)—

(i) by striking ''9'' and inserting ''11'';

(ii) by redesignating clauses (iv) and (v) as clauses (v) and (vi), respectively; and

(iii) by inserting after clause (iii) the following:

''(iv) 2 individuals who have expertise in microenterprises and microenterprise development;''; and

(2) in paragraph (4), in the first sentence, by inserting before the period ''and subtitle C''.

**SEC. 317. FEDERAL RESERVE AUDITS.**

(a) IN GENERAL.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 11A the following:

**''SEC. 11B. ANNUAL INDEPENDENT AUDITS OF FEDERAL RESERVE BANKS.**

''(a) AUDIT REQUIRED.—Each Federal reserve bank shall annually obtain an audit of the financial statements of each Federal reserve bank (which shall have been prepared in accordance with generally accepted accounting principles) using generally accepted auditing standards from an independent auditor that meets the requirements of subsection (b).

''(b) AUDITOR'S QUALIFICATIONS.—The independent auditor referred to in subsection (a) shall—

''(1) be a certified public accountant who is independent of the Federal Reserve System; and

''(2) meet any other qualifications that the Board may establish.

''(c) CERTIFICATION REQUIRED.—In each audit required under subsection (a), the auditor shall certify to the Federal reserve bank and to the Board that the auditor—

''(1) is a certified public accountant and is independent of the Federal Reserve System; and

''(2) conducted the audit using generally accepted auditing standards.

''(d) CERTIFICATION BY FEDERAL RESERVE BANK.—Not later than 30 days after the completion of each audit required under subsection (a), the Federal reserve bank shall provide to the Comptroller General of the United States—

''(1) a certification that—

''(A) the Federal reserve bank has obtained the audit required under subsection (a);

''(B) the Federal reserve bank has received the certifications of the auditor required under subsection (c); and

''(C) the audit fully complies with subsection (a).

''(e) DETECTION OF ILLEGAL ACTS.—

''(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material effect on the determination of financial statement amounts.

''(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

''(A) shall determine whether it is likely that the illegal act has occurred; and

''(B) shall, if the auditor determines that the illegal act is likely to have occurred—

''(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal reserve bank; and

''(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

''(3) REPORT TO CONGRESS.—The independent auditor under this section shall, as soon as practicable, directly report its conclusions to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of the audit required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

''(A) the possible illegal act has a direct and material effect on the financial statements of the Federal reserve bank;

''(B) the Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

''(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when made, or warrant resignation from the audit engagement.

''(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit a Federal reserve bank under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

''(f) RECORDKEEPING.—To facilitate compliance with this section, each Federal reserve bank shall—

''(1) ensure that the books, records, and accounts of the Federal reserve bank are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of the assets of the bank;

''(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

''(3) ensure that access to assets of the Federal reserve bank is permitted only in accordance with the general or specific authorization of the Board; and

''(4) ensure that—

''(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

''(B) appropriate action is taken with respect to any differences.

''(g) REPORTS TO BOARD, CONGRESS.—Not later than April 30 of each year, each Federal reserve bank shall submit a copy of each audit conducted under this section to the Board, and to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.

**''SEC. 11C. INDEPENDENT AUDITS OF FEDERAL RESERVE SYSTEM AND FEDERAL RESERVE BOARD.**

''(a) AUDIT OF RESERVE SYSTEM.—The Board shall annually obtain an audit of the consolidated financial statements of the Federal Reserve System (which shall have been prepared in accordance with generally

accepted accounting principles) from an independent auditor, using generally accepted auditing standards, based on reports of audits of Federal reserve banks submitted to the Board under section 11B(g) and the audit of the Board under subsection (b) of this section.

''(b) AUDIT OF BOARD.—

''(1) IN GENERAL.—The Board shall annually obtain an audit of the financial statements of the Board (which shall have been prepared in accordance with generally accepted accounting principles) from an independent auditor, using generally accepted auditing standards.

''(2) PRICED SERVICES AUDIT.—

''(A) IN GENERAL.—As part of each audit of the Board required by this subsection, the auditor shall—

''(i) audit the calculation of the private sector adjustment factor established by the Board pursuant to section 11A(c)(3) for the year that is the subject of the audit; and

''(ii) audit the pro forma balance sheet and income statement for the services described in section 11A(b), including the determination of revenue, expenses, and income before income taxes for each service listed in that section (in accordance with the criteria specified in section 11A(c)(3)).

''(B) REPORT TO THE BOARD.—The auditor shall report the results of the audit under subparagraph (A)(ii) to the Board in written form.

''(3) LIMITATION.—The evaluations and audits required by this subsection shall not include deliberations, decisions, or actions on monetary policy matters, including discount authority under section 13, reserves of national banks, securities credit, interest on deposits, and open market operations.

''(c) AUDITOR'S QUALIFICATIONS.—An independent auditor referred to in this section shall—

''(1) be a certified public accountant and be independent of the Federal Reserve System; and

''(2) meet any other qualifications that the Board may establish.

''(d) CERTIFICATION REQUIRED.—In each audit required under this section, the auditor shall certify to the Board that the auditor—

''(1) is a certified public accountant and is independent of the Federal Reserve System; and

''(2) conducted the audit using generally accepted auditing standards.

''(e) DETECTION OF ILLEGAL ACTS.—

''(1) AUDIT PROCEDURES.—Each audit required by this section shall include procedures designed to provide reasonable assurance of detecting illegal acts that would have a direct and material affect on the determination of financial statement amounts.

''(2) REPORTING POSSIBLE ILLEGALITIES.—If, in the course of conducting an audit of the Federal Reserve System or the Board as required by this section, the independent auditor detects or otherwise becomes aware of information indicating that an illegal act (whether or not perceived to have an effect on the financial statements of the Federal reserve bank) has or may have occurred, the auditor—

''(A) shall determine whether it is likely that the illegal act has occurred; and

''(B) shall, if the auditor determines that the illegal act is likely to have occurred—

''(i) determine and consider the possible effect of the illegal act on the financial statements of the Federal Reserve System or the Board, as applicable; and

''(ii) as soon as practicable, inform the Board that the illegal act is likely to have occurred.

''(3) REPORT TO CONGRESS.—An independent auditor under this section shall directly report, as soon as practicable, its conclusions to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, with regard to any possible illegal act that has been detected or has otherwise come to the attention of the auditor during the course of an audit of the Federal Reserve System or the Board required by this section, if, after determining that the Board is adequately informed with respect to such possible illegal act, the auditor concludes that—

''(A) the possible illegal act has a direct and material effect on the financial statements of the Federal Reserve System or the Board, as applicable;

''(B) the Board has not taken timely and appropriate remedial actions with respect to the possible illegal act; and

''(C) the failure to take remedial action is reasonably expected to warrant departure from a standard report of the auditor when made, or warrant resignation from the audits engagement.

''(4) RESIGNATION OF AUDITOR.—If an independent auditor resigns from its engagement to audit the Federal Reserve System or the Board under paragraph (3), the auditor shall furnish to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives, not later than 1 business day after such resignation, a copy of the report of the auditor (or documentation of any oral report given).

''(f) RECORDKEEPING.—To facilitate compliance with this section, the Board shall—

''(1) ensure that the books, records, and accounts of the Board are maintained and kept in sufficient detail to accurately and fairly reflect the transactions and dispositions of assets;

''(2) devise and maintain a system of internal controls sufficient to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets;

''(3) ensure that access to assets of the Board is permitted only in accordance with general or specific authorization of the Board; and

''(4) ensure that—

''(A) the recorded accountability for assets is compared with the existing assets at reasonable intervals; and

''(B) appropriate action is taken with respect to any differences.

''(g) REPORTS TO CONGRESS.—Not later than May 31 of each year, the Board shall make available all audits and reports required by this section to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform of the House of Representatives.''.

(b) FEDERAL RESERVE REQUIREMENTS.—

(1) CLARIFICATION OF FEE SCHEDULE REQUIREMENTS.—

(A) IN GENERAL.—Section 11A(b) of the Federal Reserve Act (12 U.S.C. 248a(b)) is amended—

(i) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

(ii) by inserting after paragraph (6) the following:

''(7) transportation of paper checks in the clearing process;''.

(B) PUBLICATION OF REVISED SCHEDULE.—Not later than 60 days after the date of enactment of this Act, the Board of Governors of the Federal Reserve System shall publish a revision of the schedule of fees required under section 11A of the Federal Reserve Act that reflects the changes made in the schedule in accordance with the amendments made by subparagraph (A) of this paragraph.

(2) CLARIFICATION OF APPLICABLE PRICING CRITERIA.—Section 11A(c) of the Federal Reserve Act (12 U.S.C. 248a(c)) is amended by striking paragraph (3) and inserting the following:

''(3)(A) In each fiscal year, fees shall be established for each service provided by the Federal reserve banks on the basis of all direct and indirect costs actually incurred (excluding the effect of any pension cost credit) in providing each of the services, including interest on items credited prior to actual collection, overhead, and an allocation of imputed costs, which takes into account the taxes that would have been paid and the return on capital that would have been provided had the services been provided by a private business firm.

''(B) The pricing principles referred to in subparagraph (A) shall be carried out with due regard to competitive factors and the provision of an adequate level of such services nationwide.

''(C)(i) Not later than 1 year after the date of enactment of the Financial Services Modernization Act of 1999, and not less frequently than once every 3 years thereafter, the Board shall conduct a comprehensive review of the methodology used to calculate the private sector adjustment factor pursuant to section 11A(c)(3), including a public notice and comment period.

''(ii) In conducting the review under clause (i), the Board shall publish in the Federal Register all elements of the methodology in use by the Board in the calculation of the private sector adjustment factor pursuant to section 11A(c)(3) provide notice and solicit public comment on the methodology, requesting commentators to identify areas of the methodology that are outdated, inappropriate, unnecessary, or that contribute to an inaccurate result in the calculation of the private sector adjustment factor.

''(iii) The Board shall—

''(I) publish in the Federal Register a summary of the comments received under this subparagraph, identifying significant issues raised; and

''(II) provide comment on such issues and make changes to the methodology to the extent that the Board considers to be appropriate.

''(iv) Not later than 30 days after the completion of each review under clause (i), the Board shall submit to Congress a report which shall include—

''(I) a summary of any significant issues raised by public comments received by the Board under this subparagraph and the relative merits of such issues; and

''(II) an analysis of whether the Board is able to address the concerns raised, or whether such concerns should be addressed by legislation.''.

**SEC. 318. STUDY AND REPORT ON ADVERTISING PRACTICES OF ONLINE BROKERAGE SERVICES.**

(a) STUDY.—The Securities and Exchange Commission (hereafter in this section referred to as the ''Commission''), in consultation with the National Association of Securities Dealers and other interested parties, shall conduct a study of—

(1) the nature and content of advertising by online brokerage services in all media, including television, on the Internet, radio, and in print;

(2) if such advertising influences investors and potential investors to make investment decisions, and if such advertising improperly influences those investors and potential investors to make inappropriate investment decisions;

(3) whether such advertising properly discloses the risks associated with trading and investing in the capital markets; and

(4) whether—

(A) there are appropriate regulatory mechanisms in place to prevent any improper or deceptive advertising; and

(B) the Commission has or needs additional resources or authority to actively participate in such regulation.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Commission shall submit a report to the Congress on the results of the study conducted under subsection (a), together with any recommendations for changes that it considers necessary to protect investors and potential investors from improper or deceptive advertising.

**SEC. 319. ELIGIBILITY OF COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION TO BORROW FROM THE FEDERAL HOME LOAN BANK SYSTEM.**

Section 10b of the Federal Home Loan Bank Act (12 U.S.C. 1430b) is amended—

(1) in subsection (a) by striking the second sentence and inserting the following two sentences: ''Such mortgagees must be (i) chartered institutions having succession and (ii) subject to the inspection and supervision of some governmental agency or a community development financial institution (other than an insured depository institution or a subsidiary thereof) that, at the time the advance is made, is certified under the Community Development Banking and Financial Institutions Act of 1994. The principal activity of such mortgagees in the mortgage field must consist of lending their own funds and any advances may be subject to the same collateralization requirements as applied to other nonmember borrowers.'';

(2) in the last sentence of subsection (a) by replacing the word ''such'' with ''the same'' and by replacing the phrase ''shall be determined by the board'' with the phrase ''are comparable extensions of credit to members''; and

(3) in subsection (b) by inserting in the first sentence between the words ''agency'' and ''for'' the following phrase: ''or a certified community development financial institution''.

## TITLE IV—FEDERAL HOME LOAN BANK SYSTEM MODERNIZATION

**SEC. 401. SHORT TITLE.**

This title may be cited as the ''Federal Home Loan Bank System Modernization Act of 1999''.

**SEC. 402. DEFINITIONS.**

Section 2 of the Federal Home Loan Bank Act (12 U.S.C. 1422) is amended—

(1) in paragraph (1), by striking ''term 'Board' means'' and inserting ''terms 'Finance Board' and 'Board' mean'';

(2) by striking paragraph (3) and inserting the following:

''(3) STATE.—The term 'State', in addition to the States of the United States, includes the District of Columbia, Guam, Puerto Rico, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands.''; and

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

''(13) COMMUNITY FINANCIAL INSTITUTION.—

''(A) IN GENERAL.—The term 'community financial institution' means a member—

''(i) the deposits of which are insured under the Federal Deposit Insurance Act; and

''(ii) that has, as of the date of the transaction at issue, less than $500,000,000 in average total assets, based on an average of total assets over the 3 years preceding that date.

''(B) ADJUSTMENTS.—The $500,000,000 limit referred to in subparagraph (A)(ii) shall be adjusted annually by the Finance Board, based on the annual percentage increase, if any, in the Consumer Price Index for all urban consumers, as published by the Department of Labor.''.

**SEC. 403. SAVINGS ASSOCIATION MEMBERSHIP.**

(a) FEDERAL HOME LOAN BANK MEMBERSHIP.—Section 5(f) of the Home Owners' Loan Act (12 U.S.C. 1464(f)) is amended to read as follows:

''(f) FEDERAL HOME LOAN BANK MEMBERSHIP.—On and after June 1, 2000, a Federal savings association may become a member of the Federal Home Loan Bank System, and shall qualify for such membership in the manner provided by the Federal Home Loan Bank Act.''.

(b) WITHDRAWAL.—Section 6(e) of the Federal Home Loan Bank Act (12 U.S.C. 1426(e)) is amended by striking ''Any member other than a Federal savings and loan association may withdraw'' and inserting ''Any member may withdraw if, on the date of withdrawal there is in effect a certification by the Finance Board that the withdrawal will not cause the Federal Home Loan Bank System to fail to meet its obligation under section 21B(f)(2)(C) to contribute to the debt service for the obligations issued by the Resolution Funding Corporation''.

**SEC. 404. ADVANCES TO MEMBERS; COLLATERAL.**

(a) IN GENERAL.—Section 10(a) of the Federal Home Loan Bank Act (12 U.S.C. 1430(a)) is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively, and indenting appropriately;

(2) by striking ''(a) Each'' and inserting the following:

''(a) IN GENERAL.—

''(1) ALL ADVANCES.—Each'';

(3) by striking the second sentence and inserting the following:

''(2) PURPOSES OF ADVANCES.—A long-term advance may only be made for the purposes of—

''(A) providing funds to any member for residential housing finance; and

''(B) providing funds to any community financial institution for small businesses, small farms, and small agri-businesses.'';

(4) by striking ''A Bank'' and inserting the following:

''(3) COLLATERAL.—A Bank'';

(5) in paragraph (3) (as so designated by paragraph (4) of this subsection)—

(A) in subparagraph (C) (as so redesignated by paragraph (1) of this subsection) by striking ''Deposits'' and inserting ''Cash or deposits'';

(B) in subparagraph (D) (as so redesignated by paragraph (1) of this subsection), by striking the second sentence; and

(C) by inserting after subparagraph (D) (as so redesignated by paragraph (1) of this subsection) the following new subparagraph:

''(E) Secured loans for small business, agriculture, or securities representing a whole interest in such secured loans, in the case of any community financial institution.'';

(6) in paragraph (5)—

(A) in the second sentence, by striking ''and the Board'';

(B) in the third sentence, by striking ''Board'' and inserting ''Federal Home Loan Bank''; and

(C) by striking ''(5) Paragraphs (1) through (4)'' and inserting the following:

''(4) ADDITIONAL BANK AUTHORITY.—Subparagraphs (A) through (E) of paragraph (3)''; and

(7) by adding at the end the following:

''(5) REVIEW OF CERTAIN COLLATERAL STANDARDS.—The Board may review the collateral standards applicable to each Federal Home Loan Bank for the classes of collateral described in subparagraphs (D) and (E) of paragraph (3), and may, if necessary for safety and soundness purposes, require an increase in the collateral standards for any or all of those classes of collateral.

''(6) DEFINITIONS.—For purposes of this subsection, the terms 'small business', 'agriculture', 'small farm', and 'small agri-business' shall have the meanings given those terms by rule or regulation of the Finance Board.''.

(b) CLERICAL AMENDMENT.—The section heading for section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended to read as follows:

**''SEC. 10. ADVANCES TO MEMBERS.''.**

**SEC. 405. ELIGIBILITY CRITERIA.**

Section 4(a) of the Federal Home Loan Bank Act (12 U.S.C. 1424(a)) is amended—

(1) in paragraph (2)(A), by inserting, ''(other than a community financial institution)'' after ''institution'';

(2) in the matter immediately following paragraph (2)(C)—

(A) by striking ''An insured'' and inserting the following:

''(3) CERTAIN INSTITUTIONS.—An insured''; and

(B) by striking ''preceding sentence'' and inserting ''paragraph (2)''; and

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

''(4) LIMITED EXEMPTION FOR COMMUNITY FINANCIAL INSTITUTIONS.—A community financial institution that otherwise meets the requirements of paragraph (2) may become a member without regard to the percentage of its total assets that is represented by residential mortgage loans, as described in subparagraph (A) of paragraph (2).''.

**SEC. 406. MANAGEMENT OF BANKS.**

(a) BOARD OF DIRECTORS.—Section 7(d) of the Federal Home Loan Bank Act (12 U.S.C. 1427(d)) is amended—

(1) by striking ''(d) The term'' and inserting the following:

''(d) TERMS OF OFFICE.—The term''; and

(2) by striking ''shall be two years''.

(b) COMPENSATION.—Section 7(i) of the Federal Home Loan Bank Act (12 U.S.C. 1427(i)) is amended by striking ''subject to the approval of the board''.

(c) REPEAL OF SECTIONS 22A AND 27.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended by striking sections 22A (12 U.S.C. 1442a) and 27 (12 U.S.C. 1447).

(d) SECTION 12.—Section 12 of the Federal Home Loan Bank Act (12 U.S.C. 1432) is amended—

(1) in subsection (a)—

(A) by striking '', but, except'' and all that follows through ''ten years'';

(B) by striking ''subject to the approval of the Board'' each place that term appears;

(C) by striking ''and, by its Board of directors,'' and all that follows through ''agent of such bank,'' and inserting ''and, by the board of directors of the Bank, to prescribe, amend, and repeal by-laws governing the manner in which its affairs may be administered, consistent with applicable laws and regulations,

as administered by the Finance Board. No officer, employee, attorney, or agent of a Federal Home Loan Bank''; and

(D) by striking ''Board of directors'' each place that term appears and inserting ''board of directors''; and

(2) in subsection (b), by striking ''loans banks'' and inserting ''loan banks''.

(e) POWERS AND DUTIES OF FEDERAL HOUSING FINANCE BOARD.—

(1) ISSUANCE OF NOTICES OF VIOLATIONS.—Section 2B(a) of the Federal Home Loan Bank Act (12 U.S.C. 1422b(a)) is amended by adding at the end the following new paragraphs:

''(5) To issue and serve a notice of charges upon a Federal Home Loan Bank or upon any executive officer or director of a Federal Home Loan Bank if, in the determination of the Finance Board, the Bank, executive officer, or director is engaging or has engaged in, or the Finance Board has reasonable cause to believe that the Bank, executive officer, or director is about to engage in, any conduct that violates any provision of this Act or any law, order, rule, or regulation or any condition imposed in writing by the Finance Board in connection with the granting of any application or other request by the Bank, or any written agreement entered into by the Bank with the agency, in accordance with the procedures provided in section 1371(c) of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. Such authority includes the same authority to take affirmative action to correct conditions resulting from violations or practices or to limit activities of a Bank or any executive officer or director of a Bank as appropriate Federal banking agencies have to take with respect to insured depository institutions under paragraphs (6) and (7) of section 8(b) of the Federal Deposit Insurance Act, and to have all other powers, rights, and duties to enforce this Act with respect to the Federal Home Loan Banks and their executive officers and directors as the Office of Federal Housing Enterprise Oversight has to enforce the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, the Federal National Mortgage Association Charter Act, or the Federal Home Loan Mortgage Corporation Act with respect to the Federal housing enterprises under the Federal Housing Enterprises Financial Safety and Soundness Act of 1992.

''(6) To sue and be sued, by and through its own attorneys.''.

(2) TECHNICAL AMENDMENT.—Section 111 of Public Law 93–495 (12 U.S.C. 250) is amended by inserting ''Federal Housing Finance Board,'' after ''Director of the Office of Thrift Supervision,''.

(f) ELIGIBILITY TO SECURE ADVANCES.—

(1) SECTION 9.—Section 9 of the Federal Home Loan Bank Act (12 U.S.C. 1429) is amended—

(A) in the second sentence, by striking ''with the approval of the Board''; and

(B) in the third sentence, by striking '', subject to the approval of the Board,''.

(2) SECTION 10.—Section 10 of the Federal Home Loan Bank Act (12 U.S.C. 1430) is amended—

(A) in subsection (c)—

(i) in the first sentence, by striking ''Board'' and inserting ''Federal Home Loan Bank''; and

(ii) in the second sentence, by striking ''held by'' and all that follows before the period; and

(B) in subsection (d)—

(i) in the first sentence, by striking ''and the approval of the Board''; and

(ii) by striking ''Subject to the approval of the Board, any'' and inserting ''Any''.

(g) SECTION 16.—Section 16(a) of the Federal Home Loan Bank Act (12 U.S.C. 1436(a)) is amended—

(1) in the third sentence—

(A) by striking ''net earnings'' and inserting ''previously retained earnings or current net earnings''; and

(B) by striking '', and then only with the approval of the Federal Housing Finance Board''; and

(2) by striking the fourth sentence.

(h) SECTION 18.—Section 18(b) of the Federal Home Loan Bank Act (12 U.S.C. 1438(b)) is amended by striking paragraph (4).

**SEC. 407. RESOLUTION FUNDING CORPORATION.**

(a) IN GENERAL.—Section 21B(f)(2)(C) of the Federal Home Loan Bank Act (12 U.S.C. 1441b(f)(2)(C)) is amended to read as follows:

''(C) PAYMENTS BY FEDERAL HOME LOAN BANKS.—

''(i) IN GENERAL.—To the extent that the amounts available pursuant to subparagraphs (A) and (B) are insufficient to cover the amount of interest payments, each Federal Home Loan Bank shall pay to the Funding Corporation in each calendar year, 20.75 percent of the net earnings of that Bank (after deducting expenses relating to section 10(j) and operating expenses).

''(ii) ANNUAL DETERMINATION.—The Board annually shall determine the extent to which the value of the aggregate amounts paid by the Federal Home Loan Banks exceeds or falls short of the value of an annuity of $300,000,000 per year that commences on the issuance date and ends on the final scheduled maturity date of the obligations, and shall select appropriate present value factors for making such determinations.

''(iii) PAYMENT TERM ALTERATIONS.—The Board shall extend or shorten the term of the payment obligations of a Federal Home Loan Bank under this subparagraph as necessary to ensure that the value of all payments made by the Banks is equivalent to the value of an annuity referred to in clause (ii).

''(iv) TERM BEYOND MATURITY.—If the Board extends the term of payment obligations beyond the final scheduled maturity date for the obligations, each Federal Home Loan Bank shall continue to pay 20.75 percent of its net earnings (after deducting expenses relating to section 10(j) and operating expenses) to the Treasury of the United States until the value of all such payments by the Federal Home Loan Banks is equivalent to the value of an annuity referred to in clause (ii). In the final year in which the Federal Home Loan Banks are required to make any payment to the Treasury under this subparagraph, if the dollar amount represented by 20.75 percent of the net earnings of the Federal Home Loan Banks exceeds the remaining obligation of the Banks to the Treasury, the Finance Board shall reduce the percentage pro rata to a level sufficient to pay the remaining obligation.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on June 1, 2000. Payments made by a Federal Home Loan Bank before that effective date shall be counted toward the total obligation of that Bank under section 21B(f)(2)(C) of the Federal Home Loan Bank Act, as amended by this section.

**SEC. 408. GAO STUDY ON FEDERAL HOME LOAN BANK SYSTEM CAPITAL.**

(a) STUDY.—The Comptroller General of the United States shall conduct a study of—

(1) possible revisions to the capital structure of the Federal Home Loan Bank System, including the need for—

(A) more permanent capital;

(B) a statutory leverage ratio; and

(C) a risk-based capital structure; and

(2) what impact such revisions might have on the operations of the Federal Home Loan Bank System, including the obligation of the Federal Home Loan Bank System under section 21B(f)(2)(C) of the Federal Home Loan Bank Act.

(b) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress on the results of the study conducted under subsection (a).

## TITLE V—FUNCTIONAL REGULATION OF BROKERS AND DEALERS

**SEC. 501. DEFINITION OF BROKER.**

(a) It is the intention of this Act subject to carefully defined exceptions which do not undermine the dominant principle of functional regulation to ensure that securities transactions effected by a bank are regulated by securities regulators, notwithstanding any other provision of this Act.

(b) Section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4)) is amended to read as follows:

''(4) BROKER.—

''(A) IN GENERAL.—The term 'broker' means any person engaged in the business of effecting transactions in securities for the account of others.

''(B) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a broker because the bank engages in any of the following activities under the conditions described:

''(i) THIRD PARTY BROKERAGE ARRANGEMENTS.—The bank enters into a contractual or other arrangement with a broker or dealer registered under this title under which the broker or dealer offers brokerage services on or off the premises of the bank, if—

''(I) such broker or dealer is clearly identified as the person performing the brokerage services;

''(II) the broker or dealer performs brokerage services in an area of the bank that is clearly marked and, to the extent practicable, physically separate from the routine deposit-taking activities of the bank;

''(III) any materials used by the bank to advertise or promote generally the availability of brokerage services under the contractual or other arrangement clearly indicate that the brokerage services are being provided by the broker or dealer and not by the bank;

''(IV) any materials used by the bank to advertise or promote generally the availability of brokerage services under the contractual or other arrangement are in compliance with the Federal securities laws before distribution;

''(V) bank employees (other than associated persons of a broker or dealer who are qualified pursuant to the rules of a self-regulatory organization) perform only clerical or ministerial functions in connection with brokerage transactions including scheduling appointments with the associated persons of a broker or dealer, except that bank employees may forward customer funds or securities and may describe in general terms the range of investment vehicles available from the bank and the broker or dealer under the contractual or other arrangement;

''(VI) bank employees do not directly receive incentive compensation for any brokerage transaction, unless such employees are associated persons of a broker or dealer and are qualified pursuant to the rules of a self-regulatory organization, except that the

bank employees may receive compensation for the referral of any customer if the compensation is a nominal one-time cash fee of a fixed dollar amount and the payment of the fee is not contingent on whether the referral results in a transaction;

''(VII) such services are provided by the broker or dealer on a basis in which all customers that receive any services are fully disclosed to the broker or dealer;

''(VIII) the bank does not carry a securities account of the customer, except in a customary custodian or trustee capacity; and

''(IX) the bank, broker, or dealer informs each customer that the brokerage services are provided by the broker or dealer and not by the bank, and that the securities are not deposits or other obligations of the bank, are not guaranteed by the bank, and are not insured by the Federal Deposit Insurance Corporation.

''(ii) TRUST ACTIVITIES.—The bank effects transactions in a trustee capacity, or effects transactions in a fiduciary capacity in its trust department or other department that is regularly examined by bank examiners for compliance with fiduciary principles and standards, and does not publicly solicit brokerage business, other than by advertising that it effects transactions in securities in conjunction with advertising its other trust activities.

''(iii) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank effects transactions in—

''(I) commercial paper, bankers acceptances, or commercial bills;

''(II) exempted securities;

''(III) qualified Canadian Government obligations, as defined in section 5136 of the Revised Statutes of the United States, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

''(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

''(iv) CERTAIN STOCK PURCHASE PLANS.—

''(I) EMPLOYEE BENEFIT PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of any pension, retirement, profit-sharing, bonus, thrift, savings, incentive, or other similar benefit plan for the employees of that issuer or its subsidiaries, if the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan.

''(II) DIVIDEND REINVESTMENT PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of that issuer's dividend reinvestment plan, if—

''(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan; and

''(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission.

''(III) ISSUER PLANS.—The bank effects transactions, as part of its transfer agency activities, in the securities of an issuer as part of a plan or program for the purchase or sale of that issuer's shares, if—

''(aa) the bank does not solicit transactions or provide investment advice with respect to the purchase or sale of securities in connection with the plan or program; and

''(bb) the bank does not net shareholders' buy and sell orders, other than for programs for odd-lot holders or plans registered with the Commission.

''(IV) PERMISSIBLE DELIVERY OF MATERIALS.—The exception to being considered a broker for a bank engaged in activities described in subclauses (I), (II), and (III) will not be affected by delivery of written or electronic plan materials by a bank to employees of the issuer, shareholders of the issuer, or members of affinity groups of the issuer, so long as such materials are—

''(aa) comparable in scope or nature to that permitted by the Commission as of the date of the enactment of the Financial Services Modernization Act of 1999; or

''(bb) otherwise permitted by the Commission.

''(v) SWEEP ACCOUNTS.—The bank effects transactions as part of a program for the investment or reinvestment of bank deposit funds into any no-load, open-end management investment company registered under the Investment Company Act of 1940 that holds itself out as a money market fund.

''(vi) AFFILIATE TRANSACTIONS.—The bank effects transactions for the account of any affiliate of the bank (as defined in section 2 of the Bank Holding Company Act of 1956) other than—

''(I) a registered broker or dealer; or

''(II) an affiliate that is engaged in merchant banking, as described in section 4(k)(4)(H) of the Bank Holding Company Act of 1956.

''(vii) PRIVATE SECURITIES OFFERINGS.—The bank effects sales as part of a primary offering of securities not involving a public offering, pursuant to section 3(b), 4(2), or 4(6) of the Securities Act of 1933, or the rules and regulations issued thereunder.

''(viii) SAFEKEEPING AND CUSTODY ACTIVITIES.—

''(I) IN GENERAL.—The bank, as part of customary banking activities—

''(aa) provides safekeeping or custody services with respect to securities, including the exercise of warrants and other rights on behalf of customers;

''(bb) facilitates the transfer of funds or securities, as a custodian or a clearing agency, in connection with the clearance and settlement of its customers' transactions in securities;

''(cc) effects securities lending or borrowing transactions with or on behalf of customers as part of services provided to customers pursuant to division (aa) or (bb) or invests cash collateral pledged in connection with such transactions; or

''(dd) holds securities pledged by a customer to another person or securities subject to purchase or resale agreements involving a customer, or facilitates the pledging or transfer of such securities by book entry or as otherwise provided under applicable law.

''(II) EXCEPTION FOR CARRYING BROKER ACTIVITIES.—The exception to being considered a broker for a bank engaged in activities described in subclause (I) shall not apply if the bank, in connection with such activities, acts in the United States as a carrying broker (as such term, and different formulations thereof, are used in section 15(c)(3) and the rules and regulations thereunder) for any broker or dealer, unless such carrying broker activities are engaged in with respect to government securities (as defined in paragraph (42) of this subsection).

''(ix) BANKING PRODUCTS.—The bank effects transactions in traditional banking products, as defined in section 503(a) of the Financial Services Modernization Act of 1999.

''(x) DE MINIMIS EXCEPTION.—The bank effects, other than in transactions referred to in clauses (i) through (ix), not more than 500 transactions in securities in any calendar year, and such transactions are not effected by an employee of the bank who is also an employee of a broker or dealer.

''(C) EXECUTION BY BROKER OR DEALER.—The exception to being considered a broker for a bank engaged in activities described in clauses (ii), (iv), and (viii) of subparagraph (B) shall not apply if the activities described in such provisions result in the trade in the United States of any security that is a publicly traded security in the United States, unless—

''(i) the bank directs such trade to a registered broker or dealer for execution;

''(ii) the trade is a cross trade or other substantially similar trade of a security that—

''(I) is made by the bank or between the bank and an affiliated fiduciary; and

''(II) is not in contravention of fiduciary principles established under applicable Federal or State law; or

''(iii) the trade is conducted in some other manner permitted under such rules, regulations, or orders as the Commission may prescribe or issue.

''(D) NO EFFECT OF BANK EXEMPTIONS ON OTHER COMMISSION AUTHORITY.—The exception to being considered a broker for a bank engaged in activities described in subparagraphs (B) and (C) shall not affect the authority of the Commission under any other provision of this title or any other securities law.

''(E) FIDUCIARY CAPACITY.—For purposes of subparagraph (B)(ii) of this paragraph and paragraph (5)(C), the term 'fiduciary capacity' means—

''(i) in the capacity as trustee, executor, administrator, registrar of stocks and bonds, transfer agent, guardian, assignee, receiver, or custodian, either under a uniform gift to minor act or for an individual retirement account, or as an investment adviser if the bank receives a fee for its investment advice or services, or as a service provider to any pension, retirement, profit sharing, bonus, thrift, savings, incentive, or other similar benefit plan;

''(ii) in any capacity in which the bank possesses investment discretion on behalf of another; or

''(iii) in any other similar capacity.

''(F) EXCEPTION FOR ENTITIES SUBJECT TO SECTION 15(e).—The term 'broker' does not include a bank that—

''(i) was, on the day before the date of enactment of the Financial Services Modernization Act of 1999, subject to section 15(e); and

''(ii) is subject to such restrictions and requirements as the Commission considers appropriate.''.

**SEC. 502. DEFINITION OF DEALER.**

Section 3(a)(5) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(5)) is amended to read as follows:

''(5) DEALER.—

''(A) IN GENERAL.—The term 'dealer' means any person engaged in the business of buying and selling securities for such person's own account through a broker or otherwise.

''(B) EXCEPTION FOR PERSON NOT ENGAGED IN THE BUSINESS OF DEALING.—The term 'dealer' does not include a person that buys or sells securities for such person's own account, either individually or in a fiduciary capacity, but not as a part of a regular business.

''(C) EXCEPTION FOR CERTAIN BANK ACTIVITIES.—A bank shall not be considered to be a dealer because the bank engages in any of

the following activities under the conditions described:

''(i) PERMISSIBLE SECURITIES TRANSACTIONS.—The bank buys or sells—

''(I) commercial paper, bankers acceptances, or commercial bills;

''(II) exempted securities;

''(III) qualified Canadian government obligations as defined in section 5136 of the Revised Statutes of the United States, in conformity with section 15C of this title and the rules and regulations thereunder, or obligations of the North American Development Bank; or

''(IV) any standardized, credit enhanced debt security issued by a foreign government pursuant to the March 1989 plan of then Secretary of the Treasury Brady, used by such foreign government to retire outstanding commercial bank loans.

''(ii) INVESTMENT, TRUSTEE, AND FIDUCIARY TRANSACTIONS.—The bank buys or sells securities for investment purposes—

''(I) for the bank; or

''(II) for accounts for which the bank acts in a trustee capacity or fiduciary capacity.

''(iii) ASSET-BACKED TRANSACTIONS.—The bank engages in the issuance or sale to qualified investors, through a grantor trust or otherwise, of securities backed by or representing an interest in notes, drafts, acceptances, loans, leases, receivables, other obligations, or pools of any such obligations predominantly originated by the bank, or a syndicate of banks of which the bank is a member, or an affiliate of any such bank other than a broker or dealer.

''(iv) BANKING PRODUCTS.—The bank buys or sells traditional banking products, as defined in section 503(a) of the Financial Services Modernization Act of 1999.''.

**SEC. 503. DEFINITION AND TREATMENT OF BANKING PRODUCTS.**

(a) DEFINITION OF TRADITIONAL BANKING PRODUCT.—For purposes of this title and paragraphs (4) and (5) of section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4), (5)), as amended by this title, the term ''traditional banking product'' means—

(1) a deposit account, savings account, certificate of deposit, or other deposit instrument issued by a bank;

(2) a banker's acceptance;

(3) a letter of credit issued or loan made by a bank;

(4) a debit account at a bank arising from a credit card or similar arrangement;

(5) a participation in a loan which the bank or an affiliate of the bank (other than a broker or dealer) funds, participates in, or owns that is sold—

(A) to qualified investors; or

(B) to other persons that—

(i) have the opportunity to review and assess any material information, including information regarding the borrower's creditworthiness; and

(ii) based on such factors as financial sophistication, net worth, and knowledge and experience in financial matters, have the capability to evaluate the information available, as determined under generally applicable banking standards or guidelines; and

(6) any swap agreement (as defined in section 11(e)(8)(D)(vi) of the Federal Deposit Insurance Act), including credit swaps and equity swaps, unless the appropriate Federal banking agency determines that credit swaps and equity swaps shall not be included in the definition of such term.

(b) TRANSACTIONS INVOLVING HYBRID PRODUCTS.—

(1) COMMISSION AUTHORITY.—The Commission may, with the concurrence of the Board, determine, by regulation published in the Federal Register, that a bank that effects transactions in, or buys or sells, a new product should be subject to the registration requirements of this section.

(2) LIMITATION.—The Commission may not impose the registration requirements of this section on any bank that effects transactions in, or buys or sells, a product under this subsection unless the Commission, with the concurrence of the Board, determines in the regulations described in paragraph (1) that—

(A) the subject product is a new product;

(B) the subject product is a security; and

(C) imposing the registration requirements of this section is necessary or appropriate in the public interest and for the protection of investors.

(c) CLASSIFICATION LIMITED.—Classification of a particular product or instrument as a traditional banking product pursuant to this section shall not be construed as finding or implying that such product or instrument is or is not a security for any purpose under the securities laws, or is or is not an account, agreement, contract, or transaction for any purpose under the Commodity Exchange Act.

(d) NO LIMITATION ON OTHER AUTHORITY TO CHALLENGE.—Nothing in this section shall affect the right or authority of the Board, any appropriate Federal banking agency, or any interested party under any other provision of law to object to or seek judicial review as to whether a product or instrument is or is not appropriately classified as a traditional banking product under subsection (a).

(e) OTHER DEFINITIONS.—For purposes of this section—

(1) the term ''appropriate Federal banking agency'' has the same meaning as in section 3 of the Federal Deposit Insurance Act;

(2) the term ''bank'' has the same meaning as in section 3(a)(6) of the Securities Exchange Act of 1934;

(3) the term ''Board'' means the Board of Governors of the Federal Reserve System;

(4) the term ''Commission'' means the Securities and Exchange Commission;

(5) the term ''government securities'' has the same meaning as in section 3(a)(42) of the Securities Exchange Act of 1934, and, for purposes of this subsection, commercial paper, bankers acceptances, and commercial bills shall be treated in the same manner as government securities;

(6) the term ''new product'' means a product or instrument offered or provided by a bank that—

(i) was not subject to regulation by the Commission as a security under the Federal securities laws before the date of enactment of this Act; and

(ii) is not a traditional banking product; and

(7) the term ''qualified investor'' has the same meaning as in section 3(a)(54) of the Securities Exchange Act of 1934, as added by this title.

**SEC. 504. QUALIFIED INVESTOR DEFINED.**

Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended by adding at the end the following new paragraphs:

''(54) QUALIFIED INVESTOR.—

''(A) DEFINITION.—The term 'qualified investor' means—

''(i) any investment company registered with the Commission under section 8 of the Investment Company Act of 1940;

''(ii) any issuer eligible for an exclusion from the definition of 'investment company' pursuant to section 3(c)(7) of the Investment Company Act of 1940;

''(iii) any bank (as defined in paragraph (6)), savings association (as defined in section 3(b) of the Federal Deposit Insurance Act), broker, dealer, insurance company (as defined in section 2(a)(13) of the Securities Act of 1933), or business development company (as defined in section 2(a)(48) of the Investment Company Act of 1940);

''(iv) any small business investment company licensed by the Small Business Administration under subsection (c) or (d) of section 301 of the Small Business Investment Act of 1958;

''(v) any State sponsored employee benefit plan, or any other employee benefit plan, within the meaning of the Employee Retirement Income Security Act of 1974, other than an individual retirement account, if the investment decisions are made by a plan fiduciary, as defined in section 3(21) of that Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser;

''(vi) any trust whose purchases of securities are directed by a person described in clauses (i) through (v) of this subparagraph;

''(vii) any market intermediary that is exempt under section 3(c)(2) of the Investment Company Act of 1940;

''(viii) any associated person of a broker or dealer, other than a natural person;

''(ix) any foreign bank (as defined in section 1(b)(7) of the International Banking Act of 1978);

''(x) the government of any foreign country;

''(xi) any corporation, company, or partnership that owns and invests on a discretionary basis, not less than $10,000,000 in investments;

''(xii) any natural person who owns and invests on a discretionary basis, not less than $10,000,000 in investments;

''(xiii) any government or political subdivision, agency, or instrumentality of a government who owns and invests on a discretionary basis, not less than $50,000,000 in investments; or

''(xiv) any multinational or supranational entity or any agency or instrumentality thereof.

''(B) ADDITIONAL AUTHORITY.—The Commission may, by rule or order, define a 'qualified investor' as any other person not described in subparagraph (A), taking into consideration such factors as the financial sophistication of the person, net worth, and knowledge and experience in financial matters.''.

**SEC. 505. GOVERNMENT SECURITIES DEFINED.**

Section 3(a)(42) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(42)) is amended—

(1) by striking ''or'' at the end of subparagraph (C);

(2) by striking the period at the end of subparagraph (D) and inserting ''; or''; and

(3) by adding at the end the following new subparagraph:

''(E) for purposes of section 15C, as applied to a bank, a qualified Canadian Government obligation, as defined in section 5136 of the Revised Statutes of the United States.''.

**SEC. 506. EFFECTIVE DATE.**

This title shall become effective at the end of the 1-year period beginning on the date of enactment of this Act.

**SEC. 507. RULE OF CONSTRUCTION.**

Nothing in this title shall supersede, affect, or otherwise limit the scope and applicability of the Commodity Exchange Act (7 U.S.C. 1 et seq.).

## TITLE VI—UNITARY SAVINGS AND LOAN HOLDING COMPANIES

### SEC. 601. PREVENTION OF CREATION OF NEW S&L HOLDING COMPANIES WITH COMMERCIAL AFFILIATES.

(a) IN GENERAL.—Section 10(c) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)) is amended by adding at the end the following new paragraph:

''(9) PREVENTION OF NEW AFFILIATIONS BETWEEN S&L HOLDING COMPANIES AND COMMERCIAL FIRMS.—

''(A) IN GENERAL.—Notwithstanding paragraph (3), no company may directly or indirectly, including through any merger, consolidation, or other type of business combination, acquire control of a savings association after May 4, 1999, unless the company is engaged, directly or indirectly (including through a subsidiary other than a savings association), only in activities that are permitted—

''(i) under paragraph (1)(C) or (2) of this subsection; or

''(ii) for financial holding companies under section 4(k) of the Bank Holding Company Act of 1956.

''(B) PREVENTION OF NEW COMMERCIAL AFFILIATIONS.—Notwithstanding paragraph (3), no savings and loan holding company may engage directly or indirectly (including through a subsidiary other than a savings association) in any activity other than as described in clauses (i) and (ii) of subparagraph (A).

''(C) PRESERVATION OF AUTHORITY OF EXISTING UNITARY S&L HOLDING COMPANIES.—Subparagraphs (A) and (B) do not apply with respect to any company that was a savings and loan holding company on May 4, 1999, or that becomes a savings and loan holding company pursuant to an application pending before the Office on or before that date, and that—

''(i) meets and continues to meet the requirements of paragraph (3); and

''(ii) continues to control not fewer than 1 savings association that it controlled on May 4, 1999, or that it acquired pursuant to an application pending before the Office on or before that date, or the successor to such savings association.

''(D) CORPORATE REORGANIZATIONS PERMITTED.—This paragraph does not prevent a transaction that—

''(i) involves solely a company under common control with a savings and loan holding company from acquiring, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company; or

''(ii) involves solely a merger, consolidation, or other type of business combination as a result of which a company under common control with the savings and loan holding company acquires, directly or indirectly, control of the savings and loan holding company or any savings association that is already a subsidiary of the savings and loan holding company.

''(E) AUTHORITY TO PREVENT EVASIONS.—The Director may issue interpretations, regulations, or orders that the Director determines necessary to administer and carry out the purpose and prevent evasions of this paragraph, including a determination that, notwithstanding the form of a transaction, the transaction would in substance result in a company acquiring control of a savings association.

''(F) PRESERVATION OF AUTHORITY FOR FAMILY TRUSTS.—Subparagraphs (A) and (B) do not apply with respect to any trust that becomes a savings and loan holding company with respect to a savings association, if—

''(i) not less than 85 percent of the beneficial ownership interests in the trust are continuously owned, directly or indirectly, by or for the benefit of members of the same family, or their spouses, who are lineal descendants of common ancestors who controlled, directly or indirectly, such savings association on May 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before May 4, 1999; and

''(ii) at the time at which such trust becomes a savings and loan holding company, such ancestors or lineal descendants, or spouses of such descendants, have directly or indirectly controlled the savings association continuously since May 4, 1999, or a subsequent date, pursuant to an application pending before the Office on or before May 4, 1999.''.

(b) CONFORMING AMENDMENT.—Section 10(o)(5)(E) of the Home Owners' Loan Act (15 U.S.C. 1467a(o)(5)(E)) is amended by striking '', except subparagraph (B)'' and inserting ''or (c)(9)(A)(ii)''.

### SEC. 602. OPTIONAL CONVERSION OF FEDERAL SAVINGS ASSOCIATIONS.

Section 5(i) of the Home Owners' Loan Act (12 U.S.C. 1464(i)) is amended by adding at the end the following new paragraph:

''(5) CONVERSION TO NATIONAL BANK.—Notwithstanding any other provision of law, any Federal savings association chartered and in operation prior to the date of enactment of the Financial Services Modernization Act of 1999, with branches in one or more States, may convert, at its option, with the approval of the Comptroller of the Currency, into one or more National banks, each of which may encompass one or more of the branches of the Federal savings association in one or more States; but only if the resulting National bank or banks will meet any and all financial, management, and capital requirements applicable to National banks.''.

## TITLE VII—ATM FEE REFORM

### SEC. 701. SHORT TITLE.

This title may be cited as the ''ATM Fee Reform Act of 1999''.

### SEC. 702. ELECTRONIC FUND TRANSFER FEE DISCLOSURES AT ANY HOST ATM.

Section 904(d) of the Electronic Fund Transfer Act (15 U.S.C. 1693b(d)) is amended by adding at the end the following:

''(3) FEE DISCLOSURES AT AUTOMATED TELLER, MACHINES.—

''(A) IN GENERAL.—The regulations prescribed under paragraph (1) shall require any automated teller machine operator who imposes a fee on any consumer for providing host transfer services to such consumer to provide notice in accordance with subparagraph (B) to the consumer (at the time the service is provided) of—

''(i) the fact that a fee is imposed by such operator for providing the service; and

''(ii) the amount of any such fee.

''(B) NOTICE REQUIREMENTS.—

''(i) ON THE MACHINE.—The notice required under clause (i) of subparagraph (A) with respect to any fee described in such subparagraph shall be posted in a prominent and conspicuous location on or at the automated teller machine at which the electronic fund transfer is initiated by the consumer; and

''(ii) ON THE SCREEN.—The notice required under clauses (i) and (ii) of subparagraph (A) with respect to any fee described in such subparagraph shall appear on the screen of the automated teller machine, or on a paper notice issued from such machine, after the transaction is initiated and before the consumer is irrevocably committed to completing the transaction.

''(C) PROHIBITION ON FEES NOT PROPERLY DISCLOSED AND EXPLICITLY ASSUMED BY CONSUMER.—No fee may be imposed by any automated teller machine operator in connection with any electronic fund transfer initiated by a consumer for which a notice is required under subparagraph (A), unless—

''(i) the consumer receives such notice in accordance with subparagraph (B); and

''(ii) the consumer elects to continue in the manner necessary to effect the transaction after receiving such notice.

''(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

''(i) ELECTRONIC FUND TRANSFER.—The term 'electronic fund transfer' includes a transaction which involves a balance inquiry initiated by a consumer in the same manner as an electronic fund transfer, whether or not the consumer initiates a transfer of funds in the course of the transaction.

''(ii) AUTOMATED TELLER MACHINE OPERATOR.—The term 'automated teller machine operator' means any person who—

''(I) operates an automated teller machine at which consumers initiate electronic fund transfers; and

''(II) is not the financial institution which holds the account of such consumer from which the transfer is made.

''(iii) HOST TRANSFER SERVICES.—The term 'host transfer services' means any electronic fund transfer made by an automated teller machine operator in connection with a transaction initiated by a consumer at an automated teller machine operated by such operator.''.

### SEC. 703. DISCLOSURE OF POSSIBLE FEES TO CONSUMERS WHEN ATM CARD IS ISSUED.

Section 905(a) of the Electronic Fund Transfer Act (15 U.S.C. 1693c(a)) is amended—

(1) by striking ''and'' at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting ''; and''; and

(3) by inserting after paragraph (9) the following:

''(10) a notice to the consumer that a fee may be imposed by—

''(A) an automated teller machine operator (as defined in section 904(d)(3)(D)(ii)) if the consumer initiates a transfer from an automated teller machine which is not operated by the person issuing the card or other means of access; and

''(B) any national, regional, or local network utilized to effect the transaction.''.

### SEC. 704. FEASIBILITY STUDY.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study of the feasibility of requiring, in connection with any electronic and transfer initiated by a consumer through the use of an automated teller machine—

(1) a notice to be provided to the consumer before the consumer is irrevocably committed to completing the transaction, which clearly states the amount of any fee which will be imposed upon the consummation of the transaction by—

(A) any automated teller machine operator (as defined in section 904(d)(2)(D)(ii) of the Electronic Fund Transfer Act) involved in the transaction;

(B) the financial institution holding the account of the consumer;

(C) any national, regional, or local network utilized to effect the transaction; and

(D) any other party involved in the transfer; and

(2) the consumer to elect to consummate the transaction after receiving the notice described in paragraph (1).

(b) FACTORS TO BE CONSIDERED.—In conducting the study required under subsection (a) with regard to the notice requirement described in such subsection, the Comptroller General shall consider the following factors:

(1) The availability of appropriate technology.

(2) Implementation and operating costs.

(3) The competitive impact any such notice requirement would have on various sizes and types of institutions, if implemented.

(4) The period of time which would be reasonable for implementing any such notice requirement.

(5) The extent to which consumers would benefit from any such notice requirement.

(6) Any other factor the Comptroller General determines to be appropriate in analyzing the feasibility of imposing any such notice requirement.

(c) REPORT TO CONGRESS.—Before the end of the 6-month period beginning on the date of the enactment of this Act, the Comptroller General shall submit a report to the Congress containing—

(1) the findings and conclusions of the Comptroller General in connection with the study required under subsection (a); and

(2) the recommendation of the Comptroller General with regard to the question of whether a notice requirement described in subsection (a) should be implemented and, if so, how such requirement should be implemented.

**SEC. 705. NO LIABILITY IF POSTED NOTICES ARE DAMAGED.**

Section 910 of the Electronic Fund Transfer Act (15 U.S.C. 1693h) is amended by adding at the end the following new subsection:

''(d) EXCEPTION FOR DAMAGED NOTICES.—If the notice required to be posted pursuant to section 904(d)(3)(B)(i) by an automated teller machine operator has been posted by such operator in compliance with such section and the notice is subsequently removed, damaged, or altered by any person other than the operator of the automated teller machine, the operator shall have no liability under this section for failure to comply with section 904(d)(3)(B)(i).''.

## ORDERS FOR TUESDAY, MAY 11, 1999

Mr. ROBERTS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Tuesday, May 11. I further ask consent that on Tuesday, immediately following the prayer, the routine requests through the morning hour be granted, the time for the two leaders be reserved for their use later in the day, and the Senate then proceed to S. 254, the juvenile justice bill, for debate only until 12 noon.

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

Mr. ROBERTS. I ask consent the Senate stand in recess from the hour of 12:30 p.m. until 2:15 p.m. for the weekly policy conferences to meet.

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

Mr. ROBERTS. I ask unanimous consent that Members have until 2 p.m. today in order to introduce legislation and submit statements for the RECORD.

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

## PROGRAM

Mr. ROBERTS. For the information of all Senators, the Senate will begin debate on the juvenile justice bill at 9:30. Amendments are expected to that legislation, and therefore rollcall votes can be expected during tomorrow afternoon's session of the Senate. As always, Members will be notified accordingly as any votes are ordered with respect to this legislation.

Members who intend to offer amendments to the juvenile justice bill are encouraged to work with the chairman and the ranking member to schedule a time to come to the floor to debate those amendments.

## ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ROBERTS. If there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order, following the remarks of Senator CONRAD.

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

Mr. ROBERTS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

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

## CONTINUING AGRICULTURE CRISIS

Mr. CONRAD. Mr. President, I rise today to again talk about the continuing agriculture crisis that is facing America's farmers. I spent this weekend in North Dakota. I spoke at the annual graduation of the North Dakota State School of Science and then at North Dakota State University's graduation on Saturday morning. On Friday, I went to an event we call Marketplace For Kids, which we hold every year, in which children from a large part of North Dakota come in and show the things they have been working on—inventions, creative ideas that they have had.

In these three sets of events I ran into literally hundreds of North Dakota farm families. Without exception they told me, Senator, unless there is a Federal response and unless it comes quickly, literally thousands of us are going to be forced off the land this spring.

This is a crisis as deep and as serious as any I have seen in my 13 years now representing North Dakota in the Senate. We have had quite a string of crises: in 1988–1989, the worst drought since the 1930s; in 1997, the worst flood in 500 years that devastated the town of Grand Forks, ND; and now this continuing agriculture crisis, as a result of, really, three factors. One is the collapse of farm prices. The second is incredibly bad weather over the last 5 years—overly wet conditions. In fact, as I flew over North Dakota, it looked like Lake Agassiz, which existed thousands of years ago, was reforming, because everywhere I looked, as I flew in a light plane over half of North Dakota, flying from east to west, all I saw was water everywhere. It was really stunning to see it. Then, of course, we have been hit by bad policy: A farm bill that has reductions in support from Government no matter what happens to farm prices, very steep reductions that are included in that policy; and, of course, a trade policy that left us vulnerable to incredible increases in imports from Canada traded on an unfair basis.

This stew that is being cooked is increasingly hard to choke down for our farmers. This is a recent headline, April 4, in the Bismarck Tribune, my hometown newspaper. The headline is: ''Farm Families Forced To Cancel Health Insurance.'' In the story they talk about Clint Jacobs, a 30-year-old farmer, who raises 200 head of cattle near Amidon, ND. That is out in western North Dakota. He and his wife and their 1½-year-old daughter were paying $550 every 3 months for health insurance and they had $1,000 deductible. They had to drop their health insurance.

This is a story that is repeated every day across North Dakota, and I am sure in other farm belt States as well, as we cope with the lowest prices in 52 years—the lowest prices in 52 years. These farm families, with incredibly hard-working, decent, honest people, are having to dump their health insurance in a bid to survive financially. This really is not right.

As I traveled across my State this weekend, farm families came to me, bankers came to me with a very consistent message: You have to respond and you have to respond quickly, because this is a set of facts that is going to suck thousands of us down.

This article I was referring to says that 26 out of 82 farmers and ranchers who were surveyed had dropped health insurance to make ends meet. The survey was done by the Lutheran Disaster Response of Lutheran Social Services in North Dakota. As one person said, if you have four or five bad years and you tighten the belt every time, health insurance gets to be one of the things that is cut.

That is what is happening today in my State. Patients are skipping preventive care, such as checkups and mammograms. Some doctors and other health care providers are not getting paid.

In a sidebar story by the Associated Press, their farm writer says: Facing a

dim agriculture forecast this year, farmers can now prepare for financial cutbacks. A Purdue University extension specialist who offers financial advice to struggling farmers in Indiana said families must determine what they can do without.

That is exactly what is happening in North Dakota. Maybe there are some who are listening and saying that we have had to do that in our life, we have had to cut back when times are tough, we have had to consider what you can do without; so what.

This is not a typical downturn. This goes far beyond what somebody can fairly plan for—the lowest prices in 52 years; 5 years of the worst weather on record; as a result, an outbreak of disease unprecedented in our State's history.

In over 100 years, we have never seen an outbreak of disease like we are coping with now. Scab, a fungus that breaks out when there are overly wet conditions, dramatically reduced production, with prices, as I indicated, the lowest they have been in 52 years. What a double whammy. On top of it, to have a farm bill passed—and it does not matter what farm prices are—that is slashing Government support for producers at the very time our chief competitors are spending more.

The Europeans, who are our chief competitors and who we were supposed to be convincing to cut their subsidies by cutting ours, did they decide to follow suit? Absolutely not. They have decided to spend more, and they are already spending $50 billion a year to support their farmers. We are spending $5 billion. That is not a fair fight.

Our farmers are ready to take on anybody anytime anywhere. They are ready to compete. They are ready to take on the farmers of France and Germany and England, and all the rest, but they are not prepared to take on, in addition to the farmers from those countries, the governments of those countries. They are not prepared to take on the French Government, the German Government, and the British Government, as well as the farmers from those countries. That is not a fair fight.

Yet, that is what we have said to our farmers: You go out there and you take on the French farmers and, while you are at it, take on the French Government as well. You go out there and compete against the German farmer, and while you are at it, take on the German Government as well.

That is not a fair fight. We have to put tools in the hands of our farmers so they have a chance to fight back. If we do not, we will wake up sometime soon and find that tens of thousands of farm families have been forced off the land and have been destroyed financially. That is what is happening in my State each and every day. Good people, honest people are being destroyed. The question is, Are we going to stand and help them or are we going to stand by and do nothing? That is the choice that is before us. I hope we respond, and I hope we respond quickly.

We need to immediately pass the emergency supplemental that is in the conference committee between the House and the Senate tomorrow. We need to pass that legislation because it provides an expansion of credit to get farmers into the fields, and we need to add to that package. We need to add $1.5 billion to keep the promise that we made last year in the disaster bill. We now know the farmers have signed up for the program that we have promised. We found we are $1.5 billion short of funding what we promised. We ought to keep the promise, and we ought to do it in this bill.

In addition, we ought to provide the same supplemental benefit we provided last year to offset this dramatic decline in prices. That would be an AMTA supplemental, transition payments that were provided for in the last farm bill that are going down each and every year. Last year, because of the crisis, we provided a 50-percent supplement. We need to do that again this year. It will cost $2.8 billion.

That is a total package approaching $5 billion. Last year, we passed a package of $6 billion. I would like to have that amount again this year, but the reality is that we are going to have to make do with the package like the one I have described, at least for now. But it needs to happen now. We should not wait because while we are waiting, literally thousands of people are being forced off the land and being financially destroyed, through no fault of their own, by being caught up in a circumstance of bad weather, bad prices, and bad policy. There is not much we can do about the prices, there is not much we can do about the weather, but we can do something about the policy. That is our responsibility. I hope we meet that responsibility and meet it this week.

I want to show, before I leave this subject, some charts that appeared in the newspapers back home while I was there. It showed the net return per acre of wheat in North Dakota going back to 1986. You can see the kinds of returns that farmers were seeing per acre for planting wheat. Our State is a major wheat State, really one of the key breadbasket States in the Nation.

As you can see, there were positive returns of over $30 an acre in 1986 and 1987. Then we saw pretty tough times in 1988, 1989, and 1990, the drought years. We saw a substantial improvement in 1991, 1992, and 1993. In 1994, we saw a steep slide; 1995, further erosion; 1996 was about the same as 1995, and then the bottom fell out in 1997, negative returns per acre approaching a $20 loss per acre. The more you planted, the worse off you were, and the same pattern was repeated in 1998.

If we do not act, 1999 is going to be a whole lot worse and, literally, as I have indicated, thousands of farm families are going to be facing auction. I showed a cartoon that was in the biggest paper in my State several weeks ago. It showed a pole, and it had auction signs, 9 or 10 different auction signs all pointing in different directions. Sitting on top of the pole was a buzzard. That is kind of the feeling in my State right now. The buzzards are swooping overhead waiting for another farm failure, waiting for another auction, waiting to see another farm family sold out, because that is what is happening all too frequently in my State these days.

If it was not enough to have the dominant crop in negative return territory the last year, this is the pattern of raising cattle. You can see very much a similar pattern, only returns went negative earlier for cattle. In 1995 and 1996, they were negative, and they were barely in the black for 1997 and 1998.

Two-thirds of the income in my State is crop income. So when crops are giving negative returns, and then you face on top of that livestock giving negative returns, it is impossible to make money—impossible to make money—again, not through any fault of these farm families. These are the hardest working, most honest people I know, but they are being devastated by events beyond their control.

The financial collapse in Asia cost them their biggest customer. The financial collapse in Russia cost them a very big customer. Those events, working together, have created a nightmare for these farm families. Then on top of that, after you stack these natural disasters, you put the final coup de grace—the bad policy coming out of Washington—and it is pretty hard for a farm family to make it.

It is pretty hard for them to take on the Europeans when those countries have decided that they are going to spend $50 billion a year to support their producers and we are spending $5 billion. We are being outspent, outgunned, 10-to-1. And why? Because the Europeans decided some time ago that it made sense to their countries to have people out across the land. They did not want to see everybody forced into the city. They did not think that made sense for their society.

I hope very soon we will come to a similar conclusion in this country and will decide that it makes sense to have people out across the land, because if we do not respond, there will be precious few people out there; they will all be headed to the cities. The last thing we need in the Washington metroplex is more people: More crowding, more pollution, more hassle. That is exactly what is going to happen unless we respond.

This is a good country, a generous country, and one that responds when

people are in crisis. We are going to respond to the disasters in Oklahoma, in Kansas, in Tennessee, and the other States that have been affected. I believe we are going to respond in this crisis, as well, in the farm States of America, because they are on the brink of a total financial collapse. That is the seriousness of what is happening.

Now is the time; this week is the time; on this supplemental is the time to respond, and to respond strongly, to give people the help they desperately need.

I thank the Chair and yield the floor.

## ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. If there is no further business to come before the Senate, the Senate stands in adjournment under the previous order.

Thereupon, the Senate, at 1:32 p.m., adjourned until Tuesday, May 11, 1999, at 9:30 a.m.

## NOMINATIONS

Executive nominations received by the Senate May 10, 1999:

DEPARTMENT OF STATE

M. MICHAEL EINIK, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA.

MARK WYLEA ERWIN, OF NORTH CAROLINA, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF MAURITIUS, AND TO SERVE CONCURRENTLY AND WITHOUT ADDITIONAL COMPENSATION AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FEDERAL ISLAMIC REPUBLIC OF THE COMOROS AND AS AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SEYCHELLES.

CHRISTOPHER E. GOLDTHWAIT, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF CHAD.

UNITED STATES INFORMATION AGENCY

EDWARD E. KAUFMAN, OF DELAWARE, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM EXPIRING AUGUST 13, 2000. (REAPPOINTMENT)

DEPARTMENT OF STATE

LARRY C. NAPPER, OF TEXAS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, FOR RANK OF AMBASSADOR DURING TENURE OF SERVICE AS COORDINATOR OF THE SUPPORT FOR EAST EUROPEAN DEMOCRACY (SEED) PROGRAM.

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

DONALD LEE PRESSLEY, OF VIRGINIA, TO BE AN ASSISTANT ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT, VICE THOMAS A. DINE, RESIGNED.

# EXTENSIONS OF REMARKS

## IN RECOGNITION OF THE NATIONAL CONSUMERS LEAGUE ON THE OCCASION OF ITS 100TH ANNIVERSARY

### HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 10, 1999*

Mr. MORAN of Virginia. Mr. Speaker, I rise today to recognize the contributions made by the National Consumers League.

Mr. Speaker, the National Consumers League is the nation's oldest consumer advocacy league. The League celebrates its 100th anniversary in May of this year with a Consumer Summit to be held here in Washington, DC.

The League has fought persistently for such important measures as child labor laws, fair wage and fair hour workplace standards and the elimination of sweatshops both here and abroad. The League has also been actively involved in consumer protection issues such as product safety and telemarketing fraud.

As a nonprofit advocacy group representing consumers on marketplace and workplace issues, the League operates multiple programs to give consumers the tools they need to make informed choices, and also to provide a forum for recourse.

One of the League's projects is the National Fraud Information Center, a toll-free hotline which offers help and support to victims of telemarketing and Internet fraud. Fraud reports are sent within minutes to law enforcement agencies, including the Federal Trade Commission and state attorneys general. The League supplies the U.S. government national fraud database with a large majority of its data.

The League has been an energetic and effective champion of American consumers and workers. I applaud the League's perennial concern for and contributions to the well being of Americans, and I wish them the best of luck in all their future endeavors.

## TRIBUTE TO RABBI STEVEN JACOBS

### HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 10, 1999*

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to Rabbi Steven Jacobs, who has maintained a commitment to his congregants at Temple Kol Tikvah and the San Fernando Valley Community for the past thirty years.

The Talmud states that "He who does charity and justice is as if he had filled the whole world with kindness." In the spirit of such words, dedicated community leaders such as Rabbi Jacobs actively participate in delivering tremendous support, selflessly dedicating their time and energy to enriching our community. I can think of no better tribute to Rabbi Jacobs.

Motivated by a sense of the many injustices in the world, Rabbi Jacobs has actively pursued solutions to right the wrong. Dedicated to improving the status quo, he devotes his energy and time in ways that truly do make a difference. Outreach to everyone and a desire and sensitivity for social action continually shapes his Rabbinate.

Most recently, Rabbi Jacobs was invited by the Rev. Jesse Jackson to join a 20-member delegation on a mission to free the three soldiers who were captured along the Macedonia-Kosovo border. Rabbi Jacobs, who was able to speak with the captured soldiers and comfort them, played an integral role in the mission. Rabbi Jacobs and the rest of the delegation eventually facilitated the release of the soldiers.

Mr. Speaker, distinguished colleagues, please join me in honoring Rabbi Steven Jacobs for his ongoing service to the Jewish community and the community at large.

## HONORING CAPTAIN ANDREW CONSIGLIO, JR. FOR THIRTY-THREE YEARS OF DEDICATED PUBLIC SERVICE

### HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 10, 1999*

Ms. DELAURO. Mr. Speaker, friends, family and members of the city of New Haven will gather on May 13th to honor one of our city's finest public servicemen. For more than three decades, Captain Andrew Consiglio, Jr. has served as a member of the New Haven Police Department, protecting the City and its residents.

In 1966, Andy entered one of the most challenging and rewarding professions. Law enforcement officials make tremendous sacrifices in service to our community, putting their lives on the line each and every day. In his three decades on the New Haven Police Force, Andy has always been on the front lines, his first priority always the safety and security of the public. Moving steadily up through the ranks, he has met every new challenge with energy, integrity and vision. His commitment to enhancing public safety has made a profound difference in the City of New Haven.

Throughout his career, Andy has distinguished himself as an exceptionally dedicated member of the force. His many accolades include 18 Certificates of Commendation, 10 Letters of Commendation, 2 Awards of Merit, 26 Letters of Appreciation, and 1 Certificate of Appreciation—a true testimony to his dedication to the City of New Haven and of the community's respect for him.

It is an honor for me to pay tribute to Andy who is not only an exemplary public serviceman, but a true friend to me. I grew up with Andy in New Haven's Wooster Square, and he has been an unfailing source of support for me and my family throughout my life. He is a trusted and well-known figure in the community, who will long be remembered for his extraordinary commitment to the people of New Haven.

Andy has seen the City change over the years and has worked tirelessly to make our community a place where we feel safe to live and raise our families. Today, I am proud to join with family, friends and the City of New Haven to thank him for his innumerable contributions to our community and for thirty-three years of dedicated public service. Mere words cannot express our appreciation and we wish him much health and happiness in his retirement.

## WATER RESOURCES DEVELOPMENT ACT OF 1999

SPEECH OF

### HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, April 29, 1999*

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1480) to provide for the conservation and development of water and related resources, to authorize the United States Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States, and for other purposes:

Mr. SHUSTER. Mr. Chairman, I wanted to take a moment to clarify the intent of a provision included in the Committee Amendment passed unanimously by the House to Sections 502 and 517 of H.R. 1480, The Water Resources Development Act of 1999. Sections 502 paragraph (17) and Section 517(b)(27) were added to the bill as part of the Managers Amendment. These provisions authorized $8 million for water related infrastructure in Lackawanna, Lycoming, Susquehanna, Wyoming, Pike, and Monroe Counties, Pennsylvania including assistance for the Montoursville Regional Sewer Authority, Lycoming County. This provision was included to direct the Army Corps of Engineers to provide waste water treatment and water supply infrastructure to several hardship communities in Northeastern Pennsylvania. More specifically, $4,986,500 of the authorized funding under this provision was provided for four communities in Lycoming County with regard to public sanitary sewer improvements. These projects include, $1,815,000 for the design

and construction of the Muncy Creek Township Sewer System; $990,000 for Montoursville Regional Sewer System (MRSS); $1818,500 to complete conveyance and treatment capacity for the Armstrong Township sewer collection project; and $2,000,000 for wastewater collection and conveyance capacity for the existing users of the Montoursville Regional Sewer System (MRSS).

Mr. Speaker, these projects are important components in Lycoming County's compliance with the Environmental Protection Agency and the Pennsylvania Department of Environmental Protection's Clean Water Action Regulations. This authorization provides these communities with the resources to comply with these important environmental goals and meet Lycoming County's objective of providing public sanitary sewer service at affordable rates.

## CONGRATULATIONS TO MRS. PATRICIA HAUGH, R.N.

### HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 10, 1999*

Ms. BALDWIN. Mr. Speaker, I rise today to proudly salute a truly outstanding nurse from my district, Mrs. Patricia Haugh, who recently was presented with a Wisconsin Outstanding Nurses of the Year Award. The Award is sponsored by the Wisconsin League for Nursing and Blue Cross Blue Shield United of Wisconsin.

Mrs. Haugh, who was nominated by her coworkers at Reedsburg Area Medical Center, works in the Intensive Care Unit, Emergency Department, and Cardiac Rehabilitation Unit. During her 27 years of service, she kept the focus of work on the needs of patients and has been an example to her friends and coworkers. She compassionately spends hours with patients and families explaining their loved one's medical condition and helping them understand what treatments are being offered.

Mrs. Haugh's commitment to quality care is a quintessential example of the kind of selfless dedication that millions of American nurses demonstrate every day. We should all be fortunate to have health care professionals of her caliber working in our hospital and medical centers.

Mr. Speaker, please join me in honoring Mrs. Patricia Haugh. This week is National Nurses' Week, and we should all pause to celebrate Mrs. Haugh and all America's nurses; the heroes of the best health care system in the world.

## TRIBUTE TO SHIRLEY AND ERIC MAUER

### HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 10, 1999*

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to Shirley and Eric Mauer, recipients of the Rabbi Elijah J. And Penina Schochet Founders Award for Community Service. The Mauers are being honored for their 25 years of outstanding contributions in the field of education.

The Talmud states that "He who does charity and justice is as if he filled the whole world with kindness." In the spirit of such words, wonderful community activists such as Shirley and Eric actively participate in delivering tremendous support, selflessly dedicating their time and energy to enriching our community. I can think of no better tribute to Shirley and Eric.

Both natives of Montreal, Canada, Shirley and Eric have been married for 41 years. Shirley received her degree from McDonald College for Teachers and Eric earned his degree in accounting from McGill University. Shirley has enjoyed a long and prosperous teaching career. She began her career by developing a kindergarten program and teaching it at the Boulevard School. Several years later, she became Director of the Boulevard School.

In 1981, the Mauers bought the Boulevard School and transformed it into one of the most distinguished and academically enriched preschools in the San Fernando Valley. In addition, Shirley sits on the Board of Directors at Temple Aliyah and Eric engages in ongoing volunteer activities.

Mr. Speaker, distinguished colleagues, please join me in honoring Shirley and Eric Mauer for their ongoing service to the Jewish community and the community at large.

## IN RECOGNITION OF MR. TURNER KING, SR.

### HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 10, 1999*

Mr. SHOWS. Mr. Speaker, I rise today to recognize the outstanding achievements of Mr. Turner King, Sr., a member of New Hope Missionary Baptist Church in Southaven, Mississippi.

Mr. Turner, now 84 years young, was born in Nesbit, Mississippi and married the late Mrs. Remell Bridgforth King. Mr. King supplemented his farming income by becoming a self-taught tailor, and by so doing he and his wife were able to provide education for their seven children, a niece and a nephew.

Della Mae King Sutton, a retired teacher, received her Bachelor's Degree from Mississippi Industrial College in Holly Springs. Turner King, Jr., now deceased, attended college for two years. Irene King McNeal, a teacher, earned her Bachelor's Degree at Mississippi Valley State University in Itta Bena. Earning their degrees at Rust College in Holly Springs include teachers Margaret King and Lerah Yvonne King Macklin, and Doris Ann King, who is in the banking business. Niece Marilyn Clarice Young White attended the University of Mississippi at Oxford for 3½ years and nephew Donald Ray Young graduated from Southaven High School.

Mr. Speaker, through hard work and determination, Mr. and Mrs. Turner King raised a fine family that has contributed much to our state. Turner King, Sr. and the late Mrs. King are role models for us all. I am proud to share with my colleagues in Congress this tribute to the King Family.

## HONORING THE TOWN OF DUMFRIES' 250TH ANNIVERSARY

### HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 10, 1999*

Mr. DAVIS of Virginia. Mr. Speaker, it gives me great pleasure to rise today to pay tribute to the Town of Dumfries and its good people as they celebrate their 250th anniversary. The Town of Dumfries, located in Prince William County, has played a significant role in shaping the Eleventh District and the Commonwealth of Virginia.

It is an honor for me to highlight the foundations of Dumfries, Virginia. The history of Dumfries echoes the commitment to establish a new and greater world by our nation's founding fathers. I ask of you to join me as we turn back the pages of history and share the last 250 years of the Town of Dumfries.

Captain John Smith first saw Dumfries as he and his courageous team of explorers sailed up the Potomac River in 1608. In 1651, Richard Turney was issued the first patent in an area that would later become "Old" Prince William County.

Development began before 1690 as river front plantations began to take shape and commercial enterprises were established.

In 1749, the Town of Dumfries was officially chartered.

The directors and trustees included George Mason, author of the Virginia Declaration of Rights and the principle figure in insisting that the Constitution of the United States of America contain the Bill of Rights. By 1759, the legislature moved the county court to Dumfries. Dumfries had grown into a major center of commerce. Dumfries' port rivaled those of New York, Philadelphia and Boston.

In 1796, after several up and down decades, the merchants of Dumfries formed the Quantico Creek Navigation Company to compete with other river ports and to help facilitate the trade town's economy.

During the Civil War, General Robert E. Lee brought many troops into the area to protect the Potomac River line. This brought much excitement to the area, in what had primarily become an agriculture town over the previous five decades. With the growth of America's railroad system, the economy turned to oak railroad ties as the primary means of trade.

In 1872, the Town of Dumfries was officially incorporated by the state legislature in Richmond.

We jump now to 1920, the King's Highway of the colonial days and Telegraph Road of the Civil War, now known as U.S. Highway 1 was overhauled to carry the north and south traffic patterns. This remained a main transportation crossing until the construction of the modern-day interstate highway system. The Town of Dumfries has continued to grow and sustain a well-balanced community ever since.

In 1961, the Town of Dumfries celebrated the reinstitution of its charter. A town celebration was also held to honor the Bicentennial of the United States of America.

Today, the Town of Dumfries is proud of the growth and success of its recently formed industrial park.

Mayor Christopher Keith Brown, currently serving his first term, has been a lifelong resident of the Town of Dumfries. Mayor Brown has played an extremely important role in the success of the Town of Dumfries and its anniversary celebration. I know and trust that the Town of Dumfries is in good hands for the future with Mayor Brown as its leader.

Mr. Speaker, I know my colleagues join me in honoring the Town of Dumfries on its 250th anniversary. The residents of Dumfries have been outstanding citizens of the Commonwealth of Virginia. Their commitment to enhancing the greater Prince William community is greatly appreciated. I know my colleagues join me in saluting the Town of Dumfries on their very special anniversary and wish them continued success into the future.

## PROTECT KENTUCKY DAIRY FARMERS

### HON. KEN LUCAS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 10, 1999*

Mr. LUCAS of Kentucky. Mr. Speaker, I rise today in strong support of our nation's dairy farmers. In my home state, Kentucky farmers are experiencing price volatility in all commodities from hogs to tobacco and dairy. When dairy farmers are hurt, it has a multiplying effect on the community. We have an opportunity here in Congress to provide stability to our dairy farmers. We can do this by ratifying the Southern Dairy Compact.

Already in Kentucky, the General Assembly passed legislation authorizing Kentucky to enter the Southern Dairy Compact and I am pleased to support federal legislation that authorizes the Compact. Because of fluctuating milk prices, Kentucky has lost almost one dairy operation per day in the last two years. Just this year, the BFP (Base Formula Price) for April milk fell by more than $7 per 100 weight. If ever there was a time to protect our dairy farmers and consumers from fluctuation in fluid milk prices, it is now. H.R. 1604 would provide a safety net for dairy farmers and their families and allows for the establishment of a pricing mechanism for fluid milk sold in the region. Ratification of the Dairy Compact will give our dairy farmers the tools they need to survive and prosper. It will reduce the instability in milk prices, which has hurt both consumers and dairy farmers alike.

Another issue that has a major impact on our dairy farms is the recent announcement by the Administration of the final rule on the Federal Milk Marketing Order reform. These reforms were directed as part of the 1996 Farm Bill. Milk marketing orders classify milk by use, set minimum prices that handlers must pay for each class of milk, and provide for paying average prices to all dairy farmers who supply a particular region.

In Kentucky, our dairy farmers already face economic pressures. Our milk is coming from fewer farms. In fact, there has been a 26 percent decline in dairy operations from 1993–1999. Unfortunately, the plan that the Administration proposed ignores what 46 of 48 states prefer. This is why I support Option 1A and have cosponsored a bill that would legislate this reform, H.R. 1402. Kentucky produces a high volume of Class I, fluid milk. I believe Option 1A is the best choice to guarantee our consumers an adequate supply of fresh, wholesome milk. Our farmers should not have to spend their time figuring out a complex system of milk prices, when instead they could be out working on their farm. Option 1A would reduce volatility of the dairy market and assure that there will be enough fresh milk in all markets of our nation.

With over 2000 dairy farms in Kentucky, our neighbors, families and communities are counting on us to pass these important pieces of legislation. Now is the time to help our farmers.

## HAPPY 100TH BIRTHDAY SONOCO!

### HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 10, 1999*

Mr. SPRATT. Mr. Speaker, one hundred years ago today, Major James Lide Coker, a Civil War veteran, formed the Southern Novelty Company. The South was still agrarian and still starved for capital, but men like D.A. Tompkins in Charlotte and Henry Grady in Atlanta envisioned a New South. Entrepreneurs like James Lide Coker brought the New South into being. Coker perfected a way of producing paper from pulp of Southern yellow pine and created a manufacturing process for making paper cones in high quantities at low cost. The Customer: textile companies then emerging all over the South. Cotton yarn was wound and packaged on the paper cones.

By 1923, the Southern Novelty Company was international, part of a joint venture in Great Britain, and the company changed its name to Sonoco. From its humble beginning in Hartsville, South Carolina, Sonoco has grown into a global packaging leader. Today, Sonoco makes a wide spectrum of consumer and industrial products, supplying customers in 85 countries. It has a network of 275 manufacturing plants on five continents, but it has never forgotten its origin. It is still headquartered in the same small city where it started, Hartsville, South Carolina, which a year ago was named an ''All-American City,'' due in no small part of its chief corporate citizen.

Sonoco packaging touches us every day. It may be a paperboard can of frozen orange juice, a container for potato chips, pet food, motor oil, or window caulking. It may be a paperboard carton holding medicine, cosmetics, or film, or a protective liner sealing foods and beverages. And when you use plastic grocery bags or shopping bags, the chances are good they were made by Sonoco because Sonoco is a major supplier. Sonoco remains a world leader in packaging for industry, still producing tubes and cores for textile products like yarn, but also for film, paper, and metals. And I should add that Sonoco is a world leader and innovator in using recycled materials.

While Sonoco products are not household names, the company grows by helping its customers manufacture and distribute their products to consumers around the world. Sonoco ranks number one or number two in all of its major product lines.

How does Sonoco do it? Through one hundred years of commitment to innovation and quality; through leadership in paper recycling since 1920; through constantly seeking out customer feedback; through a company mission to be the best, the lowest-cost provider of preferred products worldwide; and through excellent managers and a first-rate workforce. The bottom-line bears testimony to all of the above. Since Sonoco's founding in 1899, the company has averaged an annual increase in earnings of 12.4 percent.

Mr. Speaker, I am proud to represent corporate citizens like Sonoco. I sent Sonoco employees around the globe, from Hartsville to Hong Kong, our best wishes for a happy 100th birthday, and for many more returns!

## THE 130TH ANNIVERSARY OF MORRISTOWN HIGH SCHOOL, COUNTY OF MORRIS, NEW JERSEY

### HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 10, 1999*

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to congratulate the people of Morristown and surrounding communities, in Morris County, New Jersey, as they commemorate the 130th anniversary of the founding of Morristown High School.

Morristown High School began as the Maple Avenue School on December 13, 1869. Over 400 students, seven of whom would become the first alumni of Morristown High School, entered the halls of this new school that day. Students from many distant communities came to Morristown to participate in one of the few high school programs offered in the State of New Jersey. At that time, Morristown offered the most complete curriculum, including courses of studies in varying levels of mathematics, science, and philosophy, as well as reading, composition, singing, and drawing. Morristown High School now offers students over 200 courses of study and more than 100 extracurricular activities in which to participate. The newspaper, yearbook, and student literary magazine have been awarded the highest national honors, and the athletic, music, and drama programs are ranked among the highest in the State.

Even in the earliest days of its existence, Morristown High School did not discriminate against anyone who was eager to learn. In 1886, Clarence H. Walker, the first African-American student was admitted, an occurrence unheard of in other communities at that time. His sister, Estella Walker, member of the Class of 1897, went on to attend Wilber-Force College. Equal educational access was, and would always be, a priority at Morristown High School.

Many of Morristown High School's students have gone on to serve proudly in our Nation's Armed Forces. John Monteith, member of the Class of 1912, was the first Morristown High School graduate to make the ultimate sacrifice by giving his life in World War I. Roland M. Brown, member of the Class of 1941, distinguished himself as a Tuskegee Airman and Admiral Fredrick Turner, also a member of the Class of 1941, would command the U.S. Sixth Fleet.

Mr. Speaker, for the past 130 years Morristown High School has prospered as an exceptional educational institution and continues to flourish today. Its graduates have gone on to serve both our community and our Nation in countless ways. By all accounts, it will continue to prosper in the future. I ask you, Mr. Speaker, and my colleagues to congratulate all members of the Morristown High School community and their alumnae on this special anniversary year.

## J.J. ''JAKE'' PICKLE FEDERAL BUILDING

SPEECH OF

### HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 4, 1999*

Mr. HOUGHTON. Mr. Speaker, J.J. (Jake) Pickle is one of the outstanding men I've ever known. He is a doer. His House record is filled with significant and sensitive accomplishments. But you have to dig it out. As contrasted to the hefty P.R. machines that work around Washington, Jake's was modest, infrequent, and honest.

As a human being and friend, one could find no more genuine example. Friendship consists of a special radar and consistency. The knowledge that a friend is ''there'' reflects the kernel of friendship. That is Jake Pickle.

Jake stood on the world stage for years with distinction. But his most meaningful contributions always seemed to show up with everyday people. Some have that touch to relate. Jake's touch is infallible.

To dedicate anything to Jake Pickle does the greatest credit to the originators.

## TRIBUTE TO JUDY GELLER

### HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Monday, May 10, 1999*

Mr. SHERMAN. Mr. Speaker, I rise today to pay tribute to Judy Geller as she is honored as Woman of the Year by Temple Valley Beth Shalom.

Mohandas Gandhi said that ''You find yourself by losing yourself in service to your fellow man, God, and country.'' As Judy Geller receives the prestigious Woman of the Year Award, it seems an appropriate time to acknowledge her dedicated service to Valley Beth Shalom, to the Jewish community and the community at large, and to her family.

Judy's commitment and devotion to Valley Beth Shalom sets an example for us all. Prior to serving as Temple President, Judy held numerous other positions at Valley Beth Shalom including Administration Vice President, Religion Vice President, Membership Vice President, Education Vice President, and Sisterhood President. She also continues to serve, as she has since 1982, as a member of the Temple's Board of Directors.

Service to the Jewish community and the greater community have been central to Judy's life as well. She is a member of the Hillel Campus Council at Los Angeles Pierce and Valley Colleges, a Past President of the San Fernando Council of B'nai B'rith Women, Past President of the Encino Chapter of B'nai B'rith Women, and is a Life Member of Jewish Women International and Hadassah. She also has served as a Social Welfare Aide Volunteer with the American Red Cross, and is a past Chair of the Women's Auxiliary Committee of the Los Angeles Open Golf Tournament.

Through her forty-four years of married life, Judy and her husband, Gene, have maintained a Jewish home which is compassionate, accepting, moral, and intellectually alive. They have passed these values as well on to their three children and five grandchildren.

Mr. Speaker, distinguished colleagues, please join me in honoring Judy Geller for her exemplary dedication and service to Valley Beth Shalom, to her family, and to our community.

## SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, May 11, 1999 may be found in the Daily Digest of today's RECORD.

## MEETINGS SCHEDULED

MAY 12

9:30 a.m.

Indian Affairs

To hold oversight hearings on HUBzones implementation.

SR–485

Health, Education, Labor, and Pensions

To resume hearings on proposed legislation authorizing funds for programs of the Elementary and Secondary Education Act, focusing on Title I provisions.

SD–628

Energy and Natural Resources

To resume hearings to examine damage to the national security from alleged Chinese espionage at the Department of Energy nuclear weapons laboratories.(Hearings may go into a closed session).

SH–216

Armed Services

Closed business meeting to markup S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, and related measures.

SR–222

Commerce, Science, and Transportation

Communications Subcommittee

To hold hearings on S. 800, to promote and enhance public safety through the use of 9–1–1 as the universal emergency assistance number, further deployment of wireless 9–1–1 service, support of States in upgrading 9–1–1 capabilities and related functions, encouragement of construction and operation of seamless, ubiquitous, and reliable networks for personal wireless services.

SR–253

10 a.m.

Judiciary

Technology, Terrorism, and Government Information Subcommittee

Business meeting to consider S. 692, to prohibit Internet gambling.

SD–226

Finance

To hold hearings on Medicare reform, focusing on the key differences between Medicare and other group health insurance programs.

SD–215

2 p.m.

Judiciary

Immigration Subcommittee

To hold hearings to examine workforce needs of American agriculture, farm workers, and the United States Economy.

SD–226

Armed Services

Closed business meeting to markup S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, and related measures.

SR–222

Intelligence

To hold closed hearings on pending intelligence matters.

SH–219

2:30 p.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings to examine incentives and barriers created by the federal government in bringing new technologies to the marketplace.

SR–253

3 p.m.

Foreign Relations

Western Hemisphere, Peace Corps, Narcotics and Terrorism Subcommittee

To hold hearings on the state of democracy and the rule of law in the Americas.

SD–562

MAY 13

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 698, to review the suitability and feasibility of recovering costs of high altitude rescues at Denali National Park and Preserve in the state of Alaska; S. 711, to allow for the investment of joint Federal and State funds from the civil settlement of damages from the Exxon Valdez oil spill; and S. 748, to improve Native hiring and contracting by the Federal Government within the State of Alaska.
SD–366

Armed Services
Closed business meeting to markup S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, and related measures.
SR–222

10 a.m.
Environment and Public Works
To hold hearings on issues relating to the Clean Water Action Plan.
SD–406

Health, Education, Labor, and Pensions
To hold hearings on the nomination of Richard M. McGahey, of the District of Columbia, to be an Assistant Secretary of Labor.
SD–628

Foreign Relations
To hold hearings on issues relating to the ABM Treaty, focusing on Start II and missile defense.
SD–562

Finance
To hold oversight hearings on United States Customs, focusing on commercial operations.
SD–215

2 p.m.
Judiciary
Criminal Justice Oversight Subcommittee
To hold hearings to examine the Department of Justice's refusal to enforce the Law on Voluntary Confessions.
SD–226

Armed Services
Closed business meeting to markup S. 974, to authorize appropriations for fiscal years 2000 and 2001 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal years 2000 and 2001, and related measures.
SR–222

2:30 p.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold hearings to examine fire preparedness on Federal lands.
SD–366

MAY 14

9:30 a.m.
Appropriations
Defense Subcommittee
To hold hearings on proposed budget estimates for fiscal year 2000 for the Department of Defense.
SD–192

MAY 18

10 a.m.
Finance
To resume oversight hearings on United States Customs, focusing on commercial operations.
SD–215

2:30 p.m.
Energy and Natural Resources
Energy Research, Development, Production and Regulation Subcommittee
To hold hearings on S. 924, entitled the ''Federal Royalty Certainty Act''.
SD–366

MAY 19

9:30 a.m.
Indian Affairs
To hold hearings on S. 614, to provide for regulatory reform in order to encourage investment, business, and economic development with respect to activities conducted on Indian lands; and S. 613, to encourage Indian economic development, to provide for the disclosure of Indian tribal sovereign immunity in contracts involving Indian tribes,and for other purposes.
SR–485

Energy and Natural Resources
Business meeting to consider pending calendar business.
SD–366

2 p.m.
Energy and Natural Resources
National Parks, Historic Preservation, and Recreation Subcommittee
To hold oversight hearings on the status of Youth Conservation Corps and other job programs conducted by the National Park Service, Bureau of Land Management, Forest Service, and the U.S. Fish and Wildlife Service.
SD–366

MAY 20

9:30 a.m.
Environment and Public Works
Transportation and Infrastructure Subcommittee
To resume hearings on the implementation of the Transportation Equity Act for the 21st century.
SD–406

10 a.m.
Governmental Affairs
Business meeting to consider S. 746, to provide for analysis of major rules, to promote the public's right to know the costs and benefits of major rules, and to increase the accountability of quality of Government; S. 59, to provide Government-wide accounting of regulatory costs and benefits; S. 468, to improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public; the nomination of Eric T. Washington, of the District of Columbia, to be an Associate Judge of the District of Columbia Court of Appeals; the nomination of Stephen H. Glickman, of the District of Columbia, to be an Associate Judge of the District of Columbia Court of Appeals; the nomination of Hiram E. Puig-Lugo, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia; and the nomination of John T. Spotila, of New Jersey, to be Administrator of the Office of Information and Regulatory Affairs, Office of Management and Budget.
SD–342

2 p.m.
Energy and Natural Resources
Energy Research, Development, Production and Regulation Subcommittee
To hold hearings on S. 348, to authorize and facilitate a program to enhance training, research and development, energy conservation and efficiency, and consumer education in the oilheat industry for the benefit of oilheat consumers and the public.
SD–366

2:30 p.m.
Energy and Natural Resources
Energy Research, Development, Production and Regulation Subcommittee
To hold joint oversight hearings with the House Committee on Government Reform's Subcommittee on National Economic Growth, Natural Resources and Regulatory Affairs, on the Administration's fiscal year 2000 budget request for climate change programs and compliance with various statutory provisions in fiscal year 1999 appropriations acts requiring detailed accounting of climate change spending and performance measures for each requested increase in funding.
SD–366

MAY 25

9:30 a.m.
Energy and Natural Resources
To hold oversight hearings on state progress in retail electricity competition.
SD–366

10 a.m.
Finance
To resume oversight hearings on United States Customs, focusing on commercial operations.
SD–215

2:15 p.m.
Energy and Natural Resources
National Parks, Historic Preservation, and Recreation Subcommittee
To hold hearings on S. 140, to establish the Thomas Cole National Historic Site in the State of New York as an affiliated area of the National Park System; S. 734, entitled the ''National Discovery Trails Act of 1999''; S. 762, to direct the Secretary of the Interior to conduct a feasibility study on the inclusion of the Miami Circle in Biscayne National Park; S. 938, to eliminate restrictions on the acquisition of certain land contiguous to Hawaii Volcanoes National Park; S. 939, to correct spelling errors in the statutory designations of Hawaiian National Parks; S. 946, to authorize the Secretary of the Interior to transfer administrative jurisdiction over land within the boundaries of the Home of Franklin D. Roosevelt National Historic Site to the Archivist of the United States for the construction of a visitor center; and S. 955, to allow the National Park Service to acquire certain land for addition to the Wilderness Battlefied in Virginia, as previously authorized by law, by purchase or exchange as well as by donation.
SD–366

MAY 26

9:30 a.m.
Indian Affairs
To hold oversight hearings on Native American Youth Activities and Initiatives.
SR–485

MAY 27

2 p.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 244, to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system; S. 623, to amend Public Law 89–108 to increase authorization levels for State and Indian tribal, municipal, rural, and industrial water supplies, to meet current and future water quantity and quality needs of the Red River Valley, to deauthorize certain project features and irrigation service areas, to enhance natural resources and fish and wildlife habitat; and S. 769, to provide a final settlement on certain debt owed by the city of Dickinson, North Dakota, for the construction of the bascule gates on the Dickinson Dam.
SD–366

JUNE 17

9:30 a.m.
Commerce, Science, and Transportation
To hold hearings on mergers and consolidations in the communications industry.
SR–253

SEPTEMBER 28

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.
345 Cannon Building